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HOUSING: A few miles down the road

Home prices send house hunters beyond Las Vegas

By [HUBBLE SMITH](#)
[REVIEW-JOURNAL](#)



Kathie Epeneter stands at the Oasis Golf Club's first green near her property in Mesquite. Epeneter commutes some 120 miles to her Coyote Furniture Co. business in Las Vegas. Photo by [Ronda Churchill](#).



Fox Hollow Custom Homes is one of several new housing developments available in Mesquite, a city 60 miles from Las Vegas. Photo by [Ronda Churchill](#).

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There's a trade-off between how far people are willing to commute to work and how much they'll pay for homes.

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You see it in Los Angeles. Commuters drive an hour or two from the Inland Empire to the east and Antelope Valley to the north, where they can find a house for something substantially less than the \$500,000 to \$600,000 prices in Los Angeles and Orange County.

It's happening in Las Vegas to a smaller degree as median new-home prices hover around \$300,000 and local residents look to outlying areas such as Pahrump, Logandale, Mesquite and northern Arizona for more affordable housing.

"They have taken off," Dennis Smith, president of Home Builders Research, said of the rural markets. "With the price of land, all you've got to do is ask them what the price of land was in their area last year and what it is today."

In his March housing report, Smith showed 215 Properties paying \$20,000 an acre for 45 acres in Moapa, JV Properties paying \$25,000 an acre for 40 acres in Sandy Valley and River Village paying \$136,598 an acre for about 20 acres in Laughlin.

"As land prices and the affordability index rise, you're going to be forcing people out of town," said Mark Dunford of Las Vegas-based American West Homes. "I put a

mileage price on it -- \$2,000 a mile."

That means people are willing to drive one mile for every \$2,000 they save on the price of a house, he said. In Pahrump, for example, which is about 60 miles from Las Vegas, new homes can be bought for \$180,000.

Getting to build in rural areas may not be easy. Keith Spencer, a land broker with CB Richard Ellis in Las Vegas, said longtime residents of rural areas who want to preserve the lifestyle they moved there for in the first place will likely oppose new development.

"When you're going into these communities, you're going to have to push back residents who've been there 30 years," he said. "Logandale is a great example. They do want amenities, but not at the price of becoming land-locked. They want that rural life.

"You're going to get some pushing back. You're not going to stop growth, but you have to do it in a friendly manner with conservation."

Many small towns need more facilities such as hospitals and shopping centers to grow their population, said Darrin Badger, partner and director of acquisitions for Focus Property Group.

"Some of those people want services," he said. "When are you going to build a grocery store? Most of them in Pahrump would rather have 2,000 acres of commercial than 2,000 acres of residential homes. They want the convenience of a big town, but they don't want the homes."

Focus, which is developing Mountain's Edge in the southwest Las Vegas Valley, last year purchased Desert Trails, a 600-acre residential community at the north end of Pahrump Valley. Lots are selling for \$20,000 to \$30,000.

William Lyon Homes has about 4,000 lots in the Mountain Falls golf course community in

Pahrump, a development that was started by the late Al Collins.

Rhodes Homes, a private Las Vegas home builder, acquired more than 20,000 acres in Mohave County, Ariz., to build communities near Kingman and White Hills, not far from Bullhead City.

Company owner Jim Rhodes said he chose Mohave County based on its central location between two of the nation's fastest-growing housing markets -- Las Vegas and Phoenix -- and estimates of continued heavy migration of retirees and working families to both Nevada and Arizona.

"When the Hoover Dam bypass (bridge) is completed in 2008, White Hills will be within favorable commuting distance from the Las Vegas Valley," Rhodes said. "It will offer home buyers the option of homes that meet their budgets in a rural setting, with architecturally pleasing, affordable homes on larger lots."

Higher home prices are a derivative of Las Vegas land prices, which have skyrocketed in recent years. The average price per acre increased to \$520,500 in the fourth quarter of 2004 from \$208,700 a year earlier, a 149.4 percent increase, reported Applied Analysis, a local business advisory firm.

The firm also found that parcels ranging in size from 20 to 50 acres, suitable for planned residential development, averaged \$724,300 an acre and represented 21 percent of the 1,817 acres sold during the quarter.

"The availability of large, contiguous parcels continues to be a concern and will likely continue to drive land values north," Applied Analysis' Principal Brian Gordon said.

Concerns over housing affordability will press some home builders to consider alternative markets, he said. The increase in property values can be attributed in part to perceived land supply constraints confirmed by less than 10 years of developable land remaining under the boundary created by the Southern Nevada

Public Lands Management Act of 1998.

Builders in outlying areas have acquired property at prices much lower than they would have paid in the Las Vegas Valley, Dunford said.

"(Land) prices will follow the price increases in Las Vegas. Chances are it will increase in Mesquite, but no, it'll never catch up," he said.

Consumers are willing to pay more to live closer to their employment centers, but those who decide to live farther out still want the amenity base of a master-planned community, said Robert Derck, chief operating officer for Coyote Springs, a 42,000-acre community about 50 miles north of Las Vegas,

"Those really need to be the focus of what developers are looking at. Parks and schools ... that's where the value will be," he said. "We hear a number of people saying they want to get out of the valley because of all the typical issues of urban growth. They are looking outward and that's encouraging."

Coyote Springs has begun grading for a nursery to start landscaping its golf course. Pardee Homes purchased about 8,000 acres and is expected to begin delivering homes by spring 2007.

More than 100 new homes are under construction at Laughlin Ranch, a master-planned golf course community outside of Bullhead City. About half of the land in the first phase has been sold to home builders, creating more than 650 production and custom home lots.

Closer to Las Vegas is The Ranch at White Hills, a 36,000-acre development by Leonard Mardian that will have about 35,000 new home sites upon build-out. The property off U.S. Highway 93 is about an hour and 15 minutes from the Strip, but that time will be cut to less than an hour with the new Hoover Dam bridge, Mardian said.

Allen Bell, economic development and engineering director for Mesquite, said 700 to 1,000 new homes are being built each year in his city, which has grown to more than 18,000 people. He said Del Webb and Pulte Homes are looking to enter the Mesquite home market.

"I think the majority of people want the city to grow because they see that as getting the services and amenities they want," he said.

Smith of Home Builders Research said Pahrump is probably the most attractive rural housing market because of its proximity to the fast-growing southwest Las Vegas Valley.

"Mesquite is a nice place to live if you're looking to retire and play golf. You couldn't find a better place if you want to live in a small town," Smith said.

Like Pahrump, land in Mesquite has doubled in the past year to about \$100,000 an acre, said Jack Riley of Great American Realty.

The difference, he said, is "Mesquite is more like Summerlin is to Las Vegas and Pahrump is more like North Las Vegas."

Riley owns 2,000 acres in what he calls the "Arizona Strip" between Mesquite and St. George, Utah. He said about 1,000 people a month are moving to St. George.

"I think we're in a major trend of baby boomers retiring and looking for a place where it's safe, where the air's clean and it's not in a major metro community," he said.

Kathie and Kent Epeneter, owners of Coyote Furniture store on Craig Road, had a custom home built on the golf course in Mesquite five years ago.

"We deliberately chose to live in Mesquite and put our business in Las Vegas because of the demographics," Kathie Epeneter said.

"The golf course, the real estate prices, the

small-town atmosphere."

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