

# Reality check: New home permits forecast to fall for 5th year in a row

By Roger Yohe, Inside Tucson Business | Posted: Friday, October 29, 2010 12:00 am

Depending on the pace of new home construction in the Tucson region these last two months of the year, there's a slim chance that 2010 could end up on par with the number of new home permits that were issued in 2009. If it does happen, it would be a milestone — putting a halt to a four-year decline in permits.

Housing analyst John Strobeck of Bright Future Business Consultants is now projecting that 1,900 to 2,100 single-family new home permits will be issued for 2010. Through September, 1,608 permits were issued. Last year, 2,007 permits were pulled.

“The final months of the year should have very low volume, just above the 100 mark, as it is traditionally the lowest permit quarter of the year,” he said.

For optimists, that could be enough activity to squeeze into the 1,900 range of permits. Albeit lower than the 2009 total, it's an encouraging sign that the rate of decline is slowing. The reality however, is that a drop in new home permits is likely for the fifth consecutive year.

At the height of the housing market in 2005, builders pulled 12,475 residential permits for Pima County. That dropped to 8,579 permits in 2006; to 5,098 permits in 2007 and to 3,018 permits in 2008.

The 119 building permits issued in September for new single-family homes were the fewest permits for any month in 2010. Year-to-date, the average has been 179 permits per month.

By far, Pima County issued the most permits of any jurisdiction in September at 43 units, which was 36 percent of the total. Sahuarita issued 23 permits, Marana and Tucson issued 17 each, southern Pinal County issued 16 permits, and Oro Valley issued three.

## Sizing up the stats

Analysts at Coldwell Banker have a knack for putting monthly housing data into perspective. Under president Malcolm MacEwen, they size up the stats by looking at some fundamental trends.

Regardless of median and average sales prices, MacEwen contends the selling price per square foot is a better, “more normalized” measurement for the direction of property values. The sale of a few extremely high or low-priced properties skews median and average prices.

In September, the selling price per square foot of \$93 was down from \$96 in August. A year ago, it was \$104. On the sale of a 2,000 square foot home for example, that's a \$22,000 price decline.

A year ago, listed homes sold in an average of 79 days. For September, the period had lengthened to

91 days. A longer days-on-market trend indicates a move towards more of a buyer's market. A downward drift usually favors sellers.

### **Cushing collaborative**

An odd but logical alliance of small businesses has moved into shared office space at 88 W. Cushing St. downtown. Calling themselves a "collaborative design studio," the four companies all are involved in creative services.

Each business has its own office but shares "creativity" in the common area.

Within Studio, owned by Florencia DeRoussel, offers interior design, architecture and space-planning services for residential and commercial clients. Her husband James, owns ForeSite, a landscape design and environmental consulting firm. Ben Cole owns Incite Architects, providing residential and commercial architectural services. And Carla Turco, Florencia's sister, owns nontextual matters, a graphics and website design firm that also does branding work.

"The idea is to have a collaborative design studio, where creativity can flow through the common space at all times. Although we work with other landscapers and architects, clients can share ideas and ask questions just an open door away," said Florencia DeRoussel.

The group is planning a grand opening on Nov. 19.

**Realty firms merger** Casas Adobes Realty, owned by Mike Waling, is merging with Tierra Antigua Realty, the area's largest independent locally owned real estate brokerage. Together, the combined firm will have some 900 agents.

Tierra Antigua, 7423 E. Tanque Verde Road, is owned by Matthew and Kimberly Clifton. Founded in 2001, the company expanded into Sierra Vista this year.

Casas Adobes Realty, 6595 N. Oracle Road, was incorporated in 2000.

"Tierra Antigua offers the kind of high-energy environment that has characterized their 10-year rise to excellence," Waling said. "By merging, we will have access to an incredible suite of technology, the second-largest market share in Southern Arizona, a management team that is involved at all levels of real estate governance, and in general, a company that has some serious buzz about it."

**Sales and leases • Geoff and Elizabeth Beckwith** purchased 12,600 square feet at 4101 S. Longfellow Ave. from **Academy Medical Center LLC** for \$710,000. Jon O'Shea and Rob Fischrup, Vast Commercial, represented the seller. Tony Reed, Long Realty Commercial, represented the buyer.

• **Atlantic Holdings LLC** purchased 3,016 square feet at 840 S. Santa Rita Ave. from **Alvin and Marilyn Burden**, for \$275,000. Paul Hooker, Picor Commercial Real Estate Services, represented the sellers.

- **Catalina Golf Cars LLC** leased 7,000 square feet at 3455 S. Palo Verde Road from **3455 S. Palo Verde LLC**, represented by Tim Healy, CB Richard Ellis.
- **All My Sons Moving & Storage** leased 6,000 square feet at 750 E. Ohio St., Suite 1, from **Ohio Street Building No. 2 Ltd.** Rob Glaser, Picor, represented the landlord. Brandon Rodgers, CB Richard Ellis, represented the tenant.
- **Sushi Garden** leased 5,802 square foot space at 3048 E. Broadway in Broadway Village from **CRI Broadway Village Partners LLC**, represented by Craig Finfrock, Commercial Retail Advisors. Douglas Marsh and Lori Casey, Oxford Realty Advisors, represented the tenant.
- **IMTS Group** and **EMG Enterprises** leased 5,808 square feet at 6420 E. Broadway, Suite A-200, from **EJC Properties LLLP**. Jon O'Shea and Rob Fischrup, Vast Commercial Real Estate, handled the transaction.
- **KnK Kustoms LLC** leased 5,785 square feet at 1430 N. Oracle Road from **Skylight Productions LLC**, represented by Ron Zimmerman, Grubb & Ellis. Frederico Astiz, the Pepper Group, represented the tenant.

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