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## Rental Market Drying Up Fast

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By CASEY JUNKINS - Staff Writer , Shale Play

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WHEELING - Houses are selling at higher prices, hotels are full and apartments are renting quickly because of the Upper Ohio Valley's burgeoning oil and natural gas industry.

This boom has led to some families in lower income brackets suffering because they say landlords are evicting them in favor of renting to out-of-state oilfield workers, as they can afford to pay much higher rental rates than those who have been living locally for many years.

"We don't have any rentals available now. You would have a very rough time in the rental market," said Kevin McGilton, broker for First Choice Realtors in Wheeling. "The pipeliners are paying a lot of money to rent."

### Article Photos



Photo by Casey Junkins

Lee Paull IV, executive vice president and associate real estate broker for Wheeling-based Paull Associates, agreed that it is very difficult to find "quality rentals."

"We get at least a dozen calls a day from oil and gas people looking to rent. These people are desperate - they are looking for anything," he said. "So many of them are moving in, and they are paying big bucks."

### Strong Housing Market

McGilton, Paull and John Sambuco, owner/broker of Harvey Goodman Realtor, said the housing market throughout the area is very strong now, partially due to the drilling boom. In addition to workers looking for housing, mineral owners receiving lease money or royalty checks may be looking to buy new homes.

"You can buy cheaper than you can rent now. I have sold a lot of houses in

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the past year," said McGilton, noting coal miners also are helping to fuel the local market. "Every agent in my office has someone looking for a rental, but we don't have any. The rental market is very strong."

Paull said those looking to rent are calling about homes that are listed for sale to see if there is a chance the sellers may agree to rent the properties.

"We don't see too many people acquiring properties with this, yet. Most of them just want to rent right now," he said. "But if you cannot find a rental, and your credit is good, you may as well try to go ahead and buy a house."

Sambuco said the past few months have been some of the most productive in the history of Harvey Goodman.

"We have more people coming into the area," he said. "Our area is changing, and hopefully for the better."

"We have something that the rest of the world needs," Sambuco said in reference to the oil and natural gas trapped in the Utica and Marcellus shales underlying the Upper Ohio Valley.

Though he said the rental market is tight, Sambuco said his company has available rental properties ranging in price from as low as \$400 per month to as high as \$4,000 per month.

"There are rentals out there - it just depends on what you want," Sambuco said. "Some people want a house with multiple bedrooms, fully furnished with all utilities paid. Others want something more economical."

Noting that a particular energy company is relocating 100 to 300 of its employees to the area, Sambuco said Harvey Goodman has been selected to find appropriate housing for these workers.

"There are some houses being built in Belmont County. And we have some new condominiums going up on Mills Road, west of St. Clairsville," he added.

There are also several new hotels scheduled to open throughout the area by the end of this year, including the 55-room Comfort Inn now under construction between St. Clairsville and Blaine on National Road. There are also the 83-room Microtel Inn & Suites set to open at The Highlands on Monday, with a Holiday Inn Express also set to soon open nearby. There is also another extended-stay hotel in the works to be built in the Woodsdale area of Wheeling, near the standing SpringHill Suites.

In addition to the new hotels, there are also campsites for recreational vehicles sprouting up all over the area - from Paden City to Valley Grove to Belmont County - for the purpose of accommodating the out-of-state workers.

"Our market is not as strong as what some think," noted McGilton. "A lot of these guys are staying in RVs. If you're staying in an RV, you're not buying a house."

Paull said no one is certain how long the boom will continue, noting, "No one knows for sure how long these people are going to be here. It just depends on how lucrative the business is for them."

#### Low-to Moderate-Income Local Families Left Behind

For as much economic activity as the natural gas boom is creating, some longtime Ohio Valley renters are losing their homes to out-of-state workers because these employees earn salaries much higher than low- to moderate-income residents.

"We have decent, middle-class people staying here now because they cannot afford housing because the oil people have taken all the decent apartments," said Janine Pietras, a social worker at the Wheeling Salvation Army facility. "They are getting kicked out of their apartments and having to come here."

Wheeling Salvation Army Major John Blevins said 26 of the shelter's 35 beds are now full on a nightly basis, a rate he said is much higher than usual for the summer months. He attributes at least some of this high occupancy level to renters having landlords raising their rates to prices far higher than they can afford.

"Some have lost their jobs and could no longer pay their rent," he said. "Others have been forced out of their homes because they cannot afford the higher rents."

"We are seeing a lot of single mothers with children coming in with no place to go," Blevins added. "And beyond that, we just seem to have a lot of younger people who we don't usually get."

Pietras said there are two "families" who have recently stayed at the shelter after losing the apartments they had in Marshall County.

"Their landlord told them they would have to leave for a few months because they were going to do some renovations, so they left like they were told," Pietras said. "They were paying \$450 per month in rent when they left."

"When they called back a couple of months later, the landlord told them they were going to rent it out to the oil people for \$700 a month because they could afford it," Pietras said.

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