

IN THE REGION/Connecticut

Forget the Old House. Sign Here.

By LISA PREVOST

HARRY AND MARY ANN ROSCOE had all but picked out their new house at Chatfield Farms, an age-restricted community in Beacon Falls, but they still had a home to sell — and it loomed as the major obstacle to their downsizing plans.

Their 27-year-old colonial in Shelton was far more house than the couple needed now that their three boys were grown and gone. Yet, given the drastic slowdown in sales, the Roscoes feared that they wouldn't be able to find a buyer and, consequently, didn't dare sign a contract for a new home.

So the Chatfield Farms sales staff gave the couple an unusual guarantee: If, with the help of the community's developer, Wyndham Homes of Brewster, N.Y., the Roscoes couldn't sell their old home before closing on a new one, the company would cover its mortgage payments for as long as a year.

"That's what pushed us over the edge," said Mr. Roscoe, who works in sales for Comcast. "Their program took the pressure off our backs."

Sales strategies that offer buyers a hedge against financial loss are becoming more common in an economy plagued by uncertainty. When it comes to selling homes, developers have found that discounts and incentives just aren't doing the trick. Buyers want assurances.

In addition to backing buyers who have to sell homes, developers are also offering protection against future drops in the value of the new home or an unexpected job loss. A few builders are even taking the buyer's existing home in trade.

John Kaeser, the president of the Kaeser Construction Company, in Westport, recently bought a prospective teardown in New Canaan so the owners could buy one of his new colonials elsewhere in town. The owners had intended to knock down the older house, a contemporary, and rebuild something themselves, but because lending ratios had tight-



CHRISTOPHER CAPOZZIELLO FOR THE NEW YORK TIMES

SMOOTH MOVE

Harry and Mary Ann Roscoe closed on a new house in Beacon Falls after the seller offered to cover the mortgage on their old house for up to a year.

ened, they no longer qualified for a construction loan. A local banker suggested that the two parties might work out a deal.

Last fall, Mr. Kaeser paid \$1.75 million for the contemporary, enabling its owners to pay him \$2.7 million for a five-bedroom colonial he'd been trying to sell for

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nearly a year. For Mr. Kaeser, the aim wasn't so much to profit as it was to unload some debt.

"Just to reduce my loan amount was a good thing," Mr. Kaeser said. "It was just getting rid of a house that I couldn't sell."

Last month, a potential buyer at Valley Ridge, a 10-home cluster project in the Cos Cob section of Greenwich, tried to initiate a similar arrangement. According to Jerry Effren, the principal of the developer, Greyrock Homes of Norwalk, the man offered a 10,000-square-foot Greenwich house as a swap for a pair of new Valley Ridge houses priced from \$2.2 million to \$2.5 million.

Although Greyrock still has

eight homes to sell, it turned down the deal. Instead, Mr. Effren said, he hopes to stimulate sales by reducing the likelihood that buyers will lose money on their investment if the market continues to decline.

Under Greyrock's new "price protection" program, buyers closing on one of its houses may negotiate a date at which the home will be reappraised. In the meantime Greyrock will put a portion of the purchase price in escrow; if the reappraisal comes in under what the buyer paid, the company will cover the difference, up to a prenegotiated amount. If the house has held its value, the amount in escrow will be released to the developer.

The program is a necessary gamble on the company's part, Mr. Effren said. "At this point, we're not dealing with profit," he added. "We're dealing with how much we're going to lose."

At Riverstone, a condominium development on the Byram River in Greenwich, Spinnaker Real Estate Partners of South Norwalk is promising to reimburse buyers up to 10 percent of the purchase price if the value of their condos drops after 18 months. Prices currently range from \$850,000 to \$950,000; 23 out of an initial 30 units have sold.

But Spinnaker is adding an extra layer of safety netting: Ac-

cording to Clay Fowler, the chief executive, it will cover mortgage payments totaling as much as 5 percent of the purchase price if a buyer loses his or her job.

"It's not a full guarantee," Mr. Fowler said, "but I guess it's insurance."

At Chatfield Farms, the main issue for would-be buyers is the sale of their previous homes, said Jay Metcalfe, Wyndham's vice president for operations. So on top of the mortgage-payment promise, the company's "Home to Home" program helps sell the old place. Chatfield provides a consultant who helps select an agent, determine an appropriate price and find a stager. The consultant also monitors the number of showings and open houses.

So far, about half of the roughly 30 buyers who have used the program were able to sell before closing on their Chatfield homes, Mr. Metcalfe said. Most of the rest sold within a month or two of the closing date.

The Roscoes signed a binder on a \$432,000 home at Chatfield last April. Their house in Shelton was still on the market when they closed on the new property in September. But after another month, it sold.

Wyndham proved true to its word. Very soon thereafter, Mr. Roscoe said, "we got a wonderful check."