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## **Economy skews value of land**

### **Cary wants a deal on Apex property for New Hill plant pipeline.**

BY ANDREW KENNEY - Staff Writer

APEX John Gasiorowski's 19 acres sat miles west of the building frontier when he bought the land 18 years ago.

Now growth approaches, and the town of Cary wants to forcibly purchase a half-acre of Gasiorowski's land to make way for a connection to the New Hill regional sewage plant.

In this economy, towns in western Wake County are looking to get a good deal on land. But landowners, such as Gasiorowski, don't want to give away the farm at discount rates.

One day, he reckons, the economy and the land's value will return.

"They're offering less than half of what I think is fair," said Gasiorowski, who lives in unincorporated Wake County.

He thinks the town's offer, which he said was \$9,800 for the half-acre parcel, is too low. The reason: it doesn't account for a recovering housing market and future growth in the area, he said.

The pipeline across his land will connect to the Western Wake Partners' regional sewer plant, a \$327 million project that will help Cary and Apex add development closer to Gasiorowski's property west of Cary.

"What I'm trying to do is truly get a fair-market value," he said. "Fair-market value isn't only of today's prices; it's also for the future."

Valuations are supposed to account for fluctuations in price during a reasonable period and protect property owners, according to eminent domain lawyer Alan Ackerman.

Since 2007, money for land purchases has dried up, limiting competition and lowering prices. Because so few land deals have closed during the recession, it's difficult for appraisers to assign an accurate value to properties.

"This is the first time in 38 years of doing this in which I've seen an extended down market that is so drastic and hopefully so temporary that you don't know how to value property," said Ackerman, who represents land owners in condemnation cases. "It's a very uncertain time."

Earlier this year, the Wake County school board signed a contract to buy a large swath of land in Apex for \$4.67 million - about half the price the county negotiated for the property in 2007 at the top of the real estate bubble. The deal collapsed because it was too expensive.

Cary forces the issue

Gasiorowski's land is surrounded by fields and forest, but subdivisions end a mile east. Cary has sought to buy five nearby pieces of property in Apex along the planned 0.39-mile sewage line. It has resorted to condemnation in all but one case.

Town officials said their appraiser followed standard legal procedure in evaluating the properties. Cary contends it "made a good faith effort to acquire the property through negotiation but was unable to do so," according to documents.

Cary is handling the Apex purchases because the Western Wake Partners sewage plant is a joint effort of Cary, Apex and Morrisville. Condemnation is a common legal process that towns can employ when they are unable to find compromise prices for land that stands in the path of public projects.

When property owners fight condemnations, appraisers on behalf of the town and owners go before a judge to argue the true value of the land. The process is meant to ensure that municipalities get the land they need at fair prices.

But mandatory sales can strip property owners of an essential tool: time.

A condemnation order can force property owners to sell during a buyer's market at less-than-favorable prices.

"They're trying to get it, obviously, for the least amount of cost," Gasiorowski said.

The town has refused to show him its appraiser's report, he said. Officials also declined to provide the report to The Cary News. The town's lawyers say state law allows them to deny access to "trial preparation materials" like the appraisal, which could be used in the condemnation hearing.

The two parties are expected to start meeting with a judge soon to settle the condemnation dispute.

Gasiorowski could win a higher price for his property if he and his appraiser can prove his claims about potential growth in the area.

Charles Szypszak, a professor at the University of North Carolina at Chapel Hill's School of Government, said the judge's decision could sway either way.

"It depends on what you believe," Szypszak said. "If it's true that everyone's expecting the market to change, then the values should be showing that."

Yet if the potential change is too far in the future, he said, it becomes nothing more than speculation that can't be used as a legal argument.

"Nobody really knows if property values are going to go up or down in five years," Szypszak said. "It's the nature of the market."

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