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Analysis of the
**OMAHA,
NEBRASKA
HOUSING
MARKET**

as of September 1, 1971

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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Housing Market Analysis

Omaha, Nebraska, as of September 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 - OMAHA, NEBRASKA
AS OF SEPTEMBER 1, 1971

The Omaha, Nebraska, Housing Market Area (HMA) is defined to include Douglas and Sarpy Counties in Nebraska and Pottawattamie County in Iowa. This area also constitutes the Omaha Standard Metropolitan Statistical Area (SMSA). The cities of Omaha, Nebraska and Council Bluffs, Iowa are the principal cities in the area. Omaha is located on the eastern border of Nebraska, approximately 50 miles northeast of Lincoln, the state capital.

The economy of Omaha expanded steadily during the 1960's. Average annual employment gains in the latter half of the decade were well above those of the 1960 to 1964 period. The employment increases of recent years stimulated population growth and ultimately the demand for new housing. Although the sales vacancy rate has remained unchanged in recent years, there has been a moderate increase in the rental vacancy rate, particularly in Omaha. Moreover, the large number of rental units currently under construction, plus the comparatively low rate of employment growth expected during the first year of the forecast period, suggest that rental vacancies will continue to increase until at least mid-1972.

Anticipated Housing Demand

The demand for new housing in the Omaha HMA during the September 1971 to September 1973 forecast period is primarily a function of expected household growth and inventory losses anticipated as a result of code enforcement, demolitions, fire loss, and other causes. After considering these and other factors such as the current vacancy situation, recent tenure shifts, and current levels of new residential construction, it is judged that there will be a demand for an average of 3,500 new, nonsubsidized housing units annually in the HMA during the two-year period ending September 1, 1973. It is believed that the most favorable market balance would be achieved if 300 units were supplied as mobile homes, 1,700 units as single-family homes, and 1,500 as units in multifamily structures. Distributions of the nonsubsidized sales demand by price range and the rental demand by unit size and monthly gross rent are shown in table I.

The following table presents the estimated annual quantitative demand for nonsubsidized housing in the three constituent counties of the HMA during the next two years.

Estimated Annual Demand for New Nonsubsidized Housing
Omaha, Nebraska, Housing Market Area
September 1, 1971 to September 1, 1973

<u>Area</u>	<u>Single-family units</u>	<u>Multi-family units</u>	<u>Mobile homes</u>	<u>Total</u>
Douglas County	1,250	1,175	200	2,625
Sarpy County	375	250	75	700
Pottawattamie County	<u>75</u>	<u>75</u>	<u>25</u>	<u>175</u>
HMA total	1,700	1,500	300	3,500

The forecast level of demand for single-family houses approximates the annual level of construction of nonsubsidized sales units in 1969 and 1970. As shown in table VII, the number of single-family houses authorized by building permits increased by 640 between 1969 and 1970, but substantially all of the increase was in houses insured under the provisions of FMA Section 235. The estimated annual demand for an average of 1,500 units in multifamily structures is somewhat below the average level of nonsubsidized apartment construction in the HMA in recent years. As discussed elsewhere in this report, an average of roughly 2,225 nonsubsidized rental units has been authorized by building permits annually since 1966. However, an adjustment to the rental demand is made necessary by three factors: (1) although population and household growth has been significant in recent years, the volume of apartment construction has exceeded the gain in the number of renter households since 1968 and vacancies have risen as a result; (2) although the rental inventory in the HMA, particularly in Omaha, contains a number of substandard vacant units, the number of standard units available for rent at the present time is moderately in excess of the number required for a satisfactory balance between demand and supply; and (3) the number of nonsubsidized rental units currently under construction is excessive, especially in view of the diminished rate of employment growth expected during the next year. It should be recognized that the estimates shown above are not predictions of short-run construction activity, and should not be construed as such. The demand estimates are intended to indicate levels of new construction that would, given the economic, demographic, and housing factors discussed in this report, maintain an appropriate balance between housing demand and housing supply in the Omaha area during the next two years. Close attention should be directed to the marketing of nonsubsidized projects being completed. Any hesitancy in current marketing or further increase in rental vacancies in existing projects would suggest further reductions in annual approvals of nonsubsidized rental units below the 1,500 annual rate estimated above.

Occupancy Potential for Subsidized Housing

Federal assistance in financing housing costs for low- and moderate-income families may be provided through a number of programs administered by the FHA: monthly rent supplements in rental projects financed with market-interest-rate-mortgages under Section 221(d)(3); partial interest payment 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 public low-rent housing. Monthly rent supplements also can be provided for a limited number of units in rental projects insured under the provisions of Section 236. The estimated occupancy potentials for subsidized housing are designed to determine, for each program, (1) the number of families and individuals who can be served under these programs and (2) the proportion of these households that can reasonably be expected to occupy new nonsubsidized housing during the two-year forecast period. For the Section 235 and Section 236 programs, household eligibility 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. For rent-supplement accommodations or low-rent public housing, all families and individuals with income below specified income limits are assumed to be eligible. Some families may be alternatively eligible for assistance under one or more of these programs or under other assistance programs using federal, state, or local support. The total occupancy potential for federally-assisted housing in the Omaha HMA approximates the sum of the potential for public low-rent housing and Section 236 housing. The total occupancy potential in the HMA is estimated to be 1,650 units annually during the September 1971 to September 1973 forecast period (see table II). Future approvals under each program should take into account any intervening approvals under other federal or state programs which serve the same families and individuals.

The annual occupancy potentials^{1/} for subsidized housing discussed below are based on 1971 income, the occupancy of substandard housing, estimates of the elderly population, income limits in effect on September 1, 1971, and on available market experience.^{2/}

Section 235 and Section 236. Subsidized housing for households with low to moderate incomes may be provided under either Section 235 or Section 236. Moderately-priced, subsidized sales housing for eligible families can be made available through Section 235. Subsidized rental housing for the same families may be alternatively provided under Section 236; the Section 236 program also contains provisions for subsidized rental units for elderly couples and individuals. In the Omaha HMA, it is estimated (based on regular income limits) that, for the period September 1971 to September 1973, there is an occupancy potential for an

^{1/} The occupancy potentials referred to in this analysis have been calculated to reflect the strength of the market in view of existing vacancy. The successful attainment of the calculated potentials for subsidized housing may well depend upon construction in suitable, accessible locations, as well as a distribution of rents and sales prices over the complete range attainable for new housing under the specified programs.

^{2/} Families with incomes inadequate to purchase or rent nonsubsidized housing generally are eligible for one form or another of subsidized housing.

annual total of 565 subsidized family units utilizing either Section 235 or Section 236, or a combination of the two programs. In addition, there is an annual potential for about 240 units of Section 236 rental housing for elderly couples and individuals.

As of July 1, 1971 (the latest date for which data were available), approximately 1,000 new houses in the HMA had been insured under Section 235, including 640 in Douglas County, 220 in Sarpy County, and 140 in Pottawattamie County. Of the total, approximately 700 houses were insured in 1970, and 250 were insured in the first six months of 1971. As of July 1, 1971, 450 existing homes had been insured under Section 235, including 200 in 1969, 195 in 1970 and 55 in 1971. Under the Section 236 and Section 221(d)(3) BMIR programs, a total of about 920 units had been completed in the HMA as of September 1971, and approximately 560 units were under construction.^{1/} Of the units under construction, about 240 are scheduled to be completed in 1971 and 320 in 1972.

Of the 920 units completed under the Section 236 and Section 221(d)(3) BMIR programs, approximately 80 (8.7 percent) were vacant in mid-1970. Although some projects were fully occupied, units in two projects have been absorbed slowly although they have been on the market for several months, and two rehabilitated projects with over 40 vacancies were in foreclosure. The fact that units in some projects have not been absorbed as readily as might be expected probably can be attributed to the fact that, since early 1970, a large porportion of the occupancy potential has been accommodated in sales housing provided under Section 235. Moreover, it appears that the number of units completed under Section 235, Section 236, and Section 221(d)(3) BMIR during the first year of the forecast period will be in excess of the estimated annual occupancy potential for such housing. Because of this, consideration given to proposals under Section 236 during the next year should include a review of (1) the rate at which the occupancy potential is being accommodated in Section 235 sales housing, (2) the rate at which units in the subsidized rental projects currently under construction are absorbed, and (3) vacancy trends in the existing Section 236 and Section 221(d)(3) BMIR projects. An upward adjustment of the occupancy potential might be warranted during the second year of the forecast period if the rental units currently under construction are satisfactorily absorbed and there is an upturn in the rate of employment growth. Conversely, slow marketing of completed units should lead to reduction in the current level of additional commitments.

Rental Housing Under the Public Housing and Rent-Supplement Programs.

These programs serve families and individuals in essentially the same low-income group. The principal differences arise from the manner in which net income is computed for each program and from other eligibility requirements. For the Omaha metropolitan area, the annual occupancy potential

^{1/} Because of similar family size and income requirements, most of the families and individuals eligible for housing produced under Section 221(d)(3) BMIR also are eligible for housing produced under Sections 235 and 236. The Section 221(d)(3) BMIR program is being phased out and the completion of 125 units currently under construction will complete that program in the Omaha metropolitan area.

for public housing is estimated to be 565 units for families and 510 units for the elderly, a total of 1,075 units. About 15 percent of the families eligible for public housing also are eligible for Section 236 housing, and about 30 percent of the elderly families and individuals eligible for public housing also qualify under Section 236. Under the rent-supplement program, the potential for families would be about 25 percent of the figure shown above; the elderly market would remain unchanged, however.

As of September 1, 1971, there were approximately 3,650 low-rent public housing units under management in the HMA, all of which were in the city of Omaha. The total includes nearly 1,400 units designed for elderly occupancy and about 480 units of leased housing. There are no units under construction at the present time, but an authorization is outstanding to lease an additional 20 units. There are 200 units of housing for the elderly in planning in Council Bluffs, but construction has not started. Under the rent-supplement program, families and individuals in approximately 95 units were receiving rent supplements as of September 1971, and an additional 110 rent-supplement units were in projects currently under construction in the HMA. The number of units expected to be completed under both the public housing and rent-supplement programs during the next two years is substantially below the estimated occupancy potential for such housing (see table II).

The Sales Market

In the first half of the 1960 decade, the volume of single-family construction in the HMA was slightly in excess of demand, resulting in a moderate over-supply of new sales units. Since the mid-1960's, lower levels of new construction and a higher rate of population growth in response to increased job opportunities led to an improvement in the market for both new and existing sales housing throughout the Omaha metropolitan area. By April 1970, the sales vacancy rate had declined to the same level (1.2 percent) as in 1960. The sales vacancy rate also was estimated at 1.2 percent as of September 1971. Within the HMA, the sales vacancy rate currently is lowest in Sarpy County (0.9 percent) and highest in Pottawattamie County (1.3 percent). Trends in the sales vacancy rate in the HMA since 1960 are shown in table VIII.

In recent years, information regarding the market for new sales housing in the HMA has been provided by the unsold inventory surveys conducted in January of each year by the Omaha HUD Area Office and the Des Moines, Iowa, FHA Insuring Office. A comparison of building permit data with the number of units enumerated in the three most recent surveys indicates that roughly 70 percent of all the units completed during 1968, 1969, and 1970 were surveyed. Of special significance is the fact that the number of units priced below \$22,500 increased from 410 (30 percent) of all units surveyed in January 1970 to 850 (50 percent) of the units surveyed in January 1971. Most of the increase in the construction volume in this lower-price range can be attributed to the availability of FHA Section 235 financing in the Omaha area during 1970. As discussed elsewhere in this report, approximately 700 new units were insured under Section 235 in 1970,

compared with fewer than 50 in 1969. As a result of the increase in new construction in this price range, the median sales price of all new houses surveyed increased by only \$900, from \$21,800 in 1968 to \$22,700 in 1970, despite the fact that higher-priced units (\$25,000 and above) accounted for 45 percent of all completions in 1970, compared with fewer than 30 percent in 1968. The survey results also indicated that, although the proportion of units built speculatively increased from less than 30 percent of the units completed in 1968 to 65 percent in 1970, the proportion of the speculatively-built homes unsold at the end of the year declined from 26 percent in 1968 to less than six percent in 1970.

Most of the major subdivision activity in the HMA in recent years has been in the western and southwestern portions of the city of Omaha and in northern Sarpy County. Since 1968, approximately 70 percent of the single-family houses built in the HMA have been constructed in Douglas County, about 25 percent of the total were built in Sarpy County, and only about five percent were constructed in Pottawattamie County.

The Rental Market

There has been a sustained high level of multifamily construction in the Omaha metropolitan area since the mid-1960's; an average of nearly 2,550 units was authorized annually between January 1965 and June 1971. Because of the increase in the rate of population and household growth in response to job opportunities, the absorption experience of apartment units was excellent between 1965 and 1968, and there was a moderate decline in the renter vacancy rate despite the high level of construction. However, because of the unusually large number of rental units which have come on the market since 1968 and the recent decline in the rate of employment growth, the increase in the supply of rental accommodations has exceeded household growth and there has been a moderate increase in rental vacancies since the late 1960's. As shown in table VIII, the renter vacancy rate increased from 7.8 percent at the time of the 1970 Census to an estimated 8.2 percent as of September 1971, with most of the increase in vacancy occurring in the city of Omaha. An analysis of available vacancy data (discussed below) and conversations with local realtors indicate that the increase in vacancy has not been concentrated in any particular location, rent range, or unit size. There are indications, however, that tenants in the Omaha area are becoming highly selective, and that some of the increase in vacancy in the HMA is occurring in existing units as newer projects are completed. Some of the projects completed in recent months are offering a wide variety of amenities such as indoor-outdoor swimming pools, community clubhouses, tennis courts, and child day-care centers.

Most new multifamily projects completed in the HMA in the last few years have been garden apartments located in the western and southwestern suburbs of the city of Omaha. Typical monthly gross rents (excluding electricity) in the recently-completed projects range from about \$110 to \$135 for efficiencies, \$145 to \$210 for one-bedroom units, \$175 to \$250 for two-bedroom units, and \$200 to \$350 for three-bedroom units. In elevator structures, of which there are only a few in the Omaha area, typical rents range from about \$110 to \$145 for efficiencies, \$145 to \$195 for one-bedroom units, \$185 to \$275 for two-bedroom units, and \$350

to \$495 for three-bedroom units. Despite the increase in rental vacancies, new units coming on the market in Omaha continue to be satisfactorily absorbed. A survey conducted in September 1971 by the Omaha HUD Area Office covered nearly 1,625 units which had, for the most part, been completed only a few months and found an occupancy ratio of 81 percent. Similar surveys conducted between mid-1969 and mid-1970 indicated occupancy ratios of 75 percent to 78 percent in the projects surveyed. The surveys also indicated that most projects achieved an occupancy ratio of 90 percent or better within 30 to 90 days after construction was completed. An additional 3,850 units in older projects also were surveyed in September 1971, of which more than 98 percent were occupied.

Economic, Demographic, and Housing Market Factors

The estimated demand for an annual average of 3,500 new nonsubsidized housing units in the Omaha area during the September 1971 to September 1973 forecast period is based on the following findings and assumptions regarding economic factors, income, demographic patterns, and trends in the housing market.

Employment. The economy of the Omaha area expanded steadily between 1965 and 1970, with increases in nonfarm wage and salary employment averaging over 6,550 new jobs a year during the five-year period. Between 1966 and 1967 wage and salary employment increased by 4,900 jobs, the only annual increase since the mid-1960's that was less than 5,000 a year. Annual employment gains were especially significant between 1965 and 1966 (8,000) and 1968 and 1969 (9,200). Although employment in food products, formerly the largest industry in the Omaha area, has declined steadily since the mid-1960's, all other manufacturing industries, particularly machinery and equipment, had more employees in 1970 than in 1965. The establishment of a large Western Electric plant in Omaha in the mid-1960's has been responsible for most of the employment growth in manufacturing in recent years. In nonmanufacturing, employment growth in trade, services, and government accounted for over three-fourths of the total increase in wage and salary employment in the HMA between 1965 and 1970. The finance, insurance and real estate sector also has grown steadily in recent years because of the increase in employment opportunities at the many insurance companies headquartered in Omaha.

Although the Omaha economy has grown steadily in recent years, a comparison of employment data for the twelve-month periods ending in June 1970 and June 1971 indicates that the economic situation has changed significantly in recent months (see table III). During this period, the increase in wage and salary employment was only 2,500 jobs, or only slightly less than 40 percent of the average annual rate of employment growth between 1965 and 1970. The decline in manufacturing employment (2,200) was the largest decrease in nearly ten years, and could be attributed primarily to a plant closing and layoffs at several firms. The increase in nonmanufacturing employment of 4,700 between the twelve-month period ending June 30, 1970 and the same period ending June 30, 1971 was 19 percent below the average 1965 to 1970 gain because of declining levels of employment in the construction and transportation, communication, and utilities industries.

Because of the recent employment trends discussed above, it is apparent that the gain in wage and salary employment between 1970 and 1971 will be the smallest annual increase since the early 1960's.

The rate of unemployment in the Omaha area declined steadily between 1965 and 1969, from 3.4 percent to 2.6 percent. Since then, both the number of unemployed persons and the rate of unemployment have increased. During the twelve-month period ending June 30, 1971, the level of unemployment averaged 9,200 (3.8 percent), compared with an average level of unemployment of 6,700 (2.8 percent) during the comparable period ending June 30, 1970. Most of the increase in unemployment in the Omaha area in recent months has occurred because the slowdown in the rate of economic growth nationally has started to have an effect in several local manufacturing industries. Volatility in the auto industry also has precipitated layoffs at a few local firms since the beginning of the year.

Although moderate economic growth is expected in the Omaha area during the two-year forecast period, the increase in employment during the next several months probably will be at a rate well below that of the 1965 to 1970 period. It is important to note that the recent decline in the rate of employment growth followed by several months the downturn that occurred nationally. Thus, even if the national economy begins to improve in the fall of 1971, it is possible that a significant upturn in employment in the Omaha area (particularly in manufacturing) will not take place until mid-1972. Until that time, little or no overall increase is expected in manufacturing employment, and as a result a slowdown in the rate of employment growth in nonmanufacturing also can be anticipated over the next several months. Based on the aforementioned premises, it is judged that nonagricultural wage and salary employment will increase by a total of 8,500 jobs during the next two years, and that most of the increase (perhaps 5,000 to 5,500 jobs) will occur in the second year of the forecast period (September 1972 to September 1973).

Income. The median annual income of all families in the Omaha HMA, after deduction of federal income tax, was estimated at \$10,500 as of September 1, 1971, and the median after-tax income of tenant households of two persons or more was \$8,650. An estimated seven percent of all families and 12 percent of the renter households in the HMA earn after-tax incomes of less than \$4,000 annually while an estimated nine percent of all families and four percent of the renter households earn after-tax incomes of \$20,000 or more a year. See table IV for distributions of all families and renter households in the HMA by estimated annual after-tax incomes.

Population. The population of the Omaha HMA was estimated to be 554,000 as of September 1, 1971, an average increase of 8,015 a year since April 1970 (see table V). Between April 1960 and April 1970, the population of the HMA increased by an average of 8,477 persons yearly. Since 1960, over one-half of the population growth in the HMA has been in Douglas County. Within the county, the sharp decline in population in the suburban area since April 1970 resulted almost entirely from the annexation by the city of Omaha of land areas containing approximately 7,500

people. The highest rate of population growth in the area in recent years has been in Sarpy County because of the steady expansion of Offutt Air Force Base and the close proximity of the northern part of the county to employment centers in both downtown and suburban Omaha.

The declining rate of population growth between April 1970 and September 1971 was the result of a decline in the net natural increase (excess of resident births over resident deaths). Net in-migration averaged about 1,300 persons annually between April 1970 and September 1971, compared with an average in-migration of 900 persons yearly during the 1960's. The lower rate of population growth occurred because net natural increase averaged about 7,575 persons a year during the 1960 decade, but only 6,715 a year between 1970 and 1971. It should be remembered, however, that in-migration was somewhat higher in the latter half of the 1960's than in the first half, and that the annual rate of in-migration between April 1970 and September 1971 was probably less than it was between 1965 and 1970.

During the two-year forecast period, the population of the HMA is expected to increase by an average of 7,900 persons a year to a total of 569,800 by September 1, 1973. Although net in-migration is expected to decline to an average of about 1,000 persons a year because of fewer employment opportunities, the net natural increase has risen moderately since the late 1960's and is expected to average about 6,900 a year during the September 1971 to September 1973 forecast period. As shown in table V, slightly over one-half of the increase in population is expected in Douglas County. The projection of population growth in Omaha is dependent somewhat upon future annexation activity by the city, which has been substantial since the early 1960's.

Households. There were an estimated 170,200 households (occupied housing units) in the Omaha area on September 1, 1971, including 115,800 (68 percent of the HMA total) in the city of Omaha. Trends in household growth since 1960 have generally paralleled population growth patterns and are expected to continue to do so during the two-year forecast period. Although the annual rate of household growth since 1970 has been slightly above the average for the 1960 decade, it is probably somewhat below the average increase in the latter half of the 1960's, a period during which in-migration increased because of the increase in job opportunities. The number of households in the HMA is expected to increase by an average of 2,975 a year during the forecast period to a total of 176,150 by September 1973.

Housing Inventory. As shown in table VI, there were an estimated 180,400 housing units in the Omaha HMA on September 1, 1971, an increase of 4,900 units (3,450 a year) since April 1970. During the 1960's, the housing supply in the HMA increased by an average of 3,183 units annually. The increase in the housing supply between April 1970 and September 1971 resulted from the construction of about 6,800 new units, the net addition of 300 mobile homes, and the loss of 2,200 units through demolition or other causes. Approximately 90 percent of the inventory losses since 1970 have been as a result of code enforcement in the city of Omaha. Of the

total increase in the HMA housing supply between 1960 and 1971, 65 percent was in Douglas County, 29 percent was in Sarpy County, and six percent was in Pottawattamie County.

Residential Building Activity. As measured by building permits, new residential construction in the HMA since the mid-1960's has been characterized by wide year-to-year fluctuations. The number of housing units authorized by building permits declined by almost 2,000 between 1965 and 1966, a period characterized by restrictions in the mortgage market, then nearly doubled in the next two years to a total of 5,660 in 1968, a post-1960 high. Between 1968 and 1969, the total declined by nearly 1,500 units, but there has been a steady increase since that time. Permits were issued for 5,124 units in 1970 and 3,562 units in the first six months in 1971, indicating that the annual total this year will be the highest in recent years. Table VII shows the number of housing units authorized in the major submarkets of the HMA between 1965 and 1971. Except for a few rural areas of Pottawattamie County, all new construction in the HMA is in areas that require building permits.

Sales and rental housing provided under a variety of federal programs have been partially responsible for the increases in new residential construction in recent years. As shown in table VII, the number of single-family houses authorized by building permits declined from 2,600 in 1965 to only 1,733 in 1969, then increased to a total of 2,374 in 1970. Practically all of the 1969 to 1970 gain was the result of the construction of moderately-priced homes which were financed under the provisions of FHA Section 235. In 1970, the Omaha HUD Area Office issued approximately 700 firm commitments under Section 235, compared with fewer than 50 in 1969. Within the HMA, a comparison of Section 235 activity with building permit data indicates that roughly 25 percent to 30 percent of the single-family homes completed in Douglas County in 1970 were new homes financed under the Section 235 program. The proportion in Sarpy County was about 25 percent, and in Pottawattamie County about two-thirds of the single-family houses constructed last year were sold under Section 235.

In rental housing, subsidized multifamily projects have accounted for an increasing proportion of the construction volume in recent years. Of the multifamily units authorized in the HMA between January 1966 and June 1971 (an average of 2,600 a year), an average of 2,225 units a year have been for nonsubsidized units, and 375 units annually have been for subsidized housing, including units authorized under Section 221(d)(3) BMIR, Section 236 and public low-rent housing.

Vacancy. The sales vacancy rate in the HMA was 1.2 percent in both 1960 and 1970, and was an estimated 1.2 percent as of September 1, 1971. In the rental inventory, the construction of new apartment units in recent years has resulted in an increase in the renter vacancy rate despite higher levels of population growth since the mid-1960's. As shown in table VIII, there were an estimated 5,550 vacant units available for rent in September 1971, an 8.2 percent renter vacancy rate. In April 1970 there were 5,144 units vacant and available for rent, a vacancy ratio of 7.8 percent. As of September 1, 1971, the renter vacancy rate was highest

in Omaha (9.4 percent) and lowest in Sarpy County (2.6 percent). Although a number of the rental vacancies, particularly in Omaha, are in older projects in undesirable locations or are of substandard or marginal quality, the rental vacancy rate at the present time is judged to be moderately in excess of the number of units required for a balanced demand-supply situation in the rental inventory.

Table I

Estimated Annual Demand for New Nonsubsidized Housing
Omaha, Nebraska, Housing Market Area
September 1, 1971 to September 1, 1973

A. Single-family

<u>Sales price</u>	<u>Number of units</u>	<u>Percentage distribution</u>
Under \$20,000	120	7
\$20,000 - 22,499	210	12
22,500 - 24,999	310	18
25,000 - 27,499	270	16
27,500 - 29,999	200	12
30,000 - 34,999	250	15
35,000 - 39,999	210	12
40,000 and over	130	8
Total	1,700	100

B. Multifamily

<u>Monthly gross rent^{a/}</u>	<u>Number of units by bedroom size</u>			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three bedrooms</u>
Under \$150	70	-	-	-
\$150 - 159	15	195	-	-
160 - 169	10	150	-	-
170 - 179	-	110	275	-
180 - 189	-	85	160	-
190 - 199	-	40	100	50
200 - 209	-	25	65	35
210 - 224	-	10	35	20
225 - 249	-	-	20	15
250 and over	-	-	10	5
Total	95	615	665	125

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

Table II

Estimated Annual Occupancy Potential for Subsidized Rental Housing
Omaha, Nebraska, Housing Market Area
September 1, 1971 to September 1, 1973

<u>Size of unit</u>	<u>Number of Units</u>			<u>Total potential for both programs</u>
	<u>Section 236 exclusively</u>	<u>Families eligible for both programs</u>	<u>Public housing exclusively</u>	
A. <u>Families</u>				
1 bedroom	75	10	90	175
2 bedrooms	205	45	200	450
3 bedrooms	140	15	135	290
4+ bedrooms	65	10	60	135
Total	<u>485^{a/}</u>	<u>80^{b/}</u>	<u>485^{b/}</u>	<u>1,050</u>
B. <u>Elderly</u>				
Efficiency	60	110	305	475
1 bedroom	<u>30</u>	<u>40</u>	<u>55</u>	<u>125</u>
Total	90	<u>150^{c/}</u>	<u>360^{c/}</u>	<u>600</u>

a/ Estimates are based on regular income limits.

b/ About 25 percent of these families are eligible under the rent-supplement program.

c/ All of these elderly couples and individuals also are eligible under the rent-supplement program.

Table III

Trends in the Work Force, Unemployment and Employment by Industry
Omaha, Nebraska, Housing Market Area
Annual Averages, 1965 - 1971
(in thousands)

Work force components	1965	1966	1967	1968	1969	1970	12-month period ending:	
							June 30 1970	June 30 1971
Total civilian work force	<u>207.6</u>	<u>214.0</u>	<u>218.4</u>	<u>223.1</u>	<u>232.2</u>	<u>239.7^{a/}</u>	<u>236.6^{a/}</u>	<u>242.1^{a/}</u>
Unemployment	7.1	6.5	6.5	6.3	6.0	7.8	6.7	9.2
Percent of work force	3.4%	3.1%	3.0%	2.8%	2.6%	3.3%	2.8%	3.8%
Labor-management disputes	0.4	-	0.1	0.2	0.1	0.2	0.1	0.3
Total employment	<u>200.1</u>	<u>207.5</u>	<u>211.8</u>	<u>216.6</u>	<u>226.1</u>	<u>231.7</u>	<u>229.8</u>	<u>232.6</u>
Wage and salary employment	<u>176.2</u>	<u>184.2</u>	<u>189.1</u>	<u>194.3</u>	<u>203.5</u>	<u>209.0</u>	<u>207.2</u>	<u>209.7</u>
Manufacturing	<u>35.7</u>	<u>37.3</u>	<u>37.8</u>	<u>38.0</u>	<u>39.7</u>	<u>39.6</u>	<u>40.3</u>	<u>38.1</u>
Food products	13.9	13.5	13.5	12.9	11.9	11.7	11.5	11.6
Printing & publishing	2.7	2.7	2.9	2.9	3.0	3.1	3.1	3.1
Metals	3.2	3.7	3.6	3.6	3.8	3.6	3.7	3.5
Machinery & equipment	8.6	9.8	10.1	10.3	12.0	13.0	13.2	12.2
All other manufacturing	7.3	7.6	7.7	8.3	9.0	8.2	8.8	7.7
Nonmanufacturing	<u>140.5</u>	<u>146.9</u>	<u>151.3</u>	<u>156.3</u>	<u>163.8</u>	<u>169.4</u>	<u>166.9</u>	<u>171.6</u>
Construction & mining	10.6	10.7	10.3	10.5	11.4	11.3	11.5	10.8
Trans., comm., utilities	20.1	20.6	20.6	20.9	20.7	20.5	20.7	20.3
Trade	42.6	46.2	46.8	48.7	50.9	53.1	52.1	54.2
Fin., ins., real estate	14.6	14.7	15.1	15.5	16.0	16.7	16.4	17.0
Services	28.6	29.3	31.6	33.1	35.9	37.9	37.0	38.2
Government	24.0	25.4	26.9	27.6	28.9	29.9	29.2	31.2
All other employment ^{b/}	23.9	23.3	22.7	22.3	22.6	22.7	22.6	22.9

^{a/} Preliminary.

^{b/} Includes the self-employed, domestics, unpaid family workers, and agricultural workers.

Note: In some instances, detail does not add to total because of rounding.

Source: Nebraska Department of Labor.

Table IV

Percentage Distribution of All Families and Renter Households
by Estimated Annual After-Tax Income
Omaha, Nebraska, Housing Market Area
As of September 1, 1971

<u>Annual income</u> <u>after tax</u>	<u>All</u> <u>families</u>	<u>Renter</u> <u>households</u> ^{a/}
Under \$4,000	7	12
\$4,000 - 4,999	4	6
5,000 - 5,999	4	8
6,000 - 6,999	6	9
7,000 - 7,999	7	9
8,000 - 8,999	8	9
9,000 - 9,999	9	8
10,000 - 12,499	19	17
12,500 - 14,999	13	9
15,000 - 19,999	14	9
20,000 and over	<u>9</u>	<u>4</u>
Total	100	100
Median income	\$10,500	\$8,650

^{a/} Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table V

Changes in Population and Households
Omaha, Nebraska, Housing Market Area
April 1, 1960 - September 1, 1973

<u>Population</u>	<u>April 1 1960</u>	<u>April 1 1970</u>	<u>September 1 1971</u>	<u>September 1 1973</u>	<u>Average annual changes</u>		
					<u>1960- 1970</u>	<u>1970- 1971</u>	<u>1971- 1973</u>
HMA total	<u>457,873</u>	<u>542,646</u>	<u>554,000</u>	<u>569,800</u>	<u>8,477</u>	<u>8,015</u>	<u>7,900</u>
Douglas County	<u>343,490</u>	<u>389,455</u>	<u>395,300</u>	<u>403,500</u>	<u>4,596</u>	<u>4,125</u>	<u>4,100</u>
City of Omaha	<u>301,598</u>	<u>346,929</u>	<u>360,800</u>	<u>368,500</u>	<u>4,533</u>	<u>9,790</u>	<u>3,850</u>
Remainder of county	<u>41,892</u>	<u>42,526</u>	<u>34,500</u>	<u>35,000</u>	<u>63</u>	<u>-5,665</u>	<u>250</u>
Sarpy County	<u>31,281</u>	<u>66,200</u>	<u>71,300</u>	<u>78,250</u>	<u>3,492</u>	<u>3,600</u>	<u>3,475</u>
Pottawattamie County	<u>83,102</u>	<u>86,991</u>	<u>87,400</u>	<u>88,050</u>	<u>389</u>	<u>290</u>	<u>325</u>
<u>Households</u>							
HMA total	<u>136,645</u>	<u>165,933</u>	<u>170,200</u>	<u>176,150</u>	<u>2,929</u>	<u>3,010</u>	<u>2,975</u>
Douglas County	<u>103,969</u>	<u>122,460</u>	<u>125,150</u>	<u>128,900</u>	<u>1,849</u>	<u>1,900</u>	<u>1,875</u>
City of Omaha	<u>93,066</u>	<u>110,994</u>	<u>115,800</u>	<u>119,400</u>	<u>1,793</u>	<u>3,390</u>	<u>1,800</u>
Remainder of county	<u>10,903</u>	<u>11,466</u>	<u>9,350</u>	<u>9,500</u>	<u>56</u>	<u>-1,490</u>	<u>75</u>
Sarpy County	<u>7,780</u>	<u>16,697</u>	<u>18,050</u>	<u>19,900</u>	<u>892</u>	<u>955</u>	<u>925</u>
Pottawattamie County	<u>24,896</u>	<u>26,776</u>	<u>27,000</u>	<u>27,350</u>	<u>188</u>	<u>155</u>	<u>175</u>

Sources: 1960 and 1970 from U. S. Censuses of Population and Housing.

1971 and 1973 estimated by Housing Market Analyst.

Table VI

Trends in Household Tenure
Omaha, Nebraska, Housing Market Area
April 1, 1960 - September 1, 1971

Area and date	Total housing inventory	Occupied housing units				Total vacant units	
		Total	Owner occupied		Renter occupied		
			Number	%	Number		%
HMA total							
April 1, 1960	143,662	136,645	88,643	64.9	48,002	35.1	7,018
April 1, 1970	175,490	165,933	105,103	63.3	60,830	36.7	9,557
September 1, 1971	180,400	170,200	107,900	63.4	62,300	36.6	10,200
Douglas County							
April 1, 1960	109,249	103,969	65,136	62.6	38,833	37.4	5,280
April 1, 1970	129,842	122,460	75,811	61.8	46,649	38.2	7,382
September 1, 1971	133,100	125,150	77,675	62.1	47,475	37.9	7,950
City of Omaha							
April 1, 1960	97,276	93,066	56,235	60.4	36,831	39.6	4,210
April 1, 1970	117,731	110,994	67,040	60.4	43,954	39.6	6,737
September 1, 1971	123,100	115,800	70,750	61.1	45,050	38.9	7,300
Remainder of county							
April 1, 1960	11,973	10,903	8,901	81.6	2,002	18.4	1,070
April 1, 1970	12,111	11,466	8,771	76.5	2,695	23.5	645
September 1, 1971	10,000	9,350	6,925	74.1	2,425	25.9	650
Sarpy County							
April 1, 1960	8,166	7,780	5,568	71.6	2,212	28.4	386
April 1, 1970	17,527	16,697	9,784	58.6	6,913	41.4	830
September 1, 1971	18,950	18,050	10,525	58.3	7,525	41.7	900
Pottawattamie County							
April 1, 1960	26,247	24,896	17,939	72.1	6,957	27.9	1,351
April 1, 1970	28,121	26,776	19,508	72.9	7,268	27.1	1,345
September 1, 1971	28,350	27,000	19,700	73.0	7,300	27.0	1,350

Sources: 1960 and 1970 from U. S. Census of Housing.
1971 estimated by Housing Market Analyst.

Table VII

New Housing Units Authorized by Building Permits
Omaha, Nebraska, Housing Market Area
Annual Totals, 1965 - 1971

<u>Area</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>First six months</u>	
							<u>1970</u>	<u>1971</u>
HMA total	<u>4,838</u>	<u>2,877</u>	<u>4,405</u>	<u>5,660</u>	<u>4,161</u>	<u>5,124</u>	<u>2,415</u>	<u>3,562</u>
Single-family	2,600	1,644	1,919	1,928	1,733	2,374	1,191	1,925
Multifamily	2,238	1,233	2,486	3,732	2,428	2,750	1,224	1,637
Douglas County	<u>3,732</u>	<u>2,203</u>	<u>3,501</u>	<u>4,724</u>	<u>3,493</u>	<u>3,426</u>	<u>1,697</u>	<u>2,518</u>
Single-family	1,780	1,209	1,443	1,519	1,296	1,595	712	1,117
Multifamily	1,952	994	2,058	3,205	2,197	1,831	985	1,401
City of Omaha	<u>3,554</u>	<u>1,953</u>	<u>3,200</u>	<u>4,455</u>	<u>3,251</u>	<u>3,149</u>	<u>1,535</u>	<u>2,432</u>
Single-family	1,625	1,050	1,262	1,328	1,076	1,344	554	1,037
Multifamily	1,929	903	1,938	3,127	2,175	1,805	981	1,395
Remainder of County	<u>178</u>	<u>250</u>	<u>301</u>	<u>269</u>	<u>242</u>	<u>277</u>	<u>162</u>	<u>86</u>
Single-family	155	159	181	191	220	251	158	80
Multifamily	23	91	120	78	22	26	4	6
Sarpy County	<u>770</u>	<u>517</u>	<u>798</u>	<u>762</u>	<u>471</u>	<u>1,193</u>	<u>395</u>	<u>987</u>
Single-family	604	326	402	333	348	626	372	763
Multifamily	166	191	396	429	123	567	23	224
Pottawattamie County	<u>336</u>	<u>157</u>	<u>106</u>	<u>174</u>	<u>197</u>	<u>505</u>	<u>323</u>	<u>57</u>
Single-family	216	109	74	76	89	153	107	45
Multifamily	120	48	32	98	108	352	216	12

Note: The above table includes subsidized units insured under the following programs:

Section 235: 50 units in 1969; 700 units in 1970; and 250 units in 1971.

Section 236: 60 units in 1969; and 740 units in 1970.

Section 221(d)(3) BMIR: 100 units in 1966; 183 units in 1967; 345 units in 1968; and 33 units in 1969.

Low-rent public housing: 288 units in 1968; 208 units in 1969; and 105 units in 1970.

Source: U. S. Bureau of the Census, Construction Reports C-40/C-42.

Table VIII

Trends in Vacancy
Omaha, Nebraska, Housing Market Area
April 1, 1960 - September 1, 1971

Area and date	Total vacant units	Available vacant housing units				Other vacant units ^{a/}	
		Total	For sale		For rent		
			Number	Percent vacant	Number		Percent vacant
HMA total							
April 1, 1960	7,017	4,197	1,060	1.2	3,137	6.1	2,820
April 1, 1970	9,557	6,372	1,228	1.2	5,144	7.8	3,185
September 1, 1971	10,200	6,850	1,300	1.2	5,550	8.2	3,350
Douglas County							
April 1, 1960	5,280	3,420	810	1.2	2,610	6.3	1,860
April 1, 1970	7,382	5,483	913	1.2	4,570	8.9	1,899
September 1, 1971	7,950	5,900	950	1.2	4,950	9.4	2,050
City of Omaha							
April 1, 1960	4,210	3,012	530	0.9	2,482	6.3	1,198
April 1, 1970	6,737	5,042	756	1.1	4,286	8.9	1,695
September 1, 1971	7,300	5,500	800	1.1	4,700	9.4	1,800
Remainder of county							
April 1, 1960	1,070	408	280	3.0	128	6.0	662
April 1, 1970	645	441	157	1.8	284	9.5	204
September 1, 1971	650	400	150	2.1	250	9.3	250
Sarpy County							
April 1, 1960	386	216	80	1.4	136	5.8	170
April 1, 1970	830	246	70	0.7	176	2.5	584
September 1, 1971	900	300	100	0.9	200	2.6	600
Pottawattamie County							
April 1, 1960	1,351	561	170	0.9	391	5.3	790
April 1, 1970	1,345	643	245	1.2	398	5.2	702
September 1, 1971	1,350	650	250	1.3	400	5.2	700

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

Sources: 1960 and 1970 from U. S. Censuses of Housing.
1971 estimated by Housing Market Analyst.

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