

Reasons to Vote YES on Nov. 7 Winslow School Bond #2:

As economic development efforts in Waterville, lead by Colby College, attract more businesses, jobs, and residents to the area, those new residents will be shopping for homes. No other factor is a bigger driver of home purchasing habits and property values than excellent schools. Google it. This looks like a good search string: "Schools and housing prices". Here's an excerpt of one result of hundreds:

<https://www.realtor.com/advice/buy/the-right-school-district-how-much-do-schools-affect-real-estate-prices/>

"How Much Do School Districts Affect Real Estate Prices?"

By Sam DeBord | Jun 1, 2016

When people buy a home, a number of factors influence their decision. The look of the home, as well as its size, layout, age, and proximity to amenities are all important, depending on the buyer.

The local school district is a factor with significant influence. We've always known that good schools attract families with school-age children, but recent statistics add concrete numbers and surprising trends to the storyline.

Extreme school buyers

When looking at trends, it's often entertaining to find the extremes. The best school districts near Seattle have recently seen a huge influx of buyers from China, paying premium cash prices for homes that many are purchasing for their future grandchildren. Neighborhoods on the east side are seeing large numbers of buyers who merely want to know where the best schools are, and are then buying remotely, without viewing the houses in person. These buyers greatly value education.

Dedication to Education

I personally know the importance of school boundaries. When our first child reached school age, my wife and I went house hunting with school-boundary maps in hand. If a home was one block outside our favorite elementary school's boundaries, we didn't even go in. The look of the home, the neighborhood, and how it was laid out were all factors that could disqualify it from our list, but the primary hurdle for every home was that school boundary line.

Consumers are willing to sacrifice certain things to live in the right school district. Some of the realtor.com survey results were surprising: One out of five buyers would give up a bedroom or a garage for a better school. One out of three would purchase a smaller home to wind up in the

right district.

Buyers are also willing to put their money where their mouths are. One out of five home buyers said they would pay six to 10 percent above their budget for the right school. One out of 10 would double that to 20 percent. Considering that premium could approach \$100,000 in a lot of markets, it makes you wonder: How much investment in a school district is appropriate?

Do School Districts Influence Home Prices or Vice Versa?

Conversations about schools and their effect on a home's value are often of the "chicken or the egg" variety. Homes in the best school districts, on average, sell for higher prices than similar homes in less-popular school districts. A simple analysis might say that good schools are wholly responsible for this added value.

At the same time, on average, more affluent home owners live in more sought-after school districts. Statistics often show that for large sample sizes, the more affluence there is in a community, the higher test scores will be in that same community. Test scores are just one measure of "good schools," but they're a highly quoted measure. There can be a self-reinforcing mechanism here that might overemphasize the effect of the school itself on the prices of those homes. One might even hypothesize that the high home prices make the schools better.

Consumer Demand Shows Clear Connection

In the end, though, it's hard to deny that there is strong consumer demand for good schools. Demand drives prices higher for a limited product like real estate. We probably can't pinpoint exactly how much that demand has on home prices, because the market is so complex and every home buyer's decision weighs so many different factors.

Clearly, though, consumer demand is large enough that we can conclude that good schools do increase home values in some measure. Half of the home-buying population is willing to pay more than their intended budget to get into the right school district, and more than half would give up other amenities. Making a decision on buying a home should definitely include an analysis of the school district, even for buyers who don't intend to send children to those schools. Good schools provide stability for a community, and that's good for the property values of everyone who lives nearby.

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www.kennebectom.com/schoolbond.html

Opinion by Tom McCowan

Who is this guy?

- Winslow homeowner since 2001; selected Winslow because of excellent schools
- Real estate lawyer in Waterville
- Father of one WHS graduate and one senior; husband of WHS teacher