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NAVAJO NATION REAL ESTATE MARKET UPDATE – 10-2024

The Navajo Nation economy continues to recover after the pandemic, but recovery is a mixed bag. There are several recently completed projects and others that are proposed or currently under construction. On the other hand, the coal mine and several power plants have been shut down in recent years, which provided a huge source of jobs and revenue for the nation. This newsletter will go through the recent and proposed projects under construction, new ideas, and future challenges on the nation. First, we begin by showing the largest communities on the nation, that are listed in the table below, with population estimates provided by World Population Review.

Navajo Nation's Largest Communities*	
Tuba City, AZ	8,332
Shiprock, NM	8,272
Window Rock/Fort Defiance/St. Michaels, AZ/Tse Bonito, NM	6,235
Kayenta, AZ	5,396
Chinle/Many Farms, AZ	4,367
Crownpoint, NM	2,914

*World Population Review (www.worldpopulationreview.com) 2024 estimate

Under Construction and Proposed Developments

On April 6, 2021, the Navajo Nation broke ground on a new 54,000 SF La Quinta Hotel near the community of Shonto, at the T-intersection of US Highway 160 and AZ Route 98. The hotel will feature 83 guest rooms, conference rooms, and other amenities. About 80 jobs were created during construction, and an additional 30 permanent jobs will be created when the project is complete. It was anticipated that the hotel would be completed in the summer of 2024. However, the hotel is in the final stages of completion.

A \$21.15 million roadway project that will provide better access to Sweetwater, AZ is about 60% complete. This project aims to improve access to the Sweetwater Chapter House and improve infrastructure. About 6.4 miles of roadway will be completed that will include paving with asphalt, and road infrastructure such as signage, drainage structures, and fencing. The estimated completion date of the project is by the end of 2024.

There was a groundbreaking ceremony in February 2024 for the Oak Springs Chapter House renovation. The project is funded using \$4 million from the Nation’s Síhasin fund and \$2.8 million from the American Rescue Plan Act Funds. The plan includes a 6,260 SF expansion that will feature a commercial kitchen, shower, assembly area, restrooms, storage spaces, a mechanical room, and a main entrance. The anticipated completion of this project is in 2025.

Long awaited, on October 4, 2024, the Navajo Nation broke ground on the \$22.5 million Shiprock Pinnacle Hotel. The 85-room hotel will be a limited-service hotel that is expected to create 77 jobs and is anticipated to be an economic anchor in Shiprock. Shiprock is one of the largest communities on the nation, and needs a hotel, or possibly two. Currently, the nearest hotels are in Farmington, New Mexico about 28 miles to the east and Cortez, Colorado about 42 miles to the north. Construction on the project is anticipated to begin in November 2024, with an opening in 18 months.

Utah State University is currently in the planning and development stage of an education and community center in Monument Valley. The \$14 million project is located northwest of Monument Valley High School and will include a 13,000 SF building. Plans for the center include: classrooms, computer labs, a nursing and CNA lab, career & technical education lab, small business development space, a welding lab, space for adult education and USU Extension, administrative and faculty offices, and space for community gatherings and public events. The building will also be equipped for distance learning and will offer an array of certificates and degrees, ranging from technical certificates to doctorate degrees, as well as academic guidance and support, counseling services, and career mentoring. Groundbreaking has not been set, but it is anticipated that classes will begin for the spring 2026 semester.

Recently Completed Developments

There was a groundbreaking in October 2008 for Nahata Dziil (New Lands) Shopping Center, and after years of development and delayed construction, the shopping center opened in April of 2019. The shopping center is at the northwest side of the Interstate 40 and Apache County Road 7080. The shopping center consists of 30,000 square feet and tenants include Bashas' supermarket, a Pizza Edge restaurant, a laundromat, and a proposed convenience store and gas station.

Lukachukai Community School was completed in Fall of 2022. According to <https://www.dpsdesign.org/what-we-create/lukachukai#>, "The Lukachukai Replacement School project is located on a new 44-acre site surrounded by beautiful views of the Chuska mountain range. The project consists of a new K-8 school, student dormitory, bus maintenance facility, community fire station, and staff housing."

ZenniHome has located on a portion of the former Navajo Generating Station near Page, AZ. The modular homes constructed at ZenniHome are about 600 SF, with environmentally friendly technology built in to the units.

Light Up Navajo began in 2019 as a partnership between the NTUA and American Public Power Association with the goal to connect Navajo homes to the electric grid. Multiple iterations of the project have increased the participation of families connected to the electric grid. Light Up Navajo V began in April and ended in July 2024 with 46 electric utility companies from 16 states participating. The NTUA announced that the goal of connecting over 150 families to the electric grid was met for Light Up Navajo V.



New Sources of Revenue

There is potential for many sources of new revenue, our ideas are mostly related to tourism and gambling. The former rail line for the Black Mesa Peabody Coal mine was returned to the Navajo Nation after the mine shut down in August of 2019. The nation is currently exploring options on the 78-mile track, currently known as the Black Mesa-Lake Powell Corridor Track. Options for the railway include grazing uses, a rails to trails system, environmentally friendly vehicles attached to tracks, and a scenic railway for visitors exploring the nation. If the nation were to develop a scenic railway, they could manage it on their own, or there is a company out of Durango, Colorado known as American Heritage Railways that manages the Durango & Silverton Narrow Gauge Railroad, Great Smoky Mountains Railroad, and Branson Scenic Railway.



Black Mesa-Lake Powell Railroad Line

The Page/LeChee area has been expanding since it draws national and international tourism with Lake Powell, Antelope Canyon, Glen Canyon, and Vermillion Cliffs. The Page/LeChee area could be ideal for a casino, given the Page population and continuous growth in tourism.

With the exposure from social media, tourists are flocking to areas like Monument Valley, Vermillion Cliffs, Glen Canyon, and Antelope Canyon. Tour guide operations have increased and expanded in these areas. There are multiple options for additional tour guide operations, there is interest in hiking and backpacking Navajo Mountain, Chuska Mountains, and several other mountains. There is also interest in Grand Falls (Arizona Chocolate Falls), Ojo Amarillo Canyon east of Shiprock, and the Shiprock rock formation, etc. However, many mountains, canyons, and rock formations on the nation are sacred and rightfully restricted to the Diné.

The Navajo Nation has primarily quick service restaurants from national tenants like KFC, McDonald's, Burger King, and Taco Bell. The nation could benefit and encourage better quality restaurants using regional cuisines and food sources. The nation could also benefit from a native seed bank, collecting and distributing local seeds to grow trees and bushes for shade, landscaping, and gardening.

Educational programs provided by community members could introduce language, customs and traditions to the younger generation and the international community through in-person and online educators. The Diné Arts could also be taught to the younger generation and international community. Diné painting, photography, weaving, pottery, music, and other arts can be taught through in-person and online educators.

Future Challenges

Energy sources have greatly changed in the past decade on the nation. The Navajo Generating Station (NGS) ceased operations at the end of 2019, and was decommissioned in 2023. Another coal plant, Cholla Power Plant in Joseph City, is anticipated to close by 2025. The nearby Kayenta Coal Mine closed in 2019 that provided the NGS and Cholla with much of their coal. However, this may open the door for more renewable energy on the nation. There is no shortage of wind and sun throughout the nation. There are two solar farms outside of Kayenta, one in Red Mesa, and another being built in Cameron. There is infrastructure to install additional solar and wind farms along highways and near larger population bases, such as Shiprock, Tuba City, Window Rock/St. Michaels, Fort Defiance, Chinle, Kayenta, Crownpoint, etc. The Navajo Nation could set an example for the world by planting for native plants and supplementing with "mechanical trees" or carbon capture and storage plants. Mechanical trees remove carbon dioxide from passing air that could be utilized as temperatures quickly rise in the region. There are several large-scale carbon capture and storage plants, such as Orca and Mammoth in Iceland, and a mechanical tree on ASU's Tempe campus.

There are only three waste management companies that provide services to Navajo Nation communities. Many households are left with traveling a great distance to properly dispose of waste, encouraging illegal dumpsites. An improved trash and recycling program could help dispose of trash and recyclables.

The Navajo Nation has a large population of homeless dogs, estimated to be around 250,000. The limited resources and animal control officers on the reservation lead to high euthanization rates. Mobile programs such as spay/neuter clinics by Best Friends Animal Sanctuary and Rez-Solutions Animal Care Center are working on address the overpopulation by spaying and neutering pets, and addressing veterinary issues.

Infrastructure continues to be a challenge, mostly distributing water and power to the residents. In the larger towns, this is not an issue but in the more rural areas, providing water and power is difficult and expensive.

The development timeline on the nation continues to be an issue. It still takes a long time to get a project through the planning, engineering, and financing period to construction. There seems to be improvement, but it is still an arduous process.

A smaller item that could help efficiency on the nation is keeping and maintaining a library of business site leases to expedite appraisals and keep rates consistent and fair. Another item that would be long and difficult is getting addresses for homes on the nation. There have been attempts in states to restrict voting to people with a home address. This is obviously unfair to indigenous lands throughout the United States, as well as the homeless. Just in case a bill like that is ever passed, having home addresses for most residents on the nation can limit the damage from such a bill.

Summary

The Navajo Nation is experiencing growth in the tourist areas while other areas are slowly getting improved services. As with any nation, there is room for improvement and lots of potential. The economy appears to be expanding in the right direction despite the major setbacks from the closure of the coal mine and power plants.

*The views expressed in this article are the author's and do not represent the views of the Navajo Nation.

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