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Home Front: Ten years after the bust, how will Central Valley look?

By Jim Wasserman
jwasserman@sacbee.com

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California's 400-mile Central Valley and its largest metro area, Sacramento, are almost perfect poster children for housing boom excesses that doubled home values, then quickly shredded them in a torrent of foreclosures.

In circles where scholars run numbers and make maps, Highway 99 is a pitiless corridor painted red with danger: damaged credit scores, vacant homes, loan-modification scams, unemployment in the high teens.

How will we view this crisis in 10 years? The topic filled the room Thursday when Modesto-based Great Valley Center took a look ahead at its annual conference in the capital.

The assumption, first off, in a gathering of homeowners losing equity by the minute, was that it will have ended by then.

Yet it was said we'll wonder in 2019 what builders were thinking in the century's opening decade. What was with all the 3,000-square-foot houses – and larger – in Manteca, Modesto and Merced, to name just a few area cities not famous for great-paying jobs? Gone will be the risky loans – with few questions asked – that made such homes affordable in 2004.

"There are too many 3,000-square-foot homes for the low median incomes in the Valley," said Chelsey Norton, a planning consultant with Sacramento-based Mintier Harnish. She said it's not just that most people can't afford them. Many won't want them.

In 2015, just 10 percent of Valley households will be the traditional nuclear family with a mom, dad and kids, she said. The Valley, said Norton, "is increasingly graying." It's filling with a multitude of varying lifestyles, "with people who don't need isolated large suburban houses."

Norton said today's "millennial" generation, born between 1981 and 2001, may have grown up in suburbs. But it wants to live near work and not necessarily in the single-family homes that the boom brought to the Valley.

"How to keep this generation in the Valley?" she asked a crowd of people mostly older than herself. "They want different kinds of housing than that found in the Valley."

It's an old lament in a huge, flat expanse where land has been inexpensive and builders say they were providing homes the market wanted.

Among the possibilities for 2019 is a lot more of the same.

Sacramento-area home builders alone have 109,400 new home lots in varying planning and conceptual stages for a future when the market turns back up, says Metrostudy, a Houston-based building industry tracker.

How many of those lots in El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties are envisioned as single-family detached homes? The type described Thursday as the wrong dominant model for the Valley?

All of them.

Growth is coming

Don't worry, there will be another housing boom. A competing panel at the Great Valley Center conference predicted 13.6 million people living between Bakersfield and Redding in 2050. That's about the time this month's high school graduates will retire.

Today, there's just shy of 7 million people in that area – about one-third of them in the Sacramento region. The good news for the capital: It has been gaining brains and income with its growth, according to Joseph Hayes, research associate at the San Francisco-based Public Policy Institute. Not so for the rest of the Central Valley, he said.

Elliott on top builders list

Folsom-based Elliott Homes is back on the list of the top 100 U.S. home builders. Builder Magazine ranked the privately owned local firm 92nd nationally with 298 escrow closings in 2008 and \$149 million in revenue.

Elliott was the only regionally owned Sacramento builder to make the list. Last year, the firm ranked 117th nationally.

Texas giant D.R. Horton Inc. ranked first with 23,915 escrow closings and \$5.8 billion in revenue, according to the trade publication.

Eskaton house honored

A Roseville house built by Carmichael-based Eskaton to showcase advances in housing America's elder generations has won top honors from the National Association of Home Builders.

The NAHB, a trade group for U.S. home builders, designated Eskaton's 1,850-square-foot house – a joint venture with Roseville's Lakemont Homes – the best detached home in an active adult community in the United States. The house at Eskaton Village off Blue Oaks Boulevard offers a futuristic peek at how 70 million baby boomers might live in their 70s and 80s.

Eskaton touts the demonstration home, which has attracted visitors from throughout the United States, as a learning center for architects, builders, students and older adults.

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