



# Case Study: Public Home Sale on the Navajo Nation

TRIBAL HOMEOWNERSHIP COALITION OF THE SOUTHWEST

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Funded By **Wells Fargo Invest Native Initiative**





## **Case Study: Pioneering a Public Home Sale on a Master Lease Property in Lechee, AZ**

### **Overview**

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This case study details the groundbreaking sale of a home in LeChee, Arizona, on the Navajo Nation, located on a master lease parcel leased to the Navajo Housing Authority (NHA). The transaction became the first public, MLS-listed, and appraised sale involving a home located within a NHA master lease, setting a precedent for future real estate market development within reservation communities. It highlights the challenges, innovative legal solutions, and policy implications of transferring and valuing homes on tribal trust lands while laying the groundwork for equitable access to real property assets for Navajo families. This transaction represents an unprecedented achievement in supporting tribal sovereignty, equitable homeownership, and generational wealth-building on Indian trust lands.

The Navajo Nation spans over 27,000 sq. miles in Arizona, New Mexico, and Utah, with over 430,000 citizens, half of whom live on the reservation. Most jobs and limited housing are clustered in five regional transportation/shopping centers: Window Rock, Chinle, Tuba City in Arizona, and Shiprock and Crownpoint in New Mexico. Most of the Tribe's 110 communities historically lack adequate housing, and overcrowding is common.

The Tribal Homeownership Coalition of the Southwest (THOCSW) is working to improve the severe housing shortage on the Navajo Nation through a multifaceted approach with the Navajo Nation's three branches of government (Executive, Legislative Council, Judicial) and state and federal agencies, including the Bureau of Indian Affairs (BIA) and the U.S. Department of Housing and Urban Development. THOCSW has recently successfully established a housing market on Tribal lands by expanding and improving outdated real estate policies affecting reservation land.

Over a span of two years, and working at all levels of government, THOCSW created new agreements, contracts, and disclosures between the Navajo Nation and county/state agencies to provide new processes that enable the public sale of a residential property located within the Navajo Housing Authority's Master Lease subdivision in Lechee, Arizona.

### **Background**

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Since the creation of NHA in 1963, many tribal homes on the Navajo Nation have been built through NHA and federal/tribal funding provided to NHA. It is estimated that more than 30,000 homes need to be built, and thousands of Navajo families are on waiting lists for homes. Ongoing housing shortages create economic, health, and social problems as



families must travel long distances for jobs, education, and health care. Reservation-wide housing shortages are due to a mix of funding shortages, increases in building materials, lack of clear and enforceable policy, insurance costs, lack of supporting Real Estate development policy, lack of financial literacy and homebuyer education and a myriad of federal/tribal regulations governing housing projects on reservations.

The Navajo Housing Authority is the largest and primary housing developer on the Navajo reservation. NHA serves primarily low income families (80% and below Area Median Income (AMI), with a majority of low income families falling below 60% AMI). The Navajo Nation lacks market-rate housing for those who can afford it. There is a significant need for housing to meet the needs of families above the 80% AMI. This gap severely hampers the economic benefits and development enjoyed by off-reservation towns. Many of these families move to border towns due to the lack of market-rate housing. Many Navajo families travel long distances daily from border towns for work and family on the reservation. Market rate homeownership opportunities are heavily needed for Navajo families through new construction, new sales, and resale purchases.

The Tribal Homeownership Coalition of the Southwest (THOCSW) worked closely with the Tso family throughout their LeChee home sale, providing guidance and support as they navigated the historic sale of their home on Indian trust land. This partnership helped ensure the transaction was successful and served as a model for future sales within Navajo communities.

The Tso family, former employees of the Navajo Generating Station (NGS), approached THOCSW for assistance in selling their NHA home in LeChee, AZ. The home was within a NHA subdivision built in the late 1990s under NHA's Lease Purchase Program and a master lease housing project. Although the house had been paid off and conveyed to the Tsos by NHA, the land remained under the umbrella of a master lease, preventing mortgage lending and conventional title recording. The family eventually relocated for work and sought to access the equity in their home, which they had built over decades, something long denied to Native families due to structural limitations within Indian trust land housing systems.

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## Details and Outcomes

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### Challenges Identified:

- The home was located on a **master lease** leased by the Navajo Nation to Navajo Housing Authority, for community development. Aside from providing master leases to NHA for subdivision development, the Navajo Nation gives home site leases to its tribal members and allows tribal members to mortgage their home site leases to obtain a home loan. Unlike home site leases, a tribal member residing

within a NHA subdivision doesn't obtain a land interest in the lot until such time NHA conveys the home and lot to the tribal member. Conveyance of the lot requires cancelling out the lot from NHA's master lease and giving a homesite lease to a tribal member or transferring the leased interest to the tribal member. The transfer of the lot from NHA to a tribal member is beset with procedural delays due to inefficient land recording processes within the Navajo Nation Land Office and the BIA real estate system. This inability of tribal members to obtain timely good title to their lots results in their ineligibility for traditional mortgage products such as HUD's Section 184 Indian Loan Program, the U.S. Department of Agriculture (USDA) 502/504 Loan and Grant Programs, and the Veterans Affairs Native American Direct Loan (VA NADL) Program, conventional loans available through Fannie Mae and Freddie Mac home loan products, and a host of other home loan products available through Native Community Development Financial Institutions (CDFI).

- Policies for converting paid-off conveyed master lease properties to homesite leases were not defined and established between the NHA and the Navajo Nation Land Department.
- Appraisers and lenders lacked **comparable market data** due to the absence of previous MLS-recorded sales on Indian trust land.
- The NHA initially **discouraged acknowledgment** of required conveyance transactions, citing internal policy and cultural beliefs that homes should not be sold.
- The NHA lacked a clear policy and lacked a definition of NHA and Homeowner rights.
- The **BIA land title system (TAAMS<sup>1</sup>)** was backlogged, and transactions are not recorded in a timely manner.
- The BIA TAA MS system did not include the induction of a Master Lease property specific to individual homeowner lots.

## **Key Actions Taken:**

### **1. Verification of Ownership:**

- A Title Status Report (TSR) was requested and received from the BIA. It confirmed the TSO family as current occupants via an NHA conveyance, even though the title was not recorded due to the master lease status.
- The NHA properly conveyed the home and its interest in the lot to the Tso family once the principal balance was paid in full. This absolved the NHA of any further responsibility as the servicer and lessor for the property (the

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<sup>1</sup> Trust Asset and Accounting Management.

home and lot). In addition, it also gave the Tso's unalienable right to transfer their property to another tribal member.

- The TSR also verified that there were no liens against the property.

## 2. **MLS Listing:**

- Special approval was obtained from the Arizona Multiple Listing Service (**MLS**) to list the property, overcoming prior denials for reservation land listings. This step allowed for visibility through Zillow, Realtor.com, and other syndicated platforms, expanding for the first time the market reach and opening tribal properties to other potential Navajo Buyers who lived outside the area.
- MLS data is also accessible by licensed Real Estate professionals including appraisers, Real Estate Brokers and agents and Title Companies.

## 3. **Appraisal & Market Analysis:**

- A certified appraiser, Denise Wood with Lake Powell Appraisers from Page, Arizona, conducted a cost-approach valuation, ultimately appraising the home at \$155,000 in late 2022. This method initially valued the home at \$188,000.00; however, with the **cost approach** appraisal, an 18% depreciation was deducted from the overall value.
- THOCSW's initial comparable market analysis had valued the home at \$185,000 based on available comparable sales in Page, AZ, and adjusted for land exclusion.
- The closed sale transaction is now publicly accessible and establishes a **comparable sale**, which is usable by real estate appraisers conducting valuations on or near tribal land.

## 4. **Buyer Interest and Lending Barriers:**

- Numerous buyers showed interest, including a park ranger, teachers, working professionals, and returning college students. Still, lenders found the home ineligible for mortgaging due to the master lease land status.
- Cash buyers became the only viable option due to the inability to mortgage master lease property, highlighting the importance of title reform and master lease to homesite lease conversion.

## 5. **Legal Strategy and Policy Navigation:**

- The Coalition worked with an attorney, Denise Zuni, Sh'eh Wheef Law Offices, P.C., to draft a conveyance document approved by the Navajo Nation Land Department.
- The right to transfer the ownership of a Master Lease property was clearly defined within the Homesite Leasing Policy of the Navajo Nation. The

Department Manager of the Navajo Land Department is the authorizing agent for transferring a Master Lease property between 2 parties.

1. The transfer or conveyance of individual lots within a master lease housing subdivision can be found in **Section 8.06 of the Navajo Nation Homesite Lease Regulations (Revised January 31, 2024)**
  - Discussions with the NHA, Navajo Nation Natural Resources Department and Navajo Office of the President Chief of Staff revealed deep-seated resistance and lack of clear procedures for converting master lease properties to homesite leases on the Navajo Reservation.

#### 6. Title Recording:

- Due to BIA delays in recording, the title was **recorded with Coconino County**, creating legal precedent in Arizona to establish a marketable title of homes on Indian trust lands.
  1. *Arizona Revised Statutes: 11-461, 11-480, 33-411*
- A confirming survey and legal description were obtained through the private firm, *lina Ba'*, in Farmington, NM. This process ensured a clear, professional standard that could be replicated in future transactions and used for Title search with the BIA.

#### Outcome:

- The sale closed on **January 7, 2025**, at a final price of **\$170,000**. The final price was adjusted for inflation and the market value of supplies and materials, reflecting the Cost approach model.
- The transaction was recorded in the Arizona **MLS**, creating a **comparable sale** on trust land.
- The property was recorded with the **Coconino County Recorders Office**, establishing a precedent for future real estate transactions on reservation lands and creating a clear chain of title.
- The case highlighted the urgent need for NHA and the Navajo Nation to engage in tribal policy reform to convert master lease properties and unlock housing equity, in addition to the creation of tribal wide Real Estate Policies.

#### Impact and Implications:

- **Market Precedent:** Appraisers and agents now have a public comparable sale in the region, paving the way for future sales and property valuations in tribal communities.

- **Equity for Homeowners:** This sale created a measurable **appreciating equity asset** for the Tso family, often inaccessible to tribal homeowners due to structural barriers in trust land systems. It provided them with liquidity and a return on decades of homeownership investment.
  - **Comparably** – Homes, anecdotally, have sold “under the table” in this community for approximately \$30,000.00. This home transaction has raised every Homeowner’s property values within this community.
- **Economic Benefit:** The transaction brought visibility to the hidden value of tribal homes and contributed to the beginning of a data-driven housing market on the Navajo Nation. It also demonstrated how the creation of marketable title allows Native families to access wealth-building tools available to every other American family.
- **Sovereignty in Action:** By asserting local control over the valuation, conveyance, and recording of a home sale, this project reflects a tangible exercise of tribal sovereignty and policy innovation. It proves Native nations can lead real estate modernization efforts within their legal systems.
- **Generational Wealth Building:** For the first time, a Navajo family on master-leased land successfully accessed the financial benefits of home equity—an asset base that enables down payments, business development, or inheritance, long denied under the reservation system.
- **Policy Insight:** The case triggered leadership-level conversations within NHA and the Navajo Nation about the need for master lease conversions and modernization of housing policies.
- **Community Education:** This sale is an education model for the community on homeownership rights, property value, and the ability to sell trust land homes. It also shifted perceptions around what is possible regarding private real estate transactions.
- **Leadership Education:** Educating tribal leaders on homeownership values and real estate markets is essential to ensure they craft policies that unlock economic potential and protect tribal interests. Informed leadership can drive legislative reform that supports sustainable development, strengthens tribal sovereignty, and creates pathways for Native families to build wealth through housing.
- **Paradigm shift:** There exists a conflict between Traditional and Modern homeownership ideas and values. We must foster a shift from viewing homes solely as cultural or familial spaces to recognizing them, in addition, as economic assets that can build equity and generational wealth. Traditionally, land and housing were rooted in stewardship and kinship, not individual ownership or resale value. **Bridging** these perspectives means embracing modern tools like mortgages, appraisals, and leases while honoring cultural values, empowering



Native families to participate in a market that strengthens sovereignty and economic opportunity.

- **System Workarounds:** THOCSW demonstrated legal and transactional methods to facilitate property transfers when Tribal and/or federal systems are backlogged or inefficient.

## Conclusion

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This transaction represents a landmark achievement in tribal housing and real estate policy. By navigating systemic, legal, and institutional barriers, the Tribal Homeownership Coalition of the Southwest set a new standard for leveraging trust land assets on the Navajo Nation. It reinforced the economic potential of homeownership and the importance of policy reform to support equitable housing markets on tribal lands. Most importantly, it showed that tribal families deserve access to home equity, asset appreciation, and generational wealth-building rights that have long been denied to Indigenous communities under the reservation system. It offers a replicable model for other tribal communities seeking to bridge sovereignty with prosperity through homeownership.

This case study demonstrates the real-world viability of creating a housing industry on tribal lands by successfully navigating the public sale of a master lease property. This precedent-setting transaction proves that, with the right legal, financial, and governance frameworks in place, homes on trust land can be valued, listed, and sold, creating access to equity, market activity, and generational wealth for Native families. It shows tribal communities can build a sustainable real estate market rooted in sovereignty, providing a replicable model for economic development, job creation, and homeownership expansion across the reservation.

By enabling the sale and transfer of homes through legally recognized and market-based transactions, this case study helps activate a broader economic engine on the Navajo Reservation. As homeowners gain access to equity and marketable title, demand for appraisals, real estate services, inspections, and home repairs naturally grows, creating new jobs and entrepreneurial opportunities within the Nation. It also encourages private investment in housing and infrastructure, while increasing the velocity of money circulating within the local economy by keeping working professionals, small business owners, returning college graduates, and returning Veterans on the reservation in **their own homes**. Over time, this builds a self-sustaining ecosystem where families can build wealth, local businesses can thrive, and tribal governance can support long-term development without relying solely on federal subsidies.

To create a viable homeownership market within tribal communities, a fundamental paradigm shift must occur that bridges traditional understandings of land, home, and





community with the modern systems of property ownership, financing, and equity-building. Historically, homes on tribal lands were viewed more as familial shelters tied to kinship and land stewardship, rather than as assets with transferable value. This worldview, rooted in communal use and cultural ties, often clashes with the modern real estate model based on individual ownership, legal title, credit, and resale. For a homeownership market to thrive, tribal communities must embrace both systems—preserving cultural values while learning the tools of mortgages, appraisals, leaseholds, and equity. This shift requires education, generational knowledge-sharing, and policy reform that empowers families to see their homes not just as a place to live, but as a pathway to wealth, independence, and tribal economic sovereignty.

By fostering collaboration among Navajo leadership, housing officials, builders, contractors, and other stakeholders, the Coalition can create a unified approach to tackle housing issues and maximize available resources. THOCSW represents a vital catalyst for social and economic advancement, self-determination, and community development for the Navajo Nation and other reservations in Arizona and New Mexico.

**Prepared by:**

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Client Report (1)

09 Cliff View LOOP, Page, AZ 86040

\$170,000

	6767539 Residential Single Family - Detached Closed
	<b>Beds/Baths:</b> 3 / 1 <b>Bedrooms Plus:</b> 3 <b>Approx SqFt:</b> 1,188 / Appraiser <b>Price/SqFt:</b> \$143.1 <b>Year Built:</b> 2000 <b>Pool:</b> None <b>Encoded Features:</b> 31RX1C1S <b>Exterior Stories:</b> 1 <b># of Interior Levels:</b> 1 <b>Dwelling Type:</b> Single Family - Detached <b>Dwelling Styles:</b> Detached
	<b>Approx Lot SqFt:</b> 11,604 / Appraiser <b>Approx Lot Acres:</b> 0.266 <b>Subdivision:</b> Lechee NHA Subdivision. <b>Tax Municipality:</b> Coconino - COUNTY <b>Marketing Name:</b> <b>Planned Cmty Name:</b> <b>Model:</b> <b>Builder Name:</b> Navajo Housing Authority <b>Hun Block:</b> <b>Map Code/Grid:</b> <b>Building Number:</b>
	<b>Ele Sch Dist:</b> Out of Area <b>Elementary School:</b> Out of Maricopa Cnty <b>Jr. High School:</b> Out of Maricopa Cnty
	<b>High School District:</b> Out of Area <b>High School:</b> Out of Maricopa Cnty

**Cross Streets:** Coppermine Dr and Cactus Barrel Rd **Directions:** From Coppermine and Cactus - Head south on Coppermine road, R on Cactus Barrel, L on Clf View Loop, follow around corner, 4th house from the corner on North side of St.

**Public Remarks:** This home is located on the Navajo Reservation just a few miles south of Page. Surrounded by gorgeous canyons, mountains and near Lake Powell. This cozy little home shows pride of ownership with a clean yard and well maintained interior. This home is on Tribal trust and governed by Navajo Nation laws and policies and can only be purchased by enrolled and registered tribal members of the Navajo Nation.

Features	Room Details	Construction & Utilities	County, Tax and Financing
<b>Garage Spaces:</b> 0 <b>Carport Spaces:</b> 1 <b>Total Covered Spaces:</b> 1 <b>Slab Parking Spaces:</b> 1 <b>Pool Features:</b> No Pool <b>Spa:</b> None <b>Horses:</b> N <b>Fireplace:</b> Fireplace Living Rm; Freestnd Fireplace <b>Landscaping:</b> Dirt Front; Dirt Back <b>Add'l Property Use:</b> None <b>Flooring:</b> Carpet; Linoleum <b>Windows:</b> Dual Pane	<b>Kitchen Features:</b> Range/Oven Gas <b>Master Bathroom:</b> None <b>Laundry:</b> Wshr/Dry HookUp Only <b>Dining Area:</b> Dining in LR/GR <b>Basement Y/N:</b> N <b>Sep Den/Office Y/N:</b> N	<b>Architecture:</b> Other (See Remarks) <b>Const - Finish:</b> Stucco <b>Construction:</b> Frame - Wood <b>Roofing:</b> Comp Shingle <b>Fencing:</b> Wood <b>Cooling:</b> Refrigeration <b>Heating:</b> Propane <b>Utilities:</b> SRP; Butane/Propane <b>Water:</b> City Water <b>Sewer:</b> Sewer - Public <b>Residential Propane Tank:</b> Residential Propane Tank: Owned <b>Services:</b> County Services	<b>County Code:</b> Coconino <b>Legal Description (Abbrev):</b> AN: 000-00-000 <b>Lot Number:</b> 09 <b>Town-Range-Section:</b> 40-9-20 <b>Cty Bk&amp;Pg:</b> <b>Plat:</b> <b>Taxes/Yr:</b> \$0/0 <b>Ownership:</b> Leasehold <b>Co-Ownership (Fractional):</b> <b>Agreement Y/N:</b> No <b>New Financing:</b> Cash <b>Existing 1st Loan:</b> Treat as Free&Clear <b>Existing 1st Ln Trms:</b> <b>Disclosures:</b> Seller Discl Avail; Agency Discl Req <b>Possession:</b> By Agreement; Close of Escrow

**Fees & Homeowner Association Information**

HOA Y/N: N	
HOA 2 Y/N:	
HOA 3 Y/N:	
<b>Association Fee Incl:</b> No Fees <b>Assoc Rules/Info:</b> Pets OK (See Rmrks)	<b>Rec Center Fee Y/N:</b> <b>Rec Center Fee 2 Y/N:</b> <b>Land Lease Fee Y/N:</b> N <b>PAD Fee Y/N:</b> N
	<b>Ttl Mthly Fee Equiv:</b> \$0 <b>Cap Improvement/Impact Fee:</b> <b>Cap Improvement/Impact Fee 2:</b> <b>Other Fees HOA:</b>

Listing Dates	Pricing and Sale Info	Listing Contract Info
<b>CDOM/ADOM:</b> 1 / 1 <b>Status Change Date:</b> 11/28/2024 <b>Close of Escrow:</b> 01/07/2025 <b>Date:</b> <b>Off Market Date:</b> 11/07/2024	<b>List Price:</b> \$170,000 <b>Sold Price:</b> \$170,000 <b>Sold Price/SqFt:</b> \$143.1 <b>Loan Type:</b> Cash <b>Buyer Concession to Seller:</b> <b>Seller Concession to Buyer:</b> 0 \$ <b>Closing Cost Split:</b> Normal - N	<b>Special Listing Cond:</b> N/A

Showing Service: No Showing Service Used