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Analysis of the

AUGUSTA, GEORGIA HOUSING MARKET

as of January 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
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Housing Market Analysis

Augusta, Georgia, as of January 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 - AUGUSTA, GEORGIA
AS OF JANUARY 1, 1972

The Augusta, Georgia, Housing Market Area (HMA) is defined to include Richmond County in Georgia and Aiken County in South Carolina. This is also the definition of the Augusta Standard Metropolitan Statistical Area (SMSA). The area had a population of 258,800 persons as of January 1, 1972. Augusta, the largest city in the HMA, is located on the Savannah River approximately 160 miles east of Atlanta and 70 miles southwest of Columbia, South Carolina. Fort Gordon, with a total military personnel strength of about 13,800, and the Savannah River Plant of the Atomic Energy Commission are important to the local economy.

Throughout most of the 1960's, there were fairly significant increases in employment in the HMA, and there was a rapid increase in the number of military personnel stationed at Fort Gordon. However, there was a net increase of only 800 wage and salary jobs in the area in 1970 and 1971 and there was a sharp decrease in total personnel strength at Fort Gordon; these trends were reflective of the national economic slowdown and reduced federal spending for defense purposes. At the same time, the volume of residential construction increased sharply to record levels, resulting in an increase in sales and rental vacancies to levels well above those considered desirable for a reasonable balance between housing demand and housing supply.

Anticipated Housing Demand

An average annual demand for 1,000 new nonsubsidized housing units is anticipated in the Augusta area during 1972 and 1973, subject to unforeseen economic fluctuations which might tend to alter demand significantly. It is judged that all of these units should be supplied as sales housing priced at \$20,000 and above because of the disproportionately high vacancy factor in the inventory of houses priced under \$20,000, and that no additional rental units should be constructed in the HMA until improvement is

noted in the current adverse rental market situation. It is also estimated that an additional 200 mobile homes spaces could be absorbed in the HMA in each of the next two years.

The projected annual demand for 1,000 nonsubsidized single-family houses is substantially below the volume of nonsubsidized single-family construction during the latter half of the 1960's when employment growth was high and an increase in in-migration added to the demand for new units. However, concurrent with the slowed rate of economic growth and the reduction in military personnel stationed at Fort Gordon, an increasing number of single-family houses being built in the HMA resulted in an increase in vacancy (2.8 percent in January 1972) that has affected the market for both nonsubsidized and subsidized sales housing. The number of unsold speculatively-built new homes increased during the last year and an increase in the number of foreclosed and vacant Section 235 units has adversely affected the market for nonsubsidized units because homes financed under Section 235 may be purchased with a smaller downpayment and lower monthly payments than lower-priced conventionally-financed houses.

The rental market also has been affected by the recent economic decline and the loss of military personnel, and the current high renter vacancy rate (11.4 percent) plus the large number of units under construction are indications of overbuilding in the Augusta rental market at the present time. Units in some new rental projects are not being satisfactorily absorbed, and vacancies are increasing in some projects which are only a few years old. In view of the lower rate of population and household growth expected in the HMA in the next two years, as compared with increases of the mid-1960's, it is judged that the current supply of available rental units, plus the units currently under construction, should be sufficient to meet the needs of the nonsubsidized rental market, with the possible exception of a few units in locations and rent ranges which would appeal to a market not now being accommodated.

It is important to understand that the above estimates are not meant to be a prediction of the actual volume of new construction in the HMA, but are intended to indicate levels of new construction that would result in a more reasonable balance between demand and supply by the end of the forecast period. It is apparent that the construction of additional nonsubsidized rental units would only lead to a worsening vacancy situation, and that the construction of sales houses at anywhere near the rate suggested by 1970 and 1971 building permit data would aggravate the current undesirable sales market situation.

Occupancy Potential for Subsidized Housing

Federal assistance in financing costs for new housing for low- or 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 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. Insofar as low-rent public housing or rent-supplement accommodations are concerned, all families and individuals with income below the income limit are assumed to be eligible. There may be other requirements for eligibility such as the requirement that current living accommodations be substandard for families and individuals to be eligible to receive rent supplement. Some families may be alternatively eligible for assistance under one or more of the aforementioned programs or under other programs utilizing federal, state, or local assistance. In the Augusta HMA, the total occupancy potential for federally-assisted housing is estimated to be 1,350 units annually during 1972 and 1973. As shown in table II, the total occupancy potential approximates the sum of the potentials for low-rent public housing and Section 236 housing. Future proposals 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 on 1972 incomes, the occupancy of substandard housing, estimates of the elderly population, and on income limits currently in effect. They also have been calculated to reflect the estimated absorptive capacity of the market in view of the current and prospective economic and 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. Federally-assisted housing through partial payment of interest on home and project mortgages can be provided for low- and moderate-income families and individuals under the provisions of either Section 235 (sales housing) or Section 236 (rental housing). 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 for 500 units under either Section 235, Section 236, or a combination of the two programs. In addition, there is a potential for about 100 units of Section 236 rental housing for elderly couples and individuals annually during 1972 and 1973.

To date, activity under Section 235 in the Augusta area has been extensive. As of January 1, 1972, nearly 1,650 new homes in the HMA had been insured under Section 235, including 680 units in 1970 and 925 units in 1971. Of the units which had been insured as of January 1972, about 69 percent were located in Richmond County and 31 percent were located in Aiken County. Under Section 236 and Section 221(d)(3) BMIR (a program which had eligibility criteria similar to Section 236), only one project of eight units had been completed as of January 1972, but two Section 236 projects with a total of 200 units were under construction and scheduled for completion in 1972. The availability of funds under the liberal provisions of Section 235 has attracted some marginally-qualified first-time buyers who have limited financial reserves and are unfamiliar with the obligations and problems associated with home ownership. Some of these families have been unable to adjust to adverse circumstances such as job losses or reductions in income. In addition, other costs of ownership such as high utility bills and expenses involved in the furnishing and maintenance of a residence were not anticipated at the time of purchase. As a consequence, foreclosure proceedings have been initiated on an increasing number of properties in recent months, in many instances on homes which had been occupied six months or less.

To date, the number of units completed under Section 235 has far exceeded the estimated annual occupancy potential for such housing. Although absorption of new houses with Section 235 financing continues to be good, the increase in the number of foreclosures during 1971 of homes insured under Section 235 has left a surplus of vacant houses on the market. These units have proved difficult to re-sell because of the continued availability of new houses for which subsidy funds are available. In addition, there are indications that the supply of vacant foreclosed Section 235 houses will increase during 1972, resulting in an even further weakening of the sales market in the Augusta area. Thus, unless some limitation is placed on the availability of funds for new construction under Section 235, it is likely that the existing vacancies could be absorbed only through the use of an alternative HUD program such as the Section 23 leased housing program for low-income families. As for the Section 236 program, the successful absorption of the 200 units currently under construction should be assured before additional projects are approved because it is apparent that most of the occupancy potential under this program has been satisfied by new construction under Section 235.

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 from other eligibility requirements. For the Augusta HMA, the annual occupancy potential during 1972 and 1973 is estimated to be 570 units for the families and 315 units for the elderly, a total of 885 units. Approximately 12 percent of the families eligible for public housing are also eligible for Section 235 or Section 236 housing, and 20 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 about 455 units, or 80 percent of the figure shown above, but the elderly market would remain unchanged.

As of January 1, 1972, there were approximately 2,575 public low-rent housing units in the HMA, including 390 units designed for the elderly. All but 220 of the units under management in January 1972 were located in the city of Augusta. An additional 146 units (100 in Augusta and 46 in Aiken County) were under construction and all were scheduled to be completed during 1972. The number of public low-rent housing units expected to be completed in the HMA during 1972 and 1973 is well below the estimated annual occupancy potential for such housing. Approximately 500 of the units currently under management were completed and satisfactorily absorbed during 1971. Following the occupancy of these units, the local housing authority still had a waiting list of about 900 applicants, including 100 elderly households. The vacancy rate in all units at the present time is less than one percent. Some of the potential for low-income families could be accommodated if the HUD Section 23 leased housing program (discussed above) were utilized in the Augusta area. There are no rent-supplement accommodations in the Augusta area at the present time.

The Sales Market

During 1971, the Augusta sales market was characterized by an increase in vacancy and an increase in the number of foreclosures. These occurred primarily in units financed under the Section 235 program, but also involved homes financed under Section 203. The adverse market conditions are confined primarily to new and existing housing priced below \$20,000. In many instances, these homes have proved difficult to re-sell because the continued availability of funds for the financing of new homes under Section 235 has affected the saleability of lower-priced nonsubsidized homes.

In addition to the increase in the number of existing vacant units for sale, there also has been an increase in recent months in the supply of vacant unsold new homes which potentially could be financed under Section 235. The January 1972 unsold inventory surveys conducted by the Atlanta, Georgia, and Columbia, South Carolina, HUD Area Offices included 1,500 units completed during 1971, of which 1,125 (75 percent of the total) were priced to sell for less than \$20,000. Significantly, 140 of the units in this price range were unsold in January 1972, compared with fewer than 80 units reported to be unsold at the time the January 1971 survey was conducted. Most of the unsold new units were in three Richmond County subdivisions in which the use of Section 235 financing has been extensive. The January 1972 survey also reported that 150 units priced below \$20,000 were under construction in the subdivisions surveyed, and of these about one-half (75 units) were unsold. By comparison, the market for nonsubsidized sales housing priced above \$20,000 continues to be good. The January 1972 unsold inventory surveys reported that 370 units priced at \$20,000 and above were completed in 1971, of which fewer than 45 (12 percent) were unsold in January 1972. The January 1971 survey counted 290 units completed in the \$20,000 and above price range in 1970, of which about 30 (10 percent) were unsold at the end of the year.

In summary, the market for low- and moderate-priced sales housing in the HMA is soft at the present time, particularly in the Richmond County submarket. Moreover, there are a number of loans insured under Section 235 which are currently in default, suggesting that the supply of vacant sales units in the HMA will increase during 1972. Because of the somewhat lower rates of population and household growth expected in the HMA during 1972 and 1973, it is judged that the continued unrestricted use of Section 235 financing for new units will result in an increase in the already excess supply of vacant sales houses (most of them only a year or two old), and that the market is not likely to improve until more funds are made available for the financing of existing homes under Section 235 and some limitation is placed on the funding of new homes under this program.

The Rental Market

The rental market in the Augusta area is overbuilt at the present time, with prospects of a further increase in vacancy during 1972 and 1973. The renter vacancy rate in the HMA in April 1970 (10.0 percent) was excessive, and the number of vacant units available for rent has increased since that time as a result of (1) a slowdown in the rate of economic and population growth, (2) a sharp increase in new apartment construction, (3) the completion of 450 units of on-base housing at Fort Gordon, and (4) the decline in the number of uniformed military personnel stationed in the area, particularly those in the area for short training sessions interested in furnished rentals. At the present time there are a large number of multi-family units under construction or in planning in the HMA (including 200 units of Section 236 rental housing), a 300-unit bachelor officers complex is scheduled for completion at Fort Gordon early in 1972, and 200 additional on-base housing units for families are to be completed in the latter half of 1973. Because of the comparatively moderate rate of population and household growth expected in the area during the next two years, it is apparent that the number of rental accommodations completed in the HMA will be in excess of the gain in renter households, resulting in a probable increase in renter vacancies during 1972 and 1973.

There are vacancy problems in most locations and rental ranges in the Augusta area. The completion of 450 units of military-controlled housing in 1970, coupled with the decline in military strength at Fort Gordon, has led to an increase in vacancy in several of the older apartment projects in the HMA. Even in the prime rental locations, such as the area around the Augusta National Golf Course, some existing projects have not attained a satisfactory level of occupancy. However, some of the unsatisfactory market absorption experience in this area can be attributed to the high rents charged in some projects. Some rental projects in the HMA do have a satisfactory level of occupancy, but in many instances this appears to have been achieved at the expense of apartment developments only a few years old. In some projects, rent reductions and concessions such as one-month free rent and short-term leases are in evidence.

Monthly shelter rents typical in newer unfurnished apartments in the HMA range from about \$125 to \$150 for one-bedroom units, \$150 to \$175 for

Table II

Estimated Annual Occupancy Potential for Subsidized Housing
Augusta, Georgia, Housing Market Area
January 1, 1972 to January 1, 1974

<u>Size of unit</u>	<u>Number of units</u>			
	<u>Sections 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	70	20	70	160
Two bedrooms	170	35	180	385
Three bedrooms	120	10	145	275
Four or more bedrooms	<u>70</u>	<u>5</u>	<u>105</u>	<u>180</u>
Total	<u>430^{a/}</u>	<u>70^{b/}</u>	<u>500^{b/}</u>	<u>1,000</u>
B. <u>Elderly</u>				
Efficiency	20	40	155	215
One bedroom	<u>15</u>	<u>25</u>	<u>95</u>	<u>135</u>
Total	<u>35^{d/}</u>	<u>65^{c/}</u>	<u>250^{c/}</u>	<u>350</u>

a/ Estimates are based on regular income limits.

b/ About 80 percent of these families are eligible under the rent-supplement program.

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

d/ Section 236 only.

Table I

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

<u>Price class</u>	<u>Number of units</u>	<u>Percentage distribution</u>
\$20,000 - \$22,499	125	12
22,500 - 24,999	185	19
25,000 - 27,499	200	20
27,500 - 29,999	130	13
30,000 - 34,999	160	16
35,000 - 39,999	120	12
40,000 and over	<u>80</u>	<u>8</u>
Total	1,000	100

program accounted for more than 35 percent of all new single-family houses built in the HMA during the last two years (activity under the Section 235 program was negligible prior to 1970). As of January 1972, approximately 70 percent of the homes in the HMA insured under Section 235 were located in Richmond County and 30 percent were in Aiken County. Of the units in multifamily structures, over one-fourth of those authorized by building permits during 1970 and 1971 were for subsidized rental accommodations. To summarize, multifamily structures authorized in the HMA averaged about 915 units annually between 1965 and 1971, and of these, 660 were for nonsubsidized units and 255 were for subsidized units.

In January 1972, there were approximately 2,800 housing units under construction in the HMA, including 800 single-family houses and 2,000 units in multifamily structures. Of the single-family houses under construction, approximately 150 (95 in Richmond County and 55 in Aiken County) are within the Section 235 price range. The multifamily projects under construction included 100 units of public low-rent housing in Richmond County, 46 units of public low-rent housing in Aiken County, and 200 units of Section 236 housing in Richmond County.

Vacancy. In January 1972, there were approximately 4,700 vacant housing units in the Augusta area available for sale or rent, a net available vacancy ratio of 5.9 percent. Of the available vacancies, 1,400 units were for sale and 3,300 units were for rent, equal to a homeowner vacancy rate of 2.8 percent and a renter vacancy rate of 11.4 percent. In April 1970, the over-all net vacancy rate was 5.3 percent, and vacancy ratios in the sales and rental inventories were 2.4 percent and 10.0 percent, respectively (see table IX). Vacancies in both the sales and rental inventories have risen sharply during the last two years, primarily as a result of the sharp increase in residential construction in the area. There are, of course, a number of substandard units and units of marginal quality in the current estimate, particularly units located in the city of Augusta. However, even after adjusting the current vacancy estimates to include only units of standard quality, it is judged that the number of vacant units in the HMA at the present time is well in excess of the number required for a reasonable balance between housing demand and housing supply. Moreover, vacancies can be expected to increase during 1972 because of the rising volume of foreclosures and the large number of apartment units currently under construction.

Households. As of January 1972, there were an estimated 74,900 households (occupied housing units) in the HMA, an increase of an average of 1,975 annually since 1970. During the 1960's, the increase in the number of households averaged 1,475 annually. Since 1960, approximately 65 percent of the household growth in the HMA has occurred in Richmond County and 35 percent in Aiken County; the number of households in Augusta has been declining steadily for several years. As a result of the rapid decline in the average household size in the HMA, particularly since the mid-1960's, the annual rate of household growth since 1960 has been 2.4 percent, whereas population has increased by 1.5 percent a year. Although the level of household growth during the last two years has exceeded that of the 1960's, it undoubtedly is below the level of increase during the mid-1960's, a period characterized by a large increase in military strength at Fort Gordon and high levels of employment growth.

As a result of improved economic conditions expected during 1972 and 1973 and the stabilization of the level of military strength at Fort Gordon, the number of households in the HMA is expected to increase by 2,000 a year to a total of 78,900 by January 1974. Changes in the number of households in the HMA during the 1960 to 1974 period are shown in table VI.

Housing Inventory. As of January 1, 1972, there were an estimated 81,600 housing units in the Augusta HMA, an increase of nearly 4,450 units, or 2,550 a year, since April 1970. During the 1960's, the housing supply in the HMA increased by an average of only a little more than 1,350 units per year. The increase in the housing supply between April 1970 and January 1972 resulted from the completion of 5,050 new units and the net addition of 400 mobile homes, less 1,000 units removed from the inventory through demolition, fire loss, abandonment, and other causes. Removals from the housing inventory have been especially significant in the city of Augusta. Housing inventory trends for the Augusta HMA and major submarket areas are shown in table VII.

Residential Building Activity. As measured by building permits, the volume of new residential construction in the HMA declined from 2,739 units in 1967 to 2,196 units in 1969. During the last two years, however, the volume of new construction in the Augusta area has nearly doubled. As shown in table VIII, a total of 3,174 units were authorized in 1970 and 4,008 units in 1971. New construction has increased sharply in both Richmond and Aiken Counties, and has included increased construction of both single-family homes and units in multifamily structures.

Sales and rental housing provided under several federal programs have accounted for an increasing proportion of the construction volume in the HMA in recent years. As shown in table VIII, only nine percent of the housing units authorized between 1965 and 1969 were under federal subsidy programs, compared with 34 percent of all units authorized during 1970 and 1971. New units insured under the Section 235 sales housing

During 1972 and 1973, it is anticipated that increases in nonfarm wage and salary employment in the Augusta area will average about 2,000 workers a year. As in the past, employment in trade, services, and government should increase in response to local population growth, and the further decentralization of schools and community shopping facilities. However, the continued decline in civilian civil service employment at Fort Gordon likely will result in much smaller than typical increases in government employment; as a result, over-all gains in nonmanufacturing employment during the next two years will be well below the annual gains that occurred during the middle 1960's. Although little or no over-all gains are expected in manufacturing during 1972 and 1973, an improved national economy should result in a reversal of the downward employment trends in the apparel and the stone, clay, and glass industries. Year-to-year changes in the employment level in all other manufacturing industries in the HMA have been minimal during the last several years.

Income. As of January 1972, the median annual income of all families in the HMA, after deduction of federal income tax, was estimated to be \$8,175, and the median after-tax income of renter households of two persons or more was \$5,800 a year. An estimated eight percent of all families and 15 percent of the renter households earned after-tax incomes of less than \$2,000 a year in January 1972, while approximately 16 percent of all families and seven percent of the renter households received after-tax incomes of \$15,000 or more a year. See table V for a distribution of all families and renter households by estimated annual after-tax income.

Population. The population of the Augusta HMA was estimated at 258,800 persons as of January 1, 1972, an increase of an average of 3,050 persons a year since April 1970. During the 1960's, the population of the HMA increased by an average of 3,682 persons per year (see table VI). The lower rate of population growth in the HMA during the last two years reflected a decline in net in-migration resulting from lower levels of employment growth and a moderate reduction in military strength at Fort Gordon. Since April 1970, net migration to the HMA has averaged only 50 persons a year, compared with an average net in-migration of 600 persons annually during the 1960's. Net in-migration in the HMA was highest in the mid-1960's as a result of high levels of employment growth and increases in military strength at Fort Gordon. Since 1960, over 70 percent of the population growth in the HMA has occurred in suburban Richmond County; there was a steady population decline in the city of Augusta during this period.

During 1972 and 1973, the population of the HMA is expected to increase by an average of 3,400 persons annually to a total of 265,600 by January 1974. The projection assumes that the local economic situation during the forecast period will be better than during 1970 and 1971, and that the level of military strength at Fort Gordon will not change appreciably. See table VI for population trends in the major submarkets of the HMA during the April 1960 to January 1974 period.

declined, and there has been a sharp decline in the rate of increase in government employment since 1969. Construction employment in the HMA was high in 1968 because of the building of two large manufacturing plants, but employment in construction in 1971 was 700 below the 1968 average despite the increase in residential construction during the last two years. In the government sector, employment has risen in county and city government and at local hospitals, but the gains have been offset to some extent by a decline in federal civil service employment at Fort Gordon.

Located in Richmond County southwest of the city of Augusta, Fort Gordon serves primarily as a training center. Important training schools at the installation include the Military Police School, the Southeastern Signal School, the Civil Affairs School, and the Army Training Center. The number of military personnel at the base, which fluctuated considerably during the 1960 decade, has declined sharply in the last two years. The assigned military strength dropped from 33,600 in June 1969 to fewer than 13,800 in September 1971, and civilian civil service employment dropped by 1,300 between 1968 and 1971, from nearly 4,500 to fewer than 3,200 workers. Paralleling the national trend, there has been a decline in military strength at Fort Gordon since 1968, particularly in the number of persons attending the various schools at the base. Typically, these people are in the area for only a three- or four-month period, and are not accompanied by their families. Conversely, there was a moderate increase in the number of military families living in the area, from about 5,825 in 1968 to 6,425 in 1971, according to family housing surveys conducted at Fort Gordon. Practically all of the increase in the number of families occurred among lower-grade enlisted personnel who are ineligible for on-base housing. Trends in military and civilian personnel strength at Fort Gordon since 1960 are shown in table IV. Any increases in assigned military personnel at the base are expected to be minimal during the forecast period. It is anticipated that the number of civilian civil service employees will continue to decline during 1972 and 1973.

The rate of unemployment in the HMA in 1971 was 5.3 percent, an increase of 0.6 percentage points (700 workers) over the 1970 average and 2.0 percentage points (2,200 workers) above the average for 1969. The sharp increase in the last two years followed a period of comparative stability (1966 through 1969) during which the rate of unemployment ranged between 3.2 percent and 3.6 percent and the number of unemployed persons ranged between 3,000 and 3,500. Much of the recent increase in unemployment can be attributed to layoffs as a result of declining demand for durable goods products and foreign competition, which has precipitated some work force reductions in the textile industry. Some of the increase in unemployment during 1971 also can be attributed to the re-entry of many local residents into the work force because of the improved (as compared with 1970) economic picture. Although some decrease in the number of unemployed persons can be anticipated in the next two years, it is not likely that the level of unemployment will decline to as low a point as it was during the 1965 to 1969 period.

two-bedroom units, and \$175 and up for three-bedroom units. In general, rents are higher in projects which are located in the Augusta National Golf Course area, and are somewhat lower in the western and southwestern area of Richmond County; these locations appeal primarily to military tenants. To date, most of the new apartments built in the HMA have been constructed in Richmond County. Apartment construction in Aiken County (exclusive of public housing and Section 221(d)(3) BMIR housing), totaled only 240 units between 1965 and 1970. A total of 190 privately-financed apartment units were authorized in Aiken County in 1971, but market absorption experience is not yet available because most of the units still are under construction.

Economic, Demographic, and Housing Market Factors

Employment. The Augusta economy expanded steadily between 1965 and 1969, with nonfarm wage and salary employment increasing by an average of nearly 3,375 jobs a year during the four-year period. Increases in wage and salary employment were especially significant between 1966 and 1968, averaging 4,350 jobs a year. However, the economic situation in the HMA has changed significantly in the last two years. As shown in table III, there was a net increase in wage and salary employment of only 800 between 1969 and 1971; a decline of 1,000 jobs between 1969 and 1970 was offset by an increase of 1,800 jobs between 1970 and 1971. Although the increase in wage and salary employment during the last year was slightly above the 1968 to 1969 gain, it was well below the average annual increases of the 1966 to 1968 period. The net increase of only 800 wage and salary jobs during the last two years was the lowest gain locally for any two-year period in nearly a decade.

Employment in manufacturing declined by an average of 900 jobs a year between 1969 and 1971, following an average gain of 900 jobs a year between 1967 and 1969. Most of the decline in manufacturing employment during the last two years can be attributed to employment losses in two industries--stone, clay, and glass, and textiles. The stone, clay, and glass industry was affected adversely in the last two years by the slow-down in the rate of economic growth nationally and by layoffs following the establishment of a union at a large local firm. Employment in this industry has declined by 1,000 since 1969. Although employment in textiles increased by 500 between 1970 and 1971, there was a net decline of 500 jobs in this industry between 1969 and 1971. This industry also has been affected by the national economic situation and by increased competition from the import of foreign textile products.

There also has been a sharp decline in the rate of employment growth in nonmanufacturing in recent years. Employment in nonmanufacturing increased by an average of only 1,000 jobs annually between 1968 and 1971, compared with an average of 3,850 jobs a year between 1966 and 1968. Although employment in one nonmanufacturing category (services) has increased steadily in the last several years, construction employment has

Table III

Work Force, Unemployment, and Employment by Industry
Augusta, 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>92.9</u>	<u>97.2</u>	<u>101.7</u>	<u>103.1</u>	<u>103.6</u>	<u>106.1</u>
Total unemployment	3.0	3.5	3.4	3.4	4.9	5.6
Percent of work force	3.2%	3.6%	3.3%	3.3%	4.7%	5.3%
Total employment	<u>89.9</u>	<u>93.7</u>	<u>98.3</u>	<u>99.7</u>	<u>98.7</u>	<u>100.5</u>
Wage & salary employment	<u>77.9</u>	<u>81.9</u>	<u>86.6</u>	<u>88.0</u>	<u>87.0</u>	<u>88.8</u>
Manufacturing	<u>29.3</u>	<u>29.5</u>	<u>30.3</u>	<u>31.3</u>	<u>29.8</u>	<u>29.5</u>
Durable goods	<u>5.7</u>	<u>5.4</u>	<u>6.1</u>	<u>7.0</u>	<u>6.4</u>	<u>5.7</u>
Lumber & wood prod.	0.7	0.5	0.6	0.6	0.5	0.5
Stone, clay & glass	3.9	3.7	3.9	4.2	3.8	3.2
Metals & machinery	0.8	0.9	1.0	1.2	1.2	1.1
Other	0.3	0.3	0.6	1.0	0.9	0.9
Nondurable goods	<u>23.6</u>	<u>24.1</u>	<u>24.2</u>	<u>24.3</u>	<u>23.4</u>	<u>23.8</u>
Food products	2.8	2.8	2.8	2.8	2.9	2.9
Textile products	10.3	10.5	10.6	10.5	9.5	10.0
Apparel	1.8	1.8	1.7	1.8	1.9	1.8
Printing & publishing	0.6	0.5	0.5	0.6	0.6	0.6
Other	8.1	8.5	8.6	8.6	8.5	8.5
Nonmanufacturing	<u>48.6</u>	<u>52.4</u>	<u>56.3</u>	<u>56.7</u>	<u>57.2</u>	<u>59.3</u>
Construction	5.3	5.2	6.4	5.0	4.5	5.7
Transp., comm., utils.	3.5	3.9	3.8	3.8	3.8	3.8
Trade	12.6	13.5	14.6	15.1	15.2	15.8
Fin., ins., real estate	2.7	2.8	3.0	3.1	3.1	3.1
Service	7.8	8.7	9.4	9.7	10.5	10.4
Government	16.7	18.3	19.1	20.0	20.1	20.5
All other employment ^{a/}	12.0	11.8	11.7	11.7	11.7	11.7

^{a/} Includes agricultural workers, domestics, the self-employed, and unpaid family workers.
Source: Georgia Department of Labor.

Table VI

Population and Household Changes
Augusta, Georgia, Housing Market Area
April 1, 1960-January 1, 1974

	April 1 <u>1960</u>	April 1 <u>1970</u>	January 1 <u>1972</u>	January 1 <u>1974</u>	<u>Average annual changes</u>		
					<u>1960-</u> <u>1970</u>	<u>1970-</u> <u>1972</u>	<u>1972-</u> <u>1974</u>
<u>Population</u>							
HMA total	<u>216,639</u>	<u>253,460</u>	<u>258,800</u>	<u>265,600</u>	<u>3,682</u>	<u>3,050</u>	<u>3,400</u>
Richmond County	<u>135,601</u>	<u>162,437</u>	<u>166,200</u>	<u>171,100</u>	<u>2,684</u>	<u>2,150</u>	<u>2,450</u>
City of Augusta	70,626	59,864	58,000	55,800	-1,076	-1,075	-1,100
Remainder of county	64,975	102,573	108,200	115,300	3,760	3,225	3,550
Aiken County	81,038	91,023	92,600	94,500	998	900	950
 <u>Households</u>							
HMA total	<u>56,689</u>	<u>71,437</u>	<u>74,900</u>	<u>78,900</u>	<u>1,475</u>	<u>1,975</u>	<u>2,000</u>
Richmond County	<u>35,040</u>	<u>44,464</u>	<u>46,850</u>	<u>49,550</u>	<u>942</u>	<u>1,360</u>	<u>1,350</u>
City of Augusta	20,543	19,877	19,850	19,700	-67	-15	-75
Remainder of county	14,497	24,587	27,000	29,850	1,009	1,375	1,425
Aiken County	21,649	26,973	28,050	29,350	533	615	650

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

Table VII

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

Area and date	Total housing inventory	Occupied housing units					Total vacant units
		Total	Owner occupied		Renter occupied		
			Number	Percent	Number	Percent	
HMA total							
April 1, 1960	63,570	56,689	33,009	58.2	23,680	41.8	6,881
April 1, 1970	77,154	71,437	46,070	64.5	25,367	35.5	5,717
January 1, 1972	81,600	74,900	49,200	65.7	25,700	34.3	6,700
Richmond County							
April 1, 1960	38,205	35,040	19,318	55.1	15,722	44.9	3,165
April 1, 1970	47,754	44,464	26,119	58.7	18,345	41.3	3,290
January 1, 1972	50,950	46,850	28,000	59.8	18,850	40.2	4,100
City of Augusta							
April 1, 1960	22,054	20,543	9,312	45.3	11,231	54.7	1,511
April 1, 1970	21,159	19,877	8,674	43.6	11,203	56.4	1,282
January 1, 1972	21,350	19,850	8,600	43.3	11,250	56.7	1,500
Remainder of county							
April 1, 1960	16,151	14,497	10,006	69.0	4,491	31.0	1,654
April 1, 1970	26,595	24,587	17,445	71.0	7,142	29.0	2,008
January 1, 1972	29,600	27,000	19,400	71.8	7,600	28.2	2,600
Aiken County							
April 1, 1960	25,365	21,649	13,691	63.2	7,958	36.8	3,716
April 1, 1970	29,400	26,973	19,591	74.0	7,022	26.0	2,427
January 1, 1972	30,650	28,050	21,200	75.6	6,850	24.4	2,600

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

Table VIII

Trends of New Construction of Nonsubsidized and Subsidized Housing Units
Augusta, 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>
<u>HMA total</u>	<u>1,929</u>	<u>2,256</u>	<u>2,739</u>	<u>2,463</u>	<u>2,196</u>	<u>3,174</u>	<u>4,008</u>
Single family	<u>1,336</u>	<u>1,446</u>	<u>2,225</u>	<u>1,647</u>	<u>1,353</u>	<u>1,916</u>	<u>2,430</u>
Nonsubsidized	<u>1,336</u>	<u>1,446</u>	<u>2,225</u>	<u>1,646</u>	<u>1,317</u>	<u>1,134</u>	<u>1,505</u>
Subsidized	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>36</u>	<u>782</u>	<u>925</u>
Section 235	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>36</u>	<u>682</u>	<u>925</u>
Public housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>
Multifamily	<u>593</u>	<u>810</u>	<u>514</u>	<u>816</u>	<u>843</u>	<u>1,258</u>	<u>1,578</u>
Nonsubsidized	<u>207</u>	<u>610</u>	<u>514</u>	<u>808</u>	<u>395</u>	<u>758</u>	<u>1,332</u>
Subsidized	<u>386</u>	<u>200</u>	<u>-</u>	<u>8</u>	<u>448</u>	<u>500</u>	<u>246</u>
Public housing	<u>386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>46</u>
Military housing	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>448</u>	<u>-</u>	<u>-</u>
Section 221(d) (3) BMIR	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>
Section 236	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
<u>Richmond County</u>	<u>1,316</u>	<u>1,738</u>	<u>1,568</u>	<u>1,693</u>	<u>1,567</u>	<u>2,344</u>	<u>2,943</u>
Single family	<u>781</u>	<u>935</u>	<u>1,054</u>	<u>965</u>	<u>784</u>	<u>1,160</u>	<u>1,601</u>
Nonsubsidized	<u>781</u>	<u>935</u>	<u>1,054</u>	<u>965</u>	<u>782</u>	<u>726</u>	<u>901</u>
Subsidized	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>434</u>	<u>700</u>
Section 235	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>434</u>	<u>700</u>
Public housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Multifamily	<u>535</u>	<u>803</u>	<u>514</u>	<u>728</u>	<u>783</u>	<u>1,184</u>	<u>1,342</u>
Nonsubsidized	<u>185</u>	<u>603</u>	<u>514</u>	<u>728</u>	<u>335</u>	<u>684</u>	<u>1,142</u>
Subsidized	<u>350</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>448</u>	<u>500</u>	<u>200</u>
Public housing	<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>
Military housing	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>448</u>	<u>-</u>	<u>-</u>
Section 221(d) (3) BMIR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Section 236	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
<u>Aiken County</u>	<u>613</u>	<u>518</u>	<u>1,171</u>	<u>770</u>	<u>629</u>	<u>830</u>	<u>1,065</u>
Single family	<u>555</u>	<u>511</u>	<u>1,171</u>	<u>682</u>	<u>569</u>	<u>756</u>	<u>829</u>
Nonsubsidized	<u>555</u>	<u>511</u>	<u>1,171</u>	<u>681</u>	<u>535</u>	<u>408</u>	<u>604</u>
Subsidized	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>34</u>	<u>348</u>	<u>225</u>
Section 235	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>34</u>	<u>248</u>	<u>225</u>
Public housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>
Multifamily	<u>58</u>	<u>7</u>	<u>-</u>	<u>88</u>	<u>60</u>	<u>74</u>	<u>236</u>
Nonsubsidized	<u>22</u>	<u>7</u>	<u>-</u>	<u>80</u>	<u>60</u>	<u>74</u>	<u>190</u>
Subsidized	<u>36</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>46</u>
Public housing	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
Military housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Section 221(d) (3) BMIR	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>
Section 236	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Table IX

Trends of Vacancy
Augusta, Georgia, Housing Market Area
April 1, 1960-January 1, 1972

Area and date	Total vacant units	Available vacant housing units					Other vacant units ^{a/}
		Total	For sale		For rent		
			Number	Percent	Number	Percent	
HMA total							
April 1, 1960	6,881	4,567	719	2.1	3,848	14.0	2,314
April 1, 1970	5,717	3,961	1,128	2.4	2,833	10.0	1,756
January 1, 1972	6,700	4,700	1,400	2.8	3,300	11.4	2,000
Richmond County							
April 1, 1960	3,165	2,129	458	2.3	1,671	9.6	1,036
April 1, 1970	3,290	2,482	651	2.4	1,831	9.1	808
January 1, 1972	4,100	3,100	850	3.0	2,250	10.7	1,000
City of Augusta							
April 1, 1960	1,511	917	118	1.3	799	6.6	594
April 1, 1970	1,282	916	125	1.4	791	6.6	366
January 1, 1972	1,500	1,100	150	1.7	950	7.8	400
Remainder of county							
April 1, 1960	1,654	1,212	340	3.3	872	16.3	442
April 1, 1970	2,008	1,566	526	2.9	1,040	12.7	442
January 1, 1972	2,600	2,000	700	3.5	1,300	14.6	600
Aiken County							
April 1, 1960	3,716	2,438	261	1.9	2,177	21.5	1,278
April 1, 1970	2,427	1,479	477	2.3	1,002	12.5	948
January 1, 1972	2,600	1,600	550	2.5	1,050	13.3	1,000

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

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

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