

# Lessons Learned About School Proximity

By Joseph Dobrian

**E**ducation—always a major driver of the region's economy—is stimulating the real estate market in many New England communities. Buyers are increasingly seeking second homes near desired prep schools, colleges and universities, or are buying apartments for their student offspring rather than renting them.

International buyers are drawn to New England for its natural beauty, quality of life, and many educational options. And many “empty nesters” come to New England because they enjoy the atmosphere of a college town.

“We frequently see parents purchasing property to be nearer to their children,” says Ruth Kennedy Sudduth, director of residential brokerage division at Boston-based LandVest. “Some were purchased as second homes, others as primary homes. Academic institutions foster great communities, where there’s much to offer to both parents and children. They get to stay close as a family, while enjoying wonderful places to live.”

Ms. Sudduth notes that LandVest is currently offering a meticulously restored 18th-century house in Andover, Mass., owned by a couple whose sons attended nearby Phillips Andover Academy. The house is also within easy reach of Andover public schools, and private institutions such as Brooks School and Pike School.

“Our clients felt that their boys benefited from the stability of the home environment combined with the excellent education,” she says. “They especially enjoyed hosting gatherings at the house for students and faculty.”

Ms. Sudduth also cites Marion, Mass., home of Tabor Academy, as an attractive destination for parents joining their children. To the north, Middlebury College, in Vermont, attracts buyers to the town of Middlebury and nearby communities.

“Who doesn’t love Vermont?” she asks. “Parents get to stretch out the years they get to ski with their kids, go to their sporting events or just relax together.”

Pat Villani, Waltham, Mass.-based president of Coldwell Banker Residential Brokerage in New England, reports that Boston and surrounding communities like Cambridge, Brookline and Newton continue to be popular and in demand for many reasons, including their proximity to area colleges and universities. The Greater Boston area alone contains 58 institutions of higher learning—not counting colleges and universities on the North and South shores and immediately west of Boston.

“We frequently see parents of students purchasing properties to be closer to their children,”



*Parents are purchasing homes in or near university cities such as Cambridge, to be near their children.*

she says. “An agent in our Cambridge office, for example, is currently working with a client who’s purchasing a home in Cambridge to be near a student at Harvard University. We see such purchases outside of the city as well, with parents purchasing properties to be near elite private schools, like Milton Academy.

## Long-term Value

“Recently, our area has experienced an increase in activity from international buyers who are purchasing properties either for themselves or for their children who are attending school. When they weigh the option of paying escalating dorm fees versus purchasing a property, some of these parents see long-term value in owning a condo or home.”

Buying property around colleges is appealing because such purchases can also generate rental income, Villani adds. The student population invariably creates demand for rental units, so some parents opt to hang on to a condo unit once their children have moved on.

Al Becker, vice president of marketing and operations at Jack Conway & Co. in Norwell, Mass., explains that his company serves the southern half of Boston, and Cape Cod, a territory known for its outstanding educational institutions. He says it’s becoming more common for parents to purchase a condo for their student offspring.

“It tends to be international buyers who purchase second homes to be near their children,” he says. “They come from all over the world, and they understand that it’s cheaper to own than rent, no matter who’s living on the property. And you’re saving money for your children. We’ve seen slower appreciation in pricing in our market

than in other parts of the country, because we didn’t drop as much during the recession. You can get a lot of condo for your money.”

Brown University and the Rhode Island School of Design, in Providence, R.I., attract many homebuyers to the Rhode Island coastline, particularly the Newport area. Newport-based Melanie Delman, president of Lila Delman Real Estate, says the area also attracts the parents of Harvard students, since Newport’s only a two-hour drive from that university.

“We’ve had quite a few sales recently to Chinese and Indian buyers, who are sending their children to prep schools like Portsmouth Abbey and Moses Brown,” she says. “International buyers look all over the country for prep schools, and if they’re focusing on the East Coast, Rhode Island makes sense. Here you can have a larger home with land: maybe three acres, close to water.”

## Iconic Properties

Ms. Delman cites two iconic multimillion-dollar properties—Grey Walls and Seafair—as her outstanding current listings.

The states of Maine and New Hampshire are also known for their many first-rate schools proximate to luxury housing. Chris Lynch, owner of Legacy Properties Sotheby’s in Portland, Maine, says western Maine, a lake-filled inland area, is home to several smaller prep schools that attract foreign—especially Chinese—students.

“Maine has 6,000 lakes and ponds, and in that western section there are many of those, and many schools built near them,” says Mr. Lynch. “Colleges like Colby, Bates and Bowdoin have many alumni who have done well and are looking for second homes in Maine.”



*For affluent buyers considering East Coast schools or universities for their children, iconic Rhode Island properties such as ‘Seafair’ (above) offer space, land and a waterfront location.*

## MASSIVE DEMAND: LIMITED SUPPLY

Cambridge, Mass., is perhaps the most famous academic city in the U.S., home to Harvard University and the Massachusetts Institute of Technology (MIT). This market suffers from a chronic shortage of housing, which presents a special problem to parents looking for student apartments. E. Davis Rowley, Jr., senior vice president of Hammond Real Estate in Belmont, Mass., says a dearth of new product is putting even more pressure on the supply side.

According to Mr. Rowley’s figures, the total inventory of single-family houses, condo units, and multifamily properties is down 62%, year-over-year, in Cambridge, and down 54% in Belmont.

“Demand for real estate here is massive,” he says. “In Cambridge, the NorthPoint development is a 10-year project that will add millions of square feet of mixed use, including condos and rentals, but that has been the only construction activity in years.

“We used to have a law here, known simply as ‘The Ordinance,’ which stated that certain units could be owned, but not occupied by the owners. This was ideal for parents with college-age children. That ordinance has been repealed, putting more pressure on supply.”

— Joseph Dobrian