Bombs not lowering homes’ appraisals
VALUES 
Continued from IIB

The original lawsuit, which others joined, seeks punitive and actual damages approaching $100 million. Plaintiffs' attorneys have asked to consolidate the lawsuits in a class action representing 200 to 250 homes. The Home contends that it has disclosed the bombing range's presence in its purchase-closing documents. In July, the builder went on the offensive, filing suit against Thea Lewis, president of the neighborhood homeowners association, alleging that she planted a practice bomb when claimed she found it. Lewis denied the claim and called the lawsuit "a scare tactic to squelch public discussion.

At the center of the controversy is the former Five Points Outlying Field, located on Matlock Road and Harris Rd., that included airfields and a 17-bombing target range used by Naval Air Station pilots in the 1970s. The field was closed in 1974, and the property changed hands several times before KB Home started development on a 900-lot subdivision in 1998. The Army Corps of Engineers has assigned the task of determining whether a cleanup of ordnance is necessary at the site and at seven other former military bases. The agency plans to take soil samples in late October, spokes-
man Anita Horky said.

The practice bombs contained only gunpowder charges for dispersing test or powder to mark the impact area, and some could contain phosphorus, which ignites when exposed to oxygen, officials say. They warn people not to touch the bombs but believe the risk of injury is minimal.

Still, the unearthing of dozens of 8-inch practice bombs at Southridge has caused residents refusing to work in their beds or let their children play in their yard. Regardless of the safety concerns, some worry about how the stigma of the bomb scare is affecting their investment in their new homes.

Jonathon Williamson, who found two bombs in his back yard shortly after he moved into his home in February 2001, saw his appraised property value increase from $123,700 to $134,900 this year, a typical increase, according to TAD listings.

Yet, he said, real estate agents from two agencies told him that having to disclose information about the bombing range would be a problem: He said they told him to expect a $30,000 loss.

"These people here are never going to get rid of their houses," Williamson said.

Several real estate agents in recent interviews said they believe sluggish home sales in Southridge have more to do with the weak economy and its impact on sales of larger homes, which constitute much of the subdivision.

"I've talked to a lot of people over there, and they are concerned about the bomb site," said Maria Otterbine, a Century 21 agent in Arlington. "However, if the market picks up, it will sell."

At least one agent said Southridge homes are selling for $50 to $100,000 or less, while homes in nearby areas typically sell for $600 to $800,000.

The Tarrant Appraisal District looks at actual sales prices of homes in determining value increases and said Southridge prices are increasing. Randy Armstrong, director of residential appraisal, said officials have compared home values before and after a contentious public meeting of the Army Corps of Engineers and about 250 residents in October, when the existence of the bombing range became widely known.

"Based on those sales, those homes are not overvalued," Armstrong said. "If the trends begin to indicate that there is a stigma attached to those properties that begins to affect the value of the homes, that will show up in the sales prices. And that hasn't happened yet."

The appraisal review board recently heard five of the 100 appeals from Southridge homeowners, and the bomb effect was dismissed in each case. The board actually raised appraised values in three cases, left the value the same in one and lowered the appraisal of one home by $2,500 because of its physical condition.

The remainder of the hearings are scheduled for Tuesday and Thursday.

TAD's research also shows Southridge home sales have slowed, from 49 in 2001 to 60 so far this year, which indicates to some residents that TAD can't rule out that the bomb scare is affecting the market.

Sometimes a scare is all it takes, said J. Andrew Hansz, an assistant professor of finance and real estate at the University of Texas at Arlington. He cited studies indicating stigma can hurt property values even when the cause of the concern can be refuted by evidence.

"Value is in the mind of the buyers and sellers, and that includes not only physical factors, but psychological factors," Hansz said. "If it hasn't been proved a threat, that doesn't matter. People are still concerned."

ONLINE: For property value information, go to www.tad.org.