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Analysis of the

NEWARK, NEW JERSEY HOUSING MARKET

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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A Report by the

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

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Housing Market Analysis

Newark, New Jersey, as of December 1, 1971

Foreword

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

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

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

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

FHA HOUSING MARKET ANALYSIS - NEWARK, NEW JERSEY
AS OF DECEMBER 1, 1971

The Newark, New Jersey, Housing Market Area (HMA) is defined as Essex, Morris, and Union Counties, conforming to the definitions of the Newark Standard Metropolitan Statistical Area and the Labor Market Area. The current population is about 1,877,000 persons, including 933,000 in Essex County, 397,000 in Morris County and 547,000 in Union County. The population of the city of Newark is about 380,000 persons.

The economy is diversified with major employment concentrations in the metals and chemical manufacturing industries and in trade, services, and government. Poor business conditions during the past year have resulted in cutbacks in manufacturing employment levels and reduced growth in the number of nonmanufacturing jobs. Slowed economic activity, however, has not changed the extremely tight condition of the housing market. Low vacancy levels prevail throughout the HMA and barriers to residential construction have intensified demand pressures. The major deterrent to construction in Morris County is the Rockaway River building ban, which was imposed when sewage exceeded the capacity of the Jersey City treatment plant in Parsippany. The area affected includes nine municipalities along Interstate 80. A regional authority has been established to resolve this problem but the solution most likely will involve expansion of local sewage facilities and probably will not be accomplished within the forecast period of this analysis.

Anticipated Housing Demand

Despite the tight housing market, it is likely that the volume of unsubsidized housing production will continue to decline primarily as a result of the lack of building sites. Probably no more than 3,600 new unsubsidizing units, consisting of 2,100 single-family houses and 1,500 units in multifamily structures, will reach the market each year between December 1971 and December 1973. This compares with an average of 2,775 single-family houses and 1,900 unsubsidized multifamily units built since 1967. Few houses will be produced to sell below \$35,000 and multifamily construction primarily will consist of one- and two-bedroom units with rents starting at \$200 for one-bedroom apartments and \$250 for two-bedroom apartments. Tables I and II present distributions by geographic area and suggested price and rent ranges which will facilitate absorption of the unsubsidized housing production anticipated during the next two years.

The distributions by geographic area are based largely on recent construction trends and the impact the building ban will have on Morris County activity. The actual number completed could vary considerably from these distributions without affecting marketability, however, as the major consideration is not the market depth in each area but whether building sites can be found.

It is important to note that the above estimates merely anticipate a level of building activity that undoubtedly can be marketed successfully but which will fall considerably short of the need. A significant portion of the demand for housing is not being satisfied and families are leaving the area to find living accommodations elsewhere. Should the barriers to expanded residential construction be reduced, effective demand would markedly expand. Based on the minimum requirements expected from household growth, replacement needs, and adjustments which result from the current low levels of vacancy and construction, it is estimated that up to 7,500 new unsubsidized housing units could be absorbed annually over the next two years.

Occupancy Potential for Subsidized Housing

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

The estimated occupancy potentials for subsidized housing are designed to determine, for each program, the number of families and individuals who can be served under the program and the proportion of those households that can reasonably be expected to seek new subsidized housing during the forecast period. Eligibility for the Section 235 and Section 236 programs is determined primarily by evidence that household or family income is below established limits but sufficient to pay the minimum achievable rent or monthly payment for the specified program. All families and individuals with income below the income limits are assumed to be eligible for public housing and rent supplement; there may be other requirements for eligibility particularly that current living quarters be substandard for families to be eligible for rent supplements. Some families may be eligible for assistance under more than one of these programs, or under other assistance programs using federal or state support. Therefore, the total occupancy potential for federally assisted housing is somewhat smaller than the sum of the potentials for public housing and Section 236 housing. For the Newark HMA, the total occupancy potential is estimated to be 5,750 units annually. Reflecting the area of greatest need, about two-thirds of the potential is expected to be for housing requiring the large subsidies available through low-rent public housing and the rent-supplement program (see table III).

The annual occupancy potentials are based upon 1971 incomes, on occupancy of substandard housing, on estimates of the elderly population and current income limits. They have been calculated to reflect the capacity of the market in view of current conditions and their successful attainment will depend upon construction in suitable and accessible locations, as well as upon the distribution of rents and sales prices over the complete range possible utilizing all of the various subsidy programs.

Section 235 and Section 236. Assisted housing for families with low to moderate incomes may be provided under Section 235 (sales housing) and Section 236 (multifamily projects). The Section 236 program contains additional provisions for rental units for elderly couples and individuals. In the Newark HMA, it is estimated that there is an occupancy potential utilizing both Section 235 and Section 236 for a total of 1,300 units^{1/} annually for families and about 600 units annually of Section 236 housing for the elderly.

The inventory of subsidized rental housing produced to date for moderate-income households consists of about 3,400 units of Section 221(d) (3) BMIR housing and 925 units of Section 236 housing. High occupancy has been maintained in the Section 221(d)(3) BMIR housing and the Section 236 units, most of which were completed in the past year, are being absorbed rapidly. An additional 1,169 units, including 360 units for the elderly, are under construction or being rehabilitated at this time. The major share of the Section 236 housing, 577 of the units completed and 803 of those in production are in non-insured projects sponsored by the New Jersey Housing Finance Agency. Activity under Section 235 has been limited in the Newark HMA, principally because of the difficulty in obtaining inexpensive land and the high costs of construction. Since the inception of the program, about 600 houses, mostly existing properties, have been insured.

Public Housing and Rent Supplement. These two programs serve households in essentially the same income groups, although the occupancy potential for rent supplement is somewhat smaller because of more restricted requirements. For the Newark HMA, the annual potential for public housing is estimated at 2,400 units for families and about 1,700 units for the elderly. Under the rent-supplement program, the potential for the elderly is unchanged but for families is reduced to 1,300 units. These potentials are not additive because most of the families and all of the elderly eligible for rent supplement also are eligible for public housing. A small portion of the potential from the elderly represents households that may also qualify for Section 236 housing.

There are about 16,550 units of low-rent public housing under management in the HMA, including 4,400 units intended for occupancy by the elderly. A project of 250 units designated for the elderly is under construction in Essex County. Rent-supplement accommodations are primarily

^{1/} This potential was derived using the regular income limits. Exception income limits would increase the potential considerably.

units in Section 236 projects. Occupants of approximately 20 percent of the Section 236 units, or about 180 households, are receiving rent supplements. At present, all of the housing authorities in the HMA have extensive waiting lists of prospective tenants. The city of Newark, alone, has over 6,000 qualified households awaiting admission to public housing.

To summarize, the need for additional housing for low- and moderate-income households is substantial and the number of additional housing units now in production is much less than the anticipated occupancy potential. Housing financed under Section 236 has been absorbed readily and there are extensive waiting lists for public housing. Large numbers of families occupy substandard dwellings and many cannot afford acceptable quality housing or can meet monthly payments only by paying too large a proportion of their income for shelter. It should be emphasized, however, that if funds become available to undertake a volume of production equal to the occupancy potential, effective marketing would require a high degree of planning coordination among the various programs and careful site selection, giving consideration to the widest possible geographic dispersion of projects. Large concentrations of units in any area should certainly be avoided.

Sales Market

The scarcity of land and high costs of building are severely restricting development of new sales housing in the HMA. Production in recent years has averaged about half what it was in the early 1960's, and there is virtually no low-cost new housing being made available. Large lot zoning requirements have further added to the cost of new housing and have almost eliminated large-volume tract building operations. Current activity is scattered, with concentrations in the western sections of Union County and in the Parsippany-Troy Hills area of Morris County. Nearly all homes are sold before construction and most are priced from \$35,000. As a result of the conditions affecting construction of new homes, demand pressures have shifted to the existing home market. Values of homes have been substantially inflated and, as indicated by the current homeowner vacancy rate of 0.4 percent, the supply nearly depleted, even in remote areas of the housing market.

Rental Market

The market for rental housing continues to grow tighter. The renter vacancy rate in December 1971 was 2.7 percent. It was 2.8 percent in April 1970, and probably has not been above four percent at any time in the past decade. Much of the limited supply of vacant housing is of marginal quality or is luxury housing in the high rent ranges. Shortages of acceptable rental units exist in all locations, and it is particularly difficult for larger families to find housing. Many municipalities ban apartment construction entirely or permit only efficiency and one-bedroom units. In addition to restricted zoning, developers are restrained by high costs for land, taxes, labor and building materials. At present, there are only about 650 multifamily units under construction in the HMA

and the minimum rent for a two-bedroom apartment in the projects now in production probably will be in excess of \$250. Existing projects, which typically are close to full occupancy, also are confronted with rising expenses, and most have had regular rent increases of about 5-10 percent annually.

Economic, Demographic, and Housing Factors

Economic Factors. The weakened economy of the Newark area has been reflected in work force and employment trends. Data averaged for the first eight months of both 1970 and 1971 reveal that the net increase in the work force was only 5,300 persons, the level of employment actually declined by 11,000 jobs, and the unemployment rate rose to 6.5 percent of the work force. All of the above represent significant reversals of labor market conditions from the experience of recent past years (see table IV).

The greatest impact of the economic decline has been in nonagricultural wage and salary employment. Between 1965 and 1969, wage and salary employment gains averaged 17,250 annually. The increase was reduced to 1,800 jobs between 1969 and 1970, and a comparison of the January through August 1970 and 1971 periods indicates a loss of 10,900 wage and salary jobs. Hardest hit has been the manufacturing sector, where employment reductions have occurred in virtually all industries. Manufacturing employment averaged 17,700 fewer jobs during January through August 1971 than during the same period of the previous year. Durable good industries accounted for 12,000 jobs of the decline and nondurable good industries for 5,700. Nonmanufacturing employment has continued to expand but, as indicated by the recent data, at an annual level probably less than half that of the 1965-1970 period. Table V presents nonagricultural wage and salary employment trends by industry for the Newark HMA.

The outlook for the Newark area economy over the next two years is for gradual improvement which will allow nonagricultural wage and salary employment gains of about 8,500 annually between December 1971 and December 1973. Further declines are anticipated in the overall level of manufacturing employment in the near future, but rehiring and some expansion should be underway by mid-1972. Although this recovery will not increase the manufacturing work force appreciably above the current level, it will provide a stimulus to local business. Therefore, almost all of the net gain in employment will be in nonmanufacturing industries, with increases in most categories expected to exceed those of the past year.

In 1971, the median annual income of all families in the Newark HMA, after deduction of federal income tax, was \$11,550; the median after-tax income of renter households of two or more persons was \$9,450. Since 1959, the median family income in the Newark area has increased by about 76 percent. The city of Newark continues to have the greatest concentration of low-income households, with the current median income of all families in the city estimated at \$8,975. Detailed distributions of all families and renter households by 1971 incomes and the 1959 and 1971 median incomes for the three counties of the HMA and the city of Newark are presented in table VI.

Demographic Factors. The population of the Newark HMA was estimated at 1,877,000 persons in December 1971. Increases in population have dropped in recent years, averaging 10,900 persons annually since the 1970 Census, compared to 16,950 persons a year over the 1960-1970 decade. Growth slowed considerably in the late 1960's, and since that time, there has been net out-migration. Although economic setbacks have been a factor recently, the primary constraint on population growth has been the tight housing market. The housing inventory has not expanded sufficiently to sustain past levels of growth, and it does not appear that housing production will rise significantly in the near future. For this reason, continued low levels of growth are expected over the next two years with gains forecast at 10,500 persons (0.5 percent) annually between December 1971 and December 1973. The geographic distribution of population increases will be somewhat changed, however. The down trend in Morris County will accelerate, but some recovery in the levels of growth, compared to those since the 1970 Census, are expected in suburban Essex and Union Counties. The city of Newark will continue to lose residents, although the rate of decline will slow as housing is made available through renewal and rehabilitation programs now in development.

There were 588,900 households in the HMA in December 1971. Between 1960 and 1970, the number of households increased by an average of 7,275 a year and since April 1970 at an annual level of 2,950. Because of a decline in the average number of persons per household, the rate of household formation (1.3 percent annually) exceeded that for population (1.0 percent) during the decade of the 1960's. Since the 1970 Census, however, the housing shortage has resulted in a slight increase in the average household size, and household and population growth rates have been similar. This trend is expected to continue during the next two years, with the number of households increasing by about 3,000 annually (0.5 percent).

Table VII presents population and household trends in the three counties of the Newark HMA for the 1960-1971 period and a projection of growth to December 1973.

Housing Factors. The housing inventory of the Newark HMA totaled 606,400 units in December 1971, an increase of 4,425 units since April 1970. The net gain resulted from the completion of about 8,525 new units and the loss of 4,100 units through demolitions and other causes. Additions to the inventory have averaged 2,650 units annually since the 1970 Census, considerably below the average gain of 6,575 units a year between 1960 and 1970.

There were 2,425 housing units under construction in the HMA in December 1971, including 925 single-family houses and 1,500 units in multifamily structures. About 70 percent of the houses under construction were in Morris County and 1,100 multifamily units were in Essex County outside the city of Newark. The estimate of multifamily construction included 250 units of low-rent public housing in Essex County and 607 units of Section 236 housing (449 in Essex County and 158 in Union County). In addition, 562 units of Section 236 housing and 30 units in rent-rent supplement projects are being rehabilitated in the city of Newark.

As indicated in table IX, total residential building volume has declined markedly since the mid-1960's. From January through September 1971, there were only 3,564 housing units authorized by building permits, and the total for all of 1971 may well be the smallest of the past decade. Reductions in building activity have been in evidence through the HMA. Table X presents the trend of residential building since 1960 separated into the subsidized and unsubsidized housing components. In general, the volume of subsidized housing produced has fluctuated depending on the available funds, with the large volume of construction in 1960, 1966 and 1967, reflecting major additions to the public housing inventory. Subsidized housing production remains a small proportion of total building activity, and during the past three years has consisted largely of Section 236 units. New construction under the Section 235 program has not been economically feasible in most areas of the HMA, and there have been few new low-rent public housing projects developed in recent years.

In December 1971, there were about 8,950 vacant housing units available for sale or rent in the Newark HMA. Of these units, 1,300 were available for sale only and 7,650 were available for rent, equal to a homeowner vacancy rate of 0.4 percent and renter vacancy rate of 2.7 percent (see table XI). Vacancy levels, which were relatively low even during the high-volume construction years, have steadily declined since the late 1960's. At present, the limited supply of acceptable quality vacant housing is restricting choice and mobility of residents and is causing out-migration.

Table I

Suggested Sales Price Distributions
for the Anticipated Production of Single-Family Homes
Newark, New Jersey, Housing Market Area
December 1971 - December 1973

<u>Price class</u>	<u>HMA total</u>	<u>Essex County</u>
Under \$35,000	380	70
\$35,000 - 39,999	540	100
40,000 - 44,999	360	70
45,000 - 49,999	300	60
50,000 and over	<u>520</u>	<u>100</u>
Total	2,100	400

	<u>Morris County</u>	<u>Union County</u>
Under \$35,000	220	90
\$35,000 - 39,999	310	130
40,000 - 44,999	200	20
45,000 - 49,999	170	70
50,000 and over	<u>300</u>	<u>120</u>
Total	1,200	500

Table II

Suggested Rent Schedules for Anticipated Multifamily Construction
Newark, New Jersey, Housing Market Area
December 1971 to December 1973

Gross monthly rent ^{a/}	HMA total				Essex County			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three bedrooms</u>	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three bedrooms</u>
Under \$200	150	-	-	-	60	-	-	-
\$200 - 224	50	370	-	-	20	160	-	-
225 - 249	30	100	-	-	10	40	-	-
250 - 274	-	60	340	-	-	20	140	-
275 - 299	-	40	130	50	-	10	50	20
300 and over	-	30	120	30	-	10	50	10
Total	230	600	590	80	90	240	240	30

	Morris County				Union County			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three bedrooms</u>	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three bedrooms</u>
Under \$200	40	-	-	-	50	-	-	-
\$200 - 224	10	90	-	-	20	120	-	-
225 - 249	10	30	-	-	10	30	-	-
250 - 274	-	20	90	-	-	20	110	-
275 - 299	-	10	40	10	-	20	40	20
300 and over	-	10	30	10	-	10	40	10
Total	60	160	160	20	80	200	190	30

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

Table III

Estimated Annual Occupancy Potential for Subsidized Housing
Newark, New Jersey, Housing Market Area
December 1971 to December 1973

	<u>Section 235 & 236^{a/}</u> <u>exclusively</u>	<u>Eligible for</u> <u>both programs</u>	<u>Public housing</u> <u>exclusively</u>	<u>Total for</u> <u>both programs</u>
A. <u>Families</u>				
1 bedroom	180	-	410	420
2 bedrooms	640	-	1,090	960
3 bedrooms	340	-	620	1,730
4+ bedrooms	<u>140</u>	<u>-</u>	<u>280</u>	<u>590</u>
Total	1,300	-	2,400 ^{b/}	3,700
B. <u>Elderly</u>				
Efficiency	180	130	1,075	1,385
1 bedroom	<u>180</u>	<u>110</u>	<u>375</u>	<u>665</u>
Total	360 ^{c/}	240 ^{d/}	1,450 ^{d/}	2,050

^{a/} Estimates are based on regular income limits.

^{b/} About 54 percent of these families are eligible for the rent-supplement program.

^{c/} Elderly persons are eligible only for Section 236.

^{d/} All of these elderly individuals and couples are eligible for rent supplements.

Table IV
Civilian Work Force Components^{a/}
Newark, New Jersey, Housing Market Area
1965-1971

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>Jan. thru Aug.</u> <u>1970</u>	<u>1971</u>
Total civilian work force	<u>849.4</u>	<u>862.7</u>	<u>875.1</u>	<u>882.7</u>	<u>904.3</u>	<u>916.5</u>	<u>915.5</u>	<u>921.1</u>
Unemployed	39.3	35.3	36.3	35.8	34.9	45.2	44.5	59.9
Percent of work force	4.6%	4.1%	4.1%	4.1%	3.9%	4.9%	4.9%	6.5%
Total employed	<u>809.4</u>	<u>827.0</u>	<u>838.3</u>	<u>845.6</u>	<u>868.4</u>	<u>869.9</u>	<u>870.0</u>	<u>859.2</u>
Nonagricultural wage and salary	723.6	744.9	759.0	768.9	792.5	794.3	794.7	783.8
All other nonagricultural	83.6	80.0	77.4	75.1	74.5	74.2	73.9	74.2
Agricultural	2.2	2.1	1.9	1.7	1.5	1.4	1.5	1.1
Labor-management disputes	0.7	0.4	0.5	1.3	0.9	1.4	1.0	2.1

a/ Annual averages in thousands

Note: Subtotals may not add to totals because of rounding.

Source: New Jersey Department of Labor and Industry, Division of Planning and Research.

Table V

Nonagricultural Wage and Salary Employment by Industry^{a/}
Newark, New Jersey, Housing Market Area
1965-1971

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>Jan. thru Aug.</u> <u>1970</u>	<u>1971</u>
Wage and salary	<u>723.6</u>	<u>744.9</u>	<u>759.0</u>	<u>768.9</u>	<u>792.5</u>	<u>794.3</u>	<u>794.7</u>	<u>783.8</u>
Manufacturing	<u>247.5</u>	<u>256.0</u>	<u>257.0</u>	<u>255.1</u>	<u>260.0</u>	<u>248.5</u>	<u>251.9</u>	<u>234.2</u>
Durable goods	<u>137.7</u>	<u>144.2</u>	<u>144.0</u>	<u>141.8</u>	<u>143.8</u>	<u>132.7</u>	<u>135.0</u>	<u>123.0</u>
Primary metal industries	<u>11.4</u>	<u>12.6</u>	<u>12.8</u>	<u>12.2</u>	<u>12.3</u>	<u>11.5</u>	<u>11.7</u>	<u>10.5</u>
Fabricated metal industries	<u>22.0</u>	<u>23.1</u>	<u>23.4</u>	<u>23.5</u>	<u>24.5</u>	<u>23.5</u>	<u>23.9</u>	<u>22.1</u>
Machinery (ex. elec.)	<u>26.4</u>	<u>28.1</u>	<u>28.7</u>	<u>28.6</u>	<u>28.4</u>	<u>26.6</u>	<u>27.2</u>	<u>25.2</u>
Electrical machinery	<u>40.3</u>	<u>42.4</u>	<u>42.8</u>	<u>42.6</u>	<u>42.1</u>	<u>38.9</u>	<u>39.5</u>	<u>34.8</u>
Transportation equipment	<u>10.9</u>	<u>10.8</u>	<u>10.3</u>	<u>10.2</u>	<u>10.3</u>	<u>8.2</u>	<u>8.7</u>	<u>8.2</u>
Instruments	<u>4.6</u>	<u>5.5</u>	<u>5.8</u>	<u>5.4</u>	<u>5.4</u>	<u>4.7</u>	<u>4.8</u>	<u>4.2</u>
Other	<u>22.1</u>	<u>21.7</u>	<u>20.2</u>	<u>19.1</u>	<u>20.9</u>	<u>19.2</u>	<u>19.3</u>	<u>18.0</u>
Nondurable goods	<u>109.8</u>	<u>111.8</u>	<u>113.0</u>	<u>113.3</u>	<u>116.2</u>	<u>115.9</u>	<u>116.9</u>	<u>111.2</u>
Food and kindred products	<u>22.7</u>	<u>21.4</u>	<u>20.2</u>	<u>19.3</u>	<u>19.2</u>	<u>19.4</u>	<u>19.5</u>	<u>18.4</u>
Textile mill products	<u>3.7</u>	<u>3.7</u>	<u>3.8</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	<u>3.8</u>	<u>3.5</u>
Apparel & finished textiles	<u>15.4</u>	<u>15.5</u>	<u>14.7</u>	<u>14.1</u>	<u>13.5</u>	<u>12.9</u>	<u>12.8</u>	<u>12.7</u>
Paper & allied products	<u>7.1</u>	<u>7.0</u>	<u>7.2</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.1</u>	<u>6.8</u>
Printing & publishing	<u>11.6</u>	<u>11.9</u>	<u>12.4</u>	<u>12.3</u>	<u>12.6</u>	<u>12.4</u>	<u>12.5</u>	<u>11.6</u>
Chemicals	<u>34.3</u>	<u>36.2</u>	<u>38.6</u>	<u>40.4</u>	<u>42.7</u>	<u>43.5</u>	<u>43.8</u>	<u>42.3</u>
Petroleum refining	<u>1.9</u>	<u>1.9</u>	<u>1.7</u>	<u>1.7</u>	<u>1.8</u>	<u>1.9</u>	<u>1.9</u>	<u>1.8</u>
Rubber, misc. plastic products	<u>9.8</u>	<u>10.6</u>	<u>11.1</u>	<u>11.6</u>	<u>12.6</u>	<u>12.3</u>	<u>12.5</u>	<u>11.2</u>
Leather	<u>3.3</u>	<u>3.6</u>	<u>3.3</u>	<u>3.2</u>	<u>3.1</u>	<u>2.9</u>	<u>2.9</u>	<u>2.9</u>
Nonmanufacturing	<u>476.1</u>	<u>488.9</u>	<u>502.1</u>	<u>513.8</u>	<u>532.5</u>	<u>545.7</u>	<u>542.8</u>	<u>549.6</u>
Contract construction	<u>32.9</u>	<u>32.2</u>	<u>31.3</u>	<u>31.7</u>	<u>32.5</u>	<u>32.7</u>	<u>31.9</u>	<u>33.6</u>
Transportation & public utilities	<u>54.3</u>	<u>56.4</u>	<u>58.1</u>	<u>58.0</u>	<u>62.0</u>	<u>64.3</u>	<u>64.5</u>	<u>63.2</u>
Trade	<u>141.5</u>	<u>144.2</u>	<u>145.7</u>	<u>146.5</u>	<u>150.0</u>	<u>152.4</u>	<u>151.1</u>	<u>152.4</u>
Finance, inc., & real estate	<u>49.0</u>	<u>49.8</u>	<u>51.6</u>	<u>52.5</u>	<u>53.4</u>	<u>54.9</u>	<u>54.2</u>	<u>56.6</u>
Services	<u>111.7</u>	<u>114.5</u>	<u>118.9</u>	<u>125.8</u>	<u>131.9</u>	<u>135.9</u>	<u>135.6</u>	<u>137.1</u>
Government	<u>85.8</u>	<u>91.2</u>	<u>95.9</u>	<u>98.8</u>	<u>101.9</u>	<u>104.9</u>	<u>104.8</u>	<u>105.9</u>
Mining	<u>0.9</u>	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.9</u>	<u>0.7</u>	<u>0.7</u>	<u>0.8</u>

^{a/} Annual averages in thousands

Note: Subtotals may not add to totals because of rounding.

Source: New Jersey Department of Labor and Industry, Division of Planning and Research.

Table VI

Family Income Characteristics
Newark, New Jersey, Housing Market Area

A. Percentage Distribution of All Families and Renter Households by Annual Income After Deduction of Federal Income Tax as of December 1971

<u>Annual income</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$4,000	6	11
\$4,000 - 4,999	3	4
5,000 - 5,999	4	6
6,000 - 6,999	5	8
7,000 - 7,999	6	8
8,000 - 8,999	7	9
9,000 - 9,999	8	9
10,000 - 12,499	16	16
12,500 - 14,999	14	11
15,000 - 19,999	14	11
20,000 and over	17	7
Total	100	100
Median	\$11,550	\$9,450

B. Median All Family Incomes After Deduction of Federal Income Tax as of 1959 and 1971

<u>Locality</u>	<u>1959</u>	<u>1971</u>
Housing Market Area	\$6,550	\$11,550
Essex County	6,125	10,850
Newark	5,125	8,975
Morris County	7,000	12,350
Union County	7,025	12,400

^{a/} Includes two- or more-person renter households.

Source: Estimated by Housing Market Analyst.

Table VII

Population and Household Changes
Newark, New Jersey, Housing Market Area
April 1, 1960-December 1, 1973

<u>Population</u>	<u>April 1960</u>	<u>April 1970</u>	<u>Dec. 1971</u>	<u>Dec. 1973</u>	<u>Average annual changes^{a/}</u>		
					<u>1960- 1970</u>	<u>1970- 1971</u>	<u>1971- 1973</u>
HMA total	<u>1,689,420</u>	<u>1,858,869</u>	<u>1,877,000</u>	<u>1,898,000</u>	<u>16,950</u>	<u>10,900</u>	<u>10,500</u>
Essex County	<u>923,545</u>	<u>932,299</u>	<u>933,000</u>	<u>936,000</u>	<u>875</u>	<u>420</u>	<u>1,500</u>
Newark	<u>405,220</u>	<u>381,930</u>	<u>380,000</u>	<u>378,800</u>	<u>-2,325</u>	<u>-1,150</u>	<u>-600</u>
Remainder of County	<u>518,325</u>	<u>550,369</u>	<u>553,000</u>	<u>557,200</u>	<u>3,200</u>	<u>1,575</u>	<u>2,100</u>
Morris County	<u>261,620</u>	<u>383,454</u>	<u>397,000</u>	<u>409,000</u>	<u>12,175</u>	<u>8,125</u>	<u>6,000</u>
Union County	<u>504,255</u>	<u>543,116</u>	<u>547,000</u>	<u>553,000</u>	<u>3,875</u>	<u>2,325</u>	<u>3,000</u>
<u>Households</u>							
HMA total	<u>511,157</u>	<u>583,985</u>	<u>588,900</u>	<u>594,900</u>	<u>7,275</u>	<u>2,950</u>	<u>3,000</u>
Essex County	<u>289,008</u>	<u>302,582</u>	<u>302,300</u>	<u>303,100</u>	<u>1,350</u>	<u>-170</u>	<u>400</u>
Newark	<u>127,772</u>	<u>121,041</u>	<u>120,000</u>	<u>119,600</u>	<u>-670</u>	<u>-620</u>	<u>-200</u>
Remainder of County	<u>161,236</u>	<u>181,541</u>	<u>182,300</u>	<u>183,500</u>	<u>2,025</u>	<u>460</u>	<u>600</u>
Morris County	<u>71,970</u>	<u>109,823</u>	<u>113,700</u>	<u>117,100</u>	<u>3,775</u>	<u>2,235</u>	<u>1,700</u>
Union County	<u>150,179</u>	<u>171,580</u>	<u>172,900</u>	<u>174,700</u>	<u>2,150</u>	<u>790</u>	<u>900</u>

^{a/} Subtotal many not add to totals because of rounding.

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

Table VIII

Housing Inventory, Tenure, and Total Vacancy Trends
Newark, New Jersey, Housing Market Area
April 1, 1960-December 1, 1971

	<u>Essex County</u>			<u>Morris</u>	<u>Union</u>	<u>HMA</u>
<u>April 1960</u>	<u>Newark</u>	<u>Remainder</u>	<u>Total</u>	<u>County</u>	<u>County</u>	<u>Total</u>
Total housing inventory	<u>134,872</u>	<u>164,960</u>	<u>299,832</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 owner	22.6%	57.3%	41.9%	77.5%	66.2%	54.1%
Renter occupied	98,944	68,838	167,872	16,193	50,802	234,777
Percent renter	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>April 1970</u>						
Total housing inventory	<u>127,424</u>	<u>184,191</u>	<u>311,615</u>	<u>116,032</u>	<u>174,330</u>	<u>601,977</u>
Total occupied units	<u>121,041</u>	<u>181,541</u>	<u>302,582</u>	<u>109,823</u>	<u>171,580</u>	<u>583,985</u>
Owner occupied	24,932	97,881	122,813	80,138	108,595	311,546
Percent owner	20.6%	53.9%	40.6%	73.0%	63.3%	53.3%
Renter occupied	96,109	83,660	179,769	29,685	62,985	272,439
Percent renter	79.4%	46.1%	59.4%	27.0%	36.7%	46.7%
Total vacant units	6,383	2,650	9,033	6,209	2,750	17,992
<u>December 1971</u>						
Total housing inventory	<u>126,100</u>	<u>184,900</u>	<u>311,000</u>	<u>119,800</u>	<u>175,600</u>	<u>606,400</u>
Total occupied units	<u>120,000</u>	<u>182,300</u>	<u>302,300</u>	<u>113,700</u>	<u>172,900</u>	<u>588,900</u>
Owner occupied	24,400	98,100	122,500	82,700	109,000	314,200
Percent owner	20.3%	53.8%	40.5%	72.7%	63.0%	53.4%
Renter occupied	95,600	84,200	179,800	31,000	63,900	274,700
Percent renter	79.7%	46.2%	59.5%	27.3%	37.0%	46.6%
Total vacant units	6,100	2,600	8,700	6,100	2,700	17,500

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

Table IX

New Housing Units Authorized by Building Permits
Newark, New Jersey, Housing Market Area
1960-1971

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	Jan thru Sept. <u>1971</u>
HMA total	<u>11,612</u>	<u>12,381</u>	<u>9,872</u>	<u>11,229</u>	<u>16,532</u>	<u>11,988</u>	<u>10,146</u>	<u>7,811</u>	<u>6,014</u>	<u>4,385</u>	<u>5,382</u>	<u>3,564</u>
Single-family	5,251	4,519	4,541	4,401	4,501	5,506	3,965	3,979	3,433	2,829	2,434	1,685
Multifamily	6,361	7,862	5,331	6,828	12,031	6,482	6,181	3,832	2,581	1,556	2,948	1,879
Essex County	<u>5,958</u>	<u>5,633</u>	<u>3,983</u>	<u>3,170</u>	<u>4,619</u>	<u>4,115</u>	<u>4,298</u>	<u>3,120</u>	<u>1,984</u>	<u>1,691</u>	<u>1,064</u>	<u>1,397</u>
Single-family	1,397	930	1,022	812	702	1,008	861	765	615	568	337	239
Multifamily	4,561	4,703	2,961	2,358	3,917	3,107	3,437	2,355	1,369	1,123	727	1,158
Newark	<u>3,088</u>	<u>2,647</u>	<u>216</u>	<u>290</u>	<u>1,681</u>	<u>557</u>	<u>1,502</u>	<u>1,337</u>	<u>621</u>	<u>651</u>	<u>26</u>	<u>32</u>
Single-family	26	43	15	4	6	4	2	2	2	-	-	4
Multifamily	3,062	2,604	201	286	1,675	553	1,500	1,335	619	651	26	28
Remainder of county	<u>2,870</u>	<u>2,986</u>	<u>3,767</u>	<u>2,880</u>	<u>2,938</u>	<u>3,558</u>	<u>2,796</u>	<u>1,783</u>	<u>1,363</u>	<u>1,040</u>	<u>1,038</u>	<u>1,365</u>
Single-family	1,371	887	1,007	808	696	1,004	859	763	613	568	337	235
Multifamily	1,499	2,099	2,760	2,072	2,242	2,554	1,937	1,020	750	472	701	1,130
Morris County	<u>2,134</u>	<u>2,919</u>	<u>3,063</u>	<u>4,859</u>	<u>8,439</u>	<u>4,741</u>	<u>3,861</u>	<u>3,326</u>	<u>2,740</u>	<u>1,852</u>	<u>3,231</u>	<u>1,228</u>
Single-family	1,982	1,976	2,186	2,371	2,710	3,588	2,457	2,497	2,264	1,770	1,672	1,172
Multifamily	152	943	877	2,488	5,729	1,153	1,404	829	476	82	1,559	56
Union County	<u>3,520</u>	<u>3,829</u>	<u>2,826</u>	<u>3,200</u>	<u>3,474</u>	<u>3,132</u>	<u>1,987</u>	<u>1,365</u>	<u>1,290</u>	<u>842</u>	<u>1,087</u>	<u>939</u>
Single-family	1,872	1,613	1,333	1,218	1,089	910	647	717	554	491	425	274
Multifamily	1,648	2,216	1,493	1,982	2,385	2,222	1,340	648	736	351	662	665

Source: Bureau of the Census, C-40 Construction Reports and the New Jersey Department of Labor and Industry.

Table X

Trend of Subsidized and Unsubsidized Residential Construction
Newark, New Jersey, Housing Market Area
1960-1971

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
A. <u>Unsubsidized</u>												
HMA total	<u>9,214</u>	<u>12,071</u>	<u>9,808</u>	<u>10,902</u>	<u>15,615</u>	<u>11,088</u>	<u>7,824</u>	<u>5,888</u>	<u>5,579</u>	<u>3,915</u>	<u>5,114</u>	<u>2,917</u>
Essex County	3,736	5,573	3,919	2,980	3,845	3,474	2,327	1,245	1,694	1,221	814	948
Morris County	2,078	2,919	3,063	4,770	8,296	4,741	3,761	3,326	2,595	1,852	3,231	1,228
Union County	3,400	3,579	2,826	3,152	3,474	2,873	1,736	1,317	1,290	842	1,069	741
B. <u>Subsidized</u>^{b/}												
HMA total	<u>2,398</u>	<u>310</u>	<u>64</u>	<u>327</u>	<u>917</u>	<u>900</u>	<u>2,238</u>	<u>1,923</u>	<u>435</u>	<u>470</u>	<u>268</u>	<u>647</u>
Essex County	2,222	60	64	190	774	641	1,971	1,875	290	470	250	449
Morris County	56	-	-	89	143	-	100	-	145	-	-	-
Union County	120	250	-	48	-	259	251	48	-	-	18	198

^{a/} Includes low-rent public housing, Section 221(d)(3) BMIR and Section 236 housing.

Table XI

Vacancy Trends
Newark, New Jersey, Housing Market Area
April 1, 1960-December 1, 1971

	<u>Essex County</u>			<u>Morris</u>	<u>Union</u>	<u>HMA</u>
<u>April 1960</u>	<u>Newark</u>	<u>Remainder</u>	<u>Total</u>	<u>County</u>	<u>County</u>	<u>Total</u>
Total vacant units	<u>7,100</u>	<u>3,724</u>	<u>10,824</u>	<u>10,357</u>	<u>4,001</u>	<u>25,182</u>
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
Renter 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>April 1970</u>						
Total vacant units	<u>6,383</u>	<u>2,650</u>	<u>9,033</u>	<u>6,209</u>	<u>2,750</u>	<u>17,992</u>
Available vacant units	<u>4,861</u>	<u>1,566</u>	<u>6,427</u>	<u>1,040</u>	<u>1,644</u>	<u>9,111</u>
For sale	232	248	480	514	320	1,314
Homeowner vacancy rate	0.9%	0.3%	0.4%	0.6%	0.3%	0.4%
For rent	4,629	1,318	5,947	526	1,324	7,797
Renter vacancy rate	4.6%	1.6%	3.2%	1.7%	2.1%	2.8%
Other vacant units ^{a/}	1,522	1,084	2,606	5,169	1,106	8,881
<u>December 1971</u>						
Total vacant units	<u>6,100</u>	<u>2,600</u>	<u>8,700</u>	<u>6,100</u>	<u>2,700</u>	<u>17,500</u>
Available vacant units	<u>4,700</u>	<u>1,600</u>	<u>6,300</u>	<u>1,000</u>	<u>1,650</u>	<u>8,950</u>
For sale	200	250	450	530	320	1,300
Homeowner vacancy rate	0.8%	0.3%	0.4%	0.6%	0.3%	0.4%
For rent	4,500	1,350	5,850	470	1,330	7,650
Renter vacancy rate	4.5%	1.6%	3.2%	1.5%	2.0%	2.7%
Other vacant units ^{a/}	1,400	1,000	2,400	5,100	1,050	8,550

^{a/} Includes vacant seasonal units, dilapidated units, and units held off the market.

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

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