

SEPTEMBER 30, 1941.

Honorable ABNER H. FERGUSON,  
*Federal Housing Administrator,*  
*Washington, D. C.*

DEAR MR. FERGUSON:

The attached study covers the insuring activities of the Federal Housing Administration for the years 1934 through 1940 in the 140 areas designated as metropolitan districts by the Bureau of the Census in the 1940 census of population.

The growing volume of insured mortgages in each of these communities makes the insuring activities of FHA increasingly representative of the total home financing business in the area. Since the inception of insuring operations FHA's business has been concentrated within the boundaries of metropolitan districts, partly as a result of the fact that during the 1930-1940 decade the increase in occupant nonfarm dwellings within these areas was 19 percent as compared with 12 percent in nonfarm areas outside metropolitan districts. The arrangement of the data presented in this study will, it is believed, enable builders and mortgagees to evaluate their own programs in the light of FHA's home mortgage insurance experience in areas in which they are operating.

In transmitting this report, I wish to express my appreciation for the cooperation received from the State and District Insuring Offices and the staffs of the Mortgage Insurance and Underwriting Divisions in Washington in furnishing the necessary statistics on individual insured cases and from the Comptroller's Division in making the extensive machine tabulations summarized in this study. Special acknowledgment also is due the Bureau of the Census for its cooperation in furnishing a considerable amount of unpublished data without which it would have been impossible to prepare numerous population and dwelling unit estimates.

This monograph, which I recommend for publication, was prepared under the direction of Mr. William K. Wittausch, chief of the Operating Statistics Section. Mr. Paul F. Coe, with analytical assistance by Mr. James E. Victory and statistical and general assistance by Mr. Julian J. Joyce, Mr. Herbert Shapiro, and others in the Division, carried a considerable part of the load in the preparation of the monograph. Advice and assistance were given by Mr. I. Lee Amann in processing and adapting Bureau of the Census data to the needs of the study. The large number of items and the detailed calculations necessary in the compilation of the tables and in the preparation of illustrations used in this report represent unstinted labors on the part of the calculating, typing, and drafting personnel of the Division. Many hours of overtime were contributed in order to complete this assignment and at the same time carry forward an increasing volume of projects connected with the defense effort.

Very truly yours,

SHIRLEY K. HART, *Director,*  
*Division of Research and Statistics.*

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## FOREWORD

The National Housing Act imposes on the Federal Housing Administrator the obligation to “\* \* \* cause to be made such statistical surveys and legal and economic studies as he shall deem useful to guide the development of housing and the creation of a sound mortgage market in the United States \* \* \*”

The lack of information on the characteristics of residential construction and home mortgage financing in individual housing markets has been of grave concern to lending institutions, home builders, and planners of local housing programs. Recognizing the usefulness of even fragmentary data wherever they are available, the Administration has presented in its past annual reports to Congress an increasing amount of statistical information on its insuring operations each year for the States and the areas designated as metropolitan districts by the Bureau of the Census, as well as for the country as a whole.

The uniform procedure established by the Federal Housing Administration has made possible for the first time the compilation of certain home-financing statistics on a comparable basis for all parts of the country, especially in the nonfarm areas, which comprise FHA's principal field of activity. The increasing volume of FHA insurance in most communities makes analyses of FHA operations fairly representative of the entire home financing business in the individual areas.

In April 1940 the Bureau of the Census, as part of its usual decennial census of population, initiated for the first time in the history of the United States a fairly complete census of housing, including certain basic dwelling unit data for an enlarged number of individual metropolitan districts. As a consequence, the FHA undertook to present for this same year detailed statistics available on its own insuring activities in the 140 delineated metropolitan centers in which 62 percent of the total nonfarm population of the United States make their homes. The attached monograph prepared by the Division of Research and Statistics, therefore, anticipates the publication by the Bureau of the Census of extensive data covering all housing in the United States.

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Our entrance into the war since the compilation of the data presented in this monograph may have altered to some extent the needs which this material may serve. Because of the increase of defense activities in almost all metropolitan districts, and the consequent change in local housing requirements, data representing conditions as of 1940 may be considered somewhat out of date. Nevertheless, the very fact that these data cover a period just prior to the beginning of the current, all-out war effort should facilitate the measurement of dislocations resulting from the war. Moreover, the need for uniform housing statistics during the present emergency is as great, if not greater than in more normal times; and the availability of these data should prove of value in formulating present as well as post-emergency housing programs in the individual localities analyzed.

Both as a quantitative and a qualitative record of the housing supply in individual metropolitan districts and in each of the geographic regions of the United States, the data presented in this monograph substitute facts—limited though they may be—for guesswork which otherwise would be the prime basis for judgment. As an examination of the subsequent pages will show, the purpose of this publication is not to draw conclusions and make recommendations, or to present plans for dealing with various housing problems; rather it places at the disposal of those vitally concerned with the housing problem—the lender, the home builder, the home purchaser, the municipal planner—as much of the basic statistical information as is available at the present time on a uniform basis for each of the major housing markets in the United States.



ABNER H. FERGUSON,  
*Administrator.*

JANUARY 26, 1942,  
*Washington, D. C.*

## INTRODUCTION

In the course of its insuring operations the Federal Housing Administration has accumulated an increasingly important body of information regarding the characteristics of both new and existing dwellings and the insured mortgages they secure, the income and housing outlays of borrowers financing their homes under the FHA Plan, and trends in the volume of new home construction and property improvement operations.

The national and State totals of these data have been widely used as indicators of home building and financing trends, and State totals have proved of considerable value to builders and mortgagees in analyzing real estate and home building markets and in discovering significant trends in these markets.

Fundamentally, however, the local character of a housing market differentiates dwellings from other consumer's durable goods. They are produced where they are used. It is the purpose of this publication, therefore, to present for a number of such local housing markets, data which heretofore have been available only on a national and State basis.

**Metropolitan district markets.** The 140 metropolitan districts, which include all cities of 50,000 or more inhabitants, provide a satisfactory approximation of the most important individual local housing markets. Within each of these districts housing requirements and demands have common characteristics of geographic and climatic locale, their boundaries are specifically delineated by the Bureau of the Census definition, and quantitatively the combined 140 areas comprise the bulk of the housing business in the United States.

These 140 metropolitan districts contain within their boundaries 63,000,000 of the 102,000,000 nonfarm population and over three-fourths of all new nonfarm homes built during FHA's six-year history. Almost all subdivision development has taken place in these areas. In fact, four-fifths of FHA's business has been secured by

properties located within these metropolitan districts.

**Organization of the material in this monograph.** In order to meet the anticipated use of the data contained in this monograph, the material has been divided into four separate parts. National, regional, individual district, and population size statistics are presented in order.

**Chapter I.—Metropolitan housing markets.** Although the national statistics presented in this chapter are limited to mortgage and home building transactions financed by means of FHA-insured mortgages, they nonetheless are believed to give a representative picture of the home financing and building field. Single-family dwellings have constituted 81.4 percent of the total new nonfarm privately financed residential construction in the past two years, and it is estimated that approximately half of the new single-family nonfarm homes are constructed under FHA inspection. Since FHA data are typical of a large part of the housing market in the United States, this sample is large enough to constitute a fairly accurate cross section of the mortgage and home building operations of the country.

Variations between the characteristics of insured and uninsured mortgages and homes are mainly qualitative in character, and trends in the characteristics of insured mortgages may be assumed to mirror trends taking place or which may be expected to take place in the home financing field in general.

**Chapter II.—FHA regional comparison of homes.** Sectional differences are significant in housing as in other fields. Between one section of the country and another, variations in housing characteristics are sufficiently well recognized to make the qualitative and quantitative comparisons presented in Chapter II of this publication particularly important.

Nine geographic divisions, each consisting of several contiguous States, have been established

by the Census Bureau for purposes of differentiating the various local regions of the United States. The data presented in this part of the report highlight the basic variations in property and mortgage characteristics in these nine geographic regions.

**Chapter III.—Data for individual metropolitan districts.** While the data in Chapters I, II, and IV of this monograph will, it is anticipated, prove of particular interest to students of housing in general, this study has been organized to meet the local needs of builders and mortgagees. To aid the reader interested in only one specific area, therefore, the factual data for each metropolitan district are contained in tabular form on a single page, and the 140 individual areas are grouped according to their geographic division location. In this way, the reader is able to find not only the particular city in which he is interested but also to make comparisons with other cities located in the same region. Chapter III, containing these detailed statistics, is, consequently, the main part of this monograph.

**Chapter IV.—Comparisons by population**

**size groups.** To supplement the data presented in the first three parts a recapitulation of the material according to population size of district is presented in Chapter IV. In this section variations in the volume of dwelling construction, financial institution activity, and property and borrower characteristics are shown for metropolitan districts of different sizes regardless of their location. Variations in housing requirements and outlays depending upon population size of areas are clearly indicated.

**Limitations of the data.** In attempting to present the mass of statistical data contained in this monograph the very real limitations of this study have not been overlooked. Not only are errors expected to come to light as attention is focused on specific items, but also improvements in arrangement of the data, to say nothing of their coverage, will suggest themselves as they are applied to various uses. The purpose of these tabulations is, however, to indicate a pattern within which common statistics on housing may be analyzed, and to serve as a basis for decisions which in many cases are simplified when such elementary facts as these are available.