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St. Marys Co., Md.
Aug. 1, 1967

Analysis of the
**ST. MARYS COUNTY,
MARYLAND
HOUSING MARKET**

as of August 1, 1967

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

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ANALYSIS OF THE
ST. MARYS COUNTY, MARYLAND HOUSING MARKET
AS OF AUGUST 1, 1967

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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
ST. MARYS COUNTY, MARYLAND, HOUSING MARKET
AS OF AUGUST 1, 1967

Summary and Conclusions

1. The St. Marys County economy is heavily dependent upon the activities of the Patuxent River Naval Air Station. The total of 5,400 military and 2,100 civilian-assigned personnel as of April 1967 is the highest level of the 1962-1967 period; the economy of the HMA has responded favorably to the recent increase. A continued build-up of military operations should prompt nonagricultural civilian employment to increase by about 175-200 jobs annually over the August 1967-August 1969 forecast period. However, the phasing-out of slot machines by July 1968 may have a depressing effect on the economy and the employment gains anticipated may not be realized.
2. As of August 1967, the estimated median annual income of all families in the HMA, after deduction of federal income taxes, was about \$6,100.
3. The August 1967 nonfarm population of St. Marys County totaled 38,400 persons, including 14,800 nonmilitary-connected civilians, 9,000 military-connected civilians, and 14,600 military personnel and their dependents. The anticipated average population gain^{1/} of 1,775 persons annually between 1967 and 1969 is composed of 1,025 military personnel and their dependents and 750 nonmilitary-connected civilian persons. In August 1967, there were 3,900 nonmilitary-connected civilian households, 2,250 military-connected civilian households, and 2,800 military households in St. Marys County, for a total of 8,950 households, or a gain of 175 annually since April 1960. The number of nonfarm households should grow by 400 annually during the two-year forecast period, one-half of which will accrue to the nonmilitary-connected^{1/} segment and the remaining 200 households annually to the military component.
4. The nonfarm housing inventory of 11,600 units as of August 1, 1967 represents a net addition of over 1,625 units since April 1960. Almost all of the new units constructed in the HMA between 1960 and 1967 were in the Lexington Park-Leonardtown area and were single-family units.
5. Vacancies in rental housing have declined sharply since April 1960, but vacancy rates have remained relatively stable in sales housing units. As of August 1, 1967, available vacancies included 75 units for sale and 275 units for rent, equal to a 1.6 percent homeowner vacancy rate and a 6.0 percent renter vacancy rate, respectively. A large proportion of the vacant units available for rent are single-family houses at scattered locations throughout the county.

^{1/} Excludes consideration of the possible depressive effects of the phasing-out of slot machines by July 1968.

6. The number of housing units required to satisfy the long-term non-military-connected demand in St. Marys County during the next two years is estimated to be 250 single-family units a year at locations throughout the county.^{1/} The demand estimate does not include public low-rent, rent-supplement, or on-base military accommodations. Demand for sales housing is expected to approximate the sales price pattern shown on page 18. Rental demand arising from civilian sources over the next two years is minimal and will be met by the existing inventory.

^{1/} See footnote, previous page.

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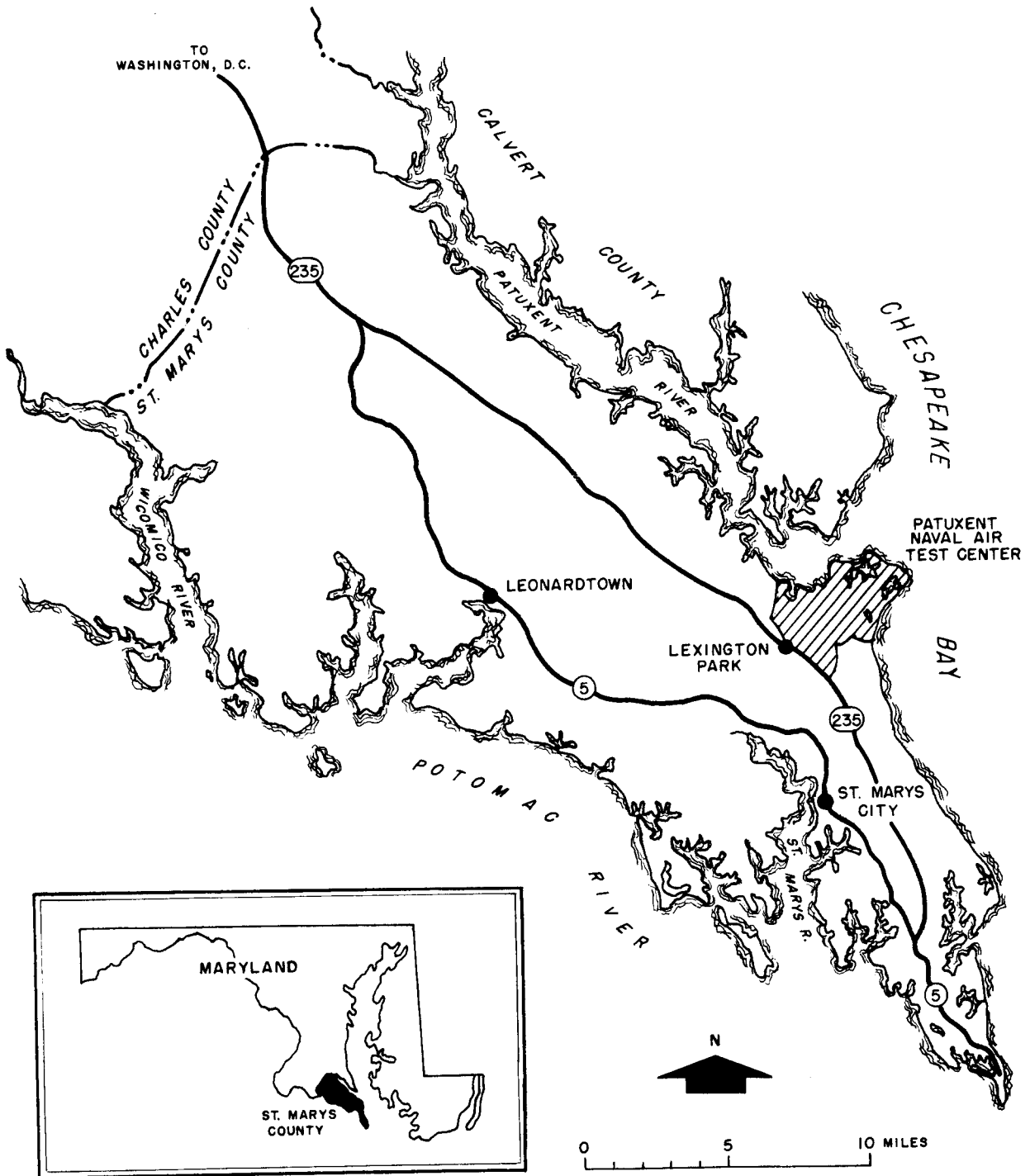
Housing Market Area

The St. Marys County Housing Market Area (HMA), in southern Maryland, is bounded by the Patuxent River on the north, Chesapeake Bay on the east, and the Potomac River on the south. The northern end of the county is about 30 miles southeast of Washington, D. C. and is linked to that city by State Route 5, most of which is now dual-lane highway. Route 5 is the only major transportation facility serving the county.

In 1960, the total population of St. Marys County was over 38,900 persons, including almost 33,350 nonfarm residents and 5,550 rural farm inhabitants.^{1/} The only major commercial and population concentration in the county is in the unincorporated area of Lexington Park, located adjacent to the Patuxent Naval Air Station. The community, in the southeastern part of the HMA, had a 1960 population of almost 7,050 persons. The county seat of St. Marys County, Leonardtown, is northwest of Lexington Park and had a 1960 population of about 1,275 persons.

^{1/} Since the rural farm population constituted over 14 percent of the population of St. Marys County in April 1960, all demographic and housing data used in this analysis exclude the rural farm component, except where specifically noted.

ST. MARYS COUNTY, MARYLAND HOUSING MARKET AREA



Economy of the Area

Character and History

The growing of tobacco and oyster tonging were the dominant economic activities in St. Marys County until the Patuxent River Naval Air Station was established in 1943 in Bay District at a location now known as Lexington Park. Since that time, the military and military-connected operations have provided the dominant economic support of the market area.

A degree of diversity is being added to the economy currently. St. Mary's College has received \$2,000,000 for expansion of its staff and facilities into a four-year degree-granting institution. In addition, a new electronics firm, Howard Aikens Industries, has moved into the county and eventually will employ about 200 persons.

Patuxent River Naval Air Station

The Naval Air Station established in 1943 on a 6,800-acre tract in St. Marys County incorporated a complete test and evaluation complex for naval aviation. The current mission of the installation is to maintain and operate facilities and provide logistic services and materials to support the operations of the Test Center. The principal tenants of the base are the Fleet Aircraft Squadrons assigned to the testing operations.

Military strength at the station rose to above 7,000 during the Korean Conflict and then declined to between 4,800 and 6,000 persons in the 1954-1962 period. The total of over 7,475 military and civilian-assigned personnel as of April 1967 is the highest level of the 1962-1967 period; assigned strength data for the Naval Air Station are only available since December 1962.

Assigned Personnel Strength
Patuxent River Naval Air Station
Dec. 1962 through April 1967

<u>Date</u>	<u>Military</u>	<u>Civilian</u>	<u>Total</u>
December 1962	5,062	1,800	6,862
" 1963	5,504	1,816	7,320
" 1964	5,117	1,754	6,871
" 1965	5,526	1,774	7,300
" 1966	5,174	1,950	7,124
April 1967	5,388	2,091	7,479

Source: Department of the Navy.

As seen on the previous page, the military strength in the last six years ranged from just over 5,050 in December 1962 to a high of 5,525 in December 1965. Since the time of the April 1967 count of almost 5,400, it is reported that a new air squadron has been assigned, increasing the military strength total to about 5,700, well above the previous 1965 high. Present plans indicate a continued strength increase at the Naval Air Station, reaching over 6,725 military personnel by Fiscal Year 1973.

The number of civilians employed at the Naval Air Station, excluding contractor personnel, declined slightly in 1964 and 1965, but rose to almost 2,100 persons in 1967. In addition, between 100 and 150 contractor personnel were employed at the station in July 1967. Although no long-range increase in non-contractor civilian personnel is anticipated, building projects totaling approximately 10 million dollars are contemplated for Fiscal Year 1968, leading to a construction force at the station of over 400 persons by 1970.

State-Insured Employment

Data relating to employment for industries covered by the Maryland Unemployment Insurance Law are available for St. Marys County for the Fiscal Years (FY) 1960 through 1966 (years ending June 30). The only major industry in St. Marys County excluded from these data is government employment, and trends in that category are well represented by civilian employment at the Naval Air Station. As seen below, the number of employees in industries covered by the Unemployment Insurance Law has risen steadily since FY 1962.

State-Insured Employment St. Marys County, Maryland, Housing Market Area Fiscal Year 1960-1967

<u>Fiscal Year</u>	<u>Total covered employment</u>	<u>Change from preceding year</u>
1960	2,618	-
1961	2,926	308
1962	2,660	-266
1963	2,840	180
1964	2,928	88
1965	2,988	60
1966	3,226	238
<u>First half</u>		
1967	3,506	-

Source: Maryland Department of Employment Security.

The sharp increase in employment between FY 1960 and 1961 and the subsequent decline by FY 1962 was the result of a temporary contract awarded to a private firm which brought over 200 workers to St. Marys County in 1961 to service airplanes at the Naval Air Station.

Employment by Industry. The largest industry in terms of covered employment in St. Marys County is wholesale and retail trade, averaging almost 1,475 workers in the last half of 1966, or 42 percent of total covered employment (table I). Employment in trade has been growing steadily since FY 1960, exhibiting a gain of over 80 jobs annually between FY 1964 and the last six months of 1966; prior to FY 1964, trade employment grew, but at a much slower pace than the 1964-1966 gains, reflecting slow growth at the Naval Air Station. Covered employment in other nonmanufacturing industries has been relatively stable in the last seven years, with slight fluctuations evident in construction, services, and transportation employment. Manufacturing employment rose from 235 in FY 1966 to almost 350 jobs in the last half of 1966 when an electronics assembly operation, the Minitec Corporation, a division of Aikens Industries, moved into the county. Almost all of the employees are women.

Unemployment

In April 1960, about 3.5 percent of the civilian work force (325 persons) were unemployed. A May 1966 estimate places the unemployment rate at 4.2 percent and the number of unemployed at 455.

Future Employment Prospects

Reflecting the continued build-up in staff at the Naval Air Station, some further hiring at the Minitec Corporation plant and a temporary increase in construction activity at the Patuxent Naval Air Station, it is expected that nonagricultural civilian employment in St. Marys County will increase by 175-200 jobs a year in the August 1967-August 1969 period. It should be noted, however, that many of the new jobs expected, e.g., at Minitec and in trade and services, will be for female workers. Such employment growth results in a rising participation rate (number of jobs related to total civilian population) and tends not to increase population.

In viewing the economic future of this area, the fact that it is still essentially based on a single "industry" - the Naval Air Station - must be borne in mind. Because of the Vietnam involvement, there has been an expansion of activity at this military establishment; when the present conflict ends, the size of the local military establishment will undoubtedly be reduced. At that time, some reduction in the level of economic activity in the area must be anticipated. The phasing-out of slot machine activity (now legal) which is scheduled for July 1, 1968 may well have an adverse impact on the economy and, in particular, will create a need for the development of other sources of local revenue. Thus, the employment gains anticipated may not be realized.

Income

The median annual income, after the deduction of federal income tax, of all nonfarm families in St. Marys County is approximately \$6,100, and the median after-tax income of nonfarm renter households of two or more persons is about \$5,175. Approximately 27 percent of all families and 34 percent of all renter households have after tax incomes of less than \$4,000 annually. About 20 percent of all families and 14 percent of renter households receive annual after-tax incomes in excess of \$10,000.

By 1969, the median annual after-tax income of all nonfarm families is expected to increase to about \$6,475, and that of tenant households to about \$5,500. Table II provides a detailed distribution of all nonfarm families and renter households by current annual after-tax income, and a forecast of the 1969 distribution.

Demographic Factors^{1/}

Population

St. Marys County Total. The nonfarm population of the HMA on August 1, 1967 totaled approximately 38,400 persons, an increase of almost 700 persons annually since April 1960.

During the 1950's, the nonfarm population of St. Marys County rose from over 21,250 in April 1950 to almost 33,350 persons in April 1960. Because of the change in definition of "farm" between the 1950 and 1960 Censuses, many persons who were classified as living on rural farms in 1950 were considered to be rural nonfarm residents in 1960. Therefore, the increase in nonfarm population of over 1,200 persons annually was, to some extent, the result of the change in definition.

Total population, including rural farm population, in St. Marys County rose from over 29,100 in April 1950 to 38,900 persons in April 1960, a gain of 9,800 persons. Comparing this increase with the nonfarm population decennial gain of 12,050 suggests that about 2,250 persons were affected by the 1960 definitional change or had moved from farm residences.

Components of Population. Of the 38,400 nonfarm persons in St. Marys County in August 1967, about 23,600 were military or military-connected civilians^{2/} and the remaining 14,800 persons were nonmilitary-connected civilians.

-
- ^{1/} Excludes consideration of the possible depressive effects of the phasing-out of slot machines by July 1968.
- ^{2/} The presence of the military has had a significant impact on the economy of the HMA; therefore, data on the military are shown separately whenever possible. As used in this analysis, the term "military" is defined as including uniformed military personnel and their dependents. "Military-connected civilians" include civilians who are employed by the military and their dependents. The term "nonmilitary-connected civilians" includes all other civilians not directly connected with the military.

Nonfarm Population Trends
St. Marys County, Maryland, Housing Market Area
April 1950 - August 1967

<u>Population segment</u>	<u>April 1950</u>	<u>April 1960</u>	<u>August 1967</u>	<u>Average annual change</u>	
				<u>1950-1960</u>	<u>1960-1967a/</u>
Nonmilitary-connected civilians	3,725	9,950	14,800	620	660
Military-connected civilians	7,250	8,200	9,000	95	110
Military	<u>10,300</u>	<u>15,200</u>	<u>14,600</u>	<u>490</u>	<u>-80</u>
Total	21,275	33,350	38,400	1,205	690

a/ Rounded.

Sources: Total population for 1950 and 1960 from Censuses of Population.
Total for 1967 and components for all years estimated by Housing
Market Analyst.

As seen in the above table, the number of military personnel and their dependents rose between 1950 and 1960, but declined slightly during the 1960-1967 period. Despite the 1960-1967 decline, however, the military segment grew rapidly in the twelve months preceeding August 1967 as new units were assigned to the Naval Air Station.

Unlike the military component, the military-connected civilian segment of the population increased between 1960 and 1967, from 8,200 persons in April 1960 to the August 1967 level of 9,000 persons. This total includes civilian and contractor personnel and their dependents.

The nonmilitary-connected civilian segment of the St. Marys County non-farm population equalled 14,800 persons in August 1967, a net gain of 660 persons annually since April 1960. During the 1950 decade, this nonmilitary-connected component grew by about 620 persons a year. Part of the 1950-1960 gain, however, was the result of the census definitional change discussed earlier. Thus, it is apparent that recent nonmilitary-connected population growth has exceeded that of the 1950 decade, primarily because of employment growth in manufacturing and in wholesale and retail trade.

Future Population. Based on civilian employment gains expected in the HMA in the next two years and on projected military growth at the Naval Air Station, it is estimated that the nonfarm population of St. Marys County will reach over 41,950 by August 1969. The average annual increase of 1,775 persons is composed of 1,025 military personnel and their dependents and 750 nonmilitary-connected civilian persons. The latter is above 1960-1967 average gains in the civilian segment and reflects an accelerated growth rate in industries supporting the rising number of military personnel in the HMA. The number of military-connected civilian persons and their dependents in St. Marys County is not expected to change substantially by August 1969.

Natural Increase and Migration. Because separate data are not available for farm and nonfarm births and deaths, it is necessary to use total population, including rural farm, in order to determine the components of population change.

The net natural increase (excess of resident births over resident deaths) since 1960 of 1,175 persons annually is above the 1950-1960 average of 715 persons a year.

As seen in the table below, the in-migration pattern evident in St. Marys County in the 1950 decade changed to out-migration during the 1960-1967 period. However, there has been a continued out-migration of nonmilitary-connected persons during both periods. In the 1950's, the net in-migration of 265 persons annually was equal to less than one-half of the rise in the military-connected population. In the 1960-1967 period, the out-migration of military personnel was well below total out-migration of 575 a year, indicating a continuing out-migration of nonmilitary people from St. Marys County.

Average Annual Components of Population Change
St. Marys County, Maryland, Housing Market Area
1950 - 1967

<u>Period</u>	<u>Natural increase</u>	<u>Net migration</u>	<u>Total population change</u>
April 1950-April 1960	715	265	980
April 1960-August 1967	1,175	-575	600

Note: All components are rounded.
(-) indicates out-migration

Sources: 1950 and 1960 Censuses of Population, Maryland Department of Health, and estimates by Housing Market Analyst.

Households

St. Marys County Total. There were 8,950 nonfarm households in St. Marys County in August 1967, an increase of 170 annually since April 1960. In the 1950-1960 decade, the number of nonfarm households in the area rose from over 4,675 to about 7,650, or by 300 annually. Part of this increase, however, is attributable to census definitional changes which tended to inflate the 1960 nonfarm household figure. The conceptual change from "dwelling unit" in 1950 to "housing unit" in 1960, and the change in the definition of "farm" resulted in definitional increments in the number of nonfarm households reported in 1960.

Components of Households. As seen in the table below, 5,050 households, or over 56 percent of all households in the area, are military or military-connected civilian households. The August 1967 level of 2,800 military households in St. Marys County is slightly below the April 1960 total. During the 1950's, the number of military households rose by 105 annually, or over one-third of the total household growth in the area.

Military-connected civilian households numbered 2,250 in August 1967, representing a steady gain over the total of 2,100 in April 1960 and 1,900 in April 1950.

The number of nonmilitary-connected civilian households in St. Marys County grew by about 175 households annually during the 1960-1967 period, and totaled about 3,900 households in August 1967, or 44 percent of all nonfarm households in the HMA. Although annual growth during the 1950's also reached 175 households per year, it is important to recall that this average is inflated by the census definitional changes. The 1960-1967 average annual household growth in the nonfarm segment is, realistically, above that of the 1950-1960 period.

Nonfarm Household Trends St. Marys County, Maryland, Housing Market Area April 1950-August 1967

<u>Household segment</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>August</u> <u>1967</u>	<u>Average</u> <u>annual change</u>	
				<u>1950-</u> <u>1960</u>	<u>1960-</u> <u>1967</u>
Nonmilitary-connected civilians	875	2,600	3,900	175	175
Military-connected civilians	1,900	2,100	2,250	20	20
Military	<u>1,900</u>	<u>2,950</u>	<u>2,800</u>	<u>105</u>	<u>-20</u>
Total	4,675	7,650	8,950	300	175

Sources: Total households for 1950 and 1960 from Censuses of Housing.
Total for 1967 and all component data estimated by Housing
Market Analyst.

Household Size Trends. The average size of civilian and military households in St. Marys County ranges between 3.9 and 4.3 persons; typically, the larger families are in the military household segment. The non-military-connected civilian household average size, however, is lower and has been declining in recent years. The average of 3.75 persons per household in August 1967 in this segment is below the April 1960 average of 3.77 persons.

Over-all nonfarm average household size in St. Marys County was 3.94 persons in August 1967. The growing proportion of civilian households in the HMA between 1960 and 1967 caused over-all average household size to decline during that period, from 3.97 persons in 1960 to 3.94 persons in 1967.

Despite a continued decline in the nonmilitary-connected civilian average household size during the forecast period, the resumption of growth in military population and households should raise over-all household size in the area in the next two years, to about 3.97 persons per household by August 1969.

Future Households. Based on the anticipated growth in the nonmilitary-connected population and on the decline in average household size in this sector, it is estimated that there will be a gain of about 200 nonmilitary-connected households annually in St. Marys County between August 1967 and August 1969. This is somewhat above past growth levels and is based on anticipated gains generated by increasing military activity at the Naval Air Station.

An additional 200 households annually during the forecast period probably will be added to the military household segment in the HMA. These gains will bring the nonfarm household total in August 1969 to about 9,750 households, or 800 above the August 1967 level.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of August 1, 1967, there were 11,600 nonfarm housing units in St. Marys County, a net addition of over 1,625 units since April 1960. The addition resulted from the construction of 1,850 new dwellings and the loss of 225 units by demolition, fire, conversion out of the inventory, and other changes.

During the April 1950-April 1960 decade, the number of nonfarm housing units in the HMA increased from nearly 5,750 to over 9,950, a gain of 4,200 units. Part of the increase, however, resulted from a census definitional change from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census, and from the change in definitions of "farm" and "nonfarm" between 1950 and 1960. The total number of housing units, including rural farm units, rose from about 7,725 in April 1950 to over 11,200 in April 1960, an increase of 3,475 during the decade, suggesting that about 725 units were reclassified from farm to nonfarm.

Type of Structure. As seen below, the only segment of the inventory which increased between 1960 and 1967 was the single-family category, from 75 percent in 1960 to over 79 percent of the housing supply in 1967.

Nonfarm Housing Inventory by Units in Structure St. Marys County, Maryland, Housing Market Area April 1960 and August 1967

<u>Units in structure</u>	<u>April 1960</u>		<u>August 1967</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
One unit	7,456	74.9	9,200	79.3
Two units	284	2.8	250	2.2
3-4 units	333	3.3	300	2.6
5 units or more	1,253	12.6	1,200	10.3
Trailers	634	6.4	650	5.6
Total	9,960	100.0	11,600	100.0

Sources: 1960 Census of Housing.
1967 estimated by Housing Market Analyst.

Age of Structure. Over 77 percent of the August 1967 nonfarm housing stock was built after the opening of the Naval Air Station in the early 1940's. Less than 15 percent of the inventory is over 38 years old.

Nonfarm Housing Inventory by Age of Structure
St. Marys County, Maryland, Housing Market Area
August 1967

<u>Year built a/</u>	<u>Number of units</u>	<u>Percentage distribution</u>
April 1960 - August 1967	1,850	15.9
1955 - March 1960	1,650	14.2
1950 - 1954	2,550	22.0
1940 - 1949	2,900	25.0
1930 - 1939	925	8.0
1929 or earlier	<u>1,725</u>	<u>14.9</u>
Total	11,600	100.0

a/ The basic 1960 data reflect an unknown degree of error in "year built" occasioned by the accuracy of response to census enumerators' questions as well as errors caused by sampling.

Source: 1960 Census of Housing adjusted to reflect changes in the inventory.

Condition of the Inventory. About 2,500 nonfarm housing units, almost 22 percent of the units in St. Marys County, were dilapidated or lacking one or more plumbing facilities. This indicates virtually no improvement in the condition of the nonfarm housing stock since 1960, when 2,490 units (25 percent) were classified as substandard.

Residential Building Activity

Past Trends. Building permits cover virtually all new construction in St. Marys County; over 1,925 units were authorized for construction in the HMA between January 1, 1960 and August 1, 1967. As seen in the table below, construction volume has remained relatively stable during this period. The number of single-family units authorized for construction in the HMA averaged almost 250 units annually between 1960 and 1967, although the total dropped below 200 units in 1961. Fewer than 30 multifamily units were authorized in St. Marys County in the 1960-1967 period, all of which were in two- to four-unit structures.

Number of Private Housing Units Authorized by Building Permits
St. Marys County, Maryland, Housing Market Area
1960-1967

<u>Year</u>	<u>Single- family</u>	<u>Multi- family</u>	<u>Total units</u>
1960	253	-	253
1961	194	-	194
1962	222	18	240
1963	259	6	265
1964	258	3	261
1965	277	-	277
1966	266	2	268

First seven months

1966	170	2	172
1967	169	-	169

Sources: St. Marys County Building Inspector.
C-40 Construction Reports of the Bureau of Census.

Units Under Construction. On the basis of building permit data and the postal vacancy survey conducted in August 1967, it is estimated that there were about 75 single-family units under construction in St. Marys County on August 1, 1967; almost all of the units are in the areas of Lexington Park and Leonardtown.

Losses to the Inventory. Between 1960 and August 1967, there were about 125 units demolished in St. Marys County and an additional 100 units lost through conversion to other uses, primarily to commercial use as warehouses or storerooms. About 50 units probably will be lost from the nonfarm housing inventory of the HMA in the two-year forecast period ending August 1, 1969.

Tenure of Occupancy

As of August 1, 1967, there were 8,950 occupied nonfarm housing units in St. Marys County, of which 4,650 (52 percent) were owner-occupied and 4,300 (48 percent) were renter-occupied. There has been a continuing shift toward owner occupancy in the HMA since April 1950, when almost 57 percent of the occupied nonfarm housing inventory was occupied by renters (see table III).

Vacancy

1960 Census. In April 1960, there were about 595 nonseasonal vacant housing units available for sale or rent in St. Marys County, equal to 7.2 percent of the available nonfarm housing inventory. Of these units, 45 were available for sale, a homeowner vacancy rate of 1.2 percent; almost 550 vacant units were available for rent, a renter vacancy rate of 12.5 percent. Over 1,700 units in St. Marys County in 1960 were enumerated as vacant but were seasonal or held off the market for other uses.

Postal Vacancy Survey. A postal vacancy survey was conducted in St. Marys County in August 1967 and included the cities of Lexington Park and Leonardtown and the Naval Air Station. A total of almost 4,575 total possible deliveries were counted, or about 39 percent of the nonfarm housing inventory. As seen in the table below, vacancy rates equaled 1.0 percent in residences and 8.0 percent in apartment units.

Postal Vacancy Survey
St. Marys County, Maryland, Housing Market Area
August 1967

<u>Structure Type</u>	<u>Total units surveyed</u>	<u>Vacant units</u>		<u>Units under construction</u>
		<u>Number</u>	<u>Percent</u>	
Residences	2,477	25	1.0	21
Apartments	1,532	122	8.0	-
Trailers	554	2	0.4	-
Total	4,563	149	3.3	21

Source: FHA postal vacancy survey conducted by collaborating postmasters in Lexington Park, Leonardtown, and Patuxent River.

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. The census reported units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure.

Current Estimate. On the basis of the postal vacancy survey and other vacancy data available in the area, it is estimated that there were about 350 vacant available housing units in St. Marys County in August 1967. Of these, 75 were available for sale only, a homeowner vacancy rate of 1.6 percent; the remaining 275 units were available for rent, a renter vacancy rate of 6.0 percent. About one-fourth of the units available for rent, however, lacked one or more plumbing facilities or were in a dilapidated condition. Renter vacancy rates declined in the 1966-1967 period almost exclusively as a result of the immigration of military families into the area during the time.

In addition to the available vacant units, there were about 2,300 other vacant units in the HMA in August 1967, including seasonal units and units held off the market. This total increased between 1960 and 1967 because of growth in the seasonal housing inventory and the addition of about 140 rental units in process of rehabilitation which were being held off the market in August 1967.

Sales Market

The sales market in St. Marys County was very stable during 1966 and 1967, characterized by very little speculative building, a steady volume of new housing starts, and no appreciable increase in sales vacancies. Prices for new homes are typically in the \$21,000 to \$24,000 range for three- and four-bedroom units; existing one- and two-bedroom homes are selling for \$9,500 to \$13,000, while older three- and four-bedroom units are priced in the \$16,000 to \$20,000 range.

As indicated by a March 1967 family housing survey conducted by the Naval Air Station, about 280 military families own homes in St. Marys County, or about ten percent of all military families living in the HMA. Generally, military families prefer rental housing because sales housing is costly and they are likely to be transferred within a relatively short time (the Naval Air Station sources report that the average duty tour of their personnel is 15 months).

Almost all subdivision activity in St. Marys County is in the Leonardtown-Lexington Park area. In the largest subdivision in the county, about 100 homes have been built since the early 1960's. Prices range from \$18,000 to \$35,000, although most units are priced around \$23,000. In the lowest priced subdivision in the county with homes priced between \$14,000 and \$20,000, three units were under construction in August 1967.

Rental Market

There are three types of housing accommodations in St. Marys County which are available on a rental basis: (1) single-family homes, including two privately-owned Lanham Act housing projects, (2) trailers or mobile homes, and (3) multifamily housing (consisting mainly of the military-controlled public quarters and a Wherry housing project). Occupancy was high in August 1967 in these projects. Large rental units of modern design in the market area are virtually nonexistent because there has been very little new rental housing constructed since 1953.

New modern single-family homes available on a rental basis are quite scarce in the HMA and are absorbed rapidly when they do become vacant. Typically, two-bedroom homes rent for \$100 to \$125 a month, three-bedroom units for \$125 to \$165, and four-bedroom homes for \$135 to \$175. These rentals exclude utility costs, which increase monthly rental expense by \$25 to \$35. The high monthly rental cost of single-family housing effectively bars lower-ranking enlisted personnel from the market because rents are well above the basic allowances for quarters.

Military Housing

There were almost 510 military-owned family housing units on base at the Naval Air Station in August 1967, of all which were built in the 1943-1945 period. At present, all of the units are occupied and there are waiting lists for officer quarters. The 320 units of housing for enlisted personnel consist of about 50 one-bedroom units, 220 two-bedroom units, and 50 three-bedroom units. Of the 190 officer quarters, there are 100 two-bedroom units, 60 three-bedroom accommodations, and 30 four-bedroom units.

As of August 1967, there are plans for an additional 200 units of on-base military family housing to be constructed at the Naval Air Station in Fiscal Year 1968, consisting of 120 three-bedroom units and 80 four-bedroom apartments. No other housing additions at the base are anticipated.

The provision of additional on-base housing will tend to make the stock of off-base housing more vulnerable to any future reduction in military personnel at the Naval Air Station. It is likely that on-base housing will be fully utilized in any case, so that the impact of any staff reduction will be felt largely in the private inventory of apartments and single-family houses.

Demand for Housing

Quantitative Demand

The number of housing units required to satisfy the long-term non-military-connected demand for new housing is based on estimated civilian household growth and the number of units to be demolished during the 1967-1969 forecast period. Additional factors considered in deriving annual demand include changes in the tenure of civilian households and the volume of units under construction as of August 1, 1967. Based on the above considerations, demand for additional nonmilitary-connected housing during the August 1967-August 1969 forecast period throughout St. Marys County is estimated at 250 single-family units annually.^{1/} This estimate does not include public low-rent housing, rent-supplement accommodations, or on-base military housing. While demand will be strong in the Lexington Park-Leonardtown area, part of this demand will be effective elsewhere in the county.

Demand for rental units among the nonmilitary-connected civilian segment of the population is expected to be minimal. Very few privately-financed rental units have been built in recent years in the HMA, and almost all rental housing is located in Lexington Park, where it is closely linked to the military. The small amount of rental demand evident in the civilian segment has been, and probably will continue to be, met by transfer of single-family units from owner to renter status.

On the basis of the anticipated growth in the number of military households in the HMA in the next two years, military-connected demand for suitable housing will continue to be strong. Much of the demand arising from the 1967-1969 projected growth of 400 additional military households may be satisfied, however, by the construction of 200 on-base family housing units and the completion of rehabilitation work on about 140 rental units at Center Gardens, the Wherry rental project.

Qualitative Demand

Based on the current after-tax incomes of families in the HMA, on sales price to income relationships typical in the area, and on recent market experience, about one-quarter of the demand for 250 single-family units annually will be for units priced below \$14,000. An additional 35 percent of the demand will be for houses priced between \$14,000 and \$20,000, and the remaining 40 percent for units priced at \$20,000 or more.

^{1/} Excludes consideration of the possible depressive effects of the phasing-out of slot machines by July 1968.

Table I

Average Monthly State-Insured Employment
St. Marys County, Maryland, Housing Market Area
Fiscal Year 1960-1967

<u>Industry</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>July-December</u> <u>1966</u>
Total covered employment	<u>2,618</u>	<u>2,926</u>	<u>2,660</u>	<u>2,840</u>	<u>2,928</u>	<u>2,988</u>	<u>3,226</u>	<u>3,506</u>
Manufacturing	324	302	230	284	252	236	237	348
Nonmanufacturing	<u>2,294</u>	<u>2,624</u>	<u>2,430</u>	<u>2,556</u>	<u>2,676</u>	<u>2,752</u>	<u>2,989</u>	<u>3,158</u>
Construction	329	376	309	343	393	385	441	433
Trans., comm., and pub. util.	258	544	331	367	340	351	389	415
Wholesale and retail trade	1,181	1,198	1,219	1,233	1,263	1,353	1,411	1,470
Fin., ins., and real estate	109	111	118	123	136	150	166	182
Service and misc.	417	395	453	490	544	513	582	658

Source: Maryland Department of Employment Security.

Table II

Estimated Income Distribution of All Nonfarm
Families and of Renter Households
After Deduction of Federal Income Tax
St. Marys County, Maryland, HMA, 1967 and 1969

<u>Annual income</u>	<u>1967</u>		<u>1969</u>	
	<u>All families</u>	<u>Renter households^{a/}</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$2,000	10	12	9	12
\$ 2,000 - 2,999	8	10	7	9
3,000 - 3,999	9	12	9	11
4,000 - 4,999	12	13	10	13
5,000 - 5,999	10	12	11	11
6,000 - 6,999	10	10	9	10
7,000 - 7,999	9	7	9	8
8,000 - 8,999	6	5	7	6
9,000 - 9,999	6	5	6	5
10,000 - 12,499	9	7	10	8
12,500 and over	<u>11</u>	<u>7</u>	<u>13</u>	<u>7</u>
Total	100	100	100	100
Median	\$6,100	\$5,175	\$6,475	\$5,500

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

Source: Estimated by Housing Market Analyst.

Table III

Tenure and Vacancy in the Nonfarm Housing Supply
St. Marys County, Maryland, Housing Market Area
April 1950 - August 1967

<u>Tenure and Vacancy</u>	<u>April 1950</u>	<u>April 1960</u>	<u>August 1967</u>
Total housing supply	<u>5,738</u>	<u>9,960</u>	<u>11,600</u>
Occupied housing units	<u>4,679</u>	<u>7,657</u>	<u>8,950</u>
Owner-occupied	2,034	3,812	4,650
Percent of all occupied	43.5%	49.8%	52.0%
Renter-occupied	2,645	3,845	4,300
Percent of all occupied	56.5%	50.2%	48.0%
Vacant housing units	<u>1,059</u>	<u>2,303</u>	<u>2,650</u>
Available vacant	<u>175</u>	<u>594</u>	<u>350</u>
For sale	<u>27</u>	<u>45</u>	<u>75</u>
Homeowner vacancy rate	1.3%	1.2%	1.6%
For rent	148	549	275
Renter vacancy rate	5.3%	12.5%	6.0%
Other vacant <u>a/</u>	884	1,709	2,300

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

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