

Lab morale contributes to buyers' market

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The psychological impact of low morale at Los Alamos National Laboratory is also having an affect on the local real estate market, according to local real estate experts.

In essence, it is a buyer's market right now, but the problem seems to be that there are no takers.

"We are a micro-economy, relative to the rest of the national scene," said Bill Deal of Mary Deal Realty. "We are very much affected by the lab, and as the laboratory goes, so does the rest of the Los Alamos economy."

Deal, who is a retired lab employee and has lived in Los Alamos since 1950, said many psychological factors are currently driving the market.

There are currently 117 homes on the market within the county, which has roughly 6,500 dwellings, Deal said. That number is not the highest number of homes ever for sale in Los Alamos County, he explained. There have been more homes for sale, for example, during periods of lay-offs at the lab.

However, the current hiring moratorium at the laboratory is creating a ripple through the town's economy, he said, and that accounts for one of those psychological factors.

Normally people will come check out the housing market when they are interviewing for jobs at the laboratory, said Mary Anne Beard, also of Mary Deal Realty. Beard is also the president of the Los Alamos Association of Realtors.

"There just does not seem to be a lot of buyers out there right now, for whatever reason," Beard said.

A hiring moratorium has been in place in the lab since November 1999. It is essentially a hiring freeze lab-wide, except for the hiring of what the lab calls "strategic hires," according to Kay Roybal, a spokes-

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woman for LANL's

public affairs office. The hiring moratorium in November was supposed to be for 90 days, she added, but later was extended. In addition to the current hiring moratorium, the laboratory has been in a "controlled hiring" mode

since 1995, Roybal said, which means managers were encouraged to "exercise discretion under a controlled hiring mode."

"We have been feeling the slowdown since about July of last year," said Jane Hoffman of REA in Los Alamos. At the same time, a "slow down" is all relative, she said. Home sales in the area in 1997 and 1998 were quite good, she said, so when things shift after a good period, you feel it more. Still, Hoffman said she is hoping to see things change at the laboratory in October, when its 2001 budget is released.

"I am hoping things will pick up more," she said.

Both Beard and Deal said that the general feeling of low morale is affecting buyers' moods. Beard said she had one client who sold his home because he was a contractor to the laboratory and didn't like the uncertainty of his position, so he left.

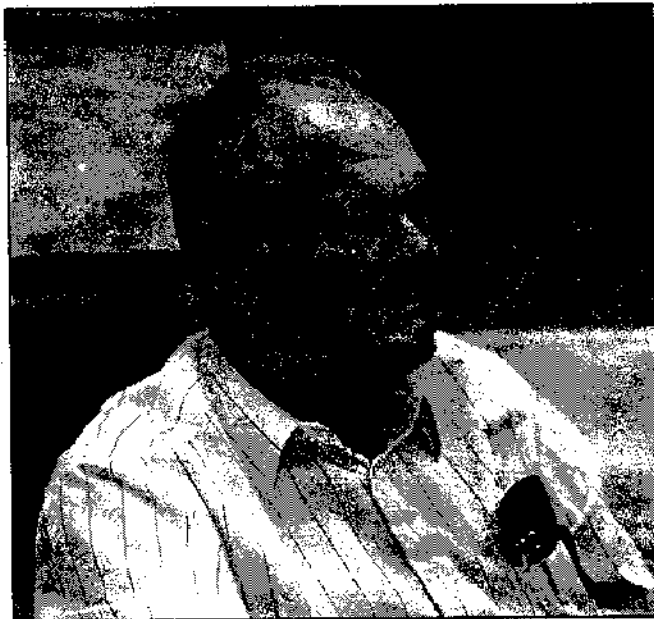
The fire has had another psychological affect, Deal said. "For the old timers, it's hard to look up at that blackened mountain. It's depressing," he said. "There's probably been some psychological effect there."

However, Hoffman said she has seen the affects of the fire a different way.

Yes, some retirees have left the area, she admitted, but some of those people were already thinking of leaving, so the changes from the fire helped them make their decisions. Some of those people wanted to move to a home that would require less maintenance for them in their retirement years or wanted to be closer to their children in other cities now.

In addition, interest rates have been higher in the last year, Deal noted, which has also discouraged buyers.

At the same time, some members of another group of potential buyers — those who lost their homes to the Cerro Grande Fire — are still trying to decide what they will do,



JIM O'DONNELL/Monitor

Bill Deal discusses the real estate market recently at Mary Deal Realty.

explained Beard. The realtors are not seeing much business from this channel.

"Those people are dealing with a lot right now. Some of them don't know what they will do yet, whether they'd rather rebuild or buy a new house or leave town, and that's the nature. That's to be expected under the circumstances," Beard said.

Generally speaking, some of those who are selling homes are looking to leave, the realtors said. Others perhaps are retired. And yet another group comprises those who are "upgrading" homes with Los Alamos.

They all claim that houses aren't necessarily sitting on the market longer and that prices haven't fluctuated that much compared to previous years, but they also admit it's a buyer's market right now.

Last year, there were 226 sales from January through

the end of August, Beard said. The total number of sales for the year was 322. This year, there have been 170.

Bob and Kathy Clark have been trying to sell their White Rock home for several months now. The Clarks moved here more than 20 years ago and raised their children here. They said they are hoping to make a lifestyle changes, to a city that offers

more cultural attractions, now that their children are grown and on their own.

"We are ready to move somewhere else," he admitted. As homeowners who are trying to sell a house themselves, they are also seeing a slow market. They have had several people call, based on their ad in the Monitor, but no serious bites yet, Clark said.

The circumstances in Los Alamos are very unique right now,

he stressed. Yes, lay-offs have had a bigger impact on the economy here, but when else in Los Alamos history has the laboratory been dealing with security issues, the FBI, and a hiring freeze? However, the biggest culprit in that scenario seems to be the hiring factor, Clark said.

"The houses just seem to be accumulating," he said. "It doesn't seem to me that there are more people leaving than usual, but right now people are not coming here."

Sandy Warnock is another homeowner trying to sell her home without an agent.

"We are hoping to see things change by October, when the laboratory announces its budget," she said.

Until then, only time will tell what's in store for the laboratory and the economy of Los Alamos.