

WATSONVILLE

Hundreds compete for new homes

Locals get first crack at Sunset Cove subdivision

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Local demand for housing in a new subdivision is exceeding supply.

In yet another example of Santa Cruz County's frenzied housing market, about 300 Watsonville residents have formally expressed interest in buying homes at Sunset Cove, a 111-unit subdivision being built behind the Overlook Shopping Center on Highway 152.

The city negotiated an agreement with developer Duc Housing Partners to offer Watsonville residents first crack at buying the homes. Residents had until May 31 to respond.

The developer mailed out information to the prospective buyers Friday and now it is up to them to secure loan pre-approval. The developer will only deal with residents who have been pre-approved, said Jackie Steele, marketing consultant for Duc.

"Whoever hustles will have the best shot," she said.

The pre-sale is a first for the city and the developer. The city made the pre-sale part of the development agreement to give residents a jump on the competition for housing, said Jan Davison, director of the

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city's Housing and Economic Development Department.

Given the county's housing market, Davison said she was not surprised by the interest in the project.

Steele said the pre-sale is a bit "awkward" but said Duc is willing to work with the city.

Davison said qualified buyers unable to purchase a home in the first wave of development will have an opportunity to do so in subsequent phases.

Home prices in the first phase will start in the low \$300,000s. The homes will range from 1,635 to 2,348 square feet, and will have three to five bedrooms.

Duc will start processing buyers' applications this month and expects to open model homes in July.

Watsonville requires developers to set aside 25 percent of new units for affordable housing. As an alternative, developers can pay into an in-lieu housing fund or dedicate land for future affordable housing.

Duc agreed to deed a four-acre site adjacent to Sunset Cove to the Watsonville Redevelopment Agency for affordable housing. The site could accommodate about 30 homes, Davison said.