

Report of Opinions of Real Estate Professionals Village of Monroe Comprehensive Plan

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Introduction

The issues surrounding the real estate market within a community are often complex and affect whether a community can achieve its land use goals. It is not enough to have a vision of the future; rather policymakers must understand what can realistically be achieved, what conditions are currently discouraging private investment, and what degree and types of interest has been expressed in the Village and its surrounding area. The quickest way to understand the capabilities of the current real estate market is to interview a field of professionals involved in marketing existing private lands and buildings within the Village. To this end, five real estate professionals were contacted and interviewed by phone between January 16 and January 27, 2012. The following is a summary of the opinions and recommendations of real estate professionals that do business in the Village of Monroe.

State of the Housing Market

With plenty of coverage by National and Regional media outlets, it is no surprise that the regional housing market is extremely weak. There are some good signs for the Manhattan and Brooklyn housing markets, but the remaining metropolitan area is anticipated to remain weak in 2012. Conditions in the Hudson Valley will likely take some time to recover, as there is plentiful supply of single-family detached and attached housing either constructed and vacant, or permit-ready. Once the housing market begins to recover, it will take some time to work through owners that have been delaying sale of their home, sales of existing vacant homes, and sales of permit-ready homes.

There are two exceptions to the general weakness in the housing market. The first is for fee-simple single-family attached (townhouse) homes. These homes at the right price point qualify for FHA financing, and lender approval of future homeowners is easier. Generally FHA loans are not available for the luxury housing segment.

The other exception is for appropriately priced multifamily housing. Because of the number of foreclosures over the last several years, and the inability of many homeowners to sell their homes, a demand for quality rental housing has risen. The current demand is for high-quality multifamily housing with on-site amenities and recreation at a reasonable price point. Additionally, a reasonably high density is required for builders to achieve financing.

State of the Retail Market

There is some discrepancy among real estate professionals on the state of the retail market. Some point to the unwillingness of landowners to lower asking prices as a reason for the numerous vacancies. Banks are especially unwilling to lower lease and sales prices on real estate that they own. Some claim that the real estate market is only able to support local trade, while others have opined, that even local trade is not enough to support the current retail supply. Some opined that drive by traffic and convenient parking are the most necessary elements for retail uses, and point to those reasons as why downtown Monroe is having the most problems. Lack of passby traffic was also indicated as a

detriment to attracting national chains. One of the professionals pointed to the introduction of Crystal Run Healthcare as a potential boon to the local retail market.

State of the Office Market

There is strong agreement that the local office market is very weak. Asking price has been indicated as the prime reason that the recently constructed M&T bank building has remained relatively empty. The one exception to this has been for medical offices. Generally medical practitioners have been trending toward consolidation of businesses into large medical cooperatives similar to Crystal Run Healthcare that minimize administrative cost and allow doctors to focus on medicine. On the flip side of this, is a trend for physician's assistants to open small local offices where they can treat minor illnesses, similar to the local doctor's offices of the mid-1900s.

State of the Heavy Commercial, Warehouse and Industrial Market

There are few areas of the Village that remain appropriate for heavier use. Generally these are in the northernmost part of the Village with the most direct access to Routes 6/17. Two particularly strong segments of this market are for self-storage and for flex-space warehousing that allows large steel buildings to be partitioned on a demand basis and provide each tenant with a loading dock and a small office.

Non-Residential Uses Indicated as in Strong Demand for the Village of Monroe

The following uses were indicated as being in strong demand in Monroe:

- Auto-repair and auto-related uses
- Movie theater
- Large Multipurpose Indoor sports especially soccer, La Crosse, dodgeball, kickball, possibly hockey, but only if very actively programmed;
- Large Kosher food store (35,000 square feet or so)
- Child Day Care
- Doggy Day Care/Kennels
- Ethnic foods and restaurants

Planning Process as an Obstacle to Economic Development

There were varying opinions as to whether the Village of Monroe's land use approval process was detrimental to economic development. Some professionals cited grave concerns over costs and delays of coming before the Planning and Zoning Boards of the Village. Others did not feel that the planning process in Monroe put the Village at a competitive disadvantage since it was equivalent to the processes in other area Towns and Villages.

All real estate professionals agreed that the most important requirement for economic development was promoting certainty of time and cost. The importance of knowing the price and timeframe for

approval at the outset of the approval process was vital, and unforeseen delay and cost would undermine the credibility of a real estate professional and keep them from encouraging future clients to buy or lease in a community.

This was especially troublesome when an existing building or site was involved.

Another universal opinion was that the SEQR process was onerous. SEQR was viewed as a wildcard that had the potential to undermine a project's viability.

Recommendations for Economic Development

The following recommendations were made by the local real estate professionals:

- Establish a Jitney bus to link the Village with the larger residential area
- Introduce higher density rental residential near existing retail concentrations
- Allow private indoor recreation that will appeal to area residents
- Establish a procedure for change of use
- Allow more uses by right
- Regulate appearance and parking rather than floor area and density
- Minimize the SEQR process for small applications
- Better capitalize on ponds; Should be focus of economic development
- Beautify downtown but keep community focus

Niche Opportunities for Monroe

The real estate professionals agreed that Monroe currently serves the local trade of the surrounding population. There is some opportunity based on the ethnic makeup of the Village to try and capture more businesses targeted to ethnic groups such as the aforementioned indoor soccer, or food markets focused on polish and Eastern European cuisine. There are clear opportunities to serve the ethnic and religious needs of neighboring Kiryas Joel.

Monroe is not and is not likely to become a tourist destination that relies on its picturesque surroundings and eclectic offerings, similar to Sugar Loaf or Cold Spring. It is not isolated like Warwick or Westwood, NJ and therefore able to thrive with businesses that compete with big-box retail off the highway. Access to the Village is tertiary and passby traffic is not great enough to support significant regional trade. In seeking a niche for Monroe, the inherent locational qualities of Monroe will need to be considered.

Conclusion

The information provided by real estate professionals along with the demographic and economic information that can be compiled from public sources serves as a basis for understanding the current economic market. It provides practical insight into what can be achieved and what might be "pie-in-the-sky." It should be noted that the information contained in this report is all based on professional

opinion, however. It will be important for policymakers to temper the opinions of these professionals against hard data. It will also be important to balance economic development with the other goals and objectives of Monroe's residents and stakeholders.