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*Analysis of the*  
**NORFOLK-PORTSMOUTH  
VIRGINIA  
HOUSING MARKET**

**as of April 1, 1966**

DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410  
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A Report by the  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
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ANALYSIS OF THE  
NORFOLK-PORTSMOUTH, VIRGINIA, HOUSING MARKET  
AS OF APRIL 1, 1966

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

## Foreword

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

Since market analysis is not an exact science, the judgmental factor is important in the development of findings and conclusions. There will 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  
NORFOLK-PORTSMOUTH, VIRGINIA, HOUSING MARKET AREA  
AS OF APRIL 1, 1966

Summary and Conclusions

1. The economy of the Norfolk-Portsmouth Housing Market Area (HMA) is dominated by the Norfolk naval complex which includes the U. S. Naval Station, two Naval air stations, the Norfolk Naval Shipyard, and several smaller Navy installations. Nonagricultural wage and salary employment in the area averaged 169,300 during 1965. This represents an average increase of 3,200 a year since 1959, when nonagricultural wage and salary employment totaled 150,100. Manufacturing activities account for only 11 percent of all wage and salary employment. The Federal government (including the Naval Shipyard and other Navy installations) accounted for 19 percent of all wage and salary employment in 1965. Retail trade accounted for 19 percent and services accounted for 14 percent. Employment in non-basic industries in the HMA is highly dependent on demand generated by the military and military-connected civilian segment of the population.
2. The total population of the HMA as of April 1, 1966 is estimated to be 684,000. Total military strength as of this date is approximately 102,100, and there are more than 83,000 dependents of military personnel residing in the area. The current population reflects an increase of about 17,575 a year since 1960, compared with an average annual increase of 13,225 during the 1950-1960 period. Based on the anticipated growth of civilian employment and on projected military strength levels, it is estimated that the population of the HMA will total about 735,000 by April 1, 1969.
3. The number of households in the HMA has increased by about 31,900 since April 1960 and currently totals 184,700. On the basis of population projections and consideration of household size trends it is estimated that there will be a total of 199,700 households in the HMA by April 1, 1969.
4. There are now approximately 197,900 dwelling units in the housing market area, reflecting an increase of 31,000 since 1960. The increase results from the completion of approximately 34,900 new units and the loss of 3,900 units through demolition. About half of the new dwelling units added to the inventory since 1960 have been added in the Virginia Beach portion of the HMA. The city of Norfolk has accounted for approximately one-fourth of the net additions during this period. New multifamily housing construction has been concentrated in the city of Norfolk, which accounted for about two-thirds of the HMA total. Building permits authorized reached a peak of 7,875 privately-financed units during 1964, but declined to about 5,975 units in 1965.

5. Available vacancies have declined in Portsmouth and Chesapeake since 1960, but have increased in the cities of Norfolk and Virginia Beach. At the present time, there are about 2,225 vacant housing units available for sale in the HMA, including 975 which are new and have never been occupied. The homeowner vacancy rate is 2.2 percent. There are now 6,250 vacant units available for rent including 1,575 new units, reflecting a rental vacancy rate of 6.9 percent.
  
6. Based on current inventory characteristics and vacancy levels, and on anticipated growth patterns in the four sub-markets of the HMA, it is estimated that the demand for new privately-owned housing units in the HMA will average about 4,500 units a year during the 1966-1969 forecast period. The demand for new sales housing will average about 3,600 units a year and the demand for new rental units will be about 900 units a year. An additional 700 rental units might be marketed annually at the rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost excluding public low-rent housing and rent-supplement accommodations. The demand for new housing in the HMA and the four component cities is distributed by price ranges beginning with page 30 of the text.

ANALYSIS OF THE  
NORFOLK-PORTSMOUTH, VIRGINIA, HOUSING MARKET  
AS OF APRIL 1, 1966

Housing Market Area

For purposes of this analysis, the Norfolk-Portsmouth Housing Market Area (HMA) is defined as being coterminous with the Norfolk-Portsmouth, Virginia Standard Metropolitan Statistical Area (SMSA) which is composed of the independent cities of Norfolk, Portsmouth, Virginia Beach, and Chesapeake. The SMSA as now delineated encompasses the same area as in 1960. The city of Chesapeake and the city of Virginia Beach as presently defined were created by consolidation of portions of the SMSA effected as of January 1, 1963. The city of Chesapeake was created by the merger of South Norfolk city and Norfolk County. Virginia Beach as now defined was created by the consolidation of the former city of the same name and all of the area previously constituting Princess Anne County. The HMA had a 1960 population of 578,500.<sup>1/</sup>

The housing market area is located in the southeast corner of Virginia and borders on the Atlantic Ocean and the Chesapeake Bay. The southern edge of the HMA coincides with the North Carolina boundary. The HMA is approximately 90 miles southeast of Richmond, Virginia and 190 miles southeast of Washington, D. C.

The Norfolk-Portsmouth area is separated from the Newport News-Hampton SMSA by Hampton Roads and the James River and, although the two areas have similar economic bases, the physical separation by the two bodies of water results in separate and distinct housing market areas. Commuting between the two areas is limited because of the time and cost involved. The Hampton Roads Bridge-Tunnel toll is \$1.25 one way, and the James River Bridge System toll is \$1.00 each way.

The Norfolk-Portsmouth area is served by eight railroads, three scheduled airlines, and approximately 50 motor carriers. The Hampton Roads area is considered to be one of the finest harbors in the world. A deep water channel extends southward from Hampton Roads to Norfolk, Portsmouth, and Chesapeake via the Elizabeth River and its southern branch. Complete water transportation facilities are available for passengers and all types of cargo. The 17.6 mile Chesapeake Bay Bridge-Tunnel, completed in 1964 at a cost of \$200 million, now joins the HMA with the highly populated

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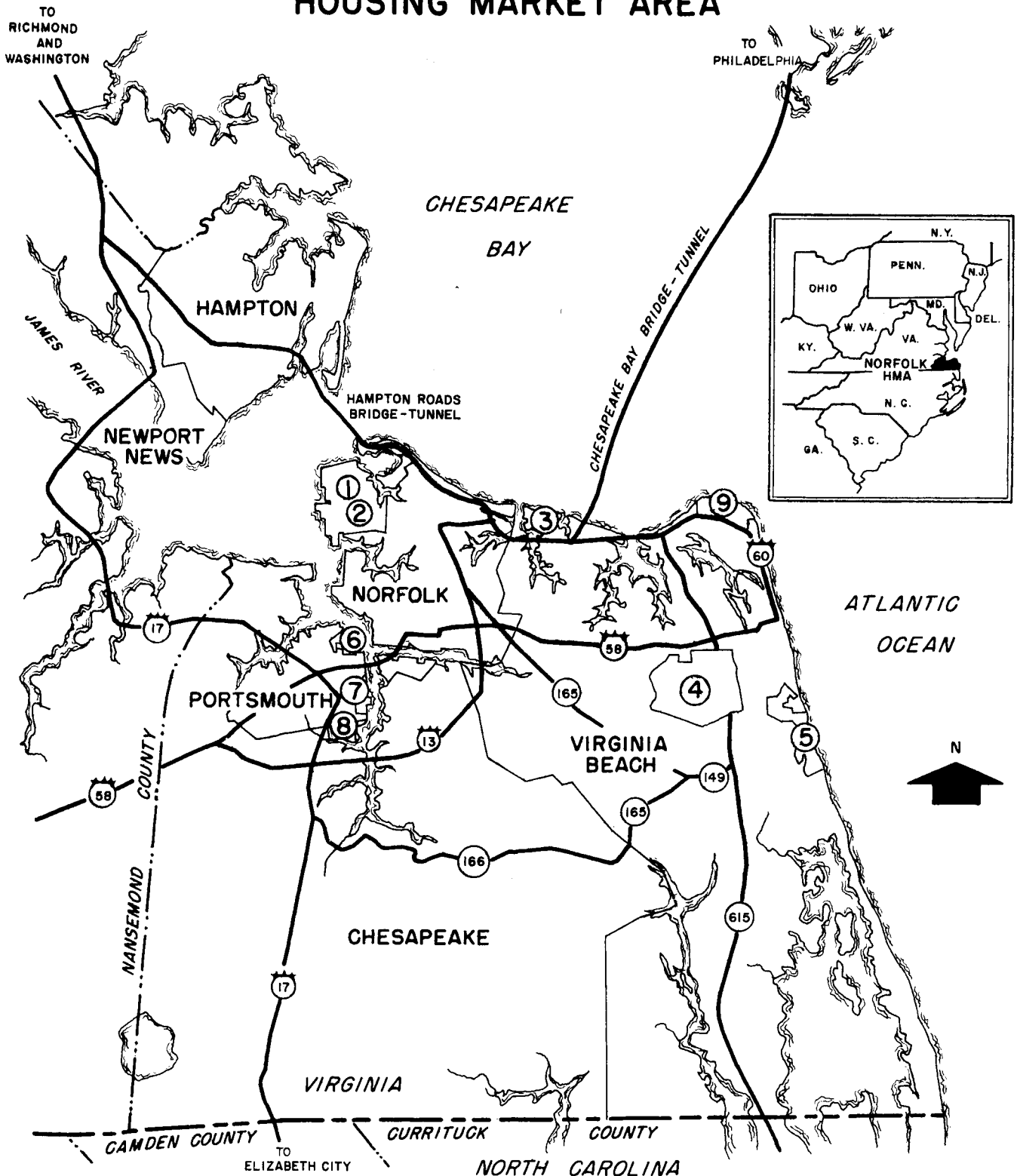
<sup>1/</sup> Inasmuch as the rural farm population of the HMA constituted less than one percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and nonfarm data.

northeastern United States via the Delaware-Maryland-Virginia Peninsula. The merger of the Norfolk and Western Railway with the Nickel Plate and five other Midwestern railroads in October 1964 ties the port of Norfolk to the midwest with over 7,800 miles of direct lines reaching as far west as Omaha, Nebraska.

According to the 1960 Census of Population, 8,283 persons who lived outside the HMA commuted to work in the HMA and 3,589 residents of the HMA traveled to places of employment outside the cities of Norfolk, Portsmouth, Virginia Beach, and Chesapeake. Although the place of work was not indicated for 9,407 residents of the HMA, it appears that there was a net in-commutation of about 4,500 workers in 1960. Of those workers reporting, 928 residents of the HMA commuted to the cities of Newport News and Hampton to work, while 520 residents of these two cities held jobs in the Norfolk-Portsmouth HMA. The largest number of persons coming into the HMA for work (1,475) were from adjoining Nansemond County.



# NORFOLK - PORTSMOUTH, VIRGINIA HOUSING MARKET AREA



## MILITARY INSTALLATIONS

- |   |                              |
|---|------------------------------|
| ① NORFOLK NAVAL STATION                       | ⑥ NAVAL HOSPITAL, PORTSMOUTH |
| ② NORFOLK NAVAL AIR STATION                   | ⑦ NORFOLK NAVAL SHIPYARD     |
| ③ LITTLE CREEK NAVAL AMPHIBIOUS BASE          | ⑧ NAVAL AMMUNITION DEPOT     |
| ④ OCEANA NAVAL AIR STATION                    | ⑨ FORT STORY                 |
| ⑤ FLEET AIR DEFENSE TRAINING CENTER, DAM NECK |                              |

## Economy of the Area

### Character and History

General Description. The founding of Jamestown, Virginia, in 1607 at a point 35 miles upstream from what is now Norfolk represented the first permanent English settlement in America. The economy of colonial Virginia was dominated by agriculture, particularly the cultivation of tobacco. Since the small ships of the period were able to load tobacco at the plantation sites, the area remained almost entirely rural for many years.

Norfolk was established in 1680 at the insistence of King Charles II, who believed that towns were necessary for the development of the colonies. The town developed slowly until the middle of the 18th century when Virginia farmers began to produce wheat and corn for export to the West Indies and the increasing size of tobacco ships made it economical to have tobacco brought down the rivers for loading at the port. Increased trade stimulated ship building. Portsmouth became a town in 1752 and the establishment there of the Norfolk Navy Yard in 1801 stimulated the growth of the area. The economy continued to be dominated by agriculture, however. The growth of Norfolk was seriously impeded by the slow development of railroads linking the area with the interior until after the Civil War. After the war, the railroads expanded greatly and goods from Virginia, West Virginia, North Carolina, Tennessee and the Far South began to move through the port.

Cotton was the chief export from 1870 to 1885 but, following the arrival of the first carload of coal on March 17, 1883, coal soon became the principal export. World War I provided a tremendous boost to the growth of the area with the enlargement of the Naval Shipyard and the construction of the Norfolk Naval Base. Expansion of Navy facilities during World War II provided a similar boost. The present economy is heavily dependent on military activities. As of December 31, 1965, over 102,100 military personnel were assigned to installations in the area and civilian employment at these installations totaled almost 26,650.

Principal Economic Activities. In addition to being a major naval base, the Norfolk-Portsmouth area is a major commercial port. Norfolk, in fact, handles more tonnage annually than any other U.S. port. Coal and grain are the principal exports. The HMA is an important transportation hub and a regional trade and distribution center. The tourist industry is increasing significantly. The opening of the McArthur Memorial in 1964 and the establishment several years ago of a "Norfolk Tour", which includes the city azalea gardens, have added greatly to the number of tourists. Access to the area has been improved by the completion, in 1964, of the 17.6-mile Chesapeake Bay Bridge-Tunnel, connecting Norfolk to the Eastern Shore of Virginia and providing better access to the heavily populated northeastern section of the United States.

#### Work Force

The civilian work force of the Norfolk-Portsmouth HMA was reported by the Virginia Employment Commission to be about 200,600 as of January 1966. Expanding for the fourth consecutive year, following minor contractions during the nationwide recession of 1960-1961, the work force averaged 202,400 during 1965. Year-to-year changes since 1957 in the various components of the civilian work force are shown in table I.

#### Employment

Current Estimate. It is estimated that total civilian employment in the HMA was 194,900 as of January 1966. Nonagricultural wage and salary workers totaled about 169,600 and self-employed, domestic, agricultural, and unpaid family workers numbered about 25,300. During 1965, civilian employment averaged 196,000, nonagricultural wage and salary employment averaged 169,300, and other employment averaged 26,700.

Past Trend. Average nonagricultural wage and salary employment in 1965 was up 5,700 from the 1964 level, an increase of 3.5 percent. The largest gains were made in services and in State and local government, which increased by 1,500 and 1,000, respectively. Significant gains also were made in retail trade (700), finance, insurance, and real estate (500), and transportation equipment manufacturing (500). Although the trend in employment has been consistently upward since 1958, year-to-year gains have fluctuated substantially in magnitude. The increase of 5,700 in 1965 represents the largest annual gain during the seven-year period, while increases of 4,200 in 1964, and 4,400 in 1962 reflect the next best years. Only a minor increase of 200 was achieved during 1960, reflecting the nationwide recession beginning in the latter part of that year.

Trend of Nonagricultural Wage and Salary Employment  
Norfolk-Portsmouth, HMA, 1957-1958

<u>Year</u>	<u>Annual average employment</u>	<u>Year-to-year changes</u>	
		<u>Number</u>	<u>Percent</u>
1957	148,700	-	-
1958	146,900	-1,800	-1.2
1959	150,100	3,200	2.2
1960	150,300	200	.1
1961	152,700	2,400	1.6
1962	157,100	4,400	2.9
1963	159,400	2,300	1.5
1964	163,600	4,200	2.6
1965 <u>a/</u>	169,300	5,700	3.5

a/ Subject to revision on basis of first quarter 1966  
benchmark data when available.

Source: Virginia Employment Commission.

Distribution by Industry

Nonmanufacturing. Employment in the Norfolk-Portsmouth HMA is concentrated in nonmanufacturing activities with 89 percent of all nonagricultural wage and salary employment falling into this category in 1965. The Federal government provided the largest number of jobs, accounting for 19.1 percent of all nonagricultural wage and salary employment, followed closely by retail trade, which accounted for 18.8 percent. Services and State and local government were next in importance in number of jobs provided, accounting for 13.8 percent and 11 percent, respectively. Other major sources of employment included transportation, communications, and public utilities (8.9 percent), construction (7.9 percent), wholesale trade (5.1 percent), and finance, insurance, and real estate (4.4 percent).

The 1963 Census of Business indicates that there were 3,751 retail trade establishments in the HMA with 27,113 paid employees, 647 wholesale trade establishments with 8,434 paid employees, and 2,528 selected service establishments with 27,981 paid employees.

Manufacturing. Manufacturing, which represented only 11 percent of wage and salary employment in 1965, was about evenly divided between the durable and nondurable goods industries, with the former accounting for about 5.9 percent of wage and salary employment compared with 5.1 percent for the latter. The transportation equipment industry provided more manufacturing jobs than any other manufacturing industry and accounted for about 2.5 percent of all wage and salary workers. It should be noted that employment at the

Norfolk Naval Shipyard is included in the Federal government category rather than in the transportation industry. Employment in transportation equipment in the HMA is about equally distributed between private shipbuilding and automobile assembly.

The 1963 Census of Manufactures indicates that there were 355 manufacturing establishments in the Norfolk-Portsmouth HMA of which 146 were reported to have 20 or more employees.

Changes in the distribution of employment by industry in the HMA have been relatively minor in recent years. One notable change is the decline in the percentage of nonagricultural wage and salary employment attributable to the Federal government, which dropped from 24.1 percent in 1957 to 22.2 percent in 1960 and to 19.1 percent, currently. Following the national trend, the percentage of wage and salary employment attributable to services and to State and local government have increased. Services, now provide 13.8 percent of all wage and salary jobs, compared with 11.8 percent in 1960 and 10.5 percent in 1957. State and local government now accounts for 11 percent of all nonagricultural wage and salary employment compared with 9.2 percent in 1960 and 8.3 percent in 1957. The distribution of nonagricultural wage and salary employment by major industry groups is shown in table II.

#### Principal Employers

Manufacturing. The 1965 Statistical Digest published by the Norfolk Chamber of Commerce indicates that, as of 1964, there were 13 manufacturing firms in the HMA that each employed 250 or more workers, including two that had more than 1,000 employees each and four that had 500 to 999 employees each.<sup>1/</sup>

The Norfolk Shipbuilding and Drydock Corporation, founded in 1916, is one of the largest manufacturing employers in the area with a current work force of about 1,900. This company designs and builds towboats, barges, dredges, and other vessels, and repairs ships of all types. Facilities include marine railways and floating drydocks with up to 15,000 ton capacity and portable equipment for repair of ships at anchorage or pierside. A new 580-foot pier at the firm's Berkley Plant is served by a 65-ton gantry crane which allows work on loaded vessels up to 700 feet in length.

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<sup>1/</sup> All data on employment in individual firms have been obtained from publications of the Tidewater Virginia Development Council or the Norfolk Chamber of Commerce.

The Norfolk Division of the Ford Motor Company is a major manufacturing employer in the HMA with a current work force of about 1,750. The Norfolk Division, which assembles passenger cars and trucks, was established in 1925. Two additions to plant space totaling 330,000 square feet have been made recently at a cost of more than \$10 million. Employment increased by about 100 workers following the expansion.

Manufacturing firms employing between 500 and 999 employees are the Norfolk-Portsmouth Newspapers, Inc. (875); Sheller Manufacturing, which makes cork products and urethane foam (600); the Smith-Douglas Company, a division of Borden Chemical, which produces fertilizer in the Norfolk area (550); and the Star Band Company, a manufacturer of Christmas decorations and novelties (500).

Nonmanufacturing. The Federal government is the largest single employer in the HMA with an average of 32,400 employees in 1965. About 80 percent of the Federal government employment was attributable to the U.S. Navy, which employed an average of 25,700 civilians in the HMA in 1965.

Local government also is a major source of nonmanufacturing employment. The four cities in the HMA employ about 13,750 people. About half of these (6,650) are employed in the field of education. Norfolk employs a total of about 7,675 people; Portsmouth, 2,400; Virginia Beach, 1,875; and Chesapeake, 1,800.

Military. The Norfolk-Portsmouth HMA contains one of the greatest concentrations of naval installations in the world. As of December 31, 1965, there were approximately 102,100 military personnel assigned to military installations in the area; including about 97,000 Navy, 2,000 Marine Corps, 1,750 Army, 1,200 Coast Guard, and 150 Air Force personnel. Civilian employees of the military services totaled about 26,650, mainly at naval installations but including about 800 employees of the Army and 200 employees of the U.S. Coast Guard.

The U.S. Naval Station, established in 1953, is an offspring of the former Naval Operating Base and has the mission of providing logistical support to the operating forces of the Navy and other Navy commands located in the Norfolk area. The Naval Station controls the movement of naval vessels in port and operates the port facilities which include ten piers and more than six miles of berthing space. Berthing space is available for aircraft carriers, cruisers, destroyers, submarines, and auxiliary ships. The station operates 24 tugs and self-propelled service craft for harbor, transportation, and towing services. During a normal year about 2,500 ships are berthed and unberthed. The Naval Station also renders assistance to dependents of Navy personnel assigned to the Norfolk area. Approximately 350 civilians are employed by the Naval Station.

The Norfolk Naval Supply Center, established in 1919, supplies the U.S. Atlantic and Mediterranean fleets, the U. S. Navy elements of the North Atlantic Treaty Organization, and numerous shore establishments. Over 750,000 different items are stocked by the center, which encompasses an area of almost 4,200 acres and 47 major buildings. Approximately 150 military personnel and 4,000 civilians are employed. The Purchase Department of the Supply Center buys more than \$60 million worth of goods annually, about half of which is purchased in the Norfolk area.

The Norfolk Naval Shipyard, located in Portsmouth, was founded as a private enterprise in 1767 and established as a Navy shipyard in 1801. The present function of the yard is to provide major overhaul and repair services for Navy vessels, including nuclear submarines and nuclear surface ships. The Norfolk yard has the widest range of capabilities and supports the largest concentration of ships on the east coast. It has been identified by the Department of Defense as one of five "hard core" yards selected for permanent retention. The shipyard facilities include seven drydocks and two shipbuilding ways. About 300 Navy personnel are assigned to the yard and civilian employment totals more than 9,000. Procurement of supplies and material from sources in the Norfolk area totals about \$8 million each year.

The U. S. Naval Hospital dates from 1827. Although the original building is still in use, the main hospital is now housed in a 16-story building completed in 1960 at a cost of \$16 million. The new building has a capacity of 800 beds and has been designed for expansion to a capacity of 1,500 beds. The hospital is staffed by approximately 850 Navy personnel and 550 civilians. The usual patient load averages about 1,000.

The Norfolk Naval Air Station has been in operation since 1918. The primary mission of the air station is the support of fleet-air units which presently total about 30 squadrons. The Air Station carries out its mission through ten departments. The major departments include the Overhaul and Repair Department, staffed by about 100 Naval personnel and 6,000 civilians. This is one of seven Naval industrial activities commissioned to rework, repair, and modernize aircraft engines and components. Over 600 carrier and patrol type aircraft are overhauled by the department each year. Employment in this department accounts for the majority of employment at the Station. The Maintenance Department services about 600 aircraft each month including jets and helicopters. Parts and material for these services are provided by the Supply Department which stocks more than 200,000 aircraft components and parts.

The U.S. Naval Air Station, Oceana, located in Virginia Beach, began as an auxiliary field in 1941. Oceana is now the principal Navy jet base in the Norfolk area and is the home of the carrier wings of the Atlantic Fleet while they are not operating aboard the carriers. The air station employs about 500 civilians.

The Naval Amphibious Base, Little Creek, located in Virginia Beach, is the center of amphibious training and the home of various operating commands of the Amphibious Force, U. S. Atlantic Fleet. This is a logistically self-sufficient organization of approximately 20,000 men and 60 ships under the command of a vice admiral. The Amphibious Training Command, U.S. Atlantic Fleet, plans and provides for the amphibious training of all U.S. Armed Forces and has trained more than 600,000 U.S. and allied personnel since being established in 1943. The Little Creek base employs about 650 civilians.

The Fleet Anti-Air Warfare Training Center, Dam Neck, located on the Atlantic Coast in the city of Virginia Beach, is the only shore-based anti-aircraft firing center using live ammunition on the east coast. All aspects of Naval anti-aircraft warfare are taught and the base is the home of the U.S. Naval Guided Missile School. The Dam Neck base employs about 150 civilians.

The U.S. Navy Public Works Center provides public utilities to all Navy activities in the Sewell's Point area and is responsible for the maintenance of all buildings and grounds, including waterfront structures, shops, and railroad equipment. The center employs about 1,800 civilians and has a military staff of about 15 Navy personnel.

The U. S. Naval Schools Command provides training for selected officers and enlisted personnel in seven special fields including repair and maintenance of radar equipment, communications, supply, and leadership. Over 9,000 students are enrolled annually in courses ranging in length from one to eight weeks.

The Fifth Naval District Headquarters coordinates all shore activities in a five-state area to insure adequate and timely support to units of the fleet. Specific responsibilities include defense of the district, communications, transportation, public works, control of Naval Reserve matters, and public relations.

The U. S. Atlantic Command is a unified command directly under the control of the Joint Chiefs of Staff. At present the only force permanently committed to the command is the U.S. Atlantic Fleet. The Atlantic Fleet comprises nearly 500 ships, over 100 aircraft squadrons and about 250,000 personnel and has both conventional and nuclear capabilities. The operational commands include the Second Fleet and the Anti-submarine Warfare Force.



The Armed Forces Staff College, established in Norfolk in 1946, operates under the direct supervision of the Joint Chiefs of Staff. Administrative and logistical support is provided by the Navy through the Commandant, Fifth Naval District. The mission of the staff college is to prepare selected officers for command and staff assignments involving the joint operation of two or more services. The course of instruction runs about five and a half months, and about 200 students are assigned to each course.

Norfolk also is the headquarters of the Allied Command Atlantic, a command of the North Atlantic Treaty Organization with an international staff drawn from nine NATO Nations. The Supreme Allied Commander Atlantic is a U.S. Navy Admiral. This command plans all operations for the NATO naval forces in the Atlantic.

Trends in military strength and civilian employment by the military services are shown in table III.

#### Unemployment

The unemployment rate in the HMA as of January 1966 was 2.8 percent, with 5,650 persons actively seeking work. The unemployment rate averaged 3.2 percent during 1965, with about 6,400 persons looking for employment. The unemployment rate in the HMA has been below four percent since 1961, averaging 3.3 percent in 1962, 3.0 percent in 1963, and 3.4 percent in 1964. Unemployment in the HMA has not been as high as in other areas of the country in recent years. During the 1961 recession, for example, the local ratio was 4.3 percent compared with a national rate of 6.7 percent.

#### Estimated Future Employment

Considering the favorable prospects for a strong national economy during the forecast period, it is estimated that nonagricultural wage and salary employment in the Norfolk-Portsmouth HMA will increase by an average of about 3,200 annually between April 1966 and April 1969, approximating the growth demonstrated over the past several years. Growth during the first year of the forecast period will probably be a little above this average, and growth during the remainder of the period will drop somewhat below the average.

As in the past, growth is expected to occur primarily in trade, services, and government. A large number of jobs will be created by several developments now nearing completion. The Pembroke Square shopping center, which is now nearing completion, will create about 2,500 new jobs. Civilian employment at the U. S. Navy installations is expected to increase by about 400 during the next several months. In the manufacturing segment,

General Electric, which opened a television assembly plant just outside Portsmouth in February 1966, is expected to expand its initial work force of 400 by an additional 400 workers as more production lines are completed later this year. Plans for highway construction and expansion of port facilities assure a continuing high level of employment in the construction field.

It is unlikely that the rate of growth will exceed the rate achieved during the past several years, however, as the specific sources of increased employment noted above will substitute for other areas of growth over the past few years. It is unlikely that there will be any further increases in trade employment approaching that created by the Pembroke Square shopping center. The magnitude and nature of the military installations in the HMA are such that increases, even those occasioned by the conflict in Viet Nam, are likely to be relatively slight. Finally, considering the narrow base of the manufacturing segment, expansion of employment in this field cannot be expected to be very large during the next few years.

#### Income

Manufacturing Wages. Weekly earnings of manufacturing production workers in the Norfolk-Portsmouth HMA averaged \$102.05 in January 1966 for an average work week of 43.8 hours at an average hourly wage of \$2.33. The January 1966 average weekly earnings were 36 percent above average weekly earnings in 1959. The rise in average weekly earnings since 1959 results from a 26 percent gain in average hourly earnings and an eight percent increase in hours worked. The trend in average hours and earnings from 1959 to 1966 is shown in the following table.

Average Hours and Earnings of Production Workers  
on Manufacturing Payrolls  
Norfolk-Portsmouth, Virginia, HMA, 1959-1966

<u>Year</u>	<u>Average hourly earnings</u>	<u>Average weekly hours worked</u>	<u>Average weekly earnings</u>
1959	\$1.85	40.4	\$74.74
1960	1.90	40.3	76.57
1961	1.92	41.3	79.30
1962	2.03	41.0	83.23
1963	2.08	41.4	86.11
1964	2.13	42.7	90.95
1965 (Jan.)	2.23	42.6	95.00
1966 (Jan.)	2.33	43.8	102.05

Source: Bureau of Labor Statistics, U. S. Department of Labor.

Family Income. The current median family income, after deduction of Federal income taxes, is approximately \$5,950 for all families in the HMA, and about \$4,200 for renter families. Current income is about 20 percent above the 1959 level and is expected to increase by an additional nine percent by 1969, at which time rental housing projects now being planned will be coming on the market. Estimated median after-tax family incomes for 1966 and 1969 are shown in the following table. More detailed distributions of families by income are presented in table IV.

Median Family Income After Deduction  
of Federal Income Tax  
Norfolk-Portsmouth, Virginia, HMA, 1966 and 1969

<u>Year</u>	<u>Total</u>	<u>Renter</u>
1966	\$5,950	\$4,200
1969	6,325	4,450

Source: Estimated by Housing Market Analyst.

## Demographic Factors

### Population

Current Estimate. As of April 1, 1966, the population of the Norfolk-Portsmouth HMA is approximately 684,000. Norfolk is the largest of the four independent cities comprising the housing market area and has a current population of about 321,000 (equal to 47 percent of the HMA total). Virginia Beach is the fastest growing segment of the HMA and, with a current population of 139,000, now is larger than Portsmouth, which has a population of about 122,300. Chesapeake, the least populated portion of the HMA, has a current population of 101,000.

Past Trend. The current population of the HMA is 105,500 above the April 1960 Census total of 378,500. There has been an average annual growth of 17,575 since 1960, compared with 13,225 a year in the previous decade. Population gains since 1960 have been concentrated in Virginia Beach and Chesapeake, which have added 58,800 and 27,350 residents, respectively, compared with gains of 16,825 in Norfolk and 7,525 in Portsmouth. In each case, the present definition of the area is used when discussing the 1960 population, so that the 1963 annexations do not affect the data. During the 1950 to 1960 decade, the population of Norfolk increased by 44,500, but all but 3,050 of the new residents were acquired by annexation of territory from Norfolk and Princess Anne Counties. The population of Portsmouth increased by 14,200 during this ten-year period, which was all attributable to the annexation of part of Norfolk County, since the number of inhabitants within the 1950 boundaries of Portsmouth declined by about 2,000. The area now constituting the city of Virginia Beach grew in population by 50,700 during the decade, and the area now identified as Chesapeake grew by approximately 22,900.

Estimated Future Population. Based on the anticipated growth in civilian employment and projected military strength levels, it is estimated that the population of the HMA will total approximately 735,000 as of April 1969. Based on the observed trend of growth in the 1960 to 1966 period, modified by consideration of such factors as the location of prospective employment and the relative increases in the civilian and military segments of the population, it is estimated that the population of the four independent cities three years hence will be about as shown in the following table. The growth in population during the next three years is expected to be greatest in the city of Virginia Beach, just as it has been since 1960. The rate of growth during the forecast period will be a little lower in three of the four cities than in the past six years. Norfolk is expected to grow at a somewhat faster rate, however, since it will benefit most from the anticipated increase in the military segment of the population, which is expected to account for almost 20 percent of the total population gain during the 1966 to 1969 period.

Population Trend  
Norfolk-Portsmouth, Virginia, HMA, 1960-1969

<u>Area</u>	<u>April</u>	<u>April</u>	<u>April</u>	<u>Average annual increase</u>	
	<u>1960</u>	<u>1966</u>	<u>1969</u>	<u>1960-1966</u>	<u>1966-1969</u>
HMA	578,507	684,000	735,000	17,575	17,000
Norfolk	304,869	321,700	333,000	2,800	3,775
Portsmouth	114,773	122,300	126,000	1,250	1,225
Virginia Beach	85,218	139,000	163,000	8,975	8,000
Chesapeake	73,647	101,000	113,000	4,550	4,000

Sources: 1960 U. S. Census of Population.  
1966 and 1969 estimated by Housing Market Analyst.

Natural Increase and Migration. From April 1960 to the present time there have been averages of 16,525 births and 4,650 deaths among residents of the HMA each year, resulting in a net natural increase of about 11,875 annually. When compared with the overall population increase, these figures suggest a net in-migration of about 5,700 a year. It is estimated that about one-half of these in-migrants were dependents of military personnel. In-migration during the 1950 to 1960 decade averaged about 1,925 a year.

In-migration is projected to continue throughout the 1966 to 1969 forecast period of this analysis but at a slightly lower rate than that experienced during the last six years. In-migrants are expected to add about 5,000 people to the population of the area each year during the forecast period as job opportunities in the HMA continue to expand. The newcomers to the Norfolk area will include about 250 military personnel and about 700 dependents of military personnel each year.

Households

Current Estimate and Past Trend. As of April 1, 1966, there are about 184,700 households in the Norfolk-Portsmouth HMA. The current number of households reflects an increase of 31,900 over the April 1960 level of 152,800 reported by the census. The increase in households during the past six years averaged 5,315 a year compared with an average increase of about 3,930 a year during the 1950 to 1960 decade. 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, which resulted in a substantial number of furnished room type accommodations (no private kitchen or bath, but with separate entrance) being classed as housing units in 1960 and the occupants, therefore, as members of households. As was true of the increase in population, the increase in households since 1960 has been greatest in the cities of Virginia Beach and Chesapeake, where land for expansion is more readily available than in the cities of Norfolk and Portsmouth.

Estimated Future Households. On the basis of anticipated employment and population gains and the assumption that there will be little change in household size during the next three years, it is estimated that there will be 199,700 households in the HMA as of April 1969. Net household additions in the HMA will average about 5,000 a year during the forecast period, with the largest annual gain expected in Virginia Beach, 2,350. Household growth in Chesapeake will average about 1,150 a year; Norfolk, 1,100; and Portsmouth about 400. It should be noted that a considerable portion (15 percent) of the population gain previously predicted for the city of Norfolk is attributable to an increase in the nonhousehold segment of the population.

Household Trend  
Norfolk-Portsmouth, Virginia, HMA, 1960-1969

<u>Area</u>	<u>April</u> <u>1960</u>	<u>April</u> <u>1966</u>	<u>April</u> <u>1969</u>	<u>Average annual increase</u>	
				<u>1960-1966</u>	<u>1966-1969</u>
<u>HMA</u>	<u>152,808</u>	<u>184,700</u>	<u>199,700</u>	<u>5,315</u>	<u>5,000</u>
Norfolk	81,831	89,000	92,300	1,145	1,100
Portsmouth	30,619	33,200	34,400	430	400
Virginia Beach	21,253	36,000	43,000	2,460	2,350
Chesapeake	19,105	26,500	30,000	1,230	1,150

Sources: 1960 U. S. Census of Housing. . 1966 and 1969 estimated by Housing Market Analyst.

Household Size. The average household size in the HMA is calculated to be about 3.42 persons at the present time, reflecting a slight decline from the average of 3.43 reported by the 1960 Census. The average household size in 1950 also was 3.43 persons. Little change in average household size is expected in the next three years.

Household Size Trend  
Norfolk-Portsmouth, Virginia, HMA, 1960-1966

<u>Year</u>	<u>HMA</u>	<u>Norfolk</u>	<u>Portsmouth</u>	<u>Virginia Beach</u>	<u>Chesapeake</u>
1960	3.43	3.26	3.43	3.75	3.83
1966	3.42	3.21	3.39	3.71	3.79

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

## Housing Market Factors

### Housing Supply

Current Estimate. As of April 1, 1966, there are 197,900 housing units in the Norfolk-Portsmouth HMA. The current inventory represents an increase of 31,000 over the April 1960 count of 166,900 units reported by the census. The net increase in the inventory results from the construction of 34,900 new units and the loss of about 3,900 units through demolition, conversion, and catastrophe. There are now about 94,900 housing units in the city of Norfolk (48 percent of the HMA total). Virginia Beach contains 39,875 housing units (20 percent) followed by Portsmouth (34,950 units--18 percent) and Chesapeake (28,175 units--14 percent).

Past Trend. An average of about 5,170 housing units has been added to the inventory of the HMA each year since 1960. The average annual net addition was higher in Virginia Beach (2,500) than in the other portions of the HMA. Norfolk and Chesapeake had almost equal gains (1,225 and 1,180, respectively) while the average gain in Portsmouth was the smallest (265). The average annual net addition to the housing inventory of the HMA during the past six years was about nine percent higher than in the 1950 to 1960 period, when net additions to the inventory averaged about 4,750 a year. The housing inventories of the HMA and the four component cities as of April 1960 and April 1966 are shown in table V.

Type of Structure. The present composition of the housing inventory by size of structure reflects only minor changes since 1960. The increase in apartment construction in recent years has been concentrated in structures with five or more units and the proportion of housing units in this category has risen to 12.7 percent from 10.9 percent in 1960. The proportion of units in two- to four-unit structures declined from 14.9 percent to 13.2 percent, while that in single-family houses remained close to the 1960 level with 72.5 percent now compared with 72.3 percent six years ago.

Housing Inventory by Units in Structure  
Norfolk-Portsmouth, Virginia, HMA  
April 1, 1960 and April 1, 1966

<u>Units in structure</u>	<u>April 1, 1960</u>		<u>April 1, 1966</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
One	120,540	72.3	143,400	72.5
2 to 4	24,935	14.9	26,100	13.2
5 or more	18,235	10.9	25,150	12.7
Trailer	3,150	1.9	3,250	1.6
Total	166,860 <sup>a</sup>	100.0	197,900	100.0

<sup>a/</sup> Differs slightly from count of all units because units in structure were enumerated on a sample basis.

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

Year Built. About one-third (32.8 percent) of the current housing inventory is relatively new, having been built since 1955. Almost one third (30.5 percent) of the current housing stock is more than 25 years old, having been built prior to 1940.

Housing Inventory by Year Built  
Norfolk-Portsmouth, Virginia, HMA  
as of April 1, 1966<sup>a/</sup>

<u>Year built</u>	<u>Number of units</u>	<u>Percent of inventory</u>
April 1960-April 1966	34,900	17.6
1955-March 1960	30,100	15.2
1950-1954	32,000	16.2
1940-1949	40,500	20.5
1939 or earlier	60,400	30.5
	197,900	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 based on 1960 Census of Housing and local building permit and demolition data.



Condition and Plumbing Facilities. Assuming that all of the new units added to the housing inventory since 1960 were of good quality and that most of the units removed by demolition were substandard, it is estimated that, currently, there are about 19,700 housing units in the HMA that are dilapidated or lack some plumbing facilities, equal to about ten percent of the total housing stock. As of April 1, 1960, the U. S. Census of Housing indicated that approximately 23,650 housing units (14.2 percent of the inventory) were dilapidated or lacked some plumbing facility. Over 87 percent of the units thus classified were occupied; 6,050 by owners, and 14,550 by renters. In April 1950 the Census of Housing enumerated approximately 37,500 housing units that were dilapidated or that lacked some or all plumbing facilities, equal to 31 percent of the housing inventory at that time. Because the 1950 Census of Housing did not identify "deteriorating" units, it is possible that some units classified as "dilapidated" in 1950 would have been classified as "deteriorating" on the basis of the 1960 enumeration procedures.

Residential Building Activity. As measured by building permits issued, residential building activity declined 24 percent during 1965 with only 5,975 new privately-financed housing units authorized during the year compared with 7,875 during 1964. The drop in the volume of new construction during 1965 marks the first decline in residential building activity in a period of five years, the last downward adjustment having occurred during 1960 when permits for private housing units dropped to 4,525 from a level of 4,725 one year earlier. The decline in building activity during 1965 occurred primarily in the multifamily segment with only 2,375 units authorized in two- or more-unit structures during the year compared with 3,900 in 1964. The decline in single-family housing permits was much less pronounced, with 3,600 units authorized in 1965 compared with about 3,975 in 1964.

The 7,875 housing units authorized in 1964 constitute a peak for the 1950-1965 period for which data are available. The 6,225 permits issued in 1963 places that year near the top in building activity for the period, although the number of permits issued in 1963 was not quite as high as in 1951 when 6,725 permits were issued or 1952 when 6,600 were issued. The rise in the volume of new construction since 1960 contrasts sharply with the experience of the late 1950's when private construction declined for a period of four consecutive years from 1954 through 1957. Year-to-year building activity since 1960 is shown for the HMA and the four independent cities in table VI.

Units Currently Under Construction. Based on the counts made by postal carriers during the recent postal vacancy survey and on building permit data, taking into consideration average construction time for single-family homes, garden-type apartments and high-rise rental projects, it is estimated that there are now about 2,875 housing units under con-

struction in the HMA (including 440 publicly-financed units for U. S. Navy personnel). Approximately 950 of these units are single-family homes and about 1,925 are in multifamily structures. More than half of the units now under construction are located in the city of Virginia Beach where about 575 single-family houses and 950 multifamily units are presently in the construction stage. Units under construction in the other cities in the HMA include about 200 single-family homes in Chesapeake, 125 in Norfolk, and 50 in Portsmouth. Multifamily units now going up in the other cities total about 600 in Norfolk, 325 in Chesapeake, and 50 in Portsmouth.

Demolitions. Records of the local building inspectors indicate that approximately 3,900 housing units have been removed from the housing stock of the area as a result of demolitions since 1960. About 2,475 units have been demolished in the city of Norfolk, 1,325 in Portsmouth, and about 50 each in Virginia Beach and Chesapeake.

Based on anticipated urban renewal activity, highway construction, code enforcement, and other factors, it is estimated that demolitions and other losses will result in a net inventory loss of about 1,500 housing units during the next three years, or 500 annually.

Tenure. It is estimated that about 54.6 percent of all occupied housing units in the HMA are owner-occupied as of April 1, 1966 compared with 53.4 percent in April 1960. The increase in owner-occupancy during the past six years is a continuation of the trend shown between 1950 and 1960, although not nearly of the same magnitude. The owner-occupancy rate was about 42.7 percent in 1950. The proportion of owner-occupancy in Norfolk and Portsmouth is relatively lower now than in 1960, reflecting a high level of multifamily construction beginning in these cities in 1962. The housing inventory is distributed by tenure in table V.

Owner-Occupancy Trends  
Norfolk-Portsmouth, Virginia, HMA, 1960-1966

<u>Year</u>	<u>HMA</u>	<u>Norfolk</u>	<u>Portsmouth</u>	<u>Virginia Beach</u>	<u>Chesapeake</u>
1960	53.4	46.6	49.7	70.0	70.1
1966	54.6	44.0	47.8	74.4	71.3

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

### Vacancy

1960 Census. As of April 1, 1960, the U. S. Census of Housing reported that there were approximately 9,175 vacant housing units in the Norfolk-Portsmouth HMA which were available for sale or rent, equal to 5.7 percent of the available housing inventory. There were 1,675 vacant units available for sale, indicating a homeowner vacancy rate of 2.0 percent, and 7,500 vacant units available for rent, reflecting a rental vacancy rate of 9.5 percent.

The over-all available vacancy ratio in Norfolk was a little lower than that of the HMA as a whole, 4.8 percent, while the ratios in the other three cities comprising the HMA exceeded the HMA level. Available vacancies in Chesapeake equaled 9.4 percent of the available inventory, and in Virginia Beach and Portsmouth the rates were 7.5 percent and 6.1 percent, respectively. The same general pattern held true for homeowner and rental vacancies among the four cities. (See table V ).

About four percent (65 units) of all vacant units available for sale in the HMA lacked some or all plumbing facilities. Almost 15 percent (1,100 units) of the vacant units available for rent lacked plumbing facilities. Lack of plumbing facilities was reported for a low of six percent of the vacancies in Virginia Beach and a high of 20 percent in Portsmouth. Norfolk was about on par with the HMA with a ratio of 16 percent. About 11 percent of the rental vacancies in Chesapeake lacked some plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in the Norfolk-Portsmouth HMA during the period from January 27 to February 17, 1966, covering 177,800 possible deliveries, or about 90 percent of the estimated housing inventory of the area. The survey revealed an over-all vacancy rate of 5.0 percent. There were 4,225 vacant residences reflecting a vacancy rate of 3.1 percent, and there were 4,725 vacant apartments reflecting an apartment vacancy rate of 11.3 percent. The vacancy rates in the major subsectors of the HMA are summarized below. The results of the survey are described in greater detail in table VII.

#### Post Office Vacancy Surveys Norfolk-Portsmouth, Virginia, HMA, February 1966

<u>Area</u>	<u>Vacancy rates</u>		
	<u>Total</u>	<u>Residences</u>	<u>Apartments</u>
HMA	5.0	3.1	11.3
Norfolk	4.8	1.9	10.4
Portsmouth	3.7	2.7	7.6
Virginia Beach	7.5	5.9	19.5
Chesapeake	3.8	2.5	20.0

Source: FHA Postal Vacancy Surveys conducted by cooperating postmasters.

Analysis of the postal vacancy survey by postal zones reveals that a large number of the vacancies reported are located in areas with a high percentage of seasonal units such as the Ocean View section of Norfolk and the Seapines section of Virginia Beach.

It is important to note that 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.

Current Estimate. As of April 1, 1966, there are about 8,475 housing units available for sale or rent in the Norfolk-Portsmouth HMA, reflecting a total available vacancy rate of 4.3 percent. Currently, there are about 2,225 vacant units available for sale, a homeowner vacancy rate of 2.2 percent, and 6,250 vacant units available for rent, a rental vacancy rate of 6.9 percent. It is estimated that about 100 of the vacant units available for sale and 875 of the vacant units available for rent lack some or all plumbing facilities. Vacancy rates as of April 1966 and April 1960 are shown in table V.

The current vacancy estimates are somewhat lower than those indicated by the recent postal vacancy survey. Some of the difference is explained by the difference in method and concept previously described, but most of the difference results from allocation of about 1,000 seasonal vacancies to the "other vacant" category in the current estimate rather than to the vacant-available category.

For an area in which the growth in population and households is expected to be moderate, the current vacancy levels in the HMA are a little above those that would represent a desirable relationship between supply and demand in a sound market. This is true in all sub-sections of the HMA with the exception of Chesapeake, where the vacancy level in both sales and rental housing appears to be appropriate to the rate of growth expected in that portion of the market. Notwithstanding the higher rate of growth experienced in the city of Virginia Beach, vacancy levels in that area also are slightly above those which could be considered reasonable.

## Sales Market

General Market Conditions. The market for sales housing in the Norfolk-Portsmouth HMA continues to be good. In part, this reflects the fact that the volume of new single-family construction has declined slightly each year since 1961, in response to decreasing demand. Approximately 3,600 single-family homes were authorized by building permits during 1965 compared with a peak of 4,525 in 1961. During the past several years approximately one-third of all new construction has been started on a speculative basis, but the inventory of unsold new houses has been kept at a relatively low level, with very few units remaining unsold for longer than three months. A tapering off of demand for existing homes also is evident in the HMA, with total real estate transfers in the city of Norfolk down almost eight percent in 1965 compared with 1964. Local realtors report a decline in the demand for existing homes, particularly older units. The fact that the over-all vacancy level in sales housing is somewhat in excess of what is considered satisfactory suggests that new construction activity could decline still further. As indicated, however, the excess vacancies are showing up in the older, less competitive parts of the sales housing inventory.

Major Subdivision Activity. At present, major subdivision activity is concentrated along Virginia Beach Boulevard (route 58) in the city of Virginia Beach, where about 13 large developments are now active. Another active area, also in Virginia Beach, is the area on either side of Princess Anne Road (route 165). Most of the subdivisions in these two areas are providing homes in the \$14,000 to \$19,000 price range. Several developments are offering homes primarily in the \$20,000 to \$25,000 price range and a few consist of new houses selling exclusively at \$25,000 and above.

Unsold Inventory of New Homes. In January 1966, the Richmond Insuring Office surveyed a total of 29 subdivisions in the Norfolk-Portsmouth HMA in which five or more houses had been completed in 1965. The survey revealed a total of about 1,900 houses completed in these subdivisions during the year, of which about 550 had been sold before construction started. Of the 1,350 houses built on a speculative basis, 290 (21.5 percent) remained unsold at the time of the survey.

Thirty percent of the houses completed in these 29 subdivisions were priced to sell below \$15,000. The highest proportion (35 percent) of the completions were in the \$15,000 to \$17,500 price group. About 12 percent of the new units were priced to sell between \$20,000 and \$25,000 and about four percent were priced to sell above \$25,000.

Comparable surveys of unsold new houses for the years 1964 and 1963 reveal quite similar results in respect to the degree of speculative building and the percentage of speculatively built units remaining unsold at the end of each year. At the end of 1964, a total of 200 speculatively built units remained unsold out of the 1,275 started, representing an unsold inventory of 15.8 percent, compared with a total of 250 units remaining unsold at the end of 1963 out of 1,225 speculative starts, representing an unsold inventory of 20.8 percent.

New Sales Houses Completed in the Past Twelve Months  
Number Sold and Number Unsold  
Norfolk-Portsmouth, Virginia, HMA, January 1, 1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative construction</u>			
			<u>Total</u>	<u>Number sold</u>	<u>Number unsold</u>	<u>Percent unsold</u>
\$10,000 - \$12,499	92	14	78	48	30	38.5
12,500 - 14,999	474	135	339	274	65	19.2
15,000 - 17,499	667	229	438	369	69	15.8
17,500 - 19,999	370	96	274	217	57	20.8
20,000 - 24,999	223	51	172	123	49	28.5
25,000 - 29,999	76	27	49	29	20	40.8
30,000 - 34,999	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	1,905	555	1,350	1,060	290	21.5

Source: FHA Inventory of Unsold Houses, January 1966.

Rental Market

General Market Conditions. As previously noted, the current rental vacancy rate in the Norfolk-Portsmouth HMA (with the exception of Chesapeake) is a little above that which would represent a balanced demand-supply relationship. The surge in multifamily construction that began in 1962 added new rental units to the market somewhat faster than they could be absorbed. The February 1966 postal vacancy survey reported almost 1,600 new apartments that were vacant and had never been occupied.

Selected vacancy data suggest that the market for moderately priced rental units, such as those in older garden-type projects, remains relatively firm, while the market for higher priced units in the newer garden-type and high-rise projects is rather weak. The current vacancy rate in a selected sample of 21 older projects (built about 15 years ago) totaling approximately 2,975 units is 4.0 percent, while the present vacancy level in a group of 24 newer projects (generally completed about 1½ to 3 years) totaling 5,925 units is nearly 16 percent. The current vacancy rate in six high-rise projects (all of which have been opened for occupancy for at least one year) is just under 50 percent.

### Urban Renewal

There is a considerable amount of urban renewal activity in the Norfolk-Portsmouth area. Much progress already has been made and several additional projects are now underway or in the planning stage.

Projects in Norfolk. Norfolk has an extensive program of redevelopment. Projects completed, under way, and planned cover some 1,025 acres of which 180 acres are in the heart of downtown. So far, 5,300 substandard dwelling units have been removed and 4,200 families relocated.

Redevelopment Project No. 1 resulted in the clearance of 123 acres of downtown slums. The cleared area now contains 752 low-rent public housing units, a 7-million dollar 360-room motor hotel, a new school, a fire station, a police station, and new highways.

The Atlantic City Redevelopment Project contains 141 acres adjacent to the downtown area. It has provided sites for the new 100-million dollar Medical Center, an east-west thoroughfare, a high-rise apartment complex, a park along the Hague waterfront, and areas for industrial and commercial use.

The Downtown Redevelopment Projects involve a total of 182 acres, most of which have been cleared. This area has provided sites for the new 15-million dollar Civic Center, three major office buildings, a public library, a shopping center, new roads, and other amenities to make downtown life more pleasant. A 12-million dollar Cultural and Convention Center is also planned for this area.

The Rosemont Redevelopment Project, located approximately eight miles northeast of the central business section, comprised some 306 acres of "open slum" characterized by open drainage ditches, low-grade shanty construction, and non-existent sanitary facilities. The area is being cleared and will soon be redeveloped into a planned, predominately residential community. A redeveloper has been selected for the northern section of the project.

The Old Dominion College Project, which contained some 38 acres of blighted housing, is being cleared to provide space for much needed expansion of the college's facilities.

The Ghent Neighborhood Conservation Area is a rehabilitation project, consisting of 153 acres, close to downtown. The project is now in the survey and planning stage.

The North Brambleton Redevelopment Project, located just east of the downtown area, consists of 83 acres of blighted residential and low grade commercial uses intermixed. Plans call for development of the area into a sound residential section. An application for Survey and Planning Funds has been submitted for the project.

The two projects above that are now in the planning stage will ultimately result in the removal of approximately 925 substandard dwelling units and the construction of about 1,000 new units, all of which are to be privately financed.

Projects in Portsmouth. There are five urban renewal projects in the city of Portsmouth, two of which are in the planning or survey stage.

The Lincolnville Redevelopment Project consists of 43 acres in downtown Portsmouth near the Naval Hospital. Approximately 283 residential buildings were removed and 400 families were relocated in clearing the area. Re-use of the area is devoted to single-family homes, multifamily apartments, a nursing home, and new motel. A large portion of the cleared area was used for the Portsmouth General Hospital.

The Northside Redevelopment Project, encompassing 27 acres, will result in the removal of 394 residential buildings and 24 nonresidential buildings, and the cleared area will be used for commercial and light industrial purposes. Part of the area will be used for new highway development. It is expected all properties in the area will be under option by July 1, 1966.



The Weaver Redevelopment Project involves about 16 acres being redeveloped for residential uses. About 100 substandard buildings will be removed and 110 families relocated.

Conservation Project No. 4, which is in the planning stage, involves about 750 dwelling units in the Parkview section of Portsmouth. It is estimated that about 75 of these units are beyond repair and will be removed and the remainder will be rehabilitated.

Conservation Project No. 5 is in the planning stage. This project involves the rehabilitation of an historical area covering about 60 acres. About 250 residential buildings with slightly more than 650 families are contained in the area. About 70 families will be displaced.

The two conservation projects, above, are subject to final city approval upon completion of the preliminary planning surveys that are now in progress.

Projects in Chesapeake. The South Norfolk Redevelopment and Housing Authority has three redevelopment projects in the execution stage. About 400 dwelling units in an advanced stage of blight are being removed and the cleared areas will be devoted to expansion of community facilities and commercial and light industrial re-use.

The Liberty Street Redevelopment Project involves the redevelopment of 31 acres in the downtown section of South Norfolk for commercial re-use and the expansion of municipal facilities.

The Berkley Avenue Redevelopment Project has resulted in the clearing of over 35 acres for light industrial re-use.

The "A" Street Redevelopment Project includes seven acres that are being redeveloped for commercial purposes.

#### Public Housing

Federally assisted, low-rent, public housing units presently under management in the Norfolk-Portsmouth HMA total about 5,800. There are 11 projects in the city of Norfolk with a total of 3,720 units, six projects in Portsmouth with 1,907 units, and two projects in Chesapeake (South Norfolk) with 170 units.

In addition to the Federally assisted low-rent units, there are about 2,375 low-rent units owned by local housing authorities that are rented at fixed rents averaging about \$50 a month for one-bedroom units to \$65 a month for three-bedroom units, with all utilities included except cooking gas. The Norfolk authority owns and operates about 1,575 units of this type, the South Norfolk authority owns 270, and the Norfolk County authority has approximately 500 units.

### Military Housing

There are nine military family-housing projects in the Norfolk-Portsmouth HMA, eight Navy and one Army. Family-housing units in these projects total about 3,870, at present, of which 260 are Army. The current inventory includes approximately 1,050 units that are classified by the services as inadequate, 970 Navy and 80 Army units; however, about half of these are occupied, 530 Navy and 50 Army. Approximately 850 Navy units classified as adequate are presently in the process of being rehabilitated and are not available for occupancy. As previously noted, there are 440 units of military family housing now under construction in the HMA.

As of the last annual family-housing survey (March 1965), there were 2,786 military households residing in government-owned quarters (including 225 Army). Approximately 29,850 military households lived in private housing accommodations off-base. About 60 percent (17,650) of these families rented housing units in the Norfolk-Portsmouth HMA. About one-third (9,400) of the families living off-base owned their own homes. The remaining 2,800 military families owned and resided in trailers.

## Demand for Housing

### Quantitative Demand

The demand for new housing in the Norfolk-Portsmouth HMA during the three-year period from April 1, 1966 to April 1, 1969 is based on an annual increase of about 5,000 households, on the need to replace housing units expected to be lost from the inventory, and on the need to reduce vacancies to a level that reflects the long-term needs of the market. Consideration is given also to the current tenure composition of the inventory, to the current trends in tenure in the four sub-market areas, and to the shift of single-family houses from the sales inventory to the rental inventory. Based on these factors, it is calculated that the demand for new housing units in the HMA will average about 4,500 units a year during the three-year forecast period, including 3,600 units of new sales housing and 900 new rental units. An additional 700 middle-income rental units might be marketed annually at the rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost. This demand estimate does not include public low-rent housing or rent-supplement accommodations.

The annual demand for 3,600 new sales houses equals the volume of single-family construction during 1965. The projected level of demand for new rental housing represents a continued reduction in the level of multifamily construction. A reduction in the level of multifamily construction will facilitate the absorption of the excess of rental units now on the market and assist in achieving a reasonable balance between demand and supply by the end of the forecast period. Continued construction of new rental housing at recent levels would have an adverse effect on the existing rental market, particularly on projects completed within the last three years, which have experienced difficulty in obtaining satisfactory occupancy rates.

The following table summarizes the annual quantitative demand for new housing by major sub-markets.

Estimated Annual Demand for New Housing  
Norfolk-Portsmouth, Virginia, HMA  
April 1, 1966 to April 1, 1969

<u>Area</u>	<u>Number of housing units</u>		
	<u>Sales units</u>	<u>Rental units</u>	<u>Total</u>
HMA total	3,600	1,600	5,200
Norfolk	650	700	1,350
Portsmouth	300	350	650
Virginia Beach	1,650	350	2,000
Chesapeake	1,000	200	1,200

Qualitative Demand

Sales Housing. Based on current family income after deduction of Federal income tax, the relationship between net family income and purchase price found to be typical in the Norfolk-Portsmouth area, and minimum construction cost, the annual demand for 3,600 units of new sales housing would be absorbed most readily if distributed by price as suggested in the following table. Housing priced to sell below \$11,000 generally cannot be produced in this area at present.

Estimated Annual Demand for New Sales Housing  
Norfolk-Portsmouth, Virginia, HMA  
April 1, 1966 to April 1, 1969

<u>Sales price</u>	<u>Number of housing units</u>				
	<u>HMA</u>	<u>Norfolk</u>	<u>Portsmouth</u>	<u>Virginia Beach</u>	<u>Chesapeake</u>
\$11,000 - \$11,999	360	65	30	165	100
12,000 - 13,999	720	130	60	330	200
14,000 - 15,999	540	100	45	245	150
16,000 - 17,999	540	100	45	245	150
18,000 - 19,999	460	80	45	210	125
20,000 - 24,999	440	80	30	205	125
25,000 - 29,999	360	65	30	165	100
30,000 and over	180	30	15	85	50
Total	3,600	650	300	1,650	1,000

Rental Housing. The monthly rentals at which privately-owned net additions to the aggregate rental housing inventory might best be absorbed are indicated for various size units in the following tables. These net additions exclude requirements for public low-rent housing and rent-supplement accommodations and may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition.

The production of new units in higher rental ranges than indicated in the tables may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

The following tables indicate the demand for new rental housing by gross monthly rent and size of unit for the HMA and the four independent cities that make up the HMA. The tables for the HMA and the cities of Norfolk and Portsmouth include demand increments for housing at the lower rents possible with public benefits or assistance through tax abatement or aid in financing or land acquisition. Although the city of Chesapeake has a current workable program for community improvement and qualifies for such low-rent housing programs, market factors in the Chesapeake sub-market do not indicate a demand for housing of this type during the 1966-1969 forecast period. Based on current costs of land, labor, and material, the minimum monthly gross rents achievable without public benefit or assistance in financing are estimated to be \$75 for efficiencies, \$95 for one-bedroom units, \$110 for two-bedroom units, and \$130 for three-bedroom units.<sup>1/</sup>

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<sup>1/</sup> Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Estimated Annual Demand for New Rental Housing  
Norfolk-Portsmouth, Virginia, HMA  
April 1, 1966 to April 1, 1969

<u>Monthly</u> <u>gross rent</u> <sup>a/</sup>	<u>Number of units by size</u>			
	<u>Efficiency</u>	<u>One</u> <u>bedroom</u>	<u>Two</u> <u>bedroom</u>	<u>Three</u> <u>bedroom</u>
\$ 60 and over	80	-	-	-
65 " "	70	-	-	-
70 " "	65	-	-	-
75 " "	60	620	-	-
80 " "	45	540	-	-
85 " "	30	480	660	-
90 " "	20	440	530	-
95 " "	10	400	480	-
100 " "	5	345	440	240
105 " "	-	300	410	200
110 " "	-	260	360	160
120 " "	-	200	280	120
130 " "	-	150	200	80
140 " "	-	110	150	60
150 " "	-	70	110	40
160 " "	-	35	80	15

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

Note: The foregoing figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for two-bedroom units at \$120 to \$150 is 170 units (280 units minus 110).

Estimated Annual Demand for New Rental Housing  
Norfolk, Virginia  
April 1, 1966 to April 1, 1969

Monthly gross rent <sup>a/</sup>	Number of units by size			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 60 and over	35	-	-	-
65 " "	30	-	-	-
70 " "	25	-	-	-
75 " "	20	265	-	-
80 " "	15	200	-	-
85 " "	-	160	300	-
90 " "	-	120	250	-
95 " "	-	80	210	-
100 " "	-	50	170	100
105 " "	-	30	130	80
110 " "	-	10	80	60
120 " "	-	-	60	40
130 " "	-	-	40	20
140 " "	-	-	20	10

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

Note: The foregoing figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for two-bedroom units at \$120 to \$140 is 40 units (60 units minus 20).

Estimated Annual Demand for New Rental Housing  
Portsmouth, Virginia  
April 1, 1966 to April 1, 1969

<u>Monthly gross rent</u> <sup>a/</sup>	<u>Number of units by size</u>			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 60 and over	20	-	-	-
65 " "	15	-	-	-
70 " "	10	-	-	-
75 " "	5	130	-	-
80 " "	-	110	-	-
85 " "	-	95	140	-
90 " "	-	85	120	-
95 " "	-	70	100	-
100 " "	-	55	80	60
105 " "	-	40	70	40
110 " "	-	30	60	30
120 " "	-	20	50	20
130 " "	-	10	40	15
140 " "	-	-	30	10

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

Note: The foregoing figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for two-bedroom units at \$120 to \$140 is 20 units (50 units minus 30).



Estimated Annual Demand for New Rental Housing  
Virginia Beach, Virginia  
April 1, 1966 to April 1, 1969

<u>Monthly gross rent</u> <sup>a/</sup>	<u>Number of units by size</u>			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 75 and over	20	-	-	-
80 " "	15	-	-	-
85 " "	10	-	-	-
90 " "	5	-	-	-
95 " "	-	160	-	-
100 " "	-	135	-	-
105 " "	-	110	-	-
110 " "	-	90	140	-
120 " "	-	70	115	-
130 " "	-	50	90	30
140 " "	-	35	65	25
150 " "	-	25	45	20
160 " "	-	15	30	15

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

Note: The foregoing figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for two-bedroom units at \$120 to \$140 is 50 units (115 units minus 65).

Estimated Annual Demand for New Rental Housing  
Chesapeake, Virginia  
April 1, 1966 to April 1, 1969

Monthly gross rents <sup>a/</sup>	Number of units by size			
	Efficiency	One bedroom	Two bedroom	Three bedroom
\$75 and over	10	-	-	-
80 " "	5	-	-	-
85 " "	-	-	-	-
90 " "	-	-	-	-
95 " "	-	90	-	-
100 " "	-	80	-	-
105 " "	-	70	-	-
110 " "	-	60	80	-
120 " "	-	45	65	-
130 " "	-	35	50	20
140 " "	-	25	40	15
150 " "	-	15	30	10

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

Note: The foregoing figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for two-bedroom units at \$120 to \$140 is 25 units (65 units minus 40).

The preceding distributions of average annual demand for new apartments are based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, they represent a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from these demand distributions. Even though a deviation may experience market success, it should not be regarded as establishing a change in the projected patterns of demand for continuing guidance unless thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or submarket.

Table I

Trend of Civilian Work Force Components  
Norfolk-Portsmouth, Virginia, HMA, 1957-1965  
 (Annual average in thousands)

<u>Components</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u> <sup>a/</sup>
Civilian work force	<u>181.4</u>	<u>185.5</u>	<u>186.3</u>	<u>185.4</u>	<u>189.2</u>	<u>191.9</u>	<u>193.3</u>	<u>197.6</u>	<u>202.4</u>
Total employment	<u>176.0</u>	<u>175.7</u>	<u>178.9</u>	<u>177.7</u>	<u>180.7</u>	<u>184.8</u>	<u>186.4</u>	<u>190.8</u>	<u>196.0</u>
Nonag. wage & salary	148.7	146.9	150.1	150.3	152.7	157.1	159.4	163.6	169.3
All other employment <sup>b/</sup>	27.3	28.8	28.8	27.3	28.0	27.7	27.0	27.2	26.7
Unemployment	<u>5.4</u>	<u>9.8</u>	<u>7.4</u>	<u>7.7</u>	<u>8.5</u>	<u>7.1</u>	<u>6.9</u>	<u>6.7</u>	<u>6.4</u>
Percent of work force	3.0%	5.3%	4.0%	4.2%	4.5%	3.7%	3.6%	3.4%	3.2%

<sup>a/</sup> Subject to revision on the basis of first quarter 1966 benchmark data when available.

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

Note: Components may not add to totals because of rounding.

Source: Virginia Employment Commission in cooperation with the Virginia Department of Labor and Industry - U. S. Bureau of Labor Statistics.

Table II

Nonagricultural Wage and Salary Employment by Type of Industry  
Norfolk-Portsmouth, Virginia, HMA, 1957-1965  
 (Annual average in thousands)

<u>Industry</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u> <sup>a/</sup>
Total wage and salary employment	148.7	146.9	150.1	150.3	152.7	157.1	159.4	163.6	169.3
Manufacturing	17.0	15.9	16.3	16.6	16.5	17.0	16.7	17.7	18.6
Durable goods	8.1	7.2	7.7	8.0	8.2	8.9	8.6	9.4	10.0
Lumber & wood products	1.8	1.6	1.8	1.7	1.6	1.7	1.7	1.7	1.6
Stone, clay & glass	.8	.8	.9	.8	.8	1.0	1.1	1.2	1.1
Fabricated metal products	.8	.7	.7	.8	.9	1.0	1.0	1.1	1.1
Transportation equipment	3.6	3.1	3.1	3.1	3.3	3.6	3.3	3.8	4.3
Other durable goods <sup>b/</sup>	1.1	1.1	1.2	1.6	1.6	1.6	1.5	1.6	1.9
Nondurable goods	8.9	8.7	8.6	8.6	8.3	8.1	8.1	8.3	8.6
Food & kindred products	4.4	4.5	4.1	3.9	3.6	3.3	3.1	3.2	3.3
Apparel and related prods.	.5	.5	.6	.6	.5	.5	.6	.7	.7
Printing, pub., and allied ind.	1.3	1.2	1.3	1.3	1.2	1.2	1.3	1.3	1.3
Chemicals & allied products	2.0	1.8	1.9	2.0	2.0	2.0	2.1	2.0	2.2
Other nondurable goods <sup>c/</sup>	.7	.7	.8	.9	1.0	1.1	1.0	1.0	1.1
Nonmanufacturing	131.7	131.0	133.8	133.7	136.2	140.1	142.7	145.9	150.7
Contract constr. & mining	10.9	11.1	11.8	11.0	11.8	12.4	12.5	13.1	13.3
Trans., comm., & utilities	17.6	16.4	15.4	15.0	15.1	15.1	14.9	14.7	15.0
Wholesale trade	7.4	7.5	7.6	7.7	7.7	7.9	8.0	8.3	8.7
Retail trade	26.9	27.2	28.8	29.5	29.0	29.3	30.3	31.2	31.9
Finance, ins., & real estate	5.1	5.3	5.5	5.5	5.8	6.2	6.5	6.9	7.4
Services	15.6	15.8	16.9	17.7	18.9	20.0	20.9	21.9	23.4
Federal government	35.9	35.1	34.7	33.4	33.3	33.8	33.1	32.0	32.4
State & local government	12.3	12.6	13.1	13.9	14.6	15.4	16.5	17.6	18.6

<sup>a/</sup> Subject to revision on the basis of first quarter 1966 benchmark data when available.

<sup>b/</sup> Includes furniture, primary metals, machinery, professional, scientific and controlling instruments and miscellaneous manufacturing.

<sup>c/</sup> Includes tobacco, textiles, paper and rubber products.

Note: Components may not add to totals because of rounding.

Source: Virginia Employment Commission in cooperation with the Virginia Department of Labor and Industry - U. S. Bureau of Labor Statistics.

Table III

Military Strength and Civilian Civil Service Employment Trends  
Norfolk-Portsmouth, Virginia, HMA, December 31, 1962-December 31, 1965

<u>Year</u>	<u>Navy ashore</u>	<u>Navy afloat</u>	<u>Navy total</u>	<u>Marine Corps</u>	<u>Army</u>	<u>Air Force</u>	<u>Coast Guard</u>	<u>Military total</u>
(Military Strength)								
1962	16,240	77,170	93,410	1,762	2,409	142	1,291	99,014
1963	17,152	77,980	95,132	2,932	2,084	83	1,271	101,502
1964	17,672	80,785	98,457	2,237	3,298	168	1,274	105,434
1965 <u>a/</u>	16,321	80,694	97,015	1,987	1,744	149	1,215	102,110
(Civilian Civil Service Employment)								
1962	28,323	-	28,323	0	1,090	3	158	29,574
1963	27,249	-	27,249	0	1,094	2	174	28,519
1964	26,060	-	26,060	0	1,038	3	175	27,276
1965 <u>b/</u>	25,667	-	25,667	0	770	0	189	26,626

a/ Marine Corps strength as of September 30, 1965, and Air Force strength as of November 30, 1965.

b/ All civilian employment data as of September 30, 1965 except Coast Guard which is as of December 31, 1965.

Sources: Department of Defense, applicable Military Departments; and Treasury Department, United States Coast Guard.

Table IV

Estimated Percentage Distribution of Families by Income  
After Deduction of Federal Income Tax  
Norfolk-Portsmouth, Virginia, HMA, 1966 and 1969

		<u>All families</u>		<u>Renter families</u>	
		<u>1966</u>	<u>1969</u>	<u>1966</u>	<u>1969</u>
Under	\$2,000	14	14	23	22
\$2,000 -	2,999	7	7	11	11
3,000 -	3,999	10	8	14	12
4,000 -	4,999	10	9	12	11
5,000 -	5,999	10	9	11	11
6,000 -	6,999	11	10	8	9
7,000 -	7,999	9	9	7	7
8,000 -	8,999	7	8	5	5
9,000 -	9,999	6	6	3	3
10,000 -	12,499	8	10	3	5
12,500 -	14,999	5	5	2	3
15,000	and over	<u>3</u>	<u>5</u>	<u>1</u>	<u>1</u>
Total		100	100	100	100

Source: Estimated by Housing Market Analyst.

Table V

The Housing Inventory of the Norfolk-Portsmouth, Virginia, HMA  
By Occupancy and Tenure, 1950-1966

Area	April 1	Housing inventory total	Occupied housing units			Vacant housing units				Other vacant	Vacancy rates	
			Total	Owner	Renter	Total	Total	Available	For sale	For rent	Home- owner	Rental
<u>HMA</u>	1950	119,477	113,532	48,491	65,041	5,945	2,782	579	2,203	3,163	1.2	3.3
	1960	166,876	152,808	81,594	71,214	14,068	9,169	1,674	7,495	4,899	2.0	9.5
	1966	197,900	184,700	100,775	83,925	13,200	8,475	2,225	6,250	4,725	2.2	6.9
Average annual change: 1950-1960		4,740	3,930	3,310	620	810	640	110	530	170	-	-
1960-1966		5,170	5,315	3,200	2,115	-145	-115	90	-205	- 30	-	-
<u>Norfolk</u>	1960	87,560	81,831	38,122	43,709	5,729	4,163	550	3,613	1,566	1.4	7.6
	1966	94,900	89,000	39,200	49,800	5,900	4,300	400	3,900	1,600	1.0	7.3
Average annual change: 1960-1966		1,225	1,195	180	1,015	30	25	-25	50	5	-	-
<u>Portsmouth</u>	1960	33,349	30,619	15,213	15,406	2,730	2,035	275	1,760	695	1.8	10.3
	1966	34,950	33,200	15,875	17,325	1,750	1,300	525	775	450	3.2	4.3
Average annual change: 1960-1966		265	430	110	320	-165	-125	40	- 165	-40	-	-
<u>Virginia Beach</u>	1960	24,879	21,253	14,873	6,380	3,626	1,771	524	1,247	1,855	3.4	16.3
	1966	39,875	36,000	26,800	9,200	3,875	1,900	975	925	1,975	3.5	9.1
Average annual change: 1960-1966		2,500	2,460	1,990	470	40	20	75	-55	20	-	-
<u>Chesapeake</u>	1960	21,088	19,105	13,386	5,719	1,983	1,200	325	875	783	2.4	13.3
	1966	28,175	26,500	18,900	7,600	1,675	975	325	650	700	1.7	7.9
Average annual change: 1960-1966		1,180	1,230	920	310	-50	-35	0	-35	-15	-	-

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

Table VI

Number of Private Housing Units Authorized by Building Permits, by Size of Structure,  
and Publicly-Financed Housing Units put under Contract  
Norfolk-Portsmouth, Virginia, HMA, 1960-1965

Area	Year	Private housing units				Percent two-family or more	Publicly financed units	Total housing units
		One-family	2-to-4 family	3-family or more	Total privately financed units			
HMA total	1960	4,124	108	301	4,533	9.0	-	4,533
	1961	4,532	176	210	4,918	7.8	-	4,918
	1962	4,302	305	1,110	5,717	24.8	460	6,177
	1963	4,022	352	1,858	6,232	35.5	40	6,272
	1964	3,966	550	3,360	7,876	49.6	240	8,116
	1965	3,603	529	1,842	5,974	39.7	440	6,414
Norfolk	1960	495	72	277	844	41.3	-	844
	1961	553	87	189	829	33.3	-	829
	1962	519	150	1,006	1,675	69.0	300	1,975
	1963	565	244	1,374	2,183	74.1	-	2,183
	1964	461	296	2,000	2,757	83.3	240	2,997
	1965	329	300 <u>a/</u>	681 <u>a/</u>	1,310	74.8	440	1,750
Portsmouth	1960	436	6	-	442	1.4	-	442
	1961	419	13	-	432	3.0	-	432
	1962	473	15	63	551	14.2	160	711
	1963	276	14	148	438	37.0	-	438
	1964	186	22	373	581	68.0	-	581
	1965	219	20 <u>a/</u>	77 <u>a/</u>	316	30.7	-	316
Virginia Beach	1960	2,523	16	24	2,563	1.6	-	2,563
	1961	2,448	22	21	2,491	1.7	-	2,491
	1962	2,130	70	36	2,236	4.7	-	2,236
	1963	2,048	78	72	2,198	6.8	40	2,238
	1964	2,194	192	975	3,361	34.7	-	3,361
	1965	1,978	176	711	2,865	69.0	-	2,865
Chesapeake	1960	670	14	-	684	2.0	-	684
	1961	1,112	54	-	1,166	4.6	-	1,166
	1962	1,180	70	5	1,255	6.0	-	1,255
	1963	1,133	16	264	1,413	19.8	-	1,413
	1964	1,125	40	12	1,177	4.4	-	1,177
	1965	1,077	33 <u>a/</u>	373 <u>a/</u>	1,483	27.4	-	1,483

a/ Prorated from multifamily total for 1965.

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



Table VII

Norfolk-Portsmouth, Virginia, Area Postal Vacancy Survey  
January 27 - February 17, 1966

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.	%
The Survey Area Total	177,765	8,957	5.0	6,442	2,515	2,841	135,860	4,235	3.1	3,281	954	952	41,905	4,722	11.3	3,161	1,561	1,889	4,217	158	3.7
Norfolk	84,855	4,100	4.8	2,999	1,101	695	55,603	1,067	1.9	970	97	116	29,252	3,033	10.4	2,029	1,004	579	1,281	40	3.1
Main office	19,609	521	2.7	448	73	45	11,625	135	1.2	131	4	33	7,984	386	4.8	317	69	12	-	-	-
Hampton Roads Br.	126	-	-	-	-	440	110	-	-	-	-	-	16	-	-	-	-	440	-	-	-
Stations:																					
Berkley	4,094	80	2.0	75	5	3	1,623	57	3.5	54	3	3	2,471	23	0.9	21	2	-	-	-	-
Debree	1,494	129	8.6	124	5	-	790	58	7.3	57	1	-	704	71	10.1	67	4	-	-	-	-
Lafayette Blvd.	4,990	132	2.6	122	10	34	3,795	54	1.4	50	4	6	1,195	78	6.5	72	6	28	88	2	2.3
L.C. Page	10,523	317	3.0	237	80	22	8,569	135	1.6	105	30	16	1,954	182	9.3	132	50	6	608	21	3.5
Milan	7,353	299	4.1	236	63	6	5,667	96	1.7	94	2	4	1,686	203	12.0	142	61	2	-	-	-
Norview	9,744	601	6.2	574	27	43	6,615	125	1.9	114	11	33	3,129	476	15.2	460	16	10	7	-	-
Ocean View	11,121	857	7.7	688	169	85	6,726	178	2.6	177	1	4	4,395	679	15.4	511	168	81	-	-	-
Thomas Corner	5,408	442	8.2	152	290	12	4,481	147	3.3	111	36	12	927	295	31.8	41	254	-	252	9	3.6
Wright	10,393	722	6.9	343	379	5	5,602	82	1.5	77	5	5	4,791	640	13.4	266	374	-	326	8	2.5
Portsmouth	33,079	1,224	3.7	948	276	98	26,474	724	2.7	609	115	61	6,605	500	7.6	339	161	37	242	-	-
Main office	11,591	551	4.8	496	55	6	7,776	335	4.3	330	5	6	3,815	216	5.7	166	50	-	-	-	-
Stations:																					
Cradock (Part)	5,369	210	3.9	200	10	21	4,173	75	1.8	65	10	9	1,196	135	11.3	135	-	12	193	-	-
Midtown	7,084	122	1.7	115	7	18	5,842	96	1.6	94	2	1	1,242	26	2.1	21	5	17	-	-	-
Olive (Part)	9,035	341	3.8	137	204	53	8,683	218	2.5	120	98	45	352	123	34.9	17	106	8	49	-	-
Other Cities																					
Chesapeake 1/	23,462	898	3.8	414	484	520	21,729	552	2.5	310	242	200	1,733	346	20.0	104	242	320	1,092	83	7.6
Chesapeake Post Office	4,998	124	2.5	51	73	79	4,968	123	2.5	50	73	45	30	1	3.3	1	-	34	-	-	-
Norfolk Post Office:																					
East Chesapeake	3,815	279	7.3	30	249	312	3,582	67	1.9	14	53	26	233	212	91.0	16	196	286	110	4	3.6
West Chesapeake	7,768	332	4.3	259	73	25	6,735	221	3.3	178	43	25	1,033	111	10.7	81	30	-	795	78	9.8
Portsmouth Post Office																					
Churchland	3,286	110	3.3	41	69	67	2,849	88	3.1	35	53	67	437	22	5.0	6	16	-	-	-	-
Cradock (Part)	2,309	30	1.3	18	12	12	2,309	30	1.3	18	12	12	-	-	-	-	-	-	90	1	1.1
Olive (Part)	1,286	23	1.8	15	8	25	1,286	23	1.8	15	8	25	-	-	-	-	-	-	97	-	-

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).

1/ Includes portions of the Norfolk and Portsmouth postal service areas in order to reflect vacancy data by major housing areas.

Table VII (continued)

Norfolk-Portsmouth, Virginia, Area Postal Vacancy Survey  
January 27 - February 17, 1966

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.	%
Virginia Beach	36,369	2,735	7.5	2,081	654	1,528	32,054	1,892	5.9	1,392	500	575	4,315	843	19.5	689	154	953	1,602	35	2.2
Stations:																					
Back Bay	798	60	7.5	52	8	14	796	59	7.4	52	7	14	2	1	50.0	-	1	-	82	6	7.3
Bayside	7,099	276	3.9	241	35	85	6,576	250	3.8	215	35	83	523	26	5.0	26	-	2	123	2	1.6
Fort Story	187	51	27.3	51	-	-	9	6	66.6	6	-	-	178	45	25.3	45	-	-	-	-	-
Londonbridge	1,878	127	6.8	58	69	36	1,859	122	6.6	55	67	35	19	5	26.3	3	2	1	29	-	-
Lynnhaven	7,301	534	7.3	288	246	222	6,698	432	6.4	192	240	222	603	102	16.9	96	6	-	17	-	-
N.A.S. Oceana	528	18	3.4	18	-	-	-	-	-	-	-	-	528	18	3.4	18	-	-	-	-	-
Oceana	1,635	67	4.1	53	14	9	1,213	44	3.6	39	5	9	422	23	5.5	14	9	-	98	1	1.0
Princess Anne	2,068	196	9.5	169	27	58	2,068	196	9.5	169	27	58	-	-	-	-	-	-	86	10	11.6
Seapines	7,624	1,097	14.4	996	101	869	5,982	572	9.6	547	25	47	1,642	525	32.0	449	76	822	552	12	2.2
Witch Duck Annex	7,251	309	4.3	155	154	235	6,853	211	3.1	117	94	107	398	98	24.6	38	60	128	615	4	0.7

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).

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# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

# NEWS

Washington, D. C. 20411

FHA INFORMATION 382-4693

FOR RELEASE FRIDAY  
JANUARY 6, 1967

MC-FHA-MA-67-1  
Poston

The Federal Housing Administration today released its analysis of the Norfolk-Portsmouth, Virginia, housing market. The market area is composed of the independent cities of Norfolk, Portsmouth, Virginia Beach and Chesapeake.

Demand for additional housing is estimated at an average of 4,500 units a year during the three years dating from April 1, 1966. Of the 4,500 units, 3,600 are sales units and 900 are rental units. An additional 700 rental units might be marketed at the lower rents possible with public benefits or assistance-financing. This demand does not include public low-rent or rent-supplement housing.

April 1966 vacancy data indicated a need for some reduction in total vacancies. Of 2,225 vacant available sales units, 975 were new and had never been occupied. Of the 6,250 vacant available rental units, 1,575 were new. Although vacancies in Portsmouth and Chesapeake had declined since 1960, vacancies in Virginia Beach and Norfolk had increased.

Building volume declined in 1965, after a steady climb in the preceding five years. As measured by building permits, privately-financed units built in 1964 total about 7,875; those built in 1965 total about 5,975. The total for the years of 1960 through 1965 is about 34,900. Units built in Virginia Beach account for about one-half of the six-year total, and those built in Norfolk account for about one-fourth of the total. Multifamily construction was concentrated in Norfolk.

Employment gains and trends are expected to parallel the pattern of recent years. In 1965, nonagricultural wage and salary employment averaged 169,300, representing gains averaging 3,200 a year since 1959. This growth rate is expected to continue through the forecast period. As in the past, job increases are anticipated primarily in trade, services and government.

- more -

Predicted gains in population and the number of households are slightly below gains of recent years. In April 1966, the estimated population was 684,000, reflecting an increase of 17,575 a year since 1960. The total increase during the forecast period is estimated at 51,000. In April 1966, there were 184,700 households, reflecting a gain of about 31,900 households since April 1960. By April 1969, the number of households is expected to increase to 199,700, or a total gain of about 15,000 for the forecast period.

Request for copies of the complete analysis should be directed to Mr. Claude E. Hart, Director, Federal Housing Administration, 400 North Eighth Street, Richmond, Virginia 23240.

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