

Minutes
Springfield Civic Association Special Membership Meeting
April 17, 2012
Grace Presbyterian Church

OPENING. With no flag on display for opening with the pledge, President Bruce Waggoner opened this Special Membership Meeting informally by welcoming our guest speakers and inviting 1st VP Michele Duell to introduce them and explain tonight's format. No pre-meeting hospitality, member check-in, Treasurer's Report, or door prizes tonight.

Executive Committee Members Present (Board of Directors, Committee Chairs and Two Immediate Past Presidents):

President Bruce Waggoner	Treasurer Rich Duffy
1 st Vice President Michele Duell	Director at Large Gail Nittle
2d Vice President Merry Macke	Hospitality Chair Sandy Frieswyk
Secretary Alice Merrill	Past President Rick Renninger (Yay!)

ATTENDANCE. Average of eyeball estimates, 45.

TONIGHT'S PROGRAM. 1st VP Michele Duell introduced Anthony Carr of Debbie Dogrul Associates, Janice Buckley of Long and Foster, and Mike Anastasia of Keller Williams who've come to explain how Springfield is doing in the market relative to other local areas, how to make our neighborhoods more attractive to buyers, how to improve our properties. She explained that tonight, she'd present questions covering issues to which the realtors could respond in turn. Tonight's Q&As follow.

Q: What is the current state of the real estate market in Northern VA, and specifically in the Crestwood/Lynbrook neighborhoods, and how is it likely to change in the next six months, year, five years?

Janice: In the zip code 22150 area from Mar 2011 to Mar 2012, the median price of homes went up 19% compared to 7+% for Fairfax County overall. Change is finally coming to this area, making 22150 a great market now. With homes that offer good value, it's a great place to start out. The 22150 housing inventory was 47% lower in Mar 2012 than a year earlier, whereas Fairfax County's inventory was 28% lower.

Mike: In the Crestwood/Lynbrook neighborhood, there's basically no inventory here based on the absorption rate. A normal market has a rate of 5 or 6 out of 10; we're at 2 here, with houses selling within 60 days. It's a seller's market, and having no inventory helps drive prices up. They're now at the 2002-06 levels.

In the period that followed, people overpaid for houses and appraisers got burned when that bubble burst. In 2009, 58% of sales were foreclosures. That category is now down to 31% and we're seeing multiple contracts on everything, but appraisers are capping appraised prices to avoid being burned again. If you accept an offer above the appraised price, be sure the contract includes a statement that the buyer is willing to pay out of pocket the amount above the appraised price because banks have ceased approving loans that exceed the appraised price.

Anthony: To clarify the talk about numbers, market numbers in zip code 22150 are not necessarily the same for all the communities within that area. He distributed charts that reflect sales data for Lynwood, Monticello Forest, Springfield, Springfield Park, Springfield Village, and Yates Village only. They show short sales or foreclosures were 28% of sales here between April 2011-April 2012. That category comprises a lesser part of the market now with some areas at 2%, others at 25%.

The \$333,451 average price shown for all home sales and the \$346,201 average price for regular home sales in these neighborhoods are the averages for sales of all property types in each category, not your property.

The 100,000 more jobs projected to be added here in the next five years will help drive up prices. They're now back to the 2004-05 level. In 2006-07, prices went crazy; fortunately, that's over. The low interest rates now of 3.5% for ARMs and 3.75% for 30-year fixed rate mortgages, rates not seen in decades, are helping to drive sales.

Mike: Over the next 3-5 years, prices will continue to go up.

Janice: Prices will peak around mid-June, decline toward the year-end holidays, and start 2013 at a higher price point than 2012. We'll see slow steady growth in equity for the next 5 years, at least.

Q: What features of mid-20th century single-family homes like those in our neighborhoods appeal to today's buyer?

Anthony: One-level living where buyers can purchase and age in place. Established communities where trees are already grown. A fabulous location right off the beltway and near Metro and slug lines. The price. At the \$300-500K level, buyers might find a newer townhouse elsewhere but they could be hearing their neighbors through the adjoining walls, have a small yard with minimal landscaping, and no variety of nearby transportation options.

Mike: Yards. Quarter-acre lots. Price. Try to find a house with a ¼ acre lot in the \$300-500K price range anywhere around the beltway except here. And Springfield Mall is finally being redeveloped!

Janice: Price. Transportation options. Parks and recreation. Springfield is finally coming into its own. It has a great entry-level housing price range. The price to buy is now less than the price to rent.

Q: What types of housing changes or improvements to these homes hold their value?

Mike: Kitchen and bathroom improvements return 100%. Anything else, 50-75%. At open houses, you can get great ideas.

Anthony: Kitchen and bath for attractiveness and efficiency. Structurally, consider replacement windows. Some appraisers reduced value for original windows.

Janice: Kitchen and bath improvements you want to make are good for value, but don't price yourselves out of the market. The big attraction here is the single family home on ¼ acre lot at a \$300-500K price.

Q: In the context of our neighborhoods, do today's buyers favor homes with ample yard space or is there more demand for homes with expanded footprints that reduce yard space?

Mike: Don't put \$150K into expanding your house if you're planning to move. You don't want your house to be the highest priced house in a lower-price neighborhood.

Janice: Agrees, but people do want square footage, big rooms, an open concept. However, if you expand, do it for yourself, not for resale purposes.

Anthony: If your LR/DR/kitchen dividing wall is not a weight-bearing one, you can knock it out at relatively low cost to foster that open concept look. The space is the same but without the wall breaking it up, it looks bigger. Look at pictures online; look at open houses for examples.

Q from the floor: So should we finish a basement?

Anthony: Yes. And with a bath? Yes. In these 1950's homes, this way of increasing of livable space often gives you the largest rooms in the house.

Mike: Just don't overprice your house for this area. If you do, you put yourself in competition with houses at that price in neighborhoods elsewhere, e.g., Arlington and McLean. Also, don't paint all the rooms white.

Q. What tangible or intangible assets in or nearby here matter the most in potential buyers' decisions to purchase here?

Janice: Location and transportation.

Mike: Location and price. A great community you can't beat anywhere else for the price.

Anthony: Also the international factor. Housing growth from BRAC is done. 15,000 were to transfer to jobs here and, of those buying, most bought newer homes in Prince William County for the same price as here. However, all of Springfield's demographics are changing. People from the international community like the international flavor of Springfield, and you need to get them involved in what you're doing for the community that they've joined.

When our fore-bearers came here, someone had to pull them into the mainstream and help them learn how we do things in America, what's expected. Today's immigrants need the same. As NVAR did with a similar internal situation, SCA could seek out members to liaison with the various language-speaking groups in the community to bring them in and get them involved.

Mike: We came through the STRIKE Team calls and the boarding house issues and that's mostly over now. Bring your international neighbors into these meetings. We all need to be more involved.

Q from the floor: In a diverse community, does how your neighbor maintains his/her property affect the appraisal of your own property?

Anthony: The appraisal, no, but the desirability, yes. If you have a problem with an immigrant neighbor's property maintenance, you could ask your liaison for that language group to talk with them about what's expected in this community.

Q: Does having a Home Owners Association (HOA) make a neighborhood more or less attractive to potential buyers?

Janice: It's a mixed bag. Some like an HOA to help keep up appearances; some don't like living under rules that prohibit things they want to do, like park their boat out front.

Mike: People love having no HOAs. If they want to put their pink flamingo ornament in the front yard, for example, it's OK.

Anthony: Fairfax County has codes to cover a lot of these things and enforcement teams to deal with problems.

Q: Do we have more young families, singles, or empty nesters moving to the area?

Anthony: We're not allowed to track that data, but with the price point here, these houses are attractive as starter homes for families. With more internationals coming, you'll see more kids.

Mike: While we can't track that data, the reality is there are younger couples and families coming in and older residents moving out. It happens every 20-25 years. This is the only place they can find a single-family home with a yard at this price.

Q from the floor: So is the McMansion era over or will there be more tear downs/rebuilds?

Anthony: No, it's not over, and you should be glad. There's no more land here to build new, but you can buy a house for \$400K, tear it down and rebuild bigger in this location for the same amount of money or less than you'd pay for a new house built in a development elsewhere. That helps drive sales here.

Mike: But the McMansion boarding house era is over. Those were built for construction workers during the housing boom. When that bubble burst and the jobs disappeared, they left, and banks won't lend so easily now.

Q: What economic factors bring new buyers to the neighborhood?

Anthony: Jobs bring more people and economic growth, and there are 20,000 more jobs projected for this area by year-end. That growth will slow down this fall through November pending the outcome of the elections, because business won't hire until it knows what the rules will be. After the election, they'll know the rules for the next two years.

Janice: Also, with 8500 jobs for the NGA buildings alone, over time some of those people will move here.

Mike: Government spending is slowing down and corporations have their highest cash reserves in history. When investment of those reserves resumes, he'd like to see more businesses arrive that add more jobs rather than see more motels arrive.

Q: What can be done to improve the marketability of Crestwood/Lynbrook?

Mike: More activity by local organizations to bring businesses here. Beat on the County to develop Springfield vs. Route 1. And don't paint all the rooms in the house white.

Janice: Improve the visibility and desirability of the local schools so potential buyers will want their kids here rather than in West Springfield schools. Get local schools to draw media attention to their achievements, spread the good news. Also, spruce up community signs, like those at the Springfield gateway and at Hanover and Gloucester.

Anthony: Help schools by mentoring kids. Build on what's here. Get churches, schools, libraries to bring all ethnic groups in the community together.

Q from the floor: In our area, the schools are Title I schools where a goodly percentage of the kids come from low-income families. Everyone has some talent or skill to offer, so how do we get these parents interested and involved?

Anthony: Look for language-proficient members in your organization to act as your liaisons with the internationals. Partner with the school to get to those people. A lot of them don't know about your organization and what they can do to help you.

CLOSING.

President Bruce Waggoner thanked our speakers for coming and for giving us a wealth of information to work with. He thanked Director at Large Gail Nittle for her service in organizing this special meeting and 1st VP Michele Duell for serving as moderator.

He noted the presence tonight of member Julie Tahan, Manager of Lake Accotink Park, and SCA Past President Rick Renninger, thankfully back with us after a serious illness.

He reminded us that:

The next Friends of Lake Accotink Park (FLAP) meeting is this Thursday night, Apr 19th.

Our May 15th meeting offers us the opportunity to hear from and question our State and local elected representatives.

Springfield Days is the first weekend in June with the 15K/5K race early Saturday morning; he's Course Marshal and hopes to see you there.

Other reminders were offered by:

Member Debbie Mays: This Saturday, Apr 21 at Crestwood Elementary, an SSRC membership will be one of the items in the PTA's silent auction. SSRC President Joe Milligan said giving away a membership to benefit the PTA is one way SSRC is reaching out to generate community interest in joining the swim club.

Director at Large Gail Nittle: The next CAC is meeting tomorrow night at the Franconia Government Center.

1st VP Michele Duell: National Night Out (NNO) is August 7 this year. Our project chair is very motivated to achieve the goal of having 25 people committed to holding an NNO front-yard BBQ or block party. SCA has committed funds to help you be one of those 25. Plan on it and let us know so we can help!

ADJOURNMENT. The President adjourned the meeting at 9 PM. Next meeting is May 15th at Crestwood Elementary.

Respectfully,

Alice Merrill
Alice Merrill
Secretary