

The Condominium Question: Evaluating the Lack of Condominiums in Ithaca, N.Y.

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The Demand for Condominiums

0.17 percent of Ithaca's housing units and 0.34 percent of Tompkins County's housing units are condominiums, far below the national average of around 5 percent.

"I tend to think if someone were to do condominiums in Ithaca, they would sell really quickly, and they'd get a really high price" - *out-of-town developer*

"Condominiums are the forgotten corner of [Ithaca's housing market]" - *Ithaca-based developer*

"You would think we would be ripe for [condominium development] but nobody has wanted to get their feet wet in a big way" - *Ithaca-based developer*

The Barriers to Development

I. 'A Royal Pain in the Ass': The Offering Plan

The length and detail of the Attorney General's offering plan were regarded as excessive and as a barrier to condominium development in the county.

"You get to the front of the line and they send you to the back again because you didn't include this, or you need that" - *Ithaca-based developer*

"We ask the AG, 'Do we really need this?' They understand how things work around here. They just don't care" - *Ithaca-based lawyer*

"The complexity of the [offering] plan should be directly related to the complexity of the project" - *county government official*

II. 'You Pretty Much Need Abatements': Developing Without Tax Incentives

Unlike rental apartments, condominiums do not qualify for city, state, or county abatement schedules, further disincentivizing their development.

"To build nice apartments in Ithaca, you pretty much need abatements" - *Ithaca-based developer*

"Most of [the CIITAP developments] could not go the way that they were without some sort of assistance" - *city government official*

III. 'It's an Unknown to Me': Local Developers' Limited Skill Sets

Even the most experienced Ithaca developers are unfamiliar with the condominium development process

"[Developers] know how to do one thing and they do it over and over and over again," and that one thing is never condominiums - *city government official*

"The mindset in Ithaca is to be a landlord, it's just the way it's always been" - *Ithaca-based developer*

"When you build a rental building in Ithaca, it's going to do O.K., so there's no need to think outside the box or expend extra effort" - *Ithaca-based developer*

IV. 'The Buzz Saw': Ithaca's Anti-Development Reputation

The perceived "highly politicized entitlement process" scares off out-of-town condominium developers and adds additional hurdles to the development process.

"The locals don't want to do [build condominiums] because they don't have to, and the folks that would come in and spend the money and take the risk won't because there are so many hoops to jump through" - *Ithaca-based broker*

V. 'The Local People Don't Understand It': Obstacles to Financing

The difficulties in securing construction loans can derail projects and force developers to build rentals.

"I've certainly been interested in [developing condominiums], but every time I try, it's hard to finance" - *out-of-town developer*

"The only way to convince banks is by showing history, and you can't show the history because banks aren't convinced enough to lend" - *out-of-town developer*

"[Securing financing for a condominium development] was just another fight, and I wasn't willing to do it — I had fought enough already" - *out-of-town developer*