

728.1

.308

F22

Minneapolis - St. Paul, Minn.

1965

Analysis of the
**MINNEAPOLIS - ST. PAUL, MINNESOTA
HOUSING MARKET**

as of April 1, 1965

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

November 1965

ANALYSIS OF THE
MINNEAPOLIS-ST. PAUL, MINNESOTA, HOUSING MARKET
AS OF APRIL 1, 1965

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, of course, be differences of opinion in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

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

Table of Contents

	<u>Page</u>
Summary and Conclusions	i
Housing Market Area	1
Map	2
Economy of the Area	
Character and History	3
Employment	3
Principal Employers	6
Unemployment	7
Future Employment	8
Income	9
Demographic Factors	
Population	10
Households	12
Housing Market Factors	
Housing Supply	14
Residential Building Activity	16
Tenure	18
Vacancy	19
Sales Market	21
Rental Market	24
Urban Renewal	25
Public Housing	27
Demand for Housing	
Quantitative Demand	28
Qualitative Demand	28

ANALYSIS OF THE
MINNEAPOLIS-ST. PAUL, MINNESOTA, HOUSING MARKET
AS OF APRIL 1, 1965

Summary and Conclusions

1. Nonagricultural wage and salary employment in the Minneapolis-St. Paul SMSA averaged 615,200 for the 12 months ending March 31, 1965. This employment level reflects an average annual increase of 13,350 workers since 1959, or 2.4 percent a year. The diversified economy of the Twin Cities area has demonstrated a capacity for steady growth. During 1961, when many major labor market areas throughout the country experienced declines in employment as the Nation underwent a period of economic adjustment, employment in the Minneapolis-St. Paul area grew by 4,300 new jobs. An occupational profile study conducted by the Minnesota Department of Employment Security covering anticipated employment of presently established firms and the prospect for expansion of the economic base point to a continuation of employment growth with an expectation of about 13,400 new jobs during each of the next two years. The annual average level of unemployment has not exceeded 3.5 percent for the past three years.
2. The income level in the Twin Cities area has risen by about 22 percent since 1959. The current median family income, after deduction of Federal income taxes is approximately \$7,950 for all families and \$6,100 for renter families.
3. As of April 1, 1965, the population of the Minneapolis-St. Paul SMSA is approximately 1,681,000, which represents an annual average increase of 39,325 persons. The population of the SMSA is projected to grow by 78,000 during the April 1965 to April 1967 forecast period, reaching a level of 1,759,000.
4. At the present time there are 501,300 households in the SMSA. The increase in households has averaged about 12,100 each year since 1960. Net additions during the next two years are expected to be just slightly higher with about 12,350 new households added each year. Households, therefore, are projected to total 526,000 by April 1, 1967.
5. There are an estimated 526,800 housing units in the Minneapolis-St. Paul SMSA at the present time, reflecting an increase of 63,690 since 1960. As measured by building permits issued, new construction volume has exceeded 16,000 units a year since 1962. Multifamily housing

units have accounted for 50 percent of all new construction since 1961. The majority of these units have been built in relatively small garden-type projects. As of April 1, 1965, there are about 5,000 housing units under construction in the SMSA, of which about 4,200 were in multifamily structures. Lingerig winter weather has delayed the start of new single-family homes this spring.

6. There are about 13,000 vacant housing units available for sale or rent in the SMSA, indicating an overall vacancy rate of 2.5 percent. The 3,400 vacant units available for sale constitute a homeowner vacancy rate of 1.0 percent and the 9,600 vacant units available for rent reflect a current rental vacancy rate of 5.3 percent. Based on the moderate population and household growth rates of the area, it appears that there is a slight excess of vacancies in the rental market.
7. During the April 1965 to April 1967 forecast period it is estimated that the demand for new housing in the Minneapolis-St. Paul SMSA will average 16,500 units a year. The demand for new sales-type housing is calculated to be 8,000 units a year and the demand for new rental housing is 8,500 units annually. About 1,000 units of the estimated annual demand will be absorbed only if provided at the lower rents achievable through the use of public benefits, or assistance through tax abatement or aid in financing or land acquisition. The demand for new sales and rental housing is distributed by price ranges on pages 28 and 29 of the text.

ANALYSIS OF THE
MINNEAPOLIS-ST. PAUL, MINNESOTA, HOUSING MARKET
AS OF APRIL 1, 1965

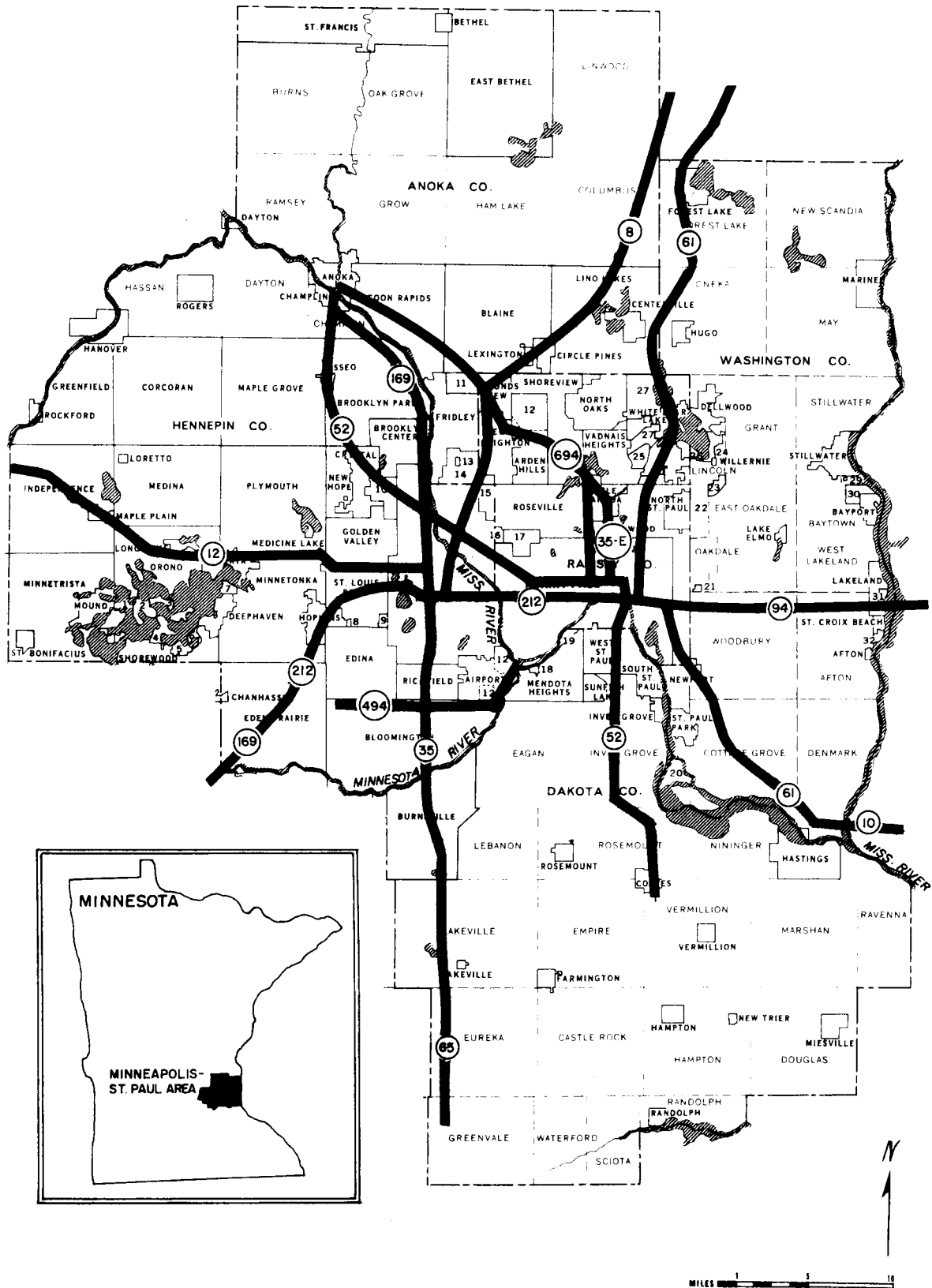
Housing Market Area

The Minneapolis-St. Paul Housing Market Area is defined as being co-extensive with the Minneapolis-St. Paul Standard Metropolitan Statistical Area (SMSA) consisting of Hennepin, Ramsey, Anoka, Dakota, and Washington Counties. The SMSA, as delineated by the Bureau of the Budget, did not include Washington County prior to 1958. However, all data for earlier years used in this report have been adjusted to include Washington County, unless otherwise indicated. In addition to the Twin Cities, Minneapolis and St. Paul, the SMSA includes ten communities with current populations in excess of 25,000.

The Minneapolis-St. Paul SMSA is located in southeastern Minnesota near the headwaters of the Mississippi River and at the juncture of the heavily populated industrial belt of the north central United States and the lightly populated agricultural region of the northern plains. The SMSA is 425 miles northwest of Chicago, Illinois, and 260 miles north of Des Moines, Iowa. The Twin Cities area is the major transportation center in the upper midwest and ranks third in the Nation in truck and rail volume. Eight U.S. highways and nine trunk rail lines facilitate travel in any direction. Direct airline service is available to major cities in the east, southeast, and northwest sections of the country.

According to the 1960 Census of Population, 16,550 persons who lived outside of the five-county area commuted to work in the SMSA. About 8,500 residents of the housing market area traveled to places of employment outside of the SMSA, indicating a net in-commutation of 8,050 workers. The majority of workers commuting to jobs within the SMSA came from adjoining counties; 1,759 from Carver, 1,490 from Scott, and 1,446 from Wright Counties in Minnesota, and 1,672 from St. Croix County in Wisconsin.

MINNEAPOLIS - ST. PAUL , MINNESOTA, HOUSING MARKET AREA



Economy of the Area

Character and History

General Description. Jesuit priests explored the Minneapolis-St. Paul area as early as 1673, but the first permanent settlement was not established until 1819 when troops of the 5th Infantry Regiment arrived under orders to construct a fort at the confluence of the Mississippi and Minnesota Rivers. Almost thirty years elapsed before the construction of the first private dwelling in 1848 and the arrival of civilian settlers in any significant number. During the early years, fur trading and lumbering were the major economic activities in the area. Commercial milling began on a small scale in 1849, when a flour mill built by the troops at Fort Snelling in 1822 was leased by a civilian operator. Adoption of a low method of milling hard spring wheat by Minneapolis mills in the late 1870's and the concurrent expansion of rail lines throughout the area led to the rise of the city as the leading flour-milling center in the world, a position held from 1885 until 1930, when closer markets and more favorable freight rates shifted leadership to Buffalo, New York. Growth of the milling industry brought about the development of storage elevators, grading and sorting facilities, the growth of financial facilities, as well as plants for the manufacture and sale of agricultural equipment, milling machinery, and railroad cars. In addition to milling, other agricultural activities such as the dairy industry, and the feeding and marketing of beef cattle, contributed to early growth, as did the expansion of wholesale trade and the discovery of iron ore in northern Minnesota.

Principal Economic Activities. Location has been a major determining factor in the character and extent of economic development in the Minneapolis-St. Paul area and undoubtedly will continue to influence the nature and magnitude of urban growth of the area. Location of the Twin Cities at the juncture of the heavily populated industrial belt of the north central United States and the lightly populated agricultural region of the northern plains has made possible the development of a highly diversified economy. The growth of machinery manufacture, educational and medical institutions, insurance, banking, and government all have added to the strength of the economy and the establishment of the Minneapolis-St. Paul SMSA, as a major center of manufacturing, commerce, and government.

Employment

Work Force. The civilian work force in the Minneapolis-St. Paul SMSA totaled 701,700 as of mid-March 1965 with 677,400 persons employed, 23,700 unemployed, and 600 involved in labor disputes. During 1964, the work force averaged 705,800, which was an increase of 64,500 over

the 1958 level (the earliest year for which comparable data are available for the five-county SMSA). Year-to-year growth in the work force during this six-year period averaged 10,750, with the largest increase, 13,900, recorded during 1960 and the smallest, 8,300, during 1959.

Current Estimate. Civilian employment in the Minneapolis-St. Paul SMSA totaled 677,400 as of mid-March 1965. Nonagricultural wage and salary employment was 610,200, other nonagricultural employment 63,300, and agricultural employment 3,900. The nonagricultural wage and salary employment level was 20,200 higher than reported one year earlier, reflecting an increase of 3.4 percent. The most significant gains in wage and salary employment during the year were in wholesale and retail trade, 5,600; nonelectrical machinery, 4,300; government, 3,600; and services, 2,200. Other nonagricultural employment was down 200 and agricultural employment was down 800 from the previous year.

Past Trend. Annual average nonagricultural wage and salary employment for the twelve-month period ending in mid-March 1965 was 616,400, indicating an increase of 71,300 jobs over the annual average for 1959, and reflecting an annual average increase of 13,400 workers or 2.4 percent. The rate of growth is just about the same as demonstrated between 1950 and 1960, when resident employment in nonagricultural industries increased by an average of 2.3 percent a year as measured by census data.

Although employment data for the Minneapolis-St. Paul SMSA prior to 1958 have not been adjusted to include Washington County, and cannot be compared directly with data from 1958 to 1965, a consistent upward trend in nonagricultural wage and salary employment is readily apparent with the exception of 1954 when employment declined 2.0 percent during a period of national recession. The inclusion of Washington County employment data for the first time in 1958 precludes a comparison of employment for that year with 1957, although it appears that there was probably little, if any, growth in nonagricultural wage and salary employment during 1958, which, like 1954, was a period of nationwide economic decline.

Since 1958, nonagricultural wage and salary employment has increased each year, with the largest year-to-year gain occurring in 1962 when the average number of workers increased by 23,000 or 4.1 percent over the preceding year. The lowest rate of growth was recorded during 1961 when only 4,300 new jobs were added to the economic base for a gain of 0.8 percent, a significant gain, however, during a period when employment declined in many labor market areas throughout the country.

Trends in work force and employment levels since 1958 are shown in the following table.

Work Force and Employment Trends
Minneapolis-St. Paul SMSA, 1958-1964
(Annual averages in thousands) a/

<u>Year</u>	<u>Civilian work force</u>	<u>Employed</u>			<u>Unemployed</u>	<u>Labor disputes</u>
		<u>Total</u>	<u>Nonagricultural wage and salary</u>	<u>All other</u>		
1958	641.3	603.5	526.3	77.1	37.3	0.5
1959	649.7	623.3	545.2	78.1	25.3	1.2
1960	663.5	637.0	560.6	76.4	26.3	.2
1961	676.9	643.9	564.9	79.0	32.9	.2
1962	686.0	661.6	587.9	73.7	23.9	.5
1963	694.4	669.8	598.1	71.7	24.4	.2
1964	705.8	682.1	611.0	71.1	23.7	.0

a/ Components may not add to totals because of rounding.

Source: Minnesota Department of Employment Security.

Distribution by Industry. No single industry dominates the economy of the Minneapolis-St. Paul area, although employment is concentrated in nonmanufacturing activities which accounted for over 73 percent of all nonagricultural wage and salary employment during 1964. Retail trade provided the largest number of jobs, accounting for about 17 percent of all nonagricultural wage and salary employment, followed closely by services and government, which accounted for 16 percent and 13 percent, respectively. Wholesale trade; finance, insurance, and real estate; transportation; and construction; all nonmanufacturing activities, were the next most important sources of employment, each representing from 5 to 8 percent of nonagricultural wage and salary employment.

Manufacturing represented about 27 percent of all nonagricultural wage and salary employment during 1964. The nonelectrical machinery industry constituted the largest source of manufacturing employment, accounting for about 5 percent of all nonagricultural wage and salary employment, followed by the food and kindred products group which accounted for about 4 percent. Employment was relatively higher in the durable goods industries (15 percent of wage and salary employment) than in the nondurable goods industries (11.6 percent).

In the SMSA, changes in the distribution of employment by industry have been fairly minor in recent years. Following the national trend, however, employment has increased somewhat more rapidly in services and government. As of 1964, services represented 15.7 percent of all nonagricultural wage and salary employment compared with 14.2 percent in 1958, and government accounted for 13.2 percent in 1964 compared with 12.3 percent earlier. Employment in the nonelectrical machinery industry increased from 3.9 percent of wage and salary employment to 4.8 percent during the same period, registering a gain of 9,100 workers. Employment in lumber and wood products, furniture and fixtures, food and kindred products, textiles and apparel, and transportation has declined numerically, as well as relatively, since 1958, with a loss of about 2,700 workers in the food and kindred products industry, 2,000 in textiles and apparel, and smaller losses in the other groups. Changes in the distribution of employment by industry have taken place gradually since 1958. Year-to-year changes in nonagricultural wage and salary employment from 1958 to 1964 are shown by major industry groups in table I.

Participation Rate. The ratio of employment to the population of the area constitutes the employment participation rate. The participation rate in the Minneapolis-St. Paul SMSA declined from 40.12 to 38.35 between 1950 and 1960 as measured by resident employment in nonagricultural industries as reported by the census. Although it is estimated that the decline has continued since 1960, it appears to have been at a much slower rate. Calculated on the basis of nonagricultural wage and salary employment (by location of the jobs rather than residence of the workers), the participation rate is estimated to have declined from 36.79 in 1959 to 36.59 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 normally not a part of the labor force, and by an increase in the number of aged persons in the population who are past working age.

Principal Employers

Manufacturing. Among the several thousand trade and service establishments and more than 2,500 manufacturing firms in the Minneapolis-St. Paul area are many well known national organizations. The five largest milling companies in the country have their headquarters in the Twin Cities, General Mills, Pillsbury, International Milling, Cargill, Archer Daniels Midland. This is also the home of Honeywell, 3M (Minnesota Mining and Manufacturing Company), Control Data Corporation, and Northwest Orient Airlines. Other major employers

include the University of Minnesota, the Univac Division of Sperry-Rand, Dayton's Department Store, Armour, Swift, Northwest Bell Telephone, and the Ford Motor Company.

Milling Companies. General Mills, Inc., The Pillsbury Company, International Milling Company, Inc., Archer Daniels Midland Company, and the Peavy Company each produces flour and related products, while Cargill, Inc., specializes in animal feed and pet food. These companies, however, are widely diversified and products include cereals, bakery mixes, frozen foods, soybean and linseed products, various chemical and pharmaceutical products, and plastics. All of these companies have extensive research programs for developing new products. General Mills, which is one of the largest employers in the area, spends about \$7 million a year for research and employs about 600 people in its laboratories.

Honeywell. This company produces automatic controls for heating, ventilating, and air conditioning; controls for processes, machines, and vehicles; and controls for aircraft, spacecraft, ordnance, and marine equipment. Honeywell is one of the largest employers in the Minneapolis-St. Paul area with about 17,000 employees reported for the year 1963 in the Directory of Minnesota's Electronics and Related Science Industries published by the Northwestern National Bank of Minneapolis.

3M. Minnesota Mining and Manufacturing Company is probably best known for its development of Scotch Tape. Since beginning a program of expansion and diversification with a \$500 investment in a small laboratory in 1916, the company has introduced over 27,000 new products. Today, 3M has 35 manufacturing plants in the United States and several dozen others overseas with products ranging from Thermo-Fax copying machines to roofing granules. In the electronics field, the company is producing magnetic audible range, video and instrumentation recording tapes, thermoelectrical and electromechanical devices. Company sales totaled more than \$900 million during 1964.

Control Data Corporation. This company, which was founded in the Minneapolis-St. Paul area just **nine** years ago, has had a remarkable record of growth and acceptance of its product line which includes digital computers, management information systems, communications and process control systems, radar, laser, and sonar systems. A recent publication of the Minneapolis Chamber of Commerce reports company employment to be over 4,500.

Unemployment

The unemployment rate in the Minneapolis-St. Paul SMSA as of mid-March 1965 was 3.4 percent with 23,700 persons unemployed. The current level of unemployment is the lowest for the month of March since 1958 which

is the earliest date for which comparable data is available. The annual average rate of unemployment for the year 1964 was 3.4 percent with a high of 4.5 percent in January and February and a low of 2.5 percent in September and October. The annual average unemployment rate of 3.4 percent for 1964 is the lowest recorded in the seven-year period from 1958 to 1964. The unemployment trend in the SMSA since 1958 is summarized in the following table.

Unemployment Trend
Minneapolis-St. Paul SMSA
1958-1964

<u>Year</u>	<u>Unemployed</u>	
	<u>Number</u>	<u>Percent of civilian work force</u>
1958	37,300	5.8
1959	25,300	3.9
1960	26,300	4.0
1961	32,900	4.9
1962	23,900	3.5
1963	24,400	3.5
1964	23,700	3.4

Source: Minnesota Department of Employment Security.

Estimated Future Employment

Considering the bright prospect for a continuing vigor in the economy throughout the country, it is estimated that employment in the Minneapolis-St. Paul SMSA will continue to grow at about the same rate as it has over the past several years providing approximately 13,400 new jobs each year between 1965 and 1967.

It is expected that about two-thirds of the new jobs will materialize from the expansion of presently established firms. Expansion of this magnitude is indicated by an occupational profile study conducted by the Minnesota Department of Employment Security covering employment in 199 selected occupations as anticipated by area employers for the period from November 1963 to November 1968. Some additional growth also may be expected from small firms not covered by this survey (those with fewer than four employees). The remaining growth is expected to come from new firms entering the economy. Prospects are particularly good for additional developments in the electronics industry.

Income

Manufacturing Wages. Weekly earnings of manufacturing production workers in the Minneapolis-St. Paul SMSA averaged \$116.59 in March 1965 for an average work week of 41 hours at an average hourly wage of \$2.84. The March 1965 average weekly earnings were 22.4 percent above average weekly earnings in 1959. The rise in average weekly earnings over the five and a quarter-year period results from a 20.8 percent gain in average hourly earnings and a slight increase in hours worked. The trend in average hours and earnings from 1959 to 1964 is shown in the following table.

Average Hours and Earnings of Production Workers on Manufacturing Payrolls Minneapolis-St. Paul SMSA, 1959-1964

<u>Period</u>	<u>Average hourly earnings</u>	<u>Average weekly hours worked</u>	<u>Average weekly earnings</u>
1959	\$ 2.35	40.4	\$ 95.21
1960	2.45	40.1	98.32
1961	2.56	40.3	103.36
1962	2.64	40.5	106.92
1963	2.69	40.6	109.34
1964	2.79	40.7	113.57

Source: Department of Labor.

Family Income. The current median family income, after deduction of Federal income taxes, is approximately \$7,950 for all families in the Minneapolis-St. Paul SMSA, and about \$6,100 for renter families. Current incomes are about 22 percent above the 1959 levels and are expected to increase by an additional 7 percent by 1967, at which time rental housing projects now under consideration should be completed and occupied. The median after-tax incomes for all families and for renter families in 1965 and 1967 are presented in the table below. Percentage distributions of all families and of renter families by 1965 and 1967 annual after-tax income are shown in table II.

Median Family Income After Federal Income Tax Minneapolis-St. Paul SMSA, 1965 and 1967

<u>Year</u>	<u>All families</u>	<u>Renter families</u>
1965	\$ 7,950	\$ 6,100
1967	8,400	6,500

Source: Estimated by Housing Market Analyst.

Demographic Factors

Population

Current Estimate. The population of the Minneapolis-St. Paul SMSA is about 1,681,000 as of April 1, 1965. About 82 percent of the population is concentrated in Hennepin and Ramsey Counties with approximately 47 percent in the Twin Cities. The current population of Minneapolis is about 475,800 and of St. Paul is approximately 315,300. Less than 1.5 percent is rural-farm.

Special mid-decade censuses conducted by the Bureau of the Census provide current population figures for 40 communities in the SMSA, representing about 38 percent of the estimated total population of the area. The population of the SMSA, the constituent counties, and selected communities as of April 1, 1950, 1960, and 1965 is shown in table III.

Past Trends. The current population of 1,681,000 reflects an increase of about 199,000, or 13.4 percent, over the 1960 population of 1,482,030 reported by the census. The growth for the five-year period averaged 39,825, or 2.7 percent, annually. During the 1950 to 1960 decade, the average annual rate of growth was about 2.9 percent. The population of the core area (Minneapolis and St. Paul) has not grown as the rest of the SMSA has in recent years. The city of Minneapolis has experienced an annual average loss of 1,400 persons since 1960, following an average annual loss of 3,900 between 1950 and 1960. St. Paul has shown only a slight increase in population during these periods, averaging about 380 a year from 1960 to 1965, and 210 each year between 1950 and 1960.

The most rapid growth since 1960 has been in Coon Rapids, Fridley, and Blaine in the southern portion of Anoka County; in Bloomington, Edina, Golden Valley, and New Hope in Hennepin County; and in White Bear Lake in Ramsey County. All of these communities are on the immediate fringe of the Minneapolis-St. Paul core area. The greatest relative growth was recorded by New Hope which more than tripled its population from 3,550 in 1960 to 11,600 as of April 1, 1965, representing an average annual increase of 1,600, or 45 percent. Blaine, Coon Rapids, and Fridley experienced average annual increases of 21, 15, and 13 percent, respectively, during the same five-year period. In absolute numbers, Bloomington gained more population than any other community in the SMSA, averaging a net increase of 3,200 each year for an average annual rate of growth of 6 percent.

During the 1950 to 1960 period, the suburban communities of Bloomington, Richfield, St. Louis Park, Brooklyn Center, Edina, Crystal, and Roseville led the SMSA in absolute population growth. Bloomington and Brooklyn Center expanded by an average of more than 40 percent annually over the ten-year period. Population trends between 1950 and 1960, and 1960 and 1965 are shown for the SMSA and selected communities in table III.

Estimated Future Population. Based on the assumption that the economy of the Twin Cities area will continue to expand and that the employment participation rate will continue to decline at about the same rate experienced between 1960 and 1965, **the population of the SMSA will increase by 39,000 annually during the next two years.** With the net addition of 78,000 persons during the two-year forecast period, the population of the Minneapolis-St. Paul SMSA will reach a level of 1,759,000 by April 1, 1967.

Natural Increase and Migration. From 1960 to the present time there has been an average of 39,800 births and 13,000 deaths in the Minneapolis-St. Paul SMSA each year resulting in a net natural increase of about 26,800 persons annually. Comparison of the the net natural increase with **the total population growth during the same period indicates** that an average of 13,000 persons have migrated into the SMSA each year since 1960. The current rate of in-migration represents an increase over that of the 1950 to 1960 period when an average of 9,200 people moved into the SMSA each year.

In-migration is projected to continue throughout the 1965 to 1967 forecast period of this analysis, but at a slightly **higher** rate. During the next two years net in-migration may be expected to add about 14,000 people to the population of the area each year. Net natural increase during the same period will average about 25,000 each year.

Age Distribution. The most significant change in the age composition of the SMSA population since 1950 is the great increase in the number and percentage of people under 20 years of age. This group has nearly doubled since April 1950, and now represents close to 42 percent of the total population compared with approximately 31 percent in 1950. The elderly segment has also increased more than proportionately since 1950, with the number of people age 65 and over now representing about 9.4 percent of the total population compared with 8.4 percent in 1950.

From the standpoint of housing demand, the most notable changes in the age distribution of the SMSA population since 1950 have been in the 20 to 29-year age group. This group, representing the marrying and family-formation portion of the population which has a large impact on the rental segment of the housing market, increased by an average of only 65 a year between 1950 and 1960, but has been increasing by an average of nearly 4,200 a year since 1960. The 30 to 44-year old age group, which constitutes the segment of the population most likely to be in the sales housing market, has not been growing as rapidly since 1960 as it did between 1950 and 1960. Since 1960, this group has grown by an average of 3,325 a year compared with about 4,200 a year during the 1950 to 1960 period. The distribution of the population by selected age groups as of April 1950, 1960, and 1965 is shown in table IV.

Households

Current Estimate. The number of households in the Minneapolis-St. Paul SMSA as of April 1, 1965 is approximately 501,300 which is 60,500 more than reported by the census in April 1960, indicating an average annual increase of 12,100. Approximately 85 percent of the households in the five-county SMSA are located in the two most populous counties, with 287,250 households in Hennepin County and 136,250 households in Ramsey County. Anoka County now has about 32,500 households, Dakota County, 28,175, and Washington County about 17,125.

Past Trend. Between 1950 and 1960, households increased by an average of 10,300 each year, growing from 337,600 to 440,800, or a total gain of more than 30 percent. Hennepin County accounted for over 56 percent of all new households and Ramsey County accounted for about 21 percent. Anoka County had the largest relative growth in households during the decade, the total increasing from 9,420 to 21,300, or a gain of 126 percent. The increase in households between 1950 and 1960 was due, in part, to a conceptual change in definition from "dwelling unit" in 1950 to "housing unit" in 1960.

Estimated Future Households. Based on the population increments projected previously and on the assumption that the average household size in the area will decline slightly during the next two years, there will be 526,000 households in the Minneapolis-St. Paul SMSA as of April 1, 1967. Net household additions will average 12,350 a year during the two-year forecast period for a total gain of 24,700.

Household Size. The average household size in the Minneapolis-St. Paul SMSA is calculated at 3.28 persons at the present time, reflecting no change from the average household size reported by the 1960 census. Minor changes have occurred, however, in the individual counties. Average household size declined slightly in Anoka, Hennepin, and Ramsey Counties since 1960. Washington County household size reflect the greatest change during the past five years, the average increasing from 3.71 to 3.99 persons. Dakota County household size remains at the 1960 level. Trends in average household size from 1950 to 1965 are summarized in the table on the following page.

Average Household Size
Minneapolis-St. Paul SMSA
1950, 1960, and 1965

<u>Area</u>	April 1, <u>1950</u>	April 1, <u>1960</u>	April 1, <u>1965</u>
SMSA	3.25	3.28	3.28
Anoka County	3.65	3.97	3.95
Dakota County	3.64	3.74	3.74
Hennepin County	3.18	3.17	3.14
Ramsey County	3.28	3.28	3.24
Washington County	3.53	3.71	3.99

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

Housing Market Factors

Housing Supply

Current Estimate and Past Trends. As of April 1, 1965, there were 526,800 housing units in the Minneapolis-St. Paul SMSA. The April 1965 inventory represents an increase of 63,690 units over the April 1960 inventory of 463,110 reported by the Census of Housing. The current estimate is based on rather complete records of building additions and inventory losses as reflected in authorizations by building permits, in conversion, wrecking, and condemnation records, and in data collected by the Twin Cities Metropolitan Planning Commission. The net increase in the inventory results from the construction of 71,550 new units and the net loss of about 7,860 units through demolition, conversion, and catastrophe. The increase in the housing inventory since 1960 represents an average annual addition of 12,750 units compared with an average annual addition of about 10,325 units between 1950 and 1960.

Type of Structure. Single-family structures presently account for 66.8 percent of all housing units in the HMA compared with 68.3 percent in 1960. Two- to four-unit structures now represent 15.2 percent of the total inventory compared with 16.9 percent five years ago. Reflecting the high level of multifamily construction in recent years, the proportion of housing units in five-or more-unit structures has risen to 17.3 percent compared with less than 14.1 percent in 1960.

Housing Inventory by Units in Structure
Minneapolis-St. Paul Housing Market Area
April 1, 1960 and April 1, 1965

<u>Size of structure</u>	<u>April 1, 1960</u>		<u>April 1, 1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1 unit	314,814	68.3	351,850	66.8
2 to 4 unit	77,963	16.9	80,125	15.2
5 or more unit	65,143	14.1	91,350	17.3
Trailer	<u>2,778</u>	<u>.7</u>	<u>3,475</u>	<u>.7</u>
Total	460,698	100.0	526,800	100.0

Source: 1960 Census of Housing (based on sample).
1965 estimated by Housing Market Analyst.

Year Built. Based on the number of building permits issued since 1960, it is estimated that 13.6 percent of the current housing inventory is

less than five years old. Assuming that most of the units removed by demolition were built prior to 1930, 28 percent of the current inventory is less than 10 years old, 21.3 percent is between 10 and 25 years old, 7.5 percent is between 25 and 35 years old, and a large portion, 43.2 percent, is 35 or more years old.

Housing Inventory by Year Built
Minneapolis-St. Paul Housing Market Area
as of April 1, 1965

<u>Year built</u>	<u>Approximate current age</u>	<u>Number of units</u>	<u>Percent of inventory</u>
April 1, 1960 - April 1, 1965	Less than 5 years	71,500	13.6
1955 - March 31, 1960	5 - 10 years	75,800	14.4
1950 - 1954	10 - 15 years	61,600	11.7
1940 - 1949	15 - 25 years	50,600	9.6
1930 - 1939	25 - 35 years	39,700	7.5
1929 or earlier	35 years or more	<u>227,600</u>	<u>43.2</u>
Total		526,800	100.0

Source: Estimated by Housing Market Analyst.

Condition and Plumbing Facilities. Assuming that all of the new units added to the housing inventory since 1960 were of good quality and that most of the units removed by demolition were substandard, **there are about 40,000 units that are dilapidated or** lack some plumbing facilities, representing about 7.6 percent of the total housing stock of the SMSA. As of April 1, 1960, the Census of Housing indicated 47,836 units in these categories representing 10.4 percent of the housing inventory at that time. A total of 11,840 units **was** listed as dilapidated in 1960 and 35,996 were described as lacking some or all plumbing facilities. Over 87 percent of the units classified as dilapidated in 1960 were occupied, 3,285 by owners and 7,065 by renters. Similarly, most units lacking some or all plumbing facilities were occupied (86 percent), 5,924 by owners and 25,074 by renters. In April 1950, the Census of Housing reported 13,624 units that were dilapidated and 72,699 that lacked some or all plumbing facilities, a total of 86,323 in the two categories.

Value and Rent. The median value of owner-occupied houses in the Minneapolis-St. Paul SMSA was reported to be \$14,600 by the 1960 Census of Housing. The highest value reported, by county, was \$15,000 in Hennepin County, and the lowest was \$13,000 in Washington County. Asking prices of vacant houses available for sale were considerably higher,

with a median of \$16,700. Median gross monthly rent for renter-occupied units was \$78 in the SMSA, with a high of \$92 in Anoka County and a low of \$75 in Ramsey County. The median gross rents in Hennepin County and Dakota County were near the SMSA median, \$79 in Hennepin and \$77 in Dakota, while the median in Washington County was a little higher at \$81 a month. The median asking rent in vacant units was reported by the Bureau of the Census to be \$67 a month in 1960.

Residential Building Activity

Past Trend. As measured by building permits issued, new construction volume has exceeded 16,000 units a year since 1962, with a high of 16,990 units authorized in the SMSA in 1964. The average annual volume of new building during the past three years, at 16,600 units, is about 23 percent above the average for the preceding four-year period, 1958 to 1961, when construction averaged 13,550 units a year. The lowest volume in recent years occurred in 1960 and 1957, when 12,200 units and 9,625 units, respectively, were authorized by permits. As indicated in the following table, the increase in residential building activity has been widely distributed throughout the SMSA.

New Housing Units Authorized by Building Permits by County Location Minneapolis-St. Paul SMSA, 1956-1964

<u>Year</u>	<u>SMSA total</u>	<u>Anoka County</u>	<u>Dakota County</u>	<u>Hennepin County</u>	<u>Ramsey County</u>	<u>Washington County</u>
1956	11,054	1,042	1,088	5,773	3,079	72
1957	9,627	1,217	565	5,316	2,429	100
1958	13,602	2,064	650	8,161	2,152	575
1959	14,862	2,383	788	7,604	3,418	669
1960	12,214	2,462	875	5,893	2,382	602
1961	13,586	2,136	915	7,488	2,596	451
1962	16,618	2,464	1,297	9,223	2,854	780
1963	16,131	2,206	1,958	8,404	3,103	460
1964	16,990	1,755	1,808	8,274	4,750	403

Source: Bureau of the Census, C-40 Construction Reports.

Fifty-three percent of all new housing units authorized by building permits during 1964 were in multifamily structures of two or more units. Multifamily units have accounted for 50 percent of all new construction since 1961, with 31,350 multifamily units and 31,950 single-family units authorized during the four-year period. The majority of these new multifamily units have been built in relatively small garden-type projects scattered throughout the SMSA, although several high-rise apartments have

been constructed recently. New housing units authorized by building permits in the Minneapolis-St. Paul SMSA from 1960 to 1964 are shown by type of structure in the following table.

New Housing Units Authorized by Building Permits
by Type of Structure
Minneapolis-St. Paul SMSA, 1960-1964

<u>Year</u>	<u>Total</u> <u>units</u>	<u>One</u> <u>family</u>	<u>Two to four</u> <u>family</u>	<u>5 family</u> <u>or more</u>	<u>Percent</u> <u>two family</u> <u>or more</u>
1960	12,214	8,242	794	3,178	32.5
1961	13,586	7,869	689	5,028	42.1
1962	16,618	7,600	765	8,253	54.3
1963	16,131	8,507	589	7,035	47.3
1964	16,990	7,990	862	8,138	53.0

Source: Bureau of the Census, C-40 Construction Reports.

Units Currently Under Construction. Based on building permit data and average construction time for single-family homes, garden-type apartments, and high-rise rental projects, there are 5,000 dwelling units under construction in the Minneapolis-St. Paul SMSA. Approximately 800 of these units are single-family homes and about 4,200 are in multifamily projects. The number of single-family homes under construction is a little lower than might be expected, because of lingering winter weather which has delayed new housing starts.

Demolitions. About 90 percent of residential demolitions since 1960 have been in the cities of Minneapolis and St. Paul. Wrecking permits for these two cities indicate that over 2,000 residential units were demolished during 1964, almost double the average annual rate for the previous three years. Altogether, almost 7,300 units have been removed from the housing inventory of the two cities during the past five years. As shown in the following table about 60 percent of the units demolished were in multifamily structures.

Demolition Trends
Minneapolis and St. Paul, 1960-1964

<u>Year</u>	<u>Minneapolis</u>			<u>St. Paul</u>			<u>Twin Cities</u>
	<u>Single family</u>	<u>Multi-family</u>	<u>Total</u>	<u>Single family</u>	<u>Multi-family</u>	<u>Total</u>	<u>Total</u>
1960	591	190	781	239	682	921	1,702
1961	360	173	533	122	250	372	905
1962	349	262	611	261	377	638	1,249
1963	345	489	834	199	353	552	1,386
1964	378	694	1,072	215	734	949	2,021

Source: Building permit offices, Minneapolis and St. Paul.

Based on the best information currently available as to future urban renewal activity and highway construction, demolition of residential units will average about 1,600 units a year during each of the next two years.

Tenure

Current Estimate. About 34.3 percent of the 501,300 occupied housing units in the Minneapolis-St. Paul SMSA are renter-occupied as of April 1, 1965 compared with an April 1960 renter-occupancy rate of 31.8 percent. The increase in renter occupancy in recent years is a reversal of the trend shown between 1950 and 1960, when owner occupancy increased from 60.8 percent to 68.2 percent.

Distribution of Occupied Dwelling Units by Tenure
Minneapolis-St. Paul SMSA
1950, 1960, 1965

<u>Tenure</u>	<u>April 1, 1950</u>		<u>April 1, 1960</u>		<u>April 1, 1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total	<u>337,206</u>	<u>100.0</u>	<u>440,805</u>	<u>100.0</u>	<u>501,300</u>	<u>100.0</u>
Owner occupied	204,895	60.8	300,738	68.2	329,500	65.7
Renter occupied	132,311	39.2	140,067	31.8	171,800	34.3

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

Past Trends. Over 21 percent of the renter-occupied dwelling units in 1960 were one-family houses and 37 percent were in structures of 2 to 4 units, so that just 42 percent of all renters lived in multifamily structures of 5 or more units.

Vacancy

April 1960 Census. In April 1960, the Census of Housing reported that there were 22,300 vacant dwelling units in the Minneapolis-St. Paul SMSA, of which 11,350 were listed as available for sale or rent, indicating an over-all vacancy ratio of 2.5 percent for sale or rent. There were 3,175 units listed as available for sale only, indicating a homeowner vacancy rate of 1.0 percent, and 8,175 units available for rent, or a rental vacancy rate of 5.5 percent. The homeowner vacancy rate was lower in Minneapolis (0.5), St. Paul (0.5), and Richfield (0.6), than in the SMSA as a whole. It was higher in Bloomington (1.1), Minnetonka (2.2), and Edina (2.9). The rental vacancy rates in Minneapolis and St. Paul were close to the SMSA vacancy rate, 5.4 and 5.1 percent, respectively. In other principal cities the rental vacancy rate varied more from the SMSA average, St. Louis Park (3.1), Bloomington (4.2), Minnetonka (5.3), Edina (8.6), and Richfield (9.8). Over 2,700 (33 percent) of the vacant units available for rent in the SMSA lacked some or all plumbing facilities. Just 150 (5 percent) of the units in the vacant available for sale category lacked plumbing facilities.

The rental vacancy rate was much lower for units in small structures than for units in larger multifamily structures. As shown below, rental vacancy rates in one to four family structures was less than 5 percent, while vacancy in larger structures equaled 7 percent of the available inventory.

Rental Vacancy by Type of Structure Minneapolis-St. Paul SMSA, April 1960

<u>Type of structure</u>	<u>Number of occupied rental units</u>	<u>Vacant</u>	
		<u>Number</u>	<u>Percent</u>
1 unit	29,608	1,111	3.6
2 4 unit	52,114	2,662	4.9
5 9 unit	16,224	1,167	6.7
10 or more units	<u>42,160</u>	<u>3,239</u>	<u>7.1</u>
Total	140,106 <u>a/</u>	8,179	5.5

a/ Differs slightly from count of all occupied rental units (140,067), because units by type of structure were enumerated on a sample basis.

Source: 1960 Census of Housing. Vacancies by type of structure partially estimated by Housing Market Analyst.

Postal Vacancy Surveys. A postal vacancy survey was conducted in the Minneapolis-St. Paul SMSA in October 1964, covering 464,200 possible deliveries, or about 88.4 percent of the estimated housing inventory of the five-county area as of that time. The survey revealed an over-all vacancy rate of 2.4 percent in the survey area with a 1.3 percent vacancy in residences and a 6.1 percent vacancy in apartments. Details for each area included in the survey are shown in table V. Note that the results of the postal vacancy surveys are not directly comparable with those of 1960 published by the Bureau of the Census, because of differences in definition, in area delineation, and in methods of enumeration.

A postal vacancy survey conducted in the Minneapolis-St. Paul area in April 1962 covered a total of 396,300 possible deliveries and indicated an over-all vacancy rate of 1.9 percent. This survey revealed a vacancy rate of 1.1 percent in residences and 4.5 percent in apartments. While the 1964 survey included some outlying communities not covered in the 1962 survey, comparison of the two surveys indicates an increase in both the residence and apartment vacancy levels since 1962, although a rise in the residence vacancy rate is relatively small. A comparison of vacancy levels reported in the two surveys is shown in Table VI.

Vacancies in FHA-Insured Rental Projects. Annual occupancy reports from FHA-insured rental projects as of March 15, 1965 indicated a vacancy rate of 8.4 percent, with about 390 vacancies reported out of a total of approximately 4,600 units covered in almost 100 projects. In 1964 a vacancy rate of 6.8 percent was reported, with about 300 vacancies in a total of over 4,425 units covered in over 100 projects. Vacancy trends in FHA-insured projects from 1962 to 1965 are shown in the following table.

Vacancy Rates in FHA-Insured Rental Projects
Minneapolis-St. Paul SMSA
March 1962 - March 1965

<u>Item</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Number of projects	108	105	103	97
Total units	4,325	4,697	4,436	4,606
Vacant units	315	305	303	388
Vacancy ratio	7.3%	6.5%	6.8%	8.4%

Source: Federal Housing Administration.

Other Vacancy Data. The recent increase in vacancy rates also is illustrated by the experience of one of the large property management firms in the area. Records of this company pertaining to established projects show a current vacancy level of about 5.6 percent in approximately 2,300 units compared with a 1964 vacancy rate of 4.1 percent in 2,350 units, and a vacancy rate of 2.4 percent in 1963 in a management inventory of 1,400 units.

Current Estimate. There are approximately 13,000 housing units available for sale or rent in the Minneapolis-St. Paul SMSA as of April 1, 1965, equal to 2.5 percent of the available inventory. The current estimates suggest that, after a decline from 1960 to 1962, available vacancies are back at the level recorded in the 1960 census. Of the total number of available vacancies at the present time, about 3,400 are available for sale, a current homeowner vacancy rate of 1.0 percent, including about 150 units lacking one or more plumbing facilities. Vacant units available for rent total about 9,600, a current rental vacancy rate of 5.3 percent. It is calculated that approximately 3,000 of the vacant units available for rent lack some or all plumbing facilities.

Based on the moderate population and household growth rates of the area, the current level of vacancies is about adequate in the sales market but there is a slight excess of vacancies in the rental market. It will be noted that the current vacancy level is slightly higher than that revealed in the postal vacancy survey last October. The homeowner vacancy rate is lower than the reported vacancy level for residences in the postal survey and the rental vacancy rate is below the apartment vacancy rate reported in the postal survey, despite the fact that apartment vacancies have apparently been increasing in the past few years. This discrepancy results in part from definitional differences. The Post Office Department defines "residence" as a dwelling where one mail delivery is made at one stop. Residences, as thus defined, include single-family houses as well as duplex structures and many other types of small rental accommodations. Note that over 58 percent of the 1960 rental-occupied housing inventory of the SMSA was in one- to four-family structures. Vacancy levels in rental units of this type are substantially higher than in owner-occupied housing, but are noticeably lower than in larger multifamily structures. Thus, the transfer of a substantial number of rented units of this kind from the "residence" category to the "apartment" category, in order to conform the postal vacancy survey results to census concepts by tenure, results, simultaneously, in a lowering of the "residence" and "apartment" vacancy levels.

Sales Market

General Market Conditions. The sales market in the Minneapolis-St. Paul SMSA continues to be very good. An average of 8,050 single-family homes have been authorized by building permits each year since 1960, most of which were sold before construction began. There has been very little speculative building and the inventory of unsold new houses has remained at a relatively low level for the past four years.

Major Subdivision Activity. Although there were 30 subdivisions with five or more completions during 1964, subdivision activity accounted for less than 40 percent of all new sales housing construction in the area for the year. The most active subdivisions at present are the Apple Valley and River Hills subdivisions which are located in Burnsville Township in Dakota County, about 10 miles south of downtown Minneapolis. Builders have also been particularly active in the Highland Park section of St. Paul. Although a few units are being built in the \$12,500 to \$15,000 price range, current subdivision offerings are mostly in the \$18,000 to \$25,000 price range.

Difficulty has been experienced recently in the Coon Rapids area of Anoka County where a large number of homes were built in the \$11,000 to \$14,000 price range. Added sewer costs of up to \$1,300 and rising property taxes have contributed to a large number of foreclosures in this area, with 96 homes acquired by FHA.

Unsold Inventory of New Houses. In January 1965, the Minneapolis Insuring Office surveyed 80 subdivisions in the HMA in which five or more houses had been completed in 1964. The survey revealed a total of about 3,025 houses completed during the year, of which nearly 2,650 (88 percent) had been sold before the beginning of construction. Of the 375 houses built on a speculative basis, nearly 85 (23 percent) remained unsold at the time of the survey. Only 10 unsold units had been completed for more than six months.

The largest number of houses completed was in the \$17,500 to \$20,000 price range, which accounted for almost one-third of all completions. About one-fourth of the new units were in the \$15,000 to \$17,500 price range and a similar percentage was in the \$20,000 to \$25,000 range, indicating a stronger demand for homes in the upper middle-price bracket than in other price ranges.

A comparable survey of unsold new houses for the year 1963 reported over 2,975 completions, of which about 2,550 (86 percent) were sold before construction started. A higher percentage of speculatively built units remained unsold at the end of 1963 than at the end of 1964. The higher percentage in 1963 (29 percent) reflects almost 125 houses remaining unsold out of a total of 425 units built on a speculative basis during the year. More homes were built in the lower price ranges during 1963 than in 1964. Over half of all 1963 completions were priced at less than \$17,500.

New Sales Houses Completed in the Past Twelve Months,
Number Sold, and Number Unsold
Minneapolis-St. Paul HMA, January 1, 1965

<u>Sales price</u>	<u>Total completions</u>	<u>Sold before start of construction</u>	<u>Speculative construction</u>			
			<u>Total</u>	<u>Number sold</u>	<u>Number unsold</u>	<u>Percent unsold</u>
\$12,500 - \$14,999	158	129	29	26	3	10
15,000 - 17,499	774	632	142	107	35	25
17,500 - 19,999	982	876	106	83	23	21
20,000 - 24,999	753	688	65	54	11	17
25,000 - 29,999	308	283	25	15	10	40
30,000 - 34,999	38	30	8	6	2	25
35,000 and over	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	3,013	2,638	375	291	84	23

Source: FHA Inventory of Unsold New Houses, January 1965.

Foreclosures. Foreclosures of FHA-insured single-family houses have increased each year since 1960. Total foreclosures remain quite low for an area as large as the Minneapolis-St. Paul SMSA, although the upward trend is cause for concern. There has been a concentration in one area of low-priced homes in Anoka County where additional sewer costs and rising taxes have contributed to the difficulties. Local mortgage lenders report that foreclosures in conventionally-financed homes have been negligible.

Trend of Foreclosures of FHA-Insured Home Mortgages a/
Minneapolis-St. Paul SMSA
1960 - 1964

<u>Year</u>	<u>Anoka County</u>	<u>Dakota County</u>	<u>Hennepin County</u>	<u>Ramsey County</u>	<u>Washington County</u>	<u>Total</u>
1960	1	0	2	2	0	5
1961	4	0	22	1	1	28
1962	13	1	31	9	4	58
1963	31	2	38	13	11	95
1964	52	4	76	23	34	189

a/ Includes deeds in lieu of foreclosure.

Source: FHA, Division of Research and Statistics.

The inventory of FHA-acquired home properties totaled 41 units in the five-county Minneapolis-St. Paul housing market area as of April 1, 1965.

Rental Market

General Condition. Although there appears to be a slight excess of vacancies in the rental market at the present time, the current rental vacancy rate of 5.3 percent compares quite favorably with the rental vacancy rate of 5.5 percent reported by the 1960 census. The slight upward trend in apartment vacancies noted earlier in this report appears to reflect special problems in management, location, and quality of units. New rental units have been readily absorbed in spite of the rather sharp rise recorded in the volume and proportion of new rental housing constructed since 1960.

General Marketing Experience. The lowest rents available in the Minneapolis-St. Paul area for new multifamily construction are for low rental FHA-insured projects. One project, located in the Glenwood Urban Renewal Area in Minneapolis, still had vacant units as of March 1965.

New garden-type apartments insured and conventionally-financed units charge rents generally ranging from \$105 to \$130 for one-bedroom units and from \$128 to \$175 a month for two-bedroom units. Generally, rents include all utilities except electricity, and ranges and refrigerators are provided. Most of these projects have been marketed with little or no difficulty.

New elevator projects generally have higher rents but appear to be well received in the market. In some recent projects, one-bedroom units range from \$150 to \$170 and two-bedroom units from \$200 to \$260, including all utilities except electricity. In some high-rise projects rents range considerably higher, to over \$200 a month for one-bedroom units and as much as \$400 or more a month for three-bedroom units.

Rental Housing Under Construction. As previously noted, under residential building activity, there are currently about 4,200 rental units under construction in the Minneapolis-St. Paul SMSA. The first 500 units of the 1,500-unit apartment complex in the Gateway Urban Renewal Area are scheduled to be completed late this year. These 500 units are in two buildings, one 26 stories with 200 units and one 16 stories with over 300 units, are insured by FHA. This project will include a swimming pool and underground parking for 360 cars. Approximately 8,000 square feet of commercial space is included in the \$11 million first phase of the project. As of April, some units are leased to future tenants. Two other large FHA-insured rental projects also are under construction at the present time, both of which are located in St. Paul. Other rental units presently under construction are generally small garden-type projects and these are scattered throughout the housing market area.

Urban Renewal

The cities of Minneapolis and St. Paul both have made extensive use of urban renewal programs to eliminate their worst areas of blight. The December 1964 directory of urban renewal projects lists seven projects in Minneapolis and four projects in St. Paul, excluding those of a purely planning nature. Two of the projects in Minneapolis were in the planning stage and five were in the execution stage. The four projects in St. Paul were in the execution stage. These projects are described below.

Minneapolis:

Glenwood (R-1). This project, the first in Minneapolis, was started in 1955 and is now nearly complete. The area, located about one mile west of the central business district, has been redeveloped with a public housing project, new community buildings, and the rehabilitation of commercial and industrial sections. There are 470 units of low-rent public housing and a new shopping center in the center of the residential area. The project also has a new neighborhood park.

Gateway Center (R-2). This project was approved by the Urban Renewal Administration in 1960. The area lies between the center of the downtown Minneapolis area and the Mississippi River. Formerly a skid-row area encompassing 24 city blocks, it has been cleared and rebuilt. New buildings in the redeveloped area include the 350-room Sheraton-Ritz Hotel built at a cost of \$11 million, a \$2 million regional office for IBM, Federal Food and Drug Administration building, and a parking ramp. Now nearing completion is a new \$6 million home office for the Northwestern National Life Insurance Company, a \$5 million main office for the Northern States Power Company, and the Hansford Pontiac building. The Gateway Center also contains a new Federal Office Building, Employment Security Building, Public Library, and Public Health Center. The 500-unit apartment complex insured, previously described, also is located in the Gateway Center area.

Harrison Rehabilitation Project (R-7). The first Minneapolis neighborhood rehabilitation project was approved by the URA in April 1963 and is scheduled to be carried out over a three-year period. This is a 42-block area containing 722 buildings and 1,100 families. Owners of structures in need of extensive repairs are required to meet the standards prescribed by the renewal plan for the neighborhood, this includes 81 structures which are beyond economic repair and are scheduled to be demolished. An additional 76 properties may require demolition. Streets, sidewalks, and alleys have been improved as part of the program in this area.

Grant (R-9). The Grant project adjoins the Glenwood and Harrison projects on the north. This area, which contains some of the poorest housing in the city, is scheduled to be cleared during the next five years. Relocation of 341 families and demolition of 321 properties are proposed. Execution of the plan has been approved. The area will be redeveloped for residential use.

St. Anthony West Rehabilitation Projects (R-21). Rehabilitation plans for this area in northeast Minneapolis call for removal of 214 properties and there is a possibility that 74 additional structures may be demolished. The plan was approved for execution by the URA and is scheduled to be accomplished during a five-year period. Three new buildings for senior citizens have been completed in the area.

Seward East Rehabilitation Project (R-23). This project in southeast Minneapolis has been approved for planning and will result in the removal of 136 buildings. Residential redevelopment will include improved traffic flow and a new park-playground.

St. Paul:

Eastern (U1-1). This project was completed in August 1964. The cleared land has been re-used for part of the interstate freeway and for a new City and County General Hospital. Portions of the area have been used for school, playground, and park purposes.

Western (U1-2). This project has been approved for execution. It is located to the west of the State Capital. Rental apartments are located in this area; other new developments include a Sears store, school, church, and park facilities.

Upper Level (R-3). This project just across the Mississippi from downtown St. Paul, involved a small isolated residential area of 69 families surrounded by industrial uses. The families have been relocated and the area has been reallocated for industrial use.

Three other urban renewal projects in the St. Paul area have been approved for execution. These include Cathedral No. 1 (R-25), which contains 291 substandard dwelling units and 283 standard dwelling units, and which will be redeveloped for residential use, and the Downtown (R-20) and the Riverview Industrial (R-26) projects.

Public Housing

There are about 2,460 low-rent public housing units in Minneapolis at the present time, of which 1,500 are specifically designated for elderly persons. Ten new projects totaling 750 units have been approved. Five hundred of the new units are to be for elderly tenants. In St. Paul there are 1,925 low-rent public housing units at present and 255 units under construction, of which 22 are scheduled to be completed in July 1965. The remaining 233 units will be ready in late 1965 and early 1966. About 600 of the public housing units in St. Paul are for elderly persons.

Demand for Housing

Quantitative Demand

Based on the anticipated growth of 12,350 new households each year in the SMSA and the number of dwelling units expected to be lost through demolition and catastrophe, it is estimated that there will be an average annual demand for 16,500 new housing units in the Minneapolis-St. Paul SMSA during the next two years. Consideration has been given to expected changes in tenure, the current level of vacancies, and the current rate of new construction. The demand for new sales-type housing is calculated to be 8,000 units a year and the demand for new rental-type units is calculated at 8,500 units, annually.

A significant proportion (1,000 units) of the estimated annual demand for new rental housing will become effective only at the lower rents made possible through the use of public benefits, or assistance through tax abatement or aid in financing or land acquisition.

Qualitative Demand

Sales Housing. Based on the relationship between net income and purchase price found to be typical in the Minneapolis-St. Paul SMSA, the present distribution of families by income, and recent market experience, it is believed that the 8,000 units of new sales housing will be absorbed most readily if distributed by price as suggested in the table below. Housing priced below \$12,000 cannot be produced in this area at the present time.

Estimated Annual Demand for New Sales Housing Minneapolis-St. Paul SMSA, 1965-1967

<u>Sales price</u>	<u>Number</u>	<u>Units</u> <u>Percentage</u>
\$12,000 - \$13,999	320	4
14,000 - 15,999	800	10
16,000 - 17,999	1,440	18
18,000 - 19,999	1,280	16
20,000 - 24,999	1,920	24
25,000 - 29,999	1,200	15
30,000 - 34,999	800	10
35,000 and over	240	3
Total	8,000	100

The foregoing distribution differs from that on page 23, which reflects only selected subdivision experience during the year 1964. It must be noted that the 1964 data do not include new construction in subdivisions with fewer than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower value homes, are concentrated in the smaller building operations which are quite numerous. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Rental Housing. Based on projected 1967 tenant family incomes and the rent-income ratios found to be typical in new rental construction in the Minneapolis-St. Paul SMSA in the past, the estimated annual demand for new rental units (through new construction or rehabilitation) has been distributed by unit size and rent levels as shown below. It is estimated that the minimum gross rents achievable with market interest rate financing are \$105 for efficiencies, \$120 for one-bedroom units, \$130 for two-bedroom units, and \$140 for three-bedroom apartments. The production of units in the high ranges of rent will competitively effect a filtering of existing accommodations. Ten percent of all new multifamily housing construction since 1960 has been in two to four unit structures. Demand for this type of rental unit is expected to continue at about the same level during the 1965 and 1967 forecast period.

At the projected level of demand, the Minneapolis-St. Paul SMSA will be absorbing rental housing at over 8,000 units a year for five consecutive years. This represents a substantial increase over the level of multifamily demand in prior years. In addition, there are now over 4,000 multifamily units under construction. It would appear prudent, therefore, to keep a close watch on the rate at which new multifamily housing is absorbed in this area and to make appropriate adjustments toward the end of the forecast period may appear prudent at that time.

Estimated Annual Demand for New Rental Housing
by Gross Monthly Rent and Size of Unit
Minneapolis-St. Paul SMSA, 1965-1967

Monthly gross rent <u>a/</u>	Number of units			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 95 and over	1,550	-	-	-
100 " "	1,525	-	-	-
105 " "	1,475	3,550	-	-
110 " "	1,450	3,500	2,550	-
115 " "	1,400	3,450	2,500	850
120 " " - - - -	1,300 - - - -	3,400 - - - -	2,400 - - - -	800
125 " "	1,125	3,250	2,300	775
130 " "	925	2,900	2,075	700
140 " "	650	2,350	1,675	550
150 " "	375	1,800	1,300	400
160 " "	175	1,400	1,000	300
170 " " - - - -	75 - - - -	1,000 - - - -	750 - - - -	250
180 " "	50	650	450	150
200 " "	25	450	300	100
220 " "	-	325	250	75
240 " "	-	200	150	50
260 " "	-	100	50	25

a/ Gross rent is shelter or contract rent plus the cost of utilities and service.

Note: The foregoing figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for two-bedroom units at \$130 to \$150 is 700 units (1,925 minus 1,225).

The preceding distribution of average annual demand for new apartments is based on tenant family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area. It cannot be construed rigidly but represents what may be assumed to be an appropriate pattern over a period of several years. Occasionally, in brief periods and in specific rent ranges, because of special factors for individual projects there may be successful marketing of rental units in other than these quantities. It should not be assumed, however, that such a divergency represents a change in the continuing ability of the area to absorb new rental housing. In any case, particular proposals must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or submarkets.

Table I

Annual Average Nonagricultural Wage and Salary Employment
by Major Industry Groups
Minneapolis-St. Paul SMSA, 1958-1964
(in thousands)

<u>Industry</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Total nonagricultural wage and salary	<u>526.3</u>	<u>545.2</u>	<u>560.6</u>	<u>564.9</u>	<u>587.9</u>	<u>598.1</u>	<u>611.0</u>
Manufacturing	<u>144.4</u>	<u>148.2</u>	<u>150.5</u>	<u>150.6</u>	<u>158.6</u>	<u>160.2</u>	<u>162.8</u>
Durable goods	<u>75.5</u>	<u>79.7</u>	<u>81.4</u>	<u>82.6</u>	<u>89.8</u>	<u>90.5</u>	<u>91.8</u>
Ordnance and scientific inst.	19.9	19.5	19.1	18.9	19.1	19.1	19.0
Lumber, wood prod., and furniture	5.4	5.6	5.0	4.6	4.4	4.3	4.2
Primary and fab. metal prod.	13.2	14.1	13.9	13.5	14.7	14.7	14.9
Nonelectrical machinery	20.3	21.4	23.0	24.7	27.2	28.0	29.4
Electrical machinery	8.8	10.5	12.3	13.1	15.3	15.2	14.2
Transp. equip. and other dur.	7.9	8.6	8.1	7.9	9.1	9.2	10.1
Nondurable goods	<u>69.0</u>	<u>68.5</u>	<u>69.0</u>	<u>68.0</u>	<u>68.9</u>	<u>69.7</u>	<u>71.0</u>
Food and kindred prod.	26.8	25.5	25.8	25.3	24.7	24.2	24.1
Textile and apparel	7.5	7.6	6.7	5.9	6.0	5.8	5.5
Paper and allied prod.	12.4	13.2	14.0	14.1	14.6	15.4	16.2
Print. and publishing	15.1	14.9	15.2	15.4	15.3	15.9	16.3
Chemical, petrol., rubber, and leather	7.1	7.5	7.2	7.3	8.3	8.4	8.9
Nonmanufacturing	<u>381.9</u>	<u>397.0</u>	<u>410.2</u>	<u>414.4</u>	<u>429.3</u>	<u>437.9</u>	<u>448.2</u>
Construction	28.9	31.7	31.6	30.0	31.9	32.2	32.2
Transportation	37.2	38.3	37.4	34.8	35.4	35.1	35.3
Communications and pub. utilities	14.4	14.2	14.4	14.3	14.3	14.2	14.3
Retail trade	85.8	89.4	93.6	94.3	98.5	100.8	104.3
Wholesale trade	43.1	44.5	45.5	45.7	46.2	46.6	47.2
Finance, ins., and real estate	32.8	33.6	35.5	37.1	38.2	38.4	38.5
Services and miscellaneous	74.8	78.0	82.5	86.2	89.3	92.5	95.9
Government	64.9	67.4	69.7	72.0	75.5	78.0	80.5

Note: Detail may not add because of rounding.

Source: Minnesota Department of Employment Security.

Table II

Percentage Distribution of Estimated Family Income by Tenure
After Deduction of Federal Income Tax
Minneapolis-St. Paul SMSA, 1965-1967

<u>Income</u>	<u>All families</u>		<u>Renter families</u>	
	<u>1965</u>	<u>1967</u>	<u>1965</u>	<u>1967</u>
Under \$2,000	4	3	8	7
\$2,000- 2,999	4	4	8	7
3,000- 3,999	5	4	8	8
4,000- 4,999	6	6	10	11
5,000- 5,999	8	8	13	11
6,000- 6,999	11	9	14	13
7,000- 7,999	13	11	11	12
8,000- 8,999	11	12	9	9
9,000- 9,999	11	10	7	7
10,000-14,999	21	25	9	12
15,000 and over	<u>6</u>	<u>8</u>	<u>3</u>	<u>3</u>
Total	100	100	100	100
Median	\$7,950	\$8,400	\$6,100	\$6,500

Source: Estimated by Housing Market Analyst.

Table III

Population of the Minneapolis-St. Paul SMSA
April 1, 1950, 1960, and 1965

Area	1950	1960	1965	Average annual change			
				1950 - 1960	1960 - 1965	1950 - 1960	1960 - 1965
				No.	Pct.	No.	Pct.
SMSA total	<u>1,151,053</u>	<u>1,482,030</u>	<u>1,681,000^{a/}</u>	<u>33,098</u>	<u>2.9</u>	<u>39,825</u>	<u>2.7</u>
<u>Anoka County</u>	<u>35,579</u>	<u>85,916</u>	<u>129,600^{a/}</u>	<u>5,034</u>	<u>14.1</u>	<u>8,750</u>	<u>10.2</u>
Anoka	7,396	10,562	11,504	317	4.3	188	1.8
Blaine	-	7,570	15,516	NA	NA	1,589	21.0
Columbia Heights	8,175	17,533	23,283	936	11.4	1,150	6.6
Coon Rapids	-	14,931	26,386	NA	NA	2,291	15.3
Fridley	3,796	15,173	24,759	1,138	30.0	1,917	12.6
Rest of County	16,212	20,147	28,152 ^{a/}	394	2.4	1,600	7.9
<u>Dakota County</u>	<u>49,019</u>	<u>78,303</u>	<u>106,400^{a/}</u>	<u>2,928</u>	<u>6.0</u>	<u>5,625</u>	<u>7.2</u>
South St. Paul	15,909	22,032	24,600 ^{a/}	612	3.8	510	2.3
West St. Paul	7,955	13,101	15,050	515	6.4	390	3.0
Rest of County	25,155	43,170	66,750 ^{a/}	1,802	7.2	4,725	10.9
<u>Hennepin County</u>	<u>676,579</u>	<u>842,854</u>	<u>923,100^{a/}</u>	<u>16,628</u>	<u>2.5</u>	<u>16,050</u>	<u>1.9</u>
Bloomington	9,902	50,498	66,497	4,060	41.0	3,200	6.3
Brooklyn Center	4,284	24,356	30,087	2,007	46.8	1,146	4.7
Brooklyn Park	3,065	10,197	14,767	713	23.3	914	9.0
Crystal	5,713	24,283	29,066	1,857	32.5	957	3.9
Edina	9,744	28,501	35,234	1,876	19.3	1,347	4.7
Golden Valley	5,551	14,559	21,219	901	16.2	1,332	9.1
Hopkins	7,595	11,370	12,147	378	5.0	155	1.4
MINNEAPOLIS	521,718	482,872	475,800 ^{a/}	-3,885	-7	-1,400	-3
Minnetonka	-	25,037	30,879	NA	NA	1,168	4.7
New Hope	-	3,552	11,584	NA	NA	1,606	45.0
Plymouth	5,813	9,576	13,040	376	6.5	693	7.2
Richfield	17,502	42,523	46,470	2,502	14.3	789	1.9
Robbinsdale	11,289	16,381	18,650 ^{a/}	509	4.5	450	2.7
St. Louis Park	22,644	43,310	47,931	2,067	9.1	924	2.1
Rest of County	51,759	55,839	69,729 ^{a/}	408	.8	2,775	5.0
<u>Ramsey County</u>	<u>355,332</u>	<u>422,525</u>	<u>452,200^{a/}</u>	<u>6,719</u>	<u>1.9</u>	<u>5,925</u>	<u>1.4</u>
Maplewood	-	18,519	21,350	NA	NA	566	3.1
Roseville	6,437	23,997	29,500	1,756	27.3	1,101	4.6
ST. PAUL	311,349	313,411	315,300 ^{a/}	206	.1	380	.1
White Bear Lake	3,646	12,849	19,325	920	25.2	1,295	10.1
Rest of County	33,900	53,749	66,725 ^{a/}	1,985	5.9	2,600	4.8
<u>Washington County</u>	<u>34,544</u>	<u>52,432</u>	<u>69,700^{a/}</u>	<u>1,789</u>	<u>5.2</u>	<u>3,450</u>	<u>6.6</u>

^{a/} Estimated by Housing Market Analyst.

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

Table IV

Age Distribution of the Population
Minneapolis-St. Paul SMSA, 1950, 1960, and 1965

<u>Age group</u>	<u>Distribution</u>					
	<u>April 1950</u>		<u>April 1960</u>		<u>April 1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 20	358,826	31.2	584,889	39.5	702,250	41.8
20 - 29	192,789	16.7	193,442	13.0	214,350	12.7
30 - 44	245,787	21.4	287,857	19.4	304,450	18.1
45 - 64	256,490	22.3	279,806	18.9	302,400	18.0
65 and over	97,161	8.4	136,036	9.2	157,550	9.4
Total	1,151,053	100.0	1,482,030	100.0	1,681,000	100.0

<u>Age group</u>	<u>Change</u>					
	<u>1950 - 1960</u>		<u>1960 - 1965</u>		<u>Average annual</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>1950-1960</u>	<u>1960-1965</u>
Under 20	226,063	63.0	117,361	20.1	22,606	23,472
20 - 29	653	.3	20,908	10.8	65	4,182
30 - 44	42,070	17.1	16,593	5.3	4,207	3,319
45 - 64	23,316	9.1	22,594	8.1	2,332	4,519
65 and over	38,875	40.0	21,514	15.8	3,888	4,303
Total	330,977	28.8	198,970	13.4	33,098	39,794

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

Table V

Minneapolis-St. Paul, Minnesota Area Postal Vacancy Survey

October 5-27, 1964

Postal Area	TOTAL RESIDENCES AND APARTMENTS						RESIDENCES						APARTMENTS						HOUSE TRAILERS		
	Total Possible Deliveries	Vacant Units				Under Const.	Total Possible Deliveries	Vacant Units				Under Const.	Total Possible Deliveries	Vacant Units				Under Const.	Total Possible Deliveries	Vacant No.	%
		All	%	Used	New			All	%	Used	New			All	%	Used	New				
The Survey Area Total	464,211	10,952	2.4	8,715	2,237	6,212	363,816	4,843	1.3	3,878	965	2,375	100,395	6,109	6.1	4,837	1,272	3,837	2,990	57	1.9
Minneapolis	273,022	6,979	2.6	5,773	1,206	2,682	210,532	2,870	1.4	2,460	410	763	62,490	4,109	6.6	3,313	796	1,919	1,442	26	1.8
Main Office	19,680	1,518	7.7	1,450	68	299	5,804	228	3.9	222	6	1	13,876	1,290	9.3	1,228	62	298	2	-	-
Branches:																					
Bloomington	8,649	168	1.9	140	28	187	7,678	75	1.0	61	14	27	971	93	9.6	79	14	160	400	7	1.8
Bloomington Annex	7,770	87	1.1	40	47	84	7,168	67	0.9	39	28	68	602	20	3.3	1	19	16	-	-	-
Columbia Heights	10,668	279	2.6	197	82	177	8,605	97	1.1	67	30	69	2,063	182	8.8	130	52	108	312	5	1.6
Coon Rapids	12,950	301	2.3	244	57	173	12,551	251	2.0	206	45	167	399	50	12.5	38	12	6	544	14	2.5
Edina	9,006	99	1.1	87	12	122	7,801	71	0.9	61	10	18	1,205	28	2.3	26	2	104	-	-	-
Miracle Mile	4,621	160	3.5	120	40	107	3,087	37	1.2	34	3	4	1,534	123	8.0	86	37	103	-	-	-
Richfield	13,290	358	2.7	104	254	209	10,843	70	0.6	57	13	11	2,447	288	11.8	47	241	198	113	-	-
Robbinsdale	28,100	529	1.9	314	215	381	25,960	372	1.4	224	148	182	2,140	157	7.3	90	67	199	-	-	-
St. Louis Park	12,436	678	5.4	553	125	277	10,414	451	4.3	438	13	21	2,072	227	11.0	115	112	263	-	-	-
Southdale	7,898	124	1.6	72	52	60	7,707	116	1.5	66	50	60	191	8	4.2	6	2	-	-	-	-
Stations:																					
Camden	10,987	155	1.4	109	46	46	10,307	112	1.1	84	28	29	680	43	6.3	25	18	17	-	-	-
Central Avenue	16,301	185	1.1	170	15	46	12,924	132	1.0	123	9	30	3,377	53	1.6	47	6	16	1	-	-
Commerce	328	24	7.3	24	-	-	28	1	3.6	1	-	-	300	23	7.7	23	-	-	-	-	-
Diamond Lake	15,152	93	0.6	89	4	184	13,487	71	0.5	68	3	4	1,665	22	1.3	21	1	180	-	-	-
Highland	19,313	653	3.4	639	14	12	13,890	170	1.2	167	3	4	5,423	483	8.9	472	11	8	-	-	-
Lake Street	18,040	548	3.0	535	13	185	8,238	204	2.5	204	-	-	9,802	344	3.5	331	13	185	-	-	-
Loring	10,025	348	3.5	290	58	15	3,937	57	1.4	57	-	3	6,088	291	4.8	233	58	12	-	-	-
Minnehaha	15,246	149	1.0	142	7	55	14,189	96	0.7	91	5	55	1,057	53	5.0	51	2	-	-	-	-
Nokomis	10,417	121	1.2	66	55	3	9,769	42	0.4	40	2	3	648	79	12.2	26	53	-	-	-	-
Powderhorn	14,912	332	2.2	321	11	14	11,756	118	1.0	118	-	2	3,156	214	6.8	203	11	12	-	-	-
University	7,183	70	1.0	67	3	39	4,389	32	0.7	32	-	5	2,794	38	1.4	35	3	34	-	-	-
St. Paul	144,356	2,596	1.8	1,963	633	2,722	111,748	975	0.9	696	279	1,006	32,608	1,621	5.0	1,267	354	1,716	806	5	0.6
Main Office	4,946	98	2.0	84	14	388	3,502	17	0.5	10	7	35	1,444	81	5.6	74	7	353	3	3	100.0
Branches:																					
Falcon Heights	11,360	127	1.1	67	60	241	10,022	63	0.6	36	27	45	1,338	64	4.8	31	33	196	191	2	1.0
New Brighton	7,074	229	3.2	115	114	333	6,510	124	1.9	84	40	98	564	105	1.9	31	74	235	29	-	-
North St. Paul	6,254	65	1.0	49	16	60	5,719	59	1.0	44	15	57	535	6	1.1	5	1	3	305	-	-
West St. Paul	6,206	55	0.8	39	16	40	5,603	34	0.6	18	16	40	603	21	3.5	21	-	-	1	-	-
White Bear Lake	8,951	276	3.1	169	107	101	8,679	165	1.9	104	61	61	272	111	40.8	65	46	40	-	-	-

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, and 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.

Table V (Continued)

Minneapolis - St. Paul, Minnesota Area Postal Vacancy Survey

October 5-27, 1964

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.	%
Stations:																					
Como	2,293	31	1.4	31	-	23	1,496	3	0.2	3	-	3	797	28	3.5	28	-	20	-	-	-
Daytons Bluff	16,238	290	1.8	238	52	156	11,232	98	0.9	64	34	39	5,006	192	3.8	174	18	117	-	-	-
Eastern Heights	8,115	109	1.3	70	39	658	7,785	81	1.0	42	39	554	330	28	8.5	28	-	104	229	-	-
Highland Park	8,715	184	2.1	117	67	37	6,225	18	0.3	18	-	3	2,490	166	6.7	99	67	34	-	-	-
Industrial	18,492	180	1.0	164	16	44	15,103	72	0.5	66	6	-	3,389	108	3.2	98	10	44	-	-	-
Minnesota Transfer	647	5	0.8	5	-	-	435	4	0.9	4	-	-	212	1	0.5	1	-	-	-	-	-
Rice Street	9,795	190	1.9	85	105	207	9,021	60	0.7	50	10	17	774	130	1.7	35	95	190	-	-	-
Riverview	5,563	90	1.6	85	5	304	3,391	39	1.2	34	5	7	2,172	51	2.3	51	-	297	-	-	-
St. Clair	11,549	50	0.4	48	2	41	8,549	22	0.3	21	1	1	3,000	28	0.9	27	1	40	-	-	-
Twin City Airport	1,250	30	2.4	17	13	41	1,221	29	2.4	16	13	41	29	1	3.4	1	-	-	48	-	-
Uptown	16,908	587	3.5	580	7	48	7,255	87	1.2	82	5	5	9,653	500	5.2	498	2	43	-	-	-
Other Cities And Towns	<u>46,833</u>	<u>1,377</u>	<u>2.9</u>	<u>979</u>	<u>398</u>	<u>808</u>	<u>41,536</u>	<u>998</u>	<u>2.4</u>	<u>722</u>	<u>276</u>	<u>606</u>	<u>5,297</u>	<u>379</u>	<u>7.2</u>	<u>257</u>	<u>122</u>	<u>202</u>	<u>742</u>	<u>26</u>	<u>3.5</u>
Anoka	5,525	128	2.3	97	31	129	4,487	81	1.8	52	29	89	1,038	47	4.5	45	2	40	128	7	5.5
Circle Pines	1,342	65	4.8	41	24	28	1,304	62	4.8	38	24	24	38	3	7.9	3	-	4	50	-	-
Farmington	1,568	39	2.5	35	4	11	1,442	24	1.6	21	3	10	126	15	11.1	14	1	1	3	-	-
Hastings	3,245	114	3.5	81	33	41	2,641	70	2.7	47	23	30	604	44	7.3	34	10	11	35	5	14.3
Hopkins	11,707	214	1.8	96	118	133	10,658	161	1.5	88	73	108	1,049	53	4.6	8	45	25	171	2	1.2
Mound	2,558	94	3.7	62	32	42	2,476	66	2.7	53	13	15	82	28	34.1	9	19	27	-	-	-
Osseo	2,251	75	3.3	53	22	42	2,164	62	2.9	40	22	42	87	13	14.9	13	-	-	123	6	4.9
Stillwater	5,117	327	6.4	285	42	44	4,161	264	6.3	231	33	42	956	63	6.6	54	9	2	64	3	4.7
South St. Paul	8,607	81	0.9	75	6	277	7,522	31	0.4	28	3	185	1,085	50	4.6	47	3	92	168	3	1.8
Wayzata	4,913	240	4.9	154	86	61	4,681	177	3.8	124	53	61	232	63	27.1	30	33	-	-	-	-

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, and 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 VI

Comparison of Vacancy Rates
As Shown by Postal Vacancy Surveys
Minneapolis-St. Paul SMSA, 1962 and 1964

<u>Area</u>	<u>Residences</u>		<u>Apartments</u>	
	<u>April 1962</u>	<u>October 1964</u>	<u>April 1962</u>	<u>October 1964</u>
SMSA	1.1	1.3	4.5	6.1
Minneapolis	1.1	1.4	4.8	6.6
Bloomington <u>a/</u>	1.4	1.0	17.0	7.2
St. Louis Park <u>b/</u>	1.1	3.6	8.5	9.7
Richfield	.9	.6	7.7	11.8
Edina <u>c/</u>	1.1	1.2	11.6	2.6
St. Paul	1.1	.9	3.8	5.0
Anoka, Hastings and Wayzata	1.7	2.8	5.2	8.2

a/ Includes Bloomington Annex Branch.

b/ Includes Miracle Mile Branch.

c/ Includes Southdale Branch.

Source: FMA postal vacancy surveys conducted by collaborating postmaster(s).