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Analysis of the
SPOKANE, WASHINGTON
HOUSING MARKET

as of December 1, 1966

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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ANALYSIS OF THE
SPOKANE, WASHINGTON, HOUSING MARKET
AS OF DECEMBER 1, 1966

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
SPOKANE COUNTY, WASHINGTON HOUSING MARKET
AS OF DECEMBER 1, 1966

Summary and Conclusions

1. The Spokane Housing Market Area (HMA), consisting of Spokane County, is the trade and service center for a large area of eastern Washington, northern Idaho, and western Montana. This area was first settled in the 1870's and, for a long time, its economy was based mainly on agriculture and the nearby timber and mining resources. Since World War II, an aluminum smelter and rolling mill and Fairchild Air Force Base have been important additions to manufacturing and government activities in the area.
2. Total nonagricultural employment in Spokane County averaged about 92,000 in 1966, exceeding for the first time the previous peak of 89,900 in 1956. In the intervening decade, employment declines have occurred in the food and kindred products and the lumber and wood products industries. Employment by railroads has fallen and there has been consolidation of various services and government facilities. Over the next two years, it is anticipated that employment will advance by an average of 1,000 workers yearly, mostly in nonmanufacturing industries.
3. The current median annual income of all families in Spokane County is about \$7,080, after deduction of federal income tax, and the median income of renter households of two or more persons is \$5,500. Based on increases evident in the past, 1968 median family incomes (after tax) are projected to \$7,440 for all families and \$5,780 for renter households of two or more persons.
4. The estimated population of Spokane County on December 1, 1966 was 297,325, representing an increase of nearly 19,000 (6.8 percent) above the 278,333 reported by the 1960 census. Annual population increases since 1960 have varied considerably but have averaged 2,850, or only about half the average annual growth of 5,675 between 1950 and 1960. The increase is expected to approximate 3,000 persons annually to December 1, 1968 when a population of 303,300 is forecast.
5. Households numbered about 94,975 as of December 1, 1966, representing an average increase of 1,080 annually since April 1960. During the two-year forecast period, households are expected to increase by about 1,075 annually, reaching a total of 97,125 by December 1968.

6. The housing inventory of Spokane County as of December 1, 1966, totaled approximately 102,075 units, a net addition of some 4,620 units (4.7 percent) since April 1960. Since January 1960, private residential construction activity, as measured by the number of units authorized by building permits, has averaged about 990 units yearly. There were considerable fluctuations from this average, however, ranging from a low of 730 in 1963 to a high of 1,170 in 1960. Since the 1963 low, the number of units authorized increased to 880 in 1964 and to 1,050 in 1965. The volume in 1966 approximates that in 1965. Single-family units authorized as a proportion of all units authorized have declined from 84 percent in 1960 to 63 percent in 1966. Because of a significant number of demolitions, net addition of units to the inventory dropped from 1,050 in 1960 to what probably will be a postwar low of about 450 in 1966.
7. Despite the increase in demolitions in Spokane city in the past few years, vacancy ratios are still relatively high, although they are below those in April 1960. As of December 1, 1966, the over-all available vacancy rate was estimated at 4.2 percent compared with 6.6 percent in April 1960. The December 1, 1966 net homeowner vacancy rate was an estimated 2.2 percent and the net rental vacancy rate was 8.8 percent, down from 2.6 percent and 14.8 percent, respectively, in April 1960.
8. The volume of privately owned net additions to the housing supply that will meet the needs of the growing population of Spokane County and establish a more reasonable demand-supply relationship in the market is projected for the next two years at 675 units annually, including 525 single-family houses and about 150 multifamily units, excluding public low-rent housing and rent-supplement accommodations. Demand for single-family houses is distributed by price ranges in the table on page 25. Demand for 150 rental units a year is distributed by gross monthly rent ranges and unit sizes in the table on page 26.

ANALYSIS OF THE
SPOKANE COUNTY, WASHINGTON, HOUSING MARKET
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Housing Market Area

The Spokane, Washington Housing Market Area (HMA) is defined as being coterminous with the Spokane Standard Metropolitan Statistical Area (SMSA) which consists of Spokane County. The 1960 Census reported a population of nearly 278,350 in the county. The Spokane HMA is located in eastern Washington and its eastern border touches the panhandle of Idaho.

The principal population concentration in the HMA is in the city of Spokane and its urban environs. The accompanying map indicates the city's boundaries, located almost in the center of the county. Most of the suburban population is on the eastern side in what is generally referred to as "the valley," and population to the west consists mainly of personnel stationed at Fairchild Air Force Base. There are several small towns in the county; the only ones of significant size are Cheney, where the main economic support is Eastern Washington State College, and Medical Lake, in which are located two state institutions, the Eastern State Hospital for mental patients and Lakeland Village for mentally retarded children.

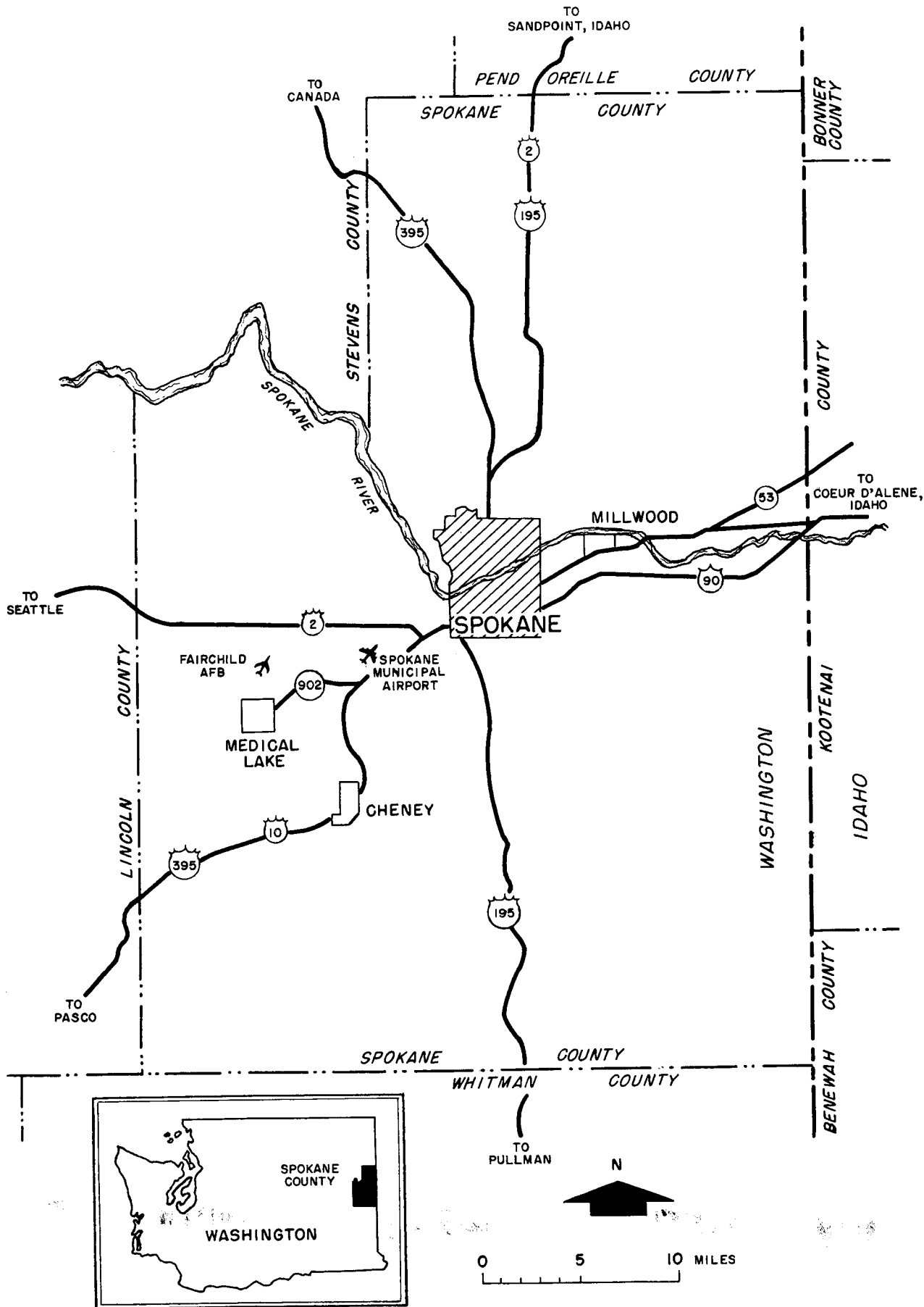
Much of the urban area in Spokane lies along both sides of the Spokane River at an elevation of approximately 2,000 feet, and the residential areas have spread to the crests of the plateaus on either side of the river. This plateau area is on the long gradual slope from the Columbia River toward the sharp rise of the Rocky Mountains to the east.

As a transportation center, Spokane is served by Interstate Highway 90 running east and west, with the central portion in the city still under construction. U.S. Highways 195 and 395 run north to Canada (through Spokane) and south to Lewiston, Idaho and Pendleton, Oregon, respectively. The city also has four transcontinental railroads and a fifth, the Seattle, Portland and Spokane Railroad, connects with Portland, Oregon. Branches of these lines also connect Spokane with southeastern Washington and with Canada. The municipal airport at the former Geiger Air Force Base has a new terminal building served by two trunk lines, United and Northwest Orient, and a regional carrier, West Coast Airlines.

Spokane is the largest city in eastern Washington and is a trade and service center for the "Inland Empire," consisting of western Montana west of the Continental Divide, northern Idaho, and eastern Washington. The nearest large cities are Seattle, 280 miles west, and Portland, Oregon, 370 miles southwest. Railroads and highways from Spokane to Portland follow a downhill route via the Columbia River.

According to the 1960 census, there was a net in-commutation to Spokane County of nearly 700 workers, with about 940 area residents working outside the county and about 1,625 commuting into the county. Nearly two-thirds of this in-commutation was from Kootenai County in Idaho, immediately to the east. Because about 200 workers were commuting to Lincoln County in April 1960 during the Atlas missile base construction program, a more normal net in-commutation figure would have been closer to 900; it is estimated that net in-commutation probably has grown a little to about 1,000 currently.

SPOKANE, WASHINGTON, HOUSING MARKET AREA



Economy of the Area

Character and History

The Spokane area was first settled by white persons in 1871 near the falls of the Spokane River which are just north of the Central Business District. The first transcontinental railroad was built in 1881 and there was considerable expansion during the remainder of the decade. Spokane had a large fire in August 1889 and the city benefitted from the subsequent reconstruction. By 1890, the population of the county was nearly 37,500. Growth continued and was particularly rapid in the first decade of the twentieth century as the surrounding agricultural areas were settled and as the silver, lead, and zinc mines in the Coeur d'Alene district of northern Idaho and in the Metaline district of northeastern Washington were developed. In the same period, logging and lumber production were expanding in the nearby pine forests of eastern Washington and northern Idaho. By 1910, the population of Spokane County reached almost 140,000; during the next decade there was virtually no growth. Thereafter, population increase was slow until the World War II period and the advent of the aluminum industry, two air bases, and a naval depot.

Spokane County has been primarily a trade and transportation center based on the previously mentioned natural resources of agriculture, mining, and wood products. Growth in the postwar period after 1945 was fairly good but, for several reasons, a slowdown occurred after 1956. There was a recession in the lead and zinc mining industry after 1952, wood products plants moved closer to the forests, Geiger Air Force Base was closed in 1963, the nearby Atlas missile bases were closed in 1965, several plants including a flour mill and two breweries closed, consolidation of some regional activities to the larger centers in the Pacific Northwest such as Seattle and Portland occurred, and there was a long-term decline in railroad employment.

The recent improvement in the economy of the HMA has resulted, in part, from the improvement in the agricultural economy in the surrounding region and from the full-scale operation of the aluminum smelter and rolling mill. The rise in silver, copper, and zinc prices also has spurred expansion in the nearby mining regions, although long-term trends indicate that no significant increases in future employment in either mining or aluminum is to be expected because of increasing productivity. The public and private colleges in the county have been growing both in student enrollment and in employment.

Employment

Current Estimate. According to the Washington State Employment Security Department, the employment of nonagricultural wage and salary workers in Spokane County averaged 79,600 during the first 10 months of 1966. In addition, 12,400 persons were engaged in other nonagricultural jobs, so that total nonagricultural employment averaged 92,000 from January through October 1966. Agricultural employment averaged 3,000 in this same period (see table I).

Past Trend. Over the 10-year period from 1956 through 1965, total nonagricultural employment in Spokane County declined from 89,900 in 1956 to 85,400 in 1963, after which it increased to 88,400 in 1965. The improvement in employment in the first 10 months of 1966 has brought average total nonagricultural employment to a new high of 92,000 compared with an average of 87,900 in the comparable period in 1965.

If past trends are typical, the last two months of 1966 will increase the first ten months' average only slightly. For the first time, total nonagricultural employment will exceed the previous peak of 89,900 in 1956. The following table outlines the annual changes in nonagricultural employment each year.

Annual Average Nonagricultural Employment Spokane, Washington, HMA, 1956-1966

<u>Year</u>	<u>Total</u>	<u>Change from preceding year</u>	
		<u>Number</u>	<u>Percent</u>
1956	89,900	+4,300	+5.0
1957	89,600	- 300	-0.3
1958	86,000	-3,600	-4.0
1959	88,200	+2,200	+2.6
1960	88,200	-	-
1961	87,000	-1,200	-1.4
1962	86,000	-1,000	-1.1
1963	85,400	- 600	-0.7
1964	86,500	+1,100	+1.3
1965	88,400	+1,800	+2.1
<u>Jan.-Oct.</u>			
1965	87,900		
1966	92,000	+4,100	+4.7

Source: Washington State Employment Security Department.

Manufacturing has always been a relatively minor part of Spokane County nonagricultural employment. In 1965, manufacturing employment averaged 12,700, or about one-seventh of the total, practically no change from the previous high year of 1960. Among manufacturing industries, however, primary metals employment rose from 3,800 (4.3 percent of total nonagricultural employment) in 1960 to 4,400 (5.0 percent) in 1964 and reached 4,800 by November 1966.

There has been a decrease in employment in the food and kindred products industry since 1960. Lumber and wood products employment also has declined, and the current slump in homebuilding has caused a further decrease to 1,300 workers in the first 10 months of 1966 compared with 1,900 in 1958. Little change has occurred in employment in the fabricated metal products and machinery industries over the past six years. In the "other manufacturing" category there has been some slow long-range increase in employment, although there was a temporary spurt in 1961 because of installation of the Atlas missiles at several sites near Spokane; subsequently, these were closed.

Nonmanufacturing employment, averaging 63,400 in 1965, also has changed very little over the past six years and currently accounts for slightly over 70 percent of total nonagricultural employment. The largest group is wholesale and retail trade which, until this year, maintained a comparatively steady employment level of around 20,000, representing nearly one-fourth of total nonagricultural employment. Government is the next largest employment source with nearly 16 percent of all nonagricultural employment. Government employment has been rising, mainly because of increased educational employment. Employment in service industries, which also accounts for almost 16 percent of all employment, has increased moderately until this year when a gain of 800 was recorded in the first 10 months over the comparable period in 1965. There has been a slight downward trend in transportation, communication, and utilities employment during the six-year period, primarily because of reduced employment by railroads. Finance, insurance and real estate employment has increased slightly. Construction employment has been higher in 1966 than any year since 1960 because of increased nonresidential construction, but this is now tapering off.

Female nonfarm wage and salary employment in Spokane County has increased in the past year and numbered 28,150 in November 1966 compared with 27,400 a year earlier. The latest figure represents 35.4 percent of total nonagricultural wage and salary workers.

There has been a gradual decline in the employment participation rate in Spokane County. As a proportion of the total population, nonagricultural employment amounted to 33.96 percent in 1950 and 32.35 percent in 1960. Total nonagricultural employment (including some out-of-county residents) is currently estimated at 30.91 percent of the population. No significant change is expected during the next two years.

Principal Employers. By far the largest employer in Spokane is the Kaiser Aluminum and Chemical Corporation. Only one other manufacturing firm had more than 500 employees. Among nonmanufacturing employers, the largest is the Spokane School District with nearly 3,000 employees, followed by the railroads with 2,740, the City of Spokane with nearly 1,700, a large department store, and the Post Office with a little over 1,100. All other employers have fewer than 1,000 workers. Among the larger employers with fewer than 1,000 workers, are the local hospitals and medical clinics; Spokane is a medical center for a fairly large region.

Fairchild Air Force Base. This air base is operated by the Strategic Air Command and is headquarters for the 92nd Strategic Aerospace Wing flying B-52 Bombers and KC-135 tankers, the 92nd Combat Support Group, the 18th Strategic Aerospace Division with responsibility for bases extending from Alaska to northern California, and the Air Force Survival School which recently was transferred from Stead Air Force Base near Reno, Nevada when that base was closed.

Civil service employees at the base now number nearly 700, and there are about 250 non-appropriated fund workers employed. Civil service employment has increased by about 170 since the end of 1965 as a result, mainly of the new program of replacing military with civilian personnel where feasible. Year-end civil service employment for the 1957-1966 period averaged about 550 workers. Military personnel now number about 4,040, up about 375 since the end of 1965 but lower than the average of about 4,700 in the 1961-1964 period and of over 5,000 in the preceding five years.

As indicated previously, Geiger Air Force Base, now the Spokane Municipal Airport, was closed in 1963. It had maintained a military strength of a little over 1,300 and a civil service complement of about 215. Currently there are about 150 military and 15 civil service personnel at the airport.

Military and Civilian Strength Trends
Spokane, Washington, HMA
1956-1966

<u>Year^{a/}</u>	<u>Fairchild AFB</u>		<u>Spokane International Airport^{b/}</u>	
	<u>Military</u>	<u>Civilian</u>	<u>Military</u>	<u>Civilian</u>
1956	5,145	668	-	-
1957	5,234	509	-	-
1958	5,230	502	-	-
1959	5,227	511	-	-
1960	5,063	550	1,316	217
1961	4,671	517	1,329	214
1962	4,766	529	1,351	214
1963	4,718	572	314	2
1964	4,696	534	142	11
1965	3,666	531	116	9
1966	4,042	699	151	17

a/ All strength figures are as of December 31.

b/ Formerly Geiger AFB which was closed in 1963.

Source: Department of Defense.

Unemployment

During 1965, unemployed persons averaged 4,700, or 4.9 percent of the total civilian work force (see table I). This figure represents the lowest annual average level of unemployment in Spokane County since 1956. The highest rate of joblessness during the past ten years prevailed in 1958 when it was 9.1 percent. The ratio improved in subsequent years, but was never less than 6 percent until 1964. In the first 10 months of 1966, unemployment averaged 4,000, or 4.0 percent, compared to 4.8 percent in the same period of 1965. Part of the decline in unemployment in the past year has been caused by migration to the Seattle area where substantial increases in employment have occurred in the aerospace industry.

Spokane has been classified by the U.S. Labor Department for a little over three years in Group C, indicating moderate unemployment of between 3.0 and 5.9 percent. During most of the recession period from November 1960 through July 1963, it was classed in Group D, indicating an area with substantial unemployment ranging from 6.0 percent to 8.9 percent of the work force.

Estimated Future Employment

With the recent recovery of nonagricultural employment in Spokane County to a level equal to the previous peak in 1956, it is estimated that there will be a continued increase in employment of about 1,000 workers a year over the next two years. Most of this growth is expected to occur in nonmanufacturing industries. Although the primary metals industry is expected to maintain its current high level of nearly 5,000 employees, minor declines may occur in the food and kindred products and in the lumber and wood products industries. Employment is expected to remain fairly steady in the fabricated metal products and machinery industries; in other manufacturing industries employment may increase slightly. Among nonmanufacturing industries, continued employment gains are expected in government, largely in education. Employment in trade and services also is expected to continue growing slowly, but employment in transportation, communication and utilities is not expected to change significantly. Construction employment has been fairly high in 1966, but this is not likely to continue over the next two years.

Family Income

As of December 1, 1966, the median annual income, after deduction of federal income tax, of all families in the Spokane SMSA was approximately \$7,080, and the median after-tax income of all renter households of two or more persons was \$5,500. Approximately 27 percent of all families and 44 percent of all renter households of two or more persons had after-tax incomes of less than \$5,000. Over six percent of all families and more than two percent of all renter households of two or more persons had after-tax incomes in excess of \$15,000 a year. Table II provides a detailed distribution of families by income class.

By the end of 1968, the median after-tax income of all Spokane SMSA families is expected to increase to about \$7,440, and that of renter households of two or more persons to about \$5,780.

Demographic Factors

Population

Current Estimate, Past and Future Trends. As of December 1, 1966, the population of the Spokane SMSA was estimated at 297,325, an increase of nearly 19,000 (6.8 percent) since April 1960. Yearly population gains have averaged 2,850 in the post-1960 period compared with average increases of 5,675 annually between 1950 and 1960 and nearly 5,700 in the 1940's. The table below summarizes the trend in population in Spokane County since 1940, including an estimate for December 1968.

Population Trend
Spokane, Washington, HMA

<u>Date</u>	<u>Population</u>	<u>Average annual change from preceding date</u>
April 1, 1940	164,652	-
April 1, 1950	221,561	5,691
April 1, 1960	278,333	5,677
Dec. 1, 1966	297,325	2,850
Dec. 1, 1968	303,300	3,000

Sources: U.S. Censuses of Population.
1966 and 1968 estimated by Housing Market Analyst.

A small decline occurred in Spokane County population between 1961 and 1962 after completion of the Atlas missile base construction program, and another occurred between 1963 and 1964 after the closure of Geiger Air Force Base.

Table III shows population trends since 1950 in Spokane, several smaller cities in Spokane County, and the unincorporated area. Only a few annexations have been made by Spokane during this period. The current estimates of population in this table are based on a recent survey, the data collected on new construction and demolitions from the city and county, and labor force participation information. Over the next two years (to December 1968) population in Spokane County is expected to grow at an annual rate of 3,000, slightly higher than in the past seven years.

Net Natural Increase and Migration. Between the 1950 and 1960 Censuses, the net natural increase (excess of resident births over resident deaths) in the population of Spokane County accounted for about 3,925 (69 percent) of the 5,675 average annual gain in the total population. The remainder of the increase occurred through the net in-migration (excess of in-migrants over out-migrants) of nearly 1,750 persons annually. The table below summarizes the components of population change during the 1950-1960 and 1960-1966 periods for Spokane County.

Components of Population Change
Spokane County, Washington, April 1950-December 1966

<u>Period</u>	<u>Average annual change^{a/}</u>		
	<u>Net natural increase</u>	<u>Net migration</u>	<u>Total population change</u>
1950-1960	3,925	1,750	5,675
1960-1966	2,715	135	2,850

a/ Rounded.

Sources: U.S. Census Bureau; U.S. Public Health Service;
Washington State Health Department; and estimates
by Housing Market Analyst.

During the 1960-1966 period, the average population increase of 2,850 yearly was composed of an average yearly net natural increase of 2,715 and an average net in-migration of 135 a year, less than a tenth of those in-migrating in the 1950-1960 period.

Households

Current Estimate, Past and Future Trends. There were about 94,975 households in the Spokane HMA on December 1, 1966, approximately 7,200 (8.2 percent) more than were enumerated by the 1960 Census. As in the case of population trends since 1950, average annual increases in the number of households since 1960 have been substantially below annual gains during the 1950's. Yearly gains in the number of households have averaged 1,080 since 1960 compared with 1,880 during the 1950-1960 decade. The increase in the number of households in the previous decade reflects, in part, the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.

Table III shows household trends since 1950 in Spokane, several smaller cities in Spokane County, and the unincorporated area. The following table summarizes the figures for the over-all area. During the next two-year period, household growth is expected to average about 1,075 annually.

Household Trends
Spokane, Washington, HMA
1950-1968

<u>Date</u>	<u>Households</u>	<u>Average annual change from preceding date</u>
April 1, 1950	68,949	-
April 1, 1960	87,771	1,882
Dec. 1, 1966	94,975	1,080
Dec. 1, 1968	97,125	1,075

Sources: 1950 and 1960 Censuses of Housing.
1966 and 1968 estimated by Housing Market Analyst.

Household Size. The average household size in the Spokane HMA is about 3.02 persons, down slightly from the 1960 average of 3.04. During the 1950's there was a small increase in the average household size from 2.99 persons in 1950 to 3.04 persons in 1960. By 1968, household size is expected to continue to decline slightly to 3.01 persons. This downward trend in household size reflects the increasing ratio of apartment construction and the significantly lower birth rate in recent years.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of December 1, 1966, there were about 102,075 housing units in the Spokane HMA, 4,620 (4.7 percent) above the 1960 inventory reported by the census. The change since 1960 is a result of the addition of about 6,540 units and the loss of about 1,920 units. Apparently very little change has occurred in the number of house trailers. The net change since 1960 represents an average gain of nearly 700 units yearly. In comparison, the net 1950-1960 inventory change averaged almost 2,500 units annually. The increase in the number of housing units between 1950 and 1960 reflects, in part, the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census. Table IV shows the current housing inventory and inventory trends since 1950 in the HMA and in the city of Spokane.

Units in Structure. About 78.6 percent of all units in the HMA are single-family houses (including trailers). This is only a slight increase since April 1960 when 78.2 percent of all units were single-family houses. The proportion of units in two-family structures also has changed only slightly, from 4.2 percent of the inventory in 1960 to 4.3 percent in 1966. Since 1960, units in multifamily structures (three or more units per structure) have accounted for 17.5 percent of total authorizations, almost the same (17.6 percent) as the proportion of the time of the last census. Demolitions, however, particularly near the downtown section of Spokane for the new freeway, have resulted in reducing the current proportion of multifamily units to about 17.1 percent of the total inventory.

Housing Inventory by Units in Structure Spokane, Washington, HMA April 1960 - December 1966

<u>Units in</u> <u>structure</u>	<u>April</u> <u>1960</u>	<u>Dec.</u> <u>1966</u>	<u>Percent of total</u>	
			<u>1960</u>	<u>1966</u>
One unit ^{a/}	76,159	80,200	78.2	78.6
Two units	4,101	4,400	4.2	4.3
Three or more units	<u>17,185</u>	<u>17,475</u>	<u>17.6</u>	<u>17.1</u>
Total units ^{b/}	<u>97,445^{b/}</u>	<u>102,075</u>	<u>100.0</u>	<u>100.0</u>

^{a/} Includes trailers.

^{b/} Differs slightly from count of all housing units because units by type of structure were reported on a sample basis.

Sources: 1960 Census of Housing;
1966 estimated by Housing Market Analyst.

Age of the Inventory. The distribution of the current housing inventory by year built reflects the fairly rapid growth in the ten years after World War II and the much slower growth since that time. Nearly 44 percent of the inventory was built prior to 1930 and 19 percent has been built since 1954. The following table presents the current inventory distributed by age.

Distribution of the Housing Inventory by Year Built
Spokane, Washington, HMA
December 1, 1966

<u>Year built^{a/}</u>	<u>Housing units</u>	
	<u>Number</u>	<u>Percent</u>
April 1960 - Dec. 1966	6,500	6.4
1959 - March 1960	3,150	3.1
1955 - 1958	9,700	9.5
1950 - 1954	14,150	13.9
1940 - 1949	16,025	15.7
1930 - 1939	7,900	7.7
1929 or earlier	44,750	43.7
Total	102,075	100.0

a/ The basic data in the 1960 census, from which the estimates were developed, reflect an unknown degree of error in "year built" occasioned by the accuracy of response to census enumerators' questions as well as errors caused by sampling.

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

Condition of the Inventory. Because of a fairly large number of demolitions affecting the older portion of the housing inventory in the past six years, it is estimated that less than nine percent (9,000 units) of the current housing inventory is substandard (dilapidated or lacking one or more plumbing facilities). This compares with 10.6 percent (10,337 units) in 1960.

Residential Construction Activity

Trends. Over the last ten years (January 1957-November 1966), residential construction activity, as measured by the number of units authorized for construction by building permits, has averaged slightly over 1,200 units annually (see table V). During the first three years of this period, the number of units authorized each year was considerably

higher than during the subsequent years. The peak year was in 1958 when nearly 2,100 units were authorized, including 478 Capehart units at Geiger and Fairchild Air Force Bases. After 1958, the number of units authorized declined steadily to a low point of 731 units in 1963. There has been a gradual increase since that time, reaching about 1,050 units in both 1965 and 1966. The table below summarizes the number of residential units authorized by building permits yearly since 1957.^{1/}

Housing Units Authorized by Building Permits^{a/}
Spokane, Washington, HMA, 1957-1966

<u>Year</u>	<u>Single-family</u>	<u>Multi-family^{b/}</u>	<u>Total</u>	<u>Percent</u>	
				<u>Single-family</u>	<u>Multi-family</u>
1957	1,237	162	1,399	88.4	11.6
1958	1,472	615	2,078	70.5	29.5
1959	1,444	235	1,679	86.0	14.0
1960	978	193	1,171	83.5	16.5
1961	873	202	1,075	81.2	18.8
1962	714	201	915	78.0	22.0
1963	587	144	731	80.3	19.7
1964	661	220	881	75.0	25.0
1965	780	275	1,055	73.9	26.1
1966 ^{c/}	644	371	1,015	63.4	36.6

a/ Includes 542 Capehart housing units (478 in 1958 and 64 in 1959).

b/ Includes all units in structures containing two or more units.

c/ January through November.

Sources: U.S. Bureau of the Census, Construction Reports, C-40; local permit issuing offices.

The ratio of single-family authorizations has ranged from a low of 64 percent in 1966 to 88 percent in 1957. There has been a decline in the proportion of single-family units to the total each year since 1963. The ratio of multifamily units to total housing units authorized has ranged from a low of 12 percent in 1957 to a high of 36 percent in 1966. Except for a spurt in 1958 caused by the Capehart housing program at the air bases, multifamily construction generally has been increasing gradually, and considerable conventional financing of small and medium-size apartment projects has continued throughout the 1966 year. Part of this recent proportionate increase in multifamily construction has been the result of tighter mortgage market conditions adversely affecting the volume of single-family home construction.

^{1/} Building permits cover areas in which 97.0% to 99.9% of 1960 population lived.

Units Under Construction. Based on building permit data, a postal vacancy survey, and information supplied by various local sources, it is estimated that there were about 360 housing units under construction in the HMA at the beginning of December 1966. Nearly 200 of these were single-family houses and a little over 160 were in multifamily structures. The estimated number of single-family homes is somewhat higher and the number of multifamily homes is virtually the same as reported by the postal vacancy survey in early November. That survey did not include housing beyond the urbanized area where scattered homes in the county as well as several homes in Cheney and Medical Lake were under construction.

Demolitions and Other Losses to the Inventory. Since April 1960, there has been an estimated net loss of over 1,920 housing units through demolitions and some structural move-outs, offset by a few conversions and structural move-ins. Table V lists the net losses for each year since 1957. Code enforcement accounted for a significant portion of the net losses in earlier years through 1962. In the past four years, however, more demolitions have occurred because of clearance for the new freeway (Interstate 90) just south of the downtown section of Spokane. Since most of the freeway demolition has been completed, it is anticipated that inventory losses in the next few years will decline. There probably will continue to be some replacement need for the significant number of older housing units in the community, some of which are being abandoned or ordered torn down in compliance with existing codes.

Tenure of Occupancy. As shown in Table IV, owner-occupancy has increased by a small amount since 1950. Currently, about 69.4 percent of the estimated 94,975 occupied housing units in the Spokane HMA are owner-occupied compared with 68.5 percent in April 1960 and 66.4 percent in April 1950. A slight slowdown in the trend toward home ownership since April 1960 reflects the gradual increase in the proportion of multifamily housing built in the past seven years. The following table summarizes briefly the trends in tenure since 1950 for Spokane County.

Occupied Housing Units by Tenure
Spokane, Washington, HMA
1950-1966

<u>Tenure</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>Dec.</u> <u>1966</u>
All occupied units	<u>68,949</u>	<u>87,771</u>	<u>94,975</u>
Owner-occupied	45,801	60,163	65,900
Percent of total	66.4	68.5	69.4
Renter-occupied	23,148	27,608	29,075
Percent of total	33.6	31.5	30.6

Sources: 1950 and 1960 Censuses of Housing.
1966 estimated by Housing Market Analyst.

Vacancy

1960 Census. The April 1960 Census reported about 6,430 nonseasonal, nondilapidated vacant housing units in the Spokane HMA available for sale or rent, an over-all available vacancy ratio of 6.6 percent. As shown in Table IV, about 1,620 of the available units were for sale only, indicating a homeowner vacancy rate of 2.6 percent, and approximately 4,810 units were available for rent, a net rental vacancy rate of 14.8 percent. Of the available vacancies, over 50 sales units and 1,470 rental units lacked one or more plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted by the Spokane Post Office and by the separate post office at Fairchild Air Force Base during early November 1966 (see table VI). The survey was conducted by all postal carriers on all routes in the city of Spokane and in the suburban areas surrounding the city. A total of 81,697 possible deliveries of mail to residences and apartments were covered, 80 percent of the estimated current housing inventory. Vacancies in residences numbered 2,982, or 4.1 percent of the 72,320 residences surveyed. Apartment vacancies totaled 1,450 units, or 15.5 percent of the 9,375 apartments surveyed.

It is important to note that the postal vacancy survey data are not entirely comparable with data published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a

unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include some row houses, 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, it serves a valuable function in the derivation of estimates of local market conditions.

Other Vacancy Indicators. For ten years ending in 1965, the Spokane Post Office conducted a vacancy survey once a year in the spring using its own survey forms; the latest survey made in November 1966 was made with FHA forms. The results of the latest survey, therefore, are not strictly comparable with the previous surveys, but the general trend over the 1956-1965 period is worth noting. The table below summarizes these surveys for residences and apartments as reported by the Spokane Post Office and indicates a definite increase in both residence and apartment vacancy rates to a peak in April 1964, followed by a gradual decline to November 1966.

Postal Vacancy Rates in Spokane Delivery Area^{a/}

	<u>July</u> <u>1956</u>	<u>Apr.</u> <u>1957</u>	<u>Mar.</u> <u>1958</u>	<u>Mar.</u> <u>1959</u>	<u>Apr.</u> <u>1960</u>	<u>Apr.</u> <u>1961</u>	<u>Apr.</u> <u>1962</u>	<u>Apr.</u> <u>1963</u>	<u>Apr.</u> <u>1964</u>	<u>May</u> <u>1965</u>	<u>Nov.</u> <u>1966</u>
Res.	1.8	2.1	2.1	2.6	2.8	3.0	4.0	4.9	5.0	4.5	4.2
Apts.	<u>6.4</u>	<u>8.9</u>	<u>8.4</u>	<u>15.6</u>	<u>14.4</u>	<u>13.7</u>	<u>17.1</u>	<u>17.8</u>	<u>23.2</u>	<u>18.8</u>	<u>16.8</u>
Total	2.4	2.9	2.8	4.0	4.1	4.2	5.4	6.3	7.0	5.9	5.5

^{a/} Excluding Fairchild Air Force Base.

Source: U. S. Post Office, Spokane, Washington.

Despite an increasing volume of demolitions in the past few years in Spokane, caused mainly by the new freeway construction, both the residence and apartment vacancy rates are still relatively high. There has been no reported difficulty in relocating families whose homes were removed from the freeway right-of-way. Some of the single-family homes have been moved and re-erected elsewhere in the city or the suburban area.

A comparison of classified want ad listings in the daily morning newspaper in Spokane as well as the Sunday edition indicates a small overall decline in rental listings in the past year. This decline has been primarily in furnished houses listed for rent.

Vacancies in FHA-Insured Projects. There are 15 rental projects with FHA-insured mortgages in Spokane County. Two of these are projects at Fairchild Air Force Base, which are discussed separately later, two are elderly projects, one is a new apartment project, and ten are older apartment projects with a total of 353 units. This last group had had an experience of considerable fluctuation in vacancies but with improvement in the past few years. The last annual vacancy survey in March 1966 indicated a total of about 19 vacancies in the older apartment projects, or a vacancy rate of a little over five percent. All but one of these are medium size or small projects. The larger one is a 140-unit high-rise project close to the downtown section which has a very good occupancy history. The other projects have had varying degrees of vacancy.

In the case of the two elderly projects, one with 265 units and the other with 212, there is now a good occupancy situation, but in each case this took several years to achieve.

Current Estimate. As of December 1, 1966, there were an estimated 4,300 vacant nonseasonal, nondilapidated housing units available for sale or rent in the Spokane HMA, representing an over-all vacancy rate of 4.2 percent. Of the total, about 1,500 units were available for sale only, indicating a net homeowner vacancy rate of 2.2 percent, and 2,800 units were available for rent, a net rental vacancy rate of 8.8 percent. Only about 30 of the sales vacancies but at least 1,000 of the vacant rental units lack one or more plumbing facilities. A decline in the number of these standard units has been accelerated by the freeway construction program in the older portion of the city.

As indicated previously, vacancy rates in Spokane County appeared to reach a peak in 1964, and have been declining slowly since that time with the help of the demolitions. The following table compares the current vacancy estimates with vacancies as reported in the 1960 Census.

Vacant Housing Units
Spokane, Washington, HMA
1960 and 1966

<u>Vacancy status</u>	<u>April 1960</u>	<u>Dec. 1966</u>
Total vacant units	<u>9,687</u>	<u>7,100</u>
Available vacant	<u>6,434</u>	<u>4,300</u>
For sale only	<u>1,622</u>	<u>1,500</u>
Homeowner vacancy rate	2.6%	2.2%
For rent	4,812	2,800
Rental vacancy rate	14.8%	8.8%
Other vacant ^{a/}	3,253	2,800

^{a/} Includes seasonal units, 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;
1966 estimated by Housing Market Analyst.

Sales Market

As might be expected from the data previously reviewed on employment and net additions to the housing inventory, there has been a considerable contraction in the market for new sales housing over the past ten years in Spokane County. Fortunately, this adjustment has been made reasonably well so that overbuilding for any significant period of time has been avoided. Lenders and builders in the community have had the advantage for about ten years of information gathered and published quarterly by one of the mortgagees on the unsold inventory of new homes. Prices on new homes have increased over this period and there has been a trend in new housing to the north and northwest of the city limits, to the southeast, and east out the valley south of Sprague Avenue.

The outlook for new home sales in 1967 is slightly better than in 1966 because of some easing which has begun to appear in the mortgage market. This improvement, however, is apt to be tempered by the expected decline in number of demolitions because most of the freeway right-of-way removals have been completed and, therefore, the replacement market may not be as strong.

Unsold Inventory of New Homes. The ten-year record of the unsold inventory of new homes in the Spokane area is quite revealing of trends in the sales market. Data are gathered quarterly by the J. E. Cooper Company, a mortgage company, from all mortgagees who report the number of homes completed and unsold as well as those under construction and unsold. Each of these two groups is listed by price classes in \$1,000 class intervals from \$10,000 to \$25,000 plus an open-end class of \$25,000 and over. They also are listed by seven subareas and the completed unsold homes are listed according to four time periods since completion--under 30 days, 30 to 60 days, 60 to 90 days, and over 90 days.

Table VII summarizes these unsold inventory surveys by selected price classes for the last quarter of each year since 1960 plus the first three quarters of 1966. The largest number of completed unsold homes in this table was 219 in October 1960, slightly below the peak of 232 recorded in July 1960. The October figure then declined gradually each year until 1964 when only 40 unsold completed homes were reported. Usually, there is a seasonal increase during the summer construction season and then a decline to the end of the winter. During 1966, however, the completed unsold homes remained above 50 between June 30 and September 30. It is significant that the proportion of completed homes which were unsold for more than 90 days also has increased from 49 percent at the beginning of 1965 to 62 percent at the beginning of 1967. Some of this longer sales period probably results from the fact that a gradually increasing proportion of completed homes are in the higher price ranges. During the last half of 1966 there has been the additional problem of more restrictive home financing conditions.

As an additional measure of the unsold inventory, Table VIII summarizes the yearly surveys made by the Spokane FHA Insuring Office of the unsold inventory among speculative houses in subdivisions with five or more completions during the preceding year in Spokane County. Again, these figures reflect the accumulation of homes built and not yet sold at the beginning of the winter season when sales normally are somewhat slow. For the three-year period, 1963 through 1965, the unsold inventory as a percent of total speculative construction increased from 29 percent at the end of 1963 to 45 percent at the end of 1965. By the end of 1966, however, this ratio had dropped to 36 percent due, in part, to some slowdown of new construction and a decrease in the number of net additions to the housing inventory.

Rental Market

The demand for good quality apartments appears to be well sustained in Spokane, but older rental structures have varying degrees of vacancy. For several years renters have had a wide range of choice in the Spokane market and single-family rental homes are preferred where these are available in good condition and in good neighborhoods. Demand appears to be decreasing for the older apartments where there is insufficient maintenance and inadequate management.

At the beginning of December 1965, there were approximately 160 units under construction in multifamily structures ranging from duplexes to apartments with up to 24 units. Despite tighter mortgage financing conditions in the latter part of 1966, units authorized in new multifamily structures will be about 100 more than in 1965. This activity has tended to keep total apartment vacancies at a relatively high level.

FHA-insured rental housing, as indicated previously in the discussion on vacancy, consists mainly of a group of ten older apartment projects. Only one relatively new project has been built, which has been completed for about a year and a half, and in which nearly full occupancy of the 32 units has been achieved.

There has been a fairly steady addition of new conventionally financed apartments in the city of Spokane for several years, some of which are well designed and attractive. They range in size mostly from 10 to 18 units. With a few exceptions, they usually are well filled and are quite competitive with older apartments at lower rents.

Rentals in existing as well as new apartments, as listed in the classified ad section of the local newspaper, show a very wide range for any unit size. The lower rents are indicative of the older and less desirable portion of the inventory. Among apartments, there are a negligible number available with more than two bedrooms. The better unfurnished apartments rent for close to \$100 for one-bedroom units and \$150 and over for two-bedroom units. Furnished apartments, on the other hand, usually are lower in rent because they represent more of the older inventory. Among houses, the better unfurnished types also are in the medium and higher rent ranges; there is considerable choice in size from one to three bedrooms, with a few four-bedroom units available.

Urban Renewal

Spokane has had no activity or interest in urban renewal since the attempt to initiate a project in 1961 was voted down. The city has had no Workable Program since January 1962.

Public Housing

There has been no local public housing in Spokane County since the demolition in 1955 and 1956 of two temporary war housing projects. There are, however, several projects of military and college housing which are well occupied, as described below.

Military Housing

With the closing of Geiger Air Force Base in 1963, the 303 units under its jurisdiction were transferred to Fairchild Air Force Base for eligible families of its officers and upper grade airmen. The total units now under Fairchild AFB control include 81 units of appropriated fund housing, 542 Capehart units, 959 acquired Wherry units, and 137 temporary Lanham units, a total of 1,719 units. The temporary units are at the Garden Springs site just a few miles west of Spokane, and these eventually will be phased out. They are occupied only by families of the lower four grades of airmen. The appropriated fund units include six for senior officers at Fairchild AFB and 75 at Geiger AFB. The Capehart units include 251 at Fairchild, 227 near Geiger, 48 former Army units at Fairchild, and 16 former Army units at Cheney.

The waiting list for military housing is negligible and usually is limited to personnel scheduled for transfer in the near future. After a military family's arrival, the waiting period for occupancy is only one to two weeks. Ineligible families are able to find off-base quarters in the Spokane area without difficulty.

Of the total on-base housing, only 19 units were vacant in early December 1966 and the majority of these were due to structural problems which are being corrected.

Other Special Housing

In Medical Lake, the Washington State Department of Institutions has built several groups of housing for families of employees and supervisory personnel at Western Washington State Hospital and Lakeland Village. The hospital has 24 apartments and 9 single-family houses and Lakeland Village has a total of 72 units. There are about 20 vacancies in these two groups of housing, apparently because of adequate choice of housing in Spokane.

At Eastern Washington State College in Cheney there are 36 units operated by the college for student families, and at Whitworth College there are 3 apartments and 22 temporary units for student families left over from surplus World War II housing.

Demand for Housing

Quantitative Demand

Prospective demand for housing in the Spokane HMA is based on the projected level of household growth (about 1,075 annually for the next two years), on the net number of housing units expected to be lost from the inventory through demolition, conversion, fire and other inventory changes, and on the need for a further reduction in the current excess of vacancies. Consideration is given also to the current tenure composition of the inventory and to the continuing moderate trend from renter to owner occupancy. Giving consideration to the above factors, an annual demand for approximately 525 single-family sales houses and 150 multifamily units is projected over the next two years.

The current high level of vacancies in rental housing (particularly in apartments), despite some improvement in the past two years, indicates the need to reduce the construction of new multifamily units to a level that will permit absorption of the current over-supply. To bring the rental market into more satisfactory balance, construction of only about 150 new multifamily units a year during the next two years appears to be warranted. That volume of construction would be three-fourths the annual average of about 200 multifamily units authorized for construction during the 1960-1965 period, and more substantially below the 370 units authorized during the first 11 months of 1966. This estimate excludes demand for public low-rent housing and rent-supplement accommodations. The estimated demand for 525 single-family houses a year during the next two years is substantially below the average of 765 single-family houses authorized in the 1960-1965 period and the 644 authorized during the first 11 months of 1966.

Qualitative Demand

Single-Family Houses. Based on the distribution of families by annual after-tax incomes, on the proportion of incomes that families in the Spokane area ordinarily pay for sales housing, and on recent market experience, the estimated average demand for 525 single-family houses a year is expected to approximate the pattern presented in the following table.

Estimated Annual Demand for New Single-Family Houses
Spokane, Washington, HMA
December 1966-December 1968

<u>Price range</u>	<u>Number of houses</u>	<u>Percentage distribution</u>
Under \$16,000	65	12
\$16,000 - 17,999	105	20
18,000 - 19,999	135	26
20,000 - 24,999	70	13
25,000 - 29,999	65	12
30,000 - 34,999	50	10
35,000 & over	35	7
Total	525	100

Over half of the projected annual sales demand is for houses priced under \$20,000 and about a fourth is in the medium and higher price range of \$20,000 to \$30,000. About a sixth of the total is estimated at prices above \$30,000; most of these are expected to be houses built on a contract basis for predetermined owners. Construction of single-family houses for less than about \$14,000 is not economically feasible in the Spokane area.

The foregoing distribution differs from that in table VIII, which reflects only selected subdivision experience during the year 1965. It must be noted that the 1965 data do not include new construction in subdivisions with less than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower-value homes, are concentrated in the smaller building operations which are quite numerous. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Multifamily Housing. The monthly rentals at which privately owned net additions to the aggregate multifamily housing inventory might best be absorbed by the rental market are indicated for various size units in the following table. These net additions may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition.

Annual Demand for New Multifamily Housing
Spokane, Washington HMA
December 1, 1966 to December 1, 1968

<u>Size of unit</u>	<u>Number of units</u>	<u>Monthly gross rent^{a/}</u>
Efficiency	10	\$105 to \$115
"	5	115 and over
One-bedroom	25	\$130 to \$140
"	20	140 to 150
"	15	150 to 170
"	5	170 and over
Two-bedrooms	25	\$150 to \$170
"	20	170 to 180
"	10	180 and over
Three-bedrooms	<u>15</u>	\$170 and over
	155	

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

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

Table I

Civilian Work Force and Employment by Industry a/
Spokane, Washington SMSA
1958-1966
(in thousands)

<u>Industry</u>	<u>Annual average</u>								<u>1st 10 months</u>	
	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1965</u>	<u>1966</u>
Civilian work force	<u>99.0</u>	<u>98.2</u>	<u>98.6</u>	<u>97.8</u>	<u>95.9</u>	<u>94.6</u>	<u>95.1</u>	<u>96.0</u>	<u>95.5</u>	<u>99.0</u>
Unemployed	9.0	6.3	6.8	7.4	6.6	6.0	5.5	4.7	4.6	4.0
Percent of civilian work force	9.1%	6.4%	6.9%	7.6%	6.9%	6.3%	5.8%	4.9%	4.8%	4.0%
Agricultural employment	3.9	3.7	3.6	3.4	3.2	3.2	3.1	2.9	3.0	3.0
Nonagricultural employment	<u>86.0</u>	<u>88.2</u>	<u>88.2</u>	<u>87.0</u>	<u>86.0</u>	<u>85.4</u>	<u>86.5</u>	<u>88.4</u>	<u>87.9</u>	<u>92.0</u>
Nonagric. wage & salary workers	<u>73.9</u>	<u>75.9</u>	<u>75.9</u>	<u>75.2</u>	<u>73.9</u>	<u>73.5</u>	<u>74.2</u>	<u>76.1</u>	<u>75.6</u>	<u>79.6</u>
Manufacturing	<u>13.2</u>	<u>13.6</u>	<u>13.1</u>	<u>12.9</u>	<u>11.9</u>	<u>12.3</u>	<u>12.7</u>	<u>12.7</u>	<u>12.7</u>	<u>13.1</u>
Primary metals	<u>4.5</u>	<u>4.6</u>	<u>3.8</u>	<u>3.6</u>	<u>3.8</u>	<u>4.0</u>	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>	<u>4.8</u>
Food & kindred products	2.9	2.9	2.9	2.8	2.5	2.4	2.4	2.3	2.3	2.3
Lumber & wood products b/	1.9	1.8	1.6	1.4	1.5	1.6	1.5	1.5	1.6	1.3
Fabric. metal prod. & mach. c/	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.1	1.0	1.1
Other manufacturing	3.1	3.4	3.9	4.2	3.2	3.3	3.4	3.4	3.4	3.6
Nonmanufacturing	<u>60.7</u>	<u>62.3</u>	<u>62.8</u>	<u>62.3</u>	<u>62.0</u>	<u>61.2</u>	<u>61.5</u>	<u>63.4</u>	<u>62.9</u>	<u>66.5</u>
Contract construction	<u>4.3</u>	<u>4.7</u>	<u>4.5</u>	<u>3.9</u>	<u>3.4</u>	<u>3.5</u>	<u>3.3</u>	<u>3.5</u>	<u>3.4</u>	<u>4.2</u>
Transp., communic. & utils	8.3	8.2	8.0	8.0	7.7	7.2	7.1	7.2	7.2	7.4
Wholesale & retail trade	19.7	20.4	20.6	20.1	20.1	19.9	19.9	20.8	20.6	21.4
Finance, ins. & real estate	4.0	4.1	4.0	4.0	4.3	4.2	4.2	4.3	4.3	4.3
Services	11.8	12.1	12.7	12.9	12.9	12.9	13.3	13.5	13.5	14.3
Government	12.3	12.6	12.8	13.2	13.4	13.3	13.5	13.9	13.7	14.7
Miscellaneous	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other nonagric. workers d/	12.1	12.3	12.3	11.8	12.1	11.9	12.3	12.3	12.3	12.4
Persons in labor-management dispute	0.1	-	-	-	0.1	-	-	-	-	0.1

a/ Figures may not add to totals because of rounding. b/ Except furniture. c/ Except electrical.
d/ Self-employed, unpaid family workers and domestic servants. p Preliminary.

Source: Washington State Employment Security Department.

Table II

Estimated Percentage Distribution of All Families and Renter Households
By Annual Net Money Income (After-Tax) at 1966 and 1968 Levels
Spokane, Washington HMA, 1966-1968

<u>Annual income</u>	<u>1966</u>		<u>1968</u>	
	<u>All families</u>	<u>Renter households^{a/}</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$ 2,000	6.2%	8.9%	5.0%	7.8%
\$ 2,000 - 2,999	4.8	10.2	5.3	9.5
3,000 - 3,999	7.5	12.2	7.0	11.7
4,000 - 4,999	8.8	12.8	7.6	12.4
5,000 - 5,999	10.7	12.3	10.0	11.1
6,000 - 6,999	11.3	11.8	10.8	11.9
7,000 - 7,999	10.6	8.2	9.8	8.9
8,000 - 8,999	9.3	6.2	9.7	6.8
9,000 - 9,999	7.7	5.1	8.0	5.3
10,000 - 12,499	11.2	7.1	13.1	8.1
12,500 - 14,999	5.6	2.8	5.9	3.3
15,000 - 24,999	4.9	1.9	6.0	2.4
25,000 and over	<u>1.4</u>	<u>0.5</u>	<u>1.8</u>	<u>0.8</u>
Total	100.0	100.0	100.0	100.0
Median income	\$7,080	\$5,500	\$7,440	\$5,780

^{a/} Renter households of two or more persons.

Source: Estimated by Housing Market Analyst.

Table III

Population and Household Trends
Spokane, Washington, HMA
1950, 1960, and 1966

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>Dec.</u> <u>1966</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1966</u>	
				<u>Number</u>	<u>Pct.</u>	<u>Number</u>	<u>Pct.</u>
<u>Population</u>							
SMSA total	<u>221,561</u>	<u>278,333</u>	<u>297,325</u>	<u>5,677</u>	<u>2.3</u>	<u>2,850</u>	<u>1.0</u>
Spokane	161,721	181,608	189,000	1,989	1.1	1,110	0.6
Cheney	2,797	3,173	4,500	37	1.2	200	5.2
Medical Lake	4,488	4,765	3,450	28	0.6	-197	-4.8
Millwood	1,240	1,776	1,750	53	3.6	- 4	-0.2
Other inc. areas b/	1,335	3,283	3,340	195	9.0	8	0.3
Rest of county c/	49,980	83,728	95,285	3,375	5.2	1,733	1.9
<u>Households</u>							
SMSA total	<u>68,949</u>	<u>87,771</u>	<u>94,975</u>	<u>1,882</u>	<u>2.4</u>	<u>1,080</u>	<u>1.2</u>
Spokane	52,994	62,056	64,790	906	1.6	410	0.6
Cheney	718	920	1,200	20	2.5	42	3.9
Medical Lake	247	472	520	23	6.5	7	1.4
Millwood	377	552	550	17	3.8	-	-
Rest of county b/c/	14,613	23,771	27,915	916	4.9	621	2.4

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

b/ Includes Airway Heights, Deer Park, Fairfield, Latah, Rockford, Spangle and Waverly.

c/ Unincorporated area.

Sources: 1950 and 1960 Censuses of Population.

1966 estimated by Housing Market Analyst.

Table IV

Components of The Housing Inventory
Spokane, Washington, HMA
1950, 1960, and 1966

<u>Occupancy, tenure and vacancy</u>	<u>April 1950</u>	<u>April 1960</u>	<u>Dec. 1966</u>
<u>Spokane County</u>			
Total housing supply	<u>72,505</u>	<u>97,458</u>	<u>102,075</u>
Occupied housing units	<u>68,949</u>	<u>87,771</u>	<u>94,975</u>
Owner-occupied	<u>45,801</u>	<u>60,163</u>	<u>65,900</u>
Percent of total occupied	66.4	68.5	69.4
Renter-occupied	<u>23,148</u>	<u>27,608</u>	<u>29,075</u>
Percent of total occupied	33.6	31.5	30.6
Vacant housing units	<u>3,556</u>	<u>9,687</u>	<u>7,100</u>
Available	<u>1,564</u>	<u>6,434</u>	<u>4,300</u>
For sale	<u>559</u>	<u>1,622</u>	<u>1,500</u>
Homeowner vacancy rate	1.2	2.6	2.2
For rent	<u>1,005</u>	<u>4,812</u>	<u>2,800</u>
Rental vacancy rate	4.2	14.8	8.8
Other	<u>1,992 a/</u>	<u>3,253</u>	<u>2,800</u>
<u>Spokane City</u>			
Total housing supply	<u>55,139</u>	<u>68,733</u>	<u>70,100</u>
Occupied housing units	<u>52,994</u>	<u>62,056</u>	<u>64,790</u>
Owner-occupied	<u>33,551</u>	<u>40,916</u>	<u>42,950</u>
Percent of total occupied	63.3	65.9	66.3
Renter-occupied	<u>19,443</u>	<u>21,140</u>	<u>21,840</u>
Percent of total occupied	36.7	34.1	33.7
Vacant housing units	<u>2,145</u>	<u>6,677</u>	<u>5,310</u>
Available	<u>1,291</u>	<u>5,056</u>	<u>3,800</u>
For sale	<u>429</u>	<u>1,074</u>	<u>1,200</u>
Homeowner vacancy rate	1.3	2.6	2.7
For rent	<u>862</u>	<u>3,982</u>	<u>2,600</u>
Rental vacancy rate	4.2	15.9	10.6
Other	<u>854 b/</u>	<u>1,621</u>	<u>1,510</u>

a/ Includes 146 nonresident dwelling units.

b/ Includes 107 nonresident dwelling units.

Sources: 1950 and 1960 Censuses of Housing.
 1966 estimated by Housing Market Analyst.

Table V

Residential Units Authorized by Building Permits
Spokane, Washington, HMA
1957-1966

<u>Year</u>	<u>Spokane</u>	<u>Cheney</u>	<u>Medical Lake</u>	<u>Millwood</u>	<u>Rest of county a/</u>	<u>Total county</u>	<u>Demo-litions b/</u>	<u>Net added units</u>
1957	686	29	NA	3	681	1,399	10	1,389
1958	687	38	NA	1	1,361 <u>c/</u>	2,087	17	2,070
1959	684	58	NA	4	933 <u>d/</u>	1,679	56	1,623
1960	518	38	NA	6	609	1,171	117	1,054
1961	528	23	10	-	514	1,075	110	965
1962	441	28	17	-	429	915	85	830
1963	316	22	NA	3	390	731	272	459
1964	288	98	7	5	483	881	269	612
1965	404	60	7	4	580	1,055	417	638
1966 <u>e/</u>	346	53	15	26	575	1,015	596	419

a/ Includes unincorporated area of Spokane County.

b/ Includes primarily demolitions and also net of conversions and moves.

c/ Includes 478 Capehart units (228 at Geiger AFB and 250 at Fairchild AFB).

d/ Includes 64 Capehart units (48 at Fairchild AFB and 16 near Cheney).

e/ January through November.

Sources: U. S. Census Bureau and local permit-issuing offices.

Table VI

Spokane, Washington, Area Postal Vacancy Survey

November 3-9, 1966

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	81,697	4,432	5.4	4,240	192	316	72,322	2,982	4.1	2,863	119	156	9,375	1,450	15.5	1,377	73	160	478	65	13.6
Spokane	80,439	4,432	5.5	4,240	192	316	71,810	2,982	4.2	2,863	119	156	8,629	1,450	16.8	1,377	73	160	478	65	13.6
Main Office	12,631	1,344	10.6	1,306	38	1	6,248	404	6.5	399	5	1	6,383	940	14.7	907	33	-	66	29	43.9
Branches:																					
Dishman	3,970	169	4.3	133	36	22	3,798	115	3.0	104	11	6	172	54	31.4	29	25	16	214	1	0.5
Millwood	1,800	40	2.2	39	1	27	1,794	37	2.1	36	1	3	6	3	50.0	3	-	24	45	-	0.0
Opportunity	4,735	77	1.6	38	39	138	4,712	62	1.3	35	27	68	23	15	65.2	3	12	70	1	-	0.0
Rosewood	13,941	436	3.1	377	59	77	13,799	421	3.1	364	57	56	142	15	10.6	13	2	21	50	-	0.0
Trentwood	599	19	3.2	19	-	-	599	19	3.2	19	-	-	-	-	-	-	-	-	-	-	-
Stations:																					
B	7,147	640	9.0	640	-	1	6,572	517	7.9	517	-	1	575	123	21.4	123	-	-	-	-	-
Hillyard	7,566	541	7.2	541	-	5	7,362	462	6.3	462	-	5	204	79	38.7	79	-	-	67	35	52.2
Manito	9,503	240	2.5	228	12	8	9,292	207	2.2	195	12	8	211	33	15.6	33	-	-	-	-	-
North Central	16,437	839	5.1	834	5	37	15,637	680	4.3	676	4	8	800	159	19.9	158	1	29	-	-	-
Parkwater	2,110	87	4.1	85	2	-	1,997	58	2.9	56	2	-	113	29	25.7	29	-	-	35	-	0.0
Other Cities and Towns																					
Fairchild AFB	1,258	-	0.0	-	-	-	512	-	0.0	-	-	-	746	-	0.0	-	-	-	-	-	-

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i.e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FHA postal vacancy survey conducted by collaborating postmaster(s).

Table VII

Unsold Inventory of New Homes by Price Range
Spokane, Washington Area
Selected Dates, 1960-1966

Date	Unsold units		Under \$12,000	\$12,000- \$13,999	\$14,000- \$15,999	\$16,000- \$17,999	\$18,000 \$19,999	\$20,000- \$24,999	\$25,000 & over
	Total	Percent							
<u>1960</u>									
Oct. 15 - Under construc.	106	32.6	4	15	15	14	25	27	6
Completed	219	67.4	23	32	50	30	34	30	20
Total unsold	325		27	47	65	44	59	57	26
Percent		100.0%	8.3%	14.5%	20.0%	13.5%	18.2%	17.5%	8.0%
<u>1961</u>									
Oct. 15 - Under construc.	98	37.8	-	6	16	11	40	12	13
Completed	161	62.2	9	25	36	18	18	32	23
Total unsold	259		9	31	52	29	58	44	36
Percent		100.0%	3.5%	12.0%	20.1%	11.1%	22.4%	17.0%	13.9%
<u>1962</u>									
Oct. 15 - Under construc.	60	34.5	6	6	6	12	14	11	5
Completed	114	65.5	3	9	21	14	29	25	13
Total unsold	174		9	15	27	26	43	36	18
Percent		100.0%	5.2%	8.6%	15.5%	15.0%	24.7%	20.7%	10.3%
<u>1963</u>									
Oct. 15 - Under construc.	54	41.2	1	3	10	9	10	14	7
Completed	77	58.8	3	6	12	19	9	21	7
Total unsold	131		4	9	22	28	19	35	14
Percent		100.0%	3.0%	6.9%	16.8%	21.4%	14.5%	26.7%	10.7%
<u>1964</u>									
Oct. 15 - Under construc.	93	69.9	1	8	7	10	16	20	31
Completed	40	30.1	1	1	4	4	12	9	9
Total unsold	133		2	9	11	14	28	29	40
Percent		100.0%	1.5%	6.8%	8.3%	10.5%	21.0%	21.8%	30.1%
<u>1965</u>									
Oct. 15 - Under construc.	97	70.3	-	4	18	8	6	21	40
Completed	41	29.7	-	-	3	5	9	7	17
Total unsold	138		-	4	21	13	15	28	57
Percent		100.0%	-	2.9%	15.2%	9.4%	10.9%	20.3%	41.3%
<u>1966</u>									
Mar. 15 - Under construc.	121	73.3	-	-	11	10	16	31	53
Completed	44	26.7	-	-	4	4	4	10	22
Total unsold	165		-	-	15	14	20	41	75
Percent		100.0%	-	-	9.1%	8.5%	12.1%	24.8%	45.5%
June 30 - Under construc.	74	57.4	-	-	8	10	10	20	26
Completed	55	42.6	-	-	5	4	7	14	25
Total unsold	129		-	-	13	14	17	34	51
Percent		100.0%	-	-	10.1%	10.8%	13.2%	26.4%	39.5%
Sep. 30 - Under construc.	71	56.8	-	-	6	9	12	21	23
Completed	54	43.2	-	-	1	6	7	14	26
Total unsold	125		-	-	7	15	19	35	49
Percent		100.0%	-	-	5.6%	12.0%	15.2%	28.0%	39.2%

Source: J. L. Cooper & Co., Spokane, Washington.

Table VII

Status of New House Completions in Selected Subdivisions a/
Spokane, Washington, FHA
As of January 1, 1964, 1965 and 1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative Construction</u>			
			<u>Total</u>	<u>Sold</u>	<u>Unsold</u>	<u>Percent Unsold</u>
<u>Houses completed in 1963</u>						
Under \$15,000	13	2	11	7	4	36
\$15,000 - 17,499	31	8	23	18	5	22
17,500 - 19,999	61	21	40	29	11	28
20,000 - 24,999	73	23	50	34	16	32
25,000 - 29,000	22	10	12	8	4	33
30,000 - 34,999	7	3	4	2	2	50
35,000 and over	7	4	3	3	-	-
Total	214	71	143	101	42	29
<u>Houses completed in 1964</u>						
Under \$15,000	8	1	7	6	1	14
\$15,000 - 17,499	23	10	13	6	7	54
17,500 - 19,999	44	12	32	20	12	38
20,000 - 24,999	76	31	45	25	20	44
25,000 - 29,000	27	10	17	10	7	41
30,000 - 34,999	10	3	7	3	4	57
35,000 and over	7	4	3	1	2	67
Total	195	71	124	71	53	43
<u>Houses completed in 1965</u>						
Under \$15,000	7	2	5	4	1	20
\$15,000 - 17,499	23	5	18	12	6	33
17,500 - 19,999	41	23	18	12	6	33
20,000 - 24,999	108	43	65	38	27	42
25,000 - 29,000	58	28	30	13	17	57
30,000 - 34,999	25	9	16	8	8	50
35,000 and over	29	6	23	10	13	57
Total	291	116	175	97	78	45

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

Source: Unsold Inventory Surveys completed by Spokane, Washington, FHA Insuring Office.



HUD NEWS

**U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410**

HUD No. 4341
(Phone: 382-6723)

FOR RELEASE: MONDAY
OCTOBER 2, 1967

HOUSING MARKET ANALYSIS - SPOKANE, WASHINGTON

The Federal Housing Administration today released its analysis of the Spokane, Washington, housing market as of December 1, 1966.

The area surveyed includes all of Spokane County.

A demand for 675 housing units a year is forecast for the two-year period ending December 1, 1968. The forecast includes an annual demand for 525 single-family houses for sale and 150 multifamily rental units, not including public low-rent housing or rent-supplement accommodations.

The December 1, 1966 population of 297,325 was nearly 19,000 above the population counted by the April 1960 Census. Annual population increases have varied considerably but have averaged 2,850 persons a year since 1960. The increase is expected to average 3,000 persons a year to December 1, 1968. There were 94,975 households in the area in December 1966, an increase of 1,080 annually since April 1960. A comparable increase of 1,075 households a year is expected during the two-year forecast period.

Total nonagricultural employment in Spokane County averaged about 92,000 workers in 1966, exceeding for the first time the previous peak average of 89,900 workers in 1956. During the two-year period ending December 1, 1968, employment gains are expected to average about 1,000 workers a year.

(more)

In December 1966, the median annual income of all families in the area was \$7,080, after deduction of federal income tax. The median after-tax of tenant households of two or more persons was \$5,500. The medians are expected to increase to \$7,440 and \$5,780, respectively, by December 1968.

The housing inventory of Spokane County as of December 1, 1966 totaled approximately 102,075 units, a net addition of 4,620 units since April 1, 1960. Private residential construction, as measured by building permits, has averaged about 990 units a year since 1960. Because of demolitions, however, net additions of housing units dropped from 1,050 in 1960 to about 450 in 1966.

The December 1, 1966 homeowner vacancy rate was 2.2 percent and the rental vacancy rate was 8.8 percent, down from 2.6 percent and 14.8 percent, respectively, in April 1960.

Copies of the analysis can be obtained from Mr. Wallace M. Bostwick, Director, Federal Housing Administration, 501 American Legion Building, 108 North Washington Street, Spokane, Washington 99201.

* * * *

(MC-FHA-MA-67-70)

10/2/67