

Downtown Charleston, WV Market-Rate Housing Needs Snapshot

Snapshot of Market-Rate Housing Needs Assessment
by Bowen National Research



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Snapshot Summary



DOWNTOWN STUDY AREA (DSA)

ABOUT THE SNAPSHOT

The Charleston Area Alliance, with **support from the Greater Kanawha Valley Foundation and United Bank**, hired **Bowen National Research** to conduct a housing study on downtown Charleston, West Virginia to:

- Provide an update on the 2015 downtown Charleston housing study.
- Obtain updated data and information on market-rate housing needs.
- Serve as a catalyst for property development in Charleston and the Kanawha Valley.

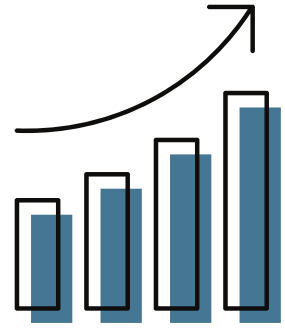
SCOPE OF WORK

- Evaluated demographics and analyzed economic conditions.
- Inventoried existing housing stock rents/costs and availability for market-rate housing.
- Evaluated livability factors.
- Gathered community input.
- Provided housing gap estimates.



CAPITOL STREET, CHARLESTON, WV

The Snapshot



HOUSING GAP ESTIMATES

The study estimated there are **424 units needed** in downtown Charleston within the next five years.

322 rental units needed in downtown Charleston.

102 for-sale units needed in downtown Charleston.

Renter household growth in downtown Charleston is projected to occur among those earning \$60,000+, indicating a **need for higher priced housing products.**

DEVELOPMENT OPPORTUNITIES

There are desirable buildings and parcels poised **for potential development.**

Much of the study area properties are **eligible for Federal and State Historic Tax Credits** due to their location within a National Register Historic District.

Downtown Charleston has three Census Tracts recently designated as Qualified Opportunity Zones (QOZ). QOZs spur investment in communities through tax benefits.

DEMOGRAPHICS & ECONOMIC CONDITIONS

Charleston, West Virginia should explore strategies that offer a diversified housing stock to attract and retain millennials, ages 25-45, and accommodate a senior population, ages 65+.

Focus on **LIVEABILITY**, which creates housing options for all ages, incomes and abilities.

DOWNTOWN'S SUCCESS

atlas lofts

The Atlas Building project is a testimony to the potential for mixed-use rental space in downtown Charleston. The lofts feature 52 premier studios, and 1BR and 2BR apartments with ground floor commercial space. Pre-leasing began in August 2020 and within two weeks, the property manager saw a **pre-lease rate of 44%, well above the national average of 30%.**

The Atlas Building's success is not included in the Bowen report due to the project being under construction.



ATLAS BUILDING, CHARLESTON, WV

parkview lofts



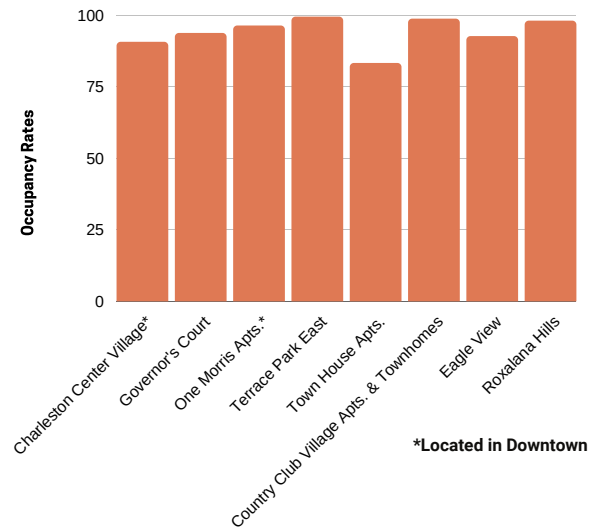
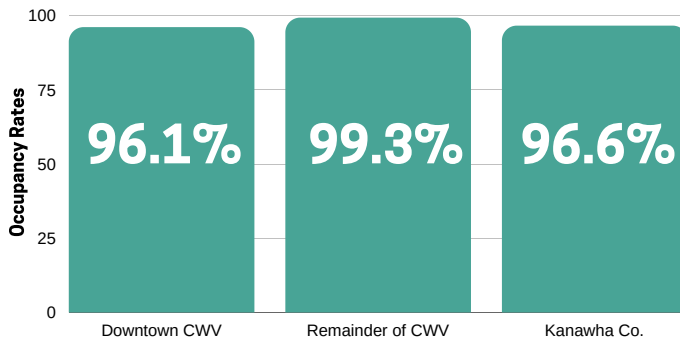
PARKVIEW LOFTS, CHARLESTON, WV

Parkview Lofts is a **success story for condominium development** in Charleston, WV. Based on information from the local Tax Assessor, most of the units sold between \$200,000-\$349,000, with the majority at or above \$270,000. These price points **make for an average price per-square-foot of \$203.**

Most of the available downtown condominium products are priced above \$200,000, with average price per-square-foot between \$136-\$258. These figures, as well as the Parkview Lofts project, are desirable illustrations of pricing potential for new downtown condominium projects.

MARKET-RATE HOUSING INVENTORY

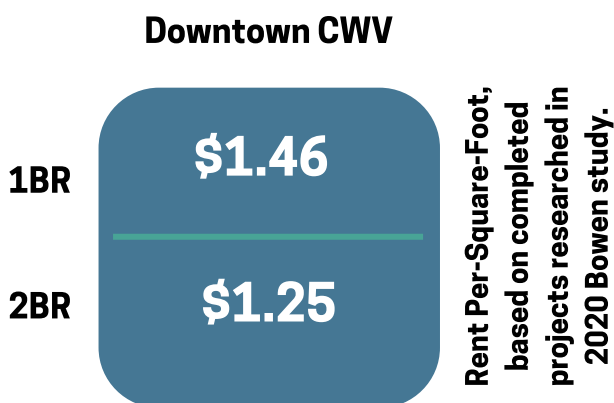
High occupancy rates reveal few choices for prospective downtown renters. **Healthy market rates fall between 94-96%.**



The significant shortage of available units outside of downtown Charleston adds to the rental demand.

Downtown rents among the most common unit types are generally higher, which **indicates rent premiums for downtown development.**

The eight sampled market-rate housing projects have a total of 1,410 units and a combined occupancy rate of 95.3%, indicating a **good level of demand for higher end market-rate rentals.**



The market-rate housing inventory data and rent per-square-foot provides a baseline for establishing rents and features for future, comparable projects.

More recent downtown projects are seeing **price per-square-foot ranging from \$1.17-\$1.76.**

FOR-SALE HOUSING

County-wide home sales remain steady and sell relatively quickly.

Average downtown sales price is \$202,075, which is about **\$20,000 more than the average for the remainder of Charleston.**

City-wide availability rate is 2.3%, within range of typical healthy markets.

LIVABILITY FACTORS



Charleston's downtown is considered a *walker's paradise*, where daily tasks do not require a car.



Strong economic network including employee work locations, community services and retail are concentrated in the downtown Charleston area, making it easy to access work and leisure in a central location.

COMMUTING PATTERNS

Over **47,000 people** commute into Charleston on a daily basis. It is anticipated that as additional housing is added to Charleston overall, the market will have a greater chance of attracting commuters as potential residents to the city and into downtown Charleston. **Attracting less than 1% of daily commuters would fill the housing gap over the next 5 years.**

47,000+
 **Daily Commuters**