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Knoxville, Tenn.  
July 1, 1967

# *Analysis of the* **KNOXVILLE, TENNESSEE HOUSING MARKET**

**as of July 1, 1967**

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**A Report by the  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FEDERAL HOUSING ADMINISTRATION  
WASHINGTON, D. C. 20411**

**May 1968**

ANALYSIS OF THE  
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AS OF JULY 1, 1967

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WASHINGTON, D.C. 20410

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Field Market Analysis Service  
Federal Housing Administration  
Department of Housing and Urban Development

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## Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science, the judgmental factor is important in the development of findings and conclusions. There will be differences of opinion, of course, in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst and the FHA Market Analysis and Research Section.

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ANALYSIS OF THE  
KNOXVILLE, TENNESSEE, HOUSING MARKET  
AS OF JULY 1, 1967

Summary and Conclusions

1. During the 12 months ending May 31, 1967, nonagricultural wage and salary employment in the Knoxville Housing Market Area (HMA) averaged 137,600 workers, reflecting a gain of 5,800 (4.4 percent) over the average for the preceding 12-month period. Wage and salary employment increased by 6,500 between 1965 and 1966, following an increase of 6,000 workers one year earlier. It is estimated that total nonagricultural employment will increase by an average of 4,400 persons a year during the July 1967 to July 1969 forecast period.
2. The median annual income of all families in the HMA, after deducting federal income taxes, was \$5,800 as of July 1, 1967, and the median income of renter households of two or more persons was \$4,225. By July 1969, median annual after-tax incomes are expected to increase to \$6,050 for all families and \$4,400 for renter households.
3. The population of the Knoxville HMA as of July 1, 1967, was approximately 418,000. The population of Knox County was 289,000, equal to 69 percent of the HMA total, with the remainder divided fairly evenly between Anderson County and Blount County. The HMA population is expected to increase by an average of 8,000 persons a year during the July 1967 to July 1969 period-- 5,450 a year in Knox County, 1,500 a year in Anderson County, and 1,050 a year in Blount County.
4. As of July 1, 1967, there were 119,500 households in the HMA, including 83,600 in Knox County, 17,900 in Anderson County, and 18,000 in Blount County. It is estimated that the number of households in the HMA will reach a level of about 124,700 by July 1, 1969, with an average annual increase of 1,800 in Knox County, 450 in Anderson County, and 350 in Blount County.
5. The housing inventory of the Knoxville HMA increased by about 11,800 units between April 1960 and July 1967, reaching a level of 124,500 housing units. The net increase in the inventory resulted from the construction of 19,000 new units, the loss of about 7,150 units through demolition and other causes, and the net loss of about 50 trailers. There were about 525 single-family homes and 1,400 multifamily housing units under construction as of July 1, 1967, most of which were in Knox County.

6. As of July 1, 1967, there were about 750 vacant housing units available for sale in the HMA, a homeowner vacancy rate of 0.9 percent, and approximately 2,000 vacant units available for rent, a rental vacancy rate of 5.0 percent. About 50 of the vacant sales units and 600 of the vacant rental units lacked one or more plumbing facilities. With the exception of a slightly higher rental vacancy rate in Anderson County (5.5 percent) neither the homeowner nor rental vacancy rate varied significantly from the HMA average in any submarket area. The July 1967 vacancy levels reflect substantial reductions from April 1960 homeowner and rental vacancy rates of 1.6 percent and 8.3 percent, respectively.
  
7. Based on anticipated growth and current inventory and vacancy characteristics in each of the three submarket areas, it is estimated that the demand for new privately-financed housing units in the Knoxville HMA will average about 2,900 units a year during the July 1967 to July 1969 forecast period, including 1,800 single-family units and 1,100 multifamily units, which includes an annual demand for 300 multifamily units in the Knox County submarket area which would be effective only at the lower rents achievable by use of public benefits or assistance in financing or land acquisition and cost. The demand estimate does not include public low-rent housing or rent supplement accommodations. The following table summarizes the projected annual demand for new single-family and multifamily housing by submarkets. The qualitative demand by sales price, unit size and gross monthly rent is presented in each of the submarket summary reports.

Estimated Annual Demand for New Housing  
Knoxville, Tennessee, HMA  
July 1, 1967 to July 1, 1969

<u>Area</u>	<u>Number of units</u>		
	<u>Single-family</u>	<u>Multifamily</u>	<u>Total</u>
HMA total	1,800	1,100	2,900
Knox County	1,075	925 <sup>a/</sup>	2,000 <sup>a/</sup>
Anderson County	375	75	450
Blount County	350	100	450

<sup>a/</sup> Includes 300 units at the lower rents possible with below-market-interest-rate financing or assistance in land acquisition and cost.

ANALYSIS OF THE  
KNOXVILLE, TENNESSEE, HOUSING MARKET  
AS OF JULY 1, 1967

Housing Market Area

The Knoxville, Tennessee, Housing Market Area (HMA) is defined as being coterminous with the Knoxville Standard Metropolitan Statistical Area (SMSA) which consists of Knox, Anderson, and Blount Counties, Tennessee. The HMA had a population of 368,100 as of April 1, 1960<sup>1/</sup>. Approximately 68 percent of the population of the HMA lived in Knox County, which had a 1960 population of 250,500, including 111,800 persons in the city of Knoxville. About 16 percent of the population of the HMA was in Anderson County; 60,050 persons, including 27,100 in the city of Oak Ridge. Blount County population totaled 57,550, equal to about 16 percent of the HMA population. The principal cities in Blount County are Maryville, with a 1960 population of 10,350, and Alcoa with a population of 6,400 persons. Examination of the Knoxville HMA discloses sufficient variation in the economic, demographic, and housing characteristics of the three counties included in the HMA to suggest the treatment of each as a distinct submarket area. Each is discussed separately in the following analysis and an estimate of the demand for new housing is presented for each submarket based on the particular market factors applicable to each.

The HMA is located in the Tennessee Valley at the confluence of the Holston and French Broad Rivers, the headwaters of the Tennessee River. The HMA is approximately 280 miles south of Cincinnati, Ohio, 195 miles east of Nashville, Tennessee, and 195 miles north of Atlanta, Georgia. Major highways in and around Knoxville are U.S. Interstate Routes 40 and 75, and U.S. Routes 11, 25, 70, and 411. Twenty-three regular route common carrier truck lines serve the Knoxville area. Two major railroads operate 35 scheduled freight and eight passenger trains daily. Passenger service is provided by two interstate bus companies. The Greater Knoxville Airport is served by five scheduled airlines.

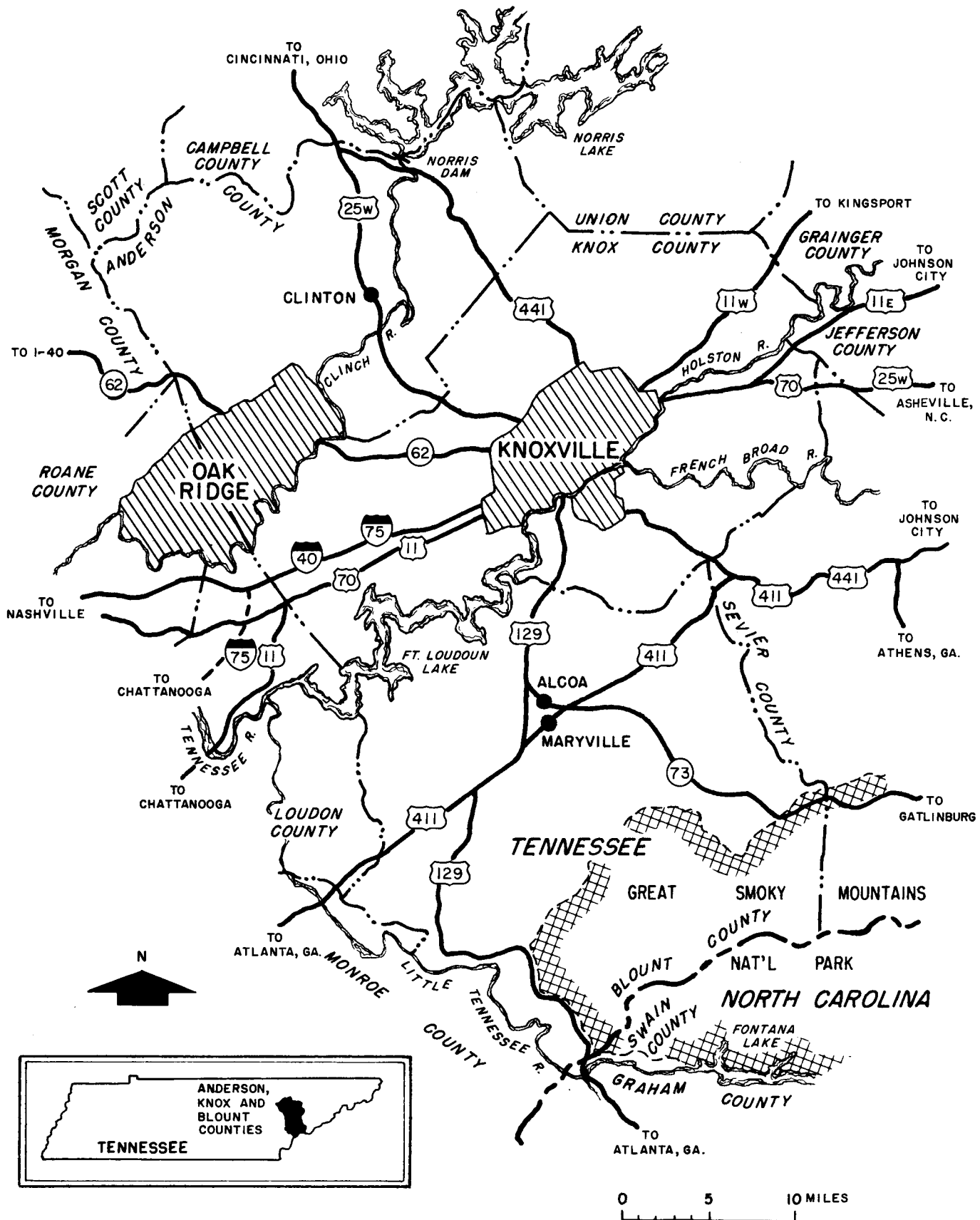
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<sup>1/</sup> See Appendix A, paragraph 1.



According to the 1960 Census of Population, 9,741 persons who lived outside the housing market area commuted to work in the HMA and 5,426 residents of the HMA traveled to places of employment outside the three-county HMA. The place of work was not indicated for 5,854 workers residing in the HMA. Of those residents reporting jobs outside the HMA, 2,417 (45 percent) were employed in Roane County. Most of these were employed at the Oak Ridge Operations of the U.S. Atomic Energy Commission. Part of the city of Oak Ridge, containing two major AEC facilities, is located in Roane County. Since the entire city of Oak Ridge is included in the Knoxville Labor Market Area, the workers at these AEC facilities are included in the employment data used in this analysis. That part of Oak Ridge situated in Roane County is nearly all occupied by AEC facilities; only 45 residents were reported in the area in 1960. About 41 percent of the workers commuting into the HMA were from Sevier, Roane, and Loudon Counties. A total of 1,640 workers commuted from Sevier County, 1,281 from Roane County, and 1,068 from Loudon County.

# KNOXVILLE, TENNESSEE, HOUSING MARKET AREA



## Economy of the Area

### Character and History

General Description. Although migration across the Allegheny Mountains into eastern Tennessee began before the American Revolution, the first permanent settlement of record in the housing market area was not established until 1785. Early migrants mostly were small farmers, who were attracted to the area by the fertile land, abundant supply of water, and large stands of timber. Knoxville, which was officially founded in 1791, was designated as the governmental seat of "The Territory of the United States South of the River Ohio", and when the State of Tennessee was established in 1796 Knoxville became the first capital of the state. Knox County was established by the Territorial Legislature in 1792. Blount County was created by the Territorial Legislature in 1795, being formed by the separation of a portion of Knox County. Anderson County was created by the Tennessee Legislature in 1801. Although Knoxville served as the state capital from 1796 to 1812 and again briefly from 1817 to 1818, early economic activity mainly centered around agriculture and related trade, and economic growth was relatively slow. Cotton growing spread across the mountains into Tennessee shortly after 1800, but the hilly topography of eastern Tennessee was not suited to the growing of cotton and the economy of the HMA benefited little from this development. In 1850 the first official census in the city of Knoxville reported a population of only 2,076.

Principal Economic Activities. Improvement of transportation facilities and expansion of western migration following the Civil War stimulated the growth of wholesale trade, and Knoxville became the principal trade center for major portions of Tennessee, Kentucky, Virginia, North and South Carolina, Georgia, and Alabama. Coal mining began in Anderson County in 1850 and continues to be an important industry in the HMA with annual production averaging about one and one-half million tons. Marble and zinc also are found in large quantities in the HMA; the Knoxville area is well known as one of the major marble centers of the world and the leading area for zinc production in the United States.

In 1914, the Aluminum Company of America began operations in Blount County, utilizing electric power from a series of dams built several years earlier on the Little Tennessee River and its tributaries. With three large plant complexes in the city of Alcoa now producing aluminum pig, ingots, sheet and plate, aluminum powder, and foil, the aluminum industry today is one of the principal economic activities in the Knoxville HMA. The Tennessee Valley Authority, which was created by Congress in 1933 to promote agriculture and industry in the Tennessee Valley and to improve river navigation and flood control, maintains its principal administrative offices and an information office in Knoxville and operates

the Norris Dam, the Bull Run Steam Plant, and an experimental forestry nursery in Anderson County. The University of Tennessee, with more than 20,000 students enrolled on the main campus in Knoxville during the 1966-1967 school year, also is an important economic activity in the HMA. A fourth major economic activity in the Knoxville HMA is the Oak Ridge Operations of the U. S. Atomic Energy Commission. AEC assumed control of the Oak Ridge nuclear research and production facilities in January 1947. The facilities were originally established on a super-secret basis in late 1942 to produce enriched uranium for construction of the first atomic bombs. Although production of feed materials and enriched uranium for use in nuclear power plants and weapons components still is a major function of the Oak Ridge facilities, the AEC operations now are oriented more toward research and development and scientific training than toward production. Other major economic activities in the HMA include textile and apparel manufacturing and tourist trade. The tourist industry benefits substantially from the proximity of the Great Smokey Mountains National Park, about forty miles southeast of Knoxville.

#### Employment

Current Estimate and Past Trend. During the 12 months ending May 31, 1967, total nonagricultural employment in the Knoxville HMA averaged 154,000 workers, including 137,600 wage and salary workers and 16,400 self-employed persons, domestics, and unpaid family workers. The average level of nonagricultural wage and salary employment for this 12-month period reflects an increase of 5,800 (4.4 percent) over the average for the preceding 12-month period. During 1966, nonagricultural wage and salary employment averaged 136,100 workers, reflecting an increase of 6,500 (5.0 percent) over the average for 1965. Average wage and salary employment during 1965 reflected an increase of 6,000 (4.9 percent) over the average for 1964. The relatively large increases in employment in the HMA during 1965 and 1966 paralleled the national trend for those years, which reflected increased expenditures for Vietnam and domestic government programs, and continued expansion of business in general.

Employment in the apparel industry expanded by 1,400 in 1965 and 900 in 1966, reflecting orders for military apparel and accessories. The gains in the apparel industry accounted for about 18 percent of the increase in wage and salary employment in the HMA during 1965 and 1966. Other major employment gains during 1965 and 1966 included retail trade, which expanded by 1,200 workers in 1965 and 800 in 1966; services, which expanded by 1,000 in 1965, followed by 800 more last year; and government, with gains of 1,100 and 600, respectively, in 1965 and 1966. Much of the increase in government employment is attributable to growth of the University of Tennessee.

Although gains in nonagricultural wage and salary employment during the 1962-1964 period were not as extensive as during the past two years, sizable gains were achieved each year; a gain of 3,100 (2.8 percent) in 1962, was followed by increases of 4,500 (3.9 percent) in 1963, and 4,000 (3.3 percent) in 1964. During the 1960-1961 recession, nonagricultural wage and salary employment in the HMA declined by 700 workers.

Trend in Nonagricultural Wage and Salary Employment  
Knoxville, Tennessee, HMA, 1960-1967

<u>Year</u>	<u>Average annual employment</u>	<u>Year-to-year change</u>	
		<u>Number</u>	<u>Percent</u>
1960	112,700	-	-
1961	112,000	-700	-.6
1962	115,100	3,100	2.8
1963	119,600	4,500	3.9
1964	123,600	4,000	3.3
1965	129,600	6,000	4.9
1966	136,100	6,500	5.0

12 months ending:

May 31, 1966	131,800	-	-
May 31, 1967	137,600	5,800	4.4

Source: Tennessee Department of Employment Security.

Year-to-year changes in the major components of the civilian work force since 1962 are shown in table I.

Distribution by Industry. During the 12 months ending May 31, 1967, manufacturing employment averaged 47,700 workers and accounted for approximately 34.7 percent of all nonagricultural wage and salary employment in the Knoxville HMA. Employment in manufacturing was concentrated in the chemical industry (predominantly the atomic energy facilities), the apparel industry, and the primary metals industry (mainly aluminum production). Employment in the chemical, paper, petroleum products, coal, and leather industries (which are combined to avoid disclosure) averaged about 14,200. Employment in the primary metals industry and related categories (fabricated metals, electrical machinery, transportation equipment, instruments, and miscellaneous durable goods) averaged about 10,900. The

Tennessee State Department of Employment Security does not publish separate data pertaining to the chemical industry and the primary metals industry; however, based on data supplied by individual firms and other sources in the HMA it is estimated that the chemical industry employed about 13,500 persons and that the primary metals industry provided jobs for an average of 7,200 workers.

Employment of 47,700 persons in manufacturing industries during the 12 months ending May 31, 1967 reflected an increase of 1,400 over the level for the preceding 12-month period and equals the average for the year 1966. Employment in manufacturing has grown steadily during the past six years (following a reduction of 1,800 during the 1961 recession), but growth has not been as rapid as in the nonmanufacturing category. Manufacturing employment accounted for only 34.7 percent of all non-agricultural wage and salary employment during the 12 months ending May 31, 1967, compared with 37.7 percent in 1959. Employment in the chemical industry and related fields has been relatively stable in recent years, although the average of 14,200 workers reported for the 12 months ending May 31, 1967 reflects a decline of 800 since 1959. Employment in the primary metals industry and related industries increased by 2,100 during the same period, with an average of 10,900 workers reported for the latest 12-month period. The 7,800 workers in the apparel industry reflect an increase of 3,800 over the average employment in this industry in 1959. Average employment in the textile industry during the 12 months ending May 31, 1967 was 500 below the average employment level in this industry in 1959. Expansion of employment in other manufacturing industries between 1959 and 1967 was limited to gains of 400 workers or less.

An average of 89,900 persons were employed in nonmanufacturing activities in the Knoxville HMA during the 12-month period ending May 31, 1967. Wholesale and retail trade, with an average of 29,300 workers and government, with about 24,600, were the leading sources of nonmanufacturing employment followed by services, with an average of 16,900 workers.

Employment in nonmanufacturing activities during the 12 months ending May 31, 1967 reflected an increase of 4,400 over the average employment level in this category during the preceding 12-month period. Employment in nonmanufacturing industries has demonstrated consistent growth over the past seven years, including a gain of 1,100 during the 1961 recession, which partially offset the loss of 1,800 jobs in the manufacturing segment. Nonmanufacturing employment expanded by an average of 1,450 a year during the three-year period from 1959 through 1961, and by an average of 3,300 a year during the 1962 to 1964 period. Increases of 4,100 workers a year were reported during 1965 and 1966. Expansion of wholesale and retail trade employment has accounted for about 43 percent of all nonmanufacturing employment gains during the past three years. Most of the remaining growth has been accounted for by gains in services and government employment. Much of the expansion in government employment is attributable to growth at the University of Tennessee, which has added about 900 new employees to the staff and faculty since 1960, including about 400 during 1966.

Nonmanufacturing industries accounted for 65.3 percent of all non-agricultural wage and salary employment in the Knoxville HMA during the year ending May 31, 1967, as compared with only 62.3 percent in 1959. The distribution of nonagricultural wage and salary employment by type of industry during the 1959-1967 period is shown in table II.

Participation Rate. The ratio of employment to population of the area constitutes the employment participation rate. As measured by resident employment in nonagricultural industries reported by the census, the employment participation rate in the Knoxville HMA increased from 31.99 percent in 1950 to 33.61 percent in 1960. Calculated on the basis of nonagricultural employment as reported by the state employment service (by location of jobs rather than residence of workers) the participation rate in the HMA was about 34.50 percent in 1959. Considering the relatively high level of employment growth since 1959 and probable migration trends, it is estimated that the employment participation rate as of July 1, 1967 was approximately 36.84 percent.

#### Principal Employers

The latest Classified Directory of Industry published by the Greater Knoxville Chamber of Commerce lists a total of 575 manufacturing firms, including 15 which employ 500 or more workers. Of the 15 largest firms, five are in the apparel industry, three are in the chemical industry, three are in the mining industry, and one each in primary metals, fabricated textile products, instruments, and food and kindred products. The eight largest manufacturing firms in the Knoxville HMA employing 750 or more workers are shown in the following table.

Principal Manufacturing Employers  
Knoxville, Tennessee, HMA  
July 1, 1967

<u>Employer</u>	<u>Products</u>
Union Carbide Corp.	Nuclear research
Aluminum Co. of America	Primary aluminum
Standard Knitting Mills	Knit outerwear, underwear
Levi Strauss & Co. (Knox County)	Men's clothing, sportswear
Apparel Corp. of America	Men's clothing
Robertshaw Controls	Temperature controls
Levi Strauss & Co. (Blount County)	Sportswear, work clothes
Rohm & Haas Co., Inc.	Plexiglas, chemicals
Palm Beach Co.	Men's clothing

Sources: The Greater Knoxville Chamber of Commerce.

The 1963 Census of Business indicates that the Knoxville HMA had a total of 2,886 retail trade establishments with 17,250 paid employees, 613 wholesale trade establishments with 6,900 paid employees, and 2,067 selected service establishments with 5,675 paid employees. Major nonmanufacturing employers in the HMA include the University of Tennessee, the Tennessee Valley Authority, and the U. S. Atomic Energy Commission.

U.S. Atomic Energy Commission. The Oak Ridge Operations of the U.S. Atomic Energy Commission may be considered to be the largest single employer in the Knoxville HMA with an employment total of nearly 13,500 workers as of January 1, 1967; however, only 830 persons were employed directly by AEC. Most of the Oak Ridge nuclear research and production programs are operated under contract by the Union Carbide Corporation which employs about 11,900 workers. The University of Tennessee and the Oak Ridge Association of Universities (a corporation of 40 Southern universities and colleges) also participate under contract in AEC programs and employ about 525 people in Oak Ridge. Oak Ridge Operations is one of the most diversified of the Atomic Energy Commission's field offices and has a plant investment of more than \$1.6 billion in Oak Ridge proper. Major installations at Oak Ridge include the Gaseous Diffusion Plant, the Y-12 Plant, the Oak Ridge National Laboratory, the Oak Ridge Association of Universities, and the Agricultural Research Laboratory.

The Gaseous Diffusion Plant, which is operated by Union Carbide Corporation, produces enriched uranium for use in weapons components and to fuel nuclear reactors. About 2,500 persons are employed in this operation.



The Y-12 Plant, also operated by Union Carbide, is one of the Commission's most versatile installations and is used in a variety of production, engineering, and development activities. The Y-12 work force currently numbers about 4,350.

The Oak Ridge National Laboratory, operated by Union Carbide, participates in nearly every aspect of the AEC's programs, particularly those concerned with peaceful application of atomic energy. The Laboratory has approximately 100 research groups working in numerous fields, including reactor research, biology, chemistry, physics, metallurgy, health physics, stable and radioactive isotope research, nuclear fusion research, and education and training. Approximately 5,100 people are employed in this part of the Oak Ridge Operations.

The Oak Ridge Association of Universities provides a means for the active participation of a large number of universities in the nation's atomic energy program. A wide variety of research, education, and training projects are carried out by the Association, including research in the diagnosis and treatment of cancer and other diseases. Special courses have provided training for more than 5,000 participants since 1948. The full-time staff of the Association numbers about 335.

The Agricultural Research Laboratory, operated by the University of Tennessee under contract with the AEC, conducts radiobiological research in the field of agriculture. Projects include work with laboratory and farm animals, and experiments in applied radiobotany and plant breeding.

Aluminum Company of America. For many years the Aluminum Company of America was the sole producer of alumina and aluminum in the United States, and the company still produces about one-third of the aluminum produced in this country. The plant complex in the city of Alcoa in Blount County is one of eight primary aluminum production facilities operated by the company. Employment at the Alcoa complex was reported by the company to be about 6,500 as of July 1, 1967. Since 1960, employment has fluctuated between 6,000 and 7,000 workers, making Alcoa the second largest employer in the Knoxville HMA. About 30 percent of U. S. aluminum production is used by manufacturers of building products, about 22 percent for airplane and missile production, and 17 percent in the manufacture of truck tractors, bodies, and trailers. Foundries use about 5 percent of production and all other users account for the remaining 26 percent.

University of Tennessee. The University of Tennessee traces its origin back to 1794, when it was chartered by the Territorial Legislature as Blount College. The school was officially established as the University of Tennessee by the State Legislature in 1879. The University now consists of nineteen different colleges and schools, including the Medical Units in Memphis and the School of Social Work at Nashville. More than 20,000 students were enrolled on the main campus in Knoxville during the 1966-1967 school year. The staff and faculty numbered about 4,400 in Knoxville, including about 850 employees at the Memorial Research Center and Hospital at Knoxville, and about 650 employees in the Division of University Extension.

The Tennessee Valley Authority. TVA plays a major role in the economy of the Knoxville area. As of May 31, 1967, the Authority employed approximately 2,550 persons in the Knoxville HMA. Approximately 1,800 persons were employed in Knox County, where the Authority's principal administrative offices and information office are located. The three major TVA installations in Anderson County (Norris Dam, Bull Run Steam Plant, and Forestry Nursery) employed approximately 690 workers, and about 60 persons were on the Authority payroll in Blount County. The Tennessee Valley region in which TVA operates consists of 125 counties lying wholly or partly in the watershed of the Tennessee River. TVA electric power is distributed by independent municipal and cooperative electric systems in 76 additional counties. During the past 30 years, TVA has harnessed the Tennessee River with a system of multiple-purpose dams providing for flood control, improved navigation, and electric power generation; the Authority now operates 20 major dams and 10 steam electric generating plants. Anticipating future electric power needs, TVA has contracted for the construction of a nuclear power plant at Browns Ferry in northern Alabama and the first unit of the plant is scheduled to begin operations in 1970. The Authority also will operate a nuclear power plant now being constructed by the Atomic Energy Commission at a site on Melton Hill Reservoir, about 25 miles west of Knoxville.

### Unemployment

As reported by the Tennessee Department of Employment Security, unemployment in the Knoxville HMA averaged about 2.8 percent of the work force during the 12 months ending May 1967, with an average of 4,500 persons actively seeking work. The rate of unemployment for the 12-month period was just one-tenth of a percentage point higher than the average rate for 1966, but otherwise reflects a steady reduction in the rate of unemployment since the 1961 recession, when unemployment averaged about 7.8 percent. The unemployment trend in the HMA since 1960 is shown in the following table:

Unemployment Trend  
Knoxville, Tennessee, HMA  
1960-1967

<u>Year</u>	<u>Number unemployed</u>	<u>Percent of civilian work force</u>
1960 <sup>a</sup> /	9,000	6.3
1961 <sup>a</sup> /	11,250	7.8
1962	8,000	5.5
1963	7,700	5.2
1964	6,700	4.4
1965	4,800	3.1
1966 <sup>b</sup> /	4,400	2.7

12 months ending:

May 31, 1966 <sup>b</sup> /	4,500	2.8
May 31, 1967 <sup>b</sup> /	4,500	2.8

<sup>a</sup>/ Data for 1960 and 1961 are approximate since estimating method used is not strictly comparable with method used for 1962 and subsequent years.

<sup>b</sup>/ Preliminary. 1966 figures adjusted to 1966 benchmark, but subject to revision on basis of first quarter 1967 benchmark data when available.

Source: Tennessee Department of Employment Security.

Estimated Future Employment

Based on the outlook for expansion of current industries (including estimates of future employment made by AEC, Alcoa, TVA, and the University of Tennessee) and the possibility of new firms establishing operations in the HMA during the forecast period, it is estimated that total nonagricultural employment in the Knoxville HMA will increase by an average of about 4,400 persons a year during the July 1967 to July 1969 forecast period of this analysis. The projected growth is somewhat below the average for the past two years, which was unusually high as the HMA shared in the general economic growth of the country and increased government expenditures for Vietnam and domestic government programs. The projected growth approximates the growth achieved during 1963 and 1964.

It is estimated that manufacturing employment will expand by an average of about 1,500 workers a year during the next two years. An increase of about 300 workers a year is expected as a result of expanding operations at AEC facilities and an increase of about 100 to 200 workers a year is anticipated by Alcoa. An increase of about 400 to 500 workers annually may be expected in the textile and apparel industries, assuming the entry of two new firms during the forecast period and the partially offsetting employment losses expected because of declining military demand. At least moderate gains may be expected in other manufacturing categories, especially in nonelectrical machinery, food products, and printing and publishing.

Nonmanufacturing employment may be expected to grow by an average of about 3,000 new workers a year during the next two years. Wholesale and retail trade may be expected to grow by an average of 1,000 workers a year in response to expanding levels of population and personal income. The growth in population and income also will contribute to higher levels of employment in services, government, and other non-manufacturing activities. It is estimated that services will provide about 800 new jobs annually during the next two years. Government employment also will expand by about 800 workers a year, including an anticipated increase of about 375 employees a year on the staff and faculty of the University of Tennessee, an increase of about 100 workers a year at AEC facilities, and an increase of about 80 persons a year on the TVA payroll in the Knoxville area.

#### Income

The current median annual income, after deduction of federal income taxes, of all families in the Knoxville HMA is estimated at \$5,800; the median for renter households of two or more persons is estimated at \$4,225. It is expected that by July 1969, the median annual after-tax income of all families in the HMA will approximate \$6,050; the median after-tax income of all renter households of two or more persons is expected to increase to \$4,400. Median annual after-tax incomes of all families and of renter households in each of the submarkets of the HMA are shown in the following table. Detailed distributions of families and renter households by annual after-tax income by submarkets are presented in table III.

Median Annual After-Tax Income  
Knoxville, Tennessee, HMA  
1967 and 1969

<u>Area</u>	<u>1967</u>		<u>1969</u>	
	<u>All families</u>	<u>Renter households<sup>a/</sup></u>	<u>All families</u>	<u>Renter households<sup>a/</sup></u>
HMA total	<u>\$5,800</u>	<u>\$4,225</u>	<u>\$6,050</u>	<u>\$4,400</u>
Knox County	5,750	4,175	6,000	4,350
Anderson County	6,275	4,550	6,425	4,675
Blount County	5,800	4,225	6,100	4,425

<sup>a/</sup> Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

## Demographic Factors

### Population

Current Estimate. As of July 1, 1967, the population of the Knoxville HMA was approximately 418,000. The population of Knox County was about 289,000, equal to approximately 69 percent of the HMA total. The remaining 31 percent of the population was divided fairly evenly between Anderson County and Blount County. The July 1, 1967 population estimate of the HMA includes approximately 27,000 college students at the University of Tennessee, Knoxville College, and Maryville College. About half of the college students included in the population estimate generally are not present in the HMA during most of June, July, and August, but are included in the July estimate to provide comparability with other demographic and housing data and to reflect properly the impact of the student population on the economy of the area. Since 1950, the census has enumerated college students where they lived while attending college.

Past Trend. The July 1, 1967 population of 418,000 reflected an increase of 49,920 (13.6 percent) over the April 1960 population of 368,080 as reported by the census. Much of the increase in the population of the area between April 1960 and July 1967 was achieved during the 1965-1967 period when employment increased much more rapidly than in the 1960-1964 period. On the basis of employment trends, vital statistics, and yearly population estimates prepared by the Center for Business and Economic Research of the University of Tennessee, it appears that a long-existing out-migration trend was reversed during 1963. Net population growth was only 30,975 between 1950 and 1960, an average gain of less than one percent a year. The inability of the HMA economy to support a larger population gain during the 1950-1960 period is illustrated by the persistence of an average level of unemployment approximating 6.5 percent extending throughout the 10-year period.

Estimated Future Population. It is estimated that the population of the HMA will increase by an average of 8,000 persons a year in the 1967-1969 period, reaching a level of 434,000 by July 1969. The projected growth is based on anticipated employment gains during the two-year forecast period and on the assumption that the employment participation rate will continue to increase. In view of the tight labor market situation which has developed throughout the nation during the past two years, it is expected that a large proportion of the new jobs will be filled by resident women and young workers entering the labor market for the first time. Approximately seven percent of the anticipated population growth (about 650 persons a year) will be nonhousehold population, nearly all college students.

Population Trends  
Knoxville, Tennessee, HMA, 1950-1969

<u>Date</u>	<u>Population</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent<sup>a/</sup></u>
April 1, 1950	337,105	-	-
April 1, 1960	368,080	3,098	0.9
July 1, 1967	418,000	6,875	1.8
July 1, 1969	434,000	8,000	1.9

<sup>a/</sup> See Appendix A, paragraph 2.

Sources: 1950 and 1960 Censuses of Population; 1967 and 1969 estimated by Housing Market Analyst.

Natural Increase and Migration. From April 1960 to July 1967, there were approximately 54,200 resident births and 22,800 resident deaths in the Knoxville HMA, resulting in a net natural increase of 31,400 persons. Although the pattern of out-migration that prevailed during most of the 1950 to 1960 period continued at least into 1962, improvement in the economy during the following year was sufficient to reverse the out-migration trend. Subsequent large-scale gains in employment, especially since 1965, have led to continued in-migration. It is estimated that net in-migration into the HMA has totaled about 18,500 persons since April 1960. During the 1950-1960 decade there were approximately 88,475 resident births and 26,900 resident deaths in the HMA, resulting in a net natural increase of 61,575 persons. With the growth in total population between April 1950 and April 1960 totaling only 30,975, a net out-migration of 30,600 persons was indicated for the 10-year period.

Components of Population Change  
Knoxville, Tennessee, HMA, 1950-1967

<u>Component</u>	<u>Total change</u>		<u>Average annual change</u>	
	<u>April 1950- April 1960</u>	<u>April 1960- July 1967</u>	<u>April 1950- April 1960</u>	<u>April 1960- July 1967</u>
Total population change	<u>30,975</u>	<u>49,900</u>	<u>3,098</u>	<u>6,875</u>
Net natural increase	<u>61,575</u>	<u>31,400</u>	<u>6,158</u>	<u>4,325</u>
Net migration	<u>-30,600</u>	<u>18,500</u>	<u>-3,060</u>	<u>2,550</u>

Sources: Bureau of the Census, Current Population Reports, Series P-23, No. 7; Public Health Service, Vital Statistics; estimates by Housing Market Analyst.

## Households

Current Estimate. As of July 1, 1967, there were 119,500 households (occupied housing units) in the Knoxville HMA. Households in Knox County totaled 83,600, equal to 70 percent of all households in the HMA. Anderson and Blount Counties each accounted for about 15 percent of total households in the HMA, with 17,900 and 18,000 households, respectively.

Past Trend. The number of households in the Knoxville HMA as of July 1, 1967, reflected an increase of 14,775 (14.1 percent) over the 1960 level of 104,725 reported by the census. Based on employment trends, it appears that most of the household increase has taken place since 1962, with especially large gains during 1965 and 1966 as a result of expanding employment opportunities. Between 1950 and 1960, the number of households in the HMA increased by 15,916. The average gain of 2,040 households a year during the 1960-1967 period represents a significant increase over the average gain of 1,590 a year during the 1950-1960 period.<sup>1/</sup> The higher rate of household growth during the 1960-1967 period is attributed to an increase in the rate of population growth resulting from improved economic conditions, and to a decline in the average household size in the HMA.

Household size. The average household size in the Knoxville HMA as of July 1, 1967, was about 3.37 persons, down from the average of 3.43 persons reported by the 1960 Census. The average household size in the HMA in 1950 was 3.67 persons. The recent trend toward smaller household size is attributable primarily to changes in the age composition of the population. A sizeable increase in the number of people in their early twenties during the past several years has contributed to an increase in new household formation. These new households are typically small, consisting largely of young married couples without children and small "individual" households made up of persons living alone or with another individual. An increasing number of elderly persons continuing to maintain their own households also has contributed to the decline in the average household size. Average household size is expected to decline to about 3.35 persons during the two-year forecast period of this analysis.

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<sup>1/</sup> See Appendix A, paragraph 5.



Estimated Future Households. On the basis of anticipated employment and population growth and on the assumption that there will be a slight decline in average household size, it is estimated that the number of households in the Knoxville HMA will increase by an average of 2,600 a year during the next two years, reaching a level of about 124,700 by July 1, 1969.

Household Trends  
Knoxville, Tennessee, HMA, 1950-1969

<u>Date</u>	<u>Number of households</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent<sup>a/</sup></u>
April 1, 1950	88,809	-	-
April 1, 1960	104,725	1,592	1.8
July 1, 1967	119,500	2,050	1.8
July 1, 1969	124,700	2,600	2.2

a/ See Appendix A, paragraph 2.

Sources: 1950 and 1960 Censuses of Housing  
1967 and 1969 estimated by Housing Market  
Analyst.

## Housing Market Factors

### Housing Supply

Current Estimate and Past Trend. As of July 1, 1967, there were approximately 124,500 housing units in the Knoxville HMA. The July 1967 inventory represented a net increase of 11,800 units over the April 1960 count of about 112,700 reported by the census. This increase in the housing inventory resulted from the construction of approximately 19,000 new units, the loss of about 7,150 units through demolition and other causes, and the net loss of about 50 trailers. The increase in the housing inventory since April 1960 has averaged 1,625 units a year, compared with an average net addition of 1,800 during the 1950-1960 decade.<sup>1/</sup>

Units in Structure. The composition of the housing inventory by units in structure as of July 1, 1967, reflects the increase in construction in recent years of units in structures with five or more units. About 7.5 percent of all housing units in the Knoxville HMA were in multifamily structures of five or more units as of July 1, 1967, compared with only 5.6 percent in this type of structure in April 1960. The net increase in multifamily units in structures with five or more units totaled approximately 3,050 units, reflecting a gain of nearly 49 percent. Approximately 8,775 single-family housing units were added to the housing stock of the HMA during the same period, but the proportion of units in single-family structures declined from 87.4 percent to 86.1 percent.

### Housing Inventory by Units in Structure Knoxville, Tennessee, HMA April 1, 1960 and July 1, 1967

<u>Units in</u> <u>structure</u>	<u>April 1, 1960</u>		<u>July 1, 1967</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
One unit	98,481	87.4	107,250	86.1
Two units	3,105	2.7	3,200	2.6
Three and four units	3,610	3.2	3,575	2.9
Five or more units	6,262	5.6	9,300	7.5
Trailers	1,222	1.1	1,175	.9
Total	112,680	100.0	124,500	100.0

Sources: 1960 Census of Housing.  
1967 estimated by Housing Market Analyst.

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<sup>1/</sup> See Appendix A, paragraph 5.

Year Built. Based on data derived from the 1960 Census of Housing and on construction and demolition data, it is estimated that about 15 percent of the HMA housing inventory as of July 1, 1967 has been built since April 1, 1960. Approximately 40 percent of the inventory has been built within the past 17 years. Slightly over 34 percent of the July 1967 inventory was built from 1930 to 1949 and 26 percent was built prior to 1930.

Housing Inventory by Year Built  
Knoxville, Tennessee, HMA  
As of July 1, 1967<sup>a/</sup>

<u>Year built</u>	<u>Number of units</u>	<u>Percent of inventory</u>
April 1960-July 1967	19,000	15.3
1955 - March 1960	15,200	12.2
1950 - 1954	15,175	12.2
1940 - 1949	27,375	22.0
1930 - 1939	15,250	12.2
1929 or earlier	<u>32,500</u>	<u>26.1</u>
Total	124,500	100.0

a/ See Appendix A, paragraph 6.

Source: Estimated by Housing Market Analyst, based on 1960 Census of Housing and local construction and demolition data.

Condition. Assuming that most of the new units added to the housing inventory after April 1960 were of good quality and that most of the units removed by demolition or other causes were substandard, it is estimated that there are about 20,200 housing units in the HMA that are dilapidated or lack one or more plumbing facilities, equal to about 16 percent of the July 1, 1967 housing stock. The 1960 Census indicated that about 24 percent of the housing inventory of the HMA was dilapidated or deficient in plumbing. A total of 7,800 units were listed as dilapidated and 19,400 units lacked one or more plumbing facilities.

### Residential Building Activity

Trend. It is estimated that a total of approximately 19,000 new housing units were built in the Knoxville HMA in the seven and a quarter-year interval between April 1, 1960 and July 1, 1967, representing an average rate of construction of about 2,625 units a year.

As measured by building permits issued, which cover about 88 percent of all new residential construction in the HMA, building activity during the first six months of 1967 was 34 percent above the level for the first six months of 1966. A total of 1,743 housing units, all privately-financed, were authorized by building permits during the first six months of 1967, compared with 1,296 privately-financed units authorized during the first six months of 1966. During the full year 1966 the volume of new private residential building declined about 12 percent from the 1965 level, but the decline was caused primarily by a shortage of mortgage funds rather than a decrease in demand. Reflecting the improvement in the economy of the HMA during the past several years, privately-financed housing units authorized by building permits averaged about 2,775 a year during 1964 and 1965, compared with an average of less than 2,100 a year in the preceding four-year period from 1960 through 1963.

Approximately 5,100 privately-financed housing units in multifamily structures (two- or more-unit structures) were authorized by building permits between April 1, 1960 and July 1, 1967. During the period, 1,038 publicly-financed multifamily units also were authorized. Including publicly-financed units, multifamily units accounted for about 32 percent of all new residential construction during the period. The number of privately-financed multifamily units authorized by building permits averaged about 1,050 a year from 1964 to 1967, compared with an average of fewer than 375 a year during the four-year period from 1960 through 1963. New single-family housing units authorized by building permits totaled slightly over 13,000 between April 1, 1960 and July 1, 1967. As a result of the tight money market, single-family authorizations totaled only 1,489 during 1966, compared with 1,978 during 1965 and 1,822 in 1964. Single-family authorizations averaged 1,675 a year during the 1961-1963 period.

Housing Units Authorized by Building Permits  
Knoxville, Tennessee, HMA, 1960-1967

Year	Privately-financed units by units in structure				Publicly- financed units	Total private and public	Percent in structures of two or more units <sup>a/</sup>
	One	Two to four	Five or more	Private total			
1960	1,847	8	114	1,969	-	1,969	6.2
1961	1,668	26	286	1,980	-	1,980	15.8
1962	1,689	24	451	2,164	179	2,343	27.9
1963	1,658	68	499	2,225	60	2,285	27.4
1964	1,822	46	825	2,693	-	2,693	32.3
1965	1,978	56	816	2,850	799	3,649	45.8
1966	1,489	94	964	2,547	-	2,547	41.5
<u>First six months:</u>							
1966	897	44	355	1,296	-	1,296	31.8
1967	917	43	783	1,743	-	1,743	48.8

<sup>a/</sup> All publicly-financed units were in structures of two or more units.

Sources: U.S. Bureau of the Census, Construction Reports, C-40; and local building permit offices.

Units Currently Under Construction. Based on a postal vacancy survey conducted in July 1967, on building permit data, supplemental data obtained in the Knoxville area, and personal observation, it is estimated that there were about 1,925 housing units under construction in the Knoxville HMA as of July 1, 1967. There were approximately 525 single-family homes and about 1,400 units in multifamily structures under construction. The 1,400 multifamily units under construction included 286 units of low-rent public housing scheduled to be completed during July 1967.

Demolitions and Other Inventory Losses. About 7,150 housing units were removed from the housing inventory of the HMA between April 1960 and July 1967. Most of the losses occurred in Knox County, at least half in the city of Knoxville. On the basis of anticipated urban renewal activity, highway construction programs, code enforcement, and other activities which result in loss of housing units, it is estimated that about 700 units will be lost during each of the two years in the July 1967-June 1969 period.

## Tenure

Current Estimate and Past Trend. As of July 1, 1967, there were 81,550 owner-occupied housing units in the Knoxville HMA, representing approximately 68.2 percent of all occupied units. Renter-occupied units totaled 37,950. The owner-occupancy rate was slightly higher in July 1967 than it was in April 1960, when the census of housing reported a rate of 67.5 percent. The increase in owner-occupancy since 1960 reflects a continuation of the trend shown between 1950 and 1960, although the recent gain has been relatively much smaller. The owner-occupancy rate of 67.5 percent in 1960 reflected an increase of more than 11 percentage points over the 1950 level of 56.3 percent. Part of the big increase in home-ownership between 1950 and 1960 is explained by the sale of government-owned housing units in 1953 in the community of Oak Ridge in Anderson County. As of April 1960, the census reported 4,951 owner-occupied housing units in the city of Oak Ridge, equal to 64.2 percent of all occupied housing units. Home ownership also increased significantly in both Knox and Blount Counties between 1950 and 1960.

### Household Tenure Trend Knoxville, Tennessee, HMA, 1950-1967

<u>Tenure</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>July 1, 1967</u>
Total occupied housing units	88,809	104,725	119,500
Owner-occupied	50,026	70,653	81,550
Percent of total	56.3%	67.5%	68.2%
Renter-occupied	38,783	34,072	37,950
Percent of total	43.7%	32.5%	31.8%

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.

## Vacancy

1960 Census. The 1960 Census of Housing reported 4,218 vacant, non-seasonal, nondilapidated housing units available for sale or rent in the Knoxville HMA, a net vacancy rate of 3.9 percent. Vacant units available for sale totaled 1,129, a homeowner vacancy rate of 1.6 percent. The 3,089 vacant units available for rent reflected a rental vacancy rate of 8.3 percent. Approximately 55 percent of the vacant units available for rent were in single-family structures. Of the available vacancies, about 100 sales units (one percent) and 900 rental units (29 percent) lacked one or more plumbing facilities.

July 1967 Postal Vacancy Survey. A postal vacancy survey conducted in the Knoxville HMA in July 1967 by all five post offices having city delivery routes covered 102,460 possible deliveries to residences and apartments, and 952 possible deliveries to house trailers, about 84 percent of the total housing inventory. An overall vacancy rate of 3.0 percent was indicated in residences and apartments. The 1,905 vacant residences and 1,121 vacant apartments represented vacancy rates of 2.1 percent and 8.5 percent, respectively. The vacant residences included 328 newly completed units that never had been occupied and the vacant apartments included 81 newly completed units. The survey results for each of the participating post offices are shown in table VI.<sup>1/</sup>

Vacancies in FHA-Insured Rental Projects. Annual occupancy reports as of March 15, 1967 for FHA-insured rental projects in the Knoxville HMA indicated a vacancy rate of 7.8 percent in 19 projects totaling 1,703 units insured under various sections of the National Housing Act. Vacancies were highest in four projects in Oak Ridge insured under Section 207 pursuant to Section 223. Ninety vacancies were reported in the 803 units in these projects, equal to a vacancy rate of 11.2 percent. A relatively low vacancy rate, 2.6 percent, was reported in the 497 units insured under Section 608. All of these units are located in Knoxville, except 13 units in a project located in Maryville. Overall, the vacancy ratio in FHA-insured rental projects declined from 9.6 percent in 1966 to 7.8 percent in 1967. The vacancy experience of FHA-insured rental projects, of course, does not necessarily represent the occupancy characteristics of all multifamily rental projects in the HMA.

Vacancy Rates in FHA-Insured Rental Projects  
Knoxville, Tennessee, HMA, 1966-1967

<u>Section</u>	<u>March 15, 1966</u>			<u>March 15, 1967</u>		
	<u>Total</u> <u>units</u>	<u>Vacant</u> <u>units</u>	<u>Vacancy</u> <u>ratio</u>	<u>Total</u> <u>units</u>	<u>Vacant</u> <u>units</u>	<u>Vacancy</u> <u>ratio</u>
207	347	54	15.6	347	29	8.4
207(223)	803	88	11.0	803	90	11.2
221(d)(3)	56	0	0	56	0	0
608	417	13	3.1	497	13	2.6
Total	1,623	155	9.6	1,703	132	7.8

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<sup>1/</sup> See Appendix A, paragraph 7.

Other Vacancy Data. An apartment vacancy survey conducted by a private Knoxville firm during February 1967 covered a total of 1,919 rental units in 23 apartment projects. At the time of the survey, only 49 vacant units were reported, a vacancy rate of 2.6 percent. Although only major apartment buildings were covered in the survey, the low vacancy rate reported is significant because the projects covered in the survey were representative of the rental projects that would be most directly in competition with new rental units to be marketed in the Knoxville area in the near future.

Current Estimate. Based on the July 1967 postal vacancy survey, other vacancy data, and personal observation, it is estimated that there were about 2,750 vacant housing units available for sale or rent in the HMA on July 1, 1967, reflecting a total available vacancy rate of 2.2 percent.<sup>1/</sup> There were about 750 vacant units available for sale, representing a homeowner vacancy rate of 0.9 percent. Vacant units available for rent, including single-family units for rent, totaled about 2,000, reflecting a rental vacancy ratio of about 5.0 percent. It is estimated that about 50 of the vacant sales units and 600 of the vacant rental units lacked one or more plumbing facilities. When compared with April 1960 vacancy levels, the July 1967 vacancy rate reflects a significant improvement in the Knoxville area housing market.

Vacancy Trends  
Knoxville, Tennessee, HMA, 1950-1967

	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1967</u>
Total housing units	<u>94,541</u>	<u>112,679</u>	<u>124,500</u>
Total vacant units	<u>5,732</u>	<u>7,954</u>	<u>5,000</u>
Available vacant units	<u>3,241</u>	<u>4,218</u>	<u>2,750</u>
For sale	<u>1,076</u>	<u>1,129</u>	<u>750</u>
For rent	<u>2,165</u>	<u>3,089</u>	<u>2,000</u>
Other vacant units <sup>a/</sup>	<u>2,491</u>	<u>3,736</u>	<u>2,250</u>
Homeowner vacancy rate	2.1%	1.6%	0.9%
Rental vacancy rate	5.3%	8.3%	5.0%

<sup>a/</sup> Includes dilapidated units, seasonal units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners and other reasons.

Sources: 1950 and 1960 Censuses of Housing; 1967 estimated by Housing Market Analyst.

<sup>1/</sup> To provide comparability with other housing and demographic data, the July 1967 vacancy estimate is predicated on the assumption that seasonal vacancies attributable to the absence of college students during the summer are occupied.



## Sales Market

General Market Conditions. The market for sales housing in the Knoxville HMA has been seriously affected by a shortage of mortgage funds and high interest and discount rates since mid-1966. As a result sales volume has been down in both new and existing houses in spite of a high level of demand arising from large increases in employment and household growth during 1965 and 1966. The number of existing homes insured by FHA declined by 34 percent during 1966; only 746 existing units were insured during the year, compared with 1,130 in 1965 and 1,115 in 1964. Declining sales during 1966 also were reflected by an increase in the number of single-family homes in the unsold inventory of the HMA.

In mid-1967, local real estate firms reported a slight upturn in sales activity since February. Most sales were reported to be to people moving into the HMA from other areas. The market for new sales housing among area residents was slow. Homeowners who would like to up-grade their housing were unable to dispose of their present homes at acceptable terms because of the high discount rates. A strong potential market for both new and existing sales housing in the Knoxville HMA was indicated by the July homeowner vacancy level of 0.9 percent.

Major Subdivision Activity. There were 83 subdivisions in the Knoxville HMA with at least five completions during 1966, including 66 in Knox County, 11 in Blount County, and six in Anderson County. These major subdivisions reported a total of 834 homes completed during the year, accounting for about 48 percent of all new single-family construction in the HMA. Eight subdivisions reported 25 or more houses completed during the year, including one subdivision in Oak Ridge with 57 completions, and one in Knoxville with 39 completions. Six of the eight largest subdivisions were located in Knoxville and the other two were located in Oak Ridge. Subdivision activity was widely scattered around the perimeter of Knoxville, but the most active area was the southwest suburbs in the vicinity of Kingston Pike, U.S. Highway 11 and 70, and the new U.S. Interstate Highway 40 and 75. New homes in the area generally were priced to sell between \$20,000 and \$30,000, although at least one subdivision offered homes in the \$15,000 to \$17,500 price range.

Unsold Inventory of New Homes. For several years the Knoxville Insuring Office has made an annual survey of subdivisions in which five or more houses were completed during the preceding 12 months. The January 1967 survey revealed a total of 834 houses completed in 1966 in 83 subdivisions in the Knoxville HMA, of which 308 (37 percent) had been sold before the start of construction. Of the 526 houses built on a speculative basis, 167 (31.7 percent) re-

mained unsold at the time of the survey. Only 6 unsold units had been on the market for more than six months. There were 37 unsold units that had been available for four to six months. The January 1967 survey revealed a slightly higher unsold to completed ratio (31.7 percent) than the 1966 survey (27.2 percent). The increase in the unsold inventory during 1966 is attributable primarily to the slow-down in sales caused by the tight money market.

The new houses built during 1966 in the subdivisions surveyed were concentrated in the \$20,000 to \$24,999, and the \$25,000 to \$29,999 price ranges, which accounted for approximately 26 percent and 23 percent of total completions, respectively. About 15 percent of the newly constructed units were built to sell in the \$17,500 to \$19,999 price range, and about 16 percent were priced between \$15,000 and \$17,499. Less than eight percent of the new units were offered for sale at less than \$15,000. Units priced to sell for \$30,000 or more represented about 13 percent of all newly-constructed single-family homes. A rather high proportion (40 percent) of the speculatively-built units in the \$12,500 to \$14,999 price range remained unsold at the end of the year, even though relatively few units were offered in this price range. Prospective buyers in this price range probably experienced less success in obtaining financing in the tight money market than buyers in the higher price ranges. Approximately 40 percent of the speculatively-built houses in the \$20,000 to \$24,999 price range remained unsold at the end of the year. Less than 24 percent of the speculatively-built units in the \$17,500 to \$19,999 price range remained unsold, while the percentage in other price groups ranged from 27 percent to 32 percent.

New Sales Housing Completed in Selected Subdivisions<sup>a/</sup>  
Knoxville, Tennessee, HMA, 1965-1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative construction</u>			
			<u>Total</u>	<u>Sold</u>	<u>Number unsold</u>	<u>Percent unsold</u>
\$10,000 - \$12,499	3	1	2	2	-	-
12,500 - 14,999	63	11	52	31	21	40.4
15,000 - 17,499	133	48	85	61	24	28.2
17,500 - 19,999	123	38	85	65	20	23.5
20,000 - 24,999	213	65	148	89	59	39.9
25,000 - 29,999	189	88	101	74	27	26.7
30,000 - 34,999	46	21	25	17	8	32.0
35,000 and over	64	36	28	20	8	28.6
Total 1966	834	308	526	359	167	31.7
Total 1965	648	151	497	362	135	27.2

<sup>a/</sup> Selected subdivisions are those with five or more completions during the year.

Source: Annual FHA Survey of Unsold New Houses conducted by Knoxville Insuring Office.

## Rental Market

General Market Conditions. The rental market in the Knoxville HMA is relatively strong. This condition is reflected in a rental vacancy rate of 5.0 percent as of July 1967, compared with 8.3 percent in April 1960. New privately-financed multifamily construction averaged about 950 units a year from 1964 through 1966, compared with an average of only 375 units a year from 1960 through 1963. The tight money market during the second half of 1966 undoubtedly added to the overall demand for rental housing because some prospective home buyers could not obtain financing or preferred to wait for lower interest rates. Qualitative analysis of rental market data indicates a firm market for both new and existing rental units in a wide range of rents.

General Marketing Experience. New rental units have been readily absorbed and the rental vacancy rate had declined in each of the three county submarket areas since April 1960. Approximately 90 percent of all new multifamily construction in the HMA between April 1960 and July 1967 was in the Knox County submarket area. Notwithstanding a large increase in the volume of multifamily construction in Knox County beginning in 1964, the rental vacancy rate in this portion of the HMA declined from 6.8 percent in 1960 to 4.9 percent in July 1967. Few new rental units were added to the inventory in Anderson and Blount Counties, but existing rental vacancies were reduced substantially. The rental vacancy rate in Anderson County was reduced from 13.1 percent in April 1960 to 5.5 percent as of July 1, 1967, and the rental vacancy rate in Blount County dropped from 10.9 percent to 4.9 percent during the same period. The characteristics of the rental inventory, rental cost trends, and recent market absorption experience vary somewhat among the three county submarkets; these factors are discussed in detail in the submarket summaries.

Rental Housing Under Construction and Proposed. As previously noted in the discussion of residential building activity, there were approximately 1,400 multifamily rental housing units under construction in the Knoxville HMA as of July 1, 1967, of which 286 were low-rent public housing units. Construction was scheduled to begin during July on two high-rise buildings containing 560 apartment units for married students at the University of Tennessee.

As of July 1, 1967, the Knoxville Insuring Office had a total of 467 multifamily housing units in the Knoxville HMA in the commitment or application stages of processing under various sections of the National Housing Act. At least three local builders were planning the construction of new rental projects with conventional financing in the near future.

Acquisition and Default Status of FHA-Insured Multifamily Housing.

As of July 1, 1967, there were no Commissioner-owned multifamily housing projects in the Knoxville HMA. Two multifamily projects totaling 321 units acquired earlier had been sold, one in February 1965 without reinsurance (200 units) and one in December 1966 with the mortgage held by FHA (121 units). There were no other rental projects in the Knoxville HMA with Commissioner-held mortgages as of July 1967 and none were in default, although one project was operating under a modification agreement.

Urban Renewal Activity

Knoxville and Knox County have participated in the Urban Planning Assistance Program with a total of seven projects. Clinton, Lake City, Norris, and Oliver Springs in Anderson County, and Maryville in Blount County have participated in the planning program through projects prepared by the Tennessee State Planning Commission. As of July 1, 1967, there were four urban renewal projects in the Knoxville HMA, including three projects in execution in Knoxville and one completed project in Clinton. These projects are described in the submarket summaries.

Public Housing

As of July 1, 1967, there were 2,200 low-rent public housing units under management in the HMA. There were 286 units under construction which were complete except for landscaping. Reservations had been approved for 200 additional low-rent units. The status of the public housing program in each submarket area is discussed in the respective submarket summaries.

### Demand for Housing

#### Quantitative Demand

Based on anticipated household increases, the need to replace housing units expected to be lost from the inventory because of highway construction, urban renewal, code enforcement and other inventory changes,<sup>1/</sup> and on current supply-demand relationships in the housing market the demand for additional privately-owned housing units in the Knoxville HMA is estimated at 2,900 units a year during the July 1967 to July 1969 forecast period. The annual demand includes 1,800 single-family units and 1,100 multifamily units, including 300 multifamily units which could be marketed at the lower rents achievable by use of public benefits or assistance in financing or land acquisition and cost. The demand estimate does not include public low-rent housing or rent-supplement accommodations.

The projected demand for 2,900 privately-financed housing units a year represents a slight decrease from the level of construction during the 1964-1967 period.

The projected demand for single-family and multifamily housing units is distributed among the three counties in the Knoxville HMA in the following table. Based on current supply and demand relationships and income considerations in each county submarket area, it appears that the annual demand for 300 multifamily rental units at rents achievable by use of public benefits or assistance in land purchase or in financing would be absorbed most readily if the projects were located in the Knox County portion of the HMA.<sup>2/</sup>

Estimated Annual Demand for New Housing  
Knoxville, Tennessee, HMA  
July 1, 1967 to July 1, 1969

<u>Area</u>	<u>Number of units</u>		
	<u>Single-family</u>	<u>Multifamily</u>	<u>Total</u>
HMA total	1,800	1,100 <sup>a/</sup>	2,900 <sup>a/</sup>
Knox County	1,075	925 <sup>a/</sup>	2,000 <sup>a/</sup>
Anderson County	375	75	450
Blount County	350	100	450

<sup>a/</sup> Includes 300 units at the lower rents possible with below-market-interest-rate financing or assistance in land acquisition and cost.

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<sup>1/</sup> Anticipated inventory losses are at a lower annual level than occurred since 1960. If they exceed the number anticipated, quantitative demand will increase accordingly.

<sup>2/</sup> See Appendix A, paragraph 12.

Housing Market Summary  
Knox County Submarket  
Knoxville, Tennessee, HMA

Demographic Factors

Population

Current Estimate. As of July 1, 1967, the population of Knox County was approximately 289,000, equal to about 69 percent of the HMA total. The July 1967 population estimate includes approximately 20,100 college students: 19,100 at the University of Tennessee and 1,000 at Knoxville College. Although about half of the college students included in the population were not in the HMA during July, they are included in the population to provide comparability with other demographic and housing data. It is estimated that the population of the city of Knoxville as of July 1, 1967, was about 186,500.

Past Trend. The July 1, 1967 population of 289,000 reflects an increase of 38,475 (15.4 percent) over the April 1960 population of 250,523, as reported by the census. Much of the increase in the population of Knox County between April 1960 and July 1967 was achieved during the last two and a half years as a result of the economic developments noted in the discussion of the HMA population trends.

The population of the city of Knoxville as of July 1, 1967, reflects an increase of 74,700 persons over the April 1960 population of 111,827 as reported by the census. Approximately 90 percent of the population gain was the result of annexations. During 1962, the land area of the city was more than tripled by the annexation of 51 square miles of land with a population of 67,000.

Estimated Future Population. It is estimated that the population of Knox County will increase by an average of 5,450 persons a year during the next two years, reaching a level of 299,900 by July 1969. The projected growth is based on anticipated employment gains averaging about 3,350 a year in the Knox County portion of the HMA, and on the assumption that the employment participation rate will continue to increase as previously discussed. About 11 percent of the anticipated population growth in the county (600 persons a year) will be non-household population, mostly college students. The nonhousehold increment takes into consideration only those students expected to enroll from outside the HMA. Total college enrollment increases, of course, will include a large number of current housing market area residents.

Natural Increase and Migration. From April 1960 to July 1967, there were approximately 37,200 resident births and 16,500 resident deaths in Knox County, resulting in a net natural increase of 20,700 persons. Comparison of net natural increase with the estimate of total population growth during the 1960-1967 period indicates that net migration into the county totaled about 17,775 persons, an average of 2,450 a year. Less favorable economic growth during the 1950-1960 decade resulted in a net out-migration of about 1,000 persons a year from the county during that period.

Population Trends  
Knox County, Tennessee, 1950-1969

<u>Date</u>	<u>Population</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1, 1950	223,007	-	-
April 1, 1960	250,523	2,750	1.1
July 1, 1967	289,000	5,300	1.9
July 1, 1969	299,900	5,450	1.9

Sources: 1950 and 1960 Censuses of Population.  
1967 and 1969 estimated by Housing Market  
Analyst.

Households

Current Estimate and Past Trend. As of July 1, 1967, there were about 83,600 households (occupied housing units) in Knox County. The July 1967 household level reflects an increase of 11,024, about 15 percent, over the April 1960 count of 72,576 households reported by the census. The increase in the number of households averaged 1,520 a year during the 1960-1967 period, compared with an average increase of 1,260 a year during the 1950-1960 period.

Households in the city of Knoxville numbered about 57,000 as of July 1, 1967, reflecting an increase of 22,500 over the April 1960 level of 34,678 reported by the census. Approximately 20,000 households were annexed by the city in 1962.

Household Size. The average household size in Knox County is estimated to be 3.29 persons as of July 1, 1967, down slightly from an average of 3.34 persons in April 1960. The average household size was 3.57 persons in 1950. Part of the decline in average household size between 1950 and 1960 results from the "creation" of a number of small households by the change in household definition referred to earlier. However, much of the decline in average household size in this portion of the HMA since 1960 is attributable to the increase in apartments, many of which are one-bedroom units accommodating relatively small households.

Household Trends  
Knox County, Tennessee, 1950-1969

<u>Date</u>	<u>Households</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1, 1950	59,978	-	-
April 1, 1960	72,576	1,260	1.9
July 1, 1967	83,600	1,520	2.0
July 1, 1969	87,200	1,800	2.2

Sources: 1950 and 1960 Censuses of Housing.  
1967 and 1969 estimated by Housing Market Analyst.



### Housing Market Factors

#### Housing Supply

Current Estimate and Past Trend. As of July 1, 1967, there were 87,200 housing units in Knox County, an increase of about 10,000 over the April 1960 inventory of 77,187. The net increase in the inventory since April 1960 resulted from the construction of about 15,075 new units, the loss of 4,950 units through demolition and other causes, and the net loss of approximately 100 trailers.

Units in Structure. Nine percent of all housing units in this sub-market area were in multifamily structures of five or more units in July 1967, compared with only 6.3 percent in 1960. The proportion of housing units in single-unit structures declined somewhat, but single-family homes accounted for about 84 percent of the housing units in Knox County.

#### Housing Inventory by Units in Structure Knox County, Tennessee April 1, 1960 and July 1, 1967

<u>Units in</u> <u>structure</u>	<u>April 1, 1960</u>		<u>July 1, 1967</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
One unit	65,995	85.5	73,075	83.8
Two units	2,696	3.5	2,700	3.1
Three and four units	2,797	3.6	2,800	3.2
Five or more units	4,818	6.3	7,850	9.0
Trailers	881	1.1	775	.9
Total	77,187	100.0	87,200	100.0

Sources: 1960 Census of Housing. 1967 estimated by Housing Market Analyst.

Year Built. Based on the 1960 Census of Housing and estimates derived from building permit and demolition data, it is estimated that about 17 percent of the housing inventory of Knox County was built since April 1960, and almost 25 percent was built between 1950 and 1960. Nearly 42 percent of all housing units in the county were built prior to 1940.

Housing Inventory by Year Built  
Knox County, Tennessee  
As of July 1, 1967<sup>a/</sup>

<u>Year built</u>	<u>Number of units</u>	<u>Percent of inventory</u>
April 1960 - July 1967	15,000	17.2
1955 - March 1960	11,350	13.0
1950 - 1954	10,250	11.8
1940 - 1949	14,350	16.5
1930 - 1939	10,650	12.2
1929 or earlier	<u>25,600</u>	<u>29.3</u>
Total	87,200	100.0

a/ See Appendix A, paragraph 6.

Source: Estimated by Housing Market Analyst, based on 1960 Census of Housing and local construction and demolition data.

Residential Building Activity

Trend. Approximately 73 percent of all single-family construction and 95 percent of all multifamily construction in the Knoxville HMA since April 1, 1960, was in Knox County. As measured by building permits issued, which cover all residential construction in Knox County, building activity during the first six months of 1967 was 39 percent above the level for the first six months of 1966. A total of 1,596 housing units, all privately financed, were authorized by building permits during the first six months of 1967, compared with 1,147 privately-financed units authorized during the first six months of 1966. During 1966, the volume of new private residential building declined about 12 percent from the 1965 level; but, as previously noted in the discussion of the overall housing market area, the decline was caused primarily by a shortage of mortgage funds rather than a decrease in demand. The number of privately-financed housing units authorized by building permits averaged 2,500 a year since 1963, compared with an average of 1,775 a year during the preceding four-year period from 1960 through 1963.

Approximately 4,975 privately-financed housing units in multifamily structures (two- or more-unit structures) were authorized by building permits in Knox County between January 1, 1960 and July 1, 1967. During the same period, 938 publicly-financed multifamily units also were authorized. Multifamily units accounted for about 35 percent of all new residential housing unit authorizations in Knox County during the period. The number of privately-financed multifamily units authorized by building permits in Knox County averaged 1,000 a year since 1963, compared with an average of only 360 a year during the preceding four-year period.

Reflecting the tight money market, single-family authorizations totaled only 1,232 during 1966, compared with 1,684 in 1965, and 1,529 in 1964. Single-family authorizations in Knox County averaged 1,425 a year during the 1960 to 1963 period.

Number of New Housing Units Authorized by Building Permits  
Knox County, Tennessee, 1960-1967

<u>Year</u>	<u>One-family</u>	<u>2-to-4 family</u>	<u>5-family or more</u>	<u>Total</u>	<u>Percent two-family or more</u>
1960	1,484	8	114	1,606	7.6
1961	1,392	26	286	1,704	18.3
1962	1,423	22	557 <sup>a/</sup>	2,002 <sup>a/</sup>	28.9
1963	1,391	59	551 <sup>b/</sup>	2,001 <sup>b/</sup>	30.5
1964	1,529	46	805	2,380	35.8
1965	1,684	56	1,551 <sup>c/</sup>	3,291 <sup>c/</sup>	48.8
1966	1,232	77	933	2,242	45.0

First 6 months:

1966	756	42	349	1,147	34.1
1967	772	41	783	1,596	52.8

<sup>a/</sup> Includes 129 units of public housing in Knoxville.

<sup>b/</sup> Includes 60 units of public housing in Knoxville.

<sup>c/</sup> Includes 749 units of public housing in Knoxville.

Sources: U.S. Bureau of the Census, Construction Reports, C-40;  
and local building permit offices.

Units Under Construction. As of July 1, 1967, there were about 1,725 housing units under construction in Knox County, including 375 single-family units and 1,350 multifamily units. The multifamily units under construction included 286 units of low-rent public housing scheduled to be completed during July.

Demolitions and Other Inventory Losses. About 4,950 housing units were removed from the housing inventory of Knox County between April 1960 and July 1967. Demolitions and other losses recorded by the City of Knoxville during this period totaled about 3,600. It is estimated that unrecorded losses in Knoxville and the remainder of Knox County totaled about 1,350 units. Considering expected inventory losses from urban renewal activity, highway construction, code enforcement, and losses from other causes, it is judged that about 500 housing units will be lost from the Knox County housing inventory during each of the next two years.

#### Tenure

It is estimated that 67.1 percent of all occupied housing units in Knox County were owner-occupied as of July 1, 1967, compared with 66.1 percent in April 1960. The increase in owner-occupancy in Knox County during the past seven years reflects a continuation of the trend shown between 1950 and 1960, when owner-occupancy increased from 60.5 percent to 66.1 percent.

#### Household Tenure Trend Knox County, Tennessee, 1950-1967

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1967</u>
Total occupied housing units	<u>59,978</u>	<u>72,576</u>	<u>83,600</u>
Owner-occupied	36,280	47,970	56,100
Percent of total	60.5%	66.1%	67.1%
Renter-occupied	23,698	24,606	27,500
Percent of total	39.5%	33.9%	32.9%

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.

## Vacancy

1960 Census. As of April 1960, there were 2,538 vacant nonseasonal, nondilapidated housing units in Knox County which were available for sale or rent. The available vacancies equaled about 3.4 percent of the available inventory. Vacant units available for sale totaled 749, indicating a homeowner vacancy rate of 1.5 percent. The homeowner vacancy rate was just slightly less than that for the HMA as a whole, which was 1.6 percent. There were 1,789 vacant units available for rent in the Knox County submarket, reflecting a rental vacancy rate of 6.8 percent. The rental vacancy rate in the submarket was substantially less than that of the HMA, which was 8.3 percent.

Current Estimate. Based on the postal vacancy survey and other vacancy data, it is estimated that there were 1,975 vacant housing units for sale or rent in the Knox County portion of the HMA as of July 1, 1967, reflecting a total available vacancy rate of 2.3 percent.<sup>1/</sup> There were about 550 vacant units available for sale, representing a homeowner vacancy rate of 1.0 percent, and 1,425 vacant units available for rent, equal to a rental vacancy rate of 4.9 percent.

### Vacancy Trends Knox County, Tennessee, 1950-1967

	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1967</u>
Total housing units	62,000	77,187	87,200
Total vacant units	2,022	4,611	3,600
Available vacant units	800	2,538	1,975
For sale	261	749	550
For rent	539	1,789	1,425
Other vacant units <sup>a/</sup>	1,222	2,073	1,625
Homeowner vacancy rate	0.7%	1.5%	1.0%
Rental vacancy rate	2.2%	6.8%	4.9%

<sup>a/</sup> Includes dilapidated units, seasonal units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners and other reasons.

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.

<sup>1/</sup> To provide comparability with other housing and demographic data, the July 1967 vacancy estimate is predicated on the assumption that seasonal vacancies attributable to the absence of college students during the summer are occupied.

## Sales Market

General Market Conditions. Approximately 69 percent of the inventory of owner-occupied and vacant units available for sale in the housing market area is in Knox County, and about 73 percent of all new single-family construction in the HMA since April 1960 has been in the Knox County submarket area. The impact of scarce mortgage funds and high interest and discount rates noted in the discussion of the HMA sales market was equally serious in the Knox County portion of the HMA. As a result of the tight money situation, sales of both new and existing houses declined in Knox County during 1966 and early 1967, in spite of a high level of demand arising from large increases in employment and household growth. As measured by building permits issued, construction of new sales housing units declined by 27 percent during 1966 when only 1,232 new single-family houses were authorized, compared with 1,684 in 1965 and 1,529 in 1964. A leading mortgage lending institution in the Knox County submarket reports that the volume of long-term single-family mortgages of \$9,000 or more was down nearly 30 percent for the first six months of 1967 compared with the first six months of 1966, but reported gradual improvement on a month-to-month basis during 1967, with dollar volume of mortgages made during June about four times as much as dollar volume in January.

Major Subdivision Activity. There were 66 subdivisions in Knox County with at least five completions during 1966, the largest of which reported a total of 39 completions. A total of 640 new homes were completed in these subdivisions during the year, accounting for about 52 percent of all new single-family construction in the submarket area. There were 429 houses built on a speculative basis in these 66 subdivisions and 145 units (33.8 percent) remained unsold at the end of the year. Only six unsold units had been on the market for more than six months. A few homes were offered in the \$15,000 to \$17,500 price range, and a substantial number at \$30,000 and above, but approximately three-fourths of the new homes in these subdivisions were priced to sell between \$20,000 and \$30,000.

## Rental Market

General Market Conditions. As in the HMA as a whole, the rental market in Knox County is relatively strong. Between April 1960 and July 1967, a total of more than 3,600 new privately-financed multi-family rental units were absorbed and the rental vacancy rate declined from 6.8 percent to 4.9 percent. During the same period,

approximately 650 low-rent public housing units also were absorbed by the market. About 825 new multifamily housing units, all privately-financed, were authorized by building permits during the first six months of 1967. The present strength of the rental market in Knox County is attributable to the surge in employment and household growth beginning in 1964 and reflects the fact that many of the new households are young newly-married couples, who initially are predominantly in the market for rental housing.

FHA Market Absorption Survey. The Knoxville Insuring Office has collected data on the absorption of about 1,350 new multifamily housing units opened for occupancy in the Knox County portion of the HMA since January 1963. As of July 1, 1967, slightly over 90 percent occupancy was reported in three rental projects with 104 units that had been on the market for a period of six months or less. Since some of the units in this group had been opened for occupancy for less than three months, the rate of absorption appears to be very satisfactory. Two projects with a total of about 70 rental units that had been on the market for a period of seven to 12 months reported no vacancies. A vacancy rate of 2.2 percent was reported in six projects, totaling 360 units, that had been open for occupancy for 13 to 24 months, and a vacancy rate of 1.6 percent was indicated for a group of 825 rental units in 16 projects that had been on the market for a period of 25 to 52 months. Vacancy data for three projects, totaling about 200 units, built during the period covered by the survey were omitted because current data were not available. New rental units in projects containing less than 10 units were not included in the survey.

Of the units in the survey for which the size of unit was indicated, approximately 51 percent were one-bedroom units, 39 percent were two-bedroom units, and about 8 percent were efficiencies. Very few three-bedroom units were added to the HMA inventory between January 1963 and July 1967. It is estimated that the absorption survey covered about 60 percent of all privately-financed multifamily housing units completed for occupancy between January 1963 and July 1967. Most of the units not covered by the survey were in structures of fewer than 10 units. The results of the survey are shown in detail in table VIII.

General Marketing Experience. Based on the FHA absorption survey, rents for the new garden-type rental units placed on the market since June 1965 vary substantially, with significant differences in rental charges based on location, type of construction, space provided, and luxury-type amenities provided. Out of a total of 180 new one-bedroom units, 40 (22 percent) were offered at monthly rents ranging from \$90 to \$99 a month, 100

units (56 percent) were offered at \$110 to \$119 a month, and the remaining 40 units (22 percent) were placed on the market at monthly rents of \$120 to \$135 a month. (Rents include air-conditioning, but do not include heat and electricity; stove and refrigerator and usually disposal and dishwasher are provided.) Out of a total of 280 new two-bedroom units, there were 50 units (18 percent) offered at monthly rents ranging from \$110 to \$119, approximately 110 units (39 percent) at \$120 to \$129, about 75 units (27 percent) at \$130 to \$139, and 45 units (16 percent) at rents ranging from \$140 to \$165 a month. Twenty-nine new efficiency units have been added to the rental inventory since June 1965, of which 14 units were offered with a monthly rental range of \$65 to \$89, and 15 units were offered within a range of \$90 to \$110. Only six new three-bedroom units have been added to the rental inventory by new construction during the past two years; these rent for \$185 a month.

Typical rents for older garden-type rental units are about \$65 to \$90 a month for one-bedroom units, \$75 to \$100 a month for two-bedroom units, and \$80 to \$110 a month for three-bedroom units. A few efficiencies are available in older garden-type rental projects with rents at about \$55 to \$65 a month. Electricity is not included in the rent of older rental units. Stoves and refrigerators usually are provided. Few, if any, units in the submarket area that were built 10 to 15 years ago are air-conditioned. Many older projects are well maintained and generally have few vacancies.

#### Urban Renewal Activity

To date, three urban renewal projects have been initiated in the Knox County portion of the housing market area. Redevelopment is nearly complete in one area and relocation and clearance are about complete in the other two areas.

Riverfront-Willow Street (3-2). The Riverfront-Willow Street urban renewal project encompasses 98 acres bordering on the Tennessee River in downtown Knoxville. Redevelopment work has been virtually completed. Approximately 550 substandard dwelling units have been removed and 650 families have been relocated. Approximately one-third of the redeveloped area has been reserved for the completion of the downtown loop of the inner-city expressway system, and most of the remainder has been designated for light industrial use. One parcel was retained for a church, one for the Historical Society, and one for public housing.



Mountain View Stage I (R-40). Stage I of the Mountain View project covers approximately 180 acres immediately to the east of the Riverfront-Willow Street project. As of July 1, 1967, a total of 788 families, 412 individuals, and 108 business concerns had been relocated with the assistance of the urban renewal section of the Knoxville Housing Authority. About 86 families, 51 individuals, and 30 business concerns still remaining in the area will be relocated prior to completion of the project. When completed, the redeveloped area will contain new residential areas with both single-family homes and apartments, light and heavy industrial areas, and new parks in the vicinity of the Civic Auditorium.

Yale Avenue (R-43). This project consists of about 134 acres immediately adjacent to the University of Tennessee. The redevelopment plan provides for the expansion of the university facilities to accommodate expected increases in enrollment. New facilities recently completed or nearing completion include two high-rise faculty office and classroom buildings, a new music building, a fraternity park complex with 13 new fraternity houses, and a natatorium which includes an indoor Olympic-size swimming pool. A total of 218 families, 136 individuals, and 35 business concerns were relocated from the project area.

#### Public Housing

The Knoxville Housing Authority reported a total of 2,100 low-rent public housing units under management in six projects as of July 1, 1967. An additional 286 units under construction were complete except for landscaping. Including 97 units in the project nearing completion, there were 519 units especially designed for senior citizens. The Housing Authority reported approximately 1,100 applications on file for low-rent housing units as of July 1967.

Demand for Housing

Quantitative Demand

Based on anticipated household increases in the Knox County sub-market area, on anticipated inventory losses, and giving consideration to the number of units currently under construction, current vacancy levels, tenure trends, and to the shift of single-family units from the sales inventory to the rental inventory, the demand for new privately-financed housing in Knox County is expected to total 2,000 units a year during the July 1967 to July 1969 forecast period. The annual demand includes 1,075 single-family units and 925 multifamily units, including an annual demand for 300 multifamily units which would be effective only at the lower rents achievable by use of public benefits or assistance in land acquisition and cost. The demand estimate does not include public low-rent housing or rent-supplement accommodations.

Qualitative Demand

Single-family Houses. Based on the distribution of families by current annual after-tax incomes, on the proportion of income which area families typically pay for sales housing, and on recent market experience, demand for new single-family houses in the Knox County submarket is expected to approximate the sales price pattern presented in the following table.<sup>1/</sup> It is judged that little, if any, acceptable housing can be constructed in the submarket area for less than \$12,500.

Estimated Annual Demand for New Single-family Houses  
Knox County, Tennessee  
July 1, 1967 - July 1, 1969

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
Under \$15,000	45	4
\$15,000 - 17,499	215	20
17,500 - 19,999	280	26
20,000 - 24,999	230	22
25,000 - 29,999	215	20
30,000 - 34,999	45	4
35,000 and over	45	4
Total	1,075	100

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<sup>1/</sup> See Appendix A, paragraph 9.

Multifamily Housing. The gross monthly rental at which 625 privately-owned net additions to the aggregate multifamily housing inventory might best be absorbed by the rental market at rents achievable without public benefits or assistance in financing are indicated for various size units in the following table.<sup>1/</sup>

Estimated Annual Demand for New Rental Units  
by Gross Monthly Rent and Size of Unit  
Knox County, Tennessee  
July 1, 1967 - July 1, 1969

<u>Gross</u> <u>monthly rent<sup>a/</sup></u>	<u>Efficiency</u>	<u>One-</u> <u>bedroom</u>	<u>Two-</u> <u>bedroom</u>	<u>Three-</u> <u>bedroom</u>
\$ 95 - 109	15	-	-	-
110 - 129	10	130	-	-
130 - 149	-	55	140	-
150 - 169	-	20	80	15
170 - 189	-	15	45	15
190 and over	-	<u>10</u>	<u>55</u>	<u>20</u>
Total	25	230	320	50

a/ Gross rent is shelter or contract rent plus the cost of utilities.

The annual demand for 300 additional multifamily rental units that may be marketed only at the lower rents achievable with the aid of public benefits or assistance in financing or land acquisition and cost includes 15 efficiencies, 90 one-bedroom units, 150 two-bedroom units, and 45 three-bedroom units.

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<sup>1/</sup> See Appendix A, paragraphs 10 and 11.

Housing Market Summary  
Anderson County Submarket  
Knoxville, Tennessee, HMA

Demographic Factors

Population

Current Estimate and Past Trend. As of July 1, 1967, the population of Anderson County was approximately 64,800, equal to somewhat less than 16 percent of the HMA total. The July 1967 population reflects an increase of 4,770 (7.9 percent) over the April 1960 population of 60,032 as reported by the census. The population of the county expanded very little between 1950 and 1960; the April 1960 population was only 625 persons above the April 1950 level. Although employment at the AEC facilities in Oak Ridge increased from about 9,000 to over 14,000 between 1950 and 1960, most of the new jobs were highly specialized and were filled by newcomers to the area, many of whom preferred to live outside Anderson County. Total resident employment in the county increased by less than 100 during the decade and net out-migration totaled about 13,000 persons. Much of the gain in population since 1960, however has been in the city of Oak Ridge. A special city census in 1964 indicated a population of 29,696 for the city, reflecting an increase of 2,572 persons over the April 1960 population of 27,124. The increase in the rate of growth since 1960 largely is attributable to the large-scale expansion of commercial activities in the city of Oak Ridge. Following the termination of federal management of the community, there was a substantial development of commercial facilities of all types--gas stations, grocery stores, drug stores, clothing stores, furniture stores, and motels. Most of these facilities were completed after 1960 and added greatly to the increase in employment and population during the 1960 to 1967 period. It is estimated that the population of Oak Ridge as of July 1, 1967 was approximately 31,000.

Estimated Future Population. Based on anticipated employment gains averaging about 650 workers a year in the Anderson County submarket area, and on the assumption that the employment participation rate will rise slightly, it is estimated that the population of the county will increase by an average of 1,500 persons a year during the next two years, reaching a level of 67,800 by July 1969.

Population Trends  
Anderson County, Tennessee, 1950-1969

<u>Date</u>	<u>Population</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1, 1950	59,407	-	-
April 1, 1960	60,032	63	0.1
July 1, 1967	64,800	655	1.1
July 1, 1969	67,800	1,500	2.3

Source: 1950 and 1960 Censuses of Population.  
1967 and 1969 estimated by Housing Market Analyst.

Households

Current Estimate and Past Trend. As of July 1, 1967, there were about 17,900 households (occupied housing units) in Anderson County. The July 1967 household level reflects an increase of 1,525, about nine percent, over the April 1960 count of 16,371 households reported by the census, or an average of 210 a year.

Household Size. The average household size in Anderson County as of July 1, 1967 is estimated to be 3.59 persons, compared with 3.63 persons in April 1960 and 3.83 persons in April 1950. Part of the decline in average household size between 1950 and 1960 results from the "creation" of a number of small households by the change in household definition. Much of the decline in average household size in this portion of the HMA between 1950 and 1960 is attributable, however, to a change in the make-up of the Oak Ridge work force. An increase in research and development personnel at the Atomic Energy facilities included a large proportion of recent college graduates, and these new members of the community generally made up small households. Many of these new personnel had delayed having families while obtaining advanced degrees.

Estimated Future Households. On the basis of anticipated population growth and the assumption that the average household size will decline slightly during the next two years, it is estimated that there will be 18,800 households in the Anderson County submarket area by July 1969; a level that will represent an increase of 450 households a year.

Household Trends  
Anderson County, Tennessee, 1950-1969

<u>Date</u>	<u>Households</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1, 1950	15,058	-	-
April 1, 1960	16,371	130	0.8
July 1, 1967	17,900	210	1.3
July 1, 1969	18,800	450	2.5

Sources: 1950 and 1960 Censuses of Housing.  
1967 and 1969 estimated by Housing Market Analyst.

## Housing Market Factors

### Housing Supply

Current Estimate and Past Trend. As of July 1, 1967, there were 18,700 housing units in Anderson County. The July 1967 inventory represented an increase of 750 over the April 1960 inventory of 17,950. The net increase in the inventory since April 1960 resulted from the construction of 1,900 new units, the loss of 1,200 units through demolition and other causes, and a net increase of 50 trailers.

Units in Structure. As of April 1960, approximately 88 percent of all housing units in Anderson County were in one-unit structures. Seven percent of the housing inventory was in structures of five or more units and the remaining five percent was in small multifamily structures of two to four units or in trailers. Although information is not available relating to the type of structure of units lost from the inventory since 1960, it is judged that the composition of the inventory by units in structure as of July 1967 is about the same as reported by the census. New multifamily construction since 1960 has totaled less than 160 units.

Year Built. Based on the 1960 Census of Housing and estimates derived from building permits and demolition data, it is estimated that about 10 percent of the housing inventory of Anderson County has been built since April 1960, and that 24 percent was built between 1950 and 1960. About 46 percent of the housing inventory of the submarket area was built during the 1940 to 1950 period, when the city of Oak Ridge was built to house the workers at the atomic energy facilities during World War II. About 20 percent of the housing units in the county was built prior to 1940.

Housing Inventory by Year Built  
Anderson County, Tennessee  
As of July 1, 1967<sup>a/</sup>

<u>Year built</u>	<u>Number of units</u>	<u>Percent of inventory</u>
April 1960 - July 1967	1,900	10.2
1955 - March 1960	1,800	9.6
1950 - 1954	2,700	14.4
1940 - 1949	8,500	45.5
1930 - 1939	1,775	9.5
1929 or earlier	<u>2,025</u>	<u>10.8</u>
Total	18,700	100.0

<sup>a/</sup> See Appendix A, paragraph 6.

Source: Estimated by Housing Market Analyst, based on 1960 Census of Housing and local construction and demolition data.

Residential Building Activity

Trend. As measured by building permits issued, which cover all residential construction in Anderson County, new construction activity during the first six months of 1967 is about equal to the level of activity for the first six months of 1966. A total of 97 housing units, all privately financed, were authorized during the first six months of 1967, compared with 107 privately-financed units authorized during the first six months of 1966. During 1966, the volume of new private residential building declined about 12 percent from the 1965 level, primarily as a result of the tight money market. New privately-financed construction has averaged about 250 units a year since April 1960. Fifty units of low-rent public housing were added in Lake City in 1962 and 50 units in Clinton in 1965. Including publicly-financed units, multi-family units built in the Anderson County submarket between April 1960 and July 1967 totaled less than 160 units and accounted for only eight percent of all new residential construction in the county during the seven-year period. The relatively low level of building activity in Anderson County since 1960 is attributable to the fact that until recently there was an excess of housing units in the Oak Ridge portion of the submarket stemming from the large volume of housing units built during World War II to house the large work force at the atomic energy facilities.



Number of New Housing Units Authorized by Building Permits  
Anderson County, Tennessee, 1960-1967

<u>Year</u>	<u>One-family</u>	<u>2-to 4-family</u>	<u>5-family or more</u>	<u>Total</u>	<u>Percent two-family or more</u>
1960	327	-	-	327	-
1961	247	-	-	247	-
1962	237	50a/	23	310a/	23.5
1963	230	6	8	244	5.7
1964	248	-	-	248	-
1965	237	50b/	-	287b/	17.4
1966	193	4	11	208	7.2

First 6 months:

1966	99	2	6	107	7.5
1967	95	2	-	97	2.1

a/ Includes 50 units of public housing in Lake City.

b/ Includes 50 units of public housing in Clinton.

Sources: U.S. Bureau of the Census, Construction Reports, C-40;  
and local building permit offices.

Units Under Construction. As of July 1, 1967, there were about 75 housing units under construction in Anderson County, all of which were single-family units. Approximately 270 multifamily units in the city of Oak Ridge, which have been vacant for an extensive period, have recently been sold to an investor who has announced plans to remodel and rent the units.

Demolitions and Other Inventory Losses. Based on the condition of the housing inventory as of April 1960 and experience reported for the 1950 to 1960 decade, it is estimated that 1,200 housing units were lost from the housing inventory of Anderson County between April 1960 and July 1967. The high rate of inventory loss may be attributed to the fact that less than 73 percent of the housing inventory was classified as sound with all plumbing facilities in 1960. Total losses include units lost through demolition and merger, units lost by change to nonresidential use, units abandoned or destroyed by fire, flood, or other causes, and a substantial number of vacant units lost from the inventory because they are unfit for human habitation, scheduled for demolition, or condemned. On the basis of recent experience, it is judged that about 100 units a year may be lost from the submarket inventory during the July 1967 to July 1969 forecast period.

### Tenure

It is estimated that there were 12,350 owner-occupied housing units in Anderson County as of July 1, 1967, reflecting an owner-occupancy ratio of 69 percent, about the same as in April 1960. In April 1950, only 32.1 percent of the occupied housing units in Anderson County were owner-occupied. As previously noted, prior to 1953, practically all housing units in the community of Oak Ridge were owned by the federal government, and the residents were renters.

#### Household Tenure Trend Anderson County, Tennessee, 1950-1967

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1967</u>
Total occupied housing units	<u>15,058</u>	<u>16,371</u>	<u>17,900</u>
Owner-occupied	4,839	11,268	12,350
Percent of total	32.1%	68.8%	69.0%
Renter-occupied	10,219	5,103	5,550
Percent of total	67.9%	31.2%	31.0%

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.

### Vacancy

1960 Census. As of April 1960, there were 983 nonseasonal, non-dilapidated housing units in Anderson County which were available for sale or rent, equal to about 5.7 percent of the available inventory. Vacant units available for sale totaled 215, indicating a homeowner vacancy rate of 1.9 percent, somewhat above that of the HMA as a whole, which was 1.6 percent. There were 768 vacant units available for rent, a rental vacancy rate of 13.1 percent, considerably higher than the 8.3 percent rental vacancy rate for the HMA as a whole. Vacancies in the Anderson County submarket were concentrated in the city of Oak Ridge; there were 125 vacant units available for sale in the city, indicating a homeowner vacancy rate of 2.5 percent, and there were 500 vacant units available for rent in the city, equal to a rental vacancy rate of 15.4 percent.

Current Estimate. Based on the postal vacancy survey and other vacancy data, it is estimated that there were 425 vacant housing units available for sale or rent in the Anderson County portion of the HMA as of July 1, 1967, reflecting a total available vacancy rate of 2.3 percent. There were about 100 vacant units

available for sale, representing a homeowner vacancy rate of 0.8 percent, and 325 vacant units available for rent, equal to a rental vacancy rate of 5.5 percent.

Vacancy Trends  
Anderson County, Tennessee, 1950-1967

	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1967</u>
Total housing units	<u>17,841</u>	<u>17,949</u>	<u>18,700</u>
Total vacant units	<u>2,783</u>	<u>1,578</u>	<u>800</u>
Available vacant units	<u>2,169</u>	<u>983</u>	<u>425</u>
For sale	726	215	100
For rent	1,443	768	325
Other vacant units <sup>a/</sup>	614	595	375
Homeowner vacancy rate	13.0%	1.9%	0.8%
Rental vacancy rate	12.4%	13.1%	5.5%

<sup>a/</sup> Includes dilapidated units, seasonal units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners and other reasons.

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.

Sales Market

General Market Conditions. The shortage of mortgage funds and high interest and discount rates noted in the discussion of the HMA sales market were fully applicable to the Anderson County sales market. The principal mortgage lending institutions in Anderson County reportedly used waiting lists for loan applicants during the last part of 1966. Insurance companies, which were a major source of mortgage funds in the county, withdrew almost entirely during late 1966 and early 1967. As measured by building permits issued, construction of new sales housing units declined by 19 percent during 1966 compared with 1965.

Mortgage lenders report some improvement in the supply of mortgage funds since February and March 1967, and insurance companies were reported to be re-entering the market. Local realtors report considerable interest expressed by many residents in upgrading their housing, especially in the Oak Ridge area; however, most recent sales have been to newcomers. The strongest demand is reported to be in the \$25,000 to \$30,000 price range. The low homeowner vacancy rate, 0.8 percent as of July 1, 1967, suggests a strong potential market for both new and existing sales housing in the Anderson County submarket.

Major Subdivision Activity. There were six subdivisions in Anderson County with at least five completions during 1966, all of which were located in the city of Oak Ridge. These subdivisions reported a total of 119 homes completed during the year, accounting for about 62 percent of all new single-family construction in the submarket area. There were 33 houses built on a speculative basis in these six subdivisions and 10 units (30.3 percent) remained unsold at the end of the year, although none of these had been on the market for more than four months. Approximately half of the new homes in the area surveyed were priced to sell between \$25,000 and \$30,000.

### Rental Market

General Market Conditions. As noted in the discussion of residential building activity, fewer than 60 new privately-financed multifamily rental units were added to the rental market in Anderson County since April 1960. A growing demand for rental housing in the submarket area has been satisfied by existing rental vacancies, but the large excess of vacant rental units that existed in 1960 has been virtually eliminated. As of July 1, 1967, the rental vacancy rate in the county was about 5.5 percent, compared with 13.1 percent in April 1960. The tight money situation beginning in mid-1966 added to the overall demand for rental housing because many prospective home buyers could not obtain financing or preferred to wait for lower interest rates.

General Marketing Experience. Rents in the Anderson County submarket vary substantially, with significant differences in charges based on location, type of construction, space provided, and general condition. There are few relatively new apartments in the submarket area. Approximately 500 garden-type rental units were built in the city of Oak Ridge in 1950. The bulk of the rental inventory is made up of the multifamily housing units built for the federal government in Oak Ridge during the early 1940's. A variety of units were constructed, some frame and some masonry. Practically all of these buildings have been modified, some extensively. The typical

rent for an efficiency unit is \$45 to \$60 a month. One-bedroom units are available from \$60 to \$75, and two-bedroom units are available at rents ranging from \$75 to \$110. There are relatively few three-bedroom units in the submarket rental stock; those provided generally rent at \$80 or more a month. Rents in the submarket area include all utilities except electricity.

Rental Housing Under Construction. As previously noted in the discussion of residential building activity, as of July 1, 1967, there were no new rental housing units under construction in the submarket area, but approximately 270 multifamily units in the city of Oak Ridge that have been vacant for an extensive period were scheduled to be remodeled and placed on the market in the near future.

#### Urban Renewal Activity

Clinton, Lake City, Norris, and Oliver Springs have participated in the Urban Planning Assistance Program through studies prepared by the Tennessee State Planning Commission. One urban renewal project, Town Center (R-34), located in the city of Clinton, has been completed. A total of 30 families were relocated from a nine-acre area to provide for improvement of commercial and public-use areas.

#### Public Housing

There were 100 low-rent public housing units under management in three projects in the city of Clinton as of July 1, 1967, and the housing authority had received a reservation for an additional 50 units, although the Annual Contributions Contract had not been approved or executed. There were 80 low-rent public housing units under management in two projects in Lake City as of July 1, 1967.

## Demand for Housing

### Quantitative Demand

Based on anticipated household increases in the Anderson County submarket area, on anticipated inventory losses, and giving consideration to the number of units currently under construction (including 270 multifamily units scheduled for rehabilitation), current vacancy levels, and the shift of single-family units from the sales inventory to the rental inventory, the demand for new privately-financed housing in Anderson County is expected to total 450 units a year during the July 1967 to July 1969 forecast period. The annual demand includes 375 single-family units and 75 multifamily units. The demand forecast for new single-family units represents an increase over the average volume of new single-family construction during the past several years (about 240 units annually) and reflects the increase in household growth anticipated during the forecast period (450 new households annually, compared with an increase of only 210 a year during the 1960 to 1967 period) and the present low homeowner vacancy rate (0.8 percent).

The demand for new multifamily units exceeds recent construction volume, which has been very limited, but represents only a small increase over the average absorption of rental units over the past seven years. Absorption of existing rental vacancies averaged about 65 units annually between April 1960 and July 1967, and the rental vacancy rate declined from 13.1 percent to 5.5 percent. A substantial portion of the rental demand anticipated during the next two years will be satisfied by the rehabilitation of the 270 existing vacant rental units discussed previously, but few, if any, additional existing rental vacancies would be available for rehabilitation in the submarket area. The demand estimate does not include public low-rent housing or rent supplement accommodations.

### Qualitative Demand

Single-family Houses. Based on the distribution of families by current annual after-tax incomes, on the proportion of income which area families typically pay for sales housing, and on recent market experience, demand for new single-family houses in the Anderson County submarket is expected to approximate the sales price pattern presented in the following table. It is judged that little, if any, acceptable housing can be constructed in the submarket area for less than \$12,500.

Estimated Annual Demand for New Single-Family Houses  
Anderson County, Tennessee  
July 1, 1967 - July 1, 1969

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
Under \$15,000	15	4
\$15,000 - 17,499	80	21
17,500 - 19,999	85	23
20,000 - 24,999	75	20
25,000 - 29,999	90	24
30,000 - 34,999	15	4
35,000 and over	<u>15</u>	<u>4</u>
Total	375	100

Multifamily Housing. Taking into consideration the qualitative characteristics of the present multifamily housing inventory, the distribution of present units by gross monthly rents, and the anticipated marketing of approximately 270 rehabilitated rental units during the next two years, it is judged that the annual demand for 75 multifamily rental units in the Anderson County submarket might best be absorbed if new units were produced primarily in the middle and upper rental ranges. Absorption of new rental units at the rate suggested should be readily achieved if the new units are produced in well-designed projects of quality construction, offering a variety of luxury and semi-luxury features generally not available at the present time in the submarket area.

Housing Market Summary  
Blount County Submarket  
Knoxville, Tennessee, HMA

Demographic Factors

Population

Current Estimate and Past Trend. As of July 1, 1967, the population of Blount County was approximately 64,200, a little more than 15 percent of the HMA total. The July 1967 population reflects an increase of 6,675 (11.6 percent) over the April 1960 population of 57,525 as reported by the census. Between April 1950 and April 1960, the population of the county increased by only 2,834 persons, a gain of only 5.2 percent. Local authorities attribute much of the population growth since 1960 to newcomers to the HMA with jobs in Knox County, who prefer to live in Blount County. A major portion of south Knoxville, including the central business district and the University of Tennessee, is more readily accessible to Blount County than to those parts of Knox County bordering on the north, east, and west of Knoxville.

Estimated Future Population. Based on anticipated employment gains averaging about 500 jobs a year in the Blount County submarket area, on the assumption that the employment participation rate will continue to rise, and on the premise that some Knox County workers will continue to select Blount County as their residence, it is estimated that the population of the county will increase by an average of 1,050 persons a year during the July 1967 to July 1969 forecast period, reaching a level of 66,300 by July 1969.

Population Trends  
Blount County, Tennessee, 1950-1969

<u>Date</u>	<u>Population</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1, 1950	54,691	-	-
April 1, 1960	57,525	285	0.4
July 1, 1967	64,200	920	1.6
July 1, 1969	66,300	1,050	1.6

Sources: 1950 and 1960 Censuses of Housing.  
1967 and 1969 estimated by Housing Market Analyst.



## Households

Current Estimate and Past Trend. As of July 1, 1967, there were approximately 18,000 households (occupied housing units) in Blount County. The July 1967 household level reflects an increase of 2,225, about 14 percent, over the April 1960 census count of 15,778 households in Blount County. The increase in the number of households averaged 310 a year during the 1960-1967 period, compared with an average annual gain of 200 households during the 1950-1960 decade.

Household Size. The average household size in Blount County as of July 1, 1967, is estimated to be 3.52 persons, compared with 3.60 persons in April 1960 and 3.91 persons in April 1950. Part of the decline in average household size between 1950 and 1960 results from the "creation" of a number of small households by the change in household definition previously discussed, part results from the addition of new households of generally smaller size (from new household formation and from in-migration), and part results from a decline in the birth rate. Except for the change in definition, the same factors also have influenced the average household size trend since 1960.

Estimated Future Households. On the basis of prospective population growth and the assumption that the average household size will decline slightly during the next two years, it is estimated that the number of households in Blount County will expand by approximately 350 a year between July 1967 and July 1969, reaching a level of 18,700 households by July 1969.

### Household Trends Blount County, Tennessee, 1950-1969

<u>Date</u>	<u>Households</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1, 1950	13,773	-	-
April 1, 1960	15,778	200	1.3
July 1, 1967	18,000	310	1.8
July 1, 1969	18,700	350	1.9

Sources: 1950 and 1960 Censuses of Housing.  
1967 and 1969 estimated by Housing Market Analyst.

## Housing Market Factors

### Housing Supply

Current Estimate and Past Trend. As of July 1, 1967, there were 18,600 housing units in Blount County. The July 1967 inventory reflected an increase of 1,050 housing units over the April 1960 submarket inventory of 17,543 units. The net increase in the inventory since April 1960 results from the construction of 2,050 new units, and the loss of 1,000 units through demolition and other causes.

Units in Structure. As of April 1960, almost 96 percent of all housing units in Blount County were in one-unit structures. Only one percent of the housing inventory was in structures of five or more units. A little more than three percent was in small multifamily structures of two to four units or in trailers. Although information is not available in relation to the type of structure of units lost from the inventory since 1960, it is judged that the composition of the inventory by units in structure as of July 1967 is about the same as reported by the census. New multifamily construction since 1960 has totaled fewer than 100 units.

Year Built. Based on the 1960 Census of Housing and estimates derived from building permits and demolition data, it is estimated that about 11 percent of the housing inventory of Blount County has been built since April 1960 and that 23 percent was built between 1950 and 1960. About 24 percent of the inventory was put on the market in the 1940 to 1950 period. About 41 percent of the housing units in the county was built prior to 1940.

### Housing Inventory by Year Built Blount County, Tennessee As of July 1, 1967<sup>a/</sup>

<u>Year built</u>	<u>Number of units</u>	<u>Percent of inventory</u>
April 1960-July 1967	2,100	11.3
1955-March 1960	2,050	11.0
1950-1954	2,225	12.0
1940-1949	4,525	24.3
1930-1939	2,825	15.2
1929 or earlier	4,875	26.2
Total	18,600	100.0

<sup>a/</sup> See Appendix A, paragraph 6.

Source: Estimated by Housing Market Analyst, based on 1960 Census of Housing and local construction and demolition data.

### Residential Building Activity

Trend. Based on electric meter installations and other local data, it is estimated that a total of 2,050 new housing units were constructed in the submarket area in the April 1960 to July 1967 period, representing an average rate of construction of about 280 units a year. Since only about 21 percent of all new construction in the county during this period was in areas requiring building permits, precise calculation of year-to-year building activity is not feasible. Local realtors report that building volume probably averaged 300 to 325 units a year during the 1963 to 1965 period, but declined to about 225 to 250 units during 1966 as a result of the tight money market. It is estimated that about 75 multifamily units, all privately-financed, were completed in the submarket area between April 1960 and July 1967. About one-third of all new construction in the submarket area since 1960 has been in the cities of Maryville and Alcoa and the unincorporated fringe areas adjacent to these two cities. The trend of building activity in the cities of Maryville and Alcoa as measured by building permits issued since 1960 is shown in the following table.

#### Number of New Housing Units Authorized by Building Permits In the Cities of Maryville and Alcoa, 1960-1967

<u>Year</u>	<u>One- family</u>	<u>2-to 4- family</u>	<u>5-family or more</u>	<u>Total</u>
1960	36	-	-	36
1961	29	-	-	29
1962	29	2	-	31
1963	37	3	-	40
1964	45	-	20	65
1965	57	-	14	71
1966	64	13	20	97

#### First 6 months:

1966	42	4	12	58
1967	50	2	10	62

Sources: U.S. Bureau of the Census, Construction Reports, C-40; and local permit offices.

Units Under Construction. As of July 1, 1967, there were about 125 housing units under construction in Blount County, including about 75 single-family units and 50 multifamily units. With the exception of a 10-unit apartment project in Maryville, all of the multifamily units under construction were in small multifamily structures (less than five units), mostly duplexes.

Demolitions and Other Inventory Losses. Based on the condition of the housing inventory as of April 1960 and the inventory loss experience during the 1950 to 1960 period, it is estimated that 1,000 housing units were lost from the housing inventory of Blount County between April 1960 and July 1967. The rate of inventory loss (about eight-tenths of one percent a year) may be attributed to the fact that less than 61 percent of the housing inventory was classified as sound with all plumbing facilities in 1960. Total losses include units lost through demolition and merger, units lost by change to nonresidential use, units abandoned or destroyed by fire, flood, or other causes, and a substantial number of vacant units lost from the inventory because they are unfit for human habitation, scheduled for demolition, or condemned. On the basis of recent experience, it is judged that about 100 units a year may be lost from the submarket inventory during the July 1967 to July 1969 forecast period.

#### Tenure

It is estimated that there were 13,100 owner-occupied housing units in Blount County as of July 1, 1967, reflecting an owner-occupancy ratio of 72.8 percent, about the same as in April 1960. Between 1950 and 1960, owner-occupancy increased from 64.7 percent to 72.3 percent.

#### Household Tenure Trend Blount County, Tennessee, 1950-1967

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1967</u>
Total occupied housing units	<u>13,773</u>	<u>15,778</u>	<u>18,000</u>
Owner-occupied	8,907	11,415	13,100
Percent of total	64.7%	72.3%	72.8%
Renter-occupied	4,866	4,363	4,900
Percent of total	35.3%	27.7%	27.2%

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.

#### Vacancy

1960 Census. As of April 1960, there were 697 vacant nonseasonal, nondilapidated housing units in Blount County which were available for sale or rent. The available vacancies equaled about 4.2 percent of available inventory. Vacant units available for sale

totaled 165, indicating a homeowner vacancy rate of 1.4 percent in the submarket area, compared with an overall homeowner vacancy rate of 1.6 percent in the Knoxville HMA. There were 532 vacant units available for rent in the submarket area, representing a rental vacancy rate of 10.9 percent, a rate somewhat above the 8.3 percent rental vacancy rate reported for the entire housing market area.

Current Estimate. Based on the postal vacancy survey and other vacancy data, it is estimated that there were 350 vacant housing units for sale or rent in the Blount County portion of the HMA as of July 1, 1967, reflecting a total available vacancy rate of 1.9 percent. There were about 100 vacant units available for sale, representing a homeowner vacancy rate of 0.8 percent, and 250 vacant units available for rent, equal to a rental vacancy rate of 4.9 percent.

Vacancy Trends  
Blount County, Tennessee, 1950-1967

	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>July 1, 1967</u>
Total housing units	<u>14,700</u>	<u>17,543</u>	<u>18,600</u>
Total vacant units	<u>927</u>	<u>1,765</u>	<u>600</u>
Available vacant units	<u>272</u>	<u>697</u>	<u>350</u>
For sale	<u>89</u>	<u>165</u>	<u>100</u>
For rent	<u>183</u>	<u>532</u>	<u>250</u>
Other vacant units <sup>a/</sup>	<u>655</u>	<u>1,068</u>	<u>250</u>
Homeowner vacancy rate	1.0%	1.4%	0.8%
Rental vacancy rate	3.6%	10.9%	4.9%

<sup>a/</sup> Includes dilapidated units, seasonal units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners and other reasons.

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.

Sales Market

General Market Conditions. About 16 percent of the inventory of owner-occupied and vacant units available for sale in the housing market area are in Blount County, and about 15 percent of all new single-family construction in the HMA since April 1960 has been in the Blount County submarket area. Local realtors report that the sales market in the county was hindered by the shortage of mortgage funds and high interest and discount rates that prevailed

throughout the HMA from mid-1966 through early 1967. Builders who had been building three to four speculative homes at one time were only building one or two such units at any one time during the past year.

Major Subdivision Activity. There were 11 subdivisions in Blount County with at least five completions during 1966, although the largest of these reported just 11 total completions during the year. There were a total of 75 housing units built in the 11 largest subdivisions referred to; an additional 35 homes were built in 11 other subdivisions, none of which reported as many as five units completed during the year, however. Of the 110 single-family housing units built in the 22 subdivisions surveyed in Blount County only 20 units had been sold before the start of construction. Of the 90 units built on a speculative basis during 1966, 16 (18 percent) remained unsold at the end of the year. About two-thirds of the new homes in the subdivisions surveyed in Blount County were priced between \$20,000 and \$25,000. Building permit data indicate that a few homes were built in the \$10,000 to \$12,500 price range in Maryville and Alcoa.

### Rental Market

General Market Conditions. As noted in the discussion of residential building activity, only 75 new multifamily rental units were added to the rental market in Blount County between April 1960 and July 1967. It is estimated that absorption of existing rental vacancies during this period averaged about 65 units a year. As of July 1, 1967, the rental vacancy rate in the submarket area was only 4.9 percent, compared with 10.9 percent in April 1960. Considering the minimum requirements for vacant rental units to accommodate growth, mobility, and replacement needs, it appears doubtful that a significant portion of the future rental demand can be supplied from existing vacancies, as occurred in the past. The market for new rental housing, of course, is relatively small because the submarket area itself is not large in terms of population, and growth in the near future is not expected to be more than moderate.

General Marketing Experience. Rents for existing rental units in the submarket area vary widely depending on type of structure, age, type of construction, and condition. A large portion of available rental units are single-unit structures and converted rental units in larger houses; most are fairly old, although some of these have been well maintained and are in generally good condition. The typical rent for a one-bedroom unit in the submarket area as of July 1967 was about \$40 to \$60, most units being converted units or units in relatively old, small apartment buildings. A few one-bedroom units in newer multifamily structures rented for \$60 to \$75 a month. Two-bedroom rental units, a large portion of which were in single-unit structures, generally rented for \$75 to \$100 a month, with a few units with air-conditioning, carpeting, and other attractive features renting for as much as \$125 a month. Rents in the submarket area generally do not include utilities.

Rental Housing Under Construction. As previously noted, there were about 50 multifamily rental units under construction in Blount County as of July 1, 1967, including a 10-unit apartment project in Maryville. The remainder of the rental units under construction were in small multifamily structures (less than five units), mostly duplexes.

#### Public Housing

As of July 1, 1967, there were no low-rent public housing units in the submarket area; however, the housing authority in the city of Maryville had executed an Annual Contributions Contract for 150 low-rent housing units in anticipation of providing this type of housing in the future. As of July 1967, there was no public housing under construction.

## Demand for Housing

### Quantitative Demand

Based on anticipated household increases in the Blount County submarket area, on anticipated inventory losses, and giving consideration to the number of units currently under construction, current vacancy levels, tenure trends, and to the shift of single-family units from the sales inventory to the rental inventory, the demand for new privately-financed housing in Blount County is expected to total 450 units a year during the July 1967 to July 1969 forecast period. The annual demand includes 350 single-family units and 100 multifamily units. The demand forecast for new single-family units represents a slight increase over the level of new construction during the past several years but appears justified by the anticipated increase in household growth and the current low and declining homeowner vacancy rate. The demand forecast for new multifamily units exceeds recent construction volume, which has been very limited, but represents only a small increase over the average absorption of rental units. Absorption of existing rental vacancies averaged about 65 units a year over the past seven years and at present there are few good quality rental units available in the submarket area. The demand estimate does not include public low-rent housing or rent supplement accommodations.

### Qualitative Demand

Single-family Houses. Based on the distribution of families by current annual after-tax incomes, on the proportion of income which area families typically pay for sales housing, and on recent market experience, demand for new single-family houses in the Blount County submarket is expected to approximate the sales price pattern presented in the following table. It is judged that little, if any, acceptable housing can be constructed in the submarket area for less than \$10,000.



Estimated Annual Demand for New Single-Family Houses  
Blount County, Tennessee  
July 1, 1967 to July 1, 1969

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
Under \$15,000	20	6
\$15,000 - 17,499	75	22
17,500 - 19,999	85	24
20,000 - 24,999	75	22
25,000 - 29,999	65	18
30,000 - 34,999	15	4
35,000 and over	15	4
Total	350	100

Multifamily Housing. The annual demand for 100 multifamily rental units at rents achievable without public benefits or assistance in financing or land acquisition and cost will be absorbed best if distributed as follows: 40 one-bedroom units at gross monthly rents of \$90 and above, 45 two-bedroom units at \$110 or more, and 15 three-bedroom units at \$140 and above. Gross monthly rent is shelter or contract rent plus the cost of utilities (see Appendix A, paragraph 11).

APPENDIX A  
**OBSERVATIONS AND QUALIFICATIONS**  
APPLICABLE TO ALL FHA HOUSING MARKET ANALYSES

1. When the rural farm population constitutes less than five percent of the total population of the HMA, all demographic and housing data used in the analysis refer to the total of farm and non-farm data; if five percent or more, all demographic and housing data are restricted to non-farm data.
2. All average annual percentage changes used in the demographic section of the analysis are derived through the use of a formula designed to calculate the rate of change on a compound basis.
3. Because of the change in definition of "farm" between 1950 and 1960 censuses, many persons living in rural areas who were classified as living on farms in 1950 would have been considered to be rural nonfarm residents in 1960. Consequently, the decline in the farm population and the increase in nonfarm population between the two census dates is, to some extent, the result of this change in definition.
4. The increase in nonfarm households between 1950 and 1960 was the result, in part, of a change in the definition of "farm" in the two censuses.
5. The increase in the number of households between 1950 and 1960 reflects, in part, the change in census enumeration from "dwelling unit" in the 1950 census to "housing unit" in the 1960 census. Certain furnished-room accommodations which were not classed as dwelling units in 1950 were classed as housing units in 1960. This change affected the total count of housing units and the calculation of average household size as well, especially in larger central cities.
6. The basic data in the 1960 Census of Housing from which current housing inventory estimates are developed reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.
7. Postal vacancy survey data are not entirely comparable with the data published by the Bureau of Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, the survey serves a valuable function in the derivation of estimates of local market conditions.
8. Because the 1950 Census of Housing did not identify "deteriorating" units, it is possible that some units classified as "dilapidated" in 1950 would have been classified as "deteriorating" on the basis of the 1950 enumeration procedures.
9. The distribution of the qualitative demand for sales housing differs from any selected experience such as that reported in FHA unsold inventory surveys. The latter data do not include new construction in subdivisions with less than five completions during the year reported upon, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction and some of the lower-value homes are concentrated in the smaller building operations, which are quite numerous. The demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.
10. Monthly rentals at which privately owned net additions to the aggregate rental housing inventory might best be absorbed by the rental market are indicated for various size units in the demand section of each analysis. These net additions may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition. The production of new units in higher rental ranges than indicated may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result of the availability of an ample rental housing supply.
11. Distributions of average annual demand for new apartments are based on projected tenant-family incomes, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorptive experience of new rental housing. Thus, they represent a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. However, individual projects may differ from the general pattern in response to specific neighborhood or sub-market requirements. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from these demand distributions. Even though a deviation from these distributions may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless a thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or sub-markets.
12. The location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships. Proximity to or quick and economical transportation to place of work frequently is a governing consideration in the place of residence preferred by families in this group.

Table I

Trend of Civilian Work Force Components  
Knoxville, Tennessee, HMA, 1962-1967  
 (Annual averages in thousands)

<u>Components</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966<sup>a/</sup></u>	<u>12 months ending May</u>	
						<u>1966<sup>a/</sup></u>	<u>1967<sup>a/</sup></u>
Civilian work force	<u>144.4</u>	<u>148.7</u>	<u>151.8</u>	<u>155.8</u>	<u>161.5</u>	<u>157.9</u>	<u>163.0</u>
Total employment	<u>136.4</u>	<u>141.0</u>	<u>145.1</u>	<u>151.0</u>	<u>157.1</u>	<u>153.0</u>	<u>158.2</u>
Nonagricultural	<u>131.8</u>	<u>136.4</u>	<u>140.8</u>	<u>146.8</u>	<u>152.9</u>	<u>148.8</u>	<u>154.0</u>
Wage and salary	115.1	119.6	123.6	129.6	136.1	131.8	137.6
Other	16.7	16.8	17.2	17.2	16.8	17.0	16.4
Agricultural	4.6	4.6	4.3	4.2	4.2	4.2	4.2
Unemployment	8.0	7.7	6.7	4.8	4.4	4.5	4.5
Percent of work force	5.5%	5.2%	4.4%	3.1%	2.7%	2.8%	2.8%

<sup>a/</sup> Preliminary. 1966 figures adjusted to 1966 benchmark, but subject to revision on basis of first quarter 1967 benchmark data when available. Civilian work force for 12 months ending May 1967 includes an average of 300 workers involved in labor-management disputes.

Note: Components may not add to total because of rounding.

Source: Tennessee Department of Employment Security.

Table II

Nonagricultural Wage and Salary Employment by Type of Industry  
Knoxville, Tennessee, HMA 1959-1967  
 (Annual averages in thousands)

<u>Industry</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966a/</u>	<u>12 months ending May</u>	
									<u>1966a/</u>	<u>1967a/</u>
Total wage and salary employment	<u>111.0</u>	<u>112.7</u>	<u>112.0</u>	<u>115.1</u>	<u>119.6</u>	<u>123.6</u>	<u>129.6</u>	<u>136.1</u>	<u>131.8</u>	<u>137.6</u>
Manufacturing	<u>41.8</u>	<u>42.1</u>	<u>40.3</u>	<u>41.5</u>	<u>42.4</u>	<u>43.4</u>	<u>45.3</u>	<u>47.7</u>	<u>46.3</u>	<u>47.7</u>
Durable goods	<u>12.6</u>	<u>12.6</u>	<u>11.8</u>	<u>12.1</u>	<u>12.5</u>	<u>13.2</u>	<u>14.2</u>	<u>15.2</u>	<u>14.6</u>	<u>15.2</u>
Lumber	.6	.6	.5	.6	.5	.4	.4	.5	.4	.5
Furniture	.6	.5	.4	.4	.5	.5	.5	.6	.5	.6
Stone, clay, & glass	1.8	1.9	2.0	1.8	1.8	1.9	1.9	1.8	1.8	1.8
Nonelectrical machinery	.8	.8	.9	1.0	1.0	1.1	1.1	1.3	1.2	1.4
All other <sup>b/</sup>	8.8	8.8	8.0	8.3	8.7	9.2	10.3	11.0	10.6	10.9
Nondurable goods	<u>29.2</u>	<u>29.5</u>	<u>28.5</u>	<u>29.4</u>	<u>29.9</u>	<u>30.2</u>	<u>31.1</u>	<u>32.5</u>	<u>31.7</u>	<u>32.5</u>
Food products	4.0	4.1	4.0	4.0	4.2	4.2	4.2	4.3	4.2	4.4
Textile mill products	5.1	5.4	5.0	5.2	5.0	4.7	4.8	4.9	4.9	4.6
Apparel	4.0	3.8	3.9	4.9	5.0	5.5	6.9	7.8	7.4	7.8
Printing & publishing	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.4	1.3	1.5
All other <sup>c/</sup>	15.0	15.1	14.5	14.2	14.6	14.6	14.0	14.1	14.0	14.2
Nonmanufacturing	<u>69.2</u>	<u>70.6</u>	<u>71.7</u>	<u>73.6</u>	<u>77.2</u>	<u>80.2</u>	<u>84.3</u>	<u>88.4</u>	<u>85.5</u>	<u>89.9</u>
Mining	1.7	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Construction	6.6	6.5	5.8	5.3	5.6	5.4	5.6	6.2	5.7	6.1
Trans., comm., & pub. util.	6.6	6.5	6.3	6.3	6.5	6.5	6.7	6.8	6.8	6.9
Trade	<u>22.4</u>	<u>22.8</u>	<u>23.2</u>	<u>23.4</u>	<u>24.0</u>	<u>25.3</u>	<u>26.8</u>	<u>28.8</u>	<u>27.4</u>	<u>29.3</u>
Wholesale	6.0	6.1	6.3	6.5	6.6	6.7	7.0	8.2	7.3	8.4
Retail	16.4	16.7	16.9	16.9	17.4	18.6	19.8	20.6	20.1	20.9
Finance, ins., & real est.	3.5	3.8	4.0	4.1	4.2	4.3	4.4	4.4	4.3	4.4
Services	11.4	12.0	12.7	13.5	14.0	14.9	15.9	16.7	16.2	16.9
Government	16.9	17.4	18.0	19.3	21.2	22.1	23.2	23.8	23.3	24.6

a/ Preliminary. 1966 figures adjusted to 1966 benchmark, but subject to revision on basis of first quarter 1967 benchmark data when available.

b/ Includes primary metals, fabricated metals, electrical equipment, transportation equipment, scientific and controlling instruments, and miscellaneous manufacturing.

c/ Includes chemicals, paper, products of petroleum, coal, and leather.

Note: Detail may not add to totals because of rounding.

Source: Tennessee Department of Employment Security.

Table III

Estimated Percentage Distribution of All Families and Renter Households<sup>a/</sup>  
By Annual Income After Deduction of Federal Income Tax  
Knoxville, Tennessee, HMA, 1967 and 1969

Annual income after deduction of federal income tax	HMA total				Knox County			
	All families		Renter households		All families		Renter households	
	1967	1969	1967	1969	1967	1969	1967	1969
Under \$2,000	13	13	21	19	12	12	21	19
\$2,000 - 2,999	10	8	13	12	11	8	13	12
3,000 - 3,999	10	11	14	14	10	12	14	14
4,000 - 4,999	11	10	12	12	11	10	12	12
5,000 - 5,999	10	10	11	12	11	10	11	12
6,000 - 6,999	10	10	9	9	10	10	9	9
7,000 - 7,999	9	9	7	7	8	9	7	7
8,000 - 8,999	8	7	4	4	8	7	4	4
9,000 - 9,999	5	6	3	4	5	6	3	4
10,000 - 12,499	8	8	3	3	8	8	3	3
12,500 - 14,999	3	4	2	3	3	4	2	3
15,000 and over	3	4	1	1	3	4	1	1
Total	100	100	100	100	100	100	100	100
Median	\$5,800	\$6,050	\$4,225	\$4,400	\$5,750	\$6,000	\$4,175	\$4,350

Annual income after deduction of federal income tax	Anderson County				Blount County			
	All families		Renter households		All families		Renter households	
	1967	1969	1967	1969	1967	1969	1967	1969
Under \$2,000	15	14	22	21	15	15	22	22
\$2,000 - 2,999	7	8	9	10	9	8	12	11
3,000 - 3,999	8	7	13	13	9	9	13	12
4,000 - 4,999	9	9	12	12	10	9	12	12
5,000 - 5,999	9	8	12	12	10	9	12	12
6,000 - 6,999	12	12	9	9	10	10	9	9
7,000 - 7,999	9	9	7	7	10	10	7	7
8,000 - 8,999	7	8	5	5	8	9	4	5
9,000 - 9,999	7	6	4	4	6	6	3	4
10,000 - 12,499	10	11	5	5	7	8	3	3
12,500 - 14,999	4	4	1	1	3	3	2	2
15,000 and over	3	4	1	1	3	4	1	1
Total	100	100	100	100	100	100	100	100
Median	\$6,275	\$6,425	\$4,550	\$4,675	\$5,800	\$6,100	\$4,225	\$4,425

<sup>a/</sup> Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table IV

Housing Units Authorized by Building Permits  
Knoxville, Tennessee, HMA, 1960-1967

(HMA total)

<u>Year</u>	<u>One- family</u>	<u>2-to 4- family</u>	<u>5-family or more</u>	<u>Total</u>	<u>Percent two- family or more</u>
1960	1,847	8	114	1,969	6.2
1961	1,668	26	286	1,980	15.8
1962	1,689	24	451	2,164 <sub>a/</sub>	27.9
1963	1,658	68	499	2,225 <sub>b/</sub>	27.4
1964	1,822	46	825	2,693	32.3
1965	1,978	56	816	2,850 <sub>c/</sub>	45.8
1966	1,489	94	964	2,547	41.5

First six months:

1966	897	44	355	1,296	31.8
1967	917	43	783	1,743	48.8

a/ Includes 179 units of public housing.b/ Includes 60 units of public housing.c/ Includes 799 units of public housing.

(Knox County)

<u>Year</u>	<u>One- family</u>	<u>2-to 4- family</u>	<u>5-family or more</u>	<u>Total</u>	<u>Percent two- family or more</u>
1960	1,484	8	114	1,606	7.6
1961	1,392	26	286	1,704	18.3
1962	1,423	22	557 <sub>a/</sub>	2,002 <sub>a/</sub>	28.9
1963	1,391	59	551 <sub>b/</sub>	2,001 <sub>b/</sub>	30.5
1964	1,529	46	805	2,380	35.8
1965	1,684	56	1,551 <sub>c/</sub>	3,291 <sub>c/</sub>	48.8
1966	1,232	77	933	2,242	45.0

First six months:

1966	756	42	349	1,147	34.1
1967	772	41	783	1,596	52.8

a/ Includes 129 units of public housing in Knoxville.b/ Includes 60 units of public housing in Knoxville.c/ Includes 749 units of public housing in Knoxville.

Table IV (continued)

## (Anderson County)

<u>Year</u>	<u>One- family</u>	<u>2-to 4- family</u>	<u>5-family or more</u>	<u>Total</u>	<u>Percent two- family or more</u>
1960	327	-	-	327	-
1961	247	-	-	247	-
1962	237	50 <sub>a</sub> /	23	310 <sub>a</sub> /	23.5
1963	230	6	8	244	5.7
1964	248	-	-	248	-
1965	237	50 <sub>b</sub> /	-	287 <sub>b</sub> /	17.4
1966	193	4	11	208	7.2

First six months:

1966	99	2	6	107	7.5
1967	95	2	-	97	2.1

a/ Includes 50 units of public housing in Lake City.

b/ Oncludes 50 units of public housing in Clinton.

## (Cities of Maryville and Alcoa, Blount County)

<u>Year</u>	<u>One- family</u>	<u>2-to 4- family</u>	<u>5-family or more</u>	<u>Total</u>	<u>Percent two- family or more</u>
1960	36	-	-	36	-
1961	29	-	-	29	-
1962	29	2	-	31	6.5
1963	37	3	-	40	7.5
1964	45	-	20	65	30.8
1965	57	-	14	71	19.7
1966	64	13	20	97	34.0

First six months:

1966	42	4	12	58	27.6
1967	50	2	10	62	19.4

Sources: U.S. Bureau of the Census, Construction Reports, C-40;  
and local permit offices.

Table V

Household Tenure Trends  
Knoxville, Tennessee, HMA, 1950-1967

<u>Tenure</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>July 1, 1967</u>
(HMA total)			
Total occupied housing units	<u>88,809</u>	<u>104,725</u>	<u>119,500</u>
Owner-occupied	50,026	70,653	81,550
Percent of total	56.3%	67.5%	68.2%
Renter-occupied	38,783	34,072	37,950
Percent of total	43.7%	32.5%	31.8%
(Knox County)			
Total occupied housing units	<u>59,978</u>	<u>72,576</u>	<u>83,600</u>
Owner-occupied	36,280	47,970	56,100
Percent of total	60.5%	66.1%	67.1%
Renter-occupied	23,698	24,606	27,500
Percent of total	39.5%	33.9%	32.9%
(Anderson County)			
Total occupied housing units	<u>15,058</u>	<u>16,371</u>	<u>17,900</u>
Owner-occupied	4,839	11,268	12,350
Percent of total	32.1%	68.8%	69.0%
Renter-occupied	10,219	5,103	5,550
Percent of total	67.9%	31.2%	31.0%
(Blount County)			
Total occupied housing units	<u>13,773</u>	<u>15,778</u>	<u>18,000</u>
Owner-occupied	8,907	11,415	13,100
Percent of total	64.7%	72.3%	72.8%
Renter-occupied	4,866	4,363	4,900
Percent of total	35.3%	27.7%	27.2%

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.



Table VI

## Knoxville, Tennessee, Area Postal Vacancy Survey

July 12-18, 1967

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	102,460	3,026	3.0	2,617	409	1,377	89,336	1,905	2.1	1,577	328	446	13,124	1,121	8.5	1,040	81	931	952	78	8.2
Knox County																					
Knoxville	73,921	2,218	3.0	1,910	308	1,204	63,711	1,337	2.1	1,101	236	310	10,210	881	8.6	809	72	894	654	58	8.9
Main Office	6,048	595	9.8	536	59	755	2,503	87	3.5	84	3	1	3,545	508	14.3	452	56	754	3	1	33.3
Branches:																					
Karns	1,749	7	0.4	4	3	20	1,749	7	0.4	4	3	20	-	-	-	-	-	-	34	3	8.8
Stations:																					
Burlington	9,930	207	2.1	193	14	33	9,185	162	1.8	148	14	28	745	45	6.0	45	-	5	77	6	7.8
Pountain City	8,769	144	1.6	117	27	68	8,302	112	1.3	87	25	48	467	32	6.9	30	2	20	73	14	19.2
Lonsdale	9,427	287	3.0	228	59	64	8,062	241	3.0	182	59	64	1,365	46	3.4	46	-	-	60	1	1.7
North Knoxville	12,158	325	2.7	311	14	19	10,560	193	1.8	184	9	3	1,598	132	8.3	127	5	16	41	2	4.9
Norwood	4,268	91	2.1	77	14	62	4,106	67	1.6	62	5	12	162	24	14.8	15	9	50	149	8	5.4
South Knoxville	11,865	309	2.6	260	49	85	10,965	276	2.5	227	49	51	900	33	3.7	33	-	34	91	16	17.6
West Knoxville	9,707	253	2.6	184	69	98	8,279	192	2.3	123	69	83	1,428	61	4.3	61	-	15	126	7	5.6
Anderson County	14,186	416	2.9	393	23	64	12,078	248	2.1	225	23	62	2,108	168	8.0	168	-	2	146	4	2.7
Clinton	4,480	128	2.9	113	15	21	4,392	112	2.6	97	15	19	88	16	18.2	16	-	2	146	4	2.7
Oak Ridge	9,706	288	3.0	280	8	43	7,686	136	1.8	128	8	43	2,020	152	7.5	152	-	-	-	-	-
Blount County	14,353	392	2.7	314	78	109	13,547	320	2.4	251	69	74	806	72	8.9	63	9	35	152	16	10.5
Alcoa	2,244	27	1.2	23	4	10	2,210	26	1.2	22	4	10	34	1	2.9	1	-	-	1	-	0.0
Maryville	12,109	365	3.0	291	74	99	11,337	294	2.6	229	65	64	772	71	9.2	62	9	35	151	16	10.6

The distributions of total possible deliveries to residences, apartments and house trailers were estimated by the postal carriers. The data in this table, therefore, are not strictly comparable to the distribution of deliveries by structural type for surveys prior to 1966. The total possible deliveries for the total of residences, apartments and house trailers, however, are as recorded in official route records.

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i.e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FIAA postal vacancy survey conducted by collaborating postmaster(s).

Table VII

Vacancy Trends  
Knoxville, Tennessee, HMA, 1950-1967

<u>Vacancy status</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>July 1, 1967</u>
(HMA total)			
Total housing units	<u>94,541</u>	<u>112,679</u>	<u>124,500</u>
Total vacant units	<u>5,732</u>	<u>7,954</u>	<u>5,000</u>
Available vacant units	<u>3,241</u>	<u>4,218</u>	<u>2,750</u>
For sale	<u>1,076</u>	<u>1,129</u>	<u>750</u>
For rent	<u>2,165</u>	<u>3,089</u>	<u>2,000</u>
Other vacant units <sup>a/</sup>	<u>2,491</u>	<u>3,736</u>	<u>2,250</u>
Homeowner vacancy rate	2.1%	1.6%	0.9%
Rental vacancy rate	5.3%	8.3%	5.0%
(Knox County)			
Total housing units	<u>62,000</u>	<u>77,187</u>	<u>87,200</u>
Total vacant units	<u>2,022</u>	<u>4,611</u>	<u>3,600</u>
Available vacant units	<u>800</u>	<u>2,538</u>	<u>1,975</u>
For sale	<u>261</u>	<u>749</u>	<u>550</u>
For rent	<u>539</u>	<u>1,789</u>	<u>1,425</u>
Other vacant units <sup>a/</sup>	<u>1,222</u>	<u>2,073</u>	<u>1,625</u>
Homeowner vacancy rate	0.7%	1.5%	1.0%
Rental vacancy rate	2.2%	6.8%	4.9%
(Anderson County)			
Total housing units	<u>17,841</u>	<u>17,949</u>	<u>18,700</u>
Total vacant units	<u>2,783</u>	<u>1,578</u>	<u>800</u>
Available vacant units	<u>2,169</u>	<u>983</u>	<u>425</u>
For sale	<u>726</u>	<u>215</u>	<u>100</u>
For rent	<u>1,443</u>	<u>768</u>	<u>325</u>
Other vacant units <sup>a/</sup>	<u>614</u>	<u>595</u>	<u>375</u>
Homeowner vacancy rate	13.0%	1.9%	0.8%
Rental vacancy rate	12.4%	13.1%	5.5%
(Blount County)			
Total housing units	<u>14,700</u>	<u>17,543</u>	<u>18,600</u>
Total vacant units	<u>927</u>	<u>1,765</u>	<u>600</u>
Available vacant units	<u>272</u>	<u>697</u>	<u>350</u>
For sale	<u>89</u>	<u>165</u>	<u>100</u>
For rent	<u>183</u>	<u>532</u>	<u>250</u>
Other vacant units <sup>a/</sup>	<u>655</u>	<u>1,068</u>	<u>250</u>
Homeowner vacancy rate	1.0%	1.4%	0.8%
Rental vacancy rate	3.6%	10.9%	4.9%

<sup>a/</sup> Includes dilapidated units, seasonal units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners and other reasons.

Sources: 1950 and 1960 Censuses of Housing. 1967 estimated by Housing Market Analyst.

Table VIII

Absorption of Recently Completed Multifamily Housing Units  
Knoxville, Tennessee, HMA, January 1, 1963-July 1, 1967

<u>Size of unit</u>	<u>6 months or less</u>	<u>7-12 months</u>	<u>13-24 months</u>	<u>24-52 months</u>	<u>Total</u>
<u>Efficiency</u>					
Total	-	-	29	79	108
Number vacant	-	-	0	0	0
Percent vacant	-	-	0	0	0
<u>One bedroom</u>					
Total	54	8	119	487	668
Number vacant	10	0	4	8	22
Percent vacant	18.5	0	3.4	1.6	3.3
<u>Two bedroom</u>					
Total	44	61	178	220	503
Number vacant	0	0	3	5	8
Percent vacant	0	0	1.7	2.3	1.6
<u>Three bedroom</u>					
Total	6	-	-	13	19
Number vacant	0	-	-	0	0
Percent vacant	0	-	-	0	0
<u>Size not indicated</u>					
Total	-	-	32	24	56
Number vacant	-	-	1	0	1
Percent vacant	-	-	3.1	0	1.8
<u>Total all sizes</u>					
Total	104	69	358	823	1,354
Number vacant	10	0	8	13	31
Percent vacant	9.6	0	2.2	1.6	2.3

Source: FHA Market Absorption Survey conducted by the Knoxville Insuring Office.

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