



Editor's Insights

Lucinda Smedley • published in the February 2021 issue

Once again, a huge thanks to the contributors of the February residential development issue including Jeremy Sharpe of Rancho Sahuarita, who also sponsored the issue; Will White of Land Advisors; David Godlewski of SAHBA; Lisa Hoskin of Meritage Homes; Anjela Salyer of Mattamy Homes; Brett Cadden Anderson of Cadden Community Management; Rory Juneman of Lazarus and Silvyn; Zach Yentzer of Tucson Young Professionals; Paul Volpe of Nova Home Loans and Brent VanKoevering of Long Realty.

The housing shortage that we discussed in last year's residential development issue has only gotten worse. A year ago, there was a two month's supply of existing home inventory. Now it's less than one month of inventory on the MLS! The limited housing supply is impacting affordability as median existing pricing is up 11% YOY.

2021 is expected to be another strong year in terms of housing demand. A recently released report from Redfin predicted that Tucson will be one of the hottest housing markets in 2021, along with San Antonio and Tampa, Fla. For years, Americans have been leaving expensive coastal cities for more affordable southern cities such as Austin, Phoenix and Miami, according to the Dec. 15 report. But those big cities have become unaffordable for both current residents and new potential migrants. As a result, nearby smaller cities such as Tucson, San Antonio and Tampa will experience an increase in population and demand for homes, which will heat up those housing markets the most in 2021, Redfin reported. Tucson homes cost 21% less than Phoenix homes (\$265,000 compared to \$336,000).

In addition to getting more lots developed, a couple of potential solutions to the housing shortage include building more apartments, especially geared toward retirees looking to sell their homes in favor of a low maintenance lifestyle, and increasing density within central Tucson where many single family homes are on quarter acre lots. Late last year, Tucson Mayor and Council directed Planning and Development Services to begin the process of amending the Unified Development code to define and permit Accessory Dwelling Units in order to promote this affordable housing option in a manner that is compatible with existing neighborhoods. The Mayor and Council ADU presentation and timeline can be viewed here: https://www.tucsonaz.gov/files/pdsd/projects/ADUs/ADU_Presentation_MC_Nov_17.pdf

First Quarter 2021 Industry Events

February 5, 2021, 12:00–1:00PM Tucson Young Professionals is hosting a panel discussion on housing affordability and cost of living in Tucson. The panel includes Liz Morales, Housing and Community Development Director, City of Tucson; T Van Hook, CEO, Habitat for Humanity Tucson; and Marcel Dabdoub, Principal & Owner, CID Holdings. Register at <https://www.eventbrite.com/e/typ-advocacy-lunch-and-learn-housing-affordability-in-greater-tucson-tickets-137905199163?fbclid=IwAR09rS3BcNanjhPHitJ7knMTCyOt2vB5oEeOATDR2faAGFRRJYSI3SZI2BU>

March 18, 2021, 8–10AM Pima County Real Estate Research Council will hold its First Quarterly Meeting which will feature a presentation by Sara Baker of Baker, Peterson, Baker & Associates on the findings from the Development Incentives Study that she is undertaking in partnership with Metropolitan Pima Alliance. Register at <https://pcrerc.com/public/>

March 26, 8–12PM Join IREM, Southern AZ and Central AZ CCIM Chapters for a VIRTUAL Economic Forecast Event featuring KC Conway, Chief Economist for CCIM, and moderated by Pete Bolton of Pete Bolton Co. Register at <https://southernazccimchapter.com/meetinginfo.php?id=24&ts=1608661570>

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