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Drop in property values worries owners

River Road and Trainsong residents say the pollution is causing a lot of pain - to the value of their No. 1 asset, their home.

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As the potential severity of the pollution has emerged in recent months, they fear their real estate values have dropped like a stone tossed into a well. And they've yet to hear the ker-plunk.

Dolores Cunha, who owns a home on Haig Street, said she consulted an attorney who said she would have to disclose the underground pollution to anyone seeking to rent or buy the property.

"We can't sell and we can't rent," she said. "You have to tell everything you know, and then nobody wants to live there.

"Everything we've worked on for years and years and years, and now we have nothing - zero," she said.

Real estate agents routinely contact the Oregon Department of Environmental Quality on the issue. Clean-up Manager Greg Aitken tells them the risk in the area above the underground plume is undetermined.

"This has been regrettably painful for sellers and buyers and real estate agents too," Aitken said. "There are deals that go so far, and then the disclosure comes out and that tends to complicate the deal. In some cases I'm aware of deals that have failed because of it."

A Union Pacific spokesman acknowledged property owner concerns.

"It is apparent that some residents of the Trainsong neighborhood believe the value of their homes has been affected. Union Pacific is not in a position at this time to determine the extent to which there may have been an impact on property values or how any such impact might change based on future developments," said Mark Davis, the railroad's Omaha-based spokesman.

It's hard to gauge the effect on overall real estate deals.

During the past year, numerous homes have sold in the affected neighborhoods, including 23 sales in the Trainsong area and 49 in the south end of the River Road neighborhood - near the tracks - according to Lane County's property database.

Currently, one Trainsong and a dozen River Road homes in the vicinity of the underground plume are on the market. The asking prices range from \$129,000 to \$425,000.

But intensive news coverage of the suspected presence of solvent fumes in the crawl spaces of some homes, and also of pollutants in private wells, didn't begin until May, so the effects of widespread knowledge about the underground plume

could emerge slowly through the end of this year.

Individual cases of failed sales reported to Aitken suggest some property problems are a foot.

Some neighbors say the railroad ought to buy them out or compensate them for any loss to their property values. Several say they've sought the advice of attorneys.

"If the risk is above the health standard, people shouldn't be living here," Trainsong neighbor Chris Daugenti said. The railroad should compensate or at least buy the property or help out somehow. It doesn't seem right that I should lose money on this house."

Four years ago, Daugenti paid \$101,500 for his 1,307 square foot, 67-year-old house on Haig Street.

Aitken, of the DEQ, said it might be cheaper in the end for Union Pacific to buy the worst-affected homes in the Trainsong neighborhood.

"As Eugene real estate goes, (Trainsong) is among the least expensive. I'm guessing the values out there are under \$200,000, and in some cases under \$100,000, given the condition of some of those homes," Aitken said. "Given the kind of money that's being spent (by Union Pacific), those aren't particularly big numbers for Union Pacific."

A corporate property buyout is not without precedent in Lane County.

In the late 1990s, Monaco Coach Corp. in Coburg bought at least four homes in a nearby subdivision after an expansion at the RV manufacturing plant sent toxic paint fumes and even paint droplets into the neighborhood.

Neighbors banded together, hired an attorney and filed a lawsuit seeking \$33 million from the company. Monaco settled, agreeing to upgrade its pollution control devices, make an undisclosed cash payment to plaintiffs, and buy houses that wouldn't sell for market value.

Any buy-out would raise the tricky question of who should be compensated. About two-thirds of the Trainsong homes are occupied by renters, U.S. Census figure show.

"Who are you going to compensate, the renters or the homeowners?" said Andrea Ortiz, a Eugene city councilor who lives in Trainsong. "Some (renters) have been there for 25 years."

- Diane Dietz

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