School quality has a mighty influence on neighborhood choice, home values

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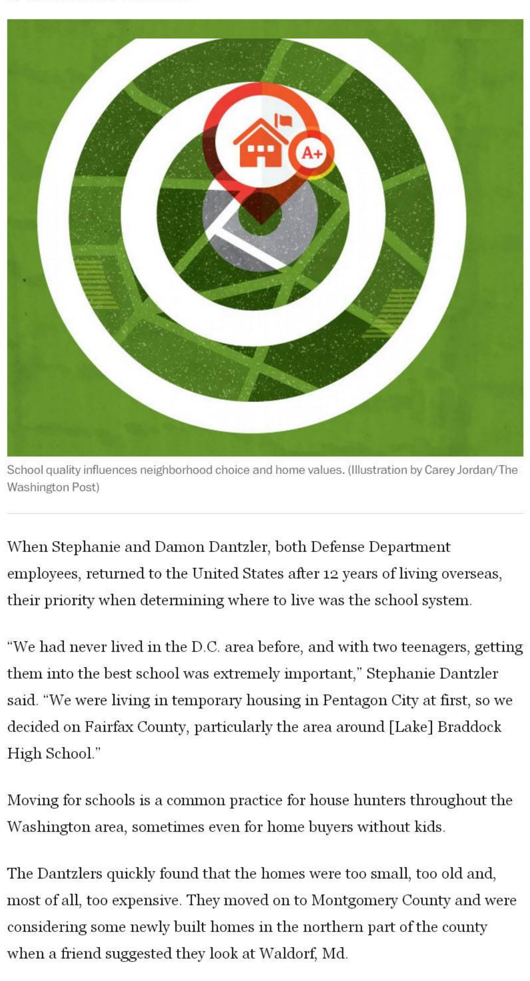
By Michele Lerner September 3



School quality influences neighborhood choice and home values. (Illustration by Carey Jordan/The Washington Post)

When Stephanie and Damon Dantzler, both Defense Department employees, returned to the United States after 12 years of living overseas, their priority when determining where to live was the school system.

"We had never lived in the D.C. area before, and with two teenagers, getting them into the best school was extremely important," Stephanie Dantzler said. "We were living in temporary housing in Pentagon City at first, so we decided on Fairfax County, particularly the area around [Lake] Braddock High School."

Moving for schools is a common practice for house hunters throughout the Washington area, sometimes even for home buyers without kids.

The Dantzlers quickly found that the homes were too small, too old and, most of all, too expensive. They moved on to Montgomery County and were considering some newly built homes in the northern part of the county when a friend suggested they look at Waldorf, Md.

They said they hit the jackpot in the Charles County community, where they bought a newly constructed home in December.

They sacrificed by making long commutes to work, Stephanie Dantzler said — hers is more than one hour each way, and her husband's is 45 minutes each way — but they are completely satisfied with St. Charles High School, their home and their neighborhood.

"We found out that a brand new high school was being built, so we deliberately chose to have a new home built in the Fieldside neighborhood near the school rather than buy a new home that was already complete in another part of St. Charles," Stephanie Dantzler said. The Dantzlers have a 12th-grade daughter who is on a year-long exchange program in Japan and an 11th-grade exchange student from Chile who will attend St. Charles High.

"Our son is a freshman in high school, so he will be part of the first class to go all the way through the new school," she said.

Damon Dantzler and his wife Stephanie bought a home in the new Fieldside development in Waldorf, Md., because of the new St. Charles High School, a math and science focused school which opened last year. (Toni L. Sandys/The Washington Post)

Good schools are also a top factor among home buyers nationwide.

The 2015 National Association of Realtors Home Buyer and Seller Generational Trends study found that the "quality of the school district" was the sixth-most-important factor influencing the neighborhood choice of home buyers around the country, but for buyers 35 to 49, the school district was the fourth-most-important factor.

A recent Trulia survey found that 35 percent of Americans with children under 18 indicate that their "dream home" would be in a great school district, while 12 percent of those without kids have that same dream. However, when the study separated out parents by age group, 46 percent of millennials and 28 percent of Gen Xers with children said their dream home would be in a great school district.

"We saw geographical differences, too, because where school quality is uniform the school district is less of a big deal," said Selma Hepp, chief economist of Trulia in San Francisco.

Rob Carter, a broker with Century 21 Redwood Realty in Washington, says buyers often ask agents about "good schools."

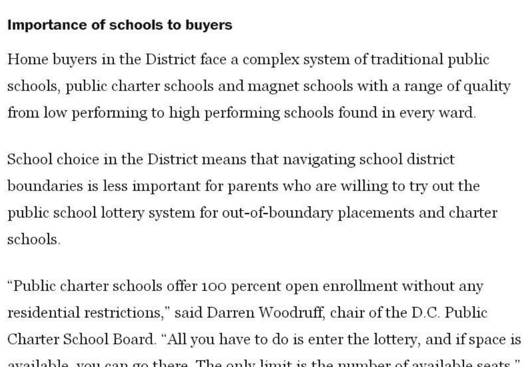
"It would be a Fair Housing law violation for a Realtor to make a judgment call about a school, so we direct them to visit school system Web sites for test scores and school ratings sites to find out for themselves which schools they want their kids to attend," Carter said.

Still, many sources are available to buyers to evaluate schools before they buy a home.

Homes.com recently introduced "School Scores" to its Web site and mobile app, a school-ranking system with letter grades from A+ to D based on state test performance data from public schools.

Other popular sites include GreatSchools.org, U.S. News and World Report and school system Web sites. Leslie White, a realty agent with Redfin brokerage in Washington, suggests visiting school fairs and school open houses, reading parent blogs and chatting with parents at local farmers' markets to learn more about schools.

"You can talk to the principal at different schools and visit neighborhood schools to get a feel for whether a school is a good fit for your child," said Casey Aboulafia, a realty agent and vice president of Compass real estate in Washington. "In the suburbs, though, most buyers have already targeted specific school districts for their kids because of a school's reputation."



H-B Woodlawn High School in Arlington, Va., is the top ranked local high school in The Post's Challenge Index. Homes in the school's Zip code had a year-to-date median sales price of $897,250. (Jabin Botsford/The Washington Post)

Importance of schools to buyers

Home buyers in the District face a complex system of traditional public schools, public charter schools and magnet schools with a range of quality from low performing to high performing schools found in every ward.

School choice in the District means that navigating school district boundaries is less important for parents who are willing to try out the public school lottery system for out-of-boundary placements and charter schools.

"Public charter schools offer 100 percent open enrollment without any residential restrictions," said Darren Woodruff, chair of the D.C. Public Charter School Board. "All you have to do is enter the lottery, and if space is available, you can go there. The only limit is the number of available seats."

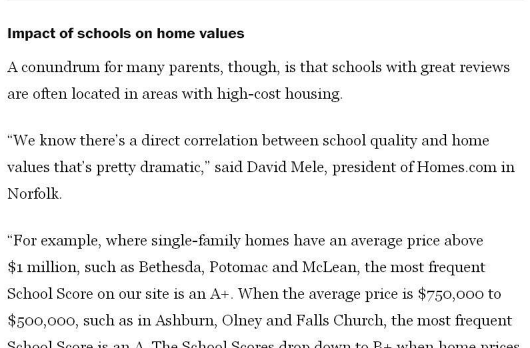
Even though charter schools are not neighborhood schools, Woodruff said that at least 48 percent of public charter school students in prekindergarten to 12th grade (16,011) attend public charter schools in their home wards, while 46 percent (15,565) attend schools outside their home wards.

Living within a school boundary is mandatory to attend most public schools, although some districts have magnet schools, and school boundary changes are sometimes necessary to address overcrowding or under-enrollment. New school boundaries in the District take effect this fall.

"Anecdotally, about 75 percent of the first-time buyers I work with are fixated on schools," said White, the Redfin agent. "We need to layer together the boundaries of the school they want and their price point and the size of home they need, which can be challenging. In some cases, they need to rent longer to save more money to buy in a particular school district or look at other schools in a more affordable area."

Many school systems offer special schools with a focus on technology and science or language immersion that appeal to parents and kids, said Jamie Coley, an associate broker with the Coley-Reed Team of Long & Foster Real Estate in Bethesda, Md.

"Schools are a huge driver of where people want to live, more so today than in the past," Coley said. "Parents today are more active than ever in planning for their children's education."



School Without Walls Senior High School is a public magnet high school in the Foggy Bottom neighborhood of the District. (Nikki Kahn/The Washington Post)

Impact of schools on home values

A conundrum for many parents, though, is that schools with great reviews are often located in areas with high-cost housing.

"We know there's a direct correlation between school quality and home values that's pretty dramatic," said David Mele, president of Homes.com in Norfolk.

"For example, where single-family homes have an average price above $1 million, such as Bethesda, Potomac and McLean, the most frequent School Score on our site is an A+. When the average price is $750,000 to $500,000, such as in Ashburn, Olney and Falls Church, the most frequent School Score is an A. The School Scores drop down to B+ when home prices go down to $250,000 to $500,000 in places like Bowie, Annandale, College Park and Dumfries. Places where the homes are priced under $250,000, such as in Bladensburg, Capitol Heights and Landover, have mostly C+ School Scores."

The problem is, Mele acknowledged, that no one really knows which came first: wealthier homeowners or good schools.

"It's hard to detangle the relationship between 'good' schools and higher real estate values," Hepp said. "It's a chicken-or-egg dilemma because you don't know if the schools are better in a neighborhood because the parents participate more or if the schools were already good and therefore they attract higher-income families who are willing to pay more for their homes."

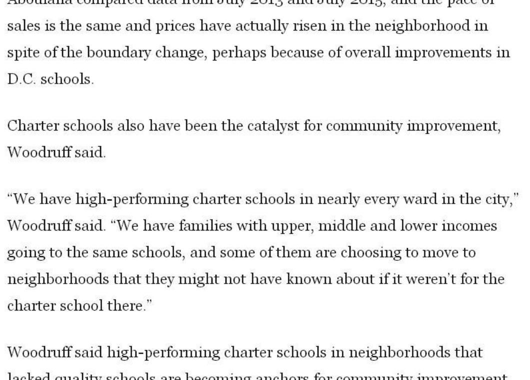
Hepp points out that parents influence school quality, which can already be seen in the District, where more families are staying in the city than in the past.

Traditional public schools in the city have an impact on home values, particularly on homes in the Alice Deal Middle School and Wilson High School district.

"If you look at Tenleytown and AU [American University] Park, which feed into Deal and Wilson, a home that costs $800,000 would cost much less in another part of the city," White said.

Aboulafia said the biggest emphasis for most buyers is on the high school.

"The Crestwood neighborhood was zoned for Deal and Wilson, but the entire neighborhood was moved to Roosevelt High School," Aboulafia said. "The homeowners there were concerned that their home values would drop, but so far there hasn't been any negative impact."



Poolesville High School in Montgomery County ranked third on The Post's Challenge Index of local public high schools. (Amanda Voisard/For the Washington Post)

Aboulafia compared data from July 2013 and July 2015, and the pace of sales is the same and prices have actually risen in the neighborhood in spite of the boundary change, perhaps because of overall improvements in D.C. schools.

Charter schools also have been the catalyst for community improvement, Woodruff said.

"We have high-performing charter schools in nearly every ward in the city," Woodruff said. "We have families with upper, middle and lower incomes going to the same schools, and some of them are choosing to move to neighborhoods that they might not have known about if it weren't for the charter school there."

Woodruff said high-performing charter schools in neighborhoods that lacked quality schools are becoming anchors for community improvement even though they're open to students from all over the city, and he referenced schools such as Washington Latin in Ward 4, Washington Yu Ying and Elsie Whitlow Stokes in Northeast and the Friendship charter schools in Wards 7 and 9.

"Friendship Tech Prep in Southeast is another example of a great new building in a lower-income part of the city that's providing a great education but is also great for the community," Woodruff said.

A more direct correlation between school values and prices is evident in Fairfax County, the region's largest school district, where home buyers pay a premium to live in a home within the boundaries for Langley High School and McLean High School, two of the highest-ranked schools in the area, Carter said.

"I recently worked with sellers of a home in Vienna that had been zoned for Langley High School in McLean and then rezoned for South Lakes High School in Reston," Carter said. "That rezoning had a catastrophic impact on pricing. The home was originally priced at $1,050,000, which was comparable to similar homes when the neighborhood fed into Langley. We had to look at comparable homes that fed into South Lakes, which were priced in the $800,000s. We ended up selling that house in the low $900,000s; about $125,000 less than if was still in the Langley district."

Carter says buyers in sought-after school districts are paying a premium for those public schools.

"We live in an area where people care a lot about school rankings and where they are willing to pay extra to send their kids to schools with the best rankings," Carter said.

In the planned community of St. Charles, Md., the new high school that opened in 2014 has been attracting buyers like the Dantzlers to the area even though as a new school it has yet to be rated.

New-home builders have begun adding more homes to the area in part because of the opportunity to be located near the flagship school for science and technology, said Craig Renner, vice president for marketing and public relations for the St. Charles Companies. Sales have jumped in the community since the high school opened.

"Buyers in St. Charles are excited by the idea of the 'bright shiny penny' of the new high school, and it's a big factor in deciding to live here," said Dontae Carroll, regional vice president of Long & Foster Real Estate for Prince George's County and Charles County, Md. "The new facilities and the emphasis on technology are very attractive to parents."

In Montgomery County, buyers often focus on moving into the Walt Whitman, Bethesda-Chevy Chase or Churchill High Schools, Coley said.

"Buyers, especially if they are moving out of the city because of the schools, often want to live close to D.C. or Bethesda," Coley said. "They look at the school rankings and then the homes and find that the prices are extremely high. Some decide to squeeze into a smaller place or make their budget work, but others look farther out in the suburbs where the schools also have great scores and their money goes farther."

Aboulafia said more of her buyers want to stay in the city, try out the D.C. schools and participate in improving the city's schools.

"Some of my buyers decided to stay in the city because they were happy with their lottery results," Aboulafia said. "Another set of buyers mapped out the neighborhood boundaries for schools they liked and insisted we only look for homes in those areas."

Childless home buyers and schools

Home buyers without children are less focused on schools, but they don't always ignore them.

"Buyers who don't have kids and don't plan to are split about 50-50 in their interest in schools," Carter said. "About half say they don't want to pay extra to live in a school district they're not using and they'd rather buy a better house in a different community. But the other half recognizes that school quality has an impact on home values."

The correlation between highly rated schools and higher home prices has been documented, including a Redfin brokerage report in 2013 that found that homes in neighborhoods with top-ranked schools cost about $50 more per square foot than homes in communities with average-ranked schools.

"It would be wise for first-time buyers to consider the importance of schools in case they have kids in the future and for the impact on resale value," Carroll said. "But it's not really top of mind compared to their interest in amenities, commute times and what their lifestyle will be like in a new home."