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When House Hunting, How to Assess a Neighborhood

Considerations include schools, of course, but also walkability, upkeep and other factors.

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When you buy a house, you aren't just buying a house. In a way, you're buying a neighborhood. After all, you'll likely choose a home partly because it's close to work, the schools are great or it's walking distance to restaurants and stores - or maybe you love that it's nowhere near retail establishments.

In fact, you could argue that picking the right neighborhood is more important than picking the right house. The last thing you want is to buy property in a place everyone is trying to leave. So if you're looking for a home for your house, here are some things to consider.

What to look for. If you've been focused on your dream house and not your dream neighborhood, the most popular areas tend to be ones that offer "an instant sense of community to those relocating there," says Fred Forgey, director of the real estate development program at Nova Southeastern University in Fort Lauderdale, Florida. If community is important to you, Forgey says you should think about these five factors:

- **Aesthetics.** An attractive neighborhood indicates the residents care about it.
- **Affordability.** Sure, you want a cheap house, but you also want to be able to afford the cost of living in the neighborhood.
- **Safe environment.** Nobody wants a mugger or sex offender as a neighbor.
- **Easy access to goods and services.** Can you make a quick run to the bank or grocery store, or will every day be a headache behind the wheel due to traffic congestion or construction?
- **Walking distance to goods and services.** Even better, ditch the car. If exercise and a sense of community are important to you, find a house near the establishments you'll be frequenting.

Michelle Sagatov, a real estate agent at McEneaney Associates in Arlington, Virginia, strongly agrees with the last point.

“Walkability has become one of the biggest must-haves in Arlington. We are seeing neighborhoods that have a stronger walkability factor than others have lower days on market, and their average neighborhood price range has increased immensely,” she says.

But schools, Sagatov says, are still “the No. 1 thing families are looking at these days.”

Online research. You probably use websites like Zillow.com, Realtor.com, Trulia.com or Homes.com to search for a new house.

But there are neighborhood-related websites and apps as well. Here’s a sampling of what’s available:

- **HomeFacts.com.** This website contains mostly neighborhood statistics and information, but it also has data on more than 100 million U.S. homes (type in the street address of your prospective house to get the scoop on the whole area). Wondering how many foreclosures are in the area or if there are any environmental concerns? This is your site.
- **NeighborhoodScout.com.** Read up on crime, school and real estate reports for the neighborhood you’re considering.
- **Greatschools.org.** Here, you can find reviews written by parents and students of schools in the neighborhood you’re considering. You can also find test scores and other data that may help you decide if this is a school you want your kids to attend.
- **CommuteInfo.org.** This site offers a commuting calculator. Plug in information like miles driven and how many miles per gallon your car averages, and the calculator will give you an average cost of what your commute costs may look like in a month and in a year.

Red flags. As you’d expect, spotting a neighborhood on the decline isn’t rocket science.

“Red flags include things like a new highway being built [in close proximity to the house], an increased number of short sales, foreclosures and vacant properties, but even the number of rentals in an area can be cause for concern,” says Lisa Frushone, a real estate agent at Lisa James Otto Country Properties, a boutique real estate firm that serves the well-heeled communities of Bucks County, Pennsylvania, and Hunterdon County, New Jersey.

The number of rentals? Frushone says houses being rented may not indicate anything bad for the neighborhood now - but it might down the road.

"Ultimately, if a property is not owner-occupied and owner-maintained, it has a higher risk of not being well cared for, and that negatively affects neighboring property values," she says.

"Also, a general lack of property maintenance - overgrown lawns and shrubs, children's toys left outside, garbage bins not taken in - are other observable red flags," Frushone says. "But even how congested a street is with parked cars can signal a neighborhood's downturn."

Of numerous parked cars, she adds: "In real estate, appearances are important and truly impact property values. So messy is never good."

And don't just look at the parking - look at the parks, suggests John Gutman, director of sales and acquisitions at Chicago-based Mack Companies, a redeveloper of single-family homes in the Midwest. The appearance of a park can tell you a lot about a neighborhood.

"Parks are among the most telling signs of the condition of a neighborhood," Gutman says. "In areas where the infrastructure is strong, and where residents are involved and take care of the neighborhood, you'll be able to see it through the condition of the park."

But don't go overboard worrying about the neighborhood you choose, because any neighborhood you buy into will eventually change whether you like it or not. A construction crew could demolish your favorite field of flowers and put a mini-mall in its place. Your house, on the other hand, can remain untouched by time, looking in 2034 like you bought it in 2014.

Still, selecting the right neighborhood is important. Your neighborhood's character will shape your family's character. Years from now, with any luck, you'll wax nostalgic about the summer barbecues everyone had, the books you read stretched out in the hammock or the nearby farmers market you visited.

Media Contact: Julie Liedtke 312.267.4521 jliedtke@taylorjohnson.com