

# Forever wild, now costly

Trying to balance development, affordability in the Adirondacks

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The Adirondack Park is a daring experiment, an attempt to blend "forever wild" public land with the vibrant small towns that existed before the park's creation late in the 19th century.

But in the 21st century, the towns are suffering.

Good jobs are scarce. And full-time populations and school enrollments are down, as folks leave for places where living is easier.

Not to mention cheaper.

Indeed, the past decade has seen a wave of second-home purchases that have pushed Adirondack prices beyond the reach of many full-time residents. By some estimates, home prices are 10 times higher than in the 1980s and incomes have not kept pace.

"You wind up with a residential population comprised primarily of older people," said Greg Timm, a real estate broker in Old Forge. "Young people can't afford to stay."

The phenomenon isn't unique to the Adirondacks. It exists in second-home areas everywhere. Rare is the schoolteacher who can afford a Colorado ski town, or a lobsterman who can pay for a slice of mid-coast Maine.

Some observers, though, say Adirondack Park faces unique pressures. New construction is tightly regulated, they note, and in much of the park development is entirely off limits.

When developers do build, they build high-priced homes. "Few or no starter homes are being developed in the park and affordable upgrade opportunities for expanding families are generally not available," said a recent report on the North Country housing market by the state Division of Housing and Community Renewal.

Yet, despite the development constraints, housing in much of the Adirondacks is affordable by the standards of the Capital Region and areas to the south. Mansions in Lake George and Lake Placid may grab attention, but there are also modest homes within the blue line, as the park's boundary is called.

The 2007 median sale price in Hamilton County, which is entirely within the park's border, was \$158,750, according to the state's Office of Real Property Services. In Essex County, also within the park, the median price was a meager \$130,000.

By comparison, it was \$190,000 in Albany County and \$241,447 in Saratoga County.

Yet incomes also are substantially lower in the Adirondacks.

The 2005 median household income in Saratoga County, for example, was \$58,402, according to the U.S. Bureau of the Census. In Hamilton County, it was, at \$36,403, nearly 40 percent lower.

To be sure, not all parts of the Adirondacks are the same. Homes cost more in, say, Lake Placid than in corners of the park with less appeal to the jet set.

Problem is, the employment that does exist tends to concentrate in high-priced towns, forcing many workers to brave high gas expenses and drives on winding, and often icy, mountain roads.

The area's economic trends (along with its geography) place the Adirondacks squarely in the broad swath of the rural North Country where the economy is in a decades-long decline. From eastern Maine to western New York, the traditional economic mainstays, such as manufacturing and forestry industries, have downsized.

So residents leave, looking for better opportunities.

"That's not unique to the Adirondacks," said Mark Bergman, a real estate agent in North Creek and president of the Warren County Association of Realtors. "Take any rural economy, and you're going to see people moving toward urban areas."

The trend is hardly new. Marjorie Bashant, 86, has lived in the Adirondack town of Tupper Lake for most of her life, and says she wouldn't have lived anywhere else. But her children went to college and moved away, for good.

"My sons couldn't use their education here," Bashant said.

The Adirondacks, of course, have never been an easy place to live. It sometimes seems the word "hardscrabble" was invented for the region, so frequently is it used to describe life there.

Still, some say the out-migration of residents is accelerating, fueled by housing-price increases. The result? The park's towns become second-home havens, lacking their former vitality.

"More and more, you see dark houses at night," said resident Alan Hipps. "You don't see people on the porches, and you don't have the social cohesion that you used to."

Hipps is the head of an organization, Adirondack Community Housing Trust, that is trying to address the problem. Created last year and funded by a \$1 million state

government grant, the trust subsidizes housing costs for lower and middle-income families.

The families buy the house and have full ownership rights. But the trust takes ownership of the land, then leases it for \$25 annually to the home owner.

If the house is sold, the owner gets 25 percent of the increase in value, with the remaining 75 percent helping the next buyer afford the house. The idea, Hipps said, is to keep the homes forever affordable.

The trust is also developing two small subdivisions, and is looking for a buyer for a donated house in North River.

So far, the trust has helped one family buy a home, while three others are about to close on purchases. About 60 families have enrolled in the program.

Hipps said the expectation is that the trust, modeled after a program in Vermont, will ultimately help buy about 30 homes a year, and will be sustained largely by the lease and closing fees it collects.

Of course, Community Housing Trust is just one group. And Hipps concedes it alone can't solve the affordable housing problem, not in a place as vast and sprawling as the Adirondacks.

"I think it's a very good first step," he said.

Realtors across the region said the North Country's second-home market has cooled during the recent economic downturn, and prices have leveled. But demographic trends suggest the market for such homes will remain steady and prices will continue to climb.

The massive Baby Boom generation is nearing retirement age. And many of that group are likely to find the picturesque towns of the Adirondacks appealing destinations.

Government officials in the Adirondacks have looked at ways to increase the supply of cheaper housing, including forcing developers to include affordable units as part of larger projects.

But some observers say such requirements are difficult in a region where builders construct just five to ten homes at a time. And they could backfire, they say, if the regulations lead builders to slash construction.

That could reduce both blue-collar jobs and the supply of housing in a region that needs both.

Development restrictions in the park have long been a touchy subject, dividing those who believe the rules are what make the park a special place and those who believe they stifle employment.

"You've got to have jobs," Timm, the realtor in Old Forge, said. "But if you're not allowed to have any industry or any new commercial zoning, what is going to be your base for growth?"

Lake Placid is among the most vibrant of Adirondack Park towns, and likely one of the easier places to find employment within the blue line.

Cali Brooks, 38, grew up in the town. She heads a nonprofit group there, and considers it lucky that she and her husband bought a house before the boom of recent years.

Many of her friends, though, weren't as fortunate. Some, frustrated by limited work opportunities and expensive housing, have left the area, often settling instead in Saratoga County.

"It's almost a chicken or the egg situation up here," Brooks said. "It's difficult to find good-paying sustainable jobs, and it's also hard to find decent housing that's affordable."

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Location, location, location

Prices for single-family homes in the counties of the Adirondacks rose in recent years, but were generally affordable by Capital Region standards.

County / 2005 median sale price / 2007 median sale price / Percent change

Adirondacks

Essex \$122,250 / \$130,000 / 6%

Hamilton \$135,000 / \$158,750 / 15%

Warren \$161,250 / \$185,000 / 13%

Franklin \$75,950 / \$77,250 / 2%

Capital Region

Albany \$169,000 / \$190,000 / 11%

Rensselaer \$132,000 / \$165,000 / 20%

Saratoga \$225,000 / \$241,447 / 7%

Schenectady \$128,500 / \$146,900 / 13%

Note: Parts of Warren and Franklin counties lie outside Adirondack Park.

Source: New York State Office of Real Property Services analysis of Arm's Length sales, defined as a real estate transaction in the open market freely arrived at by normal negotiation.

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