

Residential sales down in 2004

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NEWS-SUN
Construction of new homes is not the only factor in the housing market. Sales matter just as much if not more than the number of homes being built.

According to the figures, however, Hobbs did not make any progress in sales. Even with all the building going on, the number of home sales actually decreased in 2004 compared to a year earlier.

In 2004, 362 homes were sold for \$30.2 million compared to 398 homes sold for \$28.4 million in 2003 — a difference of 36.

But these figures are also only part of the story.

Realtor Monty Newman, also the Hobbs mayor, said while overall sales may be down, the number of sales in the \$100,000-\$160,000 range has increased.

"We've had a lot more activity (in this range) than we've had in prior years," he said. "That segment of the market has grown, and that's just last year."

What's more, the median sales price of a Hobbs home increased by about \$13,000 to \$72,000.

Time is another factor affecting the market.

In 2000, for example, a home was on the market for 160 days on average, whereas now it takes about 90 days to sell a home. In 2004, the average days on the market was relatively close to the 2003 rate.

But why were fewer homes sold

in 2004 vs. 2003, especially considering the number of new homes being built has increased? Forty-eight homes were built in 2004 compared to 28 in 2003 and 12 in 2002.

"My suspicion is that has to do with the lack of inventory or the lack of multiple housing opportunities," Newman said. "In other words, we had people out there that would have bought if a product were available. That means if I was looking for a town house but I couldn't find one or I live in a large home and want to move into something smaller with a minimal yard."

Although the number of sales has grown in the \$100,000-\$160,000 range, Newman said he believes there's not enough homes within that range to meet the needs of all prospective buyers.

"I think we're pretty weak there," he said.

While some would argue the Hobbs market is weak in the \$40,000-\$80,000 range, Newman noted the sales numbers within this range have been stable over the past four-five years.

Regarding construction, he said he foresees the number of new homes increasing slightly in 2005 despite the building market experiencing its usual slow period this winter.

But with the holiday season over and tax time nearly over, Newman said many people will begin making their serious buying decisions in the spring.



Despite all of the new housing development in the city of Hobbs, figures show that housing sales for the year 2004 were actually down from the year 2003.

Homes

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"Business is much better than last year, and last year was good," Shaw said. "In the next two-five years we really feel it's going to be a strong housing market."

The only weakness Shaw sees in the current market is the availability of subcontractors, and sometimes his company needs to wait a little longer for a subcontractor than it had in the past. When Shaw Ventures gets busier, as the contractor expects in coming years, he said there could potentially be a problem with finding subcontractors.

"With news of the economy improving we hope it will bring in experienced subcontractors and construction workers," Shaw said.

The contractor, who also does commercial projects, added he would like to continue doing a mix of commercial and residential.

John Boyd of Tejon Construction said the market is pretty slow right now, but he noted that's normal for this time of year.

"I have two under construction but they're both sold," he said. "I haven't had a spec house on the marketplace to see whether they're knocking the door down or not."

Both construction projects Boyd has sold are in North Hobbs — one is on Cordova and one is on Corto Court.

While some are describing the Hobbs market as a housing boom, Boyd wasn't so sure. During a typical housing boom there

is usually a significant demand for spec homes, but he said that's not happening.

"I'm not seeing it as a 100-house demand type deal; demand is on the lower range," Boyd said. "I don't see a lot of people moving into Hobbs looking for housing like in the early '80s."

Still, the contractor has high hopes for the market, noting there is a huge demand for rental properties and that he might do a spec home in about four months.

"I think we're going to get busier," Boyd said. "The more things that come to Hobbs, the more we'll need housing. The more jobs we create, the more demand there is for housing."

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