

New Housing Development Will See First Homes

By: Gene Prim

For the past few years Barnesville has been seeing a managed, sustained mini-housing boom. It's always difficult to put an exact number on new home-builds as some start and finish in different years. But recently we have been seeing a dozen homes or more being built each and every year in the community.

That is not the boom that was seen in the 1970s and 1990s when as many as 25 homes a year were being built each year, but the new home building rate is much more manageable.

New home construction will be seen this coming summer in an entirely new sub-division on the eastern edge of Barnesville in the new DelAcres/Gilbertson Addition Phase III. That new sub-division was developed last summer with streets, gutters, curbs, water, sewer, storm sewer, electric, phone, internet and natural gas lines all being installed.

The \$2.6 million dollar project, constructed by Dirt Dynamics, saw 60 residential lots created. The new sub-division will remain the eastern edge of Barnesville for the foreseeable future due to the interstate and Whiskey Creek blocking any further development to the east.

The new development has already produced considerable interest. While there were no actual housing starts recorded in the 2020 year of construction, there were nine lots sold before the year ended and an early freeze up chilled any plans for construction last fall.

Six of the lot sales in the new addition were for smaller lots that will see Adams Development constructing spec homes on them beginning as soon as the frost is out this spring. The other three lots that were sold will be merged and will accommodate two new homes in the north cul-de-sac. There is a matching cul-de-sac on the southeastern corner of the development.

Since the beginning of the year 2021, there have been three additional lots sold in the new subdivision. That means a dozen of the original 60 lots are already sold.

The opening of the new subdivision is a continuation of a housing addition idea originally



Finishing touches go on a couple of Homes in DelAcres/Gilbertson Phase II last summer. The homes have proven quite popular and there has been a bidding competition for one of the spec home models. Phase II has been sold out and will be built out this summer. Phase III already has a dozen lots sold with construction expected as soon as the frost is out of the ground.

conceived by Barnesville developer Del Peterson. In 2006 he and sons Kim and Steve opened DelAcres/Gilbertson Phase I, a 36-lot new housing sub-division. The timing could not have been worse. Within a year Del Peterson passed away. In 2011 Steve Peterson was killed in a freak accident at the bus garage.

Combine that with high gasoline prices for commuters, competition from other, lower-priced lots in the existing Heartland and Stoneridge Additions, relatively high interest rates on mortgages combined with the looming financial collapse and recession beginning in 2008. Lots were not exactly flying out of inventory in the new sub-division.

But construction did continue a little at a time in the new sub-division with Kim Peterson Construction building most of the single-family homes in Phase I. A series of twin homes were constructed on the northwestern corner of the development by Scott Anderson.

By 2014 it had become obvious

that the city was rapidly running out of inventory for residential lots. Stoneridge and Heartland had been sold out. The remaining few DelAcres lots on the original "Rollie Farm" on the southeastern corner of the city had been built out. What few "in-fill" lots that existed in the older parts of the city had aging structures demolished and new homes built on them.

With Del Peterson's death, a developer willing to stick his neck out financially was gone. The City of Barnesville and the Barnesville Economic Development Authority put heads together to try to fill the gap. The City would come up with temporary financing to lend to the EDA to purchase land to expand the city. The EDA would be responsible for developing a plan, overseeing the engineering and marketing of the new lots.

DelAcres/Gilbertson Phase II saw a plan come together for a 46-lot sub-division. That plan saw infrastructure work begin in 2016

with the first lot sold that fall and construction begin that first year. Phase II was slightly different than Phase I as there were houses and a neighborhood parks accommodated in lots along the south side of Second Avenue Southeast running the full length of Phases I and II.

The original plan envisioned that DelAcres/Gilbertson Phase II would have a housing inventory of 46 residential lots, adequate for about a decade. That guesstimate was based on how long it had taken to sell our Phase I, which was a smaller subdivision of 36 residential lots. That estimate wasn't even close. It was a lot more popular than had been anticipated.

With low mortgage interest rates and DelAcres/Gilbertson now the only residential area with building lots available, lots began to sell aggressively. Joining the local contractors in constructing homes, Adams Development of Fargo took an active hand in the game. They began to build homes on speculation in Phase II.

Adams built on a different, multi-home scale not normally seen in Barnesville. Adams had as many as a half dozen homes under

construction at any given time. In addition to the spec homes, Adams also picked up a couple of big pre-sold custom homes built to the home owners specifications. In addition, to the spec homes under construction by Adams, other contractors began to build different styles of homes. At one time, in the spring of 2020, there were as many as eight spec homes on the market from three different contractors. All of those new homes have been sold.

In addition to the new homes being built in DelAcres/Gilbertson Phase II, the existing home market in Barnesville was hot. An existing home "appropriately" priced could expect to be on the market only a very few days. In several cases there would be multiple offers with the home eventually selling for at or over the listing price.

The term "appropriately priced" in Barnesville is a shifting field on an annual basis. Prices have been trending upward in all sectors of the existing residential home market.

It's impossible to put a specific number on these sales as every house is different. But a good example may be a 1200 square foot

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DelAcres/Gilbertson Phase II was a busy location last summer. No sooner would a couple of homes get built and sold and excavation work would begin on a few more.

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