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DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410
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Analysis of the

SAN BERNARDINO-RIVERSIDE

CALIFORNIA

HOUSING MARKET

as of January 1, 1967

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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ANALYSIS OF THE
SAN BERNARDINO-RIVERSIDE, CALIFORNIA, HOUSING MARKET
AS OF JANUARY 1, 1967

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

Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science, the judgmental factor is important in the development of findings and conclusions. There will be differences of opinion, of course, in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst and the FHA Market Analysis and Research Section.

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ANALYSIS OF THE
SAN BERNARDINO - RIVERSIDE, CALIFORNIA, HOUSING MARKET
AS OF JANUARY 1, 1967

Summary and Conclusions

1. Total nonagricultural employment in the San Bernardino-Riverside-Ontario Standard Metropolitan Statistical Area (SMSA) averaged 297,600 during 1966, representing an average annual increase of 12,100 over the 1960 employment average.^{1/} Annual increases have ranged from a low of 4,200 between 1960 and 1961 to a high of 17,800 between 1963 and 1964. Except for the peak and trough years, annual gains have varied from 11,400 to 14,150. About two-thirds of total nonagricultural employment in the SMSA is concentrated in trade, the service industries, and government, with each comprising about 22 percent of the total. These three employment classifications accounted for almost 73 percent of the 1960-1966 growth. Total nonagricultural employment is expected to increase by about 12,000 jobs annually during the January 1, 1967-January 1 1970 forecast period.
2. The January 1967 median annual income of all families in the San Bernardino Housing Market Area (HMA), after deducting federal income tax, was an estimated \$7,250. By January 1970, the median is expected to reach \$7,825. Over the same three-year period, the median annual after-tax income of renter households of two or more persons is expected to increase from the current \$5,975 to \$6,425.
3. As of January 1, 1967, the population of the San Bernardino HMA totaled about 766,400, reflecting average annual gains of 26,200 persons (3.9 percent) since April 1, 1960. Based on continued strong gains in employment, the total population of the HMA is expected to increase by 27,000 persons annually during the forecast period, to a January 1, 1970 level of 847,400.
4. As of January 1, 1967, there were about 229,400 households in the HMA. In April 1960, there were about 174,700 households, indicating that an average of 8,100 (4.0 percent) households were added annually during the period. Based on the anticipated increase in population, there are expected to be 254,500 households in the HMA by January 1, 1970. This reflects an average prospective addition of 8,350 households annually during the next three years.

^{1/} Employment data are not available for the Housing Market Area (HMA) as currently defined: the southwest portion of the SMSA, which contains only three percent of the SMSA land area but about three-fourths of the population.

5. At the start of 1967, there were about 253,200 housing units in the San Bernardino HMA, representing an increase of 60,500 units, or 8,975 units annually since April 1960. It is estimated that about 65,000 new residential units have been constructed and about 4,500 units have been demolished in the post-1960 period. Yearly net additions increased from 6,275 between April 1, 1960 and April 1, 1961 to a peak of 13,875 between April 1, 1964 and April 1, 1965, but since that time the trend has been sharply downward. In the nine-month period ending January 1, 1967, there were only 2,600 units added to the inventory.
6. The high level of new construction activity during the April 1960-April 1965 period caused a rapid increase in the vacancy level, but significantly lower levels of construction in the past two years have allowed for the absorption of some of this excess. It is judged that, on January 1, 1967, there were about 17,200 units available for sale or rent in the HMA, representing 7.0 percent of the available inventory. The homeowner vacancy rate was an estimated 4.2 percent and the net rental vacancy rate was 12.1 percent. Vacancy levels were about twice the number required to maintain balance in both the sales and rental markets.
7. The volume of new construction that will meet the needs of the growing population of the San Bernardino HMA and establish a more reasonable demand-supply balance in the market is projected for the next three years at 18,000 units (excluding low-rent public housing and rent-supplement accommodations). Of the total, 12,150 units represent demand for single-family units and 5,850 represent demand for units in multifamily structures. Of the total demand for units in multifamily structures, about 800 units will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. In order to accelerate absorption of the existing surplus of housing, it is suggested that construction during the first and second year of the three-year forecast period be held to minimum levels. If the surplus is being adequately worked off and absorption of the new units is satisfactory, construction during the third year probably can reach a level of about 5,100 single-family units and 3,000 multifamily units, including 590 units provided with below-market-interest-rate financing. The absorption of new multifamily units and the level of vacancies in existing rental units should be observed carefully at all times to insure that the volume of construction is resulting in the reduction in vacancies anticipated. If not, a reduced volume of construction would be warranted. The qualitative demand for new single-family and multifamily units is presented at the end of each summary report for the individual submarket areas.

ANALYSIS OF THE
SAN BERNARDINO-RIVERSIDE, CALIFORNIA, HOUSING MARKET
AS OF JANUARY 1, 1967

Housing Market Area

For the purposes of this analysis, the San Bernardino-Riverside Housing Market Area (HMA) is defined as the southwest portion of the San Bernardino-Riverside-Ontario Standard Metropolitan Statistical Area (SMSA). More specifically, it encompasses Census Tracts 1-88, inclusive, in San Bernardino County and 1-17 and 101-125, inclusive, in Riverside County. The HMA contains only about three percent of the land area of the SMSA but, in 1960, it contained about three-fourths of the population. Where possible, data will be presented only for the HMA as defined above. For purposes of simplification, subsequent references to the HMA will be to the San Bernardino HMA rather than to the San Bernardino-Riverside HMA.

The HMA had a population of about 589,400 in 1960^{1/}. The central cities of San Bernardino (91,900), Riverside (84,300), and Ontario (46,600) made up about 38 percent of the HMA total. In addition to the three central cities, there are eight other incorporated cities in the HMA in which the 1960 population exceeded 10,000 persons each.

All means of transportation are available in the HMA, with exceptionally good highway and rail facilities. The San Bernardino Freeway (Interstate Route 10) connects San Bernardino with downtown Los Angeles, which lies about 60 miles to the west. The Riverside Freeway and U.S. Route 91 connect the HMA with Santa Ana and San Diego (105 miles south). Numerous other U.S. and state routes traverse the HMA.

Although the San Bernardino SMSA is located adjacent to the Los Angeles SMSA and the Anaheim-Santa Ana-Garden Grove SMSA, net out-commutation in 1960 was equal to only three percent of the work force. It is judged that the level of commutation has not increased significantly since that time because of increased freeway congestion and because the Pomona Valley, a primary commuter destination, has suffered economic setbacks in recent years.

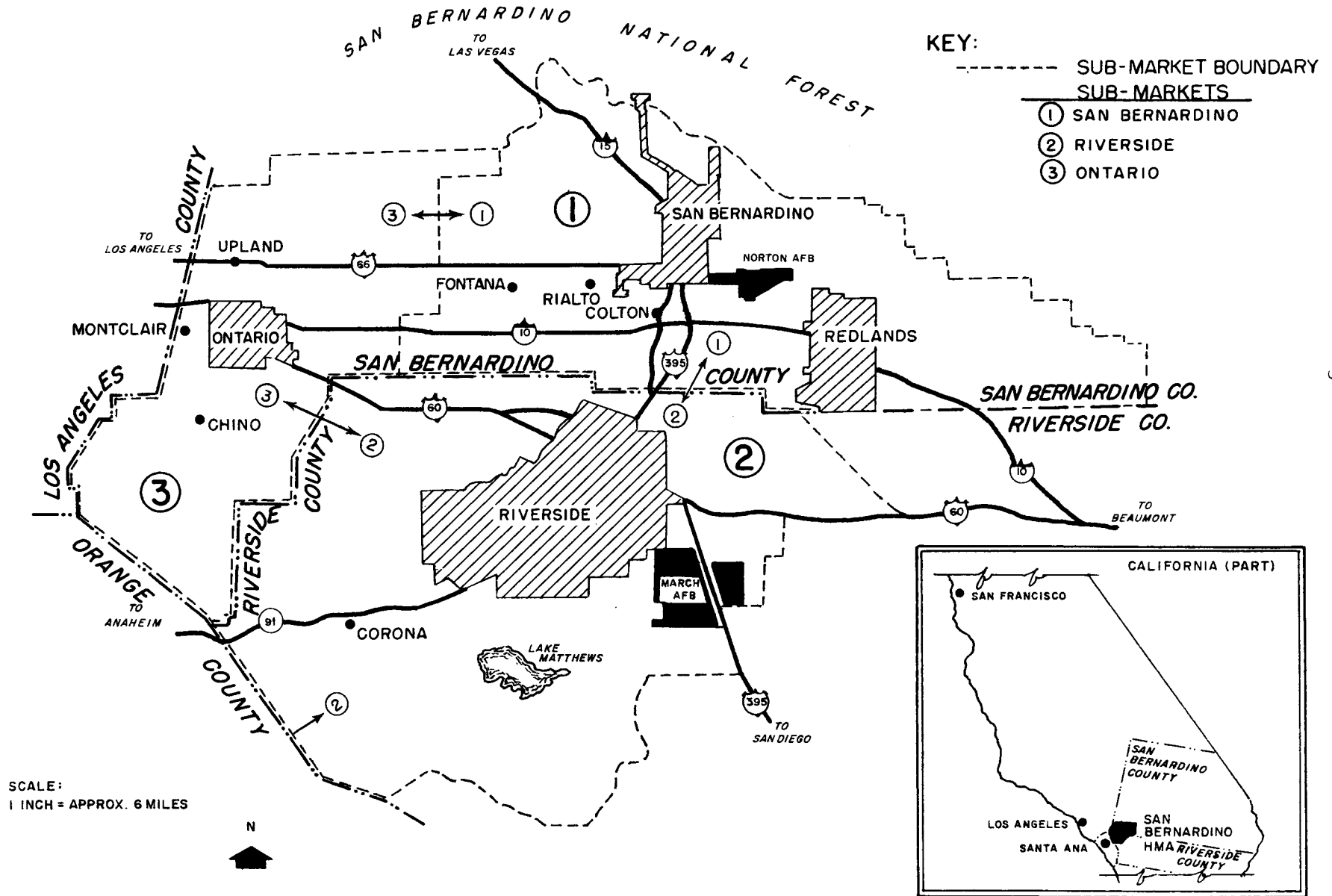
^{1/} Inasmuch as the rural farm population of the HMA constituted less than two percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and non-farm data.

For the purpose of this analysis, the HMA has been divided into three submarkets. The three areas are shown on the map on page 3. The following is a brief description of each area.

1. San Bernardino. The San Bernardino submarket is bounded on the north and east by the San Bernardino National Forest, on the south by the San Bernardino County line. It reaches westward to include Fontana and Rialto.
2. Riverside. The Riverside submarket is bounded on the north by the Riverside County line and on the west by Orange County. It stretches southwest to include Lake Matthews and east to include the Sunnymead area.
3. Ontario. The Ontario submarket includes the cities of Ontario, Chino, Upland, Montclair, and their environs.

Each of these three areas is discussed separately in this analysis (see table of contents).

SAN BERNARDINO, CALIFORNIA, HOUSING MARKET AREA



Economy of the Area

Character and History

The development of the San Bernardino area began in the early-19th century. San Bernardino and Riverside cities were primarily trade and service centers for the surrounding agricultural region which produced a wide variety of fruits and vegetables. The location of the Santa Fe Railroad shops also provided stimulus for some of the economic growth in the area. Since 1940, the area has shared in the very rapid growth of southern California; between 1940 and 1960, the population of the two-county SMSA tripled. Much of this growth was caused by "spill-over" from the Los Angeles SMSA. The partial diversification of its economic base in more recent years has lessened its dependence on the Los Angeles area.

Employment in the San Bernardino-Riverside-Ontario SMSA is very heavily concentrated in the trade, services, and government sectors, which account for about two-thirds of total nonagricultural employment. Manufacturing employment accounts for only about one-sixth of total employment and is dominated by the metals, machinery, and transportation equipment industries. Located in Fontana, and accounting for a significant share of manufacturing employment, is California's only integrated basic steel plant.

Work Force

The civilian work force in the San Bernardino-Riverside-Ontario SMSA averaged 340,000 persons in 1966, a gain of 10,500 over the 1965 average. Since 1960, there has been a steady upward trend in the size of the work force, with increases averaging 11,900 persons annually for the 1960-1966 period. Between 1960 and 1964, the work force expanded at an increasing rate, but since 1964 the upward trend has slowed. From an average of 268,600 persons in 1960, the work force increased to 315,900 in 1964; annual gains increased from 6,500 between 1960 and 1961 to 17,900 between 1963 and 1964. In 1965, the increase fell to 13,600 persons and in 1966, only 10,500 persons were added to the work force. The 1966 gain was the lowest annual increment recorded since 1962, and reflects, in some degree, the reduction in civilian employment at Norton Air Force Base.

Employment

Current Estimate and Past Trend. Employment data are not available for the HMA as currently defined. However, it is estimated that total employment in the area averaged about 220,000 in 1966. Total nonagricultural employment in the San Bernardino-Riverside-Ontario SMSA averaged 297,600 during 1966, representing an increase of 11,400 over 1965. Since 1960, when total nonagricultural employment averaged 224,900, increases have averaged 12,100 annually and have ranged from a low of 4,200 between 1960 and 1961 to a high of 17,800 between 1963 and 1964. Except for the peak and trough years, annual gains have varied from 11,400 to 14,150.

Total Nonagricultural Employment
San Bernardino, California, SMSA
1960 - 1966
(annual averages)

<u>Year</u>	<u>Employment</u>	<u>Change from preceding year</u>	
		<u>Number</u>	<u>Percent</u>
1960	224,900	-	-
1961	229,100	4,200	1.9
1962	242,750	13,650	6.0
1963	256,900	14,150	5.8
1964	274,700	17,800	6.9
1965	286,200	11,500	4.2
1966	297,600	11,400	4.0

Source: California Department of Employment.

Employment by Industry. Manufacturing employment accounted for only 16 percent of total nonagricultural employment in 1966, unchanged from the 1960 ratio. In 1966, manufacturing employment averaged 47,600, compared with 36,000 in 1960, reflecting average gains of 1,930 annually during the six-year period. Manufacturing has provided a modest impetus to sustained economic growth. Annual increases have ranged from zero between 1960 and 1961 to a peak of 3,800 between 1965 and 1966.

Durable goods industries accounted for about three-fourths of the manufacturing employment in 1966 and provided 86 percent of the growth in manufacturing employment during the 1960-1966 interval. The metals industry, the transportation equipment industry, and the machinery industry with 1966 average employment levels of 14,700, 8,000, and 7,100, respectively, dominate the durable goods sector of manufacturing and have

provided the bulk of the manufacturing employment increase since 1960. The metals industry added 4,100 jobs during the period; 3,200 of these jobs have been added in the past three years. The machinery industry has more than doubled its employment level since 1960, increasing from 3,400 in 1960 to 7,100 in 1966, a gain of 3,700 jobs. Growth in employment in the machinery industry was very rapid in the 1960-1962 interval, there was no growth in the 1962-1964 period, but a sharp increase in employment has occurred since 1964. The transportation equipment industry (up 1,300 jobs to a total of 8,000 in 1966) and the "all other" category (up 900 jobs) also have displayed significant increases during the period.

Manufacturing employment in the nondurable goods industries has grown at a relatively slow pace since 1960; the employment level increased from 9,300 in 1960 to 10,900 in 1966, an average gain of 270 annually. The printing and publishing industry accounted for almost one-half of the nondurable goods increase. Smaller gains were reported in the apparel industry, the chemicals industry and the "all other" category, with the food products industry showing no change.

Gains in nonmanufacturing employment averaged 10,825 annually between 1960 and 1966, as nonmanufacturing employment increased from 188,900 in 1960 to 250,000 in 1966. A peak of 15,200 jobs were added between 1963 and 1964, contrasted to an employment increase between 1960 and 1961 of only 4,200 jobs. The gain for the 1965-1966 period totaled 7,600, the second smallest increment of the six-year period. About two-thirds of total nonagricultural employment in the SMSA is concentrated in trade, the service industries, and government, with each comprising about 22 percent of the total. In 1966, employment in trade averaged 66,200, government employment averaged 65,200, and employment in the service industries was 64,800.

Since 1960, employment in the service industries has increased by 21,500 (50 percent). Annual gains have ranged from 3,400 to 4,800 except between 1960 and 1961 when employment increased by only 1,900. The next largest employment gain was recorded by government, which added 15,200 jobs during the period. The gain in government employment was tempered by a loss of 3,200 jobs in federal employment since 1963 resulting from reduced civilian employment at Norton AFB. Employment in trade increased from 51,200 in 1960 to 66,200 in 1966, a total gain of 15,000 jobs. Most of this increment was in the retail trade category. Employment in the finance, insurance and real estate sector increased from 8,200 in 1960 to 11,800 in 1966, a total gain of 3,600. The construction industry added 5,800 jobs between 1960 and 1964, but since that time employment has declined by 3,500, so that

the net gain for the entire period was 2,300 jobs. The decline since 1964 is attributed to the sharp reduction in residential construction.

Principal Employment Sources

Manufacturers. There are only five manufacturing firms in the San Bernardino HMA which employ 1,000 workers or more. The Kaiser Steel Corporation, located in Fontana, is by far the largest private employer in the HMA. This plant is the only fully integrated basic steel plant in the state.

The Rohr Corporation and Bourns, Incorporated are located in the Riverside portion of the HMA and are engaged in the production of aerospace components and electrical machinery, respectively. Another manufacturer of electrical machinery (the Duetsch Company) is located in Banning, beyond the HMA limits, but many of its employees commute from the HMA. The remaining major manufacturing firms are Lockheed Aircraft Services and General Electric Corporation located in Ontario.

Military. Two major military installations are situated in the HMA. March AFB, located southeast of the city of Riverside, became operational in 1923. At the present time, the base is the headquarters of the 15th Air Force, which is part of the Strategic Air Command (SAC). As of September 1966, there were 6,314 military personnel and 1,231 civilian employees at the base, a total complement of 7,545 persons. This represents a substantial drop from the December 1960 total. No significant changes in total strength are planned during the three-year forecast period.

Norton Air Force Base is located just east of the city of San Bernardino. The primary mission of the base has been as an Air Material Area. In 1964, however, it was announced that this function would be phased-out by July 1969 and that its operations would be absorbed by other Air Force logistic installations. As the following table indicates, this transfer has sharply reduced the level of civilian employment at the base from about 9,850 in December 1963 to about 3,525 in September 1966. However, the military complement has remained virtually unchanged at somewhat over 3,100. Recently the base has been reassigned to the Military Airlift Command (MAC). It is one of the three major military installations for international embarkation and debarkation on the Pacific Coast. In this respect, it is responsible for the shipping of men and supplies to and from Southeast Asia. As a result of this new function, the total number of military personnel assigned to Norton AFB will more than double by the end of the three-year forecast period. A slight increase in civilian employees also is anticipated. The trends of military and civilian strength at March and Norton Air Force Bases are shown in the following table.

Assigned Strength
March and Norton Air Force Bases
San Bernardino, California, HMA
1956-1966

<u>Date</u>	<u>Norton AFB</u>		<u>March AFB</u>	
	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
Dec. 1956	2,586	9,986	8,012	791
" 1957	2,479	9,213	9,106	632
" 1958	2,045	10,418	9,457	608
" 1959	2,193	10,682	8,108	610
" 1960	2,338	9,746	6,836	894
" 1961	2,190	9,634	6,979	921
" 1962	2,808	9,384	5,551	930
" 1963	3,113	9,846	6,568	933
" 1964	3,058	8,861	6,545	921
" 1965	3,585	5,583	6,121	974
Sept. 1966	3,144	3,519	6,314	1,231

Source: Department of Defense.

Unemployment

Persistent unemployment has plagued the San Bernardino SMSA since 1960. Only once since that time has the unemployment rate dropped below six percent. In 1960, the unemployment rate was equal to 6.6 percent of the work force. The rate jumped to 7.5 percent in 1961 and then declined to 5.9 percent in 1962, the lowest rate of the entire period. During the next two years (1963 and 1964) the rate was almost unchanged at 6.0 percent. In 1965 the rate increased to 6.7 percent and then declined to 6.2 percent in 1966.

Unemployment Trend
San Bernardino, California, SMSA
1960 - 1966

<u>Year</u>	<u>Work force</u>	<u>Number unemployed</u>	<u>Unemployment rate</u>
1960	268,600	17,600	6.6
1961	275,100	20,600	7.5
1962	284,650	16,900	5.9
1963	298,000	17,800	6.0
1964	315,900	18,800	6.0
1965	329,500	22,200	6.7
1966	340,000	21,100	6.2

Source: California Department of Employment.

Future Employment Prospects

Based on past employment trends presented in this analysis, nonagricultural employment in the San Bernardino-Riverside-Ontario SMSA is expected to increase by about 12,000 jobs annually during the January 1967-January 1970 forecast period. About 80 percent of the increase will occur in the HMA. The projected gain is slightly above the 1960-1966 average rate of increase of 11,800 annually and also is somewhat above the gains of the past two years. However, since 1964, there has been a loss of 4,800 jobs at Norton AFB, tempering the employment gain since that time. During the three-year forecast period, the number of civilians employed at Norton AFB is expected to increase slightly.

As in the past, most of the employment gain will occur in the non-manufacturing sector. Continued growth in trade, **services**, and government is expected in response to a sustained high level of population growth. In addition, partial recovery of the residential construction industry in the latter part of the forecast period may give some additional impetus to employment gains in this sector of the economy.

Income

As of January 1, 1967, the median annual income, after deducting federal income tax, was about \$7,250 for all families in the San Bernardino HMA. The median after-tax income of renter households of two or more persons was about \$5,975 annually. About 27 percent of all families and 39 percent of the renter households received after-tax annual incomes of less than \$5,000. About 25 percent of all families and only 14 percent of the renter households of two or more persons received after-tax annual incomes of \$10,000 or more. By 1970, median after-tax incomes are expected to increase to \$7,825 for all families and \$6,425 for renter households.

The following table shows current and projected median annual family incomes in the three submarkets of the HMA. Detailed distributions of families by annual after-tax income by submarket are presented in table II.

Estimated Median Family Income by Submarket
After Deducting Federal Income Tax
San Bernardino, California, HMA, 1967 and 1970

<u>Area</u>	<u>1967 Incomes</u>	<u>1970 Incomes</u>
HMA total	\$7,250	\$7,825
San Bernardino	7,175	7,750
Riverside	7,225	7,800
Ontario	7,475	8,075

Source: Estimated by Housing Market Analyst.

Demographic Factors

Population

Current Estimate and Past Trend. As of January 1, 1967, the population of the San Bernardino HMA totaled about 766,400, reflecting average annual gains of 26,200 (3.9 percent)^{1/} persons since April 1, 1960. Population growth during the first two years of the period was substantially below the over-all average. The rate increased sharply during the next three years, averaging about 40,000 persons annually. Growth in the past two years has approximated the average for the period.

Although comparable data are not available prior to 1960, it is judged that average numerical gains during the 1950-1960 decade were roughly equal to the post-1960 numerical increases. The population trend for the San Bernardino HMA is shown in the following table. A more detailed presentation is provided in table III.

Population Trend
San Bernardino, California, HMA
1960, 1967, and 1970

<u>Date</u>	<u>Population</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1, 1960	589,448	-	-
January 1, 1967	766,400	26,200	3.9
January 1, 1970	847,400	27,000	2.4

Sources: 1960 Census of Population.
1967 and 1970 estimated by Housing Market Analyst.

Major Cities. The population trends for the eleven incorporated cities in the HMA are shown in table IV. The city of Riverside, through numerous annexations, is the largest city in the HMA with about 137,400 persons. The city of San Bernardino has a population of about 108,500 and Ontario, 61,000. The remaining eight cities range in size from 15,200 to 35,800.

^{1/} All average annual percentage changes in demographic data, as used in this analysis, are derived through the use of a formula designed to calculate the rate of change on a compound basis.

Net Natural Increase and Migration. Data on vital statistics are not available for the HMA. In the San Bernardino-Riverside-Ontario SMSA, however, net in-migration accounted for about 70 percent of the total population increase during the 1950-1960 decade. In the HMA, it is judged that about three-fourths of the 1950-1960 growth resulted from in-migration. Since 1960, about 65 to 70 percent of the growth can be attributed to in-migration. During the forecast period, in-migration into the HMA can be expected to account for at least one-half of the population growth.

Estimated Future Population. Based on continued strong gains in employment and on the expected in-migration of military personnel, the total population in the San Bernardino HMA is expected to increase by 27,000 persons annually, to a January 1, 1970 level of 847,400. The projected annual growth is slightly above the 1960-1967 annual increase (26,200), but is substantially below the growth recorded in the 1962-1965 period. Growth in 1966 was dampened somewhat by the out-migration of civilians previously employed at Norton AFB.

Households

Current Estimate and Past Trend. As of January 1, 1967, there were about 229,400 households in the San Bernardino HMA. In April 1960, there were about 174,700 households, indicating that an average of 8,100 (4.0 percent) households were added annually during the period. Paralleling the growth in population, household growth was much higher during the middle part of the period.

The average annual growth in the number of households during the 1950's probably was similar to the post-1960 numerical gains, but comparable data are not available. The household trend for the HMA is shown in the following table; a more detailed presentation is provided in table III.

Household Trend
San Bernardino, California, HMA
1960, 1967, and 1970

<u>Date</u>	<u>Households</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1, 1960	174,690	-	-
January 1, 1967	229,400	8,100	4.0
January 1, 1970	254,500	8,350	3.5

Sources: 1960 Census of Housing.
1967 and 1970 estimated by Housing Market Analyst.

Average Household Size. The average size of households in the San Bernardino HMA is 3.24 persons, down slightly from the average of 3.26 persons reported in April 1960. The decline in household size since 1960 reflects an increase in the number of multifamily housing units (typically occupied by smaller households). Over the forecast period, it is expected that the average household size will remain unchanged.

Estimated Future Households. Based on the anticipated increase in population in response to continued economic expansion, there are expected to be 254,500 households in the San Bernardino HMA by January 1, 1970. This represents an average prospective addition of 8,350 households annually during the next three years.

Housing Market Factors

Housing Supply^{1/}

Current Estimate and Past Trend. At the start of 1967, there were 253,200 housing units in the San Bernardino HMA, representing an increase of 60,500 units, or 8,975 units annually, since April 1960. It is estimated that about 65,000 new residential units have been constructed and about 4,500 units have been demolished since April 1960.

Yearly net additions were upward between April 1960 and April 1965, but since that time the trend has been sharply downward. Between April 1, 1960 and April 1, 1961, net additions totaled 6,275 units. The number increased annually to a peak of 13,875 between April 1, 1964 and April 1, 1965. In the subsequent twelve months, the housing stock increased by only 8,775 units, and during the nine months from April 1, 1966 to January 1, 1967, net additions totaled only 2,600 units.

Net Additions to the Housing Inventory
San Bernardino, California, HMA
1960-1967

<u>Year ending</u> <u>April 1,</u>	<u>Net</u> <u>additions</u>	<u>Year ending</u> <u>April 1,</u>	<u>Net</u> <u>additions</u>
1961	6,275	1965	13,875
1962	6,675	1966	8,775
1963	8,825	1967 ^{a/}	2,600
1964	13,475		

^{a/} Nine-month period ending January 1, 1967.

Sources: San Bernardino and Riverside County Planning
Commissions and estimates by Housing Market
Analyst.

Characteristics of the Housing Supply. The 1960 Census of Housing reported that about 90 percent of the housing supply consisted of single-family units and about 10 percent of the units were in multi-family structures. Since 1960, however, only about three-fifths of the new residential construction has been single-family. As of January 1, 1967, about 83 percent of the inventory was composed of single-family units and 17 percent of the units were in multifamily structures.

^{1/} Building permit data are not available for the entire San Bernardino HMA. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the San Bernardino and Riverside County Planning Commissions, with adjustments for estimated unreported inventory losses.

The rapid growth of the HMA since 1950 is evident in the age of the inventory. About 26 percent of the housing supply has been constructed since 1960. During the decade of the 1950's, about 38 percent of the inventory was built. Only slightly more than one-third of the units were built prior to 1950.

Reflecting the relative newness of the inventory of the HMA, the overall condition of the housing supply is quite good. It is estimated that about 3.8 percent (8,500 units) of the current inventory is dilapidated or lacking one or more plumbing facilities, compared with 4.7 percent (9,100 units) in April 1960.

Tenure of Occupancy

Of the 229,400 occupied housing units in the San Bernardino HMA, 153,400 (66.9 percent) are owner-occupied and 76,000 (33.1 percent) are renter-occupied. The owner-occupancy rate represents a significant decline from the 68.9 percent reported in the 1960 Census. The decline continues a reversal in the trend toward homeownership that probably occurred late in the 1950-1960 decade.

Occupied Housing Units by Tenure San Bernardino, California, HMA 1960 and 1967

<u>Tenure</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>
Total occupied units	174,690	229,400
Owner-occupied	120,421	153,400
Percent	68.9	66.9
Renter-occupied	54,269	76,000
Percent	31.1	33.1

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

Vacancy

1960 Census. In April 1960, the Census of Housing reported that there were about 12,650 vacant housing units available for sale or rent in the San Bernardino HMA, reflecting an over-all vacancy rate of 6.8 percent. Approximately 5,400 of the vacant units were available for sale, reflecting a homeowner vacancy rate of 4.3 percent. The remaining 7,250 units, including both single-family and multifamily units, were available for rent, indicating a renter vacancy rate of 11.8 percent.

Postal Vacancy Surveys. A postal vacancy survey was conducted in January 1967 by nineteen post offices in the San Bernardino HMA. The survey covered about 95 percent of the current housing inventory (including trailers). At the time of the survey, about 16,175 units were vacant, equal to 6.9 percent of all surveyed residences and apartments. Of this total, 9,275 were residences, a vacancy rate of 4.6 percent, and 6,900 were apartments, indicating a vacancy ratio of 22.1 percent in this category. An additional 790 units were reported to be in all stages of construction. The results of the survey are presented in detail in table V.

Similar surveys were conducted in the HMA in October 1964 and March 1966. The 1964 survey reported an over-all vacancy rate of 6.9 percent. Residences and apartments had vacancy rates of 4.7 percent and 23.1 percent, respectively. The 1966 survey revealed an over-all vacancy of 7.2 percent, with a vacancy rate of 5.0 percent in residences and 21.7 percent in apartments.

Summary of Postal Vacancy Surveys
San Bernardino, California, HMA
1964, 1966, and 1967

<u>Date</u>	<u>Vacancy rates</u>		
	<u>Total</u>	<u>Residences</u>	<u>Apartments</u>
October 1964	6.9	4.7	23.1
March 1966	7.2	5.0	21.7
January 1967	6.9	4.6	22.1

Source: FHA Postal Vacancy Surveys conducted by collaborating postmasters.

As shown in the preceding table, the trend in vacancy rates has been mixed. The 1967 survey, however, includes one very large project which is almost completely vacant. When this project is excluded, the over-all vacancy rate falls to 6.5 percent, and the apartment vacancy rate declines to 19.1 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 row houses, and some duplexes and structures with additional units created by conversion. An "apartment is a unit on a stop where more than one delivery

of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. 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.

Other Vacancy Indicators. An apartment house survey is conducted annually by the Security First National Bank. It covers about 90 percent of all rental units in the HMA which are in projects containing eight or more units each. The most recent survey was conducted in August 1966 and covered about 17,500 units, of which 18.9 percent were vacant. These data exclude the Elks National Retirement Center mentioned previously in the analysis. In prior surveys, the Ontario area was not included; when this area is excluded from the present survey, the vacancy rate falls to 16.6 percent.

Apartment House Survey
San Bernardino, California, HMA
1964-1966

<u>Date</u>	<u>Total units</u>	<u>Vacant units</u>	<u>Vacancy ratio</u>
August 1964 ^{a/}	6,656	1,693	25.4
August 1965	9,046	2,006	22.2
August 1966 ^{b/}	11,942	1,979	16.6

^{a/} Based on sample.

^{b/} Excludes the Ontario area for purposes of comparison.

Source: Apartment Vacancy Surveys conducted by the
Security First National Bank of Riverside, California.

As shown in the preceding table, vacancies were highest in the 1964 survey, when over one-fourth of the units surveyed were vacant. In the current survey, about one-sixth of the units were vacant.

The Los Angeles FHA Insuring Office surveyed 81 rental projects in the San Bernardino HMA in November 1966. The survey covered about 4,050 units which had been completed between one and four years. It enumerated about 830 vacant units, equal to 20.5 percent of the total.

Current Estimate. The high level of new construction activity during the April 1960-April 1965 period caused a rapid increase in the vacancy level in the HMA, as the production of new units, both sales and rentals, outstripped the increase in demand. Significantly lower levels of construction in the past two years have allowed for the absorption of some of these vacancies. Based on the postal vacancy survey, on information obtained from informed local sources, and on other vacancy indicators, it is judged that as of January 1, 1967, there were about 17,200 units available for sale or rent in the San Bernardino HMA. The total represented about 7.0 percent of the available inventory. There were about 6,700 vacant sales units, reflecting a homeowner vacancy rate of 4.2 percent. The remaining 10,500 units, both single-family and multifamily, were available for rent, a renter vacancy ratio of 12.1 percent.

The over-all vacancy rate (7.0 percent) was only slightly above the 1960 ratio of 6.8 percent. The homeowner vacancy rate has declined somewhat since 1960, while the renter vacancy rate has increased moderately. The over-all and the renter vacancy rates, both of which have increased since 1960, are inflated somewhat by the inclusion of one large unsuccessful-project. When the project is excluded from the available vacancy total, the over-all vacancy rate declines to 6.5 percent and the renter vacancy rate falls to 11.2 percent, both of which would be below the respective 1960 levels.

Vacant Housing Units
San Bernardino, California, HMA
1960 and 1967

<u>Units</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>
Total vacant units	<u>17,994</u>	<u>23,800</u>
Available vacant units	<u>12,653</u>	<u>17,200</u>
For sale	5,411	6,700
Homeowner vacancy rate	4.3%	4.2%
For rent	7,242	10,500
Renter vacancy rate	11.8%	12.1%
Other vacant units ^{a/}	5,341	6,600

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

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

Although vacancy levels have improved during the past year, there is a substantial excess of available vacancies. Despite the rapid rate of population growth of the HMA, vacancy levels are about twice the number required to maintain balance in both the sales and rental markets. In addition, the quality of the vacancies is exceptionally good. Only about one percent of the sales vacancies and five percent of the rental vacancies lack one or more plumbing facilities. A large portion of the units available for sale never have been occupied and many of the rental units have been built in the post-1960 period.

Sales Market

General Market Conditions. The sales market in the San Bernardino HMA has been extremely weak for some time. The homeowner vacancy rate (4.1 percent) indicates that the sales market has not improved significantly since 1960, when the homeowner vacancy rate was 4.3 percent. Deterioration of the sales market began in the mid-1950's with excessive construction of new sales units. It gradually worsened until late 1964 or early 1965 when the homeowner vacancy rate reached about five percent. Reduced construction levels, especially in the twelve months ending January 1, 1967, have caused substantial improvement. The reduction in civilian employment at Norton AFB in recent years, with the resulting out-migration, however, has hindered restoration of market balance. In addition, inability on the part of the prospective home buyers to obtain satisfactory financing terms has been an inhibiting factor in the improvement of the sales market. An easing of mortgage credit during the forecast period and continued low levels of construction could restore the sales market to reasonable balance within two years.

The market for existing sales houses has fallen off in the past year, but is still stronger than the market for new housing. Much of the difficulty in the market for existing homes is a reflection of the shortage of mortgage money. The relative strength of the existing home market, particularly for homes priced below \$20,000, is attributable to the rapid rise in land values, making it increasingly difficult to construct new houses in the lower price ranges in close-in locations.

Major Subdivision Activity. Subdivision building activity has been high throughout all sections of the HMA. As late as 1960, ample land was available for residential development inside or adjacent to the three central cities. Since that time, however, high levels of building activity and rapidly increasing land costs have forced the subdivisions to more outlying locations. The San Bernardino National Forest forms the northern and eastern boundaries of the HMA, limiting growth in these areas. Much of the subdivision activity is occurring in the southwestern portion of the HMA, where vast expanses of land are still available. This area is within commuting distance of rapidly growing Orange County. There are also subdivision concentrations near Redlands (in the eastern portion of the HMA) and in the area between Ontario and San Bernardino.

Virtually all of the building in subdivisions in the HMA has been on a speculative basis. Houses range in price from about \$12,000 to \$40,000. Typical houses are one-story, contain three or four bedrooms, and have two baths. Although homes in all price ranges are available throughout the HMA, those constructed in the Riverside County portion are priced somewhat above the HMA average level while the average price in the Ontario area is somewhat below the HMA average.

Price Trends. Typical of southern California, the prices of new houses have been increasing at a very rapid rate, reflecting increasing land and construction costs. Another major factor has been the trend toward larger homes with more amenities. Surveys of unsold tract houses made by the Residential Research Committee of Southern California point up this rising price trend. The June 1960 survey showed that virtually all newly-completed houses (96.5 percent) were priced to sell for less than \$20,000 and over one-half were priced below \$14,000. Less than two percent were priced above \$25,000. In a comparable survey conducted in December 1966, only about one-third of the units were in the under \$20,000 price class and almost one-third of the homes were priced to sell in excess of \$25,000. Similarly, the estimated median sales price increased from \$13,700 in June 1960 to \$22,000 in December 1966, an increase of about 60 percent.

Unsold Inventory Surveys. The unsold tract survey conducted by the Residential Research Committee covers those tracts in which units are being offered for sale, regardless of completion date. This differs from the FHA survey which includes only those subdivisions which had five or more completions during the twelve months preceding the survey date. The ratio of unsold homes to total completions revealed by the Residential Research Committee report has been high throughout the period, ranging between 30 percent and 46 percent. The unsold ratio stood at 37 percent in June 1960; it increased to 44 percent in June 1962 and then receded to 33 percent in June 1963. Following a modest increase in June 1964 (to 34 percent), it jumped to 46 percent in June

1965, the highest ratio reported during the period. Since that time, substantial improvement is indicated; the unsold ratio declined during the next one and one-half years to 30 percent in the December 1966 survey. Although there have been slight variations in the trend, homes priced under \$20,000 generally have had lower unsold ratios than those priced above \$20,000.

Surveys of the unsold inventory of new sales houses in the HMA have been conducted by the FHA for the last several years. The surveys were conducted in January of each year and covered subdivisions in which five or more units were completed in the twelve months preceding the survey date (see table VI). It is judged that about one-half of all new houses completed were covered by the surveys. Following the trend of annual net additions to the inventory, the number of new house completions enumerated in each of the surveys was below the number in the previous year. The January 1965 survey counted 5,800 completions in 1964, compared with only 2,875 completions in 1965, and only 1,325 in 1966. All of the units in each of the surveys were built on a speculative basis.

The 1967 survey reported that about 38 percent of the new house completions in 1966 remained unsold on the date of the survey. This ratio is almost unchanged from a year ago. The 1965 survey, on the other hand, reported an unsold to completed ratio of 47 percent. Although the current ratio is substantially below the 1965 level, the high ratio reflects the softness of the HMA sales market. In addition, the number of units sold dropped very sharply, from almost 3,100 in 1964 to less than 820 in 1966.

In each of the three surveys, unsold to completion ratios were significantly higher in the higher price classes. Of the 1966 completions, 58.5 percent of the homes priced above \$25,000 were unsold, compared with 30.8 percent of the homes priced below \$25,000. The under \$25,000 bracket has been improving during the past three years; the unsold ratio declined from 43.6 percent of the 1964 completions to 35.7 percent of the 1965 completions. The unsold ratio for more expensive homes (over \$25,000), on the other hand, has been mixed, falling from 55.7 percent of 1964 completions to 45.9 percent of those in 1965, and then increasing sharply to 58.5 percent of 1966 completions.

An additional 1,248 unsold houses were counted which had remained unsold more than 12 months; i.e., they had been completed prior to 1966. The January 1966 survey counted 1,342 houses that had been on the market 12 months or more, and the 1965 survey counted 995 houses remaining unsold over a year.

Foreclosures. The trend of residential foreclosures in the San Bernardino-Riverside-Ontario SMSA has been generally upward since at least 1955. From a level of about 575 in that year, foreclosures and deeds in lieu of foreclosures increased to almost 4,850 in 1966; the upward trend was reversed in only two years (1959 and 1963). The trend of foreclosures for the two constituent counties of the SMSA is shown in the following table.

Foreclosures and Deeds in Lieu of Foreclosure
San Bernardino-Riverside-Ontario, California, SMSA
1955-1966

<u>Year</u>	<u>Riverside County</u>	<u>San Bernardino County</u>	<u>SMSA total</u>
1955	59	518	577
1956	101	552	653
1957	120	1,104	1,224
1958	210	1,490	1,700
1959	247	755	1,002
1960	524	1,005	1,529
1961	973	1,219	2,192
1962	1,306	1,952	3,258
1963	765	1,622	2,387
1964	731	2,828	3,559
1965	938	3,586	4,524
1966	1,351	3,491	4,842

Source: Residential Research Committee of Southern California.

FHA acquisitions, although above the 1960 level have been very stable since 1961. In 1960, the FHA acquired only 260 units in the SMSA. The level jumped to about 600 in 1961 and then declined slightly in the subsequent four years to about 540 in 1965. In 1966, however, the downward trend was reversed and 680 properties were acquired.

Trend of Default Terminations of FHA-Insured Mortgages
San Bernardino-Riverside-Ontario, California, SMSA
1960-1966

<u>Year</u>	<u>San Bernardino County</u>	<u>Riverside County</u>	<u>SMSA total</u>
1960	119	145	264
1961	240	362	602
1962	202	338	540
1963	223	334	557
1964	212	328	540
1965	220	317	537
1966	300	384	684

Source: Federal Housing Administration.

As of January 1, 1967, the FHA had about 500 acquired properties on hand in the SMSA. Of these, about 10 percent had been sold but the sales had not been closed, about 35 percent were available for sale, and the remaining units were awaiting repair or other pre-sale actions.

Rental Market

The rental market in the San Bernardino HMA has been over-built since the late-1950's. The 1960 vacancy rate of almost twelve percent was maintained through 1962. Between 1962 and 1964, however, unprecedentedly high levels of new multifamily construction far exceeded the demand for rental units, and the number of rental vacancies increased very rapidly. As a result of a more conservative lending policy by mortgagees and the shortage of mortgage funds, new construction over the last two years has fallen off substantially. This has tended to lower the vacancy ratio almost to the 1960 level.

The large number of new multifamily units which have been constructed since 1960 have improved the over-all quality of the rental inventory. In 1960, about three-fourths of the rental inventory consisted of single-family units, many of which were quite old and only of marginal quality. There now are a large number of new, modern, multifamily units on the market which offer a wide range of amenities to prospective tenants.

Virtually all of the new apartments that have been constructed in the HMA are in two-story garden projects. The units are generally in small structures (usually containing a maximum of 32 units) but often these structures are clustered, thus forming large concentrations. Monthly rentals (excluding utilities) range from \$60 to \$300, although most units have monthly rents in the \$90 to \$150 range. Because of the predominance of units in this rent class, vacancies in this range are somewhat above the over-all average. Very few units have been built to rent for more than \$150 a month and units in this price class are doing reasonably well.

There is only a small number of efficiencies in the HMA; monthly rentals for these units are usually between \$70 and \$90. Most one-bedroom units rent for between \$80 and \$100 a month, while two-bedroom units rent for about \$100 to \$130 a month. Three-bedroom units generally have monthly rentals between \$125 and \$150. These rent levels exclude the cost of utilities.

Urban Renewal

There are six urban renewal projects in the HMA; five are in the San Bernardino submarket and one is in the Riverside submarket. One project is a general neighborhood renewal plan, three are in planning, and two are in execution. These projects are discussed in some detail in the individual submarket summaries.

Public Housing

There are 981 public housing units in the HMA. All of the units are located in San Bernardino County. An additional 40 units are in the construction stage. Vacancies in the projects are minimal.

Military Housing

There are 791 military-controlled family housing units in the HMA. Of these 774 units are at March AFB--130 built with appropriated funds and 644 built under provisions of the Wherry Act. There are 17 units of family housing at Norton AFB.

Demand for Housing

Demand for additional housing in the San Bernardino HMA during the January 1, 1967-January 1, 1970 forecast period is predicated on the expected increase in households (projected at 8,350 annually), on the need to replace units lost from the inventory through demolition, and on the need to reduce vacancies substantially to a level consistent with the long-term needs of the San Bernardino area. Consideration also is given to the current tenure composition of the inventory and to the continuing trend from owner- to renter-occupancy. To accommodate the projected increase in the number of households and to allow for expected occupancy and inventory changes, approximately 18,000 additional housing units will need to be added during the three-year forecast period, including 12,150 single-family units and 5,850 units in multifamily structures. Of the total demand for multifamily units, about 800 will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. These estimates do not include demand for public low-rent housing or rent-supplement accommodations.

The total demand will be absorbed best if only about 3,400 units are produced in the next twelve months, 6,550 in the subsequent twelve-month period, and 8,050 in the final year of the forecast period. Satisfying demand in this manner will allow for the gradual reduction of vacancies in the next three years without glutting the market in the early part of the forecast period. Absorption of the current surplus would facilitate a gradual resumption of construction in the last two years of the forecast period. The provision of 18,000 additional units during the next three years should restore a reasonable balance in demand-supply relationships in the market by the end of the forecast period if growth in the area proceeds at the rate now anticipated. A construction volume significantly in excess of 18,000 additional units during the forecast period will preclude the achievement of market balance. The qualitative demand for new single-family and multifamily housing units is presented in the individual submarket summaries.

Housing Market Summary
San Bernardino Submarket
San Bernardino, California, HMA

Housing Market Area

The San Bernardino submarket area is bounded on the north and east by the San Bernardino National Forest, on the south by Riverside County, and stretches westward beyond the corporate limits of Fontana^{1/}, and includes the cities of San Bernardino, Redlands, Fontana, Rialto, and Colton. Numerous major traffic arteries traverse the area. The distance of San Bernardino from the Los Angeles area has limited the amount of out-commutation to the adjoining SMSA's; there is, however, substantial commutation to the other submarkets.

Government is the major source of employment in the area, but recent cutbacks at Norton AFB have lessened its predominance. There is also substantial employment in the trade and service industries. Manufacturing employment, fairly significant in the area, is very heavily concentrated in one firm--the Kaiser Steel Corporation. This plant is the only fully-integrated basic steel plant in the state.

The January 1967 median annual income, after deducting federal income tax, of all families in the San Bernardino area was about \$7,175, and the median after-tax income of renter households^{2/} was about \$5,900. These incomes are slightly below the HMA levels. By 1970, the median after-tax income of all families is expected to increase to \$7,750 and the median annual income of renter households is expected to be \$6,375, after-tax.

^{1/} Specifically, the submarket is composed of Census Tracts 23-88, inclusive, in San Bernardino County.

^{2/} Excludes one-person renter households.

Demographic Factors

Population

As of January 1, 1967, the population of the San Bernardino submarket totaled about 356,800, compared with 290,900 in April 1960 (see table III). This represents an average increase of 9,750 (3.0 percent) persons annually since the time of the enumeration in 1960. Over the three-year forecast period, population increments are expected to average 10,000 annually, resulting in a January 1, 1970 population total of 386,800.

There are five incorporated areas in the San Bernardino submarket, which account for 59 percent of the population. The city of San Bernardino is the largest city with a population of 108,500; population growth since 1960 has averaged 2,450 annually, a small portion of which resulted from annexations. The population of Redlands is about 35,800, reflecting average increases of 1,325 a year since 1960. Rialto (26,300 persons), Colton (20,800 persons), and Fontana (18,600 persons) are the remaining incorporated areas. The population trends of these cities since 1950, are presented in table IV.

Households

As of January 1, 1967, households totaled 109,400, representing an average annual increase of 3,125 since April 1960 (see table III). Household growth in the San Bernardino submarket during the forecast period is expected to be slightly above the 1960-1967 rate of growth, and by January 1970, households will total about 119,100, an anticipated yearly increase of 3,225 during each of the next three years.

The average size of all households in the San Bernardino area is 3.17 persons, lowest of the three submarkets. The present average size of household represents a slight decline from the April 1960 average of 3.19 persons. During the three-year forecast period, the decline is expected to continue at about the same rate, falling to 3.16 persons by January 1, 1970.

Housing Market Factors

Housing Supply^{1/}

As of the date of this analysis, the housing inventory in the San Bernardino submarket totaled about 120,300 units. The 1960 Census of Housing reported that, at the time of the enumeration, there were about 96,950 housing units in the San Bernardino area; annual net additions to the inventory have averaged 3,450 since April 1960.

The trend of annual net additions to the aggregate housing inventory since 1960 have been somewhat mixed. Between April 1, 1960 and April 1, 1961, about 2,375 units were added to the housing supply. In the following twelve months, net additions totaled only 2,225 and then increased to 2,775 units between April 1, 1962 and April 1, 1963. Net additions were up sharply in the April 1, 1963-April 1, 1964 period and the April 1, 1964-April 1, 1965 period, totaling 5,100 and 6,125, respectively. The number dropped to 4,300 in the subsequent twelve-month period. During the last nine months (April 1, 1966-January 1, 1967), only 450 units were added to the housing stock.

Net Additions to the Housing Inventory
San Bernardino Submarket
San Bernardino, California, HMA
1960-1967

<u>Year ending</u> <u>April 1,</u>	<u>Net</u> <u>additions</u>	<u>Year ending</u> <u>April 1,</u>	<u>Net</u> <u>additions</u>
1961	2,375	1965	6,125
1962	2,225	1966	4,300
1963	2,775	1967 ^{a/}	450
1964	5,100		

^{a/} Nine-month period ending January 1, 1967.

Sources: San Bernardino County Planning Commission and estimates by Housing Market Analyst.

^{1/} Complete building permit data are not available for the San Bernardino HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the San Bernardino County Planning Commission, with adjustments for estimated unreported inventory losses.

Since 1960, it is judged that multifamily units have accounted for about 38 percent of total construction. This has decreased slightly the dominance of single-family units in the area from almost 91 percent in 1960 to about 85 percent. Reflecting the very rapid growth of the San Bernardino area in the post-World War II period, the housing inventory is relatively new and very few of the units are substandard. About 60 percent of the units have been built since 1950 and only slightly more than one-fifth were built prior to 1940. Units lacking one or more plumbing facilities account for only about three percent of the inventory.

Tenure of Occupancy

As of January 1, 1967, about 68.5 percent (74,900 units) of the occupied housing inventory in the San Bernardino area was owner-occupied and 31.5 percent (34,500 units) was renter-occupied. The owner-occupancy rate is the highest of any of the three submarkets. Although there still is a large majority of owner occupants, there has been a shift to renter-occupancy. In 1960, 70.1 percent of the occupied inventory was owner-occupied.

Occupied Housing Units by Tenure San Bernardino Submarket San Bernardino, California, HMA 1960 and 1967

<u>Tenure</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>
Total occupied units	88,304	109,400
Owner-occupied	61,872	74,900
Percent	70.1%	68.5%
Renter-occupied	26,432	34,500
Percent	29.9%	31.5%

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

Vacancy

1960 Census. As reported by the 1960 Census, the San Bernardino area contained about 5,875 vacant housing units available for sale or rent, a net over-all vacancy ratio of 6.2 percent. A total of 2,400 of these units were available for sale, representing a net homeowner vacancy rate of 3.8 percent. The remaining 3,475 units were available for rent, indicating a net vacancy ratio of 11.6 percent in the rental inventory.

Postal Vacancy Survey. In January 1967, a postal vacancy survey was conducted in the San Bernardino area. Of the 111,850 units covered by the survey (about 93 percent of the inventory), about 7,200 were reported as being vacant, an over-all vacancy rate of 6.4 percent. There were 4,650 vacant residences and 2,550 vacant apartments, for vacancy ratios of 4.6 percent and 21.6 percent, respectively. Various limitations and considerations in connection with the evaluation of the survey results are cited on page 16 of the HMA report.

Current Estimate. It is estimated that as of January 1, 1967 there were about 7,500 available vacant housing units in the San Bernardino submarket, indicating an over-all vacancy rate of 6.4 percent. Of the total, 3,250 were for sale and 4,250 were for rent, representing net available homeowner and renter vacancy rates of 4.2 percent and 11.0 percent, respectively. These vacancy ratios are substantially above those which are deemed to represent a satisfactory relationship between demand and supply in an area with the moderate growth characteristics of the San Bernardino area.

Vacant Housing Units
San Bernardino Submarket
San Bernardino, California, HMA
1960 and 1967

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>
Total vacant units	<u>8,627</u>	<u>10,900</u>
Available vacant	<u>5,885</u>	<u>7,500</u>
For sale	<u>2,411</u>	<u>3,250</u>
Homeowner vacancy rate	3.8%	4.2%
For rent	<u>3,474</u>	<u>4,250</u>
Rental vacancy rate	11.6%	11.0%
Other vacant ^{a/}	<u>2,742</u>	<u>3,400</u>

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

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

Sales Market

General Market Conditions. The sales market in the San Bernardino area is quite weak, as indicated by the current homeowner vacancy rate of 4.2 percent. The weakest portion appears to be the Rialto-Colton area, while vacancies are generally lower in the Redlands area. Although demand for new single-family homes was relatively strong during the 1960-1965 period, the number of units constructed exceeded the demand. Lower construction levels since 1965 have permitted the absorption of some of the excess. A substantial portion of all available sales houses in the submarket consists of new unsold houses that never have been occupied; however, the number of new unsold units has been declining in the past eighteen months.

Major Subdivision Activity. Most of the current subdivision activity in the San Bernardino submarket is concentrated in three areas. The Fontana-Rialto area contains most of the lower-priced homes. The prices of new sales housing in the area starts at about \$14,000, but most of the offerings are in the \$17,500-\$25,000 price class. The few houses built in this area with prices in excess of \$25,000 have not sold as well as the lower-priced houses. The Highland-Del Rosa area, located on the northern fringe of the city of San Bernardino, is one of the better residential areas. Most new homes constructed in this portion are priced to sell between \$20,000 and \$30,000, although some lower- and higher-priced homes are available. Sales in this area have been generally good. Redlands and its suburban environs is the third major area of subdivision activity. Tract houses in the Redlands area range in price from about \$15,000 to \$40,000 and above. New house sales have been fairly good, except for those units priced above \$30,000.

Unsold Inventory. A survey of unsold tract houses, conducted by the Residential Research Committee of Southern California in December 1966, covered 57 subdivisions in the San Bernardino area in which about 1,900 houses had been completed. At the time of the survey, about 30 percent of these homes were unsold. Of the completed units, 38 percent were priced to sell for less than \$20,000, while 31 percent were in the \$20,000-\$25,000 price range and 18 percent were in the \$25,000-\$30,000 price class. Only about 13 percent of the homes were priced to sell for \$30,000 or more. The lowest unsold ratios were in the middle price classes; the \$20,000 to \$25,000 bracket had an unsold ratio of 28 percent and the \$25,000 to \$30,000 range had an unsold ratio of 21 percent. Of the homes priced below \$20,000, about 31 percent were unsold, while about 43 percent of the houses priced at \$30,000 or more were unsold.

The current unsold ratio is the lowest since the June 1963 survey revealed an unsold to completed ratio of 29 percent. The ratio jumped to a peak of 60 percent in June 1964, but has declined continually since that time.

The distribution of completed houses by price class in the current survey points up the rapid appreciation of sales prices in the San Bernardino area. The Residential Research Committee tract survey conducted in June 1960 revealed that 97 percent of the completions were in the under \$20,000 category, compared with only 38 percent in the December 1966 survey. Similarly, the 1960 survey had no units priced in excess of \$25,000, while 31 percent of the units in the most recent survey were in that range.

Rental Market

The rental market in the San Bernardino submarket is quite weak although it has registered a slight improvement since 1960. The census reported the rental vacancy rate in 1960 to be 11.6 percent, compared with 11.0 percent, on January 1, 1967. Most of the multifamily units in the area have been built since 1960. There were unprecedented high levels of multifamily construction between 1962 and 1965 and rental vacancies increased very rapidly. Since 1965 multifamily construction has fallen sharply and, consequently, rental vacancies also have dropped. The over-supply of rental housing in the submarket has been particularly evident since about 1964 as reflected in the wide variety of rental accommodations available in almost all areas, types of projects, and monthly gross rent ranges.

Virtually all multifamily construction in the area consists of small, garden-type projects. Typical shelter rents are about \$60 to \$90 a month for efficiencies, \$80 to \$110 a month for one-bedroom units, and \$90 to \$130 for two-bedroom units. Very few three-bedroom units have been constructed.

These typical rents are below those required to assure a reasonable return on new units produced under current costs. They reflect the over-supply of new apartments in the market. Once the over-supply has been absorbed, it may be expected that rents will rise to a level more nearly commensurate with costs and that apartment construction will become more active.

Urban Renewal

There are five urban renewal projects in the San Bernardino submarket. The Meadowbrook Park Project (R-10), in San Bernardino, is nearing completion. The area originally contained about 250 dwelling units. Generally, the boundaries are "E" Street, Sierra Way, Athol Street, and 3rd Street. The project covers about 98 acres and the predominant re-use will be industrial. The Central City Project No. 1 (R-19), also in San Bernardino, is just entering the execution stage. The project is contiguous to the Meadowbrook Park project on the east, and is bounded by the freeway (Route 395), 2nd Street, 4th Street, and Arrowhead Avenue. About 250 families will be relocated from the area. Re-use will be primarily commercial, with some residential areas planned.

The remaining three projects are in Colton. One of the projects is a general neighborhood renewal plan. The remaining two projects, Downtown No. 1 (R-77) and Downtown No. 2 (R-85), are primarily commercial and few families and housing units are affected.

Public Housing

There are seven public housing projects in the San Bernardino submarket, containing a total of 831 units. An additional 40 units are under construction. Vacancies in these projects are quite low.

Demand for Housing

Quantitative Demand

Demand for new housing in the San Bernardino submarket area during the three-year forecast period from January 1, 1967 to January 1, 1970 is primarily a function of the projected level of household growth, estimated at 3,225 annually. Consideration also is given to expected losses from the inventory through demolition and the current excess of available vacant units. Based on these factors, total demand for additional housing units during the next three years is estimated at 6,450 units, including 4,050 single-family units and 2,400 multifamily units. Included in the multifamily demand are 450 units of demand that will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. This demand estimate does not include public low-rent housing or rent-supplement accommodations.

The absorption of the excess supply of housing will be facilitated if construction in the early part of the forecast period is at a level substantially below the average for the three-year period. Construction then could be increased as balance in the market begins to be restored.

Qualitative Demand

Single-family Demand. Based on the current level of incomes of families in the San Bernardino area, on land development and construction costs typical in the area, and on recent market experience, the annual demand for new single-family housing is expected to approximate the pattern shown in the following table.

Annual Demand for New Single-Family Houses, by Price Class

San Bernardino Submarket

San Bernardino, California, HMA

January 1, 1967 to January 1, 1970

<u>Sales price</u>	<u>Year ending January 1,</u>		
	<u>1968</u>	<u>1969</u>	<u>1970</u>
Under \$17,500	75	175	200
\$17,500 - 19,999	100	300	350
20,000 - 24,999	200	425	500
25,000 - 29,999	150	325	425
30,000 - 34,999	100	150	200
35,000 and over	75	125	175
Total	700	1,500	1,850

The foregoing distribution differs from the price distribution in the survey of unsold tract houses conducted by the Residential Research Committee of Southern California (see page 31). The tract survey does not include individual or contract construction on scattered lots and in some cases not all subdivisions have been included. It is likely that the more expensive housing, and some of the lower-value homes, are concentrated in the smaller building operations which are numerous. The preceding demand estimate reflects all home building and indicates greater concentration in some price ranges than a subdivision survey would indicate.

Multifamily Housing. The excessive volume of rental vacancies in the San Bernardino submarket results from overbuilding in recent years and from concentrations of rentals in relatively poor locations, with rent ranges inconsistent with qualitative demand, and in units lacking amenities available in other competitive rental units. Thus during the early part of the forecast period, only projects of superior location and design with the amenities required by the market to be served should be given any consideration for new construction. The recommended volume of additional rental units which may be marketed during the forecast period will gradually increase from present low levels to about 1,000 units (at market rates of interest) in the third year of the forecast period, assuming a substantial absorption of existing vacancies during the first and second year.

The monthly rentals at which additional units in multifamily structures might best be absorbed by the rental market during the third year of the forecast period are indicated for various size units in the following table. Proportionate distributions may be assumed in the early part of the forecast period in projects acceptable because of superior location, design, and amenities. These 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 those indicated in the table also may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

Average Annual Demand for New Multifamily Housing
by Gross Monthly Rent and Unit Size
San Bernardino Submarket
San Bernardino, California, HMA
January 1, 1969 to January 1, 1970

<u>Gross monthly rent^{a/}</u>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three bedrooms</u>
\$ 95 and over	60	-	-	-
105 " "	40	-	-	-
115 " "	25	460	-	-
125 " "	10	345	-	-
135 " "	-	265	360	-
145 " "	-	185	255	-
155 " "	-	125	175	20
165 " "	-	80	125	75
175 " "	-	50	80	45
200 " "	-	25	45	25
225 " "	-	-	25	-

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

Note: The above figures are cumulative and cannot be added vertically.

The total demand for 450 additional multifamily units at rents below those indicated above can be satisfied only through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 450 units include 15 efficiencies, 150 one-bedroom units, 180 two-bedroom units, and 105 three-bedroom units. Most of this demand will arise in the latter half of the forecast period, 150 in the second year and 300 units in the third year.

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 multifamily housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The preceding distributions of average annual demand for new apartments are based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorption experience of new rental housing. Thus, they represent patterns for guidance in the production of multifamily housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from this demand distribution. Even though a deviation from the above schedule may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless a thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods.

Housing Market Summary
Riverside Submarket
San Bernardino, California, HMA

Housing Market Area

The Riverside submarket occupies the northwest corner of Riverside County and includes the cities of Riverside and Corona and their suburban areas.^{1/} State Route 91 (Riverside Freeway) is the main commuter route, connecting the submarket with the employment centers in the Anaheim-Santa Ana-Garden Grove SMSA. U.S. Route 395 connects the area with San Bernardino, and U.S. Route 60 provides easy access to Ontario and Los Angeles. Riverside is the retail and wholesale center of the county, and proximity to both mountain and desert resort areas makes tourism a major activity. Employment is fairly evenly divided between trade, the service industries, and government. The University of California campus in Riverside has helped boost government employment and continued expansion of the physical facilities will help support the construction industry. The leading manufacturing firms in the submarket are the Rohr Corporation and Bourns, Incorporated, both of which are engaged in the production of electrical machinery.

The current median family incomes, after deducting federal income tax, are about \$7,225 for all families and \$5,950 for renter households.^{2/} About 19 percent of all families have after-tax incomes of less than \$4,000, compared with about 26 percent of the renter households. At the upper end of the income distribution, about 26 percent of all families and 14 percent of the renter households currently receive after-tax incomes of \$10,000 or more annually. By 1970, median after-tax incomes are expected to be \$7,800 for all families and \$6,400 for renter households.

^{1/} Specifically, the submarket is composed of Census Tracts 1-17 and 101-125, inclusive, in Riverside County.

^{2/} Excludes one-person renter households.

Demographic Factors

Population

As of the date of this analysis, the population of the Riverside submarket totaled about 240,000 persons (see table III). In 1960, the population of the submarket totaled about 179,400, indicating that the population has increased by an average of 8,975 (4.3 percent) a year. The rate of population growth was most rapid during the 1963-1965 period, and has slowed substantially since that time. The proximity of the submarket (particularly the Corona area) to the rapidly growing Anaheim-Santa Ana-Garden Grove SMSA accounts for some portion of the population growth.

The city of Riverside is the largest city in the HMA, primarily because of extensive annexation activity. Riverside has a population of about 137,400, compared with 84,350 in 1960, reflecting average annual gains of 7,850 persons annually. The total gain of 53,050 persons between 1960 and 1967 includes about 30,000 persons who were annexed by the city. The city of Corona, the only other incorporated area in the Riverside submarket, has a population of about 23,600. This represents an average annual gain of 1,525 since April 1960. About 10 percent of the post-1960 growth resulted from annexations. Table IV presents the growth trends of these cities since 1950.

Population growth in the Riverside area during the January 1, 1967-January 1, 1970 forecast period is expected to be somewhat more rapid than the 1960-1967 growth. It is expected that the January 1, 1970 population will total about 268,200 persons, representing average annual gains of 9,400 persons, compared with average gains of 8,975 persons a year in the 1960-1967 interval. The more rapid growth is expected to result from increased in-migration from the Anaheim-Santa Ana-Garden Grove SMSA as residential land in that area becomes less available.

Households

There were about 71,300 households in the Riverside submarket as of January 1, 1967 (see table III). In April 1960, households totaled 52,700; an average of 2,750 households (4.5 percent) have been added annually since that time. During the three-year forecast period, it is expected that the number of households will increase to 80,000, a gain of 2,900 annually over the present level.

In the Riverside area, the trend has been to smaller households. Since 1960, the average household size has decreased from 3.28 persons to 3.26 persons currently, and is expected to decline to 3.25 persons during the three-year forecast period.

Housing Market Factors

Housing Supply^{1/}

The housing stock in the Riverside submarket totaled about 78,900 units as of January 1, 1967. The 1960 Census of Housing reported that, at the time of the enumeration, there were 59,250 units in the Riverside area; annual net additions to the inventory have averaged 2,925 since April 1960.

Net Additions to the Housing Inventory
Riverside Submarket
San Bernardino, California, HMA
1960-1967

<u>Year ending</u> <u>April 1,</u>	<u>Net</u> <u>additions</u>	<u>Year ending</u> <u>April 1,</u>	<u>Net</u> <u>additions</u>
1961	2,325	1965	4,400
1962	2,225	1966	1,850
1963	2,100	1967 ^{a/}	2,000
1964	4,750		

^{a/} Nine-month period ending January 1, 1967.

Sources: Riverside County Planning Commission and estimates by
Housing Market Analyst.

The trend of annual net additions to the inventory was relatively stable during the April 1, 1960-April 1, 1963 period, ranging between 2,100 and 2,325 annually. In the following two years, however, the number increased sharply. Net additions in the Riverside area have fallen off sharply since April 1965. In the twelve-month period ending April 1, 1966, only 1,850 units were added to the inventory. In the last nine months, 2,000 have been added. However, the number includes almost 1,200 units in one retirement center.

^{1/} Complete building permit data are not available for the San Bernardino HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the Riverside County Planning Commission with adjustments for estimated unreported inventory losses.

Multifamily units since 1960 have accounted for about 40 percent of total construction. This is quite different from the 1960 inventory composition. In 1960, about 89 percent of the housing inventory was single-family. As a result of the multifamily additions since that time, the predominance of single-family units has declined to about 80 percent. The rapid growth of the area is reflected in the relative youth of the inventory; over two-thirds of the units have been constructed since 1950, and only slightly more than one-fifth were built prior to 1940.

Tenure of Occupancy

The increase in apartment construction in recent years, and the subsequent occupancy of these units, in the Riverside area has brought about a corresponding increase in renter-occupancy. In April 1960, about 66.8 percent of the occupied inventory was owner-occupied. Currently, only 64.2 percent of the units are owner-occupied.

Occupied Housing Units by Tenure
Riverside Submarket
San Bernardino, California, HMA
1960 and 1967

<u>Tenure</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>
Total occupied units	<u>52,715</u>	<u>71,300</u>
Owner-occupied	35,203	45,800
Percent	66.8%	64.2%
Renter-occupied	17,512	25,500
Percent	33.2%	35.8%

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

Vacancy

1960 Census. In April 1960, the census reported that there were about 4,825 vacant housing units available for sale or rent in the Riverside submarket, indicating an over-all net vacancy rate of 8.4 percent. Of the total, about 2,100 were for sale (a homeowner vacancy rate of 5.6 percent) and 2,725 were for rent (a rental vacancy rate of 13.5 percent).

Postal Vacancy Survey. The postal vacancy survey conducted in January 1967 covered about 93 percent of the current inventory in the Riverside submarket. The survey revealed an over-all vacancy rate of 6.9 percent, 4.3 percent in residences, and 24.0 percent in apartments (see table V). The

survey of apartments, however, included the 1,195 units in one project which is almost completely vacant. The exclusion of this project decreases the over-all vacancy rate to 5.4 percent and the apartment vacancy rate to 13.5 percent. Various limitations and considerations in connection with the evaluation of the survey results are cited on page 16.

Current Estimate. As of January 1, 1967, there were about 5,400 vacant available housing units in the Riverside area, equal to 7.0 percent of the total available inventory. Of this total, there are 1,850 available for sale only, representing a homeowner vacancy rate of 3.9 percent, and 3,550 available for rent, indicating a rental vacancy ratio of 12.2 percent. Exclusion of the one project mentioned above drops the rental vacancy rate to 8.6 percent.

The level of both sales and rental vacancies on the market represents a substantial improvement since 1960. The sales market, however, is still severely over-built. The rental market (excluding the project mentioned above), on the other hand, has been almost restored to a more reasonable balance.

Vacant Housing Units
Riverside Submarket
San Bernardino, California, HMA
1960 and 1967

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>
Total vacant units	<u>6,523</u>	<u>7,600</u>
Available vacant	<u>4,828</u>	<u>5,400</u>
For sale	2,103	1,850
Homeowner vacancy rate	5.6%	3.9%
For rent	2,725	3,550
Rental vacancy rate	13.5%	12.2%
Other vacant ^{a/}	1,695	2,200

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

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

Sales Market

General Market Condition. The Riverside submarket has the lowest homeowner vacancy rate in the HMA, but it is still substantially above the rate that is deemed acceptable in a balanced market. Despite the softness of the sales market at the present time, the current homeowner vacancy rate (3.9 percent) represents a substantial improvement since 1960, when the homeowner vacancy rate was 5.6 percent. A rapid rate of population growth in the post-1960 period, coupled with reasonable levels of construction in all but two years, has brought about the improvement. The market for existing houses is generally weak throughout the area, with little variation between the various parts of the submarket. The market for new housing, on the other hand, is somewhat stronger in the western portion, in the vicinity of Corona and Norco. This results, in part, from the accessibility of the area; in addition to being close to the cities of Riverside and Ontario, it is also within easy commuting distance to the Anaheim-Santa Ana-Garden Grove SMSA.

Major Subdivision Activity. As is the case throughout the HMA, there is ample land available for residential development in the Riverside submarket. The Corona-Norco area contains a large number of subdivisions, as does the area north and east of the city of Riverside. The sales prices of the subdivision units range from as low as \$15,000 to about \$40,000; most of the units, however, are in the \$20,000 to \$30,000 price class. In terms of price, prospective home buyers have more choice around the city of Riverside. In the Corona area, few new homes are offered for less than \$20,000, and few are priced above \$30,000.

Unsold Inventory. In December 1966, the Residential Research Committee of Southern California conducted a survey of unsold tract houses in the Riverside area. The survey covered 47 active subdivisions in which 2,025 units had been completed. At the time of the survey, 33 percent of the houses were unsold. The highest unsold ratio (42 percent) was in the \$25,000 to \$30,000 price range. Houses priced below and above that range had the lowest unsold ratios; of the homes priced below \$20,000, about 28 percent were unsold and homes priced above \$35,000 had an unsold ratio of only 19 percent.

The Riverside area, in general, is the highest priced area in the HMA. In the December 1966 survey, only 24 percent of the homes were priced to sell for less than \$20,000, compared with 38 percent in the San Bernardino submarket and 49 percent in the Ontario submarket. About 33 percent of the units were in the \$20,000 to \$30,000 range, and 17 percent were priced to sell for \$30,000 or more. Based on the unsold tract survey, the median price of new subdivision houses in the Riverside submarket increased from \$14,500 in June 1960, to \$24,000 in December 1966.

Rental Market

The current rental vacancy rate in the Riverside area is 12.2 percent, down somewhat from the April 1960 level of 13.5 percent. However, the current vacancy totals include the one unsuccessful project previously mentioned; when that project is excluded, the rental vacancy rate drops to 8.6 percent. The 8.6 percent vacancy rate, although somewhat excessive, indicates that the rental market is being restored to a more reasonable balance.

Most new multifamily construction in the Riverside submarket is one- and two-bedroom units with low to moderate rents. Very few units rent for more than \$200 a month (excluding utilities). Typical rents (excluding utilities) for a one-bedroom unit range from \$100 to \$115 a month, and two-bedroom units generally rent for between \$110 and \$150 a month.

These typical rents are below those required to assure a reasonable return on new units produced under current costs. They reflect the over-supply of new apartments in the market. Once the over-supply has been absorbed, it may be expected that rents will rise to a level more nearly commensurate with costs and that apartment construction will become more active.

Urban Renewal and Public Housing

There is only one urban renewal project and no public housing projects in the Riverside submarket. The Downtown Project (R-89) is located in Corona. The project is currently in the planning stage and will be concerned primarily with the downtown commercial area.

Demand for Housing

Quantitative Demand

Annual demand for additional housing during the three-year forecast period in the Riverside submarket is based on an annual household increase of 2,900, on the need to replace housing units expected to be lost from the inventory through demolition, and on the need to allow for the absorption of an excess of rental vacancies. Consideration also has been given to the current tenure composition of households and the continued shift toward renter occupancy in the area. To accommodate the anticipated household increase and the expected occupancy and inventory changes, approximately 7,275 additional housing units will need to be added during the next three years, including 4,425 single-family units and 2,850 multifamily units. Of the total multifamily demand, it is judged that about 350 units will be at the lower rents achievable only with some form of public benefits or assistance. The demand estimate cited above excludes demand for public low-rent housing or rent-supplement accommodations.

To allow for the accelerated absorption of the surplus housing, the provision of new units should be limited in the first year of the forecast period (particularly for multifamily construction) and increased gradually to a volume of about 2,975 units in the third year. The production of new units in this manner should result in a balanced market by the end of the forecast period.

Qualitative Demand

Single-family Housing. Based on the current after-tax income of families in the Riverside submarket, on sales price to income relationships typical in the area, and on recent market experience, the annual demand for new single-family houses by price class is expected to approximate the distributions shown in the following table.

Annual Demand for New Single-Family Houses, by Price Class
Riverside Submarket
San Bernardino, California, HMA
January 1, 1967 to January 1, 1970

<u>Sales price</u>	<u>Year ending January 1,</u>		
	<u>1968</u>	<u>1969</u>	<u>1970</u>
Under \$17,500	50	75	100
\$17,500 - 19,999	125	250	300
20,000 - 24,999	275	375	425
25,000 - 29,999	350	475	500
30,000 - 34,999	200	225	250
35,000 and over	100	150	200
Total	1,100	1,550	1,775

The foregoing distribution differs from that shown on page 43 for reasons already cited in the San Bernardino submarket summary (see page 35).

Multifamily Housing. The excessive volume of available rentals in the Riverside submarket has been caused by overbuilding in recent years and by concentrations of rentals in relatively poor locations, with rentals inconsistent with qualitative demand, and in units lacking amenities available in other competitive rental units. Thus, during the early part of the forecast period, only projects of superior design and location with the amenities required by the market to be served should be given any consideration for new construction. The recommended volume of additional rental units which may be marketed during the forecast period will gradually increase from present low levels to about 1,000 units (at market rates of interest) in the third year of the forecast period, assuming a continued absorption of existing vacancies during the early part of the forecast period.

The monthly rentals at which additional units in multifamily structures financed at market rates of interest might best be absorbed by the rental market during the third year of the forecast period are indicated for various size units in the following table. Proportionate distributions may be assumed in the first and second years in projects acceptable because of superior location, design, and amenities.

Average Annual Demand for New Multifamily Housing
by Gross Monthly Rent and Unit Size
Riverside Submarket
San Bernardino, California, HMA
January 1, 1969 to January 1, 1970

<u>Gross monthly rent^{a/}</u>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three bedrooms</u>
\$ 95 and over	50	-	-	-
105 " "	35	-	-	-
115 " "	20	400	-	-
125 " "	5	290	-	-
135 " "	-	200	415	-
145 " "	-	130	300	-
155 " "	-	75	205	135
165 " "	-	40	125	85
175 " "	-	15	50	45
200 " "	-	5	15	20

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

Note: The above figures are cumulative and cannot be added vertically.

The total demand for 350 additional rental units (about 150 units in the second year and 200 units in the third year of the forecast period) at rents below the above levels can be satisfied only through the utilization of below-market-interest-rate financing or assistance in land acquisition and cost. Demand for these 350 units includes ten efficiencies, 110 one-bedroom units, 150 two-bedroom units, and 80 three-bedroom units. It should be noted that only the city of Corona has a workable program in effect at the present time. The city and county of Riverside have inactive workable programs currently. The estimated demand for below-market-interest-rate financed housing is for the entire submarket; absorption of the entire 350 units may be contingent on certification of workable programs for other parts of the submarket.

Housing Market Summary
Ontario Submarket
San Bernardino, California, HMA

Housing Market Area

The Ontario submarket includes the cities of Ontario, Montclair, Upland, and Chino, and their suburban areas.^{1/} The area is distinctively different from the rest of the HMA in that its growth is closely correlated to growth in the Los Angeles area. According to the 1960 Census, about one-half of the out-commuters from the two-county SMSA resided in the Ontario submarket. As is the case for the entire HMA, employment in the Ontario area is concentrated in trade, service, and government. The principal manufacturer is Lockheed Aircraft Services, which is engaged in aircraft modification.

The city of Ontario is located almost midway between Los Angeles and San Bernardino. The area is served by three major highways (including the San Bernardino Freeway), three major railroads, and three airlines. Ontario International Airport is located in this submarket; it is capable of handling large jet aircraft and serves as the first alternate when Los Angeles International Airport is closed because of bad weather.

The current median income, after deduction of federal income tax, of all families in the Ontario area is about \$7,475, and the median after-tax income of renter households of two or more persons is \$6,150. These are the highest income levels in the HMA. By 1970, the median after-tax income of all families is expected to increase to \$8,075 and the median income of renter households with two or more persons is expected to be \$6,625. Detailed distributions of families by income are shown in table II.

^{1/} Specifically, the submarket is composed of Census Tracts 1-22 in San Bernardino County.

Demographic Factors

Population

The Ontario area is the least populated of the three submarkets; however, it has the most rapid rate of population growth. As of January 1, 1967, the population of the Ontario submarket totaled about 169,600 persons (see table III). This represents an average gain of 7,475 persons (5.2 percent) annually since April 1960.

About three-fourths of the population is in the four incorporated areas. The city of Ontario has a current population of about 61,000, reflecting average annual gains of about 2,125 persons since April 1960. A small portion of this growth resulted from annexations. Upland has a population of 30,200, compared with only 15,900 in 1960. Montclair and Chino have current populations of 22,200 and 15,200, respectively. The population trends of these cities since 1950 are presented in table IV.

During the three-year forecast period, the population of the Ontario submarket is expected to increase by an average of 7,600 persons annually, reaching 192,400 by January 1, 1970.

Households

As of January 1, 1967, there were an estimated 48,700 households in the Ontario submarket, reflecting an average annual increase of 2,225 (5.5 percent) since the 1960 Census which reported a total of about 33,650 households. Based on the increase in population expected to occur in the Ontario area during the next three years, it is estimated that there will be 55,400 households in the submarket by January 1, 1970, an increase of 2,225 annually (4.5 percent) over the present total. The household growth in the Ontario submarket since 1960 is shown in table III.

Average household size in the Ontario area has remained unchanged since 1960, at 3.38 persons per household. No change is expected during the forecast period.

Housing Market Factors

Housing Supply^{1/}

There were about 54,000 housing units in the Ontario submarket on January 1, 1967, indicating a net gain of 17,500 units, or 2,600 annually, since April 1960. Annual net additions increased sharply between April 1960 and April 1963, but have fallen off precipitously since that time. Between April 1, 1960 and April 1, 1961, about 1,575 units were added to the inventory; in the April 1, 1962-April 1, 1963 interval, the inventory increased by 3,950 units, the peak for the period. Net additions declined during each of the next three years to 2,625 units for the twelve-month period ending April 1, 1966. In the past nine months (April 1966 to January 1967) only 150 units have been added to the housing supply.

Net Additions to the Housing Inventory
Ontario Submarket
San Bernardino, California, HMA
1960-1967

<u>Year ending</u> <u>April 1,</u>	<u>Net</u> <u>additions</u>	<u>Year ending</u> <u>April 1,</u>	<u>Net</u> <u>additions</u>
1961	1,575	1965	3,350
1962	2,225	1966	2,625
1963	3,950	1967 ^{a/}	150
1964	3,625		

^{a/} Nine-month period ending January 1, 1967.

Sources: San Bernardino County Planning Commission and estimates by Housing Market Analyst.

The housing inventory of the Ontario submarket, as in the other submarkets, is composed primarily of new, single-family units; only a small percentage are substandard. At the present time, about four-fifths of the units are single-family, representing a sharp decline from 1960, when over 92 percent of the inventory was of this type. The inventory of the area is quite new; because of this, less than three percent of the units lack one or more plumbing facilities. Of the current inventory, almost 70 percent has been built since 1950. Less than one-fifth of the units were built prior to 1940.

^{1/} Building permit data are not available for the San Bernardino HMA submarkets. All housing inventory changes referred to in this section are based on net changes in the inventory compiled by the San Bernardino Commission, with adjustments for estimated unreported inventory losses.

Tenure of Occupancy

An estimated 67.1 percent of the occupied housing units in the Ontario area are owner-occupied. This ratio represents a decline from the 69.3 percent reported in the 1960 Census of Housing. The current trend toward renter-occupancy represents a reversal of the 1950-1960 trend. The shift toward renter status reflects the increased construction and occupancy of new apartment units in the Ontario area since 1960.

Occupied Housing Units by Tenure
Ontario Submarket
San Bernardino, California, HMA
1960 and 1967

<u>Tenure</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>
Total occupied units	<u>33,671</u>	<u>48,700</u>
Owner-occupied	23,346	32,700
Percent	69.3	67.1
Renter-occupied	10,325	16,000
Percent	30.7	32.9

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

Vacancy

1960 Census. In April 1960, the census reported that there were about 1,950 vacant housing units available for sale or rent in the Ontario area. Of the total, 900 were available for sale (a homeowner vacancy rate of 3.7 percent) and 1,050 were available for rent (a rental vacancy rate of 9.2 percent).

Postal Vacancy Survey. A postal vacancy survey was conducted in the Ontario area in January 1967 (see table V). The survey covered about 90 percent of the total housing inventory and reported a total of 3,950 vacant units, including 1,900 vacant residences and 2,050 vacant apartments, representing vacancy ratios of 4.9 percent and 20.8 percent, respectively. Various limitations and considerations in connection with the evaluation of the survey results are cited on page 16.

Current Estimate. Based on the postal vacancy survey and on other vacancy indicators, it is judged that there are about 4,300 vacant housing units available for sale or rent in the Ontario submarket, indicating an over-all vacancy rate of 8.1 percent. Of the total, 1,600 are available for sale, for a homeowner vacancy rate of 4.7 percent, and 2,700 are for rent, for a rental vacancy rate of 14.4 percent. Both of these vacancy rates are significantly above the 1960 levels and are judged to be substantially above those which represent a satisfactory supply-demand balance which would provide sufficient occupancy for profitable operation while allowing adequate choice to prospective buyers and tenants.

Vacant Housing Units
Ontario Submarket
San Bernardino, California, HMA
1960 and 1967

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>
Total vacant units	<u>2,844</u>	<u>5,300</u>
Available vacant	<u>1,940</u>	<u>4,300</u>
For sale	897	1,600
Homeowner vacancy rate	3.7%	4.7%
For rent	1,043	2,700
Rental vacancy rate	9.2%	14.4%
Other vacanta/	904	1,000

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

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

Sales Market

General Market Conditions. The sales market in the Ontario area has continued to weaken considerably from the over-built condition that existed in 1960. The homeowner vacancy rate has increased from 3.7 percent in 1960 to 4.7 percent currently. The soft sales market has resulted from over-building, inadequate traffic arteries to employment sources, and the current tight money market. The strongest price range at the present time, especially for existing homes, is

for houses priced between \$15,000 and \$20,000. There is also a fairly good market for homes in the \$20,000 to \$25,000 price class. There is almost no market for homes priced above this level. The long-term softness of the market is pointed up by the fact that a large number of the sales vacancies are new units that have never been occupied. There has been a substantial reduction in this type of vacancy, however, in the past eighteen months as a result of the lower levels of construction.

Major Subdivision Activity. Subdivision activity is occurring throughout the submarket. The general availability of land has permitted residential development in all areas. The most inexpensive housing is generally constructed in the eastern portion of the submarket between Ontario and San Bernardino. Homes in this area start at about \$13,000 with relatively few priced above \$22,000. In the southwestern part of the submarket (the Chino area), subdivision offerings are generally in the \$17,000 to \$25,000 price class, but a few homes are priced above and below this range. The Upland area contains most of the higher-priced units, with most new houses priced between \$20,000 and \$30,000. In terms of new house sales, the western half of the submarket is slightly stronger than the eastern portion, although the difference is small.

Unsold Inventory. The Residential Research Committee of Southern California conducted a survey of unsold tract houses in the Ontario area in December 1966. It covered 49 subdivisions in which about 2,050 houses had been completed, of which almost 29 percent were unsold. The price classes below \$25,000 had unsold ratios slightly below the over-all average and those above \$25,000 had somewhat higher ratios. The under \$20,000 category had an unsold ratio of 28 percent and the unsold ratio in the \$20,000 to \$25,000 class was 24 percent. In the \$25,000 to \$30,000 class and the \$35,000 and over price range, the unsold ratios were 37 percent and 39 percent, respectively.

Of the total completions, 49 percent were priced to sell for less than \$20,000; about 32 percent were in the \$20,000 to \$25,000 price range and 13 percent were in the \$25,000 to \$30,000 class. The remaining six percent were in the \$30,000 and over category.

Rental Market

The rental market in the Ontario area has deteriorated since 1960; the rental vacancy rate increased from 9.2 percent in April 1960 to 14.4 percent in January 1967, the highest rental vacancy rate in the HMA. Unprecedented high levels of multifamily construction in the post-1960 period, far exceeding the demand for these units, have nearly tripled the number of units available for rent. Vacancy levels are extremely high in all areas of the submarket and there is little difference in the vacancy rates in terms of rent ranges or unit size. The rental market in this area is composed of low-density projects. There are very few efficiency apartments in the area and rents are quite low, usually not over \$85 a month for a furnished unit. Few one-bedroom units rent for more than \$110 a month (excluding utilities), while most two-bedroom units rent for less than \$140 a month, plus utilities. The relatively small number of three-bedroom units rent for \$160 a month or less, plus the cost of utilities.

Public Housing and Urban Renewal

There are two public housing projects containing a total of 150 units located in the Ontario submarket. The submarket has no urban renewal areas.

Demand for Housing

Quantitative Demand

Based on the projected increase in the number of households in the Ontario area (2,225 annually), on the number of housing units expected to be lost from the inventory through demolition, and on the need to reduce the number of vacancies to levels which represent reasonable demand-supply relationships in the sales and rental markets, there will be a demand for about 4,275 units during the next three years, including 3,675 single-family units and 600 units of multifamily housing. The estimate excludes demand for public low-rent housing and rent-supplement accommodations.

The total demand will be best absorbed if only about 800 units are provided in the next twelve months, 1,500 in the subsequent twelve-month period, and 1,975 in the final year of the forecast period. Satisfying demand in this manner will allow for the gradual reduction of vacancies in the next three years without glutting the market in the early part of the forecast period.

Qualitative Demand

Single-Family Housing. Based on the current income levels of families in the Ontario area, on sales price to income ratios typical in the area, and on recent market experience, the annual demand for new single-family houses is expected to approximate the pattern shown in the following table.

Annual Demand for New Single-Family Houses, by Price Class
Ontario Submarket
San Bernardino, California, HMA
January 1, 1967 to January 1, 1970

<u>Sales price</u>	<u>Year ending January 1,</u>		
	<u>1968</u>	<u>1969</u>	<u>1970</u>
Under \$17,500	225	350	375
\$17,500 - 19,999	175	300	325
20,000 - 24,999	150	300	300
25,000 - 29,999	125	275	275
30,000 and over	<u>125</u>	<u>175</u>	<u>200</u>
Total	800	1,400	1,475

The foregoing distribution differs from that shown on page 53 for reasons already cited in the San Bernardino submarket (see page 35).

Multifamily Housing. The demand for 600 units of multifamily housing will be absorbed best if provided as follows: 60 efficiencies, 210 one-bedroom units, 240 two-bedroom units, and 90 three-bedroom units. Most of these (about 500 units), should be provided in the third year, assuming substantial absorption of existing vacancies in the meantime.

Table I

Civilian Work Force and Employment Trends
San Bernardino-Riverside-Ontario, California, SMSA
1960-1966
(annual averages)

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u> ^{a/}
Civilian work force	<u>268,600</u>	<u>275,100</u>	<u>284,650</u>	<u>298,000</u>	<u>315,900</u>	<u>329,500</u>	<u>340,000</u>
Unemployment	17,600	20,600	16,900	17,800	18,800	22,200	21,100
Percent of work force	6.6%	7.5%	5.9%	6.0%	6.0%	6.7%	6.2%
Agricultural employment	26,100	25,400	25,000	23,300	22,400	21,100	21,300
Nonagricultural employment	<u>224,900</u>	<u>229,100</u>	<u>242,750</u>	<u>256,900</u>	<u>274,700</u>	<u>286,200</u>	<u>297,600</u>
Manufacturing	<u>36,000</u>	<u>36,000</u>	<u>38,200</u>	<u>39,400</u>	<u>42,000</u>	<u>43,800</u>	<u>47,600</u>
Durable goods	<u>26,700</u>	<u>26,800</u>	<u>28,750</u>	<u>29,700</u>	<u>31,800</u>	<u>33,400</u>	<u>36,700</u>
Stone, clay, & glass	4,100	3,900	4,300	4,600	4,600	4,300	4,100
Metals	10,600	10,700	11,100	11,500	12,900	13,800	14,700
Machinery	3,400	3,900	4,800	4,800	4,800	5,800	7,100
Transportation equipment	6,700	6,400	6,200	6,000	6,400	6,900	8,000
Other durable goods	1,900	1,900	2,350	2,800	3,100	2,600	2,800
Nondurable goods	<u>9,300</u>	<u>9,200</u>	<u>9,450</u>	<u>9,700</u>	<u>10,200</u>	<u>10,400</u>	<u>10,900</u>
Food products	3,800	3,600	3,650	3,600	3,800	3,700	3,800
Apparel	1,000	900	1,000	1,000	1,100	1,100	1,200
Printing & publishing	2,100	2,200	2,100	2,300	2,500	2,700	2,800
Chemicals	1,400	1,500	1,650	1,700	1,900	1,900	1,800
Other nondurable goods	1,000	1,000	1,050	1,100	900	1,000	1,300
Nonmanufacturing	<u>188,906</u>	<u>193,100</u>	<u>204,550</u>	<u>217,500</u>	<u>232,700</u>	<u>242,400</u>	<u>250,000</u>
Construction	17,100	17,300	19,600	21,300	23,000	21,200	19,500
Trans., comm., & util.	16,100	15,500	15,800	16,500	17,300	17,700	18,300
Trade	51,200	51,400	53,900	56,600	60,800	64,000	66,200
Fin., ins., and real est.	8,200	8,500	9,300	10,000	11,000	11,700	11,800
Services	43,300	45,200	48,600	53,400	57,100	60,900	64,800
Government	50,000	52,300	54,450	56,700	60,100	63,200	65,200
Other nonmanufacturing	2,900	2,900	2,900	3,000	3,400	3,700	4,200

Source: California Department of Employment.

Table II

Estimated Percentage Distribution of Families by Income and Tenure
After Deducting Federal Income Taxes
San Bernardino, California, HMA
1967 and 1970

	1967 Incomes							
	HMA total		San Bernardino Submarket		Riverside Submarket		Ontario Submarket	
	All families	Renter households ^{a/}	All families	Renter households ^{a/}	All families	Renter households ^{a/}	All families	Renter households ^{a/}
Under \$3,000	12	16	12	16	11	15	11	14
\$3,000 - 3,999	7	10	7	10	8	11	6	9
4,000 - 4,999	8	13	8	13	8	14	8	13
5,000 - 5,999	10	12	10	12	11	11	9	12
6,000 - 6,999	11	12	11	12	10	11	11	13
7,000 - 7,999	10	11	11	12	9	11	11	11
8,000 - 8,999	9	7	9	7	9	8	10	10
9,000 - 9,999	8	5	7	5	8	5	8	5
10,000 - 12,499	12	7	13	7	13	8	13	7
12,500 - 14,999	7	) 7	6	) 6	6	) 6	6	) 6
15,000 and over	6	) 7	6	) 6	7	) 7	7	) 7
Total	100	100	100	100	100	100	100	100
Median	\$7,250	\$5,975	\$7,175	\$5,900	\$7,225	\$5,950	\$7,475	\$6,150
	1970 Incomes							
	HMA total		San Bernardino Submarket		Riverside Submarket		Ontario Submarket	
	All families	Renter households ^{a/}	All families	Renter households ^{a/}	All families	Renter households ^{a/}	All families	Renter households ^{a/}
Under \$3,000	10	14	11	15	9	13	10	12
\$3,000 - 3,999	6	9	6	9	7	10	5	8
4,000 - 4,999	7	10	7	12	7	13	7	12
5,000 - 5,999	9	12	9	11	10	10	8	11
6,000 - 6,999	10	12	10	11	10	10	10	12
7,000 - 7,999	9	11	10	11	9	11	9	11
8,000 - 8,999	10	9	10	9	9	9	11	10
9,000 - 9,999	9	6	8	6	8	7	8	7
10,000 - 12,499	14	9	14	9	15	9	16	9
12,500 - 14,999	8	) 8	7	) 7	8	4	8	) 8
15,000 and over	8	) 8	8	) 8	8	4	8	) 8
Total	100	100	100	100	100	100	100	100
Median	\$7,825	\$6,425	\$7,750	\$6,375	\$7,800	\$6,400	\$8,075	\$6,625

^{a/} Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table III

Population, Household, and Household Size Trends
San Bernardino, California, HMA
1960, 1967, and 1970

Area	April 1, 1960	January 1, 1967	January 1, 1970	Average annual change			
				1960-1967		1967-1970	
				Number a/	Percent b/	Number a/	Percent b/
Population Trends							
HMA total	589,448	766,400	847,400	26,200	3.9	27,000	3.4
San Bernardino submarket	290,904	356,800	386,800	9,750	3.0	10,000	2.7
Riverside submarket	179,406	240,000	268,200	8,975	4.3	9,400	3.8
Ontario submarket	119,138	169,600	192,400	7,475	5.2	7,600	4.4
Household Trends							
HMA total	174,690	229,400	254,500	8,100	4.0	8,350	3.5
San Bernardino submarket	88,304	109,400	119,100	3,125	3.2	3,225	2.9
Riverside submarket	52,715	71,300	80,000	2,750	4.5	2,900	3.9
Ontario submarket	33,671	48,700	55,400	2,225	5.5	2,225	4.5
Household Size Trends							
HMA total	3.26	3.24	3.24	-	-	-	-
San Bernardino submarket	3.19	3.17	3.16	-	-	-	-
Riverside submarket	3.28	3.26	3.25	-	-	-	-
Ontario submarket	3.38	3.38	3.38	-	-	-	-

a/ Rounded.

b/ Derived through the use of a formula designed to calculate the rate of change on a compound basis.

Sources: 1960 Censuses of Population and Housing.
1967 and 1970 estimated by Housing Market Analyst.

Table IV

Population Trends by Cities
San Bernardino, California, HMA
1950, 1960, and 1967

<u>Area</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>January 1, 1967</u>	<u>Average annual change</u>	
				<u>1950-1960</u>	<u>1960-1967^{a/}</u>
San Bernardino HMA total	NA	589,448	766,400	-	26,200
Chino	5,784	10,305	15,200	452	725
Colton	14,465	18,666	20,800	420	315
Corona	10,223	13,336	23,600	311	1,525
Fontana	<u>b/</u>	14,659	18,600	-	580
Montclair	<u>b/</u>	13,546	22,200	-	1,275
Ontario	22,872	46,617	61,000	2,374	2,125
Redlands	18,429	26,829	35,800	840	1,325
Rialto	3,156	18,567	26,300	1,541	1,150
Riverside	46,764	84,332	137,400	3,757	7,850
San Bernardino	63,058	91,922	108,500	2,886	2,450
Upland	9,203	15,918	30,200	672	2,125
Remainder of HMA	NA	234,751	266,800	-	4,750

a/ Components may not add to total because of rounding.

b/ Incorporated during the 1950's.

Sources: 1950 and 1960 Censuses of Population.

1967 estimated by Housing Market Analyst based on population estimates reported by the San Bernardino and Riverside County Planning Commissions.

Table V

San Bernardino-Riverside-Ontario, California, Area Postal Vacancy Survey

January 6-13, 1967

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	
The Survey Area Total	233,426	16,174	6.9	12,977	3,197	791	202,189	9,279	4.6	7,705	1,574	510	31,237	6,895	22.1	5,272	1,623	281	6,867	247	3.6
San Bernardino	49,314	3,602	7.3	3,363	239	152	43,640	2,126	4.9	2,052	74	54	5,674	1,476	26.0	1,311	165	98	688	51	7.4
Del Rosa Branch	15,829	937	5.9	885	52	8	12,982	404	3.1	352	52	4	2,847	533	18.7	533	-	4	43	-	0.0
Stations:																					
Annex	16,308	1,483	9.1	1,307	176	47	14,987	900	6.0	889	11	40	1,321	583	44.1	418	165	7	261	24	9.1
Uptown	17,177	1,182	6.9	1,171	11	97	15,671	822	5.2	811	11	10	1,506	360	23.9	360	-	87	384	27	7.0
Riverside	54,992	2,784	5.1	2,218	566	157	47,979	1,969	4.1	1,462	507	59	7,013	815	11.6	756	59	98	1,199	17	1.4
Main Office	5,696	373	6.5	373	-	-	4,425	192	4.3	192	-	-	1,271	181	14.2	181	-	-	57	1	1.8
Branches:																					
March AFB	2,068	97	4.7	92	5	2	1,751	67	3.8	66	1	-	317	30	9.5	26	4	2	41	-	0.0
Rubidoux	7,529	747	9.9	474	273	35	6,974	676	9.7	403	273	31	555	71	12.8	71	-	4	707	15	2.1
Stations:																					
Arlington	7,989	278	3.5	225	53	74	7,230	202	2.8	150	52	2	759	76	10.0	75	1	72	156	1	0.6
Canyon Crest	8,187	545	6.7	508	37	3	6,175	282	4.6	245	37	3	2,012	263	13.1	263	-	-	-	-	-
Hardman Ct.	9,633	293	3.0	207	86	37	8,824	199	2.3	167	32	17	809	94	11.6	40	54	20	-	-	-
La Sierra	5,181	237	4.6	181	56	1	4,786	198	4.1	142	56	1	395	39	9.9	39	-	-	238	-	0.0
Magnolia Ct.	8,709	214	2.5	158	56	5	7,814	153	2.0	97	56	5	895	61	6.8	61	-	-	-	-	-
Ontario	21,234	1,589	7.5	1,543	46	6	16,270	794	4.9	761	33	6	4,964	795	16.2	782	13	-	540	43	8.0
Main Office	1,693	143	8.4	143	-	-	1,238	88	7.1	88	-	-	455	55	12.1	55	-	-	-	-	-
Stations:																					
Annex	8,216	716	8.7	716	-	6	5,613	362	6.4	362	-	6	2,603	354	13.6	354	-	-	537	40	7.4
Ontario Plaza	11,325	730	6.4	684	46	-	9,419	344	3.7	311	33	-	1,906	386	20.3	373	13	-	3	3	100.0
Other Cities and Towns	107,886	8,199	7.6	5,853	2,346	476	94,300	4,390	4.7	3,430	960	391	13,586	3,809	28.0	2,423	1,386	85	4,440	136	3.1
Bloomington	3,944	28	0.7	25	3	8	3,924	27	0.7	24	3	8	20	1	5.0	1	-	-	-	-	-
Chino	7,235	540	7.5	320	220	16	6,808	448	6.6	228	220	13	427	92	21.5	92	-	3	150	5	3.3
Colton	8,409	449	5.3	422	27	176	7,499	325	4.3	298	27	134	910	124	13.6	124	-	42	309	23	7.4
Corona-Mira Loma	12,834	1,985	15.5	577	1,408	117	10,395	523	5.0	278	245	117	2,439	1,462	59.9	299	1,163	-	340	7	2.1
Cucamonga	2,738	161	5.9	138	23	2	2,684	156	5.8	133	23	2	54	5	9.3	5	-	-	60	3	5.0

See footnote on page 2.

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 V (cont'd)

San Bernardino-Riverside-Ontario, California, Area Postal Vacancy Survey (continued)

January 6-13, 1967

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
Fontana	14,126	980	6.9	939	41	22	12,903	730	5.7	689	41	22	1,223	250	20.4	250	-	-	379	18	4.7
Highland	4,622	379	8.2	363	16	7	4,062	242	6.0	226	16	7	560	137	24.5	137	-	-	525	9	1.7
Loma Linda	3,145	166	5.3	132	34	7	2,664	126	4.7	92	34	7	481	40	8.3	40	-	-	96	3	3.1
Montclair	6,282	681	10.8	681	-	-	4,473	208	4.7	208	-	-	1,809	473	26.1	473	-	-	240	18	7.5
Norco	2,807	133	4.7	116	17	14	2,785	126	4.5	109	17	14	22	7	31.8	7	-	-	51	6	11.8
Redlands	12,944	722	5.6	540	182	15	11,092	436	3.9	314	122	15	1,852	286	15.4	226	60	-	201	12	6.0
Rialto	9,084	599	6.6	542	57	42	8,308	427	5.1	370	57	2	776	172	22.2	172	-	40	108	1	0.9
Sunnymead	2,569	129	5.0	117	12	12	2,433	110	4.5	98	12	12	136	19	14.0	19	-	-	165	4	2.4
Upland	10,889	978	9.0	708	270	17	8,290	293	3.5	177	116	17	2,599	685	26.4	531	154	-	-	-	-
Yucaipa	6,258	269	4.3	233	36	21	5,980	213	3.6	186	27	21	278	56	20.1	47	9	-	1,816	27	1.5

a/ Combined to prevent disclosure.

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 VI

Status of New House Completions in Selected Subdivisions^{a/}
San Bernardino, California, HMA^{b/}
As of January 1965, January 1966, and January 1967

<u>Sales price</u>	<u>Total completions</u>	<u>Presold</u>	<u>Speculative construction</u>			
			<u>Total</u>	<u>Sold</u>	<u>Unsold</u>	
					<u>Number</u>	<u>Percent</u>
<u>Houses completed in 1964, as of January 1, 1965</u>						
\$10,000 - \$12,499	6	-	6	6	-	-
12,500 - 14,999	226	-	226	99	127	56.2
15,000 - 17,499	850	-	850	482	368	43.3
17,500 - 19,999	1,507	-	1,507	956	551	36.6
20,000 - 24,999	1,722	-	1,722	887	835	48.5
25,000 - 29,999	858	-	858	407	451	52.6
30,000 - 34,999	375	-	375	173	202	53.9
35,000 and over	<u>257</u>	-	<u>257</u>	<u>80</u>	<u>177</u>	<u>68.9</u>
Total	5,801	-	5,801	3,090	2,711	46.7
<u>Houses completed in 1965, as of January 1, 1966</u>						
\$10,000 - \$12,499	29	-	29	20	9	31.0
12,500 - 14,999	270	-	270	246	24	8.9
15,000 - 17,499	314	-	314	138	176	56.1
17,500 - 19,999	481	-	481	333	148	30.8
20,000 - 24,999	1,166	-	1,166	716	450	38.6
25,000 - 29,999	474	-	474	290	184	38.8
30,000 - 34,999	123	-	123	40	83	67.5
35,000 and over	<u>30</u>	-	<u>30</u>	<u>9</u>	<u>21</u>	<u>70.0</u>
Total	2,887	-	2,887	1,792	1,095	37.9
<u>Houses completed in 1966, as of January 1, 1967</u>						
\$10,000 - \$12,499	65	-	65	47	18	27.7
12,500 - 14,999	116	-	116	93	23	19.8
15,000 - 17,499	46	-	46	37	9	19.6
17,500 - 19,999	209	-	209	119	90	43.1
20,000 - 24,999	525	-	525	369	156	29.7
25,000 - 29,999	315	-	315	137	178	56.5
30,000 - 34,999	38	-	38	2	36	94.7
35,000 and over	<u>13</u>	-	<u>13</u>	<u>13</u>	-	-
Total	1,327	-	1,327	817	510	38.4

^{a/} Selected subdivisions are those with five or more completions during the year.

^{b/} The area surveyed is roughly comparable to the Housing Market Area as defined on page 1 of the analysis.

Source: Unsold Inventory Surveys conducted by the Santa Ana, California, FHA Insuring Office.