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Analysis of the
**MIDLAND, TEXAS
HOUSING MARKET**

as of August 1, 1966

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

May 1967

ANALYSIS OF THE
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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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ANLAYSIS OF THE
MIDLAND, TEXAS, HOUSING MARKET
AS OF AUGUST 1, 1966

Summary and Conclusions

1. The Midland, Texas, Housing Market Area (HMA), coextensive with the Midland Standard Metropolitan Statistical Area, is Midland County, Texas. Since the 1920's, Midland has developed as an exploration and administrative center for the petroleum industry. Mining (petroleum) currently accounts for one-fourth of all nonagricultural employment. Most other sources of employment are engaged in providing goods and services to the oil companies and their employees and families.
2. The total number of jobs covered by unemployment insurance reached the all-time month-of-March peak in 1959, when 18,300 covered workers were reported. The crest in total employment lagged behind the peak in mining employment, which occurred in 1958 (8,550 workers). Covered mining employment declined each year during 1959-1964, to about 6,675 in March 1964. The stabilization of the Midland oil industry and centralization of oil company administration in Midland led to an increase in total covered employment in March 1965 (to almost 17,150). Nonagricultural employment is expected to increase by about 300 jobs during each of the next two years.
3. In Midland and Ector (Odessa) Counties combined, the average annual rate of unemployment has varied only within one percentage point since 1960, when the rate was 3.4 percent. The unemployment rate moved gradually upward to 4.4 percent in 1963, and then declined through 1964 to average 3.8 percent in 1965.
4. The current median annual income of all families in the Midland area is about \$8,275, after the deduction of federal income tax, and the median annual after-tax income of renter households of two-or-more persons is \$6,800. By August 1968, the median annual after-tax income of all families is expected to be \$8,775, and of renter households, \$7,200.
5. The current population of the Midland HMA is about 71,550 persons, reflecting an increase of around 3,850 since April 1960, or an average of about 610 annually. During the two-year forecast period, the population is expected to increase by about 2,050, or 1,025 annually.
6. Households currently number about 21,050, up around 1,500 (240 annually) since April 1960. The number of households will increase by about 700, or 350 annually, during the two-year forecast period.

7. The housing inventory currently totals 25,750 units. Since 1960, about 3,850 housing units have been authorized for construction by building permits, including 960 units in structures containing two or more units. Authorizations trended downward from 880 units in 1960 to 390 in 1963, and then increased each year to total 640 in 1965. About 500 housing units have been removed from the housing inventory since 1960 as a result of building code enforcement and other causes. There are currently about 200 housing units under construction, including 80 single-family units and 120 units in multifamily structures.
8. There are presently some 3,550 available vacant housing units in the HMA. Around 2,000 units are available for sale only, or a sales vacancy ratio of 12.3 percent; the remaining 1,550 units are for rent, a rental vacancy ratio of 18.5 percent. Both the sales and rental vacancy ratios represent substantial increases since April 1960, when ratios of 4.7 percent and 16.4 percent, respectively, were reported by the Census. The great majority of the current vacant available sales housing is in price ranges below \$17,000, and a large proportion contain fewer than three bedrooms or are structurally obsolescent or noncompetitive for other reasons.
9. Based on the expected increases in the number of households during the next two years (350 annually), and allowing for adjustments in the market to establish more acceptable demand-supply relationships, there will be demand for about 160 units of privately-financed sales housing during each of the next two years. All of the sales housing demand should be in price ranges above \$17,000. Demand for new sales housing by price range is expected to approximate the pattern indicated on page 25. It is judged that there is a more than sufficient number of adequate rental units to satisfy the quantitative requirements of new renter households during the next two years.

ANALYSIS OF THE
MIDLAND, TEXAS, HOUSING MARKET
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Housing Market Area

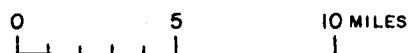
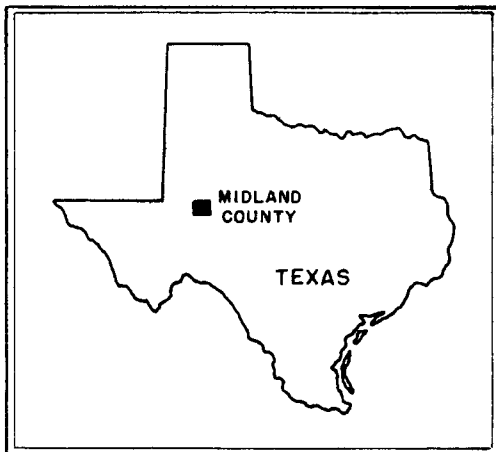
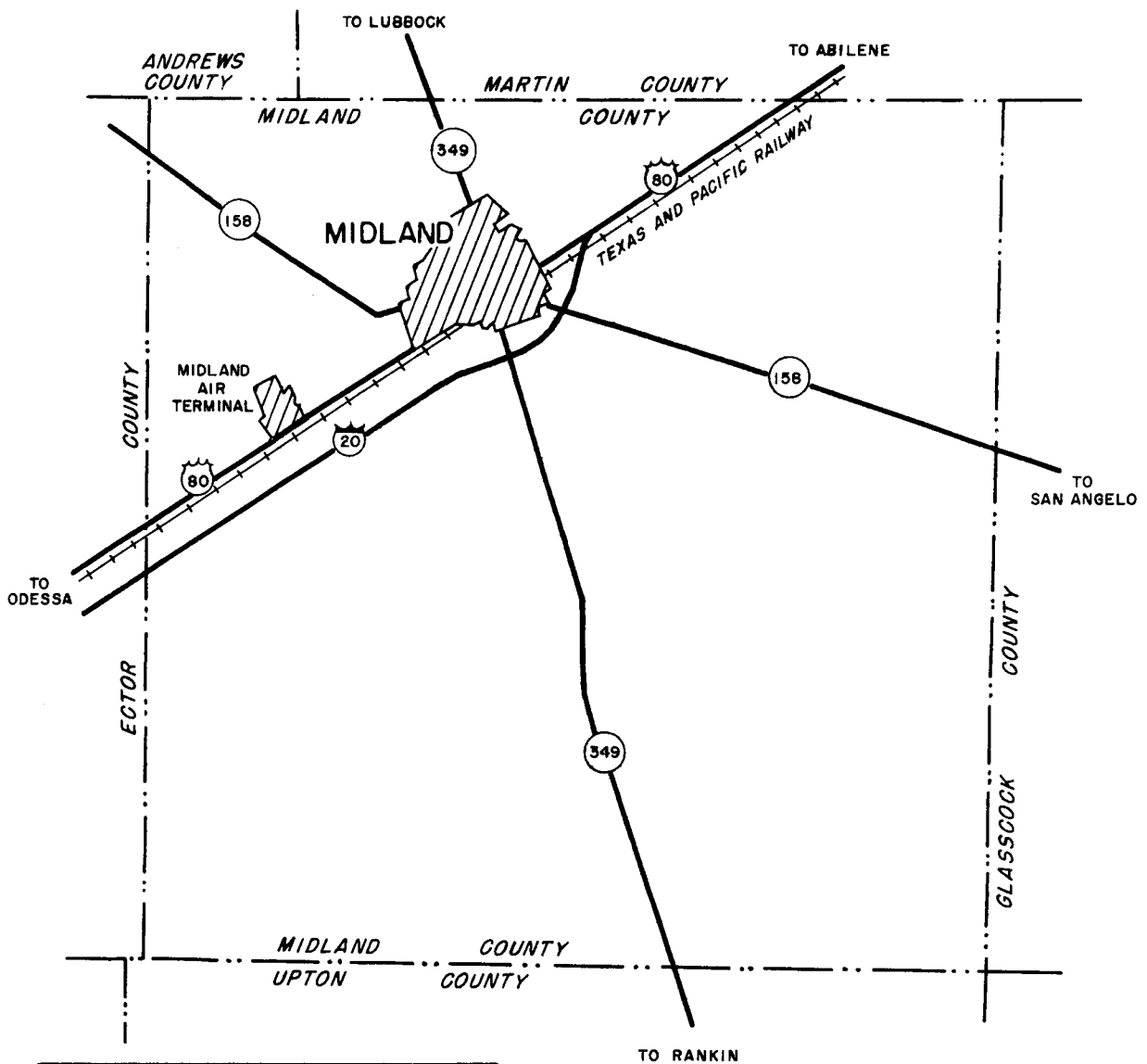
The Midland, Texas, Housing Market Area (HMA) is defined as being co-extensive with the Midland Standard Metropolitan Statistical Area, which consists of Midland County, Texas (see map on following page). The HMA had a population of about 67,700 in 1960^{1/}. Midland is located on the West Texas plains, about 300 miles west of Fort Worth and 290 miles east of El Paso, Texas. Odessa, in adjoining Ector County, is twenty miles to the west of Midland.

The main highway serving Midland County is U.S. 80, which traverses the area southwestward to Odessa and to the northeast to Big Spring. These two cities are about 20 and 40 miles distant, respectively, from Midland and have a limiting effect on the trade area. Highway transportation will be augmented with Interstate 20, which parallels U.S. 80 through the HMA. The by-pass portion of the new road will be completed about the end of 1966. Several state roads also traverse Midland County. Rail service is provided by the Texas and Pacific Railway Company, which is historically important to the Midland area. Six motor freight companies serve the HMA, three of which maintain terminals in Midland. Midland is provided with especially good air transport service; the Midland Air Terminal (the fifth most important in the State of Texas) is a major junction point for travelers. The Air Terminal is about five miles southwest of the city proper but is within the city limits and is connected to the Midland urban area by a narrow strip of land annexed by the city.

According to data from the 1960 Census, there was a net commutation of about 100 workers into the Midland HMA from contiguous counties, with 820 area residents working in adjoining counties outside the HMA and 920 residents of adjoining counties commuting into the area. By far the greatest amount of economic inter-dependence was shown between Midland and Ector Counties; some 750 of the in-commuters to the HMA and 550 of the out-commuters traveled between the two counties.

^{1/} Inasmuch as the rural farm population of the Midland HMA constituted only 0.9 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.

MIDLAND, TEXAS, HOUSING MARKET AREA



Economy of the Area

Character and History

The name Midland comes from the location of the city, approximately midway between Fort Worth and El Paso. The area was first settled in 1881 when the Texas and Pacific Railway set up a construction camp. Many such railroad camps subsequently were designated as county seats, as was Midland. The earliest economic support for the area was cattle-raising. By 1906, when Midland was incorporated, the city had established itself as a regional trade and cattle-shipping center, providing services to the area ranchers.

In the 1920's the economic base of Midland began a shift in emphasis toward petroleum-related sources of employment. The transition was slow at first, but soon the first boom period of oil-field development in the Permian basin of west Texas left agriculture with a relatively minor role in the Midland economy. Development of other highly-productive oil fields in east Texas and elsewhere during the 1930's helped to depress oil prices, and the booming growth of the Midland economy was halted. The petroleum market eventually was stabilized, and the second boom period followed in the 1940's and 1950's. Midland has grown into a concentrated exploration and administrative center for the petroleum industry, which complements in many ways the production-oriented facilities which have developed at nearby Odessa.

Employment

Current Estimate. According to special estimates prepared by the Texas Employment Commission, there were about 24,310 nonagricultural jobs in Midland County as of June 1966 (see table I). Only 1,105 (five percent) of all nonagricultural jobs were in manufacturing industries, while one-fourth were in mining (petroleum).

Past Trend. Detailed information on trends in total employment by type of industry is not available for the Midland HMA. Such data are available only for jobs covered by the Texas Unemployment Compensation Law, which account for over two-thirds of all nonagricultural employment in the area. The data are an adequate indicator of trends in over-all employment and in the major industry categories. The Texas Employment Commission publishes data on the number of covered workers, by industry, as of March of each year (see table II).

As of March 1965, the most recent date for which figures are available, there were about 17,150 covered workers in the Midland HMA. This number represents an increase of over 760 covered jobs since the previous March,

mostly caused by gains in construction employment and by a substantial number of oil industry jobs which were transferred to Midland from elsewhere. The recent covered employment increase is a reversal of the downward trend which had prevailed since the all-time month-of-March peak was attained in 1959. At that time, some 18,300 covered workers were reported. Yearly declines followed until the March 1964 low of 16,375 jobs was reached.

Direct employment in mining, according to the covered employment data in table II, increased from 6,800 in 1956 to a peak of 8,550 in 1958. Declines in covered employment in mining followed each year thereafter to 6,675 in March 1964, an average annual loss of about 310 jobs. Stabilization of factors governing the Midland oil industry helped covered mining employment to increase to 6,900 in March 1965. Available information indicates that covered employment in mining has continued to increase through March 1966.

The number of covered workers in manufacturing industries almost doubled between 1956 and 1965, the most rapid rate of growth of any employment sector during the period. According to local sources, most of this employment growth has been in durable goods production. Covered employment in both trade and services has shown some net gain since 1956, but the trend was marked by year-to-year fluctuations upward and downward. The number of covered workers in trade actually crested at 4,250 in March 1961, or 360 jobs above the number of the following year. Since 1962, covered employment in trade has remained virtually unchanged. Covered employment in services increased by a net of 330 jobs between March 1956 and March 1965. After a series of ups and downs between 1956 and 1963, covered service employment has gained each year since 1963. Of the remaining industry categories shown in table II, only the transportation, communication, and utilities category shows a net loss between 1956 and 1965.

The considerable fluctuation in employment apparent in all industry categories is the result, in large part, of the dominance of the petroleum industry. Since the data used to indicate year-to-year trends are for the month of March for each year, extraneous factors (weather, etc.) may account for some of the fluctuations, especially in the construction category. With one exception, annual trends in total covered employment generally have followed the employment trend in mining. The exception was 1959, which probably is explained by a lag in adjustment to the downturn in mining.

The Texas Railroad Commission sets the allowable number of producing days for the oil industry, to keep supply from out-pacing demand. The term "producing days" originates from the former practice of setting a maximum number of days each month during which individual oil wells were allowed to produce. In more recent years a "shutdown factor" has been adopted, establishing the proportion of the month during which the wells are allowed to produce. The degree of restrictiveness of the factors affects the number of workers engaged in oilfield production operations directly. Also, a reduction in allowable production makes the fields less profitable, and discourages exploration for field expansion. Since a large part of the function of the Midland oil industry is exploration, reductions tend to depress the local economy. The converse, of course, is true when the demand for crude oil remains high and production controls are eased.

The first economic boom period in Midland ended when the supply of oil saturated the market. The regulations enacted to prevent a re-occurrence of the over-supply were responsible, in large part, for the end of the second boom. During the post-World War II period, the shutdown factor has ranged from an average annual high of 100 percent (in 1948), to a 1962 average of 27 percent. There was almost a steady decline in the factor during the 1950's, but the decrease was not sufficient to dampen the expansion of oil exploration and other petroleum-related activities headquartered in Midland. A sharp curtailment occurred in 1958, when (for several months) the proportion of producing days dropped below 30 percent for the first time, resulting in an average of 33 percent for the year (down from 47 percent in 1957). Another curtailment came in 1960, when the proportion of producing days averaged 28 percent for the year. The average remained near that figure for about six years, but during the first seven months of 1966 the proportion has increased to 34 percent. Also, in an effort to encourage lagging oil exploration, the Texas Railroad Commission recently liberalized its restrictions for newly-developed fields.

Employment by Industry. The Midland economy is dominated by mining. According to the special estimates of total employment provided by the Texas Employment Commission (shown in table I), mining accounted for 6,220 (25.6 percent) of the estimated June 1966 total nonagricultural employment. Midland has little else to rely on for "basic" employment. Many of the industries shown in Table I actually are engaged in providing goods and services to the oil companies. For example, most employment in metal fabrication consists of oil-tank and related production, and machinery manufacturers produce mostly oil field equipment.

The greatest part of mining employment in the Midland HMA is of an administrative or exploratory nature. The administrative character of much of the mining employment helped to moderate the effect of the losses in production and exploration jobs caused by the reduction in allowable oil production. Also, around the turn of the decade many oil companies consolidated operations into larger centers; a number of these chose Midland in which to locate. In recent years, several of the largest oil companies have centralized administrative functions from smaller cities and towns in Texas and New Mexico to Midland. Notable among these companies are Phillips Petroleum, Mobil Oil, and Humble Oil. Most of the job transfers have been accomplished, but around 100 are yet to be moved to Midland.

As shown in table I, only about 1,100 persons are employed in manufacturing industries, mostly in durable goods production. Employment in the production of fabricated metal products (220 workers) and machinery (315 workers) accounts for almost half of the manufacturing total. A relatively-small number of persons (165) are engaged in the manufacture of food products. Midland County is heavily dependent on outside sources for its food supply.

Employment in nonmanufacturing pursuits (other than mining) amounted to almost 17,000 in June 1966. The two largest of these categories are trade (5,445 workers) and services (4,860). The number of jobs in trade is restricted somewhat by the proximity of Odessa and Big Spring to the west and east, respectively, effectively limiting the Midland trade area. Employment in finance, insurance, and real estate was 1,015 in June 1966. Total employment in government was estimated at 2,540 workers, of whom only 290 were federal employees and 2,250 were employed by state and local governments. From information gained locally, current employment in government appears to represent a level somewhat above that of ten years ago. Although government employment is important to the Midland economy, it is considerably less so than in the nation as a whole. Around one-sixth of all nonagricultural workers in United States are government employees, compared to one-tenth in Midland County.

Principal Employers

The few manufacturing employers in the Midland area are dwarfed in employment size by the major oil companies. According to a recent survey, the largest manufacturer is Drilco Oil Tools, Incorporated, which employs less than 100 workers. The oil-well drilling tools produced by the firm are distributed nationally and internationally. Most of the other largest manufacturing employers are local-supply producers, except for the Pegasus plant of the Mobil Oil Company, which employs less than 100 workers.

Almost every major United States oil company maintains a regional headquarters in Midland, and several large independent oil companies are based there. There also are a large number of smaller independent oil operators, although somewhat fewer now than in the late 1950's when there were almost 700 oil companies and firms of affiliated service industries located in Midland.

Unemployment

A series of annual work force data is available only on a combined Midland County and Ector County (Odessa) basis. However, it is judged that trends in the rate of unemployment for this combined area are fairly valid for each of the counties separately. The table below shows trends in the work force and unemployment in the two-county area.

Work Force and Unemployment
Midland and Ector Counties, Texas, 1960-1965
(Annual averages)

<u>Component</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Civilian work force	<u>59,490</u>	<u>59,780</u>	<u>59,730</u>	<u>60,050</u>	<u>59,395</u>	<u>59,640</u>
Unemployed	2,000	2,300	2,570	2,635	2,405	2,265
Percent	3.4	3.8	4.3	4.4	4.0	3.8
Employed	57,490	57,480	57,160	57,415	56,990	57,375

Source: Texas Employment Commission.

The average annual rate of unemployment has varied only within a range of one percentage point above the 1960 rate, when it **was** 3.4 percent. The unemployment rate moved gradually upward to 4.4 percent in 1963, and then declined through 1964 to average 3.8 percent in 1965. Excepting 1960-1961, the average annual work force of Midland and Ector Counties rose and fell in accordance with increases or decreases in the number of job opportunities.

The most recent separate estimate of employment for Midland County is for the month of June 1966. According to an estimate provided by the Texas Employment Commission, there was a civilian work force of 25,505 persons in June, of which 1,010 (4.0 percent) were jobless. Part of the June unemployment level reflects the seasonal entrance into the work force of student summer workers; the TEC estimate of June unemployment for Midland and Ector Counties combined is 1.1 percentage points above the estimate for May.

Estimated Future Employment

Estimates of future employment growth in areas based almost entirely on a single industry usually are hazardous. In the case of Midland, added uncertainty is contributed by the unstable nature of that basic industry. Among the factors which must be kept in mind are government regulations with respect to production allowables, oil import limitations, and tax policies (especially depreciation allowances), as well as certain geological and technological developments. Relatively minor changes in any of these factors could affect significantly the employment potential of the Midland economy. Also a factor, as in all employment forecasts for local areas, are the future trends in the national economy.

Based on the expected transfer to Midland of around 100 oil-connected jobs, on other increases in oil-related employment which should be stimulated by recent liberalization of production regulations, and on employment increases in community-support types of industries (trade, services, etc.), an annual increment of around 300 nonfarm jobs appears to be a reasonable expectation for the two-year forecast period to August 1968.

Income

Midland is a high income area relative to both the state and the nation. The 1960 Census reported a 1959 median family income of \$6,936 for the Midland HMA, compared to \$4,884 for all of Texas and \$5,660 for the nation as a whole. The 1959 median family income in the Midland Standard Metropolitan Statistical Area was the highest of all the 21 SMSA's in Texas. The high income in Midland is a reflection of the generally-high wages in the oil industry and especially of the salaries and wages paid the professional and technical workers who comprise a large part of the employment in the oil industry in Midland. According to the census, some 17.8 percent of all workers in the Midland HMA as of 1960 were professional, technical, or kindred, compared to 11.2 percent in the nation.

The current median annual income, after the deduction of federal income tax, of all families in the Midland HMA is approximately \$8,275, and the median after-tax income of all renter households of two-or-more persons is about \$6,800. Approximately 14 percent of all families and 20 percent of the renter households have after-tax incomes of less than \$4,000 annually. About 13 percent of all families receive an annual after-tax income in excess of \$15,000.

By August 1968, the median annual after-tax income of all families is expected to increase to about \$8,775, and that of renter households to about \$7,200. Table III provides a detailed distribution of families by current annual income and a forecast of the distribution in 1968.

Demographic Factors

Population

Current Estimate. The current population of the Midland HMA is estimated at 71,550 persons, reflecting an increase of about 3,850 since April 1960, or around 610 (0.9 percent^{1/}) annually. Most, if not all, of the net gain in population since 1960 has taken place in the last two years, when the Midland economy has shown a revival of growth. Some 66,150 (92 percent) of the HMA total population resides in Midland. The population of the remainder of the county is relatively sparse; there is no other city or town in Midland County. Midland usually annexes vacant land on the fringe of the city before subdivision and development. Since most population growth is located in the urban part of the HMA, Midland accounts for the greatest part of population gains.

Past Trend. The modest rate of population growth of the Midland HMA since 1960 contrasts with the rapid population gains of the previous two decades. The number of residents of Midland County almost doubled during the 1940's and increased even faster through the 1950-1959 decade. This twenty-year period of population growth occurred during the second oil boom era of Midland. Since April 1960, there has been a net decline in the number of oil-related jobs in the HMA, but the area has gained a moderate number of residents. The table below summarizes population trends since 1940, including a forecast to 1968.

^{1/} All average annual percentage changes, as used in this analysis, are derived through the use of a formula designed to calculate the annual percentage change on a compound basis.

Changes in Population
Midland, Texas, Housing Market Area
April 1940-August 1968

<u>Date</u>	<u>Population</u>	<u>Average annual change</u> <u>from preceding date</u>	
		<u>Number</u>	<u>Percent</u>
April 1940	11,721	-	-
April 1950	25,785	1,406	7.9
April 1960	67,717	4,193	9.6
August 1966	71,550	610	.9
August 1968	73,600	1,025	1.4

Sources: 1940, 1950, and 1960 Censuses of Population.
1966 and 1968 estimated by Housing Market Analyst.

Estimated Future Population. During the two-year forecast period, the population of the Midland HMA is expected to increase by about 2,050 persons, or 1,025 (1.4 percent) annually. This forecast of population gain is almost double the average annual net increase since 1960 (610), but is similar to the rates of the last two years, reflecting the economic growth of the area. The great majority of the gain in population will be inside Midland.

Net Natural Increase and Migration. Between April 1950 and April 1960, net natural increase (excess of resident births over resident deaths) in the Midland HMA amounted to an average of about 1,375 annually. Since the population increased by an annual average of about 4,200 during the decade, net in-migration amounted to 2,825 yearly. The high rate of in-migration of the boom years has been reversed into a net exodus of persons since April 1960; net natural increase has averaged 1,200 annually, while the population has gained just 610 yearly, reflecting out-migration of an average of 590 persons a year (see following table). The declining trend of the 1960-1966 period is in process of being reversed, however, by the current resurgence of the economy.

Components of Population Change
Midland, Texas, Housing Market Area
April 1950-August 1966

<u>Source of</u> <u>change</u>	<u>Average annual change^{a/}</u>	
	<u>April 1950-</u> <u>April 1960</u>	<u>April 1960-</u> <u>August 1966</u>
Net natural increase	1,375	1,200
Migration ^{b/}	<u>2,825</u>	<u>- 590</u>
Net change	4,200	610

^{a/} Rounded.

^{b/} (-) Out-migration

Sources: U. S. Bureau of the Census. State of Texas
Department of Health. Estimates by Housing
Market Analyst.

Because of the employee transfer practices of much of the administrative and professional side of the oil industry, and the mobile nature of many oil company production workers, a large segment of the Midland area population is transient. This characteristic, which adds an element of instability to the population, means that all estimates of net migration represent the movement of a considerable number of persons in both directions.

Distribution by Age. The Midland HMA population is relatively young, with a large proportion in the family-formation and child-bearing age groups; as of April 1960, about 32.5 percent of the total population was age 20 to 39 years, compared to 25.9 percent of the national population. The in-migration during the 1940's and 1950's of many young adults was the main cause of the proportionately large size of this segment of the population in 1960. A corollary is the small proportion of persons in the HMA aged 60 years or more; only 4.6 percent of the population of Midland County was in this category in 1960, compared to 13.1 percent of the national population.

These population characteristics have a considerable bearing on the market for housing in the Midland HMA, particularly with respect to unit size and the marketability of housing especially designed for the elderly. Since 1960, the reversal of migration, along with aging of the in-migrants of the boom period, has acted to make the current age distribution of the Midland HMA more similar to national patterns, but the differences still are great. A continuing improvement in economic activity could maintain high proportions in the younger age groups.

Households

Current Estimate. Households (occupied housing units) now number about 21,050, reflecting an increase of 1,500 since April 1960. About 19,550 (93 percent) of these households are located in Midland, and most of the remainder are rather sparsely distributed throughout the remainder of the HMA. Most of the increase in the number of households since 1960 has taken place in the last two years in response to the recent gain in job opportunities. Many families were transferred to Midland from elsewhere by the oil companies.

Past Trend. The average annual growth in the number of households in the Midland HMA has been much slower since 1960 than previously. During the 1950-1960 period, the number of households increased by an average of almost 1,200 (9.4 percent) annually. A small part of the intercensal gain was caused by the census change in concept from "dwelling unit" in 1950 to "housing unit" in 1960, which resulted in an increment in the household count. Household trends are summarized in the following table, including a projection to 1968.

Changes in Households
Midland, Texas, Housing Market Area
April 1950-August 1968

<u>Date</u>	<u>Number of households</u>	<u>Average annual change from preceding date</u>	
		<u>Number</u>	<u>Percent</u>
April 1950	7,648	-	-
April 1960	19,544	1,190	9.4
August 1966	21,050	240	1.2
August 1968	21,750	350	1.7

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

Estimated Future Households. Based on the anticipated increase in job opportunities, it is expected that the number of households will increase by about 350 during each of the next two years to an August 1968 total of 21,750. This rate of increase is somewhat above the over-all average rate of increase which has prevailed since April 1960 (240 annually). As noted earlier, however, most of the increase of the post-censal period was confined to recent years, so that the expected growth in the number of households is not dissimilar to the increases of the last one or two years.

Household Size Trends. The high rate of in-migration of young, growing families during the 1950's was reflected in an increasing average size of households. Households averaged 3.35 persons in 1950, and increased to 3.45 in 1960. Since 1960, out-migration, a declining birth rate and a slight aging of the population (older households tend to have fewer dependents), among other factors, have resulted in a smaller average number of persons per household. Currently, households have an estimated average size of about 3.39 persons.

Housing Market Factors

Housing Supply

Current Estimate. There are currently an estimated 25,750 housing units in the Midland HMA, reflecting a net gain of almost 3,425 since April 1960, or an average gain of about 540 a year (see table IV). The growth reflects the construction of 3,925 housing units and the loss of approximately 500 units through demolition. Most of the demolitions have resulted from enforcement of city building code regulations.

Past Trend. Growth of the housing inventory during the 1950's was rapid, amounting to a net addition of about 14,150 units. A small portion of the "growth" of the 1950's is a definitional increment attributable to the census change in concept from "dwelling unit" in 1950 to "housing unit" in 1960.

Units in Structure. A majority of the housing units in the Midland HMA are in single-unit structures, but the proportion has been decreasing (see following table). Since 1960, there has been considerable interest in the construction of multifamily rental projects, as reflected in an increasing proportion of the inventory in structures containing three or more units.

Housing Inventory by Units in Structure Midland, Texas, Housing Market Area 1960 and 1966

<u>Units in</u> <u>structure</u>	<u>April 1960</u>		<u>August 1966</u>	
	<u>Number</u> <u>of units</u>	<u>Percent</u> <u>of total</u>	<u>Number</u> <u>of units</u>	<u>Percent</u> <u>of total</u>
1 unit ^a /	19,772	88.5	22,300	86.6
2 units	1,257	5.6	1,225	4.8
3 or more units	<u>1,307</u>	<u>5.9</u>	<u>2,225</u>	<u>8.6</u>
Total	22,336	100.0	25,750	100.0

^a/ Includes trailers.

Sources: 1960 Census of Housing and estimates by Housing Market Analyst.

Year Built. The housing inventory of the Midland HMA is relatively new. Some 92 percent of all units were built since 1939, reflecting the rapid growth of the area during the oil boom of the 1940's and 1950's (see table below). The largest proportion of the inventory (77 percent) was built during the 1940 to 1960 period of growth. Since 1960, the rate of construction has dropped substantially; the proportion of the inventory built since 1960 is only about half as large as the proportion built in the previous five years.

Distribution of the Housing Inventory by Year Built
Midland, Texas, Housing Market Area, August 1966

<u>Year built</u> ^{a/}	<u>Percentage distribution</u>
April 1960 - July 1966	14.9
1955 - March 1960	28.5
1950 - 1954	29.3
1940 - 1949	19.4
1930 - 1939	4.4
1929 and earlier	3.5
Total	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 enumerator's questions as well as errors caused by sampling.

Sources: 1960 Census of Housing and estimates by
Housing Market Analyst.

Condition. The 1960 Census enumerated about 2,225 housing units which were substandard in that they were dilapidated or lacked one or more plumbing facilities, equal to ten percent of the housing inventory. The difference in the condition of the inventory by tenure was large; about four percent of the owner-occupied units were substandard, compared to 20 percent of the units occupied by renters. It is judged that some net improvement in the housing inventory has taken place since 1960, resulting from the demolition of substandard units and the rehabilitation of existing structures, as well as the construction of new units. Currently, about eight percent of the inventory is either dilapidated or lacking one-or-more plumbing facilities.

Value and Rent. The 1960 median value of all owner-occupied housing in the Midland HMA was \$12,200, the highest of all the 21 Standard Metropolitan Statistical Areas in the State of Texas. The high value is a reflection of the relatively low age of the units, as well as the high effective incomes of Midland households. Since the census date, mostly because of the growing surplus supply of housing, much of the existing sales housing in the Midland HMA has depreciated in value. In most areas the decline has not amounted to more than about ten percent, but in certain sections of Midland (notably parts of the east side and an area in the southwest) values have declined by an estimated 30 percent and more. Despite the over-all depreciation in value of sales housing built prior to April 1960, the current median value of sales units is at least as high as in 1960, reflecting the construction of units priced substantially above the 1960 median and the demolition of many low-value units.

The median gross rent (includes utilities) of renter-occupied units in 1960 was \$72.

Residential Building Activity

Trends. Judging from the number of housing units authorized for construction by building permits in Midland, building activity declined during the early 1960's and then rebounded. Unit authorizations amounted to over 880 in 1960, declined each year to total 390 in 1963, and then increased each year to about 640 units in 1965. During the first six months of 1966, authorizations have amounted to about 290 units, compared to almost 450 during the corresponding period in 1965. Since 1960, about 25 percent of the total units authorized have been in multifamily structures. The table below is a summary of housing unit authorizations in Midland since 1960.

Private Housing Units Authorized by Building Permits
By Units in Structure
Midland, Texas, 1960-1966

<u>Year</u>	<u>Units in structure</u>		<u>Total</u>
	<u>Single family</u>	<u>Two or more units</u>	
1960	755	129	884
1961	536	240	776
1962	364	40	404
1963	324	64	388
1964	315	165	480
1965	402	237	639

First six months

1965	288	159	447
1966	202	86	288

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

Building permits cover all residential construction within the city limits of Midland. The city usually annexes undeveloped fringe areas contiguous to the city limits before subdivision and development takes place. Since the household growth of the HMA is concentrated mostly in the Midland urban area, building permits are required for the preponderance of all housing units built in the HMA. Since April 1960, about 97 percent of all new housing built in the Midland HMA was located inside the city.

The rate of housing unit authorizations since 1960 contrasts with the 1950's. As can be seen from table V, during the last six years of the 1950 decade authorizations averaged about 1,225 annually; in the 1960-1965 six-year period they averaged only 595 units a year. Multifamily housing authorizations are up considerably during the 1960's however, reflecting an increased interest in rental accommodations. Since the beginning of 1960, multifamily unit authorizations (including duplexes) have averaged 150 annually, compared to 50 units a year during the previous six years.

Units Under Construction. Based on building permit data, on average construction time for single-family and multifamily structures, on a postal vacancy survey conducted in July 1966, and on other information obtained in the area, there are currently an estimated 200 housing units under construction in the HMA, including 80 single-family houses and 120 units in multifamily structures. Practically all of the units under construction are located in Midland. However, 16 apartments are in a 36-unit apartment-motel structure at the Midland Air Terminal, remote from the urban residential area.

Demolitions. Based on information gained from local agencies, it is estimated that about 500 units have been removed from the HMA housing inventory since the 1960 Census. Almost all of these removals occurred within Midland, mostly as a result of city building code enforcement. The city of Midland has been engaged in what is known as a "junker" program for the past few years in an effort to eliminate dilapidated housing. Around 300 substandard housing units have been removed from the Midland inventory through the program.

Tenure of Occupancy

As shown in table IV, the proportion of the occupied housing inventory that is owner-occupied has decreased slightly since the 1960 Census, although the number of owner-occupied units continues to grow. Currently, about 67.5 percent of the 21,050 occupied housing units are occupied by owners, compared to 68.4 percent in April 1960 and 54.0 percent in April 1950.

Vacancy

Last Census. As of April 1960, there were almost 2,800 vacant housing units in the Midland HMA, of which 1,900 were nonseasonal, nondilapidated units available for sale or rent. As shown in table IV, about 690 were available for sale only, a homeowner vacancy rate of 4.9 percent, and the remainder were available for rent, a renter vacancy rate of 16.4 percent. Of the available vacancies, only six sales units lacked plumbing facilities, and 77 of the rental units were deficient in plumbing.

Postal Vacancy Survey. The results of a postal vacancy survey conducted during July 1966 are summarized in table VI. The survey covered almost 22,650 possible deliveries (excluding trailers), equal to about 88 percent of the estimated current total housing inventory. About 2,750 vacancies in residences and apartments were enumerated by the survey, or an over-all vacancy rate of 12.1 percent. Vacancies in residences, as reported by the survey, numbered about 2,550, or 11.9 percent of the total residences surveyed. Apartment vacancies amounted to almost 200, equal to 16.9 percent of the total number of apartments enumerated. An analysis of the results of the postal vacancy survey suggests that the letter carriers may not have enumerated all vacant dilapidated units, those units in areas with an especially-high incidence of vacancy, and units which were vacant but were being held off the market.

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.

Current Estimate. There is a serious over-supply of housing in the Midland area, as reflected in the current estimated vacancy rates. On the basis of postal vacancy survey results and other data obtained locally, it is judged that there are about 4,700 vacant housing units in the Midland HMA, of which 3,550 are available for rent or for sale, or an over-all available vacancy ratio of 14.4 percent. Of the available vacancies, about 2,000 are for sale only, a homeowner vacancy rate of 12.3 percent, and 1,550 are available for rent, a renter vacancy rate of 18.5 percent.

Sales vacancies are located throughout the HMA, but are especially high in eastern sections of Midland (an area with a history of problems relating to changing neighborhood influences) and Permian Estates in southwest Midland, a development of low-priced housing mostly built in the 1950's. As shown in table IV, the current number of available vacancies represents a substantial increase since April 1960. There are now triple the number of available sales vacancies that were reported in the 1960 Census, and over one-fourth more rental vacancies.

About 100 of the available rental vacancies and an inconsequential number of the available sales vacancies lack one or more plumbing facilities. The very great majority of the 2,000 available vacant sales units are priced below \$17,000. Many are structurally obsolescent because of a lack of what is now considered to be adequate living space, because they are noncompetitive in the present-day Midland housing market since they contain fewer than three bedrooms, or because they do not offer the amenities which the Midland home-buyer has come to expect. Most of the surplus housing was built during the oil boom for families in moderate income classes. The rapid growth of Midland attracted builders to the area, many of whom constructed minimal housing which sold at premium prices (considering the quality) with a minimum down payment. When the boom ended in the late 1950's, large numbers of moderate-income families, who had little or no equity in their houses, migrated from the area. Most of the families who have come to Midland during the 1960's are in higher income classes. Thus, Midland is left with no market for the vacated low-priced sales housing, although practically all of it is sound and furnished with adequate plumbing facilities.

In recent years, virtually all sales housing built has been priced above \$17,000, often considerably above this figure. A high volume of speculative construction has encouraged rapid up-grading to higher-priced units, leaving behind an accumulating inventory of vacant low-priced units. As out-migrants vacated low-priced housing, in-migrants have purchased new speculatively-built homes at higher prices. Barring another boom period, most of the older available vacant sales housing in the Midland HMA is not competitive with new houses. If these non-competitive units are disregarded, a sales vacancy rate of 1.8 percent results, a much lower vacancy rate but still above the level considered reasonable for an area with the growth characteristics of Midland. A similar condition exists with respect to the vacant available rental housing, but not so marked. Rental units in newer structures which contain adequate floor space and amenities appear to have a lower level of vacancy than the rental market as a whole, while the inventory of older units with minimal space and convenience features has greater vacancy difficulties. If the noncompetitive units of the available vacant nondilapidated rental units with all plumbing facilities are disregarded, a rental vacancy rate of over ten percent results, also above a reasonable level of rental vacancy.

Sales Market

General Market Conditions. Despite the extremely high rate of sales vacancies, the market appears to be sound for good quality houses with adequate floor space and appropriate amenities in price ranges above \$17,000. This observation is substantiated by the ready marketability of speculatively-built sales housing in the higher price ranges, by a moderate rate of defaults on mortgages on such housing, and the informed opinion of persons engaged in the local home-building and financing industry. Speculative construction continues to comprise the majority of all sales housing built. A large proportion of the Midland home-buyers are newcomers to the area and are prime prospective purchasers of new sales housing.

Major Subdivision Activity. According to the Lubbock, Texas, FHA Insuring Office, there were 16 subdivisions in Midland in which five or more houses were completed during 1965. Most major subdivision activity is located in the far north section of the city. Further development in this direction will be encouraged by the completion of two public schools now being built in Midland on land outside the northern edge of the present built-up area.

Unsold Inventory of New Houses. The FHA surveys of houses completed during 1963, 1964, and 1965, in subdivisions in which five or more units had been finished during the year, provide some indication of the absorptive experience of new sales housing. The FHA surveys included a relatively-high proportion of the sales housing construction in the Midland area; the total number of houses covered in the last three surveys equaled 86 percent of the single-family units authorized during the three-year period. The most recent survey, covering houses completed during 1965, included 390 units. Of these completions, only about 80 were sold before the start of construction, so that the majority of the houses were built speculatively during 1965. Of the speculatively-built houses, all but 16 percent had been sold as of the date of the survey. This seems to indicate a strengthened market, since the survey of houses built in 1964 had indicated an unsold ratio of 24 percent; the volume of speculative construction in 1964 equaled less than half that of 1965. Further, those completed and unsold for more than three months comprised only 16 percent of the unsold houses built in 1965, compared to 26 percent of the 1964 completions. See table VII for a summary of the last three FHA surveys of unsold new houses.

According to the survey, the median value of houses built during 1965 was \$21,350. The median value of 1964 completions was about the same as in 1965, but units built in 1963 had a lower median value, \$18,650. Since the FHA surveys of houses completed include a high proportion of total sales housing constructed, the price concentrations shown in the table should be representative of all houses built during the year. However, since many houses priced in the upper ranges as well as a few of the lower-value homes, are built on a scattered-lot basis, the median derived from the table may be somewhat below that of all completed units.

Foreclosures. Until 1965, as measured by the number of homes foreclosed and tendered to the FHA, there was a rapid increase in mortgage defaults in the Midland HMA. In 1960, the FHA acquired 58 single-family sales properties. Acquisitions surged to 284 in 1961, increased to 366 in 1962, to 370 in 1963, and to 434 in 1964. The upward trend was broken in 1965, when single-family acquisitions declined to 384, still the second highest year of the 1960's. The number of properties acquired during 1965 was equal to eight percent of the FHA-insured home mortgages currently outstanding in the area.

The high rate of property acquisitions without an equal rate of property disposition has resulted in an increasing number of properties in the FHA-acquired inventory. During the first week of October 1960, properties on hand numbered only 32 units. The inventory increased by a substantial amount each year thereafter, and during the first week of July 1966 it amounted to 1,326 units. Properties on hand increased by just 62 units from 1965 to 1966, the smallest increment of any year in the 1960's, reflecting both the down-turn in the rate of acquisition and the increased sales of properties on hand. The experience of the Veterans Administration is similar to that of FHA. There is some indication that the current "tight" money situation has aided the absorption of the government-held properties. Since most builders cannot find an ample supply of funds for interim financing of new units, many prospective new house buyers are forced to resort to the existing inventory of available sales housing.

The preponderance of the FHA- and VA-acquired property inventories, which comprise most of the currently-available sales housing, is in the lower price ranges. Of the FHA houses repaired and offered for sale as of July 1966, some 59 percent were priced below \$10,000, 33 percent were between \$10,000 and \$13,999, and only eight percent were priced at \$14,000 or more; none was priced above \$17,000. The VA properties are somewhat lower in price; only five percent of the July 1966 listings were priced above \$10,000. A large proportion of the FHA

and VA properties contain only two bedrooms; about 43 percent of the FHA houses offered for sale have only two bedrooms, and 39 percent of the VA properties are so classified, compared to around 27 percent of the current owner-occupied housing inventory. Given the present financial position and desires of Midland sales housing purchasers, these characteristics of the government-held sales housing inventory have made disposition extremely difficult.

Rental Market

General Market Conditions. The market for rental housing in the Midland HMA at this time is sound for units in the newer structures, but the over-all market appears soft. This observation is supported by the high over-all rate of rental vacancy, while units in new structures appear to be absorbed readily. The older, smaller projects and single-family units for rent are experiencing the greatest vacancy difficulties. However, according to local sources, the present condition of the rental housing market is considerably improved over two years ago. The market for rental housing in Midland is characterized by ups and downs as oil company employees, most of whom are quite mobile, move into and out of the area. In-migrants often take rental accommodations until a suitable sales property can be found. The recent relocation of many oil jobs into Midland has resulted in a firmer market for rental housing, which may or may not persist.

Absorption of Recent Inventory Additions. There have been a considerable number of apartment units constructed in the past few years, typically in projects of moderate size, but a few projects of between 50 to 100 units have been built since 1960. Most recent additions have experienced satisfactory marketability, although at the expense of some older projects and single-family rentals since the over-all rental vacancy rate is up since 1960. Furnished rental accommodations are quite common in the Midland area, reflecting local preferences and the short-term residence of much of the HMA population.

The tight vacancy situation in the newer projects seems to be a relatively recent experience, reflecting, for the most part, the influx of oil company professional and related personnel. In one project, which was foreclosed about two years ago with about 30 vacant units, the gross rents range from \$115 for a one-bedroom apartment up to \$190 for the largest three-bedroom unit. All units are occupied at present.

Rental Housing Under Construction. Almost all of the 120 units of rental housing in various stages of completion in the Midland HMA may be classified as "luxury" accommodations. Given the expectations of the next two years, the current rate of apartment construction is considerably above that which would be desirable for an area with the growth characteristics of Midland.

Demand for Housing

Quantitative Demand

The demand for additional housing in the Midland HMA is based on the expected growth in the number of households during each of the next two years (350), and on adjustments in the number of marketable vacancies to create a balanced market in the HMA and for the current excess rate of housing construction in the area. Consideration also is given to the current tenure composition of the inventory and to the transfer of existing single-family units from the sales inventory to the renter inventory. On these premises, demand for new housing will total around 160 sales units during each of the next two years.

The forecast demand for housing is much below the average annual number of units built since 1960. However, the high rate of construction since 1960 has out-paced the rate of increase in the number of households; while most of the new housing built has been absorbed, it has been at the cost of an increasing available vacancy rate, mostly in low-value housing. This demand forecast is predicated on the assumption that the surplus number of adequate housing units of poor marketability will cease to increase while market equilibrium will be obtained in the number of marketable sales and rental vacancies. Given the expected increment in the number of households, it is judged that construction at a rate higher than that forecast will continue to encourage up-grading through the purchase or rental of more expensive units, aggravating the present surplus of housing.

It is judged that there is a more than sufficient number of adequate vacant rental units under construction or existing to satisfy the quantitative requirements of new renter households during the next two years and permit a reduction of the current 18.5 percent rental vacancy ratio to a level that more nearly represents the long-term vacancy requirement in the area. It is recognized that additional private rental housing probably will be built during the next two years; it is apparent, however, that the more rental housing that is built, the longer will be the time required to bring the demand-supply relationship in the market into balance.

Qualitative Demand

Based on recent market experience and on information obtained locally, the annual demand for 160 new sales units is expected to be distributed by price as shown in the following table. Given the present surplus of low-priced sales housing, new construction should be confined to units priced above \$17,000.

Estimated Annual Demand for New Sales Housing
Midland, Texas, Housing Market Area
August 1966 - August 1968

<u>Sales price</u>	<u>Housing units</u>	
	<u>Number</u>	<u>Percent^{a/}</u>
Under \$17,500	15	9
\$17,500 - 19,999	50	31
20,000 - 24,999	55	34
25,000 - 29,999	10	6
30,000 - 34,999	10	6
35,000 and over	<u>20</u>	<u>13</u>
Total	160	100

a/ Does not add to total because of rounding.

Table I

Estimated Work Force and Employment by Industry
Midland, Texas, Housing Market Area
June 1966

<u>Component</u>	<u>Persons</u>
Civilian Work Force	<u>25,505</u>
Unemployed	1,010
Percent of Work Force	4.0
Employment	<u>24,495</u>
Agricultural	185
Nonagricultural	<u>24,310</u>
Manufacturing	<u>1,105</u>
Durable goods	<u>765</u>
Stone, clay, and glass	125
Fabricated metal products	220
Machinery	315
Other durable goods	105
Nondurable goods	<u>340</u>
Food and kindred	165
Printing and publishing	175
Nonmanufacturing	<u>23,205</u>
Mining	6,220
Contract construction	1,325
Transportation, comm., and utilities	1,800
Trade	<u>5,445</u>
Wholesale	935
Retail	4,510
Fin., insurance, and real estate	1,015
Services	4,860
Government	<u>2,540</u>
Federal	290
State and local	2,250

Source: Texas Employment Commission, San Angelo.

Table II

Workers Covered by Texas Unemployment Compensation Law
Midland, Texas, Housing Market Area
1956-1965

<u>Component</u>	<u>As of March of each year</u>									
	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Total workers	<u>14,974</u>	<u>17,094</u>	<u>17,755</u>	<u>18,308</u>	<u>17,631</u>	<u>17,476</u>	<u>17,291</u>	<u>16,521</u>	<u>16,372</u>	<u>17,136</u>
Mining	6,805	7,535	8,550	8,417	7,844	7,513	7,395	7,029	6,674	6,907
Construction	956	1,369	1,202	1,514	1,160	1,093	1,312	885	788	1,280
Manufacturing	343	385	642	600	634	580	579	618	643	652
Trans., comm., and util.	1,627	1,782	1,796	1,709	1,757	1,757	1,567	1,580	1,624	1,607
Trade	3,171	3,790	3,582	3,871	3,883	4,251	3,890	3,878	3,879	3,916
Fin., ins., and real est.	487	547	593	654	753	800	769	852	913	849
Services and other	1,585	1,686	1,390	1,543	1,600	1,482	1,779	1,679	1,851	1,925

Source: Texas Employment Commission.

Table III

Estimated Percentage Distribution of All Families
And of Renter Households^{a/} by Annual Income
After the Deduction of Federal Income Tax
Midland, Texas, Housing Market Area, 1966 and 1968

<u>Family income</u>	<u>1966</u>		<u>1968</u>	
	<u>All families</u>	<u>Renter households</u>	<u>All families</u>	<u>Renter households</u>
Under \$2,000	6	8	6	8
\$2,000 - 2,999	3	5	3	4
3,000 - 3,999	5	7	5	7
4,000 - 4,999	7	10	6	8
5,000 - 5,999	9	11	7	10
6,000 - 6,999	9	11	8	11
7,000 - 7,999	9	11	8	10
8,000 - 8,999	9	9	9	9
9,000 - 9,999	8	7	8	8
10,000 - 11,999	12	9	13	10
12,000 - 14,999	10	7	11	9
15,000 - 19,999	8	2	10	3
20,000 and over	<u>5</u>	<u>3</u>	<u>6</u>	<u>3</u>
Total	100	100	100	100
Median income	\$8,275	\$6,800	\$8,775	\$7,200

a/ Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table IV

Components in the Housing Inventory
Midland, Texas, Housing Market Area
April 1950-August 1966

<u>Component</u>	<u>April 1950</u>	<u>April 1960</u>	<u>August 1966</u>	<u>Average annual changes</u>			
				<u>1950-1960</u>	<u>1960-1966</u>	<u>1950-1960</u>	<u>1960-1966</u>
				<u>Number^{a/}</u>	<u>Rate^{b/}</u>	<u>Number^{a/}</u>	<u>Rate^{b/}</u>
Total housing inventory	<u>8,194</u>	<u>22,336</u>	<u>25,750</u>	<u>1,414</u>	10.0	<u>540</u>	2.3
Occupied housing units	<u>7,648</u>	<u>19,544</u>	<u>21,050</u>	<u>1,190</u>	9.4	<u>240</u>	1.2
Owner occupied	<u>4,131</u>	<u>13,370</u>	<u>14,200</u>	<u>924</u>	11.8	<u>130</u>	.9
Percent of all occupied	54.0%	68.4%	67.5%	-	-	-	-
Renter occupied	<u>3,517</u>	<u>6,174</u>	<u>6,850</u>	<u>266</u>	5.7	<u>110</u>	1.6
Vacant housing units	<u>546</u>	<u>2,792</u>	<u>4,700</u>	<u>225</u>	16.2	<u>300</u>	8.3
Available vacant	<u>283</u>	<u>1,901</u>	<u>3,550</u>	<u>162</u>	19.0	<u>260</u>	10.0
For sale only	<u>61</u>	<u>689</u>	<u>2,000</u>	<u>63</u>	24.2	<u>210</u>	18.4
Homeowner vacancy rate	1.5%	4.9%	12.3%	-	-	-	-
For rent	<u>222</u>	<u>1,214</u>	<u>1,550</u>	<u>99</u>	17.0	<u>55</u>	3.9
Renter vacancy rate	5.9%	16.4%	18.5%	-	-	-	-
Other vacant	<u>263</u>	<u>891</u>	<u>1,150</u>	<u>63</u>	13.6	<u>40</u>	4.1

^{a/} Average annual changes are rounded and may not add to totals.

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

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

Table V

Private Housing Units Authorized by Building Permits
Midland, Texas, Housing Market Area
1954-1966

<u>Year</u>	<u>Units in structure</u>			<u>Total</u>
	<u>Single-</u> <u>family</u>	<u>Two</u> <u>units</u>	<u>Three or more</u> <u>units</u>	
1954	692	-	-	692
1955	1,117	2	10	1,129
1956	883	2	16	901
1957	1,017	20	11	1,048
1958	1,550	34	91	1,675
1959	1,760	20	100	1,880
1960	755	8	121	884
1961	536	-	240	776
1962	364	-	40	404
1963	324	-	64	388
1964	315	-	165	480
1965	402	-	237	639
<u>First six months</u>				
1965	288	-	159	447
1966	202	-	86	288

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

Table VI

Midland, Texas, Area Postal Vacancy Survey

July 13-14, 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.	%
Midland	22,635	2,747	12.1	2,674	73	137	21,483	2,552	11.9	2,483	69	69	1,152	195	16.9	191	4	68	117	5	4.3
Main Office	12,998	1,930	14.8	1,921	9	16	12,270	1,763	14.4	1,758	5	16	728	167	22.9	163	4	-	97	5	5.2
Village Station	9,637	817	8.5	753	64	121	9,213	789	8.6	725	64	53	424	28	6.6	28	-	68	20	-	-

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

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

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

Table VII

Status of New House Completions in Selected Subdivisions^{a/}
Midland, Texas, Housing Market Area
As of January 1964, January 1965, and January 1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative construction</u>			
			<u>Total</u>	<u>Sold</u>	<u>Unsold</u>	
					<u>Number</u>	<u>Percent</u>
<u>(Houses completed in 1963, as of January 1, 1964)</u>						
Under \$15,000	17	8	9	8	1	11
\$15,000 - 17,499	66	28	38	27	11	29
17,500 - 19,999	92	34	58	45	13	22
20,000 - 24,999	45	18	27	21	6	22
25,000 - 29,999	21	7	14	11	3	21
30,000 - 34,999	13	4	9	6	3	33
35,000 and over	<u>11</u>	<u>6</u>	<u>5</u>	<u>3</u>	<u>2</u>	40
Total	265	105	160	121	39	24
<u>(Houses completed in 1964, as of January 1, 1965)</u>						
Under \$15,000	5	4	1	1	-	-
\$15,000 - 17,499	26	14	12	10	2	17
17,500 - 19,999	56	27	29	24	5	17
20,000 - 24,999	123	50	73	56	17	23
25,000 - 29,999	14	3	11	6	5	45
30,000 - 34,999	8	1	7	5	2	29
35,000 and over	<u>10</u>	<u>4</u>	<u>6</u>	<u>3</u>	<u>3</u>	50
Total	242	103	139	105	34	24
<u>(Houses completed in 1965, as of January 1, 1966)</u>						
Under \$15,000	3	-	3	3	-	-
\$15,000 - 17,499	20	3	17	15	2	12
17,500 - 19,999	136	22	114	102	12	11
20,000 - 24,999	135	31	104	87	17	16
25,000 - 29,999	27	5	22	18	4	18
30,000 - 34,999	26	6	20	16	4	20
35,000 and over	<u>43</u>	<u>12</u>	<u>31</u>	<u>21</u>	<u>10</u>	32
Total	390	79	311	262	49	16

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

Sources: Unsold Inventory Surveys conducted by the Lubbock, Texas, FHA Insuring Office.