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What still sells homes? Location

The old real estate truism is holding up despite the general housing-market downturn.

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Correction: CLEARING THE RECORD, PUBLISHED JULY 9, 2008, FOLLOWS: An article yesterday on new-home sales incorrectly said there was only one such development in the Garnet Valley School District. Martin's Court in Concord Township also is + offering newly built homes there.

Article Text:

When all else seems to fail, the tried and true often succeeds.

So perhaps it's not surprising that even in this tough real estate market, what's selling new houses is what always sells them:

Location.

At scattered spots in the Pennsylvania suburbs, there are new developments that prove the point, including:

Woodmont in Huntingdon Valley, Montgomery County, where 17 homes sold between Jan. 1 and the end of June at prices up to \$900,000.

Athertyn, an over-55 community on the former Haverford State Hospital site. Pohlig Builders sold 16 of the 198 units planned between January and May.

The Estates at Garnet Valley in Glen Mills, Delaware County, where 47 single-family homes are planned with prices starting at \$776,000. Four contracts were signed in the last month - though the first model home had not yet been completed.

Individual builders may be negotiating slightly different paths through the current housing malaise; for example, the "lifestyle community," which offers low maintenance and amenities such as a pool, a clubhouse and retail.

Yet location is still the secret to success, observers of this real estate market say.

Woodmont is what's known in new-home lingo as a TND, for "traditional neighborhood development." It's considered a "strong performer," said Wayne Norris, regional sales manager of Hanley Wood Market Intelligence, which tracks new-home sales.

Since 2005, 85 of Woodmont's 120 houses have sold, said Jason Duckworth, vice president of Arcadia Land Co. of Wayne, the community's developer. "I'd like to take credit for success, but it was the location," said Duckworth, whose company contracted with four builders - Pulte, Gigliotti, Masterpiece and NV Homes - to construct the houses on 6,000-square-foot lots. The price range is \$500,000 to \$900,000.

Schools in the Lower Moreland district are a huge draw, he said, as is the easy commute to jobs in eastern Montgomery County and Philadelphia.

For Craig Chernoff, "the school district was the key."

Chernoff, 31, a lawyer, and his wife, Deborah, 31, who works in a deli, moved into their house in June 2007 with daughter Paige, now 3. They had been living in a townhouse up the street and watched the residences rise.

"I was obsessive about it," said Chernoff, who drove by Woodmont on his way to and from his office in the city.

Many builders have adjusted to the economy's current conditions "by bringing product to market that meets the shift in demand," Norris said. Some new developments, including Woodmont, offer smaller houses with many upgrades that are designed to be attractive to first-time buyers, he noted.

The trend to smaller houses appears to be a national one, and they are generally selling better, said Bernard Markstein, senior economist at the National Association of Home Builders.

U.S. Census Bureau figures show a decline in the median size of houses in the northeastern United States to 2,278 square feet in 2007 from 2,412 square feet in 2006.

Hanley Wood's numbers show a trend toward smaller houses in Philadelphia's suburbs since 2005, Norris said. Townhouses and condos outside the city account for 47.2 percent of new-home sales so far this year, compared with 32.5 percent in 2005.

(Hanley Wood began tracking Philadelphia new-home construction in August, so year-to-year city comparisons are not yet available.)

Until its first houses and streets appeared, Woodmont was a tough sell, Duckworth said - the concept of traditional neighborhood design and smaller lots was alien to many buyers.

"As soon as we achieved critical mass, so buyers could see how it fit together," sales took off, he said.

It's a lot easier for a buyer to envision what a condominium project will look like. With footers for the first of six structures just going into the ground, Pohlig was able to sell 16 of the 198 units planned for its Athertyn over-55 community from the start of this year through May.

That's an average of four sales a month, which is considered good in this sluggish market, said Wayne Norris of Hanley Wood Market Intelligence.

Location has made all the difference, said developer Todd Pohlig, whose 1,800- to 3,000-square-foot units sell from the mid-\$600,000s to \$1.3 million.

"Most of the buyers are local people who simply want to downsize out of those big houses they've owned for 10 years and more," said Pohlig, who built three-quarters of a sample unit in a Bryn Mawr storefront to sell the condos.

His buyers "want to stay in the area, where everything is familiar," Pohlig said. A park setting encourages walking, but the nearest shopping is at Haverford Station, 1.8 miles away.

"It's not far, and they are used to driving," he said.

John DeMaio will be only 53 when his condo is in move-in condition in August 2009 and he gives up the rambling Drexel Hill house he's owned for 23 years.

"I was the primary caregiver for both my parents and watched their friends as well, and concluded that we wait too long to make the decisions about the future that need to be made," said DeMaio, a business consultant and former neonatologist who purchased his condo in February.

He said he searched for a condo in the city and the suburbs for two years, and was surprised by the "lackluster efforts" of many salespeople in what he described as a "sanguine market."

"This was a good product and a builder with a good reputation," said DeMaio, who was looking for one-story living because of increasing problems getting around.

Arnold and Janis Nadler, who also bought in February, are coming back to the Main Line after leaving Villanova for Blue Bell "because there wasn't anything like Athertyn here."

Arnold Nadler, 68, is retired. Janis Nadler, 61, has been an agent with Prudential Fox & Roach Real Estate for 25 years and is not planning to retire; her office is at Haverford Station.

"They've built a fantastic product," said Janis, who is not connected professionally with the project. "It is worth the wait."

At the Estates at Garnet Valley, it will be a little while before all six planned model homes are finished. But the lack of visual aids has not proved to be an obstacle to sales so far.

"In a more challenging market, an 'A' location will sell," Toll Bros. division president Jeffrey Bartos said.

(Bruce Toll, vice chairman of Toll Bros., is also chairman of Philadelphia Media Holdings L.L.C., which owns The Inquirer, the Philadelphia Daily News, and Philly.com.)

The development is an easy walk to Garnet Valley district schools, Concord Township buildings, and recreational facilities, including walking trails. And it's a quick trip to major highways, including Route 322 and I-95.

The community also offers the only new-home construction in Garnet Valley, Bartos said.

Along with location, novelty is proving to be another thing helping new houses in these three developments sell.

Woodmont is the only new-home development in Huntingdon Valley, Duckworth said, and one of a very few such projects in the near suburbs, which he called "an extremely underserved market."

Of course, not too many condominium projects are being built in the suburbs. Says Pohlig: "The zoning just wasn't in place for this kind of product."

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Caption:

CHARLES FOX / Inquirer Staff Photographer

The grand staircase in a model unit gets finishing touches at The Estates at Garnet Valley. No models are complete, but sales remain satisfactory.

Work continues on a model unit at The Estates at Garnet Valley, in Glen Mills. Its one of several developments whose locations are a key factor in achieving good sales in a sluggish market.PHOTO AND MAP

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