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Analysis of the
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**NEWPORT, RHODE ISLAND
HOUSING MARKET**

as of May 1, 1971

**DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

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

September 1971

FHA Housing Market Analysis
Newport, Rhode Island, as of May 1, 1971

Foreword

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

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

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

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

FHA HOUSING MARKET ANALYSIS - NEWPORT, RHODE ISLAND
AS OF MAY 1, 1971

The Newport, Rhode Island, Housing Market Area (HMA) is defined as Aquidneck Island, on which are located the towns of Middletown and Portsmouth and the city of Newport. The HMA is located about 20 miles south of Providence and is bordered in the west by Narragansett Bay, on the east by the Sakonnet River and on the south by Rhode Island Sound. The estimated May 1, 1971 population of the HMA was 77,800 persons, of whom approximately 50 percent were military personnel and their dependents, and 13 percent were civilian employees at the Newport Naval Complex and their dependents.

Although manufacturing employment has risen markedly since 1960, the major economic features of the HMA continue to be civilian employment at the Newport Naval Complex and tourist-oriented activities. The single-family sales market has remained strong since 1960, with a noticeable tightening during the past three years as single-family construction has declined. The rental market has improved considerably since 1960. The loss of a number of marginal units from the inventory, combined with strengthened demand and a lack of sizeable multi-family building activity, has produced a significant decline in vacancies. Household growth during the forecast period is expected to approximate the annual average from 1960 to 1970. The annual demand for nonsubsidized housing units, however, is expected to be considerably above the annual average volume of housing built during the 1960-1971 period, because vacancy levels are too low for any substantial part of the demand to be met from the existing housing stock.

Anticipated Housing Demand

It is anticipated that there will be an annual demand for 385 units of unsubsidized housing during the two-year forecast period, including 235 single-family houses and 150 multifamily units. This estimate of demand has taken into account economic and demographic changes which are expected to occur in

the HMA during the forecast period. It also has taken into consideration current housing market conditions, expected losses to the current housing inventory, current levels of construction, and vacancies.

The expected demand for new housing units during the next two years is above the level of nonsubsidized housing constructed in the HMA in most years of the 1960 to 1970 period. While the anticipated annual demand for single-family sales houses is only slightly higher than the average annual number built and absorbed from 1960 to 1968 (235 compared to 210), the expected annual demand for apartment units (150 annually) is considerably above the annual average number built between 1960 and 1970. The low level of multifamily construction during the past decade has resulted in very low renter vacancy rates in the HMA. The excellent absorption of new apartments in the HMA in the past suggests that an increased number of multifamily units could be absorbed.

As shown in table I, nearly 50 percent of the demand for sales housing during the next two years will occur in the under \$30,000 price range, with nearly three-quarters of the demand being for units priced at \$35,000 or less. The majority of the anticipated demand for apartments is expected to be for one- and two-bedroom units which are at or near the minimum achievable rents.

Occupancy Potential for Subsidized Housing

Federal assistance in financing costs for new housing for low- or moderate-income families may be provided through a number of different programs administered by FHA: monthly rent supplements in rental projects financed under Section 221(d)(3); partial payment of interest on home mortgages insured under Section 235; partial interest payment on project mortgages insured under Section 236; and federal assistance to local housing authorities for low-rent public housing.

The estimated occupancy potentials for subsidized housing are designed to determine, for each program, (1) the number of families and individuals who can be served under the program and (2) the proportion of these households that can reasonably be expected to seek new subsidized housing during the forecast period. Household eligibility for the Section 235 and Section 236 programs is determined primarily by evidence that household or family income is below established limits but sufficient to pay the minimum achievable rent or monthly payment for the specified program. Insofar as the income requirement is concerned, all families and individuals with income below the income limits are assumed to be eligible for public housing and rent supplement; there may be other requirements for eligibility, particularly the requirement that current living quarters be substandard for families to be eligible for rent supplements. Some families may be alternatively eligible for assistance under more than one of these programs or under other assistance programs using federal or state support. The total occupancy potential for federally assisted housing approximates the sum of the potentials for public housing and Section 236 housing. For the Newport HMA, the total occupancy potential is estimated to be 280 units annually.

The annual occupancy potentials^{1/} for subsidized housing discussed in the following paragraphs are based upon 1971 incomes, the occupancy of substandard housing, income limits in effect as of May 1, 1971, and on available market experience.^{2/}

Section 235 Sales Housing and Section 236 Rental Housing. Under both of these programs interest subsidies are available to low- or moderate-income families. Families who qualify for Section 235 sales housing also are eligible for Section 236 rental housing, and vice versa, but the two are not additive. Elderly couples and individuals are eligible for Section 236 rental housing exclusively, however. The potential for families under a combination of Sections 235 and 236 is 155 units a year for the two-year forecast period. The potential for elderly under Section 236 is 15 units a year for the two-year forecast period.

There have been only five homes financed under Section 235 in the Newport HMA, and there are an additional five units proposed. Thus far, all of the units financed under Section 235 have been existing homes. The high cost of land and construction has virtually eliminated the use of Section 235 for the purchase of new sales homes. Similarly, the rapid appreciation in price of existing homes during the past three years has made most of these houses ineligible under this program.

There has been no Section 236 rental housing completed in the HMA. There are 302 units under construction in Middletown, which are expected to be ready for occupancy in the spring of 1972 and an additional 110 units in Newport have been funded, but construction has not begun. These units are expected to more than satisfy the two-year potential (310 units) under Sections 235 and 236.

An additional factor which could affect the Section 236 potential is the large number of military personnel and their dependents in the Newport area. Currently, only a small proportion of the enlisted men presently stationed at the Newport Naval Complex have incomes above the suggested minimum incomes for Section 236 housing. However, should the military pay increase bill now before Congress be enacted, it can be expected that a very large number of military personnel currently not eligible for Section 236 housing, particularly those between the ranks of E-3 and E-6, would be eligible for and seek housing in units financed under Section 236.

Under Section 221(d)(3) BMIR, a program similar in eligibility requirements to Section 236, there has been one project of 200 units completed. This project

^{1/} The occupancy potentials referred to in this analysis are dependent upon the capacity of the market in view of existing vacancy strength or weakness. The successful attainment of the calculated market for subsidized housing may well depend upon construction in suitable accessible locations, as well as upon the distribution of rents and selling prices over the complete range attainable for housing under the specified programs.

^{2/} Families with incomes inadequate to purchase or rent nonsubsidized housing generally are eligible for one form or another of subsidized housing.

attained full occupancy rapidly and has had no vacancy problems. About 50 percent of the current occupants of this project are military families.

Public Housing and Rent Supplement. Both of these programs serve families in essentially the same low-income groups. The primary differences arise from the manner in which net income is computed for each program and from other eligibility requirements. For the Newport HMA, the annual occupancy potential for public housing is 110 units, 85 for families and 25 units for the elderly. As shown in table II, none of the families or elderly couples or individuals are alternatively eligible for Section 236 housing.

As of May 1, 1971, there were 1,134 units of public housing in the HMA. Nearly all of these units (1,094) are located in the city of Newport. Of the units under management of the Newport Housing Authority, 849 units are for families and 245 are units for elderly couples and individuals. The Portsmouth Housing Authority administers 40 units of public housing, 24 family units and 16 units for elderly couples and individuals. The Newport Housing Authority has a reservation for 74 additional public housing units and plans to begin construction on a small number of elderly units in the near future. There are approximately 350 military families currently occupying public housing units. If the proposed pay increase for the military becomes a reality, it will result in a significant number of these families being above income. To the extent that these families leave public housing--voluntarily or otherwise--a substantial number of low-rent public housing units may become available to other eligible households in the community.

There is a potential for 40 units annually under the rent supplement program.^{1/} There are no units of rent supplement housing in the HMA. However, there are provisions for housing families eligible for rent supplements in Section 236 housing. The completion of the two Section 236 projects, which have been funded, in Newport and Middletown will contain provisions to accommodate at least 82 families eligible for rent supplements. It is estimated that these units will be sufficient to satisfy the two-year potential for families under this program, and virtually all of the public housing potential as well. Consideration of additional low-rent public housing applications for family units should be postponed until the impact of the proposed military pay raise can be evaluated fully.

The Sales Market

The sales market in the Newport HMA remained strong throughout the 1960-1971 period, with an appreciable tightening of the market during the past three years. The volume of new home construction, which remained fairly stable between 1961 and 1968, has declined sharply during the past two years. Rather than a reflection of diminished demand, this decline has resulted from the effects of high interest rates, the rapid increase in the cost of construction, and the increase in the cost of land because of the scarcity of land on the

^{1/} About 75 percent of the families who qualify for rent supplements are also eligible for public housing.

island. In addition, water and sewage facilities are not available throughout the island, thus adding to the cost of new home construction. Poor drainage throughout the island has necessitated the use of large lots in order to effectively accommodate septic tanks. The combination of all of these factors has almost eliminated new home construction priced below \$25,000.

An unsold inventory survey conducted by the Providence FHA Insuring Office of new single-family homes built in the Newport HMA during 1970 in subdivisions with five or more completions during 1970 revealed that the percentage of speculatively built homes unsold at the end of the year (32 percent) was comparable to the 1969 results (29 percent). Both of these represent significant increases over earlier years, when the unsold inventory was very slight at the end of the year. These surveys have covered about 35 percent of all new single-family homes built in the Newport HMA. In part, the increase in the length of sales time has been a result of the reluctance of some prospective home buyers to pay the significantly increased cost of new homes without any attendant increase in quality. The high cost of home financing also has been a contributing factor.

The majority of the recent new single-family construction in the HMA has taken place in the town of Portsmouth. The location of the Raytheon Manufacturing Company in Portsmouth, the completion of a new water system in the area in 1966, and the proximity of the town to Providence have combined to increase building activity. The high cost of land and its scarcity have effectively limited single-family activity in the city of Newport, as has the high tax rate in the city, compared to rates in Middletown and Portsmouth.

The market for existing homes is also strong in the Newport HMA. As is the case in new single-family homes, the cost of existing homes has risen sharply during the past three years. Some sources have indicated that the completion of the bridge from Jamestown has made the island more accessible and thus has increased demand and resulted in higher prices. A more probable cause has been the increased cost of new homes in recent years and the lower levels of new home construction since 1968. Existing homes usually sell a short time after they are listed. There are very few existing homes selling for less than \$25,000; the majority of the existing homes are in the \$25,000 to \$35,000 price range.

The Rental Market

The rental inventory in the Newport HMA has expanded slowly since 1960, while demand for moderate-rent units has grown at a more rapid rate. The new privately-financed rental units that have been built in the past five years have had good occupancy. The recent additions to the rental inventory have occurred in the towns of Middletown and Portsmouth. Typical rents for units in these apartments range from \$150 to \$175 for one-bedroom units and \$175 to \$200 for two-bedroom units, with the tenant also paying the cost of utilities. There have been very few efficiencies or three-bedroom units constructed in recent years.

The rental vacancy rate declined from 1960 to 1971. During the past year the decline has been significant. Realtors have reported that the demand for moderately-priced rental units has increased during the first four months of 1971. Much of this increase in demand has resulted from a military pay increase. The current rental vacancies are located in low- to moderate-priced rental units, many of which are in converted single-family dwellings. These units, however, do not remain vacant for any appreciable length of time.

A significant portion of the rental inventory consists of single-family homes. These currently rent from \$150 a month and up. These units are in short supply. Many are rented on a yearly basis by naval officers who attend the War College for ten months.

Currently, there is a deficiency of moderately priced rental units in the HMA. The current backlog of demand in this segment of the rental market has resulted from the lack of new construction in this rent range during the past eleven years and the rapid appreciation of land and improved property values in the Newport HMA during the past three years. Another factor of prime importance in the Newport HMA is the proposed pay increase for military personnel. If this pay measure is passed it will enable a large number of middle-grade enlisted personnel and their dependents to seek privately-financed rental housing in the moderate price range. This would exert even greater pressure on the moderately-priced rental market which is already extremely tight. The forecasted demand for privately-financed rental units shown in table I has not taken into consideration any pending pay increase for the military, but is based on conditions in effect on the as of date of this report.

Economic, Demographic, and Housing Factors

The anticipated annual demand for new nonsubsidized housing is based on the trends in employment, income, population, and housing factors discussed in the following paragraphs.

Economic Factors. Employment covered by the Rhode Island Employment Security Act (table III) has grown irregularly since 1960. Between 1966 and 1969, covered employment increased by 610 jobs annually, with increases in manufacturing employment being responsible for 65 percent of this growth. The largest increase in covered employment occurred between 1966 and 1967 when jobs increased by 1,084. In 1968 and 1969, smaller increments were recorded. Data for the twelve months ending September 1970 show a decline of 474 jobs over the corresponding twelve-month period ending September 1969. Declines in manufacturing employment have accounted for nearly 75 percent of the total covered employment loss.

Virtually all of the manufacturing employment in the HMA is covered by the Rhode Island Employment Security Act. Employment in manufacturing increased rapidly from a relatively small base in 1960, as a result of the opening of a plant by the Raytheon Manufacturing Company in 1960, the subsequent increase in employment at this establishment, and the opening of the Kaiser Aluminum

plant in 1968. The Chamber of Commerce reports that Raytheon accounts for about 70 percent of all manufacturing employment in the HMA. Because of the significance of employment at Raytheon, which is heavily dependent on government contracts, future employment in the manufacturing sector cannot be predicted with assurance. The Chamber of Commerce estimates that a decline in employment at Raytheon since 1969 has resulted in a drop of more than 300 in total manufacturing employment in the HMA.

About 50 percent of the nonmanufacturing employment in the Newport HMA is covered by the Rhode Island Employment Security Act; no government employment is covered, however. From 1966 to 1969, covered nonmanufacturing employment increased by 612 jobs. The largest increment occurred between 1966 and 1967 when nonmanufacturing employment increased by 426 jobs. During the 1966-1969 period, contract construction increased by nearly 400 employees. This resulted from the construction of the Newport Bridge (completed in 1969) and the attendant construction of a number of hotels and motels. A decline of nearly 200 employees in construction from 1969 to 1970 was the result of the completion of the Newport Bridge and a decline in residential building activity.

The only remaining sectors of covered nonmanufacturing employment which showed any noticeable changes were wholesale and retail trade and services. Both trade and service employment levels are largely dependent upon tourism as well as the special events which are held in the area (festivals, America's Cup, etc.). Because of the slow growth in the civilian segment of the population since 1960, employment changes in both sectors have largely been governed by the number of outside visitors attracted to Newport and, to a lesser degree, by changes in the number of military personnel assigned to the Newport Naval Complex. Between 1966 and 1969, covered employment in trade and services increased by only 128 jobs, with a decline of 149 jobs in trade being offset by an increase of 277 service jobs. A large portion of the increase in employment in the service industries resulted from the construction of a number of hotels and motels in the Newport area. From 1969 to 1970, an increase in employment in wholesale and retail trade was offset by a decline in services. In both of these categories there are large numbers of workers who are not covered by the Rhode Island Employment Security Act and, therefore, the employment trends enumerated in table III do not necessarily reflect true patterns of employment in those categories.

It is estimated that total nonmanufacturing employment, exclusive of federal government employment, increased by 1,300 jobs between 1966 and 1969. About 40 to 50 percent of this increase occurred in the trade and service sectors. The completion of the Newport Bridge has made Newport more accessible to potential tourists from Connecticut and New York. Thus, the completion of the bridge and the subsequent completion of hotels and motels in the HMA has provided an additional stimulus to employment growth in wholesale and retail trade and services.

The Newport Naval Complex is the largest employer of civilians in the Newport HMA. Between 1960 and 1968, employment increased each year from 2,878 jobs in 1960 to 4,170 jobs in 1968 (see table IV). Much of the increase was a result of the Viet Nam build-up. Since 1968, civilian civil service employment has declined to 3,803 jobs in December 1970.

Future employment estimates for the Newport HMA must take into consideration the fact that the two largest employers of civilians (Raytheon and the Newport Naval Complex) both rely upon Department of Defense policies for their employment levels. Based upon information available in the area and past employment trends, it is expected that total nonagricultural wage and salary employment will increase by 800 jobs during the next two years, an average of 400 a year. It is expected that increases in manufacturing employment will account for only a small percentage of the overall increase. Gains in nonmanufacturing employment (especially in the construction industry and in trade and services) is expected to provide the major portion of the new jobs during the forecast period.

Income. In 1971, the median annual income of all families in the Newport HMA was \$8,750, after deducting federal income tax. The median after-tax income of renter households of two or more persons was \$7,425. These compare with 1966 median after-tax incomes of \$6,575 for all families and \$5,325 for renter households of two or more persons. Detailed distributions of families and renter households by income are shown in table V.

Demographic Factors. The population of the Newport HMA reached 77,800 persons as of May 1, 1971. This represents an increase of about 1,100 persons since April 1970. The increase in population during the past year was about 15 percent larger than the average annual population increase of 875 persons from 1960 to 1970.

The nonmilitary-connected civilian population of the HMA, which comprises about 37 percent of the total HMA population, increased by an average of 395 persons (1.5 percent) annually between 1960 and 1970. Population increases in this sector were reasonably steady during this time, with a slight decline in the rate of increase during the last two years of the ten-year period. Since April 1970, population increases in the civilian sector have approximated 365 persons (1.4 percent) annually. The recent decline in the growth of the civilian population has been, in part, a result of a lack of increase in manufacturing employment, but has resulted mostly from the rapid increase in the cost of housing on the island.

The military-connected civilian population of the HMA, which includes civil service employees at the Newport Naval Complex and their dependents, increased by 80 persons annually (0.9 percent) between 1960 and 1970. Most of this increase occurred during the 1964-1968 period, with a slight decline since that period, as civilian civil service strength has declined.

The civilian and military-connected civilian population in Newport and Middletown increased only slightly during the 1960-1970 period. Most of the growth in the civilian and military-connected civilian population since 1960 has occurred in the town of Portsmouth.

The military population of the HMA increased by about 4,000 persons between 1960 and 1970. About 70 percent of this increase (2,800 persons) occurred as population in households. By virtue of the fact that about 35 percent of the military population in the HMA is housed either in barracks or on board ship, and both can change in number rapidly, the population in military households rather than the total military population is a more reliable indicator of military population change. The military population in households has grown at a

more rapid rate during the 1965-1971 period than it had during the 1960-1965 period. The increased growth rate during the past six years has reflected the increase in the number of family housing units provided by the Navy, and an increase in subsidized housing in the HMA, in which a significant number of enlisted personnel and their families reside. During the past year, as a result of increased military pay rates, a number of enlisted personnel have either married or had their families join them on the island, which has increased the military population in households by 1,000 persons.

It is expected that the population will increase to 78,200 persons by May 1, 1973, an increase of only 400 persons (200 a year). This low growth rate is expected to result from a decline of about 300 military personnel annually (virtually all of whom are expected to be nonhousehold population) and an annual increase of 500 in the civilian population. It is anticipated that the population of the city of Newport will decline slightly from its current level. The population of the town of Middletown can be expected to decline during this period. However, the loss of population in Middletown will be in nonhousehold military personnel. Household population in Middletown is expected to increase by about 200 persons annually during the forecast period. Population increases in Portsmouth, which in the past ten years have been partially a result of its proximity to Providence, are expected to continue. During the forecast period it can be expected that increases in the population of the town of Portsmouth will approximate 400 persons annually.

There were 19,050 households in the HMA as of May 1, 1971. This reflects an annual increase of 320 households since April 1970, or somewhat higher than the 1960-1970 average annual increase of 250 households. During the 1960-1970 period, civilian and military-connected civilian households accounted for 80 percent of the household growth. Since April 1970, however, the growth in the number of civilian and military-connected civilian households has been responsible for about 40 percent of the total growth in the HMA. The slowed rate of civilian household formation during the past three years and a rapid increase in military households during the past year have been the factors contributing to this change. During the forecast period it is expected that there will be an increase of about 550 households (275 a year) with virtually all of the increase occurring in the civilian sector.

Housing Factors. The housing inventory in the Newport HMA totaled 20,825 units as of May 1, 1971. This represents an increase of about 210 units since April 1970, and is slightly larger than the average annual increase of 180 units between 1960 and 1970. The increase in the inventory between 1960 and 1970 of 1,820 units resulted from the construction of 3,950 units, the creation of an additional 350 units by conversions, and the loss of nearly 2,500 units because of demolition or other causes. Since April 1970, the increase of about 210 units has resulted from the completion of 255 housing units, the creation of about 45 units because of conversions, and the loss of approximately 90 units because of demolition or other causes. There were about 365 housing units under construction on May 1, 1971, of which 30 were single-family houses and 335 were multifamily units. Of the 335 multifamily units under construction, 302 units were being financed under Section 236 in the town of Middletown.

Private residential building activity fluctuated between 209 units and 415 units from 1960 to 1969.^{1/} The principal reason for large increases in building activity has been the level of multifamily construction. Single-family construction fluctuated between 197 units and 248 units between 1961 and 1967. The 142 single-family houses permitted in 1969 and the 105 single-family units permitted in 1970 were the lowest figures recorded during the decade. Privately-financed multifamily activity has been sporadic throughout the decade, with a large volume of construction in 1965 and 1968. The remaining years of the decade saw varying amounts of multifamily activity ranging from twelve units in 1961 and 1962 to 78 units in 1963.

As of May 1, 1971, there were approximately 1,775 vacant units in the Newport HMA. This reflects a decline of more than 30 percent from the 1960 figure and a decline of nearly 10 percent from April 1970. The decline in other vacant units^{2/} accounted for nearly two-thirds of the reduction in total vacant units since 1960. The homeowner vacancy rate, which declined from 1.5 percent in 1960 to 0.6 percent in 1970, has continued to drop to an estimated 0.5 percent. Similarly, the renter vacancy rate declined from 8.2 percent in 1960 to 6.4 percent in 1970, and has declined further to 5.3 percent as of May 1971. It should be noted that the rapid turnover in occupancy of rental housing because of the transient nature of military households tends to result in a comparatively high "normal" vacancy rate, which may not indicate an excess number of available vacancies. The reduction of both homeowner and renter vacancy rates since 1960 reflects the tightening in the Newport housing market brought about by increases in both civilian and military households since 1960, and a decline in residential building activity since 1968. The decline in available vacant units, principally units for rent, since April 1970 reflects the significant increase in military households in the HMA during the past six months.

^{1/} Residential building permits, as enumerated in table VII, are estimated to cover virtually all residential construction in the Newport HMA.

^{2/} Includes seasonal units, vacant dilapidated units, units rented or sold awaiting occupancy, and units held off the market.

Table I

Estimated Annual Demand for Nonsubsidized Housing
Newport, Rhode Island, Housing Market Area
May 1, 1971-May 1, 1973

A. Single-family Houses

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
Under \$25,000	35	15
\$25,000 - 29,999	75	32
30,000 - 34,999	65	27
35,000 - 39,999	25	11
40,000 - 49,999	25	11
50,000 and over	<u>10</u>	<u>4</u>
Total	235	100

B. Multifamily Units

<u>Gross monthly rent</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three or more bedrooms</u>
Under \$190	35	-	-
\$190 - 209	15	35	-
210 - 229	10	25	5
230 - 249	-	10	5
250 and over	<u>-</u>	<u>5</u>	<u>5</u>
Total	60	75	15

Table II

Estimated Annual Occupancy Potential for Subsidized Rental Housing
Newport, Rhode Island, Housing Market Area

	<u>Section 236a/ exclusively</u>	<u>Eligible for both programs</u>	<u>Public housing exclusively</u>	<u>Total for both programs</u>
A. <u>Families</u>				
1 bedroom	20	-	15	35
2 bedrooms	65	-	40	105
3 bedrooms	50	-	25	75
4+ bedrooms	<u>20</u>	<u>-</u>	<u>5</u>	<u>25</u>
Total	155	-b/	85b/	240
B. <u>Elderly</u>				
Efficiency	10	-	20	30
1 bedroom	<u>5</u>	<u>-</u>	<u>5</u>	<u>10</u>
Total	15c/	-d/	25d/	40

a/ Estimates are based upon regular income limits.

b/ Approximately 50 percent of these families also are eligible under the rent supplement program.

c/ Applications and commitments under Section 202 are being converted to Section 236.

d/ All of the elderly couples and individuals also are eligible for rent supplement payments.

Table III

Employment Covered by the Rhode Island Employment Security Act^{a/}
Newport, Rhode Island, Housing Market Area^{b/}
1966-1970
 (annual averages)^{c/}

	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>Four quarters ending September</u>	
					<u>1969</u>	<u>1970</u>
Total	8,402	9,486	9,961	10,234	10,223	9,749
Manufacturing	1,984	2,623	3,102	3,170	3,209	2,864
Nonmanufacturing	6,171	6,597	6,612	6,783	6,734	6,605
Contract construction	588	677	730	977	953	766
Trans., comm., etc.	608	645	643	663	649	660
Wholesale & retail trade	2,923	3,102	2,909	2,774	2,746	2,902
Fin., ins., & real estate	282	292	296	322	314	357
Services	1,770	1,881	2,034	2,047	2,072	1,920
Agriculture, etc.	247	268	247	281	280	280

^{a/} Components may not add to totals because of rounding.

^{b/} Includes Newport, Middletown and Portsmouth.

^{c/} Derived through the use of quarterly data.

Source: Rhode Island Employment Security Bureau.

Table IV

Military and Civilian Strength at the Newport Naval Complex
Newport, Rhode Island, Housing Market Area
April 1962-December 1970

<u>Date</u>	<u>Military strength^{a/}</u>	<u>Civilian civil service^{b/}</u>
December 1962	22,688	2,878
December 1963	22,471	2,926
December 1964	23,456	2,989
December 1965	23,441	3,205
December 1966	24,214	3,324
December 1967	NA	3,904
December 1968	15,475	4,173
December 1969	20,559	4,060
December 1970	20,436	3,803

a/ Includes both personnel assigned ashore and those who are mobile and afloat.

b/ Data for civilian civil service employment are for the month of April from 1962 to 1964, and for the month of June from 1965 to 1970.

Source: U.S. Department of the Navy.

Table V

Estimated Percentage Distribution of All Families and Renter Households^{a/}
by Income After Deducting Federal Income Taxes
Newport, Rhode Island, Housing Market Area
1966 and 1971

<u>Annual after- tax incomes</u>	<u>1966</u>		<u>1971</u>	
	<u>All families</u>	<u>Renter households</u>	<u>All families</u>	<u>Renter households</u>
Under \$2,000	14	17	10	11
\$2,000 - 2,999	5	8	3	5
3,000 - 3,999	7	10	4	6
4,000 - 4,999	9	11	5	7
5,000 - 5,999	9	11	6	8
6,000 - 6,999	10	10	8	9
7,000 - 7,999	9	10	8	8
8,000 - 8,999	8	6	8	9
9,000 - 9,999	7	5	7	7
10,000 - 12,499	11	6	15	14
12,500 - 14,999	5	3	10	7
15,000 and over	6	3	16	9
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Median	\$6,575	\$5,325	\$8,750	\$7,425

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

Source: Estimated by Housing Market Analyst.

Table VI

Population and Household Trends
Newport, Rhode Island, Housing Market Area
April 1960-May 1971

<u>Geographic components</u>	<u>April 1960</u>	<u>April 1970</u>	<u>May 1971</u>	<u>Average annual change</u> <u>1960-1970 1970-1971</u>	
<u>Population^{a/}</u>					
HMA total	67,975	76,704	77,800	875	1,015
Newport	47,049	34,562	35,175	-1,250	570
Middletown	12,675	29,621	29,650	1,695	25
Portsmouth	8,251	12,521	12,975	430	420
<u>Households^{a/}</u>					
HMA total	16,207	18,702	19,050	250	320
Newport	10,206	10,358	10,515	15	145
Middletown	3,682	4,651	4,710	95	55
Portsmouth	2,319	3,693	3,825	140	120
<u>Demographic components</u>					
<u>Population</u>					
HMA total	67,975	76,704	77,800	875	1,015
Military ^{b/}	34,500	38,500	39,200	400	650
Military-connected civilian ^{c/}	8,950	9,750	9,750	80	-
Civilian	24,525	28,454	28,850	395	365
<u>Households</u>					
HMA total	16,207	18,702	19,050	250	320
Military ^{b/}	5,500	6,020	6,225	50	190
Military-connected civilian ^{c/}	2,900	3,100	3,100	20	-
Civilian	7,807	9,582	9,725	180	130

^{a/} Newport Naval Complex was included in the city of Newport in the 1960 Census, but was included in the town of Middletown in the 1970 Census.

^{b/} Includes military personnel and their dependents.

^{c/} Includes Civil Service employees at Newport Naval Complex and their dependents.

Sources: 1960 and 1970 Censuses of Population and Housing, U.S. Department of the Navy, and estimates by Housing Market Analyst.

Table VII

Housing Units Authorized by Residential Building Permits^{a/}
Newport, Rhode Island, Housing Market Area
1961-1970

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
HMA total	210	209	300	227	415	234	274	411	209	128
Single-family	198	197	222	191	204	220	248	203	142	105
Multifamily	12	12	78	36	211	14	26	208	67	23
Newport	22	21	19	29	231	43	44	31 ^{b/}	13	30
Single-family	20	19	19	25	26	41	38	29	13	12
Multifamily	2	2	-	4	205	2	6	2	-	18
Middletown	100	83	137	96	95	60	48	162	34	25 ^{c/}
Single-family	98	77	131	88	93	60	48	28	34	25
Multifamily	2	6	6	8	2	-	-	134	-	-
Portsmouth	88	105	144	102	89	131	182	218	162	73
Single-family	80	101	72	78	85	119	162	146	95	68
Multifamily	8	4	72	24	4	12	20	72	67	5

^{a/} Excludes 320 units of public housing and approximately 1,100 units of military housing.

^{b/} Excludes 200 units of Section 221(d)(3) housing.

^{c/} Excludes 302 units of Section 236 housing.

Sources: U.S. Bureau of the Census, C-40 Construction Reports, local building inspectors and local building records.

Table VIII

Housing Inventory, Tenure and Vacancy
Newport, Rhode Island, Housing Market Area
1960-1971

<u>Component</u>	<u>April</u> <u>1960</u>	<u>April</u> <u>1970</u>	<u>May</u> <u>1971</u>	<u>Average annual change</u>	
				<u>1960-1970</u>	<u>1970-1971</u>
Total housing units	18,796	20,616	20,825	180	195
Total occupied	16,207	18,702	19,050	250	320
Owner-occupied	7,455	9,113	9,250	165	125
Percent of all occupied	46.0	48.7	48.6		
Renter-occupied	8,752	9,589	9,800	85	195
Percent of all occupied	54.0	51.3	51.4		
Vacant units	2,589	1,914	1,775	- 70	-130
Available vacant	896	708	600	- 20	-100
For sale	116	57	50	- 5	- 5
Homeowner vacancy rate	1.5	0.6	0.5		
For rent	780	651	550	- 15	- 95
Renter vacancy rate	8.2	6.4	5.3		
Other vacant ^{a/}	1,693	1,206	1,175	- 50	- 30

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

Sources: 1960 and 1970 Censuses of Housing and estimates by Housing Market Analyst.

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