



# MILITARY HOUSING NEEDS ASSESSMENT STUDY

## EXECUTIVE SUMMARY

February 22, 2005

Prepared for  
**Florida Housing Finance Corporation**

Prepared by

**STRATEGIC PLANNING GROUP, Inc.**



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Virgin Islands • China • Guam • Jamaica



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## ***Introduction***

### **Purpose of the Study**

The military industrial complex has traditionally been a major part of Florida's economy. Florida currently hosts 21 active military installations and three Joint Commands distributed throughout 13 counties.<sup>1</sup> As of FY 2002, defense spending accounted for \$21.7 billion in Florida wages, pensions, and goods and services.<sup>2</sup> Total defense spending was responsible for \$44 billion, or 9.8% of Florida's gross state product, and 714,500 jobs. While the impact of military spending is significant at the state level, its impact at the regional and community level is even greater. Almost 34% of Northwest Florida's regional economic output is driven by defense spending, versus 18% for Northeast Florida, 10% percent for Central Florida and 4% for South Florida. At the community level, economic impacts are also significant; for example, defense-related spending accounted for 63% of Okaloosa County's economic activity.

In order to minimize the risks of losing installations in Florida as a result of base closures, the Florida Legislature passed Senate Bill 640 directing the Florida Housing Finance Corporation (FHFC) to perform an assessment of the affordable housing needs of active-duty military personnel and their families. The results of this assessment are to be delivered to the Governor, the President of the Senate, Speaker of the House of Representatives, the Senate Minority Leader, and the House Minority Leader. In order to prepare this assessment, FHFC retained the services of Strategic Planning Group, Inc. (SPG).

The following is a listing of the 17 installations, by region of impact, that are part of this off-installation, military housing assessment:

#### **West Panhandle:**

- Naval Air Station Pensacola, including Corry Station and Saufley Field,
- Naval Air Station Whiting Field;

#### **East Panhandle:**

- Eglin Air Force Base,
- Hurlburt Field,
- Tyndall Air Force Base,
- Naval Support Activity Panama City;

#### **Northeast Florida:**

- Naval Station Mayport,
- Naval Air Station Jacksonville,
- Naval Aviation Depot Jacksonville,

#### **Central Florida:**

- MacDill Air Force Base, including US Central Command and US Special Operations Command,
- Cape Canaveral Air Force Station and Patrick Air Force Base, and
- Team Orlando Modeling and Simulation Community; and

#### **South Florida:**

- Naval Air Station Key West,
- United States Southern Command, and
- Homestead Air Force Reserve Base

<sup>1</sup> Florida Defense Alliance website.

<sup>2</sup> *Florida Defense Industry Economic Impact Analysis*, Haas Center for Business Research and Economic Development, University of West Florida, December 2003.

### ***Methodology***

The study effort consisted of reviewing numerous previous studies concerning the military's impact on Florida, descriptions of each installation, demographic and housing criteria of the military, the number of military assigned to each installation, provision of on-installation housing, military wage compensation including BAH, and review of recent military housing assessments. Community-wide inventory and demand assessments included accessing local military housing offices, off-installation housing assessments, MLS data for each area, 2000 Census data, proprietary inventory data, and conversations with local realtors and apartment associations.

### ***Military Demographics***

Demographics play an important role in assessing housing needs, especially at the local level. Military personnel and their dependents tend to differ from both national and local (non-military) households in many ways that must be taken into consideration.

#### **Age**

The active-duty military comprises a younger workforce than the civilian workforce. Service policies and legal restrictions account for the relative youthfulness of the military. In FY 2002, 86% of new, active-duty recruits were 18-24 years of age compared to 38% of working civilians in the same age group. The mean age of new recruits was approximately 20 years. Almost half (49%) of the active-duty, enlisted force was 17-24 years old, in contrast to about 15% of the civilian work force. Officers are older than those in the enlisted ranks (mean ages 34 and 27, respectively), but they too are younger than their civilian counterparts (college graduates in the workforce, 21-49 years old with a mean age of 36). Upon commissioning in FY 2002, the average officer was nearly 28 years old in contrast to 20 years old for average enlisted personnel. The mean age of all active officers was 34 years, while that of enlisted members was 27 years.

#### **Working Spouse**

While the military does not actively encourage employment of the spouses of its personnel, other factors contribute to the low occurrence of working spouses. Educational attainment, number of children under 18, frequent relocation (every 2-4 years), and the remote location of many military installations also results in approximately 15% of military spouses being employed.

#### **Enlisted Ranks**

Enlisted personnel are grouped into nine (9) pay grades, E1 through E9 corresponding to the ranks of Private in the Army and Marine Corps, Seaman Recruit in the Navy, and Airman Basic in the Air Force through Sergeant Major in the Army and Marine Corps, Master Chief Petty Officer in the Navy, and Chief Master Sergeant in the Air Force. Enlisted personnel in grades E1 and E2 are trainees. Members in pay grades E3 and E4 are at the apprentice level, working under journeymen, who are at pay grades E5 and E6. Supervisor positions are at pay grades E7 through E9.

More than half of the enlisted force is in pay grades E1 through E4 (53%). Grades E4 and E5 make up the largest concentration of the enlisted force (21%). This distribution is necessary to provide a sufficient number of trained leaders to fill the higher ranks. Not all personnel in the lower ranks reenlist and progress to the higher grades.

**Commissioned Officer Ranks**

The commissioned officer corps is divided into ten (10) pay grades (O-1 through O-10). Officers in pay grades O-1 through O-3 are considered company grade officers. In the Army, Marine Corps, and Air Force, these pay grades correspond to the ranks of second lieutenant (O-1), first lieutenant (O-2), and captain (O-3), and in the Navy, ensign, lieutenant junior grade, and lieutenant. Officers in the next three pay grades (O-4 through O-6) are considered field grade officers.

**Conclusions**

The demographic profile of the military is very different from that of the general population which has a definite impact on the housing market. Fifty three (53%) of enlisted personnel are 25 years of age or less while 13.5% of officers are of similar age. A significant portion of the lower ranks (especially E1-E4s) are single and very young and if married generally do not have any or few children.

**Military Housing Standards**

Grade, family size, and composition determine military housing requirements. Bedroom entitlements are based on one bedroom per dependent child and a minimum bedroom requirement by rank. Junior enlisted and company grade officers require a minimum of a two-bedroom unit, while families of field grade officers and senior NCOs require a minimum of a three-bedroom unit. Senior and general officers require a minimum of a four-bedroom unit. This “minimum-room standard” greatly exceeds the non-military community standard. For example, a single individual would qualify for only a studio/1 bedroom unit, not a 3-bedroom unit as required for an O-4 in the military.

**Table 1. Housing Standards by Pay Grade (With and Without Dependents)**

<i>With dependents</i>		<i>Without dependents</i>	
Grade	Housing Standard	Grade	Housing Standard
E-1	Midpoint of 2 bed	E-1	
E-2	apt and 2 bed	E-2	1 bedroom apartment
E-3	townhouse	E-3	
E-4		E-4	
E-5	2 bedroom	E-5	2 bedroom
O-1	townhouse/duplex	O-1	apartment
E-6		E-6	
W-1		W-1	
E-7	3 bedroom	E-7	
O-2	townhouse/duplex	O-2	
O-1E		O-1E	
W-2		W-2	2 bedroom
E-8		E-8	townhouse/duplex
W-3		W-3	
O-2E		O-2E	
O-3		O-3	
E-9	3 bedroom single	E-9	
W-4	family detached	W-4	
O-3E		O-3E	3 bedroom
O-4		O-4	townhouse/duplex
W-5		W-5	
O-5		O-5	
O-6	4 bedroom single	O-6	3 bedroom single
O-7	family detached	O-7	family detached

Source: Department of Defense, 2004; Strategic Planning Group, Inc., 2005

## **On-installation versus Off-installation Military Housing**

Most military installations, recognizing the need for a cohesive military community and its effect on the morale of its members, have on-installation housing that provides accommodations for family and unaccompanied personnel.

### ***On-Installation Family Housing***

Although not all families can be housed on the installation, the presence of housing and community support facilities to accommodate 10% of the families in each grade is established as part of the minimum requirement. In addition to the need for a “military community” housing allocation, on-installation housing requirements include:

- Key and Essential Personnel - Housing for all key and essential military and civilian personnel.
- Historic Housing - U.S. Government-owned housing units listed on or eligible for the National Register of Historic Places under the National Historic Preservation Act.
- Quality of Life – Housing for members whose regular military compensation (RMC)<sup>3</sup> is less than 50% of the local median family income.

### ***On-Installation Unaccompanied Housing***

All E-1 through E-3, unaccompanied personnel and E-4s with less than three years of service are to be housed on-installation. All other families and unaccompanied personnel are assumed to be housed within the local community in private housing.<sup>4</sup>

## **Off-installation Military Housing**

Off-installation housing requirements and standards are based on rental housing standards established by DoD and interpreted by the individual military branches. The military use “suitable rental housing”<sup>5</sup> in defining housing supply. According to the military, housing must be within a reasonable commute distance of the installation and not in an area designated by the installation commander as unacceptable for health or safety reasons. The housing must be no more expensive than the local median housing costs as determined by DoD for each pay grade. Housing must meet minimum size standards; however, size alone is generally not a sufficient consideration to make housing unsuitable.

Rental mobile homes are not considered suitable housing for military personnel. All homes occupied by the military owner are considered to be acceptable, regardless of any other criteria. Suitability estimates are based on on-site surveys of rental units throughout the housing market area, interviews with property managers, local planning staff, and base housing representatives.

## **Basic Allowance for Housing (BAH)**

The purpose of the BAH program is to provide fair housing allowances to military personnel and their families. The goal is to help members cover the costs of housing (rent, utilities, and renter’s insurance) in the private sector.

The BAH Program measures rental-housing costs in the civilian market rather than measuring how much military personnel spend on housing. In the past, the BAH did not represent the total housing

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<sup>3</sup> RMC is the sum of annual standard base pay, housing and subsistence allowances, and a tax adjustment to reflect the exemption from Federal Income Tax of the housing and subsistence allowances.

<sup>4</sup> Within a 20-mile radius or 60-minute peak time commute.

<sup>5</sup> DoD 4165.63-M (U.S. Department of Defense, 1993)

costs paid by military personnel and they were, therefore, required to pay some housing expenses out-of-pocket. For example, in 2002, out-of-pocket expenses represented 11.3% of the average housing costs, 7.5% in 2003 and 3.5% in 2004. The 2005 Military Authorization Bill has reduced out-of-pocket expenses to 0.

While BAH differs by geography, the following table shows the 2004 BAH by grade for the Jacksonville area compared to the HUD Fair Market Rents for Jacksonville.

**Table 2. Comparison of BAH to Fair Market Rents, Jacksonville, 2004**

Grade	BAH	Jacksonville MSA HUD Fair Market Rent 2004				
		0 BR	1 BR	2 BR	3 BR	4 BR
<i>With Dependents</i>						
E-1	\$869	\$501	\$561	\$675	\$892	\$993
E-2	\$869	\$501	\$561	\$675	\$892	\$993
E-3	\$869	\$501	\$561	\$675	\$892	\$993
E-4	\$869	\$501	\$561	\$675	\$892	\$993
E-5	\$928	\$501	\$561	\$675	\$892	\$993
E-6	\$1,028	\$501	\$561	\$675	\$892	\$993
E-7	\$1,044	\$501	\$561	\$675	\$892	\$993
E-8	\$1,061	\$501	\$561	\$675	\$892	\$993
E-9	\$1,135	\$501	\$561	\$675	\$892	\$993
W-1	\$1,028	\$501	\$561	\$675	\$892	\$993
W-2	\$1,051	\$501	\$561	\$675	\$892	\$993
W-3	\$1,076	\$501	\$561	\$675	\$892	\$993
W-4	\$1,159	\$501	\$561	\$675	\$892	\$993
W-5	\$1,259	\$501	\$561	\$675	\$892	\$993
O-1	\$939	\$501	\$561	\$675	\$892	\$993
O-2	\$1,026	\$501	\$561	\$675	\$892	\$993
O-3	\$1,074	\$501	\$561	\$675	\$892	\$993
O-4	\$1,301	\$501	\$561	\$675	\$892	\$993
O-5	\$1,463	\$501	\$561	\$675	\$892	\$993
O-6	\$1,475	\$501	\$561	\$675	\$892	\$993
O-7	\$1,492	\$501	\$561	\$675	\$892	\$993
<i>Without Dependents</i>						
E-1	\$683	\$501	\$561	\$675	\$892	\$993
E-2	\$683	\$501	\$561	\$675	\$892	\$993
E-3	\$683	\$501	\$561	\$675	\$892	\$993
E-4	\$683	\$501	\$561	\$675	\$892	\$993
E-5	\$768	\$501	\$561	\$675	\$892	\$993
E-6	\$818	\$501	\$561	\$675	\$892	\$993
E-7	\$873	\$501	\$561	\$675	\$892	\$993
E-8	\$947	\$501	\$561	\$675	\$892	\$993
E-9	\$979	\$501	\$561	\$675	\$892	\$993
W-1	\$846	\$501	\$561	\$675	\$892	\$993
W-2	\$947	\$501	\$561	\$675	\$892	\$993
W-3	\$982	\$501	\$561	\$675	\$892	\$993
W-4	\$1,032	\$501	\$561	\$675	\$892	\$993
W-5	\$1,048	\$501	\$561	\$675	\$892	\$993
O-1	\$810	\$501	\$561	\$675	\$892	\$993
O-2	\$907	\$501	\$561	\$675	\$892	\$993
O-3	\$992	\$501	\$561	\$675	\$892	\$993
O-4	\$1,046	\$501	\$561	\$675	\$892	\$993
O-5	\$1,056	\$501	\$561	\$675	\$892	\$993
O-6	\$1,076	\$501	\$561	\$675	\$892	\$993
O-7	\$1,098	\$501	\$561	\$675	\$892	\$993

Source: Strategic Planning Group, Inc. 2005

**Military versus Non-Military Housing Affordability**

The subject of this study effort is to determine the availability of affordable housing for military personnel residing off-installation. In order to determine affordability, one must first define the term. The FHFC’s definition of affordability is for a household to pay no more than 40% of its annual income on housing, including utilities. Families who pay more than 40% of their income for housing are considered cost-burdened and may have difficulty affording necessities, such as food, clothing, transportation and medical care.

The military’s definition of affordability differs from the private sector. In the military sector, affordability is measured by whether military personnel can find “suitable housing” within the price

range of the BAH plus out of pocket contribution<sup>6</sup> not by basic salary or adjusted salary as defined below.

The use of BAH or MAHC does not truly represent family or household income as defined within the non-military community (salary/income). Military personnel and their families receive not only a basic salary, but also a host of allowances which are tax-free. In order to accurately compare household incomes, one must not only compare military income plus allowances, but also adjust (add) income for the tax advantages. This is defined as **Regular Military Compensation (RMC)** as shown in Table 3.

**Table 3. Eglin AFB Regular Military Compensation, 2004**

With Dependents	BAH	BAS <sup>1</sup>	Allowances Annualized	Salary Range		Calculated Basic Income			Regular Military Compensation	Military as % of Median
				Annualized	Annualized	Annualized	Tax Adjustment	Annualized		
E-1	\$703	\$254	\$11,490	\$1,104	\$1,193	\$1,193	\$14,316	\$925	\$26,731	48.9%
E-2	\$703	\$254	\$11,490	\$1,338	\$1,338	\$1,338	\$16,052	\$1,200	\$28,742	52.5%
E-3	\$703	\$254	\$11,490	\$1,407	\$1,586	\$1,496	\$17,946	\$1,401	\$30,837	56.4%
E-4	\$703	\$254	\$11,490	\$1,558	\$1,892	\$1,814	\$21,769	\$1,515	\$34,774	63.6%
E-5	\$754	\$254	\$12,102	\$1,700	\$2,368	\$2,368	\$28,415	\$1,826	\$42,342	77.4%
E-6	\$879	\$254	\$13,602	\$1,856	\$2,810	\$2,810	\$33,718	\$2,287	\$49,606	90.7%
E-7	\$924	\$254	\$14,142	\$2,145	\$3,855	\$3,342	\$40,100	\$2,483	\$56,725	103.7%
E-8	\$973	\$254	\$14,730	\$3,086	\$4,314	\$3,716	\$44,586	\$2,672	\$61,987	113.3%
E-9	\$1,044	\$254	\$15,582	\$3,769	\$5,055	\$4,777	\$57,319	\$3,971	\$76,871	140.5%
W-1	\$880	\$175	\$12,663	\$2,213	\$3,536	\$2,594	\$31,122	\$2,079	\$45,863	83.8%
W-2	\$944	\$175	\$13,431	\$2,506	\$4,104	\$3,158	\$37,894	\$2,364	\$53,688	98.2%
W-3	\$1,003	\$175	\$14,139	\$2,849	\$4,716	\$3,596	\$43,150	\$3,308	\$60,597	110.8%
W-4	\$1,060	\$175	\$14,823	\$3,119	\$5,446	\$4,617	\$55,408	\$5,013	\$75,244	137.6%
W-5	\$1,126	\$175	\$15,615	\$5,361	\$5,914	\$5,544	\$66,532	\$5,763	\$87,909	160.7%
O-1	\$768	\$175	\$11,319	\$2,264	\$2,849	\$2,264	\$27,173	\$1,858	\$40,350	73.8%
O-2	\$876	\$175	\$12,615	\$2,608	\$3,610	\$3,422	\$41,058	\$2,220	\$55,893	102.2%
O-3	\$1,001	\$175	\$14,115	\$3,019	\$4,911	\$4,220	\$50,641	\$3,303	\$68,059	124.4%
O-4	\$1,153	\$175	\$15,939	\$3,434	\$5,733	\$4,809	\$57,712	\$5,391	\$79,041	144.5%
O-5	\$1,260	\$175	\$17,223	\$3,980	\$6,761	\$5,603	\$67,234	\$6,356	\$90,812	166.0%
O-6	\$1,270	\$175	\$17,343	\$4,774	\$8,285	\$6,807	\$81,688	\$6,414	\$105,445	192.8%
O-7	\$1,285	\$175	\$17,523	\$6,441	\$9,434	\$9,386	\$112,633	\$6,786	\$136,942	250.4%
Without Dependents										
E-1	\$557	\$254	\$9,738	\$1,104	\$1,193	\$1,193	\$14,316	\$784	\$24,838	45.4%
E-2	\$557	\$254	\$9,738	\$1,338	\$1,338	\$1,338	\$16,052	\$1,017	\$26,807	49.0%
E-3	\$557	\$254	\$9,738	\$1,407	\$1,586	\$1,496	\$17,946	\$1,188	\$28,871	52.8%
E-4	\$557	\$254	\$9,738	\$1,558	\$1,892	\$1,814	\$21,769	\$1,284	\$32,791	59.9%
E-5	\$621	\$254	\$10,506	\$1,700	\$2,368	\$2,368	\$28,415	\$1,585	\$40,505	74.0%
E-6	\$659	\$254	\$10,962	\$1,856	\$2,810	\$2,810	\$33,718	\$1,843	\$46,522	85.0%
E-7	\$706	\$254	\$11,526	\$2,145	\$3,855	\$3,342	\$40,100	\$2,024	\$53,649	98.1%
E-8	\$778	\$254	\$12,390	\$3,086	\$4,314	\$3,716	\$44,586	\$2,247	\$59,223	108.3%
E-9	\$817	\$254	\$12,858	\$3,769	\$5,055	\$4,777	\$57,319	\$3,277	\$73,453	134.3%
W-1	\$684	\$175	\$10,311	\$2,213	\$3,536	\$2,594	\$31,122	\$1,692	\$43,125	78.8%
W-2	\$778	\$175	\$11,439	\$2,506	\$4,104	\$3,158	\$37,894	\$2,013	\$51,345	93.9%
W-3	\$821	\$175	\$11,955	\$2,849	\$4,716	\$3,596	\$43,150	\$2,797	\$57,902	105.9%
W-4	\$890	\$175	\$12,783	\$3,119	\$5,446	\$4,617	\$55,408	\$4,323	\$72,514	132.6%
W-5	\$935	\$175	\$13,323	\$5,361	\$5,914	\$5,544	\$66,532	\$4,917	\$84,771	155.0%
O-1	\$652	\$175	\$9,927	\$2,264	\$2,849	\$2,264	\$27,173	\$1,629	\$38,729	70.8%
O-2	\$736	\$175	\$10,935	\$2,608	\$3,610	\$3,422	\$41,058	\$1,924	\$53,917	98.6%
O-3	\$834	\$175	\$12,111	\$3,019	\$4,911	\$4,220	\$50,641	\$2,834	\$65,586	119.9%
O-4	\$928	\$175	\$13,239	\$3,434	\$5,733	\$4,809	\$57,712	\$4,478	\$75,428	137.9%
O-5	\$958	\$175	\$13,599	\$3,980	\$6,761	\$5,603	\$67,234	\$5,019	\$85,851	156.9%
O-6	\$1,003	\$175	\$14,139	\$4,774	\$8,285	\$6,807	\$81,688	\$5,229	\$101,056	184.7%
O-7	\$1,023	\$175	\$14,379	\$6,441	\$9,434	\$9,386	\$112,633	\$5,568	\$132,580	242.4%

<sup>1</sup>BAS is Military Basic Allowance for Subsistence.

Source: Strategic Planning Group, Inc. 2005

Using Table 3, an E-3 household's income (excluding wages of a working spouse) would increase from a basic "salary" of \$17,946 to a total compensation of \$30,837, of which \$703/month (\$8,436/yr) is to be used for housing (BAH). As shown in Table 4, there are numerous cases (especially E1-E4) where housing costs exceed the BAH; however, using the 40% of RMC rule, no grade<sup>7</sup> was below the existing average rental rates.

<sup>6</sup> Or MAHC which is the BAH plus the required out-of-pocket contribution

<sup>7</sup> Only E1 singles' 40% RMC rate was less than the cost of a 4-bedroom unit. E1-E3 singles are required to reside on installation.



**Table 4. Eglin AFB/Hurlburt Field BAH and RMC comparison - 2004**

Eglin								
Grade	Monthly Affordable		Ft. Walton MSA HUD Fair Market Rent by Bedroom					
	With Dependents	BAH	Rent @ 40% RMC	0 BR	1 BR	2 BR	3 BR	4 BR
E-1	\$703	\$703	\$891	\$436	\$477	\$542	\$735	\$866
E-2	\$703	\$703	\$958	\$436	\$477	\$542	\$735	\$866
E-3	\$703	\$703	\$1,028	\$436	\$477	\$542	\$735	\$866
E-4	\$703	\$703	\$1,159	\$436	\$477	\$542	\$735	\$866
E-5	\$754	\$754	\$1,411	\$436	\$477	\$542	\$735	\$866
E-6	\$879	\$879	\$1,654	\$436	\$477	\$542	\$735	\$866
E-7	\$924	\$924	\$1,891	\$436	\$477	\$542	\$735	\$866
E-8	\$973	\$973	\$2,066	\$436	\$477	\$542	\$735	\$866
E-9	\$1,044	\$1,044	\$2,562	\$436	\$477	\$542	\$735	\$866
W-1	\$880	\$880	\$1,529	\$436	\$477	\$542	\$735	\$866
W-2	\$944	\$944	\$1,790	\$436	\$477	\$542	\$735	\$866
W-3	\$1,003	\$1,003	\$2,020	\$436	\$477	\$542	\$735	\$866
W-4	\$1,060	\$1,060	\$2,508	\$436	\$477	\$542	\$735	\$866
W-5	\$1,126	\$1,126	\$2,930	\$436	\$477	\$542	\$735	\$866
O-1	\$768	\$768	\$1,345	\$436	\$477	\$542	\$735	\$866
O-2	\$876	\$876	\$1,863	\$436	\$477	\$542	\$735	\$866
O-3	\$1,001	\$1,001	\$2,269	\$436	\$477	\$542	\$735	\$866
O-4	\$1,153	\$1,153	\$2,635	\$436	\$477	\$542	\$735	\$866
O-5	\$1,260	\$1,260	\$3,027	\$436	\$477	\$542	\$735	\$866
O-6	\$1,270	\$1,270	\$3,515	\$436	\$477	\$542	\$735	\$866
O-7	\$1,285	\$1,285	\$4,565	\$436	\$477	\$542	\$735	\$866
Without Dependents								
E-1	\$557	\$557	\$828	\$436	\$477	\$542	\$735	\$866
E-2	\$557	\$557	\$894	\$436	\$477	\$542	\$735	\$866
E-3	\$557	\$557	\$962	\$436	\$477	\$542	\$735	\$866
E-4	\$557	\$557	\$1,093	\$436	\$477	\$542	\$735	\$866
E-5	\$621	\$621	\$1,350	\$436	\$477	\$542	\$735	\$866
E-6	\$659	\$659	\$1,551	\$436	\$477	\$542	\$735	\$866
E-7	\$706	\$706	\$1,788	\$436	\$477	\$542	\$735	\$866
E-8	\$778	\$778	\$1,974	\$436	\$477	\$542	\$735	\$866
E-9	\$817	\$817	\$2,448	\$436	\$477	\$542	\$735	\$866
W-1	\$684	\$684	\$1,438	\$436	\$477	\$542	\$735	\$866
W-2	\$778	\$778	\$1,712	\$436	\$477	\$542	\$735	\$866
W-3	\$821	\$821	\$1,930	\$436	\$477	\$542	\$735	\$866
W-4	\$890	\$890	\$2,417	\$436	\$477	\$542	\$735	\$866
W-5	\$935	\$935	\$2,826	\$436	\$477	\$542	\$735	\$866
O-1	\$652	\$652	\$1,291	\$436	\$477	\$542	\$735	\$866
O-2	\$736	\$736	\$1,797	\$436	\$477	\$542	\$735	\$866
O-3	\$834	\$834	\$2,186	\$436	\$477	\$542	\$735	\$866
O-4	\$928	\$928	\$2,514	\$436	\$477	\$542	\$735	\$866
O-5	\$958	\$958	\$2,862	\$436	\$477	\$542	\$735	\$866
O-6	\$1,003	\$1,003	\$3,369	\$436	\$477	\$542	\$735	\$866
O-7	\$1,023	\$1,023	\$4,419	\$436	\$477	\$542	\$735	\$866

Source: Strategic Planning Group, Inc., 2005

**Installation Summaries**

**Northeast Region**

The region, especially Duval, Clay, Bradford and St. Johns counties, has, historically, had a large military presence. Over the years, however, there has been a rise and fall in military personnel stationed within the region, as well as base/installation closures, the most recent being NAS Cecil Field.

For the purpose of this study, only the following military installations<sup>8</sup> were analyzed: Naval Station (NS) Mayport, Naval Air Station (NAS) Jacksonville, Naval Depot Jacksonville,<sup>9</sup> and Blount Island Command.

### **Naval Air Station Jacksonville**

The oldest of three Navy installations in the area, NAS Jacksonville occupies 3,896 acres along the scenic St. Johns River and employs more than 23,000<sup>10</sup> active-duty and civilian personnel. In addition to the employees, NAS Jacksonville services thousands of retirees and dependents, resulting in more than \$2 billion being infused into the local community annually. In addition to the many operational squadrons flying P-3, C-12, C-9 aircraft and SH-60F helicopters, NAS Jacksonville is home to Patrol Squadron Thirty (VP-30), the Navy's largest aviation squadron and the only "Orion" Fleet Replacement Squadron that prepares and trains U.S. and foreign pilots, air crew and maintenance personnel for further operational assignments.

Support facilities include an airfield for pilot training, a maintenance depot employing more than 150 different trade skills capable of performing maintenance as basic as changing a tire to intricate microelectronics or total engine disassembly, a Naval Hospital, a Fleet Industrial Supply Center, a Navy Family Service Center, and recreational facilities for the single sailor or the entire family.

As of FY 2003, NAS Jacksonville had 9,148 active-duty, permanent personnel. There were 5,678 families and 3,334 unaccompanied personnel in need of housing (on- and off-installation). Enlisted ranks accounted for 7,533 (82.3%) of the active-duty personnel, while 1,615 (17.7%) were officers.

### **Naval Station Mayport**

Since its commissioning in December 1942, NS Mayport has grown to become the third largest fleet concentration area in the United States. NS Mayport's operational composition is unique, with a busy harbor capable of accommodating 34 ships and an 8,000-foot runway capable of handling any aircraft in the Department of Defense (DoD) inventory.

NS Mayport is home to more than 70 tenant commands and private organizations. Some two dozen ships are presently berthed in the Mayport basin, including AEGIS guided-missile cruisers and destroyers and guided-missile frigates. The aircraft carrier USS John F. Kennedy and an additional 20 ships are home-ported at NS Mayport. The Naval Station is unique in that it is home to a busy seaport, as well as an air facility that conducts more than 135,000 flight operations each year. NS Mayport consolidated operations with Naval Air Station Mayport in 1992, and became NS Mayport. In January 2004, The Navy decided to relocate U.S. Naval Forces Southern Command (USNAVSO) from Naval Station Roosevelt Roads, Puerto Rico, to NS Mayport. More than 13,000 active-duty personnel, 45,000 family members and retirees, and 1,400 civilian employees comprise the NS Mayport family. The Navy at Mayport covers 3,409 acres and is the third largest naval facility in the continental United States.

As of FY 2003, NS Mayport had 13,051 active-duty, permanent personnel. There were 6,474 families and 6,164 unaccompanied personnel in need of housing (on- and off-installation). Enlisted ranks accounted for 11,699 (90%) of the active-duty personnel, while 1,352 (10%) were officers.

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<sup>8</sup> Jacksonville lost NAS Cecil Field during the 1995 BRAC process.

<sup>9</sup> Naval Depot Jacksonville is a tenant on NAS Jacksonville.

<sup>10</sup> In 2003, according to the Haas Center's Florida Military Defense Impact study.

**Blount Island Command**

Blount Island Command (BICmd) is located in the middle of the St. Johns River seven miles west of the sea buoy adjacent to NS Mayport, and twelve miles by way of the river northeast of Downtown Jacksonville, Florida. NAS Jacksonville is located south of Downtown Jacksonville and is 26 miles from Blount Island. Naval Submarine Base Kings Bay, Georgia, is 35 miles to the north.

As the Commandant of the Marine Corps' Executive Agent for Marine Corps Pre-positioning Programs, Blount Island Command plans, coordinates, and executes the logistics efforts in support of Maritime Pre-positioning Ships and the Norway GeoPrepositioning Programs.

Blount Island Command has an estimated 131 military personnel as of the beginning of 2005. The loadings predominately include Marine personnel, although the Command has 15 Navy personnel assigned to the base.

***Military Personnel Housing Needs***

As of FY2003, the three installations had 21,811 active-duty, permanent personnel. As shown in Table 5, there were 12,245 families and 9,565 unaccompanied personnel in need of housing (on and off the installation). Enlisted ranks accounted for 18,864 (86.5%) of the active-duty personnel, while 2947 (13.5%) were officers.

**Table 5. Military Personnel, Family and Unaccompanied, 2003<sup>11</sup>**

<b>Grade</b>	<b>Family</b>	<b>Unaccompanied</b>	<b>Total Personnel</b>
<b>Total</b>	12,246	9,565	21,811
<b>Officers</b>	1,855	1,092	2,947
<b>O6+</b>	98	34	132
<b>W4-O5</b>	672	103	775
<b>W1-O3</b>	1,085	955	2,040
<b>Enlisted</b>	10,391	8,473	18,864
<b>E7-E9</b>	1,924	213	2,136
<b>E4-E6</b>	7,458	5,102	12,560
<b>E1-E3</b>	1,009	3,158	4,168

Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc., 2005

**On-Installation Housing**

The military requires that some of the personnel assigned to the installation be housed on-installation or in government-controlled housing (which is either privatized housing on- or off-installation or leased/owned housing located off-installation).

***On-Installation Family Housing<sup>12</sup>***

According to the NAS Jacksonville Housing Office,<sup>13</sup> NAS Jacksonville had a government-controlled,<sup>14</sup> family housing occupancy of 548 units; 81 for officers and 485 for enlisted. The majority of those housed are E4-E6 families.

<sup>11</sup> NAS Jacksonville and MS Mayport are 2003 figures; Blount Island Command is 2004.

<sup>12</sup> On-installation housing need is calculated using four components: 10% per grade; Key and Essential positions; Historic Housing on-site; and those who's total compensation (RMC) falls below 50% of the median family income for the area.

<sup>13</sup> 2003 Housing Market Analysis, Naval Air Station Jacksonville, Florida, Feb 2004, Robert D. Niehaus, Inc.

<sup>14</sup> Government-owned or controlled housing is primarily on the installation itself.

According to the NS Mayport Housing Office,<sup>15</sup> NS Mayport had a government-controlled,<sup>16</sup> family housing occupancy of 1,511 units,<sup>17</sup> 92 for officers and 1,059 for enlisted. The majority of those housed are E4-E6 families.

Blount Island Command had no government-controlled housing, although its personnel can use the available housing under the control of either NAS Jacksonville or NS Mayport.

#### On-Installation Unaccompanied Housing

According to Navy standards, all unaccompanied E1-E3 personnel and resident advisors are required to be housed on-installation. Resident advisors can be filled by personnel in grades E4-E9 and are subject to change. For purposes of the Navy's 2003 Housing Market Assessment resident advisors were assumed to be in grades E5-6. As of December 2004, NAS Jacksonville had 2,400 Bachelor Enlisted Quarters (BEQ) and 325 Bachelor Officer Quarters (BOQ). By regulation, only 1,071 unaccompanied personnel are required to be housed on-installation.

#### **Off-Installation Housing**

##### Off-Installation Family Housing

The Department of Navy estimates that its off-installation or "community first" family housing requirements were 10,543 families in 2003, as shown in Table 6.

**Table 6. Off-Installation Family Housing Requirements, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	4,432	4,088	2,024	10,543
<b>Officers</b>	603	744	352	1,699
O6+	0	0	69	69
W4-O5	0	469	154	623
W1-O3	603	275	129	1,007
<b>Enlisted</b>	3,829	3,344	1,672	8,844
E7-E9	0	1,378	424	1,802
E4-E6	3,316	1,832	1,207	6,355
E1-E3	513	134	41	688

Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc., 2005

As is the case at most military installations, a significant number of military personnel choose to buy rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. The Navy estimated that 5,610 military personnel owned their own homes in 2003 (Table 7).

<sup>15</sup> 2003 Housing Market Analysis, Naval Station Mayport,, Florida, November 2003, Robert D. Niehaus, Inc.

<sup>16</sup> Government-owned or -controlled housing is primarily on the installation itself.

<sup>17</sup> According the 2003 Haas Military Impact Study, NS Mayport had 1,281 family housing units implying the availability of an additional 230 units.

**Table 7. Military Family Homeowners, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	1,996	2,459	1,155	5,610
<b>Officers</b>	376	524	246	1,146
<b>O6+</b>	0	0	64	64
<b>W4-O5</b>	0	351	109	460
<b>W1-O3</b>	376	173	73	622
<b>Enlisted</b>	1,620	1,935	909	4,464
<b>E7-E9</b>	0	1,035	321	1,356
<b>E4-E6</b>	1,620	900	588	3,108
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc., 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. The Navy estimates that 4,933 military families rented homes in 2003 (Table 8).

**Table 8. Military Family Renters, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	2,436	1,933	1,009	4,933
<b>Officers</b>	227	524	246	553
<b>O6+</b>	0	0	5	5
<b>W4-O5</b>	0	118	45	163
<b>W1-O3</b>	227	102	56	385
<b>Enlisted</b>	2,209	1,409	763	4,380
<b>E7-E9</b>	0	343	103	446
<b>E4-E6</b>	1,696	932	619	3,247
<b>E1-E3</b>	513	134	41	688

Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc., 2005

### *Off-Installation Unaccompanied Housing*

The demand for off-installation, unaccompanied housing is based on the difference between the total number of unaccompanied personnel and those required to reside in government-controlled housing. The Navy estimated that there were 6,197 unaccompanied personnel residing within the community in 2003 (Table 9).

**Table 9. Off-Installation Unaccompanied Housing Requirements, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	4,458	1,632	107	6,197
<b>Officers</b>	0	953	107	1,060
<b>O6+</b>	0	0	4	4
<b>W4-O5</b>	0	0	103	103
<b>W1-O3</b>	0	953	0	953
<b>Enlisted</b>	4,458	679	0	5,137
<b>E7-E9</b>	0	205	0	205
<b>E4-E6</b>	4,458	411	0	4,869
<b>E1-E3</b>	0	63	0	63

Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc., 2005

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 909 personnel (Table 10).

**Table 10. Unaccompanied Homeowners, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	328	339	59	909
<b>Officers</b>	0	237	59	296
<b>O6+</b>	0	0	3	3
<b>W4-O5</b>	0	0	56	56
<b>W1-O3</b>	0	237	0	237
<b>Enlisted</b>	328	102	0	613
<b>E7-E9</b>	0	94	0	94
<b>E4-E6</b>	328	128	0	456
<b>E1-E3</b>	0	63	0	63

Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc., 2005

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Navy to estimate that 5,288 unaccompanied military renters resided off-installation in 2003 (Table 11).

**Table 11. Unaccompanied Renters, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	1,363	491	32	5,288
<b>Officers</b>	0	304	32	764
<b>O6+</b>	0	0	1	1
<b>W4-O5</b>	0	0	47	47
<b>W1-O3</b>	0	716	0	716
<b>Enlisted</b>	4,130	394	0	4,524
<b>E7-E9</b>	0	111	0	111
<b>E4-E6</b>	4,130	283	0	4,413
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 NAS Jacksonville Housing Analysis

### **Regular Military Compensation (RMC)**

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 12, these “adjustments” to salary result in RMC, which is comparable to non-military family/household income. The household income for military personnel residing off-installation ranges from \$26,472 (E1 unaccompanied) to \$140,387 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.



Table 12. Regular Military Compensation

With Dependents	BAH	BAS	Allowances			Calculated			Regular Military Compensation	Military as % of Median
			Annualized	Salary Range		Basic Income	Annualized	Tax Adjustment		
E-1	\$869	\$254	\$13,482	\$1,104	\$1,193	\$1,193	\$14,316	\$1,086	\$28,883	51.0%
E-2	\$869	\$254	\$13,482	\$1,338	\$1,338	\$1,338	\$16,052	\$1,408	\$30,942	54.7%
E-3	\$869	\$254	\$13,482	\$1,407	\$1,586	\$1,496	\$17,946	\$1,644	\$33,072	58.4%
E-4	\$869	\$254	\$13,482	\$1,558	\$1,892	\$1,814	\$21,769	\$1,778	\$37,028	65.4%
E-5	\$928	\$254	\$14,190	\$1,700	\$2,368	\$2,368	\$28,415	\$2,141	\$44,745	79.1%
E-6	\$1,028	\$254	\$15,390	\$1,856	\$2,810	\$2,810	\$33,718	\$2,587	\$51,694	91.3%
E-7	\$1,044	\$254	\$15,582	\$2,145	\$3,855	\$3,342	\$40,100	\$2,736	\$58,418	103.2%
E-8	\$1,061	\$254	\$15,786	\$3,086	\$4,314	\$3,716	\$44,586	\$2,863	\$63,235	111.7%
E-9	\$1,135	\$254	\$16,674	\$3,769	\$5,055	\$4,777	\$57,319	\$4,249	\$78,242	138.2%
W-1	\$1,028	\$175	\$14,439	\$2,213	\$3,536	\$2,594	\$31,122	\$2,370	\$47,931	84.7%
W-2	\$1,051	\$175	\$14,715	\$2,506	\$4,104	\$3,158	\$37,894	\$2,590	\$55,198	97.5%
W-3	\$1,076	\$175	\$15,015	\$2,849	\$4,716	\$3,596	\$43,150	\$3,613	\$61,678	109.0%
W-4	\$1,159	\$175	\$16,011	\$3,119	\$5,446	\$4,617	\$55,408	\$5,415	\$76,834	135.7%
W-5	\$1,259	\$175	\$17,211	\$5,361	\$5,914	\$5,544	\$66,532	\$6,352	\$90,094	159.2%
O-1	\$939	\$175	\$13,371	\$2,264	\$2,849	\$2,264	\$27,173	\$2,195	\$42,738	75.5%
O-2	\$1,026	\$175	\$14,415	\$2,608	\$3,610	\$3,422	\$41,058	\$2,537	\$58,010	102.5%
O-3	\$1,074	\$175	\$14,991	\$3,019	\$4,911	\$4,220	\$50,641	\$3,508	\$69,140	122.2%
O-4	\$1,301	\$175	\$17,715	\$3,434	\$5,733	\$4,809	\$57,712	\$5,992	\$81,418	143.8%
O-5	\$1,463	\$175	\$19,659	\$3,980	\$6,761	\$5,603	\$67,234	\$7,255	\$94,147	166.3%
O-6	\$1,475	\$175	\$19,803	\$4,774	\$8,285	\$6,807	\$81,688	\$7,324	\$108,815	192.3%
O-7	\$1,492	\$175	\$20,007	\$6,441	\$9,434	\$9,386	\$112,633	\$7,747	\$140,387	248.0%
Without Dependents										
E-1	\$683	\$254	\$11,250	\$1,104	\$1,193	\$1,193	\$14,316	\$906	\$26,472	46.8%
E-2	\$683	\$254	\$11,250	\$1,338	\$1,338	\$1,338	\$16,052	\$1,175	\$28,477	50.3%
E-3	\$683	\$254	\$11,250	\$1,407	\$1,586	\$1,496	\$17,946	\$1,372	\$30,568	54.0%
E-4	\$683	\$254	\$11,250	\$1,558	\$1,892	\$1,814	\$21,769	\$1,483	\$34,502	61.0%
E-5	\$768	\$254	\$12,270	\$1,700	\$2,368	\$2,368	\$28,415	\$1,851	\$42,535	75.2%
E-6	\$818	\$254	\$12,870	\$1,856	\$2,810	\$2,810	\$33,718	\$2,164	\$48,751	86.1%
E-7	\$873	\$254	\$13,530	\$2,145	\$3,855	\$3,342	\$40,100	\$2,375	\$56,005	98.9%
E-8	\$947	\$254	\$14,418	\$3,086	\$4,314	\$3,716	\$44,586	\$2,615	\$61,619	108.9%
E-9	\$979	\$254	\$14,802	\$3,769	\$5,055	\$4,777	\$57,319	\$3,772	\$75,893	134.1%
W-1	\$846	\$175	\$12,255	\$2,213	\$3,536	\$2,594	\$31,122	\$2,012	\$45,388	80.2%
W-2	\$947	\$175	\$13,467	\$2,506	\$4,104	\$3,158	\$37,894	\$2,370	\$53,730	94.9%
W-3	\$982	\$175	\$13,887	\$2,849	\$4,716	\$3,596	\$43,150	\$3,249	\$60,286	106.5%
W-4	\$1,032	\$175	\$14,487	\$3,119	\$5,446	\$4,617	\$55,408	\$4,900	\$74,794	132.1%
W-5	\$1,048	\$175	\$14,679	\$5,361	\$5,914	\$5,544	\$66,532	\$5,417	\$86,627	153.1%
O-1	\$810	\$175	\$11,823	\$2,264	\$2,849	\$2,264	\$27,173	\$1,941	\$40,936	72.3%
O-2	\$907	\$175	\$12,987	\$2,608	\$3,610	\$3,422	\$41,058	\$2,286	\$56,330	99.5%
O-3	\$992	\$175	\$14,007	\$3,019	\$4,911	\$4,220	\$50,641	\$3,277	\$67,925	120.0%
O-4	\$1,046	\$175	\$14,655	\$3,434	\$5,733	\$4,809	\$57,712	\$4,957	\$77,323	136.6%
O-5	\$1,056	\$175	\$14,775	\$3,980	\$6,761	\$5,603	\$67,234	\$5,453	\$87,461	154.5%
O-6	\$1,076	\$175	\$15,015	\$4,774	\$8,285	\$6,807	\$81,688	\$5,553	\$102,256	180.7%
O-7	\$1,098	\$175	\$15,279	\$6,441	\$9,434	\$9,386	\$112,633	\$5,917	\$133,829	236.4%

Source: Strategic Planning Group, Inc., 2005

### Local Market Demand/Supply

In practicality, the housing market area for NAS Jacksonville includes Duval and Clay counties which had a total population of approximately 980,000 in 2004; while for Blount Island and Mayport, the market area is generally just Duval County. The two counties have experienced significant growth since 1980, averaging around 14,082 new persons per year during the 1980-2000 year period. Growth over 2000-2004 increased at an annual rate of 15,035 persons, due to an increase in Clay County's growth rate. Starting in the late 1980s and continuing today, the general growth of the Jacksonville metropolitan area has been to the east of the St. Johns River,<sup>18</sup> the exception being growth in Clay County. The market area had a 2003 labor force of 492,599, with Duval County accounting for approximately 85%. A large percentage of Clay County residents commute to work in Duval County. The labor force is healthy with an average unemployment rate of 5.4%.

<sup>18</sup> Until 2000, most of this eastern growth was contained within Duval County and the Beaches; however, since 2000, the growth is shifting into northern St. Johns County.



### ***Community Housing Supply***

The Census shows that the market area had approximately 354,000 housing units in 2000 (Table 13), of which owner-occupied housing comprised 65% and rental 35%.

**Table 13. Housing Units, 2000**

	<i>Duval</i>	<i>Clay</i>	<i>Total</i>	<i>%</i>
<b>Total:</b>	303,747	50,243	353,990	
<b>Owner occupied</b>	191,722	39,120	230,842	65.2%
<b>Renter occupied</b>	112,025	11,123	123,148	34.8%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

### **Rental Supply**

According to the 2000 Census, Duval and Clay Counties had a total of 135,200 rental units, of which 12,062 were vacant (Table 14). Total vacant rental units declined by slightly over 1,100 units between the 1990-2000 time periods.

**Table 14. Rental Housing Trends, 1990-2000**

	<i>County</i>	<i>Duval</i>	<i>Clay</i>	<i>Total</i>
<b>Occupied Rental Units</b>	<b>1990</b>	97,801	9,768	107,569
	<b>2000</b>	112,013	11,125	123,138
	<b>Change</b>	14,212	1,357	15,569
<b>Vacant Rental Units</b>	<b>1990</b>	12,323	850	13,173
	<b>2000</b>	11,063	999	12,062
	<b>Change</b>	(1,260)	149	(1,111)
<b>Total Rental Units</b>	<b>1990</b>	110,124	10,618	120,742
	<b>2000</b>	123,076	12,124	135,200

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

Census data for 1990 and 2000 document that Duval and Clay counties added 4,789 new 1-Bedroom units (479 annually), 1,972 new 2-Bedroom units (197 annually), and 4,771 new 3-or-more Bedroom units (477 annually) during the 10-year period between 1990 and 2000. Table 1-31 shows the distribution of rental units by price and bedroom count. The majority of the 1-through 3+-bedroom unit growth are units renting for more than \$600 per month.

### **Current Apartment Inventory**

SPG was able to obtain detailed information on the current inventory of multi-family apartments in the Jacksonville region. It should be noted that apartments represent only a portion of the area's rental inventory, since the apartment survey accounted for only 50+ units and the fact that single family homes account for 47% of the rental market. Table 15 shows the market area is experiencing significant vacancies; ranging from 9.5% for 1-bedroom units to 19% for 4-bedroom units. The area had over 1,400 apartment units (in complexes over 50 units) vacant as of November 2004.

**Table 15. NAS Jacksonville Apartment Market**

	1 Bedroom Rent Range				2 Bedroom Rent Range				3 Bedroom(s) Rent Range				4 Bedroom(s) Rent Range			
	Total Units	Vacant Units	Vacancy Rate	Percent Of Total Units	Total Units	Vacant Units	Vacancy Rate	Percent Of Total Units	Total Units	Vacant Units	Vacancy Rate	Percent Of Total Units	Total Units	Vacant Units	Vacancy Rate	Percent Of Total Units
\$ 400 or less	0	0		0.0%	0	0		0.0%	0	0		0.0%	0	0		0.0%
\$ 400-\$449	161	18	11.2%	3.4%	0	0		0.0%	0	0		0.0%	0	0		0.0%
\$ 450-\$499	783	109	13.9%	16.6%	140	55	39.3%	2.2%	0	0		0.0%	0	0		0.0%
\$ 500-\$549	915	76	8.3%	19.4%	162	14	8.6%	2.6%	0	0		0.0%	0	0		0.0%
\$ 550-\$599	920	74	8.0%	19.5%	829	117	14.1%	13.3%	148	69	46.6%	6.7%	0	0		0.0%
\$ 600-\$649	594	45	7.6%	12.6%	553	52	9.4%	8.9%	141	0	0.0%	6.4%	36	9	25.0%	55.4%
\$ 650-\$699	293	19	6.5%	6.2%	1,118	116	10.4%	18.0%	232	47	20.3%	10.5%	0	0		0.0%
\$ 700-\$749	434	38	8.8%	9.2%	1083	128	11.8%	17.4%	332	60	18.1%	15.0%	0	0		0.0%
\$ 750-\$799	48	6	12.5%	1.0%	692	91	13.2%	11.1%	160	17	10.6%	7.2%	0	0		0.0%
\$ 800-\$849	226	15	6.6%	4.8%	516	44	8.5%	8.3%	328	25	7.6%	14.8%	16	2	12.5%	24.6%
\$ 850-\$899	84	9	10.7%	1.8%	199	13	6.5%	3.2%	286	18	6.3%	12.9%	8	1	12.5%	12.3%
\$ 900-\$949	0	0		0.0%	453	24	5.3%	7.3%	66	3	4.5%	3.0%	0	0		0.0%
\$ 950-\$999	60	1	1.7%	1.3%	199	18	9.0%	3.2%	198	29	14.6%	8.9%	0	0		0.0%
\$1,000-\$1,049	70	1	1.4%	1.5%	160	11	6.9%	2.6%	116	6	5.2%	5.2%	4	0	0.0%	6.2%
\$1,050-\$1,099	51	1	2.0%	1.1%	15	2	13.3%	0.2%	34	3	8.8%	1.5%	0	0		0.0%
\$1,100-\$1,149	15	0	0.0%	0.3%	0	0		0.0%	24	2	8.3%	1.1%	0	0		0.0%
\$1,150-\$1,199	0	0		0.0%	0	0		0.0%	19	4	21.1%	0.9%	0	0		0.0%
Above \$1,200	0	0		0.0%	109	2	1.8%	1.8%	133	10	13.5%	6.0%	1	12		1.5%
<b>Totals:</b>	<b>4,707</b>	<b>447</b>	<b>9.5%</b>	<b>100.0%</b>	<b>6,228</b>	<b>687</b>	<b>11.0%</b>	<b>100.0%</b>	<b>2,217</b>	<b>293</b>	<b>13.2%</b>	<b>100.0%</b>	<b>65</b>	<b>12</b>	<b>18.5%</b>	<b>100.0%</b>
<b>Median</b>	<b>\$575</b>				<b>\$710</b>				<b>\$815</b>				<b>\$850</b>			

Sou

Source: Real Data, 2004; Strategic Planning Group, Inc. 2005

**Owner-Occupied Housing**

Of the market area’s owner-occupied housing, 98.6% are single-family homes (1 to 4 units-per-structure, including mobile homes).

**Multiple Listing Service –Ownership**

SPG analyzed properties that were in the Multiple Listing Service (MLS) for December 2004, as a representative sample of existing homes for sale. MLS data for NAS Jacksonville were for areas located west of the St. Johns River in both Duval and Clay counties. The majority of the 904 MLS listings were for 3- and 4-bedroom units. The median price for a 2-bedroom home was \$107,000; \$155,000 for a 3-bedroom, and \$263,753 for a 4-bedroom home.

As shown in the full report, there is sufficient existing inventory of affordable ownership housing within the marketplace to satisfy the military demand. It should be noted that the military are extremely transient and tend to move every 2-4 years; thereby releasing their homes to the market place.

**Findings – NAS Jacksonville**

The Navy uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided in the Navy’s latest Housing Assessment. The Department of Navy’s most recent Housing Assessment (2003) showed that the local, off-installation housing market was unable to provide 2,448 “suitable” family and unaccompanied rental housing units. Seventy five percent (1,826 units) were for E4-E6 grade personnel. The MAHC range for E4-E6

families was \$899 to \$1,064, and for E4-E6 unaccompanied \$707 to \$847. The market had sufficient rental supply to accommodate these price ranges using existing MAHC figures.<sup>19</sup>

Using standard civilian affordability standards, and analyzing the military off-installation requirements (2003) using RMC, no major housing problems were observed. Table 16 shows that the requirement for family rental housing at 0%-30% income was not a problem, as no military families fall below 50% median local income. Using FHFC affordable rental income of 40%, there is no problem finding affordable housing.

**Table 16. Northeast Region Assessment of Need**

Range of Median	RMC-2004	% Median	Family Households			Affordable Rent	Rental Need		
			2003	On Base	Off Base Renters	40%	2-BR	3-BR	4-BR
0-30%									
None									
31%-60% Median									
E1	\$28,883	51.0%	134	42	92	\$963	78	10	3
E2	\$30,942	54.7%	256	81	175	\$1,031	150	19	6
E3	\$33,072	58.4%	619	196	424	\$1,102	364	46	14
Total E1-E3			1,009	319	690		592	75	23
61%-80% Median									
E4	\$37,028	65.4%	2,398	147	497	\$1,234	780	167	100
E5	\$44,745	79.1%	2,937	280	606	\$1,491	952	132	123
O1	\$42,738	75.5%	214	15	45	\$1,425	45	26	11
Total E4-O1			5,549	442	1,148		1,777	325	234

Source: Strategic Planning Group, Inc., 2005

Unaccompanied single military household residing off-installation, likewise, should not have an affordability issue. All E1-E3 single personnel must reside on installation and 40% of RMC covers the cost of studio or 1-bedroom apartments as shown in Table 17.

**Table 17. Distribution by Income, Single Households, 2004**

Range of Median	RMC-2004	% Median	Single Households		Off-Base Renters	Affordable Rent	1 Bedroom	2 Bedroom
			On-Base	Off-Base	40%			
0-30% Median							\$575	\$710
none								
31%-60% Median								
E1	\$26,472	46.8%	420	420	0	\$882	Housed on base	
E2	\$28,477	50.3%	802	802	0	\$949	Housed on base	
E3	\$30,568	54.0%	1,937	1,937	0	\$1,019	Housed on base	
Total E1-E3			3,158	3,158	0		Housed on base	
61-80% Median								
E4	\$34,502	61.0%	1,641	149	1,426	\$1,150	1,381	48
E5	\$42,535	75.2%	2,018	166	1,757	\$1,418	537	1,220
Total E4-E5			3,659	315	3,183		1,918	143
O1	\$40,936	72.3%	189	0	189	\$1,365		189
Total E1-O1			3,848	315	3,372		1,918	332

Source: Strategic Planning Group, Inc., 2005

<sup>19</sup> Most apartments do not provide 4-bedroom units. These are found in rental homes. Rental homes comprise the majority of rental units within the market and rents tend to be less than found in apartment complexes.

Two future factors impact the Housing Market. First, significant housing growth is occurring within a 30-minute commute (Baymeadows/Mandarin and Northern St. Johns County); and second, there has recently been a significant increase in new townhouses and condominiums in the \$85,000- \$150,000 range.

Because BAH rates are adjusted annually to local market conditions and are an important part of the overall RMC, the private-sector housing market should be able to continue to provide affordable housing to military personnel.

If there is a potential problem, it could involve two areas: E1-E3 families requiring three or more bedrooms and lower-ranking, unaccompanied personnel. Because the current military personnel estimates for 2008, are lower than current levels (requiring fewer on-installation housing), any shortfall of housing due to affordability could be absorbed by the excess, available, on-installation housing. Also, with respect to unaccompanied personnel, one should assume that some singles, if not a significant portion, would choose to share housing, thereby saving some of their BAH, or by combining their housing allowances, choose to live in more expensive rental units.

#### ***Findings NS Mayport/Blount Island Command***

The opening of part of Wonderwood Drive provides a new direct access to one of Jacksonville's largest, moderate-income neighborhoods – Greater Arlington, which contains a large number of good, older apartment complexes and an abundance of single-family homes.

If there is a potential problem, it involves several areas: First and foremost, when the Navy deploys ships, thousands of military personnel leave and a significant number of families move out of the area to be with their own families during the deployment. Deployment has a negative impact on housing supply (especially new construction), as most developers will not necessarily build to accommodate the high supply (no major deployments), since ship deployment is a regular characteristic of NS Mayport. Second, E1-E3 families requiring three or more bedrooms and lower-ranking, unaccompanied personnel cannot compete with the Beaches housing market. The affordable housing supply is predominantly within the Southside/Arlington markets, therefore, the commute to NS Mayport may be longer, but still within the 60-minute peak commuting time used by the military. As noted above, Wonderwood Drive should alleviate some of the difficulty in securing affordable housing. Because the current military personnel estimates for 2008, are lower than current levels (and therefore, require fewer on-installation housing), any shortfall due to affordability could be absorbed by the excess, on-installation housing that will now be available. Also, with respect to unaccompanied personnel, one should assume that some singles, if not a significant portion, would choose to share housing, thereby either saving some of their BAH, or by combining their housing allowance, choose to live in more expensive rental units.

As a separate issue, the Navy has just released its stated intent to retire the USS Kennedy. This would significantly impact the personnel loading of the installation, not only due to the USS Kennedy's personnel, but the fact that should it retire, it could impact other ships.

Based on 2004 RMC and BAH, Blount Island Command personnel should not have a problem securing suitable, affordable housing. It should be noted; however, that starting in 2005, Blount Island Command will fall under the Kings Bay, Georgia, BAH allowances which are significantly lower than NAS Jacksonville's 2005 BAH allowances.

**Northwest Panhandle**

The West Panhandle of Florida is home to NAS Whiting Field and NAS Pensacola. Both complexes are located within the Pensacola Metropolitan Statistical Area (MSA). NAS Pensacola is located in Escambia County in extreme Northwest Florida, 60 minutes east of Mobile, Alabama, and 45 minutes west of Ft Walton Beach, Florida. NAS Whiting Field is located in Santa Rosa County approximately 20 miles to the northeast of Downtown Pensacola

**Naval Air Station Pensacola**

The Pensacola Naval Complex in Escambia hosts the headquarters of the Chief of Naval Education and Training (CNET), a Vice Admiral responsible for all education and training throughout the Navy. In addition, the Naval Aerospace Research Laboratory and the Naval Aerospace Medical Institute are located there. Training continues there as well, with Training Air Wing Six located at Sherman Field, and the vast Naval Air Technical Training Center (NATTC) located on the former site of Chevalier Field, having moved in 1997, into newly constructed facilities from its former site in Memphis.

***Military Personnel Housing Needs***

As of FY 2003, NAS Pensacola had 6,396 active-duty, permanent personnel. There were 3,753 families and 2,493 unaccompanied personnel in need of housing (on- and off-installation). Enlisted ranks accounted for 64% of the active-duty personnel (4,085), while 36% were officers (2,311).

**Naval Air Station Whiting Field**

Naval Air Station Whiting Field in Milton, Florida is the busiest Naval Air Station in the world, responsible for an estimated 46 percent of the Chief of Naval Air Command's total flight time and over 10 percent of Navy and Marine Corps total flight time. Over 1,200 personnel complete their essential flight training yearly. NAS Whiting Field and Training Air Wing Five have an outstanding and unmatched safe flying record. The station has served as a naval aviation training facility since it was established as a naval air auxiliary station in July 1943. Its present mission is to train student naval aviators in the primary and intermediate phases of fixed-wing aviation, and in the advanced phases of helicopter training.

As of FY2003, NAS Whiting Field had 1,388 active-duty, permanent personnel. There were 720 families and 652 unaccompanied personnel in need of housing (on and off the installation). Enlisted ranks accounted for 345 (24.9%) of the active-duty personnel, while 1,043 (75.1%) were officers.

***Military Personnel Housing Needs***

As of FY2003, the region had 7,618 active-duty, permanent personnel. As shown in Table 18, there were 4,473 families and 3,145 unaccompanied personnel in need of housing (on and off the installation). Enlisted ranks accounted for 4,299 (56.4%) of the active-duty personnel, while 3,319 (43.6%) were officers.

**Table 18. Northwest Panhandle Active Duty Military Housing Needs**

<b>Grade</b>	<b>Family</b>	<b>Unaccompanied</b>	<b>Total Personnel</b>
<b>Total</b>	4,473	3,145	7,618
<b>Officers</b>	1,640	1,679	3,319
<b>O6+</b>	88	18	106
<b>W4-O5</b>	440	128	568
<b>W1-O3</b>	1,112	1,533	2,645
<b>Enlisted</b>	2,833	1,466	4,299
<b>E7-E9</b>	742	127	869
<b>E4-E6</b>	1,798	972	2,770

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field/Pensacola Housing Analysis and Strategic Planning Group, Inc., 2005

### **On-Installation Housing**

The military requires that part of the personnel assigned to the installations be housed on-installation or in government-controlled housing (which is either privatized housing on- or off-installation or leased/owned housing located off-installation).

#### ***On-Installation Family Housing<sup>20</sup>***

According to the NAS Pensacola Housing Office,<sup>21</sup> NAS Pensacola had a government-controlled,<sup>22</sup> family housing occupancy of 877 units; 150 for officers and 727 for enlisted. The majority of those housed are E4-E6 families.

According to the NAS Whiting Field Housing Office,<sup>23</sup> NAS Whiting Field had a government-controlled,<sup>24</sup> family housing occupancy of 329 units; 157 for officers and 172 for enlisted. The majority of those housed are E4-E6 families.

#### ***On-Installation Unaccompanied Housing***

According to Navy standards, all unaccompanied E1-E3 personnel and resident advisors are required to be housed on-installation. Resident advisors can be filled by personnel in grades E4-E9 and are subject to change. For purposes of the Navy's 2003 Housing Market Assessment resident advisors were assumed to be in grades E5-6. As of December 2004, NAS Pensacola had 5,845<sup>25</sup> Bachelor Enlisted Quarters (BEQ) and 784 Bachelor Officer Quarters (BOQ). By regulation, unaccompanied personnel are supposed to be housed on-installation; NAS Whiting Field had 243 Bachelor Enlisted Quarters (BEQ) and 123 Bachelor Officer Quarters (BOQ).

### **Off-Installation Housing**

#### ***Off-Installation Family Housing***

The Department of Navy estimates that its off-installation or "community first" family housing requirements were 3,478 families in 2003, as shown in Table 19

<sup>20</sup> On-installation housing need is calculated using four components: 10% per grade; Key and Essential positions; Historic Housing on-site; and those who's total compensation (RMC) falls below 50% of the median family income for the area.

<sup>21</sup> 2003 Housing Market Analysis, Naval Air Station Pensacola Florida, November 2003, Robert D. Niehaus, Inc.

<sup>22</sup> Government-owned or controlled housing is primarily on the installation itself.

<sup>23</sup> 2003 Housing Market Analysis, Naval Air Station Whiting Field Florida, Nov. 2003, Robert D. Niehaus, Inc.

<sup>24</sup> Government-owned or controlled housing is primarily on the installation itself.

<sup>25</sup> Most of these quarters (BEQ and BOQ) are for students and transients not permanent personnel.



**Table 19. Off-Installation Family Housing Requirements, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	1,491	1,358	629	3,478
<b>Officers</b>	631	520	270	1,421
<b>O6+</b>	0	0	66	66
<b>W4-O5</b>	0	323	98	421
<b>W1-O3</b>	631	197	106	934
<b>Enlisted</b>	860	838	359	2,057
<b>E7-E9</b>	0	524	133	657
<b>E4-E6</b>	658	300	224	1,182
<b>E1-E3</b>	202	14	2	218

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field/Pensacola Housing Analysis and Strategic Planning Group, Inc., 2005

As is the case at most military installations, a significant number of military personnel choose to buy rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. The Navy estimated that 1,677 military personnel owned their own homes in 2003 (Table 20).

**Table 20. Off-Installation Family Ownership Requirements, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	575	764	338	1,677
<b>Officers</b>	312	343	177	832
<b>O6+</b>	0	0	50	50
<b>W4-O5</b>	0	247	75	322
<b>W1-O3</b>	312	96	52	460
<b>Enlisted</b>	263	421	161	845
<b>E7-E9</b>	0	305	78	383
<b>E4-E6</b>	257	116	83	456
<b>E1-E3</b>	6	0	0	6

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field/Pensacola Housing Analysis and Strategic Planning Group, Inc., 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. The Navy estimates that 1,801 military families rented homes in 2003 (Table 21).

**Table 21. Off-Installation Family Renters, 2003**

<b>Renters</b>				
<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	916	594	291	1,801
<b>Officers</b>	319	177	93	589
<b>O6+</b>	0	0	16	16
<b>W4-O5</b>	0	76	23	99
<b>W1-O3</b>	319	101	54	474
<b>Enlisted</b>	597	417	198	1,212
<b>E7-E9</b>	0	219	55	274
<b>E4-E6</b>	401	184	141	726
<b>E1-E3</b>	196	14	2	212

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field/Pensacola Housing Analysis and Strategic Planning Group, Inc., 2005



***Off-Installation Unaccompanied Housing***

The demand for off-installation, unaccompanied housing is based on the difference between the total number of unaccompanied personnel and those required to reside in government-controlled housing. The Navy estimated that there were 2,749 unaccompanied personnel residing within the community in 2003 (Table 22).

**Table 22. Off-Installation Unaccompanied Housing Requirements, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	654	1,949	146	2,749
<b>Officers</b>	0	1,533	146	1,679
<b>O6+</b>	0	0	18	18
<b>W4-O5</b>	0	0	128	128
<b>W1-O3</b>	0	1,533	0	1,533
<b>Enlisted</b>	654	416	0	1,070
<b>E7-E9</b>	0	127	0	127
<b>E4-E6</b>	654	289	0	943
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field/Pensacola Housing Analysis, and Strategic Planning Group, Inc., 2005

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 491 personnel (Table 23).

**Table 23. Unaccompanied Homeowners, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	64	305	99	491
<b>Officers</b>	0	203	99	302
<b>O6+</b>	0	0	12	12
<b>W4-O5</b>	0	0	87	87
<b>W1-O3</b>	0	203	0	203
<b>Enlisted</b>	64	102	0	189
<b>E7-E9</b>	0	37	0	37
<b>E4-E6</b>	64	88	0	152
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field/Pensacola Housing Analysis, and Strategic Planning Group, Inc., 2005

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Navy to estimate that 2,258 unaccompanied military renters resided off-installation in 2003 (Table 1-24).

**Table 24. Unaccompanied Renters, 2003**

Grade	1 BR	2 BR	3 BR	Total
<b>Total</b>	1,363	491	32	2,258
<b>Officers</b>	0	304	32	1,377
<b>O6+</b>	0	0	6	6
<b>W4-O5</b>	0	0	41	41
<b>W1-O3</b>	0	1,330	0	1,330
<b>Enlisted</b>	590	291	0	881
<b>E7-E9</b>	0	90	0	90
<b>E4-E6</b>	590	201	0	791
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field/Pensacola Housing Analysis and Strategic Planning Group, Inc., 2005

**Regular Military Compensation**

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. These “adjustments” to salary result in Regular Military Compensation (RMC), which is comparable to non-military family/household income. The household income for military personnel residing off-installation ranges from \$25,058 (E1 unaccompanied) to \$136,076 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC (Table 25).

**Table 25. Regular Military Compensation**

With Dependents	BAH	BAS	Allowances Annualized	Salary Range	Calculated Basic Income	Annualized	Tax Adjustment	Regular Military Compensation	Military as % of Median
E-1	\$724	\$254	\$11,742	\$1,104 \$1,193	\$1,193	\$14,316	\$946	\$27,003	53.3%
E-2	\$724	\$254	\$11,742	\$1,338 \$1,338	\$1,338	\$16,052	\$1,227	\$29,021	57.2%
E-3	\$724	\$254	\$11,742	\$1,407 \$1,586	\$1,496	\$17,946	\$1,432	\$31,120	61.4%
E-4	\$724	\$254	\$11,742	\$1,558 \$1,892	\$1,814	\$21,769	\$1,548	\$35,059	69.1%
E-5	\$758	\$254	\$12,150	\$1,700 \$2,368	\$2,368	\$28,415	\$1,833	\$42,397	83.6%
E-6	\$903	\$254	\$13,890	\$1,856 \$2,810	\$2,810	\$33,718	\$2,335	\$49,942	98.5%
E-7	\$919	\$254	\$14,082	\$2,145 \$3,855	\$3,342	\$40,100	\$2,472	\$56,654	111.7%
E-8	\$936	\$254	\$14,286	\$3,086 \$4,314	\$3,716	\$44,586	\$2,591	\$61,463	121.2%
E-9	\$989	\$254	\$14,922	\$3,769 \$5,055	\$4,777	\$57,319	\$3,802	\$76,043	150.0%
W-1	\$903	\$175	\$12,939	\$2,213 \$3,536	\$2,594	\$31,122	\$2,124	\$46,185	91.1%
W-2	\$926	\$175	\$13,215	\$2,506 \$4,104	\$3,158	\$37,894	\$2,326	\$53,434	105.4%
W-3	\$947	\$175	\$13,467	\$2,849 \$4,716	\$3,596	\$43,150	\$3,151	\$59,767	117.9%
W-4	\$1,005	\$175	\$14,163	\$3,119 \$5,446	\$4,617	\$55,408	\$4,790	\$74,361	146.7%
W-5	\$1,072	\$175	\$14,967	\$5,361 \$5,914	\$5,544	\$66,532	\$5,523	\$87,022	171.6%
O-1	\$774	\$175	\$11,391	\$2,264 \$2,849	\$2,264	\$27,173	\$1,870	\$40,433	79.8%
O-2	\$900	\$175	\$12,903	\$2,608 \$3,610	\$3,422	\$41,058	\$2,271	\$56,232	110.9%
O-3	\$946	\$175	\$13,455	\$3,019 \$4,911	\$4,220	\$50,641	\$3,148	\$67,244	132.6%
O-4	\$1,100	\$175	\$15,303	\$3,434 \$5,733	\$4,809	\$57,712	\$5,176	\$78,190	154.2%
O-5	\$1,209	\$175	\$16,611	\$3,980 \$6,761	\$6,603	\$67,234	\$6,130	\$89,974	177.5%
O-6	\$1,219	\$175	\$16,731	\$4,774 \$8,285	\$6,807	\$81,688	\$6,188	\$104,606	206.3%
O-7	\$1,233	\$175	\$16,899	\$6,441 \$9,434	\$9,386	\$112,633	\$6,544	\$136,076	268.4%
<b>Without Dependents</b>									
E-1	\$574	\$254	\$9,942	\$1,104 \$1,193	\$1,193	\$14,316	\$801	\$25,058	49.4%
E-2	\$574	\$254	\$9,942	\$1,338 \$1,338	\$1,338	\$16,052	\$1,039	\$27,033	53.3%
E-3	\$574	\$254	\$9,942	\$1,407 \$1,586	\$1,496	\$17,946	\$1,213	\$29,100	57.4%
E-4	\$574	\$254	\$9,942	\$1,558 \$1,892	\$1,814	\$21,769	\$1,311	\$33,022	65.1%
E-5	\$652	\$254	\$10,878	\$1,700 \$2,368	\$2,368	\$28,415	\$1,641	\$40,933	80.7%
E-6	\$696	\$254	\$11,406	\$1,856 \$2,810	\$2,810	\$33,718	\$1,917	\$47,041	92.8%
E-7	\$727	\$254	\$11,778	\$2,145 \$3,855	\$3,342	\$40,100	\$2,068	\$53,946	106.4%
E-8	\$786	\$254	\$12,486	\$3,086 \$4,314	\$3,716	\$44,586	\$2,265	\$59,336	117.0%
E-9	\$831	\$254	\$13,026	\$3,769 \$5,055	\$4,777	\$57,319	\$3,319	\$73,664	145.3%
W-1	\$712	\$175	\$10,647	\$2,213 \$3,536	\$2,594	\$31,122	\$1,748	\$43,516	85.8%
W-2	\$786	\$175	\$11,535	\$2,506 \$4,104	\$3,158	\$37,894	\$2,030	\$51,458	101.5%
W-3	\$836	\$175	\$12,135	\$2,849 \$4,716	\$3,596	\$43,150	\$2,839	\$58,124	114.6%
W-4	\$907	\$175	\$12,987	\$3,119 \$5,446	\$4,617	\$55,408	\$4,392	\$72,787	143.6%
W-5	\$923	\$175	\$13,179	\$5,361 \$5,914	\$5,544	\$66,532	\$4,864	\$84,574	166.8%
O-1	\$691	\$175	\$10,395	\$2,264 \$2,849	\$2,264	\$27,173	\$1,706	\$39,274	77.5%
O-2	\$746	\$175	\$11,055	\$2,608 \$3,610	\$3,422	\$41,058	\$1,946	\$54,058	106.6%
O-3	\$851	\$175	\$12,315	\$3,019 \$4,911	\$4,220	\$50,641	\$2,881	\$65,837	129.9%
O-4	\$921	\$175	\$13,155	\$3,434 \$5,733	\$4,809	\$57,712	\$4,449	\$75,316	148.6%
O-5	\$931	\$175	\$13,275	\$3,980 \$6,761	\$6,603	\$67,234	\$4,899	\$85,407	168.5%
O-6	\$947	\$175	\$13,467	\$4,774 \$8,285	\$6,807	\$81,688	\$4,981	\$100,135	197.5%
O-7	\$966	\$175	\$13,695	\$6,441 \$9,434	\$9,386	\$112,633	\$5,303	\$131,631	259.6%

Source: Strategic Planning Group, Inc., 2005

**Local Market Supply/Demand**

The 20-mile radius and 60-minute, peak-hour commute includes the entire Pensacola Metropolitan Area. In practicality, the housing market area for NAS Whiting Field, and therefore, this study includes only Escambia and Santa Rosa Counties. The two counties have experienced significant growth since 1990, averaging around 6,775 new persons per year during the 1990-2000 year period. According to the US Census, the counties had a population of 412,153. Growth over 2000-2004 increased at an annual rate of approximately 6,700 persons.

The market area had a 2003 labor force of 180,900, with Escambia accounting for approximately 69.4%. A large percentage of Santa Rosa County residents commute to work in Escambia County. The regional labor force is healthy with an average unemployment rate of 4.06%.

Employment in the market area is diverse. The two-county market area had an employment of 146,203 in 2002. Other services accounted for the largest share (Escambia 29.64% and Santa Rosa 31.6%), followed by Professional Services, and Health Care.

***Community Housing Supply***

The 2000 Census shows that the market area had approximately 154,842 housing units in 2000 (Table 26), of which owner-occupied housing comprised 71% and rental 29%.

**Table 26. Housing Units, 2000**

	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>	
<b><i>Total:</i></b>	111,049	43,793	154,842	
<b><i>Owner occupied</i></b>	74,690	35,198	109,888	71.0%
<b><i>Renter occupied</i></b>	36,359	8,595	44,954	29.0%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

**Rental Supply**

According to the 2000 Census, Escambia and Santa Rosa counties had a total of 51,565 rental units, of which 6,604 were vacant. Total vacant rental units increased by slightly over 1,250 units between the 1990-2000 time periods.

***Building Permits***

Both Escambia and Santa Rosa counties have seen significant growth since the 2000 Census. Taken together, the two counties have issued almost 18,198 permits (3,640 annually) of which 14% are multifamily properties accounting for 2,479 units (496 annually). The multifamily growth has occurred despite the national slowdown of rental construction due to low mortgage interest and the resulting growth of ownership housing (Table 27).

**Table 27. Escambia and Santa Rosa County Building Permits – 2000-2004**

<b>Escambia County</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Totals</b>
<b>Single Family</b>	1,363	1,445	1,694	1,755	1,768	8,025
<b>Two Family</b>	48	30	20	40	38	176
<b>Three &amp; Four Family</b>	10	0	9	6	6	31
<b>Five or More Family</b>	34	0	344	1,141	933	2,452
<b>Total</b>	1,455	1,475	2,067	2,942	2,745	10,684
<b>Santa Rosa County</b>						
<b>Single Family</b>	1,050	1,461	1,138	1,823	1,917	7,389
<b>Two Family</b>	2	20	8	36	38	104
<b>Three &amp; Four Family</b>	4	0	0	0	0	4
<b>Five or More Family</b>	0	12	0	0	15	27
<b>Total</b>	1,056	1,483	1,146	1,859	1,970	7,514
<b>Market Area</b>						
<b>Single Family</b>	2,413	2,906	2,832	3,578	3,685	15,414
<b>Two Family</b>	50	50	28	76	76	280
<b>Three &amp; Four Family</b>	14	0	9	6	6	35
<b>Five or More Family</b>	34	12	344	1,141	948	2,479
<b>Market Area Total</b>	2,511	2,958	3,213	4,801	4,715	18,198

Source: Strategic Planning Group, Inc. 2005

Current Rental Supply

The area had almost 52,000 rental units as of 2003 according to the Robert Niehaus report. Using military definition of “suitable”, the Niehaus report estimated that the NAS Pensacola had a “suitable rental supply” of 33,722 units as of 2003 (Table 28).

**Table 28. NAS Pensacola Suitable Rental Market**

<b>Monthly Rent Plus Utilities and Insurance</b>	<b>Studio</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>&gt;\$1,400</b>	-	57	35	1,067	832	1,991
<b>\$1,400</b>	-	-	17	458	371	846
<b>\$1,300</b>	-	-	-	367	131	498
<b>\$1,200</b>	-	-	68	932	172	1,172
<b>\$1,100</b>	-	-	170	2,472	79	2,721
<b>\$1,000</b>	-	29	680	1,913	30	2,652
<b>\$900</b>	-	76	3,332	2,665	5	6,078
<b>\$800</b>	-	2,042	6,859	395	-	9,296
<b>\$700</b>	-	2,176	2,897	88	-	5,161
<b>\$600</b>	-	1,701	744	3	-	2,448
<b>\$500 and below</b>	-	828	31	-	-	859
<b>Total</b>	0	6,909	14,833	10,360	1,620	33,722

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field/Pensacola Housing Analysis

Owner-Occupied Housing

Of the market area’s owner-occupied housing, 93.5% are single-family homes (1 to 4 units-per-structure, including mobile homes).

Multiple Listing Service –Ownership

SPG analyzed properties that were in the Multiple Listing Service (MLS) for December 2004, as a representative sample of existing homes for sale. MLS data for NS Pensacola market are shown in Table 29. Median Prices for a 2-bedroom home was \$51,000; \$93,500 for a 3-bedroom, and \$265,000 for a 4-bedroom home.

**Table 29. Single Family Housing Multiple Listing Data – December 2004**

Unit Type	Avail. Units	Median Price	Avg. Price	Price Range	Avg. Size sq. ft.
1 Bedroom	4	\$76,000	\$84,700	\$36,900-149,900	898
2 Bedroom	59	\$51,000	\$90,586	\$20,000-\$850,000	1,015
3 Bedroom	182	\$93,500	\$178,844	\$26,900-\$2,500,000	1,540
4 Bedroom	63	\$265,000	\$428,252	\$39,900-\$1,990,000	2,781
5 Bedroom	70	\$482,450	\$624,900	\$89,900-\$634,900	4,402
6 Bedroom	5	\$550,640	\$641,280	\$87,500-\$1,500,000	3,802

Source: Strategic Planning Group, Inc. 2005

As shown in the full report, there is sufficient existing inventory of affordable ownership housing within the marketplace to satisfy the military demand. It should be noted that the military are extremely transient and tend to move every 2-4 years; thereby releasing their homes to the market place.

**Findings**

The Navy uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided in the Navy’s latest Housing Assessment. The Department of Navy’s most recent Housing Assessments (2003) showed that the local, off-installation housing market was unable to provide 1,793 “suitable” family and unaccompanied rental housing units. Seventy five percent were for E4-E6 grade personnel. The MAHC range for E4-E6 families was \$899 to \$1,064, and for the unaccompanied E4-E6 range, it was \$707 to \$847. The NAS market had sufficient rental supply to accommodate these price ranges using existing MAHC figures

Using civilian affordability standards and analyzing the military off-installation requirements (2003) using RMC, no major housing problems were observed. As shown in Table 30, the requirement for family rental housing at 0%-30% income was not a problem, as no military families fall below 50% median local income. Using FHFC affordable rental income of 40%, there is no problem finding affordable housing.

**Table 30. Northwest Panhandle Region (NAS Pensacola and NAS Whiting Field)**

Range of Median	RMC-2004	% Median	Family Households	On Base	Off Base Renters	Affordable Rent Mthly	Rental Need		
			2003			40%	2-BR	3-BR	4-BR
							\$425	\$625	\$950
							\$670	\$855	\$1,300
0-30% Median			None						
31%-60% Median									
E1	\$27,003	53.3%	39	11	28	\$900	28	0	0
E2	\$29,021	57.2%	74	19	54	\$967	54	0	0
Total E1-E2			113	30	82		82	0	0
61%-80% Median									
E3	\$31,120	61.4%	180	46	130	\$1,037	130	0	0
E4	\$35,059	69.1%	581	199	244	\$1,169	245	0	0
Total E3-4			760	245	374		375	0	0
O1	\$40,433	79.8%	220	35	119	\$1,348	119		
Total			1,094	310	575		576	0	0

Source: Strategic Planning Group, Inc., 2005

Unaccompanied single military household residing off-installation, likewise, should not have an affordability issue. All E1-E3 single personnel must reside on installation and 40% of RMC covers the cost of studio or 1-bedroom apartments as shown in Table 31.

**Table 31. Northwest Panhandle Region (NAS Pensacola and NAS Whiting Field)**

Range of Median	RMC-2004	% Median	Single Households	On-Base	Off-Base Renters	Affordable Rent	1 Bedroom	2 Bedroom
			2003			40%	\$400	\$425
							\$550	\$670
<b>0-30% Median</b>								
none								
<b>31%-60% Median</b>								
<b>E1</b>	\$25,058	49.4%	29	29	0	\$835	Housed on base	
<b>E2</b>	\$27,033	53.3%	17	17	0	\$901		
<b>E3</b>	\$29,100	57.4%	23	23	0	\$970		
<b>Total E1-E3</b>			70	70	0		Housed on base	
<b>61-80% Median</b>								
<b>E4</b>	\$33,022	65.1%	455	0	455	\$1,101	455	0
<b>O1</b>	\$39,274	77.5%	572	0	572	\$1,309	0	572
<b>Total E4+O1</b>			1028	0	1027		455	572
<b>Total</b>			1097	70	1027	0	455	572

Source: Strategic Planning Group, Inc., 2005

Because BAH rates are adjusted annually to local market conditions and are an important part of the overall RMC, the private-sector housing market should be able to continue to provide affordable housing to military personnel.

If there is a potential problem, it would involve two areas: E1-E3 families requiring three or more bedrooms and lower-ranking, unaccompanied personnel. Because the current military personnel estimates for 2008 are lower than current levels (requiring fewer on-installation housing), any shortfall of housing due to affordability could be absorbed by the excess, available, on-installation housing. Also, with respect to unaccompanied personnel, one should assume that some singles, if not a significant portion, would choose to share housing, thereby either saving some of their BAH or by combining their housing allowances and choose to live in more expensive rental units.

**East Panhandle**

The Eastern Panhandle of Florida (Okaloosa, Walton, Bay and Gulf counties) contains several large military installations: Eglin Air Force Base, Hurlburt Field, Tyndall Air Force Base, and Naval Surface Warfare Center Panama City. These installations have a combined payroll of \$1.066 billion, contracts/grants of \$1.31 billion and transfer payments to military and civilian retirees of \$1.38 billion for a total expenditure of \$3.76 billion generating an economic impact of \$6.2 billion within the region.<sup>26</sup>

Due to geographical constraints, for housing the region is really separated into two sections; Ft. Walton area to the west and Panama City to the east. Therefore, rather than collapsing the data into a single region, SPG presents analysis in two sections: Eglin AFB/Hurlburt Field and Panama SWRC /Tyndall AFB.

**Eglin Air Force Base (AFB) and Hurlburt Field**

Eglin AFB is primarily known for hosting the Air Armament Center (AAC) which belongs to the Air Force Materiel Command and is responsible for development, acquisition, testing, deployment and sustainment of all U.S.A.F. air-delivered weapons. However, Eglin also supports a very diverse population of associate units from all U.S. Services and various Federal Agencies. It is the former

<sup>26</sup> Haas Center, UWF, December 2003



home of the 39th Bomb Wing and 4135th Strategic Wing. The Eglin range, managed by the 46th Test Wing, is the largest Air Force base in the free world. The Air Force owns nineteen miles of beachfront property that provides a unique land/sea interface with contrasting background/clutter environment especially useful for munitions seeker testing. AFTDC is the only DoD complex with both a water and land range for weapons testing. Both air-to-air and air-to-surface weapon tests exploit this varied topography, which provides a land clutter background, a land/sea interface, and the water background of the Gulf of Mexico. Elevation is sea level to approximately 100 feet.

Hurlburt Field is co-located adjacent to Eglin AFB, west of the cities of Mary Ester and Fort Walton Beach. Hurlburt is the home of the Air Force Special Operations Command (AFXOC) – an Air Force major command and the Air Force component of the U.S. Special Operations Command, and the 16<sup>th</sup> Special Operations Wing (SOW) – the Air Force’s only active duty Special Operations Wing. Hurlburt Field’s mission is to support the training and execution of worldwide special operations including unconventional warfare, special reconnaissance, counter proliferation, foreign internal defense, information operations, psychological operations, civil affairs, and combating terrorism.

### ***Military Personnel Housing Needs***

As of FY 2003, Eglin AFB and Hurlburt Field had 15,831<sup>27</sup> active-duty, permanent personnel. Enlisted ranks accounted for (83%) of the active-duty personnel, while (17%) were officers. After subtracting military couples and voluntary separated, Eglin/Hurlburt Field had total personnel of 15,171 (Table 32).

**Table 32. Military Personnel, 2003**

<b>Grade</b>	<b>Family</b>	<b>Unaccompanied</b>	<b>Total Personnel</b>
<b>Total</b>	8,519	6,652	15,171
<b>Officers</b>	1,845	765	2,610
<b>O6+</b>	132	8	140
<b>O4-O5</b>	933	132	1,065
<b>O1-O3</b>	780	625	1,405
<b>Enlisted</b>	6,674	5,887	12,561
<b>E7-E9</b>	1,655	239	1,894
<b>E4-E6</b>	4,708	3,586	8,294
<b>E1-E3</b>	311	2,062	2,373

Numbers may not total due to rounding.

Source: Robert D. Niehaus, Inc., 2003 Eglin AFB/Hurlburt Field Housing Analysis and Strategic Planning Group, Inc., 2005

### **On-Installation Housing**

The military requires that part of the personnel assigned to the Air Force Bases be housed on-installation or in government-controlled housing (which is either privatized housing on- or off-installation or leased/owned housing located off-installation).

### ***On-Installation Family Housing***<sup>28</sup>

According to the Eglin AFB and Hurlburt Field Privatization Fact Sheet, there were a total of 2,739 units of family housing available on-installation in 2004. The Department of Air Force is planning the award of a Military Family privatization program to rehabilitate and privatize 2,155 family housing units for Eglin/Hurlburt in June 2005.

<sup>27</sup>Per GEC

<sup>28</sup> On-installation housing need is calculated using four components: 10% per grade; Key and Essential positions; Historic Housing on-site; and those who’s total compensation (RMC) falls below 50% of the median family income for the area.



***On-Installation Unaccompanied Housing***

According to Air Force standards, all unaccompanied E1-E3 personnel and resident advisors are required to be housed on-installation. Resident advisors can be filled by personnel in grades E4-E9 and are subject to change.

**Off-Installation Housing*****Off-Installation Family Housing***

The Department of the Air Force estimates that its off-installation family housing requirements were 5,479 families in 2003, as shown in Table 33.

**Table 33. Off-Installation Family Housing Requirements, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	1,952	1,862	1,665	5,479
<b>Officers</b>	342	574	579	1,495
<b>O6+</b>	0	0	111	111
<b>O4-O5</b>	0	499	331	830
<b>O1-O3</b>	342	75	137	554
<b>Enlisted</b>	1,610	1,288	1,086	3,984
<b>E7-E9</b>	0	913	522	1,435
<b>E4-E6</b>	1,467	375	564	2,406
<b>E1-E3</b>	143	0	0	143

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

As is the case at most military installations, a significant number of military personnel choose to buy rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. Based on NAS surveys and the VAH survey shown at the beginning of this report, the Air Force estimates that 3,941 military families owned their own homes in 2003 (Table 34).

**Table 34. Military Family Homeowners, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	1,110	1,512	1,319	3,941
<b>Officers</b>	234	452	447	1,133
<b>O6+</b>	0	0	88	88
<b>O4-O5</b>	0	397	260	657
<b>O1-O3</b>	234	55	99	388
<b>Enlisted</b>	876	1,060	872	2,808
<b>E7-E9</b>	0	792	451	1,243
<b>E4-E6</b>	861	268	421	1,550
<b>E1-E3</b>	15	0	0	15

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. The Air Force estimates that 1,538 military families rented homes in 2003 (Table 35).

**Table 35. Military Family Renters, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	842	350	346	1,538
<b>Officers</b>	108	122	132	362
<b>O6+</b>	0	0	23	23
<b>O4-O5</b>	0	102	71	173
<b>O1-O3</b>	108	20	38	166
<b>Enlisted</b>	734	228	214	1,176
<b>E7-E9</b>	0	121	71	192
<b>E4-E6</b>	606	107	143	856
<b>E1-E3</b>	128	0	0	128

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

### ***Off-Installation Unaccompanied Housing***

The demand for off-installation, unaccompanied housing is based on the difference between the total number of unaccompanied personnel and those required to reside in government-controlled housing. The Air Force estimated that there were 4,043 unaccompanied personnel residing within the community in 2003 (Table 36).

**Table 36. Off-Installation Unaccompanied Housing Requirements, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	2,563	1,321	140	4,024
<b>Officers</b>	0	621	140	761
<b>O6+</b>	0	0	8	8
<b>O4-O5</b>	0	0	132	132
<b>O1-O3</b>	0	621	0	621
<b>Enlisted</b>	2,563	700	0	3,263
<b>E7-E9</b>	0	239	0	239
<b>E4-E6</b>	2,563	461	0	3,024
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 1,105 personnel (Table 37).

**Table 37. Unaccompanied Homeowners, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	403	603	99	1,105
<b>Officers</b>	0	288	99	387
<b>O6+</b>	0	0	5	5
<b>O4-O5</b>	0	0	94	94
<b>O1-O3</b>	0	288	0	288
<b>Enlisted</b>	403	315	0	718
<b>E7-E9</b>	0	123	0	123
<b>E4-E6</b>	403	192	0	595
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel, the Air Force estimated that 2,938 unaccompanied military renters resided off-installation in 2003 (Table 38).

**Table 38. Unaccompanied Renters, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	2,172	727	39	2,938
<b>Officers</b>	0	337	39	376
<b>O6+</b>	0	0	3	3
<b>O4-O5</b>	0	0	36	36
<b>O1-O3</b>	0	337	0	337
<b>Enlisted</b>	2,172	390	0	2,562
<b>E7-E9</b>	0	116	0	116
<b>E4-E6</b>	2,172	274	0	2,446
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

### ***Regular Military Compensation***

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 39, these “adjustments” to salary result in Regular Military Compensation (RMC), which is comparable to non-military family/household income. The household income for military personnel residing off-installation ranges from \$24,838 (E1 unaccompanied) to \$136,942 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

**Table 39. Regular Military Compensation**

With Dependents	Allowances		Calculated Basic			Annualized	Tax Adjustment	Regular Military Compensation	Military as % of Median	
	BAH	BAS	Annualized	Salary	Income					
E-1	\$703	\$254	\$11,490	\$1,104	\$1,193	\$1,193	\$14,316	\$925	\$26,731	48.9%
E-2	\$703	\$254	\$11,490	\$1,338	\$1,338	\$1,338	\$16,052	\$1,200	\$28,742	52.5%
E-3	\$703	\$254	\$11,490	\$1,407	\$1,586	\$1,496	\$17,946	\$1,401	\$30,837	56.4%
E-4	\$703	\$254	\$11,490	\$1,558	\$1,892	\$1,814	\$21,769	\$1,515	\$34,774	63.6%
E-5	\$754	\$254	\$12,102	\$1,700	\$2,368	\$2,368	\$28,415	\$1,826	\$42,342	77.4%
E-6	\$879	\$254	\$13,602	\$1,856	\$2,810	\$2,810	\$33,718	\$2,287	\$49,606	90.7%
E-7	\$924	\$254	\$14,142	\$2,145	\$3,855	\$3,342	\$40,100	\$2,483	\$56,725	103.7%
E-8	\$973	\$254	\$14,730	\$3,086	\$4,314	\$3,716	\$44,586	\$2,672	\$61,987	113.3%
E-9	\$1,044	\$254	\$15,582	\$3,769	\$5,055	\$4,777	\$57,319	\$3,971	\$76,871	140.5%
W-1	\$880	\$175	\$12,663	\$2,213	\$3,536	\$2,594	\$31,122	\$2,079	\$45,863	83.8%
W-2	\$944	\$175	\$13,431	\$2,506	\$4,104	\$3,158	\$37,894	\$2,364	\$53,688	98.2%
W-3	\$1,003	\$175	\$14,139	\$2,849	\$4,716	\$3,596	\$43,150	\$3,308	\$60,597	110.8%
W-4	\$1,060	\$175	\$14,823	\$3,119	\$5,446	\$4,617	\$55,408	\$5,013	\$75,244	137.6%
W-5	\$1,126	\$175	\$15,615	\$5,361	\$5,914	\$5,544	\$66,532	\$5,763	\$87,909	160.7%
O-1	\$768	\$175	\$11,319	\$2,264	\$2,849	\$2,264	\$27,173	\$1,858	\$40,350	73.8%
O-2	\$876	\$175	\$12,615	\$2,608	\$3,610	\$3,422	\$41,058	\$2,220	\$55,893	102.2%
O-3	\$1,001	\$175	\$14,115	\$3,019	\$4,911	\$4,220	\$50,641	\$3,303	\$68,059	124.4%
O-4	\$1,153	\$175	\$15,939	\$3,434	\$5,733	\$4,809	\$57,712	\$5,391	\$79,041	144.5%
O-5	\$1,260	\$175	\$17,223	\$3,980	\$6,761	\$5,603	\$67,234	\$6,356	\$90,812	166.0%
O-6	\$1,270	\$175	\$17,343	\$4,774	\$8,285	\$6,807	\$81,688	\$6,414	\$105,445	192.8%
O-7	\$1,285	\$175	\$17,523	\$6,441	\$9,434	\$9,386	\$112,633	\$6,786	\$136,942	250.4%
Without Dependents										
E-1	\$557	\$254	\$9,738	\$1,104	\$1,193	\$1,193	\$14,316	\$784	\$24,838	45.4%
E-2	\$557	\$254	\$9,738	\$1,338	\$1,338	\$1,338	\$16,052	\$1,017	\$26,807	49.0%
E-3	\$557	\$254	\$9,738	\$1,407	\$1,586	\$1,496	\$17,946	\$1,188	\$28,871	52.8%
E-4	\$557	\$254	\$9,738	\$1,558	\$1,892	\$1,814	\$21,769	\$1,284	\$32,791	59.9%
E-5	\$621	\$254	\$10,506	\$1,700	\$2,368	\$2,368	\$28,415	\$1,585	\$40,505	74.0%
E-6	\$659	\$254	\$10,962	\$1,856	\$2,810	\$2,810	\$33,718	\$1,843	\$46,522	85.0%
E-7	\$706	\$254	\$11,526	\$2,145	\$3,855	\$3,342	\$40,100	\$2,024	\$53,649	98.1%
E-8	\$778	\$254	\$12,390	\$3,086	\$4,314	\$3,716	\$44,586	\$2,247	\$59,223	108.3%
E-9	\$817	\$254	\$12,858	\$3,769	\$5,055	\$4,777	\$57,319	\$3,277	\$73,453	134.3%
W-1	\$684	\$175	\$10,311	\$2,213	\$3,536	\$2,594	\$31,122	\$1,692	\$43,125	78.8%
W-2	\$778	\$175	\$11,439	\$2,506	\$4,104	\$3,158	\$37,894	\$2,013	\$51,345	93.9%
W-3	\$821	\$175	\$11,955	\$2,849	\$4,716	\$3,596	\$43,150	\$2,797	\$57,902	105.9%
W-4	\$890	\$175	\$12,783	\$3,119	\$5,446	\$4,617	\$55,408	\$4,323	\$72,514	132.6%
W-5	\$935	\$175	\$13,323	\$5,361	\$5,914	\$5,544	\$66,532	\$4,917	\$84,771	155.0%
O-1	\$652	\$175	\$9,927	\$2,264	\$2,849	\$2,264	\$27,173	\$1,629	\$38,729	70.8%
O-2	\$736	\$175	\$10,935	\$2,608	\$3,610	\$3,422	\$41,058	\$1,924	\$53,917	98.6%
O-3	\$834	\$175	\$12,111	\$3,019	\$4,911	\$4,220	\$50,641	\$2,834	\$65,586	119.9%
O-4	\$928	\$175	\$13,239	\$3,434	\$5,733	\$4,809	\$57,712	\$4,478	\$75,428	137.9%
O-5	\$958	\$175	\$13,599	\$3,980	\$6,761	\$5,603	\$67,234	\$5,019	\$85,851	156.9%
O-6	\$1,003	\$175	\$14,139	\$4,774	\$8,285	\$6,807	\$81,688	\$5,229	\$101,056	184.7%
O-7	\$1,023	\$175	\$14,379	\$6,441	\$9,434	\$9,386	\$112,633	\$5,568	\$132,580	242.4%

Source: Strategic Planning Group, Inc., 2005

**Local Market Demand/Supply**

The 20-mile radius and 60-minute, peak-hour commute includes Okaloosa, Walton (to the east) and Santa Rosa County (to the West). Based on the Air Force’s recent Housing Assessment, most personnel resided in Okaloosa and Santa Rosa counties; therefore, the housing market area for Eglin AFB and Hurlburt Field and this study includes both Okaloosa and Santa Rosa Counties.

Okaloosa and Santa Rosa Counties had a total population of 303,991 in 2003. The market area had a 2003 labor force of 146,796, with Okaloosa County accounting for approximately 62.3%. The labor force is has an average unemployment rate of 3%.

Employment in the market area is diverse. The two-county market area had a total employment of 104,177 in 2002. Other Services accounted for the largest share in Okaloosa County (32.8%) followed by Professional and Business Services; while in Santa Rosa County, Other Services accounted for 31.6% followed by Professional and Business Services at 15.3%. Average industry wages were significantly higher in Okaloosa County than in Santa Rosa County. Government wages (including military) exceeded the industry average in both counties.

### *Community Housing Supply*

The Census shows that the market area had approximately 109,840 housing units in 2000 (Table 40), of which owner-occupied housing comprised 71.9% and rental 28.1%

**Table 40. Housing Units, 2000**

	<i>Okaloosa</i>	<i>Santa Rosa</i>	<i>Total</i>	<i>%</i>
<b>Total:</b>	66,269	43,793	110,062	
<b>Owner occupied</b>	43,972	35,198	79,170	71.9%
<b>Renter occupied</b>	22,297	8,595	30,892	28.1%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

### **Rental Supply**

According to the 2000 Census, Okaloosa and Santa Rosa Counties had a total of 10,335 rental units, of which 1,736 were vacant (Table 41). Total vacant rental units increased by slightly over 1,000 units between the 1990-2000 time periods.

**Table 41. Rental Housing Trends, 1990-2000**

	<i>County</i>	<i>Okaloosa</i>	<i>Santa Rosa</i>
<b>Occupied Rental Units</b>	<b>1990</b>	20,164	7,379
	<b>2000</b>	22,274	8,599
	<b>Change</b>	2,110	1,220
<b>Vacant Rental Units</b>	<b>1990</b>	2,682	723
	<b>2000</b>	5,324	1,736
	<b>Change</b>	2,642	1,013
<b>Total Rental Units</b>	<b>1990</b>	22,846	8,102
	<b>2000</b>	27,598	10,335
	<b>Change</b>	4,752	2,233

Source: US Census-1990-2000; Strategic Planning Group, Inc. 2005

Census data for 1990 and 2000 document that Okaloosa and Santa Rosa counties added 778 new 1-Bedroom units (78 annually), lost 286 2-Bedroom units (29 annually), and 1,558 new 3-or-more Bedroom units (156 annually) during the 10-year period between 1990 and 2000. The majority of the 1-through 3-bedroom unit growth are those renting for more than \$600 per month.

### *Building Permits*

Both Okaloosa and Santa Rosa counties have seen growth since the 2000 Census. Taken together, the two counties have issued almost 16,205 permits (annually) of which 12% are multifamily properties accounting for 1,946 units (averaging 486 units annually). The multifamily growth has occurred despite the national slowdown of rental construction due to low mortgage interest and the resulting growth of ownership housing. It should be noted that do to the size of Eglin AFB, the available acreage for continued housing growth is limited, which probably explains the number of personnel residing in Santa Rosa County.

### *Current Apartment Inventory*

According to the Eglin/Hurlburt Housing Requirement and Market Analysis, the area's "suitable" rental housing market contained 18,616 units of which 556 units were defined as "suitable" vacant (Table 42).

**Table 42. Eglin/Hurlburt Market Area Rental Inventory**

	Rental Inventory	Suitable Inventory	Suitable Vacant
<b>Bedrooms</b>			
0	735	489	15
1	4,182	2,729	84
2	9,600	6,801	202
3	8,522	7,096	213
4+	1,895	1,501	42
<b>Total</b>	<b>24,934</b>	<b>18,616</b>	<b>556</b>

Source: Parsons, Hurlburt HRMA, August 2003

Owner-Occupied Housing

As shown in Table 6-29, 98.3% of the market area’s owner-occupied housing is single-family homes (1 to 4 units per structures, including mobile homes).

Multiple Listing Service –Ownership

SPG analyzed properties that were in the Multiple Listing Service (MLS) for December 2004, as a representative sample of existing homes for sale. The MLS listings were for 2- and 4-bedroom. Median Price for a 2-bedroom home was \$109,900; \$249,450 for a 3-bedroom, and \$308,400 for a 4-bedroom home.

As shown in the full report, there is sufficient existing inventory of affordable ownership housing within the marketplace to satisfy the military demand. It should be noted that the military are extremely transient and tend to move every 2-4 years; thereby releasing their homes to the market place.

**Findings**

The DoD uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided by DoD. As shown in Table 6-38, the requirement for family rental housing at 0%-30% income was not a problem, as no military families fall below 50% median local income. Using FHFC affordable rental income of 40%, no families within the E3-E4 ranks requiring affordable 3+-room rental units should have a problem in finding affordable 4+-room rental units when using median rents.

**Table 43. Distribution of Military Family Renters % of Local Median Income (2004)**

Range of Median	RMC-2004	% Median	Family Households 2003	On-Base	Off-Base Renters	Affordable Rent Mthly	Rental Need		
							2-BR	3-BR	4-BR
<b>0-30%</b>						40%	\$625	\$738	\$945
None			None						
<b>31%-60% Median</b>									
E1	\$26,731	48.9%	5		1	\$891	1	0	0
E2	\$28,742	52.5%	14		9	\$958	9	0	0
E3	\$30,837	56.4%	292		118	\$1,028	118	0	0
			311		128		128	0	0
<b>61%-80% Median</b>									
E4	\$34,774	63.6%	1,061		408	\$1,159	379	29	0
E5	\$42,342	77.4%	1,593		187	\$1,411	104	22	61
O1	\$40,350	73.8%	87		43	\$1,345	32	3	8
<b>Total E4,E5, O1</b>			2,741		638		515	54	69
<b>TOTAL</b>			3,052		766		643	54	69

Source: Strategic Planning Group, Inc. 2005

Unaccompanied single military household residing off-installation, likewise, should not have an affordability issue. All E1-E3 single personnel must reside on installation. Of the remaining personnel earning less than 80% of the local median income, the 40% of RMC covers the cost of 1-2 bedroom apartments as shown in Table 44. It should be noted, that according to the Air Force single O1s qualify for a 2 bedroom rental unit, HUD and FHFC standards would be either a studio or 1 Bedroom unit.

**Table 44. Distribution of Military Single Household Renters  
% of Local Median Income (2004)**

Range of Median	RMC-2004	% Median	Single Households 2003	Off Base Renters	Affordable Rent	1 Bedroom	2 Bedroom
0-30% Median none			None		40%	\$625	\$738
31% -60% Median							
E1	\$24,838	45%	0	0	\$828	Housed on base	
E2	\$26,807	49%	0	0	\$894	Housed on base	
E3	\$28,871	53%	0	0	\$962	Housed on base	
E4	\$32,791	60%	1,587	1,469	\$1,093	1,469	
Total E1-E4			1,587	1,469		1,469	0
61-80% Median							
E5	\$40,505	74%	976	703	\$1,350	703	
O1	\$38,729	71%	138	121	\$1,291		121
Total E5-O1			1,114	824		703	121
TOTAL			2,701	2,293		2,172	121

Source: Strategic Planning Group, Inc. 2005

Because of the size of Eglin AFB and the transportation constraints caused by limiting the access through the base, developable land for housing is limited. The beach areas are becoming expensive as the area is beginning to serve as a second home location for the Southeast. Most of the development appears to be in the Crestview in the northern section of the Okaloosa County and as mentioned, to the west in Santa Rosa County.

Because the current military personnel estimates for 2008 are lower than current levels (therefore, requiring fewer on-installation housing), then any shortfall of housing due to affordability could be absorbed by the excess, available, on-installation housing. Also, with respect to unaccompanied personnel, one should assume that some singles, if not a significant portion, would choose to share housing, thereby either saving some of their BAH or by combining their housing allowances and choosing to live in more expensive rental units.

**Tyndall Air Force Base and Naval Surface Warfare Center (NSWC) Panama City**

Located on 650+ acres along St. Andrew Bay in Panama City, Florida, the NSWC Panama City is the Navy's premier organization responsible for Research, Development, Test & Evaluation (RDT&E) of systems applicable to littoral warfare and coastal operations. NSWC Panama City is specifically the focus for RDT&E in the areas of mine warfare, amphibious warfare, special operations, diving and life support, and other missions that take place in the coastal region.

NSWC Panama City had 892 active-duty, permanent personnel. There were 526 families and 366 unaccompanied personnel in need of housing (on and off the installation). Enlisted ranks accounted for (86%) of the active-duty personnel, while (14%) were officers.



**Tyndall Air Force Base**

Tyndall Field was first commissioned on Dec. 7, 1941, and used for pilot training and in September 1950, Tyndall became an Air Training Command unit, designated as the USAF Pilot Instructor School. Today, that training continues. The 325th FW is responsible for building an “air superiority team.” The wing conducts training for F-15 pilots, air traffic controllers, F-15 specific intelligence personnel, weapons controllers and crew chiefs specially trained on the F-15.

As of FY 2003, Tyndall AFB had 3,717 active-duty, permanent personnel. There were 2,239 families and 1,447 unaccompanied personnel in need of housing (on- and off-installation). Enlisted ranks accounted for (77.2%) of the active-duty personnel, while (22.8%) were officers.

***Military Personnel Housing Needs***

As of FY 2003, the two installations had 6,424 active-duty, permanent personnel. As shown in Table - 45, there were 4,825 families and 1,599 unaccompanied personnel in need of housing (on and off the installation). Enlisted ranks accounted for (76.2%) of the active-duty personnel, while (23.8%) were officers.

**Table 45. Off-Installation Housing Requirements, 2003**

<b>Grade</b>	<b>Family</b>	<b>Unaccompanied</b>	<b>Total Personnel</b>
<b>Total</b>	4,825	1,599	6,424
<b>Officers</b>	1,339	192	1,531
<b>O6+</b>	527	0	527
<b>W4-O5</b>	496	31	527
<b>W1-O3</b>	316	162	477
<b>Enlisted</b>	3,487	1,407	4,893
<b>E7-E9</b>	1,686	128	1,813
<b>E4-E6</b>	1,350	424	1,775
<b>E1-E3</b>	450	855	1,305

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

**On-Installation Housing**

The military requires that part of the personnel assigned to the DoD installations be housed on-installation or in government-controlled housing (which is either privatized housing on- or off-installation or leased/owned housing located off-installation).

***On-Installation Family Housing<sup>29</sup>***

According to the local Military Housing Offices, the installations had a government-controlled, family housing occupancy of 997 units. The supply of family housing at Tyndall AFB was significantly more than required by Air Force standards, which if followed would require only 230 family units.

***On-Installation Unaccompanied Housing***

According to DoD standards, all unaccompanied E1-E3 personnel and resident advisors are required to be housed on-installation. Resident advisors can be filled by personnel in grades E4-E9 and are subject to change.

<sup>29</sup> On-installation housing need is calculated using four components: 10% per grade; Key and Essential positions; Historic Housing on-site; and those who’s total compensation (RMC) falls below 50% of the median family income for the area.

**Off-Installation Housing*****Off-Installation Family Housing***

SPG estimates that the off-installation family housing requirements were 1,770 families in 2003, as shown in Table 46.

**Table 46. Off-Installation Family Housing Requirements, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	839	543	388	1,770
<b>Officers</b>	180	149	137	466
<b>O6+</b>	0	0	15	15
<b>W4-O5</b>	0	130	69	199
<b>W1-O3</b>	180	19	53	252
<b>Enlisted</b>	658	394	251	1,304
<b>E7-E9</b>	0	264	75	339
<b>E4-E6</b>	545	124	176	845
<b>E1-E3</b>	113	6	0	119

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

As is the case at most military installations, a significant number of military personnel choose to buy rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. Based on DoD surveys and the VAH survey shown at the beginning of this report, SPG estimates that 974 military families owned their own homes in 2003 (Table 47).

**Table 47. Military Family Homeowners, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	325	394	255	974
<b>Officers</b>	84	96	80	260
<b>O6+</b>	0	0	12	12
<b>W4-O5</b>	0	86	45	131
<b>W1-O3</b>	84	10	23	117
<b>Enlisted</b>	241	298	175	714
<b>E7-E9</b>	0	217	63	280
<b>E4-E6</b>	234	80	112	426
<b>E1-E3</b>	7	1	0	8

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. The Air Force estimates that 795 military families rented homes in 2003 (Table 48).

**Table 48. Military Family Renters, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	513	149	133	795
<b>Officers</b>	96	53	57	206
<b>O6+</b>	0	0	3	3
<b>W4-O5</b>	0	44	24	68
<b>W1-O3</b>	96	9	30	135
<b>Enlisted</b>	417	96	76	589
<b>E7-E9</b>	0	47	12	59
<b>E4-E6</b>	311	44	64	419
<b>E1-E3</b>	106	5	0	111

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

### ***Off-Installation Unaccompanied Housing***

The demand for off-installation, unaccompanied housing is based on the difference between the total number of unaccompanied personnel and those required to reside in government-controlled housing. SPG estimated that there were 1,246 unaccompanied personnel residing within the community in 2003 (Table 49).

**Table 49. Off-Installation Unaccompanied Housing Requirements, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	716	501	29	1,246
<b>Officers</b>	0	334	29	363
<b>O6+</b>	0	0	1	1
<b>W4-O5</b>	0	0	28	28
<b>W1-O3</b>	0	334	0	334
<b>Enlisted</b>	716	167	0	883
<b>E7-E9</b>	0	68	0	68
<b>E4-E6</b>	716	99	0	815
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 244 personnel (Table 50).

**Table 50. Unaccompanied Homeowners, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	104	123	17	244
<b>Officers</b>	0	58	17	75
<b>O6+</b>	0	0	1	1
<b>W4-O5</b>	0	0	16	16
<b>W1-O3</b>	0	58	0	58
<b>Enlisted</b>	104	65	0	169
<b>E7-E9</b>	0	32	0	32
<b>E4-E6</b>	104	33	0	137
<b>E1-E3</b>	0	0	0	0

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel, SPG estimated that 1,002 unaccompanied military renters resided off-installation in 2003 (Table 51).

**Table 51. Unaccompanied Renters, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
Total	612	378	12	1,002
Officers	0	276	12	288
O6+	0	0	0	0
W4-O5	0	0	12	12
W1-O3	0	276	0	276
Enlisted	612	102	0	714
E7-E9	0	36	0	36
E4-E6	612	66	0	678
E1-E3	0	0	0	0

Numbers may not total due to rounding.

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004, and Strategic Planning Group, Inc., 2005

### ***Regular Military Compensation***

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 52, these “adjustments” to salary result in Regular Military Compensation (RMC), which is comparable to non-military family/household income. The household income for military personnel residing off-installation ranges from \$24,838 (E1 unaccompanied) to \$136,942 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

Table 52. Regular Military Compensation

With Dependents	BAH	BAS	Allowances			Calculated Basic Income			Regular Military Compensation	Military as % of Median
			Annualized	Salary		Annualized	Tax Adjustment			
E-1	\$703	\$254	\$11,490	\$1,104	\$1,193	\$1,193	\$14,316	\$925	\$26,731	48.9%
E-2	\$703	\$254	\$11,490	\$1,338	\$1,338	\$1,338	\$16,052	\$1,200	\$28,742	52.5%
E-3	\$703	\$254	\$11,490	\$1,407	\$1,586	\$1,496	\$17,946	\$1,401	\$30,837	56.4%
E-4	\$703	\$254	\$11,490	\$1,558	\$1,892	\$1,814	\$21,769	\$1,515	\$34,774	63.6%
E-5	\$754	\$254	\$12,102	\$1,700	\$2,368	\$2,368	\$28,415	\$1,826	\$42,342	77.4%
E-6	\$879	\$254	\$13,602	\$1,856	\$2,810	\$2,810	\$33,718	\$2,287	\$49,606	90.7%
E-7	\$924	\$254	\$14,142	\$2,145	\$3,855	\$3,342	\$40,100	\$2,483	\$56,725	103.7%
E-8	\$973	\$254	\$14,730	\$3,086	\$4,314	\$3,716	\$44,586	\$2,672	\$61,987	113.3%
E-9	\$1,044	\$254	\$15,582	\$3,769	\$5,055	\$4,777	\$57,319	\$3,971	\$76,871	140.5%
W-1	\$880	\$175	\$12,663	\$2,213	\$3,536	\$2,594	\$31,122	\$2,079	\$45,863	83.8%
W-2	\$944	\$175	\$13,431	\$2,506	\$4,104	\$3,158	\$37,894	\$2,364	\$53,688	98.2%
W-3	\$1,003	\$175	\$14,139	\$2,849	\$4,716	\$3,596	\$43,150	\$3,308	\$60,597	110.8%
W-4	\$1,060	\$175	\$14,823	\$3,119	\$5,446	\$4,617	\$55,408	\$5,013	\$75,244	137.6%
W-5	\$1,126	\$175	\$15,615	\$5,361	\$5,914	\$5,544	\$66,532	\$5,763	\$87,909	160.7%
O-1	\$768	\$175	\$11,319	\$2,264	\$2,849	\$2,264	\$27,173	\$1,858	\$40,350	73.8%
O-2	\$876	\$175	\$12,615	\$2,608	\$3,610	\$3,422	\$41,058	\$2,220	\$55,893	102.2%
O-3	\$1,001	\$175	\$14,115	\$3,019	\$4,911	\$4,220	\$50,641	\$3,303	\$68,059	124.4%
O-4	\$1,153	\$175	\$15,939	\$3,434	\$5,733	\$4,809	\$57,712	\$5,391	\$79,041	144.5%
O-5	\$1,260	\$175	\$17,223	\$3,980	\$6,761	\$5,603	\$67,234	\$6,356	\$90,812	166.0%
O-6	\$1,270	\$175	\$17,343	\$4,774	\$8,285	\$6,807	\$81,688	\$6,414	\$105,445	192.8%
O-7	\$1,285	\$175	\$17,523	\$6,441	\$9,434	\$9,386	\$112,633	\$6,786	\$136,942	250.4%
Without Dependents										
E-1	\$557	\$254	\$9,738	\$1,104	\$1,193	\$1,193	\$14,316	\$784	\$24,838	45.4%
E-2	\$557	\$254	\$9,738	\$1,338	\$1,338	\$1,338	\$16,052	\$1,017	\$26,807	49.0%
E-3	\$557	\$254	\$9,738	\$1,407	\$1,586	\$1,496	\$17,946	\$1,188	\$28,871	52.8%
E-4	\$557	\$254	\$9,738	\$1,558	\$1,892	\$1,814	\$21,769	\$1,284	\$32,791	59.9%
E-5	\$621	\$254	\$10,506	\$1,700	\$2,368	\$2,368	\$28,415	\$1,585	\$40,505	74.0%
E-6	\$659	\$254	\$10,962	\$1,856	\$2,810	\$2,810	\$33,718	\$1,843	\$46,522	85.0%
E-7	\$706	\$254	\$11,526	\$2,145	\$3,855	\$3,342	\$40,100	\$2,024	\$53,649	98.1%
E-8	\$778	\$254	\$12,390	\$3,086	\$4,314	\$3,716	\$44,586	\$2,247	\$59,223	108.3%
E-9	\$817	\$254	\$12,858	\$3,769	\$5,055	\$4,777	\$57,319	\$3,277	\$73,453	134.3%
W-1	\$684	\$175	\$10,311	\$2,213	\$3,536	\$2,594	\$31,122	\$1,692	\$43,125	78.8%
W-2	\$778	\$175	\$11,439	\$2,506	\$4,104	\$3,158	\$37,894	\$2,013	\$51,345	93.9%
W-3	\$821	\$175	\$11,955	\$2,849	\$4,716	\$3,596	\$43,150	\$2,797	\$57,902	105.9%
W-4	\$890	\$175	\$12,783	\$3,119	\$5,446	\$4,617	\$55,408	\$4,323	\$72,514	132.6%
W-5	\$935	\$175	\$13,323	\$5,361	\$5,914	\$5,544	\$66,532	\$4,917	\$84,771	155.0%
O-1	\$652	\$175	\$9,927	\$2,264	\$2,849	\$2,264	\$27,173	\$1,629	\$38,729	70.8%
O-2	\$736	\$175	\$10,935	\$2,608	\$3,610	\$3,422	\$41,058	\$1,924	\$53,917	98.6%
O-3	\$834	\$175	\$12,111	\$3,019	\$4,911	\$4,220	\$50,641	\$2,834	\$65,586	119.9%
O-4	\$928	\$175	\$13,239	\$3,434	\$5,733	\$4,809	\$57,712	\$4,478	\$75,428	137.9%
O-5	\$958	\$175	\$13,599	\$3,980	\$6,761	\$5,603	\$67,234	\$5,019	\$85,851	156.9%
O-6	\$1,003	\$175	\$14,139	\$4,774	\$8,285	\$6,807	\$81,688	\$5,229	\$101,056	184.7%
O-7	\$1,023	\$175	\$14,379	\$6,441	\$9,434	\$9,386	\$112,633	\$5,568	\$132,580	242.4%

Source: Strategic Planning Group, Inc., 2005

As shown in Table 52, E1-E5 and O1 families fall below 80% of the area’s median income, while none fall below the 50% median figure. The corresponding number for unaccompanied personnel are also E1-E5s and O1s. Note, however, that all E1-3 singles are required to live on-installation. Therefore, of the unaccompanied personnel, E4s and O1s fall under the 80% median area income.

**Local Market Demand/Supply**

The 20-mile radius and 60-minute, peak-hour commute includes the entire Panama City metropolitan area. In practicality, the housing market area for NSWC Panama City and Tyndall AFB includes Bay and Gulf Counties. The two counties have experienced significant growth since 1990, averaging around 3,000 new persons per year during the 1990-2000 year period. The two counties had a 2000 population of 168,000 all most all of which occurred within Bay County (158,200). Growth over 2000-2005 increased at an annual rate of 2,500 persons.

The market area had a 2003 labor force of 77,234, with Bay County accounting for approximately 93%. A large percentage of Gulf County residents commute to work in Bay County. The labor force is has an average unemployment rate of 5.3%.

Employment in the market area is diverse. The two-county market area had an employment of 65,423 in 2002. Other services accounted for the largest share in Bay County (36.1%) followed by Health Care

and Social Assistance; while in Gulf County Government (including military) accounted for 27.2% followed by Other Services at 23.7%.

Average industry wages were significantly higher in Bay County than in Gulf County. Government wages (including military) exceeded the industry average in both counties.

### ***Community Housing Supply***

As part of this study effort, SPG analyzed the local housing market to determine whether sufficient, affordable rental and ownership housing currently exists to fill the military off-installation demand.

The Census shows that the market area had approximately 64,500 housing units in 2000 (Table 53), of which owner-occupied housing comprised 69.6% and rental 30.4%.

**Table 53. Housing Units, 2000**

	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>	<i>%</i>
<b>Total:</b>	59,597	4,931	64,528	
<b>Owner occupied</b>	40,892	3,995	44,887	69.6%
<b>Renter occupied</b>	18,705	936	19,641	30.4%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

### **Rental Supply**

According to the 2000 Census, Bay and Gulf counties had a total of 25,701 rental units, of which 6,056 were vacant (Table 54). Total vacant rental units increased by slightly over 600 units between the 1990-2000 time periods.

**Table 54. Rental Housing Trends, 1990-2000**

<i>County</i>	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>	
<b>Occupied Rental Units</b>	<b>1990</b>	16,866	928	17,794
	<b>2000</b>	18,710	935	19,645
	<b>Change</b>	1,844	7	1,851
<b>Vacant Rental Units</b>	<b>1990</b>	5,127	293	5,420
	<b>2000</b>	5,501	555	6,056
	<b>Change</b>	374	262	636
<b>Total Rental Units</b>	<b>1990</b>	21,993	1,221	23,214
	<b>2000</b>	24,211	1,490	25,701
	<b>Change</b>	2,218	269	2,487

Source: US Census-1990-2000; Strategic Planning Group, Inc. 2005

Census data for 1990 and 2000 document that Bay and Gulf counties added 629 new 1-Bedroom units, 235 new 2-Bedroom units, and 432 new 3-or-more Bedroom units during the 10-year period between 1990 and 2000. The majority of the 1-through 3+-bedroom unit growth are units renting for \$400 - \$700 per month.

### ***Building Permits***

Both Bay and Gulf counties have seen growth since the 2000 Census. Taken together, the two counties have issued almost 11,431 permits of which 45.5% are multifamily properties accounting for 5,196 units. The multifamily growth has occurred despite the national slowdown of rental construction due to low mortgage interest and the resulting growth of ownership housing.

**Table 55. Bay and Gulf County Building Permits – 2000-2004**

<b>Bay County<sup>1</sup></b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Totals</b>
<b>Single Family</b>	670	722	1,030	1,232	1,309	4,963
<b>Two Family</b>	54	90	30	20	30	224
<b>Three &amp; Four Family</b>	26	26	14	27	36	129
<b>Five or More Family</b>	351	11	461	2,103	2,270	5,196
<b>Total</b>	1,101	849	1,535	3,382	3,645	10,512
<b>Gulf County</b>						
<b>Single Family</b>	188	141	244	181	165	919
<b>Two Family</b>	0	0	0	0	0	0
<b>Three &amp; Four Family</b>	0	0	0	0	0	0
<b>Five or More Family</b>	0	0	0	0	0	0
<b>Total</b>	188	141	244	181	165	919
<b>Market Area</b>						
<b>Single Family</b>	858	863	1,274	1,413	1,474	5,882
<b>Two Family</b>	54	90	30	20	30	224
<b>Three &amp; Four Family</b>	26	26	14	27	36	129
<b>Five or More Family</b>	351	11	461	2,103	2,270	5,196
<b>Market Area Total</b>	1,289	990	1,779	3,563	3,810	11,431

<sup>1</sup>Data for Bay County represents an 11 month period Jan.-Nov. for all indicated years.  
<sup>2</sup>2004 data for all counties January through November.

Source: Strategic Planning Group, Inc. 2005

Current Rental Inventory

The DoD 2003 Housing Assessments contained an inventory of rental housing within the market area. According to that report, the market area contained 20,379 rental units, but it found 24.5% unsuitable for DoD standards<sup>30</sup> (mobile homes et. al.). Table 56 shows the “suitable” rental housing supply.

**Table 56. Panama City Market Area Suitable Rental Market**

<b>Monthly Rent Plus Utilities Plus Renter's Insurance</b>	<b>Studio</b>	<b>1-BR</b>	<b>2-BR</b>	<b>3-BR</b>	<b>4+BR</b>
<b>&gt;\$1,400</b>			337	995	1,680
<b>\$1,400</b>	54	187	184	477	
<b>\$1,300</b>	269	187	223	721	
<b>\$1,200</b>		75	798	966	
<b>\$1,100</b>	54	450	663	1,239	
<b>\$1,000</b>	54	570	556	1,180	
<b>\$900</b>	425	1,306	547	2,283	
<b>\$800</b>	532	1,490	286	2,308	
<b>\$700</b>	516	1,306	13	1,835	
<b>\$600</b>	339	1,030		1,369	
<b>&lt;\$500</b>	644	104		748	
<b>Total</b>	2,887	7,042	4,265	14,806	

Source: Niehaus, Inc., 2003 NSWC Panama City Housing Assessment

<sup>30</sup> Two separate Housing Assessments were done; one for NSWC Panama City and one for Tyndall AFB. Different consultants conducted the research and their findings differ slightly. The data provided in the summary are from the report prepared by Niehaus, Inc. 2003.



Owner-Occupied Housing

Of the market area’s owner-occupied housing, 98.6% is single family homes (1 to 4 units-per-structure, including mobile homes).

Multiple Listing Service –Ownership

SPG analyzed properties that were in the Multiple Listing Service (MLS) for December 2004, as a representative sample of existing homes for sale. The majority of the MLS listings were for 3- and 4-bedroom units. Average price for a 2-bedroom home was \$198,826 (median \$109,900); \$377,705 (median \$165,000) for a 3-bedroom, and \$852,172 (median \$184,800) for a 4-bedroom home.

As shown in the full report, there is sufficient existing inventory of affordable ownership housing within the marketplace to satisfy the military demand. It should be noted that the military are extremely transient and tend to move every 2-4 years; thereby releasing their homes to the market place.

Findings

The DoD uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided by DoD. Using standard civilian affordability standards, and analyzing the military off-installation requirements (2003) using RMC, no major housing problems were observed. As shown in Table 57, the requirement for family rental housing at 0%-30% income was not a problem, as no military families fall below 50% median local income. Using FHFC affordable rental income of 40%, no families should have a problem in finding affordable rental units when using median rents.

**Table 57. NSWC Panama City/Tyndall AFB – Family Housing Impacts Below 80% Median Income**

Range of Median	RMC-2004	% Median	Family Households	On-Base	Off-Base Renters	Affordable Rent Mthly	Rental Need		
						40%	BR	3-BR	4-BR
2003							\$625	\$725	\$940
							\$738	\$945	\$1,050
<b>0-30%</b>									
None			None						
<b>31%-60% Median</b>									
E1	\$27,276	55.4%	5	0	5	\$909	5	0	0
E2	\$29,299	59.6%	18	2	15	\$977	14	1	0
<b>Total E1-E2</b>			23	11	11		19	1	0
<b>61%-80% Median</b>									
E3	\$31,402	63.8%	136	38	91	\$1,047	87	4	0
E4	\$35,344	71.8%	381	117	205	\$1,178	194	7	4
<b>Total E3-4</b>			517	155	296		281	11	4
<b>TOTAL</b>			540	166	307		300	12	4
<b>Total</b>							300	12	4

Source: Strategic Planning Group, Inc., 2005

Unaccompanied single military household residing off-installation, likewise, should not have an affordability issue. All E1-E3 single personnel must reside on installation and 40% of RMC covers the cost of studio, 1-bedroom or 2 bedroom apartment as shown in Table 8-38.

**Table 58. Distribution of Military Single Household Renters  
% of Local Median Income (2004)**

Range of Median	RMC-2004	% Median	Single Housholds	On Base	Off Base Renters	Affordable Rent	1 Bedroom	2 Bedroom
						40%	\$545	\$625
							\$625	\$738
<b>0-30% Median</b>								
none								
<b>31% -60% Median</b>								
<b>E1</b>	\$25,966	52.8%	16	16	0	\$866	Housed on base	
<b>E2</b>	\$27,960	56.8%	58	58	0	\$932	Housed on base	
<b>E3</b>	\$30,042	61.1%	439	439	0	\$1,001	Housed on base	
<b>Total E1-E3</b>			513	513	0		Housed on base	
<b>61-80% Median</b>								
<b>E4</b>	\$33,972	69.0%	466	53	371	\$1,132	371	0
<b>O1</b>	\$39,232	79.7%	188	0	179	\$1,308	0	179
<b>Total E4-O1</b>			654	53	550		371	179

### Central Region

The Central Florida Region consists of 19 counties and is home to the U.S. Central Command, U.S. Special Operations Command, MacDill Air Force Base, Avon Park Air Force Range, Patrick Air Force Base, Team Orlando (Florida Simulation Center) and Cape Canaveral Air Force Station. Personnel totals on these installations number 11,883 – 7,086 military and 4,797 civilian. Defense Spending totals \$8.6 billion making for a Regional Economic Impact of \$17.7 billion: 290,500 jobs, \$40,275 average annual wage, \$27.8 billion sales activity, \$8.8 billion consumption, \$2.7 billion construction, and \$5.2 billion capital investment.<sup>31</sup>

### MacDill Air Force Base

MacDill Air Force Base is home to the 6<sup>th</sup> Air Mobility Wing as well as 50 Mission Partners including the United States Central Command and United States Special Operations Command. The 6<sup>th</sup> AMW is a 3,000 person force capable of rapidly projecting air refueling power anywhere in the world. It is organized into five unique groups to carry out its mission to support the Headquarters U.S. Central Command, and Headquarters U.S. Special Operations.

United States Central Command (USCENTCOM) is one of five geographically defined united commands within the Department of Defense. United States Central Command is responsible for protecting U.S. security interests in 25 nations in Northeast Africa, Southwest and Central Asia & the island nation of Seychelles, including their leadership of military operations in the Middle East.

The primary military mission of United States Special Operations Command is to conduct the Global War on Terrorism, with the intent to disrupt, defeat, and destroy terrorist networks that threaten the U.S., its citizens and interests worldwide. USSOCOM, generally, takes the lead in preparing our nation's 46,000 active-duty and reserve special forces for worldwide special operations, civil affairs, and psychological operations in both peace and war-time.

<sup>31</sup> Haas Center for Business Research and Economic Development, Florida Defense Industry Economic Impact Analysis, December 2003

### Military Personnel Housing Needs

As of FY 2004, MacDill AFB had 5,283 active-duty, permanent personnel<sup>32</sup>. SPG estimates there were 3,221 families and 2,062 unaccompanied personnel in need of housing (on and off the installation)<sup>33</sup> in FY 2004. Enlisted ranks accounted for 4,248 (80.4%) of the active-duty personnel, while 1,035 (19.6%) were officers.

**Table 59. Military Personnel, Family and Unaccompanied, FY 2004**

<b>Grade</b>	<b>Family</b>	<b>Unaccompanied</b>	<b>Total Personnel</b>
<b>Total</b>	3,221	2,062	5,283
<b>Officers</b>	670	365	1,035
<b>O6+</b>	39	0	39
<b>W4-O5</b>	253	33	286
<b>W1-O3</b>	378	331	710
<b>Enlisted</b>	2,551	1,697	4,248
<b>E7-E9</b>	518	61	579
<b>E4-E6</b>	1,774	972	2,745
<b>E1-E3</b>	259	664	924

Numbers may not equal due to rounding.  
Source: Strategic Planning Group, 2005

### On-Installation Housing

The military requires that part of the personnel assigned to MacDill be housed on-installation or in government-controlled housing (which is either privatized housing on- or off-installation or leased/owned housing located off-installation).

#### ***On-Installation Family Housing***<sup>34</sup>

MacDill AFB had family housing occupancy is estimated to be 493<sup>35</sup> units; 29 for officers and 464 for enlisted. The majority of the enlisted personnel housed on-base is assumed to be E4-E6 families.

#### ***On-Installation Unaccompanied Housing***

According to Air Force standards, all unaccompanied E1-E3 personnel and resident advisors are required to be housed on-installation. Resident advisors can be filled by personnel in grades E4-E9 and are subject to change. For purposes of this analysis resident advisors were assumed to be in grades E5-6. SPG estimated that MacDill had 378 Bachelor Enlisted Quarters (BEQ) and Bachelor Officer Quarters (BOQ), not breakout between enlisted and officers given.

### Off-Installation Housing

For purposes of analysis, off-installation housing is broken down by families and unaccompanied personnel demand. The basic allowance for housing (BAH) is different for both groups, and recent

<sup>32</sup> Department of Defense Base Structure Report (FY 2004 Baseline), 2004.

<sup>33</sup> SPG was given Marine, Navy and Army loadings. Air Force were determined by subtracting total FY 2004 Base Structure loadings from the Marine, Navy and Army loadings. Characteristics by Military Branch were calculated using the following standards: Air Force personnel, Tyndall AFB standards; for Navy personnel, NAS Jacksonville standards ;and for the Army and Marines, National Army and Marines standards. These different calculations were then summed by Grade and reported in this analysis.

<sup>34</sup> On-installation housing need is calculated using four components: 10% per grade; Key and Essential positions; Historic Housing on-site; and those who's total compensation (RMC) falls below 50% of the median family income for the area.

<sup>35</sup> Communications with MacDill staff.

BAH changes allow singles to double-up (or more), allowing the sharing of housing expenses without loss of any of the BAH.

### *Off-Installation Family Housing*

SPG estimates that MacDill's off-installation or "community first" family housing requirements were 2,728 families in FY 2004 (3,263 shown in Table 60 less 493 on-installation housed).

**Table 60. Off-Installation Family Housing Requirements**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	1,264	920	545	2,728
<b>Officers</b>	236	238	98	571
<b>O6+</b>	0	0	19	19
<b>W4-O5</b>	0	166	37	203
<b>W1-O3</b>	236	72	41	349
<b>Enlisted</b>	1,028	682	447	2,157
<b>E7-E9</b>	0	361	123	484
<b>E4-E6</b>	949	281	325	1,555
<b>E1-E3</b>	79	39	0	119

Numbers may not equal due to rounding.  
Source: Strategic Planning Group, 2005

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. Based on DoD surveys and the VAH survey shown at the beginning of this report, the SPG estimated that 1,285 military personnel owned their housing in 2003 (Table 61).

**Table 61. Military Family Homeowners, FY 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	478	527	280	1,285
<b>Officers</b>	109	148	79	336
<b>O6+</b>	0	0	25	25
<b>W4-O5</b>	0	104	31	136
<b>W1-O3</b>	109	43	23	175
<b>Enlisted</b>	369	379	201	949
<b>E7-E9</b>	0	197	63	260
<b>E4-E6</b>	369	183	138	689
<b>E1-E3</b>	0	0	0	0

Numbers could be off slightly due to rounding.  
Source: Strategic Planning Group, Inc. 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. SPG estimates that 1,443 military families rented homes in 2004 (Table 62).

**Table 62. Military Family Renters, FY 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	750	440	253	1,443
<b>Officers</b>	83	80	33	195
<b>O6+</b>	0	0	1	1
<b>W4-O5</b>	0	47	15	62
<b>W1-O3</b>	83	33	17	133
<b>Enlisted</b>	667	360	220	1,248
<b>E7-E9</b>	0	86	29	114
<b>E4-E6</b>	483	240	181	903
<b>E1-E3</b>	184	35	11	230

Numbers could be off slightly due to rounding.

Source: Strategic Planning Group, Inc. 2005

### *Off-Installation Unaccompanied Housing*

The demand for off-installation, unaccompanied housing is based on the difference between the total number of unaccompanied personnel and those required to reside in government-controlled housing. SPG estimated that there were 1,684 unaccompanied personnel residing within the community in 2004.

**Table 63. Off-Installation Unaccompanied Housing Requirements, FY 2004**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Unaccompanied Housing Required</b>
<b>Total</b>	1,099	532	53	1,684
<b>Officers</b>	0	317	53	370
<b>O6+</b>	0	0	1	1
<b>W4-O5</b>	0	0	52	52
<b>W1-O3</b>	0	317	0	317
<b>Enlisted</b>	1,099	215	0	1,314
<b>E7-E9</b>	0	64	0	64
<b>E4-E6</b>	1,099	151	0	1,250
<b>E1-E3</b>	0	0	0	0

Numbers could be off slightly due to rounding.

Source: Strategic Planning Group, Inc. 2005

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 280 personnel (Table 64).

**Table 64. Unaccompanied Homeowners, FY 2004**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	182	88	9	280
<b>Officers</b>	0	53	9	61
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	0	9	9
<b>W1-O3</b>	0	53	0	53
<b>Enlisted</b>	182	36	0	218
<b>E7-E9</b>	0	11	0	11
<b>E4-E6</b>	182	25	0	208
<b>E1-E3</b>	0	0	0	0

Numbers could be off slightly due to rounding.

Source: Strategic Planning Group, Inc. 2005

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows SPG to estimate that 1,404 unaccompanied military renters resided off-installation in 2004 (Table 65).

**Table 65. Unaccompanied Renters, FY 2004**

Grade	1 BR	2 BR	3 BR	Total
<b>Total</b>	1,015	366	24	1,404
<b>Officers</b>	0	226	24	250
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	0	24	24
<b>W1-O3</b>	0	226	0	226
<b>Enlisted</b>	1,015	139	0	1,154
<b>E7-E9</b>	0	35	0	35
<b>E4-E6</b>	1,015	104	0	1,119
<b>E1-E3</b>	0	0	0	0

Numbers could be off slightly due to rounding.  
 Source: Strategic Planning Group, Inc. 2005

**Regular Military Compensation**

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 66, these “adjustments” to salary result in Regular Military Compensation (RMC), which is comparable to non-military family/household income. The household income for military personnel residing off-installation ranges from \$27,431 (E1 unaccompanied) to \$143,018 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

**Table 66. Regular Military Compensation**

With Dependents	Allowances		Annualized			Salary Range		Calculated Basic Income		Tax Adjustment	RMC	Military as % of Median
	BAH	BAS					Annualized					
E-1	\$920	\$254	\$14,094	\$1,104	\$1,193	\$1,193	\$14,316	\$1,135	\$29,545	57.7%		
E-2	\$920	\$254	\$14,094	\$1,338	\$1,338	\$1,338	\$16,052	\$1,472	\$31,618	61.8%		
E-3	\$920	\$254	\$14,094	\$1,407	\$1,586	\$1,496	\$17,946	\$1,719	\$33,758	65.9%		
E-4	\$920	\$254	\$14,094	\$1,558	\$1,892	\$1,814	\$21,769	\$1,858	\$37,721	73.7%		
E-5	\$1,034	\$254	\$15,462	\$1,700	\$2,368	\$2,368	\$28,415	\$2,333	\$46,209	90.3%		
E-6	\$1,116	\$254	\$16,446	\$1,856	\$2,810	\$2,810	\$33,718	\$2,765	\$52,928	103.4%		
E-7	\$1,154	\$254	\$16,902	\$2,145	\$3,855	\$3,342	\$40,100	\$2,967	\$59,989	117.1%		
E-8	\$1,196	\$254	\$17,406	\$3,086	\$4,314	\$3,716	\$44,586	\$3,157	\$65,149	127.2%		
E-9	\$1,275	\$254	\$18,354	\$3,769	\$5,055	\$4,777	\$57,319	\$4,677	\$80,350	156.9%		
W-1	\$1,117	\$175	\$15,507	\$2,213	\$3,536	\$2,594	\$31,122	\$2,545	\$49,174	96.0%		
W-2	\$1,171	\$175	\$16,155	\$2,506	\$4,104	\$3,158	\$37,894	\$2,843	\$56,891	111.1%		
W-3	\$1,222	\$175	\$16,767	\$2,849	\$4,716	\$3,596	\$43,150	\$3,923	\$63,840	124.7%		
W-4	\$1,300	\$175	\$17,703	\$3,119	\$5,446	\$4,617	\$55,408	\$5,988	\$79,098	154.5%		
W-5	\$1,403	\$175	\$18,939	\$5,361	\$5,914	\$5,544	\$66,532	\$6,989	\$92,460	180.6%		
O-1	\$1,043	\$175	\$14,619	\$2,264	\$2,849	\$2,264	\$27,173	\$2,400	\$44,191	86.3%		
O-2	\$1,114	\$175	\$15,471	\$2,608	\$3,610	\$3,422	\$41,058	\$2,723	\$59,251	115.7%		
O-3	\$1,220	\$175	\$16,743	\$3,019	\$4,911	\$4,220	\$50,641	\$3,918	\$71,302	139.3%		
O-4	\$1,447	\$175	\$19,467	\$3,434	\$5,733	\$4,809	\$57,712	\$6,584	\$83,783	163.6%		
O-5	\$1,618	\$175	\$21,519	\$3,980	\$6,761	\$5,603	\$67,234	\$7,941	\$96,694	188.9%		
O-6	\$1,631	\$175	\$21,675	\$4,774	\$8,285	\$6,807	\$81,688	\$8,017	\$111,379	217.5%		
O-7	\$1,650	\$175	\$21,903	\$6,441	\$9,434	\$9,386	\$112,633	\$8,482	\$143,018	279.3%		
<b>Without Dependents</b>												
E-1	\$757	\$254	\$12,138	\$1,104	\$1,193	\$1,193	\$14,316	\$978	\$27,431	53.6%		
E-2	\$757	\$254	\$12,138	\$1,338	\$1,338	\$1,338	\$16,052	\$1,268	\$29,458	57.5%		
E-3	\$757	\$254	\$12,138	\$1,407	\$1,586	\$1,496	\$17,946	\$1,480	\$31,564	61.6%		
E-4	\$757	\$254	\$12,138	\$1,558	\$1,892	\$1,814	\$21,769	\$1,600	\$35,507	69.3%		
E-5	\$790	\$254	\$12,534	\$1,700	\$2,368	\$2,368	\$28,415	\$1,891	\$42,839	83.7%		
E-6	\$822	\$254	\$12,918	\$1,856	\$2,810	\$2,810	\$33,718	\$2,172	\$48,807	95.3%		
E-7	\$928	\$254	\$14,190	\$2,145	\$3,855	\$3,342	\$40,100	\$2,491	\$56,781	110.9%		
E-8	\$1,050	\$254	\$15,654	\$3,086	\$4,314	\$3,716	\$44,586	\$2,839	\$63,079	123.2%		
E-9	\$1,076	\$254	\$15,966	\$3,769	\$5,055	\$4,777	\$57,319	\$4,069	\$77,353	151.1%		
W-1	\$877	\$175	\$12,627	\$2,213	\$3,536	\$2,594	\$31,122	\$2,073	\$45,821	89.5%		
W-2	\$1,050	\$175	\$14,703	\$2,506	\$4,104	\$3,158	\$37,894	\$2,588	\$55,184	107.8%		
W-3	\$1,078	\$175	\$15,039	\$2,849	\$4,716	\$3,596	\$43,150	\$3,519	\$61,707	120.5%		
W-4	\$1,126	\$175	\$15,615	\$3,119	\$5,446	\$4,617	\$55,408	\$5,281	\$76,304	149.0%		
W-5	\$1,164	\$175	\$16,071	\$5,361	\$5,914	\$5,544	\$66,532	\$5,931	\$88,533	172.9%		
O-1	\$806	\$175	\$11,775	\$2,264	\$2,849	\$2,264	\$27,173	\$1,933	\$40,880	79.8%		
O-2	\$994	\$175	\$14,031	\$2,608	\$3,610	\$3,422	\$41,058	\$2,469	\$57,558	112.4%		
O-3	\$1,087	\$175	\$15,147	\$3,019	\$4,911	\$4,220	\$50,641	\$3,544	\$69,332	135.4%		
O-4	\$1,158	\$175	\$15,999	\$3,434	\$5,733	\$4,809	\$57,712	\$5,411	\$79,122	154.5%		
O-5	\$1,184	\$175	\$16,311	\$3,980	\$6,761	\$5,603	\$67,234	\$6,019	\$89,564	174.9%		
O-6	\$1,222	\$175	\$16,767	\$4,774	\$8,285	\$6,807	\$81,688	\$6,201	\$104,656	204.4%		
O-7	\$1,247	\$175	\$17,067	\$6,441	\$9,434	\$9,386	\$112,633	\$6,609	\$136,309	266.2%		

Source: Strategic Planning Group, Inc. 2005

As shown in Table 66, E1-E4 families fall below 80% of the area's median income, while none fall below the 50% median figure. Note that all E1-3 singles are required to live on-installation. Therefore, of the unaccompanied personnel, E1-E4s and O1s singles fall under the 80% median area income.

### **Local Market Demand/Supply**

In practicality, the housing market area for MacDill AFB, and therefore, this study includes Hillsborough County. The county has experienced significant growth since 1980, averaging around 16,489 new persons per year during the 1980-1990 year period. Growth over 1990-2003 increased at an annual rate of 6,203 persons.

The market area had a 2003 labor force of 623,614. The labor force is healthy with an average unemployment rate of 4.1%.

Employment in the market area is diverse as. The county market area had an employment of 601,177 in 2002. Other services accounted for the largest share (23.1%), followed by Professional & Business Services (22.8). Government (including military) accounted for 27.2% followed by Other Services at 23.7%.

Average wage for the County's diversified industrial base is high by Florida standards. The area as a strong information sector which commands the highest average wage rates while Government wages (including military) exceeded the industry average.

### ***Community Housing Supply***

The Census shows that the market area had approximately 35,086 housing units in 2000 (Table 67), of which owner-occupied housing comprised 62.4% and rental 37.6%.

**Table 67. Housing Units, 2000**

	<i>Hillsborough</i>	<i>%</i>
Total:	35,086	
Owner occupied	21,900	62.4%
Renter occupied	13,186	37.6%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

### **Rental Supply**

According to the 2000 Census, Hillsborough County had a total of 154,100 rental units, of which 13,738 were vacant (Table 68). Total vacant rental units declined by slightly over 2,400 units between the 1990-2000 time periods.

**Table 68. Rental Housing Trends, 1990-2000**



	<b>County</b>	<b>Hillsborough</b>
<b>Occupied Rental Units</b>	<b>1990</b>	119,930
	<b>2000</b>	140,362
	<b>Change</b>	20,432
<b>Vacant Rental Units</b>	<b>1990</b>	16,191
	<b>2000</b>	13,738
	<b>Change</b>	(2,453)
<b>Total Rental Units</b>	<b>1990</b>	136,121
	<b>2000</b>	154,100
	<b>Change</b>	17,979

Source: US Census-1990-2000; Strategic Planning Group, Inc. 2005

Census data for 1990 and 2000 documents that Hillsborough County added 4,436 new 1-Bedroom units (444 units annually), a net loss of 4,218 2-Bedroom units (-422 units annually), and 8,695 new 3-or-more Bedroom units (870 annually) during the 10-year period. Table 9-22 shows the distribution of rental units by price and bedroom count. The majority of the 1-through 3+-bedroom unit growth are units renting for more than \$600 per month.

#### Building Permits

Hillsborough County has seen robust growth since the 2000 Census. Taken together, the county has issued almost 65,000 permits (16,228 annually) of which 26% are multifamily properties accounting for 16,986 units (4,247 annually). The multifamily growth has occurred despite the national slowdown of rental construction due to low mortgage interest and the resulting growth of ownership housing.

**Table 69. Hillsborough County Building Permits – 2000-2004**

<b>Hillsborough County</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Totals</b>
<b>Single Family</b>	7,328	8,508	9,256	10,256	10,401	45,749
<b>Two Family</b>	248	370	492	454	298	1,862
<b>Three &amp; Four Family</b>	61	151	16	33	55	316
<b>Five or More Family</b>	4,019	1,942	3,817	5,367	1,841	16,986
<b>Total</b>	11,656	10,971	13,581	16,110	12,595	64,913

Source: Strategic Planning Group, Inc. 2005

#### Current Apartment Inventory

SPG was able to obtain detailed information on the current inventory of multi-family apartments in the Jacksonville region. It should be noted that apartments represent only a portion of the area's rental inventory, since the apartment survey accounted for only 50+ units and the fact that single family homes account for 44% of the rental market. As shown in Table 70, the market area is experiencing significant vacancies; ranging from 6.5% for 1-bedroom units to 7.0% for 4 bedroom units. The area had over 5,679 apartment units (in complexes over 50 units) vacant as of November 2004. It should be noted that the supply of 3 and 4 bedroom units is limited, but the vacancy rates still remain in the 7% to 7.5% range.

**Table 70. MacDill AFB Apartment Market**

	1 Bedroom Rent Range				2 Bedroom Rent Range				3 Bedroom Rent Range				4 Bedroom Rent Range			
	Total Units	Vacant Units	Vacancy Rate	Percent of Total Units	Total Units	Vacant Units	Vacancy Rate	Percent of Total Units	Total Units	Vacant Units	Vacancy Rate	Percent of Total Units	Total Units	Vacant Units	Vacancy Rate	Percent of Total Units
\$ 400 or less	460	59	12.8%	1.3%												
\$ 400-\$449	1,708	207	12.1%	4.8%												
\$ 450-\$499	2,827	310	11.0%	7.9%	130	21	16.2%	0.3%	82	0	0.0%	1.1%	132	8	6.1%	9.5%
\$ 500-\$549	4,439	273	6.2%	12.4%	1,542	210	13.6%	4.1%	68	3	4.4%	0.9%				
\$ 550-\$599	6,811	306	4.5%	19.0%	2,240	266	11.9%	6.0%	28	2	7.1%	0.4%				
\$ 600-\$649	5,590	401	7.2%	15.6%	3,440	288	7.8%	9.2%	150	0	0.0%	2.0%				
\$ 650-\$699	4,286	279	6.5%	12.0%	4,301	142	3.3%	11.5%	444	36	8.1%	5.8%				
\$ 700-\$749	3,317	162	4.9%	9.3%	4,321	286	6.6%	11.5%	952	91	9.6%	12.5%	17	0	0.0%	1.2%
\$ 750-\$799	2,738	164	6.0%	7.7%	4,174	222	5.3%	11.1%	693	52	7.5%	9.1%	172	1	0.6%	12.4%
\$ 800-\$849	1,285	71	5.5%	3.6%	4,950	250	5.1%	13.2%	504	31	6.2%	6.6%	7	1	14.3%	0.5%
\$ 850-\$899	1,365	49	3.6%	3.8%	3,195	151	4.7%	8.5%	581	34	5.9%	7.6%	48	7	14.6%	3.5%
\$ 900-\$949	373	26	7.0%	1.0%	2,746	194	7.1%	7.3%	435	25	5.7%	5.7%				
\$ 950-\$999	240	15	6.3%	0.7%	1,821	201	11.0%	4.9%	429	25	5.8%	5.6%				
\$1,000-\$1,049	179	9	5.0%	0.5%	1,124	141	12.5%	3.0%	479	61	12.7%	6.3%	54	4	7.4%	3.9%
\$1,050-\$1,099	92	4	4.3%	0.3%	988	128	13.0%	2.6%	707	58	8.2%	9.3%	10	0	0.0%	0.7%
\$1,100-\$1,149					368	34	9.2%	1.0%	132	11	8.3%	1.7%	36	5	13.9%	2.6%
\$1,150-\$1,199					863	115	13.3%	2.3%	226	14	6.2%	3.0%	8	0	0.0%	0.6%
\$1,150-\$1,199	5	0	0.0%	0.0%	109	4	3.7%	0.3%	169	11	6.5%	2.2%	48	3	6.3%	3.5%
Above \$1,250	53	0	0.0%	0.1%	1,195	39	3.3%	3.2%	1,563	121	7.7%	20.5%	857	68	7.9%	61.7%
Totals:	35,768	2,335	6.5%	100.0%	37,507	2,672	7.1%	100.0%	7,642	575	7.5%	100.0%	1,389	97	7.0%	100.0%
Median	\$620				\$740				\$940				\$1,400			

Source: Real Data Apartment Market Research, November 2004, and SPG 2005.

Owner-Occupied Housing

Of the market area’s owner-occupied housing, 98.6% is single family homes (1 to 4 units-per-structure, including mobile homes).

**Local Ownership Cost Trends**

According to the National Association of Realtors, the Tampa/St. Petersburg/Clearwater metropolitan area showed an 11.7% increase in the cost of single family homes during the 2001-2003 time periods.

As shown in the full report, there is sufficient existing inventory of affordable ownership housing within the marketplace to satisfy the military demand. It should be noted that the military are extremely transient and tend to move every 2-4 years; thereby releasing their homes to the market place.

**Findings**

The DoD uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided by DoD. The MAHC range for E4-E6 families was \$952 to \$1,155, and for the unaccompanied E4-E6 range, it was \$783 to \$851. The MacDill market area had sufficient rental supply to accommodate these price ranges using existing MAHC figures.<sup>36</sup>

Using civilian affordability standards and analyzing the military off-installation requirements (2003) using RMC, no major housing problems were observed. As shown in Table 71, the requirement for family rental housing at 0%-30% income was not a problem, as no military families fall below 50% median local income. Using FHFC affordable rental income of 40%, and comparing the rent structure of just apartments (Table 9-26) there should be no problem for military families securing affordable housing.

**Table 71. MacDill AFB – Family Housing Impacts Below 80% Median Income**

Range of Median	RMC-2004	% Median	Family Households	On-Base	Off-Base Renters	Affordable Rent Mthly	Rental Need		
						40%	2-BR	3-BR	4-
2003									
0-30%									
31%-60% Median									
E1	\$29,545	57.7%	38	na	15	\$985	15	0	0
E2	\$31,618	61.8%	36	na	14	\$1,054	14	0	0
Total E1-E2			74		29		29	0	0
61%-80% Median									
E3	\$33,758	65.9%	186	na	73	\$1,125	41	33	0
E4	\$37,721	73.7%	555	na	199	\$1,257	153	46	0
Total E3-4			741		272		194	79	0
Total Bedroom Count			814		301		223	79	0

Source: Strategic Planning Group, Inc., 2005

Unaccompanied single military household residing off-installation, likewise, should not have an affordability issue. All E1-E3 single personnel must reside on installation and 40% of RMC covers the cost of studio, 1-bedroom and 2-bedroom apartments as shown in Table 72.

<sup>36</sup> Most apartments do not provide 4-bedroom units. These are found in rental homes. Rental homes comprise the majority of rental units within the market and rents tend to be less than found in apartment complexes.

**Table 72. Distribution of Military Single Household Renters By % of Local Median Income (2004)**

0-30% Median	RMC-2004	% Median	Single Households	On-Base	Off-Base Renters	Off Base Renters	Affordable Rent	1 Bedroom	2 Bedroom
none							40%	\$620	\$740
<b>31% -60% Median</b>									
E1	\$27,431	54%	97	97	0	0	\$914	Housed on base	
E2	\$29,458	58%	92	92	0	0	\$982	Housed on base	
E3	\$31,564	62%	476	476	0	0	\$1,052	Housed on base	
<b>61-80% Median</b>									
E4	\$35,507	69%	304		278	0	\$1,184	278	
O1	\$40,880	80%	73		63	0	\$1,363		63
<b>Total Rentals</b>								278	63

Source: Strategic Planning Group, Inc., 2005

Because BAH rates are adjusted annually to local market conditions and are an important part of the overall regular military compensation, the private-sector housing market should be able to continue to provide affordable housing to military personnel. The number of military personnel in need of off-installation housing compared to the County’s total housing supply is insignificant and any growth in military personnel is less than the current supply of future housing as shown in building permit activity. With respect to unaccompanied personnel (singles), one should assume that some singles, if not a significant portion, would choose to share housing, thereby either saving some of their BAH or by combining their housing allowances and choosing to live in more expense rental units.

**Team Orlando**

Team Orlando is made up of the U.S. Naval Air Warfare Center Training Systems Division, U.S. Army Simulation, Training and Instrumentation Command, U.S. Marine Corps Program Office, Joint Simulation System Joint Program Office, Air Force Agency for Modeling and Simulation, Institute for Simulation and Training, and the University of Central Florida Training and Simulation Technology Consortium (TSTC).

The National Center for Simulation (NCS) was formed in 1993 as a link between the defense industry, government, and academia on behalf of the entire modeling, simulation, and training community. NCS is headquartered in Orlando, Florida – home of the Simulation Center of Excellence and more than 150+ modeling, simulation and training companies and the University of Central Florida (including the UCF Institute for Simulation and Training and the UCF Center for Advanced Transportation Systems Simulation). Additionally, there are 15 defense organizations (joint, all four services, Coast Guard, National Guard and allies) and a significant number of commercial firms.

***Military Personnel Housing Needs***

As of FY 2004, Team Orlando had 48 active-duty, permanent personnel (Table 74)<sup>37</sup>. All personnel are assumed to be families, and since there is no on-installation housing available at Team Orlando, all require off-installation housing. Enlisted ranks accounted for 23 (47.9%) of the active-duty personnel, while 25 (52.1%) were officers.

<sup>37</sup> GEC draft report sources TEAM ORLANDO Public Affairs for the installation loadings.

**Table 74. Military Personnel, 2004**

<i>Grade</i>	<i>Total Personnel</i>
Total	48
Officers	25
O5 -O7+	14
O1 -O4	11
Enlisted	23
E7 - E9	15
E1 - E6	8

Source: Strategic Planning Group, Inc., 2005

The total estimated demand for family housing by bedroom is shown in Table 75. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

**Table 75. Family Housing by Status and Bedroom, 2004**

<i>Grade</i>	<i>2 BR</i>	<i>3BR</i>	<i>4+BR</i>	<i>Family Housing Required</i>
Total	2	16	30	48
Officers	0	5	20	25
O5 -O7+	0	0	14	14
O1 -O4	0	5	6	11
Enlisted	2	11	10	23
E7 - E9	0	8	7	15
E1 - E6	2	3	3	8

Source: Strategic Planning Group, Inc., 2005

**On-Installation Housing**

As noted earlier in this section, Team Orlando has no on-installation housing.

**Off-Installation Housing**

For purposes of analysis, off-installation housing is broken down by families and unaccompanied personnel demand. The basic allowance for housing (BAH), is different for both groups, and recent BAH changes allow singles to double-up (or more), allowing the sharing of housing expenses without loss of any of the BAH.

***Off-Installation Family Housing***

It is estimated that its off-installation or “community first” family housing requirements were 48 families in 2004.

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. Based on DoD surveys and the VAH survey shown at the beginning of this report, it is estimated that 35 military personnel owned their housing in 2004 (Table 75).

**Table 75. Military Family Homeowners, 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	1	27	7	35
<b>Officers</b>	0	15	3	18
<b>O5 - O7+</b>	0	9	2	11
<b>O1 - O4</b>	0	6	1	7
<b>Enlisted</b>	1	12	4	17
<b>E7 - E9</b>	0	11	2	13
<b>E1 - E6</b>	1	1	2	4

Source: Strategic Planning Group, Inc., 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. SPG estimates that 13 military families rented homes in 2004 (Table 76).

**Table 76. Military Family Renters, 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	1	5	7	13
<b>Officers</b>	0	3	4	7
<b>O5 - O7+</b>	0	1	2	3
<b>O1 - O4</b>	0	2	2	4
<b>Enlisted</b>	1	2	3	6
<b>E7 - E9</b>	0	1	1	2
<b>E1 - E6</b>	1	1	2	4

Source: Strategic Planning Group, Inc., 2005

### ***Regular Military Compensation***

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 77, these “adjustments” to salary result in Regular Military Compensation (RMC), which is comparable to non-military family/household income. The household income for military personnel residing off-installation ranges from \$26,472 (E1 unaccompanied) to \$142,452 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

**Table 77. Regular Military Compensation**

<i>With Dependents</i>	<i>BAH</i>	<i>BAS</i>	<i>Allowances Annualized</i>	<i>Salary</i>		<i>Calculated Basic Income</i>	<i>Annualized</i>	<i>Tax Adjustment</i>	<i>Military Compensation</i>	<i>% RMC for Market Housing</i>
E-1	\$868	\$254	\$13,470	\$1,104	\$1,193	\$1,193	\$14,316	\$1,085	\$28,870	52.8%
E-2	\$868	\$254	\$13,470	\$1,338	\$1,338	\$1,338	\$16,052	\$1,407	\$30,929	56.5%
E-3	\$868	\$254	\$13,470	\$1,407	\$1,586	\$1,496	\$17,946	\$1,643	\$33,058	60.4%
E-4	\$868	\$254	\$13,470	\$1,558	\$1,892	\$1,814	\$21,769	\$1,776	\$37,015	67.7%
E-5	\$907	\$254	\$13,938	\$1,700	\$2,368	\$2,368	\$28,415	\$2,103	\$44,455	81.3%
E-6	\$1,066	\$254	\$15,846	\$1,856	\$2,810	\$2,810	\$33,718	\$2,664	\$52,227	95.5%
E-7	\$1,135	\$254	\$16,674	\$2,145	\$3,855	\$3,342	\$40,100	\$2,927	\$59,701	109.1%
E-8	\$1,210	\$254	\$17,574	\$3,086	\$4,314	\$3,716	\$44,586	\$3,188	\$65,347	119.5%
E-9	\$1,309	\$254	\$18,762	\$3,769	\$5,055	\$4,777	\$57,319	\$4,781	\$80,862	147.8%
O-1	\$916	\$175	\$13,095	\$2,264	\$2,849	\$2,264	\$27,173	\$2,149	\$42,417	77.5%
O-2	\$1,062	\$175	\$14,847	\$2,608	\$3,610	\$3,422	\$41,058	\$2,613	\$58,518	107.0%
O-3	\$1,254	\$175	\$17,151	\$3,019	\$4,911	\$4,220	\$50,641	\$4,013	\$71,805	131.3%
O-4	\$1,448	\$175	\$19,479	\$3,434	\$5,733	\$4,809	\$57,712	\$6,588	\$83,779	153.2%
O-5	\$1,584	\$175	\$21,111	\$3,980	\$6,761	\$5,603	\$67,234	\$7,791	\$96,135	175.7%
O-6	\$1,597	\$175	\$21,267	\$4,774	\$8,285	\$6,807	\$81,688	\$7,866	\$110,820	202.6%
O-7	\$1,616	\$175	\$21,495	\$6,441	\$9,434	\$9,386	\$112,633	\$8,324	\$142,452	260.4%
<b>Without Dependents</b>										
E-1	\$683	\$254	\$11,250	\$1,104	\$1,193	\$1,193	\$14,316	\$906	\$26,472	48.4%
E-2	\$683	\$254	\$11,250	\$1,338	\$1,338	\$1,338	\$16,052	\$1,175	\$28,477	52.1%
E-3	\$683	\$254	\$11,250	\$1,407	\$1,586	\$1,496	\$17,946	\$1,372	\$30,568	55.9%
E-4	\$683	\$254	\$11,250	\$1,558	\$1,892	\$1,814	\$21,769	\$1,483	\$34,502	63.1%
E-5	\$768	\$254	\$12,270	\$1,700	\$2,368	\$2,368	\$28,415	\$1,851	\$42,535	77.8%
E-6	\$835	\$254	\$13,074	\$1,856	\$2,810	\$2,810	\$33,718	\$2,198	\$48,989	89.6%
E-7	\$871	\$254	\$13,506	\$2,145	\$3,855	\$3,342	\$40,100	\$2,371	\$55,977	102.3%
E-8	\$930	\$254	\$14,214	\$3,086	\$4,314	\$3,716	\$44,586	\$5,107	\$63,906	116.8%
E-9	\$983	\$254	\$14,850	\$3,769	\$5,055	\$4,777	\$57,319	\$5,873	\$78,042	142.7%
O-1	\$830	\$175	\$12,063	\$2,264	\$2,849	\$2,264	\$27,173	\$1,980	\$41,216	75.3%
O-2	\$893	\$175	\$12,819	\$2,608	\$3,610	\$3,422	\$41,058	\$2,256	\$56,133	102.6%
O-3	\$1,005	\$175	\$14,163	\$3,019	\$4,911	\$4,220	\$50,641	\$3,314	\$68,118	124.5%
O-4	\$1,142	\$175	\$15,807	\$3,434	\$5,733	\$4,809	\$57,712	\$5,346	\$78,865	144.2%
O-5	\$1,187	\$175	\$16,347	\$3,980	\$6,761	\$5,603	\$67,234	\$6,033	\$89,613	163.8%
O-6	\$1,257	\$175	\$17,187	\$4,774	\$8,285	\$6,807	\$81,688	\$6,357	\$105,231	192.4%
O-7	\$1,282	\$175	\$17,487	\$6,441	\$9,434	\$9,386	\$112,633	\$6,772	\$136,892	250.3%

Source: Strategic Planning Group, Inc. 2005

As shown in Table 77, E1-E4s and O1 personnel with dependents and E1-E4s and O1 personnel without dependents fall below 80% of the area’s median income, while only E-1s without dependents fall below the 50% median figure. Note that all E1-E3 singles are required to live on-installation.

**Local Market Demand/Supply**

The 20-mile radius and 60-minute, peak-hour commute and, therefore, this study include all of Orange and Seminole counties. Statistics are reported at the county level and some housing supply data at an intra-county level. Orange and Seminole counties have experienced significant growth since 1980, averaging around 30,462 new persons every year during the 1980-2003 year time period.

The market area had a 2003 labor force of 771,549 workers. The labor force is healthy with an average unemployment rate of 4.9%. Employment in the market area is diverse. The market area had a total employment of 740,856 in 2002. Other services accounted for the largest share (35.2% in Orange County and 29.8% in Seminole County), followed by Professional & Business Services, and Health Care & Social Assistance. Government wages (including military) exceeded the industry average.

**Community Housing Supply**

As part of this study effort, SPG analyzed the local housing market to determine whether sufficient, affordable rental and ownership housing currently exists to fill the military off-installation demand. The Census shows that the market area had approximately 475,858 housing units in 2000 (Table 78), of which owner-occupied housing comprised 63.3% and rental 36.7%.



**Table 78. Housing Units, 2000**

	<i>Orange</i>	<i>Seminole</i>	<i>Total</i>	<i>%</i>
<b>Total:</b>	336,286	139,572	475,858	
<b>Owner occupied</b>	204,230	96,956	301,186	63.3%
<b>Renter occupied</b>	132,056	42,616	174,672	36.7%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

### Rental Supply

According to the 2000 Census, Orange and Seminole Counties had a total of 187,662 rental units, of which 12,948 were vacant (Table 79). Total vacant rental units declined by slightly less than 2,000 between the 1990-2000 time periods.

**Table 79. Rental Housing Trends, 1990-2000**

	<i>County</i>	<i>Orange</i>	<i>Seminole</i>	<i>Total</i>
<b>Occupied Rental Units</b>	<b>1990</b>	103,627	35,654	139,281
	<b>2000</b>	132,091	42,623	174,714
	<b>Change</b>	28,464	6,969	35,433
<b>Vacant Rental Units</b>	<b>1990</b>	11,088	3,815	14,903
	<b>2000</b>	10,125	2,823	12,948
	<b>Change</b>	(963)	(992)	(1,955)
<b>Total Rental Units</b>	<b>1990</b>	114,715	39,469	154,184
	<b>2000</b>	142,216	45,446	187,662
	<b>Change</b>	27,501	5,977	33,478

Source: US Census-1990-2000; Strategic Planning Group, Inc. 2005

Census data for 1990 and 2000, documents that Orange and Seminole Counties added 23,673 new 1-bedroom units (2,367 units annually) and 16,362 new 2-bedroom units (1,636 annually), and 17,741 new 3-bedroom units (1,774 units annually) during the 10-year period. The majority of the 1-through 3+-bedroom unit growth are units renting for between \$500 and \$700 per month.

Orange and Seminole counties have seen growth since the 2000 Census. The counties have issued almost 78,715 permits (19,679 annually) of which 31.3% are multifamily properties accounting for 24,611 units (6,153 annually). The multifamily growth has occurred despite the national slowdown of rental construction due to low mortgage interest and the resulting growth of ownership housing.

### Current Apartment Inventory

SPG was able to obtain detailed information on the current inventory of multi-family apartments in the Orlando area. It should be noted that apartments represent only a portion of the area's rental inventory, since the apartment survey accounted for only 50+ units and the fact that single family homes account for a significant amount of the rental market. As shown in Table 80, the market area is experience significant vacancies; ranging from 6.2% for 1-bedroom units to 7.1% for 3 bedroom units. The immediate area had 64 apartment units (in complexes over 50 units) vacant as of November 2004.

**Table 80. Orlando Apartment Market**

Central & Northern Orlando Apartment Market																	
Total Units	1 Bedroom Rent Range				2 Bedroom Rent Range				Total Units	3 Bedroom(s) Rent Range				4 Bedroom(s) Rent Range			
	Vacant Units	Vacancy Rate	Percent Of Total Units	Total Units	Vacant Units	Vacancy Rate	Percent Of Total Units	Total Units		Vacant Units	Vacancy Rate	Percent Of Total Units	Total Units	Vacant Units	Vacancy Rate	Percent Of Total Units	
\$ 400 or less	121	9	7.4%	0.5%	0	0	0.0%	0.0%	0	0	0.0%	0.0%	0	0	0.0%	0.0%	
\$ 400-\$449	321	9	2.8%	1.3%	28	1	3.6%	0.1%	0	0	0.0%	0.0%	0	0	0.0%	0.0%	
\$ 450-\$499	1,483	143	9.6%	5.9%	192	11	5.7%	0.6%	0	0	0.0%	0.0%	0	0	0.0%	0.0%	
\$ 500-\$549	3,508	224	6.4%	14.0%	205	1	0.5%	0.7%	0	0	0.0%	0.0%	0	0	0.0%	0.0%	
\$ 550-\$599	4,388	313	7.1%	17.5%	853	96	11.3%	2.8%	312	15	4.8%	3.8%	0	0	0.0%	0.0%	
\$ 600-\$649	4,078	267	6.5%	16.3%	4,016	320	8.0%	13.0%	8	1	12.5%	0.1%	0	0	0.0%	0.0%	
\$ 650-\$699	4,112	213	5.2%	16.4%	4,696	428	9.1%	15.2%	393	46	11.7%	4.8%	0	0	0.0%	0.0%	
\$ 700-\$749	2,011	78	3.9%	8.0%	3,257	256	7.9%	10.5%	1,903	163	8.6%	23.1%	0	0	0.0%	0.0%	
\$ 750-\$799	2,249	162	7.2%	9.0%	4,949	356	7.2%	16.0%	975	102	10.5%	11.8%	152	10	6.6%	9.4%	
\$ 800-\$849	943	24	2.5%	3.8%	3,041	147	4.8%	9.8%	416	25	6.0%	5.1%	204	11	5.4%	12.6%	
\$ 850-\$899	750	42	5.6%	3.0%	2,737	177	6.5%	8.8%	399	23	5.8%	4.8%	24	1	4.2%	1.5%	
\$ 900-\$949	426	27	6.3%	1.7%	2,481	147	5.9%	8.0%	382	21	5.5%	4.6%	8	1	12.5%	0.5%	
\$ 950-\$999	161	21	13.0%	0.6%	1,411	53	3.8%	4.6%	495	37	7.5%	6.0%	44	2	4.5%	2.7%	
\$1,000-\$1,099	304	2	0.7%	1.2%	745	17	2.3%	2.4%	521	20	3.8%	6.3%	0	0	0.0%	0.0%	
\$1,050-\$1,149	0	0	0.0%	0.0%	716	69	9.6%	2.3%	440	24	5.5%	5.3%	0	0	0.0%	0.0%	
\$1,100-\$1,199	148	3	2.0%	0.6%	513	19	3.7%	1.7%	352	47	13.4%	4.3%	48	1	2.1%	3.0%	
\$1,150-\$1,249	30	7	23.3%	0.1%	262	14	5.3%	0.8%	124	1	0.8%	1.5%	0	0	0.0%	0.0%	
\$1,200- \$1,249					274	11	4.0%	0.9%	410	11	2.7%	5.0%	12	0	0.0%	0.7%	
Above \$1,250	57	6	10.5%	0.2%	568	61	10.7%	1.8%	1,100	46	4.2%	13.4%	1,110	49	4.4%	68.8%	
<b>Totals:</b>	<b>25,090</b>	<b>1,550</b>	<b>6.2%</b>	<b>100.0%</b>	<b>30,944</b>	<b>2,184</b>	<b>7.1%</b>	<b>100.0%</b>	<b>8,230</b>	<b>582</b>	<b>7.1%</b>	<b>100.0%</b>	<b>1,614</b>	<b>75</b>	<b>4.6%</b>	<b>100.0%</b>	
Median	\$590				\$775				\$860				\$1,400				

Source: Real Data, 2004; Strategic Planning Group, Inc. 2005

Owner-Occupied Housing

Of the market area’s owner-occupied housing, 97% is single family homes (1 to 4 units per structure, including mobile homes).

Multiple Listing Service –Ownership

SPG analyzed properties that were in the Multiple Listing Service (MLS) for December 2004, as a representative sample of existing homes for sale in the Orlando area. The majority of the MLS listings were for 3- and 4-bedroom units. Median Price for a 2-bedroom home was \$189,900; \$199,900 for a 3-bedroom, and \$344,500 for a 4-bedroom home Owner-Occupied Housing.

As shown in the full report, there is sufficient existing inventory of affordable ownership housing within the marketplace to satisfy the military demand. It should be noted that the military are extremely transient and tend to move every 2-4 years; thereby releasing their homes to the market place.

Findings

The DoD uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided by the DoD. The pay scale using both the BAH and RMC indicate that all personnel fall within the affordable housing cost range for the Orlando area. Furthermore, the size of TEAM ORLANDO’s military component is so small as to have no impact on the local housing market.

Using standard civilian affordability standards, and analyzing the military off-installation requirements (2004) using RMC, no major housing problems were observed. Using affordable rental income of 40% no households should experience any difficulty securing affordable housing.

**Table 81. Distribution of Military Family Renters by % of Local Median Income (2004)**

Range of Median	RMC-2004	% Median	Family Households		On-Base	Off-Base Renters	Affordable Rent Mthly 40%	Rental Need		
			2003	2004				2-BR	3-BR	4-BR
0-30%							\$775	\$860	\$1,400	
31%-60% Median										
E1	\$28,883	52.8%	0	0	0	\$963	0	0	0	
61%-80% Median										
E2	\$30,942	56.6%	1	0	1	\$1,031	1	0	0	
E3	\$33,072	60.5%	2	0	2	\$1,102	2	0	0	
Total E2-3			3	0	3		3	0	0	
Total			48	0	3		3	0	0	

Source: Strategic Planning Group, Inc. 2005

Because BAH rates are adjusted annually to local market conditions and are an important part of the overall regular military compensation, the private-sector housing market should be able to continue to provide affordable housing to military personnel. If there is a potential problem, it would involve E1-E3 families requiring 4 or more bedrooms.

**Patrick Air Force Base/Cape Canaveral Air Force Station**

Located near the City of Melbourne and just minutes from Cocoa Beach and Cape Canaveral, Patrick AFB is nestled between the white sand shores of the Atlantic Ocean and the Banana River, south of Cocoa Beach and north of Satellite Beach. Cape Canaveral AFS is situated just north of Port Canaveral, with the Banana River to the west and the Atlantic to the east. The two installations are in close geographical proximity to each other and linked organizationally, with all military personnel assigned to Cape Canaveral obtaining housing through Patrick AFB. Therefore, they are presented in this analysis as one market area.

***Patrick AFB Installation Summary***

Patrick Air Force Base is the world's premier gateway to space and home of the 45th Space Wing, which is steeped in a rich history while also on the cutting edge of state-of-the-art space technology. In the spring of 1950, the Defense Department announced the redelegation of guided missile test centers from joint service commands to separate branches of the military service. As a result of that decision, the Air Force Division, Joint Long Range Proving Ground was redesignated the Long Range Proving Ground Division on 16 May 1950. The Long Range Proving Ground Division replaced the JLRPG Command, and it gained jurisdiction over the launching area at Cape Canaveral and the Bahama downrange facilities. The Long Range Proving Ground Division was given major air command status, and, as such, it reported directly to the Chief of Staff of the Air Force. Its mission was to establish, operate and maintain the Long Range Proving Ground. Effective 1 August 1950, the base was renamed Patrick Air Force Base, in honor of Major General Mason M. Patrick. The mission of Patrick Air Force Base is to provide combat capabilities through Eastern Range, launch, and expeditionary operations.

***Cape Canaveral Installation Summary***

The area that now makes up Cape Canaveral AFS was established in 1949 as the Joint Long Range Proving Ground, a facility dedicated to the testing of rockets and missiles. This later became the Cape Canaveral Auxiliary Air Force Base. It supported most of America's unmanned launches, and all of the manned launches up until part way through the Apollo program, when manned launches were moved to NASA Launch Operations Center. In 2000, the name was changed back to Cape Canaveral Air Force Station. Cape Canaveral AFS is controlled by the 45<sup>th</sup> Space Wing and is responsible for ensuring America's safe and assured access to space. The station, conjoining NASA's Kennedy Space Center, is

the location that launches rockets like the Atlas, Titan, and Delta. The Station is comprised of 676 buildings on 17,092 acres.

### ***Military Personnel Housing Needs***

As of FY 2005, Patrick AFB and Cape Canaveral combined had 1,566 active-duty, permanent personnel.<sup>38</sup> As shown in Table 82, it is estimated that there were 985 families and 581 unaccompanied personnel in need of housing (on and off the installation). Enlisted ranks were estimated to account for 1,141 (72.9%) of the active-duty personnel, while 425 (27.1%) were estimated to be officers.

**Table 82. Military Personnel, Family and Unaccompanied, FY 2005<sup>39</sup>**

<b>Grade</b>	<b>Unaccompanied</b>	<b>Families</b>	<b>Total</b>
<b>Total</b>	985	581	1,566
<b>Officers</b>	264	161	425
<b>O6+</b>	13	2	15
<b>O4-O5</b>	98	42	140
<b>O1-O3</b>	152	117	270
<b>Enlisted</b>	721	420	1,141
<b>E7-E9</b>	196	20	215
<b>E4-E6</b>	501	218	719
<b>E1-E3</b>	25	182	207

Source: Patrick AFB, 2005; SPG, 2005

### **On-Installation Housing**

The military requires that part of the personnel assigned to the Air Bases be housed on-installation or in government-controlled housing (which is either privatized housing on- or off-installation or leased/owned housing located off-installation).

### ***On-Installation Family Housing<sup>40</sup>***

The current inventory of housing at the installations is 550 military family housing (MFH) units and 552 privatized units. It is not known whether this total of 1,102 units will remain or only the privatized units will remain.

### ***On-Installation Unaccompanied Housing***

According to Air Force standards, all unaccompanied E1-E3 personnel and resident advisors are required to be housed on-installation. Resident advisors can be filled by personnel in grades E4-E9 and are subject to change. For purposes of the Air Force's 2003 Housing Market Assessment resident advisors were assumed to be in grades E5-6. Approximately 210 unaccompanied housing units on-installation were being utilized.

### **Off-Installation Housing**

For purposes of analysis, off-installation housing is broken down by families and unaccompanied personnel demand. The basic allowance for housing (BAH), is different for both groups, and recent BAH changes allow singles to double-up (or more), allowing the sharing of housing expenses without loss of any of the BAH.

<sup>38</sup> According to Patrick AFB Public Affairs Office.

<sup>39</sup> SPG used 2005 base loadings and adjusted using ratios found in GEC FHFC draft report which were based on a FY 2004 Parsons Housing Requirements and Market Analysis, March 2004. SPG could not use the GEC report "as is" as tables and text did not agree.

<sup>40</sup> On-installation housing need is calculated using four components: 10% per grade; Key and Essential positions; Historic Housing on-site; and those who's total compensation (RMC) falls below 50% of the median family income for the area.

***Off-Installation Family Housing***

The GEC report estimates that Patrick/Cape Canaveral off-installation or “community first” family housing requirements were 804 families in 2003,<sup>41</sup> SPG estimated that there was the need for 879 off installation family housing at the end of 2004.

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. SPG estimates that 663 military families owned their housing in 2005 (Table 83).

**Table 83. Military Family Homeowners, FY 2005**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	201	303	159	663
<b>Officers</b>	57	71	41	168
<b>O6+</b>	0	0	3	3
<b>O4-O5</b>	0	47	22	69
<b>O1-O3</b>	57	25	15	96
<b>Enlisted</b>	144	232	118	495
<b>E7-E9</b>	0	120	48	168
<b>E4-E6</b>	142	112	70	324
<b>E1-E3</b>	2	0	0	2

Distribution may not total due to rounding  
Source: Strategic Planning Group, Inc. 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. SPG estimates that 216 military families rented homes in 2005 (Table 84).

**Table 84. Military Family Renters, FY 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	123	60	32	216
<b>Officers</b>	24	23	13	61
<b>O6+</b>	0	0	1	1
<b>O4-O5</b>	0	13	6	19
<b>O1-O3</b>	24	11	6	41
<b>Enlisted</b>	99	37	18	154
<b>E7-E9</b>	0	6	2	8
<b>E4-E6</b>	81	30	16	126
<b>E1-E3</b>	18	2	0	20

Distribution may not total due to rounding  
Source: Strategic Planning Group, Inc. 2005

***Off-Installation Unaccompanied Housing***

The demand for off-installation, unaccompanied housing is based on the difference between the total number of unaccompanied personnel and those required to reside in government-controlled housing (335). SPG estimated that there were 397 unaccompanied personnel residing within the community in 2005.

<sup>41</sup>This is addition of Table 5-6 and 5-8 in the GEC report.

**Table 85. Off-Installation Unaccompanied Housing Requirements, FY 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	199	156	42	397
<b>Officers</b>	0	117	42	160
<b>O6+</b>	0	0	0	0
<b>O4-O5</b>	0	0	42	42
<b>O1-O3</b>	0	117	0	117
<b>Enlisted</b>	199	38	0	238
<b>E7-E9</b>	0	20	0	20
<b>E4-E6</b>	199	19	0	218
<b>E1-E3</b>	0	0	0	0

Distribution may not total due to rounding  
Source: Strategic Planning Group, Inc. 2005

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 95 personnel (Table 86).

**Table 86. Unaccompanied Homeowners, FY 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	27	45	23	95
<b>Officers</b>	0	31	23	54
<b>O6+</b>	0	0	0	0
<b>O4-O5</b>	0	0	23	23
<b>O1-O3</b>	0	31	0	31
<b>Enlisted</b>	27	14	0	41
<b>E7-E9</b>	0	8	0	8
<b>E4-E6</b>	27	6	0	33
<b>E1-E3</b>	0	0	0	0

Distribution may not total due to rounding  
Source: Strategic Planning Group, Inc. 2005

Table 87 shows the number of unaccompanied personnel requiring off-installation rental units in 2004.

**Table 87. Unaccompanied Renters, FY 2005**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	172	110	20	302
<b>Officers</b>	0	86	20	106
<b>O6+</b>	0	0	0	0
<b>O4-O5</b>	0	0	20	20
<b>O1-O3</b>	0	86	0	86
<b>Enlisted</b>	172	25	0	197
<b>E7-E9</b>	0	12	0	12
<b>E4-E6</b>	172	13	0	185
<b>E1-E3</b>	0	0	0	0

Distribution may not total due to rounding  
Source: Strategic Planning Group, Inc. 2005

### ***Regular Military Compensation***

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 88, these “adjustments” to salary result in Regular Military Compensation (RMC), which is comparable to non-military family/household income. The household income for military personnel residing off-installation ranges from \$26,225 (E1 unaccompanied) to



\$141,836 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

**Table 88. Regular Military Compensation**

<i>With Dependents</i>	BAH	BAS	Allowances Annualized	Salary Range		Calculated Basic Income	Annualized	Tax Adjustment	Military Compensation	Military as % of Median
E-1	\$813	\$254	\$12,810	\$1,104	\$1,193	\$1,193	\$14,316	\$1,032	\$28,157	51.5%
E-2	\$813	\$254	\$12,810	\$1,338	\$1,338	\$1,338	\$16,052	\$1,338	\$30,200	55.2%
E-3	\$813	\$254	\$12,810	\$1,407	\$1,586	\$1,496	\$17,946	\$1,562	\$32,318	59.1%
E-4	\$813	\$254	\$12,810	\$1,558	\$1,892	\$1,814	\$21,769	\$1,689	\$36,268	66.3%
E-5	\$942	\$254	\$14,358	\$1,700	\$2,368	\$2,368	\$28,415	\$2,166	\$44,938	82.2%
E-6	\$1,196	\$254	\$17,406	\$1,856	\$2,810	\$2,810	\$33,718	\$2,926	\$54,049	98.8%
E-7	\$1,264	\$254	\$18,222	\$2,145	\$3,855	\$3,342	\$40,100	\$3,199	\$61,521	112.5%
E-8	\$1,338	\$254	\$19,110	\$3,086	\$4,314	\$3,716	\$44,586	\$3,466	\$67,162	122.8%
E-9	\$1,410	\$254	\$19,974	\$3,769	\$5,055	\$4,777	\$57,319	\$5,090	\$82,383	150.6%
O-1	\$971	\$175	\$13,755	\$2,264	\$2,849	\$2,264	\$27,173	\$2,258	\$43,185	78.9%
O-2	\$1,190	\$175	\$16,383	\$2,608	\$3,610	\$3,422	\$41,058	\$2,883	\$60,324	110.3%
O-3	\$1,381	\$175	\$18,675	\$3,019	\$4,911	\$4,220	\$50,641	\$4,370	\$73,686	134.7%
O-4	\$1,480	\$175	\$19,863	\$3,434	\$5,733	\$4,809	\$57,712	\$6,718	\$84,292	154.1%
O-5	\$1,548	\$175	\$20,679	\$3,980	\$6,761	\$5,603	\$67,234	\$7,631	\$95,544	174.7%
O-6	\$1,561	\$175	\$20,835	\$4,774	\$8,285	\$6,807	\$81,688	\$7,706	\$110,228	201.5%
O-7	\$1,579	\$175	\$21,051	\$6,441	\$9,434	\$9,386	\$112,633	\$8,152	\$141,836	259.3%
<b>Without Dependents</b>										
E-1	\$664	\$254	\$11,022	\$1,104	\$1,193	\$1,193	\$14,316	\$888	\$26,225	47.9%
E-2	\$664	\$254	\$11,022	\$1,338	\$1,338	\$1,338	\$16,052	\$1,151	\$28,225	51.6%
E-3	\$664	\$254	\$11,022	\$1,407	\$1,586	\$1,496	\$17,946	\$1,344	\$30,312	55.4%
E-4	\$664	\$254	\$11,022	\$1,558	\$1,892	\$1,814	\$21,769	\$1,453	\$34,244	62.6%
E-5	\$709	\$254	\$11,562	\$1,700	\$2,368	\$2,368	\$28,415	\$1,744	\$41,721	76.3%
E-6	\$748	\$254	\$12,030	\$1,856	\$2,810	\$2,810	\$33,718	\$2,022	\$47,769	87.3%
E-7	\$822	\$254	\$12,918	\$2,145	\$3,855	\$3,342	\$40,100	\$2,268	\$55,286	101.1%
E-8	\$922	\$254	\$14,958	\$3,086	\$4,314	\$3,716	\$44,586	\$2,713	\$62,257	113.8%
E-9	\$1,071	\$254	\$15,906	\$3,769	\$5,055	\$4,777	\$57,319	\$4,053	\$77,278	141.3%
O-1	\$740	\$175	\$10,983	\$2,264	\$2,849	\$2,264	\$27,173	\$1,803	\$39,958	73.0%
O-2	\$897	\$175	\$12,867	\$2,608	\$3,610	\$3,422	\$41,058	\$2,264	\$56,189	102.7%
O-3	\$1,105	\$175	\$15,363	\$3,019	\$4,911	\$4,220	\$50,641	\$3,595	\$69,599	127.2%
O-4	\$1,271	\$175	\$17,355	\$3,434	\$5,733	\$4,809	\$57,712	\$5,870	\$80,936	148.0%
O-5	\$1,316	\$175	\$17,895	\$3,980	\$6,761	\$5,603	\$67,234	\$6,604	\$91,732	167.7%
O-6	\$1,384	\$175	\$18,711	\$4,774	\$8,285	\$6,807	\$81,688	\$6,920	\$107,319	196.2%
O-7	\$1,412	\$175	\$19,047	\$6,441	\$9,434	\$9,386	\$112,633	\$7,376	\$139,056	254.2%

Source: Strategic Planning Group, Inc. 2005

As shown in Table 88, E1-E4s and O1s families with dependents and E1-E5s and O1s singles (without dependents) fall below 80% of the area’s median income, while only E-1s singles (without dependents) fall below the 50% median figure. Note that all E1-E3 singles are required to live on-installation.

**Local Market Demand/Supply**

The 20-mile radius and 60-minute, peak-hour commute and, therefore, this study include all of Brevard County. Statistics are reported at the county level and some housing supply data at an intra-county level. Brevard County has experienced significant growth since 1980, averaging around 8,000 new persons every year during the 1980-2003 year time period

The market area had a 2003 labor force of 224,783 workers. The labor force is healthy with an average unemployment rate of 4.9%. Employment in the market area is diverse. The market area had a total employment of 183,467 in 2002. Other services accounted for the largest share (27.8%), followed by Professional & Business Services, and Health Care & Social Assistance. The County has a higher percentage of Government workers (7.7%) than the State average.



### Community Housing Supply

The Census shows that the market area had approximately 198,195 housing units in 2000 (Table 89), of which owner-occupied housing comprised 74.64% and rental 25.4%.

**Table 89. Housing Units, 2000**

	<i>Brevard</i>	<i>%</i>
Total:	198,195	
Owner occupied	147,878	74.6%
Renter occupied	50,317	25.4%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

### Rental Supply

According to the 2000 Census, Brevard County had a total of 56,279 rental units, of which 5,969 were vacant (Table 90). Total vacant rental units declined by slightly under 100 units between the 1990-2000 time periods.

**Table 90. Rental Housing Trends, 1990-2000**

	<i>County</i>	<i>Brevard</i>
<i>Occupied Rental Units</i>	<i>1990</i>	49,623
	<i>2000</i>	50,310
	<i>Change</i>	687
<i>Vacant Rental Units</i>	<i>1990</i>	6,054
	<i>2000</i>	5,969
	<i>Change</i>	(85)
<i>Total Rental Units</i>	<i>1990</i>	55,677
	<i>2000</i>	56,279

Source: US Census-1990-2000; Strategic Planning Group, Inc. 2005

Census data for 1990 and 2000, documents that Brevard County added 1,350 new 1-bedroom units (135 units annually) and 8,695 new 3-bedroom units (870 annually), but lost 1,939 2-bedroom units (194 units annually) during the 10-year period. The majority of the 1-through 3+-bedroom unit growth are units renting for more than \$700-\$800 per month.

### Current Apartment Inventory

Brevard County has seen growth since the 2000 Census. The County has issued almost 30,000 permits (7,385 annually) of which 19.6% are multifamily properties accounting for 5,790 units (1,448 annually). The multifamily growth has occurred despite the national slowdown of rental construction due to low mortgage interest and the resulting growth of ownership housing.

**Table 91. Brevard County Building Permits – 2000-2004**

<i>Brevard County</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>Totals</i>
<i>Single Family</i>	3,438	4,379	4,956	5,607	5,139	23,519
<i>Two Family</i>	6	16	24	12	30	88
<i>Three &amp; Four Family</i>	31	17	33	11	53	145
<i>Five or More Family</i>	809	632	1,609	539	2,201	5,790
<i>Total</i>	4,284	5,044	6,622	6,169	7,423	29,542

Source: Strategic Planning Group, Inc. 2005

Current Rental Housing Inventory

Parson's Inc., as part of the Air Force's Patrick AFB Housing Requirements and Market Assessment, May 2004, conducted a detailed rental inventory of the Market Area. That inventory showed 59,786 "suitable rental housing" in 2004 of which 5,341 were vacant. The following table shows the rental costs for the vacant rental units.

**Table 92. Patrick/Cape Canaveral Apartment Market**

<b>Rental Cost</b>	<b>Number of Rooms</b>					<b>Total</b>
	<b>None</b>	<b>One</b>	<b>Two</b>	<b>Three</b>	<b>Four +</b>	
<b>\$1,500 &amp; Above</b>	0	29	67	94	15	205
<b>\$1,300-\$1,500</b>	0	10	27	54	11	102
<b>\$1,100-\$1,300</b>	0	10	41	92	17	160
<b>\$1,000-\$1,100</b>	1	11	74	90	18	194
<b>\$900-\$1,000</b>	1	21	193	133	24	372
<b>\$800-\$900</b>	2	28	245	178	29	482
<b>\$700-\$800</b>	10	80	312	140	12	554
<b>\$600-\$500</b>	34	301	432	81	14	862
<b>\$500-\$400</b>	38	315	455	81	12	901
<b>\$400-\$500</b>	88	302	312	68	9	779
<b>\$300-\$400</b>	68	260	168	46	5	547
<b>\$200-\$300</b>	0	110	34	34	5	183
<b>Total</b>	242	1477	2360	1091	171	5,341

Source: Military Housing Needs Assessment Draft Report, for FHFC by GEC, October 7, 2004; SPG 2005

Owner-Occupied Housing

Of the market area's owner-occupied housing, 82.7% is single family homes (1 to 4 units per structure including mobile homes).

Multiple Listing Service –Ownership

SPG analyzed properties that were in the Multiple Listing Service (MLS) for December 2004, as a representative sample of existing homes for sale. The majority of the 23 MLS listings were for 3- and 4-bedroom units. Median Price for a 2-bedroom home was \$431,375; \$389,555 for a 3-bedroom, and \$572,700 for a 4-bedroom home.

As shown in the full report, there is sufficient existing inventory of affordable ownership housing within the marketplace to satisfy the military demand. It should be noted that the military are extremely transient and tend to move every 2-4 years; thereby releasing their homes to the market place.

Findings

The DoD uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided by the DoD. The Department of The Air Force's most recent Housing Assessment (2003) showed that the local, off-installation housing market was unable to provide 1,393 "suitable" family and unaccompanied rental housing units. Seventy five percent (1,045 units) were for E4-E6 grade personnel. The MAHC range for E4-E6 families was \$952 to \$1,155, and for the unaccompanied E4-E6 range, it was \$783 to \$851. The Patrick/Cape Canaveral market area had sufficient rental supply to accommodate these price ranges using existing MAHC figures.

Using standard civilian affordability standards, and analyzing the military off-installation requirements (2003) using RMC, no major housing problems were observed. As shown in Table 93, the requirement for family rental housing at 0%-40% income was not a problem, as no military families fall below 50% median local income.

**Table 93 Distribution of Military Family Renters by % of Local Median Income (2004)**

Range of Median	RMC-2004	% Median	Family Households	On-Base	Off-Base	Affordable Rent Mthly	Rental Need 2-BR	3-BR	4-BR
2003					Renters	40%	\$695	\$870	\$987
<b>0-30%</b>									
<b>31%-60% Median</b>									
E1	\$28,157	51.5%	0	0	0	\$939	0	0	0
E2	\$30,200	55.2%	5	0	4	\$1,007	4	0	0
E3	\$32,318	59.1%	20	2	16	\$1,077	14	2	0
<b>61%-80% Median</b>			25	2	20		18	2	0
E4	\$36,268	66.3%	64	6	37	\$1,209	30	5	2
<b>Grand Total</b>			89	9	57		48	7	2

Source: Strategic Planning Group, Inc. 2005

Unaccompanied single military household residing off-installation, likewise, should not have an affordability issue. All E1-E3 single personnel must reside on installation and 40% of RMC covers the cost of 1-bedroom or 2-bedroom apartments as shown in Table 94.

**Table 94. Distribution of Military Single Household Renters By % of Local Median Income (2004)**

Range of Median	RMC-2004	% Median	Single Housholds	On Base	Off Base	Affordable Rent 40%	1 Bedroom	2 Bedroom
					Renters		\$568	\$695
<b>0-30% Median</b>								
none								
<b>31% -60% Median</b>								
E1	\$26,225	48%	11	11	0	\$874	Housed on base	
E2	\$28,225	52%	22	22	0	\$941	Housed on base	
E3	\$30,312	55%	149	149	0	\$1,010	Housed on base	
<b>Total E1-E3</b>			182	182	0		Housed on base	
<b>61-80% Median</b>								
E4	\$34,244	63%	142	0	131	\$1,141	131	0
O1	\$39,958	73%	35	0	34	\$1,332		34
<b>Total E4-O1</b>			177	0	164		131	34
<b>Grand Total</b>			359	182	164		131	34

Source: Strategic Planning Group, Inc. 2005

If there is a potential problem, it would involve two areas: E1 families requiring four or more bedrooms. There appears to be an excess supply of on-installation family housing. If this is the case, then these units could be made available to any families that do experience an affordability issue. With respect to unaccompanied personnel, one should assume that some singles, if not a significant portion, would choose to share housing, thereby either saving some of their BAH or by combining their housing allowances and choosing to live in more expense rental units.

**Southern Region Overview**

South Florida, unlike Florida’s other regions does not have an extensive defense industry presence. Two installations are located within the region, along with one significant, high-level Command, U.S. Southern Command. Defense spending within the region centers almost equally in procurement

contracts and pension benefit payments to retirees. Most procurement expenditures occur within Broward County where a naval re-supply activity is located near Port Everglades.

### **Naval Air Station Key West**

The U.S. Naval Air Station (NAS) Key West, Florida, is located at the southern end of Monroe County, the southernmost point in the U.S on Boca Chica Key in an area known as the Lower Keys, about five miles east northeast of the City of Key West. Key West is the southernmost city of the continental United States. NAS Key West measures 1.5 by 4 miles and sits 93 miles north of Cuba and 153 miles southwest of Miami. There are 705 buildings on 5,874 acres.

Monroe County contains 997 square miles and 822 islands, 30 of which are inhabited, and a small land area connected with the mainland. The portion of the county connected with the mainland is largely uninhabited because it is comprised of the Everglades National Park and Big Cypress National Preserve. The islands where the great majority of the population resides are referred to as the Florida Keys. Most of the very limited, new construction of housing units is occurring in the Lower Keys and Key West, because that area has the most buildable land in the county.

The mission of NAS Key West is to support fleet squadron training as well as additional projects under the control and supervision of various warfare centers. It has also been a base from which counter drug operations have been carried out. There are no permanent squadrons attached to Key West at this time. Its use is determined by the number of fleet squadrons that deploy to the airfield to conduct training on its ranges. It is dependent upon availability of aircraft and personnel, or the necessity to work up air wings for out of cycle deployments.

### ***Military Personnel Housing Needs***

As of FY 2003, NAS Key West had 1,312 active-duty, permanent personnel requiring housing. There were 820 families and 492 unaccompanied in need of housing either on- or off- installation (Table 95). Enlisted ranks accounted for 1,130 (86.1%) of the active-duty personnel, while 182 (13.9%) were officers.

**Table 95. Military Personnel, Family and Unaccompanied, 2003**

<b>Grade</b>	<b>Family</b>	<b>Unaccompanied</b>	<b>Total Personnel</b>
<b>Total</b>	820	492	1,312
<b>Officers</b>	144	38	182
<b>O6+</b>	12	2	14
<b>W4-O5</b>	50	6	56
<b>W1-O3</b>	82	30	112
<b>Enlisted</b>	676	454	1,130
<b>E7-E9</b>	107	13	120
<b>E4-E6</b>	521	337	858
<b>E1-E3</b>	48	104	152

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis

### **On-Installation Housing**

The military requires that part of the personnel assigned to the Naval Air Station be housed on-installation or in government-controlled housing (which is either privatized housing on- or off-installation or leased/owned housing located off-installation).

***On-Installation Family Housing***<sup>42</sup>

According to the NAS Key West Housing Office, NAS Key West had a government-controlled,<sup>43</sup> family housing occupancy of 598 units; 108 for officers and 490 for enlisted. The majority of those housed are E4-E6 families.

**Table 96. Family On-Installation Housing Currently Occupied, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	238	291	69	598
<b>Officers</b>	15	69	24	108
<b>O6+</b>	0	0	12	12
<b>W4-O5</b>	0	38	9	47
<b>W1-O3</b>	15	31	3	49
<b>Enlisted</b>	223	222	45	490
<b>E7-E9</b>	0	67	10	77
<b>E4-E6</b>	183	148	35	366
<b>E1-E3</b>	40	7	0	47

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis

***On-Installation Unaccompanied Housing***

According to Navy standards, all unaccompanied E1-E3 personnel and resident advisors are required to be housed on-installation. Resident advisor positions can be filled by personnel in grades E4-E9 and are subject to change. For purposes of the Navy's 2003 Housing Market Assessment, resident advisors were assumed to be in grades E5-E6. As of December 2004, NAS Key West had 116 on-installation bachelor quarters.

**Off-Installation Housing**

For purposes of analysis, off-installation housing is broken down by families and unaccompanied personnel demand. The basic allowance for housing (BAH) is different for both groups, and recent BAH changes allow singles to double-up (or more), allowing the sharing of housing expenses without the loss of any BAH.

***Off-Installation Family Housing***

The Department of Navy estimates that its off-installation or "community first" family housing requirements were 222 families in 2003, as shown in Table 97.

**Table 97. Off-Installation Family Housing Requirements, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	90	110	22	222
<b>Officers</b>	10	24	2	36
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	3	0	3
<b>W1-O3</b>	10	21	2	33
<b>Enlisted</b>	80	86	20	186
<b>E7-E9</b>	0	26	4	30
<b>E4-E6</b>	79	60	16	155
<b>E1-E3</b>	1	0	0	1

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis

<sup>42</sup>On-installation housing need is calculated using four components: 10% per grade; Key and Essential positions; Historic Housing on-site; and those who's total compensation (RMC) falls below 50% of the median family income for the area.

<sup>43</sup>Government-owned or controlled housing is primarily on the installation itself.

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. Based on NAS surveys and the VAH survey shown at the beginning of this report, the Navy estimated that 55 military personnel owned their own homes in 2003 (Table 98). The percentage of homeownership is by far the lowest of the installations studied in this report. This is caused by the price of housing in the Keys, which is one of the highest in the nation.

**Table 98. Military Family Homeowners, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	20	31	4	55
<b>Officers</b>	2	7	0	9
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	3	0	3
<b>W1-O3</b>	2	4	0	6
<b>Enlisted</b>	18	24	4	46
<b>E7-E9</b>	0	9	1	10
<b>E4-E6</b>	18	15	3	36
<b>E1-E3</b>	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis

The number of renters is calculated by subtracting the number of homeowners from the total number of families living off-installation. The Navy estimates that 167 military families rented homes in 2003 (Table 99).

**Table 99. Military Family Renters, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	70	79	18	167
<b>Officers</b>	8	17	2	27
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	0	0	0
<b>W1-O3</b>	8	17	2	27
<b>Enlisted</b>	62	62	16	140
<b>E7-E9</b>	0	17	3	20
<b>E4-E6</b>	61	45	13	119
<b>E1-E3</b>	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis

### ***Off-Installation Unaccompanied Housing***

The demand for off-installation, unaccompanied housing is based on the difference between the total number of unaccompanied personnel and those required to reside in government-controlled housing. The Navy estimated that there were 376 unaccompanied personnel residing within the community in 2003 (Table 100).

**Table 100. Off-Installation Unaccompanied Housing Requirements, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	236	132	8	376
<b>Officers</b>	0	30	8	38
<b>O6+</b>	0	0	2	2
<b>W4-O5</b>	0	0	6	6
<b>W1-O3</b>	0	30	0	30
<b>Enlisted</b>	236	102	0	338
<b>E7-E9</b>	0	13	0	13
<b>E4-E6</b>	236	89	0	325
<b>E1-E3</b>	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis

Using the same approach as with family housing, the number of unaccompanied homeowners was estimated to be 22 (Table 101).

**Table 101. Unaccompanied Homeowners, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	12	9	1	22
<b>Officers</b>	0	3	1	4
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	0	1	1
<b>W1-O3</b>	0	3	0	3
<b>Enlisted</b>	12	6	0	18
<b>E7-E9</b>	0	0	0	0
<b>E4-E6</b>	12	6	0	18
<b>E1-E3</b>	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Navy to estimate that 354 unaccompanied military renters resided off-installation in 2003 (Table 102).

**Table 102. Unaccompanied Renters, 2003**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	224	123	7	354
<b>Officers</b>	0	27	7	34
<b>O6+</b>	0	0	2	2
<b>W4-O5</b>	0	0	5	5
<b>W1-O3</b>	0	27	0	27
<b>Enlisted</b>	224	96	0	320
<b>E7-E9</b>	0	13	0	13
<b>E4-E6</b>	224	83	0	307
<b>E1-E3</b>	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis

### ***Regular Military Compensation***

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 103, these “adjustments” to salary result in regular military compensation (RMC), which is comparable to non-military family/household income. The household income for military personnel residing off-installation ranges from \$32,786 (E1 unaccompanied without



dependents) to \$157,134 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

**Table 103. Regular Military Compensation**

With Dependents	BAH	BAS	Allowances Annualized	Salary Range		Calculated Basic Income	Annualized	Tax Adjustment	Regular Military Compensation	Military as % of Median
E-1	\$1,601	\$254	\$22,266	\$1,104	\$1,193	\$1,193	\$14,316	\$1,793	\$38,375	67.1%
E-2	\$1,601	\$254	\$22,266	\$1,338	\$1,338	\$1,338	\$16,052	\$2,326	\$40,644	71.1%
E-3	\$1,601	\$254	\$22,266	\$1,407	\$1,586	\$1,496	\$17,946	\$2,716	\$42,927	75.0%
E-4	\$1,601	\$254	\$22,266	\$1,558	\$1,892	\$1,814	\$21,769	\$2,936	\$46,971	82.1%
E-5	\$1,751	\$254	\$24,066	\$1,700	\$2,368	\$2,368	\$28,415	\$3,631	\$56,111	98.1%
E-6	\$1,948	\$254	\$26,430	\$1,856	\$2,810	\$2,810	\$33,718	\$4,443	\$64,590	112.9%
E-7	\$2,112	\$254	\$28,398	\$2,145	\$3,855	\$3,342	\$40,100	\$4,986	\$73,484	128.5%
E-8	\$2,292	\$254	\$30,558	\$3,086	\$4,314	\$3,716	\$44,586	\$5,543	\$80,686	141.1%
E-9	\$2,409	\$254	\$31,962	\$3,769	\$5,055	\$4,777	\$57,319	\$8,145	\$97,426	170.3%
W-1	\$1,951	\$175	\$25,515	\$2,213	\$3,536	\$2,594	\$31,122	\$4,188	\$60,825	106.3%
W-2	\$2,185	\$175	\$28,323	\$2,506	\$4,104	\$3,158	\$37,894	\$4,985	\$71,201	124.5%
W-3	\$2,403	\$175	\$30,939	\$2,849	\$4,716	\$3,596	\$43,150	\$7,239	\$81,328	142.2%
W-4	\$2,411	\$175	\$31,035	\$3,119	\$5,446	\$4,617	\$55,408	\$10,497	\$96,939	169.5%
W-5	\$2,419	\$175	\$31,131	\$5,361	\$5,914	\$5,544	\$66,532	\$11,489	\$109,151	190.8%
O-1	\$1,773	\$175	\$23,379	\$2,264	\$2,849	\$2,264	\$27,173	\$3,838	\$54,389	95.1%
O-2	\$1,944	\$175	\$25,431	\$2,608	\$3,610	\$3,422	\$41,058	\$4,476	\$70,964	124.1%
O-3	\$2,395	\$175	\$30,843	\$3,019	\$4,911	\$4,220	\$50,641	\$7,217	\$88,701	155.1%
O-4	\$2,422	\$175	\$31,167	\$3,434	\$5,733	\$4,809	\$57,712	\$10,541	\$99,420	173.8%
O-5	\$2,449	\$175	\$31,491	\$3,980	\$6,761	\$5,603	\$67,234	\$11,621	\$110,346	192.9%
O-6	\$2,469	\$175	\$31,731	\$4,774	\$8,285	\$6,807	\$81,688	\$11,736	\$125,154	218.8%
O-7	\$2,498	\$175	\$32,079	\$6,441	\$9,434	\$9,386	\$112,633	\$12,422	\$157,134	274.7%
Without Dependents										
E-1	\$1,170	\$254	\$17,094	\$1,104	\$1,193	\$1,193	\$14,316	\$1,377	\$32,786	57.3%
E-2	\$1,170	\$254	\$17,094	\$1,338	\$1,338	\$1,338	\$16,052	\$1,786	\$34,932	61.1%
E-3	\$1,170	\$254	\$17,094	\$1,407	\$1,586	\$1,496	\$17,946	\$2,085	\$37,124	64.9%
E-4	\$1,170	\$254	\$17,094	\$1,558	\$1,892	\$1,814	\$21,769	\$2,254	\$41,117	71.9%
E-5	\$1,359	\$254	\$19,362	\$1,700	\$2,368	\$2,368	\$28,415	\$2,921	\$50,697	88.6%
E-6	\$1,472	\$254	\$20,718	\$1,856	\$2,810	\$2,810	\$33,718	\$3,483	\$57,918	101.3%
E-7	\$1,611	\$254	\$22,386	\$2,145	\$3,855	\$3,342	\$40,100	\$3,930	\$66,416	116.1%
E-8	\$1,789	\$254	\$24,522	\$3,086	\$4,314	\$3,716	\$44,586	\$4,448	\$73,555	128.6%
E-9	\$1,851	\$254	\$25,266	\$3,769	\$5,055	\$4,777	\$57,319	\$6,438	\$89,023	155.6%
W-1	\$1,544	\$175	\$20,631	\$2,213	\$3,536	\$2,594	\$31,122	\$3,386	\$55,139	96.4%
W-2	\$1,789	\$175	\$23,571	\$2,506	\$4,104	\$3,158	\$37,894	\$4,148	\$65,613	114.7%
W-3	\$1,857	\$175	\$24,387	\$2,849	\$4,716	\$3,596	\$43,150	\$5,706	\$73,243	128.0%
W-4	\$1,989	\$175	\$25,971	\$3,119	\$5,446	\$4,617	\$55,408	\$8,784	\$90,162	157.6%
W-5	\$2,151	\$175	\$27,915	\$5,361	\$5,914	\$5,544	\$66,532	\$10,302	\$104,748	183.1%
O-1	\$1,451	\$175	\$19,515	\$2,264	\$2,849	\$2,264	\$27,173	\$3,203	\$49,891	87.2%
O-2	\$1,699	\$175	\$22,491	\$2,608	\$3,610	\$3,422	\$41,058	\$3,958	\$67,507	118.0%
O-3	\$1,877	\$175	\$24,627	\$3,019	\$4,911	\$4,220	\$50,641	\$5,762	\$81,030	141.7%
O-4	\$2,128	\$175	\$27,639	\$3,434	\$5,733	\$4,809	\$57,712	\$9,348	\$94,698	165.6%
O-5	\$2,237	\$175	\$28,947	\$3,980	\$6,761	\$5,603	\$67,234	\$10,683	\$106,863	186.8%
O-6	\$2,403	\$175	\$30,939	\$4,774	\$8,285	\$6,807	\$81,688	\$11,443	\$124,069	216.9%
O-7	\$2,451	\$175	\$31,515	\$6,441	\$9,434	\$9,386	\$112,633	\$12,204	\$156,352	273.3%

Source: Strategic Planning Group, Inc. 2005

As shown in Table 103, only E1-E3 families fall below 80% of the area’s median income, while none fall below the 50% median figure. Note that all E1-E3 unaccompanied personnel are required to live on-installation. Therefore, only E4 unaccompanied personnel, fall under the 80% median area income.

**Local Market Demand/Supply**

The NAS market area is comprised of a series of small islands referred to as the Lower Keys and the City of Key West. Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute peak hour commute. Based on this definition, the market area extends from the City of Key West to the south, northeast up through Big Pine Key to the 7-mile bridge. The 2003 population of Monroe County was 78,940, a 0.8% decline in population from 2000<sup>44</sup> (79,589). The City of Key West accounts for about 30% of the entire county population. In 2000, the City of

<sup>44</sup> U.S. Census, 2005.

Key West had a population of 25,478 and in 2003 had a population of 25,031, a decline of 447 persons or about a 2% decline in just three years.

The Florida Keys economy is based on tourism and retirement services and is not very diversified. The NAS Key West was one of the major employers and economic generators in the Lower Keys and Key West and its downsizing had a dilatory effect on the local economy. Since that time, the economy has remained relatively stable.

The unemployment level has remained well under statewide unemployment, declining from a 3.2% unemployment rate in 2000 to 2.2% in 2003.. Monroe County employment has increased in the early 2000s, increasing from a labor force of 43,838 in 2000 to 48,379 in 2003<sup>45</sup>.

**Community Housing Supply**

The Census shows that the market area (Monroe County) had approximately 35,000 housing units in 2000 (Table 104), of which owner-occupied housing comprised 62.4% and rental 37.6%

**Table 104. Housing Units, 2000**

	<i>Monroe</i>	<i>%</i>
Total:	35,086	
Owner occupied	21,900	62.4%
Renter occupied	13,186	37.6%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

**Rental Supply**

According to the 2000 Census, Monroe County had a total of 14,912 rental units, of which 1,719 were vacant (Table 105). Total vacant rental units increased by slightly over 570 units between the 1990-2000 time periods.

**Table 105. Rental Housing Trends, 1990-2000**

<i>Monroe County</i>		
<b>Occupied Rental Units</b>	<b>1990</b>	12,623
	<b>2000</b>	13,193
	<b>Change</b>	570
<b>Vacant Rental Units</b>	<b>1990</b>	1,717
	<b>2000</b>	1,719
	<b>Change</b>	2
<b>Total Rental Units</b>	<b>1990</b>	14,340
	<b>2000</b>	14,912
	<b>Change</b>	572

Source: US Census-1990-2000; Strategic Planning Group, Inc. 2005

Census data for 1990 and 2000 document that Monroe County added 126 new 1-Bedroom units, 553 new 2-Bedroom units, and 436 new 3-or-more Bedroom units during the 10-year period between 1990 and 2000. The majority of the 1-through 3+-bedroom unit growth are units renting for more than \$600 per month.

<sup>45</sup> U.S. Bureau of the Census and University of Florida BEBR.

As shown in the full report, the price range of suitable ownership housing is too expensive for most of the military households assigned to NAS Key West. Therefore, most of the households are forced to rely on rental housing.

**Findings**

The Navy uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided in the Navy’s latest Housing Assessment. The Department of Navy’s most recent Housing Assessment (2003) showed that the local, off-installation housing market was unable to provide 261 “suitable” family and unaccompanied rental housing units. The MAHC range for E4-E6 families was \$1,657 to \$2,016, and for the unaccompanied E4-E6 range, it was \$1,211 to \$1,524. Furthermore, there currently exists an excess supply of on-installation housing that, if used, reduces the need or shortfall for military family housing to 34 units. However, singles would still have a shortfall of 254 units. As of 2004, the NAS Key West market appears to have sufficient rental supply to accommodate these price ranges using MAHC figures.

It should be noted that there currently exists an excess inventory of government-owned housing (both family and single). Should these remain, then the overall shortfall of housing is only 34 family units and 254 singles. If the Navy would commit those excess units to families most in need, then no housing problem would exist. Furthermore, as singles have the opportunity to share expenses by having two or more rent a two- or more bedroom rental unit, then there is not a housing problem through 2009.

Using civilian affordability standards and analyzing the military off-installation requirements (2009) using RMC or BAH, no major housing problems were observed.

**Table 106. Distribution of Military Family Renters % of By Local Median Income (2009)**

<i>0-30% Median</i>	<i>RMC-2004</i>	<i>% Median</i>	<i>Single Households</i>	<i>On-Base</i>	<i>Off-Base Renters</i>	<i>Affordable Rent 40%</i>	<i>1 Bedroom</i>	<i>2 Bedroom</i>
none							\$1,100	\$1,300
<b>31% -60% Median</b>								
<b>E1</b>	\$32,786	57%	6	6		\$1,093	Housed on base	
<b>61-80% Median</b>								
<b>E2</b>	\$34,932	61%	10	10		\$1,164	Housed on base	
<b>E3</b>	\$37,124	65%	88	88		\$1,237	Housed on base	
<b>E4</b>	\$41,117	72%	109	0	109	\$1,371	109	0
<b>Total E2-E4</b>			207	98	109		109	0
<b>Grand Total</b>			213	104	109		109	0

Source: Strategic Planning Group, Inc. 2005

Unaccompanied single military household residing off-installation, likewise, should not have an affordability issue. All E1-E3 single personnel must reside on installation and 40% of RMC covers the cost of a studio or 1-bedroom apartment (Table 107). Using FHFC standards the E1-E4 personnel should only qualify for a one-bedroom rental unit.

**Table 107. Distribution of Military Single Household Renters By % of Local Median Income (2009)**

0-30% Median	RMC-2004	% Median	Single Households	Off Base Renters	Affordable Rent 40%	1 Bedroom	2 Bedroom
none						\$1,100	\$1,300
<b>31% -60% Median</b>							
E1	\$32,786	57%	6	6	\$1,093	Housed on base	
<b>61-80% Median</b>							
E2	\$34,932	61%	10	10	\$1,164	Housed on base	
E3	\$37,124	65%	88	88	\$1,237	Housed on base	
E4	\$41,117	72%	109	0	\$1,371	109	0
<b>Total E2-E4</b>			207	98	109	109	0
<b>Grand Total</b>			213	104	109	109	0

Source:

Strategic Planning Group, Inc. 2005

The single-family and condominium market fails to offer a range of home-purchase options for most installation military personnel, except possibly some of the officer grades. The situation may become worse in the next few years, as housing prices seem to be continuing to increase at a rapid pace. There is inadequate new housing construction to alleviate the situation and serve 2009 projected personnel requirements. The only viable solution appears to be to maintain the existing excess government controlled housing for use as future military housing.

**Homestead Air Reserve Base and U.S. Southern Command**

Miami-Dade County is home to one major military installation (Homestead ARB) and one major Command (U.S. Southern Command). It also has other military personnel associated with the Coast Guard and Army Reserve Garrison which were not part of this study. For purposes of analysis, each military activity is summarized separately but the impact analysis is combined as the county level data is the same for both activities.

**Homestead Air Reserve Base**

Homestead Air Reserve Base (ARB) is about 25 miles south of Miami, Florida, in the southern part of Miami-Dade County. The geographic positioning of Homestead ARB supplies DoD with an efficient air base that is a strategic staging location on the rim of the Caribbean Basin. This allows it to support contingency and training operations associated with the U.S. Southern Command area of responsibility.

Homestead ARB comprises 2,940 acres, with a relatively flat topography. It has been operated as an Air Force facility since 1942. Following significant destruction of base facilities from Hurricane Andrew in 1992, the base was largely inactive for several years. There has been some increased activity in recent years with the posting of the 482<sup>nd</sup> Fighter Wing (Reserve) at the base. Currently, the only active duty personnel stationed at Homestead are those with Strategic Operations Command, South (SOC SOUTH). SOC South has approximately 100 personnel at Homestead.

**U.S. Southern Command**

The United States Southern Command (USSOUTHCOM) is located in the central western part of Miami-Dade County in the Doral area, about six miles west of the Miami International Airport.

USSOUTHCOM is the unified command responsible for all U.S. military activities on the land mass of Latin America south of Mexico; the waters adjacent to Central and South America; the Caribbean Sea, with its 13 island nations, and European and U.S. territories; the Gulf of Mexico; and a portion of the Atlantic Ocean. Since 26 September 1997, the command headquarters has been located at Miami,

Florida. It is one of five geographically unified commands under the U.S. Department of Defense. Southern Command's area of responsibility encompasses 32 countries (19 in Central and South America and 13 in the Caribbean) and covers about 14.5 million square miles (23.2 million square kilometers). The region represents about one-sixth of the landmass of the world assigned to regional unified commands.

**Military Personnel Housing Needs**

As of FY 2004, Homestead ARB had 100 active-duty, permanent personnel in need of housing. Because there is no on-installation housing, all personnel are assumed to reside in either off-base rental housing or houses owned by the military member. Enlisted ranks accounted for (48%) of the active-duty personnel, while (52%) were officers.<sup>46</sup>

**Table 108. Military Personnel, Homestead ARB, 2004**

Grade	Family	Unaccompanied	Total Personnel
<b>Total</b>	69	37	100
<b>Officers</b>	36	16	52
<b>O6+</b>	3	0	3
<b>W4-O5</b>	13	2	15
<b>W1-O3</b>	21	14	35
<b>Enlisted</b>	33	21	48
<b>E7-E9</b>	5	1	6
<b>E4-E6</b>	25	13	38
<b>E1-E3</b>	3	7	10

Note: Numbers might not add due to rounding.

Source: GEC draft FHFC Military Housing Needs Assessment, October 2003; Strategic Planning Group, Inc., 2005

The estimated total demand for family housing by bedroom is shown in Table 109. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

**Table 109. Family Housing by Status and Bedroom, 2004**

Grade	2 BR	3BR	4+BR	Family Housing Required
<b>Total</b>	29	26	15	69
<b>Officers</b>	13	15	9	36
<b>O6+</b>	0	0	3	3
<b>W4-O5</b>	0	10	3	13
<b>W1-O3</b>	13	5	3	21
<b>Enlisted</b>	16	11	6	33
<b>E7-E9</b>	0	4	1	5
<b>E4-E6</b>	13	7	5	25
<b>E1-E3</b>	2	0	0	3

Note: Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc. 2005

**On-Installation Housing**

There is no on-installation housing at Homestead AFB. For purposes of this study, all families and singles (with the exception of E1-E3 singles) living on the economy.

<sup>46</sup> GEC draft report calculated all personnel as married. SPG did not have the detailed data GEC received from the Homestead AFRB Personnel Directorate but questions that assumption; therefore SPG modified the GEC figures by using Air Force standards of married to unaccompanied personnel to form the statistical base of this analysis.

**Off-Installation Housing*****Off-Installation Family Housing***

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. SPG estimated that 40 military personnel owned their housing in 2004 (Table 110)<sup>47</sup>.

**Table 110. Military Family Homeowners, Homestead ARB, 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3BR</b>	<b>4+BR</b>	<b>Family Housing Required</b>
<b>Total</b>	14	16	10	40
<b>Officers</b>	8	10	6	24
<b>O6+</b>	0	0	2	2
<b>W4-O5</b>	0	7	2	9
<b>W1-O3</b>	8	3	2	13
<b>Enlisted</b>	6	6	3	16
<b>E7-E9</b>	0	3	1	4
<b>E4-E6</b>	6	3	2	12
<b>E1-E3</b>	0	0	0	0

Note: Numbers may not total due to rounding.  
Source: Strategic Planning Group, Inc. 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. SPG estimates that 20 military families rented homes in 2004 (Table 111).

**Table 111. Military Family Renters, Homestead ARB 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	14	10	5	29
<b>Officers</b>	5	5	2	11
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	3	1	3
<b>W1-O3</b>	5	2	1	8
<b>Enlisted</b>	9	5	3	17
<b>E7-E9</b>	0	1	0	1
<b>E4-E6</b>	7	3	3	13
<b>E1-E3</b>	3	0	0	3

Note: Numbers may not total due to rounding.  
Source: Strategic Planning Group, 2005

<sup>47</sup> SPG used Tyndall AFB ratio to determine Bedroom Mix.

***Off-Installation Unaccompanied Housing***

It is estimated that 30 unaccompanied personnel required non-governmental housing.

**Table 112. Unaccompanied Housing by Status and Bedroom, Homestead AFB, 2004**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	11	17	2	30
<b>Officers</b>	0	14	2	16
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	0	2	2
<b>W1-O3</b>	0	14	0	14
<b>Enlisted</b>	11	3	0	14
<b>E7-E9</b>	0	1	0	1
<b>E4-E6</b>	11	2	0	13
<b>E1-E3</b>	0	0	0	0

Note: Numbers may not total due to rounding.

Source: Strategic Planning Group, 2005

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. SPG estimated that 7 unaccompanied military personnel owned their own homes in 2004 (Table 113).

**Table 113. Unaccompanied Homeowners, Homestead AFB, 2004**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	1	5	1	7
<b>Officers</b>	0	4	1	5
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	0	1	1
<b>W1-O3</b>	0	4	0	4
<b>Enlisted</b>	1	1	0	2
<b>E7-E9</b>	0	0	0	0
<b>E4-E6</b>	1	0	0	1
<b>E1-E3</b>	0	0	0	0

Note: Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc. 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. SPG estimates that 23 military families rented homes in 2004 (Table 114).



**Table 114. Unaccompanied Renters, Homestead AFB, 2004**

<b>Grade</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Total</b>
<b>Total</b>	10	12	1	23
<b>Officers</b>	0	10	1	11
<b>O6+</b>	0	0	0	0
<b>W4-O5</b>	0	0	1	1
<b>W1-O3</b>	0	10	0	10
<b>Enlisted</b>	10	2	0	12
<b>E7-E9</b>	0	1	0	1
<b>E4-E6</b>	10	1	0	12
<b>E1-E3</b>	0	0	0	0

Note: Numbers may not total due to rounding.

Source: Strategic Planning Group, 2005

### ***Military Personnel Housing Needs – USSOUTHCOM***

As of FY 2004, SPG estimated that USSOUTHCOM had 1,091 active-duty, permanent personnel in need of housing. Because there is no on-installation housing, all personnel are assumed to reside in either off-base rental housing or owned houses. Enlisted ranks accounted for (49.5%) of the active-duty personnel, while (50.5%) were officers<sup>48</sup>.

**Table 115. Military Personnel, USSOUTHCOM, 2004**

<b>Grade</b>	<b>Family</b>	<b>Unaccompanied</b>	<b>Total Personnel</b>
<b>Total</b>	802	289	1,091
<b>Officers</b>	452	98	551
<b>O6+</b>	87	1	88
<b>W4-O5</b>	300	53	353
<b>W1-O3</b>	65	44	109
<b>Enlisted</b>	349	191	540
<b>E7-E9</b>	98	11	109
<b>E4-E6</b>	222	116	338
<b>E1-E3</b>	29	64	93

Note: Numbers may not total due to rounding.

Source: Electronic Source, Quality of Life Advisor, USSOUTHCOM

The total estimated demand for family housing by bedroom is shown in Table 116. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

<sup>48</sup> USSOUTHCOM supplied personnel grade percentage distribution. The percentages were grouped into the following grades: O4+, O1-O3; Warrant Officers (1%) of total; E3-E6, and E7-E9. Total personnel were not given but SPG was given a past acceptable number of 1,091. SPG then used military ratios to regroup the grades into the same groupings used in the other analyses.

**Table 116. Family Housing by Status and Bedroom USSOUTHCOM, 2003**

<b>Grade</b>	<b>2 BR</b>	<b>3BR</b>	<b>4+BR</b>	<b>Family Housing Required</b>
<b>Total</b>	183	384	235	802
<b>Officers</b>	40	247	165	452
<b>O6+</b>	0	0	87	87
<b>W4-O5</b>	0	230	70	300
<b>W1-O3</b>	40	16	8	65
<b>Enlisted</b>	142	137	70	349
<b>E7-E9</b>	0	74	24	98
<b>E4-E6</b>	119	59	44	222
<b>E1-E3</b>	23	4	1	29

Note: Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc. 2005

The total estimated demand for unaccompanied housing by bedroom is shown in Table 117. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

**Table 117. Unaccompanied Housing by Bedroom, USSOUTHCOM, 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3BR</b>	<b>4+BR</b>	<b>Unaccompanied Housing Required</b>
<b>Total</b>				289
<b>Officers</b>	27	52	19	98
<b>O6+</b>	0	0	1	1
<b>W4-O5</b>	0	41	12	53
<b>W1-O3</b>	27	11	6	44
<b>Enlisted</b>	114	43	29	191
<b>E7-E9</b>	0	3	3	11
<b>E4-E6</b>	62	31	23	116
<b>E1-E3</b>	52	10	3	64

Note: Numbers may not total due to rounding.

Source: Strategic Planning Group, Inc. 2005

### **On-Installation Housing**

There is no on-installation housing at USSOUTHCOM, the Command does rent and lease appropriate housing within the community as required by DoD standards.

### **Off-Installation Housing**

#### ***Off-Installation Family Housing***

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. Based on DoD surveys and the VAH survey shown at the beginning of this report and estimates from MacDill's Central Command ratios, SPG estimated that 522 military families owned their housing in 2004 (Table 118).

**Table 118. Military Family Homeowners, USSOUTHCOM, 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	82	261	178	522
<b>Officers</b>	25	178	139	343
<b>O6+</b>	0	0	84	84
<b>W4-O5</b>	0	168	50	219
<b>W1-O3</b>	25	10	5	40
<b>Enlisted</b>	57	83	39	179
<b>E7-E9</b>	0	54	18	72
<b>E4-E6</b>	57	28	21	107
<b>E1-E3</b>	0	0	0	0

Note: Numbers may not equal due to rounding.  
Source: Strategic Planning Group, Inc.

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. SPG estimates that 279 military families rented homes in 2004 (Table 119).

**Table 119. Military Family Renters, USSOUTHCOM, 2004**

<b>Grade</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>
<b>Total</b>	100	123	56	279
<b>Officers</b>	16	68	26	109
<b>O6+</b>	0	0	3	3
<b>W4-O5</b>	0	62	19	81
<b>W1-O3</b>	16	6	3	25
<b>Enlisted</b>	85	54	31	170
<b>E7-E9</b>	0	19	6	26
<b>E4-E6</b>	61	31	23	115
<b>E1-E3</b>	23	4	1	29

Note: Numbers may not total due to rounding.  
Source: Strategic Planning Group, 2005

### ***Off-Installation Unaccompanied Housing***

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. Based on DoD surveys and the VAH survey shown at the beginning of this report, SPG estimated that 225 unaccompanied military personnel owned their own homes in 2004 (Table 120).

**Table 120. Unaccompanied Personnel Off-Installation by Grade and Bedroom, USSOUTHCOM, 2004**

<i>Grade</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>Unaccompanied Housing Required</i>
<b>Total</b>	102	69	54	225
<b>Officers</b>	0	44	54	98
<b>O6+</b>	0	0	1	1
<b>W4-O5</b>	0	0	53	53
<b>W1-O3</b>	0	44	0	44
<b>Enlisted</b>	102	25	0	127
<b>E7-E9</b>	0	11	0	11
<b>E4-E6</b>	102	14	0	116
<b>E1-E3</b>	0	0	0	0

Note: Numbers may not total due to rounding.  
Source: Strategic Planning Group, 2005

As is the case at most military installations, a significant number of military personnel choose to buy, rather than rent housing. This percentage appears to have increased in the last several years as a result of low-interest mortgage rates. Based on DoD surveys and the VAH survey shown at the beginning of this report, SPG estimated that 60 unaccompanied military personnel owned their housing in 2004 (Table 121).

**Table 121. Unaccompanied Homeowners, USSOUTHCOM, 2004**

<i>Grade</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>Total</i>
<b>Total</b>	8	22	30	60
<b>Officers</b>	0	13	30	43
<b>O6+</b>	0	0	1	1
<b>W4-O5</b>	0	0	29	29
<b>W1-O3</b>	0	13	0	13
<b>Enlisted</b>	8	9	0	17
<b>E7-E9</b>	0	5	0	5
<b>E4-E6</b>	8	4	0	12
<b>E1-E3</b>	0	0	0	0

Note: Numbers may not total due to rounding.  
Source: Strategic Planning Group, 2005

The number of renters is calculated by subtracting the family-owned housing from the total number of families living off-installation. SPG estimates that 153 military families rented homes in 2004 (Table 122).

**Table 122. Unaccompanied Renters, USSOUTHCOM, 2004**

Grade	2 BR	3 BR	4+ BR	Total
Total	94	47	24	165
Officers	0	31	24	56
O6+	0	0	0	0
W4-O5	0	0	24	24
W1-O3	0	31	0	31
Enlisted	94	16	0	110
E7-E9	0	6	0	6
E4-E6	94	10	0	104
E1-E3	0	0	0	0

Note: Numbers may not total due to rounding.

Source: Strategic Planning Group, 2005

**Regular Military Compensation**

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 123, these “adjustments” to salary result in Regular Military Compensation (RMC), which is comparable to non-military family/household income. The family household income for military personnel residing off-installation ranges from \$29,856 for an E1 without dependents to \$159,948 for an O7 with dependents. Traditionally, market demand is driven by income, or in the case of the military, the RMC.

**Table 123. Regular Military Compensation-2004**

With Dependents	BAH	BAS	Allowances Annualized	Salary Range	Calculated Basic Income	Annualized	Tax Adjustment	Military Compensation	% RMC for Market Housing
E-1	\$1,220	\$254	\$17,694	\$1,104 \$1,193	\$1,193	\$14,316	\$1,425	\$33,435	73.6%
E-2	\$1,220	\$254	\$17,694	\$1,338 \$1,338	\$1,338	\$16,052	\$1,848	\$35,594	78.4%
E-3	\$1,220	\$254	\$17,694	\$1,407 \$1,586	\$1,496	\$17,946	\$2,158	\$37,798	83.3%
E-4	\$1,220	\$254	\$17,694	\$1,558 \$1,892	\$1,814	\$21,769	\$2,333	\$41,796	92.1%
E-5	\$1,365	\$254	\$19,434	\$1,700 \$2,368	\$2,368	\$28,415	\$2,932	\$50,780	111.9%
E-6	\$1,578	\$254	\$21,990	\$1,856 \$2,810	\$2,810	\$33,718	\$3,697	\$59,404	130.8%
E-7	\$1,700	\$254	\$23,454	\$2,145 \$3,855	\$3,342	\$40,100	\$4,118	\$67,672	149.1%
E-8	\$1,835	\$254	\$25,074	\$3,086 \$4,314	\$3,716	\$44,586	\$4,548	\$74,207	163.5%
E-9	\$1,989	\$254	\$26,922	\$3,769 \$5,055	\$4,777	\$57,319	\$6,860	\$91,101	200.7%
O-1	\$1,389	\$175	\$18,771	\$2,264 \$2,849	\$2,264	\$27,173	\$3,081	\$49,025	108.0%
O-2	\$1,573	\$175	\$20,979	\$2,608 \$3,610	\$3,422	\$41,058	\$3,692	\$65,729	144.8%
O-3	\$1,912	\$175	\$25,047	\$3,019 \$4,911	\$4,220	\$50,641	\$5,861	\$81,549	179.6%
O-4	\$2,283	\$175	\$29,499	\$3,434 \$5,733	\$4,809	\$57,712	\$9,977	\$97,188	214.1%
O-5	\$2,615	\$175	\$33,483	\$3,980 \$6,761	\$5,603	\$67,234	\$12,357	\$113,073	249.1%
O-6	\$2,637	\$175	\$33,747	\$4,774 \$8,285	\$6,807	\$81,688	\$12,482	\$127,916	281.8%
O-7	\$2,667	\$175	\$34,107	\$6,441 \$9,434	\$9,386	\$112,633	\$13,208	\$159,948	352.3%
<b>Without Dependents</b>									
E-1	\$944	\$254	\$14,382	\$1,104 \$1,193	\$1,193	\$14,316	\$1,158	\$29,856	65.8%
E-2	\$944	\$254	\$14,382	\$1,338 \$1,338	\$1,338	\$16,052	\$1,502	\$31,936	70.3%
E-3	\$944	\$254	\$14,382	\$1,407 \$1,586	\$1,496	\$17,946	\$1,754	\$34,082	75.1%
E-4	\$944	\$254	\$14,382	\$1,558 \$1,892	\$1,814	\$21,769	\$1,896	\$38,047	83.8%
E-5	\$1,033	\$254	\$15,450	\$1,700 \$2,368	\$2,368	\$28,415	\$2,331	\$46,195	101.8%
E-6	\$1,096	\$254	\$16,206	\$1,856 \$2,810	\$2,810	\$33,718	\$2,724	\$52,647	116.0%
E-7	\$1,230	\$254	\$17,814	\$2,145 \$3,855	\$3,342	\$40,100	\$3,128	\$61,041	134.5%
E-8	\$1,407	\$254	\$19,938	\$3,086 \$4,314	\$3,716	\$44,586	\$3,616	\$68,140	150.1%
E-9	\$1,473	\$254	\$20,730	\$3,769 \$5,055	\$4,777	\$57,319	\$5,283	\$83,331	183.5%
O-1	\$1,076	\$175	\$15,015	\$2,264 \$2,849	\$2,264	\$27,173	\$2,465	\$44,652	98.4%
O-2	\$1,315	\$175	\$17,883	\$2,608 \$3,610	\$3,422	\$41,058	\$3,147	\$62,088	136.8%
O-3	\$1,501	\$175	\$20,115	\$3,019 \$4,911	\$4,220	\$50,641	\$4,707	\$75,463	166.2%
O-4	\$1,713	\$175	\$22,659	\$3,434 \$5,733	\$4,809	\$57,712	\$7,664	\$88,034	193.9%
O-5	\$1,794	\$175	\$23,631	\$3,980 \$6,761	\$5,603	\$67,234	\$8,721	\$99,585	219.4%
O-6	\$1,918	\$175	\$25,119	\$4,774 \$8,285	\$6,807	\$81,688	\$9,290	\$116,097	255.7%
O-7	\$1,957	\$175	\$25,587	\$6,441 \$9,434	\$9,386	\$112,633	\$9,908	\$148,128	326.3%

Source: Strategic Planning Group, Inc., 2005

As shown in Table 123, E1 and E2 families and E1-E3s without dependents fall below 80% of the area’s median income, while none fall below the 50% median figure. All E1-E3 singles are provided housing (in the case of both Homestead and USSOUTHCOM these are assumed to be leased by the government within the community).

**Local Market Demand/Supply**

The 20-mile radius and 60-minute, peak-hour commute for both Homestead ARB and USSOUTHCOM includes all of Miami-Dade County and the southern parts of Broward County. In practicality, the housing market area for this study is only Miami-Dade County.

The County has experienced significant growth since 1990, averaging around 7,120 new persons per year during the 1990-2003 year period.

**Table 124. Population of Miami-Dade County**

Year	Miami-Dade Population	State Population
1980	1,937,194	12,938,071
1990	2,253,362	15,982,378
2003	2,345,932	17,071,508
2005 (p)	2,414,200	17,760,000
2010 (p)	2,574,000	19,397,400

Source: University of Florida BEBR, Strategic Planning Group, Inc. 2005

The market area had a 2003 labor force of 1,103,718. The labor force has an average unemployment rate of 7.2% which is above the state level of 4.5% in February 2004. The County had an employment of 979,388 in 2002. Employment in the market area is diverse. Other services accounted for the largest share (28.1%), followed by Professional & Business Services at 14.0%. In spite of a diversified economic base, the economy is declining overall and manufacturing, wholesale trade, transportation and warehousing are considered declining industries. Government wages (including military) exceeded the industry average in the county.

**Community Housing Supply**

The Census shows that the market area had approximately 776,774 housing units in 2000 (Table 125), of which owner-occupied housing comprised 57.8% and rental 42.2%

**Table 125. Housing Units, 2000**

	Miami-Dade	%
Total:	776,774	
Owner occupied	449,333	57.8%
Renter occupied	327,441	42.2%

Source: US 2000 Census, Strategic Planning Group, Inc. 2005

**Rental Supply**

According to the 2000 Census, Miami-Dade County had a total of 347,307 rental units, of which 19,858 were vacant (Table 126). Total vacant rental units increased by slightly over 2,000 units between the 1990-2000 time periods.

**Table 126. Rental Housing Trends, Miami-Dade County, 1990-2000**

	<b>County</b>	<b>Miami/Dade</b>
<b>Occupied Rental Units</b>	<b>1990</b>	316,349
	<b>2000</b>	327,449
	<b>Change</b>	11,100
<b>Vacant Rental Units</b>	<b>1990</b>	28,788
	<b>2000</b>	19,858
	<b>Change</b>	(8,930)
<b>Total Rental Units</b>	<b>1990</b>	345,137
	<b>2000</b>	347,307
	<b>Change</b>	2,170

Source: US Census-1990-2000; Strategic Planning Group, Inc. 2005

Single family rental units (1 to 4 units per structure excluding mobile homes) accounted for 37.4% of the rental market.

In order to determine the current housing market, SPG analyzed building-permit data from 2000 to 2004 to determine growth since the 2000 Census.

*Building Permits*

Miami-Dade County has seen growth since the 2000 Census. The County has issued almost 76,541 permits of which 48.3% are multifamily properties accounting for 36,963 units. The multifamily growth has occurred despite the national slowdown of rental construction due to low mortgage interest and the resulting growth of ownership housing.

**Table 127. Miami-Dade County Building Permits – 2000-2004**

<b>Miami-Dade County</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Totals</b>
<b>Single Family</b>	5,998	6,828	6,374	8,740	8,632	36,572
<b>Two Family</b>	104	200	178	230	280	992
<b>Three &amp; Four Family</b>	722	544	158	514	76	2,014
<b>Five or More Family</b>	5,651	6,424	7,896	6,049	10,943	36,963
<b>Total</b>	12,475	13,996	14,606	15,533	19,931	76,541

Source: Strategic Planning Group, Inc. 2005

As shown in the full report, there is sufficient existing inventory of affordable ownership housing within the marketplace to satisfy the military demand. It should be noted that the military are extremely transient and tend to move every 2-4 years; thereby releasing their homes to the market place.

*Current Rental Inventory*

The supply of rental housing within the overall market area was estimated at 9,686 (occupied and vacant) in 2004.<sup>49</sup> Two bedroom and small units are estimated to make up 58% of the rental market; while 3 bedroom units make up 34% and the remaining 8% are 4 or more bedrooms. The market contained approximately 7,265 units. Table 128 shows the estimated rental housing supply.

<sup>49</sup> GEC draft FHFC Military Housing Needs Assessment, October 2004



**Table 128. Miami-Dade County Suitable Rental Market**

Rental Cost	Number of Bedrooms					Total
	None	One	Two	Three	Four+	
\$2,000 - above	13	93	107	626	146	985
\$1,500-\$1,999	4	28	32	186	42	292
\$1,300-\$1,499	2	18	21	126	29	196
\$1,200-\$1,299	3	25	28	167	38	261
\$1,100-\$1,119	3	25	28	166	38	260
\$1,000-\$1,099	3	19	78	210	47	357
\$900-\$999	4	19	153	325	72	573
\$800-\$899	1	28	216	467	105	817
\$700-\$799	25	162	597	250	54	1,088
\$600-\$699	32	214	772	290	63	1,371
\$500-599	50	286	782	260	56	1,434
under \$499	142	708	916	238	48	2,052
<b>Total</b>	<b>282</b>	<b>1,625</b>	<b>3,730</b>	<b>3,311</b>	<b>738</b>	<b>9,686</b>

Source: GEC Draft Military Housing Assessment Report, October 2004, Strategic Planning Group, Inc. 2005

**Findings**

The DoD uses four criteria to determine whether housing (supply) is acceptable for military personnel: cost, location, adequate condition and facilities, and bedroom entitlements. These standards apply only to rental housing, not owner-occupied. The only factor that SPG could directly analyze is cost, as no specific data on the other criteria were provided by DoD. Using standard civilian affordability standards, and analyzing the estimated military off-installation requirements (2004) using RMC, no major housing problems were observed. As shown in Table 129, the requirement for family rental housing at 0%-30% or 31-60% median income was not a problem, as no military families fall below 60% median local income. Only 14 renters are estimated at the 61%-80% median income level. Using FHFC affordable rental income of 40%, no families should have a problem affording local rental housing.

**Table 129. Distribution of Military Family Renters By % Local Median Income (2004)  
(Combined Homestead ARB and USSOUTHERNCOM)**

Range of Median	RMC-2004	% Median	Family Households		Off-Base Renters	Affordable Rent Mthly 40%	Rental Need		
			On-Base	2003			2-BR	3-BR	4-BR
0-30%							\$1,137	\$1,367	\$1,202
None									
31%-60% Median									
None									
61%-80% Median									
E1	\$33,435	73.6%	5	5	0	\$1,114	0	0	0
E2	\$35,594	78.4%	9	9	0	\$1,186	0	0	0
<b>Total</b>			14	14			0	0	0

Note: Numbers may not total due to rounding.  
Source: Strategic Planning Group, Inc. 2005

Unaccompanied single military household residing off-installation, likewise, should not have an affordability issue. Only E1-E3 grade level personnel fall below the 80% median income level, and all E1-E3 single personnel must reside on installation or in government supplied housing. Furthermore, the 40% of RMC covers the cost of studio or 1-bedroom apartments.

**Table 130. Distribution of Military Single Renters By % Local Median Income (2004)**

<b>0-30% Median</b>	<b>RMC-2004</b>	<b>Single Households</b>	<b>Government Housings</b>	<b>Off-Base Renters</b>	<b>Affordable Rent</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>
none					40%	\$892	\$1,137
<b>31% -60% Median</b>							
none							
<b>61-80% Median</b>							
<b>E1</b>	\$29,856	66%	18	18	0	\$995	Housed-government units
<b>E2</b>	\$31,936	70%	25	25	0	\$1,065	Housed-government units
<b>E3</b>	\$34,082	75%	42	42	0	\$1,136	Housed-government units
<b>Total Rentals</b>			86	85	0		

Note: Numbers may not total due to rounding.  
 Source: Strategic Planning Group, Inc. 2005