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Lewiston-Auburn, Me.

1965-

Analysis of the

LEWISTON-AUBURN, MAINE

HOUSING MARKET

as of May 1, 1965



**A Report by the
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C. 20411**

A constituent of the Housing and Home Finance Agency

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ANALYSIS OF THE
LEWISTON-AUBURN, MAINE, HOUSING MARKET
AS OF MAY 1, 1965

FIELD MARKET ANALYSIS SERVICE
FEDERAL HOUSING ADMINISTRATION
Housing and Home Finance Agency

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, of course, be differences of opinion 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.

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ANALYSIS OF THE
LEWISTON-AUBURN, MAINE, HOUSING MARKET
AS OF MAY 1, 1965

Summary and Conclusions

1. As of March 1965, nonagricultural employment totals 26,200 persons, a loss of some 400 jobs (1.5 percent) since the March 1964 figure of 26,600. During 1964, average annual nonagricultural employment was 27,200, a decrease of 2,700 workers (9.0 percent) since the 1960 high of 29,900. During the May 1965 - May 1967 forecast period, employment is expected to decline by approximately 150-200 jobs a year.
2. As of March 1965, approximately 2,300 persons are unemployed, or 8.0 percent of the civilian work force. Although the unemployment rate is high, the current level represents a decline since the 1961 high of 10.6 percent.
3. Current median income, after deducting Federal income tax, is about \$6,100 annually for all families and \$5,200 annually for all renter families. By May 1967, the median income of renter families will have increased to about \$5,400.
4. As of May 1, 1965, population in the HMA numbers about 70,450, an increase of 150 since the April 1960 total of 70,295. During the May 1965 - May 1967 forecast period, no significant change in the population is expected.
5. As of May 1, 1965, there are approximately 22,400 households in the HMA, an increase of 660 (3.0 percent), or an average annual change of 130 since April 1960. During the May 1, 1965 to May 1, 1967 forecast period, households are expected to increase by about 125 a year, or a 1967 total of 22,650.
6. At present, there are about 24,500 dwelling units in the HMA, representing a gain of 1,025, or an average annual increase of 205 (0.9 percent) since April 1960. The number of new dwelling units constructed has averaged about 235 annually in recent years. Approximately 95 percent of the new units were single-family houses.
7. As of May 1, 1965, there are about 1,075 vacant available dwelling units in the HMA. Of these, 175 are available for sale, or a homeowner vacancy rate of 1.5 percent; about 900 are available for rent, or a rental vacancy rate of 7.7 percent.

8. During the May 1, 1965 - May 1, 1967 forecast period, the demand for new construction in the HMA is estimated to be 200 units annually, of which 100 represent demand for sales housing, and 100 represent demand for rental housing. An additional demand for 50 rental units annually could be absorbed at rents achievable only with public benefits or assistance.
9. Over the two-year period, it is estimated that about 10 to 15 units of rental housing designed specifically for the elderly could be absorbed annually..

ANALYSIS OF THE
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Housing Market Area

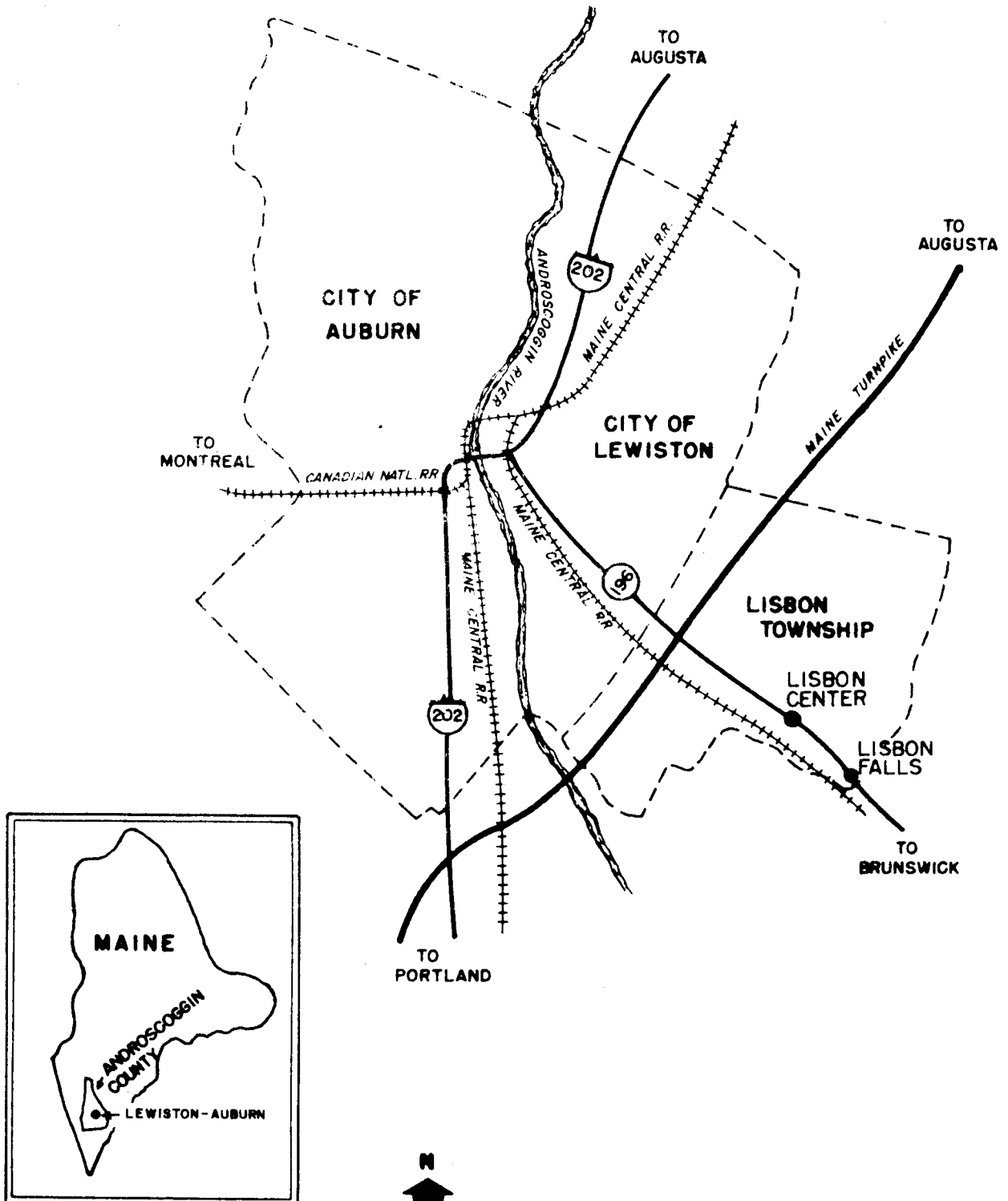
The Lewiston-Auburn, Maine, Housing Market Area (HMA) is defined as the cities of Lewiston and Auburn, and the town of Lisbon, in Androscoggin County (see map). An area of 124 square miles, the HMA is located in southwestern Maine approximately 30 miles southwest of Augusta, Maine, 270 miles southeast of Montreal, Canada, 35 miles north of Portland, Maine and 140 miles north of Boston, Massachusetts.

Lewiston and Auburn, situated on opposite banks of the Androscoggin River, are in the heart of the only intensively developed industrial region of Maine. Lisbon town is directly southeast of Lewiston and contains the villages of Lisbon Center and Lisbon Falls. The topography of the area is hilly with numerous forests, lakes, and streams.

Good transportation facilities are provided in the HMA. Northeast Airlines supplies regularly scheduled flights to nearby cities from the Lewiston-Auburn Municipal Airport. The Maine Central Railroad, connecting the area with Augusta, Brunswick, and Portland, provides freight transportation. A spur of the Canadian National Railroad into Auburn offers Saturday passenger service to Portland and Montreal from Fourth of July weekend to Labor Day weekend. In addition, the area is served by the Greyhound Bus Lines. Highway facilities are excellent. The Maine Turnpike, with interchanges at both Lewiston and Auburn, connects the area with Portland and Augusta, as does U.S. Route 202. State Route 196 extends from Lewiston through Lisbon to the coastal cities of Brunswick and Bath.

Commutation data for Lewiston-Auburn, obtained from the 1960 census (compiled on a basis of where workers reside), indicate a net in-commutation of approximately 600 persons. About 1,400 (63 percent) of the 2,200 in-commuters lived in the neighboring towns of Androscoggin County. Virtually all of the out-commuters worked in Portland or Augusta. Since 1960, it is reported that out-commutation to these areas has been increasing.

LEWISTON-AUBURN, MAINE, HOUSING MARKET AREA



Economy of the Area

Character and History

Settlers located in the Lewiston-Auburn area because of the abundant timber and water resources found there. Industrial development in the area began in 1834 when a dam and the first textile mill were built. Utilization of the water power of the Androscoggin River has been the key to the expansion of Lewiston-Auburn as a manufacturing center.

At present, textile and shoe production form the basis of the economy. Together, the two industries comprise about one-third of all non-agricultural wage and salary employment in the area and nearly three-fourths of all manufacturing employment. Because of this dependence on two such volatile industries, the economy of the area itself is relatively unstable.

Employment

Trend of Employment. In March 1965 (the latest date for which data are available), the Maine Employment Security Commission reported that total nonagricultural employment was 26,200 (see table I). This number represented a decrease of some 400 jobs (1.5 percent) since the March 1964 figure of 26,600. In March 1965, wage and salary workers totaled 24,000, a loss of 300 jobs (1.2 percent) since March 1964.

During 1964, average annual nonagricultural employment was 27,200 persons, a decrease of some 2,700 workers (9.0 percent) since the 1960 high of 29,900. Average annual wage and salary employment also has declined, falling from 27,100 in 1960 to 24,800 in 1964, a loss of 2,300 workers (8.5 percent).

Employment by Industry. Manufacturing employment in the Lewiston-Auburn area has been declining consistently in recent years. As a result, the distribution of employment by industry is undergoing a change. Of the 1964 average annual nonagricultural wage and salary workers, 48 percent (12,000 persons) were employed by manufacturing industries. In 1960, manufacturing workers averaged 14,200 and accounted for 52 percent of wage and salary employment (see table II). The decreasing percentage of workers in the manufacturing sector is primarily a result of greater employment losses in the textile and leather footwear production industries than gains in other groups.

In 1960, 1,100 persons were employed in the manufacture of durable goods. Employment in these industries has been affected primarily by the opening of the Raytheon Company, an electronics plant, in 1961, and its subsequent closing in 1964. Employment in durable goods industries has fallen from a high of 2,200 in 1962 to an average of 900 in 1964, a loss of 1,300 persons (59.1 percent).

Nondurable goods industries accounted for nearly 93 percent (11,100 persons) of manufacturing employment in 1964. These industries showed an over-all decline of 15.3 percent during the 1960-1964 period. The greatest losses of employment were experienced by the textile industry which lost 1,500 persons (28.3 percent), and the leather footwear industry which lost 1,000 persons (18.2 percent).

Nonmanufacturing employment has shown little variation. In 1960, 12,900 persons were employed in nonmanufacturing, as compared with the 1964 average of 12,800, a loss of 100 persons (0.8 percent). During this period, in the wholesale and retail trade sector (the largest nonmanufacturing category), employment fell by 200 workers (3.8 percent). An increase in employment was experienced in the government category which gained 200 jobs (13.3 percent).

Female Employment. In 1960, the census reported that 11,800 women were employed in the HMA, or 40.6 percent of the total. Of these, 2,125 women (18 percent) were employed in textile production, and about 3,500 (30 percent) were employed in the production of shoes and other products. Since 1960, female employment has declined. In this area of low wages, women have worked to supplement the family income. However, as wages in general have increased and as the mills and shoe factories have reduced their employment, women have left the work force.

Trend of Employment Participation Rate. The employment participation rate (the number of workers per 100 population) in the Lewiston-Auburn area has been declining since 1950. In 1960, the rate was 42.2 percent. Since then it has declined to 37.5 percent. Reasons for this decline are several. Commutation from the HMA is increasing. As family incomes are becoming more substantial, married women are leaving the work force. Also, young people are not entering the work force as early as before. Earlier retirement is another factor. In the HMA, almost 50 percent of the population is under 20 or over 65. Unless conditions arise to change these factors, a continued decline of the employment participation rate is expected.

Principal Employers

Information concerning current employment totals of the largest companies in the HMA was obtained from the Maine Buyer's Guide and Directory of Maine Manufacturers, 1964-1965, published by the Maine Department of Economic Development.

Bates Manufacturing Company is the largest employer in the area. A manufacturer of bed linens and cotton fabrics, Bates has been located in Lewiston since 1850. Currently, employment at their two Lewiston divisions is about 2,100 persons. Also in Lewiston, the Pepperell Manufacturing Company, makers of linens and blanketing, employs approximately 325 persons. In Auburn, Shapiro Brothers Shoe Company, Inc., and the Clark Shoe Company, Inc., makers of women's novelty shoes, employ about 750 and 375, respectively. Located in Lewiston, Knapp Brothers Shoe Manufacturing Corporation, a maker of men's shoes, employs over 650 workers.

Early this year, two textile mills closed—J.P. Stevens Company, Inc., and Deering-Milliken, Inc. Together, these plants, both located in Lisbon, employed about 900 persons. Since then, a small mill, employing 250 persons (primarily women), has moved into Lisbon.

Unemployment

As of March 1965, there are approximately 2,300 persons unemployed in the Lewiston-Auburn HMA, or 8.0 percent of the civilian work force. The majority of these are factory workers. During 1964, as reported by the Maine Employment Security Commission, average unemployment was 2,700 persons (8.9 percent). The trend of unemployment since 1960 is indicated in the table below. In this period, the highest unemployment rate was experienced in 1961 when 3,200 persons (10.6 percent) were unemployed.

Trend of Unemployment
Lewiston-Auburn, Maine, HMA, 1960-1964

<u>Year</u>	<u>Civilian work force</u> <u>(annual average) a/</u>	<u>Unemployment</u> <u>(annual average)</u>	<u>Percentage</u> <u>unemployed</u>
1960	33,200	2,800	8.5
1961	33,300	3,200	10.6
1962	32,800	3,300	10.1
1963	31,500	2,800	8.9
1964	30,500	3,700	8.9

a/ Comparable employment data are available for the years 1960-1964 only

Source: Maine Employment Security Commission.

In May 1960, the Lewiston-Auburn Labor Market Area was designated as an area of substantial unemployment by the Department of Labor. In October 1964, the area was redesignated as one of substantial and persistent unemployment. The prime factors underlying the high rate of unemployment have been the closing of several textile mills and the reduction in force of several others.

Estimated Future Employment

During the May 1965-May 1967 forecast period, employment is expected to decline by approximately 150 to 200 jobs a year. This job decrease will be concentrated in the manufacturing sector, specifically in the textile and shoe industries. Losses there are primarily attributed to reduced production and better operational methods. Little change in nonmanufacturing employment is anticipated. However, with a planned urban renewal project, there will be some increases in the construction and services categories.

Income

During 1964, the average weekly wage of manufacturing workers in the Lewiston-Auburn area was \$66.91, as compared to \$67.41 in 1963. This slight decline is attributed to a shorter average workweek in 1964. Currently, it is reported that the average workweek has increased to the 1963 level, and that average weekly wages have increased slightly. A comparison of the average weekly earnings in the HMA with the average in Maine itself and with Portland shows that manufacturing earnings are lowest in the Lewiston-Auburn area.

Average Weekly Wages of Manufacturing Workers for Lewiston-Auburn, Portland, and Maine 1960-1964

<u>Year</u>	<u>Lewiston-Auburn</u>	<u>Portland</u>	<u>Maine</u>
1960	\$58.04	\$78.79	\$71.15
1961	59.98	83.23	73.38
1962	64.39	87.53	76.73
1963	67.41	88.04	79.56
1964	66.91	89.28	81.60

Source: Department of Labor.

Current median income, after the deduction of Federal income tax, of all families in the Lewiston-Auburn HMA is \$6,100 annually. Renter families have a current median after-tax income of \$5,200. By 1967, the median income of renter families will have risen to \$5,400 because of the expected increases in family earnings.

Table III shows the current and projected distribution of family income. Approximately 21 percent of all families and 31 percent of the renter families have current after-tax incomes under \$4,000 annually. About 11 percent of all families and six percent of the renter families have after-tax incomes of \$10,000 and above annually. The projected income figures for renter families show a decrease in the percentage of families earning less than \$4,000 annually and an increase in the percentage of those with annual earnings of \$10,000 and above.

Demographic Factors

Population

Current Estimate. As of May 1, 1965, population in the Lewiston-Auburn HMA is about 70,450, an increase of 150 since the April 1960 total of 70,300. In the city of Lewiston, current population numbers 40,700, representing a loss of about 100 (0.2 percent) since 1960. Population in the rest of the HMA has risen slightly; in Auburn, there has been an increase of about 200 persons (0.8 percent) over the April 1960 total of 24,450; and in Lisbon, population also has risen by approximately 50 persons (1.0 percent) over the 1960 total of 5,050. The decrease in population in Lewiston and the small increases in the rest of the HMA are a result of increased out-migration.

Past Trend. Between April 1950 and April 1960, population in the HMA grew from 68,450 to 70,300, or an increase of 1,850 (2.7 percent), or over 185 annually. Population in Lewiston fell from 40,950 in 1950 to 40,800 in 1960, a decrease of about 150 persons (0.4 percent). In this same period, Auburn population increased by 1,300 persons (5.7 percent), from 23,150 in 1950 to 24,450 in 1960. In Lisbon, population increased from 4,325 in April 1950 to 5,050 in April 1960, a gain of 725 persons (16.8 percent). The following table shows the trend of population in the Lewiston-Auburn area from 1950 to the present.

Trend of Population Lewiston-Auburn, Maine, HMA April 1950-May 1965

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>May</u> <u>1965</u>	<u>Average annual change ^{a/}</u>			
				<u>1950-1960</u>		<u>1960-1965</u>	
				<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Lewiston city	40,974	40,804	40,700	-15	-0.1	-20	-0.1
Auburn city	23,134	24,449	24,650	130	.6	40	.2
Lisbon town	<u>4,318</u>	<u>5,042</u>	<u>5,100</u>	<u>70</u>	<u>1.7</u>	<u>10</u>	<u>.2</u>
Total	68,426	70,295	70,450	185	.3	30	.1

a/ Numbers are rounded.

Source: 1950 and 1960 Census of Population.
1965 estimated by Housing Market Analyst.

Future Population. During the May 1965-May 1967 forecast period, no significant change in population is expected in the HMA. In Lewiston, population will continue to fall at about the current rate of decrease, bringing population there to a total of about 40,650 persons in May 1967. In Auburn, there will be an increase of nearly 100 persons, or a 1967 total of about 24,750. In Lisbon, population is expected to remain at the current level. During the forecast period, increasing out-migration is anticipated.

Net Natural Increase and Migration. During the April 1950-April 1960 decade, there was a net natural increase (excess of resident births over resident deaths) of about 7,675 persons, or nearly 770 persons annually, indicating an average annual net out-migration of about 580 persons (0.8 percent). From April 1960 to May 1965, net natural increase was nearly 3,575, or an average of about 715 persons a year. Migration from the HMA has continued at a slightly higher rate. Since 1960, approximately 3,420 persons have out-migrated, or an average annual total of about 685 persons (1.0 percent) a year, as seen in the following table.

Components of Population Change
Lewiston-Auburn, Maine, HMA
1950, 1960, and 1965

<u>Component</u>	<u>Average annual change ^{a/}</u>	
	<u>April 1950-April 1960</u>	<u>April 1960-May 1965</u>
Natural increase	765	715
Migration	-580	-685
Total	185	30

a/ Numbers are rounded.

Source: Department of Commerce and estimates by Housing Market Analyst.

Distribution by Age. A comparison of 1950 and 1960 age distributions as seen in table IV shows an increase in the percentage of persons in the under 19 age category caused by the post-war baby boom. There was a decline in the percentage of persons in the 20 to 50 age group indicating both the low birth rates during the depression years and the out-migration of persons in the 30 to 50 year age group. The percentage of persons over the age of 50 rose, indicating increasing longevity and the general aging of the population.

Households

Current Estimate. As of May 1, 1965, there are approximately 22,400 households in the HMA, an increase of 660 (3.0 percent), or an average annual change of about 130 since April 1960. In Lewiston, current households number about 13,200, or an average increase of about 105 a year since 1960. There has been an average annual increase of about 15 households in Auburn, and about ten households in Lisbon during this same period.

Past Trend. Between April 1950 and April 1960, households in the HMA grew from 19,350 to 21,750, or an increase of 2,400 (12.4 percent). Households in Lewiston increased from 11,350 in 1950 to 12,650 in 1960, or a gain of 1,300 (11.4 percent). In this same period, Auburn households increased by 690 (10.0 percent), from 6,890 to 7,580. In Lisbon, households grew from 1,090 in April 1950 to 1,490 in April 1960, an increase of 400 (36.6 percent). Part of the increase in number of households is attributable to a conceptual change from "dwelling unit" in the 1950 census to "housing unit" in 1960. The following table shows the trend of household growth in the Lewiston-Auburn area from 1950 to the present.

Trend of Household Growth
Lewiston-Auburn, Maine, HMA
1950, 1960, and 1965

<u>Area</u>	<u>April 1950</u>	<u>April 1960</u>	<u>May 1965</u>	<u>Average annual change^{a/}</u>			
				<u>1950-1960</u>		<u>1960-1965</u>	
				<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Lewiston city	11,372	12,672	13,200	130	1.1	105	.8
Auburn city	6,889	7,580	7,650	70	1.0	15	.2
Lisbon town	<u>1,089</u>	<u>1,488</u>	<u>1,550</u>	<u>40</u>	<u>3.7</u>	<u>10</u>	<u>.7</u>
Total	19,350	21,740	22,400	240	1.2	130	.6

^{a/} Numbers are rounded.

Source: 1950 and 1960 Census of Housing.
1965 estimated by Housing Market Analyst.

Future Households. By May 1, 1967, households in the HMA are expected to total about 22,650, or an average annual increase of 125 (0.6 percent). Approximately 100 of the annual gain will be in Lewiston, about 15 will be in Auburn, and ten will be in Lisbon.

Average Household Size. Throughout the HMA, household size decreased from 3.35 to 3.13 during the 1950-1960 period. Since 1960, the number of persons per household decreased to 3.05, and will continue to fall slightly during the May 1, 1965 to May 1, 1967 forecast period, as indicated in the following table.

Trend of Household Size
Lewiston-Auburn, Maine, HMA
1950, 1960, 1965, and 1967

<u>Area</u>	April <u>1950</u>	April <u>1960</u>	May <u>1965</u>	May <u>1967</u>
Lewiston city	3.40	3.08	2.95	2.91
Auburn city	3.27	3.17	2.16	3.16
Lisbon town	<u>3.93</u>	<u>3.37</u>	<u>3.30</u>	<u>3.25</u>
Total	3.35	3.13	3.05	3.01

Source: 1950 and 1960 Censuses of Population.
1965 and 1967 estimated by Housing Market Analyst.

Housing Market Factors

Housing Supply

Current Estimate. As of May 1, 1965, the housing inventory in the Lewiston-Auburn HMA numbers about 24,500 dwelling units, an increase of about 1,025 or an average annual gain of 205 dwelling units (0.9 percent) since 1960. Between April 1950 and April 1960, the housing supply increased from 20,125 dwelling units to 23,475, or an average annual growth of 335 (1.7 percent). This increase is attributed in part to the census conceptual change from "dwelling unit" in 1950 to "housing unit" in 1960.

Type of Structure. About 10,550 units (43.1 percent) of the current housing inventory are single-family units. Structures containing two units comprise about 17 percent; units in three- and four-unit structures comprise about 17 percent; units in structures with five or more units comprise over 22 percent of the housing supply. A comparison of the current distribution of dwelling units by type of structure with that in 1960 is seen in the following table. As most of the recent building activity has been the construction of single-family units, there has been some increase in the percentage of single-family units since 1960.

Percentage Distribution of Dwelling Units by Type of Structure Lewiston-Auburn, Maine, HMA April 1960 and May 1965

<u>Units in</u> <u>structure</u>	<u>April 1960</u>	<u>May 1965</u>
1 unit	40.8	43.1
2 units	17.6	17.1
3 and 4 units	17.6	16.9
5 or more units	23.2	22.2
Trailers	<u>.8</u>	<u>.7</u>
Total	100.0	100.0

Source: 1960 Census of Housing.
1965 estimated by Housing Market Analyst.

Age of Structure. The housing inventory in the Lewiston-Auburn HMA is relatively old, reflecting the slow growth in the area. The following table indicates that nearly 70 percent of the housing supply was built 35 or more years ago.

Percentage Distribution of the Housing Supply, by Age of Structure
Lewiston-Auburn, Maine, HMA
May 1965

<u>Year built</u>	<u>Percentage</u>
April 1960-May 1965	4.6
1955-March 1960	6.1
1950-1954	5.7
1940-1949	7.7
1930-1939	6.7
1929 or earlier	<u>69.2</u>
Total	100.0

Source: 1950 Census of Housing and estimates by Housing Market Analyst.

Condition of Inventory. Currently, about 2,950 dwelling units (12.1 percent) are judged to be dilapidated or lacking one or more plumbing facilities. In 1960, the census reported that nearly 18 percent of the inventory fell into this category, while in 1950, 30.6 percent of the housing stock was dilapidated or lacked some plumbing facilities.^{1/}

Value and Rent. Local sources indicate that the current median value of owner-occupied housing units in the Lewiston-Auburn HMA is about \$13,000. This is a gain over the 1960 census median value of \$12,600 and reflects the increased construction of houses within the \$20,000 - \$30,000 price range. The current median value of owner-occupied units is about \$14,000 in Lewiston, about \$12,500 in Auburn, and about \$11,000 in Lisbon.

Currently, the median gross rent for renter-occupied units is about \$65 to \$70 a month in the HMA. In 1960, the median monthly rent was \$59 in the HMA, \$57 in Lewiston, \$61 in Auburn, and \$69 in Lisbon.

Residential Building Activity

Volume of Construction. Between 1960 and 1965, about 1,175 new dwelling units have been built in the HMA, or an average of 235 a year. Since the 1960 total of nearly 335, the number of new residential units built each year has been decreasing. In 1964, only 136 new units were started in the area. Single-family houses represent about 95 percent of the total building activity in recent years.

^{1/} Because the 1950 Census of Housing did not classify "deteriorating" units separately, it is possible that some units classified as "dilapidated" in 1950 would have been classified as "deteriorating" by 1960 definition.

The following table shows the trend of housing starts since 1960. In Lewiston, residential construction dropped from 235 units in 1960 to 98 units in 1964; in Auburn, construction dropped from 38 to 21 units; and in Lisbon, construction fell from 61 units to 17 units.

All Residential Units Started
Lewiston - Auburn, Maine, HMA
1960 - February 1965

<u>Year</u>	<u>Lewiston City</u>	<u>Auburn City</u>	<u>Lisbon Town</u>
1960	235	38	61
1961	217	32	39
1962	137	45	44
1963	142	26	21
1964	98	21	17
1965 <u>a/</u>	3	-	-

a/ January - February 1965.

Source: Department of Commerce, C 40 Construction Reports; City of Auburn, and Township of Lisbon.

Tenure of Occupancy

Current Estimate. As of May 1, 1965, there are about 22,400 occupied dwelling units in the HMA. Of this number, 11,650 (52 percent) are owner-occupied; and about 10,750 (48 percent) are renter-occupied. In Lewiston, about 45 percent of the occupied dwelling units are owner-occupied; in Auburn, about 60 percent are owner-occupied; and in Lisbon, about 75 percent are owner-occupied.

Past Trend. During the 1950-1960 decade, there was a definite shift from renter to owner occupancy in the HMA, as is seen in the following table. This trend has continued to the present time at nearly the same pace.

Occupancy by Tenure
Lewiston-Auburn, Maine, HMA
1950, 1960, and May 1965

<u>Tenure</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>May</u> <u>1965</u>
Owner occupied	8,368	10,813	11,650
Percent owner occupied	43.2%	49.7%	52.0%
Renter occupied	10,982	10,927	10,750
Percent renter occupied	56.8%	50.3%	48.0%
Total occupied	19,350	21,740	22,400

Source: 1950 and 1960 Census of Housing.
1965 estimated by Housing Market Analyst.

Vacancy

Census. In April 1960, there were 990 nonseasonal, nondilapidated vacant dwelling units in the HMA. Of these, 170 were available for sale, a homeowner vacancy rate of 1.5 percent; the remaining 820 were available for rent, a rental vacancy of 7.0 percent. The census reported that 40 of the available vacant sales houses and 390 of the available rental units lacked some or all plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in the area on April 20-22, 1965 (see table V) and covered about 94 percent of the current estimated housing inventory. The survey reported 220 (2.1 percent) vacant residences and 890 (7.1 percent) vacant apartments. In Lewiston, 80 residences (1.6 percent) were vacant and 490 apartments (5.6 percent) were vacant. Auburn reported 100 residences (2.3 percent) vacant and 370 apartments (10.3 percent) vacant. According to postal definition, units are regarded as residences when one delivery of mail is made for one carrier stop. Units are regarded as apartments when more than one delivery of mail is made for one carrier stop.

A direct comparison of the postal vacancy survey vacancy ratios with those reported by the census is not feasible. The census reports vacancies by intended tenure, while the postal vacancy survey classifies vacant units only by type of structure. Also, the postal vacancy survey includes vacant units which are not available for occupancy and units held for seasonal occupancy only; census excludes such units from its net vacancy ratios.

Current Estimate. As of May 1, 1965, on the basis of census enumeration standards, there are about 1,075 vacant available dwelling units in the HMA. Of this number, 175 are available for sale, or a homeowner vacancy ratio of 1.5 percent. The remaining 900 are available for rent, or a rental vacancy ratio of 7.7 percent. Current ratios indicate vacancies in excess of those which would maintain balance in both the sales and rental markets in an area of this type.

Vacant Housing Units
Lewiston-Auburn, Maine, HMA
1950, 1960, and May 1965

<u>Vacancy status</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>May</u> <u>1965</u>
Total housing units	20,128	23,478	24,500
Total vacant units	<u>778</u>	<u>1,738</u>	<u>2,100</u>
Available vacant	<u>226</u>	<u>989</u>	<u>1,075</u>
For sale	40	165	175
Homeowner vacancy rate	.5%	1.5%	1.5%
For rent	186	824	900
Renter vacancy rate	1.7%	7.0%	7.7%
Other vacant	552	749	1,025

Source: 1950 and 1960 Census of Housing.
1965 estimated by Housing Market Analyst.

Sales Market

General Market Conditions. Local builders and realtors report a softness in the market, particularly in the sale of existing houses. Sale prices for older homes are dropping, and some of these homes are on the market for three months and longer.

Subdivision Activity. All subdivision activity is located in Lewiston, with most houses being built on a contractual basis. In Pleasant Valley Acres, there is both speculative and contract building. All speculatively built houses are five-room units (with three-bedrooms) selling at \$13,500. Last year, about ten of these units were built, and about 13 more are being planned for construction this year. Houses built on a contract basis are priced predominantly at about \$15,000 for three-bedroom split level units, and about \$20,000 for two-story four-bedroom units.

Price Trends. Older homes in the area are priced at \$7,500 and up, with most selling for between \$10,000-\$12,500, depending on condition and location. Prices of new homes range between \$13,000-\$40,000, with most of the construction being done in the low and medium price levels.

Unsold Inventory of New Houses. In January 1964 and January 1965, the FHA Insuring Office in Bangor, Maine surveyed all subdivisions in the Lewiston-Auburn area in which five or more houses were completed in the 12 months preceding the survey. Both surveys covered two subdivisions. Of the 21 houses completed in 1964, nine were sold before construction started, and 12 were speculatively built. Of those 12 units, two (16.7 percent) remained unsold as of January 1965. In addition, three new houses that had been constructed more than 12 months before the survey date remained unsold. In 1963, 12 new houses were built in the subdivisions surveyed. Of these, six were sold before construction was started, and the remaining six were speculatively built and sold.

The following table shows the number of new sales houses completed during the 12 months preceding January 1, 1965.

New Sales Houses Completed During 1964
by Sales Status and Price Class
Lewiston-Auburn, Maine, HMA, January 1, 1965

<u>Sales price</u>	<u>Total completions</u>	<u>Presold</u>	<u>Speculative houses</u>		
			<u>Total</u>	<u>Number sold</u>	<u>Number unsold</u>
\$12,500 - \$14,999	11	2	9	9	-
15,000 - 17,499	2	2	-	-	-
17,500 - 19,999	-	-	-	-	-
20,000 - 24,999	5	3	2	-	2
25,000 - 29,999	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total	21	9	12	10	2

Source: Unsold Inventory Survey, FHA Insuring Office, Bangor, Maine, January 1965.

Foreclosures. The trend of foreclosures in the Lewiston-Auburn area has been slightly upward since 1955. The number of FHA foreclosures was not significant until recently. Last year, in Lisbon, FHA acquired some 20 properties as a result of the moving of naval personnel closer to the naval air station at Brunswick, Maine. The following table shows the distribution of FHA home property holdings in the HMA for March 1965.

FHA Acquired Home Properties
Lewiston-Auburn, Maine, HMA
March 1965

<u>Area</u>	<u>Units sold, not closed</u>	<u>Units rented</u>	<u>Remainder not sold or closed</u>
Lewiston city	2	-	-
Auburn city	-	-	2
Lisbon town	4	10	7
Total	6	10	9

Source: FHA Insuring Office, Bangor, Maine.

Rental Market

General Market Conditions. While there is an excess of rental vacancies in the area, these vacancies are found in the congested areas of Lewiston and Auburn. For the most part, these units are located in older, unheated four- and five-story walk-up apartments. Rents for such units are about \$10 - \$15 a week. One- and two-bedroom apartments in newer units rent from \$80 to \$110 a month, including heat and water. There is a lack of new, good quality rental units in the area.

Mortgage Market

Local banks and savings and loan associations provide about 80 percent of the mortgage money in the Lewiston - Auburn area. Financing terms are liberal with the current interest rate at six percent, a 20 percent downpayment, and 20 to 30 years the maximum mortgage term. The following table shows the volume of FHA-insured mortgages in Androscoggin County since 1961. While separate data are not available for the Lewiston - Auburn area, it is judged that nearly all of these mortgaged properties are located in the HMA.

FHA Mortgage Insurance Under Active Programs
Androscoggin County, Maine
1961 - 1964

<u>Year</u>	<u>Section 203</u>	<u>Section 221(d)(2)</u>	<u>Section 222</u>	<u>Total</u>
1961				
New	42	-	6	48
Existing	41	-	3	44
1962				
New	30	-	-	30
Existing	87	-	1	88
1963				
New	5	-	1	6
Existing	79	-	4	83
1964				
New	6	-	1	7
Existing	69	6	14	89

Source: FHA Research and Statistics Division.

Urban Renewal Activity

The Park Street Urban Renewal Area (R-9) is located in downtown Lewiston. The area is bounded on the northeast by Blake Street, on the southeast by Ash Street, on the southwest by Park Street, and on the northwest by College and Oak Streets. The neighborhood surrounding the urban renewal project is a mixed commercial and residential area.

Proposed plans call for the construction of a 60-unit public housing project for the elderly, and also several commercial buildings, parking lots, and parks. Approximately 70 dwelling units will be demolished. Displaced families will be relocated in existing vacant available rental units. Also, there is the possibility that other new rental units will be built.

All property acquisition and family relocation is expected to be completed within the two-year forecast period.

Demand for Housing

Quantitative Demand

The demand for new housing in the Lewiston-Auburn HMA is derived from the projected increase of 125 households annually over the next two years. This total is adjusted for the anticipated shift in tenure from renter to owner status, the number of expected demolitions, and the estimated excess of acceptable available vacancies. In this area, available rental vacancies located on the top floors of older, four- and five-story walk-up apartments were not considered acceptable. Based on these considerations, annual demand for new housing is estimated to be 200 units, of which 100 represent demand for sales housing, and 100 represent demand for rental housing. The 200-unit demand is somewhat lower than the 235-unit average of the past five years but above the 1963 and 1964 levels. An additional 50 rental units annually could be absorbed only with public benefits or assistance through tax abatement or aid in financing or land acquisition.

Qualitative Demand

Sales Housing. The anticipated distribution of the annual demand for 100 units of new sales housing is shown in the following table. The distribution is based on the ability to pay, as measured by current family incomes and the ratio of sales price to income typical in the area. It is judged that acceptable sales housing in the Lewiston-Auburn area cannot be produced to sell below \$12,000.

Estimated Annual Demand for New Sales Housing
Lewiston-Auburn, Maine, HMA
May 1965 - May 1967

<u>Sales price</u>	<u>Number of houses</u>
\$12,000 - \$13,999	15
14,000 - 15,999	21
16,000 - 17,999	19
18,000 - 19,999	13
20,000 - 24,999	19
25,000 and over	13
Total	100

The distribution shown above differs from that on page 17, which reflects only selected subdivision experience during the year 1964. It must be noted that the 1964 data do not include new construction in subdivisions

with fewer than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction and some of the lower value homes are concentrated in the smaller building operations which are quite numerous. The foregoing demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Rental Housing. Based on projected 1967 tenant family incomes and the rent-income ratios found to be typical in the new rental construction in the past, the demand for additional rental units is estimated at 100 units annually during the two-year forecast period. Of this demand, 15 percent is for efficiencies, 45 percent is for one-bedroom units, 30 percent is for two-bedroom units, and ten percent is for three-bedroom units. Gross rent levels should be held to the minimum achievable with market interest rate financing. These monthly rent levels are about \$85 for efficiency units, \$95 for one-bedroom units, \$105 for two-bedroom units, and \$115 for three-bedroom units. In addition, 50 units a year could be absorbed at the lower gross rents that can be achieved through public benefit or assistance programs. A portion of this demand will arise from urban renewal demolitions.

Net additions at the preceding rentals may be accomplished by either new construction or rehabilitation with or without public benefits or assistance through tax abatement or aid in financing or land acquisition. The production of units in the upper ranges of rent will effect a competitive filtering of existing accommodations to lower rent ranges.

It is assumed that all new rental housing will be located in areas convenient to business and commercial districts and will be designed to meet the spatial and equipment requirements of the market intended to be served. The absorption of new rental housing will be facilitated if provided in small structures. A portion of the rental demand, of course, will be satisfied by the availability of single-family homes for rent (previously owner-occupied) and by the rehabilitation of existing structures.

Housing for the Elderly

Population and Households. In April 1960, persons 60 years and over totaled 11,000 or 15.6 percent of the population in the HMA. As of May 1, 1965, the population 60 years and over numbers about 11,600 persons or 16.5 percent. This increased proportion of elderly persons to the total population is a result of greater longevity, the general aging of the total population, and the out-migration of younger persons. By May 1, 1967, the elderly population is expected to total about 11,800 persons (16.7 percent of the total population).

In April 1960, there were 6,200 households with heads 60 years and over in the HMA. It is estimated that households with heads 60 years and over have increased by some 250, to a current total of about 6,450, and will increase to a May 1, 1967 total of 6,550 households.

Income. The median after-tax income of households^{1/} in the HMA with heads 60 years and over is \$5,500 annually. Approximately 30 percent of these households have current after-tax incomes under \$3,000 annually. About ten percent have annual incomes of \$10,000 and above. The following table shows the current income distribution.

Percentage Distribution of After-Tax Money Income
of Households with Head 60 Years and Over
Lewiston-Auburn, Maine, HMA, 1965

<u>Annual income</u>	<u>Percent of households</u>
Under \$2,000	21
\$2,000 - 2,999	9
3,000 - 3,999	9
4,000 - 4,999	8
5,000 - 5,999	7
6,000 - 6,999	11
7,000 - 7,999	10
8,000 - 8,999	7
9,000 - 9,999	8
10,000 and over	<u>10</u>
Total	100
Median	\$5,500

Source: Estimated by Housing Market Analyst.

^{1/} Households containing one or more persons; the elderly have a proportionately large number of one-person households relative to the number in all households. The income data in table III are based on families, rather than households.

Demand for Housing. Nearly 50 percent of the households occupied by the elderly are rental units. The majority of these rental units are found in the older four- and five-story walk-up apartment buildings. There are no conventional-type apartment units in the Lewiston-Auburn area, or any designed specifically for occupancy by the elderly. Based on this lack of existing competitive rental units and a large and increasing elderly population, it is estimated that about 10-15 units of rental housing designed specifically for the elderly could be absorbed annually at rents of \$85 to \$95 a month, depending on unit size.

Table I

Civilian Work Force Components
Lewiston-Auburn, Maine
1960-1965

<u>Component</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>March</u> <u>1964</u>	<u>March</u> <u>1965</u>
Civilian work force <u>a/</u>	<u>32,800</u>	<u>33,000</u>	<u>32,800</u>	<u>31,500</u>	<u>30,500</u>	<u>30,300</u>	<u>28,900</u>
Unemployment	2,400	2,900	3,300	2,800	2,700	3,300	2,300
Percent of civilian work force	7.3%	8.8%	10.1%	8.9%	8.9%	10.9%	8.0%
Agricultural employment	500	600	600	600	600	400	400
Nonagricultural employment	<u>29,900</u>	<u>29,500</u>	<u>28,900</u>	<u>28,100</u>	<u>27,200</u>	<u>26,600</u>	<u>26,200</u>
Wage and salary	27,100	26,700	26,300	25,600	24,800	24,300	24,000
Other	2,800	2,800	2,600	2,500	2,400	2,300	2,200

Note: Annual average except March 1964 and March 1965.

a/ Comparable employment data are available for the years 1960-1965 only.

Source: Maine Employment Security Commission.

Table II

a/

Nonagricultural Wage and Salary Employment by Type of Industry
Lewiston-Auburn, Maine
1960-1964

<u>Industry</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Wage and salary employment	<u>27,100</u>	<u>26,700</u>	<u>26,300</u>	<u>25,600</u>	<u>24,800</u>
Manufacturing	<u>14,200</u>	<u>13,900</u>	<u>13,500</u>	<u>12,900</u>	<u>12,000</u>
Durable goods	1,100	1,800	2,200	1,700	900
Nondurable goods	<u>13,100</u>	<u>12,100</u>	<u>11,300</u>	<u>11,200</u>	<u>11,100</u>
Food and kindred products	700	700	700	700	800
Textile mill products	5,300	4,400	4,000	3,900	3,800
Leather and leather products	<u>6,200</u>	<u>6,000</u>	<u>5,400</u>	<u>5,400</u>	<u>5,400</u>
Footwear	5,500	5,300	4,700	4,600	4,500
Other	700	700	700	800	900
Other nondurable goods	900	1,000	1,200	1,200	1,100
Nonmanufacturing	<u>12,900</u>	<u>12,800</u>	<u>12,800</u>	<u>12,700</u>	<u>12,800</u>
Construction	1,100	1,100	1,200	1,000	1,100
Trans. and public utilities	900	900	900	900	900
Trade	5,200	5,100	5,000	5,000	5,000
Fin., ins., & real estate	800	800	800	800	800
Service	3,400	3,300	3,300	3,300	3,300
Government	1,500	1,600	1,600	1,700	1,700

a/ Data exclude domestics in private households, proprietors, self-employed and unpaid family workers.

Note: Annual average.

Source: Maine Employment Security Commission.

Table III

Estimated Percentage Distribution of Family Income by Tenure
After Deduction of Federal Income Tax
Lewiston-Auburn, Maine
May 1965 and 1967

<u>Annual income</u>	<u>1965 income</u>		<u>1967 income</u>
	<u>All</u>	<u>Renter</u>	<u>Renter</u>
Under \$3,000	12	17	16
\$3,000 - 3,999	9	14	12
4,000 - 4,999	13	16	15
5,000 - 5,999	15	17	17
6,000 - 6,999	15	14	15
7,000 - 7,999	11	9	9
8,000 - 8,999	8	5	6
9,000 - 9,999	6	2	3
10,000 - 11,999	7	2	2
12,000 and over	<u>4</u>	<u>4</u>	<u>5</u>
Total	100	100	100
Median	\$6,100	\$5,200	\$5,400

Source: Estimated by Housing Market Analyst.

Table IV

Population Disbribution by Age
Lewiston-Auburn, Maine
April 1950 - April 1960

	<u>April 1950</u>		<u>April 1960</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Under 10	12,812	18.7	14,000	19.9
10 - 19	10,186	14.9	11,943	17.0
20 - 29	10,382	15.2	7,978	11.3
30 - 39	9,792	14.3	8,797	12.6
40 - 49	8,806	12.9	8,795	12.5
50 - 59	7,483	10.9	7,793	11.1
60 - 69	5,169	7.6	6,200	8.8
70 and over	<u>3,796</u>	<u>5.5</u>	<u>4,789</u>	<u>6.8</u>
Total	68,426	100.0	70,295	100.0

Source: 1950 and 1960 Censuses of Population.

Table V

Lewiston-Auburn, Maine, Area Postal Vacancy SurveyApril 20-22, 1965

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	<u>22,951</u>	<u>1,111</u>	<u>4.8</u>	<u>1,078</u>	<u>33</u>	<u>48</u>	<u>10,454</u>	<u>221</u>	<u>2.1</u>	<u>192</u>	<u>29</u>	<u>38</u>	<u>12,497</u>	<u>890</u>	<u>7.1</u>	<u>886</u>	<u>4</u>	<u>10</u>	<u>160</u>	<u>12</u>	<u>7.5</u>
Lewiston	<u>13,457</u>	<u>570</u>	<u>4.2</u>	<u>545</u>	<u>25</u>	<u>29</u>	<u>4,728</u>	<u>78</u>	<u>1.6</u>	<u>56</u>	<u>22</u>	<u>25</u>	<u>8,729</u>	<u>492</u>	<u>5.6</u>	<u>489</u>	<u>3</u>	<u>4</u>	<u>18</u>	<u>-</u>	<u>-</u>
Main Office	10,995	526	4.8	517	9	21	3,242	50	1.5	42	8	19	7,753	476	6.1	475	1	2	18	-	-
South Station	2,462	44	1.8	28	16	8	1,486	28	1.9	14	14	6	976	16	1.6	14	2	2	-	-	-
Auburn	<u>8,054</u>	<u>469</u>	<u>5.8</u>	<u>465</u>	<u>4</u>	<u>14</u>	<u>4,508</u>	<u>104</u>	<u>2.3</u>	<u>100</u>	<u>4</u>	<u>8</u>	<u>3,546</u>	<u>365</u>	<u>10.3</u>	<u>365</u>	<u>-</u>	<u>6</u>	<u>99</u>	<u>8</u>	<u>8.1</u>
Suburban Area																					
Lisbon Falls	<u>1,440</u>	<u>72</u>	<u>5.0</u>	<u>68</u>	<u>4</u>	<u>5</u>	<u>1,218</u>	<u>39</u>	<u>3.2</u>	<u>36</u>	<u>3</u>	<u>5</u>	<u>222</u>	<u>33</u>	<u>14.9</u>	<u>32</u>	<u>1</u>	<u>-</u>	<u>43</u>	<u>4</u>	<u>9.3</u>

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

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

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