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REAL ESTATE

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The elusive dream

In Westchester's hot real estate market, the long-difficult goal of affordable housing has moved even farther out of reach -- even for households with annual incomes of \$100,000.

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For The Journal News

A limited inventory of modestly priced housing is squeezing some potential buyers with marginal incomes out of the Westchester County housing market.

Real estate agents say the lack of affordable housing -- which many of them define as properties with list prices as high as \$250,000 to \$300,000 -- is an obstacle to buyers with annual incomes of as much as \$100,000, well in excess of the county median.

The median income for a family of four in Westchester is \$83,100, according to statistics from the county Planning Department. If such a family had \$20,000 in savings and monthly debts of no more than \$500, then it could afford to buy property with a maximum price of about \$220,000.

However, the median sales price of a single-family home in Westchester reached \$412,000 in the second quarter of this year, which is \$57,000 more than a year earlier, the Westchester-Putnam Multiple Listing Service recently reported.

"Lower priced homes aren't easy to find in Westchester," said [Peter Bell](#), a director of the Westchester Interfaith Housing Corp., a coalition of nonprofit, organizations working for affordable housing countywide. There are few single-family homes in the \$200,000 to \$300,000 range, and only slightly more condominiums.

Bell said lower-income families more often consider cooperative apartments. "But then you have to watch the numbers because many of these have high monthly maintenance fees," said Bell, who also works with buyers through his real-estate company, [Balch Buyers Agency](#) in Mamaroneck.



Matthew Brown/The Journal News

John and Maria Glynn, with the help of their [Realtor Laurie Bell](#), are at the end of a long search for affordable housing, a house in Yorktown priced at less than \$280,000.

Frequently, prospective buyers extend their search to Rockland, Putnam or beyond, where housing prices, while escalating, are still lower than they are in Westchester. The median priced home in Putnam was \$218,360, an increase of \$22,360 from a year earlier; in Rockland, \$279,500, in June, according to Greater Hudson Valley Multiple listing Service, an increase of \$44,500. As the hot housing market pushes up prices in Putnam and Rockland, some determined home seekers are heading even farther north, to find lower priced homes in Dutchess and Orange counties.

John Glynn, 34, and his wife, Maria, 32, got lucky: they found a 1,600-square-foot raised ranch in Yorktown just shortly before they put a bid in on a similar house in Kent, Putnam County.

Glynn is a White Plains policeman. His wife is a medical records clerk.

They both work full-time.

But they have no down payment. Their price range: \$200,000 to \$250,000.

"We're on our own," Glynn said. "It's very frustrating. I would have loved to have lived in White Plains, where I work. But there was nothing in my price range. Police, firefighters, teachers -- people who provide the services have to live farther and farther away from the communities they serve to get a piece of their dream."

Lawrence Salley, deputy commissioner of the county planning department, said the lack of housing for working families in many Westchester communities has a potential impact even on those fortunate enough to afford multi-million dollar homes.

"Many of the people who live in affordable housing developments provide essential services in the community, for example, volunteer fire fighting. If there's no one there to volunteer, then a community will have to switch to a paid fire department.

"It also impacts the economic vitality of the county in terms of the business willing to remain or locate here, if there is an inadequate supply of workers, then businesses won't stay. When businesses move, it erodes the tax base.

"That can have a very serious effect on the remaining residential taxpayers."

Salley said the county is attempting to tackle the housing affordability issue on several fronts.

One of the most important involves education. Affordable housing, Salley stressed, is not synonymous with a housing project designed for those with very low incomes.

"It's housing in a price range that almost anywhere else in the country would get you something well above average," he said.

Glynn agreed. "My relatives in Atlanta told me \$250,000 there would get me a house with four bedrooms, two-and-a-half baths, a two car garage, inground pool and a ton of property. Here, I'm getting one bath, no garage, and a quarter acre -- and I'm really happy to have found it," he said.

Housing affordability is dropping nationwide. Conditions deteriorated during the second quarter of this year as rising home prices and higher interest rates offset increases in family income,

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according to the National Association of Realtors, The organization's composite Housing Affordability Index was 126.5 during the second quarter, down 4.6 percentage points from 131.1 reported in the first quarter and 12.7 points over a year ago.

The index shows half the nation's households had at least 126.5 percent of the income needed to purchase a home at the nationwide median existing-home price, which was \$137,800.

Dr. David Lereah, NAR's senior vice president and chief economist, said higher interest rates mean more people who are at the margins of qualifying for a loan are being priced out of the market. "For every percentage point increase in interest rates, about 250,000 families are priced-out of the housing market," he said.

life, taken care of their children and simply want a nice place to live. They don't want a mansion, they just want a home, and they're more than willing to work for it. They just can't find one in their price range."

[Peter Bell, a director of the Westchester Interfaith Housing Corp.](#)

According to the Federal Housing Finance Board, the average effective mortgage interest rate for existing homes was 8.19 percent during the second quarter; up from 8.02 percent in the first quarter; it was more than a percentage point higher than the 7.13 percent recorded in the second quarter of 1999.

This is a weighted average interest rate between fixed and adjustable loans, including the cost of points, and represents a bottomline mortgage cost.

There are a few positive signs. Some developers are successfully adding affordable housing to their mix of projects. Elmsford-based Wilder Balter Partners, for example, has seven residential developments under construction, from affordable housing communities to market-rate rental housing to luxury single-family homes.

"We believe it's this diversity in new construction developments that has added to our success," Robert Wilder said. In 1996, Wilder Balter developed Stone Creek, a 52-unit townhouse development in New Castle created with assistance from the Housing Action Council, a local nonprofit agency, the town of New Castle, Westchester County and New York state.

The Westchester Interfaith Housing Corporation is constructing two, three-bedroom townhouses in Mount Vernon. The homes, which are being marketed through the Housing Action Coalition, will sell for less than \$110,000 to buyers with incomes below the county median.

"It's extremely frustrating," Bell said. "You talk to people who have worked every day of their adult life, taken care of their children and simply want a nice place to live. They don't want a mansion, they just want a home, and they're more than willing to work for it.

"They just can't find one in their price range," he said.