Analysis of the

ATHENS, GEORGIA HOUSING MARKET

as of April 1, 1966

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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FIELD MARKET ANALYSIS SERVICE
FEDERAL HOUSING ADMINISTRATION
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science the judgmental factor is important in the development of findings and conclusions. There will, of course, be differences of opinion in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst.

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ANALYSIS OF THE ATHENS, GEORGIA, HOUSING MARKET AS OF APRIL 1, 1966

Summary and Conclusions

1. Current nonagricultural employment in the Athens Housing Market Area (HMA) is estimated at 23,300, representing average increases of about 600 yearly since 1960. Over the April 1, 1966 to April 1, 1968 forecast period, employment gains are expected to be slightly greater, with increases averaging 1,000 jobs annually.

2. As of April 1, 1966, the population of the Athens HMA totals about 55,400; about 81 percent of the population resides in the city of Athens. Since 1960, the rate of population growth of the HMA has been much faster than during the preceding decade. Between the 1950 and 1960 Censuses, the population of the HMA increased by an average of 880 annually, while the post-1960 gains have averaged about 1,675 annually. Spurred by the rapidly growing student population and the continued economic growth of the area, the population of the Athens HMA is expected to increase by 2,975 a year over the next two years.

3. There are currently 14,650 households in the HMA, representing average annual increases of 400 since April 1960. Household growth averaged 280 annually during the 1950-1960 period. Based on the expected future population, it is anticipated that the number of households will total 15,850 by April 1, 1968, an average increase of 600 annually over the current level.

4. There are currently about 15,700 housing units in the HMA, representing a net addition to the inventory of about 2,825 units, or about 470 annually, since 1960. During the 1960-1965 period, there were 3,125 privately-financed units authorized by building permits inthe Athens HMA, an average of 520 annually. Building permit authorizations rose sharply during the six-year period. In 1960, fewer than 100 units were authorized by building permits. The number increased in every subsequent year to a 1965 total of almost 1,225. Of the 3,125 units authorized since 1960, 1,625 were single-family units and 1,500 were multifamily units.

5. It is judged that there are currently about 600 available vacant housing units in the Athens HMA, an over-all vacancy rate of 3.9 percent. Of the total available vacancies, 120 are for sale, representing a homeowner vacancy rate of 1.5 percent, and 480 are available for rent, a rental vacancy rate of 6.8 percent. The homeowner vacancy rate represents a reasonable supply-demand balance while the number of rental vacancies is higher than is desirable.

6. The volume of privately-owned net additions to the housing supply that will meet the requirement of anticipated growth during the next two years and result in an acceptable demand-supply balance in the housing market is approximately 575 housing units annually, including 400 sales units and 175 rental units, exclusive of public low-rent housing and rent-supplement accommodations. Of the annual demand for 175 rental units, 50 units will be absorbed only if provided at the lower rents achievable through the use of public benefits, or assistance through subsidy, tax abatement, or aid in financing or land acquisition and cost. The demand for new sales houses by sales price range is expected to approximate the pattern shown on page 19. The demand for rental units, by gross monthly rent and by unit size, is expected to approximate the patterns shown on page 20.

ANALYSIS OF THE ATHENS, GEORGIA, HOUSING MARKET AS OF APRIL 1, 1966

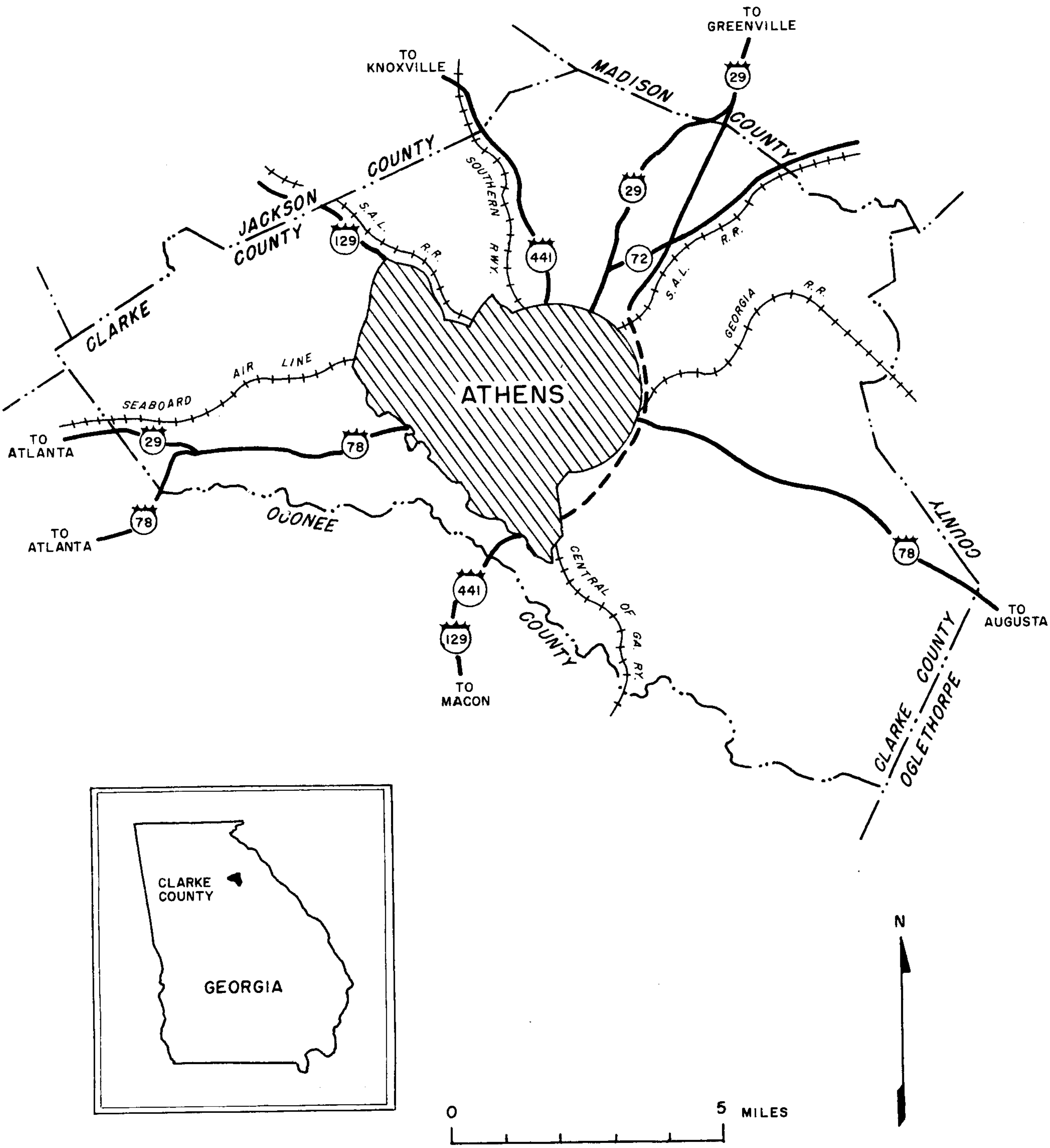
Housing Market Area

For the purposes of this analysis, the Athens, Georgia, Housing Market Area (HMA) is defined as being coterminous with Clarke County, Georgia. In 1960, the population of the HMA totaled about 45,350.[1] Athens, the county seat, is the principal city, and in 1960 accounted for about 69 percent of the total population of the HMA.

Athens is approximately 65 miles northeast of Atlanta, Georgia, 100 miles northwest of Augusta, Georgia, and 95 miles north of Macon, Georgia. Four U.S. highways serve the HMA; U.S. routes 29 and 78 facilitate east-west transportation and U.S. routes 129 and 441 traverse the HMA in a north-south direction. Five railroads serve the HMA with three passenger trains and nine freight trains operating daily. Air passenger and freight service is provided by Southern Airways at the Athens Municipal Airport.

1/ Inasmuch as the rural farm population of the Athens HMA constituted only 2.5 percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and nonfarm data.

ATHENS, GEORGIA, HOUSING MARKET AREA



Economy of the Area

Character and History

The city of Athens was founded in 1801 and incorporated in 1806. Its growth has paralleled that of the University of Georgia, originally Franklin College, which is located in Athens. The University was chartered in 1785 as the country's first State university. While the proximity of Athens to Atlanta has curtailed its growth as a regional trading center, an increasing population brought about by the growth at the University has made trade the most important industry. In recent years, the economic importance of the University has declined relative to the total economy. Several manufacturing firms have located in the HMA, providing growth which is not university-oriented; this has tended to broaden the economic base of the Athens HMA.

Employment

Current Estimate and Past Trend. The Athens HMA is not one of the labor market areas for which the Georgia Department of Labor provides current estimates of the work force, total employment, and unemployment. Based on the nonagricultural employment reported in the 1960 Census and available data on recent employment trends, current nonagricultural employment is estimated to total 23,300, an average increase of 600 annually since 1960.

Data are available for employment covered by the Georgia Employment Security Law. For the first nine months of 1965, covered employment in the Athens HMA averaged 14,000, a gain of 1,450 (11.6 percent) over the comparable period in 1964 (see table I). This is the largest annual increase which has been recorded since 1958. Between 1958 and 1964, covered employment increased from 10,125 to 12,725, a total gain of 2,600. This represents an average increase of 430 a year. Employment gains were smaller during the early years of the period, averaging only 240 a year during the 1958-1962 period. From 1962 to 1964, gains averaged 810 annually.

Manufacturing employment displayed an erratic trend during the 1958-1965 period. There was a sharp increase from 4,775 jobs in 1958 to 5,350 in 1959; small losses were recorded in the next three years, to a 1962 level of 5,075. An upward trend which began in 1963 still seems to be gaining momentum. Manufacturing employment increased by 125 in 1963 and 550 in 1964, and the prospect is for a larger gain for 1965. During the first three quarters in 1965, manufacturing employment averaged 6,500, a gain of 825 over the comparable period in 1964.

Machinery and the "all other" category accounted for most of the growth in manufacturing employment during the 1958-1964 period. Employment in machinery increased from 375 in 1958 to 800 in 1964, a gain of 425. An increase of 125 was registered for the first three quarters of 1965. The "all other" category increased primarily on the basis of growth in employment in the instruments industry. Gains and losses in this sector were virtually offsetting between 1958 and 1963; since 1963 growth has been rapid. Employment in the "all other" category increased by 225 in 1964 and 425 for the first nine months of 1965. The apparel industry and the paper, printing, and publishing industry experienced a general upward trend in employment over the past seven years. Apparel employment increased from 1,000 in 1958 to 1,275 in 1964 and to 1,500 for the first nine months of 1965. Employment in the paper, printing, and publishing category averaged 375 for the January 1965-September 1965 period, compared with 125 in 1958. Employment in the food products industry registered gains during the early part of the period, increasing from 1,450 in 1958 to 1,625 in 1961. Subsequent employment declines have resulted in an employment level of only 1,425 in 1965. Textile employment was at a peak of 750 in 1958; small annual losses resulted in a 1965 level of just 500.

Nonmanufacturing employment increased by 1,625 during the 1958-1964 period, from 5,350 in 1958 to 6,975 in 1964. A small loss occurred between 1958 and 1959 but since that time increases have generally ranged from 200 to 375 a year, the one exception being 1962 to 1963 when 675 jobs were added in nonmanufacturing. For the first nine months of 1965, nonmanufacturing employment averaged 625 above the comparable period for 1964. Trade and construction have provided most of the impetus for growth in the nonmanufacturing sector. In 1958, employment in trade averaged 2,625. Following a small decline in 1959, gains have been recorded annually, to a total of 3,375 jobs in 1964, an increase of 750 jobs during the six-year period. The upward trend in trade employment is continuing into 1965. During the 1958-1964 period, employment in construction increased by 450 jobs, from 800 in 1958 to 1,250 in 1964. Growth in this sector has been unsteady, however. A low of 675 occurred in 1959 and 1960 and a high of 1,350 was attained in 1963. The finance, insurance, and real estate sector and the "all other" category displayed an upward trend during the period, adding 225 and 275 jobs, respectively.

Principal Employment Sources

The University of Georgia, which is not covered under the state-insured employment law, is by far the most important source of employment in the area. The rapid enrollment increase since 1960 has caused a similar increase in employment. Since 1960, full-time employment at the University has increased by an average of about 200 annually, to a current total of about 3,500.

In addition to the University, there are six firms which employ in excess of 300 workers each. The largest of these, General Time Corporation, operates two plants, and manufactures clocks.

Largest Manufacturing Concerns[a/]
Athens, Georgia, HMA

Company	Product
General Time Corp.	Clocks
Westinghouse Electric Corp.	Transformers
Thomas Textile Co.	Infants' garments
Chicopee Mfg. Corp.	Cotton gauze
Colonial Poultry Co.	Chicken processing
Athens Poultry, Inc.	Poultry products

a/ Includes manufacturers with 300 or more employees.

Source: Athens Area Chamber of Commerce.

Unemployment

Georgia Department of Labor data indicate that unemployment in the Athens HMA averaged 2.6 percent of the work force in 1964. The unemployment rate averaged 3.2 percent in 1963 and 3.9 percent in 1962, clearly indicating a downward trend. Data for years prior to 1962 are not available.

Future Employment

Over the April 1966-April 1968 forecast period, it is anticipated that the economy of the HMA will continue to expand, with employment growing by about 1,000 jobs annually. Total nonagricultural employment is expected to reach 25,300 by April 1968. This rate is above the 1960-1966 rate of growth, but approximates the gains recorded in the latter part of the period.

Manufacturing employment is expected to continue its upward trend, with the apparel, machinery, and "all other" categories providing most of the growth. In the nonmanufacturing sector, construction employment is expected to level off while trade will continue its steady upward growth. The other nonmanufacturing categories can be expected to add small increments during the forecast period. Employment at the University of Georgia will continue to grow as a result of a rapidly increasing enrollment.

Income

The current median annual income, after deduction of Federal income tax, of all families in the Athens HMA is $5,725, and the current median after-tax income of all renter families is $4,875.

Detailed distributions of all families and of renter families by annual income for 1966 and 1968 are presented in table II. About 33 percent of all families and 41 percent of all renter families currently have after-tax income below $4,000 annually. At the upper end of the income distribution, 19 percent of all families and 12 percent of all renter families have income of $10,000 or more annually after-tax. Since 1959, the level of income has risen by about 23 percent.

Demographic Factors

Population

Current Estimate. As of April 1, 1966, the population of the Athens HMA totals about 55,400. About 45,150 (81 percent) persons currently reside in the city of Athens and 10,750 (19 percent) live in the rest of the HMA.

Past Trend. Since 1960, the rate of population growth of the HMA has been much faster than during the preceding decade. Between the 1950 and 1960 Censuses, the population of the HMA increased by an average of 880 (2.2 percent)[1] annually, while the post-1960 gains have averaged about 1,675 (3.4 percent) annually.

Population Trend
Athens, Georgia, HMA
April 1950-April 1966

Area	April 1950	April 1960	April 1966
HMA total	36,550	45,363	55,400
Athens	28,180	31,355	45,150
Rest of HMA	8,370	14,008	10,250

Sources: 1950 and 1960 Censuses of Population.
1966 estimated by Housing Market Analyst.

Immigrant students accounted for about a third of the population growth in the 1950-1960 decade and nearly half the growth since 1960. In April 1966, 81.5 percent of the population of the HMA lives in Athens and 18.5 percent in the rest of the HMA. Of the 13,800 growth in the population of the city of Athens since April 1960, about half reflects an annexation to the city in January 1963.

Student Population. University students account for a large segment of the population, about 23 percent of the HMA total. At the beginning of the 1965-1966 school year, enrollment totaled 12,475, compared with 7,525 students at the opening of the 1960-1961 term, an average increase

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[1] All average annual percentage increases, as used in this analysis, are derived through the use of a formula designed to calculate the rate of change on a compound basis.

of about 990 annually. Between 1950 and 1960, the number of students increased at an average rate of 310 a year. The more rapid enrollment increase since 1960 reflects the growing numbers of college-age young people who were born during the post-war "baby boom". By the 1967-1968 shcool year, the university expects enrollment to reach about 15,500, a gain of about 3,000 over the current level.

Currently, about 6,700 students live in group quarters (dormitories, sororities, and fraternities), an average increase of 450 annually since 1960. About 1,100 students live with their parents. Students residing in other housing number about 4,675 at the present time, compared with about 2,825 in 1960, indicating an average gain of 370 annually. An enrollment increase of about 3,000 is anticipated over the forecast period. About 2,000 of these students will be housed in additional group quarters and 1,000 will occupy other housing.

Net Natural Increase and Migration. Population change is the result of net natural increase (resident births less resident deaths) and migration. Between 1950 and 1960, there was a population increase of 8,825, while the net natural increase totaled 6,450, indicating an in-migration of about 2,375. Since 1960, net natural increase has averaged 750 a year, slightly above the 1950-1960 rate, and in-migration has averaged 925 a year, quadruple the rate of the previous decade. Virtually all of the inmigration is accounted for by in-migrant students and the rapid increase in in-migration since 1960 reflects the rapid increase in the student population.

Components of Population Change
Athens, Georgia, HMA
April 1950-April 1966

Components	April 1950-April 1960	April 1960-April 1966
Total population change	8,813	10,050
Average annual increase	881	1,675
Net natural increase	6,444	4,500
Average annual increase	644	750
Net migration	2,369	5,550
Average annual migration	237	925

Sources: 1950 and 1960 Censuses of Population, State of Georgia Department of Health, and estimates of Housing Market Analyst.

Estimated Future Population. Spurred by the rapidly growing student population and the continued economic growth of the area, the population of the Athens HMA is expected to increase by 2,975 a year (5.2

percent) over the next two years, reaching 61,350 by April 1968. Most of the population increase will occur in the city of Athens and the surrounding urban area.

Households

Current Estimate and Past Trend. As of April 1, 1966, the number of households in the Athens HMA totals about 14,650. Of the total, 11,850 are in Athens and 2,800 are located in the rest of the HMA. Between April 1960 and 1966, the number of households increased by 2,375, an average of 400 (3.0 percent) a year, compared with 280 (2.7 percent) a year during the previous decade. The disparity between the rate of growth since 1960 and that of the previous decade may be even greater than appears from these figures since a part of the increase in the number of households between 1950 and 1960 reflects the change in census defintion from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.

Household Trend
Athens, Georgia, HMA
April 1950-April 1966

Area	April 1950	April 1960	April 1966
HMA total	9,474	12,271	14,650
Athens	7,343	8,478	11,850
Rest of HMA	2,131	3,793	2,800

Sources: 1950 and 1960 Censuses of Housing.
1966 estimated by Housing Market Analyst.

The decline in the number of households in that part of the HMA outside the city of Athens is, of course, a reflection of the annexation activity by the city of Athens.

Household Size Trends. The average household size in the Athens HMA declined from 3.43 persons per household in 1950 to 3.33 in 1960. The change in the definition of "housing unit" mentioned earlier, which counted a number of small "housing units" in 1960 that were not counted as "dwelling units" in 1950, accounts for some of the decline. The increase in married students, whose households are small, has also been a factor. Since 1960, the average household size has continued to decline, and is currently about 3.30 persons. The downward trend is expected to continue during the forecast period, reaching 3.29 persons by April 1968.

Estimated Future Households. Based on the expected future population of the HMA, and a small decline in average household size, it is expected that the number of households will total 15,850 by April 1, 1968, an average increase of 600 households (4.0 percent) annually, over the forecast period.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. The current total of 15,700 housing units in the Athens HMA represents a net addition of about 2,825 units (470 a year) over the 1960 Census total of about 12,875. During the previous decade the number of housing units in the inventory increased by about 300 a year, including the units added as a result in the change in census definition referred to earlier.

Characteristics of the Supply. At present, about 73 percent of the housing units in the Athens HMA are in one-unit structures (including trailers). This is a reduction in the proportion of one-unit structures in the housing inventory since 1960 when the census reported almost 77 percent of the housing inventory to be in one-unit structures. The substantial addition of units in five- or more-unit structures has caused the reduction in the proportion of one-unit structures, while raising the percentage of units in structures with five or more units from almost eight percent in April 1960 to about 13 percent in April 1966. The proportion of units in two- to four-unit structures declined slightly during the period, to just below 15 percent of the total.

Housing Inventory by Units in Structure
Athens, Georgia, HMA
April 1960 to April 1966

Units in structure	Number of units April 1960	Number of units April 1966	Percent of total 1960	Percent of total 1966
One[a]	9,903	11,400	76.9	72.6
Two	1,986	2,300	15.4	14.7
Five or more	995	2,000	7.7	12.7
Total	12,884	15,700	100.0	100.0

a/ Includes trailers.

Sources: 1960 Census of Housing.
1966 estimated by Housing Market Analyst.

A distribution of the housing supply by age of structure based on the 1960 Census and adjusted for new construction and the age of units demolished since 1960, is presented in the following table. The rapid growth of the area is evidenced by the fact that almost one-fifth of the housing supply has been built since April 1960. About 26 percent of the units were constructed during the 1950's, while only 23 percent were built during the 1930's and 1940's, exhibiting the low levels of construction during the depression and World War II.

Distribution of the Housing Supply by Year Built[a/]
Athens, Georgia, Housing Market Area
April 1, 1966

Year built	Number of units	Percentage distribution
April 1960 - March 1966	2,975	19.0
1950 - March 1960	4,125	26.3
1940 - 1949	2,000	12.7
1930 - 1939	1,700	10.8
1929 or earlier	4,900	31.2
Total	15,700	100.0

a/ The basic data reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Source: Estimated by Housing Market Analyst, based on the 1960 Census of Housing and adjusted to reflect inventory changes since April 1960.

The condition of the housing supply in the HMA has improved since 1960. Of the 15,700 housing units currently in the HMA, about 3,300, or 21 percent, are considered to be either dilapidated or lacking some or all plumbing facilities. In April 1960, the census reported that over 27 percent (3,500 units) of the housing supply was so classified. The condition of the inventory has improved since 1960 because some of the poorer quality and dilapidated units have been removed through demolition and some existing units have been upgraded in quality.

The 1960 Census reported the median value of owner-occupied units in the Athens HMA at $11,300. Based on recent construction and adjusted for units lost through demolition, the median value has increased to about $12,000, currently. The median gross monthly rent for renter-occupied units was $51 in 1960. Currently, the corresponding figure is about $60 as a result of the increased multifamily construction since 1960.

Residential Building Activity

During the 1960-1965 period, there were 3,125 privately-financed units authorized by building permits in the Athens HMA, an average of 520 annually. In addition, 100 to 300 units were constructed in the unincorporated portion of the HMA in 1960 and 1961, before permits were required in this area. Building permit authorizations rose sharply during the six-year period. In 1960, fewer than 100 units were authorized by building permits. The number increased in every subsequent year to a 1965 total above 1,200. The sharp increase in activity in 1962 reflects the inclusion of unincorporated areas for the first time; building permit volume in Athens remained virtually unchanged.

Dwelling Units Authorized by Building Permits, by Type of Structure[a]
Athens, Georgia, HMA, 1960-1965

Year	Total	Single-family	Two to four-units	Five- or more-units
1960	97	67	22	8
1961	146	83	43	20
1962	423	348	27	48
1963	569	313	36	220
1964	681	409	52	220
1965	1,214	399	40	775

a/ Excludes 254 public housing units authorized in 1962.

Note: In addition, 100 to 300 units were built in 1960-61 without permits.

Sources: Bureau of the Census, C-40 Construction Reports.
Local Building Inspectors.

Of the 3,125 privately-financed units that were authorized in the 1960-1965 period, 1,625 were single-family units and 1,500 were units in structures with two or more units. Single-family construction increased from 70 units in 1960 to 400 units in 1965. Small declines, however, were registered in 1963 and 1965. Since 1962, single-family activity ranged from 310 to 410 units annually and most single-family building activity has taken place in the unincorporated area.

A total of 1,500 privately-financed multifamily units has been authorized since 1960. Virtually all of the multifamily construction has been in the city of Athens. Multifamily construction was at low levels during the 1960-1962 period. A sharp increase occurred in 1963 and that level was maintained in 1964. Multifamily construction virtually tripled in 1965 when building permits were issued for 815 units--almost 54 percent of the total authorizations for multifamily units in the 1960-1965 period.

Units Under Construction. Based upon building permit data and the February 1966 postal vacancy survey, there are about 435 housing units under construction in the Athens HMA at the present time. Of this number, 125 are single-family units and 310 are multifamily units.

Demolitions. Accurate demolition data are not available for the Athens HMA. Based on information from local sources, however, it is judged that about 175 housing units have been lost from the inventory through demolition since 1960. During the two-year forecast period, it is estimated that about 150 units will be demolished, many of which will result from a stepped-up urban renewal program.

Tenure

At present, there are 14,650 occupied housing units in the Athens HMA, of which 8,025 (54.8 percent) are owner-occupied and 6,625 (45.2 percent) are renter-occupied. The current tenure distribution represents a continuation toward increased homeownership in the HMA.

Tenure Trend
Athens, Georgia, HMA
1950, 1960, and 1966

Type of household	April 1950	April 1960	April 1966
All households	9,474	12,271	14,650
Owner-occupied	4,425	6,515	8,025
Percent	46.7%	53.1%	54.8%
Renter-occupied	5,049	5,756	6,625
Percent	53.3%	46.9%	45.2%

Sources: 1950 and 1960 Censuses of Housing.
1966 estimated by Housing Market Analyst.

Vacancy

1960 Census. In April 1960, there were about 350 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the Athens HMA, an over-all vacancy rate of 2.8 percent. Of the total number of available vacancies, 75 were for sale, a homeowner vacancy rate of 1.2 percent. The remaining 275 available vacancies were for rent, representing a rental vacancy rate of 4.6 percent. About 70 of the vacant available units lacked some or all plumbing facilities; virtually all of these units were available for rent.

Postal Vacancy Survey. The Athens Post Office conducted a postal vacancy survey in February 1966. The survey covered 14,117 housing units, about 90 percent of the total HMA housing stock (see table III). At the time of the survey, 514 (3.6 percent) units were vacant. Of this total, 229 were residences, a vacancy rate of 2.0 percent, and 285 were vacant apartments, a vacancy ratio of 10.3 percent in this category. An additional 419 units were reported to be under construction.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses, and some duplexes and structures with addtiional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators the survey serves a valuable function in the derivation of estimates of local market conditions.

Current Estimate. On the basis of the postal vacancy survey, information from local realtors, and personal observation, it is judged that there are currently about 600 available vacant housing units in the Athens HMA, an over-all vacancy rate of 3.9 percent. Of the total available vacancies, 120 are for sale, representing a homeowner vacancy rate of 6.8 percent. The over-all vacancy rate of 3.9 percent is slightly above the rate reported by the postal vacancy survey and reflects a higher level of vacancies in areas not covered by the survey.

Vacant Housing Units
Athens, Georgia, HMA
1960 and 1966

Units	April 1960	April 1966
Total vacant units	613	1,050
Available vacant units	352	600
For sale only	76	120
Homeowner vacancy rate	1.2%	1.5%
For rent	276	480
Rental vacancy rate	4.6%	6.8%
Other vacant units	261	450

Sources: 1960 Census of Housing.
1966 estimated by Housing Market Analyst.

Sales Market

In April 1960, the census reported a homeowner vacancy rate of 1.2 percent. Vacancies in sales units increased slightly during the 1960-1966 period, as indicated by the current homeowner vacancy of 1.5 percent. This level represents a reasonable supply-demand balance in the sales market. Since 1960, subdivision activity has occurred primarily west of the city of Athens. Much of the area was annexed by the city in 1963.

New construction is concentrated in the $15,000 - $25,000 price range. Although there is some demand for new homes priced below $15,000, this demand is generally met from the existing sales inventory. In recent years, demand for more expensive homes, those priced above $25,000, has been increasing. Homes in this category tend to be built on a contract basis while many homes in the $15,000 to $20,000 price range are built on a speculative basis.

Rental Market

As indicated by the current rental vacancy ratio of 6.8 percent, the number of vacancies in the rental inventory is higher than is desirable. The increase in rental vacancies has developed principally since 1962 as a result of the substantial addition of new multifamily units during the past three years. Vacancy rates can be expected to increase markedly over the next few months as units which are currently under construction are completed and placed on the market. Because a substantial portion of the demand for rental units originates from college students, demand is at a peak at the beginning of each new term. It can be expected that some of the excess will be absorbed at the beginning of the fall semester.

Virtually all of the new units constructed since 1960 have been one-bedroom and two-bedroom units in small structures. Monthly rents for one-bedroom units are generally \$90-\$100 for an unfurnished unit and about \$20 a month higher for a furnished apartment. Unfurnished two-bedroom units generally rent for \$105 to \$125 a month, with furnished units slightly higher.

Public Housing

According to the Athens Housing Authority, there are 721 units of public housing in six projects in the HMA. Vacancies are only frictional. There are an additional 150 units currently under construction.

Urban Renewal

At present, there are two urban renewal projects in the HMA, both of which are in the execution stage. The University (R-50) project is located adjacent to the University of Georgia campus and is nearing completion. The project necessitated the relocation of about 30 families. The land will be used by the University to expand present facilities. The College Avenue (R051) project is located on the north side of the downtown business district. It contains about 230 families who will have to be relocated. Proposed re-use is a mix of public, commercial, and residential. Some of the area designated for residential re-use is intended for middle-income housing.

Demand for Housing

Quantitative Demand

The demand for new housing in the Athens HMA is based upon the projected household growth of 600 annually during each of the next two years. To this basic growth factor, adjustments are made for the anticipated volume of residential demolitions, for the current excess of adequate rental vacancies, and for the current level of new construction. Consideration also has been given to the current tenure, expected changes in tenure, and the probability that some part of the demand for rental units will be supplied by single-family houses shifting from owner to renter occupancy.

Based on these considerations, a demand for 575 new residential housing units is forecast for each year during the April 1, 1966 to April 1, 1968 forecast period, excluding demand for public low-rent housing and rent-supplement accommodations. The most desirable demand-supply balance in the market will be achieved if 400 units of the annual demand for new units is supplied as sales housing and 175 units as rental housing. Of the annual demand for 175 rental units, a demand for 50 units will develop only if provided at the lower rents achievable with below-market-interest-rate financing or assistance in land purchase and cost.

The annual demand for sales housing is slightly above the average annual rate of addition of single-family houses in the past. The annual demand for new rental units is somewhat below recent annual additions of multifamily units in the HMA. A high volume of multifamily construction since 1963 has resulted in an excess of available rental vacancies. In addition, the large volume of rental units now under construction will be able to satisfy a substantial part of rental demand of the next two years. Nevertheless, increased enrollment at the University may be expected to support a volume of private rental housing construction significantly above the level of the early years of this decade. That segment of rental demand, however, should be supplied only as it is proved to be firm and the extent of it can be gauged more precisely. Absorption of the relatively large number of rental units now under construction should be checked at frequent intervals to determine the rate of absorption.

Qualitative Demand

Sales Housing. The distribution of the annual demand for 400 additional new sales housing units is shown in the following table. The distribution is based on ability to pay, as measured by current family income and the ratio between net income and purchase price found to be typical in the Athens HMA. Adequate sales housing cannot be produced to sell below $10,000 in the HMA at present.

Estimated Annual Demand for New Sales Housing, by Price Class
Athens, Georgia, Housing Market Area
April 1, 1966 to April 1, 1968

Sales price	Number	Percent
$10,000 - $11,999	40	10
12,000 - 13,999	45	11
14,000 - 15,999	60	15
16,000 - 17,999	55	14
18,000 - 19,999	45	11
20,000 - 24,999	70	18
25,000 - 29,999	40	10
30,000 and over	45	11
Total	400	100

Rental Housing. Acceptable new privately-owned rental housing can be produced only at gross rents at and above the minimum levels achievable under current construction and land costs. In the Athens HMA, it is judged that minimum monthly gross rents achievable without public benefits or assistance in financing or land purchase are $75 for efficiencies, $90 for one-bedroom units, $105 for two-bedroom units, and $120 for three- or more-bedroom units. Total annual demand for 175 new rental units is indicated by gross monthly rent and unit size in the following table. These net additions, which exclude public low-rent housing and rent-supplement accommodations, may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition.

Estimated Annual Demand for New Rental Units
Athens, Georgia, HMA
April 1, 1966 to April 1, 1968

Unit size	Number of units	Gross monthly rent
Efficiency	5	$ 75 - $ 84
	5	$ 85 or more
One-bedroom	20	$ 70 - $ 89
	30	$ 90 - $119
	20	$120 or more
Two-bedroom	20	$ 80 - $104
	30	$105 - $139
	15	$140 or more
Three- or more-bedroom	10	$ 90 - $119
	15	$120 - $149
	5	$150 or more
Total	175	

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Individual projects may differ from the general pattern in response to specific neighborhood or submarket requirements.

APPENDIX TABLES

Table I

Nonagricultural Employment by Industry Group
for Workers Covered by the Georgia Employment Security Law
Athens, Georgia, Housing Market Area
1958-1965
(Annual averages)

Industry	1958	1959	1960	1961	1962	1963	1964	Jan.-Sept. 1964	Jan.-Sept. 1965
Total insured employment	10,125	10,550	10,725	11,050	11,100	11,900	12,725	12,550	14,000
Manufacturing	4,775	5,350	5,325	5,275	5,075	5,200	5,750	5,675	6,500
Food	1,450	1,550	1,525	1,625	1,375	1,350	1,400	1,400	1,425
Textile	750	750	675	625	525	500	525	525	500
Apparel	1,000	1,125	1,175	1,200	1,200	1,150	1,275	1,275	1,500
Paper, print., & pub.	125	250	250	250	300	350	325	325	375
Machinery	375	600	675	600	650	675	800	800	925
Other	1,075	1,075	1,000	1,000	1,025	1,125	1,400	1,350	1,775
Nonmanufacturing	5,350	5,200	5,400	5,775	6,025	6,700	6,975	6,875	7,500
Construction	800	675	675	825	950	1,350	1,250	1,250	1,425
Trans., comm., & util.	750	550	575	575	575	650	675	675	725
Trade	2,625	2,600	2,725	2,800	2,950	3,150	3,375	3,325	3,550
Fin., ins., & real est.	375	475	525	575	550	575	600	600	625
Other	800	875	900	975	1,000	975	1,075	1,050	1,175

Note: Subtotals may not add to totals because of rounding.

Source: Georgia Department of Labor, Employment Security Agency.

Table II

Estimated Percentage Distribution of Families by Annual Income
After Deducting Federal Income Tax
Athens, Georgia, Housing Market Area

Income	1966 All families	1966 Renter families	1968 All families	1968 Renter families
Under $2,000	11	16	10	15
$2,000 - 2,999	11	12	11	11
3,000 - 3,999	11	13	10	13
4,000 - 4,999	10	11	10	10
5,000 - 5,999	9	10	9	10
6,000 - 6,999	9	10	8	9
7,000 - 7,999	8	7	8	8
8,000 - 8,999	6	5	6	6
9,000 - 9,999	6	4	6	4
10,000 - 12,499	8	6	9	7
12,500 - 14,999	6	(	7	(
15,000 and over	5	(6	6	(7
Total	100	100	100	100
Median	$5,725	$4,875	$6,050	$5,150

Source: Estimated by Housing Market Analyst.

Table III

Athens, Georgia, Area Postal Vacancy Survey

February 11-12, 1966

Postal area	Total residences and apartments: Total possible deliveries	Vacant units: All	%	Used	New	Under const.	Residences: Total possible deliveries	Vacant units: All	%	Used	New	Under const.	Apartments: Total possible deliveries	Vacant units: All	%	Used	New	Under const.	House trailers: Total possible deliveries	Vacant: No.	%
Athens	14,117	514	3.6	299	215	419	11,345	229	2.0	166	63	110	2,772	285	10.3	133	152	309	316	59	18.7
Main Office	9,265	332	3.6	191	141	381	7,195	156	2.2	116	40	84	2,070	176	8.5	75	101	297	191	58	30.4
Alps Road	4,852	182	3.8	108	74	38	4,150	73	1.8	50	23	26	702	109	15.5	58	51	12	125	1	0.8

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i.e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FHA postal vacancy survey conducted by collaborating postmaster(s).