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DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410  
OCT 17 1967

# *Analysis of the* **PORTLAND, MAINE HOUSING MARKET**

**as of April 1, 1967**

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

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AS OF APRIL 1, 1967

Field Market Analysis Service  
Federal Housing Administration  
Department of Housing and Urban Development

## 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  
PORTLAND, MAINE, HOUSING MARKET  
AS OF APRIL 1, 1967

Summary and Conclusions

1. Annual average nonagricultural employment in the Portland HMA was 64,300 in 1966, or 4,700 workers more than in 1959. A large part of this increase reflects the growing importance of new industry being attracted to the area. Over the same period unemployment dropped from 4,100 workers (6.3 percent of the work force) to 2,500 workers, or 3.7 percent. Over the next two years nonagricultural employment is expected to increase by about 1,000 jobs a year.
2. The current median income, after federal income taxes, is estimated at \$6,560 a year for all area families and at \$5,380 for renter households of two or more persons. By April 1969, the median income for all families is expected to rise to \$6,830, and for renter households, to \$5,620.
3. The population of the area as of April 1, 1967, is estimated at 147,000, an increase of 7,875, or 1,125 a year, since 1960. A population gain of 1,800 a year is estimated for the next two years.
4. There are currently 46,025 households in the area, an increase of 2,950, or 420 a year, since 1960. The increase over the next two years is expected to be at the rate of about 650 a year.
5. The 50,225 units comprising the current housing inventory represent a net addition of almost 2,175 units, or an average annual increment of 310 units since April 1960. Additions of 3,625 units through new construction and conversions were offset by the demolition of 1,450 units.
6. The proportion of owner-occupied units increased from 56 percent of all occupied units in 1960 to a current ratio of 59 percent. The gain in owner-occupancy resulted not only from the construction of 3,450 new single-family units, as contrasted with only 175 new or converted multifamily units, but also from the disproportionate number of rental units demolished.
7. As of April 1, 1967 there are 1,020 vacant units available for sale or rent. The present homeowner vacancy rate of 0.9 percent is down from 1.4 percent in 1960, while the present rental vacancy rate of 4.0 percent is down from 6.9 percent at the time of the 1960 Census. About 230 of the 250 vacant units for sale are estimated to be acceptable (neither dilapidated nor lacking in plumbing facilities), while 680 of the 770 vacant rental units are judged acceptable.

8. The demand for new housing to meet the needs of the increasing number of households and to replace inventory losses over the next two years is estimated at 1,000 units a year, of which 650 are single-family units for sale and 350 are multifamily units for rent. The multifamily demand includes 150 units a year achievable only with below-market-interest-rate financing or assistance in land acquisition or cost. This demand does not include public low-rent housing or rent-supplement accommodations.
9. The demand for 650 units a year of single-family housing is distributed by price class on page 26. A distribution of the annual demand for 200 unassisted multifamily units by gross monthly rent and unit size is shown on page 27.

ANALYSIS OF THE  
PORTLAND, MAINE, HOUSING MARKET  
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Housing Market Area

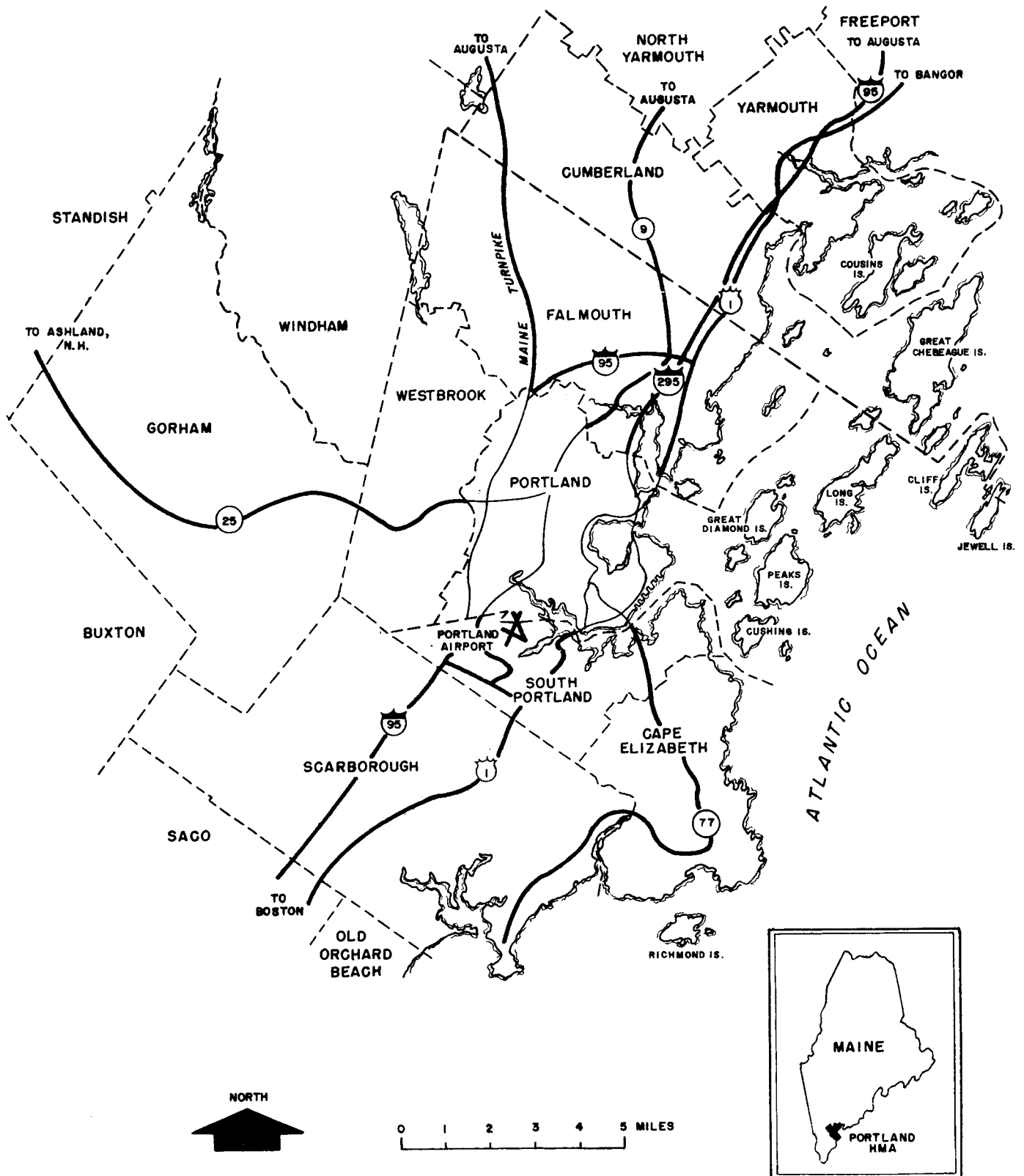
In this analysis, the Portland Housing Market Area (HMA) is defined as co-extensive with the Portland Standard Metropolitan Statistical Area, consisting of the cities of Portland, South Portland, and Westbrook and the towns of Cape Elizabeth, Cumberland, Falmouth, Gorham, Scarborough, and Yarmouth, all in Cumberland County. The 1960 population of this area was 139,100, including 18,500 added in 1963 by a post-census extension of the SMSA to include the towns of Cumberland, Gorham, Scarborough, and Yarmouth. Because of the small rural farm population (under two percent), all demographic and housing data in this analysis cover both farm and non-farm classifications.

Portland lies on Casco Bay near the southern tip of Maine, 110 miles north of Boston, 60 miles south of Augusta, and 90 miles northeast of Concord, New Hampshire. The Maine Turnpike (toll), which runs from the New Hampshire border at Portsmouth to Augusta, goes through Portland. Interstate 95, which runs with the turnpike from its southern beginning, cuts off from the turnpike at the Portland-Falmouth border and continues to Brunswick. Construction is under way to extend this route from Brunswick to Augusta. The Interstate 295 connector route extends from the north shore of Back Cove in Portland to Interstate 95 in Falmouth. Construction will be undertaken in the next two years to extend Interstate 295 southward. U.S. Route 1, the former main artery, cuts through the area and follows a coastal route to Bangor. A number of good state routes provide a network for intrastate travel.

Three railroads, the Maine Central, The Boston and Maine, and the Grand Trunk (Canadian), provide freight transportation. The Greyhound Bus Company serves the area for both intrastate and interstate travel. The Portland Coach Company provides local bus transportation for most of the HMA.

From the Portland Municipal Airport, on the Portland-South Portland border, the Northeast Airlines provides daily scheduled flights to Bangor, Boston, New York, Washington, and other major cities.

# PORTLAND, MAINE, HOUSING MARKET AREA





## Economy of the Area

### Character and History

Early attempts to settle the area, which began as early as 1633, were thwarted by the Indians and the French. Permanent settlement succeeded in 1716, when fifteen families settled on the Neck, the term applied to the peninsula which is now downtown Portland. From its beginning, the economy of Portland was intimately tied to the sea, with the early establishment of the fishing, shipping, and shipbuilding industries.

As the leading city of Maine, Portland served as state capital from 1820, when Maine was admitted to statehood, until 1827, when Augusta was made the permanent capital. Today more than half the population of Maine lives within a 50-mile radius of Portland, establishing the city as a leading distribution, trade, and financial center. The harbor on Fore River, which has recently been dredged to a 45-foot depth, is one of the best in the nation. It is a shipping and receiving port for bulky material either produced or used by area industries: wood-pulp, paper, lumber, coal, oil, grain, sulphur, china clay, and general cargo.

Seafood, agricultural products, and forest products, the principal native resources of Maine, are not so abundant or of such nature as to permit unlimited expansion in the industries dependent on them. In the case of food production, the acquisition of local firms by national organizations has resulted in the transfer of some lines of production to places outside Maine, where the basic products can be produced more efficiently or where greater markets for the finished products exist.

The economic health of the area over the years has reflected national business conditions as well as Canadian trade policies and the fortunes of war. The establishment of railroads in the first half of the nineteenth century brought a period of economic expansion. By the 1850's Portland had rail connections with Northern Maine, Massachusetts, and the St. Lawrence Valley. These connections, along with an ice-free harbor, made Portland the principal winter outlet for goods from the interior of Canada, and by 1900 the city was one of the most prosperous in the country. Business activity declined after the turn of the century until World War I, when there was a temporary upswing which lasted

only as long as the war. The post-war decline continued until 1923. The 1923-1929 period of general national prosperity was shared only in part by the Portland area, one of the factors being a shift of Canadian winter shipping from Portland to St. John and Halifax. The decline that marked the depression years of the 1930's lasted until 1940, when early war efforts resulted in an upturn in employment. The economic growth of the Portland area during the war years reflected largely shipbuilding operations and a concentration of naval activities in the area.

Faced with a postwar contraction in business activity, interested local citizens formed the Greater Portland Research Council in 1946. The studies instigated by this council resulted in the founding, in 1955, of the Greater Portland Area Development Council under the sponsorship of the Greater Portland Chamber of Commerce. This council has established two industrial parks, one of 100 acres in South Portland and one of 160 acres in Portland. A third industrial park (about 250 acres) is expected to be undertaken in Westbrook within the year. The efforts of the council have been largely responsible for the establishment of 4,000 new industrial jobs in the area in the past seven years, the leading new industry being the Semiconductor Division of the Fairchild Camera and Instrument Corporation.

The cultural and educational facilities of the area have been an important influence in attracting new firms to Portland. The University of Maine began operation of a branch at Portland in 1957, when it acquired the facilities of Portland Junior College. A law school was added in 1961 following the acquisition of Portland University. The university operates currently as a commuter college with about 1,000 students. Also in the area are the Westbrook Junior College, Portland; a State Teachers College, Gorham; and the Southern Maine Vocational and Industrial Institute, South Portland.

### Employment

Current Estimate and Past Trend. Nonagricultural employment in the HMA averaged 64,300 in 1966, an increase of 4,700 workers since 1959. More than 70 percent of this increase occurred over the past four years, with employment rising by 3,300 workers from 61,000 in 1963 to the 1966 level. The trend in nonagricultural employment is depicted in the following table. More complete details of employment and unemployment in the area are shown in table I.

Trend of Nonagricultural Employment  
Portland, Maine, Housing Market Area  
1959 to 1966

<u>Year</u>	<u>Annual average</u>	<u>Change from previous year</u>
1959	59,600	-
1960	59,900	300
1961	60,600	700
1962	61,100	500
1963	61,000	-100
1964	61,800	800
1965	63,400	1,600
1966	64,300	900

Source: Maine Employment Security Commission.

Nonagricultural wage and salary employment has risen from 53,200 in 1959 to 58,400 in 1966, an increase of 5,200, or an average of more than 740 workers a year. Manufacturing employment increased by 18 percent from 12,400 workers in 1959 to 14,600 in 1966. This gain, which represented an increase from 23 percent to 25 percent in the relation of manufacturing to all wage and salary employment, was the most encouraging aspect of the employment situation over this period, because an expansion in employment in the basic industries induces an expansion in the nonmanufacturing segment of the economy through an increased demand for goods and services. The greatest increase was in the metals and machinery category, which has more than doubled in employment (from 1,700 in 1959 to 3,900 in 1966) largely as the result of the operations of new firms. The leather industry (predominantly shoe manufacturing) also has shown a substantial increase, from 900 workers in 1959 to 1,600 in 1966. Several new shoe factories began operations during the period, but the gains were the result, also, of substantial capital improvements made by the industry in the late 1950's. Other manufacturing industries either showed little change over the period or declined. Lumber and wood products, after showing some strength from 1959 through 1961, ended the period with 100 fewer employees than in 1959. Food products, which had 3,300 workers in 1959, fluctuated in employment through 1962 then declined steadily to 2,700 workers in 1966. The miscellaneous categories of both the durable and nondurable goods industries ended the period with as many workers as they had at the beginning, with some fluctuations in the intervening years. The details of manufacturing and non-manufacturing employment are shown in table II.

Nonmanufacturing employment showed an overall gain of 3,000 employees from 1959 to 1966. Although this was a larger increase than that for manufacturing industries, the relative increase was smaller (7.4 percent). Government employment has shown the greatest improvement since 1959, with an overall gain of 1,700 employees. This increase was entirely at the state and local levels, since federal employment has remained at a 1,000-1,100 level. Trade, finance, and services have each shown gains of 500 or 600 employees since 1959. The transportation and public utilities category had 400 fewer workers in 1966 than in 1959, when 5,700 were employed, but in each of the years since 1964, this category has shown an increase in employment of 100 a year. Contract construction employment was reported at 3,400 workers in 1965, 500 more than in 1961, but in 1966 it dropped by 300 workers to 3,100. All categories, other than contract construction, have shown employment gains annually since 1963 as contrasted with mixed movements by some industries in the 1959-1963 period (see table II).

Employment Participation Rates. Nonagricultural workers residing in the area in 1960 constituted 37.1 percent of the total population. A higher ratio of 42.8 percent, representing all nonagricultural workers employed in the area in 1959 in relation to the resident population, reflects a sizeable net in-commutation. The participation rate for all nonagricultural workers is currently estimated at 43.7 percent of the population. By 1969 this rate is expected to increase to about 44.0 percent.

#### Principal Employers

The 1966-1967 edition of the Maine Buyer's Guide and Directory of Maine Manufacturers, published by the Maine Department of Economic Development, lists 12 area manufacturers each employing more than 300 workers. Half are located in Portland, while the two largest are in Westbrook and South Portland. The employment ranges shown in the following table are based on a 12-month average of employment, excluding executives, reported for the payroll period nearest the 15th of each month.

Leading Manufacturers, Portland, Maine, Housing Market Area

<u>Firm</u>	<u>Chief product</u>	<u>Employment</u>
S. D. Warren Co.	Book and printing paper	2,501-3,000
Fairchild Camera	Transistors	1,001-1,500
Ametek, Inc.	Dry cleaning equipment	501- 600
Sebago Moc Co.	Moccasin loafers	501- 600
Bliss-Portland	Aircraft, missile parts	451- 500
Press Herald-Express	Newspapers	451- 500
Nissen Baking Co.	Bakery products	401- 450
Songo Shoe Mfg. Co.	Women's, men's shoes	401- 450
Burnham & Morrill Co.	Food products	351- 400
Cushman Baking Co.	Bakery products	351- 400
American Can Co.	Metal cans, containers	301- 350
Herman Shoe Co.	Men's shoes, boots	301- 350

Source: 1966-1967 Directory of Maine Manufacturers.

The S. D. Warren Company, Westbrook, the largest area employer, is in the process of merging with the Scott Paper Company. This action is not expected to affect the employment of the local company, which will continue to make book and printing paper under its own name. Although it controls vast forest reserves in Maine, the company imports some wood pulp to fulfill its requirements.

The Semiconductor Division of the Fairchild Camera and Instrument Corporation, manufacturers of transistors and circuits, is a newcomer to the area. It began operations in South Portland in 1962 with fewer than 100 employees and has grown to almost 1,500. A current plant expansion is expected to add about 200 workers, about 80 percent of whom will be women.

The Prosperity Division of Ametek, Inc. manufactures dry cleaning and laundry equipment in South Portland. No substantial change in employment is expected over the next two years.

The three leading shoe manufacturers, the Sebago Moc Company in Westbrook, the Songo Shoe Manufacturing Company in Portland, and the Joseph M. Herman Shoe Company in Scarborough, have each shown employment gains in recent years. The Herman Shoe Company is a new firm, having migrated from Massachusetts in 1961.

The Bliss-Portland Division of the E. W. Bliss Company, South Portland, was formerly the Portland Copper and Tank Works. In addition to missile and jet engine components, it makes stainless steel products, metal

stamping presses, arresting gear, and other products. It is down in employment from its 1961 and 1962 levels, but a new facility in Scarborough will require the addition of about 200 employees in the manufacture of heavy machinery.

Several large employers who are not manufacturers have high growth potential. The Union Mutual Life Insurance Company, home-based in Portland, is the nation's seventh oldest insurance company. To meet its requirements for more office space, it is planning a new \$5 million office building. Present plans call for the new building to be located in the Monument Square redevelopment area. The Maine Medical Center will complete an addition in the spring of 1968 which will increase its facilities substantially.

New Industries. Sanders Associates, makers of oceanic electronic devices, is completing a 43,000 square-foot building in South Portland. Operations are due to start this spring with about 150 employees. Employment is expected to double within two years, and if current proposals to establish research and development operations in the Portland area materialize, employment may increase to as many as 600 workers.

The W. H. Nichols Company, Waltham, Massachusetts, has announced plans to begin construction this spring on a plant in Portland, west of the Municipal Airport. The firm makes rotary pumps and milling machines. Initial operations should involve about 150 employees.

Klik Industries, a new firm which manufactures electrochemical machinery, is doubling its plant capacity in South Portland and expects to increase its employment by at least 60 workers.

#### Unemployment

The 1966 annual average of 2,500 unemployed workers, or 3.7 percent of the work force, represents a recent low in unemployment. Since 1960, when 4,300 workers (6.6 percent of the work force) were unemployed, unemployment has declined steadily, the largest drop (900) occurring between 1961 and 1962. The trend in unemployment is shown in table I.

#### Estimated Future Employment

Assuming a continuation of trends of the past four years, nonagricultural employment in the Portland HMA is expected to increase by about 1,000 jobs annually over the next two years.

About half of the new jobs will be provided in the metals and machine industries. Continued growth in these industries is assured by announced plant expansions and the establishment of new firms, as discussed in the preceding sections.

Employment by nondurable goods manufacturers is expected to remain at about current levels, with increases in leather goods being offset by a continued decline among food processors.

Recovery from its 1966 slump should cause contract construction to regain its 1965 level of employment in the next two years. No substantial change is anticipated in transportation, communications, and public utilities, but other nonmanufacturing categories should display continued growth, particularly in finance, trade, and services.

#### Income

Average Weekly Earnings. The average earnings of production workers in manufacturing industries increased steadily from \$76 a week in 1959 to more than \$92 a week in 1966, an increase of 21 percent. The 1966 average was \$3 a week higher than that of \$89 for the State of Maine as a whole.

#### Average Hours and Earnings in Manufacturing Industries Portland, Maine, Housing Market Area, 1959-1966

<u>Year</u>	<u>Average weekly hours</u>	<u>Average hourly earnings</u>	<u>Average weekly earnings</u>
1959	40.6	\$1.88	\$76.33
1960	40.2	1.96	78.79
1961	40.8	2.04	83.23
1962	40.9	2.14	87.53
1963	40.2	2.19	88.04
1964	40.4	2.21	89.28
1965	40.9	2.20	89.98
1966	40.6	2.27	92.16

Source: Maine Employment Security Commission.

Hourly earnings showed an almost continuous increase from 1959 to 1966. A decline from \$2.21 an hour to \$2.20 an hour did not affect an increase over these years in weekly earnings, since the drop in the average hourly rate was compensated for by an increase in average hours worked.

Current Family Income. The current median annual income, after deductions for federal income taxes, is estimated at \$6,560 for all families in the area and at \$5,380 for renter households of two or more persons. Nineteen percent of all families earn less than \$4,000 after taxes, and 31 percent of renter households have incomes less than that amount. Eighteen percent of all families have after-tax incomes of \$10,000 or more a year, as compared with eight percent for renter households.

Future Estimates of Income. By April 1, 1969, the median annual after-tax income for all area families is expected to be \$6,830, an increase of \$270 over the current median. The median annual income of renter households is expected to rise \$240 to \$5,620. These increases will result in a decline to 17 percent in the proportion of families earning less than \$4,000 a year, and to 29 percent in the proportion of renter families earning less than that amount. The proportion of families with incomes of \$10,000 or more is expected to rise to 20 percent, and of renter households, to 10 percent.



Demographic Factors

Population

Current Estimate. The current population of the Portland HMA is estimated at 147,000 persons. This figure is based on estimates of the net increase in the number of households (occupied housing units) and of changes in household size since 1960. As revealed by the following table the population of the city of Portland decreased since 1960, but at a much slower rate than in the 1950-1960 decade. The greatest growth was in Cape Elizabeth, which added an average of 230 inhabitants a year.

Past Trend. The population of the area grew from 133,975 inhabitants in 1950 to 139,125 in 1960. Despite a decline of almost 5,075 in Portland, the area showed a net gain of 5,150 persons as the result of moderate gains in South Portland and Westbrook and substantial gains (in relation to their size) in most of the suburban towns.

Population Trend in the Portland, Maine, Housing Market Area  
April 1, 1950 - April 1, 1967

<u>Municipality</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>April</u> <u>1967</u>	<u>Average annual change</u>	
				<u>1950-1960</u>	<u>1960-1967</u>
Portland	77,634	72,566	72,450	-507	-15
South Portland	21,866	22,788	24,050	92	180
Westbrook	12,284	13,820	14,925	154	160
Cape Elizabeth	3,816	5,505	7,125	169	230
Cumberland	2,030	2,765	3,675	74	130
Falmouth	4,342	5,976	6,575	163	85
Gorham	4,742	5,767	6,625	103	120
Scarborough	4,600	6,418	7,475	182	150
Yarmouth	<u>2,669</u>	<u>3,517</u>	<u>4,100</u>	<u>85</u>	<u>85</u>
Total HMA	133,983	139,122	147,000	514	1,125

Sources: 1950 and 1960 Censuses of Population.  
1967 estimated by Housing Market Analyst.

Future Population. By April 1, 1969, the population of the area is expected to reach 150,600, or an increase of about 1,800 a year over the next two years. New industry in the vicinity of the airport gives Portland, South Portland, Cape Elizabeth, and Scarborough a potential for the greatest population gains.

Components of Population Change. Since April 1, 1960, the population of the area increased by 7,875, or an average of 1,125 a year. The difference between this figure and the net natural increase (excess of births over deaths) of 8,875 represents an out-migration of 1,000 persons, or annual averages of 1,270 and 145, respectively. For the decade 1950-1960, comparable figures show a total increase of almost 5,150, divided between a net natural increase of about 15,425 and an imputed out-migration of 10,275.

Components of Population Change  
Portland, Maine, Housing Market Area  
April 1, 1950 - April 1, 1967

<u>Component</u>	<u>1950-1960</u>	<u>1960-1967</u>
Total population change	5,139	7,875
Average annual change	514	1,125
Net natural increase	15,412	8,875
Average annual increase	1,541	1,270
Net out-migration	10,273	1,000
Average annual out-migration	1,027	145

Sources: 1950 and 1960 Censuses of Population, Maine Department of Health and Welfare, and estimates by Housing Market Analyst.

The decline in the net natural increase since 1960 as compared with the earlier period resulted both from a decline in the birth rate from an annual average of 3,075 between 1950 and 1960 to 2,950 since 1960 and from an increase in the death rate in the respective periods from 1,550 a year to more than 1,675 a year. The drop in out-migrants from 1,025 annually between 1950 and 1960 to 145 annually since 1960 reflects the recent improvements in job opportunities in the area. In view of the increase in population estimated for the next two years, a reversal of the migration trend may be anticipated, with the Portland area becoming an area of in-migration.

Households

Current Estimate. There are currently 46,025 households in the Portland HMA, an addition of more than 2,950, or 420 a year since 1960. Despite a slight drop in population in Portland, the number of households in the city increased, as in all other localities in the HMA.

Trend in Number of Households  
Portland, Maine, Housing Market Area  
April 1, 1950 - April 1, 1967

	<u>Number of households</u>			<u>Average annual change</u>	
	<u>1950</u>	<u>1960</u>	<u>1967</u>	<u>1950-1960</u>	<u>1960-1967</u>
Portland	23,108	23,909	24,180	80	40
South Portland	5,987	6,502	6,930	52	60
Westbrook	3,506	4,124	4,520	62	55
Cape Elizabeth	1,115	1,594	2,150	48	80
Cumberland	575	788	1,095	21	45
Falmouth	1,278	1,772	1,990	49	30
Gorham	1,216	1,509	1,735	29	30
Scarborough	1,273	1,840	2,200	57	50
Yarmouth	<u>803</u>	<u>1,030</u>	<u>1,225</u>	<u>23</u>	<u>30</u>
Total HMA	38,861	43,068	46,025	421	420

Sources: 1950 and 1960 Censuses of Housing.  
1967 estimated by Housing Market Analyst.

Past Trend. Between 1950 and 1960, the number of households increased by 4,200 to a total of 43,075. This increase is somewhat exaggerated by a change in definition which added to the 1960 count a number of households (mostly single persons) who were not considered to be households in 1950. The effect of this change was most evident in the city of Portland, where the number of households increased by 800 despite a decline of 5,075 in the population.

Future Estimate. Over the next two years, the household count is expected to increase by 650 a year to reach a total of 47,325. This volume will reflect both an increase in the population and a reduction in average household size.

Average Size of Household. The average household size has declined steadily from 3.30 in 1950 to 3.15 in 1960, to an estimated 3.11 in 1967. The projected population of the area by April 1969 assumes a further decline to almost 3.10 persons per household.

### Housing Market Factors

Housing Supply. The 50,225 housing units which constitute the current housing inventory of the HMA represent a net increase of almost 2,175, or an average annual increment of 310 units, since 1960. Cape Elizabeth, with a net gain of 530 units, showed the greatest increase, while gains of 350 units or more were estimated for South Portland, Westbrook, and Scarborough. The city of Portland had a net loss of almost 315 units.

Past Trend. In the 1950-1960 census period the number of housing units in the area increased by 5,225 to a total of 48,050. Some part of this increase resulted from a more inclusive definition of "housing unit" in the 1960 Census than that of "dwelling unit" used in 1950. The housing trends for the area, 1950-1967, are showed in table IV.

Type of Structure. Single-family housing units, including semidetached units, row houses, and trailers, constitute 60 percent of the present housing inventory. Units in structures housing two to four families account for 27 percent, and units in structures housing five or more families, for the remaining 13 percent.

#### Housing Inventory, by Units in Structure Portland, Maine, Housing Market Area April 1, 1960 and April 1, 1967

<u>Units in structure</u>	<u>April 1960</u>	<u>April 1967</u>	<u>Percent of total</u>	
			<u>1960</u>	<u>1967</u>
1 unit	26,920	29,925	56.0	59.6
2 to 4 units	14,325	13,525	29.8	26.9
5 or more units	<u>6,850</u>	<u>6,775</u>	<u>14.2</u>	<u>13.5</u>
Total	48,095 <sup>a/</sup>	50,225	100.0	100.0

<sup>a/</sup> This total differs from the inventory shown in table IV because units in structure were enumerated in the census on a sample basis.

Sources: 1960 Census of Housing.  
1967 estimated by Housing Market Analyst.

The increase in the proportion of single-family units since 1960 results from the fact that new construction since 1960 has been almost exclusively of units of this type while demolitions during the period have been predominantly of multifamily units.

Multifamily units are concentrated largely in the three cities of the area, as shown in the following table. Two- to four-unit structures, which account for 27 percent of all units in the area as a whole, represent 38 percent of the inventory in Portland, 23 percent in South Portland, 36 percent in Westbrook, and only 3 percent of the aggregate housing supply in the towns. Structures containing five or more units are confined mostly to Portland, where they account for almost one-fourth of all units.

Housing Inventory, by Units in Structure, and by Locality  
Portland, Maine, Housing Market Area  
April 1, 1967

<u>Units in structure</u>	<u>Percentage distribution</u>				
	<u>Portland</u>	<u>South Portland</u>	<u>Westbrook</u>	<u>Towns</u>	<u>Total HMA</u>
1 unit	37.8	75.3	59.3	96.1	59.6
2 to 4 units	37.7	23.4	35.5	3.2	26.9
5 or more units	<u>24.5</u>	<u>1.3</u>	<u>5.2</u>	<u>.7</u>	<u>13.5</u>
Total	100.0	100.0	100.0	100.0	100.0

Source: Estimated by Housing Market Analyst.

Age of Structure. Almost 62 percent of the present housing supply of the area was built before 1930. In Portland almost 77 percent of the housing units were built before 1930, as compared with 45 percent in the rest of the area. In contrast, only 8 percent of the housing units in Portland were built since 1954, as compared with 21 percent in the rest of the area. The basic data from which these estimates were derived reflect an unknown degree of error occasioned by inaccuracies in response to enumerators' questions as well as by sampling errors.

Housing Supply, by Year Built  
Portland, Maine, Housing Market Area  
As of April 1, 1967

<u>Year built</u>	<u>Percentage distribution</u>		
	<u>Portland</u>	<u>Rest of area</u>	<u>Total HMA</u>
1960-1967	4.3	11.0	7.5
1955-1959	3.5	10.4	6.8
1950-1954	3.6	9.2	6.3
1940-1949	6.0	14.4	10.1
1930-1939	5.9	9.8	7.8
1929 and earlier	<u>76.7</u>	<u>45.2</u>	<u>61.5</u>
Total	100.0	100.0	100.0

Source: 1960 Census of Housing, adjusted by Housing Market Analyst for changes since 1960.

Condition of the Inventory. In this analysis, an acceptable housing unit is considered to be neither dilapidated nor lacking any plumbing facility. Deteriorating units are acceptable if they contain all necessary plumbing. On this basis, 89 percent of the current housing supply is judged acceptable. This proportion represents an improvement over the 87 percent which was classed as neither dilapidated nor lacking in plumbing in 1960. The present condition of the housing supply is best in Cape Elizabeth, where 98 percent of the units are acceptable, and in South Portland, with 95 percent. In Portland, 88 percent of the supply is neither dilapidated nor lacking in plumbing. The condition is worst in Yarmouth, where only three-fourths of the units are acceptable.

Value and Rent. The current median value of owner-occupied units is estimated at \$13,600. This estimate, which compares with a 1960 median of \$11,700, takes into account new construction and demolitions since 1960, shifts in tenure, the present occupancy of units which were vacant in 1960, and a further adjustment for the general appreciation in value of that part of the 1960 inventory which is still owner-occupied.

The current median gross rent (shelter rent plus utilities) is estimated at \$75, or \$7 more than the 1960 median of \$68. The median gross rent in the city of Portland also is estimated at \$75, or \$9 more than in 1960. Two factors which affected the greater increase in the median gross rent in Portland were the large amount of demolitions, which removed a substantial number of low-rent units, and a property reassessment in 1961, which increased real estate taxes by almost 25 percent. These estimates were derived in a manner comparable to that used for deriving current median value, as explained above.

#### Residential Building Activity

New Construction. About 3,580 housing units in new construction have been added to the Portland HMA housing supply since April 1960. Geographically the units were distributed as follows: Portland, 1,005; South Portland, 360; Westbrook, 410; Cape Elizabeth, 545; Cumberland, 310; Falmouth, 180; Gorham, 225; Scarborough, 360; and Yarmouth, 185. Because these additions represent only completed units, the total differs from the total authorizations shown in the following table, which includes units under construction or not yet started.

Housing Units Authorized, by Units in Structure  
Portland, Maine, Housing Market Area  
1960 - 1967

<u>Year</u>	<u>Units in structure</u>			
	<u>One</u>	<u>Two-four</u>	<u>Five or more</u>	<u>All units</u>
1960	544	2	-	546
1961	546	-	11	557
1962	536	4	-	540
1963	540	10	57	607
1964	493	4	-	497
1965	443	40	-	483
1966	460	86	77	623
1967 (2 mos.)	<u>16</u>	<u>4</u>	<u>-</u>	<u>20</u>
Total	3,578	150	145	3,873

Sources: U.S. Bureau of the Census and local building officials.

Over 3,575 units, or 92 percent of the total authorized since 1959, were single-family units. Two- to four-unit structures accounted for 150, or 4 percent of the total, and units in structures of five or more units for 145 units, or 4 percent. Of the multi-unit authorizations, Portland accounted for 140 of the units in structures of five or more units and for 110 of those in structures of two to four units. The only other notable multi-unit concentration was 30 units in two- to four-unit structures in Yarmouth. A distribution of authorizations by locality is shown in table V. Single-family unit authorizations in the period 1960-1963 averaged 540 a year. In the past three years this average has dropped to 465 a year, but in this period multifamily authorizations increased in volume, resulting in a 1966 high of 625 units for all structure types.

Units Under Construction. As of April 1, there are about 125 single-family homes and 140 apartment units under construction. All of the apartments and almost a third of the uncompleted homes are in Portland. South Portland, Westbrook, Cape Elizabeth, and Gorham each has 12 or more homes under construction, while each of the remaining towns has fewer than 10. In addition to units under construction, about 30 of the home and apartment units authorized through February have not yet been started.

Conversions. Only one major project, a 36-unit conversion in Portland, has affected the housing supply significantly. Other conversions of existing residential structures to provide additional units or of non-residential structures to residential use are considered to have been offset by losses through conversions of residential units to other uses.

Demolitions. Of the 1,450 units demolished in the HMA since 1960, 1,355 were lost to the inventory in Portland through urban renewal, code enforcement, highway construction, and private development requirements. Building officials in the remaining localities each reported an average inventory loss of no more than two or three units a year.

Demolitions in the next two years are expected to remove about 665 units from the current housing supply. Almost 500 units will be razed for right-of-way clearance for the Franklin Street arterial route in Portland and the Interstate 295 extension from Back Cove through Portland and South Portland. About 85 units will be demolished in the Portland urban renewal program, and 80 units will be cleared through code enforcement, private development, and other causes.

#### Tenure of Occupancy

Owner-occupied units increased from 56 percent of the 1960 occupied total to a current 59 percent. This increase represents a gain of almost 440 units a year since 1960 as compared with 525 units a year between 1950 and 1960. Renter-occupied units currently account for 41 percent of all occupied units, a drop from 44 percent in 1960 and from 51 percent in 1950. Details on tenure are included in table IV.

#### Vacancy

Past Census. In 1960, there were almost 5,000 vacant units in the area. Of this number, 1,745 were available for sale or rent. Vacant units available for sale numbered 335, or 1.4 percent of all homeowner units. The 1,410 units available for rent represented a rental vacancy of 6.9 percent. Ninety-two percent of the units available for sale and 73 percent of those available for rent were acceptable insofar as having all necessary plumbing facilities. Vacancies were highest in Portland, which accounted for 140 of the available sales units and 1,175 of the available rental units.

Postal Vacancy Survey. A postal vacancy survey conducted March 3-20, 1967, by five area post offices having city routes covered 44,833 possible deliveries, representing almost 90 percent of the current housing inventory. Of the residences and apartments surveyed, 1,020 (2.3 percent) were vacant. The 340 vacancies in residences constituted 1.2 percent of such units, and the 680 vacant apartments, an apartment vacancy rate of 4.2 percent.



Among the cities, vacancies were lowest in South Portland<sup>1/</sup>, which has a vacancy rate of only 0.5 percent in residences and 2.2 percent in apartments. Portland and Westbrook each had residence vacancies of 1.3 percent. Although the apartment vacancy rate in Westbrook (5.1 percent) was higher than the overall rate for Portland (4.3 percent), apartment vacancies in the heart of downtown Portland (Pearl Street Station) were substantially higher (6.2 percent). Among the towns, Falmouth had the lowest vacancies, 0.4 percent in residences and 2.2 in apartments.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the 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. 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.

Current Vacancies. Vacancies in the HMA are estimated at 4,200 as of April 1, 1967, for an overall vacancy rate of 8.3 percent, including 1,020 vacant units (2.0 percent) available for sale or rent. The 250 units for sale and 770 for rent constitute vacancy rates of 0.9 percent for homeowner units and 4.0 for rental units (see table IV). The larger number of unavailable vacancies represent mostly units held for seasonal use, particularly in the coastal towns. These estimates are based on the postal vacancy surveys, with adjustments for areas not covered by the survey, units not covered in the survey areas (in dilapidated structures or otherwise not intended for occupancy), seasonal units, and units which have been sold or rented and are awaiting occupancy. Adjustments also were made to bring the survey data into conformity with the concept of owner and renter units used in this study rather than with the post office definitions of residences and apartments. In the case of the South Windham post office, an additional adjustment was made to exclude postal routes in the town of Windham, which is not in the HMA.

Of the available vacancies, 230 of the 250 units available for sale and 680 of the 770 available for rent are considered acceptable (not lacking in plumbing facilities). In view of the growth rate of the area, the number of acceptable vacancies in both sales and rental properties is considered a minimum for maintaining a balanced market and for allowing for mobility.

<sup>1/</sup> The South Portland Station also serves Cape Elizabeth, for which a vacancy rate of 2.1 percent in residences was reported; there were no apartment vacancies in Cape Elizabeth.

## Sales Market

General Conditions. Despite a slackening in home building in the past three years, new homes generally find a ready market. Speculatively built homes seldom remain unsold more than three or four months. Home construction has been most active in the areas east of the Maine Turnpike.

Existing homes in sound condition sell readily. The demand is greatest in the \$17,000-\$20,000 price ranges, and there is a shortage of such listings. Four-bedroom homes, for which there is a substantial demand, are practically unavailable in any price class. The market is sluggish in older properties in downtown Portland, where two- and three-unit structures are available for as little as \$7,500 to \$10,000. The marketability of these properties is hindered by the deterioration evident in most of them and also by a lack of adequate parking facilities.

Subdivision Activity. The largest subdivisions are in the North Deering and Stroudwater sections of Portland and in Westbrook and Cape Elizabeth. Smaller subdivisions (10 or fewer homes a year) are being developed in these same municipalities, as well as in South Portland, Cumberland, Scarborough, and Yarmouth. Home building in Falmouth and Gorham is confined largely to the construction of individual homes or to homes in small developments.

In the larger building operations (five or more completions a year), homes sold before the start of construction during 1966 outnumbered those speculatively built by almost two to one. This pattern, which was influenced by the recent mortgage-money situation, deviates from those of the previous three years, when speculatively built homes constituted from 60 to 65 percent of subdivision operations.

Unsold Inventory. A survey of subdivisions in the Portland area, conducted by the Bangor FHA Insuring Office in January 1967, covered 14 developments in which five or more homes were completed in 1966. Of 180 homes completed during the year, 117 (65 percent) were sold before the start of construction. Of the 73 built speculatively, only seven were unsold at the year end. None of the seven had been completed for more than six months, and five of these were being rented. Seventy-two homes were under construction in the 14 subdivisions at the time of the survey, of which 38 (53 percent) were sold.

New Sales Housing Completed in 1966 in Selected Subdivisions  
Portland, Maine, Housing Market Area

<u>Price</u>	<u>Total completions</u>	<u>Number presold</u>	<u>Speculatively built</u>			
			<u>Total</u>	<u>Number sold</u>	<u>Number</u>	<u>Percent</u>
Under \$15,000	30	14	16	13	3	19
\$15,000 - 17,500	55	38	17	16	1	6
17,500 - 20,000	25	17	8	7	1	13
20,000 - 25,000	40	25	15	13	2	13
25,000 - 30,000	25	18	7	7	-	-
30,000 and over	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	180	117	63	56	7	11

A similar survey covering completions in 1965 revealed that 125 or 40 percent of the 312 homes completed in 34 subdivisions were presold and that 68 percent of those speculatively built were sold by the end of the year. Fifty-five of the 60 unsold homes had been completed less than four months. The lower percentage of unsold homes in 1966 than in 1965 does not reflect entirely an improved market, since the 1966 percentage was influenced by a reduction in the number of homes built as the result of mortgage-money stringency. Because the completions covered in the 1965 and 1966 surveys cover only a portion of all completions in the HMA in these years, they are not necessarily representative of all construction of single-family units.

Sales Price. New homes cover a broad price range from \$14,000 up, the greatest concentration being in the range of \$17,000 to \$20,000. New homes above \$25,000 are most numerous in Cape Elizabeth. Homes in Portland are almost all priced under \$25,000. A complete reassessment of properties in Portland in 1961, which raised real estate taxes about 25 percent, is claimed to hinder the building of more expensive homes in the city.

Outlook. The expanding economy of the area indicates a growing need for additional housing. Employers in new and expanding firms are concerned with the difficulty of finding suitable housing for employees being recruited outside the area. The concentration of new industry in and near the airport area affords Portland, South Portland, Cape Elizabeth and Scarborough an opportunity for increased residential development. To the north, the completed interstate routes 295 and 95 enhance the growth potential of Falmouth, Cumberland, and Yarmouth, a potential which has only begun to be realized.

## Rental Market

General Conditions. There has been practically no multifamily housing built in the Portland area since the construction of several veterans housing projects following World War II. Since 1961 some 20 privately financed and 72 public housing units were built in Portland, and a 140-unit moderate-income rental project is nearing completion. There is a minimum of good rental units in desirable locations; most vacancies that exist are in deteriorating neighborhoods where the rents are too low to allow for proper maintenance. In a number of instances, upper-income families have rented newly completed homes intended for sale pending the development of plans to build their own homes.

Rents. The prevailing rents in the Portland area are low as compared with those of other metropolitan localities. In one of the most desirable projects, a moderate sized project in a good location, rents range from \$95 to \$120 for one-bedroom units, \$130 to \$175 for two-bedroom units, and \$200 to \$230 for three-bedroom units. These charges include heat, hot water, stove, and refrigerator, but not electricity. This project has a waiting list of over 50 applicants.

Rents in some of the postwar projects are somewhat lower: about \$85 a month for one-bedroom apartments, \$97 for two-bedrooms, and \$125 for three-bedrooms. Older apartment units, well managed and in sound condition, rent for \$75-\$85 a month for one-bedroom units. Units in several older apartments are rented unfurnished at weekly rates of about \$16 for efficiencies, \$20 for one-bedroom units, and \$25 for three-bedroom units. A number of similar apartments offer furnished units at about \$5 a week higher than those in comparable unfurnished apartments.

Multifamily Housing Under Construction. A 140-unit project for families of moderate income is nearing completion in the Munjoy urban renewal area of Portland.

Proposed Construction. Firm plans for new multifamily housing in Portland include two apartment projects and an elderly housing project. One of the apartment projects is for 150 units in the Munjoy area near Fort Allen Park. A building permit was issued in December for the first 8 of 150 units in a project for families of moderate income, to be located in the northern section of the city. The present church-affiliated sponsors of the elderly housing project are conferring with another church group with the prospect of a joint undertaking. The project will contain 140 units.

Urban renewal plans for Portland envision a number of additional projects, but plans for these are not definite. Several apartment projects are in prospect outside Portland. Two garden apartments are planned for Cape Elizabeth and another is being considered for Falmouth.

Outlook for Multifamily Housing. In view of the increase expected in industrial development of the area, the present deficiency of good available apartments threatens to become more critical. The volume of multifamily housing under development and in planning promises relief to this situation. The monthly charges that will be required in new units because of present construction, land, and financing costs are substantially higher than prevailing rents. The market at the rents being proposed has not been tested, but the number and type of new employees that will be attracted by new industry suggests a limited market for apartments at higher than prevailing rents.

Current maintenance and operating costs exert an upward pressure on rents in existing projects. A number of apartment owners have modernization programs under way or have declared their intentions to make substantial capital improvements, chiefly modernization of kitchens and bathrooms, in order to be competitive with the new apartments that are in prospect.

#### Urban Renewal Activity

Portland and Cape Elizabeth are the only municipalities in the area with approved workable programs for urban renewal. Cape Elizabeth has plans under consideration but has not yet undertaken any renewal operations. Prospective sponsors of projects for moderate income families have expressed interest in sites in South Portland and Westbrook, but neither of these cities has any immediate prospects of having workable programs approved to establish eligibility for projects financed at below market interest rates.

Portland has eight downtown areas in which development and planning are under way.

Vine-Deer Chatham. This is a completed project involving spot clearance and renewal of a two-block area south of Middle Street between Pearl and India Streets. The uses are commercial and industrial.

Munjoy. This 30-block area lies south of Congress Street, between the Eastern Promenade and Mountford Street, and north of Fore Street. The predominant reuse will be residential. The Munjoy South project, a 140-unit project for moderate income families, is about ready for occupancy. A 150-unit apartment project also is planned. Additional units for families of moderate income are in planning, along with a public housing project. Thirty families remain to be relocated from the area.

Downtown #1. Cumberland Manor, a church-sponsored project of housing for the elderly (140 units) is proposed for this 2.5 acre site at Cumberland Avenue and Oak Street. The present sponsor is negotiating with a second church group for joint sponsorship with conventional financing.

Bayside Park. Seventy units of public housing in two projects have been built in this area, which is bounded roughly by Franklin Street on the west, Fox and Anderson Streets on the north, Washington Avenue on the east, and Cumberland Avenue on the south. About 15 families remain to be relocated from substandard housing scheduled for demolition.

The Downtown General Neighborhood Renewal Area, originally extending from State Street to Pearl Street between Cumberland Avenue and Pleasant Street has been expanded to include a triangular area east of State Street and north of York Street. The added tract will be an historical restoration area. Approval has just been granted for acquisition of properties for the Monument Square project, which lies in the general neighborhood area. The Union Mutual Life Insurance Company and the Casco Bank and Trust Company plan to build office buildings in this four-block tract. In addition to extensive rehabilitation and renewal that will be undertaken in the rest of the area, about 40 units of housing will be demolished in the next two years.

The three remaining renewal areas, Bayside West, West End, and the Waterfront, are all in early planning stages.

#### Public Housing

Portland is the only municipality in the area operating public housing projects. Sagamore Village is a 200-unit project off Brighton Avenue in the west end. The two-part Kennedy Park-Kennedy Terrace development in the Bayside urban renewal area has an aggregate of 70 units. Construction is expected to begin this spring on the 200-unit Bayside Terrace project for the elderly in the area bounded by Franklin Street, Cumberland Avenue, and Wilmont and Oxford Streets.

The Bayside Terrace project constitutes a part of 300 units authorized by the Portland electorate in a 1963 referendum. Plans have started for the development of the remaining 100 units on sites approved in the Munjoy and Bayside Park urban renewal areas. The housing authority has an application on file for a December referendum proposing approval of 300 additional units. Interest has been expressed in making some part of the proposed 300 units a "turnkey" project.

Demand for Housing

Quantitative Demand

A projected demand for 1,000 new housing units a year over the next two years is based on an anticipated increase of 650 a year in the number of households and on the need for replacing about 665 units expected to be demolished during the forecast period. Consideration is given also to vacancy levels consistent with the needs of the area, to the volume of housing currently under construction, and to shifts in tenure.

Of the 1,000 new units of annual demand, 650 are single-family units for sale and 350 are multifamily units. The 350 multifamily units include 150 units achievable only with below-market-interest-rate financing or assistance in land acquisition or cost. The multifamily demand does not include low-rent public housing or rent-supplement accommodations.

The projected levels of demand for single-family and multifamily housing are substantially above recent construction levels, as measured by building permit authorizations. In view of the present shortage of acceptable available housing, as indicated by the low vacancy rates, the economic expansion envisioned for the area may be thwarted unless adequate housing is provided. Even though a high demand for single-family homes is indicated, speculative building should be concentrated in those areas where a strong market has been demonstrated. The absorption of new rental units should be observed closely to judge their acceptance at rents required by current construction and land costs. Should the increase in employment which has been predicted fail to materialize, the demand for both sales and rental housing will require downward adjustments.

Qualitative Demand

Single-family Housing. A distribution of the 650 units of annual demand according to the sales prices at which they might best be absorbed is shown in the following table. This distribution is based on ability to pay, as determined by current family income levels, and the ratio of sales price to income typical in the area. The minimum selling price at which acceptable single-family homes can be produced in this area is estimated at \$13,500.

Annual Demand for New Single-family Homes, by Price Class  
Portland, Maine, Housing Market Area  
April 1, 1967 - April 1, 1969

<u>Price class</u>	<u>Single-family units</u>	
	<u>Number</u>	<u>Percentage</u>
Under \$15,000	140	21.5
\$15,000 - 17,499	145	22.3
17,500 - 19,999	120	18.5
20,000 - 24,999	125	19.2
25,000 - 29,999	65	10.0
30,000 - 34,999	35	5.4
35,000 and over	<u>20</u>	<u>3.1</u>
Total	650	100.0

The foregoing distribution differs from that on page 21, which reflects only selected subdivision experience during the year 1966. It must be noted that the 1966 data do not include new construction in subdivisions with less than five completions during the year, 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 numerous smaller building operations. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.



Multifamily Housing

The monthly rental at which 200 privately owned net additions to the aggregate rental housing inventory might best be absorbed annually by the rental market are indicated for various size units in the following table. 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.

Estimated Annual Demand for New Multifamily Units  
by Gross Monthly Rents and Unit Size  
Portland, Maine, Housing Market Area  
April 1, 1967 - April 1, 1969

<u>Unit size</u>	<u>Number of units</u>	<u>Monthly gross rent</u> <sup>a/</sup>
Efficiency	10	\$110 - \$119
	10	120 and over
One bedroom	45	130 - 149
	60	150 and over
Two bedrooms	30	155 - 174
	35	175 and over
Three or more bedrooms	<u>10</u>	175 and over
Total	200	

a/ Shelter rent plus utilities.

There also is an annual demand for 150 units at rents achievable only through the use of below-market-interest-rate financing or other public benefits. The distribution of these 150 units by unit size is as follows: 10 efficiencies, 75 one-bedroom units, 55 two-bedroom units, and 10 units of three or more bedrooms.

The preceding distribution of average annual demand for new apartments is based on projected renter-family income, the size distribution of renter households, and rent-paying propensities found to be typical in the area. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. Even though a deviation may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless through 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 submarkets.

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, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

Table I

Trend of Civilian Work Force Components  
Portland, Maine, Housing Market Area, 1959-1966  
 (Annual averages in thousands)

<u>Components</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Civilian work force	<u>64.6</u>	<u>65.1</u>	<u>65.6</u>	<u>65.1</u>	<u>65.0</u>	<u>65.6</u>	<u>66.9</u>	<u>67.4</u>
Unemployment	4.1	4.3	4.1	3.2	3.1	3.0	2.7	2.5
Percent of work force	6.3	6.6	6.3	4.9	4.8	4.6	4.0	3.7
Employment, total	<u>60.5</u>	<u>60.8</u>	<u>61.5</u>	<u>61.9</u>	<u>61.9</u>	<u>62.6</u>	<u>64.2</u>	<u>64.9</u>
Agricultural employment	.9	.9	.9	.8	.9	.8	.8	.6
Nonagricultural employment	<u>59.6</u>	<u>59.9</u>	<u>60.6</u>	<u>61.1</u>	<u>61.0</u>	<u>61.8</u>	<u>63.4</u>	<u>64.3</u>
Wage and salary	53.2	53.5	54.2	54.6	54.8	55.5	57.2	58.4
Other <sup>a/</sup>	6.4	6.4	6.4	6.5	6.2	6.3	6.2	5.9

<sup>a/</sup> Includes self-employed, domestics, and unpaid family workers.

Source: Maine Employment Security Commission.

Table II

Nonagricultural Wage and Salary Employment by Type of Industry  
Portland, Maine, Housing Market Area, 1959-1966  
 (Annual averages in thousands)

<u>Industry</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Total wage and salary employment	<u>53.2</u>	<u>53.5</u>	<u>54.2</u>	<u>54.6</u>	<u>54.8</u>	<u>55.5</u>	<u>57.2</u>	<u>58.4</u>
Manufacturing	<u>12.4</u>	<u>12.4</u>	<u>12.9</u>	<u>13.5</u>	<u>13.1</u>	<u>13.3</u>	<u>14.0</u>	<u>14.6</u>
Durable goods	<u>3.3</u>	<u>3.2</u>	<u>3.6</u>	<u>4.0</u>	<u>3.8</u>	<u>4.2</u>	<u>4.8</u>	<u>5.4</u>
Lumber, wood prod., furn. & fixtures	.7	.8	.7	.6	.6	.6	.6	.6
Metals & machinery	1.7	1.5	1.6	2.0	2.1	2.8	3.4	3.9
Other durables	.9	.9	1.3	1.4	1.1	.8	.8	.9
Nondurable goods	<u>9.1</u>	<u>9.2</u>	<u>9.3</u>	<u>9.5</u>	<u>9.3</u>	<u>9.1</u>	<u>9.2</u>	<u>9.2</u>
Food & kindred prod.	3.3	3.5	3.3	3.4	3.1	3.0	2.8	2.7
Leather, leather prod.	.9	.9	1.1	1.3	1.4	1.4	1.5	1.6
Other nondurables	4.9	4.8	4.9	4.8	4.8	4.7	4.9	4.9
Nonmanufacturing	<u>40.8</u>	<u>41.1</u>	<u>41.3</u>	<u>41.1</u>	<u>41.7</u>	<u>42.2</u>	<u>43.2</u>	<u>43.8</u>
Contract construction	3.1	2.9	2.9	3.0	3.1	3.2	3.4	3.1
Transport. & pub. util.	5.7	5.7	5.6	5.3	5.2	5.1	5.2	5.3
Wholesale & retail trade	14.9	15.0	14.8	14.7	14.9	15.0	15.2	15.4
Fin., ins., & real estate	3.6	3.8	3.9	3.9	4.0	4.0	4.1	4.2
Services & other nonmfg.	8.6	8.6	8.7	8.8	8.8	8.9	9.0	9.2
Government	4.9	5.1	5.4	5.4	5.7	6.0	6.3	6.6

Source: Maine Employment Security Commission.

Table III

Percentage Distribution of All Families and Renter Households  
by Annual Income After Deduction of Federal Income Taxes  
Portland, Maine, Housing Market Area  
April 1, 1967 and April 1, 1969

<u>Income</u>	<u>All families</u>		<u>Renter households<sup>a/</sup></u>	
	<u>1967</u>	<u>1969</u>	<u>1967</u>	<u>1969</u>
Under \$ 2,000	5	4	10	9
\$ 2,000 - 2,999	6	6	8	8
3,000 - 3,999	8	7	13	12
4,000 - 4,999	11	11	15	14
5,000 - 5,999	13	12	13	13
6,000 - 6,999	12	12	13	13
7,000 - 7,999	11	11	10	11
8,000 - 8,999	10	11	6	6
9,000 - 9,999	6	6	4	4
10,000 - 11,999	8	8	4	5
12,000 - 13,999	4	5	2	3
14,000 and over	6	7	2	2
Median	\$6,560	\$6,830	\$5,380	\$5,620

<sup>a/</sup> Households of two or more persons.

Source: Estimated by Housing Market Analyst.

Table IV

Components of the Housing Inventory  
Portland, Maine, Housing Market Area  
April 1, 1950-April 1, 1967

<u>Tenure and vacancy</u>	<u>1950</u>	<u>1960</u>	<u>1967</u>	<u>Average annual change<sup>a/</sup></u>	
				<u>1950-1960</u>	<u>1960-1967</u>
Total housing supply	<u>42,825</u>	<u>48,062</u>	<u>50,225</u>	<u>524</u>	<u>310</u>
Occupied housing units	<u>38,861</u>	<u>43,068</u>	<u>46,025</u>	<u>421</u>	<u>425</u>
Owner-occupied units	19,052	24,285	27,350	523	440
Percent of total occupied	49.0	56.4	59.4	-	-
Renter-occupied units	19,809	18,783	18,675	-103	-15
Percent of total occupied	51.0	43.6	40.6	-	-
Vacant housing units	<u>3,964</u>	<u>4,994</u>	<u>4,200</u>	<u>103</u>	<u>-115</u>
Available units	<u>757</u>	<u>1,745</u>	<u>1,020</u>	<u>99</u>	<u>-105</u>
For sale	172	333	250	16	-10
Homeowner rate	.9	1.4	0.9	-	-
For rent	585	1,412	770	83	-90
Renter rate	2.9	6.9	4.0	-	-
Other vacant units <sup>b/</sup>	3,207	3,249	3,180	4	-10

<sup>a/</sup> Components may not add to totals because of rounding.

<sup>b/</sup> Includes seasonal vacancies and units which are dilapidated, rented or sold awaiting occupancy, or held off the market.

Sources: 1950 and 1960 Censuses of Housing; 1967 estimated by Housing Market Analyst.

Table V

Number of New Housing Units Authorized by Building Permits  
Portland, Maine, Housing Market Area  
By Municipality, 1960-1967

<u>Municipality</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>First 2 months</u>		<u>Total</u>
								<u>1966</u>	<u>1967</u>	<u>1960-1967</u>
Portland	181	171	170	p204	135	p110	221	4	3	1,195
South Portland	52	81	54	58	40	47	40	3	2	374
Westbrook	49	68	75	64	50	57	59	1	1	423
Cape Elizabeth	81	63	67	81	91	68	112	17	4	567
Cumberland	34	40	39	56	51	51	45	2	4	320
Falmouth	36	36	31	26	25	23	15	-	-	192
Gorham	24	28	40	33	40	37	35	-	1	238
Scarborough	64	46	41	66	44	51	53	4	1	366
Yarmouth	<u>25</u>	<u>24</u>	<u>23</u>	<u>19</u>	<u>21</u>	<u>39</u>	<u>43</u>	<u>7</u>	<u>4</u>	<u>198</u>
Total HMA	546	557	540	607	497	483	623	38	20	3,873

p/ Includes public housing units.

Sources: U.S. Bureau of the Census and local building officials.

Table VI

## Portland, Maine, Area Postal Vacancy Survey

March 3-20, 1967

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	44,833	1,018	2.3	950	68	256	28,632	337	1.2	270	67	114	16,201	681	4.2	680	1	142	257	6	2.3
Portland	35,663	826	2.3	779	47	218	21,063	239	1.1	193	46	76	14,600	587	4.0	586	1	142	161	4	2.5
Main Office	22,170	615	2.8	582	33	181	10,570	151	1.4	119	32	39	11,600	464	4.0	463	1	142	-	-	-
Branches:																					
Falmouth	2,007	10	0.5	10	-	8	1,916	8	0.4	8	-	8	91	2	2.2	2	-	-	16	1	6.3
South Portland	9,277	111	1.2	97	14	29	7,728	77	1.0	63	14	29	1,549	34	2.2	34	-	-	145	3	2.1
Stations:																					
Peak's Island	803	3	0.4	3	-	-	798	-	0.0	-	-	-	5	3	60.0	3	-	-	-	-	-
Pearl Street	1,406	87	6.2	87	-	-	51	3	5.9	3	-	-	1,355	84	6.2	84	-	-	-	-	-
Other Cities and Towns	9,170	192	2.1	171	21	38	7,569	98	1.3	77	21	38	1,601	94	5.9	94	-	-	96	2	2.1
Gorham	1,945	34	1.7	28	6	11	1,854	26	1.4	20	6	11	91	8	8.8	8	-	-	52	-	0.0
South Windham	1,460	29	2.0	26	3	7	1,423	21	1.5	18	3	7	37	8	21.6	8	-	-	15	-	0.0
Westbrook	4,484	112	2.5	102	10	13	3,034	38	1.3	28	10	13	1,450	74	5.1	74	-	-	14	2	14.3
Main Office	3,669	101	2.8	91	10	13	2,524	35	1.4	25	10	13	1,145	66	5.8	66	-	-	14	2	14.3
Cumberland Mills	815	11	1.3	11	-	-	510	3	0.6	3	-	-	305	8	2.6	8	-	-	-	-	-
Yarmouth	1,281	17	1.3	15	2	7	1,258	13	1.0	11	2	7	23	4	17.4	4	-	-	15	-	0.0

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; an apartment represents one possible stop with more than one possible delivery.

Source: FHA postal vacancy survey conducted by collaborating postmaster(s).



