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Far Northwest Tucson new-home market hot

'TANGERINE CORRIDOR' DEVELOPMENT BOOMING AT 'ASTONISHING' RATE

A housing boom along the Tangerine Road corridor accounts for nearly 65 percent of new home construction in northwest Pima County.

No longer "out in the boonies," the area is likely five years away from being built out, land brokers say.

"This corridor will dominate the market activity in 2013," said Ginger Kneup, a Tucson residential market analyst and owner of Bright Future Real Estate Research LLC. "It's a matter of lot availability and accessibility. With the Twin Peaks Interchange (on Interstate 10) being finished, it's created a point of access to the area."

Homebuilders are gobbling up land in the corridor, roughly bounded by Linda Vista Boulevard to the Tortolita Mountains and Oracle Road to just west of Interstate 10.

Meritage Homes opened Hohokam Village, an 86-unit development in Rancho Vistoso, northwest of Tangerine and Oracle roads, in August. As of last week 60 homes had sold, said Jeffrey Grobstein, the homebuilder's desert region president.

Meritage will open three new communities in the area this month.

"The spectacular views are hard to beat," Grobstein said, pointing to construction workers on the roof of framed homes with the Catalinas' Pusch Ridge as a backdrop.

He said customers cite the low density and "straight shot" to I-10 as reasons for moving into the area on metro Tucson's far northwest side.

At the north end of Dove Mountain, Meritage is building streets and installing utilities for Los Saguaros at Dove Mountain, the master-planned community west of Tangerine and Twin Peaks roads that is receiving a lot of interest from homebuilders.

"We believe many people interested in this area - baby boomers, empty nesters - still are working or at least like the idea of being in an exclusive area, yet close enough to the employment corridors," said Jacque Petroulakis, a spokeswoman for Pulte Homes, which has just purchased land in Dove Mountain. "Plus, the considerable commercial and retail construction is a huge motivator to find opportunities for the demand we are seeing."

Pulte recently bought 170 lots in Dove Mountain for an active-adult Del Webb community. It is the first phase of a potential 650 lots on 208 acres in the development.

"The timing is ideal as the Tucson market is strengthening with housing demand outpacing supply," said John Chadwick, southwest area president for PulteGroup. "As Tucson continues to be a top retirement destination, this new Del Webb community will provide a prime in-town location."

Kneup said homebuilders are playing catch-up to homeowner demand and while the Tangerine corridor leads the market now, Vail, Sahuarita, Quail Creek and Green Valley are also experiencing a lot of building activity.

The challenge for builders, she said, will be to keep prices low in this still-recovering market as land and labor prices rise.

Will White, a land broker with Land Advisors Organization, said the rebirth of the Tangerine corridor is "astonishing."

He said there is \$80 million worth of pending transactions with builders for land in the corridor.

"That's how sought-after that area is," White said. "All that needed to happen for that area to be a draw was for one homebuilder to be successful. It feeds on itself."

White said the large open spaces will continue to be a draw to the area for at least five years when it will likely be built out.

He pointed to 2009 as the year the corridor got renewed attention.

"Things were still pretty choppy with the economy," White said. "Homebuilders were able to buy lots at really reasonable prices."

With low land prices, builders were able to sell homes in the upper \$100,000 range - something unheard of for that area in the housing market's peak.

Prices have climbed, but are still under \$300,000 for many subdivisions.

"Not unlike any metro area coming out of a downturn there's always an area that's doing better," White said of the Tangerine corridor. "There's a lot of history to that area."

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