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## Housing market contrasts with remainder of state

ELKO — An increase in demand for housing and record low interest rates maintain Elko's healthy housing market.

The number of houses being sold in Elko and Spring Creek is higher than it has been in several years, which, according to real estate agents, is a marked difference from elsewhere in the state.

"It's pretty bad in Las Vegas and Reno. Their markets are ruled by foreclosures," said Jim Winer, owner of Coldwell Banker Algerio/QTeam Realty.

He said the Las Vegas market is still seeing 60 percent reductions in sale prices, whereas the Reno and Sparks area is experiencing a reduction of 40 to 50 percent.

According to Winer, Elko turned the corner a year ago and the sale price here is increasing.

The Multiple Listing Service for the Elko County Association of Realtors shows from 2009 to 2010, the average price of houses in Elko increased 3.9 percent. Prior to this, in 2009, there was a reduction of 5 percent in average sale price, following a reduction of 3 percent in 2008. So far in 2011, the whole market is averaging a price increase of 7.8 percent.

MLS figures show the number of houses being sold throughout the area has increased year-to-date, totaling 346 as compared with 297 from the same time period in 2010. The average sale price is \$249,983 this year, compared with \$222,814 in 2010, although the average number of days on the market increased from 138 days last year to 147 this year.

These totals are for Elko County as a whole, Winer said, however the biggest statistical growth so far this year is within Elko city limits.

Looking at Elko alone, the MLS figures show that the average sale price increased 17.9 percent over the same time period last year. So far this year 140 houses have been sold, which is an increase of 14 houses from the same time period in 2010. The number of days a house is spending on a market is 122 — a week less than the 129 days from last year.

"What we're seeing in Elko is a healthy situation," said Winer. "Elko is the hottest market right now."

In Spring Creek, the average sale price also increased from last year, up 2.5 percent over the same time period in 2010. There have been 152 houses sold this year, which is an increase of 27 from the same time period last year. On average, it's taking three weeks longer to sell a house in Spring Creek, averaging 150 days this year and 127 last year.



According to Winer, while more houses have sold in Spring Creek and the average sale price has increased, it isn't at the rate of the city of Elko.

"All in all it's very positive," said Winer. "Here in three months, when the year is done, is when we'll really have the statistical comparison. I think we'll probably see an increase in the whole market from 7 to 8 percent in the average sale price."

Tammy Bawcom, owner of Bawcom Real Estate, said the average price range in Elko is between \$220,000 and \$230,000, with a number of houses available in the \$200,000 to \$250,000 price range.

Realtors are quick to agree that Elko has one of the better markets in the state.

"We have a functional market, we have both buyers and sellers," said Layne Aufdenkamp, broker and owner of Elko Realty.

The majority of homes being sold by Elko Realty are resales, Aufdenkamp said. There are a few builders building new houses, with the majority being custom homes that sell quickly.

Jesse James, broker and owner of Re/Max Gold, credits the influx of people employed by the mines and the services that follow, as well as low interest rates, as fueling Elko's market.

"From what I understand, Vegas is really bad so a lot of people are coming to our community from those cities ... which helps us out immensely," said James.

The current interest rates also help fuel Elko's housing market. The rates are driven by the credit market nationally and globally, and currently range in the mid to low 4 percent.

"We are at historic lows, absolutely. There's no question," said Bret Gneiting, branch manager of Eagle Home Mortgage. "Rates haven't been this low in 60 years. It's kind of amazing to me."

According to Gneiting, while a 30-year fixed conventional mortgage rate is in the mid to low 4 percent range, for a 15-year fixed conventional mortgage the rate is even lower, below 4 percent.

"It's hard to say how long they will stay this low for," said Gneiting.

Bawcom said she has seen a number of people taking advantage of the current rates by moving around and upgrading their houses. The low interest rates makes it an excellent time to buy a house, she said.

"Our rents are high here because the rental demand is so high," said Bawcom. "If you can qualify for a loan, most of the time you can go out and make a house payment that's less than what you'd be paying rent."

In recent years there have been stricter guidelines on loans, making it more difficult for people with lower credit to qualify.



“It used to be you could get into a manufactured home with lower credit but now the credit requirements for manufactured homes are stiffer than site homes,” said Aufdenkamp.

However, Winer said the residential credit market is finally beginning to loosen up, which should allow more interested individuals the possibility of obtaining a loan.

“I think that things are getting a little more realistic in lending and lending parameters,” Winer said. “As long as you have a good job and a little bit of savings, you can get a loan here in Elko.”

As far as a down payment is concerned, there are still a number of programs available for home buyers. One of the best options is USDA, or Rural Housing, for which Elko County is eligible. USDA provides 100 percent financing on a home and if individuals have some amount of savings and can cover a portion of the down payment, they’re able to buy a house with a low down payment. According to Gneiting, there are income limits associated with the program, and it is geared mostly toward first-time home buyers.

If a home buyer doesn’t have impeccable credit and is worried about being qualified for a loan, they should discuss possibilities with a lender, said Bawcom.

“People just aren’t sure. If they have a ding or two they’re afraid they can’t buy,” Bawcom said. “We’ve had a number of people talk to the lender and be able to buy six months later.”

Bawcom also explained that lenders are required to maintain confidentiality by law and can help guide potential home buyers into houses fitting their budget.

“There’s no sense looking at a \$400,000 house and get your heart set on it only to find out you’re in the \$200,000 to \$250,000 range,” said Bawcom.

Those working with the housing market in Elko agree there is a shortage of affordable housing available to customers.

“There’s pretty good demand right now and not a lot of supply,” said Gneiting.

Some development companies are looking at relieving at least part of this shortage, Winer said, as he has been contacted by companies looking at multi-family and single-family housing in the \$200,000 to \$260,000 range.

Dave Bailey with Bailey Homes is currently working on Spanish Gardens II, behind Home Depot. Bailey said the idea behind the subdivision is to offer an affordable place to live, compared with other housing available in Elko. The cost of those houses begins at \$224,000 and Bailey said some will be available within the next 30 days.

“I think that the market has shown a lot of new families coming in and looking for a place to be able to live,” said Bailey, adding that he’s seen many opportunities to build.



As for commercial rentals, Winer said there's been an increase in the past three or four months as companies look to lease office space and retail space.

"The community has seen the new stuff, which is great because it's one more regional name in the market which helps keep the dollars at home and bring in the next regional name," Winer said, referencing the Elko Junction Shopping Center store additions.

Winer added that regional names are interested in seeing the demographics of the area, and Elko's positive economy helps to draw in interested new names.

"We certainly are a shining part in the state and in the West and the nation," Winer said.