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# Analysis of the

# MOBILE, ALABAMA HOUSING MARKET

as of April 1, 1966

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C. 20411

January 1967

# ANALYSIS OF THE

# MOBILE, ALABAMA, HOUSING MARKET

# AS OF APRIL 1, 1966

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

## Foreword

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

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

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

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ANALYSIS OF THE
MOBILE, ALABAMA, HOUSING MARKET
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## Summary and Conclusions

1. Nonagricultural wage and salary employment in the Mobile Housing Market Area (HMA) averaged 105,700 in 1965, a gain of 7,300 over the 1957 level. Virtually all of the growth has occurred since the 1961 recession. Nonmanufacturing industries provide the bulk of the wage and salary employment in the HMA. Brookley Air Force Base, the major source of employment in the HMA, is to be phased-out during the three-year forecast period, affecting 10,550 employees. It is anticipated that the rest of the economy will add about 6,300 jobs during the forecast period, resulting in a net employment decline of 4,250 by April 1969.

2. The population of the Mobile HMA is approximately 400,400 as of April 1, 1966, a gain of 37,000, or 6,175 annually, over the April 1960 level. Between 1950 and 1960, the population increased by an average of 9,125 annually, indicating that the rate of population growth has slowed substantially during the current period. For the forecast period, the most optomistic prediction would be that the population level will remain at its current level; it is more likely to decline by about 5,000 or 6,000.

3. At the present time, there are about 106,400 households in the HMA, representing an average increase of 1,675 annually over the April 1960 total. Between 1950 and 1960, the number of households increased by an average of 2,350 annually. Based on an anticipated decline in employment and the likelihood of a decreasing population, it is expected that there will be a decline in the number of households over the three-year forecast period of about 1,400 to 1,600.

4. There are currently about 119,200 housing units in the Mobile HMA, representing a net addition to the inventory of 10,900 units, or about 1,825 annually, since 1960. At present, 87 percent of the housing units in the HMA are in one-unit structures.

5. It is judged that there are currently about 6,500 available vacant housing units in the Mobile HMA. Of this total, 2,200 are available for sale and 4,300 are available for rent, representing sales and rental vacancy ratios of 3.1 percent and 10.4 percent, respectively. These vacancy ratios are almost identical with those reported in April 1960. The current number of available vacant units is substantially above the level that represents an acceptable demand-supply relationship in the market.

6. During the three-year forecast period the total number of households in the Mobile HMA is expected to decline. Anticipated growth in the non-Brookley sector will be more than offset by the out-migration of Brookley-oriented households. To accommodate the increase in non-military-connected households and to allow for expected inventory and occupancy changes in the nonmilitary-connected segment of the market, approximately 500-600 housing units annually will be required. However, about 4,000 to 4,500 sales and rental units are expected to be vacated by military and military-connected civilian households; most of these units will be acceptable to nonmilitary-connected households.

   Although the number of housing units to be vacated is substantially in excess of anticipated quantitative demand during the next three years, and particularly during the next two years, it is recognized that there may be effective demand for some new units by families who can afford and desire to upgrade to new housing in preference to existing housing. The size of such demand probably will be quite small and, in the case of sales houses, can be met most appropriately by construction of homes under contract for predetermined owner-occupants. The prospect of a substantial increase in vacancies in the rental inventory and the likelihood that some existing single-family houses which ordinarily would be held for sale will be offered for rent indicate that the market for additional new rental units will be very restricted.

   The attraction of new industries through accelerated community efforts and the expansion of existing industries, resulting in increased employment, would alleviate (possibly to a significant extent) the prospective loss of jobs and increased housing vacancies occasioned by the closing of Brookley Air Force Base. Moreover, the impact of the military withdrawal could be cushioned materially by an aggressive program of removing substandard housing units in substantially larger number than currently planned, thus effecting more rapid improvement in demand-supply relationships in the market by the elimination of some vacant units and the absorption of others of better quality.

# ANALYSIS OF THE MOBILE, ALABAMA, HOUSING MARKET AS OF APRIL 1, 1966

## Housing Market Area

For the purposes of this analysis, the Mobile, Alabama, Housing Market Area (HMA) is defined as being coterminous with the Mobile Standard Metropolitan Statistical Area (SMSA) as defined by the Bureau of the Budget, and consists of Mobile and Baldwin Counties. The population of the HMA totaled about 363,400 in April 1960.[1/] In addition to the city of Mobile, the HMA includes the municipalities of Prichard, Chickasaw, Bay Minette, and numerous smaller communities.

Mobile is located in the southwestern part of Alabama on Mobile Bay, some 30 miles north of the Gulf of Mexico. It is about 245 miles south of Birmingham, Alabama, 195 miles southwest of Montgomery, Alabama, 65 miles west of Pensacola, Florida, and 145 miles east of New Orleans, Louisiana. Mobile is served by five Federal highways, with two interstate highways currently under construction. Commercial transportation is supplied by 55 trucking companies, four railroads, four airlines, and more than 100 steamship lines.

Large-scale annexations to the cities of Mobile, Prichard, and Chickasaw have tended to obscure the actual growth which has occurred in these cities. The city of Mobile has annexed over 150 square miles since 1950, and by doing so has encircled the cities of Prichard and Chickasaw. Because of these annexations, population data will be concerned primarily with the county totals.

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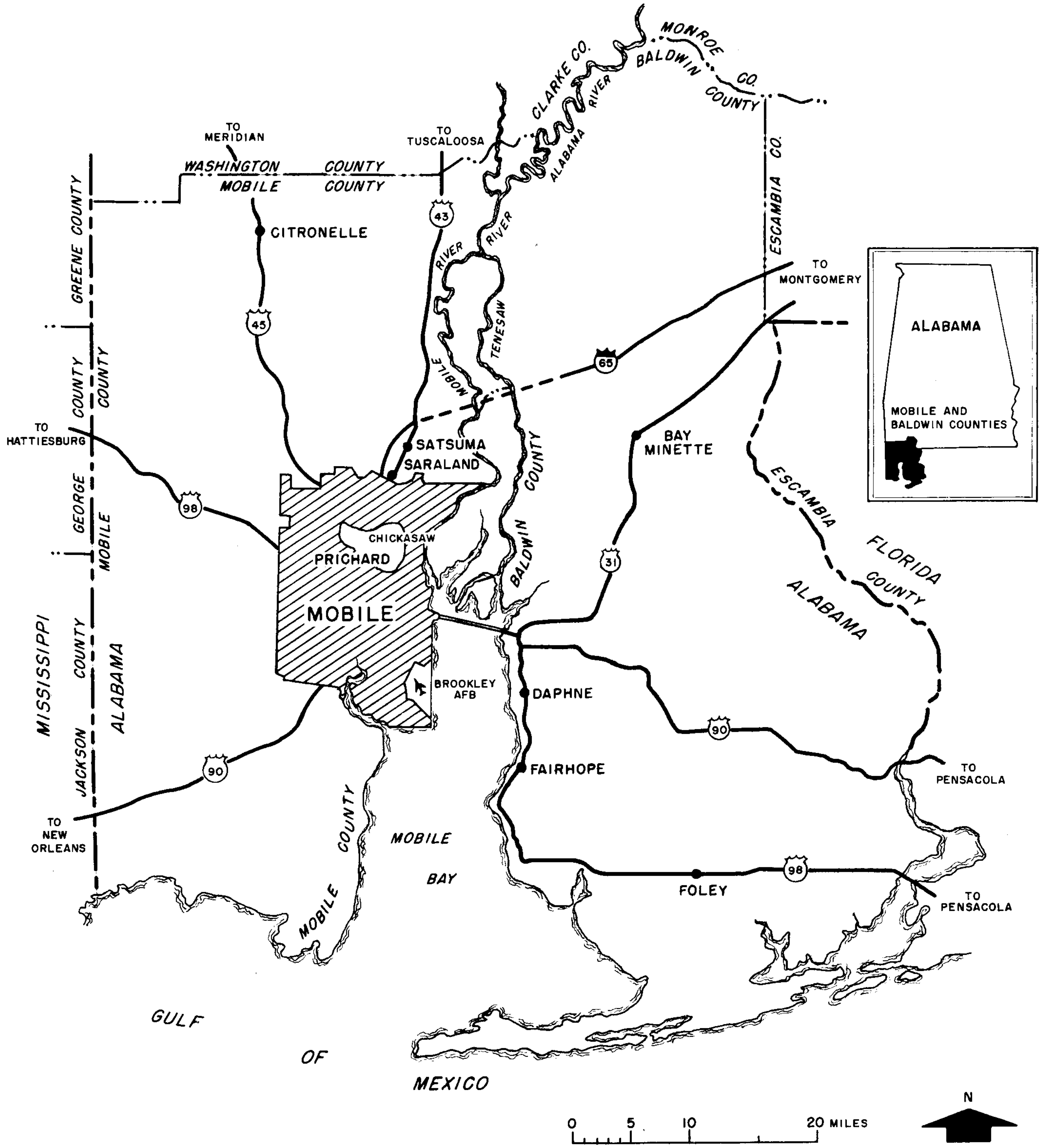
1/ Inasmuch as the rural farm population of the Mobile HMA constituted only 2.5 percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and nonfarm data.

# MOBILE, ALABAMA, HOUSING MARKET AREA



## Economy of the Area

### Character and History

The history of the Mobile area dates back to the early eighteenth century when a military outpost was established by the French. It soon became an important military location and a major trading center. The economy of the area is still based on trade and military employment. Its location as a seaport causes it to be a distribution and trade center and substantial employment is provided by the Brookley Air Force Base. Brookley AFB is the largest employer in the area. The Base is to be phased-out during the forecast period, however, which will curtail economic growth in the area severely.

### Employment

Nonagricultural wage and salary employment averaged 105,700 in 1965, a gain of 7,300 over the 1957 level (see table I). Virtually all of the growth has occurred since the 1961 recession; the 1960 employment total of 98,600 was only 200 above the 1957 average. Following an employment decline of 1,800 from 1960 to 1961, gains have averaged 2,225 annually.

As Brookley Air Force Base is to be phased-out during the forecast period, it is necessary to exclude employment of this facility from the employment series to examine the growth of the rest of the economy. Between 1957 and 1962, changes in employment at Brookley AFB amplified the cyclical swings of the total economy, by moving in the same direction as total employment. In the past three years, Brookley employment has moved counter to total employment and has dampened the economic growth. Since 1962, employment at Brookley AFB has declined by 4,875, while total employment has increased by 7,200, indicating that employment in the non-Brookley sector has increased by 12,025 jobs in the past three years.

Manufacturing employment declined to 18,000 in 1961 from 22,700 in 1957, a loss of 4,700 jobs. Manufacturing employment was unchanged from 1961 to 1962 but increased in the three subsequent years to a 1965 level of 21,600. In 1965, paper and allied products accounted for 32 percent of all manufacturing employment. Shipbuilding and repairs made up 17 percent, and the all other category (which includes textiles), 19 percent. The remaining 32 percent was divided almost evenly between the food products industry, lumber, and chemicals.

The volatility of the shipbuilding industry was a major contributor to the cyclical change in manufacturing employment. In 1957, shipbuilding employment stood at 6,100; it declined to a level of only 1,800 in 1962. Since that time, employment in shipbuilding has doubled, reaching a level of 3,600 in 1965. The fluctuation of employment in the shipbuilding industry results, in part, from a predominance of short-term contracts. Employment in the paper industry was relatively unchanged during the 1957-1961 period, but since that time it has grown by 700 jobs. The "all other" category added 800 jobs over the eight-year period. The remaining categories were relatively unchanged.

Nonmanufacturing industries provide the majority of the wage and salary employment in the Mobile HMA. Government, trade, and services accounted for about three-fourths of nonmanufacturing employment in 1965. There was a general upward trend in nonmanufacturing employment during the 1957-1965 period. During the period, nonmanufacturing employment increased by 8,400, from 75,700 in 1957 to 84,100 in 1965. The largest annual gain (3,500) occurred in 1959, while the only loss (900) was registered in 1961, a recession year.

Employment in services increased from 10,600 in 1957 to 14,700 in 1965, a gain of 4,100, or almost half of the total nonmanufacturing increase. Services employment increased every year, with annual gains ranging from 100 to 900 jobs. Significant gains of 2,200 jobs each were recorded in employment in the trade and government sectors, as well. Government employment reached a peak in 1962, however, and has declined in each year since, reflecting the employment reduction at Brookley AFB. Employment in the construction industry declined sharply from 1957 to 1961, increased from 1961 to 1964, and declined a little in 1965. The finance, insurance, and real estate sector displayed a modest gain of 300 jobs over the eight-year period, while employment in the transportation, communications and utilities category declined by 1,000.

Principal Employment Sources

Because of the nature of the Mobile economy, in which trade and services are leading sources of employment, large-scale employers tend to account for a small portion of total employment. Brookley Air Force Base is the largest employer in the area, currently employing about 10,550 persons, or about 10 percent of total wage and salary employment. Only three other employers (Alabama Dry Dock, Scott Paper, and International Paper) have more than 1,000 employees each.

Brookley AFB is an air materiel area located in the southeastern section of the city of Mobile. As a part of the Air Force Logistics Command, it is responsible for the supply support and major maintenance of Air Force materiel. The Department of Defense announced on November 19, 1964, that Brookley would be closed and its operations transferred to other areas. The phase-out began on July 1, 1965 and will be completed by June 30, 1969. Base employment has been declining since 1962 when a peak civilian employment of 15,425 was attained. Employment has since declined to a December 1965 level of 10,550. The past and projected trend of employment at Brookley is presented in the following table. Note that most of the decline in Brookley AFB employment will occur in the first year of the forecast period.

Total Civilian Strength
Brookley Air Force Base
1957-1969[a/]

| Year | Number | Year | Number |
|---|---|---|---|
| 1957 | 13,742 | 1964 | 12,481 |
| 1958 | 13,589 | 1965 | 10,550 |
| 1959 | 14,945 | 1966 | 8,850 |
| 1960 | 15,359 | 1967 | 4,200 |
| 1961 | 15,263 | 1968 | 3,600 |
| 1962 | 15,427 | 1969 | 0 |
| 1963 | 13,725 | | |

a/ Data for all years except 1965 are as of June; 1965 is as of December.

Source: Department of Defense.

## Unemployment

The unemployment rate for the Mobile HMA in March 1966 was 3.9 percent, a slight decline from the 4.1 percent reported in March 1965. During the 1957-1965 period the lowest unemployment rate was recorded in 1957 when unemployment averaged only 3.8 percent of the labor force. The ratio increased sharply to 6.5 percent in 1958, declined to 5.7 percent in 1959 and 1960, and increased to 6.7 percent in 1961. Declines were recorded in the three succeeding years and in 1964 the unemployment rate was 4.2 percent. A slight increase, to 4.4 percent, occurred in 1965. The unemployment rate is expected to increase somewhat during the three-year forecast period in light of a prospective declining employment level. Out-migration will limit unemployment to some extent.

## Estimated Future Employment

The closing of Brookley Air Force Base during the forecast period will adversely affect the economic growth of the HMA. It is anticipated that the non-Brookley-connected segment of the HMA will add about 2,100 jobs annually during each of the next three years. This rate of growth is somewhat above the average gain of 1,850 recorded annually since 1959 in the non-Brookely sector, but it is substantially below increases recorded since the 1961 recession. The total gain of 6,300 jobs in the non-Brookley sector during the next three years will more than be offset by the loss of 10,550 jobs at Brookley AFB, resulting in a net decline of 4,250 jobs by April 1969. Tentative phase-out plans for the base estimate the June 30, 1967 employment to be 4,200, a drop of 6,350 from the December 1965 level. It is judged that the April 1967 employment level will be about 4,500 below the current total. Between 1967 and 1968, a decline of about 600 will be experienced. The more rapid rate of decline during the next year will be a result of the accelerated phase-out during the early portion of the forecast period. Between 1968 and 1969, the phase-out will be completed.

However, a rate of growth comparable to that of the last three years in the non-Brookley sector could virtually double the anticipated employment gain to about 4,000 a year. This would have the effect of offsetting the loss of Brookley AFB jobs and result in a small net gain over the three-year forecast period.

Income

The family incomes presented in this section are calculated at an annual rate after the deduction of Federal income taxes. The current median income of all families is $6,200. This is an increase of about 29 percent over the 1959 levels. The median income of all renter families is currently $4,350. About 30 percent of all families have annual incomes below $4,000, while 46 percent of all renter families are in this category. At the upper end of the income distribution, 19 percent of all families have annual after-tax incomes in excess of $10,000. Table II shows the current distribution of families by income classes.

## Demographic Factors

### Population

HMA Total. The population of the Mobile HMA is approximately 400,400 as of April 1, 1966, a gain of 37,000 over the April 1960 level. The current total represents an average annual increase of 6,175 (1.7 percent) since 1960. Between 1950 and 1960, the population increased by an average of 9,125 (2.9 percent) annually, indicating that the rate of population growth has slowed substantially during the current period.

Of the current population of 400,400, about 31,400 are military personnel and military-connected civilians and their dependents. The remaining 369,000 are not directly connected with Brookley AFB. The military and military-connected population has declined by about 4,000 since 1960 while the rest of the population has increased by about 41,000, or 6,825 annually. During the 1950-1960 decade, the military and military-connected population accounted for about 24 percent of the population increase.

Population Trend
Mobile, Alabama, HMA
1950-1966

| Date | Total population | Average annual change Number | Average annual change Rate a/ |
|---|---|---|---|
| April 1950 | 272,102 | - | - |
| April 1960 | 363,389 | 9,129 | 2.9 |
| April 1966 | 400,400 | 6,175 | 1.7 |

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

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

Mobile County. There are about 347,400 persons in Mobile County at the present time, representing an average gain of 5,525 (1.7 percent) annually since 1960. Between 1950 and 1960, the population increased from 231,100 to 314,300, a total gain of 83,200. This is an average increase of 8,325 (3.1 percent) a year. Numerous annexations to the three principal cities (Mobile, Prichard, and Chickasaw) since 1950 have obscured actual growth of these areas. In 1960, the city of Mobile had a population of 202,800; the current population is about 230,000.

Baldwin County. Average annual population gains of 650 (1.4 percent) since 1960 have resulted in a current population of about 53,000. During the decade of the 1950's, the population of Baldwin County increased by an average of 810 (1.8 percent) annually, from 41,000 in 1950 to 49,100 in 1960.

Natural Increase and Migration. Since 1960, the net natural increase (excess of resident live births over resident deaths) has averaged 6,725 annually. Population increases have averaged only 6,175 annually, indicating a net out-migration of 550 persons a year. The out-migration is a reversal of the 1950-1960 trend when in-migration accounted for about one-fourth of the population growth. The out-migration is due, in part, to the declining employment at Brookley AFB since 1962.

Components of Population Change
Mobile, Alabama, HMA
1950-1966

| Component | Average annual change 1950-1960 | Average annual change 1960-1966 |
|---|---|---|
| Total population change | 9,125 | 6,175 |
| Net natural increase | 6,850 | 6,725 |
| Net migration | 2,275 | - 550 |
| | | |
| Nonwhite population change | 2,450 | 1,600 |
| Net natural increase | 2,550 | 2,625 |
| Net migration | - 100 | -1,025 |

Sources: 1950 and 1960 Censuses of Population, Alabama State Department of Health, and estimates by Housing Market Analyst.

Estimated Future Population. Foreseeable economic opportunities over the forecast period suggest that, at best, the population level will remain at its current level. The closing of Brookley AFB, directly affecting about 31,400 persons, is the principal reason for the unfavorable outlook. Officials at Brookley AFB expect that about half of the personnel currently employed at the base will accept transfers to other areas. If this is the case, the population of the HMA may decline by about 5,000 or 6,000 during the forecast period. The actual number of employees that transfer will be determined, in part, by local economic opportunities. Should the economic outlook improve significantly during the next three years, however, much of the present population (if not all) may be retained.

## Households

HMA Total. At the present time, there are about 106,400 households in the Mobile HMA, representing an average increase of 1,675 annually over the April 1960 total of 96,300. Between 1950 and 1960, the number of households increased by an average of 2,350 annually. 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.

The current household total of 106,400 is comprised of 8,400 Brookley AFB-oriented households and 98,000 non-Brookley-connected households. The employment reduction at the base since 1962 has caused a similar decline in the number of Brookley-oriented households, which declined by about 1,000 during the six-year period.

Household and Household Size Trends
Mobile, Alabama, HMA
1950-1966

| Date | Total households | Average annual change: Number | Average annual change: Rate[a] | Household size |
|---|---|---|---|---|
| April 1950 | 72,880 | - | - | 3.63 |
| April 1960 | 96,293 | 2,341 | 2.8 | 3.69 |
| April 1966 | 106,400 | 1,675 | 1.7 | 3.69 |

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

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

Mobile County. There are currently about 92,200 households in Mobile County, equal to about 87 percent of the HMA total. The current total represents an increase of about 9,050 (1,500 annually) since 1960. Between 1950 and 1960, the number of households in Mobile County increased from 62,150 in 1950 to 83,150 in 1960, an average gain of 2,100 annually. The city of Mobile contained about 55,850 households in 1960. Annual gains of 1,275 since that time, which are partially the result of annexations, have resulted in a current total of 63,500 households in Mobile City.

Baldwin County. The number of households in Baldwin County has increased by an average of 180 annually since 1960 to a current total of 14,200. The post-1960 rate of increase is only three-fourths the rate of growth of the previous decade. Between 1950 and 1960, the number of households increased by an average of 240 annually, from 10,750 in 1950 to 13,125 in 1960.

Average Household Size. The average size of households in the HMA is about 3.69 persons at the present time. This average is unchanged since 1960. A small increase in average household size occurred in the 1950's, from 3.63 in 1950 to 3.69 in 1960. The average size of households is not expected to change during the three-year forecast period.

Estimated Future Households. Based on the anticipated decline in employment and the likelihood of a decreasing population, it is expected that there will be a decline in the number of households over the three-year forecast period. The magnitude of the decline will be dependent upon the number of Brookley-oriented households that migrate out of the area, which in turn will depend upon existing economic opportunity. If about half of the Brookley AFB employees accept transfers, as is currently expected, the number of households will decline by about 1,400 to 1,600 during the next three years. A marked improvement in economic opportunities could result in households remaining at their current level, however.

## Housing Market Factors

### Housing Supply

Current Estimate and Past Trend. There are currently about 119,200 housing units in the Mobile HMA. This represents a net addition to the inventory of 10,900 (10 percent) units, or about 1,825 annually, since the 1960 Census total of 108,300. Mobile County now contains about 85 percent of the total housing supply of the HMA. Of the total net addition of 10,900 units since 1960, about 9,600 (88 percent) were added in Mobile County, and 1,300 (12 percent) were added in Baldwin County.

During the decade from 1950 to 1960, the number of housing units in the HMA increased by 28,200 (35 percent), from 80,100 in 1950 to 108,300 in 1960. About 87 percent of the 1950-1960 increase occurred in Mobile County. The increase in the housing supply between 1950 and 1960 reflects, in part, the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in 1960.

Characteristics of the Supply. At present, 87 percent of the housing units in the Mobile HMA are in one-unit structures (including trailers), a proportion which is virtually unchanged from that reported in the 1960 Census. The proportion of the inventory in structures with two to four units declined slightly while that in larger structures increased slightly.

Housing Inventory by Units in Structure
Mobile, Alabama, HMA
April 1960 and April 1966

| Units in structure | Number of units April 1960 | Number of units April 1966 | Percent of total 1960 | Percent of total 1966 |
|---|---|---|---|---|
| One | 94,730 | 103,900 | 87.5 | 87.2 |
| Two to four | 10,218 | 10,700 | 9.4 | 9.0 |
| Five or more | 3,300 | 4,600 | 3.1 | 3.8 |
| Total | 108,248 a/ | 119,200 | 100.0 | 100.0 |

a/ Differs somewhat from count of all housing units because units by type of structure were enumerated on a sample basis.

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

Virtually all of the multifamily units are located in Mobile County. In Baldwin County, about 97 percent of the units are in one-unit structures.

A distribution of the housing supply by age of structure, adjusted to reflect inventory changes since 1960, is presented in the following table. Approximately 12,400 units, or 10 percent of the inventory, have been constructed since April 1960. Over one-third of the units are seven to sixteen years old, and another one-fourth are 17 to 26 years old. About 31 percent of the housing units are 27 years old or more.

Distribution of the Housing Supply by Age of Structure[a/]
Mobile, Alabama, Housing Market Area
April 1, 1966

| Age | Number of units | Percentage distribution |
|---|---|---|
| 6 years or less | 12,400 | 10.4 |
| 7 to 16 | 41,100 | 34.5 |
| 17 to 26 | 28,800 | 24.2 |
| 27 to 36 | 12,500 | 10.5 |
| 37 or older | 24,400 | 20.4 |
| Total | 119,200 | 100.0 |

a/ The basic data in the 1960 Census of Housing from which the above estimates were developed reflect an unknown degree of error in "age of structure" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Source: Estimated by Housing Market Analyst.

The housing stock of the HMA is in generally poor condition, although improvement has been evidenced since 1960. In 1960, about 24 percent of the HMA housing supply was classified as either dilapidated or lacking some or all plumbing facilities. At the present time, about 25,200 units, or 21 percent of the inventory, are either dilapidated or lack some or all plumbing facilities. The condition of the housing stock has improved since 1960 because some of the poorer quality and dilapidated units have been demolished and some existing units have been upgraded in quality and because a substantial number of new units have been added to the inventory.

Residential Building Activity

Building permit data are not available for all of the Mobile HMA; permits are issued only for the areas inside the corporate limits of cities. During the 1950's, 60 percent of the population lived in areas which issued building permits. As a result of the annexations which have occurred in the last several years and the fact that many additional places now require building permits, about three-fourths of the current population lives in areas which issue building permits.

Since 1960, an average of 1,550 units have been authorized annually by building permits (excluding public housing). The number of units authorized by building permits increased slowly during the 1960-1964 period, reaching 1,950 in 1963 (see table III). A sharp curtailment of construction since that time resulted in a 1965 level of only 850 units authorized.

Housing Units Authorized by Building Permits[a/]
Mobile, Alabama, HMA
1960-1965

| Year | Single family | Duplex | Multi-family | Total |
|---|---|---|---|---|
| 1960 | 1,599 | 18 | 16 | 1,633 |
| 1961 | 1,569 | 21 | 29 | 1,619 |
| 1962 | 1,711 | 26 | 128 | 1,865 |
| 1963 | 1,493 | 58 | 488 | 1,939 |
| 1964 | 1,180 | 12 | 135 | 1,327 |
| 1965[b/] | 666 | 24 | 160 | 850 |

a/ Excludes public housing.
b/ Underreported; 1965 distribution partially estimated by Housing Market Analyst.

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

Units Under Construction. On the basis of the postal vacancy survey, the volume of building permit authorizations, and on local observation, it is judged that about 900 units are currently under construction in the Mobile HMA. Included in the total are about 300 residences and 600 apartments; 450 of the apartment units are public housing units.

Demolition Activity. Since 1960, an estimated 1,800 units have been demolished in the Mobile HMA, an average of 300 units annually. Most of the demolitions were a result of extensive urban renewal and highway construction. Over the three-year forecast period, the annual rate of demolitions is expected to more than double, with inventory losses through demolition expected to average 600 to 700 units annually.

Tenure of Occupancy

There are 106,400 occupied housing units in the Mobile area as of April 1, 1966, of which 69,400 (65.2 percent) are owner-occupied and 37,000 (34.8 percent) are renter-occupied. The present tenure distribution represents a continuation of the shift from renter to owner status that occurred during the 1950-1960 decade, but the rate of shift has diminished substantially. The homeownership ratio currently is 63.8 percent in Mobile County, while the corresponding figure for Baldwin County is 74.8 percent.

Occupied Housing Units by Tenure
Mobile, Alabama, HMA
1950-1966

| Tenure | April 1950 | April 1960 | April 1966 |
|---|---|---|---|
| All occupied units | 72,880 | 96,293 | 106,400 |
| Owner-occupied | 40,405 | 62,225 | 69,400 |
| Percent | 55.4% | 64.6% | 65.2% |
| Renter-occupied | 32,475 | 34,068 | 37,000 |
| Percent | 44.6% | 35.4% | 34.8% |

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

Vacancy

1960 Census. The 1960 Census enumerated 5,975 available vacant housing units in the Mobile HMA. Of the total, 1,975 were available for sale (a homeowner vacancy rate of 3.1 percent) and 4,000 were available for rent (a rental vacancy rate of 10.5 percent). Of the available vacant units, 100 of the sales units and 850 of the rental units lacked some or all plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in March 1966 by the four principal post offices in the Mobile HMA. The survey covered 73 percent of the current number of housing units in the area. At the time of the survey, 4,690 (5.4 percent) units were vacant. Of this total, 3,417 were residences, a vacancy ratio of 4.4 percent, and 1,273 were apartments, indicating a vacancy ratio of 12.0 percent in this category. An additional 823 units were reported to be under construction. Results of the survey are summarized in table IV.

A similar survey, conducted in May 1965, revealed an over-all vacancy rate of 6.5 percent, indicating that there has been a drop in vacancies during the past year. In 1965, the vacancy rate in residences was 5.8 percent, compared to 4.4 percent in the current survey. The vacancy rate in apartments, on the other hand, increased from 10.2 percent in May 1965 to 12.0 percent in March 1966.

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 rowhouses, 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. Based on the postal vacancy survey results and on local vacancy data, it is judged that there are currently about 6,500 available vacant housing units in the Mobile HMA. Of this total, 2,200 are available for sale and 4,300 are available for rent, representing sales and rental vacancy ratios of 3.1 percent and 10.4 percent, respectively. These vacancy ratios are almost identical with those reported in April 1960.

**Vacant Housing Units**
**Mobile, Alabama, HMA**
**1960 and 1966**

| Housing units | April 1960 | April 1966 |
|---|---|---|
| Total housing units | 108,292 | 119,200 |
| Total vacant units | 11,999 | 12,800 |
| Available vacant | 5,974 | 6,500 |
| For sale only | 1,983 | 2,200 |
| Homeowner vacancy rate | 3.1% | 3.1% |
| For rent | 3,991 | 4,300 |
| Rental vacancy rate | 10.5% | 10.4% |
| Other vacant | 6,025 | 6,300 |

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

## Sales Market

General Market Conditions. The current excess number of sales vacancies coupled with the prospect of a declining economy has resulted in a buyer's market. The high number of sales vacancies in all quality ranges has exerted downward pressures on sales housing prices. A large part of the current excess of available houses consists of foreclosed properties which have been over-hanging the market for several years. All price classes below $20,000 are weak, especially those homes which are priced under $10,000. Local sources indicate that the market for homes priced above $20,000 has improved somewhat in the past two years, inasmuch as this sector of the sales market has been less affected by recent economic developments.

Unsold Inventory of New Homes. The annual surveys of unsold new sales houses which were conducted by the Birmingham Insuring Office in January 1965 and January 1966 covered subdivisions in which five or more houses were completed in the twelve months preceding the survey date. The 1966 survey covered 41 subdivisions in the Mobile HMA in which 351 houses were completed in 1965. Of the total completions, 141 houses were pre-sold and 210 were built speculatively. Of the speculatively-built houses, 24 (11 percent) were unsold at the time of the survey.

The comparable survey in 1965 covered 51 subdivisions with 625 completions. About 48 percent (298) of the homes were pre-sold. Of the 327 speculatively-built houses, 79 (24 percent) were unsold at the time of the survey.

It should be noted that while the ratio of unsold houses to speculatively-built houses declined sharply (from 24 percent in 1965 to 11 percent in 1966), the number of speculatively-built homes that were sold declined also. The apparent improvement in the sales market between the two survey dates was due almost entirely to a curtailed rate of construction. Results of the two surveys are presented in greater detail in table V.

## Rental Market

Historically, rental housing in the Mobile HMA has been in old single-family structures. In April 1960, over two-thirds of the renter-occupied units were single-family structures, of which almost half had been built prior to 1940. There is an abundance of available rental units currently, as evidenced by the high vacancy rate.

The closing of Brookley AFB will further dampen the rental market. The availability of modern single-family homes, which normally would be in the sales market, will affect the occupancy and rent levels of the older structures which now dominate the market.

## Urban Renewal

There are currently five urban renewal projects in the Mobile HMA, four in the city of Mobile and one in Prichard.

The Broad-Beauregard Street Connection (UR Ala. 3-1) occupied 45 acres on the northwest fringe of the downtown business area. It is bordered roughly by Congress Street on the south, Davidson Street on the west, Bloodgood Street on the north, and Armstead Street on the east. It was started in 1950. A total of 480 substandard units were demolished, requiring relocation for 360 families. Re-use will involve a mix of commercial and light industrial uses.

The East Church Street Area (Ala. R-33) is located in the southern fringe of the downtown business district and covers 53 acres. It is bounded by Interstate 10 (under construction) on the east, Government Boulevard on the north, Lawrence Street on the west, and Canal Street on the south. Re-use will be for public and commercial purposes. About 450 units were demolished, including 360 substandard and 90 standard units. The demolitions necessitated the relocation of 200 families.

The Water Street Area (Ala. R-34) is adjacent to the northern and eastern fringe of the central business district and covers 250 acres. It is still in the planning stage except for a small portion which is in execution. Re-use will be a mix of public, commercial, industrial, and residential uses (including public housing). Over 1,325 units will be demolished in the area, 98 percent of which are substandard. Approximately 880 families will be relocated.

The Central Texas Street Area (Ala. R-38) is located south of the central business district and covers 320 acres. It is located in the Church Street-Texco Street General Neighborhood Renewal area. It is bounded by North Carolina Street on the south, Broad Street on the west, Canal Street on the north, and Franklin Street on the east. Approximately 1,425 units will be demolished, necessitating relocation of about the same number of families.

The Engine Street Area (Ala. R-56) is located in Prichard. It is bounded by Interstate 65 on the west, the G, M & O Railroad on the north, Thomas Avenue on the east, and Highway 45 on the south. The site covers 115 acres. About 390 units will be demolished, with about 290 families requiring relocation. The project is now in the execution stage.

Public Housing

Currently, the Mobile Housing Board has 2,925 public housing units under management. An additional 450 units are under construction.

## Demand for Housing

Since economic growth in other sectors of the economy of the Mobile HMA over the next three years may be outweighed by declines in employment at Brookley Air Force Base, it is not likely that there will be any net increase in the number of households in the area. While there will be demand for additional housing by households not connected with the base, most of this need may be met by the housing vacated by military and military-connected civilian households. The number of units which will become available in this fashion cannot be predicted accurately, since it depends on individual decisions by Brookley-connected households on whether to stay in Mobile or leave the area, but it is probable that the number of housing units which will be vacated will be in excess of anticipated demand during the next three years, and particularly during the next two years.

It is recognized, however, that there may be effective demand for some new units by families who can afford and desire to upgrade to new housing in preference to existing housing. The size of such demand probably will be quite small and, in the case of sales houses, can be met most appropriately by construction of homes under contract for predetermined owner-occupants. With a 10 percent rental vacancy rate and the prospective closing of the Brookley Air Force Base which will make additional rental housing available, it would seem appropriate to postpone any additional multifamily construction in the area until the phase-out at Brookley has been accomplished and the impact can be evaluated.

As vacancies increase in both the sales and rental inventories, it may be expected that market conditions will force further voluntary curtailment of construction of both sales and rental housing; it is apparent that the more new housing that is built the longer will be the duration of the effects of the closing of Brookley AFB on the Mobile housing market. Market prospects would be improved, of course, in the event that developments not now foreseeable should materialize to strengthen the demand for housing. The attraction of new industries through accelerated community efforts and the expansion of existing industries, resulting in increased employment, would alleviate (possibly to a significant extent) the prospective loss of jobs and increased housing vacancies occasioned by the closing of Brookley Air Force Base. Moreover, the impact of the military withdrawal could be cushioned materially by an aggressive program of removing substandard housing units in substantially larger number than currently planned, thus effecting more rapid improvement in demand-supply relationships in the market by the elimination of some vacant units and the absorption of others of better quality.

Nursing Homes

Existing Nursing Homes. At the present time, there are 12 nursing homes in the Mobile HMA, containing a total of 680 beds. Three of the homes, with a total of 235 beds, are in Baldwin County, and the remaining nine homes, containing 445 beds, are in Mobile County. Two of the homes (containing about 115 beds) are operated as nonprofit institutions.

The Alabama State Board of Health classifies nursing homes as being either "skilled" or "unskilled" depending upon the intensity and quality of nursing care. Using this criteria, there are about 480 skilled nursing beds in the HMA, divided about evenly between the two counties. Skilled nursing beds are further classified as either conforming or nonconforming. A conforming bed, as defined by the state, is one which is in a fire-resistive structure and adheres to the State laws and regulations. Of the 480 skilled nursing beds, 380 are classified as conforming beds, including 180 in Mobile County and 200 in Baldwin County.

Only one nursing home in the HMA is currently experiencing occupancy problems. The rest of the homes are completely occupied and some have waiting lists. Typical monthly charges in a skilled nursing home range from $250 for a ward bed to about $400 for a private room.

Units Under Construction. There is currently one nursing home under construction in the southern portion of Baldwin County. This home is not expected to affect the occupancy of the other homes in Baldwin County significantly because of its location. It is anticipated that some of the patients will come from the Pensacola, Florida, area.

Characteristics of Patients. Demand for nursing home beds originates primarily from persons residing in the HMA. Currently, about 90 percent of the patients are residents of Mobile or Baldwin County. The remainder of the demand comes from the contiguous counties in Alabama and Florida. Between one-third and one-half of the patients are on welfare. State payments are $125 monthly for a bed in an unskilled home and $175 monthly for a bed in a skilled home. About 90 percent of the welfare patients are elderly; the remaining 10 percent are totally and permanently disabled.

Demand for New Proprietary Nursing Home Beds. Based on the projected elderly population in the Mobile HMA, there will be a medical need for 700 nursing home beds in Mobile County and 160 beds in Baldwin County. The current supply in Baldwin County is sufficient to meet the projected needs. In Mobile County, after adjusting for the current supply of suitable beds, there is a projected need for an additional 525 beds. After further adjustment for that proportion of the need supplied by nonprofit institutions, and the relatively low income of the area, it is estimated that there is a demand for 300 additional proprietary nursing home beds in Mobile County. Additions to the skilled nursing bed supply should be in increments of 50 to 75 beds each in order to test the market success of each project with respect to location and monthly charges.

The projected demand for 350 skilled nursing beds excludes the possible effects of Public Law 89-97, commonly known as Medicare. The provisions relating to long-term care facilities will become effective on January 1, 1967. Although additional demand may result from Medicare, the magnitude of this demand is uncertain. In order to be eligible to receive Medicare patients, a nursing home must be brought up to the standards established by the Department of Health, Education, and Welfare. Whether or not this occurs will be dependent upon existing market conditions.

Also, the nursing home industry has characteristically provided care for terminal patients. For Medicare to have a significant impact upon nursing home demand, the industry would have to be willing to provide care for short-term patients, as the Medicare limit is 100 days. Otherwise Medicare patients will be accommodated in convalescent hospitals. Furthermore, the reasonable costs of nursing care, as determined by the regulatory agency, must be satisfactory to nursing homes if they are to accept Medicare patients. In any case, the effect of Public Law 89-97 on nursing home demand must be evaluated as increments are added to the existing supply of skilled nursing home beds.

Table I

Nonagricultural Wage and Salary Employment
Mobile, Alabama, HMA, 1957-1965
(annual averages)

| Industry | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 |
|---|---|---|---|---|---|---|---|---|---|
| Total | 98,400 | 95,500 | 98,600 | 98,600 | 96,800 | 98,500 | 102,400 | 104,000 | 105,700 |
| Manufacturing | 22,700 | 19,700 | 19,300 | 18,900 | 18,000 | 18,000 | 19,600 | 19,900 | 21,600 |
| Food | 2,300 | 2,600 | 2,700 | 2,700 | 2,600 | 2,700 | 2,700 | 2,700 | 2,500 |
| Lumber | 2,400 | 2,500 | 2,500 | 2,400 | 2,200 | 2,300 | 2,300 | 2,200 | 2,300 |
| Paper | 6,300 | 5,900 | 6,200 | 6,200 | 6,200 | 6,400 | 6,600 | 6,700 | 6,900 |
| Chemicals | 2,300 | 2,200 | 2,000 | 1,800 | 1,700 | 1,700 | 1,800 | 2,000 | 2,200 |
| Shipbuilding | 6,100 | 3,500 | 2,800 | 2,800 | 2,500 | 1,800 | 2,800 | 2,600 | 3,600 |
| Other | 3,300 | 3,000 | 3,100 | 3,000 | 2,800 | 3,100 | 3,400 | 3,700 | 4,100 |
| Nonmanufacturing | 75,700 | 75,800 | 79,300 | 79,700 | 78,800 | 80,500 | 82,800 | 84,100 | 84,100 |
| Construction | 5,900 | 5,400 | 5,700 | 5,300 | 4,600 | 5,000 | 5,900 | 7,000 | 6,500 |
| Trans., comm., and util. | 10,500 | 10,300 | 10,400 | 10,400 | 10,100 | 9,900 | 10,000 | 9,800 | 9,500 |
| Trade | 21,000 | 20,400 | 21,000 | 21,600 | 20,900 | 21,600 | 22,300 | 22,700 | 23,200 |
| Finance, ins., and real est. | 4,100 | 4,400 | 4,600 | 4,300 | 4,300 | 4,200 | 4,300 | 4,300 | 4,400 |
| Services | 10,600 | 10,700 | 11,300 | 11,400 | 11,800 | 12,300 | 13,200 | 14,000 | 14,700 |
| Government | 23,600 | 24,600 | 26,300 | 26,700 | 27,100 | 27,500 | 27,100 | 26,300 | 25,800 |

Source: Alabama Department of Industrial Relations.

Table II

Estimated Percentage Distribution of Families by Annual Income
After Deduction of Federal Income Tax
Mobile, Alabama, HMA, 1966

| Income | All | Renter |
|---|---|---|
| Under $2,000 | 11 | 20 |
| $2,000 - 2,999 | 9 | 13 |
| 3,000 - 3,999 | 10 | 13 |
| 4,000 - 4,999 | 9 | 11 |
| 5,000 - 5,999 | 9 | 11 |
| 6,000 - 6,999 | 10 | 9 |
| 7,000 - 7,999 | 10 | 6 |
| 8,000 - 8,999 | 8 | 5 |
| 9,000 - 9,999 | 5 | 4 |
| 10,000 - 12,499 | 10 | 6 |
| 12,500 - 14,999 | 5 | ( |
| 15,000 and over | 4 | (2 |
| Total | 100 | 100 |
| Median | $6,200 | $4,350 |

Source: Estimated by Housing Market Analyst.

Table III

Privately-Financed Housing Units Authorized by Building Permits
Mobile, Alabama, HMA
1950-1965

| Area | Annual average 1950-1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 |
|---|---|---|---|---|---|---|---|
| Mobile County | | | | | | | |
| Chickasaw | 49 | 64 | 78 | 90 | 55 | 38 | 43 |
| Mobile | 1,492 | 1,201 | 1,116 | 1,281 | 1,474 | 925 | 572 |
| Prichard | 144 | 142 | 103 | 87 | 97 | 83 | 104 |
| Other areas | NA | 130 | 179 | 234 | 144 | 164 | 88 |
| Total | 1,685 | 1,537 | 1,476 | 1,692 | 1,770 | 1,210 | 807 |
| Baldwin County | | | | | | | |
| Bay Minette | NA | 39 | 39 | 48 | 24 | 20 | NA |
| Daphne | NA | - | 23 | 12 | 33 | 12 | NA |
| Fairhope | 53 | 38 | 58 | 63 | 45 | 33 | 43 |
| Foley | 25 | 12 | 8 | 25 | 24 | 16 | NA |
| Other areas | NA | 7 | 15 | 25 | 43 | 36 | NA |
| Total | 78 | 96 | 143 | 173 | 169 | 117 | 43 |
| HMA total | 1,763 | 1,633 | 1,619 | 1,865 | 1,939 | 1,327 | 850 |

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

# Table IV

Mobile, Alabama, Area Postal Vacancy Survey

March 21, 1966

| Postal area | Total residences and apartments: Total possible deliveries | Vacant units: All | % | Used | New | Under const. | Residences: Total possible deliveries | Vacant units: All | % | Used | New | Under const. | Apartments: Total possible deliveries | Vacant units: All | % | Used | New | Under const. | House trailers: Total possible deliveries | Vacant: No. | % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| The Survey Area Total | 87,428 | 4,690 | 5.4 | 4,225 | 465 | 823 | 76,847 | 3,417 | 4.4 | 2,999 | 418 | 238 | 10,581 | 1,273 | 12.0 | 1,226 | 47 | 585 | 857 | 39 | 4.6 |
| Mobile | 81,458 | 4,466 | 5.5 | 4,044 | 422 | 779 | 71,033 | 3,255 | 4.6 | 2,850 | 405 | 200 | 10,425 | 1,211 | 11.6 | 1,194 | 17 | 579 | 715 | 34 | 4.8 |
| Branches: | | | | | | | | | | | | | | | | | | | | | |
| Chickasaw | 2,802 | 228 | 8.1 | 220 | 8 | 6 | 2,491 | 42 | 1.7 | 34 | 8 | 6 | 311 | 186 | 59.8 | 186 | - | - | - | - | - |
| Eight Mile | 1,837 | 76 | 4.1 | 76 | - | 14 | 1,821 | 72 | 4.0 | 72 | - | 14 | 16 | 4 | 25.0 | 4 | - | - | 66 | 3 | 4.5 |
| Plateau | 2,279 | 84 | 3.7 | 84 | - | - | 1,766 | 68 | 3.9 | 68 | - | - | 513 | 16 | 3.1 | 16 | - | - | 15 | - | - |
| Prichard | 9,686 | 420 | 4.3 | 407 | 13 | 15 | 7,938 | 239 | 3.0 | 228 | 11 | 15 | 1,748 | 181 | 10.4 | 179 | 2 | - | 18 | - | - |
| Whistler | 1,741 | 64 | 3.7 | 64 | - | 45 | 1,736 | 60 | 3.5 | 60 | - | 23 | 5 | 4 | 80.0 | 4 | - | 22 | 20 | - | - |
| Stations: | | | | | | | | | | | | | | | | | | | | | |
| Caroline | 5,781 | 388 | 6.7 | 380 | 8 | 8 | 4,268 | 196 | 4.6 | 195 | 1 | 2 | 1,513 | 192 | 12.7 | 185 | 7 | 6 | 20 | 2 | 10.0 |
| Carrier Annex | 10,199 | 445 | 4.4 | 437 | 8 | 1 | 8,559 | 264 | 3.1 | 262 | 2 | 1 | 1,640 | 181 | 11.0 | 175 | 6 | - | 12 | - | - |
| Cottage Hill | 7,282 | 333 | 4.6 | 315 | 18 | 31 | 7,024 | 325 | 4.6 | 307 | 18 | 31 | 258 | 8 | 3.1 | 8 | - | - | 194 | 15 | 7.7 |
| Crichton | 10,802 | 353 | 3.3 | 328 | 25 | 19 | 9,599 | 290 | 3.0 | 265 | 25 | 19 | 1,203 | 63 | 5.2 | 63 | - | - | 65 | - | - |
| Fulton Road | 11,360 | 757 | 6.7 | 745 | 12 | 53 | 9,421 | 530 | 5.6 | 518 | 12 | 8 | 1,939 | 227 | 11.7 | 227 | - | 45 | 199 | 3 | 1.5 |
| Coop | 8,023 | 395 | 4.9 | 389 | 6 | 509 | 6,884 | 258 | 3.7 | 254 | 4 | 3 | 1,139 | 137 | 12.0 | 135 | 2 | 506 | 58 | 3 | 5.2 |
| Springhill | 9,666 | 923 | 9.5 | 599 | 324 | 78 | 9,526 | 911 | 9.6 | 587 | 324 | 78 | 140 | 12 | 8.6 | 12 | - | - | 48 | 8 | 16.7 |
| Other cities and towns | 5,970 | 224 | 3.8 | 181 | 43 | 44 | 5,814 | 162 | 2.8 | 149 | 13 | 38 | 156 | 62 | 39.7 | 32 | 30 | 6 | 142 | 5 | 3.5 |
| Bay Minette | 2,865 | 83 | 2.9 | 48 | 35 | 29 | 2,773 | 47 | 1.7 | 42 | 5 | 23 | 92 | 36 | 39.1 | 6 | 30 | 6 | 82 | 4 | 4.9 |
| Fairhope | 1,968 | 114 | 5.8 | 108 | 6 | 12 | 1,924 | 93 | 4.8 | 87 | 6 | 12 | 44 | 21 | 47.7 | 21 | - | - | 40 | 1 | 2.5 |
| Foley | 1,137 | 27 | 2.4 | 25 | 2 | 3 | 1,117 | 22 | 2.0 | 20 | 2 | 3 | 20 | 5 | 25.0 | 5 | - | - | 20 | - | - |

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 V

FHA Survey of Unsold Inventory of New Sales Housing
Mobile, Alabama, HMA
1965 and 1966

| Sales price | Total completions | Pre-sold | Speculative construction: Total | Sold | Unsold | Percent unsold |
|---|---|---|---|---|---|---|
| | | | **Houses completed in 1964 a/** | | | |
| Under $12,500 | 33 | 8 | 25 | 19 | 6 | 24 |
| $12,500 - 14,999 | 100 | 58 | 42 | 31 | 11 | 26 |
| 15,000 - 17,499 | 116 | 44 | 72 | 64 | 8 | 11 |
| 17,500 - 19,999 | 94 | 40 | 54 | 39 | 15 | 28 |
| 20,000 - 24,999 | 162 | 87 | 75 | 59 | 16 | 21 |
| 25,000 - 29,999 | 69 | 36 | 33 | 20 | 13 | 39 |
| 30,000 - 34,999 | 22 | 11 | 11 | 7 | 4 | 36 |
| 35,000 and over | 29 | 14 | 15 | 9 | 6 | 40 |
| Total | 625 | 298 | 327 | 248 | 79 | 24 |
| | | | **Houses completed in 1965** | | | |
| Under $12,500 | 12 | 12 | 0 | 0 | 0 | 0 |
| $12,500 - 14,999 | 47 | 16 | 31 | 26 | 5 | 16 |
| 15,000 - 17,499 | 53 | 17 | 36 | 33 | 3 | 8 |
| 17,500 - 19,999 | 52 | 18 | 34 | 30 | 4 | 12 |
| 20,000 - 24,999 | 99 | 42 | 57 | 52 | 5 | 9 |
| 25,000 - 29,999 | 42 | 19 | 23 | 22 | 1 | 4 |
| 30,000 - 34,999 | 18 | 5 | 13 | 11 | 2 | 15 |
| 35,000 and over | 28 | 12 | 16 | 12 | 4 | 25 |
| Total | 351 | 141 | 210 | 186 | 24 | 11 |

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

Source: Annual Unsold Inventory surveys conducted by the Birmingham Insuring Office.

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# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

**NEWS**

Washington, D. C. 20411

FHA INFORMATION 382-4693

FOR RELEASE FRIDAY
JANUARY 6, 1967

MC-FHA-MA-67-2
Poston

The Federal Housing Administration today released its analysis of the Mobile, Alabama, housing market. No quantitative demand for additional housing is expected during the three years dating from April 1, 1966.

Lack of demand is attributed to the phasing out of Brookley Air Force Base. The closing is expected to result in the vacating of 4,000 to 4,500 sales and rental units occupied by military and military-connected households. This number of vacancies is substantially in excess of anticipated quantitative demand for the non-military segment of the market. It is recognized, however, there may be an effective but quite small demand for new units by families who can afford and wish to upgrade to new housing in preference to existing housing.

April 1966 vacancy ratios were at the same high level as in 1960. The number of available vacant units was judged "substantially above the level that represents an acceptable demand-supply relationship in the market." Total vacancies of 2,200 sales units and 4,300 rental units represent vacancy ratios of 3.1 percent and 10.4 percent, respectively.

The major role of Brookley Air Force Base in the economy is reflected in a predicted employment decline. In 1965, nonagricultural wage and salary employment averaged 105,700, a gain of 7,300 over the 1957 level. The phasing out of Brookley Air Force Base during the forecast period will affect 10,550 employees. This will result in a "net employment decline of 4,250 by April 1969," despite the anticipated addition of 6,300 jobs in the rest of the economy.

Population growth has slowed, and a population decline is considered probable during the forecast years. The April 1966 population of 400,400 showed an annual gain of 6,175 since April 1960, as opposed to an average annual gain of 9,125 between 1950 and 1960. "For the forecast period, the most optimistic prediction would be that the population will remain at its current level. But it is more likely to decline by about 5,000 or 6,000."

- more -

The trend in number of households is also downward. In April 1966, there were about 106,400 households. Average yearly gains between 1960 and 1965 were 1,675, a drop from the annual average increase of 2,350 for the preceding ten years. During the forecast, the number of households is expected to decrease by about 1,400 to 1,600.

Requests for copies of the complete analysis should be directed to William C. Hines, Director, Federal Housing Administration, 2121 Eighth Avenue, North, Birmingham, Alabama 35203.

* * * *

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