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Analysis of the

**WASHINGTON, D. C.-
MARYLAND-VIRGINIA
HOUSING MARKET**

as of December 1, 1965

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

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ANALYSIS OF THE
WASHINGTON, D.C.-MARYLAND-VIRGINIA, HOUSING MARKET
AS OF DECEMBER 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
WASHINGTON, D.C.-MARYLAND-VIRGINIA, HOUSING MARKET
AS OF DECEMBER 1, 1965

Summary and Conclusions

1. The Washington, D. C., Housing Market Area (HMA) is defined as being coterminous with the Washington, District of Columbia-Maryland-Virginia Standard Metropolitan Statistical Area. The selection of the present site of Washington had little to do with prospective economic advantages, but was based on political considerations. The economy of the Washington area remains, to this day, overwhelmingly influenced by the presence of the Federal Government. This is true despite the fact that the Federal employment level constituted only 30 percent of the nonagricultural wage and salary employment in 1964, compared with 34 percent in 1957.
2. For the first ten months of 1965, there was an average of 1,018,600 civilian workers employed in the Washington HMA, a gain of 38,300 (about four percent) over the level for a corresponding period in 1964. In 1964, civilian employment averaged 984,000, representing an average gain of about 34,400 jobs a year over the previous seven years. Since 1957, the economy of the Washington area has exhibited uninterrupted growth, with gains in total employment varying from 2,400 during the 1957-1958 recession to a gain of 61,300 workers between 1962 and 1963. In 1964, unemployment averaged 23,300, or 2.3 percent of the civilian work force. Although the number of unemployed persons in 1964 is only 1,200 below the peak (24,500), recorded in 1958, employment has grown rapidly in recent years, and the 1964 unemployment ratio was the lowest recorded for any year over the entire 1957-1964 period.
3. The current median income of all families in the HMA, after deduction of Federal income taxes, is about \$9,225, and the median income of renter households of 2-or-more persons is \$7,000. By 1967, median after-tax annual income is expected to increase to \$9,900 for all families, and to \$7,500 for renter households of 2-or-more persons.
4. The current population of the Washington area is about 2,499,000 persons, representing an annual increase of about 87,725 since the April 1960 Census total of about 2,002,000. The population of the HMA is expected to increase by about 96,000 during each of the next two years, to a total of 2,691,000 in December 1967.
5. Households currently number about 756,300, representing an increase of about 29,200 a year since the 1960 Census enumeration. By December 1, 1967, households are expected to total 824,300, an increase of about 34,000 a year.

6. The housing inventory of the Washington HMA currently totals about 792,800 units, an increase of 30,800 units a year since 1960. With the exception of a decline in 1960 and again in 1964, the number of private housing units authorized by building permits has increased steadily since 1957. The number of units authorized in the first eleven months indicates that 1965 will be the peak year for the past decade and one-half. In eleven months, just under 50,200 units were authorized, about 4,675 units above the previous peak (1963). Nearly two-thirds of the units authorized since 1960 were for multifamily units.
7. There are some 27,500 available vacant housing units in the Washington HMA, an over-all net available vacancy ratio of 3.5 percent. There are about 6,650 vacant housing units available for sale, a homeowner vacancy ratio of 1.9 percent, and approximately 20,850 units are for rent, a rental ratio of 4.9 percent. The homeowner vacancy ratio is unchanged from 1960, but the rental vacancy ratio represents an increase from 4.3 percent.
8. During the next two years, there is expected to be an annual demand for about 41,350 units in the Washington HMA, including 14,300 sales units and 27,050 units of rental housing. Of the total rental demand, it is estimated that 21,300 units can be marketed annually at rents achievable with market interest rate financing and 5,750 units can be absorbed only with the aid of public benefit or assistance programs. This demand excludes public low-rent housing and rent-supplement accommodations. Sales and rental demand schedules are shown separately for each of the constituent areas comprising the Washington HMA (see table of contents).

ANALYSIS OF THE
WASHINGTON, D.C.-MARYLAND-VIRGINIA, HOUSING MARKET
AS OF DECEMBER 1, 1965

Housing Market Area

For the purposes of this analysis, the Washington, D.C., Housing Market Area (HMA) is defined as coextensive with the Washington, District of Columbia-Maryland-Virginia Standard Metropolitan Statistical Area, which includes the District of Columbia, Prince Georges County, and Montgomery County, Maryland, and Arlington and Fairfax Counties, and the independent cities of Alexandria, Falls Church, and Fairfax, Virginia (see map). The 1960 Census reported a population of about 2,002,000 persons in the Washington SMSA, ninth largest in the United States.^{1/}

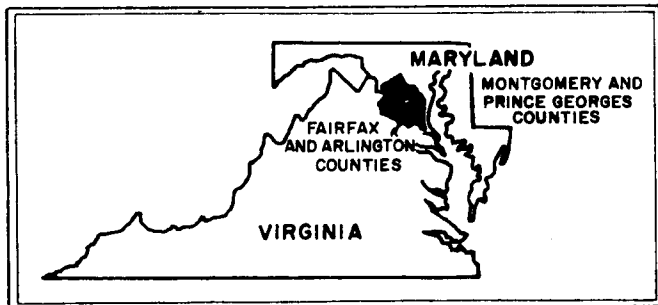
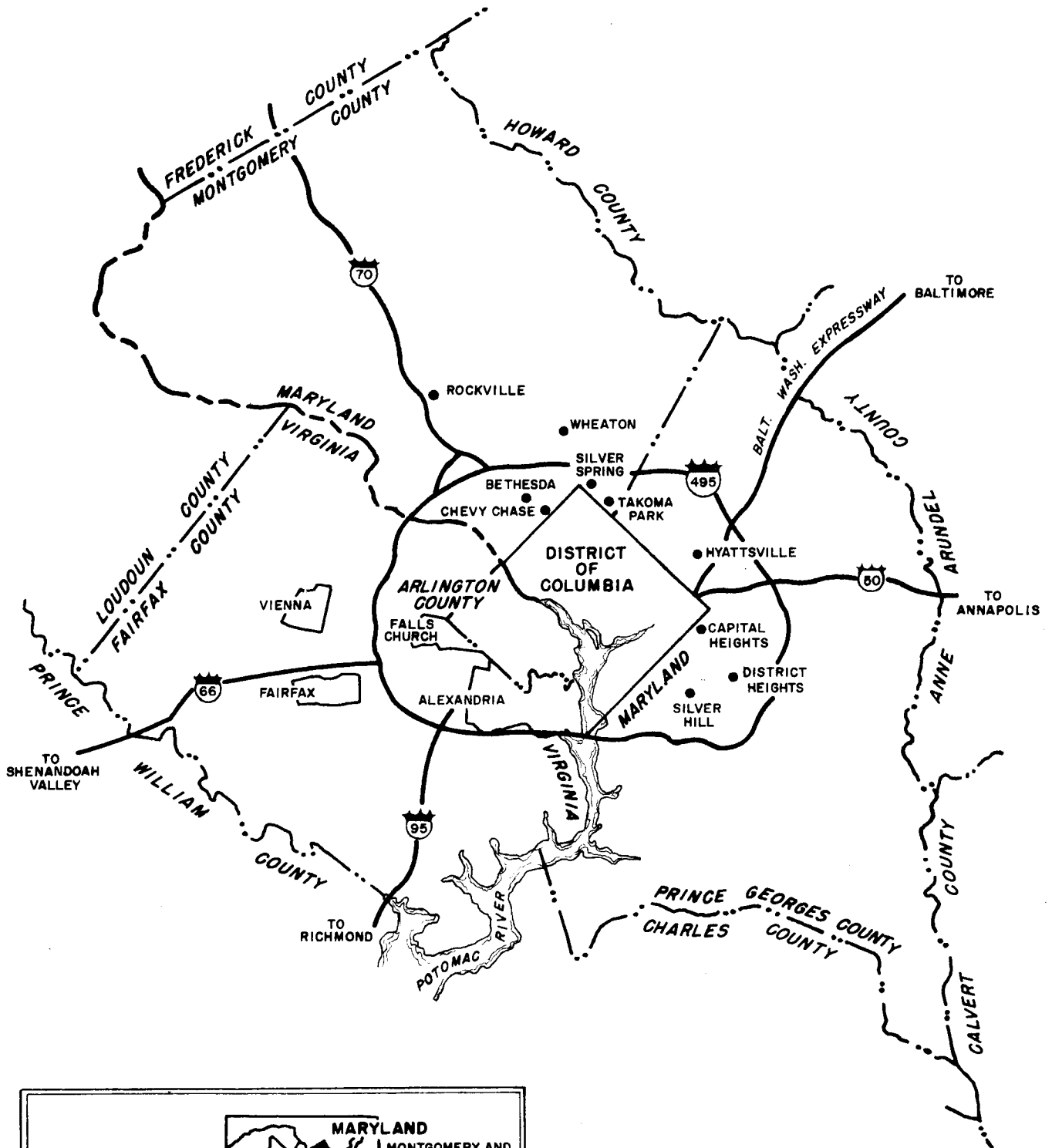
Aside from the District of Columbia and the three independent cities in the Virginia portion of the HMA, there were only six cities in the HMA which had populations in excess of 10,000 persons in 1960. There were a number of unincorporated places in the highly urbanized area contiguous to the District of Columbia which are of significant size, however. Based on the 1960 Census delineation of unincorporated areas, there were six unincorporated areas with populations in excess of 10,000 persons. The three largest, Bethesda, Silver Spring, and Wheaton, had populations exceeding 50,000 persons each in 1960. All were located in Montgomery County, Maryland.

The Washington area is served by four Interstate routes and a complex network of State and local highways. Twelve airlines offer a combined total of about 620 daily flights from the Washington National Airport, ten airlines offer about 190 daily flights out of Friendship International Airport, and nine airlines offer a total of 100 daily flights out of Dulles International Airport. In addition, five railroads offer passenger service in the Washington Area.

Large metropolitan areas nearest to Washington include Baltimore (38 miles), Philadelphia (142 miles), New York (225 miles), and Pittsburgh (230 miles).

^{1/} Inasmuch as the rural farm population of the Washington area constituted only 0.7 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.

WASHINGTON, D.C. – MARYLAND – VIRGINIA HOUSING MARKET AREA



Economy of the Area

Character and History

The Potomac River site of the Capital of the United States was chosen by George Washington and accepted by Congress in 1790, establishing the Federal District of Columbia. The city of Washington is coextensive with the District of Columbia. At the time the site of the Capital of the Nation was selected, Georgetown was a busy seaport community of significant size. The cornerstone of the Capitol building was set in 1793 and Congress moved from Philadelphia to the newly-completed north section of the Capitol in 1800. The President's house was first occupied by John Adams in 1800. In 1814, following the Battle of Bladensburg, a British force entered Washington, burned the President's house, the partially-completed Capitol, and other buildings. Reconstruction work began soon after the war and the ruined buildings were restored. The term "White House" dates from this reconstruction era when the fire-blackened walls were painted white.

The selection of the present site of Washington had little to do with prospective economic advantages, but was based on political considerations. The economy of the Washington area remains, to this day, overwhelmingly influenced by the presence of the Federal Government. This is true despite the fact that the Federal employment level constituted 30 percent of the nonagricultural wage and salary employment in 1964, compared with 34 percent in 1957. Other capital cities such as London and Paris, are important trading and manufacturing centers, as well as seats of the national government. In the Washington area, however, manufacturing industries have not shown independent development of any significance. Basic employment in the Washington area consists of the civilian employees of the Federal Government, military personnel stationed in the area, and employees of organizations located in the area because the Federal Government has headquarters here. These include the news media, unions, lobbyists, trade associations, nonprofit groups, foreign representatives and their staffs, and those who cater to the tourist trade. Changes in the level of employment in the Washington area, therefore, are determined largely by changes in the employment levels of the Federal Government.

Employment

Current Estimate. According to the United States Employment Service, there was an average of 1,018,600 civilian workers employed in the Washington HMA in the first ten months of 1965, a gain of 38,300 (about four percent) over the level for the corresponding period in 1964 (see table I). The 1965 average includes 913,000 wage and salary workers and 105,600 other workers, including self-employed, unpaid family workers, domestics in private households, and farm workers.

Past Trend. The economy of the Washington area has experienced uninterrupted growth for a number of years. Since 1957, employment gains in nonagricultural wage and salary employment occurred for seven years in succession, averaging 28,800 jobs a year from 1957 to 1964 (see table II). Gains varied from 6,400 during the 1957-1958 National recession to 42,100 from 1961 to 1962. The average number of wage and salary jobs in the first ten months of 1965 was 38,300 (about four percent) above the average for the corresponding period in 1964.

Distribution by Major Industry. The relative insignificance of manufacturing industries in the Washington area has been suggested earlier, and is exemplified by the fact that manufacturing employment accounted for only four percent of wage and salary employment in 1964. This proportion remained virtually unchanged from 1957 to 1964, varying by no more than one percentage point during the entire period. For the country as a whole, manufacturing employment accounted for 30 percent of the wage and salary employment in 1964.

In 1964, nearly 70 percent of the nonagricultural wage and salary employment was concentrated in three industry groups. Employment by the Federal Government accounted for 30 percent of the 1964 wage and salary employment, followed by services (20 percent) and trade (19 percent). No other single industry group accounted for more than eight percent of wage and salary employment in 1964. Employment by State and local governments accounted for eight percent of the wage and salary employment in 1964, followed by construction (seven percent), finance, insurance, and real estate (six percent), and transportation, communications, and public utilities (five percent).

With the exception of transportation, communications, and public utilities, services, and Federal Government employment, changes in the distribution of employment by individual industry groups have been relatively minor since 1957. Transportation, communications, and public utilities declined from seven percent of the wage and salary employment in 1957 to five percent in 1964, while the service industry increased in importance from 16 percent to 20 percent during the same seven-year period. Federal Government employment accounted for 34 percent of the wage and salary employment in 1957, declining to 30 percent in 1964.

In the first ten months of 1965, manufacturing employment was 2,200 (six percent) above the average for a comparable period in 1964. From 1957 to 1964, gains in manufacturing employment averaged about 1,050 jobs a year, accounting for less than four percent of the growth in wage and salary employment. Nevertheless, manufacturing employment increased during the 1957-1958 and 1960-1961 recessions, two periods in which losses in manufacturing employment characterized most other major metropolitan areas. In an area such as the Washington HMA, where manufacturing employment is

relatively insignificant, it is likely that the products of manufacturing industries are consumed locally; this is confirmed by the fact that most manufacturing industries produce food products and building materials. Most of the other important manufacturers are in the printing and publishing industry or are government contractors in fields closely allied to national defense. These, of course, serve a wider market, but their primary market is highly local.

Historically, the basic source of economic growth in the Washington area has been the Federal Government and related functions. Consequently, significant gains in nonagricultural wage and salary employment have occurred principally in nonmanufacturing. In the first ten months of 1965, employment in nonmanufacturing was 36,100 (about four percent) above the average for a corresponding period in 1964. From 1957 to 1964, nonmanufacturing exhibited uninterrupted employment gains, adding approximately 27,750 jobs (about four percent) each year. The smallest annual gain in nonmanufacturing employment occurred during the 1957-1958 recession when 5,800 jobs were added. The effects of the 1960-1961 National recession were hardly noticeable locally as nonmanufacturing industries added 22,300 jobs during the period. Reflecting the general prosperity which has characterized the National economy since 1961 and effects of the Vietnam conflict, nonmanufacturing employment has grown by about 36,150 jobs a year over the past three full years.

The largest single gain over the seven-year period occurred in the services industry, in which an average of 8,875 workers were added each year, comprising 31 percent of the growth in wage and salary employment during this period. Although the growth of employment in the services industry has been significant nationally in recent years, the growth of this industry in the Washington area reflects the attraction of the National Capital to tourists and the influx and development of numerous research and development firms, nonprofit associations, and professional and business services firms which find it advantageous to be in direct contact with the various agencies of the Federal Government. From 1957 to 1964, employment gains averaging 5,325 (four percent) a year occurred in trade, accounting for 19 percent of the wage and salary growth. Retail trade accounted for the bulk of the growth in the trade segment from 1957 to 1964. Employment gains at the Federal level accounted for 62 percent (4,850 jobs a year) of the growth in government employment and 17 percent of the wage and salary growth over the seven-year period.

Other segments of the economy which showed significant employment gains from 1957 to 1964 include State and local government (2,950 jobs a year), construction (3,475), and finance, insurance, and real estate (2,025).

Although the transportation, communications, and public utilities industry exhibited a decline of 325 jobs a year from 1957 to 1961, this segment grew by 970 jobs annually from 1961 to 1964. This industry showed a general decrease in employment nationally. It is likely, however, that the large increase in total employment in the Washington area since 1961 has increased the demand for services, particularly in public utilities. The transportation, communications and public utilities sector is composed of interstate railroads, transportation (excluding railroads), and communications and public utilities. From 1961 to 1964, a gain of 3,100 jobs in the communications and utilities segment offset a loss of 200 in the interstate railroads industry.

Principal Employers

There is no single dominating manufacturing employer in the Washington area at the present time. Local sources indicate no more than 20 manufacturing firms with employment in excess of 1,000 each. The lack of major manufacturing firms in the Washington area reflects, to some extent, the proximity of the HMA to the industrially-oriented city of Baltimore.

The Federal Government is unquestionably the leading employer in the Washington area as well as the basic source of employment. Although Federal employment declined in relative importance from 1957 to 1964, it out-ranked the next most important industry group (services) by more than 95,000 jobs in 1964. As table III shows, Federal civilian employment increased moderately by about 16,550 from June 30, 1950 to June 30, 1960. Since that time, however, Federal employment gains have more than doubled, totaling 35,650 new jobs from June 30, 1960 to September 30, 1965. This significant increase in recent years results primarily from expansion in Executive Departments such as Defense, State, Commerce, and Health, Education and Welfare.

The Executive Branch of the Federal Government is the most significant employer in the Federal system, accounting for over 90 percent of the total Federal employment. Employment levels in this branch of the government tend to fluctuate more widely than either of the remaining branches, principally because of fluctuations in defense-oriented agencies. In September 1965, the number of civilians employed in the Department of Defense constituted 31 percent of the civilian employment in the Executive Branch and 28 percent of the total Federal employment. The large increase in Executive Branch employment from 1950 to 1951 reflects the outbreak of the Korean War, followed by an abrupt decline with the cessation of hostilities (1953). Since 1958, however, Executive employment has been trending upward steadily. The gain in recent years can be attributed

to the expanding Health, Education, and Welfare programs, and the build-up of defense-connected agencies resulting from increasing hostilities in Southeast Asia.

Military

Inasmuch as the Washington HMA is headquarters for the Department of Defense, uniformed military personnel and civilian employees of the Defense Department comprise a sizeable portion of the area employment. It is important to note that military personnel are excluded from employment data reported by the United States Employment Service. Civilians employed at military installations are, however, included in the "Federal Government" classification. In September 1965, military-connected civilian employment constituted about eight percent of the total number of persons employed in the Washington area. Reflecting the international climate, both uniformed military and military-connected civilian personnel increased sharply during the Korean War period (1950-1953), and contracted abruptly soon after the truce (1953). Both groups have been increasing in size steadily in recent years, in response to the increasing tensions in Southeast Asia.

The most prominent Army facilities in the Washington Area include the Walter Reed Army Medical Center, Army Map Service, Arlington Hall, Fort Belvoir, Fort McNair, Fort Myer, Cameron Station, and the Diamond Ordnance Fuse Facility. Naval facilities are numerous in the Washington area. The most significant include the Bethesda National Naval Medical Center, Naval Ordnance Laboratory, Naval Weapons Plant, David E. Taylor Model Basin, Navy Security Station, Naval Air Facility, and the Photographic Center. The Air Force has two major facilities in the Washington HMA, Bolling Air Force Base and Andrews Air Force Base.

In addition to these operational installations, there is, of course, substantial employment of both military personnel and civilians at the Pentagon and other Department of Defense headquarters locations in the area. As table IV shows, the number of military personnel in the Washington HMA has varied according to changes in international tensions. In recent years, the military in the HMA has undergone moderate, but steady expansion.

Unemployment

United States Employment Service data indicate that the number of unemployed persons in the Washington HMA averaged 23,300 during 1964, or 2.3 percent of the civilian work force (see table I). Although the number of unemployed persons in 1964 is only 1,200 below the peak (24,500) recorded in 1958, employment has grown rapidly in recent years, thereby reducing the unemployment ratio to the lowest recorded over the entire 1957-1964 period. The U. S. Department of Labor currently classifies the Washington HMA as a "B" area, indicating a low level of unemployment and an unemploy-

ment ratio of 1.5 percent or more, but less than 3.0 percent. Based on annual averages since 1957, unemployment in the Washington area has exceeded 3.0 percent once (1958), reflecting the extreme stability of the economy of the Washington area.

Geographic Distribution of Employment

The United States Employment Service compiles separate data for the District of Columbia and the Virginia portion of the HMA, as well as the HMA as a whole. Employment data for the Maryland portion of the HMA may be derived by subtracting District of Columbia and Virginia data from the HMA total (see table V). These data exclude Federal Government employment, however, since the Civil Service Commission reports employment by the sections of the Washington area for the month of December only. In 1964, the District of Columbia accounted for 54 percent of the total employment in the HMA, excluding Federal Civil Service employees. The Maryland and Virginia portions accounted for 26 percent and 20 percent, respectively.

Since 1960, many (small) firms have been attracted to the suburbs of Maryland and Virginia by the large tracts of land available, lower taxes and less traffic congestion. The result has been a decrease in the proportion of the total area employment in the District of Columbia. From 1960 to 1964, employment in the District of Columbia declined from 59 percent to 54 percent of the total. Employment in the Maryland and Virginia portions of the HMA have increased in importance in recent years, although the employment growth has been more extensive in the Maryland portion of the HMA. As a proportion of all manufacturing employment in the HMA, manufacturing employment in the District of Columbia declined sharply from 77 percent in 1960 to 52 percent in 1964. From 1960 to 1964, nonmanufacturing in the District of Columbia also decreased as a proportion of total nonmanufacturing employment in the HMA, though not as rapidly as manufacturing employment.

The table on the following page illustrates Federal civilian employment trends by major segments of the HMA. The proportion of local Federal employment which is in the District of Columbia remained virtually unchanged from December 1955 to 1964, accounting for about 70 percent of the total over the ten-year period. From December 1955 to December 1964, the number of Federal employees in the Maryland segment of the HMA almost doubled while Federal employment in the Virginia segment declined. As a result, the relative importance of Federal employment in the Maryland segment increased from 10 percent in 1955 to 16 percent in 1964, while the proportion of employment in the Virginia segment declined from 18 percent to 15 percent of the total.

Geographic Distribution of Federal Civilian Employment^{a/}
Washington, D.C., Housing Market Area
December 1955-December 1964
(in thousands)

<u>Date</u>	<u>D.C.</u>	<u>Maryland</u>	<u>Virginia</u>	<u>HMA</u>
December 1955	163.3	22.5	41.6	227.5
" 1956	165.8	23.1	42.4	231.4
" 1957	164.7	23.9	36.5	225.1
" 1958	162.7	27.3	38.0	228.0
" 1959	166.3	27.5	37.3	231.1
" 1960	169.0	30.2	36.7	235.9
" 1961	172.1	33.6	37.6	243.2
" 1962	179.9	37.3	38.2	255.3
" 1963	184.2	40.9	38.1	263.2
" 1964	185.2	42.4	40.5	268.1

a/ Excludes persons temporarily employed at the Post Office Department.

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

Source: Civil Service Commission.

For a number of years Federal agencies (new and existing) have located in the Maryland segment of the HMA simply because of the availability of adequate sites near existing and planned arterials. In addition, existing agencies have moved some of their functions to the outlying areas for purposes of efficiency. Adequate sites within the District of Columbia are scarce and many have been acquired only after extensive rehabilitation or demolition.

Future Employment Prospects

The primary consideration regarding prospective employment in the Washington area is the employment outlook in the Executive Branch of the Federal Government. The prospects are for some continued growth in civilian employment, especially if tensions in Southeast Asia continue. A negative factor in the Federal employment picture is the large number of Federal employees who have taken advantage of the recent retirement incentive program and the policy of eliminating these jobs as people have retired. This program will undoubtedly have some dampening effect on the level of Federal employment growth. The future number of military personnel stationed in the Washington area will reflect changes in the international climate.

The outlook for civilian employment, other than Federal, is for continued growth, but at a moderate rate. Local sources indicate that over the December 1965-December 1967 forecast period it is unlikely that the economy of the Washington area will grow at the rate of the 1961-1964 period. As in the past, trade and services are expected to account for a sizeable portion of the projected employment.

On the basis of the factors discussed above, it is estimated that about 64,000 jobs (32,000 annually) will be created in the Washington HMA over the next two years. The projected level of civilian employment is slightly below the average increase of 34,400 jobs a year which occurred over the 1957-1964 period, but is about the same as the 32,400 average annual increase which occurred from 1963 to 1964.

Income

Inasmuch as Federal employment is the nucleus of the Washington economy, it would be more realistic to consider changes in the annual median salary of Civil Service employees in the Washington area as indicative of income trends rather than manufacturing wage rates which are considered to be the best indicator in most sections of the country. These data include only those full-time employees in the Washington area who are subject to the Classification Act of 1949. This group comprised roughly three-fourths of all Civil Service employment in the Washington HMA in 1965. The median salary of \$6,770 as of June 30, 1964 represents an increase of \$1,530 (29 percent) since June 30, 1959. Over 60 percent of the increase in the annual median salary occurred from 1962 to 1964, reflecting an increase in the number of employees in the upper income strata of the various Federal agencies in the Washington area, resulting from promotions, increased hiring of personnel in the higher pay grades and four increases in the salaries of Federal employees.

Average Annual Median Income of Civil Service Employees^{a/}
Washington, D.C., Housing Market Area
As of June 30, 1959-1964

<u>Date</u>	<u>Median salary</u>
June 30, 1959	\$5,240
" " 1960	5,280
" " 1961	5,820
" " 1962	5,820
" " 1963	6,225
" " 1964	6,770

a/ Includes only those employees subject to the Classification Act of 1949.

Source: Civil Service Commission.

The estimated current median annual income of all families in the Washington HMA, after deduction of Federal income taxes, is about \$9,225 and the median income of all renter households of 2-or-more persons is about \$7,000. By 1967, the median annual after-tax income of all families is expected to approximate \$9,900 and that renter families is expected to rise to \$7,500. Median incomes in the three major sectors of the HMA are shown in the following table.

Average Annual Median Incomes of All Families
After Deduction of Federal Income Tax
Washington, D.C., Housing Market Area, 1965 and 1967

<u>Area</u>	<u>December 1965</u>		<u>December 1967</u>	
	<u>All families</u>	<u>Renter households^{a/}</u>	<u>All families</u>	<u>Renter households^{a/}</u>
District of Columbia	\$ 7,325	\$6,150	\$ 7,875	\$6,575
Maryland portion	9,850	7,425	10,550	7,975
Virginia portion	10,000	7,525	10,700	8,075
HMA total	9,225	7,000	9,900	7,500

a/ Excludes one person renter households.

Source: Estimated by Housing Market Analyst.

Tables VI and VII present the distribution of all families and renter families by income classes for 1965 and 1967. Approximately 12 percent of all families and 21 percent of renter households of 2-or-more persons have after-tax incomes of less than \$4,000. About 44 percent of all families and 26 percent of all renter households have after-tax incomes in excess of \$10,000 a year.

Demographic Factors

Population

Current Estimate. The population of the Washington, D.C., HMA totals an estimated 2,499,000 persons as of December 1965. About 40 percent (1,004,700) of the current population resides in the Maryland portion of the HMA, 31 percent (780,000) lives in the District of Columbia, and the remaining 29 percent (714,300) lives in the Virginia portion of the HMA. The population of the HMA and of selected components is shown in table VIII.

Past Trend. The current population represents an increase of about 87,725 persons (3.9 percent) a year over the April 1960 total, substantially above the average of 53,800 persons (3.1 percent) added each year during the 1950-1960 decade.^{1/} The Maryland portion of the HMA has experienced a gain of about 54,075 persons (6.4 percent) a year since April 1960, accounting for 62 percent of the population growth. In the previous decade, census data indicate that the population in the Maryland portion grew by about 34,000 (6.7 percent) a year. Since 1950, much of the growth in the Maryland segment has occurred in areas contiguous to each other and the District of Columbia. The population of the Virginia portion of the HMA has increased by about 30,825 persons (5.0 percent) annually since 1960. Population growth was slightly lower during the previous decade, averaging 23,650 a year in the Virginia suburbs. Although the population of the District of Columbia has grown at a rate of less than one-half percent a year (about 2,825 persons) since April 1960, the net gain in recent years represents a reversal in the population trend of the previous decade when the city lost an average of over 3,800 persons a year. The table below shows a summary of population trends since 1950 and a two-year projection to 1967.

^{1/} All annual average percentage changes, as used in this report, are derived through the use of a formula designed to calculate the rate of change on a compound basis.

Population Growth Trends
Washington, D.C., HMA
April 1950-December 1967

<u>Date</u>	<u>Population</u>	<u>Average annual change</u> <u>from preceding date</u>	
		<u>Number</u> ^{a/}	<u>Percent</u>
April 1950	1,464,089	-	-
April 1960	2,001,897	53,800	3.1
December 1965	2,499,000	87,725	3.9
December 1967	2,691,000	96,000	3.8

a/ Rounded.

Sources: 1950 and 1960 Censuses of Population.
1965 and 1967 estimated by Housing Market Analyst.

Estimated Future Population. Based on past trends of employment, population and migration, the population of the Washington HMA is expected to increase by about **96,000** persons a year to a total of about 2,691,000 by December 1967. The projected level of growth represents an average annual rate of 3.8 percent, virtually the same rate of population growth which has characterized the Washington area in recent years. The Maryland segment is expected to grow by approximately 56,500 persons a year (59 percent of the projected growth), while the Virginia portion is expected to grow by 37,400 annually. The population of the District of Columbia is expected to increase by about 2,100 persons a year, a level of growth below that of the 1960-1965 period.

Natural Increase and Migration. During the 1950-1960 decade, the net natural increase (excess of births over deaths) in the Washington HMA averaged 33,200 annually while the total population grew by about 53,800 a year, indicating an annual net in-migration of approximately 20,600 persons into the area. The Maryland portion of the HMA had a net in-migration of almost 22,400 a year, compared with 14,050 in the Virginia segment. From 1950 to 1960, the District of Columbia lost an average of 15,850 persons annually as a result of out-migration. In addition to the large number of persons who migrated from Pennsylvania, West Virginia and outlying counties of Maryland and Virginia into the Washington HMA during the 1950-1960 decade, the in-migration experienced in the suburbs was affected strongly by movement from the central city (see table IX).

Since 1960, net in-migration into the HMA has averaged 48,375 persons annually, more than double the average in the previous decade. The level of in-migration into the Maryland suburbs of the HMA has averaged 37,575 persons a year since 1960, a level 67 percent above that of the 1950-1960 period, while in-migration in the Virginia portion increased to an average of 19,425 persons annually. Out-migration from the District of Columbia has averaged 8,625 persons a year from 1960 to the present, about one-half of the 1950-1960 level. The sharp reduction in out-migration from the District in recent years has enabled the central city to exhibit modest, but positive population growth. New housing in renewal areas, the growing cost and inconvenience of commuting, and the trend toward apartment living have undoubtedly contributed to the substantial reduction in the level of out-migration from the District of Columbia since 1960.

Distribution by Age. A comparison of the population of the HMA by age in 1950 and 1960 is presented in table X. Just under 60 percent of the total population growth during the ten-year period represented an increase in those less than 20 years old, a reflection of the high birth rates of the post-World War II and Korean Conflict periods. At the present time, some persons in this age group are marrying and forming new households, and are, in part, responsible for the growing demand for small apartments. The post-war baby boom is further reflected in the reduction in the median age of the population of the HMA from 30.6 years in 1950 to 28.9 years in 1960. The number of persons in the 20- through 29-year age group remained virtually unchanged over the decade, reflecting the low birth rates of the economically depressed 1930's.

Whereas the number of persons in age groups 20 through 49 years declined in the District of Columbia, these groups exhibited positive gains in the suburbs from 1950 to 1960, another reflection of the substantial out-migration from the central city.

Households

Current Estimate. There are approximately 756,300 households (occupied dwelling units) in the Washington HMA as of December 1965 (see table XI). Currently, households in the Maryland segment constitute 37 percent (278,800) of all households, an increase from 32 percent in 1960. Households in the District of Columbia currently comprise 36 percent (272,500) of the total, representing a substantial decline from the 1960 proportion of 43 percent. The proportion of households in the Virginia segment is 27 percent (205,000) at present, up slightly from the 1960 proportion of 25 percent.

Past Trend. The current number of households in the Washington area represents an average annual gain of about 29,200 (4.4 percent) since April 1960. The annual level of household growth in recent years is 57 percent higher than in the previous decade when an average 18,550 households (3.8 percent) were added each year. A portion of the increment in households over the 1950-1960 period resulted from a change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census, whereby a number of small furnished-room type of accommodations were classified as housing units and their occupants as members of households for the first time in the 1960 Census. Parallel population gains, the most rapid household growth since 1950 has occurred in the suburbs. The number of households in the Maryland portion of the HMA grew by 16,100 (7.1 percent) a year from 1960 to the present, substantially above the average of about 9,125 (6.7 percent) added annually during the previous decade. Growth in the Virginia segment of the HMA averaged 9,500 (5.4 percent) a year since 1960, compared with approximately 6,625 (5.8 percent) added each year over the 1950-1960 period. In contrast, households in the District of Columbia increased by 3,600 (1.4 percent) a year since 1960, up somewhat over the 2,800 households (1.1 percent) added annually between 1950 and 1960. From 1950 to 1960, the population loss in the District of Columbia was offset by a sharp decline in the average household size, enabling a modest, but positive household growth in the District of Columbia over the period.

Household Trends
Washington, D.C., HMA
April 1950-December 1967

Date	Households	Average annual change from preceding date	
		Number ^{a/}	Percent
April 1950	405,111	-	-
April 1960	590,621	18,550	3.8
December 1965	756,300	29,200	4.4
December 1967	824,300	34,000	4.5

a/ Rounded.

Sources: 1950 and 1960 Censuses of Housing.
1965 and 1967 estimated by Housing Market Analyst.

Future Household Growth. On the basis of anticipated increases in employment opportunities, population gains, and a decline in average household size, the number of households in the Washington, D.C., HMA is expected to increase by approximately 34,000 (4.5 percent) during each of the next two years to a December 1967 total of 824,300. As in the past, the bulk of household growth will be concentrated in the suburbs. Approximately 17,800 households are expected to be added annually in the Maryland segment, slightly above the level of growth which occurred from 1960 to 1965. Households in the Virginia segment are expected to grow by about 12,200 a year, nearly 30 percent above the average annual experience since 1960. The number of households in the District of Columbia is expected to continue to increase by about 4,000 each year over the forecast period, slightly above the 1960-1965 experience.

Household Size Trends. The average number of persons per household declined rather sharply from 3.33 in 1950 to 3.26 in 1960, and to 3.20 as of December 1965. The decline in average household size is partially attributed to the migration of young jobholders into the HMA, many of whom are single, as well as the creation of a number of small households resulting from the change in household definition from "dwelling unit" to "housing unit" between the 1950 and 1960 Censuses. Average household size is expected to decline to 3.16 over the next two years.

Housing Market Factors

Housing Supply

Current Estimate. As of December 1, 1965, there are approximately 792,800 housing units in the Washington area (see table XII). The current housing inventory represents a net addition of about 174,600 units (28.2 percent) since April 1960. The net increase in the supply of housing in the HMA results from the construction of about 181,100 new housing units, net additions of about 2,200 units through conversion activities, and a loss of about 8,700 units through demolition, fire, catastrophe, and other causes. Currently the Maryland and District of Columbia portions of the HMA account for 37 percent (293,200 units) and 36 percent (284,500 units) of the housing inventory, respectively. The remaining 27 percent (215,100 units) of the housing inventory is located in the Virginia portion of the HMA. In 1960, 42 percent of the housing inventory was located in the District of Columbia, compared with 32 percent in the Maryland portion of the HMA and 26 percent in the Virginia portion. It is apparent that residential building activity in the Maryland segment of the HMA since 1960 has exceeded that in the other major subdivisions. The decline in the relative proportion of the housing supply in the District of Columbia is also indicative of the rather substantial number of demolitions of residential structures which have occurred in this segment of the HMA since 1960.

Past Trend. From 1960 to date, the housing inventory of the Washington HMA has increased by about 30,800 units a year. Over one-half of the annual increment occurred in the Maryland portion of the HMA, in which an average of 17,000 units have been added to the inventory each year. There has been an increase of 9,950 units (5.3 percent) a year since 1960 in the housing supply in the Virginia portion of the HMA, equal to slightly less than one-third of the total increment in the HMA. The housing inventory in the District of Columbia has grown by 3,850 units (1.4 percent) a year since April 1960, accounting for 12 percent of the total inventory growth for the HMA as a whole.

During the 1950-1960 decade, the total housing supply of the HMA grew at a much slower rate, increasing by about 19,850 units a year. Part of this increase resulted, however, from the definitional change from "dwelling unit" (1950) to "housing unit" (1960). The housing inventory in the Maryland portion of the HMA had the most rapid growth, increasing by 9,525 units each year; in the Virginia portion of the HMA there was an average increment of 7,025 units a year. While there was an average annual increment of 3,300 units in the District of Columbia, the city of Washington contained a much larger portion of the units of the type affected by the change in census definition than did the rest of the HMA and it is judged that the average annual increment in the housing supply of the central city was actually lower during the 1950's than in the period since 1960.

Units in Structure. As shown in table XIII, approximately 55 percent of the housing units in the Washington area are now in one-unit structures (including trailers), representing a sharp reduction from the 1960 proportion of nearly 60 percent. Units in two- to four-family structures now comprise over three percent of the total inventory, little changed from about four percent in April 1960. The proportion of units in five- or more-family structures constitutes about 41 percent of the current inventory, a relatively sharp increase from 36 percent in 1960. The increasing proportion of the inventory in multifamily structures from 1960 to 1965, is a reflection of the exceptional volume of apartments constructed during the period. The trend has been similar in each segment of the HMA; the proportion of multifamily units has risen markedly in the Maryland and Virginia suburbs, while the District of Columbia has experienced a relatively smaller increase in multifamily units. Although the proportion of single-family units has declined in each of these major areas since 1960, they still constitute a significant portion of the housing inventory in the suburbs, ranging from 70 percent in the Virginia portion to 78 percent in the Maryland portion.

Year Built. Based on the 1960 Census of Housing and estimates derived from building permit and demolition data, it is judged that 23 percent of the current housing stock in the HMA has been built since April 1960 (see table XIV). Approximately 29 percent of the housing inventory was built during the decade of the 1950's and 20 percent was built prior to 1930. The rapid growth of the suburbs is evidenced by the large proportion of units built in recent years in the Maryland and Virginia segments of the HMA. In contrast, over 50 percent of the housing inventory of the District of Columbia was constructed prior to 1930.

Condition of the Inventory. Presently, about five percent of the housing inventory of the Washington HMA is estimated to be dilapidated or lacking in one or more plumbing facilities, an improvement over the 1960 ratio of six percent and a marked improvement over the 1950 proportion of 13 percent.^{1/} Reflecting the older housing inventory in the District of Columbia, approximately seven percent of the housing units in the central city are judged to be substandard at the present time. In contrast, only about two percent of the housing inventory in the Virginia segment is judged to be substandard at present and three percent in the Maryland portion of the HMA. In 1960, nine percent of the housing supply in the central city was substandard, compared with four percent in the Virginia portion of the HMA and five percent in the Maryland segment.

^{1/} Because the 1950 Census of Housing did not identify "deteriorating" units, it is possible that some units classified as "dilapidated" in 1950 would have been classified as "deteriorating" on the basis of 1960 enumeration procedures.

Residential Building Activity

Trends. Building permit data for the Washington, D.C., HMA indicate that an average of about 27,000 new private dwelling units were authorized annually since 1950. The lowest volume reported for the period was in 1957, when approximately 12,950 units were authorized; the peak has been attained over the past eleven months when nearly 50,200 units were authorized (see table XV). From 1950 to 1960, an average of about 20,750 new dwelling units were authorized annually by building permits. Since 1960, the average annual volume of units authorized has risen 81 percent to 37,550 a year. With the exception of modest declines in 1960 and in 1964, the volume of private units authorized has been steadily increasing since 1957, and the number authorized in the first eleven months of 1965 is about ten percent above the previous peak recorded in the full year of 1963.

Since January 1960, an average of 13,150 single-family units have been authorized annually, slightly below the average of 14,550 authorized over the previous ten years. The peak year for single-family authorizations occurred in 1950 when approximately 20,700 units were authorized. A low of about 9,725 single-family units were authorized during 1957, an indication of the recession period (1957-1958) which was to follow. For the most part, the level of single-family units authorized annually has been steady since January 1950. In the first eleven months of 1965, single-family authorizations are slightly above (by about 700 units) the level for the comparable 1964 period.

Building permit data indicate that the number of privately-financed two- to four-family units authorized has been trending downward since 1950; from 405 units annually during the 1950 through 1954 period to 95 a year from 1955 to 1959 inclusive, and to about 60 units authorized annually from 1960 to date. The number of privately-financed multifamily units (in five- or more-family structures) authorized by permits has increased markedly in recent years. From 1950 to 1960, multifamily units authorized averaged about 5,950 a year. Since 1960, the volume of multifamily authorizations has averaged 24,300 units a year. With the exception of a decline from 1963 to 1964, the volume of multifamily units authorized by permits in the Washington HMA has steadily increased since 1960, and the number of multifamily units authorized in the first eleven months of 1965 (36,150 units) is about 3,700 units (11 percent) above the peak calendar year (1963). Because of the surge of multifamily units authorized by building permits in recent years, the proportion of multifamily units to total number authorized has increased rapidly since 1960. In 1960, multifamily units accounted for 45 percent of the total compared with 71 percent in 1963 and 72 percent for the first eleven months of 1965. The apartment "boom" in the Washington HMA undoubtedly reflects the rapid increase in employment since 1960 and the subsequent in-migration of a substantial number of young job seekers, the vast majority of whom seek tenant quarters initially.

In addition to the privately-financed housing units, there also have been about 1,550 public housing units authorized in the area. Virtually all of the public housing units authorized since 1960 have been for housing in the District of Columbia.

Since 1960, 62 percent of all permits for single-family units have been issued in the Maryland portion of the HMA, 36 percent in the Virginia portion, and just two percent in the central city. One-half of all the multifamily units (including two- to four-family units) authorized since 1960 have been in the Maryland segment of the HMA, 28 percent were in the Virginia segment and the remaining 22 percent were issued for construction in the District of Columbia.

Units Under Construction. Based on building permit data, a postal vacancy survey conducted in the Washington area, on other data obtained in the area, and on the average time involved in the construction of single-family homes, garden-type apartments, and high-rise apartment projects, there are estimated to be about 42,600 housing units currently in some stage of construction in the Washington HMA. Of these units, about 5,100 (12 percent) are single-family structures and 37,500 are in multifamily projects. About 58 percent of the single-family units and 54 percent of the multifamily units are under construction in the Maryland portion of the HMA.

Demolitions and Conversions. Approximately 8,700 housing units have been removed from the housing supply since April 1960 through urban renewal projects, highway and street projects, housing code enforcement, fire losses, and other changes in the inventory. During the same period, a net addition of about 2,200 units to the housing stock has occurred as a result of conversion of nonresidential structures into rooming houses and multifamily units. Nearly 60 percent (5,200 units) of the losses took place in the central city, primarily as a result of urban renewal programs. Another 2,300 units were demolished in the Virginia segment of the HMA, the bulk of which occurred as a result of highway and street projects. Losses to the housing supply in the Maryland portion of the HMA totaled about 1,200 units since 1960. Over two-thirds of the units demolished in the HMA since 1960 were in structures containing more than one unit.

During the two-year forecast period, approximately 5,000 units are expected to be demolished. Although this figure reflects scheduled demolitions by various public agencies, it reflects also a small allowance for fires and other "nonscheduled" losses. Approximately 1,400 units are expected to be demolished in the Virginia portion of the HMA, principally as a result of highway projects and another 3,000 demolitions are expected in the District of Columbia, primarily as a result of urban renewal projects. The remaining 600 residential demolitions are expected in the Maryland portion of the HMA.

Tenure of Occupancy

There is a total of about 756,300 occupied housing units in the Washington area at the present time, of which 348,900 are owner-occupied (46.1 percent of the total). The current owner-occupancy ratio reflects a reversal in the trend of the 1950's when owner occupancy increased from 42.6 percent in 1950 to 48.9 percent in 1960. As mentioned earlier in this report, the shift from homeownership since 1960 may result in part from expanding employment opportunities and the resultant in-migration of young adults; this group is generally apartment-oriented.

As might be expected, owner occupancy is highest in the Maryland (60.7 percent) and Virginia (51.6 percent) suburbs. Since 1960, however, owner occupancy has declined throughout the major portions of the HMA. Owner-occupied units in the Virginia portion of the HMA comprised 56.3 percent of the total in 1960. In 1960, owner-occupied households accounted for 68.6 percent of all households in the Maryland segment. The relatively rapid decline in the proportion of owner-occupied units in the Maryland portion of the HMA is a reflection of the relatively large volume of multifamily units built in the Maryland suburbs.

Trends in Owner Occupancy Washington, D.C., HMA 1950, 1960, and 1965

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>December</u> <u>1965</u>
Total HMA occupied units	<u>405,111</u>	<u>590,621</u>	<u>756,300</u>
Owner-occupied	172,718	289,102	348,900
Percent of total	42.6%	48.9%	46.1%
District of Columbia	224,142	252,066	272,500
Owner-occupied	72,362	75,532	74,100
Percent of total	32.3%	30.0%	27.2%
Maryland portion	96,063	187,428	278,800
Owner-occupied	59,441	128,485	169,100
Percent of total	61.9%	68.6%	60.7%
Virginia portion	84,906	151,127	205,000
Owner-occupied	40,915	85,085	105,700
Percent of total	48.2%	56.3%	51.6%

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

Note that the decline in the proportion of homeownership in all segments since 1960 represents a reversal of the trends of the previous ten years.

Vacancy

Last Census. As of April 1, 1960, there were about 19,050 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the HMA, for a net vacancy ratio of 3.1 percent. Vacancy ratios among the major segments of the HMA were quite similar in 1960. The District of Columbia exhibited the lowest net vacancy ratio with 3.0 percent, followed closely by 3.1 percent in the Maryland portion of the HMA, and 3.3 percent in the Virginia portion of the area.

Of the total number of available vacancies in the Washington area, approximately 5,450 units were for sale, representing a homeowner vacancy rate of 1.9 percent, and about 13,600 units were for rent, a rental vacancy ratio of 4.3 percent. In 1960, the District of Columbia exhibited the lowest sales vacancy ratio, at 1.2 percent. Sales vacancy ratios were identical in the Maryland and Virginia portions of the HMA at 2.1 percent. The highest rental vacancy ratio in April 1960 was in the Maryland portion of the HMA, 5.3 percent, followed by the Virginia segment, 4.8 percent. The lowest rental vacancy ratio was in the District of Columbia, 3.8 percent.

Of the available sales vacancies in the area in 1960, only two percent (110) lacked one or more plumbing facilities, while 15 percent (2,075) of all rental vacancies lacked some or all plumbing facilities. The proportion of substandard sales vacancies was low throughout the major segments of the HMA in 1960. In the Virginia portion, four percent of all rental vacancies were substandard compared with five percent in the Maryland portion. In contrast, one-fourth of all rental vacancies in the District of Columbia were reported as lacking one or more plumbing facilities, a reflection of the significantly older and poorer-quality housing inventory of the central city.

Postal Vacancy Survey. The results of a postal vacancy survey conducted during January-February 1966 are shown in table XVIII.^{1/} The survey was based on a sample which included most areas with substantial numbers of apartments and approximately one-half of the other postal routes served by the cooperating post offices. Since the two categories were sampled on a different basis, the sum of the two may not properly reflect the over-all vacancy level. Vacancies in residences numbered about 4,575, or 1.8 percent of the residences surveyed, while nearly 11,700 apartment units were vacant, representing 5.1 percent of the total possible deliveries to the apartments surveyed.

^{1/} The lag between the date of this analysis and the postal vacancy survey reflects the amount of time that was necessary to set up a sample list of routes and to conduct the actual survey. It is judged, however, that this lag does not significantly alter the findings.

It is important to note that the postal vacancy survey data are not entirely comparable with 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 some row houses, duplexes, and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, the survey serves a valuable function in the derivation of estimates of local market conditions.

Other Vacancy Indicators. In November 1965, FHA personnel conducted a survey of approximately 49,750 rental units (by unit size) in the Washington HMA including only those units which have been completed and made available for occupancy since January 1, 1962 (see table XIX). Of the 49,750 units in the survey, 13 percent were efficiency units, 37 percent one-bedroom units, 43 percent two-bedroom units, and 7 percent three-bedroom units. About 60 percent of the units rented for \$120 to \$160 a month. About three-fourths of the efficiency units enumerated rented for \$100 to \$140 a month; 70 percent of the one-bedroom units also rented in this range. The most popular rental range among two-bedroom units (77 percent of the two-bedroom units) was from \$120 to \$160 a month, while the three-bedroom units were concentrated (76 percent) in the \$160 to \$200 a month rent range. At the time of the survey, about 18 percent of the units covered had been on the market for less than 6 months, 20 percent from 7 to 12 months, 31 percent from 13 to 24 months, and 31 percent had been on the market for over two years.

As of November 1, 1965, there were 6,650 vacant units, representing 13.3 percent of the total rental units covered in the survey. As might be expected, a large portion (43 percent) of the vacant units had been on the market for less than six months. About 20 percent of the vacancies were on the market from 7 to 12 months, 24 percent from 13 to 24 months and 13 percent were on the market for over 24 months. The relatively large proportion of units vacant from 12 to 24 months reflects a rather large number of vacancies in one-bedroom units available for rent from \$100 to \$160 a month. There were also a large number of two-bedroom units vacant and available for rent from \$140 to \$160 a month. In those units which have had ample time for occupancy (24 months or more), there were a total of 775 vacancies, or 5.0 percent of the units enumerated in this group. As table XIX shows, the vacancy ratios in those units completed over 24 months were lowest in efficiency units, an indication of the previously-mentioned in-migration of one- and two-person families.

Vacancies in FHA-Insured Projects. As shown in the following table, vacancy ratios were relatively low in March 1965, except in the District of Columbia. Included in the March 1965 vacancy ratio for the District of Columbia are units which were just completed, of which 788 were vacant as of the survey date. If these units are excluded, the vacancy ratio for the central city drops to 3.5 percent. The vacancy ratios for the District of Columbia, however, have been consistently larger than in any other major segment of the HMA since 1960. Note that vacancy ratios have climbed since 1963 when the level of apartment construction began accelerating.

FHA Rental Project Vacancy Rates
As Reported in Annual Occupancy Surveys
District of Columbia Insuring Office
March 1960-March 1965

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
HMA	1.3	1.4	1.9	1.6	3.1	4.9
District of Columbia portion	1.5	2.5	2.5	3.6	5.3	9.1
Maryland portion	1.3	0.7	1.1	0.5	2.0	1.9
Virginia portion	1.0	1.1	2.3	1.6	2.2	3.1

Source: District of Columbia Insuring Office, Federal Housing Administration.

Current Estimate. On the basis of postal vacancy survey results, surveys conducted by various organizations in the HMA (including the FHA), and on personal observation, it is judged that there are currently about 27,500 available vacant housing units in the Washington area, an over-all net available vacancy ratio of 3.5 percent. Of the total available vacancies, 6,650 units are for sale, representing a homeowner vacancy ratio of 1.9 percent and 20,850 units are available for rent, indicating a rental vacancy rate of 4.9 percent. As shown in table XVII, the current rental vacancy ratio represents an increase from the 1960 ratio, while the sales vacancy ratio remains unchanged. The increase in rental vacancies reflects principally the accelerated level of apartment construction which has characterized the Washington area for the past three years.

Compared with 1960, the over-all net vacancy ratios increased in each of the major segments of the HMA, most notably in the Maryland segment of the HMA. The over-all net vacancy ratio in the Maryland portion of the HMA increased from 3.1 percent in 1960 to 3.8 percent at present. The vacancy ratio for the Virginia portion increased modestly from 3.3 percent to 3.4 percent, while in the District of Columbia, the increase was from 3.0 percent to 3.3 percent. The current sales vacancy ratio in the District of Columbia represents a slight increase over the 1960 ratio. The sales vacancy ratios

declined slightly since 1960 in the Maryland and Virginia suburbs. Except for the Virginia portion, current rental vacancy ratios represent increases over the 1960 ratios. The rental vacancy rate in the Virginia portion of the HMA remains unchanged from the ratio reported by the April 1960 Census. The increases in the rental vacancy ratios in the central city and Maryland portions of the HMA reflect the extensive volume of new multifamily units which have been built in these two areas since 1960.

Approximately 150 of the currently available vacant sales units and 1,550 of the available vacant rental units are judged to be substandard in that they are dilapidated or do not contain all plumbing facilities. The present proportion of "substandard" units is somewhat below that reported by the 1960 Census, reflecting the elimination of a large amount of poor quality housing through the demolition activity by various public agencies.

Sales Market

General Market Conditions. The over-all market for new and existing sales housing in the Washington area is firm at the present time. The level of new construction of single-family units apparently has kept pace with demand in recent years as evidenced by the fact that the current sales vacancy ratio is unchanged from the April 1960 ratio. The condition of the sales market is reflected also in the fact that the number of single-family units acquired by the FHA is negligible at the present time.

Unsold Inventory of New Homes. Some indication as to the nature of major subdivision activity in the Washington area can be gained from the January 1966 and January 1965 unsold inventory surveys conducted by the FHA (see table XX). The surveys were conducted in subdivisions in which five or more houses were completed during the twelve months preceding the survey dates.

The January 1966 survey covered 183 subdivisions in the Washington area in which about 8,825 houses had been completed during 1965. Of that number, approximately 3,850 houses (44 percent) were sold before the start of construction and the remainder were built speculatively. Of the speculatively-built homes, about 1,125 were unsold, a ratio of 22.9 percent. The survey indicated that 38 percent of the unsold units had been on the market for one month or less, 19 percent for two to three months, 17 percent for four to six months, and 26 percent for seven to twelve months. The comparable January 1965 survey covered 181 subdivisions with about 7,850 houses completed during 1964. Approximately 3,600 units (46 percent) were sold prior to the start of construction and the remainder were speculatively built. Of the speculatively-constructed units, about 750 were unsold (17.5 percent). The 1965 survey showed that 27 percent of the unsold homes were on the market for one month or less, 26 percent for two to three months, 8 percent from four to six months, 37 percent from seven to twelve months and 2 percent had been on the market and unsold for more than one year.

A comparison of the two surveys suggests that the sales market has weakened from January 1965 to January 1966, as evidenced by the increase in the ratio of speculative units unsold to the total number of speculatively-built houses. The increase in the unsold inventory ratio results from the discrepancy between the volume of units built speculatively in the past year and the corresponding sales of such units. Although the number of sales of speculatively-built houses increased (8.5 percent) from January 1965 to January 1966, the volume of speculative construction was much higher (16 percent); the net result was an increase in the number unsold. The increase in the number of speculatively-built units was the result of increased speculative construction involving houses priced at \$30,000 and above.

The following table shows that 38 percent of the 1965 completions were priced to sell at and above \$30,000 compared with 27 percent of the 1964 completions. About 48 percent of the 1965 completions and 47 percent of the 1964 completions were priced from \$20,000 to \$30,000. Approximately 14 percent of all 1965 completions and one-fourth of the 1964 completions were priced to sell below \$20,000.

Distribution of New Houses Completed by Sales Price
Washington, D.C., Housing Market Area
1964 and 1965

<u>Sales price</u>	<u>Percent of</u> <u>total completions</u>	
	<u>1964</u>	<u>1965</u>
Under \$17,500	0.5	-
\$17,500 - 19,999	23.9	14.1
20,000 - 24,999	18.7	16.7
25,000 - 29,999	29.6	31.5
30,000 - 34,999	15.3	15.5
35,000 and over	<u>12.0</u>	<u>22.2</u>
Total	100.0	100.0

Source: Federal Housing Administration.

Rental Market

General Market Conditions. Although the over-all rental market in the Washington area is firm at the present time, there is evidence of some softness in some parts of the HMA. The scattered market deterioration is confirmed to some extent by the slight increase in the renter vacancy ratio since 1960, an increasing vacancy ratio in FHA-insured projects and the increased period of time required for absorption of relatively new rental projects in the area. While the greatest weakening has occurred in those areas with an exceptional volume of multifamily construction (e.g., the Maryland portion of the HMA), there is evidence of softening in all the major areas of the HMA. In the District of Columbia, where land is scarce and costly and subject to strict zoning regulations, only high-density projects can be constructed feasibly; these projects generally require a greater length of time to be absorbed satisfactorily and vacancies are expected to be higher for some time after the initial opening. Rental project owners and managers in all areas expressed the opinion, however, that the level of apartment construction in recent years has not been geared to the demand and that both walk-up and high-rise projects were taking longer to be absorbed.

For the most part, the older rental projects in the area are faring quite well. A few rental property managers indicated that vacancies had increased and the rate of turnover had accelerated in recent years. Most of the managers attributed the change to the newer projects coming on the market, but a few indicated that changing neighborhood influences were responsible for the adverse effect. Those older projects which are well designed and ideally located near major commutation arterials and public transportation routes are having no difficulty maintaining a satisfactory level of occupancy.

A survey of new rental housing as of November 1965 shows that for the HMA as a whole, three-bedroom units were absorbed most rapidly. Of the total number of three-bedroom units completed and available since May 1, 1965, only one-fourth remained vacant as of November 1, 1965. The slowest rate of absorption during the same period occurred among efficiency units with 45 percent vacant among those less than six months on the market. Of those units which came on the market between November 1, 1964 and May 1, 1965, 23 percent of the efficiencies were vacant as of November 1, 1965, compared with 14 percent of the two-bedroom units, 13 percent of the three-bedroom units and only 7 percent of the one-bedroom units. Among apartment units which became available between November 1, 1963 and November 1, 1964, there was very little variation in vacancy rates. The lowest (10 percent) was in one-bedroom units and the highest (12 percent) occurred in the efficiency units (see table XIX).

To reiterate, the over-all rental market in the Washington area is firm at the present time, but there is mounting evidence that vacancies are increasing and that the newer projects are taking much longer for satisfactory absorption. There are also many reports of increasing turnover throughout the Washington area. In the first eleven months of 1965, privately-financed multifamily units authorized by building permits were about 9,400 (35 percent) above the number for a comparable period in 1964, and higher than in any calendar year in the past decade and a half. As these units are built, it is not unreasonable to assume a substantial decline in the rate of absorption over the forecast period, particularly in the latter half (November 1966 to November 1967), and an increase in the number of vacant rental units.

Rental Housing Under Construction. Currently, there are about 37,500 multifamily units in some stage of construction in the Washington area, including some 8,250 units in the District of Columbia, 20,350 units in the Maryland portion of the HMA and about 8,900 units in the Virginia portion (details will be found in the separate discussions of sub-market areas).

Urban Renewal

As of December 1, 1965, there are 13 urban renewal projects in the Washington, HMA, including eight in the District of Columbia, three in the city of Alexandria, and two in the city of Rockville, Maryland (Montgomery County). Of the total number of projects, nine are in the execution stage, and four are in the planning stage. In addition, there are currently two demonstration projects in the execution stage in the District of Columbia. Since the inception of urban renewal in the Washington area, a total of about \$28,907,700 has been dispersed for the various projects through June 1965, 95 percent of which was for projects in the District of Columbia. A total of about 4,650 families have been relocated and some 740 acres of land have been cleared. At the present time, a total of nearly 6,800 housing units are planned for the urban renewal areas, of which some 3,250 units have been completed.

Public Housing

As of December 1, 1965, there are 9,504 public housing units under management in the Washington HMA, of which 8,496 are in the District of Columbia, 943 in the city of Alexandria, Virginia and 65 in Rockville, Maryland (Montgomery County). Of the total, 470 units are for elderly households. In addition, there are 825 units under construction in the area, including 735 in the District of Columbia and 90 in Alexandria. There are also 2,125 units currently under development in the HMA. Of this number, 2,050 are planned for the District of Columbia (including 420 units for the elderly) and 75 are to be built in Rockville.

Demand for Housing

Quantitative Demand

Based on the expected growth in the number of households during the next two years (34,000 annually), on the anticipated level of demolition activity, and on adjustments to create a balanced market condition throughout the HMA, demand for new housing units is expected to total 41,350 units annually over the forecast period, including 14,300 sales units and 27,050 units of rental housing. Of the total rental demand, it is estimated that 21,300 units could be marketed annually at rents achievable with market interest rate financing and 5,750 units could be absorbed only at the rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost. This demand estimate does not include public low-rent housing or rent-supplement accommodations. Consideration is also given to the existing tenure composition of households, to the recent shift toward renter status, to the number of units now under construction, and to the shift of single-family houses from the sales inventory to the rental inventory.

The annual demand for new housing over the next two years is somewhat above the average of 34,400 units a year authorized by building permits from 1960 through 1964, but is substantially below the 55,000 annual rate for permits in calendar 1965. The projected level of sales housing demand is in line with trends of the past five years (1960-1964) during which single-family permits increased from 11,000 to 14,200 a year, but is somewhat below the 1965 total of nearly 15,000. The projected demand for rental housing is slightly higher than the average of 24,300 units authorized annually from 1960 through 1965, but is lower than the 33,750-unit average of the 1963-1965 period, and is substantially below the 1965 total of over 40,000 multifamily units. The projected annual demand for new rental housing in the Washington area reflects an allowance for the large number of multifamily units now under construction, most of which are expected to be on the market by the end of 1966.

The estimated annual demand for 41,350 new housing units is distributed by sub-market area and by tenure in the following table.

Projected Annual Demand for New Housing
Washington, D.C., Housing Market Area
December 1, 1965 to December 1, 1967

<u>Area</u>	<u>Number of housing units</u>		
	<u>Sales units</u>	<u>Rental units</u>	<u>Total</u>
HMA total	<u>14,300</u>	<u>27,050</u>	<u>41,350</u>
District of Columbia	<u>300</u>	<u>6,700</u>	<u>7,000</u>
Maryland portion	<u>8,700</u>	<u>10,650</u>	<u>19,350</u>
Montgomery County	<u>3,900</u>	<u>2,650</u>	<u>6,550</u>
Prince Georges County	<u>4,800</u>	<u>8,000</u>	<u>12,800</u>
Virginia portion	<u>5,300</u>	<u>9,700</u>	<u>15,000</u>
Alexandria	<u>100</u>	<u>2,900</u>	<u>3,000</u>
Arlington County	<u>200</u>	<u>1,600</u>	<u>1,800</u>
Fairfax County <u>a/</u>	<u>5,000</u>	<u>5,200</u>	<u>10,200</u>

a/ Includes the independent cities of Fairfax and Falls Church, Virginia.

The qualitative demand for new privately-financed sales and rental units may be found at the end of each summary report for the individual sub-market areas. For the District of Columbia, see page 39, Montgomery County, page 48, Prince Georges County, page 56, Alexandria City, page 64, Arlington County, page 70, and the Fairfax County portion of the HMA, page 77.

Summary for the District of Columbia Portion of the HMA

Population

Currently, there are 780,000 inhabitants in the District of Columbia, representing an average annual increment of approximately 2,825 persons (0.4 percent) since April 1960. This modest level of population growth represents a reversal of the trend of the 1950-1960 decade when the population of the city declined by over 3,800 persons (0.5 percent) a year. By December 1967, the population of the District of Columbia is expected to increase to about 784,200 representing an average annual increment of 2,100 persons (0.3 percent).

Natural Increase and Migration. From 1950 to 1960, net natural increase (excess of births over deaths) in the District of Columbia averaged 12,000 persons annually, but, as a result of the net out-migration of 15,850 persons annually, the city showed a loss of over 3,800 persons a year. In the five and two-third years since April 1960, the level of out-migration declined sharply to approximately 8,625 persons a year. It is likely that neighborhood improvements in the central city as a result of urban renewal, and the rising cost and inconvenience of commuting to and from the suburbs has contributed toward the substantial reduction in the level of out-migration from the central city to the suburbs.

Households

There are about 272,500 households in the District of Columbia at the present time, representing an average increase of about 3,600 a year since April 1960. Between 1950 and 1960, households in the District increased by 2,800 a year, part of which is attributed to the "definitional increment" referred to in the main body of this report. Average household size in the District declined from 3.19 in 1950 to 2.87 in 1960, and is judged to have declined further to 2.71 at present. Inasmuch as the projected annual level of population growth is expected to be somewhat above that which occurred from 1960 to the present, and average household size is expected to decline slightly to 2.64, household growth in the District of Columbia will increase to about 4,000 a year and will reach a total of 280,500 by December 1967.

Housing Supply

At the present time, the housing inventory in the District of Columbia totals about 284,500 units, an increase of some 21,850 units since April 1960, or an average of about 3,850 a year. During the 1950-1960 decade, the housing inventory in the District of Columbia grew by about 3,300 units a year. The housing inventory in the District of Columbia is comprised primarily of structures with five or more units (see table XIII). At the present time, structures with five or more units constitute 57 percent of the housing supply, compared with 6 percent for structures with two to four family units and 37 percent single-family houses. A comparison of the current distribution of the housing inventory by type of structure with the 1960 housing supply reveals a slight increase in the proportion of units in structures with five or more units. It is likely that this increase would have been substantially higher had it not been for a substantial number of multifamily units which were demolished, principally as a result of urban renewal.

Based on the 1960 Census of Housing and estimates derived from building permit and demolition data, it is judged that just over one-half the housing inventory in the city of Washington was built prior to 1930. About one-third was constructed between 1930 and 1950, 15 percent between 1950 and April 1960, and 9 percent was built from 1960 to date.

Residential Building Activity

The annual volume of private residential building activity, as measured by building permit authorizations, has averaged 5,400 units a year in the District of Columbia since January 1960. From a low of 2,475 units authorized in 1961, the number has steadily increased to a high of 8,075 units in 1964. The number of units authorized in the first eleven months of 1965 is about 150 above the total for the first eleven months of 1964, indicating that 1965 will be the peak year since 1958 for units authorized by building permits in the city of Washington. With the exception of a relatively sharp increase from 300 units in 1963 to 400 in 1964, the level of single-family units authorized has been steady, averaging about 300 units each year from 1958 through 1963. From January 1, 1960 to date, the number of multifamily units authorized has averaged about 5,100 a year. With the exception of a slight decline from 1960 to 1961, the annual volume of privately-owned multifamily units has steadily increased and the number of multifamily units authorized for the first eleven months of 1965 exceeds the volume in the comparable 1964 period by about 275 units.

Based on building permit data, the postal vacancy survey conducted in Washington, and on data gathered from local sources, it is estimated that there are approximately 8,600 residential units currently under construction in the District of Columbia, including 8,250 multifamily

units and 350 single-family units. Most of the rental units now under construction in the central city are in high-rise structures. Approximately 735 public housing units are included in the total number of rental units under construction. While the bulk of units now under construction are in Northwest Washington, there are a large number of units (approximately 2,250) nearing completion in the Southwest Washington Urban Renewal Area.

As a result of urban renewal programs, highway construction and other losses, approximately 5,200 residential units have been demolished in the District of Columbia since January 1, 1960. About three-fourths of the units removed from the housing inventory were multifamily units, many of which were removed as a result of the comprehensive Southwest Washington Urban Renewal Area. Demolitions are expected to be somewhat higher over the next two years, with about 3,000 units expected to be demolished for various reasons.

Tenure

Owner-occupied units in the city of Washington currently comprise 27.2 percent of the occupied inventory, down from 30.0 percent in April 1960, and 32.3 percent in April 1950. The decline in owner occupancy since 1960, reflects principally the substantial volume of apartment construction in the central city. It is likely that the decline in the proportion of owner-occupied units would have been more pronounced had it not been for the substantial number of demolitions of renter-occupied (multifamily) units in the District of Columbia in recent years.

Vacancy

According to 1960 Census data, a total of 7,850 dwelling units were vacant and available for sale or rent, representing an over-all net vacancy ratio of 3.0 percent. Of the total number of vacant available units, nearly 900 were for sale, representing a homeowner vacancy ratio of 1.2 percent and 6,950 were for rent, a rental vacancy ratio of 3.8 percent. Only 25 of the vacant sales units lacked one or more plumbing facilities, while approximately 1,750 (25 percent) of the rental vacancies were classified as substandard units.

In the January 1966 sample postal vacancy survey, 174,200 total possible deliveries were enumerated in postal delivery areas within the District of Columbia, equal to 61 percent of the current housing inventory. Vacancies in residences totaled 900, or 1.4 percent of the 64,800 residences surveyed and apartment vacancies totaled 3,650 units, or 3.4 percent of the 109,400 apartments surveyed.

The FHA-insured projects in the District of Columbia have done well thus far, in spite of the increasing vacancy ratios since 1960 (see main body of this report). The upward trend in the rental vacancy ratio, particularly since 1963, results from the active participation of the FHA in high-rise luxury-type rental accommodations. At the time the surveys were conducted in March 1964 and March 1965, a number of these projects had just been completed, thereby increasing the overall rental vacancy ratios for these two years. In those FHA-insured projects which have been completed for some time, vacancies were much lower. In nine of the projects (1,600 units), the vacancy rate was less than two percent in March 1965. Most of these projects had been on the market for over a year and one-half and had ample time for satisfactory absorption. Another 1,600 units which had been on the market for over a year had a vacancy ratio of 3.1 percent in March 1965. Thus, it is apparent that the high vacancy ratio in FHA-insured projects in recent years is attributable principally to the newer projects which have been on the market for a relatively short time.

Based on available information, it is estimated that there are now 9,300 housing units in the District of Columbia which are available for sale or rent, equal to 3.3 percent of the available supply. Of this total, about 1,100 units are available for sale and 8,200 are available for rent, representing homeowner and rental vacancy ratios of 1.5 percent and 4.0 percent, respectively. The current sales and rental vacancy ratios represent slight increases over the vacancy ratios reported by the April 1960 Census. The increase in vacancies reflects to some extent the level of out-migration of population since 1960, and the substantial volume of new apartments constructed in the central city since that time. As a result of the various urban renewal programs and various highway and street projects, it is judged that the number of substandard sales vacancies in the District of Columbia is negligible, while some 900 rental vacancies are estimated to be lacking one or more plumbing facilities.

Even after adjustment for the fact that only a sample of the total number of housing units were included in the survey, the current estimate indicates that the number of vacancies is somewhat above the total indicated by the post office vacancy survey. This reflects the tendency of postal carriers to miss vacant units in the many structures converted to multifamily use as well as in apartment houses where mail is left at a control desk for distribution.

Sales Market

The current 1.5 percent homeowner vacancy ratio is slightly above that which represents a balanced demand-supply relationship in a modestly growing area such as the District of Columbia. For the most part, the

slight excess has resulted from the continuing out-migration of families to the suburbs and a number of sales units which are deteriorated and in marginal locations. Land available for new single-family construction is diminishing rapidly in the District of Columbia; consequently, most new construction is done on a contract basis. The FHA-insured high-rise cooperatives and condominium town houses have done well in the Southwest Urban Renewal Area.

Rental Market

The current rental market in the District of Columbia is firm as reflected in the low rental vacancy ratio of 4.0 percent. There is some evidence, however, that the high-rise, luxury projects which have come on the market in the past two years are being absorbed rather slowly. A survey conducted for the Washington Board of Realtors showed a higher vacancy ratio in elevator projects than in walk-up projects even for those units completed prior to 1955. In addition, the vacancies shown in table XIX were consistently higher in the District of Columbia for all unit sizes than in any other sub-market area. Even for units which have been on the market for over two years, the vacancy ratios were relatively higher in the central city. In view of the high land costs inherent in central city locations, the only type of housing which can be built profitably is high-density housing, such as that found in high-rise structures. Since a large number of these units have been built within a relatively short time (since 1960) in Washington, the absorption has been somewhat slow.

There appears to be a very strong market for moderate-income housing in the central city such as that provided by Section 221(d)(3) of the National Housing Act. This market has been created by the substantial number of demolitions which have occurred in low-income areas of the city since 1960. The projects built under this program have been absorbed rapidly and vacancies have been nonexistent.

Urban Renewal

There are eight urban renewal projects in the District of Columbia, six in the execution stage and two in the planning and survey stage. The available data on these projects are summarized below:

The Southwest Urban Renewal Area is comprised of three projects, encompassing a total of approximately 560 acres. This area is bounded roughly by 14th Street on the west, Independence Avenue on the north, South Capital Street on the east, and P Street and the Washington Channel on the south.

All of the land in this area has been cleared and some 4,500 families have been relocated. The area is being redeveloped primarily for residential, commercial, and institutional re-use. As of October 1, 1965, there are some 2,450 new residential units completed in this area, including some 1,900 in high-rise projects and about 550 units in row houses and walk-up projects. There are reported to be some 2,250 units in some stage of construction, 1,800 of which are in elevator projects. There are an additional 1,075 residential units for which construction is pending (850 units in high-rise structures). This urban renewal project is scheduled for completion in 1968.

Northwest Project No. 1 (D.C. R-8) is a 95-acre project bounded by North Capitol Street, Massachusetts Avenue, Second Street, and New Jersey and New York Avenues. As of October 1965, 43 percent of the parcels have been acquired and 175 families have been relocated. When completed, this area will contain some 1,500 new dwelling units, including cooperative sales units, housing for moderate-income groups, and public housing units to be constructed by the National Capital Housing Authority.

Northeast Project No. 1 (D.C. R-2) is an 82-acre tract, generally bounded by G Street, North Capitol and N Streets, and the B. & O. Railroad tracks. This area is being redeveloped for commercial and light industrial use. All the land in this project has been cleared and some 875 families have been relocated. This project is scheduled for completion in late 1968.

Adams-Morgan (D.C. R-9) is currently in the planning stage. This project includes about 243 acres of land in Northwest Washington. The area is bordered roughly by Connecticut Avenue, Rock Creek Park, Calvert Street, Columbia Road, 16th Street, and Florida Avenue. Tentative plans call for comprehensive conservation and rehabilitation of existing residential structures in the Adams-Morgan project. The Adams-Morgan urban renewal project will be the first comprehensive residential conservation and rehabilitation project in the District of Columbia.

Columbia Plaza (D.C. R-7) is an 18-acre project bordered by 23rd, E, 25th, and G Streets and Virginia Avenue. This project is located in the "Foggy Bottom" (northwest) area of Washington. The land has been cleared and 135 families have been relocated. In addition to 800 residential units currently under construction, a 400-room hotel is planned for the site, as well as a shopping plaza and underground parking for 1,225 vehicles.

Anacostia-Bolling (D.C. R-11) is currently in the survey and planning stages. The plan is based on the assumption that approximately 585 acres of land, now a part of the Anacostia Naval Station and Bolling Air Force Base, will be declared surplus by the Federal Government, and will, therefore, be available as a possible site for low-rent housing, light industry, new public facilities, and a waterfront park. The project area also includes ~~44 acres of the adjacent~~ Potomac River. A contract for funds to finance the plans necessary to determine the feasibility of the project has been executed with the Urban Renewal Agency and initial planning studies are in process.

Public Housing

As of October 1, 1965, the National Capital Housing Authority was operating some 8,496 low-rent apartments in the District of Columbia, of which 470 units were allocated for the elderly. In addition, there are about 735 public housing units under construction. An additional 2,050 units are currently under development, including 420 units for the elderly.

Demand for Housing

Quantitative Demand

Based on the expected increase in households during the two-year forecast period (4,000 annually), the current vacancy level, and the number of housing units expected to be lost from the inventory through demolition, there will be about 7,000 new private housing units in demand during each of the next two years in the District of Columbia, including about 300 units of sales housing and 6,700 units of rental housing. Of the annual rental demand, about 1,700 units a year can be absorbed only at the lower rent levels achievable with below-market-interest-rate financing or assistance in land acquisition and cost, excluding public low-rent housing and rent-supplement accommodations.

From a low of 2,150 units in 1961, multifamily construction volume has increased rapidly to over 8,000 units in 1965. The projected annual demand for 6,700 rental units is below the 1964-1965 average of about 7,800 units a year, but substantially higher than any previous year in the 1958-1965 period.

Although the rental vacancy ratio is relatively low (4.0 percent) at the present time, there is evidence to substantiate a slower rate of absorption of the newer rental projects in the central city in recent years. If the level of apartment construction continues at the rate of the 1963-1965 period (7,550 units annually), it is likely that some over-supply could materialize rapidly over the forecast period; new units in addition to those now under construction may result in a continued slowing of the rate of absorption.

Qualitative Demand

Sales Housing. Based on current family income in Washington and on sales price to income ratios typical in the area, demand for new sales houses is expected to approximate the pattern presented in the following table.

Estimated Annual Demand for New Sales Housing by Price Class District of Columbia December 1, 1965 to December 1, 1967

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
\$17,500 - \$19,999	80	27
20,000 - 24,999	100	33
25,000 - 29,999	90	30
30,000 - 34,999	15	5
35,000 and over	<u>15</u>	<u>5</u>
Total	300	100

Rental Housing. The monthly gross rentals at which the annual demand for 6,700 privately-owned rental units might best be absorbed by the rental market are indicated for various size units in the following table. These net additions may be accomplished by either new construction or rehabilitation at the specified rental with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition.

Under current costs, minimum rents (including utilities) at which new privately-owned rental units can be produced in the area with market interest rate financing are approximately \$90 a month for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$155 for three-bedroom units.^{1/} At and above these minimum rents, there is a prospective annual demand for approximately 5,000 units. At the lower rents achievable with some form of public benefits or assistance, an additional 1,700 privately-owned units a year probably can be absorbed, excluding public low-rent housing and rent-supplement accommodations.

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

Estimated Annual Demand for New Rental Housing
District of Columbia, December 1, 1965 to December 1, 1967

Monthly gross rent a/	Size of unit			
	Efficiency	One bedroom	Two bedroom	Three bedroom
\$75 and over	1,550	-	-	-
80 " "	1,425	-	-	-
85 " "	1,300	-	-	-
90 " "	1,225	-	-	-
95 " "	1,100	2,950	-	-
100 " "	900	2,700	-	-
105 " "	750	2,550	-	-
110 " "	675	2,375	1,850	-
115 " "	625	2,225	1,700	-
120 " "	550	1,975	1,600	-
125 " "	475	1,725	1,500	350
130 " "	400	1,575	1,400	330
135 " "	325	1,475	1,300	315
140 " "	250	1,400	1,175	300
145 " "	125	1,300	1,050	290
150 " "	50	1,175	925	275
155 " "	25	1,050	800	250
160 " "	10	925	650	175
170 " "	-	700	500	125
180 " "	-	550	375	50
190 " "	-	350	250	25
200 " "	-	150	125	10

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

Note: The above figures are cumulative, i.e., the columns cannot be added vertically. For example, demand for one-bedroom units at from \$115 to \$125 a month is 500 units (2,225 minus 1,725).

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

Summary for the Montgomery County Portion of the HMA

Population

The current population of Montgomery County is about 446,800 (18 percent of the HMA total), representing an average annual gain of about 18,675 persons (4.8 percent) since April 1960. Reflecting the substantial in-migration which occurred during the 1950's, the population grew by 17,650 (7.2 percent) annually from 1950 to 1960. The bulk of this growth represents an extension of the radial population growth patterns, which over the years, have "spilled-over" the designated boundary of the District of Columbia into the suburbs in Montgomery County. By December 1967, the number of residents in Montgomery County is expected to total 488,400 persons, an average annual increment of about 20,800, or 4.7 percent each year. Most of this growth is expected to occur beyond the "suburban fringe" areas of Montgomery County which currently abut the boundary of the District of Columbia, since the immediately contiguous areas are almost completely developed. Inasmuch as employment opportunities have been increasing in outlying portions of Montgomery County (Rockville, Gaithersburg, and near Germantown) along the Interstate 70S corridor, subsequent population growth is expected to occur in nearby areas which are predominantly rural in nature at the present time.

Natural Increase and Migration. During the 1950-1960 decade, net natural increase (excess of resident births over resident deaths) in Montgomery County averaged approximately 5,225 persons a year. Compared with the over-all population increment of 17,650 persons added each year, the difference of 12,425 persons a year represents net in-migration. The level of net in-migration into Montgomery County has remained the same in the 1960-1965 period.

Households

There are approximately 124,700 households now in Montgomery County, which indicates an average annual increment of about 5,700 (5.3 percent) since the 1960 Census. During the previous decade, the number of households grew by 4,725 (7.1 percent) a year, a portion of which was attributed to the change in census concept. Inasmuch as the suburban counties had relatively few residences of the type affected by the change, the "definitional increment" in Montgomery County should have been small. As a result of the large number of growing families who migrated to the suburbs during the 1950's, average household size in Montgomery County increased from 3.54 persons in 1950 to 3.65 persons in 1960. Since that time, the migration of home-purchasing families is judged to have declined, while increased apartment construction has attracted smaller households, thereby reducing the average household size to about 3.55 persons at present. On the basis of the trend in average household size since April 1960, it is judged that the average

size household may decline further to approximately 3.50 by December 1967. On the basis of the projected population growth and the assumed household size, it is estimated that households in Montgomery County will grow by about 6,800 a year (5.5 percent) to total 138,300 by December 1967.

Housing Market Factors

Housing Supply

The current housing supply in Montgomery County totals 130,700 units, representing an average annual increment of about 5,900 (5.3 percent) since April 1960 (see table XII). The net increase in the housing supply in Montgomery County since 1960 results from the completion of some 33,900 residential units and a loss of some 300 units through demolition. During the 1950-1960 decade, the housing inventory grew by about 5,000 units (7.3 percent) a year, a small part of which is attributed to the change in census definition.

About three-fourths of the housing stock in Montgomery County consists of single-family units. This proportion represents a substantial decline from 1960 when 82 percent of the housing inventory was in single-family houses (see table XIII). Although the construction of single-family units has been steady in recent years, multifamily construction has increased rapidly, thereby reducing the relative importance of single-family structures in the total housing inventory.

About 26 percent of the current housing inventory of Montgomery County has been built since April 1960, 41 percent was built between 1950 and 1960 and 25 percent between 1930 and 1950. Only eight percent was built prior to 1930 (see table XIII).

Residential Building Activity

The volume of new privately-financed residential construction, as indicated by building permit data, has been trending upward in Montgomery County since 1958. A low of 5,450 units was reported in 1960; the high (12,600 units) was reported for the first eleven months of 1965. The number of units authorized thus far in 1965 exceeds the previous peak year (1963) by 75 percent (5,400 units). The number of units authorized increased rapidly (18 percent) from 5,500 in 1958 to 6,475 in 1959, only to decline in the following year by 18 percent to 5,450. New residential construction increased steadily over the next three years to 5,550 in 1961, 6,475 in 1962 and 7,200 in 1963. The annual volume declined slightly to 7,150 in 1964.

The number of single-family houses authorized in Montgomery County was rather steady from 1958 to 1964, but the volume has increased in the past 23 months. Single-family units authorized ranged from a low of 3,200 in 1960 to 4,075 in 1964. The number authorized thus far in 1965 (4,050) is six percent above the 1964 peak.

Over the past eight years, multifamily volume has been trending upward. From 1958 to 1959, the number of multifamily units authorized increased by 54 percent. The level increased sharply (87 percent) from 1961 to 1963 and dropped off slightly in the subsequent year. In the first eleven months of 1965, some 8,550 multifamily units were authorized, 5,675 more than the number issued in the first eleven months of 1964 and 4,575 units above the 1963 peak year. The substantial gain in multifamily units authorized thus far in 1965 results from the large number of permits issued for "apartment-hotels" under the Montgomery County zoning regulations which permit the construction of high-density apartment projects on land zoned for commercial use. Under the present zoning code in Montgomery County, commercial structures are allowed considerably more density than conventional apartment projects; consequently, the apartment-hotel structures authorized in the past eleven months in Montgomery County contain an unusually large number of residential units. The Maryland National Capital Park and Planning Commission has recommended a new zoning classification for high-density apartments (including apartment-hotels) in business districts, but the Montgomery County Council has not responded as of this date.

At the present time, there are judged to be some 10,500 dwelling units under construction in Montgomery County, including 1,750 single-family residences and 8,750 multifamily residences. Most of the units are under construction in areas close to the District of Columbia, notably in and around Silver Spring, Rockville, Chevy Chase, and Bethesda.

There has been little demolition activity in Montgomery County. Since 1960, about 300 residential units have been removed from the housing inventory. Over the forecast period, demolitions in Montgomery County are expected to be higher (about 100 units annually) as a result of highway projects throughout the county and urban renewal activity in the city of Rockville.

Tenure

Of the total number of occupied dwelling units in Montgomery County at the present time, it is judged that 68.5 percent are owner-occupied. This ratio represents a decline from the 1960 ratio and a reversal of the trend which occurred during the previous decade when owner occupancy increased from 68.7 percent in 1950 to 73.3 percent in 1960. The decline in the proportion of owner-occupied units results from increasing construction of multifamily rental structures in Montgomery County since 1960.

Vacancy

The April 1960 Census enumerated a total of 2,900 available vacant dwelling units in Montgomery County of which 1,375 were available for sale (a homeowner vacancy ratio of 2.0 percent) and 1,525 were available for rent (a rental vacancy ratio of 5.8 percent).

A postal vacancy survey conducted in late January 1966 in Montgomery County covered a total of some 103,600 residences, equal to 79 percent of the current housing stock. A total of 3,675 vacancies were enumerated, indicating a vacancy ratio of 3.5 percent. Some 1,675 residences were reported vacant, or 2.1 percent of the 78,450 residences counted, and 2,000 apartments were vacant, 7.9 percent of the 25,100 apartment units surveyed. In addition, there were some 8,000 dwelling units reported to be under construction, including some 1,750 residences and approximately 6,250 apartment units.

Based on this postal vacancy survey conducted in the latter part of January, on discussions with various realtors, and on other vacancy indicators available in the area, it is judged that there are now some 1,750 available sales vacancies and 2,500 available rental vacancies in Montgomery County, vacancy ratios of 2.0 percent and 6.0 percent, respectively. The sales vacancy ratio remains unchanged from 1960; the rental vacancy ratio represents a slight increase over the 1960 ratio as a result of the relatively large volume of apartments which have come on the market in the past few years.

Sales Market

The sales market in Montgomery County is quite firm at the present time despite the relatively high sales vacancy ratio. With a rate of household growth exceeding five percent a year since 1960, the current sales vacancy ratio in Montgomery County cannot be regarded as excessive. This is confirmed further by the fact that the ratio remains unchanged since 1960 in spite of the exceptionally high level of single-family construction in the past 23 months (see table XVI).

The most recent FHA survey of houses completed in subdivisions with five or more completions during the year covered a total of 2,875 units completed in Montgomery County in 1965. Of the total, 1,600 were speculatively-built and the remainder were sold before the start of construction. Of the speculative starts, 550 (34 percent) were unsold at the end of the year. The survey of houses completed during 1964 reveals a total of 2,275 units, of which some 1,275 units were built speculatively. About 310 (24 percent) of the speculatively-built houses were unsold at the time of the survey. In addition, there were four houses which had been completed and unsold for over one year. Of the total units completed in 1965, about one-half were priced to sell above \$35,000, compared with one-third of the units completed in 1964. Of the unsold houses in the January 1966 survey, 37 percent were in the \$35,000 and over price range, compared with 45 percent in January 1965 survey.

Rental Market

At the present time, the rental market in Montgomery County is sound. The increase in the rental vacancy ratio represents a substantial number of apartment units which have come on the market very recently. The increased rate of construction has generated a slight backlog in the number of vacant rental units, particularly among the newer projects which have not had time to be absorbed satisfactorily. Although the rental vacancy situation is not serious at the present time, it is likely that it will become so if the construction of such units continues at the rate of the past eleven months. Thus far in 1965, 27 permits have been granted for apartment-hotels and another 15 applications are pending, representing a potential of 14,000 units. If all of this housing is built, it is likely that the rental market will be affected seriously over the next two years.

Urban Renewal

There are two urban renewal projects in Montgomery County, both located in Rockville.

Mid-City (Md. R-16) is a 46-acre project currently in the execution stage. As the name implies, the Mid-City urban renewal project is located in the downtown business district of the city of Rockville. The boundaries which roughly delineate the area are Viers Mill Road, Jefferson Street, Perry Street, East Montgomery Avenue, North Washington Street and East Middle Lane.

As of this date, 79 percent of the 95 parcels of land have been acquired and demolition activity has just begun. A total of 110 residential units are slated for demolition and some 50 families have been relocated. Re-use of the land will be mixed in nature, including street and highway projects, commercial, and public facilities. There is also a 370-unit high-rise project planned which will be the sole residential re-use.

Junior College (Md. R-33) is a 15-acre tract bordered roughly by the B. & O. Railroad tracks, Maryland route 355, the southwest line of Norris Street and the Montgomery County Junior College. The Junior College project is still in the planning stage and tentative re-use will be institutional in nature, expanding the campus of the Junior College.

Public Housing

At the present time, the Rockville Housing Authority manages a total of 65 public housing units. None of the units is designed specifically for the elderly. The city of Rockville has another 75 units which have been approved, but which are not under construction as yet.

Demand for Housing

Quantitative Demand

Based on the expected growth in the number of households during the next two years (6,800 annually), on the number of housing units expected to be demolished, and on adjustments to create a balanced market condition throughout Montgomery County, the demand for new privately-financed housing is expected to total 6,550 units a year over the next two years, including 3,900 sales units and 2,650 units of rental housing. Of the 2,650 units of rental housing, it is judged that 450 units could be marketed only at the rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost, excluding public low-rent housing and rent-supplement accommodations.

The estimated annual demand for new sales housing over the next two years is slightly above the average of 3,500 units authorized each year by building permits between 1958 and 1963, but is below the annual average of 4,225 units authorized in 1964 and 1965. With the exception of 1958 and 1961, the suggested annual demand for new rental construction is far below the number of multifamily units authorized for any single year in the past eight years. The substantial reduction reflects the excessive number of multifamily units now under construction, a large portion of which may well have to be absorbed over the two-year forecast period. Based on the

substantial number of applications for permits for multifamily construction in Montgomery County, it is evident that the proposed changes in zoning regulations for apartment construction have resulted in increased efforts on the part of builders to acquire permits early as a hedge against possible approval of the recommendations of the Maryland National Capital Park and Planning Commission. Inasmuch as the issuance of these permits has gone unchecked thus far, it is likely that the construction of apartments will continue to increase in Montgomery County. Any large volume of units built, in addition to those now under construction, will only increase the difficulty of maintaining stable rental market conditions.

Qualitative Demand

Sales Housing. On the basis of current family after-tax incomes, on typical ratios of income to purchase price, and on recent market experience, the annual demand for 3,900 sales units in Montgomery County is expected to be distributed by price as shown in the following table.

Estimated Annual Demand for New Sales Housing by Price Class
Montgomery County, Maryland
December 1, 1965 to December 1, 1967

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
\$17,500 - \$19,999	190	5
20,000 - 24,999	390	10
25,000 - 29,999	1,600	41
30,000 - 34,999	900	23
35,000 and over	820	21
Total	3,900	100

Rental Housing

The monthly rentals at which the annual demand for 2,650 privately-owned rental units might best be absorbed by the rental market are indicated for various size units in the following table. 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.

Under current costs, minimum rents (including utilities) at which new privately-owned rental units can be produced in the area at market interest rate financing are approximately \$90 a month for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$155 for three-bedroom units.^{1/} At and above these minimum rents, there is a prospective annual demand for about 2,200 units. At the lower rents

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

achievable with public benefits or assistance in financing and land acquisition, an additional 450 units a year probably can be absorbed, excluding public low-rent housing and rent-supplement accommodations. However, the location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user-group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

Estimated Annual Demand for New Rental Housing
Montgomery County, Maryland
December 1, 1965 to December 1, 1967

<u>Monthly</u> <u>gross rent a/</u>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One</u> <u>bedroom</u>	<u>Two</u> <u>bedroom</u>	<u>Three</u> <u>bedroom</u>
\$75 and over	250	-	-	-
80 " "	235	-	-	-
85 " "	220	-	-	-
90 " "	200	-	-	-
95 " "	190	975	-	-
100 " "	180	950	-	-
105 " "	170	925	-	-
110 " "	160	900	1,050	-
115 " "	150	875	1,025	-
120 " "	140	775	1,000	-
125 " "	130	675	975	375
130 " "	110	600	950	350
135 " "	90	500	900	325
140 " "	65	425	850	300
150 " "	20	225	700	250
160 " "	-	50	500	175
170 " "	-	25	400	150
180 " "	-	-	300	100
190 " "	-	-	200	75
200 " "	-	-	100	50

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

Note: The figures above are cumulative, that is, the columns cannot be added vertically. For example, the demand for one-bedroom units at from \$120 to \$140 is 350 units (775 minus 425).

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, 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. It is evident from the preceding table that demand falls sharply in the high rent levels associated with high-rise luxury apartments. Continued construction of a large number of high-rise units at high rents would create an unfavorable competitive situation.

Summary for the Prince Georges County Portion of the HMA

Population

There are currently 557,900 persons residing in Prince Georges County, equal to 56 percent of the population in the Maryland portion and 22 percent of the total population of the HMA. Since 1960, the rate of population growth has been higher in Prince Georges County than in any other sub-market area, averaging 35,400 (7.9 percent) a year (see table VIII). This gain represented about two-thirds of the population growth in the Maryland segment during the period. The rapid rate of growth in Prince Georges County is in response to the substantial volume of new apartments constructed in this segment of the HMA in recent years. Between 1950 and 1960, the population increment in Prince Georges County exceeded 16,300 persons (6.1 percent) annually, most of which occurred in the northern half of the county. In recent years, however, there has been rather substantial growth in the southern half of the county, particularly in and around the unincorporated areas of Suitland, Silver Hill, and Oxon Hill. By December 1967, the population in Prince Georges County is expected to increase by about 30,700 persons (6.4 percent) a year to a total of 629,300. The bulk of this growth is expected to occur along the main arterials which make longer commutation distances feasible.

Natural Increase and Migration. Over the 1950-1960 period, the excess of resident births over resident deaths (net natural increase) averaged 6,350 persons a year in Prince Georges County. When this increment is compared with the population growth of 16,300 persons a year, an average annual net in-migration of almost 10,000 persons is indicated. Since 1960 the annual level of net in-migration into Prince Georges County has been about $2\frac{1}{2}$ times that of the previous decade, averaging about 25,150 persons a year. In-migration into Prince Georges County accounted for 67 percent of the total in-migration into the Maryland portion of the HMA in recent years, compared with 45 percent in the previous ten-year period.

Households

The number of households in Prince Georges County is about 154,100 at the present time, an increase of about 10,400 (8.6 percent) a year over the April 1960 Census total. Paralleling population growth trends, household growth in recent years has been more rapid in Prince Georges County than in other subareas of the HMA. The level of household growth since 1960 is almost 135 percent above the 4,425 (6.3 percent) added each year during the 1950-1960 decade, reflecting the rather substantial in-migration which has occurred during the most recent period. Over the 1950-1960 decade, the "definitional increment" discussed in this report had virtually no effect on the level of household growth in Prince Georges County since there were few structures of the

type affected by the change. Average household size in Prince Georges County increased only slightly from 3.64 in 1950 to 3.65 in 1960, but is judged to have declined to about 3.55 at present because of the exceptional volume of new apartments built in recent years and the subsequent formation of numerous one- and two-person households. On the basis of a level of population growth somewhat below that which occurred in recent years, and a continued decline in average household size to about 3.51 persons, households in Prince Georges County are expected to grow by about 11,000 a year to total 176,100 by December 1967.

Housing Market Factors

Housing Supply

The housing supply in Prince Georges County currently totals approximately 162,500 units, equal to 21 percent of the total inventory in the HMA. The housing inventory grew more rapidly in Prince Georges County than in any other sub-market area, averaging some 11,100 units (8.7 percent) a year from the 1960 total of 99,600. The gain in Prince Georges County since 1960 accounted for 36 percent of the growth in the total inventory of the HMA. The net gain in Prince Georges County results from the construction of 63,800 new housing units and the loss of some 900 units through demolition, fire, and other causes. During the previous decade, the housing supply in Prince Georges County increased by about 4,525 (6.1 percent) each year.

Single-family units constitute 61 percent of the current inventory, a significant decline from the ratio of 73 percent reported in the April 1960 Census. The change reflects the substantial gain in the number of multifamily units built and occupied since 1960.

Reflecting the significant growth in Prince Georges County since 1960, 39 percent of the current housing stock is judged to have been built since that time, 32 percent between 1950 and April 1960, and 22 percent between 1930 and 1950. Only seven percent was constructed prior to 1930 (see table XIV).

Residential Building Activity

From 1958 to date, the volume of private residential construction in Prince Georges County moved generally upward. The lowest volume recorded for the period occurred in 1958 when some 4,875 units were authorized by building permits. The high was recorded in 1963 when 19,750 units were authorized. From 1958, the level of new construction

nearly doubled to 9,725 units in 1961. The rate of increase continued in the 1961-1962 period when the volume of new construction in Prince Georges County increased by another 33 percent to 12,950 units. This was followed by an increase of 53 percent to the 1963 peak of 19,750 units. Volume dropped sharply to 12,900 in 1964, but the 15,500 units authorized in the first eleven months of 1965 is 29 percent above the comparable period in 1964.

Single-family volume averaged 3,385 units a year in the 1958-1960 period, equal to 58 percent of total units authorized by permits. While volume increased in the following two years, to a peak of 5,115 single-family units authorized by building permits in 1962, multifamily volume increased much more rapidly, and single-family houses constituted just 43 percent of the total in those two years. In the 1963-1965 period, single-family volume has averaged about 4,825 units a year, about 29 percent of the total.

The annual volume of multifamily units authorized has been trending upward in Prince Georges County since 1958. The levels varied from a low of 1,625 authorized in 1958 to a high of nearly 15,000 units authorized in 1963. From an average of about 2,450 multifamily units a year in the 1958-1960 period, the number of multifamily units authorized jumped to 5,050 in 1961, 7,825 in 1962, and to 15,000 in 1963. The volume dropped to 8,125 units in 1964. In the first eleven months of 1965, multifamily units authorized numbered 11,000, about 3,300 (43 percent) above the comparable period in 1964. The high rate of multifamily construction in Prince Georges County in recent years reflects principally the relatively inexpensive sites which are available for new apartment construction in the county.

Tenure

At the present time, 54.3 percent of the occupied inventory is owner-occupied. This ratio represents a sharp decline from the April 1960 ratio of 63.9 percent and it represents a reversal in the trend of the previous decade when owner occupancy increased from 55.8 percent in April 1950. The shift toward renter status reflects the increased construction of new apartment units in Prince Georges County since 1960.

Vacancy

In April 1960, the census reported that there were 3,100 available vacant units in Prince Georges County, equal to 3.1 percent of the net available inventory (see table XVII). Included in the total number of vacancies were 1,350 sales units (a homeowner vacancy ratio of 2.2 percent) and 1,750 rental units (a rental vacancy ratio of 4.9 percent).

The postal vacancy survey conducted in Prince Georges County in January 1966 covered a total of some 74,800 dwelling units, equal to 46 percent of the housing inventory, of which 3,575 units (4.8 percent) were vacant. Of the 36,950 residences enumerated, 725 were vacant at the time of the survey, indicating a vacancy ratio of 2.0 percent. Some 2,850 apartments were reported vacant, equal to 7.6 percent of the 37,850 apartment units surveyed. In addition, there were 7,300 dwelling units reported to be under construction in Prince Georges County, 850 residences and 6,450 apartments.

Based on the postal vacancy survey conducted in late January 1966 adjusted to a complete coverage basis and on other vacancy indicators from local sources, it is estimated that the level of available vacancies has risen since 1960 to about 5,800 units at present, indicating an over-all vacancy ratio of 4.2 percent. There are currently some 1,700 sales vacancies and 5,100 rental vacancies, revealing a homeowner vacancy of 2.0 percent and a rental vacancy ratio of 6.8 percent. The exceptional volume of new apartments constructed in the county in recent years has generated an excess number of rental vacancies.

Sales Market

The sales market is essentially sound at the present time, as reflected by a slight decline in the homeowner vacancy ratio from 2.2 percent in 1960 to 2.0 percent at the present time. Noteworthy is the fact that the sales vacancy ratio declined in spite of the upward trend in new single-family construction. Single-family units authorized by building permits averaged about 4,850 a year from 1961 to date, compared with an average of approximately 3,375 authorized each year from 1958 through 1960.

The FHA survey of houses completed during 1965 covered a total of approximately 2,925 housing units in 39 subdivisions in Prince Georges County. Of the total number of completions, 1,800 were sold before the start of construction and 1,125 were built speculatively. Some 390 (35 percent) of the speculatively-built units were unsold at the end of 1965, the bulk (78 percent) of which had been on the market for less than three months. The survey of units completed during 1964 covered a total of 50 subdivisions in which some 2,450 units were enumerated, including 1,050 houses which were sold prior to construction and 1,400 speculatively-built houses. Of the speculatively-built units, 220 (16 percent) were unsold.

The most recent survey reveals that 40 percent of the houses completed during 1965 were priced to sell for \$25,000 and up; the previous survey indicates that 15 percent of the units completed during 1964 were priced to sell for \$25,000 or more. The limited market for higher priced sales units in Prince Georges County is further reflected by the fact that 77 percent of the units unsold at the end of 1965 were offered for sale for \$25,000 and up. In contrast, 30 percent of the units unsold at the end of 1964 were in this price group.

There are currently estimated to be some 12,800 dwelling units now under construction in Prince Georges County, most of which are in the southern half of the county in and around the unincorporated areas of Suitland, Hillcrest Heights, and Oxon Hill. Included in the units under construction are some 1,200 single-family residences and 11,600 multifamily units.

Demolition activity has been light in the Prince Georges County portion of the HMA, amounting to some 900 units since January 1, 1960. The units demolished were about equally divided between single-family units and multifamily structures. Demolitions in the county have resulted from highway construction for the most part. Over the two-year forecast period, demolitions are expected to total 400 units in Prince Georges County.

Rental Market

The rental market in Prince Georges County has weakened slightly since 1960. This is reflected in the increase in the rental vacancy ratio from 4.9 percent in 1960 to 6.8 percent at the present time. In the light of the 8.6 percent a year growth in the number of households since 1960 and the fact that 34,000 units have been authorized by building permits in the past three years, the increase in the vacancy ratio cannot be viewed as an indication of market deterioration. Continuation of the rate of construction at the current rate, however, could result in an over-supply of rental housing. Note that 11,600 units are estimated to be under construction at the present time.

Demand for Housing

Quantitative Demand

On the basis of the expected increase in households (11,000 annually) during the two-year forecast period, the number of units expected to be lost from the inventory through demolition and on the current tenure composition of households, there will be about 12,800 new private housing

units in demand during each of the next two years in Prince Georges County. Consideration is also given to the current vacancy levels and the number of units now under construction. It is expected that 4,800 units will represent demand by owner-occupants and 8,000 units demand by renters. Of the 8,000-unit annual rental demand, approximately 1,600 can be absorbed only at the lower rents achievable with public benefits or assistance in financing or land acquisition, excluding public low-rent housing and rent-supplement accommodations.

The projected annual demand for new sales houses is slightly below the average number of single-family units authorized for construction by building permits during the 1960-1965 period (4,550 units). The projected annual rental demand is slightly below the annual average of 8,400 multifamily units authorized since 1960, but is substantially below the annual average of 11,700 units since 1963. The projected demand for rental units reflects the large number of rental units now under construction in Prince Georges County, many of which will have to be absorbed over the forecast period.

Qualitative Demand

Sales Housing. On the basis of current family after-tax incomes, on typical ratios of income to purchase price, and on recent market experience, the annual demand for 4,800 sales units is expected to be distributed by price as shown in the following table.

Estimated Annual Demand for New Sales Housing by Price Class
Prince Georges County, Maryland
December 1, 1965 to December 1, 1967

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
\$17,500 - \$19,999	1,200	25
20,000 - 24,999	1,440	30
25,000 - 29,999	1,250	26
30,000 - 34,999	480	10
35,000 and over	430	9
Total	4,800	100

Rental Housing. The monthly rentals at which the annual demand for 8,000 privately-owned rental units might best be absorbed by the rental market are indicated for various size units in the following table. 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.

Under current costs, minimum rents (including utilities) at which new privately-owned rental units can be produced in the area at market interest rate financing are approximately \$90 a month for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$155 for three-bedroom units.^{1/} At and above these minimum rents, there is a prospective annual demand for about 6,400 units. At the lower rents achievable with some form of public benefits or assistance, an additional 1,600 units a year probably can be absorbed, excluding public low-rent housing and rent-supplement accommodations. However, the location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land in out-lying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

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

Estimated Annual Demand for New Rental Housing
Prince Georges County, Maryland
December 1, 1965 to December 1, 1967

Monthly gross rent a/	Size of unit			
	Efficiency	One bedroom	Two bedroom	Three bedroom
\$75 and over	750	-	-	-
80 " "	725	-	-	-
85 " "	700	-	-	-
90 " "	675	-	-	-
95 " "	650	3,200	-	-
100 " "	625	3,100	-	-
105 " "	600	3,000	-	-
110 " "	550	2,900	3,075	-
115 " "	525	2,775	2,950	-
120 " "	500	2,600	2,850	-
125 " "	475	2,425	2,700	975
130 " "	450	2,150	2,550	900
135 " "	400	1,975	2,425	825
140 " "	375	1,800	2,250	750
145 " "	325	1,650	2,075	675
150 " "	275	1,500	1,875	600
155 " "	225	1,300	1,675	525
160 " "	150	1,100	1,500	400
170 " "	75	750	1,100	275
180 " "	25	400	700	150
190 " "	-	100	300	50
200 " "	-	25	75	25

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

Note: The figures above are cumulative, that is, the columns cannot be added vertically. For example, the demand for one-bedroom units at from \$115 to \$130 is 625 units (2,775 minus 2,150).

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, 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.

Summary for the Alexandria City Portion of the HMA

Population

The current population of the city of Alexandria, Virginia is 116,000, representing an average annual increment of approximately 4,400 persons (4.3 percent) since April 1960, when the population totaled 91,000. The population increment in recent years is substantially above that of the 1950-1960 period, when 2,925 persons (3.9 percent) were added annually. By December 1967, the population of Alexandria is expected to total 126,400, an increase of about 5,200 (4.5 percent) a year over the present population.

Natural Increase and Migration. From 1950 to 1960, net natural increase (excess of births over deaths) averaged about 2,025 persons a year, while the total population grew by approximately 2,925 persons annually, indicating a modest level of in-migration of around 900 persons a year. Since 1960, however, it is estimated that the level of in-migration into Alexandria has increased to about 2,100 persons a year, reflecting the increased number of new apartment units built in the last five and two-thirds years.

Households

There are approximately 36,900 households in the city of Alexandria at the present time, constituting about 18 percent of all households in the Virginia portion of the HMA. The current number of households in Alexandria represents an average annual gain of about 1,475 (4.6 percent) since April 1960, slightly above the 1,025 (4.5 percent) added each year from 1950 to 1960. Inasmuch as the city of Alexandria contained a number of residential structures of the type subject to the change in census concept between 1950 and 1960, a portion of the household increment is attributed to the definitional increment only and the difference between the rate of growth in the 1950-1960 period and growth since 1960 is probably greater than appears from the above data. The number of households is expected to increase by about 1,800 (4.9 percent) a year to a total of about 40,500 by December 1967. Average household size in the city of Alexandria declined from 3.29 persons in 1950 to 3.15 persons in 1960, and to about 3.11 at the present time. It is anticipated that average household size will continue to decline slightly in Alexandria to about 3.09 persons by 1967.

Housing Supply

The current housing inventory of the city of Alexandria totals about 38,800 housing units, an increase of 9,050 units since April 1960, when the Census of Housing reported about 29,750 housing units in Alexandria. The net addition of 9,050 housing units resulted from the completion of an estimated 9,650 new units, and the loss of approximately 600 housing units through demolition. The gain in the housing inventory from 1960 to date represents an average annual increment of about 1,600 units. During the 1950-1960 decade, the number of housing units in the Alexandria inventory rose by about 1,100 units a year.

As shown in table XIII, the current housing inventory in Alexandria is rather evenly split between single-family units (46 percent) and structures with five or more units (49 percent). Structures with two to four units comprise only about five percent of the current housing supply in the city of Alexandria. A comparison of the current distribution with that of April 1960 indicates a sharp increase in the proportion of structures with five or more units, reflecting a sharp increase in the number of apartments constructed since 1960.

Despite the historical background of Alexandria, 25 percent of the current housing supply was built since April 1960, 20 percent was constructed between 1950 and 1955, 25 percent was constructed between 1940 and 1950, and only 14 percent was constructed prior to 1930 (see table XIV).

Residential Building Activity

The annual volume of new residential construction, as measured by building permit authorizations, is presented in table XVI. The volume of units authorized increased sharply from about 510 units in 1960 to 3,175 units in 1962, declined in the following two years, and rose again to 3,025 for the first eleven months of 1965. Since 1960, fluctuations in the level of residential building activity have reflected changes in the volume of multifamily construction; construction of single-family houses remained at a fairly level volume, averaging about 140 units a year during the 1960-1965 period.

At the present time, there are about 3,050 multifamily units under construction in the city of Alexandria. A survey of recently-built rental housing revealed that, for some 1,625 two-bedroom units in Alexandria, the minimum monthly rental was \$120; for 330 three-bedroom units, \$140 a month was the minimum rental charge. The number of single-family units under construction in the city of Alexandria is negligible. Based on information provided by the Alexandria Department of City Planning, there were approximately 600 housing units demolished in the city of Alexandria from January 1, 1960 to date, primarily as a result of urban renewal activity and street projects. The bulk of the units demolished (about 84 percent) were in multifamily structures. Over the two-year forecast period, demolition activity is expected to total about 200 units a year, principally as a result of clearance for urban renewal.

Tenure

Owner-occupied units in the city of Alexandria currently comprise 29.8 percent of the occupied inventory, representing a sharp decrease from 37.8 percent in April 1960. From 1950 to 1960, the proportion of owner-occupied units remained virtually unchanged. The reduction in recent years is a reflection of the increased interest in multifamily units as indicated by the relatively large number of multifamily units authorized by building permits since 1960.

Vacancy

The 1960 Census of Housing reported a total of about 790 vacant available housing units in the city of Alexandria, representing 2.7 percent of the net available housing supply. Of the total number of vacant available units, 150 were available for sale (a homeowner vacancy ratio of 1.4 percent) and 640 were for rent (a rental vacancy ratio of 3.5 percent). In 1960, there were virtually no substandard (lacking one or more plumbing facilities) sales vacancies, whereas 55 of the rental vacancies (nine percent) were in this category.

The postal vacancy survey conducted by the Alexandria Post Office covered a total of 38,300 dwelling units (99 percent of the current inventory) in the city of Alexandria. Some 1,250 units were reported vacant, representing an over-all vacancy ratio of 3.3 percent. Vacancies in residences numbered 380, or 1.8 percent of the 21,400 residences surveyed. Apartment vacancies totaled 870 units, or 5.1 percent of the 16,950 apartment units covered in the survey.

Based on the postal vacancy survey and on other vacancy data available in the city of Alexandria, it is estimated that there are currently 1,400 available vacant units in the city of Alexandria, of which 200 are available for sale (a homeowner vacancy ratio of 1.8 percent) and 1,200 are for rent (a renter vacancy ratio of 4.4 percent). Virtually all of the sales vacancies are judged to be acceptable while 30 of the vacant available rental units are substandard. While the level of sales vacancies has risen only slightly since the 1960 Census, the number of vacant available rental units is judged to have increased more rapidly as a result of a large number of multifamily units constructed in the city of Alexandria in recent years.

Sales Market

The market for new sales houses in the city of Alexandria is sound at the present time. Sites are scarce for new single-family construction in Alexandria and builders are very selective as to the type, quality and design of the unit. As a result, there is no major subdivision activity. The bulk of new sales units are constructed on a contract basis, in price ranges of \$30,000 and up.

Because of the lack of suitable land, the sales market in Alexandria reflects primarily the market for existing houses. While there is little data available regarding the resale of single-family houses in the city of Alexandria, discussions with local realtors indicate that used homes are on the market a short time only before they are sold.

Rental Market

Although rental vacancies are judged to have increased somewhat in the city of Alexandria since 1960, the over-all rental market is still firm. Projects with inferior design or location typically experience some difficulty in maintaining satisfactory occupancy levels. The increase in rental vacancies reflects the relatively large number of apartment units which have come on the market recently. The bulk of the rental projects which have been completed since 1960 are garden-type structures. Most of the newer units are efficiencies and one- and two-bedroom units. The most popular rentals in Alexandria have been from \$90 to \$120 a month for efficiency units and \$100 to \$140 for one-bedroom units. Two-bedroom units rent for as low as \$120 and up to \$200 a month. Almost one-third of the two-bedroom units in new construction in Alexandria rented from \$180 to \$200 a month, including utilities. Over 40 percent of the three-bedroom units rented from \$220 to \$240 a month (see table XIX).

Most of the older projects appear to be doing well, aided somewhat by urban renewal activity in recent years in the city of Alexandria. The annual survey of FHA-insured projects conducted in March of each year reveals that the over-all vacancy ratio in these projects has not risen above two percent since 1960.

Urban Renewal

Currently, there are three urban renewal projects in the city of Alexandria, all of which are in the execution stage.

Gadsby Commercial Phase I (Va. R-32) covers about 4.9 acres bordered roughly by Pitt, King, Cameron and Fairfax Streets. The land has been cleared and development has begun on the proposed commercial re-use plan. A total of 38 residential structures were demolished and 26 families have been relocated. Gadsby Phase I is expected to be completed by the end of 1966.

Gadsby (Va. R-14), the second phase of the over-all Gadsby project, is bordered roughly by Saint Asaph, Prince, Fairfax and King Streets. At the present time, the structures in this 4.7-acre project are in the process of being cleared. Practically all of the land will be used for commercial and street projects. There have been 45 residential units demolished since the start of execution and 16 families have been relocated. This project is tentatively scheduled for completion in 1968.

Mudtown (Va. R-33) is bordered roughly by Quaker and King Streets and Chinquapon Village. This 27-acre project is in the final stages of completion. A total of 47 dwelling units have been removed and 54 families have been relocated. A total of 29 single-family houses have been constructed on the site and sold at an average price of around \$16,500. The houses were offered initially to former residents of the urban renewal area, and the remaining units were sold on a "first come, first served" basis. A public high school also has been completed on the site and was open for the first time this year.

Public Housing

Currently, the Alexandria Redevelopment and Housing Authority manages a total of 943 units in seven projects. While construction is just about to get started on a 90-unit public housing project in the city of Alexandria, there are tentative plans for the demolition of Chinquapon Village, a project totaling 166 units. In addition, there are 135 units for which an annual contributions contract has been executed, but which are not yet under construction. No units in the above projects are allocated or designed specifically for the elderly.

Demand for Housing

Quantitative Demand

Based on the anticipated increase in households during the two-year forecast period (1,800 annually) and on the number of housing units expected to be removed from the housing inventory through demolition, there will be a demand for approximately 3,000 new private housing units

in the city of Alexandria, including 100 sales units and 2,900 rental units. Of the total rental demand, it is estimated that 1,000 units a year may be absorbed only at the rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost, excluding public low-rent housing or rent-supplement accommodations.

Qualitative Demand

Sales Housing. On the basis of recent market experience, demand for 100 new sales houses a year is expected to fall primarily in price ranges above \$30,000. As mentioned previously, the lack of land in Alexandria has necessitated the construction of new sales housing only on a contract basis. It is judged that few sales units can be built profitably at lower prices in Alexandria.

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 are indicated for various size units in the following table. 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, aid in financing or land acquisition. The production of new units in higher rental ranges than indicated below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

Under current costs, minimum rents (including utilities) at which new privately-owned rental units can be produced in the area at market interest rate financing are approximately \$90 a month for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$155 for three-bedroom units.^{1/} At and above these minimum rents, there is a prospective annual demand for about 1,900 units. At the lower rent ranges achievable with public benefits or assistance, in financing or land acquisition, exclusive of public low-rent housing or rent-supplement accommodations, an additional 1,000 units probably can be absorbed.

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

Estimated Annual Demand for New Rental Housing
Alexandria City, Virginia
December 1, 1965 to December 1, 1967

<u>Monthly gross rent a/</u>	<u>Size of unit</u>			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$75 and over	350	-	-	-
80 " "	335	-	-	-
85 " "	330	-	-	-
90 " "	325	-	-	-
95 " "	310	1,225	-	-
100 " "	300	1,150	-	-
105 " "	290	1,100	-	-
110 " "	275	1,025	1,025	-
115 " "	255	975	875	-
120 " "	235	900	700	-
125 " "	210	825	575	300
130 " "	190	775	475	285
135 " "	165	725	400	270
140 " "	135	650	350	255
145 " "	100	600	300	240
150 " "	50	500	250	220
155 " "	25	450	225	200
160 " "	-	400	200	185
170 " "	-	350	175	175
180 " "	-	300	150	150
190 " "	-	225	125	125
200 " "	-	150	100	100

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

Note: The figures above are cumulative, that is, the columns cannot be added vertically. For example, the demand for one-bedroom units at from \$125 to \$145 is 225 units (825 minus 600).

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of of rental housing predicated on foreseeable quantitative and qualitative considerations. Individual projects may differ from the general pattern in response to specific neighborhood or submarket requirements.

Summary for the Arlington County Portion of the HMA

Population

At the present time, the population of Arlington County, Virginia totals about 182,000, equal to 27 percent of the total population in the Virginia segment of the HMA. Although the level of population growth was higher in recent years (3,275 persons annually) than during the previous ten-year period (2,800 a year), the rates at which the population grew were about the same (see table VIII). Arlington County was a part of the original "ten-mile square" of the District of Columbia and resembles the present District of Columbia in that it is a highly urbanized area of mixed residential and commercial structures. Much of the county resembles a natural "over-flow" from the present District boundaries.

The population of Arlington County is expected to reach 187,600 persons by December 1967. The anticipated increment represents an annual gain of about 2,800 (1.5 percent) a year over the present total, somewhat below the 1960-1965 experience, but identical to the level of growth which took place from 1950 to 1960.

Natural Increase and Migration. Between 1950 and 1960, the excess of births over deaths (net natural increase) in Arlington County averaged 3,225 a year. When compared with a population increase of 2,800 a year, an average annual net out-migration of about 425 persons a year is evident. Because of a number of new apartments constructed in Arlington County in recent years, it is estimated that the out-migration has ceased, and a modest level (50 a year) of in-migration has occurred since 1960.

Households

Occupied dwelling units (households) in Arlington number currently around 64,400, representing an increase of 1,750 (3.0 percent) annually since 1960. Between 1950 and 1960, households in Arlington County grew by an average of 1,450 (3.1 percent) a year, a small portion of which was attributed to the census change of dwelling unit concept. For over a decade and a half, the average household size in Arlington has been declining. Average household size was 3.20 persons in 1950, declining to 2.90 in 1960, and to 2.74 persons at the present time. As in the District of Columbia, the average household size in Arlington is relatively small, a reflection of the heavy concentration of apartment dwellers. It is anticipated that, over the forecast period, households in Arlington County will grow by about 1,400 (2.2 percent) each year to a total of 67,200 by December 1967. The projected level of household growth is substantially below the growth which occurred from 1960 to the present, but is about the same as that of the 1950-1960 period. The projected household growth in Arlington is based on an anticipated decline in the average size of households to 2.71 persons, and the declining rate of population growth which is expected to occur.

Housing Supply

At the present time, the housing inventory of Arlington County totals approximately 66,800 housing units, or about 31 percent of the total inventory in the Virginia portion of the HMA. The current housing inventory represents an increase of 9,850 housing units over the April 1960 level, or about 1,750 units annually. During the 1950-1960 decade, the housing supply in Arlington County grew by about 1,600 units a year, although a portion of the increment during this period was the result of the change in definition from "dwelling unit" in 1950 to "housing unit" in 1960 (see table VII).

Table XIII shows that the current housing inventory by type of structure in Arlington is comprised primarily of structures with five or more units (50 percent), although single-family units also constitute a sizeable portion (45 percent). Structures with two to four units comprise the smallest portion (five percent) of the current housing supply. A comparison of the present composition of the inventory in Arlington with April 1960 Census data indicates a rather sharp increase in the proportion of structures with five or more units, a reflection of the number of apartments constructed throughout the Washington area in recent years.

Since much of the population growth of Arlington County has occurred in the past fifteen years, a large portion of the housing inventory has been constructed during this period (see table XIV). Approximately 45 percent of the current housing supply was built since 1950 and 34 percent was constructed between 1940 and 1950. About 13 percent of the inventory was built between 1930 and 1939 and only 8 percent was built prior to 1930.

Residential Building Activity

Table XVI shows that the trend in volume of new private residential construction has been somewhat erratic since 1958, varying from a high of 4,050 units authorized in 1959 to a low of 1,175 units in 1963. Single-family construction has been trending downward since 1960, and has been of minor importance, averaging about 270 units a year. Fluctuation in the over-all level of private construction is attributable to a varying volume of new multifamily units authorized. Since 1958, the volume of multifamily units authorized has reached as high as 3,700 units in 1959 and as low as 960 units in 1961. Multifamily units authorized in the first eleven months of 1965 are 46 percent below the number for the comparable 1964 period. From 1960 to date, multifamily construction averaged 1,625 units each year. Multifamily units have accounted for 86 percent of the total since 1960.

Currently, there are approximately 780 units in some stage of construction in Arlington County, including 725 multifamily units and 55 single-family houses. A large portion of the multifamily units under construction are in high-rise structures scattered throughout the county.

The volume of demolition activity in Arlington County has been relatively moderate. Since 1960, approximately 600 residential units have been demolished. About 75 percent of the units removed from the housing supply were multifamily units. Over the two-year forecast period, approximately 400 residences are expected to be demolished, principally as a result of highway and street projects.

Tenure

As a result of the increased construction and occupancy of new multifamily units in Arlington since 1960, owner occupancy has declined sharply as a proportion of total occupancy. Currently, it is judged that owner-occupied units comprise 35.2 percent of the occupied inventory, compared with 41.5 percent in April 1960 (see table XII). Owner occupancy also declined from 1950 to 1960, but much less rapidly than in recent years. In April 1950, 42.2 percent of all occupied units were owner-occupied.

Vacancy

According to census reports, about 2,050 housing units were vacant and available for sale or rent in Arlington County in April 1960, representing a net available vacancy ratio of 3.6 percent. The vacancy ratios in sales and rental housing were 1.1 percent and 5.3 percent, respectively. Vacancies lacking one or more plumbing facilities were negligible in 1960; there were 25 rental units and virtually no sales units in this category.

The postal vacancy survey conducted by the Arlington County Post Office in January 1966 covered a total of some 46,150 dwelling units, equal to 69 percent of the current housing inventory, made up of a sample designed particularly to obtain representation for apartment-type dwelling units in Arlington County. Of the dwelling units covered by the survey, 1,500 were vacant, an over-all vacancy ratio of 3.3 percent. Vacancies in residences numbered 180, or 1.1 percent of the 16,400 residences covered by the survey, and vacancies in apartments totaled 1,325, equal to 4.4 percent of the 29,750 apartment units surveyed (see table XVIII).

It is judged that the current over-all level of vacant available units in Arlington remains about the same as the 1960 level; the sales vacancy ratio has risen slightly to 1.3 percent and the rental vacancy ratio is estimated to have declined to about 4.0 percent. There are currently about 300 units available for sale and 1,750 units available for rent. Only 35 available rental vacancies are judged to be substandard (lacking one or more plumbing facilities) while none of the sales vacancies are in this category.

Sales Market

The sales market of Arlington County is sound, although the volume of construction of single-family houses has been steadily declining in recent years. The decline in single-family construction is attributable primarily to rapidly diminishing sites available for the construction of single-family houses. As a result, land costs are disproportionately high and single-family houses are constructed primarily on a contract basis priced to sell for \$35,000 or more.

Rental Market

The over-all market for new rental housing is sound in Arlington, as substantiated by the decline in the rental vacancy ratio from 5.3 percent in 1960 to 4.0 percent at the present time. Practically all the new apartment projects constructed in Arlington since 1960 have been conventionally-financed. A substantial portion of the newer projects have provided luxury accommodations in high-rise buildings. Most of the garden apartments are renting well, including the old FHA projects which were insured under Section 608 in the early 1950's. While these older projects do not offer the amenities found in the newer garden apartments, their lower rentals are attractive to lower-income groups, principally military personnel stationed at the Pentagon and Fort Myer, and elderly persons. The experience of FHA-insured projects in Arlington is good. Of 4,800 units surveyed in March 1965, 140 were vacant, a vacancy ratio of 2.9 percent. Although this vacancy ratio represents an increase from 2.0 percent from the March 1964 survey, the vacancy ratio for FHA-insured projects in Arlington has never exceeded 3.0 percent in any of the March surveys since 1960.

Demand for Housing

Quantitative Demand

Based on the expected increase of 1,400 a year in the number of households in Arlington during the two-year forecast period, and on the estimated number of housing units which will be demolished by various public agencies, there will be approximately 1,800 privately-owned housing units in demand during each of the next two years, including 200 sales units and 1,600 rental units.

Of the estimated annual demand for new rental housing, 200 units a year will become effective only at the lower rents made possible by below-market-interest-rate financing, such as that available under Section 221 (d)(3). The estimated rental demand excludes public low-rent housing and rent-supplement accommodations.

The estimated annual demand for new sales-type housing is somewhat below the average of 270 units a year authorized by building permits since 1960, but is more in line with the level of new sales houses authorized over the past two years.

The projected demand for 1,400 rental units a year is slightly lower than the average annual level of construction since 1960. The number of privately-owned multifamily units authorized has averaged 1,625 units a year since 1960. In the first eleven months of 1965, however, multifamily units authorized are 980 units below the number authorized (2,150) for the first eleven months of 1964.

Qualitative Demand

Sales Housing. Based on current market experience, the annual demand for new sales houses is expected to fall primarily in price ranges above \$30,000. The lack of sites for single-family construction in Arlington has been suggested earlier (see Sales Market section for Arlington County) and the resulting high cost of land has confined new single-family construction to higher-priced units which are generally sold on a contract basis.

Rental Housing. The monthly rentals at which the annual demand for 1,600 privately-owned rental units might best be absorbed by the rental market are indicated for various size units in the following table. 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.

Under current costs, minimum rents (including utilities) at which new privately-owned rental units can be produced in the area with market interest rate financing are approximately \$90 a month for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$155 for three-bedroom units.^{1/} At and above these minimum rents, there is a prospective annual demand for about 1,400 units. At the lower rents achievable with some form of public benefits or assistance in financing, land acquisition or cost, an additional 200 units a year probably can be absorbed, exclusive of public low-rent housing and rent-supplement accommodations.

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

Estimated Annual Demand for New Rental Housing
Arlington County, Virginia
December 1, 1965 to December 1, 1967

Monthly gross rent a/	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$75 and over	215	-	-	-
80 " "	210	-	-	-
85 " "	205	-	-	-
90 " "	200	-	-	-
95 " "	190	720	-	-
100 " "	180	710	-	-
105 " "	170	700	-	-
110 " "	160	695	535	-
115 " "	150	690	525	-
120 " "	130	675	515	-
125 " "	115	660	490	130
130 " "	95	650	470	125
135 " "	80	640	450	120
140 " "	55	620	425	110
145 " "	35	590	400	95
150 " "	25	570	375	80
155 " "	15	515	340	60
160 " "	10	450	300	40
170 " "	-	370	250	20
180 " "	-	280	175	10
190 " "	-	165	125	-
200 " "	-	100	50	-

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

Note: The figures above are cumulative, that is, the columns cannot be added vertically. For example, the demand for one-bedroom units at from \$120 to \$150 is 105 units (675 minus 570).

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also given to the recent absorption experience of new rental housing. Thus, 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.

Summary for the Fairfax County Portion of the HMA

Population

The population of the Fairfax County portion of the HMA (including the independent cities of Fairfax and Falls Church) is about 416,300 at the present time, equal to 58 percent of the entire population of the Virginia segment of the HMA. Since 1960, the population of the Fairfax County sub-market area has grown by an average of 23,150 (6.7 percent) each year, slightly above the average of 17,900 a year during the 1950-1960 decade. From 1960 to the present, 75 percent of the total population growth in the Virginia segment occurred in the Fairfax County sub-market area the same proportion as in the previous decade. In recent years, most of the population growth in the Fairfax County sub-market area has occurred along a corridor paralleling the present Interstate 495. Because a large portion of the extreme western and southern portions of Fairfax County is still undeveloped, it is expected that these areas will have substantial population and household growth over the two-year forecast period. It is estimated that the population in the Fairfax County portion of the HMA will grow by about 29,400 (7.1 percent) each year to a total of 475,100 by December 1967.

Natural Increase and Migration. Over the 1950-1960 decade, net natural increase (excess of births over deaths) averaged 4,350 persons annually. When this is compared with the average annual population increment of 17,900, a net in-migration of 13,550 a year is indicated. Since 1960, it is estimated that the level of in-migration has increased to about 17,275 persons annually.

Households

The estimated current total of 103,700 households in Fairfax County comprises about one-half of the total number of households in the Virginia segment of the HMA, and represents an increase of 6,275 (7.5 percent) a year since the 1960 Census. Over the previous ten-year period, households in Fairfax County grew by an average of about 4,150 (9.5 percent) a year. A small part of the increase in the earlier period is attributed to the "definitional increment". The tendency toward homeownership in the suburbs, particularly among young growing families, is evident in the relatively large household size. The average household size in the

Fairfax County portion of the HMA increased from 3.67 persons in 1950 to 3.95 in 1960. Since that time, however, the number of smaller-sized households has increased principally because of an increase in the number of apartments constructed. The result has been a decline in average household size since 1960, to about 3.85 persons at the present time. Because of the increased rate of population growth anticipated over the forecast period, and a continued decline anticipated in average household size, the number of households in Fairfax County is expected to increase by about 9,000 a year in each of the next two years. Thus, by December 1967, households in Fairfax County are expected to total approximately 121,700.

Housing Market Factors

Housing Supply

The housing inventory in the Fairfax County portion of the HMA presently totals 109,500 units, a sharp increase of some 6,600 housing units annually since April 1960. This gain represents about 21 percent of the increase for the entire HMA. During the 1950-1960 decade, the housing supply of Fairfax County grew by about 4,325 units (9.3 percent) a year, although part of the increase was the result of the definitional change.

Table XIII shows that the housing inventory in Fairfax County consists primarily of single-family structures. A comparison with 1960 Census data, however, indicates that the proportion of single-family units declined from nearly 90 percent in April 1960 to 81 percent in December 1965. Although the construction of single-family houses has been increasing since 1960, the rate of multifamily construction has increased at a faster rate. As a consequence, the proportion of multifamily units to the total inventory increased from 8 percent in 1960 to 18 percent in 1965.

Since Fairfax County has had substantial population and household growth since 1960, a large portion of the housing supply has been completed during this time. It is estimated that 35 percent of the current housing supply in Fairfax County has been built since April 1960. Another 45 percent was built in the ten years prior to April 1960. About 16 percent of the current inventory was completed between 1940 and 1950 and only four percent was constructed prior to 1930.

Residential Building Activity

With the exception of a decline from 1962 to 1963, the annual volume of privately-financed dwelling units authorized by building permits has been steadily increasing in Fairfax County (including Falls Church) since 1960, averaging 7,650 units each year. Some 9,775 units have already been

authorized in the first eleven months of 1965, 350 above the level for the first eleven months of 1964. Since 1960, the number of units authorized has been almost equally divided, with single-family units accounting for the slightly larger share (57 percent). Single-family units authorized have been trending upward since 1960, and there were 475 more single-family units authorized in the first eleven months of 1965 than the number for the comparable 1964 period. Multifamily construction also has been trending upward in recent years, averaging some 3,300 units a year since January 1960. From about 280 units in 1960, multifamily construction increased sharply to 1,875 in 1961. The level more than doubled (3,925 units) from 1961 to 1962, only to decline slightly in 1963, and increase sharply from 1963 to 1964 to a total of 5,225.

At the present time, there are approximately 6,825 residential units in some phase of construction, including 1,725 single-family units and 5,100 multifamily units. Most of the units under construction are close to the Beltway (I-495), in and around the independent cities of Fairfax and Falls Church, the town of Vienna, and the unincorporated area around Annandale.

Demolition activity has not been very extensive in the Fairfax County portion of the HMA. About 1,100 units have been removed from the housing supply since 1960, principally as a result of highway and street projects. About 55 percent of the units demolished were single-family structures. Based on tentative plans for highway and street projects, as well as nonscheduled losses, it is estimated that approximately 600 dwelling units will be removed from the inventory over the two-year forecast period.

Tenure

Reflecting the large proportion of single-family units in the Fairfax County housing inventory, approximately 69.4 percent of the occupied units are currently owner-occupied. Although the proportion of owner-occupied units is high at present, it represents a decline from the 1960 ratio of 75.9 percent (see table XII). This decline is attributed to the increased construction of multifamily units in Fairfax County since 1960.

Vacancy

According to 1960 Census data, there was a total of about 2,375 vacant available dwelling units in the Fairfax area at that time, indicating a net available vacancy ratio of 3.4 percent. Of the vacant available units, 1,425 were for sale, a homeowner vacancy ratio of 2.7 percent and nearly 950 were available for rent, a rental vacancy ratio of 5.4 percent. Only 50 of the vacant sales units and 65 of the vacant rental units were dilapidated or lacked one or more plumbing facilities.

The current vacancy surveys conducted by the six post offices in the Fairfax County portion of the HMA covered a total of about 45,800 deliveries (41 percent of the current inventory) including 35,450 possible deliveries to residences and 10,350 deliveries to apartment units. There were a total of 1,725 vacancies enumerated, indicating a vacancy ratio of 3.7 percent. About 725 residences were vacant, representing 2.0 percent of the total residences covered; nearly 1,000 apartments were vacant, or 9.6 percent of the apartments enumerated.

Currently, there are judged to be 3,700 units vacant and available for sale or rent in Fairfax County, revealing an over-all net vacancy ratio of 3.4 percent. There are 1,600 units available for sale and 2,100 units available for rent, indicating homeowner and renter vacancy ratios of 2.2 percent and 6.2 percent, respectively. The current sales vacancy ratio represents a slight decline from 2.7 percent in 1960; the rental vacancy ratio represents a rather large increase from 5.4 percent in 1960. The increase in the rental vacancy ratio reflects the large volume of apartments which have been constructed in Fairfax County since 1960.

Sales Market

The current sales vacancy ratio represents a decline from that reported in the 1960 Census of Housing. While the 2.2 percent vacancy ratio in this area is comparatively high, it may not be inappropriate in view of the rapid growth which has occurred in the Fairfax County portion of the HMA. There is evidence, moreover, that the sales market has firmed up, particularly over the past year. This is especially noteworthy in view of the extensive construction of single-family units in the past 23 months.

The FHA surveys of houses completed in subdivisions with five or more completions during 1964 and 1965 give some indication of the condition of the sales market in Fairfax County. In the 71 subdivisions covered in the more recent survey, a total of about 2,975 units were completed during 1965, of which 2,225 (75 percent) were built speculatively. Of the speculative completions, about 190 (nine percent) were unsold at the end of the year. The survey of units completed during 1964 covered a total of 3,100 houses in 57 subdivisions. One-half (1,575 units) of the houses completed during 1964 were constructed speculatively. Some 13 percent (200) of the speculatively-built houses were unsold at the end of 1964 and another four houses had been completed and unsold for over a year. A comparison of the two surveys reveals an improvement in the ratio of unsold houses to total speculative completions over the past year. Although the number of unsold speculatively-built units remained practically the same in the two surveys, the ratio declined because the volume of speculative construction and subsequent sales were higher (40 percent) during 1965. Thus, it is evident that new sales housing constructed (on both contract and speculative basis) in recent years has been marketed satisfactorily.

Rental Market

Although the rental vacancy ratio in Fairfax County has increased since 1960, the over-all rental market appears to be relatively firm at the present time. According to 1960 Census data, nearly one-half of the renter-occupied units in Fairfax County were in single-family houses, indicating a possible shortage of multifamily rental accommodations at that time. From 1960 to date, nearly 20,000 multifamily units have been authorized to meet this shortage, 52 percent of which have been authorized for construction in the past 23 months. Consequently, there are a number of projects which have come on the market rather recently and have not had a reasonable time for absorption. The result has been a higher rental vacancy ratio currently than that recorded in 1960. The rather high rental vacancy ratio should not be construed as excessive in an area which has experienced a rate of household growth of over seven percent a year from 1960 to the present.

Demand for Housing

Quantitative Demand

Based on the anticipated increment of about 9,000 households during each of the next two years, on anticipated demolition activity, current tenure composition, and the number of units now under construction, the annual demand for new privately-owned housing will total about 10,200 units each year over the next two years. The projected annual demand includes 5,000 sales units and 5,200 rental units. Of the estimated annual demand for new rental housing, approximately 800 units a year will become effective only at the lower rents made possible with public benefits or assistance in financing, land acquisition and cost. The demand estimate does not include public low-rent housing or rent-supplement accommodations. The demand for new sales housing is above the average of 4,350 single-family authorizations a year of the 1960-1965 period. The projected rental demand is in line with activity in the past few years.

Qualitative Demand

Sales Housing. Based on current income levels of families in the Fairfax County portion of the HMA, and on sales price to income relationships typical in the area as well as recent market experience, the annual demand for sales housing has been distributed by price as shown in the following table.

Estimated Annual Demand for New Sales Housing by Price Class
Fairfax County, Virginia, Portion of the HMA
December 1, 1965 to December 1, 1967

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
\$17,500 - \$19,999	100	2
20,000 - 24,999	1,400	28
25,000 - 29,999	1,250	25
30,000 - 34,999	1,150	23
35,000 and over	<u>1,100</u>	<u>22</u>
Total	5,000	100

Rental Housing

The monthly gross rentals at which the annual demand for 5,200 privately-owned renter units might best be absorbed by the rental market are indicated for various size units in the following table. 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.

Under current costs, minimum rents (including utilities) at which new privately-owned rental units can be produced in the area at market interest rate financing are approximately \$90 a month for efficiencies, \$115 for one-bedroom units, \$135 for two-bedroom units, and \$155 for three-bedroom units.^{1/} At and above these minimum rents, there is a prospective annual demand for approximately 4,400 units. At the lower rents achievable with public benefits or assistance in financing or land purchase, an additional 800 privately-owned units a year probably can be absorbed. However, the location factor is of especial importance in the provision of new units at the lower rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

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

Estimated Annual Demand for New Rental Housing
Fairfax County, Virginia, Portion of the HMA a/
December 1, 1965 to December 1, 1967

Monthly gross rent b/	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$75 and over	280	-	-	-
80 " "	275	-	-	-
85 " "	265	-	-	-
90 " "	260	-	-	-
95 " "	250	1,810	-	-
100 " "	240	1,790	-	-
105 " "	230	1,775	-	-
110 " "	220	1,760	2,360	-
115 " "	210	1,750	2,250	-
120 " "	195	1,700	2,200	-
125 " "	185	1,650	2,150	750
130 " "	175	1,600	2,050	715
135 " "	160	1,550	1,950	675
140 " "	145	1,500	1,800	625
145 " "	125	1,400	1,500	575
150 " "	105	1,300	1,200	500
155 " "	85	1,200	950	440
160 " "	50	1,000	650	375
170 " "	-	800	350	275
180 " "	-	600	200	175
190 " "	-	300	125	125
200 " "	-	100	75	50

a/ Includes the independent cities of Fairfax and Falls Church.

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

Note: The figures above are cumulative, that is, the columns cannot be added vertically. For example, the demand for one-bedroom units at from \$115 to \$130 is 150 units (1,750 minus 1,600).

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

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Table I

Trend of Civilian Work Force Components
Washington, D.C., HMA, 1957-1965
 (Annual average in thousands)

<u>Year</u>	<u>Civilian work force</u>	<u>Unemployed</u>		<u>Total civilian employment</u>	<u>Change in employment</u>	
		<u>Number</u>	<u>Percent</u>		<u>Number</u>	<u>Percent</u>
1957	762.3	19.2	2.5	743.1	-	-
1958	770.0	24.5	3.2	745.5	2.4	.3
1959	801.6	20.6	2.6	781.0	35.5	4.8
1960	839.1	21.5	2.6	817.6	36.6	4.7
1961	874.4	23.8	2.7	850.6	33.0	4.0
1962	912.4	22.1	2.4	890.3	39.7	4.7
1963	975.8	24.2	2.5	951.6	61.3	6.9
1964	1,007.3	23.3	2.3	984.0	32.4	3.4
Ten months:						
1964	1,003.7	23.4	2.3	980.3	-	-
1965 <u>a/</u>	1,041.5	22.9	2.2	1,018.6	38.3	3.9

a/ Includes preliminary data for October.

Source: United States Employment Service.

Table II

Nonagricultural Wage and Salary Employment by Type of Industry
Washington, D.C., Housing Market Area
Annual Averages, 1957-1965
(in thousands)

<u>Industry</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>Ten months</u>	
									<u>1964</u>	<u>1965^{a/}</u>
Wage and salary employment	<u>676.9</u>	<u>683.3</u>	<u>720.4</u>	<u>744.3</u>	<u>767.0</u>	<u>809.1</u>	<u>847.7</u>	<u>878.5</u>	<u>874.7</u>	<u>913.0</u>
Manufacturing	<u>30.9</u>	<u>31.5</u>	<u>33.9</u>	<u>34.8</u>	<u>35.2</u>	<u>37.0</u>	<u>37.1</u>	<u>38.2</u>	<u>38.0</u>	<u>40.2</u>
Food & kindred products	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>	<u>7.6</u>	<u>7.7</u>	<u>7.7</u>	<u>8.2</u>	<u>8.1</u>	<u>8.6</u>
Printing & publishing	<u>11.6</u>	<u>12.0</u>	<u>12.7</u>	<u>13.1</u>	<u>13.2</u>	<u>13.5</u>	<u>13.7</u>	<u>13.9</u>	<u>13.8</u>	<u>14.7</u>
All others	<u>11.8</u>	<u>12.0</u>	<u>13.7</u>	<u>14.2</u>	<u>14.3</u>	<u>15.7</u>	<u>15.8</u>	<u>16.1</u>	<u>16.0</u>	<u>16.9</u>
Nonmanufacturing	<u>646.0</u>	<u>651.8</u>	<u>686.6</u>	<u>709.5</u>	<u>731.8</u>	<u>772.2</u>	<u>810.6</u>	<u>840.3</u>	<u>836.7</u>	<u>872.8</u>
Construction	<u>39.8</u>	<u>42.7</u>	<u>50.4</u>	<u>50.0</u>	<u>51.5</u>	<u>58.3</u>	<u>62.2</u>	<u>64.2</u>	<u>64.6</u>	<u>63.3</u>
Trans., comm., & public util.	<u>45.6</u>	<u>44.1</u>	<u>44.5</u>	<u>44.4</u>	<u>44.3</u>	<u>45.0</u>	<u>46.1</u>	<u>47.2</u>	<u>47.1</u>	<u>49.1</u>
Trade	<u>132.7</u>	<u>133.5</u>	<u>140.6</u>	<u>147.2</u>	<u>150.1</u>	<u>156.6</u>	<u>161.9</u>	<u>170.0</u>	<u>167.8</u>	<u>175.6</u>
Wholesale	<u>25.1</u>	<u>24.6</u>	<u>25.5</u>	<u>26.7</u>	<u>27.6</u>	<u>29.5</u>	<u>30.3</u>	<u>31.3</u>	<u>31.2</u>	<u>32.7</u>
Retail	<u>107.6</u>	<u>108.9</u>	<u>115.1</u>	<u>120.5</u>	<u>122.5</u>	<u>127.1</u>	<u>131.6</u>	<u>138.6</u>	<u>136.6</u>	<u>142.9</u>
Finance, ins., & real estate	<u>36.9</u>	<u>37.2</u>	<u>39.5</u>	<u>40.7</u>	<u>42.4</u>	<u>45.6</u>	<u>48.2</u>	<u>51.1</u>	<u>51.0</u>	<u>53.9</u>
Services	<u>109.8</u>	<u>116.6</u>	<u>128.6</u>	<u>136.5</u>	<u>143.2</u>	<u>152.9</u>	<u>165.1</u>	<u>172.0</u>	<u>171.5</u>	<u>183.3</u>
Government	<u>281.2</u>	<u>277.8</u>	<u>283.1</u>	<u>290.6</u>	<u>300.3</u>	<u>313.9</u>	<u>327.0</u>	<u>335.8</u>	<u>334.7</u>	<u>347.5</u>
Federal	<u>233.1</u>	<u>228.0</u>	<u>231.4</u>	<u>236.2</u>	<u>242.3</u>	<u>252.2</u>	<u>262.0</u>	<u>267.1</u>	<u>266.6</u>	<u>274.4</u>
State and local	<u>48.1</u>	<u>49.7</u>	<u>51.7</u>	<u>54.4</u>	<u>57.9</u>	<u>61.6</u>	<u>65.0</u>	<u>68.7</u>	<u>68.1</u>	<u>73.1</u>

^{a/} Includes preliminary data for October.

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

Source: United States Employment Service.

Table III

Federal Government Employment by Branch
Washington, D.C., Housing Market Area
June 30, 1950-September 30, 1965

<u>Federal civilian employment</u>				
	<u>Executive</u>	<u>Legislative</u>	<u>Judicial</u>	<u>Total</u>
June 30, 1950	202,326	20,320	666	223,312
" " 1951	244,312	20,924	744	265,980
" " 1952	240,065	20,768	736	261,569
" " 1953	221,503	20,429	746	242,678
" " 1954	207,691	20,086	724	228,501
" " 1955	211,315	19,854	704	231,873
" " 1956	211,682	20,311	714	232,707
" " 1957	215,235	20,354	741	236,330
" " 1958	209,179	20,323	759	230,261
" " 1959	212,713	20,878	767	234,358
" " 1960	218,143	20,930	800	239,873
" " 1961	223,861	21,590	815	246,266
" " 1962	234,586	21,933	818	257,337
" " 1963	243,405	22,470	867	266,742
" " 1964	246,055	23,058	873	269,986
Sept. 30, 1965	250,746	23,873	911	275,530

Source: Civil Service Commission.

Table IV

Military and Military-Connected Civil Service Personnel
Washington, D.C., HMA, 1950-1965

<u>June</u>	<u>Military</u>	<u>Civilian</u>	<u>Total</u>
1950	47,380	67,425	114,805
1951	66,687	91,809	158,496
1952	69,343	94,318	163,661
1953	71,346	90,107	161,453
1954	67,936	87,209	155,145
1955	64,155	90,564	154,719
1956	63,468	89,808	153,276
1957	63,314	88,212	151,526
1958	59,822	79,181	139,003
1959	59,063	78,870	137,933
1960	56,978	77,694	134,672
1961	58,492	75,250	133,742
1962	60,005	75,708	135,713
1963	62,099	76,490	138,589
1964	61,730	77,475	139,205
1965 <u>a/</u>	61,694	78,477	140,171

a/ September estimate.

Source: Department of Defense and Civil Service
Commission.

Table V

Geographic Percentage Distribution of Non-Federal Employment
Washington, D.C., Housing Market Area, 1960 and 1964

	1960				1964			
	<u>D.C.</u>	<u>Maryland</u>	<u>Virginia</u>	<u>HMA</u>	<u>D.C.</u>	<u>Maryland</u>	<u>Virginia</u>	<u>HMA</u>
Total employed	59	22	19	100%	54	26	20	100%
Manufacturing	77	11	12	100%	52	32	16	100%
Nonmanufacturing	59	22	19	100%	54	26	20	100%
Construction	42	33	25	100%	40	35	25	100%
Trans., comm., & pub. util.	63	8	29	100%	63	11	26	100%
Trade	57	23	20	100%	51	28	21	100%
Fin., ins., & real est.	68	18	14	100%	60	22	18	100%
Services	68	17	15	100%	63	21	16	100%
Government ^{a/}	48	34	18	100%	44	34	22	100%

^{a/} Excludes Federal employment.

Source: United States Employment Service.

Table VI

Percentage Distribution of All Families by Annual Income
After Deduction of Federal Income Taxes
Washington, D.C., Housing Market Area

Annual family income	December 1965						Fairfax County a/	SMSA total
	D.C.	Montgomery County	Prince Georges County	Alexandria City	Arlington County	Fairfax County		
Under \$ 3,000	12%	3%	6%	6%	2%	2%	7%	
\$ 3,000 - 3,999	7	2	2	6	4	4	5	
4,000 - 4,999	10	4	5	7	5	4	6	
5,000 - 5,999	10	4	8	8	7	6	8	
6,000 - 6,999	8	7	10	9	7	7	7	
7,000 - 7,999	8	7	9	8	8	8	8	
8,000 - 8,999	8	8	10	8	7	9	8	
9,000 - 9,999	6	8	10	8	8	8	7	
10,000 - 14,999	18	29	29	24	30	34	27	
15,000 - 19,999	7	18	7	14	15	13	10	
20,000 and over	6	10	4	2	7	5	7	
Total	100	100	100	100	100	100	100	
Median	\$7,325	\$11,000	\$9,025	\$8,700	\$10,300	\$10,300	\$9,225	

Annual family income	December 1967						Fairfax County a/	SMSA total
	D.C.	Montgomery County	Prince Georges County	Alexandria City	Arlington County	Fairfax County		
Under \$ 3,000	11%	3%	2%	5%	2%	1%	6%	
\$ 3,000 - 3,999	6	3	4	5	3	4	5	
4,000 - 4,999	8	3	5	7	5	4	6	
5,000 - 5,999	10	4	7	7	5	5	6	
6,000 - 6,999	9	5	8	9	8	6	8	
7,000 - 7,999	7	6	9	8	8	7	7	
8,000 - 8,999	6	7	9	7	8	9	7	
9,000 - 9,999	7	9	9	7	7	7	6	
10,000 - 14,999	21	27	31	25	29	34	29	
15,000 - 19,999	9	20	10	15	17	16	12	
20,000 and over	6	13	6	5	8	7	8	
Total	100	100	100	100	100	100	100	
Median	\$7,875	\$11,800	\$9,700	\$9,325	\$11,050	\$11,050	\$9,900	

a/ Includes the independent cities of Fairfax and Falls Church, Virginia.

Source: Estimated by Housing Market Analyst

Table VII

Percentage Distribution of Renter Households^{b/} by Annual Income
After Deduction of Federal Income Taxes
Washington, D.C., Housing Market Area

December 1965							
Annual family income	D.C.	Montgomery County	Prince Georges County	Alexandria City	Arlington County	Fairfax County ^{a/}	SMSA total
Under \$ 3,000	17%	7%	8%	12%	7%	7%	13%
\$ 3,000 - 3,999	10	5	8	9	7	6	8
4,000 - 4,999	12	7	10	11	8	8	9
5,000 - 5,999	10	9	14	12	10	9	10
6,000 - 6,999	10	10	13	10	11	12	10
7,000 - 7,999	9	10	10	9	9	11	10
8,000 - 8,999	6	8	8	6	8	8	7
9,000 - 9,999	6	6	7	6	7	8	7
10,000 - 14,999	12	24	17	18	24	24	18
15,000 - 19,999	6	9	4	5	6	5	6
20,000 and over	2	5	1	2	3	2	2
Total	100	100	100	100	100	100	100
Median	\$6,150	\$8,325	\$6,825	\$6,575	\$7,800	\$7,800	\$7,000

December 1967							
Annual family income	D.C.	Montgomery County	Prince Georges County	Alexandria City	Arlington County	Fairfax County ^{a/}	SMSA total
Under \$ 3,000	15%	4%	7%	11%	6%	6%	11%
\$ 3,000 - 3,999	9	6	7	8	6	5	8
4,000 - 4,999	10	6	8	9	7	7	8
5,000 - 5,999	10	7	12	12	9	8	10
6,000 - 6,999	10	10	13	10	10	12	9
7,000 - 7,999	8	9	11	8	8	9	8
8,000 - 8,999	7	8	7	7	9	9	8
9,000 - 9,999	6	7	7	6	7	8	7
10,000 - 14,999	16	25	22	20	26	26	21
15,000 - 19,999	6	12	5	7	8	7	7
20,000 and over	3	6	1	2	4	3	3
Total	100	100	100	100	100	100	100
Median	\$6,575	\$8,925	\$7,325	\$7,050	\$8,350	\$8,350	\$7,500

^{a/} Includes the independent cities of Fairfax and Falls Church, Virginia.

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

Source: Estimated by Housing Market Analyst.

Table VIII

Population Trends
Washington, D.C., HMA
April 1, 1950 - December 1, 1965

<u>Area</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>December 1, 1965</u>	<u>Average annual change</u>			
				<u>1950-1960</u>	<u>1960-1965</u>	<u>1950-1960</u>	<u>1960-1965</u>
				<u>Number</u>	<u>Rate ^{a/}</u>	<u>Number</u>	<u>Rate ^{a/}</u>
<u>HMA total</u>	<u>1,464,089</u>	<u>2,001,897</u>	<u>2,499,000</u>	<u>53,781</u>	<u>3.1</u>	<u>87,725</u>	<u>3.9</u>
<u>D.C.</u>	<u>802,178</u>	<u>763,956</u>	<u>780,000</u>	<u>-3,822</u>	<u>-.5</u>	<u>2,825</u>	<u>.4</u>
<u>Maryland portion:</u>	<u>358,583</u>	<u>698,323</u>	<u>1,004,700</u>	<u>33,974</u>	<u>6.7</u>	<u>54,075</u>	<u>6.4</u>
Montgomery County	164,401	340,928	446,800	17,653	7.2	18,675	4.8
Prince Georges County	194,182	357,395	557,900	16,321	6.1	35,400	7.9
<u>Virginia portion:</u>	<u>303,328</u>	<u>539,618</u>	<u>714,300</u>	<u>23,629</u>	<u>5.8</u>	<u>30,825</u>	<u>5.0</u>
Alexandria City	61,787	91,023	116,000	2,924	3.9	4,400	4.3
Arlington County	135,449	163,401	182,000	2,795	1.9	3,275	2.0
Rest of Va. portion <u>b/</u>	106,092	285,194	416,300	17,910	9.9	23,150	6.7

a/ Derived through the use of a formula designed to calculate the rate of change on a compound basis.

b/ Includes Fairfax County and the independent cities of Fairfax and Falls Church.

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

Table IX

Components of Population Change
Washington, D. C., HMA
April 1, 1950-December 1, 1965

<u>Area</u>	<u>Population change</u>	<u>Net natural increase</u>	<u>Net migration</u>	<u>Average annual net migration</u>
<u>HMA total:</u>				
1950-1960	537,808	331,913	205,895	20,589
1960-1965	497,100	223,050	274,050	48,375
<u>D.C. portion:</u>				
1950-1960	-38,222	120,063	-158,285	-15,829
1960-1965	16,050	64,950	- 48,900	- 8,625
<u>Maryland portion:</u>				
1950-1960	339,740	115,815	223,925	22,392
1960-1965	306,375	93,550	212,825	37,575
Montgomery County				
1950-1960	176,527	52,276	124,251	12,425
1960-1965	105,875	35,550	70,325	12,425
Prince Georges County				
1950-1960	163,213	63,539	99,674	9,967
1960-1965	200,500	58,000	142,500	25,150
<u>Virginia portion:</u>				
1950-1960	236,290	96,035	140,255	14,026
1960-1965	174,675	64,550	110,125	19,425
Alexandria City				
1950-1960	29,236	20,167	9,069	907
1960-1965	25,000	13,050	11,950	2,100
Arlington County				
1950-1960	27,952	32,371	-4,419	- 442
1960-1965	18,600	18,300	300	50
	<u>a/</u>			
Rest of Virginia portion				
1950-1960	179,102	43,497	135,605	13,561
1960-1965	131,100	33,200	97,900	17,275

a/ Includes Fairfax County and the independent cities of Fairfax and Falls Church.

Note: Detail may not add to total because of rounding.

Sources: 1950-1960 data from Bureau of the Census report, Series P-23, No. 7
1960-1965 population changes estimated by Housing Market Analyst.
Vital statistics data from District of Columbia Department of
Public Health.

Table X

Age of the Total Population
Washington, D.C., HMA
April 1950 - April 1960

Age	D.C. portion						Maryland portion					
	1950		1960		Change		1950		1960		Change	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
Under 9	120,822	15.1	141,445	18.5	20,623	17.1	84,108	23.5	176,213	25.2	92,105	109.5
10 - 19	85,450	10.6	101,609	13.3	16,159	18.9	46,740	13.0	120,087	17.2	73,347	156.9
20 - 29	156,270	19.5	114,967	15.1	-41,302	-26.4	65,017	18.1	85,380	12.2	20,363	31.3
30 - 39	146,070	18.2	109,612	14.3	-36,458	-25.0	64,806	18.1	115,274	16.5	50,468	77.9
40 - 49	118,052	14.7	102,736	13.4	-15,316	-13.0	44,898	12.5	95,239	13.6	50,341	112.1
50 - 59	89,002	11.1	89,998	11.8	996	1.1	27,350	7.6	55,636	8.0	28,286	103.4
60 - 69	53,163	6.6	61,657	8.1	8,494	16.0	15,391	4.3	30,402	4.4	15,011	97.5
70 and over	33,349	4.2	41,932	5.5	8,583	25.7	10,273	2.9	20,092	2.9	9,819	95.6
Total	802,178	100.0	763,956	100.0	-38,222	-4.8	358,583	100.0	698,323	100.0	339,740	94.7
Median age	32.6		32.2				27.5		26.2			

	Virginia portion						HMA					
	1950		1960		Change		1950		1960		Change	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
Under 9	67,393	22.2	125,282	23.2	57,889	85.9	272,323	18.6	442,940	22.1	170,617	62.7
10 - 19	33,289	11.0	87,844	16.3	54,555	163.9	165,479	11.3	309,540	15.5	144,061	87.1
20 - 29	56,858	18.7	77,995	14.5	21,137	37.2	278,145	19.0	278,342	13.9	197	.1
30 - 39	63,919	21.1	90,995	16.9	27,076	42.4	274,795	18.8	315,881	15.8	41,086	15.0
40 - 49	40,433	13.3	79,221	14.7	38,788	95.9	203,383	13.9	277,196	13.8	73,813	36.3
50 - 59	22,200	7.3	43,359	8.0	21,159	95.3	138,552	9.4	188,993	9.4	50,441	36.4
60 - 69	11,996	4.0	21,275	3.9	9,279	77.4	80,550	5.5	113,334	5.7	32,784	40.7
70 and over	7,240	2.4	13,647	2.5	6,407	88.5	50,862	3.5	75,671	3.8	24,809	48.8
Total	303,328	100.0	539,618	100.0	236,290	77.9	1,464,089	100.0	2,001,897	100.0	537,808	37.1
Median age	29.0		27.2				30.6		28.9			

Sources: 1950 and 1960 Censuses of Population.

Table XI

Household Trends
Washington, D. C., HMA
April 1, 1950 - December 1, 1965

<u>Area</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>December 1, 1965</u>	<u>Average annual change</u>			
				<u>1950-1960</u>	<u>1960-1965</u>	<u>1950-1960</u>	<u>1960-1965</u>
				<u>Number</u>	<u>Rate^{a/}</u>	<u>Number</u>	<u>Rate^{a/}</u>
<u>HMA total</u>	<u>405,111</u>	<u>590,621</u>	<u>756,300</u>	<u>18,551</u>	<u>3.8</u>	<u>29,200</u>	<u>4.4</u>
<u>D.C.</u>	<u>224,142</u>	<u>252,066</u>	<u>272,500</u>	<u>2,792</u>	<u>1.1</u>	<u>3,600</u>	<u>1.4</u>
<u>Maryland portion:</u>	<u>96,063</u>	<u>187,428</u>	<u>278,800</u>	<u>9,137</u>	<u>6.7</u>	<u>16,100</u>	<u>7.1</u>
Montgomery County	45,264	92,433	124,700	4,717	7.1	5,700	5.3
Prince Georges County	50,799	94,995	154,100	4,420	6.3	10,400	8.6
<u>Virginia portion:</u>	<u>84,906</u>	<u>151,127</u>	<u>205,000</u>	<u>6,622</u>	<u>5.8</u>	<u>9,500</u>	<u>5.4</u>
Alexandria City	18,351	28,572	36,900	1,022	4.5	1,475	4.6
Arlington County	40,127	54,498	64,400	1,437	3.1	1,750	3.0
Rest of Va. portion ^{b/}	26,428	68,057	103,700	4,163	9.5	6,275	7.5

^{a/} Derived through the use of a formula designed to calculate the rate of change on a compound basis.

^{b/} Includes Fairfax County and the independent cities of Fairfax and Falls Church.

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

Table XIV

Percentage Distribution of the Housing Inventory by Year Built
Washington, D.C., Housing Market Area

<u>Year built</u>	<u>D.C.</u>	<u>Maryland portion</u>			<u>Virginia portion</u>				<u>HMA total</u>
		<u>Montgomery County</u>	<u>Prince Georges County</u>	<u>Md. portion total</u>	<u>Alexandria City</u>	<u>Arlington County</u>	<u>Fairfax County^{a/}</u>	<u>Va. portion total</u>	
April 1960-Dec. 1965	8.7	25.9	39.2	33.3	24.8	15.6	35.1	27.2	22.8
1955-March 1960	5.4	20.7	14.7	17.4	8.5	14.3	25.0	18.7	13.4
1950-1954	9.2	20.3	16.8	18.4	19.9	15.9	19.6	18.5	15.1
1940-1949	18.9	17.3	16.7	16.9	25.2	33.6	12.9	21.5	18.9
1930-1939	15.9	7.4	5.6	6.4	7.5	12.7	3.4	7.1	10.0
1929 or earlier	41.9	8.4	7.0	7.6	14.1	7.9	4.0	7.0	19.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Sources: 1960 Census of Housing and estimates by Housing Market Analyst.

Table XV

New Dwelling Units Authorized by Building Permits
Washington, D.C., Housing Market Area
1950-1965

<u>Period</u>	<u>Privately Financed Units</u>				<u>Publicly financed units</u>	<u>Total all units</u>
	<u>One- family</u>	<u>2-4 family</u>	<u>Multi- family</u>	<u>Total</u>		
Year:						
1950	20,686	298	5,520	26,504	-	26,504
1951	15,678	281	3,070	19,029	348	19,377
1952	14,246	227	4,594	19,067	506	19,573
1953	11,307	355	10,587	22,249	539	22,788
1954	17,758	870	4,908	23,536	186	23,722
1955	17,971	165	4,153	22,289	301	22,590
1956	12,072	106	3,091	15,269	642	15,911
1957	9,716	23	3,209	12,948	988	13,936
1958	12,017	84	8,705	20,806	1,653	22,459
1959	13,871	102	11,592	25,565	32	25,597
1960	10,952	74	9,126	20,152	176	20,328
1961	12,706	56	13,411	26,173	-	26,173
1962	13,176	67	24,581	37,824	-	37,824
1963	13,046	18	32,430	45,494	736	46,230
1964	14,012	106	28,235	42,353	338	42,691
11-months:						
1964	13,302	50	26,726	40,078	282	40,360
1965	13,998	40	36,137	50,175	300	50,475

Source: Bureau of the Census.

Table XVI

Privately Financed Dwelling Units Authorized
Washington, D.C., Housing Market Area
1958-1965

<u>Period</u>	<u>D. C.</u>	<u>Mont- gomery</u>	<u>Prince Georges</u>	<u>Alexan- dria</u>	<u>Arling- ton</u>	<u>Fairfax County</u> ^{a/}	<u>Falls Church</u>	<u>Total</u>
TOTAL ALL UNITS								
Year:								
1958	3,986	5,503	4,873	635	1,708	3,997	104	20,806
1959	1,592	6,485	6,799	1,114	4,054	5,407	114	25,565
1960	2,602	5,442	5,807	513	1,667	4,105	16	20,152
1961	2,467	5,547	9,725	1,487	1,311	5,458	178	26,173
1962	3,969	6,469	12,934	3,181	3,221	7,729	321	37,824
1963	6,967	7,201	19,740	2,546	1,179	7,751	110	45,494
1964	8,078	7,144	12,899	1,941	2,478	9,496	317	42,353
11-months:								
1964	7,788	6,701	12,033	1,815	2,324	9,102	315	40,078
1965	7,943	12,600	15,489	3,025	1,350	9,676	92	50,175
ONE-FAMILY UNITS								
Year:								
1958	331	3,884	3,244	295	345	3,902	16	12,017
1959	278	3,998	3,860	322	358	5,031	24	13,871
1960	317	3,192	3,055	185	364	3,827	12	10,952
1961	316	3,421	4,678	175	349	3,754	13	12,706
1962	274	3,230	5,115	135	287	4,117	18	13,176
1963	299	3,227	4,770	124	196	4,420	10	13,046
1964	400	4,076	4,786	130	195	4,566	29	14,182
11-months:								
1964	371	3,821	4,374	123	186	4,400	27	13,302
1965	248	4,042	4,518	95	194	4,859	42	13,998
MULTIFAMILY UNITS								
Year:								
1958	3,655	1,619	1,629	340	1,363	95	88	8,789
1959	1,314	2,487	2,939	792	3,696	376	90	11,694
1960	2,285	2,250	2,752	328	1,303	278	4	9,200
1961	2,151	2,126	5,047	1,312	962	1,704	165	13,467
1962	3,695	3,239	7,819	3,046	2,934	3,612	303	24,648
1963	6,668	3,974	14,970	2,422	983	3,331	100	32,448
1964	7,678	3,068	8,113	1,811	2,283	4,930	288	28,171
11-months:								
1964	7,417	2,880	7,659	1,692	2,138	4,702	288	26,776
1965	7,695	8,558	10,971	2,930	1,156	4,817	50	36,177

^{a/} Includes the independent city of Fairfax.

Source: Bureau of the Census.

Table XVII

Vacancy Trends
Washington, D.C., HMA
April 1950-December 1965

Vacancy characteristics	D.C.	Maryland portion			Virginia portion				HMA total
		Montgomery County	Prince Georges County	Md. portion total	Alexandria City	Arlington County	Remainder of Va. portion ^{a/}	Va. portion total	
<u>April 1, 1950:</u>									
Total vacant units	<u>5,596</u>	<u>1,935</u>	<u>3,595</u>	<u>5,530</u>	<u>402</u>	<u>924</u>	<u>2,323</u>	<u>3,649</u>	<u>14,775</u>
Available vacant units	<u>2,753</u>	<u>920</u>	<u>2,328</u>	<u>3,248</u>	<u>255</u>	<u>572</u>	<u>1,336</u>	<u>2,163</u>	<u>8,164</u>
For sale	745	616	517	1,133	74	301	438	813	2,691
Homeowner vacancy rate	1.0%	1.9%	1.8%	1.9%	1.1%	1.7%	2.5%	1.9%	1.5%
For rent	2,008	304	1,811	2,115	181	271	898	1,350	5,473
Rental vacancy rate	1.3%	2.1%	7.5%	5.5%	1.6%	1.2%	8.8%	3.0%	2.3%
Other vacant	2,843	1,015	1,267	2,282	147	352	987	1,486	6,611
<u>April 1, 1960:</u>									
Total vacant units	<u>10,575</u>	<u>4,708</u>	<u>4,622</u>	<u>9,330</u>	<u>1,182</u>	<u>2,451</u>	<u>4,021</u>	<u>7,654</u>	<u>27,559</u>
Available vacant units	<u>7,841</u>	<u>2,908</u>	<u>3,107</u>	<u>6,015</u>	<u>791</u>	<u>2,039</u>	<u>2,363</u>	<u>5,193</u>	<u>19,049</u>
For sale	894	1,390	1,345	2,735	150	259	1,428	1,837	5,466
Homeowner vacancy rate	1.2%	2.0%	2.2%	2.1%	1.4%	1.1%	2.7%	2.1%	1.9%
For rent	6,947	1,518	1,762	3,280	641	1,780	935	3,356	13,583
Rental vacancy rate	3.8%	5.8%	4.9%	5.3%	3.5%	5.3%	5.4%	4.8%	4.3%
Other vacant	2,734	1,800	1,515	3,315	391	412	1,658	2,461	8,510
<u>December 1, 1965:</u>									
Total vacant units	<u>12,000</u>	<u>6,000</u>	<u>8,400</u>	<u>14,400</u>	<u>1,900</u>	<u>2,400</u>	<u>5,800</u>	<u>10,100</u>	<u>36,500</u>
Available vacant units	<u>9,300</u>	<u>4,250</u>	<u>6,800</u>	<u>11,050</u>	<u>1,400</u>	<u>2,050</u>	<u>3,700</u>	<u>7,150</u>	<u>27,500</u>
For sale	1,100	1,750	1,700	3,450	200	300	1,600	2,100	6,650
Homeowner vacancy rate	1.5%	2.0%	2.0%	2.0%	1.8%	1.3%	2.2%	1.9%	1.9%
For rent	8,200	2,500	5,100	7,600	1,200	1,750	2,100	5,050	20,850
Rental vacancy rate	4.0%	6.0%	6.8%	6.5%	4.4%	4.0%	6.2%	4.8%	4.9%
Other vacant	2,700	1,750	1,600	3,350	500	350	2,100	2,950	9,000

^{a/} Includes Fairfax County and the independent cities of Fairfax and Falls Church.

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

Table XVIII

Washington, D.C.-Maryland-Virginia, Area Postal Vacancy Survey

January 18-February 24, 1966

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant No.	%
		All	%	Used	New			All	%	Used	New			All	%	Used	New				
The Survey Area Total	482,811	16,250	3.4	10,243	6,007	31,269	253,472	4,577	1.8	2,505	2,072	5,622	229,339	11,673	5.1	7,738	3,935	25,647	1,374	48	3.5
Washington, D.C.	174,179	4,543	2.6	3,558	985	6,583	64,781	891	1.4	819	72	504	109,398	3,652	3.3	2,739	913	6,079	-	-	-
Main Office	37,989	766	2.0	688	78	381	17,717	335	1.9	334	1	70	20,272	431	2.1	354	77	311	-	-	-
Stations:																					
Anacostia	16,840	239	1.4	224	15	514	5,325	35	0.7	24	11	56	11,515	204	1.8	200	4	458	-	-	-
Benning	17,867	180	1.0	128	52	1,102	7,953	46	0.6	38	8	42	9,914	134	1.4	90	44	1,060	-	-	-
Brightwood	13,484	224	1.7	190	34	135	7,196	51	0.7	51	-	4	6,288	173	2.8	139	34	131	-	-	-
Brookland	3,412	22	0.6	21	1	20	2,243	5	0.2	5	-	20	1,169	17	1.5	16	1	-	-	-	-
Cleveland Park	12,329	165	1.3	143	22	17	2,003	47	2.3	42	5	17	10,326	118	1.1	101	17	-	-	-	-
Columbia Heights	32,614	646	2.0	468	178	480	8,066	131	1.6	131	-	5	24,548	515	2.1	337	178	475	-	-	-
Congress Heights	12,369	1,315	10.6	1,075	240	1,646	2,046	69	3.4	64	5	-	10,323	1,246	12.1	1,011	235	1,646	-	-	-
Friendship	6,802	52	0.8	34	18	31	5,287	45	0.9	27	18	31	1,515	7	0.5	7	-	-	-	-	-
Georgetown	4,864	110	2.1	105	5	383	2,533	52	2.1	47	5	9	2,331	58	2.5	58	-	374	-	-	-
Southwest	4,061	84	2.1	67	17	1,342	876	25	2.9	8	17	250	3,185	59	1.9	59	-	1,092	-	-	-
Twentieth Street	7,238	645	8.9	322	323	532	924	31	3.4	31	-	-	6,314	614	9.7	291	323	532	-	-	-
Woodridge	4,310	95	2.2	93	2	-	2,612	19	0.7	17	2	-	1,698	76	4.5	76	-	-	-	-	-
Maryland	178,355	7,234	4.1	3,613	3,621	15,311	115,428	2,398	2.1	945	1,453	2,601	62,927	4,836	7.7	2,668	2,168	12,710	289	15	5.2
Montgomery County	103,563	3,675	3.5	1,311	2,364	8,014	78,463	1,672	2.1	508	1,164	1,745	25,100	2,003	8.0	803	1,200	6,269	-	-	-
Bethesda ^{1/}	9,543	129	1.4	101	28	907	7,218	81	1.1	53	28	61	2,325	48	2.1	48	-	846	-	-	-
Chevy Chase ^{1/}	8,280	27	0.3	25	2	1,507	5,297	22	0.4	20	2	87	2,983	5	0.2	5	-	1,420	-	-	-
Kensington	3,187	50	1.6	50	-	7	2,923	21	0.7	21	-	7	264	29	11.0	29	-	-	-	-	-
Rockville	24,107	1,084	4.5	300	784	2,901	20,132	716	3.6	162	554	1,412	3,975	368	9.3	138	230	1,489	-	-	-
Silver Spring	49,971	2,146	4.3	682	1,464	2,649	38,165	779	2.0	201	578	175	11,806	1,367	11.6	481	886	2,474	-	-	-
Takoma Park ^{1/}	8,475	239	2.8	153	86	43	4,728	53	1.1	51	2	3	3,747	186	5.0	102	84	40	-	-	-
Prince Georges County	74,792	3,559	4.8	2,302	1,257	7,297	36,965	726	2.0	437	289	856	37,827	2,833	7.5	1,865	968	6,441	289	15	5.2
Bladensburg	2,238	204	9.1	139	65	427	716	18	2.5	16	2	-	1,522	186	12.2	123	63	427	-	-	-
Brentwood ^{1/}	1,904	58	3.0	57	1	5	1,538	30	2.0	29	1	5	366	28	7.7	28	-	-	-	-	-
Capitol Heights ^{1/}	6,005	148	2.5	146	2	303	3,674	49	1.3	47	2	147	2,331	99	4.2	99	-	156	-	-	-
Clinton	2,998	119	4.0	7	112	65	2,970	119	4.0	7	112	65	28	-	-	-	-	-	-	-	-
College Park	2,903	49	1.7	33	16	12	2,611	41	1.6	27	14	12	292	8	2.7	6	2	-	289	15	5.2

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i.e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FHA postal vacancy survey conducted by collaborating postmaster(s).

^{1/} Suburban areas served by the Washington, D.C. Post Office.

Table XVIII (Cont'd.)

Washington, D.C.-Maryland-Virginia, Area Postal Vacancy Survey (continued)

January 18-February 24, 1966

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
Hyattsville	23,788	1,322	5.6	843	479	1,227	11,146	168	1.5	112	56	5	12,642	1,154	9.1	731	423	1,222	-	-	-
Mount Rainier	3,897	93	2.4	92	1	3	1,107	25	2.3	25	-	3	2,790	68	2.4	67	1	-	-	-	-
Oxon Hill 1/	10,374	444	4.3	251	193	1,002	4,935	75	1.5	44	31	262	5,439	369	6.8	207	162	740	-	-	-
Riverdale	3,555	271	7.6	245	26	205	1,048	30	2.9	29	1	5	2,507	241	9.6	216	25	200	-	-	-
Suitland 1/	17,130	851	5.0	489	362	4,048	7,220	171	2.4	101	70	352	9,910	680	6.9	388	292	3,696	-	-	-
Virginia	<u>130,277</u>	<u>4,473</u>	<u>3.4</u>	<u>3,072</u>	<u>1,401</u>	<u>9,375</u>	<u>73,263</u>	<u>1,288</u>	<u>1.8</u>	<u>741</u>	<u>547</u>	<u>2,517</u>	<u>57,014</u>	<u>3,185</u>	<u>5.6</u>	<u>2,331</u>	<u>854</u>	<u>6,858</u>	<u>1,085</u>	<u>33</u>	<u>2.1</u>
Alexandria City	<u>38,314</u>	<u>1,251</u>	<u>3.3</u>	<u>1,011</u>	<u>240</u>	<u>3,572</u>	<u>21,378</u>	<u>383</u>	<u>1.8</u>	<u>335</u>	<u>48</u>	<u>219</u>	<u>16,936</u>	<u>868</u>	<u>5.1</u>	<u>676</u>	<u>192</u>	<u>3,353</u>	<u>785</u>	<u>23</u>	<u>2.9</u>
Arlington County	<u>46,172</u>	<u>1,506</u>	<u>3.3</u>	<u>1,310</u>	<u>196</u>	<u>517</u>	<u>16,414</u>	<u>182</u>	<u>1.1</u>	<u>159</u>	<u>23</u>	<u>20</u>	<u>29,758</u>	<u>1,324</u>	<u>4.4</u>	<u>1,151</u>	<u>173</u>	<u>497</u>	-	-	-
Fairfax County	<u>45,791</u>	<u>1,716</u>	<u>3.7</u>	<u>751</u>	<u>965</u>	<u>5,286</u>	<u>35,471</u>	<u>723</u>	<u>2.0</u>	<u>247</u>	<u>476</u>	<u>2,278</u>	<u>10,320</u>	<u>993</u>	<u>9.6</u>	<u>504</u>	<u>489</u>	<u>3,008</u>	<u>300</u>	<u>10</u>	<u>3.3</u>
Annandale	5,269	321	6.1	204	117	655	3,602	101	2.8	33	68	655	1,667	220	13.2	171	49	-	-	-	-
Fairfax City	5,183	146	2.8	63	83	908	4,101	121	3.0	38	83	668	1,082	25	2.3	25	-	240	298	10	3.4
Falls Church City	14,581	480	3.3	364	116	1,967	8,046	91	1.1	67	24	228	6,535	389	6.0	297	92	1,739	-	-	-
McLean	7,456	225	3.0	45	180	423	7,245	208	2.9	45	163	227	211	17	8.1	-	17	196	2	-	-
Springfield	4,947	65	1.3	30	35	303	4,787	54	1.1	19	35	150	160	11	6.9	11	-	153	-	-	-
Vienna	8,355	479	5.7	45	434	1,030	7,690	148	1.9	45	103	350	665	331	49.8	-	331	680	-	-	-

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i. e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FHA postal vacancy survey conducted by collaborating postmaster(s).

1/ Suburban areas served by the Washington, D.C. Post Office.

Table XIX

Special Survey of Rental Projects Completed Since January 1, 1962

By Period Since Completion
Washington, D.C., Housing Market Area

	Efficiency units				One-bedroom units				Two-bedroom units				Three-bedroom units			
	Under 6 mos.	7-12 mos.	13-24 mos.	24 mos. or more	Under 6 mos.	7-12 mos.	13-24 mos.	24 mos. or more	Under 6 mos.	7-12 mos.	13-24 mos.	24 mos. or more	Under 6 mos.	7-12 mos.	13-24 mos.	24 mos. or more
D. C.:																
Total units	477	1,166	1,180	459	408	489	857	218	165	68	661	57	-	-	58	-
Vacant units	289	360	214	22	304	58	53	10	135	9	30	7	-	-	0	-
Percent vacant	60.6%	30.9%	18.1%	4.8%	74.5%	11.8%	6.2%	4.6%	81.8%	13.2%	4.5%	12.3%	-	-	0	-
Montgomery Co.:																
Total units	71	121	91	18	490	554	478	189	331	518	425	451	57	81	93	77
Vacant units	2	4	1	0	116	16	13	0	73	6	18	3	15	32	15	0
Percent vacant	2.8%	3.3%	1.1%	0	23.7%	2.9%	2.7%	0	22.1%	1.2%	4.2%	0.7%	26.3%	39.5%	16.1%	0
Prince Georges Co.:																
Total units	99	115	100	239	1,708	1,519	2,531	1,473	2,436	2,307	3,187	3,459	450	462	768	533
Vacant units	20	1	0	5	558	100	222	28	721	300	463	194	102	39	84	19
Percent vacant	20.2%	0.9%	0	2.1%	32.7%	6.6%	8.8%	1.9%	29.6%	13.0%	14.5%	5.6%	22.7%	8.4%	10.9%	3.6%
Alexandria City.:																
Total units	118	39	137	731	238	148	408	1,207	226	103	352	939	40	51	26	216
Vacant units	91	22	1	0	88	65	36	52	34	54	43	19	29	17	1	4
Percent vacant	77.1%	56.4%	0.7%	0	37.0%	43.9%	8.8%	4.3%	15.0%	52.4%	12.2%	2.0%	72.5%	33.3%	3.8%	1.9%
Arlington Co.:																
Total units	128	225	191	332	195	285	701	1,016	147	196	695	393	16	0	24	60
Vacant units	19	1	1	2	26	1	25	37	65	13	38	9	0	0	4	0
Percent vacant	14.8%	0.4%	0.5%	0.6%	13.3%	0.4%	3.6%	3.6%	44.2%	6.6%	5.5%	2.3%	0	0	16.7%	0
Fairfax Co.:																
Total units	40	37	140	108	385	595	1,022	1,234	369	988	1,185	1,649	52	83	111	456
Vacant units	2	7	8	6	70	25	250	106	118	222	95	229	8	2	5	27
Percent vacant	5.0%	18.9%	5.7%	5.6%	18.2%	4.2%	24.5%	8.6%	32.0%	22.5%	8.0%	13.9%	15.4%	2.4%	4.5%	5.9%
HMA total:																
Total units	933	1,703	1,839	1,887	3,424	3,590	5,997	5,337	3,674	4,180	6,505	6,948	615	677	1,080	1,342
Vacant units	423	395	225	35	1,162	265	599	233	1,146	604	687	461	154	90	109	50
Percent vacant	45.3%	23.2%	12.2%	1.9%	33.9%	7.4%	10.0%	4.4%	31.2%	14.4%	10.6%	6.6%	25.0%	13.3%	10.1%	3.7%

a/ Includes Fairfax County and the independent cities of Fairfax and Falls Church.

Source: Survey conducted by the District of Columbia Insuring Office and Housing Market Analysts, as of November 1, 1965.

Table XX

Status of New House Completions in Selected Subdivisions^{a/}
Washington, D.C., Housing Market Area
As of January 1, 1965 and January 1, 1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative construction</u>				<u>Percent unsold</u>
			<u>Total</u>	<u>Sold</u>	<u>Unsold</u>		
<u>Houses completed in 1964</u>							
Under \$17,500	38	18	20	20	-	-	
\$17,500 - 19,999	1,877	761	1,116	1,001	115	10.3	
20,000 - 24,999	1,466	653	813	684	129	15.9	
25,000 - 29,999	2,323	1,220	1,103	946	157	14.2	
30,000 - 34,999	1,208	578	630	511	119	18.9	
35,000 and over	<u>945</u>	<u>364</u>	<u>581</u>	<u>355</u>	<u>226</u>	<u>38.9</u>	
Total	7,857	3,594	4,263	3,517	746	17.5	
<u>Houses completed in 1965</u>							
Under \$17,500	-	-	-	-	-	-	
\$17,500 - 19,999	1,247	1,205	42	30	12	28.6	
20,000 - 24,999	1,468	526	942	819	123	13.1	
25,000 - 29,999	2,773	1,356	1,417	950	467	33.0	
30,000 - 34,999	1,366	239	1,127	911	216	19.2	
35,000 and over	<u>1,961</u>	<u>533</u>	<u>1,428</u>	<u>1,107</u>	<u>321</u>	<u>22.5</u>	
Total	8,815	3,859	4,956	3,817	1,139	23.0	

^{a/} Selected subdivisions are those with five or more completions during the year.

Source: Unsold Inventory Surveys completed by the District of Columbia FHA Insuring Office.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

NEWS

Washington, D. C. 20411

FHA INFORMATION 382-4693

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Poston

The Federal Housing Administration today released its analysis of the Washington, D. C., housing market. The study covers Washington, D. C.; Montgomery and Prince Georges counties, Maryland; Alexandria City, Arlington and Fairfax counties, Virginia.

The study, dated December 1, 1965, says that "during the next two years, there is expected to be an annual demand for 41,350 units in the Washington, D. C., area, including 14,300 sales units and 27,050 units of rental housing." The rental figure includes 5,750 units that can be marketed only at the lower rents associated with public benefit or assistance financing. This demand excludes public low-rent and rent-supplement housing.

The report on vacancies suggests the market as a whole was firm in December 1965. Available vacant housing units totaled about 27,500, or a net vacancy ratio of 3.5 percent. The total includes 6,650 sales units and 20,850 rental units - - vacancy ratios of 1.9 and 4.9 percent, respectively. The vacancy ratio for sales is the same as in 1960, but the rental ratio has increased from the 4.3 percent level of that year.

Building volume in 1965 was the highest since 1950. Nearly 50,200 units were authorized by building permits issued during the first 11 months of 1965. This is about 4,675 units above the earlier peak in 1963. Since 1960, multi-family units have accounted for nearly two-thirds of all units authorized.

The presence of the federal government remains a major influence in the growing economy of the area despite the fact that the percentage of federal employment varies. "The federal employment level constituted only 30 percent of the nonagricultural wage and salary employment for the housing area in 1964, compared with 34 percent in 1957."

- more -

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Employment figures reflect the steady growth of the economy since 1957. The gain in total employment has varied from "2,400 during the 1957-1958 recession to a gain of 61,300 workers between 1962 and 1963." During the first ten months of 1965, civilian employment averaged 1,018,600 workers, a gain of 38,300 from the 10-month level of 1964. In 1964, civilian employment averaged 984,000, an average gain of about 34,400 jobs a year over the previous seven years. Unemployment averaged 2.3 percent of the civilian work force in 1964. The ratio of unemployment was the lowest for any year during 1957-1964.

At the time of the study, the annual median income of all families was \$9,225, after deduction of federal taxes. That of renter households of two-or-more persons was \$7,000. By 1967, these figures are expected to increase to \$9,900 and \$7,500, respectively.

Annual gains forecast for population and the number of households are larger than those since the 1960 census. In December 1965, the population was 2,499,000, an annual increase of about 87,725 since 1960. An increase of 96,000 a year is expected during the two forecast years. The December 1965 total of households was about 756,300, an annual increase of 29,200 since 1960. A gain of about 34,000 is expected in 1967.

Requests for copies of the analysis should be directed to Mr. Fred A. Mann, Director, Federal Housing Administration, 400 First Street, N. W. Washington, D. C. 20412.

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1/13/67