Analysis of the

CHARLESTON, SOUTH CAROLINA HOUSING MARKET

as of June 1, 1967

(A supplement to the July 1, 1965 analysis)

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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Field Market Analysis Service
Federal Housing Administration
U.S. 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 be differences of opinion, of course, 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 and the FHA Market Analysis and Research Section.

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Summary and Conclusions

1. Nonagricultural employment in Charleston and Berkeley Counties, the Charleston housing market area (HMA), averaged 92,600 workers in 1966. An increase of 6,700 in nonagricultural employment between 1965 and 1966 compares with a gain of 4,800 between 1964 and 1965 with an estimated average increase of only 1,600 workers a year between 1960 and 1964. Recent gains in employment are attributed to increases in government employment and to the operation of new firms in the area. Over the next two years, nonagricultural employment is expected to increase by about 4,000 jobs annually.

2. Military personnel stationed in the area number 29,775. Naval uniformed personnel increased from 12,675 in 1960 to 22,000 as of December 1, 1966; Air Force personnel increased from 5,175 to 7,775. Over the next two years the Air Force is expected to have no more than nominal gains in staff, while the number of Navy personnel will increase by about 400 to 500 a year.

3. Average unemployment dropped from 5,700 in 1962 to 4,100 in 1966. The 1966 average was maintained for the 12 months ending March 31, 1967, but an interim expansion in the civilian work force caused the unemployment rate to drop from 4.1 percent in 1966 to 4.0 percent for the more recent 12 months.

4. The June 1967 median income, after federal taxes, is estimated at $5,700 a year for all families in the HMA and $4,400 a year for renter households of two or more persons. By June 1, 1969, the median after-tax income of all families is expected to increase to $6,000 and of renter families to $4,700. By 1969, 12 percent of all families and six percent of renter households will be earning $12,000 or more a year (after-tax).

5. The population of the Charleston area is estimated at 318,400 persons, an increase of 8,900 a year since the last census. Uniformed military personnel and their dependents number 66,700, or 21 percent of the total. Civilian heads of households employed by the military and their dependents number 37,100 persons, or 12 percent of the total, and nonmilitarily connected civilians number 214,600, or 67 percent. Over the next two years, the population is expected to increase by 9,100 persons a year to a total of 336,600. The 9,100 annual increase is distributed as follows: military and dependents, 650; military-connected civilians, 625; and nonmilitary-connected civilians, 7,825.

6. There were an estimated 81,075 households (occupied housing units) in the Charleston HMA on June 1, 1967, including 14,600 military households (18 percent of the total), 10,500 military-connected households (13 percent), and 55,975 civilian households (69 percent). Households are expected to increase in number by 2,525 annually over the two-year forecast period. Military households are expected to increase by 150 a year, military-connected households by 200, and civilian households by 2,175.

7. There were about 87,750 housing units in the Charleston HMA on June 1, 1967, a net increase of 16,075 units since April 1960. An average net gain of 2,900 a year since July 1, 1965 compares with an annual average gain of 2,000 from April 1960 to July 1965.

8. There were 800 vacant units available for sale as of June 1, 1967, representing a homeowner vacancy rate of 1.7 percent; 1,600 units were available for rent, representing a rental vacancy rate of 4.3 percent. In July 1965 homeowner and rental vacancy rates were 2.4 percent and 3.9 percent, respectively.

9. The demand for new housing to meet the requirements resulting from anticipated household increases and replacement of inventory losses over the next two years is estimated at 2,400 units annually. Of the annual total, 1,650 units represent demand for single-family houses, and 750 units represent demand for multifamily housing, including 250 privately owned rental units at the lower rents achievable only with public benefits or assistance in financing or land acquisition. The demand does not include low-rent public housing or rent-supplement accommodations. The annual demand for new single-family houses by price range is shown on page 19. The annual demand for multifamily units by gross monthly rent and unit size is expected to approximate the pattern on page 20.

ANALYSIS OF THE CHARLESTON, SOUTH CAROLINA, HOUSING MARKET AS OF JUNE 1, 1967

(A supplement to the July 1, 1965 analysis)

Housing Market Area

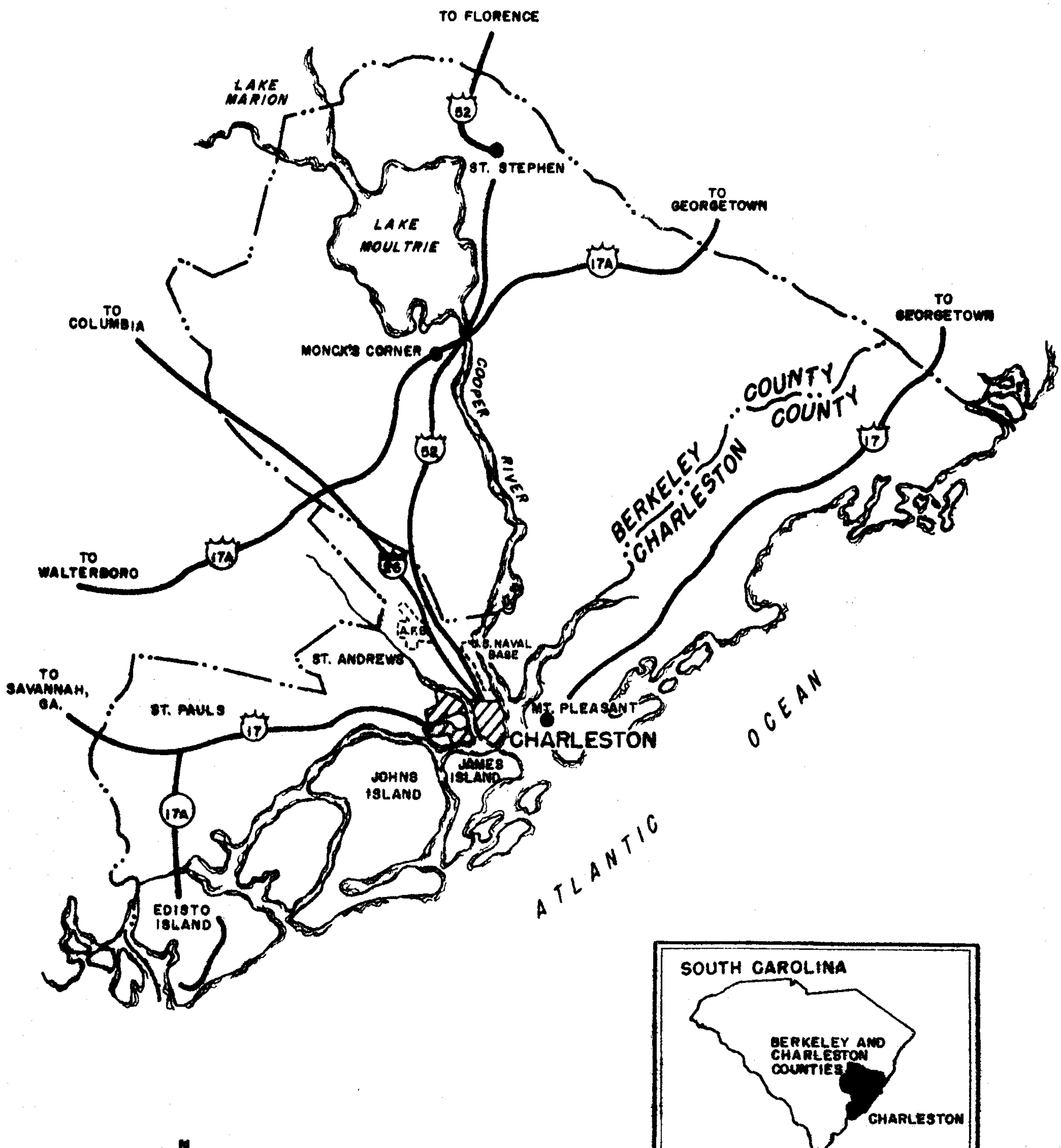
The Charleston, South Carolina, Housing Market Area (HMA) is defined as Charleston and Berkeley Counties. This definition conforms with the Charleston Standard Metropolitan Statistical Area, as extended in 1963 to include Berkeley County, and with the Charleston Labor Market Area as defined by the Bureau of Employment Security. The area had a 1960 population of 254,600 persons. Because the rural farm population constituted less than three percent of the total population in 1960, all demographic and housing data in this analysis refer to the total of rural farm and nonfarm data.

The HMA encompasses almost 2,050 square miles extending inland from the middle third of the Atlantic coastline of South Carolina. The city of Charleston is situated at the tip of the peninsula formed by the Ashley and Cooper Rivers. A post-census annexation of land west of the Ashley River by the city in 1960 added about 10,000 to the 65,900 inhabitants enumerated for the city earlier in the year. The city is approximately 120 miles southeast of Columbia, South Carolina, 170 miles south of Wilmington, North Carolina, and 105 miles northeast of Savannah, Georgia.

The HMA is well served by sea, air, rail, and highway transportation. Harbor facilities accommodate both deep-sea vessels and the barge traffic plying the Atlantic Intracoastal Waterway. More than forty arrivals and departures are scheduled daily through the municipal airport via Delta, Eastern, National, and Southern Airlines. Three[1/] main line railroads serve the area: the Atlantic Coast Line, the Southern, and the Seaboard Air Line. The Port Utilities Railroad, a belt line in the waterfront area, connects with the three main line railroads. Major highways in the area are Interstate 26, U.S. 17 and 701, U.S. 52 and 176, and S.C. 171, 700,7, 61, 642, and 41. Forty-five motor freight lines serve Charleston. Interstate and intrastate passenger service is provided by the Greyhound and Trailways Bus Companies, while local bus service is provided by a line operated by the South Carolina Electric and Gas Company.

1/ Subsequent to the field investigation, the Atlantic Coast Line R.R. and the Seaboard Air Line R.R. merged to form the Seaboard Coast Line R.R.

CHARLESTON, SOUTH CAROLINA, HOUSING MARKET AREA



Economy of the Area

Character and Recent History

Economic gains in the past two years in the Charleston area have far exceeded forecasts made in 1965 on the basis of information available at that time. Increases in average annual civilian nonagricultural employment averaged 5,750 workers a year in 1965 and 1966 as compared with estimated increases of only 1,600 workers a year from 1960 through 1964.

Military activities continue to have a strong impact on the local economy. In December 1966, uniformed personnel of the Charleston Air Force Base and the Naval Complex (including personnel afloat) numbered 29,775. This figure compares with 95,200 civilians non-agriculturally employed in the area as of that date. Of the 95,200 civilian workers, 12,575 worked for the Air Force or Navy.

New firms have been established since 1964, principally in durable goods manufacturing. These additions provide diversity to the economy and enhance the growth potentials of the HMA. Bushy Park, a 4,000-acre tract in Berkeley County, is being developed by the South Carolina Electric and Gas Company as an industrial park. The abundance of fresh water makes this area attractive to such industries as chemical manufacturers.

Even though unemployment in the HMA has been declining, Berkeley County continues as an area of "substantial and persistent" unemployment, as defined by the U. S. Department of Labor. Most of the unemployment in both Berkeley and Charleston Counties is among untrained and unskilled workers, since shortages of workers exist in many skilled occupations. Efforts are being made to upgrade the skills of local workers, largely through the Technical Education Center in North Charleston. This center, sponsored jointly by Berkeley, Charleston, and Dorchester Counties, operates as a part of a state network of such centers. Its current enrollment (day and night) is about 3,000 students.

Employment

Current Estimate and Recent Trends. Nonagricultural civilian employment in the HMA averaged 92,600 in 1966. This level of employment was 6,700 (7.8 percent) above that in 1965 and 11,500 (14.2 percent) above that in 1964. The 92,600 workers in non-agricultural jobs in 1966 include 77,900 wage and salary workers and 14,700 self-employed, domestic, and unpaid family workers. Agricultural employment, which has been declining, averaged 4,200 in 1966.

Average Monthly Nonagricultural Employment
Charleston, South Carolina, Housing Market Area
Annually 1960-1966 and 12 months Ending March 31, 1966 and 1967

Year	Number employed	Change from preceding year: Number	Change from preceding year: Percentage
1960	74,700[a/]	-	-
1961	75,600[a/]	900	1.2
1962	77,200[a/]	1,600	2.1
1963	79,000	1,800	2.3
1964	81,100	2,100	2.7
1965	85,900	4,800	5.9
1966	92,600	6,700	7.8
12 months ending:			
March 31, 1966	87,400	-	-
March 31, 1967	93,900	6,500	7.4

a/ Because Berkeley County was not a part of the Charleston Labor Market Area until January 1963, data for the 1960-1962 are a composite of official figures for Charleston County and unpublished estimates for Berkeley County.

Source: South Carolina Employment Security Commission.

Employment by Industry. Of 77,900 wage and salary workers employed in 1966, 12,900 were in manufacturing industries and 65,000 were in nonmanufacturing (see table I).

Manufacturing employment increased by 300 workers (2.6 percent) between 1964 and 1965 and by 1,200 (10.3 percent) between 1965 and 1966. Most of these gains reflect the operation of new firms in the transportation equipment industry, which is included in table II among "other durables." Between 1964 and 1966 employment in every other manufacturing category remained relatively stable.

Nonmanufacturing employment increased by 4,300 workers, (7.8 percent) between 1964 and 1965 and by 5,300 workers (8.9 percent) between 1965 and 1966. The trend in all nonmanufacturing segments has been upward since 1964, but the greatest numerical gain was in government, the largest of the wage and salary categories. Employment in government increased by 1,700 workers between 1964 and 1965 and by 2,600 workers between 1965 and 1966 to a total of 26,300 workers. Most government workers are employed by the federal government, and federal employment has shown the greatest gains: 1,100 between 1964 and 1965, and 2,000 between 1965 and 1966 to attain a 1966 average of 15,300. While most federal employees are engaged in manufacturing activities (such as the Naval shipyard), a substantial part of the recent gain has been in federally assisted health and education programs.

The largest relative increase in nonmanufacturing employment since 1964 has been in transportation, communication, and public utilities. Employment in this category rose from an estimated 4,200 in 1960 to 5,200 in 1966, an increase of 24 percent.

Military Establishments

Impact of the Military. The total military population, including civilian dependents, is estimated at 66,700, or 21 percent of the total population of the area. Military households number about 14,600, 18 percent of the total households.

Navy Mission. Naval uniformed personnel was reported as 22,000 as of December 1, 1966, a gain of 1,475 over December 1, 1965 and of 4,750 over December 1, 1964.

Civil service employees of the Navy were reported as 11,450 as of December 1, 1966, representing gains of 725 and 3,000, respectively over comparable dates in 1965 and 1964. In addition, the Navy had about 200 contractor employees in 1966.

Air Force Mission. The Air Force reported 7,775 uniformed personnel as of December 1, 1966, or 1,350 more than on December 1, 1965. This increase followed a decline of 275 from December 1964 to December 1965.

Civil service employees of the Air Force increased from 880 in 1964, to 890 in 1965, to 1,110 in 1966 (as of December 1 of each year). Contractor employees numbered about 100 in 1966.

Army Mission. The Charleston Army Depot is a predominantly civilian activity, only 12 military persons being reported as of June 1966. The installation had 620 civilian employees as of September 1, 1966, 10 fewer than at the end of 1965, but 120 more than at the end of 1964. No contractor employees were reported.

Unemployment

Average monthly unemployment in the Charleston HMA declined from 5,200 workers (5.7 percent of the civilian work force) in 1964 to 4,100 (4.1 percent) in 1966. A further downward trend is evident in the comparison of the rates from 12 months ending with March 31 of 1966 and 1967, when averages of 4.6 percent and 4.0 percent, respectively, were reported. Recent unemployment rates are at a low for the 1960's (see table I).

Future Employment Prospects

Nonagricultural civilian employment in the Charleston HMA is expected to increase by about 4,000 jobs a year over the next two years. These annual gains are considerably above those which occurred between 1960 and 1964, but below those of 1965 and 1966, when employment was given a boost by the introduction of new firms to the area.

A significant portion of these employment increases will be among firms which have announced expansions. The Avco Corporation is expected to add workers through its staffing for research and development and through expansion with a view to entering the commercial market for helicopter engines. Lockheed Aircraft will occupy a new plant in July to manufacture a new honeycomb material of plastic and metals for aircraft body components. This expansion will increase employment. Douglas Aircraft is to occupy new facilities which will require additional workers over the next six months. Additional hirings by the Aerovox Corporation, maker of electrolytic capacitors, are expected to continue over the next two years. Altogether, employment by manufacturing firms may be expected to increase by 900 annually during the two-year forecast period.

Most of the increases will be among nonmanufacturing industries. An annual aggregate gain of about 3,100 workers may be anticipated. The uptrend in both contract construction and transportation employment is expected to continue and to add 400 workers annually. The population growth envisioned in the next two years will stimulate employment increases in trade, finance, and services, and gains aggregating 1,400 workers a year are forecast. Annual gains of about 1,300 workers may be expected in government. It is in the military connected manufacturing activities of government that some of the most critical labor shortages exist at present. Substantial gains above this forecast will occur if remedies for the bottlenecks in some of the skilled occupations can be found.

A rise of about 400-500 a year in military strength is estimated even though no major changes in organization or deployment of military personnel are anticipated.

Family Incomes

The estimated median annual family income of all families in the Charleston area, after deduction of Federal income tax, is $5,700 as of June 1, 1967, while that for renter households of two or more persons is $4,400. Approximately 35 percent of all families and 45 percent of renter households currently have after-tax incomes of under $4,000 a year; about 10 percent of all families and six percent of renter households have after-tax incomes of $12,000 or more. By June 1969, the median after-tax incomes in the area are expected to rise to $6,000 for all families and to $4,700 for renter households.

Demographic Factors

Population

Current Estimate and Past Trend. The population of the Charleston HMA as of June 1, 1967, is estimated at 318,400, an increase of 63,800 (25 percent) since April 1960. This growth represents an average annual increase of 8,900 since the last census. Charleston County currently has a population of 269,900, an increase of 53,525 (25 percent) since 1960. The population of Berkeley County, 48,500 in June 1967, increased by 10,300 (27 percent). A post-census annexation of a part of the fast growing St. Andrews district (1960 population: 10,000) to Charleston enabled the city to increase in population from 65,925 at the time of the census to 82,000 as of June 1967. Without the growth in this annexed area, the city would have continued to lose population.

The military population (uniformed military and their dependents) number about 66,700 persons, and military-connected civilian heads of households and their families number about 37,100 persons.

Population changes since 1960 and projections to June 1, 1969 are shown in the following table according to status with respect to the military forces in the area.

Changes in Population
Charleston, South Carolina, Housing Market Area
April 1, 1960 - June 1, 1969

	Population segment			
	Civilian			
Date	Nonmilitary-connected	Military-connected	Military	Total
April 1, 1960	191,878	24,450	38,250	254,578
June 1, 1967	214,600	37,100	66,700	318,400
June 1, 1969	230,250	38,350	68,000	336,600

Sources: Total population 1960, U.S. Census of Population.
Totals 1967 and 1969 and detail by military or civilian status for all years estimated by Housing Market Analyst.

Estimated Future Population. Over the next two years the population of the Charleston HMA is expected to increase by about 9,100 persons annually to reach a June 1, 1969 total of 336,600 inhabitants. This rate is slightly above that of 8,900 a year between 1960 and 1967 and envisions somewhat higher population gains in response to recent upturns in employment. The anticipated annual increase of 9,100 persons is distributed as follows: military and dependents, 650; military-connected civilians, 625; and nonmilitary-connected civilians, 7,825.

Households

Current Estimate and Past Trend. As of June 1, 1967 there were 81,075 households (occupied housing units) in the Charleston HMA. The number of households has increased by 17,050, or an average of 2,375 a year since the 1960 Census.

Nonmilitary-connected civilian households, estimated to number 55,975, or 69 percent of the total, have increased by more than 7,725, or 1,075 a year since 1960. The 10,500 households headed by military-connected civilians constitute 13 percent of the total. The increase since 1960 among these households was 3,625, or more than 500 a year. The relative gain since 1960 was greatest among military households, which increased in number by 64 percent to a June 1967 total of 14,600 (18 percent of all households). The numerical increase in military households since 1960, was 5,700, or almost 800 a year.

Change in Number of Households
Charleston, South Carolina, Housing Market Area
April 1, 1960 - June 1, 1969

	Population segment			
	Civilian			
Date	Nonmilitary-connected	Military-connected	Military	Total
April 1, 1960	48,241	6,875	8,900	64,016
June 1, 1967	55,975	10,500	14,600	81,075
June 1, 1969	60,325	10,900	14,900	86,125

Sources: Total 1960, U.S. Census of Population. Totals 1967 and 1969 and detail by military or civilian status for all years estimated by Housing Market Analyst.

Household Size. The average size of all households in the HMA is estimated at 3.71 persons as of June 1, 1967, as compared with an average of 3.81 persons in April 1960. This decline reflects a trend to smaller families in the area since 1960. The trend of declining household size is expected to continue.

Future Household Growth. An anticipated increase of 2,525 a year in the number of households in the Charleston HMA over the next two years is based on the estimated increase in the population and a decline in the average household size. The number of military households is expected to increase by an average of 150 a year. Additional civilian households are estimated at 200 a year for military-connected civilians and 2,175 a year for nonmilitary-connected civilians.

Housing Market Factors

Housing Supply

Current Estimate. The housing inventory of the Charleston HMA as of June 1, 1967 is estimated at 87,750 units, a net gain since April 1960 of 16,075 units, or an average of more than 2,240 annually. Almost 15,725 housing units were provided through new construction and net conversions since 1960, while the demolition of 2,100 units was more than offset by an increase of 2,450 in the number of mobile homes.

Past Trends. The net addition of 5,550 new units to the housing inventory since the 1965 report has been at the rate of about 2,900 units a year. This rate compares with an annual average of 2,000 units from April 1, 1960 to July 1, 1965, during which time 10,525 units were added. An estimate of 82,200 units for the July 1, 1965 inventory represents a revision which results from a more complete account of both private and public (military) housing built between the 1960 census date and the time of the 1965 report, and gives cognizance to an increase in the number of mobile homes during the period (see table IV).

Residential Building Activity

Past Trend. Residential building activity in the HMA has been responsive to economic trends, including the effects of changes in military activity. As measured by building permits covering all of Charleston County, privately financed residential construction in the county averaged over 1,230 units annually during the four-year period of 1960-1963. After 1963, authorizations for private construction increased to almost 2,060 units a year despite a 1966 decline reflecting a tight mortgage market. In addition to privately financed construction, 1,800 military units were built, and 186 low-rent public housing units (covered by building permit) were placed under construction.

Housing Units Authorized by Building Permits
and Contracts Awarded for Military Housing
Charleston County, South Carolina
1960 - 1967

Year	Permits issued Single-family	Multifamily	Total	Contracts awarded	All Construction
1960	1,140	55	1,195	360	1,555
1961	1,212	111	1,323	500	1,823
1962	996	26	1,022	200	1,222
1963	1,292	97	1,389	10	1,399
1964	1,476	286	1,762	630[a/]	2,392
1965	1,781	904	2,685	100	2,785
1966	1,203	661[b/]	1,864	-	1,864
1967(4 mos.)	597	138	735	-	735
Total	9,697	2,278	11,975	1,800	13,775

a/ Includes 150 units of privately financed military housing, for which no permits were issued.
b/ Includes 186 units of public housing.

Sources: U.S. Bureau of the Census, Charleston County Planning Board, and local permit officials.

Single-family authorizations in Charleston County averaged 1,175 units a year from 1960 through 1963, then increased to 1,500 a year after 1963, including a peak of 1,781 units in 1965.

Private multifamily authorizations in Charleston County did not attain a substantial volume until 1964, when permits were issued for 286 units. From a peak of 904 units authorized in 1965, the volume dropped to 475 private units in 1966. In view of the number of current proposals for multifamily construction, the 138 units authorized during the first four months of 1967 may not be indicative of the volume which might be expected for the entire year.

Building permits in Berkeley County are required only in the Hanahan Public Service District, adjoining North Charleston. The 630 units authorized by this service district constitute a substantial part of the total of 2,400 units estimated to have been built in Berkeley County since April 1, 1960. The 2,400 units also include 390 units of housing intended for Navy personnel, 150 of which are units privately financed. The overall estimate for the county was derived from records of the County Assessor.

Units Under Construction. On the basis of recent building permit authorizations and the March-April 1967 postal vacancy survey, it is estimated that there were about 1,100 housing units under construction in the HMA on June 1, 1967, including 600 single-family homes and 500 apartment units.

The building of single-family homes is most active in Charleston (west of the Ashley River), North Charleston, St. Andrews District, James Island, and in the Mount Holly District of Berkeley County. Apartment construction is concentrated in Charleston, North Charleston, and St. Andrews.

Mobile Homes. There has been a proliferation of mobile homes in the HMA since 1960, centering largely in the North Charleston area in the vicinity of military installations. The 1960 Census of Housing reported 2,275 mobile homes in the area. Based upon reports of mobile home licenses issued by the Treasurers of Charleston County and Berkeley County, and allowing for exemptions (trailers licensed by the state), evasions, and a turnover of military personnel, the number of mobile homes in the area as of June 1, 1967, is estimated at 4,725, or more than double the number in 1960.

Tenure of Occupancy

Current Estimate. More than 56 percent of all occupied units in the HMA are owner-occupied and 44 percent are occupied by renters (see table IV). The 2,540 government-owned units occupied by military families are classed as renter-occupied even though the tenants pay no cash rent. The present proportion of owner-occupants, which compares with 55 percent in 1965, continues a trend of increasing homeownership. In 1960 owner-occupied units represented 52 percent of all occupied units.

Vacancy

Postal Vacancy Survey. A postal vacancy survey conducted in late March and early April 1967 by three area post offices covered 65,110 possible deliveries, about 75 percent of the current housing inventory. The survey enumerated 1,740 vacant units in residences and apartments, 2.9 percent of the total units covered. The 1,100 vacant residences and 640 vacant apartments produce vacancy ratios of 2.1 percent and 6.6 percent, respectively. In addition, 180 house trailers (4.5 percent) were vacant. The 875 units under construction at the time of the survey, 525 residences and 350 apartment units, are not classified as vacancies.

A survey made in June 1965 by the same post offices covered 55,575 units. At that time, 1,745 residences and apartments (3.1 percent) were vacant. The vacancies included 1,040 residences (2.3 percent of all residences covered) and 705 apartments (7.0 percent of all apartments covered). Almost 75 (2.0 percent) of the 3,655 trailer homes were vacant. At that time, 1,200 residences and 470 apartment units were under construction.

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

FHA Vacancies. The most recent annual occupancy survey by the Columbia Insuring Office reports no vacancies as of March 15, 1967, in the three newest projects (one of eight units under Section 221(d) (3) and two of 150 units each under Section 810) but 27 vacancies in five Section 608 projects, or 4.4 percent of their aggregate of 614 units. This rate compares with 2.1 percent in 1966 and 2.3 percent in 1965 for these five projects. The 1967 increase in the overall vacancy for these older projects (all 15 years or more old) suggests that they may be losing their competitive status in relation to the new apartments that have come on the market in considerable volume in the past several years. A comment made by one project manager in his report with regard to a high vacancy touched on the lack of year-around climate control.

Current Estimate. On the basis of the postal vacancy survey and other vacancy data, as well as on observation in the HMA, it is estimated that there were about 2,400 vacant units available for sale or rent on June 1, 1967. Of this total, 800 units were available for sale and 1,600 units were available for rent, equal to homeowner and rental vacancy rates of 1.7 percent and 4.3 percent, respectively. Of the available vacancies, 740 sales units and 1,345 rental units were judged to be acceptable insofar as having standard plumbing facilities.

Both sales and rental vacancies have changed significantly from 1965 levels (see table IV). The homeowner vacancy ratio has dropped from 2.4 percent in 1965 to the current 1.7 percent, while the rental vacancy ratio rose from 3.9 percent to 4.3 percent.

Sales Market

General Market Conditions. The tightening of mortgage credit that accompanied the reduction in available mortgage funds in the last half of 1966 had a pronounced effect on the sales of single-family homes, and the market has not been as strong as it was previously. The selectivity of lenders has discouraged home purchase by families unable to make substantial downpayments or to establish strong credit ratings. The market is far from stagnant, however, and some builders with sizable numbers of unsold homes on hand at the time of the unsold inventory survey in January have since accomplished reductions in their inventories.

Sales are strongest for homes selling for less than $22,000 with absorption of new units in the $15,000-$17,000 range being most satisfactory. Existing homes in this price range also sell best. Contrary in the situation in many parts of the nation, the small types of homes built after World War II are highly marketable, especially among young military families.

Traffic patterns have a significant influence on the geographic distribution of new homes in the area. The volume of construction on James Island in recent years has resulted in an increase in automobile traffic over the single bridge giving access to the island, and further construction is expected to slow down until a solution to the bottleneck is reached. In contrast, the opening of a new span over the Cooper River last year increases the potential for development of the Mount Pleasant area.

Speculative Building. The Charleston new home market is predominantly one of speculative building. The effect of the tight mortgage situation in 1966 was to cause builders to reduce their volume of building rather than to shift to sales from model homes. The unsold inventory for 1966 revealed only 27 homes sold before the start of construction, as compared with 26 homes in 1965 and 76 in 1964.

Unsold Inventory of New Homes. A survey made by the Columbia FHA Insuring Office of homes completed in 1966 in subdivisions of five or more completions during the year showned that of 1,634 houses built, 374 (23 percent) were unsold at the year end. As indicated previously, all but 27 of the 1,260 homes sold were built speculatively.

Houses Completed in 1966 in Selected Subdivisions[a/]
Charleston, South Carolina, Housing Market Area

Price group	Total completions	Presold	Speculatively built: Total	Number sold	Unsold: Number	Unsold: Percent
Under $12,500	35	-	35	29	6	17.1
$12,500 - 14,999	228	-	228	184	44	19.3
15,000 - 17,499	491	1	490	387	103	21.0
17,500 - 19,999	206	2	204	159	45	22.1
20,000 - 24,999	403	7	396	285	111	28.0
25,000 - 29,999	168	7	161	123	38	23.6
30,000 - 34,999	71	5	66	44	22	33.3
35,000 and over	32	5	27	22	5	18.5
Total	1,634	27	1,607	1,233	374	23.3

a/ 67 subdivisions in which there were five or more completions during 1966.

Source: FHA Unsold Inventory Survey, January 1, 1967.

The results of the survey covering the previous year show that in 1965 only 16 percent of the completions remained unsold as of January 1, 1966. Even though completions in 1966 were down almost one-third from the 2,459 completions in 1965, unsold units dropped only seven percent, from 400 to 374. As explained earlier, the scarcity of mortgage funds in the last half of 1966 was responsible for the smaller proportion of sales from the 1966 inventory.

Rental Market

General Market Conditions. Privately-financed multifamily housing has become available in significant volume only in the past three years. The number of new apartments built since 1963 is largely responsible for an increase in rental vacancy rate from 3.9 percent in July 1965 to 4.3 percent in June 1967. New rental units generally have been absorbed satisfactorily in all except some of the more expensive high-rise and townhouse units. A factor in the absorption of new units, in view of the number that have come on the market recently, has been the forced postponement of home purchases in the past year by families unable to obtain financing.

New Multifamily Construction. New apartments are confined largely to Charleston, North Charleston, and the St. Andrews District. The larger garden type developments are most numerous west of the Ashley River. These rent fairly consistently at $120-$125 a month for one-bedroom units, $140-$155 for two-bedroom units, and $160 and up for three-bedroom units. These rents generally include all utilities except electricity. Largely because of the high rate of turn-over among military households, many developments offer arrangements for furniture rental at $15 to $35 a month extra. In North Charleston, closer to military establishments, much of the new rental housing is in small developments, many of them consisting of clusters of two-family houses renting for as low as $75 a month, including utilities other than electricity. These rent with little difficulty.

Multifamily Proposals. Prospective multifamily projects promise to maintain the recent high level of apartment construction. In addition to an interest shown in developing rental housing for moderate-income families in the city of Charleston, about 550 units in four developments with conventional financing are in prospect for the area west of the Ashley River. Two hundred of these units will be an addition to a new project still under construction, and 300 units in two projects will be built in increments over an extended period.

Two projects are planned for the North Charleston area. The first 110 units of a 185-unit development and the first 100 units of a 300-unit development are expected to begin this summer.

Military Housing

Navy. The Navy has 1,574 government-owned units for Naval and Marine Corps families and has priority in 300 units privately built under FHA's Section 810 program. The last of 340 units of Lanham Act housing were acquired by private interests and have been relocated. Another 150 units of appropriated fund housing are planned for fiscal 1968. About 1,450 of the private units occupied by Navy families in February 1967 were classed as unsuitable because of their being considered substandard or because of distance or cost.

Air Force. The Air Force has 955 government-owned units, and no additional housing is contemplated at this time. Almost 900 private units occupied by Air Force families were unsuitable because of being considered substandard or because of distance or cost.

Public Housing and Urban Renewal

The city of Charleston is the only municipality in the HMA having public housing and urban renewal programs. Of 11 public housing projects involving 2,350 units operated by the Charleston Housing Authority, seven (1,160 units) are located in the city and four (1,190 units) are in the county. The two largest projects, involving 1,100 units, are in Charleston Heights near the Naval Base. One of these, the 500-unit Ben Tillman Homes project, was acquired from the Navy and is operated without federal assistance at rents higher than those in the federally assisted low-rent projects. A twelfth project (186 units) is under construction in four locations in the southeastern section of the city.

State law restricts land condemned by public action to public reuse. A municipal auditorium now under construction in the Anson Borough area is the only urban renewal project of the city.

Demand for Housing

Quantitative Demand

A projected annual demand for 2,400 new housing units over the next two years is based on an anticipated increase of 2,525 a year in the number of new households, adjusted for prospective losses to the current inventory. Consideration is also given to vacancy levels consistent with the needs of the area and to the volume of housing currently under construction. Additional adjustments have been made to account for shifts in tenure among present households and for the use of mobile homes to satisfy a part of the housing requirements. The 2,400-unit annual demand consists of 1,650 units of single-family housing and 750 multifamily units. The 750-unit demand for multifamily housing includes 250 units at rents achievable only with public benefits or assistance in financing or land costs. The multifamily demand does not include public low-rent housing or rent-supplement accommodations.

The level of annual demand for single-family units is consistent with the volume of construction over the past three years as measured by permits issued by Charleston County and as indicated by completions covered in the annual unsold inventory surveys. The multifamily demand, which anticipates a continuation of the substantial volume of such units that have been built and absorbed in recent years, is predicated on a sustained expansion of employment in the area. Should the projected volume of employment (4,000 persons a year) not be realized, the demand levels for both single-family and multifamily housing should be adjusted downward.

The demand for additional units for military families is included in the overall demand. The needs of the anticipated increase of 300 military households in the next two years (mostly Naval families) are expected to be met through the construction of 150 new units to be built by the Navy and through community support facilities. The satisfaction of 150 units of the overall demand by use of appropriated funds results in a reduction from 500 to 425 units (75 a year) in the multifamily demand to be distributed by rent class in the following section.

Qualitative Demand

Single-Family Houses. Based on ability to pay, as determined by current income levels and the ratio of sales price to income typical in the area, the annual demand for 1,650 units of single-family homes is distributed in the following table according to the sales prices at which the new units may be most readily absorbed. The minimum selling price at which acceptable homes can be produced in the area is estimated at $11,000.

Estimated Annual Demand for New Single-Family Houses
by Sales Price, Charleston, S.C., Housing Market Area
June 1, 1967 - June 1, 1969

Price class	Single-family houses Number	Percentage
Under $12,500	210	13
$12,500 - 14,999	330	20
15,000 - 17,499	265	16
17,500 - 19,999	230	14
20,000 - 24,999	315	19
25,000 - 29,999	150	9
30,000 - 34,999	85	5
35,000 and over	65	4
	1,650	100

It should be noted that the foregoing distribution differs from that in the table on page 15, which reflects the experience in selected subdivisions during 1966. The 1966 survey 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. More expensive housing and some of the lower-value homes are likely to be concentrated in smaller building operations. The preceding demand estimates consider all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Multifamily Housing. The monthly rentals at which privately owned net additions to the aggregate multifamily housing inventory might best be absorbed by the rental market are indicated for various size units in the following table. These net additions may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisitions. The production of new units in higher rental ranges than indicated below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result. The table covers 425 privately financed units at rents achievable without public benefits or assistance in financing or land acquisition.

Estimated Annual Demand for New Multifamily Units
by Monthly Gross Rents and Units Size
Charleston, South Carolina, Housing Market Area
June 1, 1967 - June 1, 1969

Monthly gross rent[a]	Size of unit			
	Efficiency	One bedroom	Two bedrooms	Three or more bedrooms
$ 95 - $109	15	-	-	-
110 - 119	10	55	-	-
120 - 129	5	50	-	-
130 - 139	-	35	55	-
140 - 149	-	25	45	-
150 - 159	-	15	30	15
160 - 169	-	-	25	10
170 - 179	-	-	15	10
180 and over	-	-	5	5
Total	30	180	175	40

a/ Shelter rent plus utilities.

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

The demand for 250 units at rents achievable only with below-market-interest-rate financing or other public benefits are distributed by unit size as follows: 15 efficiency units, 105 each of one- and two-bedroom units, and 25 units of three or more bedrooms. Location is an especially important factor in the provision of new units at the lower rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-prived land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

Table I

Trend of Civilian Work Force Components
Charleston, South Carolina, Housing Market Area, 1960-1967

Component	1960	1961	1962	1963	1964	1965	1966	12 mos. ending March 31 1966	12 mos. ending March 31 1967
Civilian work force	85.7	87.9	89.3	90.9	92.0	95.2	101.0	96.6	102.1
Unemployment	4.2	5.4	5.7	5.5	5.2	4.5	4.1	4.4	4.1
Percent of work force	4.9	6.1	6.4	6.1	5.7	4.7	4.1	4.6	4.0
Employment, total	81.5	82.5	83.6	85.4	86.8	90.7	96.8	92.2	98.0
Agricultural employment	6.8	6.9	6.4	6.4	5.7	4.8	4.2	4.8	4.1
Nonagricultural employment	74.7	75.6	77.2	79.0	81.1	85.9	92.6	87.4	93.9
Wage and salary	60.9	61.3	63.0	65.0	66.8	71.4	77.9	72.9	79.2
Other	13.8	14.3	14.2	14.0	14.3	14.5	14.7	14.5	14.6

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

a/ Includes self-employed, domestics, and unpaid family workers.

Source: South Carolina Employment Security Commission. Because Berkeley County was not a part of the Charleston Labor Market Area until January 1963, the estimates for 1960-1962 are not from an official series. Estimates for these earlier years are a composite of the official figures for Charleston County and unpublished estimates for Berkeley County.

Table II

Nonagricultural Wage and Salary Employment, by Industry
Charleston, South Carolina, Housing Market Area, 1960-1967
(Averages in thousands)

Industry	1960	1961	1962	1963	1964	1965	1966	12 months, ending March 31 1966	12 months, ending March 31 1967
Total employment	60.9	61.3	63.0	65.0	66.8	71.4	77.9	72.9	79.2
Manufacturing	11.1	10.8	10.8	11.3	11.4	11.7	12.9	11.8	13.3
Durable goods	a/	a/	3.6	3.6	3.6	4.0	5.0	4.1	5.3
Lumber, wood products	1.8	1.6	1.4	1.3	1.1	1.0	1.2	1.0	1.2
Other durables	a/	a/	2.2	2.3	2.5	3.0	3.8	3.1	4.2
Nondurable goods	a/	a/	7.2	7.7	7.8	7.7	7.9	7.7	8.0
Food, kindred products	.9	.9	.9	1.1	1.0	1.0	1.0	1.0	1.0
Apparel, other finished prod.	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.1	1.2
Printing, publishing	.5	.5	.5	.5	.5	.5	.5	.5	.5
Chemicals, allied products	.8	.8	.9	1.0	.9	.9	1.0	.9	1.1
Fertilizers, agric. chem.	(.6)	(.6)	(.7)	(.7)	(.6)	(.6)	(.7)	(.6)	(.8)
Other nondurables	b/ 5.9	b/ 5.8	3.7	3.9	4.2	4.2	4.2	4.2	4.2
Nonmanufacturing	49.8	50.5	52.2	53.7	55.4	59.7	65.0	61.0	65.9
Contract construction	4.3	3.8	4.2	4.6	4.8	5.5	5.7	5.6	5.7
Transportation, public util.	4.3	4.4	4.4	4.4	4.2	4.5	5.2	4.6	5.2
Wholesale, retail trade	12.7	12.5	12.8	13.2	13.6	14.6	15.5	14.8	15.7
Finance, ins., real estate	2.7	2.9	2.9	2.7	2.9	3.0	3.1	3.0	3.1
Services, misc.	6.2	6.6	6.9	7.4	7.9	8.4	9.2	8.6	9.3
Government	19.6	20.3	21.0	21.4	22.0	23.7	26.3	24.4	26.9

a/ Not available.
b/ In 1960 and 1961, the totals for "other durables" and "other nondurables" were combined as "other manufacturing".

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

Source: South Carolina Employment Security Commission. See annotation to source, table I.

Table III

Percentage Distribution of Families and Renter Households,[a] by Annual Income
After Deduction of Federal Income Tax
Charleston, South Carolina, Housing Market Area, June 1, 1967 and June 1, 1969

	Berkeley County				Charleston County				Charleston HMA, total			
	All families		Renter households		All families		Renter households		All families		Renter households	
Annual income	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969
Under $2,000	26	24	32	30	16	15	21	19	17	16	22	20
$2,000 - 2,999	11	11	13	12	8	8	11	11	9	8	11	12
3,000 - 3,999	9	9	10	11	9	9	12	11	9	9	12	11
4,000 - 4,999	9	8	11	10	10	9	11	10	9	9	11	10
5,000 - 5,999	8	8	10	10	9	8	11	11	9	8	11	11
6,000 - 6,999	8	8	8	8	8	8	9	10	8	8	10	9
7,000 - 7,999	8	7	4	5	8	7	7	7	9	7	6	8
8,000 - 8,999	5	6	4	4	7	8	4	5	7	8	4	5
9,000 - 9,999	4	5	2	3	6	6	4	4	6	6	4	3
10,000 - 10,999	4	3	2	2	4	5	3	3	4	5	2	3
11,000 - 11,999	2	3	1	1	4	4	1	2	3	4	1	2
12,000 - 13,999	3	4	2	2	5	4	3	3	4	5	3	2
14,000 - 15,999	1	1	1	1	2	3	1	1	2	2	1	1
16,000 and over	2	3	b/	1	4	6	2	3	4	5	2	3
Total	100	100	100	100	100	100	100	100	100	100	100	100
Median	$4,500	$4,700	$3,500	$3,700	$5,800	$6,200	$4,600	$4,900	$5,700	$6,000	$4,400	$4,700

a/ Households of two or more persons.
b/ Less than 0.5 percent.

Source: Estimated by Housing Market Analyst.

Table IV

Components of the Housing Inventory
Charleston, South Carolina, Housing Market Area
April 1, 1960 - June 1, 1967

Tenure and vacancy	April 1960	July 1965 b/	June 1967	Average annual change a/ 1960-1965	1965-1967
Total housing supply	71,683	82,200	87,750	2,000	2,900
Occupied housing units	64,016	75,100	81,075	2,110	3,120
Owner-occupied units	33,676	41,400	45,650	1,470	2,220
Percent of total occupied	52.6%	55.1%	56.3%	-	-
Renter-occupied units	30,340	33,700	35,425	640	900
Percent of total occupied	47.4%	44.9%	43.7%	-	-
Vacant housing units	7,667	7,100	6,675	-110	-220
Available units	3,316	2,375	2,400	-190	10
For sale	625	1,025	800	70	-120
Homeowner rate	1.8%	2.4%	1.7%	-	-
For rent	2,691	1,350	1,600	-260	130
Rental rate	8.1%	3.9%	4.3%	-	-
Other vacant units c/	4,351	4,725	4,275	80	- 235

a/ Components may not add to totals because of rounding.
b/ Revised
c/ Includes seasonal units, vacant dilapidated units, units rented or sold awaiting occupancy, and units held off the market for absentee owners or for other reasons.

Source: 1960 Census of Housing
1965 and 1967 estimated by Housing Market Analyst.

Table V

Number of New Housing Units Authorized by Building Permits and Contract Awards
Charleston County, South Carolina
1960-1967

Municipality or school district	1960	1961	1962	1963	1964	1965	1966	1st 4 mos. 1967	Total
Charleston City	69	228	255	352	405	505	647 a/	174	2,635
Folly Beach	b/	b/	13	19	13	24	24	13	106
Isle of Palms	6	27	31	65	43	77	84	33	366
Mount Pleasant	45	38	27	35	44	63	56	29	337
Sullivans Island	7	1	9	6	5	5	8	2	43
Cooper River S.D.	241	288	147	193	259	298	298	187	1,911
James Island S.D.	149	236	245	315	633	508	241	109	2,436
Moultrie S.D.	106	95	57	67	57	203	61	35	681
St. Andrews S.D.	446	275	148	211	220	896	268	90	2,554
St. James Santee S.D.	6	6	4	12	3	9	11	9	60
St. John S.D.	67	89	58	74	53	57	95	26	519
St. Paul S.D.	53	40	28	40	27	40	71	28	327
Military housing c/	360	500	200	10	630	100	-	-	1,800
County total	1,555	1,823	1,222	1,399	2,392	2,785	1,864	735	13,775

a/ Includes 186 units of public housing.
b/ Not available.
c/ Contract awards for housing in Charleston Co., including 150 privately financed units under Sec. 810.

Sources: Bureau of the Census, Charleston County Planning Board, and local building officials.

Table VI

Charleston, South Carolina, Area Postal Vacancy Survey

March 29-April 4, 1967

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	61,008	1,741	2.9	1,192	549	874	51,363	1,101	2.1	662	439	523	9,645	640	6.6	530	110	351	4,102	183	4.5
Charleston	55,130	1,618	2.9	1,104	514	809	45,555	990	2.2	582	408	462	9,575	628	6.6	522	106	347	3,913	155	4.0
Main Office	4,962	241	4.9	218	23	2	3,903	114	2.9	91	23	2	1,059	127	12.0	127	-	-	-	-	-
Branches:																					
Air Force Base	1,488	-	0.0	-	-	-	-	-	-	-	-	-	1,488	-	0.0	-	-	-	-	-	-
Charleston Heights	5,161	192	3.7	189	3	30	3,962	30	0.8	30	-	2	1,199	162	13.5	159	3	28	126	6	4.8
Hanahan	7,133	230	3.2	96	134	328	6,825	199	2.9	80	119	311	308	31	10.1	16	15	17	1,278	46	3.6
Naval Base	1,039	-	0.0	-	-	-	1,039	-	0.0	-	-	-	-	-	-	-	-	-	1	-	2.0
St. Andrews	13,977	440	3.1	246	194	112	11,771	355	3.0	164	191	111	2,206	85	3.9	82	3	1	597	45	7.5
Stations:																					
A	10,023	276	2.8	212	64	72	7,934	114	1.4	114	-	-	2,089	162	7.8	98	64	72	-	-	-
River Annex	11,347	239	2.1	143	96	265	10,121	178	1.8	103	75	36	1,226	61	5.0	40	21	229	1,911	58	3.0
Other Cities and Towns	5,873	123	2.1	88	35	65	5,808	111	1.9	80	31	61	70	12	17.1	8	4	4	189	28	14.8
Moncks Corner	2,213	63	2.8	55	8	23	2,211	63	2.8	55	8	23	2	-	0.0	-	-	-	56	4	7.1
Mount Pleasant	3,665	60	1.6	33	27	42	3,597	48	1.3	25	23	38	68	12	17.6	8	4	4	133	24	18.0

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).

U.S. Federal Housing
Administration.
Analysis of the Charlestor
S.C. housing market as of

DATE	ISSUED TO