



MILITARY HOUSING NEEDS ASSESSMENT

February 17, 2005

Prepared for
Florida Housing Finance Corporation

Prepared by

STRATEGIC PLANNING GROUP, Inc.



United States
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.¹ Almost 80,000 active duty military personnel are stationed in Florida, with approximately 42,000 military spouses and 33,000 school-age children. As of FY 2002, defense spending accounted for \$21.7 billion in Florida wages, pensions, and goods and services.² 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.

Table 1. Florida Economic Impact Estimates (\$ millions)

Description	Estimated Economic Impact		
	FY 2002	FY 2010	Cumulative
Total Sales	\$69,710	\$90,129	\$704,499
Employment (actual)	\$714,500	\$825,600	N/A
Consumption	\$25,549	\$40,827	\$289,483
Investment Residential	\$5,110	\$4,233	\$40,123
Non-Residential Real Estate	\$2,504	\$1,620	\$17,595
Capital Equipment	\$12,148	\$14,419	\$121,554
Government	\$816	\$3,424	\$20,116
Exports	\$19,820	\$24,352	\$194,496
Imports (subtract)	-\$21,945	-\$31,414	-\$235,481
Gross Regional Product	\$44,002	\$57,461	\$447,887

Source: Haas Center for Business Research and Economic Development, UWF, Florida Defense Industry Economic Impact Analysis December 2003

In 2004, Congress authorized the U.S. Department of Defense (DoD) to initiate a base realignment and closure (BRAC) round in 2005. It is estimated that BRAC 2005 could result in closing 45 military installations worldwide (during previous BRAC rounds Florida lost four major installations). In order to minimize the risks of losing more installations in Florida, 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, President of the Senate, Speaker of the House of Representatives, Senate Minority Leader, and House Minority Leader. In order to prepare this assessment, FHFC retained the services of Strategic Planning Group, Inc. (SPG).

¹ Florida Defense Alliance website.

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

Scope

The FHFC Military Housing Market Study and Analysis was limited to 17 of the State’s 21 major installations located in five regions of the State of Florida as shown in Figure 1.

Figure 1. Location of Florida’s Military Installations



The following is a listing of the 17 installations that are part of this off-base 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:

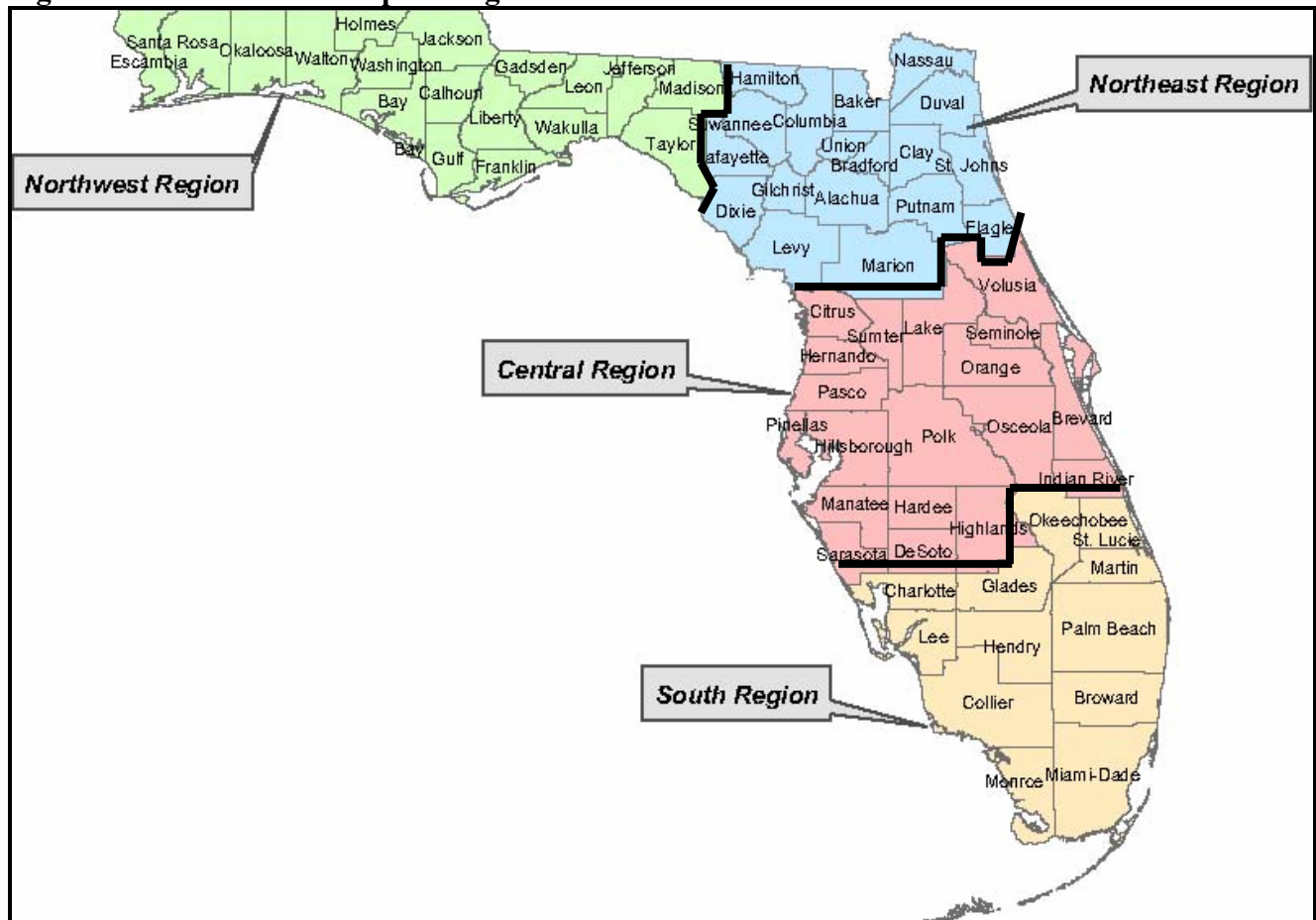
- MacDill Air Force Base, including US Central Command and US Special Operations Command,
- Cape Canaveral Air Force Station and Patrick Air Force Base, and
- Team Orlando Modeling and Simulation Community; and

South Florida:

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

Figure 2 shows the impact regions identified by Florida Defense Alliance, which also formed the regions used by the Haas Center to calculate the impact of military spending on the State of Florida.

Figure 2. Delineation of Impact Regions



The scope of the Military Housing Needs Assessment is described below:

- Determination and brief description of the market area around each military installation, including a map. Where market areas for multiple installations overlap, these areas can be combined and reported on as a whole. A brief statement of the main activities undertaken on each military installation shall be included.
- For each market area, demographic characteristics of service personnel and their families with incomes of up to 80% of area median income (AMI) adjusted for family size, and who are living off-base, including but not limited to, the number of households by family size; household annual income, and current tenure; and Basic Allowance for Housing (BAH) amount. This information shall be organized by income ranges as follows: households earning between zero and 30% AMI, households earning between 31 and 60% AMI, and households earning between 61 and 80% AMI. Total gross income by family size for military households with incomes of up to 80% of AMI shall be determined for those market areas where data is available within the time constraints established above.
- Description and analysis of current rental housing and ownership opportunities affordable to the target population in each market area, including vacancy rates, income targets, rental rates and/or purchase prices. A review of the Multiple Listing Service in each market area shall be acceptable for determining available ownership opportunities. This analysis shall include the condition, based on U.S. Census data, and availability of homeowner and rental housing that is affordable to these service personnel and their families. Affordability shall be determined by comparing the rental rates and/or purchase prices with the BAH available to the service personnel. Additionally, the possible change in on-base housing options in each area shall be analyzed.
- Analysis of the general population demand for affordable housing in each area by income up to 80% AMI, by tenure, including an analysis of projected population growth trends. This analysis shall address the current and future impact of the larger community on the availability of decent, affordable housing for military personnel and their families.
- Summary of findings and conclusions related to the unmet demand for decent, affordable, off-base rental and homeownership opportunities for active duty military personnel and their families.

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-base 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-base housing assessments, MLS data for each area, 2000 Census data, proprietary inventory data, and conversations with local realtors and apartment associations.

The Florida Defense Industry Economic Impact Analysis, December 2003, provided an excellent background of the impact of the military at the local, regional and state level, as well as providing some information on installation employment loadings and installation descriptions. A number of recent events³ impacted SPG's ability to collect specific installation data relative to exact installation personnel by grade (income), as well as related housing data.

Installation Military Personnel Calculations

SPG contacted each military installation in the state in an effort to collect specific military personnel and grade assigned to each installation; specific off-base housing requirements; and other related housing data. Most efforts were blocked due to external political issues already discussed. Efforts also included using Freedom of Information Act (FOIA) requests, assistance from the State of Florida's Office of Tourism, Trade and Economic Development (OTTED), as well as Senator Bill Nelson's office and Representative Andrew Crenshaw's office. These efforts were only moderately successful. SPG was able to review installation military loadings and/or military housing market assessments⁴ for FY 2003, for: NAS Pensacola,⁵ NAS Whiting Field,⁶ Eglin/Hurlburt AFBs,⁷ NSA Panama City,⁸ Tyndall AFB,⁹ NAS Jacksonville,¹⁰ NS Mayport,¹¹ Patrick/Cape Canaveral AFBs,¹² Team Orlando,¹³ and Homestead ARB,¹⁴ NAS Key West.¹⁵

Additional installation personnel descriptions were obtained for: Naval Air Depot, Jacksonville; Southern Command, Miami; and Blount Island Command, Jacksonville.

In order to compare the military data to community demand/supply inventories; SPG, used FY 2004 Department of Defense Base Structure Report findings and adjusted all calculations to FY 2004 military personnel loadings. Where detail personnel by grade statistics were not available, SPG used other sources to calculate the grade distribution by installation.¹⁶

³ September 11, 2001, BRAC activities, and on-going base housing privatization efforts.

⁴ Several installation summaries were taken from a draft FHFC Military Housing Needs Assessment.

⁵ Robert D. Niehaus, Inc., Final Report, November 2003.

⁶ Robert D. Niehaus, Inc., Final Report, November 2003.

⁷ In addition to information contained in the draft GEC FHFC report, SPG was able to secure a copy of the Hurlburt AFB Housing Needs Assessment, August 2003.

⁸ Robert D. Niehaus, Inc., Final Report, December 2003.

⁹ Parsons Corporation, Final Report, March 2004.

¹⁰ Robert D. Niehaus, Inc., Final Report, November 2003.

¹¹ Robert D. Niehaus, Inc., Final Report, November 2003

¹² Information from GEC Draft FHFC Report and 2004 base loadings received from Patrick AFB.

¹³ Information from GEC Draft FHFC Report.

¹⁴ Information from GEC Draft FHFC Report.

¹⁵ Robert D. Niehaus, Inc., Final Report, December 2003.

¹⁶ For Naval installations, SPG used NAS Jacksonville and NS Mayport 2000, estimate loadings from reports prepared by BHR. Furthermore, when personnel grades were grouped (E-1-E4), SPG either used information contained in the other sources discussed, or used 2004 total DoD characteristics by Department (Navy, Army, Air Force or Marines)

Private Sector Housing Supply

As discussed in more detail later in this report, SPG per its contract with FHFC, collected data at the county level to determine local housing costs and supply by type and/or by bedroom.¹⁷ Data was derived from numerous sources. Apartment inventories were purchased from Real Data for the Jacksonville, Tampa and Orlando markets; while *Reinhold P. Wolff Economic Research* housing data was obtained for the Miami-Dade market. Data from the local, military, off-base housing offices were used when provided. This data is monitored throughout the year and is the data used by military personnel when securing off-base housing. Additional data was derived from HUD fair market rents, MLS listings, contacts with local realtors, apartment managers, local housing finance authorities and apartment associations, as well as 2000 census data.

Report Format

The report is formatted by Regions of the State of Florida. Data is provided by installation, where possible, and grouped, if appropriate, to measure housing needs at the county level. Each region is defined by appropriate military installations. Each installation(s)'s mission and facilities are briefly discussed, military personnel by grade are listed, as well as military salary, BAH, other benefits and total compensation (to compare military family income to the general public).

Military demand is compared to the community housing supply and needs are defined by rental/ownership requirements. This military demand is then compared to the local (non-military) demand to determine if the local housing market is capable of providing the necessary supply of affordable housing.

¹⁷ Military Housing Requirement and Market Assessment Reports use either a 20-mile radius or 60-minute peak hour commute to define their market regions.

Florida Military Overview

As already discussed, the military has a significant impact on the economy of the State of Florida, as well as playing a dominate role in a number of regions/counties in the State. As reported by the Haas Center for Business Research and Economic Development, in aggregate FY 2002, the Department of Defense (DoD) spending within the State amounted to \$21.7 billion with a total multiplier effect of \$44 billion. During that year, defense-related spending accounted for 714,500 jobs. Military wages exceeded State averages by 133% (\$45,373 vs. \$34,232), having increased from 101% in 1970.

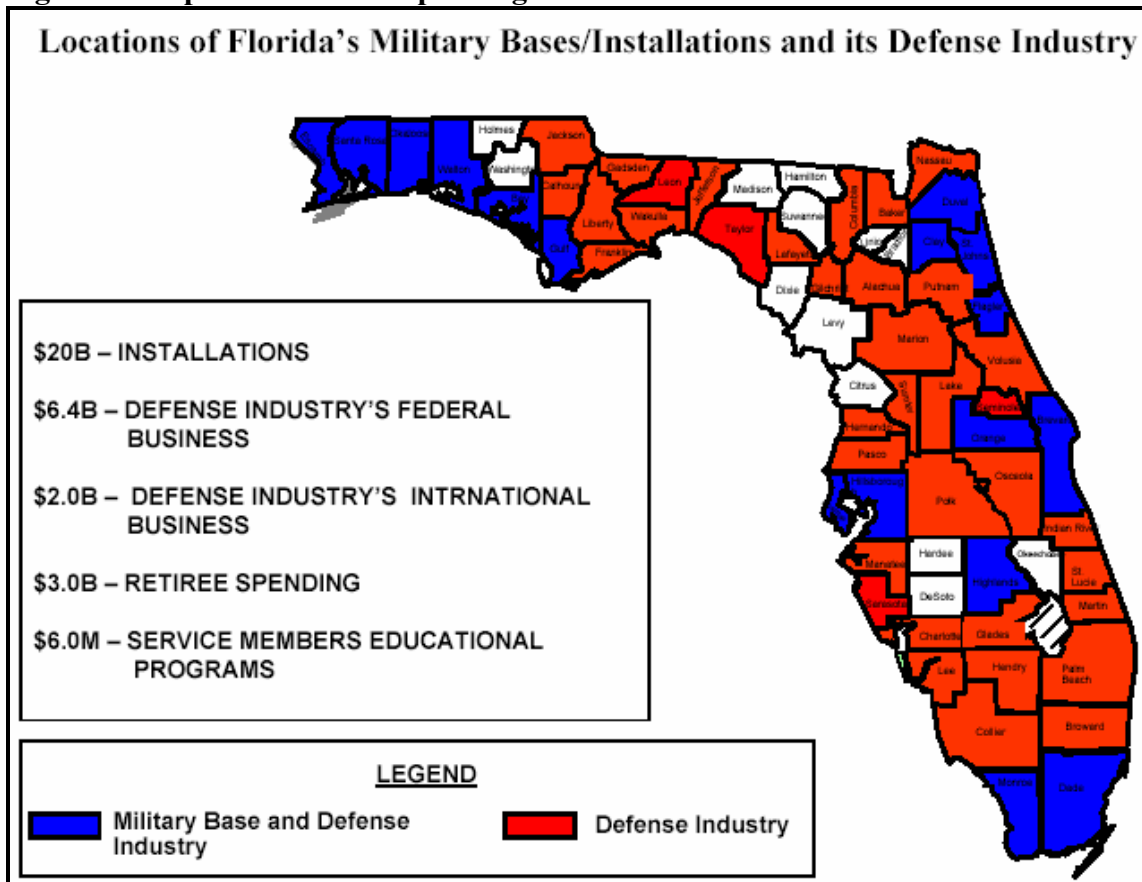
As the role of the military has begun to change becoming reliant on a “volunteer” military, quality-of-life issues have taken central stage within the military community. The availability of safe, affordable housing is a major concern to the military establishment.

Table 2. Regional Gross Product Comparison

Regional Gross Product Comparison			
	Gross Regional Product	Defense Induced Gross Regional Product	Percent
Northwest Region	\$28.4	\$9.7	34.0%
Northeast Region	\$48.9	\$8.6	17.6%
Central Region	\$173.8	\$17.7	10.0%
South Region	\$196.6	\$7.9	4.1%
Florida Total	\$447.7	\$43.9	9.8%

Source: Haas Center for Business Research and Economic Development, UWF; Florida Defense Industry, Economic Impact Analysis, December 2003

Figure 3. Impact of Defense Spending in Florida Counties



civilian work force. Officers were older than those in the enlisted ranks (mean ages 34 and 27, respectively), but they too were younger than their civilian counterparts (college graduates in the workforce, 21-49 years old with a mean age of 36). The data for enlisted personnel in the Reserves also showed a more youthful composition than that of the civilian labor force. Among enlisted Reserves, 57% were between 17-19 years of age, while only 17% of working civilians were in the 17-35 age group.

Race/Ethnicity

In FY 2002, African Americans were equitably represented in the military overall. In the enlisted force, African Americans were slightly overrepresented among active-duty personnel (16%) relative to the civilian population (14%). Hispanics, on the other hand, continue to be underrepresented, with 11% compared to nearly 16% for comparable civilians. FY 2002 representation of "Other minorities (Native Americans, Asians, and Pacific Islanders) stood at approximately 6%, slightly more than in the civilian population (5%). Though there was a significant decrease in African American enlistment during FY 2002, African Americans are still overrepresented when compared to their civilian cohorts. Higher retention rates among African Americans continued to boost their representation among active-duty, enlisted members (22% in contrast to the 13% of African Americans among 18-44 year-old civilians in the workforce). With 10% of active-duty, enlisted members counted as Hispanic, this ethnic minority remained underrepresented relative to the comparable civilian population (14%). The Marine Corps and Navy have generally recruited greater proportions of Hispanics than the Army and Air Force. The Marine Corps has retained more Hispanics, as evidenced by larger percentages of Hispanic Marines in the enlisted force.

Minorities appear to be proportionately represented and not on the decline within the commissioned officer corps. Although African Americans comprised a much smaller proportion of officers (8%) than of enlistees (22%), when compared to college graduates in the civilian workforce 21-49 years old (8% African American), African Americans are equitably represented in the officer ranks. Hispanic officers, at 4%, are comparable to the civilian comparison group (5%). Those of "Other" minority subgroups are underrepresented, with 5% of the officer corps compared to 8% of the 21-49 year-old, employed, college graduates.

Active-duty warrant officers account for 7% of the officer corps. Warrant officers on active duty have a greater representation of African Americans and Hispanics than among commissioned officers (17% African American and 5% Hispanic active-duty versus 8% African American and 4% Hispanic commissioned officers). It should be noted that the Air Force, Air National Guard, and Air Force Reserve do not have the rank of warrant officer.

Gender

Women comprised about 17% of active-duty personnel and 24% of reserve personnel compared to 50% of 18-24-year-old, employed, female civilians. Among the reserves, the National Guard was less than 13% female. This is generally due to the Army National Guard's heavier combat arms mix, which has precluded women from many of the positions in those units. The representation of women within the officer corps was 16%. Similar percentages were seen among reserve officers (19%). Military women are more likely to be members of a racial/ethnic minority group than are military men. In fact, slightly more than half of the women in the enlisted force are members of minority groups.

However, women are still a minority of the military, even though their representation has grown greatly since the inception of the All Volunteer Force. In FY 1994, when the direct ground combat rule replaced the risk rule, nearly all career fields (92%) have been opened to women leading to a 3% increase in the number of women in the active-duty military. For FY 2002, however, there was almost no change in the percentage of active-duty women compared to FY 2001.

Marital Status

In addition to the growing presence of women in the military, the occurrence of marriage among service members has also increased. However, unlike the growing percentage of women, the rise in marriage among service members has not maintained a steady growth. In FY 1973, approximately 40% of enlisted members were married. That statistic hit its high in 1994 at 57%, but has decreased steadily to the FY 2002 rate of 49%. In fact, the proportion of married service members in FY 2002 is virtually identical to the proportion in 1977, when just over 49% of enlisted members were also married. Nevertheless, in FY 2002, nearly half of all soldiers, sailors, marines, and airmen were married, an increase of approximately 10% since the early 1970s.

Table 3. Percent of Active-Duty Personnel in Dual Military Marriages By Gender and Service

Gender	Army	Navy	Marine Corps	Air Force	Total DoD
Male	3.4%	1.9%	2.2%	6.5%	3.6%
Female	18.5%	13.1%	26.8%	26.5%	20.2%
Total	5.7%	3.5%	3.7%	10.4%	6.1%

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

As one might expect, because they are older and financially more secure on average, officers were more likely to be married (68% active-duty and 73% reserves) than enlisted personnel. However, women officers were less likely than their male colleagues to be married. The percentage of single, active-duty members has increased from 42.8% in 1990 to 48.3% in 2002. The percentage of married members without children has decreased from 18.5% of the total, active-duty force in 1990 to 14.4% in 2002.

Table 4. Active-Duty Military Family Status Trends: 1990-2002

Family Status	1990		1995		2000		2002	
	N	%	N	%	N	%	N	%
Single, no children	786,611	38.8%	527,879	35.1%	559,138	40.8%	587,496	41.9%
Single, with children	82,012	4.9%	76,366	5.1%	85,552	6.2%	89,308	6.4%
Married to Civilian, no children	311,963	15.4%	206,100	13.7%	145,979	10.7%	150,830	10.8%
Married to Civilian, with children	746,859	36.8%	600,044	39.9%	500,674	36.5%	489,180	34.9%
Dual-Military, no children	62,441	3.1%	55,626	3.7%	44,370	3.2%	50,499	3.6%
Dual-Military, with children	39,289	1.9%	39,155	2.6%	34,941	2.5%	34,797	2.5%
Total DoD	2,029,175		1,505,170		1,370,654		1,402,110	

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

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 result in only approximately 15% of military spouses being employed.

Table 5. Employment Status of Active-Duty Officer Spouses (Percent)

<i>Armed Forces Members</i>	<i>15%</i>
Civilian Labor Force (employed)	39%
Civilian Labor Force, unemployed (i.e., seeking work)	6%
Not in Labor Force	39%

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

Education

The military values and supports the education of their members. Practically all active-duty and reserve enlisted have a high school diploma or equivalent, which is well above civilian youth (79% of 18-24 year olds). More importantly, excluding those recently enlisting in the Army or Army Reserve under the GED+ program (an experimental program of individuals with a GED or no credential who have met special screening criteria for enlisting), 92% of active-duty and 87% of reserve enlisted recruits were high school graduates.

Given that most officers are required to possess at least a baccalaureate college degree upon, or soon after, commissioning and that colleges and universities are among the military's main commissioning sources (i.e., service academies and ROTC), the academic standing of officers is not surprising. The fact that 95% of the officer corps (excluding those with unknown education credentials) held degrees (approximately 38% with advanced degrees) is in keeping with both policy and expectations for officers. Likewise, 91% of reserve officers held at least a bachelor's degree, with 34% possessing advanced degrees.

Table 6. Educational Level of Active-Duty Officers and Enlisted (Percent)

	<i>Advanced Degree</i>	<i>Bachelor's</i>	<i>Less than Bachelor's</i>	<i>No High School</i>	<i>Unknown</i>
Officer	34.4%	52.3%	8.6%	0.2%	4.5%
Enlisted	0.4%	3.2%	93.6%	0.9%	1.9%

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

Demographic Profile by Pay Grade

This section specifically analyzes the military demographics by rank and pay grade. While some of the information was discussed above, the importance of understanding the need for military housing is largely demand-driven by not only income, but also the demographic profile of those seeking housing.

Enlisted Ranks

Force structure, retention and personnel policies govern the distribution of service members by occupation and grade. These factors have resulted in an overall DoD-force profile wherein approximately half the force (51%) has less than six years of service, with slightly less than half (45%) having 6-19 years, and 4% having more than 20 years.

Enlisted pay grades, E1 through E9, correspond 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. Soldiers, marines, and airmen at pay grades E5 and above and some at E4 are noncommissioned officers (NCOs), with

demonstrated ability in the job and as leaders. In the Navy, those at pay grades E4 and above are petty officers with leadership responsibilities. Service members in NCO and petty officer positions are required to lead, supervise, and train entry-level, enlisted personnel. They perform the work, as well as directing the work of others.

More than half of the enlisted force is in pay grades E1 through E4 (53%). Grades E4 and E5 have 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.

Table 7. FY 2002 Pay Grade of Active-Duty Enlisted Personnel by Gender (Percent)

Pay Grade	Male	Female	Total DoD
E1	5.5%	5.4%	5.5%
E2	7.7%	8.3%	7.8%
E3	18.1%	21.8%	18.6%
E4	20.4%	25.0%	21.1%
E5	20.4%	21.5%	0.6%
E6	15.1%	10.4%	14.4%
E7	9.2%	5.6%	8.7%
E8	2.5%	1.4%	2.3%
E9	1.0%	0.5%	0.9%
Total	100.0%	100.0%	100.0%
*Less than one tenth			

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

Commissioned Officer Ranks

The commissioned officer corps is the senior leadership and management of the Armed Forces. In total personnel, the Army is the largest branch, but the Air Force has the highest percentage of commissioned officers. The Air Force had 71,687 active duty officers in contrast to the Army's 66,583. This variation in force structure reflects differences in mission requirements (e.g., number of pilots) of the two branches of service. The Air Force also had the highest number of active-duty officers in FY 2002. This is the first time since 1986 that the Air Force exceeded the Army in this regard.

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.

In the Army, Marine Corps, and Air Force, these pay grades correspond to the ranks of major (O-4), lieutenant colonel (O-5), and colonel (O-6), and in the Navy, lieutenant commander, commander, and captain. The highest four pay grades are reserved for general officers in the Army, Marine Corps, and Air Force, and flag officers in the Navy. The ranks associated with each pay grade are as follows: in the Army, Marine Corps, and Air Force, brigadier general (O-7), major general (O-8), lieutenant general (O-9), and general (O-10); in the Navy, rear admiral-lower half, rear admiral-upper half, vice admiral, and admiral.

The force structure of the officer corps is that of a pyramid with the company grade officers making up the broad base (49% of officers in FY 2002), followed by field grade officers

representing the narrower middle (40% of officers in FY 2002), and general/flag officers representing the pinnacle (less than 1% of officers in FY 2002). This pay grade distribution is influenced not only by the military's emphasis on youth and fitness, but also by the choices and competition engendered by an "up or out" career progression policy. A 4-year college degree, while not a universal prerequisite for commissioning, is necessary for continued service in the military.

Age. On the average, officers tend to be older than enlisted personnel. 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. The mean age of officers varies by source of commission. In FY 2002, the average age of newly commissioned officers ranged from less than 24 years for service academy graduates to nearly 32 years for officers accessed through direct appointment.

The importance of youth in the military is particularly salient in the Marine Corps, in which approximately 14% of newly commissioned officers were 31 or older. In contrast, the proportion of officers in this age range was 24% in the Army, 28% in the Navy, and 29% in the Air Force. The rigorous physical demands and rapid deployment of Marines, and this service branch's absence of officers in medical and ministry fields, no doubt are related to the relative youth of Marine Corps officers.

Table 8. Age of Active-Duty Officers and Enlisted by Service Branch

Age	Army		Navy		Marine Corps		Air Force		Total DoD	
	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted	Officers	Enlisted
25 or Younger	10,697	213,660	7,208	167,542	2,393	112,816	9,830	136,489	30,128	630,507
26 – 30	16,493	75,114	11,675	54,991	4,849	20,274	15,577	48,523	48,594	198,902
31 – 35	16,929	55,329	11,376	42,816	4,732	10,415	15,393	39,029	48,430	147,589
36 – 40	15,830	41,674	10,623	39,700	3,281	8,398	13,575	46,296	43,309	136,068
41 or Older	18,419	20,406	13,884	19,642	3,043	3,696	17,312	22,191	52,658	65,935
Total	78,368	406,183	54,766	324,691	18,298	155,599	71,687	292,528	223,119	1,179,001

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

Race/Ethnicity. In FY 2002, 21% of entering officers were minorities—African Americans, Hispanics, and "Others" (e.g., Native Americans, Asians, and Pacific Islanders)—and over 17% of all commissioned officers on active duty were members of minority groups. The Air Force had the smallest proportion of minority officers at 17%, and the Army had the largest at nearly 28%. The most populous minority group, African Americans, represented over 8% of all active duty officers.

Table 9. FY 2002 Pay Grade of Active, Enlisted Members by Race/Ethnicity

<i>Race Ethnicity and Pay Grade¹</i>	<i>Army</i>	<i>Navy</i>	<i>Marine Corps</i>	<i>Air Force</i>	<i>Total DoD</i>
O-1 through O-3					
White	74.4	79.6	81.9	85.3	80
Black	12.5	8	7.1	7.3	9.1
Hispanic	5.4	6	6.8	3.1	4.9
Other	7.7	6.4	4.2	4.4	6
Total	100	100	100	100	100
O-4 through O-6					
White	80.8	87.8	89.4	88.9	86.1
Black	11.6	5.3	5.2	5.9	7.5
Hispanic	3.3	3.3	3.2	2.4	3
Other	4.3	3.6	2.3	2.8	3.5
Total	100	100	100	100	100
O-7 through O-10					
White	88.3	95.4	91.4	93.4	91.9
Black	8.1	2.8	7.4	4.7	5.7
Hispanic	2	1.4	1.2	1.1	1.5
Other	1.6	0.5	0	0.7	0.9
Total	100	100	100	100	100
Columns may not add to total due to rounding.					
¹ Excludes those with unknown rank/pay grade.					

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

The racial/ethnic makeup of the lower grades (O-1 through O-3) fairly closely mimics that of total officers. Minorities comprise 20% of company grade officers, compared to 21% of total officers. However, higher grades are more predominantly occupied by whites. Minorities represent 14% of field grade officers and approximately 8% of general or flag officers.

Gender. Women constituted approximately 16% of the officer corps in FY 2002. The Air Force holds its place as the most gender-integrated regarding officers, with the Army and the Navy not far behind. Though the levels of women in the officer corps are nowhere near college graduate population proportions, sustained growth has occurred in the representation of women among officers.

Table 10. FY 2002 Pay Grade of Active-Component Officers by Service and Gender (Percent)

<i>Gender and Pay Grade</i>	<i>Army</i>	<i>Navy</i>	<i>Marine Corps</i>	<i>Air Force</i>	<i>Total DoD</i>
O-1 through O-3					
Male	81.9	83.8	93	79.1	82.4
Female	18.1	16.2	7.1	20.9	17.6
Total	100	100	100	100	100
O-4 through O-6					
Male	86.9	86	97.5	86.3	87.2
Female	13.1	14	2.5	13.8	12.8
Total	100	100	100	100	100
O-7 through O-10					
Male	96.4	95.4	98.8	95.6	96.1
Female	3.6	4.7	1.2	4.4	3.9
Total	100	100	100	100	100
Columns may not add to total due to rounding.					

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

Marital Status. Officers were more likely to be married than enlisted personnel. It is interesting to note that for officers as well as enlisted personnel, women on active duty were less likely than men to be married. In fact, while nearly 75% of male officers were married, only 51% of women officers had a spouse. Furthermore, whereas male officers were approximately as likely as their civilian counterparts (college graduates in the workforce, 21 to 49 years of age) to be married, female officers were substantially less likely to be married. This suggests that women in the officer corps are more divergent from their civilian peers regarding family patterns.

According to U.S. Census numbers, 49.5% of the U.S. population was married in 2000. Of the active-duty force, 51.7% were reported married in 2002. For both groups, “married” includes those who are married or remarried.

Table 11. FY 2002 Active-Component Officers Who Were Married and in Dual-Service Marriages by Gender and Service (Number and Percent)

End-Gender	End-Strength	Married		Married in Dual-Service Marriages	
		Number	Percent	Number*	Percent
ARMY					
Male	55,914	40,601	72.6	2,490	6.1
Female	10,669	5,593	52.4	2,549	45.6
Total	66,583	46,194	69.4	5,039	10.9
NAVY					
Male	44,864	29,300	65.3	695	2.4
Female	8,098	3,577	44.2	827	23.1
Total	52,961	32,877	62.1	1,521	4.6
MARINE CORPS					
Male	15,515	10,848	69.9	401	3.7
Female	887	363	40.9	247	68
Total	16,402	11,211	68.3	648	5.8
AIR FORCE					
Male	58,901	43,817	74.4	2,830	6.5
Female	12,786	6,992	54.7	2,839	40.6
Total	71,687	50,809	70.9	5,669	11.2
Total DoD					
Male	175,194	124,566	71.1	6,415	5.1
Female	32,439	16,525	50.9	6,462	39.1
Total	207,633	141,091	68	12,877	9.1
Columns may not add to total due to rounding.					
*Excludes those with unknown rank/pay grade.					

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

Warrant Officers. Warrant officers comprise a relatively small but vital group of technicians and specialists who serve in the Army, Navy, and Marine Corps. These service members ordinarily do not assume typical officer command responsibilities. Their careers emphasize depth rather than breadth of experience, in contrast to commissioned officers. Upper-level warrant officers, however, frequently function in foreman-type roles within their system specialties. The status and duties of these experts, trainers, and specialty managers have grown and otherwise changed since their grades were established around 1920. Today, they can be

found advancing within military careers such as aviation, physicians' assistant, nuclear weapons, and administration.

Although some warrant officers may enter directly from civilian life (e.g., helicopter pilots), previously most were in the upper enlisted ranks. In FY 2002, 2,049 warrant officers were added to the force and the overall total force of warrant officers on active duty stood at 15,486.

Conclusions.

The demographic profile of the military in terms of pay grade and demographics differs slightly among the various branches. As discussed, the pay grade distribution among the four major military services differs slightly.

Table 12. Number and Percent of Active-Duty Personnel by Pay Grade and Service Branch

Pay Grade	Army		Navy		Marine Corps		Air Force		Total DoD	
	N	%	N	%	N	%	N	%	N	%
O1	8,478	1.7	7,672	2	2,347	1.3	10,149	2.8	28,646	2
O2	8,920	1.8	7,322	1.9	3,067	1.8	8,627	2.4	27,936	2
O3	22,103	4.6	16,763	4.4	5,099	2.9	22,636	6.2	66,601	4.8
O4	14,323	3	10,366	2.7	3,421	2	15,596	4.3	43,706	3.1
O5	8,816	1.8	7,107	1.9	1,765	1	10,634	2.9	28,322	2
O6	3,630	9.7	3,513	0.9	622	0.4	3,770	1	11,535	0.8
O7	156	0	109	0	39	0	138	0	442	0
O8	100	0	68	0	24	0	85	0	277	0
O9	42	0	30	0	14	0	38	0	124	0
O10	10	0	8	0	4	0	13	0	35	0
O-Unknown	5	0	3	0	0	N/A	1	0	9	0
Total O1-O10	66,583	13.74	52,961	14	16,402	9.4	71,687	19.7	207,633	14.8
W1	2,091	0.4	N/A*	N/A*	242	0.1	N/A*	N/A*	2,333	0.2
W2	4,447	0.9	959	0.3	814	0.5	N/A*	N/A*	6,220	0.4
W3	3,398	0.7	433	0.1	536	0.3	N/A*	N/A*	4,367	0.3
W4	1,424	0.3	413	0.1	212	0.1	N/A*	N/A*	2,049	0.1
W5	419	0.1	N/A*	N/A*	92	0.1	N/A*	N/A*	511	0
W-Unknown	6	0	0	N/A	0	N/A	N/A*	N/A*	6	0
Total W1-W5	11,785	2.4	1,805	0.5	1,896	1.1	N/A*	N/A*	15,486	1.1
Total Officers	78,368	16.2	54,766	14.4	18,298	10.5	71,687	19.7	223,119	15.9
E1	21,233	4.4	15,542	4.1	12,667	7.3	15,675	4.3	65,117	4.6
E2	32,592	6.7	26,444	7	20,163	11.6	12,922	3.5	92,121	6.6
E3	67,539	13.9	54,330	14.3	43,930	25.3	53,878	14.8	219,677	15.7
E4	102,997	21.3	65,590	17.3	28,840	16.6	51,483	14.1	248,865	17.7
E5	72,854	15	73,840	19.5	22,864	13.1	73,205	20.1	242,763	17.3
E6	57,453	11.9	54,133	14.3	13,664	7.9	44,882	12.3	170,132	12.1
E7	37,322	7.7	24,404	6.4	8,847	5.1	31,616	8.7	102,189	7.3
E8	11,032	2.3	7,095	1.9	3,263	1.9	5,770	1.6	27,160	1.9
E9	3,148	0.6	3,226	0.9	1,361	0.8	2,922	0.8	10,657	0.8
E-Unknown	13	0	87	0	0	N/A	220	0.1	320	0
Total Enlisted	406,183	83.8	324,691	85.6	155,599	89.5	292,528	80.3	1,179,001	84.1
Total	484,551	100	379,457	100	173,897	100	364,215	100	1,402,120	100

*The Navy does not use the W-1 or W-5 pay grades and the Air Force does not have Warrant Of

Source: 2002 Demographics Profile of the Military Community, Office of the Deputy Under Secretary of Defense.

Married Status among the services also differs by military branch, with the Air Force having the highest percentage of married personnel while the Marine Corps the lowest.

Table 13. Percent of Married Personnel on Active Duty by Pay Grade and Service Branch

Service Branch	O1-O3	O4-L6	O7-O10	W1-W5	E1-E4	E5-E6	E7-E9	Total
Army	56.2%	88.5%	96.1%	87.2%	28.2%	70.5%	84.7%	52.6%
Navy	47.0%	84.8%	79.1%	53.4%	20.8%	64.2%	86.4%	47.4%
Marine Corps	56.0%	90.3%	96.3%	89.3%	24.7%	70.2%	86.7%	43.9%
Air Force	58.4%	87.9%	96.7%	N/A	30.7%	74.4%	85.7%	58.9%
Total DoD	54.5%	87.5%	92.1%	81.2%	26.2%	69.7%	85.6%	51.7%

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

The mean age structure of the military branches is similar; however, it differs between officers and enlisted as in Table 14.

Table 14. FY 2002 Mean Age of Active-Duty Officer Component

	Officers (%)	Enlisted (%)
Active Duty Newly Joined	27.7	20.1
Active Duty	34.3	27

Source: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

The Ethnicity of the military is not an exact replica of society as a whole. The military way of life is more attractive to some members of society than to others. Among the enlisted ranks, the proportion of African Americans continues to exceed population counts of the civilian labor force. Hispanics are underrepresented in the military, but their percentages have increased over the years. Minorities comprise proportionally less of the officer corps; however, their representation levels are in keeping with minority statistics among the pool of college graduates from which second lieutenants and ensigns are drawn. Women continue to be underrepresented in the military, compared to their proportion in civilian society. However, accession statistics show that women continue to gain in both numerical and proportional strength.

Military Housing Requirement

The military housing requirement (family and unaccompanied) is not based on all personnel receiving BAH. First, manpower allocations for families are adjusted to reflect households with more than one military member, as well as personnel that leave dependents at another location.

Housing Standards

Grade, family size, and composition determine 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.

Table 15. Housing Standards by Pay Grade (With and Without Dependents)

<i>With dependents</i>		<i>Without dependents</i>	
Pay Grade	Housing Standard	Pay 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: Population Representation in the Military Services, March 2004; Strategic Planning Group, Inc., 2005

On-Installation versus Off-Installation Housing

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

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-site 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)¹⁹ is less than 50% of the local median family income.

On-Installation Unaccompanied Housing

All E-1 through E-3, unaccompanied personnel and E-4 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.²⁰

Off-Installation 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

¹⁹ 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.

²⁰ Within a 20 mile radius or 60 minute peak time commute.

“suitable rental housing”²¹ 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.

Housing must be well maintained and structurally sound and must not pose a health or safety hazard. It must be a complete unit with private entrance, bathroom, and kitchen for the sole use of its occupants. The rooms must be so arranged that the kitchen, a bathroom, the living room, and bedrooms can be entered without passing through bedrooms. The unit must have air conditioning or a similar cooling system and a permanently installed, adequately vented heating system if the installation is located in a climate where these are to be included in the U.S. government construction by DoD standards. The housing must have adequate electrical service and have washer/dryer connections or accessible laundry facilities on the premises. The unit must have hot and cold running potable water and must have sufficient sanitary and sewage disposal facilities.

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.

While the suitability requirements for housing are oriented toward rental housing, a significant portion of those personnel residing off-installation choose to buy rather than rent. Most military Housing Requirement and Market Studies (HRMA) use the 1997 Variable Housing Allowance Survey (VHAS) ownership/rental standards shown in Table 17.

Table 16. Percentage of Homeowners/Renters by Pay Grade

Pay Grade	Percentage Homeowner	Percentage Renter
O 7+	100.0%	0.0%
O 6	80.0%	20.0%
O 5	75.6%	24.4%
O 4	81.6%	18.4%
O 3	78.4%	21.6%
O 2	58.9%	41.1%
O 1	28.6%	71.4%
W 5	75.6%	24.4%
W 4	81.6%	18.4%
W 3	78.4%	21.6%
W 2	58.9%	41.1%
W 1	28.6%	71.4%
E 9	92.5%	7.5%
E 8	87.8%	12.2%
E 7	85.8%	14.2%
E 6	78.3%	21.7%
E 5	67.8%	32.2%
E 4	34.3%	65.7%
E 3	11.4%	88.6%
E 2	3.9%	96.1%
E 1	0.0%	100.0%

Assumes W 1-5 correspond to O 1-5

Source: DoD 2004, Strategic Planning Group, Inc., 2005

²¹ DoD 4165.63-M (U.S. Department of Defense, 1993)

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. As military personnel are fairly transient, moving every few years, rental-housing costs in the private sector are the basis for the allowance (which then applies to both rental and ownership housing). Members receive a housing allowance when government quarters are not available. The DoD determines the correct housing allowance to enable members to afford suitable rental housing within a reasonable distance of the duty location (usually within a 20-mile or 60-minute, rush-hour commute). The allowance is set based on geographic duty location, pay grade, and dependent status.

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 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 and in 2003, they accounted for 7.5%. The 2005 Military Authorization Bill has reduced out-of-pocket expenses to 0.

How the BAH is calculated

BAH does not consider military pay scales or working spouse salaries, as DoD does not believe military personnel should be put into a situation where spouses are required to work. In computing the BAH, DoD includes local price data including:

- Rental housing costs,
- Utilities (including electricity, gas, oil, water and sewer), and
- Renter's insurance.

DoD employs contractors to collect data annually for 400 Military Housing Areas (MHAs), defined by sets of ZIP codes (within 20-mile and 60-minute commutes from each installation within the MHA). Data is collected on apartments, townhouses/duplexes, and single-family rental units of varying bedroom sizes. The following are not included in the survey (determined to be inadequate according to DoD standards):

- Mobile homes,
- Efficiency apartments,
- Furnished units,
- Income-subsidized complexes,
- Age-restricted facilities, and
- Seasonal units.

The BAH is then linked to housing standards, the type and size (bedrooms) standard for each appropriate grade as shown below:

Standards for BAH With Dependents

- **E-1 through E-4** - The midpoint between the average rental cost of a 2 bedroom apartment and a 2 bedroom townhouse.
- **E-5** - Average rental cost of a 2 bedroom townhouse.
- **E-6** - Average rental cost of a 3 bedroom townhouse.

- **E-7** - Average rental cost for a three-bedroom townhouse, plus 36% of the cost difference between a townhouse and three-bedroom home.
- **E-8** - Average rental cost for a three-bedroom townhouse, plus 75% of the cost difference between a townhouse and a three-bedroom home.
- **E-9** - Average rental cost of a three-bedroom home, plus 16% of the cost difference between a three-bedroom and four-bedroom home.
- **W-1** - Average rental cost for a three-bedroom townhouse, plus 1% of the cost difference between a townhouse and a three-bedroom home.
- **W-2** - Average rental cost for a three-bedroom townhouse, plus 52% of the cost difference between a townhouse and a three-bedroom home.
- **W-3** - Average rental cost for a three-bedroom home.
- **W-4** - Average rental cost for a three-bedroom home, plus 22% of the cost difference between a three-bedroom home and a four-bedroom home.
- **W-5** - Average rental cost for a three-bedroom home, plus 48% of the cost difference between a three-bedroom home and a four-bedroom home.
- **O-1** - Average rental cost for a two-bedroom townhouse, plus 11% of the cost difference between a two-bedroom townhouse and a three-bedroom townhouse.
- **O-2** - Average rental cost for a two-bedroom townhouse, plus 98% of the cost difference between a two-bedroom townhouse and a three-bedroom townhouse.
- **O-3** - Average rental cost of a three-bedroom townhouse, plus 98% of the cost difference between a three-bedroom townhouse and a three-bedroom home.
- **O-4** - Average rental cost of a three-bedroom home, plus 58% of the cost difference between a three-bedroom home and a four-bedroom home.
- **O-5 through O-7** - Average rental cost of a 4-bedroom home.

Standards for BAH Without Dependents

- **E-1 through E-4** - Average rental cost of a one-bedroom apartment.
- **E-5** - Average rental cost of a one-bedroom apartment, plus 67% of the cost difference between a one-bedroom apartment and a two bedroom apartment.
- **E-6** - Average rental cost of a two-bedroom apartment, plus 7% of the cost difference between a two-bedroom apartment and a two-bedroom townhouse.
- **E-7** - Average rental cost of a two-bedroom apartment, plus 53% of the cost difference between a two-bedroom apartment and a two-bedroom townhouse.
- **E-8** - Average rental cost of a two-bedroom townhouse plus, 20%of the cost difference between a two-bedroom townhouse and a 3-bedroom townhouse.
- **E-9** - Average rental cost of a two-bedroom townhouse, plus 51% of the cost difference between a two-bedroom townhouse and a 3-bedroom townhouse.
- **W-1** - Average rental cost of a two-bedroom apartment plus, 31% of the cost difference between a two-bedroom apartment and a two-bedroom townhouse.
- **W-2** - Average rental cost of a two-bedroom townhouse, plus 19% of the cost difference between a two-bedroom townhouse and a 3-bedroom townhouse.
- **W-3** - Average rental cost of a two-bedroom townhouse, plus 54% of the cost difference between a two-bedroom townhouse and a 3-bedroom townhouse.
- **W-4** - Average rental cost of a three-bedroom townhouse, plus 9% of the cost difference between a three-bedroom townhouse and a 3-bedroom home.
- **W-5** - Average rental cost of a three-bedroom townhouse, plus 45% of the cost difference between a three-bedroom townhouse and a 3-bedroom home.

- **O-1** - Average rental cost of a two-bedroom apartment.
- **O-2** - Average rental cost of a two-bedroom apartment, plus 83% of the cost difference between a two-bedroom apartment and a two-bedroom townhouse.
- **O-3** - Average rental cost of a two-bedroom townhouse, plus 64% of the cost difference between a two-bedroom townhouse and a 3-bedroom townhouse.
- **O-4** - Average rental cost of a three-bedroom townhouse, plus 40% of the cost difference between a three-bedroom townhouse and a 3-bedroom home.
- **O-5** - Average rental cost of a three-bedroom townhouse, plus 63% of the cost difference between a three-bedroom townhouse and a 3-bedroom home.
- **O-6 through O-7** - Average rental cost of a three-bedroom home.

While BAH differs by geography, Table 17 shows the 2004 BAH by grade for the Jacksonville area compared to the HUD Fair Market Rents for Jacksonville.

Table 17. Comparison of BAH to Fair Market Rents, Jacksonville, 2004

Grade With Dependents	BAH	Jacksonville MSA HUD Fair Market				
		0 BR	1 BR	2 BR	3 BR	4 BR
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
Without Dependents						
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

Until the new 2005 BAH, the military would need to cover a part of their housing costs out of their basic pay. This out-of-pocket expense has decreased annually, and in 2004 was calculated at 3.5%. The total of the BAH and the out-of-pocket payment is referred to as the Maximum Allowable Housing Cost (MAHC) or the market rate for suitable housing.

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-base. In order to determine affordability one must first define the term. The generally accepted definition of affordability is for a household to pay no more than 30% of its annual income on housing, including utilities. Families who pay more than 30% of their income for housing are considered cost-burdened and may have difficulty affording necessities, such as food, clothing, transportation and medical care. The FHFC uses 40% as its beginning level of affordability.

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 MAHC,²² not by basic salary or adjusted salary as defined below.

The use of BAH or MCAH does not truly represent family or household income as defined within the non-military community. Military personnel and their families receive not only a basic income, but also a host of allowances which are tax-free. In order to accurately compare incomes, one must not only compare military income plus allowance but also adjust (add to) income for the tax advantages. This is defined as Regular Military Compensation (RMC) and an example from Eglin AFB is shown in Table 18.

²² BAH plus the required out-of-pocket contribution.

Table 18. Eglin AFB Regular Military Compensation (RMC), 2004

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

Source: Strategic Planning Group, Inc., 2005

Using the example above, an E-3 household (excluding the wages of a working spouse) income would increase from a Salary of \$17,946, to a total compensation of \$30,837, of which \$8,436 is to be used for housing (BAH).

Comparative Cost of Housing Throughout Florida

This study analyzes housing availability and affordability throughout Florida, which varies considerably between counties. The military have recognized this variance through the utilization of the BAH. The following chart shows the reviewer the degree of housing cost differential throughout the State.

The Florida Department of Education maintains a cost-of-housing index for the State of Florida. This index is produced by the Bureau of Economic and Business Research at the University of Florida. The index is measured against a ranking of 100, which is the State “average.” Table 19

shows the relative range of housing costs in the counties studied in this report. (ranging from a low of 83.65 in Santa Rosa County to a high of 136.83 for Monroe County.

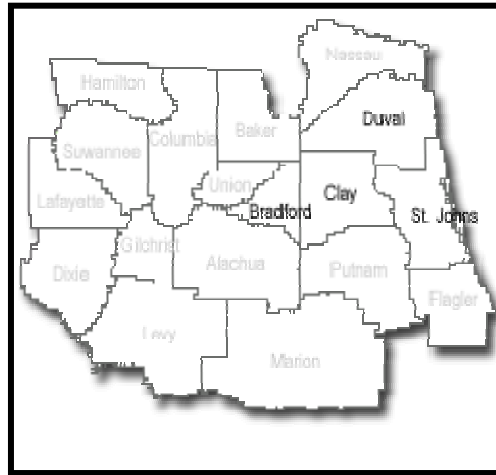
Table 19. Cost of Living Index, 2003

<i>County</i>	<i>Total</i>	<i>Housing</i>
Bay	95.25	85.62
Brevard	97.59	93.12
Clay	96.01	85.58
Duval	97.20	90.49
Escambia	95.42	87.10
Gulf	95.43	87.84
Hillsborough	99.17	97.08
Miami-Dade	106.59	119.28
Monroe	109.63	136.83
Okaloosa	95.35	86.79
Orange	97.45	91.36
Santa Rosa	95.11	83.65
Seminole	97.39	95.00

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

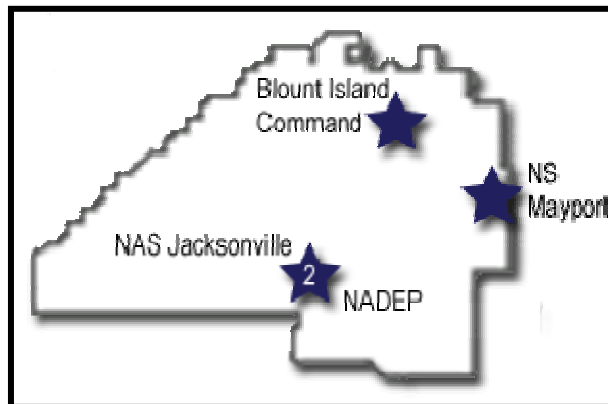
Using Table 19 to compare housing costs, Santa Rosa County is 16.35% less than the State average, while Monroe County is 36.83% higher than the State average. It should be noted that Hillsborough County (97.08%) was one of two counties closest to the State average for housing (the other being Volusia County at 100.48% which was not one of the counties studied).

The Northeast Central Florida region consists of 18 counties and is home to the Camp Blanding Joint Training Center, Naval Station Mayport, Blount Island Command, Naval Aviation Depot Jacksonville, Naval Air Station Jacksonville, Florida (Army) National Guard's Headquarters in St. Augustine and the 125th Fighter Squadron at Jacksonville International Airport. The region, especially Duval, Clay, Bradford and St. Johns counties, has historically had a large military presence, but over the years has seen a rise and fall in military personnel stationed within the region, as well as base/installation closures, the most recent being NAS Cecil Field.



With a total defense population of 37,893 as of 2003,²³ these installations generated defense spending of \$0.9 billion. Regional Economic Impact of \$8.6 billion stems from 135,700 jobs, \$42,004 average annual wage, \$13.6 billion sales activity, \$5.4 billion consumption, \$1.7 billion construction, and \$2.1 billion capital investment.

For the purpose of this study, only the following military installations²⁴ were analyzed: Naval Station (NS) Mayport, Naval Air Station (NAS) Jacksonville, Naval Depot Jacksonville,²⁵ and Blount Island Command.



²³ Haas Center, UWF, Florida Defense Industry Economic Impact Analysis, December 2003.

²⁴ Jacksonville lost NAS Cecil Field during the 1995 BRAC process.

²⁵ Naval Depot Jacksonville is a tenant on NAS Jacksonville.

The local governments have traditionally taken a strong position in support of the military operations in the region; however, both NAS Jacksonville and NS Mayport face community concerns regarding aircraft and helicopter noise. In both cases, the concerns reflect the growing prosperity of the communities that have permitted (in fact, virtually encouraged) residential development in waterfront areas adjacent to the air stations. The NAS Jacksonville aircraft flight paths currently fly over upscale suburbs on the east side of the St. Johns River; while NS Mayport air operations, especially those of the MH-53, are the source of complaints from newly established, upscale communities on the riverfront northwest of the installation.

Limitations are also encountered as a result of the BRAC-directed closure of NAS Cecil Field and the loss of this relatively isolated location for aircraft landings/takeoffs. While NAS Cecil Field, a Master Jet Base, contributed to the overall noise picture in north Florida, its location, well outside Jacksonville's urban areas, permitted relatively unconstrained use of its traffic patterns. This is not the case today. Fighter/attack aircraft are difficult to accommodate at NAS Jacksonville, and a moderate-sized deployment of fighter aircraft to the installation can create significant community noise reaction.

Naval Air Station Jacksonville

NAS Jacksonville lies on the western side of the St. Johns River in Duval County, approximately eight miles south of Downtown Jacksonville and four miles from Clay County (Orange Park). While the river constrains the overall metropolitan transportation network, due to a limited number of bridges, the Naval Air Station is well located with respect to the metropolitan housing market. It lies adjacent to I-295, a major interstate that facilitates transportation flow throughout the northeast Florida region.

Installation Summary

Naval Air Station Jacksonville, a multi-mission installation hosting more than 100 tenant commands, is the third largest naval installation in the United States. This installation serves as the host for Patrol Wing Eleven, the southern component of the Atlantic Fleet P-3C force, and VP-30, the Fleet Replacement Squadron for that aircraft. The installation also hosts Sea Control Wing Atlantic and its five squadrons of S-3B aircraft, and Helicopter Antisubmarine Wing Atlantic, and its five squadrons of SH-60/HH-60 helicopters.

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 23,000²⁶ 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.

²⁶ In 2003 according to the Haas Center's Florida Military Defense Impact study.

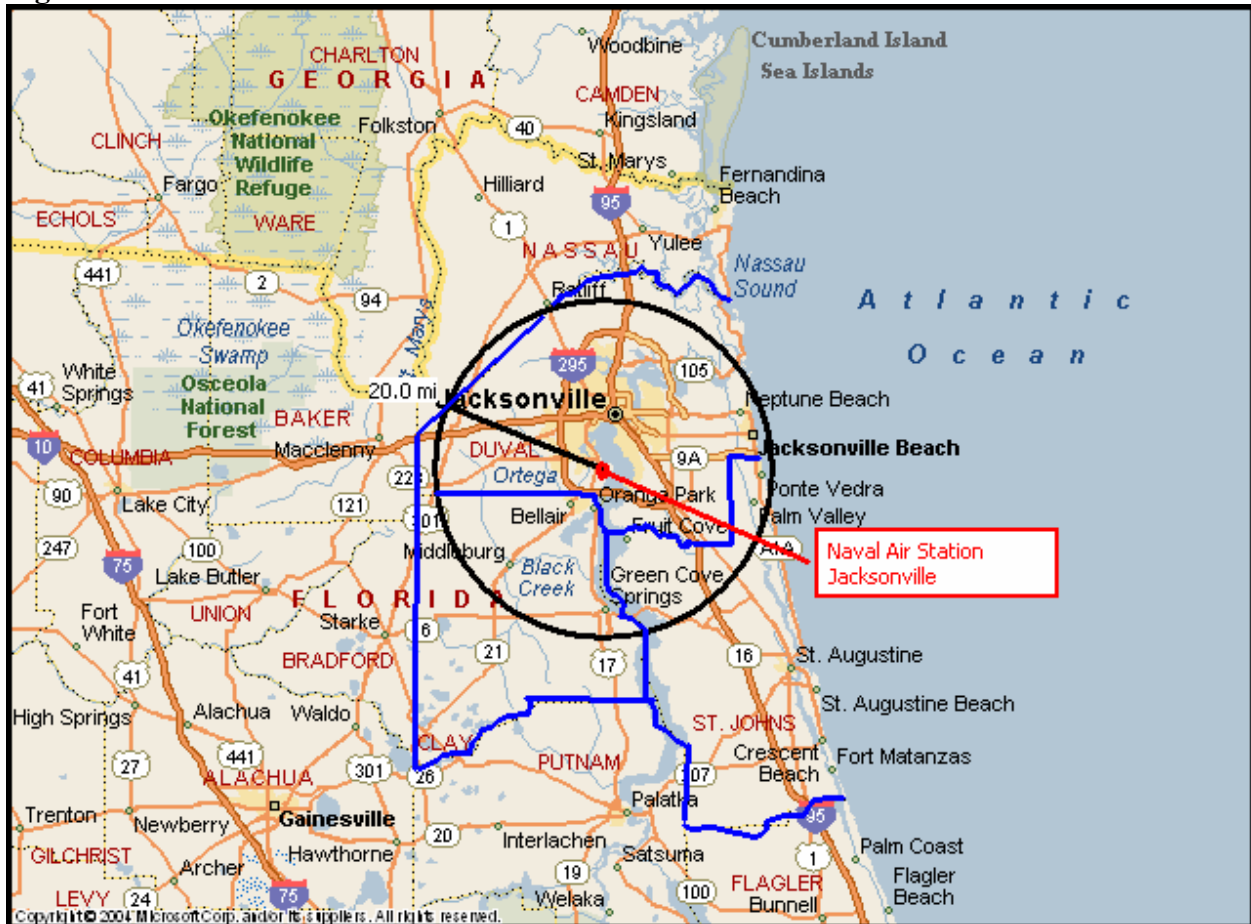
The Naval Aviation Depot (NADEP), which is a major tenant at NAS Jacksonville, is an industrial facility that performs rework, repair, and modification of aircraft, engines, and aeronautical components. NADEP covers over 100 acres of land on the St. John's River in Jacksonville, Florida, and maintains a work force of over 2,500 personnel. Depot maintenance is performed on the P-3 Orion, T-2 Buckeye, F/A-18 Hornet, S-3 Viking and A-7 Corsair. NADEP is the Navy's premier engine facility and reworks jet engines involving over 36,000 components and avionics. The personnel assigned to the Depot are included in NAS Jacksonville manpower figures.

NAS Jacksonville is located in an urban environment, although the approaches to its primary instrument runway (runway 27) are over the three-mile-wide St. Johns River. However, at Jacksonville, as in many other traditional operating locations (e.g., San Diego, CA and Virginia Beach, VA), the Navy coexists with a resurgent economy that is significantly less dependent on Navy presence than in years past. Therefore, encroachment is an increasing problem.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 1-1. NAS Jacksonville Market Area



The 20-mile radius and 60-minute, peak-hour commute includes the entire Jacksonville metropolitan area including Baker County. In practicality, the housing market area for NAS

Jacksonville, and therefore, this study includes only Duval and Clay counties. 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,²⁷ the exception being growth in Clay County.

Table 1-1. Population of Duval and Clay Counties

Year	Duval	Clay	Total	Florida
1980	571,003	67,052	638,055	9,746,961
1990	672,971	105,986	778,957	12,938,071
2000	778,879	140,814	919,693	15,982,378
2004	819,531	160,303	979,834	17,239,646
2008	886,368	177,328	1,063,696	18,746,130
2010	910,502	185,866	1,096,368	19,397,414
Annual Change 1980-90	10,197	3,893	14,090	319,111
Annual Change 1990-2000	10,591	3,483	14,074	304,431
Annual Change 2000-2004	10,163	4,872	15,035	314,317

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

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%.

Table 1-2. Labor Force, Duval and Clay Counties, 2003

	Duval	Clay	Total
Labor Force	416,574	76,025	492,599
Labor Force % of County Population	51.0%	48.3%	50.5%
Number in County Unemployed	23,540	3,246	26,786
Unemployment Rate	5.7%	4.3%	5.4%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 1-3. The two-county market area had an employment of 465,531 in 2002. Other services accounted for the largest share (Duval 24% and Clay 34.2%), followed by Professional Services, and Health Care. Average industry wages were significantly higher in Duval County than in Clay County. Government wages (including military) exceeded the industry average in both counties (Table 1-4).

Per Capita Income has declined in both Counties relative to the State as a whole. Duval County's per capita income was slightly higher than the State average in 2000, but is now slightly under the State average (Table 1-5).

²⁷ 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.

Table 1-3. Employment in Duval and Clay Counties

	<i>Duval</i>	<i>Clay</i>	<i>Florida</i>
Total Employment	424,365	41,166	7,163,458
Agriculture, Natural Resources, Mining	2.0%	1.0%	1.5%
Construction & Real Estate	8.0%	8.4%	8.2%
Education Services	5.1%	8.8%	7.2%
Finance & Insurance	10.2%	2.6%	4.5%
Government(including military)	5.5%	5.0%	6.1%
Health Care & Social Assistance	10.9%	11.3%	11.3%
Information	2.8%	1.8%	2.5%
Manufacturing	6.5%	3.5%	5.7%
Other Services ¹	24.0%	34.2%	28.1%
Professional & Business Services	15.5%	20.2%	17.0%
Transportation Warehousing Wholesale Trade	11.5%	3.3%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Table 1-4. Average Wage in Industries, 2002

	<i>Duval</i>	<i>Clay</i>
All Industries	\$35,303	\$23,745
Agriculture, Natural Resources, Mining	\$25,766	\$35,312
Construction & Real Estate	\$35,799	\$27,520
Education Services	\$31,639	\$33,123
Finance & Insurance	\$48,696	\$36,380
Government(including military)	\$43,099	\$31,038
Health Care & Social Assistance	\$37,095	\$30,664
Information	\$44,062	\$34,725
Manufacturing	\$41,368	\$34,255
Other Services ¹	\$21,628	\$16,938
Professional & Business Services	\$36,972	\$17,154
Transportation Warehousing Wholesale Trade	\$40,124	\$34,961

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Table 1-5. Per Capita Income

<i>Year</i>	<i>Duval</i>	<i>Clay</i>	<i>Florida</i>
2000	\$28,923	\$26,330	\$28,511
2001	\$28,963	\$26,544	\$29,247
2002	\$29,624	\$26,739	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2003, NAS Jacksonville had 9,148 active-duty, permanent personnel. As shown in Table 1-6, 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.

Table 1-6. Military Personnel, Family and Unaccompanied, 2003²⁸

Grade	Family	Voluntary Separations	Unaccompanied	Total Personnel
Total	5,678	136	3,334	9,148
Officers	1,094	24	497	1,615
O6+	72	1	1	74
W4-O5	396	12	70	478
W1-O3	626	11	426	1,063
Enlisted	4,584	112	2,837	7,533
E7-E9	778	27	86	891
E4-E6	3,357	72	1,750	5,179
E1-E3	449	13	1,001	1,463

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

The total demand for family housing by bedroom is shown in Table 1-7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 1-7. Family Housing by Status and Bedroom, 2003

Grade	2 BR	3BR	4+BR	Family Housing Required
Total	2,547	2,006	1,125	5,678
Officers	390	460	244	1,094
O6+	0	0	72	72
W4-O5	0	304	92	396
W1-O3	390	156	80	626
Enlisted	2,157	1,546	881	4,584
E7-E9	0	587	191	778
E4-E6	1,796	891	670	3,357
E1-E3	361	68	20	449

Source: Robert D. Niehaus, Inc., 2003 NAS Jacksonville 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 Housing²⁹

According to the NAS Jacksonville Housing Office,³⁰ NAS Jacksonville had a government-controlled,³¹ family housing occupancy of 548 units; 81 for officers and 485 for enlisted. The majority of those housed are E4-E6 families.

²⁸ The Naval Depot accounted for 33 officers and enlisted: O6s -2, W4-05s-10, W1-O3s-3; E7-E9s-8; E4-E6s-10.

²⁹ 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.

³⁰ 2003 Housing Market Analysis, Naval Air Station Jacksonville Florida, Feb 2004, Robert D. Niehaus, Inc.

³¹ Government-owned or controlled housing is primarily on the installation itself.

Table 1-8. Family On-Installation Housing Currently Occupied, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	276	161	111	548
Officers	23	17	23	63
O6+	0	0	17	17
W4-O5	0	7	2	9
W1-O3	23	10	4	37
Enlisted	253	144	88	485
E7-E9	0	32	10	42
E4-E6	206	103	76	385
E1-E3	47	9	2	58

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

Waiting List – On-Installation housing

Table 1-9 shows the most recent waiting list (December 14, 2004) for on-installation housing. The longest waiting list is for 2-bedroom units for E1-9. No breakdown beyond the E1-9 is available, although the need appears to be within the E1-4 ranks.

Table 1-9. Family On-Installation Housing Wait List (# Months)

Grade	2 BR	3 BR	4 BR	5 BR
E1-E9	12 - 18	N/A	N/A	N/A
W1-O3	6 - 12	6 - 12	N/A	N/A
O4-O5	1 - 6	2 - 12	12 - 24	N/A
O6	N/A	N/A	N/A	N/A

Source: NAS Jacksonville Family Housing, PCS Housing Assistance Dec 14, 2004

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

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 BAH.

Off-Installation Family Housing

The Department of Navy estimates that its off-installation or "community first" family housing requirements were 5,130 families in 2003, as shown in Table 1-10.

Table 1-10. Off-Installation Family Housing Requirements, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	2,271	1,845	1,014	5,130
Officers	367	443	221	1,031
O6+	0	0	55	55
W4-O5	0	297	90	387
W1-O3	367	146	76	589
Enlisted	1,904	1,402	793	4,099
E7-E9	0	555	181	736
E4-E6	1,590	788	594	2,972
E1-E3	314	59	18	391

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

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 2,672 military personnel owned their own homes in 2003 (Table 1-11).

Table 1-11. Military Family Homeowners, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	993	1,096	583	2,672
Officers	226	307	165	698
O6+	0	0	53	53
W4-O5	0	217	65	282
W1-O3	226	90	47	363
Enlisted	767	789	418	1,974
E7-E9	0	409	132	541
E4-E6	767	380	286	1,433
E1-E3	0	0	0	0

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

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 2,458 military families rented homes in 2003 (Table 1-12).

Table 1-12. Military Family Renters, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	1,278	749	431	2,458
Officers	141	136	56	333
O6+	0	0	2	2
W4-O5	0	80	25	105
W1-O3	141	56	29	226
Enlisted	1,137	613	375	2,125
E7-E9	0	146	49	195
E4-E6	823	408	308	1,539
E1-E3	314	59	18	391

Source: Robert D. Niehaus, Inc., 2003 NAS Jacksonville 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 2,263 unaccompanied personnel residing within the community in 2003.

Table 1-13. Off-Installation Unaccompanied Housing Requirements, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	1,477	715	71	2,263
Officers	0	426	71	497
O6+	0	0	1	1
W4-O5	0	0	70	70
W1-O3	0	426	0	426
Enlisted	1,477	289	0	1,766
E7-E9	0	86	0	86
E4-E6	1,477	203	0	1,680
E1-E3	0	0	0	0

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

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 377 personnel (Table 1-14).

Table 1-14. Unaccompanied Homeowners, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	114	224	39	377
Officers	0	122	39	161
O6+	0	0	1	1
W4-O5	0	0	38	38
W1-O3	0	122	0	122
Enlisted	114	102	0	216
E7-E9	0	39	0	39
E4-E6	114	63	0	177
E1-E3	0	0	0	0

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

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Navy to estimate that 1,886 unaccompanied military renters resided off-installation in 2003 (Table 1-15).

Table 1-15. Unaccompanied Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	1,363	491	32	1,886
Officers	0	304	32	336
O6+	0	0	0	0
W4-O5	0	0	32	32
W1-O3	0	304	0	304
Enlisted	1,363	187	0	1,550
E7-E9	0	47	0	47
E4-E6	1,363	140	0	1,503
E1-E3	0	0	0	0

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

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH³² that is adjusted annually to reflect local housing costs. Table 1-16 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for NAS Jacksonville in 2004.

Table 1-16. BAH and MAHC with and without Dependents (2004)

Grade	BAH	MAHC	BAH	MAHC
	With Dependents	Without Dependents	Without Dependents	With Dependents
E-1	\$869	\$899	\$683	\$707
E-2	\$869	\$899	\$683	\$707
E-3	\$869	\$899	\$683	\$707
E-4	\$869	\$899	\$683	\$707
E-5	\$928	\$960	\$768	\$795
E-6	\$1,028	\$1,064	\$818	\$847
E-7	\$1,044	\$1,081	\$873	\$904
E-8	\$1,061	\$1,098	\$947	\$980
E-9	\$1,135	\$1,175	\$979	\$1,013
W-1	\$1,028	\$1,064	\$846	\$876
W-2	\$1,051	\$1,088	\$947	\$980
W-3	\$1,076	\$1,114	\$982	\$1,016
W-4	\$1,159	\$1,200	\$1,032	\$1,068
W-5	\$1,259	\$1,303	\$1,048	\$1,085
O-1	\$939	\$972	\$810	\$838
O-2	\$1,026	\$1,062	\$907	\$939
O-3	\$1,074	\$1,112	\$992	\$1,027
O-4	\$1,301	\$1,347	\$1,046	\$1,083
O-5	\$1,463	\$1,514	\$1,056	\$1,093
O-6	\$1,475	\$1,527	\$1,076	\$1,114
O-7	\$1,492	\$1,544	\$1,098	\$1,136

Source: Strategic Planning Group, Inc. 2005

Based on the most recent Navy Housing Market Assessment, the demand for family rental housing by affordability is shown in Table 1-17. Based on Navy standards, most of the family housing affordability is within the \$700-\$800 month ranges (using only BAH).

³² Includes renters insurance and utilities.

Table 1-17. Military Off-Installation Family Renters by Cost Band, 2003

Monthly Rent Plus Utilities, Insurance	Studios	1 BR	2 BR	3 BR	4+ BR	Total
More than \$1600	0	0	0	0	0	0
\$1501 - \$1600	0	0	0	1	0	1
\$1401 - \$1500	0	0	0	7	2	9
\$1301 - \$1400	0	0	0	18	6	24
\$1201 - \$1300	0	0	0	26	8	34
\$1101 - \$1200	0	0	15	33	14	62
\$1001 - \$1100	0	0	84	98	44	226
\$901 - \$1000	0	0	156	124	69	349
\$801 - \$900	0	0	355	193	122	670
\$701 - \$800	0	0	668	249	166	1,083
\$700 and Below	0	0	0	0	0	0
Total	0	0	1,278	749	431	2,458

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

Off-Installation (Private Sector) Housing Shortfall

The military estimates the unmet need or “shortfall” of the local private-sector housing sector by estimating the number of personnel that are currently residing in “non-suitable” rental housing. To calculate suitable demand, the Navy subtracts “unsuitable units in the market area” in order to calculate suitable supply. The Navy estimated that 19% of NAS Jacksonville’s market area rental housing was “unsuitable.” This was measured by subtracting 11% of the non-mobile home rental demand³³ and all the mobile home market (9%). Then, using Housing Market Assessment reports (which include the location/rent of military residing off-installation), the Navy calculates the shortfall or the number of personnel residing in “non-suitable” conditions.

The following community housing shortfall is analyzed by Family Rental Housing shortfall and Unaccompanied (single) Rental Housing shortfall.³⁴

Family Rental Housing Shortfall

The Navy estimated that of the total 2,458 families residing off-installation (see Table 1-12), 1,562 were suitably housed (see Table 1-18). Therefore, according to the Navy, there exists an 896-family rental housing shortfall in the local market (Table 1-19).

Table 1-18. Total Acceptably Housed Military Family Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	1,015	458	89	1,562
Officers	125	115	26	266
O6+	0	0	2	2
W4-O5	0	74	17	91
W1-O3	125	41	7	173
Enlisted	890	343	63	1,296
E7-E9	0	106	16	122
E4-E6	651	212	46	909
E1-E3	239	25	1	265

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

³³ This is a subjective analysis reported to use 2000 Census data as to deficiencies of age of housing stock, and other factors including quality of housing in the area.

³⁴ It should be noted that the documented short fall is used as part of a formula to determine future on-installation requirements.

Table 1-19. Off-Installation Military Family Rental Housing Shortfall, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	263	291	342	896
Officers	16	21	30	67
O6+	0	0	0	0
W4-O5	0	6	8	14
W1-O3	16	15	22	53
Enlisted	247	270	312	829
E7-E9	0	40	33	73
E4-E6	172	196	262	630
E1-E3	75	34	17	126

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

Unaccompanied Rental Housing Shortfall

The Navy estimated that of the total 1,886 (Table 1-15) unaccompanied personnel residing off-installation, 1,389 are assumed to be living in “suitable” housing (Table 1-20), resulting in a shortfall of 497 rental units for unaccompanied personnel (Table 1-21).

Table 1-20. Total Acceptably Housed Unaccompanied Personnel, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	984	381	24	1,389
Officers	0	240	24	264
O6+	0	0	0	0
W4-O5	0	0	24	24
W1-O3	0	240	0	240
Enlisted	984	141	0	1,125
E7-E9	0	37	0	37
E4-E6	984	104	0	1,088
E1-E3	0	0	0	0

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

Table 1-21. Off-Installation Unaccompanied Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	379	110	8	497
Officers	0	64	8	72
O6+	0	0	0	0
W4-O5	0	0	8	8
W1-O3	0	64	0	64
Enlisted	379	46	0	425
E7-E9	0	10	0	10
E4-E6	379	36	0	415
E1-E3	0	0	0	0

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

Total Military Rental Housing Shortfall (Military Methodology)

Table 1-22 combines both the family and unaccompanied shortfalls to provide an overall summary of need based on the military’s methodology. However, it should be stressed that this combined table could overstate the problem of need primarily due to unaccompanied need. Unaccompanied personnel can now double-up (share an apartment, condo or house) without

losing any of the BAH. A large percentage of the unaccompanied rental demand is within the younger ranks that could upscale their rental housing by sharing unit/costs for a more expensive unit.

Table 1-22. Total Military Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	4BR	Total
Total	379	373	299	342	1,393
Officers	0	80	29	30	139
O6+	0	0	0	0	0
W4-O5	0	0	14	8	22
W1-O3	0	80	15	22	117
Enlisted	379	293	270	312	1,254
E7-E9	0	10	40	33	83
E4-E6	379	208	196	262	1,045
E1-E3	0	75	34	17	126

Source: Robert D. Niehaus, Inc., 2003 NAS Jacksonville Housing Analysis and SPG, Inc., 2005.

Without more detailed information than was released by the Navy or contained in the most recent Navy Housing Assessment, it is not possible to determine why a shortfall in off-installation housing exists (whether it is caused by price/availability or other “suitability” issues).

SPG analyzed the Navy’s off-installation shortfall with respect to whether affordability was a major issue. The only area where affordability might be an issue would be the need for E1-E3 family rental housing with three or more bedrooms. Unfortunately, it is not possible to determine the actual breakout of the shortfall by specific grade. However, by analyzing national Navy demographics, SPG assumes that the vast majority of that need would be at the E-3 level, with only 25% falling within the E1-2 grades, or 32 units for all bedrooms (13 for 3+ bedrooms). The largest affordability issue would occur at the need for 3-and 4-bedroom units.

As stated above, because detailed information is lacking as to the specifics of why an off-installation housing shortage exists, SPG, using the Navy’s personnel data, used a standard market methodology to assess military off-installation housing need.

Affordable Housing Methodology

Federal and State governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue using the Florida Housing Finance Corporation’s (FHFC) standard which is 40% of household income.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 1-23, 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 \$140,387 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

Table 1-23. Regular Military Compensation

With Dependents	BAH	BAS	Allowances			Calculated Basic Income			Regular Military Compensation	% of Area Median Income
			Annualized	Salary Range		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	\$3,513	\$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%

Footnote: below area's 80% of median income

BAS is military basic allowance for subsistence.

Source: Strategic Planning Group, Inc. 2005

As shown in Table 1-23, E1-E5s and O1s 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, E4-E5 and O1s fall under the 80% median area income.

Overall Market Area Rental Rates

Table 1-24 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the NAS Jacksonville MAHC and/or FHFC's 40% rule are competitive within the local housing market.

Table 1-24. Rental Rate Comparison Chart

<i>Bedrooms</i>	<i>HUD [1]</i>	<i>NHA 2003 [2]</i>	<i>NAS Housing Office [3]</i>		<i>Apartment Survey [4]</i>
0	\$501	\$0 -	-	-	
1	\$561	\$510	\$525	\$665	\$575
2	\$675	\$695	\$665	\$715	\$710
3	\$892	\$950	\$775	\$900	\$815
4	\$993	\$1,325	\$950	\$1,395	\$850
Footnotes					
[1] HUD 2004 Fair Market Rents.					
[2] Robert D. Niehaus, Inc., NAS Jacksonville 2003 Housing Market Analysis.					
[3] Updated Dec 3, 2004.					
[4] Real Data, December 2004 (only apartments).					

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to Jacksonville's fair market rents.

Rental Housing Market

Using the FHFC 40% approach, only E1 families requiring four or more bedrooms would fall below the local fair market rent defined by HUD as shown in Table 1-25. As discussed earlier, this would most likely involve, at most, five households.

Table 1-25. Military RMC and Jacksonville Fair Market Rent, 2004

Grade	BAH	40% RMC	Jacksonville MSA HUD Fair Market Rent 2004				
			0 BR	1 BR	2 BR	3 BR	4 BR
<i>With Dependents</i>							
E-1	\$869	\$963	\$501	\$561	\$675	\$892	\$993
E-2	\$869	\$1,031	\$501	\$561	\$675	\$892	\$993
E-3	\$869	\$1,102	\$501	\$561	\$675	\$892	\$993
E-4	\$869	\$1,234	\$501	\$561	\$675	\$892	\$993
E-5	\$928	\$1,491	\$501	\$561	\$675	\$892	\$993
E-6	\$1,028	\$1,723	\$501	\$561	\$675	\$892	\$993
E-7	\$1,044	\$1,947	\$501	\$561	\$675	\$892	\$993
E-8	\$1,061	\$2,108	\$501	\$561	\$675	\$892	\$993
E-9	\$1,135	\$2,608	\$501	\$561	\$675	\$892	\$993
W-1	\$1,028	\$1,598	\$501	\$561	\$675	\$892	\$993
W-2	\$1,051	\$1,840	\$501	\$561	\$675	\$892	\$993
W-3	\$1,076	\$2,056	\$501	\$561	\$675	\$892	\$993
W-4	\$1,159	\$2,561	\$501	\$561	\$675	\$892	\$993
W-5	\$1,259	\$3,003	\$501	\$561	\$675	\$892	\$993
O-1	\$939	\$1,425	\$501	\$561	\$675	\$892	\$993
O-2	\$1,026	\$1,934	\$501	\$561	\$675	\$892	\$993
O-3	\$1,074	\$2,305	\$501	\$561	\$675	\$892	\$993
O-4	\$1,301	\$2,714	\$501	\$561	\$675	\$892	\$993
O-5	\$1,463	\$3,138	\$501	\$561	\$675	\$892	\$993
O-6	\$1,475	\$3,627	\$501	\$561	\$675	\$892	\$993
O-7	\$1,492	\$4,680	\$501	\$561	\$675	\$892	\$993
<i>Without Dependents</i>							
E-1	\$683	\$882	\$501	\$561	\$675	\$892	\$993
E-2	\$683	\$949	\$501	\$561	\$675	\$892	\$993
E-3	\$683	\$1,019	\$501	\$561	\$675	\$892	\$993
E-4	\$683	\$1,150	\$501	\$561	\$675	\$892	\$993
E-5	\$768	\$1,418	\$501	\$561	\$675	\$892	\$993
E-6	\$818	\$1,625	\$501	\$561	\$675	\$892	\$993
E-7	\$873	\$1,867	\$501	\$561	\$675	\$892	\$993
E-8	\$947	\$2,054	\$501	\$561	\$675	\$892	\$993
E-9	\$979	\$2,530	\$501	\$561	\$675	\$892	\$993
W-1	\$846	\$1,513	\$501	\$561	\$675	\$892	\$993
W-2	\$947	\$1,791	\$501	\$561	\$675	\$892	\$993
W-3	\$982	\$2,010	\$501	\$561	\$675	\$892	\$993
W-4	\$1,032	\$2,493	\$501	\$561	\$675	\$892	\$993
W-5	\$1,048	\$2,888	\$501	\$561	\$675	\$892	\$993
O-1	\$810	\$1,365	\$501	\$561	\$675	\$892	\$993
O-2	\$907	\$1,878	\$501	\$561	\$675	\$892	\$993
O-3	\$992	\$2,264	\$501	\$561	\$675	\$892	\$993
O-4	\$1,046	\$2,577	\$501	\$561	\$675	\$892	\$993
O-5	\$1,056	\$2,915	\$501	\$561	\$675	\$892	\$993
O-6	\$1,076	\$3,409	\$501	\$561	\$675	\$892	\$993
O-7	\$1,098	\$4,461	\$501	\$561	\$675	\$892	\$993

Without dependents should only require studio or 1 bedroom units based on HUD standards

Source: Strategic Planning Group, Inc. 2005

Using information from the NAS Jacksonville Housing Office, which compiles local housing costs for “suitable housing,” cost alone should not be an issue with respect to finding suitable rental housing for the vast majority of NAS Jacksonville personnel (Table 1-26).

Table 1-26. Rental Housing Costs, Jacksonville Market Area, 2004

Grade	BAH	40% RMC	Jacksonville MSA HUD Fair Market Rent 2004																NAS Jacksonville Condominium Market Area Data																NAS Jacksonville Townhouse Market Area Data																NAS Jacksonville House Market Area Data															
			NAS Jacksonville Apartment Market Area Data								NAS Jacksonville Condominium Market Area Data								NAS Jacksonville Townhouse Market Area Data								NAS Jacksonville House Market Area Data																																							
With Dependents	0 BR	1 BR	2 BR	3 BR	4 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities																																					
E-1	\$869	\$963	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-2	\$869	\$1,031	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-3	\$869	\$1,102	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-4	\$869	\$1,234	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-5	\$928	\$1,491	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-6	\$1,028	\$1,723	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-7	\$1,044	\$1,947	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-8	\$1,061	\$2,108	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-9	\$1,135	\$2,608	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-1	\$1,028	\$1,598	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-2	\$1,051	\$1,840	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-3	\$1,076	\$2,056	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-4	\$1,159	\$2,561	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-5	\$1,259	\$3,003	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-1	\$939	\$1,425	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-2	\$1,026	\$1,934	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-3	\$1,074	\$2,305	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-4	\$1,301	\$2,714	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-5	\$1,463	\$3,138	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-6	\$1,475	\$3,627	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-7	\$1,492	\$4,680	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
Without Dependents																																																																		
E-1	\$683	\$882	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-2	\$683	\$949	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-3	\$683	\$1,019	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-4	\$683	\$1,150	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-5	\$768	\$1,418	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-6	\$818	\$1,625	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-7	\$873	\$1,867	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-8	\$947	\$2,054	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
E-9	\$979	\$2,530	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-1	\$846	\$1,513	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-2	\$947	\$1,791	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-3	\$982	\$2,010	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-4	\$1,032	\$2,493	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
W-5	\$1,048	\$2,888	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-1	\$810	\$1,365	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-2	\$907	\$1,878	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-3	\$992	\$2,264	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-4	\$1,046	\$2,577	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-5	\$1,056	\$2,915	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-6	\$1,076	\$3,409	\$501	\$561	\$675	\$892	\$993	\$525	\$665	\$800	\$950	na	\$80	\$125	\$595	\$710	\$895	0	na	\$90	\$140	na	\$655	\$775	0	na	\$90	\$140	\$625	\$715	\$900	\$1,395	\$1,550	\$110	\$150																															
O-7	\$1,098	\$4																																																																

Ownership Housing

As shown earlier, the Navy estimates show 2,672 families owned off-installation housing in 2003 (Table 1-11). Unaccompanied personnel owned 377 residences in 2003 as shown in Table 1-14. Table 1-27 shows the combined family and unaccompanied ownership in 2003. For purposes of Navy Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Table 1-27. Combined Homeownership, 2003

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	114	1,217	1,135	583	2,935
Officers	0	348	346	165	859
O6+	0	0	1	53	54
W4-O5	0	0	255	65	320
W1-O3	0	348	90	47	485
Enlisted	114	869	789	418	2,076
E7-E9	0	39	409	132	580
E4-E6	114	830	380	286	1,496
E1-E3	0	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Jacksonville Housing Analysis and SPG, Inc., 2005.

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 1-28 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$167,400 for an E1 to \$813,646 for an O7. Unaccompanied personnel could afford homes ranging from \$153,422 for an E1 to \$775,633 for an O7.

Table 1-28. Maximum Affordable Purchase Price per RMC

<i>Jax</i>	<i>Regular Military Compensation (RMC)</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @6%) 5% Downpayment</i>
With Dependents		40.0%	40.0%
E-1	\$28,883	\$11,553	\$167,400
E-2	\$30,942	\$12,377	\$179,333
E-3	\$33,072	\$13,229	\$191,675
E-4	\$37,028	\$14,811	\$214,606
E-5	\$44,745	\$17,898	\$259,329
E-6	\$51,694	\$20,678	\$299,606
E-7	\$58,418	\$23,367	\$338,572
E-8	\$63,235	\$25,294	\$366,491
E-9	\$78,242	\$31,297	\$453,467
W-1	\$47,931	\$19,172	\$277,794
W-2	\$55,198	\$22,079	\$319,912
W-3	\$61,678	\$24,671	\$357,466
W-4	\$76,834	\$30,733	\$445,306
W-5	\$90,094	\$36,038	\$522,159
O-1	\$42,738	\$17,095	\$247,699
O-2	\$58,010	\$23,204	\$336,207
O-3	\$69,140	\$27,656	\$400,714
O-4	\$81,418	\$32,567	\$471,875
O-5	\$94,147	\$37,659	\$545,651
O-6	\$108,815	\$43,526	\$630,659
O-7	\$140,387	\$56,155	\$813,646
Without Dependents			
E-1	\$26,472	\$10,589	\$153,422
E-2	\$28,477	\$11,391	\$165,046
E-3	\$30,568	\$12,227	\$177,161
E-4	\$34,502	\$13,801	\$199,964
E-5	\$42,535	\$17,014	\$246,523
E-6	\$48,751	\$19,500	\$282,545
E-7	\$56,005	\$22,402	\$324,591
E-8	\$61,619	\$24,647	\$357,124
E-9	\$75,893	\$30,357	\$439,852
W-1	\$45,388	\$18,155	\$263,058
W-2	\$53,730	\$21,492	\$311,406
W-3	\$60,286	\$24,114	\$349,399
W-4	\$74,794	\$29,918	\$433,486
W-5	\$86,627	\$34,651	\$502,068
O-1	\$40,936	\$16,374	\$237,255
O-2	\$56,330	\$22,532	\$326,475
O-3	\$67,925	\$27,170	\$393,676
O-4	\$77,323	\$30,929	\$448,142
O-5	\$87,461	\$34,984	\$506,899
O-6	\$102,256	\$40,902	\$592,645
O-7	\$133,829	\$53,531	\$775,633

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the NAS Jacksonville market does not appear to be a problem for military personnel.

The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.³⁵

The Census shows that the market area had approximately 354,000 housing units in 2000 (Table 1-29), of which owner-occupied housing comprised 65% and rental 35%.

Table 1-29. Housing Units, 2000

	<i>Duval</i>	<i>Clay</i>	<i>Total</i>	<i>%</i>
Total:	303,747	50,243	353,990	
Owner occupied	191,722	39,120	230,842	65.2%
Renter occupied	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 1-30). Total vacant rental units declined by slightly over 1,100 units between the 1990-2000 time periods.

Table 1-30. Rental Housing Trends, 1990-2000

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

Source: US Census-1990-2000; 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.

³⁵ The 2003 Navy Housing Market Analysis of NAS Jacksonville did not provide specific market information. All data was summarized.

Table 1-31. Comparison of Rental Units by Size and Rent in 2004 Dollars

	<i>No BR</i>		<i>1 BR</i>		<i>2 BR</i>		<i>3 or More BR</i>					
	1990	2000 Change	1990	2000 Change	1990	2000 Change	1990	2000 Change	1990	2000 Change		
Under \$300	902	1,548	646	6,480	4,268	-2,212	4,647	2,608	-2,039	2,286	1,436	-851
\$300 to \$399	608	885	277	6,168	3,184	-2,984	6,606	2,755	-3,852	2,344	1,339	-1,005
\$400 to \$499	664	1,142	478	8,614	4,362	-4,252	9,331	3,695	-5,636	3,154	1,759	-1,395
\$500 to \$599	712	1,029	316	6,306	4,645	-1,661	8,100	4,657	-3,443	3,416	2,228	-1,188
\$600 to \$699	712	786	74	827	5,503	4,676	5,342	7,187	1,845	4,177	3,460	-717
\$700 to \$799	423	786	363	827	5,503	4,676	5,342	7,187	1,845	4,177	3,460	-717
\$800 to \$899	31	507	475	494	3,634	3,140	3,128	5,716	2,587	2,820	3,408	588
\$900 to \$999	33	133	100	51	1,143	1,092	177	3,755	3,578	1,010	3,338	2,328
\$1,000 & Up	98	428	330	309	2,622	2,313	411	7,496	7,086	2,337	10,064	7,727
Total	4,183	7,243	3,060	30,074	34,863	4,789	43,083	45,055	1,972	25,720	30,491	4,771

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

Single family rental units (1 to 4 units per structure excluding mobile homes) accounted for 47% of the rental market, as shown in Table 1-32.

Table 1-32. Duval and Clay County Owner- and Renter-Occupied Housing, 2000

	<i>Duval County</i>	<i>Clay County</i>	<i>Total</i>	<i>%</i>
Total:	303,747	50,243	353,990	
Owner occupied:	191,722	39,120	230,842	65.2%
1, detached	164,318	31,282	195,600	84.7%
1, attached	8,157	668	8,825	3.8%
2	963	28	991	0.4%
3 or 4	1,525	119	1,644	0.7%
5 to 9	1,029	73	1,102	0.5%
10 to 19	355	50	405	0.2%
20 to 49	648	39	687	0.3%
50 or more	854	7	861	0.4%
				0.0%
Mobile home	13,729	6,780	20,509	8.9%
Boat, RV, van, etc.	144	74	218	0.1%
Renter occupied:	112,025	11,123	123,148	34.8%
1, detached	25,824	3,805	29,629	24.1%
1, attached	5,382	279	5,661	4.6%
2	6,671	270	6,941	5.6%
3 or 4	14,285	1,475	15,760	12.8%
5 to 9	16,393	1,704	18,097	14.7%
10 to 19	14,166	879	15,045	12.2%
20 to 49	6,191	391	6,582	5.3%
50 or more	17,176	641	17,817	14.5%
				0.0%
Mobile home	5,878	1,661	7,539	6.1%
Boat, RV, van, etc.	59	18	77	0.1%

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 60% of the area's vacant housing was single family (1-4 units per structures excluding mobile homes). This information is summarized in Table 1-33.

Table 1-33. Units in Structure for Vacant Housing, Duval and Clay Counties

	<i>Duval</i>	<i>Clay</i>	<i>Total</i>	<i>%</i>
Total:	26,031	3,505	29,536	
1, detached	10,924	1,888	12,812	15624.4%
1, attached	1,132	76	1,208	1473.2%
2	1,520	74	1,594	1943.9%
3 or 4	1,800	188	1,988	2424.4%
5 to 9	2,280	222	2,502	3051.2%
10 to 19	2,141	171	2,312	2819.5%
20 to 49	1,223	47	1,270	1548.8%
50 or more	2,084	16	2,100	2561.0%
Mobile home	2,878	790	3,668	4473.2%
Boat, RV, van, etc.	49	33	82	100.0%

Source: 2000 Census, Strategic Planning Group, Inc.

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

Both Duval and Clay counties have seen robust growth since the 2000 Census. Taken together, the two counties have issued almost 50,000 permits (9,967 annually) of which 26% are multifamily properties accounting for 13,162 units (2,632 annually). The multifamily growth has occurred despite the national slowdown of rental construction due to low mortgage interest rates and the resulting growth of ownership housing.

Table 1-34. Duval and Clay County Building Permits – 2000-2004

<i>Duval County</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>Totals</i>	<i>%</i>
Single Family	3,631	4,947	5,537	5,942	5,675	25,732	67.4%
Two Family	16	38	2	6	10	72	0.2%
Three & Four Family	0	3	0	96	31	130	0.3%
Five or More Family	2,154	1,779	2,722	2,355	3,234	12,244	32.1%
Total	5,801	6,767	8,261	8,399	8,950	38,178	100.0%
Clay County							
Single Family	1,520	1,821	2,131	2,547	2,654	10,673	91.6%
Two Family	0	0	0	2	44	46	0.4%
Three & Four Family	0	0	8	4	8	20	0.2%
Five or More Family	8	790	0	0	120	918	7.9%
Total	1,528	2,611	2,139	2,553	2,826	11,657	100.0%
Market Area							
Single Family	5,151	6,768	7,668	8,489	8,329	36,405	73.1%
Two Family	16	38	2	8	54	118	0.2%
Three & Four Family	0	3	8	100	39	150	0.3%
Five or More Family	2,162	2,569	2,722	2,355	3,354	13,162	26.4%
Market Area Total	7,329	9,378	10,400	10,952	11,776	49,835	100.0%

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 47% of the rental market. As shown in Table 1-35, 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 1-35. 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%	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%	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	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	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%	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%	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%	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%	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%	0.0%	453	24	5.3%	7.3%	66	3	4.5%	3.0%	0	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%	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%	0.0%
\$1,100-\$1,149	15	0	0.0%	0.3%	0	0	0.0%	0.0%	24	2	8.3%	1.1%	0	0	0.0%	0.0%
\$1,150-\$1,199	0	0	0.0%	0.0%	0	0	0.0%	0.0%	19	4	21.1%	0.9%	0	0	0.0%	0.0%
Above \$1,200	0	0	0.0%	0.0%	109	2	1.8%	1.8%	133	10	13.5%	6.0%	1	12	18.5%	1.5%
Totals:	4,707	447	9.5%	100.0%	6,228	687	11.0%	100.0%	2,217	293	13.2%	100.0%	65	12	18.5%	100.0%
Median	\$575				\$710				\$815				\$850			

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

Owner-Occupied Housing

As shown in Table 1-32, 98.6% of the market area's owner-occupied housing 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. 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 as shown in Table 1-36. 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.

Table 1-36. Single Family Housing Multiple Listing Data – December 2004

Unit Type	Avail. Units	Median Price	Avg. Price	Price Range	Avg. Size (sq. ft.)
1 Bedroom	1	\$64,900	\$64,900	\$64,900	1,055
2 Bedroom	69	\$107,000	\$162,916	\$34,500-\$539,900	1,230
3 Bedroom	462	\$155,000	\$178,508	\$30,000-\$965,000	1,612
4 Bedroom	302	\$263,753	\$343,730	\$55,000-\$4,000,000	2,482
5 Bedroom	66	\$393,200	\$499,019	\$95,000-\$1,999,900	3,189
6 Bedroom	4	\$1,909,850	\$1,986,175	\$730,000-\$3,395,000	5,716

Note: MLS Data includes Beaches, Southside and Northside Zip Codes

Source: Florida Association of Realtors MLS Listings as of December, 2004, Strategic Planning Group, Inc., 2005

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Duval/ Clay counties Fair Market Rent trends over the 2001-2004 time period.

Local Rental Rate Trends

Table 1-37 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than the state as a whole.

Table 1-37. Rental Rate Change by Bedroom, 2001-2004

<i>Change in Rent between 2001 and 2004 (Percent)</i>					
<i>Duval/Clay Counties</i>	<i>0 BR</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
% Change	16.3%	17.9%	14.7%	8.9%	13.0%
Florida	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Jacksonville metropolitan area showed a 28.4% increase in the cost of single family homes during the 2001-2003 time periods.

Table 1-38. Home Sales Price, 2001-2003

<i>Year</i>	<i>Price</i>
2001	\$110,700
2002	\$121,200
2003	\$145,500
2004	\$162,800
Change	47.1%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

According to Census data, the Jacksonville Metropolitan area had a 4.8% single family ownership vacancy rate indicating that the area had a significant increase in home construction between 2002 and 2003, a trend that continued into 2004. Rental construction increased in 2003; however, an increase in renters becoming homeowners³⁶ also increased raising the local rental vacancy rate to 9.7%. As shown in Table 1-39, there are sufficient vacant housing units within the market area to accommodate the military, off-installation housing needs.

Table 1-39. Local Housing Vacancy Trends

	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Homeowner	0.5%	0.6%	0.9%	4.8%
Rental	9.9%	4.6%	7.4%	9.7%

Source: US Census 2003, Strategic Planning Group, Inc., 2005

Local Area Population Growth

The Jacksonville market is projected to continue to experience a strong 2.0% growth rate annually over the planning period (2008)³⁷. The market area is projected to add an additional 18,000 new residents and 7,500 new residential housing units (owner and rental) during the

³⁶ This is a national trend due in large part to the availability of low interest mortgage rates.

³⁷ This is the time-frame for the NAS Jacksonville Housing Assessment (5-year growth from 2003 base year).

2000-2008 time periods. Based on recent building permit data, the market supply of housing is between 11-12,000 units annually compared to an annual population gain of 7,500, as shown in Table 1-40.

Table 1-40. NAS Jacksonville Market Area Population Projections

	2000	2003	2004	2005	2008	2000-2008	
						Annual Change	Households @ 2.4 pph
Duval	778,879	826,279	83,922	851,100	886,368	13,436	5,598
Clay	140,814	156,011	160,827	164,800	177,328	4,564	1,902
Total	919,693	982,290	244,749	1,015,900	1,063,696	18,000	7,500
Average Annual Growth Rate 2000-2008						2.0%	

Source: UF BEBR 2004, Strategic Planning Group, Inc.

Future Military Demand

The NAS Jacksonville Housing Assessment-2003, Final Report, February 2004 shows a decrease in installation manpower loading of 537 personnel, or a total of 8,611 active-duty personnel stationed at NAS Jacksonville in 2008. This figure does not take into account possible changes to the installation as a result of the 2005 BRAC. According to Navy documents, NAS Jacksonville would have a need for only 541 family housing (loss of 368 units) and 953 unaccompanied units (a loss of 471) on-installation.

Military Rental Housing Projections

In 2008, the Navy projects there would be a need for 1,494 personnel to reside on-installation (541 in family housing and 953 in unaccompanied housing). The number of military families needing off-installation rental housing is projected at 2,271 and unaccompanied at 1,788. This represents a reduction of 187 family rental units and 98 unaccompanied rental units.

According to the Navy's housing assessment, the military family off-installation shortfall is reduced to 535 units (a reduction of 361 units); with a 46% reduction of grades E1 through E3 needs, assuming no changing trends within the local market. Unaccompanied ownership housing is projected to be reduced to 141 units.

Table 1-41. Total Off-Installation Family and Unaccompanied Shortfall-2008

Grade	2 BR	3 BR	4+ BR	Total
Total	206	209	264	679
Officers	7	46	20	73
O6+	0	0	0	0
W4-O5	0	7	8	15
W1-O3	7	39	12	58
Enlisted	199	163	244	606
E7-E9	0	18	15	33
E4-E6	165	126	214	505
E1-E3	34	19	15	68

Source: Robert D. Niehaus, Inc. 2004; Strategic Planning Group, Inc. 2005

Military Ownership Housing Projections

The Navy estimates, that in 2008, there will be a demand for 2,553 owner-occupied, military, off-installation housing, which is a reduction of 497 from 2003 levels.

Findings

The Department of Navy’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 \$899 to \$1,064, and for the unaccompanied E4-E6 range, it was \$707 to \$847. The NAS Jacksonville market had sufficient rental supply to accommodate these price ranges using existing MAHC figures.³⁸

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 1-42, 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 1-42. Distribution of Military Family Renters % of By Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households		Affordable Rent		Rental Need		
			2003	On-Base Renters	Off-Base Renters	40%	2-BR	3-BR	4-BR
0-30%									
None									
31%-60% Median									
E1	\$28,883	51.0%	60	8	52	\$963	52	0	0
E2	\$30,942	54.7%	114	15	99	\$1,031	99	0	0
E3	\$33,072	58.4%	275	36	240	\$1,102	240	0	0
Total E1-E3			449	58	391		391	0	0
61%-80% Median									
E4	\$37,028	65.4%	1,084	51	497	\$1,234	497	0	0
E5	\$44,745	79.1%	1,323	98	606	\$1,491	606	0	0
O1	\$42,738	75.5%	124	7	45	\$1,425	28	11	6
Total E4-O1			2,531	156	1,148		1,131	11	6

Source

e: 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 1-43.

Table 1-43. Distribution of Military Single Household Renters By % of Local Median Income (2004)

0-30% Median	RMC-2004	% Median	Single Households	On-Base Renters	Off-Base Renters	Affordable Rent	1 Bedroom	
							40%	2 Bedroom
none							\$575	\$710
31% -60% Median								
E1	\$26,472	46.8%	133	133	0	\$882	Housed on base	
E2	\$28,477	50.3%	254	254	0	\$949	Housed on base	
E3	\$30,568	54.0%	614	614	0	\$1,019	Housed on base	
Total E1-E3			1,001	1,001	0		Housed on base	
61-80% Median								
E4	\$34,502	61.0%	565	80	485	\$1,150	440	48
E5	\$42,535	75.2%	690	97	592	\$1,418	537	55
Total E4-E5			1,255	177	1,078		977	143
O1	\$40,936	72.3%	84	0	84	\$1,365		84
Total E1-O1							977	227

Source

e: Strategic Planning Group, Inc. 2005

³⁸ See Table 1-33 for current apartment rents and supply. 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.

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

Housing sales costs have increased at an annual rate of 12.7% for the local area compared to 8.4% nationally. While the rate of growth has exceeded national trends, the average sales price for a home in Jacksonville (\$162,800 in September 2004) is still significantly less than the national average (\$268,100).

The local 2005 Fair Market Rents for a two-bedroom unit (\$732) and for a three-bedroom unit (\$918) compare favorably with national average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

Two other factors impact the NAS Jacksonville 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 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.

Naval Station Mayport

Naval Station Mayport lies at the northeast terminus of the St. Johns River in Duval County, Florida, approximately 15 miles east of Downtown Jacksonville. Located at the “beaches,” transportation is hindered by the river and the limited number of east-west arterials and bridges connecting eastern Jacksonville/Duval County to the rest of the Jacksonville Metropolitan Area. A new major east-west connector, “Wonderwood Drive,” is being constructed that will provide direct access between the Arlington area of Jacksonville and NS Mayport.

Installation Summary

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.

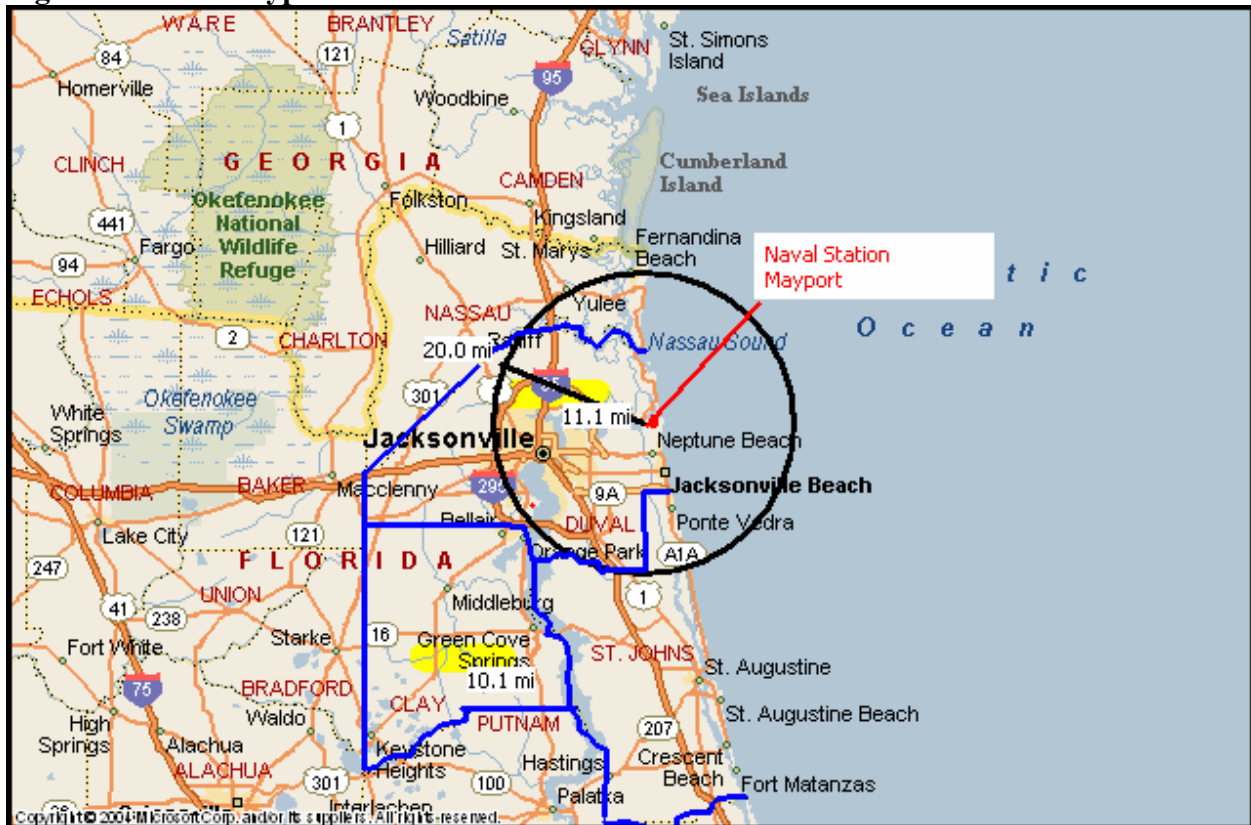
NS Mayport is home to more than 70 tenant commands and private organizations. Some two dozen ships are presently berthed in the Mayport basin, including AEGIS guided-missile cruisers and destroyers and guided-missile frigates. The aircraft carrier USS John F. Kennedy and an

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.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 2-1. NS Mayport Market Area



The 20-mile radius and 60-minute, peak-hour commute includes most of the Jacksonville metropolitan area. Due to the limited bridges crossing the St. Johns River and limited east-west connectors on the east side of the River, the housing market area for NS Mayport, and therefore this study, includes primarily the eastern portion of Duval County. Statistics are reported at the county level and some housing supply data at an intra-county level. Duval County has experienced significant growth since 1980, averaging around 14,082 new persons every year during the 1980-2000 year time period.

Table 2-1. Population of Duval County

	<i>Duval</i>	<i>Total</i>
1980	571,003	571,003
1990	672,971	672,971
2000	778,879	778,879
2004	819,531	819,531
2008	886,368	886,368
2010	910,502	910,502
Annual Change 1980-90	10,197	10,197
Annual Change 1990-2000	10,591	10,591
Annual Change 2000-2004	10,163	10,163

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

Growth over 2000-2004 increased at an annual rate of 10,163 persons. Starting in the late 1980s and continuing today, the general growth of the Jacksonville metropolitan area has been in the direction to the east of the St. Johns River.³⁹

The market area had a 2003 labor force of 416,574 workers. The labor force is healthy with an average unemployment rate of 5.7%.

Table 2-2. Labor Force, Duval County, 2003

<i>Labor Force (2003)</i>	
Labor Force	416,574
% of County Population	51.0%
Number Unemployed	23,540
Unemployment Rate	5.7%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 2-3. The market area had an employment of 424,365 in 2002. Other services accounted for the largest share (24%), followed by Professional Services, and Health Care. Government wages (including military) exceeded the industry average (Table 2-4).

Table 2-3. Employment in County

	<i>Duval</i>	<i>Florida</i>
Total Employment	424,365	7,163,458
Agriculture, Natural Resources, Mining	2.0%	1.5%
Construction & Real Estate	8.0%	8.2%
Education Services	5.1%	7.2%
Finance & Insurance	10.2%	4.5%
Government(including military)	5.5%	6.1%
Health Care & Social Assistance	10.9%	11.3%
Information	2.8%	2.5%
Manufacturing	6.5%	5.7%
Other Services ¹	24.0%	28.1%
Professional & Business Services	15.5%	17.0%
Transportation Warehousing		
Wholesale Trade	11.5%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

³⁹ 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.

Table 2-4. Average Wage in Industries, 2002

	<i>Duval</i>	<i>Clay</i>
All Industries	\$35,303	\$23,745
Agriculture, Natural Resources, Mining	\$25,766	\$35,312
Construction & Real Estate	\$35,799	\$27,520
Education Services	\$31,639	\$33,123
Finance & Insurance	\$48,696	\$36,380
Government(including military)	\$43,099	\$31,038
Health Care & Social Assistance	\$37,095	\$30,664
Information	\$44,062	\$34,725
Manufacturing	\$41,368	\$34,255
Other Services ¹	\$21,628	\$16,938
Professional & Business Services	\$36,972	\$17,154
Transportation Warehousing		
Wholesale Trade	\$40,124	\$34,961

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Duval County's per capita income was slightly higher than the State average in 2000, but by 2002 was slightly under the State average (Table 2-5).

Table 2-5. Per Capita Income

	<i>Duval</i>	<i>Florida</i>
2000	\$28,923	\$28,511
2001	\$28,963	\$29,247
2002	\$29,624	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2003, NS Mayport had 13,051 active-duty, permanent personnel. As shown in Table 2-6, 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.

Table 2-6. Military Personnel, Family and Unaccompanied, 2003

Grade	Voluntary		Unaccompanied	Total Personnel
	Family	Separations		
Total	6,474	413	6,164	13,051
Officers	743	46	563	1,352
O6+	25	2	33	60
W4-O5	265	19	33	317
W1-O3	453	25	527	1,005
Enlisted	5,731	367	5,601	11,699
E7-E9	1,123	91	119	1,333
E4-E6	4,050	258	3,327	7,635
E1-E3	558	18	2,155	2,731

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

The total demand for family housing by bedroom is shown in Table 2-7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 2-7. Family Housing by Status and Bedroom, 2003

Grade	2 BR	3BR	4+BR	Family Housing Required
Total	2,700	2,570	1,204	6,474
Officers	259	331	153	743
O6+	0	0	25	25
W4-O5	0	194	71	265
W1-O3	259	137	57	453
Enlisted	2,441	2,239	1,051	5,731
E7-E9	0	861	262	1,123
E4-E6	2,067	1,237	746	4,050
E1-E3	374	141	43	558

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

On-Installation Housing

The military requires that part of the personnel assigned to the Naval 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 Housing⁴⁰

According to the NS Mayport Housing Office,⁴¹ NS Mayport had a government-controlled,⁴² family housing occupancy of 1,511 units,⁴³ 92 for officers and 1,059 for enlisted. The majority of those housed are E4-E6 families.

Table 2-8. Family On-Installation Housing Currently Occupied, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	564	390	197	1,151
Officers	23	44	25	92
O6+	0	0	11	11
W4-O5	0	30	10	40
W1-O3	23	14	4	41
Enlisted	541	346	172	1,059
E7-E9	0	61	19	80
E4-E6	366	219	133	718
E1-E3	175	66	20	261

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

Waiting List – On-Installation housing

Table 2-9 shows the most recent waiting list (December 14, 2004) for the 1,151 personnel based in on-installation housing. The longest waiting list is for 4-bedroom units. It appears that lower ranks have the largest share of on-installation housing, and thus, have a shorter waiting time.

⁴⁰ 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.

⁴¹ 2003 Housing Market Analysis, Naval Station Mayport, Florida, November 2003, Robert D. Niehaus, Inc.

⁴² Government-owned or -controlled housing is primarily on the installation itself.

⁴³ According the 2003 Haas Military Impact Study, NS Mayport had 1,281 family housing units implying the availability of an additional 230 units.

Table 2-9. Family On-Installation Housing Wait List (# Months)

	2 BR	3 BR	4 BR	5 BR
E1-E9	1	1	2 - 4	N/A
W1-O3	6 - 12	4 - 6	18 - 24	N/A
O4-O5	N/A	6 - 8	8 - 15	N/A
O6	N/A	1 - 5	1 - 5	N/A

Source: NS Mayport Family Housing, PCS Housing Assistance Dec 14, 2004

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, NS Mayport had 507 Bachelor Enlisted Quarters (BEQ) and 245 Bachelor Officer Quarters (BOQ). By regulation, 2,293⁴⁴ unaccompanied personnel are supposed to be housed on-installation.

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

Off-Installation Family Housing

The Department of Navy estimates that its off-installation or "community first" family housing requirements were 5,323 families in 2003, as shown in Table 2-10.

Table 2-10. Off-Installation Family Housing Requirements, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	2,136	2,180	1,007	5,323
Officers	236	287	128	651
O6+	0	0	14	14
W4-O5	0	134	61	195
W1-O3	236	123	53	412
Enlisted	1,900	1,893	879	4,672
E7-E9	0	800	243	1,043
E4-E6	1,701	1,018	613	3,332
E1-E3	199	75	23	297

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

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 2,867 military personnel owned their own homes in 2003 (Table 2-11).

⁴⁴ For purposes of this analysis, it is assumed that the majority of enlisted resided on-ship.

Table 2-11. Military Family Homeowners, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	988	1,309	570	2,867
Officers	150	203	79	432
O6+	0	0	11	11
W4-O5	0	126	42	168
W1-O3	150	77	26	253
Enlisted	838	1,106	491	2,435
E7-E9	0	606	189	795
E4-E6	838	500	302	1,640
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

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 2,456 military families rented homes in 2003 (Table 2-12).

Table 2-12. Military Family Renters, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	1,148	871	437	2,456
Officers	86	84	49	219
O6+	0	0	3	3
W4-O5	0	38	19	57
W1-O3	86	46	27	159
Enlisted	1,062	787	388	2,237
E7-E9	0	194	54	248
E4-E6	863	518	311	1,692
E1-E3	199	75	23	297

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market 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 3,871 unaccompanied personnel residing within the community in 2003 (Table 2-13).

Table 2-13. Off-Installation Unaccompanied Housing Requirements, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	2,981	854	36	3,871
Officers	0	527	36	563
O6+	0	0	3	3
W4-O5	0	0	33	33
W1-O3	0	527	0	527
Enlisted	2,981	327	0	3,308
E7-E9	0	119	0	119
E4-E6	2,981	208	0	3,189
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 469 personnel (Table 2-14).

Table 2-14. Unaccompanied Homeowners, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	214	235	20	469
Officers	0	115	20	135
O6+	0	0	2	2
W4-O5	0	0	18	18
W1-O3	0	115	0	115
Enlisted	214	120	0	334
E7-E9	0	55	0	55
E4-E6	214	65	0	279
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Navy to estimate that 3,402 unaccompanied military renters resided off-installation in 2003 (Table 2-15).

Table 2-15. Unaccompanied Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	2,767	619	16	3,402
Officers	0	412	16	428
O6+	0	0	1	1
W4-O5	0	0	15	15
W1-O3	0	412	0	412
Enlisted	2,767	207	0	2,974
E7-E9	0	64	0	64
E4-E6	2,767	143	0	2,910
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH⁴⁵ that is adjusted annually to reflect local housing costs. Table 2-16 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for NS Mayport in 2004.

⁴⁵ Includes renters insurance and utilities.

Table 2-16. BAH and MAHC with and without Dependents (2004)

Grade	BAH With Dependents	MAHC	BAH Without Dependents	MAHC
E-1	\$869	\$899	\$683	\$707
E-2	\$869	\$899	\$683	\$707
E-3	\$869	\$899	\$683	\$707
E-4	\$869	\$899	\$683	\$707
E-5	\$928	\$960	\$768	\$795
E-6	\$1,028	\$1,064	\$818	\$847
E-7	\$1,044	\$1,081	\$873	\$904
E-8	\$1,061	\$1,098	\$947	\$980
E-9	\$1,135	\$1,175	\$979	\$1,013
W-1	\$1,028	\$1,064	\$846	\$876
W-2	\$1,051	\$1,088	\$947	\$980
W-3	\$1,076	\$1,114	\$982	\$1,016
W-4	\$1,159	\$1,200	\$1,032	\$1,068
W-5	\$1,259	\$1,303	\$1,048	\$1,085
O-1	\$939	\$972	\$810	\$838
O-2	\$1,026	\$1,062	\$907	\$939
O-3	\$1,074	\$1,112	\$992	\$1,027
O-4	\$1,301	\$1,347	\$1,046	\$1,083
O-5	\$1,463	\$1,514	\$1,056	\$1,093
O-6	\$1,475	\$1,527	\$1,076	\$1,114

Source: Strategic Planning Group, Inc. 2005

Based on the most recent Navy Housing Market Assessment, the demand for family rental housing by affordability is shown in Table 2-17. Based on Navy standards, most of the family housing affordability is within the \$700-\$800 month ranges (using only the BAH).

Table 2-17. Military Off-Installation Family Renters by Cost Band, 2003

Monthly Rent Plus Utilities, Insurance	Studios	1 BR	2 BR	3 BR	4+ BR	Total
More than \$1500	0	0	0	0	0	0
\$1401 - \$1500	0	0	0	3	4	7
\$1301 - \$1400	0	0	0	9	6	15
\$1201 - \$1300	0	0	0	12	4	16
\$1101 - \$1200	0	0	10	24	13	47
\$1001 - \$1100	0	0	79	120	46	245
\$901 - \$1000	0	0	154	160	73	387
\$801 - \$900	0	0	336	239	127	702
\$701 - \$800	0	0	353	196	111	660
\$601 - \$700	0	0	216	108	53	377
\$501 - \$600	0	0	0	0	0	0
\$500 and Below	0	0	0	0	0	0
Total	0	0	1,148	871	437	2,456

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

Off-Installation (Private Sector) Housing Shortfall

The military estimates the unmet need or “shortfall” of the local private-sector housing sector by estimating the number of personnel that are currently residing in “non-suitable” rental housing. To calculate suitable demand, the Navy subtracts “unsuitable units in the market area” in order to calculate suitable supply. The Navy estimated that 15.4% of NS Mayport’s market area rental housing was “unsuitable.” Then using Housing Market Assessment reports (which include the location/rent of military residing off-installation), the Navy calculates the shortfall or the number of personnel residing in “non-suitable” conditions.

The following community housing shortfall is analyzed by Family Rental Housing shortfall and Unaccompanied (single) Rental Housing shortfall.⁴⁶

Family Rental Housing Shortfall

The Navy estimated that of the total 5,323 families residing off-installation, 4,364 were suitably housed.

Table 2-18. Total Acceptably Housed Military Family Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	1,922	1,807	635	4,364
Officers	231	273	103	607
O6+	0	0	14	14
W4-O5	0	163	56	219
W1-O3	231	110	33	374
Enlisted	1,691	1,534	532	3,757
E7-E9	0	750	205	955
E4-E6	1,544	759	327	2,630
E1-E3	147	25	0	172

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

Therefore, according to the Navy, there exists a 959-family rental housing shortfall in the local market.

Table 2-19. Off-Installation Military Family Rental Housing Shortfall, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	214	373	372	959
Officers	5	14	25	44
O6+	0	0	0	0
W4-O5	0	1	5	6
W1-O3	5	13	20	38
Enlisted	209	359	347	915
E7-E9	0	50	38	88
E4-E6	157	259	286	702
E1-E3	52	50	23	125

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

Unaccompanied Rental Housing Shortfall

The Navy estimated that of the total 3,871 unaccompanied personnel residing off installation, 2,314 are assumed to be living in “suitable” housing, resulting in a shortfall of 1,088 rental units for unaccompanied personnel (Table 2-20).

⁴⁶ It should be noted that the documented shortfall is used as part of a formula to determine future on-installation requirements.

Table 2-20. Off-Installation Unaccompanied Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	942	142	4	1,088
Officers	0	89	4	93
O6+	0	0	0	0
W4-O5	0	0	4	4
W1-O3	0	89	0	89
Enlisted	942	53	0	995
E7-E9	0	13	0	13
E4-E6	942	40	0	982
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis

Total Military Rental Housing Shortfall (Military Methodology)

Table 2-21 combines both the family and unaccompanied shortfalls to provide an overall summary of need based on the military's methodology. However, it should be stressed that this combined table could overstate the problem of need, primarily due to unaccompanied need. Unaccompanied personnel can now double up (share an apartment, condo or house) without losing any BAH. A large percentage of the unaccompanied rental demand is within the younger ranks that could upscale their rental housing by sharing unit/costs for a more expensive unit.

Table 2-21. Total Military Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	1,156	515	376	2,047
Officers	5	103	29	137
O6+	0	0	0	0
W4-O5	0	1	9	10
W1-O3	5	102	20	127
Enlisted	1,151	412	347	1,910
E7-E9	0	63	38	101
E4-E6	1,099	299	286	1,684
E1-E3	52	50	23	125

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Market Analysis and SPG, Inc., 2005.

Without more detailed information than was released by the Navy or contained in the most recent Navy Housing Assessment, it is not possible to determine why a shortfall in off-installation housing exists (whether it is caused by price/availability or other "suitability" issues).

SPG analyzed the Navy's off-installation shortfall with respect to whether affordability was a major issue. The only area where affordability might be an issue would be the need for E1-E3 family rental housing with three or more bedrooms. Unfortunately, it is not possible to determine the actual breakout of the shortfall by specific grade. However, by analyzing national Navy demographics, SPG assumes that the vast majority of that need would be at the E-3 level, with only 43.6% falling within the E1-2 grades, or 54 units for all bedrooms (10 for 3+ bedrooms). The largest affordability issue would occur at the need for 3- and 4-bedroom units.

As stated above, because detailed information is lacking as to the specifics of why an off-installation housing shortage exists, SPG, using the Navy's personnel data, used a standard market methodology to assess military off-installation housing need.

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability,” or cost issue using the Florida Housing Finance Corporation’s (FHFC) standard which is 40% of household income.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 2-21, 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 \$140,387 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the regular military compensation (RMC) (Table 2-22). Note that by analyzing RMC as a percentage of local median income, there are no households at the 0-30% median level, while E1-E3s fall within the 31%-60% range and E5 and O1 grades fall within the 61%-80% range.

As shown in Table 2-22, E1-E5s and O1s 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, only the E4-E5 and O1s fall under the 80% median area income.

Table 2-22. Regular Military Compensation

With Dependents	BAH	BAS	Allowances Annualized	Salary Range		Calculated Basic Income	Annualized	Tax Adjustment	Regular Military Compensation	% of Area Median Income
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	\$3,513	\$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	\$9,914	\$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	\$9,914	\$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%

Footnote: below area's 80% of median income

Source: Strategic Planning Group, Inc. 2005

Overall Market Area Rental Rates

Table 2-23 shows the current rents by bedroom from several sources. These rental rates are fairly consistent, and again, demonstrate that the NS Mayport MAHC and FHFC's 40% rule are competitive within the local housing market.

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to Jacksonville's fair market rents.

Rental Housing Market

As shown in Table 2-23, the local Mayport housing market is above the HUD fair market rents in all but the 1-bedroom rents. It should be noted that the Beach's market appears to be the geography driving up the Mayport rents. With the opening of Wonderwood Drive, the overall competitive rent structure should begin to represent the HUD levels.

Table 2-23. Rental Rate Comparison Chart

Bedrooms	HUD [1]	NHA 2003 [2]	NS Housing Office [3]		Apartment Survey [4]
0	\$501	\$0 -	-	-	
1	\$561	\$529	\$550	\$575	\$605
2	\$675	\$710	\$675	\$850	\$760
3	\$892	\$975	\$800	\$1,000	\$965
4	\$993	\$1,375	\$1,145	\$1,300	\$1,300

Footnotes
 [1] HUD 2004 Fair Market Rents
 [2] Robert D. Niehaus, Inc., NS Mayport 2003 Housing Market Analysis
 [3] Updated Dec 3, 2004
 [4] Real Data, December 2004 (only apartments)

Source: Strategic Planning Group, Inc., 2005

Using the FHFC’s 40% approach, only E1 and E2 families requiring three or more bedrooms would fall below the local fair market rent, as shown in Table 2-24.

Table 2-24. Military RMC and Jacksonville Fair Market Rent, 2004

Grade With Dependents	BAH	40% RMC	Jacksonville MSA HUD Fair Market Rent 2004				
			0 BR	1 BR	2 BR	3 BR	4 BR
E-1	\$869	\$963	\$501	\$561	\$675	\$892	\$993
E-2	\$869	\$1,031	\$501	\$561	\$675	\$892	\$993
E-3	\$869	\$1,102	\$501	\$561	\$675	\$892	\$993
E-4	\$869	\$1,234	\$501	\$561	\$675	\$892	\$993
E-5	\$928	\$1,491	\$501	\$561	\$675	\$892	\$993
E-6	\$1,028	\$1,723	\$501	\$561	\$675	\$892	\$993
E-7	\$1,044	\$1,947	\$501	\$561	\$675	\$892	\$993
E-8	\$1,061	\$2,108	\$501	\$561	\$675	\$892	\$993
E-9	\$1,135	\$2,608	\$501	\$561	\$675	\$892	\$993
W-1	\$1,028	\$1,598	\$501	\$561	\$675	\$892	\$993
W-2	\$1,051	\$1,840	\$501	\$561	\$675	\$892	\$993
W-3	\$1,076	\$2,056	\$501	\$561	\$675	\$892	\$993
W-4	\$1,159	\$2,561	\$501	\$561	\$675	\$892	\$993
W-5	\$1,259	\$3,003	\$501	\$561	\$675	\$892	\$993
O-1	\$939	\$1,425	\$501	\$561	\$675	\$892	\$993
O-2	\$1,026	\$1,934	\$501	\$561	\$675	\$892	\$993
O-3	\$1,074	\$2,305	\$501	\$561	\$675	\$892	\$993
O-4	\$1,301	\$2,714	\$501	\$561	\$675	\$892	\$993
O-5	\$1,463	\$3,138	\$501	\$561	\$675	\$892	\$993
O-6	\$1,475	\$3,627	\$501	\$561	\$675	\$892	\$993
O-7	\$1,492	\$4,680	\$501	\$561	\$675	\$892	\$993
Without Dependents							
E-1	\$683	\$882	\$501	\$561	\$675	\$892	\$993
E-2	\$683	\$949	\$501	\$561	\$675	\$892	\$993
E-3	\$683	\$1,019	\$501	\$561	\$675	\$892	\$993
E-4	\$683	\$1,150	\$501	\$561	\$675	\$892	\$993
E-5	\$768	\$1,418	\$501	\$561	\$675	\$892	\$993
E-6	\$818	\$1,625	\$501	\$561	\$675	\$892	\$993
E-7	\$873	\$1,867	\$501	\$561	\$675	\$892	\$993
E-8	\$947	\$2,054	\$501	\$561	\$675	\$892	\$993
E-9	\$979	\$2,530	\$501	\$561	\$675	\$892	\$993
W-1	\$846	\$1,513	\$501	\$561	\$675	\$892	\$993
W-2	\$947	\$1,791	\$501	\$561	\$675	\$892	\$993
W-3	\$982	\$2,010	\$501	\$561	\$675	\$892	\$993
W-4	\$1,032	\$2,493	\$501	\$561	\$675	\$892	\$993
W-5	\$1,048	\$2,888	\$501	\$561	\$675	\$892	\$993
O-1	\$810	\$1,365	\$501	\$561	\$675	\$892	\$993
O-2	\$907	\$1,878	\$501	\$561	\$675	\$892	\$993
O-3	\$992	\$2,264	\$501	\$561	\$675	\$892	\$993
O-4	\$1,046	\$2,577	\$501	\$561	\$675	\$892	\$993
O-5	\$1,056	\$2,915	\$501	\$561	\$675	\$892	\$993
O-6	\$1,076	\$3,409	\$501	\$561	\$675	\$892	\$993
O-7	\$1,098	\$4,461	\$501	\$561	\$675	\$892	\$993

Without dependents should only require studio or 1 bedroom units based on HUD standards.

Source: Strategic Planning Group, Inc. 2005

Using information from the NS Mayport Housing Office, which compiles local housing costs for “suitable housing,” cost alone should not be a significant issue with respect to finding suitable rental housing for the vast majority of NS Mayport personnel (Table 2-25).

Table 2-25. Rental Housing Costs, NS Mayport Market Area, 2004

Grade	BAH	Jacksonville MSA HUD Fair Market Rent 2					Mayport Apartment Market Area Data					Mayport Condominium Market Area Data					Mayport Townhouse Market Area Data					Mayport House Market Area Data								
		0 BR	1 BR	2 BR	3 BR	4 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities
E-1	\$869	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-2	\$869	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-3	\$869	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-4	\$869	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-5	\$928	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-6	\$1,028	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-7	\$1,044	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-8	\$1,061	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-9	\$1,135	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-1	\$1,028	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-2	\$1,051	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-3	\$1,076	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-4	\$1,159	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-5	\$1,259	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-1	\$939	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-2	\$1,026	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-3	\$1,074	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-4	\$1,301	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-5	\$1,463	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-6	\$1,475	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-7	\$1,492	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
Without Dependents																														
E-1	\$683	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-2	\$683	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-3	\$683	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-4	\$683	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-5	\$768	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-6	\$818	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-7	\$873	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-8	\$947	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
E-9	\$979	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-1	\$846	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-2	\$947	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-3	\$982	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-4	\$1,032	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
W-5	\$1,048	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-1	\$810	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-2	\$907	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-3	\$992	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-4	\$1,046	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-5	\$1,056	\$501	\$561	\$675	\$892	\$993	\$550	\$675	\$800	\$1,145	na	\$60	\$150	\$575	\$750	\$900	\$1,150	na	\$80	\$180	\$750	\$850	\$80	\$180	\$850	\$1,000	\$1,300	\$1,700	\$90	\$250
O-6	\$1,076	\$501	\$561	\$675	\$892	\$993																								

Ownership Housing

As shown earlier, the Navy estimates show 2,867 families owned off-installation housing in 2003 (Table 2-11). Unaccompanied personnel owned 469 residences in 2003 as shown in Table 2-14. Table 2-26 shows the combined family and unaccompanied ownership in 2003. For purposes of Navy Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Table 2-26. Combined Homeownership, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	1,202	1,544	590	3,336
Officers	150	318	99	567
O6+	0	0	13	13
W4-O5	0	126	60	186
W1-O3	150	192	26	368
Enlisted	1,052	1,226	491	2,769
E7-E9	0	661	189	850
E4-E6	1,052	565	302	1,919
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NS Mayport Housing Analysis and SPG, Inc., 2005.

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 2-27 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$153,422 for an E1 unaccompanied to \$813,646 for an O7 with dependents.

Table 2-27. Maximum Affordable Purchase Price per RMC

	<i>Regular Military Compensation (RMC)</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @6%) 5% Downpayment</i>
With Dependents		40.0%	40.0%
E-1	\$28,883	\$11,553	\$167,400
E-2	\$30,942	\$12,377	\$179,333
E-3	\$33,072	\$13,229	\$191,675
E-4	\$37,028	\$14,811	\$214,606
E-5	\$44,745	\$17,898	\$259,329
E-6	\$51,694	\$20,678	\$299,606
E-7	\$58,418	\$23,367	\$338,572
E-8	\$63,235	\$25,294	\$366,491
E-9	\$78,242	\$31,297	\$453,467
W-1	\$47,931	\$19,172	\$277,794
W-2	\$55,198	\$22,079	\$319,912
W-3	\$61,678	\$24,671	\$357,466
W-4	\$76,834	\$30,733	\$445,306
W-5	\$90,094	\$36,038	\$522,159
O-1	\$42,738	\$17,095	\$247,699
O-2	\$58,010	\$23,204	\$336,207
O-3	\$69,140	\$27,656	\$400,714
O-4	\$81,418	\$32,567	\$471,875
O-5	\$94,147	\$37,659	\$545,651
O-6	\$108,815	\$43,526	\$630,659
O-7	\$140,387	\$56,155	\$813,646
Without Dependents			
E-1	\$26,472	\$10,589	\$153,422
E-2	\$28,477	\$11,391	\$165,046
E-3	\$30,568	\$12,227	\$177,161
E-4	\$34,502	\$13,801	\$199,964
E-5	\$42,535	\$17,014	\$246,523
E-6	\$48,751	\$19,500	\$282,545
E-7	\$56,005	\$22,402	\$324,591
E-8	\$61,619	\$24,647	\$357,124
E-9	\$75,893	\$30,357	\$439,852
W-1	\$45,388	\$18,155	\$263,058
W-2	\$53,730	\$21,492	\$311,406
W-3	\$60,286	\$24,114	\$349,399
W-4	\$74,794	\$29,918	\$433,486
W-5	\$86,627	\$34,651	\$502,068
O-1	\$40,936	\$16,374	\$237,255
O-2	\$56,330	\$22,532	\$326,475
O-3	\$67,925	\$27,170	\$393,676
O-4	\$77,323	\$30,929	\$448,142
O-5	\$87,461	\$34,984	\$506,899
O-6	\$102,256	\$40,902	\$592,645
O-7	\$133,829	\$53,531	\$775,633

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the NS Mayport market does not appear to be a problem for military personnel.

The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.⁴⁷

The Census shows that the market area had approximately 303,747 housing units in 2000 (Table 2-28), of which owner-occupied housing comprised 63% and rental 37%

Table 2-28. Housing Units, 2000

	<i>Duval</i>	%
Total:	303,747	
Owner occupied	191,722	63.1%
Renter occupied	112,025	36.9%

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

Rental Supply

According to the 2000 Census, Duval County had a total of 123,076 rental units, of which 11,063 were vacant (Table 2-29). Total vacant rental units declined by slightly over 1,260 units between the 1990-2000 time periods.

Table 2-29. Rental Housing Trends, 1990-2000

	<i>County</i>	<i>Duval</i>
Occupied Rental Units	1990	97,801
	2000	112,013
	Change	14,212
Vacant Rental Units	1990	12,323
	2000	11,063
	Change	(1,260)
Total Rental Units	1990	110,124
	2000	123,076
	Change	12,952

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

Census data for 1990 and 2000, document that Duval County 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 2-30 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.

⁴⁷ The 2003 Navy Housing Market Analysis of NS Mayport did not provide specific market information. All data was summarized.

Table 2-30. Comparison of Rental Units by Size and Rent in 2004 Dollars

	No BR			1 BR			2 BR			3 or More BR		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
Under \$300	902	1,548	646	6,480	4,268	-2,212	4,647	2,608	-2,039	2,286	1,436	-851
\$300 to \$399	608	885	277	6,168	3,184	-2,984	6,606	2,755	-3,852	2,344	1,339	-1,005
\$400 to \$499	664	1,142	478	8,614	4,362	-4,252	9,331	3,695	-5,636	3,154	1,759	-1,395
\$500 to \$599	712	1,029	316	6,306	4,645	-1,661	8,100	4,657	-3,443	3,416	2,228	-1,188
\$600 to \$699	712	786	74	827	5,503	4,676	5,342	7,187	1,845	4,177	3,460	-717
\$700 to \$799	423	786	363	827	5,503	4,676	5,342	7,187	1,845	4,177	3,460	-717
\$800 to \$899	31	507	475	494	3,634	3,140	3,128	5,716	2,587	2,820	3,408	588
\$900 to \$999	33	133	100	51	1,143	1,092	177	3,755	3,578	1,010	3,338	2,328
\$1,000 & Up	98	428	330	309	2,622	2,313	411	7,496	7,086	2,337	10,064	7,727
Total	4,183	7,243	3,060	30,074	34,863	4,789	43,083	45,055	1,972	25,720	30,491	4,771

Source:

1990-2000 Census, Strategic Planning Group, Inc. 2005

Single family rental units (1 to 4 units-per-structure, excluding mobile homes) accounted for 47% of the rental market, as shown in Table 2-31.

Table 2-31. Duval County Owner- and Renter-Occupied Housing, 2000

	Duval County	%
Total:	303,747	
Owner occupied:	191,722	63.1%
1, detached	164,318	85.7%
1, attached	8,157	4.3%
2	963	0.5%
3 or 4	1,525	0.8%
5 to 9	1,029	0.5%
10 to 19	355	0.2%
20 to 49	648	0.3%
50 or more	854	0.4%
Mobile home	13,729	7.2%
Boat, RV, van, etc.	144	0.1%
Renter occupied:	112,025	36.9%
1, detached	25,824	23.1%
1, attached	5,382	4.8%
2	6,671	6.0%
3 or 4	14,285	12.8%
5 to 9	16,393	14.6%
10 to 19	14,166	12.6%
20 to 49	6,191	5.5%
50 or more	17,176	15.3%
Mobile home	5,878	5.2%
Boat, RV, van, etc.	59	0.1%

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 59% of the area’s vacant housing was single family (1-4 units per structures excluding mobile homes). This information is summarized in Table 2-32.

Table 2-32. Units in Structure for Vacant Housing, Duval County

	<i>Duval</i>	<i>%</i>
Total:	26,031	
1, detached	10,924	42.0%
1, attached	1,132	4.3%
2	1,520	5.8%
3 or 4	1,800	6.9%
5 to 9	2,280	8.8%
10 to 19	2,141	8.2%
20 to 49	1,223	4.7%
50 or more	2,084	8.0%
Mobile home	2,878	11.1%
Boat, RV, van, etc.	49	0.2%

Source: 2000 Census, Strategic Planning Group, Inc.

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

Duval County has seen robust growth since the 2000 Census. Duval County has issued 38,178 permits (9,545 annually) of which 32% are multifamily properties accounting for 12,244 units (3,061 annually). The multifamily growth has occurred despite the national slowdown of rental construction due to low-interest rate mortgages and the resulting growth of ownership housing.

Table 2-33. Duval County Building Permits – 2000-2004

<i>Duval County</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>Totals</i>	<i>%</i>
<i>Single Family</i>	3,631	4,947	5,537	5,942	5,675	25,732	67.4%
<i>Two Family</i>	16	38	2	6	10	72	0.2%
<i>Three & Four Family</i>	0	3	0	96	31	130	0.3%
<i>Five or More Family</i>	2,154	1,779	2,722	2,355	3,234	12,244	32.1%
Total	5,801	6,767	8,261	8,399	8,950	38,178	100.0%

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, while single family homes account for 47% of the rental market. As shown in Table 2-34, the market area is experiencing significant vacancies; ranging from 7.4% for 1-bedroom units to 8.8% for 3 bedroom units. The area had over 4,016 apartment units (in complexes over 50 units) vacant as of November 2004.

Table 2-34. NS Mayport 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	374	28	7.5%	1.9%	0	0	0.0%	0.0%	0	0	0.0%	0.0%	0	0	0.0%	0.0%
\$ 400-\$449	1,013	79	7.8%	5.2%	0	0	0.0%	0.0%	0	0	0.0%	0.0%	0	0	0.0%	0.0%
\$ 450-\$499	1,602	106	6.6%	8.2%	158	16	10.1%	0.7%	0	0	0.0%	0.0%	0	0	0.0%	0.0%
\$ 500-\$549	3,328	297	8.9%	17.0%	98	6	6.1%	0.4%	0	0	0.0%	0.0%	0	0	0.0%	0.0%
\$ 550-\$599	2,925	260	8.9%	14.9%	865	111	12.8%	3.9%	41	4	9.8%	0.7%	0	0	0.0%	0.0%
\$ 600-\$649	2,974	181	6.1%	15.2%	3,017	323	10.7%	13.5%	21	4	19.0%	0.3%	0	0	0.0%	0.0%
\$ 650-\$699	2,273	152	6.7%	11.6%	3,544	351	9.9%	15.9%	167	19	11.4%	2.7%	0	0	0.0%	0.0%
\$ 700-\$749	1,386	73	5.3%	7.1%	3,158	312	9.9%	14.2%	891	135	15.2%	14.3%	0	0	0.0%	0.0%
\$ 750-\$799	1,275	59	4.6%	6.5%	2,255	132	5.9%	10.1%	1,224	122	10.0%	19.6%	0	0	0.0%	0.0%
\$ 800-\$849	1,271	107	8.4%	6.5%	2,265	165	7.3%	10.2%	441	39	8.8%	7.1%	32	0	0.0%	13.4%
\$ 850-\$899	855	76	8.9%	4.4%	1,753	72	4.1%	7.9%	523	50	9.6%	8.4%	36	1	2.8%	15.1%
\$ 900-\$949	114	4	3.5%	0.6%	1,674	85	5.1%	7.5%	344	14	4.1%	5.5%	2	0	0.0%	0.8%
\$ 950-\$999	202	32	15.8%	1.0%	803	38	4.7%	3.6%	458	28	6.1%	7.3%	0	0	0.0%	0.0%
\$1,000-\$1,049	0	0	0.0%	0.0%	1,037	55	5.3%	4.6%	296	11	3.7%	4.7%	0	0	0.0%	0.0%
\$1,050-\$1,099	0	0	0.0%	0.0%	699	48	6.9%	3.1%	419	19	4.5%	6.7%	0	0	0.0%	0.0%
\$1,100-\$1,149	0	0	0.0%	0.0%	600	41	6.8%	2.7%	299	10	3.3%	4.8%	20	2	10.0%	8.4%
\$1,150-\$1,199	0	0	0.0%	0.0%	190	13	6.8%	0.9%	163	9	5.5%	2.6%	0	0	0.0%	0.0%
\$1,200-\$1,249	0	0	0.0%	0.0%	0	0	0.0%	0.0%	0	0	0.0%	0.0%	0	0	0.0%	0.0%
Above \$1,250	22	1	4.5%	0.1%	24	1	4.2%	0.1%	161	5	3.1%	2.6%	0	0	0.0%	0.0%
Totals:	19,614	1,455	7.4%	100.0%	22,304	1,775	8.0%	100.0%	6,240	548	8.8%	100.0%	148	13	8.8%	62.2%
Median	\$605				\$760				\$965				\$1,300			

Source

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

Owner-Occupied Housing

As shown in Table 2-31, 98.6% of the market area’s owner-occupied housing 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. MLS data for NS Mayport were areas located east of the St. Johns River in Duval County (including Southside and the Beaches). The majority of the 924 MLS listings were for 3- and 4-bedroom units as shown in Table 2-35. The median price for a 2-bedroom home was \$178,000; \$210,000 for a 3-bedroom, and \$435,000 for a 4-bedroom home.

Table 2-35. Single Family Housing Multiple Listing Data – December 2004

Unit Type	Avail. Units	Median Price	Avg. Price	Price Range	Avg. Size
1 Bedroom	7	\$149,000	\$328,014	\$42,500-\$725,000	1,538
2 Bedroom	80	\$178,400	\$241,375	\$49,900-\$995,000	1,376
3 Bedroom	373	\$209,900	\$301,935	\$34,000-\$3,300,000	1,784
4 Bedroom	323	\$435,000	\$637,090	\$70,000-\$5,600,000	2,743
5 Bedroom	120	\$804,250	\$1,245,402	\$150,000-\$7,250,000	4,225
6 Bedroom	21	\$889,500	\$1,631,290	\$115,000-\$8,500,000	5,068

Note: MLS Data includes Beaches, Southside and Northside Zip Codes

Source: Florida Association of Realtors MLS Listings as of December, 2004, and Strategic Planning Group, Inc., 2005.

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Duval County Fair Market Rent trends over the 2001-2004 time periods.

Local Rental Rate Trends

Table 2-36 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than that of the state as a whole.

Table 2-36. Rental Rate Change by Bedroom, 2001-2004

<i>Change in Rent between 2001 and 2004 (Percent)</i>					
<i>Jacksonville</i>	<i>0 BR</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
% Change	16.3%	17.9%	14.7%	8.9%	13.0%
Florida	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Jacksonville metropolitan area showed a 28.4% increase in the cost of single family homes during the 2001-2003 time periods.

Table 2-37. Home Sales Price, 2001-2003

<i>Year</i>	<i>Price</i>
2001	\$110,700
2002	\$121,200
2003	\$145,500
2004	\$162,800
Change	47.1%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

According to Census data, the Jacksonville Metropolitan Area had a 4.8% single family ownership vacancy rate, indicating that the area had a significant increase in home construction between 2002 and 2003, a trend that continued into 2004. Rental construction increased in 2003; however, an increase in renters becoming homeowners⁴⁸ also increased raising the local rental vacancy rate to 9.7%. As shown in Table 2-38, there are sufficient vacant housing units within the market area to accommodate the military, off-installation housing needs.

Table 2-38. Local Housing Vacancy Trends

	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
Homeowner	0.5%	0.6%	0.9%	4.8%
Rental	9.9%	4.6%	7.4%	9.7%

Source: US Census 2003, Strategic Planning Group, Inc., 2005

Local Area Population Growth

The Jacksonville market is projected to continue to experience a strong 1.7% growth rate annually over the planning period (2008)⁴⁹. The market area is projected to add an additional 13,436 new residents and 5,598 new residential housing units (owner and rental) during the 2000-2008 time periods. Based on recent building permit data, the market supply of housing is between 6,000-9,000⁵⁰ units annually compared to an annual household need of 5,600, as shown in Table 2-39.

Table 2-39. NS Mayport Market Area Population Projections

	<i>2000</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2008</i>	<i>2000-2008 Annual Change</i>	<i>Households @ 2.4 pph</i>
<i>Duval</i>	778,879	826,279	83,922	851,100	886,368	13,436	5,598
Average Annual Growth Rate 2000-2008						1.7%	

Source: UF BEBR 2004, Strategic Planning Group, Inc.

⁴⁸ This is a national trend due in large part to the availability of low interest mortgage rates.

⁴⁹ This is the time-frame for the NS Mayport Housing Assessment (5-year growth from 2003 base year).

⁵⁰ Table 2-32.

Future Military Demand

The NS Mayport Housing Assessment-2003, Final Report, November, 2003, shows a decrease in installation manpower loading of 910 personnel or a total of 12,141 active duty personnel stationed at NS Mayport in 2008. This figure does not take into account possible changes to the installation as a result of the 2005 BRAC, nor the reported loss of the USS Kennedy (should USS Kennedy be retired, the impact to NS Mayport would be monumental, with base personnel reduction in excess of 50%).

According to the Navy’s latest Housing Market Analysis Report, NS Mayport would have a need for only 613 family housing units (loss of 538 units) and 2,125 unaccompanied units (a loss of 168) on-installation.

Military Rental Housing Projections

The number of military families needing off-installation rental housing is projected to be 2,771 and unaccompanied, 3,092. This represents an increase of 187 family rental units and a loss of 302 unaccompanied rental units.

According to the Navy’s housing assessment, the military family off-installation shortfall is reduced to 804 units (a reduction of 155 units), with a slight increase of grades E1 through E3 families (23 families), assuming no changing trends within the local market. Unaccompanied ownership housing is projected to be reduced to 251 units in 2008 from 1,088 units in 2003.

Table 2-40. Total Off-Installation Family and Unaccompanied Shortfall-2008

Grade	1 BR	2 BR	3 BR	Total
Total	334	355	366	1,055
Officers	3	53	17	73
O6+	0	0	0	0
W4-O5	0	13	5	18
W1-O3	3	40	12	55
Enlisted	331	302	349	982
E7-E9	0	29	27	56
E4-E6	279	211	288	778
E1-E3	52	62	34	148

Source: Robert D. Niehaus, Inc. 2003; Strategic Planning Group, Inc. 2005

Military Ownership Housing Projections

The Navy estimates, that in 2008, there will be a demand for 3,139 owner-occupied, military off-installation housing, which is a reduction of 197 units from 2003 levels.

Findings

The Department of Navy’s most recent Housing Assessment (2003) showed that the local, off-installation housing market was unable to provide 1,055 “suitable” family and unaccompanied rental housing units. Seventy four percent (778 units) 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 NS Mayport market had sufficient rental supply to accommodate these price ranges using existing MAHC figures.⁵¹

⁵¹ See Table 2-33 for current apartment rents and supply. 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.

Using standard civilian affordability standards, and analyzing the military off-installation requirements (2003) using RMC, no major housing problems were observed with the exception of 4 bedroom units. As shown in Table 2-41, 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%, some families within the E1-E4 ranks may have a problem (23 4-BR units)⁵² and E4s (105 4-BR units) in finding affordable rental units.

Table 2-41. Distribution of Military Family Renters % of By Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households		Affordable Rent 40%	Rental Need			
			2003	On-Base		Off-Base Renters	2-BR \$710	3-BR \$815	4-BR \$850
0-30%									
None									
31%-60% Median									
E1	\$28,883	51.0%	74	35	40	\$963	26	10	3
E2	\$30,942	54.7%	142	66	75	\$1,031	51	19	6
E3	\$33,072	58.4%	342	160	182	\$1,102	122	46	14
Total E1-E3			558	261	297		199	75	23
61%-80% Median									
E4	\$37,028	65.4%	1,308	95	547	\$1,234	279	167	100
E5	\$44,745	79.1%	1,596	182	667	\$1,491	340	132	123
O1	\$42,738	75.5%	90	8	31	\$1,425	17	15	5
Total E4-O1			2,994	286	1,245		636	314	228

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 those seeking off installation housing, the market has sufficient rental housing at the higher of the BAH or 40% of the RMC. The overall demand by bedroom type is shown in Table 2-42.

Table 2-42. Distribution of Military Single Renters By % of Local Median Income (2004)

Range of Median	RMC-2004	% Median	Single Households		Off Base Renters	Affordable Rent 40%	Bedroom	
			On Base	Off Base			1 Bedroom	2 Bedroom
0-30% Median						40%	\$575	\$710
none								
31% -60% Median								
E1	\$26,472	46.8%	287	287	0	\$882	Housed on base	
E2	\$28,477	50.3%	547	547	0	\$949	Housed on base	
E3	\$30,568	54.0%	1,321	1,321	0	\$1,019	Housed on base	
Total E1-E3			2,155	2,155	0		Housed on base	
61-80% Median								
E4	\$34,502	61.0%	1,075	69	940	\$1,150	940	0
E5	\$42,535	75.2%	1,311	69	1,147	\$1,418	0	1,147
Total E4-E5			2,385	138	2,086		940	1,147
O1	\$40,936	72.3%	104	0	104	\$1,365		104
Total E1-O1							940	1,251

Source: Strategic Planning Group, Inc.

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

⁵² Assuming median rents from the 2004 apartment survey. However, rents are available at lower rates, as well as in complexes of less than 50 units and in single-family homes.

Housing sales costs have increased at an annual rate of 12.7% for the local area compared to 8.4% nationally. While the rate of growth has exceeded national trends, the average sales price for a home in Jacksonville (\$157,600) is still significantly less than the national average (\$188,500).

The local 2005 Fair Market Rents for a two-bedroom unit (\$732) and for a three-bedroom unit (\$918) compare favorably with U.S. average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

Three other factors impact the NS Mayport housing market. First, significant housing growth is occurring within a 30-minute commute (Southside and northern St. Johns County); and second, there has been a significant increase in new townhouses and condominiums in the \$85,000- \$150,000 range. 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.

Because BAH rates are adjusted annually to local market conditions and BAH rates 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 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 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 the other ships that are part of its battle group.

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 twenty six miles from Blount Island. Naval Submarine Base Kings Bay, Georgia, is 35 miles to the north.

After World War II, the shipping industry began to build larger merchant vessels that found it difficult to navigate the St. Johns River. To correct the difficulties in navigating the natural flow of the river, the

Army Corps of Engineers dredged an alternate, straight-line channel known as the James Point Cut. The spoil from the dredging operations was deposited on four marsh islands to form Blount Island. The property was turned over to the Jacksonville Port Authority (JAXPORT) for development. JAXPORT was only able to develop the western portion of the island because of funding. In 1974, a joint venture between Westinghouse Electric and Tenneco Newport News Shipbuilding purchased the eastern half of the island to construct a facility that would build floating nuclear power plants. Due to the lack of economic demand, Tenneco Newport News Shipbuilding opted out of the venture in 1976. Westinghouse closed out all construction projects in 1979. In January 1986, Gate Petroleum purchased the property and the Marine Corps started operations there in August 1986.

Installation Summary

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. Table 3-1 shows the total payroll and distribution of personnel on Blount Island.

Table 3-1. Payroll and Personnel Distribution, 2003

<i>Personnel</i>	<i>860</i>
	109
Active Duty	(132 in 2004)
Reserves	0
Civilian	751
Contractor	0
Payroll	\$41,000,000

Source: Haas Center, UWF 2003, Strategic Planning Group, Inc., 2005

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 3-1. Blount Island Command Market Area.



Blount Island Command lies approximately six miles downriver from NS Mayport, but over 15 miles by car (using the Dames Point Bridge, not the Mayport Ferry). The demographic characteristics of its market area are similar to those of NS Mayport, and therefore not repeated in this section.

Military Personnel Housing Needs

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.

Table 3-2. Military Personnel - 2005

Grade	Married	Single	Marine Corps		Navy	Total
				Total		
Total	84	33	117		15	132
Officers	17	2	19		2	21
O6+	1	0	1		0	1
W4-O5	11	0	11		1	12
W1-O3	5	2	7		1	8
Enlisted	67	31	98		13	111
E7-E9	20	7	27		2	29
E4-E6	45	22	67		11	78
E1-E3	2	2	4		0	4

Source: Blount Island Command Public Affairs, 2005; and Strategic Planning Group, Inc. 2005

As of FY 2003, Blount Island Command had 132 active-duty, permanent personnel. As shown in Table 3-3, there were 94 families and 37 unaccompanied personnel in need of housing (on- and off-installation). Enlisted ranks accounted for 111 (84.7%) of the active-duty personnel, while 20 (15.3%) were officers.

Grade	Family	Unaccompanied	Total
Total	94	37	131
Officers	18	2	20
O6+	1	0	1
W4-O5	11	0	3
W1-O3	6	2	7
Enlisted	76	35	111
E7-E9	23	8	0
E4-E6	51	25	0
E1-E3	2	2	5

Strategic Planning Group, Inc. estimated the family housing needs for the Command are shown in Table 3-3.

Table 3-3. Family Housing Requirements - 2005

	2 BR	3 BR	4 BR	Total
Total	27	63	4	94
Officers	0	14	4	18
O6+	0	0	1	1
W4-O5	0	8	3	11
W1-O3	0	6	0	6
Enlisted	27	49	0	76
E7-E9	0	23	0	23
E4-E6	25	26	0	51
E1-E3	2	0	0	2

Source: Strategic Planning Group, Inc. 2005

On-Installation Housing

Blount Island Command has no dedicated on-installation housing. However, as members of the military, personnel do qualify for available installation housing at either NAS Jacksonville or NS Mayport. As of December 2004, five military families/unaccompanied personnel resided on either NAS Jacksonville or NS Mayport.

Off-Installation Housing

Off-Installation Family Housing

SPG estimated that some personnel did live in military housing (3 families); as a result, based on DoD standards, it was further estimated that 90 families lived in private sector housing (Table 3-4).

Table 3-4. Off-Installation Family Housing Needs - 2005

	2 BR	3 BR	4 BR	Total
Total	25	63	3	90
Officers	0	14	3	17
O6+	0	0	0	0
W4-O5	0	8	3	11
W1-O3	0	6	0	6
Enlisted	25	49	0	73
E7-E9	0	23	0	23
E4-E6	25	26	0	51
E1-E3	0	0	0	0

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

Off-Installation family homeowners were calculated using DoD statistics referenced in the beginning of this report. SPG estimated that there were 71 families that decided to buy homes rather than rent, as shown in Table 3-5.

Table 3-5. Military Family Owned Housing – 2005

	2 BR	3 BR	4 BR	Total
Total	15	54	2	71
Officers	0	14	2	16
O6+	0	0	0	0
W4-O5	0	8	2	10
W1-O3	0	6	0	6
Enlisted	15	40	0	55
E7-E9	0	20	0	20
E4-E6	15	20	0	35
E1-E3	0	0	0	0

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

Off-Installation family renters are estimated by subtracting total off-base housing demand from the number of family owned households. As shown in table 3-6,

Table 3-6. Military Family Renters, 2005

	2 BR	3 BR	4 BR	Total
Total	10	9	1	19
Officers	0	0	1	1
O6+	0	0	0	0
W4-O5	0	0	1	1
W1-O3	0	0	0	0
Enlisted	10	9	0	18
E7-E9	0	3	0	3
E4-E6	10	6	0	16
E1-E3	0	0	0	0

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

Off-Installation Unaccompanied Housing

The demand for off-installation 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 37 unaccompanied personnel residing within the community in 2005 Table3-7.

Table 3-7. Off-Installation Unaccompanied Requirements, 2005

	1 BR	2 BR	3 BR	Total
Total	3	34	0	37
Officers	0	2	0	2
O6+	0	0	0	0
W4-O5	0	0	0	0
W1-O3	0	2	0	2
Enlisted	3	32	0	35
E7-E9	0	8	0	8
E4-E6	1	24	0	25
E1-E3	2	0	0	2

Note: Numbers might 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 homes was estimated to be 23 personnel (Table 3-8)

Table 3-8. Off-Installation Unaccompanied Homeowners, 2005

	1 BR	2 BR	3 BR	Total
Total	1	22	0	23
Officers	0	1	0	1
O6+	0	0	0	0
W4-O5	0	0	0	0
W1-O3	0	1	0	1
Enlisted	1	21	0	22
E7-E9	0	4	0	4
E4-E6	1	17	0	18
E1-E3	0	0	0	0

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

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allowed SPG to estimate that 14 military personnel will rent housing within the community.

Table 3-9. Off-Installation Unaccompanied Renters, 2005

	1 BR	2 BR	3 BR	Total
Total	2	12	0	14
Officers	0	1	0	1
O6+	0	0	0	0
W4-O5	0	0	0	0
W1-O3	0	1	0	1
Enlisted	2	11	0	13
E7-E9	0	4	0	4
E4-E6	0	7	0	7
E1-E3	2	0	0	2

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

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH,⁵³ that is adjusted annually to reflect local housing costs. Table 3-10 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for NS Mayport in 2004.

Table 3-10. BAH and MAHC with and without Dependents, 2004

<i>Grade</i>	<i>BAH With Dependents</i>	<i>MAHC</i>	<i>BAH Without Dependents</i>	<i>MAHC</i>
E-1	\$869	\$899	\$683	\$707
E-2	\$869	\$899	\$683	\$707
E-3	\$869	\$899	\$683	\$707
E-4	\$869	\$899	\$683	\$707
E-5	\$928	\$960	\$768	\$795
E-6	\$1,028	\$1,064	\$818	\$847
E-7	\$1,044	\$1,081	\$873	\$904
E-8	\$1,061	\$1,098	\$947	\$980
E-9	\$1,135	\$1,175	\$979	\$1,013
W-1	\$1,028	\$1,064	\$846	\$876
W-2	\$1,051	\$1,088	\$947	\$980
W-3	\$1,076	\$1,114	\$982	\$1,016
W-4	\$1,159	\$1,200	\$1,032	\$1,068
W-5	\$1,259	\$1,303	\$1,048	\$1,085
O-1	\$939	\$972	\$810	\$838
O-2	\$1,026	\$1,062	\$907	\$939
O-3	\$1,074	\$1,112	\$992	\$1,027
O-4	\$1,301	\$1,347	\$1,046	\$1,083
O-5	\$1,463	\$1,514	\$1,056	\$1,093
O-6	\$1,475	\$1,527	\$1,076	\$1,114

Strategic Planning Group, Inc., 2005

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the "military affordability" or cost issue from the Department of Housing and Urban Development (HUD) and Florida Housing Finance Corporation (FHFC) standards.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 3-21, 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 \$140,387 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the regular military compensation (RMC) shown in Table 2-22. Note that by analyzing

⁵³ Includes renters insurance and utilities.

RMC as a percentage of local median income, there are no households at the 0-30% median level, while E1-E3s fall within the 31%-60% range and E4, E5 and O1 grades fall within the 61%-80% range.

Table 3-11. Regular Military Compensation

With Dependents	BAH	BAS	Allowances		Calculated Basic			Annualized	Tax Adjustment	Regular Military Compensation	% of Area Median Income
			Annualized	Salary Range	Income	Annualized	Annualized				
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	\$3,513	\$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%	

Footnote: below area's 80% of median income

Source

: Strategic Planning Group, Inc. 2005

Overall Market Area Rental Rates

Table 3-12 shows that, using the higher of either the BAH or 40% RMC, there should not be a major problem finding affordable housing for Blount Island Command personnel.

Table 3-12. Military RMC and Jacksonville Fair Market Rent, 2004

Grade	BAH	RMC	HUD Fair Market Rent 2004				
With Dependents		40%	0 BR	1 BR	2 BR	3 BR	4 BR
E-1	\$869	\$963	\$501	\$561	\$675	\$892	\$993
E-2	\$869	\$1,031	\$501	\$561	\$675	\$892	\$993
E-3	\$869	\$1,102	\$501	\$561	\$675	\$892	\$993
E-4	\$869	\$1,234	\$501	\$561	\$675	\$892	\$993
E-5	\$928	\$1,491	\$501	\$561	\$675	\$892	\$993
E-6	\$1,028	\$1,723	\$501	\$561	\$675	\$892	\$993
E-7	\$1,044	\$1,947	\$501	\$561	\$675	\$892	\$993
E-8	\$1,061	\$2,108	\$501	\$561	\$675	\$892	\$993
E-9	\$1,135	\$2,608	\$501	\$561	\$675	\$892	\$993
W-1	\$1,028	\$1,598	\$501	\$561	\$675	\$892	\$993
W-2	\$1,051	\$1,840	\$501	\$561	\$675	\$892	\$993
W-3	\$1,076	\$2,056	\$501	\$561	\$675	\$892	\$993
W-4	\$1,159	\$2,561	\$501	\$561	\$675	\$892	\$993
W-5	\$1,259	\$3,003	\$501	\$561	\$675	\$892	\$993
O-1	\$939	\$1,865	\$501	\$561	\$675	\$892	\$993
O-2	\$1,026	\$2,233	\$501	\$561	\$675	\$892	\$993
O-3	\$1,074	\$2,657	\$501	\$561	\$675	\$892	\$993
O-4	\$1,301	\$1,425	\$501	\$561	\$675	\$892	\$993
O-5	\$1,463	\$1,934	\$501	\$561	\$675	\$892	\$993
O-6	\$1,475	\$2,305	\$501	\$561	\$675	\$892	\$993
O-7	\$1,492	\$2,714	\$501	\$561	\$675	\$892	\$993
Without Dependents							
E-1	\$683	\$882	\$501	\$561	\$675	\$892	\$993
E-2	\$683	\$949	\$501	\$561	\$675	\$892	\$993
E-3	\$683	\$1,019	\$501	\$561	\$675	\$892	\$993
E-4	\$683	\$1,150	\$501	\$561	\$675	\$892	\$993
E-5	\$768	\$1,418	\$501	\$561	\$675	\$892	\$993
E-6	\$818	\$1,625	\$501	\$561	\$675	\$892	\$993
E-7	\$873	\$1,867	\$501	\$561	\$675	\$892	\$993
E-8	\$947	\$2,054	\$501	\$561	\$675	\$892	\$993
E-9	\$979	\$2,530	\$501	\$561	\$675	\$892	\$993
W-1	\$846	\$1,513	\$501	\$561	\$675	\$892	\$993
W-2	\$947	\$1,791	\$501	\$561	\$675	\$892	\$993
W-3	\$982	\$2,010	\$501	\$561	\$675	\$892	\$993
W-4	\$1,032	\$2,493	\$501	\$561	\$675	\$892	\$993
W-5	\$1,048	\$2,888	\$501	\$561	\$675	\$892	\$993
O-1	\$810	\$1,440	\$501	\$561	\$675	\$892	\$993
O-2	\$907	\$2,011	\$501	\$561	\$675	\$892	\$993
O-3	\$992	\$2,456	\$501	\$561	\$675	\$892	\$993
O-4	\$1,046	\$2,810	\$501	\$561	\$675	\$892	\$993
O-5	\$1,056	\$3,185	\$501	\$561	\$675	\$892	\$993
O-6	\$1,076	\$3,674	\$501	\$561	\$675	\$892	\$993
O-7	\$1,098	\$4,728	\$501	\$561	\$675	\$892	\$993

Source: Strategic Planning Group, Inc. 2005

Findings

The Department of Navy’s most recent Housing Assessment (2003) showed that the local, off-installation housing market was unable to provide 1,055 “suitable” family and unaccompanied rental housing units. Seventy four percent (778 units) 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 NS Mayport market had sufficient rental supply to accommodate these price ranges using existing MAHC figures.⁵⁴

Using standard civilian affordability standards, and analyzing the military off-installation requirements using RMC, no major housing problems were observed. As shown in table 3-13, the requirement for

⁵⁴ See Table 2-33 for current apartment rents and supply. 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.

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 family renters are estimated to have a problem with affordability.

Table 3-13. Distribution of Military Family Renters % of By Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households 2003	On-Base	Off-Base Renters	Affordable Rent 40%	Need		
							2-BR	3-BR	4-BR
0-30%							\$710	\$815	\$850
None									
31%-60% Median									
E1	\$28,883	51.0%	0	0	0	\$963	0	0	0
E2	\$30,942	54.7%	0	0	0	\$1,031	0	0	0
E3	\$33,072	58.4%	2	0	2	\$1,102	2	0	0
Total E1-E3			2	0	2		2	0	0
61%-80% Median									
E4	\$37,028	65.4%	6	0	4	\$1,234	4	0	0
E5	\$44,745	79.1%	19	0	6	\$1,491	6	0	0
O1	\$42,738	75.5%	0	0	0	\$1,425	0	0	0
Total E4-O1			25	0	10		10	0	0

Source: Strategic Planning Group, Inc. 2005

Unaccompanied, single, military personnel residing off-installation, likewise should not have an affordability issue. All E1-E3 single personnel must reside on installation. Of those seeking off installation housing, the market has sufficient rental housing at the higher of the BAH or 40% of the RMC. The overall demand by bedroom type is shown in Table 3-14.

Table 3-14. Distribution of Military Single Renters By % of Local Median Income (2004)

0-30% Median	RMC 2004	% Median	Single Households	On-Base	Off-Base Renters	Affordable Rent 40%	1 Bedroom		2 Bedroom	
none							\$575	\$710		
31% -60% Median										
E1	\$26,472	46.8%	0	0	0	\$882	Housed on base			
E2	\$28,477	50.3%	0	0	0	\$949	Housed on base			
E3	\$30,568	54.0%	2	2	0	\$1,019	Housed on base			
Total E1-E3			2	2	0		Housed on base			
61-80% Median										
E4	\$34,502	61.0%	1	0	1	\$1,150		1	0	
E5	\$42,535	75.2%	18	0	18	\$1,418		0	18	
Total E4-E5			19	0	19			1	18	
O1	\$40,936	72.3%	0	0	0	\$1,365				0
Total E1-O1								1	18	

Source: Strategic Planning Group, Inc.

The installation personnel are relatively low compared to the other two military installations in Duval County. 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 rates which are significantly lower than NAS Jacksonville's 2005 BAH rates as shown in Table 3-15:

Table3-15. Jacksonville and Kings Bay, Georgia BAH rates - 2005

	2005		Difference	
	Jacksonville	Kings Bay	Monthly	Annual
With Dependents				
E-1	\$934	\$810	\$124	\$1,488
E-2	\$934	\$810	\$124	\$1,488
E-3	\$934	\$810	\$124	\$1,488
E-4	\$934	\$810	\$124	\$1,488
E-5	\$1,030	\$928	\$102	\$1,224
E-6	\$1,134	\$995	\$139	\$1,668
E-7	\$1,180	\$1,019	\$161	\$1,932
E-8	\$1,231	\$1,045	\$186	\$2,232
E-9	\$1,344	\$1,112	\$232	\$2,784
W1	\$1,135	\$995	\$140	\$1,680
W-2	\$1,201	\$1,029	\$172	\$2,064
W-3	\$1,263	\$1,061	\$202	\$2,424
W-4	\$1,375	\$1,131	\$244	\$2,928
W-5	\$1,504	\$1,212	\$292	\$3,504
O1	\$1,042	\$936	\$106	\$1,272
O-2	\$1,132	\$993	\$139	\$1,668
O-3	\$1,261	\$1,060	\$201	\$2,412
O-4	\$1,558	\$1,246	\$312	\$3,744
O-5	\$1,768	\$1,378	\$390	\$4,680
O-6	\$1,783	\$1,389	\$394	\$4,728
O-7	\$1,803	\$1,406	\$397	\$4,764
Without Dependents				
E-1	\$810	\$659	\$151	\$1,812
E-2	\$810	\$659	\$151	\$1,812
E-3	\$810	\$659	\$151	\$1,812
E-4	\$810	\$659	\$151	\$1,812
E-5	\$928	\$739	\$189	\$2,268
E-6	\$995	\$781	\$214	\$2,568
E-7	\$1,019	\$802	\$217	\$2,604
E-8	\$1,045	\$858	\$187	\$2,244
E-9	\$1,112	\$913	\$199	\$2,388
W1	\$995	\$792	\$203	\$2,436
W-2	\$1,029	\$941	\$88	\$1,056
W-3	\$1,061	\$964	\$97	\$1,164
W-4	\$1,131	\$1,001	\$130	\$1,560
W-5	\$1,212	\$1,024	\$188	\$2,256
O1	\$936	\$693	\$243	\$2,916
O-2	\$993	\$887	\$106	\$1,272
O-3	\$1,060	\$971	\$89	\$1,068
O-4	\$1,246	\$1,021	\$225	\$2,700
O-5	\$1,378	\$1,037	\$341	\$4,092
O-6	\$1,389	\$1,061	\$328	\$3,936
O-7	\$1,406	\$1,082	\$324	\$3,888

Source: Strategic Planning Group, Inc., 2005

While this reduction will not significantly impact the affordability of housing, it will limit housing choice.

NORTHWEST FLORIDA REGIONAL ANALYSIS

The Northwest Florida Region includes Taylor, Madison, Jefferson, Wakulla, Leon, Franklin, Liberty, Gadsden, Gulf, Calhoun, Jackson, Bay, Washington, Holmes, Walton, Okaloosa, Santa Rosa, and Escambia counties. Defense is a major industry in this region with six major installations, one of which is the largest U.S. military reservation. Defense spending is spread evenly between procurement, personnel and retiree benefits.

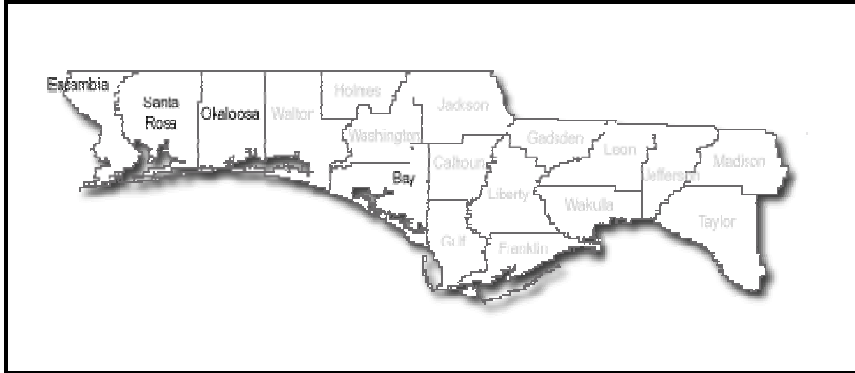
Figure 4-1. Northwest Florida Region**Northwest Florida Defense Spending**

Table 4-1 below describes expenditures for fiscal year 2002 made by the Department of Defense in Northwest Florida. The aggregate total of all expenditures was \$5.9 billion. The procurement of goods and services required \$1.7 billion, or 28.1 percent of total expenditures. An additional \$1.7 billion (28.9 percent) was used to pay the salaries and benefits of active duty and civilian employees. Transfer payments to military and civilian retirees totaled \$2.5 billion or 42.9 percent of total regional expenditures.

Table 4-1. Northwest Florida Regional Defense Spending for FY 2002 (\$millions)

County	Procurement	Transfers*	Salaries	Total
Bay	\$228.0	\$316.0	\$267.0	\$811.0
Calhoun	\$0.0	\$1.9	\$0.0	\$1.9
Escambia	\$203.0	\$978.0	\$575.0	\$1,756.0
Franklin	\$1.8	\$1.5	\$0.2	\$3.5
Gadsden	\$2.0	\$6.7	\$2.5	\$11.2
Gulf	\$0.6	\$2.1	\$0.0	\$2.7
Holmes	\$3.5	\$2.8	\$0.5	\$6.8
Jackson	\$2.3	\$7.1	\$1.0	\$10.4
Jefferson	\$0.0	\$2.0	\$0.0	\$2.0
Leon	\$40.0	\$43.8	\$14.6	\$98.4
Liberty	\$0.0	\$1.0	\$0.0	\$1.0
Madison	\$1.0	\$2.7	\$0.0	\$3.7
Okaloosa	\$1,078.3	\$1,067.4	\$798.8	\$2,944.5
Santa Rosa	\$63.0	\$100.5	\$54.5	\$218.0
Taylor	\$44.1	\$2.9	\$0.1	\$47.1
Wakulla	\$0.5	\$2.9	\$0.0	\$3.4
Walton	\$0.0	\$8.0	\$4.6	\$12.6
Washington	\$3.6	\$3.1	\$0.5	\$7.2
Total	\$1,671.7	\$2,550.4	\$1,719.3	\$5,941.4

*Represents the dollar value of entitlement payments received by military and civilian retirees and veterans.

Source: Strategic Planning Group, Inc., 2005

West Panhandle of Florida

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, Al, 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.

Figure 4-2. West Panhandle Region**Naval Air Station Pensacola**

The Pensacola Naval Complex in Escambia County 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.

NAS Pensacola also is the site of the National Museum of Naval Aviation, one of the finest air museums in the world. The Barrancas National Cemetery is located aboard the Air Station, and the National Park Service maintains several historic forts located there. NAS Pensacola has 1,034 owned buildings and 300 leased buildings located on 8,466 acres – 5,800 acres at the main installation (NAS), and the rest at other area locations including Corry Station and Saufley Field.

Figure 4-3. NAS Pensacola Market Area

The mission of NAS Pensacola is to provide superior training support and a quality environment to tenants, military and civilian personnel and their families. Department of Defense related tenant commands number over 90 and include the Naval Education and Training Command, Commander Training Air Wing SIX, Naval Aviation Schools Command, Naval Air Technical Training Center, Naval Operational Medical Institute, Navy Public Works Center and the Blue Angels located on NAS Pensacola. Naval Education and Training Professional Development and Training Center, Saufley Field and Naval Technical Training Center, Corry Station are tenants not located on NAS Pensacola.

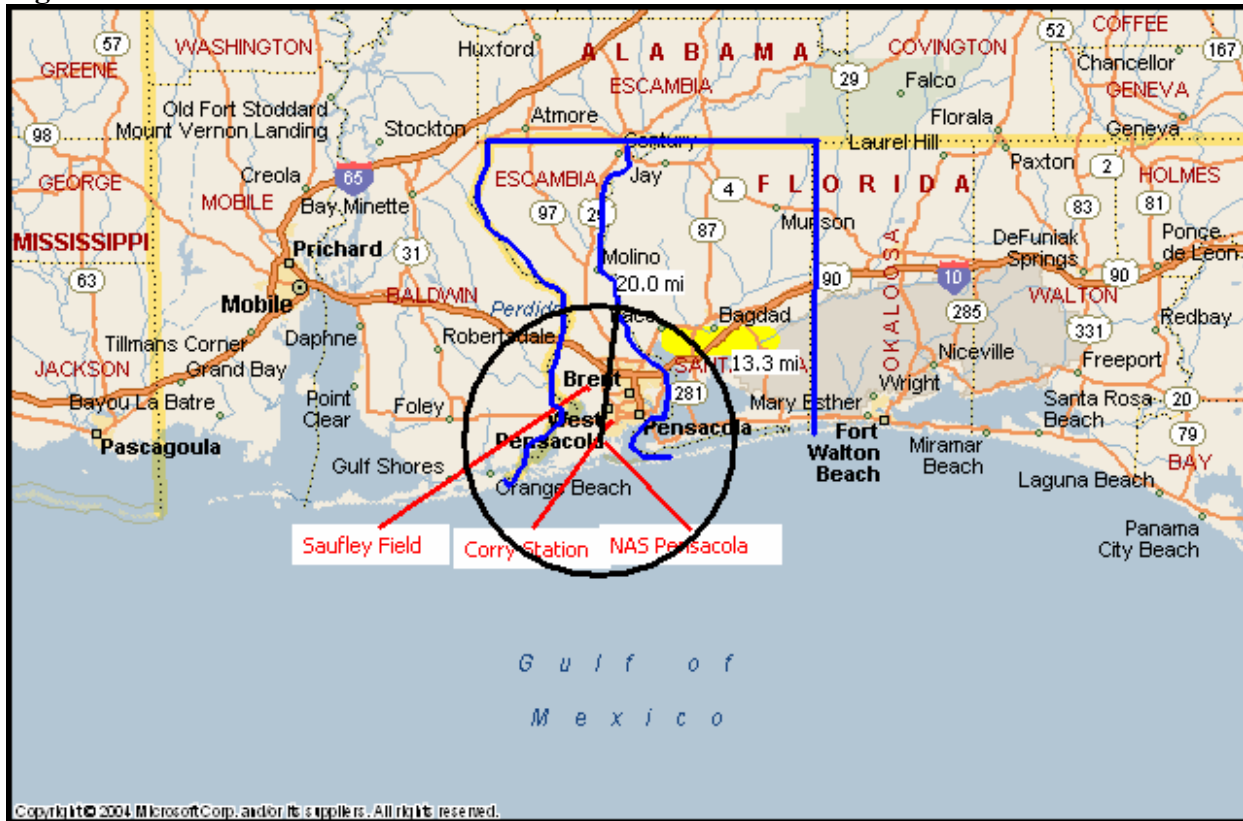
Installation Summary

NAS Pensacola, known as the "Cradle of Naval Aviation," serves as the launching point for the flight training of every Naval Aviator, Naval Flight Officer (NFO), and Enlisted Aircrew men. The traditional home of naval aviation and naval flight training, NAS Pensacola still plays a major role in that process. NAS Pensacola's primary flying organization, Training Wing Six (TRAWING 6) includes three jointly manned (Air Force and Navy personnel) U. S. Navy training squadrons, VT-4, VT-10, and VT-86, with the mission of training USN and other services' Naval Flight Officers and Navigators. These units fly a variety of aircraft, including the T-34C, T-2C, T-1A, and T-39. NAS Pensacola also serves as the home station and primary practice site for the Navy's Flight Demonstration Squadron, the Blue Angels.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 4-4. NAS Pensacola Market Area



The 20-mile radius and 60-minute, peak-hour commute includes most of the populated area of the Pensacola MSA which includes Escambia and Santa Rosa counties.

Table 4-2. Population of Escambia and Santa Rosa Counties

	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>	<i>Florida</i>
1990	262,798	81,608	344,406	12,938,071
2000	294,410	117,743	412,153	15,982,378
2003	303,310	128,889	432,199	17,071,508
2005	309,300	136,300	445,600	17,760,000
2010	323,900	155,600	479,500	19,397,400
Annual Change				
1990-2000	3,161	3,614	6,775	304,431
2000-2003	2,967	3,715	6,682	363,043
2003-2005	2,995	3,706	6,701	344,246

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

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

Table 4-3. Labor Force, Escambia and Santa Rosa Counties, 2003

Labor Force (2003)	Escambia	Santa Rosa	Total
Labor Force	125,538	55,362	180,900
% of County Population	42.4	41.6	84
Number Unemployed	5,267	2,081	7,348
Unemployment Rate	4.20%	3.8%	4.06%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 4-4. The two-county market area had an employment of 146,203 in 2002. Other services accounted for the largest share (Escambia 29.6% and Santa Rosa 31.6%), followed by Professional Services, and Health Care. Average industry wages were significantly higher in Escambia County than in Santa Rosa County. Government wages (including military) exceeded the industry average in both counties (Table 4-5).

Table 4-4. Employment in Santa Rosa and Escambia Counties

	Santa Rosa	Escambia	Florida
(2002)			
Total Employment	26,834	119,369	7,163,458
Agriculture, Natural Resources & Mining	1.4%	0.2%	1.5%
Construction & Real Estate	11.8%	8.6%	8.2%
Education Services	10.2%	10.2%	7.2%
Finance & Insurance	1.6%	2.7%	4.5%
Government (including military)	8.7%	8.3%	6.1%
Healthcare & Social Assistance	10.1%	14.8%	11.3%
Information	1.9%	3.1%	2.5%
Manufacturing	3.7%	5.3%	5.7%
Other Services ¹	31.6%	29.6%	28.1%
Professional & Business Services	15.3%	10.8%	17.0%
Transportation/Warehousing/Wholesale			
Trade	3.9%	6.3%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Table 4-5. Average Wage in Industries, 2002

(2002)	Escambia	Santa Rosa
All Industries	\$28,901	\$24,995
Agriculture, Natural Resources & Mining	\$23,898	\$36,138
Construction & Real Estate	\$29,351	\$23,430
Education Services	\$25,477	\$30,427
Finance & Insurance	\$42,008	\$32,468
Government (including military)	\$39,528	\$33,160
Healthcare & Social Assistance	\$34,379	\$28,377
Information	\$31,612	\$29,561
Manufacturing	\$40,376	\$35,651
Other Services ¹	\$17,830	\$15,560
Professional & Business Services	\$31,694	\$27,758
Transportation/Warehousing/Wholesale Trade	\$37,618	\$35,063

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Per Capita Income for Escambia and Santa Rosa counties have declined relative to the State as a whole.

Table 4-6. Per Capita Income

	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Florida</i>
2000	\$23,284	\$24,061	\$28,511
2001	\$24,419	\$24,628	\$29,247
2002	\$25,017	\$24,576	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2003, NAS Pensacola had 6,396 active-duty, permanent personnel. As shown in Table 4-7, there were 3,753 families and 2,493 unaccompanied personnel in need of housing (on- and off-installation). Enlisted ranks accounted for 4,085 (64%) of the active-duty personnel, while 2,311 (36%) were officers.

Table 4-7. Military Personnel, Family and Unaccompanied, 2003

Grade	Family	Voluntary Separations	Unaccompanied	Total Personnel
Total	3,753	150	2,493	6,396
Officers	1,136	27	1,148	2,311
O6+	88	4	18	110
W4-O5	351	16	113	480
W1-O3	697	7	1,017	1,721
Enlisted	2,617	123	1,345	4,085
E7-E9	713	34	122	869
E4-E6	1,623	62	875	2,560
E1-E3	281	27	348	656

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

The total demand for family housing by bedroom is shown in Table 4-8. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 4-8. Family Housing by Status and Bedroom, 2003

Grade	2 BR	3BR	4+BR	Family Housing Required
Total	1,454	1,608	691	3,753
Officers	426	448	262	1,136
O6+	0	0	88	88
W4-O5	0	264	87	351
W1-O3	426	184	87	697
Enlisted	1,028	1,160	429	2,617
E7-E9	0	566	147	713
E4-E6	783	560	280	1,623
E1-E3	245	34	2	281

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

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 Housing⁵⁵

According to the NAS Pensacola Housing Office,⁵⁶ NAS Pensacola had a government-controlled,⁵⁷ family housing occupancy of 751* units; 107 for officers and 644 for enlisted. The majority of those housed are E4-E6 families.

Table 4-9. Family On-Installation Housing Currently Occupied, 2003

Grade	2 BR	3 BR	4+ BR	Total*
Total	244	392	115	751
Officers	29	41	37	107
O6+	0	0	22	22
W4-O5	0	7	8	15
W1-O3	29	34	7	70
Enlisted	215	351	78	644
E7-E9	0	56	17	73
E4-E6	172	275	61	508
E1-E3	43	20	0	63

*NAS Pensacola Housing Office shows 877 family units in 2004

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Waiting List – On-Installation housing

Table 4-10 shows the most recent waiting list (December 14, 2004) for on-installation housing. The longest waiting list is only 1 to 2 months.

Table 4-10. Family On-Installation Housing Wait List (# Months)

	2 BR	3 BR	4 BR	5 BR
E1-E9	1-2	1	1	N/A
W1-O3	1-2	1-2	1-2	N/A
O4-O5	N/A	1-2	1-2	2-3

Source: NAS Pensacola Family Housing, PCS Housing Assistance Dec 14, 2004 and SPG, Inc., 2005

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

⁵⁵ 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.

⁵⁶ 2003 Housing Market Analysis, Naval Air Station Pensacola Florida, November 2003, Robert D. Niehaus, Inc.

⁵⁷ Government-owned or controlled housing is primarily on the installation itself.

5,845⁵⁸ Bachelor Enlisted Quarters (BEQ) and 784 Bachelor Officer Quarters (BOQ). By regulation, unaccompanied personnel are supposed to be housed on-installation.

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 BAH.

Off-Installation Family Housing

The Department of Navy estimates that its off-installation or “community first” family housing requirements were 3,002 families in 2003, as shown in Table 4-11.

Table 4-11. Off-Installation Family Housing Requirements, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	1,210	1,216	576	3,002
Officers	397	407	225	1,029
O6+	0	0	66	66
W4-O5	0	257	79	336
W1-O3	397	150	80	627
Enlisted	813	809	351	1,973
E7-E9	0	510	130	640
E4-E6	611	285	219	1,115
E1-E3	202	14	2	218

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, 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 Navy estimated that 1,446 military personnel owned their own homes in 2003 (Table 4-12).

Table 4-12. Military Family Homeowners, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	455	682	309	1,446
Officers	212	281	153	646
O6+	0	0	50	50
W4-O5	0	202	62	264
W1-O3	212	79	41	332
Enlisted	243	401	156	800
E7-E9	0	293	75	368
E4-E6	237	108	81	426
E1-E3	6	0	0	6

Source: Robert D. Niehaus, Inc., 2003 Pensacola Housing Analysis and SPG, Inc., 2005

⁵⁸ Most of these quarters (BEQ and BOQ) are for students and transients not permanent personnel

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 1,556 military families rented homes in 2003 (Table 4-13).

Table 4-13. Military Family Renters, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	755	534	267	1,556
Officers	185	126	72	383
O6+	0	0	16	16
W4-O5	0	55	17	72
W1-O3	185	71	39	295
Enlisted	570	408	195	1,173
E7-E9	0	217	55	272
E4-E6	374	177	138	689
E1-E3	196	14	2	212

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, 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 2,119 unaccompanied personnel residing within the community in 2003 (Table 4-14).

Table 4-14. Off-Installation Unaccompanied Housing Requirements, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	576	1,412	131	2,119
Officers	0	1,017	131	1,148
O6+	0	0	18	18
W4-O5	0	0	113	113
W1-O3	0	1,017	0	1,017
Enlisted	576	395	0	971
E7-E9	0	122	0	122
E4-E6	576	273	0	849
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 415 (Table 4-15).

Table 4-15. Unaccompanied Homeowners, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	53	271	91	415
Officers	0	154	91	245
O6+	0	0	12	12
W4-O5	0	0	79	79
W1-O3	0	154	0	154
Enlisted	53	117	0	170
E7-E9	0	34	0	34
E4-E6	53	83	0	136
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Navy to estimate that 1,704 unaccompanied military renters resided off-installation in 2003 (Table 4-16).

Table 4-16. Unaccompanied Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	523	1,141	40	1,704
Officers	0	863	40	903
O6+	0	0	6	6
W4-O5	0	0	34	34
W1-O3	0	863	0	863
Enlisted	523	278	0	801
E7-E9	0	88	0	88
E4-E6	523	190	0	713
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH,⁵⁹ that is adjusted annually to reflect local housing costs. Table 4-17 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for NAS Pensacola in 2004.⁶⁰

⁵⁹ Includes renters insurance and utilities.

⁶⁰ Required Out of Pocket expense was 3.5% in 2004 and will be 0% in 2005.

Table 4-17. BAH and MAHC with and without Dependents (2004)

<i>Grade</i>	<i>BAH With Dependents</i>	<i>MAHC</i>	<i>BAH Without Dependents</i>	<i>MAHC</i>
E-1	\$724	\$749	\$574	\$594
E-2	\$724	\$749	\$574	\$594
E-3	\$724	\$749	\$574	\$594
E-4	\$724	\$749	\$574	\$594
E-5	\$758	\$785	\$652	\$675
E-6	\$903	\$935	\$696	\$720
E-7	\$919	\$951	\$727	\$752
E-8	\$936	\$969	\$786	\$814
E-9	\$989	\$1,024	\$831	\$860
W-1	\$903	\$935	\$712	\$737
W-2	\$926	\$958	\$786	\$814
W-3	\$947	\$980	\$836	\$865
W-4	\$1,005	\$1,040	\$907	\$939
W-5	\$1,072	\$1,110	\$923	\$955
O-1	\$774	\$801	\$691	\$715
O-2	\$900	\$932	\$746	\$772
O-3	\$946	\$979	\$851	\$881
O-4	\$1,100	\$1,139	\$921	\$953
O-5	\$1,209	\$1,251	\$931	\$964
O-6	\$1,219	\$1,262	\$947	\$980
O-7	\$1,233	\$1,276	\$966	\$1,000

Source: Strategic Planning Group, Inc. 2005

Based on the most recent Navy Housing Market Assessment, the demand for family rental housing by affordability is shown in Table 4-18. Based on Navy standards, most of the family housing affordability is within the \$600-\$900 month ranges (using only BAH).

Table 4-18. Military Off-Installation Family Renters by Cost Band, 2003

<i>Monthly Rent Plus Utilities, Insurance</i>	<i>Studios</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4+ BR</i>	<i>Total</i>
>\$1400	0	0	0	0	0	0
\$1301 - \$1400	0	0	0	0	0	0
\$1201 - \$1300	0	0	0	0	1	1
\$1101 - \$1200	0	0	0	9	10	19
\$1001 - \$1100	0	0	0	21	13	34
\$901 - \$1000	0	0	29	62	20	111
\$801 - \$900	0	0	156	168	67	391
\$701 - \$800	0	0	236	182	85	503
\$601 - \$700	0	0	205	65	52	322
\$501 - \$600	0	0	129	27	19	175
\$500 and Below	0	0	0	0	0	0
Total	0	0	755	534	267	1,556

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Off-Installation Housing Shortfall

The military estimates the unmet need or “shortfall” of the local, private-sector housing by estimating the number of personnel that are currently residing in “non-suitable” rental housing. To calculate suitable demand, the Navy subtracts “unsuitable units in the market area” in order to calculate suitable supply. The Navy estimated that 33.1% of NAS Pensacola’s market area rental

housing was “unsuitable.” Then, using Housing Market Assessment reports (which include the location/rent of military residing off-installation), the Navy calculates the shortfall or the number of personnel residing in “non-suitable” conditions.

The following community housing shortfall is analyzed by Family Rental Housing shortfall and Unaccompanied (single) Rental Housing shortfall.⁶¹

Family Rental Housing Shortfall

The Navy estimated that of the total 1,556 families residing off-installation (see Table 4-13), 729 were suitably housed (see Table 4-19). Therefore, according to the Navy, there exists an 827-family rental housing shortfall in the local market (Table 4-20).

Table 4-19. Total Acceptably Housed Military Family Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	477	237	15	729
Officers	143	75	13	231
O6+	0	0	7	7
W4-O5	0	44	5	49
W1-O3	143	31	1	175
Enlisted	334	162	2	498
E7-E9	0	102	1	103
E4-E6	247	58	1	306
E1-E3	87	2	0	89

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Table 4-20. Off-Installation Military Family Rental Housing Shortfall, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	278	297	252	827
Officers	23	35	48	106
O6+	0	0	7	7
W4-O5	0	4	8	12
W1-O3	23	31	33	87
Enlisted	210	327	234	771
E7-E9	0	83	52	52
E4-E6	127	220	180	527
E1-E3	83	24	2	109

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Unaccompanied Rental Housing Shortfall

The Navy estimated that of the total 1,704 unaccompanied personnel residing off-installation (Table 4-16), 888 are assumed to be living in “suitable” housing (Table 4-21), resulting in a shortfall of 816 rental units for unaccompanied personnel (Table 4-22).

⁶¹ It should be noted that the documented shortfall is used as part of a formula to determine future on-installation requirements.

Table 4-21. Total Acceptably Housed Unaccompanied, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	298	571	19	888
Officers	0	441	19	460
O6+	0	0	3	3
W4-O5	0	0	16	16
W1-O3	0	441	0	441
Enlisted	298	130	0	428
E7-E9	0	46	0	46
E4-E6	298	84	0	382
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Table 4-22. Off-Installation Unaccompanied Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	278	278	278	816
Officers	0	193	16	209
O6+	0	0	2	2
W4-O5	0	0	14	14
W1-O3	0	193	0	193
Enlisted	141	92	0	233
E7-E9	0	25	0	25
E4-E6	141	67	0	208
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Total Military Rental Housing Shortfall (Military Methodology)

Table 4-23 combines both the family and unaccompanied shortfalls to provide an overall summary of need based on the military's methodology. However, it should be stressed that this combined table could overstate the problem of need primarily due to the stated unaccompanied need. Unaccompanied personnel can now double-up (share an apartment, condo or house) without losing any BAH. A large percentage of the unaccompanied rental demand is within the younger ranks that could upscale their rental housing by sharing unit/costs for a more expensive unit.

Table 4-23. Total Military Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	225	848	318	252	1,643
Officers	0	464	72	59	595
O6+	0	0	3	9	12
W4-O5	0	0	29	12	41
W1-O3	0	464	40	38	542
Enlisted	225	384	246	193	1,048
E7-E9	0	42	115	54	211
E4-E6	225	233	119	137	714
E1-E3	0	109	12	2	123

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005.

Without more detailed information than was released by the Navy or contained in the most recent Navy Housing Assessment, it is not possible to determine why a shortfall in off-installation housing exists (whether it is caused by price/availability or other “suitability” issues).

SPG analyzed the Navy’s off-installation shortfall with respect to whether affordability was a major issue. The only area where affordability might be an issue would be the need for E1-E3 family rental housing with three or more bedrooms. Unfortunately, it is not possible to determine the actual breakout of the shortfall by specific grade. However, by analyzing national navy demographics, SPG assumes that the vast majority of that need would be E-3s, with only 25% falling within the E1-2 grades, or four units for all bedrooms. The largest affordability issue would occur at the need for 3- and 4-bedroom units.

As stated above, because detailed information is lacking as to the specifics of why an off-installation housing shortage exists, SPG, using the Navy’s personnel data, used a standard market methodology to assess military off-installation housing need.

Affordable Housing Methodology

Federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue from the Florida Housing Finance Corporation’s (FHFC) standards. FHFC states that a household should not spend over 40% of its income on housing.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 4-24, these “adjustments” to salary result in Regular Military Compensation (RMC), which is comparable to non-military family/household income. As shown in Table 4-24, household income for military personnel residing off-installation ranges from \$24,258 (E1 unaccompanied) to \$131,631 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC. Note that only E1-E2 families fall below the 60% median local income range while E3-E4 families fall within the 61%-80% median income range. Grade O1 families fall directly on the 80% median income, upper-end range.

Table 4-24. Regular Military Compensation

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

Source: Strategic Planning Group, Inc. 2005

Note that all E1-3 singles are required to live on-installation. Therefore, of the unaccompanied personnel, only E4s and E1s fall under the 80% median area income.

Overall Market Area Rental Rates

Table 4-25 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the NAS Pensacola’s MAHC and/or FHFC’s 40% rule are competitive within the local housing market.

Table 4-25. Rental Rate Comparison Chart

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

Source: Strategic Planning Corporation, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to Pensacola’s fair market rents.

Rental Housing Market

Using the FHFC 40% approach, no military households (married or single) would fall below the local fair market rent defined by FHFC as shown in Table4-26.

Table 4-26. Military RMC and Pensacola Fair Market Rent, 2004

Grade	BAH	40%	HUD Fair Market Rent by Bedroom				
			0 BR	1 BR	2 BR	3 BR	4 BR
With Dependents			RMC				
E-1	\$724	\$900	\$436	\$477	\$542	\$691	\$741
E-2	\$724	\$967	\$436	\$477	\$542	\$691	\$741
E-3	\$724	\$1,037	\$436	\$477	\$542	\$691	\$741
E-4	\$724	\$1,169	\$436	\$477	\$542	\$691	\$741
E-5	\$758	\$1,413	\$436	\$477	\$542	\$691	\$741
E-6	\$903	\$1,665	\$436	\$477	\$542	\$691	\$741
E-7	\$919	\$1,888	\$436	\$477	\$542	\$691	\$741
E-8	\$936	\$2,049	\$436	\$477	\$542	\$691	\$741
E-9	\$989	\$2,535	\$436	\$477	\$542	\$691	\$741
W-1	\$903	\$1,539	\$436	\$477	\$542	\$691	\$741
W-2	\$926	\$1,781	\$436	\$477	\$542	\$691	\$741
W-3	\$947	\$1,992	\$436	\$477	\$542	\$691	\$741
W-4	\$1,005	\$2,479	\$436	\$477	\$542	\$691	\$741
W-5	\$1,072	\$2,901	\$436	\$477	\$542	\$691	\$741
O-1	\$774	\$1,348	\$436	\$477	\$542	\$691	\$741
O-2	\$900	\$1,874	\$436	\$477	\$542	\$691	\$741
O-3	\$946	\$2,241	\$436	\$477	\$542	\$691	\$741
O-4	\$1,100	\$2,606	\$436	\$477	\$542	\$691	\$741
O-5	\$1,209	\$2,999	\$436	\$477	\$542	\$691	\$741
O-6	\$1,219	\$3,487	\$436	\$477	\$542	\$691	\$741
O-7	\$1,233	\$4,536	\$436	\$477	\$542	\$691	\$741
Without Dependents							
E-1	\$574	\$835	\$436	\$477	\$542	\$691	\$741
E-2	\$574	\$901	\$436	\$477	\$542	\$691	\$741
E-3	\$574	\$970	\$436	\$477	\$542	\$691	\$741
E-4	\$574	\$1,101	\$436	\$477	\$542	\$691	\$741
E-5	\$652	\$1,364	\$436	\$477	\$542	\$691	\$741
E-6	\$696	\$1,568	\$436	\$477	\$542	\$691	\$741
E-7	\$727	\$1,798	\$436	\$477	\$542	\$691	\$741
E-8	\$786	\$1,978	\$436	\$477	\$542	\$691	\$741
E-9	\$831	\$2,455	\$436	\$477	\$542	\$691	\$741
W-1	\$712	\$1,451	\$436	\$477	\$542	\$691	\$741
W-2	\$786	\$1,715	\$436	\$477	\$542	\$691	\$741
W-3	\$836	\$1,937	\$436	\$477	\$542	\$691	\$741
W-4	\$907	\$2,426	\$436	\$477	\$542	\$691	\$741
W-5	\$923	\$2,819	\$436	\$477	\$542	\$691	\$741
O-1	\$691	\$1,309	\$436	\$477	\$542	\$691	\$741
O-2	\$746	\$1,802	\$436	\$477	\$542	\$691	\$741
O-3	\$851	\$2,195	\$436	\$477	\$542	\$691	\$741
O-4	\$921	\$2,511	\$436	\$477	\$542	\$691	\$741
O-5	\$931	\$2,847	\$436	\$477	\$542	\$691	\$741
O-6	\$947	\$3,338	\$436	\$477	\$542	\$691	\$741
O-7	\$966	\$4,388	\$436	\$477	\$542	\$691	\$741

Without dependents should only require studio or 1 bedroom units based on HUD standards
Source: Strategic Planning Group, Inc. 2005

Using information from the NAS Pensacola Housing Office, which compiles local housing costs for “suitable housing,” cost alone should not be an issue with respect to finding suitable rental housing for the vast majority of NAS Pensacola personnel (Table 4-27).

Ownership Housing

As shown earlier, the Navy estimates show 1,446 families owned off-installation housing in 2003 (Table 4-12). Unaccompanied personnel owned 415 residences in 2003 (Table 4-15). Table 4-28 shows the combined family and unaccompanied ownership in 2003. For purposes of Navy Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Table 4-28. Combined Homeownership, 2003

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	53	726	773	309	1,861
Officers	0	366	372	153	891
O6+	0	0	12	50	62
W4-O5	0	0	281	62	343
W1-O3	0	366	79	41	486
Enlisted	53	360	401	156	970
E7-E9	0	34	293	75	402
E4-E6	53	320	108	81	562
E1-E3	0	6	0	0	6

Source: Robert D. Niehaus, Inc., 2003 NAS Pensacola Housing Analysis and SPG, Inc., 2005

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 4-29 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$167,400 for an E1 to \$813,646 for an O7. Unaccompanied personnel could afford homes ranging from \$153,422 for an E1 to \$775,633 for an O7.

Table 4-29. Maximum Affordable Purchase Price per RMC

<i>Pensacola</i>	<i>RMC 40%</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @ 6%) 5% Downpayment</i>
With Dependents		40%	40.0%
E-1	\$27,003	\$10,801	\$156,503
E-2	\$29,021	\$11,608	\$168,195
E-3	\$31,120	\$12,448	\$180,360
E-4	\$35,059	\$14,024	\$203,192
E-5	\$42,397	\$16,959	\$245,722
E-6	\$49,942	\$19,977	\$289,451
E-7	\$56,654	\$22,662	\$328,352
E-8	\$61,463	\$24,585	\$356,220
E-9	\$76,043	\$30,417	\$440,725
W-1	\$46,185	\$18,474	\$267,673
W-2	\$53,434	\$21,374	\$309,689
W-3	\$59,767	\$23,907	\$346,395
W-4	\$74,361	\$29,744	\$430,973
W-5	\$87,022	\$34,809	\$504,354
O-1	\$40,433	\$16,173	\$234,340
O-2	\$56,232	\$22,493	\$325,902
O-3	\$67,244	\$26,898	\$389,728
O-4	\$78,190	\$31,276	\$453,168
O-5	\$89,974	\$35,990	\$521,467
O-6	\$104,606	\$41,843	\$606,269
O-7	\$136,076	\$54,430	\$788,658
Without Dependents			
E-1	\$25,058	\$10,023	\$145,230
E-2	\$27,033	\$10,813	\$156,673
E-3	\$29,100	\$11,640	\$168,656
E-4	\$33,022	\$13,209	\$191,384
E-5	\$40,933	\$16,373	\$237,238
E-6	\$47,041	\$18,816	\$272,634
E-7	\$53,946	\$21,578	\$312,654
E-8	\$59,336	\$23,734	\$343,896
E-9	\$73,664	\$29,466	\$426,936
W-1	\$43,516	\$17,407	\$252,209
W-2	\$51,458	\$20,583	\$298,238
W-3	\$58,124	\$23,249	\$336,869
W-4	\$72,787	\$29,115	\$421,852
W-5	\$84,574	\$33,830	\$490,167
O-1	\$39,274	\$15,710	\$227,620
O-2	\$54,058	\$21,623	\$313,307
O-3	\$65,837	\$26,335	\$381,575
O-4	\$75,316	\$30,126	\$436,508
O-5	\$85,407	\$34,163	\$494,997
O-6	\$100,135	\$40,054	\$580,355
O-7	\$131,631	\$52,652	\$762,897

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the NAS Pensacola market does not appear to be a problem for military personnel.

The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.⁶²

The Census shows that the market area had approximately 154,842 housing units in 2000 (Table 4-30), of which owner-occupied housing comprised 71% and rental 29%.

Table 4-30. Housing Units, 2000

	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>	
Total:	111,049	43,793	154,842	
Owner occupied	74,690	35,198	109,888	71.0%
Renter occupied	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 (Table 4-31). Total vacant rental units increased by slightly over 1,250 units between the 1990-2000 time periods.

Table 4-31. Rental Housing Trends, 1990-2000

	<i>County</i>	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>
Occupied Rental Units	1990	34,773	7,379	42,152
	2000	36,362	8,599	44,961
	Change	1,589	1,220	2,809
Vacant Rental Units	1990	4,625	723	5,348
	2000	4,868	1,736	6,604
	Change	243	1,013	1,256
Total Rental Units	1990	39,398	8,102	47,500
	2000	41,230	10,335	51,565
	Change	1,832	2,233	4,065

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

Census data for 1990 and 2000 document that Escambia and Santa Rosa counties added 872 new 1-Bedroom units (87 annually), lost 286 2-Bedroom units, and gained 1,672 new 3-or-more Bedroom units (167 annually) during the 10-year period between 1990 and 2000. Table 4-32 shows the distribution of rental units by price and bedroom count. The majority of the 2-through 3+-bedroom unit growth are those renting for \$1,000 or more per month.

Table 4-32. Comparison of Rental Units by Size and Rent in 2004 Dollars

	<i>No BR</i>			<i>1 BR</i>			<i>2 BR</i>			<i>3 or More BR</i>		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
# Units	682	1240	558	3000	3872	872	8394	8108	-286	7040	8712	1672
Under 300	162.96	188.37	25.41	262	111	-151	369	154	-215	156	40	-116
300 to 399	124.11	158.38	34.27	315	149	-166	621	277	-344	239	153	-86
400 to 499	107.58	214.28	106.7	405	216	-189	861	374	-487	349	243	-106
500 to 599	82.83	177.17	94.34	308	250	-58	776	474	-302	410	288	-122
600 to 699	82.83	91.7	8.87	78	345	267	594	737	143	575	410	-165
700 to 799	50.88	91.7	40.82	78	345	267	594	737	143	575	410	-165
800 to 899	7.54	68.45	60.91	46	236	190	346	534	188	426	489	63
900 to 999	7.83	37.45	29.62	3	92	89	15	264	249	227	594	367
1,000 & Up	55.44	212.5	157.06	5	192	187	22	503	481	563	1730	1167
Total	682	306	-376	1500	1936	436	4197	4054	-143	3520	4356	836

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

⁶² The 2003 Navy Housing Market Analysis of NAS Pensacola did not provide specific market information. All data was summarized.

Single family rental units (1 to 4 units-per-structure, excluding mobile homes) accounted for 62% of the rental market, as shown in Table 4-33.

Table 4-33. Escambia and Santa Rosa Counties Owner- and Renter-Occupied Housing, 2000

	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>	<i>%</i>
Total:	111,049	43,793	154,842	
Owner occupied:	74,690	35,198	109,888	71.0%
1, detached	64,341	28,968	93,309	84.9%
1, attached	1,766	387	2,153	2.0%
2	365	61	426	0.4%
3 or 4	537	110	647	0.6%
5 to 9	458	93	551	0.5%
10 to 19	267	50	317	0.3%
20 to 49	173	0	173	0.2%
50 or more	507	69	576	0.5%
Mobile home	6,219	5,445	11,664	10.6%
Boat, RV, van, etc.	57	15	72	0.1%
Renter occupied:	36,359	8,595	44,954	29.0%
1, detached	13,310	3,645	16,955	37.7%
1, attached	1,446	319	1,765	3.9%
2	3,440	609	4,049	9.0%
3 or 4	3,993	1,153	5,146	11.4%
5 to 9	3,550	570	4,120	9.2%
10 to 19	2,273	72	2,345	5.2%
20 to 49	1,158	153	1,311	2.9%
50 or more	3,119	124	3,243	7.2%
Mobile home	4,049	1,937	5,986	13.3%
Boat, RV, van, etc.	21	13	34	0.1%

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

In analyzing vacant units in 2000, 56.6% of the area's vacant housing was single family (1-4 units per structures, excluding mobile homes). This information is summarized in Table 4-34.

Table 4-34. Units in Structure for Vacant Housing, Escambia and Santa Rosa Counties

	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>	<i>%</i>
Total:	13,598	5,326	18,924	
1, detached	5,610	2,393	8,003	42.3%
1, attached	660	255	915	4.8%
2	641	153	794	4.2%
3 or 4	628	370	998	5.3%
5 to 9	1,005	163	1,168	6.2%
10 to 19	785	133	918	4.9%
20 to 49	835	219	1,054	5.6%
50 or more	1,667	408	2,075	11.0%
Mobile home	1,667	1,204	2,871	15.2%
Boat, RV, van, etc.	100	28	128	0.7%

Source: 2000 Census, Strategic Planning Group, Inc.

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

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 4-35. Escambia and Santa Rosa County Building Permits – 2000-2004

<i>Escambia County</i>	2000	2001	2002	2003	2004	Totals
<i>Single Family</i>	1,363	1,445	1,694	1,755	1,768	8,025
<i>Two Family</i>	48	30	20	40	38	176
<i>Three & Four Family</i>	10	0	9	6	6	31
<i>Five or More Family</i>	34	0	344	1,141	933	2,452
Total	1,455	1,475	2,067	2,942	2,745	10,684
<i>Santa Rosa County</i>						
<i>Single Family</i>	1,050	1,461	1,138	1,823	1,917	7,389
<i>Two Family</i>	2	20	8	36	38	104
<i>Three & Four Family</i>	4	0	0	0	0	4
<i>Five or More Family</i>	0	12	0	0	15	27
Total	1,056	1,483	1,146	1,859	1,970	7,514
<i>Market Area</i>						
<i>Single Family</i>	2,413	2,906	2,832	3,578	3,685	15,414
<i>Two Family</i>	50	50	28	76	76	280
<i>Three & Four Family</i>	14	0	9	6	6	35
<i>Five or More Family</i>	34	12	344	1,141	948	2,479
Market Area Total	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 market area had a “suitable rental supply” of 33,722 units as of 2003.

Table 4-36. NAS Pensacola Suitable Rental Market

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

Source: 2003 NAS Pensacola Housing Market Analysis, November 2003

Owner-Occupied Housing

As shown in Table 4-33, 98.5% of the market area’s owner-occupied housing 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. MLS data for NAS Pensacola market are shown

in Table 4-37. Median Price for a 2-bedroom home was \$51,000, \$93,500 for a 3-bedroom home, and \$265,000 for a 4-bedroom home.

Table 4-37. Single Family Housing Multiple Listing Data – December 2004

<i>Unit Type</i>	<i>Avail. Units</i>	<i>Median Price</i>	<i>Avg. Price</i>	<i>Price Range</i>	<i>Avg. Size sq. ft.</i>
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

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Escambia and Santa Rosa counties Fair Market Rent trends over the 2001-2004 time period.

Local Rental Rate Trends

Table 4-38 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than the State as a whole.

Table 4-38. Rental Rate Change by Bedroom, 2001-2004

<i>Escambia/Santa Rosa Counties</i>	<i>0 BR</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
% Change	12.8%	12.4%	10.0%	19.3%	22.5%
State of Florida % Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Escambia and Santa Rosa County area showed a 34% increase in the cost of single family homes during the 2001-2004 time periods.

Table 4-39. Home Sales Price, 2001-2003

<i>Year</i>	<i>Price</i>
2001	\$101,400
2002	\$114,300
2003	\$117,200
2004	\$136,300
Change	34.4%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

According to Census data, the Pensacola Metropolitan Area had a 2.3% single-family ownership vacancy rate in 2003.⁶³ The local rental vacancy rate was 11.6%. There are sufficient vacant housing units within the market area (2,693 for sale and 6,302 for rent) to accommodate the military off-installation housing needs. Due to recent hurricanes impacting the area, some dislocation has probably occurred (a short-time disruption to the inventory).

⁶³ 2003 NAS Pensacola Housing Assessment, November 2003.

Local Area Population Growth

The Pensacola market is projected to continue to experience a 1.6% growth rate annually over the planning period (2008).⁶⁴ The market area is projected to add an additional 6,715 new residents and 2,798 new residential housing units (owner and rental) during the 2000-2008 time periods, as shown in Table 4-40.

Table 4-40. NAS Pensacola Market Area Population Projections

	2000	2003	2004	2005	2008	2000-2008 Annual Change	Households @ 2.4 pph
Escambia	294,410	303,310	306,497	309,318	318,015	2,951	1,229
Santa Rosa	117,743	128,889	132,635	136,338	147,855	3,764	1,568
Total	412,153	432,199	439,132	445,656	465,870	6,715	2,798
Average Annual Growth Rate 2000-2008						1.6%	

Source: UF BEBR 2004, Strategic Planning Group, Inc., 2005

Future Military Demand

The NAS Pensacola Housing Assessment-2003, Final Report, November 2003 shows a slight increase in installation manpower loading of six personnel, or a total of 6,402 active-duty personnel stationed at NAS Pensacola in 2008. This figure does not take into account possible changes to the installation as a result of the 2005 BRAC.

According to Navy documents, NAS Pensacola would have a need for only 410 family housing units (loss of 341 units) and 389 unaccompanied units (a gain of 15) on-installation.

Military Rental Housing Projections

In 2008, the Navy projects there would be a need for 798 personnel to reside on-installation (410 in family housing and 389 in unaccompanied housing).

The number of military families needing off-installation rental housing is projected at 1,943 and unaccompanied at 1,533. This represents a gain of 387 family rental units and 171 unaccompanied rental units.

According to the Navy's housing assessment, the military family off-installation shortfall is 877 units (a gain of 50 units). Unaccompanied housing shortfall is projected to be 442 units (a reduction of 374 units).

Table 4-41. Total Off-Installation Family and Unaccompanied Shortfall, 2008

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	141	518	378	282	1,319
Officers	0	216	51	48	315
O6+	0	0	2	7	9
W4-O5	0	0	18	8	26
W1-O3	0	216	31	33	280
Enlisted	141	302	327	234	1,004
E7-E9	0	25	83	52	160
E4-E6	141	194	220	180	735
E1-E3	0	83	24	2	109

Source: Robert D. Niehaus, Inc. 2004; Strategic Planning Group, Inc. 2005

⁶⁴ This is the time-frame for the NAS Pensacola Housing Assessment (5 year growth from 2003 base year).

Findings

The Department of Navy’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 \$899 to \$1,064, and for unaccompanied E4-E6 range, it was \$707 to \$847. The NAS Pensacola market 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 4-42, 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’s standard of affordable rental income of 40%, the only families that might encounter a problem are the E1-E3 in need of 4-bedroom rentals, all others families should not have a problem securing affordable rental housing.

Table 4-42. Distribution of Military Family Renters % of By Local Median Income (2004)

<i>Range of Median</i>	<i>RMC-2004</i>	<i>% Median</i>	<i>Family Households</i>	<i>On Base</i>	<i>Off Base Renters</i>	<i>Affordable Rent Mthly</i>	<i>Rental Need</i>		
							<i>2-BR</i>	<i>3-BR</i>	<i>4-BR</i>
			2003			40%	\$670	\$855	\$1,300
0-30% Median			None						
31%-60% Median									
<i>E1</i>	\$27,003	53.3%	37	8	28	\$900	28	0	0
<i>E2</i>	\$29,021	57.2%	71	16	54	\$967	54	0	0
Total E1-E2			109	24	82		82	0	0
61%-80% Median									
<i>E3</i>	\$31,120	61.4%	172	39	130	\$1,037	130	0	0
<i>E4</i>	\$35,059	69.1%	524	164	223	\$1,169	223	0	0
Total E3-4			696	203	353		353	0	0
<i>O1</i>	\$40,433	79.8%	138	14	58	\$1,348	58	0	0
Total			943	241	493		493	0	0

Source:

Strategic Planning Group, Inc. 2005

Likewise, unaccompanied military personnel residing off-installation 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 as shown in Table 4-43.

Table 4-43. Distribution of Military Single Household Renters By % of Local Median Income (2004)

Range of Median	RMC-2004	% Median	Single Households	On Base	Off Base Renters	Affordable Rent	1 Bedroom	2 Bedroom
0-30% Median						40%	\$550	\$670
none								
31% -60% Median								
E1	\$25,058	49%	27	27	0	\$835	Housed on base	
E2	\$27,033	53%	12	12	0	\$901		
E3	\$29,100	57%	12	12	0	\$970		
Total E1-E3			51	51	0		Housed on base	
61-80% Median								
E4	\$33,022	65%	424	0	424	\$1,101	424	
O1	\$39,274	77%	470	0	470	\$1,309		470
Total E4+O1			894	0	894		424	470
Total			945	51	894		424	470

Source: Strategic Planning Group, Inc. 2005

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money

Housing sales costs have increased at an annual rate of 9.4% for the local area compared to 8.4% nationally. While the rate of growth has exceeded national trends, the average sales price for a home in Pensacola (\$136,300) in 2004, is still significantly less than the national average (\$268,100).

The local 2004 Fair Market Rents for a two-bedroom unit (\$563) and for a three-bedroom unit (\$816) compare favorably with national average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

Because BAH rates are adjusted annually to local market conditions 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.

Naval Air Station Whiting Field

Installation Summary

Naval Air Station Whiting Field in Milton, Florida, is the busiest Naval Air Station in the world, responsible for an estimated 46% of the Chief of Naval Air Command's total flight time and over 10% 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.

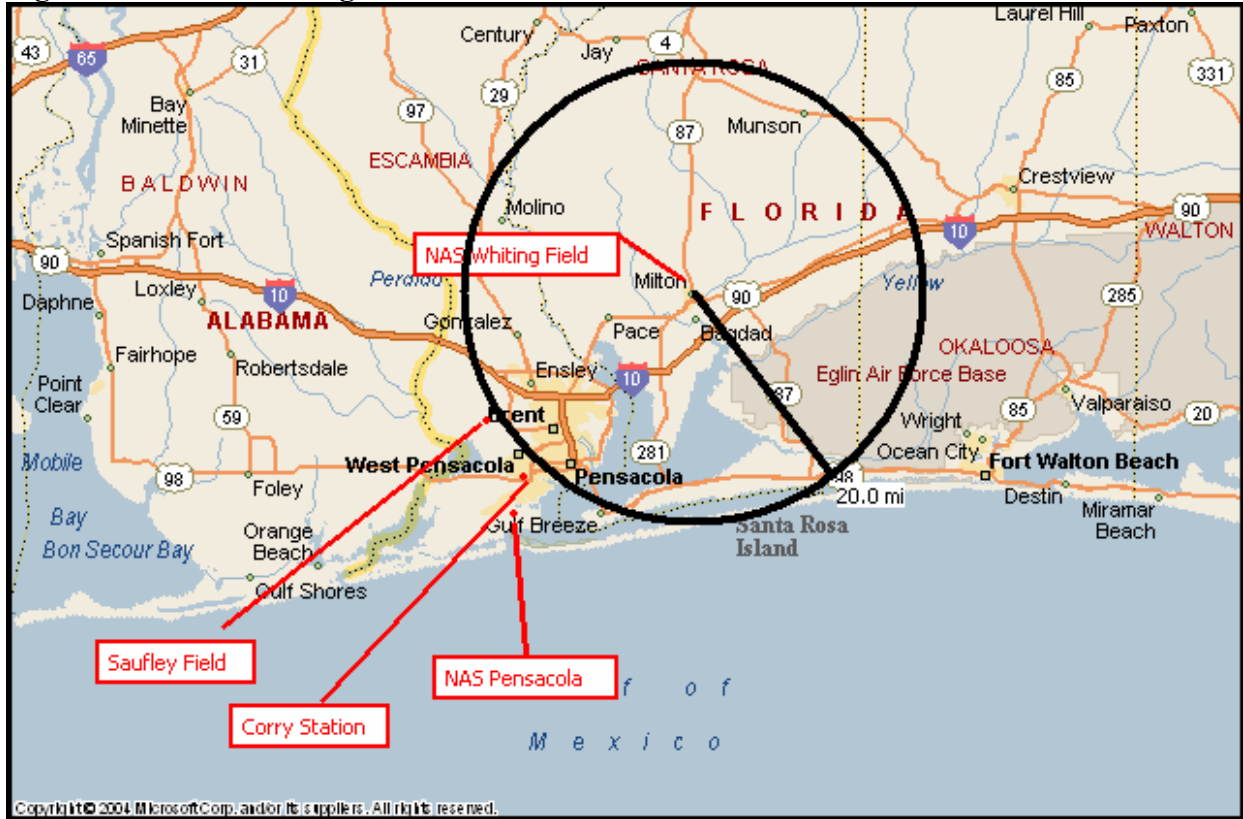
This installation hosts Training Wing Five (TRAWING 5) and its fixed wing primary training squadrons VT-2, VT-3, VT-6 and helicopter training squadron HT-8. While relatively free from aeronautical encroachment, the area is experiencing the growth characteristic of Florida in both sheer numbers and changing demographics. As a result, unconstrained use of navy aviation facilities is being challenged.



Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 5-1. NAS Whiting Field Market Area



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 1980, averaging around 6,775 new persons per year during the 1990-2000 year period. Growth over 2000-2004 increased at an annual rate of approximately 6,700 persons per year.

Table 5-1. Population of Escambia and Santa Rosa Counties

	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>	<i>Florida</i>
1990	262,798	81,608	344,406	12,938,071
2000	294,410	117,743	412,153	15,982,378
2003	303,310	128,889	432,199	17,071,508
2005	309,300	136,300	445,600	17,760,000
2010	323,900	155,600	479,500	19,397,400
Annual Change				
1900-2000	3,161	3,614	6,775	304,431
2000-2003	2,967	3,715	6,682	363,043
2003-2005	2,995	3,706	6,701	344,246

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

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%.

Table 5-2. Labor Force, Escambia and Santa Rosa Counties, 2003

Labor Force (2003)	Escambia	Santa Rosa	Total
Labor Force	125,538	55,362	180,900
% of County Population	42.4	41.6	84
Number Unemployed	5,267	2,081	7,348
Unemployment Rate	4.20%	3.8%	4.06%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 5-3. 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.

Table 5-3. Employment in Santa Rosa and Escambia Counties

	Escambia	Santa Rosa	Florida
(2002)			
Total Employment	119,369	26,834	7,163,458
Agriculture, Natural Resources & Mining	0.2%	1.4%	1.5%
Construction & Real Estate	8.6%	11.8%	8.2%
Education Services	10.2%	10.2%	7.2%
Finance & Insurance	2.7%	1.6%	4.5%
Government (including military)	8.3%	8.7%	6.1%
Healthcare & Social Assistance	14.8%	10.1%	11.3%
Information	3.1%	1.9%	2.5%
Manufacturing	5.3%	3.7%	5.7%
Other Services ¹	29.6%	31.6%	28.1%
Professional & Business Services	10.8%	15.3%	17.0%
Transportation/Warehousing/Wholesale Trade	6.3%	3.9%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Average industry wages were significantly higher in Escambia County than in Santa Rosa County. Government wages (including military) exceeded the industry average in both counties (Table 5-4).

Table 5-4. Average Wage in Industries, 2002

Average Wage In Industry (2002)	Santa Rosa	Escambia
All Industries	\$24,995	\$28,901
Agriculture, Natural Resources & Mining	\$36,138	\$23,898
Construction & Real Estate	\$23,430	\$29,351
Education Services	\$30,427	\$25,477
Finance & Insurance	\$32,468	\$42,008
Government (including military)	\$33,160	\$39,528
Healthcare & Social Assistance	\$28,377	\$34,379
Information	\$29,561	\$31,612
Manufacturing	\$35,651	\$40,376
Other Services ¹	\$15,560	\$17,830
Professional & Business Services	\$27,758	\$31,694
Transportation/Warehousing/Wholesale Trade	\$35,063	\$37,618

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Per Capita Income has declined in both counties, relative to the State as a whole. Both Counties' per capita income was slightly under the State average (Table 5-5).

Table 5-5. Per Capita Income

	<i>Santa Rosa</i>	<i>Escambia</i>	<i>Florida</i>
2000	\$24,061	\$23,284	\$28,511
2001	\$24,628	\$24,419	\$29,247
2002	\$24,576	\$25,017	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2003, NAS Whiting Field had 1,388 active-duty, permanent personnel. As shown in Table 5-6, 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.

Table 5-6. Military Personnel, Family and Unaccompanied, 2003

<i>Grade</i>	<i>Family</i>	<i>Voluntary Separations</i>	<i>Unaccompanied</i>	<i>Total Personnel</i>
Total	720	16	652	1388
Officers	504	8	531	1043
O6+	0	3	0	3
W4-O5	89	2	15	106
W1-O3	415	3	516	934
Enlisted	216	8	121	345
E7-E9	29	1	5	35
E4-E6	175	7	97	279
E1-E3	12	0	19	31

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

The total demand for family housing by bedroom is shown in Table 5-7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 5-7. Family Housing by Status and Bedroom, 2003

<i>Grade</i>	<i>2 BR</i>	<i>3BR</i>	<i>4+BR</i>	<i>Family Housing Required</i>
Total	348	285	87	720
Officers	281	162	61	504
O6+	0	0	0	0
W4-O5	0	68	21	89
W1-O3	281	94	40	415
Enlisted	67	123	26	216
E7-E9	0	24	5	29
E4-E6	64	90	21	175
E1-E3	3	9	0	12

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field 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 Housing⁶⁵

According to the NAS Whiting Field Housing Office,⁶⁶ NAS Whiting Field had a government-controlled,⁶⁷ family housing occupancy of 329 units; 157 for officers and 172 for enlisted. The majority of those housed are E4-E6 families.

Table 5-8. Family On-Installation Housing Currently Occupied, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	67	143	34	244
Officers	47	49	16	112
O6+	0	0	0	0
W4-O5	0	2	2	4
W1-O3	47	47	14	108
Enlisted	20	94	18	132
E7-E9	0	10	2	12
E4-E6	17	75	16	108
E1-E3	3	9	0	12

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

Waiting List – On-Installation housing

Table 5-9 shows the most recent waiting list (December 14, 2004) for on-installation housing. As shown, the longest waiting list is for 3 and 4-bedroom units for O4-O5 personnel.

Table 5-9. Family On-Installation Housing Wait List (# Months)

	2 BR	3 BR	4 BR	5 BR
E1-E9	0-1	0	0	N/A
W1-O3	0	0	0	N/A
O4-O5	N/A	2-3	2-3	N/A

Source: NAS Whiting Field Family Housing, PCS Housing Assistance Dec 1, 2004

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 Whiting Field had 243 Bachelor Enlisted Quarters (BEQ) and 123 Bachelor Officer Quarters (BOQ).

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

⁶⁵ 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.

⁶⁶ 2003 Housing Market Analysis, Naval Air Station Whiting Field Florida, Nov. 2003, Robert D. Niehaus, Inc.

⁶⁷ Government-owned or controlled housing is primarily on the installation itself.

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

Off-Installation Family Housing

The Department of Navy estimates that its off-installation or “community first” family housing requirements were 476 families in 2003, as shown in Table 5-10.

Table 5-10. Off-Installation Family Housing Requirements, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	281	142	53	476
Officers	234	113	45	392
O6+	0	0	0	0
W4-O5	0	66	19	85
W1-O3	234	47	26	307
Enlisted	47	29	8	84
E7-E9	0	14	3	17
E4-E6	47	15	5	67
E1-E3	0	0	0	0

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

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 231 military personnel owned their housing in 2003 (Table 5-11).

Table 5-11. Military Family Homeowners, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	120	82	29	231
Officers	100	62	24	186
O6+	0	0	0	0
W4-O5	0	45	13	58
W1-O3	100	17	11	128
Enlisted	20	20	5	45
E7-E9	0	12	3	15
E4-E6	20	8	2	30
E1-E3	0	0	0	0

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

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 245 military families rented homes in 2003 (Table 5-12).

Table 5-12. Military Family Renters, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	161	60	24	245
Officers	134	51	21	206
O6+	0	0	0	0
W4-O5	0	21	6	27
W1-O3	134	30	15	179
Enlisted	27	9	3	39
E7-E9	0	2	0	2
E4-E6	27	7	3	37
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field 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 630 unaccompanied personnel residing within the community in 2003.

Table 5-13. Off-Installation Unaccompanied Housing Requirements, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	78	537	15	630
Officers	0	516	15	531
O6+	0	0	0	0
W4-O5	0	0	15	15
W1-O3	0	516	0	516
Enlisted	78	21	0	99
E7-E9	0	5	0	5
E4-E6	78	16	0	94
E1-E3	0	0	0	0

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

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 76 personnel (Table 5-14).

Table 5-14. Unaccompanied Homeowners, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	11	57	8	76
Officers	0	49	8	57
O6+	0	0	0	0
W4-O5	0	0	8	8
W1-O3	0	49	0	49
Enlisted	11	8	0	19
E7-E9	0	3	0	3
E4-E6	11	5	0	16
E1-E3	0	0	0	0

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

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Navy to estimate that 554 unaccompanied military renters resided off-installation in 2003 (Table 5-15).

Table 5-15. Unaccompanied Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	67	480	7	554
Officers	0	467	7	474
O6+	0	0	0	0
W4-O5	0	0	7	7
W1-O3	0	467	0	467
Enlisted	67	13	0	80
E7-E9	0	2	0	2
E4-E6	67	11	0	78
E1-E3	0	0	0	0

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

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH⁶⁸ that is adjusted annually to reflect local housing costs. Table 5-16 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for NAS Whiting Field in 2004.

Table 5-16. BAH and MAHC with and without Dependents (2004)

Grade	BAH With Dependents	MAHC	BAH Without Dependents	MAHC
E-1	\$724	\$749	\$574	\$594
E-2	\$724	\$749	\$574	\$594
E-3	\$724	\$749	\$574	\$594
E-4	\$724	\$749	\$574	\$594
E-5	\$758	\$785	\$652	\$675
E-6	\$903	\$935	\$696	\$720
E-7	\$919	\$951	\$727	\$752
E-8	\$936	\$969	\$786	\$814
E-9	\$989	\$1,024	\$831	\$860
W-1	\$903	\$935	\$712	\$737
W-2	\$926	\$958	\$786	\$814
W-3	\$947	\$980	\$836	\$865
W-4	\$1,005	\$1,040	\$907	\$939
W-5	\$1,072	\$1,110	\$923	\$955
O-1	\$774	\$801	\$691	\$715
O-2	\$900	\$932	\$746	\$772
O-3	\$946	\$979	\$851	\$881
O-4	\$1,100	\$1,139	\$921	\$953
O-5	\$1,209	\$1,251	\$931	\$964
O-6	\$1,219	\$1,262	\$947	\$980
O-7	\$1,233	\$1,276	\$966	\$1,000

Source: Strategic Planning Group, Inc. 2005

⁶⁸ Includes renters insurance and utilities.

Based on the most recent Navy Housing Market Assessment, the demand for family rental housing by affordability is shown in Table 5-17. Based on Navy standards, most of the family housing affordability is within the \$700-\$900 month ranges (using only BAH).

Table 5-17. Military Off-Installation Family Renters by Cost Band, 2003

Monthly Rent Plus Utilities, Insurance	Studios	1 BR	2 BR	3 BR	4+ BR	Total
>\$1400	0	0	0	0	0	0
\$1301 - \$1400	0	0	0	0	0	0
\$1201 - \$1300	0	0	0	0	0	0
\$1101 - \$1200	0	0	0	1	1	2
\$1001 - \$1100	0	0	0	8	2	10
\$901 - \$1000	0	0	13	12	4	29
\$801 - \$900	0	0	62	21	7	90
\$701 - \$800	0	0	64	16	7	87
\$601 - \$700	0	0	17	2	3	22
\$501 - \$600	0	0	5	0	0	5
\$500 and Below	0	0	0	0	0	0
Total	0	0	161	60	24	245

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

Off-Installation (Private Sector) Housing Shortfall

The military estimates the unmet need or “shortfall” of the local, private-sector housing by estimating the number of personnel that are currently residing in “non-suitable” rental housing. To calculate suitable demand, the Navy subtracts “unsuitable” units in the market area in order to calculate suitable supply. The Navy estimated that 37.5% of NAS Whiting Field’s market area rental housing was “unsuitable”. This was measured by subtracting 26.7% of the non-mobile home rental demand⁶⁹ and all the mobile home market (10.8%). Then, using Housing Market Assessment reports (which include the location/rent of military residing off-installation), the Navy calculates the shortfall or the number of personnel residing in “non-suitable” conditions.

The following community housing shortfall is analyzed by Family Rental Housing shortfall and Unaccompanied (single) Rental Housing shortfall.⁷⁰

Family Rental Housing Shortfall

The Navy estimated that of the 245 total families residing off-installation (see Table 5-12), 143 were suitably housed (see Table 5-18). Therefore, according to the Navy, there exists a 102-family rental housing shortfall in the local market (Table 5-19).

⁶⁹ This is a subjective analysis reported to use 2000 Census data as to deficiencies of age of housing stock, and other factors including quality of housing in the area.

⁷⁰ It should be noted that the documented shortfall is used as part of a formula to determine future on-installation requirements.

Table 5-18. Total Acceptably Housed Military Family Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	112	28	3	143
Officers	98	24	3	125
O6+	0	0	0	0
W4-O5	0	13	3	16
W1-O3	98	11	0	109
Enlisted	14	4	0	18
E7-E9	0	1	0	1
E4-E6	14	3	0	17
E1-E3	0	0	0	0

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

Table 5-19. Off-Installation Military Family Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	49	32	21	102
Officers	36	27	18	81
O6+	0	0	0	0
W4-O5	0	8	3	11
W1-O3	36	19	15	70
Enlisted	13	5	3	21
E7-E9	0	1	0	1
E4-E6	13	4	3	20
E1-E3	0	0	0	0

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

Unaccompanied Rental Housing Shortfall

The Navy estimated that of the total 630 unaccompanied personnel residing off-installation, 554 of which are renters (Table 5-15), 256 are assumed to be living in “suitable” housing (Table 5-20), resulting in a shortfall of 298 rental units for unaccompanied personnel (Table 5-21).

Table 5-20. Total Acceptably Housed Unaccompanied Military Personnel, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	37	215	4	256
Officers	0	211	4	215
O6+	0	0	0	0
W4-O5	0	0	4	4
W1-O3	0	211	0	211
Enlisted	37	4	0	41
E7-E9	0	0	0	0
E4-E6	37	4	0	41
E1-E3	0	0	0	0

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

Table 5-21. Off-Installation Unaccompanied Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	30	265	3	298
Officers	0	256	3	259
O6+	0	0	0	0
W4-O5	0	0	3	3
W1-O3	0	256	0	256
Enlisted	30	9	0	39
E7-E9	0	2	0	2
E4-E6	30	7	0	37
E1-E3	0	0	0	0

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

Total Military Rental Housing Shortfall (Military Methodology)

Table 5-22 combines both the family and unaccompanied shortfalls to provide an overall summary of need based on the military's methodology. However, it should be stressed that this combined table could overstate the problem of need primarily due to the unaccompanied need. Unaccompanied personnel can now double-up (share an apartment, condo or house) without losing any BAH. A large percentage of the unaccompanied rental demand is within the younger ranks that could also upscale their rental housing by sharing unit/costs for a more expensive unit.

Table 5-22. Total Military Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	79	297	24	400
Officers	36	283	21	340
O6+	0	0	0	0
W4-O5	0	8	6	14
W1-O3	36	275	15	326
Enlisted	43	14	3	60
E7-E9	0	3	0	3
E4-E6	43	11	3	57
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field Housing Analysis and SPG, Inc., 2005.

Without more detailed information than was released by the Navy or contained in the most recent Navy Housing Assessment, it is not possible to determine why a shortfall in off-installation housing exists (whether it is caused by price/availability or other "suitability" issues).

SPG analyzed the Navy's off-installation shortfall with respect to whether affordability was a major issue. The only area where affordability might be an issue would be the need for E1-E3 family rental housing with three or more bedrooms. Unfortunately, it is not possible to determine the actual breakout of the shortfall by specific grade.

As stated above, because detailed information is lacking as to the specifics of why an off-installation housing shortage exists, SPG, using the Navy's personnel data, used a standard market methodology to assess military off-installation housing need.

Affordable Housing Methodology

Federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the "military affordability" or

cost issue from the Florida Housing Finance Corporation’s (FHFC) standards. The FHFC standard states that a household should not spend over 40% of its income on housing.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 5-23, 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 \$24,258 (E1 unaccompanied) to \$129,532 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

Table 5-23. 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	\$5,603	\$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%
Without Dependents										
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	\$5,603	\$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%

Source: Strategic Planning Group, Inc. 2005

As shown in Table 5-23, E1-E4s and O1 families fall at or below 80% of the area’s median income, while none fall below the 50% median figure. For singles, all E1-E3 singles are required to live on-installation. Therefore, of the unaccompanied personnel, E4s and O1s fall under the 80% median area income.

Overall Market Area Rental Rates

Table 5-24 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the NAS Whiting Field MAHC and/or FHFC-40% rule are competitive within the local housing market.

Table 5-24 Rental Rate Comparison Chart

<i>Bedrooms</i>	<i>HUD [1]</i>	<i>NHA 2003 [2]</i>	<i>NAS Housing Office [3]</i>	
0	\$436	\$0	-	-
1	\$477	\$499	\$400	-
2	\$542	\$625	\$425	\$500
3	\$691	\$750	\$625	\$755
4	\$741	\$1,050	\$950	-

Footnotes
 [1] HUD 2004 Fair Market Rents
 [2] Robert D. Niehaus, Inc., NAS Whiting 2003 Housing Market Analysis
 [3] Updated Dec 3, 2004

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to Santa Rosa County’s fair market rents.

Rental Housing Market

Using the FHFC 40% approach, no military households fall below the local fair market rent defined by HUD as shown in Table 5-25.

Table 5-25. Military RMC and Pensacola Fair Market Rent, 2004

Grade	BAH	40% RMC	HUD Fair Market Rent by Bedroom				
			0 BR	1 BR	2 BR	3 BR	4 BR
With Dependents							
E-1	\$724	\$900	\$436	\$477	\$542	\$691	\$741
E-2	\$724	\$967	\$436	\$477	\$542	\$691	\$741
E-3	\$724	\$1,037	\$436	\$477	\$542	\$691	\$741
E-4	\$724	\$1,169	\$436	\$477	\$542	\$691	\$741
E-5	\$758	\$1,413	\$436	\$477	\$542	\$691	\$741
E-6	\$903	\$1,665	\$436	\$477	\$542	\$691	\$741
E-7	\$919	\$1,888	\$436	\$477	\$542	\$691	\$741
E-8	\$936	\$2,049	\$436	\$477	\$542	\$691	\$741
E-9	\$989	\$2,535	\$436	\$477	\$542	\$691	\$741
W-1	\$903	\$1,539	\$436	\$477	\$542	\$691	\$741
W-2	\$926	\$1,781	\$436	\$477	\$542	\$691	\$741
W-3	\$947	\$1,992	\$436	\$477	\$542	\$691	\$741
W-4	\$1,005	\$2,479	\$436	\$477	\$542	\$691	\$741
W-5	\$1,072	\$2,901	\$436	\$477	\$542	\$691	\$741
O-1	\$774	\$1,348	\$436	\$477	\$542	\$691	\$741
O-2	\$900	\$1,874	\$436	\$477	\$542	\$691	\$741
O-3	\$946	\$2,241	\$436	\$477	\$542	\$691	\$741
O-4	\$1,100	\$2,606	\$436	\$477	\$542	\$691	\$741
O-5	\$1,209	\$2,999	\$436	\$477	\$542	\$691	\$741
O-6	\$1,219	\$3,487	\$436	\$477	\$542	\$691	\$741
O-7	\$1,233	\$4,536	\$436	\$477	\$542	\$691	\$741
Without Dependents							
E-1	\$574	\$835	\$436	\$477	\$542	\$691	\$741
E-2	\$574	\$901	\$436	\$477	\$542	\$691	\$741
E-3	\$574	\$970	\$436	\$477	\$542	\$691	\$741
E-4	\$574	\$1,101	\$436	\$477	\$542	\$691	\$741
E-5	\$652	\$1,364	\$436	\$477	\$542	\$691	\$741
E-6	\$696	\$1,568	\$436	\$477	\$542	\$691	\$741
E-7	\$727	\$1,798	\$436	\$477	\$542	\$691	\$741
E-8	\$786	\$1,978	\$436	\$477	\$542	\$691	\$741
E-9	\$831	\$2,455	\$436	\$477	\$542	\$691	\$741
W-1	\$712	\$1,451	\$436	\$477	\$542	\$691	\$741
W-2	\$786	\$1,715	\$436	\$477	\$542	\$691	\$741
W-3	\$836	\$1,937	\$436	\$477	\$542	\$691	\$741
W-4	\$907	\$2,426	\$436	\$477	\$542	\$691	\$741
W-5	\$923	\$2,819	\$436	\$477	\$542	\$691	\$741
O-1	\$691	\$1,309	\$436	\$477	\$542	\$691	\$741
O-2	\$746	\$1,802	\$436	\$477	\$542	\$691	\$741
O-3	\$851	\$2,195	\$436	\$477	\$542	\$691	\$741
O-4	\$921	\$2,511	\$436	\$477	\$542	\$691	\$741
O-5	\$931	\$2,847	\$436	\$477	\$542	\$691	\$741
O-6	\$947	\$3,338	\$436	\$477	\$542	\$691	\$741
O-7	\$966	\$4,388	\$436	\$477	\$542	\$691	\$741

Personnel without dependents should require only studio or 1 bedroom units based on HUD standards.

Source: Strategic Planning Group, Inc. 2005

Using information from the NAS Whiting Field Housing Office, which compiles local housing costs for “suitable housing,” cost alone should not be an issue with respect to finding suitable rental housing for NAS Whiting Field personnel (Table 5-26).

Table 5-26. Rental Housing Costs, Pensacola Market Area, 2004

Grade	BAH	40%	HUD Fair Market Rent by Bedroom					NAS Whiting Apartment Market Area Data					NAS Whiting Condominium Market Area					NAS Whiting Townhouse Market Area Data					NAS Whiting House Market Area Data												
			With Dependents	RMC	0 BR	1 BR	2 BR	3 BR	4 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities	1 BR	2 BR	3 BR	4 BR	5 BR	Utilities		
E-1	\$724	\$900	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-2	\$724	\$967	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-3	\$724	\$1,037	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-4	\$724	\$1,169	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-5	\$758	\$1,413	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-6	\$903	\$1,665	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-7	\$919	\$1,888	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-8	\$936	\$2,049	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-9	\$989	\$2,535	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-1	\$903	\$1,539	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-2	\$926	\$1,781	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-3	\$947	\$1,992	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-4	\$1,005	\$2,479	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-5	\$1,072	\$2,901	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-1	\$774	\$1,348	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-2	\$900	\$1,874	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-3	\$946	\$2,241	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-4	\$1,100	\$2,606	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-5	\$1,209	\$2,999	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-6	\$1,219	\$3,487	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-7	\$1,233	\$4,536	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
Without Dependents																																			
E-1	\$574	\$835	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-2	\$574	\$901	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-3	\$574	\$970	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-4	\$574	\$1,101	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-5	\$652	\$1,364	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-6	\$696	\$1,568	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-7	\$727	\$1,798	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-8	\$786	\$1,978	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
E-9	\$831	\$2,455	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-1	\$712	\$1,451	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-2	\$786	\$1,715	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-3	\$836	\$1,937	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-4	\$907	\$2,426	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
W-5	\$923	\$2,819	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-1	\$691	\$1,309	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-2	\$746	\$1,802	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-3	\$851	\$2,195	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-4	\$921	\$2,511	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-5	\$931	\$2,847	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-6	\$947	\$3,338	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190
O-7	\$966	\$4,388	\$436	\$477	\$542	\$691	\$741	\$400	\$500	\$695	na	na	\$75	\$125	na	\$500	na	na	na	na	na	na	\$425	\$625	na	na	\$100	\$175	na	\$500	\$755	\$950	na	\$125	\$190

Based on Table 5-26, there are no income ranges, either the BAH or 40% of RMC, that do not correspond to existing rental prices.

Ownership Housing

As shown earlier, the Navy estimates show 231 families owned off-installation housing in 2003 (Table 5-11). Unaccompanied personnel owned 76 residences in 2003 as shown in Table 5-14. Table 5-27 shows the combined family and unaccompanied homeownership in 2003. For purposes of Navy Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Table 5-27. Combined Homeownership, 2003

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	11	177	90	29	307
Officers	0	149	70	24	243
O6+	0	0	0	0	0
W4-O5	0	0	53	13	66
W1-O3	0	149	17	11	177
Enlisted	11	28	20	5	64
E7-E9	0	3	12	3	18
E4-E6	11	25	8	2	46
E1-E3	0	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Whiting Field Housing Analysis and SPG, Inc., 2005.

Strategic Planning Group calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 5-28 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$145,230 for an unaccompanied E1 to \$788,658 for an O7 with dependents.

Table 5-28. Maximum Affordable Purchase Price per RMC

<i>Whiting</i>	<i>RMC</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @ 6%) 5% Downpayment</i>
With Dependents		40.0%	40.0%
E-1	\$27,003	\$10,801	\$156,503
E-2	\$29,021	\$11,608	\$168,195
E-3	\$31,120	\$12,448	\$180,360
E-4	\$35,059	\$14,024	\$203,192
E-5	\$42,397	\$16,959	\$245,722
E-6	\$49,942	\$19,977	\$289,451
E-7	\$56,654	\$22,662	\$328,352
E-8	\$61,463	\$24,585	\$356,220
E-9	\$76,043	\$30,417	\$440,725
W-1	\$46,185	\$18,474	\$267,673
W-2	\$53,434	\$21,374	\$309,689
W-3	\$59,767	\$23,907	\$346,395
W-4	\$74,361	\$29,744	\$430,973
W-5	\$87,022	\$34,809	\$504,354
O-1	\$40,433	\$16,173	\$234,340
O-2	\$56,232	\$22,493	\$325,902
O-3	\$67,244	\$26,898	\$389,728
O-4	\$78,190	\$31,276	\$453,168
O-5	\$89,974	\$35,990	\$521,467
O-6	\$104,606	\$41,843	\$606,269
O-7	\$136,076	\$54,430	\$788,658
Without Dependents			
E-1	\$25,058	\$10,023	\$145,230
E-2	\$27,033	\$10,813	\$156,673
E-3	\$29,100	\$11,640	\$168,656
E-4	\$33,022	\$13,209	\$191,384
E-5	\$40,933	\$16,373	\$237,238
E-6	\$47,041	\$18,816	\$272,634
E-7	\$53,946	\$21,578	\$312,654
E-8	\$59,336	\$23,734	\$343,896
E-9	\$73,664	\$29,466	\$426,936
W-1	\$43,516	\$17,407	\$252,209
W-2	\$51,458	\$20,583	\$298,238
W-3	\$58,124	\$23,249	\$336,869
W-4	\$72,787	\$29,115	\$421,852
W-5	\$84,574	\$33,830	\$490,167
O-1	\$39,274	\$15,710	\$227,620
O-2	\$54,058	\$21,623	\$313,307
O-3	\$65,837	\$26,335	\$381,575
O-4	\$75,316	\$30,126	\$436,508
O-5	\$85,407	\$34,163	\$494,997
O-6	\$100,135	\$40,054	\$580,355
O-7	\$131,631	\$52,652	\$762,897

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the NAS Whiting Field market does not appear to be a problem for military personnel.

The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.⁷¹

The Census shows that the market area had approximately 154,842 housing units in 2000 (Table 1-27), of which owner-occupied housing comprised 71% and rental 29%.

Table 5-29. Housing Units, 2000

	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>	
Total:	111,049	43,793	154,842	
Owner occupied	74,690	35,198	109,888	71.0%
Renter occupied	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 (Table 1-28). Total vacant rental units increased by slightly over 1,250 units between the 1990-2000 time periods.

Table 5-30. Rental Housing Trends, 1990-2000

<i>County</i>	<i>Escambia</i>	<i>Santa Rosa</i>	<i>Total</i>
Occupied Rental Units			
1990	34,773	7,379	42,152
2000	36,362	8,599	44,961
Change	1,589	1,220	2,809
Vacant Rental Units			
1990	4,625	723	5,348
2000	4,868	1,736	6,604
Change	243	1,013	1,256
Total Rental Units			
1990	39,398	8,102	47,500
2000	41,230	10,335	51,565
Change	1,832	2,233	4,065

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

Census data for 1990 and 2000 document that Escambia and Santa Rosa counties added 872 new 1-Bedroom units (87 annually), lost 286 2-Bedroom units, and gained 1,672 new 3-or-more Bedroom units (167 annually) during the 10-year period between 1990 and 2000. Table 4-32 shows the distribution of rental units by price and bedroom count. The majority of the 2- to 3+-bedroom unit growth are units renting for \$1,000 or more per month.

⁷¹ The 2003 Navy Housing Market Analysis of NAS Whiting Field did not provide specific market information. All data was summarized.

Table 5-31. Comparison of Rental Units by Size and Rent in 2004 Dollars

	No BR			1 BR			2 BR			3 or More BR		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
# Units	682	1240	558	3000	3872	872	8394	8108	-286	7040	8712	1672
Under 300	162.96	188.37	25.41	262	111	-151	369	154	-215	156	40	-116
300 to 399	124.11	158.38	34.27	315	149	-166	621	277	-344	239	153	-86
400 to 499	107.58	214.28	106.7	405	216	-189	861	374	-487	349	243	-106
500 to 599	82.83	177.17	94.34	308	250	-58	776	474	-302	410	288	-122
600 to 699	82.83	91.7	8.87	78	345	267	594	737	143	575	410	-165
700 to 799	50.88	91.7	40.82	78	345	267	594	737	143	575	410	-165
800 to 899	7.54	68.45	60.91	46	236	190	346	534	188	426	489	63
900 to 999	7.83	37.45	29.62	3	92	89	15	264	249	227	594	367
1,000 & Up	55.44	212.5	157.06	5	192	187	22	503	481	563	1730	1167
Total	682	306	-376	1500	1936	436	4197	4054	-143	3520	4356	836

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

Single family rental units (1 to 4 units per structure excluding mobile homes) accounted for 62% of the rental market, as shown in Table 5-32.

Table 5-32. Escambia and Santa Rosa Counties Owner- and Renter-Occupied Housing, 2000

	Escambia	Santa Rosa	Total	%
Total:	111,049	43,793	154,842	
Owner occupied:	74,690	35,198	109,888	71.0%
1, detached	64,341	28,968	93,309	84.9%
1, attached	1,766	387	2,153	2.0%
2	365	61	426	0.4%
3 or 4	537	110	647	0.6%
5 to 9	458	93	551	0.5%
10 to 19	267	50	317	0.3%
20 to 49	173	0	173	0.2%
50 or more	507	69	576	0.5%
Mobile home	6,219	5,445	11,664	10.6%
Boat, RV, van, etc.	57	15	72	0.1%
Renter occupied:	36,359	8,595	44,954	29.0%
1, detached	13,310	3,645	16,955	37.7%
1, attached	1,446	319	1,765	3.9%
2	3,440	609	4,049	9.0%
3 or 4	3,993	1,153	5,146	11.4%
5 to 9	3,550	570	4,120	9.2%
10 to 19	2,273	72	2,345	5.2%
20 to 49	1,158	153	1,311	2.9%
50 or more	3,119	124	3,243	7.2%
Mobile home	4,049	1,937	5,986	13.3%
Boat, RV, van, etc.	21	13	34	0.1%

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 56.6% of the area’s vacant housing was single family (1-4 units per structures excluding mobile homes). This information is summarized in Table 5-33.

Table 5-33. Units in Structure for Vacant Housing, Escambia and Santa Rosa Counties

	Escambia	Santa Rosa	Total	%
Total:	13,598	5,326	18,924	
1, detached	5,610	2,393	8,003	42.3%
1, attached	660	255	915	4.8%
2	641	153	794	4.2%
3 or 4	628	370	998	5.3%
5 to 9	1,005	163	1,168	6.2%
10 to 19	785	133	918	4.9%
20 to 49	835	219	1,054	5.6%
50 or more	1,667	408	2,075	11.0%
Mobile home	1,667	1,204	2,871	15.2%
Boat, RV, van, etc.	100	28	128	0.7%

Source: 2000 Census, Strategic Planning Group, Inc.

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

Both Escambia and Santa Rosa counties have seen growth since the 2000 Census. Taken together, the two counties have issued slightly over 18,000 permits (3,640 annually) of which 13.6% 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 5-34. Escambia and Santa Rosa County Building Permits – 2000-2004

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

Source: Strategic Planning Group, Inc. 2005

Current Apartment Inventory

The area had almost 78,000 rental units as of 2003, according to the Robert Niehaus report. Using military definition of “suitable,” the Niehaus Report estimated that the Pensacola market had a “suitable” supply of 47,324 rental units as of 2003.

Table 5-35. Pensacola Suitable Rental Market

Monthly Rent Plus Utilities and Insurance	Studio	1 BR	2 BR	3 BR	4+ BR	Total
>\$1,400	-	-	49	1,457	1,144	2,650
\$1,400	-	-	25	642	672	1,339
\$1,300	-	-	49	525	518	1,092
\$1,200	-	-	124	1,600	294	2,018
\$1,100	-	-	290	3,387	196	3,873
\$1,000	-	36	4,080	5,231	32	9,379
\$900	-	290	2,180	1,422	8	3,900
\$800	-	2,739	9,503	452	-	12,694
\$700	-	3,288	3,816	93	-	7,197
\$600	-	2,336	535	2	-	2,873
\$500 and below	-	294	15	-	-	309
Total	0	8,983	20,666	14,811	2,864	47,324

Source: 2003 NAS Pensacola Housing Market Analysis, November 2003, SPG 2005

Owner-Occupied Housing

As shown in Table 5-32, 98.5% of the market area's owner-occupied housing 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-bedroom units as shown in Table 5-36. Median Price for a 2-bedroom home was \$51,000; \$93,500 for a 3-bedroom, and \$265,000 for a 4-bedroom home.

Table 5-36. 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: 2003 NAS Pensacola Housing Market Analysis, November 2003, SPG 2005

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Escambia and Santa Rosa counties Fair Market Rent trends over the 2001-2004 time period.

Local Rental Rate Trends

Table 5-37 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than the state as a whole.

Table 5-37. Rental Rate Change by Bedroom, 2001-2004

<i>Escambia/Santa Rosa Counties</i>	<i>0 BR</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
% Change	12.8%	12.4%	10.0%	19.3%	22.5%
State of Florida % Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Pensacola Metropolitan Area showed a 16.6% increase in the cost of single family homes during the 2001-2003 time periods.

Table 5-38. Home Sales Price, 2001-2003

<i>Year</i>	<i>Price</i>
2001	\$109,995
2002	\$116,143
2003	\$128,203
Change	16.6%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

According to Census data, the Whiting Field market area had a 1.9% single-family ownership vacancy rate in 2003.⁷² The local rental vacancy rate was 9.6%. There are sufficient vacant housing units within the market area (3,014 for sale and 8,023 for rent) to accommodate the military off-installation housing needs. Due to recent hurricanes impacting the area, some dislocation has probably occurred (a short-time disruption to the inventory).

Local Area Population Growth

The market area is projected to continue to experience a strong 1.9% growth rate annually over the planning period (2008).⁷³ The market area is projected to add an additional 4,161 new residential housing units (owner and rental) during the 2003-2008 time periods.

Future Military Demand

The NAS Whiting Field Housing Assessment-2003, Final Report, November 2003, shows a slight increase in installation manpower loading of 82 personnel or a total of 1,470 active-duty personnel stationed at NAS Whiting Field in 2008. This figure does not take into account possible changes to the installation as a result of the 2005 BRAC.

Military Rental Housing Projections

In 2008, the Navy projects there would be a need for 102 personnel to reside on-installation (80 in family housing and 22 in unaccompanied housing).

In 2008, the number of military families needing off-installation rental housing is projected at 688 (an increase of 212) and unaccompanied at 664 (an increase of 34).

According to the Navy's housing assessment, the military family off-installation shortfall is 191 units (an increase of 89 units). Unaccompanied ownership housing is projected to be reduced to 226 (a decrease of 72 units).

⁷² 2003 NAS Whiting Housing Assessment, November 2003.

⁷³ This is the time-frame for the NAS Whiting Field Housing Assessment (5-year growth from 2003 base year).

Table 5-39. Total Off-Installation Family and Unaccompanied Shortfall, 2008

Grade	1 BR	2 BR	3 BR	4 BR	Total
Total	21	260	92	44	417
Officers	0	232	36	26	294
O6+	0	0	0	0	0
W4-O5	0	0	6	3	9
W1-O3	0	232	30	23	285
Enlisted	21	28	56	18	123
E7-E9	0	1	4	2	7
E4-E6	21	26	46	16	109
E1-E3	0	1	6	0	7

Source: Robert D. Niehaus, Inc. 2003; Strategic Planning Group, Inc. 2005

Military Ownership Housing Projections

The Navy estimates, that in 2008, there will be a demand for 325 owner-occupied, military, off-installation housing.

Findings

The Department of Navy’s most recent Housing Assessment (2003) showed that the local, off-installation housing market was unable to provide 400 “suitable” family and unaccompanied rental housing units. The NAS Whiting Field market had sufficient rental supply to accommodate these price ranges using existing MAHC figures.⁷⁴

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 5-40, 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%, some families within the E1-E3 ranks may have a problem (two units) in finding affordable 4+-room rental units.

Table 5-40. Distribution of Military Family Renters % of By Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households		Off Base Renters	Affordable Rent Mthly 40%	Rental Need		
			2003	On Base			2-BR	3-BR	4-BR
							\$425	\$625	\$950
0-30% Median			None						
31%-60% Median									
E1	\$27,003	53.3%	2	2	0	\$900	0	0	0
E2	\$29,021	57.2%	3	3	0	\$967	0	0	0
Total E1-E2			5	6	0		0	0	0
61%-80% Median									
E3	\$31,120	61.4%	7	7	0	\$1,037	0	0	0
E4	\$35,059	69.1%	57	35	22	\$1,169	22	0	0
Total E3-4			64	42	22		22	0	0
O1	\$40,433	79.8%	82	21	61	\$1,348	61	0	0
Total			151	69	82		83	0	0

Source: Strategic Planning Group, Inc. 2005

Unaccompanied military personnel 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 as shown in Table 5-41.

⁷⁴ See Table 5-24 for current apartment rents. 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 5-41. Distribution of Military Single Household Renters By % of Local Median Income (2004)

<i>Range of Median</i>	<i>RMC-2004</i>	<i>Single Housholds</i>	<i>On Base</i>	<i>Off Base Renters</i>	<i>Affordable Rent</i>	<i>1 Bedroom</i>	<i>2 Bedroom</i>
0-30% Median					40%	\$400	\$425
none							
31% -60% Median							
<i>E1</i>	\$25,058 49%	3	3	0	\$835	Housed on base	
<i>E2</i>	\$27,033 53%	5	5	0	\$901		
<i>E3</i>	\$29,100 57%	12	12	0	\$970		
Total E1-E3		19	19	0		Housed on base	
61-80% Median							
<i>E4</i>	\$33,022 65%	31	0	31	\$1,101	31	
<i>O1</i>	\$39,274 77%	102	0	102	\$1,309		102
Total E4-O1		133	0	133		31	102
Total		152	19	133		31	102

Source: Strategic Planning Group, Inc. 2005

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

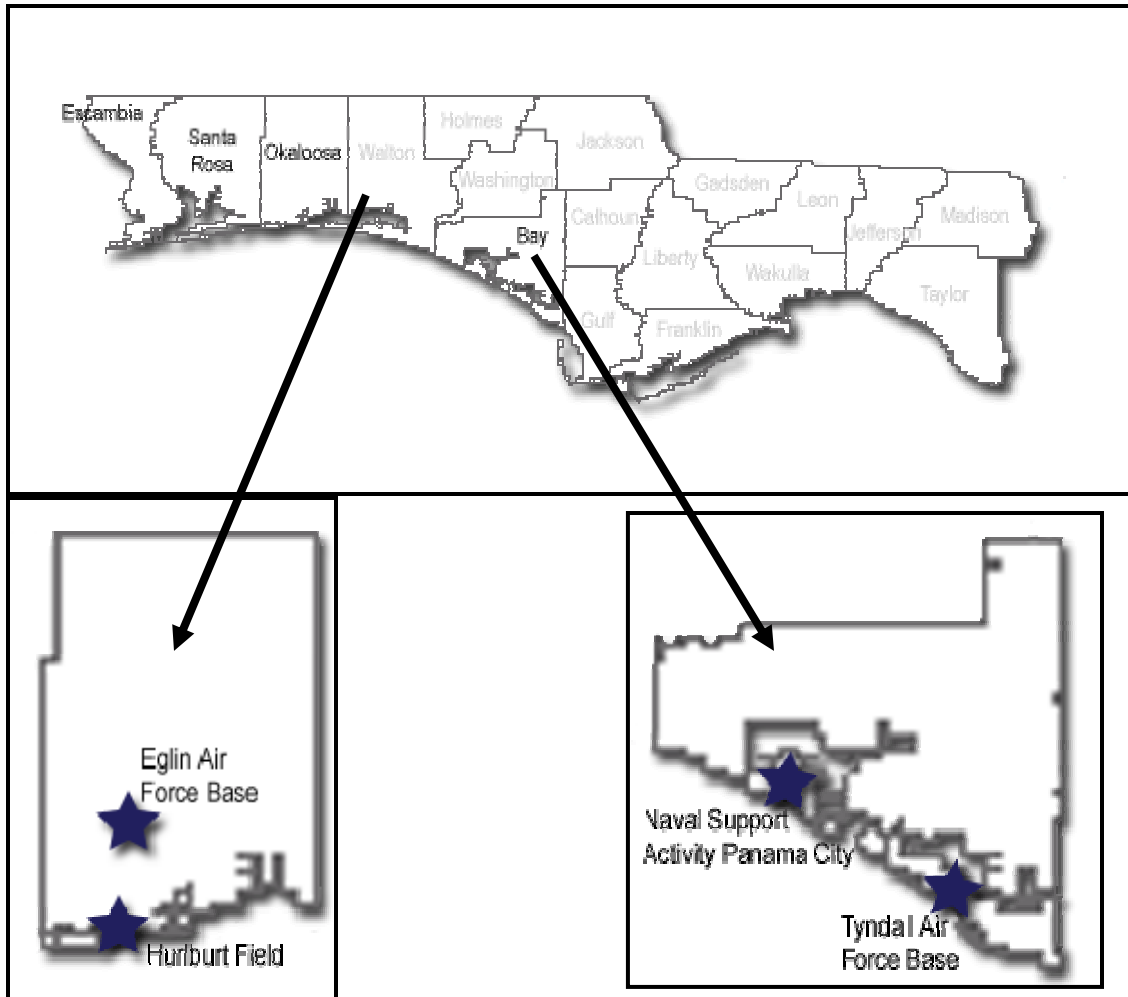
Housing sales costs have increased at an annual rate of 9.4% for the local area compared to 8.4% nationally. While the rate of growth has exceeded national trends, the average sales price for a home in Pensacola (\$136,300) in 2004, is still significantly less than the national average (\$268,100).

The local 2004 Fair Market Rents for a two-bedroom unit (\$563) and for a three-bedroom unit (\$816) compare favorably with national average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

Because BAH rates are adjusted annually to local market conditions 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.

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.⁷⁵

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

Eglin AFB is located on the Gulf of Mexico in the eastern panhandle of Florida, northeast of Fort Walton Beach. Eglin's 724 square miles of land range occupies much of the Northwest Florida panhandle. Its 101,000 square miles of air space extends over the eastern third of the Gulf of Mexico, an area extending from the panhandle to the Florida Keys. Seventeen miles of shoreline allow training and evaluation in both a littoral environment and over a land-water interface. Eglin has 1,997 buildings located on 453,594 acres, and is the largest military base in the Department of Defense (DoD) and one of the largest air bases in the world.

⁷⁵ Haas Center, UWF, December 2003

Installation Summary

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 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, that 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 (AFSOC), an Air Force major command and the Air Force component of the U.S. Special Operations Command, and the 16th 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.

Market Area Demographics

Military standards for off-installation housing define the "market area" as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 6-1. Eglin AFB and Hurlburt Field Market Area



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, as shown in Table 6-1.

Table 6-1. Population of Okaloosa and Santa Rosa Counties

Year	Okaloosa Population	Santa Rosa Population	Total Population	State Population
1980	143,777	81,608	225,385	12,938,071
1990	170,498	117,743	288,241	15,982,378
2003	181,102	128,889	309,991	17,071,508
2005 (p)	187,500	136,300	323,800	17,760,000
2010 (p)	202,600	155,600	358,200	19,397,400
Annual Change				
1990-2000	2,672	3,614	6,286	304,431
2000-2003	3,535	3,715	7,250	363,043
2003-2005	3,199	3,706	6,905	344,246

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

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%.

Table 6-2. Labor Force, Okaloosa and Santa Rosa Counties, 2003

Labor Force (2003)	Okaloosa	Santa Rosa	Total
Labor Force	91,434	55,362	146,796
% of County Population	51.3%	41.6%	47%
Number Unemployed	2,477	2,081	4,558
Unemployment Rate	2.7%	3.8%	3%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 6-3. 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 (Table 6-4). Government wages (including military) exceeded the industry average in both counties.

Table 6-3. Employment in Okaloosa and Santa Counties

(2002)	Okaloosa	Santa Rosa	Florida
Employment	77,343	26,834	7,163,458
Agriculture, Natural Resources & Mining	0.10%	1.4%	1.5%
Construction & Real Estate	8.60%	11.8%	8.2%
Education Services	5.60%	10.2%	7.2%
Finance & Insurance	3.00%	1.6%	4.5%
Government (including military)	10.70%	8.7%	6.1%
Healthcare & Social Assistance	8.30%	10.1%	11.3%
Information	2.80%	1.9%	2.5%
Manufacturing	4.30%	3.7%	5.7%
Other Services ¹	32.80%	31.6%	28.1%
Professional & Business Services	20.60%	15.3%	17.0%
Transportation/Warehousing/Wholesale Trade	3.20%	3.9%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Table 6-4. Average Wage in Industries, 2002

(2002)	Okaloosa	Santa Rosa
All Industries	\$27,237	\$24,995
Agriculture, Natural Resources & Mining	\$31,583	\$36,138
Construction & Real Estate	\$24,747	\$23,430
Education Services	\$32,853	\$30,427
Finance & Insurance	\$35,681	\$32,468
Government (including military)	\$42,001	\$33,160
Healthcare & Social Assistance	\$29,849	\$28,377
Information	\$44,730	\$29,561
Manufacturing	\$34,507	\$35,651
Other Services ¹	\$17,470	\$15,560
Professional & Business Services	\$27,444	\$27,758
Transportation/Warehousing/Wholesale Trade	\$33,493	\$35,063

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Okaloosa County's per capita income, below the State average in 2000, rose above the State average in 2002 (Table 6-5).

Table 6-5. Per Capita Income

	Okaloosa	Santa Rosa	Florida
2000	\$26,969	\$24,061	\$28,511
2001	\$28,336	\$24,628	\$29,247
2002	\$29,938	\$24,576	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2003, Eglin AFB and Hurlburt Field had 15,831⁷⁶ 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 6-6).

Table 6-6. Military Personnel, 2003 and 2008

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

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

⁷⁶Per GEC

The total demand for family housing by bedroom is shown in Table 6-7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 6-7. Family Housing by Status and Bedroom, 2003

Grade	2 BR	3BR	4+BR	Family Housing Required
Total	3,510	2,801	2,208	8,519
Officers	479	742	624	1,845
O6+	0	0	132	132
O4-O5	0	586	347	933
O1-O3	479	156	145	780
Enlisted	3,031	2,059	1,584	6,674
E7-E9	0	1,015	640	1,655
E4-E6	2,763	1,010	935	4,708
E1-E3	268	34	9	311

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

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 Housing⁷⁷

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 (Table 6-8).

Table 6-8. Family On-Installation Housing Currently Occupied, 2004

Eglin AFB	Units
Ben's Lake	236
Wherry	625
Capehart	498
Hidden Oaks Terrace	126
Old Plew	390
New Plew	300
Poquito Bayou	150
Georgia Avenue (Historical)	5
Camp Pinchot (Historical)	4
Camp Rudder	25
	2,359
Hurlburt Field	
Live Oak Terrace	100
Pine Shadows	206
Soundside Manor	74
	380
Total	2,739

Source: Eglin AFB/Hurlburt Field Privatization Fact Sheet, January 2004

⁷⁷ 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.

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.

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

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 BAH.

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 6-9.

Table 6-9. Off-Installation Family Housing Requirements, 2003

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

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 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 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 6-10).

Table 6-10. Military Family Homeowners, 2003

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

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

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 6-11).

Table 6-11. Military Family Renters, 2003

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

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

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 6-12).

Table 6-12. Off-Installation Unaccompanied Housing Requirements, 2003

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

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 1,105 personnel (Table 6-13).

Table 6-13. Unaccompanied Homeowners, 2003

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

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

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 6-14).

Table 6-14. Unaccompanied Renters, 2003

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

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH,⁷⁸ that is adjusted annually to reflect local housing costs. Table 6-15 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for Eglin AFB and Hurlburt Field in 2004.

⁷⁸ Includes renters insurance and utilities.

Table 6-15. BAH and MAHC with and without Dependents (2004)

	<i>BAH</i>	<i>MAHC</i>	<i>BAH</i>	<i>MAHC</i>
	With Dependents		Without Dependents	
E-1	\$703	\$728	\$557	\$576
E-2	\$703	\$728	\$557	\$576
E-3	\$703	\$728	\$557	\$576
E-4	\$703	\$728	\$557	\$576
E-5	\$754	\$780	\$621	\$643
E-6	\$879	\$910	\$659	\$682
E-7	\$924	\$956	\$706	\$731
E-8	\$973	\$1,007	\$778	\$805
E-9	\$1,044	\$1,081	\$817	\$846
W-1	\$880	\$911	\$684	\$708
W-2	\$944	\$977	\$778	\$805
W-3	\$1,003	\$1,038	\$821	\$850
W-4	\$1,060	\$1,097	\$890	\$921
W-5	\$1,126	\$1,165	\$935	\$968
O-1	\$768	\$795	\$652	\$675
O-2	\$876	\$907	\$736	\$762
O-3	\$1,001	\$1,036	\$834	\$863
O-4	\$1,153	\$1,193	\$928	\$960
O-5	\$1,260	\$1,304	\$958	\$992
O-6	\$1,270	\$1,314	\$1,003	\$1,038
O-7	\$1,285	\$1,330	\$1,023	\$1,059

Source: Strategic Planning Group, Inc. 2005

Based on the most recent Air Force Housing Market Assessment, the demand for family rental housing by affordability is shown in Table 6-16. Based on Air Force standards, most of the family housing affordability is within the \$700-\$800 month ranges (only using BAH).

Table 6-16. Military Off-Installation Family Renters by Cost Band, 2003

<i>Rental Cost</i>	<i>Two</i>	<i>Three</i>	<i>Four+</i>	<i>Total</i>
<i>\$2,000-Above</i>	0	0	0	0
<i>\$1,500-\$1,999</i>	0	0	0	0
<i>\$1,300-\$1,499</i>	0	0	0	0
<i>\$1,200-\$1,299</i>	0	11	16	27
<i>\$1,100-\$1,199</i>	0	28	34	62
<i>\$1,000-\$1,099</i>	0	63	44	107
<i>\$900-\$999</i>	52	35	36	123
<i>\$800-\$899</i>	147	159	147	453
<i>\$700-\$799</i>	643	54	69	766
<i>\$600-\$699</i>	0	0	0	0
<i>\$500-\$599</i>	0	0	0	0
<i>Under \$499</i>	0	0	0	0
Total	842	350	346	1,538

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

Off-Installation (Private Sector) Housing Shortfall

The military estimates the unmet need or “shortfall” of the local private-sector housing sector by estimating the number of personnel that are currently residing in “non-suitable” rental housing. To calculate suitable demand, the Air Force subtracts “unsuitable” units in the market area in order to calculate suitable supply. The method utilized to determine this “non-suitability was not available to SPG and therefore, SPG relies totally on the data provided FHFC by GEC.

The following community housing shortfall is analyzed by Family Rental Housing shortfall and Unaccompanied (single) Rental Housing shortfall.⁷⁹

Family Rental Housing Shortfall

No current or 2003 shortfall information was available for SPG to analyze. The data provided only included the projected shortfall in 2008. The Air Force estimated that of the total 5,479 families residing off-installation (see Table 6-9). According to the Air Force, there exists a 1,583-family rental housing shortfall in 2008, in the local market (Table 6-17). It should be noted that there will be an estimated 141 less personnel in 2008 than were there in 2003.

Table 6-17. Off-Installation Military Family Rental Housing Shortfall, 2008

Rental Cost	One	Two	Three	Total
\$2,000-Above	0	0	0	0
\$1,500-\$1,999	0	0	0	0
\$1,300-\$1,499	0	0	0	0
\$1,200-\$1,299	0	0	0	0
\$1,100-\$1,199	0	1	1	2
\$1,000-\$1,099	0	7	1	8
\$900-\$999	28	10	7	45
\$800-\$899	148	96	174	418
\$700-\$799	830	160	120	1,110
\$600-\$699	0	0	0	0
\$500-\$599	0	0	0	0
Under \$499	0	0	0	0
Total	1,006	274	303	1,583

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

Unaccompanied Rental Housing Shortfall

The Air Force estimated a total of 4,043 unaccompanied personnel residing off-installation (Table 6-12), with 1,105 being homeowners (Table 6-13), then 2,938 are renters (Table 6-14). Not information was provided that estimated the 2003 shortfall, but according to the Air Force there will be a shortfall of 1,583 rental units for unaccompanied personnel in 2008 (Table 6-18).

Table 6-18. Off-Installation Unaccompanied Rental Housing Shortfall, 2008

Rental Housing Shortfall for Military Families, 2008				
Rental Cost	One	Two	Three	Total
\$2,000-Above	0	0	0	0
\$1,500-\$1,999	0	0	0	0
\$1,300-\$1,499	0	0	0	0
\$1,200-\$1,299	0	0	0	0
\$1,100-\$1,199	0	1	1	2
\$1,000-\$1,099	0	7	1	8
\$900-\$999	28	10	7	45
\$800-\$899	148	96	174	418
\$700-\$799	830	160	120	1,110
\$600-\$699	0	0	0	0
\$500-\$599	0	0	0	0
Under \$499	0	0	0	0
Total	1,006	274	303	1,583

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

⁷⁹No information was available to determine the 2003 shortfall.

Total Military Rental Housing Shortfall (Military Methodology)

Table 6-19 combines both the family and unaccompanied shortfalls (2008) to provide an overall summary of need based on the military's methodology. However, it should be stressed that this combined table could overstate the problem of need primarily due to unaccompanied need. Unaccompanied personnel can now double-up (share an apartment, condo or house) without losing any of the BAH. A large percentage of the unaccompanied rental demand is within the younger ranks that could upscale their rental housing by sharing unit/costs for a more expensive unit.

Table 6-19. Total Military Rental Housing Shortfall, 2008

Rental Cost	Bedrooms			Total
	One	Two	Three	
\$2,000-Above	0	0	0	0
\$1,500-\$1,999	0	0	0	0
\$1,300-\$1,499	0	0	0	0
\$1,200-\$1,299	0	0	0	0
\$1,100-\$1,199	0	1	1	2
\$1,000-\$1,099	0	7	1	8
\$900-\$999	28	10	7	45
\$800-\$899	148	102	181	431
\$700-\$799	830	311	120	1,261
\$600-\$699	343	60	0	403
\$500-\$599	933	0	0	933
Under \$499	0	0	0	0
Total	2,282	491	310	3,083

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

Without more detailed information than was released by the Air Force or contained in the most recent Housing Assessment, it is not possible to determine why a shortfall in off-installation housing exists (whether it is caused by price/availability or other "suitability" issues).

Because affordability shortfall information was lacking, SPG, using the Air Force's personnel data, used a standard market methodology to assess military off-installation housing need.

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the "military affordability" or cost issue from Florida Housing Finance Corporation (FHFC) standards. FHFC standards states that a household should not spend over 40% of its income on housing.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 6-20, 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 6-20. Regular Military Compensation

With Dependents	BAH	BAS	Allowances		Calculated Basic			Annualized	Tax Adjustment	Regular Military Compensation	Military as % of Median
			Annualized	Salary	Income	Income	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	\$3,361	\$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	\$1,280	\$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	\$3,361	\$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%	

Less than 80% of local median income
 Source: Strategic Planning Group, Inc. 2005

As shown in Table 6-20, E1-E5s and O1 families fall below 80% of the area’s median income, while E1 families and E1 and E2 singles fall below the 50% median figure. Note that all E1-3 singles are required to live on-installation. Therefore, of the unaccompanied personnel, E4-E5 and O1s fall under the 80% median area income.

Overall Market Area Rental Rates

Table 6-21 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the Eglin/Hurlburt MAHC and/or FHFC’s 40% rule are competitive within the local housing market.

Table 6-21. Rental Rate Comparison Chart

<i>Comparative Rents - Eglin/Hurlburt</i>			
<i>Bedrooms</i>	<i>HUD [1]</i>	<i>HRMA 2003 [2]</i>	<i>Apartment Survey [3]</i>
0	\$431	\$535	
1	\$477	\$600	\$625
2	\$542	\$650	\$738
3	\$735	\$1,050	\$945
4	\$866	\$1,050 -	
Footnotes			
[1] HUD 2004 Fair Market Rents			
[2] Parsons, Hurlburt Housing Requirement and Market As			
[3] Strategic Planning Group, Inc. 2005 (apartments only).			

Source: Strategic Planning Group, Inc. 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to the area's fair market rents.

Rental Housing Market

Analyzing the differences between BAH/MAHC and the 40% rule shows that using the Air Force BAH/MAHC (which includes utilities and renters insurance), several grades (E1-E4) could experience difficulties finding two or more bedroom units. However, using the FHFC 40% approach, no families would fall below the local fair market rent defined by HUD as shown in Table 6-22. Using current apartment rents, some difficulty might occur in finding affordable 4-bedroom units.

Table 6-22. Military RMC and Eglin/Hurlburt Fair Market Rent, 2004

Grade	BAH	Monthly Affordable Rent @ 40% RMC	Ft. Walton MSA HUD Fair Market Rent by Bedroom					Market Area Data (Apartments) 2005				
			0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR
With Dependents												
E-1	\$703	\$891	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-2	\$703	\$958	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-3	\$703	\$1,028	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-4	\$703	\$1,159	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-5	\$754	\$1,411	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-6	\$879	\$1,654	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-7	\$924	\$1,891	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-8	\$973	\$2,066	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-9	\$1,044	\$2,562	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-1	\$880	\$1,529	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-2	\$944	\$1,790	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-3	\$1,003	\$2,020	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-4	\$1,060	\$2,508	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-5	\$1,126	\$2,930	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-1	\$768	\$1,345	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-2	\$876	\$1,863	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-3	\$1,001	\$2,269	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-4	\$1,153	\$2,635	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-5	\$1,260	\$3,027	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-6	\$1,270	\$3,515	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-7	\$1,285	\$4,565	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
Without Dependents												
E-1	\$557	\$828	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-2	\$557	\$894	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-3	\$557	\$962	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-4	\$557	\$1,093	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-5	\$621	\$1,350	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-6	\$659	\$1,551	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-7	\$706	\$1,788	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-8	\$778	\$1,974	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
E-9	\$817	\$2,448	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-1	\$684	\$1,438	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-2	\$778	\$1,712	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-3	\$821	\$1,930	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-4	\$890	\$2,417	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
W-5	\$935	\$2,826	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-1	\$652	\$1,291	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-2	\$736	\$1,797	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-3	\$834	\$2,186	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-4	\$928	\$2,514	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-5	\$958	\$2,862	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-6	\$1,003	\$3,369	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285
O-7	\$1,023	\$4,419	\$436	\$477	\$542	\$735	\$866	\$535	\$625	\$738	\$945	\$1,285

Housing Standard For Grade

Rental ranges that exceed BAH

BAH plus 3.5% out of pocket is within rent range

783 Rents higher than BAH and 3.5% out of pocket

Note: Single E1-E3s are required to be housed on-installation.
 Source: Strategic Planning Group, Inc. 2005

Ownership Housing

As shown earlier, the Air Force estimates show 3,941 families owned off-installation housing in 2003 (Table 6-10). Unaccompanied personnel owned 1,105 residences in 2003 as shown in Table 6-13. Table 6-23 shows the combined family and unaccompanied ownership in 2003. For purposes of Air Force Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Table 6-23. Combined Homeownership, 2003

Grade	1 BR	2 BR	3 BR	4 BR	Total
Total	403	1,713	1,611	1,319	5,046
Officers	0	522	551	447	1,520
O6+	0	0	5	88	93
O4-O5	0	0	491	260	751
O1-O3	0	522	55	99	676
Enlisted	403	1,191	1,060	872	3,526
E7-E9	0	123	792	451	1,366
E4-E6	403	1,053	268	421	2,145
E1-E3	0	15	0	0	15

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 6-24 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$143,953 for an E1 unaccompanied to \$793,675 for an O7 with dependents.

Table 6-24. Maximum Affordable Purchase Price per RMC

<i>Eglin/Hurlburt</i>	<i>RMC 40%</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @ 6%) 5% Downpayment</i>
With Dependents		40%	40.0%
E-1	\$26,731	\$10,692	\$154,925
E-2	\$28,742	\$11,497	\$166,582
E-3	\$30,837	\$12,335	\$178,722
E-4	\$34,774	\$13,909	\$201,539
E-5	\$42,342	\$16,937	\$245,402
E-6	\$49,606	\$19,842	\$287,501
E-7	\$56,725	\$22,690	\$328,761
E-8	\$61,987	\$24,795	\$359,260
E-9	\$76,871	\$30,749	\$445,525
W-1	\$45,863	\$18,345	\$265,811
W-2	\$53,688	\$21,475	\$311,161
W-3	\$60,597	\$24,239	\$351,201
W-4	\$75,244	\$30,098	\$436,092
W-5	\$87,909	\$35,164	\$509,495
O-1	\$40,350	\$16,140	\$233,854
O-2	\$55,893	\$22,357	\$323,939
O-3	\$68,059	\$27,223	\$394,449
O-4	\$79,041	\$31,616	\$458,101
O-5	\$90,812	\$36,325	\$526,323
O-6	\$105,445	\$42,178	\$611,128
O-7	\$136,942	\$54,777	\$793,675
Without Dependents			
E-1	\$24,838	\$9,935	\$143,953
E-2	\$26,807	\$10,723	\$155,367
E-3	\$28,871	\$11,548	\$167,329
E-4	\$32,791	\$13,116	\$190,046
E-5	\$40,505	\$16,202	\$234,757
E-6	\$46,522	\$18,609	\$269,628
E-7	\$53,649	\$21,460	\$310,937
E-8	\$59,223	\$23,689	\$343,239
E-9	\$73,453	\$29,381	\$425,714
W-1	\$43,125	\$17,250	\$249,942
W-2	\$51,345	\$20,538	\$297,584
W-3	\$57,902	\$23,161	\$335,581
W-4	\$72,514	\$29,006	\$420,270
W-5	\$84,771	\$33,908	\$491,309
O-1	\$38,729	\$15,492	\$224,462
O-2	\$53,917	\$21,567	\$312,489
O-3	\$65,586	\$26,234	\$380,116
O-4	\$75,428	\$30,171	\$437,160
O-5	\$85,851	\$34,340	\$497,568
O-6	\$101,056	\$40,422	\$585,690
O-7	\$132,580	\$53,032	\$768,397

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the Eglin/Hurlburt market does not appear to be a problem for military personnel.

The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.⁸⁰

The Census shows that the market area had approximately 109,840 housing units in 2000 (Table 6-25), of which owner-occupied housing comprised 71.9% and rental 28.1%

Table 6-25. Housing Units, 2000

	<i>Okaloosa</i>	<i>Santa Rosa</i>	<i>Total</i>	<i>%</i>
Total:	66,269	43,793	110,062	
Owner occupied	43,972	35,198	79,170	71.9%
Renter occupied	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 6-26). Total vacant rental units increased by slightly over 1,000 units between the 1990-2000 time periods.

Table 6-26. Rental Housing Trends, 1990-2000

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

Table 6-27 shows the distribution of rental units by price and bedroom count. The majority of the 1-through 3+-bedroom unit growth are those renting for more than \$600 per month.

⁸⁰ The 2003 Navy Housing Market Analysis of Eglin/Hurlburt did not provide specific market information. All data was summarized.

Table 6-27. Comparison of Rental Units by Size and Rent in 2004 Dollars

	No BR			1 BR			2 BR			3 or More BR		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
# Units	806	1737	931	4704	5482	778	8394	8108	-286	9588	11146	1558
Under 300	156.17	218.13	61.96	1112.93	111	-1001.93	738	154	-584	568.76	264.43	-304.33
300 to 399	122.64	248.62	125.98	1037.82	149	-888.82	1242	277	-965	830.99	380.57	-450.42
400 to 499	123.49	339.24	215.75	1214.16	216	-998.16	1722	374	-1348	1226.8	538.68	-688.12
500 to 599	119.46	282.51	163.05	893.59	250	-643.59	1552	474	-1078	1309.55	719.22	-590.33
600 to 699	119.46	152.25	32.79	132.25	345	212.75	1188	737	-451	1558.85	1190.15	-368.7
700 to 799	71.97	152.25	80.28	132.25	345	212.75	869.5	737	-132.5	1558.85	1190.15	-368.7
800 to 899	7.54	101.85	94.31	84.2	236	151.8	381.7	534	152.3	1065.75	1300.35	234.6
900 to 999	7.83	34.65	26.82	19.8	92	72.2	236	264	28	407.95	1446.95	1039
1,000 & Up	77.44	207.5	130.06	77	192	115	44	503	459	1060.5	4116.5	3056
Total	806	803	-3	4704	1936	-2768	8394	4054	-4340	9588	11146	1558

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

Single family rental units (1 to 4 units-per-structure, excluding mobile homes) accounted for 46.7% of the rental market, as shown in Table 6-28.

Table 6-28. Okaloosa and Santa Rosa Counties Owner- and Renter-Occupied Housing, 2000

	Okaloosa	Santa Rosa	Total	%
Total:	66,269	43,793	110,062	
Owner occupied:	43,972	35,198	79,170	71.9%
1, detached	37,079	28,968	66,047	83.4%
1, attached	1,757	387	2,144	2.7%
2	92	61	153	0.2%
3 or 4	328	110	438	0.6%
5 to 9	354	93	447	0.6%
10 to 19	118	50	168	0.2%
20 to 49	222	0	222	0.3%
50 or more	386	69	455	0.6%
Mobile home	3,587	5,445	9,032	11.4%
Boat, RV, van, etc.	49	15	64	0.1%
Renter occupied:	22,297	8,595	30,892	28.1%
1, detached	7,508	3,645	11,153	36.1%
1, attached	2,730	319	3,049	9.9%
2	1,776	609	2,385	7.7%
3 or 4	2,780	1,153	3,933	12.7%
5 to 9	2,154	570	2,724	8.8%
10 to 19	1,316	72	1,388	4.5%
20 to 49	811	153	964	3.1%
50 or more	1,225	124	1,349	4.4%
Mobile home	1,990	1,937	3,927	12.7%
Boat, RV, van, etc.	7	13	20	0.1%

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 43.6% of the area's vacant housing was single family (1-4 units per structures excluding mobile homes). This information is summarized in Table 6-29.

Table 6-29. Units in Structure for Vacant Housing, Okaloosa and Santa Rosa Counties

	<i>Okaloosa</i>	<i>Santa Rosa</i>	<i>Total</i>	<i>%</i>
Total:	12,324	5,326	17,650	
1, detached	3,162	2,393	5,555	31.5%
1, attached	562	255	817	4.6%
2	162	153	315	1.8%
3 or 4	637	370	1,007	5.7%
5 to 9	714	163	877	5.0%
10 to 19	463	133	596	3.4%
20 to 49	1,491	219	1,710	9.7%
50 or more	4,299	408	4,707	26.7%
Mobile home	808	1,204	2,012	11.4%
Boat, RV, van, etc.	26	28	54	0.3%

Source: 2000 Census, Strategic Planning Group, Inc.

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

Both Okaloosa and Santa Rosa counties have seen growth since the 2000 Census. Taken together, the two counties have issued almost 16,205 permits, of which 13.2% are multifamily properties accounting for 2,135 units (averaging 534 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 due 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.

Table 6-30. Okaloosa and Santa Rosa County Building Permits – 2000-2004

Okaloosa County	2000	2001	2002	2003	2004	Totals
Single Family	1,057	1,092	1,438	1,511	1,593	6,691
Two Family	4	2	10	4	4	24
Three & Four Family	19	10	4	21	3	57
Five or More Family	409	335	484	213	478	1,919
Total	1,489	1,439	1,936	1,749	2,078	8,691
Santa Rosa County						
Single Family	1,050	1,461	1,138	1,823	1,917	7,389
Two Family	2	20	8	36	38	104
Three & Four Family	4	0	0	0	0	4
Five or More Family	0	12	0	0	15	27
Total	1,056	1,483	1,146	1,859	1,970	7,514
Market Area						
Single Family	2,107	2,553	2,576	3,334	3,510	14,080
Two Family	6	22	18	40	42	128
Three & Four Family	23	10	4	21	3	61
Five or More Family	409	347	484	213	493	1,946
Market Area Total	2,545	2,922	3,082	3,608	4,048	16,205

Source: Strategic Planning Group, Inc. 2005

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 6-31).

Table 6-31. Eglin/Hurlburt Market Area Rental Inventory

	<i>Rental Inventory</i>	<i>Suitable Inventory</i>	<i>Suitable Vacant</i>
Bedrooms			
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
Total	24,934	18,616	556

Source: Parsons, Hurlburt HRMA, August 2003

Owner-Occupied Housing

As shown in Table 6-28, 98.3% of the market area's owner-occupied housing are 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 units as shown in Table 6-32. Median Price for a 2-bedroom home was \$109,900; \$249,450 for a 3-bedroom, and \$308,400 for a 4-bedroom home.

Table 6-32. Single Family Housing Multiple Listing Data – December 2004

<i>Unit Type</i>	<i>Avail. Units</i>	<i>Median Price</i>	<i>Avg. Price</i>	<i>Price Range</i>	<i>Avg. Size</i>
2 Bedroom	6	\$109,900	\$116,933	\$67,900-\$185,000	1,122
3 Bedroom	106	\$249,450	\$300,585	\$79,900-\$1,200,000	1,818
4 Bedroom	63	\$308,400	\$431,635	\$139,900-\$1,400,000	2,415
5 Bedroom	11	\$344,900	\$708,855	\$299,900-\$1,800,000	3,310

Source: Florida Association of Realtors MLS Listings as of December 2004 and Strategic Planning Group, Inc. 2005

Housing Supply/Demand Projections**Local Housing Cost Trends**

In order to provide insight into future housing costs, SPG analyzed Okaloosa and Santa Rosa counties Fair Market Rent trends over the 2001-2004 time period.

Local Rental Rate Trends

Table 6-33 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than the state as a whole.

Table 6-33. Rental Rate Change by Bedroom, 2001-2004

	<i>0 BR</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
Okaloosa County	12.1%	20.2%	19.1%	28.2%	19.4%
Santa Rosa County	12.8%	12.4%	10.0%	19.3%	22.5%
State of Florida % Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Ft. Walton Metropolitan Area showed a 72.1% increase in the cost of single family homes during the 2001-2004 time period. The median sales price for existing homes in the Ft. Walton area is shown in Table 6-34.

Table 6-34. Median Home Sales Price, 2001-2004

Year	Price
2001	\$126,800
2002	\$148,600
2003	\$150,700
2004	\$218,200
Change	72.1%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

No current information could be obtained concerning the local homeownership vacancy rate. Based on State and National statistics and the relatively small local housing market, the vacancy rate is probably not more than 2%.

Local Area Population Growth

The local market is projected to continue to experience a strong 1.4% growth rate annually over the planning period (2008). The market area is projected to add an additional 7,000 new residents annually and 2,926 new residential housing units (owner and rental) annually during the 2000-2008 time periods. Based on recent building permit data, the market supply of housing is 14,000 units annually compared to an annual population gain of 7,500, as shown in Table 6-35.

Table 6-35. Eglin/Hurlburt Market Area Population Projections

	2000	2003	2004	2005	2008	2000-2008 Annual Change	Households @ 2.4 pph
Okaloosa	170,498	181,102	184,529	187,511	196,566	3,259	1,358
Santa Rosa	117,743	128,889	132,635	136,338	147,855	3,764	1,568
Total	288,241	309,991	317,164	323,849	344,421	7,023	2,926
Average Annual Growth Rate 2000-2008						5.1%	

Source: UF BEBR 2004, Strategic Planning Group, Inc.

Future Military Demand

The Eglin/Hurlburt Housing Requirement and Market Assessment reports shows a decreased installation manpower loading from 15,821 to 15,690 in 2008 (a loss of 131 personnel). This figure does not take into account possible changes to the installation as a result of the 2005 BRAC.

According to Air Force documents, Eglin/Hurlburt would have a need for 1,867 family housing and 1,105 unaccompanied units to accommodate its 2008 manpower requirements.

Military Rental Housing Projections

In 2008, the Air Force projects⁸¹ there would be a shortfall of 1,593 military family rentals and 1,500 unaccompanied rental housing. According to the Housing Assessment, the military family off-installation rental shortfall is 3,093 units.

Table 6-36 Total Off-Installation Family and Unaccompanied Shortfall-2008

Monthly Rent Plus Utilities, Insurance	1 BR	2 BR	3 BR	4 BR	Total
\$2000 and Above	0	0	0	0	0
\$1500 - \$1999	0	0	0	0	0
\$1300 - \$1499	0	0	0	0	0
\$1200 - \$1299	0	0	0	0	0
\$1100 - \$1199	0	1	2	1	4
\$1000 - \$1099	0	7	8	1	16
\$900 - \$999	0	28	10	7	45
\$800 - \$899	0	154	103	174	431
\$700 - \$799	0	981	160	120	1261
\$600 - \$699	343	60	0	0	403
\$500 - \$599	933	0	0	0	933
Under \$499	0	0	0	0	0
Total	1276	1231	283	303	3093

Source: Military Housing Needs Assessment Draft Report, FHFC, prepared by GEC, October 2004

Military Ownership Housing Projections

The Air Force estimates, that in 2008, there will be a demand for 3,888 owner-occupied, military, off-installation housing, which is an increase of 947 units over the 2003 level.

Findings

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 6-37, 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%, some families within the E3-E4 ranks requiring affordable, 4+-bedroom rental units may have a problem in finding them (31 units) when using median rents.

⁸¹ As reported in FHFC draft Military Housing report, GEC Oct. 2003.

Table 6-37. Distribution of Military Family Renters % of Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households		Off Base Renters	Affordable Rent Mthly	Rental Need		
			2003	On Base			2-BR	3-BR	4-BR
0-30% Median						40%	\$625	\$738	\$945
None			None						
31%-60% Median									
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
61%-80% Median									
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
Total E4,E5, O1			2,741		638		515	54	69
TOTAL			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 6-38. 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 6-38. Distribution of Military Single Household Renters % of Local Median Income (2004)

Range of Median	RMC-2004	% Median	Single Households		Off Base Renters	Affordable Rent	2	
			2003				1 Bedroom	Bedroom
0-30% Median							\$625	\$738
none			None			40%		
31% -60% Median								
E1	\$24,838	45%	0	0	0	\$828	Housed on base	
E2	\$26,807	49%	0	0	0	\$894	Housed on base	
E3	\$28,871	53%	0	0	0	\$962	Housed on base	
E4	\$32,791	60%	Total		0	\$1,093	1,469	
Total E1-E4			0	0	0		1,469	0
61-80% Median								
E5	\$40,505	74%	0	0	0	\$1,350	703	
O1	\$38,729	71%	91	0	0	\$1,291		121
Total E5-O1			91	0	0		703	121
TOTAL			91	0	0		2,172	121

Source: Strategic Planning Group, Inc. 2005

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

Housing sales costs have increased at an annual rate of 20.5% for the local area compared to 8.4% nationally. The rate of growth has exceeded national trends, the median sales price for a

home in Okaloosa County (\$218,200) is slightly less than the national average (\$268,100). This is largely due to the limited available land in the County. However, Santa Rosa county lies within the housing market and its median sales price of \$136,300 is significantly below the national average.

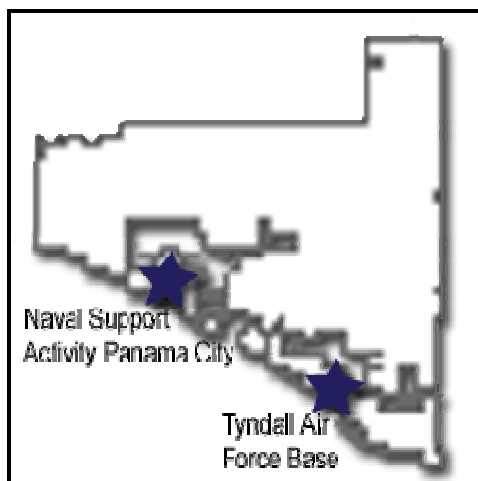
The local Fair Market Rents for a two-bedroom unit (\$610) and for a three-bedroom unit (\$890) compare favorably with national average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

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 (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, choosing to live in more expensive rental units.

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. By virtue of its geographical location, coupled with its recognized mission areas and technical expertise, the Warfare Center is a principal player in the joint expeditionary and coastal operations in the littoral environment.

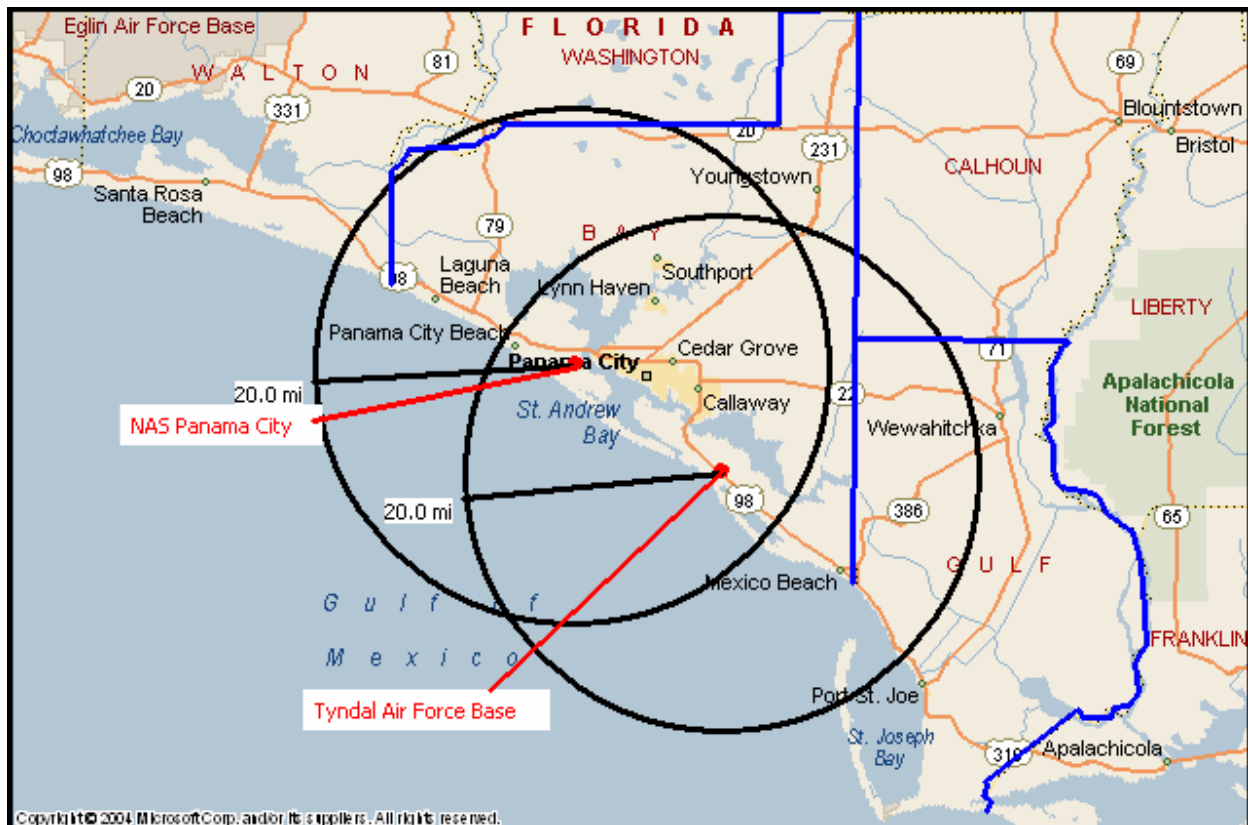


Installation Summary

NSWC Panama City major tenants are Navy Experimental Diving Unit, Naval Diving and Salvage Training Center, Center for Explosive Ordnance Disposal and Diving, Explosive Ordnance Disposal, Explosive Ordnance Disposal (EOD) Group Two Detachment, Naval SPECWAR Training Detachment, U.S. Coast Guard, Florida Fish and Wildlife Conservation Commission, Naval Dental Center Branch Dental Clinic, Navy Exchange Branch, Naval Hospital Pensacola Branch Clinic, Naval Criminal Investigative Service, Navy Publications and Printing Service Office, Personnel Support Detachment, Resident Officer in Charge of Construction, Veterans Administration Primary Care Clinic, and Coastal Operations Institute.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 7-1. NSWC Panama City Market Area

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 therefore, this study includes only Bay and Gulf Counties. The two counties have experienced significant growth since 1980, averaging around 3,000 new persons per year during the 1990-2000 year period, all of which occurred within Bay County. Growth over 2000-2005 increased at an annual rate of 2,500 persons.

Table 7-1. Population of Bay and Gulf Counties

Year	Bay County	Gulf County	Total	State
	Population	Population		Population
1990	126,994	11,504	138,498	12,938,071
2000	155,193	13,332	168,525	15,982,378
2003	158,200	15,615	173,815	17,071,508
2005 (p)	167,900	16,000	183,900	17,760,000
2010 (p)	168,900	16,600	185,500	19,397,400
Annual Change				
1990-2000	2,820	183	3,003	304,431
2000-2003	1,002	761	1,763	363,043
2003-2005	4,850	385	5,043	344,246

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

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% (Table 7-2).

Table 7-2. Labor Force, Bay and Gulf Counties, 2003

Labor Force (2003)	Bay	Gulf	Total
Labor Force	71,864	5,370	77,234
% of County Population	46.3%	35.2%	81.5%
Number Unemployed	3,887	243	4,130
Unemployment Rate	5.4%	4.5%	5.3%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 7-3. 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%.

Table 7-3. Employment in Bay and Gulf Counties

N/D = No Data	Bay	Gulf	Florida
(2002)			
Total Employment	61,982	3,441	7,163,458
Agriculture, Natural Resources & Mining	0.3%	2.3%	1.5%
Construction & Real Estate	9.1%	5.8%	8.2%
Education Services	6.9%	10.7%	7.2%
Finance & Insurance	3.6%	2.4%	4.5%
Government (including military)	8.6%	27.2%	6.1%
Healthcare & Social Assistance	13.0%	12.6%	11.3%
Information	1.5%	4.4%	2.5%
Manufacturing	5.2%	N/D	5.7%
Other Services ¹	36.1%	23.7%	28.1%
Professional & Business Services	9.9%	3.9%	17.0%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Average industry wages were significantly higher in Bay County than in Gulf County. Government wages (including military) exceeded the industry average in both counties (Table 7-4).

Table 7-4. Average Wage in Industries, 2002

(2002)	Bay County	Gulf County
All Industries	\$27,432	\$25,757
Agriculture, Natural Resources & Mining	\$28,534	\$43,048
Construction & Real Estate	\$26,588	\$20,612
Education Services	\$29,894	\$28,302
Finance & Insurance	\$34,326	\$23,929
Government (including military)	\$40,569	\$28,884
Healthcare & Social Assistance	\$33,621	\$22,674
Information	\$30,684	\$32,847
Manufacturing	\$37,224	N/D
Other Services ¹	\$17,615	\$17,288
Professional & Business Services	\$31,710	\$32,788
Transportation/Warehousing/Wholesale Trade	\$32,241	\$39,475

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Per Capita Income has declined in both Counties relative to the State as a whole. Bay County's per capita income has remained significantly lower than the State average over the 2000-2003 period.

Table 7-5. Per Capita Income

	Bay	Gulf	Florida
2000	\$23,757	\$16,611	\$28,511
2001	\$24,400	\$17,400	\$29,247
2002	\$25,536	\$18,285	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2003, NSWC Panama City had 892 active-duty, permanent personnel. As shown in Table 7-6, there were 526 families and 366 unaccompanied personnel in need of housing (on- and off-installation). Enlisted ranks accounted for 86% of the active-duty personnel, while 14% were officers.

Table 7-6. Military Personnel, Family and Unaccompanied, 2003

Grade	Family	Unaccompanied	Total Personnel
Total	526	366	892
Officers	77	48	125
O6+	2	1	3
W4-O5	22	6	28
W1-O3	53	41	94
Enlisted	449	318	767
E7-E9	159	22	181
E4-E6	259	178	437
E1-E3	31	118	149

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

The total demand for family housing by bedroom is shown in Table 7-7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 7-7. Family Housing by Status and Bedroom, 2003

Grade	2 BR	3BR	4+BR	Family Housing Required
Total	177	268	81	526
Officers	21	39	17	77
O6+	0	0	2	2
W4-O5	0	14	8	22
W1-O3	21	25	7	53
Enlisted	156	229	64	449
E7-E9	0	131	28	159
E4-E6	131	92	36	259
E1-E3	25	6	0	31

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

On-Installation Housing

The military requires that part of the personnel assigned to the Naval 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 Housing⁸²

According to the NSWC Panama City Housing Office, NSWC Panama City had a government-controlled, family housing occupancy of 65 units; 15 for officers and 50 for enlisted in 2004. The majority of those housed are E4-E6 families. The 2003 Housing Market Analysis showed 64 on-installation housing as shown below.

⁸²On-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.

Table 7-8. Family On-Installation Housing Currently Occupied, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	0	55	9	64
Officers	0	8	5	13
O6+	0	0	1	1
W4-O5	0	2	3	5
W1-O3	0	6	1	7
Enlisted	0	47	4	51
E7-E9	0	10	1	11
E4-E6	0	37	3	40
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

Waiting List – On-Installation Housing

Table 7-9 shows the most recent waiting list (December 14, 2004) for on-installation housing. The longest period is for 2-bedroom units for E1-9. No breakdown beyond the E1-9 is available, although the need appears to be within the E1-4 ranks.

Table 7-9. Family On-Installation Housing Wait List (# Months)

	2 BR	3 BR	4 BR	5 BR
E1-E9	18 - 24	12 - 18	24	N/A
W1-O3	N/A	24	12	N/A
O4-O5	N/A	12	12	N/A
O6	N/A	N/A	N/A	N/A

Source: NSWC Panama City Family Housing, PCS Housing Assistance Dec 14, 2004

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, NSWC Panama City had 297 Bachelor Enlisted Quarters (BEQ) and 47 Bachelor Officer Quarters (BOQ). By regulation, only 119 unaccompanied personnel are supposed to be housed on-installation.

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

The Department of Navy estimates that its off-installation or "community first" family housing requirements were 462 families in 2003, as shown in Table 7-10.

Table 7-10. Off-Installation Family Housing Requirements, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	177	213	72	462
Officers	21	31	12	64
O6+	0	0	1	1
W4-O5	0	12	5	17
W1-O3	21	19	6	46
Enlisted	156	182	60	398
E7-E9	0	121	27	148
E4-E6	131	55	33	219
E1-E3	25	6	0	31

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

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 286 military personnel owned their housing in 2003 (Table 7-11).

Table 7-11. Military Family Homeowners, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	93	146	47	286
Officers	12	18	7	37
O6+	0	0	1	1
W4-O5	0	8	3	11
W1-O3	12	10	3	25
Enlisted	81	128	40	249
E7-E9	0	94	21	115
E4-E6	78	33	19	130
E1-E3	3	1	0	4

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

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 176 military families rented homes in 2003 (Table 7-12).

Table 7-12. Military Family Renters, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	84	67	25	176
Officers	9	13	5	27
O6+	0	0	0	0
W4-O5	0	4	2	6
W1-O3	9	9	3	21
Enlisted	75	54	20	149
E7-E9	0	27	6	33
E4-E6	53	22	14	89
E1-E3	22	5	0	27

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City 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 247 unaccompanied personnel residing within the community in 2003.

Table 7-13. Off-Installation Unaccompanied Housing Requirements, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	156	84	7	247
Officers	0	41	7	48
O6+	0	0	1	1
W4-O5	0	0	6	6
W1-O3	0	41	0	41
Enlisted	156	43	0	199
E7-E9	0	22	0	22
E4-E6	156	21	0	177
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

Using the same approach as with family housing, the number of unaccompanied personnel owning housing was estimated to be 56 personnel (Table 7-14).

Table 7-14. Unaccompanied Homeowners, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	20	31	5	56
Officers	0	10	5	15
O6+	0	0	1	1
W4-O5	0	0	4	4
W1-O3	0	10	0	10
Enlisted	20	21	0	41
E7-E9	0	14	0	14
E4-E6	20	7	0	27
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Navy to estimate that 191 unaccompanied military renters resided off-installation in 2003 (Table 7-15).

Table 7-15. Unaccompanied Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	136	53	2	191
Officers	0	31	2	33
O6+	0	0	0	0
W4-O5	0	0	2	2
W1-O3	0	31	0	31
Enlisted	136	22	0	158
E7-E9	0	8	0	8
E4-E6	136	14	0	150
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

Off-Installation Housing Acceptability

The Navy uses four criteria to determine whether housing 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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH⁸³ that is adjusted annually to reflect local housing costs. Table 7-16 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for NSWC Panama City in 2004.

Table 7-16. BAH and MAHC with and without Dependents (2004)

	BAH	MAHC	BAH	MAHC
	With Dependents		Without Dependents	
E-1	\$745	\$771	\$644	\$667
E-2	\$745	\$771	\$644	\$667
E-3	\$745	\$771	\$644	\$667
E-4	\$745	\$771	\$644	\$667
E-5	\$803	\$831	\$673	\$697
E-6	\$846	\$876	\$696	\$720
E-7	\$918	\$950	\$749	\$775
E-8	\$996	\$1,031	\$811	\$839
E-9	\$1,082	\$1,120	\$825	\$854
W-1	\$847	\$877	\$724	\$749
W-2	\$950	\$983	\$811	\$839
W-3	\$1,045	\$1,082	\$826	\$855
W-4	\$1,097	\$1,135	\$864	\$894
W-5	\$1,156	\$1,196	\$935	\$968
O-1	\$808	\$836	\$688	\$712
O-2	\$845	\$875	\$783	\$810
O-3	\$1,042	\$1,078	\$831	\$860
O-4	\$1,181	\$1,222	\$925	\$957
O-5	\$1,278	\$1,323	\$973	\$1,007
O-6	\$1,289	\$1,334	\$1,045	\$1,082
O-7	\$1,304	\$1,350	\$1,066	\$1,103

Source: Strategic Planning Group, Inc. 2005

Based on the most recent Navy Housing Market Assessment, the demand for family rental housing by affordability is shown in Table 7-17. Based on Navy standards, most of the family housing affordability is within the \$500-\$800 month ranges (using only BAH).

⁸³ Includes renters insurance and utilities.

Table 7-17. Military Off-Installation Family Renters by Cost Band, 2003

Monthly Rent Plus Utilities, Insurance	Studios	1 BR	2 BR	3 BR	4+ BR	Total
More than \$1400	0	0	0	0	0	0
\$1301 - \$1400	0	0	0	0	0	0
\$1201 - \$1300	0	0	0	1	0	1
\$1101 - \$1200	0	0	0	2	1	3
\$1001 - \$1100	0	0	0	0	1	1
\$901 - \$1000	0	0	2	5	1	8
\$801 - \$900	0	0	7	14	4	25
\$701 - \$800	0	0	16	20	6	42
\$601 - \$700	0	0	33	18	9	60
\$501 - \$600	0	0	26	7	3	36
\$600 and Below	0	0	0	0	0	0
Total	0	0	84	67	25	176

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

Off-Installation (Private Sector) Housing Shortfall

The military estimates the unmet need or “shortfall” of the local private-sector housing by estimating the number of personnel that are currently residing in “non-suitable” rental housing. To calculate suitable demand, the Navy subtracts “unsuitable” units in the market area in order to calculate suitable supply. The Navy estimated that 25.4% of NSWC Panama City’s market area rental housing was “unsuitable.” Mobile homes accounted for 14.3% of the local housing stock, which the Navy deems “unsuitable.” Then, using Housing Market Assessment reports (which include the location/rent of military residing off-installation), the Navy calculates the short fall or the number of personnel residing in “non-suitable” conditions.

The following community housing shortfall is analyzed by Family Rental Housing shortfall and Unaccompanied (single) Rental Housing shortfall.⁸⁴

Family Rental Housing Shortfall

The Navy estimated that of the total 176 families residing off-installation (see Table 7-12), 84 were suitably housed (see Table 7-18). Therefore, according to the Navy, there exists a 92-family rental housing shortfall in the local market (Table 7-19).

Table 7-18. Total Acceptably Housed Military Family Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	149	172	49	370
Officers	20	27	9	56
O6+	0	0	1	1
W4-O5	0	12	5	17
W1-O3	20	15	3	38
Enlisted	129	145	40	314
E7-E9	0	105	21	126
E4-E6	113	39	19	171
E1-E3	16	1	0	17

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

⁸⁴ It should be noted that the documented short fall is used as part of a formula to determine future on-installation requirements.

Table 7-19. Off-Installation Military Family Rental Housing Shortfall, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	28	41	23	92
Officers	1	4	3	8
O6+	0	0	0	0
W4-O5	0	0	0	0
W1-O3	1	4	3	8
Enlisted	27	37	20	84
E7-E9	0	16	6	22
E4-E6	18	16	14	48
E1-E3	9	5	0	14

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

Unaccompanied Rental Housing Shortfall

The Navy estimated that of the total 191 unaccompanied personnel residing off-installation (Table 7-15), 113 are assumed to be living in “suitable” housing (Table 7-20), resulting in a shortfall of 78 rental units for unaccompanied personnel (Table 7-21).

Table 7-20. Total Acceptably Housed Unaccompanied Personnel, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	79	33	1	113
Officers	0	19	1	20
O6+	0	0	0	0
W4-O5	0	0	1	1
W1-O3	0	19	0	19
Enlisted	79	14	0	93
E7-E9	0	6	0	6
E4-E6	79	8	0	87
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

Table 7-21. Off-Installation Unaccompanied Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	57	20	1	78
Officers	0	12	1	13
O6+	0	0	0	0
W4-O5	0	0	1	1
W1-O3	0	12	0	12
Enlisted	57	8	0	65
E7-E9	0	2	0	2
E4-E6	57	6	0	63
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis

Total Military Rental Housing Shortfall (Military Methodology)

Table 7-22 combines both the family and unaccompanied shortfalls to provide an overall summary of need based on the military’s methodology. However, it should be stressed that this combined table could overstate the problem of need primarily due to unaccompanied need.

Unaccompanied personnel can now double up (share an apartment, condo or house) without losing any of the BAH. A large percentage of the unaccompanied rental demand is within the younger ranks that could upscale their rental housing by sharing unit/costs for a more expensive unit.

Table 7-22. Total Military Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	85	61	24	170
Officers	1	16	4	21
O6+	0	0	0	0
W4-O5	0	0	1	1
W1-O3	1	16	3	20
Enlisted	84	45	20	149
E7-E9	0	18	6	24
E4-E6	75	22	14	111
E1-E3	9	5	0	14

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis and SPG, Inc., 2005

Without more detailed information than was released by the Navy or contained in the most recent Navy Housing Assessment, it is not possible to determine why a shortfall in off-installation housing exists (whether it is caused by price/availability or other “suitability” issues). As stated above, because detailed information is lacking as to the specifics of why an off-installation housing shortage exists, SPG, using the Navy’s personnel data, used a standard market methodology to assess military off-installation housing need.

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue from the Florida Housing Finance Corporation’s (FHFC) standards which state that a household should not spend over 40% of its income on housing.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 7-23, 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 \$25,966 (E1 unaccompanied) to \$137,258 (O7 with dependents). Traditionally, market demand is driven by income, or in the case of the military, the RMC.

Table 7-23. Regular Military Compensation

With Dependents	BAH	BAS	Allowances		Calculated Basic		Annualized	Tax Adjustment	Regular Military Compensation	Military as % of Median
			Annualized	Salary Range	Income	Income				
E-1	\$745	\$254	\$11,994	\$1,104	\$1,193	\$1,193	\$14,316	\$966	\$27,276	55.4%
E-2	\$745	\$254	\$11,994	\$1,338	\$1,338	\$1,338	\$16,052	\$1,253	\$29,299	59.6%
E-3	\$745	\$254	\$11,994	\$1,407	\$1,586	\$1,496	\$17,946	\$1,463	\$31,402	63.8%
E-4	\$745	\$254	\$11,994	\$1,558	\$1,892	\$1,814	\$21,769	\$1,581	\$35,344	71.8%
E-5	\$803	\$254	\$12,690	\$1,700	\$2,368	\$2,368	\$28,415	\$1,914	\$43,019	87.4%
E-6	\$846	\$254	\$13,206	\$1,856	\$2,810	\$2,810	\$33,718	\$2,220	\$49,143	99.9%
E-7	\$918	\$254	\$14,070	\$2,145	\$3,855	\$3,342	\$40,100	\$2,470	\$56,640	115.1%
E-8	\$996	\$254	\$15,006	\$3,086	\$4,314	\$3,716	\$44,586	\$2,722	\$62,313	126.7%
E-9	\$1,082	\$254	\$16,038	\$3,769	\$5,055	\$4,777	\$57,319	\$4,087	\$77,444	157.4%
W-1	\$847	\$175	\$12,267	\$2,213	\$3,536	\$2,594	\$31,122	\$2,014	\$45,402	92.3%
W-2	\$950	\$175	\$13,503	\$2,506	\$4,104	\$3,158	\$37,894	\$2,376	\$53,773	109.3%
W-3	\$1,045	\$175	\$14,643	\$2,849	\$4,716	\$3,596	\$43,150	\$3,426	\$61,219	124.4%
W-4	\$1,097	\$175	\$15,267	\$3,119	\$5,446	\$4,617	\$55,408	\$5,164	\$75,838	154.1%
W-5	\$1,156	\$175	\$15,975	\$5,361	\$5,914	\$5,544	\$66,532	\$5,895	\$88,402	179.7%
O-1	\$808	\$175	\$11,799	\$2,264	\$2,849	\$2,264	\$27,173	\$1,937	\$40,908	83.1%
O-2	\$845	\$175	\$12,243	\$2,608	\$3,610	\$3,422	\$41,058	\$2,155	\$55,455	112.7%
O-3	\$1,042	\$175	\$14,607	\$3,019	\$4,911	\$4,220	\$50,641	\$3,418	\$68,666	139.6%
O-4	\$1,181	\$175	\$16,275	\$3,434	\$5,733	\$4,809	\$57,712	\$5,505	\$79,491	161.6%
O-5	\$1,278	\$175	\$17,439	\$3,980	\$6,761	\$5,603	\$67,234	\$6,436	\$91,108	185.2%
O-6	\$1,289	\$175	\$17,571	\$4,774	\$8,285	\$6,807	\$81,688	\$6,499	\$105,757	215.0%
O-7	\$1,304	\$175	\$17,751	\$6,441	\$9,434	\$9,386	\$112,633	\$6,874	\$137,258	279.0%
Without Dependents										
E-1	\$644	\$254	\$10,782	\$1,104	\$1,193	\$1,193	\$14,316	\$868	\$25,966	52.8%
E-2	\$644	\$254	\$10,782	\$1,338	\$1,338	\$1,338	\$16,052	\$1,126	\$27,960	56.8%
E-3	\$644	\$254	\$10,782	\$1,407	\$1,586	\$1,496	\$17,946	\$1,315	\$30,042	61.1%
E-4	\$644	\$254	\$10,782	\$1,558	\$1,892	\$1,814	\$21,769	\$1,422	\$33,972	69.0%
E-5	\$673	\$254	\$11,130	\$1,700	\$2,368	\$2,368	\$28,415	\$1,679	\$41,223	83.8%
E-6	\$696	\$254	\$11,406	\$1,856	\$2,810	\$2,810	\$33,718	\$1,917	\$47,041	95.6%
E-7	\$749	\$254	\$12,042	\$2,145	\$3,855	\$3,342	\$40,100	\$2,114	\$54,256	110.3%
E-8	\$811	\$254	\$12,786	\$3,086	\$4,314	\$3,716	\$44,586	\$2,319	\$59,691	121.3%
E-9	\$825	\$254	\$12,954	\$3,769	\$5,055	\$4,777	\$57,319	\$3,301	\$73,574	149.5%
W-1	\$724	\$175	\$10,791	\$2,213	\$3,536	\$2,594	\$31,122	\$1,771	\$43,684	88.8%
W-2	\$811	\$175	\$11,835	\$2,506	\$4,104	\$3,158	\$37,894	\$2,083	\$51,811	105.3%
W-3	\$826	\$175	\$12,015	\$2,849	\$4,716	\$3,596	\$43,150	\$2,811	\$57,976	117.8%
W-4	\$864	\$175	\$12,471	\$3,119	\$5,446	\$4,617	\$55,408	\$4,218	\$72,096	146.5%
W-5	\$935	\$175	\$13,323	\$5,361	\$5,914	\$5,544	\$66,532	\$4,917	\$84,771	172.3%
O-1	\$688	\$175	\$10,359	\$2,264	\$2,849	\$2,264	\$27,173	\$1,700	\$39,232	79.7%
O-2	\$783	\$175	\$11,499	\$2,608	\$3,610	\$3,422	\$41,058	\$2,024	\$54,580	110.9%
O-3	\$831	\$175	\$12,075	\$3,019	\$4,911	\$4,220	\$50,641	\$2,825	\$65,541	133.2%
O-4	\$925	\$175	\$13,203	\$3,434	\$5,733	\$4,809	\$57,712	\$4,466	\$75,380	153.2%
O-5	\$973	\$175	\$13,779	\$3,980	\$6,761	\$5,603	\$67,234	\$5,085	\$86,097	175.0%
O-6	\$1,045	\$175	\$14,643	\$4,774	\$8,285	\$6,807	\$81,688	\$5,416	\$101,746	206.8%
O-7	\$1,066	\$175	\$14,895	\$6,441	\$9,434	\$9,386	\$112,633	\$5,768	\$133,296	270.9%

Source: Strategic Planning Group, Inc. 2005

As shown in table 7-23, E1-E3 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 E1-4s and O1s, note however that all E1-E3 singles are required to live on-installation. Therefore, of the unaccompanied personnel, E4s and O1s fall under the 80% median area income, yet none fall below the 50% figure..

Overall Market Area Rental Rates

Table 7-24 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the NSWC Panama City MAHC and/or FHFC’s 40% rule are competitive within the local housing market.

Table 7-24. Rental Rate Comparison Chart

<i>Comparative Rents - NSWC Panama Beach Market</i>				
<i>Bedrooms</i>	<i>HUD [1]</i>	<i>NHA 2003 [2]</i>	<i>NAS Housing Office [3]</i>	
0	\$436	\$0	-	-
1	\$477	\$550	\$545	\$700
2	\$542	\$625	\$625	\$675
3	\$691	\$875	\$725	\$1,100
4	\$741	\$1,100	\$940	-
Footnotes				
[1] HUD 2004 Fair Market Rents				
[2] Niehaus, Inc., NSWC Panama Beach 2003 Housing Market An				
[3] Updated Dec 3, 2004				

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to Panama City’s fair market rents.

Rental Housing Market

Using the FHFC 40% approach, only E1 and E2 families requiring three or more bedrooms would fall below the local fair market rent defined by HUD as shown in Table 7-25.

Table 7-25. Military RMC and Panama City Fair Market Rent, 2004

Grade	BAH	RMC	Panama City MSA HUD Fair Market Rent by Bedroom				
			0 BR	1 BR	2 BR	3 BR	4 BR
With Dependents		40%					
E-1	\$745	\$909	\$436	\$477	\$542	\$691	\$741
E-2	\$745	\$977	\$436	\$477	\$542	\$691	\$741
E-3	\$745	\$1,047	\$436	\$477	\$542	\$691	\$741
E-4	\$745	\$1,178	\$436	\$477	\$542	\$691	\$741
E-5	\$803	\$1,434	\$436	\$477	\$542	\$691	\$741
E-6	\$846	\$1,638	\$436	\$477	\$542	\$691	\$741
E-7	\$918	\$1,888	\$436	\$477	\$542	\$691	\$741
E-8	\$996	\$2,077	\$436	\$477	\$542	\$691	\$741
E-9	\$1,082	\$2,581	\$436	\$477	\$542	\$691	\$741
W-1	\$847	\$1,513	\$436	\$477	\$542	\$691	\$741
W-2	\$950	\$1,792	\$436	\$477	\$542	\$691	\$741
W-3	\$1,045	\$2,041	\$436	\$477	\$542	\$691	\$741
W-4	\$1,097	\$2,528	\$436	\$477	\$542	\$691	\$741
W-5	\$1,156	\$2,947	\$436	\$477	\$542	\$691	\$741
O-1	\$808	\$1,364	\$436	\$477	\$542	\$691	\$741
O-2	\$845	\$1,849	\$436	\$477	\$542	\$691	\$741
O-3	\$1,042	\$2,289	\$436	\$477	\$542	\$691	\$741
O-4	\$1,181	\$2,650	\$436	\$477	\$542	\$691	\$741
O-5	\$1,278	\$3,037	\$436	\$477	\$542	\$691	\$741
O-6	\$1,289	\$3,525	\$436	\$477	\$542	\$691	\$741
O-7	\$1,304	\$4,575	\$436	\$477	\$542	\$691	\$741
Without Dependents							
E-1	\$644	\$866	\$436	\$477	\$542	\$691	\$741
E-2	\$644	\$932	\$436	\$477	\$542	\$691	\$741
E-3	\$644	\$1,001	\$436	\$477	\$542	\$691	\$741
E-4	\$644	\$1,132	\$436	\$477	\$542	\$691	\$741
E-5	\$673	\$1,374	\$436	\$477	\$542	\$691	\$741
E-6	\$696	\$1,568	\$436	\$477	\$542	\$691	\$741
E-7	\$749	\$1,809	\$436	\$477	\$542	\$691	\$741
E-8	\$811	\$1,990	\$436	\$477	\$542	\$691	\$741
E-9	\$825	\$2,452	\$436	\$477	\$542	\$691	\$741
W-1	\$724	\$1,456	\$436	\$477	\$542	\$691	\$741
W-2	\$811	\$1,727	\$436	\$477	\$542	\$691	\$741
W-3	\$826	\$1,933	\$436	\$477	\$542	\$691	\$741
W-4	\$864	\$2,403	\$436	\$477	\$542	\$691	\$741
W-5	\$935	\$2,826	\$436	\$477	\$542	\$691	\$741
O-1	\$688	\$1,308	\$436	\$477	\$542	\$691	\$741
O-2	\$783	\$1,819	\$436	\$477	\$542	\$691	\$741
O-3	\$831	\$2,185	\$436	\$477	\$542	\$691	\$741
O-4	\$925	\$2,513	\$436	\$477	\$542	\$691	\$741
O-5	\$973	\$2,870	\$436	\$477	\$542	\$691	\$741
O-6	\$1,045	\$3,392	\$436	\$477	\$542	\$691	\$741
O-7	\$1,066	\$4,443	\$436	\$477	\$542	\$691	\$741

Source: Strategic Planning Group, Inc. 2005

Without dependents should only require a studio or 1 bedroom unit based on HUD standards.

Using information from the NSWC Panama City Housing Office, which compiles local housing costs for “suitable housing,” cost alone should not be an issue with respect to finding suitable rental housing for the vast majority of NSWC Panama City personnel (Table 7-26).

Table 7-26. Rental Housing Costs, Panama City Market Area, 2004

Grade	BAH	RMC	Panama City MSA HUD Fair Market Rent by Bedroom					Market Area Data				
			0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR
With Dependents												
E-1	\$745	\$909	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-2	\$745	\$977	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-3	\$745	\$1,047	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-4	\$745	\$1,178	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-5	\$803	\$1,434	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-6	\$846	\$1,638	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-7	\$918	\$1,888	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-8	\$996	\$2,077	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-9	\$1,082	\$2,581	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-1	\$847	\$1,513	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-2	\$950	\$1,792	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-3	\$1,045	\$2,041	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-4	\$1,097	\$2,528	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-5	\$1,156	\$2,947	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-1	\$808	\$1,364	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-2	\$845	\$1,849	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-3	\$1,042	\$2,289	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-4	\$1,181	\$2,650	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-5	\$1,278	\$3,037	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-6	\$1,289	\$3,525	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-7	\$1,304	\$4,575	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
Without Dependents												
E-1	\$644	\$866	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-2	\$644	\$932	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-3	\$644	\$1,001	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-4	\$644	\$1,132	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-5	\$673	\$1,374	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-6	\$696	\$1,568	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-7	\$749	\$1,809	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-8	\$811	\$1,990	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-9	\$825	\$2,452	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-1	\$724	\$1,456	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-2	\$811	\$1,727	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-3	\$826	\$1,933	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-4	\$864	\$2,403	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-5	\$935	\$2,826	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-1	\$688	\$1,308	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-2	\$783	\$1,819	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-3	\$831	\$2,185	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-4	\$925	\$2,513	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-5	\$973	\$2,870	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-6	\$1,045	\$3,392	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-7	\$1,066	\$4,443	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
Housing Standard For Grade												
Rental ranges that exceed BAH												
BAH plus 3.5% out of pocket is within rent range												
1075 Rents higher than BAH and 3.5% out of pocket												

Source: Strategic Planning Group, Inc. 2005

Based on Table 7-26, while the BAH rates may cause some difficulties finding some 3 and 4 bedroom rentals, when applying the FHFC 40% affordability standards, no grades should experience a hardship in finding affordable housing within the market place.

Ownership Housing

As shown earlier, the Navy estimates show 286 families owned off-installation housing in 2003 (Table 7-11). Unaccompanied personnel owned 56 residences in 2003 (Table 7-14). Table 7-27 shows the combined family and unaccompanied ownership in 2003. For purposes of Navy Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Table 7-27. Combined Homeownership, 2003

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	20	124	151	47	342
Officers	0	22	23	7	52
O6+	0	0	1	1	2
W4-O5	0	0	12	3	15
W1-O3	0	22	10	3	35
Enlisted	20	102	128	40	290
E7-E9	0	14	94	21	129
E4-E6	20	85	33	19	157
E1-E3	0	3	1	0	4

Source: Robert D. Niehaus, Inc., 2003 NSWC Panama City Housing Analysis and SPG, Inc., 2005

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 7-28 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$150,491 for an E1 unaccompanied to \$795,508 for an O7 with dependents.

Table 7-28. Maximum Affordable Purchase Price per RMC

<i>Panama City</i>	<i>RMC</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @ 6%) 5% Downpayment</i>
With Dependents		40.0%	40.0%
E-1	\$27,276	\$10,910.20	\$158,081
E-2	\$29,299	\$11,719.56	\$169,808
E-3	\$31,402	\$12,560.93	\$181,999
E-4	\$35,344	\$14,137.67	\$204,845
E-5	\$43,019	\$17,207.47	\$249,324
E-6	\$49,143	\$19,657.26	\$284,820
E-7	\$56,640	\$22,656.04	\$328,270
E-8	\$62,313	\$24,925.31	\$361,150
E-9	\$77,444	\$30,977.44	\$448,841
W-1	\$45,402	\$18,160.92	\$263,139
W-2	\$53,773	\$21,509.09	\$311,652
W-3	\$61,219	\$24,487.42	\$354,806
W-4	\$75,838	\$30,335.18	\$439,535
W-5	\$88,402	\$35,360.70	\$512,352
O-1	\$40,908	\$16,363.32	\$237,093
O-2	\$55,455	\$22,182.15	\$321,404
O-3	\$68,666	\$27,466.29	\$397,967
O-4	\$79,491	\$31,796.36	\$460,707
O-5	\$91,108	\$36,443.21	\$528,036
O-6	\$105,757	\$42,302.82	\$612,938
O-7	\$137,258	\$54,903.13	\$795,508
Without Dependents			
E-1	\$25,966	\$10,386.35	\$150,491
E-2	\$27,960	\$11,184.11	\$162,050
E-3	\$30,042	\$12,017.00	\$174,118
E-4	\$33,972	\$13,588.94	\$196,894
E-5	\$41,223	\$16,489.33	\$238,919
E-6	\$47,041	\$18,816.22	\$272,634
E-7	\$54,256	\$21,702.42	\$314,453
E-8	\$59,691	\$23,876.24	\$345,950
E-9	\$73,574	\$29,429.48	\$426,412
W-1	\$43,684	\$17,473.61	\$253,180
W-2	\$51,811	\$20,724.47	\$300,283
W-3	\$57,976	\$23,190.26	\$336,011
W-4	\$72,096	\$28,838.51	\$417,850
W-5	\$84,771	\$33,908.42	\$491,309
O-1	\$39,232	\$15,692.77	\$227,377
O-2	\$54,580	\$21,832.18	\$316,333
O-3	\$65,541	\$26,216.51	\$379,859
O-4	\$75,380	\$30,151.95	\$436,880
O-5	\$86,097	\$34,438.93	\$498,996
O-6	\$101,746	\$40,698.44	\$589,692
O-7	\$133,296	\$53,318.35	\$772,545

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the NSWC Panama City market does not appear to be a problem for military personnel.

The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.⁸⁵

The Census shows that the market area had approximately 64,500 housing units in 2000 (Table 7-29), of which owner-occupied housing comprised 69.6% and rental 30.4%

Table 7-29. Housing Units, 2000

	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>	<i>%</i>
Total:	59,597	4,931	64,528	
Owner occupied	40,892	3,995	44,887	69.6%
Renter occupied	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 7-30). Total vacant rental units increased by slightly over 600 units between the 1990-2000 time periods.

Table 7-30. Rental Housing Trends, 1990-2000⁸⁶

	<i>County</i>	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>
Occupied Rental Units	1990	16,866	928	17,794
	2000	18,710	935	19,645
	Change	1,844	7	1,851
Vacant Rental Units	1990	5,127	293	5,420
	2000	5,501	555	6,056
	Change	374	262	636
Total Rental Units	1990	21,993	1,221	23,214
	2000	24,211	1,490	25,701
	Change	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. Table 7-31 shows the distribution of rental units by price and

⁸⁵ The 2003 Navy Housing Market Analysis of NSWC Panama City did not provide specific market information. All data was summarized.

⁸⁶ Difference between Table 7-29 and Table 7-30 are due to different census runs (100% versus samples).

bedroom count. The majority of the 1-through 3+-bedroom growth are units renting for between \$400 - \$700 per month.

Table 7-31. Comparison of Rental Units by Size and Rent in 2004 Dollars

<i>Comparison of 1990 and 2000 Rental Units by Bedroom Size and Rent Range in 2004 Dollars -- Bay and Gulf County</i>												
	No BR			1 BR			2 BR			3 or More BR		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
Under 300	100	91	-9	1357	596	-761	1559	580	-979	546	313	-233
300 to 399	91	70	-21	680	573	-107	1832	846	-986	595	298	-297
400 to 499	57	93	36	587	774	187	2275	1225	-1050	790	402	-388
500 to 599	10	81	71	426	660	234	1685	1249	-436	725	469	-256
600 to 699	10	54	44	42	400	358	285	1351	1066	589	648	59
700 to 799	6	54	48	42	400	358	285	1351	1066	589	648	59
800 to 899	0	36	36	26	246	220	174	906	732	379	577	198
900 to 999	0	13	13	4	41	37	25	312	287	101	484	383
1,000 & Up	0	27	27	5	107	102	61	595	534	227	1134	907
Total # of Units	228	518	290	3168	3797	629	8181	8416	235	4540	4972	432

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

Single family rental units (1 to 4 units-per-structure, excluding mobile homes) accounted for 62.2% of the rental market, as shown in Table 7-32.

Table 7-32. Bay and Gulf Counties Owner- and Renter-Occupied Housing, 2000

	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>	<i>%</i>
Total:	59,597	4,931	64,528	
Owner occupied:	40,892	3,995	44,887	69.6%
1, detached	30,399	2,906	33,305	74.2%
1, attached	1,479	65	1,544	3.4%
2	267	22	289	0.6%
3 or 4	272	0	272	0.6%
5 to 9	263	21	284	0.6%
10 to 19	167	0	167	0.4%
20 to 49	198	2	200	0.4%
50 or more	212	2	214	0.5%
				0.0%
Mobile home	7,581	963	8,544	19.0%
Boat, RV, van, etc.	54	14	68	0.2%
Renter occupied:	18,705	936	19,641	30.4%
1, detached	5,626	401	6,027	30.7%
1, attached	1,382	42	1,424	7.3%
2	1,783	57	1,840	9.4%
3 or 4	2,831	74	2,905	14.8%
5 to 9	2,274	52	2,326	11.8%
10 to 19	892	46	938	4.8%
20 to 49	542	39	581	3.0%
50 or more	801	0	801	4.1%
Mobile home	2,561	223	2,784	14.2%
Boat, RV, van, etc.	13	2	15	0.1%

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 47.1% of the area's vacant housing was single family (1-4 units-per-structure, excluding mobile homes). This information is summarized in Table 7-33.

Table 7-33. Units in Structure for Vacant Housing, Bay and Gulf Counties

	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>	<i>%</i>
Total:	18,838	2,656	21,494	
1, detached	5,961	1,393	7,354	34.2%
1, attached	885	94	979	4.6%
2	494	65	559	2.6%
3 or 4	1,116	112	1,228	5.7%
5 to 9	1,186	106	1,292	6.0%
10 to 19	1,162	45	1,207	5.6%
20 to 49	736	2	738	3.4%
50 or more	4,353	0	4,353	20.3%
Mobile home	2,784	743	3,527	16.4%
Boat, RV, van, etc.	161	96	257	1.2%

Source: 2000 Census, Strategic Planning Group, Inc.

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

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 7-34. Bay and Gulf County Building Permits – 2000-2004

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

¹Data for Bay County represents an 11 month period Jan.-Nov. for all indicated years.
²2004 data for all counties January through November.

Source: Strategic Planning Group, Inc. 2005

Current Rental Inventory

The Navy's 2003 Housing Assessment 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 Navy standards (mobile homes, et. al.). Table 7-35 shows the "suitable" rental housing supply.

Table 7-35. NSWC Panama City Suitable Rental Market

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

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

Owner-Occupied Housing

As shown in Table 7-32, 98.6% of the market area's owner-occupied housing 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 as shown in Table 7-36. Average price for a 2-bedroom home was \$198,826; \$377,705 for a 3-bedroom, and \$852,172 for a 4-bedroom home.

Table 7-36. Single Family Housing Multiple Listing Data – December 2004

<i>Unit Type</i>	<i>Avail. Units</i>	<i>Avg. Price</i>	<i>Price Range</i>	<i>Avg. Size</i>
1 Bedroom	2	\$85,000	\$75,000-\$95,000	1,447
2 Bedroom	19	\$193,826	\$36,000-\$825,000	1,049
3 Bedroom	95	\$377,705	\$39,900-\$1,625,000	1,646
4 Bedroom	40	\$852,172	\$107,000-\$3,500,000	2,569
5 Bedroom	6	\$1,621,483	\$149,900-3,425,000	2,866
6 Bedroom	2	\$1,147,500	\$219,999-\$2,75,000	2,760
8 Bedroom	1	\$2,599,000	\$2,599,000	4,428
9 Bedroom	1	\$350,000	\$350,000	4,000

Source: Florida Association of Realtors MLS Listings as of December 2004 and Strategic Planning Group, Inc. 2005

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Bay and Gulf counties Fair Market Rent trends over the 2001-2004 time period.

Local Rental Rate Trends

Table 7-37 shows there is a sizable variation in the change of rents by bedroom count within the local market area.

Table 7-37. Rental Rate Change by Bedroom, 2001-2004

<i>Bay County</i>	<i>0 BR</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
% Change	15.7%	11.8%	12.7%	22.1%	26.6%
<i>Gulf County</i>					
% Change	-1.0%	-9.2%	-4.0%	-2.5%	2.5%
State of Florida % Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Panama City metropolitan area showed a 49% increase in the cost of single family homes during the 2002-2004 time periods.

Table 7-38. Home Sales Price, 2002-2004

<i>Year</i>	<i>Price</i>
2002	\$125,700
2003	\$142,000
2004	\$187,300
Change	49.0%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

According to the Navy's 2003 Housing Assessment, the vacancy rate for "Owner-Occupied Housing" was 2.0%, while the vacancy rate for rental properties was 16.2%. According to other statistics, multi-family vacancy rates were 7.4%, while rentals were 6.5%.

Local Area Population Growth

The Panama City Market is projected to continue to experience a strong 1.4% growth rate annually over the planning period (2008)⁸⁷. The market area is projected to add an additional 18,464 new residents and 7,693 new residential housing units (owner and rental) during the 2000-2008 time periods, as shown in Table 7-39.

Table 7-39. NSWC Panama City Market Area Population Projections

	2000	2003	2004	2005	2008	2000-2008		
						Annual Change	Households @ 2.4 pph	
<i>Bay</i>	148,217	154,827	157,002	158,954	164,884	2,083	868	
<i>Gulf</i>	14,560	15,615	15,863	15,995	16,357	225	94	
Total	162,777	170,442	172,865	174,949	181,241	2,308	962	
Average Annual Growth Rate 2000-2008						1.4%		

Source: UF BEBR 2004, Strategic Planning Group, Inc.

⁸⁷ This is the time-frame for the NSWC Panama City Housing Assessment (5-year growth from 2003 base year).

Future Military Demand

The NSWC Panama City Housing Assessment-2003, Final Report, December 2003 shows an increase in installation manpower loading of 99 personnel or a total of 1,012 active duty personnel stationed at NSWC Panama City in 2008. This figure does not take into account possible changes to the installation as a result of the 2005 BRAC.

According to Navy documents, NSWC Panama City would have a need 515 off-installation family housing (a gain of 53 units) and 265 unaccompanied units (a gain of 18 units) off-installation.

Military Rental Housing Projections

In 2008, the Navy projects the number of military families needing off-installation rental housing will be 201 and unaccompanied, 202. This represents a gain of 25 family rental units and 11 unaccompanied rental units.

According to the Navy's housing assessment, the military family off-installation shortfall is reduced to 87 units (a reduction of 5 units from 2003). Unaccompanied ownership housing is projected to be reduced to 43 units from 78 in 2003.

Table 7-40. Total Off-Installation Family and Unaccompanied Shortfall-2008

Grade	1 BR	2 BR	3 BR	4 BR	Total
Total	30	31	46	23	130
Officers	0	7	5	4	16
O6+	0	0	0	0	0
W4-O5	0	0	1	1	2
W1-O3	0	7	4	3	14
Enlisted	30	24	41	19	95
E7-E9	0	2	9	4	15
E4-E6	30	16	27	15	88
E1-E3	0	6	5	0	11

Source: Robert D. Niehaus, Inc. 2004; Strategic Planning Group, Inc. 2005

Military Ownership Housing Projections

The Navy estimates, that in 2008, there will be a demand for 377 owner-occupied, military off-installation housing, which is an increase of 35 homes from 2003 levels.

Findings

The Department of Navy's most recent Housing Assessment (2003) showed that the local, off-installation housing market was unable to provide 130 "suitable" family and unaccompanied rental housing units. According to the Navy's Housing Assessment, the government should provide for an additional 97 units or a total of 151 family government homes. If supplied, this should eliminate any family shortfall to the local community. Furthermore, the installation currently has 344 spaces in its BEQ and BOQ which if utilized would eliminate any shortfall.

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 7-41, 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.

Table 7-41. Distribution of Military Family Renters by Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households		Off-Base Renters	Affordable Rent Mthly	Rental Need		
			2003	On-Base			2-BR	3-BR	4-BR
0-30%						40%	\$738	\$945	\$1,050
None			None						
31%-60% Median									
E1	\$27,276	55.4%	4	na	4	\$909	4	0	0
E2	\$29,299	59.6%	8	na	7	\$977	6	1	0
Total E1-E2			12		11		10	1	0
61%-80% Median									
E3	\$31,402	63.8%	19	na	16	\$1,047	12	4	0
E4	\$35,344	71.8%	84	13	42	\$1,178	31	7	4
Total E3-4			103	13	58		43	11	4
TOTAL			115		69		53	12	4
Total							53	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 or 1-bedroom apartments as shown in Table 7-42. Note, that according to Navy standards, an O1 qualifies for a 2-bedroom rental, which does not correspond to HUD or FHFC standards of a studio or 1-bedroom rental.

Table 7-42. Distribution of Military Single Household Renters By % of Local Median Income (2004)

Range of Median	RMC-2004	% Median	Single Households		Off-Base Renters	Affordable Rent	1 Bedroom		2 Bedroom
			On-Base	Off-Base			40%	\$625	
0-30% Median									
none			none						
31% -60% Median									
E1	\$25,966	53%	5	5	0	\$866	Housed on base		
E2	\$27,960	57%	1	1	0	\$932	Housed on base		
E3	\$30,042	61%	112	112	0	\$1,001	Housed on base		
Total E1-E3			118	118	0		Housed on base		
61-80% Median									
E4	\$33,972	69%	57	0	44	\$1,132	44		
O1	\$39,232	80%	8	0	6	\$1,308	6		
Total E4-O1			65	0	50		44		
TOTAL			183		50		44		

Source: Strategic Planning Group, Inc. 2005

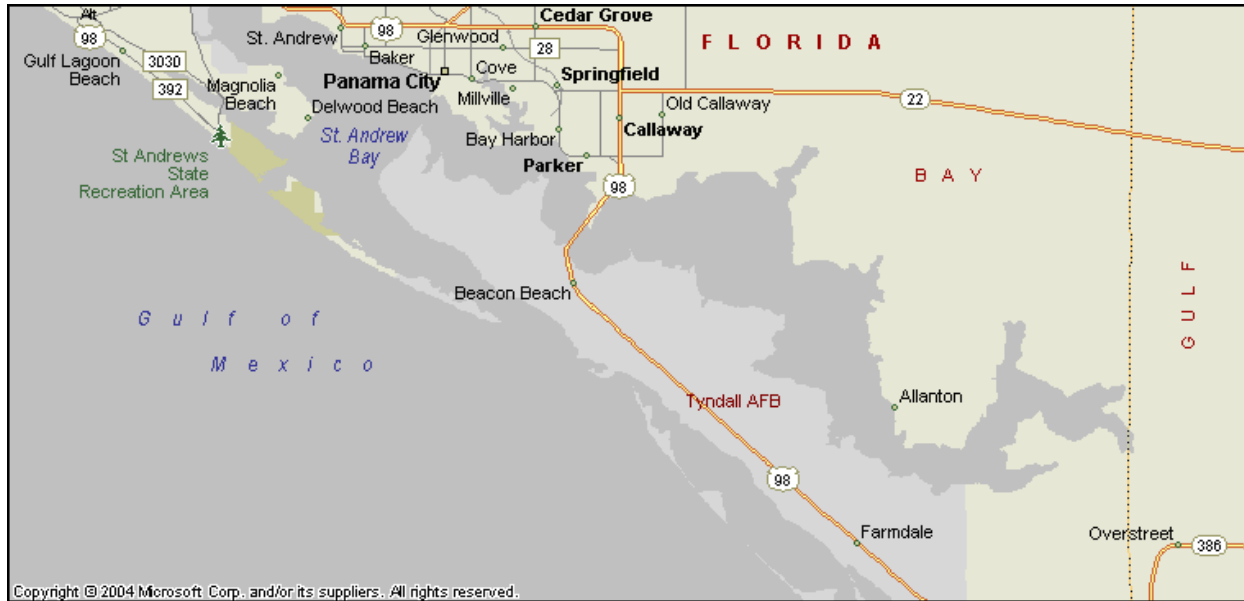
The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

The average sales price for a home in Panama City (\$187,300) is still significantly less than the national average (\$268,100). The local Fair Market Rents for a two-bedroom unit (\$577) and for a three-bedroom unit (\$797) compare favorably with national average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

Because BAH rates are adjusted annually to local market conditions, and the fact that BAH rates 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.

Tyndall Air Force Base

Tyndall Air Force Base is approximately 13 miles east of Panama City and 20 miles west of Port St. Joe, Florida. Access to and from Tyndall is via U.S. Highway 98, intersecting U.S. Highway 231 from the north. U.S. Highway 231 is the main route taken by those entering Bay County.



Installation Summary

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. This relationship lasted until September 1957, when Tyndall became part of the Air Defense Command, an association that would continue for more than 22 years. A major reorganization occurred on July 1, 1981, with the activation of the 325th Fighter Weapons Wing. The wing began its mission at Tyndall with the F-101, F-106 and T-33 aircraft, while at the same time phasing out the F-101 and F-106 aircraft and preparing for the arrival of Tyndall's first F-15 aircraft in 1983.

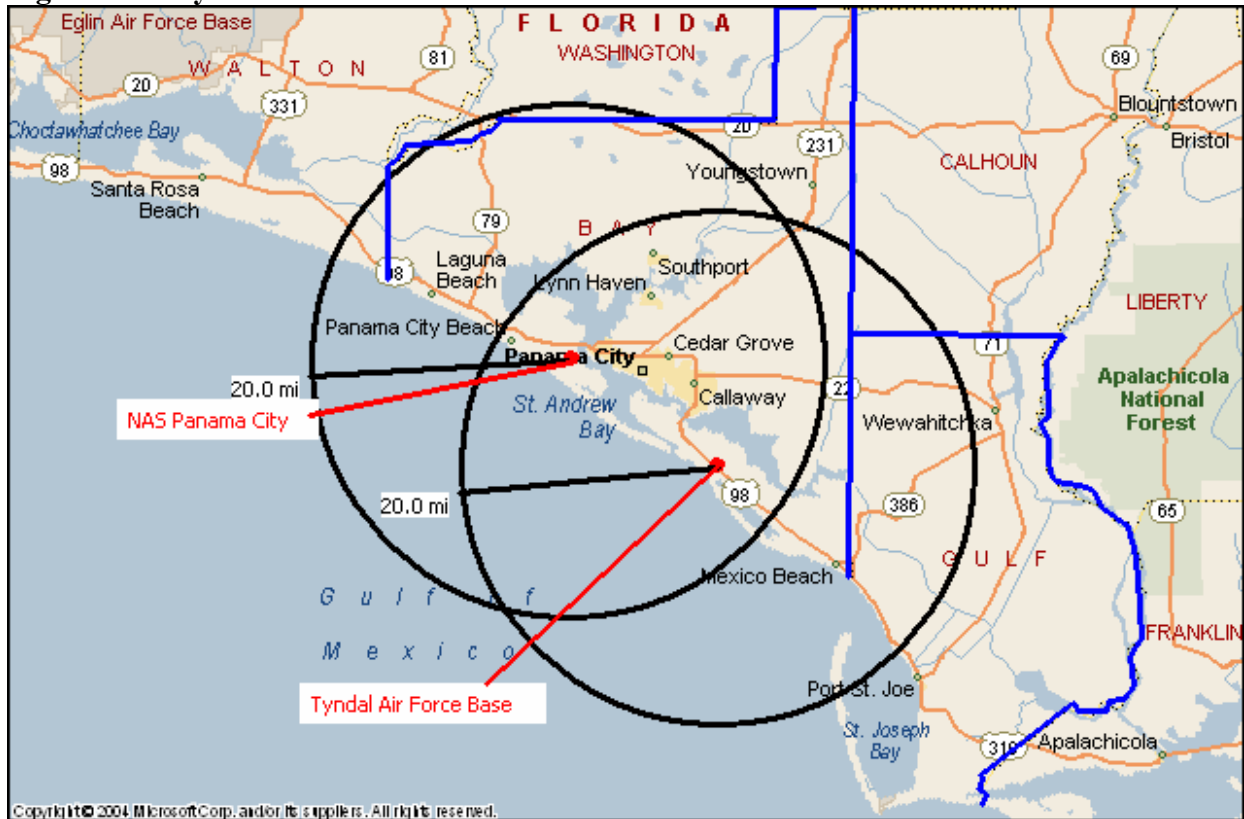
Over the years, Tyndall gained additional missions as other units were stationed on the base. The Air Force Engineering and Services Center was renamed the Air Force Civil Engineering Agency, in 1991. The 23rd Air Division was renamed the Southeast Air Defense Sector, also relocated to Tyndall. They had the responsibility for the air defense of the southeastern United States. Headquarters, 1st Air Force moved from Langley AFB, Virginia., to Tyndall and the 325th Fighter Wing became the installation host. Transition continued as the base transferred from the Air Combat Command to the Air Education and Training Command in July 1993. This move signaled a heightened emphasis on Tyndall's training mission and a more streamlined approach to training.

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.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 8-1. Tyndall AFB Market Area



The 20-mile radius and 60-minute, peak-hour commute includes all of Bay County and part of Gulf County. In practicality, the housing market area for Tyndall, and therefore, this study includes both 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.

Table 8-1. Population of Bay and Gulf Counties

Year	Bay County Population	Gulf County Population	Total	State Population
1990	126,994	11,504	138,498	12,938,071
2000	155,193	13,332	168,525	15,982,378
2003	158,200	15,615	173,815	17,071,508
2005 (p)	167,900	16,000	183,900	17,760,000
2010 (p)	168,900	16,600	185,500	19,397,400
Annual Change				
1990-2000	2,820	183	3,003	304,431
2000-2003	1,002	761	1,763	363,043
2003-2005	4,850	193	5,043	344,246

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

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 has an average unemployment rate of 5.3%.

Table 8-2. Labor Force, Bay and Gulf Counties, 2003

Labor Force (2003)	Bay	Gulf	Total
Labor Force	71,864	5,370	77,234
% of County Population	46.3%	35.2%	
Number Unemployed	3,887	243	4,130
Unemployment Rate	5.4%	4.5%	5.3%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 8-3. 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 (Table 7-4).

Per Capita Income has declined in both Counties relative to the State as a whole. Bay County's per capita income has historically been under the State average (Table 8-5).

Table 8-3. Employment in Bay and Gulf Counties

<i>N/D = No Data</i>	<i>Bay</i>	<i>Gulf</i>	<i>Florida</i>
(2002)			
Total Employment	61,982	3,441	7,163,458
Agriculture, Natural Resources & Mining	0.3%	2.3%	1.5%
Construction & Real Estate	9.1%	5.8%	8.2%
Education Services	6.9%	10.7%	7.2%
Finance & Insurance	3.6%	2.4%	4.5%
Government (including military)	8.6%	27.2%	6.1%
Healthcare & Social Assistance	13.0%	12.6%	11.3%
Information	1.5%	4.4%	2.5%
Manufacturing	5.2%	N/D	5.7%
Other Services ¹	36.1%	23.7%	28.1%
Professional & Business Services	9.9%	3.9%	17.0%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Table 8-4. Average Wage in Industries, 2002

(2002)	Bay County	Gulf County
All Industries	\$27,432	\$25,757
Agriculture, Natural Resources & Mining	\$28,534	\$43,048
Construction & Real Estate	\$26,588	\$20,612
Education Services	\$29,894	\$28,302
Finance & Insurance	\$34,326	\$23,929
Government (including military)	\$40,569	\$28,884
Healthcare & Social Assistance	\$33,621	\$22,674
Information	\$30,684	\$32,847
Manufacturing	\$37,224	N/D
Other Services ¹	\$17,615	\$17,288
Professional & Business Services	\$31,710	\$32,788
Transportation/Warehousing/Wholesale Trade	\$32,241	\$39,475

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Table 8-5. Per Capita Income

	<i>Bay</i>	<i>Gulf</i>	<i>Florida</i>
2000	\$23,757	\$16,611	\$28,511
2001	\$24,400	\$17,400	\$29,247
2002	\$25,536	\$18,285	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2003, Tyndall AFB had 3,717 active-duty, permanent personnel. As shown in Table 8-6, 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.

Table 8-6. Military Personnel, Family and Unaccompanied, 2003

<i>Grade</i>	<i>Family</i>	<i>Unaccompanied</i>	<i>Total Personnel</i>
Total	2,239	1,447	3,686
Officers	525	315	840
O6+	525	0	525
O4-O5	474	31	505
O1-O3	263	158	420
Enlisted	1,714	1,132	2,846
E7-E9	1,527	124	1,650
E4-E6	1,091	411	1,503

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

The total demand for family housing by bedroom is shown in Table 8.7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 8-7. Family Housing by Status and Bedroom, 2003

<i>Grade</i>	<i>Family Housing</i>			<i>Required</i>
	<i>2 BR</i>	<i>3BR</i>	<i>4+BR</i>	
Total	932	853	454	2,239
Officers	165	222	138	525
O6+	0	0	138	138
O4-O5	0	135	54	189
O1-O3	102	68	10	180
Enlisted	767	631	316	1,714
E7-E9	0	449	91	540
E4-E6	414	183	53	651
E1-E3	677	59	7	744

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

On-Installation Housing

The military requires that part of the personnel assigned to the Air Force base 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 Housing⁸⁸

According to the Tyndall AFB Guide on-line, Tyndall had a government-controlled,⁸⁹ family housing occupancy of 932 units. This supply was significantly more than required by Air Force standards, which if followed would require only 230 family units.

Waiting List – On-Installation Housing

The following table shows the most recent waiting list for on-installation housing. The longest waiting list is for 4-bedroom units for O6+ personnel.

⁸⁸On-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.

⁸⁹ Government-owned or controlled housing is primarily on the installation itself.

Table 8-8. Family On-Installation Housing Wait List (# Months)

	2 BR	3 BR	4 BR	5 BR
E1-E9	2-4	3-6	0	0
O1-O3	2-4	3-6	12	0
O4-O5	0	3-6	12	0
O6+	0	6-9	12-24	0

Source: Electronic Document, Tyndall Air Force Base Guide

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 Tyndall's 2003 Housing Market Assessment resident advisors were assumed to be in grades E5-6. As of December 2004 Tyndall AFB had 932 on-base family housing units and 448 units for unaccompanied personnel.

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

The Air Force's 2003 Housing Requirements and Market Analysis states that military family housing (MFH) at Tyndall totals 1,064 units located on-installation. Currently, 931 are occupied, 133 are inactive, and none are vacant. Therefore, by taking the total of 2,239 less 931 occupied on-installation housing units equals 1,308 total off-installation housing needs. Using Air Force data, and assuming that 688 personnel are homeowners, then 620 would be renters.

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 Air Force surveys and the VAH survey shown at the beginning of this report, the Air Force estimated that 688 military personnel owned their own homes in 2003 (Table 8-9).

Table 8-9. Military Family Homeowners, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	232	248	208	688
Officers	72	78	73	223
O6+	0	0	11	11
O4-O5	0	78	42	120
O1-O3	72	0	20	92
Enlisted	160	170	135	465
E7-E9	0	123	42	165
E4-E6	156	47	93	296
E1-E3	4	0	0	4

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

The number of renters is calculated by subtracting the number of homeowners from the total number of families living off-installation. The Air Force estimates that 619 military families rented homes in 2003 (Table 8-10).

Table 8-10. Military Family Renters, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	429	82	108	619
Officers	87	40	52	179
O6+	0	0	3	3
W4-O5	0	40	22	62
W1-O3	87	0	27	114
Enlisted	342	42	56	440
E7-E9	0	20	6	26
E4-E6	258	22	50	330
E1-E3	84	0	0	84

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

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 999 unaccompanied personnel residing within the community in 2003.

Table 8-11. Unaccompanied Housing Requirements, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	560	417	22	999
Officers	0	293	22	315
O6+	0	0	0	0
W4-O5	0	0	22	22
W1-O3	0	293	0	293
Enlisted	560	124	0	684
E7-E9	0	46	0	46
E4-E6	560	78	0	638
E1-E3	0	0	0	0

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

Using the same approach as with family housing, the number of unaccompanied personnel who owned their own homes was estimated to be 188 personnel (Table 8-12).

Table 8-12. Unaccompanied Homeowners, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	84	92	12	188
Officers	0	48	12	60
O6+	0	0	0	0
O4-O5	0	0	12	12
O1-O3	0	48	0	48
Enlisted	84	44	0	128
E7-E9	0	18	0	18
E4-E6	84	26	0	110
E1-E3	0	0	0	0

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

Subtracting the number of unaccompanied homeowners from total unaccompanied personnel allows the Air Force to estimate that 811 unaccompanied military renters resided off-installation in 2003 (Table 8-13).

Table 8-13. Unaccompanied Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	476	325	10	811
Officers	0	245	10	255
O6+	0	0	0	0
W4-O5	0	0	10	10
W1-O3	0	245	0	245
Enlisted	476	80	0	556
E7-E9	0	28	0	28
E4-E6	476	52	0	528
E1-E3	0	0	0	0

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH⁹⁰ that is adjusted annually to reflect local housing costs. Table 8-14 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for Tyndall AFB in 2004.

Table 8-14. BAH and MAHC with Dependents (2004)

	BAH	MAHC	BAH	MAHC
	With Dependents		Without Dependents	
E-1	\$745	\$771	\$644	\$667
E-2	\$745	\$771	\$644	\$667
E-3	\$745	\$771	\$644	\$667
E-4	\$745	\$771	\$644	\$667
E-5	\$803	\$831	\$673	\$697
E-6	\$846	\$876	\$696	\$720
E-7	\$918	\$950	\$749	\$775
E-8	\$996	\$1,031	\$811	\$839
E-9	\$1,082	\$1,120	\$825	\$854
O-1	\$808	\$836	\$688	\$712
O-2	\$845	\$875	\$783	\$810
O-3	\$1,042	\$1,078	\$831	\$860
O-4	\$1,181	\$1,222	\$925	\$957
O-5	\$1,278	\$1,323	\$973	\$1,007
O-6	\$1,289	\$1,334	\$1,045	\$1,082
O-7	\$1,304	\$1,350	\$1,066	\$1,103

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

⁹⁰Includes renters insurance and utilities.

Based on the most recent Air Force Housing Market Assessment, the demand for family rental housing by affordability is shown in Table 8-15. Based on Air Force standards, most of the family housing affordability is within the \$600-\$700 month ranges (only using BAH).

Table 8-15. Military Off-Installation Family Renters by Cost Band, 2003

Monthly Rent Plus Utilities & Insurance	Bedrooms			Total
	2 BR	3 BR	4+ BR	
>\$1500	0	0	0	0
\$1250-\$1500	0	5	5	10
\$1000-\$1249	13	37	25	75
\$900-\$999	16	9	7	32
\$800-\$899	47	18	28	93
\$700-\$799	209	13	38	260
\$600-\$699	144	0	5	149
\$500-\$599	0	0	0	0
\$400-\$499	0	0	0	0
\$300-\$399	0	0	0	0
<\$300	0	0	0	0
Total	429	82	108	619

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

Off-Installation (Private Sector) Housing Shortfall

The military estimates the unmet need or “shortfall” of the local private-sector housing sector by estimating the number of personnel that are currently residing in “non-suitable” rental housing. To calculate suitable demand, the Air Force subtracts “unsuitable” units in the market area in order to calculate suitable supply. The Air Force estimated that 33% of Tyndall’s vacant market area rental housing was “unsuitable.” This includes 16.6% due to safety or quality of housing, mobile home market (13.5%), lacking facilities (1.5%) and outside the commute area (1.3%). Then,, using Housing Market Assessment reports (which include the location/rent of military residing off-installation), the Air Force calculates the shortfall or the number of personnel residing in “non-suitable” conditions.

The following community housing shortfall is analyzed by Family Rental Housing shortfall and Unaccompanied (single) Rental Housing shortfall.⁹¹

Family Rental Housing Shortfall

The Air Force estimated that of the 688 families residing off-installation (see Table 8-8), the current shortfall is estimated to be 187 units due to the use of excess, government-owned housing. According to the Air Force, there will exist a 566-family, rental housing shortfall in the local market in 2008, largely due to releasing the excess supply of government housing. It is not stated if the existing surplus would be demolished or sold to provide private sector housing.

⁹¹ It should be noted that the documented short fall is used as part of a formula to determine future on-installation requirements.

Table 8-16. Off-Installation Military Family Rental Housing Shortfall, 2008

Monthly Rent Plus Utilities & Insurance	Bedrooms			Total
	2 BR	3 BR	4+ BR	
>\$1500	0	0	0	0
\$1250-\$1500	0	0	0	0
\$1000-\$1249	0	6	1	7
\$900-\$999	0	20	9	29
\$800-\$899	3	87	59	149
\$700-\$799	27	164	68	259
\$600-\$699	50	55	17	122
\$500-\$599	0	0	0	0
\$400-\$499	0	0	0	0
\$300-\$399	0	0	0	0
<\$300	0	0	0	0
Total	80	332	154	566

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

Unaccompanied Rental Housing Shortfall

The Air Force estimated that of the total 811 unaccompanied personnel residing off-installation (Table 8-13), there is a shortfall of 277 rental units for unaccompanied personnel as of 2003. By 2008, the Air Force estimates a rental shortfall of 179 units.

Table 8-17. Off-Installation Unaccompanied Rental Housing Shortfall, 2008

Monthly Rent Plus Utilities & Insurance	Bedrooms			Total
	2 BR	3 BR	4+ BR	
>\$1500	0	0	0	0
\$1250-\$1500	0	0	0	0
\$1000-\$1249	0	0	0	0
\$900-\$999	0	0	1	1
\$800-\$899	0	0	4	4
\$700-\$799	0	8	1	9
\$600-\$699	42	50	0	92
\$500-\$599	45	28	0	73
\$400-\$499	0	0	0	0
\$300-\$399	0	0	0	0
<\$300	0	0	0	0
Total	87	86	6	179

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

Total Military Rental Housing Shortfall (Military Methodology)

Table 8-18 combines both the family and unaccompanied shortfalls to provide an overall summary of need based on the military's methodology. However, it should be stressed that this combined table could overstate the problem of need primarily due to unaccompanied need. Unaccompanied personnel can now double up (share an apartment, condo or house) without losing any BAH. A large percentage of the unaccompanied rental demand is within the younger ranks that could upscale their rental housing by sharing unit/costs for a more expensive unit.

It is estimated that in 2003, there exists a community shortfall of 464 total rental units, which is projected to increase to 745 units in 2008 (table 8-18).

Table 8-18. Total Military Rental Housing Shortfall, 2008

Monthly Rent Plus Utilities & Insurance	Bedrooms			
	2 BR	3 BR	4+ BR	Total
>\$1500	0	0	0	0
\$1250-\$1500	0	0	0	0
\$1000-\$1249	0	6	1	7
\$900-\$999	0	20	10	30
\$800-\$899	3	87	63	153
\$700-\$799	27	172	69	268
\$600-\$699	92	105	17	214
\$500-\$599	45	28	0	73
\$400-\$499	0	0	0	0
\$300-\$399	0	0	0	0
<\$300	0	0	0	0
Total	167	418	160	745

Source: Housing Requirements and Market Analysis Final Report 2003-2008, Parsons Corp., March 26, 2004

Without more detailed information than was released by the Air Force or contained in the most recent Air Force Housing Assessment, it is not possible to determine why a shortfall in off-installation housing exists (whether it is caused by price/availability or other “suitability” issues).

As stated above, because detailed information is lacking as to the specifics of why an off-installation housing shortage exists, SPG, using the Air Force’s personnel data, used a standard market methodology to assess military off-installation housing need.

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue from the Department of Housing and Urban Development (HUD) and Florida Housing Finance Corporation (FHFC) standards. Using FHFC standards states that a household should not spend over 40% of its income on housing.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 8-19, 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 \$25,956 for an E1 unaccompanied to \$137,258 for an O7 with dependents. Traditionally, market demand is driven by income, or in the case of the military, the RMC.

Table 8-19. Regular Military Compensation-2004

<i>With Dependents</i>	<i>BAH</i>	<i>BAS</i>	<i>Allowances Annualized</i>	<i>Salary Range</i>		<i>Calculated Basic Income</i>	<i>Annualized</i>	<i>Tax Adjustment</i>	<i>Regular Military Compensation</i>	
E-1	\$745	\$254	\$11,994	\$1,104	\$1,193	\$1,193	\$14,316	\$966	\$27,276	55.4%
E-2	\$745	\$254	\$11,994	\$1,338	\$1,338	\$1,338	\$16,052	\$1,253	\$29,299	59.6%
E-3	\$745	\$254	\$11,994	\$1,407	\$1,586	\$1,496	\$17,946	\$1,463	\$31,402	63.8%
E-4	\$745	\$254	\$11,994	\$1,558	\$1,892	\$1,814	\$21,769	\$1,581	\$35,344	71.8%
E-5	\$803	\$254	\$12,690	\$1,700	\$2,368	\$2,368	\$28,415	\$1,914	\$43,019	87.4%
E-6	\$846	\$254	\$13,206	\$1,856	\$2,810	\$2,810	\$33,718	\$2,220	\$49,143	99.9%
E-7	\$918	\$254	\$14,070	\$2,145	\$3,855	\$3,342	\$40,100	\$2,470	\$56,640	115.1%
E-8	\$996	\$254	\$15,006	\$3,086	\$4,314	\$3,716	\$44,586	\$2,722	\$62,313	126.7%
E-9	\$1,082	\$254	\$16,038	\$3,769	\$5,055	\$4,777	\$57,319	\$4,087	\$77,444	157.4%
W-1	\$847	\$175	\$12,267	\$2,213	\$3,536	\$2,594	\$31,122	\$2,014	\$45,402	92.3%
W-2	\$950	\$175	\$13,503	\$2,506	\$4,104	\$3,158	\$37,894	\$2,376	\$53,773	109.3%
W-3	\$1,045	\$175	\$14,643	\$2,849	\$4,716	\$3,596	\$43,150	\$3,426	\$61,219	124.4%
W-4	\$1,097	\$175	\$15,267	\$3,119	\$5,446	\$4,617	\$55,408	\$5,164	\$75,838	154.1%
W-5	\$1,156	\$175	\$15,975	\$3,361	\$5,914	\$5,544	\$66,532	\$5,895	\$88,402	179.7%
O-1	\$808	\$175	\$11,799	\$2,264	\$2,849	\$2,264	\$27,173	\$1,937	\$40,908	83.1%
O-2	\$845	\$175	\$12,243	\$2,608	\$3,610	\$3,422	\$41,058	\$2,155	\$55,455	112.7%
O-3	\$1,042	\$175	\$14,607	\$3,019	\$4,911	\$4,220	\$50,641	\$3,418	\$68,666	139.6%
O-4	\$1,181	\$175	\$16,275	\$3,434	\$5,733	\$4,809	\$57,712	\$5,505	\$79,491	161.6%
O-5	\$1,278	\$175	\$17,439	\$3,980	\$6,761	\$5,603	\$67,234	\$6,436	\$91,108	185.2%
O-6	\$1,289	\$175	\$17,571	\$4,774	\$8,285	\$6,807	\$81,688	\$6,499	\$105,757	215.0%
O-7	\$1,304	\$175	\$17,751	\$6,441	\$9,434	\$9,386	\$112,633	\$6,874	\$137,258	279.0%
Without Dependents										
E-1	\$644	\$254	\$10,782	\$1,104	\$1,193	\$1,193	\$14,316	\$868	\$25,966	52.8%
E-2	\$644	\$254	\$10,782	\$1,338	\$1,338	\$1,338	\$16,052	\$1,126	\$27,960	56.8%
E-3	\$644	\$254	\$10,782	\$1,407	\$1,586	\$1,496	\$17,946	\$1,315	\$30,042	61.1%
E-4	\$644	\$254	\$10,782	\$1,558	\$1,892	\$1,814	\$21,769	\$1,422	\$33,972	69.0%
E-5	\$673	\$254	\$11,130	\$1,700	\$2,368	\$2,368	\$28,415	\$1,679	\$41,223	83.8%
E-6	\$696	\$254	\$11,406	\$1,856	\$2,810	\$2,810	\$33,718	\$1,917	\$47,041	95.6%
E-7	\$749	\$254	\$12,042	\$2,145	\$3,855	\$3,342	\$40,100	\$2,114	\$54,256	110.3%
E-8	\$811	\$254	\$12,786	\$3,086	\$4,314	\$3,716	\$44,586	\$2,319	\$59,691	121.3%
E-9	\$825	\$254	\$12,954	\$3,769	\$5,055	\$4,777	\$57,319	\$3,301	\$73,574	149.5%
W-1	\$724	\$175	\$10,791	\$2,213	\$3,536	\$2,594	\$31,122	\$1,771	\$43,684	88.8%
W-2	\$811	\$175	\$11,835	\$2,506	\$4,104	\$3,158	\$37,894	\$2,083	\$51,811	105.3%
W-3	\$826	\$175	\$12,015	\$2,849	\$4,716	\$3,596	\$43,150	\$2,811	\$57,976	117.8%
W-4	\$864	\$175	\$12,471	\$3,119	\$5,446	\$4,617	\$55,408	\$4,218	\$72,096	146.5%
W-5	\$935	\$175	\$13,323	\$3,361	\$5,914	\$5,544	\$66,532	\$4,917	\$84,771	172.3%
O-1	\$688	\$175	\$10,359	\$2,264	\$2,849	\$2,264	\$27,173	\$1,700	\$39,232	79.7%
O-2	\$783	\$175	\$11,499	\$2,608	\$3,610	\$3,422	\$41,058	\$2,024	\$54,580	110.9%
O-3	\$831	\$175	\$12,075	\$3,019	\$4,911	\$4,220	\$50,641	\$2,825	\$65,541	133.2%
O-4	\$925	\$175	\$13,203	\$3,434	\$5,733	\$4,809	\$57,712	\$4,466	\$75,380	153.2%
O-5	\$973	\$175	\$13,779	\$3,980	\$6,761	\$5,603	\$67,234	\$5,085	\$86,097	175.0%
O-6	\$1,045	\$175	\$14,643	\$4,774	\$8,285	\$6,807	\$81,688	\$5,416	\$101,746	206.8%
O-7	\$1,066	\$175	\$14,895	\$6,441	\$9,434	\$9,386	\$112,633	\$5,768	\$133,296	270.9%

Source: Strategic Planning Group, Inc., 2005

As shown in Table 8-19, E1-E3s families fall below 80% of the area’s median income, while none fall below the 50% median figure. For the unaccompanied, note that all E1-E3 singles are required to live on-installation. Therefore, of the unaccompanied personnel, only E4s and O1s fall under the 80% median area income.

Overall Market Area Rental Rates

Table 8-20 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the Tyndall AFB MAHC and/or FHFC 40% rule are competitive within the local housing market.

Table 8-20. Rental Rate Comparison Chart

Comparative Rents - Tyndall AFB Market				
Bedrooms	HUD [1]	NHA 2003 [2]	NAS Housing Office [3]	
0	\$436	\$0 -	-	-
1	\$477	\$550	\$545	\$700
2	\$542	\$625	\$625	\$675
3	\$691	\$875	\$725	\$1,100
4	\$741	\$1,100	\$940	-

Footnotes
 [1] HUD 2004 Fair Market Rents
 [2] Niehaus, Inc., NSWC Panama Beach 2003 Housing Market Analysis
 [3] Updated Dec 3, 2004

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC to Panama City’s fair market rents.

Rental Housing Market

Using the FHFC 40% approach, only E1 and E2 families requiring three or more bedrooms would fall below the local fair market rent defined by HUD as shown in Table 8-21.

Table 8-21. Military RMC and Tyndall AFB Fair Market Rent 2004

Grade	BAH	RMC	Panama City MSA HUD Fair Market Rent by Bedroom				
			40% 0 BR	1 BR	2 BR	3 BR	4 BR
With Dependents							
E-1	\$745	\$909	\$436	\$477	\$542	\$691	\$741
E-2	\$745	\$977	\$436	\$477	\$542	\$691	\$741
E-3	\$745	\$1,047	\$436	\$477	\$542	\$691	\$741
E-4	\$745	\$1,178	\$436	\$477	\$542	\$691	\$741
E-5	\$803	\$1,434	\$436	\$477	\$542	\$691	\$741
E-6	\$846	\$1,638	\$436	\$477	\$542	\$691	\$741
E-7	\$918	\$1,888	\$436	\$477	\$542	\$691	\$741
E-8	\$996	\$2,077	\$436	\$477	\$542	\$691	\$741
E-9	\$1,082	\$2,581	\$436	\$477	\$542	\$691	\$741
O-1	\$808	\$1,364	\$436	\$477	\$542	\$691	\$741
O-2	\$845	\$1,849	\$436	\$477	\$542	\$691	\$741
O-3	\$1,042	\$2,289	\$436	\$477	\$542	\$691	\$741
O-4	\$1,181	\$2,650	\$436	\$477	\$542	\$691	\$741
O-5	\$1,278	\$3,037	\$436	\$477	\$542	\$691	\$741
O-6	\$1,289	\$3,525	\$436	\$477	\$542	\$691	\$741
O-7	\$1,304	\$4,575	\$436	\$477	\$542	\$691	\$741
Without Dependents							
E-1	\$644	\$866	\$436	\$477	\$542	\$691	\$741
E-2	\$644	\$932	\$436	\$477	\$542	\$691	\$741
E-3	\$644	\$1,001	\$436	\$477	\$542	\$691	\$741
E-4	\$644	\$1,132	\$436	\$477	\$542	\$691	\$741
E-5	\$673	\$1,374	\$436	\$477	\$542	\$691	\$741
E-6	\$696	\$1,568	\$436	\$477	\$542	\$691	\$741
E-7	\$749	\$1,809	\$436	\$477	\$542	\$691	\$741
E-8	\$811	\$1,990	\$436	\$477	\$542	\$691	\$741
E-9	\$825	\$2,452	\$436	\$477	\$542	\$691	\$741
O-1	\$688	\$1,308	\$436	\$477	\$542	\$691	\$741
O-2	\$783	\$1,819	\$436	\$477	\$542	\$691	\$741
O-3	\$831	\$2,185	\$436	\$477	\$542	\$691	\$741
O-4	\$925	\$2,513	\$436	\$477	\$542	\$691	\$741
O-5	\$973	\$2,870	\$436	\$477	\$542	\$691	\$741
O-6	\$1,045	\$3,392	\$436	\$477	\$542	\$691	\$741
O-7	\$1,066	\$4,443	\$436	\$477	\$542	\$691	\$741

Without dependents should only require studio or 1 bedroom units based on HUD standards

Source: Strategic Planning Group, Inc. 2005

Using information from the Tyndall AFB Housing Office, which compiles local housing costs for “suitable housing,” cost alone should not be an issue with respect to finding suitable rental housing for the vast majority of Tyndall personnel (Table 8-22). As shown below, most of the existing BAHs (which includes not only rent but utilities and renter’s insurance) cover local rents (shown without utilities, et. al.). When applying the 40% FHFC standard there should not be any affordability problems with the possible exception of E1-E2 requiring 4+bedrooms.

Table 8-22. Rental Housing Costs, Tyndall AFB Market Area, 2004

Grade	BAH	RMC \$0	Panama City MSA HUD Fair Market Rent by Bedroom					Market Area Data				
			0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR
With Dependents												
E-1	\$745	\$909	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-2	\$745	\$977	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-3	\$745	\$1,047	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-4	\$745	\$1,178	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-5	\$803	\$1,434	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-6	\$846	\$1,638	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-7	\$918	\$1,888	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-8	\$996	\$2,077	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-9	\$1,082	\$2,581	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-1	\$847	\$1,513	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-2	\$950	\$1,792	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-3	\$1,045	\$2,041	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-4	\$1,097	\$2,528	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-5	\$1,156	\$2,947	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-1	\$808	\$1,364	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-2	\$845	\$1,849	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-3	\$1,042	\$2,289	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-4	\$1,181	\$2,650	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-5	\$1,278	\$3,037	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-6	\$1,289	\$3,525	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-7	\$1,304	\$4,575	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
Without Dependents												
E-1	\$644	\$866	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-2	\$644	\$932	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-3	\$644	\$1,001	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-4	\$644	\$1,132	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-5	\$673	\$1,374	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-6	\$696	\$1,568	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-7	\$749	\$1,809	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-8	\$811	\$1,990	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
E-9	\$825	\$2,452	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-1	\$724	\$1,456	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-2	\$811	\$1,727	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-3	\$826	\$1,933	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-4	\$864	\$2,403	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
W-5	\$935	\$2,826	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-1	\$688	\$1,308	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-2	\$783	\$1,819	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-3	\$831	\$2,185	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-4	\$925	\$2,513	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-5	\$973	\$2,870	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-6	\$1,045	\$3,392	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
O-7	\$1,066	\$4,443	\$436	\$477	\$542	\$691	\$741	na	\$550	\$625	\$875	\$1,100
	Housing Standard For Grade											
	Rental ranges that exceed BAH											
	BAH plus 3.5% out of pocket is within rent range											
	Rents higher than BAH and 3.5% out of pocket											

Source: Strategic Planning Group, Inc. 2005

Ownership Housing

As shown earlier, the Air Force estimates show 688 families owned off-installation housing in 2003 (Table 8-8). Unaccompanied personnel owned 188 residences in 2003 as shown in Table 8-11. Table 8-23 shows the combined family and unaccompanied ownership in 2003. For Air

Force Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Table 8-23. Combined Homeownership, 2003

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	84	324	260	208	876
Officers	0	120	90	73	283
O6+	0	0	0	11	11
W4-O5	0	0	90	42	132
W1-O3	0	120	0	20	140
Enlisted	84	204	170	135	593
E7-E9	0	18	123	42	183
E4-E6	84	182	47	93	406
E1-E3	0	4	0	0	4

Source: Strategic Planning Group, Inc. 2005

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 8-24 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending either 30% or 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$150,491 for an E1 unaccompanied to \$795,508 for an O7 with dependents.

Table 8-24. Maximum Affordable Purchase Price per RMC

Panama City	RMC	Affordable Housing Payment	Affordable Housing Value (30 yr @ 6%) 5% Downpayment
With Dependents		40.0%	40.0%
E-1	\$27,276	\$10,910.20	\$158,081
E-2	\$29,299	\$11,719.56	\$169,808
E-3	\$31,402	\$12,560.93	\$181,999
E-4	\$35,344	\$14,137.67	\$204,845
E-5	\$43,019	\$17,207.47	\$249,324
E-6	\$49,143	\$19,657.26	\$284,820
E-7	\$56,640	\$22,656.04	\$328,270
E-8	\$62,313	\$24,925.31	\$361,150
E-9	\$77,444	\$30,977.44	\$448,841
O-1	\$40,908	\$16,363.32	\$237,093
O-2	\$55,455	\$22,182.15	\$321,404
O-3	\$68,666	\$27,466.29	\$397,967
O-4	\$79,491	\$31,796.36	\$460,707
O-5	\$91,108	\$36,443.21	\$528,036
O-6	\$105,757	\$42,302.82	\$612,938
O-7	\$137,258	\$54,903.13	\$795,508
Without Dependents			
E-1	\$25,966	\$10,386.35	\$150,491
E-2	\$27,960	\$11,184.11	\$162,050
E-3	\$30,042	\$12,017.00	\$174,118
E-4	\$33,972	\$13,588.94	\$196,894
E-5	\$41,223	\$16,489.33	\$238,919
E-6	\$47,041	\$18,816.22	\$272,634
E-7	\$54,256	\$21,702.42	\$314,453
E-8	\$59,691	\$23,876.24	\$345,950
E-9	\$73,574	\$29,429.48	\$426,412
O-1	\$39,232	\$15,692.77	\$227,377
O-2	\$54,580	\$21,832.18	\$316,333
O-3	\$65,541	\$26,216.51	\$379,859
O-4	\$75,380	\$30,151.95	\$436,880
O-5	\$86,097	\$34,438.93	\$498,996
O-6	\$101,746	\$40,698.44	\$589,692
O-7	\$133,296	\$53,318.35	\$772,545

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the Panama City market does not appear to be a problem for military personnel.

The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.⁹²

The Census shows that the market area had approximately 64,528 housing units in 2000 (Table 8-25), of which owner-occupied housing comprised 70% and rental 30%

⁹² The 2003 Navy Housing Market Analysis of Tyndall AFB did not provide specific market information. All data was summarized.

Table 8-25. Housing Units, 2000

	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>	<i>%</i>
Total:	59,597	4,931	64,528	
Owner occupied	40,892	3,995	44,887	69.6%
Renter occupied	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 8-26). Total vacant rental units increased by slightly over 600 units between the 1990-2000 time periods.

Table 8-26. Rental Housing Trends, 1990-2000

	<i>County</i>	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>
Occupied Rental Units	1990	16,866	928	17,794
	2000	18,710	935	19,645
	Change	1,844	7	1,851
Vacant Rental Units	1990	5,127	293	5,420
	2000	5,501	555	6,056
	Change	374	262	636
Total Rental Units	1990	21,993	1,221	23,214
	2000	24,211	1,490	25,701
	Change	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. Table 8-27 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 \$400 - \$700 per month.

Table 8-27. Comparison of Rental Units by Size and Rent in 2004 Dollars

	<i>Comparison of 1990 and 2000 Rental Units by Bedroom Size and Rent Range in 2004 Dollars -- Bay and Gulf County</i>											
	<i>No BR</i>			<i>1 BR</i>			<i>2 BR</i>			<i>3 or More BR</i>		
	<i>1990</i>	<i>2000</i>	<i>Change</i>	<i>1990</i>	<i>2000</i>	<i>Change</i>	<i>1990</i>	<i>2000</i>	<i>Change</i>	<i>1990</i>	<i>2000</i>	<i>Change</i>
Under 300	100	91	-9	1357	596	-761	1559	580	-979	546	313	-233
300 to 399	91	70	-21	680	573	-107	1832	846	-986	595	298	-297
400 to 499	57	93	36	587	774	187	2275	1225	-1050	790	402	-388
500 to 599	10	81	71	426	660	234	1685	1249	-436	725	469	-256
600 to 699	10	54	44	42	400	358	285	1351	1066	589	648	59
700 to 799	6	54	48	42	400	358	285	1351	1066	589	648	59
800 to 899	0	36	36	26	246	220	174	906	732	379	577	198
900 to 999	0	13	13	4	41	37	25	312	287	101	484	383
1,000 & Up	0	27	27	5	107	102	61	595	534	227	1134	907
Total # of Units	228	518	290	3168	3797	629	8181	8416	235	4540	4972	432

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

Single family rental units (1 to 4 units per structure excluding mobile homes) accounted for 62% of the rental market, as shown in Table 8-28.

Table 8-28. Bay and Gulf Counties Owner- and Renter-Occupied Housing, 2000

	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>	<i>%</i>
Total:	59,597	4,931	64,528	
Owner occupied:	40,892	3,995	44,887	69.6%
1, detached	30,399	2,906	33,305	74.2%
1, attached	1,479	65	1,544	3.4%
2	267	22	289	0.6%
3 or 4	272	0	272	0.6%
5 to 9	263	21	284	0.6%
10 to 19	167	0	167	0.4%
20 to 49	198	2	200	0.4%
50 or more	212	2	214	0.5%
				0.0%
Mobile home	7,581	963	8,544	19.0%
Boat, RV, van, etc.	54	14	68	0.2%
Renter occupied:	18,705	936	19,641	30.4%
1, detached	5,626	401	6,027	30.7%
1, attached	1,382	42	1,424	7.3%
2	1,783	57	1,840	9.4%
3 or 4	2,831	74	2,905	14.8%
5 to 9	2,274	52	2,326	11.8%
10 to 19	892	46	938	4.8%
20 to 49	542	39	581	3.0%
50 or more	801	0	801	4.1%
Mobile home	2,561	223	2,784	14.2%
Boat, RV, van, etc.	13	2	15	0.1%

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 47% of the area's vacant housing was single family (1-4 units per structures excluding mobile homes). This information is summarized in Table 8-29.

Table 8-29. Units in Structure for Vacant Housing, Bay and Gulf Counties

	<i>Bay</i>	<i>Gulf</i>	<i>Total</i>	<i>%</i>
Total:	18,838	2,656	21,494	
1, detached	5,961	1,393	7,354	34.2%
1, attached	885	94	979	4.6%
2	494	65	559	2.6%
3 or 4	1,116	112	1,228	5.7%
5 to 9	1,186	106	1,292	6.0%
10 to 19	1,162	45	1,207	5.6%
20 to 49	736	2	738	3.4%
50 or more	4,353	0	4,353	20.3%
Mobile home	2,784	743	3,527	16.4%
Boat, RV, van, etc.	161	96	257	1.2%

Source: 2000 Census, Strategic Planning Group, Inc.

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

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 8-30. Bay and Gulf County Building Permits – 2000-2004

Bay County¹	2000	2001	2002	2003	2004	Totals
Single Family	670	722	1,030	1,232	1,309	4,963
Two Family	54	90	30	20	30	224
Three & Four Family	26	26	14	27	36	129
Five or More Family	351	11	461	2,103	2,270	5,196
Total	1,101	849	1,535	3,382	3,645	10,512
Gulf County						
Single Family	188	141	244	181	165	919
Two Family	0	0	0	0	0	0
Three & Four Family	0	0	0	0	0	0
Five or More Family	0	0	0	0	0	0
Total	188	141	244	181	165	919
Market Area						
Single Family	858	863	1,274	1,413	1,474	5,882
Two Family	54	90	30	20	30	224
Three & Four Family	26	26	14	27	36	129
Five or More Family	351	11	461	2,103	2,270	5,196
Market Area Total	1,289	990	1,779	3,563	3,810	11,431
¹ Data for Bay County represents an 11 month period Jan.-Nov. for all indicated years.						
² 2004 data for all counties January through November.						

Source: Strategic Planning Group, Inc. 2005

Current Rental Inventory

Based on the Air Force's 2003 Housing Requirements report, the market contained approximately 23,000 units. The Navy's 2003 Housing Assessment contained 20,379 rental units, but found 24.5% unsuitable for Navy standards (mobile homes, et. al.) which are the same as those for the Air Force. Table 8-31 shows the "suitable" rental housing supply.

Table 8-31. Panama City Suitable Rental Market

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

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

Owner-Occupied Housing

As shown in Table 8-28, 98.6% of the market area's owner-occupied housing 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 as shown in Table 8-32. 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.

Table 8-32. Single Family Housing Multiple Listing Data – December 2004

Unit Type	Avail. Units	Avg. Price	Price Range	Avg. Size
1 Bedroom	2	\$85,000	\$75,000-\$95,000	1,447
2 Bedroom	19	\$193,826	\$36,000-\$825,000	1,049
3 Bedroom	95	\$377,705	\$39,900-\$1,625,000	1,646
4 Bedroom	40	\$852,172	\$107,000-\$3,500,000	2,569
5 Bedroom	6	\$1,621,483	\$149,900-3,425,000	2,866
6 Bedroom	2	\$1,147,500	\$219,999-\$2,75,000	2,760
8 Bedroom	1	\$2,599,000	\$2,599,000	4,428
9 Bedroom	1	\$350,000	\$350,000	4,000

Source: Florida Association of Realtors MLS Listings as of December 2004 and Strategic Planning Group, Inc. 2005

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Bay and Gulf counties Fair Market Rent trends over the 2001-2004 time period.

Local Rental Rate Trends

Table 8-33 shows there is a sizable variation in the change of rents by bedroom count within the local market area.

Table 8-33. Rental Rate Change by Bedroom, 2001-2004

Bay County	0 BR	1 BR	2 BR	3 BR	4 BR
% Change	15.7%	11.8%	12.7%	22.1%	26.6%
Gulf County					
% Change	-1.0%	-9.2%	-4.0%	-2.5%	2.5%
State of Florida % Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Panama City Metropolitan Area showed a 49% increase in the cost of single family homes during the 2002-2004 time periods.

Table 8-34. Home Sales Price, 2002-2004

Year	Price
2002	\$125,700
2003	\$142,000
2004	\$187,300
Change	49.0%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

According to the Navy's 2003 Housing Assessment, the vacancy rate for "Owner Occupied Housing" was 2.0%, while the vacancy rate for rental properties was 16.2%. According to other statistics, multi-family vacancy rates were 7.4% while rentals were 6.5%.⁹³

⁹³ Tyndall AFB, 2003 Housing Requirements and Market Analysis

Local Area Population Growth

The Panama City Market is projected to continue to experience a strong 1.4% growth rate annually over the planning period (2008)⁹⁴. The market area is projected to add an additional 18,464 new residents and 7,693 new residential housing units (owner and rental) during the 2000-2008 time periods, as shown in Table 8-35.

Table 8-35. NSWC Panama City Market Area Population Projections

	2000	2003	2004	2005	2008	2000-2008	
						Annual Change	Households @ 2.4 pph
Bay	148,217	154,827	157,002	158,954	164,884	2,083	868
Gulf	14,560	15,615	15,863	15,995	16,357	225	94
Total	162,777	170,442	172,865	174,949	181,241	2,308	962
Average Annual Growth Rate 2000-2008				1.4%			

Source: UF BEBR 2004, Strategic Planning Group, Inc.

Future Military Demand

The Tyndall AFB Housing Requirements and Market Analysis-2003-2008, Final Report, March 2004 shows an increase in installation manpower loading of 300 personnel or a total of 4,272 active duty personnel stationed at Tyndall in 2008. This figure does not take into account possible changes to the installation as a result of the 2005 BRAC. The number of military families needing off-installation rental housing is projected at 1,632 and unaccompanied at 908. This represents an increase of 81 family rental units and 97 unaccompanied rental units.

According to the Air Force's housing assessment, the military family off-installation shortfall will be 745 units as shown in Table 8-18. Most of this shortfall is due to not using the excess capacity of existing on-installation housing and no information has been provided as to what will become of this excess (at least 601 units).

Military Ownership Housing Projections

The Air Force estimates, that in 2008, there will be a demand for 979 owner-occupied, military, off-installation housing, as shown in Table 8-36 which is an increase of 505 units from 2003.

Table 8-36. Total Military Homeowner Requirements, 2008

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	93	359	295	232	979
Officers	0	135	109	89	333
O6+	0	0	0	18	18
W4-O5	0	0	108	49	157
W1-O3	0	135	1	22	158
Enlisted	93	224	186	143	646
E7-E9	0	18	128	44	190
E4-E6	93	201	58	99	451
E1-E3	0	5	0	0	5

Source: Strategic Planning Group, Inc., 2005

Findings

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

⁹⁴ This is the time-frame for the Tyndall AFB Housing Assessment (5-year growth from 2003 base year).

8-37, 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 no problem affording local rental housing.

Table 8-37. Distribution of Military Family Renters By % Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households			Off Base Renters	Affordable Rent Mthly	Rentals		
			On Base	2003	2003			2-BR	3-BR	4-BR
0-30% Median								\$625	\$725	\$940
None										
31%-60% Median										
E1	\$27,276	55.4%	1	0	1	\$909	1	0	0	
E2	\$29,299	59.6%	10	2	8	\$977	8	0	0	
Total E1-E2			11	2	9		9	0	0	
61%-80% Median										
E3	\$31,402	63.8%	117	38	75	\$1,047	75	0	0	
E4	\$35,344	71.8%	297	117	163	\$1,178	163	0	0	
Total E3-4			414	155	238		238	0	0	
Grand Total			425	157	247		247	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 8-38.

Table 8-38. Distribution of Military Single Household Renters By % Local Median Income (2004)

Range of Median	RMC-2004	% Median	Single Households		Off-Base Renters	Affordable Rent	Rentals	
			On-Base	2003			1 Bedroom	2 Bedroom
0-30% Median							\$545	\$625
none								
31% -60% Median								
E1	\$25,966	52.8%	11	11	0	\$866	Housed on base	
E2	\$27,960	56.8%	57	57	0	\$932	Housed on base	
E3	\$30,042	61.1%	327	327	0	\$1,001	Housed on base	
Total E1-E3			395	395	0		Housed on base	
61-80% Median								
E4	\$33,972	69.0%	409	53	327	\$1,132		327
O1	\$39,232	79.7%	180	0	173	\$1,308		173
Total E4-O1			589	53	500			327 173
Grand Total			984	448	500			327 173

Source: Strategic Planning Group, Inc. 2005

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

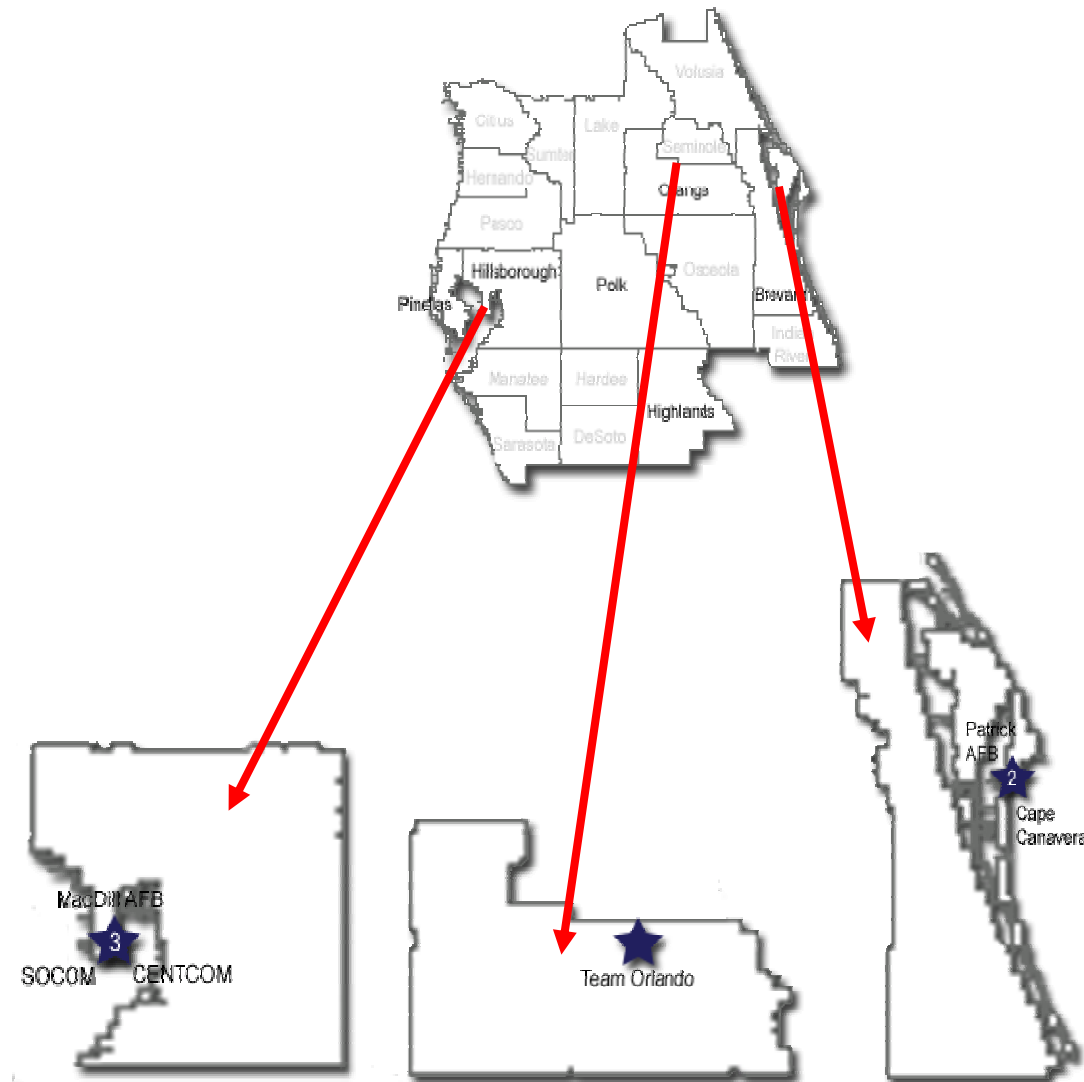
The average sales price for a home in Panama City (\$187,300) is still significantly less than the national average (\$268,100). The local Fair Market Rents for a two-bedroom unit (\$577) and for a three-bedroom unit (\$797) compare favorably with national average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

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 major issue that impacts future housing needs/supply considerations is the issue of what will happen to the excess government housing that could be available to be sold or demolished as the units exceed DoD standards. If there were in fact a problem for either NSWC Panama City or Tyndall, these units could remedy any community shortfall for the study time period.

Central Region

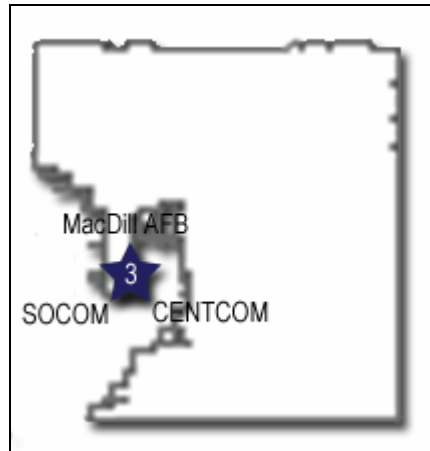
The Central Florida Region consists of 19 counties and is home to the U.S. Central Command, U.S. Special Operations Command, MacDill Air Force Base, Avon Park Air Force Range, Patrick Air Force Base, Team Orlando (Florida Simulation Center) and Cape Canaveral Air Force Station. Personnel totals on these 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.⁹⁵



⁹⁵ Haas Center for Business Research and Economic Development, Florida Defense Industry Economic Impact Analysis, December 2003.

MacDill AFB

MacDill AFB is located eight miles south of Downtown Tampa on the Southwestern tip of the Interbay Peninsula within Hillsborough County on the west coast of Florida. MacDill has a very diverse mission. The 6th Air Mobility Wing (AMW) is the host organization; however, the base also is home to headquarters, U.S. Central Command (CENTCOM) and U.S. Special Operations Command (SOCOM). The base has 510 buildings on 5,767 acres.

**Installation Summary**

MacDill Air Force Base is home to the 6th Air Mobility Wing as well as 50 Mission Partners, including the United States Central Command and United States Special Operations Command. The 6th 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.

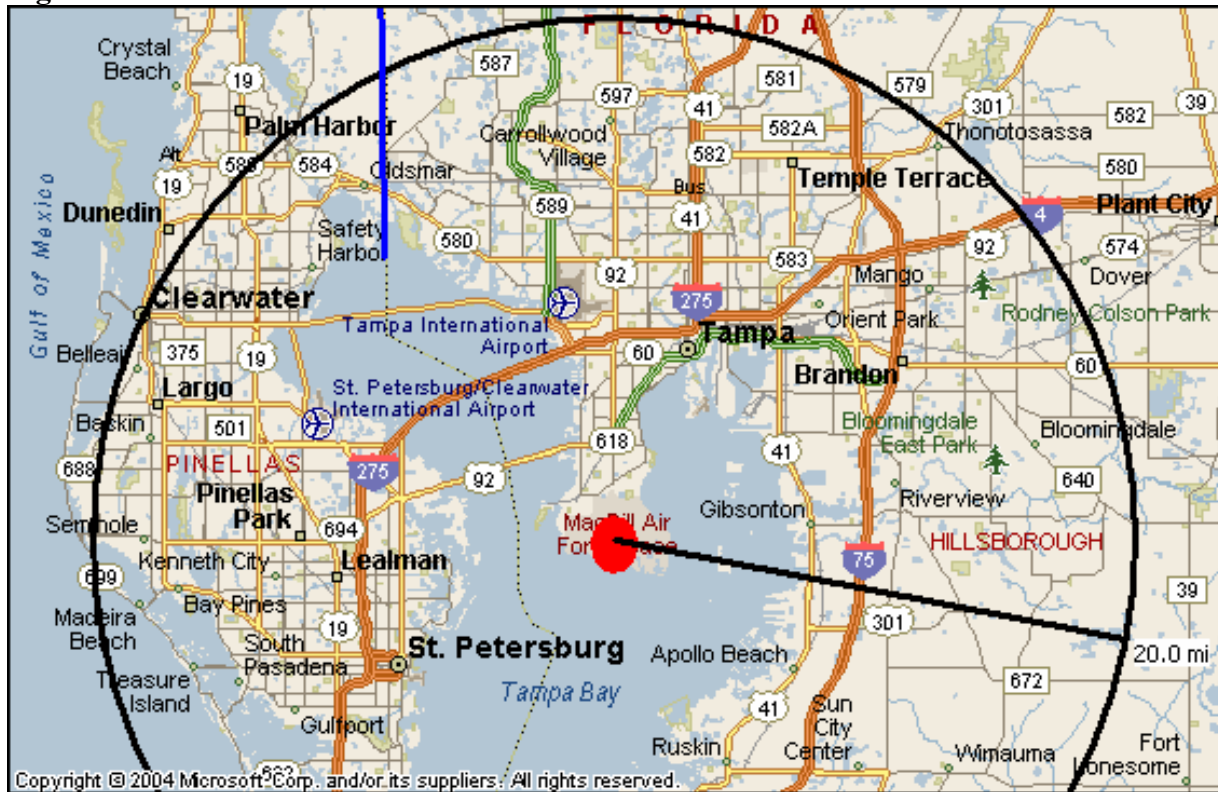
United States Central Command (USCENTCOM) is one of five geographically defined united commands within the Department of Defense. United States Central Command is responsible for protecting U.S. security interests in 25 nations in Northeast Africa, Southwest and Central Asia and the island nation of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

The primary military mission of United States Special Operations Command (USSOCOM) 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.

Market Area Demographics

Military standards for off-installation housing define the "market area" as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 9-1. MacDill AFB Market Area



The 20-mile radius and 60-minute, peak-hour commute includes the entire Tampa Metropolitan Area, including Hillsborough County. In practicality, the housing market area for MacDill AFB, and therefore, this study includes all of 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.

Table 9-1. Population of Hillsborough Counties

	County	State
Year	Population	Population
1980	834,054	12,938,071
1990	998,948	15,982,378
2003	1,079,587	17,071,508
2005 (p)	1,123,300	17,760,000
2010 (p)	1,228,200	19,397,400

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

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

Table 9-2. Labor Force, Hillsborough County, 2003

Labor Force	623,614
% of County Population	57.8%
Number Unemployed	25,668
Unemployment Rate	4.1%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 9-3. 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).

Table 9-3. Employment in Hillsborough County

<i>N/D = No Data</i>	<i>Hillsborough</i>	<i>Florida</i>
(2002)		
Total Employment	601,777	7,163,458
Agriculture, Natural Resources & Mining	2.0%	1.5%
Construction & Real Estate	6.9%	8.2%
Education Services	6.8%	7.2%
Finance & Insurance	7.2%	4.5%
Government (including military)	4.5%	6.1%
Healthcare & Social Assistance	9.0%	11.3%
Information	3.8%	2.5%
Manufacturing	5.2%	5.7%
Other Services ¹	23.1%	28.1%
Professional & Business Services	22.8%	17.0%
Transportation/Warehousing/Wholesale Trade	8.7%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

As shown below, the average wage for the County's diversified industrial base is high by Florida standards. The area is a strong information sector which commands the highest average wage rates while Government wages (including military) exceeded the industry average (Table 9-4).

Table 9-4. Average Wage in Industries, 2002

(2002)	Avg. Wage
All Industries	\$33,970
Agriculture, Natural Resources & Mining	\$14,315
Construction & Real Estate	\$36,120
Education Services	\$30,945
Finance & Insurance	\$46,317
Government (including military)	\$37,948
Healthcare & Social Assistance	\$37,644
Information	\$53,302
Manufacturing	\$36,792
Other Services ¹	\$23,192
Professional & Business Services	\$33,520
Transportation/Warehousing/Wholesale Trade	\$42,595

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Per Capita Income has increased relative to the State as a whole. Hillsborough County's per capita income was slightly higher than the State average in 2000, but is now slightly under the State average (Table 9-5).

Table 9-5. Per Capita Income

	<i>Hillsborough</i>	<i>Florida</i>
2000	\$28,558	\$28,511
2001	\$29,055	\$29,247
2002	\$29,602	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2003, MacDill AFB had 5,283 active-duty, permanent personnel⁹⁶. SPG estimates there were 3,221 families and 2,062 unaccompanied personnel in need of housing (on-and off-installation)⁹⁷ in FY 2004. Enlisted ranks accounted for 4,248 (80.4%) of the active-duty personnel, while 1,035 (19.6%) were officers.

Table 9-6. Military Personnel, Family and Unaccompanied, FY 2004

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

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

The total demand for family housing by bedroom is shown in Table 9-7. Bedroom requirements are established by rank (grade) using a formula derived from known distributions at other State of Florida military installations and as discussed at the beginning of this report.

Table 9-7. Total Family Housing Requirements by Status and Bedroom, FY 2004

<i>Grade</i>	<i>Family Housing Required</i>			
	<i>2 BR</i>	<i>3BR</i>	<i>4+BR</i>	
Total	1,393	1,189	639	3,221
Officers	236	288	146	670
O6+	0	0	39	39
W4-O5	0	194	59	253
W1-O3	236	94	48	378
Enlisted	1157	901	493	2,551
E7-E9	0	391	127	518
E4-E6	949	471	354	1,774
E1-E3	208	39	12	259

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

⁹⁶ Department of Defense Base Structure Report (FY 2004 Baseline), 2004

⁹⁷ 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.

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 Housing⁹⁸

MacDill AFB had family housing occupancy is estimated to be 493⁹⁹ 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 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 2,729 families in FY 2004 (3,263 shown in Table 9-7, less 493 on-installation housed).

Table 9-8. Off-Installation Family Housing Requirements

Grade	2 BR	3 BR	4+ BR	Total
Total	1,264	920	545	2,729
Officers	236	238	98	571
O6+	0	0	19	19
W4-O5	0	166	37	203
W1-O3	236	72	41	349
Enlisted	1,028	682	447	2,157
E7-E9	0	361	123	484
E4-E6	949	281	325	1,555
E1-E3	79	39	0	119

Numbers could be off slightly 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. Based on DoD surveys and the VAH survey shown at

⁹⁸On-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.

⁹⁹ Communications with MacDill staff

the beginning of this report, SPG estimated that 1,285 military families owned their own homes in 2004 (Table 9-9).

Table 9-9. Military Family Homeowners, FY 2004

<i>Grade</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4+ BR</i>	<i>Total</i>
Total	478	527	280	1,285
Officers	109	148	79	336
O6+	0	0	25	25
W4-O5	0	104	31	136
W1-O3	109	43	23	175
Enlisted	369	379	201	949
E7-E9	0	197	63	260
E4-E6	369	183	138	689
E1-E3	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 9-10).

Table 9-10. Military Family Renters, FY 2004

<i>Grade</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4+ BR</i>	<i>Total</i>
Total	750	440	253	1,443
Officers	83	80	33	195
O6+	0	0	1	1
W4-O5	0	47	15	62
W1-O3	83	33	17	133
Enlisted	667	360	220	1,248
E7-E9	0	86	29	114
E4-E6	483	240	181	903
E1-E3	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 9-11. Off-Installation Unaccompanied Housing Requirements, FY 2004

Grade	1 BR	2 BR	3 BR	Unaccompanied Housing Required
Total	1,099	532	53	1,684
Officers	0	317	53	370
O6+	0	0	1	1
W4-O5	0	0	52	52
W1-O3	0	317	0	317
Enlisted	1,099	215	0	1,314
E7-E9	0	64	0	64
E4-E6	1,099	151	0	1,250
E1-E3	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 their own homes was estimated to be 280 personnel (Table 9-12).

Table 9-12. Unaccompanied Homeowners, FY 2004

Grade	1 BR	2 BR	3 BR	Total
Total	182	88	9	280
Officers	0	53	9	61
O6+	0	0	0	0
W4-O5	0	0	9	9
W1-O3	0	53	0	53
Enlisted	182	36	0	218
E7-E9	0	11	0	11
E4-E6	182	25	0	208
E1-E3	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 9-13).

Table 9-13. Unaccompanied Renters, FY 2004

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

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

Off-Installation Housing Acceptability

The Air Force 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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH,¹⁰⁰ that is adjusted annually to reflect local housing costs. Table 9-14 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for MacDill AFB in 2004. Note that the following tables include W1-W5 ranks. The Air Force does not have Warrant Officers; however, MacDill has a large base loading of Navy, Army and Marine personnel assigned to US Central Command and US Special Operations Command.

Table 9-14. BAH and MAHC with and without Dependents (2004)

	BAH	MAHC	BAH	MAHC
	With Dependents		Without Dependents	
E-1	\$920	\$952	\$757	\$783
E-2	\$920	\$952	\$757	\$783
E-3	\$920	\$952	\$757	\$783
E-4	\$920	\$952	\$757	\$783
E-5	\$1,034	\$1,070	\$790	\$818
E-6	\$1,116	\$1,155	\$822	\$851
E-7	\$1,154	\$1,194	\$928	\$960
E-8	\$1,196	\$1,238	\$1,050	\$1,087
E-9	\$1,275	\$1,320	\$1,076	\$1,114
W-1	\$1,117	\$1,156	\$877	\$908
W-2	\$1,171	\$1,212	\$1,050	\$1,087
W-3	\$1,222	\$1,265	\$1,078	\$1,116
W-4	\$1,300	\$1,346	\$1,126	\$1,165
W-5	\$1,403	\$1,452	\$1,164	\$1,205
O-1	\$1,043	\$1,080	\$806	\$834
O-2	\$1,114	\$1,153	\$994	\$1,029
O-3	\$1,220	\$1,263	\$1,087	\$1,125
O-4	\$1,447	\$1,498	\$1,158	\$1,199
O-5	\$1,618	\$1,675	\$1,184	\$1,225
O-6	\$1,631	\$1,688	\$1,222	\$1,265
O-7	\$1,650	\$1,708	\$1,247	\$1,291

Source: Strategic Planning Group, Inc. 2005

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue from Florida Housing Finance Corporation (FHFC) standards. The FHFC standard for affordability is that a family should not spend more than 40% of household income for housing.

¹⁰⁰ Includes renters insurance and utilities.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 9-15, 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 9-15. Regular Military Compensation

<i>With Dependents</i>	<i>BAH</i>	<i>BAS</i>	<i>Allowances Annualized</i>	<i>Salary Range</i>		<i>Calculated Basic Income</i>		<i>Annualized</i>	<i>Tax Adjustment</i>	<i>RMC</i>	<i>Military as % of Median</i>
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	\$59,969	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	\$83,763	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%	
<i>Without Dependents</i>											
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 9-15, 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 O1 singles fall under the 80% median area income.

Overall Market Area Rental Rates

Table 9-16 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the MacDill’s MAHC and/or FHFC’s 40% rule are competitive within the local housing market as shown table 9-17.

Table 9-16. Rental Rate Comparison Chart

<i>Bedrooms</i>	<i>HUD [1]</i>	<i>Apartment Survey [4]</i>
0	\$597	
1	\$669	\$620
2	\$805	\$740
3	\$1,037	\$940
4	\$1,264	\$1,400
Footnotes		
[1] HUD 2004 Fair Market Rents		
[4] Real Data, December 2004 (only apartments)		

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to Tampa's fair market rents.

Rental Housing Market

Table 9-17 shows the relative affordability of rental housing compared to 2004 BAH rates, as well as using the FHFC 40% approach. The only affordability issue appears to be E1-E3 families requiring three or more bedrooms based on current apartment rents; however, these grades would fall below the local fair market rent shown in Table 9-17.

Table 9-17. Military BAH and RMC compared to County rents, 2004

Grade	RMC	BAH	Tampa MSA HUD Fair Market Rent 2004					Market Area Data Median Rent			
			0 BR	1 BR	2 BR	3 BR	4 BR	1 BR	2 BR	3 BR	4 BR
With Dependents											
E-1	\$985	\$920	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-2	\$1,054	\$920	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-3	\$1,125	\$920	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-4	\$1,257	\$920	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-5	\$1,540	\$1,034	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-6	\$1,764	\$1,116	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-7	\$1,999	\$1,154	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-8	\$2,172	\$1,196	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-9	\$2,678	\$1,275	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-1	\$1,639	\$1,117	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-2	\$1,896	\$1,171	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-3	\$2,128	\$1,222	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-4	\$2,637	\$1,300	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-5	\$3,082	\$1,403	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-1	\$1,473	\$1,043	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-2	\$1,975	\$1,114	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-3	\$2,377	\$1,220	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-4	\$2,792	\$1,447	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-5	\$3,223	\$1,618	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-6	\$3,713	\$1,631	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-7	\$4,767	\$1,650	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
Without Dependents											
E-1	\$914	\$757	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-2	\$982	\$757	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-3	\$1,052	\$757	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-4	\$1,184	\$757	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-5	\$1,428	\$790	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-6	\$1,627	\$822	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-7	\$1,893	\$928	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-8	\$2,103	\$1,050	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
E-9	\$2,578	\$1,076	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-1	\$1,527	\$877	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-2	\$1,839	\$1,050	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-3	\$2,057	\$1,078	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-4	\$2,543	\$1,126	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
W-5	\$2,951	\$1,164	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-1	\$1,363	\$806	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-2	\$1,919	\$994	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-3	\$2,311	\$1,087	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-4	\$2,637	\$1,158	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-5	\$2,985	\$1,184	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-6	\$3,489	\$1,222	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400
O-7	\$4,544	\$1,247	\$530	\$630	\$781	\$1,037	\$1,257	\$620	\$740	\$940	\$1,400

Housing Standard For Grade

Rental ranges that exceed BAH

BAH plus 3.5% out of pocket is within rent range

740 Rents higher than BAH and 3.5% out of pocket

Without dependents should only require studio or 1 bedroom units based on HUD standards.

Source: Strategic Planning Group, Inc. 2005

Ownership Housing

As shown earlier, SPG estimates show 1,285 families owned off-installation housing in 2003 (Table 9-9). Unaccompanied personnel owned 280 residences in 2003 as shown in Table 9-12. Table 9-18 shows the combined family and unaccompanied ownership in 2003. For purposes of Air Force Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Table 9-18. Combined Homeownership, 2004

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	182	567	535	280	1,564
Officers	0	162	156	79	397
O6+	0	0	0	25	25
W4-O5	0	0	113	31	144
W1-O3	0	162	43	23	228
Enlisted	182	405	379	201	1,167
E7-E9	0	11	196	63	270
E4-E6	182	394	183	138	897
E1-E3	0	0	0	0	0

Source: Strategic Planning Group, Inc. 2005

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 9-19 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending either 30% or 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$158,983 for an E1 unaccompanied to \$828,890 for an O7 with dependents.

Table 9-19. Maximum Affordable Purchase Price per RMC

MacDill	RMC	Affordable Housing Payment	Affordable Housing Value (30 yr @ 6%) 5% Downpayment
With Dependents			
E-1	\$29,545	\$11,818	\$171,232
E-2	\$31,618	\$12,647	\$183,251
E-3	\$33,758	\$13,503	\$195,654
E-4	\$37,721	\$15,088	\$218,621
E-5	\$46,209	\$18,484	\$267,814
E-6	\$52,928	\$21,171	\$306,755
E-7	\$59,969	\$23,988	\$347,565
E-8	\$65,149	\$26,059	\$377,583
E-9	\$80,350	\$32,140	\$465,685
W-1	\$49,174	\$19,670	\$285,000
W-2	\$56,891	\$22,757	\$329,727
W-3	\$63,840	\$25,536	\$369,996
W-4	\$79,098	\$31,639	\$458,429
W-5	\$92,460	\$36,984	\$535,870
O-1	\$44,191	\$17,676	\$256,120
O-2	\$59,251	\$23,701	\$343,405
O-3	\$71,302	\$28,521	\$413,244
O-4	\$83,763	\$33,505	\$485,464
O-5	\$96,694	\$38,677	\$560,410
O-6	\$111,379	\$44,552	\$645,521
O-7	\$143,018	\$57,207	\$828,890
Without Dependents			
E-1	\$27,431	\$10,972	\$158,983
E-2	\$29,458	\$11,783	\$170,730
E-3	\$31,564	\$12,626	\$182,935
E-4	\$35,507	\$14,203	\$205,790
E-5	\$42,839	\$17,136	\$248,284
E-6	\$48,807	\$19,523	\$282,870
E-7	\$56,781	\$22,712	\$329,088
E-8	\$63,079	\$25,232	\$365,587
E-9	\$77,353	\$30,941	\$448,318
W-1	\$45,821	\$18,329	\$265,568
W-2	\$55,184	\$22,074	\$319,830
W-3	\$61,707	\$24,683	\$357,638
W-4	\$76,304	\$30,521	\$442,235
W-5	\$88,533	\$35,413	\$513,113
O-1	\$40,880	\$16,352	\$236,931
O-2	\$57,558	\$23,023	\$333,590
O-3	\$69,332	\$27,733	\$401,829
O-4	\$79,122	\$31,649	\$458,566
O-5	\$89,564	\$35,825	\$519,086
O-6	\$104,656	\$41,862	\$606,555
O-7	\$136,309	\$54,524	\$790,008

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the Tampa/Hillsborough County market does not appear to be a problem for military personnel.

The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.¹⁰¹

The Census shows that the market area had approximately 35,086 housing units in 2000 (Table 9-20), of which owner-occupied housing comprised 62.4% and rental 37.6%

Table 9-20. 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 9-21). Total vacant rental units declined by slightly over 2,400 units between the 1990-2000 time periods.

Table 9-21. Rental Housing Trends, 1990-2000

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

¹⁰¹ The 2003 Navy Housing Market Analysis of NAS Jacksonville did not provide specific market information. All data was summarized.

Table 9-22. Comparison of Rental Units by Size and Rent in 2004 Dollars

	No BR			1 BR			2 BR			3 or More BR		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
	Under 300	1,059	1,549	489	6911	3,501	-3,410	4,242	1,934	-2,308	1,693	831
300 to 399	760	1,184	424	8071	3700	-4,371	6703	2356	-4,347	1598	932	-666
400 to 499	884	1615	731	11347	5488	-5,859	10104	3383	-6,721	2275	1301	-974
500 to 599	1005	1573	568	8515	6303	-2,212	8968	4803	-4,165	2591	1642	-949
600 to 699	1005	1522	517	1823	8530	6,707	6474	8471	1,997	3459	2540	-919
700 to 799	621	1522	901	1823	8530	6,707	6474	8471	1,997	3459	2540	-919
800 to 899	100	957	857	1080	5706	4,626	3863	6880	3,017	2427	2554	127
900 to 999	104	204	100	91	1941	1,850	383	4759	4,376	1050	8933	7,883
1,000 & Up	204	727	523	4579	4977	398	10769	12705	1,936	2959	8933	5,974
Total	5,742	10,853	5,110	44240	48,676	4,436	57,980	53,762	-4,218	21,511	30,206	8,695

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

Single family rental units (1 to 4 units-per-structure, excluding mobile homes) accounted for 40.7% of the rental market, as shown in Table 9-23.

Table 9-23. Hillsborough County Owner- and Renter-Occupied Housing, 2000

Total:	391,357
Owner occupied:	251,023
1, detached	203,152
1, attached	13,400
2	1,261
3 or 4	1,969
5 to 9	1,816
10 to 19	1,153
20 to 49	853
50 or more	2,042
Mobile home	25,119
Boat, RV, van, etc.	258
Renter occupied:	140,334
1, detached	27,076
1, attached	4,344
2	9,520
3 or 4	14,725
5 to 9	20,163
10 to 19	23,439
20 to 49	11,239
50 or more	19,775
Mobile home	9,959
Boat, RV, van, etc.	94

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 44% of the area's vacant housing was single family (1-4 units per structures excluding mobile homes). This information is summarized in Table 9-24.

Table 9-24. Units in Structure for Vacant Housing, Hillsborough County

Total:	34,605
1, detached	10,625
1, attached	1,560
2	1,197
3 or 4	1,893
5 to 9	3,057
10 to 19	4,174
20 to 49	2,758
50 or more	1,803
Mobile home	6,985
Boat, RV, van, etc.	553

Source: 2000 Census, Strategic Planning Group, Inc.

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

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 9-25. Hillsborough County Building Permits – 2000-2004

Hillsborough County	2000	2001	2002	2003	2004	Totals
Single Family	7,328	8,508	9,256	10,256	10,401	45,749
Two Family	248	370	492	454	298	1,862
Three & Four Family	61	151	16	33	55	316
Five or More Family	4,019	1,942	3,817	5,367	1,841	16,986
Total	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 Tampa 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 9-26, the market area is experience 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 9-26. Hillsborough County 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	268	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

As shown in Table 9-23, 98.6% of the market area's owner-occupied housing is single family homes (1 to 4 units-per-structure, including mobile homes).

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Hillsborough County Fair Market Rent trends over the 2001-2004 time period.

Local Rental Rate Trends

Table 9-27 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than the state as a whole.

Table 9-27. Rental Rate Change by Bedroom, Hillsborough County, 2001-2004

	0 BR	1 BR	2 BR	3 BR	4 BR
Hillsborough County % Change	35.7%	27.7%	24.0%	20.3%	21.0%
State of Florida % Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Tampa/St. Petersburg/Clearwater metropolitan area showed a 25.6% increase in the cost of single family homes during the 2001-2003 time periods.

Table 9-28. Median Home Sales Price, Tampa, 2001-2003

Year	Price
2001	\$134,100
2002	\$136,700
2003	\$147,800
2004	\$168,400
Change	25.6%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

According to Census data, the Tampa/St. Petersburg Metropolitan Area had a 1.8% single family ownership vacancy rate, indicating that the area had a significant increase in home construction between 2002 and 2003; a trend that continued into 2004. Rental construction also increased in 2003. However, an increase in renters who became homeowners¹⁰² also increased, as the local rental vacancy rate decreased to 9.9%. As shown in Table 9-29, there are sufficient vacant housing units within the market area to accommodate the military off-installation housing needs.

Table 9-29. Local Housing Vacancy Trends

	2000	2001	2002	2003
Homeowner	9.5%	12.0%	1.9%	1.8%
Rental	9.5%	12.0%	11.4%	9.9%

Source: US Census 2003, Strategic Planning Group, Inc., 2005

Local Area Population Growth

The Hillsborough County market area is projected to continue to experience a strong 2.3% growth rate annually over the planning period (2008). The market area is projected to add an additional 23,448 new residents and 9,770 new residential housing units (owner and rental) during the 2000-2008 time periods.

Table 9-30. Hillsborough County Market Area Population Projections

	2000	2003	2004	2005	2008	2000-2008		
						Annual Change	Households @ 2.4 pph	
Hillsborough	998,948	1,079,587	1,101,992	1,123,342	1,186,533	23,448	9,770	
Average Annual Growth Rate 2000-2008						2.3%		

Source: UF BEBR 2004, Strategic Planning Group, Inc.

Findings

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.¹⁰³

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 9-31, 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 apartments alone (Table 9-26), there should be no problem for military families securing affordable housing.

¹⁰² This is a national trend due in large part to the availability of low interest mortgage rates.

¹⁰³ 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 9-31. 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	2-BR	3-BR	4-BR
			2003			40%	\$740	\$940	\$1,400
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 9-26.

Table 9-32. 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
31% -60% Median									
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	
61-80% Median									
E4	\$35,507	69%	304		278	0	\$1,184	278	
O1	\$40,880	80%	73		63	0	\$1,363		63
Total Rentals								278	63

Source: Strategic Planning Group, Inc. 2005

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

Housing sales costs have increased at an annual rate of about 6% for the local area compared to 8.4% nationally. It should also be noted that the average sales price for a home in the Tampa/St. Petersburg area (\$168,400) is still significantly less than the national November 2004 average sales price of \$268,100¹⁰⁴.

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 four or more bedrooms and lower-ranking, unaccompanied 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

¹⁰⁴ U.S. Department of Commerce, Joint Release December 23, 2004.

assume that some singles, if not a significant portion, would choose to share housing, thereby either saving some BAH, or by combining their housing allowances, choose to live in more expensive rental units.

Patrick Air Force Base/Cape Canaveral Air Force Station

Located near the City of Melbourne, just minutes from Cocoa Beach and Cape Canaveral, Florida, 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, DoD announced the re-delegation 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 re-designated the Long Range Proving Ground Division on May 16, 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 August 1, 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 AFS 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 45th 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.

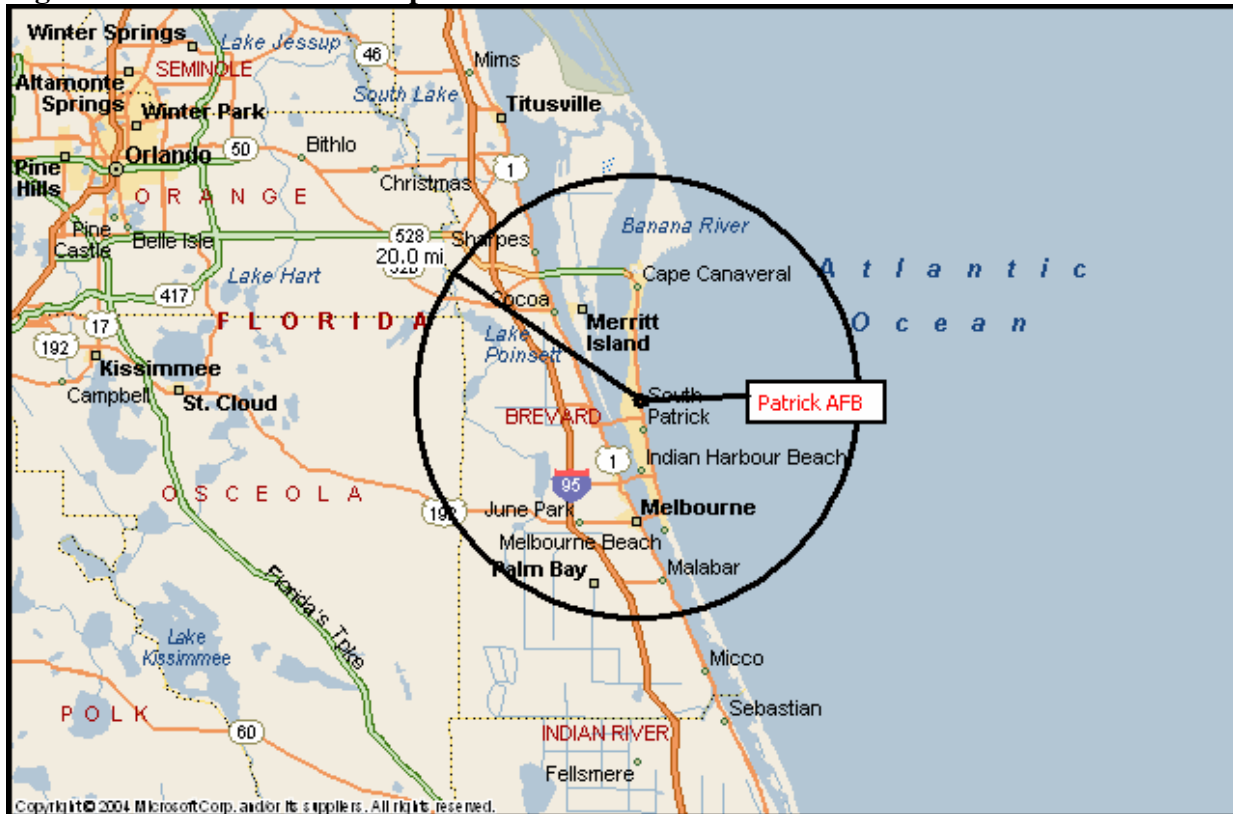
Detachment 1, 45th Mission Support Group, otherwise known as the Cape Commander's office, is responsible for the day-to-day operations at Cape Canaveral AFS. These responsibilities include monitoring multiple space launch support contracts with an estimated value in excess of \$100 million dollars, as well as the management of facility repair/maintenance and utilization and the security and environmental protection for the Cape. The Cape Commander and staff are the stewards of the Cape; having stewardship responsibilities for assets which include over 16,000 acres, over 1500 facilities, 4.6 million square feet of office space, and nearly \$600 million in real estate with a work force of 10,000 people. The Cape Commander and staff are also stewards of the environment with responsibility for protecting the wildlife, both endangered and

protected species, as well as the plant life. Finally, the Cape Commander and his deputies serve as On-Scene Commander of Disaster Response Forces for all space launches and hazardous operations.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 10-1. Patrick AFB/Cape Canaveral AFS Market Area



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 time period.

Table 10-1. Population of Brevard County

Year	Brevard County Population	State Population
1980	272,959	12,938,071
1990	398,978	15,982,378
2003	507,810	17,071,508
2005 (p)	525,500	17,760,000
2010 (p)	568,000	19,397,400
Annual Change 1980-90	12,602	
Annual Change 1990-2003	8,372	

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

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%.

Table 10-2. Labor Force, Brevard County, 2003

Labor Force	224,783
% of County Population	44.3%
Number Unemployed	11,069
Unemployment Rate	4.9%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 10-3. 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.

Table 10-3. Employment by Industry in Brevard County

(2002)	Brevard	Florida
Total Employment	183,467	7,163,458
Agriculture, Natural Resources & Mining	0.2%	1.5%
Construction & Real Estate	8.0%	8.2%
Education Services	6.6%	7.2%
Finance & Insurance	2.2%	4.5%
Government (including military)	7.7%	6.1%
Healthcare & Social Assistance	13.0%	11.3%
Information	1.5%	2.5%
Manufacturing	12.4%	5.7%
Other Services ¹	27.8%	28.1%
Professional & Business Services	16.1%	17.0%
Transportation/Warehousing/ Wholesale Trade	4.5%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Government wages (including military) exceeded the industry average (Table 10-4) but fell behind Manufacturing, Professional Services, Information and Finance & Insurance.

Table 10-4. Average Wage in Industries, Brevard County 2002

(2002)	
All Industries	\$33,914
Agriculture, Natural Resources & Mining	\$23,464
Construction & Real Estate	\$31,350
Education Services	\$31,798
Finance & Insurance	\$41,114
Government (including military)	\$40,482
Healthcare & Social Assistance	\$34,629
Information	\$42,234
Manufacturing	\$52,077
Other Services ¹	\$18,281
Professional & Business Services	\$47,896
Transportation/Warehousing/Wholesale Trade	\$37,521

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Brevard County’s per capita income has been slightly lower than the State average since 2000 (Table 10-5).

Table 10-5. Per Capita Income

	Brevard	Florida
2000	\$26,925	\$28,511
2001	\$27,297	\$29,247
2002	\$27,762	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2005, Patrick AFB and Cape Canaveral combined had 1,678 active-duty, permanent personnel.¹⁰⁵ As shown in Table 10-6, 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 accounted for 1,141 (72.9%) of the active-duty personnel, while 425 (27.1%) were estimated to be officers.

Table 10-6. Military Personnel, Family and Unaccompanied, FY 2005¹⁰⁶

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

Source: Patrick AFB, 2005; SPG, 2005

¹⁰⁵ According to Patrick AFB Public Affairs Office.

¹⁰⁶ 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.

The total demand for family housing by bedroom is shown in Table 10-7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 10-7. Family Housing by Status and Bedroom, FY 2005

Grade	2 BR	3 BR	4+ BR	Total
Total	361	404	220	985
Officers	90	105	68	264
O6+	0	0	13	13
O4-O5	0	66	32	98
O1-O3	90	39	23	152
Enlisted	270	299	152	721
E7-E9	0	140	56	196
E4-E6	248	157	95	501
E1-E3	22	2	1	25

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

On-Installation Housing

The military requires that part of the personnel assigned to the Air Base 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 Housing¹⁰⁷

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.

Off-Installation Family Housing

The GEC report estimates that Patrick/Cape Canaveral off-installation or "community first" family housing requirements were 804 families in 2003.¹⁰⁸

¹⁰⁷On-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.

¹⁰⁸This is addition of Table 5-6 and 5-8 in the GEC report.

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 10-8).

Table 10-8. Military Family Homeowners, FY 2005

Grade	2 BR	3 BR	4+ BR	Total
Total	201	303	159	663
Officers	57	71	41	168
O6+	0	0	3	3
O4-O5	0	47	22	69
O1-O3	57	25	15	96
Enlisted	144	232	118	495
E7-E9	0	120	48	168
E4-E6	142	112	70	324
E1-E3	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 10-9).

Table 10-9. Military Family Renters, FY 2004

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

Table 10-10. Off-Installation Unaccompanied Housing Requirements, FY 2004

Grade	2 BR	3 BR	4+ BR	Total
Total	199	156	42	397
Officers	0	117	42	160
O6+	0	0	0	0
O4-O5	0	0	42	42
O1-O3	0	117	0	117
Enlisted	199	38	0	238
E7-E9	0	20	0	20
E4-E6	199	19	0	218
E1-E3	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 10-11).

Table 10-11. Unaccompanied Homeowners, FY 2004

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

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

Table 10-12 shows the number of unaccompanied personnel requiring off-installation rental units in 2004.

Table 10-12. Unaccompanied Renters, FY 2005

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

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

Off-Installation Housing Acceptability

The Air Force 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 its cost as no specific data on the other criteria were provided in the Air Force's latest Housing Assessment.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH¹⁰⁹ that is adjusted annually to reflect local housing costs. Table 10-13 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for Patrick/Cape Canaveral in 2004.

Table 10-13. BAH and MAHC with and without Dependents (2004)

Grade	With Dependents		Without Dependents	
	BAH	MAHC	BAH	MAHC
E-1	\$813	\$841	\$664	\$687
E-2	\$813	\$841	\$664	\$687
E-3	\$813	\$841	\$664	\$687
E-4	\$813	\$841	\$664	\$687
E-5	\$942	\$975	\$709	\$734
E-6	\$1,196	\$1,238	\$748	\$774
E-7	\$1,264	\$1,308	\$822	\$851
E-8	\$1,338	\$1,385	\$992	\$1,027
E-9	\$1,410	\$1,459	\$1,071	\$1,108
O-1	\$971	\$1,005	\$740	\$766
O-2	\$1,190	\$1,232	\$897	\$928
O-3	\$1,381	\$1,429	\$1,105	\$1,144
O-4	\$1,480	\$1,532	\$1,271	\$1,315
O-5	\$1,548	\$1,602	\$1,316	\$1,362
O-6	\$1,561	\$1,616	\$1,384	\$1,432
O-7	\$1,579	\$1,634	\$1,412	\$1,461

Source: Strategic Planning Group, Inc. 2005

Based on the GEC Housing Assessment for Patrick/Cape Canaveral, the demand for family rental housing by affordability is shown in Table 10-14. Most of the family housing affordability is within the \$600-\$800 month ranges (using only BAH).

Table 10-14. Military Off-Installation Family Renters by Cost Band, 2004

Monthly Rent Plus Utilities, Insurance	2 BR	3 BR	4+ BR	Total
	\$2000 - Above	0	0	0
\$1500 - \$1999	0	0	0	0
\$1300 - \$1499	0	0	0	0
\$1200 - \$1299	0	0	0	0
\$1100 - \$1199	0	0	0	0
\$1000 - \$1099	0	0	0	0
\$900 - \$999	0	0	0	0
\$800 - \$899	0	1	2	4
\$700 - \$799	42	18	0	60
\$600 - \$699	85	23	0	108
\$500 - \$599	0	0	0	0
Under \$500	0	0	0	0
Total	127	43	2	172

Distribution may not total due to rounding

Source: Strategic Planning Group, Inc. 2005

¹⁰⁹ Includes renters insurance and utilities.

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue using Florida Housing Finance Corporation’s (FHFC) standard; which state that households should not spend over 40% of income on housing.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 10-15, 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 10-15. Regular Military Compensation

With Dependents	Allowances		Calculated Basic				Annualized	Tax Adjustment	Military Compensation	Military as % of Median
	BAH	BAS	Annualized	Salary Range		Income				
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%
Without Dependents										
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	\$992	\$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 10-15, E1-E4 and O1 families and E1-E5 and O1 singles (without dependents) fall below 80% of the area’s median income; while only E-1 singles fall below the 50% median figure. Note that all E1-E3 singles are required to live on-installation.

Overall Market Area Rental Rates

Table 10-16 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the Patrick/Cape Canaveral’s MAHC and/or FHFC’s 40% rule are competitive within the local housing market.

Table 10-16. Rental Rate Comparison Chart

Bedrooms	HUD [1]	Apartment Survey [2]
0	\$456	\$413
1	\$558	\$568
2	\$657	\$695
3	\$885	\$870
4	\$987	na
Footnotes		
[1] HUD 2004 Fair Market Rents		
[2] Central and Southern Brevard Apartment Market, SPG		

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to Brevard County’s fair market rents.

Rental Housing Market

As shown in Table 10-17, the BAH rate covers most all of the affordability needs of the military households. When using the FHFC 40% standard, there should be no problem for any personnel to be able to secure affordable housing within the installation’s market area.

Table 10-17. Military RMC and Melbourne Fair Market Rent, 2004

Grade	BAH	RMC	Melbourne	MSA HUD Fair Market Rent	200 Market Area Data includes utilities							
With Dependents	0 BR	1 BR	2 BR	3 BR	4 BR							
E-1	\$813	\$939	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-2	\$813	\$1,007	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-3	\$813	\$1,077	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-4	\$813	\$1,209	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-5	\$942	\$1,498	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-6	\$1,196	\$1,802	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-7	\$1,264	\$2,051	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-8	\$1,338	\$2,239	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-9	\$1,410	\$2,746	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-1	\$971	\$1,440	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-2	\$1,190	\$2,011	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-3	\$1,381	\$2,456	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-4	\$1,480	\$2,810	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-5	\$1,548	\$3,185	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-6	\$1,561	\$3,674	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-7	\$1,579	\$4,728	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
Without Dependents												
E-1	\$664	\$874	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-2	\$664	\$941	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-3	\$664	\$1,010	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-4	\$664	\$1,141	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-5	\$709	\$1,391	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-6	\$748	\$1,592	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-7	\$822	\$1,843	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-8	\$992	\$2,075	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
E-9	\$1,071	\$2,576	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-1	\$740	\$1,332	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-2	\$897	\$1,873	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-3	\$1,105	\$2,320	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-4	\$1,271	\$2,698	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-5	\$1,316	\$3,058	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-6	\$1,384	\$3,577	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
O-7	\$1,412	\$4,635	\$419	\$491	\$613	\$821	\$956	\$637	\$710	\$831	\$1,010	\$1,065
Housing Standard For Grade												
Rental ranges that exceed BAH												
BAH plus 3.5% out of pocket is within rent range												
831 Rents higher than BAH and 3.5% out of pocket												

Without dependents should only require studio or 1 bedroom units based on HUD standards

Source: Strategic Planning Group, Inc. 2005

Ownership Housing

As shown earlier, the Air Force estimates show 663 families owned off-installation housing in 2004 (Table 10-8). Unaccompanied personnel were estimate to owned 95 residences in 2004 (Table 10-11). Table 10-18 shows the combined family and unaccompanied ownership in 2004. For purposes of Air Force Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes, located in “unsafe areas,” or outside the acceptable travel/time distance.

Table 10-18. Combined Homeownership, FY 2005

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	27	246	326	159	758
Officers	0	88	94	41	222
O6+	0	0	0	3	3
O4-O5	0	0	70	22	92
O1-O3	0	88	25	15	127
Enlisted	27	158	232	118	536
E7-E9	0	8	120	48	176
E4-E6	27	149	112	70	358
E1-E3	0	2	0	0	2

Numbers may not add due to rounding.

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

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 10-19 shows the maximum affordable purchase price assuming a 6% interest rate for a 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing. The maximum affordable housing value, by grade, ranges from \$153,422 for an E1 unaccompanied to \$822,040 for an O7 with dependents.

Table 10-19. Maximum Affordable Purchase Price per RMC

	<i>Regular Military Compensation (RMC)</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @6%) 5% Downpayment</i>
With Dependents		40.0%	40.0%
E-1	\$28,157	\$11,263	\$163,191
E-2	\$30,200	\$12,080	\$175,032
E-3	\$32,318	\$12,927	\$187,305
E-4	\$36,268	\$14,507	\$210,198
E-5	\$44,938	\$17,975	\$260,450
E-6	\$54,049	\$21,620	\$313,254
E-7	\$61,521	\$24,608	\$356,559
E-8	\$67,162	\$26,865	\$389,250
E-9	\$82,383	\$32,953	\$477,466
O-1	\$43,185	\$17,274	\$250,290
O-2	\$60,324	\$24,130	\$349,621
O-3	\$73,686	\$29,474	\$427,061
O-4	\$84,292	\$33,717	\$488,535
O-5	\$95,544	\$38,217	\$553,745
O-6	\$110,228	\$44,091	\$638,852
O-7	\$141,836	\$56,734	\$822,040
Without Dependents			
E-1	\$26,225	\$10,589	\$153,422
E-2	\$28,225	\$11,391	\$165,046
E-3	\$30,312	\$12,227	\$177,161
E-4	\$34,244	\$13,801	\$199,964
E-5	\$41,721	\$17,014	\$246,523
E-6	\$47,769	\$19,500	\$282,545
E-7	\$55,286	\$22,402	\$324,591
E-8	\$62,257	\$24,647	\$357,124
E-9	\$77,278	\$30,357	\$439,852
O-1	\$39,958	\$16,374	\$237,255
O-2	\$56,189	\$22,532	\$326,475
O-3	\$69,599	\$27,170	\$393,676
O-4	\$80,936	\$30,929	\$448,142
O-5	\$91,732	\$34,984	\$506,899
O-6	\$107,319	\$40,902	\$592,645
O-7	\$139,056	\$53,531	\$775,633

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the Brevard County market does not appear to be a problem for military personnel. The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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 198,195 housing units in 2000 (Table 10-20), of which owner-occupied housing comprised 74.6% and rental 25.4%.

Table 10-20. 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 10-21). Total vacant rental units declined by slightly under 100 units between the 1990-2000 time periods.

Table 10-21. Rental Housing Trends, 1990-2000

	<i>County</i>	<i>Brevard</i>
Occupied Rental Units	1990	49,623
	2000	50,310
	Change	687
Vacant Rental Units	1990	6,054
	2000	5,969
	Change	(85)
Total Rental Units	1990	55,677
	2000	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. Table 10-22 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 \$700-\$800 per month.

Table 10-22. Comparison of Rental Units by Size and Rent in 2004 Dollars

	<i>No BR</i>			<i>1 BR</i>			<i>2 BR</i>			<i>3 or More BR</i>		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
Under 300	453	547	94	1,873	1,145	-728	976	635	-341	400	346	-862
300 to 399	292	338	46	2,175	1,381	-794	2,913	1,081	-1832	703	330	-666
400 to 499	291	457	166	3,131	2,019	-1112	4,519	1,655	-2864	1,047	457	-974
500 to 599	281	373	92	2,311	1,923	-1112	4,096	2,314	-1782	1,458	826	-949
600 to 699	281	181	-100	367	1,753	-388	3,194	4,017	823	2,519	1,765	-919
700 to 799	172	181	9	367	1,753	1386	3,194	4,017	823	2,519	1,765	-919
800 to 899	25	116	91	238	1,092	1386	1,936	2,745	809	1,743	1,660	127
900 to 999	26	30	4	66	211	854	260	1,048	788	70	1,519	7,883
1,000 & Up	34	120	86	231	830	145	686	2,323	1637	1,504	4,254	5,974
Total # of Units	1,855	2,342	488	10,759	12,109	1350	21,774	19,835	-1939	12,600	12,921	8,695

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

Single family rental units (1 to 4 units-per-structure, excluding mobile homes) accounted for 52.3% of the rental market, as shown in Table 10-23.

Table 10-23. Brevard County Owner- and Renter-Occupied Housing, 2000

Total:	198,195
Owner occupied:	147,878
1, detached	113,739
1, attached	6,386
2	476
3 or 4	1,714
5 to 9	1,955
10 to 19	1,910
20 to 49	2,837
50 or more	2,138
Mobile home	16,123
Boat, RV, van, etc.	600
Renter occupied:	50,317
1, detached	14,783
1, attached	3,633
2	2,716
3 or 4	5,166
5 to 9	7,144
10 to 19	5,643
20 to 49	3,212
50 or more	5,615
Mobile home	2,367
Boat, RV, van, etc.	38

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 41.3% of the area's vacant housing was single-family (1-4 units-per-structure, excluding mobile homes). This information is summarized in Table 10-24.

Table 10-24. Units in Structure for Vacant Housing, Brevard County

Brevard County	
Total:	23,877
1, detached	6,890
1, attached	1,379
2	498
3 or 4	1,098
5 to 9	1,672
10 to 19	1,811
20 to 49	2,214
50 or more	2,152
Mobile home	5,602

Source: 2000 Census, Strategic Planning Group, Inc.

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

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 10-25. Brevard County Building Permits, 2000-2004

Brevard County	2000	2001	2002	2003	2004	Totals
Single Family	3,438	4,379	4,956	5,607	5,139	23,519
Two Family	6	16	24	12	30	88
Three & Four Family	31	17	33	11	53	145
Five or More Family	809	632	1,609	539	2,201	5,790
Total	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 10-26. Patrick/Cape Canaveral Apartment Market

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

As shown in Table 10-24, 82.7% of the market area's owner-occupied housing 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 as shown in Table 10-27. Median Price for a 2-bedroom home was \$431,375; \$389,555 for a 3-bedroom, and \$572,700 for a 4-bedroom home.

Table 10-27. Single Family Housing Multiple Listing Data, December 2004

Unit Type	Avail. Units	Avg. Price	Price Range
2 Bedroom	4	\$431,375	\$78,000-\$699,000
3 Bedroom	9	\$389,555	\$29,000-\$1,195,000
4 Bedroom	7	\$572,700	\$204,000-\$1,550,000
5 Bedroom	2	\$874,450	\$349,900-\$1,399,000
7 Bedroom	1	\$895,000	\$895,000

Source: Florida Association of Realtors, 2005; Strategic Planning Group, Inc. 2005

Housing Supply/Demand Projections**Local Housing Cost Trends**

In order to provide insight into future housing costs, SPG analyzed Brevard County Fair Market Rent trends over the 2001-2004 time periods.

Local Rental Rate Trends

Table 10-28 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than the state as a whole.

Table 10-28. Rental Rate Change by Bedroom, Brevard County, 2001-2004

	0 BR	1 BR	2 BR	3 BR	4 BR
Brevard County % of Change	15.2%	20.5%	13.5%	14.2%	9.3%
State of Florida % of Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, Brevard County showed an 83.8% increase in the cost of single family homes during the 2001-2004 time periods.

Table 10-29. Median Existing Home Sales Price, Brevard County, 2001-2003

Year	Price
2001	\$101,600
2002	\$121,400
2003	\$137,800
2004	\$186,700
Change	83.8%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Area Population Growth

The Brevard County market area is projected to continue to experience a 1.9% growth rate annually over the planning period (2008). The market area is projected to add an additional 9,283 new residents and 3,868 new residential housing units (owner and rental) during the 2000-2008 time periods.

Table 10-30. Brevard County Market Area Population Projections

	2000	2003	2004	2005	2008	2000-2008 Annual Change	Households @ 2.4 pph
Brevard	476,230	507,810	517,882	525,486	550,492	9,283	3,868
Average Annual Growth Rate 2000-2008					1.9%		

Source: UF BEBR 2004, Strategic Planning Group, Inc.

Findings

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 10-32, 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 10-31. Distribution of Military Family Renters by % of Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households 2003	On Base	Off Base Renters	Affordable Rent Mthly 40%	Rental Need		
							2-BR \$695	3-BR \$870	4-BR \$987
0-30%									
31%-60% Median									
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
61%-80% Median			25	2	20		18	2	0
E4	\$36,268	66.3%	64	6	37	\$1,209	30	5	2
Grand Total			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 10-32.

Table 10-32. Distribution of Military Single Household Renters By % of Local Median Income (2004)

Range of Median	RMC-2004	% Median	Single Households	On Base	Off Base Renters	Affordable Rent 40%	Rental Need	
							1 Bedroom \$568	2 Bedroom \$695
0-30% Median								
none								
31% -60% Median								
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	
Total E1-E3			182	182	0		Housed on base	
61-80% Median								
E4	\$34,244	63%	142	0	131	\$1,141	131	0
O1	\$39,958	73%	35	0	34	\$1,332		34
Total E4-O1			177	0	164		131	34
Grand Total			359	182	164		131	34

Source: Strategic Planning Group, Inc. 2005

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

While the rate of growth has exceeded national trends, the average sales price for a home in Brevard County (\$186,700) is still favorably to the national average (\$188,500).

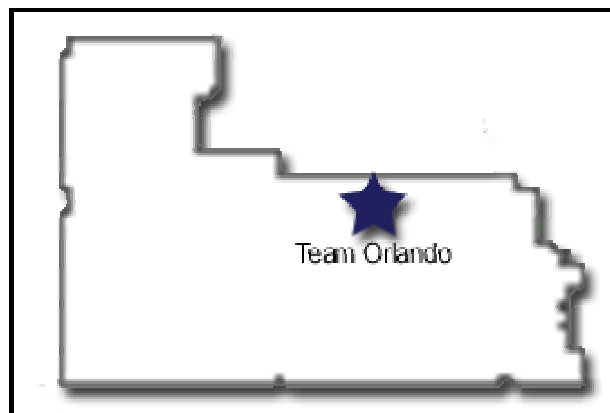
The local 2005 Fair Market Rents for a two-bedroom unit (\$657) and for a three-bedroom unit (\$885) compare favorably with national average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

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. 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 expensive 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).



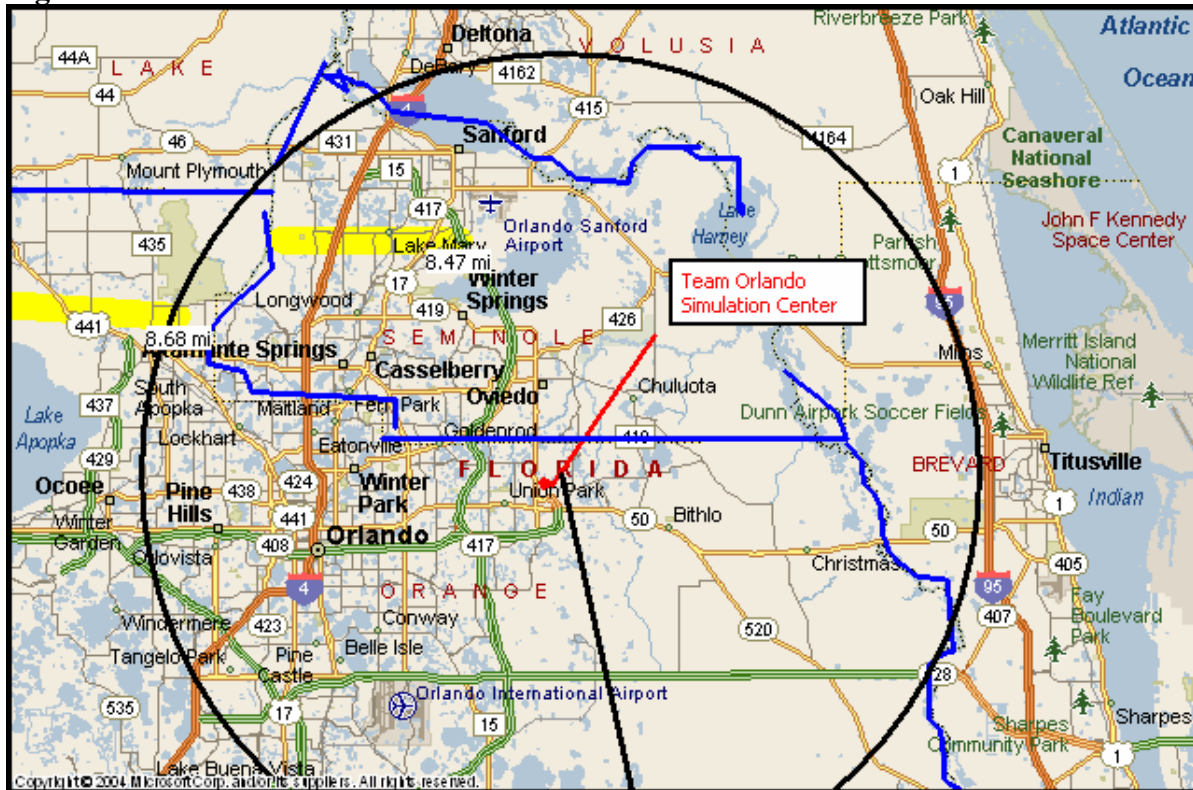
The National Center for Simulation (NCS) was formed in 1993, as a link between the defense industry, government, and academia on behalf of the entire modeling, simulation, and training community. NCS has been one of the catalysts for the development of the partnerships between government, industry, and academia engaged in modeling, simulation, and training activities. NCS facilitates networking and information exchange among these groups and serves as a representative of and spokesperson for the simulation industry.

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.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute. The following map shows the 20 mile radius around Team Orlando. The primary market area is Orange and Seminole counties.

Figure 11-1. Team Orlando AFS Market Area



As noted above, the 20-mile radius and 60-minute, peak-hour commute and, therefore, this study includes 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.

Table 11-1. Population of Orange and Seminole Counties

Year	Orange County	Seminole County	Total	State Population
1980	470,865	179,752	650,617	12,938,071
1990	677,491	287,521	965,012	15,982,378
2003	964,865	386,374	1,351,239	17,071,508
2005 (p)	1,029,500	413,700	1,443,200	17,760,000
2010 (p)	1,147,100	452,700	1,599,800	19,397,400

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

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%.

Table 11-2. Labor Force, Orange and Seminole Counties, 2003

	<i>Orange</i>	<i>Seminole</i>	<i>Total</i>
Labor Force	547,148	224,401	771,549
% of County Population	56.7%	58.1%	57.1%
Number Unemployed	26,884	11,164	38,048
Unemployment Rate	4.9%	5.0%	4.9%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 11-3. 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.

Table 11-3. Employment by Industry in Orange and Seminole Counties, 2002

	<i>Orange</i>	<i>Seminole</i>	<i>Florida</i>
(2002)			
Total Employment	594,854	146,002	7,163,458
Agriculture, Natural Resources & Mining	0.8%	0.3%	1.5%
Construction & Real Estate	7.5%	11.8%	8.2%
Education Services	6.2%	7.6%	7.2%
Finance & Insurance	3.7%	4.1%	4.5%
Government (including military)	4.3%	3.9%	6.1%
Healthcare & Social Assistance	8.7%	8.7%	11.3%
Information	2.6%	4.6%	2.5%
Manufacturing	4.9%	6.5%	5.7%
Other Services ¹	35.2%	29.8%	28.1%
Professional & Business Services	17.5%	14.6%	17.0%
Transportation/Warehousing/Wholesale Trade	8.6%	8.2%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Government wages (including military) exceeded the industry average (Table 11-4).

Table 11-4. Average Wage in Industries, Orange and Seminole Counties, 2002

(2002)	<i>Orange</i>	<i>Seminole</i>
All Industries	\$33,651	\$32,635
Agriculture, Natural Resources & Mining	\$21,133	\$20,686
Construction & Real Estate	\$37,648	\$35,398
Education Services	\$28,073	\$29,731
Finance & Insurance	\$50,853	\$47,576
Government (including military)	\$40,732	\$35,811
Healthcare & Social Assistance	\$39,005	\$33,884
Information	\$47,154	\$51,119
Manufacturing	\$47,651	\$38,600
Other Services ¹	\$22,767	\$21,693
Professional & Business Services	\$38,390	\$33,006
Transportation/Warehousing/Wholesale Trade	\$41,703	\$45,547

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Orange County's per capita income has been slightly lower than the State average since 2000, while Seminole County's has been slightly higher (Table 11-5).

Table 11-5. Per Capita Income

	<i>Orange</i>	<i>Seminole</i>	<i>Florida</i>
2000	\$27,083	\$30,927	\$28,511
2001	\$27,034	\$31,695	\$29,247
2002	\$27,695	\$32,110	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs

As of FY 2004, Team Orlando had 48 active-duty, permanent personnel (Table 11-6).¹¹⁰ 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.

Table 11-6. 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 demand for family housing by bedroom is shown in Table 11-7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 11-7. Family Housing by Status and Bedroom, 2004

<i>Grade</i>	<i>Family Housing</i>			<i>Required</i>
	<i>2 BR</i>	<i>3BR</i>	<i>4+BR</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.

¹¹⁰ GEC draft report sources TEAM ORLANDO Public Affairs for the installation loadings

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 BAH.

Off-Installation Family Housing

The Department of Defense estimates 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 11-8).

Table 11-8. Military Family Homeowners, 2004

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

Table 11-9. Military Family Renters, 2004

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

Source: Strategic Planning Group, Inc., 2005

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH¹¹¹ that is adjusted annually to reflect local housing costs. Table 11-10 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for Orlando in 2004.

Table 11-10. BAH and MAHC with and without Dependents (2004)

Grade	BAH With Dependents	MAHC	BAH Without Dependents	MAHC
E-1	\$868	\$898	\$683	\$707
E-2	\$868	\$898	\$683	\$707
E-3	\$868	\$898	\$683	\$707
E-4	\$868	\$898	\$683	\$707
E-5	\$907	\$939	\$768	\$795
E-6	\$1,066	\$1,103	\$835	\$864
E-7	\$1,135	\$1,175	\$871	\$901
E-8	\$1,210	\$1,252	\$930	\$963
E-9	\$1,309	\$1,355	\$983	\$1,017
O-1	\$916	\$948	\$830	\$859
O-2	\$1,062	\$1,099	\$893	\$924
O-3	\$1,254	\$1,298	\$1,005	\$1,040
O-4	\$1,448	\$1,499	\$1,142	\$1,182
O-5	\$1,584	\$1,639	\$1,187	\$1,229
O-6	\$1,597	\$1,653	\$1,257	\$1,301
O-7	\$1,616	\$1,673	\$1,282	\$1,327

Source: Strategic Planning Group, Inc.

The demand for family rental housing by affordability is shown in Table 11-11. Based on DoD standards, most of the family housing affordability is within the \$700-\$999 month ranges (only using BAH).

Table 11-11. Military Off-Installation Family Renters by Cost Band, 2004

Monthly Rent Plus Utilities, Insurance	2 BR	3 BR	4+ BR	Total
\$2000 - Above				0
\$1500 - \$1999				0
\$1300 - \$1499				0
\$1200 - \$1299				0
\$1100 - \$1199				0
\$1000 - \$1099		1		1
\$900 - \$999	1	1	1	3
\$800 - \$899	1	1	1	3
\$700 - \$799	5	0	1	6
\$600 - \$699				0
\$500 - \$599				0
Under \$500				0
Total	7	3	3	13

Source: Strategic Planning Group, Inc., 2005

¹¹¹ Includes renters insurance and utilities.

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue from Florida Housing Finance Corporation (FHFC) standards. The FHFC standard of affordability is that no household should spend more than 40% of household income on housing.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 11-12, 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 11-12. Regular Military Compensation

With Dependents	Allowances		Salary Range		Calculated Basic Income		Annualized	Tax Adjustment	Military Compensation	% RMC for Market Housing
	BAH	BAS	Annualized							
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	152.2%
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%
Without Dependents										
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 11-12, E1-E4s and O1 personnel with dependents and E1-E5s 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.

Overall Market Area Rental Rates

Table 11-13 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the Orlando’s MAHC and/or FHFC’s 40% rule are competitive within the local housing market.

Table 11-13. Rental Rate Comparison Chart

Comparative Rents		
Bedrooms	HUD [1]	Apartment Survey [2]
0	\$675 -	
1	\$733	\$590
2	\$838	\$775
3	\$1,049	\$860
4	\$1,235	\$1,400

Footnotes
 [1] HUD 2004 Fair Market Rents
 [2] Real Data, December 2004 (only apartments)

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to the Orlando MSA’s fair market rents.

Rental Housing Market

Using the FHFC 40% approach, only E1-E3 families requiring three or more bedrooms would fall below the local fair market rent or surveyed rents shown in Table 11-14.

Table 11-14. Military RMC and Orlando Fair Market Rent, 2004

Grade	BAH	RMC	Orlando MSA HUD Fair Market Rent 2004				Market Area Data				
			0 BR	1 BR	2 BR	3 BR	4 BR	1 BR	2 BR	3 BR	4 BR
With Dependents											
E-1	\$868	\$962	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-2	\$868	\$1,031	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-3	\$868	\$1,102	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-4	\$868	\$1,234	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-5	\$907	\$1,482	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-6	\$1,066	\$1,741	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-7	\$1,135	\$1,990	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-8	\$1,210	\$2,178	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-9	\$1,309	\$2,695	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-1	\$916	\$1,414	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-2	\$1,062	\$1,951	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-3	\$1,254	\$2,393	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-4	\$1,448	\$2,793	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-5	\$1,584	\$3,205	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-6	\$1,597	\$3,694	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-7	\$1,616	\$4,748	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
Without Dependents											
E-1	\$683	\$882	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-2	\$683	\$949	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-3	\$683	\$1,019	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-4	\$683	\$1,150	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-5	\$768	\$1,418	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-6	\$835	\$1,633	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-7	\$871	\$1,866	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-8	\$930	\$2,130	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
E-9	\$983	\$2,601	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-1	\$830	\$1,374	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-2	\$893	\$1,871	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-3	\$1,005	\$2,271	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-4	\$1,142	\$2,629	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-5	\$1,187	\$2,987	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-6	\$1,257	\$3,508	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400
O-7	\$1,282	\$4,563	\$606	\$687	\$820	\$1,076	\$1,312	\$590	\$775	\$860	\$1,400

 Housing Standard For Grade
 Rental ranges that exceed BAH
 BAH plus 3.5% out of pocket is within rent range
 Rents higher than BAH and 3.5% out of pocket

Without dependents should only require studio or 1 bedroom units based on HUD standards

Source: Strategic Planning Group, Inc. 2005

Using information above, cost alone should not be an issue with respect to finding suitable rental housing for Team Orlando personnel.

Based on Table 11-14, there are no income ranges, the higher of either the BAH or 40% of RMC, that do not correspond to existing rental prices.

Ownership Housing

As shown earlier, SPG estimates show 35 families owned off-installation housing in 2004 (Table 11-8). For purposes of DoD Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 11-15 shows the maximum affordable purchase price assuming a 6% interest rate for a 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing. For families, the maximum affordable housing value by grade ranges from \$153,422 for an E1 unaccompanied to \$825,610 for an O7 with dependents.

Table 11-15. Maximum Affordable Purchase Price per RMC

	<i>Regular Military Compensation (RMC)</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @ 6%) 5% Downpayment</i>
With Dependents		40.0%	40.0%
E-1	\$28,870	\$11,548	\$167,325
E-2	\$30,929	\$12,372	\$179,256
E-3	\$33,058	\$13,223	\$191,597
E-4	\$37,015	\$14,806	\$214,527
E-5	\$44,455	\$17,782	\$257,648
E-6	\$52,227	\$20,891	\$302,693
E-7	\$59,701	\$23,881	\$346,012
E-8	\$65,347	\$26,139	\$378,733
E-9	\$80,862	\$32,345	\$468,652
O-1	\$42,417	\$16,967	\$245,837
O-2	\$58,518	\$23,407	\$339,152
O-3	\$71,805	\$28,722	\$416,162
O-4	\$83,779	\$33,511	\$485,557
O-5	\$96,135	\$38,454	\$557,172
O-6	\$110,820	\$44,328	\$642,282
O-7	\$142,452	\$56,981	\$825,610
Without Dependents			
E-1	\$26,472	\$10,589	\$153,422
E-2	\$28,477	\$11,391	\$165,046
E-3	\$30,568	\$12,227	\$177,161
E-4	\$34,502	\$13,801	\$199,964
E-5	\$42,535	\$17,014	\$246,523
E-6	\$48,989	\$19,500	\$282,545
E-7	\$55,977	\$22,402	\$324,591
E-8	\$61,378	\$24,647	\$357,124
E-9	\$75,953	\$30,357	\$439,852
O-1	\$41,216	\$16,374	\$237,255
O-2	\$56,133	\$22,532	\$326,475
O-3	\$68,118	\$27,170	\$393,676
O-4	\$78,865	\$30,929	\$448,142
O-5	\$89,613	\$34,984	\$506,899
O-6	\$105,231	\$40,902	\$592,645
O-7	\$136,892	\$53,531	\$775,633

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the Orange and Seminole County market does not appear to be a problem for military personnel. The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market. The military component of TEAM ORLANDO, due to its small size, has no impact on the local housing market; however, to be consistent with the other sections of this report, the following analysis is provided.

Local Community Affordable 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 11-16), of which owner-occupied housing comprised 63.3% and rental 36.7%.

Table 11-16. Housing Units, 2000

	<i>Orange</i>	<i>Seminole</i>	<i>Total</i>	<i>%</i>
Total:	336,286	139,572	475,858	
Owner occupied	204,230	96,956	301,186	63.3%
Renter occupied	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 11-17). Total vacant rental units declined by slightly less than 2,000 between the 1990-2000 time periods.

Table 11-17. Rental Housing Trends, 1990-2000

	<i>County</i>	<i>Orange</i>	<i>Seminole</i>	<i>Total</i>
Occupied Rental Units	1990	103,627	35,654	139,281
	2000	132,091	42,623	174,714
	Change	28,464	6,969	35,433
Vacant Rental Units	1990	11,088	3,815	14,903
	2000	10,125	2,823	12,948
	Change	(963)	(992)	(1,955)
Total Rental Units	1990	114,715	39,469	154,184
	2000	142,216	45,446	187,662
	Change	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. Table 11-18 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 between \$500 and \$700 per month.

Table 11-18. Comparison of Rental Units by Size and Rent in 2004 Dollars

	No BR			1 BR			2 BR			3 or More BR		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
Under \$300	549	692	143	6,924	2,449	-4,475	4,727	1,680	-3,047	1,293	1,021	-272
\$300 to \$399	323	1,037	714	10,588	3,339	-7,249	7,134	2,364	-4,770	1,778	1,475	-303
\$400 to \$499	740	1,364	624	8,558	5,318	-3,240	8,604	4,532	-4,072	2,821	1,942	-879
\$500 to \$599	1,232	2,216	984	3,843	10,379	6,536	12,521	10,035	-2,486	5,487	3,156	-2,331
\$600 to \$699	1,232	2,216	984	3,843	10,379	6,536	12,521	10,035	-2,486	5,487	3,156	-2,331
\$700 to \$799	800	1,488	688	2,271	7,359	5,088	7,480	9,404	1,924	4,258	4,007	-251
\$800 to \$899	213	517	304	173	3,333	3,160	758	8,564	7,806	2,618	5,140	2,522
\$900 to \$999	221	1,523	1,302	698	6,774	6,076	1,695	17,582	15,887	6,398	19,322	12,924
\$1,000 & Up	598	11,820	11,222	40,593	51,834	11,241	58,078	65,684	7,606	31,209	39,871	8,662
Total	5,908	22,873	16,965	77,491	101,164	23,673	113,518	129,880	16,362	61,349	79,090	17,741

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

Single family rental units (1 to 4 units per structure excluding mobile homes) accounted for 44.9% of the rental market, as shown in Table 11-19.

Table 11-19. Orange and Seminole Counties Owner- and Renter-Occupied Housing, 2000

	Orange	Seminole	Total	%
Total	336,286	139,572	475,858	%
Owner occupied:	204,230	96,956	301,186	63.3%
1, detached	172,290	83,132	255,422	84.8%
1, attached	8,843	5,625	14,468	4.8%
2	829	297	1,126	0.4%
3 or 4	2,059	1,194	3,253	1.1%
5 to 9	2,495	1,592	4,087	1.4%
10 to 19	1,455	647	2,102	0.7%
20 to 49	745	350	1,095	0.4%
50 or more	1,153	247	1,400	0.5%
Mobile home	14,097	3,730	17,827	5.9%
Boat, RV, van, etc.	264	142	406	0.1%
Renter occupied:	132,056	142	42,616	9.0%
1, detached	27,766	3,645	9,750	22.9%
1, attached	6,974	319	2,572	6.0%
2	6,845	609	2,027	4.8%
3 or 4	15,839	1,153	4,782	11.2%
5 to 9	21,314	570	7,133	16.7%
10 to 19	22,239	72	7,831	18.4%
20 to 49	11,546	153	3,326	7.8%
50 or more	15,519	124	4,340	10.2%
Mobile home	3,971	1,937	849	2.0%
Boat, RV, van, etc.	43	13	6	0.0%

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 54.4% of the area's vacant housing was single family (1-4 units-per-structure, excluding mobile homes). This information is summarized in Table 11-20.

Table 11-20. Units in Structure for Vacant Housing, Orange and Seminole Counties

	Orange	Seminole	Total	%
Total:	25,063	7,507	32,570	
1, detached	9,797	2,927	12,724	39.1%
1, attached	1,494	360	1,854	5.7%
2	507	364	871	2.7%
3 or 4	1,800	441	2,241	6.9%
5 to 9	2,509	973	3,482	10.7%
10 to 19	3,690	1,134	4,824	14.8%
20 to 49	2,057	620	2,677	8.2%
50 or more	1,159	169	1,328	4.1%
Mobile home	2,000	487	2,487	7.6%
Boat, RV, van, etc.	50	32	82	0.3%

Source: 2000 Census, Strategic Planning Group, Inc.

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

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.

Table 11-21. Orange and Seminole County Building Permits – 2000-2004

Orange County	2000	2001	2002	2003	2004	Totals	
Single Family	6,174	7,393	8091	9956	10,912	42,526	68.1%
Two Family	14	26	80	112	92	324	0.5%
Three & Four Family	31	67	48	44	76	266	0.4%
Five or More Family	4,020	3,252	5448	3838	2,739	19,297	30.9%
Total	10,239	10,738	13667	13950	13,819	62,413	100.0%
Seminole County							
Single Family	2,467	2,225	1983	2948	3,641	13,264	81.4%
Two Family	28	20	28	20	18	114	0.7%
Three & Four Family	14	16	0	0	80	110	0.7%
Five or More Family	1,910	1,834	804	637	129	5,314	32.6%
Total	1,919	4,095	2815	3605	3,868	16,302	100.0%
Market Area							
Single Family	8,641	9,618	10,074	12,904	14,553	55,790	70.9%
Two Family	42	46	108	132	110	438	0.6%
Three & Four Family	45	83	48	44	156	376	0.5%
Five or More Family	5,930	5,086	6,252	4,475	2,868	24,611	31.3%
Market Area Total	12,158	14,833	16,482	17,555	17,687	78,715	100.0%

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 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 11-22, 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 11-22. Orlando Apartment Market

Central & Northern Orlando Apartment Market															
1 Bedroom Rent Range				2 Bedroom Rent Range				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	121	9	7.4%	0.5%	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%
\$ 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%
\$ 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%
\$ 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%
\$ 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%
\$ 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%
\$ 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%
\$ 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%
\$ 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%
\$ 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%
\$ 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%
\$ 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%
\$1,000-\$1,049	304	2	0.7%	1.2%	745	17	2.3%	2.4%	521	20	3.8%	6.3%	0	0	0.0%
\$1,050-\$1,099	0	0	0.0%	0.0%	716	69	9.6%	2.3%	440	24	5.5%	5.3%	0	0	0.0%
\$1,100-\$1,149	148	3	2.0%	0.6%	513	19	3.7%	1.7%	352	47	13.4%	4.3%	48	1	2.1%
\$1,150-\$1,199	30	7	23.3%	0.1%	262	14	5.3%	0.8%	124	1	0.8%	1.5%	0	0	0.0%
\$1,200-\$1,249					274	11	4.0%	0.9%	410	11	2.7%	5.0%	12	0	0.0%
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%
Totals:	25,090	1,550	6.2%	100.0%	30,944	2,184	7.1%	100.0%	8,230	582	7.1%	100.0%	1,614	75	4.6%
Median	\$590				\$775				\$860				\$1,400		

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

Owner-Occupied Housing

As shown in Table 11-19, 97% of the market area’s owner-occupied housing 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 as shown in Table 11-23. Median Price for a 2-bedroom home was \$189,900; \$199,900 for a 3-bedroom, and \$344,500 for a 4-bedroom home.

Table 11-23. Orlando Area Single Family Housing Multiple Listing Data – December 2004

Unit Type	Available Units	Median Price	Avg. Price	Price Range	Avg. Size
2 Bedroom	105	\$189,900	\$225,243	\$39,900-\$895,000	1,239
3 Bedroom	441	\$199,900	\$238,736	\$54,900-\$1,175,000	1,598
4 Bedroom	299	\$344,500	\$446,036	\$49,900-\$3,900,000	2,565
5 Bedroom	97	\$469,900	\$951,991	\$99,900-\$7,995,000	3,934
6 Bedroom	12	\$1,494,500	\$1,222,625	\$165,000-\$2,799,000	5,007

Source: Florida Association of Realtors, 2005; Strategic Planning Group, Inc., 2005

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Orange and Seminole County Fair Market Rent trends over the 2001-2004 time periods.

Local Rental Rate Trends

Table 11-24 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than the state as a whole.

Table 11-24. Rental Rate Change by Bedroom, Orange and Seminole Counties, 2001-2004

	0 BR	1 BR	2 BR	3 BR	4 BR
Orange/Seminole Counties % of Change	31.6%	25.9%	20.7%	15.1%	11.1%
State of Florida % of Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, Orlando showed a 37.2% increase in the cost of single family homes during the 2001-2004 time periods.

Table 11-25. Median Existing Home Sales Price, Orlando, 2001-2003

Year	Price
2001	\$127,200
2002	\$132,600
2003	\$144,900
2004	\$174,500
Change	37.2%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trends

According to Census data, Orlando had a 2.2% single family ownership vacancy rate in 2003, indicating that the area had a significant increase in home construction between 2002 and 2003, a trend that continued into 2004. Rental construction increased in 2003. However, an increase in renters who became homeowners¹¹² also increased. As shown in Table 11-26, there are sufficient vacant housing units within the market area to accommodate the military off-installation housing needs.

Table 11-26. Local Housing Vacancy

	2000	2001	2002	2003
Homeowner	2.4%	1.1%	1.4%	2.2%
Rental	7.4%	9.2%	10.0%	14.6%

Source: US Census 2003, Strategic Planning Group, Inc., 2005

Local Area Population Growth

The Orange and Seminole County market area is projected to continue to experience a 2.9% growth rate annually over the planning period (2008). The market area is projected to add an additional 36,678 new residents and 15,282 new residential housing units (owner and rental) during the 2000-2008 time periods.

Table 11-27. Orlando Market Area Population Projections

	2000	2003	2004	2005	2008	2000-2008	
						Annual Change	Households @ 2.4 pph
Orange	896,344	983,165	1,010,296	1,037,221	1,115,792	27,431	11,430
Seminole	365,199	394,900	403,447	412,837	439,171	9,247	3,853
Total	1,261,543	1,378,065	1,413,743	1,450,058	1,554,963	36,678	15,282
Average Annual Growth Rate 2000-2008				2.9%			

Source: UF BEBR 2004, Strategic Planning Group, Inc.

¹¹² This is a national trend due in large part to the availability of low interest mortgage rates.

Findings

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 11-28. Distribution of Military Family Renters by % of Local Median Income (2004)

Range of Median	RMC-2004	% Median	Family Households			Affordable Rent Mthly 40%	Rental Need		
			2003	On-Base	Off-Base Renters		2-BR	3-BR	4-BR
0-30%									
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

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

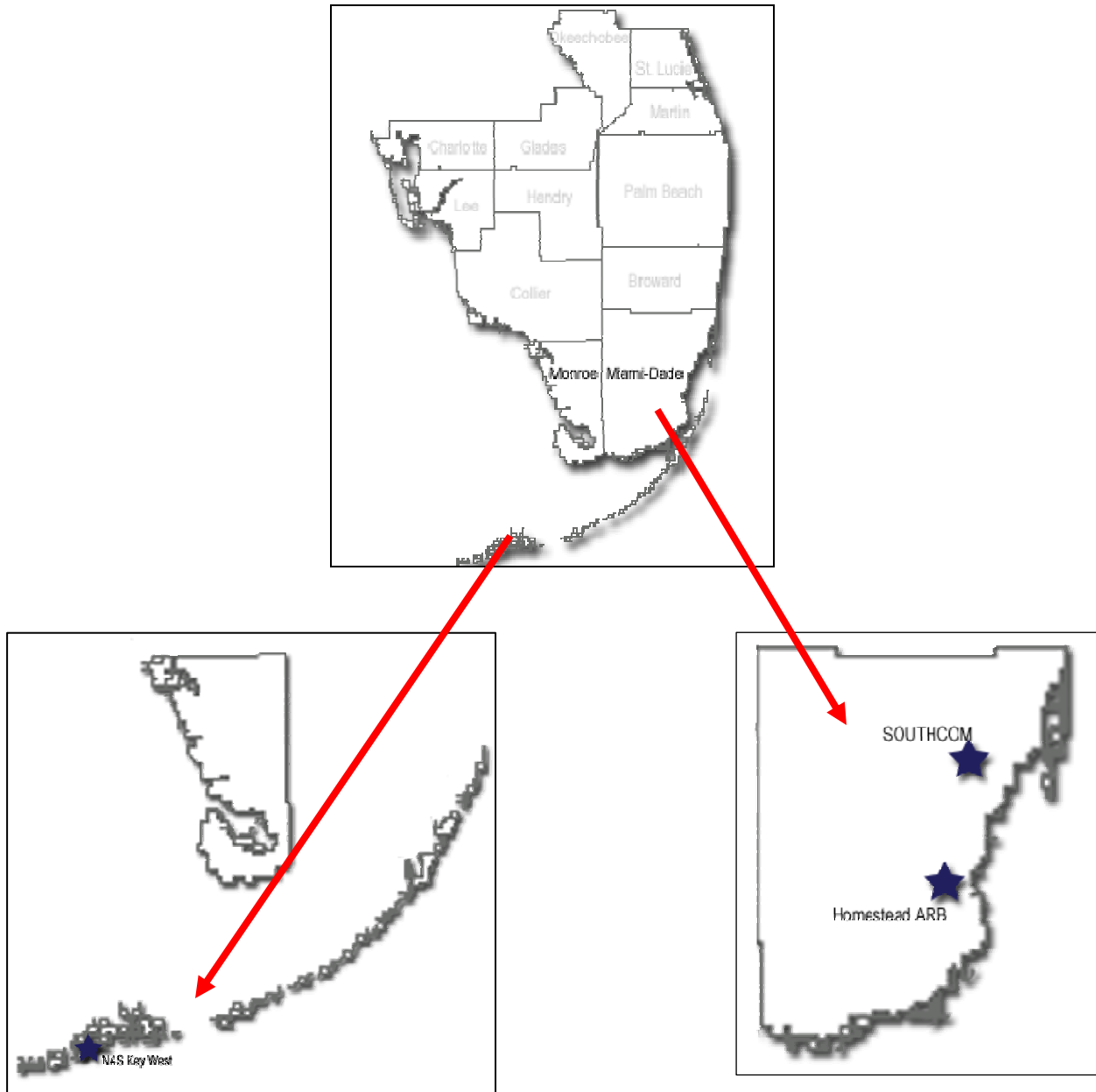
Housing sales costs have increased at an annual rate of 12.8% for the local area compared to 8.3% nationally. While the rate of growth has exceeded national trends, the average sales price for a home in the Orlando area (\$174,500) is still significantly less than the national average (\$268,100).

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 two areas: E1-E3 families requiring four or more bedrooms and lower-ranking, unaccompanied personnel. 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.

Southern Region Overview

The Southern Region of Florida includes Miami-Dade, Monroe, Broward, Hendry, Palm Beach, Lee, Charlotte, Glades, Martin, St. Lucie, and Okeechobee counties. 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.¹¹³



¹¹³ Haas Center for Business Research, University of West Florida, *Defense Industry Economic Impact Analysis, December 2003*.

Table 12-1. South Florida Regional Defense Spending, FY 2002, (\$ millions)

<i>County</i>	<i>Procurement</i>	<i>Transfers*</i>	<i>Salaries</i>	<i>Total</i>
Broward	\$186.40	\$260.80	\$22.30	\$469.60
Charlotte	0	21	0.2	21.2
Collier	10.6	31.7	0.1	42.4
Glades	1.4	1.3	0.1	2.8
Hendry	8	4.4	1.4	13.8
Lee	18.5	64.9	1.3	84.8
Martin	26.3	18.3	0.3	45
Miami-Dade	329	498.5	135.1	962.7
Monroe	110.3	108.4	46.5	265.2
Okeechobee	7.2	4.9	0	12.2
Palm Beach	809.1	166.1	25.5	1,000.60
St. Lucie	6	32	0.1	38
Total	\$1,512.70	\$1,212.40	\$233.10	\$2,958.20

*Represents the dollar value of entitlement payments received by military and civilian retirees and veterans.
Source: Haas Center for Business Research, UWF, December 2003

The following chart provides expenditures for fiscal year 2002 made by the Department of Defense in South Florida. The aggregate total of all expenditures was \$3.0 billion. The procurement of goods and services required \$1.5 billion, or 51.1 percent of total expenditures. An additional \$233.1 million (7.8 percent) was used to pay the salaries and benefits of active duty and civilian employees. Transfer payments to military and civilian retirees totaled \$1.2 billion or 41.1 percent of total regional expenditures.

Table 12-2. Economic Impact of Defense Spending in South Florida

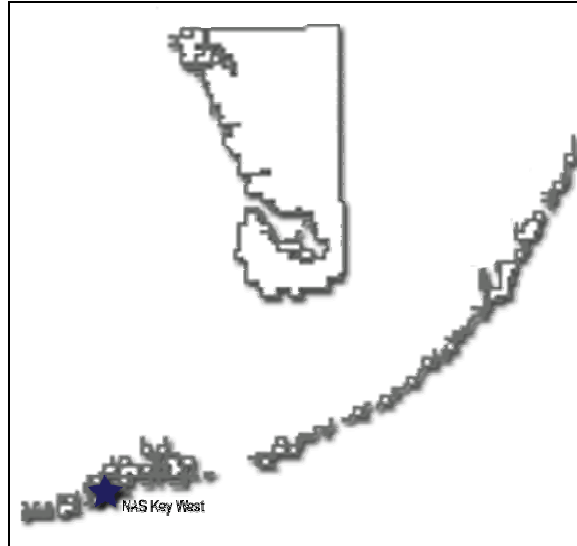
<i>Description</i>	<i>Estimated Economic Impact</i>		
	<i>FY 2002</i>	<i>FY 2010</i>	<i>Cumulative</i>
Total Sales	\$12,633.40	\$16,950.00	\$129,565.80
Employment (actual)	124,500	148,700	N.A.
Consumption	\$4,578.70	\$7,346.10	\$51,495.20
Investment Residential	696.7	597.1	5,507.90
Non-Residential			
Real Estate	479.2	330.9	3,436.70
Capital Equipment	2,368.50	2,979.80	24,180.80
Government	139.4	622.1	3,589.50
Exports	3,467.90	4,542.60	35,297.80
Imports (subtract)	-3,768.50	-5,421.40	-40,076.60
Gross Regional Product	\$7,961.90	\$10,997.20	\$83,431.30

Source: Haas Center for Business Research, UWF, December 2003

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... The city of 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.



Installation Summary

NAS Key West maintains and operates facilities and provides service and materials to support operation of aviation activities as designated by the Chief of Naval Operations. Additionally, the Commanding Officer, NAS Key West, is the area coordinator for COMNAVBASEJAX Area Bravo III. Tenants include Joint Interagency Task Force East, Army Special Forces Combat Divers School, US Coast Guard Group, Key West and NAS Key West Housing Department. The Housing Department manages and administers family and bachelor housing in the Key West area. It provides quarters for Navy, Marine, Air Force, Army, Coast Guard, and foreign exchange personnel.

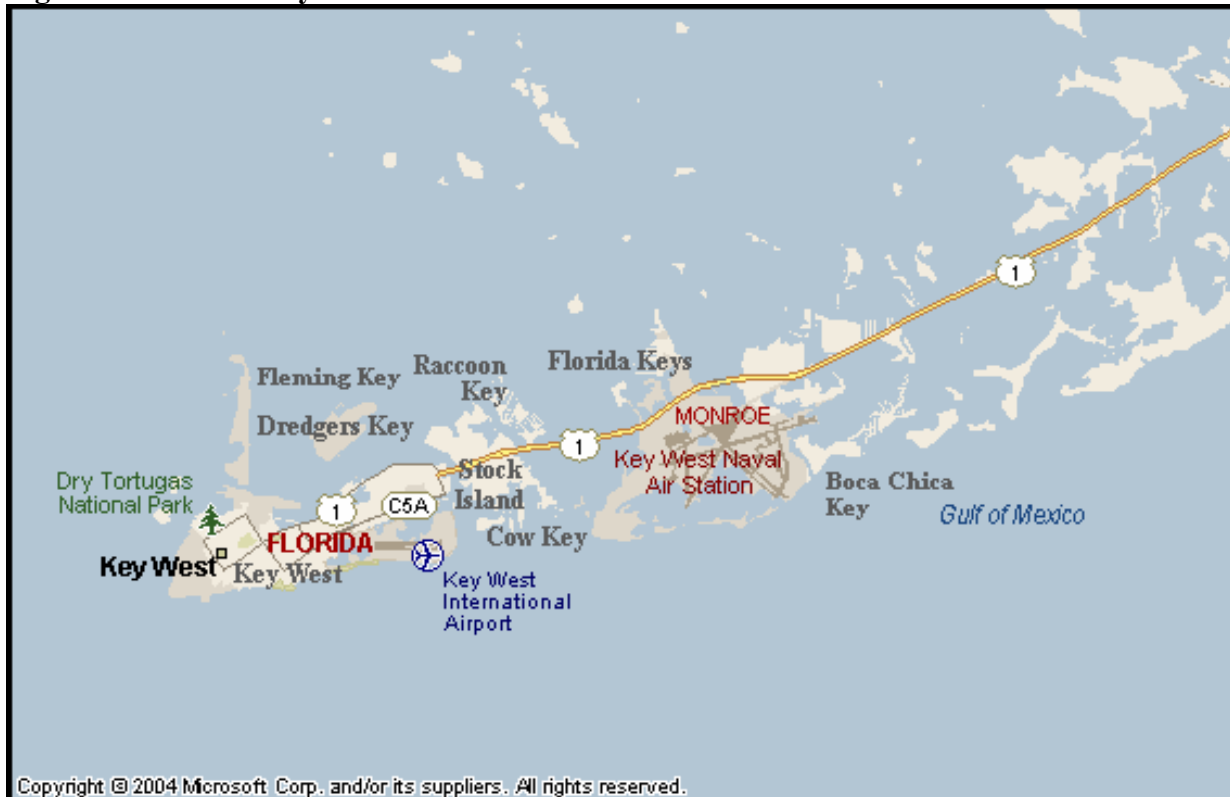
The mission of NAS Key West is to support fleet squadron training as well as additional projects under the control and supervision of various warfare centers. It has also been a base from which counter drug operations have been carried out. There are no permanent squadrons attached to Key West at this 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.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute. 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. East and West boundaries are defined by the Caribbean Sea. The islands are connected by one two-lane highway, which makes commuting difficult during peak times because of traffic congestion¹¹⁴.

¹¹⁴ The market area definition was established during interviews with several knowledgeable local officials.

Figure 12-1. NAS Key West Market Area



In practicality, the housing market area for NAS Key West, and therefore, this study includes all of Monroe County.

The 2003 population of Monroe County was 78,940, a 0.8% decline in population from 2000¹¹⁵ (79,589). The City of Key West accounts for about 30% of the entire county population. In 2000, the City of 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. Permanent population in the county remains static and is unlikely to increase much through 2009, but could decline further. Because of the threat of hurricanes and the only evacuation route being a two-lane highway, severe limitations on housing unit growth have been in effect since 1979, when the Keys were designated by the State an Area of Critical State Concern. The State's Department of Community Affairs reviews zoning changes and housing permits and has veto power over changes/permits. The County enacted the Rate of Growth Ordinance (ROGO) in 1991, which results in restrictions on new housing construction to about 255 units per year for the entire county.¹¹⁶

It would appear that even modest growth in new housing units would result in a population increase. However, several sources indicated that, in the Keys, substantial numbers of housing units are being purchased by wealthy owners who do not live permanently in the Keys and use their units as second homes for seasonal occupancy. The Chairperson of the Key West Chamber of Commerce Workforce Housing Committee¹¹⁷ predicted that the Key West full time population

¹¹⁵ U.S. Census, 2005.

¹¹⁶ Clarence E. Feagin, Ph.D., Planner IV, Florida Department of Community Affairs, Florida Keys Field Office.

¹¹⁷ As cited in The Key West Citizen, December 19, 2004, by John Dolan-Heitlinger, who is also the President and CEO of the Keys Federal Credit Union.

would decline from 26,000 in 2004 to less than 15,000 by 2014 because of the rate of homes being purchased by seasonal residents. That may be an extreme prediction, but demonstrates local concern over the continued absorption of housing units (including mobile homes) by seasonal occupants.

State of Florida's population estimates for Monroe County, unlike the U.S. Bureau of Census, show a slight increase in population each year since 2000.

Table 12-3. Population of Monroe County

Year	Monroe County	State of Florida
1980	78,024	12,938,071
1990	79,589	15,982,378
2003 (1)	80,537	17,071,508
2005 (p)	80,800	17,760,000
2010 (p)	81,500	19,397,400

(p) projected.

(1)U.S. Census, 2005, showed population of 78,940.

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

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. Unemployment is low, and considerably lower than statewide unemployment.

There are concerns expressed locally that the transition of housing from local permanent residents to many more seasonal residents, and the substantial escalations in housing prices and costs, will over the next ten years result in a significant deterioration in the local economy. The Chairperson of the Key West Chamber of Commerce forecast a decline of 60% in jobs over the next ten years,¹¹⁸ which appears extreme, but does articulate local concerns. One of the major concerns is that housing prices and costs have resulted in the unavailability of housing for workers and other middle class residents. For civilian workers at the NAS and local hospitality and retail establishments, this will have impact in the future, as there are relatively few affordable housing choices for new workers moving to the Lower Keys and Key West. Already, some major employers have begun busing workers in from the Homestead area in Miami-Dade County, an hour and a half to two hour journey each way and the State has begun subsidizing bus transport for workers traveling from Miami-Dade County to the Keys.

Monroe County employment has increased in the early 2000s, increasing from a labor force of 43,838 in 2000 to 48,379 in 2003¹¹⁹. This would seemingly contradict local concerns about elimination of jobs; however, this may be accounted for by the Key West submarket perhaps being more affected than the remainder of the Keys. The unemployment level has remained well under statewide unemployment, declining from a 3.2% unemployment rate in 2000 to 2.2% in 2003. The State unemployment rate in 2000 was 5.2% and in 2003 was 7.2%. This demonstrates a very tight "full" employment market in the Keys and is further evidence that there are insufficient numbers of workers locally to fill jobs.

¹¹⁸ IBID. John Dolan-Heitlinger.

¹¹⁹ U.S. Bureau of the Census and University of Florida BEBR.

Table 12-4. Labor Force, Monroe County, 2003

Labor Force	48,379
% of County Population	60%
Number Unemployed	1,085
Unemployment Rate	2.2%

Source: University of Florida BEBR

Employment in the market area is diverse as shown in Table 12-5. The area had an employment of 36,731 in 2002. Other services accounted for the largest share (53.9%), followed by Government (including military).

Table 12-5. Employment in Monroe County

<i>N/D = No Data</i>	<i>Monroe</i>	<i>Florida</i>
(2002)		
Total Employment	36,731	7,163,458
Agriculture, Natural Resources & Mining	0.4%	1.5%
Construction & Real Estate	8.4%	8.2%
Education Services	4.8%	7.2%
Finance & Insurance	2.8%	4.5%
Government (including military)	8.7%	6.1%
Healthcare & Social Assistance	7.1%	11.3%
Information	1.1%	2.5%
Manufacturing	0.9%	5.7%
Other Services ¹	53.9%	28.1%
Professional & Business Services	7.8%	17.0%
Transportation/Warehousing/Wholesale Trade	4.2%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Government wages (including military) exceeded the industry average (Table 12-6).

Table 12-6. Average Wage in Industries, 2002

(2002)	
All Industries	\$27,598
Agriculture, Natural Resources & Mining	\$26,661
Construction & Real Estate	\$28,531
Education Services	\$31,957
Finance & Insurance	\$38,959
Government (including military)	\$40,499
Healthcare & Social Assistance	\$35,422
Information	\$39,717
Manufacturing	\$27,497
Other Services ¹	\$22,082
Professional & Business Services	\$31,674
Transportation/Warehousing/Wholesale Trade	\$33,635

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Per Capita Income has risen and is significantly higher than the State as a whole (Table 12-7).

Table 12-7. Per Capita Income

	<i>Monroe</i>	<i>Florida</i>
2000	\$37,019	\$28,511
2001	\$37,622	\$29,247
2002	\$38,905	\$29,758

Source: University of Florida BEBR

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 12-8). Enlisted ranks accounted for 1,130 (86.1%) of the active-duty personnel, while 182 (13.9%) were officers.

Table 12-8. Military Personnel, Family and Unaccompanied, 2003

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

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis; and Strategic Planning Group, Inc., 2005

The total demand for family housing by bedroom is shown in Table 12-9. Bedroom requirements are established by rank (grade) as discussed earlier in this report.

Table 12-9. Family Housing by Status and Bedroom, 2003

<i>Grade</i>	<i>2 BR</i>	<i>3BR</i>	<i>4+BR</i>	<i>Family Housing Required</i>
Total	328	401	91	820
Officers	25	93	26	144
O6+	0	0	12	12
W4-O5	0	41	9	50
W1-O3	25	52	5	82
Enlisted	303	308	65	676
E7-E9	0	93	14	107
E4-E6	262	208	51	521
E1-E3	41	7	0	48

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis; and Strategic Planning Group, Inc., 2005

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 Housing¹²⁰

According to the NAS Key West Housing Office, NAS Key West had a government-controlled,¹²¹ family housing occupancy of 598 units; 108 for officers and 490 for enlisted. The majority of those housed are E4-E6 families.

Table 12-10. Family On-Installation Housing Currently Occupied, 2003

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

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis; and Strategic Planning Group, Inc., 2005

Waiting List – On-Installation Housing

Table 12-11 shows the most recent waiting list (December 28, 2004) for the 325 on-installation housing units. The longest waiting list is for 4-bedroom units for W1-O3. No breakdown beyond the E1-9 is available, although the need appears to be within the E1-4 ranks.

Table 12-11. Family On-Installation Housing Wait List (# Months)

	2 BR	3 BR	4 BR	5 BR
E1-E9	1 - 2	1	2	N/A
W1-O3	1 - 2	0	9 - 12	N/A
O4-O5	N/A	1 - 2	9	N/A
O6	N/A	N/A	N/A	N/A

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis; and Strategic Planning Group, Inc., 2005

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.

¹²⁰On-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.

¹²¹Government-owned or controlled housing is primarily on the installation itself.

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 12-12.

Table 12-12. Off-Installation Family Housing Requirements, 2003

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

Source: Robert D. Niehaus, Inc., 2003 NAS Key West 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. 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 12-13). 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 12-13. Military Family Homeowners, 2003

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

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis; and Strategic Planning Group, Inc., 2005

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 12-14).

Table 12-14. Military Family Renters, 2003

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

Source: Robert D. Niehaus, Inc., 2003 NAS Key West 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 376 unaccompanied personnel residing within the community in 2003 (Table 12-15).

Table 12-15. Off-Installation Unaccompanied Housing Requirements, 2003

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

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis; and Strategic Planning Group, Inc., 2005

Using the same approach as with family housing, the number of unaccompanied homeowners was estimated to be 22 (Table 12-16).

Table 12-16. Unaccompanied Homeowners, 2003

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

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis; and Strategic Planning Group, Inc., 2005

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 12-17).

Table 12-17. Unaccompanied Renters, 2003

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

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis; and Strategic Planning Group, Inc., 2005

Off-Installation Housing Acceptability

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.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH¹²² that is adjusted annually to reflect local housing costs. Table 12-18 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for NAS Key West in 2004.

Table 12-18. BAH and MAHC with and without Dependents (2004)

Grade	BAH	MAHC	BAH	MAHC
	With Dependents		Without Dependents	
E-1	\$1,601	\$1,657	\$1,170	\$1,211
E-2	\$1,601	\$1,657	\$1,170	\$1,211
E-3	\$1,601	\$1,657	\$1,170	\$1,211
E-4	\$1,601	\$1,657	\$1,170	\$1,211
E-5	\$1,751	\$1,812	\$1,359	\$1,407
E-6	\$1,948	\$2,016	\$1,472	\$1,524
E-7	\$2,112	\$2,186	\$1,611	\$1,667
E-8	\$2,292	\$2,372	\$1,789	\$1,852
E-9	\$2,409	\$2,493	\$1,851	\$1,916
W-1	\$1,951	\$2,019	\$1,544	\$1,598
W-2	\$2,185	\$2,261	\$1,789	\$1,852
W-3	\$2,403	\$2,487	\$1,857	\$1,922
W-4	\$2,411	\$2,495	\$1,989	\$2,059
W-5	\$2,419	\$2,504	\$2,151	\$2,226
O-1	\$1,773	\$1,835	\$1,451	\$1,502
O-2	\$1,944	\$2,012	\$1,699	\$1,758
O-3	\$2,395	\$2,479	\$1,877	\$1,943
O-4	\$2,422	\$2,507	\$2,128	\$2,202
O-5	\$2,449	\$2,535	\$2,237	\$2,315
O-6	\$2,469	\$2,555	\$2,403	\$2,487
O-7	\$2,498	\$2,585	\$2,451	\$2,537

Source: Strategic Planning Group, Inc. 2005

¹²² Includes renters insurance and utilities.

Based on the most recent Navy Housing Market Assessment, the demand for family rental housing by affordability is shown in Table 12-19. Based on Navy standards, most of the family housing affordability is within the \$1,200-\$1,900¹²³ month ranges (only using BAH).

Table 12-19. Military Off-Installation Family Renters by Cost Band, 2003

Monthly Rent Plus Utilities, Insurance	Studios	1 BR	2 BR	3 BR	4+ BR	Total
More than \$2100	0	0	1	5	0	6
\$2001 - \$2100	0	0	1	3	0	4
\$1901 - \$2000	0	0	1	5	0	6
\$1801 - \$1900	0	0	6	11	2	19
\$1701 - \$1800	0	0	7	9	1	17
\$1601 - \$1700	0	0	9	9	1	19
\$1510 - \$1600	0	0	12	12	3	27
\$1401 - \$1500	0	0	14	12	6	32
\$1305 - \$1400	0	0	8	6	3	17
\$1201 - \$1300	0	0	11	7	2	20
\$1200 and Below	0	0	0	0	0	0
Total	0	0	70	79	18	167

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

Off-Installation (Private Sector) Housing Shortfall

The military estimates the unmet need or “shortfall” of the local, private-sector housing by estimating the number of personnel that are currently residing in “non-suitable” rental housing. To calculate suitable demand, the Navy subtracts “unsuitable units in the market area” in order to calculate suitable supply. The Navy estimated that 15.3% of NAS Key West’s market area rental housing was “unsuitable”. This was measured by subtracting 0.3% of the non-mobile home rental demand¹²⁴ and all the mobile home market (15%). Then, using Housing Market Assessment reports (which include the location/rent of military residing off-installation), the Navy calculated the shortfall or the number of personnel residing in “non-suitable” conditions.

The following community housing shortfall is analyzed by Family Rental Housing shortfall and Unaccompanied (single) Rental Housing shortfall.¹²⁵

Family Rental Housing Shortfall

The Navy estimated that of the total 167 families residing off-installation (Table 12-14), 112 were suitably housed (see Table 12-20).

¹²³ Significantly higher than any other area studied.

¹²⁴ This is a subjective analysis reported to use 2000 Census data as to deficiencies of age of housing stock, and other factors including quality of housing in the area.

¹²⁵ It should be noted that the documented shortfall is used as part of a formula to determine future on-installation requirements.

Table 12-20. Total Acceptably Housed Military Family Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	49	59	4	112
Officers	10	16	0	26
O6+	0	0	0	0
W4-O5	0	3	0	3
W1-O3	10	13	0	23
Enlisted	39	43	4	86
E7-E9	0	19	1	20
E4-E6	39	24	3	66
E1-E3	0	0	0	0

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

Therefore, according to the Navy, there exists a 110-family, rental housing shortfall in the local market as shown in Table 12-21 (the total off-installation family housing requirement [222] less those military families acceptably housed in the community [112]).

Table 12-21. Off-Installation Military Family Rental Housing Shortfall, 2003

Grade	2 BR	3 BR	4+ BR	Total
Total	41	51	18	110
Officers	0	8	2	10
O6+	0	0	0	0
W4-O5	0	0	0	0
W1-O3	0	8	2	10
Enlisted	41	43	16	100
E7-E9	0	7	3	10
E4-E6	40	36	13	89
E1-E3	1	0	0	1

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

Unaccompanied Rental Housing Shortfall

The Navy estimated that of the total 376 unaccompanied personnel residing off-installation (Table 12-15), 43 are assumed to be living in “suitable” housing (Table 12-22), resulting in a shortfall of 333 rental units for unaccompanied personnel (Table 12-23).

Table 12-22. Total Acceptably Housed Unaccompanied Renters, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	16	22	5	43
Officers	0	13	5	18
O6+	0	0	2	2
W4-O5	0	0	3	3
W1-O3	0	13	0	13
Enlisted	16	9	0	25
E7-E9	0	3	0	3
E4-E6	16	6	0	22
E1-E3	0	0	0	0

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

Table 12-23. Unaccompanied Rental Shortfall, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	220	110	3	333
Officers	0	17	3	20
O6+	0	0	0	0
W4-O5	0	0	3	3
W1-O3	0	17	0	17
Enlisted	220	93	0	313
E7-E9	0	10	0	10
E4-E6	220	83	0	303
E1-E3	0	0	0	0

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

Total Military Rental Housing Shortfall (Military Methodology)

Table 12-24 combines both the family and unaccompanied shortfalls to provide an overall summary of need based on the military's methodology. However, it should be stressed that this combined table could overstate the problem of need, primarily due to unaccompanied need. Unaccompanied personnel can now double-up (share an apartment, condo or house) without losing any BAH. A large percentage of the unaccompanied rental demand is within the younger ranks that could upscale their rental housing by sharing unit/costs for a more expensive unit.

Table 12-24. Total Military Rental Housing Shortfall, 2003

Grade	1 BR	2 BR	3 BR	4+ BR	Total
Total	220	151	54	18	443
Officers	0	17	11	2	30
O6+	0	0	0	0	0
W4-O5	0	0	3	0	3
W1-O3	0	17	8	2	27
Enlisted	220	134	43	16	413
E7-E9	0	10	7	3	20
E4-E6	220	123	36	13	392
E1-E3	0	1	0	0	1

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis and SPG, Inc., 2005.

Without more detailed information than was released by the Navy or contained in the most recent Navy Housing Assessment, it is not possible to determine why a shortfall in off-installation housing exists (whether it is caused by price/availability or other "suitability" issues).

SPG analyzed the Navy's off-installation shortfall with respect to whether affordability was a major issue. The only area where affordability might be an issue would be the need for E1-E3 family rental housing with three or more bedroom units. Unfortunately, it is not possible to determine the actual breakout of the shortfall by specific grade. However, by analyzing national Navy demographics, SPG assumes that the vast majority of that need would be E-3s, with only 25% falling within the E1-E2 grades, or 32 units for all bedrooms (13 for 3+ bedrooms). The largest affordability issue would then occur at the 3- and 4-bedroom unit level.

As stated above, because detailed information is lacking as to the specifics of why an off-installation housing shortage exists, SPG, using the Navy's personnel data, used a standard market methodology to assess military off-installation housing need.

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue from the Florida Housing Finance Corporation (FHFC) standard. The FHFC affordability standard states that a household should not spend over 40% of its income on housings.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 12-25, 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 12-25. Regular Military Compensation

With Dependents	BAH	BAS	Allowances			Calculated Basic		Annualized	Tax Adjustment	Regular Military Compensation	Military as % of Median
			Annualized	Salary Range		Income	Income				
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	\$3,361	\$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	\$3,361	\$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 12-25, 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.

Overall Market Area Rental Rates

Table 12-26 shows the current rents by bedroom from several sources. These rental rates are fairly consistent, and again demonstrate that the NAS Key West MAHC is competitive within the local housing market.

Table 12-26. Rental Rate Comparison Chart

Bedrooms	Comparative Rents			NAS Housing Office	
	HUD [1]	NHA 2003 [2]	[3]		
0	\$646		\$0 -		-
1	\$787		\$1,100	\$1,100	\$1,200
2	\$969		\$1,550	\$1,300	\$1,500
3	\$1,410		\$1,850	\$1,500	\$1,800
4	\$1,510		\$3,500 -		\$2,200

Footnotes

[1] HUD 2004 Fair Market Rents

[2] Robert D. Niehaus, Inc., NAS Key West 2003 Housing Market Analysis

[3] Updated Dec 3, 2004

Source: Strategic Planning Group, Inc., 2005

Interviews with prominent real estate brokers and other persons in the Lower Keys and Key West indicate that a growing number of single-family, condominium and mobile homes are being sold to non-permanent residents as second homes and used only on a seasonal basis. Many mobile homes are being replaced with permanent housing and at very high prices, which, in turn, removes ever more affordable housing from the local housing inventory. Rental and home purchase prices have escalated rapidly over the past four years; well-beyond the ability of local workers to afford these price levels. However, due to adequate military housing allowances, rents are more affordable for NAS personnel than the general population. Escalations in home purchase prices have exacerbated the housing crisis in terms of available affordable housing. Many long-time homeowners are selling their homes to realize sizable profits and relocating to other parts of the State, such as Orlando¹²⁶. The housing crisis is also due to the lack of new housing construction, which is restricted by the State and county governments due to hurricane evacuation and environmental guidelines. Thereby, the number of rental and ownership housing available for permanent residents may actually be declining over time in the Lower Keys and Key West.

Estimates of market rents were obtained from three knowledgeable sources in the Key West / Lower Keys. The rent estimates were similar, but did vary (Table 12-27). The two major real estate brokerage firms based their rent estimates on the portfolio of properties they manage. Townhouse units were not separated from condominiums by the real estate brokers. Neither broker offered separate data on rental communities; there are very few market rate rental communities in the area.

¹²⁶ John Dolan-Heitlinger, President and CEO, Keys Federal Credit Union.

Table 12-27. Current Key West Rent Comparison (November 2004)

Monthly Rent Comparisons, 2004 - Key West and Lower Keys		
Unit Type	Average Monthly Rent	
	Coldwell Banker/ Schmitt Real Estate	Bascom Grooms Real Estate
Condominiums		
Efficiency		
1 BR	\$950 - \$1100	\$1,100 - \$1,200
2 BR	\$1,200 - \$1,500	\$1,100 - \$1,200
3 BR	\$1,500 - \$1,800	\$1,800 - \$2,200
Single-Family		
1 BR	\$1,700 - \$2,000	\$1,200 - \$1,400
2 BR	\$1,800 - \$2,200	\$1,500 - \$1,700
3 BR	\$2,200 - \$2,600	\$1,800 plus
4 BR	\$2,800 - \$3,000	

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare 40% of the RMC (military income) to Key West's fair market rents.

Rental Housing Market

Based on BAH allowances, military personnel can afford market rents and there are adequate, even though limited, opportunities to rent units in the NAS Key West market area.

Vacancy Rates and Turnover

Both major real estate brokers indicated that the rental housing market had relatively little flexibility and choice for prospective renters.

Vacancy Rates

Coldwell Banker/Schmitt Real Estate Co. estimated that the vacancy rate was less than 5%. Bascom Grooms Real Estate estimated that the vacancy rate was very low and it generally takes only about two weeks to rent a vacant unit in their portfolio.

Turnover Rates

Coldwell Banker/Schmitt Real Estate Co. estimated annual turnover at less than 5%, which indicates that there is a very tight market. Bascom Grooms Real Estate estimated that units turnover approximately every one and one-half years, which would indicate that there may be some more availability of units than was indicated by Coldwell Banker. All agree that the rental market is very tight and that means there is limited choice for NAS personnel even though the BAH appears adequate to pay full market rents.

Table 12-28. Monroe County Fair Market Rent

Grade	BAH	Monroe County HUD Fair Market Rent 2004				
		0 BR	1 BR	2 BR	3 BR	4 BR
<i>With Dependents</i>						
E-1	\$1,601	\$646	\$787	\$969	\$1,410	\$1,510
E-2	\$1,601	\$646	\$787	\$969	\$1,410	\$1,510
E-3	\$1,601	\$646	\$787	\$969	\$1,410	\$1,510
E-4	\$1,601	\$646	\$787	\$969	\$1,410	\$1,510
E-5	\$1,751	\$646	\$787	\$969	\$1,410	\$1,510
E-6	\$1,948	\$646	\$787	\$969	\$1,410	\$1,510
E-7	\$2,112	\$646	\$787	\$969	\$1,410	\$1,510
E-8	\$2,292	\$646	\$787	\$969	\$1,410	\$1,510
E-9	\$2,409	\$646	\$787	\$969	\$1,410	\$1,510
W-1	\$1,951	\$646	\$787	\$969	\$1,410	\$1,510
W-2	\$2,185	\$646	\$787	\$969	\$1,410	\$1,510
W-3	\$2,403	\$646	\$787	\$969	\$1,410	\$1,510
W-4	\$2,411	\$646	\$787	\$969	\$1,410	\$1,510
W-5	\$2,419	\$646	\$787	\$969	\$1,410	\$1,510
O-1	\$1,773	\$646	\$787	\$969	\$1,410	\$1,510
O-2	\$1,944	\$646	\$787	\$969	\$1,410	\$1,510
O-3	\$2,395	\$646	\$787	\$969	\$1,410	\$1,510
O-4	\$2,422	\$646	\$787	\$969	\$1,410	\$1,510
O-5	\$2,449	\$646	\$787	\$969	\$1,410	\$1,510
O-6	\$2,469	\$646	\$787	\$969	\$1,410	\$1,510
O-7	\$2,498	\$646	\$787	\$969	\$1,410	\$1,510
<i>Without Dependents</i>						
E-1	\$1,170	\$646	\$787	\$969	\$1,410	\$1,510
E-2	\$1,170	\$646	\$787	\$969	\$1,410	\$1,510
E-3	\$1,170	\$646	\$787	\$969	\$1,410	\$1,510
E-4	\$1,170	\$646	\$787	\$969	\$1,410	\$1,510
E-5	\$1,359	\$646	\$787	\$969	\$1,410	\$1,510
E-6	\$1,472	\$646	\$787	\$969	\$1,410	\$1,510
E-7	\$1,611	\$646	\$787	\$969	\$1,410	\$1,510
E-8	\$1,789	\$646	\$787	\$969	\$1,410	\$1,510
E-9	\$1,851	\$646	\$787	\$969	\$1,410	\$1,510
W-1	\$1,544	\$646	\$787	\$969	\$1,410	\$1,510
W-2	\$1,789	\$646	\$787	\$969	\$1,410	\$1,510
W-3	\$1,857	\$646	\$787	\$969	\$1,410	\$1,510
W-4	\$1,989	\$646	\$787	\$969	\$1,410	\$1,510
W-5	\$2,151	\$646	\$787	\$969	\$1,410	\$1,510
O-1	\$1,451	\$646	\$787	\$969	\$1,410	\$1,510
O-2	\$1,699	\$646	\$787	\$969	\$1,410	\$1,510
O-3	\$1,877	\$646	\$787	\$969	\$1,410	\$1,510
O-4	\$2,128	\$646	\$787	\$969	\$1,410	\$1,510
O-5	\$2,237	\$646	\$787	\$969	\$1,410	\$1,510
O-6	\$2,403	\$646	\$787	\$969	\$1,410	\$1,510
O-7	\$2,451	\$646	\$787	\$969	\$1,410	\$1,510

Without dependents should only require studio or 1 bedroom units based on HUD standards
 Source: Strategic Planning Group, Inc. 2005

Based on Table 12-29, there are no income ranges of either the BAH or 40% of RMC, that do not correspond to existing rental prices. There is a substantial rental stock in the NAS Key West market area. Vacancy rates are very low and turnover is low to moderate, which means that the rental market offers little flexibility and choice for prospective renters. However, with an estimated over 7,000 rental units, even a 5% annual turnover means that over 350 units should be available to prospective renters in any given year. Although choice may be limited, there should be an adequate rental supply to satisfy the needs of military personnel through 2009. The BAH is adequate to meet estimated rents and should provide military personnel with adequate choices.

Ownership Housing

The homeownership market in Monroe County, and especially in the Lower Keys and Key West, is marked by rapidly escalating sale prices since 2000. From 2000 through 2004, the average list price has been substantially above the actual selling prices in that year, however, in the following year, actual sales prices rose to near the prior year's listing prices. In every year from 2000 to 2004, except 2001, there were double digit increases in housing prices and in 2003 and 2004 remarkable increases averaging over 30% per year. By contrast, the U.S. Consumer Price Index increased only 3.3% in 2004.

As shown earlier, the Navy estimates show 55 families owned off-installation housing in 2003 (Table 12-13). Unaccompanied personnel owned 22 residences in 2003, as shown in Table 12-16. Table 12-30 shows the combined family and unaccompanied ownership in 2003. For purposes of Navy Housing Assessments, all ownership housing is deemed "suitable," even if the units are mobile homes or located in "unsafe areas" or outside the acceptable travel/time distance. By Key West standards, affordable homes tend to be mobile homes that are now valued in the \$300,000 (value of land).

Table 12-30. Combined Homeownership, 2003

Grade	1 BR	2 BR	3 BR	Total
Total	32	40	5	77
Officers	2	10	1	13
O6+	0	0	0	0
W4-O5	0	3	1	4
W1-O3	2	7	0	9
Enlisted	30	30	4	64
E7-E9	0	9	1	10
E4-E6	30	21	3	54
E1-E3	0	0	0	0

Source: Robert D. Niehaus, Inc., 2003 NAS Key West Housing Analysis and SPG, Inc., 2005.

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on RMC or "income." Table 12-31 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing. The maximum affordable housing value by grade ranges from \$190,020 for an E1 unaccompanied to \$910,706 for an O7 with dependents.

Table 12-31. Maximum Affordable Purchase Price per RMC

	Regular Military Compensation (RMC)	Affordable Housing Payment	Affordable Housing Value (30 yr @6%) 5% Downpayment
With Dependents		40.0%	
E-1	\$38,375	\$15,350	\$222,410
E-2	\$40,644	\$16,258	\$235,561
E-3	\$42,927	\$17,171	\$248,794
E-4	\$46,971	\$18,788	\$272,229
E-5	\$56,111	\$22,444	\$325,203
E-6	\$64,590	\$25,836	\$374,347
E-7	\$73,484	\$29,393	\$425,891
E-8	\$80,686	\$32,274	\$467,634
E-9	\$97,426	\$38,970	\$564,651
W-1	\$60,825	\$24,330	\$352,524
W-2	\$71,201	\$28,480	\$412,660
W-3	\$81,328	\$32,531	\$471,352
W-4	\$96,939	\$38,776	\$561,832
W-5	\$109,151	\$43,660	\$632,608
O-1	\$54,389	\$21,756	\$315,224
O-2	\$70,964	\$28,386	\$411,289
O-3	\$88,701	\$35,480	\$514,084
O-4	\$99,420	\$39,768	\$576,209
O-5	\$110,346	\$44,138	\$639,533
O-6	\$125,154	\$50,062	\$725,359
O-7	\$157,134	\$62,854	\$910,706
Without Dependents			
E-1	\$32,786	\$13,115	\$190,020
E-2	\$34,932	\$13,973	\$202,454
E-3	\$37,124	\$14,850	\$215,162
E-4	\$41,117	\$16,447	\$238,301
E-5	\$50,697	\$20,279	\$293,827
E-6	\$57,918	\$23,167	\$335,677
E-7	\$66,416	\$26,566	\$384,929
E-8	\$73,555	\$29,422	\$426,306
E-9	\$89,023	\$35,609	\$515,953
W-1	\$55,139	\$22,056	\$319,571
W-2	\$65,613	\$26,245	\$380,272
W-3	\$73,243	\$29,297	\$424,493
W-4	\$90,162	\$36,065	\$522,555
W-5	\$104,748	\$41,899	\$607,091
O-1	\$49,891	\$19,956	\$289,153
O-2	\$67,507	\$27,003	\$391,251
O-3	\$81,030	\$32,412	\$469,629
O-4	\$94,698	\$37,879	\$548,846
O-5	\$106,863	\$42,745	\$619,348
O-6	\$124,069	\$49,628	\$719,071
O-7	\$156,352	\$62,541	\$906,171

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rental housing within the NAS Key West market does not appear to be a problem for military personnel; however, for-sale housing is now out of the price range for most military households.

While price alone has been used above, the remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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.¹²⁷

The Census shows that the market area (Monroe County) had approximately 35,000 housing units in 2000 (Table 12-32), of which owner-occupied housing comprised 62.4% and rental 37.6%

Table 12-32. 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 12-33). Total vacant rental units increased by slightly over 570 units between the 1990-2000 time periods.

Table 12-33. Rental Housing Trends, 1990-2000

<i>Monroe County</i>		
Occupied Rental Units	1990	12,623
	2000	13,193
	Change	570
Vacant Rental Units	1990	1,717
	2000	1,719
	Change	2
Total Rental Units	1990	14,340
	2000	14,912
	Change	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. Table 12-34 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.

¹²⁷The 2003 Navy Housing Market Analysis of NAS Key West did not provide specific market information. All data was summarized.

Table 12-34. Comparison of Rental Units by Size and Rent in 2004 Dollars

	No BR			1 BR			2 BR			3 or More BR		
	1990	2000	Change	1990	2000	Change	1990	2000	Change	1990	2000	Change
Under 300	21	86	65	553	224	-329	200	133	-67	1,909	1,908	-1
300 to 399	55	80	25	389	204	-185	239	128	-111	58	45	-13
400 to 499	86	103	17	483	226	-257	291	163	-128	98	48	-50
500 to 599	118	104	-14	506	295	-211	411	212	-199	136	66	-70
600 to 699	118	110	-8	579	476	-103	720	341	-379	142	76	-66
700 to 799	89	110	21	579	476	-103	720	341	-379	163	106	-57
800 to 899	49	89	40	366	437	71	565	445	-120	163	106	-57
900 to 999	51	60	9	82	385	303	357	583	226	168	108	-60
1,000 & Up	125	218	93	191	1131	929	1058	2768	1,710	173	110	-63
Total	712	960	248	3728	3,854	126	4,561	5,114	553	807	1,243	436

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

Single-family rental units (1 to 4 units-per-structure, excluding mobile homes) accounted for 64% of the rental market, as shown in Table 12-35.

Table 12-35. Monroe County Owner- and Renter-Occupied Housing, 2000

Total:	35,086
Owner occupied:	21,900
1, detached	13,866
1, attached	1,045
2	480
3 or 4	306
5 to 9	215
10 to 19	403
20 to 49	375
50 or more	346
Mobile home	4,468
Boat, RV, van, etc.	396
Renter occupied:	13,186
1, detached	3,496
1, attached	1,503
2	1,598
3 or 4	1,875
5 to 9	1,042
10 to 19	425
20 to 49	180
50 or more	1,043
Mobile home	1,945
Boat, RV, van, etc.	79

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 58% of the area's vacant housing was single-family (1-4 units-per-structure, excluding mobile homes). This information is summarized in Table 12-36.

Table 12-36. Units in Structure for Vacant Housing, Monroe County

Monroe County	
Total:	16,531
1, detached	6,850
1, attached	1,655
2	453
3 or 4	589
5 to 9	897
10 to 19	899
20 to 49	1,039
50 or more	444
Mobile home	3,401
Boat, RV, van, etc.	304

Source: 2000 Census, Strategic Planning Group, Inc.

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

The total number of building permits issued in Monroe County over the past few years is a good indicator of the number of units that are likely to be developed each year through 2009, because of government restrictions on development in the Keys. Key West does not distinguish building permits between new development and replacement housing; however, the County does. Based on the building permit data, it is likely that only an average of between 100 and 200 new housing units each year, through 2009, will be added to the combined housing inventory of the County.

Table 12-37. Monroe County Building Permits – 2000-2004

Monroe County	2001	2002	2003	2004	Totals
Single Family	61	86	90	67	304
Two Family	0	0	0	0	0
Three & Four Family	0	0	0	0	0
Replacement	56	59	91	75	281
Total	117	145	181	142	585

Source: Monroe County Building Coordinator, 2005; SPG 2005

Current Rental Housing Inventory

The Navy's NAS Key West Housing Analysis provided a detailed rental inventory by price range which includes utilities and renter's insurance in order to be compatible with BAH standards. As shown in Table 12-38, as of 2003 the market had 7,087 suitable rental housing.

Table 12-38. Suitable Rental Housing Supply (excludes mobile homes)

<i>Monthly Rent Plus Utilities Plus Renter's Insurance</i>	<i>Studio</i>	<i>1-BR</i>	<i>2-BR</i>	<i>3-BR</i>	<i>4+BR</i>	<i>Total</i>
>\$2,100			1,334	1,035	233	2,602
\$2,100		48	361	78		487
\$2,000		121	414	134		669
\$1,900		24	236	59		319
\$1,800		168	259	11		438
\$1,700		168	495	23		686
\$1,600		205	192	2		399
\$1,500		217		8		225
\$1,400		247		8		255
\$1,300		39				39
<\$1,200		974				974
		2,211	3,291	1,358	233	7,093

Source: Niehaus, Inc., NAS Key West 2003 Housing Market Analysis, December 2003

Owner-Occupied Housing

As shown in Table 12-34, 92.1% of the market area's owner-occupied housing 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 303 MLS listings were for 3- and 4-bedroom units as shown in Table 12-39. Median Prices for a 2-bedroom home was \$899,420; \$1,210,261 for a 3-bedroom, and \$1,910,530 for a 4-bedroom home.

Table 12-39. Single Family Housing Multiple Listing Data – December 2004

<i>Unit Type</i>	<i>Avail. Units</i>	<i>Avg. Price</i>	<i>Price Range</i>
1 Bedroom	12	\$670,500	\$499,000-\$949,000
2 Bedroom	74	\$899,420	\$450,000-\$2,750,000
3 Bedroom	120	\$1,210,261	\$525,000-\$3,400,000
4 Bedroom	69	\$1,910,530	\$599,900-\$6,999,999
5 Bedroom	14	\$2,298,786	\$850,000-\$3,950,000
6 Bedroom	9	\$3,025,333	\$879,000-\$7,200,000
7 Bedroom	4	\$2,473,750	\$1,100,000-\$4,950,000
8 Bedroom	1	\$1,995,000	\$1,995,000
	303		

Source: Florida Association of Realtors MLS Listings as of December 2004, and Strategic Planning Group, Inc., 2005

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Monroe County Fair Market Rent trends over the 2001-2004 time periods.

Local Rental Rate Trends

Table 12-40 shows there is a sizable variation in the change of rents by bedroom count within the local market area, but the rate of rent increase was significantly less than the state as a whole.

Table 12-40. Rental Rate Change by Bedroom, 2001-2004

<i>Monroe County</i>	<i>0 BR</i>	<i>1 BR</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4 BR</i>
% Change	16.2%	25.3%	20.1%	26.8%	14.1%
State of Florida % Change	36.6%	30.4%	26.0%	23.6%	23.3%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Key West area showed a 28.4% increase in the cost of single family homes during the 2001-2004 time periods.

Table 12-41. Key West Home Sales Price, 2001-2004

Year	Price
2000	\$274,995
2001	\$288,166
2002	\$328,801
2003	\$434,022
2004	\$563,362
Change	104.9%

Source: Coldwell Bank/Schmitt Real Estate Co., 2005 based on MLS data

Local Housing Vacancy Trends

Interviews with major real estate brokers within the Key West Market Area indicate that the rental housing market had relatively little flexibility and choice for prospective renters. The local vacancy rate is estimated at 5% and overall turnover is less than 5%.

Local Area Population Growth

As discussed earlier, substantial numbers of housing units are being purchased as second homes. The Chairperson of the Key West Chamber of Commerce Workforce Housing Committee predicted that the Key West full-time population would decline from 26,000 in 2004, to less than 15,000 by 2014, because of seasonal occupants.

According to the State of Florida (BEBR), the Key West Market is projected to continue to experience a 0.3% growth rate annually over the planning period (2008) as shown in Table 12-42.

Table 12-42. Monroe County Area Population Projections

	2000	2003	2004	2005	2008	2000-2008	
						Annual Change	Households @ 2.4 pph
Monroe	79,589	80,537	80,492	80,809	81,321	217	90
Average Annual Growth Rate 2000-2008				0.3%			

Source: UF BEBR 2004, Strategic Planning Group, Inc.

Future Military Demand

The NAS Key West Housing Assessment-2003, Final Report, December 2003, shows an increase in installation manpower loading to 1,532 (a net gain of 51) active-duty personnel stationed at NAS Key West in 2008. This figure does not take into account possible changes to the installation as a result of the 2005 BRAC.

Military Rental Housing Projections

In 2008, the Navy projects there would be a need for 1,100 personnel to reside on-installation (663 in family housing and 437 in unaccompanied housing).

The number of military families needing off-installation rental housing is projected at 704 and unaccompanied at 394. This represents an increase of 537 family rental units and 18 unaccompanied rental units.

According to the Navy's housing assessment, the military family off-installation shortfall is increased to 567 units (an increase of 457 units) in 2008, with an increase of 39 E1-E3 family rental units within the local market. Military unaccompanied off-installation shortfall is decreased to 326 units (a decrease of 7 units) in 2008. Taken together, according to Navy standards there will be a housing shortfall of 893 units in 2008.

Table 12-43 Total Off-Installation Family and Unaccompanied Shortfall-2008

Grade	1 BR	2 BR	3 BR	Total
Total	446	377	70	893
Officers	11	65	13	89
O6+	0	0	3	3
W4-O5	0	21	7	28
W1-O3	11	44	3	58
Enlisted	435	312	57	804
E7-E9	0	65	13	78
E4-E6	401	241	44	686
E1-E3	34	6	0	40

Source: Robert D. Niehaus, Inc. 2004; Strategic Planning Group, Inc. 2005

Military Ownership Housing Projections

The Navy estimates, that in 2008, there will be a demand for 81, owner-occupied, military off-installation housing, which is an increase of four from 2003 levels. Unaccompanied ownership housing is projected to be reduced to 25 units, while family ownership increased to 56.

Findings

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.

Using civilian affordability standards and analyzing the military off-installation requirements (2009) using RMC or BAH, no major housing problems were observed. As shown in Table 12-42, no families within the E1-E3 ranks should have a problem in finding affordable 3+-room rental units.

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.

Table 12-44. Distribution of Military Family Renters % of By Local Median Income (2009)

Range of Median	RMC-2004	% Median	Family Households			Affordable Rent Mthly	Rental Need		
			2003	On Base	Off Base Renters		BR	3-BR	4-BR
0-30%						40%	\$1,300	\$1,500	\$2,200
31%-60% Median									
E1	\$38,375	67.1%	6	6	0	\$1,279	0	0	0
61%-80% Median									
E2	\$40,644	71.1%	12	12	0	\$1,355	0	0	0
E3	\$42,927	75.0%	30	29	1	\$1,431	1	0	0
Total E2-3			42	41	1		1	0	0
Total			48	47	1		1	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 a studio or 1-bedroom apartment (Table 12-45). Using FHFC standards the E1-E4 personnel should only qualify for a one-bedroom rental unit.

Table 12-45. Distribution of Military Single Household Renters By % of Local Median Income (2009)

0-30% Median	RMC-2004	% Median	Single Households	On Base	Off Base Renters	Affordable Rent 40%	1 Bedroom	2 Bedroom
none							\$1,100	\$1,300
31% -60% Median								
E1	\$32,786	57%	6	6		\$1,093	Housed on base	
61-80% Median								
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	109	\$1,371	109	0
Total E2-E4			207	98	109		109	0
Grand Total			213	104	109		109	0

Source: Strategic Planning Group, Inc. 2005

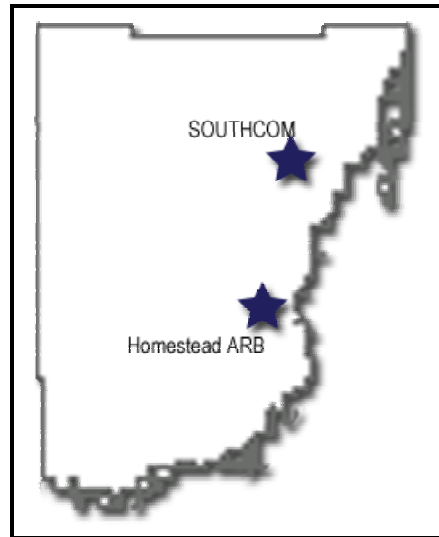
The single-family and condominium market fails to offer a range of home-purchase options for most installation military personnel, except possibly some of the officer grades. The situation may become worse in the next few years, as housing prices seem to be continuing to increase at a rapid pace. There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

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

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.

Homestead Air Reserve Base (ARB) and U.S. Southern Command (USSOUTHCOM)

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.

Installation Summary

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 482nd Fighter Wing (Reserve) at the base. Currently, the only active duty personnel stationed at Homestead are those with Strategic Operations Command, South (SOCSouth). 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.

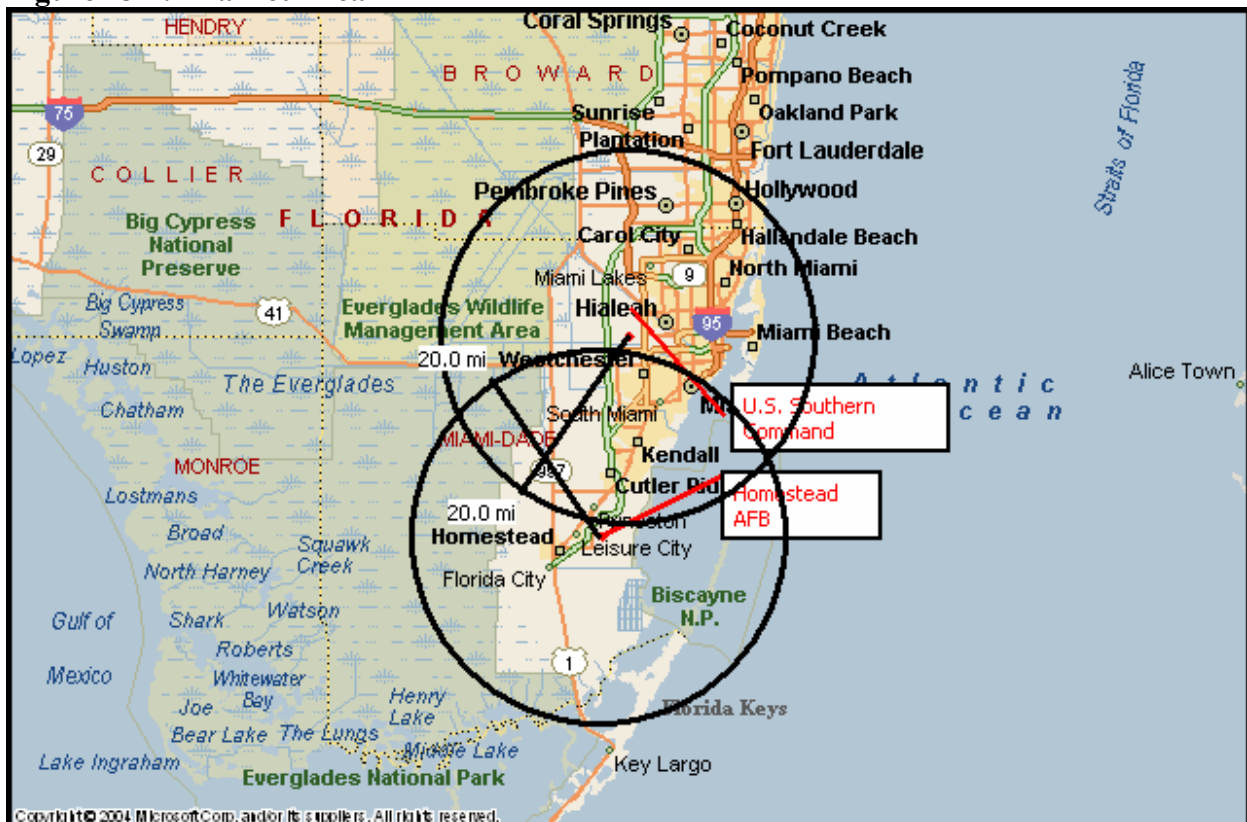
Installation Summary

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.

Market Area Demographics

Military standards for off-installation housing define the “market area” as the greater of a 20-mile radius or 60-minute, peak-hour commute.

Figure 13-1. Market Area



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 13-1. Population of Miami-Dade County

Year	Miami-Dade	State
	Population	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 had an average unemployment rate of 7.2% in February 2004, which is above the state level of 4.5%.

Table 13-2. Labor Force, Miami-Dade County, 2002

Labor Force (2003)	
Labor Force	1,103,718
% of County Population	47.1
Number Unemployed	79,512
Unemployment Rate	7.2%

Source: University of Florida BEBR

The County had an employment of 979,388 in 2002. Employment in the market area is diverse as shown in Table 13-3. 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.

Table 13-3. Employment in Miami-Dade County

(2002)	Miami-Dade	Florida
Total Employment	979,388	7,163,458
Agriculture, Natural Resources & Mining	0.9%	1.5%
Construction & Real Estate	6.1%	8.2%
Education Services	8.3%	7.2%
Finance & Insurance	4.5%	4.5%
Government (including military)	6.3%	6.1%
Healthcare & Social Assistance	11.9%	11.3%
Information	3.2%	2.5%
Manufacturing	5.6%	5.7%
Other Services ¹	25.1%	28.1%
Professional & Business Services	14.0%	17.0%
Transportation/Warehousing/Wholesale Trade	13.6%	7.9%

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Government wages (including military) exceeded the industry average in the county (Table 13-4).

Table 13-4. Average Wage in Industries, 2002

(2002)	Avg. Wage
All Industries	\$35,737
Agriculture, Natural Resources & Mining	\$20,708
Construction & Real Estate	\$35,611
Education Services	\$33,503
Finance & Insurance	\$60,934
Government (including military)	\$47,250
Healthcare & Social Assistance	\$36,608
Information	\$50,701
Manufacturing	\$31,901
Other Services ¹	\$22,012
Professional & Business Services	\$40,448
Transportation/Warehousing/Wholesale Trade	\$41,588

¹Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photofinishing services, temporary parking services, and dating services are also included. Private households that employ workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

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

Per Capita Income has decreased in relative to the State as a whole (Table 13-5).

Table 13-5. Per Capita Income

	Miami-Dade	Florida
2000	\$25,627	\$28,511
2001	\$26,172	\$29,247
2002	\$26,780	\$29,758

Source: University of Florida BEBR

Military Personnel Housing Needs – Homestead ARB

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.¹²⁸

¹²⁸ 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.

Table 13-6. Military Personnel, Homestead ARB, 2004

<i>Grade</i>	<i>Family</i>	<i>Unaccompanied</i>	<i>Total Personnel</i>
Total	69	37	100
Officers	36	16	52
O6+	3	0	3
W4-O5	13	2	15
W1-O3	21	14	35
Enlisted	33	21	48
E7-E9	5	1	6
E4-E6	25	13	38
E1-E3	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 13-7. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 13-7. Family Housing by Status and Bedroom, 2004

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

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 own homes in 2004 (Table 13-8).¹²⁹

¹²⁹ SPG used Tyndall AFB ratio to determine bedroom mix.

Table 13-8. Military Family Homeowners, Homestead ARB, 2004

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

Table 13-9. Military Family Renters, Homestead ARB 2004

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

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

Off-Installation Unaccompanied Housing

It is estimated that there are 30 unaccompanied personnel requiring housing off-installation (Table 13-10).

Table 13-10. Unaccompanied Housing by Status and Bedroom, Homestead AFB, 2004

Grade	1 BR	2 BR	3 BR	Total
Total	11	17	2	30
Officers	0	14	2	16
O6+	0	0	0	0
W4-O5	0	0	2	2
W1-O3	0	14	0	14
Enlisted	11	3	0	14
E7-E9	0	1	0	1
E4-E6	11	2	0	13
E1-E3	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 seven (7) unaccompanied military personnel owned their own homes in 2004 (Table 13-11).

Table 13-11. Unaccompanied Homeowners, Homestead AFB, 2004

Grade	1 BR	2 BR	3 BR	Total
Total	1	5	1	7
Officers	0	4	1	5
O6+	0	0	0	0
W4-O5	0	0	1	1
W1-O3	0	4	0	4
Enlisted	1	1	0	2
E7-E9	0	0	0	0
E4-E6	1	0	0	1
E1-E3	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 13-12).

Table 13-12. Unaccompanied Renters, Homestead AFB, 2004

Grade	1 BR	2 BR	3 BR	Total
Total	10	12	1	23
Officers	0	10	1	11
O6+	0	0	0	0
W4-O5	0	0	1	1
W1-O3	0	10	0	10
Enlisted	10	2	0	12
E7-E9	0	1	0	1
E4-E6	10	1	0	12
E1-E3	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 homes. Enlisted ranks accounted for (49.5%) of the active-duty personnel, while (50.5%) were officers¹³⁰.

¹³⁰ 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 13-13. Military Personnel, USSOUTHCOM, 2004

Grade	Family	Unaccompanied	Total Personnel
Total	802	289	1,091
Officers	452	98	551
O6+	87	1	88
W4-O5	300	53	353
W1-O3	65	44	109
Enlisted	349	191	540
E7-E9	98	11	109
E4-E6	222	116	338
E1-E3	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 13-14. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 13-14. Family Housing by Status and Bedroom USSOUTHCOM, 2003

Grade	2 BR	3BR	4+BR	Family Housing Required
Total	183	384	235	802
Officers	40	247	165	452
O6+	0	0	87	87
W4-O5	0	230	70	300
W1-O3	40	16	8	65
Enlisted	142	137	70	349
E7-E9	0	74	24	98
E4-E6	119	59	44	222
E1-E3	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 13-15. Bedroom requirements are established by rank (grade) as discussed at the beginning of this report.

Table 13-15. Unaccompanied Housing by Bedroom, USSOUTHCOM, 2004

Grade	2 BR	3BR	4+BR	Unaccompanied Housing Required
Total				289
Officers	27	52	19	98
O6+	0	0	1	1
W4-O5	0	41	12	53
W1-O3	27	11	6	44
Enlisted	114	43	29	191
E7-E9	0	3	3	11
E4-E6	62	31	23	116
E1-E3	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; however, 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 378 military families owned their housing in 2004 (Table 13-16).

Table 13-16. Military Family Homeowners, USSOUTHCOM, 2004

Grade	2 BR	3 BR	4+ BR	Total
Total	82	261	178	522
Officers	25	178	139	343
O6+	0	0	84	84
W4-O5	0	168	50	219
W1-O3	25	10	5	40
Enlisted	57	83	39	179
E7-E9	0	54	18	72
E4-E6	57	28	21	107
E1-E3	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 13-17).

Table 13-17. Military Family Renters, USSOUTHCOM, 2004

Grade	2 BR	3 BR	4+ BR	Total
Total	100	123	56	279
Officers	16	68	26	109
O6+	0	0	3	3
W4-O5	0	62	19	81
W1-O3	16	6	3	25
Enlisted	85	54	31	170
E7-E9	0	19	6	26
E4-E6	61	31	23	115
E1-E3	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 13-18).

Table 13-18. Unaccompanied Personnel Off-Installation by Grade and Bedroom, USSOUTHCOM, 2004

Grade	1 BR	2 BR	3 BR	Unaccompanied Housing Required
Total	102	69	54	225
Officers	0	44	54	98
O6+	0	0	1	1
W4-O5	0	0	53	53
W1-O3	0	44	0	44
Enlisted	102	25	0	127
E7-E9	0	11	0	11
E4-E6	102	14	0	116
E1-E3	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 own homes in 2004 (Table 13-19).

Table 13-19. Unaccompanied Homeowners, USSOUTHCOM, 2004

Grade	1 BR	2 BR	3 BR	Total
Total	8	22	30	60
Officers	0	13	30	43
O6+	0	0	1	1
W4-O5	0	0	29	29
W1-O3	0	13	0	13
Enlisted	8	9	0	17
E7-E9	0	5	0	5
E4-E6	8	4	0	12
E1-E3	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 13-20).

Table 13-20. Unaccompanied Renters, USSOUTHCOM, 2004

<i>Grade</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4+ BR</i>	<i>Total</i>
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

Off-Installation Housing Acceptability

Department of Defense 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. For purposes of this analysis, SPG combined some of the analysis that was duplicative due to both activities being located within Miami-Dade County. Military demand data is still broken down by activity due to the different location of the activities within Miami-Dade County; specifically Homestead AFB which is located in Homestead. Homestead's housing is some of the most affordable within the County.

Cost

As already discussed, military personnel residing off-installation are entitled to a BAH¹³¹ that is adjusted annually to reflect local housing costs. Table 13-21 shows the BAH and maximum acceptable housing cost (MAHC) that includes out-of-pocket requirements for Homestead ARB and USSOUTHCOM in 2004.

Table 13-21. BAH and MAHC with Dependents (2004)

<i>Grade</i>	<i>BAH With Dependents</i>	<i>MAHC</i>	<i>BAH Without Dependents</i>	<i>MAHC</i>
E-1	\$1,220	\$1,263	\$944	\$977
E-2	\$1,220	\$1,263	\$944	\$977
E-3	\$1,220	\$1,263	\$944	\$977
E-4	\$1,220	\$1,263	\$944	\$977
E-5	\$1,365	\$1,413	\$1,033	\$1,069
E-6	\$1,578	\$1,633	\$1,096	\$1,134
E-7	\$1,700	\$1,760	\$1,230	\$1,273
E-8	\$1,835	\$1,899	\$1,407	\$1,456
E-9	\$1,989	\$2,059	\$1,473	\$1,525
O-1	\$1,389	\$1,438	\$1,076	\$1,114
O-2	\$1,573	\$1,628	\$1,315	\$1,361
O-3	\$1,912	\$1,979	\$1,501	\$1,554
O-4	\$2,283	\$2,363	\$1,713	\$1,773
O-5	\$2,615	\$2,707	\$1,794	\$1,857
O-6	\$2,637	\$2,729	\$1,918	\$1,985
O-7	\$2,667	\$2,760	\$1,957	\$2,025

Source: Strategic Planning Group, 2005

¹³¹Includes renters insurance and utilities.

SPG estimated the demand for family rental housing by affordability for both installations, based on other Military Housing Market Assessments, which is shown in Table 13-22. Most of the family housing affordability falls within the \$700-\$999 month ranges (only using BAH).

Table 13-22. Military Family Renters by Cost Band, Homestead ARB, 2004

<i>Monthly Rent Plus Utilities, Insurance</i>	<i>2 BR</i>	<i>3 BR</i>	<i>4+ BR</i>	<i>Total</i>
\$2,000 - Above	0	0	0	0
\$1500 - \$1999	0	0	0	0
\$1300 - \$1499	0	0	0	0
\$1200 - \$1299	0	0	0	0
\$1100 - \$1199	0	0	0	0
\$1000 - \$1099	0	21	0	21
\$900 - \$999	21	21	21	62
\$800 - \$899	21	21	21	62
\$700 - \$799	114	0	21	135
\$600 - \$699	0	0	0	0
\$500 - \$599	0	0	0	0
Under \$499	0	0	0	0
Total	155	62	62	279

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

Affordable Housing Methodology

The federal and state governments use a different approach to define suitability, relying primarily on affordability of housing by bedroom count. This section analyzes the “military affordability” or cost issue from Florida Housing Finance Corporation (FHFC) standards. FHFC standards states that a household should not spend over 40% of its income on housing.

Regular Military Compensation

As previously discussed, the military receive numerous allowances and tax advantages in addition to their base salary. As shown in Table 13-23, 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 13-23. Regular Military Compensation-2004

With Dependents	BAH	BAS	Allowances Annualized		Salary Range		Calculated Basic Income Annualized		Tax Adjustment	Regular 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%	
Without Dependents											
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 13-23, 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).

Overall Market Area Rental Rates

Table 13-24 shows the current rents by bedroom from several sources. These rental rates are fairly consistent and again demonstrate that the Homestead and USSOUTHCOM MAHCs and/or FHFC 40% rule are competitive within the local housing market.

Table 13-24. Rental Rate Comparison Chart, 2004

Comparative Rents		
Bedrooms	HUD [1]	WP Wolff [2]
0	\$682	\$722
1	\$775	\$892
2	\$929	\$1,137
3	\$1,204	\$1,367
4	\$1,419	\$1,202
Footnotes		
[1] HUD 2004 Fair Market Rents		
[2] Reinhold P. Wolff Economic Research, January 2004		

Source: Strategic Planning Group, Inc., 2005

Market Area Affordable Housing Demand

One method of judging affordability is to compare both the BAH and the 40% of the RMC to Miami's fair market rents. It is interesting to note that of all the installations analyzed in Florida, the 40% RMC is relatively close to the BAH for most grades.

Rental Housing Market

Using the FHFC 40% approach, only E1–E3 families requiring three or more bedrooms would fall below the local fair market rent defined by HUD as shown in Table 13-25. All single E1–E3s are provided government housing.

Table 13-25. Military RMC and Miami Fair Market Rent, 2004

Grade	BAH	RMC 40%	Miami MSA HUD Fair Market Rent 2004				
			0 BR	1 BR	2 BR	3 BR	4 BR
With Dependents							
E-1	\$1,220	\$1,114	\$577	\$726	\$904	\$1,241	\$1,439
E-2	\$1,220	\$1,186	\$577	\$726	\$904	\$1,241	\$1,439
E-3	\$1,220	\$1,260	\$577	\$726	\$904	\$1,241	\$1,439
E-4	\$1,220	\$1,393	\$577	\$726	\$904	\$1,241	\$1,439
E-5	\$1,365	\$1,693	\$577	\$726	\$904	\$1,241	\$1,439
E-6	\$1,578	\$1,980	\$577	\$726	\$904	\$1,241	\$1,439
E-7	\$1,700	\$2,256	\$577	\$726	\$904	\$1,241	\$1,439
E-8	\$1,835	\$2,474	\$577	\$726	\$904	\$1,241	\$1,439
E-9	\$1,989	\$3,037	\$577	\$726	\$904	\$1,241	\$1,439
W-1	\$1,580	\$1,855	\$577	\$726	\$904	\$1,241	\$1,439
W-2	\$1,755	\$2,171	\$577	\$726	\$904	\$1,241	\$1,439
W-3	\$1,918	\$2,472	\$577	\$726	\$904	\$1,241	\$1,439
W-4	\$2,016	\$3,020	\$577	\$726	\$904	\$1,241	\$1,439
W-5	\$2,197	\$3,517	\$577	\$726	\$904	\$1,241	\$1,439
O-1	\$1,389	\$1,634	\$577	\$726	\$904	\$1,241	\$1,439
O-2	\$1,573	\$2,191	\$577	\$726	\$904	\$1,241	\$1,439
O-3	\$1,912	\$2,718	\$577	\$726	\$904	\$1,241	\$1,439
O-4	\$2,283	\$3,240	\$577	\$726	\$904	\$1,241	\$1,439
O-5	\$2,615	\$3,769	\$577	\$726	\$904	\$1,241	\$1,439
O-6	\$2,637	\$4,264	\$577	\$726	\$904	\$1,241	\$1,439
O-7	\$2,667	\$5,332	\$577	\$726	\$904	\$1,241	\$1,439
Without Dependents							
E-1	\$944	\$995	\$577	\$726	\$904	\$1,241	\$1,439
E-2	\$944	\$1,065	\$577	\$726	\$904	\$1,241	\$1,439
E-3	\$944	\$1,136	\$577	\$726	\$904	\$1,241	\$1,439
E-4	\$944	\$1,268	\$577	\$726	\$904	\$1,241	\$1,439
E-5	\$1,033	\$1,540	\$577	\$726	\$904	\$1,241	\$1,439
E-6	\$1,096	\$1,755	\$577	\$726	\$904	\$1,241	\$1,439
E-7	\$1,230	\$2,035	\$577	\$726	\$904	\$1,241	\$1,439
E-8	\$1,407	\$2,271	\$577	\$726	\$904	\$1,241	\$1,439
E-9	\$1,473	\$2,778	\$577	\$726	\$904	\$1,241	\$1,439
W-1	\$1,166	\$1,662	\$577	\$726	\$904	\$1,241	\$1,439
W-2	\$1,406	\$2,007	\$577	\$726	\$904	\$1,241	\$1,439
W-3	\$1,479	\$2,255	\$577	\$726	\$904	\$1,241	\$1,439
W-4	\$1,609	\$2,802	\$577	\$726	\$904	\$1,241	\$1,439
W-5	\$1,730	\$3,261	\$577	\$726	\$904	\$1,241	\$1,439
O-1	\$1,076	\$1,488	\$577	\$726	\$904	\$1,241	\$1,439
O-2	\$1,315	\$2,070	\$577	\$726	\$904	\$1,241	\$1,439
O-3	\$1,501	\$2,515	\$577	\$726	\$904	\$1,241	\$1,439
O-4	\$1,713	\$2,934	\$577	\$726	\$904	\$1,241	\$1,439
O-5	\$1,794	\$3,320	\$577	\$726	\$904	\$1,241	\$1,439
O-6	\$1,918	\$3,870	\$577	\$726	\$904	\$1,241	\$1,439
O-7	\$1,957	\$4,938	\$577	\$726	\$904	\$1,241	\$1,439

Without dependents should only require studio or 1 bedroom units based on HUD standards

Source: Strategic Planning Group, Inc. 2005

Using information from local realtors and private research firms, which compile local housing costs, cost alone should not be an issue with respect to finding suitable rental housing for the vast majority of Homestead and USSOUTHCOM personnel (Table 13-25). As shown in Table 13-26, most of the existing BAHs (which include not only rent but utilities and renter's insurance) cover local rents (shown without utilities et. al.). When applying the 40% FHFC standard there should not be any affordability problems with the possible exception of E1-E3 requiring 3+bedrooms.

Table 13-26. Rental Housing Costs, Miami Market Area, 2004

Grade	BAH	RMC 40%	Miami MSA HUD Fair Market Rent 2004					Market Area Data					does not include utilities	
			0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Utilities	
E-1	\$1,220	\$1,114	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-2	\$1,220	\$1,186	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-3	\$1,220	\$1,260	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-4	\$1,220	\$1,393	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-5	\$1,365	\$1,693	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-6	\$1,578	\$1,980	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-7	\$1,700	\$2,256	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-8	\$1,835	\$2,474	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-9	\$1,989	\$3,037	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-1	\$1,580	\$1,855	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-2	\$1,755	\$2,171	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-3	\$1,918	\$2,472	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-4	\$2,016	\$3,020	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-5	\$2,197	\$3,517	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-1	\$1,389	\$1,634	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-2	\$1,573	\$2,191	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-3	\$1,912	\$2,718	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-4	\$2,283	\$3,240	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-5	\$2,615	\$3,769	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-6	\$2,637	\$4,264	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-7	\$2,667	\$5,332	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
Without Dependents														
E-1	\$944	\$995	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-2	\$944	\$1,065	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-3	\$944	\$1,136	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-4	\$944	\$1,268	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-5	\$1,033	\$1,540	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-6	\$1,096	\$1,755	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-7	\$1,230	\$2,035	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-8	\$1,407	\$2,271	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
E-9	\$1,473	\$2,778	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-1	\$1,166	\$1,662	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-2	\$1,406	\$2,007	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-3	\$1,479	\$2,255	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-4	\$1,609	\$2,802	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
W-5	\$1,730	\$3,261	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-1	\$1,076	\$1,488	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-2	\$1,315	\$2,070	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-3	\$1,501	\$2,515	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-4	\$1,713	\$2,934	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-5	\$1,794	\$3,320	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-6	\$1,918	\$3,870	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	
O-7	\$1,957	\$4,938	\$577	\$726	\$904	\$1,241	\$1,439	\$722	\$892	\$1,137	\$1,367	\$1,202	\$200	

Housing Standard For Grade

Rental ranges that exceed BAH

BAH plus 3.5% out of pocket is within rent range

Rents higher than BAH and 3.5% out of pocket

1088

Average Rents higher but market has product within BAH

Source: Strategic Planning Group, Inc. 2005

Ownership Housing

As shown earlier, SPG estimates show 562milies owned off-installation housing in 2004 (Tables 13-13 and 13-19). For DoD Housing Assessments, all ownership housing is deemed “suitable,” even if the units are mobile homes or located in “unsafe areas” or outside the acceptable travel/time distance.

Strategic Planning Group, Inc. (SPG) calculated the maximum affordable housing cost of both family and unaccompanied personnel based on their RMC or “income.” Table 13-27 shows the maximum affordable purchase price assuming a 6% percent, 30-year mortgage with a 5% down payment. The calculation is based on families/individuals spending 40% of their income on housing.

For families, the maximum affordable housing value by grade ranges from \$173,036 for an E1 unaccompanied to \$795,508 for an O7 with dependents.

Table 13-27. Maximum Affordable Purchase Price per RMC

<i>Miami</i>	<i>RMC 40%</i>	<i>Affordable Housing Payment</i>	<i>Affordable Housing Value (30 yr @ 6%) 5% Downpayment</i>
With Dependents		40%	40.0%
E-1	\$33,435	\$13,374	\$193,777
E-2	\$35,594	\$14,238	\$206,295
E-3	\$37,798	\$15,119	\$219,064
E-4	\$41,796	\$16,718	\$242,237
E-5	\$50,780	\$20,312	\$294,307
E-6	\$59,404	\$23,762	\$344,288
E-7	\$67,672	\$27,069	\$392,206
E-8	\$74,207	\$29,683	\$430,086
E-9	\$91,101	\$36,440	\$527,997
W-1	\$55,642	\$22,257	\$322,486
W-2	\$65,133	\$26,053	\$377,491
W-3	\$74,146	\$29,658	\$429,728
W-4	\$90,596	\$36,238	\$525,068
W-5	\$105,504	\$42,202	\$611,471
O-1	\$49,025	\$19,610	\$284,133
O-2	\$65,729	\$26,292	\$380,946
O-3	\$81,549	\$32,619	\$472,632
O-4	\$97,188	\$38,875	\$563,272
O-5	\$113,073	\$45,229	\$655,339
O-6	\$127,916	\$51,166	\$741,364
O-7	\$159,948	\$63,979	\$927,011
Without Dependents			
E-1	\$29,856	\$11,942	\$173,036
E-2	\$31,936	\$12,775	\$185,094
E-3	\$34,082	\$13,633	\$197,527
E-4	\$38,047	\$15,219	\$220,510
E-5	\$46,195	\$18,478	\$267,734
E-6	\$52,647	\$21,059	\$305,130
E-7	\$61,041	\$24,417	\$353,779
E-8	\$68,140	\$27,256	\$394,919
E-9	\$83,331	\$33,333	\$482,965
W-1	\$49,859	\$19,943	\$288,967
W-2	\$60,208	\$24,083	\$348,947
W-3	\$67,645	\$27,058	\$392,052
W-4	\$84,060	\$33,624	\$487,188
W-5	\$97,832	\$39,133	\$567,005
O-1	\$44,652	\$17,861	\$258,792
O-2	\$62,088	\$24,835	\$359,844
O-3	\$75,463	\$30,185	\$437,360
O-4	\$88,034	\$35,214	\$510,221
O-5	\$99,585	\$39,834	\$577,167
O-6	\$116,097	\$46,439	\$672,864
O-7	\$148,128	\$59,251	\$858,510

Source: Strategic Planning Group, Inc. 2005

Housing Affordability Summary

Based on the preceding analysis, the rent or price of for-sale housing within the Miami market area does not appear to be a problem for military personnel. The remaining question is whether there is a supply of affordable housing at the necessary affordability ranges of the various military grades. This requires a supply analysis of the local market.

Local Community Affordable 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 2000 Census shows that the market area had approximately 776,774 housing (Table 13-28), of which owner-occupied housing comprised 57.8% and rental 42.2%

Table 13-28. Housing Units, 2000

	<i>Miami-Dade</i>	<i>%</i>
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 13-29). Total vacant rental units increased by slightly over 2,000 units between the 1990-2000 time periods.

Table 13-29. Rental Housing Trends, Miami-Dade County, 1990-2000

	<i>County</i>	<i>Miami/Dade</i>
Occupied Rental Units	1990	316,349
	2000	327,449
	Change	11,100
Vacant Rental Units	1990	28,788
	2000	19,858
	Change	(8,930)
Total Rental Units	1990	345,137
	2000	347,307
	Change	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, as shown in Table 13-30.

Table 13-30. Miami-Dade County Owner- and Renter-Occupied Housing, 2000

	<i>Miami-Dade</i>	%
Total:	776,774	
Owner occupied:	449,333	57.8%
1, detached	299,147	66.6%
1, attached	48,427	10.8%
2	4,258	0.9%
3 or 4	6,629	1.5%
5 to 9	7,996	1.8%
10 to 19	8,425	1.9%
20 to 49	17,239	3.8%
50 or more	47,250	10.5%
Mobile home	9,734	2.2%
Boat, RV, van, etc.	228	0.1%
Renter occupied:	327,441	
1, detached	50,352	15.4%
1, attached	31,836	9.7%
2	15,938	4.9%
3 or 4	24,128	7.4%
5 to 9	31,449	9.6%
10 to 19	41,129	12.6%
20 to 49	47,697	14.6%
50 or more	80,960	24.7%
Mobile home	3,744	1.1%
Boat, RV, van, etc.	208	0.1%

Source: 2000 Census, Strategic Planning Group, Inc.

In analyzing vacant units in 2000, 30.7% of the area's vacant housing was single family (1-4 units per structures excluding mobile homes). This information is summarized in Table 13-31.

Table 13-31. Units in Structure for Vacant Housing, Miami-Dade County-2000

	<i>Miami-Dade</i>	%
Total:	75,504	
1, detached	14,350	19.0%
1, attached	4,457	5.9%
2	1,717	2.3%
3 or 4	2,625	3.5%
5 to 9	3,883	5.1%
10 to 19	5,195	6.9%
20 to 49	8,654	11.5%
50 or more	32,378	42.9%
Mobile home	1,860	2.5%
Boat, RV, van, etc.	385	0.5%

Source: 2000 Census, Strategic Planning Group, Inc.

In order to update 2000 census information and 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 13-32. Miami-Dade County Building Permits – 2000-2004

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

Source: Strategic Planning Group, Inc. 2005

Current Rental Inventory

The supply of rental housing within the overall market area was estimated at 9,686 (occupied and vacant) in 2004.¹³² 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 13-33 shows the estimated rental housing supply.

Table 13-33. Miami-Dade County Suitable Rental Market

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

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

Owner-Occupied Housing

As shown in Table 13-30, 79.8% of the market area's owner-occupied housing is single family homes (1 to 4 units per structure including mobile homes).

Ownership Market Trends

The homeownership rate estimated by the 2000 U.S. Census was 57.8%, which if projected out to 2003, indicates that there were 515,576 homeownership units out of a total county estimated housing inventory of 892,000 units. The homeownership market in Miami-Dade County has been strong for the past seven years and appears to be continuing significant growth into 2005. Substantial new housing construction is occurring. Fueling the housing construction boom in single family homes and condominiums is the rapid escalation in housing prices. The data,

¹³² GEC draft FHFC Military Housing Needs Assessment, October 2004

below, demonstrates an extensive county-wide market in new and existing home sales and a substantial upward trend in housing prices.

Table 13-34. Home Ownership Sales and Prices – Miami-Dade County

NEW AND USED HOME MARKET-MIAMI-DADE COUNTY					
YEAR	NEW HOMES		USED HOMES		
	SALES	AVG. PRICES	SALES	AVG. PRICES	
1997	5,034	\$155,544	21,996	\$136,637	
1998	4,752	\$152,181	24,868	\$145,933	
1999	4,565	\$166,410	27,967	\$153,139	
2000	4,262	\$188,728	30,338	\$163,196	
2001	4,472	\$218,965	31,791	\$177,687	
2002	4,395	\$232,068	33,756	\$200,920	
2003	4,200	\$268,734	35,392	\$231,147	
2004 (1 ST QTR)	1,398	\$232,250	9,583	\$273,949	
NEW AND USED CONDOMINIUM MARKET - MAIMI-DADE COUNTY					
YEAR	NEW HOMES		USED HOMES		
	SALES	AVG. PRICES	SALES	AVG. PRICES	
1997	4,460	\$199,332	12,356	\$98,396	
1998	4,943	\$223,200	13,570	\$104,649	
1999	4,767	\$231,670	15,205	\$116,394	
2000	4,737	\$214,361	16,746	\$133,136	
2001	5,974	\$243,769	17,705	\$143,753	
2002	5,681	\$267,682	19,474	\$164,974	
2003	7,210	\$307,611	20,271	\$195,186	
2004 (1 ST QTR)	1,802	\$241,298	6,049	\$223,831	

Source: The AREEA Report for South Florida, Sept. 2004; Strategic Planning Group, Inc. 2005

As of 1st quarter of 2004, there was an unclosed new condominium inventory of 9,025 units. The continued vibrancy of sales through 2004 of single-family, condominium and townhouse units in Miami-Dade County is further verified through tracking recorded housing sales through the Miami-Dade County Property Appraiser.

Table 13-35. Current Homeownership Sales- Nov. 2003-Nov. 2004

COUNTY-WIDE AVERAGE ARMS-LENGTH SALES, NOV. 2003 - NOV. 2004					
Single-Family		Condominiums		Townhouse	
Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price
29,327	\$311,116	25,808	\$232,767	3,964	\$177,242

Source: Miami-Dade County Property Appraiser Department, January 2005

There are considerable variations in housing prices according to the municipality and sections of unincorporated Miami-Dade County reviewed, as shown in table 13-36.

Table 13-36. Selected Municipality Average Sales, Nov 2003- Nov 2004.

Location	Single-Family		Condominiums		Townhouse	
	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price
Florida City	134	\$123,226	n/a	na/	3	\$61,033
Miami Gardens	1,361	\$139,514	168	63,000	248	\$87,553
Homestead	836	\$187,493	362	112,722	225	\$131,103
Unincorp. Co.	16,299	\$250,216	7,678	153,787	2,768	\$173,632
Miami Springs	213	\$290,863	28	121,251	n/a	n/a
Doral	546	\$374,980	613	199,653	294	\$255,235
Miami Beach	453	\$1,335,424	4,331	318,170	5	\$375,000

Source: Miami-Dade County Property Appraiser Department, January 2005

Housing Supply/Demand Projections

Local Housing Cost Trends

In order to provide insight into future housing costs, SPG analyzed Miami-Dade County's Fair Market Rent trends over the 2001-2004 time period.

Local Rental Rate Trends

Table 13-37 shows there is a sizable variation in the change of rents by bedroom count within the local market area.

Table 13-37. Rental Rate Change by Bedroom, 2001-2004

Miami-Dade County	0 BR	1 BR	2 BR	3 BR	4 BR
% Change	47.9%	33.9%	28.7%	21.5%	23.5%

Source: HUD, Strategic Planning Group, Inc., 2005

Local Ownership Cost Trends

According to the National Association of Realtors, the Miami-Dade County metropolitan area showed a 80.8% increase in the cost of single family homes during the 2001-2004 time periods.

Table 13-38. Median Existing Home Sales Price, Sept. 2001-2004

Year	Price
2001	\$162.700
2002	\$189.800
2003	\$226.800
Change	39.4%

Source: National Association of Realtors, 2004; Strategic Planning Group, Inc. 2005

Local Housing Vacancy Trend

According to the Census, the vacancy rate for "Owner Occupied Housing" was 1.9%, while the vacancy rate for rental properties was 8.8%.

Local Area Population Growth

The Miami-Dade County market is projected to continue to experience a strong 1.4% growth rate annually over the planning period (2008). The market area is projected to add an additional 32,230 new residents and 13,429 new residential housing units (owner and rental) during the 2000-2008 time periods, as shown in Table 13-39.

Table 13-39. Miami-Dade County Market Area Population Projections

	2000-2008						
	2000	2003	2004	2005	2008	Annual Change	Households @ 2.4 pph
Dade	2,253,779	2,345,932	2,379,976	2,414,176	2,511,620	32,230	13,429
Average Annual Growth Rate 2000-2008					1.40%		

Source: UF BEBR 2004, Strategic Planning Group, Inc.

Findings

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 13-40, 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 no problem affording local rental housing.

Table 13-40. Distribution of Military Family Renters By % Local Median Income (2004) (Combined Homestead ARB and USSOUTHERNCOM)

Range of Median	RMC-2004	% Median	Family Households 2003	On-Base	Off-Base Renters	Affordable Rent Mthly 40%	Rental Need BR	3-BR	4-BR	2-
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	0
E2	\$35,594	78.4%	9	9	0	\$1,186	0	0	0	0
Total			14	14			0	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 13-41. Distribution of Military Single Renters By % Local Median Income (2004)

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

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

The 2005 BRAC was a major reason for the commission of this study. Therefore, SPG not only analyzed the local market, but also compared it to national statistics in order to determine whether or not housing costs within the local market are lower than the BAH, thereby enabling the military to save money.

The average sales price for a home in the Miami-Hialeah area (\$226,800) is still significantly less than the national average (\$268,100). The local Fair Market Rents for a two-bedroom unit (\$904) and for a three-bedroom unit (\$1,241) compare unfavorably with national average rates of \$710 for two-bedroom units and \$935 for three-bedroom units.

Because BAH rates are adjusted annually to local market conditions, and the fact that BAH rates 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 major issue that impacts future housing needs/supply considerations is the issue of what will happen to the excess government housing that could be available to be sold or demolished as the units exceed DoD standards. If there were, in fact, a problem for either Homestead AFB or USSOUTHCOM, these units could remedy any community shortfall for the study time period.