Analysis of the

STEUBENVILLE-WEIRTON, OHIO-WEST VIRGINIA HOUSING MARKET

as of September 1, 1969

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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FHA Housing Market Analysis

Steubenville-Weirton, Ohio-West Virginia, as of September 1, 1969

Foreword

This analysis has been prepared for the assistance and guidance of the Federal Housing Administration in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing problems and trends. The analysis does not purport to make determinations with respect to the acceptability of any particular mortgage insurance proposals that may be under consideration in the subject locality.

The factual framework for this analysis was developed by the Field Market Analysis Service as thoroughly as possible on the basis of information available on the "as of" date from both local and national sources. Of course, estimates and judgments made on the basis of information available on the "as of" date may be modified considerably by subsequent market developments.

The prospective demand or occupancy potentials expressed in the analysis are based upon an evaluation of the factors available on the "as of" date. They cannot be construed as forecasts of building activity; rather, they express the prospective housing production which would maintain a reasonable balance in demand-supply relationships under conditions analyzed for the "as of" date.

Department of Housing and Urban Development
Federal Housing Administration
Field Market Analysis Service
Washington, D. C.

FHA HOUSING MARKET ANALYSIS
STEUBENVILLE-WEIRTON, OHIO-WEST VIRGINIA
AS OF SEPTEMBER 1, 1969

The Steubenville-Weirton Housing Market Area (HMA) is coterminous with the Steubenville-Weirton Standard Metropolitan Statistical Area (SMSA). It is comprised of Jefferson County in eastern Ohio and Brooke and Hancock Counties in northwestern West Virginia. The HMA, with a population of 177,500 in September 1969, is located in the upper valley of the Ohio River.

The economy of the Steubenville-Weirton HMA is based on the primary metals industry with a heavy emphasis on the production of basic steel. Primary metals account for about one-third of all nonagricultural wage and salary employment and for three-fourths of all manufacturing employment in the HMA. Since 1965, employment in the area has declined, the rates of population and household growth have slowed, and vacancies in sales and rental housing have increased. The decline in total employment has been closely related to internal reorganizations and implementation of new production techniques among the major steel producers. These disruptive influences have now abated. It is anticipated that employment in primary metals will remain relatively stable in the near future while the HMA registers modest gains in total employment.

Anticipated Housing Demand

The demand for nonsubsidized, new housing in the Steubenville-Weirton Housing Market Area during the forecast period (September 1, 1969 to September 1, 1971) is based upon the expected growth of households, tempered by the number of housing units currently vacant, the present level of construction activity, anticipated demolitions of housing units, and current family incomes. Based on these considerations, it is concluded that there will be an annual demand for 370 new, nonsubsidized, housing units during the two-year period from September 1, 1969 to September 1, 1971. These new units will be most readily absorbed if the annual total includes about 250 single-family houses and 50 units in multifamily structures; an additional 70 families probably will occupy house trailers. The demand for single-family houses is distributed by price class in table I. Multifamily demand will be primarily for one- and two-bedroom units in the lowest rent ranges possible without subsidy.

The estimated annual demand for the forecast period is slightly below the average annual volume of nonsubsidized construction during the past three years. However, building activity from 1966 through 1968 was supported by demand for units to replace those demolished by highway construction and urban renewal.

The demand estimates discussed above are not intended to be predictions of short-term construction volume. Rather, they are suggestive of construction levels which will promote an orderly market consistent with trends evident in the Steubenville-Weirton HMA.

Occupancy Potential for Subsidized Housing

Federal assistance in financing costs for new housing for low- or moderate-income families may be provided through four different programs administered by the FHA, i.e. (1) monthly rent-supplement payments, principally in rental projects financed with market interest rate mortgages insured under Section 221(d)(3); (2) partial payments for interest for home mortgages insured primarily under Section 235; (3) partial payments for interest for project mortgages insured under Section 236, and (4) below-market-interest rate financing for project mortgages insured under Section 221(d)(3)[1/].

Eligibility for federal subsidy programs is determined by evidence that household or family income is below established limits. Some families may be alternatively eligible for assistance under one or more of these programs or other programs. Since the potential for each program is estimated separately, there is no attempt to eliminate the overlaps among program estimates. Accordingly, the occupancy potentials for the various programs are not additive.

Furthermore, future approvals under each program should take into account any approvals under other programs which may have served to fill the same requirements.

The annual occupancy potentials for subsidized housing under FHA programs are based on 1969 incomes, on the occupancy of substandard

1/ At the present time, funds for 221(d)(3) BMIR allocations are available only from recaptures resulting from reductions, withdrawals, and cancellations of outstanding allocations.

housing, on estimates of the elderly population, on September 1969 income limits, and on available market experience[1].

The potentials[2] discussed in the following paragraphs reflect estimates adjusted for housing already provided under alternative programs of the FHA or other agencies. The occupancy potentials by size of units are shown in table II.

Section 221(d)(3) BMIR. If federal funds were available, the Steubenville-Weirton HMA could absorb about 160 units of Section 221 (d)(3) BMIR housing during each of the next two years.

Rent-Supplement. Under the rent-supplement program, there is an annual occupancy potential for 80 units for families and 50 units for elderly couples and individuals during the two-year forecast period ending September 1, 1971. Generally, families eligible for rent-supplements also are eligible for low-rent public housing.

Housing which might be constructed under Section 236 would have little, if any, effect on the occupancy potential for rent-supplement units in the Steubenville-Weirton HMA.

Section 235, Sales Housing. Sales housing can be provided for families of low- or moderate incomes under Section 235. It is estimated that, using exception income limits, the Steubenville-Weirton Housing Market Area could absorb 200 of these units during each of the next two years. All of the families eligible for Section 235 housing are also eligible for Section 236 housing but are not additive thereto. Under regular income limits, the annual occupancy potential for Section 235 housing would be reduced to about 40 units, 20 percent of the total shown above.

Section 236, Rental Housing. Using exception income limits, there is an annual occupancy potential for 200 units of Section 236 housing for families; there is also an occupancy potential for an additional 50 units, annually, for elderly households. Under regular

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1/ Families with incomes inadequate to purchase or rent nonsubsidized housing are generally eligible for one form or another of subsidized housing. However, little or no housing has been provided under some of the subsidized housing programs and absorption rates remain to be tested.

2/ These potentials have been calculated to reflect the capacity of the market in view of existing vacancy. The successful attainment of the calculated potentials for subsidized housing may well depend upon construction in suitable accessible locations, as well as upon the distribution of rents and sales prices over the complete range attainable for housing under the specified programs.

income limits, the annual occupancy potential for Section 236 housing would be reduced to about 30 units for families and 25 units for the elderly. It should be noted that housing which might be constructed under the rent-supplement program would have little or no effect on the occupancy potentials for Section 236 units in the Steubenville-Weirton Housing Market Area.

As of September 1969, there were no rent-supplement, Section 235, Section 236, or Section 221(d)(3) BMIR projects in the Steubenville-Weirton HMA.

The Sales Market

The sales market for single-family housing in the Steubenville-Weirton HMA, as of September 1, 1969, was generally well-balanced. The homeowner vacancy ratio was about 1.1 percent. This ratio is just slightly higher than that recorded in 1966. Since 1966, reduced employment opportunities, tight money, high interest rates, and rising costs have resulted in simultaneous reductions in both the demand for and the supply of single-family units.

The irregular, hilly terrain and the modest annual demand preclude any major tract development. Most single-family construction occurs on sites scattered throughout the HMA.

In September 1969 new sales housing was being offered starting at about $17,500. In recent months, the most readily marketed new houses have been in the price range of $22,500 to $27,000.

The Rental Market

Since January 1, 1966, the rental vacancy rate has increased from 5.5 percent to 5.9 percent as of September 1, 1969. The increase in the number of vacant units since 1966 is traceable to the decline in total employment and especially to a reduction in the number of temporary workers associated with construction projects.

The burden of increased vacancy has fallen largely on the older, less competitive apartments. New, fully competitive apartments have been well received on the market in recent years. As of September 1969, occupancy of these units continued to be satisfactory.

Since 1966, most of the nonsubsidized new rental units have been built in small, scattered projects with four to twelve units. Two apartment projects were under construction in Weirton in September, 1969 with a total of 20 two-bedroom units. Anticipated monthly rents ranged from $150 to $190 exclusive of utilities. There was reported to be a shortage of desirable single-family houses for rent in the HMA. These units generally rent for $200 to $250 per month exclusive of utilities.

Economic, Demographic, and Housing Factors

The following findings and assumptions respecting economic, demographic, and housing factors are basic to the preceding discussions of the sales and rental markets and to the conclusions respecting housing demand.

Employment. For the first six months of 1969, total employment in the Steubenville-Weirton HMA averaged 62,050, including 57,300 nonagricultural wage and salary workers, 4,050 persons who were self-employed, domestics or unpaid family workers, and 700 persons employed in agriculture. In recent years, employment in the HMA has declined substantially. Annual average employment declined from a record high of 66,100 in 1965 to 61,800 in 1968.

Manufacturing, which accounts for about one-half of the wage and salary employment in the HMA, is dominated by the primary metals industry. This industry provides three-fourths of all manufacturing employment and one-third of the total employment in the Steubenville-Weirton HMA. The production of basic steel is of particular importance. Most of the employment losses in recent years are traceable to the basic steel producers where internal reorganizations and advanced new production methods resulted in reduced work forces. From a level of 30,200 in 1966, manufacturing employment decreased to 28,600 in 1968.

Nonmanufacturing employment has remained relatively steady since 1966, with no single category exhibiting any marked change.

The unemployment rate was 3.5 percent in June 1969 compared with a rate of 4.0 percent in June 1968. The HMA is classified by the Department of Labor as an area of "moderate" unemployment. See table III for a detailed presentation of civilian work force components.

During the forecast period, September 1, 1969 to September 1, 1971, it is anticipated that nonagricultural employment in the HMA will increase by about 500 jobs annually. Employment in primary metals is expected to be stabilized at approximately the current level. Gains will stem primarily from the establishment of a Quaker Oil manufacturing plant to be located north of Weirton and from increases in employment in the trade and services associated with the planned development of two major shopping centers.

Incomes. As of September 1969, the estimated median annual income of all families in the Steubenville-Weirton HMA was $8,150 after deduction of federal income taxes. Renter households of two or more persons had an estimated median annual after tax income of $7,150. In January 1966, all families and renters were estimated to have incomes of $7,275 and $6,250, respectively (see table IV).

Population and Households. The population of the Steubenville-Weirton HMA was estimated to be 177,500 persons in September 1969. Since 1966, the average annual population increase has been about 930 persons per year. The average increase included an annual addition of about 150 persons who were not members of households. Most of the increase in nonhousehold population is the result of increased enrollment at the College of Steubenville. During the next two years population is expected to increase by about 920 each year, with practically all of the gain in the population in households.

In September 1969, there were 51,500 households (occupied housing units) in the HMA, an increase of 310 annually since January 1966. In the two-year forecast period ending September 1971, the number of households is expected to increase by about 380 annually as a result of a slightly smaller average household size and improved employment prospects (see table V).

Housing Inventory. As of September 1, 1969, there were an estimated 54,150 housing units in the HMA, a net increase of 1,300 units since January 1, 1966 (see table VI). The increase resulted from the addition of about 2,200 new units (including trailers) and the demolition of about 900 units. New housing has been generally scattered in the HMA. Significant portions of the new housing are found in Weirton (because of its extensive geographical limits), in Wintersville, north of Steubenville along Route 213, and in the Toronto area. Of the approximately 440 nonsubsidized housing units built each year since 1966, only about one-half were covered by building permits (see table VII). The total of new privately constructed housing units built since 1966 has included 60 units, annually, in multifamily structures. Apartment projects of less than a dozen units are typical in the Steubenville-Weirton HMA.

Vacancy. There were approximately 2,680 vacant housing units in the HMA in September 1969, of which 1,330 were available and 1,350 were either unsuitable as dwellings or unavailable for other reasons. About 400 of the available units were for sale resulting in a homeowner vacancy rate of 1.1 percent. There were 930 units available for rent and the renter vacancy rate was 5.9 percent (see table VI).

Table I

Estimated Annual Demand for Nonsubsidized New Housing
Steubenville-Weirton Housing Market Area
September 1, 1969 to September 1, 1971

Single-family units

Price class	Annual number of units
Under $17,500	20
$17,500 - 19,999	30
20,000 - 22,499	35
22,500 - 24,999	30
25,000 - 29,999	50
30,000 - 34,999	45
35,000 and over	40
Total	250

Source: Estimated by Housing Market Analyst.

Table II

Estimated Annual Occupancy Potential[a]
Steubenville-Weirton Housing Market Area
September 1, 1969 to September 1, 1971

A. Subsidized Sales Housing, Section 235

Family size	Annual number of units
Four persons or fewer	110
Five persons or more	90
Total	200

B. Privately-financed Subsidized Rental Housing

	Rent-Supplement		Section 236	
Unit size	Families	Elderly	Families	Elderly
Efficiency	10	35	-	25
One bedroom	35	15	15	25
Two bedrooms	20	-	90	-
Three bedrooms	15	-	70	-
Four or more bedrooms	-	-	25	-
Total	80	50	200	50

a/ All of the families eligible for Section 235 housing are also eligible for the Section 236 program, and vice versa. They are not eligible for rent-supplement or low-rent public housing. These estimates are based on exception income limits; the use of regular income limits would reduce the potentials to about 20 percent of the exception limit estimate.

Table III

Civilian Work Force Components
Steubenville-Weirton, HMA 1966-1969
(Annual Averages)

	1966	1967	1968	(Jan.-June) 1969
Civilian Labor Force	65,900	64,500	64,100	64,200
Unemployment	2,300	2,600	2,300	2,150
Percent unemployed	3.4	4.0	3.6	3.3
Employment	63,600	61,900	61,800	62,050
Nonagricultural wage & salary	58,200	56,800	56,700	57,300
Manufacturing	30,200	28,300	28,600	28,400
Durable goods	28,400	26,600	26,800	26,600
Stone, clay, & glass	3,900	3,800	4,300	4,200
Primary metals	23,300	21,400	21,100	20,900
Fabricated metals	900	1,000	1,000	1,000
Other durable goods	300	400	400	500
Nondurable goods	1,700	1,700	1,800	1,800
Food & kindred products	200	200	200	200
Paper & allied products	900	800	800	900
Chemicals & allied products	300	400	500	450
Other nondurable goods	300	300	300	250
Nonmanufacturing	28,000	28,500	28,100	28,900
Mining & quarrying	1,200	1,200	1,100	1,300
Contract construction	3,000	3,200	2,900	3,500
Transportation & utilities	3,400	3,500	3,500	3,750
Trade	8,500	8,300	8,000	8,000
Finance, ins., & real estate	1,100	1,100	1,100	1,200
Service & misc.	6,200	6,500	6,500	6,800
Government	4,600	4,800	4,900	4,400
Other nonagricultural	4,600	4,300	4,100	4,050
Agricultural	800	800	800	700

Note: Components may not add to totals because of rounding.
Source: Ohio Bureau of Employment Services.

Table IV

Estimated Percentage Distribution of All Families and Renter Households[a]
By Annual Income After Deduction of Federal Income Tax
Steubenville-Weirton Housing Market Area
1966 and 1969

Income	All families January 1966	All families September 1969	Renter households January 1966	Renter households September 1969
Under $3,000	10	6	16	11
$3,000 - 3,999	6	5	8	8
4,000 - 4,999	8	6	11	8
5,000 - 5,999	11	8	12	8
6,000 - 6,999	12	10	13	13
7,000 - 7,999	11	13	13	11
8,000 - 8,999	10	9	9	9
9,000 - 9,999	9	6	5	8
10,000 - 12,499	12	18	8	14
12,500 and over	11	19	15	10
Total	100	100	100	100
Median income	$7,275	$8,150	$6,250	$7,150

a/ Excludes one-person renter households

Source: Estimated by Housing Market Analyst.

Table V

Population and Household Trends
Steubenville-Weirton Housing Market Area
April 1960 to September 1971

Components	April 1, 1960	Jan. 1, 1966	Sept. 1, 1969	Sept. 1, 1971	Average annual change 1960-1966 Number	Rate a/	1966-1969 Number	Rate a/	1969-1971 Number	Rate a/
Population										
HMA total	167,756	174,100	177,500	179,350	1,100	.7	930	.5	920	.5
Ohio portion	99,201	102,200	104,400	105,500	520	.6	600	.5	545	.5
Steubenville	32,495	33,300	33,100	33,400	140	.5	-55	-.2	150	.4
West Virginia portion	68,555	71,900	73,100	73,850	580	.9	330	.4	375	.5
Weirton	28,201	30,250	30,750	31,300	355	1.3	140	.5	275	.9
Households										
HMA total	48,193	50,350	51,500	52,250	380	.8	310	.5	380	.7
Ohio portion	29,001	30,050	30,750	31,150	180	.7	190	.5	200	.7
Steubenville	10,190	10,550	10,450	10,500	60	.7	-30	-.3	25	.3
West Virginia portion	19,192	20,300	20,750	21,100	190	1.0	120	.6	180	.8
Weirton	7,923	8,600	8,800	9,000	120	1.5	55	.6	100	1.1

a/ Derived through the use of a formula designed to calculate the percentage rate of change on a compound basis.

Sources: 1960 Censuses of Population and Housing; 1966, 1969, and 1971 estimated by Housing Market Analyst.

Table VI

Components of the Housing Supply
Steubenville-Weirton Housing Market Area
April 1960 - September 1969

Component	April 1960	January 1966	September 1969
Total housing supply	50,629	52,850	54,150
Occupied units	48,193	50,350	51,470
Owner-occupied	33,827	35,700	36,550
Percent	70.2	70.9	71.0
Renter-occupied	14,366	14,650	14,920
Percent	29.8	29.1	29.0
Vacant units	2,436	2,500	2,680
Available vacant	1,113	1,200	1,330
For sale	320	350	400
Homeowner vacancy rate	.9	1.0	1.1
For rent	793	850	930
Renter vacancy rate	5.2	5.5	5.9
Other vacant[a]	1,323	1,300	1,350

a/ Includes seasonal units, dilapidated units, units sold or awaiting occupancy, and units held off the market.

Sources: 1960 Census of Housing; 1966 and 1969 estimated by Housing Market Analyst.

Table VII

Housing Units Authorized by Building Permits
Steubenville-Weirton Housing Market Area
1960 - 1969

Area	1960	1961	1962	1963	1964	1965	1966	1967	1968	(7 mos.) 1969
HMA total	477	313	370	720	361	389	280	227	430	134
Ohio										
Steubenville	212[a/]	56	68	468[b/]	120	80	88	48	54	35
Wintersville	24	43	32	31	48	62	36	51	40	15
Mingo Junction	19	37	55	29	26	26	13	23	13	8
Toronto	6	13	7	12	7	6	32	12	87[c/]	9
Other permit-issuing places	9	5	5	5	2	0	2	4	5	7
West Virginia										
Weirton	203	147	184	118	105	76	102	76	224 [d/]	55
Other permit-issuing places	4	12	19	57	53	139	7	13	7	5

a/ Includes 126 units of public housing
b/ Includes 200 units of public housing
c/ Includes 75 units of public housing
d/ Includes 130 units of public housing

Sources: Bureau of the Census, C-40 Construction Reports and local permit-issuing offices.