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DEPARTMENT OF HOUSING
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Analysis of the

TUCSON, ARIZONA HOUSING MARKET

as of November 1, 1970

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

February 1971

FHA Housing Market Analysis

Tucson, Arizona, as of November 1, 1970

Foreword

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

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

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

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

FHA HOUSING MARKET ANALYSIS - TUCSON, ARIZONA
AS OF NOVEMBER 1, 1970^{1/}

The Tucson Housing Market Area (HMA) is composed of Pima County, Arizona. The HMA is located in southern Arizona and has Mexico as its southern border. As of November 1970, the population of the HMA was 353,700 persons, of whom 261,000 persons resided in the city of Tucson.

The economy of the HMA is based primarily upon nonmanufacturing industries many of which are geared to the tourist trade. Until recently, the Tucson HMA had been characterized by excessive sales and rental vacancy rates. Recent economic expansion, however, has strengthened both the sales and rental markets to the point where, as of November 1970, supply was not sufficient to meet the demand for both sales and rental units. Slower economic growth of the HMA during the forecast period is expected to slow the rate of household growth but, because of the inadequate current supply of sales and rental units, the demand for new housing is expected to be maintained at current levels.

Anticipated Housing Demand

There will be an annual demand for about 5,500 privately financed, nonsubsidized housing units in the Tucson HMA during the two-year period ending November 1, 1972. This number is equal to the number of housing units which were added to the inventory during 1969, but is below the peak building period of 1962 and 1963. For optimum absorption, production of these units should consist of 2,000 units of single-family homes, 2,000 units of multifamily housing, and 1,500 mobile homes. This demand estimate has taken into consideration current housing market conditions, projected economic trends, expected population growth and household formation, and anticipated losses to the housing inventory. Further considerations were current vacancies, shifts in tenure from owner to renter, and current levels of construction.

^{1/} Data in this analysis are supplementary to an FHA analysis as of September 1, 1968.

The projected demand for single-family sales housing during the forecast period is below the number built and successfully marketed in 1969 in the Tucson HMA. This estimated decline in effective demand is based upon a projected lower level of employment growth which is expected to result in a slowed rate of population growth and household formation. The increased demand for multifamily units is based upon expected losses to the rental inventory during the forecast period, current levels of construction, prospective household formation, and optimum year-round average vacancy rates. The projected demand for multifamily units (2,000 annually) would represent a sizeable increase over building of multifamily units for any year since 1963 and it is suggested, therefore, that absorption of rental units be observed carefully during the forecast period to insure the attainment of a desirable supply-demand relationship.

Table I shows the distribution of demand for sales housing by price class and the demand for multifamily units by gross monthly rents.

Occupancy Potential for Subsidized Housing

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

The estimated occupancy potentials for subsidized housing are designed to determine, for each program, (1) the number of families and individuals who can be served under the program and (2) the proportion of these households that can reasonably be expected to seek new subsidized housing during the forecast period. Household eligibility for the Section 235 and Section 236 programs is determined primarily by evidence that household or family income is below established limits but sufficient to pay the minimum achievable rent or monthly payment for the specified program. Insofar as the income requirement is concerned, all families and individuals with income below the income limits are assumed to be eligible for public housing and rent supplement; there may be other requirements for eligibility, particularly the requirement that current living quarters be substandard for families to be eligible for rent supplements. Some families may be alternatively eligible for assistance under more than one of these programs or under other assistance programs using federal or state support. The total occupancy potential for federally assisted housing approximates the sum of the potentials for public housing and Section 236 housing. For the Tucson HMA, the total occupancy potential is estimated to be 1,320 units annually.

The annual occupancy potentials^{1/} for subsidized housing discussed in the following paragraphs are based upon 1970 incomes, the occupancy of substandard housing, income limits in effect as of November 1, 1970, and on available market experience.^{2/}

Section 235, Sales Housing. Sales housing can be provided for low-to moderate-income families under the provisions of Section 235. Utilizing exception income limits, the estimated annual occupancy potential for the two-year forecast period is 380 units. The use of regular income limits would reduce this potential only slightly.

All of the families eligible for Section 235 housing also qualify for Section 236 housing; however, the potentials are not additive. There have been about 325 units financed under Section 235 in the Tucson HMA, 120 existing units and 205 new units.

Public Housing and Rent Supplement. Both of these programs serve families in essentially the same low-income groups. The primary differences arise from the manner in which net income is computed for each program and from other eligibility requirements. For the Tucson HMA, the annual occupancy potential for public housing is 970 units, 595 for families and 375 units for the elderly. As exhibited in table II, about 13 percent of the families and 39 percent of the elderly who qualify for public housing units also are eligible for Section 236 housing.

There are 523 units of rent supplement housing in the Tucson HMA, and as of September 1970, all of these units were occupied. As of November 1, 1970, no rent supplement units were under construction or planned. There is an annual occupancy potential for 205 units under rent supplements. Most of the families who qualify for rent supplement housing also are eligible for public housing.

There are 410 units of public housing for families in the HMA, and 96 units for the elderly. The majority of the family units (360) and all of the elderly units are located in the city of Tucson; the remaining 50 units of family housing are located in South Tucson. There were no vacancies reported in the public housing units and there was a considerable waiting list in both Tucson and South Tucson for both family and elderly accommodations. The Tucson Housing Authority expects to have an additional 80 units

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

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

of family housing opened in early 1971 and hopes to begin construction on 120 units of family housing around the beginning of 1971. The South Tucson Housing Authority expects to begin construction of 50 units for the elderly by December 1970. If all of the units currently under construction and those which are expected to be started within the next three months are completed during the two-year forecast period of this analysis, they can be expected to satisfy about 17 percent of the potential for families under this program and less than ten percent of the elderly potential. Most of the unsatisfied potential for public housing will be in the city of Tucson.

Section 236, Rental Housing.^{1/} The estimated annual occupancy potential for Section 236 rental housing, using exception income limits, is 380 units for families and 195 units for the elderly. The use of regular income limits would reduce the potential for families only slightly and would not affect the potential among the elderly. As shown in table II, about 20 percent of the families and over 75 percent of the elderly households and individuals who are eligible for Section 236 housing also qualify for public housing.

Currently, there is no completed Section 236 housing in the Tucson HMA. However, construction is expected to begin on 306 units of Section 236 housing by the end of 1970 or the beginning of 1971. If these units are completed during the forecast period they may be expected to satisfy up to 25 percent of the potential under Section 236.^{2/}

The Sales Market

The sales market in the Tucson HMA, which had been excessively loose in the mid-1960's, passed a point of optimum balance sometime in the latter 1960's and is now judged to be inordinately tight. Vacancy rates in sales units have declined to 0.9 percent as of November 1970. This increased tightening of the sales market has resulted from increasing employment opportunities in the HMA which have stimulated in-migration, and a depressed level of single-family building during the 1964-1967 period.

Single-family home building has been increasing appreciably since 1966, and local builders have reported no marketing difficulty in the Tucson HMA. The FHA Unsold Inventory Survey, which covered about 60 percent of the single-family homes built in the HMA in 1969, indicated that only a small fraction (less than 2.8 percent) of the speculative homes remained

^{1/} Interest reduction payments also may be made with respect to cooperative housing projects. Occupancy requirements under Section 236, however, are the same for both tenants and cooperative owner-occupants.

^{2/} Up to 20 percent of the units in a Section 236 project may be occupied by tenants who qualify for the rent supplement program.

unsold after being completed for more than one month. A similar survey of single-family homes completed in 1968 indicated that about 11 percent of speculatively built units remained unsold more than one month after completion. The number of speculatively built homes covered by the survey declined as a percentage of the total units covered from 1968 to 1969. It appears that the increased cost of new single-family homes in the Tucson HMA, which has been significant during the past three years, has had little effect upon effective demand.

The major reason for the tight sales market in the HMA appears to be an excess of demand over supply in the below \$20,000 price range. Building activity in this price class has been buoyed by the use of Section 235 financing; however, construction in this price range has, so far, been insufficient to meet the demand. The sales market for homes in the \$25,000 and over class appears to be in good balance. While building activity is occurring all around the city of Tucson, the most active areas are to the east and south of the city.

The volume of listings for existing homes is up compared to a year ago. The average sales price for existing homes from July to October 1970 was about \$19,500 and realtors have indicated that single-family houses in good condition are sold shortly after they are listed. The number of commissioner-held properties in the HMA has declined continually since the mid-1960's, and those now held are usually sold within a week after they are listed. While the demand for existing homes in the \$10,000 to \$18,000 range is strong at the present, it is expected to strengthen even more during the two-year forecast period as a large number of lower-priced units will be demolished as part of the Model Cities Program.

The Rental Market

A sizeable increase in in-migration since the mid-1960's combined with low levels of multifamily construction in the Tucson HMA since 1965, have resulted in an extremely tight rental market in the HMA. The rental vacancy rate is estimated at 2.6 percent as of November 1, 1970, which is before the peak of the tourist season. The large surplus of vacancies in the 1961-1964 period has been eliminated by increased in-migration to the HMA which has resulted from increased economic opportunities in the Tucson area since 1965. The rental market has been marked recently by increasing rents, while the concessions which had been offered during the periods of higher vacancy ratios (i.e., rent reductions, etc.) have all but disappeared. The only type of rental units which are of acceptable quality and are experiencing even noticeable vacancy rates are luxury or semi-luxury efficiencies and one-bedroom units. Typical rents (exclusive of utilities) for existing one-bedroom units range upwards from about \$100 a month, two-bedroom units from \$130 a month, and three-bedroom units from \$160 a month. It appears that, currently, the location of multiple unit dwellings is not a significant factor contributing to vacancies; vacancy rates are low in all sections of the city.

The improvement in the rental market has resulted in a number of proposals for multifamily projects. The majority of these proposed projects are, however, of the luxury or semi-luxury type. As shown in table I, the greatest demand for multifamily units is at or near the minimum achievable rent level. In view of past experiences in the Tucson HMA, it is suggested that the construction of luxury or semi-luxury projects be confined to levels which would correspond to the demand schedule in table I.

Economic, Demographic, and Housing Factors

The anticipated annual demand for new, nonsubsidized housing units is based upon the employment, income, population, and housing factors discussed below.

Employment. Nonagricultural wage and salary employment in the Tucson HMA reached 97,600 jobs in 1969, an increase of 7,900 jobs (8.8 percent) over 1968. This increase was the largest annual increment recorded since the mid-decade upturn of employment in 1965. About 95 percent of the employment increase from 1968 to 1969 was a result of gains in the nonmanufacturing sector. Employment increases have continued through August 1970. The twelve-month period ending August 31, 1970 averaged about 8,700 more workers in nonagricultural wage and salary employment than the previous corresponding twelve-month period. Table III presents nonagricultural wage and salary employment by industry since 1963.

From 1965 to 1969, employment gains in nonmanufacturing accounted for more than 90 percent of the total increment in nonagricultural wage and salary employment. Nonmanufacturing employment increases have averaged 4,925 workers (7.1 percent) annually during this time. The principal increases within the nonmanufacturing sector occurred in mining (525 annually) which resulted from increased employment by the copper mining firms in Pima County; construction (920 annually), mostly because of increased levels of residential building; wholesale and retail trade (1,000 annually), reflecting the opening of a number of new shopping centers in the city of Tucson, and an increase in tourist trade; services (1,050 annually), responding to the increase in the rate of population growth as well as the increase in incomes in the HMA; and government employment (1,250 annually), partially a result of increases in federal government employment, of which Davis-Monthan Air Force Base is the major component, but primarily a consequence of increases in employment at the state and local government level (the University of Arizona and local services in response to the population growth of the city of Tucson).

Manufacturing employment in the Tucson HMA fluctuated sporadically from 1965 to 1969, mostly because of the volatility of employment at Hughes Aircraft Company. Employment at this company has yet to attain the high levels of employment which were achieved in the early 1960's; however, since early 1969, employment has increased at the Tucson plant because of contract acquisitions.

Nonagricultural wage and salary employment in the Tucson HMA is expected to increase by 9,400 jobs (4,700 annually) during the two-year forecast period. Most of this increase is expected to occur, as in the past, in nonmanufacturing employment, with the remainder (less than 10 percent) expected to occur in manufacturing employment. The employment increases in nonmanufacturing industries are expected to be concentrated in mining and quarrying, wholesale and retail trade, services and miscellaneous, and government. The increases in government employment are expected to be at the state and local levels and will be stimulated upon the completion in 1971 of University Hospital, a division of the University of Arizona. Forecasts of manufacturing employment must be tempered by the fact that the largest employer in this sector relies heavily on government contracts and has had unstable employment levels in the recent past. Based upon the assumption that this company will be awarded the final contract on a missile currently in the testing phase, it is expected that manufacturing employment will increase by 700 jobs during the forecast period, with the major portion of this increase occurring during the second year of the period.

The employment forecasts for the HMA are below the average increase of 5,400 recorded between 1965 and 1969. This lower level of increase is predicated upon national trends, upon an expected stabilization or slight decline in the number of tourists visiting the area, and upon slower growth in employment in the construction industry. The employment forecast also assumes a relatively stable civilian employment at Davis-Monthan Air Force Base and does not take into account expected employment increases in industries located outside Pima County (principally copper mines in San Manuel and Superior) which currently employ many residents of the Tucson HMA. The employment forecast in this report is not expected to occur at an even rate during the two-year period. Instead, a larger portion of the increase in employment is expected during the second year of the forecast period (from November 1971 to November 1972).

Income. In November 1970, the median annual income of all families in the Tucson HMA was about \$8,725, after deduction of federal income taxes. The median after-tax income of renter households of two or more persons was \$6,400. The 1970 after-tax median incomes compare with September 1968 after-tax median incomes of \$7,100 for all families and \$5,800 for renter households of two or more persons. Detailed distributions of families and renter households by income are shown in table IV.

Demographic Factors. The population of the Tucson HMA reached 353,700 persons as of November 1, 1970.^{1/} This reflects an average annual increase of 9,375 persons (2.8 percent) since September 1968, or somewhat above the annual increase recorded from 1960 to 1968 (8,025 persons). Since the net natural increase of the HMA (resident births less resident deaths) has been declining during the 1960's, the increased rate of population growth was

^{1/} Preliminary population and household counts from the 1970 Census have been taken into account in this analysis. Final official census population and household data will be made available by the Census Bureau in the next several months.

the result of increased in-migration to Pima County. It is estimated that more than 70 percent of the population increase during the 1968-1970 period has been a result of in-migration. Increased employment opportunities in the Tucson HMA since 1965 and an increase in the student population at the University of Arizona (fall 1970 enrollment of 25,827 students) have been the major contributors to this increased in-migration. Enrollment at the University of Arizona increased by 1,100 students annually from 1968 to 1970, a slight decline from the 1960 to 1968 increase of 1,250 students annually. It appears that increases in the enrollment of the university during the forecast period will be significantly lower than those which occurred during the 1960-1970 period. An increase in military personnel at Davis-Monthan Air Force Base of slightly more than 325 persons annually since 1968 also has contributed to the population increase in the Tucson HMA during the September 1968 to November 1970 period. For purposes of this analysis, only a slight increase in military personnel and civilian-connected personnel has been considered for the two-year forecast period.

The most significant increases in population have occurred in the city of Tucson and suburban Tucson and Green Valley. Many of the areas developed since 1960 on the edge of the city of Tucson have been subsequently annexed by the city. About 45 percent of the population growth of the city of Tucson since 1960, has been the result of annexations of suburban areas.

Based upon the expectation that reduced economic expansion and the currently tight housing market will reduce in-migration to the HMA, it is anticipated that population growth during the two-year forecast period will decline to about 7,700 persons annually. Past trends and current conditions indicate that most of this population growth will occur in the city of Tucson and its immediate vicinity.

There were about 116,600 households in the Tucson HMA as of November 1, 1970, reflecting an annual average increase of 6,325 (5.9 percent) since September 1968. This increase in the number of households in the HMA has been occurring at a more rapid rate than population gains, resulting in a decline in household size. Based upon a decline in household size during the forecast period which will be smaller than that of the 1960-1970 period, and upon an expected reduction of population growth during the forecast period as compared with the 1960-1970 period, it is anticipated that households will increase by 3,700 annually (3.1 percent) from November 1970 to November 1972.

Housing Factors. The housing inventory in the Tucson HMA totaled 122,400 units as of November 1, 1970, an increase of 10,600 units (4,900 annually) since September 1, 1968. This compares with an average increase of 3,150 units annually between April 1960 and September 1968. The increase since 1968 was the result of the addition of about 12,500 units (including 3,500 mobile homes) and the loss of 1,900 units by demolition and other causes.

There were about 1,115 privately financed housing units under construction in November 1970, of which 740 were single-family houses and 375 units were in multifamily structures. An increasing amount of the new construction activity is occurring in areas outside the city of Tucson.

Private residential building activity as measured by building permits issued,^{1/} has increased sharply since 1966, a time when the area was still recovering from the high vacancy rates of the early and mid-1960's. Since 1966, the economy of the Tucson HMA has improved and in-migration has increased, tightening both the sales and rental markets. Through the first nine months of 1970, permits were issued for 3,549 privately financed housing units in the Tucson HMA. This represents an increase of about 20 percent over the comparable period for 1969. All of the increase in 1970 is the result of single-family building activity, since permits for multifamily units have declined in 1970 as compared to 1969. Based upon building permits issued for the first nine months of 1970, it appears that the volume of new housing units constructed in the HMA in 1970 will surpass the volume constructed in any year since 1960, with the exception of 1962 and 1963.

As of November 1, 1970, there were approximately 5,800 vacant units in the Tucson HMA, of which 1,800 were nonseasonal, nondilapidated and available for sale or rent. These figures represent a sizeable decline from both the 1960 and 1968 vacancy totals (see table VII). The homeowner vacancy rate, which was 1.9 percent in September 1968, has declined to 0.9 percent as of November 1970. The most significant change, however, has been the renter vacancy rate which declined from 9.7 percent (3,700 units) in September 1968 to 2.6 percent (1,100 units) in November 1970. The reduction of both the sales and rental vacancy rates reflects the tightening in the Tucson housing market brought about by increased employment and population growth since 1965 and the relatively low levels of residential construction from 1965 to 1968.

Mobile Homes. There were about 13,100 mobile homes in the Tucson HMA as of November 1, 1970. This reflects an increase of 780 units annually since April 1960. Since 1968, however, mobile homes have been increasing at a rate of about 1,750 units annually. As of November 1970, mobile homes accounted for a little more than ten percent of the total housing inventory in the HMA. About 80 percent of the mobile homes in the HMA are located in mobile home parks. During the past year, spaces in parks have increased sharply. Local zoning regulations, however, have prevented the use of more desirable areas as mobile home parks.

The current vacancy rate in spaces in mobile home parks is estimated to be about 10 percent. However, during the peak of the tourist season this can be expected to decline somewhat. Rents for spaces in parks range from

^{1/} Residential building permits, as enumerated in table VI, are estimated to cover virtually all residential construction in the Tucson HMA.

about \$35 a month to \$55 a month; the average ranges from \$40 to \$45 a month. Spaces renting for \$55 a month are in parks with a pool and recreation areas. The price for new single mobile homes starts at \$6,000 and the price for double mobile homes (which constitute about 25 percent of the current market) begins at \$7,500. Financing does not appear to constitute a major difficulty at the present time. Local banks require 15 percent down with terms for repayment from 10 to 12 years.

Based upon projected economic conditions, population and household growth, and recent trends in mobile home purchasing it is estimated that the Tucson HMA can successfully absorb approximately 1,500 mobile homes annually during the forecast period. It appears from the projected demand for mobile homes and the current vacancy rates in mobile home parks that the demand for spaces in mobile home parks will approximate about 2,300 spaces (1,150 a year) during the two-year forecast period. Most of this demand will be concentrated in the lower and middle rent ranges. The satisfaction of this demand also will require that future mobile home parks be developed to provide amenities and design features which are both necessary and desirable for late-model mobile homes.

Table I

Estimated Annual Demand for Nonsubsidized Housing
Tucson, Arizona, Housing Market Area
November 1, 1970-November 1, 1972

A. Single-family Houses

<u>Sales price</u>		<u>Number of units</u>	<u>Percent of total</u>
Under	\$13,000	80	4
\$13,000 -	13,999	100	5
14,000 -	14,999	140	7
15,000 -	17,499	400	20
17,500 -	19,999	340	17
20,000 -	22,499	260	13
22,500 -	24,999	180	9
25,000 -	29,999	180	9
30,000 -	34,999	160	8
35,000 and over		<u>160</u>	<u>8</u>
Total		2,000	100

B. Multifamily Units

<u>Gross monthly rent</u>	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three or more bedrooms</u>
Under \$120	45	-	-	-
\$120 - 139	45	-	-	-
140 - 159	15	280	-	-
160 - 179	10	305	225	-
180 - 199	-	130	295	30
200 - 219	-	50	170	45
220 - 239	-	40	90	30
240 - 259	-	-	50	20
260 - 279	-	-	30	15
280 and above	-	-	<u>35</u>	<u>45</u>
Total	<u>115</u>	<u>805</u>	895	185

Table II

Estimated Annual Occupancy Potential for Subsidized Rental Housing
Tucson, Arizona, Housing Market Area
1970-1972

	<u>Section 236a/ exclusively</u>	<u>Eligible for both programs</u>	<u>Public housing exclusively</u>	<u>Total for both programs</u>
A. <u>Families</u>				
1 bedroom	45	20	95	160
2 bedrooms	125	35	210	370
3 bedrooms	90	15	125	230
4+ bedrooms	40	10	85	135
Total	300	80b/	515b/	895
B. <u>Elderly</u>				
Efficiency	30	115	195	340
1 bedroom	20	30	35	85
Total	50a/	145d/	230d/	425

a/ Estimates are based upon exception income limits.

b/ Approximately 45 percent of these families also are eligible under the rent supplement program.

c/ Applications and commitments under Section 202 are being converted to Section 236.

d/ All of the elderly couples and individuals also are eligible for rent supplement payments.

Table III

Nonagricultural Wage and Salary Employment^{a/}
Tucson, Arizona, Housing Market Area, 1963-1970
 (Annual Averages in Thousands)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	Twelve months ending	
								<u>August 31</u>	<u>1970</u>
Wage & salary employment	78.3	75.7	76.0	81.7	85.9	89.7	97.6	94.8	103.5
Manufacturing	9.3	6.6	6.3	7.7	8.8	7.8	8.2	7.8	9.2
Nonmanufacturing	69.0	69.1	69.7	74.0	77.1	81.9	89.4	86.9	94.3
Mining & quarrying	3.2	3.3	3.4	4.0	4.3	4.7	5.5	5.3	6.1
Construction	6.5	5.9	5.5	5.6	5.8	7.0	9.2	8.6	9.5
Trans., comm., & utilities	5.4	5.3	5.2	5.1	5.3	5.3	5.5	5.4	5.8
Trade	17.4	17.1	17.3	18.1	18.7	19.6	21.3	20.6	23.2
Fin., ins., & real estate	3.7	3.8	3.6	3.5	3.5	3.7	4.0	3.9	4.5
Services & miscellaneous	13.9	13.9	13.7	14.6	15.7	16.7	17.9	17.5	18.6
Government	18.9	19.8	21.0	23.1	23.8	24.9	26.0	25.6	26.6

^{a/} Components may not add to totals because of rounding.

Source: Employment Security Commission of Arizona.

Table IV

Estimated Percentage Distribution of All
Families and Renter Households^{a/} by Income
After Deducting Federal Income Taxes
Tucson, Arizona, Housing Market Area 1968 and 1970

<u>Annual after- tax income</u>	<u>1968</u>		<u>1970</u>	
	<u>All families</u>	<u>Renter households^{a/}</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$2,000	6	7	4	12
2,000 - 2,999	6	10	4	6
3,000 - 3,999	7	11	4	8
4,000 - 4,999	9	12	6	9
5,000 - 5,999	9	13	7	10
6,000 - 6,999	12	11	8	11
7,000 - 7,999	10	10	10	8
8,000 - 8,999	8	8	9	8
9,000 - 9,999	7	5	8	6
10,000 - 12,499	12	6	15	11
12,500 - 14,999	6	2	10	5
15,000 and over	8	5	15	6
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Median	<u>\$7,100</u>	<u>\$5,800</u>	\$8,725	\$6,400

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

Source: Estimated by Housing Market Analyst

Table V

Population and Household Trends
Tucson, Arizona, Housing Market Area
April 1960-November 1970

	<u>April 1960</u>	<u>September 1968^{b/}</u>	<u>November 1970</u>	<u>Average annual change^{a/}</u>			
				<u>1960-1968</u>		<u>1968-1970</u>	
				<u>Number</u>	<u>Percent^{c/}</u>	<u>Number</u>	<u>Percent^{c/}</u>
<u>Population</u>							
HMA total	<u>265,660</u>	<u>333,400</u>	<u>353,700</u>	<u>8,025</u>	2.7	<u>9,375</u>	2.8
Tucson	212,892	247,900	261,000	4,150	1.8	6,050	2.4
Remainder	52,768	85,500	92,700	3,875	5.7	3,325	3.8
<u>Households</u>							
HMA total	<u>77,426</u>	<u>102,900</u>	<u>116,600</u>	<u>3,025</u>	3.3	<u>6,325</u>	5.9
Tucson	63,303	79,500	86,700	1,925	2.7	3,325	4.1
Remainder	14,123	23,400	29,900	1,100	5.9	3,000	11.5

^{a/} Components may not add to totals because of rounding.

^{b/} Revised.

^{c/} Based upon a formula to calculate the rate of change on a compound basis.

Sources: U.S. Censuses of Population and Housing and estimates by Housing Market Analyst.

Table VI

Housing Units Authorized by Building Permits
Tucson, Arizona, Housing Market Area
1960-1970

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>First nine months</u>	
											<u>1969</u>	<u>1970</u>
HMA total	4,325	3,697	5,015	5,886	3,150	1,954	1,035 ^{a/}	1,584	2,819	4,385 ^{a/}	2,993 ^{a/}	3,549 ^{a/}
Single-family	3,588	2,523	2,597	2,394	1,849	1,232	792	1,307	2,044	2,632	1,783	2,637
Multifamily	737	1,174	2,418	3,492	1,301	722	243	277	775	1,753	1,210	912
City of Tucson total	1,915	1,961	2,847	2,274	1,465	692	294	631	1,127	1,631	1,018	1,101
Single-family	1,237	889	691	527	309	213	175	408	551	934	299	529
Multifamily	678	1,072	2,156	1,747	1,156	479	119	223	576	697	719	572
Remainder of HMA total	2,410	1,736	2,168	3,612	1,685	1,262	741	953	1,692	2,754	1,975	2,448
Single-family	2,351	1,634	1,906	1,867	1,540	1,019	617	899	1,493	1,698	1,484	2,108
Multifamily	59	102	262	1,745	145	243	124	54	199	1,056	491	340

^{a/} Does not include public housing units.

Source: Bureau of the Census; C-40 Construction Reports and local building records.

Table VII

Housing Inventory, Tenure and Vacancy
Tucson, Arizona, Housing Market Area
April 1960-November 1970

<u>Component</u>	<u>April 1960</u>	<u>September 1968^{b/}</u>	<u>November 1970</u>	<u>Average annual change^{a/}</u>			
				<u>1960-1968</u>		<u>1968-1970</u>	
				<u>Number</u>	<u>Percent^{c/}</u>	<u>Number</u>	<u>Percent</u>
Total housing inventory	<u>85,216</u>	<u>111,800</u>	<u>122,400</u>	<u>3,150</u>	3.2	<u>4,900</u>	4.3
Occupied units	<u>77,426</u>	<u>102,900</u>	<u>116,600</u>	<u>3,025</u>	3.3	<u>6,325</u>	6.1
Owner-occupied	<u>50,810</u>	<u>68,300</u>	<u>75,800</u>	<u>2,075</u>	3.5	<u>3,450</u>	5.0
Percent	65.6%	66.4%	65.0%	-	-	-	-
Renter-occupied	<u>26,616</u>	<u>34,600</u>	<u>40,800</u>	<u>950</u>	3.1	<u>2,875</u>	8.2
Vacant units	<u>7,790</u>	<u>9,000</u>	<u>5,800</u>	<u>150</u>	1.7	<u>-1,475</u>	-20.3
Available vacant	<u>4,778</u>	<u>5,000</u>	<u>1,800</u>	<u>25</u>	0.5	<u>-1,475</u>	-29.5
For sale	<u>1,446</u>	<u>1,300</u>	<u>700</u>	<u>-15</u>	-1.4	<u>-275</u>	-21.2
Homeowner vacancy rate	2.8%	1.9%	0.9%	-	-	-	-
For rent	<u>3,332</u>	<u>3,700</u>	<u>1,100</u>	<u>45</u>	1.2	<u>-1,200</u>	-32.3
Renter vacancy rate	11.1%	9.7%	2.6%	-	-	-	-
Other vacant ^{d/}	<u>3,012</u>	<u>4,000</u>	<u>4,000</u>	<u>120</u>	3.3	-	-

^{a/} Components may not add to totals because of rounding.

^{b/} Revised.

^{c/} Based on a formula to calculate the rate of change on a compound basis.

^{d/} Includes seasonal units, vacant dilapidated units, units rented or sold awaiting occupancy, and units held off the market.

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

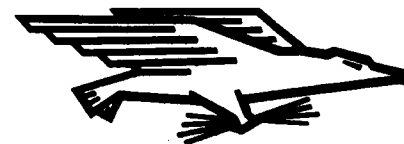
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U.S. Federal Housing Administration
Analysis...

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FEDERAL HOUSING ADMINISTRATION
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