

Neighbors hurt your home's value?

If you're trying to sell your home, a run-down or messy house nearby can cost you some serious money. Here's what you can do about it. – By Liz Weston, MSN Money



Bad neighbors aren't just annoying. They can cost you real money when it's time to sell your home.

A nearby property's overgrown yard, peeling paint and clutter can easily knock 5% to 10% off the sale price of your home, said Joe Magdziarz, the president of the Appraisal Institute and a real-estate appraiser with 40 years of experience. A true disaster -- a junky home in deplorable condition and a yard packed with debris -- could cost you even more.

"In reality, there's so much supply right now that people are just going to pass," Magdziarz said. "It might make your home unmarketable."

Magdziarz has personal experience with how a bad neighbor can hurt a home seller's chances. A few years ago, he and his wife were house hunting and found a property they really liked -- until they looked next door.

"He was a hoarder. There was junk all over the yard," Magdziarz said. "The last thing I want to see when I get home is a junkyard."

Even when real-estate markets were in better shape, messy neighbors caused problems. Kamie Downen put her Harrisburg, Pa., home on the market five years ago but had problems selling because of a nearby property.

Toys littered the lawn, even in winter. The porch sported "a pumpkin that was two years past due," Downen said. A garage door, damaged after the owner ran into it with his car, was never fixed.

"After I moved out and staged my home, it still took me over a year to get rid of it," Downen said. "I had to sell it at my cost."

So what can you do?

Frustration can lead to guerrilla tactics. Jeanine Brydges Watt of Windsor, Ontario, got so fed up with her neighbors' yard that she waited until they went on vacation, then mowed the lawn and threw out the trash, which included old diapers and split-open bags of garbage.

Watt said she wasn't worried about being arrested for trespassing. The messy neighbors were renters and probably thought their landlord had done it, she said. And Watt's other neighbors were thrilled.

"If they had been asked, none of the other neighbors would have ratted me out," she said. "They were happy we cleaned up the eyesore."

You may not be willing to risk arrest, but there are other tactics you can try if a neighbor's property is hurting your home's value.

If your neighbor is elderly or disabled and simply not able to maintain her property, for example, you may be able to help her find free or low-cost services that can help. Habitat for Humanity's [A Brush with Kindness](#) program offers exterior painting, landscaping, weatherstripping and minor repairs to low-income homeowners who can't care for their homes because of age, disability or family circumstances.

Many local governments offer similar programs. Los Angeles, for example, provides free minor home repairs through its [Handy Worker Program](#). Or you can check with the [Eldercare Locator](#) to find other resources for home maintenance in your area.

4 strategies for getting the mess cleaned up

If your neighbor is simply messy or indifferent, you might want to try these strategies:

Start with a conversation. If your neighbor is a drug dealer, owns dangerous dogs or is otherwise belligerent, you won't want to risk knocking on the door. Otherwise, approaching your neighbor in a friendly, low-key manner can be a good start.

The script could go something like this: "We're going to be putting our house on the market soon, and we really want it to show well. But we're afraid that people who don't know what nice neighbors you are might be a little put off by the condition of your yard right now. It's so hard to keep up with everything, isn't it? We'd be more than happy to help you tidy up a bit if you'd like."

Find the owner. If your sloppy neighbors are tenants and the direct approach doesn't work, or if the home is vacant, you'll want to track down the owner. A real-estate agent can help you, or you can visit your county property-tax assessor's office.

Then send a letter to the landlord or lender, complete with photos of the problem, and request action in getting the property cleaned up, says **Ilyce Glink**, the author of several books on real estate, including "**Buy, Close, Move In!**" If you get no response, consider giving the contact information to other fed-up neighbors and ask that they send letters as well.

"If a property has been foreclosed on, you can complain -- loudly -- to the lender to take care of the property. Go all the way to the top of the food chain, to the chief executive officer, and ask for assistance," Glink said. "You should also complain to your state mortgage regulator as well to the Office of the Comptroller of the Currency, if it is a big national bank."

Enlist help. If you have a homeowners association, make a formal request that it take action. If it's reluctant and you run out of other options, you can sue the homeowners association in small-claims court, Glink said.

Before you do that, however, try to enlist local government officials. Your city or county public-health department may be able to step in, particularly if trash or other unsanitary conditions are attracting vermin. The city or county building department should be notified of other obvious hazards, such as holes in a roof or a collapsing porch.

If you can't get local agencies to help, appeal to your elected representatives at the city or county level. Sometimes these folks can kick the bureaucracy into gear. A real-estate attorney can tell you if you can pursue a lawsuit against the neighbor, but typically these are expensive and can drag on for months if not years, making them impractical for most people trying to sell a home.

Practice mitigation. If your best efforts don't work, a privacy fence or tall hedge, if allowed, could help screen the problem. Otherwise, do what you can to make your own property shine and divert attention from the neighbor's mess.

Peter Anderson of Shakopee, Minn., who runs the [Bible Money Matters](#) blog, said he had a "fun time" selling a town house a few years ago because of neighbors across the street who had garbage in their driveway, a truck up on blocks "and a hundred wind chimes hanging from their garage."

"Despite that, it was a nice enough neighborhood," Anderson said, "and we finally were able to sell because we priced our home realistically, we Staged our house to make it look like a model, painted, fixed up any problems and just made the home a very nice place to be."

Liz Weston is the Web's most-read personal-finance writer. She is the author of several books, most recently ["The 10 Commandments of Money: Survive and Thrive in the New Economy."](#) Weston's award-winning columns appear every Monday and Thursday, exclusively on MSN Money.