



# **Claremont City Center Project Focus Group Summary**

**Greater Claremont Board or Realtors**

**October 25, 2011**

**12:00 PM – 2:00 PM**

**The Sumner House, Charlestown, NH**



Summary notes prepared by UVLSRPC

## **Narrative Summary: Realtor Focus Group**

### **INITIAL CONVERSATION: SWOT ANALYSIS**

The facilitated discussion about Claremont's City Center began with a brief analysis of the City's Strengths, Weaknesses, Opportunities, and Threats (SWOT Analysis). Participants provided feedback as follows:

**Strengths:** The principal strengths for the City are the quality of the core downtown architecture, availability of parks and parking (parking garage). The City's success in fostering redevelopment of some historic downtown buildings sets the stage for further redevelopment in the downtown.

**Weaknesses:** While there are specific facilities for parking, an overall weakness is related to parking for residential and commercial uses in the downtown. The infrastructure in the downtown, particularly roads and road maintenance is degrading to the point that it is perceived as a weakness for the City. The degrading quality of the Stevens HS facility is also perceived as a weakness for the City. Code enforcement and property tax issues are weaknesses explored in further detail in subsequent conversations.

**Opportunities:** Opportunities in Claremont can be summarized in its potential for future development. Specifically, the City's water and sewer networks have substantial reserve capacity for redevelopment. Recent redevelopment in the City Center, along with the benefits of the local geography and excellent regional highway network, make Claremont a potentially attractive community for future development.

**Threats/Challenges:** The chief issue or challenge to Claremont's efforts to redevelop are related to outside perception of the City's demographics, quality of schools, and tax rate. Another, important challenge for the City is the capacity to employ its younger population. Without jobs or opportunities to settle in the community, Claremont is likely to lose its younger population to out-migration.

### **PROPERTY SALES AND THE REAL ESTATE MARKET**

The consensus among the group was that property sales and the overall real estate market suffers greatly from the economic recession. Property sales have dropped, sale prices have dropped, and the number of days a property is on the market have increased significantly. Nobody could provide specific details without research. There are currently 136 residential listings for properties for sale in Claremont – this is approximately 50% higher than the consensus on a “normal” number of listings prior to the economic recession and housing downturn.

Many issues surrounding property sale prices relate to the owner's capacity to lower sale prices. While overall sales have dropped, there is a point at which buyers are willing to purchase a property if the price is right. The challenges for property owners are their capacity to sell the property and pay-off any housing mortgage. If the owner is locked into a mortgage that is worth

more than the property might sell in the current market, then the owner may be stuck with the property for the time being without the ability to drop the sale price. If an owner can afford to drop the price, there was consensus that the seller may opt to drop the price. Often, the sale price is below the assessed value of the property.

A lot of sales on the market at this time are related to foreclosures and bank sales. These sales have increased substantially in recent years and influence the overall market.

## **PROPERTY SALES AND GEOGRAPHY IN THE DOWNTOWN**

The participating respondents could not explicitly identify sectors in the Downtown that have distinct higher/lower sale volumes. The following bullets summarize opinions shared on this topic:

- There is an apparent correlation of single-family home sales with proximity of the SF home to existing multi-family housing. The closer the SF home is to the MF buildings, the lower potential for a sale of the SF home.
- Sectors with higher-quality homes or areas that tend to sell better: 4 & 7
- Sectors with lower-quality homes or areas that tend not to sell so well: 5 & 6
- Sale prices have a higher impact on actual sales than the location of the property.

## **PROPERTY VALUE, MARKET VALUE, ASSESSED VALUE, AND TAXES**

Property taxes in Claremont influence actual sales and potential sales. Claremont has the second-highest tax rate in state and that impacts buyer decisions to purchase properties. The tax rate and the annual cost of taxes in the City translate to a statewide image issue. While the City provides a lot of services, there may be perception or a question about how effectively the taxes are being used: What is the value of the taxes? How are they being used? How do they benefit the taxpayer?

There was extensive discussion on property values and appraisals versus property assessments. The general discussion apparently differentiated between market values and assessed values. The following bullets are a summary:

- Foreclosure sales constitute a significant portion of current sales. Property appraisals cannot use foreclosure sales as a comparable sale in their assessments of a given property.
- The assessed values of properties in Claremont are often higher than the market values. This translates to the seller's knowledge of the differential between the asking price and the higher assessment value and that the seller continues to pay taxes on the assessed value until the property sale.
- When a buyer calculates overall, monthly costs of a property in Claremont, they include tax payments, which can sometime translate into a high cost that is discouraging to the buyer.
- Any appeals to reassess a property are deferred by the City. A property value is reassessed in a city-wide effort or upon sale of the property. The reassessment benefits the buyer, but not the seller prior to the sale.

- Will there be a reassessment of property values in the City? When?

## **BUILDING CODES, ENFORCEMENT, AND BUILDING PERMITS**

The following text summarizes group comments on issues and opportunities to improve how building code reviews may be conducted in the City. This topic addresses:

- Fire Department review of multi-family properties for compliance to Fire Code
- Build permit process and subsequent building inspections.
- Building code enforcement.

Perceived and stated issues related to building code enforcement and building permit processes in the City:

- The City gives preferential treatment to larger developers and provides limited/no assistance to smaller property owners and developers.
- There is a statewide perception that Claremont has the strictest interpretation of building and fire safety codes (identified in the discussion group as, “extra guidelines”).
- Any notifications of deficiencies after an inspection are conveyed to the property owner with a timeline to make improvements. All improvements follow a timeline (perceived as everything has to happen immediately), which proves to be sometimes challenging to the property owner/manager.
- Correspondence come from multiple departments in the City with the perception that there is limited or no coordination among departments (e.g. FD and Building Codes).
- A building project may seek to improve one issue, but subsequent discussions with City reps and/or inspections reveal other work to be done resulting in an expanding project scope and upward spiral to project costs.
- Enforcement of safe egress from MF structures (fire escapes), combined with design requirements from Building Codes have resulted in negative impacts to neighborhood aesthetics/character (large pressure-treated structures added to the front/side of a building).
- Do the City Staff understand the codes they are enforcing? Where does common sense work into the review process? What about recognizing less expensive alternatives or waivers available for certain projects? Example: Statement that there is a Federal exemption from ADA requirements of the cost of the ADA work exceeds 20% of the overall project cost.
- Enforcement information or regulatory information is delivered to the owner/manager/contractor in pieces – not the full scope of work or of issues to be addressed.
- Applicants are referred to design professionals to address questions or issues, which can be costly for small projects.

One attendee stated that very recent interactions with City Staff while working on a building/renovation project were very good. The process worked well and the Staff were very professional.

The group offered ideas to improve services to the City and potentially mitigate some of the above issues:

- Can Claremont learn from other communities in the state? Review what similar-sized communities do and how they deal with building inspections, permitting, and fire codes.
- The letters of enforcement state a timeline, which is absolute. Can the City grant a property owner/manager some leniency if the owner commits to continue work on the identified issues over a period of time?
- Communication is critical:
  - The City should work to help the owner/manager/contractor understand the full scope of a project before the project starts.
  - There should be a single point of contact, rather than letters from the Fire Dept and Planning & Development Dept without apparent coordination
  - Can there be pre-project meetings or site visits to review the scope of work and give the City Staff opportunity to review the site for other potential issues before the project starts? Is there another option to avoid the “ballooning project” perception?
- The City should evaluate how it is currently doing with a survey of individuals who recently completed projects in the City. This would be a form of customer satisfaction survey.

## **PROJECT FINANCING OPTIONS**

Attendees provided information on some funding options that the City should be aware of:

- NHHFA designated Claremont as a “targeted area” for loans and financial assistance. This status is based on Census income and population data for the City. (The City should research this further to understand benefits and issues better.)
- FHA loans are available to purchase and improve properties.

**Claremont City Center Project  
Greater Claremont Board of Realtors  
Focus Group Notes: October 25, 2011**

The following notes have been transcribed from hand-written tablet pages. The following statements, concepts, and ideas were generated during a facilitated focus group interview with members of the Greater Claremont Board of Realtors.

**PAGE 1**

Strengths:

Parking Garage  
Walkability  
Architecture – Quality  
Parks  
Continued change

Weaknesses:

Parking – overall (Residential Downtown/Commercial Downtown)  
Taxes/Assessed Value  
High School facility  
Infrastructure/Road Maintenance  
Lake Issues

Opportunities:

Infrastructure-H2O & Server -Underutilized  
Retail in downtown  
Redevelopment Attracts/Momentum  
Geography/Location

Challenges:

Job Generation  
Perception (demographics/schools/taxes)

**PAGE 2**

Sales: more complex than a quad  
Bank owned makes difference

Qualities: BTN 4.7  
Days on market dependent on price- elasticity in price dependent on need  
Correlation of multi with SFD – 5.6 more difficult  
Foreclosures impact  
Appraisers & Financing } Small pool of buyers  
\$ in taxes paid per year (image)  
136 Residential listings – 50% higher

Value of taxes – city services  
Buying power – selling building

### **PAGE 3**

Timing of reassessment  
FHA program & NHFA  
Purchase value of improvements  
Claremont is targeted area (carry forward?)  
Codes:  
Benefits? Safety – Need common source  
IEBC – small business priority/relaxation  
Chain reactions of repairs  
Pre-project walk through needed more  
Permits over last year/problems fixed  
ADA? Exemptions under 20% improvements  
Multifamily inspections from FD  
Need architect  
Comparison to other communities  
\$ for improvement  
Communication

Strongest guidelines than other cities -Fire Department etc, interp

### **PAGE 4**

Project Meetings!  
Small project exemptions  
EGRESS-Alternatives to large fire escapes

### **PAGE 5**

Regulatory  
Common sense  
Small biz needs priority  
Spiraling  
Phased improvements  
Multiple codes-designers BC, FC, ADA – 20% rule  
Written-1 person communication – same page  
What do other communities do?  
Fire codes – long term plan  
Claremont-extra guidelines  
Interpretation  
F.D. requirements  
Automatic changes in?

**PAGE 6**

Regulatory

Delivered in pieces

Major Projects problematic with steps

Exterior fire escapes-unattractive

Survey people who have pulled permits

**PAGE 7**

Financing

Taxes burden/assessments (purchases-sellers ability to sell/buyers qualifications)

Market value – assessments

Perception of value for taxes

Next reassessment timing

Financing options

NH Housing

FHA

Claremont target area based on census

Carried forward from 2000 data?