



If you want lakefront property, do your homework

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In a state called "water wonderland," finding a lakefront home or building site shouldn't be problematic.

Michigan is home to more than 11,000 inland lakes, sporting everything from multimillion-dollar mansions to dilapidated double-wide mobile homes.

With one lake for every 903 Michigan residents, there probably is a lake for even the most discerning consumer.

You can get a two-bedroom "handyman special" for less than \$50,000 on Lake County's Government Lake, or spend \$360,000 for a vacant lot overlooking Reeds Lake in East Grand Rapids.

Between these extremes, there are hundreds of lakefront homes and building sites within 100 miles of Grand Rapids.

"Having a place on the lake really gets you out of your daily routine," said Jeannine Lemmon, who bought a cottage on Hess Lake near Newaygo five years ago. "Things really slow down there. It's amazing the way you can relax when you take yourself out of your normal environment."

Whether you are looking for a cottage, a year-round home or a lot, prices tend to drop the farther you move away from urban areas. Sites on all-sports lakes cost more than lakes with restricted use.

An average-size lake lot is 60 to 80 feet wide and 100 feet deep. If you are looking for an all-sports lake close to Grand Rapids, be ready to spend big bucks. Lakefront lots on Lake Bella Vista, a private lake near Rockford, and Reeds Lake in East Grand Rapids, are few and far between. Houses, meanwhile, can cost \$500,000.

For real sticker shock, take a look at Lake Michigan property. Vacant beach-front land near New Buffalo is priced from \$15,000 to \$20,000 per running foot, while homes with a private beach start around \$2 million.

For the rest of us, there are hundreds of inland lakes.

Newaygo County alone has 234 natural lakes and ponds. About 450 homes and cottages line the shores of Hess Lake, 45 minutes north of Grand Rapids.

A lavender-colored cottage on the north shore belongs to Jeff and Diane French. The empty-nesters from Grand Rapids bought the three-bedroom getaway in June after just one visit to the lake.

"It is a great way to get away," said Jeff French, 53. "The fact that it is so close to us, it really stretched out the summer. All the time we were saying, 'What would we be doing if we were at home?'"

"We live in a condo and, quite honestly, I could run into 90 percent of my neighbors and not even know that I did," French said. "It's a whole different environment here. Everybody is so friendly, and that is the thing that really struck us."

Don't get the wrong idea about their Grand Rapids neighbors; they're nice people, too. What's missing is a unifying factor that draws people together as only a lake can.

In 1998, Gary Noble bought a 1,300-square-foot home with 50 feet of frontage on Hess Lake. He made it his permanent residence in 2001 and commutes to work in Big Rapids. "Lakefront living is very enjoyable, peaceful and serene," Noble said.

The tri-level Lemmon cottage overlooks the 750-acre all-sports lake and has a large, loft-style bedroom upstairs. With about 1,000 square feet of living space, it gets crowded on busy weekends, but that doesn't seem to matter.

"There's not a lot of privacy, but that's OK; it's a cottage," Jeannine Lemmon said. "We chose specifically something that is smaller and more manageable. We can have it closed up in a half hour."

Lemmon and her husband, Ron, are making converts out of others. Three years ago, they opened Patriot Realty, 2323 E. Paris Ave. SE, which specializes in lakefront cottages and homes.

"We decided to focus on inland lakefront property because of what we had gone through," Lemmon said. "You have to know it to sell it. It is a little complicated, and there are a number of variables you typically don't run into with a conventional home.

"No pun intended, but there's a boatload of issues, and you have to have a strong stomach and patience to deal with it."

Buyer beware

Lakefront cottages historically were just that: cottages where families could get away from the grind of city life. Many were built in a less complicated time when neighbors informally agreed that a row of trees or a long-established dock would serve as the property line.

There were few deed restrictions, homestead exemptions and certainly no lake improvement boards with power to tax residents for weed control or Canada geese abatement.

Not so today.

Cottage owners are subject to oversight from local lake improvement boards, township and county boards. The state Department of Environmental Quality and the Department of Natural Resources also may weigh in.

"There are a lot more entities that have things to say with what you do and don't do with your property on a lake," Lemmon said.

Real estate agents say it is important for buyers to have the parcel surveyed and marked with stakes. What the current owner thinks is the property line based on a gentleman's agreement decades ago no longer holds sway.

"Traditionally, when lakefront property was developed, homeowners were not real aggressive about where they put the sheds, that sort of thing," Lemmon said. "Some cottages actually were built over the lot line."

Home inspections also are important.

"Improvements usually were made by weekend warriors, and they did not necessarily follow building codes or techniques," Lemmon said. "There's a lot of creative electrical wiring, a lot of creative plumbing, porches turned into bedrooms.

"In our cottage, the guys were taking down paneling, and we found that it had been put over windows," Lemmon said. "Sometimes, people do things at the cottage you wouldn't normally do to your own home."

Another issue that takes cottage buyers by surprise is the non-homestead tax.

Anyone who owns a home that is not their principal residence pays as much as 18 mills in additional school taxes, or \$1,800 on a property with a taxable value of \$100,000. It could be a rental home, a cottage, a vacation condo or vacant land.

The new norm

Many lakefront homes are older and not particularly luxurious. Throughout the late 1990s, a thriving economy and booming stock market created wealth that boosted demand for second homes regionally and nationally. More people were tearing down their cabins to build year-round homes.

"People from California, Chicago, the East Coast, they look for a retirement home. They buy something, tear it down and build something bigger," Lemmon said. "Also, they may have a cottage that is out of code, or taxing authorities don't allow you to add on."

Popular lakes north of town, such as Bostwick Lake and Big Crooked Lake, have seen cottages replaced by \$500,000 year-round residences.

Some real estate agents say there is a well-established market for summer cottages surrounding the region's inland lakes, and those lakeside cottages might be just the foundation for an expanded second-home market.

The most recent statistics from the National Board of Realtors show 13 percent of all home sales are vacation or second homes.

In West Michigan, real estate remains a buyer's market. New listings through the end of March were up 14 percent from a year ago, according to the Grand Rapids Association of Realtors. New listings for 2005 were up 15 percent from the previous year, which includes conventional homes and those on lakes.

"Lakefront property has always been different; it does not follow the norm," said Bruce Johnson, a real estate agent with Westdale Co., 300 E. Beltline Ave. NE. "Those looking are typically not the first-time home buyer, or those struggling to find the money. There's two incomes, and they are outside the normal home market."

Hess Lake property sold for an average price of \$211,000 in 2005, a 40 percent spike from 2001. About 60 percent are cottages and the remainder are full-time homes, Lemmon said.

"Newaygo and Montcalm (counties) are becoming increasingly popular, but you go into Lake County and you can get a nice place on a no-wake lake for less than \$100,000."

The natural inclination is to look for lakefront property north of town, but southern Michigan counties should not be overlooked, said Daniel Sullivan, a real estate agent at Coldwell Banker Schmidt, 3870 Plainfield Ave. NE.

"Two years ago, my sister and I rented a cottage on a chain of lakes south of Kalamazoo," Sullivan said. "I never knew there were so many beautiful lakes in the south part of the state."