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1970

Analysis of the

NEW LONDON, CONNECTICUT

HOUSING MARKET

as of January 1, 1970

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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

June 1970

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**FHA Housing Market Analysis
New London, Connecticut
As of January 1, 1970**

Foreward

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 Field Market Analysis Service 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
Field Market Analysis Service
Washington, D. C.

FHA HOUSING MARKET ANALYSIS - NEW LONDON, CONNECTICUT
AS OF JANUARY 1, 1970

The New London, Connecticut, Housing Market Area (HMA) is defined as being coterminous with the 1960 census delineation of the New London-Groton-Norwich Standard Metropolitan Statistical Area (SMSA). The HMA consists of the cities of New London, Groton, and Norwich, and the towns of East Lyme, Groton, Ledyard, Montville, Preston, Stonington, and Waterford. The HMA, situated in New London County in the extreme southeastern portion of Connecticut, is bordered on the east by Rhode Island and on the south by Long Island Sound.

The economy of the HMA is highly dependent upon defense and defense-related activities. In January 1970 there were approximately 12,400 uniformed military personnel in the New London area, and over one-fifth of all nonagricultural wage and salary employment in the New London and Norwich Labor Market Areas was in submarine manufacture according to local sources. Since 1966, however, employment growth in the area has been confined to the nonmanufacturing sector. Layoffs in the transportation equipment industry because of curtailed submarine production resulted in a sharp decline in manufacturing employment between 1966 and 1967, and there has been no net increase since. Population growth in the HMA during the last half of the 1960 decade was less than one-half that of the first half, reflecting lower levels of in-migration of

both civilians and uniformed military personnel. Average annual net additions to the housing inventory also were much lower during the latter period. Despite the lower level of population growth, by January 1970 vacancy ratios in the HMA had declined to 1.1 percent in the sales market and 5.9 percent in the rental market. These vacancy ratios suggest that there was a reasonable balance between demand and supply in the New London area housing market at the end of the decade.

Anticipated Housing Demand

It is estimated that there will be a demand for an average of 850 new nonsubsidized housing units annually in the New London HMA during 1970 and 1971. The estimate is based primarily on projections of household growth and on inventory losses expected to result from demolitions for urban renewal programs and code enforcement. After considering additional factors such as acceptable vacancy levels, the current trend of new construction, and recent shifts in tenure, it is judged that the demand would best be met if the annual volume of new construction included 450 units of sales housing and 400 units of rental housing. Sales price and rent distributions of the estimated annual demand for new housing in the HMA are shown in table I.

Occupancy Potential for Subsidized Housing

Federal assistance in financing costs for new housing for low- or moderate-income families may be provided through four different programs administered by FHA--monthly rent-supplement payments principally in rental projects financed with market-interest-rate mortgages insured under Section 221(d)(3); partial payments for interest for home mortgages insured primarily under Section 235; partial payments for interest for project mortgages insured under Section 236; and below-market-interest-rate financing for project mortgages insured under Section 221(d)(3).

Household eligibility for federal subsidy programs is determined primarily by evidence that household or family income is below established limits. Some families may be alternatively eligible for assistance under one or more of these programs or under other assistance programs using federal or state support. Since the potential for each program is estimated separately, there is no attempt to eliminate the overlaps among program estimates. Accordingly, the occupancy potentials discussed for various programs are not additive. Furthermore, future approvals under each program should take into account any intervening approvals under other programs which serve the same requirements.

The potentials ^{1/} discussed in the following paragraphs reflect estimates unadjusted for housing provided or under construction under alternative FHA or other programs.

The annual occupancy potentials for subsidized housing in FHA programs discussed below are based upon 1969 incomes, on the occupancy of substandard housing, on estimates of the elderly population, on January 1, 1970 income limits, and on available market experience.^{2/} The occupancy potentials by size of units required are shown in table II.

Section 221(d)(3)EMIR. If federal funds are made available, it is estimated that there is an annual occupancy potential for approximately 235 units of Section 221(d)(3)EMIR housing in the New London HMA. ^{3/} As of January 1, 1970, three Section 221(d)(3)EMIR projects of 318 units had been completed and marketed successfully in the HMA. There was also one project of 184 units under construction in New London in January 1970. The scheduled completion of this project in the spring of 1970 reduces the remaining occupancy potential during 1970 to about 50 units. A substantial number of the families eligible for Section 221(d)(3)EMIR housing also are eligible for rental housing under Section 236 and sales housing under Section 235.

- 1/ The occupancy potentials referred to in this analysis have been calculated to reflect the capacity of the market in view of existing vacancy. The successful attainment of the calculated potential for subsidized housing may well depend upon construction in suitable accessible locations, as well as upon the distribution of rents and sales prices over the complete range attainable for housing under the specified programs.
- 2/ Families with incomes inadequate to purchase or rent nonsubsidized housing generally are eligible for one form or another of subsidized housing. However, little or no housing has been provided under some of the subsidized programs and absorption rates remain to be tested.
- 3/ At the present time, funds for allocations are available only from recaptures resulting from reductions, withdrawals, and cancellation of outstanding allocations.

Section 235, Sales Housing. Using exception income limits, the annual occupancy potential for Section 235 sales housing in the New London HMA is estimated to be 215 units; the yearly potential would be about 150 units with regular income limits. All of the families eligible for Section 235 sales housing also are eligible for Section 236 rental housing; the two figures are not additive, however. As of January 1, 1970, no Section 235 housing had been provided in the HMA through new construction. The extent to which this potential could be satisfied by either Section 235 or Section 236 housing will depend upon the propensity for homeownership among eligible families and the availability of acceptable sites with adequate access to employment sources and necessary shopping facilities. The Section 235 potential is distributed by unit size in table II.

Section 236, Rental Housing. With exception income limits, the annual occupancy potential under Section 236 is 295 units, including 215 units for families and 80 units for the elderly. Utilizing regular income limits, the occupancy potential would be about 70 percent of this total. All of these families are eligible for Section 235 sales housing, but they do not represent an addition to the potential for Section 235 sales housing. About 20 percent of the families eligible for Section 236 housing also are eligible for public low-rent housing, and about 20 percent are eligible for rent-supplement housing. About 50 percent of the elderly individuals and couples eligible for Section 236 also are eligible for public housing or rent-supplement assistance. As of January 1970, no Section 236 housing had been built in the HMA. An application for 300-unit Section 236 project in Norwich was being processed in January 1970; construction probably will start some time in 1970. It should be noted that the 300-unit proposal approximates the calculated annual occupancy potential (including the elderly) for Section 236 housing in the entire HMA. It is likely that the 300-unit proposal exceeds the number of eligible households in the Norwich area who might be expected to move into the project. Although some households might be attracted to Norwich from the New London and Groton areas, a portion of the Section 236 potential in those two areas will be accommodated in the Section 221(d)(3)EMIR project scheduled for completion in New London in 1970.

Rent-Supplement Housing. There is an annual occupancy potential in the HMA for approximately 145 families and 165 elderly households under the rent-supplement program. As of January 1, 1970, no rent-supplement assistance had been provided in the HMA, and none was contemplated during 1970. Most of the families and individuals included under rent-supplement also are eligible for public low-rent housing. As of January 1, 1970, there were approximately 1,100 public housing units in the HMA, including 360 units provided under federal programs and 740 units constructed under state programs. The total includes approximately 300 units designed specifically for occupancy by elderly persons.

In January 1970, there was one project under construction, a 66-unit state-assisted project for the elderly. Income limits are the same for admittance to both federal and state-assisted low-rent elderly housing projects in the New London area, and the completion of this project in 1970 will satisfy a portion of the annual occupancy potential for elderly persons under the rent-supplement program.

The Sales Market

Despite the declining rate of population growth in the HMA since the mid-1960's, the homeowner vacancy ratio declined from 1.5 percent in October 1964 to an estimated 1.1 percent in January 1970. As reflected by building permit data, single-family construction in the HMA has trended downward since the mid-1960's to an annual rate of only 370 during the first nine months of 1969. Surveys conducted by the FHA and conversations with local builders and realtors indicated that new houses constructed in all price ranges in the HMA in 1969 were sold quickly. A sales vacancy ratio of 1.1 percent in January 1970 suggested a reasonable balance between housing demand and supply in the HMA.

The New London sales market was characterized in the late 1960's by speculative construction in small subdivisions of 25 houses or less. Most of these houses are sold prior to completion, however; in January 1970 the number of unsold speculatively-built new homes in the HMA was negligible. In general, higher priced new construction in the HMA (\$30,000 and over) in recent years has taken place east of the city of New London in the towns of Waterford and East Lyme. To the north of New London, several small subdivisions in the \$15,000-\$20,000 price range have been developed in and near the city of Norwich.

During 1970 and 1971 the communities mentioned above and the town of Montville likely will account for most of the new sales construction in the HMA, although obtaining suitable building sites may present problems in some areas. Large-lot zoning in some locations has resulted in the construction of larger, more expensive homes, and some subdivisions have been developed slowly because of the lack of public water and sewer systems.

The Rental Market

New multifamily construction in the HMA, as measured by building permits, has averaged more than 400 units a year since a low of 156 units in 1965. Despite the sustained level of multifamily construction in recent years and the declining rate of household growth, the rental vacancy ratio in the HMA declined to 5.9 percent in January 1970. The downward trend in single-family construction in recent years and the

rising costs associated with homeownership have led to an increase in the number of families seeking rental accommodations. In addition, demolition activity, particularly in New London, has removed some vacant rental units from the housing inventory. The rate of increase in the number of military households has slowed in recent years and no military-controlled housing has been built since the early 1960's. As a result, an increasing proportion of the military households in the HMA have been accommodated in the private rental market. These factors have been primarily responsible for the moderate decline in the rental vacancy ratio in the HMA since 1964.

With few exceptions, new private multifamily housing in the HMA has been satisfactorily absorbed in recent years. A March 1969 survey covering only FHA-insured multifamily projects in the HMA found that over 99 percent of all available units were occupied. Another survey conducted by the FHA late in 1968 found an occupancy ratio of over 95 percent in more than 1,300 units surveyed. Most of the units in the latter survey were in conventionally-financed garden apartments constructed since 1965 in the New London, Groton and Norwich areas. Typical rents in these apartments are now in the range of \$130 for efficiencies to \$200 for two-bedroom apartments.

Economic, Demographic, and Housing Factors

The projected demand for new nonsubsidized housing units in the New London HMA during 1970 and 1971 is based on the following findings and assumptions regarding employment, income, demographic factors, and trends in the housing market.

Employment. As defined by the Connecticut Department of Labor, eight of the ten communities in the HMA are in the New London Labor Market Area (LMA) and two (Norwich and Preston) are in the Norwich LMA.^{1/} The economies of the New London and Norwich areas are quite dissimilar. Roughly one-half of the nonagricultural wage and salary employment in the New London area is in manufacturing, principally the transportation equipment industry. In the Norwich area, where manufacturing accounts for only about one-fourth of the total wage and salary employment, the leading employers are firms engaged in the production of textiles, apparel, paper products, and fabricated metals.

As shown in table III, nonagricultural wage and salary employment in the New London and Norwich areas averaged 70,035 during October 1968-September 1969 period, an increase of 1,845 workers above the corresponding 1967-1968 period. The increase is somewhat overstated because of labor-management disputes in 1968; the 1968-1969 gain would have been about 1,250 if the workers on strike had been included in the employment data. Despite the moderate increase in employment in the last year or so, total wage and salary employment in the two LMA's still was below the 1966 peak.

^{1/} Additional communities in the LMA's include the towns of Lyme, Old Lyme, Salem and North Stonington in the New London area and the towns of Colchester, Bozrah, Franklin, Sprague, Lisbon, Griswold, and Voluntown in the Norwich area.

Nonagricultural wage and salary employment in the HMA increased by an average of 2,745 a year between 1964 and 1966, primarily as a result of increased government spending at local defense-related industries.

The manufacturing sector of the New London economy is dominated by the transportation equipment industry, which provided about 20 percent of the total wage and salary employment in the New London-Norwich area in 1969. Trends in the level of manufacturing employment in the HMA are indicative of changes in employment in this industry. Changes in employment at other manufacturing concerns in the area have very little effect on the over-all level of manufacturing employment. Employment in the chemical industry has increased moderately in recent years, but these gains have been offset somewhat by declining levels of employment in the textile, apparel, and leather goods industries.

Year-to-year changes in the level of nonmanufacturing employment in the area have been much less volatile than in the manufacturing sector of the economy. Employment increases in nonmanufacturing averaged 965 a year between 1966 and 1968, compared with an average increase of 1,250 a year between 1964 and 1966. During the October 1968-September 1969 period, employment in nonmanufacturing was 1,110 above the average level during the October 1967-September 1968 period. In recent years, increased civilian employment at local military installations and growth in trade and services in support of a growing military and civilian population have been primarily responsible for gains in the nonmanufacturing sector of the economy.

Important military installations in the HMA include the U.S. Coast Guard Academy, the U.S. Coast Guard Moorings, and the U.S. Naval Submarine Base. As of October 1, 1969, Coast Guard personnel in the area numbered about 1,750, including 912 cadets. An additional 137 civilian civil service personnel were directly connected with the Coast Guard activities in the area. The total Coast Guard complement in the area has declined somewhat since the mid-1960's because of the transfer of training units to installations outside the HMA. As of December 31, 1969, total Navy strength in the area (including mobile and afloat units) was 12,850, plus an additional 2,761 civilian civil service employees. Both civilian employment and military strength at the submarine base have increased moderately since the mid-1960's. Much larger increases in military strength occurred in the HMA during the first half of the 1960 decade, however, most of which was an increase in naval strength at the submarine base.

Based on an evaluation of past trends in employment and on conversations with informed local persons regarding prospective employment growth in selected industries, it is estimated that increases in nonfarm wage and salary employment in the combined New London and Norwich LMA's

will average approximately 1,250 a year during 1970 and 1971. About 1,000 of this average yearly gain is expected to be in nonmanufacturing. This compares favorably with an average gain in nonmanufacturing of 1,100 a year between 1964 and 1968. As was mentioned earlier in this report, year-to-year increases in nonmanufacturing employment in the last several years have been fairly constant and have not been significantly affected by wide fluctuations in manufacturing employment. A slight increase in manufacturing employment to an average of 250 a year during 1970 and 1971 would be a reversal of the downward trend that occurred between 1966 and 1968. No increase in employment is anticipated in the transportation equipment industry during the next two years, but moderate gains are anticipated in the chemical industry and at several of the smaller manufacturing firms in the New London and Norwich areas.

Income. As of January 1970, the median annual income of all families in the New London HMA, after deduction of federal income tax, was estimated to be \$9,450, and the median annual income of renter households of two persons or more was \$7,850. As of January 1970, an estimated 13 percent of all families and 19 percent of the renter households received after-tax incomes of less than \$5,000, while 15 percent of all families and seven percent of the renter households earned annual after-tax incomes of \$15,000 or more. A distribution by after-tax income of all families and renter households in the HMA for 1964 and 1970 is shown in table IV.

Population and Households. As shown in table V, population growth in the New London HMA since the mid-1960's has been less than 50 percent of the annual rate of increase during the first half of the decade. As of January 1, 1970, the total population of the HMA (including military personnel and their dependents) was estimated to be 195,000, an increase of an average of 2,575 a year since October 1964. Between April 1960 and October 1964, population growth in the HMA averaged 5,465 yearly. During most of the 1960's population growth has occurred primarily in the suburban towns of Groton, Ledyard, Montville, and Waterford. The sharp decline in the rate of population growth over the last half of the 1960 decade can be attributed chiefly to a reduced rate of increase in military population. The military population of the HMA increased by an average of 3,040 a year, or 56 percent of the total population increase, between 1960 and 1964, but grew by an average of only 555 a year between 1964 and 1970, equal to just 22 percent of the total population gain. A slight decline in the military population is expected to limit total population growth in the HMA to an average of 1,950 persons a year during 1970 and 1971 (see table V).^{1/}

As of January 1, 1970, there were an estimated 55,150 households (occupied housing units) in the HMA, reflecting an average increase of 900 each year since 1964. Between 1960 and 1964, a period of significant growth at local military installations, household growth in the area averaged 1,300 a year. Between October 1964 and January 1970, military

^{1/} Data are not available as to whether or not cuts in the D.O.D. budget may result in more significant reductions in military strength.

households accounted for less than one-sixth of the total household growth in the HMA. During the two-year forecast period, total household growth in the HMA is expected to average 700 a year and reach a total of 56,550 by January 1972. Based on data obtained from military sources, the number of military households in the HMA is expected to decline by an average of 100 a year during 1970 and 1971. Civilian households are expected to increase by an average of 800 a year during the next two years, a rate of increase not significantly different from that of the 1960's.

The Housing Inventory and Residential Construction. On January 1, 1970, there were an estimated 62,250 housing units in the New London HMA, an increase of 5,030 units over the October 1964 total (see table VI). The net increase in the housing supply during this period resulted from the construction of 5,730 housing units and the addition of 500 trailers, less an estimated 1,200 units lost from the inventory through demolitions, fire, and other causes. Over 80 percent of the decennial gain in the number of housing units in the HMA occurred outside the cities of New London, Groton, and Norwich. A comparative lack of available land and demolitions for urban renewal programs, particularly in New London, have limited the net increase in the housing inventory in these communities in recent years. Based on building permit data and on a postal vacancy survey conducted in the fall of 1969, it is estimated that there were 150 single-family units and 300 units in multifamily structures under construction in the HMA in January 1970. As shown in table VI, the proportion of owner-occupancy in the HMA was over 61 percent in January 1970, a reversal of the moderate gain in renter-occupancy that occurred during the first half of the 1960 decade.

As measured by building permits, new residential construction in the HMA was significantly lower in the latter half of the 1960 decade than in the first five years. Since January 1965, authorizations for privately-financed new housing have averaged 920 units a year (see table VII). Between 1960 and 1964 new private construction (including military housing) averaged nearly 1,600 units a year. On an annual basis, the number of single-family units authorized by building permits has trended irregularly downward since the mid-1960's, from 803 in 1965 to only 278 in the first nine months of 1969. Single-family construction in the HMA in recent years has been concentrated in the towns of Groton, East Lyme, Ledyard, Montville, and Waterford. Since declining sharply between 1964 and 1965, authorizations for privately-financed apartment construction have averaged approximately 400 units a year. In addition to projects in New London and Norwich, several moderate-sized apartment projects have been constructed in recent years in Groton, Ledyard, and Montville areas. All residential construction in the HMA occurs in areas which require building permits.

Vacancy. Despite the declining rate of population growth in recent years, the comparatively low level of new residential construction in the last five years led to a moderate decline in the number of vacant, available units in the HMA between October 1964 and January 1970. Based, in part, on a postal vacancy survey conducted in October 1969 and on other data obtained locally, it is estimated that there were 1,725 vacant, available housing units in the HMA in January 1970, including 375 units for sale and 1,350 units for rent. As shown in table VIII, vacancy ratios in January 1970 were 1.1 percent in the sales inventory and 5.9 percent in the rental inventory. A much higher volume of new residential construction in the early 1960's is reflected in October 1964 vacancy rates of 1.5 percent in the sales inventory and 7.0 percent in the rental inventory. The sales and rental vacancy ratios in the HMA at the end of 1969 undoubtedly were lower than at any time during the decade. The current vacancy estimates include a number of units that are no longer competitive because of age and condition; these are concentrated in the older, established cities of New London and Norwich. However, urban renewal programs in New London removed approximately 800 older units in the mid-1960's, and demolition activity in Norwich has accelerated in the last year or so because of code enforcement.

Table I

Estimated Annual Demand for New Sales Housing
New London, Connecticut, Housing Market Area
January 1, 1970 to January 1, 1972

<u>Sales Price</u>	<u>Number of units</u>	<u>Percentage distribution</u>
Under \$17,500	55	12
\$17,500 - 19,999	75	17
20,000 - 24,999	110	24
25,000 - 29,999	85	19
30,000 - 34,999	70	16
35,000 and over	55	12
Total	<u>450</u>	<u>100</u>

Estimated Annual Demand for New Rental Housing
New London, Connecticut, Housing Market Area
January 1, 1970 to January 1, 1972

<u>Monthly gross rent a/</u>	<u>Number of units by bedroom size</u>			
	<u>Efficiency</u>	<u>One Bedroom</u>	<u>Two Bedrooms</u>	<u>Three or more Bedrooms</u>
Under \$150	20	-	-	-
\$150 - 164	5	65	-	-
165 - 179	-	45	-	-
180 - 194	-	25	65	-
195 - 209	-	15	50	-
210 - 224	-	5	35	20
225 - 249	-	-	25	10
250 and over	-	-	10	5
Total	<u>25</u>	<u>155</u>	<u>185</u>	<u>35</u>

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

Table II

Estimated Annual Occupancy Potential for Subsidized Housing
New London, Connecticut, Housing Market Area
January 1, 1970 to January 1, 1972

A. Subsidized Sales Housing, Section 235

<u>Family Size</u>	<u>Number of units</u>
Four persons or less	115
Five persons or more	100
Total	<u>215</u>

B. Privately-financed Subsidized Rental Housing

<u>Unit size</u>	<u>Rent-supplement</u>			<u>Section 236</u>		
	<u>Families</u>	<u>Elderly</u>	<u>Total</u>	<u>Families</u>	<u>Elderly</u>	<u>Total</u>
Efficiency	-	125	125	-	50	50
One bedroom	25	40	65	10	30	40
Two bedrooms	50	-	50	105	-	105
Three bedrooms	40	-	40	70	-	70
Four bedrooms	30	-	30	30	-	30
Total	<u>145</u>	<u>165</u>	<u>310</u>	<u>215</u>	<u>80</u>	<u>295</u>

Note: All of the families eligible for Section 235 sales housing also are eligible for the Section 236 rental housing program, but the totals are not additive. A substantial number of these families also are eligible for Section 221(d)(3)BMIR housing. In addition, about 20 percent of those eligible for either Section 235 or Section 236 housing are eligible for public low-rent housing or rent-supplement assistance. The estimates shown above are based on exception income limits; the utilization of regular income limits would reduce these potentials somewhat.

Table III

Trends in Nonagricultural Wage and Salary Employment
New London and Norwich, Connecticut, Labor Market Areas ^{a/}
Annual Averages, 1964-1969

<u>Industry</u>	<u>Annual Average</u>					<u>Twelve-month average ending:</u>	
	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>September 30,</u> <u>1968</u>	<u>September 30,</u> <u>1969</u>
Total wage and salary employment	<u>65,550</u>	<u>68,380</u>	<u>71,035</u>	<u>68,390</u>	<u>68,385</u>	<u>68,190</u>	<u>70,035</u>
Manufacturing	<u>30,210</u>	<u>31,810</u>	<u>33,200</u>	<u>29,465</u>	<u>28,620</u>	<u>28,610</u>	<u>29,345</u>
Nonmanufacturing	<u>35,340</u>	<u>36,570</u>	<u>37,835</u>	<u>38,925</u>	<u>39,765</u>	<u>39,580</u>	<u>40,690</u>
Construction	<u>2,250</u>	<u>2,310</u>	<u>2,355</u>	<u>2,325</u>	<u>2,345</u>	<u>2,345</u>	<u>2,300</u>
Transportation	<u>1,835</u>	<u>1,835</u>	<u>1,935</u>	<u>1,845</u>	<u>1,870</u>	<u>1,870</u>	<u>1,970</u>
Communications and utilities	<u>1,045</u>	<u>1,055</u>	<u>1,080</u>	<u>1,120</u>	<u>1,115</u>	<u>1,115</u>	<u>1,145</u>
Trade	<u>11,100</u>	<u>11,290</u>	<u>11,910</u>	<u>12,325</u>	<u>12,525</u>	<u>12,515</u>	<u>12,890</u>
Finance, insurance, real estate	<u>1,275</u>	<u>1,365</u>	<u>1,310</u>	<u>1,330</u>	<u>1,350</u>	<u>1,345</u>	<u>1,370</u>
Services	<u>7,240</u>	<u>7,735</u>	<u>8,070</u>	<u>8,220</u>	<u>8,350</u>	<u>8,310</u>	<u>8,665</u>
Government	<u>10,595</u>	<u>10,980</u>	<u>11,175</u>	<u>11,760</u>	<u>12,210</u>	<u>12,080</u>	<u>12,350</u>

^{a/} The New London and Norwich Labor Market Areas include twenty communities, ten of which constitute the New London HMA. Eight of the ten communities in the HMA are in the New London LMA and two (Norwich and Preston) are in the Norwich LMA.

Source: Connecticut Department of Labor

Table IV

Percentage Distribution of All Families and Renter Households
by Estimated Annual After-Tax Income
New London, Connecticut, Housing Market Area
1964 and 1970

<u>Annual after-tax income</u>	<u>1964</u>		<u>a/</u>	<u>1970</u>		<u>a/</u>
	<u>All families</u>	<u>Renter households</u>		<u>All families</u>	<u>Renter households</u>	
Under \$4,000	17	23		8	12	
\$ 4,000 - 4,999	8	12		5	7	
5,000 - 5,999	11	16		6	10	
6,000 - 6,999	12	13		8	11	
7,000 - 7,999	12	12		9	11	
8,000 - 8,999	10	8		10	9	
9,000 - 9,999	8	5		8	9	
10,000 - 12,499	12	8		18	16	
12,500 - 14,999	10)	3)		13	8	
15,000 and over))		15	7	
Total	<u>100</u>	<u>100</u>		<u>100</u>	<u>100</u>	
Median	\$7,150	\$5,950		\$9,450	\$7,850	

a/ Excludes one-person renter households.

Source: Estimated by Housing Market Analysts.

Table V
Population and Household Trends
New London, Connecticut, Housing Market Area
April 1, 1960 - January 1, 1972

Area	April 1, 1960	October 1, 1964	January 1, 1970	January 1, 1972	Average annual changes		
					1960- 1964	1964- 1970	1970- 1972
<u>Population</u>							
New London	34,182	35,000	34,850	34,800	180	-35	-25
Groton City	10,111	10,800	11,950	12,100	155	220	75
Norwich	38,506	38,700	40,100	40,500	45	265	200
Remainder of HMA	74,114	97,000	108,100	111,500	5,085	2,125	1,700
HMA total	156,913	181,500	195,000	198,900	5,465	2,575	1,950
Civilian	135,783	146,700	157,300	161,900	2,425	2,020	2,300
Military a/	21,130	34,800	37,700	37,000	3,040	555	-350
HMA total	156,913	181,500	195,000	198,900	5,465	2,575	1,950
<u>Households</u>							
New London	9,981	10,310	10,300	10,250	70	-	-25
Groton City	2,687	2,860	3,250	3,300	40	75	25
Norwich	11,875	12,160	12,900	13,100	65	140	100
Remainder of HMA	20,034	25,100	28,700	29,900	1,125	685	600
HMA total	44,577	50,430	55,150	56,550	1,300	900	700
Civilian	40,642	43,885	47,850	49,450	720	755	800
Military a/	3,935	6,545	7,300	7,100	580	145	-100
HMA total	44,577	50,430	55,150	56,550	1,300	900	700

a/ Uniformed military personnel and their dependents.

Sources: 1960 from U. S. Censuses of Population and Housing. 1964, 1970 and 1972 estimated by Housing Market Analysts. Military and civilian components for all years estimated by Housing Market Analysts.

Table VI

The Housing Inventory, Tenure and Vacancy Trends
New London, Connecticut, Housing Market Area
April 1, 1960 - January 1, 1970

<u>Housing inventory components</u>	<u>City of New London</u>	<u>City of Groton</u>	<u>Town of Norwich</u>	<u>Remainder of HMA</u>	<u>HMA Total</u>
<u>April 1, 1960</u>					
Total housing inventory	10,675	2,874	12,604	24,258	50,411
Total occupied units	9,981	2,687	11,875	20,034	44,577
Owner occupied	4,383	1,471	6,469	11,687	27,010
Percent	43.9%	54.7%	54.5%	73.3%	60.6%
Renter occupied	5,598	1,216	5,406	5,374	17,567
Percent	56.1%	45.3%	45.5%	26.7%	39.4%
Total vacant units	694	187	729	4,224	5,834
<u>October 1, 1964</u>					
Total housing inventory	11,050	3,070	13,130	29,970	57,220
Total occupied units	10,310	2,860	12,160	25,100	50,430
Owner occupied	4,430	1,530	6,770	17,730	30,460
Percent	43.0%	53.5%	55.7%	70.6%	60.4%
Renter occupied	5,880	1,330	5,390	7,370	19,970
Percent	57.0%	46.5%	44.3%	29.4%	39.6%
Total vacant units	740	210	970	4,870	6,790
<u>January 1, 1970</u>					
Total housing inventory	11,050	3,425	13,975	33,800	62,250
Total occupied units	10,300	3,250	12,900	28,700	55,150
Owner occupied	4,325	1,600	7,225	20,600	33,750
Percent	42.0%	49.2%	56.0%	71.8%	61.2%
Renter occupied	5,975	1,650	5,675	8,100	21,400
Percent	58.0%	50.8%	44.0%	28.2%	38.8%
Total vacant units	750	175	1,075	5,100	7,100

Sources: 1960 from U. S. Census of Housing.
1964 and 1970 estimated by Housing Market Analysts.

Table VII

New Housing Units Authorized by Building Permits
New London, Connecticut, Housing Market Area
1964 - 1969

Area and type of structure	Private units						Total authorizations, January 1964 - September 1969		
	1964	1965	1966	1967	1968	1969 ^{a/}	Private units	Public units ^{b/}	Total
HMA total	1,595	959	1,039	801	976	588	5,958	414	6,372
Single-family	774	803	608	429	580	278	3,472	-	3,472
Multifamily	821	156	431	372	396	310	2,486	414	2,900
City of New London									
Single-family	221	49	240	35	181	19	745	228	973
Multifamily	32	27	10	9	81	3	162	-	162
	189	22	230	26	100	16	583	228	811
City of Groton									
Single-family	284	52	5	3	8	6	358	-	358
Multifamily	4	8	5	3	6	-	26	-	26
	280	44	-	-	2	6	332	-	332
City of Norwich									
Single-family	127	87	155	271	207	67	914	120	1,034
Multifamily	95	87	66	57	107	67	479	-	479
	32	-	89	214	100	-	435	120	555
Remainder of HMA									
Single-family	963	771	639	492	580	496	3,941	66	4,007
Multifamily	643	681	527	360	386	208	2,805	-	2,805
	320	90	112	132	194	288	1,136	66	1,202

a/ First nine months.

b/ Includes federal public low-rent housing and state-aided housing provided through programs of the Connecticut Department of Community Affairs

Sources: U. S. Bureau of the Census, Construction Reports, C-40/42; Connecticut Department of Community Affairs; and local building inspections.

Table VIII

Trend in Vacancy
New London, Connecticut, Housing Market Area
April 1, 1960 - January 1, 1970

<u>Vacancy characteristics</u>	<u>April 1, 1960</u>	<u>October 1, 1964</u>	<u>January 1, 1970</u>	<u>Average annual change</u>	
				<u>1960 1964</u>	<u>1964 1970</u>
Total vacant units	5,834	6,790	7,100	210	60
Available vacant units	1,538	1,950	1,725	90	-45
For sale	386	450	375	15	-15
Homeowner vacancy rate	1.4%	1.5%	1.1%	-	-
For rent	1,152	1,500	1,350	75	-30
Rental vacancy rate	6.2%	7.0%	5.9%	-	-
Other vacant units <u>a/</u>	4,296	4,840	5,375	120	105

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

Sources: 1960 from U. S. Census of Housing.
1964 and 1970 estimated by Housing Market Analysts.

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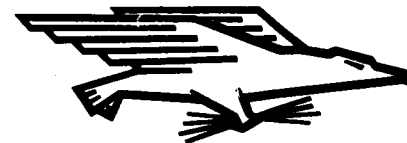
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