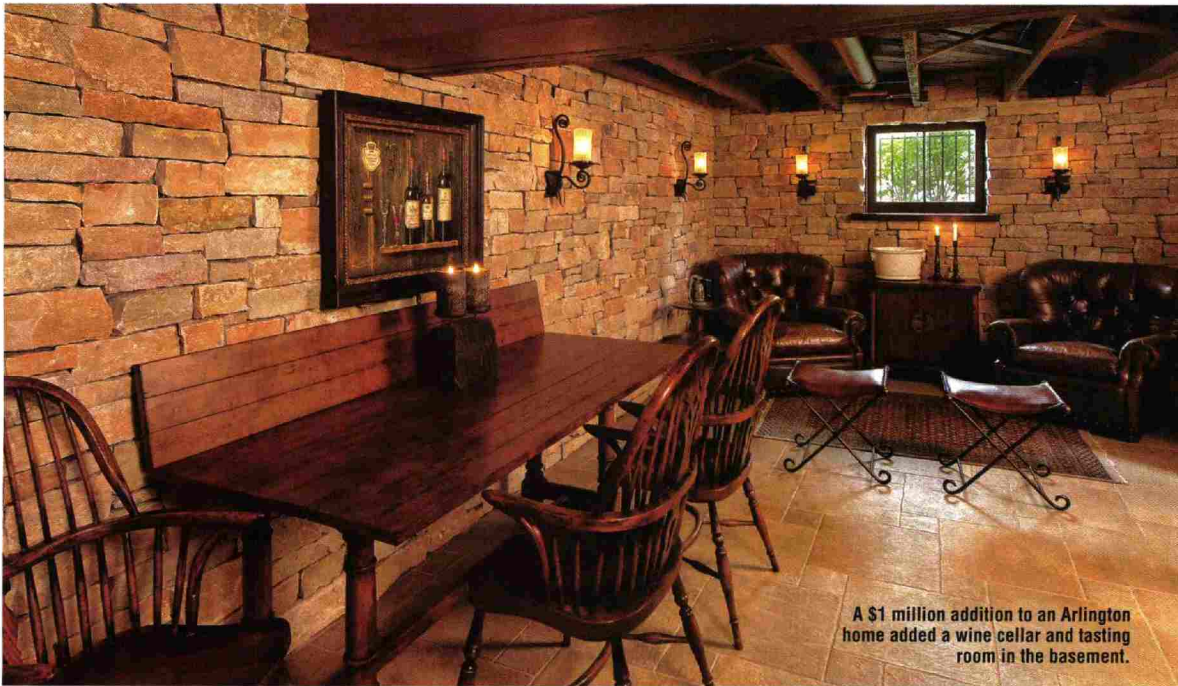


Business Trends: **Upscale Properties** ❖

Is McMansion era over?

Some buyers opt for home additions rather than buying a new luxury home



A \$1 million addition to an Arlington home added a wine cellar and tasting room in the basement.

Photo by Bob Narod, courtesy Van Eperen Public Relations

by M.J. McAteer

The rich are different than you and me," F. Scott Fitzgerald once famously claimed, but today, maybe, not so much, to quote a more recent cultural icon, Buffy the Vampire Slayer.

These days people who are shopping for million-dollar-plus properties in Virginia — just like buyers with more modest budgets — are back in the driver's seat. They're taking longer to select homes and negotiating for the best price in a down market. Gone is the urgency that marked real estate's wild ride just a few years ago when customers raced against one another to build and buy upscale homes.

"Five years ago, it was 'When can you get to us?'" says Dale Schulz of Schulz Homes Corp., a high-end builder in Middleburg. More recently, "consumers have been sitting on their wallets."

During real estate's gold rush days, Schulz built five or six houses a year; more recently, he's been building one or two. The story's the same for Gray Stettinius of Tuckahoe Creek Construction, a custom builder in Richmond. Whereas Stettinius used to work on five to seven homes at a time; now, he does two or three.

High-end sales slow

The experience of the two builders is typical in Virginia. Housing sales have taken a precipitous plunge nationwide, and top-of-the-line properties in the Old Dominion have not been spared, even in affluent areas. In Loudoun County, for example, county demographer Jill Allmon says that 214 homes valued in the \$1 million to \$2 million range sold in 2007; in 2008, 97 homes in that price range changed hands. In

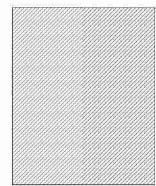
Goochland County, County Assessor Glenn Branham says 35 million-dollar-plus homes sold in 2007; in 2008, the figure dropped to 20 homes. By the end of March, only two such homes had been sold this year.

What's more, an expensive property that might have sold in 60 days during the va-va-voom years, now takes longer to move. Cindy Saufley Barnett of Select Properties of Virginia, who sells mainly in the Northern Neck, Middle Peninsula and Richmond areas, says that multimillion-dollar waterfront estates that once took six months to sell now take a year to 18 months.

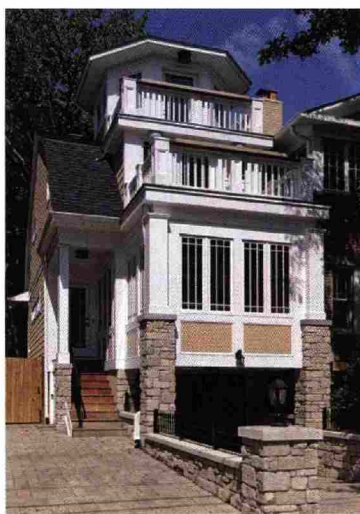
Still, such pricey properties have fared slightly better than their cheaper alternatives because lost equity is often not as crucial to



Barnett



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Inset photos courtesy Van Eperen Public Relations

the buying power of those looking in the million-plus price range. These buyers may not be as dependent on the sale of their current home — which in most cases has dropped in value — to finance the purchase of a new one.



Laytham

As Dan Laytham, a Long & Foster agent based in McLean, observes: “Those with dry powder — people who have significant wealth — are doing quite well.”

That prosperity, however, doesn't translate into a willingness to throw money around. Far from it.

“This is a very emboldened buying

public,” adds Laytham. “People don't want to leave any nickels on the table.”

Peter Wiley, of Frank Hardy Inc. of Charlottesville, has been representing expensive farms and historic properties in this part of Virginia for years. In today's environment, he says, “People will negotiate hard, and they will walk away. It has to be the perfect property.”

'Value' is the buzzword

The response of Virginia real estate agents and contractors unaccustomed to this hard-nosed attitude has been to embrace a new buzzword — “value” — and “value” is certainly out there. Many sellers are willing to entertain low-ball offers that they would have sneered at two years ago. The abrupt contraction of the housing market also has dropped the price of new construction, as the cost of building materials such as lumber, has gone down, sometimes dramatically. Stettinius, for example, priced a copper roof for a project at \$32,000 in the fall; by March, the price had plummeted to \$15,000.

Some builders are emphasizing the green aspect of their construction, but the jury is out on how much difference that

strategy makes. While almost all new houses are greener now because of improved standards for insulation and windows, builders' experiences vary when it comes to a buyer's willingness to pay for anything more environmentally conscious than that.

Across the state, builders, green and otherwise, find that additions, renovations and restorations are a much bigger part of their business. In fact, the decision to build an exceptionally well-appointed and finished addition rather than opt for sheer volume in another house is the new wave in real estate, say Virginia builders. “The era of the mega-house is coming to a close,” declares luxury builder George B. Sagatov of Vienna.

L-shaped addition in Arlington

Joe and Jill Presta are a good example of the trend. They wanted more room than their 2,500-square-foot house in North Arlington offered. So instead of moving, the Prestas turned to **Bowa Builders Inc.** of McLean to construct a \$1 million, L-shaped addition that doubled the size of their Arts and Crafts bungalow. The Prestas “knew what they wanted,” says Bowa's Rich Cas-

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Rather than move to a larger home, Joe and Jill Presta doubled the size of their existing bungalow. The addition added several new rooms on the main floor (at far left) and expanded the upstairs master bedroom suite (right). An octagonal crow's nest sits just above the nautical-style staircase.



Photo by Mark Rhodes

master bedroom via a nautical-style oak staircase — think built-in ladder. The aerie is one of the “nice surprises you get as you walk through the house,” says Jill Presta. Avid sailors, the couple use the lofty perch for planning boat trips.

In a bear economy, one wonders how many Virginians will migrate to a new aes-

thetic staying put but with super nice digs.

“The first half of '09 is not great,” says Wiley, the Charlottesville agent, “but there is an uptick in people looking. We are in a leveling out or corrective time.” Meanwhile, he expects that people of all pocketbooks will continue to be on the hunt for “the bargain of bargains.” **VB**

Photo by Mark Rhodes

sagnol, and they were partners at every step of the project's design and execution. The result is a luxury home that is anything but cookie-cutter.

Throughout the addition, **Bowa** strove to match the architectural details of the original house, such as picture molding and corbels. In the basement, the couple added a wine cellar with a medieval vibe, an exercise room and a garage for Joe's vintage red Corvette. On the main floor, they got a new powder room, a bathroom, a family room, an informal eating area and a gigantic kitchen with two sinks and a six-burner range. “I love to cook, and my husband loves to eat,” says Presta.

Upstairs, Bowa added a walk-in closet with cherry cabinets and a master bath with a soaking tub, a urinal and a shower with a river rock floor and a sound system. The new master suite with a gas fireplace has an adjoining room containing a wet bar, a coffee maker and a hot tub. That second-story hot tub was a challenge for Bowa — the floor under it had to be able to handle pressure of 10,000 pounds per square inch.

The house's most unusual feature is an octagonal crow's nest reached from the