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*Analysis of the*  
**NEWPORT NEWS-HAMPTON,  
VIRGINIA  
HOUSING MARKET**

as of July 1, 1966

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

June 1967

ANALYSIS OF THE  
NEWPORT NEWS-HAMPTON, VIRGINIA, HOUSING MARKET  
AS OF JULY 1, 1966

DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410

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Field Market Analysis Service  
Federal Housing Administration  
Department of Housing and Urban Development

## Foreword

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

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

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

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ANALYSIS OF THE  
NEWPORT NEWS-HAMPTON, VIRGINIA, HOUSING MARKET  
AS OF JULY 1, 1966

Summary and Conclusions

1. Employment totaled 95,300 in the Newport News-Hampton area in May 1966, up 2,000 in the last 12 months. Between 1960 and 1965, employment gains averaged 3,550 jobs a year; whether employment growth was above or below that figure depended on the level of employment at the Newport News Shipbuilding and Dry Dock Company. There has been a fairly steady rate of growth in nonmanufacturing employment, which provides about 70 percent of the jobs in the area. Total employment is expected to grow by 9,000 jobs over the next three years.
2. In May 1966, there were 2,250 unemployed persons in the HMA, equal to 2.3 percent of the civilian work force. This level is 1,000 below the high level of the past seven years recorded in May 1961, when 4.1 percent of the civilian work force was unemployed. The continual high levels of employment since 1960, especially at the shipyard, have maintained constant pressure on the supply of labor.
3. The current median after-tax income for all families is \$7,100 and for all renter families of two or more persons it is \$6,050. The after-tax medians should increase by six to seven percent during the next three years.
4. The current population in the HMA is approximately 282,000, an average annual increase of 9,200 over the 1960 total, which, in turn, reflected an average annual increase of 6,950 above the 1950 total of 155,000. The bulk of the growth between 1950 and 1960 occurred in Newport News, but since 1960 the major growth occurred in Hampton. By July 1969, the population is expected to reach 311,000, an increase of 9,675 annually above the current level.
5. At present, there are 76,700 households in the HMA. The current level represents an average annual increase of 2,725 since April 1960. By July 1969, the number of households will total 84,800, suggesting annual increments of 2,700 above the current level.

6. There are approximately 81,900 units in the housing inventory of the HMA, reflecting net gains of about 2,800 units a year since April 1960. Average annual authorizations for construction of 2,650 single-family units and 575 multifamily units and for demolition of 425 units have been reported since 1960. Owner-occupancy increased as a percentage of total occupancy from 55 percent in 1960 to 63 percent at present. Because of increased rental construction, the shift to owner-occupancy will moderate during the next three years.
7. The number of vacant available units increased from 3,600 in April 1960 to 4,000 in July 1966, but the vacancy ratio declined from 5.8 percent to 5.0 percent. The current sales vacancy ratio of 2.0 percent is down from 3.0 percent in 1960, but the rental vacancy ratio is up from 8.8 percent in 1960 to 9.4 percent at present.
8. There will be a demand for 2,500 units of sales housing during each of the next three years. A distribution of sales demand, by sales price class, is presented on page 28. Except for public low-rent housing and rent-supplement accommodations, construction of new rental housing should be held in abeyance pending restoration of more balanced market conditions.

ANALYSIS OF THE  
NEWPORT NEWS-HAMPTON, VIRGINIA, HOUSING MARKET  
AS OF JULY 1, 1966

Housing Market Area

For purposes of this report, the Newport News-Hampton, Virginia, Housing Market Area (HMA) is defined as being coterminous with the Newport News-Hampton, Virginia, Standard Metropolitan Statistical Area (SMSA), which includes the independent cities of Newport News and Hampton and York County. The HMA had a population of 224,500 in 1960.

The Newport News-Hampton HMA is located on the lower peninsula in the Tidewater region of southeastern Virginia. The peninsula, which is 25 miles long and eight to ten miles wide, is formed by the James and York Rivers, joining at Hampton Roads in the lower Chesapeake Bay. The terrain changes from sea plains, small streams and bays, and marshland at the tip of the peninsula at Hampton Roads, to rolling hills in York County, where the land rises to about 100 feet above sea level.

The HMA is about 175 miles south of Washington, D.C., 75 miles south-east of Richmond, Virginia, and 20 miles north of Norfolk, Virginia. Transportation facilities serving the area are adequate, but not outstanding. Major highways in the HMA are U.S. 17 (north-south), U.S. 60, and State Route 168 (both east-west). The tolls on the George Coleman Bridge over the York River (\$.75), the James River Bridge (\$1.00), and the Hampton Roads Bridge-Tunnel (\$1.25) limit the amount of through traffic on these routes. Interstate Highway 64 is presently being extended from Richmond to Newport News. From Newport News to the terminal point in Norfolk I-64 uses the Hampton Roads Bridge-Tunnel. Newport News is the eastern terminus of the Chesapeake and Ohio Railway, which maintains extensive terminal facilities for the transfer of bulk cargo from railroad cars to ocean going freighters and vice versa. The port of Newport News has 23 deep water berths at present, including two highly automated coal loading piers and two ore unloading piers. An \$8 million general cargo pier is under construction and a twin pier is planned. The Patrick Henry Airport, built in 1949, is served by two trunk airlines and one feeder airline with over 30 scheduled daily flights (another feeder airline will initiate scheduled service in August 1966). The main runway will be extended to 7,000 feet within five years, to accommodate jet aircraft.

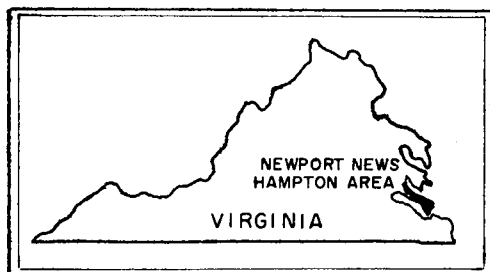
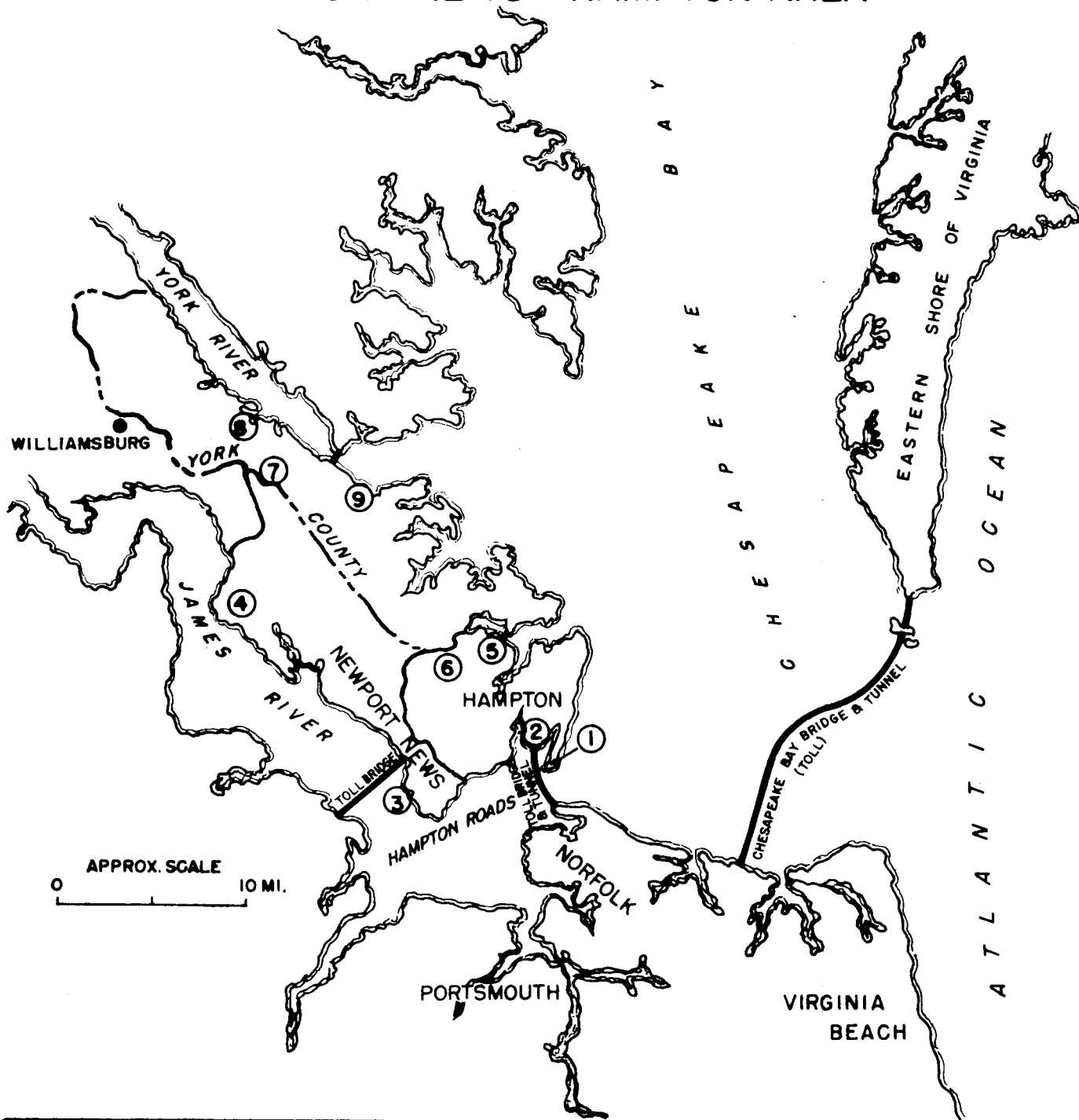
Incomplete data are available on the commutation of workers into and out of the HMA. Approximately 400 workers commuted daily to work in the Newport News-Hampton area from the Norfolk-Portsmouth SMSA in

1960. Because of the tolls on the connecting links between the HMA and the tidewater areas to the south and because the areas to the north and west are sparsely settled, it is estimated that commutation with these areas is not a significant factor.

Farm population in the HMA is negligible; in 1960, 98 percent of the population in York County was considered as nonfarm (data were not available for the two cities). All demographic and housing data used in this analysis will refer to the total of farm and nonfarm data.



# 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        |                                       |

## Economy of the Area

### Character and History

The economy of the Newport News-Hampton HMA has been influenced by military installations since the settling of the peninsula in 1609, when a fort (at the present site of Fort Monroe) was built on Old Point Comfort to protect the residents of the Hampton settlement. The impact became pronounced when the United States entered World War I. Fort Eustis, Langley Air Force Base, and the Langley Memorial Laboratories (presently the Langley Research Center of the National Aeronautics and Space Administration) were established in 1917 and 1918. The Newport News Shipbuilding and Dry Dock Company was formed in 1886 and has also been a dominant factor in the economy of the area. The economic base of the Newport News-Hampton HMA is still dominated by national defense installations and the Newport News Shipbuilding and Dry Dock Company. These two basic sources of employment provide about 35 percent of total nonagricultural employment and the shipyard accounts for about 75 percent of total manufacturing employment. Although industrial diversification is limited, employment has risen each year since 1960, despite fluctuations in military strength and reductions in shipyard employment during the past year. As in most metropolitan areas, growth has been concentrated in trade, services, and local government, as evidenced by the data presented in table II.

### Work Force

The civilian work force of the Newport HMA totaled 97,600 in May 1966, up 1,900 over the May 1965 figure. From 1960 to 1965, the work force increased by 16,900 (21.4 percent), or an average of 3,375 a year. Since unemployment declined slightly over the period, the increase in the work force was somewhat less than the growth in employment.

### Employment

Current Estimate and Past Trend. Employment totaled 95,300 in the HMA in May 1966, 2,000 above the figure for May 1965. Between 1960 and 1965, total employment increased by 17,800, or 3,550 jobs a year. In the 1960-1962 period and again between 1963 and 1964, the annual gains ranged between 4,200 and 4,800 jobs a year; between 1962 and 1963 and again between 1964 and 1965 (as well as May 1965 to May 1966) total employment increased by about 2,000 jobs a year. Most of the growth was in nonagricultural wage and salary employment; "all other" employment (the self-employed, domestics and agricultural jobs) increased by about 1,000 from 1960 to 1966 (see table I).

Distribution by Industry. Variations in the level of the growth in employment from year to year appear to depend primarily on fluctuations in employment in the transportation equipment industry. As shown in table II, gains in nonmanufacturing employment were a fairly steady 2,750 jobs a year in the 1961-1965 period (one year the figure was 2,600); whether total employment increased by about 2,000 jobs or by over 4,000 jobs during a year seems to have depended on whether employment in transportation equipment (specifically, at the shipyard) had increased or decreased over the year. As a result of the somewhat greater relative gains in nonmanufacturing employment, manufacturing constituted a slightly smaller percentage of the total in 1965 (31 percent) than in 1960 (32 percent). Over 75 percent of the growth in manufacturing employment over the period was in the transportation equipment industry.

Nonmanufacturing industries provided nearly 70 percent of all jobs in the Newport News HMA in 1965 (over 70 percent in May 1966 as a result of a decline in manufacturing employment). The leading sources of jobs in the nonmanufacturing sector are government, trade, and services. In 1965, government employment, at 22,600, nearly equaled the total for manufacturing (25,600). Government provided about a third of the gain in nonmanufacturing jobs in the 1960-1965 period. Services, trade, and construction were the other sources of substantial employment gains over the period. Data for May 1966 indicate that employment has continued to increase in these industries in 1966.

Female Employment. There were 25,600 women with nonagricultural wage and salary jobs in May 1966, or 30 percent of all such jobs in the HMA. In May 1960, there were 18,675 women employed, equal to 25.5 percent of the total. The 37 percent increase in the number of women with non-agricultural jobs compares with an increase of just 29 percent in total wage and salary jobs over the same period.

Employment Participation Rate. The participation rate (ratio of employment to population) has been increasing since 1950. Based on Census data on area residents, the ratio increased from 30.5 percent in April 1950 to 31.6 percent in April 1960. Based on employment data furnished by the Virginia Employment Commission, the ratio between total employed and resident population has increased from 33.1 percent in 1960 to 33.3 percent at present. The increase in the participation rate has resulted from a decline in the number of unemployed persons and from an increase in female employment. A moderate rise in the participation rate should continue during the next three years.

### Principal Employers

Newport News Shipbuilding and Dry Dock Company. The shipyard is the largest employer in the HMA. The company has 18 berths for the construction and repair of ships on a 150-acre site along 1½ miles of the James River in Newport News. An additional 25 acres have been established at the western end of the yard through land fill and another pier is being built. In addition to the building and repairing of all types of military and civilian surface ships and submarines, the company manufactures hydraulic power equipment, steam turbines, paper mill machinery, marine and special industrial paint, and pressure vessels. While attempts are being made to diversify production, the construction and conversion of ships accounts for about 85 percent of total business.

The company had an order backlog reported to be in excess of \$450 million in June 1966, slightly below the \$510 million reported at the end of 1964. Barring any significant increase or decrease in the order backlog, employment should remain at high levels throughout the forecast period of this report. The shipyard operates an apprentice school for about 500 trainees in 24 shipbuilding trades. With the cooperation of the Federal and State Governments, the company has been recruiting men from the Carolinas and West Virginia. Because of this program, the company has not experienced any depletion of manpower.

The Chesapeake and Ohio Railway. The Chesapeake and Ohio is the second largest private employer in the HMA. Current employment is slightly below the level of a year ago. The major portion of the railroad's business in the HMA is the hauling of bituminous coal from Kentucky, West Virginia, and western Virginia for export and the hauling out of ore and other bulk commodities that are imported. The coal shipments far outweigh the other commodities, but the coal tonnage dropped by about 52 percent from the 1955 total of 18,200,000 tons to 8,800,000 tons in 1962. In addition, the coal handling facilities have become highly automated. One of the two coal loading piers can load four ships at a time, at a rate of 6,000 tons an hour. Unless the efforts to increase the volume of general cargo are effective (e.g., the new \$8 million general cargo pier being built), employment at the railroad will, at best, remain constant during the next three years.

Military Installations. There are six military installations in the HMA with a total of 22,300 military personnel and 7,450 civilian employees. The military personnel total is 1,500 greater than the total reported in the February 1965 market analysis and 3,350 greater than the total in December 1965. The civilian employment total has remained virtually unchanged since February 1965.

Fort Monroe, a continuous fortification since 1609, stands at Old Point Comfort. The present fort was constructed in the early eighteenth century and was named after President Monroe. It is currently the headquarters of the United States Continental Army Command (which commands and supervises the six continental armies) and the Army component of the combined United States Strike Command. The strength at the fort totals 2,150 military (June 1966) and 1,325 civilians (March 1966)--12-year highs.

Fort Eustis is the headquarters of the United States Army Transportation Training Command and the Transportation Research and Engineering Command. Primary missions are the training and furnishing of transportation support units and the testing of new and experimental transportation equipment. Personnel strength at the base totaled 12,450 military in May 1966 and 2,600 civilians in March 1966. The military strength is at an eleven-year high and the civilian employment is at a five-year high. The bulk of the increased military personnel are in training status, and most live in "on base" quarters during their several months of duty at the base.

Langley Air Force Base is the headquarters for the Tactical Air Command. Air Command is near Headquarters Continental Army Command and Headquarters Atlantic Fleet, Norfolk for close cooperation and planning of air, land, and sea operations. In March 1966, there were 7,000 military personnel and 1,450 civilian employees at the base. The current military strength figure represents declines of about 250 from the total in December 1965 and about 1,000 from a twelve-year high, recorded in December 1963. Civilian employment is near the peak levels recorded during the past years.

There are two naval installations in York County; U. S. Naval Weapons Station, the principal supplier and research center for naval ordinance; and the Naval Supply Center, Cheatham Annex, which handles the overflow from the Naval Supply Center in Norfolk and is the Atlantic shipping point of all perishable food items for overseas forces.

The United States Coast Guard Reserve Training Center operates an officer candidate school, a merchant marine safety school, and an active duty training course for reservists. The military strength at these installations currently totals about 700 and the civilian employment totals about 2,075.

In addition to the defense installations, the Federal government operates two nondefense installations in the HMA with a total of 5,275 civil service employees.

National Aeronautics and Space Administration, Langley Research Center, conducts basic research on manned and unmanned flight in space and the atmosphere. Employment at the center has remained near 4,300 for the past several years and is expected to remain near this level throughout the forecast period of this report. NASA conducts a four-year on-the-job apprentice school for about 250 men in various trades required at the center. This program has facilitated the recruiting by NASA and has, along with the program at the shipyard, helped maintain a balance in the market for skilled labor.

Kecoughton Veterans Administration Center maintains a 600-bed medical and surgical hospital and a 1,200-bed domiciliary for veterans. The center currently employs 975 persons.

#### Unemployment

In May 1966, there were 2,250 unemployed persons in the HMA, equal to 2.3 percent of the civilian work force. As may be seen in table I, the number of unemployed persons and the ratio of unemployment have fluctuated in a narrow range since 1960. Even the high total of 3,500 (4.2 percent) reached in 1961 is low relative to the experience in the national economy and in many other metropolitan areas. The continual high levels of government employment and the rise in shipyard employment to 1964, with a steady level since, have kept constant pressure on the supply of labor.

#### Estimated Future Employment

The immediate outlook is for an increased rate of growth of employment, compared to the experience of the past year. The shipyard intends to add about 1,000 employees by January 1967. This will put the total up to 21,000, about where it was a year ago. The Federal government has announced plans to transfer more than 900 jobs from military to civil service status. These transfers have been occurring for about one year, but most of the transfers have yet to be effected. These will probably be completed within another year. In addition, a troop carrier wing, with 800 men, is scheduled to arrive at Langley Air Force Base in September 1966, to replace a similar unit that was transferred this past spring. The transportation training school and the career course at Fort Eustis are expanding to meet the demand for personnel in Viet Nam. As a result, despite the fact that total military strength is at a twelve-year high, the total is expected to rise even higher.

As a result of the expected increases in basic employment (military personnel, employment at the shipyard and other manufacturing industries, and Federal government employment), nonbasic employment (nonmanufacturing, excluding Federal employment, for the most part) should increase at a slightly faster pace than during the past year. The major share of the increase in nonmanufacturing employment should occur in trade, services, and state and local government. Employment in contract construction may decline during the period of tight money, but should increase when the mortgage market becomes balanced. Employment in finance, insurance, and real estate should continue to increase slightly, but in transportation, communications, and utilities there is little likelihood of an increase. Due consideration of all of these factors leads to a projected growth in employment totaling 9,000 jobs over the next three years.

### Income

Estimate of Current Family Income. The current median incomes, after deduction of federal income tax, for all families and for all renter households of two persons or more in the HMA are \$7,100 and \$6,050, respectively. These levels are 30 percent above the 1959 adjusted after-tax medians. By July 1969, the median all family after-tax income should total \$7,550 and the median renter-household after-tax income should reach \$6,425.

The current and projected after-tax median incomes for the two cities and York County are presented in the following table. It may be noted that the median is highest in Hampton and lowest in York County.

Estimated Current Median Family and Household Income  
After Deduction of Federal Income Tax  
Newport News-Hampton, Virginia, HMA  
July 1966 - July 1969

<u>Locality</u>	<u>All families</u>		<u>Renter Households<sup>a/</sup></u>	
	<u>1966</u>	<u>1969</u>	<u>1966</u>	<u>1969</u>
Newport News	\$6,900	\$7,350	\$5,875	\$6,250
Hampton	7,375	7,875	6,275	6,700
York County	6,625	7,050	5,650	6,000

<sup>a/</sup> Two-persons or more.

Source: Estimated by Housing Market Analyst.

## Population

Current Estimate and Past Trend. The population of the Newport News-Hampton HMA currently totals 282,000, an increase of 57,500 (26 percent) over the April 1960 total of 224,500. The average growth of 9,200 a year since 1960 is nearly one-third greater than the average of 6,950 a year between 1950 and 1960, but the annual rate of growth of 3.7<sup>1/</sup> percent was unchanged from the rate in the 1950-1960 period. As may be seen in table IV, the population in Hampton has increased at a more rapid rate since 1960 than during the previous decade, whereas in Newport News and York County the increase has been at a decreasing rate. The Hampton growth rate has been accelerating because of the availability of building sites within close proximity of the downtown, industrial, and military areas of both Newport News and Hampton. The city of Newport News, however, comprises a narrow strip of about 20 miles along the James River, from Hampton Roads past Fort Eustis. Growth has slowed in the city because the bulk of the land near the major places of employment (the eastern half of the city) had been built-up prior to 1960. The growth in York County is in response to industrial development and to the growth of tourism at the Colonial National Historical Park, which extends from Jamestown to Yorktown.

### Population Trends Newport News-Hampton, Virginia, HMA April 1950-July 1969

<u>Year</u>	<u>Population</u>	<u>Average annual change</u> <u>from previous year shown</u>	
		<u>Number</u>	<u>Rate<sup>a/</sup></u>
April 1950	154,977	-	-
April 1960	224,503	6,953	3.7
July 1966	282,000	9,200	3.7
July 1969	311,000	9,675	3.3

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

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

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



Estimated Future Population. The population of the HMA is expected to total 311,000 in July 1969, an average annual increase of 9,675 over the current estimate of 282,000. The projected annual growth will be slightly greater than the average annual growth between April 1960 and July 1966 because of the expected continuing military build-up. Excluding military population in barracks and other non-household population, population growth over the next three years will be slightly below the level of the 1960-1966 period (9,000 a year compared with 9,150). The bulk of the growth is expected to occur in Hampton, where the population should total about 133,900 in July 1969. In Newport News, the population should increase to 142,200 and in York County, the total should reach 34,900.

Net Natural Increase and Migration. Between January 1960 and May 1966, there were 41,100 births and 10,850 deaths in the HMA, resulting in a net natural increase of 30,250 (4,700 a year). The population increased by an average of 9,200 a year, so the net in-migration is calculated to have been 4,500 persons a year, equal to 49 percent of the annual population growth. During the 1950-1960 decade, the average annual population growth of 6,950 resulted from a net natural increase of 4,175 and net in-migration of 2,775 (40 percent of the annual population growth) (see table V).

Military and Military-connected Population. The military population of the HMA (military, military-connected civilians, and their dependents) currently totals about 76,300, including 21,800 military personnel with 21,500 dependents, and 33,000 civilian employees and dependents. Military personnel and their dependents account for 15 percent of the current population of the HMA.

Military and Civilian Components of Population  
Newport News-Hampton, Virginia, HMA  
April 1960-July 1966

<u>Components</u>	<u>April 1960</u>	<u>July 1966</u>	<u>Average annual change 1960-1966</u>	
			<u>Number</u>	<u>Rate<sup>a/</sup></u>
Nonmilitary-connected civilian	152,800	205,700	8,475	4.8
Military-connected civilian <sup>b/</sup>	32,700	33,000	50	.2
Military <sup>c/</sup>	39,000	43,300	690	1.7
Total	224,500	282,000	9,200	3.7

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

b/ Military-connected civilian employees and their families.

c/ Military personnel and their families.

Sources: 1960 Census of Population. Total population for 1966 and components data for all years estimated by Housing Market Analyst.

As shown in the table above, the bulk of the growth since 1960 has consisted of nonmilitary-connected civilians. The military population has increased by a total of 4,300 since 1960 and the military-connected civilian population has remained virtually unchanged. As a result of the changes, the nonmilitary-connected civilian population has increased from 68 percent of the total population in 1960 to 73 percent at present. The military-connected and military population declined by three and two percentage points, respectively, and currently account for 12 percent and 15 percent of the total.

Households

Current Estimate and Past Trend. There are approximately 76,700 households in the HMA at present, about 17,100 more than in April 1960, or an average increase of 2,725 a year, compared with 1,950 a year during the 1950-1960 decade. The average rate of growth since 1960 (4.1 percent) is only slightly above the rate of the previous decade (4.0 percent). It should be noted that the increase in the number of households between 1950 and 1960 reflects, in part, the change in Census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census. This definitional change inflated the increase in the number of households between 1950 and 1960.

Household Trends  
Newport News-Hampton, Virginia, HMA  
April 1950-July 1969

<u>Year</u>	<u>Households</u>	<u>Average annual change from previous year shown</u>	
		<u>Number</u>	<u>Rate<sup>a/</sup></u>
April 1950	40,193	-	-
April 1960	59,610	1,942	4.0
July 1966	76,700	2,725	4.1
July 1969	84,800	2,700	3.4

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

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

As may be seen in table VI, over half of the household growth since 1960 has occurred in the city of Hampton. An average increase of 1,425 households a year since 1960 has boosted the total in Hampton to 32,800 at present. In Newport News, the number of households has increased by an average of 930 a year since 1960; the total is 35,800 at present. The current total of 8,100 households in York County reflects an average increase of 380 a year above the 1960 total of 5,725 households.

Estimated Future Households. Based on the expected increase in the population in households (675 of the 9,675 average annual population increase during the forecast period will consist of military personnel living in group quarters "on base") and a decline in the average household size, the number of households in the HMA is expected to increase by an average of 2,700 a year, and should total 84,800 in July 1969. This projected growth represents a slight reduction from the average growth of 2,725 households a year between April 1960 and July 1966. Of the total households in July 1969, 37,300 will be in Hampton, 38,200 will be in Newport News, and 9,300 will be in York County.

Household Size. The average household in the HMA increased from about 3.50 persons in 1950 to 3.55 persons in 1960. The average size has declined to about 3.51 persons at present, and should decline further, to about 3.49 persons in July 1969. As may be seen in table VI, households are largest in York County and smallest in Hampton.

Military Households. There are about 8,700 military households in the HMA at present, equal to about 11 percent of the HMA total. The current total is about 500 above the number in 1960, despite an increase of about 4,300 military personnel. A large part of the increased military strength consists of trainees at Fort Eustis, who do not generally maintain households in the area because of the short duration of the training assignment. Because the bulk of the expected increase in military personnel will also be in training assignments, it may be assumed that the number of military households will not increase appreciably during the next three years. The number of military-connected civilian households has increased only nominally since 1960, but should increase by several hundred during the forecast period because of the continuing transfer of jobs from military to civilian status.

Military and Civilian Households  
Newport News-Hampton, Virginia, HMA  
April 1960 and July 1966

<u>Components</u>	<u>April</u> <u>1960</u>	<u>July</u> <u>1966</u>	<u>Average annual change</u> <u>1960-1966</u>	
			<u>Number</u>	<u>Rate<sup>a/</sup></u>
Nonmilitary-connected civilian	42,700	59,200	2,650	5.3
Military-connected civilian <sup>b/</sup>	8,700	8,800	15	.2
Military <sup>c/</sup>	8,200	8,700	80	1.0
Total	59,600	76,700	2,750	4.1

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

<sup>b/</sup> Military-connected civilian employees and their families.

<sup>c/</sup> Military personnel and their families.

Sources: 1960 Census of Housing. Total households for 1966 and components data for both years estimated by Housing Market Analyst.

## Housing Market Factors

### Housing Supply

Current Estimate. The housing inventory of the Newport News-Hampton HMA currently totals 81,900 units (see table VII). About 38,000 units (46 percent of the total) are in Newport News, another 35,100 units (43 percent) are in Hampton, and 8,800 units (11 percent) are in York County.

Past Trend. The present inventory is almost 17,450 units larger than the 1960 Census count of 64,450 units. The average increase of 2,800 units a year since 1960 compares with the average of 2,075 a year during the previous decade, when the inventory increased from 43,750 units in 1950 to 64,450 units in 1960. The current housing inventory in Newport News represents an average increase of 970 a year above the 1960 total of 31,950 units. The housing inventory in Hampton increased by an average of 1,425 units a year since 1960 and in York County, the average increase was 390 units a year. As a result of the changes since 1960, the proportion of units in Newport News has declined from 49 percent of the HMA total in 1960 to 46 percent at present; the proportion in Hampton increased from 41 percent to 43 percent, and the proportion in York County increased from 10 percent to 11 percent.

Units in Structure. As may be seen in the following table, the proportion of units in single-family structures has increased from about 77 percent of the total in 1960 to 80 percent at present. The proportion in two-to-four-family structures has declined by about 2.5 percentage points during this period, to about nine percent of the total at present. The number of units in structures containing five or more units has increased by a net of about 1,800 since 1960, but the proportion has declined slightly to a current level of 11 percent of the total. These data indicate that, despite a sharp increase in the construction of multifamily housing, the trend to single-family housing which was evident during the 1950-1960 decade has continued since 1960.

Housing Inventory by Units in Structure  
Newport News-Hampton, Virginia, HMA  
April 1960 and July 1966

<u>Units in structure</u>	<u>April 1960</u>		<u>July 1966</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
One <sup>a/</sup>	49,850	77.3	65,600	80.1
Two to four	7,214	11.2	7,100	8.7
Five or more	<u>7,400</u>	<u>11.5</u>	<u>9,200</u>	<u>11.2</u>
Total	64,464 <sup>b/</sup>	100.0	81,900	100.0

<sup>a/</sup> Includes trailers.

<sup>b/</sup> Differs slightly from the count of all housing units; units by structural size were enumerated on a sample basis in 1960.

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

Year Built. Reflecting the vigorous growth of the economy and the concurrent increases in population and households, the housing supply of the HMA was augmented by 20,200 housing units between April 1960 and July 1966 (nearly 25 percent of the current housing inventory). Twenty-nine percent of the current inventory was added between 1950 and 1960 and another 21 percent was added during the 1940-1950 decade, so that three-fourths of the units in the housing inventory at present are 26 years old or less. Of the remaining 25 percent of the units in the housing inventory, eight percent were built between 1930 and 1940, and slightly more than 17 percent were built prior to 1929.

Distribution of the Housing Supply by Year Built  
Newport News-Hampton, Virginia, HMA  
July 1966

<u>Year built</u>	<u>Number of units</u>	<u>Percentage distribution</u>
April 1960 to June 1966	20,200	24.6
1955 to March 1960	13,500	16.5
1950 - 1954	10,200	12.5
1940 - 1949	17,500	21.3
1930 - 1939	6,200	7.6
1929 or earlier	<u>14,300</u>	<u>17.5</u>
Total	81,900	100.0

<sup>a/</sup> The basic data reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Source: Estimated by Housing Market Analyst.

Condition. The 1960 Census of Housing enumerated a total of about 6,600 substandard housing units (units that were dilapidated or lacked some or all plumbing facilities), equal to about 10 percent of the housing inventory of the HMA. Of the substandard units, 2,225 were owner-occupied (seven percent of owner-occupied units), 3,600 were renter-occupied (14 percent of renter-occupied units), and about 790 were vacant (16 percent of total vacant units). There were 3,050 substandard units in Newport News (10 percent of the inventory in the city), 2,075 in Hampton (eight percent of the inventory), and 1,475 in York County (23 percent of the inventory). Because of the net addition of 20,200 new units and the demolition of a number of old units since 1960, it is estimated that about seven percent of the units in the current housing inventory are substandard.

#### Residential Building Activity

Approximately 21,700 housing units have been authorized by building permits in the HMA since January 1960. Of these, 17,300 units (80 percent) have been single-family units, just 150 units (one percent) have been in two- to four-family structures, and 4,250 units (19 percent) have been in structures containing five or more units (see table VIII). The number of units authorized increased each year between 1960 and 1964, but declined by about 300 between 1964 and 1965 because of a decline in the number of single-family units authorized.

Although units authorized in single-family structures have increased since 1960, the increase in the number of units authorized in multifamily structures has been more pronounced (see table VIII). From a total of 22 units authorized in 1960, the total increased to about 1,275 in 1964 and to nearly 1,300 in 1965. The bulk of the 2,550 multifamily units authorized in 1964 and 1965 came on the market between the summer of 1964 and the summer of 1966.

Approximately 860 single-family units and 600 multifamily units were authorized by building permits in the first six months of 1966. During the comparable period of 1965, about 1,625 single-family units and 600 multifamily units were authorized, indicating a 47 percent reduction in the rate of single-family construction.

About 9,225 units have been authorized in Newport News since 1960, of which 72 percent have been single-family structures. In Hampton, nearly 83 percent of the 9,925 authorized units have been in single-family structures and virtually all (95 percent) of the 2,550 authorized units in York County have been single-family structures. About 58 percent (2,550 units) of the units authorized in multifamily structures have been in Newport News, another 39 percent (1,725 units) have been in Hampton, and only three percent have been in York County, amounting to 140 units, (of which 100 are in a public housing project).

Units Under Construction. Based on the results of the postal vacancy survey, on the records in the Richmond Insuring Office, and on personal observation, it is estimated that there are 1,600 housing units under construction in the HMA at present, of which 700 are single-family units and 900 are multifamily units. There are about 250 single-family units and 450 multifamily units being built in Newport News at present, 375 single-family units and 450 multifamily units in Hampton, and about 75 single-family units are under construction in York County.

Demolitions. Approximately 2,775 housing units have been demolished in the HMA since 1960. The bulk of the demolished units (about 2,450) had been in Newport News and were demolished as a result of urban renewal activity and the clearance of temporary housing units built during World War II. Nearly 1,800 of these temporary units have been removed from the Copeland Park and Ferguson Park projects since 1960. Because of a stepped-up rate of demolition for urban renewal in Newport News and Hampton, and a planned demolition of the 1,150 temporary war housing units in Newsome Park, it is anticipated that 2,000 housing units will be removed from the housing inventory of the HMA during the next three years.

#### Tenure of Occupancy

At present, nearly 63 percent of the occupied housing units in the HMA are owner-occupied. This proportion represents a substantial increase above the 1960 level of 55 percent, which, in turn, was substantially above the 1950 level of 47 percent. The increase between 1950 and 1960 was typical of most metropolitan areas throughout the country, but the continued increase since 1960 contrasts with the trend to apartment living that became quite evident in most areas during the past several years. The availability of land in close proximity to employment centers throughout the HMA has been the prime reason for the continued increase in single-family development. Many of the rental units built since 1960 have been occupied by renter families that were displaced as a result of urban renewal activity and the clearance of temporary housing units. Because of a decline in the amount of available land in close-in areas, a concomitant increase in its cost, and an anticipated increase in the cost of residential construction, it is estimated that the shift to owner-occupancy will moderate somewhat during the next three years.

#### Vacancy

1960 Census. There were nearly 3,600 vacant available housing units in the HMA in April 1960, equal to 5.7 percent of the total housing inventory ("other" vacancies excluded). Vacant units available for sale accounted for 3.0 percent of the sales inventory and vacant units available for rent accounted for 8.8 percent of the rental inventory. Sales vacancies were greatest in Hampton, resulting in a vacancy ratio



(4.5 percent) which was higher than in Newport News (1.8 percent) and York County (1.5 percent). The number of vacant units available for rent was greater in Newport News, but the ratio (7.6 percent) was lower than the ratio in the other two areas (10.0 percent in Hampton and 12.9 percent in York County). Only 25 sales vacancies and 300 rental vacancies lacked some or all plumbing facilities in 1960.

The table below shows a breakdown of vacant units available for rent by units in structure. The vacancies were lower in structures containing two to ten units, somewhat higher in single-family structures, and considerably higher in the larger structures containing ten or more units. The relatively high vacancy level in single-family structures is contrary to the experience in most metropolitan areas in 1960. It should be noted, however, that nearly 54 percent of the renter-occupied units in 1960 were in single-family structures, many of which were probably old units that had been shifted from owner to renter status. Many of the structures containing two to ten units were in FHA-insured Section 608 projects that were relatively new in 1960 and were probably the most desirable rental accommodations at that time.

Rental Vacancies by Units in Structure  
Newport News-Hampton, Virginia, HMA  
April 1960

<u>Units in structure</u>	<u>Number of occupied units</u>	<u>Vacant units</u>	
		<u>Number</u>	<u>Percent</u>
One <u>a/</u>	14,307	1,324	8.5
Two to four	5,860	491	7.7
Five to nine	3,389	253	6.9
Ten or more	<u>3,006</u>	<u>525</u>	14.9
Total	26,562	2,593	8.9

a/ Includes trailers.

Note: Information on the rental inventory and vacancy by type of structure was enumerated on a sample basis in the 1960 Census of Housing. The over-all rental vacancy rate shown differs slightly from the rate that is based on the count of all rental housing units and all rental vacancies.

Source: 1960 Census of Housing.

Postal Vacancy Survey. A postal vacancy survey was conducted by the Newport News and Hampton post offices in mid-July 1966. The survey covered a total of 69,850 units (85 percent of the current housing inventory), of which 3,475, or 5.0 percent, were vacant (see table IX). Nearly 2,300 vacant residences were enumerated (3.8 percent of total residences) and 1,175 vacant apartments were noted (12.3 percent of total apartments). A similar postal vacancy survey was conducted in

February 1964 (see table below for the results of the two surveys). The table shows that the vacancy ratios increased in all categories and in both cities between the dates of the two surveys. The largest increases occurred in vacant apartments and in all three categories in Hampton. These increases reflect, in part, the number of rental units that have been built in the past two years and the loss of 400 military households in the past year.

Post Office Vacancy Survey Results  
Newport News-Hampton, Virginia, HMA  
February 1964 and July 1966

<u>Postal area</u>	<u>Percent vacant</u>					
	<u>Total</u>		<u>Residences</u>		<u>Apartments</u>	
	<u>1964</u>	<u>1966</u>	<u>1964</u>	<u>1966</u>	<u>1964</u>	<u>1966</u>
Newport News	2.9	4.7	2.3	3.4	5.9	12.4
Hampton	2.8	5.3	2.5	4.2	5.0	12.2
Area total	2.9	5.0	2.4	3.8	5.6	12.3

Sources: Postal Vacancy Surveys.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses, and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, the survey serves a valuable function in the derivation of estimates of local market conditions.

Other Vacancy Data. The Richmond Insuring Office conducts a rental housing occupancy survey of FHA-insured projects as of March 15 of each year. The vacancy ratio in the 15 projects surveyed increased between 1964 and 1965 (0.5 to 2.0 percent) and more substantially between 1965 and 1966 (up to 14.6 percent). The vacancy ratio has increased slightly since March 1966, to a current ratio of 16.5 percent. The loss of several hundred military households and the increased competition from the 2,550 rental units built since 1964 were instrumental in the sharp rise since 1965.

The Richmond Insuring Office also conducted a survey on April 15, 1966, to determine the absorption of units in rental projects that had been

completed for 18 months or less. The survey covered a total of 2,450 units in 23 projects. There were 505 vacant units enumerated, representing nearly 21 percent of the total units surveyed. Of 17 projects in Newport News with 1,450 units, 225 were vacant (a ratio of nearly 16 percent). In Hampton, there were 275 vacancies in 1,000 units, nearly 28 percent of the total.

Current Estimate. Based on the results of the postal vacancy survey and other available data, there are an estimated 4,000 vacant units available for sale or rent in the HMA at present, a vacancy ratio of 5.0 percent (see table below and table VII). Of the total, 1,000 vacant units are available for sale (a sales vacancy ratio of 2.0 percent) and 3,000 vacant units are available for rent (a rental vacancy ratio of 9.4 percent). Sales vacancies have declined and rental vacancies have increased since 1960, resulting in an increase in available vacancies; the ratio of available vacancies, however, declined from 5.7 percent in 1960 to the current ratio of 5.0 percent.

Vacant Housing Units  
Newport News-Hampton, Virginia, HMA  
April 1960 and July 1966

<u>Housing units</u>	<u>April 1960</u>	<u>July 1966</u>
Total housing units	<u>64,472</u>	<u>81,900</u>
Total vacant units	<u>4,862</u>	<u>5,200</u>
Available vacant units	<u>3,588</u>	<u>4,000</u>
For sale only	1,015	1,000
Vacancy rate	3.0%	2.0%
For rent only	2,573	3,000
Vacancy rate	8.8%	9.4%
Other vacant units	1,274	1,200

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

As may be seen in table VII, the number of available vacancies has increased in the three submarkets since 1960, but the vacancy ratio has declined in Hampton and York County (the ratio remained at 4.8 percent in Newport News). The number of vacant units available for sale increased in Newport News and York County, but decreased in Hampton, and the number of vacant units available for rent increased in Newport News and Hampton but declined in York County.

## Sales Market

General Market Conditions. The sales market, with a current vacancy ratio of 2.0 percent, is in a better competitive position than in 1960, when the ratio was 3.0 percent, but slightly weaker than in February 1965, when the ratio was 1.5 percent. The fluctuations are due, in part, to the changes in military strength and shipyard employment which were at near record levels in February 1965. The number of military personnel and the employment at the shipyard began to decline later in the year. The number of military personnel (but not households) has since surpassed the February 1965 level; however, shipyard employment is still below the level of a year and a half ago.

These are not the only reasons for the softening in the sales market. There are indications that both the sales and rental markets were becoming overbuilt and in need of correction. The tight mortgage market, with the concomitant higher interest rates and more stringent credit requirements (excluding a number of prospective home buyers from the market) has added to the softening effect.

The markets in the Denbigh section of Newport News (near Fort Eustis) and in the areas of Hampton, near Fort Monroe and Langley Air Force Base, seem to have experienced the greatest softening. With the current build-up of military strength, however, sales of single-family homes in these areas, and in the HMA in general, are increasing. There is a consensus among local realtors, builders, and mortgage lenders that the sales activity has increased during the past two months.

The major subdivision activity has been occurring in the areas that experienced the greatest softening: the Denbigh section of Newport News and the west and northwest sections of Hampton. These, and most of York County, are the areas of the HMA with sufficient available land for subdividing. The subdivisions offering low and medium-priced houses appear to be scattered throughout the HMA, but the subdivisions with higher-priced homes tend to be concentrated in the northwest section of Hampton and the west section of Newport News.

The great majority of single-family houses are built speculatively. The results of the unsold inventory surveys show speculative building as representing 68 percent of total building in subdivisions with five or more completions in 1963, 75 percent in 1964, and 92 percent in 1965. Military personnel generally serve a three-year tour of duty in the HMA, and those that intend to buy new houses wish to do so immediately upon arrival in the HMA. Therefore, builders and developers maintain an inventory of completed houses in order to meet this demand. Another reason for the increase in speculative building is the confidence that builders and developers have gained during the past five years of continual strong demand for new housing. At present, the amount of speculative building seems to vary according to price

and location. Speculative building has declined appreciably since the downturn which began about a year ago, and it seems plausible to assume that the proportion will not reach the heights established in 1965 for some time.

Because of the high proportion of speculative building in the past and the sharp drop in demand in the first six months of this year, it is estimated that at least one-half of the 1,000 vacant units available for sale are new and have never been occupied. About one-third of these are in the Denbigh section, another one-third are in the west and northwest sections of Hampton, and the rest are scattered throughout the rest of the HMA. The older vacant units are concentrated in the long established areas of the two cities. With the decline in new construction, it appears that vacancies will decline to a balanced condition in both the new and existing markets within the next six months.

Sales prices of new houses have been increasing because of increased costs of production (land, labor, materials, etc.) and increased amenities offered. The median sales price of new houses built in subdivisions with five or more completions in 1963 was \$15,800. The median increased by \$1,800 (11 percent) to \$17,600 in 1964 and by another \$700 (four percent) to \$18,300 in 1965. A number of knowledgeable individuals in the HMA expect a general increase of about five percent in the price of new sales housing during the next year (excluding the cost of increased amenities). Several reasons cited for the increase were the initiation of a sales tax in the summer of 1966, an increase of five to ten percent in the cost of materials, and a continuing increase in the cost of land. In addition to these, the cost to the buyer will be higher because of mortgage market conditions.

Unsold Inventory of New Houses. In January 1964, 1965, and 1966, the Richmond Insuring Office conducted surveys of all subdivisions in the HMA in which five or more houses were completed during the previous year (see table X for the results of the last two surveys). The results of the surveys show that the sales price increased with each succeeding survey, as did the amount of speculative building, the proportion of speculatively-built houses that remained unsold at the end of the year, and the median sales price of unsold speculatively-built houses. In addition, the length of time that the houses remained unsold increased in 1965 after a slight shortening of the time in 1964. The changes were slight between the January 1964 and January 1965 surveys, but were a bit more pronounced in the January 1966 survey. Despite the general loosening in the market in the last half of 1965, only 25 percent of the speculatively-built houses were unsold at the end of the year and 84 percent of these had been completed for only three months or less. These proportions do not deviate greatly from the results of similar surveys of other metropolitan areas. Therefore, although the sales market in the HMA has weakened during the past year, it appears that the softening has not been severe.

## Rental Market

General Market Conditions. The market for rental housing in the Newport News-Hampton HMA has weakened considerably since early 1965. The softening resulted from a reduction of military personnel and a decline in employment at the shipyard at about the time that 1,500 units of new rental housing came on the market. The market in Hampton experienced the greatest softening, but the market in Newport News has also softened considerably.

Although the over-all market was inundated with excess vacancies in the early part of 1966, the occupancy in relatively new garden apartments is reported to have increased since March 1966. The increased occupancy stems not only from the increase in military personnel and the continuing increase in civilian employment but from the offering of rent concessions. The typical concession consists of one month free rent for each year of a new lease and one month free rent to a current tenant that introduces a prospective tenant to the project management. Although both old and new projects are offering concessions, the new projects contain many amenities that are not generally available in the old projects (air conditioning, swimming pools, balconies, more spacious units, etc.). Occupancy in the new projects increased from about 84 percent in April 1966 to 93 percent at present while occupancy in the older projects declined from 85 percent to about 83 percent during this four-month period. The managements of several projects have initiated rehabilitation and modernization programs as a result of the declines in occupancy. The added amenities should enhance the marketability of these projects and may counter, to some extent, the competition from the newer projects.

Since occupancy in the newer projects (93 percent) is fairly satisfactory, it is assumed that the bulk of the excess vacancies are in the older rental units. Many of the rental vacancies are in old single-family and two- to four-family structures. Although most of these units contain all plumbing facilities and are not dilapidated, many are not competitive with the new garden-type projects.

## Urban Renewal Activity

There are eight urban renewal projects in the Newport News-Hampton HMA; two in Newport News have been completed, one in Newport News and three in Hampton are in the execution stage, and one in each city is in the planning stage. To date, nearly 600 families have been relocated and 775 housing units have been demolished. Another 455 families will be relocated and 1,025 units will be demolished during the three-year forecast period of this report. The four urban renewal projects in Newport News are discussed on the following page by a discussion of the four projects in Hampton.

Project No. 1 (U3-1), in downtown Newport News, was completed in May 1965. A total of 325 families were relocated and about 460 housing units were demolished. The 45-acre site was developed for commercial, industrial, and public uses.

North End (R-17), lying adjacent to the Newport News Shipbuilding and Dry Dock Company in Newport News, was completed in June 1963. Nearly 150 families were relocated and 185 housing units were demolished. The 20-acre site has been re-used for industrial and public purposes.

Downtown No. 2 (R-31) entered the execution stage in June 1964 and to date, the 65 families have been relocated and the 75 housing units in the area have been demolished. The 5.5-acre site is located about ten blocks east of the North End project, and is bounded by 30th and 33rd Streets and West and Washington Avenues. About 60 percent of the land has been sold and 40 percent of the redevelopment has been completed.

A fourth project in Newport News, R-47, is in the planning stage and will probably enter the execution stage in about one year. The project site is to the east of Downtown No. 2 and is bounded by 23rd and 28th Streets and Washington and Huntington Avenues. There are about 40 families and 120 housing units in the area at present; virtually all of the units are substandard. The area will be developed for commercial re-uses, for the most part.

In Hampton, the Bridge Street Project (R-13) is in the execution stage. About 35 families have been relocated and 50 housing units have been demolished in the eight-acre project site. The area, which is in downtown Hampton, will be devoted to offices, stores, and public re-uses.

Phoebus (R-30), bordering the Kecoughton Veterans Administration Center and the National Cemetery in southeastern Hampton, entered the execution stage in February 1966. To date, 20 of the 105 families in the area have been relocated, but none of the 160 residential units has been demolished. Relocation is scheduled to be completed in June 1967 and demolition should be completed about six months later. About five acres will be re-used for commercial purposes and 20 acres will be developed with 200 to 250 rental units.

Buckroe Beach (R-34), on the Chesapeake Bay between Pembroke and Pilot Avenues, entered the execution stage in April 1966. About 60 families are to be displaced and 270 housing units (mostly summer cottages) will be demolished within two years. The area will be developed for commercial and public uses, oriented to resort-type activities.

The Old Hampton Redevelopment Project (R-41) encompasses 120 acres of downtown Hampton. Plans call for clearance and conservation; the project enters the execution stage in September 1966. Nearly 270 families are slated to be displaced and over 475 housing units will be demolished over a three-year period. Proposed re-use calls for 300 units of middle-income housing and 200 units of luxury rental housing on 30 acres. The remaining 90 acres will be devoted to commercial and public uses.

#### Military Housing

According to the latest military surveys, there were nearly 8,700 military families living in the HMA. About 2,800 of these families lived in military-controlled quarters and more than 800 additional families were on the waiting lists for future vacancies in this housing. Of the 5,900 families living in private housing, about 1,575 were classified as unsuitably housed because their accommodations were substandard or too small or too expensive for the individual families.

#### Public Housing

Newport News and Hampton Housing Authorities. There are 1,700 units of public housing under management in six projects in Newport News. There is a 100-unit project being constructed in Hampton, which will be completed in December 1966. In addition, 300 units (100 units of which are designed for occupancy by elderly households) are under annual contribution contracts (construction will begin in about 12 months) and 200 units are in the planning stage in Hampton.

Regional Redevelopment and Housing Authority. Established in July 1955 by a joint agreement between the cities of Newport News and Hampton, the Regional Housing Authority bought 9,400 units of temporary war housing that were located in the two cities. The authority has the responsibility to manage and maintain the units, to retire them in an orderly manner when units for rehousing the families become available, and to develop the land in the best interests of the two cities.

The authority has relocated the families from the 65-acre Ferguson Park project and is presently demolishing the last of the 1,200 units. In Newsome Park, about 3,950 units have been demolished and the remaining 1,150 units are scheduled to be removed within the next two years. Some of the tenants in the 1,150 units are expected to move to moderate rental projects. Only 500 of the original 3,100 units in Copeland Park remain. These units, which will be the last to be demolished, will be removed within five years. The land in Copeland Park has been re-used by the Copeland Industrial Park.



## Demand for Housing

### Quantitative Demand

Demand for new housing during the three-year forecast period, July 1966 to July 1969, is based on an increase of 2,700 a year in the number of households and the anticipated demolition of 675 housing units a year. To these basic factors, adjustments are made for expected changes in the tenure of occupancy and the probability that some part of the demand for rental units will be supplied by single-family houses. Consideration is also given to the substantial number of rental vacancies and to the current volume of residential construction. Based on these considerations there will be a demand for about 2,500 units of new single-family sales housing during each of the next three years. Demand for new multifamily rental housing during the short term future will be satisfied from the existing stock of vacancies or from the large number of units now under construction.

The projected demand for single-family housing is slightly below the average annual volume of single-family units authorized since 1960 (2,675 units). The bulk of the demand will occur in the city of Hampton. Most of the available land for subdividing in "close-in" locations is in the northwest and west sections of the city.

The level of rental vacancies in the area and the reported prevalence of rent concessions in leases in both new and existing projects indicates that there is an ample supply of rental housing in the area. There are four large rental projects under construction, including 200 units at Langley Air Force Base, which will satisfy a substantial part of the need for new rental housing in the immediate future.

In view of the rate of population and household growth expected, however, it may be assumed that a substantial reduction in the rate at which new multifamily units are produced would have the effect of restoring market balance, to the point that additional new construction might be considered later in the forecast period. Construction of as many as 400 to 500 additional units a year at the rents required by current construction costs, including financing at market interest rates might be considered at that time, depending on market developments.

The over-all vacancy rate in apartments is estimated at about 12 percent. The vacancy level in the older FHA projects insured under section 608 of the National Housing Act is reported to be 18 percent. The latter include units which have rents comparable to those in new moderate rental multifamily housing. Under the circumstances, it seems inappropriate to undertake additional new multifamily construction until the supply of acceptable vacancies in the existing inventory is more effectively utilized. When the present market imbalances

are alleviated, construction of up to 200 units a year at the lower rents associated with below-market-interest-rate financing could be considered. These observations should not be taken to mean that there is no present demand for low-rent public housing or rent-supplement accommodations.

#### Qualitative Demand

Sales Housing. Based on the current distribution of families by income, the proportion of income that families typically pay for housing expense, recent market experience, and the assumption that new housing cannot be provided in the Newport News-Hampton HMA to sell for below \$12,000, the total annual demand for 2,500 units of new sales housing is expected to approximate the distributions shown in the table below.

Estimated Annual Demand for New Single-family Housing  
Newport News-Hampton, Virginia, HMA  
July 1966-July 1969

<u>Sales price</u>	<u>Number</u>	<u>Percent</u>
\$12,000 - \$13,999	375	15
14,000 - 15,999	350	14
16,000 - 17,999	325	13
18,000 - 19,999	325	13
20,000 - 24,999	675	27
25,000 - 29,999	325	13
30,000 and over	<u>125</u>	<u>5</u>
Total	2,500	100

The foregoing distribution differs from that in table X , which reflects only selected subdivision experience during the years 1964 and 1965. **It must be noted that the 1964 and 1965 data do not include new construction.** in subdivisions with less than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower-value homes, are concentrated in the smaller building operations which are quite numerous. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Table I

Trend of Civilian Work Force Components  
Newport News-Hampton, Virginia, HMA  
Annual Averages 1960-1965  
(in thousands)

<u>Components</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u> <sup>a/</sup>	<u>Comparable months<sup>a/</sup></u>	
							<u>May 1965</u>	<u>May 1966</u>
Civilian work force	<u>78.8</u>	<u>83.1</u>	<u>87.3</u>	<u>89.2</u>	<u>93.8</u>	<u>95.7</u>	<u>95.7</u>	<u>97.6</u>
Unemployed	3.4	3.5	2.9	2.8	2.7	2.5	2.4	2.3
Percent of work force	4.3%	4.2%	3.3%	3.1%	2.9%	2.6%	2.5%	2.3%
Employment	<u>75.4</u>	<u>79.6</u>	<u>84.4</u>	<u>86.4</u>	<u>91.1</u>	<u>93.2</u>	<u>93.3</u>	<u>95.3</u>
Nonag. wage and salary emp.	65.6	69.1	73.7	75.8	80.0	82.4	81.8	84.5
All other employment <sup>b/</sup>	9.8	10.5	10.7	10.6	11.1	10.8	11.5	10.8

<sup>a/</sup> Preliminary.

<sup>b/</sup> Includes self-employed, unpaid family, domestic, and agricultural workers.

Source: Virginia Employment Commission.

Table II

Nonagricultural Wage and Salary Employment by Industry  
Newport News-Hampton, Virginia, HMA  
Annual Averages 1960-1965  
(in thousands)

<u>Industry</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>Comparable months<sup>a/</sup></u>	
							<u>May 1965</u>	<u>May 1966</u>
Total wage and salary employment	<u>65.6</u>	<u>69.1</u>	<u>73.7</u>	<u>75.8</u>	<u>80.0</u>	<u>82.4</u>	<u>81.8</u>	<u>84.5</u>
Manufacturing	<u>21.0</u>	<u>23.3</u>	<u>25.2</u>	<u>24.6</u>	<u>26.0</u>	<u>25.6</u>	<u>25.4</u>	<u>24.8</u>
Food and kindred products	1.6	1.6	1.6	1.6	1.5	1.6	1.6	1.5
Textiles & apparels	.5	.5	.4	.5	.5	.5	.5	.6
Printing & publishing	.7	.7	.8	.8	.9	.9	.9	.9
Stone, clay & glass	.3	.4	.4	.4	.4	.4	.4	.5
Trans. equipment	16.1	18.3	19.9	19.1	20.3	19.7	19.6	18.9
Other manufacturing <sup>b/</sup>	1.8	1.8	2.1	2.2	2.4	2.5	2.4	2.4
Nonmanufacturing	<u>44.6</u>	<u>45.8</u>	<u>48.6</u>	<u>51.2</u>	<u>54.0</u>	<u>56.8</u>	<u>56.4</u>	<u>59.7</u>
Contract construction	3.9	3.9	4.2	4.5	5.1	5.6	5.4	5.8
Trans., comm., & utilities	3.5	3.5	3.7	4.0	4.0	3.9	4.0	4.0
Trade	10.5	10.7	11.5	12.1	12.8	13.5	13.4	14.2
Finance, ins., & real estate	1.7	1.9	2.1	2.3	2.3	2.4	2.4	2.5
Services & mining	6.5	6.5	7.0	7.8	8.3	8.8	8.7	9.0
Government	<u>18.5</u>	<u>19.3</u>	<u>20.0</u>	<u>20.6</u>	<u>21.5</u>	<u>22.6</u>	<u>22.5</u>	<u>24.2</u>
Federal	13.8	14.5	14.6	15.0	15.3	15.7	15.5	16.6
State and local	4.7	4.8	5.3	5.6	6.2	6.9	7.0	7.6

<sup>a/</sup> Preliminary.

<sup>b/</sup> Includes tobacco, lumber, paper, petroleum refining, electrical machinery, primary metals, and miscellaneous manufacturing.

Note: Subtotals may not add to total because of rounding.

Source: Virginia Employment Commission.

Table III

Estimated Percentage Distribution of Families and Households by Annual Income  
after Deduction of Federal Income Tax  
Newport News-Hampton, Virginia, HMA  
July 1966 and July 1969

Annual income after tax	Percent distribution			
	All family		Renter household <sup>a/</sup>	
	1966	1969	1966	1969
Under \$3,000	12	11	16	15
3,000 - 3,999	8	7	11	10
4,000 - 4,999	10	9	12	11
5,000 - 5,999	9	9	10	10
6,000 - 6,999	10	9	12	10
7,000 - 7,999	10	9	11	11
8,000 - 8,999	8	9	7	8
9,000 - 9,999	8	8	5	6
10,000 - 12,499	11	12	7	9
12,500 - 14,999	5	7	5	5
15,000 - 19,999	6	6	2	3
20,000 and over	3	4	2	2
Total	100	100	100	100
Median	\$7,100	\$7,550	\$6,050	\$6,425

<sup>a/</sup> Two persons or more.

Source: Estimated by Housing Market Analyst.

Table IV

Population Trends  
Newport News-Hampton, Virginia, HMA  
April 1950-July 1966

<u>Area</u>	<u>April 1950</u>	<u>April 1960</u>	<u>July 1966</u>	<u>Average Annual Change</u>			
				<u>1950-1960</u>		<u>1960-1966</u>	
				<u>Number</u>	<u>Rate a/</u>	<u>Number</u>	<u>b/ Rate a/</u>
HMA, total	<u>154,977</u>	<u>224,503</u>	<u>282,000</u>	<u>6,953</u>	<u>3.7</u>	<u>9,200</u>	<u>3.7</u>
Newport News	82,233	113,662	132,900	3,143	3.2	3,075	2.6
Hampton	60,994	89,258	118,600	2,827	3.8	4,700	4.6
York County	11,750	21,583	30,500	983	6.1	1,425	5.6

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

b/ Totals may not add, because of rounding.

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

Table v

Net Natural Increase and Net Migration  
Newport News-Hampton, Virginia, HMA  
January 1950-May 1966

<u>Area</u>	<u>Average annual change, 1950-1960</u>			<u>Average annual change, 1960-1966</u>		
	<u>Population</u>	<u>Net natural increase</u>	<u>Net migration</u>	<u>Population</u>	<u>Net natural increase</u>	<u>Net migration</u>
HMA total	<u>6,953</u>	<u>4,183</u>	<u>2,770</u>	<u>9,200</u>	<u>4,700</u>	<u>4,500</u>
Newport News	3,143	2,021	1,122	3,075	2,250	825
Hampton	2,827	1,812	1,015	4,700	2,050	2,650
York County	983	350	633	1,425	400	1,025

Source: Virginia Department of Health.  
 1950 and 1960 Censuses of Population.  
 Estimates by Housing Market Analyst.

Table VI

Households and Household Size Trends  
Newport News-Hampton, Virginia, HMA  
April 1950-July 1966

<u>Area</u>	<u>April 1950</u>	<u>April 1960</u>	<u>July 1966</u>	<u>Average annual change</u>						<u>Average household size</u>	
				<u>1950 -1960</u>			<u>1960 - 1966</u>			<u>1960</u>	<u>1966</u>
				<u>Number</u>	<u>Rate</u>	<u>a/</u>	<u>Number</u>	<u>b/</u>	<u>Rate</u>		
HMA, total	<u>40,193</u>	<u>59,610</u>	<u>76,700</u>	<u>1,942</u>	<u>4.0</u>		<u>2,725</u>		<u>4.1</u>	<u>3.55</u>	<u>3.50</u>
Newport News	21,478	29,969	35,800	849	3.4		930		2.9	3.56	3.51
Hampton	15,673	23,917	32,800	825	4.3		1,425		5.1	3.50	3.45
York County	3,042	5,724	8,100	268	6.4		380		5.6	3.67	3.67

a/ Derived through a formula designed to calculate the rate of change on a compound basis.  
b/ Totals may not add, because of rounding.

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



Table VII

The Housing Inventory by Occupancy and Tenure a/  
Newport News-Hampton, Virginia, HMA  
April 1950-July 1966

Area and year		Housing inventory total	Occupied housing units			Vacant units				Other vacant
			Total	Owner	Renter	Total	Available			
						Total	Total	Sale	Rent	
HMA, total:	April 1950	43,738	40,193	18,755	21,438	3,545	2,107	219	1,888	1,438
	April 1960	64,472	59,610	33,031	26,579	4,862	3,588	1,015	2,573	1,274
	July 1966	81,900	76,700	47,900	28,800	5,200	4,000	1,000	3,000	1,200
Average annual change:	50-60	2,073	1,942	1,428	514	132	148	80	69	- 16
	60-66	2,800	2,725	2,375	360	55	65	-	70	- 10
Newport News:	April 1950	22,964	21,478	8,708	12,770	1,486	879	80	799	607
	April 1960	31,946	29,969	14,623	15,346	1,977	1,523	267	1,256	454
	July 1966	38,000	35,800	19,800	16,000	2,200	1,800	300	1,500	400
Average annual change:	50-60	898	849	592	258	49	64	19	46	- 15
	60-66	970	930	830	100	35	45	5	40	- 10
Hampton:	April 1950	17,402	15,673	7,958	7,715	1,729	1,151	125	1,026	578
	April 1960	26,193	23,917	14,494	9,423	2,276	1,738	688	1,050	538
	July 1966	35,100	32,800	22,050	10,750	2,300	1,800	550	1,250	500
Average annual change:	50-60	879	824	654	171	55	59	56	2	- 4
	60-66	1,425	1,425	1,200	210	5	10	- 20	30	- 5
York County:	April 1950	3,372	3,042	2,089	953	330	77	14	63	253
	April 1960	6,333	5,724	3,914	1,810	609	327	60	267	282
	July 1966	8,800	8,100	6,050	2,050	700	400	150	250	300
Average annual change:	50-60	296	268	183	86	28	25	5	20	3
	60-66	390	380	340	40	15	10	15	- 5	5

a/ Numbers may not add, because of rounding.  
Source: 1950 and 1960 Censuses of Housing.  
1966 estimated by Housing Market Analyst.

Table VIII

Housing Units Authorized by Building Permits  
by Location and Size of Structure  
Newport News-Hampton, Virginia, HMA  
January 1960-June 1966

<u>Area and year</u>	<u>One family</u>	<u>Two to four family</u>	<u>Five or more family</u>	<u>Total</u>
Newport News				
1960	958	-	-	958
1961	996	-	32	P 1,028
1962	928	-	342	1,270
1963	1,209	-	149	1,358
1964	1,204	-	727	1,931
1965	1,099	-	837	1,936
1966 (Jan.-June)	296	-	454	750
Hampton				
1960	915	22	-	937
1961	1,275	6	-	1,281
1962	1,302	13	176	1,491
1963	1,335	4	406	1,745
1964	1,538	10	533	2,081
1965	1,393	-	412	1,805
1966 (Jan.-June)	433	2	144	P 579
York County				
1960	309	-	-	309
1961	347	-	-	347
1962	347	-	-	347
1963	456	100	-	P 556
1964	455	-	-	455
1965	375	-	40	415
1966 (Jan.-June)	133	-	-	133
SMSA, total				
1960	2,182	22	-	2,204
1961	2,618	6	32	P 2,656
1962	2,577	13	518	3,108
1963	3,000	104	555	P 3,659
1964	3,197	10	1,260	4,467
1965	2,867	-	1,289	4,156
1966 (Jan.-June)	862	2	598	P 1,462

P Public housing - 223 units in Newport News in 1961, 100 units in York County in 1963, and 100 units in Hampton in 1966.

Source: Bureau of Census, C-40 Construction Reports.  
 Local building inspectors.

Table IX

**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:																					
Poquoson	1,533	60	3.9	54	6	20	1,518	57	3.8	51	6	20	15	3	20.0	3	-	-	70	-	-
Stations:																					
Buckroe 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	-	-
Phoebus	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).

Table X

Completed Unsold Houses by Sales Price Class  
Newport News-Hampton, Virginia, HMA  
as of January 1965 and January 1966

<u>Sales price</u>	<u>Houses completed</u>			<u>Speculative houses</u>			
	<u>Number</u>	<u>Percent</u>	<u>Presold</u>	<u>Total</u>	<u>Number</u>	<u>Unsold</u>	
					<u>sold</u>	<u>Number</u>	<u>Percent</u>
<u>January 1965</u>							
\$12,500 - 14,999	546	25	179	367	332	35	10
15,000 - 17,499	519	24	139	380	328	52	14
17,500 - 19,999	663	31	119	544	493	51	9
20,000 - 24,999	300	14	75	225	180	45	20
25,000 - 29,999	106	5	20	86	61	25	29
30,000 - 34,999	8)	1	5	3	3	-	-
35,000 and over	4)		4	-	-	-	-
Total	2,146	100	541	1,605	1,397	208	13
<u>January 1966</u>							
\$10,000 - 12,499	1	-	-	1	-	1	100
12,500 - 14,999	456	22	72	384	323	61	16
15,000 - 17,499	412	20	9	403	276	127	32
17,500 - 19,999	522	25	28	494	349	145	29
20,000 - 24,999	527	25	44	483	363	120	25
25,000 - 29,999	119	6	12	107	90	17	16
30,000 - 34,999	43	2	8	35	25	10	29
35,000 and over	3	-	-	3	3	-	-
Total	2,083	100	173	1,910	1,429	481	25

Source: Annual survey of unsold inventory of new houses conducted by the Richmond Insuring Office.