

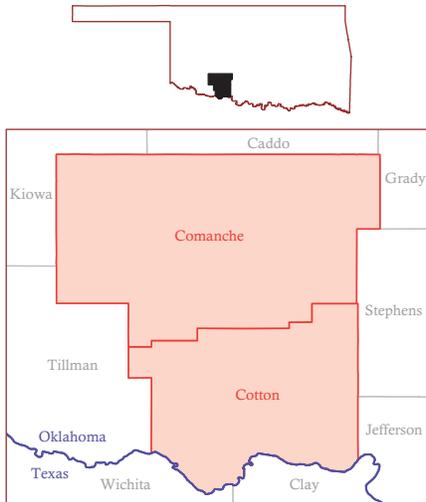


Lawton, Oklahoma

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of July 1, 2015



Housing Market Area



The Lawton Housing Market Area (HMA), coterminous with the Lawton, OK Metropolitan Statistical Area (MSA), comprises Comanche and Cotton Counties in central Oklahoma. The HMA, 90 miles southwest of Oklahoma City, includes Fort Sill Army Base, which contributes significantly to the economy of the HMA. Fort Sill, established in 1869, is a National Historic Landmark and the final resting place of the famous Native American warrior, Geronimo.

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Summary

Economy

Nonfarm payrolls in the Lawton HMA totaled 45,200 jobs during the 12 months ending June 2015, representing a decrease of 300, or 0.7 percent, from a year earlier. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 0.2 percent annually. The three largest employers in the HMA are Fort Sill Army Base, Goodyear Tire & Rubber Company, and Comanche County Memorial Hospital, which combined account for nearly 40 percent of all payrolls (including military personnel). Table DP-1, at the end of this report, provides additional employment data.

Sales Market

Sales housing market conditions in the HMA were soft as of July 1, 2015, with the sales vacancy rate estimated at 2.6 percent, up from 2.4 percent in April 2010. Demand is forecast for 450 new homes during the next 3 years (Table 1). The 20 homes currently under construction and a portion of the estimated 3,800 other vacant housing units that will likely reenter the sales market will satisfy some of the demand during the forecast period.

Rental Market

Rental housing market conditions are currently soft in the HMA. As of July 1, 2015, the rental vacancy rate was an estimated 13.0 percent, up from 9.8 percent in April 2010. During the forecast period, the available vacant rental units and the 100 units under construction are expected to satisfy all the demand (Table 1). To prevent prolonged soft market conditions, no additional units should be built during the forecast period.

Table 1. Housing Demand in the Lawton HMA During the Forecast Period

	Lawton HMA	
	Sales Units	Rental Units
Total demand	450	0
Under construction	20	100

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2015. A portion of the estimated 3,800 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is July 1, 2015, to July 1, 2018.

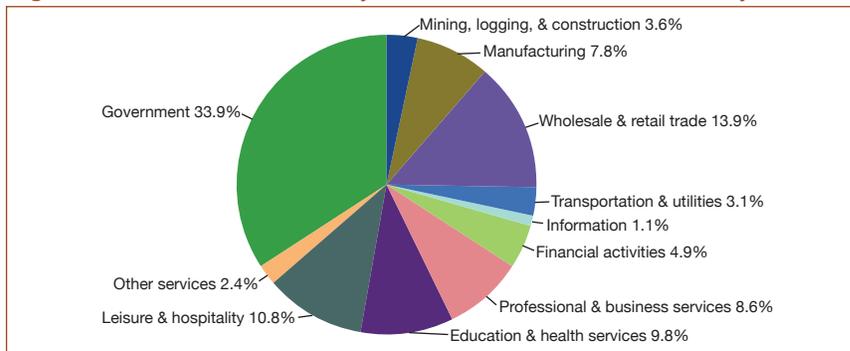
Source: Estimates by analyst

The Lawton HMA economy is significantly affected by the government sector, which included 15,300 jobs (excluding military personnel) during the 12 months ending June 2015, or more than one-third of all nonfarm payrolls in the HMA (Figure 1). The HMA is home to Fort Sill Army Base, headquarters of the U.S. Army Field Artillery and Air Defense Artillery Fires Center of Excellence. Fort Sill is by far the largest employer in the HMA, with 6,450 civilian employees and 11,100 permanent military personnel compared with the second largest employer, Goodyear Tire & Rubber Company, which employs 2,400 workers (Table 2). In addition, approximately 37,000 military personnel complete basic training and advanced artillery training annually

at Fort Sill, and a combined 53,500 military family members and retirees reside in the HMA. Fort Sill had a local economic impact of \$1.75 billion and accounted for 40 percent of the gross domestic product of the HMA during 2014 (U.S. Department of Defense). During 2011 (the most recent data available), Fort Sill supported an additional 19,500 indirect jobs (State of Oklahoma). The HMA is also home to the Comanche Nation of Oklahoma, which employs 1,500 workers in the local (tribal) government subsector at its headquarters facility, five casinos, and at Comanche Nation College. Cameron University is the seventh largest employer in the HMA, with 860 state government workers. Enrollment at Cameron University consists of 4,500 full-time students, including 3,000 students whose original residences were outside the HMA (Cameron University Fact Book 2015). Cameron University has an economic impact on the HMA of about \$158 million annually (Oklahoma State Chamber).

The second largest job sector is the wholesale and retail trade sector, with 6,300 jobs during the 12 months ending June 2015. The retail trade subsector accounted for 5,700 jobs, or about 90 percent of the wholesale and retail trade sector. Wal-Mart Stores, Inc., is the fifth largest employer in the HMA, with 1,100 employees. The leisure and hospitality sector is the third largest job sector, with 4,900 jobs. Several museums, including the U.S. Army Field Artillery Museum and the Comanche National Museum and Cultural Center, and the Wichita Mountains Wildlife Refuge draw visitors to the HMA. The tourism industry had an economic impact of \$230.91 million in 2014 on the HMA (Lawton-Fort Sill Chamber of Commerce).

Figure 1. Current Nonfarm Payroll Jobs in the Lawton HMA, by Sector



Note: Based on 12-month averages through June 2015; excludes military jobs.

Source: U.S. Bureau of Labor Statistics

Table 2. Major Employers in the Lawton HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Fort Sill Army Base	Government	17,550
Goodyear Tire & Rubber Company	Manufacturing	2,400
Comanche County Memorial Hospital	Education & health services	2,000
Comanche Nation of Oklahoma	Government	1,500
Wal-Mart Stores, Inc.	Wholesale & retail trade	1,100
Serco, Inc.	Professional & business services	975
Cameron University	Government	860
Swanson Services, Inc.	Leisure & hospitality	460
GEO Group, Inc.	Professional & business services	450
Bar-S Foods—A Sigma Company	Manufacturing	350

Notes: Includes 11,000 permanent military personnel jobs at Fort Sill, which are not included in the nonfarm payroll jobs data. Excludes local school districts.

Sources: Local chambers of commerce and employers

The Lawton HMA economy expanded throughout most of the 2000s, with job growth occurring every year except in 2001. After declining by 800 jobs, or 2.0 percent, in 2001, payrolls increased by an average of 950 jobs, or 2.4 percent, annually during 2002 and 2003, to 41,200. Contributing to job growth during this period were gains in the local government subsector, which increased by an average of 230 jobs, or 3.2 percent, annually to 7,800. Gains in the local government subsector were partly because of increased hiring by the Comanche Nation of Oklahoma tribe with the opening of Comanche Nation College in 2002, resulting in 100 new jobs. Job growth continued during the 2004-through-2007 period, with nonfarm payrolls increasing by an average of 750, or 1.8 percent, annually to 44,200. The government sector accounted for 63 percent of the net job growth during this period, increasing by an average of 480 jobs, or 3.6 percent, annually to 14,500. The Comanche Nation of Oklahoma contributed to gains in the government sector with the openings of Comanche National Museum and Cultural Center and Comanche Nation Casino in 2007, resulting in nearly 600 new jobs.

The HMA economy continued to expand from 2008 through 2010, with nonfarm payrolls increasing by an average 670, or 1.5 percent, annually to 46,200. The economic expansion of the HMA during this period was in contrast to a national decline in payrolls of an average of 1.9 percent annually. Contributing to job growth in the HMA during this period was an increase in the government sector by an average of 570 jobs, or 3.8 percent, annually, to 16,200. Job gains in the government sector stemmed from the implementation of the 2005

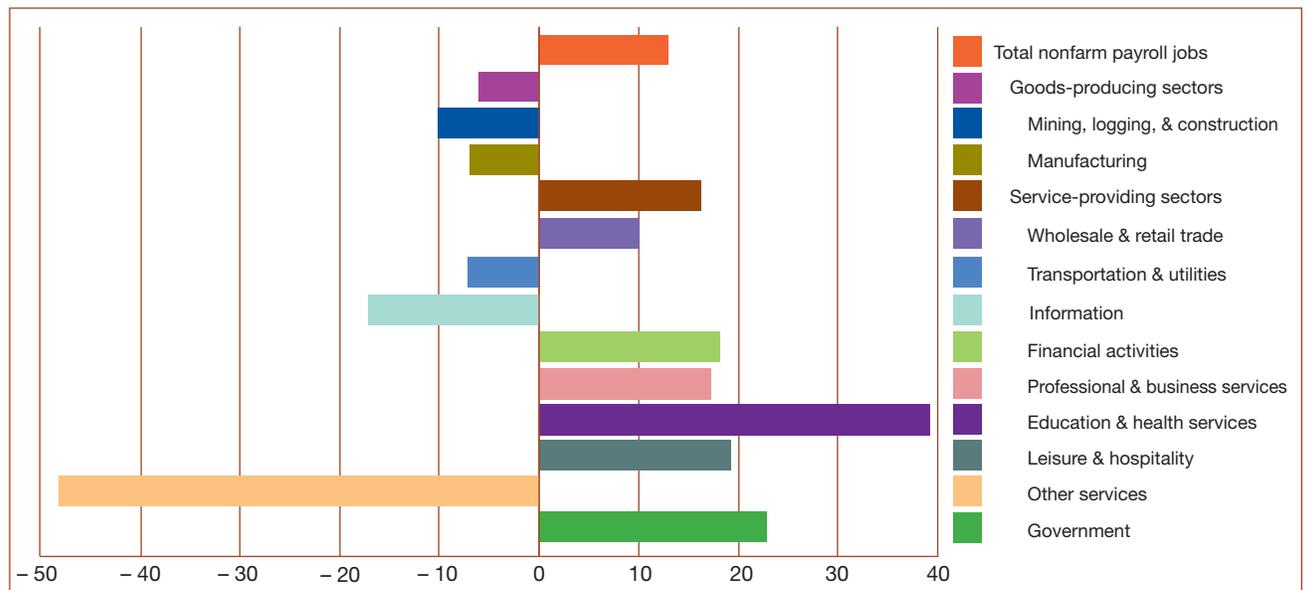
Base Closure and Realignment Commission (BRAC) recommendations, which included the relocation of the Air Defense Artillery headquarters, the Air Defense Artillery School, and the 31st Air Defense Artillery Brigade from Fort Bliss Army Base in El Paso, Texas, to Fort Sill. As a result of BRAC recommendations, Fort Sill employment increased by approximately 1,000 military personnel and 2,700 civilian employees from 2007 through 2010 (U.S. Department of Defense estimates, as of October 1). Construction activities associated with BRAC recommendations totaled more than \$450 million (U.S. Government Accountability Office) and contributed to the mining, logging, and construction sector increasing from 2008 through 2010 by an average of 130 jobs, or 8.2 percent, annually to 1,900 jobs. The influx of military personnel and contractors contributed to an increase in the leisure and hospitality sector, which gained an average of 200 jobs, or 4.3 percent, to 5,100. Hotel receipts in the city of Lawton increased by an average of \$3.04 million, or 15.4 percent, annually to \$26.06 million from 2007 through 2010 (Lawton-Fort Sill Economic Development Corporation). Although economic conditions improved in the HMA during this period, the manufacturing sector declined by an average of 65 jobs, or 1.8 percent, to 3,600 because of widespread layoffs. Job losses in this sector were partly offset by 100 new jobs resulting from the opening of BAE Systems, Inc., in the town of Elgin, about 17 miles north of the city of Lawton. The BAE Systems facility in Elgin manufactures equipment for the U.S. Army.

The economy of the HMA declined from 2011 through 2013, losing an average of 200 jobs, or 0.5 percent,

annually to 45,500. This decline was primarily the result of waning employment associated with the implementation of BRAC when numerous BRAC-related activities were completed. Job losses were widespread among several sectors but were greatest in the government sector, which declined by an average of 300, or 1.7 percent, annually to 15,400 jobs. The decline in

payrolls was partly offset by increases in the professional and business services and the education and health services job sectors, which each increased by 130 jobs, or 3.8 and 3.1 percent, annually, to 3,900 and 4,600, respectively. Figure 2 shows the percentage change in nonfarm employment by job sector since 2000.

Figure 2. Sector Growth in the Lawton HMA, Percentage Change, 2000 to Current



Notes: Current is based on 12-month averages through June 2015. Excludes military jobs.
Source: U.S. Bureau of Labor Statistics

Table 3. 12-Month Average Nonfarm Payroll Jobs in the Lawton HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	June 2014	June 2015		
Total nonfarm payroll jobs	45,500	45,200	- 300	- 0.7
Goods-producing sectors	5,300	5,200	- 100	- 1.9
Mining, logging, & construction	1,700	1,600	- 100	- 5.9
Manufacturing	3,600	3,500	- 100	- 2.8
Service-providing sectors	40,200	40,000	- 200	- 0.5
Wholesale & retail trade	6,200	6,300	100	1.6
Transportation & utilities	1,400	1,400	0	0.0
Information	500	500	0	0.0
Financial activities	2,300	2,200	- 100	- 4.3
Professional & business services	3,700	3,900	200	5.4
Education & health services	4,500	4,400	- 100	- 2.2
Leisure & hospitality	5,000	4,900	- 100	- 2.0
Other services	1,100	1,100	0	0.0
Government	15,400	15,300	- 100	- 0.6

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through June 2014 and June 2015. Excludes military jobs.
Source: U.S. Bureau of Labor Statistics

During the 12 months ending June 2015, nonfarm payrolls in the HMA totaled 45,200, representing a decrease of 300 jobs, or 0.7 percent, compared with employment a year earlier (Table 3). Job declines were widespread among six sectors, each of which recorded decreases of 100 jobs. Only two job sectors—the professional and business services and the wholesale and retail trade sectors—increased, by 200 and 100 jobs, or 5.4 and 1.6 percent, to 3,900 and 6,300, respectively. Contributing to gains in the professional and business services sector was additional hiring by Serco, Inc., resulting in 475 new jobs. Serco, the

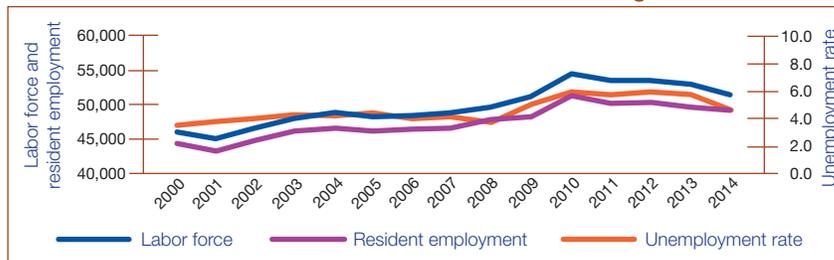
sixth largest employer in the HMA with 975 employees, provides contract services for the federal government. The opening of new stores by Wal-Mart Stores and CVS Health Corporation in early 2015 resulted in a combined 150 new jobs and contributed to gains in the wholesale and retail trade job sector.

The average unemployment rate in the HMA was 4.4 percent during the 12 months ending June 2015, down from 5.4 percent a year earlier. From 2000 through 2007, the average unemployment rate was 4.1 percent. Increased hiring during 2008 resulted in a decrease in the unemployment rate to 3.7 percent before increases during the next 2 years to a rate of 5.8 percent during 2010. This increase occurred

because gains in the labor force, which averaged 2,350, or 4.6 percent, annually outpaced an increase in resident employment, which increased by an average of 1,700, or 3.5 percent, annually. Declines in resident employment resulted in the unemployment rate increasing to 6.0 percent by 2012 before decreasing to 5.8 percent in 2013. Figure 3 shows trends in the labor force, resident employment, and the unemployment rate from 2000 through 2014.

During the 3-year forecast period, non-farm payrolls are expected to increase by an average of 100 jobs, or 0.2 percent, annually. Job gains are expected in the manufacturing sector because of an expansion by Silver-Line Plastics, a plastic pipe manufacturing company based in the city of Lawton. The expansion, which began in June 2015, is expected to result in approximately 100 new jobs during the next 5 years (Silver-Line estimates). An expansion at BAE Systems is also under way and expected to result in an additional 100 new jobs during the next 3 years in the town of Elgin.

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Lawton HMA, 2000 Through 2014



Source: U.S. Bureau of Labor Statistics

Population and Households

The current population of the Lawton HMA is an estimated 131,200, representing an average increase of 170, or 0.1 percent, annually since 2010 (U.S. Census Bureau decennial census counts). During this period, net out-migration occurred at an average of 820 residents annually, mostly because of the completion of work stemming from BRAC-related recommendations at Fort Sill Army

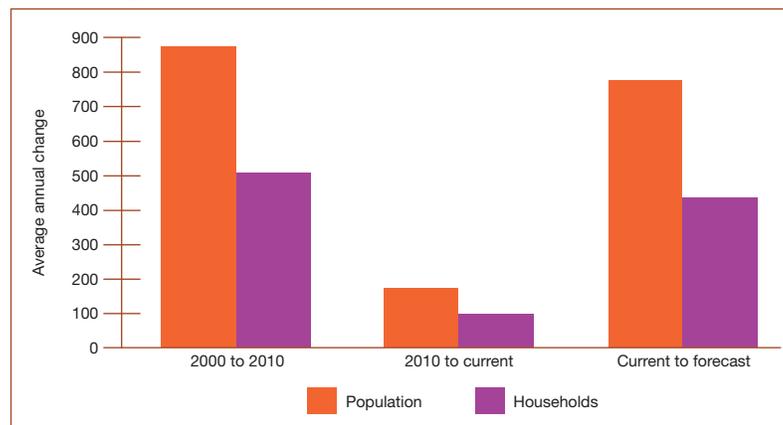
Base and consequent decrease in military personnel and family members by an average of 1,050, or 3.7 percent, annually to 25,600 from 2009 to 2014 (U.S. Department of Defense estimates, as of October 1). Also contributing to net out-migration since 2010 was a decrease in nonfarm employment at an average rate of 0.3 percent annually. The more populous county in the HMA is Comanche County, accounting for

an estimated 95 percent of the total population; Cotton County comprises the remaining 5 percent. The population of the city of Lawton, which includes Fort Sill, is an estimated 97,000, or about three-fourths of the total population of the HMA. From 2010 to 2014, the population of Lawton was unchanged (Census Bureau decennial census counts and population estimates, as of July 1). During the same period, the town of Elgin in Comanche County was the fastest growing municipality in the HMA, increasing by an average of 180, or 7.3 percent, to 2,900, mostly because of local increased employment opportunities BAE Systems and increased appeal to homebuyers.

During the 2000s, the population of the HMA fluctuated significantly, reflecting changes in the number of military personnel and family members at Fort Sill more than changes in non-farm employment. From 2000 to 2003, the population decreased by an average of 1,275, or 1.1 percent, annually to 117,500 (Census Bureau decennial census counts and population estimates, as of July 1). During this period, net out-migration occurred at an average of 2,300 people annually. By

comparison, the number of military personnel and family members at Fort Sill decreased by an average of 1,100 annually from 2000 to 2003 (U.S. Department of Defense estimates, as of October 1). Strong job growth in the HMA contributed to the population increasing from 2003 to 2007 by an average of 2,075, or 1.7 percent, annually to 125,800, with net in-migration accounting for more than one-half of the population growth. Also contributing to the population growth during this period was an average increase in the number of military personnel and family members at Fort Sill of 170 annually from 2003 to 2007. From 2007 to 2010, the population of the HMA increased by 1,625, or 1.3 percent, annually to 130,300, with net in-migration accounting for nearly 30 percent of the population growth (Census Bureau decennial census counts and population estimates, as of July 1). In addition to strong job growth, an influx of 2,150 military personnel and families to Fort Sill as a result of BRAC-related activities contributed to population gains during this period. Students were also drawn to the HMA during this period to attend Cameron University, where enrollment increased by an average of 180 students, or 4 percent, annually to 4,775 students from 2007 through 2010 (Cameron University Department of Institutional Research, Assessment & Accountability). Employment opportunities and several new single-family home developments also drew residents to Elgin, where the population increased by an average of 250, or 15 percent, annually to 2,150 from 2007 to 2010 (Census Bureau decennial census counts and population estimates, as of July 1). Figure 4 shows population and household growth in the HMA from 2000 to the forecast date.

Figure 4. Population and Household Growth in the Lawton HMA, 2000 to Forecast



Notes: The current date is July 1, 2015. The forecast date is July 1, 2018.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

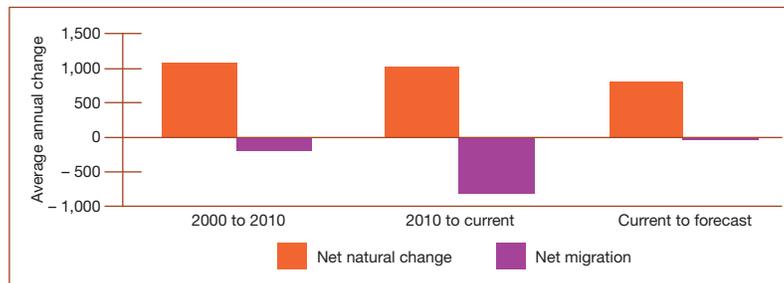
Population and Households *Continued*

During the 3-year forecast period, the population of the HMA is expected to increase by an average of 770, or 0.6 percent, annually to 133,500, entirely because of net natural increase (Figure 5). The recent trend in net out-migration is expected to reverse by the second year of the forecast period, partly because of the influx of an additional 220 military personnel and their respective family members to Fort Sill as a result of the Budget Control Act of 2011.

The number of households in the HMA is currently an estimated 48,000,

representing an average increase of 100 households, or 0.2 percent, annually since 2010. During the 2000s, the number of households increased by an average of 500, or 1.1 percent, annually (Census Bureau decennial census counts). Since 2010, owner households decreased an average of 0.9 percent annually compared with an average increase of 0.5 percent annually during the 2000s. Contributing to the decrease in new owner households were tighter mortgage lending standards and an increased propensity to rent. Decreases in military personnel at Fort Sill and jobs in the HMA also contributed to changes in the portion of new owner household formation. By comparison, renter households have increased an average of 1.7 percent annually since 2010 compared with 2.1 percent between 2000 and 2010. Figure 6 shows the number of households in the HMA by tenure from 2000 to the current date. Income levels in the HMA are relatively low compared with incomes in other metropolitan areas and with the nation. In 2013, the median household income in the HMA was \$47,600 (2014 American Community Survey 1-year data). By comparison, the median household income in the neighboring Oklahoma City, OK MSA (hereafter, Oklahoma City area) was \$52,400, and the median household income was \$53,650 nationally. During the forecast period, the number of households in the HMA is expected to increase by an average of 430, or nearly 0.9 percent, annually to 49,300.

Figure 5. Components of Population Change in the Lawton HMA, 2000 to Forecast



Notes: The current date is July 1, 2015. The forecast date is July 1, 2018.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Lawton HMA, 2000 to Current



Note: The current date is July 1, 2015.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

Sales housing market conditions in the Lawton HMA are currently soft, with an estimated sales vacancy rate of 2.6 percent, up from 2.4 percent as of April 2010. As of June 2015, the unsold inventory in the HMA totaled 810 homes, up 9 percent from 2010 (Yahoo!-Zillow Real Estate Network). Job declines, decreases in military personnel, and tight mortgage lending standards contributed to soft sales market conditions. As of June 2015, 6.2 percent of home loans were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, down from 7.0 percent a year earlier but up from 5.6 percent as of April 2010 (CoreLogic, Inc). During the 2000-through-2007 period, the percentage of seriously delinquent home loans and REO properties fluctuated from a rate of 2.9 percent in 2006 to a rate of 4.4 percent in 2007. By 2010, the percentage of seriously delinquent home loans and REO properties had increased to 6.0 percent, and rates continued to increase to a peak level of 7.5 percent in May 2013. As of June 2015, underwater mortgages comprised 12 percent of total home loans in the HMA compared with 10 percent a year earlier and 2 percent in 2010. By comparison, in the Oklahoma City area, underwater mortgages account for 4 percent of the total number of home loans, down from 5 percent a year earlier and 6 percent in 2010.

During the 12 months ending June 2015, new and existing home sales (including single-family homes, townhomes, and condominiums) decreased by 90, or 5 percent, to 1,700 in the HMA compared with sales a year earlier, and the average home sales price

decreased by \$3,500, or 3 percent, to \$111,400 (CoreLogic, Inc., with adjustments by the analyst). By comparison, the average home sales prices in the Oklahoma City area and the nation were \$162,100 and \$253,600, respectively, during the same period. New home sales in the HMA totaled 120, down by 35 homes from a year earlier, and the average new home sales price was \$206,900, unchanged from a year earlier. Regular resale home sales (excluding REO and short sales) recorded a decrease of 65, or 5 percent, to 1,225 at an average home sales price of \$114,000, representing a decrease of \$1,800, or 2 percent, from a year earlier. REO sales and short sales each increased by only 5 homes, to 300 and 60, and the average home sale price was unchanged for both REO and short sales at \$59,700 and \$124,400, respectively. The increase in sales of relatively lower priced REO homes contributed to the decrease of \$200 in the average home sale price overall. Distressed sales (REO and short sales) comprised a peak level of 21 percent of total sales compared with 20 percent a year earlier. By comparison, distressed sales nationally accounted for 12 percent of total sales during the 12 months ending June 2015, down from 17 percent a year earlier and a peak level of 27 percent recorded October 2011.

Since 2000, new and existing home sales in Comanche County have accounted for 96 percent of home sales in the HMA, and home sales in Cotton County comprised only 4 percent of the total number of homes sold. Home sales in the HMA were greatest from 2004 through 2007, averaging 3,200 annually. Contributing to increased

home sales were a strong economic expansion, population growth, and an increase in nonowner-occupied home sales, an indicator of investment home purchases. During this period, an average of 13 percent of the total number of homes sold consisted of nonowner-occupied home purchases compared with an average of 9 percent from 2000 through 2003 (CoreLogic, Inc.). Relatively low home mortgage rates from 2004 through 2007, averaging 6.1 percent compared with an average rate of 6.9 percent during the previous 4 years, also contributed. From 2003 through 2007, the average home price increased by an average of \$7,750, or 9 percent, annually to \$103,000 as a result of increased home sales demand.

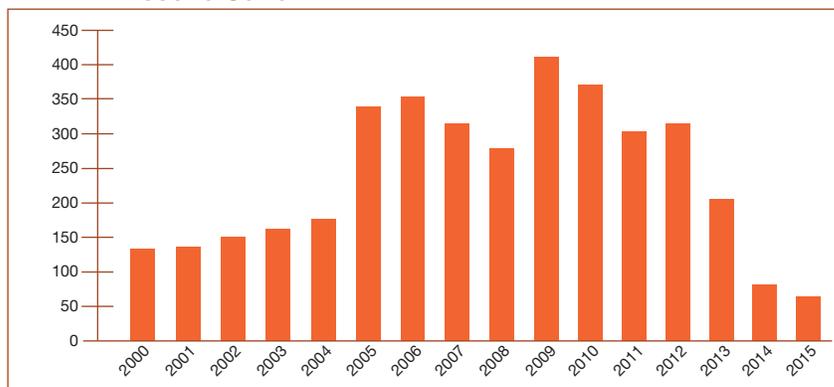
From 2008 through 2010, home sales declined by an average of 230, or 9 percent, annually, to 2,250, and the average home sales price increased by an average of \$4,700, or 4 percent, to \$117,000. The decrease in home sales was partly because of tighter mortgage lending standards and decreased confidence in the home sales market. During this period, home sales declined despite strong growth in both population and employment in the HMA. This anomaly was in part because in-migration and new job formation mostly stemmed from BRAC-related

projects at Fort Sill Army Base, of which only a portion resulted in permanent jobs beyond this period. Regular resale home sales decreased by an average of 300 homes, or 13 percent, annually to 1,725, and REO sales and short sales recorded increases of 50 and 5, to 220 and 45 home sales, respectively, reflecting national REO sales and short sales trends. New-construction home sales increased from 2008 through 2010 by an average of 20 annually, to 240. The increase in new construction home sales was mostly because of increased employment opportunities and several new single-family home developments drawing homebuyers to Elgin. From 2008 through 2010, an average of 50 new homes sold annually in Elgin compared with an average of 5 new home sales recorded annually from 2000 through 2007.

Significant declines in employment and population in the HMA contributed to a decrease in new and existing home sales by an average of 160 homes, or 7 percent, annually from 2011 through 2013. During this period, new and regular resale home sales decreased by averages of 30 and 150, or 11 and 9 percent, to 170 and 1,325, respectively. REO sales and short sales both recorded average gains of fewer than 5 home sales annually. The average price for new and existing homes was unchanged during this period.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, decreased by 10 to an estimated 65 homes in the HMA during the 12 months ending June 2015 compared with the number permitted a year earlier as home builders responded to decreased new home sales (preliminary data; local sources). Figure 7 shows single-family home permitting in the HMA from 2000 to

Figure 7. Single-Family Homes Permitted in the Lawton HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through June 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

the current date. Nearly one-half of single-family homes permitted during this period were in Elgin. Since 2000, approximately 61 percent of single-family homebuilding activity in the HMA has occurred in the city of Lawton, and homebuilding in Elgin has accounted for 17 percent; a combined 22 percent of homebuilding has occurred in other areas in the HMA. Homebuilding in Comanche County has accounted for 99 percent of homes built in the HMA since 2000, and only 1 percent of home construction occurred in Cotton County. Single-family home construction occurred at an average of 150 homes annually from 2000 through 2004 before increasing to an average annual 320 homes from 2005 through 2008. Single-family homebuilding activity peaked in 2009 and 2010 when an average of 390 homes were permitted annually in response to strong new home sales during the period. Homebuilding declined during the 2011-through-2013 period by an average of 55, or 18 percent, annually, to 200 homes in 2013, mostly because of a slowing local economy and net out-migration.

An estimated 20 single-family homes are currently under construction in the HMA. In Elgin, construction continues at the Shadow Ridge Estates residential community. Three- and four-bedroom homes, ranging in size from 1,750 to 3,100 square feet, are offered at prices ranging from \$198,000 to \$289,000. At Shadow Ridge Estates, 45 new homes have sold for an average price of \$247,000 and approximately 25 home sites remain available for construction; no completion date has been set. In the city of Lawton, construction is under way at the Eastlake residential community, where approximately 120 home sites are available for construction. Since 2013, 35 three- and four-bedroom homes ranging in size from 1,600 to 3,000 square feet have sold at Eastlake at an average price of \$249,000. No completion date has been set.

Demand is expected for 450 new homes in the HMA during the next 3 years (Table 1). New home sales demand is expected to slightly increase each year of the 3-year forecast period. The 20 homes currently under construction will meet part of the demand during the first year. A portion of the estimated 3,800 other vacant units in the HMA may reenter the sales market and satisfy some of the forecast demand. Demand is expected to be greatest for homes priced from \$200,000 to \$249,999. Table 4 shows estimated demand for new market-rate sales housing in the HMA by price range.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Lawton HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
80,000	99,999	20	5.0
100,000	149,999	45	10.0
150,000	199,999	100	22.0
200,000	249,999	110	25.0
250,000	299,999	100	22.0
300,000	399,999	50	11.0
400,000	499,999	20	5.0

Notes: The 20 homes currently under construction and a portion of the estimated 3,800 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is July 1, 2015, to July 1, 2018.

Source: Estimates by analyst

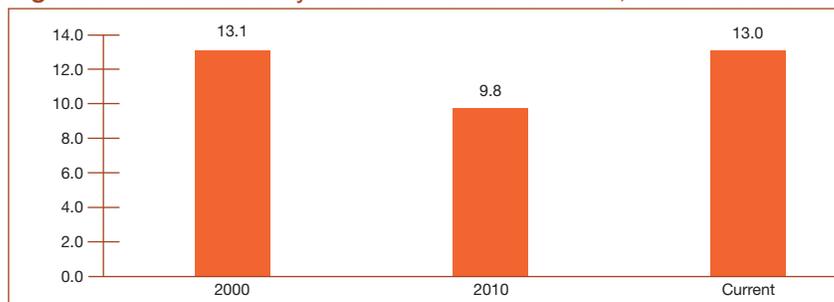
Rental Market

The rental housing market in the Lawton HMA is currently soft, with an overall rental vacancy rate estimated at 13.0 percent compared with 9.8 percent in 2010 (Figure 8). An average net out-migration of more than 1,800 people annually from 2000 to 2010 contributed to soft rental market conditions during the 2000s, and continued net out-migration, averaging nearly 190 annually, and a decline in nonfarm payrolls and military personnel have contributed to soft rental market conditions since 2010. Similarly, the apartment rental market is currently soft. During the second quarter of 2015, the average apartment vacancy rate in the HMA was 11.6 percent, down from 13.2 percent a year earlier (Reis, Inc.). The overall rental vacancy rate is typically higher than the apartment vacancy rate in the HMA because of higher vacancy rates in the single-family rental market, which comprises 54 percent of the total number of occupied rental units in the HMA (2013 American Community Survey 1-year data). The 420 single-family units currently available for rent are 7 percent more than a year earlier (Yahoo!-Zillow Real Estate Network). The apartment vacancy rate was 11.9 percent during the third quarter of 2012 (the earliest data available), and had increased to a peak level of 14.8

percent by the first quarter of 2013. The average apartment rent was \$616 during the second quarter of 2015, up slightly compared with the average rent of \$614 a year earlier. By comparison, the average asking rents in the Oklahoma City area and the nation were \$617 and \$1,194 during the same period, respectively. Since the third quarter of 2012, the average rent in the HMA peaked at \$622 during the fourth quarter of 2014. During the second quarter of 2015, average rents for apartments were \$480 for studio units, \$511 for one-bedroom units, \$722 for two-bedroom units, and \$783 for three-bedroom units. Units ranging from two to five bedrooms in size are offered at asking rents from \$295 to \$2,150. The median asking rent for single-family homes is currently \$775, unchanged from a year earlier.

Fort Sill Army Base and Cameron University significantly influence the rental market of the HMA. Fort Sill provides housing for approximately 900 permanently assigned unmarried military personnel and for up to 7,000 military students. In addition, the base provides 1,650 housing units for married military personnel and their families. The remaining personnel and family members, approximately 8,500 households, reside off base in the surrounding private housing market. Cameron University provides on-campus family apartments for 240 married students and dormitory units for up to 210 unmarried students. The remaining 4,050 students reside in the local housing market. Combined, military personnel and student households currently account for an estimated 6,000 renter households, or nearly one-third of the total renter households in the HMA.

Figure 8. Rental Vacancy Rates in the Lawton HMA, 2000 to Current



Note: The current date is July 1, 2015.

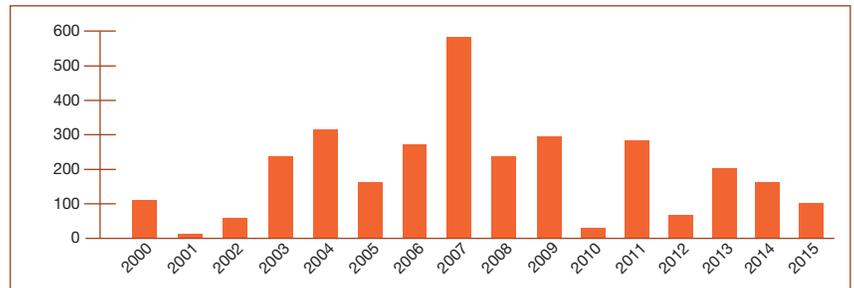
Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Multifamily construction activity, as measured by the number of multifamily units permitted, decreased in the Lawton HMA by 100 units, or 43 percent, from a year earlier, to 130 units during the 12 months ending June 2015 (preliminary data; local sources). By comparison, from 2011 through 2013, an average of 190 units were permitted annually. Annual construction during the 2000s averaged 230 and peaked during 2007, when about 580 units were permitted as builders anticipated an influx of military households stemming from BRAC-related activities (Figure 9). Virtually no condominium construction has occurred since 2000 in the HMA. Condominiums comprise less than an estimated 1 percent of owner-occupied units in the HMA. Approximately 100 rental units currently under construction at Fort Sill are expected to be complete during the 3-year forecast period as part of

the Military Housing Privatization Program. As a result of the program, which began in 2007, approximately 1,450 existing single-family homes, duplexes, and apartment units on the base were renovated or demolished, and additional units are being built to reach approximately 1,750 units for married military personnel and family members. All the renovations and demolitions have been completed, and the 100 units currently under construction represent the final phase of the development. Family rental units at Fort Sill currently are not available for rent to the general public.

During the forecast period, the existing inventory of vacant available units for rent is expected to satisfy all the demand (Table 1). To prevent prolonged soft market conditions, no additional units should be constructed during the forecast period.

Figure 9. Multifamily Units Permitted in the Lawton HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through June 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Data Profile

Table DP-1. Lawton HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	44,525	51,342	49,350	1.4	- 0.9
Unemployment rate	3.6%	5.8%	4.4%		
Nonfarm payroll jobs	40,100	46,200	45,150	1.4	- 0.5
Total population	121,610	130,291	131,200	0.7	0.1
Total households	42,422	47,465	48,000	1.1	0.2
Owner households	26,006	27,280	26,000	0.5	- 0.9
Percent owner	61.3%	57.5%	54.2%		
Renter households	16,416	20,185	22,000	2.1	1.7
Percent renter	38.7%	42.5%	45.8%		
Total housing units	48,501	53,755	55,800	1.0	0.7
Owner vacancy rate	4.6%	2.4%	2.6%		
Rental vacancy rate	13.1%	9.8%	13.0%		

Notes: Employment data represent annual averages for 2000, 2010, and the 12 months through June 2015; employment data does not include military employment. The current date is July 1, 2014.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 7/1/2015—Analyst's estimates
Forecast period: 7/1/2015–7/1/2018—Analyst's estimates

The metropolitan statistical area definitions in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures

are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_LawtonOK_15.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.