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# SE oil boom outpaces housing

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HOBBS – As the southeastern region of New Mexico faces a housing shortage thanks to a Permian Basin oil boom, several planned projects have fallen through.

A number of affordable-housing projects in recent months have fizzled in Hobbs and in surrounding Lea County despite the pressing demand for housing near the Texas border.

For example, a planned 60-home, 12-acre mobile home park that sought to bring homes selling at less than \$100,000 fell through last month due to a lack of financing.

“I was having challenges getting the financing secured. That is what killed it,” Albuquerque developer Tony Lopes said of his planned Willow Creek subdivision. “The banks out here in Albuquerque were unwilling to loan on something that was ‘too speculative.’”

Meanwhile, a proposed 60-unit affordable senior-living apartment complex in Jal and Eunice flopped earlier this year when the developer, Chelsea Investment Corp., didn’t secure state tax credits.

A similar problem plagued Albuquerque-based YES! Housing and a planned 72-unit affordable apartment complex near City Park in Hobbs. YES! also failed to win a bid for highly competitive state tax credits.

Oil production in New Mexico has increased by nearly 50 percent over the last three years, making it one of five Western states that have helped boost national production over the last three years.

Statistics from the U.S. Energy Information Administration show onshore oil production increased nationally by more than 2 million barrels a day – or nearly two-thirds – between February 2010 and February 2013. The Permian Basin stretches from New Mexico to Texas.

Still, despite that boom, Lisa Hardison, president of the Economic Development Corp. of Lea County, said banks don’t typically understand the area’s economy.