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Los Angeles, Calif.

1966

*Analysis of the*

# **LOS ANGELES, CALIFORNIA HOUSING MARKET**

as of July 1, 1966

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FEDERAL HOUSING ADMINISTRATION  
WASHINGTON, D. C. 20411

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ANALYSIS OF THE  
LOS ANGELES, CALIFORNIA, HOUSING MARKET  
AS OF JULY 1, 1966

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

## 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  
LOS ANGELES, CALIFORNIA, HOUSING MARKET  
AS OF JULY 1, 1966

Summary and Conclusions

The economy of the Los Angeles Housing Market Area (HMA) (Los Angeles County) is heavily dependent upon the aerospace and other defense-related industries. Growing military and commercial demand for the products of these industries has stimulated rapid growth of total employment over the last year. The increase in employment contrasts sharply with the rapidly falling levels of residential construction. Because of a substantial surplus of housing built during the 1962-1964 period, residential construction activity has declined precipitously, aided in recent months by an acute scarcity of mortgage funds. Thus, the sales and rental markets, in which there remain fairly substantial surpluses of housing, are in the midst of rapid change. A summary of the analytical findings is outlined below and more fully detailed in the text.

1. Nonagricultural employment in the Los Angeles HMA averaged 2,841,400 during the first five months of 1966, 114,800 (4.2 percent) above the average for comparable months in 1965. Over the previous seven years (1958-1965) nonagricultural employment increased by an average of about 65,100 annually, ranging from a low of 16,600 between 1960 and 1961, to a high of 114,400 from 1958 to 1959. Over the next two years, it is anticipated that employment will advance by an average of 70,000 new jobs yearly.
2. The current median family income in the Los Angeles HMA, after deducting federal income tax, is estimated at \$8,400 for all families; the median for renter households of two-or-more persons is \$6,625. Based on increases evident in the past, 1968 median family incomes (after-tax) are projected at \$8,875 for all families and \$7,000 for renter households of two-or-more persons.
3. The current population of the HMA is about 6,986,000, representing an increase of 947,200 (15.7 percent) above the 6,038,800 persons reported by the 1960 Census. Annual population increases since 1960 have averaged 151,550, well below average annual growth between 1950 and 1960 when the population grew by an average of 188,700 yearly. In response to improved economic conditions, population is expected to expand at a somewhat more rapid pace over the forecast period than during the last six years, adding 164,000 persons annually over the next two years. By July 1, 1968, total population in the HMA is forecast at 7,314,000.
4. Households currently number 2,364,000, representing an average increase of 56,350 annually since April 1960. During the two-year forecast period, households are expected to increase by 61,500 annually, reaching a total of 2,487,000 by July 1, 1968.

5. The housing inventory of the Los Angeles HMA currently totals 2,537,000 units, a net addition of some 393,800 units (18.4 percent) since April 1960. Over the last six years (1960-1965), residential construction activity, as measured by the number of units authorized by building permits, has averaged 77,150 units yearly. However, there were substantial deviations from the average of yearly authorizations. The nearly 106,400 units authorized in 1963 constituted the largest number ever authorized in one year in the HMA; only two years later, in 1965, only 53,200 units were authorized, the lowest total since World War II. This year the number of dwelling units authorized has declined further, with about 12,950 units authorized over the first five months of 1966 compared with 25,700 units in the first five months of 1965.

Over the past six years, units authorized in multifamily structures accounted for 68 percent of all units authorized, with an average of 52,550 multifamily units and 24,600 single-family units authorized annually. However, only 34,900 multifamily units and 18,300 single-family units were authorized in 1965. This year, single-family authorizations are running about 29 percent below the 1965 level and the number of multifamily units authorized is running 60 percent below the 1965 level.

6. The record level of housing units authorized for construction in 1963 and continuing high levels in the following year resulted in a rapid increase in the number of vacancies, which appeared to reach a peak in the fall of 1965. Substantially reduced construction activity since 1964 has reduced vacancy levels, although current vacancies in both the sales and rental markets are well above levels considered reasonable for a balanced market with the current rate of growth. The current over-all vacancy rate is estimated at 5.4 percent, compared with 4.6 percent in 1960. The current homeowner vacancy rate is estimated at 2.0 percent and the net rental vacancy rate at 8.7 percent.
7. The volume of privately-owned net additions to the housing supply that will meet the needs of the growing population of the Los Angeles HMA and establish a more reasonable demand-supply balance in the market is projected for the next two years at 55,450 units annually (excluding low-rent public housing and rent-supplement accommodations). Of the total, 17,100 units represent demand for sales houses and 38,350 units represent demand for rental units, including 3,800 units at the lower rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost. At these levels, the surplus of vacant units in the sales and rental markets would be reduced gradually throughout the two-year forecast period. The table on page 28 summarizes the projected annual demand for new sales and rental housing by submarkets. The qualitative demand for new sales and rental units is presented at the end of each summary report for the individual submarket areas.

ANALYSIS OF THE  
LOS ANGELES, CALIFORNIA, HOUSING MARKET  
AS OF JULY 1, 1966

Housing Market Area

The Los Angeles, California, Housing Market Area (HMA) under consideration in this analysis is coterminous with the Los Angeles-Long Beach Standard Metropolitan Statistical Area (SMSA) which, as currently defined, consists of Los Angeles County. The HMA is in southern California centrally located in a complex of seven SMSA's which cover almost the entire southern third of California.

The 1960 Census reported a population of 6,039,000 persons in the Los Angeles HMA.<sup>1/</sup> The county contains some 76 cities, 33 of which had populations exceeding 25,000 in 1960, and between 25 and 30 other unincorporated urban places. All but a few of these cities and urban places are located in the southern quarter of the county and combine to form a densely populated urban mass containing over 98 percent of the population of the HMA.

According to 1960 Census data, there was a net daily in-commutation to the HMA of about 40,600 workers, composed of 87,800 in-commuters and 47,200 out-commuters. Most commuter traffic was to or from Orange County, with about 68 percent of all in-commuters coming from Orange County, and 42 percent of all out-commuters going there. Traffic between the HMA and other nearby metropolitan areas was scattered and relatively light, largely because of natural topographic barriers and the distance from those areas to major employment complexes in the HMA.

For the purpose of this analysis, the HMA has been divided into nine sub-markets. The nine areas are shown on the map on page three. The following is a brief description of each area.

1. Central. Downtown Los Angeles and its immediate environs.
2. Southeast. South of the Central area and east of the Harbor Freeway to the Orange County line. This area extends south to include Compton, Bellflower, and Artesia. Other cities in this area are Whittier, Norwalk, and Downey.

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<sup>1/</sup> Inasmuch as the rural farm population of the Los Angeles HMA constituted less than one-tenth of one percent of the total population in 1960, all demographic and housing data in this analysis refer to the total of farm and nonfarm data.

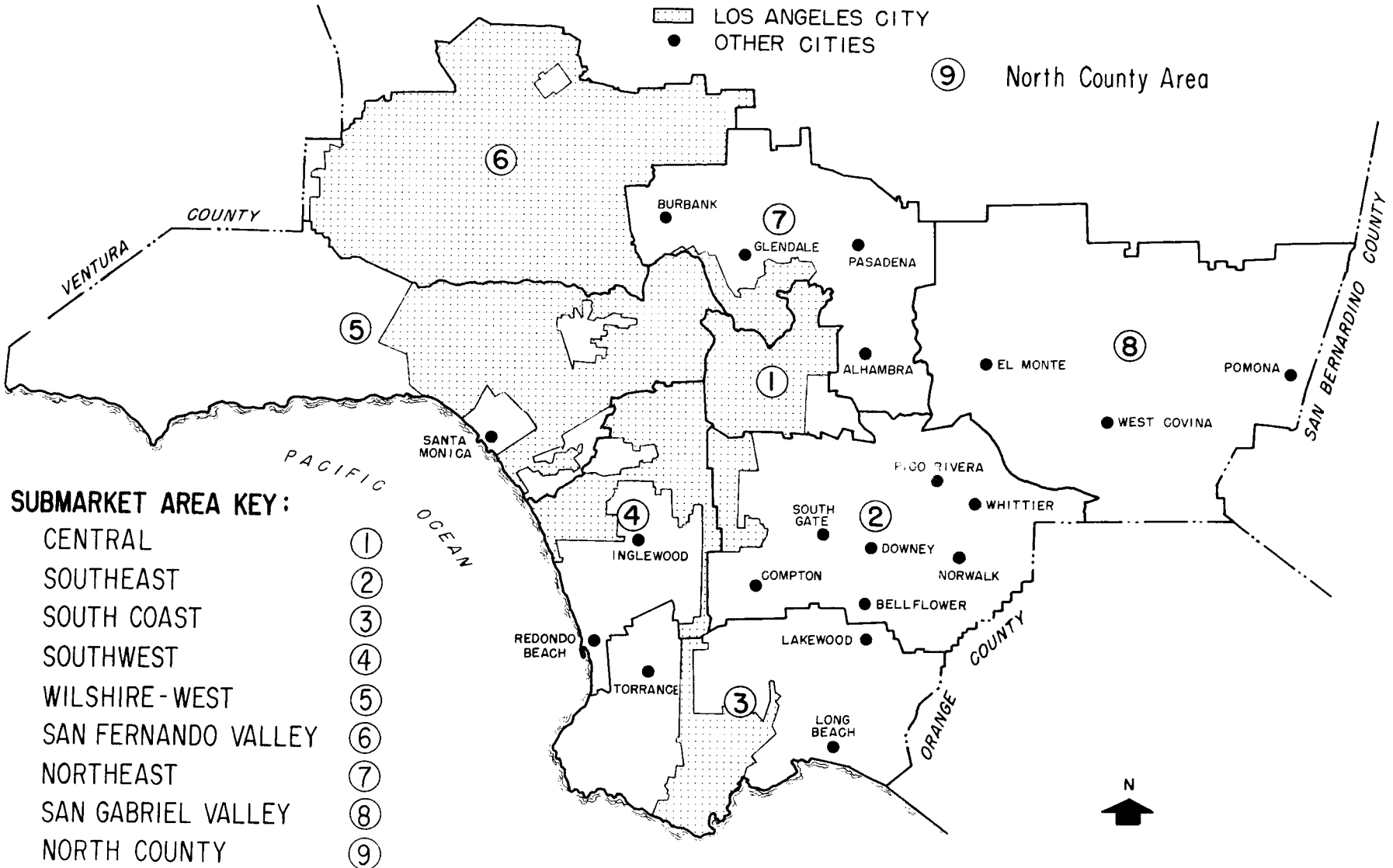


3. South Coast. Torrance, Long Beach, Wilmington, Lakewood, and the Harbor Area of Los Angeles City (San Pedro).
4. Southwest. Inglewood, Hawthorne, Gardena, and the beach cities from Playa Del Rey south to and including Redondo Beach.
5. Wilshire-West. The area west of downtown Los Angeles including Hollywood, Beverly Hills, Santa Monica and west to the Ventura County line.
6. San Fernando Valley. The area west of Burbank extending to the Ventura County line.
7. Northeast. The area which includes Burbank, Pasadena, Glendale, and Alhambra.
8. San Gabriel Valley. The area extending east from the cities of Arcadia, Temple City, and Rosemead to San Bernardino County.
9. North County. The thinly-populated northern area of Los Angeles County, from the San Gabriel Mountains (including the Angeles National Forest) to the Kern County line.

Each of these nine submarkets will be discussed separately and in some detail in this analysis (see table of contents). The thruway system serving these nine submarkets is shown on the map on page 4.

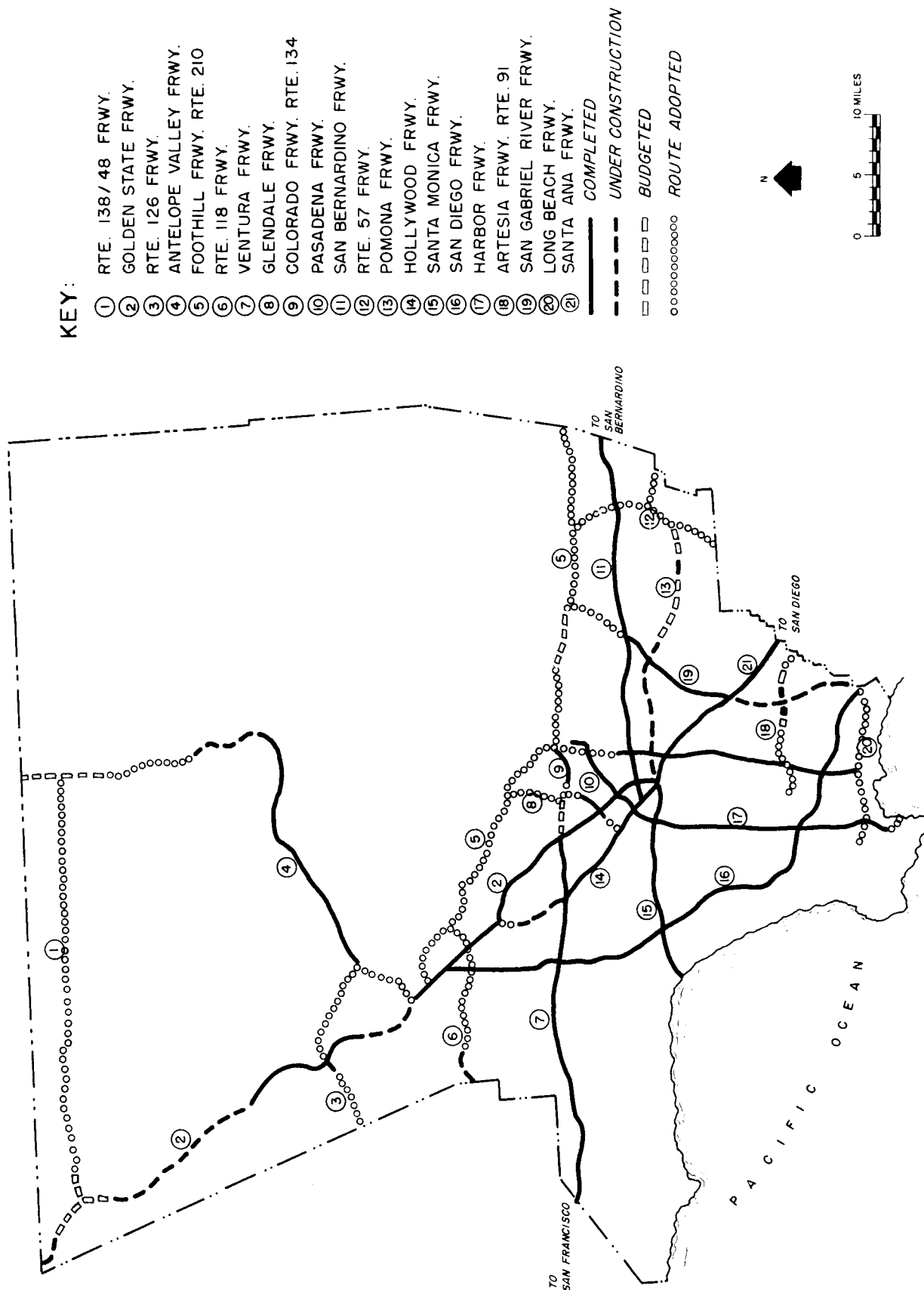
# SUBMARKETS IN LOS ANGELES COUNTY

SHOWING CITIES WITH POPULATION OF 50,000 OR MORE



# THE FREEWAY SYSTEM OF LOS ANGELES COUNTY, 1966

- 4 -



## Economy of the Area

### Character and History

Just over 100 years ago, Los Angeles was a small town of about 1,600 (in 1850); the agriculturally-based economy supported a population of less than 4,000 persons in the entire county. Until the advent of the twentieth century, growth was dependent upon agriculture; the oil industry, tourism, and the motion picture industry became major sources of economic support during the first three decades of this century. Manufacturing industry (primarily branch plants) located in the Los Angeles area as population increased, and the aircraft industry (then in its infancy) was established in the late 1920's. World War II led to a tremendous growth of the aircraft industry and associated suppliers. Subsequent military and commercial demands for aircraft and the diversification of manufacturers into other defense-space industries (electronics missiles, instruments, etc.) have established Los Angeles as one of the nation's leading aero-space centers.

The population of the HMA, which is now approaching seven million persons, ranks second only to the New York SMSA in population in the nation. The HMA has grown to be one of the leading financial, industrial, and commercial complexes in the country.

Today, education and research are important aspects of the economy of the Los Angeles HMA. There are about 35 higher educational institutions in the HMA, of which fifteen have an enrollment of 10,000 students or more, including the University of California at Los Angeles (UCLA), with about 25,700 students and the University of Southern California (USC), with about 18,600 students. Research and development, without which the area could not have developed into one of the nation's leading defense-space complexes, is conducted by a large number of firms and organizations, including the Jet Propulsion Laboratory associated with California Institute of Technology located in Pasadena.

### Employment

Current Estimate and Past Trend. Total nonagricultural employment averaged 2,841,400 during the first five months of 1966 (January through May), representing an increase of 114,800 (4.2 percent) over the average for comparable months in 1965. Over the past seven years (1958-1965), nonagricultural employment has increased by an average of 65,100 jobs a year, with gains ranging from a high of 114,400 (1958-1959) to a low of 16,600 (1960-1961).

Total nonagricultural employment for the first five months of 1966 was composed of 2,545,600 wage and salary workers and 290,400 workers in the "other" category, which includes self-employed, domestics, and unpaid family workers. The following table shows total nonagricultural employment for the years 1958 through May 1966.

Total Nonagricultural Employment  
Los Angeles, California, HMA  
1958 - 1966  
(Annual averages in thousands)

<u>Year</u>	<u>Employment</u>	<u>Change from preceding year</u>	
		<u>Number</u>	<u>Percent</u>
1958	2,312.9	-	-
1959	2,427.3	114.4	5.0
1960	2,469.7	42.4	1.7
1961	2,486.3	16.6	.7
1962	2,579.8	93.5	3.8
1963	2,643.1	63.3	2.5
1964	2,701.4	58.3	2.2
1965	2,768.7	67.3	2.5
<u>Jan.-May</u>			
1965	2,726.6	-	-
1966	2,841.4	114.8	4.2

Source: California Department of Employment.

Employment by Industry. Manufacturing employment, which accounts for about 31 percent of total wage and salary employment, has provided the impetus for the current rapid employment growth in the HMA, with average manufacturing employment in the first five months of this year 47,800 (6.4 percent) above the average for the same five months of 1965. However, between 1958 and 1965, manufacturing employment changes were mixed. During the seven-year period, there were four years when manufacturing employment declined and three years when it increased; average manufacturing employment in 1965 was only eight percent above the 1958 level and comparable to the average for 1962 (see table II).

During the 1958-1966 period, all of the durable goods industry groups experienced at least one year of declining employment, with the aircraft and electrical machinery industries suffering the largest losses. Only the aircraft industry was below the 1958 level in 1965. These losses reflect completions of contracts, changes in federal defense spending, and the migration of a number of firms (particularly in the electronics industry) to nearby Orange County.

The aircraft industry is the largest manufacturing industry in the HMA. Over the first five months of 1966, employment in this industry group averaged 137,600, accounting for over 17 percent of all manufacturing employment. However, the current level of employment in the aircraft industry is well below 1958 employment in that industry, when about 160,800 wage and salary workers were employed in the manufacture of aircraft and parts. Between 1958 and 1961, wage and salary employment in the aircraft industry dropped by almost 45,000 (about 28 percent). Over the next three years (1961-1964), aircraft employment remained relatively unchanged; since then, employment in this industry has expanded rapidly in response to the growing need for military aircraft (particularly helicopters) and increased demand for commercial airliners.

Electrical machinery, with average wage and salary employment of 103,200 during the first five months of 1966, has increased rapidly (about eight percent) in the past year; however, average employment in this industry group was about 19,000 higher in 1962. Employment in the ordnance industry, composed primarily of missile and space systems employment, averaged 48,100 for the first five months of 1966, a gain of 2,300 over the comparable period in 1965. Between 1958 and 1964, employment in this category more than doubled, increasing from 23,000 in 1958 to a peak of 48,500 in 1964; in the past two years, employment in this industry has fluctuated within a narrow range.

Manufacturing employment in the nondurable goods industries has grown at a relatively stable pace over the last seven and one-half years, with apparel and chemicals providing much of the increase. However, employment in petroleum refining has been declining, reflecting the increasing automation in this industry and the drying up of wells in the area.

Nonmanufacturing employment has increased steadily by an average of almost 54,200 wage and salary workers annually since 1958. The growth in this sector of the economy has provided the economy with some measure of stability, more than compensating for the periodic declines in manufacturing employment. Gains were substantial in the service, trade, and government employment groups. Employment also has grown rapidly in the finance, insurance, and real estate group. Much of the employment expansion in these industries reflects the growing demand for consumer goods and personal, business, financial, and educational services by the relatively affluent and constantly increasing population of the HMA. However, included in the service industry group are a number of growth industries not dependent on local population, such as the motion picture and television industry and nonprofit research and development organizations, including the Caltech Jet Propulsion Laboratory.

Over the last year and one-half, the construction industry has experienced declining employment, in contrast to the over-all strength of the remainder of the economy. Wage and salary employment in the construction industry averaged 114,000 over the first five months of the year, almost ten percent below the 1964 average and only three percent above the 1958 average. The recent declines in the construction industry reflect the rapid decline in residential construction since 1964 following the 1962-1964 boom period.

Employment Participation Rate. The employment participation rate represents the ratio of nonagricultural employment to total population. In 1960, census data revealed a participation rate of 38.8 percent, slightly above the rate of 38.2 percent reported in 1950. The current participation rate shows little change since 1960, and it is expected to remain at about the current level during the forecast period. The employment participation rate in Los Angeles is relatively high when compared with the national participation rate, which was 32.9 percent in 1960. The high participation rate in the HMA reflects the large number of single-person households in the area. In addition, the small household size prevalent in the HMA is conducive to multiple worker households. A high participation rate, however, is characteristic of large employment centers such as Los Angeles. In 1960, both the New York and Chicago SMSA's had high employment participation rates (about 40 percent in both areas). The wide range of employment opportunity in these major employment complexes tends to attract a large number of young people of working age (many of them single persons) and the high cost of living, as well as the employment opportunities, encourages multiple wage earning families.

#### Unemployment

Unemployment in the Los Angeles HMA averaged 144,900 during the first five months of 1966, representing 4.8 percent of the work force. The current unemployment rate is well below the 5.9 percent unemployment rate reported for the first five months of 1965 and is the lowest rate reported in the HMA since 1959 when 4.6 percent of the work force was reported to be unemployed.

### Geographic Distribution of Employment

Employment sources are widely dispersed throughout Los Angeles County. The Central submarket, however, is the largest employment center and employment in the Central submarket is almost equal to the population of this area, indicating substantial net in-commutation. Of the remaining submarkets, only Wilshire-West has any significant net in-commutation, although there is considerable cross commutation between submarkets.

In July 1964, the Central submarket, the largest employment complex in the HMA, accounted for 27.2 percent of the total employment in the HMA. The industrialized Southeast submarket ranks second in employment, with 14.1 percent of total employment in the HMA located there, followed by Wilshire-West with 11.3 percent, and the San Fernando Valley with 11.2 percent.

Manufacturing employment is heavily concentrated in the Southeast, Central, Southwest, and San Fernando Valley submarkets. Most manufacturing employment in the Central area is in nondurable goods, principally the apparel and printing industries. The Southeast area is the most industrialized submarket in the HMA, with employment in primary metals and fabricated metals accounting for a large share of manufacturing employment. The Southwest area, together with the Southeast area, have the highest proportion of their employment engaged in manufacturing (42.1 percent for both areas). Manufacturing employment in the Southwest and the San Fernando Valley submarkets is dominated by the defense-oriented electronics and aerospace industries. The following table shows the distribution of total employment and manufacturing employment in the HMA by submarket areas.



Percentage Distribution of Total Employment  
In the Los Angeles, California, HMA, by Submarket  
July 1964

<u>Submarket<sup>a/</sup></u>	<u>Percentage distribution</u>	
	<u>Total employment</u>	<u>Manufacturing</u>
Central	27.2	19.3
Southeast	14.1	20.8
South Coast	10.5	11.4
Southwest	9.7	14.2
Wilshire-West	11.3	5.2
San Fernando Valley	11.2	13.7
Northeast	8.3	6.9
San Gabriel Valley	7.1	7.9
North County	<u>.6</u>	<u>.6</u>
Total	100.0	100.0

a/ Combinations of twenty-two community labor markets delineated by the California Department of Employment which roughly correspond to the HMA submarkets.

Source: California Department of Employment, Division of Labor Statistics and Research.

Estimated Future Employment

Based on the past performance of the economy, it is anticipated that nonagricultural employment will increase by about 70,000 jobs annually over the two-year forecast period. The forecast increase is somewhat above the average annual increase in nonagricultural employment of 65,000 during the 1958-1965 period, but well below the very rapid increase of 114,200 experienced over the most recent period (Jan.-May, 1965-1966).

The very rapid increase in average employment for the first five months of 1966 over average employment in comparable months in 1965 reflected, in large measure, the rapid build-up in the aircraft industry. It is not expected that this rapid gain will be sustained, and there are indications that employment gains of the larger aircraft manufacturers have begun to taper off. Some continued migration of manufacturers to nearby Orange County can be expected to moderate future employment growth in the manufacturing sector.

Employment in the nonmanufacturing sector is expected to continue to increase at about the same rate as it has since 1958. Employment changes in the nonmanufacturing industries have been relatively regular. This pattern is expected to continue, although recovery of the residential construction industry in the latter part of the forecast period may give some additional impetus to growth in this sector of the economy.

### Income

Average Weekly Earnings. In 1964, weekly wages of manufacturing workers in the Los Angeles HMA averaged \$117, up about 15 percent from the \$102 average reported in 1959. In April 1966, average weekly earnings were reported at \$126, nearly seven percent above the April 1965 average of \$118. The rapid increase in weekly manufacturing earnings between 1965 and 1966 was largely the result of longer work weeks, the natural result of the rapid increase in manufacturing employment which caused shortages in many skilled manufacturing jobs.

Family Income. The current median annual family income, after deducting federal income tax, is about \$8,400 for all families and about \$6,625 for tenant households of two-or-more persons. About 28 percent of all families have after-tax annual incomes of less than \$6,000, compared with about 43 percent of the renter households. About 36 percent of all families and 21 percent of renter households have after-tax incomes of \$10,000 or more. Families with after-tax incomes of \$15,000 or more account for 12 percent of all families and five percent of renter households. By 1968, the median after-tax income is expected to be \$8,875 for all families and \$7,000 for renter households.

The following table shows current median annual family incomes in the nine major submarkets of the HMA. Detailed distributions by annual after-tax income are presented in table III for the HMA and by submarket in tables IV and IVa.

Estimated Median Family Income by Area  
After Deducting Federal Income Tax  
Los Angeles, California, HMA, 1966

<u>Area</u>	<u>Income</u>	<u>Area</u>	<u>Income</u>
HMA total	\$8,400	Wilshire-West	\$9,150
Central	5,925	San Fernando Valley	9,425
Southeast	7,475	Northeast	9,025
South Coast	8,300	San Gabriel Valley	8,525
Southwest	8,300	North County	8,250

Source: Estimated by Housing Market Analysts.

Demographic Factors

Population

Current Estimate and Past Trend. As of July 1, 1966, the population of the Los Angeles HMA numbers about 6,986,000 persons, an increase of about 947,200 (15.7 percent) since April 1960. Yearly population gains have averaged 151,550 in the post-1960 period, compared with an average increase of 188,700 annually between 1950 and 1960 and 136,600 during the 1940's.

Population Trend  
Los Angeles, California, HMA  
1940-1968

<u>Date</u>	<u>Population</u>	<u>Average annual change from preceding date</u>
April 1, 1940	2,785,643	-
April 1, 1950	4,151,687	136,604
April 1, 1960	6,038,771	188,708
July 1, 1966	6,986,000	151,550
July 1, 1968	7,314,000	164,000

Sources: U.S. Censuses of Population.  
1966 and 1968 estimated by Housing Market Analysts.

From the founding of Los Angeles County in 1850 to 1960, decennial population increments have tended to accelerate (except for the depression years between 1930 and 1940). Population growth since 1960 represents a reversal of this trend, and the rate of growth, although numerically surpassed only by growth during the 1950's, is the slowest in the history of the county.

Table VI shows population trends since 1950 in 35 major cities in the HMA. Because the population trends in many of the cities have been distorted by annexations, population trends by city have not been discussed in the submarket summaries. In addition, there have been some 31 cities in the HMA that have incorporated since 1950, eight of which are included in table VI. The city of Los Angeles is quite large and parts of it are within all but two of the nine HMA submarkets (North County and San Gabriel Valley).

Estimated Future Population. In response to the improved employment growth forecast for the next two years, the population of the Los Angeles HMA is expected to increase to 7,314,000 persons by July 1, 1968. The prospective gain of 164,000 persons over each of the next two years is greater than the 151,550 yearly between 1960 and 1966 but approximates the growth rate of the past year. The forecast population growth remains well below average yearly growth during the 1950's, however.

Natural Increase and Migration. Between 1950 and 1960, net natural increase (the excess of resident births over resident deaths) averaged 70,600 annually, while the total population increased by an average of 188,700 annually, indicating a yearly net in-migration of about 118,100 persons into the area. During the 1960-1966 period, the average population increase of 151,550 yearly was composed of an average yearly net natural increase of 81,800 and an average net in-migration of 69,750 a year.

Components of Population Change  
Los Angeles, California, HMA  
1950-1966

<u>Source of change</u>	<u>Average annual change<sup>a/</sup></u>	
	<u>1950-1960</u>	<u>1960-1966</u>
Total population change	188,700	151,550
Net natural increase	70,600	81,800
Net in-migration	118,100	69,750

<sup>a/</sup> Rounded.

Sources: U.S. Census of Population. California Department of Public Health. Estimates by Housing Market Analysts.

Households

Current Estimate and Past Trend. There are about 2,364,000 households in the Los Angeles HMA at present, about 352,300 (17.5 percent) more households than were enumerated by the decennial census in 1960. Paralleling the population trends since 1950, average annual increases in the number of households since 1960 have been well below annual gains during the 1950's. Yearly gains in the number of households have averaged 56,350 since 1960, compared with 64,050 during the 1950's. However, the increase in the number of households between 1950 and 1960 reflects, in part, the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.

Number of Households  
Los Angeles, California, HMA  
1950-1968

<u>Date</u>	<u>Households</u>	<u>Average annual change from preceding date</u>
April 1, 1950	1,371,043	-
April 1, 1960	2,011,700	64,066
July 1, 1966	2,364,000	56,350
July 1, 1968	2,487,000	61,500

Sources: 1950 and 1960 Censuses of Housing.  
1966 and 1968 estimated by Housing Market Analysts.

Household Size. At present, the average size of households in the Los Angeles HMA is 2.91 persons, down slightly from the 1960 average of 2.94 persons per household. During the 1950's, there was a modest increase in the average household size, from 2.92 persons in 1950 to 2.94 persons in 1960. The reversal of the trend toward larger average household size in the current period reflects the dramatic reversal of residential development patterns in the HMA--from predominately single-family during the 1950's to multifamily development (typically occupied by smaller households) since 1960. Over the forecast period, it is anticipated that average household size will continue to decline, reaching 2.90 persons per household by July 1, 1968.

Estimated Future Households. Based on the anticipated increase in population in response to growing job opportunities in the area and on the expected decline in average household size, there are expected to be 2,487,000 households in the Los Angeles HMA by July 1, 1968. This represents an average prospective addition of 61,500 households annually during the next two years.

## Housing Market Factors

### Housing Supply

Current Estimate and Past Trend. At present, there are about 2,537,000 housing units in the Los Angeles HMA, nearly 393,800 units (18.4 percent) above the 1960 inventory reported by the census. The change since 1960 arises from the addition of about 461,800 units and the loss by demolition or other causes of about 68,000 units. The net change since 1960 represents an average gain of about 63,000 yearly. In comparison, the net inventory change between 1950 and 1960 averaged 70,050 units annually. The increase in the number of housing units between 1950 and 1960 reflects, in part, the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census. Table VIII shows the current housing inventory and inventory trends since 1950 in 35 major cities in the HMA.

Units in Structure. Currently, 63.4 percent of all units in the HMA are single-family units (includes trailers), substantially below the proportion reported in 1960, when 70.2 percent of the inventory was in single-family structures. The proportion of units in two-family structures also has declined, from 5.0 percent of the inventory in 1960 to 4.7 percent in 1966. Since 1960, units in multifamily structures (three or more units per structure) have accounted for a growing proportion of the inventory, with 31.9 percent of the current inventory in multifamily structures compared with 24.8 percent in 1960.

### Housing Inventory by Units in Structure Los Angeles, California, HMA, 1960 and 1966

<u>Units in structure</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>	<u>Percent of total 1960</u>	<u>1966</u>
One unit <sup>a/</sup>	1,504,938	1,607,900	70.2	63.4
Two units	106,243	120,300	5.0	4.7
Three or more units	<u>531,773</u>	<u>808,800</u>	<u>24.8</u>	<u>31.9</u>
Total units	2,142,954 <sup>b/</sup>	2,537,000	100.0	100.0

<sup>a/</sup> Includes trailers.

<sup>b/</sup> Differs slightly from the count of all housing units because units by type of structure were reported on a sample basis.

Sources: 1960 Census of Housing.

1966 estimated by Housing Market Analysts.

Age of the Inventory. The distribution of the current housing inventory by age reflects the very rapid growth of the area since the beginning of World War II. Just over two-thirds of the inventory is 26 years old or less with 18.2 percent six years old or less. The following table presents the current inventory distributed by age.

Age Distribution of all Housing Units  
Los Angeles, California, HMA  
July 1, 1966

<u>Age group</u>	<u>Units</u>	<u>Percent of total</u>
6 years old or less	461,800	18.2
7 through 11 years	393,500	15.5
12   "   16   "	399,900	15.8
17   "   26   "	439,500	17.3
27   "   36   "	307,700	12.1
37 years old or more	<u>534,600</u>	<u>21.1</u>
Total	2,537,000	100.0

Note: The basic data in the 1960 Census of Housing from which the above estimates were developed reflect an unknown degree of error in "age of structure" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Source: Estimated by Housing Market Analysts based on 1960 Census of Housing data.

Condition of the Inventory. Reflecting the relative youth of the inventory, the over-all condition of the inventory is quite good. It is estimated that about three percent (80,000 units) of the current inventory is sub-standard (dilapidated or lacking some or all plumbing facilities), compared with just over four percent (88,300 units) in 1960.

Residential Construction Activity

Over the last ten years (1956-1965), residential construction activity, as measured by the number of units authorized for construction by building permits, has averaged about 73,150 units annually. Throughout the first five years of the period (1956 through 1960), the number of units authorized each year was relatively stable averaging about 66,100 units annually. In 1961, yearly dwelling unit authorizations began to climb and reached a peak of about 106,400 in 1963, the largest number of units ever authorized in one year in the HMA. The following year, authorizations remained at a relatively high level, with just over 89,800 units authorized in 1964. The number of units authorized in 1965 dropped abruptly to

53,200 units, the lowest total since the end of World War II. This year the number of dwelling units authorized has declined further, with about 12,950 units authorized over the first five months of 1966 compared with 25,700 units in the first five months of 1965.

Following World War II until the mid-1950's, residential construction in the Los Angeles HMA was concentrated in single-family housing, with 72 percent of all units authorized from 1946 through 1956 in single-family units. Since the mid-1950's, the construction of single-family homes has dropped substantially and the pattern of residential development has shifted to multifamily housing. Since 1956, 61 percent of all units authorized have been in multifamily structures. Table IX shows the number of housing units authorized for construction by type of structure since 1946.

The number of single-family building permits authorized for construction has declined substantially since the mid-1950's. Over the last ten years (1956-1965) an average of 28,500 single-family permits have been authorized annually, with 48,500 authorized in 1956 and only 18,300 authorized in 1965. The 1965 level of single-family authorizations is the lowest since 1943 and, judged by the number of single-family permits authorized this year, single-family construction this year may drop well below last year's record low. During the first five months of this year, 6,250 single-family permits were authorized, compared with 8,750 in the first five months of 1965.

Multifamily authorizations have averaged 44,650 units a year over the last ten years. Contrasting with the declining trend of single-family activity, multifamily construction activity has tended to increase over the period. In 1956, about 25,250 multifamily units were authorized. Multifamily authorizations increased to a peak of 79,900 units in 1963,<sup>1/</sup> the largest number of multifamily units ever authorized in the HMA. Since then, however, multifamily construction has fallen off sharply and about 34,900 multifamily units were authorized in 1965. And in the first five months of this year, only 6,700 units were authorized, compared with 16,950 units in comparable months of 1965.

Units Under Construction. Based on building permit data, the postal vacancy survey, and information supplied by various local sources, it is estimated that there are about 13,100 housing units under construction in the HMA. About 3,600 are single-family houses and 9,500 units are in multifamily dwellings. The estimated number of single-family houses under construction differs from the total reported by the postal vacancy survey because the postal survey included, in some cases, units in subdivisions that were scheduled for construction in the near future, but had not yet been started.

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<sup>1/</sup> Assisted, in part, by the newly authorized participation of savings and loan associations in the financing of multifamily structures.



Demolition and Other Losses to the Inventory. Since April 1960, it is estimated that about 68,000 housing units have been lost to the inventory through demolition, conversion, fire, flood, or other causes. Demolitions resulting from public action (right-of-way clearance for highways and roads, building code enforcement, and urban renewal activity) have been substantial, accounting for almost half of the total losses. Losses as a result of private action also have been considerable, as well-located properties are being cleared for more intensive utilization. In addition, there have been a gradual withdrawal of uneconomic units from the inventory (primarily conversions created during periods of housing shortage), conversion of some units into transient quarters, and other losses caused by fire, flood, and other causes. Over the next two years, it is anticipated that a total of about 20,100 housing units will be lost from the inventory.

### Tenure of Occupancy

At present, about 50.7 percent of all occupied housing units in the Los Angeles HMA are owner-occupied, compared with the 54.6 percent owner-occupancy rate reported by the census in 1960. The decline in the owner-occupancy rate since 1960 represents a reversal of the trend toward increased owner-occupancy between 1950 and 1960, when the owner-occupancy rate increased from 53.6 percent to 54.6 percent. The decline in the owner-occupancy rate since 1960 reflects the trend toward more intensive development of residential land in the HMA.

### Occupied Housing Units by Tenure Los Angeles, California, HMA 1950, 1960, and 1966

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1966</u>
All occupied units	<u>1,371,043</u>	<u>2,011,700</u>	<u>2,364,000</u>
Owner-occupied	734,715	1,097,596	1,199,000
Percent of total	53.6	54.6	50.7
Renter-occupied	636,328	914,104	1,165,000
Percent of total	46.4	45.4	49.3

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

### Vacancy

1960 Census. In April 1960, the census reported about 97,550 vacant housing units in the HMA available for sale or rent, an over-all available vacancy ratio of 4.6 percent. Included in the total were 16,500 units available for sale only (a net homeowner vacancy rate of 1.5 percent) and 81,050 units available for rent (a net rental vacancy rate of 8.1 percent). Of the available vacancies, about 180 sales units and 8,825 rental units lacked some or all plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted by 62 post offices in the HMA during April 1966 (see table X). The survey was conducted on a sample of letter carrier routes selected from post office listings and covered approximately 50 percent of the total possible deliveries to residences and apartments for the post offices conducting the survey (40 percent of all residences and 69 percent of all apartments).

On the basis of full coverage of the 2,068,300 total possible deliveries (about 82 percent of the total inventory), it is estimated that 5.0 percent of all residences and apartments were vacant. Among the estimated 1,327,000 total possible deliveries to residences, 2.8 percent were vacant. About 8.9 percent of the estimated 741,300 total possible deliveries to apartments were vacant. The survey reported some 14,725 units under construction, including 5,500 residences and 9,225 apartments. The following table compares the sample results with vacancies as estimated on the basis of full coverage and table X shows detailed sample results by post office delivery areas.

Comparison of Estimated Vacancy<sup>a/</sup> With  
The Postal Vacancy Survey Sample  
Los Angeles, California, HMA  
April 1966

	<u>Total</u>		<u>Residences</u>		<u>Apartments</u>	
	<u>Possible</u>	<u>Percent</u>	<u>Possible</u>	<u>Percent</u>	<u>Possible</u>	<u>Percent</u>
	<u>deliveries</u>	<u>vacant</u>	<u>deliveries</u>	<u>vacant</u>	<u>deliveries</u>	<u>vacant</u>
Estimated totals <sup>a/</sup>	2,068,300	5.0	1,327,000	2.8	741,300	8.9
Survey sample	1,042,872	5.6	529,463	3.0	513,409	8.3

<sup>a/</sup> Represents estimated vacancy for 100 percent coverage of all possible deliveries by the surveyed post offices.

Source: FHA postal vacancy survey conducted by collaborating postmasters.

It is important to note that the postal vacancy survey data are not entirely comparable with data published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal 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 some row houses, 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.

Other Vacancy Indicators. On April 1, 1965, January 1, 1966, and July 1, 1966, apartment vacancy surveys were conducted in Los Angeles County by Economic Consultants, Incorporated. For the purpose of the survey, the county was divided into 84 survey areas. A sample of apartments in 71 of the areas (13 of the areas did not contain a sufficient number of apartments) was conducted. The surveys covered between six and seven percent of the total inventory of apartments in the county.

When the results of the survey are weighted with the estimated inventory by area, a vacancy rate of 7.5 percent for July 1966 is indicated compared with 10.4 percent in January 1966 and 11.5 percent in July 1965. The survey indicated that the over-all improvement was primarily the result of better occupancy in the newer units on the market.

Vacancies in FHA-Insured Projects. Based on projects completed and reporting, the March 1966 survey of FHA-insured multifamily projects reported an over-all vacancy rate of 10.4 percent. This represents a continuation of the increasing trend of vacancy rates in FHA-insured projects since 1961 when the vacancy rate was reported at only 4.7 percent. Most of the increase occurred between March 1963 and March 1965, when the vacancy rate increased from 5.3 percent to 9.9 percent. Vacancy rates in the older projects have increased rapidly, with 10.0 percent of these units reported as vacant in the March 1966 survey, compared with 4.7 percent in 1963. Vacancy rates in the newer projects have averaged about 20 percent for the last three years; however, the number of units involved is small and most of the vacancies have been concentrated in two large projects.

Current Estimate. At present, there are about 135,000 vacant nonseasonal, nondilapidated housing units available for sale or rent in the Los Angeles HMA, representing an over-all vacancy rate of 5.4 percent. Of the total, about 24,000 units are available for sale only (a net homeowner vacancy rate of 2.0 percent) and 111,000 units are available for rent (a net rental vacancy rate of 8.7 percent). A negligible proportion of the sales vacancies and about seven percent of the rental vacancies lack some or all plumbing facilities.

Vacancy rates in the Los Angeles HMA appeared to reach a peak in late 1965. In response to the greatly reduced volumes of new construction, vacancy rates have declined this year and can be expected to decline further. The following table compares the current vacancy estimates with vacancies as reported in the 1960 Census.

Vacant Housing Units  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>131,527</u>	<u>173,000</u>
Available vacant	<u>97,570</u>	<u>135,000</u>
For sale only	<u>16,503</u>	<u>24,000</u>
Homeowner vacancy rate	1.5%	2.0%
For rent	81,067	111,000
Rental vacancy rate	8.1%	8.7%
Other vacant <sup>a/</sup>	33,957	38,000

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

The market for new sales housing in the Los Angeles HMA has been deteriorating for some time, as evidenced by the declining trend of single-family construction and the relatively high current homeowner vacancy rate. This deterioration reflects the scarcity of developable residential land in the HMA within convenient distance to major employment sources. This scarcity has caused a very rapid appreciation of land values within the county, so that new sales housing priced below \$20,000 is being built

only in outlying locations, such as the Pomona area in the San Gabriel Valley submarket and Newhall-Saugus and the Antelope Valley in the North County submarket.

Throughout the post-war period, because of the very rapid population growth of the HMA, demand for housing was very strong. A very high proportion of the units built during the period were inexpensive, small, single-story, two- and three-bedroom homes. Because of the rapid growth of the HMA, these units were rapidly absorbed. In recent years, the type of sales housing offered has changed considerably and the rapid increase in sales prices has severely limited the number of people able to afford new housing. Buyers are no longer interested in the standard shelter-type housing once so prevalent. Builders now find that buyers are looking for larger rooms and variety in design, as well as a wide range of amenities (powder rooms, family rooms, breakfast bars, etc.). The rapid increase in land price has forced more intensive use of the land and lot sizes have shrunk to minimum allowable limits; a large portion of new home construction involves multi-story homes, heretofore rare in the HMA.

According to the survey of unsold tract houses made by the Residential Research Committee of Southern California, houses priced under \$20,000 in the June 1966 survey accounted for only four percent of all completions, while as recently as 1962, 63 percent of all completions surveyed were in this price class. A rapidly rising trend in the construction of more expensive housing has paralleled the decline in lower priced new housing. In the December 1962 survey, one-quarter of the completed houses were priced above \$25,000, compared with 76 percent in the 1966 survey. The following table compares price distributions in completed tract houses between 1962 and 1966.<sup>1/</sup>

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<sup>1/</sup> The data covered in this survey includes all houses completed in active tracts. Therefore, the number of units reported does not necessarily reflect the volume of construction during any particular time period, although they tend to approximate annual completions. It is not directly comparable with FHA unsold inventory surveys.

Percentage Distribution of Completed Tract Houses  
Los Angeles, California, HMA  
December 1962-June 1966

<u>Price class</u>	<u>Dec.</u> <u>1962<sup>a/</sup></u>	<u>Dec.</u> <u>1963</u>	<u>Dec.</u> <u>1964</u>	<u>Dec.</u> <u>1965</u>	<u>June</u> <u>1966</u>
Under \$15,000	24.1	9.9	7.5	4.0	-
\$15,000 - 19,999	38.4	32.2	15.9	6.0	3.7
20,000 - 24,999	12.3	15.6	19.4	17.1	20.2
25,000 - 29,999	(	15.4	20.4	28.7	27.3
30,000 - 34,999	(25.2	12.5	9.3	8.2	9.8
35,000 and over	(	14.4	27.5	36.0	39.0
Total	100.0	100.0	100.0	100.0	100.0
Median	\$18,900	\$22,500	\$26,750	\$29,000	\$29,750

<sup>a/</sup> 1962 distribution was partially estimated because data were presented by different price classes than there were for later years.

Source: Residential Research Committee of Southern California.

The ratio of unsold homes to total completions has been high throughout the period shown, ranging between 23 and 29 percent. The ratio of unsold houses to total completions declined slightly from 29 percent in December 1964 to 26 percent in the 1966 survey; however, the length of time completed units have been unsold has increased appreciably, with 34 percent of the unsold units completed for more than six months in December 1964, compared with 46 percent in 1965 and 61 percent in June 1966. From 1963 to 1965, the proportion of unsold units selling for less than \$20,000 increased, in spite of the substantial reduction in the number of units constructed in this price class. This reflects the lack of demand in the outlying areas where it is feasible to build low-priced houses. The June 1966 survey revealed a significant decline in the unsold inventory in this price class; however, new construction in this price range has come to a virtual standstill in recent months. Changes in the proportion of unsold units in price classes above \$20,000 since the 1963 survey have been mixed; however, unsold inventories in all price classes have been substantial in all of the last three years.

The market for existing sales housing in the HMA has fallen off. Much of the current difficulty in the market for existing houses is a reflection of the prevalent acute shortage of mortgage money. Realtors throughout the county report that the decline in the sale of existing homes has accelerated in recent months. The number of real estate loans recorded has been declining since 1963. Foreclosures and deeds

in lieu of foreclosure in 1965 were substantially above those of the previous year, representing a continuation of the upward trend since 1959. A sampling of real estate sales from the multiple listing services of fourteen real estate boards throughout the Los Angeles area indicates sales have declined substantially since 1964.

Cooperative and Condominium Housing. The cooperative and condominium market represents a small but growing portion of the sales market. The development of this type of housing in Los Angeles has taken two forms: the high-rise cooperative or condominium housing in prime rental market areas and the townhouse-type projects, sometimes referred to as planned unit developments, scattered throughout the better suburban locations.

Most of the high-rise projects are located in the Wilshire-West area. Prices range from a few small efficiency units at \$6,000 to as high as \$150,000 for some penthouse accommodations. The combination of initial cost and monthly charges for maintenance, service, operating costs, etc. in these high-rise projects tends to limit this market only to the more affluent among the population. Except for a few older projects that have converted to the cooperative form, all of the projects are quite new (built since 1962). Occupancy in these projects is mixed. Two large cooperative projects (over 400 units) insured by FHA, were 94 percent sold out in March 1966. A sample of several conventionally-financed projects indicates that occupancy rates are averaging about the same as occupancy rates in the FHA projects. However, at least one large high-rise project originally intended for condominium ownership has converted to rental status and a number of the cooperative and condominium projects are renting units.

The situation in the lower-density planned unit developments is poor. In 42 active planned unit developments in Los Angeles County surveyed by the Residential Research Committee of Southern California in June 1966, it was found that 31 percent of some 3,275 completed units were unsold at the time of the survey. About 72 percent of the unsold units had been completed for seven months or more. In addition about 61 percent of the 950 units under construction were unsold. In comparison, the June 1964 survey reported that 17 percent of the about 1,675 completed units were unsold and 91 percent of the 1,475 units under construction were unsold at the time of the survey.

Like the prices of new single-family houses, the price of new units offered in the planned unit developments has increased. According to the December 1964 survey, less than one-quarter of all units were priced at \$25,000 or more. One year later, the December 1965 survey reported almost half of all completed units selling for \$25,000 or more. The latest survey (June 1966) revealed that 46 percent of all completed units were selling for \$25,000 or more and about 78 percent of the units under construction were priced at \$25,000 or more.

### Rental Market

The rental market in the HMA has been over-built for several years. The very substantial number of rental units added to the inventory between 1962 and 1964 far exceeded the demand for additional rental housing and vacancy rates increased rapidly. As a result, new construction over the last year and one-half has fallen off substantially. Vacancy rates increased up to the latter part of 1965; since then they have tended to decline. Vacancy rates have not dropped in the older units in recent months; the over-all decline in vacancy has been the result of improved occupancy in the newer units.

High vacancy rates in recent years have caused many adjustments in the market. Monthly rentals have been reduced, and rental concessions are widespread. Free rent for up to six months, depending upon the length of the lease, is not uncommon; some rental agents report that free rent for the initial month has been offered to month-to-month tenants. Approximate gross monthly rents (including all utilities and services) necessary for the profitable operation of a garden-type project in the HMA are \$95 for an efficiency, \$115 for a one-bedroom apartment, \$135 for a two-bedroom apartment, and \$150 for a three-bedroom apartment. However, because of competitive pressures, monthly rentals of up to \$20 lower are not uncommon in relatively new garden projects.

Luxury high-rise apartments in the HMA represent a recent development of the rental market. Until the early 1960's, virtually all of the rental-type housing built in the HMA was in low-density garden apartments and in small walk-up projects scattered throughout the HMA. Since 1961, about 4,300 units in luxury high-rise rental projects have been built in the HMA.<sup>1/</sup> Almost all of the projects are located in the Wilshire-West submarket, with a few located in the South Coast submarket. Relatively few units rent for less than \$300 per month. Apartments renting for less than \$300 a month are, primarily, small efficiency or one-bedroom units.

Vacancy rates in the newer luxury high-rise projects are averaging about 25 percent and it is obvious that this segment of the rental market is substantially over-built. However, projects with vacancy problems are concentrated in the newer projects and in a few problem projects. Vacancy rates in projects completed since January 1965 are averaging near 50 percent, while vacancy rates in projects completed prior to 1965 average about 15 percent.

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<sup>1/</sup> Excludes cooperative and condominium projects and rental projects that have converted to cooperative or condominium ownership.



### Urban Renewal

There are 14 active urban renewal projects in the HMA, located in all but three of the nine submarkets. Two projects are general neighborhood renewal plans, two projects are in planning and the remaining ten projects are in execution. These projects are discussed in some detail in the individual submarket summaries.

### Public Housing

There are about 9,850 public housing units in the Los Angeles HMA, of which about 8,225 are under the management of the Los Angeles City Housing Authority and 1,625 units are under the management of the Los Angeles County Housing Authority. Vacant public housing units represent just under three percent of all public housing units; over 90 percent of the vacancies are one- or two-bedroom units. Vacancy rates in units having more than two bedrooms average less than one-half of one percent. There are no plans for construction of additional public housing units in the HMA; however, the Housing Authority of the City of Los Angeles has authority to lease 1,000 units for public housing use.

### Demand for Housing

Based on the expected growth in the number of households over the next two years, on the anticipated levels of demolitions and other losses to the inventory, and on adjustments to create a balanced market condition throughout the HMA, demand for new housing is expected to total 55,450 units annually over the two-year forecast period, including 17,100 sales-type houses and 38,350 units of rental-type housing. Of the total rental demand, it is estimated that 3,825 units will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. These demand estimates do not include public low-rent housing or rent-supplement accommodations.

The annual demand for new housing over the next two years is well below the average of 73,150 housing units authorized annually over the last ten years. However, the annual demand estimate is slightly above the number of units authorized in 1965, and well above the annual volume suggested for 1966 by the number of permits authorized over the first five months of this year.

The demand for sales-type housing estimated for the next two years is substantially below the ten-year average (1956-1965) of single-family building activity. However, single-family construction activity has declined throughout the ten-year period, and the projection of sales demand indicates a continuation of this trend. The estimated demand for rental-type housing reflects the over-building that has occurred in this segment of the market.

The estimated rental demand is above the annual volume of multifamily construction indicated by the number of units authorized in multifamily structures over the last year and a half. Although cooperative and condominium housing is technically a part of sales demand, demand for this type housing has been included in the rental demand estimates because of the facility with which these units can, and have, shifted between the two markets.

The following table summarizes the projected annual demand for new sales and rental housing by submarkets. The qualitative demand for new sales and rental units is presented at the end of each summary report for the individual submarket areas.

Projected Annual Demand for New Housing  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Area</u>	<u>Number of Units</u>		
	<u>Total</u>	<u>Sales</u>	<u>Rental</u>
HMA total	<u>55,450</u>	<u>17,100</u>	<u>38,350</u>
Central	1,000	0	1,000
Southeast	7,575	2,825	4,750
South Coast	10,400	3,200	7,200
Southwest	6,050	350	5,700
Wilshire-West	8,700	300	8,400
San Fernando Valley	8,575	3,875	4,700
Northeast	5,250	1,375	3,875
San Gabriel Valley	7,375	4,650	2,725
North County	525	525	0

Housing Market Summary  
Central Submarket  
Los Angeles, California, HMA

Housing Market Area

The Central submarket includes downtown Los Angeles City and its immediate environs. It is the hub of the freeway system with eight major freeways converging on the area. This area is the major employment center of the HMA and attracts a substantial amount of in-commutation. Employment is concentrated in services, trade, manufacturing, and government. Manufacturing employment is dominated by the nondurable goods industries, principally apparel and printing. There are a number of large office buildings under construction in the area and high-rise residential housing is planned. Families in the submarket are, on the average, the least affluent in the HMA.

Demographic Factors

Population

At the present time, the population of the Central area totals about 460,000 (see table V). The current total represents an annual decline of 3,000 persons from the April 1960 level of 478,700. Between 1950 and 1960, population declined by an average of 5,500 persons annually. During the two-year forecast period, annual population losses of 2,500 are forecast; the July 1, 1968 population is projected to 455,000.

Households

As of July 1, 1966, there are about 177,900 households in the Central submarket. This represents a gain of 1,800, or 290 annually, since April 1960. Between 1950 and 1960, an average of 100 households were added annually (see table VII). A portion of the 1950-1960 increase in households, however, was caused by a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960. It should be noted that while the population has declined since 1950, the number of households has been increasing as a result of a rapidly declining household size. During the two-year forecast period, it is expected that the number of households will increase to 178,500, a gain of 300 annually over the present level.

Household Size. The average size of households in the Central area has been declining rapidly since 1950. Currently, the average household size is 2.49 persons, compared with 2.61 in 1960 and 2.84 persons in 1950. The low household size reflects, primarily, the commercial character of the area and an environment not conducive to households with children in much of the residential area.

#### Income

The estimated current median annual income of all families in the Central area, after deducting federal income tax, is \$5,925, and the current median annual after-tax income of all renter households of two-or-more persons is \$5,350. By 1968 median after-tax incomes are expected to increase to \$6,125 a year for all families and to \$5,550 a year for renter households of two-or-more persons.

About 51 percent of all families and 59 percent of the renter households of two-or-more persons currently have after-tax incomes of less than \$6,000 annually. At the upper end of the income distribution, about 16 percent of all families and nine percent of the renter households have after-tax incomes in excess of \$10,000 annually. Only about four percent of all families in the Central area have after-tax incomes of \$15,000 or more. Detailed distributions by income are shown in tables IV and IVa.

#### Housing Market Factors

##### Housing Supply<sup>1/</sup>

At the present time, there are about 194,400 housing units in the Central area. This is a gain of only 1,675, or 270 annually, since April 1960. During the decade of the 1950's, an average of 950 units were added annually. However, some portion of the increase in the number of units added during the 1950's was caused by a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960. Currently, about 46 percent of the units in the Central area are single-family units, seven percent are in duplex structures, and 47 percent are in multifamily structures (three or more units). In 1960, about 49 percent of the dwelling unit inventory was in single-family units, 44 percent was in multifamily structures, and seven percent in duplexes.

<sup>1/</sup> Building permit data are not available for the Los Angeles HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the Los Angeles County Regional Planning Commission, with adjustments for unreported inventory losses.

### Tenure

The Central area has the lowest rate of owner-occupancy of all of the submarkets in the Los Angeles HMA. At the present time, only 25 percent of the occupied inventory is owner-occupied. This represents a continuation of the decline in owner-occupancy evident since 1950.

Occupied Housing Units by Tenure  
Central Submarket  
Los Angeles, California, HMA  
1950, 1960, and 1966

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1966</u>
Total occupied units	175,084	176,090	177,900
Owner-occupied	54,762	50,196	44,900
Percent	31.3	28.5	25.2
Renter-occupied	120,322	125,894	133,000
Percent	68.7	71.5	74.8

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

### Vacancy

1960 Census. The 1960 Census reported that there were about 13,200 vacant units available for sale or rent in the Central area, indicating an over-all vacancy rate of 7.0 percent. There were 450 units available for sale and 12,750 available for rent, representing homeowner and rental vacancy rates of 0.9 percent and 9.2 percent, respectively.

Postal Vacancy Survey. A postal vacancy survey was conducted in April 1966 in the Central area (see table X). This survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries. The survey covered about 30 percent of the total inventory. It reported a total of 2,625 vacant units, including 725 vacant residences and 1,900 vacant apartments, indicating vacancy rates of 2.5 percent and 6.5 percent, respectively. It is important to note that the postal vacancy survey data are not entirely comparable with those

published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. Although the postal survey data has obvious limitations, when used in conjunction with other vacancy indicators it serves a valuable function in the derivation of estimates of local market conditions.

Current Estimate. As of July 1, 1966, there are about 12,500 units available for sale or rent in the Central area, indicating an over-all vacancy rate of 6.6 percent. Of the total, about 500 units are for sale (a homeowner vacancy rate of 1.1 percent) and 12,000 are for rent (a renter vacancy rate of 8.3 percent). The level of rental vacancies, although below the 1960 total, is somewhat above the number that is deemed to represent a satisfactory demand-supply balance in the rental market.

Vacant Housing Units  
Central Submarket  
Los Angeles, California HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>16,643</u>	<u>16,500</u>
Available vacant	<u>13,209</u>	<u>12,500</u>
For sale	441	500
Homeowner vacancy rate	.9%	1.1%
For rent	12,768	12,000
Rental vacancy rate	9.2%	8.3%
Other vacant <sup>a/</sup>	3,434	4,000

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

The sales market accounts for only a small portion of the total housing market of the Central area. Since 1960, there has been a decline of about 5,300 owner-occupied units, paralleling the decline of single-family units in the area. The high cost of land makes it uneconomic to construct low-density sales housing. The only feasible sales market would be high-rise condominium or

cooperative structures which, as yet, have not been built in the downtown area. At present, this submarket is the least residentially-oriented submarket in the HMA and several other submarkets (Wilshire-West, South Coast, and Northeast) offer superior locations for condominium and cooperative type high-rise structures.

### Rental Market

The current condition of the rental market in the Central area is one of excess supply. The market has strengthened somewhat since 1960, however, as evidenced by the decline in the rental vacancy rate from 9.2 percent in 1960 to 8.3 percent at present.

The rental inventory in the Central area is made up primarily of units in older structures, generally in the lower rent ranges. Since 1960, net additions to the multifamily inventory have averaged about 900 units a year, with the most rapid gains in the Silver Lake area in the northwest portion of the area; some new construction also was evidenced around the periphery of the submarket. The commercial character of the downtown area has not lent itself to extensive residential development. In general, the Central area cannot provide the amenities of location available in such areas as Westwood, Hollywood, Santa Monica, West Hollywood, and Long Beach.

At the present time, there are plans to construct about 1,325 high-rise, high-rent units in the Bunker Hill urban renewal project in the downtown area. Proposed rents for the project average about \$265 per unit per month. The site involved in this proposal is diagonally across the street from the Cultural Center, including the new Music Hall and the Forum and Theatre now under construction. The sponsor's plans, as proposed, will offer luxury apartment living in a well-planned and well-designed area of new structures. South of the site a new shopping center is planned. Should these units be constructed, they would compete primarily with the Wilshire-West area, although some tenants could be attracted from other areas.

### Urban Renewal

The Bunker Hill Project is the only active urban renewal program in the Central area at the present time. The renewal area involves about 136 acres and is generally bounded by First and Fifth Streets, the Harbor Freeway, and Hill Street. As presently constituted, redevelopment would involve high-rise office and apartment buildings, housing for the elderly, and commercial shopping areas. The development of this project has been considered in the quantitative and qualitative estimates of demand for this submarket.



## Public Housing

At present, there are nine low-rent public housing projects in the Central area, containing about 3,175 units. All but one of the projects are under the jurisdiction of the city of Los Angeles; the remaining project is managed by Los Angeles County. The level of vacancies in these projects is quite low, ranging around one or two percent.

## Demand for Housing

### Quantitative Demand

The demand for additional new housing in the Central submarket between July 1966 and July 1968 is based primarily upon the number of housing units expected to be demolished in the next two years and on the projected modest household growth. Consideration also has been given to changes expected in the tenure of occupancy in the inventory, the current excess of rental vacancies, and the possible development of Bunker Hill. Based on these considerations, a demand for 1,000 new residential housing units is forecast for each of the next two years. All of the demand will be for rental accommodations. Of the total, 325 units of rental demand may be developed only at the rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost. The estimate excludes demand for public low-rent housing and rent-supplement accommodations.

### Qualitative Demand

Sales Housing. There is no demand for sales housing except those multifamily types which may be financed as condominium or cooperative housing. This segment of demand is included in rental housing demand at the rental equivalents sufficient for economic feasibility.

Rental Housing. The 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 following table. 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. With market-interest-rate financing, the minimum achievable monthly rents, including utilities, are \$95 for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$150 for three-bedroom units.<sup>1/</sup>

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<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Annual Demand for New Rental Units  
by Gross Monthly Rent and Unit Size  
Central Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Gross</u> <u>monthly rent</u> <sup>a/</sup>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One</u> <u>bedroom</u>	<u>Two</u> <u>bedroom</u>	<u>Three</u> <u>bedroom</u>
\$95 and over	70	-	-	-
100 " "	65	-	-	-
105 " "	60	-	-	-
110 " "	55	-	-	-
115 " "	50	350	-	-
120 " "	45	320	-	-
125 " "	40	285	-	-
130 " "	35	260	-	-
135 " "	30	230	225	-
140 " "	30	205	205	-
145 " "	25	180	190	-
150 " "	20	160	175	30
160 " "	20	125	150	25
170 " "	15	100	130	20
180 " "	10	75	115	20
200 " "	10	45	85	15

<sup>a/</sup> Gross monthly rent is shelter rent plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically. For example, the demand for one-bedroom units at rents from \$120 to \$140 is 115 units (320 less 205).

The annual demand for 325 additional rental units below these levels can be satisfied only through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 325 units includes 20 efficiencies at rents of \$80 to \$95 a month, 145 one-bedroom units at rents of \$95 to \$115 a month, 145 two-bedroom units at rents of \$110 to \$135 a month, and 15 three-bedroom units at rents of \$125 to \$150 a month.

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, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group.

The preceding 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 in the area; consideration is given also to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from this demand distribution. Even though a deviation may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless 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.

Housing Market Summary  
Southeast Submarket  
Los Angeles, California, HMA

Housing Market Area

The Southeast submarket is located south of the Central area and east of the Harbor Freeway. It extends south to approximately Artesia Boulevard and east to the Orange County line. Major cities in the area, in addition to the Los Angeles portions, include Compton, Downey, Norwalk, and Whittier. Included in the Los Angeles portion of the submarket are the communities of Watts and Avalon. Major transportation arteries include three freeways and a fourth (San Gabriel) currently is under construction. The Southeast submarket is the most industrialized area in the Los Angeles HMA. Manufacturing employment, accounting for over 42 percent of total employment, is dominated by the metal products, transportation equipment (including ordnance), and machinery industries. Southeast is the most populous of the Los Angeles submarkets, although population growth in the post-1960 period has been more rapid in five other submarkets.

Demographic Factors

Population

Currently, the population of the Southeast area totals about 1,199,000, making it the most populous of the nine submarkets. The present total represents an aggregate gain of 127,400, or 20,400 annually, since April 1960 (see table V). Between 1950 and 1960, the population increased by an average of 38,150 annually, from 690,000 in 1950 to 1,071,600 in 1960. During the two-year forecast period, annual population gains of 22,000 are forecast, with the total population reaching 1,243,000 by July 1968.

Households

Since April 1960, when there were 321,000 households in the Southeast area, an average of 6,875 households have been added annually, bringing the current total to 363,900 (see table VII). Between 1950 and 1960, an average of 10,800 households were added annually. Some portion of the 1950-1960 increase in households, however, was caused by a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960. By July 1968, the number of households is expected to total 379,600, representing average gains of 7,850 during each of the next two years.

Household Size. The current average household size in the Southeast area is 3.26 persons. This represents a decline since 1960 and a reversal of the 1950-1960 trend. In 1950, the average household size was 3.19 persons; it increased to 3.30 persons in 1960. The downward trend since 1960 is expected to continue during the forecast period falling to 3.24 persons by July 1968.

#### Income

The estimated current median annual income of all families in the Southeast submarket, after deduction of federal income tax, is \$7,475, and the current median after-tax annual income of renter households of two-or-more persons is \$5,900. During the two-year forecast period, median annual incomes (after-tax) are expected to increase to \$7,825 for all families and \$6,150 for all renter households of two-or-more persons (see tables IV and IVa).

Currently, about 34 percent of all families and 51 percent of all renter households of two-or-more persons have after-tax incomes of less than \$6,000 annually. At the upper end of the income distribution, 27 percent of all families and 12 percent of all renter households of two-or-more persons currently receive after-tax incomes of \$10,000 or more. Only about six percent of all families and three percent of all renter households of two-or-more persons have after-tax incomes of \$15,000 or more annually.

#### Housing Market Factors

##### Housing Supply<sup>1/</sup>

As of July 1, 1966, there are about 388,000 housing units in the Southeast area, a net gain since April 1960 of 50,150 units, or 8,025 annually. The post-1960 growth is somewhat below the average of 11,500 units added annually during the 1950-1960 decade. During the intercensal period, the number of units increased from 223,000 in 1950 to 337,850 in 1960. Some portion of the increase, however, was caused by a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960.

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<sup>1/</sup> Building permit data are not available for the Los Angeles HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the Los Angeles County Regional Planning Commission, with adjustments for estimated unreported inventory losses.

Annual net additions to the housing inventory have ranged from a high of 10,450 between April 1, 1963 and April 1, 1964 to a low of 4,075 between April 1, 1965 and April 1, 1966. Except for these two years, the annual additions were relatively stable, ranging from about 8,600 to 9,300.

The housing inventory in the Southeast area is composed primarily of single-family structures, which currently account for 77 percent of the total. There is, however, a trend toward multifamily construction; almost two-thirds of the units added since 1960 have been in structures with three or more units. In 1960, less than 12 percent of the units in the inventory were in multifamily structures; currently, almost 19 percent of the units are in multifamily structures. The relative importance of duplexes has remained unchanged at about four percent, and the proportion of single-family units has declined from 84 percent to 77 percent.

### Tenure

Of the 363,900 occupied housing units in the Southeast area, 204,300 (56.1 percent) are owner-occupied and 159,600 (43.9 percent) are renter-occupied. The current owner-occupancy rate represents a decline from the 59.7 percent reported in 1960 and is a continuation of the declining trend in the previous decade. However, the tendency toward renter-occupancy has accelerated in the post-1960 period.

#### Occupied Housing Units by Tenure Southeast Submarket Los Angeles, California, HMA 1950, 1960, and 1966

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1966</u>
Total occupied units	212,795	320,991	363,900
Owner-occupied	128,045	191,550	204,300
Percent	60.2	59.7	56.1
Renter-occupied	84,750	129,441	159,600
Percent	39.8	40.3	43.9

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

## Vacancy

1960 Census. In April 1960, the Census of Housing reported that there were about 12,500 vacant housing units available for sale or rent in the Southeast area, indicating an over-all vacancy rate of 3.8 percent. Of the total, 1,900 were for sale (a homeowner vacancy rate of 1.0 percent) and 10,600 were for rent (a rental vacancy rate of 7.6 percent).

Postal Vacancy Survey. A postal vacancy survey was conducted in the Southeast area in April 1966 (see table X). This survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries. The survey covered about 141,500 units, equal to 36.5 percent of the inventory. A total of 6,800 vacant units were reported, including 2,900 vacant residences and 3,900 vacant apartments, representing vacancy rates of 2.8 percent and 10.4 percent, respectively. It is important to note that the postal vacancy survey data are not entirely comparable with those published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. 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.

Current Estimate. It is judged that there are currently about 19,100 housing units available for sale or rent in the Southeast area, representing an over-all vacancy rate of 5.0 percent. About 3,300 units are for sale (a homeowner vacancy rate of 1.6 percent) and 15,800 units are for rent (a rental vacancy rate of 9.0 percent). While there is only a slight excess of sales vacancies, the rental vacancy rate is substantially above the rate which is deemed to represent a satisfactory relationship between supply and demand.

Vacant Housing Units  
Southeast Submarket  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>16,846</u>	<u>24,100</u>
Available vacant	<u>12,516</u>	<u>19,100</u>
For sale	1,910	3,300
Homeowner vacancy rate	1.0%	1.6%
For rent	10,606	15,800
Rental vacancy rate	7.6%	9.0%
Other vacant <sup>a/</sup>	4,330	5,000

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

General Market Conditions. The sales market in the Southeast area has softened somewhat since 1960, although there is a reasonable supply-demand balance in the market at present. The Southeast area is quite large, however, and there are substantial differences among the geographic areas. The strongest area at the present time is the Whittier-Montebello area while the slowest area is in Lynwood, Compton and vicinity. Generally, the lower sales price ranges (about \$20,000 or less) are doing somewhat better. These homes are virtually all existing structures; rapidly increasing land prices have made new construction in this price range almost impossible.



Major Subdivision Activity. Most subdivision activity in the Southeast area is occurring in Dairy Valley, which has been rezoned recently for residential development. The remainder of the submarket is almost completely developed; in recent years, demand for new sales housing has been increasingly satisfied by subdivision houses built in nearby Orange County. The close-in location of Dairy Valley is reflected in very high land costs, making it necessary to construct homes priced to sell for a minimum of \$25,000. There is also limited subdivision activity in the Compton area and east of Whittier and Norwalk. Available land in these areas, however, is not easily adaptable for residential construction because of rough topography and numerous oil fields.

#### Rental Market

The current renter vacancy rate of 9.0 percent indicates that the rental market in the Southeast submarket is weak. The rental market in this area is composed of low-density projects, with a large part of the rental inventory in small three- and four-unit structures owned and operated by small investors. In these small structures rents are slightly lower and occupancy is somewhat better than in large structures. Monthly rentals for efficiencies in the submarket are low, with most units renting for less than \$70 per month and relatively few units renting for \$100 or more. Few one-bedroom units rent for more than \$140, while the upper limit for two-bedroom units is about \$170; three-bedroom units generally rent for less than \$200. Vacancy rates are high in most unit sizes and rent ranges; three-bedroom units renting for less than \$130 have near full occupancy.

Rental housing is heavily concentrated in the western half of the submarket. Although rental vacancies generally are high throughout the submarket, there are some vacancy differences between areas. The Huntington Park-South Gate-Lynwood area has vacancy rates somewhat below the submarket total. On the other hand, the Downey-Norwalk area has very high vacancy rates at the present time. Also, in the extreme western portion of the submarket (part of the Watts curfew area), the level of rental vacancies is above the Southeast submarket as a whole.

In the Watts area, vacancies generally are high in all rent ranges and in all unit sizes. The Watts area is a particularly poor market for new rental housing financed with customary rates of interest. Families able to afford the higher rents necessary for the operation of a new rental project have tended to move to other areas.

### Urban Renewal

The Flood Ranch Project covers about 62 acres in the northwest corner of Santa Fe Springs. The area contains about 280 residential housing units, about one-half of which will be demolished and one-half rehabilitated. Re-use in the area will be residential.

The Cerritos College Project is located in Norwalk and encompasses only six acres. The land, when cleared, will be used by Cerritos College.

The Towers General Neighborhood Renewal Plan area and the Vernon-Central General Neighborhood Renewal Plan area are in the Watts and Avalon sections of Los Angeles city, respectively. Both of these areas contain substantial amounts of commercial property and the housing adjacent to the commercial area is in poor condition. These areas are under study for potential redevelopment.

### Public Housing

At the present time, there are about 3,300 public housing units in the Southeast area under the management of the City of Los Angeles Housing Authority. Vacancies represent less than three percent of the available units, and virtually all of the vacancies are in one- and two-bedroom units. There are an additional 300 units under the management of the Los Angeles County Housing Authority. These units, however, will be phased-out by the end of this year. The Watts and Avalon sections of Los Angeles City contain almost all of the public housing projects in the submarket.

### Demand for Housing

#### Quantitative Demand

Based on the projected increase in the number of households in the Southeast area (7,850 annually), on the number of housing units expected to be lost from the inventory through demolition, and on the need to reduce the number of vacancies to levels which represent reasonable supply-demand relationships in the sales and rental markets, there will be a demand for about 7,575 units annually, including 2,825 units of sales housing and 4,750 units of rental housing, including annual demand for 250 rental units which will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. The estimate excludes demand for public low-rent housing and rent-supplement accommodations.

### Qualitative Demand

Sales Housing. Based on the current income levels of families in the Southeast area, on sales price to income relationships typical in the area, and on recent market experience, the annual demand for new sales houses is expected to approximate the pattern shown in the following table.

Annual Demand for New Sales Houses, by Price Class  
Southeast Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Sales price</u>	<u>Number of units</u>	<u>Percent</u>
Under \$25,000	280	10
\$25,000 - 29,999	980	35
\$30,000 - 34,999	570	20
\$35,000 - 39,999	425	15
\$40,000 and over	570	20
Total	2,825	100

Rental Housing. The monthly rentals at which the annual demand for 4,500 privately-owned net additions to the rental housing inventory might be best absorbed by the rental market are indicated for various size units in the following table. 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 below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result. With market-interest-rate financing, the minimum achievable monthly rents, including utilities, are \$95 for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$150 for three-bedroom units.<sup>1/</sup>

<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Annual Demand for New Rental Units  
by Gross Monthly Rent and Unit Size

Southeast Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Gross</u> <u>monthly rent</u> <sup>a/</sup>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One</u> <u>bedroom</u>	<u>Two</u> <u>bedroom</u>	<u>Three</u> <u>bedroom</u>
\$95 and over	300	-	-	-
100 " "	240	-	-	-
105 " "	190	-	-	-
110 " "	145	-	-	-
115 " "	110	1,650	-	-
120 " "	75	1,205	-	-
125 " "	50	950	-	-
130 " "	20	770	-	-
135 " "	15	575	2,110	-
140 " "	5	400	1,675	-
145 " "	-	365	1,380	-
150 " "	-	250	1,155	440
160 " "	-	105	815	325
170 " "	-	40	535	245
180 " "	-	10	360	180
200 " "	-	-	140	90

<sup>a/</sup> Gross monthly rent is shelter rent plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically. For example, the demand for one-bedroom units at rents from \$120 to \$140 is 805 units (1,205 less 400).

The annual demand for about 250 additional rental units at rents below these levels can be satisfied only through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 250 units includes 20 efficiencies at rents of \$80 to \$95 a month, 100 one-bedroom units at rents of \$95 to \$115 a month, 100 two-bedroom units at rents of \$110 to \$135 a month, and 30 three-bedroom units at rents of \$125 to \$150 a month.

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, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The preceding 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 is also given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. Even though a deviation may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless 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.

Housing Market Summary  
South Coast Submarket  
Los Angeles, California, HMA

Housing Market Area

The South Coast submarket is located in the extreme southern portion of the HMA, generally bounded on the north by Artesia Boulevard, on the east by Orange County, and on the south and west by the Pacific Ocean. Principal cities in the area include Long Beach, Lakewood, Torrance, and the Wilmington-San Pedro sections of Los Angeles City. Three major freeways serve the area and two others are currently under construction. Manufacturing employment accounts for 31 percent of total employment, with the largest industry being transportation equipment (aircraft). Other important activities include oil production and refining and shipbuilding and repair. The South Coast submarket ranks fourth in population among the nine areas in the HMA.

Fort MacArthur and the Naval Complex at Long Beach are located in the area. Military strength at these military installations is not particularly significant, with only about 2,500 military personnel assigned there. However, military personnel assigned to ships with Long Beach as the home port exceeds 30,000, although only a portion of these vessels are in port at one time.

Despite the diversity of employment opportunities and good transportation facilities (including the Los Angeles and Long Beach Harbors), the area is not a major employment source in the HMA. According to California Community Labor Market Surveys prepared by the California Department of Employment, this submarket has one of the lowest employment participation rates (ratio of employment to population) of all the submarkets in the HMA, indicating that this area is among the leading net out-commutation submarkets in the HMA.

Demographic Factors

Population

The population of the South Coast area currently totals about 912,000, representing an average annual increment of approximately 26,500 since April 1960. This annual gain is somewhat below the average yearly gains recorded during the 1950-1960 period, when population within the area rose by an average of about 30,200 annually to a 1960 total of 746,300 (see table V). The population of the South Coast area is expected to increase at an annual rate of 28,000 persons during the next two years, reaching a population of 968,000 by July 1, 1968.

## Households

There are about 292,700 households in the South Coast area at the present time, representing an average gain of about 8,775 annually since April 1960. During the 1950-1960 period, the number of households increased by an average of 9,225 annually, from 145,600 in 1950 to 237,900 in 1960 (see table VII). Some part of the increment in households, however, was caused by the change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960. Households in the South Coast area are expected to total 311,300 by July 1968, an average addition of 9,300 during each of the next two years.

Household Size Trends. The number of persons per household in the South Coast area has remained approximately at the level attained in 1960 (3.02 persons) and is not expected to change significantly during the two-year forecast period. Between 1950 and 1960, the average household size increased from 2.92 persons in April 1950 to 3.03 in April 1960.

## Income

The current median annual income in the South Coast area, after deducting federal income tax, is \$8,300 for all families; the median for renter households of two-or-more persons is \$6,175. Approximately 28 percent of all families and 48 percent of renter households of two-or-more persons receive less than \$6,000 annually after-tax, while 10 percent of all families and only five percent of renter households of two-or-more persons have annual incomes exceeding \$15,000 after-tax. Median after-tax incomes are expected to increase to \$8,750 annually for all families and \$6,500 for renter households of two-or-more persons by 1968 (see tables IV and IVa).

## Housing Market Factors

### Housing Supply<sup>1/</sup>

Currently, there are about 308,400 housing units in the South Coast area, indicating a net addition to the inventory of about 55,150 units, or 8,825 annually, since April 1960. Additions to the housing supply averaged about 9,750 annually during the 1950-1960 decade. A portion of the 1950-1960 increase, however, resulted from a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960.

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<sup>1/</sup> Building permit data are not available for the Los Angeles HMA submarkets. All housing inventory changes referred to in this section are based on net inventory changes compiled by the Los Angeles County Regional Planning Commission, with adjustments for unreported inventory losses.

In the South Coast submarket, as has been the case in most of the areas in the Los Angeles HMA, the peak in annual net additions to the inventory occurred in the April 1, 1964-April 1, 1965 period with the following year (April 1, 1965 to April 1, 1966) having the lowest number of additions since the April 1, 1960-April 1, 1961 period. About 14,500 units were added between April 1, 1964 and April 1, 1965 compared with only 6,500 in the 1965-1966 interval. The latter figure was only slightly above the annual increment of 6,300 recorded during the April 1, 1960-April 1, 1961 period.

Of the 55,150 units added since 1960, 31 percent were single-family units and 69 percent were in structures with two or more units. This is in contrast to the 1960 inventory composition when about 71 percent of the units were in single-family structures. The net additions since 1960 have resulted in a sharp decline in the percentage of single-family units to total units; currently, only 64 percent of the inventory is in single-family structures.

#### Tenure

At the present time, 53.5 percent of the occupied housing units are owner-occupied. This ratio represents a decline from that reported in the April 1960 census and is a reversal in the trend of the previous decade when owner-occupancy increased from 48.2 percent in 1950 to 58.5 percent in 1960. The shift toward renter status reflects the increased construction of new apartment units in the South Coast area since 1960.

#### Occupied Housing Units by Tenure South Coast Submarket Los Angeles, California, HMA 1950, 1960, and 1966

<u>Tenure</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total occupied units	145,601	237,855	292,700
Owner-occupied	70,175	139,167	156,700
Percent	48.2	58.5	53.5
Renter-occupied	75,426	98,688	136,000
Percent	51.8	41.5	46.5

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.



## Vacancy

1960 Census. In April 1960, the census reported that there were about 12,100 vacant housing units available for sale or rent in the South Coast area, representing an over-all available vacancy rate of 4.8 percent. Of the total, 1,950 were available for sale (a homeowner vacancy rate of 1.4 percent) and 10,150 were available for rent (a rental vacancy rate of 9.3 percent).

Postal Vacancy Survey. A postal vacancy survey was conducted in the South Coast area in April 1966 (see table X). This survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries. The survey covered about 37 percent of the total housing inventory in the area and reported a total of 5,900 vacant units, composed of 1,600 vacant residences and 4,300 vacant apartments, representing vacancy ratios of 2.4 percent and 6.4 percent, respectively. It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. 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.

Current Estimate. Based on the postal vacancy survey and on other vacancy indicators, it is judged that there are about 12,400 available vacant housing units in the South Coast area, indicating an over-all vacancy rate of 4.1 percent. There are currently about 2,200 sales vacancies and 10,200 rental vacancies, representing a homeowner vacancy rate of 1.4 percent and a rental vacancy rate of 7.0 percent. The current rental vacancy rate is substantially below the rate reported in 1960, while the sales vacancy rate is unchanged.

Vacant Housing Units  
South Coast Submarket  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>15,385</u>	<u>15,700</u>
Available vacant	<u>12,108</u>	<u>12,400</u>
For sale	1,934	2,200
Homeowner vacancy rate	1.4%	1.4%
For rent	10,174	10,200
Rental vacancy rate	9.3%	7.0%
Other vacant <sup>a/</sup>	3,277	3,300

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

General Market Conditions. The over-all market for sales housing in the South Coast area is firm at the present time. The current sales vacancy rate of 1.4 percent is unchanged since April 1960, indicating that supply has kept pace with demand. The market for existing homes is particularly strong in the \$18,000 to \$20,000 price range although it is being curtailed somewhat by the tight money market. The market for new sales houses is generally good although the middle price class (\$25,000 to \$30,000) shows signs of weakening. The only area where the price of land allows construction of houses in this price class is in the Dominguez Hills area, south of Compton and north of the San Diego Freeway. Oil wells are common in this area and much of the surrounding land is industrial or intended for industrial use. Competition from new housing being built in Dairy Valley (Southeast submarket) and adjacent Orange County has affected sales in this price range in the South Coast area.

Subdivision Activity. Subdivision activity is occurring principally in only two areas in the South Coast market. New houses in the Dominguez area generally are priced between \$25,000 and \$30,000 although some are priced as low as \$20,000. Higher priced houses, primarily \$35,000 and over, are being built in the southwestern portion of the submarket (Palos Verdes). Houses in this price range are selling somewhat better than the \$25,000-\$30,000 homes at the present time.

Unsold Inventory. An inventory of unsold new sales houses was conducted by the Residential Research Committee of Southern California in July 1966. It covered 46 active subdivisions in the Torrance-Palos Verdes area in which 4,682 homes had been completed. At the time of the survey, 20 percent of the homes were unsold, which is somewhat below the county average. In addition, there were 972 homes under construction, 56 percent of which were unsold. Most of the completions were in the \$25,000-\$30,000 price class (39 percent) and the \$35,000 and over price class (33 percent) which had unsold to completed ratios of 29 percent and 18 percent, respectively.

#### Rental Market

Although there exists a slight excess of rental vacancies at the present time, the South Coast rental market has improved substantially since 1960. In April 1960, the rental vacancy rate was reported to be 9.3 percent; the current rental vacancy rate is 7.0 percent which, although higher than warranted by the current growth rate, is the lowest rate of all the submarkets. The strongest demand is for units with rents ranging from \$90 to \$120 a month. Units that rent for less than \$90 are generally in older structures that are experiencing higher vacancy rates. The vacancy excess is evident generally throughout the area, although there is some concentration in the western portion. There is no significant difference in vacancy rates in rental projects by unit size or structural type, except for the new high-rise projects.

High-rise apartments in the South Coast area are a recent development in the rental market. There have been four high-rise projects constructed since 1963, one of which is housing for the elderly. Rents in these projects (excluding the elderly project) start at \$230 a month for efficiencies and range up to \$850 for penthouse accommodations. Vacancy rates are quite high in these projects and this sector of the rental market is overbuilt.

### Urban Renewal

The Meadow Park Project encompasses about 50 acres in Torrance and contains about 135 structures. All of the structures, most of which are substandard, will be demolished during the next two years, requiring relocation for about 90 families. Re-use will be a light industrial park.

The West Beach Redevelopment Project is located in Long Beach and is a municipally-financed project. The project area originally contained about 1,100 dwelling units, of which about 80 percent have been demolished. Re-use of the project area is currently under study.

The Beacon Project is located in San Pedro and is currently in the planning stage.

### Public Housing

Currently, there are six low-rent public housing projects in the South Coast submarket, containing a total of 2,225 units. Of the total, about 1,200 are managed by the City of Los Angeles and 1,025 are under the jurisdiction of Los Angeles County. Most of the public housing projects in the area are quite old and contain a high proportion of one- and two-bedroom units.

### Military Housing

At the present time, there are 1,768 military-controlled housing units in the South Coast submarket. Of the total, 1,589 are in the Long Beach Naval Complex and 179 are located at Fort MacArthur. In addition, there are 302 units under construction at Long Beach and 35 leased units authorized for Fort MacArthur.

### Demand for Housing

#### Quantitative Demand

Based on the expected increase in households in the South Coast area during the two-year forecast period (9,300 annually), on the number of housing units expected to be lost from the inventory through demolition, and on the need to allow for the absorption of a slight excess of rental vacancies, there will be a demand for 10,400 new privately-financed housing units annually, including 3,200 units of sales housing and 7,200 units of rental housing. Of the total rental demand, it is estimated that 950 units will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. The estimate excludes demand for public low-rent housing and rent-supplement accommodations.

Qualitative Demand

Sales Housing. Based on the current income levels of families in the South Coast area, on sales price to income relationships typical in the area, and on recent market experience, the annual demand for new sales houses by price class is expected to approximate the distributions shown in the following table. It is judged that little, if any, acceptable housing can be constructed in the area for under \$20,000.

Annual Demand for New Sales Houses, by Price Class  
South Coast Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Sales price</u>	<u>Number of units</u>	<u>Percent</u>
\$20,000 - \$24,999	480	15
25,000 - 29,999	960	30
30,000 - 34,999	640	20
35,000 - 39,999	640	20
40,000 and over	480	15
Total	3,200	100

The foregoing distribution differs from the price distribution in the survey of unsold tract houses conducted by the Residential Research Committee of Southern California (see page 52). The tract survey does not include individual or contract construction on scattered lots and in some cases not all subdivisions have been included. It is likely that the more expensive housing and some of the lower-value homes are concentrated in the smaller building operations which are numerous. The preceding demand estimate reflects all home building and indicates greater concentration in some price ranges than a subdivision survey would indicate.

Rental Housing. The 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 following table. 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 levels than indicated on the following page may be justified only if a competitive filtering of existing

accommodations to lower ranges of rent can be anticipated as a result. With market-interest-rate financing, the minimum achievable monthly rents, including utilities, in the South Coast area are \$95 for an efficiency, \$115 for a one-bedroom unit, \$135 for a two-bedroom unit, and \$150 for a three-bedroom unit.<sup>1/</sup>

Annual Demand for New Rental Units  
By Gross Monthly Rent and Unit Size  
South Coast Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

Gross monthly rent <sup>a/</sup>	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 95 and over	550	-	-	-
100 " "	450	-	-	-
105 " "	360	-	-	-
110 " "	280	-	-	-
115 " "	210	2,385	-	-
120 " "	150	1,760	-	-
125 " "	100	1,300	-	-
130 " "	60	1,080	-	-
135 " "	30	880	2,875	-
140 " "	10	710	2,000	-
145 " "	5	560	1,520	-
150 " "	-	440	1,220	440
160 " "	-	240	880	290
170 " "	-	100	630	190
180 " "	-	25	440	125
200 " "	-	-	160	50

<sup>a/</sup> Gross rent is shelter rent plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically. For example, demand for one-bedroom units renting for \$120 to \$140 is 1,050 units (1,760 less 710).

<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will effect minimum rents accordingly.

An annual demand for about 950 additional rental units at rents below these levels can be satisfied through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 950 units includes 80 efficiencies at gross rents of \$80 to \$95 monthly, 425 one-bedroom units at rents from \$95 to \$115 a month, 375 two-bedroom units at rents of \$110 to \$135 a month, and 70 three-bedroom units at monthly rents of \$125 to \$150.

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, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The preceding distribution of average annual demand for new apartments is based on projected tenant-family incomes, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. Even though a project with a rent structure deviation may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless 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.

Housing Market Summary  
Southwest Submarket  
Los Angeles, California, HMA

Housing Market Area

The Southwest submarket is located west of the Harbor Freeway. It is otherwise bounded generally by Jefferson Avenue on the north, Artesia Boulevard on the south and the Pacific Ocean on the west. This submarket has considerable variety. The Inglewood area represents a major industrial complex in the HMA, dominated by the aircraft and electronics industries. Los Angeles International Airport, which is among the busiest airports in the country, is located in the northwestern part of the submarket. The western area contains a number of attractive beach cities and many of the most popular beaches in the HMA are located in this area. Principal cities in the submarket include Inglewood, Hawthorne, Lennox, Gardena, Redondo Beach, and Manhattan Beach. Three major freeways serve the area.

Demographic Factors

Population

The current population of the Southwest area is 917,000, an increase of 87,600, or 14,000 annually, since 1960 (see table V). The gain in population since 1960 has been somewhat slower than that occurring during the 1950-1960 decade, when an average of 19,600 were added annually, to a 1960 total of 829,400. Population growth in the Southwest area has not kept pace with the HMA population gain; in 1950, over 15 percent of the HMA was in the Southwest area, compared with 14 percent in 1960 and 13 percent currently.

The population of the Southwest area is expected to increase by about 15,500 annually during the next two years, to a total of 948,000 by July 1968.

Households

As of July 1, 1966, there are an estimated 327,200 households in the Southwest area, an average annual increase of 5,800 since the 1960 Census, which reported a total of about 291,000 households. In the preceding decade, the annual gain averaged 7,575. The increase in the



number of households between 1950 and 1960 reflects, in part, the change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960.

Based on the increase in population expected to occur in the Southwest area during the next two years, it is estimated that there will be 341,500 households in the Southwest area by July 1968, an increase of 14,300 (7,150 annually) over the present total. The household growth in the Southwest area since 1950 is shown in table VII.

Household Size. Average household size in the Southwest area has been declining. In 1950, the average was about 2.89 persons per household; in 1960, it was almost 2.83; currently, the average size is 2.78 persons per household.

#### Income

The current median annual income, after deduction of federal income tax, of all families in the Southwest area is about \$8,300, and the median after-tax income of all renter households of two-or-more persons is about \$6,550. By 1968, the median after-tax income for all families is expected to increase to \$8,750, and for all renter households of two-or-more persons to \$6,900.

About 29 percent of all families and 44 percent of all renter households of two-or-more persons currently receive after-tax incomes of less than \$6,000 annually. At the upper end of the income distribution, ten percent of all families and only four percent of all renter households of two-or-more persons currently have after-tax incomes of \$15,000 or more annually. Detailed distributions by income are shown in tables IV and IVa.

### Housing Market Factors

#### Housing Supply<sup>1/</sup>

There are about 350,400 housing units in the Southwest area at the present time, indicating a net gain of 41,400 units, or 6,625 annually since April 1960. The post-1960 growth is less than four-fifths the average of 8,450 units added annually during the 1950-1960 decade. During the

<sup>1/</sup> Building permit data are not available for the Los Angeles HMA sub-markets. All housing inventory changes referred to in this section are based on net inventory changes compiled by the Los Angeles County Regional Planning Commission, with adjustments for estimated unreported inventory losses.

intercensal period, the number of units increased from 224,500 in 1950 to 309,000 in 1960. Some portion of the increase, however, was caused by a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960.

Annual net additions to the housing inventory displayed a steady upward trend from 1960 to 1965. Between April 1, 1960 and April 1, 1961, about 5,500 units were added; this compares to a net addition of 8,825 between April 1, 1964 and April 1, 1965. Net additions in the following year, however, fell off sharply, and only 4,775 units were added.

Units added since 1960 have been predominantly in multifamily structures; about 90 percent of the net additions have been in structures with three or more units. Currently, units in multifamily structures account for 33 percent of the inventory compared with 26 percent in 1960. Single-family units, which in 1960 made up 67 percent of the housing stock, currently account for only 60 percent. Duplex units make up the remaining seven percent, unchanged since 1960.

#### Tenure

Reflecting the increase in multifamily construction in recent years, there has been a trend toward renter-occupancy in the Southwest area. Currently, 54.8 percent of the occupied inventory is renter-occupied. This compares with 49.5 percent in 1960 and 44.6 percent in 1950.

#### Occupied Housing Units by Tenure Southwest Submarket Los Angeles, California, HMA 1950, 1960, and 1966

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1966</u>
Total occupied units	215,218	291,003	327,200
Owner-occupied	119,126	147,030	147,800
Percent	55.4	50.5	45.2
Renter-occupied	96,092	143,973	179,400
Percent	44.6	49.5	54.8

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

## Vacancy

1960 Census. The April 1960 Census reported that there were about 14,200 vacant units available for sale or rent in the Southwest area, representing an over-all vacancy rate of 4.6 percent. Of the total, 1,525 were for sale (a homeowner vacancy rate of 1.0 percent) and 12,675 were for rent (a rental vacancy rate of 8.1 percent).

Postal Vacancy Survey. A postal vacancy survey was conducted in April 1966 in the Southwest area (see table X). This survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries. The survey covered about 45 percent of the housing stock of the area and reported a total of 8,125 vacant units. Vacancies in residences, as reported by the survey, numbered 2,000, or 2.5 percent of the surveyed residences. Apartment vacancies totaled 6,125, or 8.1 percent of the apartments surveyed. It is important to note that the postal vacancy survey data are not comparable with those published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, it serves a valuable function in the derivation of estimates of local market conditions.

Current Estimate. As of July 1, 1966, there are about 19,200 vacant available housing units in the Southwest area, indicating an over-all vacancy rate of 5.5 percent. Of this total, there are 2,100 units available for sale (a homeowner vacancy rate of 1.4 percent) and 17,100 units available for rent (a renter vacancy rate of 8.7 percent). The homeowner vacancy rate indicates that the sales market is in reasonable balance; the rental market has more units available for rent than would be considered desirable in a balanced market.

Vacant Housing Units  
Southwest Submarket  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>18,003</u>	<u>23,200</u>
Available vacant	<u>14,182</u>	<u>19,200</u>
For sale	1,512	2,100
Homeowner vacancy rate	1.0%	1.4%
For rent	12,670	17,100
Rental vacancy rate	8.1%	8.7%
Other vacant <u>a/</u>	3,821	4,000

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

As evidenced by the relatively low homeowner vacancy rate in the Southwest area, the market for sales-type housing is firm. Because of the high cost of land, as well as a lack of undeveloped land, subdivision activity in the area has been quite limited and the price levels of the new homes that have been built have been high. Since April 1960, an average of only 150 units annually have been added to the single-family inventory; few, if any, of these homes were priced to sell for less than \$20,000.

As is the case in most of the submarkets of the HMA, the strongest price range for existing sales houses is below \$20,000. This market has been strengthened by the migration of many families from the Southeast area desiring to purchase a home.

Rental Market

The rental market in the Southwest area has softened slightly since 1960; the rental vacancy rate has increased from 8.1 percent in 1960 to 8.7 percent at present. The vacancy excess is evident throughout the market. Because of the small number of sales houses coming on the market annually, three-bedroom units have better occupancy rates than smaller units. However, there appears to be little variation in vacancy rates among the various ranges of rent. The location factor and the amenities offered generally determine the success of an individual project. The market is strongest in the Hawthorne-Lennox area at the present time; however, occupancy in the beach areas is somewhat better than it is for the entire submarket. The highest vacancy levels are in the northeast portion of

the submarket, in the areas east and northeast of Inglewood. This area contains a large number of older single-family homes which have been converted into multifamily structures and have suffered a sharp increase in vacancies because of the over-built market. Most of the new projects in the area are in small structures. These are generally two-story walk-up apartments usually containing no more than 16 units.

Monthly rentals vary widely in this area, high rents are general in the northwestern part of the submarket from Baldwin Hills to the ocean, while lower rents are prevalent along the eastern boundary of the submarket. Monthly rentals in new efficiency apartments generally range from \$100 to \$120 with few renting for more than \$140 per month. Most new two-bedroom units have monthly rents from \$130 to \$170, with some renting for near \$200. Monthly rents for new two- and three-bedroom apartments range up to \$300, although relatively few units rent for more than \$250. However, monthly rentals in relatively new apartments (primarily small projects) range as low as \$90 for efficiency and one-bedroom units, \$110 for two-bedroom units, and \$140 for three-bedroom units.

#### Urban Renewal

The Hoover Project is currently in the planning stage. It is located in the northeast corner of the submarket and is adjacent to the University of Southern California. The main emphasis in the project area will be for rehabilitation although some clearance will be necessary. Housing in the area is old but basically sound, with a high proportion of units lacking some type of plumbing facility.

The Redondo Plaza Project is located in Redondo Beach, in the southwestern portion of the submarket. The area contains about 300 units, all of which will be demolished. Re-use will be about one-half residential and one-half commercial and public. Tentative plans are for between 900 and 1,200 apartment units in the project area.

#### Demand for Housing

##### Quantitative Demand

Based on the expected increase in households during the two-year forecast period (7,150 annually), on the number of housing units expected to be lost from the inventory through demolition, and on the need to reduce the number of rental vacancies to a level that represents a reasonable balance in the rental market, it is estimated that there will be about 6,050 new private housing units in demand during each of the next two years, including 350 sales units and 5,700 rental units. Included in the rental demand are 500 units which will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. The estimate of rental demand does not include demand for public low-rent housing or rent-supplement accommodations.

Qualitative Demand

Sales Housing. Based on the current income levels of families in the Southwest area, on sales price to income relationships typical in the area, and on recent market experience, the annual demand for new sales houses by price class is expected to approximate the pattern shown in the following table. It is judged that little, if any, acceptable housing can be constructed in the area for under \$20,000.

Annual Demand for New Sales Houses, by Price Class  
Southwest Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Sales price</u>	<u>Number of units</u>	<u>Percent</u>
\$20,000 - \$24,999	50	14
25,000 - 29,999	140	40
30,000 - 34,999	110	32
35,000 and over	<u>50</u>	<u>14</u>
Total	350	100

Rental Housing. The monthly rentals at which privately-owned net additions to the aggregate rental inventory might best be absorbed by the rental market are indicated for various size units in the following table. 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 below may be justified only if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result. With market-interest-rate financing, the minimum achievable monthly rents, including utilities, are \$95 for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$150 for three-bedroom units.<sup>1/</sup>

<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Annual Demand for New Rental Units  
by Gross Monthly Rent and Unit Size  
Southwest Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Gross</u> <u>monthly rent</u> <sup>a/</sup>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One</u> <u>bedroom</u>	<u>Two</u> <u>bedroom</u>	<u>Three</u> <u>bedroom</u>
\$ 95 and over	350	-	-	-
100 " "	310	-	-	-
105 " "	265	-	-	-
110 " "	225	-	-	-
115 " "	190	1,985	-	-
120 " "	155	1,595	-	-
125 " "	125	1,305	-	-
130 " "	100	1,035	-	-
135 " "	75	795	2,400	-
140 " "	55	665	1,950	-
145 " "	35	540	1,640	-
150 " "	20	445	1,380	465
160 " "	10	270	1,070	375
170 " "	5	155	810	310
180 " "	-	50	605	260
200 " "	-	5	375	185

<sup>a/</sup> Gross monthly rent is shelter rent plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically.  
For example, demand for one-bedroom units at rents from \$120 to \$140 is 930 units (1,595 less 665).

The annual demand for about 500 additional units at rents below these levels can be satisfied only through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 500 units includes 20 efficiencies at rents of \$80 to \$95 a month, 210 one-bedroom units at rents of \$95 to \$115 a month, 210 two-bedroom units at rents of \$110 to \$135 a month, and 60 three-bedroom units at rents of \$125 to \$150 a month.

The location factor is of especial importance in the production 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,

and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The preceding 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 is given also to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from this demand distribution. Even though a project with a deviation in rent structure may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless 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.



Housing Market Summary  
Wilshire-West Submarket  
Los Angeles, California, HMA

Housing Market Area

The Wilshire-West area extends west of downtown Los Angeles and north of the Southwest submarket. Mulholland Drive in the Santa Monica Mountains forms the northern boundary. The Pacific Ocean forms the western boundary and runs from Playa Del Ray to the Ventura County line. This submarket contains the prestige areas of the HMA, both from the residential and commercial standpoint. Communities in this submarket include Hollywood, Beverly Hills, Westwood, Santa Monica, and Culver City. The Hollywood, San Diego, and Santa Monica Freeways provide access to and egress from the area.

The Wilshire-West submarket is one of the major employment complexes in the HMA. It is one of only two of the submarkets in the HMA in which there is any substantial net in-commutation of workers. Employment in the area is dominated by the trade and services industries which account for over three-fourths of total employment. Manufacturing employment accounts for only 13 percent, the lowest ratio among the nine submarkets. Service industries include the entertainment industry (television and motion pictures), research activities, and a wide variety of business and professional services. Retail trade is a major employment source. This submarket is the prime retail trade center of the HMA. Government employment is also important, largely because the University of California (UCLA), the Veteran's Administrative Center and Hospital, and the Los Angeles Air Force Station are located in the area. The Wilshire-West area has the slowest population growth rate in the Los Angeles HMA (excluding the Central submarket, which is declining). Although there are great expanses of undeveloped land in the western portion of the submarket, it is rugged terrain and not suitable for residential development. The eastern part of the submarket has been completely developed for some time and the lack of developable land has retarded population growth.

Demographic Factors

Population

The Wilshire-West area has a current population totaling about 830,000, compared with 775,300 in April 1960 (see table V). This represents an average increase of 8,750 persons annually and is substantially below the 1950-1960 average increment of 13,150 persons annually. Over the two-year forecast period, population increments are expected to average 10,000 annually, resulting in a July 1968 population total of 850,000.

### Households

The current household total of 369,600 represents an average annual increase of 7,900 since April 1960 (see table VII). Between 1950 and 1960, the number of households increased by an average of 8,525 annually, from 235,000 in 1950 to 320,000 in 1960. A portion of the household gain during the 1950-1960 period was the result of a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960. Household growth in the Wilshire-West area is expected to continue at a somewhat greater rate than that established since 1960, and by July 1968, households will total about 386,500, an anticipated yearly increment of 8,450 during each of the next two years.

Household Size. At the present time, the average size of all households in the Wilshire-West area is 2.19 persons. This represents a continuation of the downward trend in household size in the area from 2.63 persons in 1950 to 2.36 persons in 1960. The current household size is the lowest of the nine submarkets of the HMA and reflects, primarily, the high incidence of single-person households. During the two-year forecast period, the average household size is expected to decline to 2.15 persons.

### Income

The current median annual family income, after deducting federal income tax, is estimated to be \$9,150 annually for all families in the Wilshire-West area; the median for all renter households of two-or-more persons is \$7,675. Approximately 27 percent of all families and 35 percent of the renter households of two-or-more persons currently have after-tax incomes of \$6,000 or less, while about 21 percent of all families and about 16 percent of all renter households of two-or-more persons currently receive annual after-tax incomes of \$15,000 or more. All family and renter household median incomes, after deducting federal income tax, are projected to a level of \$9,650 and \$8,200 a year, respectively, by 1968 (see table IV).

### Housing Market Factors

#### Housing Supply<sup>1/</sup>

As of July 1, 1966, there are about 395,800 housing units in the Wilshire-West area, a net gain since April 1960 of about 54,150 units, or 8,650 annually. During the 1950-1960 intercensal period, the number of housing units increased from 247,200 in 1950 to 341,600 in 1960, an average increment of 9,450 annually; gains since 1960 have been below average annual

<sup>1/</sup> Building permit data are not available for the Los Angeles HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the Los Angeles County Regional Planning Commission, with adjustments for estimated unreported inventory losses.

additions recorded during the 1950's. Part of the increase in the 1950-1960 period, however, was caused by a definitional change from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.

Net additions to the housing inventory in the Wilshire-West submarket averaged 9,175 annually (but varied widely) during the April 1, 1960-April 1, 1965 period. Between April 1, 1960 and April 1, 1961, only 6,825 units were added to the housing stock, compared with almost 11,800 units added during the April 1, 1964-April 1, 1965 period. In the year ending April 1, 1966, however, only 8,300 units were added.

The Wilshire-West area is one of the two HMA submarkets in which there is a majority of multifamily units. In April 1960, over 51 percent of the housing units were in structures with three or more units. Since 1960, virtually all of the units added to the inventory have been in multifamily structures, and currently almost 58 percent of the housing stock is in three-or-more unit structures. Over the past six years, the percent of single-family to total units declined from 42 percent to 36 percent and the percent of duplex units fell from seven percent to six percent.

#### Tenure

At present, only 32 percent of the occupied housing stock is owner-occupied in the Wilshire-West submarket. In 1950, almost 43 percent of the units were owner-occupied; by 1960, the ratio had fallen to 36 percent.

#### Occupied Housing Units by Tenure Wilshire-West Submarket Los Angeles, California, HMA 1950, 1960, and 1966

<u>Tenure</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total occupied units	234,986	320,202	369,600
Owner-occupied	100,366	115,887	118,000
Percent	42.7	36.2	31.9
Renter-occupied	134,620	204,315	251,600
Percent	57.3	63.8	68.1

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

### Vacancy

1960 Census. The 1960 Census reported that there were about 16,600 vacant housing units available for sale or rent in the Wilshire-West area, for an over-all vacancy rate of 4.9 percent. About 1,300 units were available for sale and 15,300 were available for rent, representing homeowner and rental vacancy rates of 1.1 percent and 7.0 percent, respectively.

Postal Vacancy Survey. A postal vacancy survey was conducted in the Wilshire-West area in April 1966 (see table X). This survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries. The survey covered about 67 percent of the housing units in the area and reported a total of 15,450 vacant housing units. Vacant residences totaled 2,275 and vacant apartments totaled 13,175. The vacancy rates were 3.3 percent and 6.7 percent for residences and apartments, respectively. It is important to note that the postal vacancy survey data are not entirely comparable with those published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, it serves a valuable function in the derivation of estimates of local market conditions.

Current Estimate. It is judged that currently there are 21,400 vacant housing units available for sale or rent in the Wilshire-West area, equal to an over-all vacancy rate of 5.5 percent. There are about 2,000 sales vacancies (a homeowner vacancy rate of 1.7 percent) and 19,400 rental vacancies (a rental vacancy rate of 7.2 percent). These vacancy levels are only moderately above the levels deemed to represent satisfactory demand-supply relationships in the market.

Vacant Housing Units  
Wilshire-West Submarket  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>21,435</u>	<u>26,200</u>
Available vacant	<u>16,616</u>	<u>21,400</u>
For sale	1,308	2,000
Homeowner vacancy rate	1.1%	1.7%
For rent	15,308	19,400
Rental vacancy rate	7.0%	7.2%
Other vacant <sup>a/</sup>	4,819	4,800

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

Because of the scarcity of land suitable for development in the Wilshire-West area, the sales market is quite limited. Single-family net additions since 1960 have averaged less than 100 annually. Many of the new houses are built on scattered lots and virtually all are priced in excess of \$35,000; subdivision activity is limited to very expensive housing in the mountainous areas north and northwest of Santa Monica. Most new sales housing is built on contract. The Wilshire-West submarket contains a substantial portion of the prestige residential areas in the HMA, including Beverley Hills, Brentwood, and areas in the foothills of the Santa Monica Mountains.

Since 1962, there have been seven high-rise projects (about 850 units) built in the submarket that are currently offering apartments for sale through condominium or cooperative ownership. Three of these projects originally were started as rental housing and were converted subsequent to initial occupancy. Another project intended as a condominium converted to rental housing because of poor market experience. Current occupancy of these units is quite good, with occupancy rates ranging from 85 to 97 percent and most projects reporting occupancy of better than 96 percent. However, there are many units in these projects which currently are being rented. The price of these apartments, which range from \$6,000 for a small efficiency to \$150,000 for penthouse accommodations, when combined with the monthly charges necessary for operating the building, restrict this type of housing to the more affluent residents of the HMA.

### Rental Market

Although there is a slight excess of rental vacancies in the Wilshire-West area, the rental market remains relatively firm. The current rental vacancy rate of 7.2 percent is only slightly above the 1960 ratio and is the second lowest rental vacancy rate of the nine Los Angeles submarkets. The Wilshire-West area contains most prime locations for high-rent, high-rise units in the Los Angeles HMA. However, this part of the rental market is overbuilt, while units in the lower rent ranges (below \$200 per month) are renting very well. Because of their lower rent structures, smaller size units (efficiencies and one-bedroom) and older units (those 15 years and older) have lower vacancy rates than the newer, larger units.

Rent levels in the Wilshire-West area on the average are higher than in any of the other HMA submarkets. Monthly rents in apartments in this area, however, cover a wide spectrum of rent ranges, with substantial numbers of efficiency and one-bedroom units renting for less than \$70 and penthouse accommodations in the luxury high-rise projects ranging up to \$2,000 per month. In areas near downtown Los Angeles and the Venice-south Santa Monica area, rents are somewhat lower than in the remainder of the submarket.

A survey of high-rise rental projects made in March 1966 revealed a vacancy rate of 8.1 percent in about 6,000 high-rise units surveyed in the Wilshire-West area. There was a considerable variation in vacancy rates among the various projects surveyed, however. Vacancy rates in projects built since 1960 average 14.1 percent, with projects built since January 1965 less than half-occupied on the average. Relatively few units in these new projects rent for less than \$300 a month. Those post-1960 projects completed before 1965 (about 2,200 units) generally are enjoying better occupancy, with only a few projects reporting vacancy rates of more than ten percent.

Rental concessions are common in the luxury high-rise projects in the area. Free rent for up to six months with a three-year lease is not uncommon. However, should new construction continue at the current low levels, vacancies will be substantially reduced by the end of this year.

### Urban Renewal

The Ocean Park Projects IA and IB are located in Santa Monica. Most of the units in the project area were substandard. Re-use will be primarily residential and commercial.

### Public Housing

Mar Vista Gardens is the only public housing project in the Wilshire-West submarket. It contains 600 units, and vacancies are minimal.

### Demand for Housing

#### Quantitative Demand

Based on the projected increase in the number of households in the Wilshire-West area (8,450 annually), on the number of housing units expected to be lost from the inventory through demolition, and on the need to reduce the number of vacancies to levels which represent a reasonable balance in the sales and rental markets, there will be a demand for about 8,700 units annually, including 300 units of sales housing and 8,400 units of rental housing. Of the total rental demand, it is estimated that 950 units will be absorbed only at the lower rents achievable with some form of public benefits or assistance. The estimate excludes demand for public low-rent housing and rent-supplement accommodations.

#### Qualitative Demand

Sales Housing. Based on the prevailing land acquisition, development, and construction costs, all of the annual demand for 300 new sales houses will occur at price levels exceeding \$35,000. Virtually all new construction will be presold.

Rental Housing. The 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 following table. 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 below may be justified only if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result. With market-interest-rate financing, the minimum achievable monthly rents, including utilities, in the Wilshire-West area are \$95 for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$150 for three-bedroom units.<sup>1/</sup>

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<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Annual Demand for New Rental Units  
By Gross Monthly Rent and Unit Size  
Wilshire-West Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Gross monthly rent<sup>a/</sup></u>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$95 and over	755	-	-	-
100 " "	680	-	-	-
105 " "	625	-	-	-
110 " "	575	-	-	-
115 " "	530	3,350	-	-
120 " "	490	2,920	-	-
125 " "	450	2,600	-	-
130 " "	410	2,360	-	-
135 " "	380	2,120	2,600	-
140 " "	350	1,920	2,400	-
145 " "	320	1,720	2,240	-
150 " "	290	1,560	2,080	745
160 " "	240	1,240	1,800	660
170 " "	200	1,000	1,550	580
180 " "	160	800	1,320	520
200 " "	110	545	930	410
220 " "	80	400	750	330
240 " "	60	280	600	270
260 " "	45	200	480	220
280 " "	30	150	390	180
300 " "	20	120	350	150

<sup>a/</sup> Gross rent is shelter rent plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically.  
For example, the demand for one-bedroom units at rents from \$120 to \$140 is 1,000 units (2,920 less 1,920).

The annual demand for about 950 additional rental units at rents below these levels can be satisfied only through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 950 units includes 45 efficiencies at gross monthly rents of \$80 to \$95, 450 one-bedroom units at rents from \$95 to \$115 a month, 400 two-bedroom units at rents of \$110 to \$135 monthly, and 55 three-bedroom units at monthly rents of \$125 to \$150.

The location factor is of especial importance in the provision of new units at the lower-rent levels. In the Wilshire-West submarket this type of housing may be best absorbed in areas near downtown Los Angeles



and in the southwest part of the submarket near the industrial employment complex adjacent to Los Angeles International Airport (Southwest submarket). 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, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The preceding 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 is also given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. Even though a project with a deviation in rent structure may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless 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.

Housing Market Summary  
San Fernando Valley Submarket  
Los Angeles, California, HMA

Housing Market Area

The San Fernando Valley submarket extends west from Burbank to the Ventura County line between the Santa Monica Mountains and the Santa Susana Mountains. There are four major freeways that serve the area. The area has developed a substantial industrial base, with manufacturing employment accounting for about 35 percent of total employment in the area. Aircraft and electrical machinery industries are the major sources of manufacturing jobs. Manufacturers are generally located along the southern part of the valley near the Ventura Freeway. Although employment has expanded rapidly in the submarket, net out-commutation is a characteristic of the area.

The San Fernando Valley is the second most populous submarket in the HMA and is adding to its population faster than any of the other HMA submarkets. Virtually all of the San Fernando Valley submarket is within the city of Los Angeles. Principal communities in the area include Van Nuys, North Hollywood, Pacoima, Reseda, and Canoga Park.

Families in the San Fernando Valley are among the more affluent in the HMA. Median family income in the area is the highest of all the submarkets, although a higher proportion of families in the Wilshire-West and Northeast submarkets are in the higher income classes (\$15,000 or more).

Demographic Factors

Population

At the present time, there are about 1,000,000 persons residing in the San Fernando Valley. In April 1960, the population in the area was 756,600; annual additions have averaged 38,950 in the past six years, the largest population increment of all the submarkets. Between 1950 and 1960, the population increased by an average of 42,950 annually; population growth since 1960 has been about ten percent below the gains recorded in the previous decade. During the July 1966-July 1968 forecast period, annual population growth will exceed growth during the post-1960 period, averaging about 42,000 annually to reach an estimated total population of 1,084,000 by July 1968 (see table V).

Households

Since April 1960, when there were 222,200 households in the San Fernando Valley, an average of 11,200 households have been added annually, bringing the current total to 292,100. Household growth between 1950 and 1960

averaged 12,250 annually; a small part of this increase, however, was caused by a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960 (see table VII). By July 1968, there will be about 316,000 households in the San Fernando Valley, an average growth of 11,950 households during each of the next two years.

Household Size. In the San Fernando Valley, the trend has been to larger household size. Between April 1950 and April 1960, the average size of households increased from 3.19 persons to 3.38 persons. Since 1960, the average household size has increased to 3.40 persons and is expected to increase to 3.41 persons during the two-year forecast period. The rate of increase of the current and forecast average household size is substantially below the 1950-1960 rate of increase.

#### Income

The estimated current median annual income of all families in the San Fernando Valley, after deducting federal income tax, is \$9,425, and the current median after-tax income of all renter households of two-or-more persons is \$7,400. About 20 percent of all families and 34 percent of all renter households of two-or-more persons currently have after-tax incomes below \$6,000 annually. At the upper end of the income distribution, 15 percent of all families and eight percent of all renter households of two-or-more persons have after-tax incomes of \$15,000 or more annually. By 1968, annual median after-tax incomes for all families and for all renter households of two-or-more persons are projected to \$9,950 and \$7,800, respectively. Detailed distributions by income are shown in tables IV and IVa.

#### Housing Market Factors

##### Housing Supply<sup>1/</sup>

The housing stock in the San Fernando Valley totals about 316,400 units as of July 1, 1966. The 1960 Census of Housing reported that, at the time of the enumeration, there were 234,300 housing units in the San Fernando Valley; annual net additions to the inventory have averaged 13,150 since April 1960. The post-1960 additions are somewhat above the average of 12,850 units added each year during the 1950's. A small portion of the 1950-1960 increase was caused by a definitional change from "dwelling unit" in 1950 to "housing unit" in 1960.

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<sup>1/</sup> Building permit data are not available for the Los Angeles HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the Los Angeles County Regional Planning Commission, with adjustments for estimated unreported inventory losses.

The trend of annual net additions to the aggregate housing inventory since 1960 has been somewhat mixed. Between April 1, 1960 and April 1, 1961, almost 11,000 units were added to the housing supply. In the following 12 months, net additions totaled only 9,825. Additions in the subsequent three years increased to a peak of 20,800 units added between April 1, 1964 and April 1, 1965. Net additions in the April 1, 1965-April 1, 1966 period totaled only 9,625 units, the lowest annual total during the post-1960 period.

As is the case in the other submarkets of the Los Angeles HMA, multi-family construction is accounting for a growing portion of residential additions in the San Fernando Valley. In April 1960, only about 13 percent of the housing units in the area were in structures with three or more units; as a result of substantial apartment construction since 1960, almost 27 percent of the units are in multifamily structures. Conversely, the percentage of units in one-unit structures declined from 85 percent in 1960 to 72 percent at present. Duplex units currently account for only one percent of the inventory compared with two percent in 1960.

#### Tenure

The increase in apartment construction in recent years in the San Fernando Valley has brought a corresponding increase in renter-occupancy. In April 1960, about 72.4 percent of the occupied inventory was owner-occupied, almost unchanged from the 72.5 percent reported in 1950. Currently, only 64.7 percent of the units are owner-occupied.

#### Occupied Housing Units by Tenure San Fernando Valley Submarket Los Angeles, California, HMA 1950, 1960, and 1966

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1966</u>
Total occupied units	99,664	222,166	292,100
Owner-occupied	72,301	160,779	189,100
Percent	72.5	72.4	64.7
Renter-occupied	27,363	61,387	103,000
Percent	27.5	27.6	35.3

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

### Vacancy

1960 Census. In April 1960, the Census of Housing reported that there were about 8,100 vacant housing units available for sale or rent in the San Fernando Valley, an over-all vacancy rate of 3.5 percent. Of the total, 3,550 units were available for sale (a homeowner vacancy rate of 2.2 percent) and 4,550 were available for rent (a rental vacancy rate of 6.9 percent).

Postal Vacancy Survey. In April 1966, a postal vacancy survey was conducted in the San Fernando Valley (see table X). This survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries. The survey covered about 27 percent of the inventory and reported that 12,200 units were vacant; included in the total were 2,750 vacant residences and 9,450 vacant apartments, representing vacancy ratios of 2.5 percent and 15.0 percent, respectively. It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of Census because of differences in definition, area delineation, and methods of enumeration. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, it serves a valuable function in the derivation of estimates of local market conditions.

Current Estimate. At the present time, there are about 19,300 vacant housing units available for sale or rent in the San Fernando Valley, equal to 6.2 percent of the available housing inventory. Of the total, about 4,800 are available for sale, indicating a homeowner vacancy rate of 2.5 percent. The remaining 14,500 vacant units are available for rent, for a rental vacancy rate of 12.3 percent. The current vacancy rates are judged to be substantially above those which represent a satisfactory supply-demand balance which would provide sufficient occupancy for profitable operation of rental projects while allowing adequate choice to prospective buyers and tenants.

Vacant Housing Units  
San Fernando Valley Submarket  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>12,088</u>	<u>24,300</u>
Available vacant	<u>8,098</u>	<u>19,300</u>
For sale	3,556	4,800
Homeowner vacancy rate	2.2%	2.5%
For rent	4,542	14,500
Rental vacancy rate	6.9%	12.3%
Other vacant <u>a/</u>	3,990	5,000

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

General Market Conditions. At the present time, the San Fernando Valley sales market is over-built; the homeowner vacancy rate has increased from 2.2 percent in 1960 to 2.5 percent currently. The very rapid population growth since 1950 has caused land values to appreciate quite rapidly. Because of this, the area can no longer attract the buyers of their first home (usually of moderate price); thus, there is a reduced demand for new sales houses in the San Fernando Valley. Also, the close-in locations are almost completely developed, forcing new subdivisions further away from employment sources. The Porter Ranch area (about 25 miles from downtown Los Angeles) is one of the few close-in areas remaining; it is currently being developed and unsold inventories are low.

Major Subdivision Activity. Most of the current subdivision activity in the San Fernando Valley is occurring in the peripheral areas, primarily along the northern and eastern boundaries. Although there are houses priced as low as \$20,000, these make up a very small portion of the market. All of the lower-priced homes (under \$25,000) are located in the Sunland-Pacoima area where sales have been quite slow. One of the better areas is the Porter Ranch area, currently being developed by several large builders. New houses in the Porter Ranch are priced to sell in excess

of \$35,000, and sales have been good. Virtually all of the homes in subdivisions in the central portion of the Valley are priced in excess of \$35,000. In the western part of the Valley, on the other hand, there are now sales houses available for as low as \$25,000, although most of the homes are in the \$35,000 and over price category. Sales in this area have not been quite as good as in the central valley, however.

Unsold Inventory. In June 1966, the Residential Research Committee of Southern California conducted a survey of unsold tract houses in the San Fernando Valley. The survey covered 86 active subdivisions in which 3,821 units had been completed. At the time of the survey, 29 percent of the houses were unsold, slightly above the county-wide average of 26 percent. In addition there were 1,344 houses under construction, of which 72 percent were unsold. Of the total completions, less than two percent were in the \$20,000-\$25,000 price range, 22 percent were priced to sell for between \$25,000 and \$30,000, only seven percent were in the \$30,000-\$35,000 sales price range, and 69 percent were priced to sell in excess of \$35,000. Of the houses under construction, about 78 percent were in the \$35,000 and over category.

A comparable survey conducted in December 1961 covered 88 subdivisions with 3,475 completions, of which only 21 percent were unsold. Of the total completions, 62 percent were priced to sell for less than \$25,000 compared with only four percent in the current survey.

#### Rental Market

The rental market in the San Fernando Valley area has been quite soft for several years. The current net rental vacancy rate (12.3 percent) is the highest rental vacancy rate of the nine submarkets, except for the North County area. However, as a result of continued growth and reduced construction activity, the vacancy rate is being reduced quite rapidly. In April 1965, the apartment vacancy survey of Los Angeles County by Economic Consultants Incorporated showed a 21.8 percent vacancy rate in the Valley. The survey as of January 1966 reported that the apartment vacancy rate had declined to 16.2 percent; by July 1966, the vacancy rate had declined further to 11.4 percent.

The very high vacancy rates have forced adjustments in the market. Because of intense competition, vacancy rates do not vary materially when rental units are classified by individual characteristics such as age, size of structure, unit size, and monthly rent. However, occupancy rates in the larger units (two- and three-bedroom units) are slightly better than in the smaller size units. Many projects have reduced rents, and rental agents report that a number of projects in the area are having difficulty meeting their mortgage payments. Virtually all of the rental projects in the area are small low-density garden-type projects.

### Public Housing

There is one public housing project located in the submarket, containing 444 units. Vacant units account for less than three percent of total units in the project, with nearly all of them in two-bedroom units.

### Demand for Housing

#### Quantitative Demand

Demand for new housing in the San Fernando Valley Area during the two-year period from July 1, 1966 to July 1, 1968 is primarily a function of the projected level of household growth, estimated at 11,950 annually. Consideration also is given to expected losses from the inventory through demolition and the current excess of available vacant units. Based on these factors, demand for additional housing during the next two years is estimated at 8,575 units annually, including 3,875 sales units and 4,000 rental units. Included in the rental demand are 700 units of demand that will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. This demand estimate does not include public low-rent housing or rent-supplement accommodations.

#### Qualitative Demand

Sales Housing. On the basis of current family incomes, on the relationship of sales price to income typical in the area, and on recent market experience, the annual demand for new sales houses is expected to approximate the pattern shown in the following table.

Annual Demand for New Sales Houses, by Price Class  
San Fernando Valley Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Sales price</u>	<u>Number of units</u>	<u>Percent</u>
Under \$25,000	190	5
\$25,000 - 29,999	775	20
30,000 - 34,999	775	20
35,000 - 39,999	1,360	35
40,000 and over	775	20
Total	3,875	100



The foregoing distribution differs from the price distribution in the survey of unsold tract houses conducted by the Residential Research Committee of Southern California (see page 80). The tract survey does not include individual or contract construction on scattered lots and in some cases not all subdivisions have been included. It is likely that the more expensive housing, and some of the lower-value homes, are concentrated in the smaller building operations which are numerous. The preceding demand estimate reflects all home building and indicates greater concentration in some price ranges than a subdivision survey would indicate.

Rental Housing. The monthly rentals at which privately-owned net additions to the aggregate housing inventory might best be absorbed by the rental market are indicated for various size units in the following table. 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 below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result. With market-interest-rate financing, the minimum achievable gross monthly rents are \$95 for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$150 for three-bedroom units.<sup>1/</sup>

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<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Annual Demand for New Rental Units  
by Gross Monthly Rent and Unit Size  
San Fernando Valley Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Gross</u> <u>monthly rent</u> <sup>a/</sup>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One</u> <u>bedroom</u>	<u>Two</u> <u>bedroom</u>	<u>Three</u> <u>bedroom</u>
\$ 95 and over	320	-	-	-
100 " "	285	-	-	-
105 " "	250	-	-	-
110 " "	220	-	-	-
115 " "	190	1,440	-	-
120 " "	160	1,100	-	-
125 " "	135	900	-	-
130 " "	110	720	-	-
135 " "	85	560	1,990	-
140 " "	65	420	1,760	-
145 " "	45	300	1,580	-
150 " "	30	200	1,400	250
160 " "	15	120	1,160	210
170 " "	10	60	920	170
180 " "	-	20	700	135
200 " "	-	-	380	105

<sup>a/</sup> Gross monthly rent is shelter rent plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically.  
For example, demand for one-bedroom units at rents from \$120 to \$140 is 680 units (1,100 less 420).

The annual demand for 700 additional rental units at rents below these levels can be satisfied only through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 700 units includes 50 efficiencies at monthly rents of \$80 to \$95, 275 one-bedroom units at rents of \$95 to \$115 a month, 325 two-bedroom units at rents of \$110 to \$135 a month, and 50 three-bedroom units at rents of \$125 to \$150 a month.

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, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The preceding distributions of average annual demand for new apartments are based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is given also to the recent absorption experience of new rental housing. Thus, they represent patterns for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from this demand distribution. Even though a deviation from the above schedule 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.

Housing Market Summary  
Northeast Submarket  
Los Angeles, California, HMA

Housing Market Area

The Northeast submarket is bounded on the north by the San Gabriel Mountains and on the south by the Central submarket. The area extends eastward to include Pasadena and westward to include Burbank. Other cities in the area are Glendale, Alhambra, Monterey Park, and Altadena. The submarket is served by four major freeways, and several more are either planned or under construction.

The Northeast submarket is not highly industrialized. Manufacturing employment accounts for less than one-fourth of the total employment. Principal manufacturing activities include aircraft, electronics, and fabricated metal products. The primary sources of employment are retail trade, services, and government. Located in the submarket is the Jet Propulsion Laboratory at the California Institute of Technology, which is prominent in various space research programs.

The Northeast area is one of the older, well-established areas of the HMA. It is the third smallest submarket, exceeding only the Central area and the North County area in population. Also, population growth since 1960 has been slow, with only the Central and Wilshire-West submarkets having had a slower growth.

Demographic Factors

Population

Currently, the population of the Northeast area totals about 725,000, compared with 658,900 in April 1960; there has been an average gain of 10,575 persons annually since 1960. Numerical population gains in the post-1960 period have been more rapid than during the 1950-1960 decade when population increases averaged 8,800 annually (see table V). Over the two-year forecast period, the population of the Northeast area is expected to increase by 11,000 annually, reaching a total of 747,000 by July 1, 1968.

Households

There are about 271,200 households in the Northeast area at the present time (see table VII). In April 1960, households totaled 236,800; an average of 5,500 households have been added annually since that time. Between 1950 and 1960, household increments averaged only 4,400 annually. A portion of the 1950-1960 household increase was caused by the change in census definition from

"dwelling unit" in 1950 to "housing unit" in 1960. Households in the Northeast area are expected to total 282,800 by July 1, 1968, an average gain of 5,800 annually during each of the next two years.

Household Size. The average size of households in the Northeast area is currently estimated at 2.64 persons, a continuation of the 1950-1960 trend in household size when the average declined from 2.91 to 2.74. During the July 1966-July 1968 forecast period, the downward trend is expected to continue, falling to 2.61 persons by the end of the forecast period.

#### Income

As of July 1, 1966, the estimated median annual family income of all families in the Northeast area, after deduction of federal income tax, is \$9,025, and the median after-tax income of renter households of two-or-more persons is approximately \$7,050 annually. About 25 percent of all families and 38 percent of renter households of two-or-more persons have current after-tax incomes of less than \$6,000 annually. At the upper end of the income distribution, 19 percent of all families and 5 percent of renter households of two-or-more persons have after-tax incomes of \$15,000 or more. By 1968, median after-tax annual incomes are expected to increase to \$9,525 for all families and \$7,450 for all renter households of two-or-more persons. Detailed distributions by annual after-tax incomes are presented in tables IV and IVa.

#### Housing Market Factors

##### Housing Supply<sup>1/</sup>

At the present time, there are approximately 289,100 housing units in the Northeast area, a net gain since April 1960 of about 40,250 units, or 6,450 annually. Between 1950 and 1960, the number of housing units increased from 200,300 to 248,800, an average gain of about 4,850 units annually. Some portion of the increase in the number of housing units between 1950 and 1960 was caused by a change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960.

Between April 1, 1965 and April 1, 1966, about 7,075 units were added to the housing inventory of the Northeast submarket. This

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<sup>1/</sup> Building permit data are not available for the Los Angeles HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the Los Angeles County Regional Planning Commission, with adjustments for estimated unreported inventory losses.

is substantially below the peak of 8,700 units that was attained two years earlier, but is more than double the number of units added during the April 1, 1960-April 1, 1961 period. The 3,200 units added between 1960 and 1961 was the lowest annual increment in the post-1960 period.

Of the units added since 1960, over three-fourths have been in structures with three or more units. In 1960, multifamily units accounted for only about 19 percent of the inventory; as a result of the additions since that time, multifamily units now constitute almost 27 percent of the housing stock. Conversely, single-family dominance has declined, from 76 percent in 1960 to 68 percent at the present time. The proportion of units in duplexes has remained unchanged at five percent.

### Tenure

As of July 1, 1966, about 55 percent (148,200 units) of the occupied housing inventory in the Northeast area is owner-occupied and 45 percent (123,000) is renter-occupied. Although owner occupants are still in the majority, there has been a shift to renter occupancy. In 1950, 64 percent of the occupied units were owner-occupied; by 1960, this ratio had declined to 60 percent.

#### Occupied Housing Units by Tenure Northeast Submarket Los Angeles, California, HMA 1950, 1960, and 1966

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1966</u>
Total occupied units	192,670	236,774	271,200
Owner-occupied	123,605	141,920	148,200
Percent	64.2	59.9	54.6
Renter-occupied	69,065	94,854	123,000
Percent	35.8	40.1	45.4

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

### Vacancy

1960 Census. As reported by the 1960 Census, the Northeast area contained about 8,950 vacant housing units available for sale or rent, a net vacancy ratio of 3.6 percent. A total of 1,425 of these units were available for sale, representing a net homeowner

vacancy rate of 1.0 percent. The remaining 7,525 units were available for rent, indicating a net vacancy ratio of 7.4 percent in the rental inventory.

Postal Vacancy Survey. In April 1966, a postal vacancy survey was conducted in the Northeast area (see table X). This survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries. Of the 119,400 units covered in the survey (about 41 percent of the inventory), 6,925 were reported as being vacant, for an over-all vacancy rate of 5.8 percent. There were 2,225 vacant residences and 4,700 vacant apartments, for vacancy ratios of 3.2 percent and 9.3 percent, respectively. It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. 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.

Current Estimate. Currently, there are judged to be about 14,600 vacant housing units available for sale or rent in the Northeast area, equal to an over-all vacancy rate of 5.1 percent. Of the total, 2,500 are available for sale (a homeowner vacancy rate of 1.7 percent) and 12,100 are available for rent (a rental vacancy ratio of 9.0 percent). In an area with the growth rate of the Northeast submarket, lower vacancy ratios would be more appropriate for the long-term needs of the market.

Vacant Housing Units  
Northeast Submarket  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>12,055</u>	<u>17,900</u>
Available vacant	<u>8,953</u>	<u>14,600</u>
For sale	1,423	2,500
Homeowner vacancy rate	1.0%	1.7%
For rent	7,530	12,100
Rental vacancy rate	7.4%	9.0%
Other vacant <sup>a/</sup>	3,102	3,300

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

As reflected by the increase in the homeowner vacancy ratio from 1.0 percent in 1960 to 1.7 percent currently, the sales market in the Northeast area has softened somewhat. However, the excess of sales vacancies is quite small, and could be absorbed in a few months if construction continues at its recent low rate. Because of a lack of available land, most new home construction in this area is on a contract basis priced to sell for \$35,000 or more.

There is some subdivision activity in the foothills of the Verdugo Mountains north of Glendale. Most of the subdivisions are small (generally under 50 houses) and virtually all the homes are priced at \$35,000 or more. There are several subdivisions located in the southeastern part of the area offering lower priced homes in the \$20,000 to \$35,000 price range.

Rental Market

The Northeast area rental market is currently over-built, typical of the HMA as a whole. The rental vacancy rate has increased from 7.4 percent in April 1960 to 9.0 percent at present. It appears that vacancies reached a peak in late 1964 or early 1965 and have declined somewhat since that time. According to an apartment vacancy survey by the Residential Research Committee of Southern California<sup>1/</sup>, the apartment vacancy ratio increased each year from December 1960 to December 1964 and declined slightly between

<sup>1/</sup> Based on electric meter data.



December 1964 and December 1965. Similarly, Economic Consultants Incorporated reported that the apartment vacancy rate in the Foothill Region (roughly corresponding to the Northeast submarket) declined from 14.2 percent in April 1965 to 10.0 percent in July 1966. Further reduction in the vacancy rate can be expected as a result of continued household growth and the low level of construction activity.

The rental inventory of the Northeast submarket is composed primarily of low-density garden-type apartment projects. These are generally small projects (16 units or less) and are widely scattered throughout the area. Contrary to the experience of several of the other submarkets, rental concessions are not as common in this area. There is, however, some evidence of rent reductions. Because of the rent reductions, some tenants have upgraded to newer units, tending to increase vacancies in the older units. Units that rent for less than \$100 a month have somewhat better occupancy rates than units with higher rents. There are relatively few existing units in the area that have rents in excess of \$200 a month. In good locations, however, newly constructed units have rents ranging above \$200 monthly for one-bedroom units and \$250 monthly for two-bedroom units. There are relatively few efficiencies in the area and most of the existing units of this type rent for under \$100 a month. Most of the inventory is made up of one- and two-bedroom units. One-bedroom units generally rent for less than \$125 a month while most two-bedroom units are in the \$100 to \$175 rental range. Three-bedroom units typically rent for between \$125 and \$200 a month. There is no apparent correlation between unit size and vacancy rates.

#### Urban Renewal

There are currently two urban renewal projects in the Northeast submarket. The Pepper Project is located in Pasadena and covers about 100 acres. There are slightly over 500 housing units in the area, 400 of which will be demolished and 100 rehabilitated. Re-use will be a mix of residential, commercial, and public.

The Monterey Hills Project, located in South Pasadena, is an open land project containing over 300 acres. The land was virtually undeveloped when acquired. Development has taken the form of improved residential lots which have been sold to individual owners, for single-family residential development.

#### Demand for Housing

##### Quantitative Demand

Based on an expected increment of about 5,800 households annually during the July 1, 1966 to July 1, 1968 forecast period, on anticipated demolition activity, and on the need to allow for the absorption of an excess

level of vacancies, there will be a demand for about 5,250 new private housing units during each of the next two years. The annual demand forecast includes 1,375 new sales houses and 3,875 new rental units, excluding low-rent public housing and rent-supplement accommodations. Of the total rental demand, it is estimated that 150 units will require some form of public benefits or assistance to achieve the lower rents necessary for absorption.

### Qualitative Demand

Sales Housing. Based on the current level of incomes of families in the Northeast area, on land development and construction costs typical in the area, and on recent market experience, the annual demand for new sales housing is expected to approximate the pattern shown in the following table.

Annual Demand for New Sales Houses, by Price Class  
Northeast Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Sales price</u>	<u>Number of units</u>	<u>Percent</u>
\$20,000 - 29,999	150	11
30,000 - 34,999	300	22
35,000 - 39,999	575	42
40,000 and over	<u>350</u>	<u>25</u>
Total	1,375	100

Rental Housing. The 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 following table. 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 below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result. With market-interest-rate financing, the minimum achievable gross monthly rents are \$95 for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$150 for three-bedroom units.<sup>1/</sup>

<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Annual Demand for New Rental Units  
by Gross Monthly Rent and Unit Size  
Northeast Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

Gross monthly rent <sup>a/</sup>	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 95 and over	285	-	-	-
100 " "	245	-	-	-
105 " "	210	-	-	-
110 " "	175	-	-	-
115 " "	145	1,550	-	-
120 " "	115	1,320	-	-
125 " "	85	1,160	-	-
130 " "	60	1,020	-	-
135 " "	40	920	1,660	-
140 " "	20	800	1,440	-
145 " "	-	720	1,280	-
150 " "	-	600	1,140	230
160 " "	-	475	920	200
170 " "	-	340	720	165
180 " "	-	240	560	140
200 " "	-	100	320	90

<sup>a/</sup> Gross rent is shelter rent plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically. For example, the demand for one-bedroom units at rents of \$120 to \$140 is 520 units (1320 less 800):

An annual demand for 150 additional rental units at rents below these levels can be satisfied only through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 150 units includes 15 efficiencies at gross rents of \$80 to \$95 monthly, 65 one-bedroom units at rents from \$95 to \$115, 50 two-bedroom units at rents of \$110 to \$135 a month, and 20 three-bedroom units at monthly rents of \$125 to \$150.

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, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The preceding 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 absorption experience of new rental housing. Thus, they represent patterns for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. 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 the above schedules 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.

Housing Market Summary  
San Gabriel Valley Submarket  
Los Angeles, California, HMA

Housing Market Area

The San Gabriel Mountains form the northern boundary of the San Gabriel Valley submarket, with Orange County and the Puente Hills making its southern boundary. The area extends from San Bernardino County on the east to Arcadia, Temple City, and Rosemead on the west. Other cities in the area include Pomona, Covina and West Covina, Monrovia, El Monte, and La Puente. The San Bernardino Freeway is the main commuter artery; the San Gabriel Freeway, currently under construction, is completed as far south as the Santa Ana Freeway. There are two additional freeways planned or under construction (Foothill and Pomona Freeways) which should provide considerable impetus to future growth.

Net out-commutation is characteristic of this submarket; according to California Community Labor Market Surveys prepared by the California Department of Employment, it has the lowest employment participation rate (ratio of employment to population) of any of the other eight submarkets. About 32 percent of total employment in this submarket is in manufacturing industries, which are concentrated in the durable goods industry groups (primarily defense-space industries).

In terms of population, the San Gabriel Valley submarket is the fifth largest submarket in the HMA, and its rate of population growth since 1960 ranks second only to the San Fernando Valley area. Median family income in the area is somewhat above the HMA median, but a much lower proportion of the families are in the lower and upper income groups than is prevalent in the county generally. There is ample land available for future residential development in the area, and growth is inhibited only by a lack of better commuter arteries.

Demographic Factors

Population

As of July 1, 1966, the population of the San Gabriel Valley area totals about 834,000. This represents an average annual gain of about 31,550 persons since April 1960 when the population totaled 636,700. Between 1950 and 1960, population increments averaged 35,850 annually, indicating that post-1960 population growth has been somewhat below the gains recorded in the 1950-1960 decade (see table V). Over the two-year forecast period, population increases are expected to average 33,500 annually, culminating in a total population of 901,000 by July 1, 1968.

### Households

There are about 238,800 households in the San Gabriel Valley at the present time, an average increase of 8,950 households annually since April 1, 1960. This annual increment is somewhat below the increases recorded during the 1950-1960 intercensal period when households increased by an average of 9,650 annually. A small portion of the 1950-1960 household increase was likely the result of the change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960 (see table VII). By July 1, 1968, San Gabriel Valley households will total 257,400, an anticipated average annual gain of 9,300 during the next two years.

Household Size. The trend in the San Gabriel Valley has been to larger households. Currently, the average household size is 3.45 persons, compared with 3.42 persons in 1960 and 3.00 persons in 1950. It is anticipated that the upward trend will continue during the forecast period, with the average household size projected to 3.46 persons by July 1, 1968.

### Income

The current median annual income in the San Gabriel Valley, after deducting federal income tax, is \$8,525 for all families; the median for renter households of two-or-more persons is \$6,700. About 25 percent of all families and 40 percent of renter households of two-or-more persons currently receive less than \$6,000 annually, while 36 percent of all families and only 19 percent of renter households of two-or-more persons have after-tax incomes in excess of \$10,000 annually. About ten percent of all families have incomes of \$15,000 or more. Median after-tax incomes are expected to increase to \$9,000 annually for all families and \$7,075 for renter households of two-or-more persons by 1968. Detailed distributions by income are shown in table IV.

### Housing Market Factors

#### Housing Supply<sup>1/</sup>

The housing inventory in the San Gabriel Valley currently totals about 255,900 units. In April 1960, there were about 194,400 units in the area, indicating that an average of 9,825 units have been added annually since that time. Between 1950 and 1960, an average of 10,250 units were added annually. However, a small portion of the 1950-1960 increase was caused by a definitional change from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.

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<sup>1/</sup> Building permit data are not available for the Los Angeles HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the Los Angeles County Regional Planning Commission, with adjustments for estimated unreported inventory losses.

The trend of annual net additions to the housing inventory since 1960 in the San Gabriel Valley has been mixed. There were 10,600 units added between April 1, 1960 and April 1, 1961; the number of additions declined in the following year and increased during the subsequent two years to a peak of 14,850 in the April 1, 1963-April 1, 1964 period. Since that time, the trend has been sharply downward, falling to 2,750 in the April 1, 1965-April 1, 1966 period.

As has been the case in other areas of the Los Angeles HMA, multi-family construction is becoming increasingly important in the San Gabriel Valley. Of the 61,450 units that have been added since 1960, about 45 percent were in structures containing two or more units. This has resulted in a change in the inventory composition. In 1960, over 93 percent of all units were in single-family structures and only seven percent were in multifamily structures. Currently, one-unit structures account for only 83 percent of the inventory and units in multifamily structures make up 17 percent of the housing stock.

#### Tenure

As a result of increased multifamily construction, the increasing trend toward homeownership which was evident during the 1950's has been reversed in the post-1960 period. In 1950, 71.2 percent of the occupied inventory was owner-occupied. By 1960, the ratio had increased to 74.2 percent; currently, the owner-occupancy ratio is 71.1 percent.

#### Occupied Housing Units By Tenure San Gabriel Valley Submarket Los Angeles, California, HMA 1950, 1960, and 1966

<u>Tenure</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total occupied units	86,312	182,936	238,800
Owner-occupied	61,457	135,802	169,700
Percent	71.2	74.2	71.1
Renter-occupied	24,855	47,134	69,100
Percent	28.8	25.8	28.9

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

## Vacancy

1960 Census. The 1960 Census reported that there were about 8,425 vacant housing units available for sale or rent in the San Gabriel Valley. This indicated an over-all vacancy rate of 4.4 percent. Of the total, 3,725 were for sale (a homeowner vacancy ratio of 2.7 percent) and 4,700 were for rent (a rental vacancy ratio of 9.1 percent).

Postal Vacancy Survey. A postal vacancy survey was conducted in the San Gabriel Valley in April 1966 (see table X). This survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries. The survey covered 30.6 percent of the total inventory of the submarket and reported a total of 4,625 vacant housing units. The vacancy total included 2,475 vacant residences and 2,150 vacant apartments, representing vacancy ratios of 3.9 percent and 14.0 percent, respectively. It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. 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.

Current Estimate. It is estimated that currently there are about 13,500 available vacant housing units in the San Gabriel Valley. This is an over-all vacancy rate of 5.4 percent. Of the total, 5,500 are for sale and 8,000 are for rent. The present net available homeowner and renter vacancy rates are 3.1 percent and 10.4 percent, respectively. These vacancy ratios are substantially above those which are deemed to represent a satisfactory relationship between demand and supply in an area with the moderate growth characteristics of the San Gabriel Valley.



Vacant Housing Units  
San Gabriel Valley Submarket  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>11,500</u>	<u>17,100</u>
Available vacant	<u>8,418</u>	<u>13,500</u>
For sale	<u>3,716</u>	<u>5,500</u>
Homeowner vacancy rate	2.7%	3.1%
For rent	<u>4,702</u>	<u>8,000</u>
Rental vacancy rate	9.1%	10.4%
Other vacant <u>a/</u>	3,082	3,600

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

Sales Market

General Market Conditions. At the present time, the sales market in the San Gabriel Valley is weak, as exemplified by the current homeowner vacancy rate of 3.1 percent. The weakest portion of the market is in the extreme eastern area (Pomona and Claremont). The soft sales market has resulted from over-building, inadequate traffic arteries to employment sources, and the current tight money market. The strongest price range at the current time, for both new and existing houses, is the under \$20,000 category. New homes in this price range, however, cannot be built in the western portion of the area. There is virtually no market for homes priced over \$25,000 in the Pomona-Claremont area, and sales of homes in this price class in the western portion have declined.

Subdivision Activity. In recent years, there has been substantial subdivision activity in the San Gabriel Valley. In the last few months, however, there has been a sharp curtailment in construction activity. The most common price range for new houses is the \$20,000-\$25,000 bracket, although new homes are generally available from about \$15,000 to \$35,000 and over. Subdivision activity is occurring along the southern boundary of the area from the city of Industry eastward, and in the central part east of Covina to the San Bernardino County line. The lower-priced subdivisions are generally in out-lying locations.

Unsold Inventory. A survey of unsold tract houses, conducted by the Residential Research Committee of Southern California in June 1966, covered 102 subdivisions in the San Gabriel Valley in which about 4,200 houses had been completed. At the time of the survey, 32 percent of these homes were unsold. An additional 515 homes were under construction, of which 71 percent were unsold. Of the completed houses, only ten percent were priced to sell for less than \$20,000, while 37 percent were in the \$20,000-\$25,000 price range and 28 percent were in the \$25,000-\$30,000 price range. About 25 percent of the homes were priced to sell for \$30,000 or more. The lowest priced homes (under \$20,000) had the lowest unsold to completed ratio (18 percent) and the homes priced above \$35,000 had the highest unsold ratio (46 percent). Houses in the \$20,000 to \$25,000 bracket and \$25,000 to \$30,000 range had unsold ratios of 28 percent and 34 percent, respectively.

The distribution of completed houses by price class in the current survey points up the rapid appreciation of sales prices in the San Gabriel Valley. A Residential Research Committee tract survey conducted in December 1961 revealed that 84 percent of the completions were in the under \$20,000 category, compared with only ten percent in the June 1966 survey.

#### Rental Market

The rental market in the San Gabriel Valley submarket constitutes a relatively small portion of the total market. Although there has been a considerable shift to the construction of rental-type housing in recent years, construction of sales housing remains as the dominant feature of the housing market. The rental market in this submarket is among the softer rental markets in the HMA. Vacancy rates are high in all price ranges; units in the lower rent ranges (about \$100 per month) are enjoying somewhat better occupancy, however.

The apartment inventory in this market is composed primarily of one- and two-story apartments, and the inventory is heavily weighted in two-bedroom units. The area is primarily residential and does not attract many single persons or small households. The relatively few efficiencies in the area generally rent for less than \$110, although in the westernmost part of the submarket these rent levels may be somewhat higher. Most monthly rents for one-bedroom units range below \$140; most two-bedroom units rent for less than \$150. However, in good locations, monthly rentals for one-bedroom units range up to \$200, and monthly rentals for two-bedroom units exceed \$250 in some areas.

The rental market in the western part of the submarket is generally better than in the remainder of the area. Higher rents are achievable in this area and vacancy rates, although high, are lower than in the eastern section of the area.

### Demand for Housing

#### Quantitative Demand

Based on the expected increase in the number of households in the San Gabriel Valley submarket during the two-year forecast period (9,300 annually), on the number of housing units expected to be lost through demolitions, and on the need to reduce vacancies to levels that reflect a more acceptable demand-supply relationship in the market, there will be a demand for about 7,375 new private housing units annually during each of the next two years. The annual demand forecast includes 4,650 new sales units and 2,725 new rental units. The estimate excludes low-rent public housing and rent-supplement accommodations.

#### Qualitative Demand

Sales Housing. The distribution of the annual demand for 4,650 new sales housing units is shown in the following table. The distribution is based on ability to pay, as measured by current family income, on the ratio between net income and purchase price found to be typical in the area, and current market experience. It is judged that little, if any, acceptable housing can be built in the area for under \$15,000.

Annual Demand for New Sales Houses, by Price Class  
San Gabriel Valley Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Sales price</u>	<u>Number of units</u>	<u>Percent</u>
Under \$17,500	575	12
\$17,500 - 19,999	775	17
20,000 - 24,999	1,300	28
25,000 - 29,999	1,000	22
30,000 - 34,999	470	10
35,000 - 39,999	250	5
40,000 and over	280	6
Total	4,650	100

The foregoing distribution differs from the price distribution in the survey of unsold tract houses conducted by the Residential Research Committee of Southern California (see page 99). The tract survey does not include individual or contract construction on scattered lots and in some cases not all subdivisions have been included. It is likely that the more expensive housing, and some of the lower-value homes, are concentrated in the smaller building operations which are numerous. The preceding demand estimate reflects all home building and indicates greater concentration in some price ranges than a subdivision survey would indicate.

Rental Housing. The 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 following table. 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 levels than indicated below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result. With market-interest-rate financing, the minimum achievable monthly rents, including utilities, are \$95 for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$150 for three-bedroom units.<sup>1/</sup>

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<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Annual Demand for New Rental Units  
By Gross Monthly Rent and Unit Size  
San Gabriel Valley Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Gross</u> <u>monthly rent</u> <sup>a/</sup>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One</u> <u>bedroom</u>	<u>Two</u> <u>bedroom</u>	<u>Three</u> <u>bedroom</u>
\$ 95 and over	190	-	-	-
100 " "	145	-	-	-
105 " "	105	-	-	-
110 " "	85	-	-	-
115 " "	60	1,035	-	-
120 " "	40	830	-	-
125 " "	25	700	-	-
130 " "	15	600	-	-
135 " "	10	500	1,300	-
140 " "	5	415	1,000	-
145 " "	-	335	760	-
150 " "	-	275	600	200
160 " "	-	190	400	150
170 " "	-	130	280	110
180 " "	-	80	180	80

<sup>a/</sup> Gross rent is shelter rent plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically.  
For example, demand for one-bedroom units at rents of \$120 to \$140 is 415 units (830 less 415).

The preceding 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 absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from this demand distribution. Even though a deviation from the above schedule 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.

Housing Market Summary  
North County Submarket  
Los Angeles, California, HMA

Housing Market Area

The North County submarket encompasses about two-thirds of Los Angeles County, covering over 2,525 square miles. The southern boundary is formed by the San Gabriel Mountains, which recede into the sparsely-populated semi-arid Antelope Valley, with Kern County as the northern boundary. There are two population concentrations in the submarket, the Newhall-Saugus area in the canyons of the San Gabriel Mountains adjacent to the San Fernando Valley and the Lancaster-Palmdale area situated about 70 miles from downtown Los Angeles.

The Newhall-Saugus area is economically tied to the rest of the HMA. Residents of this area work predominantly in the San Fernando Valley, although the Golden State, Hollywood, and San Diego Freeways provide excellent access to most of the major employment centers in the HMA. Residential development in the area has occurred only in the past few years, as the San Fernando Valley became built-up, and has attracted primarily first time homebuyers.

The Lancaster-Palmdale area is a separate economic entity within the HMA. The economy of this area is based almost entirely on Plant 42 in Palmdale and Edwards Air Force Base in nearby Kern County. Edwards AFB is a major aircraft and missile test center. Plant 42 is a government-owned facility which is leased to private firms for the purpose of assembling and testing aircraft. Recently, contractor employment at the facility has fallen to a low level and population growth in the area has been inhibited.

Over the past five years, combined civilian employment at Edwards Air Force Base and Plant 42 has been relatively stable, ranging between 9,000 and 9,400 employees. Employment at Plant 42, however, has been declining since 1963 when over 5,000 persons were employed there. Early this year, employment had declined to just over 2,000 persons. Civilian employment at Edwards Air Force Base has been increasing over the last three years, with just over 7,000 employees working there early in this year. However, current employment is well below the 8,800 employees reported there in January 1960. Much of the civilian employment growth at Edwards AFB has been by contractor personnel, whose impact on the housing market is temporary.

## Demographic Factors

### Population

At the present time, there are about 109,000 persons residing in the North County submarket of the Los Angeles HMA (see table V). This is an average gain of 3,825 persons annually since April 1960 when the Census reported the population at 85,100. Numerical population gains since 1960 have been substantially below the 1950-1960 average annual increments; during the 1950's, population growth averaged 5,525 annually. The population of the North County area is expected to reach 118,000 by July 1, 1968, representing average gains of 4,500 annually over the two-year forecast period.

Since 1960, almost two-thirds of the total population increment has been added in the Newhall-Saugus area of the submarket. The current population of the Newhall-Saugus area<sup>1/</sup> is estimated at 30,700 persons, an increase of about 2,525 annually since April 1960. During the 1950's, this area experienced much more moderate growth, adding an average of less than 700 persons annually. In contrast to the accelerating population growth of the Newhall-Saugus area, the rate of population growth in the remainder of the submarket (primarily the Lancaster-Palmdale area) has dropped sharply in the 1960-1966 period, compared with growth during the 1950's. The current population of the Lancaster-Palmdale segment of the North County submarket is estimated at 78,300, representing an average increment of 1,300 yearly, compared with an average increase of 4,825 persons yearly during the 1950's.

### Population Trends North County Submarket Los Angeles, California, HMA 1950-1966

<u>Date</u>	<u>Newhall-Saugus</u>	<u>Lancaster-Palmdale</u>	<u>North County Total</u>
April 1, 1950	8,045	21,869	29,914
April 1, 1960	14,987	70,121	85,108
July 1, 1966	30,700	78,300	109,000

Sources: 1950 and 1960 Censuses of Population.  
1966 estimated by Housing Market Analysts.

<sup>1/</sup> Census tracts 9200, 9201, 9202, and 9203 (1960 Census).



### Households

Since April 1960, an average of 1,100 households have been added annually in the North County area bringing the current total to about 30,600 (see table VII). Between 1950 and 1960, the number of households increased from 8,700 to 23,700, an average addition of 1,500 households a year. A small portion of this increase, however, resulted from the census definitional change from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census. Annual increments of 1,400 households over the two-year forecast period will culminate in a July 1, 1968 total of 33,400 households.

Paralleling the population changes by area that have occurred in the submarket, household growth in the Newhall-Saugus area since 1960 has been almost double the addition in the remainder of the area. Since 1960, the number of households in the Newhall-Saugus area has increased by an average of 725 annually, compared with about 380 annually in the remainder of the North County submarket. However, during the 1950's, annual additions to the number of households in the Newhall-Saugus area averaged 145 households, while annual increments averaged 1,350 in the Lancaster-Palmdale segment of the submarket.

Number of Households  
North County Submarket  
Los Angeles, California, HMA  
1950-1966

<u>Date</u>	<u>Newhall-Saugus</u>	<u>Lancaster-Palmdale</u>	<u>North County Total</u>
April 1, 1950	2,221	6,492	8,713
April 1, 1960	3,662	20,021	23,683
July 1, 1966	8,200	22,400	30,600

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

Household Size. The current average household size in the North County area is 3.34 persons, unchanged since April 1960. Between 1950 and 1960, the average household size increased from 3.05 persons to 3.34 persons. The average household size is not expected to change significantly during the two-year forecast period.

### Income

The current median annual income in the North County area, after deducting federal income tax, is about \$8,250 for all families; the median for renter households of two-or-more persons is \$6,400. About 15 percent of all families and 24 percent of renter households of two-or-more persons currently receive after-tax incomes of \$4,000 or less. At the upper end of the income distribution, 34 percent of all families and 12 percent of all renter households of two-or-more persons have after-tax incomes of \$10,000 or more annually. By 1968, the median annual incomes (after-tax) are expected to increase to \$8,700 for all families and \$6,850 for all renter households of two-or-more persons. Detailed distributions by income are shown in tables IV and IVa.

### Housing Market Factors

#### Housing Supply<sup>1/</sup>

The housing stock of the North County area currently totals about 38,600 units, a gain of 7,350, or 1,175 annually, since April 1960. Gains during the 1950-1960 decade averaged 2,025 annually, with the housing supply increasing from 11,050 in 1950 to 31,250 in 1960. A small portion of this increase, however, was caused by a definitional change from "dwelling unit" in 1950 to "housing unit" in 1960.

Net additions to the housing inventory in the North County area displayed an upward trend during the April 1, 1960-April 1, 1965 period; a small decline occurred in the following year. From a low of 340 units in the April 1, 1960-April 1, 1961 period, the number of additions increased to 2,050 in the April 1, 1964-April 1, 1965 period. Between April 1, 1965 and April 1, 1966, about 1,850 units were added, representing only a moderate decline from the previous year.

The housing inventory of the North County area consists primarily of single-family structures, which in 1960 accounted for about 93 percent of the total units. Of the units added since 1960, 74 percent have been in single-family structures, so that currently, single-family units make up 89 percent of the inventory. Duplex units account for about two percent of the current inventory, and units in structures with three or more units account for nine percent of the inventory, compared with five percent in 1960.

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<sup>1/</sup> Building permit data are not available for the Los Angeles HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the Los Angeles County Regional Planning Commission, with adjustments for estimated unreported inventory losses.

### Tenure

At the present time, about 66.3 percent of the occupied housing units in the North County area are owner-occupied. This owner-occupancy rate is the second highest rate in the HMA, surpassed only by the San Gabriel Valley. The rate of owner-occupancy in the North County area increased from 56.0 percent in 1950 to 64.5 percent in 1960 and to 66.3 percent, currently.

Occupied Housing Units by Tenure  
North County Submarket  
Los Angeles, California, HMA  
1950, 1960, and 1966

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>July 1,</u> <u>1966</u>
Total occupied units	<u>8,713</u>	<u>23,683</u>	<u>30,600</u>
Owner-occupied	4,878	15,265	20,300
Percent	56.0	64.5	66.3
Renter-occupied	3,835	8,418	10,300
Percent	44.0	35.5	33.7

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

### Vacancy

1960 Census. In April 1960, the Census of Housing reported that there were about 3,475 vacant housing units available for sale or rent in the North County area, representing an over-all vacancy rate of 12.7 percent. Of the total, 700 were for sale and 2,775 were for rent, indicating homeowner and renter vacancy rates of 4.4 percent and 24.7 percent, respectively.

Postal Vacancy Survey. A postal vacancy survey was conducted in the North County area in April 1966 (see table X). The survey was conducted on a sample of postal carrier routes selected from post office listings. Interpretation of the results should take into consideration the consequent effect of sampling variability and the difficulty in delineating post office area coverage to conform with the submarket boundaries.

The survey covered about 18 percent of the housing inventory of the area and enumerated 660 vacant housing units; about 340 of the vacant units were residences and 320 were apartments, representing vacancy ratios of 5.9 percent and 26.7 percent, respectively. It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. 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.

Current Estimate. It is judged that currently there are about 3,000 units available for sale or rent in the North County submarket. This represents an over-all net vacancy rate of 8.9 percent. About 1,100 units are available for sale (a homeowner vacancy rate of 5.1 percent) and 1,900 are available for rent (a rental vacancy rate of 15.6 percent). These vacancy rates are substantially above those which are deemed to represent a satisfactory relationship between supply and demand.

Vacant Housing Units  
North County Submarket  
Los Angeles, California, HMA  
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>
Total vacant units	<u>7,572</u>	<u>8,000</u>
Available vacant	<u>3,470</u>	<u>3,000</u>
For sale	703	1,100
Homeowner vacancy rate	4.4	5.1
For rent	2,767	1,900
Rental vacancy rate	24.7	15.6
Other vacant <u>a/</u>	4,102	5,000

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

Sources: 1960 Census of Housing.  
1966 estimated by Housing Market Analysts.

## Sales Market

General Market Conditions. There are two distinct sales markets in the North County area. The Newhall-Saugus area is located just beyond the San Fernando Valley and its growth parallels that of the Los Angeles urban area. The Lancaster-Palmdale area is situated about 70 miles from downtown Los Angeles and it has a separate economic base, primarily dependent upon Edwards Air Force Base and Plant 42.

Newhall-Saugus is an area of new residential development. Sales of new homes in this area have been good during the past few years, although the market has weakened somewhat in recent months. Growth in the area has been provided primarily by first time homebuyers as this is one of the few areas in the HMA where relatively low-priced housing has been available. Prior to 1963, virtually all of the houses were priced below \$20,000, and about one-half were priced under \$15,000. Since 1963, however, sales prices have risen rapidly, and few of the new houses are priced under \$20,000.

The Lancaster-Palmdale sales market is quite weak at the present time, primarily because of employment reductions at Edwards Air Force Base and Plant 42 in the late 1950's, from which the area still is recovering. Weaknesses are evident in all price ranges.

Unsold Inventory. The Residential Research Committee of Southern California conducted a survey of unsold tract houses in the North County area in June 1966. It covered 20 active subdivisions in which about 1,300 houses had been completed, of which 18 percent were unsold. An additional 875 homes were under construction, of which 56 percent were unsold.

Of the total completions, about 1,010 were in Newhall-Saugus. At the time of the survey, 16 percent of these houses were unsold. In addition, 55 percent of the 810 houses under construction in Newhall-Saugus were unsold. Only about ten percent of the completed houses were in the under \$20,000 price range; about 63 percent were in the \$20,000 to \$25,000 price range, and 22 percent were priced to sell for between \$25,000 and \$30,000. The remaining five percent were in the over \$35,000 price category.

In Antelope Valley (Lancaster-Palmdale) only 290 units were completed in the subdivisions surveyed, of which 22 percent were unsold. Only 60 units were under construction, 75 percent of which were unsold. About 71 percent of the completions were in the \$20,000 to \$25,000 price range and the remaining 29 percent were in the \$17,500 to \$20,000 category.

### Rental Market

The rental market in the North County area is very weak at the present time as indicated by the current rental vacancy rate of 15.6 percent. The current rate, however, represents a substantial improvement since April 1960. Despite this improvement, there still remains a considerable surplus of rental vacancies on the market. Most of the rental inventory in the North County area is made up of single-family homes, although there has been an increasing trend toward apartment construction. The single-family homes generally rent for about \$100 a month.

### Urban Renewal and Public Housing

At the present time, there is one public housing project and no urban renewal projects in the North County submarket. Lancaster Homes is a 116-unit project which rents exclusively to military and military-connected personnel. Although turnover in the project is quite high, vacancies are low.

### Demand for Housing

#### Quantitative Demand

Based on the projected increase in the number of households in the North County area (1,400 annually), on the number of housing units expected to be lost through demolition, and on the need to reduce vacancies substantially to levels that reflect a more acceptable demand-supply relationship in the market, there will be a demand for about 525 units annually during each of the next two years. All of the demand will be for sales-type units. The demand estimate excludes public low-rent housing and rent-supplement accommodations. The level of demand in the Lancaster-Palmdale area is heavily dependent upon the employment situation at Plant 42 and Edwards AFB. Any significant change in employment there would have a corresponding influence on the level of demand. The demand estimates presented here assume a moderate increase in employment at these facilities.

#### Qualitative Demand

Sales Housing. Based on current family incomes, on sales price to income ratios typical in the area, and on recent market experience, demand for new sales houses is expected to approximate the pattern presented in the following table. About two-thirds of the total demand will be for new housing located in the Newhall-Saugus area. Demand for units priced in excess of \$30,000 will be limited in the Lancaster-Palmdale area.

Annual Demand for New Sales Houses, by Price Class  
North County Submarket  
Los Angeles, California, HMA  
July 1, 1966 to July 1, 1968

<u>Sales price</u>	<u>Number of units</u>	<u>Percent</u>
Under \$17,500	75	14
\$17,500- 19,999	90	17
20,000- 24,999	140	27
25,000- 29,999	120	23
30,000- 34,999	70	13
35,000 and over	<u>30</u>	<u>6</u>
Total	525	100

The foregoing distribution differs from the price distribution in the survey of unsold tract houses conducted by the Residential Research Committee of Southern California (see page 110). The tract survey does not include individual or contract construction on scattered lots and in some cases not all subdivisions have been included. It is likely that the more expensive housing, and some of the lower-value homes, are concentrated in the smaller building operations which are numerous. The preceding demand estimate reflects all home building and indicates greater concentration in some price ranges than a subdivision survey would indicate.

Table I

Trend of Civilian Work Force Components  
Los Angeles, California, HMA, 1958-1966  
 (Annual averages in thousands)

<u>Component</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>First five months</u>	
									<u>1965</u>	<u>1966</u>
Civilian work force <sup>a/</sup>	<u>2,496.5</u>	<u>2,570.0</u>	<u>2,634.4</u>	<u>2,689.6</u>	<u>2,749.6</u>	<u>2,824.0</u>	<u>2,886.7</u>	<u>2,953.7</u>	<u>2,915.8</u>	<u>3,000.3</u>
Unemployed	163.2	118.4	145.1	179.9	150.6	162.2	167.3	168.3	173.3	144.9
Percent of work force	6.5%	4.6%	5.5%	6.7%	5.5%	5.7%	5.8%	5.7%	5.9%	4.8%
Employment	<u>2,331.7</u>	<u>2,446.5</u>	<u>2,488.4</u>	<u>2,504.2</u>	<u>2,597.8</u>	<u>2,659.5</u>	<u>2,716.2</u>	<u>2,782.5</u>	<u>2,740.3</u>	<u>2,854.5</u>
Agriculture employment	18.8	19.2	18.7	17.9	18.0	16.4	14.8	13.8	13.7	13.1
Nonagricultural employment	<u>2,312.9</u>	<u>2,427.3</u>	<u>2,469.7</u>	<u>2,486.3</u>	<u>2,579.8</u>	<u>2,643.1</u>	<u>2,701.4</u>	<u>2,768.7</u>	<u>2,726.6</u>	<u>2,841.4</u>
Wage and salary	2,037.7	2,149.7	2,189.3	2,203.5	2,294.8	2,355.5	2,411.2	2,475.5	2,434.3	2,545.6
Other <sup>b/</sup>	275.2	277.6	280.4	282.8	285.0	287.6	290.2	293.2	292.3	295.3

<sup>a/</sup> Includes persons involved in labor-management disputes.

<sup>b/</sup> Includes self-employed, domestics, and unpaid family workers.

Source: California Department of Employment.



Table II

Nonagricultural Wage and Salary Employment by Major Industry Groups  
Los Angeles, California, SMSA, 1958-1965  
(Annual averages in thousands)

<u>Industry</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>First five months</u>	
									<u>1965</u>	<u>1966</u>
Total wage and salary employment	<u>2,037.7</u>	<u>2,149.7</u>	<u>2,189.3</u>	<u>2,203.5</u>	<u>2,294.8</u>	<u>2,355.5</u>	<u>2,411.2</u>	<u>2,475.5</u>	<u>2,434.3</u>	<u>2,545.6</u>
Manufacturing	<u>698.7</u>	<u>743.9</u>	<u>738.7</u>	<u>722.6</u>	<u>755.9</u>	<u>754.3</u>	<u>745.5</u>	<u>756.8</u>	<u>743.3</u>	<u>791.0</u>
Durable goods	<u>497.7</u>	<u>533.6</u>	<u>525.1</u>	<u>510.1</u>	<u>539.7</u>	<u>537.5</u>	<u>524.5</u>	<u>531.6</u>	<u>520.3</u>	<u>562.8</u>
Ordnance and accessories	23.0	29.3	32.2	32.9	40.9	47.2	48.5	47.1	45.8	48.1
Furniture	21.1	23.2	22.5	21.6	22.6	23.5	23.7	23.8	23.7	24.5
Stone, clay, and glass	18.9	20.1	20.7	19.7	20.2	21.6	22.4	22.4	22.0	22.5
Primary metals	23.5	25.2	24.6	25.1	26.0	25.3	24.9	25.2	24.4	26.3
Fabricated metals	56.3	59.2	58.5	58.4	60.8	60.8	60.9	61.7	60.9	62.0
Machinery (except electrical)	52.3	56.8	56.1	56.4	60.6	61.1	61.1	61.7	61.3	64.2
Electrical machinery	83.8	104.4	117.1	116.6	122.2	110.8	98.5	96.6	95.6	103.2
Transportation equipment	183.9	178.0	155.9	141.1	144.7	144.3	142.5	149.9	145.0	167.6
Aircraft and parts	(160.8)	(152.5)	(129.4)	(116.3)	(119.0)	(118.1)	(116.6)	(121.4)	(116.9)	(137.6)
Instruments	15.8	16.9	17.2	17.7	19.0	19.1	18.6	19.0	18.8	19.9
Other durables	19.1	20.5	20.3	20.6	22.7	23.8	23.4	24.2	22.8	24.5
Nondurable goods	<u>201.0</u>	<u>210.3</u>	<u>213.6</u>	<u>212.5</u>	<u>216.2</u>	<u>216.8</u>	<u>221.0</u>	<u>225.2</u>	<u>223.0</u>	<u>228.2</u>
Food and kindred products	51.7	51.5	52.6	52.0	52.1	50.7	51.8	52.0	51.0	51.1
Apparel products	42.3	45.2	45.9	45.5	46.4	47.3	48.9	50.8	51.0	52.6
Paper and allied products	11.9	12.5	12.7	12.7	13.6	14.0	14.2	14.4	14.2	14.6
Printing and publishing	31.5	32.9	34.2	34.4	34.6	35.0	36.1	36.9	36.5	37.7
Chemicals	19.8	21.3	22.5	23.3	24.2	24.4	25.0	26.0	25.5	26.4
Petroleum refining	18.0	18.1	17.3	17.1	16.5	16.3	16.3	15.7	15.6	15.7
Other nondurables	25.8	28.8	28.4	27.5	28.8	29.1	28.7	29.4	29.2	30.1
Nonmanufacturing	<u>1,339.0</u>	<u>1,405.8</u>	<u>1,450.6</u>	<u>1,480.9</u>	<u>1,538.9</u>	<u>1,601.2</u>	<u>1,665.7</u>	<u>1,718.7</u>	<u>1,691.0</u>	<u>1,754.6</u>
Construction	110.7	116.0	111.9	108.6	115.8	122.5	126.0	117.8	116.5	114.0
Trans., comm., and pub., util.,	134.9	134.8	136.7	133.3	135.8	138.2	142.9	148.2	145.1	151.1
Trade	439.7	460.9	475.4	479.2	494.7	513.9	533.7	552.3	541.3	558.5
Finance, ins, and real estate	100.8	106.9	114.5	118.5	123.3	130.4	137.2	143.1	141.4	146.5
Services and other nonmfg.	306.8	329.4	341.7	358.4	374.5	392.0	412.2	427.7	419.6	439.2
Government	246.1	257.8	270.4	282.9	294.8	304.2	313.7	329.6	327.1	345.3

Source: California Department of Industrial Relations, Division of Labor Statistics and Research.

Table III

Estimated Percentage Distributions by Income and Tenure  
After Deducting Federal Income Taxes  
Los Angeles, California, HMA  
1966 and 1968

<u>Annual after-tax income</u>	<u>1966</u>		<u>1968</u>	
	<u>All families</u>	<u>Renter households<sup>a/</sup></u>	<u>All families</u>	<u>Renter households<sup>a/</sup></u>
Under \$3,000	9	15	9	14
\$ 3,000- 3,999	5	8	4	7
4,000- 4,999	7	9	6	9
5,000- 5,999	7	11	7	10
6,000- 6,999	10	11	8	10
7,000- 7,999	9	9	8	9
8,000- 8,999	8	9	9	9
9,000- 9,999	9	7	9	7
10,000- 12,499	15	11	16	12
12,500- 14,999	9	5	10	7
15,000 and over	12	5	14	6
Total	100	100	100	100
Median	\$8,400	\$6,625	\$8,875	\$7,000

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

Source: Estimated by Housing Market Analysts.

Table IV

Estimated Percentage Distribution of All Families by Income  
After Deducting Federal Income Taxes  
For Submarket Areas in the  
Los Angeles, California, HMA  
1966 and 1968

Annual after-tax income	1966 Incomes									
	Central Submarket	Southeast Submarket	South Coast Submarket	Southwest Submarket	Wilshire-West Submarket	San Fernando Valley Submarket	Northeast Submarket	San Gabriel Valley Submarket	North County Submarket	
Under \$ 4,000	28	16	15	13	14	10	12	11	15	
\$ 4,000- 5,999	23	18	13	16	13	10	13	14	14	
6,000- 7,999	21	21	19	19	15	18	17	20	19	
8,000- 9,999	12	18	18	17	14	17	16	19	18	
10,000- 14,999	12	21	25	25	23	30	23	26	26	
15,000- 19,999	) 4	) 6	5	5	10	9	11	6	) 8	
20,000 and over	)	)	5	5	11	6	8	4	)	
Total	100	100	100	100	100	100	100	100	100	
Median	\$5,925	\$7,475	\$8,300	\$8,300	\$9,150	\$9,425	\$9,025	\$8,525	\$8,250	
	1968 Incomes									
	Central Submarket	Southeast Submarket	South Coast Submarket	Southwest Submarket	Wilshire-West Submarket	San Fernando Valley Submarket	Northeast Submarket	San Gabriel Valley Submarket	North County Submarket	
Under \$ 4,000	27	14	15	12	13	8	11	10	14	
\$ 4,000- 5,999	22	17	11	14	12	10	12	12	13	
6,000- 7,999	20	21	17	18	14	16	16	20	17	
8,000- 9,999	14	18	17	16	13	16	14	19	17	
10,000- 14,999	13	24	28	28	25	32	26	28	29	
15,000- 19,999	) 4	) 6	7	7	11	11	12	6	) 10	
20,000 and over	)	)	5	5	12	7	9	5	)	
Total	100	100	100	100	100	100	100	100	100	
Median	\$6,125	\$7,825	\$8,750	\$8,750	\$9,650	\$9,950	\$9,525	\$9,000	\$8,700	

Source: Estimated by Housing Market Analysts.

Table IVa

Estimated Percentage Distribution of All Renter Households<sup>a/</sup> by Income  
After Deducting Federal Income Tax for Submarket Areas in the  
Los Angeles, California, HMA  
1966 and 1968

Annual after-tax income	1966 Incomes								
	Central Submarket	Southeast Submarket	South Coast Submarket	Southwest Submarket	Wilshire-West Submarket	San Fernando Valley Submarket	Northeast Submarket	San Gabriel Valley Submarket	North County Submarket
Under \$ 4,000	34	26	27	24	19	16	19	20	24
\$ 4,000 - 5,999	25	25	21	20	16	18	19	20	23
6,000 - 7,999	22	22	20	20	17	21	22	24	22
8,000 - 9,999	10	15	14	17	13	17	16	17	19
10,000 - 14,999	7	9	13	15	19	20	19	15	10
15,000 and over	<u>2</u>	<u>3</u>	<u>5</u>	<u>4</u>	<u>16</u>	<u>8</u>	<u>5</u>	<u>4</u>	<u>2</u>
Total	100	100	100	100	100	100	100	100	100
Median	\$5,350	\$5,900	\$6,175	\$6,550	\$7,675	\$7,400	\$7,050	\$6,700	\$6,400
	1968 Incomes								
	Central Submarket	Southeast Submarket	South Coast Submarket	Southwest Submarket	Wilshire-West Submarket	San Fernando Valley Submarket	Northeast Submarket	San Gabriel Valley Submarket	North County Submarket
Under \$ 4,000	32	24	26	22	18	15	18	18	22
\$ 4,000 - 5,999	23	24	19	19	15	17	17	19	21
6,000 - 7,999	22	21	19	19	16	20	20	22	22
8,000 - 9,999	12	17	15	17	13	16	17	18	21
10,000 - 14,999	8	11	15	19	21	23	20	18	11
15,000 and over	<u>3</u>	<u>3</u>	<u>6</u>	<u>4</u>	<u>17</u>	<u>9</u>	<u>8</u>	<u>5</u>	<u>3</u>
Total	100	100	100	100	100	100	100	100	100
Median	\$5,550	\$6,150	\$6,500	\$6,900	\$8,200	\$7,800	\$7,450	\$7,075	\$6,850

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

Source: Estimated by Housing Market Analysts.

Table V

Population Trends  
Los Angeles, California, HMA  
1950-1966

<u>Area</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>July 1, 1966</u>	<u>Average annual change</u>	
				<u>1950-1960</u>	<u>1960-1966</u> <sup>a/</sup>
HMA total	4,151,687	6,038,771	6,986,000	188,708	151,550
Central	534,204	478,748	460,000	-5,546	-3,000
Southeast	690,050	1,071,615	1,199,000	38,157	20,400
South Coast	444,419	746,274	912,000	30,186	26,500
Southwest	633,369	829,425	917,000	19,606	14,000
Wilshire - West	643,740	775,334	830,000	13,159	8,750
San Fernando Valley	327,028	756,629	1,000,000	42,960	38,950
Northeast	570,949	658,924	725,000	8,797	10,575
San Gabriel Valley	278,014	636,714	834,000	35,870	31,550
North County	29,914	85,108	109,000	5,519	3,825

<sup>a/</sup> Rounded.

Sources: 1950 and 1960 Censuses of Population.  
1966 estimated by Housing Market Analysts.

Table VI

Population Trends  
Los Angeles, California, HMA  
1950, 1960, and 1966

<u>Area</u>	<u>April</u>	<u>April</u>	<u>July</u>	<u>Average annual change</u>	
	<u>1950</u>	<u>1960</u>	<u>1966</u>	<u>1950-1960</u>	<u>1960-1966<sup>a/</sup></u>
Los Angeles HMA total	<u>4,151,687</u>	<u>6,038,771</u>	<u>6,986,000</u>	188,708	151,550
Alhambra	51,359	54,807	65,250	345	1,675
Arcadia	23,066	41,005	47,250	1,794	1,000
Baldwin Park	b/	33,951	44,250	-	1,650
Bellflower	b/	45,909	56,200	-	1,650
Beverly Hills	29,032	30,817	35,000	178	670
Burbank	78,577	90,155	97,950	1,158	1,250
Compton	47,991	71,812	77,500	2,382	910
Culver City	19,720	32,163	33,550	1,244	220
Downey	b/	82,505	96,250	-	2,200
El Monte	8,101	13,163	55,350	506	6,750
Gardena	14,405	35,943	44,550	2,154	1,375
Glendale	95,702	119,442	137,000	2,374	2,800
Hawthorne	16,316	33,035	47,100	1,672	2,250
Huntington Park	29,450	29,920	32,050	47	340
Inglewood	46,185	63,390	88,850	1,720	4,075
Lakewood	b/	67,126	84,450	-	2,775
La Puente	b/	24,723	30,850	-	980
Long Beach	250,767	344,168	376,800	9,340	5,225
Los Angeles	1,970,358	2,479,015	2,785,000	50,866	48,950
Lynwood	25,823	31,614	41,600	577	1,600
Manhattan Beach	17,330	33,934	36,200	1,660	360
Monrovia	20,186	27,079	31,400	689	690
Montebello	21,735	32,097	41,450	1,036	1,500
Monterey Park	20,395	37,821	49,850	1,743	1,925
Norwalk	b/	88,739	94,500	-	920
Paramount	b/	27,249	33,650	-	1,025
Pasadena	104,577	116,407	125,600	1,183	1,475
Pico Rivera	b/	49,150	52,100	-	470
Pomona	35,405	67,157	85,000	3,175	2,850
Redondo Beach	25,226	46,986	58,100	2,176	1,775
Santa Monica	71,595	83,249	89,600	1,165	1,025
South Gate	51,116	53,831	58,500	272	750
Torrance	22,241	100,991	139,700	7,875	6,200
West Covina	4,499	50,645	63,800	4,615	2,100
Whittier	23,820	33,663	73,300	984	6,350
Remainder of HMA	1,026,710	1,465,110	1,676,500	43,840	33,800

<sup>a/</sup> Total may not add because of rounding.

<sup>b/</sup> Incorporated during the 1950's.

Sources: 1950 and 1960 Censuses of Population.

1966 based on population estimates reported by the Los Angeles County Regional Planning Commission.

Table VII

Household and Household Size Trends  
Los Angeles, California, HMA  
1950-1966

<u>Area</u>	April 1, <u>1950</u>	April 1, <u>1960</u>	July 1, <u>1966</u>	<u>Average annual change</u>		<u>Average household size</u>		
				<u>1950-1960</u>	<u>1960-1966</u> <sup>a/</sup>	<u>1950</u>	<u>1960</u>	<u>1966</u>
HMA total	1,371,043	2,011,700	2,364,000	64,066	56,350	2.92	2.94	2.91
Central	175,084	176,090	177,900	101	290	2.84	2.61	2.49
Southeast	212,795	320,991	363,900	10,820	6,875	3.19	3.30	3.26
South Coast	145,601	237,855	292,700	9,225	8,775	2.92	3.03	3.02
Southwest	215,218	291,003	327,200	7,579	5,800	2.89	2.83	2.78
Wilshire-West	234,986	320,202	369,600	8,522	7,900	2.63	2.36	2.19
San Fernando Valley	99,664	222,166	292,100	12,250	11,200	3.19	3.38	3.40
Northeast	192,670	236,774	271,200	4,410	5,500	2.91	2.74	2.64
San Gabriel Valley	86,312	182,936	238,800	9,662	8,950	3.00	3.42	3.45
North County	8,713	23,683	30,600	1,497	1,100	3.05	3.34	3.34

<sup>a/</sup> Totals may not add because of rounding.

Sources: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analysts.

Table VIII

Housing Inventory  
Los Angeles, California, HMA  
1950, 1960 and 1966

<u>Area</u>	<u>April 1950</u>	<u>April 1960</u>	<u>July 1966</u>	<u>Average annual change</u> <u>1950-1960    1960-1966<sup>a/</sup></u>	
Los Angeles HMA total	1,442,691	2,143,227	2,537,000	70,054	63,000
Alhambra	18,402	21,801	25,900	340	660
Arcadia	8,187	14,874	17,200	669	370
Baldwin Park	b/	10,335	13,900	-	570
Bellflower	b/	15,282	19,000	-	590
Beverly Hills	11,332	13,220	15,200	189	320
Burbank	25,938	32,701	37,000	676	690
Compton	14,743	21,244	23,200	650	310
Culver City	6,490	11,044	11,600	455	90
Downey	b/	25,368	31,200	-	930
El Monte	2,678	4,518	19,400	184	2,375
Gardena	4,531	11,574	14,100	704	400
Glendale	35,576	48,887	58,600	1,331	1,550
Hawthorne	5,142	10,981	16,900	584	950
Huntington Park	11,796	14,405	15,600	261	190
Inglewood	15,873	25,539	37,600	967	1,925
Lakewood	b/	18,361	23,300	-	790
La Puente	b/	5,844	7,600	-	280
Long Beach	97,021	133,293	152,600	3,627	3,075
Los Angeles	698,039	936,265	1,086,900	23,823	24,100
Lynwood	8,022	11,436	15,200	341	600
Manhattan Beach	6,377	11,583	12,600	521	160
Monrovia	7,188	10,186	12,200	300	320
Montebello	6,841	10,803	14,400	396	580
Monterey Park	6,986	12,833	16,400	585	570
Norwalk	b/	21,492	24,000	-	400
Paramount	b/	8,453	10,900	-	390
Pasadena	37,943	46,687	52,400	874	910
Pico Rivera	b/	13,336	14,300	-	150
Pomona	12,268	22,584	28,500	1,032	950
Redondo Beach	8,420	15,579	20,000	716	710
Santa Monica	27,570	37,378	41,100	981	600
South Gate	16,853	21,110	23,300	426	350
Torrance	7,200	28,704	42,500	2,150	2,200
West Covina	1,420	14,171	18,200	1,275	640
Whittier	8,477	12,684	24,900	421	1,950
Remainder of HMA	331,378	468,672	539,300	13,729	11,300

<sup>a/</sup> Total may not add because of rounding.

<sup>b/</sup> Incorporated during the 1950's.

Sources: 1950 and 1960 Censuses of Housing.

1966 based on inventory change reported by the Los Angeles County Regional Planning Commission adjusted for estimated unreported losses.



Table IX

Housing Units Authorized for Construction  
Los Angeles, California, HMA  
1946-1966

<u>Year</u>	<u>Single- family</u>	<u>Multi- family</u>	<u>Total</u>
1946	46,167	20,946	67,113
1947	51,382	15,819	67,201
1948	52,005	27,673	79,678
1949	48,849	20,634	69,483
1950	78,025	18,476	96,501
1951	50,366	11,802	62,168
1952	57,816	22,089	79,905
1953	55,337	28,349	83,686
1954	61,510	25,759	87,269
1955	57,334	22,201	79,535
1956	48,503	25,244	73,747
1957	32,219	35,138	67,357
1958	26,217	37,696	63,913
1959	30,484	33,334	63,818
1960	26,149	35,519	61,668
1961	26,835	42,306	69,141
1962	25,985	56,620	82,605
1963	26,467	79,908	106,375
1964	23,738	66,078	89,816
1965	18,296	34,897	53,193
First five months:			
1965	8,749	16,964	25,713
1966	6,253	6,710	12,963

Sources: Research Division, Security First National Bank and Bureau of the Census, Construction Reports (C-42).

Table X

## Los Angeles-Long Beach, California, Area Postal Vacancy Survey

April 13-28, 1966

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	1,042,872	58,238	5.6	50,698	7,540	14,723	529,463	15,620	3.0	13,115	2,505	5,500	513,409	42,618	8.3	37,583	5,035	9,223	9,992	308	3.4
Los Angeles	410,855	21,366	5.2	19,010	2,356	4,386	163,886	4,602	2.8	4,132	470	256	246,969	16,764	6.8	14,878	1,886	4,130	314	18	5.7
Main Office	1,207	6	0.5	6	-	6	432	2	0.5	2	-	3	775	4	0.5	4	-	3	-	-	-
Branches:																					
Cole	17,086	1,037	6.1	887	150	205	3,145	141	4.5	127	14	16	13,941	896	6.4	760	136	189	-	-	-
East Los Angeles	10,969	216	2.0	209	7	15	6,715	108	1.6	105	3	10	4,254	108	2.5	104	4	5	16	-	-
Florence	5,546	131	2.4	128	3	8	3,133	117	3.7	116	1	4	2,413	14	0.6	12	2	4	67	4	6.0
Hazard	4,021	101	2.5	97	4	16	2,939	43	1.7	42	1	8	1,082	58	5.4	55	3	8	-	-	-
Vernon	1,100	41	3.7	41	-	-	406	13	3.2	13	-	-	694	28	4.0	28	-	-	6	3	50.0
West	8,480	767	9.0	670	97	167	1,611	177	11.0	106	71	1	6,869	590	8.6	564	26	166	-	-	-
Stations:																					
Ascot	7,857	346	4.4	328	18	13	4,728	126	2.7	126	-	1	3,129	220	7.0	202	18	12	-	-	-
Barrington	8,506	412	4.8	393	19	312	3,706	68	1.8	63	5	22	4,800	344	7.2	330	14	290	-	-	-
Boyle	6,928	166	2.4	131	35	22	3,906	69	1.8	67	2	-	3,022	97	3.2	64	33	22	-	-	-
Briggs	7,309	257	3.5	219	38	55	1,743	73	4.2	73	-	4	5,566	184	3.3	146	38	51	-	-	-
Cimarron	10,029	375	3.7	362	13	245	3,993	123	3.1	121	2	-	6,036	252	4.2	241	11	245	-	-	-
Crenshaw	8,784	711	8.1	700	11	13	3,305	32	1.0	21	11	11	5,479	679	12.4	679	-	2	-	-	-
Del Valle	29	6	20.1	6	-	-	7	2	28.6	2	-	-	22	4	18.2	4	-	-	-	-	-
Dockweiler	10,288	540	5.2	518	22	30	2,139	57	2.7	55	2	-	8,149	483	5.9	463	20	30	-	-	-
Eagle Rock	2,650	150	5.7	146	4	1	2,279	80	3.5	78	2	1	371	70	18.9	68	2	-	39	3	7.7
Edendale	10,923	643	5.9	527	116	61	8,035	204	2.5	185	19	3	2,888	439	15.2	342	97	58	-	-	-
El Sereno	4,428	222	5.0	143	79	23	3,332	50	1.5	46	4	5	1,096	172	15.7	97	75	18	-	-	-
Flint	9,291	787	8.5	672	115	535	856	43	5.0	43	-	5	8,435	744	8.8	629	115	530	-	-	-
Foy	5,173	350	6.8	350	-	40	218	42	19.3	42	-	-	4,955	308	6.2	308	-	40	-	-	-
Glassell	5,763	468	8.1	342	126	40	3,598	265	7.4	160	105	5	2,165	203	9.4	182	21	35	44	-	-
Green	6,785	41	0.6	41	-	-	5,039	14	0.3	14	-	-	1,746	27	1.5	27	-	-	-	-	-
Greenmead	3,400	208	6.1	149	59	12	3,208	116	3.6	59	57	12	192	92	47.9	90	2	-	-	-	-
Griffith	3,304	99	3.0	95	4	279	1,908	27	1.4	26	1	-	1,396	72	5.2	69	3	279	-	-	-
Hancock	17,376	935	5.4	866	69	97	7,923	336	4.2	335	1	3	9,453	599	6.3	531	68	94	8	3	37.5
Highland Park	8,589	542	6.3	484	58	212	4,335	223	5.1	202	21	13	4,254	319	7.5	282	37	199	-	-	-
Hollywood	16,065	1,342	8.4	1,127	215	264	5,286	190	3.6	130	60	20	10,779	1,152	10.7	997	155	244	-	-	-

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

Table X (cont'd)

Los Angeles-Long Beach, California, Area Postal Vacancy Survey (continued)

April 13-28, 1966

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 No.	%
		All	%	Used	New			All	%	Used	New			All	%	Used	New				
Kearny	8,263	200	2.4	200	-	12	6,583	120	1.8	120	-	12	1,680	80	4.8	80	-	-	-	-	-
La Tijera	6,110	298	4.9	285	13	5	5,012	99	2.0	97	2	-	1,098	199	18.1	188	11	5	-	-	-
Lincoln Heights	4,157	143	3.4	82	61	32	2,294	73	3.2	27	46	22	1,863	70	3.8	55	15	10	5	-	-
Los Feliz	12,036	827	6.9	783	44	138	4,167	136	3.3	127	9	28	7,869	691	8.9	656	35	110	-	-	-
Lugo	5,208	194	3.7	177	17	13	3,449	123	3.6	121	2	5	1,759	71	4.0	56	15	8	-	-	-
Market	254	4	1.6	4	-	-	204	4	2.0	4	-	-	50	-	-	-	-	-	-	-	-
Mar Vista	12,587	736	5.8	692	44	41	4,936	45	0.9	44	1	3	7,651	691	9.0	648	43	38	109	4	3.7
Metropolitan	19	-	-	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oakwood	13,409	902	6.7	761	141	103	4,454	185	4.2	185	-	-	8,955	717	8.0	576	141	103	-	-	-
Palms	12,662	737	5.8	704	33	520	4,126	78	1.9	78	-	-	8,536	659	7.7	626	33	520	-	-	-
Pico Heights	15,243	676	4.4	640	36	42	1,784	152	8.5	149	3	-	13,459	524	3.9	491	33	42	-	-	-
Preuss	7,116	277	3.9	219	58	31	1,586	13	0.8	13	-	-	5,530	264	4.8	206	58	31	-	-	-
Rancho Park	3,719	11	0.3	11	-	7	2,349	1	0.1	1	-	7	1,370	10	0.7	10	-	-	-	-	-
Rimpau	6,891	276	4.0	266	10	-	2,041	77	3.8	77	-	-	4,850	199	4.1	189	10	-	-	-	-
Sanford	19,852	1,620	8.2	1,334	286	330	2,647	68	2.6	68	-	-	17,205	1,552	9.0	1,266	286	330	-	-	-
South	2,293	137	6.0	136	1	4	1,628	55	3.4	54	1	1	665	82	12.3	82	-	3	-	-	-
Village	10,492	488	4.7	353	135	33	2,455	68	2.8	47	21	25	8,037	420	5.2	306	114	8	-	-	-
Wagner	7,009	187	2.7	177	10	4	4,905	88	1.8	88	-	-	2,104	99	4.7	89	10	4	-	-	-
Watts	4,666	255	5.5	234	21	14	4,283	142	3.3	142	-	2	383	113	29.5	112	1	12	20	1	5.0
West Adams	11,480	543	4.7	514	29	63	3,976	43	1.1	43	-	3	7,504	500	6.7	471	29	60	-	-	-
Westchester	6,718	235	3.5	235	-	-	3,722	15	0.4	15	-	-	2,996	220	7.3	220	-	-	-	-	-
West Los Angeles	12,019	655	5.4	568	87	168	2,346	76	3.2	73	3	-	9,673	579	6.0	495	84	168	-	-	-
Westview	3,827	98	2.6	92	6	1	3,493	70	2.0	70	-	1	334	28	8.4	22	6	-	-	-	-
Wilcox	9,863	654	6.6	572	82	139	1,159	101	8.7	101	-	-	8,704	553	6.4	471	82	139	-	-	-
Wilshire-La Brea	13,076	314	2.4	314	-	15	2,343	29	1.2	29	-	-	10,733	285	2.7	285	-	15	-	-	-
Long Beach	93,707	4,522	4.8	4,157	365	2,172	37,998	906	2.4	878	28	124	55,709	3,616	6.5	3,279	337	2,048	257	18	7.0
Main Office	33,151	2,301	6.9	2,093	208	368	5,359	303	5.7	302	1	-	27,792	1,998	7.2	1,791	207	368	-	-	-
Stations:																					
Bixby	4,055	151	3.7	151	-	220	2,234	27	1.2	27	-	3	1,821	124	6.8	124	-	217	-	-	-
Bryant	5,088	109	2.1	85	24	277	4,307	31	0.7	30	1	-	781	78	10.0	55	23	277	-	-	-
Cabrillo	3,523	190	5.4	153	37	168	2,577	107	4.2	106	1	2	946	83	8.8	47	36	166	-	-	-
E. Long Beach	9,188	479	5.2	479	-	14	3,113	88	2.8	88	-	2	6,075	391	6.4	391	-	12	-	-	-

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

Table X (cont'd)

## Los Angeles-Long Beach, California, Area Postal Vacancy Survey (continued)

April 13-28, 1966

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.	%
Loma	15,543	690	4.4	621	69	186	5,616	134	2.4	126	8	15	9,927	556	5.6	495	61	171	-	-	-
N. Long Beach	8,620	271	3.1	251	20	677	6,912	114	1.6	103	11	9	1,708	157	9.2	148	9	668	167	8	4.8
Pacific	9,154	268	2.9	262	6	170	3,105	60	1.9	54	6	1	6,049	208	3.4	208	-	169	90	10	11.1
Viking	5,385	63	1.7	62	1	92	4,775	42	0.9	42	-	92	610	21	3.4	20	1	-	-	-	-
Other Cities and Towns	538,310	32,350	6.0	27,531	4,819	8,165	327,579	10,112	3.1	8,105	2,007	5,120	210,731	22,238	10.6	19,426	2,812	3,045	9,421	272	2.9
Alhambra	16,185	795	4.9	744	51	314	6,219	173	2.8	171	2	141	9,966	622	6.2	573	49	173	-	-	-
Altadena	4,417	179	4.1	115	64	8	4,153	120	2.9	102	18	8	264	59	22.3	13	46	-	-	-	-
Arcadia	8,577	425	5.0	386	39	32	5,798	56	1.0	49	7	28	2,779	369	13.3	337	32	4	-	-	-
Artesia	2,582	117	4.5	105	12	2	2,251	89	4.0	87	2	2	331	28	8.5	18	10	-	-	-	-
Azusa	4,249	371	8.7	281	90	9	3,186	202	6.3	112	90	9	1,063	169	15.9	169	-	-	-	-	-
Baldwin Park	4,343	326	5.2	321	5	36	3,437	156	4.5	154	2	36	906	170	18.8	167	3	-	315	45	14.3
Bell	10,552	792	7.5	767	25	15	5,524	346	6.3	341	5	11	5,028	446	8.9	426	20	4	970	17	1.8
Bellflower	8,507	436	5.1	420	16	97	5,375	148	2.8	136	12	3	3,132	288	9.2	284	4	94	230	11	4.8
Beverly Hills	8,522	392	4.6	320	72	139	3,085	103	3.3	80	23	22	5,437	289	5.3	240	49	117	-	-	-
Claremont	2,472	186	7.5	75	111	103	2,178	178	8.2	67	111	101	294	8	2.7	8	-	2	-	-	-
Compton	10,186	630	6.2	524	106	374	9,738	452	4.6	346	106	370	448	178	39.7	178	-	4	260	42	16.2
Covina	7,040	255	3.6	249	6	39	5,683	144	2.5	138	6	31	1,357	111	8.2	111	-	8	334	2	0.6
Culver City	5,936	238	4.0	200	38	170	3,019	71	2.4	71	-	-	2,917	167	5.7	129	38	170	-	-	-
Downey	11,239	713	6.3	629	84	104	7,186	175	2.4	107	68	85	4,053	538	13.0	522	16	19	219	2	0.9
Duarte	2,039	97	4.8	56	41	96	1,939	85	4.4	44	41	66	100	12	12.0	12	-	30	246	3	1.2
El Monte	8,325	677	8.1	574	103	38	6,229	258	4.1	238	20	13	2,096	419	20.0	336	83	25	498	11	2.2
El Segundo	2,061	117	5.7	108	9	7	1,189	31	2.6	28	3	-	872	86	9.9	80	6	7	71	11	15.5
Gardena	11,696	528	4.5	477	51	407	7,220	127	1.8	89	38	400	4,476	401	9.0	388	13	7	1,240	23	1.9
Glendale	22,928	1,476	6.4	1,378	98	149	11,710	268	2.3	263	5	16	11,218	1,208	10.8	1,115	93	133	-	-	-
Glendora	4,419	174	3.9	138	36	73	4,178	151	3.6	117	34	62	241	23	9.5	21	2	11	106	3	2.8
Hawthorne	9,524	331	3.5	300	31	41	5,343	118	2.2	107	11	4	4,181	213	5.1	193	20	37	135	-	-
Hermosa Beach	1,634	168	10.3	161	7	12	1,365	70	5.1	65	5	11	269	98	36.4	96	2	1	-	-	-
Huntington Park	10,363	622	6.0	538	84	22	5,827	109	1.9	109	-	1	4,536	513	11.3	429	84	21	-	-	-
Inglewood	25,263	1,874	7.4	1,594	280	323	10,200	314	3.1	260	54	50	15,063	1,560	10.4	1,334	226	273	354	5	1.4
La Canada	1,689	23	1.4	17	6	295	1,672	22	1.3	16	6	295	17	1	5.9	1	-	-	-	-	-
Lakewood	8,853	147	1.7	147	-	-	7,903	93	1.2	93	-	-	950	54	5.7	54	-	-	70	-	-
La Mirada	3,617	73	2.0	73	-	74	3,425	37	1.1	37	-	24	192	36	18.8	36	-	50	-	-	-
Lancaster	5,329	538	10.1	246	292	55	4,294	225	5.2	210	15	55	1,035	313	30.2	36	277	-	169	3	1.8
La Puente	8,679	408	4.7	387	21	332	7,890	331	4.2	310	21	332	789	77	9.8	77	-	-	50	-	-
Lawndale	2,949	185	6.3	179	6	4	2,710	133	4.9	127	6	4	239	52	21.8	52	-	-	162	3	1.9

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Table X (cont'd)

Los Angeles-Long Beach, California, Area Postal Vacancy Survey (continued)

April 13-28, 1966

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 No.	%			
		All	%	Used			All	%	Used			All	%	Used					All	%	Used
Lomita	3,596	197	5.5	185	12	356	1,637	44	2.7	32	12	348	1,959	153	7.8	153	-	8	247	2	0.8
Lynwood	5,022	214	4.3	212	2	22	4,013	53	1.3	52	1	22	1,009	161	16.0	160	1	-	-	-	-
Malibu	1,671	125	7.5	83	42	21	1,253	79	6.3	40	39	21	418	46	11.0	43	3	-	-	-	-
Manhattan Beach	4,594	166	3.7	156	10	21	3,789	100	2.6	90	10	7	805	66	8.2	66	-	14	-	-	-
Maywood	4,918	366	7.4	358	8	1	2,412	104	4.3	103	1	1	2,506	262	10.5	255	7	-	-	-	-
Monrovia	4,546	181	4.0	179	2	11	3,851	95	2.5	93	2	11	695	86	12.4	86	-	-	133	2	1.5
Montebello	6,762	307	4.5	297	10	218	3,971	50	1.3	43	7	216	2,791	257	9.2	254	3	2	82	10	12.2
Monterey Park	6,492	251	3.9	251	-	138	4,566	67	1.5	67	-	132	1,926	184	9.6	184	-	6	94	11	11.7
North Hollywood	30,071	2,641	8.8	2,446	195	374	13,701	308	2.2	261	47	172	16,370	2,333	14.3	2,185	148	202	111	5	4.5
Norwalk	8,099	346	4.3	238	108	38	7,527	229	3.0	125	104	35	572	117	20.5	113	4	3	130	-	-
Palmdale	1,713	127	7.4	123	4	94	1,534	116	7.6	112	4	50	179	11	6.1	11	-	44	104	7	6.7
Palos Verdes Peninsula	4,083	183	4.5	69	114	329	4,008	175	4.4	61	114	329	75	8	10.7	8	-	-	-	-	-
Paramount	3,129	128	4.1	124	4	6	2,583	61	2.4	60	1	6	546	67	12.3	64	3	25	-	-	-
Pasadena	26,194	1,662	6.3	1,505	157	405	16,051	534	3.3	523	11	73	10,143	1,128	11.1	982	146	332	-	-	-
Pico Rivera	5,217	164	3.1	161	3	10	4,593	81	1.8	78	3	10	624	83	13.3	83	-	-	-	-	-
Pomona	11,433	867	7.6	662	205	5	8,918	525	5.9	377	148	5	2,515	342	13.6	285	57	-	398	5	1.3
Redondo Beach	10,515	803	7.6	703	100	13	5,198	237	4.6	181	56	3	5,317	566	10.6	522	44	10	-	-	-
Rosemead	2,354	48	2.0	46	2	4	2,129	30	1.4	28	2	4	225	18	8.0	18	-	38	-	-	-
San Fernando	17,985	1,048	5.8	778	270	388	13,759	478	3.5	234	244	342	4,226	570	13.5	544	26	46	267	-	-
San Gabriel	11,541	639	5.5	586	53	107	7,432	257	3.5	229	28	23	4,109	382	9.3	357	25	84	457	14	3.1
Santa Fe Springs	1,532	16	1.0	15	1	-	1,380	14	1.0	13	1	-	152	2	1.3	2	-	-	93	-	-
Santa Monica	28,390	1,504	5.3	1,370	134	189	5,925	188	3.2	182	6	7	22,465	1,316	5.9	1,188	128	182	398	16	4.0
South Gate	478	32	6.7	32	-	6	382	6	1.6	6	-	-	96	26	27.1	26	-	6	-	-	-
South Pasadena	5,268	410	7.7	304	106	107	2,016	144	7.1	60	84	73	3,252	266	8.2	244	22	34	-	-	-
Temple City	3,575	119	3.3	96	23	1	2,798	66	2.4	55	11	1	777	53	6.8	41	12	-	-	-	-
Torrance	22,308	857	3.8	599	258	413	13,445	369	2.7	182	187	150	8,863	488	5.5	417	71	263	439	18	4.1
Van Nuys	36,097	3,469	9.6	2,796	673	114	15,883	331	2.1	299	32	38	20,214	3,138	15.5	2,497	641	76	667	1	0.1
Venice	14,037	1,188	8.5	912	276	927	4,193	155	3.7	148	7	784	9,844	1,033	10.5	764	269	143	-	-	-
West Covina	6,359	468	7.4	285	183	4	4,857	181	3.7	93	88	4	1,502	287	19.1	192	95	-	-	-	-
Whittier	16,156	531	3.3	451	80	473	13,849	250	1.8	204	46	73	2,307	281	12.2	247	34	400	83	-	-

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



72.1 :34 (2) Los Angeles  
1966

Fla.

Analysis of the Los Angeles,  
Calif. Reg. Mkt.

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# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## FEDERAL HOUSING ADMINISTRATION

# NEWS

Washington, D. C. 20411

FHA INFORMATION 382-4693

FOR RELEASE TUESDAY  
MAY 2, 1967

MC-FHA-MA-67-21  
Poston

### LOS ANGELES, CALIFORNIA, HOUSING MARKET ANALYSIS

The Federal Housing Administration today released its analysis of the Los Angeles, California, housing market. The analysis estimates annual demand for new privately-financed housing at 55,450 units for the two years dating from July 1, 1966 -- 17,100 sales houses and 38,350 multifamily units. This estimate includes 3,800 units at lower rents achievable with assistance in financing or land acquisition and cost, but excludes low-rent public housing and rent-supplement housing.

The market area studied includes all of Los Angeles County. Analysis of the entire area and of nine submarket areas is presented.

Some 135,000 nonseasonal, nondilapidated housing units were vacant and available as of July 1, 1966. Vacant sales housing totaled 24,000 units and vacant rental units totaled 111,000, giving vacancy ratios of 2.0 percent and 8.7 percent, respectively. Both ratios were up from the 1960 figures.

An average of about 63,000 housing units have been added to the area's supply each year since 1960, bringing the total in July 1966 to 2,537,000 units. The average yearly gain between 1950 and 1960 was about 70,050 units. Housing units authorized by building permits reached a peak of 106,400 in 1963, dropped to 89,800 in 1964, then fell sharply to 53,200 units in 1965. Units authorized in multifamily structures have represented 68 percent of all units authorized since January 1960. Units authorized in the first five months of 1966 totaled 12,950.

The estimated current population of the area, 6,986,000 persons, represents an increase of about 947,200 (15.7 percent), or an average of 151,550 a year since 1960. The 1950-1960 decennial gain averaged 188,700 persons annually. By July 1, 1968, the population is expected to total 7,314,000 persons, an annual gain of 164,000 over the present level. Households currently total 2,364,000, a gain of about 352,300 (17.5 percent), or an average of 56,350 annually since 1960. Between 1950 and 1960, the increase averaged over 64,000 households a year. Household growth during the next two years is expected to approximate 61,500 annually.

The estimated current median income of all families in the housing market area, after deduction of federal income taxes, is about \$8,400, and the estimated median income of all renter households of two or more persons is \$6,625. The median after-tax income of all families and of renter households in 1968 are expected to approximate \$8,875 and \$7,000, respectively.



Nonagricultural employment in Los Angeles County averaged 2,841,400 workers during the first five months of 1966, 114,800 (4.2 percent) above the average for comparable months in 1965. Over the previous seven years (1958-1965), nonagricultural employment increased by an average of 65,100 annually, ranging from a low gain of 16,600 between 1960 and 1961, to a high gain of 114,400 between 1958 and 1959. Gains during the forecast years are expected to average 70,000 jobs a year.

Copies of the complete analysis may be obtained from Edward P. Callahan, Director, Federal Housing Administration, 5th and Broadway Building, 312 West 5th Street, Los Angeles, California, 90013.

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