

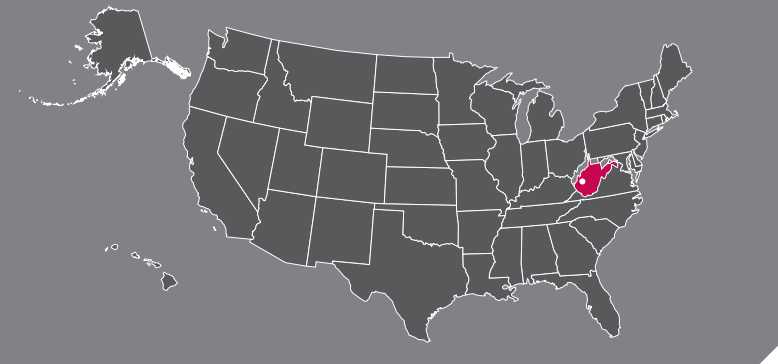
# HUD PD&R Housing Market Profiles

## Charleston, West Virginia



### Quick Facts About Charleston

- **Current sales market conditions: balanced.**
- **Current rental market conditions: slightly soft.**
- **Current apartment market conditions: balanced.**
- **Gestamp, an automotive parts maker, began operations in South Charleston in October 2012. The company added 200 workers in the past year and plans to hire an additional 75 workers by the end of 2013.**



By Benjamin Houck | As of August 1, 2013

### Overview

The Charleston metropolitan area, which comprises Boone, Clay, Kanawha, Lincoln, and Putnam Counties in southwestern West Virginia, includes the state capital city of Charleston. West Virginia is the second leading coal-producing state in the nation, and Boone County is the leading producer of coal in West Virginia (West Virginia Coal Association).

- As of August 1, 2013, the estimated population of the metropolitan area was 304,000, relatively unchanged since April 2010. By comparison, from July 2006 to July 2009, during a period of economic expansion, population growth averaged 120 people, or 0.1 percent, a year.
- Since April 2010, net in-migration to the metropolitan area has averaged 130 people annually, more than the average of 30 people annually from July 2006 to July 2009.
- Net natural increase (resident births minus resident deaths) averaged 90 people annually from July 2006 to July 2009 but has declined to an average annual decrease of 210 people since April 2010 because the number of births has declined each year.



Nonfarm payrolls in the Charleston area increased overall, although nearly as many sectors declined as increased.

	3 Months Ending		Year-Over-Year Change	
	July 2012 (thousands)	July 2013 (thousands)	Absolute (thousands)	Percent
Total nonfarm payrolls	148.1	148.7	0.6	0.4
Goods-producing sectors	19.5	19.9	0.4	2.1
Mining, logging, and construction	14.1	14.5	0.4	2.8
Manufacturing	5.4	5.4	0.0	0.0
Service-providing sectors	128.6	128.9	0.3	0.2
Wholesale and retail trade	21.0	20.8	-0.2	-1.0
Transportation and utilities	5.8	5.6	-0.2	-3.4
Information	1.9	1.8	-0.1	-5.3
Financial activities	7.9	8.0	0.1	1.3
Professional and business services	16.2	15.8	-0.4	-2.5
Education and health services	23.6	23.9	0.3	1.3
Leisure and hospitality	12.9	13.3	0.4	3.1
Other services	11.6	11.5	-0.1	-0.9
Government	27.8	28.3	0.5	1.8
	<b>(percent)</b>	<b>(percent)</b>		
Unemployment rate	7.0	5.6		

Note: Numbers may not add to totals because of rounding.  
Source: U.S. Bureau of Labor Statistics

## Economic Conditions

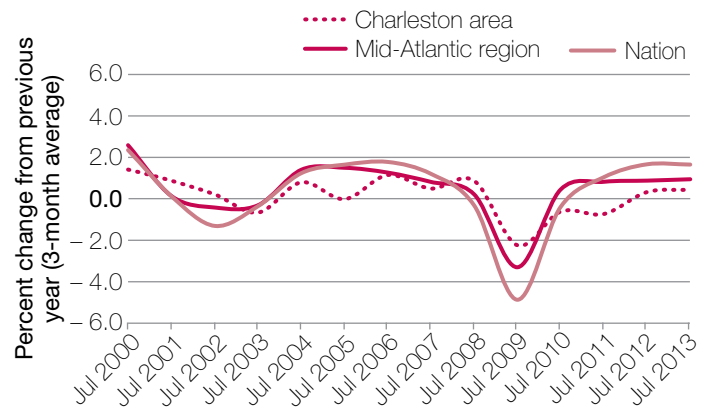
Economic conditions in the Charleston metropolitan area have improved since early 2012, after 3 years of job losses.

During the 3 months ending July 2013—

- Nonfarm payrolls averaged 148,700 jobs, an increase of 600 jobs, or 0.4 percent, from the 3 months ending July 2012.
- The mining, logging, and construction sector and the leisure and hospitality sector increased by 400 jobs each, or 2.8 and 3.1 percent, respectively. Southern West Virginia and central Appalachia specialize in producing metallurgical coal, which is used to produce steel. The recent increase in international steel demand has resulted in growth in mining jobs in the metropolitan area.
- The unemployment rate averaged 5.6 percent, down from 7.0 percent during the same period a year earlier, mainly because the labor force contracted by 1,975 people, or 1.4 percent.

Cabela's Inc., an outdoor goods retailer, opened an 80,000-square-foot store in the city of Charleston in August 2012, employing approximately 175 workers. Nippon Thermostat of America Corp., a producer of thermostats used in Toyota engines, will add 30 jobs through a \$4 million expansion of its current facility in Putnam County. NGK Spark Plugs U.S.A., Inc., plans to add new manufacturing and assembly lines at its facility in Kanawha County, creating 34 jobs by 2014.

Job growth in the Charleston area lagged behind the regional and national expansions.



Note: Nonfarm payroll jobs.  
Source: U.S. Bureau of Labor Statistics

## Largest employers in the Charleston area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Charleston Area Medical Center Health System, Inc.	Education and health services	6,200
Thomas Memorial Hospital	Education and health services	1,300
Frontier West Virginia Inc.	Information	1,250

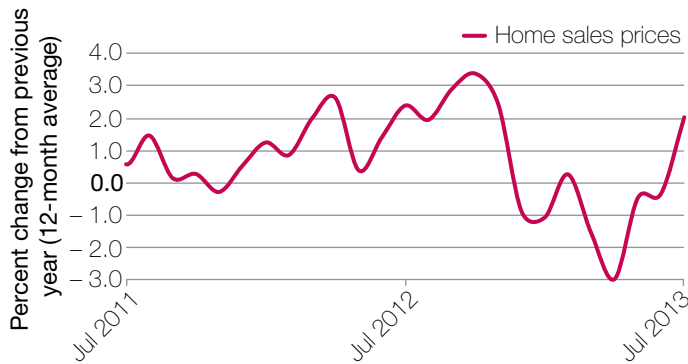
Note: Excludes local school districts and retail employers.  
Source: Charleston Area Alliance

## Sales Market Conditions

Sales housing market conditions in the Charleston metropolitan area are balanced. Approximately 2,400 new and existing homes sold during the 12 months ending July 2013, an increase of 9 percent compared with the 2,200 homes sold during the 12 months ending July 2012 (Kanawha Valley Board of REALTORS®). By comparison, an average of 2,050 homes sold annually from 2009 through 2011. Sales prices during the 12 months ending July 2013 averaged \$149,400, up 2 percent from a year earlier and up 5 percent compared with the average sales price from 2009 through 2011.

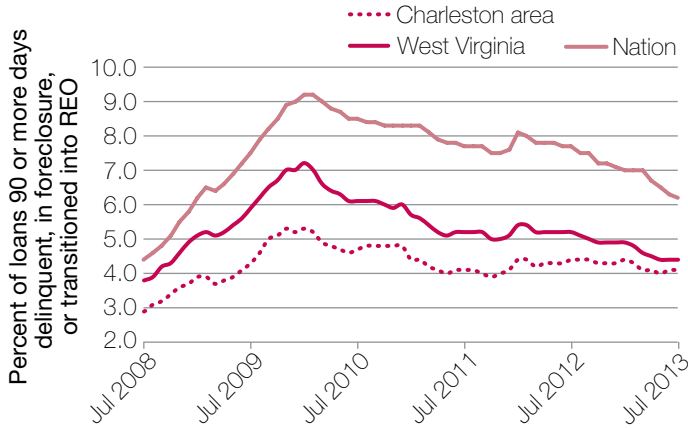
- The inventory of unsold homes declined from an 8-month supply in July 2012 to a 6-month supply in July 2013.
- The average number of days a home remained on the market decreased, from 88 days during the 12 months ending July 2012 to 81 days during the 12 months ending July 2013.

### Home sales prices increased 2 percent during the past year in the Charleston area.



Note: Includes new and existing single-family homes, townhomes, and condominiums. Source: Kanawha Valley Board of REALTORS®

### The Charleston area had a lower rate of distressed loans than West Virginia and the nation.



REO = Real Estate Owned. Source: LPS Applied Analytics

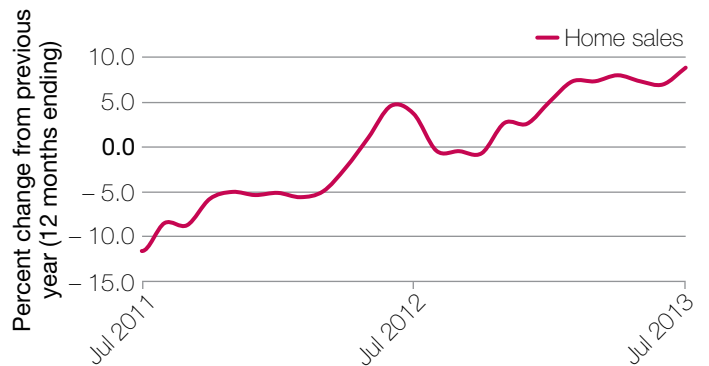
- In Kanawha County, the most populous county in the metropolitan area, sales prices for new and existing homes averaged \$156,000 during the 12 months ending July 2013, down 5 percent from the average a year earlier (Metrostudy, A Hanley Wood Company).
- In July 2013, 4.1 percent of home loans were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 4.4 percent in July 2012 (LPS Applied Analytics).

Single-family homebuilding activity is down approximately 50 percent from the mid-2000s, but the pace picked up modestly during the past year.

- During the 12 months ending July 2013, homebuilding activity increased 6 percent from a year earlier, to approximately 140 homes permitted (preliminary data). New home construction in the metropolitan area peaked from 2004 through 2007, when an average of 570 homes were permitted annually (annual data).

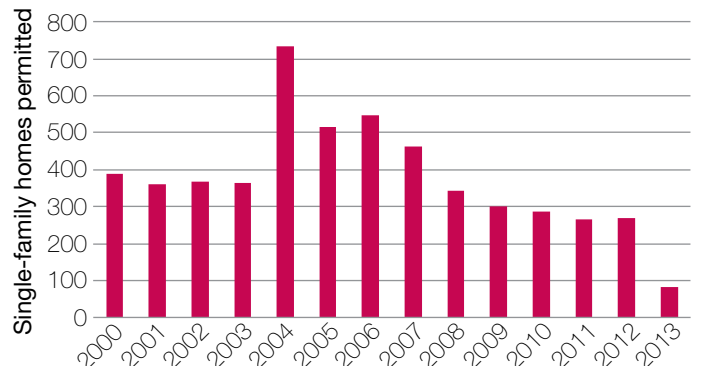
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### Home sales were up 9 percent during the past year in the Charleston area.



Note: Includes new and existing single-family homes, townhomes, and condominiums. Source: Kanawha Valley Board of REALTORS®

### Single-family homebuilding activity in the Charleston area has decreased since the mid-2000s.



Note: Includes preliminary data from January 2013 through July 2013. Source: U.S. Census Bureau, Building Permits Survey

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- During the 3 months ending July 2013, permits were issued for approximately 40 single-family homes in the metropolitan area, down from 50 homes permitted during the same period a year earlier (preliminary data).
- Sales prices for newly constructed townhomes at Devonshire at Teays Valley, the largest development ever approved in Putnam County, currently start at \$213,900 for a three-bedroom unit with 1,920 square feet. At this multiphase community, with plans for

170 townhomes, 90 patio dwellings, 520 apartments, and an 82-bed assisted living facility, 26 townhomes have been completed since breaking ground in 2008.

- In August 2013, work began at ParkView Lofts, the conversion of a former warehouse to 15 two-bedroom, two-bathroom condominiums in Charleston. Sales prices are expected to start at \$230,000, and the project is expected to be complete in early 2014.

## Rental Market Conditions

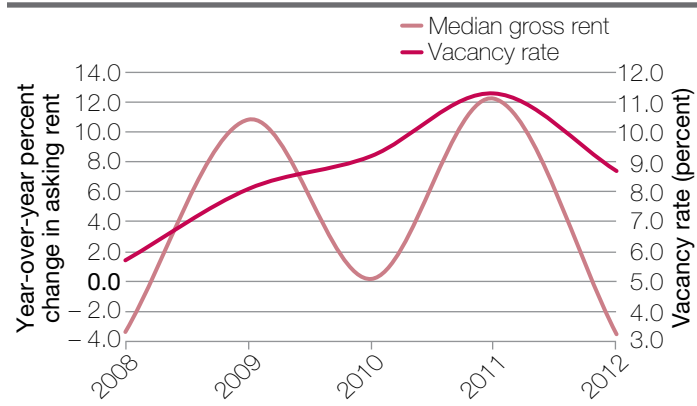
The rental housing market in the Charleston metropolitan area is slightly soft, but the apartment market is balanced.

- The overall vacancy rate decreased from 11.3 percent in 2011 to 8.7 percent in 2012 (American Community Survey).
- The median gross rent in 2012 was approximately \$650, down more than 3 percent from the previous year (American Community Survey).
- Approximately 55 percent of renter households live in single-family or mobile homes, relatively unchanged compared with the percentage recorded by the 2000 census (American Community Survey).
- In June 2013, the average asking rent for market-rate apartments was approximately \$750, up 2.3 percent from the average rent in June 2012 (Reis, Inc.).
- In June 2013, the vacancy rate for market-rate apartments was 4.7 percent, down from 6.5 percent a year earlier (Reis, Inc.).

Current apartment construction activity is concentrated on affordable units.

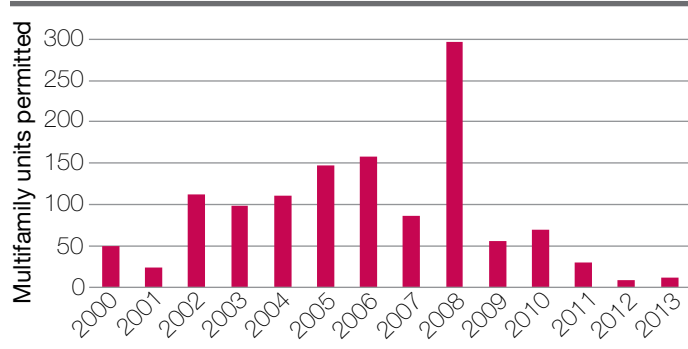
- During the 12 months ending July 2013, 10 multifamily units were permitted, unchanged from the number of units permitted during the previous 12 months (preliminary data).
- Charleston-Kanawha Housing, the local public housing authority, is constructing Graystone Manor, a low-income housing tax credit (LIHTC) development that includes 28 apartments expected to be complete in December 2013. Rents will be based on tenant income.
- Glenwood Elementary School in Charleston, which closed in 2011, was preserved and converted to 31 affordable one- and two-bedroom apartments for seniors. The LIHTC community, called Glenwood at Luna Park, will open in October 2013, with monthly rents ranging from \$427 to \$565.
- Apartments in planning include 32 affordable units for seniors at Shrewsbury Village in Charleston, which is expected to open in late 2014.

### The median gross rent and the rental vacancy rate declined in the Charleston area from 2011 to 2012.



Source: American Community Survey 1-year estimates

### Multifamily construction activity in the Charleston area has decreased significantly since the mid-2000s.



Note: Includes preliminary data from January 2013 through July 2013.  
Source: U.S. Census Bureau, Building Permits Survey