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Analysis of the
**VIRGIN ISLANDS
OF THE UNITED STATES
HOUSING MARKET**

As of November 1, 1965

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

June 1966

ANALYSIS OF THE
VIRGIN ISLANDS OF THE UNITED STATES, HOUSING MARKET
AS OF NOVEMBER 1, 1965

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, of course, be differences of opinion 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.

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ANALYSIS OF THE
VIRGIN ISLANDS OF THE UNITED STATES, HOUSING MARKET
AS OF NOVEMBER 1, 1965

Summary and Conclusions

1. The economic base of the Virgin Islands was dependent on agriculture in the first half of the nineteenth century and shipping and commerce in the latter half of that century and the first half of the twentieth century. During the last fifteen years, tourism has been the mainstay of the economy. The rapid increase in tourism has caused employment to rise to increasingly higher levels. The economy is expected to continue rising, with a resulting increase in employment, population, households, and demand for housing units. However, the volatility of the tourist trade and its dependence on external forces suggest that an anticipated reversal may occur in the future.

Nonagricultural wage and salary employment averaged 16,800 in the first quarter of 1965, an increase of 1,275 over the average in the first quarter of 1964 and 3,475 over the first quarter average of 1963. A large part of the increase in employment has consisted of alien workers and workers from Puerto Rico, who have increased in number from about 2,000 in 1960 to approximately 9,000 at present. In 1965, there were about 11 nonmanufacturing jobs for every one job in manufacturing, a reflection of the high employment in industries that cater to tourists. During the two-year forecast period, employment is expected to increase by 2,500 above the current estimate of 17,400, to a November 1967 total of 19,900 workers.

2. Incomes have increased substantially in recent years. The current median incomes of \$4,025 for all families and \$3,425 for all renter-families, after deduction of Federal income tax, represent respective increases of \$1,250 and \$1,050 above the 1959 adjusted, after-tax median income. The median income is expected to rise by over nine percent during the next two years.
3. The population of the Virgin Islands HMA currently totals 46,000. This represents an average annual increase since 1960 of 2,500, significantly greater than the average of 540 a year during the 1950-1960 decade. By November 1967, the population of the HMA is expected to increase to 51,800, of which 23,900 will be in St. Croix, 26,700 in St. Thomas, and 1,200 in St. John.
4. There are about 12,400 households in the HMA at present, an average increase of nearly 680 annually since 1960. It is anticipated that the number of households will increase to 13,900 by November 1967, of which 6,525 will be in St. Croix, 7,050 in St. Thomas, and 325 in St. John.

5. There are approximately 13,400 housing units in the HMA at present, an average annual increment of 690 since 1960. An average of 750 units a year were authorized by building permits between 1960 and 1964. There was a distinct uptrend in the number of authorizations during this period, from about 430 units in 1960 to over 1,175 in 1964. This uptrend has occurred mainly as a result of a sharp increase in the number of units authorized in multifamily structures.
6. There are an estimated 150 vacant available units at present (a net vacancy ratio of 1.2 percent), down from about 230 (2.6 percent) in April 1960. The current sales vacancy ratio is 0.9 percent and the rental vacancy ratio is 1.4 percent. Only about 20 percent of the vacant available units are estimated to be good quality housing units.
7. Although the total quantitative demand for new housing is about 1,200 units a year, the demand for new privately-owned housing that meets FHA minimum property standards is estimated at 660 units annually during the next two years, including 280 sales units and 380 rental units. This estimate excludes public low-rent housing and rent-supplement accommodations. A distribution of sales demand by sales price classes is presented on page 25, and distribution of rental demand by gross monthly rent and unit size are presented separately for St. Thomas and St. Croix on pages 26 and 27.

ANALYSIS OF THE
VIRGIN ISLANDS OF THE UNITED STATES, HOUSING MARKET
AS OF NOVEMBER 1, 1965

Housing Market Area

The Virgin Islands of the United States consist of more than 50 islands and cays, only three of which are of any size or importance. These three islands, St. Thomas (28 square miles), St. Croix (80 square miles), and St. John (20 square miles), make up the Virgin Islands Housing Market Area (HMA), as defined for purposes of this report. In April 1960, the population of the HMA totaled 32,100 persons. The capital of the Islands is Charlotte Amalie, St. Thomas Island. It is the largest city in the islands, with a 1960 population of nearly 12,900, and is the only urban area in St. Thomas. The only urban areas in St. Croix are Christiansted (1960 population of nearly 5,150), located on the northeast end of the island, and Frederiksted (1960 population of 2,175), located on the western end of the island. The island of St. John has no urban areas. The population of the island (925 in 1960) is centered principally in the town of Cruz Bay, on the western edge of the island, and on the eastern edge in the Coral Bay area. Over 50 percent of the island lies within the boundaries of the Virgin Islands National Park.

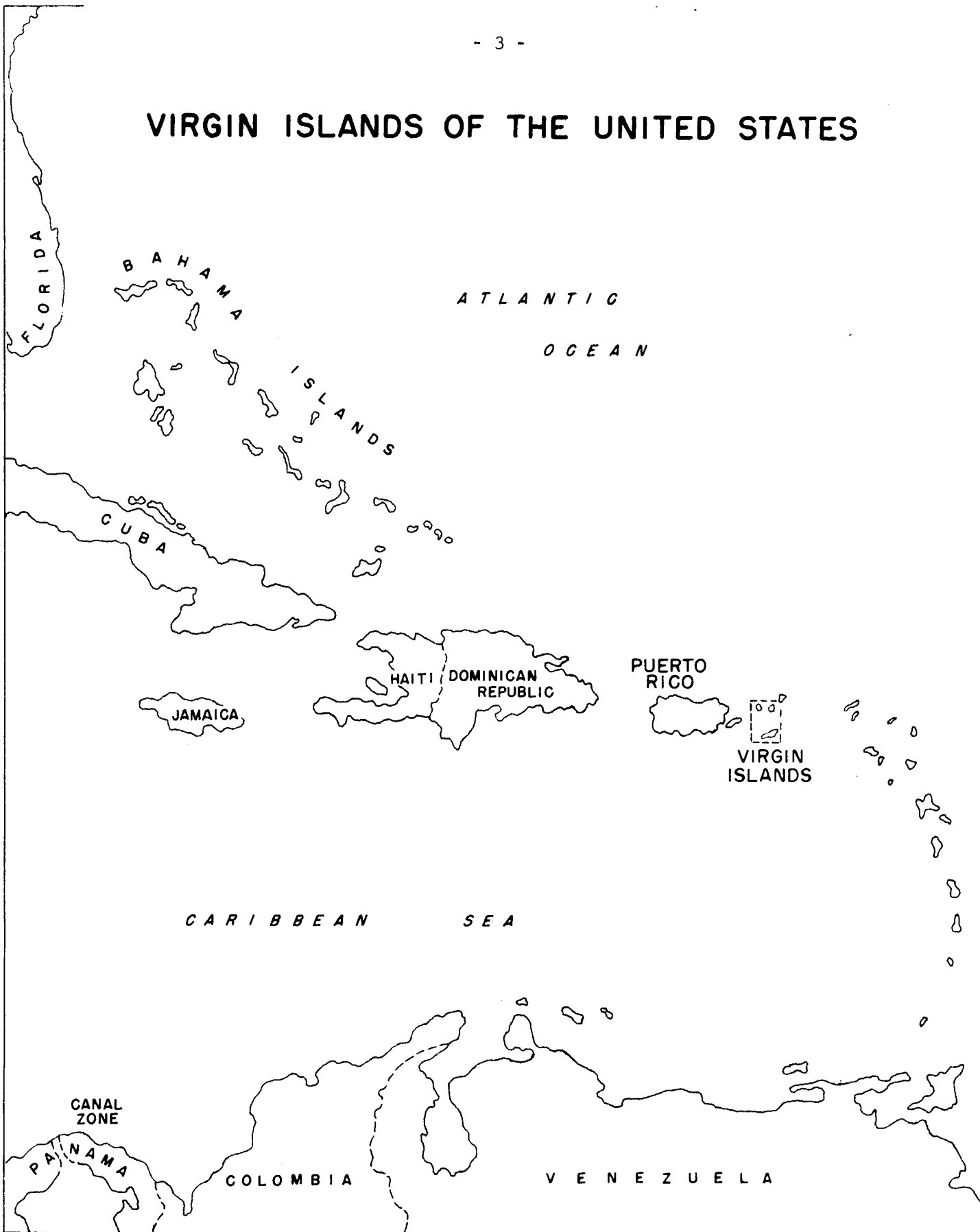
The Virgin Islands are located on the northern end of the Lesser Antilles and the eastern end of the Greater Antilles, the chain of islands that separate the Caribbean Sea and the Atlantic Ocean. The island of St. Thomas is about 75 miles east of San Juan, Puerto Rico, 1,000 miles east southeast of Miami, Florida, and 1,500 miles southeast of New York City. Air and sea transportation to the Islands is provided mainly from these three cities. Terminal facilities in the HMA have been improved and further improvements are in planning. An airport capable of handling jet aircraft has been built in St. Croix and a similar facility is planned for St. Thomas. For the interim, however, the runway at the St. Thomas airport will be extended to accommodate medium-sized jets. The recent dredging of the Christiansted harbor and the construction of a deep water pier in Frederiksted has substantially increased the freight and passenger volume potential of St. Croix. The Charlotte Amalie harbor long has been considered to be one of the finest in the Caribbean.

The Islands are of volcanic origin and are quite mountainous. St. Thomas and St. John rise from the same submarine plateau to heights of 1,000 and 1,500 feet above sea level. Because of the steep hills, which rise sharply from the sea, there is very little level land suitable for residential, commercial, or agricultural purposes. Another disadvantage of the steep terrain is the rapid run-off of rain water and the consequent lack of natural water resources. As a result, nearly one million gallons of potable water are barged in from Puerto Rico daily in addition to the daily output of a quarter-million gallons at a desalting plant in St. Thomas. Most houses have cisterns attached to

drains on rooftops and the government maintains a number of large concrete catchments and storage tanks to gather run-off water. St. Croix, although it rises to nearly 1,100 feet above sea-level, has an abundance of level land and an adequate supply of water. On the south side of the island, from Christiarsted west to Frederiksted (nearly 50 percent of the island), the rollings hills rise to only about 200 feet above sea level.

Inasmuch as the rural farm population of the Virgin Islands HMA constituted slightly less than five 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.

VIRGIN ISLANDS OF THE UNITED STATES



0 50 100 200 MILES

Economy of the Area

Character and History

The Virgin Islands were discovered by Christopher Columbus on his second voyage to the New World in 1493. The Islands were intermittently controlled by England, France, Holland, and Spain until 1671, when Denmark took possession. The Danish stripped the Islands of all natural vegetation and began producing sugar cane, molasses, and rum with slave labor. The Islands flourished during the following 200 years and became one of the major ports of call on the trade routes of European and American merchant ships. The population rose, during this period, to a peak of nearly 43,200 in 1835. In 1848, Denmark abolished slave labor. As a result, the production of sugar cane on the hilly terrain of St. Thomas and St. John became unprofitable and was abandoned. The production of sugar cane and rum continued in St. Croix, however, because of the abundance of level land.

With the decline of agriculture in St. Thomas, shipping and commerce took over economically. The excellent natural harbor off Charlotte Amalie, located in the path of the tradewinds between Europe and the United States, and the economic stability generated by the neutrality and freeport status offered by the Danish Government, contributed to the fast rise in commerce and shipping. The economy of St. Thomas continued to expand up to about 1880, while the other two islands, which were more agrarian, experienced continued slow decline.

The United States purchased the Islands from Denmark in 1917 for \$25 million. This was the sixth attempt by the United States, over a 50-year period, to buy the Islands. The involvement of the United States in World War I and the fear that Germany would take over the Islands and control the south seas and the Panama Canal stimulated the government to purchase the Islands at this relatively high price (about \$300 an acre). The Islands were under the administration of the U. S. Navy until 1931, when the administration was turned over the U. S. Department of the Interior, which still administers the Islands in conjunction with the Governor of the Islands (a Presidential appointee) and the Virgin Islands Legislature. At the present time, the only U. S. military installations in the Islands are a small coast guard station and a small submarine base.

Although the production of sugar and rum was one of the dominant economic mainstays of the Islands for about two centuries, the industry has been declining since the abolition of slavery, over a century ago. The United States Government bought the existing sugar and rum producing facilities in 1934 and created the Federally-owned Virgin Islands Company, which stimulated a slight revival of the declining industry. In 1949, the Virgin Islands Corporation (VICORP) succeeded the original company. VICORP has operated at a loss since its inception, except

for 1957, and the Government of the Virgin Islands has subsidized the Corporation. In view of the fact that the labor force on St. Croix was no longer dependent on the sugar operation, a decision was made to phase the sugar operation out of existence and sell the assets at the end of Fiscal Year 1966. The U. S. Department of Agriculture has been working with local authorities and farmers in an attempt to transfer the farmland from cane production to other agricultural uses, such as dairy and beef cattle, vegetables, and citrus crops.

Tourism has taken over as the major economic mainstay of the Islands. There has been a phenomenal increase in the number of tourists visiting the Islands and in tourist expenditures during the past 15 years, particularly, in the past five years. Tourist expenditures increased from less than \$2 million in 1950, to \$25 million in fiscal 1960, and to over \$54 million in fiscal 1965. The increase of about \$29 million in the last five years is over 25 percent greater than the increase of \$23 million in the ten years of the 1950-1960 decade.

Number of Tourists and Total Tourist Expenditures
Virgin Islands of the United States
F.Y. 1950-F.Y. 1965^{a/}

<u>Fiscal year</u>	<u>Cruise ship passengers</u>	<u>Number of ships</u>	<u>Air passengers</u>	<u>Total expenditures</u>
1950	7,700	15	8,000 ^{b/}	\$1,750,000
1955	16,000	33	54,900	9,174,000
1956	18,500	36	63,000	11,646,000
1957	22,000	48	76,200	13,170,000
1958	35,400	74	85,800	16,070,000
1959	37,000	89	107,400	21,738,000
1960	49,700	126	124,400	24,780,000
1961	57,000	157	146,100	25,817,000
1962	57,800	131	187,700	35,145,000
1963	64,200	163	215,800	41,070,000
1964	100,600	234	285,600	48,158,000
1965	109,300	238	354,400	54,015,000

^{a/} Fiscal year is July 1 - June 30.

^{b/} Estimated.

Source: Government of the Virgin Islands, Department of Commerce.

The growth of tourism is attributed mainly to rising population, income, and leisure in the United States; to political instability in Cuba, the Dominican Republic, and Haiti; and to the \$200 duty-free exemption for United States citizens returning to the continent. It is quite evident that the growth and stability of the local economy is substantially dependent on external forces. Should any or all of these external conditions change significantly, the number of tourists and tourist expenditures probably would decline and cause a set-back to the economy of the Islands, which relies on tourism for employment of one-quarter of the work force, four-fifths of retail and wholesale trade, and one-fifth of all business establishments.

Employment

Current Estimate and Past Trend. Covered nonagricultural wage and salary employment^{1/} averaged 16,800 in the first quarter of 1965 (see table I). This total was made up of 1,375 workers in manufacturing industries and 15,425 in nonmanufacturing industries, a nonmanufacturing to manufacturing employment ratio of over eleven. This high ratio is mainly a reflection of the number of workers in services, trade, and other industries that cater to the tourists. The 1965 covered nonagricultural wage and salary employment total of 16,800 represents an increase of 1,275 over the average in the first quarter of 1964 and 3,475 over the 1963 first quarter average (the earliest date for which comparable data are available). On the basis of past trends, it is estimated that nonagricultural wage and salary employment currently totals 17,400, about 600 more than the average of the first quarter of 1965.

Distribution by Major Industry. The increase in total covered wage and salary employment since 1963 has resulted mainly from increases in nonmanufacturing industries. Average employment in nonmanufacturing of 15,425 in the first quarter of 1965 was 3,125, or 25 percent, greater than in the first quarter of 1963. This two-year increase was shared by all major nonmanufacturing industries, with the exception of the Federal Government, which lost 550 workers because of a cut-back of 625 employees by the Virgin Islands Corporation. The decline at VICORP resulted from the phasing-out of the sugar operation and took place in the latter half of 1964.

The gains in nonmanufacturing employment during the last two years have been principally in tourist-oriented trade and services industries, contract construction, and the Virgin Islands Government. The increase in

^{1/} Covered employment, plus government employment, accounts for virtually all employment except self-employment, unpaid family workers, and domestic employment.

wholesale and retail trade (600) and services (400) since 1963 is a direct result of the increase in tourism. The increase in contract construction of 1,275 workers between 1963 and 1965 resulted from an increase in residential and commercial construction. Several hundred of the construction workers are employed in the construction of the Harvey Aluminum Company plant in St. Croix. The construction of the plant will be completed early in 1966, and the workers probably will be absorbed in other construction projects in the Islands. Employment by the Virgin Islands Government has risen because of the increased role of the Government in the daily functions of the Islands, such as housing, urban renewal, conservation, etc. The increased demands upon the school system, as a result of the rapid increase in the population of the Islands, also has been a factor in the increase of 950 government employees since 1963. Employment increases in finance, insurance, and real estate (110) and transportation and public utilities (320) also reflect the increase in services provided for the insular population and tourists.

Employment in manufacturing industries increased from 1,025 in the first quarter of 1963 to 1,375 in the first quarter of 1965, a gain of 34 percent. The increase of 350 workers during the two-year period was made up of small increases in about a dozen manufacturing employment classifications. A major factor behind these increases has been the tax incentive program that the Government of the Virgin Islands instituted over a decade ago. Under this program, hotels, guest houses, industrial concerns, housing projects, and other types of businesses enjoy tax exemption for up to ten years and a return of up to 75 percent of income tax in the form of a subsidy. The special provision of the U. S. Tariff Act of 1939 (with later amendments) which allows for duty-free entry into the United States of various articles wholly or partially produced or grown in the Islands also has stimulated the increase in manufacturing activity. Some of the industries that have been aided by one or both of these programs are costume jewelry, ladies' and mens' woolen fabrics, and watches assembled from parts imported from the United States, Europe, and Japan.

Employment of Alien Workers. The expanding economy of the Virgin Islands has found the resident labor force inadequate to supply the increase in the number of job openings. As a result, employers have resorted to importing workers from other islands of the West Indies. These alien workers, plus some from Puerto Rico, currently total about 9,000, representing more than a fourfold increase over the 1960 estimate of 2,000. These workers have been used mainly in the construction industry, the service industry, and other industries that require a large labor force of unskilled workers. They are admitted under a six or twelve month working visa. However,

the visas can be extended a number of times. In addition to the legal aliens, there are an estimated two thousand illegal aliens in the Islands who have failed to renew their working visas. The existence of these illegal aliens tends to depress the wage level, because employers threaten to expose the workers if they demand higher wages. The Government of the Virgin Islands, therefore, has attempted to round-up these illegal workers and deport them to their home islands. Very few of the illegal aliens have been apprehended as yet, however, because the program was initiated only recently.

Trend of Participation Rate. The participation rate (the proportion of the population that is employed in nonagricultural wage and salary jobs) has risen significantly in the past, from about 27.6 percent in 1960 to 36.6 percent at present. This rise is attributed mainly to dual-job holding, a high incidence of working wives, and to the large number of alien workers, many of whom leave their families in the home island.

Unemployment

According to the 1960 Census of Population, there were 383 unemployed persons in the Islands, or 3.4 percent of the civilian labor force. Although current unemployment data are not available, it is estimated that there are between 350 and 400 unemployed persons in the Islands at present, a ratio of less than one percent. The current level represents frictional unemployment, for the most part, indicating a labor shortage. Employers have had to resort to importing workers because of the paucity of available skilled and unskilled workers in the indigenous labor force.

Estimated Future Employment

Nonagricultural wage and salary employment is expected to total 19,900 in November 1967. As was true of the growth during the last several years, the future gains are based mainly on increases in nonmanufacturing industries that cater, for the most part, to the tourists. Employment in contract construction also should continue to rise rapidly because of an anticipated rise in the level of residential construction. Employment by the Government of the Virgin Islands should continue to rise somewhat in line with past growth trends, in response to additional services required by the increasing population. Federal Government employment on the other hand, should decline by approximately 350 by November 1967, because of the phasing out of the Virgin Islands Corporation.

Part of the expected decline in employment in St. Croix, resulting from the phasing out of the VICORP, will be offset by the opening of the Harvey Aluminum Company plant. The plant will open in early 1966 and will be engaged in the processing of raw bauxite into alumina oxide, which will be shipped to a state-side plant for processing into aluminum. Total employment at the plant has been estimated at 400 when it is in full operation; however, several sources have estimated peak employment at not much over 200, because of highly automated machinery that will be installed in the plant.

Income

Average Weekly Earnings. In the first quarter of 1965, nonagricultural wage and salary workers in the Virgin Islands HMA earned an average of \$64 a week, an increase of \$8, or 14 percent over the average of the first quarter of 1963. Gross weekly earnings in manufacturing industries increased \$10 (19 percent) during the two-year period, and in nonmanufacturing industries the gain was \$8 (14 percent). As may be seen in the following table, the increase in earnings in the two islands differed substantially. Workers in St. Croix realized an increase of \$19 a week (40 percent) during the two years, compared with an increase of only \$5 a week (9 percent) in St. Thomas. The increase in earnings of manufacturing workers was somewhat similar in the two islands, but the increase for nonmanufacturing workers was about four times greater in St. Croix than in St. Thomas. The prime reason for the greater increase in St. Croix was a 59 percent increase in earnings of construction workers, which raised the level from \$49 to \$78 a week. A large portion of this increase probably was caused by a lengthening of the average work-week. In fact, the average work-week may have been increased in most industries because of the general labor shortage. This would account for part of the rapid increase in earnings in all industries.

Despite the increase of weekly earnings in the Islands (about double the rate on the Continent), the wage level is only about 60 percent of the average on the Continent. The local Government currently is conducting a study of the wage level of all industries in the Islands, the results of which may indicate a need to increase the minimum wage in all industries, in some by as much as 100 percent. This undoubtedly will narrow the gap between the wage level in the Islands and on the Continent.

Average Gross Weekly Earnings
of Nonagricultural Wage and Salary Workers
Virgin Islands of the United States
First Quarter 1963-First Quarter 1965
(Rounded to the nearest dollar)

<u>Area and year</u>	<u>Total workers</u>	<u>Manufacturing workers</u>	<u>Nonmanufacturing workers</u>
<u>St. Thomas</u>			
1963	\$58	\$57	\$58
1964	63	59	63
1965	63	66	63
<u>St. Croix</u>			
1963	47	49	47
1964	61	60	61
1965	66	63	66
<u>Virgin Islands, total</u>			
1963	56	54	56
1964	62	59	63
1965	64	64	64

Source: Calculated by Housing Market Analyst, from data furnished by the Virgin Islands Employment Security Agency.

Family Incomes. The current median after-tax income of all families in the Virgin Islands HMA is \$4,025; for all renter-families it is \$3,425. Current median incomes of all families and of renter families are \$1,250 and \$1,050, respectively, above the adjusted 1959 after-tax median incomes. By November 1, 1967, the median after-tax income of all families is projected to \$4,400 and all renter-families, \$3,725 (see tables II and III).

As may be seen in the two tables, the income level in St. Thomas, for all families and renter-families, is higher than in St. Croix. This situation is expected to continue during the two-year forecast period of this report. The current family income level is higher in St. Thomas, despite a higher wage level in St. Croix, because of the higher incidence of working wives in St. Thomas, most of whom work in tourist-oriented industries. The higher wages in St. Croix are predominantly the result of the high wage level of construction workers, who outnumber their counterparts in St. Thomas by about three to two. Because of the smaller tourist business in St. Croix, there is a smaller proportion of working wives and the family income (the total income of all members of the household) is therefore lower than in St. Thomas.

Demographic Factors

Population

Current Estimate and Past Trend. The current population of the Virgin Islands is estimated at 46,000, an increase of about 13,900 since 1960. The average growth of about 2,500 a year is significantly greater than the average annual growth of about 540 experienced during the 1950-1960 decade, when the population increased from 26,650 to 32,100 (see table IV). The growth since 1950 appears to have occurred at an increasing rate, following the rapid growth of tourism.

From the data in table IV, it is apparent that St. Croix experienced the most rapid growth during the 1950-1960 decade, but that St. Thomas has increased more rapidly since 1960. These growth trends reflect the increasing importance of tourism, mostly in St. Thomas, and the declining importance of agriculture, mostly in St. Croix.

Estimated Future Population. The total population of the Virgin Islands HMA is expected to increase to 51,800 by November 1967, about 5,800 above the current level. The projected annual growth of 2,900 is about 400 above the average annual growth of the 1960-1965 period. This should not be interpreted as an abrupt increase in the rate of growth, but rather, a continuation of the increasing growth trend of the past 15 years.

Because of anticipated increases in tourism and residential construction in St. Croix, the population of that island should increase by 1,400 a year (compared with an average growth of 1,100 a year between 1960 and 1965) and should total 23,900 in November 1967. The population in St. Thomas should increase by 1,450 a year (compared with 1,350 since 1960) and total 26,700 in November 1967. The population of St. John should increase to about 1,200 by November 1967.

Net Natural Increase and Migration. Since 1960, net natural increase (births minus deaths) has averaged 1,200 a year in the HMA. The population has increased by an average of 2,500 a year, so there has been a calculated net in-migration to the Islands of 1,300 persons a year since 1960. As may be seen in table V, in-migration has accounted for over one-half of the population growth in St. Croix and nearly one-half in St. Thomas. The bulk of these in-migrants are alien workers from other islands of the West Indies. Most of the remaining in-migrants are continentals who move to the Islands to work or to retire.

In the 1950-1960 decade, the population increased by an average of about 540 a year and net natural increase averaged nearly 630, resulting in net out-migration of nearly 85 persons a year. The net migration data,

however, are uneven. St. Thomas experienced out-migration of 120 persons a year, whereas St. Croix and St. John experienced in-migration of nearly 30 and about five a year, respectively (see table V).

Households

Current Estimate and Past Trend. At present, there are approximately 12,400 households in the Virgin Islands HMA, an average increase of nearly 680 (eight percent) a year since 1960. The annual increment is eight times greater than the annual increase of 85 experienced during the previous decade, when the number of households increased from 7,775 in 1950 to 8,625 in 1960 (see table IV). 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. The increased rate of growth since 1960, reflects the increased population growth and an increase in the supply of housing units, which has permitted the undoubling of households.

Household growth between 1950 and 1960 occurred most rapidly in the rural areas of St. Thomas and St. Croix, presumably because of the paucity of available building sites in the cities. Despite Federally-aided urban renewal and privately-financed clearance, this situation still prevails. Because of the increased construction activity since 1960, and the prevalent shortage of building sites in the cities, a greater proportion of the household growth has occurred in the rural areas since 1960 than during the 1950-1960 decade.

The data in table IV show that St. Thomas has experienced the greatest numerical increase in households since 1960, despite the fact that St. Croix had a greater population increase between 1950 and 1960. A part of the added population in St. Croix between 1950 and 1960 was made up of alien agricultural workers, many of whom left their families on the home island and lived in boarding houses, or with friends or relatives.

Estimated Future Households. Based on an increasing rate of population growth during the two-year forecast period and a slight increase in the average household size, there will be 13,900 households in the Islands in November 1967, an average increment of 750 a year. This rate of growth is about 70 a year greater than the average of the past five and one-half years. The growth since 1960 has been at an increasing rate and the projected growth represents a continuation of the increasing rate. In St. Thomas, the number of households is expected to increase to about 7,050 by November 1967, in St. John to 325, and in St. Croix to 6,525.

Household Size. The average household in the Islands increased in size from 3.33 persons in 1950 to 3.65 in 1960. This increase resulted partly from increased fertility, but mostly from the tight housing condition that existed in 1960. Because of the shortage of housing, there was substantial doubling of families and boarding of relative and non-relative alien workers, who were unable to find vacant available housing units. With the increased rate of residential construction since 1960, the situation has been relieved somewhat. As a result, the average household size is estimated to have increased since 1960 to 3.66 persons, at present. The average household size is expected to increase slightly during the next two years.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of November 1965, there are 13,400 housing units in the Virgin Islands HMA, a gain of about 3,850, or about 690 (7.2 percent) a year since April 1960. The increase resulted from construction of about 4,650 new units and the loss of about 800 units by demolition. The 1960 Census of Housing reported a total of 9,550 housing units, representing an annual gain of about 120 (1.4 percent) over the 1950 total of 8,370. The supply of housing units increased in St. Croix by an average of 320 a year since 1960 to the current total of 6,475; in St. Thomas, the supply increased by 360 a year to 6,525; and in St. John, by about 10 a year to a current total of 400 units (see table VI).

Type of Structure. Almost 57 percent of all housing units now in the HMA are in one-family structures, 19 percent are in two-family structures, and nearly 24 percent are in structures containing three or more living units. As may be noted in the following table, the proportion of units in structures containing two or more units has increased since 1960, whereas the proportion in one-family structures has declined. These changes have resulted from the increased construction of Federal and local government-sponsored public housing, emergency housing, and FHA-insured rental housing.

Housing Inventory by Units in Structure
Virgin Islands of the United States
1960 and 1965

<u>Units in structure</u>	<u>April 1960</u>		<u>November 1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
One	5,553	58.1	7,600	56.7
Two	1,714	17.9	2,600	19.4
Three or more	2,140	22.4	3,200	23.9
Not reported	<u>150</u>	<u>1.6</u>	<u>-</u>	<u>-</u>
Total	9,557	100.0	13,400	100.0

Sources: 1960 Census of Housing.

1965 estimated by Housing Market Analyst.

Condition of the Inventory. By stateside standards of housing conditions (separate plumbing facilities for each living unit and not dilapidated), approximately three-quarters of the housing inventory on the Islands in 1960 would be considered substandard. Of the 9,550 housing units enumerated in the 1960 Census of Housing, only 37 percent had a

flush toilet for the exclusive use of the occupants, and only 36 percent had a bathtub or shower for the exclusive use of the occupants. For the HMA as a whole, there was very little difference in the quality of units in urban and rural areas. By individual islands, however, there was a significant difference. In St. Thomas, the proportion of units that contained plumbing facilities was higher in the rural areas than in the urban areas, whereas, the opposite was true in St. Croix. Several reasons for this may include a higher proportion of retired people and a higher income level in St. Thomas (households in both groups tend to live beyond the corporate limits of the city), and more crowded conditions in Charlotte Amalie than in the urban areas of St. Croix.

Value and Rent. In 1960, the median value of owner-occupied housing units in the HMA was \$8,500. Median values in the urban and rural areas were \$6,900 and \$10,000 plus, respectively. The higher value in the rural areas is a reflection of the retired continentals and the new construction that is taking place outside the cities. The median value of owner-occupied units was \$9,300 on St. Thomas and \$7,400 on St. Croix. Median gross rents were \$19 for the HMA, \$16 for St. Croix, and \$24 for St. Thomas in 1960.

Residential Building Activity

Residential building activity, as indicated by building permit authorizations, was at a 15-year high in the HMA in 1964. Building permits are issued for virtually all new construction. The 1,175 units authorized were about 225 above the 1963 level of 950 and about 425 above the average annual authorizations of 750 during the 1960-1964 period. Perhaps fewer than half of the units met FHA minimum property standards. The peak activity in 1964 represented a continuation of a steady increase in annual authorizations since 1950. As may be seen in table VII, there was a significant increase in the number of authorizations in St. Thomas in 1963 and in 1964, and in St. Croix in the first nine months of 1965. These increases resulted, in large part, from the initiation of the Virgin Islands Government Emergency Housing Program (about 325 units completed) and the increasing activity of the Federal Housing Administration. In addition to the number of units added to the housing inventory through these programs and through conventional financing, nearly 775 units of public housing have been authorized since 1960; 300 units in St. Thomas and nearly 475 in St. Croix.

Units Authorized by Building Permits by Units in Structure^{a/}
Virgin Islands of the United States
January 1960 - September 1965

<u>Year</u>	<u>One unit</u>	<u>Two to four units</u>	<u>Five or more units</u>	<u>Total units</u>
1960	421	7	-	428
1961	451	23	70	544
1962	560	71	21	652
1963	731	189	30	950
1964	673	232	275	1,180
1965 (9 months)	<u>603</u>	<u>89</u>	<u>189</u>	<u>881</u>
Total	3,439	611	585	4,635

^{a/} Units in public housing projects are not included.

Sources: U. S. Bureau of the Census, Construction Report C-40.
Government of the Virgin Islands, Public Works Department.

The number of units permitted in privately-financed multifamily structures (structures of two or more units) has increased from a total of about ten units in 1960 to nearly 510 units in 1964, excluding units in public housing which accounted for 57 percent of total units authorized in multifamily structures since 1960. Units in multifamily structures, which made up 30 percent of total privately-financed units authorized between 1960 and 1964, increased from about two percent of total authorizations in 1960 to 43 percent in 1964. Roughly, two-thirds of the multifamily construction since 1960 has occurred in Charlotte Amalie in St. Thomas.

A total of 880 units has been authorized in the HMA in the first nine months of 1965, about the same as was authorized in the first nine months of 1964. The number of single-family units authorized is about 100 above the 1964 period and the number of units authorized in multifamily structures is about 100 less than the number permitted in the first nine months of 1964. This does not appear to represent a decline in multifamily construction, however, since there was a large volume of units authorized for multifamily structures in the latter part of 1964, most of which have not as yet been marketed.

Units Under Construction. Based on the results of a postal vacancy survey conducted in early November 1965, on personal observation, and on information from informed local sources, there are an estimated 675 housing units under construction in the Islands at present. Approximately 225 are single-family units and 450 are units in multifamily structures. Nearly 60 percent of the single-family units are

being built on St. Croix, a reflection of the subdivision activity that is being initiated in that island. Of the units being built in multifamily structures, about 290 are in St. Croix and 160 are in St. Thomas.

Demolitions. As a result of urban renewal slum clearance, condemnation, code enforcement, privately-financed clearance for commercial structures, and losses from fire and other disasters a total of about 800 units have been removed from the housing inventory since 1960. The majority of these units (81 percent) were located in St. Thomas and most of these were removed to provide sites for commercial enterprises in Charlotte Amalie. About 150 demolitions have resulted from clearance in urban renewal areas. The level of demolition activity is expected to decrease slightly during the forecast period, to an annual volume of about 125 units. About 40 demolitions a year will result from urban renewal activity.

Tenure of Occupancy

At present, nearly 64 percent of the occupied housing units in the Islands are renter occupied. This proportion represents a decline of nearly six percentage points from the 1960 level, when nearly 70 percent of all households were renters. The proportion of owner-occupied units has therefore increased from about 30 percent in 1960 to about 36 percent at present. This relatively sharp increase in owner occupancy is attributed to the rising affluence of the population, a Virgin Islands Government sponsored program to provide owner-occupied units for low middle-income and moderate-income families, an abundance of "superficiary" housing (sales units built on land that was rented and not owned by the builder or occupant), a recent increase in the availability of conventional mortgage money, and an increase in FHA small-homes mortgage insurance activity. With an expected increase in most of these factors (an exception is the superficial housing), the increasing proportion of owner-occupancy should continue during the two-year forecast period of this report.

Vacancy

Census. In April 1950, there were 210 vacant housing units available for sale or rent, equal to 2.7 percent of the available housing inventory. Vacant units available for sale totaled 15 (0.7 percent of the total sales inventory) and vacant units available for rent totaled 195 (3.4 percent of the total rental inventory). About 390 vacant units were not available for sale or rent. Total vacancies, therefore, numbered 600, equal to 7.2 percent of the total housing inventory.

The 1960 Census of Housing enumerated total vacancies, but did not provide a breakdown by type of vacancy. Total vacancies numbered about 940, equal to 9.9 percent of the total housing inventory. It is estimated that the bulk of the 340-unit increase in vacancies between 1950 and 1960 consisted of units that were not available for sale or rent. Most of these units, which were dilapidated, probably were located in the rural areas of St. Croix, and probably had been occupied by workers employed in the production of sugar cane. It is estimated, therefore, that vacant units available for sale totaled 20 in 1960 (a homeowner vacancy ratio of 0.8 percent) and units available for rent totaled 210 (a rental vacancy ratio of 3.4 percent). Total available vacancies in 1960, therefore, numbered 230 (2.6 percent of the available housing inventory), virtually unchanged from the 1950 level. Although data on the availability of plumbing facilities or the condition of the vacant units are not available, it is estimated that not more than 20 percent of the available vacant units in 1950 and 1960 contained all plumbing facilities and were in good physical condition.

Postal Vacancy Survey. A postal vacancy survey was conducted in November 1965 by the post offices in Charlotte Amalie and Christiansted, the results of which are enumerated in table VIII. The survey covered slightly more than 5,700 units (43 percent of the current total), of which 80, or 1.4 percent were vacant. The survey revealed 75 vacant residences (1.4 percent of total residences) and five vacant apartments (2.1 percent of total apartments).

It is important to note that the postal vacancy survey data are not entirely comparable with the data published by the Bureau of the Census because of differences in definition, area delineations, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal vacancy survey reports units and vacancies by type of structure. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include row houses, and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. 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.

Based on a spot check of vacant units reported by the post offices, it is estimated that virtually all of the used vacant units are sub-standard, because of a deteriorating or dilapidated condition. Most of these vacant units probably do not contain all plumbing facilities either. In fact, the bulk of the used vacant units in Christiansted are within the boundaries of the Water Gut Urban Renewal Project area and are vacant awaiting demolition.

Current Estimate. Based on the results of the postal vacancy survey and on information furnished by informed local sources, there are an estimated 150 vacant available housing units in the Virgin Islands HMA at present, a net vacancy ratio of 1.2 percent. There are 40 vacant units available for sale, a sales vacancy ratio of 0.9 percent, and 110 vacant units available for rent, a renter vacancy ratio of 1.4 percent. The current number of vacant available units is about 80 less than the estimated number in 1960. The influx of alien workers, most of whom seek rental accommodations because of the temporary tenure of their stay on the Islands, and a paucity of construction of rental units have tightened the rental market considerably. The number of units available for rent consequently has been reduced by 100 since 1960. The number of sales vacancies has increased by 20 since 1960, not because of a softening in the sales market, but because of increased construction, most of which has been speculative.

Vacant Housing Units
Virgin Islands of the United States
1950, 1960, and 1965

<u>Housing units</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>November</u> <u>1965</u>
Total housing units	<u>8,370</u>	<u>9,557^{a/}</u>	<u>13,400</u>
Total vacant units	<u>605</u>	<u>944^{a/}</u>	<u>1,000</u>
Available vacant	<u>212</u>	<u>230^{b/}</u>	<u>150</u>
For sale only	15	20	40
Homeowner vacancy rate	.7%	.8%	.9%
For rent	197	210	110
Renter vacancy rate	3.4%	3.4%	1.4%
Other vacant	393	714	850

^{a/} 1960 Census of Housing.

^{b/} Vacancy by tenure in 1960 estimated by Housing Market Analyst.

Sources: 1950 and 1960 Censuses of Housing.

1965 estimated by Housing Market Analyst.

At present, there are approximately 25 vacant units available for sale in St. Thomas, a vacancy ratio of 1.0 percent, and 15 in St. Croix, a ratio of 0.7 percent. St. Thomas has about 50 vacant units available for rent, a renter vacancy ratio of 1.2 percent, and St. Croix has 60 vacant rental units, a ratio of 1.6 percent. The number of sales vacancies at present is slightly higher than the estimated level in 1960 in both islands and the number of rental vacancies is lower in both

islands (70 fewer rental vacancies in St. Thomas and 30 fewer in St. Croix). The current level of vacancies in both islands, after deducting approximately 80 percent of the vacant units that are considered to be substandard, indicates a severe shortage of good quality vacant units available for sale or rent.

Sales Market

General Market Conditions. Because of the paucity of good quality vacant sales units, the sales market is in a generally tight condition. There are very few vacant units in the \$15,000 - \$25,000 sales price range, except for several speculatively-built houses recently completed in subdivisions in the rural areas of St. Thomas and St. Croix. The market for high-priced sales units (\$35,000 and up) is slow, but this is a very thin market, constituting demand by continentals for retirement or part-time occupancy.

Major Subdivision Activity. Most active subdivisions in the Islands are FHA-approved. At present, there are 14 active or planned subdivisions with 1,350 lots in St. Thomas and five with 1,525 lots in St. Croix. Of these 19 subdivisions, seven are active and 12 are in planning or are inactive. Subdivisions in St. Thomas are limited in size because of the scarcity of reasonably level land. Most of the subdivisions consist of about 100 building lots. Nearly 275 units have been built in active subdivisions in St. Thomas, seven are under construction and 71 FHA firm commitments are outstanding at present. The value of the completed homes currently ranges from a low of about \$15,000 to \$33,000; the median is around \$19,000. Subdivisions tend to be larger in St. Croix than in St. Thomas because of a greater amount of land suitable for building. In addition to the active subdivisions in St. Croix, there are several large subdivisions in planning. Most of the sales housing will range in price from \$16,000 to \$30,000.

Most single-family construction is done speculatively in subdivisions, although there appears to be an increasing trend in contract construction. Because of the time required to build (up to six months) resulting from the problem of scheduling shipments of materials from Puerto Rico and the continent, the builders attempt to keep an inventory of completed houses on hand to meet demand.

The cost of new sales houses has risen by about four percent a year since 1960. The increase is attributed, in part, to the increase in wages of construction workers, an increase in the cost of materials, and a substantial increase in the cost of land. Part of the added cost, however, stems from larger units and more accessories that buyers are demanding, a result of the rising level of incomes in the Islands.

Rental Market

General Market Conditions. Until the last three years, rented single-family and two-family houses and public housing have constituted the rental supply of the Islands. Because of the short supply of rental units, there have been very few good quality rental vacancies and public housing has remained fully occupied, with very little turnover and with long waiting lists of applicants. There is one rental project under construction in Charlotte Amalie. The project is being built by a non-profit corporation on Government-owned land. Occupancy will be offered first to occupants of public housing projects whose incomes exceed the limits for continued occupancy and then to families that will be displaced by urban renewal activity. The first of four sections, with 32 units, will be completed in January 1966. The other three sections will be completed at monthly intervals thereafter. If the project is received readily, as appears likely, the corporation may build additional projects.

The only other rental project of any size that is under construction (other than public housing) is an apartment hotel in St. Croix. This is a four-structure, two-story, walk-up project. Construction has been temporarily halted and the project is not expected to be completed for at least another year.

Mortgage Market

Until recently, conventional mortgage money has been in very limited supply. There were only two commercial banks in the Islands with limited capacity for extending mortgage credit. The banks made mortgages on 60 percent of bank-appraised value for a period of ten years at seven percent interest. With increased FHA activity and the formation of several new banks and a savings and loan association, terms have been liberalized on conventional mortgages to

two-thirds of appraised value for a 20-year period at six to seven percent interest. In addition, the amount of money available for mortgages has been increased.

Urban Renewal Activity

There are three active Federally-aided urban renewal projects in the Islands at present; one in each of the major cities; Charlotte Amalie, Christiansted, and Fredericksted. About 325 of the 380 families originally living in the areas have been relocated and about 155 of the 235 structures to be removed have been demolished.

The Barracks Yard Project (V.I. R-1) in Charlotte Amalie encompasses an area of nearly nine acres. The project area is bounded by the St. Thomas Harbor on the south, Fort Christian and Fortet Straede on the west, Norregade on the north, and Bjergegade on the east. All but four of the 139 families had been relocated by September 30, 1965, and 65 of the 88 structures to be demolished have been removed. About 15 residential structures and 15 commercial structures along Norregade and Fortet Straede will be rehabilitated since most of these structures are in a sound, but deteriorating condition. The cleared area will be used for a Government Center and United States Post Office.

The Water Gut Project (V.I. R-2) is a 36-acre site in the northwest section of Christiansted, bounded on the north by the Caribbean Sea, the east by Queens Cross Street, the south by Strand Street, and the west by West Street. As of September 30, 1965, about 180 of 212 families had been relocated and 88 of the 118 structures to be demolished had been acquired; demolition of these structures is in process. Seventy-five structures that are in reasonably sound condition will be rehabilitated for residential purposes. The cleared land will be used for construction of sales housing, development of commercial tourist resorts, and a waterfront highway.

Lagoon Street (V.I. R-3), in Fredericksted, is a three-acre site to be completely cleared and rebuilt for residential and commercial uses. The project area encompasses two blocks on the north side of the town and is bounded by Lagoon Street on the north, Prince Street on the east, Market Street on the south, and Queen Street on the west. Although the 30 structures in the project area have been acquired, relocation of the 29 families and demolition of the structures have not been completed.

In addition to the three projects that are in the execution stage, there are several projects in the planning stage. Only one will be in the execution stage during the forecast period of this report, however.

The Taarneberg-Ross Estate Renewal Area (V.I. R-5) is a 14-acre site in eastern Charlotte Amalie, lying adjacent to the Blue Beard Apartments and the St. Thomas High School. The area is primarily residential, with 95 percent of the 151 structures being substandard. There are 140 families and 21 single persons residing in the area at present; all will be displaced.

Public Housing

There are eight public housing projects in the Islands with a total of 1,094 units. Three projects, with 590 units, are in Charlotte Amalie; three, with 400 units, are in Christiansted; and two, with 104 units, are in Fredericksted. In addition, there is a 200-unit project (Golden Rock) under construction in Christiansted. This project will be completed in December 1965. There are 426 units (246 in Charlotte Amalie, 80 in Fredericksted, and 100 in central St. Croix) under annual contribution contracts, but not yet under construction. About 40 units under management are occupied by elderly households and about 120 of the 426 units that are under annual contribution contracts will be available for elderly occupants.

Because of the tight housing condition and the low income level in the HMA, there is 100 percent occupancy in public housing and turnover is minimal. Families in public housing that have incomes in excess of the limit for continued occupancy will have first priority for entrance in an apartment now under construction in Charlotte Amalie. The resulting vacancies will be occupied quickly from the waiting list of applicants and from families displaced from urban renewal areas.

Demand for Housing

Quantitative Demand

Based on the projected level of household growth (750 annually), on the need to replace housing units expected to be lost through demolition, fire, and other losses, on the anticipated continuation of a shift to owner-occupancy, and on the need to increase the number of vacant available units to levels more nearly representative of a balanced demand-supply relationship, quantitative demand for new housing will total 1,200 units for each of the next two years, of which almost one-half will be at sales prices and rents which can be achieved only with units of substandard quality or with substantial subsidies. Because of the high construction costs and the low family income levels, demand for privately-owned new housing at sales prices and gross monthly rentals achievable in new **standard** housing is only about 660 units a year. Approximately 280 units will represent demand for sales-type housing and 380 units will represent demand for rental housing. There will be a demand for about 410 units in St. Thomas (150 sales-type units and 260 rental units) **and** 250 in St. Croix (130 sales-type units and 120 rental units). Of the demand for 380 rental units, 150 are middle-income units that can be marketed only at the rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost (100 units in St. Thomas and 50 in St. Croix). This demand does not include public low-rent or rent-supplement accommodations.

Although these estimates of demand for standard quality housing are below the annual volume of total housing units authorized by building permits in recent years, they probably are greater than the number of units meeting minimum standards of construction that were built annually in preceding years. Demand for housing at costs required for good construction and adequate size that may occur in St. John will be insignificant in number because of the limited growth potential of households in the island.

Qualitative Demand

Sales Housing. Based on ability to pay, as measured by current family income and ratios of income to purchase price found to be typical on the Virgin Islands, the annual demand for 280 sales-type units of standard quality is expected to approximate the distribution shown in the following table.

Estimated Annual Demand for New Sales Housing
Virgin Islands of the United States
November 1965 to November 1967

<u>Sales price</u>	<u>Number of units</u>		
	<u>St. Thomas</u>	<u>St. Croix</u>	<u>Total</u>
\$15,000 - 15,999	35	25	60
16,000 - 17,999	25	25	50
18,000 - 19,999	10	15	25
20,000 - 24,999	25	25	50
25,000 - 29,999	20	10	30
30,000 - 34,999	10	10	20
35,000 and over	<u>25</u>	<u>20</u>	<u>45</u>
Total	150	130	280

The minimum achievable sales price for houses that meet FHA minimum property standards is approximately \$15,000. If acceptable houses can be produced for less than \$15,000 through use of public benefits or assistance in financing or land acquisition, demand would be increased. Because of the widespread inadequacy of the housing inventory in terms of number, condition, size, and plumbing facilities, there is a sizeable potential demand for good quality sales-type units selling for less than \$15,000.

Rental Housing. The monthly rentals at which privately owned net additions to the aggregate rental housing inventory might best be absorbed by the rental market in St. Thomas and St. Croix are indicated for various size units in the following two tables. 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, excluding public low-rent housing and rent-supplement accommodations.

It is estimated that the minimum gross rents achievable without public benefits or assistance in financing are \$105 for efficiencies, \$130 for one-bedroom units, \$155 for two-bedroom units, and \$180 for three-bedroom units.

Estimated Annual Demand for New Rental Housing
St. Thomas, Virgin Islands of the U.S.
November 1965 to November 1967

Monthly gross rent ^{a/}	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$90 and over	45	-	-	-
95 " "	40	-	-	-
100 " "	30	-	-	-
105 " "	25	-	-	-
110 " "	25	95	-	-
115 " " - - - - -	20 -	-90 -	- -	- -
120 " "	20	80	-	-
125 " "	15	70	-	-
130 " "	10	65	75	-
135 " "	10	60	65	-
140 " " - - - - -	5 -	-50 -	- 60 -	- -
145 " "	-	40	55	-
150 " "	-	25	50	45
155 " "	-	15	40	40
160 " "	-	10	35	35
170 " " - - - - -	- -	-10 -	- 25 -	- 30
180 " "	-	5	15	25
200 " "	-	-	10	15
220 " "	-	-	-	10

^{a/} Gross rent is shelter rent plus the cost of utilities and services.

Note: The figures above are cumulative, i.e., the columns cannot be added vertically. For example, annual demand for two-bedroom units at gross monthly rents of \$150 to \$170 is 25 units (50 less 25).

Estimated Annual Demand for New Rental Housing
St. Croix, Virgin Islands of the U.S.
November 1965 to November 1967

Monthly gross rent ^{a/}	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$90 and over	20	-	-	-
95 " "	20	-	-	-
100 " "	15	-	-	-
105 " "	15	-	-	-
110 " "	- 15 -	- 45 -	- - -	- -
115 " "	10	40	-	-
120 " "	10	35	-	-
125 " "	10	30	-	-
130 " "	5	25	35	-
135 " "	- - -	- 20 -	- 30 -	- -
140 " "	-	20	30	-
145 " "	-	15	25	-
150 " "	-	15	25	20
155 " "	-	10	20	20
160 " "	- - -	- 5 -	- 15 -	- 15
170 " "	-	-	15	15
180 " "	-	-	10	10
200 " "	-	-	-	5

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

Note: The figures above are cumulative, i.e., the columns cannot be added vertically. For example, annual demand for two-bedroom units at gross monthly rents of \$150 to \$170 is 10 units (25 less 15).

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 recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Individual projects may differ from the general pattern in response to specific neighborhood or sub-market requirements.

Table I

Covered Employment by Industry
Virgin Islands of the U.S.
First Quarter Average 1963-1965

	<u>St. Croix</u>			<u>St. Thomas & St. John</u>			<u>Total ^{a/}</u>		
	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Nonagricultural wage & salary emp.	<u>2,475</u>	<u>3,325</u>	<u>4,475</u>	<u>9,675</u>	<u>10,850</u>	<u>11,700</u>	<u>13,325</u>	<u>15,525</u>	<u>16,800</u>
Total manufacturing	<u>350</u>	<u>600</u>	<u>775</u>	<u>675</u>	<u>550</u>	<u>600</u>	<u>1,025</u>	<u>1,150</u>	<u>1,375</u>
Food and kindred products	<u>120</u>	<u>100</u>	<u>220</u>	<u>120</u>	<u>130</u>	<u>110</u>	<u>240</u>	<u>230</u>	<u>330</u>
Stone, clay, and glass	<u>10</u>	<u>40</u>	<u>35</u>	<u>45</u>	<u>70</u>	<u>70</u>	<u>55</u>	<u>110</u>	<u>105</u>
Other manufacturing	<u>220</u>	<u>460</u>	<u>520</u>	<u>510</u>	<u>350</u>	<u>420</u>	<u>730</u>	<u>810</u>	<u>940</u>
Total nonmanufacturing	<u>2,125</u>	<u>2,725</u>	<u>3,700</u>	<u>9,000</u>	<u>10,300</u>	<u>11,100</u>	<u>12,300</u>	<u>14,375</u>	<u>15,425</u>
Mining	<u>15</u>	<u>15</u>	<u>15</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>35</u>	<u>35</u>	<u>35</u>
Contract construction	<u>480</u>	<u>870</u>	<u>1,575</u>	<u>880</u>	<u>1,150</u>	<u>1,075</u>	<u>1,360</u>	<u>2,020</u>	<u>2,650</u>
Trans., comm. & public utilities	<u>270</u>	<u>350</u>	<u>440</u>	<u>850</u>	<u>930</u>	<u>1,000</u>	<u>1,120</u>	<u>1,280</u>	<u>1,440</u>
Wholesale and retail trade	<u>560</u>	<u>610</u>	<u>750</u>	<u>1,850</u>	<u>2,125</u>	<u>2,250</u>	<u>2,410</u>	<u>2,735</u>	<u>3,000</u>
Finance, insurance, & real estate	<u>110</u>	<u>160</u>	<u>190</u>	<u>350</u>	<u>350</u>	<u>380</u>	<u>460</u>	<u>510</u>	<u>570</u>
Services	<u>690</u>	<u>720</u>	<u>730</u>	<u>1,675</u>	<u>1,900</u>	<u>2,050</u>	<u>2,365</u>	<u>2,620</u>	<u>2,780</u>
Virgin Islands Government	-	-	-	<u>3,375</u>	<u>3,825</u>	<u>4,325</u>	<u>3,375</u>	<u>3,825</u>	<u>4,325</u>
Federal Government	-	-	-	-	-	-	<u>1,175</u>	<u>1,350</u>	<u>625</u>
Virgin Islands Corporation	-	-	-	-	-	-	<u>1,000</u>	<u>1,175</u>	<u>375</u>
Other Federal Government emp.	-	-	-	-	-	-	<u>175</u>	<u>175</u>	<u>250</u>

a/ Includes Federal Government employment; totals for the separate islands do not.

Source: Estimated by Housing Market Analyst, from data furnished by the Virgin Islands Employment Security Agency.

Table II

Estimated Percentage Distribution of Families by Annual Income^{a/}
Virgin Islands of the United States
November 1965 and November 1967

<u>Annual income</u>		<u>November 1965</u>			<u>November 1967</u>		
		<u>St. Thomas</u> <u>all</u> <u>family</u>	<u>St. Croix</u> <u>all</u> <u>family</u>	<u>Total</u> <u>all</u> <u>family</u>	<u>St. Thomas</u> <u>all</u> <u>family</u>	<u>St. Croix</u> <u>all</u> <u>family</u>	<u>Total</u> <u>all</u> <u>family</u>
Under	\$1,000	9%	11%	11%	8%	10%	10%
\$1,000 -	1,999	13	16	12	11	13	11
2,000 -	2,999	13	15	15	13	15	13
3,000 -	3,999	11	13	12	11	13	12
4,000 -	4,999	9	10	9	9	10	9
5,000 -	5,999	8	7	9	7	7	8
6,000 -	6,999	6	6	5	6	6	7
7,000 -	7,999	5	3	5	5	5	4
8,000 -	9,999	6	5	6	8	6	7
10,000 -	12,499	6	5	5	6	5	5
12,500 -	14,999	5	3	4	5	3	5
15,000	and over	9	6	7	11	7	9
Total		<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Median		\$4,375	\$3,600	\$4,025	\$4,800	\$3,925	\$4,400

^{a/} After deduction of Federal income tax.

Source: Estimated by Housing Market Analyst.

Table III

Estimated Percentage Distribution of Renter Families by Annual Income^{a/}
Virgin Islands of the United States
November 1965 and November 1967

<u>Annual income</u>	November 1965			November 1967		
	<u>St. Thomas renter family</u>	<u>St. Croix renter family</u>	<u>Total renter family</u>	<u>St. Thomas renter family</u>	<u>St. Croix renter family</u>	<u>Total renter family</u>
Under \$1,000	11%	14%	14%	10%	12%	12%
\$1,000 - 1,999	16	19	14	14	19	14
2,000 - 2,999	15	16	17	15	14	16
3,000 - 3,999	11	13	12	10	14	11
4,000 - 4,999	9	9	10	9	9	9
5,000 - 5,999	8	7	7	8	7	8
6,000 - 6,999	5	5	5	6	5	6
7,000 - 7,999	4	3	4	4	4	4
8,000 - 9,999	6	5	6	6	5	6
10,000 - 12,499	6	3	4	6	4	5
12,500 - 14,999	3	2	2	4	2	3
15,000 and over	6	4	5	8	5	6
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Median	\$3,725	\$3,075	\$3,425	\$4,075	\$3,350	\$3,725

^{a/} After deduction of Federal income tax.

Source: Estimated by Housing Market Analyst.

Table IV

Population, Households, and Household Size Trends
Virgin Islands of the United States
April 1950, April 1960, and November 1965

<u>Population</u>	<u>April 1950</u>	<u>April 1960</u>	<u>November 1965</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1965 a/</u>	
				<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
St. Croix	12,103	14,973	21,100	287	2.4	1,100	7.3
St. John	749	925	1,100	18	2.3	30	3.4
St. Thomas	<u>13,813</u>	<u>16,201</u>	<u>23,800</u>	<u>239</u>	1.7	<u>1,350</u>	8.4
Virgin Islands, total	26,665	32,099	46,000	544	2.0	2,500	7.8
<u>Households</u>							
St. Croix	3,733	4,090	5,800	36	1.0	310	7.5
St. John	198	251	300	5	2.7	10	3.6
St. Thomas	<u>3,834</u>	<u>4,272</u>	<u>6,300</u>	<u>44</u>	1.1	<u>360</u>	8.5
Virgin Islands, total	7,765	8,613	12,400	85	1.1	680	7.9
<u>Household size b/</u>							
St. Croix	3.15	3.55	3.58				
St. John	3.77	3.69	3.67				
St. Thomas	3.48	3.74	3.74				
Virgin Islands, total	3.33	3.65	3.66				

a/ Data for 1960-1965 may not add because of rounding.

b/ Based on population in households, not total population.

Sources: 1950 and 1960 Censuses of Population.
1965 estimated by Housing Market Analyst.

Table V

Net Natural Increase and Net Migration
Virgin Islands of the United States
April 1950 - November 1965

<u>Area</u>	<u>Average annual change, 1950-1960</u>		
	<u>Population</u> <u>change</u>	<u>Net natural</u> <u>increase</u>	<u>Net</u> <u>migration</u>
St. Croix	287	258	29
St. John	18	11	7
St. Thomas	<u>239</u>	<u>359</u>	<u>-120</u>
Virgin Islands, total	544	628	-84

<u>Area</u>	<u>Average annual change, 1960-1965</u> ^{a/}		
	<u>Population</u> <u>change</u>	<u>Net natural</u> <u>increase</u>	<u>Net</u> <u>migration</u>
St. Croix	1,100	490	610
St. John	30	25	5
St. Thomas	<u>1,350</u>	<u>690</u>	<u>660</u>
Virgin Islands, total	2,500	1,200	1,300

^{a/} Data may not add because of rounding.

Sources: Government of the Virgin Islands, Department of Health.
 Estimates by Housing Market Analyst.

Table VI

The Housing Inventory by Tenure
Virgin Islands of the United States
April 1960 - November 1965

	<u>April 1960</u>	<u>November 1965</u>	<u>Average annual change, 1960-1965 a/</u>	
			<u>Number</u>	<u>Percent</u>
St. Croix, total units	<u>4,714</u>	<u>6,475</u>	<u>320</u>	<u>6.7</u>
Vacant units	624	675	10	1.4
Occupied units	<u>4,090</u>	<u>5,800</u>	<u>310</u>	<u>7.5</u>
Owner occupied	1,131	2,100	170	15.4
Renter occupied	2,959	3,700	130	4.5
Percent renter occupied	72.3	63.8	-	-
St. John, total units	<u>335</u>	<u>400</u>	<u>10</u>	<u>3.6</u>
Vacant units	84	100	b/	-
Occupied units	<u>251</u>	<u>300</u>	<u>10</u>	<u>3.6</u>
Owner occupied	133	175	10	6.0
Renter occupied	118	125	b/	-
Percent renter occupied	47.0	41.7	-	-
St. Thomas, total units	<u>4,508</u>	<u>6,525</u>	<u>360</u>	<u>8.0</u>
Vacant units	236	225	b/	-
Occupied units	<u>4,272</u>	<u>6,300</u>	<u>360</u>	<u>8.5</u>
Owner occupied	1,366	2,225	150	12.7
Renter occupied	2,906	4,075	210	7.2
Percent renter occupied	68.0	64.7	-	-
Virgin Islands, total units	<u>2,557</u>	<u>13,400</u>	<u>690</u>	<u>7.2</u>
Vacant units	944	1,000	10	1.1
Occupied units	<u>8,613</u>	<u>12,400</u>	<u>680</u>	<u>7.9</u>
Owner occupied	2,630	4,500	340	12.7
Renter occupied	5,983	7,900	340	5.7
Percent renter occupied	69.5	63.7	-	-

a/ Data may not add because of rounding.

b/ Less than five.

Sources: 1960 Census of Housing.
1965 estimated by Housing Market Analyst.

Table VII

Housing Units Authorized by Building Permits a/
Virgin Islands of the U.S.
1950 - 1965

<u>Year</u>	<u>St. Thomas & St. John</u>	<u>St. Croix</u>	<u>Total</u>
1950	62	-	62
1951	54	-	54
1952	53	-	53
1953	71	-	71
1954	79	55	134
1955	92	103	195
1956	112	108	220
1957	139	153	292
1958	161	128	289
1959	258	110	368
1960	231	197	428
1961	333	211	544
1962	388	264	652
1963	629	321	950
1964	791	389	1,180
1965 (9 mos.)	358	523	881

a/ Units in public housing projects are not included.

Source: United States Department of Commerce, Bureau of the Census. Government of the Virgin Islands, Public Works Department.

Table VIII

Virgin Islands Area Postal Vacancy Survey
November 1-2, 1965

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	5,707	80	1.4	64	16	35	5,467	75	1.4	62	13	9	240	5	2.1	2	3	26	12	-	-
Charlotte Amalie, St. Thomas	5,142	17	0.3	15	2	32	5,125	17	0.3	15	2	6	17	-	-	-	-	26	12	-	-
Christiansted, St. Croix	565	63	11.2	49	14	3	342	58	17.0	47	11	3	223	5	2.2	2	3	-	-	-	-

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).