

Money goes to multiples

Housing starts decline continues in region

Residential building permits issued in Southeast Michigan declined in 1973, for the second consecutive year, with an even greater drop in single-family construction.

The 1973 residential construction report of the Southeast Michigan Council of Governments (SEMCOG) also reflects a continuing shift away from single-family buildings to multiple dwellings.

Only Oakland and Macomb counties showed an increase in the number of housing units authorized for construction in 1973 over 1972. Wayne County had a decline of almost 33 per cent in housing starts.

The top 10 growth communities, housing-wise, in the region during 1973 were: (in order of ranking) Troy, 2,061 residential units authorized; Sterling Heights, 1,992; Canton Township, 1,533; Clinton Township, 1,489; Waterford Township, 1,396; Ypsilanti Township, 1,344; Detroit, 1,019; Novi, 945; and Shelby Township, 899.

The fact that six of the top 10 communities are townships indicates the known fact that the lion's share of housing starts are going to the unincorporated, outlying areas with the greater amount of open space.

PERMITS WERE issued in 1973 for 35,752 new single-family, two-family, and multiple units in the seven-county region.

This is a 10 per cent drop from the 1972 regionwide total of 39,836 new units authorized. In 1971, 43,863 new housing units in all categories were authorized through building permits.

The above figures are gross totals which don't include housing demolitions. Net totals also are included, however, in the SEMCOG report. The region includes the counties of Wayne, Oakland, Livingston, Macomb, Monroe, St. Clair and Washtenaw.

SEMCOG officials explain that the increase in housing units in Oakland and Macomb is due mainly to increases in the construction of multi-family structures.

In 1972, Oakland County's gross total of housing units authorized was 10,619, with permits issued for 5,106 multiples. In 1973, the county's gross total was 12,058 with 7,197 being multiples. A similar pattern held for Macomb.

The report cites rising interest rates on FHA mortgages and a similar rise in the prime interest rates to banks (now at 11 per cent) as major reasons for the overall regional decline in housing construction during 1973.

"The energy crisis, a shortage of building materials, and rising unemployment are considered as other factors contributing to the decline in permits in 1973," the report states.

NOT ONLY DID residential construction decline by 10 per cent from 1972 to 1973, but the figures in all residential categories were the lowest reported since the low point reached in 1970. The ratio of multi-family permits to total units continued to rise in 1973. Since 1963, there has been a steady increase from 36.5 per cent for every year except 1969 when there was a rapid increase to the highest level recorded - 57.7 per cent. In 1973 the proportion stood at 54.1 per cent.

In 1973, Detroit continued to have the greatest proportion of demolitions in the region - numbering 7,397 which was 79 per cent of the regional total. At the same time, however, Detroit continued to be among the top 10 communities in total authorized units and in multi-family structures.

IN 1973, Oakland County authorized building permits for 4,827 detached one-family units, 34 two-family units, and 7,197 multi-family units for a gross total of 12,058. Subtract 883 demolitions, and the net total is 11,205.

Wayne County issued building permits for 3,451 detached one-family homes, 128 two-family homes and 5,188 multiples for a gross total of 8,767. Wayne County, however, must subtract a whopping 7,936 demolitions for a low net total of 81 new units.

The 1972 "net" totals were 10,153 for Oakland County and 5,664 for Wayne County. Of the demolitions in Wayne County, more than 90 per cent are in Detroit.

In 1968 multiples were 40.5 per cent of all Oakland construction, 57.9 per cent of Wayne county construction, and 49.7 per cent of the region's total. In 1972, multiples were 48.1 per cent of Oakland's total construction, 67.4 of the region's total, and 53.3 per cent of Wayne's. In 1973, the multiple proportions were 59.7 for Oakland County, 59.1 for Wayne County, and 54.1 for the region.

A shift has occurred over the past three years in the top 10 communities on total residential units authorized. In 1971, Southfield ranked first with 2,953 units, Troy third (1,711), Canton Township fourth (1,085) and Avon Township 10th (1,037 units).

In 1972, Canton Township was fourth (1,748), Troy sixth (1,232), Southfield eighth (1,171) and Novi ninth (1,164) with Avon Township dropping from the ranks.

In 1973, Troy led with 2,061, Canton Township jumped to third with 1,533 units. Waterford Township joined the growers with 1,396. Avon Township reappeared with 272 units for the eighth top grower, and Novi was ninth with 945 units.

In multi-family units, the top 10 included Troy in second, Novi sixth, Westland, seventh, Avon Township, ninth, and Canton Township, tenth. In

1972, Southfield was fourth, Canton fifth, Novi eighth, and Westland ninth. In 1971, Southfield was first and the Farmington area eighth.

SINCE 1970 the change in building permits issued is 118.5 per cent from 1970 - 71, a decline of 28.1 per cent 71 - 72, and a plus 12.6 per cent from 72 - 73.

The pattern for Wayne County was a 23.3 per cent increase from 1970 - 71, a decline of 7.2 per cent 71 - 72, and a decline of 32.7 per cent from 72 - 73.

The boom years for single-family development in Wayne, Oakland and

Macomb counties were 1954 - 1959 when permits issued ranged from 40,223 to 20,863. There was a leveling off over the next seven years, with permits ranging from 15,229 in 1960 to 16,887 in 1967.

For the next three years, permits issued ranged from 11,000 to 13,000. In 1971, 16,888 one-family building permits were issued, in 1972 13,452 permits were issued, and in 1973 11,629 permits were issued.

The net balance of one-family plus multiple less demolitions since 1954 by about 50 per cent from 46,000 units in '54 to 20,000 units in '73.

Individual communities in Oakland County show these net totals in permits issued for 1973: Avon Township, 861, with majority being multiple; Birmingham, 10, with majority being single-family; Bloomfield Hills, 12, all single-family; Bloomfield Township, 454, with majority single-family; City of Farmington, 69, with majority single-family; Farmington Hills, 815, with majority multiple; Rochester, 21, with majority single-family; Southfield, 465, with majority multiple; Troy, 2,007, with majority multiple; and West Bloomfield Township, 860, with majority in single-family units.

The 1973 record on building permits issued in Wayne County was: Canton Township, 1,578, with majority single-family; Garden City, 96, with majority multiple; Livonia, 471, with majority single-family; Plymouth, 14, with majority multiple; Plymouth Township, 404, with majority being multiple; Redford Township, 29, with majority single-family; and Westland, 682, with majority being multiple units.

Copies of the report are available in limited quantities through James Thomas, SEMCOG Information Services, 810 Book Building, Detroit 48226.

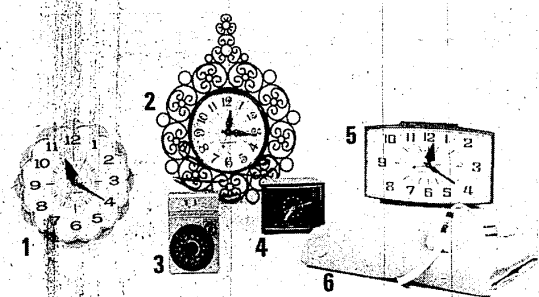
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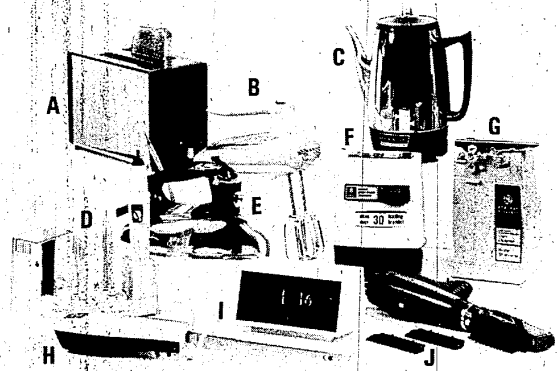
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