



Order 7 Day Delivery  
Get a Free Gift  
Subscribe Now

NEWS

- [Home Page](#)
- [Local News](#)
- [Weather Forecast](#)
- [Obituaries](#)
- [Nation and World](#)
- [Today's Photos](#)
- [Photo Gallery Archive](#)
- [Special Reports](#)
- [Burning Man 2006](#)
- [2006 Election News](#)
- [2006 Voter Guide](#)

NEIGHBORHOODS

- [Reno Central](#)
- [Sparks Central](#)
- [Spanish Springs](#)
- [North Valleys](#)
- [Northwest Reno](#)
- [Southwest Reno](#)
- [South Suburban](#)
- [Southeast Reno](#)

COMMUNITIES

- [Carson Times](#)
- [Sparks Today](#)
- [Fallon Star Press](#)
- [Mason Valley News](#)
- [The Leader-Courier](#)
- [Truckee Today](#)
- [NevadaNet](#)

SPORTS

- [Today's Section](#)
- [Golf](#)
- [Reno-Tahoe Open](#)
- [Wolf Pack](#)
- [Sports Columnists](#)

ENTERTAINMENT

- [Home Page](#)
- [It's Your Weekend](#)
- [Music](#)
- [Movies](#)
- [Blogs](#)
- [Best Bets](#)
- [Nightclubs](#)
- [Comics](#)
- [TV Listings](#)
- [RGJ Datebook](#)
- [Sudoku Puzzle](#)

BUSINESS

- [Today's Section](#)
- [AP Business](#)
- [E Technology](#)

DINING

- [Eating Out](#)
- [Food & Drink](#)
- [Sierra Dining Guide](#)
- [RGJ Dining Blog](#)

LIVING

- [Today's Section](#)
- [It's Your Weekend](#)
- [Health](#)
- [Reno Magazine](#)
- [Announcements / Weddings](#)

OUTDOORS

- [Trail Guide](#)
- [Fishing and Hunting](#)
- [Sierra Ski Guide](#)

OPINION

- [Today's Section](#)
- [Send Letter to the Editor](#)
- [Reader Forums](#)
- [ALL RGJ.com Columnists](#)

TOURISM & TRAVEL

- [Reno & Tahoe Guide](#)
- [Trip of the Week](#)
- [Contests & Games](#)
- [Wedding Guide](#)

[Back one page](#) | [Email a friend](#) | [Del.icio.us](#) | [Printer friendly version](#)

## Median-income buyers in the Reno area being priced out of the market

SUSAN VOYLES

RENO GAZETTE-JOURNAL  
Posted: 10/4/2006

[Read or post comments \(story chat below\)](#)

Employers say high local housing prices make it tougher to recruit workers from many regions of the country, prompting fears that some companies may not want to come here after scanning home prices on the Internet.

Local officials also fear that young people will move away, creating a "brain drain."

Matt Pritchard, 22, a junior at the University of Nevada, Reno, for instance, said he doesn't believe he'll get into his first home for at least 10 years after he pays off his student loans. He plans to attend law school and would want to return to Reno if he can afford to buy here.

"It's incredibly intimidating," said Pritchard, who shares an apartment in southeast Reno.

For a conventional loan for a \$250,000 starter home, for instance, a typical prospective homeowner is looking at a down payment of \$50,000. The median price of existing homes in Reno/Sparks in August stood at \$325,000, down 10 percent from a year ago.

But that's still more than double the \$150,000 price of the median-priced home in 2000.

"I'm concerned about our future," said Reno Councilwoman Jessica Sferrazza, who won council support in March to create an affordable housing task force.

"Unfortunately, some of our housing prices are comparable with California, and they pay higher wages than we do."

After hearing that affordable housing is an economic problem, as well as a social one, Sparks and Washoe County elected officials said they will consider joining Reno in creating a regional task force on the issue. The three government bodies met Monday to discuss the issue.

They heard that more people are living in apartments with little hope of home ownership, which for years has been considered the backbone in building strong communities. The Reno task force, including 30 top professionals in the field, signifies the extent and complexity of the housing issue.

Sferrazza, 33, who is attending classes at the University of Nevada, Reno, said she's concerned about the young people she's met this year, including Pritchard. "Young couples who can't afford to qualify for a house, even a starter home. More and more, the American dream is slipping away."

Truckee Meadows Community College

• Over 200 cars from 1892 to today •  
Changing Exhibits • Museum Store

James Dean's 1949 Mercury

MON-SAT 9:30AM - 5:30PM SUN 10AM-4PM  
Corner of Lake & Mill - Downtown Reno  
775-333-9300 - automuseum.org

advertisement

Multimedia and Related Links Below

- Fall turning wintry in the Sierra
- Body found in mine shaft near Halleluja Junction
- Officials alter Kietzke-Neil roundabout plans
- Sparks won't revisit Lazy 8 suit settlement

Related news from the Web

- Home Buying
- Gaming
- International Game Technology
- Home

Powered by Topix.net

POLITICAL BARRIERS:

- Leadership: More successful areas have leaders who identify housing as a top priority.
- Planning: Inconsistent planning has occurred in the region.
- Education: People need to be more aware of connections among housing, economic development, education and quality of life.
- Changing perceptions: People consider affordable housing as a NIMBY (Not In My Back Yard) issue even though it's housing for working people.

Regulatory barriers:

- Government fees can add \$8,000 to \$12,000 per housing unit.
- Special use permits and zoning: Add more fees and time delays.

Development barriers:

- Land: Rising costs and decreasing supply.
  - Water rights: Cost has increased by more than 1,000 percent since 2004.
  - Construction materials: Costs have risen more than 30 percent in two years.
  - Infrastructure: Costs of building roads and other infrastructure can kill a project.
  - Insurance: Costs nearly doubled over past decade, representing 1-3 percent of project cost.
- Source: Barriers to Affordable Housing Development in Washoe County study prepared by Praxis Consulting Group of Reno.

46°F  
Forecast »

Jobs

- » Find a Job
- » Resumes



Cars

- » New Cars
- » Used Cars
- » Car Dealers



Real Estate

- » Classifieds
- » 7,797 Active Agent Listings



Apartments

- » Apartments
- » Homes & All Other Rentals



Shopping

- » Shop Locally
- » Coupons



Classifieds

- » Classified
- » Ad Builder



Calendar

- » Things to do
- » Movie Listings



Dating

- » Search
- » My Profile



Valuable coupon in Friday's paper!

Valuable coupon in Friday's paper!

**SHOPPING**  
[ShopLocal - Brands](#)  
[Local Coupons](#)  
[Grocery Coupons](#)

**WORTH A CLICK!**  
[Contact Us](#)  
[Submit News Tips](#)  
[Delivery & Service Questions](#)  
[Delivery & Subscription Help - 775.786.8744](#)  
[Site Feedback](#)  
[Email Editions](#)  
[Jobs at RGJ](#)  
[Reno Magazine](#)  
[Carson Magazine](#)  
[USA Weekend](#)

**MOBILE NEWS & EMAIL**  
[Email Editions](#)  
[RSS Headline Feeds](#)  
[RGJ.com for PDA](#)

**COMMUNITY, STYLE & NEWS PUBLICATIONS**  
[Western Nevada Homefinder](#)  
 Make home buying easier

[The Business Report of Northern Nevada](#)  
 Offering a fresh, insider look at business.

[Reno Magazine](#)  
 Sept-Oct Issue online now!

[all »](#)

**More Publications...**

- [Reno-Sparks Chamber of Commerce - Business Matters](#)
- [Reno & Lake Tahoe Wedding Planner](#)
- [2005-2006 EDOWN Business Relocation & Resource Guide](#)
- [Valley View](#)
- [Hispanic Chamber 2006](#)

President Phil Ringle agrees.

"It might be the first generation of young people who graduate college, take jobs and are not going to better their parents for their first housing," Ringle said.

Eric Young, a Washoe County planner, told local officials Monday that an unprecedented spike in housing prices has become an issue in recruiting new business and retaining existing businesses.

"When it comes right to the edge of signing the dotted line, employees can't afford to live here," Young said. He was referring to a local economic report on the difficulties of existing businesses recruiting skilled workers here from anywhere except California.

Chuck Alvey, Economic Development Authority of Western Nevada executive director, said he has yet to hear from a company that was close to coming here but backed away because of housing prices. But he said some companies may reject the Reno area after initial research on real estate prices, making no contacts with his agency at all.

International Game Technology, the state's largest manufacturer, with 2,600 employees at its Reno headquarters, has struggled with the real estate issue.

"IGT has seen that the high housing prices in this area, together with a low presence of technology companies, have drastically reduced our ability to lure qualified candidates to Reno from other areas of the country," said Greg Ferro, IGT recruitment director. He said the company has had some recent success in Illinois and the Northeast where property taxes and housing prices have escalated in recent years.

Ringle said the issue was more pressing a year ago at TMCC when several prospective faculty members backed off after checking housing prices. But he said it's still an issue.

To make a difference, Young said local leadership was cited as the No. 1 problem in interviews with 40 housing-related executives in a new affordable housing barriers study for the Truckee Meadows Growth Task Force headed by Phil Satre, retired chairman/CEO of Harrah's.

"Unfortunately, they are talking about you," Young said, as he addressed the Reno and Sparks City Councils and the Washoe County Commission in commission chambers. "As leadership steps up in other regions, the problem goes away."

### Housing help

Renown Regional Medical Center, formerly known as Washoe Medical Center, is taking the issue head on.

It is cooperating with a builder to construct 164 town homes near the hospital, offering them in the mid-\$200,000 price range for employees who make less than \$80,000 a year.

Eric Novak, the author of the new barriers study and a member of the Praxis Consulting Group in Reno, said Reno apartments are nearly full and rents are rising because people aren't moving on to new homes.

"In 2000, people went from renting to housing. But they aren't able to do that anymore. They're stuck."

And many people must have a roommate to afford an apartment.

### Options

The Sparks City Council and the Washoe County Commission on Monday unanimously agreed to consider joining the task force at their next meetings.

After meeting twice in September, the Reno task force has created subcommittees to work on the issues outlined in the barriers study. It also is preparing a position paper for the approval of local officials on 13 recommendations on affordable housing made by a legislative subcommittee in June. They will be forwarded to the Legislature next year.

One of the recommendations includes using one-time, surplus funds for grants for low-income housing. On the local front, the task force is working on local policies and regulations to reduce barriers to housing.

Local officials were urged to consider adopting the same policies for affordable housing so developers don't shop from one jurisdiction to another.

If one entity requires developers to set aside a percentage of affordable units, then the other governments should do the same, said Rob Joiner, a Sparks city lobbyist who has been involved in planning and redevelopment in the region for 30 years.

### Hummers and housing

Joiner would like to see a report on the profit margins of local builders.

Joiner said he'd rather see builders reduce their prices than offer Hummers or \$20,000 to \$30,000 in free upgrades. "But they want to keep prices up," he said.

Richard Salas, 26, a University of Nevada, Reno graduate student studying planning issues, said he was fortunate to have a grandfather help him buy a house in 2002 and set him up in business.

On the Web: [Praxisreno.com](http://Praxisreno.com) Go to services and then research to see the full 134-page report, partially based on interviews with 40 developers, contractors, bankers and others.

advertisement

But he said most graduate students he knows can't afford to buy. As for those who bought a house, he said, "they are living out in Fernley, or they have a lease/purchase option."

Whatever is done in the name of affordable housing, Joiner said local officials will have to balance that against taking money out of taxpayers' pockets. And if government does offer a break, he said it must be structured so the builder isn't simply making more money.