

The American dream becoming nightmare

Middle-class hopes of home ownership fading fast

By ERIN COX, Staff Writer
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Friday evening, real estate agent Brian Arnold waited to do a walk-through with a young couple facing the same problem as thousands of others in Anne Arundel County.

They have good jobs and good credit but can't find a home in their price range.

"They had thoughts of buying, but decided to rent," Mr. Arnold said. "They are coming from middle America, and I don't think they realized what they were going to find here."

It's a common story told to friends at dinner tables and in living rooms across Anne Arundel County: The housing market is pricing out the middle class.

A couple making \$90,000 can afford less than 20 percent of the homes for sale in the county, experts say. As prices have climbed 141 percent over the past 10 years, median incomes rose only 45 percent. Politicians and business leaders fear that unless government steps in, the gap will widen.

"If the trend continues, only the upper class and upper middle class will be able to live in the county," said Bob Kramer, co-chair of a new chamber of commerce task force that studied workforce housing.

Employers worry they cannot attract new employees. Government officials fear they can not recruit new teachers. Realtors predict sons and daughters will move away from their Anne Arundel County parents.

The list of consequences predicted for separating workers from their jobs extends to traffic congestion and pollution.

And unlike past discussions in the county, business leaders and politicians who have most recently taken on the plight of workforce housing are expanding their worries beyond the teachers, firefighters and police officers often in the spotlight of affordable housing concerns.

A widening gap between incomes and home prices

Year	Median income	Median home
2000	\$66,400	\$156,850
2001	\$69,250	\$163,000
2002	\$70,000	\$189,500
2003	\$70,700	\$221,010
2004	\$73,850	\$269,900
2005	\$76,350	\$325,000
2006	No data	\$344,000

Sources: Maryland Department of Planning; Metropolitan Regional Information Systems, Inc.

The most recent round of efforts targets any family who makes \$45,800 to \$91,600 a year, or 60 percent to 120 percent of the county's median family income of \$76,300.

Business leaders such as Mr. Kramer and politicians including County Executive John R. Leopold hope this time something will get done.

In January 2003, former county Executive Janet S. Owens launched a workforce housing task force to help those "shut out of the county's housing market due to increasing cost of housing and land values."

The task force's report issued 10 months later said the current "imbalance of demand versus supply is expected (to) continue to impact the ability of the workforce in Anne Arundel to afford to live within the boundaries of the County."

More than three years later, only one of the task force's recommendations has been implemented.

The KeyChoices program got off the ground in June 2006 and has helped just three families buy homes.

Since the report, home prices have risen another 48 percent.

Robert Johnson, vice president for government affairs for the Anne Arundel County Association of Realtors, was a member of the county's task force three years ago.

He said nothing happened because there "was just a lack of legislative will. There was no bill introduced. There was nothing to implement the ideas."

Now many of the same ideas are resurfacing either through the Annapolis and Anne Arundel County Chamber of Commerce task force co-chaired by Mr. Kramer or County Executive Leopold's proposals.

Tight supply

Expensive land and county regulations make building new homes priced under \$300,000 a poor business decision.

Already, the number of new homes built in the county dwindled from 1,467 in 1995 to 996 in 2005.

More than half of the elementary school zones in the county are closed to new development because the high schools they feed into are at capacity. Developers have been increasingly building senior housing in those areas, if anything.

Part of the problem, developers say, stem from rules that prevent mixing projects, like combining apartments and townhomes with single-family homes or commercial property.

Early proposals for the Waugh Chapel development in west county, for example, included new apartments above the retail space sprawling across about 70 acres near Odenton. When the county denied approval, the developer built the commercial buildings without them.

Mr. Leopold and the chamber's task force suggest recasting some of the county's zoning rules to allow more of the "mixed-use" style development proposed at Waugh Chapel.

Later this week, the Anne Arundel delegation in the General Assembly will vote on a state bill that grants the county permission to vary or waive certain development fees.

Mr. Leopold pushed for the bill to have "another arrow in the quiver" to create incentives to help combat escalating home costs.

"A dollar here, a dollar there eventually adds up to real money," Mr. Leopold said.

Both Mr. Leopold and the task force want to investigate selling surplus, county-owned land to developers in exchange for building lower priced workforce housing.

Real estate agents agree that however government manages to increase the number of homes priced below \$300,000, they will have a steady supply of clients trying to buy them.

Julie Secoura considers herself one of the lucky ones. With the aid of her niece's husband, agent Brian Adams, Ms. Secoura's searched six months to find a townhome for under \$250,000 in Glen Burnie.

Ms. Secoura, an executive secretary at Baltimore-Washington Medical Center and a single mother, gave up on finding a single-family, detached home after several months of scouring neighborhoods.

Annapolis Mortgage Broker William Hyland from Keller Williams Realty said the current conditions impact first-time home buyers like Ms. Secoura more than anyone else.

"It's nearly impossible to find anything in Anne Arundel County, especially if you have a family," Mr. Hyland said.

Some county housing officials believe the problem lies in perception, not the housing supply.

"People don't realize they have to buy into the market," said Sally Snowberger, director of home ownership at the Housing Commission of Anne Arundel County. "They can purchase a home, but you can't buy what your mom and dad have now when you buy your first home."

For Mr. Kramer, views like Ms. Snowberger's represent an "emotional argument" that has delayed fixing the problem in the past. For developers to build less expensive starter homes, they need government incentives, he said. And public perception must change before that can happen.

"Anything that is an incentive for developers becomes viewed as gaming the system," Mr. Kramer said. "(Developers) aren't going to go out and, out of the goodness of their hearts, lose \$100,000."