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Analysis of the
LAWTON, OKLAHOMA
HOUSING MARKET

as of March 1, 1970

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

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FHA Housing Market Analysis

Lawton, Oklahoma, as of March 1, 1970

Foreword

This analysis has been prepared for the assistance and guidance of the Federal Housing Administration in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing problems and trends. The analysis does not purport to make determinations with respect to the acceptability of any particular mortgage insurance proposals that may be under consideration in the subject locality.

The factual framework for this analysis was developed by the Economic and Market Analysis Division as thoroughly as possible on the basis of information available on the "as of" date from both local and national sources. Of course, estimates and judgments made on the basis of information available on the "as of" date may be modified considerably by subsequent market developments.

The prospective demand or occupancy potentials expressed in the analysis are based upon an evaluation of the factors available on the "as of" date. They cannot be construed as forecasts of building activity; rather, they express the prospective housing production which would maintain a reasonable balance in demand-supply relationships under conditions analyzed for the "as of" date.

Department of Housing and Urban Development
Federal Housing Administration
Economic and Market Analysis Division
Washington, D. C.

FHA HOUSING MARKET ANALYSIS - LAWTON, OKLAHOMA
AS OF MARCH 1, 1970^{1/}

The Lawton, Oklahoma, Housing Market Area (HMA) is coterminous with the Lawton Standard Metropolitan Statistical Area (SMSA), which consists of Comanche County. The population of the HMA was about 113,400 as of March 1, 1970. Lawton, the third largest city in Oklahoma, is situated in southwestern Oklahoma. The HMA is served by the H. E. Bailey Turnpike which connects the HMA with Oklahoma City 100 miles to the north and Wichita Falls, Texas, 55 miles to the south.

Lawton is the trade and service center for Fort Sill, the Army's Artillery and Missile Center, and for several agricultural counties. Student enrollment and staff at Cameron State Agricultural College have increased significantly each year, thereby increasing the demand for goods and services. In addition, light industry has expanded sharply during the past few years. Expansion of the Lawton economy in response to major strength increases at Fort Sill during the 1966-1967 period served to strengthen the demand for both single-family houses and multifamily units, and the level of residential construction increased significantly. The recent decline in strength at Fort Sill, coupled with increased financing and construction costs, has served to weaken the demand for housing; as a result, vacancy rates increased in most segments of the Lawton HMA. Historically, periods of growth and recession in Lawton have followed changes in strength at Fort Sill.

Anticipated Housing Demand

Demand for additional housing in the Lawton HMA during the two-year period ending March 1, 1972 is based on an expected annual increase of

^{1/} Data in this analysis are supplementary to a previous FHA analysis of the area as of July 1, 1967. Some estimates in the earlier analysis have been revised on the basis of more recent information.

about 300 nonmilitary households, on the net number of housing units expected to be lost from the inventory, and on the need to reduce excess vacancies in some segments of the market to levels that reflect a balanced demand-supply relationship. Approximately 400 adequate sales and rental units that were occupied by military households as of March 1, 1970 will become available, primarily during the first year of the forecast period, to meet nonmilitary requirements. The excess of vacant units now available in the market, plus the units under construction as of March 1, 1970, plus the acceptable units to become available because of out-migration of military personnel will be more than sufficient to satisfy the quantitative requirements for private, nonsubsidized housing during the next two years.

It is not anticipated that new construction will stop completely during the next two years; but in view of the expected further reductions in military personnel and increasing vacancies, construction of single-family houses should be limited to those built under contract for pre-determined owners and construction of additional multifamily units should be limited to those for which there is a clear need that is not being met. Absorption of both sales and rental units should be observed closely and construction reduced or halted if market conditions so indicate. Based on information available, the staff at Fort Sill will be reduced further by 1,123 military positions by July 1970. Additional reductions may be required in fiscal year 1971-1972 to meet budgetary requirements; therefore, military activities in the area should be checked frequently for changes which might increase the impact of military reductions on the housing market.

Occupancy Potential for Subsidized Housing

The potential for occupancy of subsidized housing also is expected to be affected by the reduction in the number of military personnel. Cognizance should be taken of the fact that some of the vacancies that have been created and those that will be created during the next two years by out-migrating military families will be of a quality and price which could satisfy much of the potential for assisted housing. Under those circumstances, it appears that the amount of subsidized housing now in the area plus units now under construction or programmed will be adequate to satisfy the probable potential for the next two years.

Under Section 235, reservations have been made for 50 homes in the Model Cities area, of which eight have been processed, but not insured. There are reservations of funds for 50 additional homes outside the model city area which may be outstanding at one time; about 25 already have been endorsed for insurance.

There are 150 low-rent public housing units under management in Lawton. In addition, as of March 1, 1970, there were 150 low-rent public housing units under construction, all designed for the elderly. Construction of an additional 150 units for families is programmed on a site to be acquired from the Lawton Urban Renewal Authority. A 150-unit Section 221(d)(3) rent supplement project in the area has been in operation about one year and about 10 percent of the units were vacant on March 1, 1970.

No housing has been built or is under construction under the Section 236 program, but it should be noted that the Section 236 and the Section 235 programs draw from essentially the same population group and, therefore, are not additive. There is one Section 221(d)(3) BMIR project in the area which has been in operation over a year; nearly one-fourth of the units were vacant on March 1, 1970, principally because of the decline in the demand from military families. Usually about two-thirds of the units have been occupied by military families.

In view of the subsidized housing becoming available under the above programs, it appears that approval of additional subsidized housing should await the completion of that which is under construction or planned so that absorption can be observed. However, extensive urban renewal and a model cities program may increase the occupancy potential by the end of the two-year forecast period when about 250 low-income residents are expected to be displaced.

The Sales Market

The market for single-family sales housing in the Lawton HMA has been quite active during the past several years. The market for sales housing in the Lawton area was tight in July 1967; builders' inventories were low and overall sales vacancies were declining steadily. The large number of new military families moving to the area had strengthened the market considerably in 1967, both by renting existing single-family homes which had been previously available for sale only and by purchasing new homes in the area. The recent decline in the number of military households in the Lawton area is reflected in a significant drop in the demand for new and existing single-family sales houses. Demand for sales housing is off sharply, as indicated by the increase in homeowner vacancy rate from 1.3 percent in July 1967 to 2.2 percent in March 1970, by the increasing number of vacant existing single-family houses for sale, and by the declining volume of single-family residential construction. As a result, and in part due to increased construction costs and mortgage financing, the number of unsold new houses has increased somewhat. Builders report that additional starts depend upon sale of completed single-family houses.

The greatest activity in 1969 took place in the \$17,500 to \$20,000 price range, which accounted for 38 percent of all completed homes; the \$20,000 to \$25,000 range accounted for 19 percent of the completions; this price range included the highest unsold ratio--39 percent. The \$12,500 to \$17,500 range had over one-fifth of all completions, and about one-fifth were priced at \$25,000 and over.

The Rental Market

Paralleling the sales market, the rental market in the Lawton HMA tightened substantially during the 1966-1967 period as a result of

expanded civilian employment at Fort Sill and new military families. Within the past several months, the pressure on the rental market has eased. The change is reflected in the rental vacancy rate increase from 1.5 percent in July 1967 to 7.8 percent in March 1970. The increase of rental vacancies represents principally those units that are poorly located, and those in older structures lacking the amenities provided in projects built since 1960. Occupancy in the new, well-located garden apartments continues high because of the turnover of military personnel. Rental projects cater primarily to military occupancy, offering furnished units and monthly leases. Demand is strong for one-bedroom furnished units at about \$125 a month. Almost two-thirds of the newer apartment units are occupied by military personnel. Rents generally range from about \$135 to \$150 monthly for one-bedroom unfurnished units and \$170 to \$220 for unfurnished two-bedroom apartments.

Economic, Demographic, and Housing Factors

The anticipated annual demand for new nonsubsidized housing units is based on the trends in employment, income, population, and housing factors summarized below.

Employment. Nonagricultural wage and salary employment in the Lawton HMA averaged 21,750 monthly during 1969 (see table I). During 1969, non-agricultural wage and salary employment increased by 700 jobs and during 1968 the growth was about 275. These recent gains follow the unusually large increase of 1,775 jobs in 1967. The primary source of this growth was the sizeable increase in the number of civilian employees at Fort Sill. Employment gains during the past several years also reflect major employment expansion in manufacturing, trade, construction, and in services. Continued growth of student enrollment and staff at the Cameron State Agricultural College in Lawton, which was changed from a two-year junior college to a four-year institution in 1967, also has aided the Lawton economy. Enrollment at Cameron College increased from about 2,400 in 1966 to about 3,500 by 1969; an increase of similar size is projected for the next several years.

Fort Sill, located adjacent to Lawton on the north, dates back more than one hundred years. The mission of Fort Sill is not expected to change; it will continue to be the Field Artillery Center of the Army. Fort Sill has experienced personnel gains as a result of the Vietnam conflict. Uniformed military strength at Fort Sill reached almost 31,000 in June 1967, up sharply from the strength of about 20,900 in June 1965 and about 47 percent above the average June strength in the 1960-1965 period. Military strength, which had dropped to 29,700 in June 1968 and to 27,750 in June 1969, was about 26,900 as of February 28, 1970 (see table II). Civil service employment at Fort Sill also rose substantially from an average of less than 2,700 during the 1960-1965 period to a total of over 4,400 in June 1967 and 1968, but had dropped to about 4,025 in June 1969 and to 3,470 as of February 28, 1970.

Non-appropriated fund and contractor employment totaled about 1,600, down from about 1,900 in 1967. Strength of Fort Sill will be reduced by July 1970 by 1,123 military positions. There will be a smaller budget in fiscal year 1971-1972 and additional reductions will be required to meet budgetary requirements, according to the Department of Defense.

The general outlook is for moderate growth of employment opportunities in the Lawton HMA. Although employment at Fort Sill will depend upon the tempo of the Vietnam conflict, nonagricultural wage and salary employment gains in the HMA are not expected to average more than about 300 a year during the next two years. Gains during the first year may be less than the projected level of growth, but the annual average increase during the two-year period should approximate the projection. The gains in non-agricultural wage and salary employment are expected in services, trade, and manufacturing during the next two years. Continued growth of student enrollment and staff at Cameron College is expected to be an important factor in increases in trade and service employment. However, should the military complement at Fort Sill decrease substantially, the prospective growth may not be realized; a major reduction in strength beyond that now anticipated could cause a net decrease in employment in the HMA during the period.

Income. The median family income has increased sharply during the past two years in the Lawton HMA. In March 1970, the median annual income of all families in the Lawton HMA was about \$6,225, after deduction of federal income taxes, up from \$5,525 in July 1967. The median after-tax income of renter households of two or more persons was \$5,300 a year as of March 1970, up from \$4,700 in 1967. Detailed distributions of families and renter households by annual after-tax incomes as of July 1967 and March 1970 are presented in table III.

Population and Households. As of March 1, 1970, the population of the Lawton HMA was approximately 113,400,^{1/} reflecting a decline of about 3,350 persons since July 1967. The decline is in sharp contrast to the net growth of 18,550 persons experienced during the February 1965-July 1967 period (see table IV).

Nonmilitary-connected population growth in the HMA represents an average annual gain of about 2,275 persons since July 1967. The military population in the area (uniformed military personnel and their dependents, and military-connected civilians and their dependents) was approximately 55,950 persons as of March 1, 1970, reflecting a decline of about 9,400 persons since July 1967. This decrease resulted from a drop in military population residing in barracks and a more moderate decline in military population residing in family housing units. Based on the prospects of economic growth and the announced action to reduce further the scope of operations of Fort Sill by July 1970, it is expected that the population of the Lawton HMA will decline by about 2,200 persons

^{1/} Locally reported preliminary population and household counts from the 1970 Census may not be consistent with the demographic estimates in this analysis. Final official census population and household data will be made available by the Census Bureau in the next several months.

over the next two years to approximately 111,200 by March 1, 1972. The net loss is expected to result from a gain of about 2,000 nonmilitary-connected population and the loss of about 4,200 military-connected persons.

There were approximately 29,800 households in the Lawton HMA as of March 1, 1970. Total households have increased by 800 (300 annually) since July 1967. As of March 1, 1970, there were approximately 18,500 nonmilitary-connected households in the HMA, reflecting an average annual gain of about 675 since July 1967. In addition there are in the area about 2,300 military-connected civilian households and about 9,000 military households, representing a decline of about 1,000 such households since July 1967. Based on projected employment increases and population changes, including further reductions in military-connected population, it is expected that during the next two years there will be a net increase of 100 households a year in the Lawton HMA. All of the net household increase is expected in the civilian segment; the number of military households is expected to decline by about 400, principally during the first year of the forecast period, to a total of approximately 8,600 by March 1972.

Housing Inventory and Residential Construction Trends. As of March 1, 1970, there were approximately 32,100 housing units in the Lawton HMA, reflecting a net increase of about 2,400 units over the July 1, 1967 inventory of 29,700. This increase in the housing inventory resulted from approximately 2,450 units added through new construction and conversions, the addition of about 400 trailers, and the loss of about 450 units through demolition and other causes. Most of the new units were built in the city of Lawton and were covered by building permits.

Privately-financed building activity in the Lawton HMA decreased from about 1,000 units in 1967 to about 700 units in 1968, and to about 875 units in 1969. The rate of multifamily housing activity fluctuated sharply each year during the period (see table V). Single-family home construction trended downward since 1967. There were approximately 340 units under construction on March 1, 1970, including about 112 single-family homes, 78 conventionally-financed units in multifamily structures, and 150 units for the elderly in two projects for the Lawton Housing Authority.

Vacancy. From the relatively tight housing situation in July 1967, vacancies increased in the Lawton HMA during the past two years (see table VI). There were 1,500 available vacant nondilapidated housing units in the HMA as of March 1, 1970; 375 units were for sale and 1,125 units were available for rent. An additional 800 units were vacant but were either unsuitable or unavailable. The available units for sale or rent represented vacancy rates of 2.2 percent and 7.8 percent, respectively, compared with ratios of 1.3 percent and 1.5 percent, respectively, in July 1967. Increased vacancies are attributed, in part, to the decline of about 1,200 in the number of military households in the area; the decline in military demand for housing was not reflected by a similar decline in the rate of residential construction.

Table I

Work Force and Employment Trends
Lawton, Oklahoma, Housing Market Area
1966 to 1969

<u>Components</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Civilian work force	<u>24,200</u>	<u>26,000</u>	<u>26,350</u>	<u>26,925</u>
Unemployment	975	1,050	1,175	1,125
Percent of work force	4.0	4.0	4.4	4.2
Agriculture	1,150	1,075	1,050	1,000
Nonagricultural employment	<u>22,075</u>	<u>23,875</u>	<u>24,125</u>	<u>24,800</u>
Wage and salary employment	<u>19,000</u>	<u>20,775</u>	<u>21,050</u>	<u>21,750</u>
Manufacturing	<u>1,275</u>	<u>1,400</u>	<u>1,600</u>	<u>1,675</u>
Nonmanufacturing	<u>17,725</u>	<u>19,375</u>	<u>19,450</u>	<u>20,075</u>
Construction	900	750	975	1,275
Public utilities	1,100	1,150	1,125	1,175
Wholesale & retail trade	4,575	4,950	5,025	5,125
Government	7,700	8,700	8,725	8,725
All other ^{a/}	3,450	3,875	3,600	3,775
All other nonagricultural ^{b/}	3,075	3,100	3,075	3,050

^{a/} Includes mining, services, and finance, insurance, and real estate.

^{b/} Includes self-employed, unpaid family workers, and domestic servants.

Source: Oklahoma Employment Security Commission.

Table II

Personnel Strength
Fort Sill, Oklahoma, 1960-1970

<u>Date</u> ^{a/}	<u>Military assigned</u>	<u>Civilians</u>			<u>Total</u>
		<u>Civil Service</u>	<u>Non-Appro. Fund</u>	<u>Contractor</u>	
1960	18,428	2,644	785	144	22,001
1961	19,764	2,606	806	133	23,309
1962	21,692	2,690	919	345	25,646
1963	23,438	2,624	878	237	27,177
1964	22,599	2,677	875 ^{b/}	225 ^{b/}	26,376
1965	20,920	2,691	875 ^{b/}	225 ^{b/}	24,711
1966	25,489	3,684	1,000 ^{b/}	225 ^{b/}	30,398
1967	30,983	4,412	1,394 ^{c/}	505 ^{c/}	37,294
1968	29,701	4,414	1,300 ^{b/}	225 ^{b/}	35,640
1969	27,756	4,027	1,223	226	33,232
1970 ^{d/}	26,900	3,470	1,337	272	31,979

^{a/} As of June 30.

Non-appropriated fund and contractor personnel as of March 31, 1960-1966.

^{b/} Estimated by Housing Market Analyst.

^{c/} As of May 31.

^{d/} As of February 28.

Source: Department of the Army.

Table III

Percentage Distribution of All Families and Renter Households
by Annual Income After Deduction of Federal Income Tax
Lawton, Oklahoma, HMA, 1967 and 1970

<u>Annual income</u>	<u>1967</u>		<u>1970</u>	
	<u>All families</u>	<u>Renter households^{a/}</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$2,000	10	13	7	10
\$2,000 - 2,999	7	10	6	8
3,000 - 3,999	12	18	9	12
4,000 - 4,999	15	13	11	16
5,000 - 5,999	12	14	14	12
6,000 - 6,999	11	9	11	12
7,000 - 7,999	9	7	10	8
8,000 - 8,999	6	5	7	7
9,000 - 9,999	4	3	6	4
10,000 - 12,499	7	3	9	5
12,500 and over	<u>7</u>	<u>5</u>	<u>10</u>	<u>6</u>
Total	100	100	100	100
Median income	\$5,525	\$4,700	\$6,225	\$5,300

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

Source: Estimated by Housing Market Analyst.

Table IV

Population and Household Trends
Lawton, Oklahoma, Housing Market Area
April 1960 to March 1970

<u>Population</u>	<u>April</u> <u>1960</u>	<u>February</u> <u>1965</u>	<u>July</u> <u>1967</u>	<u>March</u> <u>1970</u>
Total population	<u>90,800</u>	<u>98,200</u>	<u>116,750</u>	<u>113,400</u>
Nonmilitary-connected	46,050	49,800	51,400	57,450
Military-connected civilians	5,750	6,300	7,350	8,050
Military	39,000	42,100	58,000	47,900
 <u>Households</u>				
Total households	<u>22,850</u>	<u>25,700</u>	<u>29,000</u>	<u>29,800</u>
Nonmilitary-connected	14,750	16,150	16,700	18,500
Military-connected civilians	1,700	1,800	2,100	2,300
Military	6,400	7,750	10,200	9,000

Sources: Total population and households for 1960 from U.S. Censuses of Population and Housing (rounded by Analyst).
Total for 1965, 1967, and 1970 and components for all years estimated by the Housing Market Analyst.

Table V

Trend of Residential Construction
Lawton, Oklahoma, Housing Market Area
1960 - 1969

<u>Year</u>	<u>Private units</u>			<u>Public housing</u>	<u>Total public and private</u>
	<u>Single-family</u>	<u>Multi-family</u>	<u>Total</u>		
1960	530	48	578	-	578
1961	711	12	723	-	723
1962	552	96	648	200_a/	848
1963	559	164	723	-	723
1964	573	188	761	-	761
1965	599	120	719	-	719
1966	367	7	374	-	374
1967	567	423	990	150	1,140
1968	521	179	700	36	736
1969	471	404	875	150	1,025

a/ Fort Sill military housing.

Sources: Bureau of the Census, Construction Report C-40; Lawton City Building Inspector.

Table VI

Housing Inventory, Tenure, and Vacancy Trends
Lawton, Oklahoma, Housing Market Area
April 1, 1960-March 1, 1970

<u>Supply, tenure, and vacancy</u>	<u>April 1960</u>	<u>February 1965</u>	<u>July 1967</u>	<u>March 1970</u>
Total housing supply	<u>24,697</u>	<u>27,800</u>	<u>29,700</u>	<u>32,100</u>
Occupied housing units	<u>22,853</u>	<u>25,700</u>	<u>29,000</u>	<u>29,800</u>
Owner-occupied	12,448	14,400	15,650	16,550
Percent owner	54.5%	56.0%	54.0%	55.5%
Renter-occupied	10,405	11,300	13,350	13,250
Percent renter	45.5%	44.0%	46.0%	44.5%
Vacant housing units	<u>1,844</u>	<u>2,100</u>	<u>700</u>	<u>2,300</u>
Available vacant	<u>988</u>	<u>1,500</u>	<u>400</u>	<u>1,500</u>
For sale	215	400	200	375
Homeowner vacancy rate	1.7%	2.7%	1.3%	2.2%
For rent	773	1,100	200	1,125
Renter vacancy rate	6.9%	8.9%	1.5%	7.8%
Other vacant ^{a/}	856	600	300	800

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

Sources: 1960 Census of Housing and estimates of Housing Market Analyst.

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