

## The impact of schools on housing values

[Westchester County Business Journal](http://www.westchesterbusinessjournal.com) , Apr 05, 2004 by Gurliacci, David  
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A study of median housing prices in selected school districts in Westchester County found homes in the Rye Neck district had the best return on investment, while those within the Pleasantville school system appreciated the least.

Although the company that conducted the study discounted how well it reflected the progress of school districts, local real estate agents say the majority of customers consider schools; as an important factor in deciding where to live even when they don't have children.

Of the 19 districts in the Market Watch survey compiled by Julia B. Fee Real Estate L.L.C. of Rye, Rye Neck's home value rose at a compounded annual rate of 12.28 percent compared with 7.83 percent in Pleasantville.

Over time, that difference - 5 percent, on average - amounts to a lot of money. The home value in Rye Neck soared from \$284,000 in 1996 to \$660,000 in 2003, according to the study. In Pleasantville, it went from \$290,000 to \$530,000.

The increase in other districts ranged between 9 percent and 11 percent. The rate in Scarsdale was the second lowest at 8.47 percent; in Ardsley 8.63 percent; Edgemont 11.54 percent, the second highest in Westchester.

Several factors cause the difference it's not just the school performance, said George M. Stone, managing principal of Julia B. Fee.

He said the survey was broken down by districts - and not other boundaries because schools are what homebuyers look at when they buy a house.

The quality of the housing stock, the community feel," commuting distance to common working locations, such as New York City, Stamford, Conn., or White Plains, and recreational amenities are all factors that affect housing prices.

### ONE BIG FACTOR AMONG MANY

"The schools are a big factor to anyone buying a house in Westchester," Stone said. But with all the other factors, "it's really quality of life" overall that counts.

In his 20 years in the real estate business, he has always found customers interested in the school, and they ask about various other factors that measure educational success.

"All of the schools have really made a huge effort in the past five years to elevate the quality of what they're trying to do, and I see that across the board," he said.

The study also reported average rates of increase in the following districts: Rye, 10.85 percent; New Rochelle, 10.83; White Plains, 10.58. Byram Hills-Armonk, 10.49; Eastchester, 10.45; Mount Pleasant-Hawthorne-Thornwood, 10.43; Harrison-Purchase, 10.35; Briarcliff Manor, 9.99; Port Chester, 9.93; Mamaroneck-Larchmont, 9.67; Greenburgh-Hartsdale, 9.45; Chappaqua, 9.26 percent; and Blind Brook-Rye Brook, 9.08.

The data was collected from 1996 to 2003 and based on the Westchester/Putnam County Multiple Listing Service. The median price is the value at which half of all homes were sold for the same or higher price and half for a lower price. The study can be found at <http://www.juliabfee.com/marketwatch/>.

George Groves, owner of Re/Max Prime Properties of Eastchester and a former president of the Westchester County Board of Realtors, studied home-buying patterns in school districts several years ago and found that 60 percent of people who buy a home in a school district are already living in that district.

Although housing prices vary by school district, Groves said he doesn't think housing values accelerate faster or slower based on the district, but for relative differences essentially stay the same.

Told about Groves' differing opinion, Stone said he stands by the Julia B. Fee study, which took account of seven years' worth of data.

"Many people who have no kids in school are concerned about resale value, so they want to live in a good school district as well," Groves said.

The subject of schools comes up 90 percent of the time when home buyers discuss moving into a community, he said. I would say that's the top issue."

"Most people are already preconceived as to what school district they want to live in," he said. "The higher the (home) price, the higher the priority school districts have."

Some home buyers, who are just scraping by, enter Westchester from places like New York City, where the public schools are often considered to be even worse.

"So sometimes poorer school districts (in Westchester County) are actually an upgrade," said Groves.

Linda E. Kelly, superintendent of the City School District of New Rochelle, takes an active approach to promoting the school system's reputation among both real estate agents and families thinking of moving into town.

Kelly says the school officials sometimes host meetings for real estate agents as they did on March 26 when more than 65 showed up.

"We do this because probably one of the biggest investments - if not the biggest investment - someone makes is in the purchase of a home, and we're committed to making sure homeowners ... in New Rochelle are getting value for their expenditure," she said.

Like a good real estate agent, Kelly has her selling points on the tip of her tongue: "Ninety-four percent of last year's graduating class went to college. We're near the top. We had a dropout rate of less than 1 percent."

Lucille Ritacco, owner of Lucille Ritacco Real Estate L.L.C. in New Rochelle, said some potential buyers become concerned when they learn that one of the elementary schools in the city has a large population of students who don't speak English.

"We don't lose many buyers because of the school," but the concern exists, she said. Ritacco said that if buyers are concerned at all about the school system, her brokers send them to Kelly.

"Whoever we send there, we very, very rarely lose as a buyer," Ritacco said.

New Rochelle has always had an immigrant population, Kelly said, and the school system is not only proud of its diversity, but it looks on it as an asset.

One program in the school system, Child International Learning Academies, which Kelly said was paid for with federal grants, puts first-grade students who speak English together with students who only speak Spanish, then helps each group learn the other's language.

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