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# The \$250,000 Question

By CAITLIN KELLY

W H A T kind of second home can you get these days for \$250,000? It depends on where you're looking.

Want something of a bargain? Then head north. Even though the Canadian dollar has gained strength recently against its American counterpart, second homes just over the border still represent relatively good value for buyers.



In the Eastern Townships, a rural region just over an hour southeast of Montreal “you can expect a good quality home of 2,000 to 2,400 square feet with access to the water,” said Albert Brandt of REMAX d’Abo in Magog, a real estate agent who has been selling there for 20 years. With about 10 towns to choose from like Magog, Knowlton and North Hatley, the region – a four-and-a-half-hour drive from Boston and six hours from New York – is a favorite of Montreal residents, whose cosmopolitan tastes in food, wine and clothing add flair to local restaurants and shops.

Americans represent no more than 5 to 10 percent of second-home buyers there, Mr. Brandt said, and most of them buy in North Hatley, known to Americans for its upscale lakeside inns like Hovey Manor. English-speaking buyers have bought second homes in the region for generations, drawn by its low density, excellent skiing, pristine lakes and mountains.

A recent listing in Magog offered a 1,920-square-foot three-bedroom, two-bathroom house for 239,000 Canadian dollars (about \$199,700 U.S. at 1.20 Canadian dollars to the U.S. dollar), with taxes of 2,539 Canadian dollars. Another two-story house in Magog with three bedrooms and a

view of Lake Memphremagog and Mount Orford is listed at 249,000 Canadian dollars, with taxes of 1,993 Canadian dollars.

Want to be by the water but don't want to leave the United States? Then forget much of the Northeast. "Today you can't even think of selling water, let alone seeing it, for that price," said Paul Disegna, an agent with ReMax Metro in Warwick, R.I.

But some properties in waterfront communities can apparently still be found for less than a quarter of a million on the Eastern Shore of Maryland. Vice President Dick Cheney bought a second home in St. Michaels, Md., about 90 minutes from Washington, for \$2.67 million in 2005. But second-home shoppers can find 1,000- to 1,500-square-foot cottages built in the 1950s in move-in condition for around \$250,000, said Dawn Lednum, a broker with ReMax Blakeney in St. Michaels. Those houses are either in town, she said, or on nearby Tilghman Island.

Most buyers of second homes in St. Michaels arrive from Washington, northern Virginia or Pennsylvania, she said, with even a few from New Jersey. "We have 600 miles of waterfront and 60 to 70 restaurants in the area to choose from," she said. "This is not the beach crowd. There's not even a traffic light in town."

The median price for a vacation home nationwide in 2005 was \$204,100, according to the National Association of Realtors, making \$250,000 sound like a reasonable sum with which to pursue that weekend getaway of your daydreams. And with the current slump in the real estate market, those buying now can make that amount stretch further than it did two years ago. In some parts of the country, real estate agents say, it's not uncommon for a buyer to get a home at 10 percent off the asking price.

Buyers moved by mountains and history have discovered Staunton, Va., in the central Shenandoah Valley. Close to the Blue Ridge Parkway and 30 minutes from Shenandoah National Park, the town of about 25,000 is easily reached from Washington by car or by Amtrak train.

"It's an area that really appeals to people who really enjoy the outdoors," said David Bottenfield, who has been a broker for 12 years with Century 21-Premier Real Estate in Staunton. The town is at the junction of two major highways, I-81, running north-south, and I-64, running east-west. "That's what's bringing growth," Mr. Bottenfield said. "You can be at the beach in three to four hours, or in downtown D.C. in three hours."

Buyers with \$250,000 to spend can still find an array of handsome historic houses, though prices have doubled in the last three years. There's a lively social, sports and cultural scene, with eight four-year colleges within a 45-minute drive. Bob Barron, the publisher of Preservation magazine, bought a weekend house in Staunton in 2003 with his partner. A friend had bought a house there and Mr. Barron, on a visit, "came across this beautiful little town, chockablock with Victorian architecture," he said. "The people cherish their architecture, and that creates a sense of identity."

Feeling welcomed as a gay couple was essential to the decision to buy property, Mr. Barron said. "People could not have been nicer." Their 1,200-square-foot house, built in 1900, cost less than

\$150,000. It was a one-room structure that Mr. Barron described as “a dilapidated old carriage house”; the two have since spent an additional \$100,000 to renovate it. They enjoy the town’s range of restaurants and local theater – and the ability to walk everywhere.

Buyers from the Chicago area seeking affordable lakefront houses are heading about 100 miles northeast to Cass County, Mich., where \$250,000 buys a 1,250-square-foot house built in the 1940s or 1950s, probably in move-in condition. The county has several lakes and a population of 50,000 spread over 30 square miles, much of it grain and dairy farmland, said Harry Stemple, an agent with ReMax Shore Acres in Cassopolis, Mich.

Prices there haven’t changed much, rising 3 to 5 percent a year, according to Mr. Stemple. The average time it takes to sell a home is now about 180 days, he said. “We’re seeing a slump,” he said. “People are getting homes for 5 to 10 percent below the asking price and they’re taking longer to sell. Eighteen months ago, prices were overinflated. Now they’re a little more realistic.”

JACK DAL SANTO, a builder from the South Side of Chicago, bought a 600-square-foot cottage in Cass County on Eagle Lake in 2003 for \$250,000, a property between houses owned by two sisters, both of them – typical of the area – longtime residents. He tore down the cottage and spent \$400,000 to build a new four-bedroom, three-bath, 3,000-square-foot ranch-style house. “It was worth it for the waterfront land alone,” he said.

Mr. Dal Santo looked at property in Lake Geneva, Wis., but said it was “twice the price, twice the taxes” than what he found in Cass County. “People north of Chicago go to Wisconsin, and those south head to Michigan,” he said. “It’s more of a middle-income, blue-collar group here.” Many families have owned summer homes there for generations, and there’s not a lot of turnover. “It’s all word of mouth,” he said. “A property will sell before it’s even hit the market.”

On the West Coast, Scott Kubay, an agent with Century 21 Fairway Realty, says Victorville, Calif., about 80 miles northeast of Los Angeles, has become a popular second-home location, even with one of the state’s largest prisons nearby.

“We’re exploding here, with 20 to 30 percent appreciation per year,” up until last year, he said. But buyers can still find properties for \$250,000, mostly ranch-style homes. “It’s a rural environment,” he said, “but it offers access to the things you need.” Boaters use nearby Lake Arrowhead, and it’s a 30-minute drive to ski at Big Bear Mountain. Buyers are also looking at homes in the nearby towns of Hesperia, Phelan, Oak Hill and Lucerne Valley. In Victorville and neighboring Apple Valley, 89 properties that cost between \$248,000 and \$252,000 were sold last year, Mr. Kubay said – in a state where the median price for a house is \$561,000.

“Pricing is lower because we are a relatively new area, built in the 1950s and 1960s,” Mr. Kubay said.

Most second-home buyers drive two or three hours from Las Vegas, Los Angeles or San Diego. A 1,384-square-foot, three-bedroom, one-and-a-half-bathroom ranch-style house built in 1952 on an acre in Apple Valley sold for exactly \$250,000 last August. The asking price was \$259,000.

People buy such houses for high desert vistas, clean air and hiking. Mr. Kubay, who lived on the Upper East Side of Manhattan for years, said, "It's a much slower pace up here."

And all for \$250,000.