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1966

*Analysis of the*

**WATERLOO , IOWA**

**HOUSING MARKET**

**as of December 1, 1966**

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

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ANALYSIS OF THE  
WATERLOO, IOWA, 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  
WATERLOO, IOWA, HOUSING MARKET  
AS OF DECEMBER 1, 1966

Summary and Conclusions

1. From January through November 1966, nonagricultural wage and salary employment in the Waterloo Housing Market Area averaged 46,750 workers, or 3,200 above the same period in 1965. The increases in manufacturing and nonmanufacturing employment were the largest of the post-1960 period. Gains in manufacturing employment were concentrated in the machinery industry; nonmanufacturing employment has expanded principally in the government, services, and the trade categories. During the forecast period from December 1966 to December 1968, it is anticipated that nonagricultural wage and salary employment will increase by 2,400 jobs.

Unemployment averaged 1,550 persons, 2.8 percent of the work force, from January through November 1966. The level of unemployment reflected the improvement in the local economy which occurred since 1961, when 2,500 persons (4.8 percent) were unemployed.

2. The December 1966, median income of nonfarm families in the HMA was about \$7,750 annually after the deduction of federal income tax; the median after-tax income of renter households of two or more persons was \$6,150. By 1968, median after-tax incomes are expected to increase to \$8,150 for nonfarm families and to \$6,500 for renter households.
3. The December 1966, nonfarm population of the Waterloo HMA was about 125,000, an increase of 1,650 annually since April 1960. Of the total nonfarm population, an estimated 74,500 persons lived in Waterloo, 27,500 in Cedar Falls, and 6,000 persons in Evansdale. The nonfarm population in the remainder of the HMA was 17,000 as of December 1966. By December 1968 the nonfarm population of the HMA is expected to reach 130,200, an increase of 2,600 annually over the present total.
4. As of December 1966, there were an estimated 36,700 nonfarm households in the HMA. About 88 percent of the nonfarm households were in Waterloo, Cedar Falls, and Evansdale. Nonfarm households are expected to increase by 600 annually over the next two years.
5. As of December 1966, there were 38,650 nonfarm housing units in the Waterloo HMA, reflecting a net addition of about 3,400 units since April 1960. There were about 320 housing units under construction. Of these, 190 were single-family units and 130 were apartment units.

6. There were an estimated 790 available vacant housing units for sale or rent in the Waterloo HMA as of December 1966. Of this total, 300 (including about 10 percent lacking some plumbing facility) were available for sale and 490 units (including about 34 percent lacking some plumbing facility) were available for rent, indicating homeowner and rental vacancy rates of 1.1 percent and 5.1 percent, respectively. The sales vacancy rate was similar to that of April 1960; the renter vacancy rate was substantially below the 7.5 percent level reported in the 1960 census.
7. Demand for additional privately owned housing is estimated at about 680 units annually, comprised of 520 single-family and 160 multifamily units. An additional annual demand for 75 multifamily units could be realized at the lower rents possible through the use of public benefits or assistance in financing or land acquisition and cost, exclusive of public low-rent housing and rent-supplement accommodations. Demand for new single-family housing by sales price ranges is expected to approximate the pattern indicated on page 21. An approximate distribution of multifamily demand by monthly gross rent and size of units is presented on page 22. Because there is some uncertainty about the ability of employers to recruit all of the workers required during the next two years, a continuation of the practice of building single-family houses preponderantly under contract rather than speculatively is advisable.

ANALYSIS OF THE  
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Housing Market Area

The Waterloo, Iowa, Housing Market Area (HMA) is defined, for purposes of this analysis, as coextensive with the Waterloo Standard Metropolitan Statistical Area (SMSA), delineated by the Bureau of the Budget as encompassing Blackhawk County, Iowa. The County had a 1960 nonfarm population of 114,100.<sup>1/</sup> In 1960, approximately 86 percent of the non-farm population in the HMA resided in the city of Waterloo and the urban communities of Cedar Falls and Evansdale. Cedar Falls adjoins Waterloo to the northwest, and Evansdale is located to the immediate southeast of the city. Waterloo, the central city of the HMA, is located in the rich corn producing land of east central Iowa. Waterloo is 110 miles northeast of Des Moines, 68 miles north of Cedar Rapids, and 90 miles west of Dubuque.

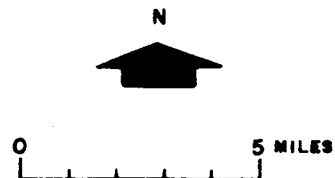
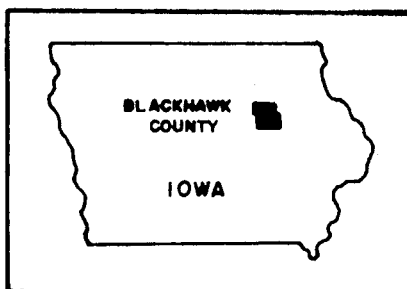
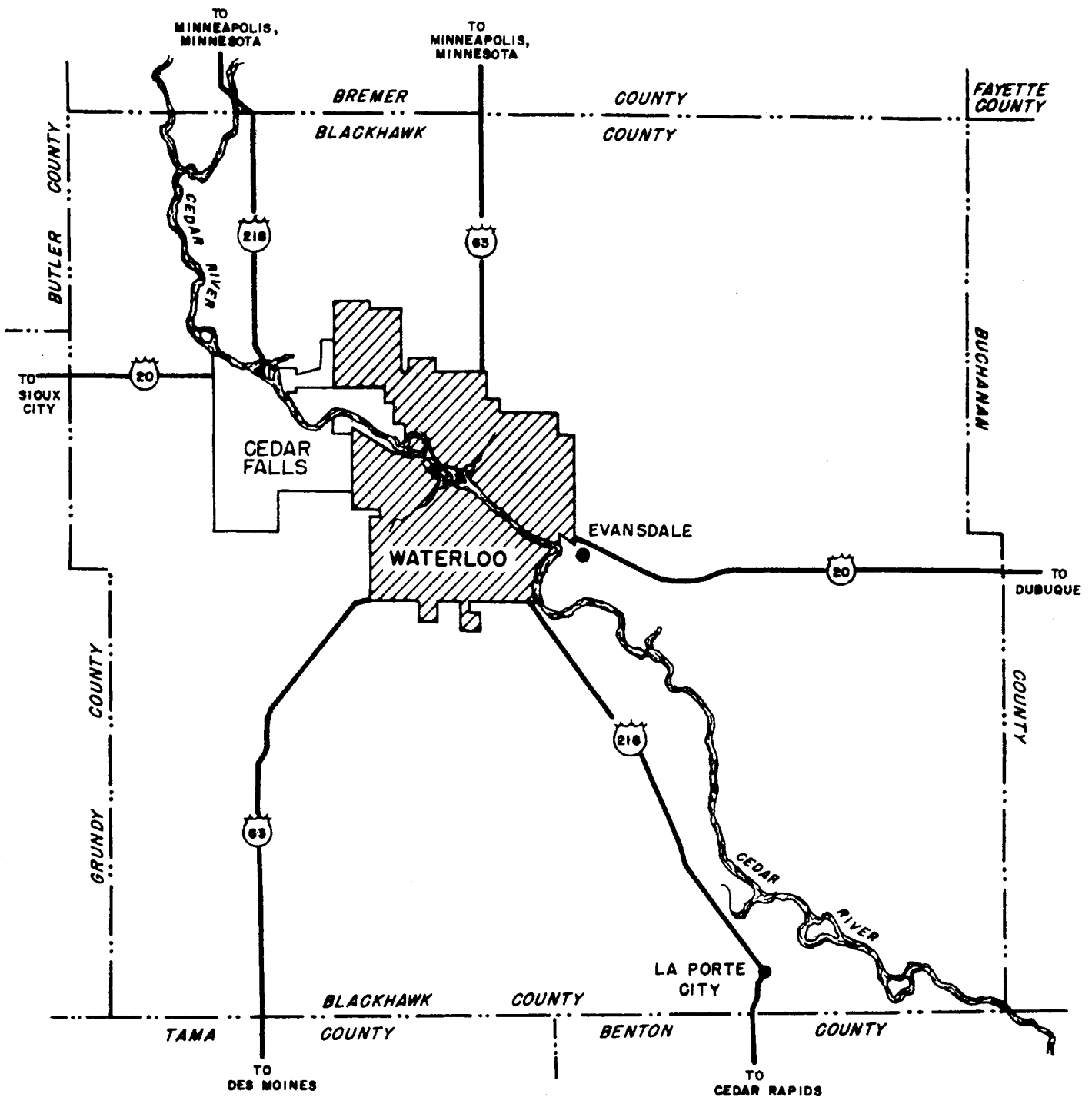
The Waterloo HMA is connected to the major markets of the midwest by an adequate network of air, rail, and truck transportation facilities. U. S. Highways 218, 63, and 20 and Iowa Routes 297, 57, and 281 traverse the Waterloo HMA.

At the time of the 1960 Census, there was a net commutation of 1,625 workers to Blackhawk County, consisting of 2,100 in-commuters and 475 workers commuting from Blackhawk County to neighboring counties.

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<sup>1/</sup> Since rural farm population constituted 6.8 percent of the population of the Waterloo HMA in 1960, all demographic and housing data used in this analysis exclude the rural farm component except where specifically noted.

# WATERLOO, IOWA, HOUSING MARKET AREA





### Economy of the Area

Character and History. The current site of Waterloo was first settled in 1845. The first village, located on the banks of the Cedar River, was called Prairie Rapids Crossing. The name was changed to Waterloo in 1850, and the town plat was completed in 1853. Early economic development was agriculturally oriented, and the town developed into a manufacturing and distribution center for locally-produced agricultural products. The present day manufacturing base is heavily dependent on the production of farm implements and food products. In recent years, economic growth has been associated with the expansion in the machinery industry. Employment in the food industry has been declining. There have been steady increases in nonmanufacturing employment, reflecting the continued development of the Waterloo area as a retail trade and educational center for east central Iowa.

### Employment

Current Estimate. Total nonagricultural employment in the Waterloo HMA (Blackhawk County) averaged 52,200 from January through November 1966, according to preliminary data prepared by the Iowa Employment Security Commission. There were 46,750 wage and salary workers and 5,450 persons in other nonagricultural jobs (see table I). The average of 2,550 agricultural jobs, 400 below the 1960 level, reflects the trend toward mechanization in crop production.

Past Trend. Nonagricultural wage and salary employment increased from about 41,000 in 1960 to 43,700 in 1965, an increase of 2,700 jobs (see following table). The recession of the early 1960's curtailed the growth of the Waterloo economy, and wage and salary employment declined by 200 in 1961 and by 750 in 1962. Reductions in manufacturing employment during these two years more than offset the small increases in nonmanufacturing employment. Recovery from the economic slump has resulted in successively larger wage and salary employment increases since 1963, the annual gains ranging from 700 in 1963 to 1,850 in 1965. The employment expansion has continued, and the eleven month 1966 average of 46,750 wage and salary workers is 3,200 jobs above the average for the corresponding period in 1965. The 1966 gains in both manufacturing employment (1,100) and non-manufacturing employment (2,100) were the largest of the post-1960 period.

Trend of Nonagricultural Wage and Salary Employment  
Waterloo, Iowa, HMA  
1960-1966

| <u>Nonagricultural wage and salary employment</u> |                            |                               |              |                                      |
|---|----------------------------|-------------------------------|--------------|--------------------------------------|
| <u>Year</u>                                       | <u>Manu-<br/>facturing</u> | <u>Nonmanu-<br/>facturing</u> | <u>Total</u> | <u>Change from<br/>previous year</u> |
| 1960  | 18,900                     | 22,100                        | 41,000       | -                                    |
| 1961  | 18,550                     | 22,250                        | 40,800       | - 200                                |
| 1962  | 17,600                     | 22,450                        | 40,050       | - 750                                |
| 1963  | 17,950                     | 22,800                        | 40,750       | 700                                  |
| 1964  | 18,200                     | 23,650                        | 41,850       | 1,100                                |
| 1965  | 18,700                     | 24,950                        | 43,700       | 1,850                                |
| <u>Jan.-Nov.</u>                                  |                            |                               |              |                                      |
| 1965  | 18,700                     | 24,850                        | 43,550       | -                                    |
| 1966  | 19,800                     | 26,950                        | 46,750       | 3,200                                |

Source: Iowa Employment Security Commission.

Employment by Industry. Manufacturing employment averaged 19,800, or 42 percent of the 46,750 wage and salary jobs in the Waterloo HMA from January through November 1966 (see table II), a decline in the relative importance of manufacturing activities since 1960 when the ratio was 46 percent. The manufacturing sector of the Waterloo area economy is dominated by the machinery and the food and kindred products industries which provided 80 percent of the manufacturing jobs in the HMA during 1966. Changes in the level of manufacturing employment have resulted principally from fluctuations in these two industries. In response to the nation-wide business slump, machinery employment in the Waterloo area declined from 8,800 in 1960 to 7,800 in 1962. Most of the decline was recovered in the following year, and employment in machinery increased by 1,700 workers from 1962 through 1965. The January-November 1966 average of 10,750 workers is 1,250 above the 1965 level; the large increase in machinery jobs includes about 1,000 workers added at the John Deere Waterloo Tractor Works and at the Chamberlain Corporation. In contrast, there has been a persistent decline in the food processing industry. The current average of 5,150 food and kindred product workers is 2,250 below the 1960 average. Employment reductions were most severe from 1960 through 1962, when one-half of the decline occurred. Increasing mechanization of production methods in this industry has continued since 1962, but the employment decline has been more moderate. The policy of recent years has been one of attrition; as workers reach retirement age or change jobs, they are not replaced.

Employment in nonmanufacturing industries averaged 26,950 from January through November 1966, equal to 58 percent of nonagricultural wage and salary employment. The largest nonmanufacturing employment gains since 1960 have been in the government, services, and trade classifications. Declines in manufacturing employment curtailed the growth of trade employment in the early 1960's. Since 1963, local business conditions have improved considerably and increases ranged from 500 in 1964 to 850 in 1966. Government employment increased by 1,000 jobs from 1960 through 1965, and the 1966 average of 5,800 was 450 above the 1965 level. Employment growth in the government category has resulted primarily from expanded educational facilities, particularly at the State College of Iowa. The increase in service employment averaged about 230 a year from 1960 through 1965. The current level of 6,150 is 400 above the 1965 average, indicating that current prosperity has stimulated the demand for services. There has been little growth in the other nonmanufacturing employment classifications. Construction employment declined from 1,950 in 1960 and then remained stable at about 1,600-1,700 jobs from 1961 through 1965. The increase to 1,900 workers in 1966 reflects, primarily, increased commercial and industrial construction. The current level of 2,300 transportation, communications, and public utilities jobs is 100 below the 1960 average; and employment in finance, insurance, and real estate remains virtually unchanged at 1,300.

Female Employment. The 1960 Census reported that 34 percent of all nonagricultural employees in Blackhawk County were female, an increase from 28 percent reported in the 1950 Census. It is likely that the employment declines of the early 1960's, particularly in the food processing industry, resulted in a decrease in female employment, but the recent expansion of job opportunities in the HMA has encouraged more women to enter the work force. In view of the tightening in the labor market and the increase in the number of nonmanufacturing jobs suited to female labor, it is expected that the number of women employed will continue to increase during the forecast period.

The Employment Participation Rate. The employment participation rate is the ratio of nonagricultural employment to nonfarm population. In the Waterloo HMA, the ratio declined from about 42 percent in 1950 to about 37 percent in 1960. It is probable that the employment participation rate continued to decline in the early 1960's, as unemployment rose and employment declined. A reversal of this trend has occurred since 1963, and the December 1966 employment participation rate was higher than that of 1960, reflecting a sharp increase in the past two years.

#### Principal Employment Sources

The John Deere Waterloo Tractor Works is the largest firm in the Waterloo HMA. Rising demand for farm equipment during the past two years has resulted in an increase in jobs at John Deere. The firm has been operating at near capacity level to fill orders, and additional production facilities

are under construction. Although the number of jobs to be added has not been determined, it appears certain that employment will increase during the forecast period.

Employment at the Chamberlain Corporation nearly doubled from 1964 to November 1966. The impetus for the sharp growth has been provided by government contracts to produce artillery shell casings. Prior to the awarding of government contracts, production had been limited to washing machine components and a variety of metal products. Because most of the added workers are engaged in the production of artillery shells, the enlarged work force is considered to be at a temporary war economy level. The firm is nearing full employment with existing facilities, and it is not likely that the recent large gains will be repeated.

The transition to automated production has resulted in declining employment at the Rath Packing Company (meat products). There appears to be little chance of hiring during the next two years, and it is expected that attrition in the current work force will reduce employment.

Enrollment at the State College of Iowa, located in Cedar Falls, has increased from about 4,550 in 1960 to about 7,200 in December 1966. Since 1960, dormitory spaces have increased from about 2,100 to 4,200. Growth at the college has resulted in sharp employment gains, and there were about 2,100 persons employed at the college in December 1966, an increase of 500 since 1964. The total was comprised of about 600 academic personnel, 900 nonacademic workers, and 600 part-time student and nonstudent employees. Judging from the projected enrollment growth and the planned physical expansion, it is reasonable to expect a continued rise in employment at the college.

### Unemployment

Unemployment in the Waterloo HMA has been at unusually low levels, and there are indications of a shortage of skilled and semi-skilled labor. The average of 1,550 unemployed persons (2.8 percent of the work force) from January through November 1966 was the lowest level of the post-1960 period and reflected the considerable improvement in the local economy since 1961 when an average of 2,500 persons (4.8 percent) were unemployed (see table I).

### Employment Prospects

It is anticipated that the local economy will continue to expand during the forecast period from December 1966 to December 1968. Although the annual employment increases are not expected to approach the average

gains of the past two years, both manufacturing and nonmanufacturing employment will increase. Gains in manufacturing employment will be smaller than the increase during 1966 because of the expected reduction in the rate of hiring in the machinery industry, particularly at the Chamberlain Corporation, and the continued decline in food processing employment. There will be employment growth at John Deere, however.

A substantial portion of the wage and salary employment increase will continue to be in nonmanufacturing jobs, with trade, services, and government absorbing most of the increase. The increase in government employment will reflect expansion on the state and local levels, as well as the constantly growing public school and college enrollments. Service and trade jobs will rise to meet the need of the expanding population. The addition of retail trade employees will be stimulated over the next two years by the initial staffing of the suburban shopping facilities currently under construction.

On the basis of considerations discussed above, it is estimated that nonagricultural wage and salary employment will increase by 2,400 jobs over the next two years (1,200 a year). The recent level of unemployment (1,550) indicates that the supply of available labor will not be adequate to meet the demand of local employers. Therefore, it will be necessary to attract more workers from the local population and from outside the HMA. It is likely that the number of women employed will increase and that there will be more in-commuters. If, however, tightening in competing labor markets inhibits the flow of commuters and immigrants to the Waterloo HMA, employment growth may be somewhat less than anticipated.

### Income

Family Income. The median income of all nonfarm families in the Waterloo HMA, after deduction of federal income taxes, was about \$7,750 in December 1966, and the median after-tax income of nonfarm renter households<sup>1/</sup> was \$6,150. The nonfarm income levels reflect a general increase of about 25 percent since 1959. Approximately 13 percent of all families and 23 percent of renter households had after-tax incomes below \$4,000; 27 percent of all families and 12 percent of renter households had after-tax incomes of \$10,000 or more. By 1968, median after-tax incomes are expected to increase to about \$8,150 for all nonfarm families and to \$6,500 for nonfarm renter households.

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<sup>1/</sup> Excludes one-person renter households.

## Demographic Factors

### Population

HMA Total. The nonfarm population of the Waterloo HMA as of December 1, 1966 was 125,000, reflecting an increase of about 1,650 (1.4 percent)<sup>1/</sup> annually since April 1960. The growth in population consisted of an average increase of about 325 a year in the nonhousehold population (almost all student population) and an average gain of 1,325 annually in the population in households. Although there was a steady increase in the nonhousehold population as a result of the college enrollment expansion since 1960, most of the growth in household population has occurred in the last three years. During the early 1960's, population growth was negligible because the employment declines resulted in out-migration. Between 1950 and 1960, the nonfarm population of the HMA increased from 91,800 to 114,100, an average gain of 2,225 (2.2 percent) annually. Virtually all of the increase in population from 1950 to 1960 was in household population. A relatively minor portion of the nonfarm population increase from 1950 to 1960 can be ascribed to the change in definition of "farm" between the two censuses. Even if the increment resulting from the definitional change is excluded, population growth was larger during the 1950-1960 decade than since 1960.

Waterloo City. A special census of Waterloo conducted in July 1966 counted about 74,050 persons in the city. The population as of December 1966 was estimated at 74,500. The increase of about 2,750 persons since April 1960 includes about 1,300 persons residing in areas annexed to the city in 1962. The out-migration of many young families during the recession has been responsible for the low rate of population growth since 1960. During the 1950-1960 decade, the population of Waterloo increased from about 65,200 to 71,750.

Cedar Falls. Cedar Falls had a population estimated at 27,500 in December 1966, an increase of 950 (3.9 percent) annually since April 1960. The rapid rate of population growth in Cedar Falls has been stimulated by expanded enrollment at the State College of Iowa. Approximately 38 percent of the population growth in the community since 1960 has been in the nonhousehold population (virtually all were students in dormitories). In addition, growth at the college has substantially increased academic and nonacademic employment, thus providing the impetus for residential

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<sup>1/</sup> All annual percentage changes relating to demographic factors are derived through the use of a formula designed to calculate the rate of change on a compound basis.

development in the suburban fringe areas of the community. Between 1950 and 1960 the population of Cedar Falls increased from 14,350 to 21,200. The gain of 6,850 resulted from an increase of 5,850 persons within the 1950 city limits and 1,000 persons residing in areas annexed to the city.

Evansdale. The population in the community of Evansdale increased from 3,575 in 1950 to 5,750 in 1960. There has been little residential development within the corporate limits of Evansdale since 1960, and the population was 6,000 in December 1966.

Remainder of the HMA. The nonfarm population of that portion of the HMA outside of Waterloo, Cedar Falls, and Evansdale was estimated to be 17,000, an increase from 15,400 in 1960. The gain in population would have been larger had it not been for the annexation of territory to the city of Waterloo. Between 1950 and 1960, the population of the area outside the cities increased from 8,700 to 15,400.

Nonhousehold Population. Persons living in college facilities account for most of the nonhousehold population. In 1960, the census reported a nonhousehold population of about 3,100 persons. Since 1960, 2,100 dormitory spaces have been added and the population has risen slightly in area hospitals. Based on these considerations, the nonhousehold population was estimated at about 5,300, or 4.2 percent of the nonfarm population. As shown below, the growth in nonhousehold population has accounted for nearly 20 percent of the nonfarm population growth since 1960.

Student enrollment has increased by 2,650 since 1960 while 2,100 dormitory spaces have been added. The difference results from an increase in the number of local students and an increase in students who have become part of the household population, either as roomers in established households or as members of households formed by students.

The following table presents trends in nonfarm population since 1950. Table IV presents nonfarm population changes by political area.

Trend of Nonfarm Population Growth  
Waterloo, Iowa, HMA  
April 1, 1950 - December 1, 1968

| <u>Date</u>  | <u>Nonfarm<br/>popu-<br/>lation</u> | <u>In<br/>house-<br/>holds</u> | <u>Non-<br/>house-<br/>hold</u> | <u>Average annual change</u>        |                                |                                 |
|--------------|-------------------------------------|--------------------------------|---------------------------------|-------------------------------------|--------------------------------|---------------------------------|
|              |                                     |                                |                                 | <u>Nonfarm<br/>popu-<br/>lation</u> | <u>In<br/>house-<br/>holds</u> | <u>Non-<br/>house-<br/>hold</u> |
| Apr. 1, 1950 | 91,797                              | 87,584                         | 4,213                           | -                                   | -                              | -                               |
| Apr. 1, 1960 | 114,097                             | 110,979                        | 3,118                           | 2,230                               | 2,340                          | -110                            |
| Dec. 1, 1966 | 125,000                             | 119,700                        | 5,300                           | 1,650                               | 1,325                          | 325                             |
| Dec. 1, 1968 | 130,200                             | 123,700                        | 6,500                           | 2,600                               | 2,000                          | 600                             |

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

Future Population Growth. Based on the projected increase in employment and on the anticipated increase in enrollment at the State College of Iowa, it is expected that nonfarm population in the Waterloo HMA will increase by about 2,600 annually to a total of 130,200 by December 1968. The construction of new dormitories will enable nonhousehold population to increase by about 1,200 persons over the next two years. The gain in household population should average about 2,000 a year. It is expected that the major part of the forecast population increase will occur in Waterloo and Cedar Falls. An annexation to Waterloo was in litigation in December 1966. If the annexation is approved, an additional 3,100 persons will be added to the city.

Natural Increase and Migration.<sup>1/</sup> During the 1950-1960 decade, the net natural increase in the population (excess of resident births over resident deaths) of the Waterloo HMA averaged 2,100 persons annually. The average annual population increase during the decade was about 2,200, indicating that there was a net in-migration of 100 annually. Since 1960, the total population is estimated to have increased by 1,600 annually. The net natural increase during the period averaged 1,975 annually, indicating an average net out-migration of 375 persons a year. Out-migration is believed to have started in the late fifties and is attributed to the reduction of employment opportunities then occurring. Since the recovery from the slump of the early 1960's, the flow of out-migrants has been curtailed. The in-migration of students and the continued growth in employment has reversed the trend recently, and it is expected that there will be in-migration during the forecast period. The components of population change in the HMA between April 1950 and December 1966 are presented in the following table.

Components of the Population Change  
Waterloo, Iowa, HMA  
1950-1966

| <u>Components</u>         | <u>Average annual change</u>      |                                      |
|---------------------------|-----------------------------------|--------------------------------------|
|                           | <u>April 1950-<br/>April 1960</u> | <u>April 1960-<br/>December 1966</u> |
| Total population increase | <u>2,200</u>                      | <u>1,600</u>                         |
| Natural increase          | <u>2,100</u>                      | <u>1,975</u>                         |
| Net migration             | <u>+100</u>                       | <u>-375</u>                          |

Sources: Bureau of the Census, Population Reports. Iowa State Board of Health. Estimates by Housing Market Analyst.

Households

HMA Total. There were 36,700 nonfarm households in the Waterloo HMA in December 1966, reflecting an average increase of 490 (1.4 percent) a year

<sup>1/</sup> Data in this paragraph refer to total farm and nonfarm population changes, since vital statistics are not available on a farm/non-farm basis.



since April 1960. Between April 1950 and April 1960, the number of non-farm households increased from 26,975 to 33,400, a gain of about 640 a year. Some part of the increase in nonfarm households between 1950 and 1960 was the result of a change in definition of "farm" in the two censuses and also the change from "dwelling unit" to "housing unit" both of which tended to inflate the increase in nonfarm housing units over the decade.

Waterloo. The city of Waterloo contained an estimated 23,700 households as of December 1966, an increase of about 1,725 since 1960, including those annexed to the city in 1962. Based on the estimates of population in the annexed areas at the time of annexation, it is judged that about 23 percent of the increase in households since 1960 resulted from annexation. The number of households in Waterloo increased from about 19,500 in 1950 to 21,950 in 1960.

Cedar Falls. As of December 1966, there were an estimated 7,050 households in Cedar Falls, an increase of 180 a year since April 1960. The total number of households in the area includes approximately 200 married students in college quarters and about an equal number of other households composed of students sharing living quarters. Between 1950 and 1960, the number of households increased from 3,925 to 5,875. It is judged that about 13 percent of the increase during the 1950-1960 decade resulted from annexations.

Evansdale and Remainder of HMA. There were 1,450 households in Evansdale and 4,500 nonfarm households in the remaining areas of the HMA in December 1966. The number of households in Evansdale increased from 950 in 1950 to 1,400 in 1960 but there has been very little increase since 1960. There are an estimated 4,500 nonfarm households in the remaining areas of the HMA, indicating an increase of about 340 since 1960. The gain would have been larger had it not been for annexations to the city of Waterloo.

Over-all nonfarm household changes in the Waterloo HMA are presented in the following table. Table IV presents nonfarm household changes by political divisions.

Trend of Nonfarm Household Growth  
Waterloo, Iowa, HMA  
April 1, 1950 to December 1, 1968

| <u>Date</u>      | <u>Nonfarm<br/>households</u> | <u>Average annual change<br/>from preceding date</u> |                |
|------------------|-------------------------------|--|----------------|
|                  |                               | <u>Number</u>  | <u>Percent</u> |
| April 1, 1950    | 26,975                        | -  | -              |
| April 1, 1960    | 33,401                        | 643  | 2.2            |
| December 1, 1966 | 36,700                        | 490  | 1.4            |
| December 1, 1968 | 37,900                        | 600  | 1.6            |

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

Household Size. The average size of all nonfarm households in the Waterloo HMA was 3.26 persons in December 1966, a reversal of the 1950-1960 trend when the average size of households increased from 3.25 to 3.32 persons. The July 1966 special census of Waterloo, Iowa, revealed that the number of persons in the 30-40 age group and under five years of age had declined since 1960. The reduction in the number of young families and the resulting decline in the birth rate have caused a sharp reduction in the average size of Waterloo households from 3.27 in 1960 to 3.11 currently. As shown in the following table, the average size of households in the remaining areas of the HMA have continued to increase since 1960, but at a slower rate than from 1950 to 1960.

Nonfarm Household Size Trends  
Waterloo, Iowa, HMA  
1950, 1960, and 1966

| <u>Area</u>      | <u>Number of persons per household</u> |             |             |
|------------------|--|-------------|-------------|
|                  | <u>1950</u>                            | <u>1960</u> | <u>1966</u> |
| Waterloo         | 3.25                                   | 3.27        | 3.11        |
| Cedar Falls      | 3.08                                   | 3.26        | 3.29        |
| Evansdale        | 3.74                                   | 4.09        | 4.13        |
| Remainder of HMA | 3.25                                   | 3.64        | 3.71        |
| HMA total        | 3.25                                   | 3.32        | 3.26        |

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

Estimated Future Household Growth. Based on the anticipated increase in population in response to new job opportunities and on the assumption that household size will not change appreciably during the next two years, there are expected to be about 37,900 nonfarm households in the Waterloo HMA by December 1968. This reflects an average addition of about 600 annually during the two-year forecast period. Most of the growth is expected to occur in Waterloo and Cedar Falls. The proposed annexation of areas to the city of Waterloo, if approved, would add approximately 950 households to Waterloo during the forecast period.

## Housing Market Factors

### Housing Supply

Current Estimate and Past Trend. There were 38,650 nonfarm housing units in the HMA in December 1966, a net addition to the housing stock of about 3,400, or 510 annually, since April 1960. Waterloo, Cedar Falls and Evansdale contained approximately 87 percent of the nonfarm housing units in the HMA. During the 1950-1960 decade the number of nonfarm housing units in the Waterloo HMA increased by about 27 percent, from 27,650 to 35,250. The decennial increase was inflated, in part, by the definitional change from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.

### Principal Characteristics

Type of Structure. The nonfarm housing inventory of the Waterloo HMA is predominately one of single-family homes. About 85 percent of the housing units were in single-family structures in December 1966. As shown in the following table, the construction and demolition of housing units have left the composition of the current inventory little changed since 1960.

#### Nonfarm Housing Inventory by Units in Structures

Waterloo, Iowa, HMA  
April 1960 and December 1966

| <u>Units</u><br><u>in structures</u> | <u>April 1960</u>                |                                   | <u>December 1966</u>                           |                                   |
|--------------------------------------|----------------------------------|-----------------------------------|--|-----------------------------------|
|                                      | <u>Number</u><br><u>of units</u> | <u>Percent</u><br><u>of total</u> | <u>Number</u><br><u>of units</u> <sup>b/</sup> | <u>Percent</u><br><u>of total</u> |
| 1 unit <sup>a/</sup>                 | 29,993                           | 85.1                              | 32,950   | 85.3                              |
| 2 units                              | 1,781                            | 5.1                               | 1,900  | 4.9                               |
| 3 or more units                      | 3,476                            | 9.8                               | 3,800  | 9.8                               |
| Total                                | 35,250                           | 100.0                             | 38,650   | 100.0                             |

<sup>a/</sup> Includes trailers.

<sup>b/</sup> Rounded.

Sources: 1960 Census of Housing.

1966 estimated by Housing Market Analyst.

Age of Structure. About 10 percent of the nonfarm inventory was added since 1960, indicating that the level of residential building activity has been below that of the 1950-1960 decade when about 26 percent of the inventory was built. About 23 percent of the housing units were built from 1930 through 1949, and 41 percent were built prior to 1930. A distribution of the housing supply by year built is presented in the following table.

Distribution of the Nonfarm Housing Inventory by Year Built  
Waterloo, Iowa, HMA

| <u>Year built</u> <sup>a/</sup> | <u>Percentage distribution</u> |
|---------------------------------|--------------------------------|
| April 1960 - December 1966      | 10                             |
| 1955 - March 1960               | 15                             |
| 1950 - 1954                     | 11                             |
| 1940 - 1949                     | 14                             |
| 1930 - 1939                     | 9                              |
| 1929 or earlier                 | <u>41</u>                      |
| Total                           | 100                            |

<sup>a/</sup> The basic census data reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Source: Estimated by Housing Market Analyst based on the 1960 Census of Housing and adjusted to reflect new construction and units lost from the inventory since April 1960.

Condition of the Inventory. The proportion of units in the HMA classified as substandard (dilapidated or lacking one or more plumbing facilities) has declined since 1960, because of new construction, the number of poorer quality units which have been demolished, and the modernization and repair of existing units. In April 1960, the census reported that about 4,700 units (13 percent) were substandard. It is estimated that about 11 percent of all units in the HMA were dilapidated or lacked plumbing facilities as of December 1966.

Residential Building Activity

About 3,825 private housing units were built in the Waterloo HMA since 1960. From 97 to 99 percent of the Blackhawk County population in 1960 lived in places in which building permits were issued in 1966. The volume of residential construction, as measured by units authorized, declined annually from 1960 through 1963 from 680 to 370 units. Coinciding with the general improvement in local economic conditions, residential building increased gradually in 1964 and then markedly in 1965. Permits totalled 430 units in 1964 and 870 units in 1965. From January through October 1966, 570 units were authorized, compared to 650 for the corresponding period in 1965. The reduction in 1966 reflects the decline in apartment construction in Cedar Falls.

Approximately 80 percent of the total units authorized in the HMA since 1960 were single-family houses. The number of single-family units authorized declined from 620 in 1960 to 340 in 1963. The economic recovery which had begun in 1963 resulted in an increase in single-family construction to 360 units in 1964 and to 490 in 1965. During the first ten months of 1966, about 410 single-family permits had been issued, compared with about 390 during the same period of 1965.

Prior to 1965 there was very little multifamily unit construction in the Waterloo Area. From 1960 through 1964 multifamily units authorized averaged about 50 annually and nearly all were in structures of fewer than five units each. In 1965, 370 multifamily units were authorized in the Waterloo HMA. The increase occurred principally in Cedar Falls, where two large garden apartment projects were constructed. In addition, the first multifamily project (containing 50 units) of the post-1960 period was built in the city of Waterloo. From January through October 1966 there have been 150 multifamily units authorized. The total includes a 110-unit project in Cedar Falls. The number of housing units authorized by building permits since 1960 is summarized by type of structure in the following table.

Units Authorized by Building Permits by Type of Structure  
Waterloo, Iowa, HMA  
1960-1966

| <u>Year</u>      | <u>Type of structure</u> |                       |                           | <u>Total units</u> |
|------------------|--------------------------|-----------------------|---------------------------|--------------------|
|                  | <u>One unit</u>          | <u>Two-four units</u> | <u>Five or more units</u> |                    |
| 1960             | 620                      | 50                    | 11                        | 681                |
| 1961             | 610                      | 54                    | -                         | 664                |
| 1962             | 430                      | 21                    | -                         | 451                |
| 1963             | 338                      | 30                    | -                         | 368                |
| 1964             | 363                      | 64                    | 5                         | 432                |
| 1965             | 494                      | 58                    | 315                       | 867                |
| <u>Jan.-Oct.</u> |                          |                       |                           |                    |
| 1965             | 390                      | 50                    | 207                       | 647                |
| 1966             | 414                      | 42                    | 110                       | 566                |

Sources: U.S. Bureau of the Census, C-40 Construction Reports;  
local building inspectors.

Units Under Construction. Based on building permit data and on the postal vacancy survey conducted in October 1966, there were approximately 320 housing units currently under construction in December 1966. The total included about 190 single-family units and 130 multifamily units. Most

single-family houses under construction were concentrated in the suburban areas of Waterloo and Cedar Falls. Nearly all of the multifamily units under construction were located in Cedar Falls.

Demolitions. There have been approximately 580 residential units demolished since 1960 in the Waterloo HMA. The great majority (86 percent) of these losses have occurred in the city of Waterloo and were the result of urban renewal activity and the enforcement of building codes. Information available as to future urban renewal activity in Waterloo and Evansdale indicates a total of about 550 units will be removed during the forecast period. A large number of the units scheduled for demolition already have been vacated in anticipation of the planned demolition and, in effect, have been removed from the housing supply. The low incomes of many families living in units scheduled for demolition suggest that they can be relocated only through an upward filtration of other families to create vacancies in the existing housing inventory or by the construction of low-rent housing.

#### Tenure of Occupancy

About 75 percent (27,500) of the occupied nonfarm housing units in the HMA are owner-occupied and 25 percent (9,200) are renter-occupied (see table V). Owner-occupancy increased from 66 percent in April 1950 to 74 percent in April 1960. The trend toward homeownership evident in the HMA during the 1950's has slowed since 1960 because of the volume of multifamily units constructed recently and the renting of single-family housing units which previously had been owner-occupied.

#### Vacancy

1960 Census. In April 1960, there were about 1,850 vacant housing units in the HMA. About 880 (48 percent) of these units were not available for sale or rent because they were seasonal, dilapidated, rented or sold awaiting occupancy, or were held off the market for occasional use or for other reasons. Of the 970 available vacant units (a net vacancy rate of 2.8 percent), 270 units were available for sale and 700 units were available for rent, representing a sales housing vacancy rate of 1.1 percent and a rental vacancy rate of 7.5 percent. About 31 units (11 percent of the available vacant sales units) and 270 units (39 percent of the available vacant rental units) lacked one or more plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in the Waterloo HMA in October 1966 by the Waterloo and Cedar Falls Post Offices. The survey enumerated about 34,950 possible deliveries, equal to about 90 percent of the current nonfarm housing inventory

(see table VI). At the time of the survey, about 580 units were vacant (1.7 percent); 390 were vacant residences, 1.2 percent of all residences covered, and 190 were vacant apartments, 5.7 percent of all apartments covered. Also included in the survey were 640 trailers of which five (0.8 percent) were vacant.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses, and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators the survey serves a valuable function in the derivation of estimates of local market conditions.

Current Estimate. Based on the postal vacancy survey conducted in October 1966 and on other vacancy information obtained in the Waterloo area, there were 790 vacant nonseasonal, nondilapidated units available for sale or rent in the Waterloo HMA in December 1966, an over-all vacancy rate of 2.1 percent. Of the available vacant units, 300 were vacant sales units and 490 were vacant rental units, indicating vacancy ratios of 1.1 percent and 5.1 percent, respectively. It is estimated that about 10 percent of the available sales vacancies and 34 percent of available rental vacancies were lacking one or more plumbing facilities. The sales housing vacancy rate is similar to that of April 1960. There has been a substantial reduction in the number of rental vacancies since 1960 indicating that recent economic growth has resulted in the absorption of surplus existing rental units as well as multifamily units recently constructed.

### Sales Market

General Market Conditions. As evidenced by the increasing volume of single-family construction and of existing property sales, the current market for sales housing in the Waterloo HMA is sound. The increased activity in the sales market appears to be appropriate, and the current sales housing vacancy rate is within the limits of a balanced market. Information obtained from local sources and from the unsold inventory surveys indicate that adjustments in the production of speculatively-built houses eliminated the overhang of unsold houses

which existed in 1963. The majority of homes constructed in subdivisions now are built on a contract basis and recent speculative construction in the lower price ranges has been successful. Generally, the prices of new homes in the Waterloo area have been increasing. There are a number of developments offering homes priced from \$12,500 to \$17,500; however, the proportion of new houses priced above \$20,000 is rising.

Used Home Sales. As indicated by the increasing volume of sales and the rise in the average sales price, the market for existing sales properties has firmed in recent years. Statistics prepared by the Waterloo-Cedar Falls Board of Realtors reveal a wide variation in sales prices, depending on the condition and location of the property. Nearly three-fifths of the transactions in 1966 involved houses selling for below \$15,000. The market in this price class has been stimulated by the increasing number of urban renewal demolitions in downtown Waterloo. In addition, there has been a noticeable increase in suburban activity, and sales of homes priced above \$15,000 have increased recently.

The major areas of subdivision activity are in southwest Waterloo and in the area south of Route 218 in Cedar Falls. Easy access to business and shopping areas in both communities and the availability of suitable land have made the two sections attractive locations for residential development. New subdivisions in southwest Waterloo are located to the immediate south of an established prestige residential area in the city. Homes in the new subdivisions generally are priced above \$20,000. Construction volume has been increasing and there is adequate land for future construction. The southern fringe area of Cedar Falls in past years has provided a large share of the lower-priced houses in the HMA. Recently, prices have been rising, but most houses remain in the moderate price range from \$15,000 to \$17,500.

Unsold Inventory of New Homes. In January 1966, the Des Moines Insuring Office surveyed house completions in eleven subdivisions in the Waterloo HMA which had five or more completions during 1965 (see table VII). About 150 houses were completed in the subdivisions, of which about 30 were speculatively-built houses. All of the speculatively-built homes had been sold by January 1966. The survey illustrates the gradual improvement in the market since 1963. The 1964 survey reported a similar number of speculative completions in 1963, but the ratio of unsold speculative houses was nearly 50 percent. In addition, there were 17 houses which had been on the market longer than one year.

#### Rental Market

The rental market in the Waterloo HMA appears to be relatively tight. The current market situation evolved from the recent economic gains, following a period of declining employment when there was little incentive for multifamily construction. Vacancies are concentrated in



converted rental units and the less desirable single-family houses. If adjustments are made for the number of substandard vacant units, there appears to be a limited supply of acceptable rental housing in the HMA. At present, the multifamily inventory is comprised largely of structures built prior to 1960; several of the larger apartment projects are over 30 years old. Although the age of these buildings indicates a general obsolescence, low rents and the scarcity of competitive units have kept vacancies at a minimal level. FHA annual surveys of insured projects reveal that vacancies in three Section 608 projects built in the early 1950's have remained low. In March 1965, there was one vacancy in the 77 units in the three buildings; the March 1966 survey covered 22 units, and all were occupied.

From 1960 through 1964, multifamily units constructed consisted almost entirely of structures with fewer than five units. Many of these were built in small projects of four to eight buildings containing, primarily, one- and two-bedroom units. There is a considerable variation in rents among the projects. Rents start as low as \$100 plus electricity for a one-bedroom unit and range to \$230 for a luxury two-bedroom unit. While the initial occupancy of high rent units was slower than those in the lower rent ranges, nearly all of the projects have maintained high occupancy levels. Some larger garden apartment projects have been built since 1964 and all have had excellent occupancy experience.

#### Urban Renewal

There are two urban renewal projects in execution in downtown Waterloo. The Logan Avenue (Iowa R-2) project is bounded generally by Newell Street on the north, Logan Avenue on the west, Franklin Street on the south, and Barclay Street on the east. The project is 85 percent completed. To date, 280 residential units have been demolished, and 200 units have been rehabilitated. Proposed re-use of the project area is for residential, commercial, and industrial development.

The Westfield-Virden (Iowa R-7) project is divided by the Cedar River. Westfield-Virden includes the park and residential area extending northwest from the river to Logan Avenue and the industrial area to the immediate southwest of the river. Land in the project will be utilized for open space areas, flood control, and industrial development. There also will be rehabilitation of existing residential structures. To date, 150 families have been relocated and 500 units are scheduled for demolition.

In addition to the two projects in Waterloo, an urban renewal project for Evansdale is in the early planning stages.

#### Public Housing

There are no public housing projects in the Waterloo HMA.

## Demand for Housing

### Quantitative Demand

The demand for additional housing in the Waterloo HMA during the next two years is based primarily on the level of household growth (600 annually for the forecast period) and the number of housing units expected to be removed from the inventory (100 annually). Consideration is given to the current level of construction by type of structure and the current tenure of occupancy, which is expected to change little during the next two years. After considering each of these factors, annual demand for new housing in each of the next two years is estimated at 680 units, of which 520 units represent demand for single-family housing and 160 units represent demand for multifamily housing at rents achievable with market-interest-rate financing. An additional 75 multifamily units may be marketed only at rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost. The estimates do not include demand for public low-rent housing or rent-supplement accommodations.

The demand for 520 single-family units projected for each of the next two years is slightly above the 490 units authorized in 1965. The increased supply of single-family units built in the last two years has been satisfactorily absorbed. At present, the sales housing vacancy rate is low, and as a result demand for single-family housing will approximate the need created by household growth and the upgrading of housing by families in existing units. Because there is some uncertainty about the ability of employers to recruit all of the workers required during the next two years, a continuation of the practice of building single-family houses preponderantly under contract rather than speculatively is advisable. The annual demand for 160 multifamily units is below the 370 units authorized in 1965, but approximates the construction volume of 1966. The ability of the Waterloo area to continue to absorb substantial numbers of new rental housing units must be observed carefully and appropriate adjustments made if market imbalances appear.

### Qualitative Demand

Single-Family Housing. The annual demand for 520 additional sales housing units is expected to approximate the sales price distribution presented in the following table. The pattern is based on the distribution of families by current annual after-tax incomes, on the proportion of income Waterloo area families typically pay for sales housing, and on recent market experience.

Estimated Annual Demand for Single-Family Housing  
Waterloo, Iowa, HMA  
December 1966-December 1968

| <u>Price range</u> | <u>Number of houses</u> |
|--------------------|-------------------------|
| Under \$15,000     | 110                     |
| \$15,000 - 17,499  | 120                     |
| 17,500 - 19,999    | 110                     |
| 20,000 - 24,999    | 100                     |
| 25,000 - 29,999    | 45                      |
| 30,000 and over    | <u>35</u>               |
| Total              | 520                     |

The foregoing distribution differs from those in table VII which reflect only selected subdivision experience. It must be noted that data for these years do not include new construction in subdivisions with fewer than five completions nor do they reflect contract construction on scattered lots. It is likely that the high-price custom homes are concentrated in the smaller building operations. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal. The distribution of sales demand by location will be similar to patterns established in recent years and the major portion will be in Waterloo and Cedar Falls.

Multifamily Housing. On the basis of the current construction and land costs in the Waterloo HMA, the minimum gross monthly rents achievable without public benefits or assistance in financing or land purchase are \$100 for efficiencies, \$120 for one-bedroom units, \$140 for two-bedroom units and \$160 for three-bedroom units.<sup>1/</sup> At or above these minimum rents there is an annual demand for about 160 units of rental housing.

The monthly rentals at which privately-owned net additions to the aggregate rental 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.

<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 6.0 percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Estimated Annual Demand for New Multifamily Housing Units  
Waterloo, Iowa, HMA  
December 1966-December 1968

| <u>Unit size</u> | <u>Number of units</u> | <u>Monthly gross rents<sup>a/</sup></u> |
|------------------|------------------------|---|
| Efficiencies     | 5                      | \$100 - \$109                           |
|                  | 10                     | 110 and over                            |
| One-bedroom      | 25                     | \$120 - \$140                           |
|                  | 20                     | 140 - 160                               |
|                  | 25                     | 160 - 180<br>160 and over               |
| Two-bedroom      | 15                     | \$140 - \$160                           |
|                  | 15                     | 160 - 180                               |
|                  | 25                     | 180 - 200<br>180 and over               |
| Three-bedroom    | 10                     | \$160 - \$180                           |
|                  | 5                      | 180 - 200                               |
|                  | 5                      | 200 and over                            |

<sup>a/</sup> Includes utilities.

At the lower rents achievable only with public benefits or assistance in financing or land purchase, an additional 75 units of new rental housing probably can be absorbed each year in the Waterloo HMA. About 80 percent of this demand is in the one- and two-bedroom unit sizes. The location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are less mobile than those in other economic segments; they are less able or willing to break with established social and neighborhood relationships, and proximity to place of work is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land in outlying areas may be self-defeating unless the existence of demand potential is clearly evident.

The preceding distributions of average annual demand for new apartments are based on the projected tenant family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is given also to the recent absorption experience of new rental housing. Thus, they represent a pattern for

guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Individual projects may differ from the general pattern in response to specific neighborhood or submarket patterns.

The bulk of new multifamily construction in the HMA in the next two years should be built in Waterloo and Cedar Falls.

Table I

Total Work Force Components<sup>a/</sup>  
Waterloo, Iowa, HMA  
1960-1966  
 (annual averages)

| <u>Components</u>                     | <u>1960</u>   | <u>1961</u>   | <u>1962</u>   | <u>1963</u>   | <u>1964</u>   | <u>1965</u>   | <u>January-November</u> |               |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------------|---------------|
|                                       |               |               |               |               |               |               | <u>1965</u>             | <u>1966</u>   |
| Work force                            | <u>51,800</u> | <u>52,250</u> | <u>50,600</u> | <u>50,750</u> | <u>51,900</u> | <u>53,500</u> | <u>53,450</u>           | <u>56,350</u> |
| Unemployment                          | 2,050         | 2,500         | 2,000         | 1,650         | 1,500         | 1,800         | 1,800                   | 1,550         |
| Percent of work force                 | 4.0           | 4.8           | 3.9           | 3.2           | 2.9           | 3.4           | 3.4                     | 2.8           |
| Employment                            | <u>49,750</u> | <u>49,700</u> | <u>48,600</u> | <u>49,100</u> | <u>50,350</u> | <u>51,700</u> | <u>51,600</u>           | <u>54,800</u> |
| Nonagricultural wage and salary       | <u>41,000</u> | <u>40,800</u> | <u>40,050</u> | <u>40,750</u> | <u>41,850</u> | <u>43,700</u> | <u>43,550</u>           | <u>46,750</u> |
| All other nonagricultural             | 5,750         | 5,850         | 5,550         | 5,400         | 5,500         | 5,450         | 5,450                   | 5,450         |
| Agricultural                          | 2,950         | 2,950         | 3,000         | 2,950         | 2,800         | 2,500         | 2,500                   | 2,550         |
| Persons involved in<br>labor disputes | 50            | 100           | 0             | 0             | 250           | 100           | 100                     | 0             |

<sup>a/</sup> Subtotals may not add to totals because of rounding.

Source: Iowa Employment Security Commission.

Table II

Nonagricultural Wage and Salary Employment by Industry<sup>a/</sup>  
Waterloo, Iowa, HMA, 1960-1966  
 (annual averages)

| <u>Industry</u>                 | <u>1960</u>   | <u>1961</u>   | <u>1962</u>   | <u>1963</u>   | <u>1964</u>   | <u>1965</u>   | <u>Jan.-Nov.<sup>b/</sup></u><br><u>1966</u> |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| Wage and salary employment      | <u>41,000</u> | <u>40,800</u> | <u>40,050</u> | <u>40,750</u> | <u>41,850</u> | <u>43,700</u> | <u>46,750</u>                                |
| Manufacturing                   | <u>18,900</u> | <u>18,550</u> | <u>17,600</u> | <u>17,950</u> | <u>18,200</u> | <u>18,700</u> | <u>19,800</u>                                |
| Durable goods                   | <u>10,450</u> | <u>10,600</u> | <u>10,200</u> | <u>10,850</u> | <u>11,600</u> | <u>12,000</u> | <u>13,300</u>                                |
| Fabricated metal products       | 950           | 1,000         | 1,000         | 1,050         | 1,150         | 1,350         | 1,350  |
| Machinery (incl. ele.)          | 8,800         | 8,300         | 7,800         | 8,600         | 9,300         | 9,500         | 10,750                                       |
| Other durable goods             | 700           | 1,300         | 1,400         | 1,250         | 1,150         | 1,150         | 1,200  |
| Nondurable goods                | <u>8,450</u>  | <u>7,950</u>  | <u>7,400</u>  | <u>7,100</u>  | <u>6,600</u>  | <u>6,700</u>  | <u>6,500</u>                                 |
| Food and kindred products       | 7,300         | 6,750         | 6,200         | 5,900         | 5,450         | 5,450         | 5,150  |
| Apparel                         | 500           | 450           | 500           | 450           | 450           | 500           | 600  |
| Printing and publishing         | 500           | 450           | 450           | 450           | 400           | 450           | 500  |
| Other nondurable goods          | 250           | 300           | 250           | 300           | 250           | 300           | 300  |
| Nonmanufacturing                | <u>22,100</u> | <u>22,250</u> | <u>22,450</u> | <u>22,800</u> | <u>23,650</u> | <u>24,950</u> | <u>26,950</u>                                |
| Contract construction           | 1,950         | 1,900         | 1,650         | 1,650         | 1,600         | 1,700         | 1,900  |
| Trans., comm., and public util. | 2,400         | 2,300         | 2,250         | 2,250         | 2,250         | 2,300         | 2,300  |
| Wholesale and retail trade      | 7,500         | 7,400         | 7,450         | 7,500         | 8,000         | 8,650         | 9,500  |
| Finance, ins., and real estate  | 1,250         | 1,200         | 1,250         | 1,250         | 1,250         | 1,300         | 1,300  |
| Service                         | 4,600         | 4,900         | 5,150         | 5,350         | 5,550         | 5,750         | 6,150  |
| Government                      | 4,350         | 4,500         | 4,700         | 4,900         | 5,000         | 5,350         | 5,800  |

<sup>a/</sup> Subtotals may not add to totals because of rounding.

<sup>b/</sup> Preliminary data.

Source: Employment Security Commission of Iowa.

Table III

Percentage Distribution of All Families and Renter Households by Estimated Annual Income  
After Deduction of Federal Income Tax  
Waterloo, Iowa, HMA, 1966 and 1968

| <u>Annual<br/>family income</u> | <u>1966 incomes</u>     |   | <u>1968 incomes</u>     |   |
|---------------------------------|-------------------------|---|-------------------------|---|
|                                 | <u>All<br/>families</u> | <u>Renter<br/>households<sup>a/</sup></u> | <u>All<br/>families</u> | <u>Renter<br/>households<sup>a/</sup></u> |
| Under \$ 3,000                  | 8                       | 14  | 7                       | 13  |
| \$ 3,000 - 3,999                | 5                       | 9   | 5                       | 9   |
| 4,000 - 4,999                   | 6                       | 11  | 6                       | 10  |
| 5,000 - 5,999                   | 9                       | 13  | 7                       | 12  |
| 6,000 - 6,999                   | 13                      | 15  | 11                      | 14  |
| 7,000 - 7,999                   | 11                      | 10  | 13                      | 10  |
| 8,000 - 8,999                   | 12                      | 9   | 11                      | 10  |
| 9,000 - 9,999                   | 9                       | 7   | 10                      | 7   |
| 10,000 - 12,499                 | 12                      | 7   | 13                      | 9   |
| 12,500 - 14,999                 | 6                       | 3   | 7                       | 4   |
| 15,000 and over                 | 9                       | 2   | 10                      | 2   |
| Total                           | <u>100</u>              | <u>100</u>                                | <u>100</u>              | <u>100</u>                                |
| Median                          | \$7,750                 | \$6,150                                   | \$8,150                 | \$6,500                                   |

<sup>a/</sup> Excludes one-person households.

Source: Estimated by Housing Market Analyst.



Table IV

Trend of Nonfarm Population and Household GrowthWaterloo, Iowa, HMAApril 1, 1950 - December 1, 1966

| <u>Population</u>     | <u>1950</u> | <u>1960</u> | <u>1966</u> | <u>Average annual change</u> |                          |                            |                          |
|-----------------------|-------------|-------------|-------------|------------------------------|--------------------------|----------------------------|--------------------------|
|                       |             |             |             | <u>1950-1960</u>             |                          | <u>1960-1966</u>           |                          |
|                       |             |             |             | <u>Number<sup>a/</sup></u>   | <u>Rate<sup>b/</sup></u> | <u>Number<sup>a/</sup></u> | <u>Rate<sup>b/</sup></u> |
| Waterloo              | 65,198      | 71,755      | 74,500      | 656                          | .9                       | 410                        | .6                       |
| Cedar Falls           | 14,334      | 21,195      | 27,500      | 686                          | 3.9                      | 950                        | 3.9                      |
| Evansdale             | 3,571       | 5,738       | 6,000       | 217                          | 4.7                      | 40                         | .7                       |
| Remainder of HMA      | 8,694       | 15,409      | 17,000      | 671                          | 5.7                      | 240                        | 1.6                      |
| HMA total             | 91,797      | 114,097     | 125,000     | 2,230                        | 2.2                      | 1,650                      | 1.4                      |
| <br><u>Households</u> |             |             |             |                              |                          |                            |                          |
| Waterloo              | 19,507      | 21,970      | 23,700      | 246                          | 1.1                      | 260                        | 1.1                      |
| Cedar Falls           | 3,923       | 5,864       | 7,050       | 194                          | 4.0                      | 180                        | 2.8                      |
| Evansdale             | 954         | 1,403       | 1,450       | 45                           | 3.9                      | 5                          | .5                       |
| Remainder of HMA      | 2,591       | 4,164       | 4,500       | 157                          | 4.7                      | 50                         | 1.2                      |
| HMA total             | 26,975      | 33,401      | 36,700      | 643                          | 2.2                      | 490                        | 1.4                      |

<sup>a/</sup> Subtotals may not add to totals because of rounding.

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

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

Table V

Tenure and Vacancy in the Nonfarm Housing Inventory  
Waterloo, Iowa, HMA  
April 1, 1950 to December 1, 1966

| <u>Tenure and vacancy</u>  | <u>April<br/>1950</u> | <u>April<br/>1960</u> | <u>December<br/>1966</u> |
|----------------------------|-----------------------|-----------------------|--------------------------|
| Total housing supply       | 27,667                | 35,250                | 38,650                   |
| Occupied housing units     | 26,975                | 33,401                | 36,700                   |
| Owner occupied             | 17,724                | 24,787                | 27,500                   |
| Percent of all occupied    | 65.7                  | 74.2                  | 74.9                     |
| Renter occupied            | 9,251                 | 8,614                 | 9,200                    |
| Percent of all occupied    | 34.3                  | 25.8                  | 25.1                     |
| Vacant housing units       | 692                   | 1,849                 | 1,950                    |
| Available vacant           | 245                   | 973                   | 790                      |
| For sale                   | 92                    | 273                   | 300                      |
| Homeowner vacancy rate     | 0.5%                  | 1.1%                  | 1.1%                     |
| For rent                   | 153                   | 700                   | 490                      |
| Renter vacancy rate        | 1.6%                  | 7.5%                  | 5.1%                     |
| Other vacant <sup>a/</sup> | 447                   | 876                   | 1,160                    |

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

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

Table VI

Waterloo, Iowa, Area Postal Vacancy Survey

October 20-27, 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  | <u>34,931</u>                   | <u>584</u>   | <u>1.7</u> | <u>525</u> | <u>59</u> | <u>290</u>   | <u>31,634</u>             | <u>395</u>   | <u>1.2</u> | <u>336</u> | <u>59</u> | <u>163</u>   | <u>3,297</u>              | <u>189</u>   | <u>5.7</u> | <u>189</u> | <u>-</u> | <u>127</u>   | <u>641</u>                | <u>5</u> | <u>0.8</u> |
| Waterloo               | <u>26,706</u>                   | <u>492</u>   | <u>1.8</u> | <u>453</u> | <u>39</u> | <u>124</u>   | <u>24,186</u>             | <u>337</u>   | <u>1.4</u> | <u>298</u> | <u>39</u> | <u>122</u>   | <u>2,520</u>              | <u>155</u>   | <u>6.2</u> | <u>155</u> | <u>-</u> | <u>2</u>     | <u>279</u>                | <u>4</u> | <u>1.4</u> |
| Main Office            | 24,343                          | 440          | 1.8        | 402        | 38        | 124          | 21,834                    | 285          | 1.3        | 247        | 38        | 122          | 2,509                     | 155          | 6.2        | 155        | -        | 2            | 35                        | 4        | 11.4       |
| Evansdale Station      | 2,363                           | 52           | 2.2        | 51         | 1         | -            | 2,352                     | 52           | 2.2        | 51         | 1         | -            | 11                        | -            | 0.0        | -          | -        | -            | 244                       | -        | 0.0        |
| Other Cities and Towns |                                 |              |            |            |           |              |                           |              |            |            |           |              |                           |              |            |            |          |              |                           |          |            |
| Cedar Falls            | <u>8,225</u>                    | <u>92</u>    | <u>1.1</u> | <u>72</u>  | <u>20</u> | <u>166</u>   | <u>7,448</u>              | <u>58</u>    | <u>0.8</u> | <u>38</u>  | <u>20</u> | <u>41</u>    | <u>777</u>                | <u>34</u>    | <u>4.4</u> | <u>34</u>  | <u>-</u> | <u>125</u>   | <u>362</u>                | <u>1</u> | <u>0.3</u> |

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

Houses Completed 1963-1966 in Selected Subdivisions  
and the Number Unsold by Price Class  
Waterloo, Iowa, Housing Market Area

| <u>Sales price</u>                                 | <u>Number</u> | <u>Percentage</u> | <u>Presold</u> | <u>Speculative construction</u> |                    |                      |                          |
|--|---------------|-------------------|----------------|---------------------------------|--------------------|----------------------|--------------------------|
|  |               |                   |                | <u>Total houses</u>             | <u>Number sold</u> | <u>Number unsold</u> | <u>Percentage unsold</u> |
| <u>Houses completed in 1965 as of Jan. 1, 1966</u> |               |                   |                |                                 |                    |                      |                          |
| Under \$15,000                                     | 62            | 42                | 62             | 0                               | 0                  | 0                    | 0                        |
| \$15,000 - 17,499                                  | 42            | 28                | 32             | 10                              | 10                 | 0                    | 0                        |
| 17,500 - 19,999                                    | 10            | 7                 | 5              | 5                               | 5                  | 0                    | 0                        |
| 20,000 - 24,999                                    | 22            | 15                | 15             | 7                               | 7                  | 0                    | 0                        |
| 25,000 - 29,999                                    | 1             | -                 | 1              | 0                               | 0                  | 0                    | 0                        |
| 30,000 and over                                    | <u>12</u>     | <u>8</u>          | <u>7</u>       | <u>5</u>                        | <u>5</u>           | <u>0</u>             | <u>0</u>                 |
| Total  | 149           | 100               | 122            | 27                              | 27                 | 0                    | 0                        |
| <u>Houses completed in 1964 as of Jan. 1, 1965</u> |               |                   |                |                                 |                    |                      |                          |
| Under \$15,000                                     | 26            | 32                | 21             | 5                               | 5                  | 0                    | 0                        |
| \$15,000 - 17,499                                  | 54            | 66                | 43             | 11                              | 10                 | 1                    | 9                        |
| 17,500 - 19,999                                    | 2             | 2                 | 2              | 0                               | 0                  | 0                    | 0                        |
| 20,000 - 24,999                                    | 0             | -                 | 0              | 0                               | 0                  | 0                    | 0                        |
| 25,000 - 29,999                                    | 0             | -                 | 0              | 0                               | 0                  | 0                    | 0                        |
| 30,000 and over                                    | <u>0</u>      | <u>-</u>          | <u>0</u>       | <u>0</u>                        | <u>0</u>           | <u>0</u>             | <u>0</u>                 |
| Total  | 82            | 100               | 66             | 16                              | 15                 | 1                    | 6                        |
| <u>Houses completed in 1963 as of Jan. 1, 1964</u> |               |                   |                |                                 |                    |                      |                          |
| Under \$15,000                                     | 89            | 68                | 76             | 13                              | 13                 | 0                    | 0                        |
| \$15,000 - 17,499                                  | 3             | 2                 | 0              | 3                               | 0                  | 3                    | 100                      |
| 17,500 - 19,999                                    | 32            | 24                | 25             | 7                               | 3                  | 4                    | 57                       |
| 20,000 - 24,999                                    | 7             | 5                 | 1              | 6                               | 0                  | 6                    | 100                      |
| 25,000 - 29,999                                    | 1             | 1                 | 0              | 1                               | 0                  | 1                    | 100                      |
| 30,000 and over                                    | <u>0</u>      | <u>-</u>          | <u>0</u>       | <u>0</u>                        | <u>0</u>           | <u>0</u>             | <u>0</u>                 |
| Total  | 132           | 100               | 102            | 30                              | 16                 | 14                   | 47                       |

Source: Surveys conducted by the Des Moines, Iowa, FHA Insuring Office.