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1969

Analysis of the
**NEWARK, NEW JERSEY
HOUSING MARKET**

as of February 1, 1969

(A supplement to the May 1, 1965 analysis)

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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WASHINGTON, D.C. 20411

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

June 1969

ANALYSIS OF THE
NEWARK, NEW JERSEY, HOUSING MARKET AREA
AS OF FEBRUARY 1, 1969
(A supplement to the May 1, 1965 analysis)

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 current and future 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 at the time (the "as of" date) 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. Of course, estimates and judgments made on the basis of information available on the "as of" date may be modified considerably by subsequent market developments.

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ANALYSIS OF THE
NEWARK, NEW JERSEY, HOUSING MARKET AREA
AS OF FEBRUARY 1, 1969
(A supplement to the May 1, 1965 analysis)

Summary and Conclusions

1. Rapid economic growth characterized the Newark economy in the mid-1960's, but the rate of growth has been declining since 1965. All of the increase in wage and salary employment since 1966 has been in nonmanufacturing. The unemployment rate in the HMA has trended downward since the early 1960's, however, and has been well below 5.0 percent since the rapid economic expansion of the mid-1960's. The 4.1 percent unemployment rate in 1968 equaled the post-1960 low.

It is judged that increases in nonagricultural wage and salary employment in the HMA during 1969 and 1970 may be limited to an average of 11,000 a year, well below the average gain of 16,900 a year between 1964 and 1968. An increase of this magnitude would be comparable to the pace of economic growth during the late 1950's and early 1960's.

2. In February 1969, the median after-tax income of all families in the Newark area was estimated at \$9,350, and the median for renter households of two persons or more was \$7,600. About 21 percent of all families and 32 percent of the renter households had after-tax annual incomes of less than \$6,000, while 18 percent of all families and seven percent of tenant households had incomes of \$15,000 or more a year. By early 1971, all-family income is expected to increase to \$9,900 after tax, and that of renter households is expected to reach \$8,050.
3. The population of the Newark HMA was estimated at 1,885,000 persons as of February 1, 1969, an increase averaging 19,750 a year since May 1965. This is below the April 1960-May 1965 average gain of 23,925 a year, reflecting the rapid decline in the number of resident births in recent years. The most rapidly growing area in the HMA, Morris County, accounted for over three-fifths of the population growth between 1965 and 1969. Reflecting a lower level of economic growth and lower birth rates, the population of the HMA is expected to increase by an average of 16,500 persons annually during the two year forecast period of this report.
4. On February 1, 1969, there were an estimated 588,200 households (occupied housing units) in the Newark area indicating an average annual increase of 8,000 over the May 1965-February 1969 period. During 1969 and 1970 the household increase in the HMA is expected to average 7,000 a year, with over one-half of the increase projected for Morris County.

5. Reflecting a declining rate of new residential construction and increased demolition activity, the housing supply in the HMA increased by an average of 7,075 units a year during the May 1965-February 1969 period, compared with a net of 8,875 units yearly in the first half of the 1960 decade. As measured by building permits the volume of new construction in the HMA declined by about one-half between 1964 and 1968. It is estimated that 5,100 housing units were under construction in the HMA in February 1969, including 4,000 units in multifamily structures. There was a continued moderate increase in the proportion of renter occupancy, from 46.3 percent in 1965 to an estimated 46.7 percent in February 1969.
6. The declining rate of new residential construction in recent years has resulted in a comparatively tight housing situation in the HMA. An estimated 5,500 housing units in the three-county area were available for sale or rent in February 1969, an over-all vacancy rate of 0.9 percent. Of these, 1,700 units were for sale and 3,800 were for rent, equalling respective vacancy ratios of 0.5 percent and 1.4 percent. Vacancy ratios were 0.9 percent in the sales inventory and 2.5 percent in the rental inventory in May 1965.
7. The annual demand for an average of 6,500 privately-financed, non-subsidized housing units in the Newark area (3,500 units of sales housing and 3,000 units of rental housing) during the February 1969-February 1971 forecast period is shown qualitatively on pages 15 and 16. The occupancy potential for subsidized housing in the Newark area during 1969 and 1970 under various federal programs administered by FHA begins on page 16.

ANALYSIS OF THE
NEWARK, NEW JERSEY, HOUSING MARKET AREA
AS OF FEBRUARY 1, 1969
(A supplement to the May 1, 1965 analysis)

Housing Market Area

As in previous analyses, the Newark, New Jersey, Housing Market Area (HMA) is defined as being coterminous with the Newark Standard Metropolitan Statistical Area (SMSA), which encompasses the New Jersey Counties of Essex, Morris, and Union. Because of its location in northeastern New Jersey, the HMA is included in the New York-Northeastern New Jersey Standard Consolidated Area for statistical purposes. Despite its proximity to the larger New York area, the HMA has its own distinct economy based, historically, on metal fabricating, heavy machinery, and oil and chemical refineries. The population is concentrated in Essex and Union Counties in the eastern portion of the HMA. In 1969, the rural farm population constituted less than one percent of the total population in the HMA.

Economy of the Area

Employment

1968 Estimate and Past Trend. According to preliminary data compiled by the New Jersey Department of Labor and Industry, nonagricultural wage and salary employment averaged 760,600 during 1968, an increase of 2,200 over the average for 1967. As shown in the following table, the 1967 to 1968 increase reflects the continuation of a declining rate of employment growth that began in the HMA during the mid-1960's. The 1967-1968 increase in wage and salary employment likely will be the lowest annual gain since 1960-1961.

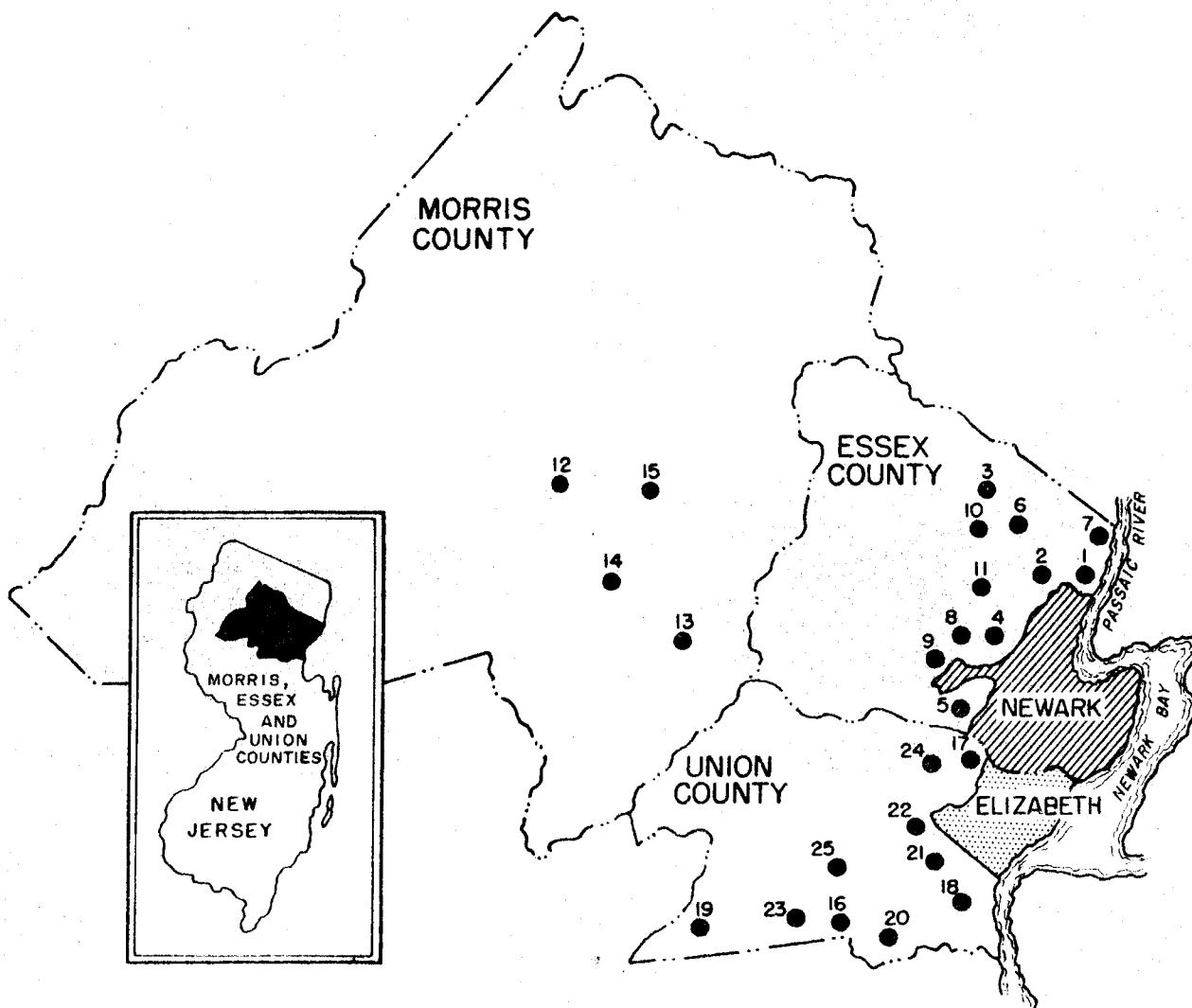
Trend of Nonagricultural Wage and Salary Employment
Newark, New Jersey, Housing Market Area
Annual Averages, 1964-1968
(in thousands)

<u>Year</u>	<u>Wage and salary employment</u>			<u>Change in total from preceding year</u>		
	<u>Manu- facturing</u>	<u>Nonmanu- facturing</u>	<u>Total</u>	<u>Manu- facturing</u>	<u>Nonmanu- facturing</u>	<u>Total</u>
1964	237.4	455.6	693.0	-	-	-
1965	247.5	476.1	723.6	10.1	20.5	30.6
1966	256.0	488.3	744.3	8.5	12.2	20.7
1967	256.8	501.6	758.4	0.8	13.3	14.1
1968 ^{a/}	253.0	507.6	760.6	-3.8	6.0	2.2

^{a/} Preliminary.

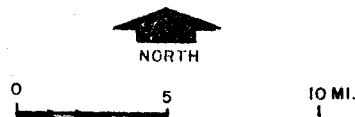
Source: New Jersey Department of Labor and Industry.

NEWARK, NEW JERSEY, HOUSING MARKET AREA



KEY:

- | | |
|---------------------|--------------------------------|
| 1. BELLEVILLE | 14. MORRISTOWN |
| 2. BLOOMFIELD | 15. PARSIPPANY-TROY HILLS TWP. |
| 3. CEDAR GROVE TWP. | 16. CLARK |
| 4. EAST ORANGE | 17. HILLSIDE TWP. |
| 5. IRVINGTON | 18. LINDEN |
| 6. MONTCLAIR | 19. PLAINFIELD |
| 7. NUTLEY | 20. RAHWAY |
| 8. ORANGE | 21. ROSELLE |
| 9. SOUTH ORANGE | 22. ROSELLE PARK |
| 10. VERONA | 23. SCOTCH PLAINS TWP. |
| 11. WEST ORANGE | 24. UNION |
| 12. DOVER | 25. WESTFIELD |
| 13. MADISON | |



The major portion of employment growth between 1964 and 1968 (70 percent) reflects increased employment in nonmanufacturing. Between 1964 and 1968, employment in nonmanufacturing activities in the HMA rose by 52,000 workers (see table I). Three sectors—trade, government, and services—accounted for three-fourths of this growth reflecting, in part, increasing consumer expenditures for personal needs, personal services, and education. In the local manufacturing industries, principally machinery, chemicals, and fabricated metals, employment gains generated by the Vietnam conflict were notable during the mid-1960's, but have been negligible since 1966. The lack of growth during 1967 and 1968 suggests that the local manufacturing industries may be entering a period of stability like that which characterized the local economy in the late 1950's and early 1960's.

Unemployment

There has been a generally downward trend in the rate of unemployment in the Newark area since 1958, when 65,500 persons, or 8.5 percent of the work force, were unemployed. In 1968, there was an average of 35,400 unemployed persons in the HMA, an unemployment rate of 4.1 percent. This equaled the lowest annual average rate of unemployment in the HMA in any year since 1960. The unemployment rate in the HMA has been well below 5.0 percent since the rapid economic expansion of the mid-1960's.

Future Employment Prospects

Nonagricultural wage and salary employment in the Newark HMA is expected to increase by an average of 11,000 jobs annually during the February 1969-February 1971 forecast period, reflecting a continuation of the declining rate of economic growth that began in the mid-1960's. The level of employment growth expected during the next two years is well below the 1964-1968 average (16,900), but is comparable to the average level of employment growth in the HMA during the late 1950's and early 1960's. Manufacturing employment in the HMA has declined in recent years from the 1966 peak and may continue to decline moderately during 1969 and 1970, barring a significant change in the national commitment in Southeast Asia. With few exceptions, increased spending in support of the military commitment in Vietnam has been the only factor in the last several years that has triggered significant employment growth in the manufacturing sector of the economy. The nonmanufacturing industries in the Newark area are expected to account for virtually all of the growth in wage and salary employment in the near future, principally in government and in the service sector.

Income

Family Income. In the Newark HMA, the median annual income of all families was estimated at \$9,350 as of February 1969, after deduction of federal income tax. The median after-tax income of renter households of two persons or more was \$7,600. An estimated 21 percent of all families and 32 percent of all renter households had after-tax incomes of less than \$6,000 while 18 percent of all families and seven percent of all tenant households received annual after-tax incomes of \$15,000 or more. By 1971, the median annual income of all families in the HMA is expected to rise to \$9,900, and that of renter households is expected to increase to \$8,050. Appendix table II, which shows a distribution of all families and renter households in the HMA by estimated annual income, indicates the wide disparity between incomes earned by Newark residents as compared to those persons residing in the suburban areas of the HMA.

Demographic Factors

Population

February 1969 Estimate and Past Trend. The population of the Newark HMA was estimated at 1,885,000 as of February 1, 1969, an increase of 74,000 (19,750 a year) since May 1965, the date of the last FHA market study. By comparison, the population of the HMA increased by an average of 23,925 persons a year between April 1960 and May 1965. Although the declining rate of economic growth in recent years has resulted in a slight decline in the number of in-migrants, the lower rate of population growth since 1965 can be attributed largely to the declining birth rate in the HMA. Virtually all of the population growth in the HMA in recent years has occurred outside Newark, principally in Morris County.

Over-all population trends in the HMA since 1960 are summarized below. Population growth trends in major submarkets in the HMA are shown in table III.

<u>Date</u>	<u>Total population</u>	<u>Average annual change from preceding date</u>
April 1, 1960	1,689,420	-
May 1, 1965	1,811,000	23,925
February 1, 1969	1,885,000	19,750
February 1, 1971	1,918,000	16,500

Sources: 1960 from U. S. Census of Population.
1965, 1969, and 1971 estimated by Housing Market Analyst.

Net Natural Increase and Migration. In the Newark HMA, the number of resident births has declined rather sharply in recent years, from 35,850 in 1960 to an estimated 27,000 in 1968. During the same period the number of resident deaths remained fairly constant. As a result of this, net natural increase in the area averaged 18,000 a year between April 1960 and May 1965, but only 13,250 a year between May 1965 and February 1969. Thus, although net migration into the HMA averaged 6,500 annually between 1965 and 1969 as compared with 5,925 in the first half of the decade, population growth in the area has declined in recent years. The lower rate of population growth expected in the area during 1969 and 1970 reflects both lower birth rates and a lower level of in-migration because of a declining rate of employment growth.

Components of Population Change
Newark, New Jersey, Housing Market Area
April 1, 1960-February 1, 1969

<u>Components</u>	<u>Average annual changes</u>	
	<u>April 1, 1960- May 1, 1965</u>	<u>May 1, 1965- February 1, 1969</u>
Total population change	<u>23,925</u>	<u>19,750</u>
Net natural increase	<u>18,000</u>	<u>13,250</u>
Net migration	<u>5,925</u>	<u>6,500</u>

Sources: U. S. Census of Population, New Jersey Department of Health, and estimates by Housing Market Analyst.

Future Population Growth. During the February 1969-February 1971 period, the population of the Newark HMA is expected to increase by an average of 16,500 persons a year. As shown in table III, this average is lower than that of earlier periods in the 1960's. It is assumed that birth rates in the HMA will continue to drop and that there will be a continued decline in the level of net natural increase during 1969 and 1970. In addition, the rate of in-migration during the forecast period is expected to be below that of the recent past because of an anticipated lower rate of employment growth. Table III shows projected population growth in the three-county area, by major submarket areas.

Households

February 1969 Estimate and Past Trend. It is estimated that there were 588,200 households in the Newark HMA as of February 1, 1969, indicating an average increase of 8,000 each year since May 1965. With the exception of the city of Newark, increases were noted in most sectors of the housing market, particularly in Morris County where over one-half of the 1965-1969 increase in the HMA occurred (see table III). Over-all household trends in the Newark area are summarized in the following table.

<u>Date</u>	<u>Number of households</u>	<u>Average annual change from preceding date</u>
April 1, 1960	511,157	-
May 1, 1965	558,200	9,250
February 1, 1969	588,200	8,000
February 1, 1971	602,200	7,000

Sources: 1960 from U. S. Census of Housing.
1965, 1969, and 1971 estimated by Housing Market Analyst.

Future Household Growth. On the basis of anticipated changes in economic factors, expected population growth, and a continued moderate decline in average household size, the number of households in the HMA is expected to increase by an average of 7,000 annually to a total of 602,200 by February 1971. The projected annual increase in the number of households is below that of both the 1960-1965 and 1965-1969 periods. Most of the household growth in the HMA during 1969 and 1970 is expected in Morris County, as shown in table III.

Housing Market Factors

Housing Supply

February 1969 Estimate and Past Trend. As shown in table IV, there were an estimated 608,000 housing units in the HMA in February 1969, a net increase of 7,075 units a year on the average, since May 1965. The 1965-1969 increase reflected the construction of 35,500 units, less 9,000 units lost through demolition and other causes. Most of the units demolished between 1965 and 1969 were in urban renewal areas in Newark. Based on building permit data and on the postal vacancy survey conducted in late 1968, it is estimated that 5,100 units were under construction in the HMA in February 1969--1,100 single-family units and 4,000 multifamily units. Reflecting a higher level of residential construction, an estimated 1,500 single-family units and 6,700 multifamily units were under construction in May 1965.

Residential Building Activity

Past Trend. As measured by building permits, the volume of residential construction in the Newark area declined by well over one-half between 1965 and 1968. A total of nearly 11,750 new private housing units were authorized in 1965, compared with 5,125 in 1968 (see table V). The decline in both single-family and multifamily construction since the mid-1960's has occurred in all areas of the HMA. The declining rate of new construction can be attributed to a combination of several factors. Credit tightness, first evident in the HMA in 1966, continued to some degree through 1968 as available investment funds were diverted into other forms of investment yielding higher rates of return. Private high-rise apartment construction declined in the city of Newark for several years because of high vacancy and lack of attractive sites. In addition, the general availability of land for apartment construction in nearby areas of Middlesex County attracted some builders who might otherwise be operating in the Newark area.

Tenure of Occupancy

The trend from owner to renter occupancy continued in the HMA between 1965 and 1969. An estimated 46.7 percent of the occupied housing inventory in the HMA was renter-occupied in February 1969 compared with 45.9 percent in April 1960 and 46.3 percent in May 1965. As shown in table IV, the trend to renter occupancy has been occurring in all three HMA counties since 1960.

Vacancy

May 1965. As shown in table VI, the overall level of available, vacant housing units in the HMA declined between April 1960 and May 1965. Of the 9,300 vacant housing units available for sale or rent in 1965, 2,700 were for sale and 6,600 were for rent, indicating vacancy ratios of 0.9 percent and 2.5 percent, respectively. Despite the fact that a number of units in new high-rise apartments were not being satisfactorily absorbed, the decline in the over-all level of vacancy during the first half of the 1960 decade was most pronounced in the city of Newark.

Postal Vacancy Survey. A postal vacancy survey was conducted in the Newark area in late 1968 (see table VII). All of the post offices surveyed all possible deliveries in their service areas. Over-all, the survey included 564,250 total possible deliveries, nearly 93 percent of the HMA housing supply. Of this total, 4,200 vacancies were enumerated, or 0.7 percent of the units surveyed. A vacancy rate of 0.7 percent was found in 284,900 deliveries to residences and 0.8 percent of the 279,350 possible deliveries to apartments were vacant. A total of nearly 5,900 units were under construction in the survey area, of which 1,300 were residences.

A previous postal vacancy survey, conducted in April 1965, included most of the post offices surveyed in 1968. The results of the two surveys, shown in the following table, suggest a definite downward trend in vacancies in all major portions of the HMA between 1965 and 1968 (see Appendix A, paragraph 7).

Vacancy Rates Shown by Postal Vacancy Surveys
Newark, New Jersey, Housing Market Area
1965 and 1968

<u>Postal areas</u>	<u>Percent vacant</u>					
	<u>Residences</u>		<u>Apartments</u>		<u>total</u>	
	<u>1965</u>	<u>1968</u>	<u>1965</u>	<u>1968</u>	<u>1965</u>	<u>1968</u>
Total, all areas	1.0	0.7	1.8	0.8	1.4	0.7 ^{1/}
Essex County	0.8	0.5	1.6	0.8	1.4	0.7
Newark	0.9	1.6	1.4	1.1	1.3	1.1
Remainder of county	0.8	0.4	2.0	0.3	1.4	0.3
Morris County	1.4	1.2	5.6	1.5	1.9	1.2
Union County	0.8	0.5	2.0	0.8	1.3	0.6

^{1/} For the 49 post offices included in both surveys, the percent vacant was 1.4 in 1965 and 0.8 in 1968.

Source: Postal vacancy surveys conducted by cooperating postmasters in the Newark area.

February 1969. On the basis of the postal vacancy surveys and on other vacancy data obtained in the Newark area, it is estimated that there were 5,500 vacant, available housing units in the HMA in February 1969, including 1,700 for sale and 3,800 for rent. The units available for sale or for rent represented vacancy rates of 0.5 percent and 1.4 percent, respectively. In general, vacancies in the HMA have declined significantly since 1965. The decline has accelerated in recent years because of a declining rate of new residential construction and increased demolition activity. As shown in table VI, there was a decline in vacancies in all areas of the HMA between 1965 and 1969; the decline was particularly sharp in Essex County.

The Sales Market

General Market Conditions. A comparatively low vacancy situation prevailed throughout the Newark area in early 1969. As shown in table VI, the homeowner vacancy rate in the HMA was only 0.5 percent in February 1969, compared with 0.9 percent in May 1965. During this period the number of vacant units available for sale in the three-county area declined from 2,700 to 1,700. The decline in the number of available sales units in recent years can be attributed to several factors, including (1) a higher annual rate of employment growth between 1965 and 1968 compared with the 1960-1964 period; (2) a slight increase in in-migration in recent years; and (3) a declining rate of single-family construction.

Morris County has been the fastest-growing submarket in the HMA in recent years and has accounted for most of the single-family construction because of the availability of land for large-scale subdivision development. In 1968 new single-family construction in the county was concentrated in price ranges above \$25,000. Only a few subdivisions offered homes selling for below \$25,000, and in these most houses sold for \$20,000-\$25,000. New construction of sales houses priced below \$20,000 is now quite limited in Morris County and in other areas in the HMA. Although sales prices of new homes in the HMA increased markedly in 1968 because of spiralling development costs, there were few unsold new homes in the HMA in January 1969, even in outlying locations. New single-family construction in the HMA in 1969 and 1970 should continue to be concentrated in Morris County because of the general availability of undeveloped land and because of highway construction that is facilitating commutation to New York and to other northern New Jersey areas.

The Rental Market

General Market Conditions. A declining rate of new multifamily construction resulted in a decline in vacancy in most existing apartment projects and the rapid absorption of units in newly-completed developments between 1965 and 1969 in the rental market in the Newark area. It is

estimated that the over-all rental vacancy ratio in the HMA declined from 2.5 percent in May 1965 to only 1.4 percent in 1969. In Newark, the decline in rental vacancies in recent years has paralleled the over-all HMA trend. Despite the improvement in the vacancy situation, the market for expensive high-rise apartments in the city still requires special consideration. A few of the privately-financed high-rise projects built in Newark in the early 1960's still have not attained a satisfactory level of occupancy. Other similar apartments have reached approximately 90 percent occupancy, but still experience a rapid rate of turnover in occupancy. A high-rise project completed in Newark in 1967 has not reached a satisfactory level of occupancy and may go into foreclosure unless occupancy improves markedly in the near future. In view of the difficulties in Newark related to high rates of turnover in occupancy and the slow absorption of units in other projects, extreme caution should be utilized in evaluating the need for high-rise projects in the city financed at market interest rates. In contrast, rental projects built in Newark for low- and moderate-income families have been readily marketed.

In the suburban areas of the HMA, units in garden apartments have been satisfactorily absorbed in recent years, as reflected in the low rental vacancy rates shown in table VI. In Morris County, where the construction of garden apartments has been significant in recent years, the rental vacancy ratio declined to 2.3 percent in February 1969, indicating that the large number of apartments built in the Parsippany-Troy-Hills area in the early and mid-1960's now has been satisfactorily absorbed. Several apartment projects are currently under construction in Randolph Township, just south of Dover in Morris County. These projects are several miles further from the employment centers of New York and northern New Jersey than the newer projects in Parsippany-Troy Hills, and are not as well located with respect to shopping facilities.

Thus, the absorption experience of new units in Randolph Township should be carefully observed, especially in view of the fact that local authorities require that 90 percent of the units in an apartment development be efficiency or one-bedroom units.

Urban Renewal

Excluding those projects already completed, there were 44 urban renewal projects in the HMA in execution or in planning as of February 1, 1969, of which 19 were located in Newark. Some of the projects in Newark have involved extensive relocation. A few of the larger projects in the HMA currently in execution are described in the following paragraphs.

The Old Third Ward (R-6) project in Newark is bounded by Springfield Avenue on the north, Avon and Clifton Avenues on the south, High Street to the east, and Belmont Avenue to the west. A total of 4,560 low- and

moderate rent units already are located in the renewal area, with 4,000 similar units planned in the future. Schools, shopping facilities, and playgrounds also are planned. In addition, a portion of Interstate 75 will traverse the western portion of the project area. An additional 490 families, 390 individuals, and 170 businesses remain to be relocated, and an additional 490 structures will be demolished.

Land acquisition in the Central Ward (R-32) project in Newark began in late 1968. A total of 1,625 families, 95 individuals, and 140 businesses will eventually be relocated, and nearly 570 structures will be demolished. Plans for the area include 800 low-rent housing units and industrial activity compatible with the area. The project area is bounded by Bergen Street and by Avon, Belmont, and 17 Avenues.

The Fairmont project (R-72) in Newark, already in execution, will involve the relocation of an additional 410 families, 40 individuals, and 30 businesses. Site clearance will involve the demolition of an additional 200 structures. The project area is bounded by a number of roads including West Market Street, Hartford Street, Norfolk Street, 11th and 12th Avenues, and Central Avenue. To date, a new office building for the Motor Club of America and industrial facilities for Wiss and Company have been completed. Future activity will involve the construction of temporary facilities for the New Jersey College of Medicine and Dentistry and low- and moderate-rent housing.

The Industrial River (R-121) project in Newark encompasses more than 1,525 acres along the Passaic River. The redevelopment plans call for the reclamation and industrial development of nearly 1,000 acres of unused and under-utilized meadowland. Intensive industrial development with supporting commercial facilities is planned. Relocation, which is in the initial stage, will involve over 170 families, 10 individuals, and 170 businesses. About 350 structures will be demolished.

The 54-acre Medical Center (R-196) urban renewal area in Newark is bounded by 12th Avenue, Bergen Street, South Orange Avenue, and Norfolk Street. This project will make available approximately 50 acres for the development of a state-supported Medical School. Use of this site in conjunction with the adjacent R-72 project area will allow for the construction of a new campus for undergraduate and graduate medical, dental, and nursing education. The implementation of the R-196 project will include the demolition of over 500 structures and the relocation of 580 families, 30 individuals, and nearly 120 businesses.

Relocation activity in the HMA during 1969 and 1970 is expected to involve the relocation of over 4,300 families, principally in Newark. However, the rapidity with which this is implemented will depend, in part, on the supply of standard housing available in the city. As was pointed out earlier in this report, the level of vacancies in the HMA has declined in recent years, resulting in a comparatively tight housing market situation. Although vacancies in Newark are proportionately higher than in most other areas in the HMA, many of these are in areas

which contain a large number of substandard housing units. Thus, relocation plans could be adversely affected during the next year or so if prospective displaces cannot be accommodated in standard existing housing or in new moderate- and low-rent units.

Subsidized Housing.

Section 221(d)(3). As of February 1969, there were nine completed projects of 1,829 units in the Newark area insured under Section 221(d)(3). Of these, three projects of 998 units were in Newark and six projects of 831 units were located elsewhere in the HMA. A total of five projects containing 837 units were under construction, all but 95 units were in Newark. Of the units under construction, 526 are in projects in which funds have been reserved for rent-supplement payments. The first project in the HMA was completed in mid-1964. On the average, occupancy in Section 221(d)(3) projects in the Newark area exceeded 99 percent in February 1969.

Section 235. No subdivisions were being processed under Section 235 in February 1969. The comparatively high construction and land costs prevailing in the Newark area at this time likely will preclude the development of new sales housing under Section 235.

Section 236. There were no projects being built under the provisions of Section 236 in the HMA in February 1969, and no applications had reached the feasibility stage of processing.

Public Housing. As of February 1969, there were 48 public low-rent housing projects in the HMA comprising a total of 15,386 units, including 19 projects of 11,765 units in Newark. The HMA total includes 3,291 units designed for elderly occupancy, including 1,860 in Newark. A total of 1,374 units (all designed for the elderly) were under construction in February 1969. In addition, nine projects of 2,101 units (675 elderly) were in various stages of planning.

Student Housing. As of February 1969, a total of 19 dormitory projects completed since 1956 provided accommodations for 3,026 college students and student nurses. There were no student facilities under construction in the HMA in early 1969, but a project to accommodate 500 students at Upsala College (East Orange) was being planned.

State-Aided Housing. The New Jersey Housing Finance Agency makes mortgage loans for up to 50 years to limited-dividend and non-profit sponsors. The program is financed through the sale of revenue bonds to private investors, enabling the housing authority to lend mortgage money at interest rates 2 to 2.5 percent below prevailing market rates. Admission to these projects is limited to families whose gross income is not in excess of six times the annual gross rental, or to 7 times the annual gross rental, if there are three or more dependents in the family. At present, the program is limited to rental and cooperative projects.

In February 1969 there were no state-aided projects completed in the Newark HMA. However, a 270-unit cooperative was under construction in the Old Third Ward urban renewal area, to be ready for occupancy in the spring of 1969. In March 1969 construction was expected to start on a second development, a high-rise rental project. No other state-aided projects have been approved for financing in the Newark area.

Anticipated Housing Demand

Demand for Non-Subsidized Housing

Based on the economic, demographic, and housing factors discussed previously, it is estimated that the demand for privately-financed, non-subsidized housing in the Newark HMA will average 6,500 units annually during the February 1969-February 1971 forecast period. The annual totals include 3,500 units supplied as sales housing and 3,000 as units in rental housing. The estimated annual demand for non-subsidized housing is somewhat above the volume of construction activity during 1967 and 1968, but is below the average number of new private units authorized annually between 1965 and 1968. A portion of the demand for new housing in the HMA in recent years was satisfied in the existing inventory, as reflected in the decline in the number of vacant units available for sale and rent. Since vacancies in early 1969 were at an unusually low level, it is evident that the increase in demand for housing during 1969 and 1970 must be satisfied primarily through new construction.

Sales Housing. The following table presents by price range the annual distribution of sales housing expected to be absorbed in the Newark HMA during the February 1969-February 1971 forecast period (see Appendix A, paragraph 9).

Estimated Annual Demand for New Sales Housing
Newark, New Jersey, Housing Market Area
February 1, 1969 to February 1, 1971

<u>Price range</u>	<u>Number of units</u>	<u>Percentage distribution</u>
Under \$20,000	210	6
\$20,000 - 22,499	350	10
22,500 - 24,999	490	14
25,000 - 27,499	560	16
27,500 - 29,999	670	19
30,000 - 32,499	520	15
32,500 - 34,999	390	11
35,000 and over	<u>310</u>	<u>9</u>
Total	3,500	100

Rental Housing. The monthly rentals at which an average of 3,000 non-subsidized net additions to the rental housing inventory might best be absorbed are shown in the following table (see Appendix A, paragraphs 10 and 11).

Estimated Annual Demand for New Rental Housing
Newark, New Jersey, Housing Market Area
February 1, 1969 to February 1, 1971

Monthly gross rent ^{a/}	Number of units by bedroom size			
	Efficiency	One bedroom	Two bedrooms	Three or more bedrooms
\$120 - \$129	70	-	-	-
130 - 139	40	-	-	-
140 - 149	30	420	-	-
150 - 159	20	280	-	-
160 - 169	15	170	415	-
170 - 179	-	150	315	-
180 - 189	-	110	265	90
190 - 199	-	70	200	70
200 - 224	-	-	150	55
225 - 249	-	-	-	40
250 and over	-	-	-	25
Total	175	1,200	1,345	280

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

Subsidized Housing

In general, four types of subsidy may be utilized to provide subsidized housing. These include: (1) federal financing assistance to local housing authorities (public housing); (2) rent-supplement payments; (3) federal financing assistance through low-interest mortgage loans to private sponsors and (4) interest-subsidy payments to mortgagees. Eligibility for these programs is determined primarily by evidence that household or family-income is below established limits.

The two-year occupancy potentials for subsidized housing in the Newark HMA produced under various federal programs administered by FHA are presented below. In considering the following data, it is important to note that households may be eligible for more than one program because of similar income limits or other requirements. Thus, the occupancy potentials presented in the following paragraphs are not additive.^{1/}

^{1/} The occupancy potentials referred to in this analysis are dependent upon the capacity of the market in view of existing vacancy strength or weakness. The successful attainment of the calculated market for subsidized housing may well depend upon construction in suitable accessible locations, as well as upon the distribution of rents over the complete range attainable for housing under the specified programs. Absorption of each addition to the stock of subsidized housing should be observed carefully; production should be geared to market absorption.

Section 221(d)(3) BMIR. Under this program, rental housing is provided through the use of a federally-subsidized low-interest mortgage loan of three percent. An absorption of 5,335 units of Section 221(d)(3)-BMIR housing during the next two years would appear feasible.^{1/} Approximately 80 percent of the Section 221(d)(3) occupancy potential could be accommodated in housing provided under Sections 235 and 236 (to be discussed later).

Rent Supplement. Under the rent-supplement program, there is a two-year occupancy potential for an estimated 4,245 units. This potential probably would be best absorbed if distributed as follows:

Estimated Two-Year Occupancy Potential, 1969 and 1970
Rent-Supplement Housing by Size of Unit

<u>Unit size</u>	<u>Number of units</u>	<u>Unit size</u>	<u>Number of units</u>
Efficiency	1,690	Three bedrooms	685
One bedroom	590	Four bedrooms	440
Two bedrooms	840	Total	4,245

All families eligible for rent-supplement payments are eligible for public housing. The occupancy potential shown above has been adjusted to reflect public housing and rent-supplement units under construction in February 1969.

Section 235, Sales Housing. Under this program, sales housing may be provided for low- and moderate-income families through the use of interest reduction payments by the federal government to mortgagees. All of the families eligible for Section 235 housing are also eligible under the Section 236 program. However, the implementation of this program likely will prove difficult because of land and construction costs prevailing in the Newark area at the present time. Because of this, the delineation of an occupancy potential appears inappropriate since it is likely that few new homes can be built to sell within the sales price limits established under Section 235.

Section 236, Rental Housing. Under Section 236, the housing needs of low- and moderate-income renter families and individuals may be met through the use of interest-reduction payments by the federal government. These payments are designed to reduce the housing expense of eligible households. In the Newark area, the two-year occupancy potential, estimated at 6,775 units, is distributed according to the pattern shown in the following table.

^{1/} As of the date of this report, funds for allocation are available only from recaptures resulting from reductions, withdrawals, and the cancellations of allocations.

Estimated Two-Year Occupancy Potential, 1969 and 1970
Section 236 Rental Housing by Size of Unit

<u>Unit size</u>	<u>Number of units</u>	<u>Unit size</u>	<u>Number of units</u>
Efficiency	790	Three bedrooms	1,390
One bedrooms	1,475	Four bedrooms	<u>500</u>
Two bedrooms	2,620	Total	<u>6,775</u>

In general, families and individuals eligible under this program are also eligible for Section 235, Section 221(d)(3)BMIR, and rent-supplement housing. Section 236 legislation also provides that up to 20 percent of the allocated funds may be used for families of income not exceeding 90 percent of the Section 221(d)(3)BMIR income limits. The occupancy potential for Section 236 may be somewhat greater than indicated above if a significant number of these higher-income families are served.

APPENDIX A
OBSERVATIONS AND QUALIFICATIONS
APPLICABLE TO ALL FHA HOUSING MARKET ANALYSES

1. When the rural farm population constitutes less than five percent of the total population of the BMA, all demographic and housing data used in the analysis refer to the total of farm and non-farm data; if five percent or more, all demographic and housing data are restricted to non-farm data.
2. All average annual percentage changes used in the demographic section of the analysis are derived through the use of a formula designed to calculate the rate of change on a compound basis.
3. Because of the change in definition of "farm" between 1950 and 1960 censuses, many persons living in rural areas who were classified as living on farms in 1950 would have been considered to be rural nonfarm residents in 1960. Consequently, the decline in the farm population and the increase in nonfarm population between the two census dates is, to some extent, the result of this change in definition.
4. The increase in nonfarm households between 1950 and 1960 was the result, in part, of a change in the definition of "farm" in the two censuses.
5. The increase in the number of households between 1950 and 1960 reflects, in part, the change in census enumeration from "dwelling unit" in the 1950 census to "housing unit" in the 1960 census. Certain furnished-room accommodations which were not classed as dwelling units in 1950 were classed as housing units in 1960. This change affected the total count of housing units and the calculation of average household size as well, especially in larger central cities.
6. The basic data in the 1960 Census of Housing from which current housing inventory estimates are developed reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.
7. Postal vacancy survey data are not entirely comparable with the data published by the Bureau of 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.
8. Because the 1950 Census of Housing did not identify "deteriorating" units, it is possible that some units classified as "dilapidated" in 1950 would have been classified as "deteriorating" on the basis of the 1960 enumeration procedures.
9. The distribution of the qualitative demand for sales housing differs from any selected experience such as that reported in FHA unsold inventory surveys. The latter data do not include new construction in subdivisions with less than five completions during the year reported upon, 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 demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.
10. Monthly rentals at which privately owned net additions to the aggregate rental housing inventory might best be absorbed by the rental market are indicated for various size units in the demand section of each analysis. These net additions may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition. The production of new units in higher rental ranges than indicated may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result of the availability of an ample rental housing supply.
11. Distributions of average annual demand for new apartments are based on projected tenant-family incomes, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorptive experience of new rental housing. Thus, they represent a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. However, individual projects may differ from the general pattern in response to specific neighborhood or sub-market requirements. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from these demand distributions. Even though a deviation from these distributions may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless a thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or sub-markets.
12. The location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships. Proximity to or quick and economical transportation to place of work frequently is a governing consideration in the place of residence preferred by families in this group.

Table I

Nonagricultural Wage and Salary Employment by Type of Industry
Newark, New Jersey, Housing Market Area
Annual Averages, 1964-1968
(in thousands)

<u>Industry</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968^{a/}</u>
Total wage and salary employment	693.0	723.6	744.3	758.4	760.6
Manufacturing	237.4	247.5	256.0	256.8	253.0
Durable goods	<u>129.8</u>	<u>137.7</u>	<u>144.2</u>	<u>144.0</u>	<u>140.3</u>
Primary metals	10.9	11.4	12.6	12.8	12.5
Fabricated metal products	21.1	22.0	23.1	23.6	24.0
Nonelectrical machinery	24.2	26.4	28.1	28.6	28.1
Electrical machinery	39.8	40.3	42.4	42.7	41.5
Transportation equipment	10.0	10.9	10.8	10.3	9.9
Instruments	4.4	4.6	5.5	5.7	5.1
Miscellaneous manufacturing	11.6	13.7	12.3	10.4	10.3
Other durable goods	7.8	8.4	9.4	9.9	8.8
Nondurable goods	<u>107.6</u>	<u>109.8</u>	<u>111.8</u>	<u>112.8</u>	<u>112.7</u>
Food and kindred products	22.3	22.7	21.4	20.2	19.5
Textile mill products	3.6	3.7	3.7	3.8	3.5
Apparel	14.8	15.4	15.5	15.1	15.8
Paper and allied products	6.8	7.1	7.0	7.3	7.4
Printing and publishing	11.1	11.6	11.9	12.4	12.4
Chemicals	34.0	34.3	36.2	38.2	38.7
Petroleum refining	2.3	1.9	1.9	1.7	1.7
Rubber and plastic products	9.1	9.8	10.6	10.8	10.5
Leather products	3.6	3.3	3.6	3.3	3.2
Nonmanufacturing	<u>455.6</u>	<u>476.1</u>	<u>488.3</u>	<u>501.6</u>	<u>507.6</u>
Mining	0.9	0.9	0.6	0.6	0.5
Contract construction	30.3	32.9	32.3	31.9	32.3
Trans., comm., public utilities	52.0	54.3	55.7	58.4	58.0
Wholesale and retail trade	136.5	141.5	144.2	145.6	145.9
Finance, ins., real estate	47.9	49.0	49.8	51.6	53.0
Services	106.8	111.7	114.5	117.1	118.6
Government	<u>81.2</u>	<u>85.8</u>	<u>91.2</u>	<u>96.4</u>	<u>99.3</u>
Federal	19.6	20.3	21.9	23.0	23.1
State and local	61.6	65.5	69.3	73.4	76.2

^{a/} Preliminary

Source: New Jersey Department of Labor and Industry.

Table II

Percentage Distribution of All Families and Renter Households
by Estimated Annual Income, After Deduction of Federal Income Tax
Newark, New Jersey, Housing Market Area
1969 and 1971

Annual after-tax income	All families					
	City of Newark		Remainder of HMA		HMA total	
	1969	1971	1969	1971	1969	1971
Under \$3,000	13	12	5	4	6	6
\$3,000 - 3,999	6	6	3	2	4	3
4,000 - 4,999	9	8	3	4	4	4
5,000 - 5,999	10	9	5	4	7	5
6,000 - 6,999	13	12	6	7	8	7
7,000 - 7,999	10	10	10	7	9	9
8,000 - 8,999	8	9	10	10	10	9
9,000 - 9,999	7	7	9	8	7	8
10,000 - 12,499	11	12	17	18	17	16
12,500 - 14,999	6	7	11	11	10	12
15,000 - 19,999	5	6	13	15	11	13
20,000 and over	<u>2</u>	<u>2</u>	<u>8</u>	<u>10</u>	<u>7</u>	<u>8</u>
Total	100	100	100	100	100	100
Median	\$6,975	\$7,300	\$9,875	\$10,525	\$9,350	\$9,900

Annual after-tax income	Renter households ^{a/}					
	City of Newark		Remainder of HMA		HMA total	
	1969	1971	1969	1971	1969	1971
Under - \$3,000	15	14	8	6	10	9
\$3,000 - 3,999	7	7	4	4	5	5
4,000 - 4,999	9	9	6	6	7	7
5,000 - 5,999	12	10	7	7	10	8
6,000 - 6,999	13	12	11	9	12	10
7,000 - 7,999	10	11	10	10	11	10
8,000 - 8,999	8	8	8	7	9	12
9,000 - 9,999	6	7	14	13	8	6
10,000 - 12,499	11	11	15	16	14	15
12,500 - 14,999	5	6	9	10	7	9
15,000 - 19,999	3	4	7	10	5	6
20,000 and over	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>
Total	100	100	100	100	100	100
Median	\$6,500	\$6,875	\$8,475	\$9,050	\$7,600	\$8,050

a/ Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table III

Population and Household Changes
Newark, New Jersey, Housing Market Area
April 1, 1960-February 1, 1971.

<u>Area</u>	<u>April 1,</u> <u>1960</u>	<u>May 1,</u> <u>1965</u>	<u>February 1,</u> <u>1969</u>	<u>February 1,</u> <u>1971</u>	<u>Average annual changes</u>		
					<u>1960-</u> <u>1965</u>	<u>1965-</u> <u>1969</u>	<u>1969-</u> <u>1971</u>
<u>Population</u>							
HMA total	<u>1,689,420</u>	<u>1,811,000</u>	<u>1,885,000</u>	<u>1,918,000</u>	<u>23,925</u>	<u>19,750</u>	<u>16,500</u>
Essex County	<u>923,541</u>	<u>948,000</u>	<u>958,000</u>	<u>962,000</u>	<u>4,825</u>	<u>2,675</u>	<u>2,000</u>
Newark	<u>405,220</u>	<u>403,800</u>	<u>395,000</u>	<u>390,000</u>	<u>- 275</u>	<u>-2,350</u>	<u>-2,500</u>
Remainder of county	<u>518,321</u>	<u>544,200</u>	<u>563,000</u>	<u>572,000</u>	<u>5,100</u>	<u>5,025</u>	<u>4,500</u>
Morris County	<u>261,620</u>	<u>320,000</u>	<u>366,500</u>	<u>387,300</u>	<u>11,475</u>	<u>12,400</u>	<u>10,400</u>
Union County	<u>504,255</u>	<u>543,000</u>	<u>560,500</u>	<u>568,700</u>	<u>7,625</u>	<u>4,675</u>	<u>4,100</u>
<u>Households</u>							
HMA total	<u>511,157</u>	<u>558,200</u>	<u>588,200</u>	<u>602,200</u>	<u>9,250</u>	<u>8,000</u>	<u>7,000</u>
Essex County	<u>289,008</u>	<u>303,600</u>	<u>310,200</u>	<u>313,100</u>	<u>2,875</u>	<u>1,760</u>	<u>1,450</u>
Newark	<u>127,772</u>	<u>130,300</u>	<u>128,100</u>	<u>126,800</u>	<u>500</u>	<u>- 590</u>	<u>- 650</u>
Remainder of county	<u>161,236</u>	<u>173,300</u>	<u>182,100</u>	<u>186,300</u>	<u>2,375</u>	<u>2,350</u>	<u>2,100</u>
Morris County	<u>71,970</u>	<u>89,900</u>	<u>105,500</u>	<u>112,800</u>	<u>3,525</u>	<u>4,160</u>	<u>3,650</u>
Union County	<u>150,179</u>	<u>164,700</u>	<u>172,500</u>	<u>176,300</u>	<u>2,850</u>	<u>2,080</u>	<u>1,900</u>

Sources: 1960 from U. S. Censuses of Population and Housing.
1965, 1969, and 1971 estimated by Housing Market Analysts.

Table IV

Trend of Household Tenure
Newark, New Jersey, Housing Market Area
April 1, 1960-February 1, 1969

<u>Occupancy and tenure</u>	<u>Essex County</u>			<u>Morris County</u>	<u>Union County</u>	<u>HMA Total</u>
	<u>City of Newark</u>	<u>Remainder of county</u>	<u>Total</u>			
<u>April 1, 1960</u>						
Total housing inventory	<u>134,872</u>	<u>164,960</u>	<u>229,832</u>	<u>82,327</u>	<u>154,180</u>	<u>536,339</u>
Total occupied units	<u>127,772</u>	<u>161,236</u>	<u>289,008</u>	<u>71,970</u>	<u>150,179</u>	<u>511,157</u>
Owner-occupied	28,828	92,398	121,226	55,777	99,377	276,380
Percent	22.6%	57.3%	41.9%	77.5%	66.2%	54.1%
Renter-occupied	98,944	68,838	167,782	16,193	50,802	234,777
Percent	77.4%	42.7%	58.1%	22.5%	33.8%	45.9%
Total vacant units	7,100	3,724	10,824	10,357	4,001	25,182
<u>May 1, 1965</u>						
Total housing inventory	<u>134,500</u>	<u>177,500</u>	<u>312,000</u>	<u>100,900</u>	<u>168,600</u>	<u>581,500</u>
Total occupied units	<u>130,300</u>	<u>173,300</u>	<u>303,600</u>	<u>89,900</u>	<u>164,700</u>	<u>558,200</u>
Owner-occupied	28,350	96,550	124,900	66,800	108,300	300,000
Percent	21.8%	55.7%	41.1%	74.3%	65.8%	53.7%
Renter-occupied	101,950	76,750	178,700	23,100	56,400	258,200
Percent	78.2%	44.3%	58.9%	25.7%	34.2%	46.3%
Total vacant units	4,200	4,200	8,400	11,000	3,900	23,300
<u>February 1, 1969</u>						
Total housing inventory	<u>131,400</u>	<u>185,100</u>	<u>316,500</u>	<u>116,000</u>	<u>175,500</u>	<u>608,000</u>
Total occupied units	<u>128,100</u>	<u>182,100</u>	<u>310,200</u>	<u>105,500</u>	<u>172,500</u>	<u>588,200</u>
Owner-occupied	27,400	98,700	126,100	76,400	111,300	313,800
Percent	21.4%	54.2%	40.7%	72.4%	64.5%	53.3%
Renter-occupied	100,700	83,400	184,100	29,100	61,200	274,400
Percent	78.6%	45.8%	59.3%	27.6%	35.5%	46.7%
Total vacant units	3,300	3,000	6,300	10,500	3,000	19,800

Sources: 1960 from U. S. Census of Housing.
1965 and 1969 estimated by Housing Market Analysts.

Table V

New Housing Units Authorized by Building Permits
Newark, New Jersey, Housing Market Area
Annual totals, 1965-1968

<u>Area</u>	<u>Private units</u>				<u>Total authorizations</u>		
	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>Private units</u>	<u>Public units</u>	<u>Total</u>
HMA total	<u>11,738</u>	<u>8,583</u>	<u>6,798</u>	<u>5,133</u>	<u>32,252</u>	<u>3,903</u>	<u>36,155</u>
Single-family	<u>5,506</u>	<u>3,965</u>	<u>3,986</u>	<u>3,028</u>	<u>16,485</u>	-	<u>16,485</u>
Multifamily	<u>6,232</u>	<u>4,618</u>	<u>2,812</u>	<u>2,105</u>	<u>15,767</u>	<u>3,903</u>	<u>19,670</u>
Essex County	<u>3,865</u>	<u>3,086</u>	<u>2,128</u>	<u>1,722</u>	<u>10,801</u>	<u>3,128</u>	<u>13,929</u>
Single-family	<u>1,008</u>	<u>861</u>	<u>773</u>	<u>568</u>	<u>3,210</u>	-	<u>3,210</u>
Multifamily	<u>2,857</u>	<u>2,225</u>	<u>1,355</u>	<u>1,154</u>	<u>7,591</u>	<u>3,128</u>	<u>10,719</u>
Newark	<u>557</u>	<u>502</u>	<u>337</u>	<u>621</u>	<u>2,017</u>	<u>2,486</u>	<u>4,503</u>
Single-family	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>10</u>	-	<u>10</u>
Multifamily	<u>553</u>	<u>500</u>	<u>335</u>	<u>619</u>	<u>2,007</u>	<u>2,486</u>	<u>4,493</u>
Remainder of county	<u>3,308</u>	<u>2,584</u>	<u>1,791</u>	<u>1,101</u>	<u>8,784</u>	<u>642</u>	<u>9,426</u>
Single-family	<u>1,004</u>	<u>859</u>	<u>771</u>	<u>566</u>	<u>3,200</u>	-	<u>3,200</u>
Multifamily	<u>2,304</u>	<u>1,725</u>	<u>1,020</u>	<u>535</u>	<u>5,584</u>	<u>642</u>	<u>6,226</u>
Morris County	<u>4,741</u>	<u>3,761</u>	<u>3,326</u>	<u>2,406</u>	<u>14,234</u>	<u>150</u>	<u>14,384</u>
Single-family	<u>3,588</u>	<u>2,457</u>	<u>2,497</u>	<u>1,980</u>	<u>10,522</u>	-	<u>10,522</u>
Multifamily	<u>1,153</u>	<u>1,304</u>	<u>829</u>	<u>426</u>	<u>3,712</u>	<u>150</u>	<u>3,862</u>
Union County	<u>3,132</u>	<u>1,736</u>	<u>1,344</u>	<u>1,005</u>	<u>7,217</u>	<u>625</u>	<u>7,842</u>
Single-family	<u>910</u>	<u>647</u>	<u>716</u>	<u>480</u>	<u>2,753</u>	-	<u>2,753</u>
Multifamily	<u>2,222</u>	<u>1,089</u>	<u>628</u>	<u>525</u>	<u>4,464</u>	<u>625</u>	<u>5,089</u>

Sources: U. S. Bureau of the Census and New Jersey Department of Labor and Industry.

Table VI

Trends in Vacancy
Newark, New Jersey, Housing Market Area
April 1, 1960-February 1, 1969

<u>Vacancy characteristics</u>	<u>Essex County</u>			<u>Morris County</u>	<u>Union County</u>	<u>HMA Total</u>
	<u>City of Newark</u>	<u>Remainder of county</u>	<u>Total</u>			
<u>April 1, 1960</u>						
Total vacant units	7,100	3,724	10,824	10,357	4,001	25,182
Available vacant units	<u>5,585</u>	<u>2,155</u>	<u>7,740</u>	<u>1,710</u>	<u>2,269</u>	<u>11,719</u>
For sale	146	637	783	914	853	2,550
Homeowner vacancy rate	0.5%	0.7%	0.6%	1.6%	0.9%	0.9%
For rent	5,439	1,518	6,957	796	1,416	9,169
Rental vacancy rate	5.2%	2.2%	4.0%	4.7%	2.7%	3.8%
Other vacant units ^{a/}	1,515	1,569	3,084	8,647	1,732	13,463
<u>May 1, 1965</u>						
Total vacant units	4,200	4,200	8,400	11,000	3,900	23,300
Available vacant units	<u>2,575</u>	<u>2,425</u>	<u>5,000</u>	<u>2,250</u>	<u>2,050</u>	<u>9,300</u>
For sale	175	725	900	1,000	800	2,700
Homeowner vacancy rate	0.6%	0.7%	0.7%	1.5%	0.7%	0.9%
For rent	2,400	1,700	4,100	1,250	1,250	6,600
Rental vacancy rate	2.3%	2.2%	2.2%	5.1%	2.2%	2.5%
Other vacant units ^{a/}	1,625	1,775	3,400	8,750	1,850	14,000
<u>February 1, 1969</u>						
Total vacant units	3,300	3,000	6,300	10,500	3,000	19,800
Available vacant units	<u>1,800</u>	<u>1,100</u>	<u>2,900</u>	<u>1,500</u>	<u>1,100</u>	<u>5,500</u>
For sale	150	350	500	800	400	1,700
Homeowner vacancy rate	0.5%	0.4%	0.4%	1.0%	0.4%	0.5%
For rent	1,650	750	2,400	700	700	3,800
Rental vacancy rate	1.6	0.9%	1.3%	2.3%	1.1%	1.4%
Other vacant units ^{a/}	1,500	1,900	3,400	9,000	1,900	14,300

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

Sources: 1960 from U. S. Census of Housing.
1965 and 1969 estimated by Housing Market Analysts.

Table VII

Newark, New Jersey, Area Postal Vacancy Survey

November 20-December 3, 1968

Postal area	Total residences and apartments						Residences						Apartments						House trailers			
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant		
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%	
The Survey Area Total	564,250	4,211	0.7	3,321	890	5,892	284,903	1,974	0.7	1,500	474	1,307	279,347	2,237	0.8	1,821	416	4,585	222	12	5.4	
Essex County	302,941	2,067	0.7	1,645	422	3,296	87,975	450	0.5	397	53	315	214,966	1,617	0.8	1,248	369	2,981	1	-	0.0	
Newark	129,916	1,485	1.1	1,150	335	2,403	8,205	128	1.6	128	-	3	121,711	1,357	1.1	1,022	335	2,400	1	-	0.0	
Main Office	3,686	216	5.9	86	130	690	161	13	8.1	13	-	-	3,525	203	5.8	73	130	690	-	-	-	
Stations:																						
Clinton Hill	18,471	72	0.4	72	-	232	1,719	16	0.9	16	-	-	16,752	56	0.3	56	-	232	-	-	-	
Ironbound	13,326	39	0.3	39	-	1	790	-	0.0	-	-	1	12,536	39	0.3	39	-	3	1	-	0.0	
North	21,582	544	2.5	339	205	5	1,078	15	1.4	15	-	2	20,504	529	2.6	324	205	3	-	-	-	
Roseville	15,256	88	0.6	88	-	13	345	11	3.2	11	-	-	14,911	77	0.5	77	-	13	-	-	-	
South	5,204	-	0.0	-	-	1,000	207	-	0.0	-	-	-	4,997	-	0.0	-	-	1,000	-	-	-	
Vailsburg	12,003	65	0.5	65	-	-	2,321	4	0.2	4	-	-	9,682	61	0.6	61	-	-	-	-	-	
Weequahic	15,093	187	1.2	187	-	330	1,087	28	2.6	28	-	-	14,006	159	1.1	159	-	330	-	-	-	
West	25,295	274	1.1	274	-	132	497	41	8.2	41	-	-	24,798	233	0.9	233	-	132	-	-	-	
Other Areas	173,025	582	0.3	495	87	893	79,770	322	0.4	269	53	312	93,255	260	0.3	226	34	581	-	-	-	
Belleville ^{1/} (11-18-68)	12,507	53	0.4	53	-	123	6,334	42	0.7	42	-	114	6,173	11	0.2	11	-	9	-	-	-	
Bloomfield	18,321	34	0.2	8	26	27	7,653	4	0.1	4	-	1	10,668	30	0.3	4	26	26	-	-	-	
Cedar Grove (11-14-68)	3,683	7	0.2	7	-	5	3,082	7	0.2	7	-	5	601	-	0.0	-	-	-	-	-	-	
East Orange (11-18-68)	28,484	84	0.3	84	-	241	4,544	25	0.6	25	-	1	23,940	59	0.2	59	-	240	-	-	-	
Essex Fells	692	-	0.0	-	-	-	692	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	
Glen Ridge (11-6-68)	2,647	11	0.4	11	-	1	2,537	11	0.4	11	-	1	110	-	0.0	-	-	-	-	-	-	
Irvington ^{1/}	23,951	19	0.1	19	-	-	2,839	2	0.1	2	-	-	21,112	17	0.1	17	-	-	-	-	-	
Livingston (11-14-68)	7,777	49	0.6	27	22	56	7,777	49	0.6	27	22	56	-	-	-	-	-	-	-	-	-	
Maplewood (11-12-68)	7,799	7	0.1	5	2	3	5,904	6	0.1	4	2	3	1,895	1	0.1	1	-	-	-	-	-	
Millburn (11-18-68)	2,760	7	0.3	7	-	-	1,806	5	0.3	5	-	-	954	2	0.2	2	-	-	-	-	-	
Montclair (11-15-68)	19,683	68	0.3	56	12	110	12,146	46	0.4	34	12	10	7,537	22	0.3	22	-	100	-	-	-	
Nutley ^{1/}	9,532	32	0.3	20	12	93	5,724	15	0.3	11	4	1	3,808	17	0.4	9	8	92	-	-	-	

^{1/} Branches served by the Newark Post Office.

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; and apartment represents one possible stop with more than one possible delivery.

The estimates of total possible deliveries to residences, apartments, and house trailers were made by the postal carriers. The data in this table, therefore, are not strictly comparable to the corresponding data for surveys conducted prior to 1966. The combined totals, however, are as recorded in official route records.

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

Table VII (cont'd)

Newark, New Jersey, Area Postal Vacancy Survey (continued)

November 20-December 3, 1968

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	Under const.		All	%	Used	New	Under const.		No.	%	
Orange (11-8-68)	24,858	154	0.6	146	8	158	9,552	65	0.7	57	8	44	15,306	89	0.6	89	-	114	-	-	-
Roseland (11-8-68)	1,054	1	0.1	1	-	51	1,054	1	0.1	1	-	51	-	-	-	-	-	-	-	-	-
Short Hills	3,990	23	0.6	18	5	16	3,831	23	0.6	18	-	16	159	-	0.0	-	-	-	-	-	-
South Orange (11-7-68)	5,287	33	0.6	33	-	9	4,295	21	0.5	21	-	9	992	12	1.2	12	-	-	-	-	-
Morris County	98,352	1,099	1.2	825	274	1,502	76,011	918	1.2	656	262	642	12,341	181	1.5	169	12	860	125	2	1.6
Boonton	4,457	82	1.8	75	7	41	4,188	64	1.5	57	7	35	269	18	6.7	18	-	6	-	-	-
Budd Lake	1,710	63	3.7	27	36	112	1,607	63	3.9	27	36	112	103	-	0.0	-	-	-	1	-	0.0
Butler	5,536	83	1.5	61	22	37	5,414	73	1.3	53	20	33	122	10	8.2	8	2	4	10	-	0.0
Cedar Knolls (11-15-68)	601	6	1.0	4	2	4	510	4	0.8	2	2	4	91	2	2.2	2	-	-	-	-	-
Chatham (11-14-68)	5,245	17	0.3	17	-	162	4,470	12	0.3	12	-	30	775	5	0.6	5	-	132	-	-	-
Denville (11-6-68)	3,893	202	5.2	142	60	20	3,699	191	5.2	131	60	20	194	11	5.7	11	-	-	-	-	-
Dover (11-8-68)	10,280	214	2.1	182	32	569	9,441	171	1.8	139	32	61	839	43	5.1	43	-	508	60	2	3.3
Florham Park (11-8-68)	1,998	10	0.5	5	5	37	1,998	10	0.5	5	5	37	-	-	-	-	-	-	-	-	-
Gillette (10-23-68)	710	-	0.0	-	-	-	710	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-
Hanover (11-5-68)	1,736	15	0.9	9	6	52	1,733	15	0.9	9	6	52	3	-	0.0	-	-	-	-	-	-
Lake Hiawatha	3,424	9	0.3	9	-	-	2,090	9	0.4	9	-	-	1,334	-	0.0	-	-	-	-	-	-
Landing (11-19-68)	1,550	33	2.1	8	25	15	1,550	33	2.1	8	25	15	-	-	-	-	-	-	-	-	-
Madison (11-5-68)	4,536	46	1.0	36	10	-	3,738	24	0.6	14	10	-	798	22	2.8	22	-	-	-	-	-
Morris Plains (11-8-68)	4,362	18	0.4	10	8	13	3,481	18	0.5	10	8	13	881	-	0.0	-	-	-	-	-	-
Morristown (11-8-68)	12,650	54	0.4	43	11	184	10,881	29	0.3	28	1	6	1,769	25	1.4	15	10	178	-	-	-
Mountain Lakes (1-25-68)	1,293	6	0.5	3	3	3	1,293	6	0.5	3	3	3	-	-	-	-	-	-	-	-	-
Netcong (11-5-68)	758	-	0.0	-	-	-	748	-	0.0	-	-	-	10	-	0.0	-	-	-	-	-	-
Parsippany	9,090	116	1.3	99	17	40	4,469	77	1.7	60	17	40	4,621	39	0.8	39	-	-	-	-	-
Pequanock (11-6-68)	1,376	17	1.2	16	1	3	1,364	17	1.2	16	1	3	12	-	0.0	-	-	-	-	-	-
Pompton Plains	2,480	21	0.8	20	1	34	2,466	20	0.8	19	1	30	14	1	7.1	1	-	4	-	-	-
Riverdale (11-4-68)	944	10	1.1	9	1	2	913	9	1.0	8	1	2	31	1	3.2	1	-	-	-	-	-
Rockaway	4,519	21	0.5	18	3	135	4,308	21	0.5	18	3	107	211	-	0.0	-	-	28	37	-	0.0
Stirling (1-3-68)	544	6	1.1	6	-	-	444	2	0.5	2	-	-	100	4	4.0	4	-	-	-	-	-
Wharton (11-7-68)	2,782	22	0.8	20	2	15	2,618	22	0.8	20	2	15	164	-	0.0	-	-	-	17	-	0.0
Whippany	1,878	28	1.5	6	22	24	1,878	28	1.5	6	22	24	-	-	-	-	-	-	-	-	-

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

Table VII (cont'd)

Newark, New Jersey, Area Postal Vacancy Survey (continued)

November 20-December 3, 1968

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.	Vacant %							
		All	%			All	%			All	%					All	%	All	%			
Union County	172,957	1,045	0.6	351	194	1,094	120,917	506	0.5	447	159	350	52,040	439	0.8	404	35	744	96	10	10.4	
Berkeley Heights (11-7-68)	2,978	33	1.1	20	13	8	2,965	33	1.1	20	13	8	13	-	0.0	-	-	-	-	-	-	-
Cranford	7,873	43	0.5	36	7	8	6,471	32	0.5	25	7	8	1,402	11	0.8	11	-	-	-	-	-	-
Elizabeth (11-18-68)	56,772	259	0.5	238	21	147	25,713	95	0.4	85	10	55	31,059	164	0.5	153	11	92	-	-	-	-
Fanwood (10-30-68)	2,424	24	1.0	20	4	13	2,382	21	0.9	17	4	13	42	3	7.1	3	-	-	-	-	-	-
Garwood	1,665	7	0.4	7	-	-	1,611	3	0.2	3	-	-	54	4	7.4	4	-	-	-	-	-	-
Kenilworth	2,444	10	0.4	6	4	15	2,313	5	0.2	1	4	12	131	5	3.8	5	-	3	-	-	-	-
Linden	13,112	70	0.5	44	26	307	10,767	33	0.3	23	10	43	2,345	37	1.6	21	16	264	39	2	5.1	
New Providence 11-1-68)	3,720	28	0.8	22	6	47	3,230	13	0.4	7	6	47	490	15	3.1	15	-	-	-	-	-	-
Plainfield (11-8-68)	25,578	185	0.7	177	8	132	20,632	115	0.6	107	8	38	4,946	70	1.4	70	-	94	-	-	-	-
Rahway	20,180	287	1.4	233	54	71	16,962	165	1.0	116	49	71	3,218	122	3.8	117	5	-	-	-	-	-
Scotch Plains (11-8-68)	4,731	24	0.5	14	10	30	4,487	22	0.5	12	10	12	244	2	0.8	2	-	-	-	-	-	-
Springfield	5,103	30	0.6	27	3	240	4,376	27	0.6	25	2	12	727	3	0.4	2	1	228	-	-	-	-
Summit (11-14-68)	7,782	-	0.0	-	-	65	6,333	-	0.0	-	-	2	1,449	-	0.0	-	-	63	-	-	-	-
Union (11-13-68)	17,408	42	0.2	6	36	11	11,522	39	0.3	5	34	11	5,886	3	0.1	1	2	-	-	-	-	-
Vauxhall (11-13-68)	1,187	3	0.3	1	2	-	1,153	3	0.3	1	2	-	34	-	0.0	-	-	-	-	-	-	-

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

728.1 :308 F22 Newark, N.J. 1969

U.S. Federal Housing Administration
Analysis of the Newark, New
Jersey housing market

DATE