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Analysis of the

ATLANTA, GEORGIA HOUSING MARKET

as of April 1, 1972

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
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A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D.C. 20411

July 1972

Housing Market Analysis

Atlanta, Georgia, as of April 1, 1972

Foreword

This analysis has been prepared for the assistance and guidance of the Department of Housing and Urban Development in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing problems and trends. The analysis does not purport to make determinations with respect to the acceptability of any particular mortgage insurance proposals that may be under consideration in the subject locality.

The factual framework for this analysis was developed by the Economic and Market Analysis Division as thoroughly as possible on the basis of information available on the "as of" date from both local and national sources. Of course, estimates and judgments made on the basis of information available on the "as of" date may be modified considerably by subsequent market developments.

The prospective demand or occupancy potentials expressed in the analysis are based upon an evaluation of the factors available on the "as of" date. They cannot be construed as forecasts of building activity; rather, they express the prospective housing production which would maintain a reasonable balance in demand-supply relationships under conditions analyzed for the "as of" date.

Department of Housing and Urban Development
Federal Housing Administration
Economic and Market Analysis Division
Washington, D. C.

FHA HOUSING MARKET ANALYSIS - ATLANTA, GEORGIA
AS OF APRIL 1, 1972

The Atlanta, Georgia, Housing Market Area (HMA) is coextensive with the Atlanta Standard Metropolitan Statistical Area (SMSA) as defined by the U. S. Office of Management and Budget and the Atlanta Labor Market Area. The HMA is comprised of five counties in Georgia: Cobb, Clayton, Fulton, DeKalb, and Gwinnett. Because of the sizable geographic area included in the HMA, the area has been divided into five submarkets to facilitate a more meaningful presentation of data as follows: (1) Cobb Submarket, which includes all of Cobb County; (2) Clayton Submarket, which includes all of Clayton County except the city of College Park; (3) DeKalb Submarket, which includes all of DeKalb County except for that part of the city of Atlanta located in DeKalb County; (4) Fulton Submarket, which includes all of Fulton County, plus that portion of the city of Atlanta in DeKalb County and that portion of the city of College Park situated in Clayton County; and (5) Gwinnett Submarket, which includes all of Gwinnett County.

Increases in nonfarm employment were substantial in the Atlanta area during the latter half of the 1960's, averaging 30,800 a year. However, the annual average increase in wage and salary employment was only 10,450 yearly between 1969 and 1971, resulting in a significant decline in the level of in-migration into the area. At the same time, the volume of residential construction in the HMA increased sharply to record high levels. As a result vacancies in all submarket areas, particularly in the rental inventory, have increased to levels well above those considered desirable for a reasonable balance between housing demand and housing supply. Moreover, a further increase in rental vacancies can be anticipated during the next two years because of the large number of apartment units in the HMA still under construction or in planning.

Anticipated Housing Demand

An average annual demand for 22,000 new nonsubsidized housing units is anticipated in the Atlanta HMA during the April 1972 to April 1974 forecast period, subject of course to unforeseen economic or demographic variations which might tend to alter demand significantly. It is judged that the market demand would best be met if 12,000 of these units were supplied as sales housing and 10,000 as units in multifamily structures. In addition, it is estimated that an average of 750 mobile home spaces could be absorbed in the HMA annually during the next two years.

The projected annual demand for 12,000 nonsubsidized sales units is below the total of 15,139 single-family units authorized by building permits in the HMA during 1971. It is, however, above the range within which new sales housing has been absorbed in the HMA each year for nearly a decade. As discussed later in this report, the number of single-family houses authorized by building permits in the HMA has ranged, with few exceptions, between 9,000 and 11,000 annually since the early 1960's. See table I for a distribution of the annual demand for sales housing by price class. The annual demand for 10,000 new nonsubsidized rental units is slightly below the average level of nonsubsidized apartment construction in the HMA between 1967 and 1969 and is substantially below the number of new apartment units authorized by building permits during 1970 and 1971. Assuming that a vacancy rate of about 6.0 percent would represent a reasonable balance between housing demand and supply, the increase in rental construction during 1970 and 1971 has produced an excess of roughly 4,500 vacant rental units of standard quality in the HMA at the present time. In addition to these, there is a considerable number of rental units (probably close to 30,000) for which building permits have been issued, but which have not been completed. Thus, although the average annual increase in the number of renter households has accelerated in the last two years, the current excess number of vacant units of standard quality, plus those under construction and in planning, should be more than sufficient to meet the needs of the nonsubsidized rental market during most, if not all, of the two-year forecast period.

It should be emphasized that the estimates discussed above are not meant to be a prediction of the actual construction volume in the HMA, but are intended to indicate levels of new construction that would result in a balanced demand/supply relationship by the end of the forecast period. In the Atlanta rental market, it is likely that the level of vacancies will continue to rise during the next two years and further aggravate the current undesirable rental market situation. For this reason, no additional nonsubsidized apartment construction should be contemplated until some signs of improvement are noted.

Occupancy Potential for Subsidized Housing

Federal assistance in financing costs for low- and moderate-income families may be obtained through a number of different programs administered by HUD: monthly rent supplements in rental projects financed under

Section 221(d)(3); partial payment of interest on home mortgages insured under Section 235; partial interest payment on project mortgages insured under Section 236; and assistance to local housing authorities for public low-rent housing. Monthly rent supplements also can be provided for a limited number of units in rental projects insured under the provisions of Section 236.

For each program, the estimated occupancy potential is designed to determine (1) the number of families and individuals who can be served under the program and (2) the proportion of these households that can reasonably be expected to seek new subsidized housing during the forecast period. Household eligibility for the Section 235 and Section 236 programs is determined primarily by evidence that household or family income is below established limits, but is sufficient to pay the minimum rent or monthly payment achievable for the specified program. Under the public housing and rent-supplement programs, all families and individuals below a specified income limit are assumed to be eligible. There may also be other requirements for eligibility such as the requirement that current living accommodations be substandard for families or individuals to be eligible to receive rent supplements. Some families may be alternatively eligible for assistance under one or more of these programs or under other programs utilizing federal, state, or local support. In the Atlanta HMA, the total occupancy potential for federally-assisted housing is estimated to be 6,850 units annually during the April 1972 to April 1974 forecast period. As shown in table II, the total occupancy potential approximates the sum of the potential for public low-rent housing and Section 236 housing. Future approvals under these programs should take into account any intervening approvals under other federal, state, or local programs which serve the same families and individuals.

The annual occupancy potentials are based upon 1972 incomes, the occupancy of substandard housing, estimates of the elderly population, and on income limits currently in effect. They have been calculated to reflect also the estimated absorptive capacity of the market in view of the current and prospective housing conditions. In addition, the successful attainment of the potentials may well depend upon construction in suitable, accessible locations, as well as a distribution of rents and sales prices over the complete range attainable for new housing under the specified programs.

Section 235 and Section 236 Housing. Assisted housing for households with low to moderate incomes through partial payment of interest on home and project mortgages can be provided under the provisions of either Section 235 (sales housing) or Section 236 (rental housing). Units for elderly couples and individuals also can be provided under the Section 236 program. Utilizing regular income limits, it is estimated that there is an annual occupancy potential in the Atlanta area for a total of 2,750 units under Section 235, Section 236, or a combination of the two programs. There is in addition a potential for 850 units of Section 236 rental housing for elderly couples and individuals annually during the two-year forecast period.

As of January 1, 1972 (the latest date for which data were available), approximately 1,285 new units in the HMA had been insured under the provisions of Section 235, including 115 units in 1969, 480 units in 1970 and 690 units in 1971. Of these units, approximately 41 percent of the total (530 units) were in the Clayton submarket and 37 percent (475 units) were in the Cobb submarket. To date, activity under the Section 235 program has been limited to only a few units in the DeKalb and Gwinnett submarkets. Under the Section 236, Section 221(d)(3) BMIR, and Section 202 programs, approximately 5,450 units, including 4,450 in Atlanta, had been completed in the HMA as of April 1972.^{1/} An additional 5,225 units (3,300 in Atlanta and 1,925 in other areas) were under construction as of April 1972.

Public Housing and Rent-Supplement Programs. These programs serve families in essentially the same low-income group. The principal differences arise from the manner in which net income is computed for each program and for other eligibility criteria. For the HMA, the annual occupancy potential for public low-rent housing is estimated to be 2,950 units for families and 1,300 units for the elderly, a total of 4,250 units. About 15 percent of the families eligible for public housing are eligible for Section 235 or Section 236 housing, and 40 percent of the elderly families and individuals eligible for public housing also qualify under Section 236. Under the rent-supplement program, the potential for families would be 1,625 units, or 55 percent of the figure shown above, but the elderly market would remain unchanged.

As of April 1, 1972, there were approximately 16,650 low-rent public housing units under management in the HMA, of which 13,650 units were in the city of Atlanta and 3,000 units were located elsewhere in the HMA. An additional 1,150 units (1,010 in Atlanta and 140 in other areas) were under construction in April 1972. The inventory of rent-supplement accommodations in April 1972 was only 240 units. An additional 340 rent-supplement units were under construction, including a 150-unit project in suburban Marietta which was acquired by HUD prior to completion.

As discussed in the preceding paragraphs, the number of public low-rent housing units and rent-supplement accommodations expected to be completed in the HMA during the first year of the two-year forecast period is well within the estimated annual occupancy potential for such housing. Conversely, the number of Section 236 units currently under construction

^{1/} Because of similar family size and income requirements, most of the families and elderly households eligible for housing produced under Section 221(d)(3) BMIR and Section 202 also are eligible for housing produced under Sections 235 and 236. The Section 202 program for the elderly, under which 630 units were completed, has been phased out, and applications for this type of housing now are processed under Section 236. The Section 221(d)(3) BMIR program, with 3,625 units completed, also has been phased out, and the completion of 325 units currently under construction will complete that program in the Atlanta metropolitan area.

(nearly 4,900) is well above the estimated annual occupancy potential for housing produced under this program. In addition, past trends indicate that an increasing number of eligible families will be accommodated in Section 235 sales housing during the next two years. Some of the Section 236 units currently under construction will not be completed until sometime in 1973; however, the number of subsidized units expected to be completed during 1972 will be far in excess of any total ever completed in the Atlanta area during a one-year period. Although occupancy experience in the Section 221(d)(3) BMIR and Section 236 projects continues to be good, there are indications of overbuilding in the nonsubsidized rental market, as evidenced by rent reductions and rent concessions in some submarket areas. Because of this, it is quite possible that some nonsubsidized developments will be highly competitive with Section 236 projects completed in the next year or so, particularly those subsidized projects in the higher rent ranges. Because of the rental market conditions that prevail in the Atlanta area at the present time, the rate of absorption of newly completed subsidized projects should be monitored carefully, and the occupancy of existing projects should be watched for indications of rising vacancies. Until the market clearly indicates successful absorption of the large number of Section 236 units now under construction, restraint should be exercised in approval of additional projects. The utilization of the HUD Section 23 leased housing program for low-income families might be considered if the vacancy rate in subsidized rental projects starts to increase.

The Rental Market

The character of the Atlanta rental market has changed drastically during the last two years. For several years prior to 1970, the volume of new multifamily construction trended steadily upward. During this period, in-migration was substantial in response to rapid increases in employment opportunities, and this resulted in the rapid absorption of new apartment units in the Fulton and DeKalb submarkets where most of the new rental units were being constructed. There was a moderate surplus of vacant rental housing in the Clayton and Cobb submarkets in 1970; the latter area was adversely affected by employment losses at Lockheed. On an over-all basis, however, the 6.2 percent vacancy rate in the HMA at the time of the 1970 Census was not an unreasonable level for a fast-growing large metropolitan area. During 1970 and 1971, however, in-migration slowed somewhat and there was a sharp increase in the volume of new apartment construction in all Atlanta submarkets, resulting in a rapid increase in the over-all renter vacancy rate from 6.2 percent to 9.3 percent in just two years. Moreover, vacancies likely will continue to increase during 1972 and 1973 because of the large number of rental units currently under construction and in planning.

At the present time, the most adverse rental market conditions in the HMA are in the Cobb and Clayton submarkets. The rental market in the Cobb submarket area, particularly in the vicinity of Marietta and Smyrna, has been adversely affected by layoffs in the transportation equipment industry. In 1971, over 5,785 units in multifamily structures were authorized in the Cobb submarket, more than in the two preceding years, suggesting

that vacancies in this area may increase still further in the next two years. The soft market conditions that characterized the Clayton submarket during 1970 and 1971 resulted from an excessive number of completions in that area at a time when multifamily construction increased sharply in all other submarket areas. As a result, there are a large number of vacant new rental units in this submarket which have never been occupied. In these two submarkets, rents have been lowered in some projects, rent concessions such as one-month free rent, paid moving expenses, and free appliances are being advertised, and short-term leases also are available. In addition, several projects which had been fully occupied now have vacancy rates of 10 to 15 percent. These adverse market conditions are not in evidence as yet in the Fulton and DeKalb submarkets, which in the last several years have accounted for about three-fourths of the apartment construction in the HMA. However, a record number of units are under construction in these submarkets at the present time, and it appears inevitable that both these areas will have an oversupply of vacant rental units during the next two years. The Gwinnett submarket has the lowest vacancy rate of any area in the HMA at the present time, primarily because comparatively few apartment units have ever been completed. Building permit authorizations averaged only 150 units annually in multifamily structures in this area between 1965 and 1970. Nearly 1,050 units in multifamily structures were authorized in 1971, exceeding the total of the preceding six years, but most of these had not been completed as of April 1972.

The Sales Market

The homeowner vacancy rate in the HMA declined during the 1960's, from 2.4 percent in 1960 to 1.5 percent in April 1970. The decrease in vacancy was especially significant in the latter half of the decade because of high levels of in-migration and restrictions in the mortgage market which were largely responsible for limiting new single-family construction to fewer than 9,000 units in both 1966 and 1969. There has been a moderate increase in vacancy in the HMA since 1970, and this upward trend probably will continue during 1972 because of the large number of units (nearly 15,150) authorized by building permits in 1971. Nevertheless, the market for both new and existing sales housing continues to be firm; new units are being satisfactorily absorbed, and there are no indications as yet of sales market problems in any of the HMA submarkets.

A comparatively high proportion of the single-family homes built in the HMA are sold after the start of construction. In recent years, from two-thirds to three-fourths of the units included in the annual FHA unsold inventory surveys have been built speculatively. In the last five years (1967 through 1971) the proportion of the units built speculatively that remained unsold at the end of the year were 21 percent, 14 percent, 18 percent, 19 percent, and 13 percent, respectively, an indication that, on an over-all basis, few difficulties have been encountered with new home sales. As compared with January 1971 results, the January 1972 FHA unsold inventory survey reported that the ratio of unsold speculatively-built new homes either declined or remained the same in each of the five Atlanta submarket areas. The current favorable experience in the sales market is partly attributable to "backlog" demand from recent periods of home-mortgage-fund scarcities. Continuation of recent rates of single-family

production must be expected to result in increases in sales vacancies and to extended periods of sale. Current marketing should be carefully monitored to assure prompt adjustment of single-family production rates as soon as there is a slowdown in the rate of current absorption.

The DeKalb submarket has accounted for more single-family construction than any other Atlanta submarket since the early 1960's, and in recent years has accounted for a greater proportion of higher-priced units (\$35,000 and above) than any other area. New single-family construction in the Fulton and Gwinnett submarkets is concentrated in more moderate price ranges (\$25,000 to \$40,000), while a comparatively high proportion of the units constructed recently in the Clayton and Cobb submarkets are priced under \$25,000. Most of the new homes in the HMA financed under the provisions of Section 235 are located in the latter two submarket areas.

Economic, Demographic, and Housing Market Factors

The estimated annual demand for new nonsubsidized housing in the Atlanta HMA during the April 1972 to April 1974 period is based on the following findings and assumptions regarding economic factors, income, demographic patterns, and trends in the housing market.

Employment. Increases in nonfarm wage and salary employment in the Atlanta area were substantial between 1966 and 1969. As shown in table III, wage and salary employment increased from 510,300 workers in 1966 to 602,700 workers in 1969, an average gain of 30,800 a year. However, between 1969 and 1971 nonfarm employment increased by an average of only 10,450 workers a year, the lowest annual rate of growth in the Atlanta area in more than a decade. The declining rate of growth during this period reflects a sharp decline in manufacturing employment and smaller than typical increases in nonmanufacturing employment.

Manufacturing employment in the HMA increased by an average of nearly 4,075 jobs a year between 1966 and 1969, with most of the increase occurring between 1968 and 1969. About one-half of the 1966 to 1969 increase in manufacturing employment occurred in the transportation equipment industry. During the last two years (1969 to 1971) there was a reversal of the upward trend in manufacturing as employment declined by an average of 7,200 jobs a year. The decline in manufacturing employment occurred primarily because of layoffs in the transportation equipment industry. The national economic slowdown during 1970 and 1971 also had an adverse effect on the Atlanta economy. Employment in 1971 was lower than the 1969 level in nine of the 17 manufacturing categories shown in table III.

Nonmanufacturing employment has had a more consistent pattern of growth in recent years than has manufacturing. Employment in trade, services, and government accounted for over three-fourths of nonmanufacturing employment growth between 1966 and 1971, a pattern similar to that of many other major metropolitan areas during the same period. Atlanta also functions as a regional distribution, transportation, and

administrative center for the southeastern United States, resulting in the inclusion of some employment of a basic nature in all nonmanufacturing employment groups, especially the trade, transportation, and finance, insurance, and real estate groups. However, employment growth in nonmanufacturing has moderated in recent years, from an average of nearly 26,750 jobs a year between 1966 and 1969 to an average increase of 17,650 a year between 1969 and 1971. The declining rate of growth in nonmanufacturing, particularly in trade, can be attributed to curtailed consumer spending because of the uncertain economic conditions that prevail both nationally and locally.

Between 1966 and 1969, a period of rapid economic growth, the number of unemployed persons in the Atlanta area ranged between 16,000 and 16,600, and the rate of unemployment declined steadily from 2.8 percent to 2.3 percent. During 1970 and 1971, cutbacks in employment in the transportation equipment and other layoffs precipitated by the slowdown in the national economy led to an increase in the rate of unemployment to 3.7 percent in 1971. Despite the recent upturn in unemployment, the rate of unemployment in the HMA is lower than in most other major labor market areas in the country at the present time.

Employment prospects in the Atlanta area for 1972 and 1973 are for continued moderate growth at levels above those of the 1969 to 1971 period, but well below the average annual gains of the middle and late 1960's. Employment in manufacturing, particularly in the transportation equipment industry, is expected to decline by several thousand additional jobs during 1972. A resumption of hiring by other manufacturing firms in the area as the national economy improves may result in a small increase in manufacturing employment in 1973. However, an over-all decline in manufacturing employment is expected during the forecast period because the moderate increase expected during 1973 probably will not be sufficient to offset the decline in manufacturing employment expected during 1972. Although near-term employment growth in nonmanufacturing may be somewhat limited by the current business slump, an increasing rate of growth in most nonmanufacturing categories, particularly trade and construction, can be anticipated during the forecast period. Premised on the preceding factors, nonfarm employment in the HMA is expected to increase by an average of 20,000 jobs a year during the April 1972 to April 1974 forecast period, with all of the increase expected to occur in nonmanufacturing.

Income. As of April 1972, the estimated median annual income of all families in the Atlanta HMA, after deducting federal income tax, was \$10,800. The median after-tax income of renter households of two persons or more was \$7,525 a year. Within the HMA, the median income for all families and renter households was highest in the DeKalb submarket and lowest in the Gwinnett submarket. Detailed distributions of all families and renter households by annual after-tax income for the HMA are shown in table IV; the median of all family and renter household incomes for each submarket also are shown.

Population. The population of the Atlanta HMA was estimated at 1,460,000 persons as of April 1, 1972, an increase of nearly 69,850 persons (34,925 annually) since April 1970. During the 1960 to 1970 period, population growth in the HMA averaged 37,298 persons a year (see table V). Although the rate of population growth has increased in the Clayton and Gwinnett submarkets since 1970, the average annual gain has declined moderately in the Fulton and DeKalb submarkets and has dropped sharply in the Cobb submarket, which has been adversely affected during the last two years by layoffs at the Georgia Lockheed Corporation. The lower rate of population growth in the HMA during 1970 and 1971 was a reflection of a declining rate of economic growth which resulted in a lower level of net in-migration to an average of about 15,000 persons a year during the last two years as compared with an average of 20,000 persons yearly during the 1960's. It should be noted, however, that the rate of in-migration during the last two years was substantially less than it was during the latter half of the 1960 decade because the high rates of employment growth during that period induced a comparatively high rate of in-migration. It is estimated that in-migration into the HMA averaged between 25,000 and 30,000 persons a year during the latter half of the 1960's, or at an average rate nearly double the average annual rate of in-migration during the last two years.

Over the next two years (April 1972 to April 1974) the population of the HMA is expected to increase by an average of 38,000 persons a year. This increase is based on the expected continuation of an upward trend in net natural increase (excess of resident births over resident deaths) which began in the late 1960's and a moderate increase in in-migration in response to higher levels of employment growth. See table VI for population trends in major HMA submarkets since 1960.

Households. As of April 1, 1972, there were an estimated 463,000 households (occupied housing units) in the Atlanta HMA, an average gain of 16,850 households a year since April 1970. During the 1960's the number of households in the HMA increased by an average of 13,793 annually. Since the mid-1960's, the annual rate of household growth in the HMA has exceeded that of population because of the in-migration of many young persons into the HMA and an increase in the number of marriages. This has resulted in an increasing proportion of smaller one- and two-person households in the HMA, and is reflected in the sharp decline in the average household size in all submarket areas.

Based on anticipated population growth and a continued, albeit slower, decline in average household size, it is estimated that the number of households in the HMA will increase by an average of 18,000 a year during the April 1972 to April 1974 forecast period. See table VI for household trends in the major submarkets of the HMA between 1960 and 1974.

Housing Inventory. As of April 1, 1972, there were an estimated 494,000 housing units in the Atlanta area, an increase of 43,650 units (21,825 a year) since April 1, 1970. The net gain in the inventory resulted from the completion of 53,250 housing units and the net addition of 1,500 mobile homes, less 11,100 units removed from the inventory

through demolition, fire loss, and other causes. Between April 1960 and April 1970, the housing supply in the HMA increased by an average of fewer than 14,200 units a year. Although nearly 48 percent of the HMA housing supply is in the Fulton submarket at the present time, that area accounted for only one-fourth of the increase in the housing inventory between April 1960 and April 1972 because new residential construction was partially offset by a large number of units removed from the inventory through demolitions and other causes. Between 1960 and 1972, nearly 36 percent of the increase in the HMA housing supply was in the DeKalb submarket, more than in any other submarket area. Changes in the HMA housing supply by major submarket area are shown in table VI.

With the exception of 1966, new residential construction in the HMA, as measured by building permits, ranged between 20,700 and 24,350 units annually during the latter half of the 1960 decade. However, new construction in the HMA has accelerated sharply in the last two years. A total of 30,459 units (the largest annual total ever reported in the HMA up to that time) was authorized by building permits in 1970, and 48,272 units were authorized in 1971, more than double the 1969 total. The increase in the number of units authorized by building permits during the last two years is evident in all of the major submarket areas (see table VII), and suggests that a record number of new housing units will be completed in the Atlanta area during 1972 and 1973. Prior to 1971, the volume of single-family construction in the HMA was comparatively stable for several years. With the exception of 1966 and 1969, when restrictive mortgage market conditions prevailed, the volume of single-family construction in the HMA ranged between 9,000 units and 11,000 units annually between 1960 and 1970. The DeKalb submarket supplanted the Fulton submarket in the early 1960's as the area of greatest single-family construction, and has maintained that position ever since. The Gwinnett submarket, which is furthest from downtown Atlanta, has had an increasing volume of single-family construction since the mid-1960's as some builders have sought to alleviate high and rapidly-rising land costs by utilizing outlying locations. In 1971, a total of 15,139 single-family units were authorized by building permits, by far the largest annual total in recent years. Increased single-family construction activity was evident in all submarket areas during the past year. The number of units in multifamily structures authorized by building permits began to increase rapidly in the early 1960's and, although the pattern of gain was irregular, annual totals increased to over 14,000 units in both 1968 and 1969. The total increased even more sharply in the last two years to 20,339 in 1970 and 33,133 in 1971. Combined, the Fulton and DeKalb submarkets have accounted for nearly three-fourths of all multifamily units authorized in the HMA between 1965 and 1971. To date, the Gwinnett submarket has had little multifamily activity of consequence.

Rental housing provided under several federal programs has been partially responsible for the increase in multifamily construction in the HMA in recent years. Of the multifamily units authorized by building permits between 1965 and 1971 (an average of 16,375 units annually),

approximately 14,150 have been nonsubsidized units and 2,225 have been subsidized units. As shown in table VIII, the number of subsidized housing units authorized by building permits increased from only 365 units in 1965 to nearly 4,825 units in 1971. Over three-fourths of the subsidized multifamily housing units authorized by building permits during this period were located in the city of Atlanta.

In April 1972, there were an estimated 6,000 single-family units and 33,000 units in multifamily structures in the HMA for which permits had been issued, but construction had not been completed. Nearly one-half of the single-family units not completed were in the DeKalb and Cobb submarkets, and nearly two-thirds of the multifamily construction activity was in the Fulton and DeKalb submarkets. The units in multifamily structures included 1,150 units of public low-rent housing and nearly 4,900 units of Section 236 housing; most of these were in the city of Atlanta.

Vacancy. In April 1972, there were approximately 25,000 housing units in the HMA available for sale or for rent. Of these, 4,800 units were for sale and 20,200 were for rent, equal to a homeowner vacancy rate of 1.8 percent and a renter vacancy rate of 9.3 percent. The sharp increase in apartment construction in the HMA has been primarily responsible for the increase in the renter vacancy rate, which was 6.2 percent in April 1970. During the last two years every submarket in the HMA has had a sharp increase in the number of vacant units available for rent. Moreover, the large number of rental units currently under construction and in planning suggests that the number of renter vacancies may continue to increase throughout most of the two-year forecast period. Vacancy trends in the HMA between 1960 and 1972 are shown by submarket area in table IX.

Table I

Estimated Annual Demand for New Nonsubsidized Sales Housing
Atlanta, Georgia, Housing Market Area
April 1, 1972 to April 1, 1974

<u>Price class</u>	<u>Number of units</u>	<u>Percentage distribution</u>
Under \$20,000	480	4
\$20,000 - 22,499	1,080	9
22,500 - 24,999	1,920	16
25,000 - 27,499	1,680	14
27,500 - 29,999	1,560	13
30,000 - 34,999	1,560	13
35,000 - 39,999	1,440	12
40,000 - 49,999	1,200	10
50,000 and over	<u>1,080</u>	<u>9</u>
Total	12,000	100

Table II

Estimated Annual Occupancy Potential for Subsidized Housing
Atlanta, Georgia, Housing Market Area
April 1, 1972 to April 1, 1974

<u>Size of unit</u>	<u>Number of units</u>			
	<u>Section 235 and 236 exclusively</u>	<u>Eligible for both programs</u>	<u>Public housing exclusively</u>	<u>Total potential for both programs</u>
A. <u>Families</u>				
One bedroom	305	135	375	815
Two bedroom	900	235	940	2,075
Three bedroom	665	70	705	1,440
Four bedroom	430	10	480	920
Total	2,300 ^{a/}	450 ^{b/}	2,500 ^{b/}	5,250
B. <u>Elderly</u>				
Efficiency	160	380	475	1,015
One bedroom	140	170	275	585
Total	300	550 ^{c/}	750 ^{c/}	1,600

^{a/} Estimates are based on regular income limits.

^{b/} About 55 percent of these families also are eligible under the rent-supplement program.

^{c/} All of these elderly couples and individuals also are eligible under the rent-supplement program.

Table III

Work Force, Unemployment, and Employment by Industry
Atlanta, Georgia, Housing Market Area
Annual Averages, 1966-1971
(in thousands)

<u>Work force components</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Total civilian work force	<u>588.4</u>	<u>616.4</u>	<u>643.8</u>	<u>684.5</u>	<u>704.2</u>	<u>716.0</u>
Total unemployment	16.2	16.5	16.6	16.0	22.3	25.9
Percent of work force	2.8%	2.7%	2.6%	2.3%	3.2%	3.7%
Persons invol. in labor disputes	1.3	0.7	0.8	1.8	3.0	0.7
Total employment	<u>570.9</u>	<u>599.2</u>	<u>626.4</u>	<u>666.7</u>	<u>678.9</u>	<u>689.4</u>
Wage & salary employment	<u>510.3</u>	<u>537.6</u>	<u>563.6</u>	<u>602.7</u>	<u>614.1</u>	<u>623.6</u>
Manufacturing	<u>115.8</u>	<u>117.0</u>	<u>118.3</u>	<u>128.0</u>	<u>120.7</u>	<u>113.6</u>
Durable goods	<u>64.7</u>	<u>65.1</u>	<u>65.5</u>	<u>73.2</u>	<u>66.1</u>	<u>61.4</u>
Lumber & wood prod.	2.2	2.4	2.4	2.6	2.5	2.4
Furniture & fixtures	3.7	3.7	3.8	3.9	3.2	2.9
Stone, clay, glass	4.1	4.1	4.0	4.5	4.5	4.6
Primary metals	2.8	2.9	2.5	2.6	2.8	2.8
Fabricated metals	5.3	5.1	5.5	5.7	5.9	6.0
Nonelectrical mach.	4.6	4.8	5.2	5.4	5.1	4.8
Electrical mach.	3.4	3.4	3.1	3.8	3.9	4.0
Transp. equipment	35.7	35.6	35.9	41.7	35.2	30.8
Other durable goods	2.9	3.1	3.1	3.0	3.0	3.1
Nondurable goods	<u>51.1</u>	<u>51.9</u>	<u>52.8</u>	<u>54.8</u>	<u>54.6</u>	<u>52.2</u>
Food products	13.5	13.7	13.8	14.2	15.2	15.2
Textiles	7.0	7.0	7.0	6.5	5.9	4.9
Apparel	8.8	8.5	8.5	8.7	8.2	8.2
Paper products	6.6	6.7	6.9	7.5	7.2	6.7
Printing & publishing	7.7	8.2	8.5	9.2	9.2	8.8
Chemicals	4.4	4.6	4.8	5.1	5.2	5.1
Leather products	2.1	2.0	2.0	1.9	1.8	1.5
Other nondurable goods	1.0	1.2	1.3	1.7	1.9	1.8
Nonmanufacturing	<u>394.5</u>	<u>420.6</u>	<u>445.3</u>	<u>474.7</u>	<u>493.4</u>	<u>510.0</u>
Contract construction	30.1	33.2	35.5	35.7	32.1	34.7
Transp., comm., utilities	48.1	51.1	53.6	56.7	59.1	59.2
Trade	135.3	140.3	149.8	162.2	168.6	173.4
Finance, ins., real estate	35.7	37.3	39.2	41.9	44.8	46.1
Services	71.4	77.3	82.1	89.6	94.4	97.5
Government	73.9	81.4	85.1	88.6	94.4	99.1
All other employment ^{a/}	60.6	61.6	62.8	64.0	64.8	65.8

^{a/} Includes agricultural workers, domestics, the self-employed, and unpaid family workers.

Source: Georgia Department of Labor.

Table IV

Percentage Distribution of All Families and Renter Households
by Estimated Annual After-Tax Income
Atlanta, Georgia, Housing Market Area
As of April 1, 1972

<u>Annual income after tax</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$ 3,000	6	9
\$ 3,000 - 3,999	4	9
4,000 - 4,999	4	10
5,000 - 5,999	6	8
6,000 - 6,999	7	9
7,000 - 7,999	6	8
8,000 - 8,999	6	6
9,000 - 9,999	6	6
10,000 - 12,499	14	12
12,500 - 14,999	13	10
15,000 - 19,999	15	7
20,000 and over	13	6
Total	100	100

Median 1972 Incomes by Submarket Area

<u>Submarket area</u>	<u>Median income</u>	
	<u>All families</u>	<u>Renter households^{a/}</u>
Clayton submarket	\$11,050	\$7,675
Cobb submarket	11,250	7,825
DeKalb submarket	12,750	8,875
Fulton submarket	9,850	6,850
Gwinnett submarket	8,475	5,900
HMA total	10,800	7,525

^{a/} Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table V

Population and Household Trends
Atlanta, Georgia, Housing Market Area
April 1, 1960-April 1, 1974

<u>Population, by area</u>	<u>April 1, 1960</u>	<u>April 1, 1970</u>	<u>April 1, 1972</u>	<u>April 1, 1974</u>	<u>Average annual changes</u>		
					<u>1960- 1970</u>	<u>1970- 1972</u>	<u>1972- 1974</u>
HMA total	<u>1,017,188</u>	<u>1,390,164</u>	<u>1,460,000</u>	<u>1,536,000</u>	<u>37,298</u>	<u>34,925</u>	<u>38,000</u>
Fulton submarket	<u>606,327</u>	<u>656,398</u>	<u>666,000</u>	<u>677,000</u>	<u>5,007</u>	<u>4,800</u>	<u>5,500</u>
City of Atlanta	<u>487,455</u>	<u>497,421</u>	<u>492,500</u>	<u>487,000</u>	<u>997</u>	<u>-2,450</u>	<u>-2,750</u>
Remainder of area	<u>118,872</u>	<u>158,977</u>	<u>173,500</u>	<u>190,000</u>	<u>4,010</u>	<u>7,250</u>	<u>8,250</u>
DeKalb submarket	<u>215,450</u>	<u>368,700</u>	<u>396,300</u>	<u>425,600</u>	<u>15,325</u>	<u>13,800</u>	<u>14,650</u>
Cobb submarket	<u>114,174</u>	<u>196,793</u>	<u>206,400</u>	<u>217,500</u>	<u>8,262</u>	<u>4,800</u>	<u>5,550</u>
Clayton submarket	<u>37,696</u>	<u>95,924</u>	<u>108,700</u>	<u>122,100</u>	<u>5,823</u>	<u>6,400</u>	<u>6,700</u>
Gwinnett submarket	<u>43,541</u>	<u>72,349</u>	<u>82,600</u>	<u>93,800</u>	<u>2,881</u>	<u>5,125</u>	<u>5,600</u>
<u>Households, by area</u>							
HMA total	<u>291,405</u>	<u>429,333</u>	<u>463,000</u>	<u>499,000</u>	<u>13,793</u>	<u>16,850</u>	<u>18,000</u>
Fulton submarket	<u>178,940</u>	<u>212,164</u>	<u>220,500</u>	<u>229,500</u>	<u>3,322</u>	<u>4,175</u>	<u>4,500</u>
City of Atlanta	<u>145,953</u>	<u>162,312</u>	<u>163,900</u>	<u>165,600</u>	<u>1,636</u>	<u>800</u>	<u>850</u>
Remainder of area	<u>32,987</u>	<u>49,852</u>	<u>56,600</u>	<u>63,900</u>	<u>1,686</u>	<u>3,375</u>	<u>3,650</u>
DeKalb submarket	<u>59,860</u>	<u>110,128</u>	<u>121,700</u>	<u>134,000</u>	<u>5,027</u>	<u>5,800</u>	<u>6,150</u>
Cobb submarket	<u>30,996</u>	<u>58,486</u>	<u>63,550</u>	<u>68,850</u>	<u>2,749</u>	<u>2,525</u>	<u>2,650</u>
Clayton submarket	<u>9,796</u>	<u>27,233</u>	<u>32,100</u>	<u>37,350</u>	<u>1,744</u>	<u>2,425</u>	<u>2,625</u>
Gwinnett submarket	<u>11,813</u>	<u>21,322</u>	<u>25,150</u>	<u>29,300</u>	<u>951</u>	<u>1,925</u>	<u>2,075</u>

Sources: 1960 and 1970 from U. S. Censuses of Population and Housing.
1972 and 1974 estimated by Housing Market Analyst.

Table VI

Trends in the Housing Inventory, Tenure, and Vacancy
Atlanta, Georgia, Housing Market Area
April 1, 1960-April 1, 1972

Area and date	Total housing inventory	Total	Occupied housing units				Total vacant units
			Owner occupied		Renter occupied		
			Number	%	Number	%	
HMA total							
April 1, 1960	308,570	291,405	172,167	59.1	119,238	40.9	17,165
April 1, 1970	450,350	429,333	246,867	57.5	182,466	42.5	21,017
April 1, 1972	494,000	463,000	265,600	57.4	197,400	42.6	31,000
Fulton submarket							
April 1, 1960	189,118	178,940	89,133	49.8	89,807	50.2	10,178
April 1, 1970	223,142	212,164	97,530	46.0	114,634	54.0	10,978
April 1, 1972	235,700	220,500	99,500	45.1	121,000	54.9	15,200
City of Atlanta							
April 1, 1960	154,135	145,953	66,504	45.6	79,449	54.4	8,182
April 1, 1970	170,918	162,312	66,823	41.2	95,489	58.8	8,606
April 1, 1972	174,400	163,900	66,250	40.4	97,650	59.6	10,500
Remainder of area							
April 1, 1960	34,983	32,987	22,629	68.6	10,358	31.4	1,996
April 1, 1970	52,224	49,852	30,707	61.6	19,145	38.4	2,372
April 1, 1972	61,300	56,600	33,250	58.7	23,350	41.3	4,700
DeKalb submarket							
April 1, 1960	63,041	59,860	45,269	75.6	14,591	24.4	3,181
April 1, 1970	115,069	110,128	72,904	66.2	37,224	33.8	4,941
April 1, 1972	129,300	121,700	78,100	64.2	43,600	35.8	7,600
Cobb submarket							
April 1, 1960	33,135	30,996	22,210	71.7	8,786	28.3	2,139
April 1, 1970	61,191	58,486	40,675	69.5	17,811	30.5	2,705
April 1, 1972	68,350	63,550	45,400	71.4	18,150	28.6	4,800
Clayton submarket							
April 1, 1960	10,522	9,796	7,576	77.3	2,220	22.7	726
April 1, 1970	28,725	27,233	19,675	72.2	7,558	27.8	1,492
April 1, 1972	34,400	32,100	23,050	71.8	9,050	28.2	2,300
Gwinnett submarket							
April 1, 1960	12,754	11,813	7,979	67.5	3,834	32.5	941
April 1, 1970	22,223	21,322	16,083	75.4	5,239	24.6	901
April 1, 1972	26,250	25,150	19,550	77.7	5,600	22.3	1,100

Sources: 1960 and 1970 from U. S. Censuses of Housing
1972 estimated by Housing Market Analyst.

Table VII

New Housing Units Authorized by Building Permits
Atlanta, Georgia, Housing Market Area
Annual Totals, 1965-1971

<u>Units in structure, by area</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
HMA total	20,694	16,718	23,574	24,373	23,409	30,459	48,272
Single family	10,898	7,670	10,031	10,099	8,879	10,120	15,139
Multifamily	9,796	9,048	13,543	14,274	14,530	20,339	33,133
Fulton submarket	5,520	4,585	9,066	9,103	9,015	11,219	15,686
Single family	2,602	1,760	2,248	2,062	1,670	1,975	3,172
Multifamily	2,918	2,825	6,818	7,041	7,345	9,244	12,514
City of Atlanta	2,656	2,632	4,118	5,638	5,190	4,124	7,747
Single family	808	540	658	534	448	541	1,361
Multifamily	1,848	2,092	3,460	5,104	4,742	3,583	6,386
Remainder of area	2,864	1,953	4,948	3,465	3,825	7,095	7,939
Single family	1,794	1,220	1,590	1,528	1,222	1,434	1,811
Multifamily	1,070	733	3,358	1,937	2,603	5,661	6,128
DeKalb submarket	8,220	6,593	8,230	7,299	6,639	10,140	13,547
Single family	3,702	2,698	3,830	3,877	3,141	3,001	3,665
Multifamily	4,518	3,895	4,400	3,422	3,498	7,139	9,882
Cobb submarket	3,509	3,926	3,083	3,697	3,989	4,256	9,340
Single family	2,153	1,724	1,794	1,711	1,829	2,150	3,555
Multifamily	1,356	2,202	1,289	1,986	2,160	2,106	5,785
Clayton submarket	2,489	1,053	2,134	2,814	2,671	2,999	6,053
Single family	1,499	933	1,218	1,347	1,198	1,509	2,145
Multifamily	990	120	916	1,467	1,473	1,490	3,908
Gwinnett submarket	956	561	1,061	1,460	1,095	1,845	3,646
Single family	942	555	941	1,102	1,041	1,485	2,602
Multifamily	14	6	120	358	54	360	1,044

Source: U. S. Bureau of the Census, Construction Reports, C-40 and C-42.

Table VIII

Trend of New Construction of Nonsubsidized and Subsidized Housing,
Atlanta, Georgia, Housing Market Area
Annual Totals, 1965-1971

<u>Type of housing, by area</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
HMA total	<u>20,694</u>	<u>16,718</u>	<u>23,574</u>	<u>24,373</u>	<u>23,409</u>	<u>30,459</u>	<u>48,272</u>
Single family	<u>10,898</u>	<u>7,670</u>	<u>10,031</u>	<u>10,099</u>	<u>8,879</u>	<u>10,120</u>	<u>15,139</u>
Nonsubsidized	<u>10,898</u>	<u>7,670</u>	<u>10,031</u>	<u>10,099</u>	<u>8,766</u>	<u>9,639</u>	<u>14,449</u>
Subsidized (Section 235)	-	-	-	-	113	481	690
Multifamily	<u>9,796</u>	<u>9,048</u>	<u>13,543</u>	<u>14,274</u>	<u>14,530</u>	<u>20,339</u>	<u>33,133</u>
Nonsubsidized	<u>9,431</u>	<u>7,678</u>	<u>12,909</u>	<u>10,947</u>	<u>11,851</u>	<u>17,828</u>	<u>28,316</u>
Subsidized	<u>365</u>	<u>1,370</u>	<u>634</u>	<u>3,327</u>	<u>2,679</u>	<u>2,511</u>	<u>4,817</u>
Public housing	-	1,024	140	1,646	1,500	768	1,012
Section 221(d)(3) BMIR	365	346	494	1,245	871	-	-
Sections 202 and 236	-	-	-	436	308	1,743	3,805
City of Atlanta	<u>2,656</u>	<u>2,632</u>	<u>4,118</u>	<u>5,638</u>	<u>5,190</u>	<u>4,124</u>	<u>7,747</u>
Single family	<u>808</u>	<u>540</u>	<u>658</u>	<u>534</u>	<u>448</u>	<u>541</u>	<u>1,361</u>
Nonsubsidized	<u>808</u>	<u>540</u>	<u>658</u>	<u>534</u>	<u>445</u>	<u>490</u>	<u>1,219</u>
Subsidized (Section 235) ^{a/}	-	-	-	-	3	51	142
Multifamily	<u>1,848</u>	<u>2,092</u>	<u>3,460</u>	<u>5,104</u>	<u>4,742</u>	<u>3,583</u>	<u>6,386</u>
Nonsubsidized	<u>1,848</u>	<u>1,220</u>	<u>2,896</u>	<u>1,976</u>	<u>2,063</u>	<u>1,844</u>	<u>3,318</u>
Subsidized	-	<u>872</u>	<u>564</u>	<u>3,128</u>	<u>2,679</u>	<u>1,739</u>	<u>3,068</u>
Public housing	-	650	140	1,447	1,500	501	910
Section 221(d)(3) BMIR	-	222	424	1,245	871	-	-
Sections 202 and 236	-	-	-	436	308	1,238	2,158
Remainder of HMA	<u>18,038</u>	<u>14,086</u>	<u>19,456</u>	<u>18,735</u>	<u>18,219</u>	<u>26,335</u>	<u>40,525</u>
Single family	<u>10,090</u>	<u>7,130</u>	<u>9,373</u>	<u>9,565</u>	<u>8,431</u>	<u>9,579</u>	<u>13,778</u>
Nonsubsidized	<u>10,090</u>	<u>7,130</u>	<u>9,373</u>	<u>9,565</u>	<u>8,321</u>	<u>9,149</u>	<u>13,230</u>
Subsidized (Section 235)	-	-	-	-	110	430	548
Multifamily	<u>7,948</u>	<u>6,956</u>	<u>10,083</u>	<u>9,170</u>	<u>9,788</u>	<u>16,756</u>	<u>26,747</u>
Nonsubsidized	<u>7,583</u>	<u>6,458</u>	<u>10,013</u>	<u>8,971</u>	<u>9,788</u>	<u>15,984</u>	<u>24,998</u>
Subsidized	<u>365</u>	<u>498</u>	<u>70</u>	<u>199</u>	-	<u>772</u>	<u>1,749</u>
Public housing	-	374	-	199	-	267	102
Section 221(d)(3) BMIR	365	124	70	-	-	-	-
Sections 202 and 236	-	-	-	-	-	505	1,647

^{a/} Totals shown for the city of Atlanta include all of Fulton County.

Sources: U. S. Bureau of the Census, Construction Reports C-40 and C-42, and estimates by Housing Market Analyst.

Table IX

Trends in Vacancy
Atlanta, Georgia, Housing Market Area
April 1, 1960-April 1, 1972

Area and date	Total vacant units	Available vacant housing units					Other vacant units ^{a/}
		Total	For sale		For rent		
			Number	%	Number	%	
HMA total							
April 1, 1960	17,165	10,744	4,187	2.4	6,557	5.2	6,421
April 1, 1970	21,017	15,908	3,778	1.5	12,130	6.2	5,109
April 1, 1972	31,000	25,000	4,800	1.8	20,200	9.3	6,000
Fulton submarket							
April 1, 1960	10,178	6,742	2,025	2.2	4,717	5.0	3,436
April 1, 1970	10,978	8,656	1,330	1.3	7,326	6.0	2,322
April 1, 1972	15,200	12,500	1,500	1.5	11,000	8.3	2,700
City of Atlanta							
April 1, 1960	8,182	5,710	1,579	2.3	4,131	4.9	2,472
April 1, 1970	8,606	6,826	817	1.2	6,009	5.9	1,780
April 1, 1972	10,500	8,200	875	1.3	7,325	7.0	2,300
Remainder of area							
April 1, 1960	1,990	1,032	446	1.9	586	5.4	964
April 1, 1970	2,372	1,830	513	1.6	1,317	6.4	542
April 1, 1972	4,700	4,300	625	1.9	3,675	13.6	400
DeKalb submarket							
April 1, 1960	3,181	2,095	1,197	2.6	898	5.8	1,086
April 1, 1970	4,941	3,352	1,343	1.8	2,009	5.1	1,589
April 1, 1972	7,600	5,850	1,750	2.2	4,100	8.6	1,750
Cobb submarket							
April 1, 1960	2,139	1,246	627	2.8	619	6.6	893
April 1, 1970	2,705	2,175	497	1.2	1,678	8.6	530
April 1, 1972	4,800	4,100	775	1.7	3,325	15.5	700
Clayton submarket							
April 1, 1960	726	315	203	2.6	112	4.8	411
April 1, 1970	1,492	1,251	327	1.6	924	10.9	241
April 1, 1972	2,300	1,950	425	1.8	1,525	14.4	350
Gwinnett submarket							
April 1, 1960	941	346	135	1.7	211	5.2	595
April 1, 1970	901	474	281	1.7	193	3.6	427
April 1, 1972	1,100	600	350	1.8	250	4.3	500

^{a/} Includes dilapidated units, units rented or sold and awaiting occupancy, vacant seasonal units, units held off the market, and vacant units held for migratory workers.

Sources: 1960 and 1970 from U. S. Censuses of Housing
1972 estimated by Housing Market Analyst.