

HOUSING

AND

URBAN

DEVELOPMENT

SITUATION

REPORT

JUNEAU, ALASKA

as of April 1, 1975

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REGION X
ANCHORAGE, ALASKA
JUNE 1975

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Housing and Urban Development Situation Report
Juneau, Alaska
As of April 1, 1975

This situation report has been prepared for the assistance and guidance of the Department of Housing and Urban Development in its operations. The factual information, findings and conclusions may be useful also to city officials, planners, builders, mortgagees and others concerned with local problems and trends. The report does not purport to make determinations with respect to the acceptability of any particular proposals that may be under consideration in the subject locality.

The framework for this analysis was developed by economist E. Allen Robinson on the basis of information available from local, regional and national sources. Subsequent events may, of course, occasion modifications in the conclusions of this report.

Estimates suggested in the report, both current and projected, are based upon an evaluation of relationships as of April 1, 1975. They should not be construed as official statistics or forecasts of future events.

Department of Housing and Urban Development
Region X
Anchorage Insuring Office

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For this report, the Juneau area is defined as the city and borough of Juneau. This definition encompasses the same area as the 1970 Juneau Census Division and is approximately the same as the labor market area utilized by the Alaska Department of Labor.

Basic Assumptions

The analysis in this report is based on the following assumptions:

1. The Juneau economy, continuing to be dominated by state, federal and local government, will expand by about 100 jobs in the two-year period ending March 30, 1977. Nonagricultural wage and salary employment is currently estimated to be 8,300.
2. After a significant amount of net immigration since the last census, it is anticipated Juneau will experience a small amount of net outmigration into 1977. Total population will increase to about 16,900 in the next two years.

Households in the area are estimated to number 5,125 by March 30, 1977.

3. The elderly population will increase slightly, but this age group will remain less than four percent of the total population.
4. Current housing vacancies in the Juneau area are estimated to be 243, but many of these units are of marginal quality, or are already rented or sold awaiting occupancy. The current available sales vacancy rate is estimated to be 0.8 percent; the available renter vacancy rate is 1.8 percent (see Table I).
5. Annual authorizations of conventionally built housing went from 156 in 1970 to a peak of 432 in 1972, and then declined to 274 in 1973 and 122 in 1974. Although multifamily units authorized in those five years (708) outnumbered single-family (421), several apartments were built as condominiums and some of the smaller structures, such as duplexes, have one owner occupant.

The Housing Market As of April 1, 1975

Sales Market. Sales prices on new and existing homes are reported to be holding up well. A new 3-bedroom home now sells typically for \$45,000 to \$55,000, with the lowest price about \$40,000. In the past year several homes have been built under contract for prices above \$60,000. The voter approval to move the Capital has not depressed home prices because it is anticipated the State Legislature will allow payments to home owners for any loss from depressed prices should forced sales be necessary later. Moving expenses would probably also be necessary, similar to the Federal requirements in relocation.

Mobile home sales are apparently not as active as in previous years. New mobile homes in the Juneau area were reported to sell for about \$17,000 for a single-wide and \$27,500 for a double-wide, all furnished. Space rentals are \$75 to \$80 and monthly utilities are about \$40. Financing is available on a 7-year term, with 20 percent down payment. This amounts to about \$250 monthly for a single-wide and \$300 or more for a double-wide mobile home on a permanent foundation. Thus a new 3-bedroom single-wide furnished mobile home would cost about \$370 a month in total payments.

Rental Market. Rent levels also show no softening. Existing rentals are reported \$350 and up with all utilities for a 2-bedroom apartment, and \$400 and up for 3-bedroom size. A newly constructed unfurnished 2-bedroom walk-up apartment is estimated to require \$400 gross rent. Better apartments would be higher.

Among the various subsidized apartments built in recent years, all are reported to be filled except for the 41-unit Gastineau Hotel which was rehabilitated for elderly; six units were reported vacant there. The new 25-unit low-rent housing project for families on the north edge of Douglas was filled rapidly, and the 75 units in ASHA's Cedar Park project continue fully occupied. The high-rise Marine View Apartments in downtown Juneau reported all 98 units filled, and Alaska State Housing Authority recently raised the rents for both existing and new occupants. New occupants pay \$225 for 1-bedroom and \$275 for 2-bedroom apartments instead of a range of rents depending on location in the building.

Market for Additional Housing

Based on anticipated household growth, housing replacement requirements, current vacancy rates, and other factors, the annual demand for new non-subsidized housing in the Juneau area over the next two years is 25 single-family houses and 160 multifamily units (see Table II). Under conventional low-rent housing, the Alaska State Housing Authority has an allotment of 80 family and 42 elderly units. Two separate developments, utilizing these

allocations, are proposed for the urban renewal area close to downtown Juneau. These 122 units represent a potential market in addition to the nonsubsidized demand.

It should be emphasized that the estimated demand for new nonsubsidized housing reflects the anticipated near-term absorptive capacity of the market. It does not reflect either any future move of the capital or the expectations of such a move.

Table I

Tenure and Vacancy Trends
Juneau, Alaska
April, 1960 - April, 1975

| <u>Components</u> | <u>April 1,</u> <u>1960</u> | <u>April 1,</u> <u>1970</u> | <u>April 1,</u> <u>1975</u> |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Total housing inventory | <u>3,414</u> | <u>4,527</u> | <u>5,348</u> |
| Occupied housing units | <u>3,051</u> | <u>4,224</u> | <u>5,105</u> |
| Owner occupied | 1,365 | 2,106 | 2,545 |
| Percent of total | 44.7 | 49.9 | 49.9 |
| Renter occupied | 1,686 | 2,118 | 2,560 |
| Percent of total | 55.3 | 50.1 | 50.1 |
| Vacant housing units | <u>363</u> | <u>303</u> | <u>243</u> |
| Available vacant | <u>89</u> | <u>95</u> | <u>68</u> |
| For sale | 18 | 27 | 21 |
| Sales vacancy rate | 1.3 | 1.3 | 0.8 |
| For rent | 71 | 68 | 47 |
| Renter vacancy rate | 4.0 | 3.1 | 1.8 |
| Other vacant units ^{1/} | 274 | 208 | 175 |

^{1/} Includes seasonal units, units rented or sold awaiting occupancy and units held off the market for other reasons.

Source: 1960 and 1970 Census of Housing; 1975 estimated by Anchorage Insuring Office Economist.

Table II

Estimated Annual Demand for New Nonsubsidized Housing
Juneau, Alaska
April 1, 1975 to April 1, 1977

| A. <u>Single-family Houses</u> | | | | |
|--------------------------------|--------------------|-------------------------|-------------------------|--|
| | <u>Price Class</u> | <u>Number of Houses</u> | <u>Percent of Total</u> | |
| | Under \$45,000 | 5 | 20 | |
| | \$45,000 - 54,999 | 5 | 20 | |
| | \$55,000 - 64,999 | 5 | 20 | |
| | \$65,000 and over | 10 | 40 | |
| | Total | 25 | 100 | |

| B. <u>Multifamily Units</u> | | | | |
|-----------------------------|---------------------|--------------------|---------------------|-------------------------------|
| <u>Monthly rent</u> | <u>Efficiencies</u> | <u>One Bedroom</u> | <u>Two Bedrooms</u> | <u>Three or more Bedrooms</u> |
| Under \$290 | 5 | - | - | - |
| \$290 - 309 | 5 | - | - | - |
| \$310 - 319 | - | - | - | - |
| \$320 - 339 | - | - | - | - |
| \$340 - 359 | - | 40 | - | - |
| \$360 - 379 | - | 15 | - | - |
| \$380 - 399 | - | 10 | - | - |
| \$400 - 419 | - | - | 40 | - |
| \$420 - 439 | - | - | 15 | - |
| \$440 - 459 | - | - | 10 | - |
| \$460 and over | - | - | 5 | 15 |
| Total | 10 | 65 | 70 | 15 |

Source: Estimated by Anchorage Insuring Office Economist.