

Stalled subdivisions starting fresh

Infrastructure that's in place saves costs for new builders

BY JAMES WALSH
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Some builders of residential properties see opportunities in the stalled developments of others.

High on a hill near Stewart International Airport, Baker Residential of White Plains is preparing to build 142 two- and three-bedroom town houses to complete The Grove at New Windsor, a K. Hovnanian development that stopped a few years ago with 57 completed units.

Clark Atwood, Baker's vice president and general man-

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CEO of the Ruby Group and president of the Builders Association of the Hudson Valley

In today's sluggish housing market, builders need to save wherever they can, with an eye toward building lower-priced homes.

Third-quarter single-family home sales rose in Orange, Sullivan and Ulster counties between 2010 and 2011, but remain far below what they were several years ago. The median sale price in Orange County was \$255,720 in the third quarter of the year, compared to \$325,000 in the third quarter of 2005.

Helping it sell

Builders such as Baker and Ruby consider such figures when resurrecting developments. Prospective buyers at The Grove will find prices in the mid-\$200,000s, Atwood

said, as opposed to ones into the \$300,000s that sold earlier.

The Ruby Group has deals to complete subdivisions in Blooming Grove, Shawangunk and Wawayanda.

"There are a lot of opportunities out there," Berman said of builders and buyers. "In our work with local lenders, we're seeing people getting mortgages. Qualified buyers are able to. It's back to basics, and interest rates are phenomenal. It's a phenomenal time to get into the market."

It's also a subdued market. There were 1,560 single-family building permits issued in

Orange County in 2002, according to U.S. Census Bureau figures, 476 in Sullivan and 649 in Ulster. Last year, there were just 398 issued in Orange, 144 in Sullivan and 154 in Ulster.

Financial analysis, site planning, engineering and a plethora of marketing devices are essential in today's market.

"You have to bring all of those facets together in an organized way to make a project that will sell," said Berman, who is also president of the Builders Association of the Hudson Valley. "Some didn't have the skills and were unable to adapt."

Plan for development

The Blooming Grove and Shawangunk projects are being done jointly with Hometown Bank of the Hudson Valley, (formerly Walden Federal), which had loaned money to the previous developers. After the plans faltered, Hometown acquired the properties without having to put the projects into foreclosure, said Bruce Lott, senior vice president and chief lending officer.



TOM BUSHEY/Times Herald-Record

A bulldozer clears land that will be used for a stormwater detention pond Thursday in the Vista Woods at Blooming Grove development. The formerly stalled project has been taken over by the Ruby Group, a developer based in Goshen.

THIRD QUARTER HOME SALES

COUNTY	Sales			Median price		
	2010	2011	CHANGE	2010	2011	CHANGE
Orange	429	446	4.0%	\$268,500	\$255,720	-4.8%
Sullivan	94	97	3.2%	\$152,500	\$140,000	-8.2%
Ulster	245	266	8.6%	\$218,000	\$204,500	-6.2%

Source: County boards of Realtors; figures reflect sales of detached, single-family homes reported to the boards.

He said the bank first discussed the project with Ruby because "we didn't want to be in a position where we gain possession of a property and have no plan" for its development. "We had a degree of confidence with Peter (Berman) because he did a deal with us in Ellenville" a year ago.

The Blooming Grove development is scaling back from homes in the \$800,000 to \$900,000 range, Lott said, a market that has largely disappeared. Instead of homes in excess of 3,500 square feet, Berman said, they will be between 2,200 and 2,434 square feet. Costs will be \$379,000 to

\$409,00. The 2,200-square-foot model will cost \$339,000 at the Shawangunk project in the hamlet of Walkkill.

Smaller down payments

FHA financing has been arranged at The Grove to permit smaller down payments, part of Baker's marketing strategy. Construction will start after buyers sign contracts this month. It will take two to three years to complete the development, which overlooks mountains near West Point, Atwood said.

Despite The Grove's adjacency to Stewart, air traffic hasn't been a nuisance, resi-

dents said.

Jennifer Deekens and her husband, Vic, moved there three years ago to be in the Washingtonville School District. Little Britain Elementary School is less than a mile away. "I know a lot of people in the neighborhood live here to go to that school," Deekens said. "And it's quiet. We have a lot of nature here: deer, turkey, otters, and beautiful sunsets."

Neighbors Jackie and Tom Vasquez enjoy the views. "The sunsets are breathtaking," Jackie Vasquez said. "And it has a private-community feel to it without being gated."

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