

# VISALIA TIMES DELTA

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## Study: Visalia has the most affordable unaffordable homes in California

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Visalia ranked as California's most affordable housing market in a new HomeArea.com survey looking at cities with populations greater than 60,000.

The survey used Census Bureau data and a look at median housing prices divided by median income, as recommended by the World Bank and United Nations. The ratio was used to measure housing affordability in more than 100 cities across the Golden State.

Visalia scored a 3.6 — anything above 3 is considered unaffordable by the standards used in the study. Clovis and Bakersfield — two other Central Valley cities — rounded out the state's top three.



A new HomeArea.com survey ranks Visalia as the No. 1 most affordable housing market in the state. For many families, however, home-ownership remains out of reach.

The findings come as no surprise to Mike Allen and Mike Gutierrez, co-owners of Century 21 Jordan-Link & Co., Visalia's largest real estate firm.

They say that in California, only Los Angeles is busier than Visalia's Century 21 branch. Last year, their team of more than 150 agents sold about 1,000 homes within Visalia city limits alone.

"We like to say that Visalia is the hidden jewel of the Valley," Gutierrez said. "The city has grown over the past few years, and with that growth, it has more and more to offer prospective homebuyers."

Allen says that the Visalia home-buying demographic is diverse but mainly comprises two groups: Young families who return to Visalia after college and empty-nester Baby Boomers relocating to smaller homes.

"People are excited to get out of the Valley, until it comes time to make that first rent or mortgage payment," Gutierrez said.

The average home price in Visalia is about \$280,000 after accounting for new construction and ongoing developments sprawling around the city.

"Most people assume that new housing is concentrated in northwest Visalia, but a lot is happening at all corners of the city," said Visalia City Manager Randy Groom. "New developments are fairly evenly distributed where land is available."

In 2018, Groom approved construction permits for 504 single-family dwellings at an average cost of \$240,000, a 4 percent increase from 2017. Gutierrez points out that those numbers only reflect construction and developer costs, however.



Construction across Visalia is up as city remains relatively affordable for families.

The final sale prices are likely to be much higher.

"These newer homes will likely sell for between \$300,000 and \$380,000," Gutierrez said. "They target mainly upper-middle-class residents — couples who work as nurses or correctional officers, for example — who have built up enough equity in their first homes to buy something nicer." While 4 percent annual growth may not sound like much, if that rate remained constant, Visalia would add nearly 15,000 single-family homes over the next 20 years — an estimated 60,000-person boost to the population.

Despite an influx of growth and new homes, Gutierrez says Visalia should avoid many of the same problems that have beset other burgeoning bedroom communities.

"We've seen other markets experience this kind of pain. Bakersfield, for example, has transitioned into more of a bedroom community with its proximity to the Grapevine," he said. "Many choose to commute from there to LA for work, which can inflate home prices."

Gutierrez says Visalia is far enough away from those commuter hubs to insulate the city from coastal carpetbaggers who artificially drive up home prices.

"We expect the market to stabilize over the next few years as rates increase," he said.

#### A tale of two cities

While Visalia's more prosperous residents enjoy some of the lowest housing prices in the state, local affordable housing experts point out that the area also suffers among the highest rates of poverty in California.

One in five Visalians live in poverty, according to [the latest Census Bureau data](#), and across the county it's closer to one in four.

Last week, the Kings and Tulare Homeless Alliance preliminary registered close to 400 homeless at the Anthony Community Center during their annual point-in-time count.

"We were surprised to see these survey results," said Tom Collishaw, CEO Self Help Enterprises, which works with low-income families across the Valley to build starter homes for affordable prices. "Most new homes in Visalia are move-up, even luxury homes out of most residents' price range."

"Anything over \$200,000 leaves out a large swathe of the population," he added, pointing out that popular real estate listing site Zillow pegs Visalia's average home price at about \$240,000.



Betsy McGovern-Garcia, program director over real estate development for Self-Help Enterprises, stands in front of the five-acre vacant lot in northeast Visalia where her organization wants to build 36 apartments for low-income families in this Feb. 2015 file photo.

Using Gutierrez's earlier \$280,000 figure, Visalia would land at 5.1, a 1.5 point increase — bumping it out of the top five in the HomeArea.com survey altogether.

It's possible that other markets have experienced similar increases since the last Census update.

"Everybody knows the story of people paying \$3,000 a month for a small San Francisco studio, so they consequently think that the Central Valley's housing problems pale in comparison," Collishaw said. "It is no less stressful for Central Valley residents chasing homeownership than those in our coastal communities, relative to their average incomes."

Brian Gilbert says he thinks about that reality often.

As a Realtor and Visalia Emergency Aid Council board member, Gilbert is a firsthand witness to both Tulare County's immense poverty and relative prosperity.

"It is our responsibility (as Realtors) to find ways to get people into homes — to eliminate those barriers-to-entry that keep many would-be first-time buyers away," he said.

Gilbert acknowledges that's easier said than done.

"How do we get out of being one of the poorest counties in the state to become prosperous?" Gilbert said. "Otherwise, we'll be stuck in a morass of poverty."

Gilbert has one possible solution: Bringing a four-year university and higher-paying engineering jobs to the area.

"All service industry jobs in the county come to Visalia — we've become a service industry hub, which is important but ultimately just an OK living," he said. "We need to move beyond that and start thinking bigger."

In the meantime, Rhonda Haynes, a city-appointed affordable housing specialist, says Visalia offers assistance to struggling first-time homebuyers who have so far been woefully underutilized.

The Cal-Home Reuse program provides down payment assistance to first-time buyers who meet certain requirements. To qualify, Haynes says you must gross below \$47,000 each year — 80 percent of Visalia's average annual income — while the purchase price maximum is \$204,000.

"(Cal-Home) Provides people with an opportunity to own a home at an affordable rate," she said.

Despite a lot of interest, Haynes admits that no one made use of the program in 2018. She encourages prospective homebuyers who may need a little boost to give her a call at 713-4460.

"There is a need for homebuying assistance out there in Visalia," she said.

Top 5 California cities with most affordable homes:

1. Visalia, 3.6
2. Clovis, 4.1
3. Bakersfield, 4.2
4. Hesperia, 4.3
5. Victorville, 4.3

Top 5 cities with least affordable homes:

6. Newport Beach, 15.0
7. Santa Monica, 13.7
8. Glendale, 13.4
9. Santa Barbara, 13.0
10. Palo Alto, 13.0