Analysis of the
PANAMA CITY, FLORIDA
HOUSING MARKET

as of November 1, 1967

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
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Analysis of the Panama City, Florida Hsg. Mkt.

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ANALYSIS OF THE

PANAMA CITY, FLORIDA, HOUSING MARKET

AS OF NOVEMBER 1, 1967

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
PANAMA CITY, FLORIDA, HOUSING MARKET
AS OF NOVEMBER 1, 1967

Summary and Conclusions

1. Nonagricultural employment in the Panama City Housing Market Area (HMA) totaled 22,140 as of mid-March 1967, according to the Florida Industrial Commission, the highest March level recorded during the 1959-1967 period. Since 1963, employment gains have averaged 1,025 workers a year. Total nonagricultural employment is expected to increase by an average of about 950 a year during the two-year period ending November 1, 1969. Unemployment dropped sharply from 7.2 percent of the civilian work force in March 1960 to 2.8 percent in March 1967.

2. Median annual incomes, after deducting federal income taxes, were at an annual level in November 1967 of $5,375 for all families and $4,575 for renter households of two persons or more. By November 1969, median annual after-tax incomes are expected to increase to $5,650 for all families and to $4,800 for renter households.

3. The estimated November 1, 1967 year-round population of the Panama City HMA was 79,650, a gain of 1,650 a year since April 1960. Annual gains since 1963 have averaged substantially higher. By November 1, 1969, the population is expected to total 84,000 persons, an average gain of 2,175 a year.

4. There were an estimated 22,100 year-round households in the area on November 1, 1967, representing an average increase of 500 a year since April 1960. The number of households is expected to increase by an average of 600 a year during the next two years to a total of 23,300 by November 1, 1969.

5. As of November 1, 1967, there were approximately 25,400 housing units in the Panama City HMA, a net addition of 3,700 units since April 1960. The increase averaged 490 units a year, substantially below the average of 784 a year between 1950 and 1960, when a part of the demand for additional housing was from military families and when 300 units of public low-rent housing and 445 units of military housing were built.

6. There were an estimated 1,025 vacant, nonseasonal, nondilapidated housing units available for sale or rent in the HMA on November 1, 1967. About 215 units were available for sale and about 810 units were available for rent, equivalent to homeowner and rental vacancy ratios of 1.5 percent and 9.2 percent, respectively. Both ratios are down from the 2.2 percent homeowner and the 12.5 percent rental vacancy ratios reported by the 1960 Census.

7. The sales market is relatively strong for both new and existing homes. There is no significant overhang of new unsold houses. Acquired properties are sold with no difficulty. Prices, reportedly, are advancing on both new and used houses. Absorption of the relatively few new rental units built since 1960 has been exceptionally good, probably because they are the first that have been built in many years and because they are superior to most of the rental inventory.

8. The volume of privately-financed new construction that will meet the requirement of anticipated growth during the two-year period ending November 1, 1969 is 515 units annually, including 450 single-family houses and 65 units in multifamily structures, exclusive of public low-rent housing and rent-supplement accommodations. At the lower rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost, an additional 60 multifamily units a year probably can be absorbed. Demand for single-family houses by price ranges is expected to approximate the pattern shown on page 18. Demand for multifamily units by unit size and gross monthly rent is indicated on page 19.

ANALYSIS OF THE PANAMA CITY, FLORIDA, HOUSING MARKET AS OF NOVEMBER 1, 1967

Housing Market Area

The Panama City Housing Market Area (HMA) is defined to include all of Bay County. Bay County, of which Panama City is the county seat, is located on the Gulf of Mexico in the Florida Panhandle midway between Pensacola, about 100 miles to the west, and Tallahassee, the state capital, about 100 miles to the northeast.

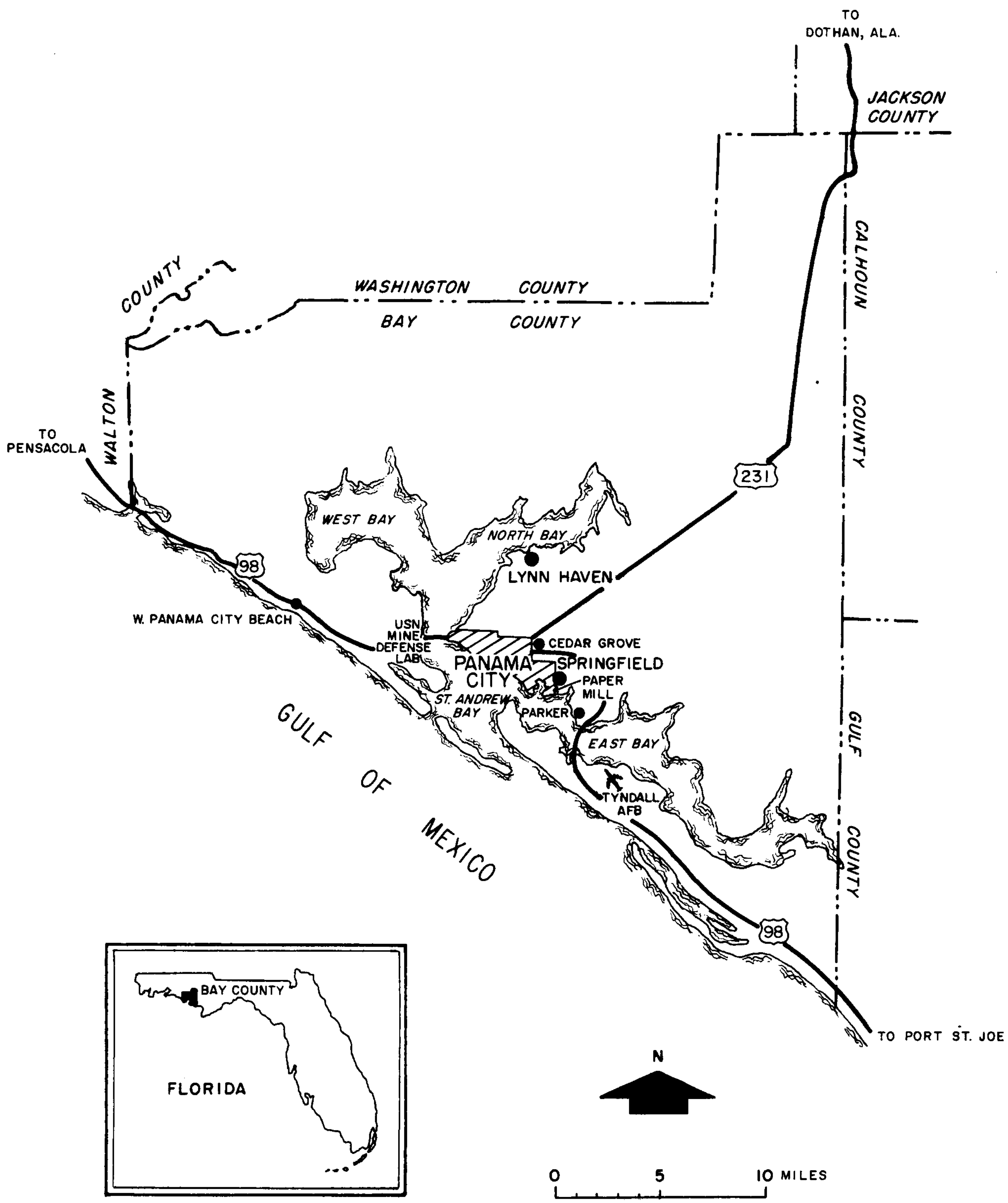
The 1960 population of the county was 67,131, most of it in the southern one-third of the county near the Gulf of Mexico (see "Appendix A", paragraph). The northern two-thirds of the county are devoted largely to pine tree farms, the principal agricultural product of the area. Almost 50 percent of the 1960 population lived in Panama City, almost seven percent in the adjoining city of Springfield, less than five percent in the city of Lynn Haven, four percent in the unincorporated community of Parker, about three percent in six small incorporated places, and 32 percent in unincorporated areas, most of it near the incorporated places and along the beach areas.

Economy of the Area

The Panama City area relies for its economic support principally on its attraction as a fishing and summer resort area, on two military establishments, and on one major manufacturing industry, the International Paper Company, which accounts for half of all employment in manufacturing. There is some commercial fishing and processing; a small dress factory, a chemical plant, two building material plants, and two marine engineering companies at the Wainwright shipyard also are operating in the area, none of which employs as many as 200 workers. There are two deep-water ports on St. Andrews Bay, one municipally owned and the other operated by the International Paper Company. Shipping, however, is not a major activity other than that handled by the paper company.

Panama City is located on the easterly part of Florida's Miracle Strip, a stretch of white sand beaches extending a hundred miles west to Pensacola. Bay County's beaches are its major attraction and provide the principal current stimulus to growth. In 1966, they attracted over 600,000 visitors; the number has been increasing rapidly in recent years. Although the area has been a popular summer resort for many years, the construction of new motels in recent years has helped to increase the flow of visitors. As of January 1967, there were 313 motels with 5,522 rooms in the county.

PANAMA CITY, FLORIDA, HOUSING MARKET AREA



The two military establishments, Tyndall Air Force Base and the U.S. Navy Mine Defense Laboratory, have a combined strength of about 4,900 military personnel and 1,650 civilian employees. Personnel strength at the two installations has not varied significantly since 1960.

Manufacturing industries, which account for less than 14 percent of all wage and salary workers in the county, have experienced very little increase in employment since 1960.

Gulf Coast Junior College, one of six authorized in 1957 by the state legislature, has a current enrollment of 1,600 full-time students and over 110 employees. Enrollment is expected to total 2,000 by 1970.

Employment

Current Estimate and Past Trend. The Florida Industrial Commission prepares estimates of the work force, employment, and unemployment in Bay County only for the month of March each year. The latest estimate as of March 1967 indicates a total civilian work force of 23,020 persons, of whom 22,380 were employed and 640 (2.8 percent) were unemployed. Of the total employed, 22,140 were nonagricultural workers, of whom 19,160 were wage and salary workers and 2,980 were self-employed, unpaid family workers, and domestics employed in private households.

Since 1959, total nonagricultural employment in the county has increased by 4,840 workers. In the four years from March 1959 through March 1963, employment increased at a very moderate average of about 190 a year; gains from 1959 to 1960 and 1961 to 1963 offset the decline of 650 from 1960 to 1961 only slightly. Since 1963, employment gains have averaged about 1,025 a year. Between March 1966 and March 1967, a gain of 1,140 nonagricultural workers was recorded.

Trend of Civilian Work Force and Nonagricultural Employment
Panama City, Florida, Housing Market Area
1959-1967

As of March	Civilian work force	Nonagricultural employment: Number employed	Nonagricultural employment: Change from previous year
1959	18,800	17,300	-
1960	19,400	17,700	400
1961	18,700	17,050	-650
1962	19,150	17,900	850
1963	19,600	18,050	150
1964	20,400	19,250	1,200
1965	21,750	20,850	1,600
1966	21,840	21,000	150
1967	23,020p/	22,140p/	1,140

p/ Preliminary.

Source: Florida Industrial Commission

Employment by Industry. Government activities, which accounted for almost 31 percent of all nonagricultural wage and salary employment in the county in March 1967, increased by 2,400 workers between 1959 and 1967. Wholesale and retail trade, representing almost 26 percent of all nonagricultural wage and salary employment, increased by 1,300 workers during the eight-year period. Service industries, with almost 14 percent of the wage and salary employment, gained 1,250 workers, and manufacturing industries, with less than 14 percent of all workers, gained 300 during the period. Table I presents the trend in employment since 1959 by major industry groups.

Military Establishments

Tyndall Air Force Base. Tyndall AFB, a facility of the Air Defense Command, located about 12 miles southeast of Panama City, was established during World War II as a gunnery school and, in war years, had a peak personnel complement of 1,500 officers, 12,000 enlisted men, and 1,500 civilian employees. The base became the Weapons Center of the Air Defense Command in 1957. It is headquarters for the 4756th Air Defense Wing. The major mission of the base is to provide advance interceptor training for air crews and to test new equipment.

As of July 1967, the base had a military complement of 4,346 men. That level represented a gradual decline from the 5,550 men reported in June 1960. Civil service employment at the base totaled 984 in March 1967, a significant gain over the 560 employees in June 1960. The gain has occurred during the past two years, largely because of the replacement of uniformed personnel with civilian workers. No significant change in the military and civilian personnel level during the next two years is now expected.

Assigned Military and Civilian Strength
Tyndall Air Force Base, 1960-1967

Date	Military strength	Civil service
June 1960	5,550	560
June 1961	4,474	552
June 1962	4,537	554
June 1963	4,540	534
June 1964	4,585	539
June 1965	4,444	585
June 1966	4,415	827
July 1967	4,346	984a/

a/ As of March.

Source: U.S. Department of Defense.

Navy Mine Defense Laboratory. The U.S. Navy Mine Defense Laboratory, located on the shore of St. Andrews Bay at the western limit of Panama City, conducts research, development, testing and evaluation of mine countermeasures, torpedo and acoustic countermeasures, inshore underwater warfare, and related fields of science and engineering. As of June 1967, there were 522 uniformed personnel homeported at the installation, including personnel of five ocean-going mine sweepers homeported at the base to support its sea operations. The June 1967 level of uniformed naval personnel was down from the December 1962 level of 639 personnel.

As of August 1967, there were 669 civil service employees at the laboratory; about half were professional employees. While military personnel has declined by about 115 since December 1962, civil service employment has increased by about 175. No significant change in the levels of military or civilian strength during the next two years is now expected.

Assigned Naval and Civilian Strength
U.S. Navy Mine Defense Laboratory

Date	Naval personnel	Civil service personnel
December 1962	639	495
December 1963	510	512
December 1964	524	558
December 1965	402	620
December 1966	542	644
June 1967	522	669a/

a/ As of August.

Source: U.S. Department of Defense.

Unemployment

There has been a sharp drop in unemployment from 1,400 (7.2 percent of the work force) in March 1960 to 640 (2.8 percent of the work force) in March 1967 (see table I).

Future Employment

Total nonagricultural employment is expected to increase at an average rate of about 950 workers a year during the two-year period ending November 1, 1969. That rate of gain is somewhat below the average increase of about 1,025 a year during the past four years and the gain of 1,140 between March 1966 and March 1967. It is above the average gain of about 630 a year during the March 1960-March 1967 period.

Employment in manufacturing, which has shown an average net gain of about 140 workers a year since 1963, may increase a bit faster during the next two years because of two new plants to be put in operation. Continental Motors has a plant under construction which will employ 100 workers initially, with a possibility of increasing to 300 workers in three years. Florida Plastic Products will employ about 50 workers. Based on these two new additions and on past trends in established industries, it is estimated that employment gains in manufacturing will not exceed 200 workers a year during the next two years. Employment gains in wholesale and retail trade, which have averaged about 235 a year since 1963, are expected to average about 200 a year during the next two years. Government activities are expected to require an additional 300 workers, as compared with average annual gains of about 385 during the past four years. Service industries should require an additional 150 workers a year, compared with average gains of about 185 a year since 1963. Other industries, including construction, transportation, utilities, finance, insurance, and real estate, should add an additional 100 workers a year.

About 70 percent of the employment gain during the next two years is expected to be in trade, services, and government, approximately the same proportion as during the past four years. Employment increases in these industries will reflect the expected increasing growth in the tourist industry and the requirements of a growing permanent local population. No change is expected in the number of civilian personnel at the two military installations.

Family Incomes

As of November 1, 1967, the median income of all families in Bay County was at an annual level of $5,375, after deduction of federal income tax. The median annual after-tax income of renter households of two persons or more was $4,575. By November 1969, median annual incomes are expected to increase to $5,650 for all families and to $4,800 for renter households. About 31 percent of all families and 41 percent of renter households receive annual incomes of less than $4,000. Approximately 14 percent of all families and nine percent of renter households receive annual incomes of $10,000 or more (table II).

Demographic Factors

Population

Current Estimate and Past Trend. As of November 1, 1967, the year-round population of the Panama City HMA was an estimated 79,650 persons, representing an average annual gain of 1,650 persons a year since April 1960. It is probable that the rate of growth during the 1960-1963 period was substantially below the 1960-1967 average and that during the past four years the rate has exceeded the average because of the substantially greater increases in employment since 1963. Between 1950 and 1960, the population of the HMA increased by an average of 2,444 persons annually. A part of the larger gain during that decade was the result of increases in military personnel and their dependents. Although official military strength figures for 1950 are not available, the 1960 Census of Population reported 5,687 military persons in the total labor force, a gain of 2,511 over the number reported in the 1950 Census. The gain of over 2,500 military persons during the decade was augmented by an unknown number of dependents.

Although employment gains since 1960 have been at a somewhat higher rate than during the previous decade, a larger proportion of the new jobs have been filled from the local labor force. This is evidenced by the substantial decline in unemployment (from 7.2 percent of the work force in March 1960 to 2.8 percent in March 1967) and by the increased proportion of the population that is employed. After declining between 1950 and 1960, the proportion of the population that is employed (the participation rate) has been increasing.

Changes in Total Population
Panama City, Florida HMA, 1950-1969

Date	Population	Average annual change: Number	Average annual change: Percent
1950, April	42,689	-	-
1960, April	67,131	2,444	5.7
1967, Nov.	79,650	1,650	2.5
1969, Nov.	84,000	2,175	2.7

Sources: 1950 and 1960 Censuses of Population; 1967 and 1969 estimated by Housing Market Analyst.

Estimated Future Population. By November 1, 1969, the year-round population of the Panama City HMA is expected to total 84,000 persons, representing an annual gain of 2,175 persons. The increase in the forecast average gain over the average gain since 1960 results, in part, from the expected larger average increase in employment and, in part, from the fact that the participation rate will not increase at as great a rate because of the current low unemployment rate. Some increase in net in-migration may be necessary to meet employment requirements. No increase in military-connected population is anticipated.

Net Natural Increase and Migration. The population gain of 12,520 persons in the HMA during the April 1960-November 1967 period resulted from a net natural increase (excess of live births over deaths) of about 10,290 and a net in-migration of 2,230 persons. In-migration accounted for about 18 percent of the growth during the period. During the 1950-1960 decade, net in-migration totaled 10,305, 42 percent of the total population gain of 24,442. A substantial part of the net in-migration during the decade represented military personnel and their dependents. Since 1960, net in-migration has been entirely nonmilitary.

Households

Current Estimate and Past Trend. There were an estimated 22,100 households (occupied housing units) in the Panama City HMA on November 1, 1968. The increase since 1960 has averaged about 500 households a year. Between 1950 and 1960, the increase averaged about 680 households a year, a part of which represented military households. It is probable that annual increases since 1963 have exceeded the average of 500 for the entire period since 1960 because of the greater increases in employment and population and because of an estimated decline in average household size from 3.52 persons in 1960 to 3.48 persons in 1967. All of the net increase in households since 1960 has been nonmilitary-connected civilian households.

Changes in Total Households
Panama City, Florida, HMA, 1950-1969

Date	Number of households	Average annual change Number[a]	Percent
1950, April	11,525	-	-
1960, April	18,331	680	5.9
1967, November	22,100	500	2.7
1969, November	23,300	600	2.7

a/ Rounded.

Sources: 1950 and 1960 Censuses of Housing; 1967 and 1969 estimated by Housing Market Analyst.

Estimated Future Households. By November 1, 1969, there will be an estimated 23,300 year-round households in the HMA, reflecting an average gain of 600 a year. No increase in the number of military-connected households is expected.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of November 1, 1967, there were an estimated 25,400 housing units in the Panama City HMA. The net increase since April 1960 resulting from new construction, demolitions, conversions, and other inventory changes amounts to an estimated 3,700 units, an average of about 490 a year. The average gain was substantially below the average increase of 784 units a year between 1950 and 1960, when a part of the demand for additional housing was from military families and when almost 300 units of public low-rent housing, 420 units of Capehart units at Tyndall AFB, and 25 units of appropriated-fund housing at the Mine Defense Laboratory were built.

Growth of the inventory since 1950 has been predominantly in areas outside Panama City. Between 1950 and 1960, 73 percent of the 7,844 housing units added in the HMA were added outside Panama City. Between 1950 and 1960, the proportion of the inventory that was located in Panama City declined from almost 62 percent to 49 percent. Since 1960, the preponderance of new units added have continued to be in areas outside the central city.

Characteristics of the Supply. In April 1960, the census reported that 83.0 percent of all housing units in the HMA were single-family houses, 4.5 percent were duplexes, 3.7 percent were in structures with three or four units, 4.2 percent were in structures with five or more units, and 4.6 percent were trailers. A substantial proportion of the structures with three units or more are converted structures, but there are no data which indicate the magnitude. Many of the conversions resulted from the tight housing situation that developed during World War II. The tightness of the market resulted from the fact that in mid-1943 there were 14,000 workers at the Wainwright Shipyards producing Liberty Ships and there were 13,500 military and 1,500 civilian personnel at Tyndall Field. During the war years, 4,268 public housing units and over 1,000 private units were built in the area. By the end of 1945, production at the shipyard stopped. Shortly thereafter, all but about 800 of the public units had been removed. In war and postwar years, the FHA insured loans under Section 603 on 1,052 new private homes.

Seventeen percent of the April 1960 housing stock was either dilapidated or lacked one or more plumbing facilities; about 5.5 percent was dilapidated, and 11.5 percent was sound or deteriorating but lacked one or more plumbing facilities.

The housing inventory is relatively new. An estimated 41 percent of the November 1967 housing stock was built between 1950 and 1960 and about 15 percent since April 1960. About 27 percent was built between 1940 and 1950, and about 17 percent before 1940.

Residential Building Activity

There are five incorporated areas in the HMA which issue building permits. Only three of the five have reported the number of units authorized each year since 1960. Construction authorized by building permits in those three areas covered less than 40 percent of the estimated 3,700 housing units added since April 1960. For that reason the estimate of units added has had to be based on the building permit data available, on scattered related data such as new residential electric meters, and on personal observation. Year-to-year changes in building activity, therefore, are reflected only partially by the building permit data available.

Housing Units Authorized by Building Permits
Panama City, Florida, Housing Market Area[a]
1960-1967

Year	Type of Structure Single-family	Multifamily	Total units
1960	229	0	229
1961	147	20	167
1962	179	0	179
1963	104	40[b]	144
1964	163	28	191
1965	139	62	201
1966	121	88	209
1967 (1st 9 mos.)	77	48	125

a/ Includes only the incorporated areas of Panama City, Lynn Haven, and Cedar Grove Town.

b/ Public units.

Source: U.S. Bureau of the Census, Construction Reports, C-40; local building inspectors.

Until 1964, there had been no modern apartments (other than public units) built in the area for year-round occupants in many years. Since 1964, four garden-type projects with a total of 178 units have been built and one project of 48 units is under construction. The postal vacancy survey counted 94 residences under construction as of October 23, 1967.

Tenure of Occupancy

As of November 1, 1967, an estimated 64 percent (14,150 units) of the housing stock in the Panama City HMA was owner-occupied and 36 percent (7,950 units) was renter occupied. The proportion of home ownership has increased from 55.4 percent in 1950 to 61.7 percent in 1960 and to 64.0 percent in 1967.

Occupied Housing Units by Tenure
Panama City, Florida, Housing Market Area
1950, 1960, and 1967

Tenure	April 1, 1950	April 1, 1960	November 1, 1967
Total occupied units	11,525	18,331	22,100
Owner-occupied	6,389	11,304	14,150
Percent	55.4%	61.7%	64.0%
Renter-occupied	5,136	7,027	7,950
Percent	44.6%	38.3%	36.0%

Sources: 1950 and 1960 Censuses of Housing; 1967 estimated by Housing Market Analyst.

Vacancy

1960 Census. According to the April 1960 Census of Housing, there were 1,260 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the Panama City HMA, a net available vacancy rate of 6.4 percent. Of the available vacancies, 255 were available for sale, equivalent to a homeowner vacancy rate of 2.2 percent; 1,005 of the units were available for rent, equivalent to a rental vacancy rate of 12.5 percent. Of the vacancies available for sale, 20 lacked one or more plumbing facilities; 115 of the units available for rent lacked one or more plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted by the Panama City and the Lynn Haven Post Offices as of October 23, 1967. The survey covered a total of about 20,651 possible residential deliveries in the HMA (excluding deliveries to trailers), which represented 81 percent of the estimated 25,400 housing units in the area on November 1, 1967. At the time of the survey, 930 vacant units were counted, 4.5 percent of all units surveyed. Of the total vacancies, 893 were listed as vacant residences, 4.4 percent of all residences covered; 37 were vacant apartments, 15.9 percent of all apartments covered. An additional 94 residences and 48 apartments were listed as under construction, but were not counted as vacant (see "Appendix A", Paragraph 7). (Table III.)

Current Estimate. Based on the postal vacancy survey, discussions with informed persons, and on observation, there were an estimated 1,025 vacant, nonseasonal, nondilapidated housing units available for sale or rent in the Panama City HMA on November 1, 1967. Of that number, an estimated 215 were available for sale only and 810 were available for rent, representing homeowner and rental vacancy ratios of 1.5 percent and 9.2 percent, respectively. The homeowner vacancy ratio is down from the 2.2 percent ratio reported in April 1960, and the rental vacancy ratio is below the 1960 ratio of 12.5 percent.

Vacant Housing Units in the
Panama City, Florida, HMA
1950, 1960, and 1967

Vacancy status	April 1, 1950	April 1, 1960	November 1, 1967
Total vacant units	2,311	3,349	3,300
Available vacant units	699	1,260	1,025
For sale	103	255	215
Homeowner vacancy rate	1.6%	2.2%	1.5%
For rent	596	1,005	810
Rental vacancy rate	10.4%	12.5%	9.2%
Other vacant units[a]	1,612	2,089	2,275

a/ Includes seasonal units, vacant dilapidated units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners or for other reasons.

Sources: 1950 and 1960 Censuses of Housing; 1967 estimated by Housing Market Analyst.

Sales Market

General Market Conditions. The sales market in the Panama City area is firm. There is no significant overhang of unsold new houses--construction by speculative builders appears to have been geared quite closely to demand. Most building is by local builders, but some outside builders have been active in the area. Very few builders start more than 20 houses a year. Prices of new houses have been increasing slowly as a result of rising costs and of improved quality and amenities. The market for existing houses is strong and prices of such houses are increasing, according to local builders and realtors. Repossessions are sold with no difficulty, including FHA repossessions. Although builders indicate that Panama City is an area of high land and building costs, adequate single-family houses are being built to sell for $12,500 for a 1,000 square-foot house.

Houses priced at $17,000 to $18,500 with central heat and air conditioning are selling well. There is a good demand for houses in the range of $20,000 to $30,000, very few of which are built speculatively.

Rental Market

The most significant development in the rental market since 1960 is the fact that four garden apartment projects with a total of 178 units have been completed in Panama City in the last three years, and one project with 48 units is under construction. This fact is significant because these apartments are the first that have been built in many years for year-round occupancy. The apartments were leased immediately, many of them before completion, and there are reported to be waiting lists for those that become vacant. Occupancy is by both military and nonmilitary families.

Aside from these new apartments, the rental inventory for year-round occupancy consists of single-family houses and units in old converted structures. In addition, there are a substantial number of rental units along the beaches (built for seasonal ocuupancy) and there are approximately 1,045 family living quarters at the two military installations.

Rents in the four new apartment projects average about $110 a month for one-bedroom units, $135 a month for two-bedroom units, and $160 fpr three-bedroom units, exclusive of utilities. Typical rents for average quality three-bedroom single-family houses are reported to range from $80 to $100 a month, without utilities. Less desirable and smaller houses, and units in converted structures, carry somewhat lower rent charges. The overall quality of the rental inventory is such that the amenities offered by the few new apartments produced have had a strong attraction for families who wished to upgrade their housing standards.

One additional rental project of 136 units is being proposed for construction. The project would be comparable in type of structure and rents with the four projects recently completed and the 48-unit project under construction. The project is in the preliminary discussion stage and, according to the sponsor, detailed plans have not been drawn.

Public Low-Rent Housing and Urban Renewal

There are three public low-rent housing projects with a total of 250 units in Panama City and one project with 40 units in Springfield. There are no active urban renewal projects in the HMA.

Panama City had a Certified Workable Program which expired in February 1958 and has not been recertified. The city of Springfield had a Workable Program which expired in February 1960 but which was recertified and now is active.

Military Housing

Tyndall Air Force Base. According to the latest family housing survey prepared by Tyndall AFB at the end of February 1967, there were 2,048 military personnel with families living in the Panama City area. Of that number, 974 lived in military-owned housing. There are 981 military-owned units at Tyndall AFB, of which 420 units were built under the provisions of the Wherry Act and 420 were built under the Capehart Act; seven units were vacant at the end of February. A total of 1,074 military families were housed off-base in private housing; 163 of the families were living in housing classed as unsuitable, of which 111 were substandard, 27 were an excessive distance from the base, and 25 were at a cost in excess of quarters allowance. Of the 1,074 families living off-base, 317 lived in owner-occupied houses, 255 lived in owner-occupied trailers, and 502 lived in rental units.

An additional 160 units of appropriated-fund family housing have been programmed for construction in F.Y. 1968 in the military construction bill pending in Congress at the time of the field investigation.1/

Navy Mine Defense Laboratory. According to the family housing survey conducted by the Navy Mine Defense Laboratory as of March 31, 1967, there were 216 Navy military personnel with families in the Panama City area. Of that number, 197 were suitably housed, 65 in military-owned housing on-base and 132 in private housing. Of those living in suitable private housing, 32 owned their homes, 34 lived in owner-occupied trailers, and 66 rented suitable off-base housing. Only 19 families lived in housing classed as unsuitable, 17 of which were classed as substandard.

1/ Since the date of this analysis, the program has been authorized and the 160 units have been approved for development. The units are for enlisted men and consist of 28 two-bedroom units, 108 three-bedroom units, and 24 four-bedroom units.

Demand for Housing

Quantitative Demand

Demand for additional housing in the Panama City HMA during the two-year period ending November 1, 1969 is based on the anticipated increase of about 600 households a year and on a small number of losses from the inventory. Consideration is given also to the current tenure distribution, to the probability that there will continue to be some shift of single-family houses from owner-occupancy to renter-occupancy status, to the fact that new rental housing built in the last three years has been absorbed exceptionally well, and to the use of both trailers and motel accommodations for housing needs. On the basis of those considerations, it is expected that about 450 single-family houses and 65 units in multifamily structures can be absorbed annually during the next two years. At the lower rents achievable with below-market-interest-rate financing or assistance in land acquisition and cost, an additional 60 units of multifamily housing a year could be absorbed, exclusive of public low-rent housing and rent-supplement accommodations. Construction of rental units for middle-income families would permit a needed up-grading of the housing occupied by many families.

Qualitative Demand

Single-Family Houses. Based on current levels of family incomes in the Panama City HMA, on sales price to income relationships typical in the area, and on recent market experience, the demand for additional single-family houses during the forecast period is expected to approximate the pattern in the following table.

Annual Demand for New Single-Family Houses by Price Classes
Panama City, Florida, Housing Market Area
November 1, 1967 to November 1, 1969

Sales price	Number of houses	Percentage distribution
Under $14,000	80	18
$14,000 - 15,999	85	19
16,000 - 17,999	90	20
18,000 - 19,999	70	16
20,000 - 24,999	65	14
25,000 and over	60	13
Total	450	100

<u>Multifamily Housing</u>. The demand for 65 units of multifamily housing annually during the two-year period ending November 1, 1969 at rents achievable with market-interest-rate financing probably will be absorbed best if about 25 units are provided as one-bedroom units, 35 as two-bedroom units, and five as three-bedroom units. Monthly gross rents should not exceed about $140 for one-bedroom units, $160 for two-bedroom units, and $180 for three-bedroom units.

The demand for 60 units annually at rents below the minimum rents achievable with market-interest-rate financing includes about 15 one-bedroom units, 25 two-bedroom units, and 20 three-bedroom units.

APPENDIX A
OBSERVATIONS AND QUALIFICATIONS
APPLICABLE TO ALL FHA HOUSING MARKET ANALYSES

1. When the rural farm population constitutes less than five percent of the total population of the HMA, all demographic and housing data used in the analysis refer to the total of farm and nonfarm data; if five percent or more, all demographic and housing data are restricted to nonfarm data.

2. All average annual percentage changes used in the demographic section of the analysis are derived through the use of a formula designed to calculate the rate of change on a compound basis.

3. Because of the change in definition of "farm" between 1950 and 1960 censuses, many persons living in rural areas who were classified as living on farms in 1950 would have been considered to be rural nonfarm residents in 1960. Consequently, the decline in the farm population and the increase in nonfarm population between the two census dates is, to some extent, the result of this change in definition.

4. The increase in nonfarm households between 1950 and 1960 was the result, in part, of a change in the definition of "farm" in the two censuses.

5. The increase in the number of households between 1950 and 1960 reflects, in part, the change in census enumeration from "dwelling unit" in the 1950 census to "housing unit" in the 1960 census. Certain furnished-room accommodations which were not classed as dwelling units in 1950 were classed as housing units in 1960. This change affected the total count of housing units and the calculation of average household size as well, especially in larger central cities.

6. The basic data in the 1960 Census of Housing from which current housing inventory estimates are developed 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.

7. Postal vacancy survey data are not entirely comparable with the data published by the Bureau of 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.

8. 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.

9. The distribution of the qualitative demand for sales housing differs from any selected experience such as that reported in FHA unsold inventory surveys. The latter data do not include new construction in subdivisions with less than five completions during the year reported upon, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction and some of the lower-value homes are concentrated in the smaller building operations, which are quite numerous. The demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

10. Monthly rentals at which privately owned net additions to the aggregate rental housing inventory might best be absorbed by the rental market are indicated for various size units in the demand section of each analysis. These net additions 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 may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result of the availability of an ample rental housing supply.

11. Distributions of average annual demand for new apartments are based on projected tenant-family incomes, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorptive 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. However, individual projects may differ from the general pattern in response to specific neighborhood or sub-market requirements. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from these demand distributions. Even though a deviation from these distributions may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless a 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 sub-markets.

12. The location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships. Proximity to or quick and economical transportation to place of work frequently is a governing consideration in the place of residence preferred by families in this group.

MARKET ANALYSIS AND RESEARCH SECTION
FEDERAL HOUSING ADMINISTRATION

Table I

Civilian Work Force Components
Panama City, Florida, Housing Market Area
1959 - 1967

Component	March 1959	March 1960	March 1961	March 1962	March 1963	March 1964	March 1965	March 1966	March 1967a/
Civilian work force	18,800	19,400	18,700	19,150	19,600	20,400	21,750	21,840	23,020
Unemployment	1,200	1,400	1,350	950	1,250	900	650	600	640a/
Percent unemployed	6.4%	7.2%	7.2%	5.0%	6.4%	4.4%	3.0%	2.7%	2.8
Total employment	17,600	18,000	17,350	18,200	18,350	19,500	21,100	21,240	22,380
Nonagricultural employment	17,300	17,700	17,050	17,900	18,050	19,250	20,850	21,000	22,100
Wage and salary	13,550	14,500	13,850	14,550	14,850	15,900	17,400	17,900	19,160
Manufacturing	2,300	2,500	2,150	2,250	2,050	2,450	2,550	2,460	2,600
Construction	1,250	1,300	1,000	1,000	1,000	1,050	1,400	1,100	1,240
Transp. & public utilities	750	900	650	800	800	750	850	960	900
Trade	3,650	3,750	3,950	3,800	4,000	4,350	4,500	4,640	4,940
Finance, ins., & real estate	600	600	600	650	700	650	700	760	860
Service	1,400	1,600	1,700	1,850	1,900	2,050	2,150	2,420	2,640
Government	3,500	3,750	3,750	4,100	4,350	4,550	5,200	5,480	5,900
Other wage and salary	100	100	50	100	50	50	50	80	80
All other nonagriculturalb/	3,750	3,200	3,200	3,350	3,200	3,350	3,450	3,100	2,980
Agricultural employment	300	300	300	300	300	250	250	240	240

a/ Subject to revision.
b/ Includes self-employed persons, unpaid family workers, and domestics in private households.

Source: Florida Industrial Commission.

Table II

All Families and Renter Households by Annual Income
After Deducting Federal Income Tax
Panama City, Florida, Housing Market Area
1967 and 1969

	1967 Incomes		1969 Incomes	
	All Families	All Renter Households[a]	All Families	All Renter Households[a]
Under $3,000	20	26	19	25
$3,000 - 3,999	11	15	10	13
4,000 - 4,999	14	15	12	14
5,000 - 5,999	12	12	13	12
6,000 - 6,999	10	9	9	10
7,000 - 7,999	8	7	9	8
8,000 - 8,999	6	5	7	5
9,000 - 9,999	5	2	5	3
10,000 - 12,499	6	5	7	5
12,500 - 14,999	4	3	4	3
15,000 and over	4	1	5	2
Total	100%	100%	100%	100%
Median	$5,375	$4,575	$5,650	$4,800

a/ Renter households of two persons or more.

Source: Estimated by Housing Market Analyst.

Table III

Bay County, Florida, Area Postal Vacancy Survey

October 23, 1967

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	20,651	930	4.5	886	44	142	20,419	893	4.4	849	44	94	232	37	15.9	37	-	48	424	53	12.5
Panama City	19,665	863	4.4	825	38	127	19,435	827	4.3	789	38	79	230	36	15.7	36	-	48	424	53	12.5
Main Office	18,803	852	4.5	814	38	127	18,573	816	4.4	778	38	79	230	36	15.7	36	-	48	424	53	12.5
Tyndall AFB	862	11	1.3	11	-	-	862	11	1.3	11	-	-	-	-	-	-	-	-	-	-	-
Lynn Haven	986	67	6.8	61	6	15	984	66	6.7	60	6	15	2	1	50.0	1	-	-	-	-	-

The distributions of total possible deliveries to residences, apartments, and house trailers were estimated by the postal carriers. The data in this table, therefore, are not strictly comparable to the distribution of deliveries by structural type for surveys prior to 1966. The total possible deliveries for the total of residences, apartments, and house trailers, however, are as recorded in official route records.

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).