

ASU begins to stir real estate buzz

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Lee Barnes said there's about 15 realtor cards lying around the inside of the vacant bar and restaurant, Nancy's Ice House.



Realtors and Main Street merchants said they expect the current vacant properties for lease and sale to start moving on the market now that Arizona State University is opening a campus one block away from the city's downtown. Jackie Leatherman/News-Herald Photos

"Every time a realtor goes through they leave a card," he said. "It's had a lot of traffic. I think there are a lot of people that are interested. The way the economy is right now, (I've been) real happy with the traffic that has gone through."

The place shut down about a year ago and has only been on the market for about three months, he said.

And now there is a "sale pending" sign perched on the corner of 2061 Swanson Ave. — right down the street from where Arizona State University expects to open a campus in the fall of 2012.

"I think in the real estate business, they say location, location, location," Barnes said. "For that type of business, it's the closest location to the ASU campus. It makes it a very good location."

ASU's President Michael Crow visited Lake Havasu City in May and announced that one of the nation's largest universities would open its first campus outside of the Phoenix area in this small city by the lake. An official agreement is expected in the coming months.

Recently, realtors' phones have started ringing a little more and they've been sifting through a few more e-mails in their inbox.

From commercial to residential, from Main Street to back streets surrounding the former Daytona Middle School at 98 Swanson Plaza — no one really seems to know exactly how the coming of ASU will affect real estate in the immediate area.

But several people are echoing the same message: that corner of downtown will change — it's just a matter of when.

Main Street

The planned ASU campus sits one block behind the city's Main Street on McCulloch Boulevard.

Currently, there are six commercial properties for sale on McCulloch Boulevard between Acoma Boulevard and Riviera Boulevard, which covers the Main Street stretch. The average prices for the properties equals \$950,000 and they've been on the market for more than one year, according to Armando Contla, the president of the Lake Havasu Association of Realtors.

"Commercial real estate has not been selling the past year," he said. "Nothing that has been on Main Street has sold on Main Street in the past year. ... In my opinion, you are going to see an increase (in sales). You are seeing a lot of the buildings that were vacant being occupied more and more now. People are looking at the downtown area."

Contla said his real estate company, Arizona Turquoise Properties — located on Main Street — isn't seeing an "over abundance" of calls inquiring about available real estate, but he said residents living within the one-mile radius are calling and asking about if they should sell their homes and when.

"Your property is more desirable at this time because of the campus," he said. "Is it worth more? Only what the market can bear."

He said he foresees investors wanting to buy homes in the area to use for student housing rentals.

But Contla doesn't expect a commercial property-buying buzz to occur for "a while."

"We are probably about another year away before commercial properties (are) being sold," he said.

But at least two business owners, Donna Brister and Eileen Nexsen, said they decided on a Main Street location to open their coffee shop in October 2010 after they learned that the university was considering the area for its campus.

"We chose to do the shop on Main Street because we were hoping that ASU was coming and that would make a huge difference," Nexsen said. "We looked for a long time to find just what we wanted."

She, too, said she expects ASU to have a positive impact on Main Street.

"I just see the empty buildings filling up with different businesses that are going to cater to the students and faculty," she said. "That's the beauty of having a little college town. You get that atmosphere."

Steve Ferrin, whose family owns Cosign and Design furniture store at 2088 McCulloch Blvd., said he could see more pubs, pizza shops, and internet-based cafes opening along Main Street.

“We would certainly hope the vacant buildings would fill up a little and find some use for the vacant lots,” he said.

Vacant lots

Bob McClory bought nine vacant lots surrounding the former Daytona Middle School in 2004.

First he was going to build a strip mall, then it was announced that The Shops at Lake Havasu was being built. So he scrapped that idea, he said.

Then he was going to build a gate-guarded community, but then the housing bubble burst.

Then he thought about an assisted living center, but then that market started degrading as well, he said.

“Now it’s just empty land,” he said.

Empty land that lines the coming ASU campus.

McClory is the largest, vacant landowner in the immediate campus area.

“When I heard that they were going to close the (Daytona) school, all of us with land or buildings around there were left with feelings of despair,” he said. “The overall value of the area was going to diminish. There would be less people around. ...It was a total surprise when we heard it would be a college.”

McClory said it could be years before ASU would need to expand its campus, and maybe need his land, but he said good developers don’t make decisions unless they have done their research.

“(I) know a lot of the people who are involved in ASU,” he said. “I had discussions with them. They know that I own the land. Nobody has ever mentioned anything specific about it. (It’s basically a) 4.5-acre piece of land right next to the school. But honestly, the school is starting small and they’ve got plenty of parking space and everything.

“This piece of land may become a part of it eventually. I don’t know what it will be. Private housing, parking, it depends on how big the school really gets. I understand the interest in the school is pretty high. Whatever happens with it, I think it will be a while before we see anything. ... We look forward to it developing.”

Surrounding neighborhoods

Jeff Nyberg lives off of Cypress Drive almost right across the street from the expected ASU campus.

He said the college has motivated he and his wife to go back to school.

“(I’m) excited about it,” he said. “I’m probably going to go there.”

Nyberg said it wouldn’t bother him having college students living in the area.

Several other residents living in homes behind the property said they were glad the campus was opening, and they, too, weren’t concerned about an influx of college students.

“To me, the education is more important than a little bit of noise and a little bit of traffic,” said 67-year-old Vic Balderrama. “Education is the most important thing. I’m glad to see more educational things in this city, more education and a little more culture. To see a little more college atmosphere around here, I don’t think it will hurt.”

Carl and Pat Kilefner said they expect their property values to increase because of the campus, but they did say they had concerns about who would buy the house for sale right next to them.

“I think it’s a good idea to see the college going in,” said 78-year-old Carl Kilefner. “If (the buildings) would just sit there and deteriorate, it would be vandalized. Even though college students party a lot, I don’t think it will affect us. ... I think it really increases the property values around here.”

Hotels to housing?

Reggie Bhakta, owner of America’s Best Value Inn at 41 S. Acoma Blvd., said he’s thinking about converting his hotel into studio apartments for students. The property sits right next to the campus.

“We are proud of Lake Havasu City bringing ASU into Lake Havasu,” he said. “It’s a benefit for everybody.”

Bhakta said he’s “planning” already for the conversion.

“(Is) ASU going to buy this property? We would love to sell it to them,” he said.

But residents and employees at two condominiums right across the street from the campus were more apprehensive about college students living in the area. They said they can’t see the properties converting to student housing.

“I wouldn’t like college students living in this area, that’s for sure,” said Karen Feurestein, who lives in the condos directly across from the campus. “Because they are going to be big trouble, you know how kids are. We don’t really like it, but what can you do?”

Down the street, the Aztec Apartments at 2078 Swanson Ave. has a huge sign stating new ownerships. The vacant building has recently been painted and is undergoing renovations.

All along Swanson Avenue, there are signs for properties for sale.

Including three vacant lots that Havasu Management Services, Inc.'s owner Bob Bennett has had for sale for more than a decade.

“I don't see any way that the prices are affected by the college at this point,” he said. “I don't see sales increasing or anything because of it. I'm in favor of them having the campus. I wouldn't mind if they came over and bought this cotton-picking property, but I don't anticipate it ever happening.”

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