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Analysis of the
PHOENIX, ARIZONA
HOUSING MARKET

as of January 1, 1971

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C. 20411
September, 1971

FHA Housing Market Analysis
Phoenix, Arizona, as of January 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 - PHOENIX, ARIZONA
AS OF JANUARY 1, 1971

The Phoenix, Arizona, Housing Market Area (HMA) is coextensive with the Phoenix Standard Metropolitan Statistical Area (SMSA), which is defined as Maricopa County, Arizona. The HMA includes the city of Phoenix and a number of smaller cities including Scottsdale, Mesa, Tempe, and Glendale. Phoenix, the state capital, is located in south-central Arizona about 390 miles east of Los Angeles. As of January 1, 1971, the Phoenix Housing Market Area (Maricopa County) had an estimated total population of 1,003,500 persons.

The economy of the Phoenix HMA is based upon a diverse range of activities including agriculture, manufacturing, and tourism as well as upon the area's role as a state and regional center for government, trade, finance, and services. Arizona State University with about 18,000 full-time students is located in Tempe. There are two military bases in the HMA (Luke AFB and Williams AFB) with a combined strength of about 8,500 military personnel and 2,000 civilians. The area's extremely rapid growth in recent years, both in population and employment, has resulted in record levels of new housing production.

Estimates for the two-year period ending January 1, 1973 anticipate further substantial increases in employment and population, but the growth is expected to proceed at a slightly reduced pace. In the immediate future, economic growth and the local housing market will be sustained primarily by continued expansion among the Phoenix area's nonmanufacturing industries. It is estimated that the HMA could successfully absorb about 18,100 housing units during each of the next two years utilizing the appropriate levels of both subsidized and unsubsidized production.

Anticipated Demand for Unsubsidized Housing

The demand for new, unsubsidized housing in the Phoenix, Arizona, Housing Market Area is based upon an anticipated annual increase of about 13,000 households during the forecast period (January 1, 1971 to January 1, 1973). Consideration has been given also to such factors as the number of housing units currently vacant, units currently under construction, anticipated demolitions of housing units, and current family incomes. It is concluded that there will be an annual demand for 13,500 units of new, unsubsidized housing in this market area during the two-year period ending January 1, 1973. Housing marketed to meet this demand would be most readily absorbed if the annual volume of new units included about 7,000 single-family houses, 4,500 multifamily units, and 2,000 mobile-home units. These additional mobile-home units will be adequately accommodated in available space in existing mobile-home parks and in the large number of new parks currently under development. Table I shows the estimated demand for the various types of housing units distributed according to prices, rents, and unit size.

The forecast annual demand for 13,500 new, unsubsidized housing units is considerably below the record production levels of the past two years in anticipation of somewhat less rapid growth in employment, population, and households and because of the expectation that subsidized units will be an increasingly significant factor in supplying the area's housing requirements. In any event, the estimates of future housing demand discussed in this analysis are not intended to predict actual construction activity, but rather to suggest construction levels which would promote an orderly housing market consistent with trends evident in the Phoenix, Arizona, HMA as of January 1, 1971.

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: 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 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; 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. It is advisable, therefore, that future approvals under each program should take into account any intervening approvals under other programs which serve the same families and individuals.

The annual occupancy potentials for subsidized housing are based primarily on the following factors: 1970 incomes, the proportion of households occupying substandard housing, estimates of the elderly population, income limits in effect on January 1, 1971, and on recent market experience. Consideration also has been given to the area's current vacancy levels. The successful attainment of the calculated potentials for subsidized housing may well depend upon the choice of location for the units as well as upon a distribution of rents and sales prices over the complete range attainable under the specified programs. The total occupancy potential for federally assisted housing approximates the sum of the potential for low-rent public housing and the potential for Section 236 housing. For the Phoenix HMA, the total occupancy potential is estimated to be 4,600 units annually, including 3,600 units for families and 1,000 units for elderly couples and individuals. The occupancy potentials for subsidized rental housing are shown in table II.

Section 235 and Section 236. Subsidized housing for households with low to moderate incomes may be provided under either Section 235 or Section 236. Moderately-priced, subsidized sales housing for eligible families can be made available through Section 235. Subsidized rental housing^{1/} 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. In the Phoenix HMA, it is estimated (based on regular income limits) that, for the period January 1971-January 1973, there is an occupancy potential for an annual total of 2,400 subsidized family units utilizing either Section 235 or Section 236 or a combination of the two programs. In addition, there is an annual potential for about 400 units of Section 236 rental housing for elderly couples and individuals. Using exception income limits, these annual occupancy potentials would be significantly increased.

As of January 1, 1971, the Phoenix HMA had a total of 1,915 completed housing units which had been marketed under the provisions of either Section 235, Section 236, or Section 221(d)(3) BMIR (an inactive program,

^{1/} Interest reduction payments may also be made for cooperative housing projects. Occupancy requirements under Section 236 are identical for tenants and cooperative owner-occupants.

similar to Section 236). This total consisted of 1,472 units occupied under Section 235, about 70 units under Section 236, and 373 units under Section 221(d)(3) BMIR. About 1,542 of these units were marketed during 1970, including 1,194 units under Section 235 and 70 units under Section 236. All of the housing marketed to date under the above programs has been rapidly absorbed and has sustained continuously high occupancy levels.

It was anticipated, in January 1971, that Section 235 financing would be requested on 809 units that were recently completed or under construction; in addition, there were preliminary reservations outstanding for another 1,634 units. Under the Section 236 rental program, there were 852 family units under construction plus 368 family units for which commitments had been issued. Thus, under Sections 235 and 236, there is at least the possibility that a combined total of as many as 3,600 family units might be marketed in the Phoenix HMA during the first year of the forecast period. Such a total would be about 50 percent above the current estimate of the area's annual potential for this type of housing. Accordingly, the absorption and market experience of Section 235 and 236 housing for families should receive especially close attention during 1971 in order to determine the advisability of raising or lowering estimates of the market's absorptive capacity and to assure the optimum distribution of production between Section 235 homeownership units and Section 236 rental units.

In addition to the family housing discussed above, there also were 248 units of housing for elderly couples and individuals under construction under the provisions of Section 236. The units are located in two projects both of which are in the city of Phoenix.

Low Rent Public Housing and Rent Supplement. These two programs serve households in essentially the same low-income group. The principal differences are in the eligibility requirements and in the manner in which net income is computed. For the Phoenix HMA, the annual occupancy potential for public housing is estimated at 2,000 units, including 1,200 units for families and 800 units for elderly couples and individuals. Under the more restrictive rent supplement program, the potential for families is about 480 units annually; however, the potential for rent supplement units for the elderly is the same as for public housing (800 units, annually).

There are about 2,444 units of low-rent public housing under management in the Phoenix HMA including 65 units designed specifically for elderly persons. About 1,604 of the public housing units are controlled by the City of Phoenix and 90 units are controlled by tribal authorities on Indian reservations. Others are located in small projects in a number of localities throughout Maricopa County. Nearly 85 percent of the current public housing inventory consists of units constructed prior to 1960. The low-rent public housing in the HMA has had continuously high occupancy with only frictional vacancies. There are over 500 families currently on the waiting lists for this type of housing. No rent supplement units have been marketed in the Phoenix HMA to date.

As of January 1, 1971, there was additional low-rent housing proposed or under construction under both the public housing and rent-supplement programs. The one rent supplement project in the HMA consisted of 150 units under construction in the city of Glendale. Under the low-rent public housing program, there were about 405 units under construction consisting of 283 units for families and 122 units for the elderly. Approximately 30 of the units under construction are located on Indian reservations. Several housing authorities in the Phoenix HMA have submitted applications proposing additional units. Applications are now under consideration for a total of 232 additional family units and another 363 units for elderly couples and individuals.

The Sales Market

As of January 1, 1971, the market for sales housing in the Phoenix HMA was quite active and showed a reasonably satisfactory balance between demand and supply. The homeowner vacancy rate was estimated to be about 1.2 percent and the market had fairly successfully absorbed the very high volumes of single-family construction of 1969 and 1970. However, there were some effects traceable to the combined impact of such a large volume of new construction and some slowing in the growth of the area's economy. Despite local seasonal factors which tend to minimize vacancies in the month of January, the January 1971 homeowner vacancy rate reflected an increase compared to April 1970 when the census reported a rate of 0.9 percent. There also were indications that new homes were selling less rapidly than a year before.

The activity in the Phoenix HMA sales market in recent years has been stimulated by an expanding economy, a rapidly increasing population, a very ample supply of funds for residential construction and for mortgage loans, and by the relatively low selling prices for new housing. Most of the new houses currently being marketed in the HMA are in the price range from \$14,000 to \$30,000. The median price of new houses sold in the Phoenix HMA in 1970 was judged to be about \$22,000. As a result of increasing costs in the Phoenix area, the price of a typical new house went up by approximately eight percent over the past year. In addition to single-family houses, there is an active market for mobile-home units. Most of these are priced in the range from about \$4,000 to \$10,000, but there is some demand for double width units priced up to about \$17,000. Although spaces for mobile homes are usually made available on a rental basis, there are some mobile-home spaces available for sale. A large and expanding supply of spaces in high quality mobile-home courts and mobile-home subdivisions has been a key factor in the vigor of the market for mobile-home housing units.

Consistent with the concentration of the area's facilities, employment and economic activity, most of the new housing is found in Phoenix and its contiguous areas including Scottsdale, Mesa, and Tempe or in the near suburbs such as Glendale and Sun City. Mobile home units have been especially concentrated in developments to the north of Phoenix along Interstate Highway 17 and, to the east, in Mesa and along U.S. 60.

The Rental Market

During October 1970, the FHA Insuring Office in Phoenix conducted a survey of apartments in projects (of at least ten units) which had been completed since August of 1964. The survey covered 270 projects consisting of a total of 17,965 units in the HMA and revealed that 3.5 percent were vacant. This vacancy rate was considered to be indicative of a basically sound rental market throughout the Phoenix HMA, but it did reflect some increase over the 1.3 percent rate recorded in a comparable survey in October 1969. In January 1971, the area's rental market continued to sustain a satisfactory balance between demand and supply, but compared to January 1970 newly completed apartments were renting more slowly and rent increases had become much less common. The rental market's capacity to absorb additional units at this time has been slightly reduced by the recent slowing in the growth of new employment opportunities and by the impact of the large number of new housing units marketed during 1969 and 1970. The overall rental vacancy rate (for rental units of all types and quality) was estimated to be 5.8 percent in January 1971. Seasonal factors tend to minimize the Phoenix area's vacancies in January, especially among rental units. Therefore, comparisons of the current rate with the 7.2 percent rental vacancy rate recorded in the April 1970 Census are not entirely valid.

Among new unsubsidized apartments marketed since June of 1970, the gross monthly rents (utilities included) have been concentrated in the following ranges: \$130 to \$140 for efficiency units, \$170 to \$180 for one-bedroom units, \$200 to \$250 for two-bedroom units, and \$250 to \$300 for three-bedroom units. Most of the new apartment projects consist of one-bedroom and two-bedroom units.

The Phoenix HMA has a large supply of mobile-home spaces which are made available on a rental basis. In October 1970, there were approximately 25,000 mobile-home spaces in the Phoenix HMA in about 360 mobile-home parks. Many of these parks are of a very high quality with amenities including clubhouses, swimming pools, and large lots. Monthly rents for spaces in the better parks range from about \$40 to \$55 for single-unit spaces and \$55 to \$75 for double-unit spaces. The monthly charge usually includes water and trash removal, but gas and electrical charges are paid by the tenant. One of the new mobile-home parks, for example, consists of about 250 spaces renting for \$64 per month for accommodations for single-units and \$74 per month for double-units. Occupancy in existing parks is generally satisfactory; the vacancy rate for mobile home

spaces was estimated at about 5 percent in October 1970. However, in January 1971, there were estimated to be over 5,000 additional spaces under development. These spaces can be expected to be marketed during the next two years and it is estimated that they will more than adequately accommodate the growth in the area's mobile-home inventory.

Economic, Demographic, and Housing Factors

The following findings and assumptions form the primary basis for the conclusions regarding the requirements for housing in the Phoenix Housing Market Area.

Employment. An average of 382,800 persons were employed in the Phoenix Housing Market Area during the twelve-month period ending December 31, 1970. This total consisted of 325,400 nonagricultural wage and salary workers, 43,000 persons who were either self-employed, domestics, or unpaid family workers, and 14,400 workers employed in agriculture. The current employment level reflects the area's long-term trend of vigorous growth in nonagricultural industries. During the 1960-1970 period, nonagricultural wage and salary employment gains were registered in every year. Annual increments ranged from about 7,000 to 27,900 jobs with percentage increases ranging from 2.7 percent to 9.6 percent. Over the ten-year period, nonagricultural wage and salary employment increased by an average of 14,600 per year (an average rate of about 6.0 percent). Gains in the last four years have been especially large; from 1966 to 1970 the average yearly increase in nonagricultural wage and salary employment was about 17,600. Comparison of the wage and salary employment level during 1970 with the level of the previous year shows an increase of 16,900; this net increase occurred despite a decline of about 4,600 in manufacturing. Agriculture continues to be a significant source of employment in the HMA, but increasing mechanization has resulted in a steady decline in the agricultural employment levels.

As of December 1970, nonmanufacturing activity accounted for about 267,000 jobs or three-quarters of all wage and salary employment in the Phoenix HMA. The concentration and rapid growth of employment in the nonmanufacturing categories of trade, government, and services reflects the rapid population growth in the HMA and the increasingly important position of the Phoenix area as a regional center for commercial and governmental activity. Employment for about 65,000 persons was provided by the area's manufacturing industries. Since 1960, increased manufacturing activity has resulted in the addition of over 32,000 manufacturing workers. The major sources of manufacturing employment are firms producing aircraft components, electronic equipment, and related goods. Many of these firms have reduced their employment levels during the past year in response to the declining demand for aerospace and defense-related products. As a result, total manufacturing employment in 1970 registered a significant decrease from the previous year's level for the first time in more than a decade.

During the two-year forecast period (January 1, 1971 to January 1, 1973) it is anticipated that nonagricultural wage and salary employment will increase from the 1970 level by approximately 14,000 annually; other nonagricultural employment is expected to increase by another 1,700 jobs each year. This forecast is made with the expectation that most of the new employment opportunities will result from growth in the nonmanufacturing categories of trade, services, transportation, communications, utilities, and government. The generally unfavorable short-term prospects faced by the Phoenix area's manufacturing industries preclude any firm expectation of substantial growth in this segment of the local economy. The current reduced level of manufacturing employment is expected to prevail during the early portion of the forecast period followed by some recovery which may produce a slight net gain by 1973. Trends in the area's work force components, including nonagricultural wage and salary employment by industry, are shown in table III.

Income. As of January 1971, the estimated median annual income of all families in the Phoenix HMA was \$8,900 after the deduction of federal income taxes. Renter households of two or more persons had an estimated median annual after-tax income of \$6,100. For comparison, the median after-tax incomes in January 1968 for all families and for renter households, respectively, were \$8,100 and \$5,500. An estimated 15 percent of the households in the HMA are headed by retired persons, most of whom are dependent upon relatively fixed incomes. Approximately half of the retired households are judged to have annual incomes below \$5,000. Percentage distributions of families and renter households by after-tax incomes for 1968 and 1971 are presented in table IV.

Population and Households. The population of the Phoenix Housing Market Area was estimated to be 1,003,500 persons as of January 1, 1971. The current population level reflects a trend of rapid growth which has been sustained since the early nineteen-forties. Between 1940 and 1950, the HMA population increased by about 78 percent, from about 186,000 to nearly 332,000. From 1950 to 1960, the area's population practically doubled in reaching a level close to 664,000 persons. Another large population gain was registered during the decade from April 1960 to April 1970 when the area's population increased by about 304,000 reflecting an average annual rate of increase of 3.8 percent.

In-migration, of course, has been a very important component of the area's population growth. The rapid expansion of employment opportunities and the area's climatic advantages have been major factors in this growth. In the past ten years, in-migration accounted for about 191,000 (63 percent) of the total population increase. The net natural increase (resident births minus resident deaths) added another 113,000. Over the decade, the annual net natural increment diminished from about 13,000 in 1960 to 10,000 in 1970 as a result of a declining birth rate. Most of the population in the HMA is concentrated in Phoenix and its contiguous cities (Scottsdale, Mesa, and Tempe) and this area continues to account for most of the growth.

There were an estimated 315,200 households in the Phoenix Housing Market Area as of January 1, 1971. Census data for April 1960 and April 1970 reveal that in the intervening decade, the number of households increased by an average of over 11,000 per year; the average annual percentage increase during this period was 4.6 percent. Paralleling population growth, most of the new households in the HMA were added in the vicinity of Phoenix. During the 1960-1970 period the average household size in the HMA dropped very sharply from 3.82 persons per household in April 1960 to 3.14 in April 1970. This decline in household size results from some decline in the birth rate, from new household formation, from the in-migration of substantial numbers of younger households (with few or no children), and to a lesser extent, from the in-migration of small households composed of older, retired or semi-retired persons.

In the forecast period ending January 1, 1973 it is anticipated that the Phoenix HMA will continue to register substantial gains in the number of households and in total population. During the two-year period from January 1, 1971 to January 1, 1973 it is expected that the population of the HMA will increase by about 37,250 persons (3.6 percent) each year. At the same time the total number of households will increase, each year, by about 13,000 (4.0 percent annually). The trend toward smaller households is also expected to continue. Demographic trends in the HMA since 1960 and projected to 1973 are shown in table V.

Housing Factors. Practically all of the new residential construction activity in the Phoenix HMA is covered by building permit systems. The records of building permits issued from 1960 through 1969 show an average construction volume of about 12,150 new privately financed housing units per year with a peak of 19,189 units in 1969 and a low of 5,925 in 1965. The single-family house has long been the predominant type of new housing unit in the HMA because of the ready availability of land and because of the area's relatively low costs for single-family construction. It seems likely that this pattern will continue at least into the near future. With the exceptions of 1963 and 1964, single-family houses have constituted the major portion of the HMA's new housing production throughout the past decade. Most of the new construction activity is concentrated in Phoenix or the immediate vicinity.

Since 1960, a total of about 1,915 new, privately financed housing units have been constructed for subsidized occupancy under the provisions of Sections 235, 236, or 221(d)(3). Eighty percent of these units were built during the past year. Over the past ten years, about 400 new units have been built for the low-rent public housing program.

As of January 1, 1971, there were about 4,500 single-family houses under construction; it is estimated that 20 percent of these houses will be occupied by families subsidized under the provisions of Section 235. About 3,000 apartments were under construction at the same time; about one-third of these will be subsidized utilizing either Section 236, the low-rent public housing program, or rent supplements. Table VI shows the building permits issued in the Phoenix HMA since 1960.

The total housing inventory in the Phoenix HMA as of January 1, 1971, was estimated to be 330,400 units (see table VII). The total included about 24,000 mobile-home units, 7.3 percent of the entire inventory. Since the April 1970 Census, the total housing inventory in the HMA has increased by about 11,700 units. This net increase resulted from the addition of 12,000 housing units (including 3,000 mobile-home units) and the loss of about 300 units through demolitions or other causes. Between April 1960 and April 1970, the total inventory increased by almost 107,000 units. About 10,000 of these units were the result of a doubling of the mobile-home inventory from less than 11,000 units in 1960 to over 21,000 units in April 1970. Based on a comparison of recorded building activity and the net inventory change, it is estimated that an average of about 200 units annually were demolished or otherwise removed from the housing supply between 1960 and 1970.

Vacancy. Vacancies in the Phoenix HMA tend to be minimized during the winter months because of the seasonal increase in visitors or temporary residents. As of January 1, 1971, there were an estimated 15,200 vacant housing units in the Phoenix HMA. This total included 2,500 units available for sale, 6,500 units available for rent, and 6,200 vacant units that were unavailable for various reasons (seasonal units, already sold or leased etc.). The available vacant units were reflected in a homeowner vacancy rate of 1.2 percent and a renter vacancy rate of 5.8 percent. While these vacancy rates are not indicative of any critical excess supply, consideration of seasonal factors and of current economic and market conditions suggest that they are slightly above the optimum. Vacancy data for April 1960, April 1970, and January 1971 are presented in table VII.

Table I

Estimated Annual Demand for Unsubsidized New Housing
Phoenix, Arizona, Housing Market Area
January 1, 1971 to January 1, 1973

1. Single-family houses

<u>Price class</u>	<u>Annual number of units</u>
Under \$15,000	610
\$15,000 - 17,499	650
17,500 - 19,999	1,115
20,000 - 22,499	1,240
22,500 - 24,999	830
25,000 - 29,999	1,015
30,000 - 34,999	590
35,000 and over	950
Total	7,000

2. Mobile-home units

<u>Price range</u>	<u>Annual number of units</u>
\$ 4,000 - \$ 9,999	1,700
10,000 and over	300

3. Multifamily units

<u>Gross monthly rent^{a/}</u>	<u>Unit size</u>				
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three+ bedrooms</u>	<u>All sizes</u>
\$120 - \$ 139	150	-	-	-	150
140 - 159	50	630	-	-	680
160 - 179	30	665	-	-	695
180 - 199	-	260	850	100	1,210
200 - 249	-	165	800	220	1,185
250 - 299	-	25	285	100	410
300 and over	-	-	90	80	170
Total	230	1,745	2,025	500	4,500

^{a/} Includes cost of utilities.

Table II

Estimated Annual Occupancy Potential for Subsidized Rental Housing
Phoenix, Arizona, Housing Market Area
January 1, 1971 to January 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	400	0	200	600
2 bedrooms	1,000	0	500	1,500
3 bedrooms	700	0	300	1,000
4+ bedrooms	<u>300</u>	<u>0</u>	<u>200</u>	<u>500</u>
Total	2,400 ^{b/}	0	1,200 ^{c/}	3,600
B. <u>Elderly</u>				
Efficiency	100	150	500	750
1 bedroom	<u>100</u>	<u>50</u>	<u>100</u>	<u>250</u>
Total	200	200 ^{d/}	600 ^{d/}	1,000

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

^{b/} These families are alternatively eligible for subsidized sales housing under Section 235.

^{c/} About 40 percent of these families also are eligible for rent supplements.

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

Table III

Civilian Work Force Components
Phoenix Housing Market Area
 (annual averages in thousands)

<u>Components</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Civilian labor force	<u>245.4</u>	<u>257.3</u>	<u>265.8</u>	<u>277.3</u>	<u>290.1</u>	<u>301.4</u>	<u>318.8</u>	<u>328.6</u>	<u>346.8</u>	<u>376.3</u>	<u>399.5</u>
Unemployed	11.7	15.0	13.3	12.8	12.9	14.2	10.7	12.9	10.2	10.5	16.4
Percent unemployed	4.8%	5.8%	5.0%	4.6%	4.4%	4.7%	3.4%	3.9%	2.9%	2.6%	4.1%
Agricultural employment	22.1	20.7	19.6	19.7	19.3	18.5	16.6	16.7	16.2	15.8	14.4
Nonag. wage & salary employment	<u>181.7</u>	<u>190.8</u>	<u>201.2</u>	<u>212.1</u>	<u>224.0</u>	<u>233.5</u>	<u>254.8</u>	261.8	<u>281.4</u>	<u>308.5</u>	<u>325.4</u>
Manufacturing	<u>33.6</u>	<u>35.6</u>	<u>38.7</u>	<u>41.1</u>	<u>44.5</u>	<u>49.9</u>	<u>60.9</u>	<u>61.2</u>	<u>67.6</u>	<u>75.0</u>	<u>70.4</u>
Food & kindred products	5.1	5.2	5.4	5.3	5.2	5.0	5.0	5.1	5.5	5.6	5.7
Printing	2.3	2.5	2.8	2.8	3.0	3.0	3.3	3.4	3.5	3.7	3.9
Primary & fabricated metals	4.4	4.9	4.7	4.3	4.4	5.0	5.6	5.8	6.2	7.5	7.3
Machinery (incl. elec.)	8.5	9.8	11.7	14.2	16.9	21.2	28.4	26.5	29.3	32.9	29.3
Other manufacturing	13.3	13.2	14.1	14.5	15.0	15.7	18.6	20.4	23.0	25.3	24.2
Nonmanufacturing	<u>148.1</u>	<u>155.2</u>	<u>162.5</u>	<u>171.0</u>	<u>179.5</u>	<u>183.6</u>	<u>193.9</u>	<u>200.6</u>	<u>213.8</u>	<u>232.5</u>	<u>255.0</u>
Mining & quarrying	0.5	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Contract construction	17.6	16.4	15.5	16.2	16.3	13.1	13.5	13.5	15.2	18.7	20.7
Transportation, communication, & utilities	13.0	13.1	13.5	13.6	13.5	13.5	14.5	14.8	15.5	16.4	17.8
Wholesale & retail trade	47.3	49.8	51.6	54.8	57.3	58.5	61.4	63.5	67.6	74.2	81.4
Finance, insurance, & real estate	11.5	12.4	13.4	14.1	15.0	15.8	16.5	16.8	17.9	20.1	22.3
Services & misc.	27.1	29.7	32.2	34.2	36.8	38.5	40.5	42.4	45.5	50.1	54.6
Government	31.1	33.4	36.0	37.9	40.4	44.0	47.3	49.4	51.9	53.8	58.0
Other nonagricultural employment ^{a/}	29.9	30.8	31.7	32.7	33.8	34.7	36.6	37.2	39.0	41.4	43.0

^{a/} Includes self-employed, domestics, and unpaid family workers.

Source: Employment Security Commission of Arizona.

Table IV

Estimated Percentage Distribution of All Families and Renter Households^{a/}
by Income After Deduction of Federal Income Tax
Phoenix, Arizona, Housing Market Area

Annual income after-tax	January 1968		January 1971	
	All families	Renter households ^{a/}	All families	Renter households ^{a/}
Under \$3,000	10	23	9	21
\$3,000 - 3,999	6	10	5	8
4,000 - 4,999	7	12	6	11
5,000 - 5,999	8	8	6	10
6,000 - 6,999	8	8	8	7
7,000 - 7,999	10	9	8	7
8,000 - 8,999	9	7	9	7
9,000 - 9,999	8	5	7	6
10,000 - 12,499	14	9	17	11
12,500 - 14,999	9	4	10	6
15,000 and over	<u>11</u>	<u>5</u>	<u>15</u>	<u>6</u>
Total	100	100	100	100
Median income	\$8,100	\$5,500	\$8,900	\$6,100

^{a/} Excludes one-person households.

Source: Estimated by Housing Market Analyst.

Table V

Population and Household Trends
Phoenix, Arizona, Housing Market Area
April 1960-January 1973

	<u>April 1960</u>	<u>April 1970</u>	<u>January 1971</u>	<u>January 1973</u>	<u>Average annual change</u>			
					<u>1960-1970</u>		<u>1971-1973</u>	
					<u>Number</u>	<u>Rate^{a/}</u>	<u>Number</u>	<u>Rate^{a/}</u>
<u>Population</u>								
HMA total	663,510	967,522	1,003,500	1,078,000	30,401	3.8	37,250	3.6
Phoenix	439,170	581,562	599,400	636,300	14,239	2.8	18,450	3.0
Remainder	224,340	385,960	404,100	441,700	16,162	5.4	18,800	4.4
<u>Households</u>								
HMA total	191,076	302,633	315,200	341,200	11,156	4.6	13,000	4.0
Phoenix	132,083	186,082	192,200	204,200	5,400	3.4	6,000	3.0
Remainder	58,993	116,551	123,000	137,000	5,756	6.8	7,000	5.4

a/ Percentage rates computed on a compound basis.

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

Table VI

Housing Units Authorized by Building Permits ^{a/}
Phoenix Arizona Housing Market Area 1960-1970

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>January thru September</u>	
											<u>1969</u>	<u>1970</u>
HMA total	<u>16,320</u>	<u>15,068</u>	<u>14,181</u>	<u>14,909</u>	<u>11,146</u>	<u>5,925</u>	<u>6,146</u>	<u>7,600</u>	<u>11,067</u>	<u>19,189</u>	<u>14,508</u>	<u>14,008</u>
Single-family	13,727	11,624	7,572	5,682	4,931	3,944	4,231	4,925	6,983	11,892	8,746	8,801
Multifamily	2,593	3,444	6,609	9,227	6,215	1,981	1,915	2,675	4,084	7,297	5,762	5,207
Phoenix	4,972	5,368	6,740	7,697	5,475	2,776	2,696	3,484	5,932	9,556	7,198	6,606
Glendale	129	152	389	751	524	145	94	155	109	445	330	632
Mesa	1,372	1,027	1,130	1,059	659	309	350	495	814	1,242	974	1,423
Scottsdale	494	1,453	1,612	1,214	1,223	678	817	854	826	1,654	1,202	1,123
Tempe	965	1,050	1,659	1,620	1,324	813	869	1,187	1,256	2,168	1,821	844
Remainder of HMA	8,388	6,018	2,651	2,568	1,941	1,204	1,320	1,425	2,130	4,124	2,983	3,380

a/ Excludes publicly-owned housing; units subsidized under Section 235, 236, and 221(d)(3) BMIR are included.

Sources: Bureau of the Census, Construction Reports C-40 and C-42; local officials and records; Maricopa County Housing Study Committee.

Table VII

Components of the Housing Inventory
Phoenix, Arizona, Housing Market Area
April 1960-January 1971

<u>Component</u>	<u>April 1960</u>	<u>April 1970</u>	<u>January 1971</u>
Total housing inventory	<u>211,865</u>	<u>318,714</u>	<u>330,400</u>
Occupied housing units	<u>191,076</u>	<u>302,633</u>	<u>315,200</u>
Owner-occupied	<u>125,267</u>	<u>200,716</u>	<u>210,000</u>
Percent	65.6%	66.3%	66.6%
Renter-occupied	<u>65,809</u>	<u>101,917</u>	<u>105,200</u>
Percent	34.4%	33.7%	33.4%
Vacant housing units	<u>20,789</u>	<u>16,081</u>	<u>15,200</u>
Available vacant	<u>11,528</u>	<u>9,721</u>	<u>9,000</u>
For sale	<u>3,325</u>	<u>1,757</u>	<u>2,500</u>
Homeowner vacancy rate	2.6%	0.9%	1.2%
For rent	<u>8,203</u>	<u>7,964</u>	<u>6,500</u>
Renter vacancy rate	11.1%	7.2%	5.8%
Other vacant ^{a/}	<u>9,261</u>	<u>6,360</u>	<u>6,200</u>

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

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

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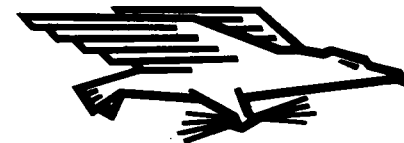
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