

# REAL ESTATE

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## THE REAL DEAL

### Real Estate News You Can Use

BY EVI COGLAN



### The New Land Rush

You know what the old song says. “Fish gotta swim...birds gotta fly.” Well, there’s another undisputable truth in our local area – builders gotta build.

That fact – combined with the scarcity of available land in Westport and this year’s reappearance of the luxury buyer – has builders once again paying premium prices for future \$3+ million home sites.

Almost two years ago in this column I announced the end of the last land rush. Around that time, “Land Ho!” had morphed into “Land, Whoa!” as builders applied the brakes once prices for flat, dry, well located one-acre parcels briefly touched the \$1.2 million mark. During 2006, as well as early this year, most builders held firm and refused to pay more than \$1,050,000 to \$1.1 million for all but the best-located one acre sites with available sewer connections. (Note: Not having to install a septic system allows for the largest possible house to be built). Some builders focused on smaller parcels instead, paying less for the land but constructing as large a house as zoning regulations would allow.

Since then, a new land rush has begun which has astounded even the most seasoned members of my profession. Two building sites on Pumpkin Hill recently sold for upwards of \$1,250,000 – and one on Sylvan Road North went for \$1.3 million. These are prices which many could justify in light of available sewer connections at both of these locations. However, recent \$1,200,000 teardowns on Sprucewood Drive and Joann Circle – neither of which has sewer available – have caused many to take notice. Not to mention the recent \$1.7 million teardown

on Old Hill Road – which, yes, is something of an aberration even in light of the rarefied air that people who live on that street are blessed to breathe.

There are two things that make the current land rush different from the last one. First is the type of houses being torn down. It’s not the distressed, difficult-to-renovate 1950’s split or ranch house, but rather stately 1960s colonials and other lovely residences that were once the pride of Westport’s most desirable streets. These are homes that are still in demand among young families who would renovate, update, expand and live in them for the next 25 years. Just a few years ago, a private buyer would always pay more than a builder for an opportunity like this. But that is no longer the case.

This phenomenon has added new dimension to how difficult it is to find a house for the very large segment of buyers that we all work with who can spend “up to a million-two.” Increasingly, these buyers are being forced to go to Weston, Wilton or Fairfield instead.

The second difference, in my opinion, is that – finally – builders are being very selective about the building sites that they’re willing to pay top dollar for. Apparently they have learned from their mistakes. During the previous land rush, I witnessed builders buying up land indiscriminately, often in very “iffy” locations. Many were hit hard, and ended up selling way under list price when buyers failed to see the value.

As everyone in my business knows, market conditions determine what a property is worth. Current market conditions have created a “perfect storm” that has led to the new land rush that we are experiencing. Right now high-end buyers are alive, well, and eager to buy \$3+ million homes in Westport – at the very same time that buyers looking “up to a million two” are feeling cautious and afraid of paying too much. This has cre-

ated the perfect opening for our local builders – and represents a potential boon for home sellers who are sitting on flat, dry, one-acre parcels of land in “cream of the crop” locations.

If you believe you own such property, you would be well advised to consult with a real estate professional who has special expertise in land valuation. Profiting from the new land rush is no sure thing. Make sure you are well educated, well prepared – and well represented – if you want to play in this high-stakes game.

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