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Analysis of the

SALEM, OREGON HOUSING MARKET

as of March 1, 1972

DEPARTMENT OF HOUSING
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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D.C. 20411

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Housing Market Analysis

Salem, Oregon, as of March 1, 1972

Foreword

This analysis has been prepared for the assistance and guidance of the Department of Housing and Urban Development in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing problems and trends. The analysis does not purport to make determinations with respect to the acceptability of any particular mortgage insurance proposals that may be under consideration in the subject locality.

The factual framework for this analysis was developed by the Economic and Market Analysis Division as thoroughly as possible on the basis of information available on the "as of" date from both local and national sources. Of course, estimates and judgments made on the basis of information available on the "as of" date may be modified considerably by subsequent market developments.

The prospective demand or occupancy potentials expressed in the analysis are based upon an evaluation of the factors available on the "as of" date. They cannot be construed as forecasts of building activity; rather, they express the prospective housing production which would maintain a reasonable balance in demand-supply relationships under conditions analyzed for the "as of" date.

Department of Housing and Urban Development
Federal Housing Administration
Economic and Market Analysis Division
Washington, D. C.

FHA HOUSING MARKET ANALYSIS - SALEM, OREGON
AS OF MARCH 1, 1972

The Salem, Oregon, Housing Market Area (HMA) is defined as the Salem, Oregon, Standard Metropolitan Statistical Area (SMSA) which consists of Marion and Polk Counties. The HMA is located in the Willamette Valley of western Oregon, 45 miles south of Portland. As of March 1, 1972, the population of the HMA was estimated to be 197,000, an increase of about 10,350 persons over the 1970 Census population of 186,658.

Salem, with an estimated population of 73,200, is located in the center of the HMA on the Willamette River and is the capital of the State of Oregon. It is surrounded by rich agricultural lands and by forests in the mountainous western and eastern portions of the HMA. In addition to being a governmental, agricultural, and lumbering center for the state, Salem is a trading center for a wide area. Good overall economic growth and the pleasant living conditions in the Salem area have lead to a favorable housing market marred only by an oversupply in new rental units.

Anticipated Housing Demand

It is estimated that there will be a demand for 2,050 new nonsubsidized housing units annually in the Salem HMA over the two-year forecast period ending March 1, 1974. This estimated demand is based primarily on an expected continuation of past economic and household growth trends and would be satisfied best if 1,300 single-family houses and 750 units in multifamily structures were built annually. Approximately 225 additional households yearly are expected to satisfy their housing needs with mobile homes. The single-family demand estimate is slightly above recent building levels and represents a continuation of the rising construction trend evident since 1967. Almost 60 percent of the demand for single-family houses can be expected to be for houses priced between \$20,000 and \$30,000. Demand for new multifamily units, on the other hand, will be considerably below recent construction levels because of a considerable number of vacancies in the present rental inventory and the large number of apartments under construction. A rate of construction approaching 750 units annually should allow

the vacancy rate in rental units to decline and facilitate the return to an overall demand-supply balance in the market. Construction should be concentrated at the lowest rents achievable in the area with the exception of condominiums which will account for most of the demand for higher cost multifamily housing. Qualitative distributions of demand for single-family houses by price class and for multifamily units by gross monthly rent and unit size are presented in table I.

Occupancy Potential for Subsidized Housing

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

The estimated occupancy potentials for subsidized housing are designed to determine, for each program (1) the number of families and individuals who can be served under the program and (2) the proportion of these households that can reasonably be expected to seek new subsidized housing during the forecast period. Household eligibility for the Section 235 and Section 236 programs is determined primarily by evidence that household or family income is below established limits but sufficient to pay the minimum achievable rent or monthly payment for the specified program. Insofar as the income requirement is concerned, all families and individuals with income below the income limits are assumed to be eligible for public housing and rent supplement; there may be other requirements for eligibility, particularly the requirement that current living quarters be substandard for families to be eligible for rent supplements. Some families may be alternatively eligible for assistance under more than one of these programs or under other assistance programs using federal or state support. The total occupancy potential for federally assisted housing approximates the sum of the potentials for public housing and Section 236 housing. For the Salem, Oregon HMA, the total occupancy potential is estimated to be 760 units annually (see table II).

The annual occupancy potentials^{1/} for subsidized housing discussed below are based upon 1972 incomes, the occupancy of substandard housing, estimates of elderly population, income limits in effect on March 1, 1972, and on available market experience.^{2/}

^{1/} The occupancy potentials referred to in this analysis have been calculated to reflect the strength of the market in view of existing vacancy. The successful attainment of the calculated potentials for subsidized housing may well depend upon construction in suitable accessible locations, as well as distribution of rents and sales prices over the complete range attainable for housing under the specified programs.

^{2/} Families with income inadequate to purchase or rent nonsubsidized housing generally are eligible for one form or another of subsidized housing.

Section 235 and Section 236. Subsidized housing for households with low to moderate incomes may be provided under either Section 235 or Section 236. Moderately-priced, subsidized sales housing for eligible families can be made available through Section 235. Subsidized rental housing for the same families in the same income range may be alternatively provided under Section 236; the Section 236 program contains additional provisions for subsidized rental units for elderly couples and individuals. In the Salem, Oregon HMA, it is estimated (based on regular income limits) that, for the period March 1, 1972 to March 1, 1974, there is an estimated annual occupancy potential for a total of 175 subsidized family units, utilizing either Section 235 or Section 236, or a combination of the two programs. In addition, there is an annual potential for about 150 units under Section 236 rental housing for elderly couples and individuals.

As of January 1, 1972, 306 homes in the HMA had been insured under Section 235, of which 273 were newly constructed and 33 were existing houses. The rate of construction for eventual sale under this program has risen every year since the program began, 43 having been built in 1969, 109 in 1970 and 121 in 1971. All but one of the mortgages on existing houses were made in 1969 and 1970. Most of the newly built units (233) are located in Marion County, primarily on the urban fringe around Salem. Typically, the sales prices of new units have approximated the maximum mortgage limits under Section 235--\$18,000 for three-bedroom units and \$21,000 for four-bedroom units. The mortgage limits have recently been raised to \$19,000 and \$22,000, respectively. As of January 1, 1972 only five Section 235 mortgages had been foreclosed.

As of March 1, 1972, there was a total of 106 units of Section 236 rental housing in the HMA in two separate projects and an additional 40 units under construction. Both of the existing projects report 100 percent occupancy. These existing projects include provision for 20 percent rent supplement which is being fully utilized. Currently, applications for an additional 143 Section 236 units are being processed by the HUD Area Office in Portland.

As of March 1, 1972, Section 235 reservations and conversions (from Section 203) outstanding numbered 117 units, all of which can be expected to be placed on the market by mid-1972. The completion of these units and the 40 units of Section 236 housing under construction would satisfy most of the occupancy potential for the first year for families under Sections 235 and 236. As yet there has been no activity directed toward the elderly segment of the market. It is judged that there is an occupancy potential for about 150 units a year under the Section 236 program for the elderly (this potential includes 60 households also eligible for public housing).

Rental Units Under the Public Housing and Rent-Supplement Programs. These two programs serve essentially the same low-income households. The principal differences arise from the way in which income is computed for each program and other eligibility requirements. The occupancy potential for public housing in the Salem HMA is estimated to be approximately 495 units annually over the two-year forecast period (March 1, 1972-March 1, 1974) should the units become available. The potential includes 280 units annually specifically designed for elderly occupants. In the case of the somewhat more restrictive rent-supplement program, the potential for the elderly would be the same (280) while the number of families eligible for rent-supplement payments would be about 50 percent of the public housing family potential. Much of the public housing and rent-supplement potential represents a relocation demand arising from urban renewal activities and other federally-financed projects which will displace households over the forecast period.

There are three local housing authorities in the Salem HMA: Marion County, Polk County and the city of Salem. The three authorities have a total of 1,360 units under management of which 663 are designed for elderly occupants; 70 percent of the units are located in Salem and the immediate surrounding area. Occupancy in public housing in the area was near 100 percent in March 1972 and waiting lists of eligible applicants were extensive. Presently under construction are 188 family units in the city of Salem and a program reservation exists for 62 family units in Salem. Additional applications for 1,550 units have been submitted by the Marion County and the city of Salem housing authorities. It is not likely, however, that funds will be available for this many units in the foreseeable future.

There were 197 units of Section 221(d)(3) rent-supplement housing in the HMA as of March 1, 1972, and 21 units in Section 236 projects for which rent supplements were available. Of the total 218 units, 129 were designed for the elderly. Occupancy in rent-supplement units has been reported to be 100 percent. For tabular presentation of both existing and proposed federally-financed housing units by geographical location, see table III (for FHA multifamily projects) and table IV (for public housing).

Sales Market

The market for sales housing was good as of March 1, 1972 with supply and demand in reasonable balance in all areas and price ranges in the sales market. The overall sales vacancy rate is estimated to be about 1.2 percent up only slightly from the 1.1 percent rate reported by the 1970 Census.

The market for existing houses has been active and is balanced with the greatest demand for good quality units priced at less than \$20,000. Used homes are selling after short periods of market exposure and the supply as reported by local realtors is adequate.

New construction has kept pace with demand, mainly because of the limited speculative building in the HMA. Most recent construction in subdivisions has been in the \$22,500 to \$27,500 range, although a considerable number of houses are being built between \$17,500 and \$22,500. This latter price range has become dominated recently by construction for the FHA Section 235 program, however. Units priced in excess of \$30,000 are primarily built on scattered sites. Areas of subdivision activity are spread around the perimeter of the city of Salem with concentrations on the north and east in Marion County. Most higher-priced homes are located in the heights of south Salem and the Polk County portion of the city to the west. New houses being built in the smaller cities and towns in the two-county HMA generally are priced under \$20,000.

Two other types of sales housing are becoming increasingly popular in the Salem area--condominiums and mobile homes. Condominiums are a relatively new factor in the local housing market. Presently, there are more than 150 condominium units in the Salem area and the rate of construction is on the rise. Prices for these units range from as low as \$16,000 to about \$40,000 with the majority priced in the \$28,000-\$35,000 range. As of March 1972, there were approximately 3,500 mobile homes in the HMA, an increase of about 2,700 since 1960. Most of the growth has occurred since 1967. Local dealers report rising sales and a substantial increase in the number of mobile home park spaces is planned.

Rental Market

In contrast to the situation in the sales market, the rental market is not in balance. As of March 1972, there was an oversupply of new apartments and a shortage of houses available for rent.

The oversupply of apartment units has resulted from a high rate of construction in 1970 and 1971. Almost all of the nearly 2,500 apartment units completed between April 1970 and March 1972 have been marketed. However, the rate of absorption slowed in recent months as completions continued at a high level. Consequently, the overall vacancy rate for rental housing increased from 6.2 percent in April 1970 to an estimated 7.2 percent in March 1972, and about 400 new rental units have been added to the vacant and available for rent category (see table X). The estimated 770 unsubsidized multifamily units under construction in the HMA as of March 1, 1972 are likely to add further to the inventory of vacant, available rental units upon their completion. Absorption of these units is not likely to be rapid in view of the experience of recently completed projects.

The supply of houses available for rent, on the other hand, is well below the demand with no relief expected in the near future.

Economic, Demographic and Housing Factors

Employment Trends. Nonagricultural wage and salary employment averaged 57,700 during 1971, an increase of 2,500 (4.5 percent) over the

1970 average. This increase represented a recovery from the 1969-1970 period when nonagricultural wage and salary employment grew by only 800. The recovery in 1971, although general throughout the economy, was led by an increase of 1,200 jobs in government. Growth in area educational institutions and the biennial session of the state legislature were responsible for much of the increase (see tables V and VI for tabular presentations of labor force and employment trends).

The years 1960 to 1970 exhibited good growth in nonagricultural wage and salary employment. During these years, periods of rapid increase were punctuated by years of slower growth in 1964, 1967 and 1970. The slowdown in 1964 was caused by a poor year in agriculture which was reflected in the food products industry. Also, government employment experienced its only decline of the decade between 1963 and 1964. In 1967 tight money and low construction activity nationally caused declines in the lumber and wood products industry and contract construction employment in the local area. Tight money in 1969 and the 1970 national recession again caused job losses in lumber and wood products and construction, while food products employment also fell sharply, contributing to the 1970 slowdown.

The manufacturing sector employed an average of 11,100 persons during 1971, accounting for about 19 percent of all nonagricultural wage and salary employment that year. The 1971 average was 500 jobs larger than the average during 1970. The general trend during the 1960's was one of moderate growth interrupted by declines in 1967 and 1970. The durable goods sector is dominated by the lumber and wood products industry, which is highly susceptible to fluctuations in the national level of housing starts. The general trend in employment in the industry has been downward, however, as mechanization has increased. The only other durable goods employer of significant size is mobile home building. This industry is relatively new to the Salem area and has accounted for most of the employment growth in durable goods since 1967. Although overall employment has grown, this industry is as yet quite unstable, experiencing high rates of failures and mergers, and rapid turnover in personnel. The non-durable goods sector is dominated by food products firms, principally processors of vegetables and fruits grown in the mid-Willamette Valley. Average employment in food products grew by about one third (1,070 jobs) between 1960 and 1971 although yearly employment averages fluctuated greatly throughout this period. Employment in the processing plants is seasonal, and annual levels depend upon the relative abundance of the yearly harvests. Employment fluctuations from as low as 1,900 in the winter to as high as 10,000 in August are typical. The peak working season is being lengthened, however, as more produce is frozen for later packaging.

The nonmanufacturing sector is the most rapidly growing area of the local economy. Employment in nonmanufacturing averaged 46,600 workers during 1971, an increase of 2,000 (4.5 percent) over the 1970 average. Between 1960 and 1970, about 16,100 jobs were added in this sector, an increase of 56 percent. The rate of growth has been steady except for the years 1964, 1967 and 1970. The largest employer is government, with an

average of 19,000 workers in 1971. About 11,100 of this total were employed by the State of Oregon, and 6,600 were employed by local governmental and educational institutions. State and local governments added a total of 1,200 employees between 1970 and 1971, many of which were the result of significant expansion of the local community college, Oregon College of Education in Monmouth, and various educational and community development programs supported by federal funds. The next largest industry in the nonmanufacturing category is wholesale and retail trade which employed an average 11,500 people in 1971, an increase of 200 since 1970 and 4,510 since 1960. Several large department and discount retail stores have located in Salem and draw many shoppers from the mid-Willamette Valley, the coastal counties and from east of the Cascade Mountains. Employment in the service and miscellaneous category has more than doubled since 1960 in response to growth in the size and affluence of the local population.

Unemployment in the HMA characteristically was high throughout the 1960-1971 period and fluctuated irregularly. The lowest yearly average rate of unemployment since 1960 was 5.1 percent in 1969; the rate increased to 6.8 percent in 1971. The monthly averages during any given year exhibit a regular cycle beginning at a yearly high rate of 7.0 to 8.5 percent in January and February to a yearly low of 3.0 to 4.5 percent in August and September. Both this seasonal cycle and the irregular fluctuations in the yearly averages can be attributed to the agricultural and food processing, and lumber and wood products industries. Part of the rise in the unemployment rate during 1971 was the result of unemployed workers from Washington and southern California who migrated to Oregon in search of improved employment opportunities.

The economy should continue its 1971 performance with nonagricultural wage and salary employment rising by an average of 2,100 jobs. As in the past, trade and government can be expected to lead the employment increases with "other durable goods" (primarily mobile home construction) and services also being large gainers. Lumber and wood products can be expected to hold its own unless the current housing boom should collapse. Employment in the food products industry will depend upon agricultural production.

In March 1972, the median annual income of all families in the Salem HMA was estimated to be \$8,700 after deduction of federal income tax. The median annual after-tax income of renter households of two or more persons was estimated to be \$7,375. In comparison, the 1959 median annual incomes for all families and renter households were \$4,925 and \$4,200, respectively. See table VII for percentage distributions of all families and renter households by income classes for 1959 and 1972.

Demographic Factors. The population of the Salem HMA was estimated to be 197,000 persons as of March 1, 1972, an increase of about 5,400 annually (2.7 percent) from the April 1970 Census count of 186,658. This

increase represents a higher average yearly increase than occurred between the 1960 and 1970 Censuses during which time the population grew by 3,925 persons annually (2.4 percent). This acceleration in the rate of population increase is a reflection of the higher rate of employment growth since 1965, the increasing number of retired persons moving into the area, and the recent in-movement of unemployed persons from neighboring states. The increase since 1970 of 10,350 persons, therefore, reflects a continuation of the higher rate of growth of the late 1960's, rather than a sudden increase since the 1970 Census.

The March 1, 1972 population of Marion County was estimated to be about 159,800 which represents an average annual increase of about 4,425 persons (2.7 percent) over the 1970 population. Since 1970, Polk County has grown at an average annual rate of 975 (2.6 percent) to an estimated March 1, 1972 population of 37,200. The current population of Salem is estimated to be 73,200, a yearly increase of 2,550 (3.5 percent) over the 1970 Census population of 63,296. The rapid increase in Salem's population is partly the result of annexations to the city.

Taking into consideration the estimated economic growth and assuming a sustained rate of in-migration, the population of the Salem HMA is expected to grow by an average of about 5,200 persons annually (2.6 percent) in the next two years. Population growth over this period should continue to be centered around the city of Salem although the outlying towns of Woodburn, Stayton, Monmouth and Independence will also grow rapidly.

There were approximately 63,550 households in the HMA in March 1972, an increase of an average 2,275 annually (3.6 percent) since April 1970. The number of households grew at the average annual rate of 1,550 (3.0 percent) between the 1960 and 1970 Censuses. Based on the expected rate of population growth and further decline in the number of persons per household, the number of households in the HMA is expected to increase by an average of 2,225 (3.4 percent) yearly over the forecast period. See table VIII for a detailed presentation of trends in population and households.

Housing Market Factors. As of March 1, 1972 there were an estimated 68,350 housing units in the HMA, an increase of about 4,625 in approximately two years since the 1970 Census. This increase is considerably above that which prevailed between the 1960 and 1970 Censuses when an average of 1,390 units were added yearly (2.5 percent). The net addition to the inventory since April 1970 has resulted from the completion of 5,120 new units, the net addition of 400 mobile homes and the loss of about 900 units through demolitions and other causes.

Unsubsidized residential construction activity, as measured by building permit authorizations^{1/}, rose steadily from 1960 to 1963, fluctuated in the mid-1960's then declined during 1966 when mortgage funds were in short supply. Activity recovered after 1966, rising every year. During 1971 residential construction jumped as 3,417 unsubsidized units were authorized within the HMA. This unusually large volume of new construction consisted primarily of a large increase in multifamily construction (from 862 units in 1970 to 2,047 units in 1971). Much of the increase resulted from the construction of projects sponsored by contractors seeking alternatives to depressed markets elsewhere in the Pacific Coast region. Single-family construction has risen but at a more moderate rate since 1966. There was very little speculative building in the area. Table IX presents trends in building permit authorizations between 1960 and 1972. The table includes single-family houses insured under Section 235, but excludes all units produced under the various subsidized rental programs.

As of March 1, 1972, there were an estimated 300 single-family houses and 1,000 units in multifamily structures under construction in the HMA. About 25 of the houses and 228 of the multifamily units were federally subsidized units.

Approximately 4,800 housing units were vacant as of March 1, 1972, up slightly from the 4,553 vacant units reported by the 1970 Census. The increase is the result of the rise in available vacant rental units from 1,250 in 1970 (a 6.2 percent rental vacancy rate) to an estimated 1,650 in March 1972 (a 7.2 percent rental vacancy rate). The number of vacant units available for sale increased only slightly from 462 in April 1970 to about 500 in March 1972. Both the April 1970 and March 1972 vacancy rates represent substantial improvement over the 1960 rates of 1.9 percent and 10.6 percent for homeowner and renter vacancy rates, respectively.

^{1/} About 88 percent of all residential construction occurred in permit issuing jurisdictions prior to January 1, 1968 and about 95 percent since January 1, 1968.

Table I

Annual Demand for New Subsidized Housing
Salem, Oregon, Housing Market Area
1972-1974

A. Single-family

<u>Price class</u>	<u>Number of units</u>	<u>Percent</u>
Under \$17,500	100	8
\$17,500 - 19,999	130	10
20,000 - 22,499	215	17
22,500 - 24,999	260	20
25,000 - 29,999	275	21
30,000 - 34,999	210	16
35,000 - 39,999	65	5
40,000 and over	45	3
Total	1,300	100

B. Multifamily

<u>Gross monthly rent^{a/}</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three or more bedrooms</u>
Under \$150	130	-	-
\$150 - 159	85	-	-
160 - 169	50	100	-
170 - 179	35	80	-
180 - 189	30	60	-
190 - 199	25	50	20
200 - 209	-	30	15
210 - 219	-	20	10
220 and over	-	-	10
Total	355	340	55

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

Source: Estimated by Housing Market Analyst.

Table II

Estimated Annual Occupancy Potential for Subsidized Rental Housing
Salem, Oregon, Housing Market Area
1972-1974

A. <u>Families</u>	<u>Section 236^{a/}</u> <u>exclusively</u>	<u>Families eligible</u> <u>for both programs</u>	<u>Public housing</u> <u>exclusively</u>	<u>Total for</u> <u>both programs</u>
1 bedroom	25	0	45	70
2 bedrooms	70	0	95	165
3 bedrooms	55	0	50	105
4+ bedrooms	25	0	25	50
Total	<u>175</u>	<u>0</u>	<u>215^{b/}</u>	<u>390</u>
B. <u>Elderly</u>				
Efficiency	55	45	195	295
1 bedroom	<u>35</u>	<u>15</u>	<u>25</u>	<u>75</u>
Total	<u>90</u>	<u>60^{c/}</u>	<u>220^{c/}</u>	<u>370</u>

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

^{b/} Approximately 50 percent of these families also are eligible under the rent-supplement program.

^{c/} All of the elderly couples and individuals are also eligible under the rent-supplement program.

Source: Estimated by Housing Market Analyst.

Table III

Status of FHA Multifamily Projects
Salem, Oregon, Housing Market Area
As of March 1, 1972

<u>Area and project name</u>	<u>Section of Act</u>	<u>Units under management</u>	<u>Units under construction</u>	<u>Units proposed</u>	<u>Total units</u>
HMA total		<u>909</u>	<u>40</u>	<u>159</u>	<u>1,108</u>
<u>City of Salem (total)</u>		<u>321</u>	<u>40</u>	<u>159</u>	<u>520</u>
Metro Investment Corp.	207	18			18
Sunnyside Village	236	50			50
Oak Hill & 12th Street	236	56			56
Southfair	236		40		40
Sunnyside Manor	236			50	50
Brentwood Manor	236			28	28
41st & Market N.E.	236			65	65
Fisher Court I	221(d)(3) RS	48			48
Fisher Court II	221(d)(3) RS	16			16
Four Oaks	221(d)(3) RS	24			24
Wallerwood	221(d)(3) RS	22			22
Viking Village	221(d)(3) RS	87			87
Stayton Manor	221(d)(3) RS			16	16
<u>Marion County</u>		<u>313</u>			<u>313</u>
Mount Angel					
Mount Angel Towers ^{a/}	231	205			205
Unincorporated area					
Willamette Lutheran	231	108			108
<u>Polk County</u>		<u>275</u>			<u>275</u>
Monmouth					
College Manor	221(d)(3) BMIR	20			20
West Salem					
Capitol Manor	231	255			255

^{a/} HUD owned.

Source: FHA forms 2470 and 2088.

Table IV

Status of Low Rent Public Housing
Salem, Oregon, Housing Market Area
As of March 1, 1972

	<u>Under management</u>			<u>Under construction</u>			<u>Proposed</u>		
	<u>Conventional</u>	<u>Leased</u>	<u>Total</u>	<u>Conventional</u>	<u>Leased</u>	<u>Total</u>	<u>Conventional</u>	<u>Leased</u>	<u>Total</u>
HMA total	<u>360</u>	<u>1,000</u>	<u>1,360</u>	<u>188</u>	<u>—</u>	<u>188</u>	<u>562</u>	<u>1,050</u>	<u>1,612</u>
City of Salem	-	500	500	188	-	188	262	250	512
Family	-	315	315	188	-	188	62	250	312
Elderly	-	185	185	-	-	-	200	-	200
Marion County	-	200	200	-	-	-	300	800	1,100
Family	-	137	137	-	-	-	210	690	900
Elderly	-	63	63	-	-	-	90	110	200
Polk County	360	300	660	-	-	-	-	-	-
Family	<u>30</u>	<u>215</u>	<u>245</u>	-	-	-	-	-	-
West Salem	-	-	-	-	-	-	-	-	-
Dallas	20	93	113	-	-	-	-	-	-
Independence	10	100	110	-	-	-	-	-	-
Fall City	-	4	4	-	-	-	-	-	-
Willamina	-	5	5	-	-	-	-	-	-
Unincorporated Area	-	13	13	-	-	-	-	-	-
Elderly	330	85	415	-	-	-	-	-	-
West Salem	260	-	260	-	-	-	-	-	-
Dallas	60	40	100	-	-	-	-	-	-
Independence	10	33	43	-	-	-	-	-	-
Fall City	-	1	1	-	-	-	-	-	-
Willamina	-	8	8	-	-	-	-	-	-
Unincorporated Area	-	3	3	-	-	-	-	-	-

Source: Local Housing Authorities.

Table VI

Nonagricultural Wage and Salary Trends
Salem, Oregon, Housing Market Area^{a/}
1960-1971
(Annual averages)

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Nonagricultural wage & salary	<u>37,170</u>	<u>38,550</u>	<u>40,080</u>	<u>41,830</u>	<u>42,530</u>	<u>45,230</u>	<u>47,700</u>	<u>48,900</u>	<u>51,700</u>	<u>54,400</u>	<u>55,200</u>	<u>57,700</u>
Manufacturing	<u>8,640</u>	<u>8,870</u>	<u>9,080</u>	<u>9,330</u>	<u>9,440</u>	<u>9,720</u>	<u>10,100</u>	<u>9,800</u>	<u>10,400</u>	<u>10,800</u>	<u>10,600</u>	<u>11,100</u>
Durable goods	<u>3,930</u>	<u>3,620</u>	<u>3,960</u>	<u>4,280</u>	<u>4,430</u>	<u>4,450</u>	<u>4,300</u>	<u>4,000</u>	<u>4,300</u>	<u>4,600</u>	<u>4,600</u>	<u>4,900</u>
Lumber & wood prod.	<u>2,870</u>	<u>2,570</u>	<u>2,840</u>	<u>3,130</u>	<u>3,200</u>	<u>3,090</u>	<u>2,900</u>	<u>2,600</u>	<u>2,800</u>	<u>2,600</u>	<u>2,400</u>	<u>2,400</u>
Other durable goods	<u>1,060</u>	<u>1,050</u>	<u>1,120</u>	<u>1,150</u>	<u>1,230</u>	<u>1,260</u>	<u>1,400</u>	<u>1,400</u>	<u>1,600</u>	<u>2,000</u>	<u>2,200</u>	<u>2,500</u>
Nondurable goods	<u>4,710</u>	<u>5,250</u>	<u>5,120</u>	<u>5,050</u>	<u>5,010</u>	<u>5,270</u>	<u>5,800</u>	<u>5,800</u>	<u>6,100</u>	<u>6,200</u>	<u>6,000</u>	<u>6,200</u>
Food products	<u>3,230</u>	<u>3,770</u>	<u>3,590</u>	<u>3,570</u>	<u>3,450</u>	<u>3,590</u>	<u>4,000</u>	<u>4,100</u>	<u>4,300</u>	<u>4,400</u>	<u>4,000</u>	<u>4,300</u>
Other nondurables	<u>1,480</u>	<u>1,480</u>	<u>1,530</u>	<u>1,480</u>	<u>1,560</u>	<u>1,680</u>	<u>1,800</u>	<u>1,700</u>	<u>1,800</u>	<u>1,800</u>	<u>2,000</u>	<u>2,000</u>
Nonmanufacturing	<u>28,530</u>	<u>29,680</u>	<u>31,000</u>	<u>32,500</u>	<u>33,090</u>	<u>35,510</u>	<u>37,600</u>	<u>39,100</u>	<u>41,300</u>	<u>43,600</u>	<u>44,600</u>	<u>46,600</u>
Contract construction	<u>1,830</u>	<u>1,900</u>	<u>2,090</u>	<u>2,350</u>	<u>2,380</u>	<u>2,770</u>	<u>2,600</u>	<u>2,400</u>	<u>2,600</u>	<u>2,800</u>	<u>2,600</u>	<u>2,800</u>
Transp., comm. & util.	<u>1,580</u>	<u>1,490</u>	<u>1,540</u>	<u>1,590</u>	<u>1,650</u>	<u>1,730</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>1,900</u>	<u>1,900</u>	<u>2,000</u>
Trade	<u>6,990</u>	<u>7,110</u>	<u>7,440</u>	<u>7,920</u>	<u>8,290</u>	<u>8,920</u>	<u>9,300</u>	<u>9,800</u>	<u>10,200</u>	<u>10,900</u>	<u>11,300</u>	<u>11,500</u>
Fin., ins., real estate	<u>1,990</u>	<u>2,140</u>	<u>2,210</u>	<u>2,240</u>	<u>2,500</u>	<u>2,630</u>	<u>2,700</u>	<u>2,800</u>	<u>3,000</u>	<u>3,100</u>	<u>3,100</u>	<u>3,100</u>
Service & miscellaneous	<u>3,880</u>	<u>4,030</u>	<u>4,290</u>	<u>4,920</u>	<u>5,240</u>	<u>5,700</u>	<u>6,100</u>	<u>6,400</u>	<u>7,100</u>	<u>7,600</u>	<u>7,900</u>	<u>8,200</u>
Government	<u>12,260</u>	<u>13,010</u>	<u>13,430</u>	<u>13,480</u>	<u>13,030</u>	<u>13,760</u>	<u>15,100</u>	<u>15,900</u>	<u>16,600</u>	<u>17,300</u>	<u>17,800</u>	<u>19,000</u>
Federal	-	-	-	-	-	-	-	-	-	<u>1,200</u>	<u>1,300</u>	<u>1,300</u>
State	-	-	-	-	-	-	-	-	-	<u>10,300</u>	<u>10,500</u>	<u>11,100</u>
Local	-	-	-	-	-	-	-	-	-	<u>5,800</u>	<u>6,000</u>	<u>6,600</u>

^{a/} Estimates may not add due to rounding.

Source: State of Oregon, Department of Employment.

Table VII

Percentage Distribution of Families by Annual Income
After Deduction of Federal Income Tax
Salem, Oregon, Housing Market Area
April 1, 1959 and March 1, 1972

<u>Annual income</u>	<u>1959</u>		<u>1972</u>	
	<u>All families</u>	<u>Renter households</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$3,000	22	29	10	13
\$3,000 - 3,999	13	18	6	7
4,000 - 4,999	16	19	6	7
5,000 - 5,999	15	12	6	9
6,000 - 6,999	11	9	8	10
7,000 - 7,999	8	4	8	10
8,000 - 8,999	4	3	9	9
9,000 - 9,999	3	1	7	8
10,000 -12,499	4	4	17	13
12,500 -14,999	2	1	9	6
15,000 -17,499	1	-	5	3
17,500 and over	1	-	9	5
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Median	\$4,925	\$4,200	\$8,700	\$7,375

^{a/} Excludes one-person household.

Source: Estimated by Housing Market Analyst.

Table VIII
Population and Household Trends
Salem, Oregon, HMA
April 1960-March 1974

Components	April 1, 1960	April 1, 1970	March 1, 1972	March 1, 1974	Average annual changes					
					April 1960- April 1970		April 1970- March 1972		March 1972- March 1974	
					Number	Percent	Number	Percent	Number	Percent
<u>Population</u>										
HMA total population	147,411	186,658	197,000	207,400	3,925	2.4	5,400	2.7	5,200	2.6
Marion County	120,888	151,309	159,800	168,300	3,042	2.2	4,425	2.7	4,250	2.6
Polk County	26,523	35,349	37,200	39,100	883	2.9	975	2.6	950	2.5
City of Salem ^{a/}	49,142	68,296	73,200	78,250	1,915	3.3	2,550	3.5	2,525	3.3
<u>Households</u>										
HMA total households	43,705	59,175	63,550	68,000	1,550	3.0	2,275	3.6	2,225	3.4
Marion County	35,513	47,963	51,650	55,350	1,250	3.0	1,925	3.7	1,850	3.5
Polk County	8,192	11,212	11,900	12,650	300	3.1	350	3.0	375	3.1
City of Salem ^{a/}	15,117	23,084	25,100	27,150	800	4.2	1,050	4.2	1,025	3.9

^{a/} Salem figures not additive with county figures to HMA totals.

Table IX

Privately-Financed Housing Units
Authorized by Building Permits 1960-1972
Salem, Oregon, Housing Market Area

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	Jan. & Feb. 1972
HMA total	928	1,126	1,356	1,584	1,340	1,521	1,161	1,499	1,661	1,732	1,950 ^{a/}	3,417 ^{a/}	432
Single-family	741	856	921	931	922	1,121	843	793	927	1,055 ^{c/}	1,088 ^{d/}	1,371 ^{e/}	220
Multifamily	187	270	435	653	418	400	318	706	734	677	862	2,047	212
Marion County total	905	1,018	1,236	1,438	1,249	1,393	1,027	1,318	1,354	1,427	1,575	3,022	403
Single-family	722	798	863	865	870	1,049	790	744	731	856	899	1,177	201
Multifamily	183	220	373	573	379	344	237	574	623	571	676	1,845	202
Salem	233	294	297	414	295	418	295	612	637	509	494	1,506	166
Single-family	108	145	120	107	110	208	146	197	190	173	209	253	46
Multifamily	125	149	177	307	185	210	149	415	447	336	285	1,254	120
Woodburn	13	72	206	227	197	275	238	120	100	173	92	94	23
Single-family	13	68	194	210	197	253	213	116	83	73	70	76	23
Multifamily	0	4	12	17	0	22	25	4	17	100	22	18	0
Marion unincorp. area	623	604	648	643	671	612	437	510	526	626	902	1,297	204
Single-family	567	541	488	451	482	518	385	391	401	531	545	749	122
Multifamily	56	63	160	192	189	94	52	119	125	95	357	548	82
Small towns ^{a/}	36	48	85	154	86	88	57	76	91	119	87	125 ^{b/}	10 ^{b/}
Single-family	34	44	61	97	81	70	46	40	57	79	75	100	10
Multifamily	2	4	24	57	5	18	11	36	34	40	12	25	0
Polk County Total	23	108	120	146	91	128	134	181	307	305	375	395	29
Single-family	19	58	58	66	52	72	53	49	196	199	189	194	19
Multifamily	4	50	62	80	39	56	81	132	111	106	186	201	10
Dallas	15	22	20	67	32	25	69	27	57	46	85	78	13
Single-family	11	18	18	21	27	25	20	17	29	39	22	34	3
Multifamily	4	4	2	46	5	0	49	10	28	7	63	44	10
Independence	6	50	11	16	6	14	2	15	10	50	17	20	0
Single-family	6	13	9	12	6	10	2	7	8	9	12	14	0
Multifamily	0	37	2	4	0	4	0	8	2	41	5	6	0
Monmouth	2	36	89	63	53	89	63	139	115	80	142	85	4
Single-family	2	27	31	33	19	37	31	25	34	22	36	33	4
Multifamily	0	9	58	30	34	52	32	114	81	58	106	52	0
Polk unincorp. area									125	129	131	212	12
Single-family									125	129	119	113	12
Multifamily									0	0	12	99	0

Note: This table excludes all units produced under the various subsidized rental programs administered by HUD.

a/ Includes Aumsville, Gates, Gervais, Hubbard, Jefferson, Mount Angel, Silverton and Stayton.

b/ Estimated by Housing Market Analyst.

c/ Includes 40 units in Marion County and 3 units in Polk County insured under Section 235.

d/ Includes 80 units in Marion County and 29 units in Polk County insured under Section 235.

e/ Includes 113 units in Marion County and 8 units in Polk County insured under Section 235.

Sources: Census C-40 construction reports; local building inspectors, and estimates by Housing Market Analyst.

Table X

Housing Tenure and Vacancy Trends
Salem, Oregon, Housing Market Area
April 1, 1960-March 1, 1972

<u>Tenure & vacancy</u>	<u>April 1, 1960</u>	<u>April 1, 1970</u>	<u>March 1, 1972</u>
Total housing inventory	49,822	63,728	68,350
Occupied housing units	43,705	59,175	63,550
Owner-occupied	31,561	40,108	42,250
Percent of total	72.2	67.8	66.5
Renter-occupied	12,144	19,067	21,300
Percent of total	27.8	32.2	33.5
 Vacant housing units	 6,117	 4,553	 4,800
Available vacant	2,063	1,712	2,150
For sale	618	462	500
Vacancy rate	1.9	1.1	1.2
For rent	1,445	1,250	1,650
Vacancy rate	10.6	6.2	7.2
Other vacant	4,054	2,841	2,650

Sources: 1960 and 1970 from U. S. Censuses of Housing
1972 estimated by Housing Market Analyst.

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