

Special Advertising Feature  
WESTCHESTER AND FAIRFIELD COUNTIES



New Rochelle has plans to redevelop its downtown, to include residential units, shops, restaurants and businesses.

# Taxes, Amenities, Good Locations Drive Sales

THE HOMES MARKET IS EVOLVING, THANKS TO PROPERTY REVALUATIONS AND IMPROVED FACILITIES THAT INFLUENCE PRICES AND TARGET TODAY'S SWITCHED-ON BUYERS

By Joseph Dobrian

Some communities in Westchester and Fairfield Counties have recently revalued residential properties for tax purposes, or are contemplating doing so. These revaluations can influence a house's price, making certain properties more attractive to buyers. In some cases, these new valuations favor new constructions. In at least one instance, a luxury condominium property developer responded by changing the ownership format to a cooperative system in which owners buy shares in the whole property instead of owning individual units.

The revaluations should come as no surprise. Residential real estate remains one of the country's safest investments, and international buyers are increasingly likely to park their capital in New York's suburbs. Talk of rising interest rates has quieted, and while rates might edge up in the coming year, mortgages

will remain relatively cheap. Moreover, the increase in luxury retail and fine-dining options in Westchester and Fairfield Counties is making home buyers realize that living outside Manhattan doesn't mean "camping out."

Fortunately for many, revaluations in some Westchester communities have redistributed the tax burden more equitably, imposing less tax on construction and making it more feasible to build

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and buy. Jason Wilson, brokerage manager for Julia B. Fee Sotheby's International Realty in Scarsdale, N.Y., says revaluation in that community has changed the picture considerably.

"So far this year we've closed 188 sales, compared to 197 last year, but the sales are happening later this year, and more

closings are taking place now. A lot of \$4 million-plus inventory has come on the market this year. Sellers are complaining the market's dead, but that's not so: there are just more properties to choose from.

"The revaluation of properties in Scarsdale was reflected in this year's taxes, and has affected the market. Unfortunately, some owners at the high end saw a huge tax increase. Some people's tax bills went up by as much as

\$100,000," she adds.

Mr. Wilson's company represents The Heathcote, a 14-unit luxury construction that was originally planned as a condo project. For tax-related reasons, The Heathcote will be offered as a co-op instead.

"When a town goes through a

revaluation," Mr. Wilson explains, "they have the option to tax condos as single family homes—instead of taxing them as rental properties, which is a much lower rate. Scarsdale didn't do that this time, but we're taking precautions."

Homes in the \$2.5 million to \$4 million range now have to compete with new construction, Mr. Wilson says, and while buyer interest is generally strong, "it's a back-and-forth between buyer and seller: 'I want my price,' and 'I want the best deal.'"

#### ATTRACTIVE AMENITIES

Tax issues aren't the only factor driving the market. Location and amenities are important too. People want interior amenities: an open-plan kitchen that gives onto a family room; a [particular] home-automation system or thermostat; a master suite with bigger closets and an office off it, and maybe a dressing room.

Although Mr. Wilson says buyers are largely concerned with reducing commuting times, proximity to local facilities is vital too. Home buyers are less likely, nowadays, to be interested in a farm or spacious estate where they can get away from it all. They would rather be within walking distance of smart restaurants, and an easy drive to luxury retail. Faith Hope Consolo, chairman of the retail leasing and sales division of Douglas Elliman, in New York, says that retail and entertainment options in the two counties have improved dramatically in recent years.

"New Rochelle recently announced plans to redevelop its downtown over the next decade, bringing 11,000 residential units into the mix with shops, restaurants and businesses to meet the needs of those future residents," she says. "The goal will be to create a 'walkable downtown.' Over in White Plains, Lennar Commercial recently acquired the Westchester Pavillion and invested about \$175 million into revamping it, in line with the popular walkable mixed-use concepts we're seeing more of lately. The site is called The District at Westchester, and it'll create a modern, buzz-worthy shopping experience with 112,000 square feet of retail space for luxury and lifestyle stores, cafes, restaurants and boutiques.

"I predict plenty of retail growth in Stamford as well, particularly in the vicinity of Harbor Point" Ms. Consolo adds. "The city's population is growing exponentially, and attracting young adults. We're seeing a push for denser, more walkable suburban business districts. Consumers don't want to just buy; they want to eat, drink and be entertained, and retailers are responding. With an increase in walkable developments, the local retail supports the story of that community—whether it's through lifestyle brands or destination dining. Food is fashion. It always has been, in the city, but it's becoming more so in the upscale suburbs."