

The four phases of a neighborhood's life cycle | Home & Living

Glenn Bashaw

Q. *How can I prepare for selling property when the neighborhood has “gone downhill”? – Martrice Terry, Virginia Beach*

A. Hampton Roads has some history, meaning that our homes and neighborhoods can be quite old at times. I'd like to tackle your question in two phases: neighborhood cycles and strategies to combat the slippery slope of declining home values.

All neighborhoods have a life cycle and are in one of the phases: growth, stability, decline and renewal.

To understand which phase your home falls into will better prepare you for the market. Let's review the four stages and strategies for overcoming those neighborhoods in decline.

growth

Everything is new, new, new. This is the initial stage during which the neighborhood is growing, and everything around it is fabulous. It's all part of the master plan to incorporate homes and infrastructure (e.g. the basic physical and organizational structures and facilities such as buildings, roads and power supplies) needed for the operation of a society or enterprise), plus shopping, dining and schools that complement and make the area appealing to the consumer.

This stage can be relatively short in comparison to other stages, but remember that some developments take longer to complete.

stability

This is the stage when all is right with the world and neighbor knows neighbor, and faces are familiar. During this stage, the neighborhood may still be growing, but at a much slower pace, and, eventually, growth tops altogether. Those who have moved in are happy and content and remain in their homes for a long period of time.

What is interesting is that some neighborhoods can remain in the stability phase forever. Unlike retail where sales staff changes regularly, stable neighborhoods retain the same residents for decades and often forever passing their estate to their heirs through devise.

How can you recognize a desirable stable neighborhood? That would be the inability to move into it because hardly ever does anyone move out of it. Stability can be constant, but at times economic and function obsolescence can interfere and throw the community into decline.

decline

This is where we've come to in Martrice Terry's questions. When homes, neighborhoods and infrastructure go into a state of disrepair, it perpetuates a declining interest in the neighborhood. Demand diminishes as homes become dated absent of all the bells and whistles of new construction. The streets and parks are dated, and then something as simple as compartmentalized rooms versus open-floor concept can make these homes and neighborhoods lose marketability.

In these areas we often see a decline in physical curb appeal as the aging community is not able to keep up with the yard/home maintenance, and there is a decline in the infrastructure. Investors swoop in and offer to alleviate these homeowners of their financial real estate burdens with just enough money to get them out from under their debt and then turn the properties into rentals, fostering the decline.

There is only one way out, and that is to make what is old new again.

renewal/revitalization

Giving your current property a makeover or simply a facelift can benefit you in the long run. This is the cycle of regeneration. If the bones of the neighborhood and homes are strong and the infrastructure is sound and appealing to draw people back to the area, you are well on your way to being able to market your home in a declining neighborhood.

We can witness this across Hampton Roads as those neighborhoods near city centers appeal to the younger generations for their convenience to employment, shopping and entertainment. New owners move in and spruce up the old homes and make them their "home sweet home."

This is a wonderful state of re-creating new from old, but often times it is not in the best interest of the community if done by outside businesses for profit, such as rehabbing for profit or gentrification. Let's look at both of these:

- Rehabbing for profit can be fabulous when properties are purchased below market value, rehabbed and then placed back on the market at the same market value as the other properties in the neighborhood. Or, it can be detrimental to the makeup of the neighborhood when they are purchased at a low price, rehabbed at a much higher price point than the current values in the neighborhood, and then placed back on the resale market, available only to those buyers able to qualify at the much higher price point. This is a bit of gentrification if you ask me.
- Gentrification is defined by Merriam-Webster as "the process of renewal and rebuilding accompanying the influx of middle-class or affluent people into deteriorating areas that often displaces poorer residents."

Where do we go next? If your home isn't in one of these "chosen" areas that is naturally drawing consumers, and the infrastructure and neighborhood have lost their luster, what can you do? How can we sell our properties in these declining neighborhoods?

The renewal and revitalization cycle follows decline and, depending on where your neighborhood is located, homeowners may be able to address the issue so that their property values remain marketable and their neighborhood remains appealing. Homeowners' efforts and desire to make their community desirable – together as a

community – can be the first real step. Realizing that all neighbors will not be onboard with making this happen is a reality you can live with.

Here are a few strategies to get that neighborhood ball rolling:

- Organize a block party so that neighbors can meet neighbors once again.
- Instigate a neighborhood civic league and form a team.
- Implement a neighborhood watch program and assign captains on different streets.
- Have a neighborhood mulch party, power wash party or party at the park.
- Join the PTA. Don't have kids? You don't need them to join the PTA.
- Contact your local Boy Scout and/or Girl Scout troop to see if they can help in a neighborhood cleanup day.
- Contact local retail/medical/corporate businesses in the area and ask for support and/or donations for the power washer, mulch and park beautification.
- Get involved, and bring your friends. If you have elderly neighbors, take them a treat and be friendly. They may be grateful that you mulched for them, too.
- Be sure to check in with the churches in your neighborhood as well.

Be visible and be vigilant in your efforts. Get outside and meet your neighbors. – *Linda Harrison is chair of the Hampton Roads Realtors Association's Realtor/Lawyer Committee and a is Realtor with Rose & Womble Realty's Lynnhaven Road office in Virginia Beach.*

This column is relative to the real estate industry and only reflects the opinions and knowledge of those answering the questions. To submit a question to be answered by Hampton Roads Realtors Association Realtors, email vhecht@hrra.com.