

FOR IMMEDIATE RELEASE:

## Census Bureau Confirms Galveston Housing Crisis!

GALVESTON, Texas – 20 January 2012

Just released 2010 census data confirm the GOGP's estimate that **approximately 25% of the total housing units in the City are distressed!**

A distressed housing unit is one that is vacant AND it is serving no useful purpose for the owner as a second home. This makes it a liability as the owner pays taxes, insurance, maintenance, and often a loan payment, but receives no current benefit.

The GOGP had used 2000 census data to estimate that in 2010 there were 7,990 distressed vacant housing units; **the actual number is 7,671!**

Why does this indicate a crisis in the local real estate market?

The City has 32,368 total housing units and **12,425 of them are vacant!** That is a whopping **38.4%!**

However, 4,754 are classified as "For seasonal, recreational or occasional use", so they are probably not distressed. If these are correctly classified, the number of distressed vacant housing units should be  $12,425 - 4,754 = 7,671!$

That means that  $7,671 / 32,368 = 23.7%$  **of all the housing units in the city are distressed!** If the average value of each distressed unit is \$50,000, the **unproductive capital trapped** in the local economy would be **\$383,550,000!** If the average value of each unit is \$65,180; the trapped capital would total half a Billion dollars!

With the loss of and/or lack of growth in many other local businesses over the last 50 years, residential real estate rentals are a significant factor in the local economy. City government needs to develop a plan to help this industry facilitate a turn around. A coordinated plan aimed at targeted demolition and rehabilitation of existing structures, depending

on condition, should be the first order of business; **government sponsored new construction is the last thing that is needed!**

Simply **building 529 more Public Housing units** will increase the number of distressed vacant housing units **another 6.9%** if the Public Housing residents are pulled from existing units. Building an **additional 1,288** housing units using the **mixed-income** scheme will likely swell the number by **16.8%!**

Galveston County has 15,433 distressed vacant housing units; which means that **the City of Galveston has 49.7% of all of the distressed vacant housing in the County, but only 16.4% of the total population!**

Is there a crisis in the local housing market? Let's see how this city compares:

City	% Distressed Vacant Housing Units
<b>Galveston, TX</b>	<b>23.7%</b>
Detroit, MI	22.6%
Flint, MI	20.9%
Cleveland, OH	19.1%
Youngstown, OH	18.8%
Buffalo, NY	15.4%

Source: Census Bureau, 2010 census, Table QT-H1

The GHA Board has said that the vacant housing problem in this city is exaggerated; what do you think? **\$383,550,000, or more, in trapped capital; 7,671 distressed property owners!** It could always get worse; let the GHA build a few hundred more units and let's see what happens.

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