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Analysis of the
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LEWISTON-AUBURN, MAINE

HOUSING MARKET

as of December 1, 1970

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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

May 1971

FHA Housing Market Analysis
Lewiston-Auburn, Maine, as of December 1, 1970

Foreword

This analysis has been prepared for the assistance and guidance of the Federal Housing Administration in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing problems and trends. The analysis does not purport to make determinations with respect to the acceptability of any particular mortgage insurance proposals that may be under consideration in the subject locality.

The factual framework for this analysis was developed by the Economic and Market Analysis Division as thoroughly as possible on the basis of information available on the "as of" date from both local and national sources. Of course, estimates and judgments made on the basis of information available on the "as of" date may be modified considerably by subsequent market developments.

The prospective demand or occupancy potentials expressed in the analysis are based upon an evaluation of the factors available on the "as of" date. They cannot be construed as forecasts of building activity; rather, they express the prospective housing production which would maintain a reasonable balance in demand-supply relationships under conditions analyzed for the "as of" date.

Department of Housing and Urban Development
Federal Housing Administration
Economic and Market Analysis Division
Washington, D. C.

ANALYSIS OF THE
LEWISTON-AUBURN, MAINE, HOUSING MARKET AREA
AS OF DECEMBER 1, 1970

Summary and Conclusions

1. The economy of the Lewiston-Auburn, Maine, Housing Market Area is dependent on trade and manufacturing industries, particularly the textile and leather product industries. Nonagricultural wage and salary employment in the HMA averaged 28,500 workers during the first 11 months of 1970, with 13,000 jobs in manufacturing and 15,500 jobs in nonmanufacturing. During the December 1970-December 1972 forecast period, total nonagricultural wage and salary employment is expected to increase by about 200 jobs (100 annually).
2. As of December 1, 1970, the median income for all families, after the deduction of federal income tax, was approximately \$8,100; for renter households of two or more persons, the median income was \$6,900.
3. As of December 1970, the population of the HMA was approximately 88,200, an increase of about 490 annually since 1960. The population is expected to increase by about 350 persons annually during the forecast period.
4. There were approximately 27,600 households in December 1970, a gain of about 230 annually since 1960. The number of households is expected to increase by about 150 a year during the forecast period.
5. The housing inventory of the Lewiston-Auburn HMA totaled 31,025 units as of December 1970, representing a net gain of about 2,625 over the April 1960 inventory. The net increase in inventory resulted from the completion of 3,825 units, the addition of 700 trailers, the net addition of 240 units by conversion of large single-family houses into duplex or multiple family units, and a net loss of about 2,140 units through demolition and other causes. There were approximately 100 single-family units and approximately 25 multifamily units under construction in the Lewiston-Auburn HMA as of December 1, 1970.
6. As of December 1970, there were about 1,150 available, vacant, non-seasonal, nondilapidated housing units in the HMA, a net vacancy ratio of 4.0 percent. Approximately 200 units were available for sale and 950 units were available for rent, representing sales and rental vacancy ratios of 1.2 percent and 7.7 percent, respectively.
7. The annual demand for new privately owned housing units during the December 1970-December 1972 forecast period is estimated at 290 units, including 185 single-family houses, 55 multifamily housing units, and

50 mobile homes. There is an occupancy potential for 330 subsidized housing units under FHA programs in the Lewiston-Auburn HMA during the next two years, as indicated in the discussion of the various subsidized programs on pages 16 through 18.

8. Qualitative distributions of the annual demand for new nonsubsidized single-family houses and multifamily units are presented on page 15.

ANALYSIS OF THE
LEWISTON-AUBURN, MAINE, HOUSING MARKET AREA
AS OF DECEMBER 1, 1970

Housing Market Area

The Lewiston-Auburn, Maine, Housing Market Area (HMA) is defined as Androscoggin County excluding the township of Livermore Falls. For the purpose of this analysis, Livermore Falls is considered to be a separate housing market area with its economic base closely tied to the paper-pulp industry of adjoining Franklin County. Lewiston and Auburn, situated on opposite banks of the Androscoggin River, are in the southern part of the HMA, which is approximately 30 miles southwest of Augusta, Maine, 270 miles southeast of Montreal, Canada, and 140 miles north of Boston, Massachusetts.

The HMA had an April 1, 1970 population of 87,829 persons, according to the final count of the 1970 Census. The city of Lewiston had a population of 41,779 and the city of Auburn had a population of 24,151. The HMA is served by the Maine Central Railroad and by the Greyhound Bus Lines; air transportation is provided by Executive Airlines. 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.

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 was the key to the expansion of the Lewiston-Auburn area as a manufacturing center.

Employment

Current Estimate. Nonagricultural wage and salary employment in the Lewiston-Auburn HMA^{1/} averaged 28,500 jobs for the first nine months of 1970, representing a loss of about 500 jobs over the average of 29,000 for the first nine months of 1969. Total employment in manufacturing decreased by 800 jobs, comprised of an increase of 300 jobs in durable goods industries offset by losses of 300 jobs in textile-mill products industries and 800 jobs in leather and leather products industries. Total employment in nonmanufacturing increased by 400 jobs during the first nine months of 1970, with increases of 200 jobs in wholesale and retail trade, 100 in finance, insurance and real estate, and 100 in service industries.

Past Trend. There was a steady decline in nonagricultural wage and salary employment from 27,100 jobs in 1960 to 25,000 jobs in 1964, a decrease of 2,100 jobs, or 7.7 percent. This decline was primarily the result of heavy losses of 1,600 jobs in textile mill products industries and 700 jobs in leather and leather products plants, not quite offset by increases in the remaining components. During the 1965-1969 period, however, there has been steady growth, from 26,000 jobs in 1965 to 29,000 jobs in 1969, an increase of 11.5 percent. The largest annual gain occurred between 1965 and 1966, when nonagricultural wage and salary employment increased from 26,000 to 27,900 jobs. The most significant losses (700 jobs annually) occurred between 1962 and 1963 and between 1963 and 1964.

^{1/} All labor force and employment data in this report pertain to the Lewiston-Auburn SMSA; however, since the majority of the persons in the HMA work within the geographical boundaries of the SMSA, the SMSA data are representative of HMA employment.

Trend of Nonagricultural Wage and Salary Employment
Lewiston-Auburn, Maine, Housing Market Area
1960-1969

<u>Year</u>	<u>Average nonagricultural wage and salary employment</u>	<u>Year-to-year change</u>	
		<u>Number</u>	<u>Percent</u>
1960	27,100	-	-
1961	26,700	- 400	-1.5
1962	26,400	- 300	-1.1
1963	25,700	- 700	-2.6
1964	25,000	- 700	-2.7
1965	26,000	1,000	4.0
1966	27,900	1,900	7.3
1967	28,400	500	1.8
1968	29,000	600	2.1
1969	29,000	-	-

Source: Maine Employment Security Commission.

Employment by Industry

Manufacturing. Employment in nondurable goods industries comprised over 85 percent of total manufacturing employment in 1969. In 1969, employment in the nondurable goods industries consisted of 3,200 workers in the textile-mill industry, 6,100 in leather and leather products, and 900 in food and kindred products. Other nondurable goods accounted for 1,800 jobs.

During the 1960-1969 decade, there has been an overall decline in manufacturing, from a high of 14,200 jobs in 1960 to 13,800 jobs in 1969. Total manufacturing employment decreased steadily from 1960 to 1964, reaching a low of 12,000 jobs when the Raytheon Company, an electronics plant, closed. After 1964, manufacturing employment began increasing, reaching the 1960 level of 14,200 jobs in 1967. This increase was due to the rehiring of laidoff employees in the textile and leather industries and increases in the durable goods industries. Since 1967, total manufacturing has declined by 400 jobs (3 percent). Employment in textile mills declined by 2,100 jobs (40 percent) from 1960-1969, in approximately the same pattern as total manufacturing employment. The leather and leather products industry lost 100 jobs during the 1960-1969 period. More significant are the recent losses in the leather and leather products industry of 700 jobs between 1968 and 1969 and the further loss of an additional 800 jobs during the first nine months of 1970.

Nonmanufacturing. Steady gains in nonmanufacturing employment have been a significant force in overcoming losses in manufacturing employment and producing a gain in total employment over the 1960-1969 period. Wholesale and retail trade and services were the leading industries in nonmanufacturing employment gains of 2,300 jobs (17.8 percent) during the 1960-1969 period. Wholesale and retail trade gained 900 jobs (17.3 percent) and service 600 jobs (17.6 percent) during the 1960-1969 period. In addition, all of the nonmanufacturing industries were able to avoid significant losses during the 1960-1964 decline in manufacturing employment, and thus did not add further to losses in total employment.

Unemployment

Unemployment has been a continual problem in the Lewiston-Auburn HMA. Unemployment averaged 5.4 percent of the work force during 1969. During the first nine months of 1970, unemployment has averaged 6.1 percent, compared to 5.7 percent during the first nine months of 1969, and as of December 1970, the U.S. Department of Labor had added Lewiston-Auburn to its list of areas having substantial unemployment. The highest recent rate occurred in 1962 when 3,400 persons were unemployed (10.3 percent), and the lowest rate occurred in 1968 when 1,400 persons were unemployed, representing an unemployment rate of 4.2 percent.

Unemployment Trend
Lewiston-Auburn, Maine, Housing Market Area
1960-1969

<u>Year</u>	<u>Number unemployed</u>	<u>Percent unemployed</u>
1960	2,600	7.9
1961	3,100	9.3
1962	3,400	10.3
1963	2,900	9.1
1964	2,800	9.1
1965	2,000	6.5
1966	1,500	4.7
1967	1,400	4.3
1968	1,400	4.2
1969	1,800	5.4
1969a/	1,900	5.7
1970a/	2,000	6.1

a/ Average based on first nine months.

Source: Maine Employment Security Commission.

Estimated Future Employment. During the December 1970-December 1972 forecast period, nonagricultural wage and salary employment is expected to increase by about 100 jobs a year, resulting in a nonagricultural wage and salary level of about 28,800 jobs as of December 1, 1972. In the first year of the forecast period some job losses are anticipated, particularly in textiles and in leather and leather products industries. Losses in textiles are expected to be at least 200 jobs. Overall net losses during the forecast period in leather and leather products are expected to be 100 jobs, with initial losses of 500 jobs during the first year as marginal operators are forced to close because of an inability to compete with foreign companies. Historically, however, these marginal operators have been replaced with other marginal operators who absorb those employees displaced. As a result of this process, 400 jobs should be restored by the end of the forecast period. Gains in durable goods and other non-durable goods are expected to provide about 100 jobs during the forecast period concentrated primarily in the second year. Employment in non-manufacturing should grow steadily at about 200 jobs per year. Impetus for this growth should come in wholesale and retail trade, service, and particularly in the insurance industry.

Income

As of December 1, 1970, the estimated median income of all families in the Lewiston-Auburn, Maine HMA was \$8,100, after deduction of federal income tax; the median annual after-tax income of renter households of two or more persons was \$6,900. About 12 percent of all families and 18 percent of renter households of two or more persons had after-tax incomes below \$4,000 annually as of December 1970. In contrast, about 19 percent of all families and 10 percent of renter households had annual after-tax incomes of \$12,000 or more (see table II).

Demographic Factors

Population

Current Estimate and Past Trend. According to the 1970 Census, the April 1, 1970 population of the Lewiston-Auburn, Maine HMA was 87,829 persons, reflecting an increase of 4,860 (5.8 percent) over the April 1, 1960 population of 82,969. The population gain during the April 1960-April 1970 period averaged 490 persons annually, representing an increase of 0.6 percent a year. The current population in the HMA is estimated to be 88,200 persons (see table III).

As of April 1, 1970, the city of Lewiston had a population of 41,779, a gain of 975 persons (2.4 percent) over the April 1, 1960 total of 40,804. The city of Auburn had a population of 24,151 as of April 1, 1970, reflecting a decrease of 298 persons (1.2 percent) from the April 1, 1960 total of 24,449 persons. The current population in Lewiston is estimated to be 41,850 persons and in Auburn to be 24,150 persons.

The largest proportion of population growth has occurred primarily outside the cities of Lewiston and Auburn. The remainder of the HMA grew by approximately 4,500 persons during the April 1, 1960-December 1, 1970 period. The higher tax rates of both cities and the crowded environment of Lewiston has made living in the surrounding townships more desirable.

Net Natural Increase. During the April 1960-December 1970 period, the population of the Lewiston-Auburn, Maine, HMA increased by 490 persons annually and net natural increase (resident live births minus resident deaths) averaged 790 persons annually so that the net out-migration from the HMA averaged approximately 300 persons a year.

Components of Population Change Lewiston-Auburn, Maine, Housing Market Area April 1, 1960-December 1, 1970

<u>Component</u>	<u>Total change</u> <u>1960-1970</u>	<u>Average annual change</u> ^{a/} <u>1960-1970</u>
Total population change	<u>5,225</u>	<u>490</u>
Net natural increase	8,400	790
Net migration	-3,175	-300

^{a/} Rounded.

Sources: Bureau of Census, Current Population Reports.
Public Health Service, Vital Statistics.
Estimates by Housing Market Analyst.

Estimated Future Population. The population of the Lewiston-Auburn HMA is expected to increase by about 350 persons annually during the next two years, reaching a total of 88,900 persons by December 1972. Most of the population growth should occur in the surrounding townships with some additional growth in the city of Lewiston. The city of Auburn is expected to lose another 25 persons annually to reach a total of 24,100 by December 1972.

Households

Current Estimate and Past Trend. In December 1970, there were an estimated 27,600 households in the Lewiston-Auburn HMA, representing a gain of 2,425 households (9.6 percent) since April 1960. Details of household trends are shown in table III.

In April 1970, there were 13,544 households in Lewiston and 7,627 households in Auburn. As of December 1, 1970 Lewiston had an estimated 13,575 households and Auburn an estimated 7,650 households. Since April 1960, the number of households has increased in Lewiston by 900 (7.1 percent) and in Auburn by 70 (0.9 percent).

The majority of the household growth in the HMA has occurred in the area surrounding the cities of Lewiston and Auburn. Since April 1960, the number of households has increased by approximately 1,450 (2.9 percent) in the remainder of the HMA.

Household Size. The average number of persons per household was calculated to be 3.10 in December 1970, while the average in 1960 was 3.20. The average number of persons per household in the city of Lewiston was 2.95 in December 1970, compared with 3.08 in April 1960; in the city of Auburn the average number of persons per household was 3.08 in December 1970, compared with 3.16 in April 1960.

Future Households. It is estimated that during the December 1970-December 1972 forecast period the number of households in the HMA will increase by 300 (150 annually), reaching a total of 27,900 by December 1972. The expected increase in household growth, which is less than the average annual increase for the decade, is the result of the expected decline in economic growth in the HMA.

During the forecast period the city of Lewiston is expected to gain 100 households, while the city of Auburn is expected to gain only 25 households. The remainder of the HMA is expected to gain 175 households during the forecast period.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of December 1, 1970, there were approximately 31,025 housing units in the Lewiston-Auburn HMA. This inventory represented a net increase of approximately 2,625 units over the April 1960 count of 28,411, as reported by the census. The increase in the housing inventory resulted from the completion of approximately 3,825 units, the addition of 700 trailers, the net addition of 240 units by conversion of large single-family houses into duplex or multiple family units, and a net loss of about 2,140 units through demolition and other causes. The increase in the housing inventory since April 1960 averaged about 245 units a year.

Units in Structure. About 49.9 percent of all housing units in the HMA were in one-unit structures as of December 1970, representing only a slight change of 0.9 percentage point from 1960. The number of mobile homes in the HMA has quadrupled since 1960, however, from 242 to 950. As a percentage of the total housing inventory, mobile homes increased from 0.9 percent in 1960 to 3.1 percent in 1970. The number of units in structures with two or more units increased from 14,228 in 1960 to 14,600 in 1970; however, their relative percentage of the housing supply decreased from 50.1 percent in 1960 to 47.0 in 1970.

Housing Inventory by Units in Structure Lewiston-Auburn, Maine, Housing Market Area April 1, 1960-December 1, 1970

<u>Units in structure</u>	<u>April 1, 1960</u>		<u>December 1, 1970</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
One unit	13,941	49.0	15,475	49.9
Two or more units	14,228	50.1	14,600	47.0
Trailers	242	0.9	950	3.1
Total	28,411	100.0	31,025	100.0

Sources: 1960 Census of Housing;
1970 estimated by Housing Market Analyst.

Year Built. Based on data derived from the 1960 Census of Housing and on construction and demolition data, it is estimated that about 14.6 percent of the HMA housing inventory as of December 1970 has been built since March 1960. Almost 10.4 percent of the total has been built between 1949 and 1960. Approximately 11.7 percent was built between 1930 and 1949, and 63.3 percent was built prior to 1930.

Housing Inventory by Year Built
Lewiston-Auburn, Maine, Housing Market Area
As of December 1, 1970

<u>Year built</u>	<u>Housing units</u>	
	<u>Number</u>	<u>Percent</u>
April 1960 - Dec. 1970	4,525	14.6
1959 - March 1960	525	1.7
1955 - 1958	1,250	4.0
1950 - 1954	1,500	4.8
1940 - 1949	2,025	6.5
1930 - 1939	1,600	5.2
1929 or earlier	<u>19,600</u>	<u>63.2</u>
Total	<u>31,025</u>	<u>100.0</u>

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

Condition. Assuming that most of the new units added to the housing inventory after March 1960 were of sound construction and contained complete plumbing facilities, that most of the units removed by demolitions and other causes were substandard, and allowing for improvements to the existing stock, it is estimated that about 3,600 housing units (11.6 percent of total housing inventory) were dilapidated or lacked one or more plumbing facilities as of December 1, 1970. The 1960 Census of Housing indicated that about 21 percent of the housing inventory of the HMA was dilapidated or deficient in plumbing.

Residential Building Activity

Trend. Approximately 3,950 residential units, including 360 units of public housing and 308 units of Section 221(d)(3) BMIR housing were authorized or started in the HMA between January 1960 and December 1970.^{1/} Approximately 2,675 of these units were in the urban centers of Lewiston and Auburn and the remainder (1,275) were outside the central cities. Construction of single-family houses declined from 1960 to 1964 as the economy of the area weakened, reaching a low of 165 houses in 1964. After 1964, single-family building activity picked up, reaching a high of 345 houses in 1969, after a slight decline in 1968. For the overall period from January 1960 to December 1, 1970, single-family construction has averaged approximately 275 houses a year. During the first eleven months of 1970, 287 new single-family houses were authorized or started in the HMA. It is expected that about 290 units

^{1/} Includes units authorized by building permits and estimates of units started outside permit-issuing places.

will be started in the HMA during 1970. Multifamily construction from 1960 through 1966 averaged 20 units a year. In contrast, significant multifamily construction has been concentrated in the latter half of the decade, with an average of 220 units a year constructed from 1967 through November 1970. The total, however, includes 360 units of public housing for the elderly and 308 units of Section 221(d)(3) BMIR housing. The majority of the privately financed construction has occurred within and immediately surrounding the city limits of Auburn and Lewiston. For trends in residential building activity see table IV.

Units Currently Under Construction. Based on a postal vacancy survey conducted in December 1970, on building permit data, supplemental data obtained in the Lewiston-Auburn HMA, and personal observations, it is estimated that there were about 100 single-family houses and 25 multifamily units under construction in the Lewiston-Auburn HMA as of December 1, 1970.

Demolitions and Other Inventory Losses. There was a net loss of about 2,140 units from the housing inventory of the HMA between April 1960 and December 1970, including approximately 1,225 units in Lewiston, 440 in Auburn, and 475 units in the remainder of the HMA. It is expected that during the December 1, 1970-December 1, 1972 forecast period there will be approximately 300 units demolished in the HMA.

Tenure

As of December 1, 1970, there were an estimated 16,300 owner-occupied housing units in the Lewiston-Auburn HMA, representing approximately 59.1 percent of all occupied housing units. Renter-occupied units totaled 11,300, representing 40.9 percent of all occupied housing units. The owner-occupancy rate was higher as of December 1970 than in April 1960, when the Census of Housing reported a rate of 54 percent. Renter-occupancy declined from 46 percent in 1960 to 41 percent as of December 1, 1970. For a complete tenure breakdown see table V.

Vacancy

1960 Census. The 1960 Census of Housing reported 1,056 vacant, nonseasonal, nondilapidated housing units in the Lewiston-Auburn HMA available for sale or rent, equivalent to a net vacancy rate of 4.0 percent. Vacant units available for sale totaled 201, indicating a homeowner vacancy rate of 1.5 percent. The 855 units available for rent reflected a rental vacancy rate of 6.9 percent (see table V).

December 1970 Postal Vacancy Survey. A postal vacancy survey was conducted in the Lewiston-Auburn HMA in December 1970 which covered 23,990 deliveries to residences and apartments and 552 possible deliveries to mobile homes,

or about 79 percent of the total housing inventory. An overall vacancy rate of 3.1 percent was indicated in residences and apartments. The 122 vacant residences and 631 vacant apartments represented vacancy rates of 1.1 percent and 4.9 percent, respectively. The results of the survey are shown in table VI.

Current Estimate. Based on the December 1970 postal vacancy survey, other vacancy data, and on personal observation in the HMA, it is estimated that there were about 1,150 vacant housing units available for sale or rent as of December 1, 1970, reflecting a total vacancy rate of 4.0 percent. There were about 200 vacant units available for sale, reflecting a homeowner vacancy rate of 1.2 percent, and 950 vacant units available for rent, reflecting a rental vacancy rate of 7.8 percent.

Sales Market

The market for new and existing nonsubsidized sales housing was in a reasonable balance in December 1970, as indicated by the 1.2 percent vacancy rate. Local sources indicated that the majority of the building activity has been in the \$17,500 to \$25,000 price range. There is general concern, however, that recent layoffs in the textile and leather products industries could affect the demand for lower-priced housing and builders intend to limit future offerings until the absorptive capacity of this price range has been established. Building activity in this price class has been occurring in the only active subdivision in the area and on scattered lots throughout the HMA. Demand for new sales housing in the price classes above \$25,000 has been minimal, and is being satisfied on a contract basis. Home building above \$25,000 has been occurring on scattered lots in the northern section of Lewiston and in the southwestern section of Auburn. High construction costs, induced by the need for extra heating and insulation, have been the primary causes for a minimum price of \$17,500 for new sales housing. There is, however, significant demand below this level. The recent increased activity in mobile homes represents an attempt to satisfy this demand. Listings for existing good quality homes in the \$13,000 to \$17,000 range are scarce. Demand for medium and higher priced existing homes appears to be constant, with the number of listings unchanged from a year ago.

Rental Market

Rental accommodations in the Lewiston-Auburn area are characterized by old three-, four-, and five-story wooden, walk-up structures; because of zoning, these are concentrated primarily in the inner sections of Lewiston and Auburn. Gross rents for these units are typically \$15 to \$20 per week, for a three-bedroom unit. The vacancy rate of 7.7 percent, which is derived primarily from these units, would indicate a somewhat soft market. The majority of these vacancies, however are occurring in the upper stories of these structures which, because of their age and general lack of adequate heating, are generally noncompetitive.

Several factors have tended to discourage new multifamily construction in the HMA. Both the city of Lewiston and the city of Auburn have been reluctant in granting requests for zoning changes from single-family to multifamily residence. In addition, local lenders have declined to make loans on large multifamily complexes because of the high costs involved in constructing units adequately protected against the extreme winter weather.

During the decade, approximately 150 new garden-style units were constructed and readily absorbed in the HMA. Gross rents typically are between \$120 and \$140 for a one-bedroom unit and between \$140 and \$160 for a two-bedroom unit. The remainder of the new multifamily construction consists of duplex, tri-plex, and four-plex structures built on scattered lots in the cities of Auburn and Lewiston and the townships immediately surrounding them. Gross rents for these units typically are between \$110 and \$130 per month for a one-bedroom unit, \$130 to \$150 for a two-bedroom unit, and \$140 to \$160 for a three-bedroom unit.

Urban Renewal

There are two urban renewal authorities in the HMA, one in Lewiston and the other located in Auburn. The Lewiston Renewal Authority has at present one project, Maine number R-9, under management. The project is reported to be 85 percent complete. Presently a public housing project for the elderly occupies part of the site, with the other portion zoned for commercial and municipal use.

The Auburn Renewal Authority has one commercial renewal project under management, Great Falls R-18, which is approximately 50 percent complete. In addition, Auburn also has a Code Enforcement project, E-2, in progress. The 20 families and 20 individuals displaced to date by these projects have been successfully relocated.

FHA Participation

During the 1960-June 1970 period, approximately 1,165 home mortgages were insured by the FHA in the Lewiston-Auburn, HMA, an average of about 110 annually. The yearly total ranged from a low of 78 in 1962 to a high of 183 in 1965. Approximately 1,037 of the mortgages were insured under Section 203 of the National Housing Act, 32 under Section 221(d)(2), 85

under Section 222, five under Section 223(e) and six under Section 235; nine additional units were insured under Section 235 from June 1970 to December 1, 1970. About 88 percent of the units insured were existing homes and 12 percent were new. There have been 76 foreclosures since 1960. Approximately 308 multifamily units were insured under Section 221(d)(3) BMIR.

Public Housing

There are two Public Housing Authorities in the Lewiston-Auburn HMA. The Lewiston Housing Authority has two projects for the elderly under management; one is a 107-unit project which is completed and fully occupied; the other is a 153-unit project which, as of December 1, 1970, was completed and awaiting occupancy. There were 225 elderly persons on the waiting list in Lewiston.

The Auburn Housing Authority has one 100-unit project of housing for the elderly under management. There are no vacancies in this project and 50 elderly persons are on the waiting list. At present, there is no low-rent public housing for families in the HMA.

Demand for Housing

Quantitative Demand

The demand for new housing in the Lewiston-Auburn HMA during the two-year period ending December 1, 1972 is based on the projected growth of the number of households during each of the next two years. To this basic factor, adjustments are made for units expected to be lost from the housing inventory and consideration is given to the current level of vacancies and new construction. Based on these considerations, the demand for additional privately owned nonsubsidized housing units in the HMA is an estimated 185 units a year in single-family homes, 55 units a year in multifamily units, and an estimated 50 mobile homes a year. This decrease in demand, as compared to recent years, is expected as the result of the decline in economic growth and employment in the HMA.

Qualitative Demand

Single-family Housing. Based on the distribution of the Lewiston-Auburn HMA families by current annual after-tax income, on the proportion of income area families typically pay for sales housing, and on recent market experience, demand for new single-family houses is expected to approximate the sales price pattern presented in the following table.

Estimated Annual Demand for New Single-Family Houses
Lewiston-Auburn, Maine, Housing Market Area
December 1, 1970-December 1, 1972

<u>Sales price</u>		<u>Number of units</u>
Under	\$20,000	50
\$20,000	- 22,499	40
22,500	- 24,999	30
25,000	- 29,999	20
30,000	- 34,999	15
34,000	and over	<u>30</u>
Total		185

Source: Estimated by Housing Market Analyst.

Multifamily Housing. During the forecast period, it is estimated that there is a demand for 110 new nonsubsidized multifamily units, an average of 55 a year. The strongest demand for new multifamily units is for one- and two-bedroom units at gross monthly rents of about \$150 for one-bedroom units and \$170 for two-bedroom units.

Occupancy Potential for Subsidized Housing

Federal assistance in financing costs for new housing for low- or moderate-income families may be provided through a number of different programs administered by FHA: monthly rent supplements in rental projects financed under Section 221(d)(3); partial payment of interest on home mortgages insured under Section 235; partial interest payment on project mortgages insured under Section 236; and federal assistance to local housing authorities for low-rent public housing.

The estimated occupancy potentials for subsidized housing are designed to determine, for each program, (1) the number of families and individuals who can be served under the program and (2) the proportion of these households that can reasonably be expected to seek new subsidized housing during the forecast period. Household eligibility for the Section 235 and Section 236 programs is determined primarily by evidence that household or family income is below established limits but sufficient to pay the minimum achievable rent or monthly payment for the specified program. Insofar as the income requirement is concerned, all families and individuals with income below the income limits are assumed to be eligible for public housing and rent supplement; there may be other requirements for eligibility, particularly the requirement that current living quarters be substandard for families to be eligible for rent supplements. Some families may be alternatively eligible for assistance under more than one of these programs or under other assistance programs using federal or state support. The total occupancy potential for federally assisted housing approximates the sum of the potentials for public housing and Section 236 housing. For the Lewiston-Auburn HMA, the total occupancy potential is estimated to be 330 units annually (see table VII).

The annual occupancy potentials^{1/} discussed below are based upon 1970 incomes, the occupancy of substandard housing, estimates of the elderly population, income limits in effect on December 1, 1970, and on available market experience.^{2/}

Sales Housing under Section 235. Sales housing can be provided for low- to moderate-income families under the provisions of Section 235. With exception income limits, there is an occupancy potential for about 155 homes annually during each of the next two years. Under regular limits

^{1/} The occupancy potentials referred to in this analysis have been calculated to reflect the strength of the market in view of existing vacancy. The successful attainment of the calculated potentials for subsidized housing may well depend upon construction in suitable accessible locations, as well as distribution of rents and sales prices over the complete range attainable for housing under the specified programs.

^{2/} Families with income inadequate to purchase or rent nonsubsidized housing generally are eligible for one form or another of subsidized housing.

the potential would be about 100 homes a year. All families eligible for Section 235 housing are also eligible under Section 236 but are not additive thereto.

As of December 1, 1970, approximately 15 homes had been insured in the Lewiston-Auburn HMA under the Section 235 program. In addition, 15 firm commitments and 50 conditional commitments have been issued. Should these 65 units be insured they would satisfy approximately 40 percent of the first year occupancy potential under exception income limits and 65 percent under regular limits.

Rental Units Under Section 236. Moderately-priced rental units can be provided under Section 236. With exception income limits, there is an annual occupancy potential for 175 units of Section 236 housing, including 20 units for elderly families and individuals. Based on regular income limits, the potential for families would be only 100 units a year, but the potential for the elderly would be virtually unchanged. All of the elderly (but none of the families) also are eligible for public housing (see table VII).

Currently, there is no Section 236 housing built or in any stage of development in the Lewiston-Auburn HMA. There is one Section 221(d)(3) BMIR project in the HMA. This project consists of two stages with a first stage of 152 units and a second stage of 156 units. Each section is evenly divided between two- and three-bedroom units. Gross rents are \$116 for a two-bedroom unit and \$135 for a three-bedroom unit. The first section was readily absorbed. The second section, however, which has been open approximately eleven months, has experienced some difficulty in absorbing three-bedroom units, with eight out of seventy-eight units still vacant, as of December 1, 1970.

Public Housing and Rent Supplement. Rent Supplement and Public Housing programs serve essentially the same low-income households. The principal differences arise from the manner in which net income is computed for each program and other eligibility requirements. The annual occupancy potential for public housing is estimated to be 130 units for families and 35 units for the elderly. About thirty percent of the elderly also are eligible for housing under Section 236. In the case of the more restrictive rent-supplement program, the potential for families would be about 65 percent of that indicated for public housing, while the potential for the elderly would remain unchanged.

As of December 1, 1970, there were 50 units of low rent public housing for families planned for Auburn to begin in the spring of 1971. These units should satisfy approximately 40 percent of the first year occupancy potential for families. In addition an application has been submitted for 150 units of family public housing in Lewiston. If approved, this project would satisfy the remainder of the first year occupancy potential for families and 70 units of the second year potential for families. As of December 1, 1970, there were no rent supplement projects in the Lewiston-Auburn HMA and no units were in any stage of development.

Table I
Labor Force Trends^{a/}
Lewiston-Auburn, Maine, Housing Market Area
Annual Averages 1960-1970
(in thousands)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Jan. 1- Sept. 30 1969	Jan. 1- Sept. 30 1970
Total labor force	33.0	33.2	33.0	31.7	30.8	30.9	32.2	32.5	32.9	33.3	33.4	33.0
Unemployment	2.6	3.1	3.4	2.9	2.8	2.0	1.5	1.4	1.4	1.8	1.9	2.0
Percent of labor force	7.9	9.3	10.3	9.1	9.1	6.5	4.7	4.3	4.2	5.4	5.7	6.1
Total employment	30.4	30.1	29.6	28.8	28.0	28.9	30.7	31.1	31.5	31.5	31.5	30.9
Agriculture	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.4	0.3	0.3	0.3	0.3
Nonagriculture	29.9	29.5	29.0	28.2	27.4	28.3	30.2	30.7	31.2	31.2	31.2	30.6
Wage and salary	27.1	26.7	26.4	25.7	25.0	26.0	27.9	28.4	29.0	29.0	29.0	28.5
Manufacturing	14.2	13.9	13.5	12.9	12.0	12.5	14.1	14.2	14.1	13.8	13.8	13.0
Durable goods	1.1	1.8	2.2	1.7	0.9	0.9	1.1	1.5	1.4	1.8	1.7	2.0
Nondurable goods	13.1	12.1	11.3	11.2	11.1	11.6	13.0	12.7	13.0	12.0	12.2	11.0
Food & kindred products	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.7	0.8	0.9	0.9	0.9
Textile-mill products	5.3	4.4	4.0	3.9	3.7	3.3	3.8	3.7	3.6	3.2	3.2	2.9
Leather & leather products	6.2	6.0	5.4	5.4	5.5	6.1	6.6	6.5	6.8	6.1	6.2	5.4
Footwear, except rubber	(5.5)	(5.3)	(4.7)	(4.6)	(4.6)	(5.2)	(5.9)	(5.9)	(6.1)	(5.4)	(5.6)	(4.8)
Other leather & leather prods.	(0.7)	(0.7)	(0.7)	(0.8)	(0.9)	(0.9)	(0.7)	(0.6)	(0.7)	(0.7)	(0.6)	(0.6)
Other nondurable goods	0.9	1.0	1.2	1.2	1.1	1.4	1.8	1.8	1.8	1.8	1.9	1.8
Nonmanufacturing	12.9	12.8	12.9	12.8	13.0	13.4	13.8	14.2	14.6	15.2	15.1	15.5
Contract construction	1.1	1.1	1.2	1.0	1.1	1.2	1.3	1.2	1.3	1.4	1.4	1.4
Transportation & public utilities	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Wholesale & retail trade	5.2	5.1	5.0	5.0	5.0	5.1	5.4	5.6	5.7	6.1	6.0	6.2
Fin., ins., & real estate	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.8	0.8	0.9
Service & other nonmanufacturing	3.4	3.3	3.4	3.4	3.5	3.6	3.5	3.8	4.0	4.0	4.0	4.1
Government	1.5	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0	2.0	2.0

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

Source: Maine Employment Security Commission.

Table II

Estimated Percentage Distribution of All Families and Renter
Households By Income After Deduction of Federal Income Tax
Lewiston-Auburn, Maine, Housing Market Area, 1959 and 1970

<u>Annual after- tax incomes</u>	<u>1959</u>		<u>1970</u>	
	<u>All families</u>	<u>Renter households^{a/}</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$2,000	8	12	1	2
\$2,000 - 2,999	12	15	4	7
3,000 - 3,999	15	21	7	9
4,000 - 4,999	20	22	7	10
5,000 - 5,999	16	13	10	12
6,000 - 6,999	11	7	10	13
7,000 - 7,999	6	4	11	10
8,000 - 8,999	5	3	10	9
9,000 - 9,999	2	1	9	7
10,000 - 10,999	2	1	6	7
11,000 - 11,999	1	1	6	4
12,000 - 12,999	1	0	5	1
13,000 - 13,999	1	0	3	2
14,000 - 14,999	0	0	2	1
15,000 and over	0	0	9	6
Total	100	100	100	100
Median	\$4,800	\$4,100	\$8,100	\$6,900

^{a/} Renter households of two or more persons.

Source: Estimated by Housing Market Analyst.

Table III

Population and Household Trends
Lewiston-Auburn, Maine, Housing Market Area
April 1, 1960-December 1, 1972

	<u>April 1,</u> <u>1960</u>	<u>April 1,</u> <u>1970</u>	<u>Dec. 1,</u> <u>1970</u>	<u>Dec. 1,</u> <u>1972</u>	<u>Average annual changes</u>					
					<u>1960-1970</u>		<u>1960-Dec. 1970</u>		<u>1970-1972</u>	
					<u>Number</u>	<u>Rate^{b/}</u>	<u>Number^{a/}</u>	<u>Rate^{b/}</u>	<u>Number^{a/}</u>	<u>Rate^{b/}</u>
<u>Population</u>										
HMA total	82,969	87,829	88,200	88,900	486	.6	490	.6	360	.4
Lewiston	40,804	41,779	41,850	42,150	98	.2	100	.2	150	.3
Auburn	24,449	24,151	24,150	24,100	-30	-.1	-30	-.1	-25	-.1
Remainder	17,716	21,899	22,200	22,650	418	2.1	420	2.1	225	1.0
<u>Households</u>										
HMA total	25,182	27,439	27,600	27,900	225	.9	230	.9	150	.5
Lewiston	12,672	13,544	13,575	13,674	87	.7	90	.7	50	.4
Auburn	7,580	7,627	7,650	7,675	5	.1	10	.1	10	.1
Remainder	4,930	6,268	6,375	6,550	133	2.4	130	2.4	90	1.4

^{a/} Rounded.

^{b/} Derived through the use of a formula designed to calculate the percentage rate of change on a compound basis.

Sources: 1960 and 1970 Censuses of Population and Housing and estimates by Housing Market Analyst.

Table IV

Residential Building Activity
Lewiston-Auburn, Maine, Housing Market Area
1960-1970

<u>Year</u>	<u>Total residential construction</u>			<u>Authorized construction^{a/}</u>			<u>Built outside permit issuing places^{b/}</u>		
	<u>Total</u>	<u>Single- family</u>	<u>Multi- family</u>	<u>Total</u>	<u>Single- family</u>	<u>Multi- family</u>	<u>Total</u>	<u>Single- family</u>	<u>Multi- family</u>
1960	389	353	36	339	303	36	50	50	-
1961	342	321	21	292	271	21	50	50	-
1962	274	262	12	224	212	12	50	50	-
1963	233	223	10	193	183	10	40	40	-
1964	169	165	4	139	135	4	30	30	-
1965	214	197	17	179	162	17	35	35	-
1966	257	217	40	217	177	40	40	40	-
1967	465	295	170 ^{c/}	410	240	170 ^{c/}	55	55	-
1968	370	259	111 ^{d/}	325	214	111 ^{d/}	45	45	-
1969	713	345	368 ^{e/}	653	285	368 ^{e/}	60	60	-
1970(11 mos.)	524	287	237 ^{f/}	474	237	237 ^{f/}	50	50	-
Total	3,950	2,924	1,026	3,445	2,419	1,026	505	505	-

^{a/} Based on total permits issued in all permit issuing places in the HMA.

^{b/} Based on Androscoggin Valley Regional Planning Commission reports and estimates by Housing Market Analyst.

^{c/} Includes 107 units of public housing in Lewiston.

^{d/} Includes 100 units of public housing in Auburn.

^{e/} Includes 308 units of Section 221(d)(3) BMIR housing in Lewiston.

^{f/} Includes 153 units of public housing in Lewiston.

Sources: U.S. Bureau the Census and local building permit-issuing places.

Table V

Components of the Housing Supply
Lewiston-Auburn, Maine, Housing Market Area
April 1960-December 1970

<u>Component</u>	<u>April 1960</u>	<u>April 1970</u>	<u>December 1970</u>
Total housing supply	28,411	30,795	31,025
Occupied housing units	25,182	27,439	27,600
Owner-occupied	13,587	16,159	16,300
Percent	54.0%	58.9%	59.1%
Renter-occupied	11,595	11,280	11,300
Percent	46.0%	41.1%	40.9%
Vacant housing units	3,229	3,355	3,425
Available vacant	1,056	1,148	1,150
For sale	201	197	200
Homeowner vacancy rate	1.5%	1.2%	1.2%
For rent	855	951	950
Renter vacancy rate	6.9%	7.8%	7.8%
Other vacant ^{a/}	2,173	2,207	2,275

^{a/} Includes seasonal units, dilapidated units, units sold or rented and awaiting occupancy, and units held off the market.

Sources: U.S. Census of Housing, 1960 and advance report for 1970.
December 1970 estimated by Housing Market Analyst.

Table VI

Lewiston-Auburn, Maine, Area Postal Vacancy Survey

December 8, 1970

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	23,990	753	3.1	715	38	94	11,135	122	1.1	110	12	69	12,855	631	4.9	605	26	25	552	13	2.4
Auburn	8,213	281	3.4	273	8	17	4,580	72	1.6	65	7	16	3,633	209	5.8	208	1	1	157	9	5.7
Lewiston	14,355	412	2.9	384	28	70	5,459	25	0.5	22	3	46	8,896	387	4.4	362	25	24	159	-	0.0
Lisbon Falls	1,422	60	4.2	58	2	7	1,096	25	2.3	23	2	7	326	35	10.7	35	-	-	236	4	1.7

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).

Table VII

Estimated Annual Occupancy Potential for Subsidized Rental Housing
Lewiston-Auburn, Maine, Housing Market Area
December 1, 1970-December 1, 1972

	<u>Section 236a/ exclusively</u>	<u>Eligible for both programs</u>	<u>Public housing exclusively</u>	<u>Total for both programs</u>
A. <u>Families</u>				
1 bedroom	20	0	20	40
2 bedrooms	75	0	55	130
3 bedrooms	45	0	35	80
4+ bedrooms	<u>15</u>	<u>0</u>	<u>20</u>	<u>35</u>
Total	155	0	130	285
B. <u>Elderly</u>				
Efficiency	5	5	25	35
1 bedroom	<u>5</u>	<u>5</u>	<u>0</u>	<u>10</u>
Total	10	10	25	45

a/ Estimates are based upon exception income limits.

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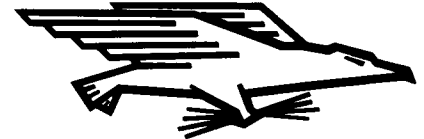
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