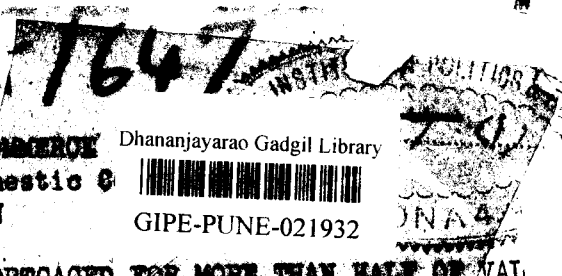


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FINANCIAL SURVEY SHOWS MOST OWNERS HOMES MORTGAGED FOR MORE THAN HALF OF VAL

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A majority of the owner-occupied dwellings in most American cities have mortgage indebtedness, according to an announcement by Mr. C.T. Murchison, Director of the Bureau of Foreign and Domestic Commerce, in making public further results of the Financial Survey of Urban Housing. The inquiry, made as a CWA project in 1934, obtained data on values, indebtedness, rents, and other financial items and housing information for representative residential properties in 61 cities throughout the country.

PERCENTAGE OF PROPERTIES MORTGAGED

Owner-occupied properties in most cities are more frequently encumbered than are rented properties. Fifty-five percent of the cities had more than half of the owned homes mortgaged, as compared with 12 percent for rented dwellings: 84 percent of the cities had from 40 to 70 percent of owners' homes mortgaged while 82 percent had from 20 to 50 percent of rented dwellings with debt.

TABLE 1. DISTRIBUTION OF CITIES BY PERCENT OF PROPERTIES MORTGAGED

Percent of Dwellings Mortgaged	Number of Cities		Percent of Cities	
	Owner-Occupied	Rented	Owner-Occupied	Rented
Under 20	---	3	---	6
20.1-30	1	15	1	29
30.1-40	6	14	10	28
40.1-50	20	13	33	25
50.1-60	23	4	38	8
60.1-70	8	2	13	4
70 and over	3	---	5	---
Total	61	51	100	100

RATIO OF DEBT TO VALUE OF MORTGAGED PROPERTIES

The great majority of the cities surveyed reported that the average ratio of debt to value of the mortgaged property as reported by owners was above 50 percent. Seventy-seven percent of the cities reported owned homes with average debt above half of value, and 90 percent of the cities so reported the debt of rented dwellings.

TABLE 2. DISTRIBUTION OF CITIES BY RATIO OF AVERAGE DEBT TO AVERAGE VALUE OF MORTGAGED RESIDENTIAL PROPERTIES

Average Ratio of Debt to Value Percent	Number of Cities		Percent of Cities	
	Owner- Occupied	Rented	Owner- Occupied	Rented
Under 40	...	...	...	...
40.1-50	14	5	23	10
50.1-60	37	30	61	59
60.1-70	10	12	16	23
Over 70	...	4	...	8
Total	61	51	100	100

Properties in cities of the East North Central and West North Central States generally more heavily indebted than were the properties in cities of New England and the South.

#### AVERAGE AMOUNT OF INDEBTEDNESS

The average indebtedness on owner-occupied properties ranged between \$2,000 and \$3,000 in most cities--the highest average being \$4,900 in Waterbury, while the lowest average debt was \$1,520 in Pueblo. The average debt on rented properties showed a wider variation than for owners, partly due to the difference in frequencies of apartment buildings as between cities. The highest average indebtedness for residential rented property was over \$5,300 for Cleveland, Ohio, and the lowest was less than \$1,500 in Springfield, Missouri. The data on the size of average outstanding loans are considered significant because of their indication of the character of financing which predominates in the cities in the country.

Most cities report about 60 percent of all mortgaged properties have value ratios between 30 percent and 85 percent and with a fairly equal distribution of properties within that range. A substantial number of dwellings in many cities had debt in excess of the value of the property.

In making public these figures the Bureau points out that data on both debt and value are those reported by the owners of the properties, but that the heavily indebted condition which these figures indicate reflects the situation early in 1934, since which time many heavily indebted homes have had their encumbrances re-funded by the Home Owners Loan Corporation.

#### INFORMATION AVAILABLE FROM THE FINANCIAL SURVEY OF URBAN HOUSING

This is one of a series of general releases based upon the data of the Financial Survey of Urban Housing, a CWA project conducted by Mr. David L. Wickens, under the auspices of the Bureau of Foreign and Domestic Commerce. The survey secured information in 61 cities representing every state, and covering, on a sampling basis, all parts of each city and all types of dwelling. The data as prepared for final publication provide information on urban residential values, mortgage debt, arrearages, family incomes, and other aspects of the housing problem.

Preliminary releases have been prepared, and are available for each of the cities covered by the Survey.