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Analysis of the
**CHARLESTON, SOUTH CAROLINA
HOUSING MARKET**

as of July 1, 1965



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

December 1965

ANALYSIS OF THE
CHARLESTON, SOUTH CAROLINA, HOUSING MARKET
AS OF JULY 1, 1965

FIELD MARKET ANALYSIS SERVICE
FEDERAL HOUSING ADMINISTRATION
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Foreword

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

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

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

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ANALYSIS OF THE
CHARLESTON, SOUTH CAROLINA, HOUSING MARKET
AS OF JULY 1, 1965

Summary and Conclusions

1. Total nonagricultural employment in the Charleston Housing Market Area (HMA) averaged 62,300 in 1964, an increase of 13,100 (28.7 percent), or about 1,300 annually, since 1954. About 96 percent of this growth (12,700) occurred in nonmanufacturing industries with government accounting for the largest absolute increase. The relatively large increase in government employment primarily was due to increases in personnel at the military complexes.

Unemployment in the HMA averaged 3.7 percent during 1964. This ratio represents a continuous decline from the 1961 rate of 5.7 percent, and is the lowest experienced since 1957.

Employment is expected to increase by 3,000 jobs (1,500 annually) during the next two years. The major portion of the increase will occur at the Naval Base and at the Air Force Base.

2. The estimated current median income of all families in the HMA is approximately \$5,000 annually, after deduction of Federal income tax. The median income of all renter families is about \$4,250. By 1967, median after-tax incomes are expected to increase to \$5,200 a year for all families and to \$4,450 for renter families.
3. The current population of the Charleston HMA is approximately 281,800 persons, an increase of over 27,200 since April 1960. By July 1, 1967, population is expected to increase by 11,400 (5,700 annually) to 293,200.
4. At the present time, households number about 71,100, an increase of about 7,100 since April 1960, or 1,350 annually. By July 1, 1967, households are expected to total 74,050, an increase of about 1,475 annually.
5. The current inventory of 78,800 housing units represents a net gain of about 7,125 units (9.9 percent) since April 1960, an average of about 1,355 units annually. During the past five years an estimated average of about 1,550 new housing units a year have been completed. About 85 percent of these have been single-family houses. At present, about 1,025 single-family houses and 475 multifamily units are under construction.

6. There are an estimated 2,300 available vacant housing units in the HMA at the present time. Of the total, an estimated 980 are for sale, representing a homeowner vacancy ratio of 2.5 percent, and 1,320 are available for rent, a low rental vacancy ratio of 3.9 percent.
7. Demand for additional housing during the July 1965 to July 1967 period is expected to total 1,625 units a year, including 1,375 units for sale and 250 units for rent.

Annual demand for new sales housing by price classes is expected to approximate the pattern indicated on page 31.

Of the annual demand for 250 rental units, 140 are in rent ranges which probably will require use of public benefits or assistance in financing or land purchase if they are to be provided by privately-owned housing. Demand by monthly gross rent and by unit size is expected to approximate the pattern indicated on page 32.

ANALYSIS OF THE
CHARLESTON, SOUTH CAROLINA, HOUSING MARKET
AS OF JULY 1, 1965

Housing Market Area

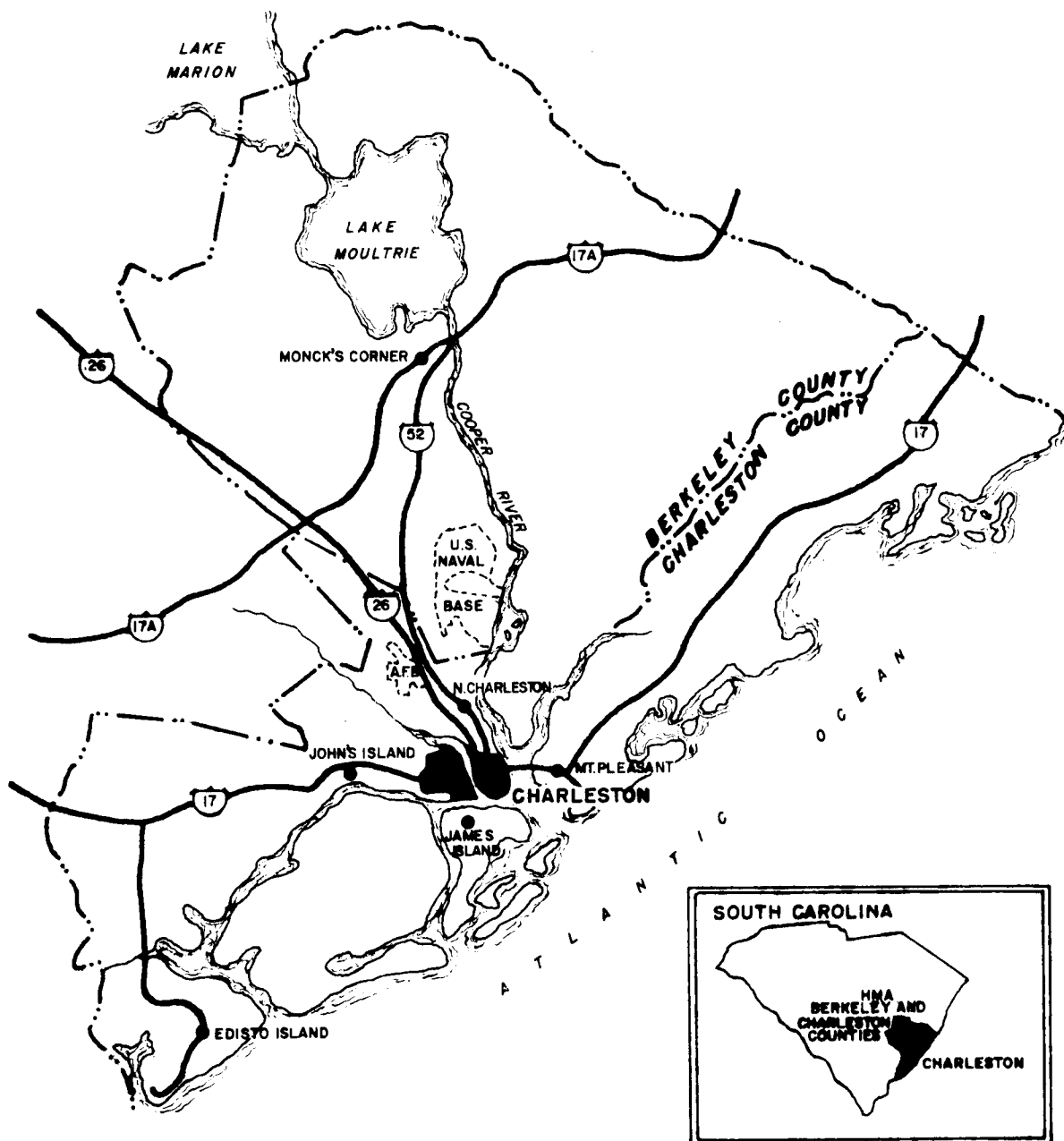
For the purpose of this report, the Charleston, South Carolina, Housing Market Area (HMA) is defined as being coterminous with Charleston County and Berkeley County, South Carolina. The area, as delineated, conforms to the Charleston, South Carolina, Standard Metropolitan Statistical Area (SMSA) as revised by the Bureau of the Budget in October 1963. This area also is defined as the Charleston Labor Market Area by the Bureau of Employment Security. Charleston County, however, continues to remain the manufacturing, commercial, and cultural center of the region. This is reflected in the fact that, in 1964, over 92 percent of all nonagricultural workers in the two-county area worked in Charleston County.

The SMSA is situated midway on the South Carolina coastal strip and encompasses approximately 2,045 square miles. Midway along the 91 mile coast line, at the junction of the Ashley and Cooper Rivers, Charleston City is located on the peninsula tip. The city is approximately 115 miles southeast of Columbia, 110 northeast of Savannah, Georgia, and 140 miles east of Augusta, Georgia.

The SMSA is served by Interstate Highway 26 which crosses the area in a northwest-southeast route, and which is currently being extended to connect with U.S. Route 17 (Cross town 17) in order to afford direct access to the peninsula and other points south. Charleston has fine air, rail, and water transportation facilities in addition to its improving highway system. Delta, Eastern, and National Airlines operate through Charleston and provide service to most cities in the United States. Southern Airlines provides service to small cities in the South. Several airlines provide international service. Rail transportation is provided by three railroad lines; the Atlantic Coast Line Railroad Company, the Seaboard Air Line Railroad Company, and the Southern Railway System. The Greyhound Bus Lines and Trailway Bus Lines connect Charleston with cities throughout the South. Twenty-five motor freight and long-distance movers provide excellent service to points throughout the Nation.

Military installations have a significant impact on the economy of the SMSA. Therefore, whenever possible, data in this analysis are presented for the various components of the military complex, i.e., employment, population, housing, and housing demand. For the purpose of this analysis, the term "military" is defined as including the uniformed military personnel and their dependents. The term "civilian" is used to embrace all civilians in the area, including those directly and indirectly connected with the military installations.

CHARLESTON, SOUTH CAROLINA, HOUSING MARKET AREA



Economy of the Area

Character and History

Charleston, "America's Most Historic City," developed rapidly from early colonial days until shortly after the Civil War. The city of Charleston was established in 1670 and was incorporated in 1783. For two centuries after its founding, it was an important port and in the 1960's is regaining this distinction. Rice, indigo, cotton, and tobacco plantations in the rural areas of the Carolinas were predominant flourishing enterprises which created a thriving commerce with other world ports. Coastwise trade developed with other major Atlantic ports.

The passing of the sailing vessel and the building of railroads in the decades after the Civil War had the effect of slowing the Charleston economy. Except for a short-lived spurt in the 1880's, the population of Charleston grew barely 20 percent between the Civil War and World War I. The State of South Carolina more than doubled its population in the same period. During World War I, the importance of Charleston as a ship building center and naval base gave its economic life a short impetus, after which it settled back into somnolence until a similarly inspired impetus occurred during World War II. For almost a century, Charleston has become increasingly dependent upon tourist trade as a primary source of income.

After World War II, three simultaneously developing impacts have tended to bring Charleston back into the mainstream of the economic life of the Nation. First, and perhaps most important, the continued maintenance of a strong military defense force has maintained high personnel levels of the Naval Base and has activated the Air Force Base. Second, the obsolescence of New England factories and high northern city wage rates caused textile and apparel firms to seek new locations in the South. Third, the awakening of the South to its industrial potential has resulted in a more intensive utilization of human and natural resources. These factors, with the aid of greatly improved air, rail, and highway transportation facilities are rapidly changing the tempo of economic life in Charleston.

Employment

Current Estimate and Recent Trends. Comparable employment data for the two-county HMA are available only from January 1963. For that reason, and because employment in Charleston County accounts for 95 percent of the two-county total, employment trends since 1954 for Charleston County only are considered representative of trends in the HMA. In 1964, the

monthly average of nonagricultural wage and salary employment was 62,300 workers, representing an increase of 13,100 (27 percent), about 1,300 a year. Year-to-year changes, however, varied from a decline of 300 between 1957 and 1958 to an increase of 1,900 between 1962 and 1963. Between 1963 and 1964 employment increased 1,300. The average gain since 1960 has been 1,300 a year, an average which reflects the fact that there was little change between 1960 and the recession year 1961, and the large gain of 1,900 between 1962 and 1963. Employment increases since 1961 have resulted principally from the growth of the trade, service industries, and government (including schools) in response to increased activity at the military installations in the area.

Average Monthly Nonagricultural Wage and Salary Employment
Charleston County, South Carolina, 1954-1964

<u>Year</u>	<u>Number employed</u>	<u>Change from preceding year</u>	
		<u>Number</u>	<u>Percentage</u>
1954	49,200	-	-
1955	51,500	2,300	4.7
1956	53,600	2,100	4.1
1957	54,800	1,200	2.2
1958	54,300	-300	-.5
1959	56,300	2,000	3.7
1960	57,100	800	1.4
1961	57,400	300	.5
1962	59,100	1,700	3.0
1963 ^{a/}	61,000	1,900	3.2
1964	62,300	1,300	2.1

^{a/} 1963 and 1964 derived by subtracting estimated Berkeley County employment from two-county total as reported by South Carolina Employment Security Commission.

Source: South Carolina Employment Security Commission.

Nonmanufacturing industries experienced the greatest employment gains during the 1954-1964 decade, increasing by 12,600 (31.7 percent). Manufacturing industries recorded an increase of only 500 (5.3 percent), or less than five percent of the total gain of 13,100 nonagricultural wage and salary workers during the decade. Of the total gains, 5,200 (39.7 percent) was in government. However, only 30 percent of the increase in government employment was in Federal Government activities. Another 20 percent of the total employment gain was in service and miscellaneous nonmanufacturing industries; 14 percent was in wholesale and retail trade; ten percent in construction; nine percent in finance, insurance, and real estate; and less than one percent was in transportation, communications, and public utilities.

Employment by Industry. Of the 62,300 nonagricultural wage and salary workers employed in the HMA in 1964, 52,400 (84.1 percent) were employed in nonmanufacturing industries and 10,800 (17.1 percent) were employed in manufacturing industries (see table I).

Over one-half of all manufacturing employment in 1964 was provided by the industries grouped as "other manufacturing". The concentration in this group represents the inclusion of the paper, tobacco, and ship-building industries to avoid disclosure of individual firm data. Except for the recession years of 1958 and 1961, this industry group has recorded continuous increases in employment. Industries in this group reported an employment increase of 200 between 1962 and 1963, and of 400 between 1963 and 1964. Employment in these industries has risen about nine percent since 1960. The lack of strength in the manufacturing sector of the Charleston economy is indicated by the fact that, excluding the "other manufacturing" group, manufacturing employment declined by 800 jobs (16.3 percent) from a 1954 total of 4,900 to a 1964 total of 4,100. Losses of 300 (33.3 percent) were recorded in the lumber and wood products industry, 200 (16.7 percent) in the food products industry, 200 (15.4 percent) in the apparel industry, and 100 (10.0 percent) in the chemical industry.

Wholesale and retail trade, service, and government employment provided almost 78 percent of all nonmanufacturing wage and salary jobs in 1964. Government employment was predominant with 20,600 workers, or 33.1 percent of the total. Wholesale and retail trade provided jobs for 13,000 workers (20.9 percent), followed by the service industry which accounted for 7,200 jobs (11.6 percent). The remainder of nonmanufacturing employment was provided by the contract construction industry (4,600, or 7.4 percent), the transportation, communications, and utilities industries (4,300, or 6.9 percent), and the finance, insurance, and real estate industries 2,700, (or 4.3 percent).

Most nonmanufacturing industries recorded employment gains during the 1954-1964 period. Government employment recorded the largest numerical increases. State and local government employment increased by 3,600 (73.5 percent) and accounted for almost 70 percent of the total increase in government employment. The service industry showed a gain of 2,900 jobs (67.4 percent), and construction grew by 1,300, or 39.4 percent. Finance, insurance, and real estate experienced the largest percentage increase (80 percent) having increased to a 1964 total of 2,700 workers.

A comparison of trends in nonmanufacturing wage and salary employment with trends in manufacturing wage and salary employment over the 1954-1964 period indicates that, barring the establishment of sizable new

manufacturing industries, future gains in the level of employment will be dependent largely on the trend of military activity in the area and on the growing requirements of the Charleston trading area for the trade and service functions provided in Charleston.

Principal Employment Sources

Excluding the military installations, there are no exceptionally large employers in the Charleston HMA. The West Virginia Pulp and Paper Company is the largest employer. Other relatively large employers are the American Tobacco Company, the Manhattan Shirt Company, and the General Asbestos and Rubber Division of Raybestos-Manhattan, Incorporated. The remaining firms are comparatively small and none appears to dominate its particular industry.

Military Activities. There are three military installations in the Charleston HMA, including the Charleston Air Force Base, the Charleston Army Depot, and the Charleston Naval Base. The Naval Base includes a variety of missions and complexes.

The Charleston Air Force Base, home of the 1608th Air Transport Wing of the Military Air Transport Service is located ten miles north of Charleston on highway U. S. 52. Major tenant units include the 444th Fighter Interceptor Squadron, the 792d Radar Squadron, and the 3122d Logistical Control Group. The mission of the 1608th Air Transport Wing is to provide airlift for U.S. government personnel and cargo and to support the Air Force Missile Test Center ballistic missile range.

The latest available strength figures for Charleston Air Force Base indicate a military complement of 6,572 as of March 1965. This is somewhat below the December 1964 figure of 6,696, but considerably above the September 1953 total of 2,038. The large growth since 1953 reflects the importance of the base as a military transportation facility and the rising significance of the other missions of the base.

During the next two years, one Troop Carrier Squadron will be moved to Charleston. This action is to be completed by March 31, 1967. Because of the anticipated move, it is estimated that 530 military personnel will be added to the total at Charleston AFB. No other military personnel increases are expected.

Civilian strength has been steadily increasing at the base. Civilian employment rose from a September 1953 total of 79 to a March 1965 figure of 891. The move of the Squadron from Hunter AFB will add approximately 70 civilian employees to the total at Charleston AFB. No other large increases in civilian personnel are expected during the next two years.

Military and Civilian Strength
Charleston Air Force Base
September 1953 - March 1965

<u>Date</u>	<u>Military strength</u>	<u>Civilian strength</u>	<u>Date</u>	<u>Military strength</u>	<u>Civilian strength</u>
Sept. 1953	2,038	79	Dec. 1960	5,166	802
Dec. 1954	3,523	209	1961	5,777	830
1955	4,127	395	1962	6,008	830
1956	4,552	753	1963	6,384	896
1957	5,814	767	1964	6,696	879
1958	5,639	732	March 1965	6,572	891
1959	5,089	716			

Source: Department of the Air Force.

The Charleston Army Depot is located approximately eleven miles northwest of the city of Charleston. The mission of the depot is to provide for the distribution of transportation floating equipment, to provide for depot maintenance, and to store long-term reserve transportation equipment.

The depot has had a lengthy list of missions and functions continuously since 1943. The transfer of missions to and from the depot has periodically altered military and civilian strength.

Military strength figures are not available for previous years, but officials at the depot report that the present military strength is comparable to that of the past. As of February 1964, military personnel numbered 59 persons. There are no plans to expand the strength at the depot within the forecast period.

Civilian strength has been decreasing continuously since 1951, when a total of 1,406 civilians were employed at the Depot. The 1965 figure is 537 persons. The transfer of missions was primarily responsible for this decrease. No reduction from present strength levels is planned during the forecast period.

Civilian Strength
Charleston Army Depot, 1951-1965

<u>Year</u>	<u>Civilian strength</u>	<u>Year</u>	<u>Civilian strength</u>
1951	1,406	1959	646
1952	1,004	1960	630
1953	857	1961	515
1954	875	1962	560
1955	922	1963	488
1956	834	1964	515
1957	758	1965	537
1958	759		

Source: Department of the Army.

The Charleston Naval Base is located about five miles northeast of Charleston. This Navy complex has been a fixture in Charleston for many years. It has a lengthy list of missions and is the headquarters for the Sixth Naval District. The Mine Force Command, the Naval Shipyard, Southeast Division Bureau of Yards and Docks, U.S. Naval Ammunition Depot, and several other missions are located at Charleston. One of the more significant developments at the Naval base began in 1959 when the Naval Weapons Annex was established in support of the Fleet Ballistic Missile Weapon system (FBM), commonly called the Polaris system. The FBM system became operational in November 1960 and has since become the most important function at the Naval Base. The base, currently, is the home port of 82 ships and boats, including conventional and Polaris submarines, mincraft, destroyers, and a variety of other vessels.

As of March 1965, Naval personnel, including permanent shore personnel and mobile and afloat personnel, numbered about 19,536. The comparable 1950 figures numbered 10,102 military men. The greater part of the growth occurred after 1962 when the Polaris program was proceeding to full implementation.

During the next two years, it is expected that three additional FBM submarines will be homeported at the Charleston Naval Base. The addition of these submarines will mean an increase of about 900 military personnel at the base. No reduction from that strength is presently planned.

Military Strength^{a/}
Charleston Naval Base
December 1950 - March 1965

<u>Date^{b/}</u>	<u>Total^{c/}</u>	<u>Permanent shore</u>	<u>Date^{b/}</u>	<u>Total^{c/}</u>	<u>Permanent shore</u>
1950	10,102	4,438	1958	6,730	3,320
1951	11,786	4,991	1959	7,305	3,191
1952	10,383	3,730	1960	12,681	2,966
1953	12,322	3,835	1961	8,226	2,404
1954	9,366	3,132	1962	9,316	3,224
1955	8,467	3,258	1963	16,600	3,070
1956	7,106	2,920	1964	17,242	3,200
1957	6,690	2,918	1965	19,536	3,068

a/ Strength figures include those personnel permanently ashore and those mobile and afloat.

b/ As of June except as of December 1950 and March 1965.

c/ Includes mobile personnel and personnel afloat.

Source: Department of the Navy.

Civilian strength has been increasing as a consequence of the increasing missions and responsibilities of the base. In 1950, there were about 6,758 civilians employed compared with a 1960 total of 7,841. The present civilian force totals about 8,475 persons. During the July 1965-July 1967 period, an additional 1,500 civilians are expected to be employed at the base.

Civilian Strength
Charleston Naval Base
December 1950 - April 1965

<u>Date</u>	<u>Civilian strength</u>	<u>Date</u>	<u>Civilian strength</u>
Dec. 1950	6,758	Dec. 1958	7,429
Dec. 1951	9,363	Dec. 1959	7,733
Dec. 1952	9,295	Dec. 1960	7,841
Dec. 1953	8,020	Dec. 1961	8,201
Dec. 1954	7,809	Dec. 1962	8,335
Dec. 1955	8,192	Dec. 1963	8,401
Dec. 1956	7,728	Dec. 1964	7,150
Dec. 1957	7,296	June 1965	8,475

a/ In 1963, the Naval Supply Center was separated from the Naval Shipyard and formed as a new department. Totals for 1964 and 1965 do not include the Supply Center.

Source: Department of the Navy.

Unemployment

The Charleston Labor Market Area (Charleston and Berkeley Counties combined) currently is classified as a Group "C" area by the Bureau of Employment Security. A Group "C" classification is defined as one of moderate unemployment (an unemployment ratio of 3.0 percent to 5.9 percent). The unemployment ratio of 3.7 percent in 1964 in Charleston County was the lowest experienced during the 1957-1964 period. The unemployment ratio reached a peak of 5.7 percent in 1961 and has declined continuously since that time. It is significant that nonmanufacturing employment (particularly government) began to rise at about the time that unemployment began to decline. The current unemployment ratio in Charleston County is judged to be somewhat less than the 1964 average.

Unemployment Trends Charleston County, South Carolina 1957 - 1964

<u>Year</u>	<u>Percentage</u>	<u>Year</u>	<u>Percentage</u>
1957	3.9	1961	5.7
1958	5.0	1962	4.7
1959	4.1	1963	4.1
1960	4.4	1964	3.7

Source: Bureau of Employment Security.

Berkeley County has been classified separately as an area of substantial and persistent unemployment. Precise data are not available from which to determine a long-term trend for the county. However, a 1964 ratio of 7.7 percent is somewhat lower than the 9.1 percent evidenced in 1963. As shown in the table below, the 1964 ratio equals that of 1959.

Unemployment Trends Berkeley County, South Carolina

<u>Year</u>	<u>Percentage</u>	<u>Year</u>	<u>Percentage</u>
1959	7.7	1962	7.9
1960	8.8	1963	9.1
1961	10.2	1964	7.7

Source: Bureau of Employment Security.

Future Employment Prospects

Based on recent past employment trends and on information from local sources, nonagricultural employment is expected to increase by about 3,000 workers, or 1,500 annually, over the next two years. This increase approximates the growth experienced during the 1961-1964 period. It was noted earlier that nonmanufacturing employment dominates total nonagricultural employment. This trend is expected to continue and, undoubtedly, will be led by employment increases at the military installations.

Modest increases are expected in manufacturing employment during the next two years. Although two new firms (U.S. Rubber and U.S. Plywood) have moved into the area, most gains are expected to occur through minor expansions of established industries.

Income

The estimated current median income of all families in the HMA is approximately \$5,000 annually, after deduction of Federal income tax. The median annual income of all renter families is about \$4,250. By 1967, median annual incomes are expected to increase to approximately \$5,200 for all families and to \$4,450 for renter families.

Demographic Factors

Population

Current Estimate. Currently, the population of the Charleston HMA totals 281,800, an increase of over 27,000 (10.7 percent), or almost 5,200 annually, since April 1960. Almost 65,000 persons now live in the city of Charleston, a decrease of some 1,225 (1.9 percent) since April 1960. This approximates the population loss in the central city during the 1950-1960 decade. Charleston City is replacing rapidly residential areas with civic improvements, hospitals, and other facilities. Population losses resulting from such actions probably will continue during the forecast period. North Charleston, encompassing both the Naval Base and Air Force Base, experienced the largest numerical increase.

Over-all population changes in the HMA are shown below, and are presented in greater detail in table III.

<u>Population Trend</u> <u>Charleston, South Carolina, HMA</u> <u>April 1950 - July 1967</u>			
<u>Date</u>	<u>Population</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percentage</u>
April 1950	195,107	-	-
April 1960	254,574	5,947	3.0
July 1965	281,800	5,185	2.0
July 1967	293,200	5,700	1.9

Source: 1950 and 1960 Censuses of Population.
1965 and 1967 estimated by Housing Market Analyst.

Past Trend. During the April 1950-April 1960 decade, the total population in the HMA grew from 195,100 to 254,600, an increment of 59,500 (30.5 percent), or 5,950 annually. Most of the population increase occurred in the suburban areas of the HMA outside the central city. North Charleston and Saint Andrews experienced the largest absolute numerical increases, reflecting the influence of the military installations and the out-migration of families from the city to the suburbs.

Estimated Future Population Growth. Based on the increases in employment that are expected to occur in the Charleston HMA during the next two years, it is anticipated that the total population will increase by about 11,400 (5,700 annually) to a July 1967 total of 293,200. Most of the growth is expected to occur in North Charleston, Saint Andrews, and other suburban areas.

Natural Increase and Migration. Between April 1950 and April 1960, net natural increase (excess of resident births over resident deaths) in the HMA averaged about 5,600 a year while the total population increased by approximately 5,950 persons annually, indicating an annual net in-migration of about 350 persons. Since April 1960, net natural increase has accounted for about 98 percent of the total population gain (26,700), and in-migration accounted for the remaining two percent (500).

Components of Population Change
Charleston, South Carolina, HMA
April 1950 - July 1965

<u>Component</u>	<u>Average annual change</u>		<u>a/</u>
	<u>April 1950 - April 1960</u>	<u>April 1960 - July 1965</u>	
	<u>Total</u>	<u>Total</u>	
Total increase	5,947	5,200	
Natural increase	5,591	5,100	
Migration	+356	+100	

a/ Rounded.

Source: South Carolina State Department of Health and estimates by Housing Market Analyst.

Age Distribution. Data presented below show changes in the population by age groups between April 1950 and April 1960. All age groups of the total population increased in size during the 1950-1960 decade. Of particular significance is the difference in the increases in the 5 to 19 age group and the increase in the 20 to 29 age group. Population in the 5 to 19 age group increased by 25,950 (45.6 percent) during the decade. Most of the persons in this age group were born after World War II and the Korean Conflict, periods of relatively low unemployment and rising wages. Population in the 20 to 29 age group displayed the lowest numerical (1,400) and percentage (3.9 percent) increase as compared with all groups. This relatively small increase reflects the low birth rate of the 1930's.

Population Distribution by Age
Charleston, South Carolina, HMA
April 1950 and April 1960

<u>Total population</u>	<u>April 1950</u>	<u>April 1960</u>	<u>April 1950 to April 1960 change</u>	
			<u>Number</u>	<u>Percentage</u>
Under 5	26,617	35,925	9,308	35.0
5 - 19	56,914	82,858	25,944	45.6
20 - 29	35,830	37,235	1,405	3.9
30 - 39	28,748	34,744	5,996	20.9
40 - 49	20,435	27,602	7,167	35.1
50 - 59	12,909	18,313	5,404	41.9
60 - 69	8,699	10,753	2,054	23.6
70 and over	<u>4,955</u>	<u>7,148</u>	<u>2,193</u>	<u>44.3</u>
Total	195,107	254,578	59,471	30.5

Source: 1950 and 1960 Censuses of Population

Military Population. As shown in the following table, military personnel and their families, and military-connected civilians and their families, have been constantly increasing in the HMA since 1950. During the April 1960-July 1965 period, the combined population growth of this group averaged an estimated 2,200 a year, compared with an average annual increase of about 1,500 between 1950 and 1960. The relatively larger increase in the latter period reflects, of course, the increasing responsibilities of the Air Force Base and the introduction of the Fleet Ballistic Missile system at the Charleston Naval Base.

Military, Military-Connected Civilians, and Civilian Population Trends a/
Charleston, South Carolina, HMA
1950 - 1965

<u>Population</u>	<u>April 1950</u>	<u>April 1960</u>	<u>July 1965</u>	<u>Average annual change</u> <u>b/</u>	
				<u>1950-1960</u>	<u>1960-1965</u>
Civilian	138,600	181,900	197,600	4,325	3,000
Military	27,200	39,650	47,350	1,250	1,450
Military-connected civilians <u>d/</u>	<u>29,300</u>	<u>33,050</u>	<u>36,850</u>	<u>380</u>	<u>730</u>
Total	195,100	254,600	281,800	5,950	5,175

a/ Data may not add to previous totals, because of rounding.

b/ Rounded.

c/ Military personnel and their families.

d/ Military-connected civilians and their families.

Source: Total population from 1950 and 1960 Censuses of Population.
Total population for 1965 and the military and civilian components for all years estimated by Housing Market Analyst.

During the next two years, additional FBM submarines are to be homeported at the Naval Base, the AFB will gain a Troop Carrier Squadron, and civilian employment will be increased at both installations. On the basis of these increases, it is believed that about 4,100 (2,050 annually) additional military personnel and their dependents will be added to the current military population and will total about 51,450 by July 1967. Military-connected civilians and their dependents will increase by 3,150 (1,575 annually) to a July 1967 total of about 40,000. The largest increases are expected to occur at the Charleston Naval Base. Smaller increases are expected at the Air Force Base. Both military and civilian populations are expected to remain constant at the Army Depot.

Households

Current Estimate. The total number of households (occupied dwelling units) in the Charleston HMA is currently about 71,100, an increase of about 7,100 (11.1 percent), or 1,350 annually, since April 1960. Household growth has occurred, mainly, in the suburban fringe bordering the central city.

Over-all household changes are presented in the following table. Table IV presents household trends for the major localities in the area.

Household Growth Trends
Charleston, South Carolina, HMA
1950-1967

<u>Date</u>	<u>Total households</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percentage</u>
April 1950	49,544	-	-
April 1960	64,016	1,447	2.9
July 1965	71,100	1,350	2.1
July 1967	74,050	1,475	2.0

Source: 1950 and 1960 Censuses of Population.
1965 and 1967 estimated by Housing Market Analyst.

Past Trend. Between April 1950 and April 1960, the total number of households in the HMA increased from 49,550 to 64,000, a gain of 14,450 (29.2 percent) or 1,450 annually. This exceeds the annual rate of growth since 1960 by 100. The greater increase in households between 1950 and 1960, in part, may be due to a conceptual change from "dwelling unit" in 1950 to "housing unit" in 1960.

Since April 1960, household growth in the central city has been nominal. The areas of greatest growth have been the suburban areas close proximity to the military installations or within reasonable time-cost considerations of commutation. These preferred areas are North Charleston, Saint Andrews, and James Island. Household growth in Berkeley County averaged about 210 annually over the period since 1960, reflecting about the same rate of growth experienced during the 1950-1960 decade.

Household Size. The average number of persons per household in the Charleston HMA has remained relatively constant since April 1960, when the average household contained 3.81 persons, compared with an estimated 3.80 persons in July 1965. The April 1960 figure represents a small increase from 3.74 persons in April 1950. This increase reflects the increase in military families and the relatively small growth of lower-income households. The household size trends are summarized in the following table.

Military Households. The number of military households in the HMA currently is an estimated 9,800, an increase of about 1,750 (21.7 percent) over the 1960 total of 8,050. The annual growth of 340 military households is above the 1950-1960 average growth of about 260 a year. This relatively larger growth reflects, of course, the large increase of military personnel at the Naval Base and the Air Force Base. Military-connected civilian households increased from a 1960 total of 8,450 to 9,450 in 1965, an increase of 1,000 (11.8 percent), or 190 annually. This growth is considerably above the average annual growth of 75 households during the 1950-1960 decade. Again, the increasing duties and responsibilities of the military installations necessitated the larger growth.

Military and Military-Connected Civilian Household Growth Trends
Charleston, South Carolina, HMA
1950-1965

<u>Households</u>	<u>1950</u>	<u>1960</u>	<u>1965</u>	<u>Average annual change a/</u>	
				<u>1950-1960</u>	<u>1960-1965</u>
Military connected civilians	7,700	8,450	9,450	75	190
Military	<u>5,475</u>	<u>8,050</u>	<u>9,800</u>	<u>255</u>	<u>340</u>
Total	13,175	16,500	19,250	330	530

a/ Rounded.

Source: Estimated by Housing Market Analyst.

Estimated Future Household Growth. Based on the population growth expected to occur in the area within the next two years, on employment opportunities, and on increases of personnel at the various military installations, households are expected to increase by 2,950 (1,475 annually) during the July 1965-July 1967 forecast period. Of this growth, approximately 450 annually will be military personnel. Most of the military household growth will occur at the Naval Base and Air Force Base. The Army Depot is not expected to make significant gains.

Housing Market Factors

Housing Supply

Current Estimate. At present, there are an estimated 78,800 housing units in the HMA. This total represents a net addition to the housing stock of about 7,125 units (9.9 percent), or about 1,350 annually, since 1960 (see table V). It is estimated that North Charleston and Saint Andrews contain about 40 percent of the current housing inventory, Charleston City contains about 25 percent, and the remainder is spread throughout the HMA.

Past Trend. During the 1950-1960 decade, the number of dwelling units in the area increased from 54,400 to 71,700, a gain of some 17,300 (31.8 percent), or 1,730 annually. Part of this increase is due to a conceptual change from "dwelling unit" in 1950 to "housing unit" in 1960.

Type of structure. About 76 percent of the housing units now in the HMA are in one-unit structures (including trailers), the same as the ratio in April 1960. The proportion of units in structures with two to four units increased slightly because of duplexes built for military families. The percentage of the housing supply in structures with five or more units declined somewhat.

The composition of the housing inventory by type of structure for 1960 and 1965 is summarized in the following table.

<u>Type of structure</u>	<u>Units in Structure</u>		<u>Percent of total</u>	
	<u>Charleston, South Carolina, HMA</u>			
	<u>April</u>	<u>July</u>	<u>1960</u>	<u>1965</u>
	<u>1960</u>	<u>1965</u>		
1 family	54,364	59,760	75.8	75.8
2 to 4 family	12,151	13,690	17.0	17.4
5 or more family	<u>5,163</u>	<u>5,350</u>	<u>7.2</u>	<u>6.8</u>
Total	71,678 <u>a/</u>	78,800	100.0	100.0

a/ Differs slightly from count of all housing units (71,683), because units by type of structure were enumerated on a sample basis.

Source: 1960 Census of Housing.
1965 estimated by Housing Market Analyst.

Year Structure Built. Approximately 7,125 units, or about nine percent of the total current housing supply in the HMA, have been built since April 1960. During the 1950 to March 1960 period, about 24,550 units were built, about 31 percent of the current housing supply. This is almost as large as the growth experienced during the 1930 to 1950 time period when 26,150 units were constructed. Approximately 21,000 units, about 27 percent of the total supply, were built in 1929 or earlier, indicating that a relatively large percentage of the housing stock in the HMA is at least 36 years old. ^{1/}

Distribution of the Housing Supply by Year Built
Charleston, South Carolina, HMA, as of July 1965

<u>Year built</u>	<u>Number of units</u>	<u>Percentage distribution</u>
April 1960 - July 1965	7,125	9.0
1959 - March 1960	5,100	6.5
1955 - 1958	9,600	12.2
1950 - 1954	9,850	12.5
1940 - 1949	18,125	23.0
1930 - 1939	8,025	10.2
1929 or earlier	<u>20,975</u>	<u>26.6</u>
Total	78,800	100.0

Source: Estimated by Housing Market Analyst, based on the 1960 Census of Housing, and adjusted to reflect demolitions.

Condition of the Inventory. Approximately 82 percent of the current housing inventory in the HMA is not dilapidated and has all plumbing facilities, a rather substantial improvement over the April 1960 ratio of about 70 percent. The condition of the inventory has improved since 1960 because some deteriorating and dilapidated units have been demolished and because some existing units have been upgraded. The condition of the inventory should continue to improve as more units (the bulk of which are substandard) are removed by government action.

Residential Building Activity

Annual Trend. The number of new dwelling units authorized by building permits in Charleston County since 1960 is shown in the following table. The number of new dwelling units authorized by building permits by type of structure since 1950 is presented in table VI.

^{1/} The basic data reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Dwelling Units Authorized by Building Permits
Charleston County, South Carolina
1960 - 1965

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u> ^{a/}
Charleston ^{b/}	350	1,016	802	542	1,244	292
St. Andrews	446	275	123	211	220	102
James Island	149	236	245	315	633	70
Mt. Pleasant	106	95	115	167	144	11
Johns Island	67	89	58	74	53	19
Remainder	59	46	32	49	30	NA
Total	1,177	1,757	1,375	1,358	2,324	494

^{a/} Through April.

^{b/} Includes North Charleston.

Source: Charleston County Planning Board.

Since 1960, there have been about 8,475 housing units authorized by building permits in Charleston County. The 8,475 housing units authorized since 1960 represent an average of about 1,600 units a year, substantially above the 1,375 units authorized annually during the 1950 to 1960 period. As may be observed, the number of new dwelling units authorized remained relatively stable except for sharp increases in 1961 and 1964. A major reason for the increase in the annual volume of building authorizations for these two years was the authorization of almost 1,000 military-controlled housing units.

Charleston, including North Charleston, led all other areas with about 4,250 units authorized, over 50 percent of the total number of authorizations granted. Of this total, about 1,770 were military-controlled units. Saint Andrews and James Island accounted for about 35 percent of the total authorizations with the remainder accounted for by Mount Pleasant, Johns Island, and the remainder of the county.

About 6,100 (over 72 percent) of the total number of units authorized in Charleston County since 1960 have been single-family units with the remaining units (about 2,375) in multifamily structures. It should be noted that of the multifamily structures, approximately 1,370 have been military-controlled units. Relatively little privately-owned and controlled multifamily construction has occurred in the Charleston area.

Building permits were not issued in Berkeley County prior to March 1965. However, based on personal observation, on interviews with local officials, and on new telephone and electric meter connections,

it is believed that about 1,150 new dwelling units have been built in Berkeley County since 1960. The vast majority of these units are in the area bordering Charleston County, in close proximity to the military installations, and virtually all are single-family houses.

Units Under Construction. Based on building permit data and on the postal vacancy survey conducted in the HMA, there are approximately 1,500 housing units under construction in the HMA. The total includes about 1,025 single-family units and 475 multifamily units. Most of these new units are being built in North Charleston and nearby suburban areas.

Demolitions and Conversions. There have been approximately 1,000 residential structures demolished since 1960 in the Charleston HMA. Most of these units were old, generally substandard, single-family homes. Most of these units were demolished in Charleston and North Charleston to make way for the new highways (Interstate 26 and Crosstown 17). Some units were removed and are being removed from the inventory as a result of demolition of Lanham Act housing. Other units have been removed from the inventory since 1960 through demolitions, (other than those resulting from public actions), conversions, fire loss, catastrophe, and other changes in the inventory.

Based on the further development of new highway facilities, on the initiation of urban renewal activity, on more stringent code enforcement, and on continued demolition of Lanham Act housing on the Naval Base, it is anticipated that about 750 housing units will be demolished in the Charleston HMA during the next two years.

Tenure of Occupancy

Current Estimate. As of July 1, 1965, as shown in Table V, over 54 percent (about 38,450 units) of the occupied units in the HMA are owner-occupied and nearly 46 percent (32,650 units) are renter-occupied.

Past Trend. Owner-occupancy increased from approximately 45 percent (about 22,400 units) in 1950 to over 52 percent (about 33,700 units) in 1960. This reflects the relatively high level of sales housing built during the 1950-1960 decade. Since 1960, the owner-occupancy ratio has continued to rise, reflecting not only the building of sales housing, but also the lack of adequate rental housing.

Vacancy

Census. According to 1960 census data, the Charleston HMA contained about 3,325 vacant housing units available for sale or rent, a net vacancy ratio of 4.9 percent. Of this number, 625 were available for sale and 2,700 were available for rent, representing net homeowner and renter vacancy ratios of 1.8 percent and 8.2 percent, respectively. It should be noted that the census also reported 56 (9 percent) of the available sales vacancies and 580 (21.6 percent) of the available rental vacancies as lacking one or more plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in the Charleston HMA on June 16, 1965. The survey covered an estimated 70 percent of the current housing inventory. The survey reported a total of 1,750 vacancies, representing an over-all vacancy ratio of 3.1 percent. Of this total, about 1,050 were vacant residences, a vacancy ratio of 2.3 percent, and about 700 were vacant apartments, an apartment vacancy ratio of seven percent. The results of the survey are summarized and presented in table VII.

Postal vacancy survey data are not strictly comparable with those published by the Census of Housing. The census enumerates vacancies by intended tenure; whereas the postal vacancy survey reports vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mail box). These are principally single-family homes, but they may include some duplexes and structures with extra units created by conversion. An "apartment" includes all stops where more than one delivery of mail is possible. These are primarily apartments, but they may include some roadside boxes where several deliveries of mail are possible. In addition, the postal vacancy survey probably includes some vacant units which are not available for occupancy at the time of enumeration and, also, some seasonal units, while the census excludes these units from the available inventory.

FHA Vacancies. The annual occupancy survey of FHA-insured apartment projects, conducted as of March 15, 1965, included five projects with 614 units, all completed prior to 1952. The projects reported an over-all vacancy rate of 2.3 percent, a considerable percentage decline from the 8.6 percent recorded in March 1964. The March 1963 survey reported

a vacancy ratio of 1.5 percent. The comparatively high vacancy rate in 1964 is largely accounted for by the large number of vacant units at one apartment project. The vacancies in that project rose temporarily as a result of the opening of new rental units in North Charleston. If vacancies in that one project are excluded, the vacancy ratio drops from 8.6 to 2.6 in 1964.

Vacancies in FHA-Insured Rental Projects
Charleston, South Carolina, HMA
1963 - 1965

<u>Date</u>	<u>Total units surveyed</u>	<u>Vacant units</u>	<u>Percentage vacant</u>
March 1963	614	9	1.5
March 1964	614	53	8.6
March 1965	614	14	2.3

Source: Annual Occupancy Survey of FHA-insured projects conducted by the Columbia Insuring Office.

Current Estimate. From the postal vacancy survey and from personal observation and interviews, it is judged that currently there are about 2,300 vacant dwelling units available for sale or for rent in the Charleston area. Of this number, an estimated 980 are vacant sales units, representing a current homeowner vacancy ratio of 2.5 percent, and 1,320 are vacant available rental units, indicating a low current renter vacancy rate of only 3.9 percent. Table V compares these estimates with those recorded in April 1960 by the Census of Housing, and indicates an increase in the homeowner vacancy rate, but a substantial decline in the rental vacancy rate since 1960.

Sales Market

General Market Conditions. Generally, the market for sales housing in the Charleston HMA is soft, as indicated by an increasing number of vacant single-family homes for sale.

According to local sources, new sales housing that meets minimum requirements cannot be produced to sell for much below \$8,500. Most new three-bedroom units in the HMA are priced at \$10,000 and above. FHA surveys taken in 1964 and 1965 indicate that only five percent of all new sales units surveyed in the Charleston area were priced below \$10,000. With very few exceptions, houses are being built on a speculative basis.

There appears to be a wide price range for existing homes in the area depending upon quality and location. Homes in the newer suburban areas command prices considerably above \$15,000, while homes in the lower price ranges are found in the older, more congested areas. A June 25, 1965, edition of the Charleston News and Courier listed 45 homes for sale. These homes were priced between \$6,000 and \$30,000. Of the total, 14 (31 percent) were listed for sale above \$20,000, 15 (33 percent) were listed at from \$15,000, to \$20,000, and of the remaining 16 units, only six (13 percent of the total listings) were priced below \$10,000.

Unsold Inventory of New Homes. In January 1964 and January 1965 the Columbia Insuring Office surveyed all subdivisions in the Charleston HMA in which five or more houses were completed in the preceding twelve months. The January 1965 survey covered 53 subdivisions. A total of 1,585 homes had been completed during 1964, of which 76 (4.8 percent) were sold before construction had started and 1,509 (95.2 percent) were built speculatively. Of the speculatively built homes, 1,312 were sold and 197 remained unsold. The unsold houses represented about 13.1 percent of those speculatively built. Of the 197 unsold houses, 173 (87.8 percent) had been on the market three months or less.

The January 1964 survey reported fewer houses built speculatively in 1963 than in 1964, but the ratio of unsold houses to the total speculative construction volume was considerably higher. This survey counted 1,045 completions during 1963, of which 796 (76.2 percent) were built speculatively. Of the speculatively built houses, 170 (21.4 percent) remained unsold on January 1, 1964. Almost 94 percent of these unsold homes (159) had been on the market three months or less.

Distributions of the sales prices reported for the two surveys are compared in the following table.

Houses Completed in 1963 and 1964 by Sales Price
Charleston, South Carolina, HMA

<u>Sales Price</u>	<u>Completed in 1963</u>		<u>Completed in 1964</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Under \$10,000	85	8	48	3
\$10,000 - 12,499	116	11	126	8
12,500 - 14,999	293	28	381	24
15,000 - 17,499	256	25	341	22
17,500 - 19,999	117	11	294	19
20,000 - 24,999	149	14	368	23
25,000 and over	29	3	27	1
Total	1,045	100	1,585	100

Source: Unsold Inventory Surveys of New Homes conducted by the Columbia, South Carolina, Insuring Office.

Of the houses completed in 1964, eleven percent were for sale at less than \$12,500 and 46 percent were in the price range of \$12,500 to \$17,500, a total of 57 percent in the price ranges under \$17,500. Of the houses completed in 1963, 72 percent were built to sell for less than \$17,500. In the range of from \$17,500 to \$20,000 the proportion was 11 percent in 1963 and rose to 19 percent in 1964. Seventeen percent of completions in 1963 were priced at \$20,000 and above, and in 1964 the proportions rose to 24 percent. The upward shift in prices of new houses completed is reflected also in the increase in the median sales price from \$15,250 in 1963 to \$16,725 in 1964, an increase of almost 10 percent at the median.

It should be noted that the FHA Surveys of Unsold Inventory do not include housing built in subdivisions with fewer than five completions during the year, nor do they include individually built or custom built homes on scattered sites. Inclusion of such houses could alter the above distributions somewhat.

FHA and VA Acquired Properties. Since 1960, the FHA has acquired about 130 single-family homes in the Charleston HMA. Sales have kept apace with acquisitions and FHA had 30 properties on hand as of July 7, 1965. Of these acquired properties, nine have been sold but not closed.

Acquisitions by the Veterans Administration have been at a considerably lower level during the 1960-1965 period, totaling 45 units. The properties have been sold almost immediately. As of June 25, 1965, the VA had only two properties on hand and these were sold but not closed.

Rental Market

Current Market Conditions. The market for rental housing in the Charleston area is relatively firm at the present time. The majority of rental vacancies represent those that are poorly located, and those in older structures lacking the amenities provided by projects recently constructed. This is evidenced by the fact that many of the newer multifamily projects and most of the older, well-located, good-quality projects have been able to achieve and maintain good occupancy. Many of these better projects have waiting lists and vacancies are negligible.

There is a strong demand for rental housing by military families in the area, and adequate units at rents which military families can pay are not available in sufficient quantity. The construction of 1,770 military-controlled units since 1960 has not been enough to relieve the pressure on rental housing. The rapid growth of the military population, particularly Air Force and Naval personnel, as well as a substantial gain in the civilian population has maintained this pressure on the rental market.

Currently, there are about 475 multifamily units under construction in the HMA. Included in this total, are 100 units of appropriated-fund housing near the Naval Base, and a 100-bed conventionally-financed nursing home located in the medical center area of Charleston City. Also conventionally-financed and located in the medical center area is a 144-unit, high-rise, luxury apartment structure. This building will consist of, primarily, one- and two- bedroom units. The rental agents report that the structure will be ready for occupancy in August 1965 and most units have been leased. It is important to note that, because of the location of the building, most occupants will be of the comparatively higher paid professional people associated with the nearby medical complex.

Mortgage Market

There appears to be an ample supply of money available for both interim and long-term investment in residential real estate in the area. There are no indications that developers and builders are having problems obtaining funds. The current interest rate on conventional mortgage loans ranges between $5\frac{1}{2}$ and 6 percent; a twenty to twenty-five percent downpayment is usually required; and 25 to 30 years is the maximum term.

Urban Renewal and Redevelopment

Urban renewal activity in Charleston has been at a stand-still since 1956, when the South Carolina Supreme Court ruled that land redeveloped by public action could not be sold for private re-use. In other words, land acquired by public condemnation cannot be resold to private users.

The city of Charleston has developed a plan for the erection of a public auditorium and cultural center. This building will be bounded by Calhoun, Alexander, Minority, and Anson Streets. The Urban Renewal Administration has approved the plan by a letter of consent dated July 14, 1965, thereby making Charleston eligible for Federal funds. Under this program, the city may begin acquiring land. Local officials estimate that approximately 250 families will be displaced by this redevelopment program.

Military Family Housing

Charleston Air Force Base. There are 955 military-controlled housing units at the Charleston Air Force Base. These units represent about one percent of the total housing supply in the HMA and all are considered adequate. Vacancies are almost nonexistent.

Military Family Housing
Charleston Naval Base
as of April 30, 1964

<u>Type and adequacy</u>	<u>Officers</u>	<u>Eligible enlisted</u>	<u>Other enlisted</u>	<u>Total</u>
Adequate	<u>199</u>	<u>791</u>	<u>0</u>	<u>990</u>
Appropriated fund	83	170	0	253
Capehart	116	621	0	737
Inadequate	<u>5</u>	<u>226</u>	<u>113</u>	<u>344</u>
Lanham Act	5	226	113	344
Total	<u>204</u>	<u>1,017</u>	<u>113</u>	<u>1,334</u>

Source: DOD Form 1377.

As shown in the table, about 350 units (about 26 percent) are considered inadequate. These inadequate units were built under the provision of the Lanham Act, and are to be demolished.

At the Charleston Naval Base, there is an effective housing requirement of 7,309 units, after the exclusion of voluntarily separated families. The Navy is limited to programing for 90 percent of the net requirement, which amounts to 6,578 housing units. There are 5,478 units available, including military-controlled units and adequate community support units, resulting in a programable deficit of about 1,100 units. To meet this deficit, 300 units of appropriated-fund family housing are proposed for construction in fiscal year 1967.

Charleston Army Depot. As of April 30, 1964 there were 11 military-controlled units of family housing at the Charleston Army Depot. There are no present plans for providing additional family housing at the depot.

Demand for Housing

Quantitative Demand

Quantitative demand for additional housing during the two-year period from July 1, 1965 to July 1, 1967 is based on an expected increase of about 1,475 households annually, on the need to replace housing units expected to be lost from the inventory, and on the adjustment of both sales and rental vacancies to levels that reflect the long-term needs of the Charleston area. Consideration also is given to the existing tenure composition of the inventory, to the continued trend toward home-ownership, and to the shift of single-family houses from the sales inventory to the rental inventory. To accommodate household growth and to allow for expected occupancy and inventory changes, approximately 1,625 additional housing units will need to be added in each of the next two years, of which about 1,375 units represent annual demand for sales housing and about 250 units represent annual demand for privately-owned rental housing.

Of the annual rental demand, it is judged that only 110 units can be marketed at rents achievable without the aid of public benefits or assistance in financing or land acquisition, and 140 units probably will require the use of such public benefits or assistance, if they are to be provided by privately-owned housing.

Construction of 1,625 units a year during the next two years would represent a building volume somewhat above the average of about 1,500 units a year completed since 1960. The demand for 110 rental units a year at rents achievable without assistance represents a prospective demand closely equal to the yearly average of rental units authorized since 1960. It is substantially below the yearly average of 435 for all rental units, including 1,770 units of appropriated-fund and Armed Services housing built since 1960.

Qualitative Demand

Sales Housing. Based on current family incomes, on typical ratios of income to purchase price, and on recent market experience, the annual demand for 1,375 sales units is expected to be distributed by price as shown in the following table. Single-family houses that meet FHA

minimum standards cannot be produced in the Charleston area to sell much below \$8,500. Therefore, all of the sales units expected to be in demand annually during the forecast period have been distributed at and above this minimum, on the assumption that if they required additional sales units are provided in the price ranges above that minimum, upgrading of families to better housing (filtering) will assure absorption of the new units.

Estimated Annual Demand for New Sales Housing by Price Class
Charleston, South Carolina, HMA
July 1965- July 1967

<u>Price range</u>	<u>Households</u>
\$ 8,000 - \$ 9,999	110
10,000 - 11,999	150
12,000 - 13,999	275
14,000 - 15,999	230
16,000 - 17,999	180
18,000 - 19,999	120
20,000 - 24,999	150
25,000 - 29,999	95
30,000 and over	65
Total	1,375

The distribution shown above differs from that on page 25, which reflects only selected subdivision experience during the years 1963 and 1964. It must be noted that the 1963 and 1964 data do not include new construction in subdivisions with fewer than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower value homes, are concentrated in the smaller building operations. The demand estimates above reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reflect.

The distribution of prospective demand indicates that over 55 percent is in the sales price range under \$16,000. About 22 percent is expected to be at prices between \$16,000 and \$20,000 and 22 percent at prices of \$20,000 and over.

Based on past trends observed in the area and on interviews with local builders and realtors, it is judged that new sales housing would be absorbed more rapidly if built in areas such as North Charleston and St. Andrews. These areas are within close proximity to the military installations and within reasonable time-cost considerations of commutation to places of employment.

Rental Housing. On the basis of projected renter family incomes and ratios of rent to income which are typical in the area, the annual demand for about 250 rental unit (including those that will require assistance) is expected to be distributed by monthly gross rent levels and by unit sizes as shown in the following table. Net additions at these rentals may be accomplished either by new construction or rehabilitation at the specified rent levels with or without public benefits or assistance through tax abatement or aid in financing or in land acquisition.

The minimum gross rents at which new privately-owned rental units can be produced in the Charleston area are approximately \$65, \$75, \$80 and \$85 for efficiency, one-, two-, and three-bedroom units, respectively. To achieve rents at those low levels in privately-owned rental projects requires assistance in the form of public benefit or assistance in financing or land purchase. Without such assistance, the minimum achievable gross rents probably approximate \$80, \$95, \$105, and \$115, respectively for efficiency, one-, two-, and three-bedroom units.

Estimated Annual Demand for New Rental Units
Charleston, South Carolina, HMA
July 1965 to July 1967

<u>Gross rent range a/</u>	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
Under \$75	5	-	-	-
\$75 - 99	10	45	40	15
100 - 124	5	15	25	20
125 - 149	5	15	15	10
150 or more	-	<u>10</u>	<u>10</u>	<u>5</u>
Total	25	85	90	50

a/ Gross rent is shelter rent plus the cost of utilities.

The preceding distribution of average annual demand for new apartments is based on tenant family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area. It cannot be construed rigidly but represents what may be assumed to be an appropriate pattern over a period of several years. Occasionally, in brief periods and in specific rent ranges, because of special factors for individual projects there may be successful marketing of rental units in other than these quantities. It should not be assumed, however, that such a divergency represents a change in the continuing ability of the area to absorb new rental housing. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or submarkets.

Table I

Average Annual Nonagricultural Wage and Salary Employment by Type of Industry
Charleston County, South Carolina, ^{a/}
1954-1964
(in thousands)

<u>Industry</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>b/1964</u>	<u>b/</u>
Total wage and salary	<u>49.2</u>	<u>51.5</u>	<u>53.6</u>	<u>54.8</u>	<u>54.3</u>	<u>56.3</u>	<u>57.1</u>	<u>57.4</u>	<u>59.1</u>	<u>61.0</u>	<u>62.3</u>	
Manufacturing	<u>9.4</u>	<u>10.2</u>	<u>10.4</u>	<u>10.5</u>	<u>9.6</u>	<u>9.7</u>	<u>9.7</u>	<u>9.3</u>	<u>9.4</u>	<u>9.8</u>	<u>9.9</u>	
Lumber and wood	.9	1.2	1.2	1.1	.9	1.0	1.0	.8	.7	.7	.6	
Food products	1.2	1.1	1.1	1.1	.9	.9	.9	.9	.9	1.1	1.0	
Apparel	1.3	1.3	1.5	1.3	1.2	1.1	1.2	1.2	1.2	1.1	1.1	
Printing and publishing	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	
Chemicals	1.0	1.0	.9	1.0	.9	.8	.8	.8	.9	1.0	.9	
Other manufacturing <u>c/</u>	4.5	5.1	5.2	5.5	5.2	5.4	5.3	5.1	5.2	5.4	5.8	
Nonmanufacturing	<u>39.8</u>	<u>41.3</u>	<u>43.2</u>	<u>44.3</u>	<u>44.8</u>	<u>46.6</u>	<u>47.4</u>	<u>48.1</u>	<u>49.7</u>	<u>51.2</u>	<u>52.4</u>	
Construction	3.3	3.3	3.4	3.4	3.9	4.7	4.1	3.7	4.0	4.4	4.6	
Trans., comm., and utilities	4.2	4.1	4.3	5.2	4.9	4.5	4.2	4.3	4.3	4.3	4.3	
Wholesale and retail trade	11.1	11.3	11.8	11.2	11.3	11.9	12.3	12.0	12.3	12.5	13.0	
Fin., ins., and real estate	1.5	1.8	2.2	2.2	2.4	2.5	2.7	2.9	2.9	2.8	2.7	
Service and misc.	4.3	4.6	4.9	5.2	5.4	5.7	5.9	6.3	6.6	7.0	7.2	
Government	<u>15.4</u>	<u>16.2</u>	<u>16.6</u>	<u>17.1</u>	<u>16.9</u>	<u>17.3</u>	<u>18.2</u>	<u>18.9</u>	<u>19.6</u>	<u>20.2</u>	<u>20.6</u>	
Federal	10.5	11.0	10.9	10.8	10.7	10.8	11.2	11.5	11.9	12.0	12.1	
State and local	4.9	5.2	5.7	6.3	6.2	6.5	7.0	7.4	7.7	8.2	8.5	

a/ Berkeley County was added to the Charleston Labor Market Area in October 1963. Because data for Berkeley County are not available prior to that date, they are not included in the series above.

b/ Data for the years 1963 and 1964 were derived by subtracting available Berkeley County data from the two-county Labor Market Area.

c/ Other manufacturing is dominated by the paper, tobacco, stone, clay, glass, and shipbuilding industries; the remainder are miscellaneous small industries.

Source: South Carolina Employment Security Commission.

Table II

Estimated Percentage Distribution of Families
by Annual Income After Federal Income Tax Deduction
Charleston, South Carolina, HMA
1965 and 1967

<u>Annual</u> <u>after-tax income</u>	1965 incomes		1967 incomes	
	<u>All</u> <u>Families</u>	<u>Renter</u> <u>Families</u>	<u>All</u> <u>Families</u>	<u>Renter</u> <u>Families</u>
Under \$3,000	28	35	27	33
\$3,000 - 3,999	11	12	12	13
4,000 - 4,999	12	13	9	11
5,000 - 5,999	9	11	10	11
6,000 - 6,999	10	8	9	10
7,000 - 7,999	7	7	8	7
8,000 - 8,999	7	5	7	5
9,000 - 9,999	4	3	5	4
10,000 - 12,499	7	4	7	4
12,500 and over	5	2	6	2
Total	100	100	100	100
Median income	\$5,000	\$4,250	\$5,200	\$4,450

Source: Estimated by Housing Market Analyst.

Table III

Population Trends
Charleston, South Carolina, HMA
1950 - 1965

Area	April 1950	April 1960	July 1965	Average annual change			
				1950 - 1960		1960 - 1965 a/	
				Number	Percent	Number	Percent
Charleston	70,174	65,925	64,700	- 425	- 1.0	- 235	- 0.4
North Charleston	47,994	73,255	81,750	2,526	5.3	1,620	2.2
Saint Andrews	11,024	25,887	33,000	1,486	13.5	1,350	5.2
James Island	6,699	13,872	18,200	717	10.7	825	5.9
Mount Pleasant	8,905	13,838	15,750	493	5.5	365	2.6
Johns Island	4,044	6,252	7,650	221	5.5	265	4.3
Remainder of Charleston County	16,016	17,353	18,700	134	1.0	255	1.5
Berkeley County	<u>30,251</u>	<u>38,196</u>	<u>42,050</u>	<u>795</u>	<u>2.6</u>	<u>735</u>	<u>1.9</u>
Total	195,107	254,578	281,800	5,947	3.0	5,185	2.0

a/ Rounded.

Source: 1950 and 1960 Censuses of Population.
 1965 estimated by Housing Market Analyst.

Table IV

Household Growth Trends
Charleston, South Carolina, HMA
1960 - 1965

<u>Area</u>	<u>April</u>	<u>July</u>	<u>Average annual change</u>		<u>a/</u>
	<u>1960</u>	<u>1965</u>	<u>Number</u>	<u>Percent</u>	
Charleston	18,306	18,500	40	-	
North Charleston	18,492	20,175	320	1.7	
Saint Andrews	6,882	8,550	320	4.6	
James Island	3,335	4,500	220	6.7	
Mount Pleasant	3,307	3,825	100	3.0	
Johns Island	1,373	1,750	75	5.2	
Remainder of Charleston County	3,642	4,025	75	2.0	
Berkeley County	<u>8,679</u>	<u>9,775</u>	<u>210</u>	<u>2.4</u>	
Total	64,016	71,100	1,350	2.1	

a/ Rounded.

Source: 1960 Census of Population.
1965 estimated by Housing Market Analyst.

Table V

Components of the Housing Inventory
Charleston, South Carolina, HMA
April 1950 - July 1965

<u>Tenure and vacancy</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>July</u> <u>1965</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1965</u>	
				<u>Number</u> ^{a/}	<u>Percent</u>	<u>Number</u> ^{a/}	<u>Percent</u>
Total housing supply	<u>54,394</u>	<u>71,683</u>	<u>78,800</u>	<u>1,729</u>	<u>3.2</u>	<u>1,355</u>	<u>1.9</u>
Occupied housing units	<u>49,544</u>	<u>64,016</u>	<u>71,100</u>	<u>1,447</u>	<u>2.9</u>	<u>1,350</u>	<u>2.1</u>
Owner occupied	<u>22,419</u>	<u>33,690</u>	<u>38,450</u>	<u>1,127</u>	<u>5.0</u>	<u>910</u>	<u>2.7</u>
As a percent of total occupied	<u>45.3%</u>	<u>52.6%</u>	<u>54.1%</u>	-	-	-	-
Renter occupied	<u>27,125</u>	<u>30,326</u>	<u>32,650</u>	<u>320</u>	<u>1.2</u>	<u>440</u>	<u>1.5</u>
As a percent of total occupied	<u>54.7%</u>	<u>47.4%</u>	<u>45.9%</u>	-	-	-	-
Vacant housing units	<u>4,850</u>	<u>7,667</u>	<u>7,700</u>	<u>282</u>	<u>5.8</u>	<u>5</u>	<u>0.1</u>
Available	<u>1,440</u>	<u>3,316</u>	<u>2,300</u>	<u>188</u>	<u>13.0</u>	<u>- 195</u>	<u>5.9</u>
For sale	<u>383</u>	<u>625</u>	<u>980</u>	<u>24</u>	<u>6.3</u>	<u>65</u>	<u>10.8</u>
Homeowner vacancy rate	<u>1.7%</u>	<u>1.8%</u>	<u>2.5%</u>	-	-	-	-
For rent	<u>1,057</u>	<u>2,691</u>	<u>1,320</u>	<u>164</u>	<u>15.5</u>	<u>- 260</u>	<u>- 9.7</u>
Renter vacancy rate	<u>3.8%</u>	<u>8.2%</u>	<u>3.9%</u>	-	-	-	-
Other vacant ^{b/}	<u>3,410</u>	<u>4,351</u>	<u>5,400</u>	<u>94</u>	<u>2.8</u>	<u>200</u>	<u>4.6</u>

^{a/} Subtotals may not add to totals, because of rounding.

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

Source: 1950 and 1960 Censuses of Housing and estimates by Housing Market Analyst.

Table VI

New Dwelling Units Authorized by Building Permits
Charleston County, South Carolina
1950 - 1965

<u>Year</u>	<u>Total</u>	<u>Single family</u>	<u>Multifamily</u>	<u>Year</u>	<u>Total</u>	<u>Single family</u>	<u>Multifamily</u>
1950	582	NA	NA	1958	1,930	NA	NA
1951	686 <u>a/</u>	NA	NA	1959	2,402 <u>c/</u>	NA	NA
1952	467 <u>b/</u>	NA	NA	1960	1,177	830	347 <u>d/</u>
1953	479	NA	NA	1961	1,757	1,138	569 <u>e/</u>
1954	1,460	NA	NA	1962	1,375	949	426 <u>f/</u>
1955	2,027	NA	NA	1963	1,358 <u>g/</u>	1,261	97
1956	2,017	NA	NA	1964	2,324 <u>h/</u>	1,377	947
1957	1,655	NA	NA	1965	494 <u>i/</u>	NA	NA

a/ Includes 216 public housing units.

b/ Includes 27 public housing units.

c/ Includes 22 public housing units.

d/ Includes 290 military housing units.

e/ Includes 500 military housing units.

f/ Includes 400 military housing units.

g/ Includes 10 public housing units.

h/ Includes 180 military housing units under multifamily and 300 single-family units in two Section 810 projects intended for military occupancy.

i/ Through April and includes 100 military housing units.

Source: Bureau of the Census, C-40 Construction Reports.

Table VII

Charleston, South Carolina, Area Postal Vacancy Survey

June 16, 1965

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	55,572	1,745	3.1	1,304	441	1,677	45,477	1,038	2.3	626	412	1,206	10,095	707	7.0	678	29	471	3,655	74	2.0
Charleston	51,953	1,648	3.2	1,224	424	1,641	42,155	964	2.3	569	395	1,170	9,798	684	7.0	655	29	471	3,598	74	2.1
Main Office	5,013	191	3.8	190	1	5	2,254	43	1.9	42	1	5	2,759	148	5.4	148	-	-	-	-	-
Branches:																					
Charleston AFB	1,463	-	-	-	-	-	1,463	-	-	-	-	-	1,269	292	23.0	292	-	21	314	4	1.3
Charleston Heights	5,058	341	6.7	341	-	36	3,789	49	1.3	49	-	15	367	27	7.4	14	13	2	1,009	14	1.4
Hanahan	6,025	174	2.9	55	119	159	5,658	147	2.6	41	106	157	-	-	-	-	-	-	-	-	-
Naval Base	444	-	-	-	-	482	444	-	-	-	-	482	-	-	-	-	-	-	-	-	-
Rivers Annex	9,429	242	2.6	179	63	262	7,674	173	2.3	121	52	71	1,755	69	3.9	58	11	191	1,726	45	2.6
St. Andrews	14,237	493	3.5	255	238	635	14,104	465	3.3	231	234	437	133	28	21.1	24	4	198	547	11	2.0
Station:																					
A	10,284	207	2.0	204	3	62	6,769	87	1.3	85	2	3	3,515	120	3.4	119	1	59	2	-	-
Other Cities and Towns	3,619	97	2.7	80	17	36	3,322	74	2.3	57	17	36	297	23	7.7	23	-	-	57	-	-
Moncks Corner	818	25	3.1	25	-	4	758	18	2.4	18	-	4	60	7	11.7	7	-	-	-	-	-
Mount Pleasant	2,801	72	2.6	55	17	32	2,564	56	2.2	39	17	32	237	16	6.8	16	-	-	57	-	-

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

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

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