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Calif.
1968

Analysis of the
**ORANGE COUNTY, CALIFORNIA
HOUSING MARKET**

As of April 1, 1968

(A supplement to the July 1, 1965 analysis)

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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October 1968

ANALYSIS OF THE
ORANGE COUNTY, CALIFORNIA, HOUSING MARKET
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Field Market Analysis Service
Federal Housing Administration
Department of Housing and Urban Development

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Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science, the judgmental factor is important in the development of findings and conclusions. There will be differences of opinion, of course, in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

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

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ANALYSIS OF THE
ORANGE COUNTY, CALIFORNIA, HOUSING MARKET
AS OF APRIL 1, 1968
(A supplement to the July 1, 1965 analysis)

Summary and Conclusions

1. Total nonagricultural employment in the Orange County Housing Market Area (HMA) averaged 393,400 in 1967, reflecting a gain of 26,100 over the 1966 level and a gain of 79,600 (25 percent) over the 1964 average. Employment in manufacturing increased by 32,900 jobs during the last three years; over one-half of this gain was in the aircraft and electrical machinery industries. The nonmanufacturing sector added 46,700 jobs in the 1964-1967 interval, with large increases occurring in trade, the service industries, and government. During the two-year forecast period, from April 1, 1968 to April 1, 1970, total nonagricultural employment in the Orange County HMA is expected to increase by about 24,000 jobs annually.

The unemployment rate in the HMA stood at 4.2 percent of the work force in 1967, the lowest rate recorded since at least 1958.

2. The median annual income of all families in the HMA, after deducting federal income taxes, is \$9,425; the median income of renter households of two or more persons is \$7,300. By 1970, median annual after-tax incomes are expected to increase to \$9,925 for all families and \$7,675 for renter households.
3. As of April 1, 1968, the population of the Orange County HMA totaled 1,302,000, reflecting average annual gains of 57,450 since July 1, 1965. The average rate of growth between 1960 and 1965 was 83,800 annually. By April 1, 1970, the population is expected to total 1,406,000 persons, representing an average increase of 52,000 annually over the April 1968 total.
4. There were an estimated 391,000 households (occupied housing units) in the HMA in April 1968, reflecting an average increase of 18,900 a year since July 1965. In the 1960-1965 period, households increased by an average 25,750 annually. Based on the anticipated increases in population, it is estimated that the number of households will increase by about 17,000 annually during the next two years to an April 1, 1970 total of 425,000.

5. As of April 1968, there were approximately 416,000 housing units in the HMA, a net gain since July 1965 of 41,000 units, 14,900 annually. The net addition resulted from the completion of about 40,700 units, the addition of about 2,500 trailers, and the demolition of some 2,200 units.
6. There were an estimated 13,000 vacant housing units available for sale or rent in the HMA as of April 1, 1968. Of the total, 4,500 were for sale, indicating a homeowner vacancy ratio of 1.6 percent, and 8,500 were available for rent, a renter vacancy ratio of 6.8 percent. In July 1965, sales and rental vacancy ratios were 3.6 percent and 15.4 percent, respectively. The relatively low vacancy ratios in April 1968 suggest that the housing market was in a reasonable degree of balance.
7. The volume of new construction that will meet the needs of the growing population of the Orange County HMA during the next two years averages 17,400 units annually. This annual demand total includes 12,200 sales units annually, composed of 9,700 single-family units and 2,500 multifamily units. Demand for multifamily rental units is projected at 5,200 units annually, exclusive of public low-rent housing, rent-supplement accommodations, and housing provided by other types of direct subsidy. The lack of Certified Workable Programs throughout the HMA prevents the development of other than market-rate projects. Because of increasing land prices, construction costs, and the cost of interim and permanent financing, sales prices and rents may rise sufficiently to limit the ability and willingness of families to rent or purchase new housing. For that reason, absorption rates of both new sales and new rental units should be observed closely. Demand for new sales housing by price range is shown on page 19. Annual demand for new rental units by gross monthly rent and unit size is expected to approximate the pattern presented on page 19.

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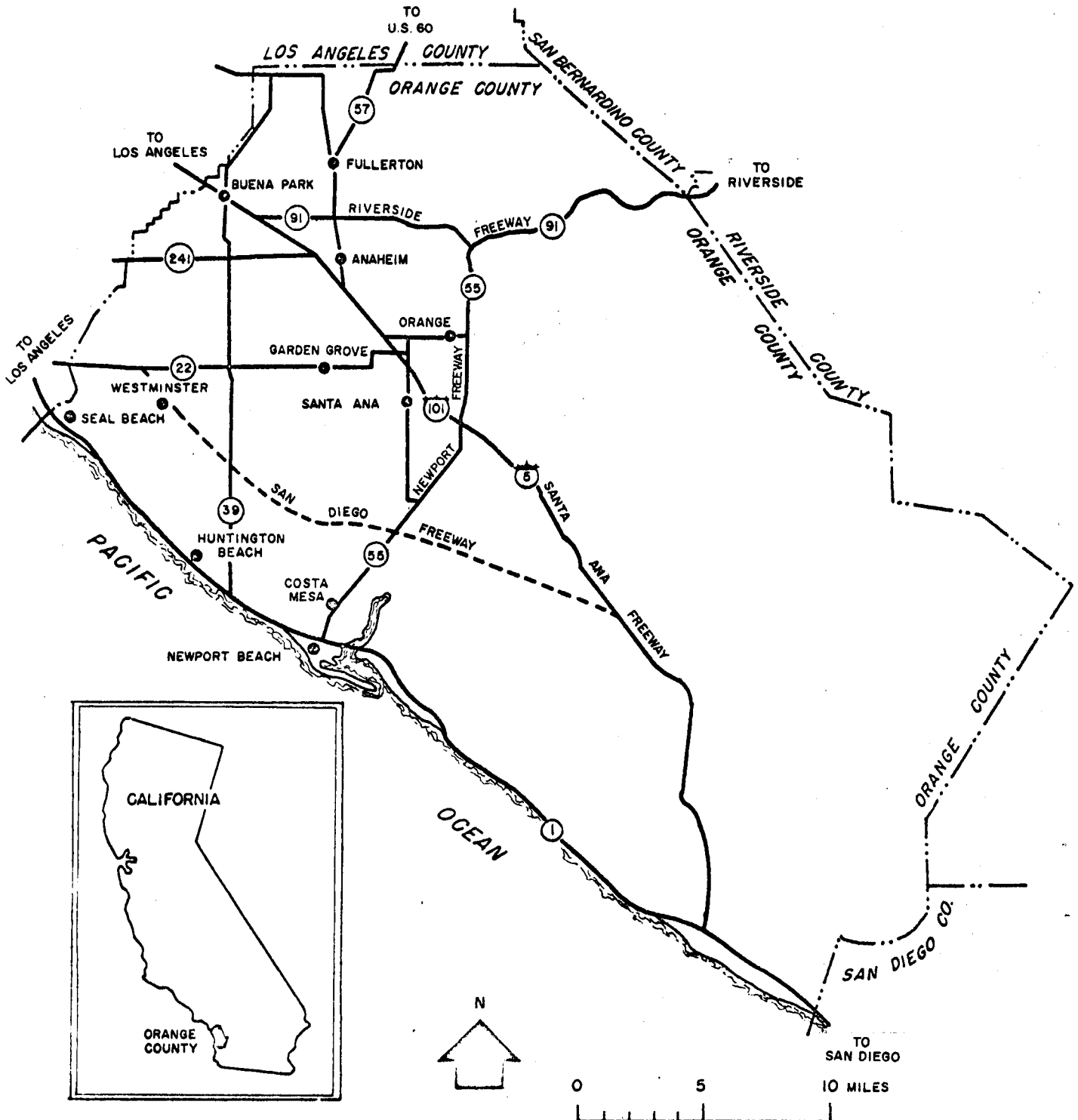
Housing Market Area

For the purposes of this analysis, the Orange County, California, Housing Market Area (HMA) is defined as the Anaheim-Santa Ana-Garden Grove Standard Metropolitan Statistical Area (SMSA). Until October 1963, the HMA was part of the Los Angeles-Long Beach SMSA, which abuts Orange County on the north. The HMA is bounded on the east by the San Bernardino-Riverside-Ontario SMSA and on the south by the San Diego SMSA. The Pacific Ocean forms the western boundary of the HMA.

As of the April 1960 Census, the population of Orange County totaled about 703,900, of which less than 0.5 percent was rural farm population.^{1/} About 41 percent of the total population was in the three central cities (Anaheim, Santa Ana, and Garden Grove). Orange County ranks with the fastest growing metropolitan areas in the nation. In 1960, it was the 39th largest; in 1966, it ranked 25th nationally in terms of population. The HMA is the third most populous county in California; in 1950, it ranked twelfth.

^{1/} See Appendix A, paragraph 1.

ORANGE COUNTY, CALIFORNIA, HOUSING MARKET AREA



Economy of the Area

Work Force

In 1967, the total civilian work force of the Orange County HMA averaged 416,300 persons, a gain of 26,300 over the 1966 average. Between 1964 and 1965, the work force increased by 20,300 workers, and between 1965 and 1966, the gain was 31,300. Although the work force has expanded at a substantial rate since 1964, growth is below the 1958-1964 average gain of 28,600 annually.

Employment

Current Estimate and Recent Trend. Total nonagricultural employment in the Orange County HMA averaged 393,400 in 1967, reflecting a gain of 26,100 over the 1966 level and a gain of 79,600 (25 percent) over the 1964 average.

Work Force Components
Orange County, California, HMA
1964-1967
(Annual averages in thousands)

| <u>Item</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|---------------------|--------------|--------------|--------------|--------------|
| Civilian work force | <u>338.4</u> | <u>358.7</u> | <u>390.0</u> | <u>416.3</u> |
| Unemployment | 17.5 | 18.9 | 16.4 | 17.4 |
| Percent unemployed | 5.2% | 5.3% | 4.2% | 4.2% |
| Total employment | <u>320.9</u> | <u>339.8</u> | <u>373.6</u> | <u>398.9</u> |
| Nonagricultural | <u>313.8</u> | <u>333.6</u> | <u>367.3</u> | <u>393.4</u> |
| Agricultural | 7.1 | 6.2 | 6.3 | 5.5 |

Source: Research and Statistics Section, California Department of Employment, Santa Ana.

Manufacturing employment averaged 126,600 in 1967, or 32 percent of total nonagricultural employment. Since 1964, employment in manufacturing has increased at a rapid rate; 32,900 jobs were added in the three-year period. Over one-half of this increase was recorded between 1966 and 1967, but gains were recorded in the other years, as well. The Orange County HMA began developing a strong manufacturing base in the early 1960's, when several large plants located there. Most of the employment gains in the manufacturing sector since 1965 were the result of plant expansions at these facilities, although numerous small manufacturing concerns have been established during the last three years.

The manufacturing sector is dominated by defense-oriented employment, which currently accounts for over one-half of all manufacturing jobs. Aircraft, ordnance, electrical machinery (primarily missiles), and instruments comprise most of the defense-oriented group. Of the 16 largest manufacturing firms in the HMA, 11 are in the aerospace or defense-oriented field.

The largest single manufacturing industry is the electrical machinery industry, which employed an average of 48,500 workers in 1967, indicating an increase of 5,800 over the 1964 average. Over one-half of the employment in this category is concentrated in one firm. The most spectacular growth in manufacturing was recorded by the aircraft and ordnance industry, which more than tripled between 1964 and 1967. In 1964, there were 6,400 persons employed in this industry, compared with 19,400 in 1967, indicating an increase of 13,000 jobs. Employment in other durable goods industries increased by 10,200 jobs over the three-year period, most of which were in nonelectrical machinery, fabricated metals, and scientific instruments. Employment in nondurable goods industries increased by 3,900 between 1964 and 1967.

Nonmanufacturing employment increased from 220,100 in 1964 to 266,800 in 1967, a gain of 46,700 jobs, or 15,500 annually. However, 22,100 jobs were added between 1965 and 1966, while the 1966-1967 gain totaled only 9,300 jobs. The lower gain in 1967 reflected the decline in construction employment and substantially smaller gains in trade, services, and government. Trade, the service industries, and government accounted for about 81 percent of nonmanufacturing employment in 1967, and were responsible collectively for the total 1964-1967 employment increase in nonmanufacturing industries. During the three-year period, employment in trade increased by 18,500, to a 1967 total of 85,300. The service industries employed 76,200 persons in 1967, a gain of 17,100 over the 1964 average. The government sector, which is primarily state and local, added 14,200 workers during the three-year period, to reach a total of 53,300 in 1967. Contrary to the growth trend of all other nonmanufacturing industries, employment in construction steadily declined throughout the three-year period by a total of 8,100 jobs. This decline reflects the sharp curtailment of the homebuilding industry, as well as a lower volume of commercial construction.

Unemployment

The unemployment rate in the Orange County HMA stood at 4.2 percent in 1967, unchanged from the 1966 average. This represents a decline from the 5.2 percent recorded in 1964 and 5.3 percent recorded in 1965. The 1967 unemployment rate is the lowest rate recorded since at least 1958.

Future Employment Prospects

During the two-year forecast period from April 1, 1968 to April 1, 1970, total nonagricultural employment is expected to increase by about 24,000 jobs annually. This is somewhat below employment increases experienced during the last three years, which averaged about 26,500 annually, but suggests that the Orange County economy will continue to expand at a rapid rate.

It is anticipated that about 9,000 manufacturing jobs will be added annually during the next two years, slightly below the 11,000 average increase recorded in the 1964-1967 period. Most of this growth can be expected to occur in the defense-oriented industries, but jobs will be added also in the remaining manufacturing industries, as the economy of the HMA continues to diversify. The manufacturing sector is heavily dependent upon defense and other government spending. Significant changes in military requirements and logistics could have an adverse effect on manufacturing employment. Significant variation or decreases in manufacturing employment growth from the 9,000 jobs that are forecast would affect correspondingly the demand for housing; for that reason changes in employment should be observed closely.

Nonmanufacturing industries are expected to add about 15,000 jobs annually during the next two years. This projected rate of increase is roughly comparable to the 1964-1967 experience. As has been the case in the past, trade, services, and government will account for most of the nonmanufacturing growth, although increases in these categories are expected to be lower than the 1964-1967 gains because of a lower level of population growth forecast for the next two years. The construction industry, which has been declining since 1964, is expected to increase slightly during the next two years.

Incomes

As of April 1968, the median annual income, after deducting federal income tax, was about \$9,425 for all families in the Orange County HMA. The median after-tax income of renter households of two or more persons was about \$7,300 annually. About 15 percent of all families and 26 percent of the renter households receive an after-tax annual income of less than \$5,000. At the upper end of the income distribution, about 15 percent of all families and seven percent of the renter households receive after-tax annual incomes of \$15,000 or more. By 1970, median after-tax incomes are expected to increase to \$9,925 for all families and \$7,675 for renter households. Detailed distributions of all families and of renter households by annual after-tax incomes are presented in table II.

Demographic Factors

Population

Current Estimate and Recent Trend. Population growth in the Orange County HMA has been rapid since 1965, although it has been substantially below the 1960-1965 experience. As of April 1, 1968, the population of the HMA totaled 1,302,000 persons. This reflects an average increase of 57,450 persons annually since July 1, 1965. The average rate of growth between 1960 and 1965 was 83,800 annually. Annual population growth in the HMA reached a peak of almost 100,000 persons in 1963; since that time the trend has been steadily downward.

Population Trend
Orange County, California, HMA
1960-1970

| <u>Date</u> | <u>Population</u> | <u>Average annual change from preceding date^{a/}</u> |
|----------------------------|-------------------|---|
| April 1, 1960 | 703,925 | - |
| July 1, 1965 ^{b/} | 1,144,000 | 83,800 |
| April 1, 1968 | 1,302,000 | 57,450 |
| April 1, 1970 | 1,406,000 | 52,000 |

^{a/} Rounded.

^{b/} Revised on the basis of more recent information.

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

The three central cities comprise about one-third of the total population of the HMA (see table III). The city of Anaheim has a population of about 159,400 persons, Santa Ana has a population of about 148,200, and the city of Garden Grove has a population of about 119,000. These population totals reflect average annual increases since 1965 of 3,975, 5,050, and 950, respectively.

The fastest growing city in the HMA is Huntington Beach, which had an April 1, 1968 population of 94,300, reflecting an average annual increase of 7,525 since July 1965. Other rapidly growing cities include Costa Mesa, Fullerton, Orange, and Westminster. Annexations, however, have been extensive and tend to distort comparative growth trends of most of the cities in the HMA.

Most of the population increase in Orange County since 1950 has resulted from in-migration. Between 1950 and 1960, about 84 percent of the population increase was the result of in-migration, and since 1960 it has accounted for about 80 percent.

Estimated Future Population Growth. By April 1, 1970, the population of the Orange County HMA is expected to total 1,406,000 persons, representing an average increase of 52,000 persons annually over the current total. The projected level is somewhat below the growth of the past three years, and is a continuation of the declining trend in the rate of population growth.

Between 1950 and 1960, most of the population growth in Orange County occurred in the corridor between Whittier and Santa Ana, adjacent to U. S. Route 101 (Santa Ana Freeway). During this period, Orange County was primarily a bedroom community and the Santa Ana Freeway was the primary traffic artery to the employment centers in Los Angeles.

Since 1960, a large portion of the population increase has been in the western part of the county, to the west and south of Garden Grove. This part of the county is now completely built-up and most of the future population growth is likely to occur to the east of the city of Garden Grove and to the south and east of the City of Santa Ana.

Households

Current Estimate and Recent Trend. Between July 1, 1965 and April 1, 1968, the number of households (occupied housing units) in the Orange County HMA increased by an average of 18,900 annually, to a total of 391,000. Between April 1960 and July 1965, households in the HMA increased by an average of 25,750 annually.

Household Trend Orange County, California, HMA 1960-1970

| <u>Date</u> | <u>Households</u> | <u>Average annual change from preceding date^{a/}</u> |
|----------------------------|-------------------|---|
| April 1, 1960 | 203,895 | - |
| July 1, 1965 ^{b/} | 339,000 | 25,750 |
| April 1, 1968 | 391,000 | 18,900 |
| April 1, 1970 | 425,000 | 17,000 |

^{a/} Rounded.

^{b/} Revised on the basis of more recent information.

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

Household Size Trends. The average size of all households in the HMA was estimated at 3.29 persons as of April 1, 1968, indicating a continuation of the declining trend in household size. Between 1960 and 1965, the average size of households declined from 3.39 persons to 3.33 persons. The accelerated decline in average household size between 1965 and 1968 reflects a general trend toward smaller households, a fact which is supported by the considerable number of new multifamily units that were occupied in the period, these being typically occupied by smaller households. During the two-year forecast period, a further decline in average household size is anticipated; by 1970, average household size is expected to be 3.26 persons.

Future Household Growth. Based on the anticipated increases in population in response to new job opportunities and on the assumption that the average size of households will continue to decline, it is estimated that the number of households in the Orange County HMA will increase by about 17,000 annually, to an April 1, 1970 total of 425,000. The projected increase is somewhat below the gains of the past three years (18,900 annually).

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of April 1, 1968, there were approximately 416,000 housing units in the Orange County HMA, a net gain of 41,000, or 14,900 units annually, since July 1, 1965 (see table IV). The net addition during the 1965-1968 period was the result of the completion of about 40,700 units, the addition of about 2,500 trailers, and the removal of some 2,200 units by demolition and other means. The July 1, 1965 analysis reported a housing supply of 375,000 units, indicating an average annual net addition of 28,200 over the 1960 total.

Characteristics of the Supply. In general, the housing supply of the HMA is characterized by new single-family units. As of the date of this analysis, about 73 percent of the housing inventory was in one-unit structures (including trailers). However, since 1960, when 86 percent of the supply was in one-unit structures, there has been an increasing trend toward multifamily construction.

Reflecting the very rapid growth of the Orange County area during the post-war period, the housing supply is very new; about 83 percent of the housing units in the HMA have been built since 1950. Because of the relative newness of the inventory, only about one percent of the units are judged to be substandard, i.e., lacking one or more plumbing facilities or in dilapidated condition.

Residential Building Activity

Recent Trend. The volume of new residential construction in the Orange County HMA, as measured by building permits issued,^{1/} has been declining since 1963, when almost 37,000 units were authorized (see table V). Prior to that time, the trend of residential construction had been generally upward. In 1967, only 12,300 units were authorized by building permits; this is the lowest annual total of new construction since 1953.

Single-family houses authorized reached a peak of 18,300 units in 1962. Following a minor decline in 1963, single-family houses authorized dropped sharply; 9,000 units were authorized in 1966 and 8,675 units in 1967.

Between 1958 and 1962, the trend of multifamily units authorized by building permits was somewhat uneven, although the trend was generally upward. A peak of 19,300 apartment units were authorized in 1963. The level of multifamily construction remained relatively

^{1/} Building permits are required in all the land area of Orange County.

high in 1964, when 15,300 units were authorized. The slowdown in population growth which began at that time, coupled with a high rental vacancy rate, resulted in a very sharp curtailment in multifamily construction. In 1967, only 3,625 units in multifamily structures were authorized by building permits.

Units Under Construction. Based upon the number of units authorized by building permits and upon the February 1968 postal vacancy survey, it is estimated that there were about 5,200 units under construction in the Orange County HMA as of April 1, 1968, including 2,800 single-family units and 2,400 multifamily units.

The single-family units that were under construction were spread throughout the county, with the largest number being in Santa Ana, Huntington Beach, and Costa Mesa. The multifamily units, on the other hand, were heavily concentrated in Anaheim, Costa Mesa, Orange, and Westminster.

Demolition and Other Losses to the Inventory. Since July 1, 1965, it is estimated that about 2,200 housing units have been removed from the inventory through demolition, conversion, fire, flood, or other losses. This level represents an average of 800 units annually; this average loss is expected to be maintained during the two-year forecast period.

Tenure of Occupancy

As of April 1, 1968, about 70.3 percent (275,000 units) of the occupied housing inventory in the HMA was owner-occupied and 29.7 percent (116,000 units) was renter-occupied (see table IV). In 1960, 28.2 percent of the units were renter-occupied and in 1965 the ratio was 29.2 percent.

Since 1960, there has been a shift from owner-occupancy to renter-occupancy because of a growing lack of land suitable for single-family development. During the last eight years, about 20,000 multifamily units have been built for owner occupants. Of this total, about 12,000 units are in two large cooperative projects (Rossmoor Leisure World at Laguna Beach and Seal Beach) and about 8,000 units are in condominium projects, primarily townhouses.

Vacancy

Postal Vacancy Survey. A postal vacancy survey was conducted in February 1968 covering 23 post offices in the HMA (see table VI)^{1/}. The survey covered about 364,800 possible deliveries to residences and apartments and almost 15,200 trailers, about 91 percent of the total inventory. At the time of the survey, about 11,150 residences

^{1/} See Appendix A, paragraph 7.

and apartments were vacant, equal to 3.1 percent of the total. About 6,800 were vacant residences, a vacancy ratio of 2.4 percent, and 4,350 were vacant apartments, a vacancy factor of 5.7 percent in this category. An additional 5,025 units, 2,725 residences and 2,300 apartments, were reported to be under construction, but were not classified as vacant.

An earlier postal vacancy survey covered about the same area as the 1968 survey and was made in May 1965. That survey enumerated 352,000 possible deliveries, of which 29,150 were vacant, equal to 8.3 percent of the total. The vacancy rate in residences was 4.6 percent, and the vacancy rate in apartments was 20.8 percent. In addition, 12,700 new dwelling units were reported in all stages of construction.

A comparison of the two surveys indicates that the over-all vacancy factor decreased sharply during the thirty-three months between the two surveys. The earlier survey reported an over-all vacancy rate of 8.3 percent, compared with 3.1 percent in the most recent survey. The vacancy rate in residences decreased sharply, from 4.6 percent to 2.4 percent. The greatest decline occurred in the apartment category, where the vacancy rate fell from 20.8 percent to 5.7 percent. In addition, the 1968 survey was conducted during the seasonal low of the tourist season, while the 1965 survey was conducted at its beginning. Had the two surveys been conducted in the same month, the decline in vacancies probably would have been even sharper.

Current Estimate. Based upon the postal vacancy survey and other vacancy data, as well as on personal observation in the HMA, it is judged that there are about 13,000 vacant housing units available for sale or rent. Of this total, 4,500 are for sale and 8,500 are for rent, equal to vacancy ratios of 1.6 percent and 6.8 percent, respectively. Virtually all of the available units are judged to have all plumbing facilities.

As shown in table IV, both the homeowner and renter vacancy ratios have dropped substantially from the 1965 levels.^{1/} The homeowner rate was 3.6 percent in 1965, compared with an estimated 1.6 percent in April 1968. The renter vacancy rate decreased from 15.4 percent in 1965 to 6.8 percent as of April 1968. Both the homeowner and rental vacancy ratios are near levels judged to represent a reasonably balanced demand-supply relationship in the market.

^{1/} Revised since the date of the last analysis on the basis of more recent data.

Sales Market

General Market Conditions. Since mid-1965, the sales market in the Orange County HMA has improved significantly. The current homeowner vacancy rate of 1.6 percent indicates that the sales market is generally in a near balanced condition at the present time. In contrast, the homeowner vacancy rate was 3.6 percent in July 1965 and 3.1 percent in April 1960. The improvement in the market in the last three years was brought about by significantly lower levels of single-family construction. During the last two years, single-family houses authorized have averaged only 8,850 annually, while between 1960 and 1965, the annual number authorized ranged between 11,850 and 18,300. Because of rapidly appreciating land prices, demand for single-family sales housing in the HMA has slackened. This has brought a new development into the market in the last seven years; approximately 20,000 multifamily units have been built for owner-occupants.

The only soft area in the HMA at the present time is the Santa Ana-Orange-Tustin area. Recent single-family construction in this area has been relatively high-priced, between \$35,000 and \$50,000, and market acceptance has been somewhat slow. However, the surplus of housing in this area is small, and should be corrected within a few months if construction continues at its present low level. The Huntington Beach-Fountain Valley area also has a vacancy rate somewhat above the HMA average, but this is a very rapidly growing area, and units are being absorbed very quickly. The vacancy rate in this area is not considered abnormal for an area that is growing so rapidly. Prices for new homes in the Huntington Beach-Fountain Valley area begin at \$20,000 and range upward to about \$40,000. The market in the south county area (from Irvine south to the county line) is relatively strong. Many of the lower-priced houses that are being constructed in the HMA are located in this area. The bulk of the homes built in this area are priced between \$20,000 and \$30,000, and are selling at a very rapid rate.

Major Subdivision Activity. There are numerous subdivisions throughout the HMA. During the boom of the 1950's, new construction was concentrated along the Santa Ana Freeway, in the Fullerton-Anaheim-Garden Grove area. When this area became fully developed, the major subdivision activity moved to the south and west. In the last few years, most new single-family homes have been built in either the Huntington Beach-Fountain Valley area, or the Laguna-El Toro area. This trend can be expected to continue during the next few years; the remaining developable land that is still available is in the southern part of the HMA.

Price Trends. The prices of homes in new subdivisions have moved sharply upward during the last few years. Rapidly appreciating land costs have accounted for part of this increase. In addition, buyers are interested in larger houses with a wide range of amenities. During the boom of the 1950's, a high proportion of the units built were small, single-story, two- and three-bedroom houses.

Currently, the typical subdivision house contains four or five bedrooms, up to three baths, and a three-car garage. Because of high land costs, homes of this size must be multi-story.

The unsold inventory survey conducted over four years ago, in January 1964, showed that 28 percent of the new tract houses completed in 1963 were priced to sell for less than \$20,000. In the three most recent surveys, houses priced in this category have accounted for one percent or less of total completions. Similarly, only 13 percent of the new homes completed in 1963 were priced to sell for more than \$30,000; of the houses completed in 1967, 52 percent were in this category. In 1963, the median price was \$23,100, compared with \$30,300 for those completed in 1967, a rise of 31 percent.

Percentage Distribution by Price Class of Completed Tract Houses
Orange County, California, HMA
1963-1967

| <u>Price class</u> | <u>1963^{a/}</u> | <u>1964^{a/}</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|--------------------|--------------------------|--------------------------|-------------|-------------|-------------|
| Under \$20,000 | 28.1 | 9.4 | 1.0 | .3 | .4 |
| \$20,000 - 24,999 | 35.4 | 30.8 | 24.9 | 15.8 | 11.6 |
| 25,000 - 29,999 | 23.1 | 28.9 | 36.5 | 36.7 | 35.9 |
| 30,000 - 34,999 | 6.8 | 16.5 | 21.0 | 25.7 | 36.6 |
| 35,000 and over | 6.6 | 14.4 | 16.6 | 21.5 | 15.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Median | \$23,100 | \$26,700 | \$28,300 | \$29,600 | \$30,300 |

^{a/} Includes units in planned unit developments which were relatively few in 1963, but numbered 1,735 in 1964.

Source: Unsold Inventory Surveys conducted by the Santa Ana, California, Insuring Office.

Single-family Unsold Inventory Survey. In January 1968, the Santa Ana FHA Insuring Office conducted the annual unsold inventory survey of new single-family houses in subdivisions with five or more completions during 1967 (see table VII). The survey covered about 6,700 completed houses, all of which were built on a speculative basis. At the time of the survey, 780 (11.6 percent) of the homes were unsold. A comparable survey conducted in January 1967 showed an unsold ratio of 30.1 percent on 8,675 completions in 1966. The January 1966 survey, which covered 6,925 units completed in 1965, recorded an unsold ratio of 24.4 percent. It is evident that the sales market had improved substantially by January 1968.

In each of the three surveys, the unsold ratios by price class displayed the same trend. In almost every case, unsold ratios were highest for the most expensive homes, and lowest for the least expensive homes. This probably resulted from the declining level of construction in the lower price ranges while demand for such units continues to be strong.

In addition to the above mentioned unsold units, tabulations were also made for units that have been on the market for one year or more. The most recent survey enumerated 710 units in this category, compared with 870 units in the 1967 survey and 540 units in the 1966 survey. In all cases, the bulk of these units were priced to sell for \$25,000 or more, and a significantly high percentage were in the \$35,000 and over price class.

Planned Unit Developments. A recent development in the Orange County housing market has been the introduction of multifamily units available for purchase. Planned unit developments, which are primarily of townhouse-type construction, began appearing in 1963. The market for this type of unit was very quickly and very severely over-built. As a result, many of the units originally intended for owner occupants were transferred into the rental inventory. Sales prices of these early units were between \$12,500 and \$35,000, with a typical unit selling for about \$20,000. The newer developments are concentrated in the \$20,000 to \$30,000 price class, and the median price for units built in 1967 was \$24,000.

Since 1963, between 9,000 units and 10,000 units of this type of construction have been built. Annual absorption of the units has averaged between 1,700 and 2,000 units. There are currently about 1,000 unsold units available, equal to about a six months supply. The market for units in these planned developments is mixed. Projects that are well designed and have a good location are being absorbed at a satisfactory rate. Many of the unsold units that are currently available were among the first built; these tended to be of only marginal quality, and the absorption of these units will continue to be slow.

Planned unit developments are scattered throughout the entire HMA. A large number have been built in the northwest corner of the HMA and have been very successful. The Tanglewood project, one of the most successful in the HMA, is located in this area in Cypress. A large number of units also have been built in Fullerton, Huntington Beach, and Fountain Valley. Marketing experience in these areas was generally good, except for Fountain Valley, which has a high unsold ratio. A large number of townhouses have been built in the last two years in the Laguna-El Toro area, and have been very successful. Many of these units are in the Village A project located near the University of California, in the Irvine ranch.

Annual unsold inventories of planned unit developments have been conducted for the last few years by the Santa Ana Insuring Office. The most recent survey was made in January 1968, and enumerated about 1,000 units that had been completed in 1967, of which 192 (19 percent) were unsold at the time of the survey (see table VIII). The January 1967 survey counted 1,375 units, of which 15.5 percent were unsold. In contrast, there were 2,025 units built in 1965, of which 43.5 percent were unsold as of January 1, 1966. It is significant to note that annual completions steadily declined over the three-year period.

Unsold ratios were quite high among 1965 completions in almost every price class. Among 1966 completions, the survey revealed very satisfactory unsold ratios in all price classes that had significant levels of construction. Unsold ratios in the most recent survey were mixed.

In addition to the unsold units noted above, separate tabulations were made for units completed and unsold for over twelve months. In the most recent survey, there were 570 units in this category, compared with 1,100 in January 1967 and 1,175 in January 1966. These data also point up the improvement in the market during the past year.

Cooperative Housing. There are two cooperative projects in Orange County. The first was built in Seal Beach, and contains about 6,425 units. This project was completed in 1965. The second project is located in Laguna Hills and, to date, 6,225 units have been constructed. Sales prices for these units range between \$13,000 and \$29,000. Sales have been excellent.

Rental Market

Since July 1965, the rental market in the Orange County HMA has improved significantly. As of April 1, 1968, the rental vacancy ratio was 6.8 percent, compared with 15.4 percent in July 1965. The vacancy rate in 1960 was 13.9 percent, indicating that the rental market in the HMA was seriously over-built for many years.

The substantial improvement in the rental market that has occurred since 1965 has resulted from very low levels of construction of multifamily housing. Between 1961 and 1964, multifamily units authorized by building permits averaged almost 15,000 units a year. In contrast, multifamily units authorized during the last three years have averaged only 4,300 units annually. Furthermore, most of the multifamily units built since 1965 have been intended for owner-occupants. This includes about 1,800 units a year in cooperative projects and 1,300 units a year in planned unit developments throughout the HMA. An average of only 1,200 rental units have been authorized annually by building permits since 1965.

Demand for rental units in the HMA tends to be concentrated in two areas--in the north portion of the HMA, adjacent to Los Angeles, and in the beach areas; a large portion of the latter demand is for seasonal units. Virtually all rental housing that has been built in the HMA in the last few years has been in small garden projects. These are generally two-story projects containing less than 100 units and are composed primarily of one- and two-bedroom apartments. Rents in the area are generally moderate, with two-bedroom units available for about \$140 a month, including utilities. Because of rapidly appreciating land cost and higher financing charges, rents in projects built during the next two years will be considerably above this level.

Urban Renewal and Public Housing

There are no urban renewal projects and no low-rent public housing projects in the Orange County HMA, and none are planned. There is no Certified Workable Program in the county.

Demand for Housing

Quantitative Demand

Demand for additional housing in the Orange County HMA during the two-year forecast period from April 1968 to April 1970 is based on the anticipated increase of about 17,000 households a year, on the number of housing units expected to be removed from the inventory, and on the desirability of effecting some further reduction in the number of available vacant units. Consideration also is given to the current tenure composition and to the anticipated continuation of the recent shift toward a higher proportion of renter occupancy. Giving regard to these factors, it is expected that an average of 17,400 new units can be absorbed annually over the two years. These demand estimates do not include public low-rent housing, rent-supplement accommodations, and housing provided by other types of direct subsidy. The annual demand total includes an average of 12,200 sales units annually, composed of 9,700 single-family houses and 2,500 sales type units in multifamily structures. Demand for new rental units in multifamily structures is expected to average 5,200 units annually. The lack of Certified Workable Programs throughout the HMA prevents the development of other than market-rate projects.

The projected demand of 17,400 units annually is substantially above the average construction level of about 12,500 units a year during the last two years. However, it is far below the average of 27,460 units a year constructed during the 1960-1965 period, when vacancies were rising. During 1966 and 1967, when new residential construction averaged about 12,500 units annually, vacancies were being reduced at a rapid rate. With household growth expected to be only slightly lower during the next two years than during the last two years, and with vacancies declining rapidly, a demand averaging 17,400 units a year seems to be a reasonable expectation.

The demand for single-family houses is slightly above the average of about 8,840 constructed during the last two years, but is substantially below the average of 15,330 a year built in the 1960-1965 period.

During the next two years, the total demand for multifamily units will average about 7,700 units annually. This includes 5,200 rental units and 2,500 sales units. Projected rental demand far exceeds the volume of rental construction of the last three years (estimated to have averaged about 1,200 units annually), but is substantially below the average for the 1960-1965 period. The projected level of demand for multifamily units for sale is slightly below construction of this type for the last three years. It is felt that during the two-year forecast period, the demand for units in cooperatives will be substantially less than it has been during the past few years; the pent-up demand for this type of units has been satisfied and the increasing cost of mortgage money will have a restrictive effect. Demand for units in planned unit developments will be about 1,500 units annually, which also is slightly below recent levels.

The above estimates of demand, of course, reflect the absorptive capacity for new residential construction under conditions now effective or indicated as anticipated. Whether the estimates of demand will reflect the actual construction volume during the next two years will depend on several circumstances, however. If increasing costs of land and construction result in significant increases in rents and selling prices, if the cost of living and taxes rise significantly (as now appears probable), and if the costs of interim and permanent financing continue to increase, the ability and willingness of families to purchase or rent housing at the higher costs may be inhibited and require a lower volume of construction than indicated by the estimated demand. Likewise, significant changes in military requirements and logistics could substantially alter the anticipated employment gains in defense and space-oriented industries, thereby reducing the effective demand for housing. For these reasons, the absorption of all types of new residential construction should be watched closely.

Qualitative Demand

Sales Housing. The distribution of the annual demand for 9,700 single-family houses for sale and 2,500 multifamily units for sale (shown in the following table) are based on ability to pay, as determined by current family income levels and on sales price to income ratios typical in the area. Consideration also has been given to recent market experience.^{1/}

After taking into consideration prevailing construction and land costs, it is judged that adequate new single-family houses cannot be built to sell for much below \$17,500, although multifamily units intended for owner occupants can be produced for less. Although the minimum for single-family homes is about \$17,500, no significant construction is occurring below \$19,500. Existing homes priced below this minimum will be vacated by families who can afford to upgrade their standard of living, thereby providing sales units for families in the lower income ranges.

^{1/} See Appendix A, paragraph 9.

Annual Demand for New Sales Housing, by Price Class
Orange County, California, Housing Market Area
April 1, 1968 to April 1, 1970

| <u>Price</u> | <u>Single-family houses</u> | <u>Multifamily units</u> | <u>Total demand</u> |
|-------------------|---------------------------------|------------------------------|-------------------------|
| Under \$17,500 | - | 250 | 250 |
| \$17,500 - 19,999 | 1,025 | 425 | 1,450 |
| 20,000 - 24,999 | 2,425 | 700 | 3,125 |
| 25,000 - 29,999 | 2,800 | 475 | 3,275 |
| 30,000 - 34,999 | 1,375 | 300 | 1,675 |
| 35,000 and over | <u>2,075</u> | <u>350</u> | <u>2,425</u> |
| Total | 9,700 | 2,500 | 12,200 |

Multifamily Rental Housing. The monthly rentals at which additional multifamily units might best be absorbed by the rental market are indicated for various size units in the following table.^{1/}

Annual Demand for New Multifamily Rental Housing
by Gross Monthly Rent and Unit Size
Orange County, California, HMA
April 1, 1968 to April 1, 1970

| <u>Gross monthly rent^{a/}</u> | <u>Size of units</u> | | | |
|--|----------------------|-------------------------|-------------------------|---------------------------|
| | <u>Efficiency</u> | <u>One- bedroom</u> | <u>Two bedrooms</u> | <u>Three bedrooms</u> |
| \$120 - \$139 | 110 | - | - | - |
| 140 - 159 | 75 | 900 | - | - |
| 160 - 179 | 50 | 690 | 940 | - |
| 180 - 199 | 15 | 350 | 750 | 325 |
| 200 - 219 | - | 120 | 350 | 185 |
| 220 - 239 | - | 40 | 120 | 100 |
| 240 and over | <u>-</u> | <u>-</u> | <u>40</u> | <u>40</u> |
| Total | 250 | 2,100 | 2,200 | 650 |

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

^{1/} See Appendix A, paragraphs 10 and 11.

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 HMA, 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 1950 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

Work Force and Employment Trends
Orange County, California, HMA
1964-1967
 (annual averages in thousands)

| <u>Component</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|----------------------------|--------------|--------------|--------------|--------------|
| Civilian work force | <u>338.4</u> | <u>353.7</u> | <u>390.0</u> | <u>416.3</u> |
| Unemployment | 17.5 | 18.9 | 16.4 | 17.4 |
| Percent of work force | 5.2% | 5.3% | 4.2% | 4.2% |
| Agriculture | 7.1 | 6.2 | 6.3 | 5.5 |
| Nonagricultural employment | <u>313.8</u> | <u>333.6</u> | <u>367.3</u> | <u>393.4</u> |
| Manufacturing | <u>93.7</u> | <u>98.2</u> | <u>109.8</u> | <u>126.6</u> |
| Durable goods | <u>73.8</u> | <u>77.2</u> | <u>86.7</u> | <u>102.8</u> |
| Electrical machinery | 42.7 | 42.1 | 42.6 | 48.5 |
| Aircraft & ordnance | 6.4 | 3.7 | 13.4 | 19.4 |
| Other durables | 24.7 | 26.4 | 30.7 | 34.9 |
| Nondurable goods | 19.9 | 21.0 | 23.1 | 23.8 |
| Nonmanufacturing | <u>220.1</u> | <u>235.4</u> | <u>257.5</u> | <u>266.8</u> |
| Construction | <u>28.8</u> | <u>25.8</u> | <u>24.2</u> | <u>20.7</u> |
| Trans., comm., & util. | 9.6 | 10.6 | 11.2 | 11.6 |
| Trade | 66.8 | 73.0 | 81.6 | 85.3 |
| Fin., ins., & real est. | 13.7 | 15.0 | 15.7 | 16.2 |
| Services | 59.1 | 54.4 | 71.8 | 76.2 |
| Government | 39.1 | 43.5 | 49.4 | 53.3 |
| All other ^{a/} | 3.0 | 3.1 | 3.6 | 3.5 |

^{a/} Includes mining, fishing, and agricultural services.

Source: Research and Statistics Section, California Department of Employment, Santa Ana.

Table II

Estimated Percentage Distribution of Families by Income and Tenure
After Deducting Federal Income Taxes
Orange County, California, Housing Market Area
1968 and 1970

| Annual after-tax income | 1968 | | 1970 | |
|----------------------------|-------------------------|---|-------------------------|---|
| | <u>All families</u> | <u>Renter households^{a/}</u> | <u>All families</u> | <u>Renter households^{a/}</u> |
| Under \$ 5,000 | 15 | 26 | 14 | 24 |
| \$5,000 - 5,999 | 5 | 9 | 4 | 8 |
| 6,000 - 6,999 | 7 | 11 | 6 | 10 |
| 7,000 - 7,999 | 9 | 12 | 8 | 11 |
| 8,000 - 8,999 | 10 | 8 | 9 | 9 |
| 9,000 - 9,999 | 9 | 7 | 10 | 7 |
| 10,000 - 12,499 | 13 | 13 | 19 | 14 |
| 12,500 - 14,999 | 12 | 7 | 13 | 8 |
| 15,000 - 17,499 | 6 | 7 | 7 | 4 |
| 17,500 and over | 9 | 7 | 10 | 5 |
| Total | 100 | 100 | 100 | 100 |
| Median | \$9,425 | \$7,300 | \$9,925 | \$7,675 |

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

Source: Estimated by Housing Market Analyst.

Table III

Population Trends
Orange County, California, HMA
1960, 1965, and 1968

| <u>Area</u> | <u>April</u> <u>1960</u> | <u>July</u> <u>1965^{b/}</u> | <u>April</u> <u>1968</u> | <u>Average annual change^{a/}</u> | |
|------------------|-----------------------------|---|-----------------------------|---|------------------|
| | | | | <u>1960-1965</u> | <u>1965-1968</u> |
| HMA total | 703,925 | 1,144,000 | 1,302,000 | 33,800 | 57,450 |
| Anaheim | 104,134 | 148,500 | 159,400 | 8,450 | 3,975 |
| Buena Park | 46,401 | 62,700 | 64,600 | 3,100 | 700 |
| Costa Mesa | 37,550 | 65,000 | 71,700 | 5,225 | 2,425 |
| Fullerton | 56,180 | 78,000 | 84,700 | 4,150 | 2,425 |
| Garden Grove | 84,238 | 116,400 | 119,000 | 6,125 | 950 |
| Huntington Beach | 11,492 | 73,600 | 94,300 | 11,825 | 7,525 |
| Orange | 26,444 | 65,100 | 73,100 | 7,350 | 2,900 |
| Santa Ana | 100,350 | 134,300 | 148,200 | 6,475 | 5,050 |
| Westminster | 25,750 | 49,000 | 56,400 | 4,425 | 2,700 |
| Rest of HMA | 211,336 | 351,400 | 430,600 | 26,675 | 28,800 |

a/ Rounded

b/ Revised since the date of the last analysis on the basis of improved data.

Sources: 1960 Census of Population; Orange County Planning Department;
and estimates by Housing Market Analyst.

Table IV

Components of the Housing Inventory
Orange County, California, HMA
1960, 1965, and 1968

| <u>Supply, tenure, and vacancy</u> | <u>April 1, 1960</u> | <u>July 1, 1965^{a/}</u> | <u>April 1, 1968</u> |
|------------------------------------|--------------------------|--------------------------------------|--------------------------|
| Total housing units | <u>227,012</u> | <u>375,000</u> | <u>416,000</u> |
| Occupied housing units | <u>203,395</u> | <u>339,000</u> | <u>391,000</u> |
| Owner-occupied | 146,426 | 240,000 | 275,000 |
| Percent | 71.8% | 70.8% | 70.3% |
| Renter-occupied | 57,469 | 99,000 | 116,000 |
| Percent | 28.2% | 29.2% | 29.7% |
| Vacant housing units | <u>23,117</u> | <u>36,000</u> | <u>25,000</u> |
| Available vacant | <u>13,899</u> | <u>27,000</u> | <u>13,000</u> |
| For sale | 4,614 | 9,000 | 4,500 |
| Homeowner vacancy rate | 3.1% | 3.6% | 1.6% |
| For rent | 9,285 | 18,000 | 8,500 |
| Renter vacancy rate | 13.9% | 15.4% | 6.8% |
| Other vacant ^{b/} | 9,218 | 9,000 | 12,000 |

^{a/} Components of total revised since the date of the last analysis on the basis of more current data.

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

Sources: 1960 Census of Housing.
1965 and 1968 estimated by Housing Market Analyst.

Table V

Housing Units Authorized for Construction
Orange County, California, HMA
1958-1967

| <u>Year</u> | <u>Single- family</u> | <u>Multi- family</u> | <u>Total</u> |
|-------------|---------------------------|--------------------------|--------------|
| 1958 | 12,380 | 5,988 | 18,368 |
| 1959 | 16,794 | 10,475 | 27,269 |
| 1960 | 14,649 | 7,337 | 21,986 |
| 1961 | 16,373 | 10,110 | 26,483 |
| 1962 | 18,310 | 15,104 | 33,414 |
| 1963 | 17,648 | 19,314 | 36,962 |
| 1964 | 13,153 | 15,310 | 28,463 |
| 1965 | 11,847 | 5,613 | 17,460 |
| 1966 | 8,998 | 3,672 | 12,670 |
| 1967 | 8,678 | 3,629 | 12,307 |

Source: Security First National Bank, Los Angeles, California.

Table VI

Anaheim-Santa Ana-Garden Grove, California, Area Postal Vacancy Survey

February 19-28, 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 | 364,806 | 11,164 | 3.1 | 8,688 | 2,476 | 5,030 | 288,227 | 6,799 | 2.4 | 4,635 | 2,164 | 2,728 | 76,579 | 4,365 | 5.7 | 4,053 | 312 | 2,302 | 15,183 | 713 | 4.7 |
| Anaheim | 52,532 | 1,371 | 2.6 | 1,292 | 79 | 1,087 | 35,713 | 645 | 1.8 | 576 | 69 | 241 | 16,819 | 726 | 4.3 | 716 | 10 | 846 | 2,681 | 69 | 2.6 |
| Main Office | 18,268 | 492 | 2.7 | 492 | - | 144 | 9,649 | 96 | 1.0 | 96 | - | 26 | 8,619 | 396 | 4.6 | 396 | - | 118 | 1,663 | 42 | 2.5 |
| Stations: | | | | | | | | | | | | | | | | | | | | | |
| Brookhurst | 15,798 | 306 | 1.9 | 286 | 20 | 294 | 11,790 | 108 | 0.9 | 98 | 10 | 18 | 4,008 | 198 | 4.9 | 188 | 10 | 276 | 200 | 5 | 2.5 |
| Federal | 13,001 | 447 | 3.4 | 442 | 5 | 40 | 9,379 | 342 | 3.6 | 337 | 5 | 13 | 3,622 | 105 | 2.9 | 105 | - | 27 | 537 | 21 | 3.9 |
| Sunkist | 5,465 | 126 | 2.3 | 72 | 54 | 609 | 4,895 | 99 | 2.0 | 45 | 54 | 184 | 570 | 27 | 4.7 | 27 | - | 425 | 281 | 1 | 0.4 |
| Santa Ana | 58,765 | 1,980 | 3.4 | 1,370 | 610 | 873 | 48,023 | 1,372 | 2.9 | 769 | 603 | 797 | 10,742 | 608 | 5.7 | 601 | 7 | 76 | 2,882 | 90 | 3.1 |
| Main Office | 9,433 | 272 | 2.9 | 175 | 97 | 188 | 7,618 | 184 | 2.4 | 94 | 90 | 148 | 1,815 | 88 | 4.8 | 81 | 7 | 40 | 147 | 5 | 3.4 |
| Branches: | | | | | | | | | | | | | | | | | | | | | |
| Fountain Valley | 6,554 | 557 | 8.5 | 148 | 409 | 202 | 6,458 | 555 | 8.6 | 146 | 409 | 202 | 96 | 2 | 2.1 | 2 | - | - | 373 | - | 0.0 |
| Marine Corps A.S. | 673 | - | 0.0 | - | - | - | 673 | - | 0.0 | - | - | - | - | - | - | - | - | - | - | - | - |
| Stations: | | | | | | | | | | | | | | | | | | | | | |
| Bristol | 8,299 | 272 | 3.3 | 270 | 2 | 6 | 7,317 | 190 | 2.6 | 188 | 2 | 2 | 982 | 82 | 8.4 | 82 | - | 4 | 1,000 | 24 | 2.4 |
| Diamond | 10,270 | 307 | 3.0 | 302 | 5 | 8 | 7,886 | 109 | 1.4 | 104 | 5 | 8 | 2,384 | 198 | 8.3 | 198 | - | - | 1,197 | 54 | 4.5 |
| Floral Park | 7,278 | 190 | 2.6 | 142 | 48 | 117 | 6,037 | 120 | 2.0 | 72 | 48 | 106 | 1,241 | 70 | 5.6 | 70 | - | 11 | 44 | - | 0.0 |
| South Main | 8,191 | 160 | 2.0 | 126 | 34 | 198 | 6,983 | 109 | 1.6 | 75 | 34 | 198 | 1,208 | 51 | 4.2 | 51 | - | - | 111 | - | 0.0 |
| Spurgeon | 8,067 | 222 | 2.8 | 207 | 15 | 154 | 5,051 | 105 | 2.1 | 90 | 15 | 133 | 3,016 | 117 | 3.9 | 117 | - | 21 | 10 | 7 | 70.0 |
| Garden Grove | 34,991 | 709 | 2.0 | 655 | 54 | 137 | 27,833 | 248 | 0.9 | 217 | 31 | 11 | 7,158 | 461 | 6.4 | 438 | 23 | 126 | 1,262 | 14 | 1.1 |
| Main Office | 19,453 | 423 | 2.2 | 418 | 5 | 30 | 14,608 | 123 | 0.8 | 118 | 5 | 1 | 4,845 | 300 | 6.2 | 300 | - | 29 | 789 | 9 | 1.1 |
| Stations: | | | | | | | | | | | | | | | | | | | | | |
| Secondary | 10,583 | 252 | 2.4 | 203 | 49 | 99 | 8,473 | 103 | 1.2 | 77 | 26 | 2 | 2,110 | 149 | 7.1 | 126 | 23 | 97 | 473 | 5 | 1.1 |
| W. Garden Grove | 4,955 | 34 | 0.7 | 34 | - | 8 | 4,752 | 22 | 0.5 | 22 | - | 8 | 203 | 12 | 5.9 | 12 | - | - | - | - | - |
| Other Cities and Towns | 218,518 | 7,104 | 3.6 | 5,371 | 1,733 | 2,933 | 176,658 | 4,534 | 2.6 | 3,073 | 1,461 | 1,679 | 41,860 | 2,570 | 6.1 | 2,298 | 272 | 1,254 | 8,358 | 540 | 6.5 |
| Brea | 4,930 | 152 | 3.1 | 92 | 60 | 59 | 4,546 | 137 | 3.0 | 77 | 60 | 59 | 384 | 15 | 3.9 | 15 | - | - | 140 | 3 | 2.1 |
| Buena Park | 18,830 | 630 | 3.3 | 457 | 173 | 129 | 16,774 | 449 | 2.7 | 276 | 173 | 101 | 2,056 | 181 | 8.8 | 181 | - | 28 | 169 | 7 | 4.1 |
| Capistrano Beach | 1,267 | 12 | 0.9 | 10 | 2 | 4 | 1,154 | 10 | 0.9 | 9 | 1 | 4 | 113 | 2 | 1.8 | 1 | 1 | - | 169 | - | 0.0 |
| Corona Del Mar | 3,870 | 169 | 4.4 | 132 | 37 | 64 | 3,581 | 146 | 4.1 | 109 | 37 | 64 | 289 | 23 | 8.0 | 23 | - | - | - | - | - |
| Costa Mesa | 22,613 | 629 | 2.8 | 559 | 70 | 901 | 14,391 | 288 | 2.0 | 218 | 70 | 224 | 8,222 | 341 | 4.1 | 341 | - | 677 | 1,250 | 116 | 9.3 |
| Dana Point | 1,546 | 86 | 5.6 | 80 | 6 | 99 | 1,227 | 46 | 3.7 | 40 | 6 | 99 | 319 | 40 | 12.5 | 40 | - | - | 184 | 7 | 3.8 |

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 VI (cont'd)

Anaheim-Santa Ana-Garden Grove, California, Area Postal Vacancy Survey (continued)

February 19-28, 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. | % |
| Fullerton | 25,152 | 585 | 2.3 | 509 | 76 | 46 | 19,117 | 269 | 1.4 | 231 | 38 | 32 | 6,035 | 316 | 5.2 | 278 | 38 | 14 | 134 | 6 | 4.5 |
| Huntington Beach | 27,903 | 1,139 | 4.1 | 648 | 491 | 263 | 24,312 | 823 | 3.4 | 439 | 384 | 241 | 3,591 | 316 | 8.8 | 209 | 107 | 22 | 1,727 | 213 | 12.3 |
| La Habra | 14,147 | 315 | 2.2 | 224 | 91 | 56 | 11,258 | 173 | 1.5 | 114 | 59 | 56 | 2,889 | 142 | 4.9 | 110 | 32 | - | 276 | 1 | 0.4 |
| Los Alamitos | 6,252 | 58 | 0.9 | 58 | - | - | 5,949 | 41 | 0.7 | 41 | - | - | 303 | 17 | 5.6 | 17 | - | - | 109 | - | 0.0 |
| Midway City | 1,462 | 22 | 1.5 | 22 | - | 3 | 1,281 | 16 | 1.2 | 16 | - | 3 | 181 | 6 | 3.3 | 6 | - | - | 65 | - | 0.0 |
| Newport Beach | 14,874 | 798 | 5.4 | 719 | 79 | 151 | 12,467 | 593 | 4.8 | 521 | 72 | 103 | 2,407 | 205 | 8.5 | 198 | 7 | 48 | 868 | 17 | 2.0 |
| Orange | 23,989 | 627 | 2.6 | 543 | 84 | 247 | 19,783 | 434 | 2.2 | 359 | 75 | 68 | 4,206 | 193 | 4.6 | 184 | 9 | 179 | 798 | 16 | 2.0 |
| Placentia | 5,314 | 263 | 4.9 | 83 | 180 | 172 | 4,671 | 228 | 4.9 | 48 | 180 | 172 | 643 | 35 | 5.4 | 35 | - | - | 280 | 17 | 6.1 |
| San Clemente | 6,909 | 510 | 7.4 | 409 | 101 | 19 | 4,645 | 211 | 4.5 | 164 | 47 | 15 | 2,264 | 299 | 13.2 | 245 | 54 | 4 | 217 | 69 | 31.8 |
| Seal Beach | 10,663 | 83 | 0.8 | 75 | 8 | 190 | 9,724 | 48 | 0.5 | 44 | 4 | 178 | 939 | 35 | 3.7 | 31 | 4 | 12 | 200 | - | 0.0 |
| South Laguna | 2,663 | 220 | 8.3 | 131 | 89 | 202 | 2,407 | 189 | 7.9 | 118 | 71 | 146 | 256 | 31 | 12.1 | 13 | 18 | 56 | - | - | - |
| Stanton | 3,804 | 159 | 4.2 | 115 | 44 | - | 3,162 | 96 | 3.0 | 52 | 44 | - | 642 | 63 | 9.8 | 63 | - | - | 279 | - | 0.0 |
| Tustin | 7,646 | 192 | 2.5 | 126 | 66 | 71 | 4,264 | 119 | 2.8 | 55 | 64 | 1 | 3,382 | 73 | 2.2 | 71 | 2 | 70 | 372 | 38 | 10.2 |
| Westminster | 14,684 | 455 | 3.1 | 379 | 76 | 257 | 11,945 | 218 | 1.8 | 142 | 76 | 113 | 2,739 | 237 | 8.7 | 237 | - | 144 | 1,121 | 30 | 2.7 |

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

Status of New Single-Family Completions in Selected Subdivisions^{a/}
Orange County, California, Housing Market Area
As of January 1966, January 1967, and January 1968

| <u>Sales price</u> | <u>Total completions</u> | <u>Pre-sold</u> | <u>Speculative construction</u> | | | |
|--|--------------------------|-----------------|---------------------------------|--------------|---------------|----------------|
| | | | <u>Total</u> | <u>Sold</u> | <u>Unsold</u> | |
| | | | | | <u>Number</u> | <u>Percent</u> |
| <u>Single-family houses completed in 1965, as of January 1, 1966</u> | | | | | | |
| \$17,500 - \$19,999 | 73 | - | 73 | 65 | 8 | 11.0 |
| 20,000 - 24,999 | 1,722 | - | 1,722 | 1,395 | 327 | 19.0 |
| 25,000 - 29,999 | 2,529 | - | 2,529 | 1,980 | 549 | 21.7 |
| 30,000 - 34,999 | 1,457 | - | 1,457 | 1,058 | 399 | 27.4 |
| 35,000 and over | <u>1,147</u> | - | <u>1,147</u> | <u>737</u> | <u>410</u> | <u>35.7</u> |
| Total | 6,928 | - | 6,928 | 5,235 | 1,693 | 24.4 |
| <u>Single-family houses completed in 1966, as of January 1, 1967</u> | | | | | | |
| \$17,500 - \$19,999 | 22 | - | 22 | 13 | 9 | 40.9 |
| 20,000 - 24,999 | 1,372 | - | 1,372 | 1,165 | 207 | 15.1 |
| 25,000 - 29,999 | 3,182 | - | 3,182 | 2,327 | 855 | 26.9 |
| 30,000 - 34,999 | 2,230 | - | 2,230 | 1,427 | 803 | 36.0 |
| 35,000 and over | <u>1,863</u> | - | <u>1,863</u> | <u>1,126</u> | <u>737</u> | <u>39.6</u> |
| Total | 8,669 | - | 8,669 | 6,058 | 2,611 | 30.1 |
| <u>Single-family houses completed in 1967, as of January 1, 1968</u> | | | | | | |
| \$17,500 - \$19,999 | 29 | - | 29 | 29 | - | - |
| 20,000 - 24,999 | 780 | - | 780 | 757 | 23 | 2.9 |
| 25,000 - 29,999 | 2,402 | - | 2,402 | 2,199 | 203 | 8.5 |
| 30,000 - 34,999 | 2,448 | - | 2,448 | 2,118 | 330 | 13.5 |
| 35,000 and over | <u>1,038</u> | - | <u>1,038</u> | <u>816</u> | <u>222</u> | <u>21.4</u> |
| Total | 6,597 | - | 6,597 | 5,919 | 778 | 11.6 |

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

Source: Unsold Inventory Surveys conducted by the Santa Ana, California, Insuring Office.

Table VIII

Status of New Completions in Planned Unit Developments^{a/}
Orange County, California, Housing Market Area
As of January 1966, January 1967, and January 1968

| <u>Sales price</u> | <u>Total completions</u> | <u>Pre-sold</u> | <u>Speculative construction</u> | | | |
|---|------------------------------|-----------------|---------------------------------|-------------|---------------|----------------|
| | | | <u>Total</u> | <u>Sold</u> | <u>Unsold</u> | |
| | | | | | <u>Number</u> | <u>Percent</u> |
| <u>Units completed in 1965, as of January 1, 1966</u> | | | | | | |
| \$12,500 - \$14,999 | 57 | - | 57 | 54 | 3 | 5.3 |
| 15,000 - 17,499 | 248 | - | 248 | 137 | 111 | 44.8 |
| 17,500 - 19,999 | 507 | - | 507 | 257 | 250 | 49.3 |
| 20,000 - 24,999 | 597 | - | 597 | 369 | 228 | 38.2 |
| 25,000 - 29,999 | 349 | - | 349 | 171 | 178 | 51.0 |
| 30,000 - 34,999 | 129 | - | 129 | 37 | 42 | 32.6 |
| 35,000 and over | 130 | - | 130 | 64 | 66 | 50.8 |
| Total | 2,017 | - | 2,017 | 1,139 | 878 | 43.5 |
| <u>Units completed in 1966, as of January 1, 1967</u> | | | | | | |
| \$12,500 - \$14,999 | - | - | - | - | - | - |
| 15,000 - 17,499 | 69 | - | 69 | 69 | - | - |
| 17,500 - 19,999 | 328 | - | 328 | 306 | 22 | 6.7 |
| 20,000 - 24,999 | 786 | - | 786 | 646 | 140 | 17.8 |
| 25,000 - 29,999 | 168 | - | 168 | 137 | 31 | 18.5 |
| 30,000 - 34,999 | 9 | - | 9 | - | 9 | 100.0 |
| 35,000 and over | 10 | - | 10 | - | 10 | 100.0 |
| Total | 1,370 | - | 1,370 | 1,158 | 212 | 15.5 |
| <u>Units completed in 1967, as of January 1, 1968</u> | | | | | | |
| \$12,500 - \$14,999 | - | - | - | - | - | - |
| 15,000 - 17,499 | 40 | - | 40 | 40 | - | - |
| 17,500 - 19,999 | 26 | - | 26 | 26 | - | - |
| 20,000 - 24,999 | 547 | - | 547 | 399 | 148 | 27.1 |
| 25,000 - 29,999 | 362 | - | 362 | 326 | 36 | 9.9 |
| 30,000 - 34,999 | 31 | - | 31 | 23 | 8 | 25.8 |
| 35,000 and over | 2 | - | 2 | 2 | - | - |
| Total | 1,008 | - | 1,008 | 816 | 192 | 19.0 |

^{a/} Planned unit developments are projects which offer condominium-type ownership. These are usually townhouses, but may include some single-family dwellings. Cooperative apartments are not included.

Sources: Unsold Inventory Surveys conducted by the Santa Ana, California, Insuring Office.

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