Analysis of the

MEMPHIS, TENNESSEE HOUSING MARKET

as of October 1, 1966

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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ANALYSIS OF THE

MEMPHIS, TENNESSEE, HOUSING MARKET

AS OF OCTOBER 1, 1966

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

Foreword

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

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

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

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ANALYSIS OF THE MEMPHIS, TENNESSEE, HOUSING MARKET AS OF OCTOBER 1, 1966

Summary and Conclusions

1. The economy of the Memphis Housing Market Area (HMA) is well diversified. Total employment averaged 280,300 for the 12 months ending August 1966, reflecting an increase of 6,300, or 2.3 percent, over the average for the preceding 12-month period. The opening of a new television assembly plant early this year has created approximately 3,000 new jobs to date and is expected to add 4,000 to 5,000 more by late next year. Over-all, it is estimated that total nonagricultural employment will increase by an average of about 6,000 a year during the next two years.

2. Median family income has increased by approximately 33 percent in Shelby County, Tennessee, and 48 percent in Crittenden County, Arkansas since 1959. Median family income, after deduction of federal income taxes, is now about $6,300 in Shelby County, Tennessee and $3,375 in Crittenden County, Arkansas.

3. The population of the HMA as of October 1, 1966 was about 805,000, with approximately 752,200 (93 percent) in Shelby County, Tennessee, and 52,800 (seven percent) in Crittenden County, Arkansas. It is estimated that the population of the HMA will increase by an average of 16,750 a year during the next two years, reaching a level of 838,500 by October 1, 1968. The population of Shelby County is expected to increase to about 784,300, and the population of Crittenden County will probably reach a level of about 54,200.

4. As of October 1, 1966, there are about 221,500 households in the Memphis HMA, including 208,400 in Shelby County, Tennessee and 13,100 in Crittenden County, Arkansas. It is estimated that there will be a total of 231,900 households in the HMA as of October 1, 1968 as a result of annual average gains of 4,950 in Shelby County and 250 in Crittenden County.

5. There are now about 230,650 housing units in the HMA, which includes 215,350 in Shelby County and 15,300 in Crittenden County. The current inventory represents an increase of approximately 31,950 since April 1960, resulting from the construction of about 38,850 new units and the loss of about 6,900 units through demolition and other causes.

6. Currently, there are about 1,600 vacant housing units available for sale in the HMA, reflecting a homeowner vacancy rate of 1.3 percent. Vacant units available for rent, including units in single-family structures, total about 2,700, or a rental vacancy rate of 2.6 percent. Both the sales and rental markets in the HMA are very good at present; construction is at a high level and new units are absorbed readily, including higher-rent units in high-rise apartment developments.

7. Demand for new housing units in the Memphis HMA during the October 1, 1966 to October 1, 1968 forecast period is calculated at about 7,350 units a year. Of the total, 3,350 units will be for single-family units and 4,000 will be for multifamily units including 1,350 rental units that may be marketed at the lower rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost. The annual demand for multifamily units excludes low-rent public housing and rent-supplement accommodations.

Projected Annual Demand for New Housing
Memphis, Tennessee, HMA
October 1, 1966 to October 1, 1968

Area	Total units	Single-family units	Multifamily units: Market interest rate	Multifamily units: Other[a/]
HMA total	7,350	3,350	2,650	1,350
Shelby County, Tennessee	7,050	3,150	2,600	1,300
Crittenden County, Arkansas	300	200	50	50

a/ Additional units that may be marketed only at the lower rents achievable by below-market-interest-rate financing or assistance in land acquisition and cost.

Annual demand for new housing is distributed by sales price ranges and by rent levels for each of the two counties in the HMA beginning with page 33 of the text.

ANALYSIS OF THE MEMPHIS, TENNESSEE, HOUSING MARKET AS OF OCTOBER 1, 1966

Housing Market Area

The Memphis Housing Market Area (HMA) is defined as being coterminous with the Memphis, Tennessee, Standard Metropolitan Statistical Area (SMSA) which, as currently delineated by the Bureau of the Budget, consists of Shelby County, Tennessee and Crittenden County, Arkansas. The two-county HMA straddles the Mississippi River with Shelby County on the east bank and Crittenden County on the west bank. Shelby County is located in the southwest corner of Tennessee and also borders on the State of Mississippi to the south. Crittenden County is located near the northeast corner of Arkansas. The Tennessee and Arkansas portions of the HMA are presently connected by one highway and two railroad bridges; preparation has begun for the construction of a second highway bridge, to be part of the U.S. Interstate Route 40 highway system. Shelby County, Tennessee had a 1960 population of 627,000, and Crittenden County, Arkansas had a 1960 population of about 47,600, giving the HMA a total population of 674,600 as of the April 1960 Census.1/

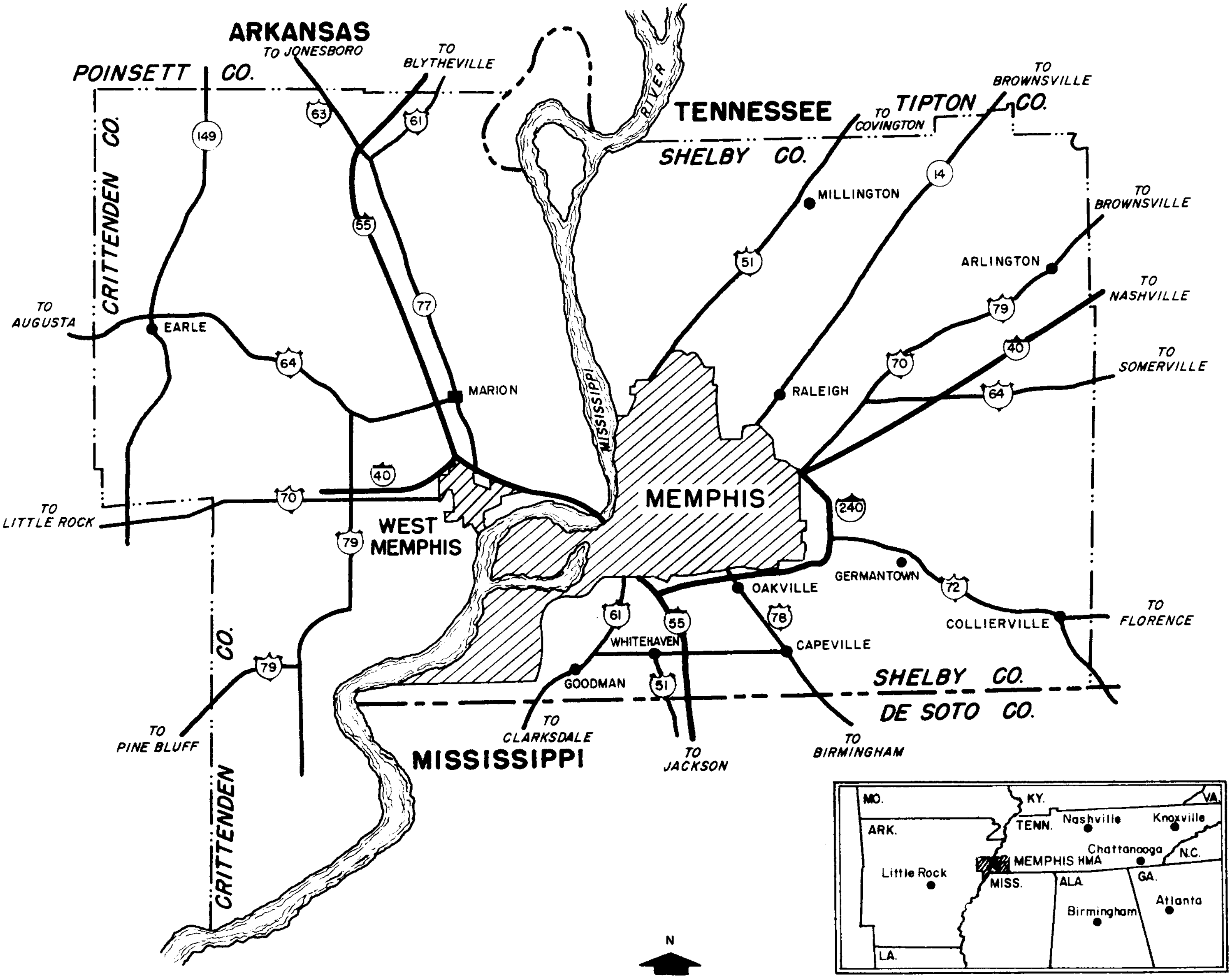
The housing market area is the largest urban center on the Mississippi River between St. Louis about 300 miles to the north, and New Orleans 400 miles to the south. The HMA is about 220 miles west of Nashville, Tennessee and 140 miles east of Little Rock, Arkansas.

Transportation facilities are excellent. The HMA is serviced by eight trunk line railroads, operating 17 lines with service to all principal U.S. cities, including one-line direct service to 25 states. There are 41 freight trains operating to or from Memphis daily. Eighty-nine motor truck lines provide direct service to points within a 27-state area. Seven interstate bus lines serve the immediate area, offering through service to principal cities in 14 states. Eleven federal highways, including three that are part of the new interstate system, converge at Memphis. The Memphis Metropolitan Airport is one of the newest in the country, with a modern terminal, cargo building, and airmail-air express building, all completed in 1963. Seven air lines operate 94 in and out flights daily, many of which are jet flights. Five barge lines operate scheduled service to all navigable points on the Mississippi, Missouri, Ohio, and secondary rivers.

1/ In as much as the rural farm population of the Memphis HMA constituted only three percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and nonfarm data.

According to the 1960 Census of Population, 2,150 persons living in Crittenden County, Arkansas commuted to work in Shelby County, Tennessee, and 650 residents of Shelby County commuted to work in Crittenden County. In addition to those workers living in Crittenden County who commuted to work in Shelby County, Tennessee, about 8,000 other persons living outside Shelby County commuted to work in Shelby County, including 1,650 residents of DeSoto County, Mississippi, 1,300 residents of Tipton County, Tennessee, and 700 residents of Fayette County, Tennessee. In addition to the 650 residents of Shelby County who traveled to work in Crittenden County, Arkansas, there were about 3,800 other residents of Shelby County traveling to work outside the county, including about 325 who commuted to work in DeSoto County, Mississippi. The place of work was not indicated for approximately 9,100 residents of Shelby County, Tennessee and detailed data on commutation are not available for Crittenden County, Arkansas.

MEMPHIS, TENNESSEE, HOUSING MARKET AREA



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Economy of the Area

Character and History

General Description. The Memphis area had permanent Indian settlements as early as the year 900 A.D. Although it was visited by DeSoto in 1541 and Joliet and Marquette in 1673, the first white settlement was not made until 1682 when LaSalle established a fort on the bluffs overlooking the Mississippi River. France, Spain, and England competed for control of the area for many years, but actual control remained with the Chickasaw Indians until the United States acquired the territory by treaty in 1818. Soon after the treaty with the Indians, land-grant holders laid out the city of Memphis. Being situated at the best natural crossing point on the Mississippi for many miles in either direction, the city grew rapidly and was incorporated in 1826 with a population of 500.

Principal Economic Activities. Early economic activities in the Memphis area were typical of a frontier river town: gunsmith and blacksmith shops, repair shops, stores, and saw mills. Abundant hardwood stands in the nearby river botton lands led to the early development of a hardwood lumber and wood products industry. As cotton growing spread into western Tennessee, Mississippi, and Alabama, cotton warehouses and mills were established; Memphis soon became the major center of cotton trade in the country. Cotton and hardwood dominated the economy of the area for many years. Regional development during the 1930's stimulated by navigation and flood control projects on the Mississippi and its tributaries, and the formation of the Tennessee Valley Authority, provided the basis for expansion and diversification of the economy of the Memphis area.

Today, the diversified economic activities of the Memphis HMA include cotton marketing and processing and the manufacture of tires and rubber products, electrical machinery, farm machinery, furniture and hardwood flooring, paper products, chemicals, and drugs. Memphis is a major educational and medical center with 13 colleges and universities, including Memphis State University and the University of Tennessee Medical Colleges, and more than 20 hospitals, including the University of Tennessee Medical Units, a Veterans Administration Hospital, and city, county, state, and private hospitals. Memphis also is a financial, trade, and transportation center for a large area of the Mid-south.

Work Force

As reported by the Tennessee Department of Employment Security, the civilian work force in the Memphis HMA averaged 289,400 during the 12 months ending August 1966, of whom 280,300 were employed and 9,100 (3.1 percent) were unemployed. Although the Memphis HMA is coextensive with the Memphis Labor Market Area as presently defined, prior to 1963 the labor market area did not include Crittenden County, Arkansas, and labor market data for the two-county housing market area prior to 1963 are limited generally to work force, total employment including agricultural, and unemployment. In the following analysis, the over-all employment trend since 1957 is discussed in terms of total employment, of which about four percent is agricultural. Industry employment trends since 1957 are discussed on the basis of nonagricultural wage and salary employment, with data prior to 1963 limited to Shelby County. Year-to-year changes in the major components of the civilian work force are shown in table I.

Employment

Current Estimate. Total employment, including agricultural, averaged 280,300 in the Memphis HMA during the 12 months ending August 1966. Of the 268,900 nonagricultural workers, approximately 228,400 (85 percent) were wage and salary employees.

Past Trend. The total employment average of 280,300 for the 12 months ending August 1966 represents an increase of 6,300, or 2.3 percent, over the average for the preceding 12-month period. The acquisition of a new television assembly plant, creating approximately 3,000 new jobs to date, accounts for a major portion of the recent employment gains. Increases of 1,300 in government employment, 1,000 in retail trade, and smaller gains in all of the other industry groups account for the remaining growth. The average employment level of the past 12 months reflects an increase of 37,400 since 1957, an average annual increase of about 4,325 jobs. However, year-to-year changes in employment fluctuated substantially. Total employment declined by 3,400 during the 1958 recession, and by approximately 700 during the 1961 recession. Increases in employment ranged from a low of 3,300 in 1962 to a high of 10,700 in 1963.

Generally, the trend of employment in the Memphis area in recent years has paralleled the trend in the national economy, although employment losses in the HMA during the 1958 and 1961 recessions were much less severe than in many major metropolitan areas. Recent employment growth in the Memphis area is attributable primarily to the surge in the civilian segment of the economy over the past several years; the impact of the Viet Nam build-up has not affected the employment trends in the HMA greatly.

Employment Trend
Memphis, Tennessee, HMA
1957 - 1966

Year	Annual average total employment	Year-to-year changes Number	Percent
1957	242,900	-	-
1958	239,500	- 3,400	- 1.4
1959	245,000	5,500	2.3
1960	249,100	4,100	1.7
1961	248,400	- 700	- .3
1962	251,700	3,300	1.3
1963	262,400	10,700	4.3
1964	269,100	6,700	2.6
1965 a/	275,700	9,200	3.5
12 months ending August			
1965 a/	274,000	-	-
1966 a/	280,300	6,300	2.3

a/ Preliminary estimate subject to revision.

Sources: Tennessee Department of Employment Security.

Distribution by Industry. Reflecting the recent gain of 3,000 employees in the electrical machinery industry, manufacturing employment reached a level of 56,100 as of August 1966, accounting for 23.8 percent of all nonagricultural wage and salary employment in the HMA. The food products industry provided more jobs than any other manufacturing industry, with 9,300 workers representing approximately 3.9 percent of total wage and salary employment. Indicating a high degree of diversification, six manufacturing industries reported employment levels representing 1.5 to 2.3 percent of nonagricultural wage and salary employment. Employment in the lumber industry totaled 5,400 (2.3 percent), followed by paper products, 4,800 (2.0 percent); electrical machinery, 4,600 (2.0 percent); chemicals, 4,400 (1.9 percent); machinery other than electrical, 4,100 (1.7 percent); and furniture, 3,500 (1.5 percent).

Employment in nonmanufacturing industries totaled 179,400 as of August 1966, representing 76.2 percent of total nonagricultural wage and salary employment in the HMA. Government, retail trade, and services were the principal sources of employment in the nonmanufacturing category, each representing 15 percent or more of total wage and salary employment. Government employees totaled 38,900, accounting for 16.5 percent of wage and salary employment. State and local government operations, including the numerous educational and medical facilities, accounted for a large proportion of the government employees. Government workers also included approximately 2,600 civilian employees of the Defense Depot Memphis and Defense Industrial Plant Equipment Center and about 1,000 civilian employees at the various U.S. Navy activities in the area. Retail trade provided work for about 38,700 persons, accounting for 16.4 percent of wage and salary employment; services provided work for about 35,200 (15.0 percent). Employment in the transportation, communications, and public utilities field totaled 17,900 (7.6 percent). The construction industry provided 14,000 jobs (5.9 percent), and about 12,400 people were employed in finance, insurance, and real estate (5.3 percent). Employment by industry since 1957 is shown in table II.

Changes in the distribution of employment by industry in the HMA have been relatively minor in recent years. One of the most significant changes is the recent increase in the electrical machinery industry, resulting from the opening of the new television assembly plant early this year. The gain of 3,000 employees in this industry was a major contributing factor in boosting manufacturing employment to its current level of 23.8 percent of total nonagricultural wage and salary employment from a level of 22.6 percent one year earlier. Based on the average annual employment levels, manufacturing employment represented 22.3 percent of wage and salary employment in 1965 compared with 22.5 percent in 1963, the earliest year for which fully comparable data are available for the two-county HMA. Although detailed information is not available for the Crittenden County portion of the HMA prior to 1963, an industry by industry comparison of employment in Shelby County in 1962 with employment in the two-county HMA in 1963 reveals only minor differences in the distribution of employment by industry between the two periods since wage and salary employment in Crittenden County constituted less than four percent of the combined total in the two-county HMA. Manufacturing employment in the Shelby County portion of the HMA represented 23.0 percent of nonagricultural wage and salary employment in 1962 compared with 24.5 percent in 1957. Following the national trend, the percentage of wage and salary employment attributable to services and to government has increased. Services now provide 14.9 percent of all wage and salary jobs in the HMA compared with 13.1 percent in 1957. Government now accounts for 17.4 percent of all nonagricultural wage and salary employment compared with 16.1 percent in 1957. The distribution of employment by industry is shown by percentages for selected years beginning with 1957 in table III.

Participation Rate. The ratio of employment to population of the area constitutes the employment participation rate. As measured by resident employment in nonagricultural industries as reported by the census, the participation rate in the Memphis HMA declined from 35.46 percent in 1950 to 33.66 percent in 1960. It is estimated that the decline has continued since 1960, and it appears to have declined at a slightly faster rate.

Calculated on the basis of nonagricultural employment as reported by the state employment services (by location of jobs rather than residence of workers), the participation rate is estimated to have declined from 36.32 percent in 1959 to 34.82 percent at the present time. The decline in the proportion of the population that is gainfully employed is explained, in part, by the relatively greater increase in the younger segment of the population that is not a part of the work force and by an increase in the number of aged persons in the population who are past working age. A decline in the number of women employed in the Memphis area since 1950, particularly those employed as domestics, also is a contributing factor in the decline in the employment participation rate.

Principal Employers

Manufacturing. The 1963 Census of Manufacturers indicates that there were 789 manufacturing establishments in the Memphis HMA of which 339 were reported to have 20 or more employees. Recent publications of the Memphis Area Chamber of Commerce indicate that there are 18 manufacturing firms in the HMA with 500 or more employees. The firms in this category include three in the food and kindred products field, three in the chemical and allied products category, three electrical machinery firms, three lumber, wood products, or furniture companies, and one major firm each in the tobacco, textile, paper and allied products, printing and publishing, rubber products, and farm machinery categories. Manufacturing firms in the Memphis HMA with 1,000 or more employees are shown in the following table.

Principal Manufacturing Employers
Memphis, Tennessee, HMA
October 1, 1966

Employer	Product
Firestone Tire & Rubber Co.	Tires, tubes
Radio Corp. of America	Television
International Harvester Co.	Farm machinery
Kimberly-Clark Corp.	Facial tissue, napkins, etc.
E.L. Bruce Co., Inc.	Hardwood floors, paneling, waxes
Plough, Inc.	Drugs, pharmaceuticals, cosmetics
Memphis Lamp Plant of Gen. Elec. Co.	Miniature lamps
Memphis Publishing Co.	Newspaper publishing

Source: Memphis Area Chamber of Commerce.

Radio Corporation of America, which is now the second largest employer in the Memphis HMA, established a television assembly plant in Memphis this past year. Ground was broken for the plant in January, about 400 workers began training in temporary facilities in February, and the first television set rolled off the assembly line of the new plant on June 15, 1966. Current employment is in the low four figures and is expected to increase to the high four figures by 1967. Approximately two-thirds of the plant employees are women, who are more adept in handling very small parts in the assembly process. It is expected that within two years production of color television sets at the Memphis plant will exceed the company's production in Bloomington, Indiana, which now accounts for approximately one-third of all color television production in the United States. Memphis was selected as the site for the new plant because of the availability of female workers, good transportation facilities, and the availability of an attractive industrial site in south Memphis where there was little other industry.

Nonmanufacturing. The 1963 Census of Business indicates that the HMA had 4,840 retail trade establishments with 32,900 paid employees, 1,422 wholesale trade establishments with 21,573 paid employees, and 3,123 selected service establishments with 14,567 paid employees. Although employment data are not readily available for individual employers, the State of Tennessee is undoubtedly one of the largest nonmanufacturing employers in the Memphis HMA by reason of the large number of state educational and medical institutions in the area. Shelby County and the city of Memphis, including the municipally owned utilities system (Memphis Light, Gas & Water Division) also are major sources of employment.

Military. Military activities in the Memphis HMA include the Defense Depot Memphis, the Defense Industrial Plant Equipment Center located at the Defense Depot, and the various U.S. Navy Commands known as Navy Memphis, located at Millington, approximately 18 miles north of Memphis.

The Defense Depot Memphis is a major installation of the Defense Supply Agency of the Department of Defense. The mission of the depot is to supply food, clothing, textiles, medical, construction, and petroleum items to Army, Navy, and Air Force units throughout its assigned area of the United States, the Caribbean, and South America. The installation, which was established originally as the U.S. Army Memphis General Depot in 1942, contains about 90 buildings and covers approximately 650 acres. Approximately 25 military personnel are assigned to the depot and civilian employment currently totals about 2,100.

The Defense Industrial Plant Equipment Center (DIPEC), located at the Defense Depot Memphis, also is part of the Defense Supply Agency and was established in 1963. DIPEC is the centralized management agency for all industrial plant equipment, which includes items used in the degisn, test, manufacture, and maintenance of U.S. Defense weapons and materials. Only the center commander is a member of the armed forces. Civilian employment totals about 500 at present.

Navy Memphis is the headquarters of the Chief of Naval Air Technical Training which directs a vast technical training program with schools and detachments located in many states. In addition to the administrative staff, facilities located in the Memphis area include the Naval Air Maintenance Training Group, the Naval Air Technical Training Center, and the Naval Air Station. Navy Memphis also includes a U.S. Naval Hospital, a Publications Center, and Naval Air and Marine Reserve Training units. The Memphis installation is the largest in the Navy Air Technical Command and its schools graduate more than 20,000 students each year. The Navy Memphis complex was established during World War II. At present, permanently assigned military strength totals about 9,000 and civilian employment totals about 900.

Unemployment

As reported by the Tennessee Department of Employment Security, unemployment in the Memphis HMA averaged about 3.1 percent of the work force during the 12 months ending August 1966, with an average of 9,100 persons actively seeking work. The rate of unemployment has been steadily reduced since the 1961 recession, when unemployment was reported to be about 5.5 percent, with 14,400 persons looking for jobs. During the somewhat more severe recession of 1958, unemployment in the HMA reached a peak of 6.6 percent, with 16,800 people without jobs. Generally, unemployment in the Memphis HMA has not been as high as in other major metropolitan areas in recent years. During the 1961 recession, for example, the local rate of 5.5 percent was well below the national average of 6.7 percent. The unemployment trend in the HMA for recent years is shown in the following table:

Unemployment Trend
Memphis, Tennessee, HMA
1957-1966

Year	Number unemployed	Percent of civilian work force
1957	13,000	5.1
1958	16,800	6.6
1959	13,600	5.3
1960	12,700	4.8
1961	14,400	5.5
1962	12,900	4.9
1963	12,200	4.4
1964	11,200	4.0
1965 a/	10,600	3.7
12 months ending August		
1966 a/	9,100	3.1

a/ Preliminary estimate subject to revision.

Sources: Tennessee Department of Employment Security.

Estimated Future Employment

Considering the favorable prospects for continued prosperity and sustained national and regional economic growth, it is estimated that total nonagricultural employment in the Memphis HMA will increase by an average of about 6,000 a year during the two-year forecast period, resulting in an employment level of about 292,300 as of October 1, 1968. The rate of growth projected approximates the rate of growth reported during the past 12 months.

A substantial gain is expected in employment in the electrical machinery industry principally at the new RCA television plant. Other increases in employment may develope as a result of the operations of this new plant, especially in the transportation, communications, and utilities category, and in services. A future potential also exists for the development of related industries, such as cabinet production, electronic components, packaging materials, and possibly glass. Moderate growth can be expected in most of the other manufacturing industries in the Memphis area as regional and national markets continue to expand.

Wholesale and retail trade employment undoubtedly will continue to grow at about the same high rate as recently posted in response to growing levels of population and disposable income. The growth in population and income also will contribute to higher levels of employment in services, government, and other nonmanufacturing categories. Plans announced by the Chicago Bridge and Iron Company to build a $20 million facility on an 81-acre site on Presidents Island will help to sustain a high level of employment in the construction industry during the latter part of the forecast period, although initial employment of engineers and production workers by this firm probably will not take place within the forecast period.

Income

Average Weekly Earnings. Weekly earnings of manufacturing production workers in the Memphis HMA averaged $100.26 in September 1966 for an average work week of 41.6 hours at an average hourly wage of $2.41. The September 1966 average weekly earnings were 11 percent above average weekly earnings in 1963, which is the earliest date for which comparable data are available for the two-county HMA. For the most part, the increase in average weekly manufacturing earnings between 1963 and the present time is attributable to increased average hourly wages, although about 17 percent of the gain in average weekly earnings during this period results from a lengthening of the average hours worked from 40.9 a week in 1963 to 41.6 hours a week at present.

Average Weekly Earnings of Production Workers
on Manufacturing Payrolls
Memphis, Tennessee, HMA, 1963-1966

Year	Average hourly earnings	Average weekly hours worked	Average weekly earnings
1963	$2.21	40.9	$90.39
1964	2.27	41.3	93.75
1965	2.34	41.5	97.11
September			
1965	2.39	42.2	100.86
1966	2.41	41.6	100.26

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Family Income. The current median annual family income, after deduction of federal income tax, is approximately $6,200 for all families in the HMA and about $4,225 for renter households, excluding one-person renter households. The current median annual family income level in the Memphis HMA is about 34 percent above the 1959 level. By 1968, median after-tax income is expected to increase to $6,825 a year for all families and to $4,625 for renter households, excluding one-person renter households. Estimated median annual after-tax incomes of all families and of renter households for 1966 and 1968 are shown in the following table. Distributions of all families and renter households by income classes are presented in table IV.

Median Annual Income of All Family and of Renter Households
After Deduction of Federal Income Tax
Memphis, Tennessee, HMA, 1966 and 1968

	Shelby Co., Tenn.		Crittenden Co., Ark.		HMA total	
Year	All families	Renter households a/	All families	Renter households a/	All families	Renter households a/
1966	$6,300	$4,300	$3,375	$2,300	$6,200	$4,225
1968	6,975	4,775	3,725	2,550	6,825	4,625

a/ Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Demographic Factors

Population

Current Estimate. As of October 1, 1966, the population of the Memphis HMA is approximately 805,000 with about 752,200 (93 percent) in Shelby County, Tennessee, and 52,800 (7 percent) in Crittenden County, Arkansas. The current population includes approximately 10,200 military personnel and 13,300 dependents of military personnel who, together, represent about 2.9 percent of the population of the HMA.

Past Trend. The current population of the HMA reflects an increase of approximately 130,400 (19.3 percent) since April 1960, when the census reported a population of 674,600. The population of Shelby County, Tennessee has grown by about 125,200 (20.0 percent), and the population of Crittenden County, Arkansas has grown by about 5,200 (10.9 percent). Over-all, the population of the HMA has grown by an average of about 20,050 persons a year since April 1960, compared with 14,500 a year during the 1950-1960 decade. The average annual increase in Shelby County since 1960 has been about 19,250 compared with an average annual gain of about 14,450 during the 1950-1960 period; the average increase in Crittenden County since 1960 has been about 800 compared with an average of only 40 a year during the ten-year period from 1950 to 1960. Although Crittenden County grew by an average of only 40 persons a year between 1950 and 1960, the population of the city of West Memphis, in Crittenden County, more than doubled, from approximately 9,100 in 1950 to 19,400 in 1960.

The growth in the HMA population since 1960 is attributable entirely to growth in the civilian population. The number of military personnel assigned to activities in the Memphis area on a permanent basis has declined by approximately 500 since April 1960. An increase of about 825 military personnel between 1950 and 1960 represented less than one percent of the total population growth during the decade.

Estimated Future Population. It is estimated that the population of the HMA will increase by an average of 16,750 a year during the next two years, reaching a level of about 838,500 by October 1, 1968. The population of Shelby County, Tennessee is expected to expand by about 16,050 a year, and the population of Crittenden County, Arkansas will probably grow by about 700 a year. The population of the two counties will total about 784,300 and 54,200, respectively, by October 1, 1968.

The projected growth is based on anticipated employment gains approximating 6,000 a year during the two-year forecast period, and on the assumption that the employment participation rate will not continue its decline but will remain stable, since a larger proportion of the new jobs will be for women than in the past. The projection is calculated on the premise that there will be no significant change in the permanently assigned military strength and civilian employment levels of the various military installations in the area.

Population Trends
Memphis, Tennessee, HMA, 1950-1968

Date	Shelby County, Tennessee	Crittenden County, Arkansas	HMA
April 1, 1950	482,393	47,184	529,577
April 1, 1960	627,019	47,564	674,583
October 1, 1966	752,200	52,800	805,000
October 1, 1968	784,300	54,200	838,500
	Average annual changes		
1950-1960	14,463	38	14,501
1960-1966	19,250	800	20,050
1966-1968	16,050	700	16,750

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

Natural Increase and Migration. From April 1960 to the present time there have been averages of 17,850 births and 6,525 deaths in the Memphis HMA each year, resulting in a net natural increase of about 11,325 persons annually. Comparison of net natural increase with the estimate of total population growth during the April 1960 to October 1966 period indicates that net migration into the HMA has averaged about 8,725 persons a year since April 1960. During the 1950-1960 decade, there were averages of 17,750 births and 5,425 deaths in the HMA each year, resulting in an average net natural increase of about 12,325 persons annually, and indicating an average net migration into the HMA of about 2,175 persons each year during the decade.

Net natural increase in the population of Shelby County, Tennessee has averaged about 10,275 a year since April 1960 (16,325 births and 6,050 deaths) indicating an average net in-migration of nearly 8,975 persons a year during the same period. During the 1950-1960 decade, net natural increase averaged 10,950 a year in Shelby County and net in-migration averaged about 3,500 a year.

There has been a net out-migration of population from Crittenden County, Arkansas since April 1960, as there was between 1950 and 1960; however, the rate of loss for the most recent period is substantially less than that of the previous decade. Out-migration from the county has averaged about 250 persons a year since April 1960. The population of the county has increased by an average of 800 a year compared with a net natural increase of about 1,050 persons resulting from 1,525 births and 475 deaths. Out-migration from Crittenden County averaged 1,335 a year during the 1950-1960 period. Population increased by an average of only 40 persons a year during the decade, notwithstanding a net natural increase averaging 1,375 persons annually as a result of 1,800 births and 425 deaths.

Components of Average Annual Population Change
Memphis, Tennessee, HMA, 1950-1966

Component	Average annual change: Shelby County, Tennessee	Crittenden County, Arkansas	HMA
Population total 1950-1960	14,463	38	14,501
Net natural increase	10,950	1,375	12,325
Net migration	3,513	-1,337	2,176
Population total 1960-1966	19,250	800	20,050
Net natural increase	10,275	1,050	11,325
Net migration	8,975	-250	8,725

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

Households

Current Estimate. As of October 1, 1966, there are about 221,500 households (occupied housing units) in the Memphis HMA. Households in Shelby County, Tennessee total about 208,400 and there are approximately 13,100 households in the Crittenden County, Arkansas portion of the HMA.

Past Trend. The current number of households in the Memphis HMA reflects an increase of about 34,900, or 18.7 percent, over the 1960 level of 186,600 reported by the census. The average gain of 5,375 households a year since 1960 reflects a substantial increase over the household increase during the 1950-1960 period, which averaged about 4,075 a year. The increase in the number of households between 1950 and 1960 reflects, in part, the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census. The change resulted in a substantial number of furnished room type accommodations being classed as housing units in 1960 and the occupants as members of households.

The current number of households in Shelby County represents an average annual gain of about 5,175 since April 1960, compared with an average yearly addition of 4,100 during the 1950-1960 decade. The household increase in Crittenden County has averaged about 200 a year since April 1960, compared with a decline of approximately 25 households a year during the 1950-1960 period.

Estimated Future Households. On the basis of anticipated employment and population growth and the assumption that the average household size will decline only slightly during the forecast period, it is estimated that there will be 231,900 households in the Memphis HMA by October 1, 1968, of which 218,300 will be in Shelby County, Tennessee, and 13,600 will be in Crittenden County, Arkansas. The net household additions in the HMA will average 5,200 a year during the forecast period, 4,950 annually in Shelby County and 250 annually in Crittenden County.

Household Trends
Memphis, Tennessee, HMA, 1950-1968

Date	Shelby County, Tennessee	Crittenden County, Arkansas	HMA
April 1, 1950	133,683	12,073	145,756
April 1, 1960	174,758	11,803	186,561
October 1, 1966	208,400	13,100	221,500
October 1, 1968	218,300	13,600	231,900
	Average annual change		
1950-1960	4,108	-27	4,081
1960-1966	5,175	200	5,375
1966-1968	4,950	250	5,200

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

Household Size. The average household size in the Memphis HMA is calculated to be about 3.53 persons at present, reflecting only a slight increase from the average of 3.52 reported by the 1960 Census. During the 1950-1960 decade average household size increased from 3.48 persons to 3.52 persons. The nominal change in average household size since 1960 reflects the increase in the proportion of new multifamily housing units that have been built and occupied in recent years; these units typically are occupied by smaller households, particularly single young people living separately from their parents, and young married couples. An increasing number of elderly persons continuing to maintain their own households also contributed to the decline in the rate of increase in average household size. Some acceleration of these trends during the forecast period is expected to result in a slight decline in average household size to about 3.51 persons in the HMA by October 1968. Household size trends for the HMA and constituent counties are shown in the following table.

Household Size Trends
Memphis, Tennessee, HMA, 1950-1968

Area	April 1, 1950	April 1, 1960	October 1, 1966	October 1, 1968
HMA	3.48	3.52	3.53	3.51
Shelby County, Tennessee	3.44	3.49	3.50	3.49
Crittenden County, Arkansas	3.88	4.01	4.01	3.96

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

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of October 1, 1966, there are 230,650 housing units in the Memphis HMA. The current inventory represents an increase of approximately 31,950 over the April 1960 count of 198,700 units reported by the census. The net increase in the housing inventory results from the construction of 38,850 new units and the loss of about 6,900 units through demolition and other causes. The increase in the housing inventory since April 1960 has averaged about 4,925 units a year, compared with an average annual net addition of 4,700 during the 1950-1960 decade. Part of the increase indicated between 1950 and 1960 resulted from a change in concept from "dwelling unit" used for the 1950 Census to "housing unit" used for the 1960 Census.

The Shelby County, Tennessee housing stock now totals about 215,350 units, (93.4 percent of the HMA total) compared with 184,850 in 1960. The net increase of 30,500 units in the county has been achieved by the construction of 37,350 new units, while approximately 6,850 units were lost through demolition and other causes. In Crittenden County, Arkansas the housing inventory now stands at 15,300 units compared with 13,850 in 1960. The net increase of 1,450 units in the Arkansas portion of the HMA stems from the completion of about 1,500 new units and the loss of about 50 units.

Units in Structure. The present composition of the housing inventory by number of units in structure reflects the increase in construction in recent years of units in structures with five or more units. At present, 12.0 percent of all housing units in the Memphis HMA are in multifamily structures of five or more units, compared with only 8.2 percent in this type of structure in April 1960. The proportion of units in single-family structures has declined from 80.8 percent in April 1960 to a current level of 77.9 percent, while the proportion of units in two- to four-unit structures has declined from 10.4 percent to 9.6 percent. Trailers now account for 0.5 percent of all housing units in the county compared with 0.6 percent in 1960.

The composition of the housing inventory in Shelby County, Tennessee closely parallels that of the HMA as to number of units in structures, since the housing inventory of the county accounts for over 93 percent of the total housing inventory of the HMA. At present, 12.7 percent of the county housing units are in multifamily structures of five or more units, compared with 8.6 percent in 1960. The change in the composition of the housing stock in the Arkansas portion of the HMA has not been nearly as great as that in the Tennessee portion, however. New construction in Crittenden County since 1960 has continued to be concentrated in single-family housing units, and only 1.8 percent of the present county housing inventory is in multifamily structures of five or more units, compared with 1.6 percent in 1960. Trailers now account for 1.2 percent of all housing units in the county compared with 1.7 percent in 1960. The housing inventory by units in structure as of April 1960 and October 1966 is shown by county in table V.

Year Built. The high level of new construction since 1950 results in a housing inventory that is relatively new when compared with many other large metropolitan areas. Based on data derived from the 1960 Census of Housing and estimates based on building permit and demolition data, it is estimated that about 17 percent of the current HMA housing inventory has been built since April 1960 and thus is seven years old or less. Approximately 47 percent of all housing units in the HMA are 17 years old or less. Only 24 percent of the current inventory was built prior to 1930.

The housing inventory of Shelby County, Tennessee is somewhat newer than that of Crittenden County, Arkansas because of the much more rapid growth demonstrated by the Tennessee segment of the HMA in recent years. About 17 percent of all housing units in Shelby County have been built since April 1960, compared with only 10 percent in this category in Crittenden County. About 48 percent of the Shelby County inventory has been built since 1950, compared with about 35 percent in Crittenden County. However, a relatively smaller proportion of housing units built between 1930 and 1950 are found in Shelby County than in Crittenden County, and the proportion of units built prior to 1930 varies only slightly between the two counties, being about 23.8 percent in Shelby County and 26.3 percent in Crittenden County. The housing inventory by year built by counties is shown in table VI.

Condition. Assuming that all of the new units added to the inventory since 1960 were of good quality, it is estimated that there are about 34,500 housing units in the Memphis HMA that are dilapidated or lack one or more plumbing facilities, equal to about 15.0 percent of the total housing stock. As of April 1960, the Census of Housing indicated that approximately 41,250 housing units (20.7 percent of the inventory) were dilapidated or lacked one or more plumbing facilities. Approximately 92 percent of the units thus classified were occupied; 8,900 by owners, and 28,950 by renters.

At present there are about 25,900 housing units in Shelby County, Tennessee that are dilapidated or lack one or more plumbing facilities, equal to about 12.0 percent of the total housing stock of the county. By comparison, about 32,600 units were classified in this condition in the county in 1960, or 17.6 percent of the housing inventory at that time. In Crittenden County, Arkansas there are now about 8,600 housing units in a dilapidated condition or lacking one or more plumbing facilities, equal to about 56.2 percent of the county housing inventory. As of April 1960, the Census of Housing indicated that approximately 8,650 housing units (62.5 percent of the inventory) in Crittenden County were dilapidated or lacked one or more plumbing facilities. Although there have been few housing units removed by demolition in the Arkansas portion of the HMA since 1960, vacant units have increased by about 175, the increase no doubt occurring in units of poorer quality which would be removed from the inventory much sooner in less rural areas.

Residential Building Activity

Trend. Building activity in the Memphis HMA generally has fluctuated in close conformity with the over-all trend in the economy since 1960. As measured by building permits issued, which cover approximately 96 percent of all new private residential building in the HMA, and reports of publicly financed units placed under contract (459 since January 1, 1960), building activity for the first nine months of 1966 is about 12 percent below the level for the first nine months of 1965. Approximately 4,650 units have been authorized so far this year, compared with 5,250 for the equivalent period during 1965. During 1965 the volume of new construction increased 18 percent over the 1964 volume.

Approximately 7,550 housing units were authorized during 1965, compared with 6,400 units authorized during 1964. Reflecting the trend of the area economy, the 1964 volume represented a decline of 15 percent from the construction level of approximately 7,525 units in 1963. Residential construction has averaged about 6,975 units a year since January 1, 1963, well above the average of 5,225 units a year during the preceding three-year period from 1960 through 1962. During the ten-year period from 1950 through 1959, residential building in the Memphis HMA averaged about 7,975 units a year, with a peak of approximately 10,100 units in 1950 and a low of about 4,000 units in 1957. Approximately 96.2 percent of all new residential construction in the HMA since January 1, 1960 has been in the Shelby County, Tennessee portion of the HMA, as was about 95.3 percent during the 1950 to 1959 period.

A total of 16,800 multifamily housing units have been authorized by building permits in the Memphis HMA since January 1, 1960, or an average of about 2,500 units a year. Peak years for the construction of multifamily units since January 1, 1960 were 1965, when 3,900 multifamily units represented about 51.7 percent of all new residential building, and 1963, when nearly 4,000 multifamily units accounted for about 52.9 percent of all new units. Approximately 48 percent of all new residential construction in the HMA since January 1, 1963 has been in structures with two or more units, compared with about 28 percent during the three-year period from 1960 through 1962. Few multifamily units have been built in the Crittenden County, Arkansas portion of the HMA; about 210 have been built since January 1, 1960, of which 120 were publicly financed.

New single-family construction, as measured by building permits issued, has averaged 3,700 units a year since January 1, 1960, with little variation in the year-to-year level of authorization, which ranged from a high of approximately 3,975 in 1960 to a low of about 3,550 in 1963. Single-family permits have totaled about 1,400 in the Crittenden County, Arkansas portion of the HMA since January 1, 1960, representing an average of 210 new homes annually.

Units Currently Under Construction. Based on building permit data, a postal vacancy survey conducted during September 1966, and supplemental data obtained in the Memphis area, including surveys made by the FHA Memphis Insuring Office, the Bureau of Business Research of Memphis State University, and local mortgage firms, it is estimated that there are approximately 3,100 housing units under construction in the Memphis HMA as of October 1, 1966. About 750 of these units are single-family homes, and approximately 2,350 are in multifamily projects. Practically all of the units under construction at this time are in the Shelby County, Tennessee portion of the HMA, with current residential construction in Crittenden County limited to about 50 single-family units. The multifamily units now under construction include 248 units in a new high-rise apartment under development in downtown Memphis.

Demolitions. Records of local building inspection offices indicate that approximately 6,900 housing units have been removed from the housing inventory of the HMA as a result of demolitions, fire, and other losses since April 1960, including about 6,425 in the city of Memphis, and 425 in the remainder of Shelby County. Losses in the Crittenden County, Arkansas portion of the HMA totaled about 50 units. Approximately 42 percent of the units removed from the inventory by demolition in the city of Memphis were attributable to code enforcement, while most of the others were lost as a result of urban renewal activity and new expressway construction. Based on anticipated urban renewal activity, highway construction, code enforcement and other removals, it is estimated that demolitions and other losses will result in an inventory loss of about 1,500 units during the next two years, or an average of about 750 units annually. Present plans include the expected removal of about 700 to 800 units as a result of urban renewal during the forecast period; however, it is anticipated that there will be fewer units lost as a result of code enforcement than in the past several years since most of the worse units have been removed by this time and many units are being brought up to standard as a result of the enforcement program.

Tenure

Current Estimate. As of October 1, 1966 there are about 121,650 owner-occupied housing units in the Memphis HMA, representing approximately 54.9 percent of all occupied housing units in the HMA. Renter-occupied units total about 99,850. In Shelby County, Tennessee about 55.5 percent (115,650 units) of the occupied housing units are owner-occupied, and 44.5 percent

(92,750 units) are renter-occupied. Proportionally fewer households in the Crittenden County, Arkansas segment of the HMA are homeowners, about 45.8 percent, or 6,000 households. Renter-households, account for about 7,100, or 54.2 percent of occupied housing units in the county.

Past Trend. Since April 1960, there has been a shift toward a higher ratio of renter-occupancy in the HMA, a reversal of the trend experienced between 1950 and 1960. The increase in renter-occupancy since 1960 reflects the high level of multifamily construction in recent years in the Tennessee portion of the HMA; it also indicates a continuing high ratio of renter-occupied single-family homes, now about 28 percent. The tenure trend in the Arkansas portion of the HMA continues to be toward increased owner-occupancy, as it was between 1950 and 1960. This trend reasonably might be expected, since the ratio of owner-occupancy in Crittenden County has been considerably lower than in the other segment of the HMA. Tenure trends since 1950 are shown for the HMA and constituent counties in table VIII.

Vacancy

1960 Census. As of April 1, 1960, the Census of Housing reported that there were approximately 7,450 vacant nonseasonal, nondilapidated housing units in the Memphis HMA which were available for sale or rent. The available vacancies equaled 3.8 percent of the available housing inventory. Vacant units available for sale totaled about 2,700, indicating a homeowner vacancy rate of 2.5 percent. There were approximately 4,750 vacant units available for rent, reflecting a rental vacancy rate of 5.5 percent. Practically all (98.2 percent) of the vacant units available for sale in the HMA had all plumbing facilities. However, 29 percent (1,375 units) of the vacant units available for rent lacked one or more plumbing facilities. The vacancy rates for the two counties comprising the HMA are shown in table IX.

September 1966 Postal Vacancy Survey. A postal vacancy survey was conducted in the Memphis, Tennessee, area during the period September 13-23, 1966, covering a total of 203,805 possible deliveries, or about 88 percent of the estimated housing inventory of the HMA. At the time of the survey, 1.9 percent of all residences and apartments were vacant. This proportion represented 2,831 vacant units previously occupied and 1,065 vacant new units which had never been occupied. In addition, 3,178 new units were reported in all stages of construction.

Of an estimated total of 175,302 possible deliveries to residences, about 2,805 or 1.6 percent, were vacant. Of the total, 1,976 residences had been occupied previously and 829 were newly-completed units. An additional 858 dwellings were under construction.

Among the estimated 28,503 possible deliveries to apartments, 3.8 percent were vacant, including 855 vacant apartments that previously were occupied and 236 new apartments. An additional 2,320 apartment units were under construction.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses, and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators the survey serves a valuable function in the derivation of estimates of local market conditions.

The results of the postal vacancy survey as reported by the participating Post Offices are shown in detail in table X.

Vacancies in FHA-Insured Rental Projects. Annual occupancy reports as of March 15, 1966 for FHA-insured rental projects in the HMA indicated a vacancy rate of 6.3 percent in 50 of the older post-war projects, consisting of 3,533 units, and a vacancy rate of 5.6 percent in six more recently built projects, comprising a total of 498 units. Vacancy trends in projects insured under these two programs in the Memphis HMA are shown in the following table. The vacancy ratios represent only the experience of the FHA-insured rental projects, and are not indicative of occupancy characteristics of all multifamily rental units.

Vacancy Rates in FHA-Insured Rental Projects
Memphis, Tennessee, HMA, 1964-1966

Old Postwar Projects	March 1964	March 1965	March 1966
Number of projects	54	51	50
Total units	3,919	3,609	3,533
Vacant units	198	257	222
Vacancy ratio	5.1%	7.1%	6.3%
More recent[a/] Projects			
Number of projects	5	6	6
Total units	410	470	498
Vacant units	19	63	28
Vacancy ratio	4.6%	13.4%	5.6%

a/ Excludes one project in 1964 which had been completed less than six months at time of survey.

Source: Federal Housing Administration.

Other Vacancy Data. A special study was made by the Bureau of Business Research, Memphis State University to determine the availability of standard rental units and standard housing units for sale in the Memphis area as of December 1, 1965. The survey was based on questionaires submitted to property owners and managers, and it did not include units that were dilapidated or that lacked plumbing facilities. The area surveyed was limited to Shelby County, including the metropolitan area of Memphis and the urban areas of Millington, Raleigh, and Germantown. The city of Collierville and the rural areas of the county were not included. A total of 2,275 units were reported as vacant and available for rent at the time of the survey. Approximately 2,225 units were estimated to be available for sale including about 1,700 that previously had been occupied and about 525 new units that had never been occupied.

A survey of selected apartment buildings conducted semi-annually by a local mortgage company indicated a total of 465 vacancies in a group of approximately 9,950 apartment units as of July 1, 1966, reflecting a vacancy rate of 4.7 percent. All units covered in this survey are in structures of eight or more units completed since 1951. Vacancy levels as reflected by this series of surveys since July 1963 are shown in the following table.

Vacancy Trends in Selected Apartment Projects
Memphis, Tennessee, 1963-1966

Date	Garden apartments Total units	Vacant units	Percent vacant	High-rise apartments Total units	Vacant units	Percent vacant	Over-all vacancy rate
July 1, 1963	2,723	47	1.7	1,014	171	17.0	5.8
Jan. 31, 1964	3,487	219	6.3	1,289	218	16.9	9.1
July 1, 1964	4,085	199	4.9	1,325	147	11.1	6.4
Jan. 15, 1965	5,028	431	8.5	1,709	242	14.1	9.9
June 21, 1965	5,650	425	7.5	2,007	193	9.6	8.1
Jan. 31, 1966	6,712	412	6.1	2,007	78	3.9	5.6
July 1, 1966	7,842	366	4.7	2,096	99	4.7	4.7

Source: Data compiled by Schumacker Mortgage Company Inc., Memphis, Tennessee.

Current Estimate. Based on the September 1966 postal vacancy survey, the vacancy levels indicated by various local surveys, including those of the FHA Memphis Insuring Office, and on personal observation, it is estimated that as of October 1, 1966 there are about 4,300 vacant housing units available for sale or rent in the Memphis HMA, reflecting a total available vacancy rate of 1.9 percent. Currently there are about 1,600 vacant units available for sale in the HMA, representing a homeowner vacancy rate of 1.3 percent. Vacant units available for rent, including units in single-family structures, total about 2,700, reflecting a vacancy ratio equal to about 2.6 percent of the total available rental inventory. Only a negligible number of vacant units available for sale are estimated to be without complete plumbing facilities; however, approximately 600 of the vacant units available for rent are estimated to be lacking one or more plumbing facilities.

Sales Market

General Market Conditions. The market for sales housing in the Memphis HMA continues to be good. Sales of new single-family units during the first six months of 1966 are up almost nine percent from the sales level for the first six months of 1965. An increase in the demand for existing homes also is evident in the HMA, with total real estate transfers up approximately five percent for the first six months this year compared with the first six months of 1965. While only 2,525 new single-family houses were authorized by building permits during the first nine months of this year, compared with 2,900 for a similar period one year ago, there has been a decline in the number of new single-family homes in the unsold inventory of the HMA during the past year. Based on a survey made every four months by the Bureau of Business Research of Memphis State University, the unsold inventory of the HMA declined by more than 100 units, or nearly 15 percent, between July 1965 and July 1966. The sound condition of the sales market also is indicated by the relatively low homeowner vacancy rate in the HMA, now 1.3 percent, compared with a much higher level of 2.5 percent reported by the 1960 census. The current vacancy level in the sales market is considered appropriate for an area such as Memphis where at least a moderate rate of growth is expected to be maintained in the foreseeable future, and the current inventory of unsold new sales houses is not considered excessive.

Major Subdivision Activity. There were more than 110 subdivisions in the Memphis HMA with at least five completions during 1965, including four subdivisions in West Memphis, in the Arkansas portion of the HMA. Subdivision activity accounted for about 75 percent of all new single-family construction in the HMA during 1965, with most of the subdivision activity concentrated in about 35 major developments. There were about twice as many active builders in the HMA as there were subdivisions, and there were two or three active builders in many of the larger developments.

The most active area at present is in southeast Memphis, south of the William Fowler Expressway (U.S. Interstate 240) and east of Lamar Avenue (U.S. Route 780). There are now about 11 major subdivisions in the area with homes ranging in price from $18,000 to $35,000 and over. Four developments in this area are offering homes in the $18,000 to $20,000 price range, two in the $20,000 to $25,000 price range, one in the $25,000 to $30,000 price range, and four are offering homes priced to sell at more than $30,000.

There are five major subdivisions in the unincorporated community of Whitehaven, just south of Memphis. These subdivisions are located along Holmes Road, between U.S. Route 51 and U.S. Interstate 55, and offer homes ranging in price from $17,250 to $27,900. Three major subdivisions located on either side of U.S. Highway 61, south of Memphis and west of Whitehaven, provide a choice of homes in the $12,250 to $16,500 price range. In the northern and northeastern part of Memphis, there are about seven major subdivisions providing homes ranging in price from $12,300 to $20,000, and three developments with homes priced to sell between $20,000 and $25,000.

Unsold Inventory of New Homes. In January 1966, the Memphis, Tennessee and Little Rock, Arkansas Insuring Offices surveyed a total of 113 subdivisions in the Memphis HMA in which five or more houses had been completed in 1965. There were 109 subdivisions in this category in the Tennessee portion of the HMA and four in the Arkansas portion. The surveys revealed a total of about 2,800 houses completed in these subdivisions during the year, of which about 875 had been sold before construction had been started. Of the 1,925 houses built on a speculative basis, 610 (32 percent) remained unsold at the time of the surveys. In the Shelby County, Tennessee portion of the HMA, there were approximately 1,775 houses built on a speculative basis (67 percent of the total), of which 595 (33.5 percent) remained unsold at the time of the survey. In Crittenden County, Arkansas approximately 135 houses were built on a speculative basis (94 percent of the total) and 16 units (12 percent) remained unsold at the end of the year.

About 42 percent of the houses completed in the subdivisions surveyed in Shelby County were priced to sell for $12,500 to $17,500, about 17 percent were built to sell for $17,500 to $20,000, and 15 percent were offered at $20,000 to $25,000. A little more than 19 percent of all new homes in these developments were built to sell for more than $25,000, including about three percent (80 units) that were offered at $35,000 or more. At the other end of the price range, approximately six percent of the new houses (170 units) were priced to sell for $10,000 to $12,500, while only five houses were reported built to sell for less than $10,000. About 95 percent of the new units in Crittenden County were built to sell below $17,500, including about 29 percent built to sell below $12,500.

The survey in Shelby County revealed that the greatest proportion of unsold to completed homes is in the $17,500 to $20,000, and $20,000 to $25,000 price ranges (45 percent each). Only eight percent of the units built to sell for less than $12,500 remained unsold. The ratio of speculatively built homes in the other price brackets remaining unsold ranged from about 27 percent to 35 percent. Of the 16 houses remaining unsold in Crittenden County, ten were in the $12,500 to $15,000 price range. Of the five homes built to sell for $20,000 to $25,000 in Crittenden County during the year, two remained unsold at the time of the survey.

Comparable unsold inventory surveys made in 1964 and 1965 show that the ratio of unsold units has tended to increase in the Tennessee portion of the HMA and decrease in the Arkansas portion of the HMA. The results of the surveys are shown in detail in table XI.

Foreclosures. Data compiled by the Bureau of Business Research of Memphis State University indicate that foreclosures of single-family homes in the Shelby County, Tennessee portion of the HMA totaled approximately 500 during the first six months of 1966 compared with a total of 660 foreclosures in the county during the first six months of 1965. The decline in foreclosures during 1966 reverses the general trend of rising foreclosures prevailing since 1960.

Rental Market

General Market Conditions. As previously noted, the current rental vacancy rate in the Memphis HMA is quite low (2.6 percent) nonwithstanding the fact that a large volume of new multifamily rental units has been added to the inventory of the HMA since 1960. Indicating the present strength of the rental market, approximately 3,900 multifamily units authorized by permits during 1965 have been readily absorbed, on top of the 2,475 new multifamily units authorized during 1964, and the 3,975 units authorized in 1963. Multifamily construction has accounted for about 48 percent of all new construction during the past three years, compared with about 28 percent during the three-year period from 1960 to 1962.

General Marketing Experience. The rental market appears firm for both new and existing units. Market absorption data collected by the Memphis Insuring Office indicate that an occupancy level of 98 percent has been achieved in the 1,450 new garden-type rental units completed in the HMA within the past six months, and an occupancy rate of 99 percent is reported in 1,275 units that have been on the market seven to twelve months. An occupancy rate of slightly over 95 percent has been achieved in the high-rise apartment category. A total of 15 high-rise projects have been built in the HMA within the past five years, providing a total of 1,650 units. The current vacancy rate in these projects is only 2.3 percent, indicating a ready market for this type of unit at present, in sharp contrast to the relatively slow absorption experience of high-rise units built during late 1962 and early 1963. As previously noted, vacancies in the older postwar FHA-insured units, which are typical of older, existing units in the Memphis rental market, declined from 7.1 percent to 6.3 percent between March 1965 and March 1966. The vacancy rate in these projects would be considerably lower if several projects were excluded that have been experiencing difficulty in maintaining satisfactory occupancy because of management problems or location in transitional areas.

FHA Market Absorption Survey. The Memphis Insuring Office has collected data on the rate of absorption for about 9,685 new multifamily housing units opened for occupancy within the last five years, 8,025 in walk-up and 1,660 high-rise projects. As of September 1, 1966, 98 percent occupancy was reported in approximately 1,450 walk-up units that had been on the market for six months or less, and 99 percent occupancy was reported in approximately 1,275 walk-up units which had been on the market for seven to twelve months. No new high-rise units had been completed within the last six months, but an occupancy level of 92 percent was reported in a group of new high-rise units that had been on the market for seven to twelve months. The rate of absorption is exceptionally good for both the garden-type apartments and the high-rise projects. A vacancy rate of 2.4 percent was reported in 1,400 walk-up units that had been open for occupancy for 13 to 24 months, while the vacancy ratio for 525 high-rise units in this period was 8.2 percent. A vacancy rate of 2.8 percent was indicated for a group of 3,900 walk-up units that had been on the market for two to five years, and vacancies in 1,050 high-rise rental units in this category represented a vacancy level of 2.6 percent.

Of the 8,025 walk-up units in the survey, approximately 71 percent (5,680 units) were two-bedroom units, 24 percent (1,900 units) were one-bedroom units, somewhat less than four percent (290 units) were three-bedroom units, and slightly less than two percent (155 units) were efficiencies. Over-all, the vacancy ratios were a little higher for efficiencies and one-bedroom units than for the larger size apartments (see table XII). Of the 1,660 new high-rise rental units completed within the past five years, about 18 percent (298 units) were efficiencies, 45 percent (739 units) were one-bedroom units, 33 percent (551 units) were two-bedroom units, and approximately four percent (72 units) were three-bedroom units. There was a much higher proportion of efficiency and one-bedroom units in the high-rise projects than there were in the walk-up projects, and also a slightly higher proportion of three-bedroom units. Vacancy rates in the high-rise projects were highest (8.4 percent) in the efficiency units and in two-bedroom units (6.2 percent). Vacancies were relatively low in the one-bedroom units in the high-rise projects, 2.4 percent, and there were no vacancies at all reported in the three-bedroom units. The results of the market absorption survey are shown in detail in tables XII and XIII.

Urban Renewal

The city of Memphis has developed a total of eleven urban renewal projects to date, including two that are in the planning stage and three that are in the application stage.

Railroad Avenue (R-8). The Railroad Avenue project, consisting of 42 acres of land adjacent to Crump Boulevard and Railroad Avenue a short distance southwest of the central business district, was the first redevelopment project in the city of Memphis and redevelopment of the area has been completed. A total of 369 families and 50 nonresidential occupants were relocated to permit redevelopment of the area for school and playground purposes and light industrial use. Redevelopment of the area included improvements of streets and utilities. A total of 173 families received relocation assistance from the Memphis Housing Authority, the city's Urban Renewal Agency.

Jackson Avenue (R-3). The Jackson Avenue project consisting of 97 acres just north of the central business district involved the removal of approximately 1,000 substandard dwelling units and the relocation of about 800 families. Much of the redeveloped area is devoted to East-West Expressway development, including the U.S. Highway 51 Interchange. The area also is devoted to commercial and light industry uses. About 45 dwelling units were retained in the area.

Riverview (R-15). The Riverview Urban Renewal Project, consisting of about 91 acres located adjacent to the Mississippi River and a short distance south of the central business district, was redeveloped primarily as a residential area. There are now approximately 900 families in private housing units in the area compared with about 525 prior to redevelopment.

Medical Center (R-18). This 57-acre site located just east of the central business district contained a total of 382 buildings prior to redevelopment, including 71 commercial structures and 14 industrial establishments. Approximately 290 buildings were classified as substandard. A total of 125 families, 49 individuals, and 61 business firms were relocated. A major share of the redeveloped land was allocated to the University of Tennessee which has completed new dental and cancer clinic facilities, along with the relocation of the Variety Children's Heart Institute. Other additions to the area include the new Kennedy Veterans Hospital, the William F. Bowld Hospital, and additions to the Baptist Memorial Hospital.

Court Avenue, Area I (R-37). This project, also known as the Civic Center project, consists of 32 acres directly north of the central business district. There were approximately 126 deteriorating structures in this area prior to the inception of the urban renewal project, including 152 dwelling units. A total of 68 families, 22 individuals, and 70 business firms were relocated. The site is now the location of the new Memphis City Hall, and a new county and state office building is nearing completion. Immediately adjacent to the renewal area is a new 38-story office building built by private development; a new four-story department store topped by a 20-story apartment development is under construction.

Court Avenue, Area III (R-49). This 80-acre area immediately east of the central business district was placed under development in mid-1965. The area contains 130 buildings of which 86 are substandard. Land acquisition, relocation, and demolition work are now in progress. A goal of the project is the elimination of the Southern Railway's Lauderdale Yards from this near-downtown location. The renewal plans call for the creation of an area consisting primarily of garden and high-rise apartments on the east and south, and wholesale business on the north and west.

Public Housing

The Memphis Housing Authority currently has 5,045 low-rent public housing units under management in 12 projects. Reservations have been received for an additional 1,200 new units, including two high-rise projects, each of which will provide 200 units for senior citizens. It is anticipated that approximately 200 new units will be added to the inventory in the near future by the purchase of existing units. The Housing Authority reports a waiting list of approximately 900, of which about one-third are senior citizens.

Demand for Housing

Quantitative Demand

Based on an anticipated annual increase of about 5,200 households, the need to replace housing units expected to be lost from the inventory through demolition and other causes, and current supply-demand relationships in the market, the demand for new housing in the Memphis HMA is expected to total about 7,350 units a year during the October 1966 to October 1968 forecast period. Of the total annual demand, 3,350 will be for single-family units and 4,000, including 1,350 units at rents which probably can be achieved only by use of below-market-interest-rate financing or assistance in land acquisition and cost, will be for multifamily units. The annual demand for multifamily units excludes low-rent public housing and rent-supplement accommodations.

The projected annual demand for new single-family houses is somewhat below the annual average of 3,700 single-family units produced since 1960. A construction volume of about 3,350 houses annually is suggested by the lower rate of household growth anticipated during the forecast period and consideration of pertinent market factors.

The projected demand for 4,000 new multifamily units each year during the forecast period exceeds the average of 3,315 multifamily units a year authorized since 1963. It is equal to the 4,000 multifamily units authorized in 1963 and in 1965. Considering anticipated household growth, tenure trends, and the unusually low current vacancy rates in both garden-type and high-rise apartment units, it appears that the multifamily rental market can be expected to absorb this projected volume during the next two years. However, a continuing check should be kept on the rate of absorption of new units. The following table summarizes the projected annual demand for new single-family and multifamily housing within the constituent counties of the housing market area during the next two years.

Projected Annual Demand for New Housing
Memphis, Tennessee, HMA
October 1, 1966 to October 1, 1968

Area	Total units	Single-family units	Multifamily units: Market interest rate	Multifamily units: Other[a]
HMA total	7,350	3,350	2,650	1,350
Shelby County, Tennessee	7,050	3,150	2,600	1,300
Crittenden County, Arkansas	300	200	50	50

a/ Additional multifamily rental units that may be marketed only at the lower rents achievable by below-market-interest-rate financing or assistance in land acquisition and cost. The demand shown above excludes low-rent public housing and rent-supplement accommodations.

Qualitative Demand

Single-family Housing. Based on current family income after deduction of federal income tax and the relationship between net family income and purchase price found to be typical in the Memphis HMA, and on recent market experience the annual demand for 3,350 units of new single-family housing is expected to be distributed by sales price as shown in the following table.

Qualitative Demand

Single-family Housing. Based on current family income after deduction of federal income tax and the relationship between net family income and purchase price found to be typical in the Memphis HMA, the annual demand for 3,350 units of new single-family housing is expected to be distributed as shown in the following table.

Estimated Annual Demand for New Single-family Houses
Memphis, Tennessee, HMA
October 1, 1966 to October 1, 1968

Sales price	Shelby County, Tennessee	Crittenden County, Arkansas	HMA
Under $12,500	400	50	450
$12,500 - 14,999	700	50	750
15,000 - 17,499	450	30	480
17,500 - 19,999	300	25	325
20,000 - 24,999	650	20	670
25,000 - 29,999	400	20	420
30,000 - 34,999	175	5	180
35,000 and over	75	-	75
Total	3,150	200	3,350

The above distribution differs from that shown in table XI, which reflects only selected subdivision experience during the past two years. It must be noted that the 1964 to 1966 data do not include new construction in subdivisions with less 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 smaller building operations which are quite numerous. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Multifamily Housing. The gross monthly rentals at which privately-owned net additions to the multifamily housing inventory might best be absorbed are indicated below for various size units. These net additions, excluding low-rent public housing and rent-supplement accommodations, may be accomplished by either new construction or rehabilitation at the specified rentals, with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition. The production of new units in higher rental ranges than indicated below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

On the basis of current construction and land cost, and current financing terms,[1/] the minimum gross rents achievable without public benefits or assistance in financing or land acquisition are estimated to be \$85 for efficiencies, \$100 for one-bedroom units, \$115 for two-bedroom units, and \$135 for three-bedroom units. The demand for new multifamily housing units at and above these minimum achievable rents is estimated to be 2,650 units a year during the October 1966 to October 1968 forecast period.

1/ Calculated on the basis of a long-term mortgage (40 years) at 6.0 percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect rents accordingly.

Estimated Annual Demand for New Multifamily Housing
Memphis, Tennessee, HMA
October 1, 1966 to October 1, 1968

Gross monthly rent a/	Efficiency	One bedroom	Two bedroom	Three bedroom
		Size of unit		
$ 85 and over	190	-	-	-
90 " "	175	-	-	-
95 " "	160	-	-	-
100 " "	145	900	-	-
105 " "	130	825	-	-
110 " "	115	750	-	-
115 " "	100	675	1,100	-
120 " "	85	600	975	-
125 " "	70	525	850	-
130 " "	55	450	725	-
135 " "	40	400	625	460
140 " "	25	350	550	410
145 " "	-	300	475	350
150 " "	-	250	400	300
160 " "	-	200	350	250
170 " "	-	-	300	200
180 " "	-	-	250	150
200 " "	-	-	-	110

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

Note: The foregoing figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for two-bedroom units at $140 to $160 is 200 units (550 units minus 350).

The annual demand for 1,350 additional multifamily units that may be marketed only at the lower rents achievable through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost includes 60 efficiencies at rents of $55 or more, 400 one-bedroom units at rents of $65 and above, 550 two-bedroom units at $75 or more, and 340 three-bedroom units at $90 and above.

The demand above includes the demand for 100 new multifamily housing units a year projected for the Crittenden County portion of the HMA, including 50 units that may be absorbed only at the lower rents achievable with the use of below-market-interest-rate financing or assistance in land acquisition or cost. It is estimated that the demand for 100 units at or above the minimum rents achievable with market-interest-rate financing would be absorbed best if production included five efficiencies, 15 one-bedroom units, 20 two-bedroom units, and 10 three-bedroom units, all of which should be at rents near the minimums achievable. The annual demand for 50 additional multifamily units in Crittenden County that may be marketed only at the lower rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost includes a demand for five efficiencies at rents of $55 or more, 15 one-bedroom units at $65 or more, 20 two-bedroom units at $75 or above, and 10 three-bedroom units at $90 or above.

The preceding distributions of average annual demand for new apartments are based on projected family income, the size distribution of households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorption experience of new multifamily housing. Thus, they represent patterns for guidance in the production of multifamily housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. Even though a deviation from these distributions may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless a thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or submarkets.

The location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

Table I

Trend of Civilian Work Force Components
Memphis, Tennessee, HMA, 1962-1966
(Annual averages in thousands)

Components	1962	1963	1964	1965a/	12 months ending August 1965a/	12 months ending August 1966a/
Civilian work force	263.7	274.6	280.3	286.3	285.0	289.4
Total employment	251.7	262.4	269.1	275.7	274.0	280.3
Nonagricultural	239.7	249.5	256.9	263.6	262.0	268.9
Wage and salary	202.1	208.3	215.0	222.2	220.2	228.4
Unemployment	12.9	12.2	11.2	10.6	11.0	9.1
Percent of work force	4.9%	4.4%	4.0%	3.7%	3.9%	3.1%

a/ Preliminary estimate subject to revision.

Sources: Tennessee Department of Employment Security.

Table II

Nonagricultural Wage and Salary Employment by Type of Industry
Memphis, Tennessee, HMA, 1957-1966
(Annual averages in thousands)

Industry	1957	1958	1959	1960	1961	1962	1963	1964	1965[b]	12 months ending August 1965[b]	12 months ending August 1966[b]
Total wage and salary employment	184.1	180.3	186.5	190.7	190.9	195.5	208.3	215.0	222.2	220.2	228.4
Manufacturing	45.1	41.1	43.0	44.6	43.6	44.9	46.8	47.9	49.6	49.1	52.4
Durable goods	21.1	17.6	18.5	19.0	18.3	19.1	20.3	21.4	22.3	22.0	24.1
Lumber	5.5	5.0	5.1	5.1	5.0	4.9	5.0	5.3	5.4	5.4	5.4
Furniture & fixtures	2.9	2.8	3.0	3.1	2.7	2.7	2.8	3.0	3.1	3.1	3.3
Fabricated metal products	1.9	1.9	1.9	2.1	2.0	2.1	2.4	2.3	2.6	2.5	2.7
Nonelectrical machinery	3.9	3.2	3.5	3.6	3.8	4.0	4.1	3.5	3.7	3.6	4.0
All other	6.9	4.7	5.0	5.1	4.8	5.4	6.0	7.3	7.5	7.5	8.8
Nondurable goods	24.0	23.5	24.5	25.6	25.3	25.8	26.5	26.5	27.3	27.1	27.9
Food products	NA	8.4	9.1	9.4	9.2	9.1	8.9	8.7	9.0	8.8	9.2
Apparel	1.7	1.5	1.5	1.6	1.7	1.8	2.0	2.0	2.3	2.2	2.4
Paper products	3.4	3.3	3.4	3.5	3.7	3.7	3.8	3.7	3.9	3.8	4.1
Printing & publishing	NA	NA	2.2	2.1	2.2	2.3	2.5	2.7	2.5	2.5	2.5
Chemicals	NA	3.4	3.4	3.7	3.7	3.8	3.9	4.1	4.2	4.2	4.3
All other	NA	NA	4.9	5.3	4.8	5.1	5.4	5.3	5.4	5.5	5.4
Nonmanufacturing	139.2	139.2	143.5	146.1	147.3	150.6	161.5	167.1	172.6	171.1	176.0
Mining	.3	.3	.3	.2	.3	.3	.3	.3	.2	.2	.3
Construction	9.6	11.0	10.4	10.1	10.1	10.4	11.6	12.6	12.8	12.6	13.4
Trans., comm., & pub. util.	16.9	16.1	16.0	16.0	15.4	15.3	16.2	16.5	17.0	16.8	17.4
Trade	49.7	48.4	50.9	51.9	51.5	51.7	54.7	56.7	58.0	57.8	58.9
Wholesale	17.6	17.6	18.8	19.2	19.5	19.6	20.2	20.9	21.1	21.1	21.2
Retail	32.2	30.9	32.1	32.7	32.0	32.1	34.5	35.8	36.9	36.7	37.7
Finance, ins., & real est.	9.0	9.0	9.4	9.7	10.2	11.0	11.6	11.7	12.1	12.0	12.2
Services	24.1	24.5	25.7	27.0	28.1	29.2	31.4	32.8	33.1	33.1	34.0
Government	29.6	29.9	30.8	31.2	31.7	32.7	35.7	36.5	39.4	38.5	39.8

a/ Data prior to 1963 pertains to Shelby County only.
b/ Preliminary estimate subject to revision.

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

Sources: Tennessee Department of Employment Security.

Table III

Percentage Distribution of Nonagricultural Wage and Salary Employment by Type of Industry
Memphis, Tennessee, HMA
Selected years 1957-1966 a/

	1957	1962	1963	12 months ending August 1966 b/
Total wage and salary employment	100.0	100.0	100.0	100.0
Manufacturing	24.5	23.0	22.5	22.9
Durable goods	11.5	9.8	9.7	10.6
Lumber	3.0	2.5	2.4	2.4
Furniture & fixtures	1.6	1.4	1.3	1.4
Fabricated metal products	1.0	1.1	1.2	1.2
Nonelectrical machinery	2.1	2.0	2.0	1.8
All other	3.7	2.8	2.9	3.9
Nondurable goods	13.0	13.2	12.7	12.2
Food products	NA	4.7	4.3	4.0
Apparel	.9	.9	1.0	1.1
Paper products	1.8	1.9	1.8	1.8
Printing & publishing	NA	1.2	1.2	1.1
Chemicals	NA	1.9	1.9	1.9
All other	NA	2.6	2.6	2.4
Nonmanufacturing	75.5	77.0	77.5	77.1
Mining	.2	.2	.1	NA
Construction	5.2	5.3	5.6	5.9
Trans., comm., & pub. util.	9.2	7.8	7.8	7.6
Trade	27.0	26.4	26.3	25.8
Wholesale	9.6	10.0	9.7	9.3
Retail	17.5	16.4	16.6	16.5
Finance, ins., & real estate	4.9	5.6	5.6	5.3
Services	13.1	14.9	15.1	14.9
Government	16.1	16.7	17.1	17.4

a/ Data for 1957 and 1962 pertain to Shelby County only.
b/ Based on preliminary data.
Note: Detail may not add because of rounding.

Sources: Tennessee Department of Employment Security.

Table IV

Estimated Percentage Distribution of All Families and Renter Households by Annual Income
After Deduction of Federal Income Tax
Memphis, Tennessee, HMA, 1966 and 1968

Annual income after deduction of federal income tax	HMA total				Shelby County				Crittenden County			
	All families		Renter households[a]		All families		Renter households[a]		All families		Renter households[a]	
	1966	1968	1966	1968	1966	1968	1966	1968	1966	1968	1966	1968
Under - $ 2,000	13	11	21	20	12	11	21	20	29	28	42	40
2,000 - 2,999	8	7	12	11	8	7	12	11	14	13	14	13
3,000 - 3,999	9	8	13	12	9	8	13	12	10	9	12	11
4,000 - 4,999	10	9	13	12	10	9	13	12	8	7	11	11
5,000 - 5,999	9	8	13	12	9	8	13	12	7	8	4	5
6,000 - 6,999	8	9	7	8	8	9	7	8	6	7	3	4
7,000 - 7,999	8	10	5	6	9	10	5	6	5	6	4	5
8,000 - 8,999	8	9	5	6	8	9	5	6	3	4	4	5
9,000 - 9,999	6	7	4	5	6	7	4	5	4	4	3	3
10,000 - 12,499	10	10	4	5	10	10	4	5	5	5	1	1
12,500 - 14,999	5	6	1	1	5	6	1	1	5	5	1	1
15,000 - 19,999	3	3	1	1	3	3	1	1	3	3	(1	(1
20,000 - and over	3	3	1	1	3	3	1	1	1	1	(	(
Total	100	100	100	100	100	100	100	100	100	100	100	100
Median	$6,200	$6,825	$4,225	$4,625	$6,300	$6,975	$4,300	$4,775	$3,375	$3,725	$2,300	$2,550

a/ Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table V

Housing Inventory by Units in Structures
Memphis, Tennessee, HMA
April 1, 1960 and October 1, 1966

Units in structure	April 1, 1960 Number	April 1, 1960 Percent	October 1, 1966 Number	October 1, 1966 Percent
HMA total				
Total	198,684 a/	100.0	230,650	100.0
One unit	160,518	80.8	179,575	77.9
Two to four units	20,679	10.4	22,200	9.6
Five or more units	16,199	8.2	27,625	12.0
Trailer	1,288	.6	1,250	.5
Shelby County, Tennessee				
Total	184,855 a/	100.0	215,350	100.0
One unit	147,871	80.0	165,600	76.9
Two to four units	19,955	10.8	21,325	9.9
Five or more units	15,975	8.6	27,350	12.7
Trailer	1,054	.6	1,075	.5
Crittenden County, Arkansas				
Total	13,829	100.0	15,300	100.0
One unit	12,647	91.5	13,975	91.3
Two to four units	724	5.2	875	5.7
Five or more units	224	1.6	275	1.8
Trailer	234	1.7	175	1.2

a/ Differs slightly from count of all units because units in structure were enumerated on a sample basis.

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

Table VI

Housing Inventory by Year Built
Memphis, Tennessee, HMA
As of October 1, 1966

Year built a/	Shelby County, Tennessee Number of units	Shelby County, Tennessee Percent of total	Crittenden County, Arkansas Number of units	Crittenden County, Arkansas Percent of total	HMA Number of units	HMA Percent of total
April 1960 - October 1966	37,350	17.3	1,500	9.8	38,850	16.8
1955-March 1960	30,150	14.0	1,800	11.8	31,950	13.9
1950-1954	35,950	16.7	1,925	12.6	37,875	16.4
1940-1949	37,700	17.5	3,250	21.2	40,950	17.8
1930-1939	23,475	10.9	2,800	18.3	26,275	11.4
1929 or earlier	50,725	23.6	4,025	26.3	54,750	23.7
Total	215,350	100.0	15,300	100.0	230,650	100.0

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

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

Table VII

Number of New Housing Units Authorized by Building Permits
By Location and Size of Structure
Memphis, Tennessee, HMA, 1960-1966

	Year	One-family	2-to 4-family	5-family or more	Total	Percent two-family or more
HMA total	1960	3,983	328	986	5,297	24.8
	1961	3,688 a/	439 b/c/	1,261	5,388 a/b/c/	31.6
	1962	3,704	204	1,113	5,021	26.2
	1963	3,545	234	3,753	7,532	52.9
	1964	3,931	342	2,144	6,417	38.7
	1965	3,649	404	3,504	7,557	51.7
	Jan.-Sept. 1966	2,532	120	1,986	4,638	45.4
Shelby County, Tennessee, total	1960	3,794	322	986	5,102	25.6
	1961	3,521	314	1,261	5,096	30.9
	1962	3,421	204	1,113	4,738	27.8
	1963	3,322	232	3,693	7,247	54.2
	1964	3,774	342	2,144	6,260	39.7
	1965	3,428	384	3,504	7,316	53.1
	Jan.-Sept. 1966	2,385	120	1,986	4,491	46.9
Memphis	1960	1,028	264	974	2,266	54.6
	1961	1,286 a/	178	1,241	2,705 a/	52.5
	1962	806	162	1,057	2,025	60.2
	1963	762	218	3,455	4,435	82.8
	1964	669	288	1,960	2,917	77.1
	1965	1,252	364	2,989	4,605	72.9
	Jan.-Sept. 1966	965	116	1,722	2,803	65.6
Shelby County, incorporated	1960	2,696	54	12	2,762	2.4
	1961	2,180	42	20	2,242	2.8
	1962	2,518	42	56	2,616	3.7
	1963	2,476	14	238	2,728	9.2
	1964	2,911	54	184	3,149	7.6
	1965	1,980	14	491	2,485	20.3
	Jan.-Sept. 1966	1,242	4	264	1,510	17.7
Remainder of Shelby County	1960	70	4	-	74	5.4
	1961	55	94 b/	-	149 b/	63.1
	1962	97	-	-	97	-
	1963	84	-	-	84	-
	1964	194	-	-	194	-
	1965	196	6	24	226	13.3
	Jan.-Sept. 1966	178	NA	NA	178	NA

Table VII (continued)

	Year	One-family	2-to 4-family	5-family or more	Total	Percent two-family or more
Crittenden County, Arkansas, total	1960	189	6	-	195	3.1
	1961	167	125	-	292	42.8
	1962	283	-	-	283	-
	1963	223	2	60	285	21.8
	1964	157	-	-	157	-
	1965	221	20	-	241	8.3
	Jan.-Sept. 1966	147	-	-	147	-
West Memphis	1960	171	4	-	175	2.3
	1961	166	125 c/	-	291 c/	43.0
	1962	277	-	-	277	-
	1963	215	2	60	277	22.4
	1964	146	-	-	146	-
	1965	212	20	-	232	8.6
	Jan.-Sept. 1966	115	-	-	115	-
Remainder of Crittenden County	1960	18	2	-	20	10.0
	1961	1	-	-	1	-
	1962	6	-	-	6	-
	1963	8	-	-	8	-
	1964	11	-	-	11	-
	1965	9	-	-	9	-
	Jan.-Sept. 1966	32	-	-	32	-

a/ Includes 250 units of public housing.
b/ Includes 90 units of public housing in Millington.
c/ Includes 119 units of public housing.

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

Table VIII

Household Tenure Trends
Memphis, Tennessee, HMA
April 1, 1950-October 1, 1966

	Shelby County, Tennessee	Crittenden County Arkansas	HMA total
April 1, 1950			
Total housing inventory	137,860	13,893	151,753
Total occupied units	133,683	12,073	145,756
Owner-occupied units	64,142	3,429	67,571
Percent of total occupied units	48.0%	28.4%	46.4%
Renter-occupied units	69,541	8,644	78,185
Percent of total occupied units	52.0%	71.6%	53.6%
Total vacant units	4,177	1,820	5,997
April 1, 1960			
Total housing inventory	184,868	13,829	198,697
Total occupied units	174,758	11,803	186,561
Owner-occupied units	99,543	5,066	104,609
Percent of total occupied units	57.0%	42.9%	56.1%
Renter-occupied units	75,215	6,737	81,952
Percent of total occupied units	43.0%	57.1%	43.9%
Total vacant units	10,110	2,026	12,136
October 1, 1966			
Total housing inventory	215,350	15,300	230,650
Total occupied units	208,400	13,100	221,500
Owner-occupied units	115,650	6,000	121,650
Percent of total occupied units	55.5%	45.8%	54.9%
Renter-occupied units	92,750	7,100	99,850
Percent of total occupied units	44.5%	54.2%	45.1%
Total vacant units	6,950	2,200	9,150

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

Table IX

Vacancy Trends
Memphis, Tennessee, HMA
April 1, 1950-October 1, 1966

Vacancy characteristics	Shelby County, Tennessee	Crittenden County, Arkansas	HMA
April 1, 1950			
Total vacant units	4,177	1,820	5,997
Available vacant units	2,081	194	2,275
For sale	788	24	812
For rent	1,293	170	1,463
Other vacant units	2,096	1,626	3,722
Homeowner vacancy rate	1.2%	.7	1.2%
Rental vacancy rate	1.8%	1.9	1.8
April 1, 1960			
Total vacant units	10,110	2,026	12,136
Available vacant units	7,152	308	7,460
For sale	2,597	102	2,699
For rent	4,555	206	4,761
Other vacant units	2,958	1,718	4,676
Homeowner vacancy rate	2.5%	2.0%	2.5%
Rental vacancy rate	5.7%	3.0%	5.5%
October 1, 1966			
Total vacancy units	6,950	2,200	9,150
Available vacant units	3,900	400	4,300
For sale	1,450	150	1,600
For rent	2,450	250	2,700
Other vacant units	3,050	1,800	4,850
Homeowner vacancy rate	1.2	2.4%	1.3%
Rental vacancy rate	2.5	3.4%	2.6%

Sources: 1950 and 1960 Censuses of Housing and estimates of Housing Market Analyst.

Table X

Memphis, Tennessee Area Postal Vacancy Survey

September 13-23, 1966

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	203,805	3,896	1.9	2,831	1,065	3,178	175,302	2,805	1.6	1,976	829	858	28,503	1,091	3.8	855	236	2,320	1,087	14	1.3
Tennessee Portion	195,634	3,595	1.8	2,626	969	3,131	167,628	2,548	1.5	1,810	738	818	28,006	1,047	3.7	816	231	2,313	935	13	1.4
Memphis	189,768	3,462	1.8	2,509	953	3,010	161,964	2,432	1.5	1,708	724	797	27,804	1,030	3.7	801	229	2,213	935	13	1.4
Main Office	6,326	99	1.6	87	12	263	3,472	35	1.0	35	-	1	2,854	64	2.2	52	12	262	-	-	-
Branches:																					
Raleigh	4,775	240	5.0	61	179	450	4,381	191	4.4	38	153	90	394	49	12.4	23	26	360	-	-	-
Whitehaven	10,479	242	2.3	84	158	136	9,447	226	2.4	73	153	120	1,032	16	1.6	11	5	16	201	-	-
Stations:																					
Binghamton	10,542	198	1.9	187	11	58	8,571	134	1.6	124	10	2	1,971	64	3.2	63	1	56	192	-	-
Crosstown	15,865	412	2.6	382	30	115	8,623	121	1.4	121	-	30	7,242	291	4.0	261	30	85	-	-	-
East Memphis	16,388	249	1.5	194	55	144	15,173	148	1.0	138	10	24	1,215	101	0.8	56	45	120	-	-	-
Frayser	11,290	186	1.6	129	57	377	10,279	162	1.6	117	45	62	1,011	24	2.4	12	12	315	166	-	-
Highland	10,811	105	1.0	101	4	91	10,116	78	0.8	74	4	1	695	27	3.9	27	-	90	-	-	-
Holiday City	7,446	260	3.5	55	205	681	7,446	260	3.5	55	205	163	-	-	-	-	-	518	248	9	3.6
Hollywood	10,416	174	1.7	142	32	6	10,261	127	1.2	125	2	6	155	47	30.3	17	30	-	52	1	1.9
Lamar	15,338	209	1.4	193	16	118	13,399	144	1.1	135	9	30	1,939	65	3.4	58	7	88	-	-	-
Lee	9,517	123	1.3	123	-	32	4,664	80	1.7	80	-	24	4,853	43	0.9	43	-	8	-	-	-
Mallory	14.180	211	1.5	117	94	307	14,106	203	1.4	109	94	79	74	8	10.8	8	-	228	-	-	-
McKellar	17,865	354	2.0	325	29	20	16,128	284	1.8	266	18	13	1,737	70	4.0	59	11	7	75	3	4.0
North	13,644	285	2.1	254	31	7	11,882	159	1.3	148	11	7	1,762	126	7.2	106	20	-	1	-	-
White Station	14,886	115	0.8	75	40	205	14,016	80	0.6	70	10	145	870	35	4.0	5	30	60	-	-	-
Millington	5,866	133	2.3	117	16	121	5,664	116	2.0	102	14	21	202	17	8.4	15	2	100	-	-	-
Arkansas Portion	8,171	301	3.7	205	96	47	7,674	257	3.3	166	91	40	497	44	8.9	39	5	7	152	1	0.7
Earle	1,650	99	6.0	75	24	14	1,634	89	5.4	70	19	9	16	10	62.5	5	5	5	10	1	10.0
Marion	401	11	2.7	11	-	7	316	2	0.6	2	-	7	85	9	10.6	9	-	-	-	-	-
West Memphis	6,120	191	3.1	119	72	26	5,724	166	2.9	94	72	24	396	25	6.3	25	-	2	142	-	-

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 XI

Status of New Houses Completed in Selected Subdivisions[a/]
Memphis, Tennessee, HMA
As of January 1, 1964, 1965, and 1966

Shelby County, Tennessee

Sales price	Total completions	Pre-sold	Speculative construction Total	Number sold	Number unsold	Percent unsold
			(Houses completed in 1963)			
Under $10,000	65	9	56	51	5	8.9
$10,000 - 12,499	540	117	423	357	66	15.6
12,500 - 14,999	656	203	453	349	104	23.0
15,000 - 17,499	621	246	375	291	84	22.4
17,500 - 19,999	271	112	159	104	55	34.6
20,000 - 24,999	413	137	276	193	83	30.1
25,000 - 29,999	174	39	135	98	37	27.4
30,000 - 34,999	87	33	54	33	21	38.9
35,000 and over	78	21	57	38	19	33.3
Total	2,905	917	1,988	1,514	474	23.8
			(Houses completed in 1964)			
Under $10,000	13	2	11	10	1	9.1
$10,000 - 12,499	157	26	131	104	27	20.6
12,500 - 14,999	671	184	487	383	104	21.4
15,000 - 17,499	478	184	294	193	101	34.4
17,500 - 19,999	442	147	295	203	92	31.2
20,000 - 24,999	329	135	194	137	57	29.4
25,000 - 29,999	254	65	189	113	76	40.2
30,000 - 34,999	108	29	79	50	29	36.7
35,000 and over	66	24	42	24	18	42.9
Total	2,518	796	1,722	1,217	505	29.3
			(Houses completed in 1965)			
Under $10,000	5	0	5	5	0	0
$10,000 - 12,499	170	39	131	120	11	8.4
12,500 - 14,999	581	153	428	311	117	27.3
15,000 - 17,499	540	203	337	229	108	32.1
17,500 - 19,999	439	166	273	150	123	45.1
20,000 - 24,999	402	121	281	153	128	45.6
25,000 - 29,999	291	90	201	131	70	34.8
30,000 - 34,999	135	51	84	58	26	31.0
35,000 and over	82	43	39	26	13	33.3
Total	2,645	866	1,779	1,183	596	33.5

Table XI (continued)

Crittenden County, Arkansas

Sales price	Total completions	Pre-sold	Speculative construction: Total	Number sold	Number unsold	Percent unsold
			(Houses completed in 1963)			
Under $10,000	0	0	0	0	0	0
$10,000 - 12,499	126	24	102	76	26	25.5
12,500 - 14,999	62	14	48	32	16	33.3
15,000 - 17,499	17	1	16	12	4	25.0
17,500 - 19,999	14	2	12	11	1	8.3
20,000 - 24,999	4	1	3	3	0	0
25,000 - 29,999	2	0	2	2	0	0
30,000 - 34,999	0	0	0	0	0	0
35,000 and over	0	0	0	0	0	0
Total	225	42	183	136	47	25.7
			(Houses completed in 1964)			
Under $10,000	0	0	0	0	0	0
$10,000 - 12,499	67	0	67	61	6	9.0
12,500 - 14,999	69	0	69	60	9	13.0
15,000 - 17,499	16	0	16	14	2	12.5
17,500 - 19,999	3	0	3	2	1	33.3
20,000 - 24,999	5	0	5	3	2	40.0
25,000 - 29,999	1	0	1	0	1	100.0
30,000 - 34,999	0	0	0	0	0	0
35,000 and over	1	0	1	1	0	0
Total	162	0	162	141	21	13.0
			(Houses completed in 1965)			
Under $10,000	0	0	0	0	0	0
10,000 - 12,499	42	1	41	39	2	4.9
12,500 - 14,999	68	7	61	51	10	16.4
15,000 - 17,499	28	1	27	25	2	7.4
17,500 - 19,999	2	0	2	2	0	0
20,000 - 24,999	5	0	5	3	2	40.0
25,000 - 29,999	1	0	1	1	0	0
30,000 - 34,999	0	0	0	0	0	0
35,000 and over	0	0	0	0	0	0
Total	146	9	137	121	16	11.7

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

Source: Annual FHA Surveys of Unsold New Houses conducted by Memphis, Tennessee and Little Rock, Arkansas Insuring Offices.

Table XII

Absorption of Walk-Up Apartment Units Completed in the Past Five Years
Memphis, Tennessee, HMA
As of September 1, 1966

Size of unit	Occupancy period: 6 months or less	7-12 months	13-24 months	2-5 years	Total 5 years or less
Efficiency					
Total	0	0	64	90	154
Number vacant	0	0	5	0	5
Percent vacant	0	0	7.8	0	3.2
One bedroom					
Total	266	249	222	1,164	1,901
Number vacant	3	0	6	51	60
Percent vacant	1.1	0	2.7	4.4	3.2
Two bedroom					
Total	1,165	992	962	2,561	5,680
Number vacant	25	13	16	58	112
Percent vacant	2.1	1.3	1.7	2.3	2.0
Three bedroom					
Total	1	32	161	96	290
Number vacant	0	0	7	1	8
Percent vacant	0	0	4.3	1.0	2.8
Total all sizes					
Total	1,432	1,273	1,409	3,911	8,025
Number vacant	28	13	34	110	185
Percent vacant	2.0	1.0	2.4	2.8	2.3

Source: Market Absorption Survey conducted by the Memphis Insuring Office, Federal Housing Administration.

Table XIII

Absorption of High-rise Apartment Units Completed in the Past Five Years
Memphis, Tennessee, HMA
As of September 1, 1966

Size of unit	Occupancy period: 7-12 months	13-24 months	2-5 years	Total 5 years or less
Efficiency				
Total	0	190	108	298
Number vacant	0	21	4	25
Percent vacant	0	11.1	3.7	8.4
One bedroom				
Total	34	190	515	739
Number vacant	1	11	6	18
Percent vacant	2.9	5.8	1.2	2.4
Two bedroom				
Total	51	118	382	551
Number vacant	6	11	17	34
Percent vacant	11.8	9.3	4.5	6.2
Three bedroom				
Total	4	29	39	72
Number vacant	0	0	0	0
Percent vacant	0	0	0	0
Total all sizes				
Total	89	527	1,044	1,660
Number vacant	7	43	27	77
Percent vacant	7.9	8.2	2.6	4.6

Source: Market Absorption Survey, conducted by the Memphis Insuring Office, Federal Housing Administration.