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Newport News-  
Hampton, Va.  
1965

*Analysis of the*

# **NEWPORT NEWS - HAMPTON, VIRGINIA HOUSING MARKET**

**as of February 1, 1965**

HOUSING DIVISION  
WASHINGTON 25, D.C.  
JAN 27 1965



**A Report by the  
FEDERAL HOUSING ADMINISTRATION  
WASHINGTON, D. C. 20411**

**A constituent of the Housing and Home Finance Agency**

**September 1965**

ANALYSIS OF THE  
NEWPORT NEWS-HAMPTON, VIRGINIA, HOUSING MARKET  
AS OF FEBRUARY 1, 1965

FIELD MARKET ANALYSIS SERVICE  
FEDERAL HOUSING ADMINISTRATION  
Housing and Home Finance Agency

## 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  
NEWPORT NEWS-HAMPTON, VIRGINIA, HOUSING MARKET  
AS OF FEBRUARY 1, 1965

Summary and Conclusions

1. The economy of the Newport News-Hampton area, dominated by U. S. Government installations and one large private shipyard, has shown moderate and steady growth in recent years. There are approximately 12,800 civilians and 20,200 military personnel at the local Government installations which include Fort Monroe, Fort Eustis, Langley Air Force Base, Naval Weapons Station, Langley Research Center of NASA, and Kecoughtan Veterans Administration Center. The Newport News Shipbuilding and Dry Dock Company, with about 20,000 employees, is the largest private employer in the State of Virginia and one of the largest shipbuilding companies in the world.
2. Total civilian employment in the area averaged 90,600 during 1964, up 4,200 over 1963 and 15,200 more than in 1960. Unemployment averaged only 2.4 percent in 1964, down from 2.6 percent the previous year and less than half the U. S. average unemployment rate.
3. The present outlook is for civilian employment to increase by about 3,500 persons a year during the next two years and for the number of military personnel in the area to remain at about the present level. This represents a somewhat lower rate of expansion than occurred during the 1960-1964 period, but it is in line with current plans at the Government installations and the shipyard for more moderate increases during the next two years.
4. The current median family income in the area is estimated at \$6,900 a year after Federal tax for all families; \$5,325 for renter families. These figures reflect increases of about 25 percent over the 1959 level.
5. The present population of the area is estimated at 272,000. Since 1960, the total population of the area has increased an average of 9,800 persons a year. During the next two years the area is expected to grow at the rate of about 9,000 persons a year.
6. Total households in the area reached an estimated 73,900 as of February 1965, representing an average annual increase of 2,950 a year since 1960. During the next two years, household gains are expected to average 2,600 a year.

7. Privately financed residential construction activity has increased each year since 1957. During 1964 a total of 4,470 new dwelling units were authorized by building permits, up from 3,670 the previous year. The construction of both single-family and multifamily structures has increased markedly in recent years, but the upsurge in new apartments has been more pronounced. Permits for single-family homes increased from 2,180 units authorized in 1960 to 3,190 in 1964. Multifamily construction was high in 1952 and 1953, reflecting a large volume of FHA war housing and veterans emergency housing projects. After that, however, the number of new apartment units put under construction fell to only 84 for the entire seven-year period from 1954 through 1960. Then the number jumped to 518 in 1962, to 555 in 1963, and to 1,272 in 1964. At the present time, about 700 single-family units and 1,000 multifamily units are under construction.
8. Vacancies in the Newport News-Hampton area have dropped considerably since 1960. At the present time there are an estimated 2,100 vacant available units, i.e., nonseasonal, not dilapidated units available for sale or rent. This represents a net vacancy rate of 2.7 percent, down from 5.6 percent in 1960. The present net homeowner vacancy rate is estimated at 1.5 percent; the rental vacancy rate at 4.6 percent.
9. Housing demand for the next two years is expected to average 3,800 units a year; 2,500 sales units and 1,300 rental units. The sales housing units are distributed by price brackets on page 30. The total estimate for rental demand includes 900 units achievable with regular private financing and 400 units at rents that can be achieved only through the use of public assistance programs. The annual rental demand is distributed by unit size on page 31.

ANALYSIS OF THE  
NEWPORT NEWS-HAMPTON, VIRGINIA, HOUSING MARKET  
AS OF FEBRUARY 1, 1965

Housing Market Area

The housing market area (HMA) covered in this report is coterminous with the Newport News-Hampton Standard Metropolitan Statistical Area (SMSA) and the Newport News-Hampton Labor Market Area. It includes Newport News and Hampton, both independent cities, and York County. The cities are large in area because of consolidations effected during the last 13 years. Newport News now encompasses all of the former Warwick County which had been incorporated as an independent city on July 1, 1952 and later merged with Newport News on July 1, 1958. The present city of Hampton was formed on July 1, 1952 by consolidation of the former city of Hampton, the town of Phoebus, and Elizabeth City County. The land area of the HMA totals 255 square miles. The 1960 population was 224,503.

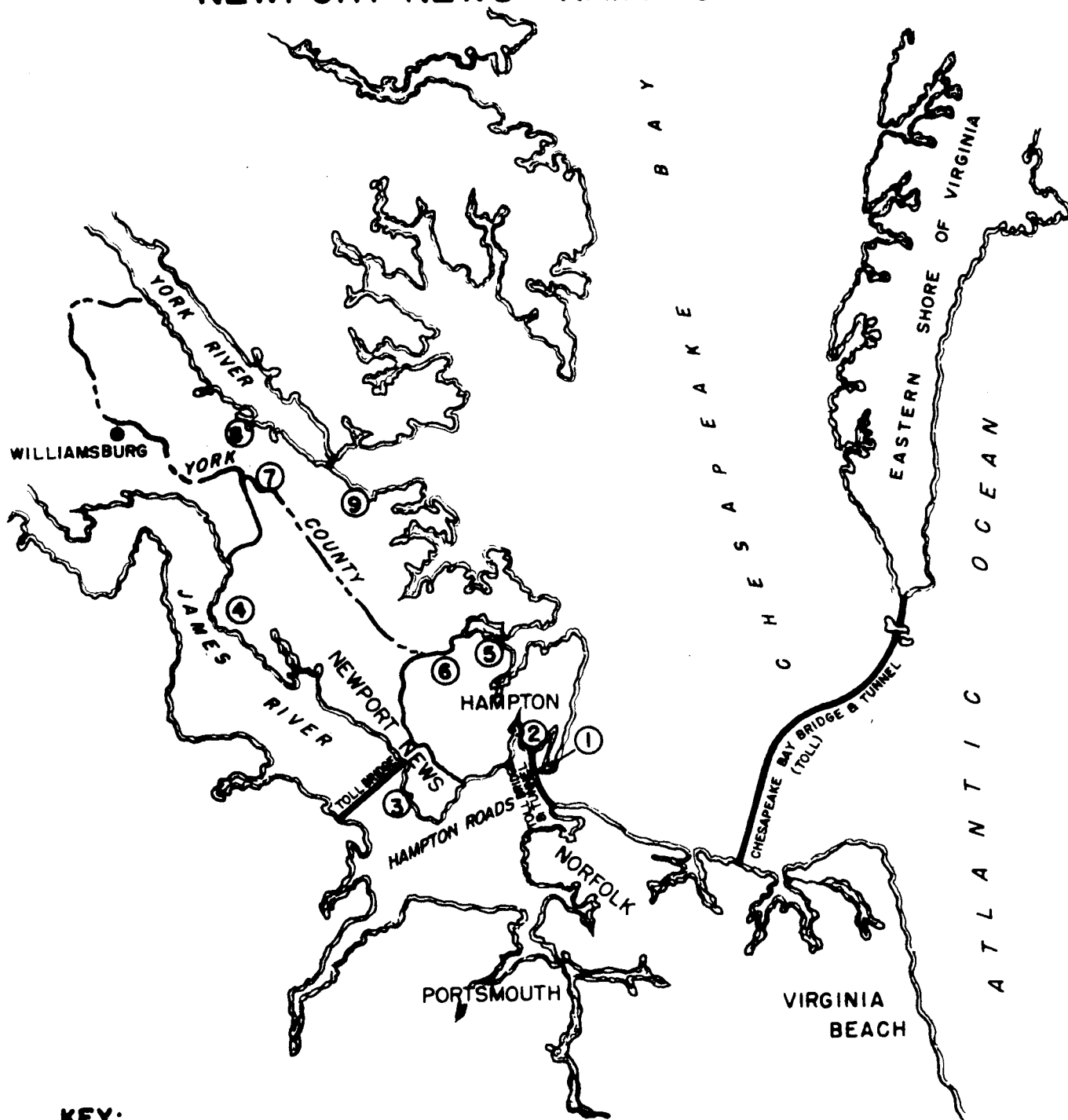
The Newport News-Hampton SMSA is located in southeastern Virginia on the Lower Virginia Peninsula which lies between the James and York Rivers, both of which have deep channels. At the tip of the Peninsula is the body of water known as Hampton Roads, which connects with lower Chesapeake Bay at Old Point Comfort. From there the distance to the open Atlantic Ocean is only 20 miles.

Hampton Roads, one of the finest deep-water harbors in the world, is a principal resource of the area. The channel is 40 feet deep even during low tides, is ice-free the year round, and has room for the sheltered anchorage of thousands of vessels. With the port of Newport News on one side and Norfolk on the other, the Hampton Roads area is one of the great shipping centers of the world.

The Newport News-Hampton HMA is separate and distinct from that of the Norfolk-Portsmouth area. Although the two areas do have similar economic bases, they are separated geographically by Hampton Roads and the James River. While there is some commuting back and forth, the volume is not large because of the time and tolls involved. The Hampton Roads Bridge-Tunnel toll is \$1.25 one way; the James River Bridge System toll is \$1.00 each way.

The Newport News and Hampton terrain is low and flat with numerous tidal streams and small bays. The maximum altitude is about 30 feet in Hampton and 80 feet in Newport News, but most of the area is somewhat lower. The upper part of York County is rolling country with an altitude which rises to 80 and 100 feet.

# NEWPORT NEWS - HAMPTON AREA



## KEY:

- |                                 |                                       |
|---------------------------------|---------------------------------------|
| ① FORT MONROE                   | ⑥ NASA                                |
| ② VETERAN'S ADM. HOSPITAL       | ⑦ NAVAL WEAPONS STATION               |
| ③ SHIPBUILDING AND DRY DOCK CO. | ⑧ CHEATHAM ANNEX NAVAL SUPPLY DEPOT   |
| ④ FORT EUSTIS                   | ⑨ COAST GUARD RESERVE TRAINING CENTER |
| ⑤ LANGLEY AIR FORCE BASE        |                                       |

APPROX. SCALE  
0 10 MI.



Newport News is about 77 miles from Richmond and about 175 miles from Washington, D. C. The city is the eastern terminus of the Chesapeake and Ohio Railway. Two bus lines, 51 motor truck carriers, and three air lines serve the area. The Hampton Roads Bridge-Tunnel links the Peninsula with the Norfolk area. The Eastern Shore of Virginia can be reached via the Hampton Roads Bridge-Tunnel and the Chesapeake Bay-Bridge Tunnel. The James River Bridge connects the Peninsula with the Portsmouth, Suffolk, and Smithfield areas.

Data are not complete on the daily flow of workers into, and out of, the Newport News-Hampton SMSA. The "Journey to Work" data in the 1960 Census covered only SMSA's of 250,000 or more and hence excluded the Newport News-Hampton area which had only 224,500 inhabitants at that time. The Norfolk-Portsmouth SMSA, however, was covered and the figures for that area showed a net movement of about 400 workers commuting daily to the Newport News-Hampton SMSA. The number commuting into Newport News and Hampton from other places is not known.

## Economy of the Area

### Character and History

The history of Newport News goes back to the founding of Jamestown in 1607. The city name evolved from Captain Christopher Newport and the news of his voyages to resupply the Jamestown colony. Newport News has an excellent harbor with docks and piers capable of receiving the largest ships in the world. The port is used largely for bulk products such as coal, tobacco, grain, and ore. The local Chesapeake and Ohio Railway terminal is one of the largest in the world and a principal coal-shipping terminal.

The Newport News Shipbuilding and Dry Dock Company is the largest private employer in Virginia and one of the leading shipbuilding and ship repair firms in the world. It has built battleships, cruisers, and airplane carriers, including vessels with atomic energy power plants.

Hampton is the oldest continuous English-speaking settlement in the United States. Settled in 1610, it was one of the original boroughs in the Virginia legislature. Hampton and the surrounding areas are the center of the fishing industry of Virginia. The excellent oyster beds are of particular significance.

Yorktown, in York County, was founded in 1691 to provide a trade center in Virginia and served as an important seaport of the colony in the 18th century. The Revolutionary War ended here in 1781. Williamsburg and Jamestown are just outside the SMSA and connected with Yorktown by the 23-mile Colonial Parkway. This area, steeped in colonial history, is one of the principal tourist attractions of the country.

From an economic standpoint, the United States Government installations in the Newport News-Hampton SMSA are of particular significance. There are six military installations in the area, including two major command headquarters--the Continental Army Command at Fort Monroe and the Tactical Air Command at Langley Air Force Base. In addition to these military facilities, the Langley Research Center of the National Aeronautics and Space Administration (NASA) and the Kecoughtan Veterans Administration Center are located here. In total, there are approximately 12,800 civilians and 20,200 military personnel at the local United States Government installations.

### Employment

Current Estimate and Trend. Civilian employment in the Newport News-Hampton HMA has risen each year since 1960, reaching an average of 90,600 for the twelve months of 1964. This was 4,200 above the comparable figure for 1963 and 15,200 more than in 1960. The year-to-year

increases have varied from 5,000 for 1961-1962 to 1,900 for 1962-1963. For the four years from 1960 to 1964, the average annual increase in civilian employment was 3,800.

The general trend of employment was upward during the years prior to 1960 also, but comparable figures are not available because York County was not made part of the present labor market area until 1959 and so revised data for prior years are not available.

The work force trends since 1960 are shown in the table below. As may be observed, the employment total of 90,600 in 1964 consisted of 79,600 non-agricultural wage and salary workers and 11,000 "other" workers. The "other" category includes self-employed, unpaid family workers, domestics, and agricultural workers. Only about 400 to 500 of these are agricultural workers. Since 1960, nonagricultural wage and salary employment has risen an average of 3,500 a year; "other" employment, by 300 a year.

Work Force Trends  
Newport News-Hampton SMSA  
Annual Averages, 1960-1964

<u>Year</u>	<u>Civilian work force</u>	<u>Unemployed</u>		<u>Employed</u>		
		<u>Number</u>	<u>Percent</u>	<u>Total</u>	<u>Nonfarm wage and salary</u>	<u>All other a/</u>
1960	78,600	3,200	4.1	75,400	65,600	9,800
1961	82,700	3,200	3.9	79,500	69,100	10,400
1962	87,000	2,500	2.9	84,500	73,800	10,700
1963	88,700	2,300	2.6	86,400	75,800	10,600
1964	92,800	2,200	2.4	90,600	79,600	11,000

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

Source: Virginia Employment Commission.

Employment by Industry. The average employment of 79,600 nonagricultural wage and salary workers during 1964 represented an increase of 14,000 over 1960. Manufacturing employment rose 4,900 during this period, government employment advanced 2,800, and private nonmanufacturing employment climbed 6,300.

The 4,900 gain in manufacturing employment was due primarily to the 4,300 increase in transportation equipment which is represented almost

entirely by the Newport News Shipbuilding and Dry Dock Company. Since 1960, employment in this vital industry has increased each year except in 1963 when a dip of 800 occurred. In 1964, employment in the transportation industry averaged 20,400, up 1,300 over 1963.

Government employment averaged 21,300 in 1964, 2,800 more than in 1960. Half of this increase was in Federal employment and half in State and local employment.

In the private nonmanufacturing sector, the major employment gains were in trade (2,300), the services category which includes a small number of miscellaneous and mining workers (1,500), and contract construction (1,300). See table I.

Participation Rate. The ratio of employment to population is termed the employment participation rate. In the Newport News area, this ratio has been rising moderately, reflecting the increase in employment opportunities. In 1960, the ratio of employment to population was 32.65 percent; at the present time it is estimated at 33.31 percent.

#### Principal Employers

Newport News Shipbuilding and Dry Dock Company. This company stands out among the private employers in the area. With about 20,000 employees, it accounts for 34 percent of all private employment in the SMSA.

The facilities of the Newport News Shipbuilding and Dry Dock Company are outstanding among shipyards of the world. The plant covers 144 acres and extends for  $1\frac{1}{4}$  miles along the deep waters of the James River. Any ship afloat can be drydocked at this shipyard for repairs. The company has constructed the largest passenger liner of this country, the SS United States, and has delivered some of the largest warships in the world. More than 500 ships have been built at this yard, including 19 aircraft carriers, 14 battleships, 18 cruisers, 31 destroyers, 11 nuclear-powered submarines, and 63 passenger ships. This list includes the 1,100-foot Enterprise, the first nuclear-powered aircraft carrier and largest ship ever built. The Newport News Shipbuilding and Dry Dock Company is the foremost builder of nuclear-powered vessels and aircraft carriers in the world.

The company obtained contracts in 1964 for the new conventionally powered aircraft carrier, John F. Kennedy, three nuclear-powered attack submarines, and a tanker. The ships completed and delivered during 1964 included five nuclear-powered Polaris submarines and a large tanker. The aircraft carrier, America, was delivered on January 19, 1965.

The order backlog of the company at the close of 1964, as measured by the unbilled balance of major contracts on hand, was at a record high year end level of \$510.4 million. This compares with a backlog of \$377.1 million at the end of the previous year and \$379.6 million at the close of 1962. Uncompleted shipbuilding contracts at the year end covered the \$189 million aircraft carrier, John F. Kennedy, nine nuclear-powered submarines, and one tanker.

The large business backlog of the company assures a high level of operations in 1965 and provides a substantial volume of work for the two following years. Employment, however, is expected to remain at about the present level. Company officials say there is little likelihood of any expansion unless new contracts are received which are not now in prospect. The decision of the Defense Department in late 1964 to close two of the major naval shipyards in the country is not expected to affect operations at the Newport News Shipbuilding and Dry Dock Company, since most of the work which would have been done by the yards to be closed will be reassigned to the naval shipyards remaining in operation.

The Chesapeake and Ohio Railway, with about 1,200 employees, is the second largest private employer in the area and one of the vital factors of strength in the economy. The Chesapeake and Ohio is a leading coal-carrying railroad and the only railroad reaching Newport News directly. However, car floats operating across Hampton Roads connect the Newport News facilities with other railroads at Norfolk. The Chesapeake and Ohio ocean port facilities at Hampton Roads occupy 1,070 acres and include 170 acres of water rights. The terminal has modern and efficient bulk-handling facilities designed especially for loading coal, unloading ore, and handling bulk materials. The coal piers can handle 3,000,000 tons of coal a month. The vast railroad yards can store up to 9,500 coal cars.

The Chesapeake and Ohio Railway hauls in high-quality bituminous coal suitable for export from fields in West Virginia and Kentucky. Ships that transport the coal to foreign countries return with ore and other materials for midwestern steel and chemical plants. This activity makes Newport News one of the largest ocean coal ports in the world and second only to New York in tonnage of cargo handled at U.S. ports.

Military Installations. There are six military installations in the SMSA with a total personnel strength of about 27,725--7,450 civilians and 20,275 military personnel.

Fort Monroe, at Old Point Comfort, has been a continuous fortification since 1609. It is headquarters of the United States Continental Army

Command and provides administrative, logistical, and other services to a number of on-post and off-post units. Personnel strength at the base totals 3,100--1,300 civilians and 1,800 military personnel.

Fort Eustis, which borders on the James River in upper Newport News, is home of the United States Army Transportation Corps. In a reorganization effective July 1, 1962, Fort Eustis was placed under the jurisdiction of the Commanding General Second U.S. Army and designated the U.S. Army Transportation Center and Fort Eustis. The mission at this base involves the training of individuals and units of the Transportation Corps and the provision of logistical and administrative support at the Transportation Center. Personnel strength at this base totals about 11,700--2,600 civilians and 9,100 military personnel.

Langley Air Force Base is home of Headquarters Tactical Air Command and is one of the most active operational bases of the command. Located in Hampton, it is near Headquarters Continental Army Command at Fort Monroe and Headquarters Atlantic Fleet at Norfolk, in order to perform that part of its mission concerned with providing Air Force cooperation to naval, land, and amphibious forces.

Under Tactical Air Command are three Air Forces--the Ninth, Twelfth, and Nineteenth--operating fighter, reconnaissance, air refueling, and transport aircraft, as well as tactical missile units and other specialized tactical forces. Personnel strength at the base totals about 9,500--1,500 civilians and 8,000 military personnel.

Naval Weapons Station, located at Yorktown, receives, tests, and stores rockets, missiles, and underwater weapons of various types. It conducts high explosive research and development projects, and performs weapons engineering tasks. The installation is the major east coast weapons supply point for Atlantic Fleet naval units. Personnel strength at the base totals about 2,600--1,700 civilians and 900 military personnel.

Naval Supply Center, Cheatham Annex, is located in York County. This installation aids the Naval Supply Center at Norfolk in providing support to fleet units; it operates as the shipping point on the Atlantic coast from which all perishable food items are moved to overseas forces. Personnel strength at the base totals about 600--300 civilians and 300 military personnel.

United States Coast Guard Reserve Training Center, at Yorktown, operates an officer candidate school and a school for merchant marine safety. It offers advanced and specialized training to officers and men of the Coast Guard Reserve. The installation has about 225 personnel--50 civilians and 175 military.

Nonmilitary Installations. Langley Research Center of National Aeronautics and Space Administration is the largest nonmilitary installation of the United States Government in the area. Located at Langley Air Force Base, the center conducts basic research on the manned and unmanned exploration and use of space and on improvement in the performance, safety, and utility of airborne flight. The specialized research facilities at the center represent an investment of \$150,000,000 and are among the most modern in the world. This independent civilian agency has about 4,300 employees at the Langley facility.

Kecoughtan Veterans Administration Center, in Hampton, is both a domiciliary and a hospital for veterans. The domiciliary has accommodations for about 1,200; the hospital has about 600 beds. The center employs about 975 workers.

#### Unemployment

The number of unemployed workers in the Newport News-Hampton area averaged 2,200 in 1964. This represented only 2.4 percent of the work force, down from 2.6 percent the previous year and 4.1 percent in 1960. The 1964 ratio was less than half the United States average unemployment rate of 5.2 percent.

#### Employment Outlook

The general outlook is for continued growth of employment opportunities in the area, although at a somewhat more moderate rate than in the recent past. Announced plans at the United States Government installations call for slight increases in civilian personnel over the next two years but very little change in the military strength. With regard to private industry, a significant portion of the recent employment gains has been due to increases at the shipyard. Although the business backlog there is at a new high, company officials predict that employment will stay at about the present level in the near future unless additional contracts, not now anticipated, are received.

The trend of employment at the State and local government level is upward and private nonmanufacturing employment is expected to show continued gains. Present indications are that total employment will increase by about 3,500 persons a year over the next two years.

Income

The current median family income in the Newport News-Hampton SMSA is estimated at \$6,900 a year, after Federal tax, for all families, and \$5,325 for renter families. These figures cover families of two or more persons. They reflect a general increase of about 25 percent in the income level since 1959.

Since this analysis is concerned with the prospective demand for rental housing over the next two years, estimates of family income have been projected to 1967. By that time, median family incomes are expected to reach the levels indicated in the table below.

Median Family Income After Federal Tax  
Newport News-Hampton SMSA, 1959-1967

<u>Year</u>	<u>All families</u>	<u>Renter families</u>
1959	\$5,450	\$4,225
1965	6,900	5,325
1967	7,300	5,650

Source: 1959 data are based on the 1960 Census of Population, with adjustments for under-reporting. 1965 and 1967 data are estimated by Housing Market Analyst.

Family incomes are somewhat higher in Hampton than in Newport News or York County. The current median family incomes are shown below for the principal sub-areas of the SMSA.

Median Family Income After Federal Tax  
as of February 1965

<u>Area</u>	<u>All families</u>
Newport News	\$6,750
Hampton	7,175
York County	<u>6,400</u>
SMSA total	6,900

Source: Estimated by Housing Market Analyst.



Table II presents a detailed distribution of all families by income classes in 1965 and of renter families in 1965 and 1967. As may be observed, about 23 percent of all families and 11 percent of the renter families have current incomes in excess of \$10,000 a year after Federal tax.

Demographic Factors

Population

Current Estimate. The Newport News-Hampton SMSA had about 272,000 inhabitants as of February 1965, an increase of 27,500, or 21 percent, since April 1960. The present population of Newport News is 131,000, that of Hampton 112,000, with the remaining 29,000 people in York County.

Past Trend. During the decade of the 1950's, the population of the SMSA increased by 69,500, or 45 percent. Newport News accounted for the largest share of that increase (31,400), followed by Hampton (28,300), and York County (9,800). Since 1960, however, Hampton has led in average annual growth. Of the 47,500 increase in population in the SMSA from April 1960 to February 1965, Hampton was responsible for 22,800, Newport News for 17,300, and York County for 7,400.

From 1950 to 1960, there was an average annual increase of about 6,950 persons in the over-all area. Since 1960, the annual increment has averaged about 9,800 -- nearly 3,600 in Newport News, 4,700 in Hampton, and 1,500 in York County (see following table).

Population Trend by Area  
Newport News-Hampton SMSA, 1950-1965

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>February</u> <u>1965</u>	<u>Average annual</u> <u>increase</u>	
				<u>1950-60</u>	<u>1960-65</u>
Total	154,977	224,503	272,000	6,953	9,827
Newport News	82,233	113,662	131,000	3,143	3,587
Hampton	60,994	89,258	112,000	2,827	4,705
York County	11,750	21,583	29,000	983	1,535

Source: 1950 and 1960 Censuses of Housing.  
1965 estimated by Housing Market Analyst.

Estimated Future Population. It is estimated that the population of the Newport News-Hampton SMSA will climb to about 290,000 by February 1967. This represents an average gain of 9,000 persons a year during the next two years. It is somewhat below the increase of 9,800 persons a year from 1960 to 1965 but well above the average gain of 6,950 a year from 1950 to 1960.

Population Trend by Area  
Newport News-Hampton SMSA, 1950-1967

<u>Date</u>	<u>Number</u>	<u>Average annual increase</u>	
		<u>Number</u>	<u>Percent</u>
April 1950	154,977	-	-
April 1960	224,503	6,950	4.5
February 1965	272,000	9,800	4.4
February 1967	290,000	9,000	3.3

Source: 1950 and 1960 Census of Population.  
1965 and 1967 estimated by Housing Market Analyst.

Natural Increase and Migration. The major components of population change are natural increase and net migration. Natural increase represents the difference between number of births and number of deaths. Net migration represents the difference between the number of persons migrating into the area and the number leaving. In the Newport News-Hampton area, about 40 percent of the growth from 1950 to 1960 was due to net in-migration. This factor accounted for 36 percent of the increase in Newport News, 36 percent in Hampton, and 64 percent in York County (see table III).

Since 1960, in-migration has continued at the same rate in Newport News (36 percent), but it has risen in Hampton and York County. Of the total population growth from April 1960 to February 1965, in-migration accounted for 55 percent in Hampton and 72 percent in York County. For the SMSA as a whole, 51 percent of the 1960-1965 growth was due to net in-migration.

Distribution by Age. From April 1950 to April 1960, as shown in the following table, all age groups in the Newport News-Hampton area registered increases, the gains ranging from 18 percent in the 20-39 group to 70 percent in the under-20 bracket. Although the increase in the 20-39 age group was relatively small compared with the other brackets, it was larger than in many areas. This group includes those born in the 1930's, when the birth rate was relatively low throughout the United States.

For the SMSA as a whole, the 69,526 increase in population during the 10-year period was distributed as follows: 55 percent in the under-20 age group, 16 percent in the 20-39 age bracket, 24 percent in the 40-64 age group, and six percent in the 65-and-over bracket.

The elderly population is relatively low in the Newport News-Hampton area. As of 1960, only five percent of the inhabitants were 65 years of age or more.

Age Distribution of the Population  
Newport News-Hampton SMSA, 1950-1960

<u>Age</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>Increase</u>	
			<u>Number</u>	<u>Percent</u>
Total number	<u>154,977</u>	<u>224,503</u>	<u>69,526</u>	<u>44.9</u>
Under 20 years	53,923	91,900	37,977	70.4
20 to 39 years	60,485	71,531	11,046	18.3
40 to 64 years	33,522	50,131	16,609	49.5
65 and over	7,047	10,941	3,894	55.3
Percentage distribution	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	
Under 20 years	34.8	40.9	54.6	
20 to 39 years	39.0	31.9	15.9	
40 to 64 years	21.6	22.3	23.9	
65 and over	4.6	4.9	5.6	

Source: 1950 and 1960 Censuses of Population.

Military Personnel and Military Dependents. Military men and their families total about 43,000 people, equal to nearly 16 percent of the total population. There are nearly 20,300 military personnel in the area and about 22,700 military dependents.

Households

Current Estimate. The total number of households in the Newport News-Hampton SMSA is now about 73,900, up 14,300 or 24 percent over the April 1960 total. There are 34,900 households in Newport News, 31,200 in Hampton, and 7,800 in York County. These percentages are somewhat higher than the corresponding increases in population, reflecting a slight decline in the average household size.

Past Trend. Between 1950 and 1960, the number of households in the area grew by 19,400, or 48 percent. About 8,500 of the new households were added in Newport News, 8,200 in Hampton, and 2,700 in York County. Since 1960, a net total of 14,300 additional households have been established in the area--about 7,300 in Hampton, 4,900 in Newport News, and 2,100 in York County.

From 1950 to 1960, there was an average increase of about 1,950 households a year in the SMSA. Since 1960, the household growth has increased to an average of 2,950 a year as is shown in the following table. Some part of the 1950-1960 increase in the number of households reported by the census resulted from a "definitional" increment from dwelling unit in 1950 to housing unit in 1960.

Household Trend by Area  
Newport News-Hampton SMSA, 1950-1965

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>February</u> <u>1965</u>	<u>Average annual</u> <u>increase</u>	
				<u>1950-60</u>	<u>1960-65</u>
Total	<u>40,193</u>	<u>59,610</u>	<u>73,900</u>	<u>1,942</u>	<u>2,957</u>
Newport News	21,478	29,969	34,900	849	1,020
Hampton	15,673	23,917	31,200	825	1,507
York County	3,042	5,724	7,800	268	430

Source: 1950 and 1960 Censuses of Housing.  
1965 estimated by Housing Market Analyst.

Household Size. The average number of persons in each occupied household in the Newport News-Hampton area rose slightly from 3.49 in 1950 to 3.55 in 1960, then dropped back to approximately 3.51 as of February 1965.

In 1960, 8 percent of all households in the SMSA were composed of only one person. Two-person households represented the largest single group, accounting for 25 percent of all households. Of the three major sub-areas, the average number of persons per household was lowest in Hampton (3.50) and highest in York County (3.67), as shown in the following table.

Percentage Distribution of Households  
by Number of Persons and Area  
Newport News-Hampton SMSA, 1960

<u>Persons per</u> <u>household</u>	<u>SMSA</u> <u>total</u>	<u>Newport</u> <u>News</u>	<u>Hampton</u>	<u>York</u> <u>County</u>
All households	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
1 person	8.1	8.3	8.4	6.3
2 persons	24.7	25.6	23.5	24.6
3 persons	21.6	21.9	22.0	19.0
4 persons	20.6	19.0	21.8	23.4
5 persons	12.6	11.9	13.5	12.3
6 persons	6.4	6.5	6.1	7.4
7 or more	6.0	6.8	4.7	7.0
Average number of persons	3.55	3.56	3.50	3.67

Source: 1960 Census of Population.

Estimated Future Households. It is estimated that the total number of households in the Newport News-Hampton SMSA will climb to about 79,100 by February 1967. The annual rate of increase, which averaged about 1,950 new households a year from 1950 to 1960 and about 2,950 a year from 1960 to 1965, is expected to decline slightly to an average of about 2,600 a year during the next two years. The 1950 and 1960 census data and the 1965 and 1967 estimates are shown below.

Household Trend  
Newport News-Hampton SMSA, 1950-1967

<u>Date</u>	<u>Number</u>	<u>Average annual increase</u>	
		<u>Number</u>	<u>Percentage</u>
April 1950	40,193	-	-
April 1960	59,610	1,950	4.9
February 1965	73,900	2,950	4.9
February 1967	79,100	2,600	3.5

Source: 1950 and 1960 Censuses of Housing.  
1965 and 1967 estimated by Housing Market Analyst.

Military Households. When the 1964 family housing surveys were conducted at the six installations in the area, a total of 9,088 dwelling units were occupied by military households. This represented about 12 percent of all households in the area. Some 2,978 of these households were living on base and 6,110 were living off base. The installation with the largest number of military households was Langley AFB (4,278), followed by Fort Eustis (3,076) (see table IV).

## Housing Market Factors

### Housing Supply

Current Estimate. The housing inventory of the Newport News-Hampton SMSA totaled about 77,600 dwelling units as of February 1965 (see table V). This was 13,100 units more than in 1960, equivalent to an average rate of 2,700 units added each year. Between 1950 and 1960, the average increment was 2,100 units a year, of which a portion reflects a definitional change (referred to under "Households").

Type of Structure. About 80 percent of all housing units in the current inventory are in one-family structures, 9.4 percent are in two- to four-family structures and 10.5 percent are in structures of five or more units. This represents a smaller proportion of units in two- to four-family structures and in multifamily buildings than in 1960, a reflection of the preponderance of single-family homes built during the past 5 years.

### Housing Inventory by Units in Structure Newport News-Hampton SMSA April 1960 and February 1965

<u>Type of structure</u>	<u>April 1960</u>	<u>February 1965</u>	<u>Percent of total</u>	
			<u>1960</u>	<u>1965</u>
Total units	64,472	77,600	100.0	100.1
1 family	49,858	62,200	77.3	80.1
2 to 4 family	7,214	7,275	11.2	9.4
5 or more family	7,400	8,125	11.5	10.5

Source: 1960 Census of Housing.

1965 estimated by Housing Market Analyst.

Year Structure Built. Over 36 percent of the local housing supply has come on the market since 1955, indicating the high rate of building activity in the area in the past ten years. As shown in the following table, an estimated 17.5 percent of the present inventory was built between the beginning of 1955 and March 1960; 18.9 percent came on the market since April 1960. Only 18.9 percent of the units are more than 35 years old.



Housing Inventory by Year Structure Built  
Newport News-Hampton SMSA  
April 1960 and February 1965

Year structure built	April	February	Percent of total	
	1960	1965	1960	1965
Total units	<u>64,472</u>	<u>77,600</u>	<u>100.0</u>	<u>100.0</u>
April 1960 to February 1965	-	14,650	-	18.9
1955 to March 1960	13,800	13,575	21.4	17.5
1950 to 1954	10,490	10,300	16.3	13.3
1940 to 1949	18,421	18,000	28.6	23.2
1930 to 1939	6,573	6,375	10.2	8.2
1929 or earlier	15,188	14,700	23.5	18.9

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

Quality of Existing Units. Both the condition of a dwelling unit and the type of plumbing facilities are measures of quality. With respect to the Newport News-Hampton SMSA, 3.9 percent of all units were classified as dilapidated in the 1960 Census of Housing. An aggregate of 10.2 percent (6,607) of the units in the SMSA were substandard to the extent that they either had serious structural defects ("dilapidated") or lacked essential sanitary facilities.

Of the owner-occupied units, 6.7 percent were substandard according to the foregoing definition. Corresponding figures were 13.5 percent for renter-occupied units and 16.2 percent for vacant units.

Value and Rent. In 1960, the median value of owner-occupied housing units in the SMSA was \$11,800. The median in Newport News (\$12,600) was somewhat higher than the medians of \$11,600 in Hampton and of only \$9,600 in York County. The median asking price for vacant units available for sale was \$10,900.

The median gross rent in the over-all SMSA was \$76. In the sub-areas, the highest median was \$81 in Hampton, followed by \$76 in York County and \$73 in Newport News. The median rent asked for vacant units available for rent was \$62, somewhat lower than rents being charged in occupied units, indicating that, in 1960, vacant rental units were generally of lower quality than occupied rental units.

### Residential Building Activity

Trend. The number of new dwelling units authorized by building permits in the Newport News-Hampton area is shown by years and by type of structure in table VI. As may be observed, the volume of new privately financed residential construction increased from 1950 to 1955, went down in 1956 and 1957, and then has been trending upward in subsequent years. During 1964, a total of 4,467 new private units were authorized, up from 3,569 the previous year and 3,108 in 1962. The construction of both single-family and multifamily structures has increased sharply in recent years, but the upsurge in new apartments has been more pronounced.

Permits for single-family homes increased from 2,182 units authorized in 1960 to 2,577 in 1962, 3,008 in 1963, and 3,189 in 1964. Multifamily construction was high in 1952 and 1953 when 727 and 550 units, respectively, were authorized, primarily for war housing and veterans emergency housing projects. After that spurt, the number of new apartment units put under construction fell to almost nothing for several years. During the entire 7-year period, from 1954 through 1960, only 74 new units were authorized in structures of five or more units. Thereafter, the totals jumped from 32 in 1961, to 518 in 1962, 555 in 1963, and 1,272 in 1964. At the present time, about 700 single-family units and 1,000 multifamily units are under construction in the area.

The privately financed dwelling units authorized since 1960 are distributed geographically in table VII. Although all sectors have increased in single-family construction since 1960, the rise in home construction in 1964 was due entirely to increased activity in Newport News; both Hampton and York County registered modest declines in this type of construction. The marked increase in apartment house construction occurred in both Newport News and Hampton. In 1964, 537 multifamily units were authorized in Newport News and 727 in Hampton.

The general increase in apartment house construction has been widespread throughout the United States. In 1959, multifamily units accounted for about 15 percent of all new privately financed units constructed in the Nation as a whole. Since then the proportion has risen to a current rate of about 34 percent.

Demolition and Conversion. In addition to new construction activity, some units are created each year through conversion, while others are lost through demolition, fire, etc. It is estimated that, since 1960, demolitions and other losses have exceeded conversions by about 300 dwelling units a year in the SMSA. Future demolitions will increase, because of urban renewal activity and planned demolitions at Ferguson Park and Newsome Park. If these units are removed as expected, and

other inventory losses continue to rise, as new expressways, commercial structures, and other improvements are put under construction, a total of about 1,200 units will be demolished or lost in the SMSA during the next two years.

#### Tenure of Occupancy

Current Estimate. Of the 77,600 dwelling units in the Newport News-Hampton SMSA as of February 1965, about 73,900 are occupied.(table V). About 60 percent of the households were owners; 40 percent were renters. The owner-occupancy ratio in the area has been increasing steadily since 1950, reflecting the high proportion of single-family homes being built.

#### Vacancy

Last Census. At the time of the 1960 census, 4,850 dwelling units in the Newport News-Hampton SMSA were reported vacant. Of this total, 1,275 units were not available for sale or rent, because they were dilapidated, seasonal, rented or sold but not yet occupied, or being held off the market. The remaining 3,600 net available units in 1960 represented 5.6 percent of all housing units in the area. Of these available units, 1,025 were for sale, indicating a homeowner vacancy rate of 3.0 percent. The other 2,575 available units were for rent, indicating a rental vacancy rate of 8.8 percent. Many of the vacant units that were available in 1960 were of poor quality, in war-time housing projects, in older buildings without adequate plumbing facilities, or poorly located.

Vacancy data were collected by FHA personnel in February 1965 on 24 new rental projects with a total of 1,941 units and on 16 older projects with a total of 4,405 units. The 24 new projects had been built since 1962; some had been completed less than 30 days. The bulk of these new units are represented by two-bedroom apartments; there are virtually no efficiencies and relatively few one-bedroom or three-bedroom units. Of the 1,941 new units, 76 percent have two bedrooms, 14 percent have one bedroom, 10 percent have three bedrooms, and fewer than one percent are efficiencies.

At the time of the February survey, there were 419 vacancies in these 24 projects. However, 153 of these vacancies were in units completed less than 60 days, and 191 were in four projects that were competitively weak and renting slowly. Eight projects with 268 units had no vacancies at all. The 16 older projects, with 4,405 units, had only 48 vacancies and 27 of these were in two projects. Nine of the projects had no vacancies.

Postal Vacancy Survey. A survey of vacancies was conducted in early February 1965 by the postal carriers on all routes within the jurisdiction of the Newport News, Hampton, and Yorktown post offices. Occupancy information was obtained on over 70,000 dwelling units, representing about 90 percent of all housing units in the SMSA.

As shown in table VIII, this special survey indicated an over-all vacancy rate of 2.9 percent, with residences showing a 2.4 percent vacancy rate and apartments a 5.6 percent rate. In addition, 1,080 units were reported to be under construction, but these were not counted as vacancies.

It should be noted that postal vacancy data are not entirely comparable with those published by the Bureau of the Census because of differences in definition, in area delineations, and in methods of enumeration. Census reports show units and vacancies by tenure, whereas the postal vacancy surveys show 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 mail box). These are principally single-family homes but they include some duplexes and structures with extra units created by conversion. An "apartment" includes all stops where more than one delivery of mail is possible. These are primarily apartments, but they include some roadside boxes where several deliveries of mail are possible at one stop.

If the postal vacancy survey ratios are adjusted by transferring the estimated number of rented single-family homes and the corresponding vacancies, from the "residence" to the "apartment" category, the result would be a vacancy ratio of 1.7 percent for owner-occupied units and 4.5 percent for renter units.

Current Estimate. For the over-all SMSA, it is estimated that currently there are 2,100 net available vacant units in the area--nonseasonal, nondilapidated units, available for rent or sale. This represents 2.7 percent of all housing units in the area, a marked decline from the 5.6 percent ratio in April 1960. The net homeowner vacancy rate currently is estimated at 1.5 percent, down from 3.0 percent in 1960. The rental vacancy rate is estimated at 4.6 percent, down from 8.8 percent in 1960 (see table V).

Of the 2,100 vacant units that are currently available in the SMSA, an estimated 200 do not have all plumbing facilities. Deducting for these leaves 1,900 available units of standard quality--700 vacant sales units and 1,200 vacant rental units. This would indicate that in an area of moderate growth, such as the Newport News-Hampton SMSA, the current vacancy levels are satisfactory with regard to sales housing but somewhat low for rental housing.

## Sales Market

General Market Conditions. With full employment and an expanding population in the Newport News-Hampton area, the local sales market continues strong. This is reflected in the rising number of houses built last year. As indicated earlier, permits for new houses numbered 3,189 in 1964, up from 3,008 in 1963 and 2,577 in 1962. A large proportion of the new homes are built speculatively but about 60 percent of these are sold before completion and most of the remainder within three months. The market appears strongest for homes in the \$16,000-\$20,000 bracket.

Major Subdivision Activity. The active subdivisions include Beechwood (\$17,500-\$25,000), in which about 300 new homes were completed last year; also Carybrook (\$12,500-\$17,500), Tide Mill Farms (\$15,000-\$20,000), Sylvia Estates (\$12,500-\$17,500), Elizabeth Lake Estates (\$25,000-\$30,000), and Walden (\$12,500-\$20,000).

The market for new homes comes largely from young families moving out of apartments, families upgrading their homes, and from in-migrants to the area--especially military families. It is estimated that about one-fourth of the new homes are sold to military personnel.

Unsold Inventory of New Houses. An annual survey of the unsold inventory of new houses was conducted in the Newport News-Hampton area early in 1965 by the Richmond Insuring Office. This survey covered 49 subdivisions in which five or more new houses were started during the previous year. It counted a total of about 2,150 houses completed in 1964 and 415 houses under construction as of January 1, 1965.

### Status of New Houses Completed in 1964 in 49 Subdivisions in the Newport News-Hampton Area as of January 1, 1965

<u>Sales price</u>	<u>Completed</u> <u>in</u> <u>1964</u>	<u>Sold</u> <u>before const.</u> <u>started</u>		<u>Built speculatively</u>			
		<u>No.</u>	<u>Percent</u>	<u>Total</u>	<u>Sold</u> <u>in</u> <u>1964</u>	<u>Unsold 1/1/65</u>	
						<u>No.</u>	<u>Percent</u>
\$12,500 - \$14,999	546	179	32.8	367	332	35	9.5
15,000 - 17,499	519	139	26.8	380	328	52	13.7
17,500 - 19,999	663	119	17.9	544	493	51	9.4
20,000 - 24,999	300	75	25.0	225	180	45	20.0
25,000 - 29,999	106	20	18.9	86	61	25	29.1
30,000 and over	12	9	75.0	3	3	-	-
Total	2,146	541	25.2	1,605	1,397	208	13.0

Source: Survey of unsold new homes in 49 subdivisions with five or more new homes completed in 1964, conducted by the Richmond Insuring Office of FHA as of January 1, 1965.

Of the 2,150 houses completed during 1964, nearly one-third ranged in price from \$17,500 to \$20,000, one-fourth were in the \$15,000 - \$17,500 price class, one-fourth sold for less than \$15,000, and about one-fifth were priced at more than \$20,000. About 75 percent of all new houses in these subdivisions were built speculatively.

Of the 1,605 speculatively-built houses constructed in 1964, 208 remained unsold at the year end. However, about 58 percent of these unsold homes had been completed less than one month; 90 percent had been completed less than three months. Of the 415 houses under construction on January 1, 1965, 245 had been sold.

### Rental Market

As indicated by the low level of vacancies, the local rental market is quite strong. The new apartments completed in recent years are being absorbed satisfactorily for the most part. Relatively few are renting slowly and these cases appear to reflect weak competitive qualities in design, location, or rent levels.

The existing rental market is represented largely by single-family homes because of the dominance of this type of structure in construction activity for many years. Of the 26,600 renter-occupied units in the SMSA in 1960, about 54 percent were in single-family structures. As mentioned earlier, only 84 new units were authorized by building permits in structures of five or more units during the entire seven years from 1954 through 1960. The construction of modern garden-type apartments did not begin on a large scale until 1962. Those completed since that time have found a ready market acceptance because of the lack of units of this type in the area.

As new apartments continue to come on the market in the future, qualitative factors and conveniences will become more important. With a growing number of units from which to choose, prospective tenants will become increasingly selective. They will look for apartments that are well located, well designed with adequate space, and appropriately priced. Projects that include heat and all utilities in the monthly rent are preferred by tenants. Such projects provide a firm housing expense which facilitates budgeting by those on fixed incomes or pensions. As competition rises, an increasing number of new projects, garden-type as well as high-rise, are being built with central heating and air-conditioning equipment.

The principal sources of demand for new apartments are young married couples, in-migrants to the area, military families, retired couples, single adults, and local tenants desiring to up-grade their living accommodations. Single-family homes also are in strong rental demand, especially by military families and in-migrant families with several children.

### Urban Renewal

There are three urban renewal areas in Newport News, but none of the projects involve any residential re-use of the land.

Project No. 1 (U3-1) in downtown Newport News now is virtually completed. It involved the removal of 461 dwelling units. The land has been developed for commercial, industrial, and public re-use.

North End (R-17), extending from 41st to 46th Streets between Huntington and Washington Avenues, involved the removal of 182 units and has been completed. The land has been developed for industrial and public re-use.

Downtown No. 2 (R-31) entered the execution stage in 1964 and involves the removal of 75 dwelling units. The land is being developed for commercial re-use and new parking facilities.

The city of Hampton also has three urban renewal areas with relatively little residential re-use contemplated.

Bridge Street (R-13) is being developed for commercial and public re-use. Development of the 7.6-acre site in downtown Hampton involves the removal of about 50 dwelling units.

Phoebus (R-30), the second project, is in the planning stage. It is expected that about 264 dwelling units will be demolished and the land redeveloped for commercial and residential re-use. Some public housing units are contemplated in this area, but the plans are incomplete.

Buckroe Beach (R-34) is also in the planning stage. This 27.8-acre site will be developed for commercial and public re-use.

### Public Housing

There are now 3,620 units of public housing in Newport News and Hampton, 1,702 units under programs administered by the Federal Government, and 1,918 units in projects administered by the Regional Housing Authority.

The Newport News Redevelopment and Housing Authority has 1,702 low-rent public housing units in six projects. These projects are listed in the following table. No additional units are planned by the authority at this time.

Public Housing Projects  
City of Newport News, 1965

<u>Project name</u>	<u>Year of occupancy</u>	<u>Total units</u>
Harbor Homes	1941	252
Marshall Courts	1941	353
Orcutt Homes	1941	148
John H. Ridley Place	1953	259
Dickerson Courts	1953	340
Lassiter Courts	1954	350
Total		1,702

Source: Public Housing Administration.

Maximum income permitted for admission to public housing units in Newport News varies from \$3,500 a year for a family of one or two persons to \$4,000 for a family of five or more. Once in a project, however, the family income can rise to \$4,400 as \$5,000, respectively, before ineligibility occurs. These incomes represent net family income after allowable deductions.

Monthly rental charges for tenants eligible for occupancy in the Newport News public housing units vary from \$26 to \$74 a month, depending upon the number of bedrooms and the net family income.

The Hampton Redevelopment and Housing Authority has no completed public housing projects but 300 low-rent units have been approved and an annual contributions contract was executed by the Public Housing Administration in June 1962. The project, not yet under construction, will start with 100 units in the first stage. Anticipating a further need for housing units, the Hampton Redevelopment and Housing Authority submitted an application for 500 additional low-rent units to the Public Housing Administration in November 1964. There has been no action on this application yet.

Regional Housing Authority. In addition to the public housing projects in Newport News administered under programs of the Federal government, there are 1,918 units of low-rent housing currently in the area administered by the Regional Redevelopment and Housing Authority for Hampton and Newport News. This quasi-governmental agency was set up jointly by Hampton and Newport News on July 15, 1955 to purchase war-time Lanham Act projects from the Federal government, retire the dwelling units in an orderly manner, and redevelop the land for the best interest of the two cities.



The Regional Housing Authority proceeded to purchase two tracts of land containing three housing projects. Ferguson Park, at the entrance to the James River Bridge, comprised 65 acres and contained about 1,200 units of war-time housing. Copeland Park and Newsome Park, located on a single 800-acre tract straddling the Newport News-Hampton boundary line, had about 5,100 units of housing at one time.

At Ferguson Park, only 270 units are now occupied and these are to be vacated by July 1, 1965. The remaining units are all closed and scheduled for demolition. The Copeland Park section currently has only 496 units, renting for \$40 for one bedroom, \$45 for two bedrooms, and \$50 for three bedrooms, with only cold water furnished. There are no vacancies in this project. Approximately 350 acres of land has been cleared for the Copeland Industrial Park and developed into sites for new manufacturing and distributing operations. No further demolitions are planned in this section during the next five years.

The Newsome Park section currently has 1,152 dwelling units with the same monthly rents as at Copeland Park. These units are all occupied and a 400-unit project is planned. The plan calls for 12 one-bedroom units at \$55, 186 two-bedroom units at \$65, 190 three-bedroom units at \$75, and 12 four-bedroom units at \$85, with cold water furnished. When this new project is completed, no more tenants will be admitted to the older section of Newsome Park. It is planned to relocate 400 families into the new project and it is expected that about 200 families will move out through normal turnover so that about 600 of the existing units at Newsome Park can be vacated and demolished in the next few years.

#### Military Housing

At the time of the latest 1964 housing surveys at the six installations in the Newport News-Hampton area, a total of 9,105 dwelling units were being occupied by military families and key civilians. The survey data revealed that 6,343 of these units were considered adequate and 2,762 were classified as inadequate.

Housing occupied by military families may be considered inadequate for one or more of the following reasons: (1) if it is located beyond a reasonable commuting distance of the base, (2) if it is substandard or lacks essential facilities, or (3) if the cost is beyond the serviceman's ability to pay (rent plus utility payments significantly exceed the quarters allowance).

Almost all (2,500) of the units classed as inadequate were located off base; 8 of these involved excessive commuting, 1,069 were considered substandard, and 1,423 were too costly. Of the 3,067 adequate units located off base, 2,287 were owned by their occupants. This appears to indicate that a substantial number of military families have purchased houses in the area in order to have satisfactory accommodations, even though they are located in the area for a temporary tour of duty.

## Demand for Housing

### Quantitative Demand

It was estimated earlier in this report that the total number of households in the Newport News-Hampton SMSA would increase by an average of 2,600 a year during the next two years. In addition to new household formation, other factors affect the demand for new dwelling units, including vacancies, housing inventory changes through conversions, demolitions, etc., and the current number of units under construction. These factors will require an estimated 1,200 net additional units annually in the area, bringing the total estimated quantitative demand to 3,800 new units a year over the next two years.

In determining the distribution of the estimated demand for new units, consideration must be given also to the anticipated shift in tenure from owner to renter status each year. Taking all those factors into consideration, it is estimated that 2,500 units of the total anticipated demand will be for sales units and 1,300 for rental units.

Although the demand for 2,500 sales units is considerably below the 3,000-plus successfully marketed in the 1963-1964 period, the continued availability of a new rental supply in conventional-type rental structures appears likely to have a depressing effect upon the volume of new single-family construction. Prior to 1962, because of the scarcity of rental housing, many sales units were shifted to the rental market within a few years following the initial owner occupant purchase particularly when purchased by military personnel. The current apartment boom, therefore, will be beneficial in providing a more proportionate volume of rental housing. The 1,300 unit demand, however, includes about 400 units requiring public benefits or assistance.

### Qualitative Demand

Sales Housing. The annual demand for new sales housing is distributed by price bracket in the table on the following page. This distribution reflects prospective market conditions, family income, and the proportion of family income ordinarily paid for sales housing in the Newport News-Hampton area.

Estimated Annual Demand for New Sales Housing  
Newport News-Hampton SMSA  
February 1965 to February 1967

<u>Sales price</u>	<u>Number</u>
Under \$12,000	200
\$12,000 - 13,999	300
14,000 - 15,999	350
16,000 - 17,999	450
18,000 - 19,999	500
20,000 - 24,999	450
25,000 - 29,999	200
30,000 and over	50
Total	2,500

The preceding distribution shows about 34 percent of the projected annual sales demand in the under \$16,000 bracket, 38 percent in the \$16,000-\$20,000 bracket, and 28 percent in the price range over \$20,000. Acceptable sales housing cannot be produced to sell for less than about \$10,000 in the Newport News-Hampton area.

The distribution shown above differs from that on page 23, which reflects only selected subdivision experience during the year 1964. It must be noted that the 1964 data do not include new construction in subdivisions with fewer than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower value homes, are concentrated in the smaller building operations which are quite numerous. The demand estimates above reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Rental Housing. It is judged that the minimum gross rents achievable with ordinary financing methods in the Newport News-Hampton area at the present time are approximately \$90 for efficiencies, \$100 for one-bedroom units, \$110 for two-bedroom units, and \$120 for three-bedroom units. Monthly rents below these levels can be achieved only through the use of public benefit or assistance programs.

The annual demand for 1,300 rental units in the Newport News-Hampton area is expected to be distributed by gross rents and unit sizes approximately as shown in the next table. About 720 of these units are expected to fall in the rent range at and above the minimum achievable with regular private financing methods. The remainder of 400 units is estimated to require the use of a public benefits or

assistance program. Note that nearly 30 percent of the total annual demand is for units of small size, efficiencies and one-bedroom apartments, a type of rental accommodation not heretofore provided in any quantity in this area.

These net additions to the stock of rental housing may be accomplished either by new construction or rehabilitation with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition. The production of units in the higher ranges of rent will competitively effect the filtering of existing accommodations.

Estimated Annual Rental Demand for New Rental Housing  
by Gross Monthly Rent and by Size of Unit  
Newport News-Hampton SMSA, February 1965 to February 1967

Monthly gross rent <sup>a/</sup>	Number of units			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 80 and over	60	-	-	-
85 " "	55	325	-	-
90 " "	50	305	690	-
95 " " - - - -	50 - - - -	275 - - - -	625 - - - -	225
100 " "	40	250	565	195
110 " "	35	220	475	165
120 " "	25	190	415	125
125 " " - - - -	20 - - - -	160 - - - -	330 - - - -	100
150 " "	15	100	220	65
175 " "	-	50	125	40
200 " "	-	-	70	20

<sup>a/</sup> Gross rent is shelter or contract rent plus the cost of utilities and services.

Note: The figures above are cumulative, i.e., the columns cannot be added vertically. For example, demand for one-bedroom units at \$110 to \$125 is 60 units (220 minus 160).

The 1,300 units distributed in the preceding demand schedule can be marketed successfully only if projects are well located, well designed with adequate space, and appropriately priced, preferably including the cost of heat, utilities, and air conditioning in the monthly rent. It would be desirable for these additions to the rental supply to be provided in a variety of structural types and not concentrated in a few large projects. Some part of the total demand may continue to be met with single-family units.

If location and design acceptable to the market to be served are not competitive, the rental offerings are not likely to be absorbed. Strong competition will continue to be evidenced by the sales market to which demand will be transferred, if location and design preferences are not observed. The provision of acceptable rental housing, however, should increase the absorptive capacity for rentals above the 500-plus units provided in the 1962-1963 period to the demand estimate of about 900 units at market rates and favor the absorption of a total 400 units financed with public benefits or assistance.

Table I

Nonagricultural Wage and Salary Employment  
Newport News-Hampton SMSA  
Annual Averages, 1960-1964

(In thousands)

<u>Industry</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Nonagricultural wage and salary employ.	<u>65.6</u>	<u>69.1</u>	<u>73.8</u>	<u>75.8</u>	<u>79.6</u>
Manufacturing	<u>21.0</u>	<u>23.3</u>	<u>25.2</u>	<u>24.6</u>	<u>25.9</u>
Transportation equipment	16.1	18.3	19.9	19.1	20.4
Food and kindred products	1.6	1.6	1.6	1.6	1.5
Other manufactured goods	3.3	3.4	3.7	3.9	4.0
Nonmanufacturing (private)	<u>26.1</u>	<u>26.5</u>	<u>28.6</u>	<u>30.6</u>	<u>32.4</u>
Wholesale and retail trade	10.5	10.7	11.6	12.0	12.8
Services, misc., and mining	6.5	6.5	7.0	7.8	8.0
Contract construction	3.9	3.9	4.2	4.5	5.2
Trans. and public utilities	3.5	3.5	3.7	4.0	4.0
Finance, insurance, and real estate	1.7	1.9	2.1	2.3	2.4
Government	<u>18.5</u>	<u>19.3</u>	<u>20.0</u>	<u>20.6</u>	<u>21.3</u>
Federal	13.8	14.5	14.7	15.0	15.2
State and local	4.7	4.8	5.3	5.6	6.1

Source: Virginia Employment Commission.

Table II

Estimated Family Income Percentage Distribution After Federal Tax<sup>a/</sup>  
Newport News-Hampton SMSA  
February 1965 and February 1967

Annual income after Federal tax	February 1965		February 1967
	<u>All families</u>	<u>Renter families</u>	<u>Renter families</u>
Under \$ 3,000	12	19	18
\$ 3,000 - 3,999	8	12	11
4,000 - 4,999	10	15	13
5,000 - 5,999	10	12	12
6,000 - 6,999	11	13	13
7,000 - 7,999	11	8	9
8,000 - 8,999	9	6	7
9,000 - 9,999	6	4	4
10,000 - 14,999	18	9	10
15,000 and over	<u>5</u>	<u>2</u>	<u>3</u>
Total	100	100	100
Median	\$6,900	\$5,325	\$5,650

<sup>a/</sup> Covers all families of two or more persons.

Source: Estimated by Housing Market Analyst.



Table III

Natural Increase and Migration  
Newport News-Hampton SMSA, 1950-1965

<u>Item</u>	<u>April 1950 to April 1960</u>	<u>April 1960 to February 1965</u>
SMSA total		
Population increase	<u>69,526</u>	<u>47,497</u>
Natural increase	41,832	23,467
Net migration - number	27,694	24,030
percent	39.8%	50.6%
Newport News		
Population increase	<u>31,429</u>	<u>17,338</u>
Natural increase	20,210	11,141
Net migration - number	11,219	6,197
percent	35.7%	35.7%
Hampton		
Population increase	<u>28,264</u>	<u>22,742</u>
Natural increase	18,124	10,278
Net migration - number	10,140	12,464
percent	35.9%	54.8%
York County		
Population increase	<u>9,833</u>	<u>7,417</u>
Natural increase	3,498	2,048
Net migration - number	6,335	5,369
percent	64.4%	72.4%

Source: 1950 and 1960 Censuses of Population; Virginia State Department of Health; estimates of Housing Market Analyst.

Table IV

Dwelling Units Occupied by Military and Key Civilians  
Newport News-Hampton SMSA, as of Latest Survey Date in 1964

<u>Installation</u>	<u>Survey date</u>	<u>Total occupied units</u>	<u>Civilian households</u>	<u>Military households</u>		
				<u>Total</u>	<u>Officers</u>	<u>Enlisted</u>
Fort Eustis, Newport News	5-8-64	<u>3,080</u>	<u>4</u>	<u>3,076</u>	<u>786</u>	<u>2,290</u>
On base		1,325	3	1,322	589	733
Off base		1,755	1	1,754	197	1,557
Fort Monroe, Hampton	4-28-64	<u>1,107</u>	<u>3</u>	<u>1,104</u>	<u>549</u>	<u>555</u>
On base		514	3	511	345	166
Off base		593	-	593	204	389
Langley AFB, Hampton	9-64	<u>4,280</u>	<u>2</u>	<u>4,278</u>	<u>1,433</u>	<u>2,845</u>
On base		759	2	757	384	373
Off base		3,521	-	3,521	1,049	2,472
Naval Weapons Sta., York Co.	4-30-64	<u>374</u>	<u>5</u>	<u>369</u>	<u>87</u>	<u>282</u>
On base		266	5	261	69	192
Off base		108	-	108	18	90
Cheatham Annex, York Co.	4-30-64	<u>156</u>	<u>3</u>	<u>153</u>	<u>15</u>	<u>138</u>
On base		85	3	82	9	73
Off base		71	-	71	6	65
U.S. Coast Guard Reserve Training Center, York Co.	6-30-64	<u>108</u>	-	<u>108</u>	<u>30</u>	<u>78</u>
On base		49	-	49	14	35
Off base		59	-	59	16	43
Total, six installations		<u>9,105</u>	<u>17</u>	<u>9,088</u>	<u>2,900</u>	<u>6,188</u>
On base		2,998	16	2,982	1,410	1,572
Off base		6,107	1	6,106	1,490	4,616

Source: Housing surveys conducted by the respective military installations.

Table V

Occupancy Status of Housing Units  
Newport News-Hampton SMSA, 1950-1965

<u>Occupancy status</u>	<u>April 1950</u>	<u>April 1960</u>	<u>February 1965</u>
All housing units	43,738	64,472	77,600
Occupied units	<u>40,193</u>	<u>59,610</u>	<u>73,900</u>
Owner occupied	18,755	33,031	44,600
Percent	46.7%	55.4%	60.4%
Renter occupied	21,438	26,579	29,300
Percent	53.3%	44.6%	39.6%
Total vacant units	<u>3,545</u>	<u>4,862</u>	<u>3,700</u>
Not available <sup>a/</sup>	1,438	1,274	1,600
Available	2,107	3,588	2,100
Percent of all units	4.8%	5.6%	2.7%
For sale	219	1,015	700
Homeowner vacancy rate	1.2%	3.0%	1.5%
For rent	1,888	2,573	1,400
Rental vacancy rate	8.1%	8.8%	4.6%

<sup>a/</sup> Includes units rented or sold but not yet occupied, units held off the market, seasonal units, and dilapidated units.

Source: 1950 and 1960 Censuses of Housing;  
1965 estimated by Housing Market Analyst.

Table VI

Number of New Dwelling Units Authorized by Building Permits  
Newport News-Hampton SMSA, 1950-1964

<u>Year</u>	<u>Total all units</u>	<u>Public units</u>	<u>Privately financed units</u>			
			<u>Total</u>	<u>One family</u>	<u>2 to 4 family</u>	<u>5 or more family</u>
1950	966	0	966	934	13	19
1951	1,096	0	1,096	1,067	14	15
1952	3,196	599	2,597	1,831	39	727
1953	2,151	0	2,151	1,509	92	550
1954	2,306	0	2,306	2,283	6	17
1955	3,010	127	2,883	2,803	38	42
1956	2,301	605	1,696	1,676	20	-
1957	1,620	20	1,600	1,547	33	20
1958	2,663	514	2,149	2,124	20	5
1959	2,250	-	2,250	2,236	14	-
1960	2,204	-	2,204	2,182	22	-
1961	2,656	223	2,433	2,395	6	32
1962	3,108	-	3,108	2,577	13	518
1963	3,669	100	3,569	3,008	6	555
1964	4,467	-	4,467	3,189	6	1,272

Source: Bureau of the Census.

Table VII

Geographic Distribution of  
Privately Financed Dwelling Units Authorized  
Newport News-Hampton SMSA, 1960-1964

<u>Area and year</u>	<u>Total</u>	<u>One family</u>	<u>2 to 4 family</u>	<u>5 or more family</u>
Newport News				
1960	958	958	-	-
1961	805	773	-	32
1962	1,270	928	-	342
1963	1,358	1,209	-	149
1964	2,081	1,538	6	537
Hampton				
1960	937	915	22	-
1961	1,281	1,275	6	-
1962	1,491	1,302	13	176
1963	1,745	1,335	4	406
1964	1,931	1,204	-	727
York County				
1960	309	309	-	-
1961	347	347	-	-
1962	347	347	-	-
1963	466	464	2	-
1964	455	447	-	8
SMSA total				
1960	2,204	2,182	22	-
1961	2,433	2,395	6	32
1962	3,108	2,577	13	518
1963	3,569	3,008	6	555
1964	4,467	3,189	6	1,272

Source: Bureau of the Census.

Table VIII

Newport News - Hampton, Virginia, Area Postal Vacancy Survey  
February 4-10, 1965

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
<b>The Survey Area Total</b>	<u>70,152</u>	<u>2,011</u>	<u>2.9</u>	<u>1,288</u>	<u>723</u>	<u>1,080</u>	<u>60,011</u>	<u>1,444</u>	<u>2.4</u>	<u>943</u>	<u>501</u>	<u>685</u>	<u>10,141</u>	<u>567</u>	<u>5.6</u>	<u>345</u>	<u>222</u>	<u>395</u>	<u>1,366</u>	<u>17</u>	<u>1.2</u>
<b>Newport News</b>	<u>36,256</u>	<u>1,065</u>	<u>2.9</u>	<u>630</u>	<u>435</u>	<u>617</u>	<u>29,887</u>	<u>687</u>	<u>2.3</u>	<u>432</u>	<u>255</u>	<u>419</u>	<u>6,369</u>	<u>378</u>	<u>5.9</u>	<u>198</u>	<u>180</u>	<u>198</u>	<u>563</u>	<u>14</u>	<u>2.5</u>
Main Office	15,169	352	2.3	336	16	6	12,144	220	1.8	206	14	6	3,025	132	4.4	130	2	-	-	-	-
Stations:																					
Denbigh	4,232	280	6.6	100	180	242	4,008	274	6.8	94	180	156	224	6	2.7	6	-	86	376	9	2.4
Fort Eustis	1,325	5	0.4	5	-	-	132	2	1.5	2	-	-	1,193	3	0.3	3	-	-	97	-	-
Lee Hall	560	40	7.1	40	-	-	250	7	2.8	7	-	-	310	33	10.6	33	-	-	-	-	-
New Market	4,731	65	1.4	61	4	58	4,365	58	1.3	54	4	58	366	7	1.9	7	-	-	73	4	5.5
North Warwick	3,643	66	1.8	24	42	142	3,571	62	1.7	20	42	110	72	4	5.6	4	-	32	16	1	6.3
Warwick	6,596	257	3.9	64	193	169	5,417	64	1.2	49	15	89	1,179	193	16.4	15	178	80	1	-	-
<b>Hampton</b>	<u>32,481</u>	<u>915</u>	<u>2.8</u>	<u>644</u>	<u>271</u>	<u>386</u>	<u>28,719</u>	<u>726</u>	<u>2.5</u>	<u>497</u>	<u>229</u>	<u>189</u>	<u>3,762</u>	<u>189</u>	<u>5.0</u>	<u>147</u>	<u>42</u>	<u>197</u>	<u>667</u>	<u>3</u>	<u>0.4</u>
Main Office	13,099	484	3.7	290	194	264	10,464	348	3.3	196	152	155	2,635	136	5.2	94	42	109	288	-	-
Branch:																					
Fogueson	1,533	60	3.9	54	6	20	1,518	57	3.8	51	6	20	15	3	20.0	3	-	-	70	-	-
Stations:																					
Beckroe Beach	2,742	70	2.6	53	17	14	2,638	70	2.7	53	17	14	104	-	-	-	-	-	143	-	-
Langley Air Force Base	757	-	-	-	-	-	257	-	-	-	-	-	500	-	-	-	-	-	28	-	-
Phoenix	4,100	145	3.5	127	18	-	3,992	116	2.9	98	18	-	108	29	26.9	29	-	-	-	-	-
Wythe	10,250	156	1.5	120	36	88	9,850	135	1.4	99	36	-	400	21	5.3	21	-	88	138	3	2.2
<b>Other Cities and Towns</b>																					
Yorktown	<u>1,415</u>	<u>31</u>	<u>2.2</u>	<u>14</u>	<u>17</u>	<u>77</u>	<u>1,405</u>	<u>31</u>	<u>2.2</u>	<u>14</u>	<u>17</u>	<u>77</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136</u>	<u>-</u>	<u>-</u>

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).