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Keeping the Wrecking Ball at Bay

A Nonprofit Moves and Renovates

Unwanted Houses; Tax Deduction for the Donors

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Raleigh, N.C.

It might be the most politically correct housing development on the planet.

In Raleigh, where hundreds of old houses have been torn down to make way for bigger, fancier new ones, one neighborhood stands out. Called Barrington Village, it comprises 24 homes that were saved from demolition by a nonprofit group and moved to the wooded, six-acre property. The houses, dating from the 1940s to 1960s, were placed on new foundations and fitted with identical front porches.

Reusing the houses kept construction debris out of dumps in a city where every new landfill is a battle. The houses, which go for \$89,000 to \$185,000, are sold to moderate-income people who have been priced out of the Raleigh market. And some of the workers come from a homeless mission, getting on-the-job training that results in letters of reference for future employment; other workers are "at risk" youth from a program that teaches construction skills.

Barrington Village is an extreme example of trying to save old houses rather than tear them down. For homeowners and developers the tactic can be a good move: They often receive a tax deduction, their lots are cleared free of charge and they may avoid criticism from neighbors and preservationists concerned about saving old structures. The National Trust for Historic Preservation recently identified over 500 communities in 40 states where homes in historic neighborhoods were being torn down, up from 100 communities in 20 states in 2002.

Services that buy house parts from people who are remodeling or razing have proliferated in recent years. These "rebuilding centers," typically nonprofits, resell the old windows, doors and cabinets to the public. But reusing an entire house is more unusual. In Martha's Vineyard, the Affordable Housing Fund has moved and renovated seven houses so far, though they weren't sited in one location. Habitat for Humanity, which builds houses from scratch for low-income people, has moved a few houses that were slated for teardown, including four relocated to one North Carolina development, says Susan Levy, executive director of the nonprofit's Orange County, N.C., affiliate.

The nonprofit in Raleigh, Builders of Hope, is one of the only groups moving and renovating houses on a large scale. And there's such a supply of teardowns in the city that Builders of Hope felt confident enough to break ground on a second development last month. Called Green Hope Village, it will have even more of a utopian twist: All the houses will be made super energy-efficient to meet the standards of a local green-building authority that guarantees monthly heating and cooling bills under \$40.



Builders of Hope Builders of Hope, a nonprofit in Raleigh, N.C., relocates houses set for demolition; inset, Barrington Village, comprising 24 moved homes.

Barrington Village, meantime, will soon have a playground donated by a developer who needed to get rid of it, and its traffic circle will be landscaped with a picnic table, apple trees and an herb garden designed free by a local landscaper. One Economy, a nonprofit in Washington, D.C., put in a wireless Internet system and Builders of Hope is working to get residents recycled cars from individuals and dealerships.

There have been some hitches: Moving the houses doesn't solve the problem some neighborhoods have with out-of-scale McMansions going up. Federal tax deductions for people who can afford teardowns don't always sit well in Raleigh, where property taxes have risen 40% on average over the past two years. And the "village," like many new developments, is in an isolated pocket, unconnected to other neighborhoods and lacking stores.

But that doesn't damp enthusiasm among the new homeowners. "Just to be able to own a home is a feeling of jubilation," says Phil Brickle, a 53-year-old minister who was Barrington Village's first resident. Mr. Brickle lived in a nearby trailer for nine years after a stint with his parents and 20 years as a heroin user before that, he says. The 1,500-square-foot house, which he bought for \$139,000, is the first he has ever owned; it has an office, a lavishly decorated guest bedroom and a master bedroom with a walk-in closet. The solidly built kitchen cabinets stayed with the house when it was moved, as did the hardwood floors and crown molding.

Mr. Brickle's house was one of five donated by Kane Realty Corp., which needed to make room for an office and retail development. "It was such a great opportunity to do the right thing," says Mike Smith, the company's president. And it made sense financially: Kane saved the cost of bulldozing the houses and likely will get a tax deduction.

Word of Kane Realty's donation traveled to Betty Ann Lennon, a 62-year-old "stay-at-home grandmother" who had just bought a 1950s ranch house because she and her husband fell in love with the lot. They wanted to build something larger but were wary of tearing down the house. Now, the neighbors are thrilled that the old house was rescued

and the couple was pleased their lot was cleared free of charge -- "a lot easier than having a bulldozer," she says.

Laura Clark, a 38-year-old stay-at-home mom whose ranch house is being prepped for the move to Builders of Hope's new community, agrees. She and her husband, a surgeon, hired an architect to help design a 4,000-square-foot traditional-style home. When the architect told them that it would be impossible to redo the existing house and that they should just "scrape" the lot, they were dismayed. Then they discovered that by donating the house they could get a federal tax deduction of 80% of the home's \$145,000 appraised value -- and save \$25,000 by not having to bulldoze. (The amount of deduction varies according to a donor's adjusted gross income.) "It gives you such a great feeling when you know you're not destroying it and you know it will go on to be someone else's house," Mrs. Clark says.

The idea for a recycled housing community took spark four years ago when founder Nancy Murray was putting an addition on her house. Frustrated that her contractor, John Jenkins, was taking much longer than planned because of a shortage of subcontractors, Mrs. Murray, 41, asked the contractor to show her how to help. She loved the construction work so much that when the project was finished, she bought a foreclosed house and subdivided the land for three homes, but she needed to move the existing house. The house mover, Sammy Jackson, told Mrs. Murray that there were dozens of houses slated for teardown that she could move and renovate. One idea led to another, and Builders of Hope was born when Mrs. Murray started moving homes to another property -- one she donated to the nonprofit. Mr. Jenkins, Mr. Jackson and Mrs. Murray now work full time for it (though she says she doesn't yet get paid).

Mrs. Murray has more schemes in mind. She's in talks with Habitat for Humanity about a joint effort in Chapel Hill, N.C., where Habitat has purchased a lot for a 50-house subdivision. A third of the homes in the envisioned project could be relocated ones rehabbed by Builders of Hope, she says. And when a developer offered her a bunch of unwanted duplexes, she started negotiations with another developer that owns 56 vacant lots across the street from Barrington Village that are zoned for multifamily housing. There she envisions a community for elderly people who need affordable housing but don't want a single-family home.