

**Components of  
Inventory Change  
And Rental Dynamics:  
Atlanta  
1996-2004**

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# Components of Inventory Change and Rental Market Dynamics: Atlanta 1996-2004

## Overview

Components of Inventory Change (CINCH) and rental market dynamics are two techniques for explaining how changes that take place in a housing market over time came about in physical (bricks and mortar) terms. CINCH focuses first on the overall number and then the characteristics of units at different times. Using CINCH methods, analysts answer such question as: “What happened to the x units that disappeared from the housing stock between the beginning and the end of the period?” or “Where did the increase in owner-occupied units come from?” Rental market dynamics, which is really a type of CINCH analysis, focuses on the rental market with particular emphasis on the affordability of rental housing. Using rental market dynamics techniques, analysts answer such questions as: “Have the number of rental units affordable to households with very low incomes increased or decreased over the period?” or “What happened to the rental units that were affordable to low-income households at the beginning of the period?”

This report focuses on the Atlanta metropolitan housing market over the period between 1996 and 2004. It is one of 13 reports based on local American Housing Surveys conducted in 2004; these 13 metropolitan areas were previously surveyed in either 1995 or 1996.<sup>1</sup>

CINCH and rental market dynamics have both forward-looking and backward-looking components. The forward-looking component starts with the housing stock available at the beginning of the period and then, looking at the end of the period, attempts to explain what happened to those units. Possible answers include some units still exist and serve the same market, some units still exist but serve a different market, some units have been demolished or destroyed in natural disasters, or some units are being used for nonresidential purposes. The backward-looking component starts with the housing stock available at the end of the period and, looking at the beginning of the period, attempts to explain where those units came from. Possible answers include some units existed at the beginning of the period and served the same market, some units existed at the beginning of the period but served a different market, some units were newly constructed over the period, or some units were being used for nonresidential purposes at the beginning of the period. Neither CINCH nor rental market dynamics try to track the experience of a unit over the entire period; both are interested only in the beginning and the end of the period. For example, a housing unit in 1996 may have become a medical office in 1997 but returned to being a housing unit in 2000. CINCH would record this unit as having

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<sup>1</sup> See <http://www.huduser.org/datasets/cinch.html> for examples of previous CINCH and rental dynamics studies.

undergone no change over the period from 1996 to 2004. In research jargon, CINCH and rental market dynamics are *comparative static* analyses.

Ideally one would want to combine the forward-looking and backward-looking analyses to produce a complete accounting that can explain the beginning and the end consistently in terms of units that existed in both periods, losses from the stock over the period, and additions to the stock over the period. The research in this report uses the AHS, which is a sample of units at both points in time, and previous research has shown that creating sample weights that take both periods into account can generate some inconsistent or inaccurate results. For this reason, recent CINCH and rental market dynamics studies have separated the forward-looking and backward-looking components. This paper will do the same. (Weighting is explained briefly in Appendix B and more fully in a separate paper referenced in that appendix.)

The remainder of this report consists of four sections:

- An explanation of how to read the CINCH tables.
- Two sets of four tables each: a set of forward-looking tables tracing the movement of units from 1996 to 2004 and identifying how units were lost to the housing stock; and a set of backward-looking tables tracing where 2004 units came from and distinguishing between units that were part of the stock in 1996 and units that were additions to the stock since 1996.
- Two tables and accompanying discussion that highlight interesting changes in the Atlanta housing stock between 1996 and 2004.
- A brief discussion of the rental market dynamics results using CINCH-like tables.

Two appendices explain how the results were tested and how the weights were created.

### ***How to Read CINCH Tables***

Rows and columns serve different purposes in CINCH tables. The rows identify classes of units to be analyzed. The columns trace those units either forward or backward.

The forward-looking tables are concerned with what happened to the 1996 housing stock by 2004. There are three basic dispositions of 1996 units: units that continue to exist in 2004 with the same characteristics (or serving the same market), units that continue to exist in 2004 but with different characteristics (or serving a different market), and units that were lost to the stock.

The backward-looking tables are concerned with where the 2004 housing stock came from in reference to 1996. There are three basic sources of 2004 units: units that existed in 1996 with the same characteristics (or serving the same market),

units that existed in 1996 but with different characteristics (or serving a different market), and units that are additions to the housing stock.

The essence of the CINCH analysis lies in the columns because they specify the state of a unit in the other time period.

### **Columns Common to both Forward-Looking and Backward-Looking Tables:**

- The first and last columns contain the row numbers. The row numbers are identical for the same tables in the forward-looking and backward-looking sets.

Columns A through E set up the analysis and track units that exist in both periods.

- Column A specifies the characteristic that defines the subset of the stock that is being tracked forward or backward in a particular row. For example, row 2 of Table 1 focuses on occupied units; row 15 focuses on units built in 1985 through 1989.
- Column B gives the estimate published in the AHS report for the number of units that satisfy the conditions specified in column A. For example, the 1996 AHS report for Atlanta counted 1,306,300 occupied units (row 2, column B, forward-looking Table 1); the 2004 AHS report counted 1,595,800 occupied units (row 2, column B, backward-looking Table 1).
- Column C gives the CINCH estimate of the number of units that satisfy two conditions: (a) being part of the housing stock in the relevant year (1996 for the forward-looking tables and 2004 for the backward-looking tables), and (b) satisfying the condition in column A. CINCH uses different weights than those used in preparing the published AHS reports. Therefore, CINCH estimates can differ from AHS estimates for particular subsets of the housing stock. As explained in the appendix, the weights were created to match AHS published totals for rows 2 through 4 of Table 1 and rows 2 and 4 of Table 4. This perfect match will not be true of other rows.<sup>2</sup>
- Column D is the CINCH estimate of the number of units from column C that (a) are also part of the housing stock in the *other* year, and (b) continue to belong to the subset defined by column A. For example, column D of row 2 of forward-

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<sup>2</sup> Columns B and C will also match, except for rounding, in row 1 of Table 1 because row 1 is defined as the sum of rows 2 through 4. Categories for which the CINCH weights seem consistently to have trouble matching the published numbers were: the number of mobile homes, units built between 2000-2004, units built between 1995-1999, rental units that do not have a cash rent, and monthly housing costs less than \$350 for owners. In a few other cases, the weighted numbers consistently fail to match the published totals, but the authors believe the differences result because the Census Bureau created the published totals using information not available on the public use files or because of coding differences. These cases are: the reasons for incomplete plumbing and households receiving welfare or SSI payment.

looking Table 1 estimates that 1,124,200 of the occupied units from 1996 were also occupied in 2004.

- Column E is the CINCH estimate of the number of units from column C that (a) are also part of the housing stock in the *other* year, but (b) no longer belong to the subset defined by column A. Column E of row 2 indicates that 137,000 units that were occupied in 1996 are still part of the housing stock in 2004 but are no longer occupied. In some cases, the analysis will not allow a unit to change characteristics between the base year and the other year. Examples include type of structure, year built, and number of stories; these are characteristics that are considered impossible or unlikely to change.

### Columns Unique to Forward-Looking Tables

In forward-looking tables, columns F through K track what happened to units that were lost from 1996 to 2004.

- Column F is the CINCH estimate of the number of units from column C that are not in the 2004 housing stock because they were merged with other units or converted into multiple units. Among occupied units, 1,800 were lost to mergers and conversions.
- Column G is the CINCH estimate of the number of mobile homes from column C that were moved out during the period. Among occupied units, 3,700 mobile homes were moved out.<sup>3</sup>
- Column H is the CINCH estimate of the number of units that from column C that became nonresidential at the end of the period. For example, a real estate firm, a tax preparation office, a palm reader, or some other business might buy or rent a house to use for business rather than residential purposes.<sup>4</sup> Among occupied units, 3,200 became nonresidential.
- Column I is the CINCH estimate of the number of units from column C that were demolished or were destroyed by fires or natural disasters by 2004. In this case, 23,500 units were demolished or destroyed.
- Column J is the CINCH estimate of the number of units from column C that by 2004 were condemned or that were no longer usable for housing because of extensive damage. In Atlanta, 1,800 occupied units were lost because of damage or similar cause.

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<sup>3</sup> The AHS does not trace where the mobile home is moved to. The move may be within the metropolitan area or outside the metropolitan area. Similarly, column G in the backward-looking tables does not distinguish between move-ins from within or from outside the metropolitan area.

<sup>4</sup> If the owner or tenant both lives in a unit and conducts business out of the unit, the AHS considers the unit to be residential. So nonresidential means strictly no residential use.

- Column K is the CINCH estimate of the number of units from column C that were lost by 2004 for other reasons. These include units that the Census Bureau eliminated for sampling purposes and other miscellaneous losses. Among occupied units, there were 11,100 units lost for these miscellaneous reasons.

The columns form a closed system. Column C counts the number of units tracked; columns D through K account for all the possible outcomes. Therefore, column C minus the sum of columns D through K always equals zero, except for rounding.<sup>5</sup>

## Columns Unique to Backward-Looking Tables

In backward-looking tables, columns G through K track where units came from that are part of the housing stock in 2004 but were not part of the 1996 housing stock.<sup>6</sup>

- Column G is the CINCH estimate of the number of mobile homes from column C that were moved in during the period. Among occupied units, 700 mobile homes were moved in (row 2, column G, of backward-looking Table 1).<sup>7</sup>
- Column H is the CINCH estimate of the number of units from column C that had been nonresidential in 1996. Among occupied units, 3,600 had been nonresidential.
- Column I is the CINCH estimate of the number of units from column C that were newly constructed between 1996 and 2004. Among occupied units, 303,100 units were newly constructed.
- Column J is the CINCH estimate of the number of units from column C that were added by 2004 by the recovery of units that had been temporarily lost to the housing stock because occupancy was prohibited in 1996, or the interior of the unit was exposed to the elements, or for reasons “not classified.” The 2004 occupied housing stock includes 6,100 recovered units.
- Column K includes units added by the Census Bureau as sample adjustments. Sample adjustments represent 1,100 occupied units in 2004.

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<sup>5</sup> The weighted numbers are rounded to the nearest 100 to match practices used by the Census Bureau in the AHS publications.

<sup>6</sup> The backward-looking tables do not contain a column F for units added through mergers and conversions. In 2004, the Census Bureau did not code the variable that would normally identify units created from mergers and conversions (REUAD=7 or 8).

<sup>7</sup> In 2004, the Census Bureau did not code the variable that would normally identify mobile home move-ins (REUAD=4). We estimated these from another variable (NOINT=13).

## Table 1

Table 1 focuses on the general housing characteristics of the stock. Row 1 provides the highest level CINCH overview of the stock. For this row, column A specifies no conditions other than being part of the stock in the relevant year.

Rows 2-4 divide the housing stock by use. By Census Bureau definition, the number of occupied non-seasonal units equals the number of households. Because households are the basis for all the analyses in Tables 2 through 4, it is important to get a good starting point for these estimates. For this reason, the weights are designed to match published AHS totals for occupied units (by owner-occupied and renter-occupied), vacant units, and seasonal units.

Rows 5-12 divide the housing stock by type of structure to see what type of units account for losses.<sup>8</sup> Column E is forced to be zero on the grounds that changes in structure types are extremely rare and that any observed changes are most likely data errors. The Census Bureau sometimes suppresses data to protect the confidentiality of respondents. For some metropolitan areas, suppression results in zero estimates for certain multiunit structures in the public data file, whereas the published tables contain estimates for these multiunit classes. In Atlanta, units in structures with 50 or more units are listed in row 10 instead of row 11 in forward-looking Table 1 because of suppression.

Rows 13-24 divide the housing stock by year built.<sup>9</sup> The published reports use the categories 1990-1994, 1995-1999, and 2000-2004; this report uses the same categories in Backward-Looking Table 1 but uses 1990-1996 for row 15 in Forward-Looking Table 1.<sup>10</sup> Column E is again forced to be zero.

Rows 25-31 and 32-36 divide the housing stock by two different measures of interior space, the number of rooms and the number of bedrooms.<sup>11</sup>

Rows 37-42 focus on multiunit structures only and divide them by number of stories. Column E is forced to be zero and, depending on the metropolitan area, the Census Bureau may suppress information, forcing some rows to be zero. For the 1996 Atlanta AHS public use file, the Census Bureau reported all units in structures with 4 or more stories in row 40 and reported no units in rows 41 and 42. The published reports contain matching data for row 37 only.

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<sup>8</sup> In general, the CINCH estimates exceed published AHS estimates for single-family detached units and fall short of the published AHS estimates for manufactured homes by roughly equal amounts.

<sup>9</sup> Rows 13 and 14 are not included in Forward-Looking Table 1, because the 1996 housing stock cannot contain units built after 1996.

<sup>10</sup> We use REUAD=3 and not year built to identify new construction. For this reason, there are units built after 1995 that are not considered new construction. Year built is obtained from the respondent and may be inaccurate.

<sup>11</sup> Because of small sample sizes in the losses and additions columns, we combined room categories that the published reports list separately.



Rows 43-44 divide the housing stock between central cities units and suburban residences to see how the observed changes vary by location. Rows 45-46 divide the housing stock by whether or not the occupants have moved in within the last 2 calendar years to see if certain units consistently have high turnover, and to see if high turnover units are more susceptible to loss.

## Table 2

This table looks at issues related to the physical quality of units. Row 1 repeats the analysis from row 2 in Table 1. All the subsequent rows are based on row 1.

Rows 2-3 look at whether the units have complete kitchens, that is, have an installed sink with piped water, a mechanical refrigerator, and built-in burners for the exclusive use of the occupants. Rows 4-5 look at whether the units have complete plumbing facilities, that is, hot and cold piped water, a flush toilet, and a bathtub or shower inside the structure for the exclusive use of the occupants. Rows 6-9 look at each of these requirements separately.<sup>12</sup> In the 1996 AHS, the published reports separate out the “exclusive use” category; in the data used for this report, these units show up in row 8. Rows 2-3, 4-5, and 6-9 separate out good units from the least desirable units based on kitchen and bath equipment.

Rows 10-15 look at how units obtain water and dispose of sewage.

Rows 16-21 look at units with severe physical problems. Rows 17-21 identify specific types of serious deficiencies. Row 16 counts the units having one or more of these deficiencies. Rows 22-27 look at units with moderate problems. Rows 23-27 identify specific types of deficiencies. Row 22 counts the units having one or more of these deficiencies.<sup>13</sup> These rows are in the analysis to answer two questions: whether poor-quality units in one year are also poor-quality units in the other year, and whether poorer quality units are more likely to be lost.

## Table 3

This table pertains to the characteristics of occupants. Row 1 repeats the analysis from row 2 in Table 1. All the subsequent rows are based on row 1. In all cases, the analysis seeks to find out how stable occupancy characteristics are over time, and what part of the market was served by units that were lost between 1996 and 2004.

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<sup>12</sup> Row 9 is not included in Forward-Looking Table 2, because the public use file does not contain the information needed to identify facilities available “for exclusive use” of the household.

<sup>13</sup> For definitions of serious and moderate problems, see pages 990 and 991 of the AHS Codebook, version 1.78, at [http://www.huduser.org/intercept.asp?loc=/Datasets/ahs/AHS\\_Codebook.pdf](http://www.huduser.org/intercept.asp?loc=/Datasets/ahs/AHS_Codebook.pdf).

Rows 2-3 look at the age of the householder. Rows 4-5 look at whether or not the household includes children. Rows 6-11 look at the race or ethnicity of the householder.<sup>14</sup> Rows 12-14 look at three possible sources of household income.

#### **Table 4**

Table 4 pertains to tenure, income, and housing costs. Row 1 repeats the analysis from row 2 in Table 1. All the subsequent rows are based on row 1.

Rows 2-4 focus on tenure to see the extent to which units change tenure characteristics and whether rental or owner-occupied units are more likely to be lost.

Rows 5-10 characterize the rental stock using 6 categories based on monthly housing costs. Row 10 identifies units provided to tenants for no cash rents, e.g., units provided to maintenance or management personnel or units provided to relatives. Rows 16-20 identify owner-occupied units by total monthly housing costs.

Rows 11-15 track rental units by household income; rows 21-25 track owner-occupied units by household income.<sup>15</sup>

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<sup>14</sup> In compliance with new federal guidelines, the 2004 AHS used different categories for recording race. For 2004, this paper defined “White” as “White only”; Black as “Black only”; and “other” as all other answers.

<sup>15</sup> The published reports list more categories for both monthly housing costs and household income. This report combined categories for two reasons. First, the sample size in each metropolitan area is small, and therefore larger categories provide more stable measurement of the various types of losses and additions. Second, columns D and E track whether the units in each category remain occupied and stay in the same cost or income category. The combined categories create more interesting analysis because bigger changes in monthly housing costs or income are needed to move between broader categories.

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**Forward-Looking Table 1: Structural and Location Characteristics – All Housing Units**

	A Characteristics	B Published Numbers	C Present in 95	D 95 units present in 2004	E Changed in characteristics	F 95 units affected by conversion /merger	G 95 mobile homes moved out	H 95 units changed to nonresidential use	I 95 units lost through demolition or disaster	J 95 units badly damaged or condemned	K 95 units lost in other ways	
1	<b>Total</b>	1,421,100	1,421,000	1,365,300	0	2,300	4,500	3,600	28,400	2,700	14,100	1
	<b>Occupancy Status</b>											
2	Occupied	1,306,300	1,306,300	1,124,200	137,000	1,800	3,700	3,200	23,500	1,800	11,100	2
3	Vacant	111,600	111,600	20,200	80,800	400	900	400	4,900	900	3,100	3
4	Seasonal	3,100	3,100	0	3,100	0	0	0	0	0	0	4
	<b>Units in Structure</b>											
5	1, detached	908,200	919,900	893,800	0	500	2,700	2,700	13,300	1,400	5,500	5
6	1, attached	41,900	45,200	43,800	0	0	0	0	900	0	400	6
7	2 to 4	99,800	102,300	97,600	0	500	0	0	3,700	0	500	7
8	5 to 9	104,000	105,300	97,100	0	1,400	0	500	5,500	900	0	8
9	10 to 19	113,700	114,600	112,300	0	0	0	0	1,400	0	900	9
10	20 to 49	63,700	88,800	82,900	0	0	0	0	2,300	500	3,200	10
11	50 or more	25,800	0	0	0	0	0	0	0	0	0	11
12	Mobile Home/Trailer	64,000	45,000	37,700	0	0	1,800	500	1,400	0	3,700	12
	<b>Year Built</b>											
15	1990-1996	227,500	224,300	218,000	0	0	0	500	2,200	0	3,600	15
16	1985-1989	231,400	223,600	220,300	0	900	500	0	900	0	900	16
17	1980-1984	145,300	153,100	149,800	0	0	0	500	1,400	0	1,400	17
18	1970-1979	406,300	402,100	388,800	0	500	900	1,400	7,400	500	2,800	18
19	1960-1969	183,200	182,400	173,400	0	0	1,800	500	5,000	900	900	19
20	1950-1959	106,100	110,500	101,900	0	0	900	500	4,100	900	2,300	20
21	1940-1949	51,800	52,800	47,800	0	400	0	400	4,100	0	0	21
22	1930-1939	19,400	20,600	17,400	0	0	0	0	900	500	1,800	22
23	1920-1929	19,600	20,200	17,900	0	500	500	0	1,400	0	0	23
24	1919 or earlier	30,500	31,300	30,000	0	0	0	0	900	0	500	24

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**Forward-Looking Table 1 (continued): Structural and Location Characteristics – All Housing Units**

	A	B	C	D	E	F	G	H	I	J	K	
	Characteristics	Published Numbers	Present in 95	95 units present in 2004	Changed in characteristics	95 units affected by conversion /merger	95 mobile homes moved out	95 units changed to nonresidential use	95 units lost through demolition or disaster	95 units badly damaged or condemned	95 units lost in other ways	
	<b>Rooms</b>											
25	1 – 4 rooms	317,200	313,000	193,900	97,200	0	1,800	1,800	10,500	1,400	6,400	25
26	5 rooms	305,400	305,300	126,600	160,000	1,400	1,400	1,400	11,000	400	3,200	26
27	6 rooms	323,200	313,900	152,200	154,300	500	500	500	3,200	500	2,300	27
28	7 rooms	189,800	196,700	65,000	129,500	0	500	0	1,400	0	500	28
29	8 rooms	146,700	152,900	44,500	105,700	0	400	0	900	500	900	29
30	9 rooms	72,600	72,600	10,300	60,500	400	0	0	900	0	500	30
31	10 rooms or more	66,300	66,600	23,200	42,400	0	0	0	500	0	500	31
	<b>Bedrooms</b>											
32	None	6,700	7,700	1,700	5,600	0	0	0	400	0	0	32
33	1	151,300	150,200	103,700	40,500	0	400	0	3,700	0	1,800	33
34	2	379,200	376,100	246,500	100,400	900	1,800	2,300	13,300	1,400	9,600	34
35	3	599,200	596,400	448,200	131,200	900	1,800	1,400	9,200	1,400	2,300	35
36	4 or more	284,600	290,500	232,500	54,800	400	400	0	1,800	0	400	36
37	<b>Multiunit Structures</b>	407,000	410,900	389,900	0	1,800	0	500	12,800	1,300	4,600	37
	<b>Stories in Structures</b>											
38	1	NA	44,000	41,700	0	0	0	0	1,900	0	500	38
39	2	NA	218,000	204,300	0	1,800	0	500	8,700	900	1,900	39
40	3	NA	148,900	144,000	0	0	0	0	2,300	500	2,300	40
41	4 to 6	NA	0	0	0	0	0	0	0	0	0	41
42	7 or more	NA	0	0	0	0	0	0	0	0	0	42
	<b>Metro Status</b>											
43	In central cities	NA	179,100	165,100	0	900	0	0	10,000	900	2,300	43
44	In suburbs	NA	1,241,900	1,200,200	0	1,400	4,500	3,600	18,400	1,800	11,900	44
	<b>Mover Status</b>											
45	Moved in last 2 years	NA	345,100	95,300	236,000	900	0	900	6,000	0	6,000	45
46	Not a Recent Mover	NA	961,200	929,900	0	900	3,700	2,300	17,500	1,800	5,000	46

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**Forward-Looking Table 2: Condition of Unit – All Occupied Units**

	A Characteristics	B Published Numbers	C Present in 95	D 95 units present in 2004	E Changed in characteristics	F 95 units affected by conversion /merger	G 95 mobile homes moved out	H 95 units changed to nonresidential use	I 95 units lost through demolition or disaster	J 95 units badly damaged or condemned	K 95 units lost in other ways	
1	<b>Occupied Units</b>	1,306,300	1,306,300	1,124,200	137,000	1,800	3,700	3,200	23,500	1,800	11,100	1
	<b>Kitchen</b>											
2	With complete kitchen	1,294,600	1,298,200	1,101,700	152,800	1,800	3,200	3,200	23,100	1,400	11,100	2
3	Lacking complete kitchen facilities	11,700	8,100	0	6,700	0	500	0	500	500	0	3
	<b>Plumbing</b>											
4	With all plumbing facilities	1,299,600	1,300,500	1,112,100	143,700	1,800	3,700	3,200	23,500	1,800	10,600	4
5	Lack some plumbing	0	5,800	0	5,400	0	0	0	0	0	500	5
6	No hot piped water	0	0	0	0	0	0	0	0	0	0	6
7	No bathtub/shower	0	0	0	0	0	0	0	0	0	0	7
8	No flush toilet	6,800	5,800	0	5,400	0	0	0	0	0	500	8
	<b>Water</b>											
10	Public/private water	1,251,200	1,245,500	1,067,600	136,500	1,800	2,700	2,300	22,100	1,800	10,600	10
11	Well	52,800	59,400	34,700	21,100	0	900	900	1,400	0	500	11
12	Other water source	2,300	1,400	400	900	0	0	0	0	0	0	12
	<b>Sewer</b>											
13	Public sewer	956,000	950,700	803,500	117,300	1,400	500	900	17,100	1,800	8,300	13
14	Septic tank/cesspool	350,300	355,600	230,000	110,400	500	3,200	2,300	6,400	0	2,800	14
15	Other or none	0	0	0	0	0	0	0	0	0	0	15
16	<b>Severe Problems</b>	18,600	21,600	0	20,700	0	0	0	500	0	500	16
17	Plumbing	6,800	5,800	0	5,400	0	0	0	0	0	500	17
18	Heating	8,000	13,500	0	13,500	0	0	0	0	0	0	18
19	Electric	1,000	1,400	0	1,400	0	0	0	0	0	0	19
20	Upkeep	3,600	1,800	0	1,400	0	0	0	500	0	0	20
21	Hallways	0	0	0	0	0	0	0	0	0	0	21
22	<b>Moderate problems</b>	69,200	61,300	3,100	52,600	0	500	500	2,800	1,400	500	22
23	Plumbing	7,800	8,600	500	7,700	0	0	0	500	0	0	23
24	Heating	17,200	20,300	400	17,500	0	0	500	1,400	500	0	24
25	Kitchen	10,700	8,100	0	6,700	0	500	0	500	500	0	25
26	Upkeep	35,800	32,900	500	29,700	0	0	500	1,400	500	500	26
27	Hallways	1,800	500	0	500	0	0	0	0	0	0	27

Components of Inventory Change and Rental Market Dynamics:  
Atlanta 1996–2004

**Forward-Looking Table 3: Household Characteristics – All Occupied Units**

	A Characteristics	B Published Numbers	C Present in 95	D 95 units present in 2004	E Changed in characteristics	F 95 units affected by conversion /merger	G 95 mobile homes moved out	H 95 units changed to nonresidential use	I 95 units lost through demolition or disaster	J 95 units badly damaged or condemned	K 95 units lost in other ways	
1	<b>Occupied units</b>	1,306,300	1,306,300	1,124,200	137,000	1,800	3,700	3,200	23,500	1,800	11,100	1
	<b>Age of Householder</b>											
2	Under 65	1,134,500	1,125,300	890,300	198,500	1,800	1,800	2,800	18,500	1,400	10,100	2
3	65 or older	171,800	181,000	90,800	81,500	0	1,800	500	5,000	500	900	3
	<b>Children</b>											
4	Some	494,400	506,800	245,900	246,100	0	500	1,800	8,300	900	3,200	4
5	None	811,900	799,500	521,500	247,600	1,800	3,200	1,400	15,200	900	7,800	5
	<b>Race/Origin of Householder</b>											
6	White	932,200	928,700	696,200	201,700	1,400	3,700	3,200	12,400	500	9,700	6
7	Hispanic	24,200	24,000	5,400	16,800	0	0	0	500	0	1,400	7
8	NonHispanic	907,900	904,700	639,400	236,400	1,400	3,700	3,200	12,000	500	8,300	8
9	Black	324,600	328,500	223,100	91,600	500	0	0	10,600	1,400	1,400	9
10	Other	49,600	49,100	9,700	38,900	0	0	0	500	0	0	10
11	Total Hispanics	41,600	40,500	10,300	28,300	0	0	0	500	0	1,400	11
	<b>Income Source</b>											
12	Wages and salaries	1,104,900	1,103,600	838,100	231,000	1,400	1,800	2,800	16,600	1,400	10,600	12
13	Welfare or SSI	259,400	273,600	116,700	144,500	500	1,800	500	7,800	500	1,400	13
14	Social security or pension	58,700	64,700	3,600	54,200	0	500	500	5,100	0	900	14

Components of Inventory Change and Rental Market Dynamics:  
Atlanta 1996–2004

**Forward-Looking Table 4: Market Dynamics and Affordability – All Occupied Units**

	A Characteristics	B Published Numbers	C Present in 95	D 95 units present in 2004	E Changed in characteristics	F 95 units affected by conversion /merger	G 95 mobile homes moved out	H 95 units changed to nonresidential use	I 95 units lost through demolition or disaster	J 95 units badly damaged or condemned	K 95 units lost in other ways	
1	<b>Occupied units</b>	1,306,300	1,306,300	1,124,200	137,000	1,800	3,700	3,200	23,500	1,800	11,100	1
	<b>Tenure</b>											
2	Owner occupied	832,200	832,200	696,300	116,200	500	3,200	2,700	7,800	500	5,000	2
3	Percent own occpd	63.7%	63.7%									3
4	Renter occupied	474,100	474,100	279,400	169,200	1,400	500	500	15,700	1,400	6,000	4
	<b>Renter Monthly Housing Costs</b>											
5	Less than \$350	48,900	53,900	22,600	28,000	0	0	0	3,200	0	0	5
6	\$350 to \$599	131,500	129,200	22,500	94,200	500	500	500	5,600	1,400	4,200	6
7	\$600 to \$799	168,300	174,500	50,600	117,300	900	0	0	4,600	0	900	7
8	\$800 to \$1,249	100,100	102,100	32,600	67,700	0	0	0	900	0	900	8
9	\$1,250 or more	10,200	1,800	500	1,400	0	0	0	0	0	0	9
10	No cash rent	15,000	12,700	1,400	9,900	0	0	0	1,400	0	0	10
	<b>Renter Hsd Income</b>											
11	Less than \$15,000	104,800	107,300	27,600	73,700	0	0	0	4,600	0	1,400	11
12	\$15,000 to \$29,999	147,700	148,700	22,200	117,700	900	500	0	3,700	900	2,800	12
13	\$30,000 to \$49,999	120,000	115,900	25,500	82,100	0	0	500	6,000	0	1,900	13
14	\$50,000 to \$99,999	86,200	92,300	11,800	78,700	0	0	0	1,400	500	0	14
15	\$100,000 or more	15,300	10,000	500	9,000	500	0	0	0	0	0	15
	<b>Owner Monthly Housing Costs</b>											
16	Less than \$350	180,000	186,900	64,500	111,900	0	1,800	1,400	5,900	500	900	16
17	\$350 to \$599	110,900	112,100	24,800	82,700	0	500	900	900	0	2,300	17
18	\$600 to \$799	123,200	124,900	13,400	110,100	0	0	0	0	0	1,400	18
19	\$800 to \$1,249	256,100	251,200	70,900	177,500	500	900	500	500	0	500	19
20	\$1,250 or more	162,000	157,100	98,000	58,600	0	0	0	500	0	0	20
	<b>Owner Hsd Income</b>											
21	Less than \$15,000	68,300	67,900	12,500	49,900	0	900	500	2,700	500	900	21
22	\$15,000 to \$29,999	128,700	124,700	21,000	98,300	0	500	1,400	2,300	0	1,400	22
23	\$30,000 to \$49,999	180,800	176,800	34,100	139,100	0	1,400	0	900	0	1,400	23
24	\$50,000 to \$99,999	306,200	309,600	114,100	190,900	500	500	900	1,400	0	1,400	24
25	\$100,000 or more	148,200	153,100	75,600	77,000	0	0	0	500	0	0	25

Components of Inventory Change and Rental Market Dynamics:  
Atlanta 1996–2004

**Backward-Looking Table 1: Structural and Location Characteristics – All Housing Units**

	A Characteristics	B Published Numbers	C Present in 2004	D 04 units present in 95	E Changed in characteristics	G 04 mobile homes moved in	H 04 units derived from nonresidential use	I 04 units added through new construction	J 04 units added from temporary losses	K 04 units added by other means	
1	<b>Total</b>	1,802,800	1,802,800	1,440,500	0	700	4,200	348,200	7,700	1,400	1
	<b>Occupancy Status</b>										
2	Occupied	1,595,800	1,595,800	1,192,300	89,000	700	3,600	303,100	6,100	1,100	2
3	Vacant	203,200	203,200	21,200	135,200	0	700	44,100	1,700	300	3
4	Seasonal	3,800	3,800	0	2,700	0	0	1,100	0	0	4
	<b>Units in Structure</b>										
5	1, detached	1,225,800	1,246,500	986,200	0	0	2,800	253,600	3,500	400	5
6	1, attached	108,900	96,100	59,700	0	0	700	33,900	1,100	700	6
7	2 to 4	68,500	72,400	69,300	0	0	0	2,700	0	400	7
8	5 to 9	105,900	112,100	100,600	0	0	0	9,500	2,100	0	8
9	10 to 19	125,300	132,100	117,400	0	0	0	13,600	1,000	0	9
10	20 to 49	68,600	63,200	41,200	0	0	0	22,100	0	0	10
11	50 or more	32,100	35,600	25,400	0	0	400	9,900	0	0	11
12	Mobile Home/Trailer	67,600	44,800	40,800	0	700	300	3,000	0	0	12
	<b>Year Built</b>										
13	2000-2004	280,000	218,500	0	0	0	0	217,700	700	0	13
14	1995-1999	208,100	179,900	81,600	0	700	0	96,900	700	0	14
15	1990-1994	201,000	199,200	166,800	0	0	0	32,300	0	0	15
16	1985-1989	234,800	256,600	254,800	0	0	700	0	1,100	0	16
17	1980-1984	166,800	180,200	178,400	0	0	400	0	1,400	0	17
18	1970-1979	319,900	344,900	342,200	0	0	700	600	1,400	0	18
19	1960-1969	181,000	192,200	190,100	0	0	700	300	1,100	0	19
20	1950-1959	107,600	116,300	114,200	0	0	700	300	400	700	20
21	1940-1949	52,100	56,300	54,200	0	0	700	0	700	700	21
22	1930-1939	18,800	21,200	20,500	0	0	400	0	300	0	22
23	1920-1929	17,100	19,300	19,300	0	0	0	0	0	0	23
24	1919 or earlier	15,500	18,300	18,300	0	0	0	0	0	0	24



Components of Inventory Change and Rental Market Dynamics:  
Atlanta 1996–2004

**Backward-Looking Table 1 (continued): Structural and Location Characteristics – All Housing Units**

	A Characteristics	B Published Numbers	C Present in 2004	D 04 units present in 95	E Changed in characteristics	G 04 mobile homes moved in	H 04 units derived from nonresidential use	I 04 units added through new construction	J 04 units added from temporary losses	K 04 units added by other means	
	<b>Rooms</b>										
25	1 – 4 rooms	330,800	331,000	199,700	80,500	0	1,800	44,800	3,200	1,100	25
26	5 rooms	349,200	344,800	133,800	147,500	0	700	60,700	2,100	0	26
27	6 rooms	438,600	446,400	161,300	208,400	700	300	74,200	1,100	400	27
28	7 rooms	266,100	271,400	69,800	147,700	0	1,100	52,100	700	0	28
29	8 rooms	171,300	169,600	47,400	80,400	0	0	41,500	400	0	29
30	9 rooms	97,300	93,900	11,000	50,500	0	400	31,700	400	0	30
31	10 rooms or more	149,400	145,600	25,000	77,400	0	0	43,200	0	0	31
	<b>Bedrooms</b>										
32	None	4,900	5,700	1,400	2,800	0	400	800	0	300	32
33	1	157,400	157,200	107,700	25,300	0	700	23,100	0	400	33
34	2	398,000	396,000	255,400	78,000	0	1,800	55,500	4,600	700	34
35	3	742,400	748,400	477,500	135,200	700	700	131,800	2,500	0	35
36	4 or more	500,100	495,600	249,000	108,300	0	700	136,900	700	0	36
37	<b>Multiunit Structures</b>	400,400	415,400	353,800	0	0	400	57,800	3,100	400	37
	<b>Stories in Structures</b>										
38	1	NA	45,100	43,100	0	0	0	2,000	0	0	38
39	2	NA	200,300	184,300	0	0	0	13,600	2,100	400	39
40	3	NA	127,000	101,000	0	0	0	25,000	1,100	0	40
41	4 to 6	NA	29,900	13,600	0	0	400	15,900	0	0	41
42	7 or more	NA	13,100	11,800	0	0	0	1,300	0	0	42
	<b>Metro Status</b>										
43	In central cities	NA	198,800	174,000	0	0	1,800	19,200	3,500	400	43
44	In suburbs	NA	1,604,000	1,266,500	0	700	2,500	329,000	4,200	1,100	44
	<b>Mover Status</b>										
45	Moved in last 2 years	NA	389,900	90,900	185,100	0	400	109,800	2,800	700	45
46	Not a Recent Mover	NA	1,205,900	728,900	276,300	700	3,200	193,200	3,200	400	46

Components of Inventory Change and Rental Market Dynamics:  
Atlanta 1996–2004

**Backward-Looking Table 2: Condition of Unit – All Occupied Units**

	A Characteristics	B Published Numbers	C Present in 2004	D 04 units present in 95	E Changed in characteristics	G 04 mobile homes moved in	H 04 units derived from nonresidential use	I 04 units added through new construction	J 04 units added from temporary losses	K 04 units added by other means	
1	<b>Occupied Units</b>	1,595,800	1,595,800	1,192,300	89,000	700	3,600	303,100	6,100	1,100	1
	<b>Kitchen</b>										
2	With complete kitchen	1,574,800	1,574,900	1,169,500	94,300	700	3,200	300,400	6,100	700	2
3	Lacking complete kitchen facilities	21,000	20,900	0	17,600	0	400	2,600	0	400	3
	<b>Plumbing</b>										
4	With all plumbing facilities	1,587,300	1,586,900	1,179,400	93,300	700	3,600	302,700	6,100	1,100	4
5	Lack some plumbing	8,500	8,900	0	8,500	0	0	300	0	0	5
6	No hot piped water	800	900	0	900	0	0	0	0	0	6
7	No bathtub/shower	0	0	0	0	0	0	0	0	0	7
8	No flush toilet	0	0	0	0	0	0	0	0	0	8
9	No exclusive use	7,700	7,900	0	7,600	0	0	300	0	0	9
	<b>Water</b>										
10	Public/private water	1,552,100	1,544,600	1,132,500	105,400	700	3,600	295,200	6,100	1,100	10
11	Well	42,100	49,300	36,300	5,200	0	0	7,800	0	0	11
12	Other water source	1,600	1,900	500	1,400	0	0	0	0	0	12
	<b>Sewer</b>										
13	Public sewer	1,264,300	1,256,300	850,000	161,200	700	2,900	234,800	5,700	1,100	13
14	Septic tank/cesspool	331,500	339,500	245,000	25,200	0	700	68,200	400	0	14
15	Other	0	0	0	0	0	0	0	0	0	15
	<b>Severe Problems</b>										
16	<b>Severe Problems</b>	16,200	17,300	0	16,700	0	0	700	0	0	16
17	Plumbing	8,500	8,900	0	8,500	0	0	300	0	0	17
18	Heating	6,200	6,500	0	6,200	0	0	300	0	0	18
19	Electric	0	0	0	0	0	0	0	0	0	19
20	Upkeep	2,000	2,400	0	2,400	0	0	0	0	0	20
21	Hallways	0	0	0	0	0	0	0	0	0	21
	<b>Moderate problems</b>										
22	<b>Moderate problems</b>	46,000	46,800	3,300	37,100	0	400	5,300	400	400	22
23	Plumbing	5,000	7,100	500	6,700	0	0	0	0	0	23
24	Heating	5,400	5,700	500	5,300	0	0	0	0	0	24
25	Kitchen	20,200	20,900	0	17,600	0	400	2,600	0	400	25
26	Upkeep	13,500	14,900	500	12,400	0	0	2,000	0	0	26
27	Hallways	4,500	5,300	0	4,300	0	0	700	400	0	27

Components of Inventory Change and Rental Market Dynamics:  
Atlanta 1996–2004

**Backward-Looking Table 3: Household Characteristics – All Occupied Units**

	<b>A</b> Characteristics	<b>B</b> Published Numbers	<b>C</b> Present in 2004	<b>D</b> 04 units present in 95	<b>E</b> Changed in characteristics	<b>G</b> 04 mobile homes moved in	<b>H</b> 04 units derived from nonresidential use	<b>I</b> 04 units added through new construction	<b>J</b> 04 units added from temporary losses	<b>K</b> 04 units added by other means	
1	<b>Occupied units</b>	1,595,800	1,595,800	1,192,300	89,000	700	3,600	303,100	6,100	1,100	1
	<b>Age of Householder</b>										
2	Under 65	1,400,000	1,384,200	941,800	144,400	400	2,900	288,000	6,100	700	2
3	65 or older	195,800	211,600	97,300	97,700	400	700	15,100	0	400	3
	<b>Children</b>										
4	Some	598,500	601,300	261,100	197,700	0	1,100	138,200	3,200	0	4
5	None	997,300	994,500	553,600	268,800	700	2,500	164,900	2,900	1,100	5
	<b>Race/Origin of Householder</b>										
6	White	1,036,000	1,049,300	741,900	114,100	700	1,100	189,800	1,100	700	6
7	Hispanic	88,700	91,900	5,800	76,400	0	0	9,400	400	0	7
8	Non-Hispanic	947,300	957,400	681,400	92,300	700	1,100	180,400	700	700	8
9	Black	502,100	487,100	234,700	142,000	0	2,500	102,800	4,600	400	9
10	Other	57,800	59,400	11,800	36,900	0	0	10,400	400	0	10
11	Total Hispanics	102,600	105,800	11,000	82,200	0	0	12,300	400	0	11
	<b>Income Source</b>										
12	Wages and salaries	1,369,000	1,360,900	830,300	241,800	700	2,900	278,100	6,100	1,100	12
13	Welfare or SSI	268,900	284,500	125,200	126,300	400	700	32,000	0	0	13
14	Social security or pension	52,500	20,000	3,800	15,200	0	0	1,000	0	0	14

Components of Inventory Change and Rental Market Dynamics:  
Atlanta 1996–2004

**Backward-Looking Table 4: Market Dynamics and Affordability – All Occupied Units**

	A Characteristics	B Published Numbers	C Present in 2004	D 04 units present in 95	E Changed in characteristics	G 04 mobile homes moved in	H 04 units derived from nonresidential use	I 04 units added through new construction	J 04 units added from temporary losses	K 04 units added by other means	
1	<b>Occupied units</b>	1,595,800	1,595,800	1,192,300	89,000	700	3,600	303,100	6,100	1,100	1
	<b>Tenure</b>										
2	Owner occupied	1,133,500	1,133,500	747,100	137,000	700	2,200	243,300	2,500	700	2
3	Percent own occpd	71.0%	71.0%								3
4	Renter occupied	462,300	462,300	289,800	107,500	0	1,400	59,800	3,500	400	4
	<b>Renter Monthly Housing Costs</b>										
5	Less than \$350	45,200	51,300	23,700	23,700	0	400	3,600	0	0	5
6	\$350 to \$599	63,100	66,200	23,500	37,400	0	0	3,200	1,800	400	6
7	\$600 to \$799	151,400	154,500	52,600	81,800	0	700	18,000	1,400	0	7
8	\$800 to \$1,249	158,300	152,500	34,100	89,500	0	400	28,600	0	0	8
9	\$1,250 or more	29,000	28,200	500	22,000	0	0	5,700	0	0	9
10	No cash rent	15,300	9,500	1,400	7,100	0	0	700	400	0	10
	<b>Renter Hsd Income</b>										
11	Less than \$15,000	101,900	103,500	28,400	65,300	0	400	9,400	0	0	11
12	\$15,000 to \$29,999	113,800	117,500	23,200	82,100	0	0	9,700	2,500	0	12
13	\$30,000 to \$49,999	136,300	135,500	26,700	87,000	0	700	20,400	700	0	13
14	\$50,000 to \$99,999	87,900	85,300	12,300	55,300	0	400	17,000	400	0	14
15	\$100,000 or more	22,300	20,600	500	16,500	0	0	3,300	0	400	15
	<b>Owner Monthly Housing Costs</b>										
16	Less than \$350	228,400	203,300	69,100	108,300	0	400	24,800	400	400	16
17	\$350 to \$599	149,400	162,800	26,700	112,600	400	400	22,300	400	0	17
18	\$600 to \$799	94,600	99,400	14,400	70,600	0	400	13,600	400	0	18
19	\$800 to \$1,249	311,200	290,400	75,900	141,400	400	700	71,300	700	0	19
20	\$1,250 or more	349,900	377,600	105,200	159,700	0	400	111,300	700	400	20
	<b>Owner Hsd Income</b>										
21	Less than \$15,000	95,500	98,200	13,500	73,800	0	400	10,600	0	0	21
22	\$15,000 to \$29,999	113,900	114,400	22,600	76,400	0	400	14,700	400	0	22
23	\$30,000 to \$49,999	227,800	223,600	36,700	137,000	0	0	49,200	700	0	23
24	\$50,000 to \$99,999	399,100	397,700	122,500	175,800	700	700	96,500	1,100	400	24
25	\$100,000 or more	297,400	299,600	81,000	144,800	0	700	72,400	400	400	25

## **Changes in the Atlanta Housing Stock: 1996-2004**

Forward-looking Table 5 looks at how losses affected certain portions of the Atlanta housing stock. The rows were selected because of their inherent interest or because an examination of losses in all 13 metropolitan areas showed that these categories typically had high loss rates. In most cases, if a category had a high loss rate, then a category with the opposite characteristic would have a low loss rate, e.g., units with 1-4 rooms and units with 10 or more rooms.

**Forward-Looking Table 5: Selected Loss Rates**

Category	Based on Columns in Tables 1-4		
	All Losses 1996-2004 (F+G+H+I+J+K)/C	Permanent Losses (I/C)	Potentially Reversible Losses (F+G+H+J+K)/C
<b>All units</b> <sup>16</sup>	3.9%	2.0%	1.9%
Vacant units	9.5%	4.4%	5.1%
Units in structures with 2-4 units	4.6%	3.6%	1.0%
Units in structures with 5-9 units	7.9%	5.2%	2.7%
Mobile homes/trailers	16.4%	3.1%	13.3%
Units built 1930-1939	15.5%	4.4%	11.2%
Units built 1920-1929	11.9%	6.9%	5.0%
Units built in 1919 or earlier	4.5%	2.9%	1.6%
Units with 1-4 rooms	7.0%	3.4%	3.6%
Units with no bedrooms	5.2%	5.2%	0.0%
Units in central cities	7.9%	5.6%	2.3%
Units outside of central city	3.3%	1.5%	1.9%
<b>Occupied units</b> <sup>17</sup>	3.5%	1.8%	1.7%
Units with severe problems	4.6%	2.3%	2.3%
Units with moderate problems	9.3%	4.6%	4.7%
Units with a White householder	3.3%	1.3%	2.0%
Units with a Black householder	4.2%	3.2%	1.0%
Units with Hispanic householder	4.7%	1.2%	3.5%
Household receives welfare/SSI	10.8%	7.9%	2.9%
Owner-occupied units	2.4%	0.9%	1.4%
Renter-occupied units	5.4%	3.3%	2.1%
Renter-occupied – monthly housing costs less than \$350	5.9%	5.9%	0.0%
Renter-occupied – household income less than \$15,000	5.6%	4.3%	1.3%

<sup>16</sup> All the rows above “Occupied units” refer to portions of the entire housing stock.

<sup>17</sup> All the rows below “Occupied units” refer to portions of the occupied housing stock.

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By 2004, 3.9 percent of the units in the 1996 housing stock was no longer part of the housing stock; 2.0 percent were permanent losses—that is, the units had either been demolished or destroyed by fire or natural disasters—while 1.9 percent were lost in ways that could be reversed, such as nonresidential use.

Units that were vacant in 1996 had a loss rate almost 2.5 times greater than the overall loss rate. Units in small structures also had high loss rates and mobile homes had a very high loss rate. Units built prior to 1940 had high loss rates. Those built between 1920 and 1939 had loss rates 3 to 4 times the average loss rate, while those built in 1919 or earlier had slightly higher than average loss rates. Small units had high loss rates. The central city loss rate was more than twice the loss rate in the rest of the metropolitan area.

Among units occupied in 1996, 3.5 percent were lost by 2004. The loss rate was higher for units with physical problems, and the rate for units with moderate physical problems was twice the rate for those with severe physical problems. The loss rates for units occupied by Black or Hispanic householders were greater than the rate of those occupied by White householders. Units with households on welfare or SSI had high loss rates.

The loss rate among rental units was more than twice the loss rate among owner-occupied units. Low-cost rental units and rental units occupied by the lowest income households had high loss rates.

Backward-looking Table 5 presents addition rates for selected areas of the Atlanta housing stock. The rows were selected because of their inherent interest or because an examination of additions in all 13 metropolitan areas showed that these categories typically had high addition rates. In most cases, if a category had a high addition rate, then a category with the opposite characteristic would have a low addition rate, e.g., units with 10 or more rooms and units with no bedrooms.

Of all the units in the Atlanta housing stock in 2004, 20.1 percent were not in the 1996 housing stock. Most of the new units came from new construction; the return to the housing stock of units that were not available in 1996 accounted for less than 1 percent of the total units in 2004.

Single units in attached structures had an addition rate that was almost twice the average rate, while mobile homes and trailers had a rate less than half the average addition rate. Large units had high addition rates. Almost half of the added zero-bedroom units came from sources other than new construction. The addition rate in central cities was 60 percent of the addition rate in the rest of the metropolitan area.

Blacks had a higher than average rate of additions, the White rate was slightly below average, and the Hispanic rate was substantially below average. There were a substantial number of additions in both the owner-occupied and renter-occupied stock, but the owner-occupied stock had a higher percentage of additions. The addition rates were high for owner-occupied units with monthly housing costs greater than \$1,250 and owner-occupied units with households with income of \$100,000 or more.

**Backward-Looking Table 5: Selected Addition Rates**

Category	Based on Columns in Tables 1-4		
	All Additions (G+H+I+J+K)/C	New Construction I/C	Other Additions G+H+J+K/C
<b>All units</b> <sup>18</sup>	20.1%	19.3%	0.8%
Single-unit, attached structure	37.9%	35.3%	2.6%
Mobile homes/trailers	8.9%	6.7%	2.2%
Units with 9 rooms	34.6%	33.8%	0.9%
Units with 10 or more rooms	29.7%	29.7%	0.0%
Units with no bedrooms	26.3%	14.0%	12.3%
Units in central cities	12.5%	9.7%	2.9%
Units outside of central city	21.0%	20.5%	0.5%
<b>Occupied units</b> <sup>19</sup>	19.7%	19.0%	0.7%
Units with a white householder	18.4%	18.1%	0.3%
Units with a Black householder	22.6%	21.1%	1.5%
Units with Hispanic householder	12.0%	11.6%	0.4%
Owner-occupied units	22.0%	21.5%	0.5%
Renter-occupied units	14.1%	12.9%	1.1%
Renter-occupied – monthly housing costs \$800 to \$1,249	19.0%	18.8%	0.3%
Owner-occupied – monthly housing costs \$1,250 or more	29.9%	29.5%	0.4%
Owner-occupied – household income \$100,000 or more	24.7%	24.2%	0.5%

## **Rental Market Dynamics**

Tables A and B present the rental market dynamics analysis. Rental market dynamics differs from the analysis in rows 5-10 in the forward-looking and backward-looking tables in two ways. First, rental market dynamics uses categories (rows) based on affordability instead of absolute dollar amount. Affordability is defined relative to local area median income measured at the same time that monthly housing costs are measured. Tables A and B use the following seven categories:

- Non-market (either no cash rent or a subsidized rent).
- Extremely low rent (monthly housing costs affordable to renters with incomes less than or equal to 30 percent of local area median income).<sup>20</sup>

<sup>18</sup> All the rows above “Occupied units” refer to portions of the entire housing stock.

<sup>19</sup> All the rows below “Occupied units” refer to portions of the occupied housing stock.

<sup>20</sup> “Affordable” is defined as monthly housing costs less than or equal to 30 percent of the highest income in the category.

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**Table A: Forward-Looking Rental Dynamics Analysis, Counts: 1996-2004**

Affordability Groups	A Total in 1996	B Non- Market in 2004	C Extremely Low Rent in 2004	D Very Low Rent in 2004	E Low Rent in 2004	F Moderate Rent in 2004	G High Rent in 2004	H Very or Extremely High Rent in 2004	I Owner Occupied in 2004	J Seasonal or Vacant in 2004	K Lost to Stock in 2004
<b>Non-market</b>	59,300	21,300	10,400	9,000	1,400	0	500	500	7,200	4,500	4,600
<b>Extremely Low Rent</b>	23,100	1,800	4,500	3,200	900	0	0	0	4,100	8,100	500
<b>Very Low Rent</b>	169,000	4,100	13,700	77,600	5,000	900	0	500	20,800	33,500	13,000
<b>Low Rent</b>	109,800	1,800	2,300	44,300	12,200	4,500	900	0	20,800	17,400	5,600
<b>Moderate Rent</b>	94,000	500	2,300	21,300	15,400	9,500	0	1,800	29,700	12,700	900
<b>High Rent</b>	18,100	0	0	500	2,300	3,200	500	900	7,700	2,300	900
<b>Very or Extremely High Rent</b>	900	0	0	0	0	500	0	0	500	0	0
<b>Total</b>	474,100	29,400	33,200	155,800	37,100	18,500	1,800	3,600	90,800	78,400	25,500

**Table B: Backward-Looking Rental Dynamics Analysis, Counts: 2004-1996**

Affordability Groups	A Total in 2004	B Non- Market in 1996	C Extremely Low Rent in 1996	D Very Low Rent in 1996	E Low Rent in 1996	F Moderate Rent in 1996	G High Rent in 1996	H Very or Extremely High Rent in 1996	I Owner Occupied in 1996	J Seasonal or Vacant in 1996	K New Construc- tion	L Other Additions
<b>Non-market</b>	43,400	22,300	1,900	4,300	1,900	500	0	0	6,600	2,800	2,800	400
<b>Extremely Low Rent</b>	53,400	10,400	4,700	14,400	2,400	2,400	0	0	7,100	6,600	4,300	1,100
<b>Very Low Rent</b>	236,000	9,500	3,300	80,300	45,500	22,300	500	0	19,200	27,000	25,100	3,500
<b>Low Rent</b>	65,600	1,400	500	5,200	12,800	16,100	2,400	0	8,500	3,800	15,000	0
<b>Moderate Rent</b>	47,300	0	0	900	4,700	9,900	3,300	500	14,200	4,600	8,700	400
<b>High Rent</b>	7,200	500	0	0	900	0	500	0	2,700	900	1,600	0
<b>Very or Extremely High Rent</b>	9,300	500	0	500	0	1,900	900	0	2,400	900	2,200	0
<b>Total</b>	462,300	44,500	10,400	105,600	68,200	53,000	7,600	500	60,700	46,800	59,800	5,300



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- Very low rent (monthly housing costs affordable to renters with incomes greater than 30 percent but less than or equal to 50 percent of local area median income).
- Low rent (monthly housing costs affordable to renters with incomes greater than 50 percent but less than or equal to 60 percent of local area median income).
- Moderate rent (monthly housing costs affordable to renters with incomes greater than 60 percent but less than or equal to 80 percent of local area median income).
- High rent (monthly housing costs affordable to renters with incomes greater than 80 percent but less than or equal to 100 percent of local area median income).
- Very high rent or extremely high rent (monthly housing costs affordable to renters with incomes greater than 100 percent of local area median income).<sup>21</sup>

The second difference is that rental market dynamics uses different columns in order to highlight changes in availability and affordability. Columns A through H duplicate the rows so that one can trace how rental units change their affordability status. Columns I and J track movement into or out of the owner-occupied stock or the seasonal or vacant stock, respectively. In Table A, the various types of losses are combined in column K, while, in Table B, new construction is recorded in column K and all other additions in column L.

Table A shows that there were 474,100 rental units in the Atlanta metropolitan area in 1996. In 2004, 194,700 of those units were no longer rental; 90,800 were owner-occupied, 78,400 were either vacant or being used seasonally, and 25,500 had been lost to the stock. Taken as a proportion of the units in 1996, movement into owner-occupancy was highest among units in the three highest rent categories, and losses to the stock were concentrated among non-market units and very low rent units.

Table B shows there were 462,300 rental units in the Atlanta metropolitan area in 2004, of which 172,600 were not rental units in 1996. The new units came from units that had been owner-occupied (60,700), units that had been vacant or in seasonal use (46,800), newly constructed units (59,800), and other additions (5,300). Most of the formerly owner-occupied units went to the moderate rent and very low rent categories; most of the newly constructed rental units went to the moderate rent and low rent categories.

Looking at both tables, we see that the overall number of rental units increased by approximately 15,000 units. The number of extremely low rent and very low rent units combined grew from slightly over 190,000 in 1996 to almost 290,000 in 2004.

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<sup>21</sup> Ideally this final category would be two separate categories with a boundary of 120 percent of local area median income. However, the Census Bureau uses top coding of variables to prevent data users from being able to identify specific units. At the metropolitan area level, top coding of the variables used to calculate housing costs results in monthly housing costs never exceeding the 120-percent boundary in one or both years.

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Tables A and B paint an interesting picture of the evolution of the rental market in Atlanta between 1996 and 2004. Overall, the number of rental units declined by approximately 2.5 percent. The totals conceal considerable movement into and out of the rental market with the gross flows summing to almost 370,000 units. Tables A and B also show that there was considerable movement by individual units across the affordability categories. The net effect of the gross flows into and out of the rental stock and the movement across rental categories was a substantial increase in the number of units affordable to the lowest income renters.

## ***Appendix A – Internal and External Checks***

For the CINCH analysis, we performed two tests of internal consistency:

- For each row, we tested whether the sum of possible outcomes (columns D through K) equaled the number of units present in the base year (column C). In every case, exact equality was achieved prior to rounding.
- Throughout the tables, various sets of rows are related to each other. For example, the year-built rows (13-24) in Table 1 are a disaggregation of the total stock in row 1. Similarly, rows 6 (Whites), 9 (Blacks), and 10 (Other race) in Table 3 are a disaggregation of row 1 (occupied households). In these cases, there should be equality between the parent row and the sum of the break-out rows for all columns except D and E. The difference between column D in the parent row and the sum of column D for the break-out rows should equal the negative of the difference between column E in the parent row and the sum of column E for the break-out rows. In every case, exact equality was achieved prior to rounding.

Column B provides an external check of how well the CINCH weighting performed. In general, the CINCH estimates are within 5 percent of the AHS published totals, and many of the CINCH estimates are very close to the AHS estimates. Footnote 2 indicates where the CINCH weights or coding used for individual rows does not seem to produce the same results as the published estimates.

## **Appendix B – Weighting**

CINCH separates the AHS samples in 1996 and 2004 into three components: units that exist and are part of the housing stock in both years (SAMES), units that are part of the 1996 housing stock but are not part of the 2004 housing stock (LOSSES), and units that are not part of the 1996 housing stock but are part of the 2004 housing stock (ADDITIONS). ADDITIONS are segmented into NEW CONSTRUCTION and RECOVERIES (structures that existed in 1996 but were not in the housing stock).

Because CINCH looks at various subsets of the housing stock, we need to know the characteristics of units and their occupants. Therefore, we can use only those SAMES observations that were interviewed in both years. For the same reason, we can use only those LOSSES that were interviewed in 1996 and those ADDITIONS that were interviewed in 2004.

For the forward-looking analysis, we started with the AHS pure weights and used the AHS weighted count in 1996 of SAMES to create weights for the interviewed SAMES. We used the AHS weighted count in 1996 of LOSSES to create weights for interviewed LOSSES. We then adjusted the weights of SAMES and LOSSES to equal the AHS published totals for owner-occupied units, renter-occupied units, vacant units, and seasonal units in 1996.

For the backward-looking analysis, we started with the AHS pure weights and used the AHS weighted count in 2004 of SAMES to create weights for the interviewed SAMES. We used the AHS weighted counts in 2004 for NEW CONSTRUCTION and for RECOVERIES to create weights for interviewed NEW CONSTRUCTION and interviewed RECOVERIES. We then adjusted the weights for SAMES, NEW CONSTRUCTION, and RECOVERIES to equal AHS published totals for owner-occupied units, renter-occupied units, vacant units, and seasonal units in 2004.

The logic behind the weighting and the procedures used to create the weights are explained in *Weighting Strategy for 2004 Metropolitan CINCH and Rental Dynamics Analysis*.