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The

**CURRENT
HOUSING
MARKET
SITUATION-
BRUNSWICK,
GEORGIA**

as of March 1, 1974

**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 1974**

The Current Housing Market Situation
Brunswick, Georgia as of March 1, 1974

Foreword

This current housing situation report 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 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 of the Atlanta Area Office on the basis of information available on the "as of" date from both local and national sources. Subsequent market developments may, of course, occasion modifications in the conclusions of this report.

The prospective demand estimates suggested in the report are based upon an evaluation of the factors available on the "as of" date. They should not be construed as forecasts of building activity, but rather as estimates of 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
Economic and Market Analysis Division

THE CURRENT HOUSING MARKET SITUATION
BRUNSWICK, GEORGIA
AS OF MARCH 1, 1974

The Brunswick, Georgia, Housing Market Area (HMA) is defined as Glynn County. The HMA is located in southern Georgia on the Atlantic Coast, approximately 75 miles north of Jacksonville, Florida, and 80 miles south of Savannah, Georgia. The Glynco Naval Air Station, with a total of approximately 2,500 military and civilian personnel, is located in the HMA and is scheduled for closure in December 1974.

Anticipated Housing Demand

Based on the projected level of household growth during the forecast period, March 1, 1974 to March 1, 1976, the current vacancy level, the estimated number of units to be demolished, and the number of housing units under construction, it is anticipated that there will be only minimal demand for new nonsubsidized housing units during the two-year forecast period.

Rental Housing Market

The market for rental housing is very soft at present. A Postal Vacancy Survey conducted in February 1972 indicated a vacancy rate in apartments of 10.3 percent, almost no change from the 10.5 percent reported in the April 1970 Census. However, during 1972 and 1973 building permits were issued for a total of 1,712 multifamily units. The annual average number of units authorized from 1960 through 1971 was 84 units and the highest total prior to 1972 was 276 units permitted in 1971. The

unprecedented level of construction in 1972 and 1973 has resulted in a higher rental vacancy rate which will likely be sustained during the forecast period since there are a large number of multifamily units still under construction and yet to come on the market.

Newer rental units with modern amenities, such as air conditioning and swimming pools, range in rent (excluding utilities) from \$145 to \$185 for one bedroom, \$175 to \$215 for two bedrooms, and \$190 to \$245 for three bedrooms. Of a total of approximately 800 new multifamily units of this type completed in six to eight complexes during the past 18 months, some are experiencing vacancy rates as high as 40 percent. During the next ten months, about 400 rental houses, apartment units, and mobile homes will be vacated by households of Naval personnel leaving the Brunswick area. This action will further increase the vacancy rate in rental housing.

Sales Housing Market

The homeowner vacancy rate was 3.5 percent in February 1972 as reported by the Postal Vacancy Survey, up from the 16 percent reported in the April 1970 Census. The high vacancy rate in 1972 resulted from a record year of building in 1971 which continued through 1972. During 1971 and 1972, permits were issued for 526 and 417 units, respectively. During 1973, homebuilding activity decreased, as the number of permits issued was down to 283. However, the sales housing market is still soft, with a vacancy rate presently estimated at 40 percent .

During the next ten months, approximately 300 sales housing units will be vacated by Naval military personnel leaving the Brunswick area. The average sales price of these units is estimated to range from \$20,000 to \$25,000. The addition of these 300 housing units to the available-for-sale inventory will adversely affect the sales housing market.

Subsidized Housing

As of March 1, 1974, there were six low-rent public housing projects with 607 units under management in the HMA, including 35 units for elderly occupancy. The authority maintains a low vacancy rate and a backlog of 50 to 75 applications for admission. There are also two Section 236 projects in management in Brunswick with a total of 193 units.

As of September 30, 1973, 353 loans had been insured under the Section 235 program in Glynn County. Approximately 100 units were insured each year from 1970 through 1972 and the remainder of the units in 1969 and 1973. On January 5, 1973, a moratorium was placed on all federally subsidized housing programs. This analysis, therefore, does not attempt to project the occupancy potential for subsidized housing.

Economic, Demographic and Housing Factors

The projection of only minimal demand for new, nonsubsidized housing units is based upon the employment, income, population, and housing trends discussed below.

Employment. Nonagricultural wage and salary employment averaged 19,170 jobs in the Brunswick HMA in 1972. This was an increase of 710 jobs over the 1971 annual average of 18,460 and compares with increases of 970 jobs between 1969 and 1970 and 910 jobs between 1970 and 1971. Between 1962 and 1969, nonagricultural wage and salary employment increased by an annual average of 550 jobs. In July 1973, nonagricultural wage and salary employment was estimated at 18,540, a total decrease of 630 jobs from the 1972 annual average. The rate of unemployment in July 1973 was estimated at 3.2 percent, up from 2.5 percent in 1972 and 2.8 percent in 1971. (See Table I).

As shown in Table II, manufacturing employment declined from a 1970 total of 5,620 to 4,880 in July 1973, the latest date for which information is available. During the same time period, nonmanufacturing employment increased from 11,930 to 13,660. From 1970 to 1971, the greatest increases were in the contract construction, wholesale and retail trade, and service sectors.

The Glynco Naval Air Station, located six miles north of Brunswick, will be shut down by December 31, 1974, resulting in the loss of 2,100 military personnel and 400 civilian personnel. Military and civilian strength trends since 1962 are presented in Table III.

During the March 1974 to March 1976 forecast period, it is estimated that there will be little growth in nonagricultural wage and salary employment.

Some employment increases will likely continue in wholesale and retail trade and services but these will be offset by decreases in government and contract construction employment. Nonagricultural wage and salary employment will average approximately 18,000 jobs during the forecast period.

Income. As of March 1, 1974, the median annual income of all families in the Brunswick HMA was estimated at \$11,600; the median annual income of renter families of two or more persons was estimated at \$9,700. Detailed distributions of all families and renter households by 1969 and 1974 income are presented in table IV.

Population and Households. The population of the Brunswick HMA was estimated at 56,700 persons as of March 1, 1974, an average annual increase of 1,570 persons since the 1970 Census. During the 1960's the population of the HMA increased by an average of 860 persons per year (See Table V). It is anticipated that the population of the HMA will decrease to 55,000 by March 1, 1976. This reflects the results of the closing of the Glymco Naval Station and the expected lack of significant increases in employment opportunity during the two-year period.

As of March 1, 1974, there were an estimated 17,500 households (occupied housing units) in the Brunswick HMA, reflecting an increase of 600 households annually since the 1970 Census. Between 1960 and 1970 the number of households increased by an annual average of 345. It is estimated that the number of households will remain at approximately the same level during the March 1, 1974 to March 1, 1976 forecast period.

Construction Trends and Housing Inventory. New housing units authorized annually by building permits in the HMA between 1960 and 1973 are shown in Table VI. Single-family home construction was the major factor in the Glynn County housing market until 1972 when multifamily housing units permitted first exceeded the number of single-family housing units permitted. In 1973, multifamily housing units authorized were 76 percent of the total housing units authorized. During the first two months of 1974, permits were issued for 25 single-family units and 33 multifamily units. The housing inventory for the Brunswick HMA totaled approximately 20,000 units in March 1974, an increase of 3,341 units since the 1970 Census. This net increase resulted from the completion of 3,300 new units, the addition of 200 mobile homes, and the loss of 160 units through demolition and other causes. Based on building permit authorizations, it is estimated that as of March 1, 1974, 350 housing units were under construction, including 50 single-family and 300 multifamily units.

Of the 20,000 housing units in the Brunswick HMA, 437 units, including 225 Capehart, 82 appropriated-fund and 130 townhouse units, were located on the Glynco Naval Air Station. Almost all of these on-base units are presently occupied by military families and an additional 1,000 men are located in military barracks at Glynco. Of the remaining 700 military personnel residing off base, approximately 300 own their own homes, 150 rent mobile homes, and 250 rent apartment units or houses. It is estimated that no more than 75 of the total 400 civilian personnel residing off base will relocate from Brunswick along with the 2,100 military personnel. The addition of the 400 rental units and 300 sales units available to the inventory will result in higher vacancy rates due to the unprecedented level of construction during the past three years.

The 437 housing units located on base are attached in groups of four to six units and would, therefore, most likely serve the rental housing market. It is believed that the immediate disposition of the 437 units would adversely affect the housing market and that the units should, therefore, be held from the market until vacancy rates improve and then released in stages.

Vacancy. Vacancy rates in both sales and rental housing have increased since the 1970 Census. At that time there were 161 vacant housing units for sale and 672 vacant housing units for rent, representing vacancy rates of 1.7 percent and 10.5 percent in sales and rental units, respectively. Based on building permit authorizations, the opinion of local officials, and personal observation, it is estimated that the sales vacancy rate is 4 percent and the rental vacancy rate is 16 percent. Vacancy trends in the HMA between 1960 and 1974 are presented in Table VII.

Table I

<u>Civilian Labor Force Components</u>										
<u>Glynn County, Georgia</u>										
<u>Annual Averages, 1964 - 1973</u>										
	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>July</u> <u>1973</u>
Civilian labor force	<u>18,010</u>	<u>18,160</u>	<u>18,010</u>	<u>18,810</u>	<u>18,970</u>	<u>19,480</u>	<u>20,490</u>	<u>21,410</u>	<u>22,080</u>	<u>21,600</u>
Total unemployment	<u>750</u>	<u>760</u>	<u>660</u>	<u>670</u>	<u>550</u>	<u>520</u>	<u>570</u>	<u>590</u>	<u>550</u>	<u>690</u>
Percent of labor force	<u>4.2</u>	<u>4.2</u>	<u>3.7</u>	<u>3.6</u>	<u>2.9</u>	<u>2.7</u>	<u>2.8</u>	<u>2.8</u>	<u>2.5</u>	<u>3.2</u>
Total employment	<u>17,260</u>	<u>17,400</u>	<u>17,350</u>	<u>18,140</u>	<u>18,420</u>	<u>18,960</u>	<u>19,920</u>	<u>20,820</u>	<u>21,530</u>	<u>20,910</u>
Nonagricultural	<u>17,100</u>	<u>17,240</u>	<u>17,190</u>	<u>17,990</u>	<u>18,280</u>	<u>18,820</u>	<u>19,790</u>	<u>20,700</u>	<u>21,410</u>	<u>20,790</u>
Wage and Salary, except domestics	<u>14,850</u>	<u>14,990</u>	<u>14,950</u>	<u>15,750</u>	<u>16,040</u>	<u>16,580</u>	<u>17,550</u>	<u>18,460</u>	<u>19,170</u>	<u>18,540</u>
Agricultural	<u>160</u>	<u>160</u>	<u>160</u>	<u>150</u>	<u>140</u>	<u>140</u>	<u>130</u>	<u>120</u>	<u>120</u>	<u>120</u>

Source: Georgia Department of Labor, Employment Security Agency

Table II

Employment by Industry
Brunswick, Georgia, Housing Market Area
Annual Averages, 1970 - 1973

<u>Work Force Components</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>July 1973</u>
Total Employment	19,920	20,820	21,530	20,910
Nonagricultural Employment	19,790	20,700	21,410	20,790
Wage and salary workers, except domestics	17,550	18,460	19,170	18,540
Manufacturing	5,620	5,430	N.A.	4,880
Food and kindred products	1,530	1,420	N.A.	N.A.
Lumber and wood products, except furniture	270	240	N.A.	N.A.
All other manufacturing	3,820	3,770	N.A.	N.A.
Nonmanufacturing	11,930	13,030	N.A.	13,660
Contract construction	1,120	1,780	N.A.	N.A.
Transportation, communication, electric, gas and sanitary services	750	740	N.A.	N.A.
Wholesale and retail trade	3,430	3,630	N.A.	N.A.
Finance, insurance and real estate	650	700	N.A.	N.A.
Service	2,470	2,670	N.A.	N.A.
Government	3,460	3,460	N.A.	N.A.
All other nonmanufacturing	50	50	N.A.	N.A.
Self-employed, unpaid family workers and domestics	2,240	2,240	2,240	2,250
Agricultural Employment	130	120	120	120

Source: Georgia Department of Labor, Employment Security Agency

Table III

Military and Civilian Strength Trends
Brunswick, Georgia, Housing Market Area

<u>Component</u>	<u>December 1962</u>	<u>June 1966</u>	<u>March 1974</u>
Total	2,593	2,632	2,500
Military	2,419	2,425	2,100
Civilian	174	207	400

Source: Department of Defense

Table IV

Estimated Percentage Distribution
of all Families and Renter Households by Annual Income
Brunswick, Georgia HMA - 1969 - 1974

<u>Income</u>	<u>All Families</u>		<u>Renter Households</u> ^{1/}	
	<u>1969</u>	<u>1974</u>	<u>1969</u>	<u>1974</u>
Under \$3,000	12	8	16	10
\$3,000- 3,999	6	3	8	5
4,000- 4,999	6	6	7	6
5,000- 5,999	7	4	8	6
6,000- 6,999	7	6	9	6
7,000- 7,999	8	4	9	6
8,000- 8,999	7	6	9	6
9,000- 9,999	8	5	6	7
10,000- 11,999	11	10	10	12
12,000- 14,999	12	15	8	14
15,000- 24,999	11	23	8	16
25,000 and over	5	10	2	6
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Median	\$8,600	\$11,600	\$7,200	\$9,700

^{1/}Excludes one-person renter-households.

Source: Estimated by Economist.

Table V

Population and Household Trends
Brunswick, Georgia, Housing Market Area
April 1, 1960 - March 1, 1976

	<u>Population</u>		<u>Households</u>	
	<u>Number</u>	<u>Average Annual Change</u>	<u>Number</u>	<u>Average Annual Change</u>
April 1, 1960	41,954	-	11,667	-
April 1, 1970	50,528	860	15,116	345
March 1, 1974	56,700	1,570	17,500	600
March 1, 1976	55,000	-850	17,500	-

Sources: 1960 and 1970 Censuses of Population and Housing; 1974 and 1976 estimates by Economist.

Table VI

New Housing Units Authorized by Building Permits
Brunswick, Georgia Housing Market Area
Annual Totals, 1960 - 1974

Units in Structure, by Area	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>Jan - Feb. 1974</u>
HMA Total	<u>354</u>	<u>312</u>	<u>439</u>	<u>668</u>	<u>542</u>	<u>375</u>	<u>234</u>	<u>225</u>	<u>331</u>	<u>284</u>	<u>395</u>	<u>802</u>	<u>1189</u>	<u>1223</u>	<u>58</u>
Brunswick	<u>110</u>	<u>58</u>	<u>82</u>	<u>149</u>	<u>125</u>	<u>138</u>	<u>118</u>	<u>44</u>	<u>90</u>	<u>30</u>	<u>56</u>	<u>127</u>	<u>131</u>	<u>18</u>	<u>2</u>
Unincorporated Area	<u>244</u>	<u>254</u>	<u>357</u>	<u>519</u>	<u>417</u>	<u>237</u>	<u>116</u>	<u>181</u>	<u>241</u>	<u>254</u>	<u>339</u>	<u>675</u>	<u>1058</u>	<u>1205</u>	<u>56</u>
Single-Family	<u>292</u>	<u>302</u>	<u>431</u>	<u>616</u>	<u>407</u>	<u>290</u>	<u>138</u>	<u>176</u>	<u>256</u>	<u>209</u>	<u>307</u>	<u>526</u>	<u>417</u>	<u>283</u>	<u>25</u>
Brunswick	<u>50</u>	<u>50</u>	<u>80</u>	<u>103</u>	<u>86</u>	<u>83</u>	<u>30</u>	<u>40</u>	<u>26</u>	<u>23</u>	<u>40</u>	<u>103</u>	<u>127</u>	<u>18</u>	<u>2</u>
Unincorporated Area	<u>242</u>	<u>252</u>	<u>351</u>	<u>513</u>	<u>321</u>	<u>207</u>	<u>108</u>	<u>136</u>	<u>230</u>	<u>186</u>	<u>267</u>	<u>423</u>	<u>290</u>	<u>265</u>	<u>23</u>
Multi-Family	<u>62</u>	<u>10</u>	<u>8</u>	<u>52</u>	<u>135</u>	<u>85</u>	<u>96</u>	<u>49</u>	<u>75</u>	<u>75</u>	<u>88</u>	<u>276</u>	<u>772</u>	<u>940</u>	<u>33</u>
Brunswick	<u>60</u>	<u>8</u>	<u>2</u>	<u>46</u>	<u>39</u>	<u>55</u>	<u>88</u>	<u>4</u>	<u>64</u>	<u>7</u>	<u>16</u>	<u>24</u>	<u>4</u>	<u>-</u>	<u>-</u>
Unincorporated Area	<u>2</u>	<u>2</u>	<u>6</u>	<u>6</u>	<u>96</u>	<u>30</u>	<u>8</u>	<u>45</u>	<u>11</u>	<u>68</u>	<u>72</u>	<u>252</u>	<u>768</u>	<u>940</u>	<u>33</u>

Source: U. S. Bureau of the Census, Construction Reports, C-40; and local permit-issuing places.

Table VII

Housing Inventory, Tenure, and Vacancy Trends
Brunswick, Georgia, Housing Market Area
 April 1, 1960 - March 1, 1974

<u>Component</u>	<u>April 1, 1960</u>	<u>April 1, 1970</u>	<u>March 1, 1974</u>
Total housing inventory	<u>13,158</u>	<u>16,659</u>	<u>20,000</u>
Total occupied units	<u>11,667</u>	<u>15,116</u>	<u>17,500</u>
Owner-occupied	6,714	9,364	10,600
Percent	57.5	62.0	60.5
Renter-occupied	4,953	5,752	6,900
Percent	42.5	38.0	39.5
Total vacant units	<u>1,491</u>	<u>1,543</u>	<u>2,500</u>
Available vacant	<u>747</u>	<u>833</u>	<u>1,750</u>
For sale	171	161	450
Homeowner vacancy rate	2.5%	1.7%	4.1%
For rent	576	672	1,300
Renter vacancy rate	10.4%	10.5%	15.9%
Other vacant ^{a/}	744	710	750

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

Sources: 1960 and 1970 Censuses of Housing; 1974 estimates by Economist.