



THE REAL ESTATE REPORT

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Location! Location!! Location!!!

Where you are is who you are

The old saw "location, location, location" tells us that a property's value depends as much on where it is as what it is. A mansion in a great location may be "el primo" property – in the millions. In the wrong location the same mansion is a white elephant. Cutting across the location issue is a time issue - market timing. El primo property can become a white elephant in time, as when a real estate recession hits, which occurs about every ten years. Time is also the enemy of a house since a house naturally weathers on the outside and is worn with use or neglect on the inside thereby requiring rehabilitation about every generation. But for now let us talk about location.

On the Road

For a broker, the most predictable experience is the morning call of the would-be buyer describing in detail his ideal country home and location: a house with charm and character and enough land for privacy, all on a quiet road (preferably far from it), with, of course, a view and maybe water. In a rural county a search of all properties for sale brings up perhaps one hundred meeting the ideal description. But a close look at property details quickly narrows the list to fewer than a dozen. Almost all of those charming older homes, no matter how attractive, are located close to roads with noise unacceptable to many buyers. Early houses were built on isolated farms. Later, when roads were laid out from house to house, proximity was welcome and a neighbor's passing carriage was a pleasant diversion, inspiring the pleasure of porch sitting.

For those who, out of economy, short-sightedness or lack of hearing, buy the roadside home, I hear that in time their sensitivity to noise diminishes. Their mind triumphs over acute auditory sensibility; they become used to country living and forget the torment of urban cacophony. Lesson: whatever noise bothers you on first experience, it will effectively diminish perhaps to half as time goes on, merely by normal sensory repression. Even better, interior glass storm windows prove as effective for noise reduction as for heat conservation. As for outdoor garden parties, road noise is drowned out by the constant prattle of contented guests.

Views and Water

For buyers the next requirement is for "amenities" on the land. Many customers desire a view and water. A view of mountains – or fifty miles to a horizon – is just fine. A lake is nice, a river will do, even a trout stream or a pond is acceptable. A view and water, however, are almost always mutually exclusive. A view comes with elevation, but water - unless gravity be suspended - is in the lowlands. A pond near the top of a hill is sometimes possible, but streams less so, and a river never. A view of the Catskill Mountains and the Hudson River is possible here or there but this is rare and pricey land, especially without Amtrak trains careening along the river right in front of you. One perfect seventy-five acre parcel is for sale at over three million dollars - with just one building site on it. On the other

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hand a view of mountains and/or the horizon from a high quiet spot on ten acres is readily available for \$300-500,000 - plus the cost of the house.

Some buyers soon realize that if they want the ideal, they can get it more readily by building their own house in the right location. Of course the experience of getting permits and designs approved and construction accomplished is often a less than ideal experience. Friday Night Shock - when owners arrive to find a week's work not to standards or specifications - can take the bloom off the creative experience of designing one's own home. See January's column at www.rhblackburn.com for advice on solving this problem. Nevertheless, there is creative excitement in designing one's own home regardless of the post-design construction and financial issues.

Perhaps the biggest problem with location is not in the buying, but in the selling. For buyers who have fallen in love with a house and bought the property despite location issues, their pleasure may be enjoyable for as long as they own the property, which should be reward enough. But having bought it for less because of disregarding or overlooking location issues, they almost invariably expect to sell it for top dollar. After all, they have loved it, so they believe someone else should love it as much as their own "heart value" appraises it.

Not so. Buyers develop a keen sense for comparable value as they visit one property after another and rarely offer more than a property is really worth. For the seller with location issues, it is best to face reality up front with realistic pricing, rather than wait a year or two in hopes of finding another equally forgiving buyer.

If there is a negative location issue present, unlike altering a house or building anew, it is usually not solvable. Roads and railroads can not be moved, nor views created out of nothing, nor ponds created where water is not. Clever buyers avoid the unsolvable altogether, seeking out hidden views by bravely cutting hundreds of trees if necessary and prudently researching pond possibilities and permits (\$10,000+ per acre for a dug pond).

Unforeseen Issues

Some location issues are not so easily discerned, they may go unrealized for months or years. For instance, views, privacy, and/or quiet have lured buyers to remote locations which soon prove annoyingly distant when the *Sunday Times* must be retrieved from the nearest gas station - many miles away. As for living in hamlets or villages, there are advantages which week-enders are recently coming to appreciate - lots of conveniences like stores, restaurants, physicians, pharmacies, gas stations, mechanics, plumbers – conveniences you may want nearby.

Buying land to build on has its own potential problems. Serious and often unseen is the fact that land cannot be sold for development without health department approval by a test of soil percolation of waste water. If septic effluent cannot seep into the soil readily enough (and also evaporate into the air) because of poor percolation, the cost of correction can be shockingly steep, \$30,000+ for a built-up sand filter. One lovely streamside location (but with low "perc" clay soil) had an engineer's estimate of \$150,000.

Percolation is not just a clay soil issue. While clay soil is often found close to the Hudson River, up in the hills farther away from the river one can find an equally expensive geological fact - rock. Bedrock near the surface not only has no perc, it must be blasted to create basements. This can be a very expensive process. Fortunately most land has good soil, suitable for normal use. Available soil maps and local farmer advice should steer one to the land with the right soil. Fortunately we do not have the California problem of potential earthquakes requiring bunker quality foundations at several times the cost of our own.

The other day I received a call from one of the readers of this column, asking my advice as to whether a cell tower almost 200 feet high, which his neighbor wished to build on the hill just behind the caller's house, would damage the value of his property. He had bought 150 acres and placed it in conservation easement to protect his land from future development, a benefit to the very neighbor who, ironically, now threatened his privacy with the tower. This case is a warning of things to come. Development has been moving up the Hudson River Valley since colonial times; dense development only in recent years. Columbia and Greene counties still have populations not much larger than they did before the Civil War. But that is beginning to change as developers encourage more Big Apple weekenders and retirees to come to this Shangri-la because it is so rural, of course making it not so rural in the process.

The NIMBY cry – not in my back yard! - is the new refrain of those who came here for privacy and are determined to keep Johnnies-come-lately from encroaching on their turf. They have several recourses. Appeals to town zoning or state environmental or historic law boards and commissions may provide the opportunity for court or public appeal. More personally, owners are now considering land conservancy options to ensure the preservation of open spaces.

Towers are but one of many types of development which have been visited on rural counties. What is often not realized by newcomers are much more serious threats which have been proposed and then blocked, mostly through the efforts of aroused citizens organizing themselves for collective effort. A recent example was formidable St. Lawrence Cement's proposal to reopen a large cement mine and build a new plant adjacent to the City of Hudson. In the last twenty-five years over a dozen, mostly industrial, projects have been proposed in Columbia County, all defeated by citizen action. These included coal and atomic power plants, a large race track, a petroleum refinery, county and even New York City land fills, and even a conventional condo development. Other counties have been visited with similar proposals, some successfully defeated. Of course, we will continue to need power plants, power lines, and landfills – they can't be stopped – but the issue is often one of appropriate location. Alas, any siting, regardless of compromise, will adversely impact properties nearby.

Forewarned is Forearmed

How do you protect yourself from such big projects? Both owners and buyers should identify all past major projects which have been stopped because there were practical or political reasons for their not being sited. These reasons may resurface and argue once again for reconsideration of the same site for development. Stay clear of the potential problem or, if an owner, consider moving if you want long-term security. If a buyer draws circles around actual or potential problem sites (noisy

roads, poor soils, unappealing or over developed neighborhoods, absence of desired amenities (views, water) and other imagined adversities), he will be surprised at how much of our bucolic land is thereby encircled. The lessons are: (1) owners should protect their homeland with municipal planning and zoning; (2) buyers should realize that their ideal location is much rarer than they initially thought and, therefore, should be prepared to compromise or pay handsomely for a better location.

One solution is to buy where future use is predictable - in the very places which have already been developed – hamlets, villages, and small cities. If you buy a house within a built-up neighborhood it is likely that in the future it will tend to stay the same, especially in villages or small cities with good zoning and, even better, a historic preservation law. Little wonder that weekenders are now considering the protection and convenience of these neighborhoods.

Another location issue is the undiscovered "brownfield" or contaminated soil, usually the result of prior industrial usage or the leaking of oil into the soil from a garage or a buried fuel tank. There are thousands of such tanks. These issues will usually bring government attention, often requiring current owner remediation of the condition regardless of what prior owner caused the problem, or even potential problem. It can be an unending and unlimited liability. Where the slightest suspicion of contamination is believed, an environmental assessment is recommended before any thought of purchase.

Finding a place to live is a curious, sometimes conflicting balancing effort: One seeks his or her Shangri-la while at the same time trying to avoid the mine fields of adverse conditions - past, present and future. Fortunately contacting those with knowledge and experience is done at little or no cost, yet often proves invaluable. Brokers, building inspectors, planning board chairman, code enforcement officers, health department officials, lawyers, contractors, farmers, and neighbors know where the bones are buried, so to speak. You should as well.