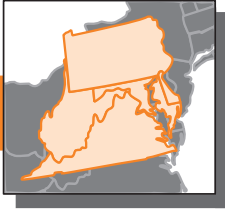


# Housing Market Profile

Mid-Atlantic • HUD Region III



## Morgantown, West Virginia

The Morgantown metropolitan area, consisting of Monongalia and Preston Counties, is located in north-central West Virginia. As of July 1, 2011, the population of the metropolitan area was estimated at 131,800. The population increased at an annualized rate of 1,675, or 1.3 percent, since April 1, 2010 compared with an average of 2,150, or 1.8 percent, from July 1, 2005, to April 1, 2010. The metropolitan area is home to West Virginia University (WVU), which has 29,300 students and an annual economic impact of \$4.9 billion on the state of West Virginia, as estimated by the WVU Bureau of Business and Economic Research. WVU, WVU Healthcare, and Mylan Pharmaceuticals Inc. are the metropolitan area's largest employers with 6,700, 4,650, and 2,300 employees, respectively.

After a brief economic slowdown in 2009, the metropolitan area economy has resumed growing at an accelerated pace. During the 12 months ending May 2011, nonfarm payrolls expanded by 1,500 jobs, a 2.3-percent increase, to total 65,400 jobs, compared with an increase of 1,000 jobs, or 1.5 percent, during the previous 12 months. The mining, logging, and construction sector grew by 500 jobs, or 13.4 percent, during the 12 months ending May 2011. Approximately 80 percent of this growth was in the construction subsector, as the \$2 billion coal-fired power plant in Moundsville neared completion. The creation of an additional 470 local mining jobs is expected when operations begin in the summer of 2011. The service-providing sectors account for nearly 90 percent of the economy, and those sectors added 800 jobs, a 1.5-percent increase, during the 12 months ending May 2011. The professional and business services sector led growth among service-providing sectors by adding 300 jobs, a 5.4-percent increase. During the 12 months ending May 2011, the unemployment rate was 6.3 percent, higher than the 5.7-percent rate recorded during the previous 12 months, but still the lowest among all metropolitan areas in West Virginia.

Sales market conditions in the Morgantown metropolitan area are balanced. According to the West Virginia Association of REALTORS®, 900 homes sold during the 12 months ending May 2011, unchanged from the

number of sales reported during the 12 months ending May 2010. During the same period, the average sales price increased 3 percent, from \$170,000 to \$175,000, and the average number of days a home remained on the market decreased 32 percent, from 147 to 100 days. In the metropolitan area, according to LPS Applied Analytics, the share of mortgage loans 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) was 2.2 percent in May 2011, down from 2.8 percent in May 2010.

New-home construction remained relatively unchanged during the past year. Based on preliminary data, 30 single-family homes were permitted during the 12 months ending May 2011 compared with 25 homes during the previous year. Because approximately 80 percent of building in the metropolitan area occurs in unincorporated areas, building permits do not include all construction activity. As of May 2011, the Village at West Run, located north of Morgantown, had sold 34 of 90 planned townhomes 6 months after sales began, at an average price of \$135,000. The Meadows, a 130-lot golf course community west of Morgantown, sold 30 homes during the past year, with townhomes and single-family homes averaging \$109,000 and \$135,000, respectively.

The rental market in the Morgantown metropolitan area is slightly soft, with a 7-percent rental vacancy rate, up slightly from 6.8 percent in 2010. Based on preliminary data, 45 multifamily units were permitted in the 12 months ending May 2011 compared with 60 during the previous year; all of these units were offered for rent. Because of limited coverage, only a small portion of the units constructed is recorded in the building permits. The 23,450 WVU students who live off campus represent 66 percent of renters in Monongalia County. With enrollment expecting to increase by approximately 525 students for the 2011–12 academic year, 80 percent of the approximately 800 rental units under construction are near WVU and target student renters. Beechview Place, a 233-unit community near the WVU Downtown Campus, is scheduled for completion in December 2011. Average asking rents for newer units in the metropolitan area are \$750 for a one-bedroom unit, \$1,000 for a two-bedroom unit, and \$1,500 for a three-bedroom unit. Rental properties in the city of Morgantown typically charge higher rents because of their proximity to WVU.