Analysis of the
SAN ANTONIO, TEXAS HOUSING MARKET

as of September 1, 1965

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

April 1966

ANALYSIS OF THE

SAN ANTONIO, TEXAS, HOUSING MARKET

AS OF SEPTEMBER 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.

Table of Contents

ANALYSIS OF THE SAN ANTONIO, TEXAS, HOUSING MARKET AS OF SEPTEMBER 1, 1965

Summary and Conclusions

1. Nonagricultural employment in the San Antonio, Texas, Housing Market Area (HMA) averaged 218,900 during 1964, an increase of 22,700 (11.6 percent) or an average gain of 3,800 new jobs annually since 1958. However, year-to-year gains ranged from a low of 2,200 additional jobs in 1963 to 6,600 in 1964. Trade, service, and government activities accounted for 15,900 (70 percent) of the total nonagricultural employment gain between 1958 and 1964. In addition to the nonagricultural employment reported by the Texas Employment Commission, there were about 43,200 uniformed military personnel in the HMA in March 1965. During the next three years, employment gains are expected to total 11,400, or 3,800 a year. The San Antonio economy is expected to maintain its stability and to continue to expand at about the same rate as in the recent past.

   Unemployment in the San Antonio HMA averaged 10,400 during 1964, equal to 4.5 percent of the work force. This is the lowest level of unemployment recorded since 1960 when the unemployment ratio was also 4.5 percent and 1959 when it was 3.5 percent. The highest unemployment ratio was 5.4 percent in 1961.

2. Current median annual income,after deducting Federal income tax, is $5,700 for all families and $4,150 for all renter families. Median 1968 annual after-tax income is expected to approximate $6,150 for all families and $4,450 for all renter families.

3. The current population of the San Antonio HMA is 776,000, a gain of 16,400 (2.4 percent) annually since April 1, 1960. Between April 1, 1950 and April 1, 1960, the average annual increment was 18,650 (3.7 percent). By September 1, 1968, the population is expected to total 823,700, an anticipated annual gain of 15,900 (2.0 percent).

4. At present, there are 207,200 households in the San Antonio HMA, an increment of 4,650 (2.6 percent) annually since April 1, 1960. This compares with the addition of 5,100 households (3.9 percent) a year during the 1950-1960 decade. Households are expected to total 221,200 by September 1, 1968, an anticipated average gain of 4,650 (2.2 percent) a year.

5. As of September 1, 1965, there are 223,700 housing units in the San Antonio HMA, a net addition of about 26,800 units (4,950 a year) since April 1960. The increase resulted from construction of an estimated 28,800 new housing units and the net loss of about 2,000 units by demolition, conversion, and other inventory changes. The addition of new single-family units since 1960 has averaged about 3,900 a year, of which about 1,000 annually have been built outside building permit-issuing places. Except for an upsurge in 1962, construction of single-family houses has proceeded at a fairly even pace. The number of multifamily units authorized during the 1960-1965 period, however, has shown wide variation. Multifamily unit authorizations numbered about 625 and 675 for 1960 and 1961, respectively. In 1962, the volume jumped to about 2,100 followed by 2,150 in 1963 and 2,100 in 1964. For the first ten months of 1965, about 840 multifamily housing units have been authorized, suggesting that between 900 and 1,000 multifamily units will be added during the year; considerably below the average of about 2,100 multifamily units a year authorized during the preceding three years.

6. The estimated current net available homeowner vacancy ratio is 2.0 percent, and the net rental vacancy ratio is 9.6 percent. The present homeowner vacancy ratio represents a slight decline from the 2.3 percent ratio in April 1960 and the current rental vacancy ratio represents an increase from the 8.8 percent ratio in April 1960. Present vacancy levels suggest a moderate excess supply of sales vacancies and a substantial over-supply of rental vacancies.

7. The volume of privately-owned net additions to the housing supply that will meet the requirements of anticipated household growth during the next three years and result in a more acceptable demand-supply balance in the housing market is approximately 4,300 housing units annually. Of this annual total, 3,500 units represent demand for sales housing and 800 units represent demand for rental units. (See pages 28 and 29 for discussion of factors indicating the need for a substantial reduction in the volume of rental housing construction). About 300 units of the annual demand for rental units are at the lower rents which probably will require use of public benefits or assistance in financing or land purchase. These estimates are exclusive of public low-rent housing and rent-supplement accommodations.

   Annual demand for new sales housing, by price range, is expected to approximate the pattern indicated on page 30. Annual demand for rental units by gross monthly rent and by unit size is expected to approximate the pattern shown on page 31.

ANALYSIS OF THE SAN ANTONIO, TEXAS, HOUSING MARKET AS OF SEPTEMBER 1, 1965

Housing Market Area

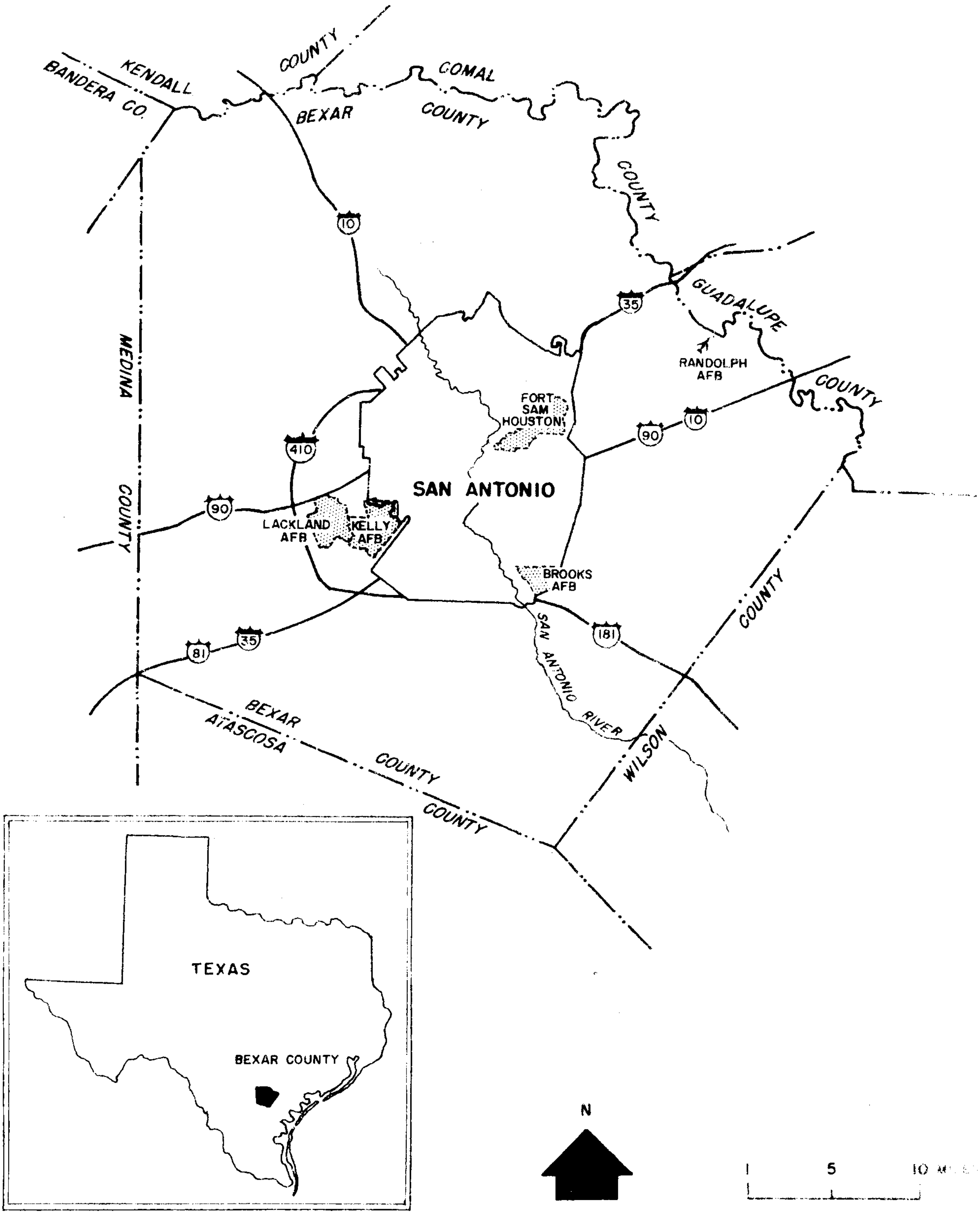
The San Antonio, Texas, Housing Market Area (HMA) is defined as Bexar County, an area coterminous with the 1960 definition of the San Antonio Standard Metropolitan Statistical Area (SMSA). In 1963 the Bureau of the Budget re-defined the SMSA to include Guadalupe County, which is contiguous to Bexar County on the northeast. This county, however, is rural in character and its inclusion in the San Antonio HMA would not be pertinent for purposes of housing market analysis. San Antonio is the only major city in Bexar County and in April 1960 it accounted for 86 percent of the total population in the HMA. There are five incorporated communities within the HMA that are completely surrounded by San Antonio City, namely, Alamo Heights, Balcones Heights, Castle Hills, Olmos Park, and Terrell Hills with a total population of 22,354 in April 1960. In addition, there are five other incorporated places within Bexar County, all of which are located within a few miles of the present San Antonio city limits and none of which had a population exceeding 1,000 persons in April 1960.

San Antonio is located in south-central Texas about 200 miles west of Houston, 80 miles south of Austin, 275 miles south of Dallas, 575 miles southeast of El Paso, and 150 miles northeast of the Mexican border. San Antonio is the third largest city in Texas and, because of its location, serves as the trade, service, financial, cultural, educational, and medical center for a wide region in south and southwestern Texas.

San Antonio is served by a network of Federal and state highways including Interstate Routes 10, 35, and 410, as well as U.S. Routes 81, 281, 87, and 90. Airline service is very good with San Antonio International Airport handling flights by American, Braniff, Continental, Eastern, Mexicana, and Trans-Texas Airlines. Passenger bus and motor freight service is ample and three major railroads provide freight and passenger service.

The most significant topographical feature in the HMA is the San Antonio River, flowing from north to south, which bisects the city. Development of San Antonio has been virtually unaffected by the presence of the river and the city has expanded in nearly a uniform pattern away from the central business district. However, as a result of Air Force flying operations and the location of considerable commercial and light industrial activity in the southern portion of the city, the northern half of San Antonio has developed as the preferred residential area.

SAN ANTONIO, TEXAS, HOUSING MARKET AREA



Economy of the Area

Character and History

San Antonio was founded in 1718 when the Spanish established a fort called San Antonio de Bejar and a mission known as San Antonio de Valero to strengthen their claims for the territory and as a halfway post between Spanish missions in east Texas and garrisons in northern Texas. The Spanish held the city until Mexican independence in 1821; in 1836 Texas won its independence from Mexico.

From its inception as a Spanish settlement to the present, agriculture and the military have been dominant forces guiding the growth of San Antonio. Significant growth of San Antonio did not occur until the late 1870's with the completion of the railroads and later when two World Wars caused military establishments in the area to expand. Today, as in the past, San Antonio is a service center for a vast agricultural region and a huge military complex.

The failure of San Antonio to have developed a manufacturing oriented economy arises principally from its location. San Antonio is situated at considerable distance from the markets offered by major population concentrations. Also, raw materials are generally not available with the economies necessary to stimulate manufacturing development. The continued support of trade, services, and government activities enables the San Antonio economy to prosper, without the development of manufacturing.

Employment

Current Estimate. The civilian work force in the San Antonio HMA, as reported by the Texas Employment Commission, averaged 233,100 in 1964, a gain of 2.3 percent above the 227,800 average in 1963 (see table I). Components of the 1964 civilian work force included 10,400 unemployed persons, 3,800 agricultural workers, and 218,900 nonagricultural workers. The nonagricultural total included 191,200 nonagricultural wage and salary workers. Nonagricultural wage and salary employment has constituted about 87 percent of total nonagricultural employment for a number of years.

Past Trend. The increase in nonagricultural employment from 1958 to 1964 totaled 22,700 (11.6 percent), indicating an average annual increment of about 3,800 new jobs (see table I). However, the actual year-to-year gains which occurred fluctuated from the low of 2,200 new jobs in 1963 to the high of 6,600 in 1964. On an average annual basis, nonagricultural employment gains during the first three years of the 1958-1964 period were about 3,650, somewhat below the 3,900 average during the last three years. A comparison of total nonagricultural employment for the first seven months of 1965 with the same period in 1964 shows a gain of 3,300 jobs from 218,200 to 221,500. The table below shows the irregular pattern of gains in total nonagricultural employment.

Trend of Civilian Work Force, Total Nonagricultural Employment, and Nonagricultural Wage and Salary Employment
San Antonio, Texas, Housing Market Area
1958-1965 (in thousands)

Year	Civilian work force		Total nonag. employment		Nonag. wage and salary employment	
	Number	Change	Number	Change	Number	Change
1958	209.4	-	196.2	-	169.9	-
1959	213.9	4.5	200.6	4.4	174.1	4.2
1960	217.9	4.0	204.0	3.4	177.4	3.3
1961	223.2	5.3	207.2	3.2	180.4	3.0
1962	225.0	1.8	210.1	2.9	183.0	2.6
1963	227.8	2.8	212.3	2.2	184.8	1.8
1964	233.1	5.3	218.9	6.6	191.2	6.4
Jan.-July						
1964	232.8	-	218.2	-	190.5	-
1965	235.5	2.7	221.5	3.3	193.4	2.9

Source: Texas Employment Commission.

The subsequent discussion of the trend of employment in manufacturing, nonmanufacturing, and major industry groups utilizes nonagricultural wage and salary employment data, since the self-employed, domestics, and unpaid family workers are not distributed among the several industry groups for total nonagricultural employment.

Manufacturing employment accounted for about 13 percent of nonagricultural wage and salary employment in 1964, a ratio virtually unchanged during the 1958-1965 period for which data are available. From 1958 to 1959, manufacturing employment increased by 1,300 jobs. During the interval since 1959, however, changes in manufacturing employment have fluctuated between a gain of 700 in 1964 and a loss of 200 occurring in both 1960 and 1962. Between 1958 and 1964, overall manufacturing employment grew by only 2,400 (11 percent). An average of manufacturing employment for the first seven months of 1965 shows no change from the 24,400 manufacturing workers employed for the same period in 1964.

Employment in nonmanufacturing industries in the San Antonio HMA totaled 166,700 in 1964, an increase of 18,900 (13 percent) since 1958. As an indication of the importance of San Antonio as a trade, service, and government center, these categories accounted for 15,900, or 84 percent of the total nonmanufacturing employment gains between 1958 and 1964. Increments to nonmanufacturing employment have followed the same pattern as additions to total nonagricultural employment. Nonmanufacturing employment gains fluctuated from a low of 1,500 between 1962 and 1963 to the high of 5,700 between 1963 and 1964. Annual gains during the 1958-1962 period ranged from 2,500 to 3,500. Between the first seven months of 1964 and the comparable 1965 period, nonmanufacturing employment increased by 2,900.

Trend of Nonagricultural Wage and Salary Employment
San Antonio, Texas, Housing Market Area
1958-1965 (in thousands)

Year	Manufacturing		Nonmanufacturing		Total nonagricultural wage and salary	
	Number	Change	Number	Change	Number	Change
1958	22.1	-	147.8	-	169.9	-
1959	23.4	1.3	150.7	2.9	174.1	4.2
1960	23.2	- .2	154.2	3.5	177.4	3.3
1961	23.7	.5	156.7	2.5	180.4	3.0
1962	23.5	- .2	159.5	2.8	183.0	2.6
1963	23.8	.3	161.0	1.5	184.8	1.8
1964	24.5	.7	166.7	5.7	191.2	6.4
Jan.-July						
1964	24.4	-	166.1	-	190.5	-
1965	24.4	-	169.0	2.9	193.4	2.9

Source: Texas Employment Commission.

Major Industry Groups. Manufacturing employment, as stated earlier, accounted for 24,500, or 13 percent of total nonagricultural wage and salary employment in 1964. Of the manufacturing total, 9,100 (37 percent) were employed in durable goods industries and 15,400 (63 percent) were employed in nondurable goods industries. Only one manufacturing firm in the San Antonio area currently employs in excess of 900 persons and only six manufacturing firms employ over 500 persons. In 1964 the stone, clay, and glass products industry employed 1,900 and the fabricated metals industry and the machinery industry each employed 1,600. Each of the other major industry groups in the durable goods segment employed 700 or fewer persons.

About 55 percent (8,400 persons) of all employment in nondurable goods manufacturing was in the food and kindred products classification. The apparel and printing and publishing categories employed 2,900 and 2,300 persons, respectively, in 1964. All of the other industry groups in nondurable goods manufacturing employed 500 or fewer persons.

Employment in nonmanufacturing industries was led by government, with 55,700 employed in 1964, including 34,300 Federal and 21,400 State and local government employees. Wholesale and retail trade ranked second with 48,100 in 1964, while employment in the services industry followed with 27,400 employees. Next in order of importance were finance, insurance, and real estate (12,800), construction (11,400), transportation, communications, and utilities (9,400), mining (1,700), and agricultural services (200). Between 1958 and 1964, nonagricultural wage and salary employment gains were concentrated in government (6,500), trade (5,000), and services (4,400). The increase in these three groups accounted for 15,900 new jobs, or 75 percent of the 21,300 increment to total nonagricultural wage and salary employment between 1958 and 1964.

Military Installations

Military activities are the greatest single force in the economy of the San Antonio HMA. In March 1965, the five major military installations in the area had a combined military and civilian strength of about 70,900 persons. Of this number, 43,200 were military and 27,700 were civilians. The installations are Fort Sam Houston, (which is also the home of the Brooke Army Medical Center), Randolph AFB, Lackland AFB, Kelly AFB, and Brooks AFB. From 1958 to the present, the combined military and civilian strength of all five installations has fluctuated from a low of 70,400 in 1959 to a high of 78,850 recorded in 1961. The combined civilian and military strength at the installations, as indicated in the following table, has followed a downward trend since 1961, falling to 73,600 in 1962, but increasing to 74,800 in 1963. In 1964, strength totaled 72,500, subsequently falling to 70,900 in March 1965. The trend of military and civilian strength at each of the major installations in the HMA is shown in table III.

Military and Civilian Strength at Military Installations in the San Antonio, Texas, Housing Market Area 1958-1965[a/]

Year	Military	Civilian	Total
1958	44,177	29,165	73,342
1959	41,016	29,388	70,404
1960	44,488	28,188	72,676
1961	50,243	28,608	78,851
1962	44,812	28,777	73,589
1963	46,668	28,104	74,772
1964	44,147	28,399	72,546
1965 (March)	43,181	27,713	70,894

a/ Strength figures for Ft. Sam Houston and Brooks AFB are as of December 31; Randolph AFB, Lackland AFB, and Kelly AFB are as of June 30. All 1965 data are as of March 31.

Source: Department of the Army and Department of the Air Force.

Lackland AFB. Lackland AFB is the largest Air Training Command installation operated by the U.S. Air Force and is located southwest of San Antonio, just beyond the city limits. In 1942, Lackland AFB was established on land formerly a part of Kelly AFB. Since that time, Lackland has served as a training center, with all newly enlisted men who enter the Air Force receiving their basic training at this base. Other specialized training schools are located at Lackland, but basic training is the most important function. In March 1965 the Department of the Air Force reported 21,200 military personnel and 2,250 civilian employees at Lackland.

Kelly Air Force Base. Kelly AFB, Headquarters San Antonio Air Materiel Area (AMA), lies to the southwest of San Antonio partially within the city limits. As the first military air base in Texas, established in 1917, Kelly AFB has performed many functions. However, during World War II Kelly became a logistics center for aircraft and aircraft engines, currently the major mission of the installation. In March 1965 the Department of the Air Force reported 5,550 military personnel and 18,500 civilian employees at Kelly AFB.

Brooks Air Force Base. Brooks AFB is situated in the southeastern corner of the city of San Antonio. The base was founded in 1917 and is the second oldest continually active air base in the nation. In 1960 all flying operations were transferred away from the base and Brooks AFB became the Air Force Headquarters for Aerospace Medicine. In March 1965, the Department of the Air Force reported 1,325 military and 925 civilian personnel at Brooks AFB.

Fort Sam Houston. Established in 1879, Fort San Houston is the oldest operating base in San Antonio. At present, the major missions of Fort Sam Houston are Headquarters Fort Sam Houston, Headquarters Fourth Army, and Brooke Army Medical Center. The Department of the Army reported 10,400 military personnel and 3,700 civilian workers at Fort Sam Houston in March 1965. During the September 1, 1965 to September 1, 1968 forecast period, the number of civilian employees at Fort Sam Houston is expected to decline somewhat, while the number of military personnel is expected to increase slightly.

Randolph Air Force Base. Randolph AFB is located about 15 miles northeast of San Antonio in Bexar County. The principal missions of the installation are pilot instructor training, pilot instrument instruction, jet qualification training, and support for Headquarters, Air Training Command. About 2,350 civilian employees and 4,650 military personnel were assigned to Randolph AFB in March 1965.

In addition to the five principal military establishments discussed above, an installation formerly known as Medina AFB, located a few miles southwest of San Antonio has been transferred to the Army and the previous Air Force activities phased-out. Data regarding past and present strength at the base are not available.

Unemployment

Unemployment in the San Antonio HMA averaged 10,400 during 1964, equal to 4.5 percent of the work force (see table I). This is the lowest annual average unemployment recorded since 1960 when the unemployment rate was also 4.5 percent and 1959 when it was 3.5 percent. For the first seven months of 1965, unemployment equaled 4.2 percent of the work force, a decline from the 4.6 percent unemployment ratio during the first seven months of 1964. Unemployment has been greatest, relatively, in 1961, 1962, and 1963, the three years during which nonagricultural employment gains have been lowest.

Future Employment

Total nonagricultural employment is expected to increase by about 3,800 jobs annually, or 11,400, during the September 1, 1965 to September 1, 1968 forecast period. This rate of increase is about the same as the average annual gain during the 1958-1964 period. As indicated by the employment forecast, the San Antonio economy is expected to maintain its stability and to continue to expand at about the same rate as in the recent past.

In the manufacturing segment, there are no known plans for establishing new manufacturing plants or significantly expanding those now in the area. As a result, the relatively small yearly increments which have developed in this segment in the past are expected to continue.

Gains in the nonmanufacturing sector are expected to be maintained, led by additions in the trade, service, and local government categories. The function of San Antonio as a commercial center for south and southwestern Texas creates a demand for substantial activity in the trade and service industries. Specific cause and effect relationships are difficult to pin-point when discussing growth in the trade, service, and local government industries, but it is not unreasonable to expect that past patterns of growth in these activities will continue.

The construction industry, which has grown very slightly during the 1958-1964 period, will likely receive some stimulus from the Hemisfair project which is planned for 1968. The Hemisfair project is an exposition planned for nations of the western hemisphere and the project reportedly will result in sizable increases in non-residential construction. Locally, the growth from Hemisfair 1968 is expected to provide a substantial boost for the over-all San Antonio economy. However, there appears to be very little of a self-sustaining nature involved in the project and benefits to the local economy are not expected to be more than temporary in nature and to develop mainly in the area of temporarily increasing construction employment and, to some degree, temporary gains in the tourist services industries.

Based on information from the various bases in San Antonio, aggregate employment provided by the military installations is expected to stabilize at the current level or perhaps to edge upward slightly. If, during the forecast period covered by this analysis, substantial changes were to be made in the number of military or civilian employees at these bases, the subsequent findings in this analysis would require modification.

In summary, there are three major premises on which the 3,800 new jobs a year forecast is based. That the trade, service, and local government industries will maintain the steady yearly gains exhibited in the past, that combined employment at military bases, both uniformed military and civilian, will in all probability stabilize during the forecast period, and that Hemisfair 1968, although involving considerable activity, will not provide self-sustaining economic gains that will permanently bolster the economy of the area.

Income

The estimated current median income of all families in the San Antonio HMA after deduction of Federal income tax, is $5,700 and the current median after-tax income for all renter families is $4,150. Estimated distributions of all families and of renter families by annual after-tax income for 1965 and 1968 is presented in table IV. About 32 percent of all families and 48 percent of all renter families currently have after-tax incomes below $4,000 annually. At the upper end of the income distribution, 16 percent of all families and seven percent of all renter families have after-tax incomes of $10,000 or more annually. Since 1959, the level of income in the San Antonio HMA has risen by about 22 percent.

Hours and earnings data for manufacturing production workers in San Antonio, the State of Texas, and the United States show that earnings in the San Antonio HMA are considerably less than for either the State of Texas or the United States. Although manufacturing in the San Antonio HMA is not as important to the area economy as is manufacturing in the State of Texas or the United States, the earnings data are believed to represent a valid comparison of the general level of earnings in the three areas. In 1964, the average weekly earnings of manufacturing production workers in the San Antonio HMA were $76 compared with $101 for Texas and $103 for the United States. During the 1958-1964 interval, the average weekly earnings of manufacturing production workers in San Antonio and in the State of Texas increased by about 19 percent, while the gain for the United States was about 24 percent.

Average Gross Weekly Hours and Earnings
of Manufacturing Production Workers
1958-1964

	San Antonio		Texas		United States	
Year	Earnings	Hours	Earnings	Hours	Earnings	Hours
1958	$64	39.8	$85	40.7	$83	39.2
1959	67	41.0	89	41.6	88	40.3
1960	69	40.4	89	41.1	90	39.7
1961	68	39.7	92	41.1	92	39.8
1962	72	40.6	96	41.4	97	40.4
1963	72	40.8	97	41.4	100	40.5
1964	76	41.4	101	41.7	103	40.7

Source: U.S. Bureau of Labor Statistics.

Demographic Factors

Population

Current Estimate. As of September 1, 1965, the estimated population of the San Antonio HMA is 776,000, a gain of 16,400 (2.4 percent) annually since April 1, 1960. According to the San Antonio City Planning Department about 680,000 persons currently reside in the city of San Antonio, or 88 percent of all persons in the HMA. The present population of San Antonio City indicates an increase of about 92,300 over the April 1960 city population, largely because of the annexation of 15.5 square miles in the last five years.

Population Changes
San Antonio, Texas, Housing Market Area
April 1, 1950 to September 1, 1968

Date	Total population	Average annual change from preceding date: Number	Percent
April 1, 1950	500,460	-	-
April 1, 1960	687,151	18,669	3.7
Sept. 1, 1965	776,000	16,400	2.4
Sept. 1, 1968	823,700	15,900	2.0

Source: 1950 and 1960 Censuses of Population.
1965 and 1968 estimated by Housing Market Analyst.

Past Trend. Between April 1, 1950 and April 1, 1960, the total population of the San Antonio HMA grew from about 500,500 to 687,200; an average annual increment of 18,650 (3.7 percent). The annual rate of addition to the total population during the 1960-1965 period was about 2,250 less than during the 1950-1960 decade. During the 1950's, the city of San Antonio grew by about 179,300 from 408,400 to 587,700, of which 139,500 (78 percent) was the result of annexation.

Estimated Future Population. By September 1, 1968, population in the San Antonio HMA is expected to total 823,700. This represents an anticipated annual increment of 15,900 (2.0 percent) during the September 1, 1965 to September 1, 1968 forecast period. The future rate of population growth is based upon anticipated employment gains approximating 3,800 during each of the next three years, and on the expectation that the military and civilian complement at military installations will not change significantly. Virtually all of the growth is expected to occur in the city of San Antonio and the nearby suburban areas.

Net Natural Increase and Migration

Between April 1950 and April 1960 net natural increase (excess of live births over deaths) in the San Antonio HMA numbered about 144,400. When compared with the total population increase of 186,700 during this period, a net in-migration of about 42,300 is indicated. During the April 1, 1960 to September 1, 1965 period, the population gain of 88,850 resulted from a net natural increase of 77,500 and in-migration of 11,350. In-migration during this period accounted for about 13 percent of the population increment, as compared with 23 percent during the previous decade.

Components of Population Change
San Antonio, Texas, Housing Market Area
April 1, 1950 to September 1, 1965

Source of change	April 1, 1950 to April 1, 1960	April 1, 1960 to Sept. 1, 1965
Total population change	186,691	88,850
Net natural increase	144,383	77,500
Migration	42,308	11,350

Source: U. S. Census Population Report, Series P-23, No. 7.
San Antonio Public Health Department.
Estimates by Housing Market Analyst.

Age Distribution. Distributions of the 1950 and 1960 population by age groups are shown in table V. These distributions indicate that the most rapidly growing segment of the population is the one that includes persons under 20 years of age. The sizable increase in the under 20 year age group is the result of the higher birth rates and the prosperity of the economy following World War II and the Korean Conflict. Both this group and the group including persons age 60 years and over increased more rapidly than the total population between 1950 and 1960; all other age groups declined as a proportion of the total population. The lowest gain experienced by any age group during the decade was the 20-29 year age group, which increased by only 5.4 percent, primarily because of the lower birth rates during the 1930-1940 period of depression.

Households

Current Estimate. Since April 1, 1960, the number of households (occupied housing units) in the San Antonio, Texas, HMA has increased by about 25,250 (14 percent) to a September 1, 1965, total of 207,200. The current total represents an average annual gain of 4,650 (2.6 percent) since April 1, 1960. At present, nearly 90 percent of the total households in the HMA reside in San Antonio City.

Household Changes
San Antonio, Texas, Housing Market Area
April 1, 1950 to September 1, 1968

Date	Total households	Average annual change from preceding date	
		Number	Percent
April 1, 1950	130,959	-	-
April 1, 1960	181,952	5,099	3.9
Sept. 1, 1965	207,200	4,650	2.6
Sept. 1, 1968	221,200	4,650	2.2

Source: 1950 and 1960 Censuses of Housing.
1965 and 1968 estimated by Housing Market Analyst.

Past Trend. Between 1950 and 1960, the number of households in the HMA grew by about 51,000,[1/] an average annual gain of about 5,100 (3.9 percent). In 1950, 85 percent of all households in the HMA were in San Antonio, a proportion which had risen to 88 percent by 1960 as a result of annexations to the city.

Household Size Trends. The present average size of all households in the San Antonio HMA is 3.56 persons, representing a reversal of the 1950 and 1960 trend when the average size of all households increased from 3.55 to 3.58. The decline in average household size since 1960 reflects a general trend toward smaller households, and the fact that a considerable number of new multifamily housing units have been built and occupied since 1960; these typically are occupied by smaller households.

1/ A part of the increase reflects a conceptual change from "dwelling unit" in the 1950 census to "housing unit" in the 1960 census.

Estimated Future Households. Based on the anticipated annual increment in the population during the next three years, and on the assumption that the average household size will exhibit a slight decline during the forecast period, there will be about 221,200 households in the San Antonio HMA by September 1, 1968. This represents an expected addition of 4,650 new households (2.2 percent) each year during the September 1, 1965 to September 1, 1968 forecast period. A majority of the additional households are expected to reside in San Antonio City and in the adjacent suburban area which is highly susceptible to annexation.

Military Households. The March 1965 housing survey conducted by the five principal military installations in the San Antonio HMA indicated that about 16,800 military households were residing in the HMA. Of this number, 3,700 households occupied military controlled housing, while the remaining 13,100 households were housed in the private housing market. During the September 1, 1965 to September 1, 1968 forecast period, the number of military households in the HMA is not expected to change significantly.

Housing Market Factors

Housing Supply

Current Estimate. As of September 1, 1965, there are 223,700 housing units in the San Antonio HMA, indicating a net gain of about 26,800 housing units (14 percent) since April 1, 1960, or 4,950 (2.5 percent) annually. The net increase resulted from construction of an estimated 28,800 new units and 2,000 units lost through demolition, conversion, and catastrophe. Building permits are not required in Bexar County outside incorporated places, but estimates based on information supplied by the San Antonio Public Service Company, indicate that about 5,750 units (about 21 percent) of the 26,800 housing units added between April 1, 1960 and September 1, 1965 were built in the unincorporated portion of Bexar County. Virtually all of the units added in the unincorporated area were single-family houses.

Past Trend. During the 1950-1960 decade, the number of housing units in the San Antonio HMA increased by about 59,050, from 137,850 in 1950 to 196,900 in 1960, an average annual addition of 5,900 (4.3 percent). A small portion of the decennial gain is likely the result of a conceptual change from "dwelling unit" in 1950 to "housing unit" in 1960. As indicated by the substantial amount of land area and population annexed during the decade, much of the growth was in peripheral areas around San Antonio City, which subsequently were annexed after development. This pattern of development of land areas contiguous to San Antonio City, followed by annexation to the city still is occurring.

Type of Structure. At present, 83.0 percent of the housing units in the San Antonio HMA are in single-family structures. This is a reduction in the proportion of single-family structures in the housing inventory since 1960 when the Census of Housing reported in excess of 84 percent of the housing inventory to be in single-family structures. The substantial additions of units in three- or more-unit structures have caused this reduction in the proportion of single-family structures, while raising the percentage of multifamily units in the inventory from 10 percent in April 1960 to 12 percent in September 1965. The proportion of units in two-family structures declined slightly, to just below five percent.

Housing Inventory by Units in Structure
San Antonio, Texas, Housing Market Area
April 1, 1960 and September 1, 1965

Type of structure	April 1, 1960 Number	April 1, 1960 Percent	September 1, 1965 Number	September 1, 1965 Percent
1-family[a]	165,907	84.3	185,600	83.0
2-family	10,456	5.3	10,850	4.8
3-or-more family	20,422	10.4	27,250	12.2
Total	196,785[b]	100.0	223,700	100.0

a/ Includes trailers.
b/ Differs slightly from count of all housing units (196,881) because units by type of structure were enumerated on a sample basis.

Source: 1960 Census of Housing and estimates by Housing Market Analyst.

Year Built. About 141,950 housing units, or nearly 63 percent of the current housing inventory, have been constructed since 1940. This concentration of new housing units is a result of the rapid war and postwar development in the San Antonio area. Housing units constructed prior to 1930 account for about 24 percent of the current inventory and the remaining 13 percent were built between 1930 and 1939.

Distribution of the Housing Inventory by Year Built[a]
San Antonio, Texas, Housing Market Area
September 1, 1965

Year built	Number of units	Percentage distribution
April 1, 1960 to September 1, 1965	28,800	12.9
1955 - March 31, 1960	31,650	14.2
1950 - 1954	38,300	17.1
1940 - 1949	43,150	19.3
1930 - 1939	28,400	12.7
1929 or earlier	53,400	23.8
Total	223,700	100.0

a/ The basic data reflects an unknown degree of error in "year built" occasioned by the accuracy of response to enumerator's questions, as well as errors caused by sampling.

Source: 1960 Census of Housing.
Bureau of the Census, Construction Reports, C-40.
Estimates by Housing Market Analyst.

Condition. Of the 223,700 housing units currently in the San Antonio HMA, about 33,500 (15 percent) are dilapidated or are lacking one or more plumbing facilities. This indicates a definite improvement in the quality of housing since April 1960 when 37,600 housing units, or about 19 percent of the inventory, were dilapidated or lacked some plumbing facility, and significant improvement since April 1950 when 34 percent of the housing inventory was so classified.[1/] Demolitions, coupled with new construction and a general upgrading of the housing stock through modernization and repair are responsible for much of the improvement.

Value and Rent. The estimated current median value of owner-occupied houses in the San Antonio HMA is about $10,900. In San Antonio City it is only slightly lower at $10,500.

The estimated median gross monthly rent for renter-occupied units is about $65 for the HMA, and for San Antonio City about $62.

Estimated Median Value and Gross Rent of Occupied Units
San Antonio, Texas, Housing Market Area
September 1, 1965

Area	Median value of Owner-occupied units	Median gross rent of Renter-occupied units
San Antonio HMA	$10,900	$65
San Antonio City	10,500	62

Source: Estimated by Housing Market Analyst.

Residential Building Activity

Past Trend. The number of new housing units authorized annually by building permits in the San Antonio HMA has fluctuated considerably since 1950. Building permit data provide a good indication of the trend of building activity, but because the unincorporated portions of Bexar County do not require building permits, the total volume of new construction in the HMA is not available. A general indication of the degree to which total construction volume is under-represented by building permit authorizations is the fact that during the 1950-1960 decade there were about 50,850 new housing units authorized by building permits, but the 1950 and 1960 Censuses of Housing indicate

1/ However, the 1950 census did not classify "deteriorating" dwelling units, as did the 1960 census. Some of those so classified in 1960 may have been classified as "dilapidated" in 1950.

an increase of about 59,050 in the total number of housing units in the HMA. If allowance could be made for net losses to the inventory resulting from demolitions, conversions, fire, and other changes, the difference between units authorized and net additions would be somewhat larger. Since 1960 an estimated 5,750 housing units have been added in areas for which permits are not issued as compared with about 24,450 units authorized in permit-issuing places.

As indicated by building permits, the annual volume of new construction in the San Antonio area was at its peak during 1950 and 1951 when about 6,400 new housing units were authorized each year. During the four years from 1952 to 1955, annual authorizations were between about 5,100 and 5,800 new housing units. In 1956, nearly 3,700 new units were authorized and the 3,300 new units authorized in 1957 were the lowest number during the 1950-1960 decade. During 1958 and 1959, respective totals of 4,800 and 4,700 were authorized, subsequently falling to about 3,400 in both 1960 and 1961. Building permit authorizations rose sharply to 5,300 in 1962 and in both 1963 and 1964 dropped slightly to about 5,000. Units authorized during the first seven months of 1965 totaled about 2,425, slightly below the 2,550 authorized during the same period in 1964.

The trend of housing units authorized by building permits has paralleled changes in the economy of the HMA. Increased activity at the military installations associated with the Korean Conflict provided some stimulus during the first half of the 1950 decade. The reduced rate of authorizations during 1956 and 1957 corresponded to a reduction in strength at the military installations, and the increases in 1958 and 1959 were associated with a general expansion in the over-all economy of the HMA. In 1960 and 1961 the lower level of authorizations again was in response to reduced economic growth, but in 1962, 1963, and 1964 the apartment construction boom and an increase in the rate of employment growth caused the number of units authorized to rise sharply.

Dwelling Units Authorized by Building Permits
San Antonio, Texas, Housing Market Area
1950-1965

Year	Units authorized	Year	Units authorized
1950	6,408	1959	4,621[c]
1951	6,391[a]	1960	3,353
1952	5,077[b]	1961	3,411
1953	5,215	1962	5,327
1954	5,613	1963	4,968
1955	5,770	1964	4,984
1956	3,674	Jan.-July	
1957	3,289	1964	2,555
1958	4,773	1965	2,427

a/ Includes 1,181 units of public housing.
b/ Includes 964 units of public housing.
c/ Includes 455 units of public housing.

Source: Bureau of the Census, Construction Reports, C-40.

Data are not available prior to 1960 for units authorized by type of structure, but a comparison of the 1950 and the 1960 Censuses of Housing indicates an annual net gain of only about 225 units in structures with three or more units during the decade. Building permit data show that 2,600 military and low-rent public housing units (most of them multifamily units) were added during the decade, indicating that the number of privately-owned multifamily housing units decreased during the 1950-1960 decade, and that virtually all of the net growth of the housing inventory was in the form of single-family housing.

During the period since the beginning of 1960, the annual addition of single-family housing units, as indicated by building permits, has been stable at between 2,700 and 2,900 units, except for 1962 when 3,250 single-family units were authorized. Multifamily units authorized during this period, however, have increased sharply. From 625 units and 675 units in 1960 and 1961, respectively, multifamily units authorized jumped to an average of about 2,100 a year during the three years of 1962, 1963, and 1964. During the first seven months of 1965, about 650 multifamily units were authorized, suggesting that considerably fewer units in multifamily structures may be added in 1965 than during the preceding three years.[1]

1/ Data made available subsequent to completion of field work for this analysis indicate that 840 multifamily units were authorized during the first ten months of 1965, an annual rate of 1,000 units. During the past four months authorizations for multifamily units have been at an annual rate of about 750 units.

Dwelling Units Authorized by Building Permits by Type of Structure
San Antonio, Texas, Housing Market Area
1960-1965

Year	Type of structure: Single-family	Two-family	3-or 4-family	5-or more-family	Total
1960	2,726	88	-	539	3,353
1961	2,733	58	16	604	3,411
1962	3,244	70	20	1,993	5,327
1963	2,803	86	92	1,987	4,968
1964	2,882	74	6	2,022	4,984
Jan.-July 1965	1,775	-	-	652[a]	2,427

a/ Includes all units in two-or more-family structures.

Source: Bureau of the Census, Construction Reports, C-40.

Units Under Construction. Based upon building permit data, the September 1965 postal vacancy survey, and construction surveys conducted by the FHA San Antonio Insuring Office, there are about 1,600 housing units under construction in the San Antonio HMA at the present time. Of this number about 550 are single-family units and 1,050 are multifamily units.

Most of the 1,050 multifamily housing units currently under construction are two-story, walk-up apartments of the type which has accounted for the bulk of multifamily units added during the apartment construction boom of the past three years. Gross monthly rents in these projects generally average $95 for efficiencies, $120 for one-bedroom units, $140 for two-bedroom units, and $160 for three-bedroom units.

Tenure of Occupancy

Current Estimate. As of September 1, 1965, about 64 percent (133,300 units) of the occupied housing stock in the San Antonio HMA is owner-occupied and nearly 36 percent (73,900 units) is renter occupied. The following table shows the trend of tenure change for all occupied housing units.

Trend of Tenure Change
San Antonio, Texas, Housing Market Area
1950, 1960, and 1965

Tenure	April 1, 1950	April 1, 1960	Sept. 1, 1965
Total occupied	130,959	181,952	207,200
Owner-occupied	75,252	115,555	133,300
Percent of total	57.5%	63.5%	64.3%
Renter-occupied	55,707	66,397	73,900
Percent of total	42.5%	36.5%	35.7%

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

Past Trend. Since April 1, 1950, there has been an increase in the proportion of owner-occupied housing units. The rate of the increase since 1960, however, is less than that between 1950 and 1960, a reflection of the substantial additions of new multifamily housing units since 1960. The 64 percent owner occupancy ratio in September 1965, compares with a ratio somewhat less than 64 percent in April 1960 and 58 percent in April 1950.

Vacancy

April 1960 Census. According to the April 1960 Census of Housing, there were about 9,125 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the San Antonio HMA, an available vacancy ratio of 4.8 percent. Nearly 2,700 of these available vacancies were for sale, equivalent to a homeowner vacancy ratio of 2.3 percent, up from 1.1 percent in 1950. The remaining 6,425 were for rent, representing a rental vacancy ratio of 8.8 percent, up from 3.8 percent in 1950 (see table VI). Available vacancies in 1960 included about 1,650 that lacked some or all plumbing facilities of which 175 were for sale and 1,475 were for rent.

Rental Vacancies by Type of Structure. As reported by the 1960 Census of Housing, nearly 66 percent of renter-occupied housing units were one-unit structures. The one-unit structures, however, accounted for only 49 percent of units available for rent. Units in structures with five-or more units constituted about 14 percent of renter-occupied units, but represented 24 percent of available vacant rental units. Largely because of the substantial additions of new units in multifamily structures, the proportion of available rental vacancies in one-unit structures has declined since 1960, whereas available vacant rental units in structures containing five-or more units account for a greater proportion of available rental vacancies.

Renter-Occupied Units and Vacant Units for Rent by Type of Structure
San Antonio, Texas, Housing Market Area
April 1, 1960

Type of structure	Renter-occupied Number	Renter-occupied Percent	Available for rent Number	Available for rent Percent
1-unit	43,438	65.5	3,069	48.8
2-4 units	13,605	20.6	1,720	27.3
5-or more-units	9,258	13.9	1,507	23.9
Total	66,301a/	100.0	6,296a/	100.0

a/ Differs slightly from the count of all renter-occupied units and all vacant units available for rent because units by type of structure were enumerated on a sample basis.

Source: 1960 Census of Housing.

Postal Vacancy Survey. A postal vacancy survey was conducted in the HMA in September 1965 by the San Antonio Post Office. The survey covered a selected sample which included about 57 percent of the possible deliveries at the time. An over-all vacancy ratio of 4.2 percent was indicated by the postal vacancy survey. For residences, the survey showed a 2.5 percent vacancy ratio, while for apartments the vacancy ratio was 13.5 percent.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include some duplexes and structures with additional units created by conversion. An "apartment" includes all stops where more than one delivery of mail is possible. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators the survey serves a valuable function in the derivation of estimates of local market conditions. Two other postal vacancy surveys conducted in the HMA in 1964 and 1962 indicate that the vacancy ratio for apartments has risen markedly since 1962, but that the ratio for residences has declined slightly. The results of the three surveys are summarized below.

Trend of Vacancy Ratios
As Indicated by Postal Vacancy Surveys
San Antonio, Texas, Postal Area

Date	Total residences and apartments	Residences	Apartments
March 1962	3.5%	2.9%	8.0%
March 1964	4.5%	3.3%	12.7%
Sept. 1965	4.2%	2.5%	13.5%

Source: FHA in cooperation with the San Antonio Post Office.

Current Estimate. Based on the postal vacancy surveys, other vacancy indicators, conversation with informed persons in the San Antonio area, and personal observation, it is estimated that there are about 10,600 housing units available for rent or sale in the San Antonio HMA as of September 1, 1965. Of this total, 2,725 are available for sale and 7,875 are available for rent, equal to homeowner and rental vacancy ratios of 2.0 percent and 9.6 percent, respectively.

At present, about 100 available vacant sales units and about 700 vacant rental units lack some or all plumbing facilities. In the San Antonio HMA, where the anticipated household growth is moderate, these vacancy ratios are above the levels which represent satisfactory supply-demand balance in the market. The current level of vacancies in the sales inventory is only slightly excessive, but a substantial surplus of vacancies has developed in the rental market.

Sales Market

General Market Conditions. As indicated by the current and the 1960 homeowner vacancy ratios of 2.0 percent and 2.3 percent, respectively, the condition of the sales market has improved somewhat since 1960 and currently is in reasonably good balance. From the results of postal vacancy surveys and from discussions with informed persons in San Antonio, it is indicated that the homeowner vacancy ratio reached somewhat higher levels during the mid-point of the 1960-1965 period, but that since that time the sales market has moved toward a more balanced and more stable condition.

Most of the new sales housing in the San Antonio HMA during the past several years has been built in the northeast and northwest quadrants of San Antonio City and in the contiguous suburban areas. The topography of this section is rolling, affording more pleasant locations, and this area is removed from flying operations of the Air Force bases which are located in the southern portion of San Antonio.

Unsold Inventory of New Houses. In January 1964 and 1965, the FHA San Antonio Insuring Office surveyed all subdivisions in the San Antonio HMA in which five-or-more sales houses were completed during the preceding twelve months. The January 1965 survey covered 80 subdivisions in which a total of 3,110 houses were reported to have been completed in 1964. Of the 3,110 completions, 661 houses (21 percent) were sold before construction started, and 2,449 were built speculatively. Of the 2,449 houses built speculatively during 1964, 656 remained unsold as of January 1, 1965, representing about 27 percent of the speculative construction. Of the 656 unsold houses, about 600 (92 percent) had been on the market for six months or less. An additional 36 houses that were completed prior to 1964 had been on the market longer than 12 months. The most notable concentrations of unsold houses in the January 1965 survey were in the $17,500 to $20,000 price class, in which 126 (36 percent) were unsold out of 352 speculative completions, and in the $25,000 to $30,000 price range in which 47 houses were unsold, equal to 37 percent of 126 speculative completions in that price range. In the $35,000 and over price range, 16 houses were unsold out of 25 speculative completions, for the highest unsold ratio of 64 percent. In January 1965, an additional 46 houses were being used as models and 470 were under construction, of which 350 (74 percent) were unsold. A comparison of the January 1, 1965 survey with the January 1, 1964 survey shows that the ratio of unsold new houses increased slightly from 23 percent in 1964 to 27 percent in 1965. The number of speculative completions was about 175 higher in 1964 than in 1963 (see table VII).

The FHA surveys do not, of course, report new houses built in subdivisions with fewer than five completions, nor do they report those built by individuals, or those custom built on scattered lots. Many of the homes not covered, particularly those custom built, would be in the upper ranges of sales price.

Rental Market

Current Condition. As indicated by the current rental vacancy ratio of 9.6 percent, the number of vacancies in the rental inventory is higher than is desirable. The increase in rental vacancies has developed principally since 1962 as a result of the substantial additions of new multifamily units during the past three years. The number of new multifamily rental units added, plus the transfer of existing single-family houses from owner to renter status has exceeded the increase in renter households, and vacant units available for rent have increased accordingly. Vacancies appear to be increasing most in the older, least competitive units, but they are relatively high in nearly all segments of the rental market.

A number of new projects have been readily marketed and are quite successful. When compared with the present vacancy ratio of 30.6 percent in a sampling of older projects, it appears that the competition from the new rental units has caused vacancies to increase in the older, less competitive rental projects. Efficiency and one-bedroom units appear to be the most marketable. Two- and three-bedroom units, however, have higher current vacancy ratios.

Building permit data through October 1965, made available subsequent to the field work for this report, indicate that during the first ten months of this year only 840 multifamily units were authorized for construction in the area, an annual rate of 1,000 units authorized as compared with an average of 2,000 a year during the previous three years. Since July of this year, authorizations of multifamily units were at an annual rate of only about 750 units. It appears that, during the past year, the building and mortgage lending industries have responded to signs of over-building by starting successively fewer apartment units.

The majority of the new rental units constructed recently have been in projects of 20 to 50 units located in the peripheral areas of San Antonio, but within the city limits.

Mortgage Market

Mortgage funds for conventional loans are readily available in the San Antonio HMA from banks and savings and loan associations at terms that are competitive with those for FHA-insured loans. With down payments of one-third or more, conventional mortgage loans with 20 to 25 year terms may be secured at a five and one-half percent interest rate. Twenty and twenty-five year loans, with down payments of 10 percent to 25 percent may be procured at interest rates of five and three-fourths percent to six and one-half percent from savings and loan associations.

The following table shows the trend of single-family home mortgages insured by FHA. While the number of new houses insured each year during the 1960-1964 period has remained relatively stable, the number of existing houses insured by FHA has risen substantially.

Trend of FHA-Insured Mortgages on Single-Family Homes
Under Sections 203, 221(d)(2), and 222
San Antonio, Texas, Housing Market Area
1960-1964

Year	New houses	Existing houses	Total
1960	698	761	1,459
1961	598	1,014	1,612
1962	654	1,150	1,804
1963	585	1,161	1,746
1964	548	1,474	2,022

Source: FHA, Division of Research and Statistics.

Public Housing

According to the December 1964, Public Housing Project Directory, there are about 5,150 units of public housing in 17 projects currently under management in the HMA. All of these units are located in San Antonio City. An additional 400 units of public housing have received approval under the annual contributions contract, but are not yet under construction.

Urban Renewal

At present, there are three urban renewal projects in the HMA, all of which are in San Antonio City. Plans for all three projects have been approved and two are in execution, one of which is near completion.

Central West No. 1 (R-39). This project containing a total of 68 acres is nearly complete and is scheduled to be closed-out by the end of 1965. Previously, the area was a residential slum, but the predominant re-use is commercial and light industrial. About 300 families were relocated from the project area. The project area is bounded by Interstate 35 on the west, Buena Vista Street on the north, El Paso Street on the south, and the eastern boundary generally follows Laredo Street.

Civic Center (R-83). The entire re-use of this 140-acre project area will be public and will serve as the site for the Hemisfair 1968 Exposition. About 350 families have been relocated from this project area. The project boundaries are Commerce Street on the north, the planned Interstate 37 on the east, Victoria Street on the south, and an irregular line following Alamo and Presa Streets on the west.

Rosa Verde (R-78). This project is in the planning stage, with execution scheduled for mid-1966. Some 700 families will be relocated when execution begins. The predominant re-use, at this time, is to be residential, most of which will be housing for low-income families. Buena Vista Street forms the southern boundary of the project and to the west a line extending from Medina to North Salado to San Marcos Streets is the boundary. Interstate 10 bounds the project on the north and on the east the boundary is a line one block west and, generally paralleling North Flores Street.

Military Housing

At the present time, the five principal military installations in the HMA control 3,706 units of family housing. These are reported to be fully occupied and all are adequate, with the exception of four units at Fort Sam Houston.

Demand for Housing

Quantitative Demand

Demand for additional housing during the next three years is based on the projected level of household growth (4,650 annually), on the net number of housing units expected to be lost by demolitions, conversion, fire, and other inventory changes, and on the need to reduce vacancies to a level that reflects a better condition of balance in the market. Consideration is given also to the current tenure composition of the inventory, to the continuing trend from renter occupancy to owner occupancy, and to the transfer of existing single-family houses from the sales inventory to the rental inventory. Giving consideration to the above factors, an annual demand for 4,300 housing units a year is projected during the next three years. Approximately 3,500 units a year represent demand for sales houses and 800 units a year represent demand for rental units, exclusive of public low-rent housing or rent-supplement accommodations.

The projected annual demand for 3,500 sales houses represents a small reduction from the average of about 3,900 houses a year authorized since January 1960 in building permit-issuing places and including those built in areas outside permit-issuing places. Since the unsold inventory of new houses rose between January 1964 and January 1965, and has not tended to decline during the current year, a reduction in home production appears to be in order.

The projected demand for 800 rental units a year represents a very substantial reduction from the average of approximately 1,500 multifamily units a year authorized since 1960 and the average of almost 2,000 a year authorized during the past three and one-half years. However, several market indicators suggest that multifamily housing units in the San Antonio HMA will not continue to be absorbed at the same rate as in the recent past. This appears to have been recognized by the building industry which has started successively fewer apartment units during the past year. Since July, the annual rate of apartment units authorized has been about 750 units a year.

Based on the 840 multifamily units authorized by building permits for the first ten months of 1965, the total number of multifamily housing units authorized for the full year will be between 900 and 1,000 units. This would be less than one-half of the number of multifamily units authorized during 1962, 1963, or 1964, when multifamily units authorized amounted to about 2,100 each year. The substantial and continuing decline in the number of multifamily units authorized in 1965 suggests that developers and mortgagees operating in the HMA are cognizant of the inability of the market to absorb a continuing high rate of multifamily construction.

As a corroborating factor, the rental vacancy ratio rose from 8.8 percent in April 1960 to about 9.6 percent currently. Although the increase in the ratio does not appear too significant, the numerical gain in rental vacancies of about 1,450 units is judged to be heavily concentrated in multifamily units. Single-family rental units, which accounted for almost two-thirds of all renter-occupied units in April 1960, have experienced little or no increase in vacancies. If single-family rentals are deleted from consideration, multifamily vacancy appears to have increased from 12.4 percent to 14.4 percent between 1960 and 1965. Also, vacancies in a sample of about 1,600 units in older apartments exhibited a sharp increase at about the same time the apartment construction boom began. This coincidence suggests that a portion of the new apartment units constructed since 1960 have been absorbed by former tenants of older apartments, thus serving to fulfill an element of previously unsatisfied demand. This source of demand for new apartments has been seriously depleted and, in itself, warrants a slower rate of new apartment construction.

On the basis of the apparent corrective actions occurring in the San Antonio rental market, as indicated by (1) the sharp decline in multifamily housing unit authorizations, (2) the current excess level of rental vacancies, and (3) the depletion of absorptive capacity for new apartment units by tenants of older rental projects, a reduced rate of new construction over the next three years is fully justified. The production of an average of 800 units a year would achieve the most favorable balance between supply and demand in the San Antonio rental market by the end of the forecast period.

Qualitative Demand

Sales Housing. The distribution of the annual demand for 3,500 new sales housing units is shown in the following table. The distribution is based on ability to pay, as measured by current family incomes, and the ratio between net income and purchase price found to be typical in the San Antonio HMA. Adequate sales housing can not be produced to sell below about $9,000 in the San Antonio HMA at the present time.

Estimated Annual Demand for New Sales Housing by Price Class
San Antonio, Texas, Housing Market Area
September 1, 1965 to September 1, 1968

Sales price	Total demand Number	Percent
$8,000 - $9,999	385	11
10,000 - 11,999	560	16
12,000 - 13,999	490	14
14,000 - 15,999	420	12
16,000 - 17,999	385	11
18,000 - 19,999	280	8
20,000 - 24,999	385	11
25,000 - 29,999	280	8
30,000 and over	315	9
Total	3,500	100

The distribution shown above differs from that in table VII, which reflects only selected subdivision experience during the years 1963 and 1964. It must be noted that the 1963 and 1964 data do not include new construction in subdivisions with less than five completions during each year, nor do they reflect individual or contract construction on scattered lots. The demand estimates above, however, reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Rental Housing. Acceptable new privately-owned rental housing can be produced only at gross rents at and above the minimum levels achievable under current construction and land costs. In the San Antonio HMA, it is judged that minimum monthly gross rents achievable without public benefits or assistance in financing or land purchase are $85 for efficiencies, $95 for one-bedroom units, $105 for two-bedroom units, and $115 for three-bedroom units. Total annual demand for 800 new rental units is indicated by gross monthly rent and by size of unit in the following table. Of the total demand, exclusive of public low-rent units or rent-supplement accommodations, 300 units are at gross monthly rents which probably will require some form of public benefits or assistance if they are to be supplied as privately-owned housing. These net additions may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition. The production of new units in higher rental ranges than indicated below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

Estimated Annual Demand for New Rental Units by All Households
By Gross Monthly Rent and by Unit Size
San Antonio, Texas, Housing Market Area
September 1, 1965 to September 1, 1968

Gross monthly rent[a/]	Efficiency	One-bedroom	Two-bedroom	Three-bedroom
	Size of unit			
$70 and over	85	-	-	-
75 " "	75	275	-	-
80 " "	70	250	285	-
85 " "	65	225	260	155
90 " "	60	205	235	140
95 " "	55	185	220	130
100 " "	50	170	190	115
105 " "	50	160	170	100
110 " "	45	150	160	85
115 " "	45	145	150	80
120 " "	40	140	140	70
130 " "	35	110	110	60
140 " "	30	95	95	50
150 " "	25	85	85	45
160 " "	-	70	70	35
180 " "	-	45	45	25
200 " "	-	25	30	15
220 " "	-	-	20	10

a/ Gross rent is shelter rent, plus the cost of utilities.

Note: The above figures are cumulative and cannot be added vertically. For example, demand for one-bedroom units at rents from $100 to $120 is 30 units (170 minus 140).

The location factor is of especial importance in the provision of new units at the lower rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The preceding distribution of average annual demand for new apartments is based on projected tenant family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Even though a deviation may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless thorough analysis of all factors involved clearly confirms the change. In any case, particular proposals must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or sub-markets.

The estimated average annual demand for 800 new rental units during the next three years includes units provided in duplexes, those in three- and four-unit buildings, and those in buildings with five or more units. Although provision of 800 such units a year during the next three years would represent a very substantial reduction from the recent annual volume of such construction, the current relatively high level of vacancies indicates that absorption of new rental units should be watched very closely during the next year. If absorption is not satisfactory, a reduced rate of rental housing starts during the second and third years of the forecast period would be indicated.

Table I

Civilian Work Force Components
San Antonio, Texas, Housing Market Area, 1958-1965
(in thousands)

Components	Annual averages 1958	1959	1960	1961	1962	1963	1964	First seven months 1964	1965
Total work force	209.4	213.9	217.9	223.2	225.0	227.8	233.1	232.8	235.5
Unemployment	8.5	7.4	9.7	12.1	11.0	11.6	10.4	10.8	10.0
Percent unemployed	4.1%	3.5%	4.5%	5.4%	4.9%	5.1%	4.5%	4.6%	4.2%
Agricultural employment	4.7	4.7	4.0	3.8	3.8	3.8	3.8	3.8	3.9
Nonagricultural employment	196.2	200.6	204.0	207.2	210.1	212.3	218.9	218.2	221.5
Wage and salary	169.9	174.1	177.4	180.4	183.0	184.8	191.2	190.5	193.4
Other	26.3	26.5	26.6	26.8	27.1	27.5	27.7	27.7	28.1
Workers involved in labor disputes	-	1.2	0.2	0.1	0.1	0.1	-	-	0.1

Source: Texas Employment Commission.

Table II

Trend of Nonagricultural Wage and Salary Employment
San Antonio, Texas, Housing Market Area
(in thousands)

Industry	Annual averages 1958	1959	1960	1961	1962	1963	1964	First seven months 1964	1965
Nonagricultural wage and salary employment	169.9	174.1	177.4	180.4	183.0	184.8	191.2	190.5	193.4
Manufacturing	22.1	23.4	23.2	23.7	23.5	23.8	24.5	24.4	24.4
Durable goods	6.6	7.2	8.3	8.4	8.5	8.6	9.1	9.1	9.2
Stone, clay, and glass	1.4	1.5	1.6	1.6	1.7	1.7	1.9	1.9	1.9
Fabricated metals	1.5	1.6	1.7	1.6	1.5	1.5	1.6	1.6	1.7
Machinery (except electrical)	1.4	1.5	1.6	1.6	1.5	1.7	1.6	1.6	1.6
Transportation equipment	.7	.7	.9	1.0	.5	.7	.6	.6	.7
Other durable goods	1.6	1.9	2.5	2.6	3.3	3.0	3.4	3.4	3.3
Nondurable goods	15.5	16.2	14.9	15.3	15.0	15.2	15.4	15.3	15.2
Food and kindred products	7.6	8.0	7.9	8.0	8.0	8.3	8.4	8.4	8.3
Apparel and allied products	3.1	3.2	2.9	3.0	2.8	2.9	2.9	2.9	2.7
Printing and publishing	2.3	2.3	2.2	2.2	2.2	2.3	2.3	2.3	2.4
Chemicals and allied products	.5	.4	.5	.5	.5	.5	.5	.5	.6
Leather and leather products	.4	.4	.2	.2	.3	.3	.3	.3	.3
Other durable goods	1.6	1.9	1.2	1.4	1.2	.9	1.0	.9	.9
Nonmanufacturing	147.8	150.7	154.2	156.7	159.5	161.0	166.7	166.1	169.0
Agri. serv., forest., and fish.	.2	.2	.2	.2	.2	.2	.2	.2	.2
Mining and quarrying	1.8	1.9	2.2	2.1	1.9	1.7	1.7	1.6	1.7
Construction	11.3	11.3	11.6	11.3	11.5	11.6	11.4	11.4	11.2
Trans., comm., and utilities	9.8	9.6	9.3	9.4	9.3	9.5	9.4	9.4	9.3
Wholesale trade	11.0	11.1	11.2	11.1	10.9	10.4	11.7	11.7	12.1
Retail trade	32.1	32.7	33.2	34.1	34.7	35.3	36.4	36.0	37.8
Finance, insurance, and real estate	9.4	9.8	10.9	11.3	11.5	11.9	12.8	12.8	12.8
Business and personal services	13.6	14.2	14.2	14.3	14.6	14.5	14.7	14.7	14.8
Medical and professional services	9.4	10.0	10.5	10.8	11.5	12.1	12.7	12.6	12.8
Government	49.2	49.9	50.9	52.1	53.4	53.8	55.7	55.7	56.3
Federal	32.9	NA	NA	33.3	34.2	34.1	34.3	34.3	NA

Source: Texas Employment Commission.

Table III

Trend of Strength at Major Military Installations
San Antonio, Texas, Housing Market Area
1958-1965

Year[a]	Ft. Sam Houston[b]		Randolph AFB		Lackland AFB		Kelly AFB		Brooks AFB		Total	
	Military	Civilian	Military	Civilian	Military	Civilian	Military	Civilian	Military	Civilian	Military	Civilian
1958	12,224	3,772	6,072	2,607	19,707	2,099	4,971	20,118	1,203	569	44,177	29,165
1959	11,081	3,978	5,161	2,377	19,187	2,194	4,046	19,806	1,541	1,033	41,016	29,388
1960	10,177	3,906	4,524	2,016	24,516	2,104	4,108	19,464	1,163	698	44,488	28,188
1961	12,033	4,153	4,833	2,183	27,860	2,187	4,123	19,372	1,394	713	50,243	28,608
1962	9,844	4,064	4,320	1,951	24,639	2,184	4,548	19,812	1,461	766	44,812	28,777
1963	9,715	3,965	4,173	2,039	26,266	2,284	5,033	18,987	1,481	829	46,668	28,104
1964	10,688	3,756	4,662	2,239	22,371	2,193	5,084	19,286	1,342	925	44,147	28,399
1965	10,435	3,704	4,639	2,346	21,220	2,244	5,554	18,499	1,333	920	43,181	27,713

a/ Strength figures for Ft. Sam Houston and Brooks AFB are as of December, 31; Randolph AFB, Lackland AFB, and Kelly AFB are as of June, 30. All 1965 data are as of March 31.

b/ Includes Ft. Sam Houston, Brooke Army Medical Center, and San Antonio Air Force Station.

Source: Department of the Air Force and Department of the Army.

Table IV

Estimated Percentage Distribution of Families by Annual Income
After Deducting Federal Income Tax
San Antonio, Texas, Housing Market Area
1965-1968

Income	1965 All families	1965 Renter families	1968 All families	1968 Renter families
Under $3,000	21	31	19	28
$3,000 - 3,999	11	17	10	16
4,000 - 4,999	11	12	10	12
5,000 - 5,999	10	12	10	12
6,000 - 6,999	11	8	9	8
7,000 - 7,999	9	6	9	7
8,000 - 8,999	6	4	8	4
9,000 - 9,999	5	3	6	4
10,000 - 12,499	7	3	8	4
12,500 - 14,999	4	2	3	2
15,000 and over	5	2	8	3
Total	100	100	100	100
Median	$5,700	$4,150	$6,150	$4,450

Source: Estimated by Housing Market Analyst.

Table V

Distribution of the Population by Age
San Antonio, Texas, Housing Market Area
April 1950 and April 1960

Age of population	1950		1960		Change	
	Number	Percent	Number	Percent	Number	Percent
0 - 9	109,295	21.9	170,064	24.8	60,769	55.6
10 - 19	78,707	15.7	128,685	18.7	49,978	63.5
20 - 29	90,656	18.1	95,557	13.9	4,901	5.4
30 - 39	73,156	14.6	92,385	13.5	19,229	26.3
40 - 49	59,534	11.9	74,375	10.8	14,841	24.9
50 - 59	43,442	8.7	57,891	8.4	14,449	33.3
60 - 69	28,110	5.6	39,362	5.7	11,252	40.0
70 and over	17,560	3.5	28,832	4.2	11,272	64.2
Total	500,460	100.0	687,151	100.0	186,691	37.3

Source: 1950 and 1960 Censuses of Population.

Table VI

Vacancy Trends
San Antonio, Texas, Housing Market Area
1950, 1960, and 1965

	April 1, 1950	April 1, 1960	Sept. 1, 1965
Total housing units	137,853	196,881	223,700
Total vacant	6,894	14,929	16,500
Available vacant	3,064	9,135	10,600
For sale	872	2,698	2,725
Homeowner vacancy ratio	1.1%	2.3%	2.0%
For rent	2,192	6,437	7,875
Rental vacancy ratio	3.8%	8.8%	9.6%
Other vacant[a]	3,830	5,794	5,900

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

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

Table VII

Sales Houses Completed During 1963 and 1964
By Sales Status and Price Class
San Antonio, Texas, Housing Market Area

1965 Unsold Inventory Survey - Includes Houses Constructed Between Jan. 1, 1964 and Dec. 31, 1964

			Speculative Houses			
Sales Price	Total Completions	Pre-sold	Total	Number Sold	Number Unsold	Percent Unsold
Under $10,000	362	63	299	236	63	21
$10,000 - 12,499	597	61	536	417	119	22
12,500 - 14,999	502	61	441	327	114	26
15,000 - 17,499	432	103	329	257	72	22
17,500 - 19,999	450	98	352	226	126	36
20,000 - 24,999	471	142	329	233	96	29
25,000 - 29,999	217	91	126	79	47	37
30,000 - 34,999	25	13	12	9	3	25
35,000 and over	54	29	25	9	16	64
Total	3,110	661	2,449	1,793	656	27

1964 Unsold Inventory Survey - Includes Houses Constructed Between Jan. 1, 1963 and Dec. 31, 1963

Sales Price	Total Completions	Pre-sold	Total	Number Sold	Number Unsold	Percent Unsold
Under $10,000	484	113	371	296	75	20
$10,000 - 12,499	676	89	587	482	105	18
12,500 - 14,999	447	85	362	287	75	21
15,000 - 17,499	407	94	313	233	80	26
17,500 - 19,999	390	103	287	197	90	31
20,000 - 24,999	357	131	226	163	63	28
25,000 - 29,999	180	68	112	80	32	29
30,000 - 34,999	33	25	8	5	3	38
35,000 and over	28	20	8	6	2	25
Total	3,002	728	2,274	1,749	525	23

Source: Unsold Inventory of New Houses Conducted by FHA San Antonio Insuring Office.