

Builders turn to southwest Valley

Valley housing explosion marches toward Buckeye

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The new No. 1 spot for Greater Phoenix home construction is the southwest Valley.

Goodyear, Avondale and Buckeye are leading the west side's construction craze, not the northwest communities of Peoria, Surprise and northwest Phoenix, according to recent numbers.

The West Valley stole the top housing positions from the East Valley two years ago, largely because of residential construction in the northwest. But in the past three months, attention has shifted to the south.

"It's the new West Valley," said Greg Vogel of Arizona Land Advisors. "Home builders have jumped over the big boxes in Tolleson and are rapidly building in Goodyear and farther southwest."

Nearly one out of four new homes sold in the Phoenix area during the first three months of the year were in the southwest Valley, according to housing research firm Meyers Group.

More house for the buck, easier freeway access and new retail and jobs, including big-box warehouse facilities, are drawing the many new buyers.

The northwest area's market share slipped a few percentage points to 21.5 percent.

Together, the southwest and northwest Valley areas drew more than half of all new home sales during the first quarter. The East Valley's share was 33 percent.

Predicted in '70s

Failed developer Charles H Keating Jr. predicted the shift in the '70s with his Estrella development in the far southwest Valley. But he was a few decades too early because housing headed to the East Valley and North Phoenix.

Now, though, the 20,000-acre Estrella project is a big reason behind the home building shift. It posted a record 161 sales during the first quarter of this year, up 68 percent from the 96 a year earlier. Housing analysts say Estrella Mountain is part of the gateway to the new southwest Valley.

More than 210,000 homes are planned for an almost 100,000-acre swath of the southwest Valley starting at Tesota Hills near Jackrabbit and Indian School roads and spanning out to the huge Douglas Ranch project starting at 307th Avenue.

”It was bound to head that way. It just took longer than many expected,” housing analyst R.L. Brown said.

One of the new developments in the area, Hancock Communities’ inexpensive Sundance project in Buckeye, has sold more than 300 houses this calendar year.

But not all homes in the new housing hot spot are on the affordable end. Litchfield Park has custom home sites selling for more than \$300,000.

Mix of Houses

And DMB’s Verado will have a mix of houses, including high-end golf course homes similar to some in its north Scottsdale DC Ranch project.

“The West Valley is rapidly changing,” said Drew Brown, president of developer DMB. “It’s not all about affordable homes anymore. If you go further out, the desert is beautiful.”

The area is bound to draw even more buyers as the Loop 303 opens up.

What’s also helping the area draw new residents is the new employers and shopping in the southwest.

Target opened a huge distribution facility in the area last year. Now several manufacturers are eyeing the area for sites.

Retailers, clued into the area long ago, are planning a wave of new shopping centers and grocery stores to tap consumers moving in. Mall developer Westcor has its eye on a spot in Goodyear for one of its next big malls, and power center developer Vestar has sprinkled the region with power center sites.

West McDowell Road is vying to become the Valley’s next hot retail corridor.

Judi Butterworth, a retail broker at CB Richard Ellis, said the street has taken off from the new Harkins Theatres complex near 99th Avenue in Avondale past Litchfield Road, where an outlet center was overhauled and built out with stores such as Best Buy and Barnes & Noble. Westcor’s mall site is just west, at McDowell and Bullard Avenue.

But McDowell will get competition as the action moves even farther west, Butterworth said, and such streets as Miller, Watson and Yuma roads, the Loop 303 corridor, and Cotton Lane south of I-10 come into serious play. Look for a raft of supermarkets and power centers chasing the new houses.