

Distance, Amenities & Price:

Vacation Home Communities in the Northern Blue Ridge and Allegheny Mountains

Sharon Disque

April, 2005

ABSTRACT

This thesis examines the value of second homes in the mountains west of Washington, DC, and Baltimore, Maryland. Specifically, the study explores the differential in asking price of houses relative to the distance from primary home communities, resort amenities, and physical housing characteristics. Using a statistical technique called the hedonic price model (multiple regression), it is possible to identify the implicit price of particular features of a house. Such estimates can guide real estate investors and developers in decisions associated with construction of new resort communities. Empirical data for this study draws from the Multiple List Service for ten resort areas (with more than 225 properties listed in the fall of 2004), marketing information from each resort, and GIS estimates for distance. Results suggest that certain housing characteristics, including number of bathrooms and waterfront location, influence asking price more than community amenities or distance.

INTRODUCTION

In 1995, Fort Ritchie in Western Maryland saw its future as a military facility curtailed when Congress approved the recommendations of the Base Realignment and Closure Commission (BRAC). The base would remain open for three years following the announcement, but community leaders immediately began planning for the property's redevelopment. A local redevelopment authority worked with an assortment of consultants, identified goals and objectives, and eventually formed the PenMar Development Corporation (PMDC). As with any re-use project, numerous hurdles have stalled transfer of the property from the Federal government to PMDC. However, unlike other BRAC facilities in the region, Fort Ritchie has seen little forward progress in attracting new uses.

The 638 acre fort sits at the eastern edge of Washington County, Maryland, just south of the Mason-Dixon Line, nestled in a valley formed by the Blue Ridge Mountains. A picturesque setting and established infrastructure have failed to generate action by the private sector. Have community leaders and the PMDC pursued an appropriate development strategy?

In 1997, Sasaki associates, Inc., assisted by Hamilton, Rabinovitz & Alschuler; URS/Greiner; Deloitte and Touche; the Chesapeake Group; and Whiteford, Taylor and Preston, prepared the *Fort Ritchie Comprehensive Redevelopment Plan*. The study documented physical characteristics of the site and evaluated alternative strategies for redevelopment. A vacation home development, a conference and training center, and a "high-technology" office park were the three scenarios. Following a community vetting process that included public meetings, input from redevelopment authority board members, and hearings before the county commissioners, PMDC chose to combine the last two alternatives and pursued development of "Lakeside Corporate Center," a conference and office park campus. Market data reported in the study did not support timely development of the combined alternatives.

Of late, PMDC has pursued attraction of federal government agencies that might value the secure location and telecommunications infrastructure Fort Ritchie offers. In interviews, many local officials report an optimism that further examination of this strategy does not support. Despite negotiations with a REIT that provides significant leased space to the General Services Administration, PMDC is simply narrowing the original use – that of a conference and office park

- to target a specific office tenant. In summary, the strategy failed to attract employers of any type in the past, and now the group is focused on a single employer, the U.S. government.

Given the fort's remote location and the scarcity of business tenants attracted to the area since the base closed, by re-evaluating the resort community alternative in the context of a revised goal – maximizing the economic impact on the greater community – PMDC has an opportunity to turn away from its present high risk approach of privatizing the base for business-related uses. The redevelopment authority's purpose was admirable but it conflicted with that of the private sector – to maximize return on investment.

Per the Sasaki study, the vacation home strategy required the least amount of public subsidy and provided for the most rapid disposal of the property, but fell short of the redevelopment authority's "goals for job creation and long-term economic development." The original study has not been updated. Sasaki based assumptions of second home value and demand on national-level data.

A study of the residential real estate market in Morgan County, WV, that I prepared in 2002 revealed growth among existing resort developments and the establishment of new communities as well, but buyers were also choosing to relocate their permanent homes to these amenity-rich areas. With Fort Ritchie's relatively close location to the Maryland suburbs, a resort community at the base might logically attract year-round residents, placing a greater burden on local government to provide a higher level of public services.

Baby boomers aging and inheriting their parents' estates. Growth in population and wealth in the Baltimore-Washington metropolitan area. Flexible work weeks and telecommuting within the labor force. Expansion of commuter rail service into the Eastern Panhandle of West Virginia. Rising home prices in the area's suburbs. Increasing traffic congestion on local and interstate highways. Second home communities dot the mountainsides to the west of Baltimore and Washington, and a review of newspapers and journals identifies the above as influences affecting growth in the demand for second homes. The purpose of this paper is to reexamine the potential of second homes at Fort Ritchie.

LITERATURE REVIEW

Authors have speculated on the economic development potential that second home and retirement home communities offer to remote jurisdictions. Summarizing the current state of rural economic development policy, Porter (2004) emphasized the need to acknowledge the uniqueness of each rural community, exploit its strengths, and address weaknesses within a greater strategic context. Vacation and retirement homes, a component of the hospitality and tourism industry, can enhance the connection between rural areas and their proximate cities, and improve the “human capital” available within a local work force – a result of in-migration.

Reporting on investment opportunities, Franklin (2004) captured the essence of the burgeoning market for rural living: a majority of baby boomers ages 46 - 56 plan to move after retiring, with a preference for locations relatively close to the cities where they established families. Developers of “four-season” locations with “active adult” communities are targeting the population with high-end, gated communities rather than sprawling resorts. And buyers of vacation homes purchase with an expectation of making a permanent home in retirement. Popular media cover the enticing subject of resort communities and vacation homes, with profiles of mountain and beach destinations, but the relationship between amenities, distance from metropolitan areas, property characteristics, and price has received little attention. However, authors have explored the affect of other specific variables on the price of housing, and adopted the use of statistical models to isolate apparent impact.

Reviewing the statistical models applied to predict real estate prices, Yiu and Tam (2004) summarized the two empirical methods used: the hedonic pricing model and repeat-sales model. Hedonic pricing uses a multiple regression, comparing the various features of real estate with the price. The attributes – independent variables – typically fall into three broad categories: physical, neighboring, and locational. The method allows for the examination of a variety of factors, but when used to predict value, the choice of variables can create bias that affects the outcome of the regression.

The repeat-sales model compares two transaction prices for each property in a sample population. The technique predicts value and eliminates the bias inherent in the hedonic model since individual property characteristics are not used. However, the repeat-sales method does not offer insight into the correlation between real estate attributes and price. With this paper’s focus

on the relationship between price and community and property characteristics, the hedonic model best applies.

Cho, Newman and Wear (2003) examined the impact of second home development on the greater cost of housing across communities in the southern Appalachian highlands. Using the hedonic house price model, the analysis addressed the diversity of communities, whether urban or rural, and price, distinguishing those homes used for seasonal enjoyment from those used as a primary residences. Though the study's purpose differed from that proposed for this research, similar variables were used, including distance measures to cities.

Earlier, Miller (1982) identified a plethora of independent variables used in the application of the hedonic pricing model, including: physical attributes (bedrooms, bathrooms, square footage, age, type of construction), location (accessibility, property taxes, public services, transportation costs, environmental factors, race), financial (interest rates, points, loan-to-value ratios), transaction costs (search time, time on market, and inflation and market price. However, it was the physical, site and locational characteristics that Miller described as "fundamental" to the value of real estate.

PRE-ANALYSIS EXPECTATIONS

Traditional application of the hedonic price model in the examination of residential markets for primary homes has focused on the variables mentioned earlier, including distance from employment centers, environmental amenities, and housing characteristics. Study of resort communities has focused on the impact of second homes upon the value of primary housing in the same market, but not on the relationship between amenities and price. Thus, pre-analysis expectations can be derived from popular media, personal observation, and interviews with real estate professionals.

Several easily observable trends suggest that, in the greater Baltimore and Washington region, a second home's proximity to the owner's primary residence is not a major influence on the price of the second home. Media-reported increases in vacation home construction in far Western Maryland, combined with an apparent conversion of former near-in resort areas to year-round homes are among the indicators leading this assumption. If not proximity, then what in a resort contributes to higher single family home prices? Perhaps it is the variety of diversions offered – the recreational facilities.

RESEARCH HYPOTHESIS: *The price of single family detached second homes is positively associated with (1) the types of amenities available in the community, (2) the distance from the metropolitan area where primary homes are located, (3) housing characteristics related to size, quality, and the immediate site.*

In particular, it is the relative influence that each category of variables has upon asking price that is the focus of this study. For application to the redevelopment of Fort Ritchie as a resort community, must an investment strategy include construction of amenities such as skiing facilities, or can a developer exploit the present physical characteristics of the area through land planning and construction that improves housing characteristics and results in higher asking prices? If the statistical analysis results in no correlation between price and the variables identified, the null hypothesis, then the above research hypothesis must be rejected.

OVERVIEW OF RESEARCH METHODOLOGY

By evaluating the relationships between housing values in area resort communities and the distance of each from Baltimore and Washington, the amenities provided, and housing characteristics, a profile should emerged that indicates just what price range PMDC, local government, and a private developer could anticipate if the base converts to a second home community.

For this analysis, multiple independent variables were compared against a single dependent variable. Distance, amenities, and housing characteristics were assigned as independent variables, since it is the behavior of these variables that predicts or influences the dependent variable of housing values. Unobtrusive research techniques were the primary source of data - analysis of existing statistics - since measurements for the variables were readily available.

Variables		
	level	measurement
Independent:		
Distance	ratio	miles from a single chosen point in each metropolitan area; determined from a mapping program
Amenities	nominal	"is or isn't" present (assigned "1" or "0", respectively); inventory conducted by site visits, advertised features, telephone interviews
Housing characteristics	interval	number of bedrooms, bathrooms, lot size
	nominal	presence of water view, water front, garage, family room (assigned "1" or "0" values) determined from Multiple List Service
Dependent:		
Property value	ratio	"asking price" from Multiple List Service

The communities: Mountain resorts across four states attract buyers from Baltimore and Washington, D.C. Newspaper articles, advertisements, and travel websites referred to numerous communities, and nine were chosen for this study based upon geographic location (near/far from

the metropolitan areas, state, terrain), and size, with an effort to include diverse resorts. Common traits emerged despite the variety of locations. Higher density housing, condominiums and townhouses, occupy better lots with views and access to “premier” amenities, such as skiing. Often, developers other than the one associated with the resort build single family detached homes in subdivisions adjacent to or within the boundaries of the community. Until recently, houses in the various communities shared a common “vacation” style, with wood siding on a contemporary structure. For each community, a single zip code was identified, for which statistical information was gathered. Greater detail on the individual resorts follows later.

Distance: As measured in miles, reliability and validity for this variable are high. Geographic distances are recognized as accepted “facts.” Measurement of distance with GIS software is easily repeated to assure reliability.

Originally, the statistical analysis included distances from each resort to the corresponding beltways for Baltimore (I-695) and Washington (I-495). Preliminary results indicated that distance from Baltimore had an impact upon asking price, while distance from Washington, D.C. had virtually no effect. More of the communities included in the study lie south and west of Washington, and therefore are farther from Baltimore, simply reflecting geographic characteristics of the land and metropolitan development patterns. Baltimore had an inherent disadvantage, with its greater distance from most of the resorts, and the results of the initial analysis were skewed. For this reason, an alternative – averaging the distances for Baltimore and Washington from each community – was used.

Community Amenities: Without unique amenities, resorts would offer owners and visitors little more than a common suburban subdivision. Skiing, lakes, and golf - all in a remote setting - form the heart of our concept of a mountain resort. Developers have added a wide variety of recreational facilities (tennis courts, swimming pools, hiking trails, horseback riding) and entertainment (night clubs, performances, festivals, educational programs), and these were included in the original compilation of information. Each year brings a new assortment of lesser amenities to the resorts as the developers and owners’ associations compete with other locations. For this analysis, a simple inventory of amenities at (has/doesn’t have) was assembled from marketing information for each resort, and verified by telephone calls when necessary.

Quality of the amenities was not directly measured and the presence of some amenities was linked. For example a resort with skiing would also have a lake, whose presence is necessary for

snow-making. To distinguish a small pond from a lake, “water sports” rather than a measure of the size of a body of water was used. Thus, communities offering three or more water sports (swimming, boating, fishing, rafting) were deemed to offer water-related amenities, and ponds incorporated into golf courses or storm water management did not meet the defined criteria.

Golf, a staple of all resorts evaluated here, was not included in the analysis. Undoubtedly developers of these communities valued the presence of a golf course, including this expensive amenity and in some cases locating single family detached homes adjacent to courses. But with every resort claiming a championship course, multiple regression analysis would not distinguish this factor and its impact upon property value. Another means to include the affect of a golf course on a homes value would be to measure the presence of a “golf course view” among the mix of housing characteristics. However, Multiple List descriptions did not make this distinction, although the system allows for identification of properties with the feature.

Housing characteristics: Numerous factors affect single family home values in addition to the location and surrounding neighborhood. Housing characteristics in particular influence price: number of bedroom and baths, age, garage, basement, family room, lot size, and views from the property. Using Multiple List descriptions for each property included in the study, an inventory identifying these characteristics, and others, was compiled. Not all listings included extensive descriptions of each home’s features. The presence of public sewer and water, air conditioning, fireplaces, and basements varied with customary listing practices in each community. For this reason, these features were not included in the statistical analysis of the data.

Property value: For this study, since the purpose was to predict the relative impact of amenities, housing characteristics, and distance on value, the listed price for single family detached homes within the resort communities was used. This measure, though not as reliable as sales prices, does allow for inclusion of a greater numbers of homes. Too few sales transactions would not reflect actual property values. Thus, an adequate sample size was maintained and was collected in a restricted time frame rather than over a year or more, when market appreciation or depreciation could have affected values. This method does not include houses for sale by the owner. Newly completed single family homes, listed with a real estate agent, were included. Mobile homes and homes on lots of a size suitable for further subdivision were excluded. Given more resources (financial and manpower), alternative methods of measuring value would include appraised or assessed values, although the multi-state area included in this study creates a wide

variety of practices in real property tax assessment.

DATA COLLECTION & CODING

As described earlier, an assortment of sources was used to gather existing statistics via unobtrusive techniques. Home prices and characteristics came from the Multiple List Service. Resort amenities were identified through the communities' marketing information, newspaper and magazine web sites, Chamber of Commerce web sites, and personal visits. Distance was determined from GIS software.

Individual properties were coded with a mix of values, depending upon the nature of the variable. For variables such as lot size, number of bedrooms and bathrooms, and price, measurable values were used. For community amenities (skiing, watersports, or both) and some housing characteristics (presence of a garage, family room, waterfront or waterview), binomial values were assigned. Each property was also coded for its location. For example, the house with the lowest price at Carroll Valley was assigned the label "CV1." All data on individual properties was collected within four weeks in October of 2004, creating a sample of 232 properties.

Homes across all the communities had similar characteristics: three bedrooms and two baths. Higher priced and newer houses were more likely to have garages and central air conditioning, not unlike markets in primary home communities. But the data collected did represent a broad range of properties. Asking price started at a low of \$99,900 and topped at \$1.8 million. And while listings in most communities did not include square footage, other indicators of property size suggested a large variation, with the number of bedrooms ranging from one to eleven. Age of the units varied from 54 years to new construction. Lot size ran from a meager .10 acre to 10.24 acres.

Other housing characteristics were excluded from the analysis. Since marketing practices vary across communities and states, listing agents do not consistently include information on many features of properties. Whether a home has a fireplace, finished basement, mountain view, public water and sewer, the number of stories, and square footage might or might not be indicated.

The communities shared many of the same amenities. As mentioned earlier, golf was common to all. Data was collected on lesser amenities (tennis, swimming pools, hiking, health

spas and fitness centers, horseback riding, scheduled events and restaurants), but because each resort claimed all, this information was not included in the statistical analysis.

Then, with values assigned to each property, its characteristics, and those of its community (see the following table), the combined data was subjected to multiple regression analysis.

Variable Definitions	
Independent Variables	Measure
Housing Characteristics:	
Bedrooms	Number of bedrooms
Bathrooms	Number of bathrooms
Distance (Baltimore & Washington)	Average of miles from resort to nearest point on I-495 and I-695
Year built	Year
Lot size	Acreage
Waterfront	0(does not have) or 1(has); from MLS
Waterview, excluding "waterfront" properties	0 or 1; from MLS
Garage	0 or 1; from MLS
Family room	0 or 1; from MLS
Community Amenities:	
Skiing (only)	0 or 1
Watersports (only)	0 or 1
Skiing & Watersports	0 or 1
Dependent Variable:	
Price	Asking price from Multiple List Service

DATA ANALYSIS

Descriptive analysis and inferential analysis showing the relationship between variables, are needed in this study. Multiple regression, representing the impact of two or more independent variables on a single dependent variable shows the price of housing is an aggregation of the values a buyer assigns to the multiple characteristics of the property. While the buyer does not specifically assign dollars to location, amenities, and the other numerous characteristics of a property, it is the correlation of the variables identified with the value of resort homes that is the focus of this project.

To test this study's hypothesis with multiple regression, (1) the dependent and independent variables must have a linear relationship, and (2) each combination of values of the independent variables, the value of the resulting dependent variable should be normal with a constant variance. If the independent and dependent variables lack a linear relationship, then mathematically transforming the data by taking square roots or logs of the values can make the relationship linear.

Here, multiple regression analysis calculates the relative impact of independent variables of individual housing characteristics, community attributes and distances from the metropolitan centers of Baltimore and Washington. The results of the regression create an equation with weighted coefficients, or "beta" values, that relate to each variable. This same equation can predict single family home prices for communities within the region but not included in the analysis – in this instance, for a proposed community at a former military base.

Below is an example of an equation from a multivariate case – a multiple regression which calculates "Price" from the sums of a constant plus the "beta" values for each variable multiplied by its corresponding variable:

$$\text{Price} = a + b_1 * X_1 + b_2 * X_2 + \dots + b_p * X_p$$

Because the raw values of the variables for this study did not share a linear relationship, the data was transformed using the natural log.

Multiple regression is not an infallible predictor. The choice of variables does affect the results, leaving an opportunity for bias. Including a broader array of variables, particularly

housing characteristics, somewhat mitigates the bias of limited characteristics inherent to multiple regression. But including a large number of independent variables does not necessarily increase the model's ability to predict values. By using a stepwise regression – a process that, with each calculation of the regression model, adds another variable that has the next greatest impact upon the relationship between dependent and independent variables – variables with little significance are eliminated from the calculations.

The table “Descriptive Statistics” summarizes the values for those variables not assigned a dummy value of “0” or “1.” More specific information follows in the “Frequency Distribution of Variables” for all variables.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Realtor's listed price	231	99900	1800000	381122.37	271256.870	7.4E+10
Natural log of listed price	231	11.51	14.40	12.6588	.59684	.356
No. of bedrooms	231	1	8	3.51	1.046	1.094
No. of bathrooms	231	1.0	6.5	2.721	1.1078	1.227
Lot size in acres	223	.10	10.24	1.1461	1.56633	2.453
Age in 2004	212	.00	54.00	13.2736	11.93548	142.456
Distance from Wash Beltway	231	60.56	229.96	134.7205	40.40934	1632.915
Distance from Balt Beltway	231	45.21	274.37	156.8271	46.97660	2206.801
Valid N (listwise)	206					

NOTE: These illustrate 231 cases for all of the variables except *built* (the year in which the homes were built) and *age_04*, the unit's age in 2004. Since the regression required that each case have data on ALL of the variables, the “Missing System” cases (19) were omitted from the regression run.

Frequency Distribution of Variables

From the restricted dataset, i.e., the dataset in which Case 168, with its 11 bedrooms and 9 bathrooms, is eliminated.

NOTE: For variables with nominal values ("Does not Have" and "Has"), values of "0" and "1" were used, respectively.

Skiing only

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0	189	81.8	81.8	81.8
1	42	18.2	18.2	100.0
Total	231	100.0	100.0	

Watersports only

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0	226	97.8	97.8	97.8
1	5	2.2	2.2	100.0
Total	231	100.0	100.0	

Skiing and Watersports

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0	70	30.3	30.3	30.3
1	161	69.7	69.7	100.0
Total	231	100.0	100.0	

No. of bedrooms

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	1	.4	.4	.4
2	24	10.4	10.4	10.8
3	111	48.1	48.1	58.9
4	62	26.8	26.8	85.7
5	21	9.1	9.1	94.8
6	9	3.9	3.9	98.7
7	2	.9	.9	99.6
8	1	.4	.4	100.0
Total	231	100.0	100.0	

No. of bathrooms

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	14	6.1	6.1	6.1
	1.5	5	2.2	2.2	8.2
	2.0	86	37.2	37.2	45.5
	2.5	30	13.0	13.0	58.4
	3.0	36	15.6	15.6	74.0
	3.5	31	13.4	13.4	87.4
	4.0	8	3.5	3.5	90.9
	4.5	6	2.6	2.6	93.5
	5.0	6	2.6	2.6	96.1
	5.5	4	1.7	1.7	97.8
	6.5	5	2.2	2.2	100.0
	Total	231	100.0	100.0	

Has a garage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	152	65.8	65.8	65.8
	1	79	34.2	34.2	100.0
	Total	231	100.0	100.0	

Has a familyroom

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	152	65.8	65.8	65.8
	1	79	34.2	34.2	100.0
	Total	231	100.0	100.0	

Waterfront

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	208	90.0	90.0	90.0
	1	23	10.0	10.0	100.0
	Total	231	100.0	100.0	

View of the water

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	214	92.6	92.6	92.6
	1	17	7.4	7.4	100.0
	Total	231	100.0	100.0	

Avg of Balt & Wash distances

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	52.89	11	4.8	4.8	4.8
	85.24	23	10.0	10.0	14.7
	96.44	5	2.2	2.2	16.9
	121.24	47	20.3	20.3	37.2
	145.59	18	7.8	7.8	45.0
	162.63	38	16.5	16.5	61.5
	165.86	55	23.8	23.8	85.3
	178.60	21	9.1	9.1	94.4
	252.17	13	5.6	5.6	100.0
	Total	231	100.0	100.0	

Age in 2004

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - 1	49	21.2	23.1	23.1
	2 - 10	46	19.9	21.6	44.8
	11 - 20	71	30.7	33.5	78.3
	21+	46	20	21.7	100
	Total	212	91.8	100	
Missing	System	19	8.2		
Total		231	100		

QUANTITATIVE ANALYSIS & RESULTS

Using the variables named above, the statistical model produced somewhat unexpected results. The variable affecting the greatest change in price was the *number of bathrooms*. *Waterfront* was next, followed in descending order of influence by *garage*, *waterview* (which, by definition in this study, excludes “waterfront” properties), and *distance from Baltimore & Washington*. Variables that actually had a negative influence on price were *skiing only*, *age*, and *skiing & watersports*. Variables with no significant impact upon price were *number of bedrooms* and *family room*.

The regression for this analysis used “stepwise variable selection,” calculating a series of equations starting first with all variables excluded and then adding a single variable with each iteration. The variables were added in order of declining influence. If any variables from a previous step no longer had significance with the addition of the next variable, those previously significant variables would not be included. Stepwise variable selection would not necessarily result in the best model to predict “price,” but the method does examine the relationships between the variables and with price. As stated earlier, it is the relative influence of the independent variables that is the focus of this analysis.

The table below shows the excluded variables for eight calculations, with the first model using only the constant and the number of bathrooms, and each subsequent model adding the next most significant variable.

Excluded Variables ¹

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	No. of bedrooms	-.064 ^a	-.830	.408	-.057	.401
	Waterfront	.375 ^a	8.847	.000	.522	.955
	Avg of Balt & Wash distances	.241 ^a	5.080	.000	.331	.933
	Has a garage	.181 ^a	3.600	.000	.242	.879
	Has a family room	.110 ^a	2.086	.038	.143	.837
	Skiing and Watersports	.151 ^a	2.987	.003	.202	.887
	Age in 2004	-.053 ^a	-1.022	.308	-.071	.865
	Skiing only	-.124 ^a	-2.556	.011	-.174	.972
View of the water	.144 ^a	3.007	.003	.204	.987	
2	No. of bedrooms	-.090 ^b	-1.379	.169	-.095	.400
	Avg of Balt & Wash distances	.204 ^b	5.000	.000	.328	.924
	Has a garage	.228 ^b	5.468	.000	.354	.868
	Has a family room	.034 ^b	.730	.466	.051	.806
	Skiing and Watersports	.088 ^b	1.977	.049	.136	.862
	Age in 2004	-.170 ^b	-3.803	.000	-.255	.803
	Skiing only	-.079 ^b	-1.876	.062	-.129	.957
	View of the water	.195 ^b	4.898	.000	.322	.970
3	No. of bedrooms	-.037 ^c	-.598	.551	-.042	.390
	Avg of Balt & Wash distances	.200 ^c	5.247	.000	.343	.923
	Has a family room	.028 ^c	.639	.524	.044	.805
	Skiing and Watersports	.105 ^c	2.534	.012	.173	.857
	Age in 2004	-.156 ^c	-3.697	.000	-.249	.800
	Skiing only	-.089 ^c	-2.276	.024	-.156	.955
	View of the water	.239 ^c	6.562	.000	.415	.942
4	No. of bedrooms	-.053 ^d	-.939	.349	-.065	.389
	Avg of Balt & Wash distances	.172 ^d	4.875	.000	.322	.908
	Has a family room	.021 ^d	.527	.599	.037	.804
	Skiing and Watersports	.061 ^d	1.583	.115	.110	.829
	Age in 2004	-.143 ^d	-3.710	.000	-.250	.798
	Skiing only	-.060 ^d	-1.656	.099	-.115	.940
5	No. of bedrooms	-.035 ^e	-.647	.519	-.045	.387
	Has a family room	.044 ^e	1.173	.242	.082	.792
	Skiing and Watersports	.027 ^e	.708	.480	.049	.796
	Age in 2004	-.101 ^e	-2.640	.009	-.181	.743
	Skiing only	-.105 ^e	-2.998	.003	-.205	.890
6	No. of bedrooms	-.011 ^f	-.199	.843	-.014	.378
	Has a family room	.049 ^f	1.320	.188	.092	.791
	Skiing and Watersports	-.124 ^f	-2.267	.024	-.157	.357
	Age in 2004	-.102 ^f	-2.714	.007	-.187	.743
7	No. of bedrooms	.008 ^g	.159	.874	.011	.371
	Has a family room	.045 ^g	1.242	.216	.087	.790
	Skiing and Watersports	-.120 ^g	-2.239	.026	-.155	.357
8	No. of bedrooms	.005 ^h	.097	.923	.007	.371
	Has a family room	.033 ^h	.905	.367	.064	.769

- a. Predictors in the Model: (Constant), No. of bathrooms
- b. Predictors in the Model: (Constant), No. of bathrooms, Waterfront
- c. Predictors in the Model: (Constant), No. of bathrooms, Waterfront, Has a garage
- d. Predictors in the Model: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water
- e. Predictors in the Model: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water, Avg of Balt & Wash distances
- f. Predictors in the Model: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water, Avg of Balt & Wash distances, Skiing only
- g. Predictors in the Model: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water, Avg of Balt & Wash distances, Skiing only, Age in 2004
- h. Predictors in the Model: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water, Avg of Balt & Wash distances, Skiing only, Age in 2004, Skiing and Watersports
- i. Dependent Variable: LNPRICE

The Model Summary below shows the impact that each additional variable has on the model, measured by the largest increase in the R^2 value. With stepwise variable selection, variables are no longer entered into the model when the results stop generating a significant increase in R^2 . Thus, by the eighth model, adding the values for *bedroom* and *family room* do not significantly enhance the ability to predict the value of a resort home in this study.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.712 ^a	.507	.505	.42673	.507	216.317	1	210	.000
2	.801 ^b	.642	.638	.36485	.134	78.276	1	209	.000
3	.829 ^c	.687	.682	.34198	.045	29.895	1	208	.000
4	.861 ^d	.741	.736	.31189	.054	43.066	1	207	.000
5	.876 ^e	.767	.762	.29604	.027	23.765	1	206	.000
6	.882 ^f	.777	.771	.29046	.010	8.989	1	205	.003
7	.886 ^g	.785	.778	.28605	.008	7.365	1	204	.007
8	.889 ^h	.790	.782	.28328	.005	5.014	1	203	.026

a. Predictors: (Constant), No. of bathrooms

b. Predictors: (Constant), No. of bathrooms, Waterfront

c. Predictors: (Constant), No. of bathrooms, Waterfront, Has a garage

d. Predictors: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water

e. Predictors: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water, Avg of Balt & Wash distances

f. Predictors: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water, Avg of Balt & Wash distances, Skiing only

g. Predictors: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water, Avg of Balt & Wash distances, Skiing only, Age in 2004

h. Predictors: (Constant), No. of bathrooms, Waterfront, Has a garage, View of the water, Avg of Balt & Wash distances, Skiing only, Age in 2004, Skiing and Watersports

i. Dependent Variable: LNPRICE

Multiple regression does not reveal a cause-and-effect relationship between variables, but it does identify the correlation between the dependent variable and the independent variables. Results from the models also show the correlation between independent variables. In the table below, *bathrooms* again prove to have the highest positive correlation with *price*. Even stronger is the correlation between *bathrooms* and *bedrooms*, although bedrooms have a somewhat weaker correlation to *price*. In hedonic price models, both of these independent variables can be indicators of a home's quality. Given the nature of all housing – at least one bathroom and one bedroom, but usually not more than a few of each – the high correlation is predictable, and supported by this study's sample. But to positively influence price, the number of bedrooms needs to increase with the number of bathrooms. In general, variables associated with community amenities exhibited a weaker correlation with asking price than those variables associated with housing characteristics or distance from Baltimore and Washington.

Correlations

		Realtor's listed price	LNPRICE	Skiing only	Watersports only	Skiing and Watersports	No. of bedrooms	No. of bathrooms	Lot size in acres	Age in 2004	Has a garage	Has a family room	Waterfront	View of the water	Avg of Balt & Wash distances
Realtor's listed price	Pearson Correlation	1	.934**	-.234**	-.045	.341**	.544**	.706**	.021	-.249**	.333**	.390**	.559**	.189**	.303**
	Sig. (2-tailed)	.	.000	.000	.493	.000	.000	.000	.755	.000	.000	.000	.000	.004	.000
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
LNPRICE	Pearson Correlation	.934**	1	-.247**	-.037	.370**	.520**	.702**	.055	-.308**	.403**	.389**	.497**	.219**	.382**
	Sig. (2-tailed)	.000	.	.000	.576	.000	.000	.000	.416	.000	.000	.000	.000	.001	.000
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
Skiing only	Pearson Correlation	-.234**	-.247**	1	-.070	-.715**	-.059	-.165*	.080	-.024	-.009	-.103	-.157*	-.133*	.094
	Sig. (2-tailed)	.000	.000	.	.289	.000	.375	.012	.234	.727	.897	.118	.017	.044	.155
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
Watersports only	Pearson Correlation	-.045	-.037	-.070	1	-.226**	.013	-.016	.132*	.124	-.045	.018	-.049	-.042	-.172**
	Sig. (2-tailed)	.493	.576	.289	.	.001	.848	.806	.049	.071	.501	.783	.454	.526	.009
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
Skiing and Watersports	Pearson Correlation	.341**	.370**	-.715**	-.226**	1	.178**	.323**	-.072	-.115	.039	.058	.219**	.186**	.282**
	Sig. (2-tailed)	.000	.000	.000	.001	.	.007	.000	.283	.095	.560	.377	.001	.005	.000
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
No. of bedrooms	Pearson Correlation	.544**	.520**	-.059	.013	.178**	1	.765**	-.068	-.193**	.154*	.382**	.197**	.132*	.152*
	Sig. (2-tailed)	.000	.000	.375	.848	.007	.	.000	.312	.005	.019	.000	.003	.045	.021
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
No. of bathrooms	Pearson Correlation	.706**	.702**	-.165*	-.016	.323**	.765**	1	-.072	-.368**	.339**	.397**	.215**	.116	.221**
	Sig. (2-tailed)	.000	.000	.012	.806	.000	.000	.	.284	.000	.000	.000	.001	.078	.001
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
Lot size in acres	Pearson Correlation	.021	.055	.080	.132*	-.072	-.068	-.072	1	-.107	.124	.063	-.083	.049	.250**
	Sig. (2-tailed)	.755	.416	.234	.049	.283	.312	.284	.	.126	.064	.350	.216	.465	.000
	N	223	223	223	223	223	223	223	223	206	223	223	223	223	223
Age in 2004	Pearson Correlation	-.249**	-.308**	-.024	.124	-.115	-.193**	-.368**	-.107	1	-.208**	-.109	.164*	-.109	-.301**
	Sig. (2-tailed)	.000	.000	.727	.071	.095	.005	.000	.126	.	.002	.113	.017	.114	.000
	N	212	212	212	212	212	212	212	206	212	212	212	212	212	212
Has a garage	Pearson Correlation	.333**	.403**	-.009	-.045	.039	.154*	.339**	.124	-.208**	1	.154*	-.026	-.098	.046
	Sig. (2-tailed)	.000	.000	.897	.501	.560	.019	.000	.064	.002	.	.020	.690	.136	.491
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
Has a family room	Pearson Correlation	.390**	.389**	-.103	.018	.058	.382**	.397**	.063	-.109	.154*	1	.248**	.041	.011
	Sig. (2-tailed)	.000	.000	.118	.783	.377	.000	.000	.350	.113	.020	.	.000	.531	.868
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
Waterfront	Pearson Correlation	.559**	.497**	-.157*	-.049	.219**	.197**	.215**	-.083	.164*	-.026	.248**	1	-.094	.126
	Sig. (2-tailed)	.000	.000	.017	.454	.001	.003	.001	.216	.017	.690	.000	.	.156	.056
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
View of the water	Pearson Correlation	.189**	.219**	-.133*	-.042	.186**	.132*	.116	.049	-.109	-.098	.041	-.094	1	.109
	Sig. (2-tailed)	.004	.001	.044	.526	.005	.045	.078	.465	.114	.136	.531	.156	.	.099
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231
Avg of Balt & Wash distances	Pearson Correlation	.303**	.382**	.094	-.172**	.282**	.152*	.221**	.250**	-.301**	.046	.011	.126	.109	1
	Sig. (2-tailed)	.000	.000	.155	.009	.000	.021	.001	.000	.000	.491	.868	.056	.099	.
	N	231	231	231	231	231	231	231	223	212	231	231	231	231	231

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The following table shows the regression coefficients for the eight models. For all variables, the observed significance (“Sig.”) is less than 0.05, the threshold that limits inclusion of the variable in the model. A significance level higher than 0.05 for any independent variable would prevent that variable from entering the model. This validates the use of these variables in the statistical model.

The coefficient for a variable changes as other independent variables are added. With Model 1, *bathrooms* has a coefficient (“B”) of 0.378. The addition of other variables influences the coefficient. By Model 8, the coefficient changes to 0.226. *Waterfront*, when added in Model 2, has a coefficient of 0.729. The inclusion of subsequent variables does little to affect the relative value of this variable, whose coefficient remains above its first value in Model 2.

The variables listed in Model 8 show the declining influence of each independent variable upon price. *Bathrooms* correlated highest with price, followed by *waterfront*, then *garage*, *waterview* and *distance*. The variables *skiing*, *age*, and *skiing & water sports* had a negative correlation with asking price.

MULTIPLE REGRESSION RESULTS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	11.629	.076		152.448	.000	11.479	11.780
	No. of bathrooms	.378	.026	.712	14.708	.000	.327	.429
2	(Constant)	11.666	.065		178.507	.000	11.537	11.795
	No. of bathrooms	.336	.022	.633	14.931	.000	.291	.380
	Waterfront	.729	.082	.375	8.847	.000	.567	.892
3	(Constant)	11.684	.061		190.470	.000	11.563	11.805
	No. of bathrooms	.291	.023	.548	12.867	.000	.246	.336
	Waterfront	.777	.078	.400	9.995	.000	.624	.931
	Has a garage	.290	.053	.228	5.468	.000	.185	.395
4	(Constant)	11.687	.056		208.891	.000	11.576	11.797
	No. of bathrooms	.264	.021	.498	12.587	.000	.223	.306
	Waterfront	.848	.072	.436	11.824	.000	.707	.990
	Has a garage	.345	.049	.271	7.031	.000	.248	.442
	View of the water	.533	.081	.239	6.562	.000	.373	.694
5	(Constant)	11.376	.083		137.099	.000	11.212	11.539
	No. of bathrooms	.246	.020	.464	12.118	.000	.206	.286
	Waterfront	.807	.069	.415	11.764	.000	.672	.943
	Has a garage	.336	.047	.264	7.196	.000	.244	.428
	View of the water	.485	.078	.218	6.243	.000	.332	.639
	Avg of Balt & Wash distances	2.582E-03	.001	.172	4.875	.000	.002	.004
6	(Constant)	11.384	.081		139.755	.000	11.223	11.545
	No. of bathrooms	.236	.020	.445	11.690	.000	.196	.276
	Waterfront	.773	.068	.397	11.318	.000	.638	.908
	Has a garage	.338	.046	.265	7.382	.000	.248	.428
	View of the water	.449	.077	.201	5.807	.000	.296	.601
	Avg of Balt & Wash distances	2.952E-03	.001	.196	5.526	.000	.002	.004
	Skiing only	-.171	.057	-.105	-2.998	.003	-.283	-.058
7	(Constant)	11.555	.102		113.209	.000	11.354	11.756
	No. of bathrooms	.218	.021	.410	10.354	.000	.176	.259
	Waterfront	.827	.070	.425	11.792	.000	.688	.965
	Has a garage	.330	.045	.259	7.309	.000	.241	.419
	View of the water	.445	.076	.200	5.842	.000	.295	.595
	Avg of Balt & Wash distances	2.575E-03	.001	.171	4.733	.000	.002	.004
	Skiing only	-.172	.056	-.105	-3.062	.002	-.282	-.061
	Age in 2004	-5.20E-03	.002	-.102	-2.714	.007	-.009	-.001
8	(Constant)	11.572	.101		114.172	.000	11.372	11.772
	No. of bathrooms	.226	.021	.426	10.688	.000	.184	.268
	Waterfront	.835	.070	.429	12.010	.000	.698	.972
	Has a garage	.325	.045	.255	7.241	.000	.236	.413
	View of the water	.455	.076	.204	6.028	.000	.306	.604
	Avg of Balt & Wash distances	3.223E-03	.001	.214	5.270	.000	.002	.004
	Skiing only	-.310	.083	-.190	-3.734	.000	-.473	-.146
	Age in 2004	-5.10E-03	.002	-.100	-2.689	.008	-.009	-.001
Skiing and Watersports	-.159	.071	-.120	-2.239	.026	-.300	-.019	

^a. Dependent Variable: LNPRICE

Clearly, the results indicate that particular characteristics of a home influence price more than the amenities a resort community offers. Several factors could be the cause of such a poor showing on the part of recreational facilities. First, single family detached homes in most of the communities are not located immediately adjacent to facilities such as skiing. In Deep Creek Lake, where many houses abut waterfront, values were significantly higher – and the multiple regression model confirmed this. Next, the homogenous nature of community amenities did not allow for greater analysis of the influence of an assortment of recreational activities. In essence, each resort offered much of the same, likely the result of consumer preferences over the course of years.

When skiing was not paired with water-related amenities, the correlation between *price* and *skiing only* was negative. This occurred in two communities, Carroll Valley and Snowshoe Mountain. Despite marketing that promotes “four seasons” of recreation, these resorts have few warm weather activities and no opportunity for construction of single family detached homes on a waterfront or with a water view. That even the combined variable *skiing & watersports* had a negative correlation with price reinforces the positive relationship between housing characteristics and price. Buyers might enjoy the diversions associated with a lake in their community, but when buying a second home, *waterfront* and *waterview* properties command higher prices.

Distance from Baltimore and Washington had only a minor influence. Since all the communities are within driving distance of the metropolitan area, this result is not entirely unexpected.

That individual property characteristics affected price more than the other variables follows logically. If resorts are nearly interchangeable in the amenities provided, and distances for all communities are within acceptable limits for most drivers, then the individual features of a vacation home would matter most to the buyer. The number of bathrooms traditionally reflects on the overall quality of a home, and here, it generated the greatest influence. That the number of bedrooms did not contribute significant influence is surprising, but since the overwhelming majority of homes in the sample had three or four bedrooms, the correlation between price and bedrooms would not consistently predict a positive or negative linear relationship.

CONCLUSION

Many authors have applied the hedonic price model to a wide variety of circumstances associated with housing values. The technique has determined the influence on price of proximity to race-segregated neighborhoods, freight railroad tracks, higher density residential properties, manufactured housing, and open spaces, to name a few. Others have examined the model's accuracy in predicting home values across neighborhoods, cities, and even larger areas. In this study, characteristics of the immediate community were evaluated with those of individual units to predict the relative impact that the identified variables have upon price.

Comparing properties within and among existing resorts in the Blue Ridge and Allegheny Mountains west of Baltimore and Washington generates a method to predict single family detached home prices if a developer built homes at the former U.S. Army base, Fort Ritchie, and the process reveals the apparent impact that specific resort amenities and housing characteristics will have on home prices, and questions the importance of destination-related tourism facilities, such as skiing.

With this information, investors and local officials have a better understanding of the relative importance of recreational facilities in resort communities – an understanding that can lead to better decision-making in the commitment of private and public funding.

At PenMar, recent discussions between county officials, Pen Mar board members and an investor have focused on just these issues. One concept plan calls for eliminating the existing golf course, which would become larger residential lots, and establishing a small office park on the waterfront. The parties have taken opposing stances on construction and ownership of recreational facilities. And none have pursued a market analysis to determine the demand for residential or commercial properties in the area.

The results of this study suggest that the investor and the county government can realize higher home values and real property tax revenue, respectively, by modifying the site design and enhancing the characteristics of proposed housing. Relocating existing roads and common areas, and demolition of service buildings and military housing can maximize the acreage available for lots with waterfront and water view. Areas previously dismissed as too steep for denser development might accommodate larger parcels for luxury housing with a view of the lakes. The study does not support investment in skiing and recreational water-related facilities.

As redevelopment of the base proceeds, the Pen Mar board and/or a master developer will likely sell large portions of the base to other developers. Whether through Requests for Proposals issued by the non-profit, or via private negotiations, the seller should try to control general characteristics of future housing since this would have a greater influence on prices rather than investment in resort-style amenities.

Further analysis would likely reveal more information regarding vacation communities. Expanding the sample to include more resorts, and calculations based on “selling price” rather than “asking price” are two methods to improve the study. To predict anticipated values, rather than exploring the relative importance of property and resort characteristics, analyzing the data with the method of seemingly unrelated regression would be more applicable. A technique to measure the impact of golf courses on prices would be of particular relevance to Fort Ritchie.

Examination of multifamily homes would add another dimension to our understanding. Perhaps it is the dynamics of the multifamily market that influenced this author’s original expectations that resort amenities would influence value more than other variables. Condominium buyers have expectations of earning income from their properties. The short-term renters of condominiums have expectations that their vacation destination will offer significant recreational diversions.

Tourism has become an important part of the economic development strategies for the mountainous jurisdictions west of Washington and Baltimore. Rocky Gap Lodge & Golf Resort illustrates the degree of public support resort facilities have in the area. The state-owned lodge and golf course have not stimulated the private investment originally envisioned by supporters.

Results of this analysis could assist the public sector in determining the following when evaluating policies associates with funding, tax incentives, and capital improvements contributions:

- Amenities necessary in government supported projects.
- Impact upon property tax revenues, public services expenditures and housing prices.
- Strategies to redevelop towns such as Hancock, Maryland, and Keyser, West Virginia.

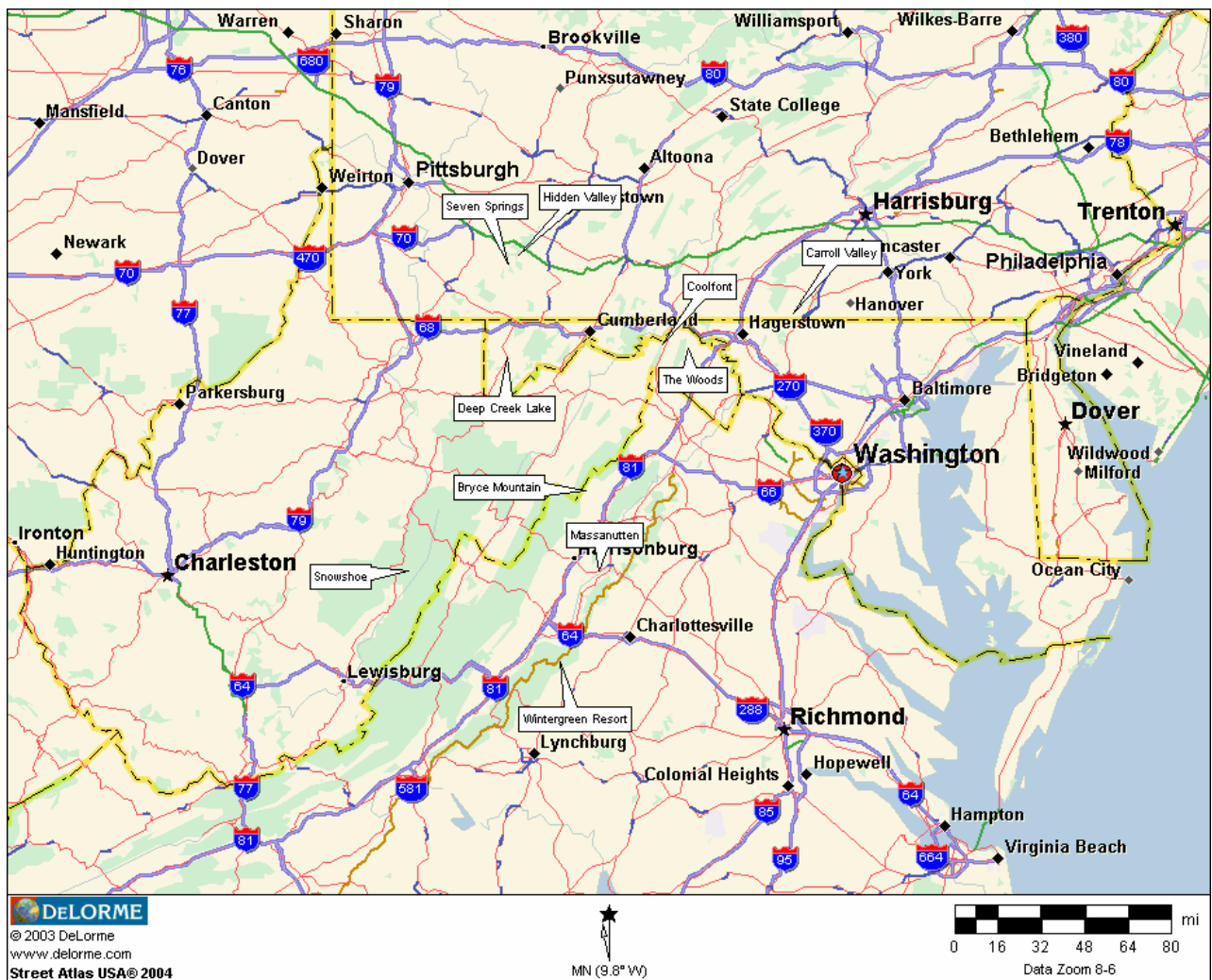
- Site evaluation and approval of proposed resort communities.
- Feasibility analysis of private development communities.

Using Deep Creek Lake, the community with the highest median home prices, as an example – and disregarding environmental concerns - is it better for state government to build accommodations and recreational facilities, or to build a dam?

Appendix

THE RESORT COMMUNITIES

Scattered across the mountains and valleys west of Baltimore and Washington, the resorts included here provide a mix of historic destinations and modern developments. One community, Berkeley Springs, West Virginia, has attracted visitors since before colonial America. Others, such as Snowshoe, are a contemporary invention – developments which exploit natural characteristics of a location, including climate and topography.



And while each area has its unique traits, single family detached homes often share similar characteristics, extending to ubiquitous “vacation” architecture – contemporary structures with wood siding, on heavily wooded lots. However, median price varied from a low of under \$200,000 to a high in excess of \$500,000, begging the question: which variables have the greatest impact on the price of vacation homes?

Community	Home Price				Bedrooms		Baths		Lot Size	
	Median	Average	Range		Median	Average	Median	Average	Median	Average
Bryce Resort, VA	180,000	241,864	99,900	1,250,000	3	3	2	2.5	0.44	0.64
Carroll Valley, PA	219,900	220,262	124,900	369,500	3	3	2	2.4	0.58	0.73
Coolfont, WV	245,000	298,560	183,000	575,000	3	4	2	2.6	0.58	2.67
Deep Creek Lake, MD	524,900	624,411	181,800	1,800,000	4	4	3	3.4	0.78	1.11
Hidden Valley, PA	373,750	417,456	124,900	775,000	4	4	3.5	3.4	0.52	0.53
Massanutten, VA	209,950	211,872	135,500	325,000	4	4	2	2.4	0.28	0.63
Seven Springs, PA	225,000	331,080	124,500	749,000	3	3	2	2.4	1.20	1.33
Snowshoe, WV	254,000	388,357	140,000	1,300,000	3	4	2	2.8	2.34	3.12
Wintergreen, VA	404,750	450,568	245,000	899,000	3	3	2.5	2.8	0.93	1.66
The Woods, WV	239,900	217,670	119,000	319,900	3	3	2	1.8	0.88	0.91

THE WOODS RESORT, HEDGESVILLE, WEST VIRGINIA

The combination of two great golf courses and outstanding lodging, dining and recreational facilities, all at affordable prices and within easy freeway access from Mid-Atlantic metropolitan areas, makes The Woods one of the most popular resort destinations in the Mountain State.¹

-Golf West Virginia Magazine

Located in West Virginia's Eastern Panhandle, The Woods is a self-described "affordable mountain resort." This 1800 acre community includes single family detached homes as well as condominiums and hotel-style lodge accommodations. Since its establishment in 1976, "The Woods today has grown to include deluxe accommodations, an outstanding restaurant, year-round recreation, a conference center for groups of up to 100, thirty-six holes of golf, and nearly 1000 vacation, retirement and primary homes -- most with great views of fairways, ponds and mountains or sited on heavily wooded homesites."²

The resort's marketing does not portray the overall character of Berkeley County. Bisected by Interstate 81, the county has attracted manufacturing and distribution facilities. General Motors, Quebecor Printing, DuPont, Guardian Fiberglass, Ecolab, and World Kitchen are among the list of local employers.³ Major federal government facilities include a Veterans Administration hospital, a national Internal Revenue Service computing center, and the Coast Guard Operations System Center. And commuter rail service via MARC, Maryland's commuter rail system, has joined the area to the Washington job market, opening a new frontier for home builders. Average county unemployment in 2003 was 4.7% versus a statewide average of 6.1%.⁴ Population density per square mile is 236.4.⁵

¹ <http://golfwvva.com/woods.html> Retrieved December 16, 2004.

² <http://www.thewoodsresort.com/index.html>. Retrieved October 26, 2004.

³ <http://www.developmentauthority.com/industry.htm> Retrieved October 26, 2004.

⁴ <http://www.wvbep.org/scripts/bep/lmi/cntyform2.cfm?SelectCnty=West%20Virginia> Retrieved October 26, 2004.

⁵ http://factfinder.census.gov/servlet/GCT*Table?_bm=y&-context=gct&-ds_name=DEC_2000_SF1_U&-mt_name=DEC_2000_SF1_U_GCTPH1_CO2&-CONTEXT=gct&-tree_id=4001&-geo_id=05000US54003&-format=CO-2&-lang=en Retrieved October 26, 2004.

Amenities at the resort scarcely distinguish it from suburban residential subdivisions closer to Baltimore and Washington. Golf, swimming, dining, tennis and spa services encompass the small offering of activities. Skiing and boating facilities are not available. The community's average elevation is 600 feet, hardly a mountain setting.⁶ For visitors, the resort offers a reservations service, taking requests for the lodge rooms as well as rentals of privately owned vacation homes.⁷

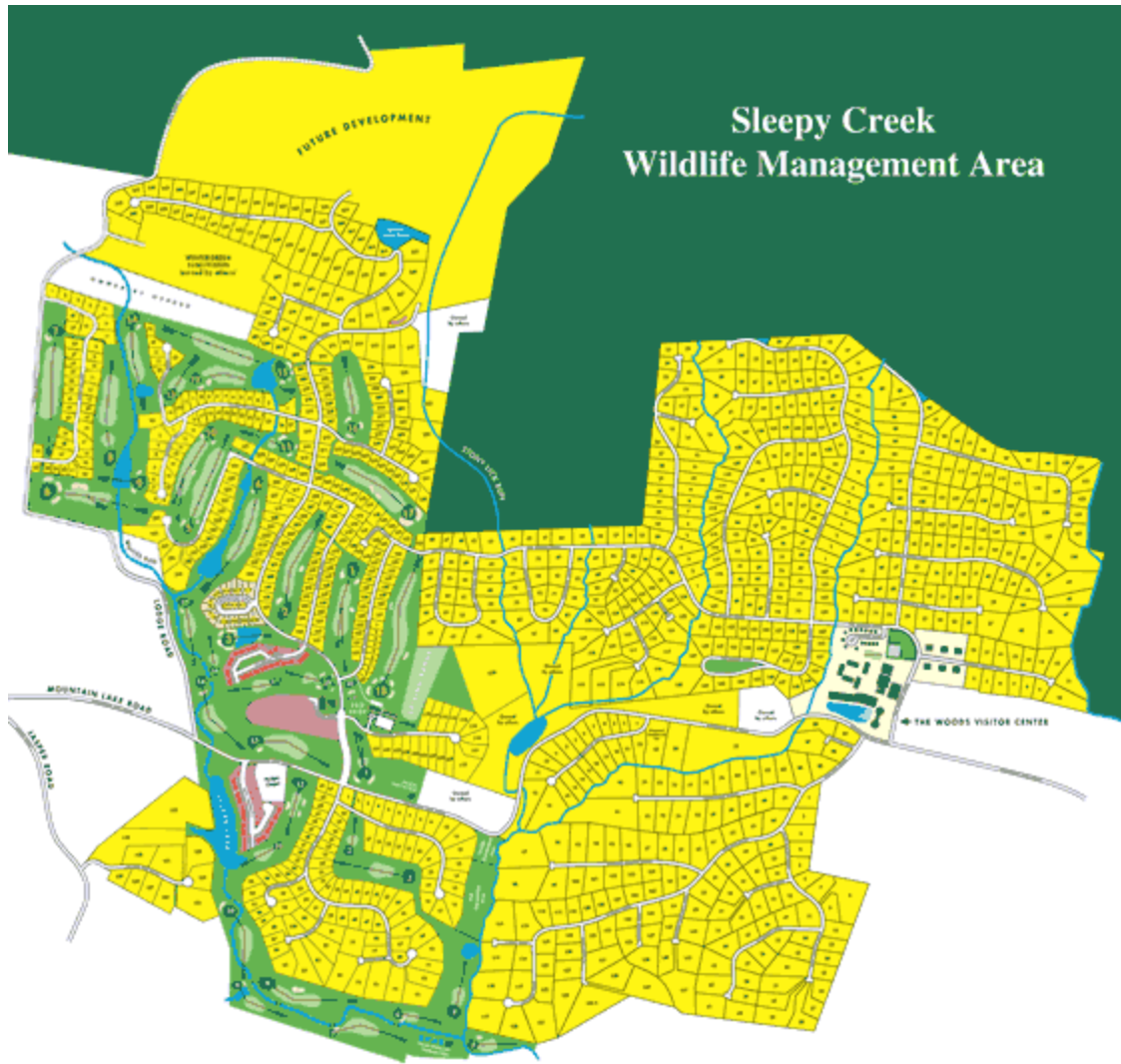
Most single family detached housing shares a common "vacation" style. Homes have exteriors of cedar siding and sales listings refer to a "chalet" style. The average age of homes currently listed for sale is 18 years, with three bedrooms and two baths on just under one-acre lots. No listings indicated a "waterview" or "waterfront" location.⁸ Most homes are surrounded by heavily wooded lots. More dense housing, townhouses and condominiums, enjoy locations adjacent to golf courses and ponds.⁹ The location, in the Sleepy Creek Mountains less than 90 miles from the Baltimore and Washington beltways, makes The Woods the second closest resort in this analysis.

⁶ <http://www.topozone.com/map.asp?z=17&n=4381540.99946715&e=754265.000314495&datum=nad83&u=5>
Retrieved October 26, 2004.

⁷ <http://www.thewoodsresort.com/reservations.html> Retrieved October 26, 2004.

⁸ www.realtor.com Retrieved October 12, 2004.

⁹ <http://www.thewoodsresort.com/widearea.html#> Retrieved October 26, 2004.



BRYCE RESORT, BAYSE, VIRGINIA

Escape to beautiful Bryce Resort in the mountains of western Virginia! Just a 2-hour drive from the Washington, DC, metro area, Bryce Resort is the Shenandoah Valley's hidden gem, a gorgeous little valley within a valley. City folks have been coming here for decades to ski, golf, hike, swim, and boat—and, most of all, relax.¹⁰

-Bryce Resort web site

Forty-two years after the Federal cavalry wrested control of the Shenandoah Valley from the Confederate Army, Bryce's Mountain Resort was established as a summer retreat on the east face of Great North Mountain in the Alleghenies. By the 1960s, skiing facilities opened and the community became a year round destination.¹¹ Now, the 400 acre Bryce Resort offers visitors and residents a choice of accommodations, including condominiums, townhouses and single family detached homes,.

Rural Shenandoah County has no large cities, although Interstate 81 bisects the jurisdiction. Per the 2000 U.S. Census, population density was just 68.5 people per square mile with a total of 35,075. Strasburg, the largest of the county's six towns, had a population 4017 residents.¹² Nineteen businesses employed 100 or more workers, as of 2001.¹³

Bryce Resort offers "member's only" privileges to its numerous amenities, but the non-stock corporation does not limit use of the facilities to members, and non-residents can join. The public has fee-based admission to golf, snow sports, and lake access. Members enjoy discounts to the above and additional facilities for tennis and swimming.¹⁴ For visitors, private real estate companies handle lodging reservations. The high elevation averages 1400 feet.¹⁵ Though not the

¹⁰ <http://www.bryceresort.com/> Retrieved October 29, 2004

¹¹ <http://www.bryceresort.com/about.html> Retrieved October 29, 2004.

¹² http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=04000US51&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-redoLog=false&-format=ST-2&-mt_name=DEC_2000_SF1_U_GCTPH1R_US9S&-_sse=on

¹³ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl> Retrieved October 29, 2004.

¹⁴ <http://www.bryceresort.com/membership.html> Retrieved October 29, 2004.

¹⁵ <http://www.topozone.com/map.asp?z=17&n=4297060&e=691871&s=50&size=m&datum=nad83&layer=DRG25> Retrieved October 29, 2004.

Rocky Mountains, Bryce exploits its mountain setting, including homes perched on steep lots overlooking the development's narrow valley.



Bryce Resort: Median home, closest match.

SOURCE: www.realtor.com

Most single family homes listed for sale share the “vacation” design: wood siding on an A-frame or cabin style. Active listings for homes for sale in October 2004 had a median age of 16 years, with three bedrooms and two baths on a lot of less than half an acre. Only six percent had a waterfront or waterview. Again, most homes were on heavily wooded lots.¹⁶



Lake Laura, Bryce Resort

SOURCE: <http://www.bryceresort.com/s-activities.html#lakelaura>

¹⁶ www.realtor.com Retrieved October 13, 2004.

WINTERGREEN RESORT, WINTERGREEN, VIRGINIA

At Wintergreen, lifestyle comes first! Wintergreen is a member-owned community unparalleled in its magnificence, diversity and spirit. Long-time residents and newcomers alike cherish owning a piece of this unspoiled environment, finding pleasure in the many sports, outdoor recreation, children's activities, and cultural events.¹⁷

-Wintergreen Resort web site

In 1969, Hurricane Camille caused extensive damage in rural Nelson County, killing 121 residents and destroying whole communities,¹⁸ but since the 1972 establishment of Wintergreen,¹⁹ the resort has become a local economic powerhouse. The 11,000-acre community includes 6000 acres of wilderness preserve²⁰. Accommodations vary from condominiums to single family detached homes.

Unlike some of the jurisdictions in this study, Nelson County is truly rural. The county's land area covers 472 square miles, extending from the eastern border at the James River to the western border in the Blue Ridge Mountains.²¹ With elevations ranging from 300 to 4000 feet²², the picturesque region has a population density of only 30.6 people per square mile.²³ The largest industries (based on employment) are *Arts, Entertainment & Recreation* and *Accommodation & Food Services*.²⁴ Wintergreen Resort is the largest private employer.²⁵ Despite the small population the location does benefit from its proximity to other modest sized cities, including Charlottesville and Lynchburg, and access via Interstate 64, and US Routes 29 and 60.

¹⁷ http://www.wintergreenresort.com/membership/real_estate.asp

¹⁸ <http://www.disasterrelief.org/Disasters/990816Camille/>

¹⁹ <http://www.nelsoncounty.com/community/overview>

²⁰ http://areas.wildernet.com/pages/area.cfm?areaID=VASKWR&CU_ID=1

²¹ <http://www.nelsoncounty.com/community/overview>

²² <http://www.nelsoncounty.com/community/overview>

²³ http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=04000US51&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-redoLog=false&-format=ST-2&-mt_name=DEC_2000_SF1_U_GCTPH1R_US9S&-_sse=on

²⁴ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

²⁵ <http://www.nelsoncounty.com/business/existingbusinesses>

Wintergreen offers a full spectrum of activities for owners and guests, including skiing, golf, water and adventure sports, horseback riding, children’s activities, spa and fitness programs, and six restaurants. National tennis publications rank the tennis facilities among the country’s best.²⁶ The Wintergreen Nature Foundation maintains local trails and promotes “the understanding, appreciation and conservation of the natural resources of the Blue Ridge mountains of central Virginia” through educational programs and research, thus expanding the recreational mission of the resort.²⁷ Steep topography rises to 3850 feet. A central reservations system has standardized rates for accommodations ranging from studio condominiums to seven bedroom homes.

Again, the single family homes listed for sale share the “vacation” style, although newer construction tends to resemble traditional suburban homes. The median home listed in October 2004 was built in 1998, with three bedrooms and 2.5 baths on a lot of just under one acre. Thirteen percent of those listed had a waterview. Although some single family homes have golf course views, the higher density housing enjoys the premier viewscape opportunities.



Wintergreen Resort: Median home, closest match

SOURCE: www.realtor.com

²⁶ <http://www.wintergreenresort.com/tennis/index.asp>

²⁷ http://www.wintergreenresort.com/activities/nature_foundation.asp

MASSANUTTEN RESORT, MCGAHEYSVILLE, VIRGINIA

At Massanutten, our experience from 30 years of operation ensures you and your family will have a day - or whole vacation - filled with fun. Everyone here works hard so that no matter how you prefer your fun, we can provide it.

Make your plans now to visit Massanutten. Discover the resort that's mountains of fun.²⁸

-Massanutten Resort web site

Today's Massanutten Resort began in 1971 and has evolved into a 5200 acre complex that includes 600 single family homes, 900 timeshare units and a hotel, but investors recognized the location's potential in the 19th century. Back then, Rockingham Springs opened in 1875, a second home community targeting the Baltimore, Washington and Richmond markets and promoting the healthful country lifestyle and "restorative powers" of five natural springs. Guests came for the waters, but also enjoyed other spa-related activities, including croquet, jousting, horseback riding, hunting, fishing, hiking, and Sunday religious services.

Rockingham County has evolved as well. Twenty-eight companies employed 100 or more workers as of 2001.²⁹ Major employers include R.R. Donnelley & Sons, Tenneco Automotive, Inc., Tyson Foods, James Madison University and Marshalls Distribution Center, supported by a transportation infrastructure that includes Interstate 81 and three railroads.³⁰ The county extends from the Blue Ridge Mountains on the east to the Allegheny Mountains in the west. With a land area of 851 square miles, population density is 79.9 people per square mile.³¹ The City of Harrisonburg, nine miles from Massanutten, serves as the county seat and center of economic activity.

Modern day Massanutten has faced its own challenges. Originally a joint venture between local investors and Del E. Webb Corporation, new owners acquired the project in 1977 and

²⁸ <http://www.massresort.com/2003/Resort/index.htm>

²⁹ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

³⁰ <http://virginiascan.yesvirginia.org/thePDF.asp?PDFCode=184>

³¹ http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=04000US51&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-redoLog=false&-format=ST-7&-mt_name=DEC_2000_SF1_U_GCTPH1_CO2&-_sse=on

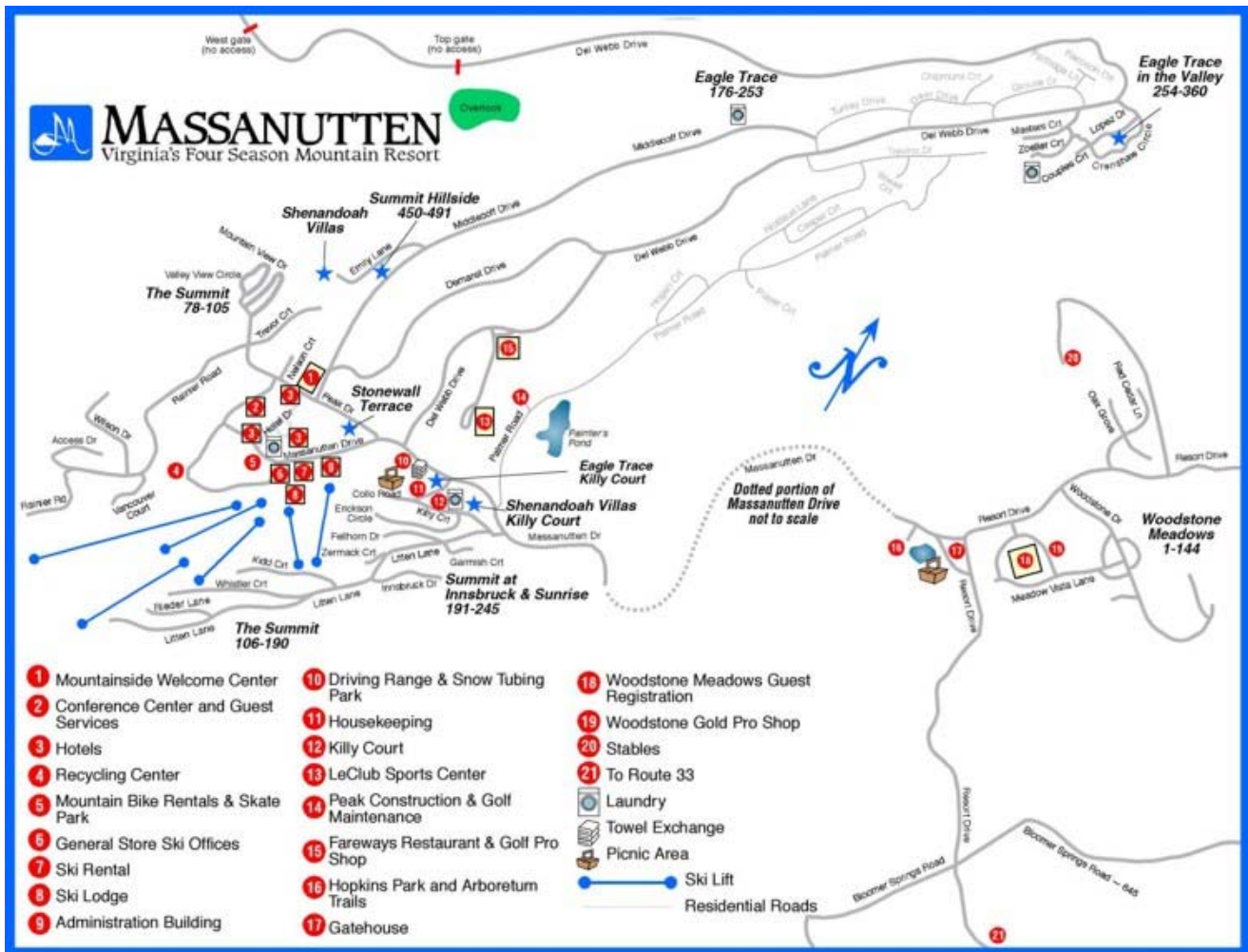
established a timeshare program. Bankruptcy followed, and in 1984, the next new owner began construction of projects identified in the bankruptcy settlement. Now, Massanutten offers snow sports (Skiing, tubing, boarding), golf, swimming, tennis, spa, adventure sports, dining, and scheduled events. An indoor/outdoor water park will open in 2005. The Massanutten Property Owners Association provides common services to property owners, including road maintenance, police, grounds maintenance and rental services of homes and private condominiums. Great Eastern Resort Management manages skiing facilities, hotel and timeshare units.

Single family detached homes listed for sale in the first week of November 2004 had a median age of 19 years, with four bedrooms and two baths on less than a third of an acre. “Contemporary” was the style mentioned most often, and photographs confirm a similarity with the “cottage” or “chalet” named at the other resorts. Most homes were on wooded lots; none on a waterfront or with a waterview.



Massunten Resort: Median home, closest match

SOURCE: www.realtor.com



SOURCE: <http://www.massresort.com/2003/Resort/maps.htm>

SNOWSHOE MOUNTAIN SKI RESORT, SNOWSHOE, WEST VIRGINIA

At 4,848' elevation, life in the Allegheny Mountains of West Virginia is a bit different. Forests of snow-laden fir and spruce trees provide a distinctly alpine feel. Snowfall is plentiful and consistent. For what Mother Nature doesn't supply, the resort's powerful snowmaking system, coupled with one of the colder climates in the East, ensures there's always plenty of the white stuff up here. And with 57 slopes and trails and 1,500' vertical drop - more than any other resort in the Southeast - the skiing and riding is as endless as the views.³²

-Snowshoe Mountain web site

Skiing is king at Snowshoe. The resort has added year-round activities, but it is the snow (natural and manmade) that attracts the crowds. *Ski Magazine* ranked Snowshoe as the top ski resort in the Mid-Atlantic and Southeast in 2004. The resort's own media releases refer to "Northern exposure with Southern hospitality."³³ And with 11,000 acres,³⁴ hotel, condominiums, townhouses, cabins and chalets,³⁵ 2100 condominium and lodge units, and 21 restaurants³⁶ this 31 year old resort is among the largest in the region.³⁷

The central Allegheny Highlands, called the "roof of West Virginia," offer an alpine climate in lands protected by state and national parks and forests.³⁸ Past state slogans of "Almost Heaven" and "Wild, Wonderful West Virginia" epitomize this especially remote part of a generally rural state. The county's land area of 940 square miles supports a population density of 9.7 people per square mile.³⁹ With no interstate highway, US Routes 219 and 250 provide the major road access. Only three non-government employers have 100 or more workers, and *Accommodation & Food Services* account for the only industry with an establishment that retains

³² <http://www.snowshoemtn.com/themountain.html>

³³ http://www.snowshoemtn.com/media_kit/m_k_welcome.html

³⁴ <http://www.snowshoemountainhomes.com/>

³⁵ <http://www.snowshoemtn.com/lodging.html>

³⁶ <http://www.snowshoemtn.com/aboutus.html>

³⁷ <http://www.wvs.state.wv.us/travelwv/ops/snowshoe.htm>

³⁸ <http://www.wvexplorer.com/potomac-highlands/Central/parks/default.asp>

³⁹ http://factfinder.census.gov/servlet/GCITTable?_bm=y&-geo_id=05000US54075&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-format=CO-2&-_sse=on

1000+ workers.⁴⁰ Snowshoe Resort is credited with much of the job creation in a region where the Monongahela National Forest prevents development of 900,000 acres.

Founded in 1974, Snowshoe has had a variety of owners, but with Intrawest Corporation's acquisition in 1995, the ski, lodging and other recreation facilities have benefited from an influx of new investment.⁴¹ The corporation's strategy has included off-slope attractions with a "village" that offers dining (more than 17 eateries), shopping, and night time entertainment. Amenities include golf, tennis, swimming, fly fishing, horseback riding, children's activities, and adventure sports. A corporate operated reservations service handles on and off site reservations, as single family homes are actually located in adjacent developments.



SOURCE: http://groups.snowshoemtn.com/04_team.html

Single family homes listed for sale share the "vacation" style, and even the newer construction has stayed with the genre. The median home listed in October 2004 was built recently, with three bedrooms and 2 baths on a large lot of almost 2.5 acres. None of those listed had a waterview. The higher density housing, condominium and townhouse, benefit from access to the ski slopes and views of the mountainsides.

⁴⁰ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

⁴¹ <http://www.wvs.state.wv.us/travelwv/ops/snowshoe.htm>

SEVEN SPRINGS AND HIDDEN VALLEY, CHAMPION, PENNSYLVANIA

*Yes, it sounds more like a brand of bottled water. And, yes, it's probably the most obscure resort in the Top 20. But Seven Springs may do more with less than any other resort in the East.*⁴²

-*"Ski" Magazine*

*This Pennsylvania family resort is only an hour from Pittsburgh Pennsylvania and 3 hours from Washington DC. Hidden Valley has some of the best vacation resort real estate in the country.*⁴³

-*Hidden Valley Resort web site*

Pennsylvania's 33 ski areas offer skiers a choice of facilities, and nestled in the Laurel Highlands, two resorts have entertained tourists for decades.⁴⁴ Seven Springs opened in 1935⁴⁵ and now touts a main lodge that "sprawls a half-mile long and more closely resembles a stationary cruise ship than a mountain retreat."⁴⁶ Nearby, Hidden Valley opened in 1956. Even with its own ski area, Hidden Valley promotes its proximity to Seven Springs. For this analysis, single family homes adjacent to both resorts were combined for the variables associated with resort amenities and distance from metropolitan areas.

Located in the southwestern corner of Pennsylvania, the Laurel Highlands have a storied past. The town of Berlin celebrates the Whiskey Rebellion of 1794⁴⁷ and much of the tourism marketing focuses on the area's rugged beauty. Historic battlefields from the French and Indian War, numerous covered bridges, and more modern attractions, including Frank Lloyd Wright's Fallingwater, round out the various activities listed by the local convention and visitor's bureau.

⁴² http://www.skimag.com/skimag/resort_guide/resort_details/0,15194,814002,00.html

⁴³ <http://www.hiddenvalleysort.com/>

⁴⁴ <http://www.visitpa.com/visitpa/thingsToDo.do?area=Outdoors&name=Skiing+%26+Winter+Sports>

⁴⁵ <http://www.onthesnow.com/PA/173>

⁴⁶ http://www.skimag.com/skimag/resort_guide/resort_details/0,15194,814002,00.html

⁴⁷ <http://www.somersetcentypachamber.org/Galleries/whiskey/whiskey.htm>

In recent history, on September 11, 2001, Somerset County made international news when United Airlines flight 93 crashed outside of Shanksville.⁴⁸

But unlike some communities in this analysis, Somerset County has a diversified economy. *Manufacturing* is the largest employer, followed by *Retail* and *Health Care/Social Assistance*. Thirty-five establishments employ 100 or more workers.⁴⁹ Interstate 70/76, the Pennsylvania Turnpike, bisects the county, which has a land area of 1,085 square miles and a population density of 74.5 people per square mile. Elevations range from 1,040 feet in Southampton Township, to the 3,213 feet of Mount Davis, Pennsylvania's highest point.⁵⁰

Seven Springs and Hidden Valley promote the usual mix of amenities: skiing, golf, swimming, tennis, mountain biking, spas and fitness centers, fishing and conference centers, to name a few. With 6000 acres and an elevation of 2990 feet, Seven Springs has accommodations ranging from the main lodge to condominiums, cabins, and chalets, and entertainment that includes restaurants, a roller rink, bowling and concerts. Hidden Valley's 2000 acres and smaller facilities attract smaller crowds. As one online critic wrote, "After recently visiting a very crowded Seven Springs, I know why I own real estate at Hidden Valley."⁵¹



Seven Springs, Pennsylvania (hotel)

SOURCE: http://www.7springs.com/lodging_winterhotel.shtml

⁴⁸ <http://americanhistory.si.edu/september11/collection/record.asp?ID=94>

⁴⁹ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

⁵⁰ <http://www.co.somerset.pa.us/HSC.htm>

⁵¹ http://www.dcski.com/articles/view_article.php?article_id=284&mode=headlines

Listings for single family detached homes in both communities described the majority of the properties as “chalet” or “contemporary” in style. The median home at Seven Springs had an asking price of \$225,000, with three bedrooms and two baths, on 1.2 acres. At Hidden Valley, the median asking price was \$373,750, with four bedrooms and 3.5 baths on half an acre. Despite the difference between median price and size, the two areas had a similar range: \$124,500 - \$749,000 for Seven Springs, and \$124,900 - \$775,000 for Hidden Valley, where three times as many properties were for sale. No listings indicated a waterview or waterfront. Private real estate offices handle most house rentals for both resorts.



Hidden Valley: Median home, closest match.

SOURCE: www.realtor.com

DEEP CREEK LAKE, MCHENRY, MARYLAND

Deep Creek Lake in Western Maryland is unparalleled in its year-round beauty. Just a few scenic hours from Washington, Baltimore, Pittsburgh, Morgantown and other points in Maryland, Ohio, Pennsylvania, Virginia and West Virginia, the Deep Creek Lake resort area is a million miles from stress.⁵²

-“Deep Creek Hospitality” web site

In the 1920's, the Youghiogheny Hydroelectric Company built a rockwall dam across Deep Creek, a tributary of the Youghiogheny River.⁵³ The result: 3900-acre Deep Creek Lake with 65 miles of shoreline. Nestled in the Allegheny Mountains, 2466 feet above sea level, with mountain peaks in excess of 3000 surrounding the lake,⁵⁴ the resort destination now includes multiple small towns, a ski area, and 76,000 acres of publicly owned land.⁵⁵ For this analysis, a single zip code, Sang Run, was chosen for its proximity to Wisp Mountain Resort and the lake. The area offers a full complement of activities: skiing, golf, boating, fishing, spa, tennis, swimming.⁵⁶



Deep Creek Lake, Maryland

SOURCE: <http://www.realtor.com/>

⁵² http://www.deepcreekhospitality.com/deep_creek_lake.asp

⁵³ <http://www.recreation.gov/detail.cfm?ID=2507>

⁵⁴ http://www.deepcreekhospitality.com/deep_creek_lake.asp

⁵⁵ <http://www.gcedonline.com/region/index.jsp>

⁵⁶ <http://www.wispresort.com/>

Located in the far northwest corner of Maryland, Garrett County borders Pennsylvania at the north, and West Virginia to the south and west. The county's land area of 647.96 square miles⁵⁷ is mostly mountainous, with the highest peak reaching 3360 feet above sea level.⁵⁸ According to the 2000 Census, the largest of the county's eight towns has a population of 2248. Six towns have fewer than 650 people.⁵⁹ Highway access to Garrett County improved significantly in 1991 with the opening of Interstate 68, a construction project that spread over 28 years and cost an estimated \$481 million.⁶⁰

The local economy, when evaluated based upon employment by industry sector, shows a diverse mixture, with *Retail Trade* reported as the largest sector, followed in descending order by *Health Care/Social Assistance*, *Manufacturing*, and *Accommodation & Food Services*. Thirteen establishments have 100+ employees.⁶¹ But the residential market has a greater impact than those statistics imply. As the Chamber of Commerce reports, "Homeownership, second-home homeownership and investment property continue to push up the land cost and new construction starts at record rates. The local court clerk recently shared that the amount of transfer tax he turned over to local government tripled in a year's time."⁶² Despite rapid construction growth, population density is 46.1 people per square miles, the least of any Maryland county.⁶³

⁵⁷ http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=04000US24&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-redoLog=false&-format=ST-2&-mt_name=DEC_2000_SF1_U_GCTPH1_CO2&-_sse=on

⁵⁸ <http://www.marylandtheseventhstate.com/article1062.html>

⁵⁹ http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=05000US24023&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-format=CO-2&-_sse=on

⁶⁰ http://www.roadstothefuture.com/I68_MD.html

⁶¹ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

⁶² http://www.garrettchamber.com/realestate_list.asp

⁶³ http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=05000US24023&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-format=CO-2&-_sse=on

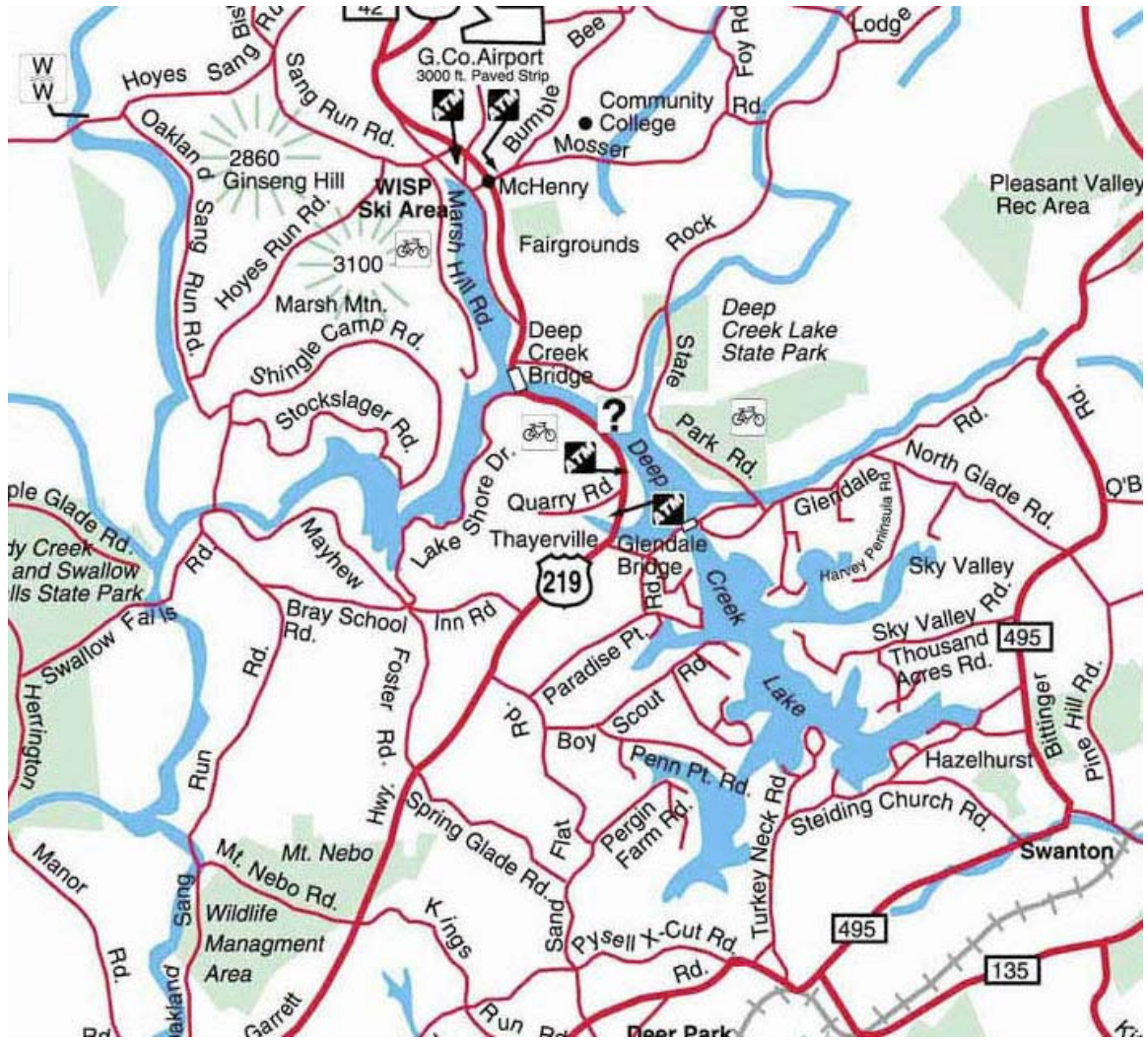


Deep Creek Lake: Median home, closest match

<http://www.ourcoolhouse.com/lakehouse/>

Homes in Deep Creek are large, new and expensive. For the listings included in this study, the community had the highest median asking price, at \$524,900, with four bedrooms and three baths, on a lot of .78 acre, and built in 2000. Deep Creek also had a significant number of homes with waterfront or waterview, 31 of 55 properties in the Sang Run zip code. Again, the predominate style is “contemporary” or “chalet.” Private real estate offices manage leasing of vacation homes.⁶⁴

⁶⁴ http://www.garrettchamber.com/searchresults.asp?tab=3&category_index=5



Deep Creek Lake, Maryland

SOURCE: <http://www.deepcreektimes.com/images/dclmap1.jpg>

CARROLL VALLEY, PENNSYLVANIA

You'll appreciate the inviting country decor and beautiful mountain setting of the Liberty Mountain Resort & Conference Center. Whether you plan your visit for a corporate retreat, a wedding or just a quiet getaway, you'll find that Liberty has much to offer. Enjoy historic Gettysburg, play a round of golf at nearby championship courses, or just relax by the pool and enjoy the clean mountain air. The Liberty Mountain Resort & Conference Center is the ideal getaway in any season.⁶⁵

-Liberty Mountain Resort web site

Although the resorts in Carroll Valley boast of many of the same amenities as the other communities in this study, the area has decidedly unique characteristics. The golf and ski resorts offer overnight accommodations, but single family detached homes in close proximity are not marketed with the recreational facilities. Just 45 miles from the Baltimore Beltway, and 61 miles from the Washington Beltway, Adams County now attracts commuters as residents, and the percentage of seasonal homes in Carroll Valley is the lowest of any of the ten communities evaluated here. Carroll Valley is also the closest resort to Fort Ritchie, the former U.S. Army base that prompted this analysis.

Best known for its Civil war significance, Adams County's largest borough, Gettysburg, continues to draw almost two million visitors each year.⁶⁶ Thirty-nine companies employ 100 or more workers. The largest sectors, based on employment, are *Manufacturing, Retail, Health Care & Social Assistance*, and *Accommodation & Food Services*.⁶⁷ Knouse Foods Cooperative is the largest non-government employer, but Liberty Mountain Resort and Hotel comes in at number six.⁶⁸ U.S. Routes 15 and 30 serve the area, with recent upgrade to Route 15 nearly equaling interstate standards. Hardly rural, the county has a population density of 175.6 per square mile

⁶⁵ <http://www.libertymountainresort.com/>

⁶⁶ <http://www.gettysburgcvb.org/HTML/History/History.php>

⁶⁷ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

⁶⁸ <http://www.acedc.org/prof3.pdf>

with a land area of 520.1 square miles.⁶⁹ Carroll Valley’s elevation averages 600 feet above sea level, bordered by peaks to the east and west, averaging approximately 1600 feet each.⁷⁰

The local Century 21 office promotes the amenities of the area: “This vibrant and growing community offers two championship golf courses, Ski Liberty Ski Resort, Jacks Mountain Covered Bridge, three lakes and its own park. Carroll Valley provides picturesque beauty with easy access to major commuter routes.”⁷¹



Carroll Valley: Median home, closest match

<http://www.gettysburgrealestate.com/listings>

In keeping with Carroll Valley’s transition to outer suburb, newer housing differs from the “vacation” style chalets and contemporary homes found in the other resorts. The median home had an asking price of \$219,900, with three bedrooms and two baths on .58 acres. No properties had a waterview or waterfront access. Lodging services associated with Liberty Mountain were limited to onsite hotel accommodations. In general, single family homes are not available for short term vacation rental.

⁶⁹ http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=05000US42001&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-format=CO-2&-_sse=on

⁷⁰ <http://www.topozone.com/map.asp?z=18&n=4403642&e=296103&s=50&size=l&datum=nad83&layer=DRG25>

⁷¹ http://www.century21.com/meet/office_detail.aspx?office_key=10002730

COOLFONT RESORT, BERKELEY SPRINGS, WEST VIRGINIA

It is a spa town, but not a high-end spa town. It is uneven. It is the kind of place where a poster for a Nurturing the Goddess Weekend is mounted next to a poster for Meet Your Morgan County Biker Buddies Day. Berkeley Springs is small enough that you can walk from one end of downtown to the other in less than 10 minutes.⁷²

- *Washington Post*

The modern day amenities of golf and water sports had nothing to do with developers' initial interest in Berkeley Springs, West Virginia. In the 1700s, George Washington, other Revolutionary war generals, signers of the Declaration of Independence and Constitution, and members of the Continental Congress invested in the small community then known as Bath, Virginia.⁷³ It was the five warm mineral springs that stimulated their early interest. Today, the historic baths are a state park, drawing tourists and spawning a mix of supporting retail businesses and overnight accommodations. And nearby, a second park, Cacapon Resort State Park, provides recreation of the contemporary sort: a championship golf course, lake, horseback riding, hiking, swimming, rustic lodge accommodations and cabin rentals.⁷⁴

The publicly owned facilities have attracted private development, most notably, Coolfont Resort and nearby subdivisions. Single family detached homes, hotel, lodge, and bed and breakfast accommodations meet overnight guests' needs. Lacking ski facilities, the area has not seen development of condominiums or townhouses. Coolfont manages rentals of vacation homes within the resort's boundaries. Elsewhere, tourism-related websites and property owners market the many scattered cabins.

Part of West Virginia's Eastern Panhandle, Morgan County borders the Potomac River and Maryland at the north and west, Berkeley County, West Virginia, to the east, and Virginia to the south. With a population density of 65.3, a land area of 228.98 square miles, and only two towns

⁷²

<http://proquest.umi.com/pqdweb?index=3&did=000000648947811&SrchMode=1&sid=1&Fmt=3&VInst=PROD&VTy pe=PQD&RQT=309&VName=PQD&TS=1102012926&clientId=5241>

⁷³ <http://www.berkeleyspringssp.com/history.html>

⁷⁴ <http://www.cacaponresort.com/index.htm>

– neither of which has more than 675 residents⁷⁵ - Morgan County’s rural landscape is crisscrossed by Potomac River tributaries. The topography varies from rolling hills to steep grades, with elevations ranging from approximately 450 feet to 1800 feet, and forest covers much of the area.⁷⁶ The small Morgan County work force, just 2312 workers reported in the 2002 County Business Patterns, is employed primarily in the sectors of *Health Care & Social Assistance*, followed by *Accommodation & Food Services* and *Retail Trade*.⁷⁷ No interstate highway crosses the county. However, I-70 is just a mile from the northern boundary via US Route 522. CSX Transportation and Amtrak provide rail access, although Morgan County has no passenger stations.



Coolfont Resort: Median home, closest match

SOURCE: <http://snyderbailey.com/>

Single family detached homes in the Coolfont area share the style typical of the other communities in this study, described as “cottage,” “chalet,” or “contemporary.” The median house is listed for \$245,000 and has three bedrooms, two baths, on a half acre lot, and was built in 1978. One home in five had a waterfront location or a water view, meaning frontage or view of a creek or small river.

⁷⁵ http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=05000US54065&-_box_head_nbr=GCT-PH1&-ds_name=DEC_2000_SF1_U&-_lang=en&-format=CO-2&-_sse=on

⁷⁶ <http://www.topozone.com/>

⁷⁷ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

REFERENCES

- Cho, Seong-Hoon, David H. Newman, and David N. Wear. "Impacts of Second Home Development on Housing Prices in the Southern Appalachian Highlands." *Review of Urban and Regional Development Studies*, 15 (2003) 208-225.
Retrieved May 21, 2004 from http://www.srs.fs.usda.gov/pubs/ja/ja_cho005.pdf
- Ding, Chengri and Gerrit-Jan Knapp. (2003). *The Effects of Homeownership, Housing Investment, and Economic Development*.
Retrieved June 13, 2004 from
<http://www.smartgrowth.umd.edu/research/pdf/neighborhoodstability-816.pdf>
- "Fort Ritchie Comprehensive Redevelopment Plan." Sasaki Associates, Inc. 1997.
- Gartner, William ., Daniel E. Chappelle, and T.C. Girard. "The Influence of Natural Resource Characteristics on Property Value: A Case Study." *Journal of Travel Research*, 35 (1996) 64-71.
- Miller, Norman G. "Residential Property Hedonic Pricing Models: A Review." *Research in Real Estate*, 2 (1982) 31-56.
- Yiu, C.Y., and C.S. Tam. "A Review of Recent Empirical Studies on Property Price Gradients." *Journal of Real Estate Literature*, 12 (2004), 307-322.
- Hedonic Pricing*. Retrieved June 12, 2004 from <http://www.hedonic-pricing.com>
- Mayer, Hans. Executive Director, Maryland Economic Development Corporation. Telephone Interview. May 21, 2004.
- Osoba, Brian. "Behind the Surge in Second Homes." *West Virginia Business and Economic Review*, 10 (April 2004) 12-15.
Retrieved May 20, 2004 from http://www.bber.wvu.edu/pdf_files/BBER-2004-02.pdf
- Rook, Richard. Director, PenMar Development Corporation. Personal interview. May 18, 2004.
- Snook, Gregory. President, Board of County Commissioners for Washington County, Maryland. Telephone interview. May 20, 2004.
- Sulcheck, Ronald. President, PenMar Development Corporation. Telephone interview. May 20, 2004.
- Troxell, Timothy. Executive Director, Hagerstown-Washington County Economic Development Commission. May 27, 2004.
- Ware, Herbert. Telephone interview. June 12, 2004.
- Franklin, Mary Beth. "A Moving Retirement." *Kiplinger's Personal Finance Retirement Planning Guide*. Fall 2004, p. 115.
Retrieved September 28, 2004 from

<http://proquest.umi.com/pqdweb?index=0&did=000000663759141&SrchMode=1&sid=1&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1096414388&clientId=5241>

Souffrant, Rebecca. "New York Builder Borrows Page from Del Webb." *Professional Builder*. 66 (2001), 26.
Retrieved September 28, 2004 from
<http://proquest.umi.com/pqdweb?index=0&did=000000076074108&SrchMode=1&sid=1&Fmt=6&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1096414915&clientId=5241>

Porter, Michael E., Christian H. M. Ketelsm Kaia Miller and Richard T. Bryden.
Competitiveness in Rural U.S. Regions: Learning and Research Agenda. Institute for Strategy and Competitiveness, Harvard Business School 2004. Retrieved August 4, 2004 from
http://www.eda.gov/ImageCache/EDAPublic/documents/pdfdocs/eda_5frural_5regions_5ffinal_2epdf/v1/eda_5frural_5regions_5ffinal.pdf

<http://americanhistory.si.edu>. Retrieved November 18, 2004.

<http://areas.wildernet.com>. Retrieved November 4, 2004.

<http://censtats.census.gov>. Retrieved October 29 – December 6, 2004.

<http://factfinder.census.gov>. Retrieved October 26 – December 6, 2004.

<http://golfwva.com/woods.html>. Retrieved December 16, 2004.

<http://snyderbailey.com>. Retrieved December 1, 2004.

<http://virginiacan.yesvirginia.org>. Retrieved November 6, 2004.

<http://www.wvexplorer.com>. Retrieved November 10, 2004.

www.acedc.org. Retrieved November 30, 2004.

www.berkeleysspringssp.com. Retrieved December 1, 2004.

www.bryceresort.com. Retrieved October 29, 2004.

www.cacaponresort.com. Retrieved December 1, 2004.

www.century21.com. Retrieved November 30, 2004.

www.co.somerset.pa.us. Retrieved November 18, 2004.

www.dcski.com. Retrieved November 19, 2004.

www.deepcreekhospitality.com. Retrieved November 23, 2004.

www.deepcreektimes.com. Retrieved November 23, 2004.

www.developmentauthority.com. Retrieved October 26, 2004.

www.disasterrelief.org/Disasters/990816Camille. Retrieved November 4, 2004.

www.gcedonline.com. Retrieved November 23, 2004.

www.gettysburgcvb.org. Retrieved November 30, 2004.

www.gettysburgrealestate.com. Retrieved November 30, 2004.

www.hiddenvalleyresort.com. Retrieved November 18, 2004.

www.libertymountainresort.com. Retrieved November 30, 2004.

www.marylandtheseventhstate.com. Retrieved November 23, 2004.

www.massresort.com. Retrieved November 6, 2004.

www.nelsoncounty.com. Retrieved November 4, 2004.

www.onthesnow.com. Retrieved November 18, 2004.

www.realtor.com. Retrieved October 12 – December 16, 2004.

www.recreation.gov. Retrieved November 23, 2004.

www.roadstothefuture.com. Retrieved November 23, 2004.

www.skimag.com/skimag. Retrieved November 16 - 18, 2004.

www.snowshoemtn.com. Retrieved November 10, 2004.

www.somersetcntypachamber.org. Retrieved November 18, 2004.

www.thewoodsresort.com. Retrieved October 26, 2004.

www.topozone.com. Retrieved October 26 – December 6, 2004.

www.visitpa.com. Retrieved November 18, 2004.

www.wintergreenresort.com. Retrieved November 4, 2004.

www.wispresort.com. Retrieved November 23, 2004.

www.wvbep.org. Retrieved October 26, 2004.

www.wvs.state.wv.us. Retrieved November 10, 2004.