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*Analysis of the*  
**SACRAMENTO, CALIFORNIA  
HOUSING MARKET**

**as of August 1, 1965**

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MAR 23 1966

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

March 1966

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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, of course, be differences of opinion 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.

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ANALYSIS OF THE  
SACRAMENTO, CALIFORNIA, HOUSING MARKET  
AS OF AUGUST 1, 1965

Summary and Conclusions

1. Nonagricultural employment in the Sacramento area averaged 252,500 a month during the June 1964-June 1965 period, an average gain of over 8,500 annually since 1960. By 1968, total employment is expected to increase to an average of 271,400, a gain of about 6,800 a year, exclusive of military-connected growth.

Unemployment averaged 18,600 (6.7 percent of the work force) during the first six months of 1965, up from 6.4 percent during the first six months of 1964. Both levels are above those of the past five years.

2. The current median annual income of all families in the Sacramento HMA is approximately \$8,425, after deduction of Federal income tax and the median after-tax income of all renter families is about \$6,475. By 1968, median incomes are expected to increase to approximately \$9,175 for all families and to \$6,975 for renter families.
3. The estimated current population of the Sacramento HMA is approximately 714,000 persons, an increase of about 129,200 (22 percent), or 24,250 a year, since April 1960. Projected employment and economic gains (nonmilitary) will be sufficient to support an estimated increase of about 21,000 persons during the three-year period ending August 1, 1968, an average annual increment of roughly 20,250.
4. The estimated 215,000 households currently in the HMA represent an increase of almost 38,900 (22 percent) since April 1960, or about 7,300 annually. Nonmilitary-connected households are expected to increase by about 6,125 annually during the next three years.
5. The current inventory of about 240,000 housing units represents a net gain of 45,450 units since April 1960, an average increase of 8,525 a year. Between 1950 and 1960 the net gain averaged over 8,775 units annually. During the past five years and seven months an average of 9,625 new housing units a year has been authorized for construction, 5,825 single-family houses and almost 3,800 units in multifamily structures. In 1964 new units authorized totaled about 8,200 units, 42 percent below 1963. During the first seven months of 1965, about 2,700 single-family and about 1,100 multifamily units were authorized, annual rates of 4,600 and 1,900, respectively. An estimated 1,200 single-family houses and 1,600 multifamily units currently are under construction.
6. There currently is an estimated net available homeowner vacancy ratio of 3.9 percent and a rental vacancy ratio of 11.4 percent in the HMA. Both ratios have increased since April 1960, principally as a result of the high level of building activity in 1963, coupled with the sharp decline of employment at Aerojet-General.

7. During the next three years, the volume of privately-owned net additions to the housing supply that will meet the requirements of nonmilitary growth, and at the same time result in a more acceptable demand-supply balance in the housing market, is approximately 3,400 sales units and about 1,475 rental units annually, exclusive of public low-rent housing or rent-supplement accommodations. Some additional construction may be appropriate if military-connected demand for housing increases. Although the annual volume of rental construction suggested by these demand estimates is substantially below the annual number of units added since 1960, the high and increasing level of rental vacancies, recent absorption experience, and the relatively large number of units under construction indicate that absorption should be observed carefully to determine the possible need for a further cut-back in rental construction.
8. Demand for new sales houses by sales price ranges is expected to approximate the pattern indicated on page 29. Total annual demand for rental units by gross monthly rent levels and by unit sizes is expected to approximate the distribution shown on page 30.

ANALYSIS OF THE  
SACRAMENTO, CALIFORNIA, HOUSING MARKET  
AS OF AUGUST 1, 1965

Housing Market Area

Previous market studies have indicated that the Sacramento Housing Market Area (HMA) includes Sacramento County, but that the market area spills over into Washington township in Yolo County, west of the Sacramento River and into the Roseville City area in Placer County north of Sacramento County. Yolo and Placer Counties were added to the Sacramento Standard Metropolitan Statistical Area (SMSA) in October 1963, and currently are included in the Labor Market Area by the California Department of Employment; but the distant portions of these two counties do not currently meet the criteria for inclusion in the housing market area. Over four-fifths of the population of Placer County is concentrated within the Roseville-Auburn valley portion of the county. Therefore, because Placer County data are more readily assembled on a county basis for statistical comparisons, the Sacramento HMA is defined as including Sacramento and Placer Counties and Census Tracts YC-1, YC-2, and YC-3 of Yolo County. The HMA has a population of 584,800 in 1960.

About one-third of the population of the HMA lives in the city of Sacramento, but most of the population lives north and east of the city in the unincorporated communities in Sacramento County. Approximately 86 percent of the population of the HMA lives in Sacramento County, ten percent in Placer County, and four percent in Yolo County.

According to the 1960 Census of Population, the net daily in-commutation to employment in Sacramento County totaled almost 4,400 from Yolo County and about 935 from Placer County. In addition, the net daily in-commutation was about 1,575 from the six contiguous counties.

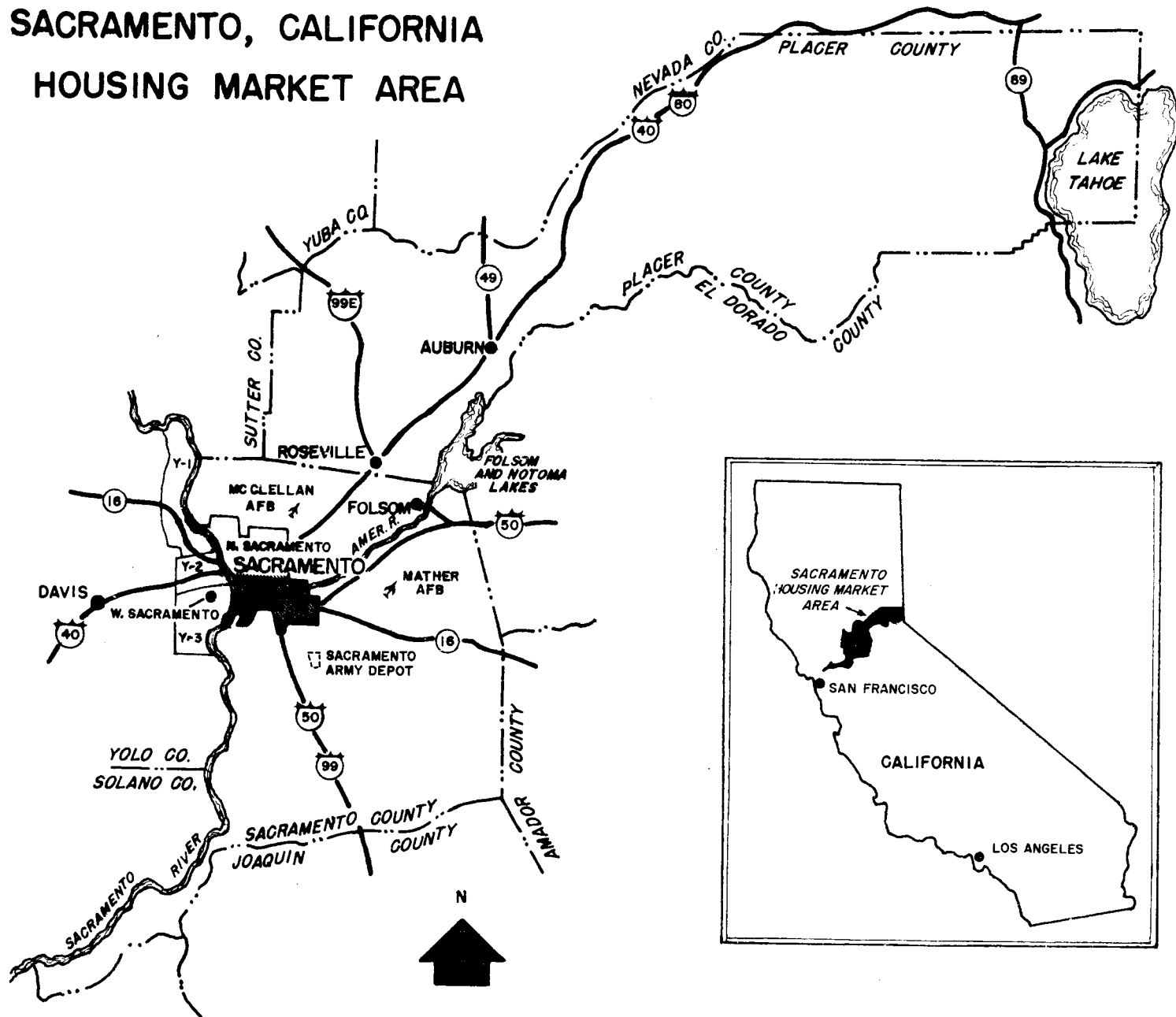
Sacramento City, the State capital, is located in northcentral California, at the northeastern extremity of the San Francisco Bay Area urban complex and at the southern end of the agriculturally rich Sacramento Valley. Metropolitan areas in proximity to Sacramento are San Francisco (85 miles west), Stockton (50 miles south), and Reno, Nevada (140 miles east). Sacramento is 390 miles north of Los Angeles, 825 miles south of Seattle, and 665 miles west of Salt Lake City.

Sacramento is served by an excellent transportation network. Four airlines, United, Pacific, Western, and West Coast Airlines serve Sacramento via Sacramento Municipal Airport. A new jet-age metropolitan airport, to be ready for operation in 1967, is under construction north of Sacramento.

Both U.S. 40 (also Interstate 80) and U.S. 50 transcontinental east-west highways and the major north-south route, U.S. 99, pass through Sacramento. Additional freeway systems for these routes are under construction. Two transcontinental bus lines serve Sacramento with overnight service to Los Angeles, San Francisco and other points. Sacramento is on the main lines of the Southern Pacific and Western Pacific railroads. The Sacramento Northern railroad provides freight service to Sacramento Valley points. The opening of the Port of Sacramento in 1963 rounds out the diversified transportation network serving the HMA. The new port is connected to the San Francisco Bay by a thirty-foot deep water channel.



# SACRAMENTO, CALIFORNIA HOUSING MARKET AREA



## Economy of the Area

### Character and History

A colony led by John A. Sutter was established in 1839 at the confluence of the Sacramento and American Rivers. This was the beginning of Sacramento. Sutter's colony was the first permanent settlement between the Sierra Nevada Mountains and the West Coast and was a welcome first stop for many west bound travelers after the rugged mountain crossing. In 1848, however, gold was discovered at Sutter's Mill, some 50 miles northeast of Sacramento. Thousands of persons seeking gold migrated to this region in the gold rush. In 1850 California became a state and in 1854 Sacramento became the permanent capital of California.

As the State capital, Sacramento developed as the center of governmental affairs as well as the cultural, commercial, and transportation center for the Sacramento Valley. The completion of the transcontinental railroad over the Sierra Nevada Mountains by 1869 expanded the economy and the growth potential of the Sacramento area. As the capital of one of the richest and fastest growing states in the United States, as well as the center of trade, service, and distribution for the agriculturally rich and populous Sacramento Valley, Sacramento has experienced steady growth and relative economic stability.

Another phase of development began with World War II. The economy expanded to include military and defense activities, and more recently, space related activities. These factors, more than any other, generated the tremendous growths in employment and population that marked the past fifteen-year period.

### Employment

Current Estimate and Past Trend. Total nonagricultural employment in the three-county Sacramento Labor Market Area during the first six months of 1965 averaged 251,000 monthly, according to the California Department of Employment. This represented a gain of 5,300 over the monthly average of 245,700 during the first six months of 1964. Total nonagricultural employment increased from a monthly average of 216,100 in 1960 to 250,000 in 1964, an average gain of 8,500 (3.9 percent) annually. Between 1950 and 1960 nonagricultural employment of residents of the three-county area increased from 121,515 to 217,776, an average gain of about 9,625 (eight percent) a year, according to the Censuses of Population.<sup>1/</sup>

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<sup>1/</sup> Employment data from the Censuses of Population relate to persons living in the Sacramento area even though some may work outside this area, whereas California Department of Employment data relate to persons working in the Sacramento area even though some may reside outside this area.

As reflected by the following table, the year-to-year changes since 1960 have fluctuated from a gain of 7,100 between 1960 and 1961 to a gain of 11,300 from 1962 to 1963; the increase in each year was quite substantial.

Trend of Nonagricultural Employment  
in the Sacramento HMA, 1960-1965<sup>a/</sup>

<u>Year</u>	<u>Average monthly employment</u>	<u>Annual change</u>	
		<u>Number</u>	<u>Percent</u>
1960	216,100	-	-
1961	223,200	7,100	3.3
1962	231,000	7,800	3.5
1963	242,300	11,300	4.9
1964	250,000	7,700	3.2
1964, Jan.-June	245,700	-	-
1965, Jan.-June	251,000	5,300	1.9

<sup>a/</sup> Employment data from 1960 to 1965 are internally consistent.

Source: California Department of Employment.

At the three military bases in the Sacramento HMA there was a combined military strength of about 10,850 persons as of June 1965 that was not counted in the civilian work force but which adds significantly to the economic support of the area. As of December 1959 the military strength was about 11,200, up from 8,600 as of 1953.

The trend of employment in various industry groups between 1960 and 1964, presented in table II, indicates that all major industry groups gained during the four-year period. Of the gain of 33,900 from 1960 to 1964, about 3,800 (11 percent) occurred in manufacturing as contrasted to a gain of 30,100 (89 percent) in non-manufacturing industries.

In manufacturing, average annual employment in the durable goods segment increased from 21,500 in 1960 to 26,100 in 1963, and declined to 24,600 in 1964. The majority of the increase to 1963 and the subsequent decline in employment is attributed to the Aerojet-General Corporation, which was established in the Sacramento area in 1955. Employment in the nondurable segment increased by 700 (almost six percent) during the 1960-1964 period.

In nonmanufacturing activities, the largest numerical gains recorded were in government, up 9,400 workers (14 percent); business, personal and professional services, up 8,200 workers (26 percent); retail trade, up 6,700 workers (19 percent); finance, insurance and real estate, up 2,000 workers (24 percent); and contract construction, up 1,300 workers (8 percent). Also, there was a gain of 1,600 workers (10 percent) in transportation, communication and utilities; and in wholesale trade with an increase of 800 workers (nine percent).

During the first six months of 1965, average monthly employment in manufacturing dropped by 4,200 workers (twelve percent) from the average of the first half of 1964, largely because of continued declines at Aerojet-General. Nonmanufacturing employment gained 9,700 workers, or five percent, between the two six-month periods. A decline of 1,100 workers in contract construction was more than offset by other industry groups. The largest increases during the period were in government (5,600 workers), business, personal, and professional services (2,100 workers), and retail trade (2,000 workers).

Employment by Industry. The economic character of the Sacramento area is indicated by the kinds of employment opportunities available. The civilian work force in 1964 averaged 277,200 persons, of whom 261,400 were employed. Unemployment averaged 15,800, or 5.7 percent of the work force. Agriculture accounted for 11,400 workers, or four percent of total employment. There were 250,000 nonagricultural workers employed.

Of the 250,000 nonagricultural workers, almost 15 percent were engaged in manufacturing, of which 68 percent were employed in production of durable goods and 32 percent in nondurable production. Aerojet-General Corporation and Douglas Aircraft Company dominate durable goods employment, and according to the Sacramento City-County Chamber of Commerce, the other major manufacturing employers are involved principally in the processing of agricultural products.

In the nonmanufacturing industries trade provides almost 24 percent of all nonagricultural jobs; retail trade accounts for 20 percent and wholesale trade for four percent. Business, personal, and professional services account for almost 18 percent. Transportation, communications and utilities account for eight percent; finance, insurance, and real estate for five percent; and government of all types accounts for 35 percent. The high proportion in government reflects the importance of State government functions required in a state that has been growing at the rate experienced by California, as well as local government activities and Federal employment, concentrated principally at McClellan AFB, Mather AFB, and the

Sacramento Army Depot. As of mid-1965, these three facilities employed about 16,300 civilians. In addition, there were about 10,850 military personnel attached to the three installations.

Employment Participation Rate. In the Sacramento HMA, the participation rate (the ratio of employment to population) has been declining moderately since 1960, reversing the slight increase recorded during the 1950-1960 decade. Rapid economic growth, accompanied by employment opportunities, contributed significantly to the minor increase in the participation rate during the 1950-1960 period. The 1960 and the current ratios of nonagricultural employment to total population were about 36.97 percent and 35.36 percent, respectively. A declining participation rate is typical nationally and state-wide.

#### Space and Military Installations

Aerojet-General Corporation. Aerojet, a subsidiary of The General Tire & Rubber Co., occupies a 26,500 acre site 16 miles east of Sacramento. The Sacramento operations of Aerojet include facilities for extensive research and development as well as production of rocket engines for both liquid and solid fueled space applications, including the Air Force Titan, Navy Polaris, Army Hawk, Air Force Minuteman, and National Aeronautics and Space Administration Appollo Scout. Huge parallel mounds of rocks and dirt left from gold mine dredger operations provide natural shock and sound barriers for the testing of the Aerojet engines, some of which will develop as much as 1.5 million pounds of thrust.

Following its establishment in Sacramento in 1955, employment at Aerojet-General increased rapidly to 1960, and at a slower pace to the fall of 1963. Current employment is down substantially and continues to decline. Employment is expected to level-out by the end of next year, down further from the current level.

McClellan Air Force Base. McClellan AFB is the largest of the three military installations in the Sacramento HMA. McClellan AFB and Sacramento Army Depot date from World War II, and Mather Air Force Base from World War I. McClellan AFB covers about 2,460 acres nine miles northeast of Sacramento. The Sacramento Air Material Area (SMAMA), with its Headquarters at McClellan AFB, includes the geographical area of Oregon, California, Nevada, and Washington.

SMAMA provides world wide support for fighter aircraft. SMAMA will be one of the five remaining Air Material Areas (AMA) upon deactivation of four AMA's to be completed by 1967. Also, McClellan AFB provides logistic support to eleven tenant organizations belonging to the Air Defense Command, the Air Training Command, the Air Force Communications Service, and Air Force reserve organizations.

Civilian civil service employment at McClellan AFB had declined slowly from about 15,000 in 1956 to about 13,500 in 1960, and to about 12,800 as of December 1964. As of June 1965, employment had increased to about 13,250. Projected acquisitions of functions from other AMA's announced by the Department of Defense indicate that employment may increase in the near future. As of June 1965, almost 5,500 military persons were assigned to McClellan AFB, as compared with an average of about 5,600 from 1960 to 1964 and an average of about 4,800 during the 1955-1960 period (see table III).

Mather Air Force Base. Mather AFB is located about 12 miles east of Sacramento. The Base occupies more than 3,000 acres and has facilities for the largest jet planes in the Air Force. The National Aeronautics and Space Administration and the Douglas Aircraft Company utilize Mather landing facilities in connection with Douglas contract work for NASA adjacent to Mather AFB (approximately 1,700 civilians are employed by Douglas).

Mather AFB is a multi-mission base. In addition to its principal mission of navigator training for the Air Training Command, a Strategic Air Command B-52 and KC-135 Wing was permanently assigned to Mather in 1958. Navigator training at Mather AFB is being expanded to accommodate undergraduate training from James Connally AFB. Connally AFB is to be closed by June 1966, at which time Mather will provide all navigator training (both graduate and under-graduate) for the Air Force. The first undergraduate classes at Mather began in July 1965.

As of June 1965 there was a military strength of about 4,800 assigned to Mather AFB, down from the level of almost 6,000 reached in 1959 following arrival of the SAC Wing (see table III). The decline was in navigator training activities which has been evident since the Korean War. However, with the expected transfer of undergraduate navigator training to Mather, both military strength and civil service personnel may be expected to increase.

Sacramento Army Depot. The Sacramento Army Depot is located within the corporate limits of Sacramento City, about seven miles southeast of the central business district. The depot occupies 485 acres, including 50 acres of covered storage area and 39 acres of open storage area. The principal mission of the depot is to acquire, store, repair, and issue all types of electronic equipment used by the Army. However, six Army depots will be inactivated and the Sacramento Army Depot is acquiring responsibility for four additional commodity items: weapons, fire control, automotive (repair parts), and track-type vehicles. Current levels of personnel include about 2,000 civil service workers and a military strength of 600. The trend of military strength has been upward during the past twelve years, and now is almost double the level of 1955. Civilian employment has averaged about 2,000 since 1960, as compared with about 3,500 during the Korean War and about 2,300 during the 1954-1959 period (see table III).

#### Unemployment

Unemployment averaged 18,600 (6.7 percent) during the first six months of 1965, up from 17,400 during the first six months of 1964. Both levels are above the past five-year level (see table I). The U.S. Department of Labor classifies the Sacramento area in Group C of its labor market classifications. This designation indicates that the number of job seekers in the area is moderately in excess of job openings.

#### Estimated Future Employment

Based on employment trends presented in this analysis and on information from local sources concerning future employment prospects, it is expected that by 1968 nonmilitary-connected nonagricultural employment in the Sacramento area will increase by an average of about 6,800 a year.

Principal nonmilitary-connected employment increases are expected to occur in State and local government; business, personal, and professional services; and in trade. The fast-growing population of the State of California along with expanding services performed by the State government will account for increased California State government employment in the Sacramento HMA. Increased state employment and local population growth, are expected to stimulate growth in trade and services, and in local government functions.

#### Income

The trend of earnings of all production workers in manufacturing industries, shown in the following table, indicates that earnings in the Sacramento area have increased at a faster rate than the San Francisco-Oakland average and the State of California average for the 1954-1964 period. By 1958, average earnings in the Sacramento area had increased from below to above the San Francisco-Oakland and the State of California averages; and subsequently, earnings in the Sacramento area have remained significantly above both the San Francisco-Oakland average and the California average.

#### Average Weekly Earnings of Production Workers in Manufacturing Industries, 1953-1964

<u>Year</u>	<u>Sacramento area</u>	<u>San Francisco- Oakland area</u>	<u>State of California</u>
1953	\$ 75	\$ 80	\$ 79
1954	77	83	81
1955	81	87	85
1956	93	92	90
1957	96	96	93
1958	106	100	97
1959	112	106	102
1960	117	109	104
1961	121	114	109
1962	123	118	112
1963	127	123	116
1964	130	126	119

Source: California Department of Employment.



The level of family incomes in the Sacramento area is relatively high, also. The 1959 median annual family income in the Sacramento area, as reported by the Census of Population, was \$7,100 which is comparable to the \$7,092 median in the San Francisco area and the \$7,066 median in the Los Angeles area. Only six major SMSA's in the United States outside California reported median family incomes exceeding that of Sacramento.

The current median annual money income, after deduction of Federal income tax, of all families in the Sacramento area is \$8,425. Almost four out of ten families have current after-tax incomes of \$10,000 or more a year; eleven percent make more than \$15,000 a year. The current median annual after-tax income of all renter families (\$6,475) is significantly lower than the median of all families. In 1968, the median income of all families is expected to approximate \$9,175, and that of renter families about \$6,975 (see table IV).

### Demographic Factors

#### Population

Current Estimate and Past Trends. The population of the Sacramento Housing Market Area as of August 1, 1965 is approximately 714,000 persons, an average gain of about 24,250 persons (4.1 percent) annually since April 1, 1960. By comparison, the increase in the 1950-1960 decade averaged 25,525 persons (7.8 percent) a year. As shown in the table below, approximately 88 percent of the population increase was accounted for by Sacramento County, the remainder being about equally distributed between Placer County and the portion of Yolo County in the Sacramento HMA.

#### Population in the Major Segments of the Sacramento Housing Market Area, 1950 and 1960

<u>Area</u>	<u>April 1950</u>	<u>April 1960</u>	<u>Change</u>	
			<u>Number</u>	<u>Percent</u>
Sacramento HMA	329,557	584,808	255,251	77.5
Sacramento County	277,140	502,778	225,638	81.4
Yolo County (part) <sup>a/</sup>	10,768	25,032	14,264	132.5
Placer County	41,649	56,998	15,349	36.9

a/ Census tracts YC-10, YC-11, and YC-12 as defined in 1950; and census tracts YC-1, YC-2, and YC-3 as defined in 1960.

Source: 1950 and 1960 Censuses of Population.

In April 1960 there were about 191,700 persons in the city of Sacramento and approximately 311,100 in the remainder of Sacramento County. During the 1950-1960 decade Sacramento City annexed a large area; annexation has occurred since April 1960, also. The annexed area as of April 1, 1960 contained about 52,700 persons, indicating that the 1960 population within the 1950 corporate limits was about 139,000, a net increase of about 1,400 persons (one percent) during the 1950-1960 decade. The remainder of Sacramento County gained approximately 171,500 persons (123 percent) during the 1950-1960 decade. The population of the city of Sacramento, as constituted on November 9, 1964, was about 237,700, according to a special census conducted by the Bureau of the Census. The 237,700 population as of November 9, 1964, represents an increase of 46,000 (24 percent) since April 1, 1960.

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The 1964 population includes about 2,800 persons living in areas annexed to the city since April 1, 1960. The special census also included the city of North Sacramento, which was consolidated with Sacramento on January 1, 1965, and the East Folsom area, annexed to Sacramento effective on May 15, 1965. As of November 9, 1964, the population of North Sacramento and the East Folsom areas were 16,346 and 3,764, respectively. The November 1964 population of North Sacramento represents an increase of 3,424 persons (26 percent) since April 1960.

The trend of population in the Sacramento HMA is indicated in the following table.

Trend of Population  
Sacramento HMA, 1950-1968

<u>Date</u>	<u>Total population</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
1950, April	329,557	-	-
1960, April	584,808	25,525	7.8
1965, August	714,000 <sup>a/</sup>	24,250	4.1
1968, August	774,800 <sup>a/</sup>	20,250	2.8

a/ Exclusive of any increase in military-connected population.  
Source: 1950 and 1960 Censuses of Population.

1965 and 1968 estimated by Housing Market Analyst.

Estimated Future Population. Based on anticipated increases in employment opportunities, it is expected that the August 1, 1968 population of the Sacramento HMA will be approximately 775,000, a growth of approximately 61,000 persons, or 8.5 percent, for the three-year period, exclusive of growth of military-connected population. Population growth may be higher if employment and military strength increase at McClellan AFB, Mather AFB, and the Sacramento Army Depot.

Net Natural Increase and Migration. During the 1950-1960 decade natural increase (excess of births over deaths) accounted for approximately 72,300 of the population increase in Sacramento and Placer Counties, and about 168,700 represented net in-migration into the Sacramento area in response to increasing economic and employment opportunities. Most of the in-migration was to Sacramento County. (Net natural increase data for Census Tracts YC-1, YC-2, and YC-3 in Yolo County are not available.)

From April 1960 to the present time there has been an average net natural increase of about 10,700 persons a year in the Sacramento HMA. Compared with the average population growth of 24,250, an average net in-migration of 13,550 persons each year is indicated since April 1960, significantly below the average net in-migration of almost 17,000 persons a year during the 1950-1960 period in Sacramento and Placer Counties only.

Age Distribution. Variations in the rates of growth of different age groups between 1950 and 1960 are reflected in the following table. The most rapid growth in the 1950-1960 decade (154 percent) was in the age group of 5-14 years. Persons in this age group in 1960 were born from 1946 to 1955 during the post World War II and Korean War period. The lowest rate of growth (45 percent) was in the 20-29 years group, reflecting the low birth rate of the 1930-1940 depression period. Although there was a significant increase in those 30 and older, youth outweighed age, and the median age declined from almost 32 in 1950 to 28 in 1960.

Population Distribution by Age  
Sacramento HMA, 1950-1960

<u>Years of age</u>	<u>April 1950</u>	<u>April 1960</u>	<u>1950-1960 Number</u>	<u>change Percent</u>
Under 5	36,748	70,822	34,074	92.7
5 - 14	47,689	121,005	73,316	153.7
15 - 19	18,770	38,166	19,396	103.3
20 - 29	52,166	75,893	23,727	45.5
30 - 49	99,606	164,297	64,691	64.9
50 - 64	48,273	71,953	23,680	49.1
65 and over	<u>26,305</u>	<u>42,672</u>	<u>16,367</u>	<u>62.2</u>
Total	329,557	584,808	255,251	77.5

Sources: 1950 and 1960 Censuses of Population.

Households

Current Estimate and Past Trends. Currently, there are approximately 215,000 households in the Sacramento HMA, representing an average annual gain of 7,300 from April 1960 to August 1965. By comparison, the increase in the 1950-1960 decade averaged about 7,775 a year.<sup>1/</sup>

The general characteristics of the change in households among the major segments of the HMA are, of course, similar to those for population change and are shown in the following table.

<sup>1/</sup> The increase in households between 1950 and 1960 was due in part to a conceptual change from "dwelling unit" in the 1950 census to "housing unit" in 1960.

Number of Households in the Major Segments of the  
Sacramento Housing Market Area, 1950 and 1960

<u>Area</u>	<u>April 1950</u>	<u>April 1960</u>	<u>Change</u>	
			<u>Number</u>	<u>Percent</u>
Sacramento HMA	98,331	176,115	77,784	79.1
Sacramento County	82,728	150,936	68,208	82.4
Yolo County (part) <sup>a/</sup>	3,534	7,952	4,418	125.0
Placer County	12,069	17,227	5,158	42.7

<sup>a/</sup> Census tracts YC-10, YC-11, and YC-12 as defined in 1950; and census tracts YC-1, YC-2, and YC-3 as defined in 1960.

Sources: 1950 and 1960 Censuses of Housing.

Estimated Future Households. Projected nonmilitary employment and economic gains will be sufficient to support an estimated increase of about 6,125 nonmilitary-connected households a year during the three-year period ending August 15, 1968. If employment and military strength at McClellan AFB, Mather AFB, and the Sacramento Army Depot grow, some additional household increase may be expected.

Trend of Households  
Sacramento HMA, 1950-1968

<u>Date</u>	<u>Total households</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
1950, April	98,331	-	-
1960, April	176,115	7,775	7.9
1965, August	215,000	7,300	4.1
1968, August	233,375 <sup>a/</sup>	6,125	2.9

<sup>a/</sup> Exclusive of any increase in military-connected households.

Source: 1950 and 1960 Censuses of Housing.

1965 and 1968 estimated by Housing Market Analyst.

Household Size Trends. Population in households in the Sacramento HMA averaged 3.12 persons per household in 1950 and 3.22 in 1960. The average has continued to increase in some parts of the area, primarily in suburbs, and it is estimated that the current average size in the entire area is approximately 3.25 persons. No additional significant gain in the average size of households is expected during the next three years.

Military Households. Currently, there are approximately 5,750 military households in the Sacramento HMA. Of the total number of households, almost 2,000 live in on-base housing and about 3,750 live off-base. McClellan AFB reports that about half of the SMAMA personnel live in the city of Sacramento, 16 percent in North Highlands, seven percent in Orangevale-Citrus Heights, six percent in Carmichael, four percent in Roseville and Rio Linda, respectively, two percent in Elberta, and eight percent in other communities.

A similar distribution, with a heavier concentration in the newer communities close to Mather, is estimated for Mather AFB. As a result of adequate community support housing within commuting distance of the bases, very few personnel travel excessive distance.

## Housing Market Factors

### Housing Supply

Current Estimate and Past Trends. There are currently an estimated 240,000 housing units in the HMA, a net increase of approximately 45,450 housing units since April 1960. About 85 percent of the additional housing units added were in Sacramento County. The net increase of 45,450 housing units resulted from approximately 51,100 units added through new construction and conversions, and the loss of over 5,650 units through demolitions, mergers, and other means. The inventory increase since 1960 has averaged 8,525 units a year, three percent below the average of over 8,775 units a year during the 1950-1960 decade.

The inventory of housing in the Sacramento HMA as of April 1, 1960 was reported by the Census of Housing at 194,546 units of all types, a net increase of approximately 87,800 units (82 percent) from April 1, 1950. Included in the housing inventory are almost 2,000 units of on-base housing at the three military installations in the HMA. The increase in the supply was the net result of new construction, conversions, demolitions, and changes in use. Of the net increase approximately 27,100 accrued to the city of Sacramento; the portion of Sacramento County outside Sacramento City gained about 50,200 units. Placer County gained almost 5,700 units, and the Yolo County portion of the HMA gained about 4,800 units.

Type of Structure. The inventory of housing in the Sacramento HMA is composed predominantly of single-family houses. About 83 percent of the inventory was in single-family structures in April 1960, above the 74 percent ratio of all SMSA's in California. Thirteen percent of the housing inventory was in structures containing three units or more. However, the substantial addition of units in multifamily structures since April 1960 has caused a reduction in the proportion of single-family houses and raised the percentage of multifamily units in the inventory. Almost sixteen percent of the current housing inventory is indicated to be in structures containing five units or more, four percent in structures with two to four units, and about 80 percent are single-family houses.

Year Built. Almost nineteen percent of the current housing inventory in the Sacramento HMA is in structures built since April 1, 1960; approximately forty percent of the inventory was built between January 1, 1950 and April 1, 1960<sup>1/</sup>. Of the owner-occupied units, approximately 45 percent were built during the 1950-1960 period. By contrast, about 30 percent of the renter-occupied units were in structures built during the 1950-1960 period.

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<sup>1/</sup> The basic data reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Of the units occupied by minority households, approximately 27 percent were built during the 1950-1960 period.

Condition. Principally because of the extensive building program and the relative newness of the inventory, coupled with removals from the inventory, a relatively small proportion of the housing inventory is dilapidated or lacks plumbing facilities. The 1960 Census of Housing revealed that about 14,300 housing units were dilapidated or lacked one or more plumbing facilities, less than eight percent of all housing units. Less than six percent of the current housing units in the HMA is dilapidated or lacks one or more plumbing facilities.

In 1960 only two percent of the owner-occupied units in Sacramento County was dilapidated or were lacking plumbing facilities, as compared with fourteen percent of the renter-occupied units. In Sacramento City the comparable proportions were one percent and eighteen percent, respectively.

Values and Rents. The median value of owner-occupied single-family houses in the Sacramento SMSA as of April 1, 1960 was \$14,400 as compared with \$13,700 in the city of Sacramento and with \$15,500 for all SMSA's in California. The median asking price of vacant units available for sale in the SMSA was \$16,000, and in Sacramento City the median was about the same, \$16,100. In Placer County the median value was \$12,400, and the median asking price of vacant units for sale was significantly higher, \$17,100. In the Yolo County segment of the Sacramento HMA, the median value of owner-occupied units ranged from a high of \$13,100 in Census Tract YC-1 to \$10,600 in YC-3.

The median monthly gross rent of renter-occupied units in the Sacramento SMSA as of April 1, 1960 was \$81, as compared with \$72 in the City of Sacramento and with \$72, also, in Placer County. In the Yolo County segment, the median gross rent ranged from \$61 a month in Census Tract YC-1 to \$89 a month in YC-2. Of the 50,319 occupied rental units in the SMSA, for which rent was reported, approximately three percent (about 1,475 units) rented for \$150 or more a month. Almost three-fourths of all units renting for \$120 or more were single-family houses.



# Residential Building Activity

Annual Volume. Building activity in the Sacramento HMA, as measured by building permits issued, reached a peak of over 16,700 units in 1959. The volume dropped sharply from 1959 through 1961, when about 7,875 units were started, then increased substantially through 1963, when the volume exceeded 14,000 units. In 1964 the volume dropped to about 8,200 units, 42 percent below 1963. During the first seven months of 1965, about 3,800 units were authorized, an annual rate of 6,500 units, which was down about twenty percent from 1964.

## Trend of Residential Construction by Type of Structure in the Sacramento, California, HMA, 1959-1965a/

<u>Year</u>	<u>Type of structure</u>				<u>Total housing units</u>
	<u>One-family</u>	<u>Two-family</u>	<u>3- to 4-family</u>	<u>5- or more-family</u>	
1959	12,024	624	93	3,980	16,721
1960	8,964	392	145	1,221	10,722
1961	5,793	434	133	1,505	7,865
1962	5,074	834	321	2,874	9,103
1963	5,357	1,498	3,229	4,014	14,098
1964	4,696	938	662	1,907	8,203
1965b/	2,698	194	-908-		3,800

a/ Includes the following public units: Sacramento City, 330 units (280 one-family and 50 three- to four-family) in 1960 and 50 two-family units in 1961; Broderick in Washington township, 26 two-family units in 1963; unincorporated Placer County, 2 one-family units in 1964.

b/ January-July 1965.

Source: Bureau of the Census, Construction Report C-40; local building departments; Sacramento Planning Commission; and Yolo County Planning Commission.

As a proportion of the total, authorizations for multifamily units increased from 28 percent in 1959 to 62 percent in 1963. Multifamily units authorized declined from approximately 4,700 in 1959 to

about 1,775 in 1960, and then increased each year to a record of over 8,700 units in 1963. The volume dropped to about 3,500 units last year, which was still about double the 1960 volume, but 5,200 units below the 1963 record level. During the first seven months of 1965, about 1,100 multifamily units were authorized, an annual rate of about 1,900 units. An estimated 1,600 multifamily units currently are under construction.

Since April 1960, over 21,000 multifamily housing units have been authorized, about 22 percent of which have been authorized in the city of Sacramento and 70 percent in Sacramento County outside the City (see table V).

Single-family construction, which accounted for 72 percent of total construction in 1959, dropped from a peak of over 12,000 units in 1959 to about 5,075 in 1962. The decline was interrupted in 1963 when about 5,350 houses were started but the decline was resumed in 1964 when about 4,700 single-family units were authorized. During the first seven months of 1965, about 2,700 single-family units were authorized, an annual rate of 4,600 houses. An estimated 1,200 single-family houses currently are under construction.

As table VI reveals, one-fourth of all housing units authorized in the HMA in 1964 were built in the city of Sacramento; Sacramento County outside the City accounted for 60 percent.

Demolitions. Losses to the housing inventory from demolitions, conversions, right-of-way clearance, and catastrophe have been extensive since 1950. Comparison of the year-built data from the 1960 Census of Housing with the net change in the housing inventory of the Sacramento HMA between April 1, 1950 and April 1, 1960 suggests that approximately 875 housing units were removed from the inventory annually during the period.

Records of demolitions for the city of Sacramento indicate that about 4,525 units were removed from the inventory during the January 1961-July 1965 period. The annual rate increased from about 520 units in 1961 to about 1,750 units in 1963, and dropped 42 percent to about 1,025 units in 1964. During the first seven months of 1965, almost 725 units were demolished. Based on the information available it is estimated that during the April 1, 1960-August 1, 1965 period at least 5,650 units were lost from the Sacramento HMA housing inventory. During the next three years, net inventory losses are expected to total at least 900 units a year.

### Tenure of Occupancy

Largely as a result of the high proportion of single-family houses built and the loss of some existing multifamily units, the proportion of owner-occupancy increased from 63 percent in 1950 to 66 percent in 1960. During the past three and one-half years about half of the construction has been in multifamily structures, and apartment housing appears to be gaining acceptance as a way of living. As a result, the net shift from renter to owner status has slowed, but **owner-occupancy** has increased to an estimated 67 percent as of August 1, 1965. The shift in tenure in the Sacramento HMA during the past fifteen-year period is reflected in the following table.

Occupied Housing Units by Tenure  
Sacramento HMA  
1950-1965

<u>Tenure and</u> <u>occupant group</u>	<u>Occupied units</u>			<u>Average</u> <u>annual change</u>	
	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>August</u> <u>1965</u>	<u>1950-</u> <u>1960</u>	<u>1960-</u> <u>1965</u> <sup>a/</sup>
All occupied units	98,331	176,115	215,000	7,778	7,300
Owner occupied	62,034	116,451	143,400	5,441	5,050
Renter occupied	36,297	59,664	71,600	2,337	2,250

<sup>a/</sup> Rounded.

Sources: 1950 and 1960 U.S. Censuses of Housing.  
1965 estimated by Housing Market Analyst.

### Vacancy

As of Census Dates. The Census of Housing revealed that on April 1, 1960 there were 11,150 nondilapidated, nonseasonal, vacant housing units available for sale or rent in the Sacramento HMA, a net available vacancy ratio of 5.7 percent. There was an increase of about 8,175 available vacant units between April 1950 and April 1960; in 1950 there were 2,985 such units available, representing a net available vacancy ratio of 2.8 percent. The number of vacancies increased during the decade in both sales and rental housing, largely as a result of the high level of residential construction in 1958 and 1959. The home-owner vacancy ratio increased from 1.9 percent to 3.6 percent and the rental vacancy ratio increased from 4.6 percent to 10.2 percent.

Approximately 17 percent of the available rental vacancies in 1960 were units lacking some plumbing facilities; lack of plumbing facilities was considerably less among sales vacancies, only one percent. Almost 87 percent of the rental vacancies lacking plumbing facilities were located in the city of Sacramento.

Postal Vacancy Survey. Twelve postmasters with city delivery routes in the Sacramento HMA, at the request of FHA, made a survey of vacant units in houses and apartments during the period August 10 through August 13, 1965. The survey covered a total of about 191,775 dwelling units, about 82 percent of the estimated current inventory of 240,000 units in the HMA. The survey disclosed a vacancy ratio of 4.1 percent in residences and 13.2 percent in apartments. Because of differences in definitions, coverage, and methods of enumeration, vacancy ratios shown by postal vacancy surveys are not comparable with those shown by the Census of Housing. Nevertheless, the vacancies revealed by these surveys reflect a high vacancy ratio throughout the HMA, in the new sections of the area as well as in the older sections. Table VII reveals the results of the 1965 vacancy survey in detail.

The trend of vacancies as revealed by four postal vacancy surveys since 1960 suggests that the slow decline in vacancies from 1960 to 1963 has reversed during the 1963-1965 period. Table VIII reveals the trend of vacancies in residences and apartments during the 1960-1965 period.

FHA Vacancy Surveys. Rental vacancy surveys conducted by the Sacramento Insuring Office reflect relatively high vacancy ratios. A total of 511 projects containing 14,579 units in rent ranges principally above \$75 a month were surveyed in January 1965. Older, less expensive units not competitive with newer rental construction were excluded from the survey. Of the 14,579 rental units surveyed, about 2,950 were vacant, representing a vacancy ratio of 20 percent. The lowest vacancy rate (six percent) was found within "Old Sacramento City Limits" and the highest (36 percent) west of the Sacramento River in Yolo County (see table X). Vacancy was about 23 percent in the Town and Country--Country Club--Foothill Farms--Carmichael area, a relatively high rental area.

The vacancy ratio in all rental ranges surveyed was high. As reflected in the following table, the vacancy rate was lowest in the range of \$86 to \$100 and highest in the range above \$200 a month, where only 139 units were surveyed. In 1960, also, the vacancy rate was lowest in the range of \$80 to \$100 a month.

Vacant Rental Units by Monthly Rent  
Sacramento, California, HMA  
January 1965

<u>Monthly rent</u>	<u>Units surveyed</u>	<u>Vacant Units</u>	
		<u>Number</u>	<u>Percent</u>
\$60 - \$75	123	22	17.9
76 - 85	1,848	392	21.2
86 - 100	5,114	839	16.4
101 - 120	3,439	640	18.6
121 - 140	2,352	586	24.9
141 - 175	1,340	358	26.7
176 - 200	224	51	22.8
201 and over	<u>139</u>	<u>64</u>	<u>46.0</u>
Total	14,579	2,952	20.3

Source: Survey conducted by the Sacramento FHA Insuring Office.

As table X reveals, the vacancy rate increased as the number of bedrooms increased. The vacancy rate was seven percent in efficiency units, 19 percent in one-bedroom units, 22 percent in two-bedroom units, and 27 percent in three-bedroom units.

Current Estimate. Based on postal vacancy surveys and other vacancy data available for the Sacramento area, it is estimated that vacancies in both sales and rental housing have increased since 1960, principally as a result of the high level of building activity in 1963 and the sharp decline of employment at Aerojet-General. Currently there are about 15,000 nondilapidated, nonseasonal vacant dwelling units available for sale or rent in the Sacramento HMA, equal to 6.3 percent of the total inventory. Of the current vacancies, an estimated 5,800 are vacant units available for sale only, representing a homeowner vacancy ratio of 3.9 percent, and 9,200 are vacant units available for rent, reflecting a current renter vacancy ratio of 11.4 percent. Table IX compares these estimates with the April 1960 and April 1950 vacancy counts.

Of the current available vacant units, about 5,750 sales units and 7,625 rental units are nondilapidated and have all plumbing facilities. Current vacancy is substantially above that which would represent a balanced demand-supply relationship in the Sacramento area with the current rate of growth.

### Sales Market

General Market Conditions. The market for new and existing sales housing in the Sacramento area has remained soft since the boom construction level of 1959. The reduction in the single-family construction rate subsequent to the 1959-1960 period resulted in some improvement by 1963. But the trend was reversed in 1964 and 1965 partly because of competition from the large increase in new rental units offered and because of the sharp decline in employment at Aerojet-General. The homeowner vacancy rate increased from 3.6 percent in April 1960 to about 3.9 percent currently. The excess supply is principally in the existing inventory and in new houses that have been on the market over twelve months.

Currently, FHA limits commitments to builders to market absorption. Informed local sources indicate that sales have increased recently. Prospects for improvement in the sales market are strengthened by possible employment and military increases in the near future at the three military installations.

Unsold Inventory. As indicated in table XI, the January 1965 FHA unsold inventory survey reported 3,169 houses completed in 1964 in subdivisions with five or more completions during the year. Of the 3,169 completions, 1,179 were sold before start of construction. The remaining 1,990 completions represented speculative construction, of which 648 were unsold, an unsold to completions ratio of 33 percent. That ratio represents an average selling period of about four months for speculative construction, up from an average of about three months in 1963.

In those subdivisions with five or more starts in 1964, an additional 401 unsold houses had remained unsold for over 12 months. Of the total of 1,049 unsold houses, 38 percent remained unsold for over 12 months, 54 percent for seven months or more, and 73 percent for four months or more. Over 55 percent of the houses unsold for 12 months or more are rented.

As indicated in table XII, 42 percent of the houses built speculatively in 1964 in northeast Sacramento, Roseville, Sunset City, and El Dorado Hills were unsold; that general area is most directly affected by declining employment at Aerojet-General. By contrast, only 20 percent of the speculatively built houses in the southeast Sacramento and Cordova area were unsold.

A comparison of the 1964 and 1965 surveys suggests that higher priced houses accounted for an increased proportion of construction in 1964 than in 1963. Houses priced from \$12,500 to \$14,999 accounted for 25

percent of all completions in 1963, but accounted for only 21 percent of all completions in 1964. Conversely, new houses priced at \$20,000 and over accounted for 33 percent of all completions in 1963, but accounted for 40 percent of all completions in 1964. Houses priced from \$15,000 to \$17,499 accounted for only 13 percent of all completions in 1963, as compared with 21 percent of all completions in 1964. The proportion of speculative houses unsold is high in all price ranges over \$17,500.

FHA-Acquired Properties. As of August 1, 1965, FHA owned 357 sales-type properties in the Sacramento Insuring Office jurisdiction. This represents a slight decline from December 1964, but is down about one-fourth from December 1963. In 1964 FHA acquired 544 single-family properties and sold 691, as compared with 467 acquired and 404 sold in 1963. To date in 1965, about 435 have been acquired and 400 sold. Currently, 333 FHA-acquired properties are in the Sacramento HMA, almost ninety percent of all acquired sales-type properties in the Sacramento Insuring Office jurisdiction. VA has approximately 240 properties in the Sacramento HMA, up from about 150 in June 1964. The majority of FHA and VA properties are priced to sell for under \$15,000.

#### Rental Market

General Market Conditions. The rental market, like the sales market, continues to be soft as reflected by a current rental vacancy ratio of over 11 percent. Table VII indicates a relatively high rental vacancy rate in most sectors of the Sacramento HMA. A relatively high vacancy rate in all rental ranges competitive with new construction (above about \$75 a month) also is indicated by the special vacancy survey made by the Sacramento Insuring Office. A significant number of newer projects are offering rent concessions.

Reflecting in part the depressed rental market situation, multifamily construction has dropped sharply in the Sacramento HMA. Multifamily construction is down 60 percent in 1964 from the 1963 peak of over 8,700 units. To date in 1965, the annual rate of about 1,900 units is down about 46 percent from last year. In spite of the reduced building volume, absorption of recently completed units is slow. The postal vacancy survey, conducted in August 1965, counted over 500 apartment units that were new and had never been occupied.

Virtually all of the multifamily housing completed in the Sacramento HMA since 1960 is of the garden-type. Only one high-rise project has been completed, but four high-rise apartment structures are currently under construction.

### Urban Renewal

There are three contiguous urban renewal project areas in Sacramento. The project areas are located in the old downtown area of Sacramento. The areas, for the most part, were composed of decaying residential and commercial structures, bordered by the present downtown shopping area, the Sacramento River, and the State Capitol buildings, with a major highway route passing through the area.

Relocation has been completed for several years for two of the projects, Capitol Mall (5-1) and Capitol Mall Extension (R-18). At the time of the initial survey, there were 587 families in the two areas. A total of 407 units have been completed; in addition, 180 units are planned. Major financial institutions and businesses including a large department store as well as state buildings have been constructed in the area. However, several city blocks still are available for development.

The Central Mall Riverfront area (R-67) housed 407 families at the time of the initial survey. Many of these families have adequate incomes to purchase or rent standard housing in the Sacramento HMA. The Redevelopment Agency of the City of Sacramento has plans for relocating families to be displaced, but few displacements are expected during the next few years except 112 families during the 1965-1967 period as a result of highway and state government actions.

### Military Housing

There are 1,985 military-controlled family-housing units at the three military installations in the Sacramento area, representing less than one percent of the HMA housing inventory. All units are occupied or assigned. All units are considered adequate as public quarters, except 98 Lanham Act units to be removed by April 1966 from the site of the new base hospital at Mather AFB.

At Mather AFB, there are 1,302 military-controlled housing units of which 450 are Capehart units, 750 are Wherry units, 4 are Appropriated Fund housing units, and 98 are Lanham Act units. Of the 1,204 adequate on-base units, 451 are assigned to officers and 753 to airmen. Adequate military controlled on-base units total 1,204, and the installation estimates there are 1,247 adequate community support units.



At the Sacramento Army Depot there are 7 family units, 6 units in duplex structures and one frame dwelling acquired with the installation. These quarters are assigned to officers. Adequate military controlled on-base units total seven, and the installation estimates there are 147 adequate community support units.

At McClellan AFB, there are 676 on-base units of which 540 are Capehart units, 105 are Wherry units, and 31 are Appropriated Fund housing units. Of the adequate on-base units, 272 are assigned to officers and 404 to airmen. The installation estimates there are 1,799 adequate community support units and that based on the programmable limit of 2,190 units, the limit is exceeded by 284 units of suitable housing assets.

#### Public Housing

Excluding military-controlled housing, there are 1,104 units of public housing in the Sacramento HMA; 1,028 units are under the Housing Authority of City or County of Sacramento and 76 units are in Broderick in Yolo County. All of the units are occupied, and there is a waiting list of military and displaced families. About one-fifth of the units are occupied by military families. Turnover is about 25 percent a year; about 10 families a year leave because their incomes exceed the maximum for continued occupancy. The Sacramento Housing Authority is considering asking authorization for 1,000 units for housing the elderly, one-fourth of which would be built in the first project.

## Demand for Housing

### Quantitative Demand

Quantitative demand for additional housing during the next three years is based on a projected level of nonmilitary household growth of 6,125 annually, on the number of housing units expected to be demolished, and on the need to reduce vacancies to a level that reflects the long-term needs of the Sacramento market. Consideration is given also to the current tenure composition of the inventory, to the current trend from renter occupancy to owner occupancy, and to the transfer of single-family houses from the sales inventory to the rental inventory. Growth of housing demand from possible expansion of military-connected households is not included in the following estimates.

Giving consideration to the above factors, the volume of privately-owned net additions to the housing supply that will meet demand during the forecast period is approximately 4,875 housing units annually, 3,400 sales houses and 1,475 rental units, including 400 middle-income rental units that may be marketed only at rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost. This demand estimate does not include public low-rent housing or rent-supplement accommodations.

The volume of construction indicated for the next three years would be significantly below the average annual number of privately-financed units authorized in the 1960-1964 period. Although some further housing demand may develop from military-connected growth, aggregate demand seemed likely to be below recent levels of construction. However, both single-family and multifamily housing production has declined during the past year in response to market forces.

### Qualitative Demand

Sales Housing. The estimated distribution of the annual demand for 3,400 new sales houses for nonmilitary-connected requirements is expected to approximate the pattern presented in the following table. The distribution is based on the ability to pay, as measured by current family incomes after tax and ratios of sales prices to income typical in the HMA, and on recent market experience.

Because of current construction and land costs, it is judged that few, if any, adequate new sales houses can be built to sell for below \$12,000. Therefore, all of the sales housing units expected to be in demand during the next three years have been distributed at and above this minimum on the assumption that purchasers with the ability to pay these prices will purchase new houses and the units vacated by them will be purchased by other families in the area moving up in the quality scale of housing (filtering).

Estimated Annual Demand for New Sales Housing by Sales Price  
Sacramento, California, Housing Market Area  
August 1, 1965-August 1, 1968

<u>Price range</u>	<u>All nonmilitary connected households</u>
\$12,000 - \$13,999	505
14,000 - 15,999	340
16,000 - 17,999	550
18,000 - 19,999	445
20,000 - 24,999	920
25,000 and over	640
Total	3,400

The distributions shown above differ from that in table XI, which reflects only selected subdivision experience during the years 1963 and 1964. The 1963 and 1964 data do not include new construction in subdivisions with less than five completions during each 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 smaller building operations which are quite numerous. The demand estimates above reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Rental Housing. The monthly rental at which privately owned net additions to the aggregate rental housing inventory might best be absorbed by the rental market are indicated for various size units in the following table. The 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 through public land assembly or below-market-interest-rate financing. These estimates exclude low-rent public housing or rent-supplement accommodations. The production of new units in higher rental ranges than indicated in the following table may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

Estimated Annual Demand for New Rental Units<sup>a/</sup>  
by Monthly Gross Rent and by Unit Size  
Sacramento, California, Housing Market Area  
August 1, 1965-August 1, 1968

Monthly gross rent <sup>b/</sup>	Size of unit			
	Efficiency	One bedroom	Two bedroom	Three bedroom
\$85 and over	140	-	-	-
90 " "	130	485	-	-
95 " "	120	455	585	-
100 " "	105	435	560	-
105 " "	95	415	530	265
110 " "	80	390	490	245
120 " "	70	355	420	215
135 " "	50	315	350	160
150 " "	35	295	325	145
170 " "	-	220	240	105
200 " "	-	120	135	55
240 " "	-	55	65	30
280 " "	-	25	30	10

a/ Exclusive of additional military-connected demand.

b/ Gross rent is shelter or contract rent plus the cost of utilities and services.

Note: The above figures are cumulative and cannot be added vertically. For example, annual demand for one-bedroom units at from \$100 to \$120 is 110 units (590 minus 480) during the 1965-1967 period.

With the exception of housing produced with some form of public benefits or assistance through below-market-interest-rate financing or land-cost savings through public land assembly, acceptable new privately-owned rental housing in the Sacramento HMA can be produced only at gross rents **at** and above the minimum levels achievable under current construction and land costs. It is judged that, in the Sacramento HMA, the minimum gross rents achievable without public benefits or assistance in financing or land purchase are approximately \$100 a month for efficiencies, \$110 for one-bedroom units, \$120 for two-bedroom units, and \$135 for three-bedroom units that will meet FHA minimum requirements. Approximately 1,450 units of annual demand during the next two years and 1,075 units of demand in the third year are at these minimum rents and above.

Approximately 400 additional privately-owned rental units a year represent demand at the lower rents achievable with public benefits or assistance in financing or land purchase, excluding low-rent public housing or rent-supplement accommodations. Minimum gross rent achievable in Sacramento with such financing, subsequent to August 1, 1965, will approximate \$85 for efficiencies, \$90 for one-bedroom units, \$95 for two-bedroom units, and \$105 for three-bedroom units in housing that meets FHA minimum requirements. If by the use of cooperative or other such means, monthly gross rents below these can be achieved, annual effective demand probably would be increased somewhat.

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.

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. 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 thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or sub-markets.

Table I

Civilian Work Force and Employment Trends  
Sacramento, California, HMA, 1960-1965  
(in thousands) a/

	<u>Annual average</u>					<u>Jan.-June average</u>	
	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1964</u>	<u>1965</u>
Civilian work force	<u>242.4</u>	<u>250.0</u>	<u>258.3</u>	<u>267.8</u>	<u>277.2</u>	<u>272.7</u>	<u>279.4</u>
Unemployment	13.3	15.4	15.1	15.0	15.8	17.4	18.6
Percent of work force	5.5%	6.2%	5.8%	5.6%	5.7%	6.4%	6.7%
Agricultural employment	12.9	11.4	11.6	10.5	11.4	9.5	9.1
Nonagricultural employment	<u>216.1</u>	<u>223.2</u>	<u>231.0</u>	<u>242.3</u>	<u>250.0</u>	<u>245.7</u>	<u>251.0</u>
Manufacturing	32.6	34.3	35.8	37.7	36.4	36.0	31.7
Nonmanufacturing	183.5	188.9	195.2	204.6	213.6	209.7	219.4
Idled by disputes	.1	-	.6	-	-	.1	.7

a/ Note: Items may not add to totals because of rounding.

Source: California Department of Employment.

Table II

Total Nonagricultural Employment by Industry  
Sacramento, California, HMA, 1960-1965  
 (in thousands) a/

<u>Industry group</u>	<u>Annual average</u>					<u>Jan.-June average</u>	
	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1964</u>	<u>1965</u>
Nonagricultural employment	<u>216.1</u>	<u>223.2</u>	<u>231.0</u>	<u>242.3</u>	<u>250.0</u>	<u>245.7</u>	<u>251.0</u>
Manufacturing	<u>32.6</u>	<u>34.3</u>	<u>35.8</u>	<u>37.7</u>	<u>36.4</u>	<u>36.0</u>	<u>31.7</u>
Durable goods	21.5	23.1	24.1	26.1	24.6	25.2	20.8
Nondurable goods	11.1	11.2	11.7	11.6	11.8	10.8	10.9
Nonmanufacturing	<u>183.5</u>	<u>188.9</u>	<u>195.2</u>	<u>204.6</u>	<u>213.6</u>	<u>209.7</u>	<u>219.4</u>
Mining	.4	.4	.4	.4	.4	.3	.3
Agricultural service	.7	.8	.8	.8	.8	.8	.7
Contract construction	15.9	15.4	14.8	17.3	17.2	16.7	15.6
Transportation, communication, utilities	16.2	17.1	17.1	17.2	17.8	17.4	17.6
Wholesale trade	8.8	8.8	9.2	9.3	9.6	9.2	9.6
Retail trade	35.1	36.4	37.4	39.4	41.8	40.6	42.6
Finance, ins., and real estate	8.4	8.6	9.5	10.0	10.4	10.3	10.7
Services	31.3	33.2	35.3	37.2	39.5	38.9	41.0
Government <sup>b/</sup>	66.7	68.2	70.7	73.0	76.1	75.5	81.1

<sup>a/</sup> Note: Items may not add to totals because of rounding.

<sup>b/</sup> Includes all civilian employees of the Federal, State, and local governments, regardless of the activity in which the employee is engaged.

Source: California Department of Employment.

Table III

Assigned Military and Civilian Strength at Installations in the  
Sacramento, California, HMA, 1953-1965

<u>Date</u>	<u>Mather AFB</u>		<u>McClellan AFB</u>		<u>Sacramento Army Depot</u>	
	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
Sept. 1953	6,508	743	1,793	14,510	310	2,912
Dec. 1954	5,883	853	3,194	12,787	370	2,587
" 1955	5,866	999	4,569	14,503	313	2,450
" 1956	4,592	1,366	4,832	15,144	396	2,478
" 1957	4,264	1,110	4,795	14,048	404	2,205
" 1958	5,657	1,183	4,673	14,226	473	2,176
" 1959	5,987	1,220	4,810	14,363	425	1,992
" 1960	5,220	1,136	4,815	13,538	478	1,913
" 1961	4,893	1,158	5,599	13,292	302	2,205
" 1962	5,081	1,122	5,616	13,919	477	2,184
" 1963	5,051	1,057	5,789	13,325	576	2,000
" 1964	4,711	1,044	5,364	12,788	604	1,987
June 1965	4,818	1,051	5,471	13,263	558 <sup>a/</sup>	2,016 <sup>b/</sup>

<sup>a/</sup> May

<sup>b/</sup> March

Source: Department of Defense.



Table IV

Estimated Percentage Distribution of Families by Annual Income  
After Deduction of Federal Income Tax  
Sacramento, California, HMA, 1965 and 1968

<u>Annual income</u>	<u>1965</u>		<u>1968</u>	
	<u>All families</u>	<u>Renter families</u>	<u>All families</u>	<u>Renter families</u>
Under \$3,000	7	13	6	11
\$3,000 - 3,999	4	9	4	8
4,000 - 4,999	6	11	5	10
5,000 - 5,999	8	12	7	10
6,000 - 6,999	10	11	9	11
7,000 - 7,999	10	9	9	9
8,000 - 8,999	9	9	9	8
9,000 - 9,999	9	7	8	8
10,000 - 14,999	26	14	28	18
15,000 and over	<u>11</u>	<u>5</u>	<u>15</u>	<u>7</u>
Total	100	100	100	100
Median income	\$8,425	\$6,475	\$9,175	\$6,975

Source: Estimated by Housing Market Analyst, based on 1959 income from U.S. Census of Population adjusted for underreporting of incomes, for increase in incomes since 1959, and for deduction of Federal income tax.

Table V

Trend of Residential Construction by Type of Structure  
in the Major Segments of the Sacramento HMA, 1959-1964a/

<u>Year and area</u>	<u>Type of structure</u>				<u>Total housing units</u>
	<u>One-family</u>	<u>Two-family</u>	<u>3- to 4-family</u>	<u>5 or more-family</u>	
1959 HMA total	<u>12,024</u>	<u>624</u>	<u>93</u>	<u>3,980</u>	<u>16,721</u>
Placer County	1,158	6	4	111	1,279
Sacramento County	10,594	600	81	3,590	14,865
Sacramento City	(2,247)	(204)	(7)	(786)	(3,244)
Washington township, Yolo Co.	272	18	8	279	577
1960 HMA total	<u>8,964</u>	<u>392</u>	<u>145</u>	<u>1,221</u>	<u>10,722</u>
Placer County	1,133	40	20	34	1,227
Sacramento County	7,666	342	109	1,182	9,299
Sacramento City	(1,707)	(126)	(73)	(402)	(2,308)
Washington township, Yolo Co.	165	10	16	5	196
1961 HMA total	<u>5,793</u>	<u>434</u>	<u>133</u>	<u>1,505</u>	<u>7,865</u>
Placer County	1,051	18	34	83	1,186
Sacramento County	4,664	402	85	1,358	6,509
Sacramento City	(934)	(150)	(31)	(428)	(1,543)
Washington township, Yolo Co.	78	14	14	64	170
1962 HMA total	<u>5,074</u>	<u>834</u>	<u>321</u>	<u>2,874</u>	<u>9,103</u>
Placer County	903	64	114	31	1,112
Sacramento County	4,139	764	207	2,667	7,777
Sacramento City	(712)	(250)	(34)	(345)	(1,341)
Washington township, Yolo Co.	32	6	-176-		214
1963 HMA total <u>b/</u>	<u>5,357</u>	<u>1,498</u>	<u>3,229</u>	<u>4,014</u>	<u>14,098</u>
Placer County	1,036	44	248	180	1,508
Sacramento County	4,277	1,404	2,981	3,687	12,349
Sacramento City	(740)	(338)	(127)	(1,027)	(2,232)
Washington township, Yolo Co.	44	50	-147-		241
1964 HMA total <u>b/</u>	<u>4,696</u>	<u>938</u>	<u>662</u>	<u>1,907</u>	<u>8,203</u>
Placer County	958	124	84	76	1,242
Sacramento County	3,704	806	578	1,809	6,897
Sacramento City	(968)	(272)	(105)	(661)	(2,006)
Washington township, Yolo Co.	34	8	-22-		64

a/ Includes the following public units: Sacramento City, 330 units (280 one-family and 50 three- to four-family) in 1960 and 50 two-family units in 1961; Broderick in Washington township, 26 two-family units in 1963; unincorporated Placer County, 2 one-family units in 1964.

b/ For the years 1962 through 1964, Washington township units in structures of three- or more-family units are included in the HMA total for structures of five- or more-family units.

Source: U.S. Bureau of the Census, Construction Reports C-40; local building departments; Sacramento Planning Commission; and Yolo County Planning Commission.

Table VI

Dwelling Units Authorized by Building Permits  
Sacramento HMA, 1959-1964<sup>a/</sup>

	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Placer County	<u>1,279</u>	<u>1,227</u>	<u>1,186</u>	<u>1,112</u>	<u>1,508</u>	<u>1,242</u>
Auburn	28	66	60	42	139	97
Colfax	2	7	8	2	9	3
Lincoln	18	39	15	11	11	4
Placer County <sup>b/</sup>	815	672	797	626	910	925
Rocklin	15	14	33	60	93	59
Roseville	401	429	273	371	346	154
Sacramento County	<u>14,865</u>	<u>9,299</u>	<u>6,509</u>	<u>7,777</u>	<u>12,349</u>	<u>6,897</u>
Folsom	362	90	72	51	169	77
Galt	24	32	40	59	59	53
Isleton	4	1	3	2	-	1
North Sacramento	445	350	269	389	414	90
Sacramento	3,244	2,308	1,543	1,341	2,232	2,006
Sacramento County <sup>b/</sup>	10,786	6,518	4,582	5,935	9,475	4,670
Yolo County						
Washington township	577	196	170	214	241	64
Total	16,721	10,722	7,865	9,103	14,098	8,203

<sup>a/</sup> Includes the following public units: Sacramento City, 330 units in 1960 and 50 units in 1961; Broderick in Washington township, 26 units in 1963; unincorporated Placer County, 2 units in 1964.

<sup>b/</sup> Unincorporated part of the county.

Source: U.S. Bureau of the Census, Construction Reports C-40; local building departments; Sacramento Planning Commission; and Yolo County Planning Commission.

Table VII

## Sacramento, California, Area Postal Vacancy Survey

August 10 - 13, 1965

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	191,776	11,711	6.1	10,286	1,425	1,970	150,084	6,199	4.1	5,281	918	1,014	41,692	5,512	13.2	5,005	507	956	4,577	31	0.7
Sacramento	131,504	7,601	5.8	6,736	865	1,384	97,088	3,396	3.5	2,879	517	594	34,416	4,205	12.2	3,857	348	790	1,861	20	1.1
Main Office	8,683	767	8.8	745	22	32	1,095	70	6.4	70	-	1	7,588	697	9.2	675	22	31	68	-	-
Branches:																					
Arden	12,961	971	7.5	895	76	165	9,386	278	3.0	220	58	67	3,575	693	19.4	675	18	98	73	-	-
Florin	2,799	215	7.7	155	60	15	2,606	160	6.1	112	48	15	193	55	28.5	43	12	-	-	-	-
Foothill Farms	3,303	263	8.0	237	26	39	2,292	90	3.9	81	9	27	1,011	173	17.1	156	17	12	354	9	2.5
Mather AFB	1,306	14	1.1	14	-	-	1,306	14	1.1	14	-	-	-	-	-	-	-	-	-	-	-
Parkway	11,478	642	5.6	487	155	265	9,691	310	3.2	231	79	82	1,787	332	18.6	256	76	183	437	-	-
Perkins	3,979	369	9.3	290	79	177	3,780	342	9.0	263	79	177	199	27	13.6	27	-	-	85	-	-
Town and Country Village	10,984	799	7.3	658	141	29	7,324	175	2.4	142	33	29	3,660	624	17.0	516	108	-	395	2	0.5
Stations:																					
Broadway	9,557	302	3.2	293	9	9	6,936	113	1.6	112	1	1	2,621	189	7.2	181	8	8	-	-	-
Colonial	12,036	355	2.9	297	58	13	11,032	273	2.5	240	33	11	1,004	82	8.2	57	25	2	120	-	-
Del Paso Heights	6,757	620	9.2	600	20	23	5,429	479	8.8	461	18	17	1,328	141	10.6	139	2	6	-	-	-
Fort Sutter	16,189	753	4.7	719	34	334	10,044	177	1.8	176	1	4	6,145	576	9.4	543	33	330	-	-	-
Land Park	14,577	589	4.0	410	179	274	13,491	477	3.5	325	152	158	1,086	112	10.3	85	27	116	2	-	-
North Sacramento	10,649	660	6.2	655	5	3	8,194	286	3.5	281	5	3	2,455	374	15.2	374	-	-	327	9	2.8
Oak Park	6,246	282	4.5	281	1	6	4,482	152	3.4	151	1	2	1,764	130	7.4	130	-	4	-	-	-
Other Cities and Towns	60,272	4,110	6.8	3,550	560	586	52,996	2,803	5.3	2,402	401	420	7,276	1,307	18.0	1,148	159	166	2,716	11	0.4
Broderick	2,990	242	8.1	193	49	70	2,314	120	5.2	120	-	33	676	122	18.0	73	49	37	184	-	-
Carmichael	11,538	704	6.1	556	148	191	10,001	395	3.9	321	74	81	1,537	309	20.1	235	74	110	-	-	-
Citrus Heights	7,224	604	8.4	512	92	19	6,794	461	6.8	405	56	15	430	143	33.3	107	36	4	219	-	-
Elk Grove	1,604	59	3.7	53	6	33	1,595	57	3.6	51	6	33	9	2	22.2	2	-	-	66	1	1.5
Fair Oaks	6,484	413	6.4	363	50	56	5,953	280	4.7	230	50	56	531	133	25.0	133	-	-	2	1	50.0
Folsom	2,169	245	11.3	241	4	64	1,657	94	5.7	90	4	62	512	151	29.5	151	-	2	162	1	0.6
North Highlands	9,053	461	5.1	361	100	70	8,520	419	4.9	319	100	70	533	42	7.9	42	-	-	291	3	1.0
Orangevale	4,479	292	6.5	262	30	36	4,421	285	6.4	255	30	36	58	7	12.1	7	-	-	203	1	0.5
Rancho Cordova	7,076	620	8.8	551	69	25	5,926	403	6.8	334	69	25	1,150	217	18.9	217	-	-	401	3	0.7
Rio Linda	3,067	252	8.2	240	12	10	3,008	241	8.0	229	12	7	59	11	18.6	11	-	3	16	1	6.3
West Sacramento	4,588	218	4.8	218	-	12	2,807	48	1.7	48	-	2	1,781	170	9.5	170	-	10	1,172	-	-

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).

Table VIII

Sacramento, California, Area Postal Vacancy Surveys  
1960-1965

<u>Type of structure</u>	<u>October</u> <u>1960</u>	<u>January</u> <u>1962</u>	<u>November</u> <u>1963</u>	<u>August</u> <u>1965</u>
All dwellings	165,694	157,575	173,551	191,776
Number vacant	8,077	7,619	8,016	11,711
Percent vacant	4.9	4.8	4.6	6.1
Under construction	2,843	NA	4,237	1,970
Residences	140,280	129,154	138,620	150,084
Number vacant	5,982	5,376	4,341	6,199
Percent vacant	4.3	4.2	3.1	4.1
Under construction	1,859	NA	1,458	1,014
Apartments	25,414	28,421	34,931	41,692
Number vacant	2,095	2,243	3,675	5,512
Percent vacant	8.2	7.9	10.5	13.2
Under construction	984	1,158	2,779	956

NA - Not available.

Source: FHA postal vacancy surveys conducted by collaborating postmasters.

Table IX

Change in Level of Vacancies  
Sacramento HMA  
1950-1965

	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>August</u> <u>1965</u>
All housing units	<u>106,719</u>	<u>194,546</u>	<u>240,000</u>
Nonresidential housing units	215	-	-
Occupied units	<u>98,331</u>	<u>176,115</u>	<u>215,000</u>
Owner occupied	62,034	116,451	143,400
Renter occupied	36,297	59,664	71,600
Total vacant units	<u>8,173</u>	<u>18,431</u>	<u>25,000</u>
Percent vacant	7.7	9.5	10.4
Vacant available for sale or rent	<u>2,985</u>	<u>11,155</u>	<u>15,000</u>
Percent vacant	2.8	5.7	6.3
Vacant available for sale only	1,215	4,352	5,800
Homeowner vacancy rate	1.9	3.6	3.9
Vacant available for rent	1,770	6,803	9,200
Rental vacancy rate	4.6	10.2	11.4
Other vacant units <u>a/</u>	5,188	7,276	10,000

a/ Includes vacant seasonal units, dilapidated units, units sold or rented and awaiting occupancy, and units held off the market for absentee owners or for other reasons.

Source: 1950 and 1960 U.S. Censuses of Housing.  
1965 estimated by Housing Market Analyst.

Table X

Summary of FHA Insuring Office Rental Vacancy Survey  
Sacramento, California, Area  
January 1965

Area	Size of unit								Total units	Vacant units	
	Efficiency		One-bedroom		Two-bedroom		Three-bedroom			Number	Percent
	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant			
Area 1	-	-	416	101	910	139	-	-	1,326	240	18.1
Area 2	43	2	468	60	123	8	7	-	641	70	10.9
Area 2E	173	2	1,072	70	246	11	7	-	1,498	83	5.5
Area 3	2	1	443	221	319	99	134	5	898	326	36.3
Area 4	98	16	3,155	666	3,601	901	215	75	7,069	1,658	23.4
Area 5	10	1	533	79	838	157	124	53	1,505	290	19.3
Area 6	3	1	767	117	506	85	4	-	1,280	203	15.9
Area 7	8	2	143	23	207	57	-	-	358	82	22.9
Total area	337	25	6,997	1,337	6,750	1,457	491	133	14,575	2,952	20.3
Percent vacant		7.4		19.1		21.6		27.1		20.3	

The boundaries of the areas are:

- Area 1 - All the area south of Fruitridge Road.
- Area 2 - (Except Area 2E) Bounded by Fruitridge Road on the South-American River on the north, Sacramento River on the west and Power Inn Road on the east.
- Area 2E- Area bounded by Broadway on the south - "B" Street on the north, Sacramento River on the west-Alhambra on the east (Old Sacramento City Limits).
- Area 3 - West Sacramento-Broderick.
- Area 4 - Bounded by the American River on the south and east, Highway 50 on the west and north- Placer County line on the north-Pennsylvania and Sunrise on the east (Town & Country - Country Club-Foothill Farms - Carmichael).
- Area 5 - College Greens-Rosemont-Lincoln Village-Rancho Cordova.
- Area 6 - North Sacramento-North Highlands-Rio Linda.
- Area 7 - Fair Oaks-Orangevale-Folsom.

Source: Survey conducted by the Sacramento FHA Insuring Office.

Table XI

FHA Survey of Unsold Inventory of New Sales Houses  
Sacramento, California, HMA  
1964 and 1965

<u>Sales price</u>	<u>Total completions</u>		<u>Pre-sold</u>	<u>Speculatively built</u>		
	<u>Number</u>	<u>Percent</u>		<u>Total</u>	<u>Unsold</u>	
					<u>Number</u>	<u>Percent</u>
<u>Houses completed in 1963<sup>a/</sup></u>						
\$10,000 - \$12,499	28	1	3	25	8	32
12,500 - 14,999	912	25	299	613	73	12
15,000 - 17,499	457	13	86	371	75	20
17,500 - 19,999	984	28	209	775	177	23
20,000 - 24,999	742	21	371	371	149	40
25,000 - 29,999	287	8	129	158	76	48
30,000 - 34,999	108	3	68	40	18	45
35,000 and over	<u>55</u>	<u>1</u>	<u>30</u>	<u>25</u>	<u>5</u>	<u>20</u>
Total	3,573	100	1,195	2,378	581	24
<u>Houses completed in 1964<sup>a/</sup></u>						
\$10,000 - \$12,499	24	1	4	20	14	70
12,500 - 14,999	685	21	197	488	117	24
15,000 - 17,499	661	21	279	382	102	27
17,500 - 19,999	530	17	131	399	145	37
20,000 - 24,999	723	23	270	453	157	35
25,000 - 29,999	326	10	153	173	81	47
30,000 - 34,999	119	4	84	35	15	43
35,000 and over	<u>101</u>	<u>3</u>	<u>61</u>	<u>40</u>	<u>17</u>	<u>43</u>
Total	3,169	100	1,179	1,990	648	33

<sup>a/</sup> Survey includes subdivisions with five or more completions during the year.

Source: Annual Survey of Unsold Inventory of New Houses conducted by the Sacramento FHA Insuring Office as of January 1, 1964 and 1965.



Table XII

Houses Completed in the Past Twelve Months and the  
Number Unsold by Price Class as of January 1, 1965 a/  
in the Major Segments of the Sacramento, California, HMA

<u>Sales price</u>	<u>Total completions</u>		<u>Pre-sold</u>	<u>Speculatively built</u>		
	<u>Number</u>	<u>Percent</u>		<u>Total</u>	<u>Unsold</u>	
					<u>Number</u>	<u>Percent</u>
<u>NE Sacramento, Roseville, Sunset City and El Dorado Hills</u>						
\$12,500 - 14,999	108	8	2	106	60	57%
15,000 - 17,499	149	10	47	102	41	40
17,500 - 19,999	278	19	88	190	74	39
20,000 - 24,999	415	29	118	297	109	37
25,000 - 29,999	281	19	151	130	62	48
30,000 - 34,999	119	8	84	35	15	43
35,000 and over	<u>101</u>	<u>7</u>	<u>61</u>	<u>40</u>	<u>17</u>	<u>43</u>
Total	1,451	100	551	900	378	42
<u>SE Sacramento and Cordova Area</u>						
\$12,500 - 14,999	387	35	123	264	32	12
15,000 - 17,499	339	30	158	181	39	22
17,500 - 19,999	158	14	38	120	48	40
20,000 - 24,999	217	20	140	77	9	12
25,000 - 29,999	<u>14</u>	<u>1</u>	<u>2</u>	<u>12</u>	<u>3</u>	<u>25</u>
Total	1,115	100	461	654	131	20

Table XII (Continued)

Houses Completed in the Past Twelve Months and the  
Number Unsold by Price Class as of January 1, 1965 a/  
in the Major Segments of the Sacramento, California, HMA

<u>Sales price</u>	<u>Total completions</u>		<u>Pre-sold</u>	<u>Speculatively built</u>		
	<u>Number</u>	<u>Percent</u>		<u>Total</u>	<u>Unsold</u>	
					<u>Number</u>	<u>Percent</u>
<u>SW Sacramento, West of the North-South Freeway</u>						
\$12,500 - 14,999	44	10	32	12	2	17
15,000 - 17,499	173	40	74	99	22	22
17,500 - 19,999	94	22	5	89	23	26
20,000 - 24,999	91	21	12	79	39	49
25,000 - 29,999	<u>31</u>	<u>7</u>	<u>-</u>	<u>31</u>	<u>16</u>	<u>52</u>
Total	433	100	123	310	102	33
<u>North Sacramento, Rio Linda, North Highlands</u>						
\$10,000 - 12,499	24	14	4	20	14	70
12,500 - 14,999	<u>146</u>	<u>86</u>	<u>40</u>	<u>106</u>	<u>23</u>	<u>22</u>
Total	170	100	44	126	37	29

a/ Survey includes subdivisions with five or more completions during the year.

Source: Annual Survey of Unsold Inventory of New Houses conducted by the Sacramento FHA Insuring Office.

MAR 23 1968

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