

# The FMC Property Price Protection Program

## JULY 2007 REPORT

### MLS Statistics for Single-Family Middleport Properties

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
No. of Listings	9	11	24	22	34	56	62
Average List Price	\$74,456	\$78,236	\$75,875	\$76,395	\$89,316	\$75,363	\$72,050
Average Sale Price	\$68,671	\$64,865	\$67,450	\$72,512	\$70,265	\$74,168	\$72,970

## CURRENT MIDDLEPORT REAL ESTATE MARKET CONDITIONS

### What is the purpose of the Price Protection Program?

The purpose of the program is to assure homeowners in current environmental study areas, and that they will receive fair market value for their homes if they decide to sell them. The program is intended to bridge a period of potential uncertainty as the environmental work continues in Middleport.

### Has the PPP met those goals and how can you tell?

Yes. According to the latest Multiple Listing Statistics (MLS), the average list and sales prices of single-family homes in the Village of Middleport have remained stable since the program was implemented for the study areas in 2004.

According to a June Uniform Residential Appraisal Report performed by a certified, licensed local appraiser for a Middleport home, "Market conditions appear stable at present with supply and demand in balance. Average marketing time in this neighborhood is approximately 90 days, with sale price to list ratio at 95.1%" and "There are no unfavorable factors affecting marketability."

### Where can I get monthly MLS data to see the status of the real estate market in Middleport?

Residents can request recent MLS data at the FMC Property Price Protection Office at 15 Main Street. A copy of the weekly listings of Middleport properties that are for sale in the program and their list prices is also available there.

### What happens when a house doesn't sell after its six month marketing period and FMC owns it?

After FMC purchases the home, FMC will bring the home up-to-date and in many cases has restored properties to a livable condition. The home will then be re-listed for sale with the cost of repairs and renovations reflected in the new sale price.

Below are some photo examples of renovation work that FMC has performed on some Middleport properties in the program. For more detailed photo displays of this process stop by FMC's 15 Main St. office.



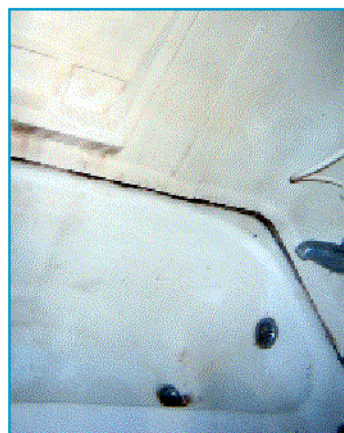
#### BEFORE

*Photo from a Middleport home before FMC purchased it.*



#### AFTER

*FMC purchased the home and addressed areas needing refurbishing. The property was then re-listed at a higher price and sold.*



#### BEFORE

*Photo from a Middleport home taken before FMC purchased it.*



#### AFTER

*FMC purchased the home and addressed areas needing refurbishing. The property was then re-listed at a higher price and sold.*

### GENERAL PROGRAM INFORMATION:

or a copy of a fact sheet about FMC's Property Price Protection Program go to [www.teapothollow.com](http://www.teapothollow.com).

**Why does it seem there are more houses for sale these days?**

According to an article in the June 19, 2007 The Buffalo News, the Buffalo Niagara Association of Realtors reports there is a record number of homes on the market, the highest in seven years.

The MLS data for the number of homes on the market in other local communities indicates an increase in homes listed for sale in recent years as well:

LISTINGS	2004	2005	2006
Lockport	249	383	832
Medina	75	94	135
Barker	10	13	15
Gasport	13	14	23
Middleport	34	56	62

There are many complex economic factors which account for the increased number of homes on the market in this region. The article referenced above also notes that the National Association of Realtors expects 2007 national home sales to decline 4.6% from 2006. Middleport's MLS data indicates Middleport home sales have remained stable.

**What long-term effect will the program have on Middleport real estate values?**

When FMC improves a residential property that has been neglected and sells it, the property is then re-assessed, increasing the value of Middleport's tax base over the long-term.

**Are houses outside the Property Price Protection Program areas in Middleport selling?**

The MLS data for Middleport provided above includes all homes that were listed for sale in Middleport. According to Sharrie Wartell of Community Interaction Consulting (CIC), the firm that administers FMC's program, Middleport properties continue to sell at about 95 to 96 percent of their list prices. This is comparable to list price ratios around the United States.

Some property owners outside of the program selling a home have contacted the program, and FMC has provided free marketing assistance to them. This includes an analysis of their home by a CIC representative who will view the property and assess its marketing potential and make recommendations. Anyone interested can call Sharrie Wartell at 735-9769.

**What are the reasons for a property staying on the market for a long period of time?**

According to Sharrie Wartell, there are two factors to consider: The condition of the property and a realistic market price. She notes that properties that have not been maintained or updated in the last 50 years or that are over priced usually do not sell quickly.

Price Protection Program. Of these 12 rental properties, only 1 was owned by a Middleport area resident. Currently 8 of these rental property owners live in the Middleport area and 1 property was demolished due to poor condition.

**How many homes sold through FMC's program have changed from rental to residential or vice versa?**

Of the 12 multiple family rental properties sold in FMC's program, 1 was changed into a single family home and 1 was demolished. Ten of the 12 rental properties in FMC's program remain multiple family rental homes.

Many of those rental properties were in very poor condition. FMC refurbished many of those rental homes before re-listing and selling them including replacing roofs, porches, plumbing and electrical systems, chimney repair and installing siding. The cost of repairs was reflected in the increase in the properties' sale prices.

**Is the rent for a rental home in Middleport comparable to those being paid in other local communities?**

The range of rental fees for one and two bedroom rentals listed in the classified advertisements in the *Lockport Union Sun and Journal* and the *Lake Plains Penny Saver* for the weeks of June 17th and 24th, 2007 and from current MLS listing reports for rental properties that are listed for sale in Albion, Barker, Gasport, Lockport, Medina and Middleport were:

	<b>1 Bedroom</b>	<b>2 Bedroom</b>
Albion	\$390 - \$425	\$425 - \$485
Barker	\$395	-----
Gasport	\$275 - \$500	\$375
Lockport	\$350 - \$780	\$275 - \$800
Medina	\$350 - \$650	\$300 - \$625
Middleport	\$275 - \$450	\$450 - \$580

**ABOUT RENTAL PROPERTIES**

**Who is purchasing the existing multiple family units sold by FMC?**

Twelve multiple family residential properties owned by ten different owners have entered FMC's Property

**For More Information** - about FMC's voluntary Property Price Protection Program, please stop by the office at 15 Main Street or call Sharrie Wartell at 735-9769. Weekly Middleport home sale listings are available at the Property Price Protection office as well as online at [www.teapothollow.com](http://www.teapothollow.com).