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Analysis of the
**SALINA, KANSAS
HOUSING MARKET**

as of October 1, 1965

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

April 1966

ANALYSIS OF THE
SALINA, KANSAS, HOUSING MARKET
AS OF OCTOBER 1, 1965

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
SALINA, KANSAS, HOUSING MARKET
AS OF OCTOBER 1, 1965

Summary and Conclusions

The Department of Defense announced in November 1964, that Schilling Air Force Base would be inactivated as of June 30, 1965. Most of the 4,725 military personnel, with 8,500 dependents, and 410 civilian employees have been transferred to other stations. The closing of the base has meant the loss of millions of dollars to the economy of the Salina area. As a result, employment, population, households, and residential construction have declined and the number of vacant units has increased sharply. The economy is expected to decline further during the next two years, so that there will be no need for additional new housing. A summary of the analytical findings are outlined below and are more fully detailed in the text.

1. Nonagricultural employment totaled 15,775 in June 1965, about 1,325 below the June 1964 total and about 2,075 below the average for the month of June in the previous four years. The number of unemployed persons totaled 475 in June 1965, a decline of 100 from the June 1964 level, and equal to the low of the past five years. Over the two-year forecast period, it is expected that employment will continue to decline and will total 15,550 in October 1967, about 225 below the current level.
2. The current median after-tax income of all families and all renter families is \$6,500 and \$5,525, respectively. Median after-tax income is expected to rise by nearly six percent during the forecast period.
3. The present population of the HMA is about 47,100, a decline of about 7,625 (14 percent) since 1960. The population of the HMA is expected to total 47,100 in October 1967, showing no net change from the current total.
4. There are approximately 14,750 households in the HMA at present, representing a decline of 1,450, or nine percent since April 1960. By October 1, 1967, the number of households should total 14,500, about 250 below the current level.
5. Since 1960, residential construction activity has been trending downward, from a total of 570 units authorized by building permits in 1960 to 130 units in 1964. Nearly 90 percent of the 1,820 units authorized since 1960 were in single-family structures.

6. Currently, there are about 3,000 vacant available units in the HMA, a net vacancy ratio of 17 percent. The current sales vacancy ratio is 11 percent and the renter vacancy ratio is 27 percent. About 92 percent of the available vacant units are in Salina.
7. The sales market has been inundated with excess vacancies, which fall into three categories: (1) under 15 years of age and in good condition, (2) old, but well maintained units, and (3) old and substandard units. The first two categories may meet with market acceptance from upgrading and turnover, but the third category will undoubtedly remain vacant. It is estimated that about 150 of the FHA-acquired sales properties may be marketed during the first year of the two-year forecast period and a lesser number in the second year.
8. The rental market also has been affected by excess vacancies. The prospects are very limited for reducing the high level of vacant rental units under current market conditions.

ANALYSIS OF THE
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Housing Market Area

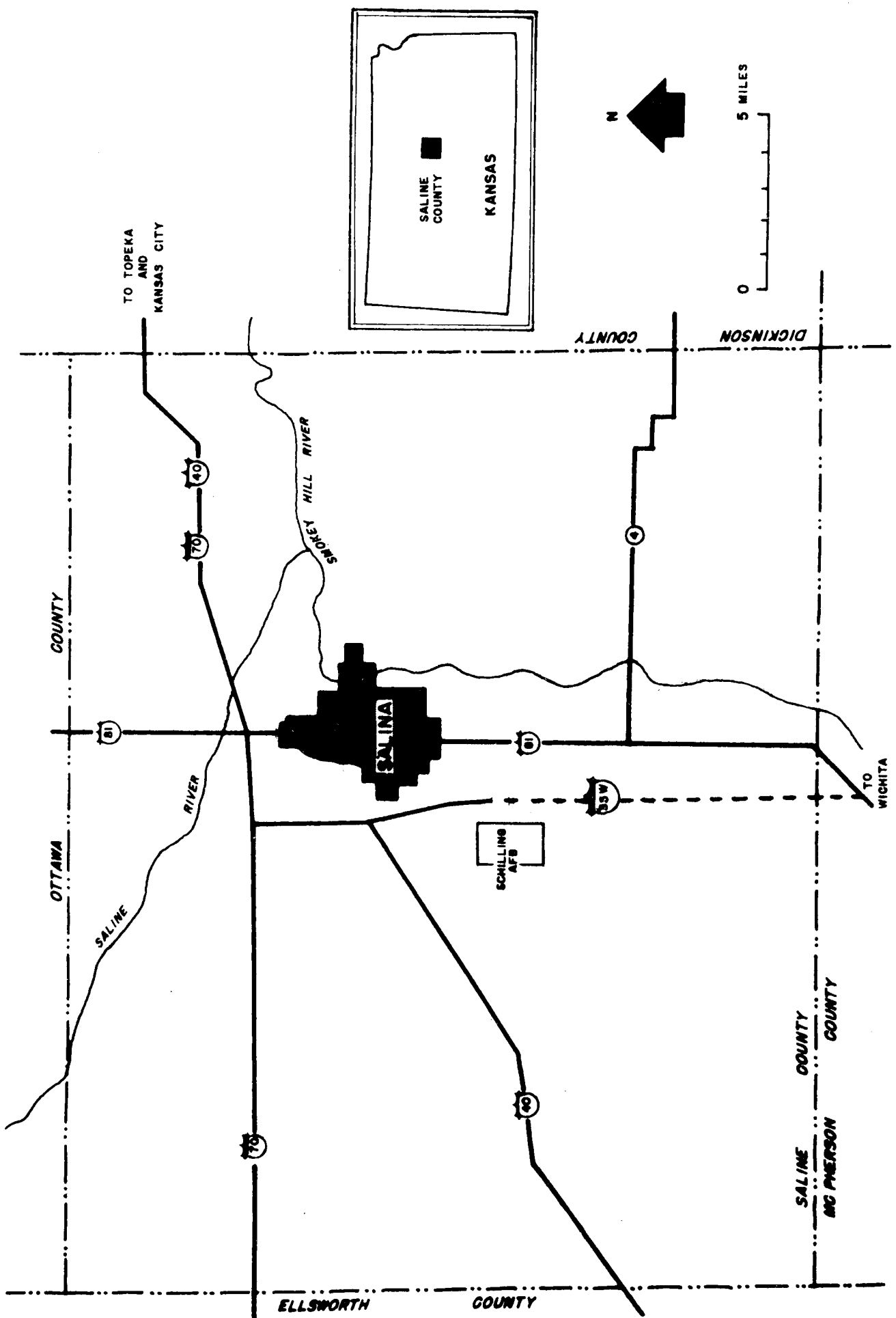
The Salina, Kansas, Housing Market Area (HMA) is defined as being coterminous with Saline County, Kansas. The city of Salina is the county seat of Saline County and is the only urban area in the county. In 1960, Saline County had a population of 54,700.^{1/}

Salina is located in the valley of the Smoky Hill River in north-central Kansas, about 110 miles west of Topeka, 90 miles north of Wichita, and 175 miles south of Lincoln, Nebraska. Transportation facilities in the HMA are good and will improve during the next four years. The two major existing highways are U.S. 40 (east-west) and U.S. 81 (north-south). Two interstate highways are in various stages of construction. Interstate 70 (east-west) is completed from Kansas City to the western edge of Saline County and will be completed to Colby, Kansas (12 miles from the Colorado line) within a year. Interstate 35W will be a connector route from Interstate 70 in Salina to Interstate 35 in Wichita. Construction of the highway to Wichita will be completed in four years. One railroad serves Salina with passenger and freight service and three others offer freight service over short branch connections to their main lines. Air passenger service is provided by Central Airlines with nine scheduled flights daily at Salina Municipal Airport.

On November 19, 1964, the Department of Defense announced that Schilling Air Force Base would be inactivated by June 30, 1965. The military personnel and many civilian employees were to be transferred and the annual payroll and allowances totaling about \$22,400,000 would therefore no longer enter the Salina economy. By June 30, 1965, all but several hundred of the military personnel and civilians have been transferred and the impact has been severe.

^{1/} Inasmuch as the rural farm population of the Salina HMA constituted only 5 percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and newfarm data.

SALINA, KANSAS, HOUSING MARKET AREA



Economy of the Area

Character and History

Salina was settled in 1858. It became incorporated and was designated the county seat of Saline County in 1859. Economic support was derived from trading with farmers until the first industry, a sawmill and gristmill, began operations in Salina in 1861. The Kansas Pacific Railroad extended westward to Salina in 1867, followed 20 years later by three other railroads; the Missouri Pacific, the Chicago Rock Island, and the Atchison, Topeka and Santa Fe. Because of good rail transportation, Salina grew to be the fourth largest flour milling center in the country.

The milling of flour is still one of the most important industries in the city, although it has been declining during the past several years. Trade, services, and government have taken over as the economic mainstays of the HMA. At present, there are nearly eight nonmanufacturing jobs to every one manufacturing job in the HMA.

Work Force

The civilian work force in the HMA totaled 17,600 in June 1965, about 1,500 (8 percent) below the June 1964 level, and 3,025 (15 percent) below the June 1962 level, the peak during the five years for which comparable data are available (see table on following page).

Employment

Current Estimate and Past Trend. Nonagricultural employment totaled 15,775 in June 1965, about 1,325 below the June 1964 level. The 1965 data totals also are lower than those in any of the four previous months of June for which data are available, and about 2,075 below the average of the previous four years. As may be seen in the following table, there was a general downtrend in total employment between June 1962 and June 1964. This was mainly due to the completion of the 12 Atlas missile sites. The decline from June 1964 to June 1965 is attributed almost entirely to the closing of Schilling Air Force Base. Employment in this area reaches a seasonal peak in June or July.

Civilian Work Force, Nonagricultural Employment, and Unemployment Trends
Salina, Kansas, HMA
June 1961 - June 1965

<u>Date</u> <u>(June)</u>	<u>Total</u> <u>work force</u>	<u>Nonagricultural employment</u>		<u>Unemployment</u>	
		<u>Total</u>	<u>Wage and salary</u>	<u>Number</u>	<u>Percent of</u> <u>work force</u>
1961	20,200	18,200	15,450	550	2.7
1962	20,625	18,800	16,050	475	2.3
1963	19,300	17,300	14,875	600	3.1
1964	19,100	17,100	14,725	575	3.0
1965	17,600	15,775	13,625	475	2.7

Source: Kansas Employment Security Division.

Total nonagricultural employment is made up of wage and salary employment and "all other" employment (self-employed, unpaid family and domestic workers in private households). "All other" employment has declined from a total of 2,750 in June 1961 to 2,150 in June 1965. This decline has been somewhat steady, following the trend of total employment. Nonagricultural wage and salary employment of 13,625 in June 1965, represents a decline of 1,100 since June 1964 (seven percent).

Distribution by Major Industry. The decline in wage and salary employment has been caused by losses in both manufacturing and nonmanufacturing industries. Employment in manufacturing industries of 1,575 in June 1965 was 400 below the June 1961 level, which was the highest June level of the past five years (see table I). Included in the 1961 and 1962 manufacturing employment totals were about 400 technicians employed in the construction of the 12 Atlas missile sites. The 1964 total included about 400 technicians employed in reconditioning the missile sites. The technicians were included in the "other manufacturing" category and account for the high totals for those three years. These technicians were not residents of the area. They moved when the work was completed. The only other manufacturing category that is reported separately by the Kansas Employment Security Division is the food and kindred products industry. Employment in this industry has remained relatively stable during the past five years, although employment in the milling industry has declined by about 125 workers since 1961. This decline has occurred because of transportation rate differentials, mergers, and changing technology. Wheat now tends to be milled into flour near the areas of consumption, rather than areas of harvest.

Employment of 12,050 in nonmanufacturing industries, as of June 1965, also was at the lowest June level of any of the past five years. Employment peaked in 1962, when 14,125 were employed in nonmanufacturing.

The total for June has declined during each of the last three years. The steady year-to-year declines in nonmanufacturing employment reflect, primarily, decreases in contract construction. From peak employment of 2,475 in 1961 and 2,600 in 1962 (construction of the Missile sites) employment in contract construction has declined to the June 1965 total of 1,600. Employment in wholesale and retail trade remained fairly constant at 4,200 to 4,300 workers between June 1961 and June 1964. Because of the closing of the base and the attendant loss of purchasing power, employment in trade declined by 400 between June 1964 and 1965 (9 percent). Employment in government increased slowly between June 1961 and June 1964, but declined by 425 between June 1964 and June 1965 (20 percent). The bulk of these workers were employed at the air base and were transferred to other areas when their jobs were terminated. Employment in the other nonmanufacturing categories has remained stable, or has increased slightly, since June 1961 (see table I).

The available data indicate that the fluctuations in employment during the past four and one-half years have resulted mainly from changes in the mission of Schilling AFB. With the departure of the military, the fluctuations will probably become minimal; however, expansion of the employment base also may be minimal (see section on future employment).

Employment Participation Rate. The participation rate (the ratio of employment to population) declined from 33.6 in 1950 to 29.3 in 1960, according to census data. This decline was due, in large part, to the activation of Schilling AFB in 1952 (the military personnel are not included in the nonagricultural employment total). In 1959, the participation rate was 30.0, using Kansas Employment Security Division job totals, which are based on "place of work" rather than the Census definition of "place of residence". The participation rate at present is 34.4. The increase since 1959 is due to the inactivation of Schilling AFB and the accompanying loss of population. The decline in nonagricultural employment of one percent between 1959 and 1965 was more moderate than the 14 percent decline in population. By October 1967, the participation rate is expected to decline to 34.0.

Principal Employers

Military and Military-Connected Employment. The Air Force base which lies adjacent to Salina was activated by the Strategic Air Command in 1952. The base at that time was known as Smoky Hill Air Force Base, the name being changed to Schilling in March 1957. A B-47 wing and a KC-135 refueling squadron have been attached to the base since its activation in 1952. An Atlas F missile squadron was attached to the base in April 1961 and twelve hardened missile sites were built in the immediate environs.

The number of military personnel at Schilling AFB reached a high of about 6,700 in 1959 and civil service employment reached a high of about 410 in 1962. At the time that the closing of the base was announced (November 19, 1964), there were approximately 4,725 military personnel (725 officers and 4,000 enlisted men) and about 410 civilians stationed at the base. Since the November announcement, the B-47 wing has been inactivated and the personnel have been transferred to other bases. The KC-135 refueling squadron has been relocated as well. The Atlas F missile squadron has been inactivated, the personnel have been reassigned, and the sites are being dismantled.

Military and Civilian Strength
Schilling Air Force Base
April 1954-June 1965

<u>Date</u>	<u>Military strength</u>	<u>Civilian strength</u>	<u>Date</u>	<u>Military strength</u>	<u>Civilian strength</u>
April 1954	5,551	388	June 1960	4,932	310
April 1955	4,520	399	June 1961	4,996	384
June 1956	5,954	417	June 1962	5,655	411
June 1957	6,303	375	June 1963	5,050	347
June 1958	6,208	321	June 1964	4,768	375
June 1959	6,728	324	June 1965	607	118

Source: Department of Defense and Schilling Air Force Base.

At present, there are 607 military personnel (34 officers and 573 enlisted men) and 118 civil service employees assigned to Schilling AFB. These military and civilian personnel are attached to the airbase squadron, which is engaged in closing the base.

Although the closing of Schilling Air Force Base has caused an economic setback to the community, many of the base facilities will be offered to the city at nominal prices, once the military is completely moved out. The bulk of the facilities will be bought and operated by the newly-formed Salina Airport Authority. The authority will use the runways and hangars for a municipal airport and will lease out the other buildings, using the profits to maintain the airport. A state vocational school, with 163 students, already has opened in one of the buildings. A state technical school (estimated enrollment in three to four years of 2,500 students) is scheduled to open next fall. The Kansas State Highway Patrol will open a police academy within a year. A state mental rehabilitation hospital and a private truck terminal and repair shop may locate on the base in the near future.

Unemployment

As of June 1965, there were 475 unemployed persons in the Salina HMA, equal to 2.7 percent of the work force. This is 100 below the level of June 1964 and equals the low of the past five years, recorded in 1962 (see table on page 4). The low level of unemployment in June 1965, at a time when total employment was down by 1,325 from a year ago, indicates that workers tended to migrate out of the area as their jobs were terminated. Because the decline in total employment in the past year is attributed mainly to the closing of the air force base, and since the bulk of the military personnel and their dependents have moved from the area, it is assumed that most of the jobs that were eliminated during the past year were held by military personnel, as second jobs, or by their dependents.

Estimated Future Employment

Nonagricultural employment is expected to total 15,500 in October 1967, about 225 below the June 1965 level. Net employment declines of 200 in wholesale and retail trade, 100 in government, 100 in other nonmanufacturing industries; and 300 in "other employment" will be partially off-set by net increases of 200 in contract construction and 275 in manufacturing. The Westinghouse Electric Corporation has announced intentions of opening a fluorescent light bulb assembly plant in Salina. The plant should be in operation in one-to-two years. Employment will total about 300, approximately 225 of whom will be women. The company may manufacture the glass tubes in Salina, rather than ship them from its Fairmont, West Virginia plant, as originally planned. If the tube manufacturing plant also is located in Salina, an additional 200 jobs will be created; most of these jobs will be held by men.

The Mid-America Steel Castings Company also has announced plans to construct a plant in the Salina area. The company will employ about 25 people in the production of metal castings. This plant is expected to be operational within one-to-two years.

Income

Wages. Production workers in manufacturing in the Salina HMA were paid an average of \$1.70 an hour, for an average 43 hour week, and received average earnings of \$76 a week in July 1965. The following table shows a comparison of hours and earnings in Salina with other localities.

Estimated Hours and Gross Earnings
of Production Workers in Manufacturing
as of July 1, 1965

	<u>Salina</u>	<u>Wichita</u>	<u>Kansas City</u>	<u>Nationally</u>
Average hourly earnings	\$1.70	\$2.84	\$2.99	\$2.65
Average weekly earnings	\$76	\$117	\$129	\$110
Average weekly hours	43	41	43	41

Source: Kansas State Employment Service.

The average weekly wage in Salina is substantially below the other localities and the national average because of an almost complete lack of heavy industry. Most manufacturing firms are classified as producers of nondurable goods, which are generally lower paying industries.

Current estimate. The current median all-family income in the Salina HMA, after deduction of Federal income tax, is \$6,500 and the after-tax median of tenant families is \$5,525. The current levels are \$1,400 and \$1,175, respectively, above the 1959 adjusted, after-tax medians. By October 1967, the median after-tax income of all families is expected to increase to \$6,875 and the median after-tax income of tenant families is expected to increase to \$5,850.

Demographic Factors

Population

Current Estimate and Past Trend. As a result of the closing of Schilling Air Force Base, the population of the HMA has dropped by 12,900 since January 1965, when the population is estimated to have totaled 60,000, to a current total of 47,100. The population of the HMA had increased by 5,300 from April 1960 to January 1965. In the previous decade, the population had increased by 64 percent, reflecting the activation of the air base in 1952 (see table III).

The population of the city of Salina currently totals 38,650, a decline of 9,350 since January when the total was about 48,000. The January 1965 figure represented a gain of 4,800 since April 1960. The population of the rest of Salina County is now about 8,450, down 3,550 since January.

Military and Military-connected Population. As the following table shows, the military population of the HMA (military, military-connected civilians and their dependents) currently totals about 2,000, including about 600 military personnel with 1,050 dependents and 125 civilians with 225 dependents. Before the inactivation of Schilling AFB (November 1964), the military population totaled about 14,400, of whom 4,725 were military personnel with about 8,500 dependents and 400 were civilians with 775 dependents. The military population is now at the lowest level since the base was activated in 1952. The military population of the area was at a ten-year low even before the announcement of the closing, however (see page 6 for trend of military and military-connected strength at Schilling).

Military, Military-connected Civilian
and Civilian Population Trends
Salina, Kansas, HMA
1950-1965

<u>Population</u>	<u>April 1950</u>	<u>April 1960</u>	<u>October 1965</u>	<u>Change</u>	
				<u>1950-1960</u>	<u>1960-1965</u>
Civilian	33,159	40,015	45,100	6,856	5,075
Military <u>a/</u>	250	13,300	1,650	13,050	-11,650
Military-connected <u>b/</u>	-	1,400	350	1,400	- 1,050
Total	33,409	54,715	47,100	21,306	- 7,625

a/ Military personnel and their families.

b/ Military-connected civilians and their families.

Source: Total population for 1950 and 1960 from Censuses of Population.
Total population for 1965 and military and civilian components
for all years estimated by Housing Market Analyst.

Estimated Future Population. On the assumption that employment will decline slightly during the forecast period and that the employment participation rate will decline, the population in the HMA is expected to total 47,100 in October 1967, unchanged from the current total. The population in the city of Salina will total about 37,800, some 850 below the current total and the population in the rest of the county will total 9,300, up by about 850 (425 a year) from the current level.

Part of the loss in the city will result from the further decline in the military and military-connected civilian population. The increase in the population in the rest of the county will result from an increase in nonhousehold population of approximately 1,000. The added nonhousehold population will consist of students attending the technical and vocational schools at Schilling, living in dormitories converted from barracks, and of patients in the mental rehabilitation hospital, assuming that it will be established on the base.

Net Natural Increase and Net Migration. Between 1950 and 1960, net natural increase (births minus deaths) in the HMA totaled 10,250. The population increased by 21,300, so there was a calculated net in-migration to the HMA of 11,050 persons during the decade.

Since 1960, net natural increase has totaled 6,750 and population has declined by 7,625, so that there has been net out-migration of 14,375 persons. Virtually all of the out-migration consisted of the military and military-connected population, and occurred during the past year.

Net Natural Increase and Net Migration
Salina, Kansas, HMA
April 1950 - July 1965

	<u>Population</u> <u>Change</u>	<u>Net natural</u> <u>increase</u>	<u>Net</u> <u>migration</u>
1950 - 1959	21,300	10,250	11,050
1960 - July 1965	-7,625	6,750	- 14,375

Source: Estimated by Housing Market Analyst.

Households

Current Estimate and Past Trend. At present, there are approximately 14,750 households in the HMA, about 2,750 fewer than in January 1965. As shown below, the decline has been confined to the military sector, since the number of non-military-connected civilian households is estimated to have remained unchanged. Note that the number of military and military-connected households declined somewhat from April 1960 to January 1965 and that there was a fairly good growth (1,550 or 280 a year) in civilian households over that period, compared with an average of 225 a year in the previous decade.

The trend of household formation in the city of Salina has, of course, followed that of the HMA as a whole. In 1950, there were 8,350 households in Salina. The total increased to 13,483 in 1960 and to 14,400 in January 1965, the latter two figures including many military households, but has since declined to a current total of 12,450. The number of households, in the rest of Salina County increased from 2,175 in 1950 to 2,725 in 1960 and 3,100 in January 1965, but has since declined to a current level of 2,300. The majority of the 550 households added in the rest of the county during the 1950 decade resided in military units on base.

Military and Military-connected Households. At present, there are about 400 military households and 100 military-connected households in the HMA (see following table). Two hundred of the military households live in "on-base" housing on Schilling AFB. In August 1964, there were about 2,925 military households, (735 of whom lived on the Schilling base) and about 325 military-connected households in the HMA. The number of military households is estimated to have reached a peak in 1959 and to have declined slightly to the 1964 level before the mass exodus in 1965.

Military, Military-connected Civilian, and
Civilian Household Trends
Salina, Kansas, HMA
1950-1965

<u>Households</u>	<u>April 1950</u>	<u>April 1960</u>	<u>Jan. 1965</u>	<u>October 1965</u>
Civilian	10,447	12,701	14,250	14,250
Military	75	3,200	2,925	400
Military-connected	-	300	325	100
Total	10,552	16,201	17,500	14,750

Source: Total population for 1950 and 1960 from Censuses of Population.
Total population for 1965 and military and civilian components
for all years estimated by Housing Market Analyst.

Estimated Future Households. Based on the limited population growth potential, on the out-migration of remaining military and military-connected households, and on a decline in the average household size, there will be an estimated 14,500 households in the HMA in October 1967, about 250 fewer than at present. During the first of the next two years, however, the total is expected to dip below 14,500, as a result of the anticipated move-out of the 400 to 500 remaining military and military-employed civilian households, as well as some nonmilitary households. During the second year of the forecast period, the number of households should be increasing, as a result of employment opportunities provided by new industries, the schools, and the mental rehabilitation hospital. As of October 1967, there will be about 12,250 households in Salina, about 200 fewer than at present, and 2,250 in the rest of the county, about 50 below the current total.

Household Size. The size of the average household in the area increased from 3.10 persons in 1950 to 3.21 in 1960. This rise is attributed mainly to the arrival of the Air Force personnel in 1952. The average military household was larger than the average civilian household in 1960, at 3.66 and 3.10 persons, respectively. The average household size has declined since 1960 to about 3.11 at present. During the two-year forecast period, the average household size will decline only moderately.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of October 1, 1965, there are 18,700 housing units in the Salina HMA (see table IV). The current total represents a net increase of 1,400 (260) over the 1960 total of 17,300, which in turn, was 6,075 (610) above the 1950 total of 11,225. The housing supply in the city of Salina increased by 1,100 units between April 1960 and October 1965 and by 5,475 between 1950 and 1960. These changes, of course, were stimulated by the activity at Schilling AFB.

Type of Structure. The HMA has a very high proportion of its housing stock in single-family structures. Currently, about 84 percent of all housing units in the HMA are in single-family structures, another 10 percent are in structures containing two-to-four units, and the remaining six percent are in structures of five or more units, or in trailers.

Housing Inventory by Type of Structure
Salina, Kansas, HMA
1960 and 1965

<u>Type of structure</u>	<u>April 1960</u>		<u>October 1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
One-family	14,248	82.4	15,750	84.3
Two-to-four family	1,715	9.9	1,875	10.0
Five or more family	704	4.1	700	3.7
Trailer	628	3.6	375	2.0
Total	17,295	100.0	18,700	100.0

Source: 1960 Census of Housing.
1965 estimated by Housing Market Analyst.

Year Built. The age of the housing units in the inventory offers an indication of the periods in major developments occurred in the HMA. About 43 percent of the current housing inventory of the HMA was constructed prior to 1930, a relatively low proportion compared to other housing market areas in the State of Kansas. Some of these units, however, especially in the northern section of Salina, date back almost to the time of the settling of the city. Six percent of the current inventory was built during the 1930 decade and slightly less than 10 percent was built in the 1940 decade; two decades of relatively little growth. Nearly one-third of the current inventory was added during the 1950-1960 decade and the remaining 10 percent was added in the five and one-half years since 1960 reflecting 13 years of activity at Schilling AFB.

Distribution of the Housing Inventory by Year Built
Salina, Kansas, HMA
October 1965

<u>Year built a/</u>	<u>Number of units</u>	<u>Percent distribution</u>
April 1960 - October 1965	1,825	10
1950 - March 1960	5,825	31
1940 - 1949	1,850	10
1930 - 1939	1,150	6
1929 or earlier	8,050	43
Total	18,700	100

a/ 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.

Source: Estimated by Housing Market Analyst.

Condition of the Inventory. According to the 1960 Census of Housing, 14 percent of the housing inventory was dilapidated or lacked some or all plumbing. About 42 percent of the substandard units were in Salina, equalling seven percent of the inventory of the city. The remaining 58 percent of the substandard units were therefore distributed throughout the remainder of the county, where only 17 percent of the inventory was located. 1/ Inasmuch as only about 150 units were demolished through condemnation proceedings in the HMA since 1960 (125 in Salina), substandard units account for approximately 13 percent of the housing inventory in the HMA and six percent in Salina, at present.

Residential Building Activity

A total of 1,820 new housing units have been authorized by building permits in the HMA since 1960, an average of about 330 a year. The number of units authorized, however, has trended downward, from a high of 570 units in 1960 (including 200 military housing units) to 130 units in 1964. As may be noted by comparing the changes in yearly totals in tables I (employment) and V (building permits), there were parallel increases up to 1962 and subsequent decreases to 1964, indicating a close correlation between fluctuations in employment and residential building activity.

There has been a total of 1,440 units authorized by building permits in Salina since 1960, an annual average of 260. The level of permit issuance in Salina has been trending downward since the high year of 1962, when 444 permits were issued. During the 1950-1960 decade, authorizations averaged about 400 units a year.

1/ These are probably rural farm dwellings for the most part.

Because of the abundance of land suitable for residential construction in the immediate environs of Salina and elsewhere in the county, the majority of new construction is in single-family structures. Since 1960, 90 percent of the units authorized in the HMA were in single-family structures. Of the 185 units authorized in multiple structures since 1960, virtually all were in structures containing two units and all but two units were in Salina. The strong preference for occupancy of single-family units, as evidenced by these data, is not a recent phenomenon, as the earlier section of this report on "Type of Structure" clearly indicates.

In the first six months of 1965, only 11 units have been authorized by building permits in the HMA. In the first six months of 1964, 77 units were authorized. The sharp drop-off in authorizations in 1965 is further accentuated by the fact that the number of units authorized in the first six months of 1964 had been the lowest of the previous five years.

Units Under Construction. As indicated by the building permit data, the construction of residential housing has virtually ceased since the announcement of the closing of Schilling AFB. The postal vacancy survey revealed only 18 single-family units under construction in mid-September 1965. Although several units are being built at present, there are a number of units in various stages of construction that were abandoned when it was announced that Schilling would be inactivated. Of the 18 units enumerated in the postal vacancy survey, only five to ten are actually proceeding to completion.

Demolitions. Based on demolition permit records and estimates of losses from disaster and other "nonpermit" destruction, a total of about 150 units have been removed from the housing inventory since 1960, an average of about 25 a year. On the basis of past experience and on present urban renewal plans, it is estimated that about 225 units will be demolished during the two-year forecast period. About two-thirds of these will be demolished in the next twelve months.

Tenure of Occupancy

At present, 66 percent of the occupied housing units in the HMA are owner-occupied. This is a significant increase from 1960, when 59 percent of the units were occupied by owners. In 1950, about 61 percent of the occupied units were reported to be owner-occupied. The decline in the proportion of owner-occupied to total occupied units between 1950 and 1960 reflects the in-migration of military households (about three-quarters of whom were renters) and the increase since 1960 reflects the out-migration of these households. Throughout the 15-1/2 year period, there has been a continual trend to owner-occupancy by non-military connected households.

Vacancy

1960 Census. In April 1960, there were 650 vacant units available for sale or rent in the HMA, equal to 3.9 percent of the available housing inventory. Of this total, 175 were available for sale (1.8 percent of the sales inventory) and 475 were available for rent (6.7 percent of the rental inventory). The 1960 Census of Housing reported that about 15 of the available sales vacancies (8 percent of the total) and over 140 of the available rental vacancies (30 percent of the total) lacked some or all plumbing facilities. As may be seen in table IV, vacancy levels in Salina (a 1.9 percent sales vacancy ratio and a 6.9 percent rental vacancy ratio) were quite similar to those in the HMA as a whole.

Postal Vacancy Survey. The Salina Post Office conducted a vacancy survey in mid-September 1965, covering nearly 15,600 housing units (see table VI). Included in the total were nearly 13,050 residences and 2,550 apartments, with respective vacancies of 2,575 (19.8 percent) and 740 (29.1 percent).

A similar postal vacancy survey was conducted in the latter part of November 1964. That survey revealed about 720 vacant residences and 390 vacant apartments. Assuming that the areas covered were similar in the two surveys, the number of vacant residences has increased by nearly 260 percent and the number of vacant apartments by 90 percent in the past ten months.

Post Office Vacancy Survey Summaries Salina, Kansas November 1964 and September 1965

	<u>Vacant units</u>	
	<u>November 1964</u>	<u>September 1965</u>
Residences	720	2,575
Apartments	390	740
Total	1,110	3,315 ^{a/}

^{a/} Includes 550 Capehart units not available for rent or sale.

Source: Postal vacancy surveys conducted by collaborating postmaster.

Current Estimate. Based on the results of the postal vacancy survey and on various other vacancy data, there are an estimated 3,000 vacant housing units available for sale or rent in the HMA, a net vacancy ratio of 17 percent (see table IV). Of the total, 1,150 units are available for sale (11 percent vacancy ratio) and 1,850 units are available for rent (27 percent vacancy ratio). The 3,000 available vacancies do not include 550 vacant Capehart "on-base" housing units at

Schilling AFB which may be kept off the market. Excluding these 550 units, the net available vacancy ratio in Salina currently is 18 percent, the sales vacancy ratio is 11 percent and the rental vacancy ratio is 29 percent. About 92 percent of the vacant available units in the HMA are in Salina.

Because of the limited demolition activity since 1960 and the sharp increase in the number of vacant units since January 1965, it is estimated that there are about 100 vacant sales units and 400 vacant rental units in the HMA that lack some or all plumbing facilities, at present. The number should decline during the two-year forecast period because of clearance for urban renewal.

Sales Market

General Market Conditions. Based on available data including the 1960 census, the FHA survey of unsold houses, and local sources, it appears that the sales market has been somewhat unbalanced for the past half dozen years. The number of sales vacancies in 1960 was higher than the number needed to maintain a balance between supply and demand. The vacancy rates for speculatively-built houses in subdivisions with five or more starts in 1963 and 1964 were relatively high (43 percent in January 1964 and 26 percent in January 1965). There has been a downward trend in the number of units built each year since 1960 and the number of mortgage recordings has been declining each year since 1961.

To this somewhat sluggish market, the closing of Schilling AFB added nearly 1,000 vacant-for-sale units. The number of sales vacancies has increased six-fold since 1960 and is about 10 times the number required for reasonable balance in the market. A large portion of these vacant sales units (approximately one-third of the total) are relatively new (less than 15 years old) and are in subdivisions in the south and southwest sections of Salina. Another large portion consists of relatively old, but reasonably well maintained units in the central areas of Salina. A third block of vacant sales units are located in the west and northwest sections of Salina. These units, totaling about 250, are in poor condition and are not competitive with the other sales vacancies.

FHA Foreclosures and Delinquencies. As of September 1, 1965, the Topeka Insuring Office had approximately 719 acquired properties in the Salina HMA. Virtually all of these units have been acquired since the first of March 1965. The sales price of these units range from \$2,500 to \$9,000 for units located in the west and northwest sections of Salina and \$13,000 to \$19,000 for units located in the south section of Salina. The sales prices of acquired properties located in the southwest, central, and east sections of Salina fall in between these two extremes.

Except for some units located in the west and northwest sections, virtually all units are in good condition and would be readily saleable in a balanced market.

In addition to the properties already acquired by the Topeka Insuring Office, there are 207 units that are in various stages of foreclosure proceedings. In the past, the experience in the Topeka Insuring Office has been that about 65 of every 100 properties that have defaulted mortgages are turned back to FHA. In Salina, the ratio could rise to as high as 85 percent so that about 175 more sales units may be acquired by the Topeka Insuring Office in the near future.

The National Housing Act of 1965 stipulates that the Department of Defense is authorized to buy houses, at a fair market value, from military personnel and military-employed civilians that have been transferred from military installations that have been closed or reduced in strength. Depending upon implementation of this legislation, the Department of Defense may have additional home properties in the Salina HMA to be liquidated in coordination with liquidation of FHA-insured acquired properties.

Other Foreclosure Data. The Veterans' Administration has about 940 guaranteed loans in the Salina HMA. It has been estimated that approximately 350 of these loans will default and the properties will be turned back to the Veterans' Administration.

Rental Market

General Market Conditions. The rental housing market also has been inundated with an excess supply of vacant units. Since 1960, about 1,925 rental units have been vacated (virtually all in 1965). About one-third of these units had been occupied by lower grade airmen, with limited incomes to meet housing expenses. A large proportion of these units are either substandard or marginal, at best, and are in old single-family structures converted from owner-occupancy or in large structures that were converted from single to multifamily occupancy. In addition to these units, which typically rented for \$60-75 for three rooms, there is a 745-unit defense housing project, which had been occupied predominantly by renter families. Another block of vacant units consists of the 550 vacant "on-base" units at Schilling AFB. These units will not be put on the market and therefore are not competitive with the other vacant units.^{1/}

^{1/} Since this report was written it has been announced that this housing will be offered to families of military personnel now overseas.

Foreclosures. Of the 745 units in a defense housing project, most of which was occupied by military renter families, 375 units had been acquired by the FHA as of September 1, 1965, and another 75 were in foreclosure proceedings. It appears likely that virtually all units in this project will be acquired within the next year.

Urban Renewal

The city of Salina has two urban renewal projects, both in the planning stage. One is the Civic Center project and the other is the Northeast Industrial Park Project.

The Civic Center Project is a two-square block area in the north section of Salina, bounded by Elm Street on the north, 7th Street on the east, Ash Street on the south, and 9th Street on the west. At present, there are about 65 families residing in 125 housing units (95 of which have deficiencies). Relocation of the families (about half are renters) is scheduled to begin in January 1966 and demolition of the 47 structures should begin in the summer of 1966. The 15-acre site will be used for a joint city-county building, a public library, off-street parking, and open space for parks and recreation.

The Northeast Industrial Park Project is located on the northern edge of Salina and is bounded by the Union Pacific Railroad tracks on the north, Ohio Street on the east, Elm Street and the Smoky Hill River on the south, and 4th Street on the west. The area encompasses about 135 acres and has a mixture of residential, commercial, and industrial uses. The residential structures are substandard or in a deteriorating condition and will be demolished. Most of the commercial and industrial concerns are housed in old buildings, some of which will be demolished.

This project is expected to reach the execution stage in the Spring of 1967. At that time, 25 acres in the southwestern edge of the area will be cleared and about 40 families will be relocated. The entire project area will be used as an industrial park.

Demand for Housing

Quantitative Demand

New housing demand in Salina will result primarily from household formation. During the two-year forecast period, the total number of households is expected to decline by about 250. About 125 families will be relocated because of demolition, thus offsetting half of the decline in households. There is at present, however, an excess of about 2,200 standard vacant available units, 950 for sale and 1,250 for rent (excluding the 735 units on Schilling AFB). Construction, as indicated in an earlier section, has virtually ceased. Because of the decline in the number of households and the large supply of excess vacant units, there is no need for new housing, either for sale or for rent. Considerations respecting low-rent public housing or rent-supplement accommodations are excluded.

Qualitative Demand

Sales Housing. The availability of a substantial number of good quality vacant units will probably stimulate upgrading of housing by residents of the area and create turnover in the inventory. During the first eight and one-half months of 1965, there were 405 mortgage recordings in the HMA. Inasmuch as there were only eleven building permits issued in the first six months of the year, a considerable amount of turnover and upgrading already appears in evidence. According to local sources, the trend is to units in the higher sales price ranges, \$15,000 and up.

Although there is a substantial inventory of good quality vacant houses in all price ranges, there will undoubtedly be demand for new housing units. The FHA and local lending institutions limit this demand to individual instances and restrict further tract building as much as possible. In so limiting the construction of new units, the vacant units that are in good condition will probably be absorbed within several years, resulting from upgrading and added households brought to the area by new industries and institutions. The inferior vacant units will, in most instances, remain vacant indefinitely until removable from the market by demolition, abandonment, or conversion to other use.

The policy of property maintenance for vacant acquired units, being carried out by the Topeka Insuring Office, will aid substantially in marketing these units. The length of time required to market these units is subject, in large part, to the whims of homebuyer intentions to upgrade. A local dealer of real estate in Salina, however, reported that about ten FHA properties were sold during the month of August 1965,^{1/} most resulting from upgrading. Based on this experience and on the relatively high level of mortgage recordings, it is estimated that 150 FHA-acquired sales properties may be marketed during the first year of the two-year forecast period. During the second year, however, the number of sales may be

^{1/} A total of 15 houses were sold in August and September and another 42 houses in October and November 1965, a total of 57.

reduced as many of the better quality units will have been purchased and many of the families interested in upgrading will have already done so.

Rental Housing. The demand, excluding low-rent public housing or rent-supplement accommodations, for new or rehabilitated rental housing will be minimal during the forecast period. There probably will be very little turnover of rental units, unlike the prospects in the sales market, because the better units already were occupied by non-military connected renter-families and because many of the renter-families living in substandard units (about 500) probably do not have sufficient income or incentive to upgrade their housing standards.

It is expected that most, if not all, of the 745 units in the defense housing project will be vacant within a year. The roughly 500 renter-families that are living in substandard units may be a source of tenants for the project. In many instances, however, special arrangements would be required, i.e., lowering the rents below \$60 a month, pay moving expenses, etc. Another source of occupants may be the married students and staff members of the schools and other institutions that will locate at Schilling AFB.

Table I

Total Nonagricultural Employment, Employment of
Wage and Salary Workers by Industry
Salina, Kansas, HMA
June 1961 - June 1965

	<u>June</u> <u>1961</u>	<u>June</u> <u>1962</u>	<u>June</u> <u>1963</u>	<u>June</u> <u>1964</u>	<u>June</u> <u>1965</u>
Total nonagricultural employment	<u>18,175</u>	<u>18,725</u>	<u>17,300</u>	<u>17,100</u>	<u>15,775</u>
Wage and salary employment	<u>15,450</u>	<u>16,050</u>	<u>14,875</u>	<u>14,725</u>	<u>13,625</u>
Total manufacturing	<u>1,975</u>	<u>1,925</u>	<u>1,550</u>	<u>1,875</u>	<u>1,575</u>
Food and kindred products	925	875	900	925	900
Other manufacturing	1,050	1,050	650	950	675
Total nonmanufacturing	<u>13,475</u>	<u>14,125</u>	<u>13,325</u>	<u>12,850</u>	<u>12,050</u>
Mining	50	50	50	50	50
Contract construction	2,475	2,600	2,025	1,575	1,600
Transportation and public utilities	1,350	1,475	1,450	1,425	1,400
Wholesale and retail trade	4,275	4,325	4,200	4,225	3,825
Finance, insurance, and real estate	625	675	600	625	625
Services	2,675	2,925	2,850	2,825	2,850
Government	2,025	2,075	2,150	2,125	1,700
All other nonagricultural employment	2,750	2,750	2,425	2,375	2,150

Source: Employment Security Division
 Kansas Department of Labor

Table II

Estimated Income Distribution of Families^{a/}
Salina, Kansas, HMA
October 1965 and October 1967

<u>Annual income</u> <u>after tax</u>		<u>Percent distribution</u>			
		<u>All families</u>		<u>Renter families</u>	
		<u>1965</u>	<u>1967</u>	<u>1965</u>	<u>1967</u>
Under	\$3,000	10	8	14	13
\$3,000 -	3,999	9	9	14	12
4,000 -	4,999	13	11	16	15
5,000 -	5,999	12	13	13	12
6,000 -	6,999	12	10	12	12
7,000 -	7,999	11	11	9	11
8,000 -	8,999	8	8	6	6
9,000 -	9,999	6	8	4	5
10,000 -	12,499	8	10	5	6
12,500 -	14,999	4	4	3	3
15,000 -	19,999	4	4	2	3
20,000 -	and over	3	4	2	2
	Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	Median	\$6,500	\$6,875	\$5,525	\$5,850

a/ After deduction of Federal income tax.

Source: Estimated by Housing Market Analyst.

Table III

Changes in Population and Households
Salina, Kansas, HMA
1950-1965

<u>Population</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>October</u> <u>1965</u>	<u>Change, 1950-1960</u>		<u>Change, 1960-1965</u>	
				<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Saline County	<u>33,409</u>	<u>54,715</u>	<u>47,100</u>	<u>21,306</u>	<u>63.8</u>	- <u>7,625</u>	- <u>13.9</u>
Salina <u>a/</u>	26,176	43,202	38,650	17,026	65.0	- 4,550	- 10.5
Rest of county	7,233	11,513	8,450	4,280	59.2	- 3,075	- 26.7
<u>Households</u>							
Saline County	<u>10,522</u>	<u>16,201</u>	<u>14,750</u>	<u>5,679</u>	<u>54.0</u>	- <u>1,450</u>	- <u>9.0</u>
Salina	8,350	13,483	12,450	5,133	61.5	- 1,025	- 7.6
Rest of county	2,172	2,718	2,300	546	25.1	- 425	- 15.6
<u>Household size</u> <u>b/</u>							
Saline County	3.10	3.21	3.11				
Salina	3.05	3.14	3.04				
Rest of county	3.32	3.55	3.52				

a/ Slightly more than 12,575 of the population growth in Salina between 1950 and 1960 occurred as a result of annexation.

b/ Based on population in households, not total population.

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

Table IV

The Housing Inventory by Occupancy and Tenure
Salina, Kansas, HMA
April 1960 - October 1965

<u>Area</u>	April 1960	October 1965	<u>Change, 1960-1965</u> a/	
	<u>Census</u>	<u>Estimate</u>	<u>Number</u>	<u>Percent</u>
<u>County</u>				
Total housing inventory	<u>17,295</u>	<u>18,700</u>	<u>1,400</u>	<u>8.1</u>
Total occupied	<u>16,201</u>	<u>14,750</u>	- <u>1,450</u>	- <u>9.0</u>
Owner	<u>9,581</u>	<u>9,750</u>	<u>170</u>	<u>1.8</u>
Renter	<u>6,620</u>	<u>5,000</u>	- <u>1,625</u>	- <u>24.5</u>
Total vacant	<u>1,094</u>	<u>3,950</u>	<u>2,850</u>	<u>260.5</u>
Available	<u>652</u>	<u>3,000</u>	<u>2,350</u>	<u>360.4</u>
For sale	<u>177</u>	<u>1,150</u>	<u>975</u>	<u>550.8</u>
For rent	<u>475</u>	<u>1,850</u>	<u>1,375</u>	<u>289.5</u>
Other vacant	<u>442</u>	<u>950</u>	<u>510</u>	<u>115.4</u>
<u>Salina</u>				
Total housing inventory	<u>14,304</u>	<u>15,400</u>	<u>1,100</u>	<u>7.7</u>
Total occupied	<u>13,483</u>	<u>12,450</u>	- <u>1,025</u>	- <u>7.6</u>
Owner	<u>8,126</u>	<u>8,150</u>	<u>25</u>	<u>.3</u>
Renter	<u>5,357</u>	<u>4,300</u>	- <u>1,050</u>	- <u>19.6</u>
Total vacant	<u>821</u>	<u>2,950</u>	<u>2,125</u>	<u>258.8</u>
Available	<u>555</u>	<u>2,750</u>	<u>2,200</u>	<u>396.4</u>
For sale	<u>157</u>	<u>1,000</u>	<u>840</u>	<u>535.0</u>
For rent	<u>398</u>	<u>1,750</u>	<u>1,350</u>	<u>339.2</u>
Other vacant	<u>266</u>	<u>200</u>	- <u>65</u>	- <u>24.4</u>
<u>Rest of county</u>				
Total housing inventory	<u>2,991</u>	<u>3,300</u>	<u>310</u>	<u>10.4</u>
Total occupied	<u>2,718</u>	<u>2,300</u>	- <u>420</u>	- <u>15.5</u>
Owner	<u>1,455</u>	<u>1,600</u>	<u>150</u>	<u>10.3</u>
Renter	<u>1,263</u>	<u>700</u>	- <u>560</u>	- <u>44.3</u>
Total vacant	<u>273</u>	<u>1,000</u>	<u>730</u>	<u>267.4</u>
Available	<u>97</u>	<u>250</u>	<u>150</u>	<u>154.6</u>
For sale	<u>20</u>	<u>150</u>	<u>130</u>	<u>650.0</u>
For rent	<u>77</u>	<u>100</u>	<u>25</u>	<u>32.5</u>
Other vacant	<u>176</u>	<u>750</u>	<u>570</u>	<u>323.9</u>

a/ Data for 1960-1965 may not add, because of rounding.
Source: 1960 Census of Housing.
1965 estimated by Housing Market Analyst.

Table V

Units Authorized by Building Permit
Salina, Kansas, HMA
1950-1965

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>First 6 mos.</u>	
						<u>1964</u>	<u>1965</u>
Saline County	<u>570</u>	<u>430</u>	<u>498</u>	<u>181</u>	<u>130</u>	<u>77</u>	<u>11</u>
Salina	324	399	444	156	108	68	9
Rest of county	246 ^{a/}	31	54	25	22	9	2

Units Authorized in Structures Containing Two or More Units
1960-1965

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Saline County	22	55	78	14	16	-
Salina	22	55	76	14	16	-
Rest of county	-	-	2	-	-	-

Units Demolished

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>First</u>
						<u>8 mos.</u>
Salina	30	8	7	6	15	<u>1965</u> 8

^{a/} Includes 200 military housing units.

Source: United States Department of Commerce, Bureau of the Census.
 Salina Building Inspector.

Table VI

Salina, Kansas, Area Postal Vacancy Survey

September 16, 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.	%
Salina	15,588	3,321	21.3	3,302	19	18	13,036	2,578	19.8	2,563	15	18	2,552	743	29.1	739	4	-	271	37	13.7

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 VII

Completed Unsold Houses by Sales Price Class

Salina, Kansas, HMA

January 1, 1964 and January 1, 1965

<u>Sales price</u>		<u>January 1, 1964</u>			<u>January 1, 1965</u>		
		<u>House completed</u>		<u>Pre-sold</u>	<u>Speculative houses</u>		
		<u>Number</u>	<u>Percent</u>		<u>Total Spec.</u>	<u>Number Sold</u>	<u>Unsold</u> <u>Number Percent</u>
Under \$10,000		16	9	-	16	7	9 56
\$10,000 - 12,499		5	3	-	5	1	4 80
12,500 - 14,999		38	22	-	38	26	12 32
15,000 - 17,499		44	25	2	42	24	18 43
17,500 - 19,999		41	24	6	35	20	15 43
20,000 - 24,999		18	10	6	12	6	6 50
25,000 - 29,999		9	5	8	1	1	- -
30,000 - 34,999		4	2	4	-	-	- -
Total		175	100	26	149	85	64 43
\$12,500 - 14,999		5	7	-	5	5	- -
15,000 - 17,499		16	22	-	16	6	10 63
17,500 - 19,999		18	25	-	18	14	4 22
20,000 - 24,999		14	19	-	14	11	3 21
25,000 - 29,999		10	14	-	10	9	1 10
30,000 - 34,999		4	5	-	4	4	- -
35,000 and over		6	8	-	6	5	1 17
Total		73	100	-	73	54	19 26

Source: Annual survey of unsold inventory of new houses, conducted by the Topeka Insuring Office.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

NEWS

Washington, D. C. 20411

FHA INFORMATION 382-4693

FOR RELEASE TUESDAY
APRIL 12, 1966

HUD-FHA-MA-66-31
Poston

The Federal Housing Administration today released its analysis of the Salina, Kansas, housing market as of October 1, 1965, covering all of Saline County.

Because of the closing of Schilling Air Force Base, the report saw no demand for new housing in the area in the next two years. Most of the 4,725 military personnel, with 8,500 dependents and 410 civilian employees, had been transferred to other stations.

The closing of the base has meant the loss of millions of dollars to the local economy. A further decline in the economy is expected in the two years October 1, 1965 to October 1, 1967.

Nonagricultural employment in the area totaled 15,775 in June 1965 - about 1,325 below the June 1964 total and about 2,075 below the June average for the preceding four years. Continued decrease in employment is expected over the next two years - down to 15,500 by October 1967, 225 below the current level.

"The number of unemployed persons totaled 475 in June 1965, a decline of 100 from the June 1964 level, and equal to the low of the past five years."

Family incomes are expected to rise by nearly 6 percent during the forecast period. "The current median after-tax income of all families and all renter

- more -

families is \$6,500 and \$5,525, respectively."

No net change from the October 1965 population total of 47,100 is expected by October 1967. There has been a population decrease of about 7,625, or 14 percent, since 1960. In October 1965, there were about 14,750 households; a decline of 1,450, or 9 percent, since April 1960. A drop of "about 250 below the current level" is expected by October 1967.

Building volume has trended downward since 1960. Building permits dropped from 570 units in 1960 to 130 in 1964. About 90 percent of all units built since 1960 have been in single-family structures.

"The number of vacant housing units has increased sharply," the report finds. In October 1965, there were about 3,000 vacant available units in the housing market area - a net vacancy ratio of 17 percent: 11 percent for sales units and 27 percent for rental units. About 92 percent of the vacant units were in the city of Salina.

Vacant sales units fell into three classes: units under 15 years old and in good condition; old but well-maintained units; and old and substandard units. The first two types "may meet with market acceptance from upgrading and turnover." The third group "will undoubtedly remain vacant." Little prospect was seen "for reducing the high level of vacant rental units under current market conditions."

Copies of the complete analysis can be obtained from Mr. Maurice T. Martin, Director, Federal Housing Administration, 700 Kansas Avenue, Topeka, Kansas 66603.

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