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This NM city has lots of jobs but not enough places to live

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Carlsbad has at least three major industries that are creating hundreds of jobs in the southeastern part of the state—the potash, oil and nuclear industries. And as more people move to the city for work, local officials say the city and surrounding area is suffering from a housing crisis.

Local officials in Carlsbad report all of the city's apartments have waiting lists and hotels are being used as living quarters. Despite the demand for more multifamily housing, few developers have moved into the market to build new complexes.

[Shannon Summers](#), local development coordinator with the Carlsbad Department of Development, said the area is in desperate need of new product. The town has only built three new apartment complexes since 2009, she said.

A March 2015 survey of 35 employers in the Carlsbad area showed 42 percent felt the lack of housing was making it difficult to recruit employees. What's more, Eddy County's 2015 Affordable Housing Plan shows the county, which includes Carlsbad, Loving, Artesia and unincorporated areas, needs an additional 9,000 housing units to meet the growing demand.

Additional housing will be needed as more jobs come down the line, too, including the \$1 billion potassium sulfate mine being developed by Intercontinental Potash that's expected to create 450 long-term jobs.

"A lot of people seem to assume since oil and gas prices have gone down that we're suffering. That's not the case," Summers said. "A lot of things are coming and it's creating a huge snowball effect."

Summers said the city and county are trying to attract more developers to the area to address the housing gap. She said Carlsbad is offering an infrastructure incentive. Because most sites aren't shovel ready, the city will give a 15 percent reimbursement to developers who install

infrastructure such as sewer and water lines.

The problem, Summers said, is that few banks are willing to provide the financing to build new multifamily housing complexes.

[Don Murphy](#) who has built two apartment communities in Carlsbad, agreed. Murphy said banks don't want to lend to smaller markets, especially when those same dollars could be spent toward similar projects in primary markets.

It took him more than a year to gain financing for his project, The Avalon at Carlsbad. He used a federally insured program that's tied to job creation to secure a 40-year conventional loan with a federal guarantee.

"I had to prove to my lender that there is job creation in the future," Murphy said. "I had to go to all these major employers and gather job growth projections over the next five years and letters of support."

For Murphy's latest projects in Hobbs and Lovington, he and his business partners secured bank financing from a Texas firm. He suggested developers considering projects in Carlsbad need to have a strong relationship with their lender.

"It takes aggressive lenders who believe in their borrowers and in the market," Murphy said.

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