

Second Home Owner Study

Assessing Attitudes, Consumer
Behavior, and Housing Tenure
in Sullivan County



Prepared By:
*Division of Planning &
Environmental Management*

Dr. William J. Pammer, Jr., Ph.D.
Commissioner

Ethan Cohen, M.Arch
Planning & Policy Manager

Jill M. Weyer, MPA, LEED-AP
Senior Planner

Heather Jacksy, MUP, AICP
Associate Planner

Jennifer Mall
Research Analyst

James Ryo Kiyan
GIS Technician

October 2008



Acknowledgements

A task of this magnitude could not have been completed without the assistance of others. To begin, we would like to express our gratitude and appreciation to the Sullivan County Legislature for supporting this study and taking an interest in this subject. The Division is also grateful to individuals and organizations that gave us feedback on the survey during the planning stages of this project. In particular, we appreciate the time and assistance of Joe and Tom Freda, owners of Freda Real Estate; Terri Ward, President of the Sullivan County Chamber of Commerce; Steve Dubrovski, CEO, Woodstone Development, LLC; the Sullivan County Partnership for Economic Development, and Matt McNeil, Director of Event Marketing, Bethel Woods Performing Arts Center (BPAC).

Thanks are due to the Sullivan County Office of Real Property and the Department of Management and Information Systems for assisting with the tax roll data in generating the universe of second home owners in the County. We are also grateful to the Planning Division support staff for the time they spent preparing and formatting the survey instrument, entering the data, and preparing maps and tables as the study was being prepared.

Finally, we give a special thanks to the second home owners who took time out of their schedules to complete and return the survey used for this study. The information provided will play a significant role in helping the public, non-profit, and private sectors plan and accommodate growth and change of the second home

Table of Contents	Page #
Executive Summary	I
Introduction: Understanding the Second Home Owner	1
<i>Organization of the Survey Report</i>	2
<i>Data and Methods</i>	3
I. Demographic Profile of Second Home Owners (SHOs)	5
Figure 1: Comparison of Primary Home Location	5
Figure 2: Primary Home State of SHOs	6
Figure 3: Age of SHOs	6
Map 1: Primary Home County	6
Figure 4: Educational Attainment of SHOs	7
Map 2: Primary Home State	7
Figure 5: Educational Comparison between SHOs and Full-time residents	8
Figure 6: Family Status of SHOs	8
Figure 7: Annual Household Income of SHOs	8
Figure 8: Employment Status of SHOs	9
<i>Summary of Findings</i>	10
Figure 9: Comparison of 45-64 Age Group (Full-time Residents vs. SHOs)	10
II. The Discovery of Sullivan County: Information Sources Used by Second Home Owners and Why They Bought Here	11
Figure 10: How SHOs Heard about Sullivan County	11
Figure 11: Other Locations Considered for Second Homes	12
Figure 12: Information Sources used for Real Estate by SHOs	13
Figure 13: Sources Used by SHOs for Local Event Information	13
Figure 14: Purchase Influence of SHOs	14
<i>Summary of Findings</i>	14
III. Property Location and Use Patterns of Second Home Owners	15
Figure 15: Second Home Location in Sullivan County	15
Figure 16: Length of Ownership by Town	16
Figure 17: Current Use of Second Home	16
Figure 18: Future Use of Property: Decrease Use & Sell Property	17
Map 3: Second Home Location by Town	17
Figure 19: Services Lacking for Respondents who will Sell	18
Figure 20: Future Use of Second Home	18
<i>Summary of Findings</i>	19

IV.	Second Home Owner Evaluations of Community Attributes and Quality of Services	20
	Figure 21: Community Attributes & Quality of Municipal Services	20
	<i>Summary of Findings</i>	21
V.	Travel Behavior and Frequency of Stays Among Second Home Owners	22
	Figure 22: SHOs Travel Days (To & From Sullivan County)	22
	Figure 23: Travel Time of Day	22
	Figure 24: Number of Daily Trips Made	23
	Figure 25: Frequency of Property Use by SHOs	23
	Figure 26: Use of Property by Season	23
	<i>Summary of Findings</i>	24
VI.	Purchasing Behavior and Philanthropic Giving Among Second Home Owners	25
	Figure 27: Appealing Features of the Second Home	25
	Figure 28: Local Shopping By Type of Service	26
	Map 4: Regional and Extended Shopping by Town	26
	Figure 29: Trade Services Utilized	27
	Figure 30: Support for Not-for-Profits	27
	Figure 31: Types of Not-for-Profits to Support	27
	Figure 32: Factors Influencing Philanthropic Giving	28
	<i>Summary of Findings</i>	29
VII.	Emerging Issues and Trends	30
	Local Issues: Taxes, Services, and the Aging Second Home Owner	30
	Energy Policy: The NYRI Power Line and Gas Drilling	31
	Wall Street Dysfunction: The Credit Crisis and the Future	33
	Final Thought: Aging, Taxes, and Housing Tenure	34
VIII.	Implications & Recommendations	35
	Recommendations	36
Appendix		Separate cover
	<i>Copy of Second Home Owner Survey</i>	
	<i>Raw Data Responses for each Survey Question</i>	
	<i>Accuracy of the Sample Size</i>	

Executive Summary

The second home industry continues to play an economic and social role in Sullivan County. This report offers a comprehensive examination of this housing sector in the County to gauge concerns and tenure of second home owners (SHOs). The analysis focuses on the following aspects of second home owners in Sullivan County:

- (1) Current demographic profile, and how it has changed over the past ten years;
- (2) Insights on how SHOs got information about Sullivan County and why they bought here;
- (3) Property location and use patterns;
- (4) Evaluation of community attributes and quality of services;
- (5) Travel behavior and frequency of stays; and
- (6) Purchasing behavior and philanthropic giving among second home owners.

There are a number of principal findings:

- The profile of second home owners in Sullivan County are persons between the ages of 55-74, white couples with no children at home (or no children), where one or both partners are working. They are college educated, likely with a Bachelors degree or higher, and they earn on the average between \$100,000 and \$150,000 per year. Many have had a prior connection with the County either as children vacationing here with their parents or visiting family or friends in the area.
- In terms of states represented, 90% of all second home owners reside in NY and NJ (71% are NY residents and 19% are from NJ). Florida, which in the 1997 Second Home Survey was home to 4.9% of the second home population, now represents only 2% of respondents.
- While family and friends have had an influence in familiarizing second home owners with the area, natural amenities and proximity to the NYC Metropolitan Area play a major role in influencing people to buy a second home in Sullivan County.

- Municipalities with the highest percentages of second home owners-Bethel, Rockland, Thompson, and Fallsburg-are those that are easily accessed by future I-86 (Route 17), by State Route 17B, a major east-west collector from I-86, or, in the case of Fallsburg, State Routes 42 and 52.
- Length of tenure among second home owners is significant—the median number of years they have owned their home in Sullivan County is 16 years, which is consistent with national data on SHOs gathered from the Health and Retirement Study (HRS).
- A significant proportion (64.5%) of second home owners use their home only for their own personal use and enjoyment and close to half of the respondents (44.9%) indicate they let friends and family use the home.
- Almost all respondents (97.8%) indicated that they would not decrease their current use of the home, and close to 90 percent reveal they would not sell in the near future.
- Fewer than a third of respondents (29%) indicated they would make their second home a retirement residence, and only 16 percent said they would become full-time residents. Based on open-ended comments offered by respondents, it is assumed some home owners are weighing the tax burden and service delivery issues in deciding to locate in the County permanently.
- When asked about the quality of local community attributes, over 80 percent felt that the scenic and visual qualities of their town were either good or excellent, but a very small percentage of respondents (fewer than 20%) gave high ratings for health care service and cell phone reception, and many were critical of code enforcement.
- Second home owners noted that quality bakeries and coffee shops with consistent hours are needed in the area, and they expressed concern about limited retail shopping choices and available skilled labor in the area.
- Close to sixty percent of respondents (58.4%) commute to their second home on Friday and over half (55.2%) travel in the afternoon. When returning to their primary home, over sixty percent (60.4%) leave on Sunday and a similar percent (64.2%) depart in the afternoon.

- Over 60 percent of respondents indicate they make between 2-5 trips per day in the County when staying at their home in Sullivan County.
- Second home owners use their properties throughout the year; over 60 percent (62.9%) use their property 60 days or more over the year.
- Second home owners make most of their local purchases on groceries, home repairs for electrical and plumbing, and landscaping and lawn care. Some home owners were, however, critical of the reliability of some trade services (i.e. plumbing and electrical) in terms of returning phone calls and showing up when scheduled.
- In terms of philanthropic giving, many indicate they would make a financial contribution to local causes; however they need a personal connection with the organization, and the organization's mission needs to be consistent with their priorities before they give. Priority areas for second home owners seem to be open space, emergency services, and arts and culture.

Using the above findings as a point of departure, the report also looks at how future demographic trends could impact the second home owner market. Trends to consider are:

- As the largest age group among Sullivan County SHOs is 55-64, it is important to anticipate how aging may impact second home ownership in the County. Data from the 2004 Health and Retirement Study (HRS) indicate that 45 percent of older home owners (age 60 +) dispose of their second homes, not because of changes in income, but changes in marital status (mostly loss of a spouse) and health.
- Local taxes are a concern among second home owners. Therefore, every thing else being equal, factors that could impact second home ownership in the future could be rising taxes, declining health, and death of a spouse.

The final section of this report offers recommendations for marketing and interfacing with the second home sector.

Introduction: Understanding the Second Home Owner

While holding a glass of wine, Anne Bexley sits on her back deck, overlooking a large pond surrounded by a dense forest. “All week we listen to traffic screaming down the highways and people talking at each other,” says Mrs. Bexley, who lives with her husband in an apartment complex in Hoboken, New Jersey. “What we need the most on Saturdays and Sundays is silence.”

Silence, spectacular views, communing with nature, and small town feel are a brief sample of amenities that keep second home owners here in the County, attract potential buyers to the area, and, in some cases, may even compel some second home owners to become full-time residents.

Between 2001 and 2007, the County experienced a 65 percent increase in second home ownership. The Sullivan County Division of Planning, using tax roll data from the Sullivan County Office of Real Property, established that 6,089 second home owners existed 2001. In 2007, the Division, again using tax roll data, revealed that 10,085 persons owned a second home in Sullivan County, and an additional 6,196 people owned vacant land in the County with a full-time residence outside of Sullivan County.

Sullivan County’s growth has been driven partly by this “urban conversion expansion,” and, as noted above, these are people who are seeking specific amenities, and will likely impact local politics over

time if they become full-time County residents.

Second home owners maintain a significant presence in the County not only in terms of their number of visits, but purchasing

activity, and, more recently, their political activity as many are becoming registered voters in the County.

Second home owners in Sullivan County are not a monolithic group. Rather, their backgrounds are varied. While many are from the New York Metropolitan Area, some have occupations in the federal government, accounting, the airline industry, or they are self-employed as attorneys or business owners. Others work in the medical profession not only as doctors, but X-Ray technicians and nurses. Finally some are retired and empty nesters.

On the average, what second home buyers look for in a “second getaway” is perhaps typically a house with some charm or unique character, nice quiet country setting with some privacy; 3 bedrooms, priced under \$300,000. When looking at deviations from the average, it is not uncommon for a second home to be a three-bedroom, one bathroom Cape on an acre of land that can cost \$200,000. At the other end, a weekend retreat may be a neo-rustic one-story, four bedroom, six-bath house with four fireplaces, as is characteristic of some homes in the gated Chapin Estate development in the Town of Bethel. As the County’s most upscale second home community, homes in the Chapin Estate range in



The gate house at the Chapin Estates in Bethel, NY.

size from 2,000 square feet and to as high as 15,000, with the average 4,000-square-foot house costing over a \$1 million.

The presence of second home development has yielded growth in municipal tax incomes and increased spending in local businesses, which has benefited Sullivan County, following the decline of the resort hotel industry. For instance, an economic impact analysis of the Chapin Estate by AKRF revealed that with 41 completed and occupied homes in the development, the home owner expenditures on household needs, upkeep, and maintenance on their homes have the potential to add more than \$1.5 million in spending dollars to the County's economy.¹

Although a comprehensive economic analysis is lacking on all types of second home developments in the County, it can be argued that this sector plays a major role in the County's economic development--from food purchases to maintenance and local entertainment expenses. The limited supply of restaurants and specialty food stores may suppress actual spending as compared to potential discretionary spending. As the data show in this report, however, the addition of new restaurants in hamlets, towns, and villages are motivating more second home owners to spend money in the County.

Given the sustained presence of this type of development, what are the social impacts, shopping patterns, and future housing tenure of second home owners in Sullivan County? Using these questions as a guide, this report offers renewed insights into the presence of second home owners since the last Division of Planning report on this subject was released in 1997.* The intent is to refine marketing and understand how emerging trends can impact this economic segment of the County.

What follows is an extensive survey analysis of second home owners to ascertain demographics of these home owners, their living, travel and

shopping habits, and their perspective on local issues and involvement in their communities.

Organization of the Survey Report

The survey report is divided into eight sections. Section One offers a detailed demographic profile of the second home owner (SHO). Section Two provides insights into how SHOs obtain information about Sullivan County and why they bought here. Section Three examines the property location and use patterns of second home owners. Evaluation of community attributes and quality of services are analyzed in Section Four. Travel behavior and frequency of stays are examined in the fifth section of this report. Section Six looks at purchasing behavior and philanthropic giving among second home owners. Emerging issues and trends on the second home market in Sullivan County are explored in Section Seven, and the final section of this report offers recommendations for renewed marketing and interfacing with the second home sector at the level of local land use and economic development policies.



Upscale home in the gated community of the Chapin Estates in Bethel, NY.

¹ AKRF. 2007. "An Economic Analysis of the Preserve at Chapin Estate." Report prepared for Woodstone Companies, Bethel, N.Y.

* Sullivan County Division of Planning and Community Development. 1997. **Second Home Owner Survey: Key Findings and Recommendation.** Sullivan County Division of Planning and Community Development, Monticello, New York (September 1997).

1,379 surveys from second home owners were received out of the **10,085** surveys that were sent. This equates to a response rate of **13.7%**.



One of the many recreational lakes in Sullivan County.

Data and Methods

Data for this study were obtained during the summer and fall of 2007 through a mail survey sent to all property owners in the County whose mailing address was outside Sullivan County. Duplicate parcels, and commercial properties, were deleted per property owner to preclude repeated mailings of the survey to the same owner, and to keep the study focused on residential uses. The universe of second home owners was established electronically through the Sullivan County Office of Real Property tax-roll data files using an operational definition of second home owners as individuals whose primary residence is outside Sullivan County.

While compiling the universe of second home owners, we found a significant number of individuals with primary residences outside of Sullivan County who owned parcels of land that did not contain a home. We opted to mail them a survey as well to gauge their long-term interest in retaining the land, and building a home.

Using specific residential property classification codes, this method generated a universe of 16,281 second home owners and people owning a vacant parcel in the County with an out-of-county residence. Of these, 10,085 own an actual second home. Surveys were mailed to all 16,281. Among the second home owners, 1,379 returned completed surveys for a response rate of 13.7 percent.² Among the owners of land only, a total of 6,196 surveys were mailed and 222 were returned for an overall response rate of 5.3%.

The survey was designed as a collaborative effort among the Sullivan County Division of Planning staff, a subset of the County's realtors and developers, Bethel Woods Performing Arts Center (BPAC) marketing staff, the Sullivan County Chamber of Commerce, and the Partnership for Economic Development. The survey was supplied with a self-addressed, returned postage paid envelope, and it incorporated 32 questions ranging from general demographic background information, current and

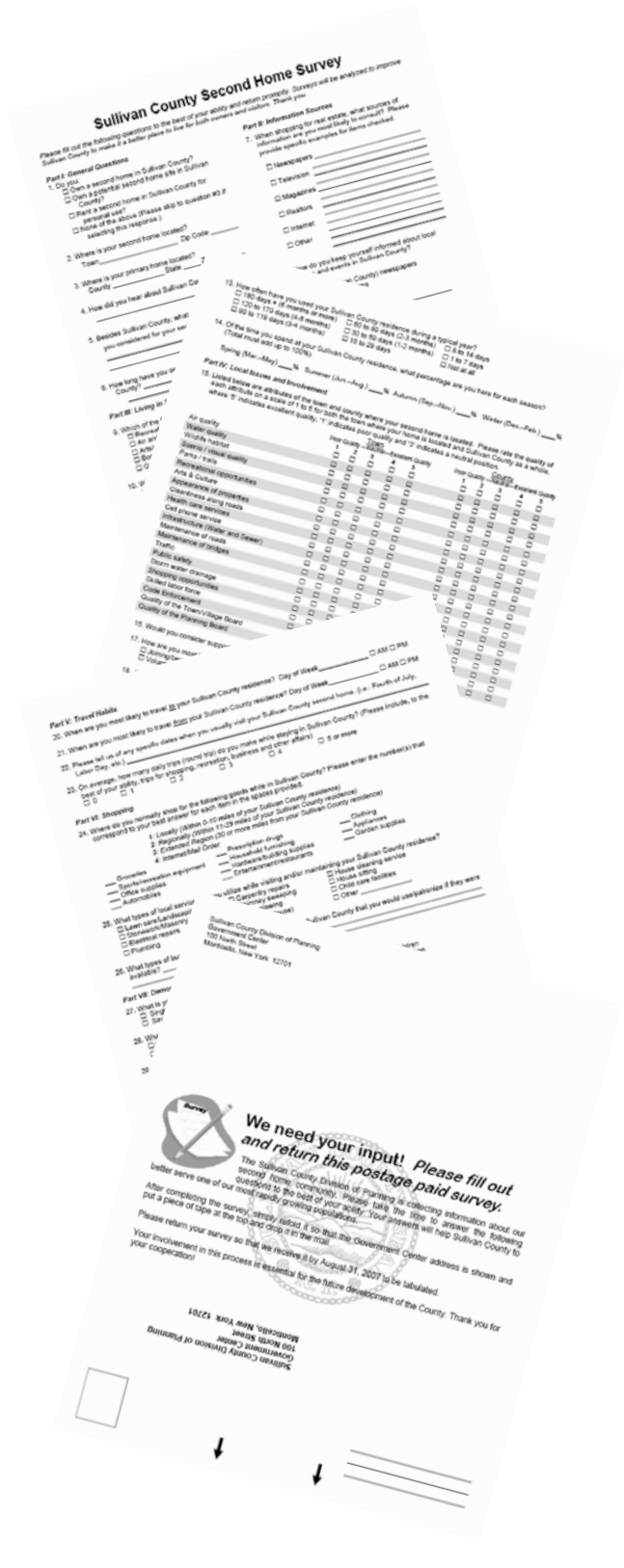
² Given the prospect of non-responses and having to re-sample from the universe of second home owners, followed with multiple mailings, we opted to survey the entire universe after deleting duplicate parcels. See Appendix for Accuracy of the Sample Size.

future use of the property, shopping patterns, future usage plans of a vacant parcel, recreational activities, use of services, and perception of local issues and involvement in community groups. A copy of the survey is included in the Appendix to this report, as well as the raw data responses for each question.

Survey data are aggregated and analyzed using descriptive statistics. Using the framework of the *Sullivan 2020 Strategic Plan*, some survey data are also broken down by geography of the County using the "PHIZ" and "AGCON" classifications to generate comparisons. The "PHIZ" classification refers to the "Post Hotel Industrial Zone" that includes the towns of Liberty, Fallsburg, Mamakating, and Thompson, where many of resort hotels were located. The AGCON group refers to the "Agriculture-Conservation" areas of the County and includes the balance of towns located in the western agricultural district (Ag-District 1), the New York City Watershed, Catskill Park, and the Delaware River Corridor.

The statistical data analysis is also supplemented with narrative feedback or qualitative data, from survey respondents and realtors, to offer more descriptive insights into behavior and experiences. Where appropriate, this report will offer comparisons with the data presented in the 1997 study.

The survey that was mailed can be found in the Appendix to this study.



I. Demographic Profile of Second Home Owners

This section offers a demographic profile of the second home owner to capture how aspects of home ownership is changing in Sullivan County, and what these dynamics mean for continued home owner investment and expectations of local amenities as the composition of the County continues to change. Key topics covered in this section are: location of primary residence, age, level of education, family status (single or couple, with or without children), household income, and employment status (full- or part-time, retired or unemployed).

An interesting fact of second home owners is that many have a connection with Sullivan County from vacationing in the area as children with family or attending a summer camp. Some have inherited property through family while others were drawn here by friends or hunting vacations over the years. Much of the connection is a function of their primary homes geographic proximity to the County. As such, when offering a demographic profile of second home owners, we begin by looking at their primary residence, because this information is critical to continued marketing efforts of properties in Sullivan County.

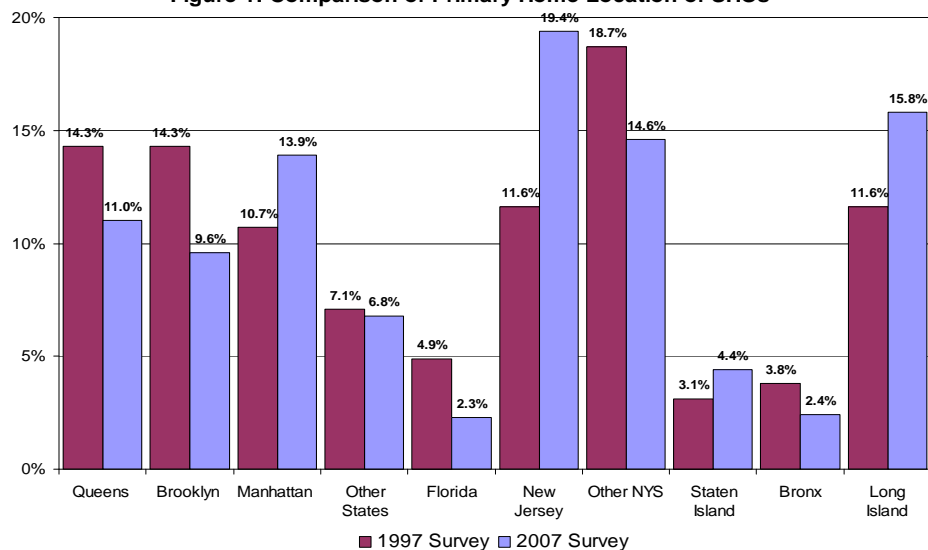
The 1997 report observed that “while it is common knowledge that the County has traditionally attracted second home owners from New York City, [it] also draws significant numbers from other areas of New York State, including Long Island, and Northern New Jersey.”³ Figure 1 reveals that these trends still hold true. However, in both cases, a third of owners from outside of New York City reside in

Age:	55 to 74
Race:	White
Primary Home:	New York City
Family Status:	No children at home
Education Level:	Bachelor’s Degree +
Employment Status:	Full-time employed
Income Level:	\$100,000—\$149,000

suburban counties at the outer fringe of the NYC Metropolitan Area. True to the 1997 survey, it is still important to recognize the value of Sullivan County to the broad suburban market for second homes and perhaps future full-time retirement properties.

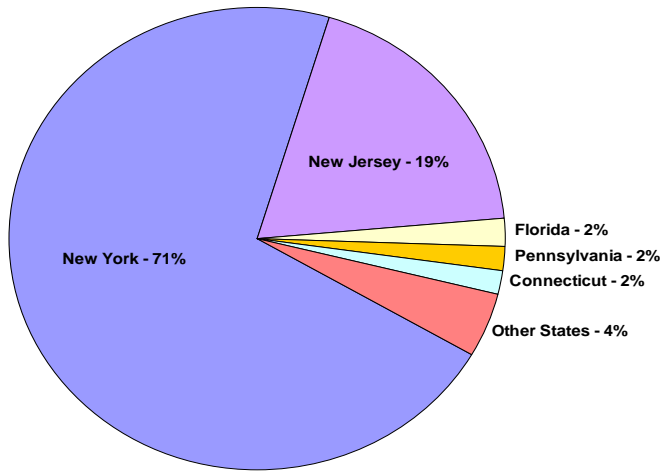
In terms of states represented (see Figure 2), 90% of all respondents reside in NY and NJ (71% are NY residents and 19% are from NJ). Florida, which in the 1997 survey was home to 4.9% of the second home population, now represents only 2% of

Figure 1: Comparison of Primary Home Location of SHOs



² Sullivan County Division of Planning and Community Development. 1997. *Second Home Owner Survey: Key Findings and Recommendation*. Sullivan County Division of Planning and Community Development, Monticello, New York (September 1997).

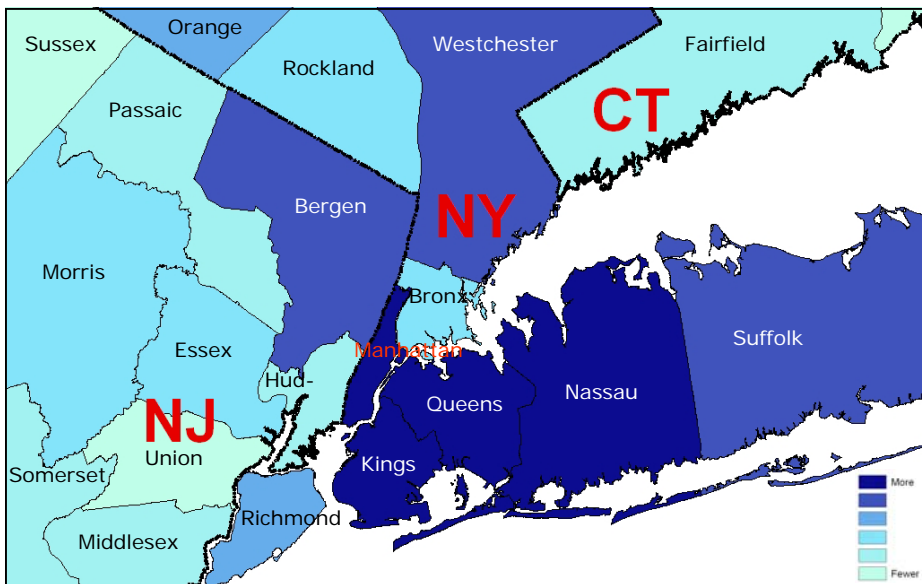
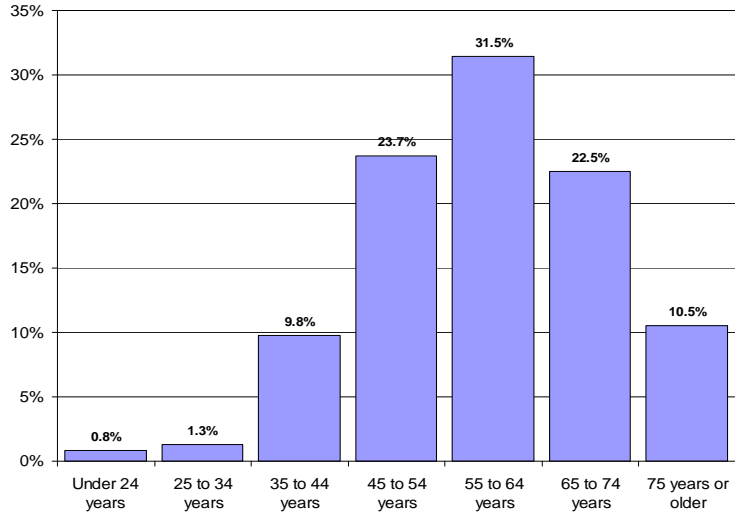
Figure 2: Primary Home State of Second Home Owners (SHOs)



Traditionally Sullivan County has attracted second home owners from New York City, however it also draws significant numbers from other areas of New York State, including Long Island and Northern New Jersey.

The “Young and Older Baby Boomer” households (45-64 year olds) are purchasing second homes.

Figure 3: Age of Second Home Owners

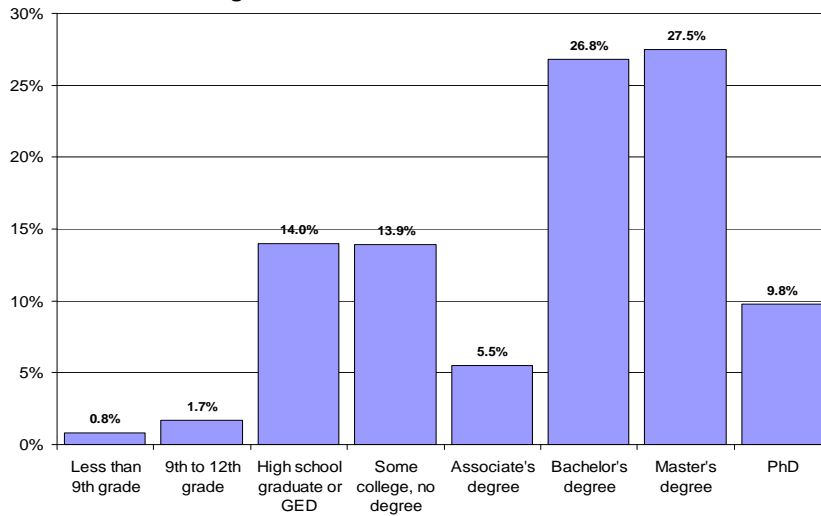


Map 1: Primary Home County

The map to the left shows where the majority of second home owners live in the New York City Metropolitan Area. The darker the color, the more concentrated the number of second home owners, with the majority coming from New York County (Manhattan), Queens County, Kings County (Brooklyn) and Nassau County.

⁴ Francese, Peter. 2003. “The Second Home Boom.” *Demographics* (June); Bishop, Paul, Thomas Beers, III, Shonda Hightower. 2005. The 2005 *National Association of Realtors Profile of the Second Home Owners*. National Association of Realtors. Chicago, Ill.

Figure 4: Educational Attainment of SHOs



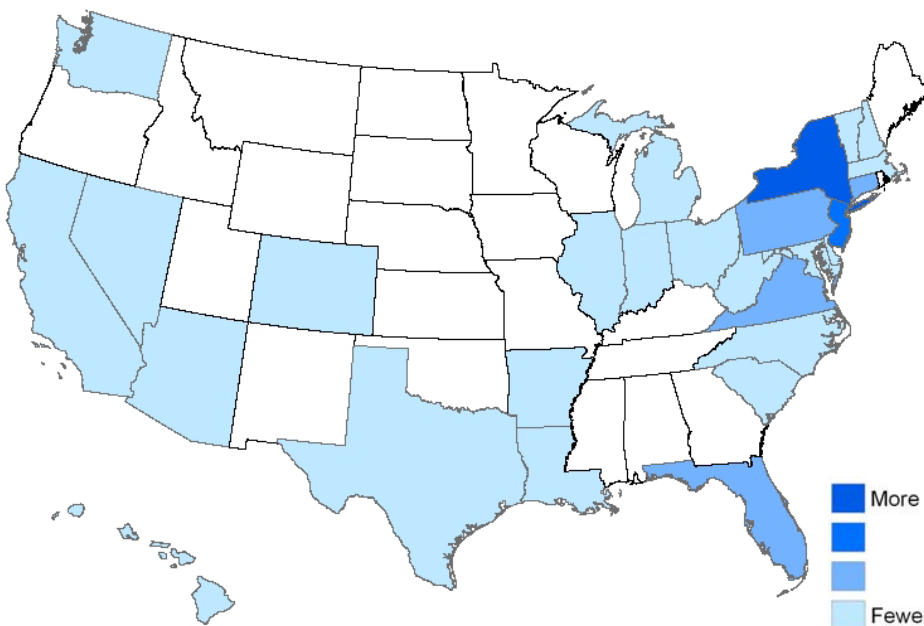
Over **60%** of SHOs revealed that they have received a bachelor's degree or higher, compared to only **16.7%** of full-time County residents 25 years and older.

respondents. While anecdotally we know Sullivan County to have a presence of snowbirds, it appears that many keep their primary place of residence here.

According to nationwide research on second home owners (see Francese, 2003; National Association of Realtors, 2005), second home purchases and occupancies are being driven by the "Young and Older Baby Boomer" households headed by 45-64

year olds.⁴ This trend is characteristic of second home owners in Sullivan County. For instance, Figure 3 reveals that over half (55.2%) of second home owners who responded to the survey are between the ages of 45 and 64 years old; and this age cohort has grown over the past ten years, up from about a third (32.8%) of the total respondents in the 1997 study.

The data in Figure 3 also indicate that a third of second home owners are 65 and older. Very few respondents are under 35 years of age, which is also consistent with national trends (National Association of Realtors, 2006).

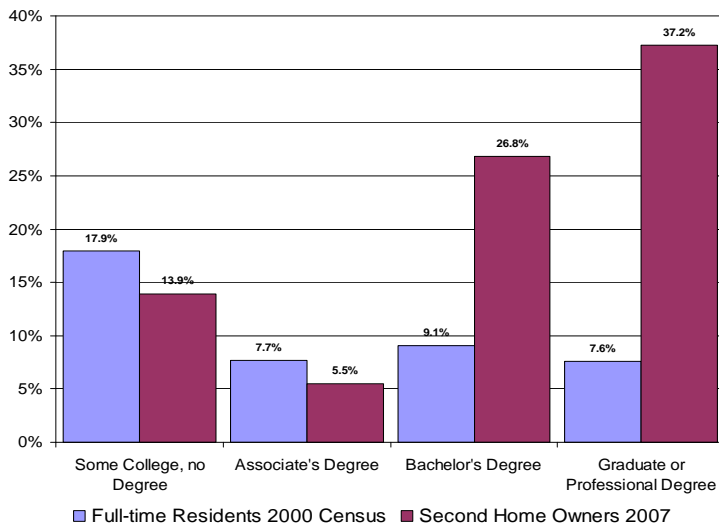


Research by Francese (2003) has shown that over half (51%) of second home owners within the U.S. have graduated from college. The data in Figure 4 not only underscore this trend but exceed it as well--over 60 percent of second home owners who responded to the 2007 survey have a four-year college degree or more (64.1%).

Map 2: Primary Home State

The map to the left shows where the majority of second home owners live in the U.S. The darker the color the more concentrated the number of second home owners. Thus New York State accounts for the most second home owners.

Figure 5: Educational Comparison between SHOs & Full-time Residents



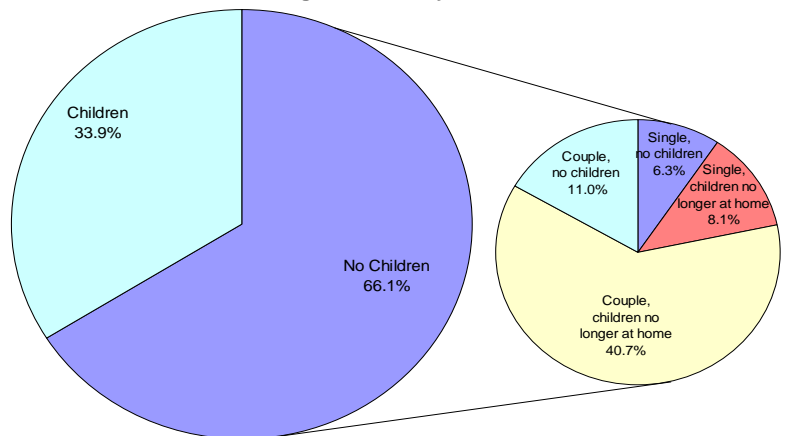
The common profile of a second home owner is an older, white couple with no children at home (or no children), with one or both partners working.

The percentage of second home owners with higher education increased by 11 percent since the 1997 study, which found that 48.7 percent of second home owners had obtained a four year college degree or more. It is interesting to note that a significant disparity in educational level exists between second home owners and full-time County residents. For instance, while over 60 percent of the second home owners who responded to the 2007 survey exhibit four or more years of college, only 16 percent of full-time county residents 25 years of age and older have a college degree (see Figure 5).⁵

This difference could perhaps manifest itself into changing social mores, such as expectations in local services and conflicts over land use priorities. These dynamics will be explored more in Section Seven of this report.

The data in Figure 6 indicate that over 60 percent (66.1%) of second home owners either have no children or their children no longer live at home. In particular, a little over half (51.7%) are couples without children or empty nesters, and the remaining 14 percent are single without children or empty nesters. The remaining proportion of respondents—a

Figure 6: Family Status of SHOs

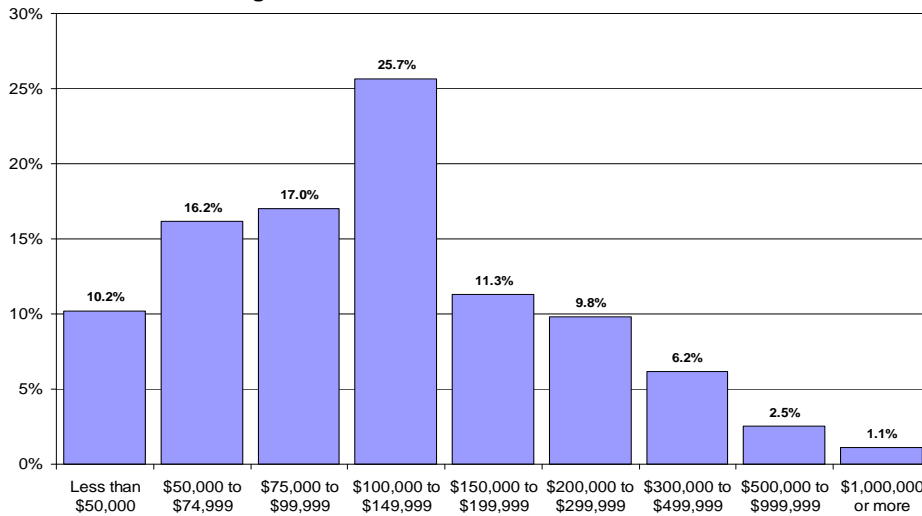


2006 National Association of Realtors Profile of SHOs Comparisons

- The typical SHO is 59 years old.
- SHOs reported a median income of \$120,600 in 2005.
- Over 75% of SHOs are married.

⁵ The education data for full-time residents were obtained from page 7-10 in the *Databook 2000: Sullivan County, New York* published by the Sullivan County Division of Planning.

Figure 7: Annual Household Income of SHOs

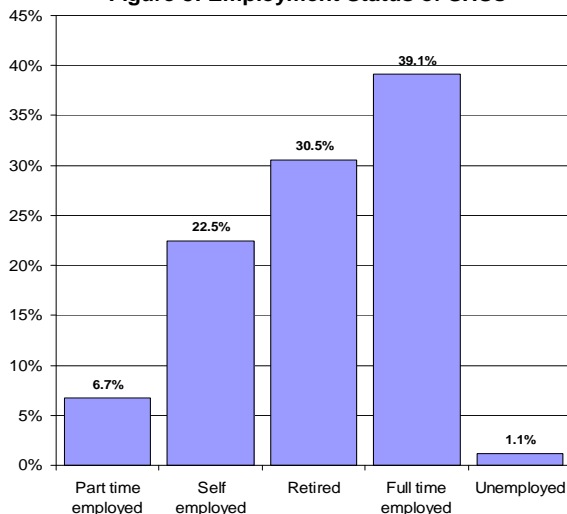


A significant issue will be achieving consensus on the definition of **“Quality of Life”**, as more second home owners spend more time in the area and become full-time residents.

Land Owner Highlights

- There are a higher percentage of land owners between the ages of 25 - 44 (17.6%) compared to SHOs (11.1%).
- 41.6% of the land owners have children at home compared to 34% of SHOs.
- While 54% of land owners have a bachelors degree or higher, a high percentage of this group (42.1%) has less education than SHOs.
- Income levels are slightly different also – 88.8% are under \$200,000 but the largest percentage is the same as the SHOs with 27.9 % in the \$100,000 – \$149,000 range.
- 43% of land owners are employed full-time compared to 39.1% of SHOs.

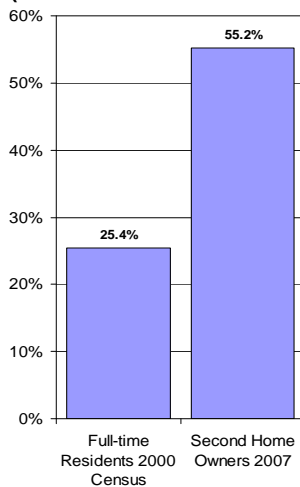
Figure 8: Employment Status of SHOs



⁶ Information on age for full-time residents was obtained from page 3-2 in the *Databook 2000: Sullivan County, New York* published by the Sullivan County Division of Planning.

⁷ Median income data for full-time residents in Sullivan County was obtained from page 5-1 in the *Databook 2000: Sullivan County, New York* published by the Sullivan County Division of Planning.

Figure 9: Comparison of 45-64 Age Group (Full-time Residents vs. SHOs)



little over a third (33.9%)— still have children at home.

Recent analysis of the Bureau of Labor Statistics (BLS) Consumer Expenditure Survey (see Francese, 2003) reveals that second home owners are considered “high income” yielding an annual compensation of \$80,000 or more. The survey results for Sullivan County are fairly consistent with this finding. Figure 7, for example, shows that over half of the survey respondents (56.6%) earn \$100,000 or more in annual income and close to twenty percent (17%) earn between \$75,000 and \$100,000 per year.

Interestingly, over a third of the survey respondents (37.2%) are retired or employed part-time (see Figure 8), which suggests that these individuals are fairly strong income earners at this point in their lives and have a high degree of flexibility in their work and lifestyle choices (i.e., telecommuting, consulting, etc.).

Summary of Findings

A common profile of the second home owner that emerges from this analysis is an older, white couple with no children at home (or no children), where one or both partners are working. They are college educated, likely with a Bachelor’s degree or higher and earning on the average between \$100,000 –

\$150,000 per year. Many have prior connections with Sullivan County either from childhood or visiting family and friends in the area.

An interesting observation is the differences in demographic characteristics between second home owners and full-time residents. This trend was noted in the 1997 report in regard to age, as second home owners were generally older than the median population age of 34.8. According to the data reported here (see Figure 9), this trend continues. A quarter of full-time residents are between the ages of 45-64 compared to 55 percent of second home owners who fall into this age category.⁶

As noted earlier, another major difference is income. Second home owners, on the average, earn significantly higher incomes than full-time residents of Sullivan County. According to the 2000 U.S. Census, 8.7% of Sullivan County families reported a median family income over \$100,000 compared to 56.6% of second home owners who earned much or more (see Figure 7).⁷

These differences suggest that changes in levels of civic engagement and lifestyle perceptions could emerge over time. For example, while local residents may advocate for specific types of economic development to promote jobs, second home owners may prefer other types of activities. To illustrate, one second home owner noted on the survey that “...large scale development and business people who promote them are too aggressive in Sullivan County. Let’s promote simple living, preservation of country life style, and conservation of environmental resources.” Another survey respondent expressed concern over “excessive noise...caused by losing the tree buffer to clear cutting [and] better laws covering four wheelers and barking dogs.” Indeed, achieving consensus on the definition of “a quality of life” will be a significant issue, particularly as second home owners spend more time in the area, and choose to settle in the County as full-time residents.

⁶ Information on age for full-time residents was obtained from page 3-2 in the *Databook 2000: Sullivan County, New York* published by the Sullivan County Division of Planning.

II. The Discovery of Sullivan County: Information Sources Used by Second Home Owners and Why They Bought Here

This section examines perceptions of owners prior to purchasing here, and how they keep informed about events in the area. Specifically, the survey asked owners how they learned about Sullivan County, what other areas they were considering, what sources of information they are likely to use when shopping for real estate, and resources they use to stay informed about local issues and events. Finally, this section looks at what factors influenced their decision to buy a home in the area. Once again, this information may prove helpful in expanding marketing of the area and local businesses.

The previous section identified second home owners had a connection with Sullivan County either through a family member or friend who visited the area, or vacationed in the County. Figure 10 supports this notion. The data reveal that close to half (47.3%) of second home owners heard about the County through family and friends. In fact, a few respondents commented on their survey that they became interested in the area because their “grandparents bought property in the area,” or they heard about the area “...from my father, uncle, and great aunt.” A few respondents noted they had “several generations of family [living] here,” and that their “grandparents [and] parents owned summer homes in the County.”

The data in Figure 10 also reveal that visiting and traveling through the area was another way they became familiar with Sullivan County. A common open-ended response among respondents to the

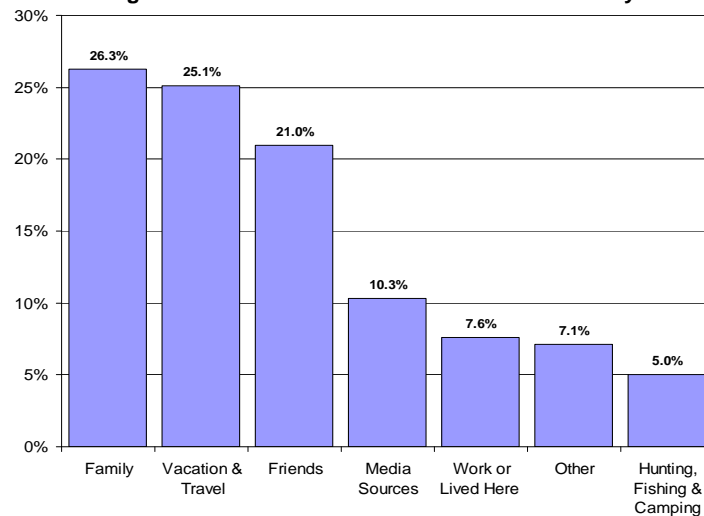
Close to 20% of survey respondents considered the southern states as possible second home locations.

survey was that they “vacationed here as a child.” Others mentioned becoming interested in the area as a result of “trips to college in Upstate New York” or “traveling through [the County] on childhood vacations.”

Despite influences by family and friends, respondents indicated that they considered other areas outside of Sullivan County for a second home. Figure 11 presents those locations that were considered.

Indeed, while many second home owners remained loyal to the area, including the greater Catskill Region, over a third of survey respondents (34.6% combined) also considered the southern U.S. and Pennsylvania as possible second home locations. Perhaps these areas were considered because of lower taxes, and, in terms of southern states, the warm weather as well.

Figure 10: How SHOs Heard about Sullivan County



New England and the Adirondacks Region were explored as well (12.9% combined). Interestingly, the New York Metropolitan Area was considered, likely because of the level of services provided in the Metropolitan Area and its proximity to arts and cultural resources. Finally, while not a significant number, some respondents even considered other countries including ones in the European Union, as a possible place for a second home.

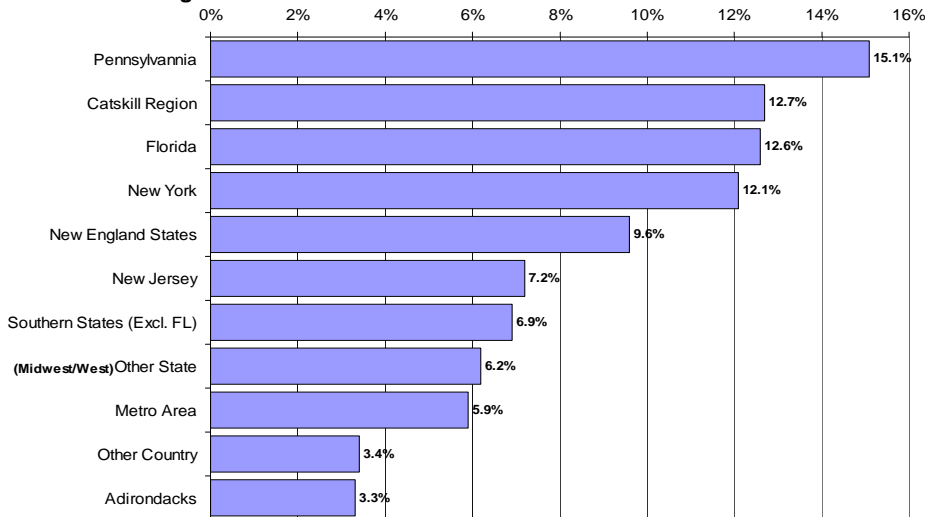
Two things are clear from the data presented in Figures 10 and 11. First, it is evident from the data presented in Figure 10 that close to two-thirds (72.4%) of survey respondents heard about this area and became interested in buying property here through informal networks (i.e. family and friends) and personal experiences either as casual visitors or summer residents. Second, while second home owners maintain an interest in the area, they also researched other regions and countries as possible alternatives for their second homes.

The extent to which second home owners remain loyal to the area remains to be seen, and will be discussed further in Section Seven of this report. What we know is home owners are doing their homework. Given this phenomenon, the survey was interested in gauging the extent to which second home owners consult formal sources of information or assistance when they shop for, or research, real estate. Figure 12 shows this information.

Land Owner Highlights

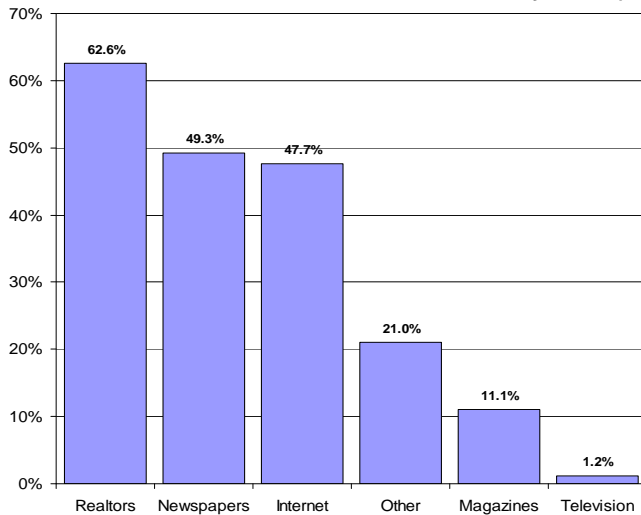
- While the majority of land owners are still from the NYC Metropolitan Area, the distribution of percentages and counties are different from SHOs.
 - Nassau – 10%
 - Suffolk – 10%
 - Westchester – 7.6%
 - Bergen, NJ – 6.2%
 - Manhattan – 6.2%
 - Queens – 6.2%
 - Brooklyn - 5.7%
 - Orange – 5.2%
 - Somerset, NJ – 3.3%
 - Passaic, NJ – 3.3%
 - Rockland – 2.9%
 - Staten Island – 2.9%
 - Monmouth, NJ- 2.9%

Figure 11: Other Locations Considered for Second Homes



As expected, local realtors are consulted the most (62.6%), followed by newspapers (49.3%) and the Internet (47.7%). Indeed, these sources are not used in mutually exclusive ways; home owners perhaps use a combination of these sources when shopping for real estate. Although the survey did not explore how individuals use these sources, it is plausible to assume that newspapers and the Internet are consulted first before seeking the assistance of a realtor.

Figure 12: Information Sources Used for Real Estate by SHOs (% "Yes")



While the 1997 study did not cover this topic, we would expect the use and value of information resources on the Web to have increased greatly in the last 10 years. Real estate websites and blogs are very common now, and with Internet service becoming more accessible in the County, it is conceivable that this source is used more frequently before a printed source since individuals can access the Internet any time during the day.

Open ended-comments by respondents indicated that they consulted a number of different Internet sources, such as local realtor websites, search engines, bulletin boards, and niche websites (i.e., *www.lakehouses.com*, *www.homebuyer.com*, *www.catskill4sale.com*, and *www.eaglenest.com*).

Given the research activities of second home owners through on-line or printed materials, what sources do they use to stay informed while traveling between their second home and primary residence? Figure 13 indicates that newspapers are a common medium (70.7%). Although the Internet, or websites, are the third most common way home owners

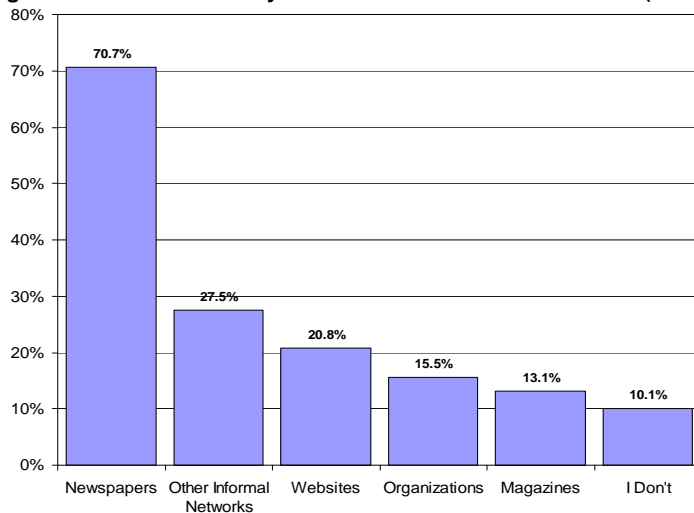
stay informed of local events, newspapers can be accessed on the Internet. Hence, it is speculated that in addition to perusing local newspapers while they are here, second home owners may access them online as well.

Interestingly, the second most common method second home owners use to stay informed is informal networks, such as friends and special mailings from their home owners association, or e-mails from

full-time residents and friends about local issues and events. Once again, the informal network plays a significant role, and while not articulated directly through the data analysis, individual responses by second home owners suggest that "newsletters/fliers" and "e-mails" facilitate this transfer of information.

While family and friends have an influence in introducing second home owners to the area, natural amenities and proximity play a major role in their decisions to buy here. As one respondent noted: "[I bought here] because of the recreation, air and water quality, and [I'm] within 90 minutes of my primary home." This comment epitomizes the

Figure 13: Sources Used by SHOs for Local Event Information (% "Yes")



The top amenities that influences the purchase of a second home in the County included **Scenery and surroundings** and **geographic location** (its proximity to the NYC Metropolitan Area).

reason why many decided to buy a home here. As one realtor observed: "They came because it was pretty, and relatively close to the [New York City] Metropolitan Area." The data in Figure 14 supports these feelings and observations.

Indeed, the top ranked amenities that influence purchasing are the "scenery/surroundings" of the County, coupled with its close proximity to the metropolitan area. Along with these factors, the clean air and water are amenities that influence second home owners to buy here. Furthermore, recreation opportunities and the "small town feel" are other factors influencing second home buyers' choices.

Summary of Findings

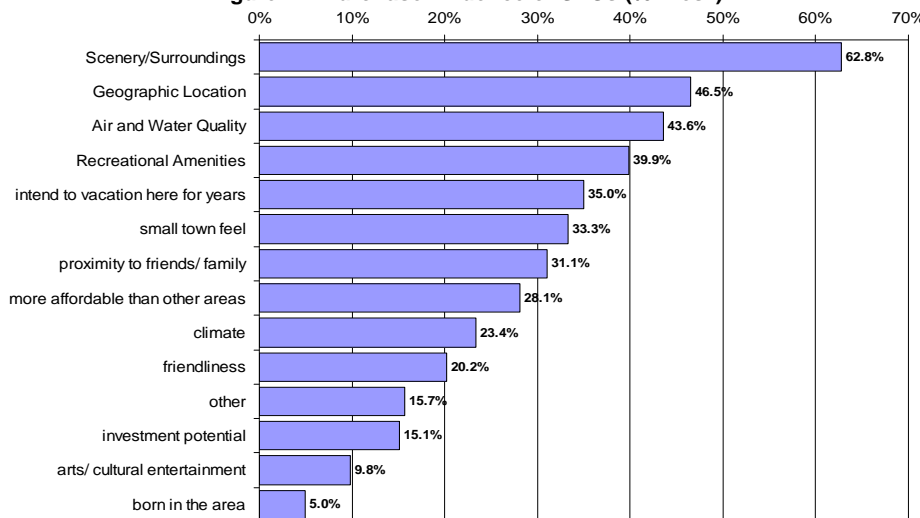
The informal network of family and friends plays a major role in drawing second home owners to Sullivan County. Respondents nevertheless indicated that they have researched other geographic areas of the United States, particularly the South and the other side of the Delaware River in Pennsylvania. As noted earlier, the interest in these areas may stem from their lower taxes. It is not clear if this research will lead to a relocation, but second home owners do explore other regions of the United States, and even other countries.

The data show that second home owners stay informed on local issues and events. Once again, the informal network among second home owners plays a significant role in conveying information. The data revealed that natural amenities are major driving forces in the purchase of a second home. Furthermore, realtors remain the chief source of assistance when a second home purchase is being considered.

Although some good real estate websites are beginning to emerge, more realtors should consider developing their websites to include brief descriptions of specific attributes of the County and to alert interested buyers to local happenings, from small art gallery openings to significant performances at the Bethel Performing Arts Center.

Websites should be linked to river and mountain recreational opportunities as well.

Figure 14: Purchase Influence of SHOs (% "Yes")



"I bought here because of the recreation, air and water quality, and I'm within 90 minutes of my primary home."

- survey respondent

III. Property Location and Use Patterns of Second Home Owners

This section looks closely at the location of second homes, and the owner's current and future uses of their property. Assessing location is important to ascertain if second home owners view location choices as a trade-off between travel-cost and time commuting between their second homes and primary residences, the price of land and housing, and other issues like local property tax rates. Examining current and future use patterns is critical to knowing their commitment to their investment, which could have implications for housing tenure in the area.

Figure 15 displays the geographic location of second home owners by town. The data reveal that the municipalities with the highest percentages of second home owners--Bethel, Rockland, Thompson, and Fallsburg--are those most easily accessible by future I-86 (Route 17), State Route 17B (a major east-west collector from I-86), or, in the case of Fallsburg, State Routes 42 and 52.

While the Town of Liberty is centrally located in the County and accessible from I-86, its second home market may be adversely impacted by having a higher tax burden than other equally appealing municipalities in the County.

For the most part, the results suggest that accessibility to major connector routes and the Interstate is an important factor in home location. The Town of Thompson, for example, has several lake communities (i.e., Sackett Lake, Swinging Bridge Reservoir, Wanaksink Lake, Wolf Lake, Treasure Lake, and Lake Louise Marie) within convenient reach of I-86, from

The accessibility of **State Route 17** (future **I-86**), **State Route 17B** (a major east-west collector from I-86), and **State Routes 42 and 52** accounts for the highest percentages of second home owners located in - **Bethel, Rockland, Thompson, and Fallsburg.**

which it is a 20-30 minute drive to I-84 and I-87 (NYS Thruway). While significantly farther northwest, the Town of Rockland allows access to the Catskill Park Area, the Willowemoc Wild Forest, and the Beaver Kill within close range of Route 17/ I-86.

How long have respondents owned their homes within these locations? The survey data reveal that tenure among second home owners is significant—the median number of years they have owned homes in Sullivan County is 16 years. Figure 16 reveals the length of ownership by town. Of the fifteen towns in the County, eight towns (Cochecton, Delaware, Fremont, Fallsburg, Liberty, Neversink, Mamakating, and Thompson) show that

Figure 15: Second Home Location in Sullivan County

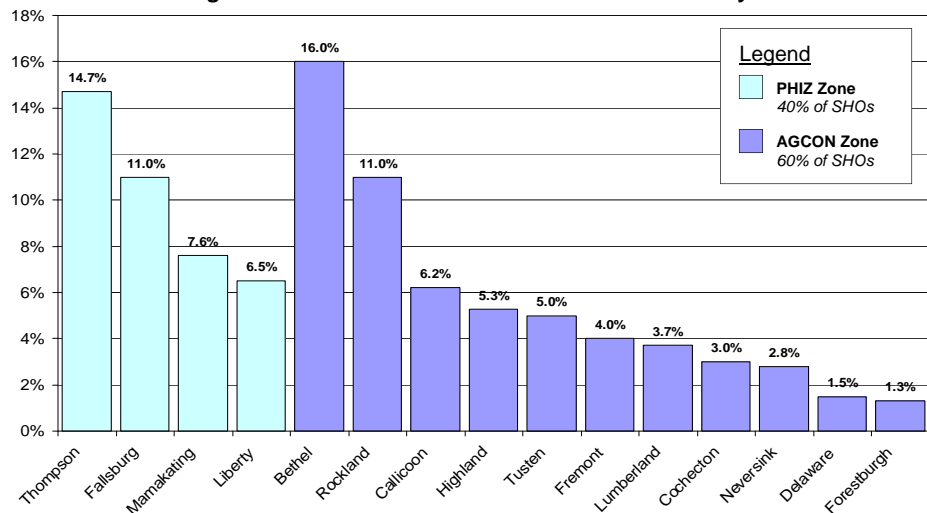
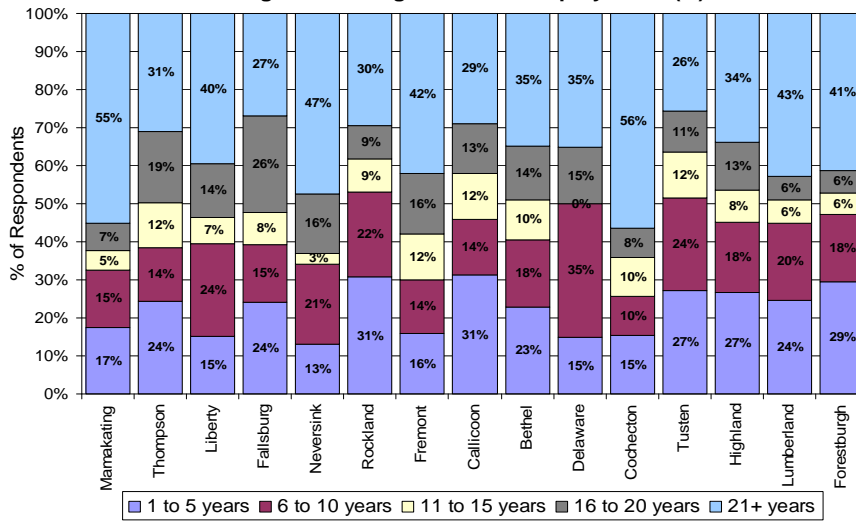


Figure 16: Length of Ownership by Town (%)



close to a third (between 27% and 29%) indicated they owned their place 5 years or less within these municipalities. These data suggest new second home ownership has occurred within the river towns (municipalities along the Delaware River Corridor).

Given the fairly long tenure of most second home owners, the survey sought to ascertain to what extent they use their home, and what their future plans for their properties are. The intent here is to understand how owners make use of their

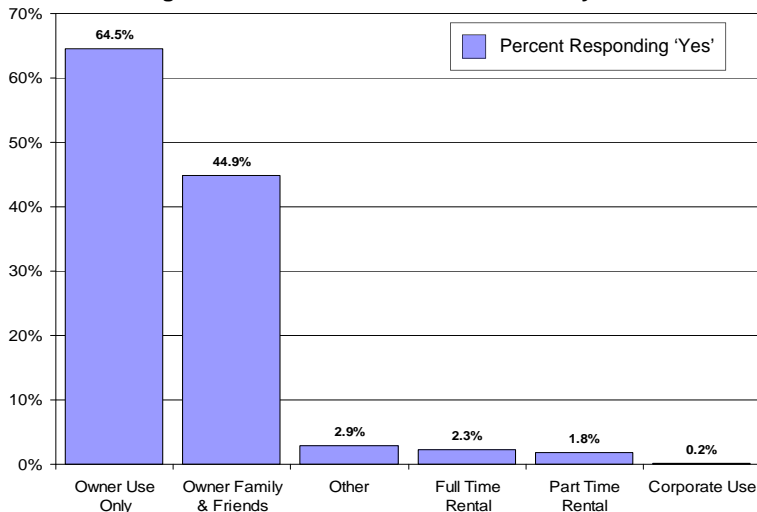
half or more of second home owners have had their places in Sullivan County 16 years or more. Perhaps as noted in the earlier sections of this report, this observation stems from family connections with the area, which may have led some current home owners either to inherit or purchase second homes from their parents or grandparents.

properties currently and if a future trend might be predicted. If, for example, a large number responded that they plan to retire here, this dynamic would increase the year-round population, the services needed and, potentially, the range and volume of businesses that could be supported.

The data reveal that some towns have a sizable number of new second home owners as well. For example, a little over a third of home owners in the towns of Callicoon and Rockland (31%) have owned their second home for 5 years or less. Forestburgh, Highland, Lumberland, and Tusten also exhibit a fair number of new second home owners in that

The data in Figure 17 show that a significant proportion (64.5%) of second home owners use their home only for their own personal use and enjoyment and close to half of the respondents (44.9%) let friends and family use the home. Fewer than 3 percent of home owners rent their properties out to others, and very few use the home for corporate uses or events.

Figure 17: Current Use of Second Home by SHOs



These data reflect that second home owners primarily maintain their properties for

Future Use of Land Owners

- 63.7 % indicated that their future use includes building a home
- 24% indicate a willingness to sell the property
- 24% indicate an interest in building a retirement residence on the property.

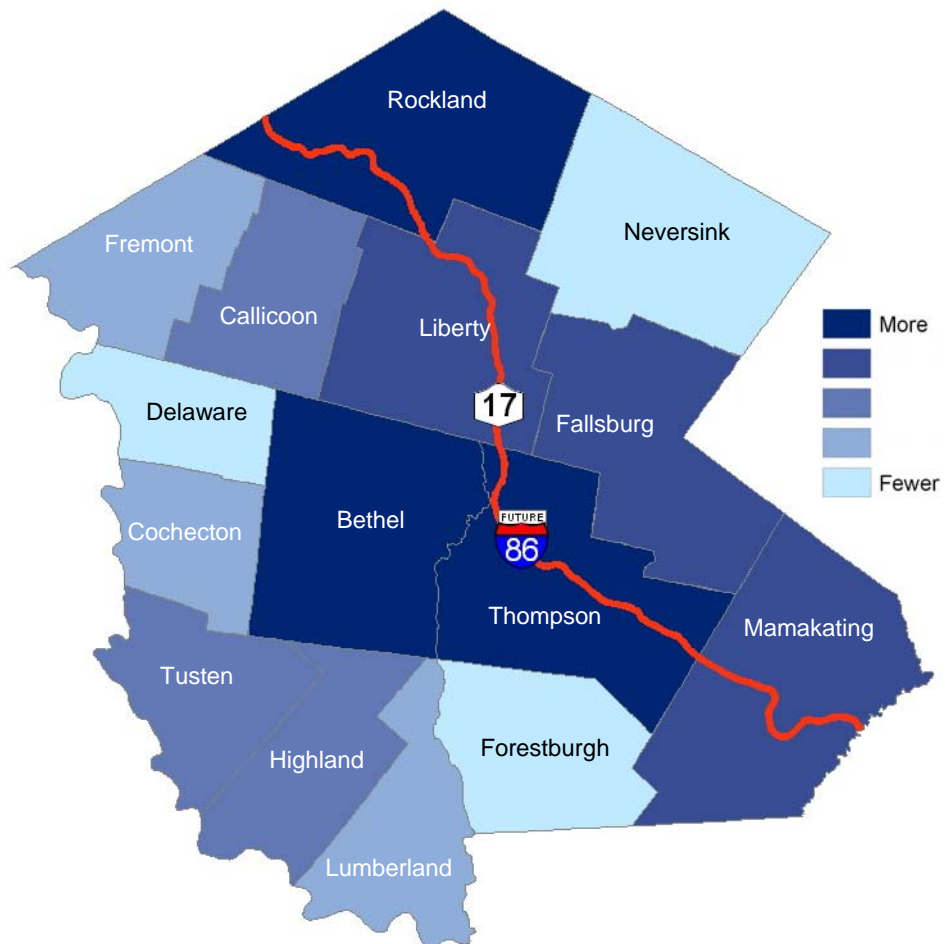
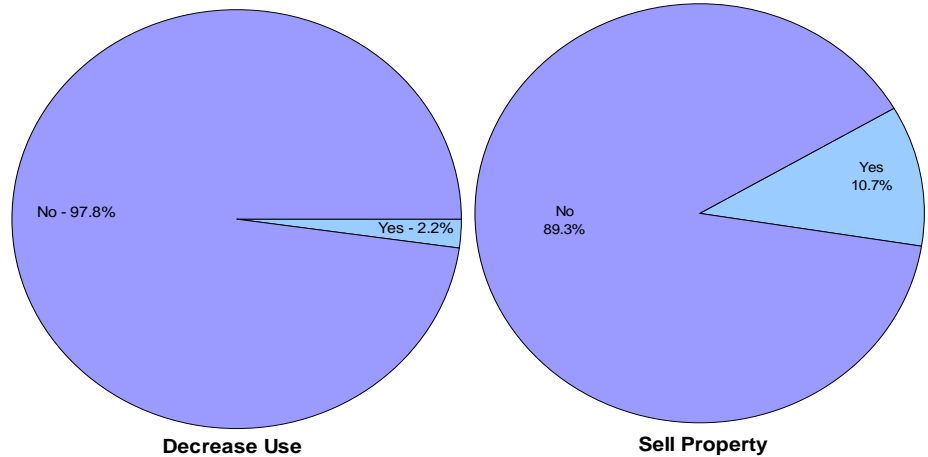
personal use only or for use by family and friends. Furthermore, the data suggest that the market for vacation or seasonal rental homes in Sullivan County is small, and that owners, perhaps potential investors, from outside the County are unlikely to see this as an area for income-generating rentals.

Almost all respondents (97.8%) indicated that they would not decrease their current use of the home (see Figure 18), and close to 90 percent (89.3%) indicated that they would not sell in the near future while 10.7 percent said they would sell (see Figure 18). At first blush, this number does not appear to be significant, but conversations with some realtors revealed an interest in exploring issues that concerned these home owners that might be influencing their future decision.

Figure 19 reveals some of the major concerns of second home owners who indicated they may sell their home in the future.* Much of the concern among this subset of respondents focuses on the level and quality of services and shopping. In particular, a little over 60 percent (61.9%) felt that the local cell service was poor and in need of improvement and over 40 percent (42.2%) were critical of the availability of a skilled labor force in the area. An equal number (41.9%) of these survey respondents

* Please note, Figure 19 looks at concerns among SHOs who indicated they would sell, which represents 10% of respondents, see Figure 18 (n=146).

Figure 18: Future Use of Property



Map 3: Second Home Location by Town

The map above shows where the majority of second homes are located in Sullivan County. The darker the color the more concentrated the number of second homes. The majority being Bethel, Thompson, and Rockland.

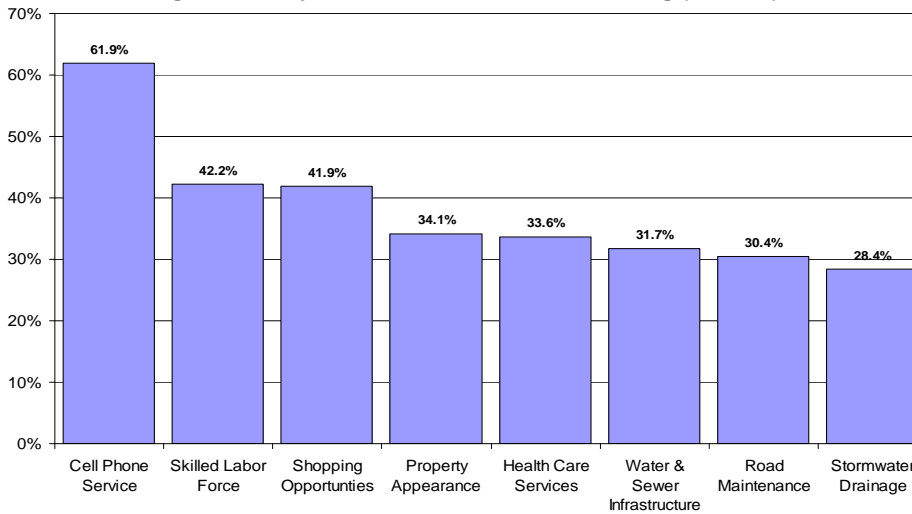
“Sullivan County is beautiful but taxes are getting higher. We wanted to be able to retire in this home, but that depends on affordable taxes in the next 15 years.”

- survey respondent

thought that local shopping opportunities were limited (“poor and needed improvement”).

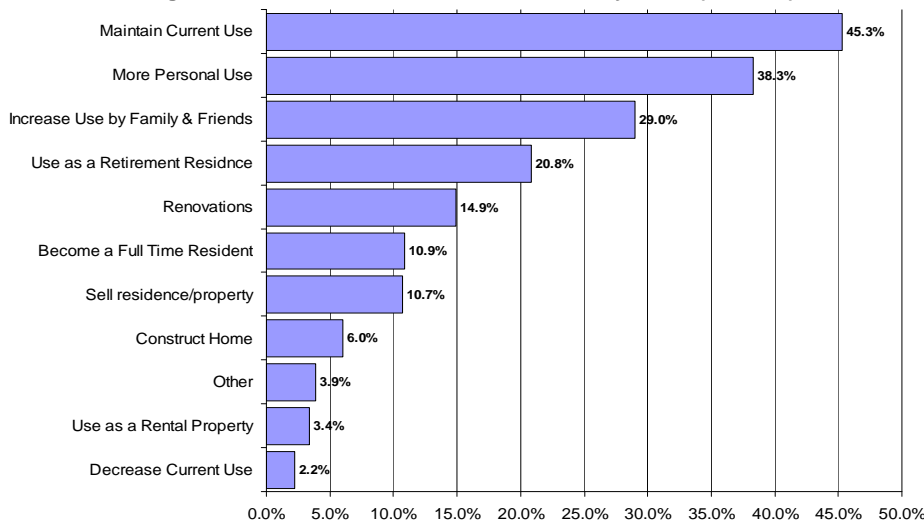
Quality of town infrastructure was also a concern, as one third of these respondents felt that town roads and municipal water and sewer facilities needed improvement. Although the survey did not directly ask respondents about taxation issues, some individuals offered unsolicited criticism about the amount of taxes they pay for the level of services they receive. Section Seven entitled “Emerging Issues and Trends” will expand on this issue.

Figure 19: Why SHOSs Will Sell: Services Lacking (% "Yes")



The lesson to be learned from this analysis is that while it is a relatively small number of second home owners who intend to sell their properties in the future, the quality of services and availability of shopping is an issue among this group (n=146). These same issues could become growing concerns among new second home owners and potential buyers who were not drawn to this area by family connections and personal experiences that may cause current home owners to overlook a lack of amenities.

Figure 20: Future Use of the Second Home by SHOs (% "Yes")



In other words, future second home owners may consider more objective criteria, such as quality of life issues and the trade-off between taxes and services in assessing their commitment to the area. In the meantime, it behooves municipalities to commit to long-term capital planning in addressing infrastructure issues as home owners may base their real estate decisions on a desired mix of public goods and taxes (Tiebout 1956).⁸

⁸ Tiebout, Charles. 1956. “A Pure Theory of Local Expenditures.” *Journal of Political Economy* 64: 416-24.

Looking at the full sample of second home owners, Figure 20 takes a broader look at other future uses of their properties. The data in Figure 20 suggest that close to half (45.3%) of second home owners would maintain the current use of their home.

A closer look at Figure 20 reveals that second home owners will increase their personal use (38.3%) of the property perhaps implying that they will increase the frequency of time visiting the home/property in the future, and having the place used less by friends and other family members (fewer than a third revealed that family and friends would use the home in the future). Finally, the data presented in Figure 20 indicates that fewer than 4 percent of respondents will rent out their residence in the near future.

Interestingly, a fifth of respondents (20.8%) indicated they would make their second home a retirement residence, and only 10 percent revealed that they would become full-time residents. Perhaps these home owners are weighing the question of local taxes and level of services in their decision to locate here on a full-time basis. Alternately, these results could be a manifestation of some home owners heading toward their “golden years” with the intention of continuing to work while keeping both primary and secondary residences.

Summary of Findings

The data reveal that most second homes are located in towns that offer access to major transportation corridors—I-86, Route 17-B and State Routes 42 and 55—which facilitate quicker commutes to NYC, Connecticut, and New Jersey. The results do show, however, that newer home owners are purchasing property in municipalities along the Upper Delaware River Corridor indicating that the allure of this corridor outweighs access to major transportation arteries that reduce travel times. The Town of Delaware in the hamlet of Callicoon may be the exception that provides access and views to the Delaware River within a straight

shot from State Route 17-B.

In terms of housing tenure for the short-term, the results are encouraging. Almost all the respondents to the survey (97.8%) reveal that they would not reduce the current use of their property, and close to 90 percent say they would not sell their homes in the near future. Although relatively small in numbers, second home owners who indicate that they may sell in the future were very critical of the quality of local services, ranging from cell phone service to municipal infrastructure, and disappointed in available options for shopping.

The long-term housing commitment of second home owners in terms of retirement and full-time residency remains to be seen. Although a large proportion of second home owners indicate that they would increase the personal use of their property in the future, fewer than a quarter said they would use their place as a retirement home, and only a small percentage (10.9%) state they intend to become full-time County residents.

We noted earlier that perhaps these personal decisions were not finalized, maybe because home owners are weighing the trade-offs of taxes and services as they age. One second home owner articulated this rationale in the following manner: “Sullivan County is beautiful [but] taxes are getting higher. We wanted to be able to retire in this home, but that depends on continued increase/affordable taxes in the next 15 years.”

Second home owners may consider more objective criteria, such as quality of life issues and the trade-off between taxes and services in assessing their commitment to the area.

IV. Second Home Owner Evaluations of Community Attributes and Quality of Services

This part of the report examines second home owner evaluations of community attributes and a range of services from public services to health care. Focusing attention to these issues may offer constructive insights on where local governments, non-profit organizations, and local businesses may need to invest resources to preserve and nurture the second home market over time.

The survey asked respondents to rate the quality of community attributes, health care, communication technology services, public services, infrastructure, and shopping and available skilled labor using a five-point Likert-type scale: 1=poor, 2=needs improvement, 3=neutral, 4=good, and 5=excellent. Community attributes refer to scenic and visual qualities, as well as cleanliness and appearance in a municipality. Public services imply municipal service delivery, such as public safety, code enforcement, and local policy-making by town and planning board members. Infrastructure includes local roads, bridges, water and sewer, and storm water protection. Health care encompasses access to quality medical professionals, and communication technology includes good cell service. Finally, shopping and skilled labor refers to a range of

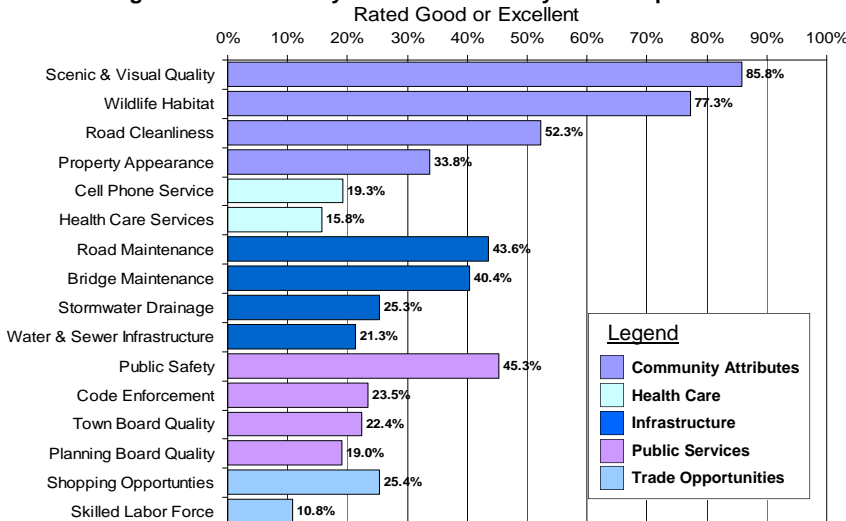
shopping choices along with experienced trades people who can perform specialized services.

Figure 21 shows respondents' evaluations of local community attributes and local services. Over 80 percent feel that the scenic and visual qualities of their town are either good or excellent, and over half (52.3%) indicate that cleanliness along town roads is good or excellent. Only a third report that the appearance of property (presumably private) within their municipalities is good or excellent.

These data suggest that the natural beauty of the County sells itself and instills a high level of satisfaction in home owners. Cleanliness along roads, however, can vary depending on where you are in a town or the County, which probably accounts for the drop in satisfaction as compared to the scenic qualities. The lower evaluation in property appearance suggests that the "built environment" is a concern among second home owners, perhaps including how private property owners maintain their homes or keeping municipal property clean.

A small percentage of respondents gave high ratings for health care service and cell phone reception.* Less than 20 percent of home owners gave each of these services a rating of good or excellent. Looking at owner evaluations of local infrastructure—water and sewer, roads, bridges, and storm water drainage—the results suggest that respondents are somewhat critical in this area as well. Fewer than half, for example, ranked the quality of roads and bridges as good or excellent, and fewer than a quarter gave high marks for water and sewer infrastructure, and a little over a quarter gave high ratings for storm water drainage.

Figure 21: Community Attributes & Quality of Municipal Services



The **natural beauty** of the County sells itself and instills a **high level of satisfaction** in home owners.

The data in Figure 21 also show that the percentage of second home owner ratings of local services and local policy-making are also low. Of all the public services rated, public safety received the highest percentage of good or excellent ratings (45.3%). On the other hand, fewer than a quarter of survey respondents felt that the quality of decision-making by town and planning boards was above average, and they gave similarly low marks for the quality of code enforcement. A few home owners noted on the survey that local code enforcement "...stinks, and [that the code] should be enforced—no cars on the lawn and maintain home appearance."

Less than a quarter ranked the quality of **cell phone service** as **good to excellent**.

Finally, the results in Figure 21 indicate that second home owners are concerned about shopping choices and available skilled labor. A common observation among respondents was the "lack of decent local shopping for clothes," and the need for "better quality restaurants, such as ethnic foods." In terms of skilled labor, some home owners noted that they could not find qualified people to work on their home. One respondent observed that the area needs "...dependable, honest, repairmen that return calls and do a quality repair on time [as] promised."

Summary of Findings

Citizen evaluation of municipal services and quality of life issues are becoming more widespread, and research suggests that citizen feedback is important in improving responsiveness and service delivery. It could be argued that since many second home owners do not live full-time in the area, their assessments of local services and amenities are too critical. Observations of services and amenities, however, are based on personal experiences, and, interestingly enough, from an anecdotal standpoint, second home owner assessments of services and amenities displayed in Figure 21 are fairly consistent with some attitudes of local residents. For example, the condition of local roads, quality of code enforcement, and availability of skilled labor are typically critical subjects among locals.

The point here is that the observations in Figure 21, however difficult to accept, underscore some of the key local issues expressed by both part-time and full-time residents and heard frequently at town and planning board meetings and during local political campaigns. Although many second home owners may not attend town and planning board meetings, and may not vote in local elections, many are basing their expectations on other areas with more sophisticated local governments. At first blush, this comparison may not seem fair in that smaller, rural communities cannot sustain the resources of suburban or metropolitan areas. Nevertheless, the opinions expressed in Figure 21 do suggest a sentiment that better management, planning, and coordination of local resources is warranted, given the investment second home owners are making in the area.

Fewer than 25% gave high marks for **water and sewer infrastructure** and **stormwater drainage**.

* The survey also asked about their assessment of health care and cell service countywide, and similar results were found. See the Appendix which is under separate cover.

V. Travel Behavior and Frequency of Stays Among Second Home Owners

Second home owners **travel frequently** when visiting.

As was noted earlier, second home owners yield a significant economic impact within the County. Travel by second home owners, frequency of trips during their stays here, and length of stay are major factors in the economic and social impact of this population on life in Sullivan County. This section examines these dynamics to understand the travel and stay behavior of the second home owner.

example, close to a third (29.1%) of respondents indicated they use their homes between 15 and 60 days a year, and a higher proportion—over a third (34.7%)—use their properties between 60 and 120 days during the year. Almost 30 percent (28.2%) use their second home 120 days or more over the year. These patterns remain consistent when analyzed within all age groups.

Figure 22 shows travel to and from Sullivan County by second home owners. The data indicate that close to sixty percent of respondents (58.4%) commute to their second homes on Friday and over half travel in the afternoon (55.2%) (See Figure 23).

A large percentage of respondents (60.4%) leave on a Sunday and over 60 percent (64.2%) depart in the afternoon. It is clear from these data that home owners want as much as a weekend to vacation, and that as work and leisure have become more blurred in recent decades, the traditional notion of a “weekend home” has expanded.

Figure 24 examines the pattern and frequency of trips second home owners make within the County. The data show that close to a third (28.7%) of second home owners make two trips per day when visiting. Over 60 percent (64.4%) of respondents indicated they make between 2-5 trips per day during a typical stay. In effect, these data suggest that second home owners are highly mobile when visiting, actively participating in the economic, recreational and cultural opportunities in the County.

Figure 25 shows that the second home owner use of their property extends throughout the year. For

Figure 22: SHOs Travel Days

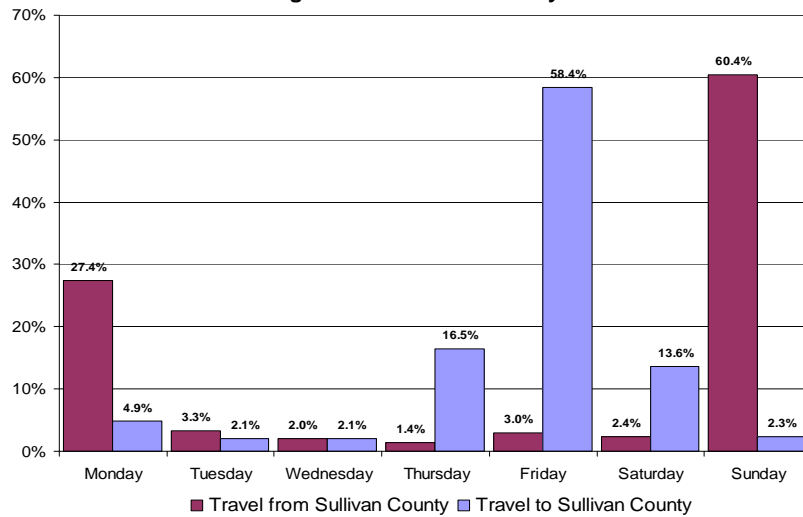


Figure 23: Travel Time of Day

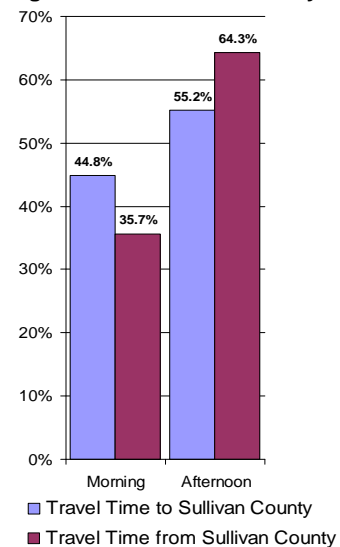


Figure 24: Number of Daily Trips Made

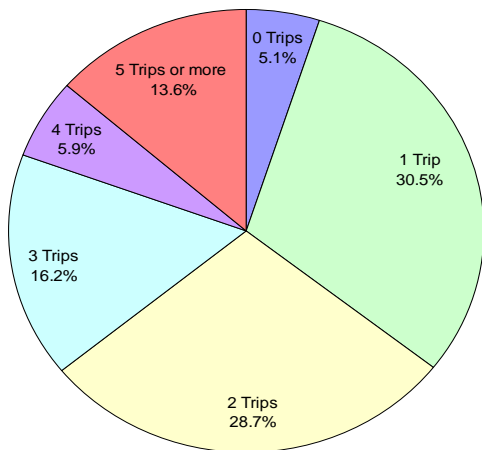


Figure 25: Frequency of Property Use of SHOs

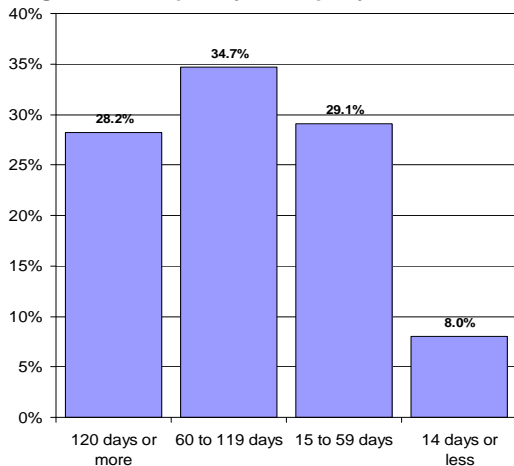
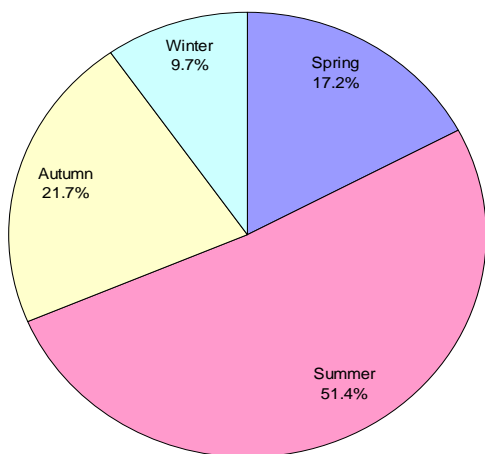


Figure 26: Use of Property by Season



Highlights

- SHOs are highly mobile in the county when staying at their home.
- The exodus is on Sunday – 60.4% travel home that day.
- 70.6% of SHOs say Landscape and Views are the most appealing qualities of a second home.
- 91% of SHOs did not see architectural features of the County as an important purchase influence.
- 80% of SHOs did not buy because of neighbors.
- 72% of SHOs were not concerned about the price of their second home.

A higher percentage of home owners state they use their properties throughout the course of a year rather than just specific times during the year or for specific holidays. For example, some second home owners noted on the survey that they use their place during “all holidays,” or “every weekend.” Others mentioned they used their home “April through October every weekend,” or “various dates throughout the year. “

Figure 26 reveals that second home owners spend most of their time at their property during the summer and fall. In particular, the data show that over 70 percent of respondents spend time at their home during these months, and very few visit their home during the winter. What these data indicate is that while there may be peak times for visitation, the “season” extends beyond the summer and varies on an individual basis.

Although they visit more frequently during the summer, a few respondents noted on the survey that they “[avoid] the summer holidays.” However, many pointed out that in addition to “summer weekends,” Memorial Day and July 4th

Over 60 percent (64.4%) of second home owners make between 2-5 trips a day while staying in Sullivan County.

were popular times to visit. Clearly, many second home owners value the opportunity to spend long weekends in the County.

Summary of Findings

Understanding when second home owners visit is potentially of great value for many purposes—for local businesses planning promotions and their hours of operation, for cultural and civic groups planning events, and for state and local highway agencies planning for peaks in traffic.

Owners clearly value their time here, and when they can, they stay longer. Indeed the travel data in Figures 22 & 23 suggest that second home owners will seek to get as much of the weekend by traveling back to their primary residence on Sunday, mostly in the afternoon.

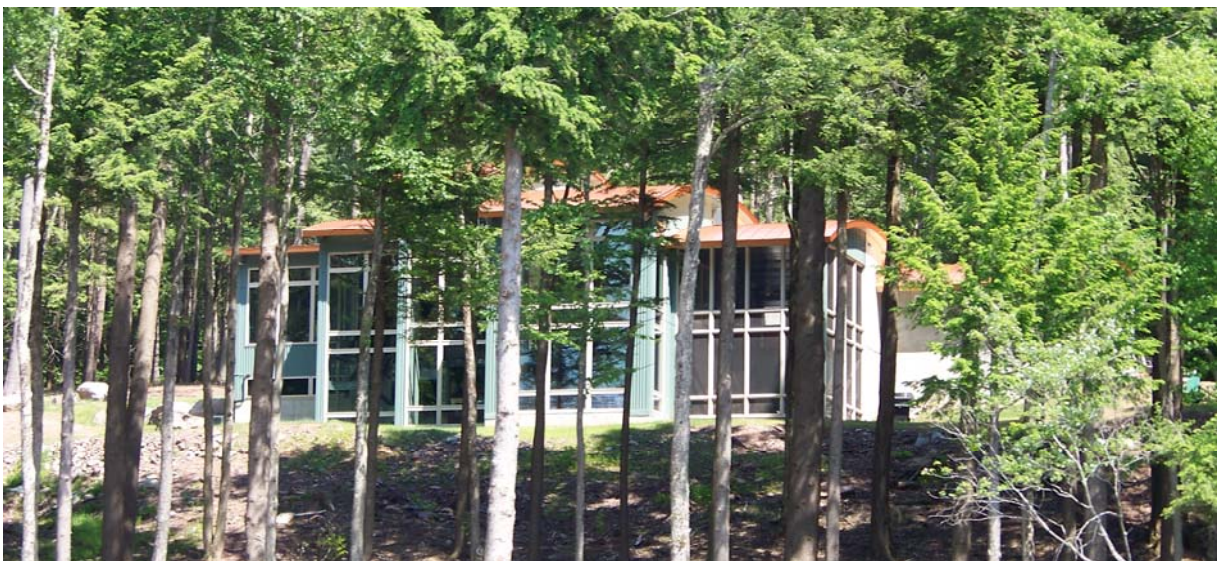
The data also show that respondents are highly mobile when staying in the County, in that over 60 percent make 2 to 5 trips daily. Trips include visits to local stores, shops, and recreation sites within the County. The section to follow explores their purchasing behavior in more detail.

It is unclear from the questions if owners regularly

When asked to write specific dates they spent at their second home, the most popular dates were:

- *Weekends & all holiday/three-day weekends - 29.1%*
- *July 4th weekend – 26.3%*
- *Labor Day weekend – 26.1%*
- *Memorial Day weekend– 19.2%*
- *Holidays (non specific) 18.8%*

spend longer stretches of time here beyond a weekend or holiday. Nonetheless, a fair number (62.9% — see Figure 25) do visit their homes 60 or more days a year indicating that, on the average, their frequency of stays is quite significant throughout the year.



A lakefront home on Swinging Bridge Reservoir in the Town of Thompson.

VI. Purchasing Behavior and Philanthropic Giving Among Second Home Owners

While Section Two of this study noted that natural features of the County were a major selling point for second home owners (See Figure 14), this section begins with a look at what features of a home or property appealed specifically to second home owners when making a real estate purchase. The section then looks at where second home owners shop, what types of businesses they use while staying here, and what type of businesses or services they find lacking. To some extent the last question was discussed in Section Four, which focused on the quality of services; however, here we look closely at what is recommended for the area by survey respondents.

The final part of this section explores philanthropic giving among second home owners. We look at this topic since the non-profit sector comprises a major part of the local economy of Sullivan County. The section looks at the level of second home owner giving to support specific issues or to particular non-profit organizations.

Section Four underscores the widespread importance of Sullivan County's scenery and natural surroundings in influencing purchases of second homes. The data in Figure 27 further supports this finding. The dominant selling points of their homes among all owners responding are "landscape and views", either as part of the property or surrounding the property. In effect, rural features and viewsheds are a marketing magnet: 70 percent of respondents indicate that these aspects appealed to them the most when buying their home.

Location was another appealing

Marketing Opportunity
70% of respondents indicated that **rural features** and **viewsheds** appealed to them the most when buying their home.

aspect for a home purchase, a little over 60 percent (60.2%) of second home owners felt that this aspect was important. Consistent with the results in Section Three, it is assumed that location refers not only to natural features and amenities, but to major transportation corridors affording easy commutes between second homes and primary residences. Proximity to recreational opportunities ranked as another appealing feature in the purchase of their property.

As we report in Section Five, a high proportion of second home owners make 2 to 5 trips per day when visiting Sullivan County. Frequency of trips suggests more than recreational activities, but shopping as well. Figure 28 looks at where second home owners shop for various items within ten miles of their second home.

The data reveal that a significant proportion of respondents (80.5%) shop locally for groceries. A very large percentage also shop locally for hardware and building supplies (61.8%) and

Figure 27: Appealing Features of the Second Home (% "Yes")

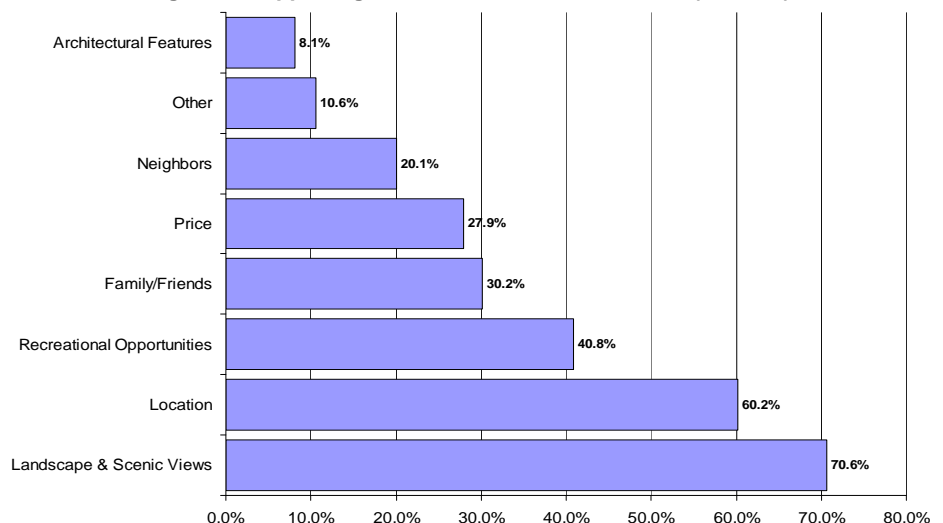
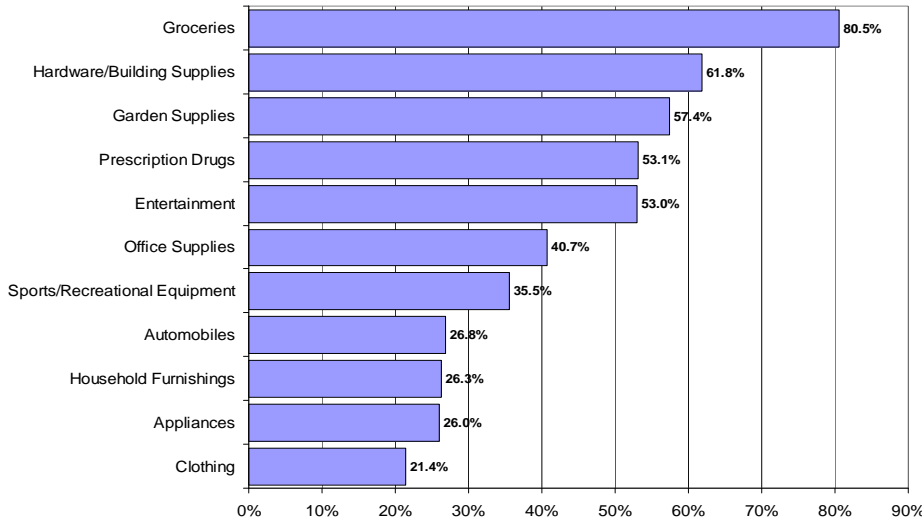


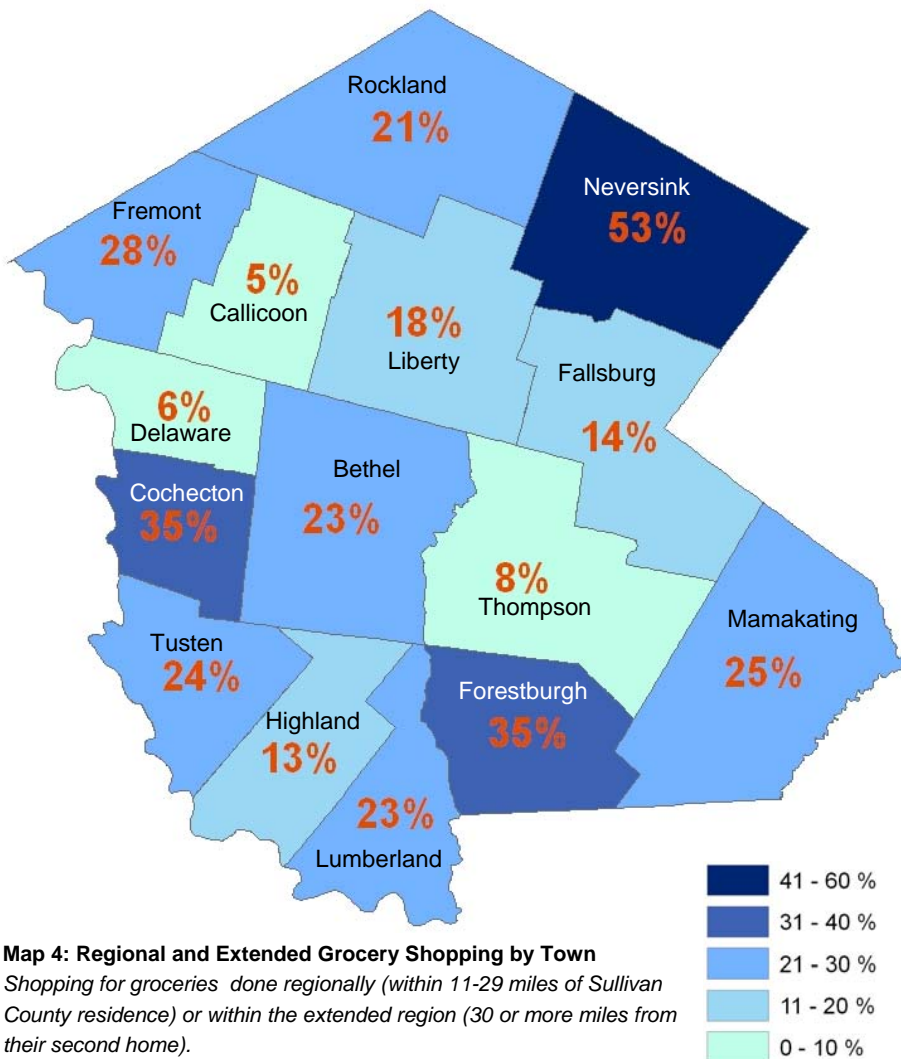
Figure 28: Local Shopping by Type of Service (% Responding "Yes")



garden supplies as well (57.4%). The results are encouraging in that over half of respondents (53%) in this study stay locally for entertainment and eating out.

This trend is perhaps due to new restaurants opening up in several of the County's revitalizing hamlets. The redevelopment of Kauneonga Lake has led to a veritable "restaurant row"--the Boat Club Café, Benji & Jakes, the R & B Grill, and the Fat Lady Café. Narrowsburg has a new coffee shop - Narrowsburg Roasters, 15 Main Street and the Main Street Café. These places offer not only a quality selection of food and drinks but live music, and they draw people from all over the County. The downtowns of Narrowsburg, Livingston Manor, Callicoon, Jeffersonville and Roscoe have all seen the emergence of new coffee shops and full service restaurants in the past five years.

When shopping, for example, for office supplies, sports equipment, household furnishings, and clothing, respondents noted that they need to shop regionally and within the extended region for these items. This phenomenon accounts for why the percentage of respondents shopping locally for these items drops significantly—and is likely consistent with the shopping habits of full-time residents. (See Appendix of complete data responses.)



Map 4: Regional and Extended Grocery Shopping by Town
 Shopping for groceries done regionally (within 11-29 miles of Sullivan County residence) or within the extended region (30 or more miles from their second home).

71.7% of respondents would support an organization dedicated to the *preservation of natural environment and open space.*

Figure 29 presents the range of service businesses used by second home owners. The results show that a significant percentage of second home owners use local electrical and plumbing contractors (60.7% and 74.9%, respectively). As stated earlier in this study, some home owners were critical of the reliability of local trades people to return phone calls and show up when scheduled. This issue could partly be attributed to the limited supply of these trades in the area given the demand, and the preponderance of small companies and sole proprietors in many areas.

Over half of respondents indicate that they contract locally for lawn care and landscaping services as well as carpentry repairs. A little over a third hire locally for painting and snow plowing. Smaller but significant numbers hire locally for masonry/stonework (22.9%), chimney sweeping (20.7%), and house cleaning (19.8%).

It is clear that electrical, plumbing, and carpentry repairs are major expenses, and that owners invest considerable resources in landscaping and lawn care. As expected,

- SHOs want more quality bakeries and coffee shops with consistent hours.

Figure 29: Trade Services Utilized (% "Yes")

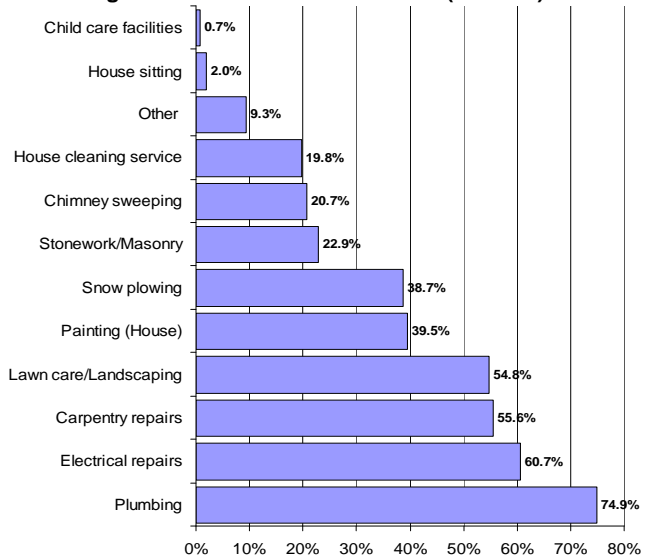


Figure 30: Support for Not-for-Profits (% "Yes")

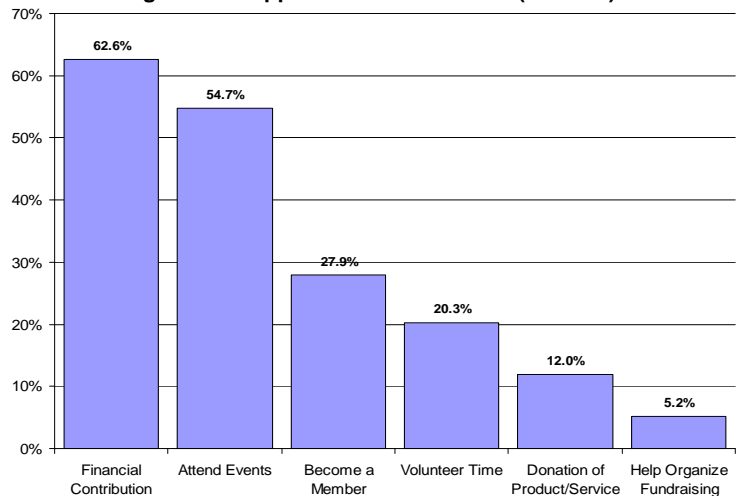


Figure 31: Types of Not-for-Profits to Support (% "Yes")

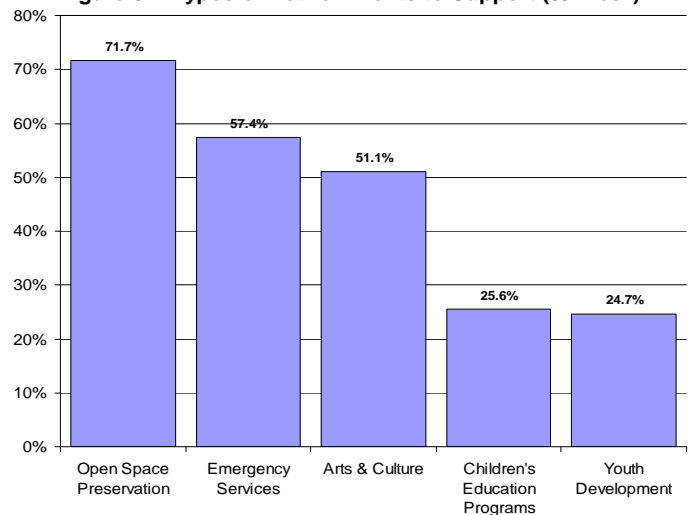
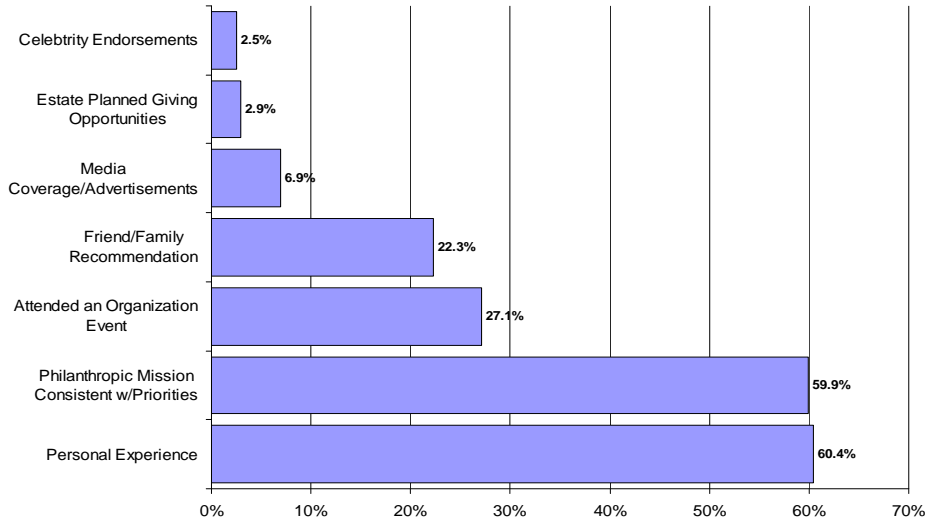


Figure 32: Factors Influencing Philanthropic Giving (% "Yes")



respondents commented that the County needs more retail and specialty shopping. Survey respondents also noted that specialty food stores were needed in the area, namely bakeries and coffee shops that serve “fresh baked goods” and “quality coffee” and maintained “consistent hours.”

The County has witnessed a significant growth in the non-profit sector over the past 15 years with the expansion of the Center for Discovery in the Town of Thompson, and the recent opening of the Bethel Woods Performing Arts Center (BPAC) in the Town of Bethel--not to mention the existence of various specialty health care organizations throughout the County and land trust organizations interested in open space and farmland preservation (i.e., Open Space Institute and Delaware Highlands Conservancy). With this sector in mind, the survey sought to gauge second home owner support for non-profit organizations in the area.

Figure 30 shows different kinds of support for non-profit organizations either through a financial

Improvements for Next Survey

- Include a question on how much money is spent in Sullivan County while visiting their property.

contribution, membership, or volunteering. To begin, a very high percentage of second home owners (62.6%) indicated that they would consider supporting a non-profit through a financial contribution, and over half (54.7%) indicated they would attend an event in support of a local non-profit organization.

Fewer than a third of respondents wanted to become members of a local non-profit organization or volunteer their time. Not surprisingly, a very small percentage wanted to help organize a fundraising event.

Figure 31 addresses the question of what types of non-profit organizations second home owners consider supporting. In particular, the data show that a significant number of respondents (71.7%) would support an organization dedicated to preserving the natural environment and open space. Also significant, close to 60 percent (57.4%) would support emergency services, and half of those surveyed would support arts and cultural activities.

Only a quarter of respondents (24.7%) indicate support for youth development or children’s educational programs. Perhaps open space, and arts and culture are perceived as needed amenities in a rural setting versus youth programs, which have more of a metropolitan and suburban character. Second home owners may also perceive a more direct personal benefit or self interest from environmental preservation and cultural groups.

The data in Figure 32 reveal factors which influence philanthropy among second home owners. The most common factor is a connection with an organization. In particular, over 60 percent of respondents (60.4%) indicated that a personal experience or connection with an organization would influence them to give to a non-profit in

Sullivan County. Again, this finding suggests why some causes could hold greater appeal than others. It also hints at marketing strategies for not-for-profits seeking to draw from the second home owner base.

Another factor impacting giving is whether the mission of the organization is consistent with their priorities. As such, over half of the respondents (59.9%) indicated that the mission had to be in line with their priorities. Beyond that, media coverage, celebrity endorsements, and even recommendation of family and friends did not weigh high among second home owners in motivation to give.



The Sullivan County Sheriff's Department marching in the annual 2008 Fireman's Parade held in Livingston Manor.

Summary of Findings

The investment in a second home leads to local purchases focused not only on food, hardware, and garden supplies but carpentry as well as on-going maintenance tasks such as lawn care, snow plowing, and house cleaning. Equally important are contractor services, specifically electrical and plumbing work. In effect, purchases stay local for food, home repairs, lawn care, and trade specialty services.

Second home owners support philanthropic giving, however the data suggest that financial contributions are preferred over volunteering. Perhaps their time is at a premium, which accounts for the low desire to volunteer. Membership is also avoided probably because of the likelihood of mail and phone solicitations.

Although many indicated they would give a financial contribution, they need a personal connection with the organization, and the organization's mission needs to be consistent with their priorities before they give. Priority areas for second home owners seem to be open space, emergency services, and arts and culture.

Interestingly enough, youth programs do not rank as a high priority among second home owners. Perhaps this phenomenon could be a function of the fact that many second home owners, as noted in Section One of this report, are empty nesters.

VII. Emerging Issues & Trends

Looking ahead it is important to consider both local and national issues that could impact the second home market in Sullivan County. Local issues encompass taxes and the quality and range of local services. National issues focus on how aspects of federal policy and fluctuations in the national economy will impact the area. This section looks at these issues and explores possible outcomes related to the future of the second home market.

Local Issues: Taxes, Services, and the Aging Second Home Owner

While the level of taxes has been a concern among full-time residents in the County, this issue is creating apprehension among second home owners as well. Although the survey did not query second home owners about their opinions of taxes, some respondents offered unsolicited comments on this topic. For example, one respondent noted that the “biggest negative here [is that] real estate taxes are too high for [a] second home.” For some, the frustration over taxes was not so much the amount they pay, but what they get in return. “Taxes continue to rise [and] I get nothing in return,” one respondent observed. Consistent with this response, another second home owner expressed concern over the “the incredibly high taxes in Sullivan County for which I get practically no services in return which will force me to leave.” Other popular second home areas beyond Sullivan County, Delaware County and Pike County, for example, promote “lower taxes” as a competitive advantage over Sullivan County.

Another fact about the tax and services issue is the comparison with the NYC Metropolitan Area. For example, a respondent observed that, depending on your location in the County and the price of your second home, “taxes [could be] more than a primary home in Staten Island.”

Sensitivity to taxes becomes even more acute when combined with age. One survey respondent advocated that “seniors should not have to pay

Issues

1. Local Issues: Taxes, Services, and the Aging Second Home Owner
2. Energy Policy: The NYRI Power Line and Gas Drilling
3. Wall Street Dysfunction: The Credit Crisis and the Future
4. Final Thought: Aging, Taxes, and Housing Tenure

school taxes [since they are] too high.” And another person noted that they found it difficult to pay taxes as they “are at retirement age and do not have extra money.”

Although these narratives affirm that local taxes are of great concern to some second home owners, future research on this topic should gauge levels of concern over taxes by income to see if even those with higher incomes are becoming more concerned over the taxes they pay.

Two outcomes may be possible with regard to taxes and services. The first outcome is the “exit selection.” Under this scenario, home owners will sell and choose to be in an area, perhaps a more suburban area, with better public services and, in their view, improved health care. We speculate that the latter will become more of a priority as second home owners age and reach retirement age, and as they begin to decide about becoming a new full-

Perceptions of **health care facilities**, whether real or not, may **influence the long-term commitments** of some second home owners.

time residents. While the survey did not delve into details about health care, “quality healthcare” in the eyes of many encompasses a range and quality of specialists, access, and even a research facility next to a university that yields medical professionals who are practicing “state-of-the-art” approaches to treatment, particularly for older patients. Perceptions of health care facilities, whether real or not, may influence the long-term commitments of some second home owners to Sullivan County.

The second outcome is the “voice choice.” Under this scenario, second home owners will choose to stay and invest in the community as voters and long-term or full-time residents. It is hypothesized that these home owners will attend town and planning board meetings, demanding better quality services and land use decisions. Conflicts may arise between these newer residents and locals over levels of services. Yet, having lived elsewhere where better public services are the norm, second home owners will continue to demand change and push for progressive town supervisors and board members who advocate for professional and responsive local government, and who are not particularistic in their decision-making.

Furthermore, these home owners will also demand that local institutions, such as libraries, have databases and wireless internet access. Attention may also be paid to lobbying the New York State Legislature to use the state income tax for school financing versus continued reliance on the property tax. Nevertheless, emphasis among this group will be placed on improving the quality of local services and increasing professionalism in local government.

Energy Policy: The NYRI Power Line and Gas Drilling

Surprisingly, this seemingly remote and relatively pristine corner of the world has been drawn into the national and worldwide debate on energy, how it will be provided and transmitted to our major population centers. In an echo of the 19th Century, Upstate New York and the Catskills are again

regarded by some as a potentially significant source of natural resources, in this case energy for the New York Metropolitan Area and beyond. While there may be economic opportunities here, the effect on the second home owner market and tourism is uncertain.

Recent federal energy policy has impacted Sullivan County, and the Upper Delaware Region, which, in turn, could influence the second home market. In 2005, for instance, the U.S. Congress passed the Energy Policy Act (EPACT) which granted authority to the Department of Energy (DOE) to designate additional electric transmission corridors in areas of the United States to alleviate electrical power congestion. Furthermore, the legislation extended discretion to the Federal Energy Regulatory Commission (FERC) to approve certificates of environmental compatibility to applicants (i.e., private companies and public utilities) seeking to construct electrical lines within DOE transmission corridors if states did not grant those certificates within a year.

The recent ramification of the EPACT legislation on Sullivan County is that a private company (New York Regional Interconnect—NYRI) is seeking to construct a 190 mile bulk electric transmission line from the Town of Marcy in Oneida County to the Town of New Windsor in Orange County. Approximately 35 miles of the proposed power line will come through the western part of Sullivan County along the Upper Delaware River Corridor and exit through the Town of Forestburgh.

In June of 2006, Sullivan County, together with the Counties of Broome, Delaware, Chenango, Oneida, Orange, and Madison, and five community interest organizations (STOP NYRI, Inc.; Upstate New York Citizens Alliance; Say No 2 NYRI; Upper Delaware Council; and the Upper Delaware Preservation Coalition), formed a non-profit organization called Communities Against Regional Interconnect (CARI).

To date, the CARI coalition has successfully compelled the New York State Public Service Commission (PSC) to review the environmental

impacts of the proposed line and to consider other alternatives. In addition, the coalition, along with other organizations in Pennsylvania, Maryland, and Virginia, is challenging the constitutionality of the Energy Policy Act in Federal Court.

At the time of this writing, much of CARI's attention has been focused on the NYS PSC hearings on the efficacy of the proposed NYRI project. As the organization participates in the PSC hearings, two desired outcomes are sought. The first is relocating the power line to the New York State Thruway right-of-way. The second outcome is compelling the New York Legislature to re-authorize Article X of the Public Service Law to allow the siting and construction of co-generation facilities. Article X is a power plant siting law, which expired in December 2002, and since that time the New York State Legislature has been in a stalemate preventing siting of any sizable power plants in the state.

The rationale for the latter outcome is that New York State needs more alternative energy power sources to generate energy and less need for transmission. Hence efforts are being made to motivate the New York State Legislature to adopt legislation extending and amending Article X which would mitigate the need for the NYRI project.

As the review of the proposed NYRI project commences at the NYS PSC, natural gas drilling has emerged as a likely reality in Sullivan County and throughout much of the Catskills and northeast Pennsylvania due to rising oil prices and the County's strategic location over the Marcellus Shale Basin. Geologists estimate that the Marcellus Shale layer might contain more than 500 trillion cubic feet of natural gas, and geoscience researchers further predict that of the total estimated cubic feet within the basin, 10% of that gas (50 trillion cubic feet) might be recoverable. That volume of natural gas is enough to supply the entire United States for about two years and have a wellhead value of about one trillion dollars.

The presence of an enormous volume of potentially recoverable gas in the County and the region has

great economic significance for two reasons. First, the County is located within close proximity to a large natural gas market--the high population areas of New Jersey, New York and New England. Second, the Millennium Pipeline currently being completed in the western part of the County will provide a major transportation advantage to move natural gas to the marketplace.

The significance of this development as it relates to second home ownership is that many landowners are being approached with offers to lease their land for gas exploration and extraction and pipeline right-of-ways from individual parcels to the Millennium Pipeline. This dynamic has raised concerns about the environmental impacts of gas drilling in the area, particularly the process of horizontal drilling and "hydrofracturing" necessary to reach the Marcellus Basin, and surface disturbance.

Possible outcomes of this issue will be dictated partly by how the New York State Legislature chooses to regulate gas drilling under pressure from interest groups including, but not limited to, the gas industry, farmers, environmentalists, policy analysts, and local government officials. At the time of this writing, the Governor has precluded horizontal drilling in the State until the Supplemental Generic Environmental Impact Statement (SGEIS) is updated to address its environmental impacts. The process of updating the SGEIS is expected to be completed in late spring and early summer of 2009. Furthermore, the New York Legislature, after considerable feedback from citizens and municipal officials, is commencing hearings in late 2008 and early 2009 on proposed legislation to grant more home rule authority to municipalities for control over environmental issues related to gas drilling.

At the present time, horizontal drilling is expected to begin shortly after the SGEIS is completed and approved by the New York State Department of Environmental Conservation (NYSDEC). Two companies, Cabot Oil and Gas Company and Chesapeake, have been actively securing leases in

the western part of Sullivan County and Delaware County. Some limited vertical drilling, which is allowed under the current law, may occur before the current SGEIS is updated, and these wells may be hydrofractured, or “fraced,” to gauge the capacity potential of specific well sites. If those sites are found to be productive, they could then be used for horizontal drilling after the SGEIS is updated.

The most constructive way to approach the environmental impacts of gas drilling is to unite different groups — farmers, landowners, environmentalists, second home owners, trout fisherman, etc. — on one issue: mitigating liabilities. Farmers and large landowners understand the term “liability”; when environmental impacts are understood as *liabilities*, a more receptive interaction occurs among different actors to look at the gas drilling issue in a more cautious matter to protect private property and community interests.

Another possible stakeholder that could dictate where gas drilling takes place in the County and the region is New York City. The New York City Council is looking closely at this issue and seeks to protect its watershed interests and exemption from filtration. One possible outcome of the city’s influence is that gas drilling is prohibited in the New York City watershed. The Delaware River Basin Commission (DRBC) could take a similar view as the Upper Delaware provides drinking water for millions of people in small and large metropolitan areas “downstream.”



Credit Crisis: A For Sale sign hangs in front of a home in Sullivan County.

Wall Street Dysfunction: The Credit Crisis and the Future

What are the implications of the credit crisis, both short-term and long-term, on the second home market? Despite the recent collapse of the housing market, some realtors who deal with second homes have observed that many will hold on to their homes. As a result, some in the real estate community feel that most second home owners are actually enjoying their houses, and not looking at them as just an investment portfolio.

What are the impacts of the crisis going into 2009 and beyond? Discussions with realtors, and a review of the foreclosure data in the County, suggest that the impacts of the credit crisis may be different in Sullivan County as compared to other parts of the United States. To begin, the County has exhibited much less foreclosure activity than in the speculative, overbuilt Sunbelt markets of Florida and Texas. Furthermore, foreclosures, on the average, have been focused more on lower-priced primary type homes concentrated in the Monticello and Liberty areas rather than in parts of the County where second homes are desired.

Indeed a further downturn in the NYC economy, coupled with a further decline in values in the area, might lead one to speculate that some second home owners could let their houses go into foreclosure, yielding second home foreclosure sales. However, the feeling among some realtors is that this scenario is unlikely, given that most second home owners have substantial equity in their homes. As one realtor noted “...0% or 3% down payment loans were not common in the County for second home buyers.” In addition, if some second home owners run into financial trouble, for example, one half of a couple loses their job, they will likely try to work out a short sale rather than be foreclosed on to protect their credit.

One final observation is worth noting. With perhaps the possible exception of the Chapin Estate and Lew Beach, Sullivan County never quite made it as a

home destination for Wall Street executives. Many of these individuals selected the Hamptons and the Hudson Valley. As a result of the Wall Street crisis, these areas may see a number of out-of-work traders and bankers looking to downsize and sell their houses. Sullivan County, for the most part, does not.

As noted in the Introduction and Section One of this report, the core of the County's second home market over the past few years has been mid-level service professionals — accountants, government employees, medical technicians, physicians, lawyers, businesses owners, teachers, and of course, some mid-level financial sector workers — analysts, traders and financial marketers. As the NYC economy slows down, this mid-level professional may feel pinched, but probably much less than those higher on the financial services management ladder. Hence, it is expected the second home market in the County will sustain itself.



The Neversink River in Hasbrouck, Town of Fallsburg..

Final Thought: Aging, Taxes, and Housing Tenure

Recent research by Engelhardt (2006) indicates that older second home owners (i.e., 60 years and older) will usually dispose of their second homes not because of changes in income, but rather changes in marital status and health.⁹ According to Engelhardt (2006), 45 percent of older home owners with second homes disposed of them within a six year window.

The implication of this finding for Sullivan County is that changes in health and marital status could compel many second home owners to sell their properties in the area. While it is difficult to predict this number, it is important to anticipate how the effects of aging, in particular declines in health and functional abilities or widowhood, may impact housing tenure in the County. Furthermore, as noted throughout this report, taxes, coupled with aging, could also be a motivating factor to sell their homes. Therefore, everything else being equal, major factors in the future that could impact second home tenure could be raising taxes, declining health, and death of a spouse.



Sunset on Lake Louise Marie in the Town of Thompson in the planned community of Emerald Green.

VIII. Implications & Recommendations

This concluding section offers recommendations for sustaining Sullivan County’s second home market. Many recommendations touch on broad implications and questions for further discussion, suggested by the survey results and supporting research.

A principal finding of this study is that the market for second homes in Sullivan County is localized. In other words, the survey data reflect a strong pattern of “metropolitan” interest for the location of a second home in Sullivan County. This phenomenon is supported by nationwide studies that demonstrate a direct relationship between the region of the primary residence and the region of the second home (Engelhardt, 2006). While influences of family and past experiences within an area are key motivating factors in selecting second home locations, it follows that these areas of choice are linked to one’s primary home community as well. The survey data also indicate a significant population of aging second home owners in the County (ages 55-65), and that from a local policy-making standpoint the interests of second home owners may be at odds with concerns of full-time residents, particularly with regard to quality of municipal services and quality of life issues.

Given these factors, targeted marketing within metropolitan markets, education within the County on the habits and preferences of second home owners, and collaboration among parties are all key strategies to sustaining the second home market in Sullivan County. Specifically, the recommendations below fall within four general categories or goals:

1. Sustain and expand the market demand for new second home buyers in Sullivan County;
2. Ensure the continued attractiveness of Sullivan County both to current and prospective second home owners;
3. Capture greater economic impact from the

second home owner population on the County ’s businesses, cultural institutions and civic organizations;

4. Enact policies and strategies that develop common interests and build productive relationships between full-time communities and the second home population.

These recommendations are founded on the assumption that a vibrant second home market benefits Sullivan County as a whole and is therefore worthy of pursuing, so long as the interests and priorities of second home owners can be balanced with those of full-time residents.

Recommendation Categories

1. Sustain and expand the market demand for new second home buyers in Sullivan County;
2. Ensure the continued attractiveness of Sullivan County both to current and prospective second home owners;
3. Capture greater economic impact from the second home owner population on the County ’s businesses, cultural institutions and civic organizations;
4. Enact policies and strategies that develop common interests and build productive relationships between full-time communities and the second home population.

⁵ Engelhardt, Gary V. 2006. *Housing Trends Among Baby Boomers*. Research Institute for Housing America.

Recommendations

➤ Target Marketing in Printed Sources that Yield Results.

The increasing attraction of Sullivan County to homebuyers from the NYC Metropolitan Area suburban market—with increases seen in outlying counties like Monmouth (NJ) and Suffolk (Long Island)—suggests opportunities for increased advertising and marketing by real estate companies to these areas. Strategies could include: advertising in local media or circulars where Sullivan County second-home ownership is high, or direct mailing to *existing owners*. These are our most likely buyers—considering trading up or down—and are most likely to have friends or family they wish to interest in buying.

A challenge lies in the high cost of advertising in the Metropolitan Area media market. One agency reports having tried *The New York Times* and *Newsday*, which caters mainly to Long Island and Queens, with little success, while regional guides like *Homes and Properties* and *Catskill Real Estate Guide* yield the best results. A potential strategy for penetrating costly advertising markets may be pooling resources among multiple brokerages or by the Sullivan County Board of Realtors. Another may be working with publishers of regional guides to ensure they hit the primary residence markets of likely buyers.

➤ Target Sub-Markets by Examining Primary and Second Home Locations by Zip Code.

It is worthwhile investigating if any locations within Sullivan County have high rates of second home ownership among residents of a particular town or sub-region within the NYC Metropolitan Area. Relationships may be based on transportation access (proximity to George Washington Bridge or I-84, e.g.) income, or family or ethnic ties. Researching these connections, say between a town in Sullivan

Goal 1: Sustain and expand the market demand for new second home buyers in Sullivan County

- Target Marketing in Printed Sources that Yield Results.
- Target Sub-Markets by Examining Primary and Second Home Locations by Zip Code.
- Conduct Analysis of Older (60+) Second Home Owners and How Future Age Cohorts Will Affect the Industry.

County and a town or borough within the Metropolitan Area, would help pinpoint marketing opportunities that are more cost-effective than major regional media outlets.

➤ Establish a Think-Tank to Monitor the Second Home Sector.

Using the data from this study as a baseline, interested parties should convene a *collaborative think-tank* to monitor developments in the regional second home market. This collaboration could consist of realtors whose primary business is second homes, town representatives, County Planning staff, the Sullivan County Chamber of Commerce and other business groups. These discussions would yield insights into marketing, areas for further analysis, and ways to inform second home owners of events in the County .

As a kick-off, this emerging group should convene a *Second Home Summit*, inviting input from real estate analysts and local governments from second-home communities throughout the northeast and from other regions.

➤ **Analyze Older (60+) Second Home Owners and How Future Age Cohorts Will Affect the Industry.**

Survey data confirm that nationwide patterns on the age of second home owners hold true for Sullivan County. These data signal uncertainty ahead as owners aged 60 and over as well as older baby-boomers nearing retirement age may choose to dispose of their properties in the coming years. We know that most sales by second home owners are due to changes in marital status (widowhood), health or mortality—issues affecting older individuals.

Whether these properties remain desirable as second homes to younger buyers or convert to full-time use will depend on a few factors. First, the post-boomer generation is a much smaller group that is more mobile from region to region

Goal 2: Ensure the continued attractiveness of Sullivan County both to current and prospective second home owners

- Establish a Think-Tank to Monitor the Second Home Sector.
- Create a *Second Home Owners' Concierge: A Resource Guide to Sullivan County*.
- Create a Web-based Clearinghouse of Second Home Properties & Issues.
- Undertake Long-Term Capital Planning at the Municipal Level.
- Realtors as Gatekeepers Should Serve as Knowledge Brokers.

and may have fewer familial connections to the area. As we may be entering a sustained weak period in the second home market, land use and tax policies in the near term may affect how desirable these properties are at the other end of the current downturn.

Anticipating actions by older and younger groups of owners and the types of properties and services that appeal to them will help the real estate industry and local policy makers prepare for these cyclical changes. The viability of these properties for full-time residence will depend on conditions in the local economy—for instance, whether there are enough buyers who can afford these properties. If property tenure changes to full-time use on a wide scale, this trend may increase demands on local services, water and sewer usage and even traffic, as full-time residents continue to disperse into more remote locations.

➤ **Create a *Second Home Owners' Concierge: A Resource Guide to Sullivan County*.**

County Planning should convene and collaborate with the Sullivan County Board of Realtors, the Visitors' Association, Chamber of Commerce and the Partnership for Economic Development to develop an up-to-date guide for second home owners, identifying reliable businesses and services that cater to part-time residents: landscaping and lawn care, hardware and building supplies, plumbing and electrical, veterinary clinics and animal emergency rooms, flea markets, farmers markets, places of worship, public interest organizations, and restaurants—complete with hours, cuisine and reviews. The information should include maps, ratings and tips from locals.

➤ **Create a Web-based Clearinghouse of Second Home Properties & Issues.**

The research presented in this report indicates that home owners use the Web, and national research also suggests that most real estate

Goal 3: Capture greater economic impact from the second home owner population on the County's businesses, cultural institutions and civic organizations

- Outreach by Cultural and Public Interest Groups to Second Home Owners.
- Continue the County's Main Street Revitalization Program.
- Analyze Business Sectors and Develop Strategies to Capture Greater Economic Impact from Second Home Owners.
- Conduct Research on Buying Habits of Second Home Owners.
- Examine Goods and Services People Typically Use on Weekends and During Peak Visitation Times.
- Coordinate Business Planning to Reach Second Home Owners in Nearby Counties.

searching is performed on-line via search engines. Although several realtors have websites and blogs that highlight second homes, a centralized website could link to multiple realtors and different search engines. General information on the area could benefit active property-seekers and spark an interest in the casual visitor who might begin to shop for properties once he or she has a feel for the area. As a clearinghouse of information, the site should integrate with the *Concierge* above.

➤ **Undertake Long-Term Capital Planning at the Municipal Level.**

The survey data underscores second home owners' concerns over the quality of infrastructure—roads, water and sewer, storm water management. Municipalities need to adopt long-term capital planning linked to the priorities articulated in their Comprehensive Plans. Capital planning avoids short-term fixes, such as reliance on grants (which may not be available to start a desired project) or placing major capital expenditures within annual budgets. Instead, it provides a comprehensive approach to asset-management by funding reserves and appropriations for major projects over a period of years. This creates predictability for taxpayers and municipal officials.

➤ **Realtors as Gatekeepers Should Serve as Knowledge Brokers.**

Survey data underscore the key role realtors play in familiarizing second home owners and potential buyers not only with available properties but also with issues affecting the County. As noted in Section VII (Emerging Issues and Trends), energy issues are impacting the region. It behooves realtors to become informed on gas leasing and how it may enhance or inhibit property sales. As noted in Section II, second home owners rely on loose information networks fed by personal contacts, the Internet, newsletters and other media. Prospective buyers come with considerable "advance intelligence" and "preconceived notions" on local issues for which they will need answers and clarification.

Acquisition of new knowledge and linking this pursuit to real estate dynamics will be critical to serving clients in this new environment. The think-tank model outlined above could provide a forum for this issue as well as helping to link brokers with legal, scientific and financial information on gas leasing in the short run and

Goal 4: Enact policies and strategies that develop common interests and build productive relationships between full-time communities and the second home population

- Educate and Inform Second Home Owners of Challenges for Full-time Communities.
- Develop Stronger Connections Between Second Home Owners and Local Communities.
- Monitor the Relationship Between Second Home Development & Assessed Valuation.
- Seek Balance Between Interests of Second Homes Owners and Full-Time Residents.

other “emerging issues” in the future.

➤ **Outreach by Cultural and Public Interest Groups to Second Home Owners.**

The population of second-home owners is critical to building audiences for local arts and cultural events and presents opportunities for local charitable and public-interest organizations. Considering what people typically do on weekends, second home owners present potential audiences for local houses of worship; congregations or interfaith councils could distribute periodic mailings to second home owners informing them of worship services and scheduled activities (AA meetings, singles events, etc.). Environmental groups should

target second home owners for weekend events addressing growth, development and energy issues, such as those discussed in Section VII.

➤ **Continue the County’s Main Street Revitalization Program.**

The Main Street Revitalization Program should be continued via the Partnership for Economic Development and the Sullivan County Division of Planning, focusing on investments in historic character and developing a vibrant mix of local businesses. Although the survey does not differentiate “Main Street” shopping from other types, a few respondents noted that they consciously seek out opportunities to shop in local villages and hamlets, as opposed to regional or national big-box stores.

➤ **Analyze Business Sectors and Develop Strategies to Capture Greater Economic Impact from Second Home Owners.**

Business associations and organizations, from local chambers to countywide organizations, should conduct business-sector analysis and develop strategies for synergies with the second home community in mind. Increased coordination will capture more discretionary spending of second home owners, while increasing the breadth and depth of goods and services available to full-time residents. Umbrella groups can help by studying, coordinating and publicizing opening hours within retail shopping districts (villages and hamlets) and within business sectors (home improvement businesses, restaurants).

The same can be achieved for cultural and arts organizations. Bethel Woods Performing Arts Center is an example of an amenity that appeals to second home owners and full-time residents alike; yet further coordination of hours and schedules among large and small venues can increase total audience-share for all and foster greater spillover on local businesses.

➤ **Conduct Research on Buying Habits of Second Home Owners.**

Like our full-time residents, second home owners export much of their spending power to Orange County, Pennsylvania or New Jersey when acquiring basic goods and services or outfitting their homes. Strategies that seek to understand and aggregate the purchasing power of part- and full-time residents can help expand retail businesses and available goods and services within the County.

➤ **Examine Goods and Services People Typically Use on Weekends and During Peak Visitation Times.**

Many survey respondents say they spend “every weekend” in the County and are therefore likely to accomplish typical chores and errands while in the County rather than in their primary communities. Goods and services that serve basic necessities, from school supplies to auto repair to haircuts, could be better marketed to second home owners. Local libraries and institutions should explore Sunday hours and scheduling special programs, from children’s story-times to yoga classes, at peak times when second home owners are here.

➤ **Coordinate Business Planning to Reach Second Home Owners in Nearby Counties.**

An asset of Sullivan County’s businesses districts is their proximity to major transportation corridors that lead from the NYC Metropolitan Area to second home locations with fewer services. Sullivan County businesses likely serve second home owners en route to Delaware County or Wayne and Pike Counties in Pennsylvania. Sullivan County businesses may be able to tap these travelers through additional research and marketing in neighboring communities.

➤ **Educate and Inform Second Home Owners of Challenges for Full-time Communities.**

While second home owners are likely to be strong advocates for protecting the natural environment, they need to be educated on other concerns for sustaining full-time communities, in order to overcome a “not-in – my-back-yard” (NIMBY) impulse. Local governments should inform second home owners of the challenges and trade-offs involved in running municipalities—from repairing roads to protecting rivers and streams to educating children—all while trying to keep taxes affordable.

Local newspapers could offer out-of-town subscriptions or email newsletters to second home owners wanting to stay informed. Newsletters from towns and county government could update second home owners who do not otherwise pick up on local news; mailing hard-copy newsletters, either with tax bills or on a quarterly basis, would a be worthwhile investment towards informing *all* property owners of the issues governments face.

➤ **Develop Stronger Connections Between Second Home Owners and Local Communities.**

Where tensions exist, towns should be more proactive about fostering communication and cooperation between second home owners and full-time communities. If second home owners want restrictions on certain types of development or other activities, what is it that full-time residents need? Opportunities for working together, such as community clean-ups or beautification projects, can foster a sense of common purpose that may lead to consensus-building on larger issues needing resolution.

Programs that invite second home owners to learn more about local concerns may lead to them contributing time or money to local causes. Second home owners may possess

resources to bring to the full-time community, from legal or financial skills to marketing and promotions, if asked. Encouraging second home owners to “buy local” is a means to build stronger feelings of connection to the place and grow the local economy. Holding weekend town hall meetings or periodic town-office open houses would build understanding of the challenges for local communities and may spur the exchange ideas in a collaborative atmosphere.

➤ **Monitor the Relationship Between Second Home Development & Assessed Valuation.**

It was acknowledged at the outset in this report that second home development contributes to the economic base of the County. Yet, the down-side comes when new, upscale development and higher demand prompt towns to raise assessments across the board. Local residents may face higher-than-expected tax bills—particularly challenging to retirees on a fixed income or lower-income owners. Some towns, particularly those that conduct annual assessments, may find more residents challenging their assessments.

Within Sullivan County, changes in local property tax assessments may not be as drastic as other counties or regions with large second home populations, given that the market here does not draw heavily on Wall Street executives or others at the highest end of the income scale. Nevertheless, municipalities should consider how second home development may impact their community’s assessment base.

➤ **Seek Balance Between Interests of Second Homes Owners and Full-Time Residents.**

Policies that encourage further development of the second home owner market in Sullivan County must be sensitive to the needs of the full-time community. It would be ill-advised to drive full-time residents out of the area, resulting in the loss of our labor pool and businesses—as many of the highest priced

second home markets have experienced (areas of the Adirondacks, for example) Each community must contain a mix of good quality housing available to either part-time and full-time residents at a range of prices.

Policy makers must seek to balance the priorities of maintaining “marketability” to second home populations with ensuring that long-time residents and new workers can survive and thrive here. Toward this end, municipal officials should seek opportunities for business recruitment and retention, as well as housing development for full-time residents, that complement and build upon the County’s niche attributes that continue to attract second home owners.

On the housing side, the Partnership for Economic Development and the Division of Planning should lead an effort to encourage developers and municipalities to create “workforce housing” that meets the needs of middle-class workers and professionals—teachers, corrections officers, police or non-profit sector employees. In the area of economic development, all proposals should bear scrutiny for their effects on the primary “attributes” that attract the second home market—natural scenery, landscapes, clean air and water—as these attributes hold great intrinsic value to full-time residents as well.

Despite these inherent challenges, the strategies in this section should help municipalities and the County to succeed in finding common purpose and achieving balance between the interests of second home owners and full-time residents.

