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Analysis of the
**ORANGE COUNTY,
CALIFORNIA
HOUSING MARKET**
as of May 1, 1971

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C. 20411
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FHA Housing Market Analysis

Orange County, California, as of May 1, 1971

Foreword

This analysis has been prepared for the assistance and guidance of the Federal Housing Administration 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 - ORANGE COUNTY, CALIFORNIA
AS OF MAY 1, 1971

For purposes of this analysis, the Orange County, California, Housing Market Area (HMA) is defined as being coextensive with Orange County, California. This definition conforms to the Office of Management and Budget definition for the Anaheim-Santa Ana-Garden Grove Standard Metropolitan Statistical Area (SMSA). The HMA was one of the fastest growing urban areas in the United States during the 1960 decade. The decennial census enumerated a population of 1,420,386 in the HMA on April 1, 1970, reflecting an average annual increase of 71,650 persons (7.1 percent compounded) annually between 1960 and 1970. The HMA is contiguous to the Los Angeles SMSA to the north and the San Diego SMSA to the south. Prior to 1963, when it was designated as a separate metropolitan area, Orange County was considered an integral part of the Los Angeles SMSA.

The Orange County HMA includes 25 incorporated cities and has long been a popular residential area for persons employed in Los Angeles. The dependence on Los Angeles as a major source of employment for persons residing in Orange County was substantially reduced over the 1960 decade. During the 1960's, the local employment base was expanded considerably as aerospace and defense oriented firms located in the area and as a result of growing employment opportunities in the trade, services and government sectors. Despite recent declines in employment in manufacturing, nonmanufacturing employment has continued to grow.

The market for sales housing has had an impressive recovery from the depressed conditions existing during the period of high interest rates in 1969 and 1970 and sales housing starts have increased markedly. The supply of new rental units (particularly those restricting occupancy to adults) currently exceeds the effective demand for such units. The demand for good quality existing units, both sales and rental, is good.

Anticipated Housing Demand

Taking into consideration such diverse factors as current demand-supply relationships in the Orange County housing market, the expected growth in the economy of the HMA, the projected increase in households, and anticipated losses to the inventory through demolitions and other causes, it is anticipated that there will be an annual demand for about 21,700 new nonsubsidized housing units in the Orange County HMA during the two-year forecast period (May 1, 1971-May 1, 1973). Demand for 1,000 additional nonassisted housing units annually is expected to be satisfied through the use of mobile homes.

Best absorption of the projected units should be realized if construction consists of 12,900 sales units and 8,800 rental units. About 20 percent of the demand for sales housing is expected to be for units in multifamily structures of the townhouse variety, sold as condominiums. About 60 percent of the demand for sales housing is expected to be for units priced to sell below \$30,000. It is anticipated that only about 15 percent of the projected demand will be for sales units marketed in price ranges above \$35,000. Demand for rental units is expected to be strongest for one- and two-bedroom units with gross rents ranging from \$160 to \$200 monthly for one-bedroom units and \$200 to \$240 monthly for two-bedroom units.

The projected level of demand for nonassisted housing over the next two years, excluding mobile homes, is considerably below the levels of building activity during the peak production periods in the early and later years of the 1960 decade. The demand estimates presented in this analysis are not intended to be predictions of short-term construction volume, but rather suggestive levels of construction designed to provide stability in the housing market based on long term trends evident in the area. Production of new units at the level indicated should aid in the absorption of recently completed and excess vacant rental units and lead to a better balance between demand and supply forces in the local housing market.

Occupancy Potential for Subsidized Housing

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

The estimated occupancy potentials for subsidized housing are designed to determine, for each program, (1) the number of families and individuals who can be served under the program and (2) the proportion of these households that can reasonably be expected to seek new subsidized housing during the two-year

forecast period. Household eligibility for the Section 235 and Section 236 programs is determined primarily by evidence that household or family income is below established limits, but sufficient to pay the minimum achievable rent or monthly payment for the specified program. Insofar as the income requirement is concerned, all families and individuals with income below the income limits are assumed to be eligible for public housing and rent supplement; however, there may be other requirements for eligibility, particularly the requirement that current living quarters be substandard for families to be eligible for rent supplements. Some families may be alternatively eligible for assistance under more than one of these programs or under other assistance programs using federal or state support. The total occupancy potential for federally assisted housing approximates the sum of the potentials for public housing and Section 236 housing. For the Orange County, California, HMA, the total potential is estimated to be 2,700 units annually, including 1,175 units designed for occupancy by elderly couples and individuals. Detailed distributions of the occupancy potentials for subsidized rental housing are presented in table II. Future approvals under each program should take into account any intervening approvals under other programs which serve the same families and individuals.

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

Section 235 and Section 236. Subsidized housing for households with low-to moderate-incomes may be provided under the provisions of either Section 235 or Section 236. Moderately-priced sales housing for eligible families can be made available through the provisions of Section 235 and subsidized rental housing for the same families may be alternatively provided under Section 236. The Section 236 program contains additional provisions for subsidized rental units for elderly couples and individuals. Utilizing regular income limits, it is estimated that over the two-year forecast period (May 1, 1971 to May 1, 1973), there is an annual occupancy potential for about 700 units of subsidized housing designed for family occupancy under either Section 235 or Section 236, or a combination of the two programs. In addition, there is an annual potential for approximately 800 units of Section 236 rental housing designed for occupancy by elderly couples or individuals. If exception income limits were used, the potentials would be increased by about 75 percent and 20 percent for families and elderly occupants, respectively.

^{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 suitably accessible locations, as well as distributions of rents and sales prices over the complete range attainable for 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.

As of May 1, 1971, approximately 600 units had been insured under the provisions of Section 235 in the Orange County HMA; about half of the insured units were existing structures. The Section 235 units were fairly well distributed throughout the HMA, although the existing units were located primarily in the older residential areas in the northern portion of the HMA. The only significant concentration of new houses was in the immediate vicinity of Huntington Beach. It is anticipated that about 500 units currently under construction in the HMA will be insured under the provisions of Section 235; more than half of these units are being built in townhouse type developments. Significant activity is occurring in the Anaheim area in the northern portion of the HMA, in Huntington Beach, and in Laguna Beach.

There is only one project of Section 236 housing in the HMA. This project contains 112 units designed for occupancy by families and is located in La Habra. Full occupancy was achieved shortly after the project was completed in October 1970. Management sources report a substantial waiting list of families seeking admission to this project. In addition to the Section 236 project, there are 270 units of Section 202 housing in Costa Mesa. The Section 202 program serves essentially the same elderly couples and individuals who are eligible for housing under Section 236. This project was completed in July 1968 and achieved full occupancy shortly thereafter; currently, there is a waiting list in excess of 300 elderly couples and individuals seeking housing in the project. In May 1971, a firm commitment had been issued for 78 units of Section 236 housing to be located in Garden Grove; these units will be designed for occupancy by families and about 20 percent of the units will be rented under the rent supplement program.

Rental Units Under the Public Housing and Rent Supplement Programs. These two programs serve essentially the same low-income households. The principal differences arise from the manner in which net income is computed for each program and other eligibility requirements. The annual occupancy potential for public housing in the Orange County HMA is estimated at 825 units for families and 725 units for elderly occupants annually over the next two years. In the case of the somewhat more restrictive rent supplement program, the yearly potential for family occupancy would be reduced by about 75 percent while the potential for the elderly would be unchanged. Approximately 50 percent of the elderly who are eligible under the public housing and rent supplement programs also are eligible for housing under the provisions of Section 236. Currently, there are no units of low-rent public housing in the HMA. There are about 20 units of rent supplement housing located in a Section 236 project in La Habra.

Sales Market

There was a good market for sales housing in the Orange County HMA in May 1971 and the homeowner vacancy rate was estimated at 2.2 percent of the inventory. Local sources reported that both new and existing sales units were selling after short periods of market exposure. The effective demand for sales units in the HMA declined sharply during the period of high interest rates and scarcity of mortgage money during 1969 and 1970. Most of the rapid improvement in the local sales market has occurred during the first months of 1971. The demand

for sales units has been stimulated by several factors, including (1) significant reductions in interest rates from a peak level ranging between 8.5 percent and 9.0 percent in 1970 to the current rates of 7.0 to 7.5 percent, (2) a recent trend toward production of smaller units with fewer amenities and correspondingly lower prices in an effort to combat rapidly rising land and construction costs, (3) the high cost of rental units in the area and the limited supply of such units accepting families with children. Although sales units currently are being absorbed at a rate equal to the boom years of the 1960 decade, it is judged that because of an anticipated reduction in the flow of in-migrants to the HMA who stimulated the sales market in earlier years, the level of absorption of new sales housing will decline in the near-term future. A reduction in the current high level of construction appears to be appropriate, particularly in view of the 2,000 unsold sales units enumerated by the FHA unsold inventory survey in January 1971.

Because of the limited supply of available good quality and moderately priced existing sales housing and the large numbers of families who are unable to purchase high priced new units, the market for existing sales housing priced to sell below \$25,000 is expected to remain tight over the next several years.

About 90 percent of the new sales housing produced in the HMA over the past several years was built on a speculative basis. New sales units are being constructed in all sections of the HMA; however, there is some concentration of new subdivision activity in the relatively undeveloped southern portion in the vicinity of the Irvine Ranch and the Laguna-Mission Viejo area. A complete range of prices of sales units, including multifamily and single-family units, is offered in most areas of the HMA. However, units situated in close proximity to the ocean are more desirable and generally have higher prices. New units located in the northern portion of the HMA also typically have slightly higher prices than comparable units in the extreme southern areas because of their proximity to employment centers both in the Anaheim and the Los Angeles areas. The most popular price range for new units varies between \$25,000 and \$35,000 for single-family houses and multifamily units in Planned Unit Developments (PUDs).^{1/}

Although most PUDs are marketed at prices comparable to single-family detached houses, they cover a broader range of prices. Most of the sales units currently being marketed at prices below \$22,500 in the HMA are located in PUDs. Since their introduction into the local housing market in 1963, PUDs have become increasingly popular, particularly among young families and older couples desiring small units; these families are attracted by the freedom that PUDs offer from many maintenance problems associated with single-family ownership. It is estimated that PUDs accounted for more than 15 percent of the sales units marketed in the HMA over the past three years. With rapidly increasing land costs and the resulting inflationary effect on housing prices and the trend towards smaller sales units, PUDs are expected to account for an increasing share of the total market for sales units in the HMA over the near-term future.

^{1/} Planned unit developments are townhouse type multifamily units sold on a condominium basis, with common recreational facilities and open space areas.

An FHA unsold inventory survey conducted in January 1971, covered all single-family houses in subdivisions and planned unit developments with more than five completions during 1970. The survey covered 13,133 sales units completed during the year, 2,419 of which were in PUDs; 12,815 of the total units surveyed were built on a speculative basis. In January 1971, 2,004 units had been completed for more than three months and remained unsold. The unsold units included 577 that had completed more than 12 months. Unsold units were fairly evenly distributed throughout all price classes and areas. However, there was some concentration of units in the \$30,000 to \$40,000 range located in the southern portion of the HMA, particularly in the Laguna-Mission Viejo area. The FHA survey of units completed in 1969 enumerated 734 units unsold in January 1970 that had been completed more than three months. Detailed distributions by price classes and median sales prices of sales units covered in the annual FHA unsold inventory surveys from 1968 to 1970 are presented in table VI.

Rental Market

After several years of high construction levels, the absorption of new rental units in the HMA has slowed. The rental vacancy rate increased from 7.5 percent of the inventory in April 1970 to an estimated 7.9 percent in May 1971. Although the number of rental units currently under construction is relatively high in comparison to the absorptive capacity of the market, the number of units planned for development in the near-term future is significantly lower than the number built in the recent past. A lower level of building appears to be appropriate at this time, and it is judged that continued demand pressures and reduced construction rates will lead to improved absorption toward the end of 1971.

The current weakness in the rental market can be attributed largely to decreased demand resulting from recent economic difficulties in the HMA and the resulting decrease in migration into the area. To date, vacancy difficulties have been confined to new units where occupancy is restricted to adults. It is estimated that more than 75 percent of the recently built units are in projects that restrict occupancy of the units to adults. Absorption has slowed in all price ranges of adult oriented units, although the effect has been somewhat greater in units with gross rents in excess of \$240 monthly than in more moderately priced units. Competition for tenants has increased throughout the HMA and rental concessions are being offered in many projects by property managers who foresee extended initial rent-up periods. Some property managers also are relaxing their restrictions against families with children.

Despite high vacancy rates in new units, older and more moderately priced units have maintained high occupancy rates. A larger proportion of these units accept families with children and rentals in older units are considerably below those charged in recently completed units. Local management sources report that demand for these units greatly exceeds supply.

Most recently built rental units have been one- and two-bedroom units in townhouse or garden apartment complexes. Construction of three-bedroom units has been limited because of the high rents necessary for units of this size. Significant concentrations of new units are located in Huntington Beach and in the northern portion of the HMA. Although rental units are available in a wide range of rents, projects completed in 1970 typically have gross rents ranging from \$160 to \$190 a month for one-bedroom units and \$190 to \$220 monthly for two-bedroom units. A disproportionate number of the vacant units are located in Huntington Beach; other substantial concentrations of vacant units are in the Anaheim and Santa Ana areas.

Economic, Demographic, and Housing Factors

The estimated demand for new nonsubsidized housing units during the May 1, 1971-May 1, 1973 forecast period is based on the trends in economic, demographic and housing factors summarized below.

Economic Factors. The principal sources of basic employment in the HMA are centered in aerospace, national defense, and tourist related activities. Expanding tourism provided a steady stimulus to the local economy throughout the 1960 decade that was reflected in additional jobs in most categories of nonmanufacturing employment. The effect of aerospace and defense related industries on employment in the area also has been substantial; however, growth associated with these two categories has been uneven because of shifting national government policies and priorities over the decade. In addition to the local basic industries, a major portion of the basic income of the HMA is derived from the employment of local residents in Los Angeles County. In 1960, net out-commutation from the HMA to jobs in the Los Angeles area totaled approximately 50,000 persons.

Nonagricultural wage and salary employment in the Orange County HMA averaged 426,300 jobs in the first quarter of 1971, an increase of 8,000 jobs over employment during the first quarter of 1970. During calendar year 1970, wage and salary employment averaged 425,600 jobs and reflected rapid and continuous growth of about 26,525 jobs (9.2 percent) annually in the HMA since 1961. Between 1961 and 1970, wage and salary employment increased by more than 125 percent. This spectacularly high rate of growth resulted from the rapid influx of new people into the HMA during the 1960's and the resulting increases in demand for both government and private services, the boom in the aerospace and defense related industries in the early and middle portions of the decade, and the emergence of Orange County as a major center of tourist activity. Despite decreases in the manufacturing sector since 1969, total employment in the area has continued to rise, although at a rate considerably below the peak growth years of the 1960's. Detailed distributions of civilian labor force components and nonagricultural wage and salary employment trends in the Orange County HMA for the period 1961 through the first quarter of 1971 are presented in table III.

During the first quarter of 1971, the unemployment rate in the HMA was estimated at 7.9 percent of the civilian labor force, 3.1 percentage points above the rate for the comparable period in 1970 when unemployment averaged 4.8 percent. For the calendar year 1970, unemployment averaged 5.9 percent of the labor force, the highest annual rate since the recession year of 1961. Local sources estimate that between 8,000 and 10,000 of the persons currently unemployed are highly skilled and well educated persons who were formerly employed by firms engaged in aerospace and defense oriented work.

Employment in manufacturing industries in the HMA averaged 122,400 jobs in 1970, a decline of 7,600 from the peak level reached in 1969 of 130,000 jobs. Over half of the growth in manufacturing employment between 1961 and 1969 was attributable to the electrical machinery and the transportation and ordnance categories, two groups which are predominantly engaged in aerospace and defense related production. Since 1968, the number of aerospace and defense related jobs has been declining in the HMA. Losses in these two categories were offset by gains in other smaller industry groups between 1968 and 1969. Preliminary data for the first quarter of 1971 placed total manufacturing jobs at 115,600, a decrease of 11,600 over the comparable period in 1970.

Nonmanufacturing employment averaged 303,200 jobs in 1970 and accounted for more than 70 percent of all nonagricultural wage and salary employment. Despite recent declines in the manufacturing sector, nonmanufacturing employment has continued to grow. For the first quarter of 1971, nonmanufacturing jobs averaged 310,800, an increase of 19,700 over the first quarter of 1970. Between 1961 and 1970, nonmanufacturing employment increased by about 19,460 jobs (9.6 percent) annually. Growth was greatest after 1967; jobs were added at a rate of 25,250 annually between 1967 and 1970, a rate considerably in excess of the 1961 to 1970 average. With the exception of mining, there were significant gains in all nonmanufacturing sectors between 1961 and 1970.

Nonagricultural wage and salary employment is expected to increase by approximately 22,000 jobs annually over the two year forecast period (May 1, 1971 to May 1, 1973). Employment growth in the manufacturing sector is expected to be slight. The electrical machinery and transportation and ordnance categories should average about 4,000 jobs below the 1970 level over the next two years; gains in smaller industrial groups should offset these losses and result in manufacturing job gains of about 1,000 annually. Most of the employment gains (about 21,000 jobs annually) are expected to be concentrated in the nonmanufacturing sector. Following recent trends, it is anticipated that trade, services and government, stimulated by population growth and increased tourism, will be largely responsible for nonmanufacturing job gains. Employment projections are always difficult in an area with large concentrations of aerospace and defense oriented employment. Any number of governmental actions, which are difficult to forecast, could substantially alter the present employment outlook in the HMA. However, based on information available at this time, these projections are judged to be reasonable estimates of changes in employment over the next two years. It must be noted that any substantial deviation from

the projected rate of employment growth will require appropriate adjustments in the demographic and housing projections outlined in this analysis.

The median annual income of all families in the Orange County HMA (after deduction of federal income tax) was estimated at \$10,725 in May 1971. The median after-tax income of renter households of two or more persons was estimated to be \$9,325. The 1971 median annual incomes reflect substantial increases over the 1959 median incomes of \$6,575 and \$5,300 for all families and renter households, respectively. Detailed distributions for all families and renter households by income classes for 1959 and 1971 are presented in table IV.

Population and Households. The population of the Orange County HMA was estimated to be 1,490,400 on May 1, 1971, reflecting population growth of about 64,650 (4.4 percent) annually since the 1970 Census. Population growth since 1970 represents a considerable reduction from the rate of growth between the 1960 and 1970 Censuses when the population grew by more than 100 percent, 71,650 (7.1 percent) annually. In-migration accounted for more than half of the growth during the 1960 decade. With the reduction in job opportunities in the manufacturing sector over the past several years, the number of persons migrating into the HMA has slowed. Growth has been evident in all sections of the HMA since 1960; about 80 percent of the population increase located outside the three largest cities. The most spectacular growth occurred in Huntington Beach where population increased from 11,492 in 1960 to 115,960 in 1970, an annual rate of gain of 23.1 percent. Most smaller cities in the northern portion of the HMA in the Anaheim-Santa Ana area also experienced significant gains.

During the forecast period May 1, 1971 through May 1, 1973, the population of the HMA is expected to increase by approximately 66,250 persons annually, a yearly rate of 4.3 percent. The distribution of the population growth is expected to follow recent trends with the major portion of the growth occurring in the smaller cities. However, it is anticipated that the southern areas in the vicinity of the Irvine Ranch will account for an increased share of new population growth.

The 1970 Census enumerated 436,120 households in the Orange County HMA on April 1, 1970. Households increased by 23,225 (7.6 percent) annually between the 1960 and 1970 decennial censuses. On May 1, 1971, there were an estimated 460,000 households in the HMA, reflecting an increase of about 22,075 (5.4 percent) annually since the 1970 Census. Household trends for the geographic components of the HMA generally have followed population growth trends. Based on anticipated population growth and on the assumption that the average household size will continue to decline, it is estimated that the number of households in the Orange County HMA will increase by an average of 22,400 annually over the next two years. Demographic trends in the major components of the HMA during the 1960 to 1973 period are presented in table V.

Residential Construction Trends and Housing Inventory. The housing inventory in the Orange County HMA totaled about 489,300 units in May 1971, a gain of about 26,500 units, 24,450 annually since the 1970 Census. The net addition to the inventory resulted from the completion of about 27,200 new units, the addition of 1,300 mobile homes, and the removal of an estimated 2,000 units from the inventory through demolitions and other causes. The net yearly gain in the inventory since the 1970 census was above the annual average increase in the inventory between 1960 and 1970, primarily because of high levels of multifamily construction in the past year. An estimated 15,500 housing units were under construction in the HMA in May 1971, including 6,150 single-family houses and 9,350 multifamily units; approximately 1,300 of the multifamily units will be marketed as sales housing.

Residential construction activity in the Orange County HMA over the 1960 decade was characterized by high levels of construction in the early and latter portions of the decade, a significant decrease in the number of units built annually between 1965 and 1967, and a sharp upturn in annual construction rates in 1968 and 1969. The number of units authorized by building permits^{1/} increased from 26,266 in 1961 to 35,243 units in 1963. After 1963, the number of units authorized declined sharply to 13,698 in 1965. The downward trend in production continued over the next two years with 12,179 units authorized in 1967. A sharp resurgence in the level of authorizations occurred after 1967; authorizations totaled 23,308 units in 1968 and 33,232 in 1969. Rapidly rising interest rates and construction costs led to a reversal in the upward trend and authorizations declined to 23,410 units in 1970. During the first four months of 1971, 10,178 units were authorized by building permits. The general trend in total construction activity fairly well reflects the trend in both the single-family and multifamily housing, although activity in the multifamily sector was more concentrated in the early and latter portions of the decade and experienced a sharper decline in the middle 1960's than was the case with single-family construction. Trends in the number of housing units authorized by building permits from 1961 through the first four months of 1971 are presented in table VII.

There were approximately 29,300 vacant housing units in the Orange County HMA on May 1, 1971. The total vacant units included about 21,000 nonseasonal, nondilapidated units available for sale or rent. Of the total available units, 6,500 were available for sale, equivalent to a homeowner vacancy rate of 2.2 percent, and 14,500 units were available for rent, a rental vacancy rate of 7.9 percent. The homeowner vacancy rate has increased somewhat from the 2.0 percent recorded in April 1970 by the decennial census. The rental vacancy rate rose from 7.5 percent in April 1970, reflecting some softening in the area rental market; the 1971 rental vacancy rate, however, represents a considerable improvement over the 1960 rate of 13.9 percent. Vacancy data for Orange County for 1960, 1970, and 1971 are presented in table VIII.

^{1/} The entire land area of the HMA is covered by building permit-issuing jurisdictions.

Table I

Estimated Annual Demand for New, Nonsubsidized Housing
Orange County, California, Housing Market Area
May 1, 1971 to May 1, 1973

A. Sales Housing

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
Under \$20,000	645	5
\$20,000 - 22,499	1,290	10
22,500 - 24,499	2,580	20
24,500 - 27,499	1,290	10
27,500 - 29,999	1,935	15
30,000 - 34,999	3,225	25
35,000 and over	1,935	15
Total	12,900	100

B. Multifamily units

<u>Gross monthly rent^{a/}</u>	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three or more bedrooms</u>
\$140 - \$159	325	-	-	-
160 - 179	125	1,350	-	-
180 - 199	50	1,150	-	-
200 - 219	15	525	1,875	-
220 - 239	10	250	1,250	250
240 - 259	-	75	550	400
260 and over	-	100	400	100
Total	525	3,450	4,075	750

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

Source: Estimated by Housing Market Analyst.

Table II

Estimated Annual Occupancy Potential for Subsidized Rental Housing
Orange County, California, Housing Market Area
May 1, 1971 - May 1, 1973

	<u>Section 236^{a/}</u> <u>exclusively</u>	<u>Eligible for</u> <u>both programs</u>	<u>Public housing</u> <u>exclusively</u>	<u>Total for</u> <u>both programs</u>
A. <u>Families</u>				
1 bedroom	75	-	175	250
2 bedrooms	250	-	350	600
3 bedrooms	225	-	200	425
4+ bedrooms	<u>150</u>	-	<u>100</u>	<u>250</u>
Total	700	-	825	1,525
B. <u>Elderly</u>				
Efficiency	300	275	300	875
1 bedroom	<u>150</u>	<u>75</u>	<u>75</u>	<u>300</u>
Total	450	350	375	1,175

a/ Estimates are based upon regular income limits.

b/ All of the elderly couples and individuals also are eligible for rent supplement payments.

Table III
Trend of Civilian Labor Force Components
Orange County, California, HMA
1961 to 1971

	Annual averages ^{a/}										First Quarter	
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1970	1971
Civilian labor force	239,100	273,300	309,100	338,400	358,700	389,000	419,000	447,900	480,500	512,800	497,200	524,200
Unemployment	15,600	13,000	15,100	17,500	18,900	16,600	17,500	16,900	19,000	30,400	24,100	41,600
Percent of labor force	6.5	4.8	4.9	5.2	5.3	4.3	4.2	3.8	4.0	5.9	4.8	7.9
Employment--all industries	223,500	260,300	294,000	320,900	339,800	372,400	401,500	431,000	461,500	482,400	473,100	482,600
Agriculture	7,400	7,200	7,100	7,100	6,200	6,300	5,500	5,500	5,800	6,400	5,000	5,100
Nonagricultural wage & salary	186,800	221,200	251,800	275,600	292,600	324,200	352,500	380,100	407,600	425,600	418,300	426,300
Manufacturing	58,800	77,500	88,200	91,800	96,300	107,800	125,100	128,900	130,000	122,400	127,200	115,600
Durable goods	44,500	61,100	70,600	72,700	76,000	85,400	101,900	104,700	104,100	95,300	101,000	88,600
Prim./ fab. metals	6,100	5,500	6,100	6,500	6,700	8,100	9,300	10,000	10,100	9,300	9,800	9,000
Electrical machinery	27,000	39,800	45,600	42,600	42,000	42,500	48,400	48,200	45,700	37,800	42,500	33,300
Trans./ aircraft & ord.	2,500	4,300	5,500	8,400	10,500	15,200	21,900	22,200	21,200	20,600	20,700	19,600
Other durables	8,900	11,500	13,400	15,200	16,800	19,600	22,300	24,300	27,100	27,600	28,000	26,700
Nondurable goods	14,300	16,400	17,600	19,100	20,300	22,400	23,200	24,200	25,900	27,100	26,200	27,100
Nonmanufacturing	128,000	143,700	163,600	183,800	196,300	216,400	227,400	251,200	277,600	303,200	291,100	310,800
Mining	1,700	1,600	1,600	1,700	1,700	1,900	1,900	2,000	2,000	1,800	1,900	1,700
Construction	16,800	19,700	23,100	24,000	21,000	19,800	17,000	20,000	22,700	25,600	24,500	25,200
Trans., comm., util.	6,900	7,700	8,300	9,000	10,000	10,600	11,300	11,900	13,200	14,300	13,800	14,900
Trade	40,400	45,000	50,900	57,300	62,800	70,400	75,100	83,400	92,300	101,300	95,900	103,200
Finance, insurance & real est.	6,800	8,000	9,900	11,500	12,600	13,300	14,200	16,200	18,200	20,300	19,500	21,100
Services	27,800	30,700	35,200	41,200	45,100	51,100	54,400	59,400	66,100	73,000	69,100	74,300
Government	27,600	31,000	34,600	39,100	43,100	49,300	53,500	58,300	63,100	66,900	66,400	70,100
All other nonagricultural	29,300	31,900	35,100	38,200	40,500	41,900	43,500	45,400	48,100	50,400	49,800	51,200

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

Source: State of California, Department of Human Resources Development.

Table IV

Estimated Percentage Distribution of All Families and Renter Households^{a/}
By Annual Income, After Deduction of Federal Income Tax
Orange County, California, Housing Market Area

Annual after-tax income		1959 Incomes		1971 Incomes	
		All families	Renter households ^{a/}	All families	Renter households ^{a/}
Under	\$ 3,000	11.0	19.0	3.5	6.5
\$ 3,000 -	3,999	7.0	11.5	2.0	4.0
4,000 -	4,999	10.5	15.0	2.5	5.5
5,000 -	5,999	13.0	14.5	3.5	7.5
6,000 -	6,999	14.5	12.0	4.5	7.0
7,000 -	7,999	11.5	9.0	5.5	8.0
8,000 -	8,999	9.0	5.5	6.5	9.0
9,000 -	9,999	6.0	3.5	8.0	7.5
10,000 -	12,499	9.5	5.0	19.5	17.0
12,500 -	14,999	3.0	2.0	14.0	12.0
15,000 -	19,999	2.0	1.5	17.0	9.0
20,000 and over		3.0	1.5	13.5	7.0
Total		100.0	100.0	100.0	100.0
Median		\$6,575	\$5,300	\$10,725	\$9,325

^{a/} Renter households of two or more persons.

Source: Estimated by Housing Market Analyst.

Table V

Trend of Population and Household Growth
Orange County, California, Housing Market Area
April 1, 1960 to May 1, 1973

	<u>April</u> <u>1960</u>	<u>April</u> <u>1970</u>	<u>May</u> <u>1971</u>	<u>May</u> <u>1973</u>	<u>Average annual change^{a/}</u>					
					<u>1960-1970</u>		<u>1970-1971</u>		<u>1971-1973</u>	
					<u>Number</u>	<u>Percent^{b/}</u>	<u>Number</u>	<u>Percent^{b/}</u>	<u>Number</u>	<u>Percent^{b/}</u>
<u>Population</u>										
HMA total	703,925	1,420,386	1,490,400	1,622,900	71,650	7.1	64,650	4.5	66,250	4.3
Anaheim	104,184	166,701	177,350	191,100	6,250	4.7	9,835	5.7	6,875	3.7
Garden Grove	84,238	122,524	122,900	129,050	3,825	3.7	340	.3	3,075	2.4
Huntington Beach	11,492	115,960	124,150	140,950	10,450	23.1	7,560	6.3	8,400	6.4
Santa Ana	100,350	156,601	161,300	169,800	5,625	4.5	4,340	2.7	4,250	2.6
Remainder	403,661	858,600	904,700	992,000	45,500	7.6	42,575	4.9	43,650	4.6
<u>Households</u>										
HMA total	203,895	436,120	460,000	504,800	23,225	7.6	22,075	5.4	22,400	4.6
Anaheim	29,740	53,384	57,700	62,200	2,360	5.9	3,990	7.5	2,250	3.8
Garden Grove	21,794	35,400	35,525	37,675	1,360	4.8	130	.4	1,075	2.9
Huntington Beach	3,758	33,675	36,125	41,225	2,990	21.9	2,270	6.7	2,550	6.6
Santa Ana	31,186	47,663	49,175	51,875	1,650	8.2	1,410	2.9	1,350	2.7
Remainder	117,417	265,998	281,475	311,825	14,860	8.2	14,275	5.6	15,175	5.1

a/ Rounded.

b/ Derived through the use of a formula designed to calculate the percentage rate of change on a compound basis.

Sources: 1960 and 1970 Censuses of Population and Housing; 1971 and 1973 estimated by Housing Market Analyst.

Table VI

Annual Completions of Sales Units in Selected Subdivisions^{a/}
Orange County, California, Housing Market Area
1968 through 1970

<u>Sales price</u>	<u>1968</u>			<u>1969</u>			<u>1970</u>		
	<u>Total</u>	<u>Single-family</u>	<u>Planned unit dev.^{b/}</u>	<u>Total</u>	<u>Single-family</u>	<u>Planned unit dev.^{b/}</u>	<u>Total</u>	<u>Single-family</u>	<u>Planned unit dev.^{b/}</u>
Under \$17,500	56	-	56	-	-	-	8	-	8
\$17,500 - 19,999	105	62	43	149	13	136	60	-	60
20,000 - 22,499	445	345	100	244	147	97	15	9	6
22,500 - 24,999	1,895	1,804	91	1,181	966	215	390	342	48
25,000 - 29,999	2,768	2,378	390	3,770	2,891	879	3,876	3,186	690
30,000 - 34,999	2,494	2,152	342	3,970	3,029	941	4,511	3,443	1,068
35,000 and over	<u>2,066</u>	<u>1,875</u>	<u>191</u>	<u>3,627</u>	<u>3,195</u>	<u>432</u>	<u>4,273</u>	<u>3,334</u>	<u>539</u>
Total	9,829	8,616	1,213	12,941	10,241	2,700	12,733	10,314	2,419
Median sales price	\$29,350	\$29,400	\$29,475	\$31,425	\$31,825	\$30,025	\$32,450	\$32,650	\$31,875

^{a/} Includes all units in subdivisions with more than five completions annually.

^{b/} Planned unit developments are typically townhouse type sales units which are sold on a condominium basis with common recreational facilities and open space areas.

Source: FHA annual unsold inventory survey.

Table VII

Housing Units Authorized by Building Permits^{a/}
Orange County, California, Housing Market Area
January 1961 through April 1971

	<u>HMA Total</u>			<u>Anaheim</u>	<u>Garden Grove</u>	<u>Huntington Beach</u>	<u>Santa Ana</u>	<u>Tustin</u>	<u>Remainder</u>
	<u>Total</u>	<u>Single-family</u>	<u>Multifamily</u>						
1961	26,266	16,458	9,808	2,664	2,221	3,221	1,792	-	16,368
1962	33,199	18,084	15,115	2,428	2,026	4,092	2,304	-	22,349
1963	35,243	16,090	19,153	2,945	2,020	5,160	2,026	181	22,911
1964	26,882	12,094	14,788	1,788	1,276	3,285	1,473	739	18,321
1965	13,698	9,852	3,846	802	520	2,851	1,024	375	8,126
1966	12,654	8,987	3,667	929	94	1,721	496	117	9,297
1967	12,179	8,663	3,516	678	351	2,163	261	705	8,021
1968	23,308	13,136	10,172	2,427	1,021	2,762	1,429	2,068	13,601
1969	33,232	12,991	20,241	4,104	436	5,001	3,179	1,811	18,701
1970	23,410	7,318	16,092	4,369	319	2,158	2,815	364	13,385
1971-4 mos.	10,178	5,453	4,725	505	364	1,341	616	160	7,192

^{a/} The entire land of the HMA is covered by building permit systems.

Sources: Bureau of the Census, C-40 Construction Reports, and local building inspectors.

Table VIII

Housing Inventory, Tenure, and Vacancy
Orange County, California, Housing Market Area
1960 to 1971

<u>Tenure and vacancy</u>	<u>April 1960</u>	<u>April 1970</u>	<u>May 1971</u>
Total housing inventory	<u>227,012</u>	<u>462,803</u>	<u>489,300</u>
Total occupied	<u>203,895</u>	<u>436,120</u>	<u>460,000</u>
Owner-occupied	<u>146,426</u>	<u>281,825</u>	<u>290,900</u>
Percent of all occupied	71.8%	64.6%	63.2%
Renter occupied	<u>57,469</u>	<u>154,295</u>	<u>169,100</u>
Percent of all occupied	28.2%	35.4%	36.8%
Vacant housing units	<u>23,117</u>	<u>26,683</u>	<u>29,300</u>
Available vacant	<u>13,899</u>	<u>18,409</u>	<u>21,000</u>
For sale	<u>4,614</u>	<u>5,856</u>	<u>6,500</u>
Homeowner vacancy rate	3.1%	2.0%	2.2%
For rent	<u>9,285</u>	<u>12,553</u>	<u>14,500</u>
Renter vacancy rate	13.9%	7.5%	7.9%
Other vacant ^{a/}	<u>9,218</u>	<u>8,274</u>	<u>8,300</u>

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

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

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