

## Lake property not a sure thing for buyers or sellers

By Lee Lupo

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Grand Rapids Press/Adam Bird

Realtor Marcia Hunt Schwartz is selling waterfront property on the Croton Hardy waterway. For the first time in years, waterfront property prices are lowering. **Enlarge photo**

Troy Wolffis and his wife bought their Hess Lake cottage in Newaygo in 2001 for two main reasons.

First, they wanted to have fun with their four daughters, now ages 8 to 15.

"The other was a quasi-investment," said Wolffis of Grand Rapids.

"We kind of thought as my oldest got closer to college, we could sell it for more than what we bought it for."

The hefty profit they were seeking is proving elusive as homes on inland lakes surrender to the same price pressures being felt in the rest of the market.

One of the few real estate areas continuing to report stable sales is on the Lake Michigan waterfront, where buyers tend to be wealthy.

J. Harpe Realty, of Comstock Park, has specialized in selling Lake Michigan homes and vacant land along the Lake Michigan shoreline from Holland to Pentwater -- including Grand Haven and Muskegon -- since 1986.

"Sellers are concerned and buyers are discriminating and cautious," he said. "But there has never been a better time to get property on Lake Michigan."



Grand Rapids Press/Adam Bird

Realtor Marcia Hunt Schwartz walks past a property that she is selling on the Croton Hardy waterfront. For the first time in years, waterfront property prices are lowering.  
**Enlarge photo**

One Lake Michigan home had been on the market starting at \$1.4 million since late 2005 but sold only recently when the price dropped to \$1.075 million, Harpe said.

Sellers -- many who are either trading up in property, changing their lakeshore location or altering their lifestyles -- are trying to price lakefront properties higher than the market will accept, Harpe said. Prices for many waterfront properties are not dropping but true market values are lower than many listing prices, he said.

Most of the recent Muskegon and Grand Haven buyers are coming out of Grand Rapids or the Chicago area, many paying in cash for their second homes, he said. Lake Michigan properties Harpe has listed from Muskegon County range from \$850,000 to \$1.6 million depending on the house, access to the beach and views.

Wolffis started out with an asking price of \$209,900 for his Hess Lake home. Now, it's down to \$184,900.

He got an offer last week for \$150,000. It's still for sale.

"On the buyer's side, there is this mentality that the market is in such distress that they can come in and get fantastic deals on the lakefront," said Jeannine Lemmon, of Patriot Realty, Wolffis' real estate agent.

Lemmon specializes in lakefront property and said sellers are not in distress for the most part.

"But they aren't able to get the prices that they were a year or two ago," she said. "We've seen a lot of people looking, but not as many people willing to write offers."

The price declines show up in the statistics. The median sale price for homes on all-sports lakes sold through the Grand Rapids Association of Realtors was \$219,500 for the 12 months ending Wednesday.

That is down 8 percent from the same time the year before, Lemmon said.

Real estate agents blame a spillover effect of the foreclosure market and the overall economy.

"Prices were escalating wildly about three years ago, but now people are more conservative in their shopping," said Marcia Hunt Schwartz of Weber Realty LLC of Newaygo.

"It just seems that people are sticking more to needs instead of wants. ... Sellers are having to just drop their prices radically to get it sold."

Real estate agent Linda Rough has been selling homes in the Gun Lake area of Barry and Allegan counties for 30 years.

"I've always said that Gun Lake will hold its prices over any other community because everybody loves the water," she said. "But they are coming down. The prices are coming down.

"They're valuing our property against foreclosures."

And, she said, potential buyers are plagued by uncertainty.

"They're reluctant to buy because they don't know if they're going to have a job tomorrow," Rough said. "We used to love it when Steelcase workers got bonuses. They all came and got houses.

"Those days are gone."

Even the expansive Reeds Lake mansion owned by imprisoned dermatologist Robert Stokes has seen a price drop.

Listed last year at \$7.7 million -- the most expensive listing Kent County has seen -- the East Grand Rapids property failed to sell through a real estate agent and at two auctions.

Now it's back on the market. The asking price this time: \$4 million.

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