Analysis of the

JACKSONVILLE, FLORIDA HOUSING MARKET

as of November 1, 1966

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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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 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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ANALYSIS OF THE JACKSONVILLE, FLORIDA, HOUSING MARKET AS OF NOVEMBER 1, 1966

Summary and Conclusions

1. During the first eight months of 1966, nonagricultural wage and salary employment in the Jacksonville Housing Market Area (HMA) averaged 163,600, a gain of 3,500 over the comparable period of 1965. Between 1959 and 1963, wage and salary employment increased by an average of 2,200 jobs annually. The 1963-1965 interval marked a period of strong economic expansion, with an average of 5,350 jobs added annually. Trade, service industries, and government, which (combined) accounted for 60 percent of all wage and salary employment in 1965, accounted for about 85 percent of the employment increase during the 1959-1965 period. Total nonagricultural employment in the Jacksonville HMA is expected to increase by about 2,700 jobs annually during the November 1966-November 1969 forecast period.

2. The current median income of all families in the Jacksonville HMA is $6,725 a year, after deduction of federal income tax; the median for renter households of two or more persons is about $4,575. Currently, about 23 percent of all families and eight percent of the renter households have after-tax incomes above $10,000 a year.

3. The current population of the Jacksonville HMA is about 535,800, reflecting average gains of 12,200 (2.6 percent) annually since 1960. During the 1950-1960 decade, the population grew by an average of 15,150 persons annually. The population of the city of Jacksonville currently is about 196,400, about 37 percent of the HMA total. On the basis of anticipated employment gains, the population of the Jacksonville HMA is expected to increase by 10,500 annually to a November 1, 1969 total of 567,300.

4. As of November 1, 1966, there were about 153,200 households in the HMA. The number of households has increased by an average of 3,600 a year since 1960, compared with an average of 4,425 a year during the 1950's. Based on the anticipated increase in population, there are expected to be 162,500 households in the HMA by November 1, 1969, an addition of 3,100 households annually during the next three years.

5. There are now about 169,400 housing units in the Jacksonville area, representing a gain of about 4,275 units a year since April 1960. During the 1950-1960 intercensal period, the housing inventory increased by an average of 5,025 a year. There are currently about 1,750 housing units under construction, of which 1,350 are in multifamily structures.

6. There are currently about 11,000 vacant housing units available for sale or rent in the Jacksonville HMA, representing an over-all vacancy rate of 6.7 percent. Of the total, about 4,000 are available for sale, a homeowner vacancy rate of 3.7 percent, and 7,000 are available for rent, a rental vacancy rate of 12.2 percent. The current vacancy levels are about twice those required to maintain balance in both the sales and rental markets.

7. The volume of privately-owned net additions to the supply of single-family houses that will meet the needs of the market and result in a more acceptable demand-supply relationship is approximately 4,350 units during the next three years. The current excess of vacant houses for sale will be absorbed most effectively if about 1,000 houses are built during the first year of the forecast period, 1,400 during the second year, and 1,950 during the third year. Demand for new single-family houses by sales price ranges is expected to approximate the distribution indicated on page 28. The current excess of adequate rental units, plus the multifamily units now under construction, are sufficient to meet the quantitative rental demand during the next three years. If no new multifamily units are built, the rental market can achieve a more reasonable demand-supply balance by the end of the forecast period. In actuality, production of new rental units cannot be expected to stop completely for three years. Therefore, a correction of the market imbalance cannot be anticipated within a three-year period. Under these circumstances, proposed multifamily projects should be designed to satisfy a specific need not now being met, and their effect on the over-all rental market should be evaluated carefully.

ANALYSIS OF THE JACKSONVILLE, FLORIDA, HOUSING MARKET AS OF NOVEMBER 1, 1966

Housing Market Area

The Jacksonville, Florida, Housing Market Area (HMA) is defined as Duval County. The delineated area conforms to the Bureau of the Budget definition of the Jacksonville Standard Metropolitan Statistical Area (SMSA). Jacksonville is centrally located in Duval County in the northeast corner of Florida. It lies about 350 miles northwest of Miami, 200 miles north of Tampa, 350 miles southeast of Atlanta, Georgia, and 275 miles south of Charleston, South Carolina. The HMA is favorably located on the St. John's River, with access to the Atlantic Ocean.

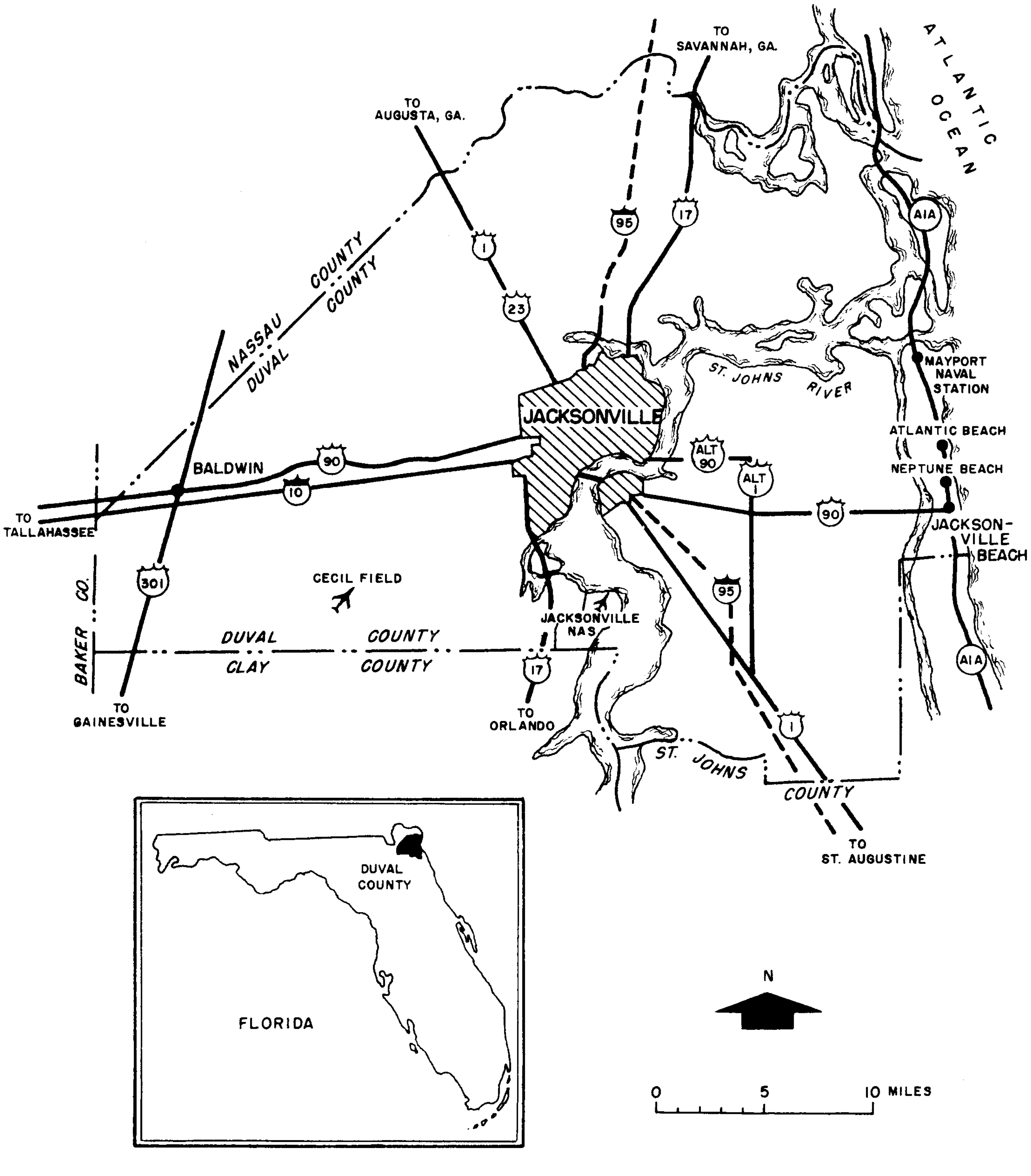
In 1960, the HMA had a population of about 455,400.1/ Jacksonville, the principal city, had a population of about 201,000 in April 1960. Other incorporated areas include Jacksonville Beach (12,049 persons), Atlantic Beach (3,125 persons), Neptune Beach (2,868 persons), and Baldwin (1,272 persons).

The Jacksonville HMA is situated at the junction of U.S. highways 1, 17, 23 and 90, and Interstate Routes 10 and 95, which afford the area easy accessability by motor transportation. Numerous motor freight lines maintain terminals and provide daily motor freight service to and from the HMA. The major railroads serving the Jacksonville area are the Atlantic Coast Line and the Seaboard Air Line. Commercial air transportation is provided at Imeson Airport by Delta, Eastern, National, and United Air Lines.

According to the 1960 Census, there was a net daily in-commutation to the HMA equal to less than one percent of the labor force. Over half of the in-commuters came from the four counties adjoining the HMA.

1/ Inasmuch as the rural farm population of the Jacksonville HMA constituted only 0.3 percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and nonfarm data.

JACKSONVILLE, FLORIDA, HOUSING MARKET AREA



Economy of the Area

Character and History

The settlement of the Jacksonville area began in the mid-16th century with the establishment of a French colony. Its favorable location on navigable waterways stimulated early economic growth and Jacksonville soon became an important trade and distribution center for northern Florida and southern Georgia. Rapid population growth in the late 19th century established Jacksonville as the largest city in Florida by 1900. It was not until 1950 that the population of Jacksonville was exceeded by that of Miami.

Typical of Florida as a whole, the Jacksonville economy is based on nonmanufacturing; employment is dominated by trade, services, and government. Jacksonville has a broad trading area and is a distribution center for a large part of the state. Because of its northern location, the HMA has never become a major tourist area, although tourism is economically important to the beach areas. In the late 1960's, the Cross Florida Barge Canal will be completed, terminating in Jacksonville. This, coupled with the recent improvements in the port facilities, can be expected to provide some measure of economic growth in the area.

Work Force

During the first eight months of 1966, the civilian work force of the Jacksonville HMA averaged 194,800 persons, about 1,400 above the comparable months of 1965 (see table I). Between 1959 and 1965, the civilian work force increased from 177,300 to 193,600, with gains recorded in each year. The total gain of 16,300 reflects average increases of 2,725 annually. Of the total increase recorded since 1959, however, more than half has occurred since 1963. During the 1959-1963 period, the work force increased by an average of 1,850 annually, compared to average gains of 4,450 in the 1963-1965 period.

Employment

Current Estimate and Past Trend. According to preliminary data compiled by the Florida State Employment Service, total nonagricultural employment in the Jacksonville HMA averaged 189,500 in the first eight months of 1966, including 163,600 wage and salary workers and 25,900 persons employed in all other nonagricultural activities. The average nonagricultural wage and salary employment in 1966 represents a gain of 3,500 workers over the comparable period in 1965.

Between 1956 and 1959, the level of wage and salary employment rose by an average of 4,575 jobs annually, despite a gain of only 1,600 between 1957 and 1958. During the 1959-1963 period, however, the rate of economic expansion slowed substantially; during the four-year period, only 8,800 jobs were added, an average of 2,200 annually. The 1963-1965 interval marked another period of strong economic expansion, with an average of 5,350 jobs added annually. Preliminary data for 1966, however, indicate that the increase in the current year may fall short of the 1963-1965 average gain; during the first eight months of 1966, average wage and salary employment is 3,500 above the average for the comparable period of 1965.

Trend of Nonagricultural Wage and Salary Employment
Jacksonville, Florida, HMA
1956-1966

Year	Total wage and salary employment	Change from preceding year
1956	127,800	-
1957	132,400	4,600
1958	134,000	1,600
1959	141,500	7,500
1960	145,500	4,000
1961	146,300	800
1962	148,500	2,200
1963	150,300	1,800
1964	155,800	5,500
1965	161,000	5,200
Jan.-Aug.		
1965	160,100	-
1966	163,600	3,500

Source: Florida Industrial Commission, Florida State Employment Service.

Manufacturing employment in the Jacksonville area accounted for less than 14 percent of total wage and salary employment in 1965, compared with about 15 percent in 1959. Between 1959 and 1965, employment in manufacturing increased from 21,100 to 22,200, a total gain of 1,100 jobs (see table II). However, increases of 800 each year occurred between 1964 and 1965 and between 1963 and 1964, offsetting losses which had occurred between 1959 and 1963. The upward trend since 1963 appears to be continuing into 1966. Data for the first eight months of this year indicate that manufacturing employment has increased by 700 over the comparable period of 1965.

As shown in table II, growth in nonagricultural wage and salary employment since 1959 has depended almost entirely upon the non-manufacturing sector of the economy. Between 1959 and 1965, non-manufacturing employment increased from 120,400 to 138,800, a total gain of 18,400, or 3,075 annually. Annual gains ranged from a high of 4,400 between 1964 and 1965 to a low of 1,200 between 1960 and 1961. As was the case in total wage and salary employment, most of the nonmanufacturing employment increase has occurred since 1963. For the first eight months of 1966, nonmanufacturing employment was 2,900 jobs above the comparable period of 1965.

Employment by Industry. As mentioned earlier, manufacturing employment accounts for only a small portion of total wage and salary employment in the Jacksonville HMA. Employment in the transportation equipment industry, while adding only 200 jobs between 1959 and 1965 (reaching 3,200 in 1965), has added 500 jobs during the first eight months of 1966. The printing and publishing industry registered steady gains between 1959 and 1965, adding 500 jobs during the interval. Partially offsetting these gains was a loss of 300 jobs in the food products industry. The "all other" sector is the largest category, accounting for almost one-third of the total. Of the 1,100 jobs that were added between 1959 and 1965, 400 were in the "all other" category, which increased from 6,800 to 7,200.

Nonmanufacturing industries, which employed an average of 138,800 workers in 1965, accounted for over 86 percent of total wage and salary employment in that year. The nonmanufacturing sector is dominated by trade, the service industries, and government which currently account for 70 percent of nonmanufacturing employment. In addition, these three categories accounted for 90 percent of the 1959-1965 employment increase. Trade added 5,700 jobs during the period, increasing to 45,500 workers in 1965; however, data for the first eight months of 1966 indicate no change over the comparable period of 1965. The service industries added 5,400 jobs in the 1959-1965 period, increasing from 18,400 in 1959 to 23,800 in 1965; they, also, have shown no gain for 1966. Employment in government, while adding 5,400 jobs between 1959 and 1965, has experienced a gain of 2,600 workers thus far in 1966. Contrary to the other nonmanufacturing industries, contract construction registered a decline of 1,100 workers between 1959 and 1965, and the decline is expected to continue into 1966.

Principal Employment Sources

Manufacturing. There are nine manufacturing firms in the Jacksonville HMA which employ 300 or more workers each. These are spread throughout the manufacturing sector with no major concentration in any single industry.

Principal Manufacturing Concerns
Jacksonville, Florida, HMA
October 1965

Company	Product	Employment
Jacksonville Shipyard	Shipbuilding and repair	2,200
St. Regis Paper Co.	Boxes	830
Florida Publishing Co.	Newspaper publication	800
Houdaille-Duval Co.	Construction forms	750
Swisher & Son, Inc.	Cigars	1,500
U.S. Gypsum Co.	Building material	300
General Foods Corp.	Coffee	300
Alton Box Board Co.	Boxes	450
Anchor Hocking Glass Co.	Glass products	500

Source: Jacksonville Area Chamber of Commerce.

Military. There are two major military installations located in the HMA, Jacksonville Naval Air Station and Mayport Naval Station. A third installation, Cecil Field, is the support field for carrier personnel based at Mayport and its strength figures are included in the Mayport total. At the present time, the personnel strength of the installations totals 35,949, including military and civilians. This is virtually unchanged from the 1962 level of 35,926. During the period, however, total strength fell to a low of 32,741 in 1964. As is shown in table III, over three-fourths of the military personnel are mobile and afloat; only a small portion of these are in port at one time although they are all home-ported in Duval County.

The Jacksonville Naval Air Station is located three miles south of Jacksonville. Its currently stated mission is to provide facilities for support of operations of aviation activities and units of the operating forces of the Navy. It had a total complement of 18,495 on August 31, 1966, composed of 13,392 military personnel and 5,103 civilians.

The Mayport Naval Station is located 20 miles east of Jacksonville, on the Atlantic Ocean. Its mission is to provide logistic support for operating forces of the Navy and for dependent activities and other commands as assigned. At the present time, three carriers, three frigates, 19 destroyers, and seven miscellaneous ships are home-ported at Mayport. Latest strength figures (August 31, 1966) reveal a total complement of 16,529 persons, including 16,247 military personnel and 282 civilians. Virtually all of the military complement is onboard ship. The total complement is expected to remain unchanged during the forecast period.

Unemployment

The Florida State Employment Service reported that unemployment averaged 5,000 workers in the Jacksonville HMA in 1965, representing an unemployment ratio of 2.6 percent. This was the lowest level of unemployment reported since 1957, when only 3,500 workers were unemployed, or 2.1 percent of the work force. During the 1957-1965 period, unemployment reached a peak of 4.4 percent in 1961. Since that time, the level of unemployment has been generally downward. The decline in unemployment is continuing into 1966; for the first eight months of this year, unemployment has averaged only 2.3 percent of the work force.

Unemployment Trend
Jacksonville, Florida, HMA
1957-1965

Year	Number unemployed	Unemployment rate
1957	3,500	2.1
1958	6,000	3.5
1959	5,100	2.9
1960	5,800	3.2
1961	8,000	4.4
1962	6,800	3.7
1963	7,100	3.8
1964	5,600	2.9
1965	5,000	2.6

Source: Florida Industrial Commission, Florida State Employment Service.

Future Employment Prospects

Based on past employment trends presented in this analysis, total nonagricultural employment in the Jacksonville HMA is expected to increase by about 2,700 jobs annually during the November 1966-November 1969 forecast period, to a 1969 level of 197,600. The projected gain is less than half the average annual gain of the 1963-1965 period. In the early 1960's, however, annual employment increases were quite small, and part of the 1963-1965 gain is viewed as a recovery from this period. For the first eight months of 1966, the level of employment increased by only 2,400, despite a substantial increase in government employment, which jumped by 2,600 in the current year.

Employment in manufacturing is expected to increase at a rate of 400 jobs annually during the three-year forecast period. This is substantially below recent gains which resulted from employment increases in the transportation equipment industry and the "all other" category. Both of these categories have displayed fluctuation since 1957 and are expected to add only 125 jobs during each of the next three years. Similar small gains can be expected in the paper and printing industries.

In nonmanufacturing, most of the gain will occur as a result of employment increases in trade, services, and government. Construction employment, however, is expected to offset some of the gain, with losses running as high as perhaps 800 annually, as a result of curtailed residential construction and a smaller volume of commercial construction.

Income

The current median annual income of all families in the HMA is \$6,725, after the deduction of federal income tax, and the median after-tax income of renter households of two or more persons is \$4,575. About 15 percent of all families and 30 percent of the renter households receive after-tax annual incomes of \$3,000 or less. At the upper end of the income distribution, 23 percent of all families and only eight percent of renter households have incomes in excess of \$10,000 annually. By 1969, the median after-tax incomes of all families and of renter households in the Jacksonville HMA are expected to approximate \$7,300 and \$4,975, respectively. Table IV presents detailed income distributions for families and households by tenure for 1966 and 1969.

Demographic Factors

Population

HMA Total. The estimated current population of the Jacksonville HMA is 535,800, reflecting average annual increments of about 12,200 (2.6 percent)1/ since April 1960. The rate of population growth has been fairly stable throughout the period; the languid economy of the early 1960's was offset by increases in the number of military dependents residing in the HMA. In the late 1950's, there was an increase in the number of military personnel home-ported in the HMA. The in-migration of their dependents continued into the early 1960's. The population trend for the Jacksonville HMA is shown in the following table. A more detailed presentation is provided in table V.

Population Trend
Jacksonville, Florida, HMA
April 1950-November 1969

Date	Population	Average annual change Number	Average annual change Percent
April 1950	304,029	-	-
April 1960	455,411	15,138	4.1
November 1966	535,800	12,200	2.6
November 1969	567,300	10,500	1.9

Sources: 1950 and 1960 Censuses of Population.
1966 and 1969 estimated by Housing Market Analyst.

As is shown in the preceding table, the rate of population growth in the post-1960 period has been substantially slower than that of the 1950's. During the 1950 to 1960 decade, the population grew at an average rate of 15,150 persons annually, compared with only 12,200 in the current period. The population growth trend since 1960 parallels the economic growth trend which began to slow in 1960.

1/ All average annual percentage changes, as used in this analysis, are derived through the use of a formula designed to calculate the rate of change on a compound basis.

City of Jacksonville. The population of the city of Jacksonville is about 196,400, equal to about 37 percent of the HMA total. The declining importance of the city of Jacksonville in relation to the total HMA is reflected in the fact that the city accounted for 44 percent of the population in 1960 and 67 percent in 1950. The current level of 196,400 persons represents an average decline of 700 annually since 1960. Similarly, the population in the city declined by an average of 350 annually during the 1950's, from 204,500 in 1950 to 201,000 in 1960. Strict enforcement of the newly-adopted minimum housing code, to prevent the spread of neighborhood blight, could slow the downward trend in population during the forecast period.

Remainder of HMA. In contrast to the declining population of the city of Jacksonville, the population in the remainder of the HMA has been increasing at a rapid rate. Currently, there are about 339,400 persons residing in the remainder of the HMA, compared with 254,400 in 1960 (see table V). This represents average gains of 12,900 (4.5 percent) yearly since April 1960. During the 1950 to 1960 intercensal period, the population in the remainder of the HMA increased by an average of 15,500 annually (9.4 percent).

Natural Increase and Migration. Between April 1950 and April 1960, net natural increase accounted for about one-half of the total population increase in the HMA and net in-migration accounted for about one-half. Since 1960, because of a lower rate of economic growth, net in-migration has accounted for only one-third of the population increment.

Components of Population Change
Jacksonville, Florida, HMA
1950-1966

Component	Average annual increase a/ 1950-1960	1960-1966
Total population	15,150	12,200
Net natural increase	7,425	8,150
Net in-migration	7,725	4,050

a/ Rounded.

Sources: U. S. Bureau of the Census. State of Florida Department of Health. Estimates by Housing Market Analyst for 1966.

Estimated Future Population. On the basis of anticipated employment gains, the population in the Jacksonville HMA is expected to increase by 10,500 annually to a November 1, 1969 total of 567,300. The projected annual growth is somewhat below the 1960-1966 annual increase of 12,200 persons. Part of the 1960-1966 increase, however, resulted from an increase in the number of military dependents residing in the HMA; during the forecast period, little change is expected in the military population. As in the past six years, it is anticipated that all of the population growth will accrue to the portion of the HMA outside the city of Jacksonville.

Households

HMA Total. As of November 1, 1966, there are about 153,200 households in the Jacksonville HMA, a gain of 23,700 since April 1960. Paralleling the population trends since 1950, average annual increases in the number of households since 1960 have been well below annual gains during the 1950's. Yearly gains in the number of households have averaged 3,600 since 1960, compared with 4,425 during the 1950's. However, the increase in the number of households between 1950 and 1960 reflects, in part, the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.

Household Trend
Jacksonville, Florida, HMA
April 1950-November 1969

Date	Households	Average annual change	
		Number	Percent
April 1950	85,277	-	-
April 1960	129,503	4,423	4.2
November 1966	153,200	3,600	2.6
November 1969	162,500	3,100	2.0

Sources: 1950 and 1960 Censuses of Housing.
1966 and 1969 estimated by Housing Market Analyst.

City of Jacksonville. Contrary to the declining level of population in the city of Jacksonville, the number of households has been increasing. Currently, there are 62,900 households in the city, reflecting average gains of 75 annually since 1960. During the 1950's, partly because of a sharply falling average household size and partly because of the definitional change, the number of households increased by an average of 450 annually, from 57,900 in 1950 to 62,400 in 1960.

Remainder of HMA. There are 90,300 households in the remainder of the HMA as of November 1, 1966, equal to 59 percent of the HMA total. The current total reflects average gains of 3,525 annually since 1960. Yearly gains of 3,975 during the 1950's increased the number of households from 27,350 in 1950 to 67,100 in 1960.

Average Household Size. The current average size of households in the Jacksonville HMA is 3.39 persons, down slightly from the 3.40 persons reported in 1960. During the 1950's, the average household size experienced only a small change, increasing from 3.39 persons to 3.40 persons. The average household size is not expected to change during the forecast period.

In the city of Jacksonville, the average household size has been declining since 1950. In April 1950, the average household size was 3.33 persons; the average size declined to 3.13 persons by 1960, partially a result of the definitional change. Continued suburbanization since 1960 has caused a decrease in the average household size to 3.03 persons currently. Average size is expected to decline to 3.00 persons during the forecast period. In the remainder of the HMA, the average household size increased from 3.51 persons in 1950 to 3.65 persons in 1960, and is unchanged since that time.

Estimated Future Households. Based on the anticipated increase in population, there are expected to be 162,500 households in the HMA by November 1, 1969. This represents an average prospective addition of 3,100 households annually during the next three years. About 3,025 households will accrue annually to that portion of the HMA outside the city of Jacksonville and 75 will be added annually in the city.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of November 1, 1966, there were about 169,400 housing units in the Jacksonville HMA, an increase of almost 28,150 units above the inventory reported by the 1960 Census. The change since 1960 resulted from the addition of about 30,150 units and the demolition of about 2,000 units. The net change since 1960 reflects an average gain of about 4,275 annually. Between 1950 and 1960, the housing inventory increased by an average of 5,025 units annually, from 91,050 units in 1950 to 141,300 in 1960. The increase in the number of housing units between 1950 and 1960 reflects, in part, the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census. Table VI shows the current housing inventory and inventory trends since 1950 for the HMA, the city of Jacksonville, and the remainder of the HMA.

In the city of Jacksonville, there are currently 69,300 housing units, representing an average gain of 275 units annually since April 1960. During the intercensal period, an average of 700 units were added annually. In the portion of the HMA outside the city, the housing inventory totals 100,100 units. This represents an average annual increase of 4,000 units since 1960, compared with annual increments of 4,325 during the 1950-1960 intercensal period.

Characteristics of the Supply. About 82.5 percent of the housing units in the Jacksonville HMA are in one-unit structures (including trailers). This ratio represents a slight decline from the 83.5 percent reported in April 1960. The number of units in structures with two to four units declined as a percent of total units between 1960 and 1966, from slightly over 11 percent in 1960 to less than ten percent currently. Reflecting the recent upsurge in multifamily construction, the number of units in structures with five or more units increased from 5.4 percent of the inventory in 1960 to 7.6 percent in 1966. The composition of the housing inventory by units in structure for 1960 and 1966 is shown in the following table.

The Housing Supply by Units in Structure
Jacksonville, Florida, HMA
April 1960 and November 1966

Units in structure	Number of units April 1, 1960	Number of units November 1, 1966	Percent of total 1960	Percent of total 1966
One	117,979	139,700	83.5	82.5
Two to four	15,667	16,850	11.1	9.9
Five or more	7,606	12,850	5.4	7.6
Total	141,252	169,400	100.0	100.0

Sources: 1960 Census of Housing.
1966 estimated by Housing Market Analyst.

A distribution of the housing supply by year built, adjusted to reflect the age of units demolished since 1960, is presented in the following table. The recent rapid growth of the HMA is reflected in the fact that over half of the housing units have been constructed since 1950. Only one-fifth of the housing units were constructed prior to 1929, and only one-tenth were built in the 1930's.

Distribution of the Housing Supply by Year Built[a/]
Jacksonville, Florida, HMA
November 1, 1966

Year built	Number of units	Percentage distribution
April 1960-October 1966	30,000	17.7
1955 - March 1960	32,800	19.3
1950 - 1954	24,350	14.4
1940 - 1949	30,250	17.9
1930 - 1939	17,900	10.6
1929 or earlier	34,100	20.1
Total	169,400	100.0

a/ 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.

Source: Estimated by Housing Market Analyst, based on the 1960 Census of Housing and adjusted to reflect inventory changes since April 1960.

Despite the relative newness of the inventory of the Jacksonville HMA, a relatively large number of the units are classified as substandard. In 1960, about 27,300 units (19.3 percent of the inventory) were classified as either dilapidated or lacking one or more plumbing facilities. Because of the low level of demolition, and because the city of Jacksonville did not have a minimum housing code until August 1966, the number of substandard units has remained almost unchanged since 1960. Currently, about 27,000 units, equal to almost 16 percent of the inventory, are deemed to be substandard. During the three-year forecast period, enforcement of the new minimum housing code may significantly reduce the level of substandard units.

Residential Building Activity

Trend. New residential construction activity, as measured by the number of housing units authorized by building permits issued, is presented in table VII for the January 1960-October 1966 period. In the Jacksonville HMA, building permits are issued for the entire land area. As shown in the table, the trend in the number of housing units authorized has been downward sharply during the period. From a peak of 6,325 privately-financed units authorized in 1960, the volume fell to 5,450 in 1961, to about 5,000 in 1962, and to only 3,625 in 1963. The 1963 level was the lowest since the mid-1950's. The downward trend was temporarily reversed in 1964, when 4,350 units were authorized by building permits. In 1965, however, a new low for the period was established; only 3,325 units were authorized for construction in 1965. During the first ten months of 1966, about 3,100 units were authorized, a slight increase from the 3,000 authorized for the corresponding period in 1965. Excluded from the above data are 50 units of public housing and 540 units of military housing authorized in 1961 and 140 units of military housing authorized in 1962.

Since 1960, almost three-fourths of the authorized units have been single-family houses. However, the recent trend toward increased multifamily construction has been reducing this ratio sharply. In 1961, 90 percent of the units authorized by building permits were single-family houses. The ratio declined to 59 percent in 1964 and 1965, and for the first ten months of 1966, only 31 percent of the authorized units were single-family houses.

The downward trend in single-family construction since 1960 has been even more pronounced than the trend of total construction. In 1960, almost 5,675 single-family units were authorized for construction by building permits. The level declined continually after 1960 to a total of only 1,975 in 1965. Furthermore, only 975 single-family units have been authorized during the first ten months of 1966.

In the 1960 through 1963 period, an average of nearly 700 multifamily housing units were authorized each year in the HMA. Since 1963, permits have averaged nearly 1,875 units a year. The sharp change in the construction of multifamily units occurred between 1963, when permits totaled 640 units, and 1964, when nearly 1,800 multifamily units were authorized. In 1965, there was a decline in volume to 1,375 units, but permits increased again in 1966. A total of 2,125 multifamily units have been authorized by building permits in the first ten months of this year, compared with 1,250 units in the same period last year.

Privately-financed Units Authorized by Building Permits
Jacksonville, Florida, Housing Market Area
1960-1966

Year	Single-family	Multi-family	Total
1960	5,663	666	6,329
1961	4,920	522	5,442
1962	4,062	945	5,007
1963	2,984	641	3,625
1964	2,562	1,795	4,357
1965	1,963	1,369	3,332
Jan.-Oct.			
1965	1,742	1,259	3,001
1966	974	2,134	3,108

Sources: Bureau of the Census, C-40 Construction Reports.
Local Building Inspectors.

The city of Jacksonville has accounted for only 11 percent of the total number of privately-financed residential units authorized in the HMA since 1960. During the 1960-1966 period, only 3,525 housing units were authorized for construction by building permits in the city of Jacksonville. Annual authorizations ranged from a high of 620 units in 1964, to a low of 310 units in 1965. However, for the first ten months of 1966, about 675 units have been authorized. The trend of single-family construction has been more stable, ranging from a low of 200 in 1965 to a high of 330 in 1963. Slightly more than one-half of the units authorized in the city since 1960 have been in multifamily structures. Multifamily construction reached a low of 105 units in 1963; during the first ten months of this year, 510 multifamily units have been authorized.

The majority of the new construction in the HMA since 1960 has occurred outside the city of Jacksonville. The volume of units permitted in the post-1960 period has declined from a level of 5,800 units in 1960 to 3,025 units in 1965, and the 1966 total (2,425 in ten months) may fall short of the 1965 total. Most (78 percent) of the new construction in the remainder of the HMA since 1960 has been single-family, although the dominance of single-family building is declining. During the first ten months of 1966, only 33 percent of all new units authorized outside Jacksonville were single-family houses; in 1965, the proportion was 58 percent, a decline from 94 percent in 1960.

Units Under Construction. On the basis of a postal vacancy survey conducted in the HMA and on building permit data, it is judged that there are about 1,750 units currently in some stage of construction in the Jacksonville HMA. Of these units, about 400 are single-family structures and 1,350 are multifamily units. About 90 percent of the units are located outside the city of Jacksonville, including 340 residences and 1,250 apartment units.

Demolitions. Since April 1960, it is estimated that about 2,000 housing units have been removed from the inventory through demolition, fire, and other causes. Demolition resulting from highway rights-of-way have accounted for about one-half of these losses. In addition, the adoption of a minimum housing code in the city in August 1966 and increased property taxes, especially on low-priced housing, have increased the number of demolitions sharply in recent months.

During the three-year forecast period, the number of demolitions is expected to increase both as a result of enforcement of the housing code and continued construction of the interstate highway system. Demolitions and other inventory losses are expected to average 500 units annually during the next three years, compared with an annual rate of 300 units during the 1960-1966 period.

Tenure of Occupancy

There are 153,200 occupied housing units in the Jacksonville HMA as of November 1, 1966, of which 102,900 (67.2 percent) are owner-occupied and 50,300 (32.8 percent) are renter-occupied. The current ratio of owner-occupancy represents a continuation of the trend toward increasing home-ownership evident during the 1950's, but the increase has not been as rapid since 1960. Between 1950 and 1960, the ratio of owner-occupancy increased from 55.8 percent to 66.2 percent. In the city of Jacksonville, about 49.5 percent of the occupied units currently are owner-occupied, compared with 49.7 percent in 1960 and 48.6 percent in 1950. In the remainder of the HMA, the ratio of owner-occupancy increased from 71.2 percent in 1950 to 81.5 percent in 1960; it has declined to 79.5 percent currently. The rapid rate of growth in the area outside Jacksonville, however, has been sufficient to raise the owner-occupancy ratio in the entire HMA.

Occupied Housing Units by Tenure
Jacksonville, Florida, HMA
1950, 1960, and 1966

Tenure	April 1950	April 1960	November 1966
All occupied units	85,277	129,503	153,200
Owner-occupied	47,593	85,719	102,900
Percent owner-occupied	55.8%	66.2%	67.2%
Renter-occupied	37,684	43,784	50,300
Percent renter-occupied	44.2%	33.8%	32.8%

Sources: 1950 and 1960 Censuses of Housing.
1966 estimated by Housing Market Analyst.

Vacancy

1960 Census. In April 1960, there were about 7,425 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the HMA, an over-all net vacancy ratio of 5.4 percent. Approximately 2,425 of these available vacancies were for sale, reflecting a homeowner vacancy ratio of 2.8 percent. The remaining 5,000 available vacancies were for rent, representing a rental vacancy ratio of 10.2 percent. Of the available sales vacancies in the HMA in April 1960, only about five percent (120 units) lacked one or more plumbing facilities; among the rental vacancies, over 29 percent (1,450 units) did not have all plumbing facilities.

The over-all vacancy rate showed little variation between the city and the remainder of the area. The homeowner vacancy rate, however, was only 1.1 percent in the city of Jacksonville, while in the rest of the HMA it was 3.7 percent. The rental vacancy rates for the city and for the remainder of the HMA were 9.6 percent and 11.7 percent, respectively.

Postal Vacancy Survey. A postal vacancy survey was conducted in October 1966 by three post offices in the Jacksonville HMA, covering nearly 94 percent of the current housing inventory (including trailers). The survey covered about 155,550 residences and apartments. At the time of the survey, about 10,150 units (6.5 percent) were vacant. Of this total, 7,025 were residences, a vacancy ratio of 5.2 percent, and 3,125 were apartments, indicating a vacancy ratio of 15.1 percent in this category. An additional 1,605 units were reported to be under construction. The results of the survey are presented in detail in table VIII.

A similar survey was conducted in January 1961 in the Jacksonville area. It covered about 113,300 units, of which 4,650 (4.1 percent) were vacant. Of the 95,100 residences that were surveyed, 3.1 percent were vacant. A total of 18,200 apartments were enumerated, of which 9.5 percent were vacant.

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 units 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.

Current Estimate. The over-all vacancy rate of 6.5 percent reported by the October 1966 postal vacancy survey is somewhat above the 5.4 percent reported by the 1960 Census. Similarly, the census reported a 4.0 percent vacancy rate in single-family residences compared with the 5.2 percent enumerated by the postal survey. In 1960, 10.9 percent of the available multifamily units were vacant; postal vacancy survey data indicate a current vacancy rate of 15.1 percent in apartments. The January 1961 postal vacancy survey, conducted only ten months after the census, reported vacancy rates of 3.1 percent and 9.5 percent in residences and apartments, respectively. Although some seasonal influence may be evident, these lower vacancy levels suggest an undercount of vacant units by the 1961 postal survey; it is judged that a similar undercount occurred in the current survey.

After adjusting for the undercount of vacancies in the postal vacancy survey, excluding seasonal units reported in the postal survey, and converting the data from the type of structure concept to the tenure concept, it is estimated that there were about 11,000 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the Jacksonville HMA as of November 1, 1966. This represents an over-all vacancy rate of 6.7 percent. Of the total number of available vacancies, about 4,000 were available for sale, a homeowner vacancy rate of 3.7 percent, and 7,000 were available for rent, a rental vacancy ratio of 12.2 percent. About 150 of the sales vacancies and 1,600 of the rental vacancies lack one or more plumbing facilities.

Vacant Housing Units
Jacksonville, Florida, HMA
1960 and 1966

Units	April 1960	November 1966
Total vacant units	11,749	16,200
Available vacant units	7,429	11,000
For sale only	2,439	4,000
Homeowner vacancy rate	2.8%	3.7%
For rent only	4,990	7,000
Rental vacancy rate	10.2%	12.2%
Other vacant units[a]	4,320	5,200

a/ Includes seasonal units, vacant dilapidated units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners or for other reasons.

Sources: 1960 Census of Housing.
1966 estimated by Housing Market Analyst.

As of November 1, 1966, the over-all available vacancy rate in the city of Jacksonville was 6.5 percent, representing a total of 4,400 available vacant housing units. Of this number, 500 were available for sale, a homeowner vacancy rate of 1.6 percent, and 3,900 were available for rent, or a rental vacancy rate of 10.9 percent. In the remainder of the HMA, there were 6,600 available vacant housing units, or 6.8 percent of the occupied and available vacant inventory. The homeowner vacancy rate was 4.7 percent, with 3,500 vacant units being available for sale. The remaining 3,100 vacancies were available for rent, or a rental vacancy ratio of 14.3 percent.

The November vacancy levels were about twice the number required to maintain balance in both the sales and rental markets. The November homeowner vacancy ratio of 3.7 percent, compared with 1.8 percent in 1960, suggests that there is a substantial surplus of vacant units being offered for sale at the present time. Similarly, the 12.2 percent vacancy rate in rental units indicates a substantial surplus in the rental inventory.

Sales Market

General Market Conditions. Deterioration of the sales market began with the sharp increase in construction in the late 1950's. As late as 1962, there were over 4,050 single-family units constructed, an excessive rate for the post-1960 rate of economic growth. It is judged that the vacancy rate increased during the 1960-1962 period and remained steady for the following three years at about four percent. The slight decline in the last eighteen months can be attributed to the lower construction rate. The softness is evident in almost every section of the HMA.

Most new houses are priced to sell for between $10,000 and $17,500, although a number of homes have been built to sell for less than $10,000. There is moderate activity between $17,500 and $25,000; homes priced above $25,000 represent only a small portion of the total. The softest market at the present time is in the $10,000 to $15,000 price range. An over-supply of homes in this price range is primarily responsible. Homes priced below $10,000 have been more readily absorbed. Almost one-half of the houses built in recent years have been constructed on a speculative basis. In 1966, however, because of a lack of mortgage funds and a more conservative lending policy by mortgagees, speculative construction has come to a virtual standstill.

Unsold Inventory Surveys. Surveys of the unsold inventory of new sales houses in the HMA have been conducted by the FHA for the last three years. The surveys were conducted in January of each year and covered subdivisions in which five or more units were completed in the twelve months preceding the survey date (see table IX). A comparison of the survey counts of houses completed with building permits issued for single-family houses for the years 1963, 1964, and 1965 suggests that between 65 percent and 75 percent of all new homes completed were covered by the surveys.

Following the trend of single-family units authorized by building permits, the total number of new house completions enumerated in each of the surveys was below the level of the previous year. The surveys covered about 2,200 completions in 1963, 2,000 in 1964, and 1,300 in 1965. The percent of the units built speculatively displayed little variation between the three surveys, ranging between 66 and 71 percent, although the number of speculatively-built homes declined each year.

The survey conducted in January 1964, for houses completed in 1963, enumerated 2,209 completions, of which 645 (29 percent) were presold and 1,564 (71 percent) were built speculatively. Of those built on a speculative basis, 20 percent (316 units) were unsold at the time of the survey. About two-thirds of the unsold units had been completed three months or less. The highest unsold ratios were in the $20,000 and above sales price classes.

The January 1965 survey counted 2,005 new completions in 1964, 674 of which were presold and 1,331 (66 percent) were built speculatively. About 21 percent of the speculative units were unsold at the time of the survey.

The most recent unsold inventory survey was conducted in January 1966 and covered 51 subdivisions in which 1,284 units had been completed in the twelve months preceding the survey date. Of this total, 421 were sold before the start of construction and 863 (67 percent) were built on a speculative basis. At the time of the survey, 23 percent of the speculatively-built homes remained unsold. Unsold inventory ratios were at least at this level for all homes priced above $12,500.

It should be noted that while the unsold inventory ratios only increased from 20 percent in the 1964 survey to 23 percent in the 1966 survey, there was a sharp reduction in the number of speculatively-built units from 1,248 in 1963 to 667 in 1965, suggesting a reduced absorptive capacity in the HMA.

Home Mortgage Insurance. In 1960, the FHA was very active in the sales market, insuring the mortgages on about one-third of all newly-constructed single-family houses. At that time, insurance of mortgages on new homes was only a little below the volume of mortgages insured on existing homes. In 1961, the number of new home mortgages insured declined by almost half, while the number of mortgages insured on existing homes was down 40 percent. Since that time, home mortgages insured on existing homes have far exceeded those on new homes. In 1960, about 2,000 new home mortgages were insured, compared with only 470 in 1965. On the other hand, about 2,125 mortgages on existing homes were insured in 1960; in 1965, the number was 2,450.

Foreclosures. The number of foreclosures in the Jacksonville HMA has increased sharply in recent years. In 1964, total foreclosures in the HMA numbered about 2,100. The following year there were over 2,425, and in the first six months of 1966, there were almost 1,450 foreclosures, compared to 1,050 in the same period of 1965. These data include all foreclosures, but nonresidential foreclosures represent less than one percent of the total. Data are not available prior to 1964.

Data on FHA acquisitions emphasize the sharp upward trend of foreclosures in the Jacksonville HMA. In 1960, the FHA acquired only 35 units; in 1965, the level was 1,005 and in the first ten months of 1966, about 1,225 units had been acquired. Sales lagged behind acquisitions in every year except 1964, when they were exactly equal. Currently, there are almost 1,075 Commissioner-held homes in the Jacksonville HMA. The VA has a similar inventory.

At the present time, the FHA is offering 252 properties for sale. Of these, 13 percent are priced below $10,000, 47 percent are in the $10,000 to $12,500 price class, 36 percent are in the $12,500 to $15,000, and only four percent are priced in excess of $15,000.

Trend of Acquisition and Sale of
FHA-Insured Home Mortgages
1960-1966

Year	On hand beginning of year	Acquired during year	Sold during year	On hand at end of year
1960	NA	34	NA	NA
1961	NA	150	NA	163
1962	163	396	184	375
1963	375	635	306	704
1964	704	815	815	704
1965	704	1,005	962	747
1966[a/]	747	1,232	910	1,069

a/ Through October.

Source: Federal Housing Administration.

The foreclosure problem originated in 1961 because of an over-built market. It was compounded, however, in 1965 with a sharp increase in property taxes, especially on lower-priced homes. Prior to that time, there were no property taxes on units valued below $12,500 because of a 40 percent valuation and a $5,000 homestead exemption. In 1965, valuations went to 100 percent by court order. The burden of the additional expense could not be borne by many homeowners and their homes went into foreclosure.

The persistence of the over-built sales market has made the foreclosure problem almost self-sustaining. At present, the FHA and VA are putting acquired properties in "like new" condition and offering them for sale for as little as $50 down. Foreclosures can be expected to plague the housing market until construction is sufficiently curtailed to allow for absorption of the excess units.

Rental Market

General Market Conditions. The level of rental vacancies in the Jacksonville HMA has increased since 1960; the rental vacancy rate was 10.2 percent in 1960, compared with 12.2 percent, currently. The character of the rental vacancies, however, has changed. At the time of the census, most of the rental vacancies were in either old, converted multifamily structures or in single-family structures. Since that time, there has been a strong upsurge in multifamily construction and the early projects were successful. The depth of the multifamily market was overestimated by the construction industry, however, and by late 1965 it was becoming increasingly difficult to achieve and maintain a satisfactory occupancy in a reasonable period of time. Nevertheless, multifamily construction surged to an all-time high during the first ten months of 1966. The result has been increased vacancies in new, well-located projects. In addition, there is a very substantial volume of multifamily units currently under construction which will be on the market in the near future. These conditions have resulted in an increase in the number of better quality units available for rent; some units of only marginal quality have been forced off the market.

The prime apartment area has been the Arlington section, located across the St. Johns River, east of the city of Jacksonville. Demand in this area has been bolstered by Jacksonville University. Virtually all of the apartments in this area are in garden-type projects. The few high-rise projects, located primarily in the city of Jacksonville, have met with mixed success. A number of apartments also have been constructed in the vicinity of the military installations. Typical rents, exclusive of utilities, for a one-bedroom unit in a garden-type project are generally in the $100-$125 range. There are some, however, that rent for as much as $300 monthly. Two-bedroom units have typical monthly rents of $125-$150, while three-bedroom units generally are available for $130-$180 a month.

Most of the new multifamily construction has been in two-bedroom units. Similarly, vacancies are generally higher in such units, due, in part, to the over-supply. The remaining units are primarily one-bedroom units, although a limited number of efficiencies and three-bedroom units have been constructed. It is interesting to note that vacancies generally are lower in the three- or more-bedroom units, perhaps indicating that there is a reluctance on the part of families to purchase a home at this time. Correspondingly, a greater portion of the units now under construction have three bedrooms than has been the case in the past.

Units Under Construction. A substantial number of apartments are under construction, which will further increase the over-supply of multifamily units. The rents for the new units are about $10 a month higher in each unit size than units now on the market, reflecting the higher cost of money at this time. As these units are marketed, it is expected that rental concessions will be more widespread as the owners attempt to achieve a satisfactory occupancy level.

Military Housing

There are 944 on-base housing units at the military installations in the HMA, (681 are Capehart and 263 appropriated fund) including 681 at Mayport Naval Station, 166 at Jacksonville NAS, and 97 at Cecil Field. All but 37 of these units, located at Jacksonville NAS, are classified as adequate housing. Vacancies in the units are extremely low. As of March 1966, an additional 9,506 off-base housing units were occupied by military personnel. Of these, 2,202 were considered inadequate. Most of the inadequate units were either substandard (1,002) or exceeded the quarters allowance (1,069).

Public Housing and Urban Renewal

There are currently 1,857 low-rent public housing units under the jurisdiction of the Housing Authority of Jacksonville. Of the total, 18 are in Baldwin, 50 are in Jacksonville Beach, and the remaining 1,759 are in Jacksonville. Vacancies in the projects are only frictional, with waiting lists for most projects. There are no urban renewal projects in the HMA at the present time, nor are any being planned for the foreseeable future.

Demand for Housing

Quantitative Demand

The demand for additional housing during the next three years is based primarily on the projected level of household growth (3,100 annually). To this basic growth factor, adjustments are made for the number of units expected to be lost through demolitions and other inventory changes and the need to reduce vacancies to a level that reflects an acceptable demand-supply relationship in the market. Consideration also is given to the current tenure composition of the inventory, to the continuation of the trend from renter occupancy to owner occupancy, and to the transfer of existing single-familly homes from the sales inventory to the rental inventory. Giving consideration to these factors, a total demand for 4,350 new single-family units and only a modest demand for new multifamily units at rents achievable with market-interest-rate financing is forecast for the three-year projection period. However, an estimated 600 multifamily units (200 annually) probably can be absorbed at the lower rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost. These demand estimates do not include public low-rent housing or rent-supplement accommodations.

The total demand for 4,350 single-family units, although averaging 1,450 units annually, would be absorbed best if only about 1,000 units are produced in the next twelve months, 1,400 in the subsequent 12-month period, and 1,950 in the final year of the three-year forecast period. Satisfying demand in this manner would allow for the gradual reduction of vacancies in the next three years without glutting the market in the early part of the forecast period. Absorption of the current surplus would facilitate a gradual resumption of construction in the last two years of the forecast period. The demand forecast for the first year is substantially below the 1965 level of 1,975, but may be somewhat above the level for 1966; during the first ten months of the year, only 975 single-family units have been authorized. The provision of 4,350 single-family units during the next three years should restore a reasonable balance in demand-supply relationships in this market by the end of the forecast period if growth of the area proceeds at the rate now anticipated. A construction volume significantly in excess of 4,350 single-family houses during the forecast period will preclude the achievement of market balance.

Based on the anticipated rate at which new households will be formed in the Jacksonville HMA during the three-year forecast period, on the need to replace units lost because of demolition, and on the expected shift of some households from apartment renters to single-family owners, about 1,300 units a year will be required to meet the quantitative demand for multifamily units. However, the current excess of adequate rental units over the number that would represent a balanced demand-supply relationship in the market, plus the multifamily units now under construction, are sufficient to meet the quantitative demand for multifamily units during the next three years. If no new units were built, other than those now under construction, the current excessively high vacancy level would be reduced to a more acceptable level and the multifamily market would achieve a more reasonable balance.

It is unlikely that a construction industry which supplied an average of over 1,500 multifamily units a year in the 1963-1966 period will completely curtail construction for the next three years. It is probable, therefore, that the market imbalance will not be corrected completely within a three-year period. But it is apparent that unless production is sharply curtailed, the excess of vacant multifamily rental units will not be absorbed in the foreseeable future. Prolongation of the current excess of vacant units will mean increasing economic loss to owners of rental properties and to mortgagees. Under these circumstances, only projects designed to satisfy a specific need not now being met should be considered prudently on their individual merits and their effect on the over-all market should be evaluated carefully.

Among such projects are those which can be built at the lower rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost. The location factor is of especial importance 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, or neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group.

Qualitative Demand

Single-Family Sales Housing. Based on the current income levels of families in the Jacksonville HMA, on sales price to income relationships typical in the area, and on recent market experience, the demand for additional single-family houses is expected to approximate the pattern shown in the following table.

Annual Demand for New Single-Family Houses, by Price Class
Jacksonville, Florida, Housing Market Area
November 1, 1966 to November 1, 1969

Sales price	Nov. 1966-Oct. 1967	Nov. 1967-Oct. 1968	Nov. 1968-Oct. 1969
Under $12,500	150	350	550
$12,500 - 14,999	125	300	450
15,000 - 17,499	200	225	375
17,500 - 19,999	175	175	200
20,000 - 24,999	175	175	175
25,000 - 29,999	100	100	100
30,000 and over	75	75	100
Total	1,000	1,400	1,950

The foregoing distributions differ from those in table IX, which reflect only selected subdivision experience during the years 1963, 1964, and 1965. It must be noted that the unsold inventory 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 which are quite numerous. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Table I

Trend of Civilian Work Force Components
Jacksonville, Florida, HMA, 1956-1966
(Annual averages in thousands)

Component	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	First eight months 1965	First eight months 1966 a/
Civilian work force	158.1	163.4	169.6	177.3	179.5	182.8	183.1	184.7	189.2	193.6	193.4	194.8
Unemployed	3.1	3.5	6.0	5.1	5.8	8.0	6.8	7.1	5.6	5.0	5.3	4.4
Percent of work force	2.0%	2.1%	3.5%	2.9%	3.2%	4.4%	3.7%	3.8%	2.9%	2.6%	2.7%	2.3%
Labor-management disputes	-	-	-	-	-	-	-	.2	.1	.3	.3	2
Employment	155.0	159.9	163.6	172.2	173.7	174.8	176.3	177.4	183.5	188.3	187.8	190.2
Agricultural employment	1.6	1.0	1.0	1.0	.7	.7	.7	.7	.7	.7	.7	.7
Nonagricultural employment	153.4	158.9	162.6	171.2	173.0	174.1	175.6	176.7	182.8	187.6	187.1	189.5
Wage and salary	127.8	132.4	134.0	141.5	145.5	146.3	148.5	150.3	155.8	161.0	160.1	163.6
Other b/	25.6	26.5	28.6	29.7	27.5	27.8	27.1	26.4	27.0	26.6	27.0	25.9

a/ Preliminary.
b/ Includes self-employed, unpaid family workers, and domestic workers.

Source: Florida Industrial Commission, Florida State Employment Service.

Table II

Nonagricultural Wage and Salary Employment by Type of Industry
Jacksonville, Florida, HMA, 1957-1966
(Annual averages in thousands)

Industry	1957	1958	1959	1960	1961	1962	1963	1964	1965	First eight months 1965	First eight months 1966[a]
Total wage and salary employment	132.4	134.0	141.5	145.5	146.3	148.5	150.3	155.8	161.0	160.1	163.6
Manufacturing	21.0	20.3	21.1	21.0	20.6	20.6	20.6	21.4	22.2	22.2	22.9
Food & kindred products	4.2	4.2	4.4	4.5	4.3	4.2	4.2	4.1	4.1	4.1	4.1
Paper & allied products	2.1	2.3	2.5	2.5	2.6	2.6	2.6	2.7	2.8	2.9	2.8
Printing & publishing	1.5	1.6	1.6	1.7	1.8	1.9	1.9	2.0	2.1	2.1	2.1
Chemicals & allied products	1.3	1.1	1.1	1.2	1.3	1.3	1.2	1.2	1.2	1.2	1.2
Stone, clay, & glass products	1.4	1.4	1.7	1.7	1.6	1.6	1.5	1.5	1.6	1.6	1.6
Transportation equipment	3.5	2.9	3.0	2.6	2.4	2.4	2.6	3.1	3.2	3.2	3.7
Other manufacturing	7.0	6.7	6.8	6.8	6.6	6.6	6.6	6.8	7.2	7.2	7.4
Nonmanufacturing	111.4	113.7	120.4	124.5	125.7	127.9	129.7	134.4	138.8	137.9	140.8
Contract construction	10.2	10.7	12.0	12.1	11.3	10.3	9.9	10.6	10.9	10.8	10.7
Trans., comm., & utilities	14.8	14.2	14.5	15.0	15.3	15.6	16.0	16.3	16.8	16.7	16.8
Trade	37.2	37.9	39.8	41.1	41.2	41.9	42.1	43.9	45.5	45.2	45.2
Finance, ins., & real estate	11.8	12.6	13.8	14.1	14.1	14.1	14.2	14.6	14.5	14.5	14.8
Services & miscellaneous	16.9	17.5	18.4	19.2	19.8	20.7	21.6	22.8	23.8	23.9	23.9
Government	20.5	20.8	21.9	23.0	24.0	25.3	25.9	26.2	27.3	26.8	29.4

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

a/ Preliminary.

Source: Florida Industrial Commission, Florida State Employment Service.

Table III

Military and Civilian Strength Trends
Jacksonville, Florida, HMA
1962-1966[a]

	1962	1963	1964	1965	1966
Total	35,926	33,943	32,741	34,899	35,949
Military	30,137	28,295	27,224	28,967	29,639
Ashore	6,251	6,269	6,533	6,243	6,658
Mobile/Afloat	23,886	22,026	20,691	22,724	22,981
Civilian	5,789	5,648	5,517	5,932	6,310
Jacksonville N.A.S.	18,835	18,247	18,270	18,981	19,420
Military	13,308	12,869	13,025	13,315	13,392
Ashore	5,663	5,712	5,962	5,670	5,991
Mobile/Afloat	7,645	7,157	7,063	7,645	7,401
Civilian[b]	5,527	5,378	5,245	5,666	6,028
Mayport N.S.[c]	17,091	15,696	14,471	15,918	16,529
Military	16,829	15,426	14,199	15,652	16,247
Ashore	588	557	571	573	667
Mobile/Afloat	16,241	14,869	13,628	15,079	15,580
Civilian	262	270	272	266	282

a/ All strength figures are as of December 31 except 1966, which are as of July 31 for military and August 31 for civilians.
b/ Includes civilians employed at numerous small installations throughout the HMA.
c/ Includes personnel stationed at Cecil Field.

Source: Department of Defense.

Table IV

Percentage Distribution of All Families and
Renter Households by Income Classes
After Deduction of Federal Income Tax
Jacksonville, Florida, HMA, 1966 and 1969

Family income	1966 All families	1966 Renter households[a/]	1969 All families	1969 Renter households[a/]
Under $ 2,000	8	18	7	17
$ 2,000 - 2,999	7	12	7	10
3,000 - 3,999	8	13	7	12
4,000 - 4,999	11	13	9	11
5,000 - 5,999	10	10	9	12
6,000 - 6,999	9	9	8	9
7,000 - 7,999	9	8	9	8
8,000 - 8,999	8	5	8	6
9,000 - 9,999	7	4	7	5
10,000 - 12,499	11	)	14	6
12,500 - 14,999	6	)8	7	)4
15,000 and over	6	)	8	)
Total	100	100	100	100
Median	$6,725	$4,575	$7,300	$4,975

a/ Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table V

Population and Household Trends
Jacksonville, Florida, HMA
1950, 1960, 1966, and 1969

Area	April 1, 1950	April 1, 1960	November 1, 1966	November 1, 1969	Average annual change 1950-1960 Number	Percent[a]	1960-1966 Number	Percent[a]	1966-1969 Number	Percent[a]
Population Trends										
HMA total	304,029	455,411	535,800	567,300	15,138	4.1	12,200	2.6	10,500	1.9
Jacksonville	204,517	201,030	196,400	194,300	- 349	- .2	- 700	- .4	- 700	- .3
Remainder of HMA	99,512	254,381	339,400	373,000	15,487	9.4	12,900	4.5	11,200	3.2
Household Trends										
HMA total	85,277	129,503	153,200	162,500	4,423	4.2	3,600	2.6	3,100	2.0
Jacksonville	57,907	62,387	62,900	63,100	448	.8	75	.2	75	.1
Remainder of HMA	27,370	67,116	90,300	99,400	3,975	9.0	3,525	4.6	3,025	3.3

a/ Derived through the use of a formula designed to calculate the rate of change on a compound basis.

Note: 1960-1969 data are rounded.

Sources: 1950 and 1960 Censuses of Population and Housing.
1966 and 1969 estimated by Housing Market Analyst.

Table VI

The Housing Inventory by Occupancy and Tenure
Jacksonville, Florida, HMA
1950, 1960, and 1966

	April 1950	April 1960	November 1966
HMA Total			
Housing supply	91,027	141,252	169,400
Occupied	85,277	129,503	153,200
Owner-occupied	47,593	85,719	102,900
Percent	55.8%	66.2%	67.2%
Renter-occupied	37,684	43,784	50,300
Percent	44.2%	33.8%	32.8%
Vacant	5,750	11,749	16,200
Available	2,935	7,429	11,000
For sale	872	2,439	4,000
Homeowner vacancy rate	1.8%	2.8%	3.7%
For rent	2,063	4,990	7,000
Rental vacancy rate	5.2%	10.2%	12.2%
Other vacant	2,815	4,320	5,200
Jacksonville			
Housing supply	60,465	67,507	69,300
Occupied	57,907	62,387	62,900
Owner-occupied	28,115	30,992	31,150
Percent	48.6%	49.7%	49.5%
Renter-occupied	29,792	31,395	31,750
Percent	51.4%	50.3%	50.5%
Vacant	2,558	5,120	6,400
Available	1,684	3,689	4,400
For sale	386	346	500
Homeowner vacancy rate	1.4%	1.1%	1.6%
For rent	1,298	3,343	3,900
Rental vacancy rate	4.2%	9.6%	10.9%
Other vacant	874	1,431	2,000
Remainder of HMA			
Housing supply	30,562	73,745	100,100
Occupied	27,370	67,116	90,300
Owner-occupied	19,478	54,727	71,750
Percent	71.2%	81.5%	79.5%
Renter-occupied	7,892	12,389	18,550
Percent	28.8%	18.5%	20.5%
Vacant	3,192	6,629	9,800
Available	1,251	3,740	6,600
For sale	486	2,093	3,500
Homeowner vacancy rate	2.4%	3.7%	4.7%
For rent	765	1,647	3,100
Rental vacancy rate	8.8%	11.7%	14.3%
Other vacant	1,941	2,889	3,200

Sources: 1950 and 1960 Censuses of Housing.
1966 estimated by Housing Market Analyst.

Table VII

Privately-Financed Units Authorized by Building Permits
Jacksonville, Florida, HMA
1960-1966

Area	1960	1961	1962	1963	1964	1965	First ten months 1965	First ten months 1966
HMA total	6,329	5,442[a]	5,007[b]	3,625	4,357	3,332	3,001	3,108
Single-family	5,663	4,920	4,062	2,984	2,562	1,963	1,742	974
Multifamily	666	522	945	641	1,795	1,369	1,259	2,134
City of Jacksonville total	519	436	522	436	620	308	273	676
Single-family	212	204	293	331	250	199	174	164
Multifamily	307	232	229	105	370	109	99	512
Remainder of HMA total	5,810	5,006[a]	4,485[b]	3,189	3,737	3,024	2,728	2,432
Single-family	5,451	4,716	3,769	2,653	2,312	1,764	1,568	810
Multifamily	359	290	716	536	1,425	1,260	1,160	1,622

a/ Excludes 50 public housing units and 540 units of military housing.
b/ Excludes 140 units of military housing.

Sources: Bureau of the Census, C-40 Construction Reports.
Local Building Inspectors.

Table VIII

Jacksonville, Florida, Area Postal Vacancy Survey

October 25-26, 1966

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	155,560	10,156	6.5	9,298	858	1,605	134,920	7,038	5.2	6,618	420	273	20,640	3,118	15.1	2,680	438	1,332	2,756	176	6.4
Jacksonville	146,432	8,822	6.0	8,037	785	1,604	128,041	6,528	5.1	6,131	397	272	18,391	2,294	12.5	1,906	388	1,332	2,123	114	5.4
Main Office	11,544	625	5.4	620	5	-	6,878	227	3.3	225	2	-	4,666	398	8.5	395	3	-	-	-	-
Branches:																					
Arlington	14,797	1,485	10.0	1,197	288	107	12,647	1,031	8.2	957	74	37	2,150	454	21.1	240	214	70	298	16	5.4
Jacksonville NAS	175	8	4.6	8	-	-	133	-	-	-	-	-	42	8	19.0	8	-	-	-	-	-
Lake Forest	13,612	722	5.3	703	19	79	13,551	714	5.3	696	18	25	61	8	13.1	7	1	54	28	3	10.7
Lake Shore	17,326	1,352	7.8	1,215	137	652	16,326	1,147	7.0	1,088	59	31	1,000	205	20.5	127	78	621	846	48	5.7
Mayport NS	685	-	0.0	-	-	-	685	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-
Murray Hill	21,849	1,056	4.8	1,018	38	49	20,355	762	3.7	733	29	41	1,494	294	19.7	285	9	8	276	26	9.4
Oceanway	6,010	409	6.8	370	39	14	5,936	381	6.4	358	23	14	74	28	37.8	12	16	-	65	4	6.2
Pottsburg	14,547	1,022	7.0	883	139	476	14,063	923	6.6	816	107	40	484	99	20.5	67	32	436	299	14	4.7
Stations:																					
F	13,439	1,015	7.6	1,014	1	20	8,088	478	5.9	477	1	2	5,351	537	10.0	537	-	18	-	-	-
Carver	19,510	393	2.0	316	77	91	18,177	356	2.0	284	72	74	1,333	37	2.8	32	5	17	-	-	-
South Jacksonville	12,938	735	5.7	693	42	116	11,202	509	4.5	497	12	8	1,736	226	13.0	196	30	108	311	3	1.0
Other Cities and Towns	9,128	1,334	14.6	1,261	73	1	6,879	510	7.4	487	23	1	2,249	824	36.6	774	50	-	633	62	9.8
Atlantic Beach	3,657	405	11.1	350	55	-	2,718	208	7.7	203	5	-	939	197	21.0	147	50	-	433	61	14.1
Jacksonville Beach	5,471	929	17.0	911	18	1	4,161	302	7.3	284	18	1	1,310	627	47.9	627	0	-	200	1	0.5

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).

Table IX

Status of New House Completions in Selected Subdivisions[a]
Jacksonville, Florida, HMA
As of January 1964, January 1965, and January 1966

Sales price	Total completions	Pre-sold	Speculative construction Total	Sold	Unsold Number	Unsold Percent
Houses completed in 1963, as of January 1, 1964						
Under $10,000	202	52	150	140	10	7
$10,000 - 12,499	410	149	261	228	33	13
12,500 - 14,999	507	125	382	306	76	20
15,000 - 17,499	489	160	329	266	63	19
17,500 - 19,999	208	76	132	113	19	14
20,000 - 24,999	178	45	133	100	33	25
25,000 - 29,999	170	32	138	73	65	47
30,000 - 34,999	39	5	34	20	14	41
35,000 and over	6	1	5	2	3	60
Total	2,209	645	1,564	1,248	316	20
Houses completed in 1964, as of January 1, 1965						
Under $10,000	144	75	69	56	13	19
$10,000 - 12,499	269	85	184	167	17	9
12,500 - 14,999	445	147	298	249	49	16
15,000 - 17,499	398	167	231	173	58	25
17,500 - 19,999	191	76	115	99	16	14
20,000 - 24,999	212	46	166	133	33	20
25,000 - 29,999	205	40	165	110	55	33
30,000 - 34,999	95	21	74	45	29	39
35,000 and over	46	17	29	25	4	14
Total	2,005	674	1,331	1,057	274	21
Houses completed in 1965, as of January 1, 1966						
Under $10,000	89	22	67	58	9	13
$10,000 - 12,499	305	131	174	165	9	5
12,500 - 14,999	137	29	108	83	25	23
15,000 - 17,499	304	110	194	141	53	27
17,500 - 19,999	152	38	114	73	41	36
20,000 - 24,999	199	65	134	101	33	25
25,000 - 29,999	63	12	51	38	13	25
30,000 - 34,999	5	2	3	1	2	67
35,000 and over	30	12	18	7	11	61
Total	1,284	421	863	667	196	23

a/ Includes only subdivisions with five or more completions during the year.

Source: Annual survey of Unsold Inventory of New Homes conducted by the Jacksonville Insuring Office as of January 1, 1964, 1965, and 1966.