REAL ESTATE/HOMES

THE ISLAND PACKET

Sunday, July 16, 1989 Section C

Lemon Island

215-acre parcel on market past 9 years

By GWEN RICHARDS
Packet staff writer

Perhaps no other private undeveloped property in Beaufort County is as visible to the public as is Lemon Island.

The hundreds of motorists who drive the length of the hotdog-shaped island every day cannot help but notice two large "For Sale" signs prominently displayed on either side of S.C. 170. Except for two picnic tables and two trash cans on the north end and for the highway itself, the signs are the only apparent signs of civilization.

Lemon Island, bordered on the north by the Broad River and on the south by the Chechessee River, consists of about 300 acres of high ground, with about 250 acres of that contiguous. The balance is made up of small clumps of islands separated from each other and from the main island by hundreds of acres of marsh.

Lemons have never grown on the island, and the name actually has nothing to do with citrus, according to Bobby Thompson Jr. of Ridgeland, who owns 50 acres on the island's north end. The name dates back to a French captain with the surname LeMine, who reportedly placed a marker on the island in the late 1500s. As the centuries slipped away, local Southern accents transformed "LeMine" into "Lemon," Thompson said.

Today, LeMine's marker is long gone, replaced by two signs advertising 215 "high" acres — the bulk of the island — for sale for $1.5 million. These signs have sat on both sides of the highway for the past 2 1/2 years, but the property has been for sale longer than that.

"Essentially, it's been for sale since we purchased it" in 1980, said Hilton Head Island architect T. Pritchard Smith, who organized a limited partnership to buy the 215-acre parcel. The 24 limited partners are from all over the country, he said. Of the 215 acres the partnership owns, 166 acres are contiguous.

Smith bought the land in a foreclosure sale at a price he declined to name. He said the partnership paid cash for it and has no debt; therefore, he said, he can afford to hang onto it until it does sell.

RV park

Although he does not plan to develop the land himself, Smith envisions a resort park for recreational vehicles springing up on his property. To make the property more marketable, he has prepared detailed plans for such a campground-type facility.

Smith estimates the park would cost from $6 million to $8 million, or even as high as $10 million to develop. But, by the time all the lots were sold, the developer would make back up to $30 million or more, he said. That figure is based on lot prices averaging $20,000 to $30,000.

Those prices are based on a 1982 master site plan put together by Smith and Lewis Clarke Associates, the firm that designed the 2,000-acre Palmetto Dunes Resort and the 5,000-acre Big Canoe resort near Atlanta.

The plan calls for 1,200 sites to be purchased like condominiums. Sites would range in size from 30 feet by 60 feet to 24 feet by 40 feet and would be "heavily buffered" with shrubs, he said.

The plan includes a 300-foot dock, concrete pads, underground electrical service, garbage service, cable television, access roads, bike trails and a recreational complex including a pool and tennis courts.

"The resort park is a growing industry. It combines two appeals to American families: one appeal is the love of the outdoors; the other is an ownership equity in one's own vacation facility," he said.

Smith said he also has drafted "four or five different schemes" for residential housing developments on the island, which range in density from more than 100 3/4-acre lots to less than 50 two- to three-acre lots.

Another option would be a shrimp farm, Smith said. Because the island sits on the Chechessee, "one of the last unpolluted rivers on the Eastern seaboard, it's a great idea for this island," he said.

Even with development plans in hand, the island is not an easy sell, according to Smith and his real estate agent.

"It's only for a very specialized professional. It's not for mom and pop, for example, to buy and put a lot on," Smith said, adding that the island recently was shown to two prospective buyers.

"We've had some very serious inquiries, but nothing has jelled," said Joe Chambers, broker-in-charge at Beaufort Realty, which has the listing for the 215 acres.

Chambers said that development of the island will probably be difficult. "To put something like that together in this county is a headache," he said.

Sewerage an obstacle

Sewerage, or lack of it, has been the biggest deterrent to potential buyers, according to Chambers.

The county is years away from extending water and sewer lines to the area.

And the property is low — with elevations ranging from five feet to 9 1/2 feet — and has a high water table and "bad" soil — eliminating the possibility of individual septic tanks in many areas, said George Nelson, district director of the Environmental Quality Control Office at

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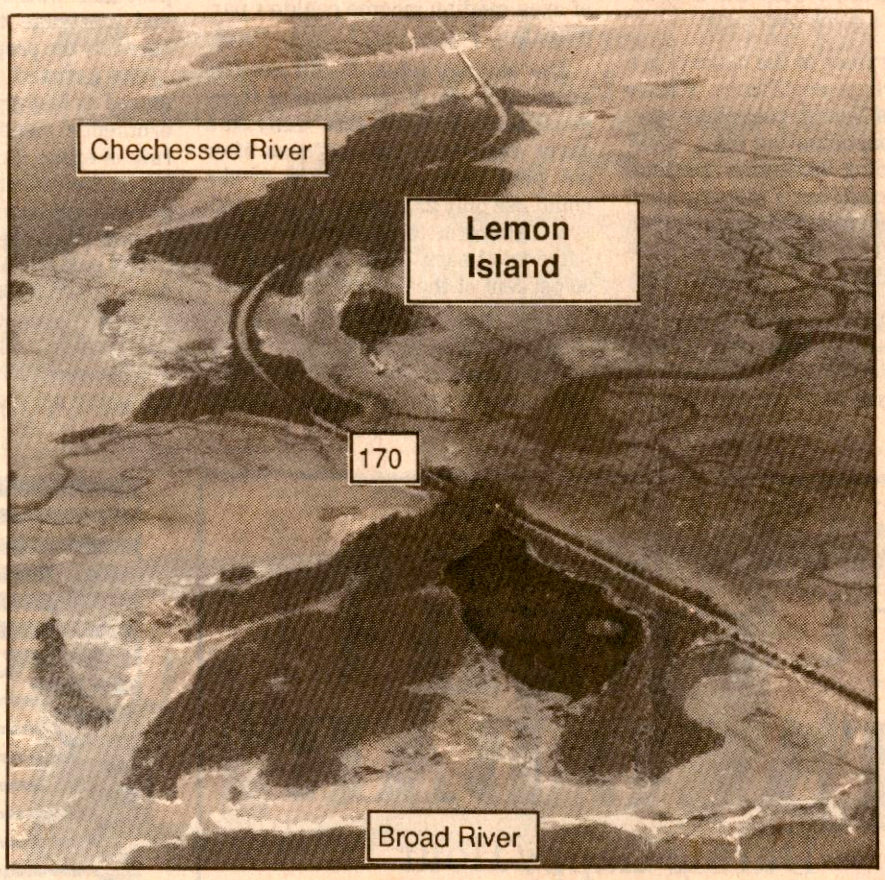

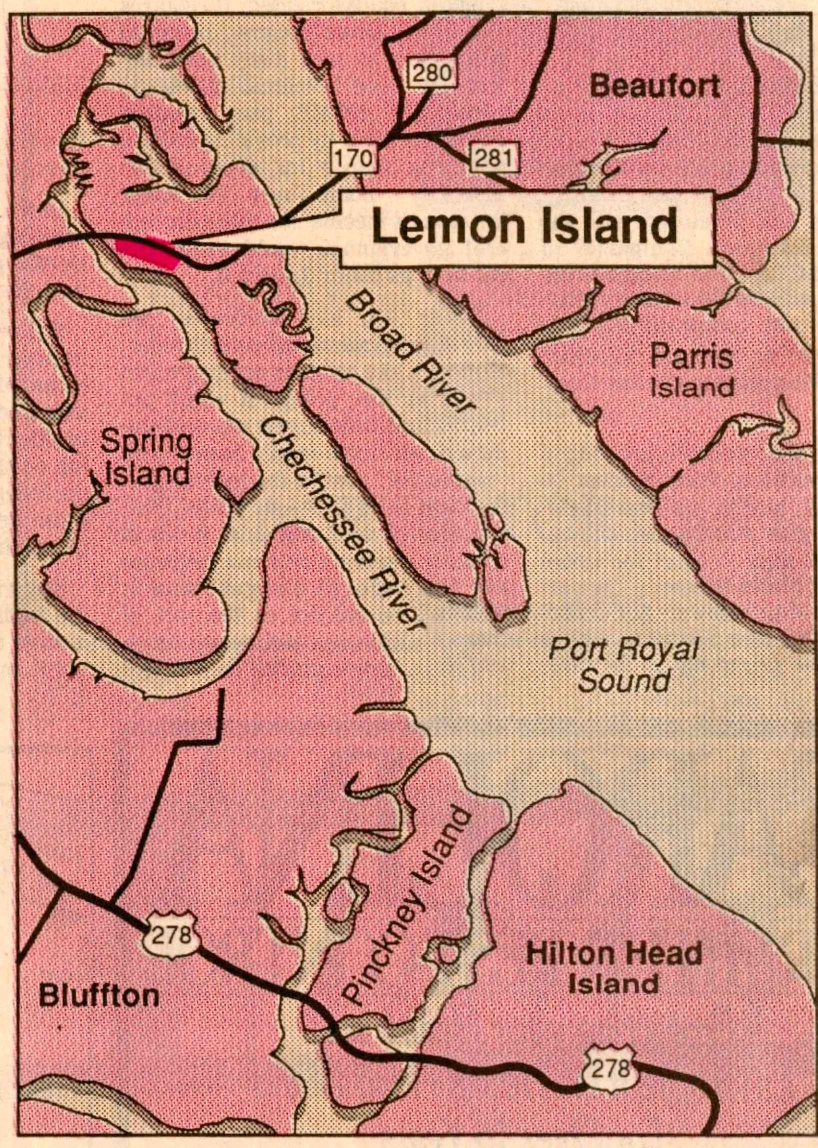

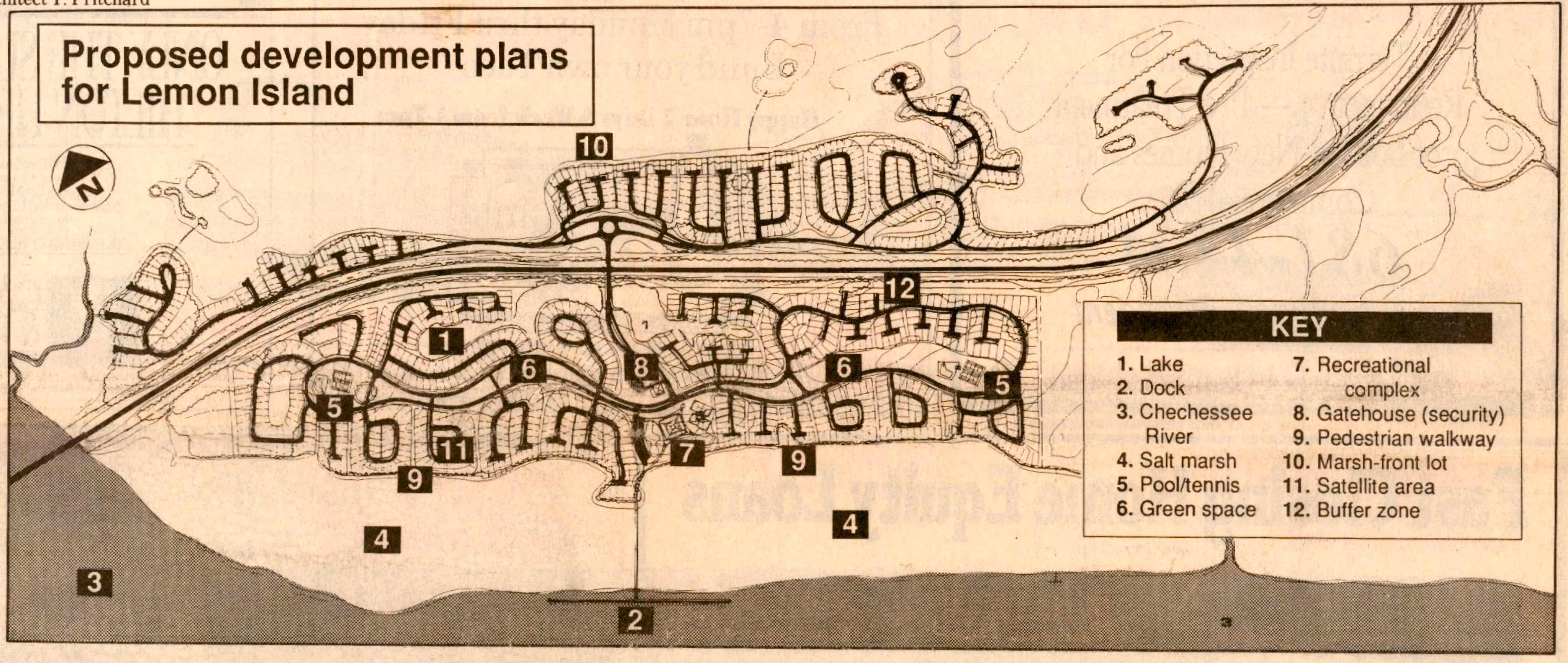

Two residences on island

By GWEN RICHARDS
Packet staff writer

Despite problems with sewerage on Lemon Island, two private homes have been built there using experimental septic tanks.

Donnie Malphrus, the island's only permanent resident, and his neighbor, Med Thomas, both have houses on their property. The property is accessible from S.C. 170 by a narrow, barely visible private road on the southeast side of the island.

Malphrus' home and tennis court sits on three acres, while Thomas' house sits on 18 acres. Each has a 475-foot-long deep water dock on the Chechesee River, said Malphrus, who owns six fireworks stores in Jasper County.

Malphrus, who bought his property in 1978, said he and Thomas both got temporary approval from the S.C. Department of Health and Environmental Control for two experimental and expensive septic tanks. The tanks require annual monitoring by DHEC, he said.

Because the existing soil was not acceptable for septic tanks, "the only way we got our septic tank approval is we had to bring in 200 tandem loads of dirt at $50 a load," he said. "Med Thomas had to put in 300 loads," he said.

"That's why this island hasn't been developed; it's just too expensive to do anything with sewage," he said.

Why did he buy the property when he was aware of the frustrations and expenses involved in disposing of sewage? "Because it's the prettiest place in Beaufort and Jasper counties, and it's on deep water," he said.

Malphrus said he also owns six acres on the north end of the island, which is for sale for $175,000.

Inside story

Quality is No. 1

Corporate real estate executives say quality-of-life issues now are as important as cost when deciding where to locate a new factory or office.

Choosing a location which will help attract and retain key personnel was cited as the No. 1 factor in selecting office locations and fifth in choosing manufacturing locations in a new survey of real-estate managers at the country's largest corporations.

Dallas-Fort Worth ranked first and Atlanta ranked second for both manufacturing and office sites.

Fannie Mae makes refinancing easier

Real estate watch

PAMELA REEVES

Homeowners who refinance their mortgages this summer may find the process much easier than anticipated, thanks to a new set of streamlined rules that many lenders will be following.

The Federal National Mortgage Association — Fannie Mae — has made it simpler and quicker for banks, mortgage companies and savings and loans to handle refinances.

Since 1,700 lenders nationwide sell their mortgages to Fannie Mae, they follow Fannie Mae's rules. That means you'll probably see the results right away in a local lender's office.

One major change is that you may not have to go through the tedious income and credit qualification process to refinance. This new rule applies if you meet these requirements:

- The new mortgage must be obtained through the lender that's servicing the old mortgage. That means if you send your mortgage payment to First National every month, you must do the refinancing through First National to qualify for Fannie Mae's special rule.
- Your original mortgage must have met Fannie Mae's standards when it was issued. Your lender can tell you whether your original loan met the standard.
- You must have income equal to or higher than the income you had when you qualified for the first mortgage.
- You must have made a yearlong record of satisfactory mortgage payments.
- The new monthly payment cannot be more than 15 percent above the payment at which you qualified in the first place. If you have an adjustable rate mortgage, that isn't necessarily the rate you're now paying. It's probably the rate that was in effect the first two years of the ARM.

Fannie Mae also will allow homeowners to refinance without getting a new home appraisal if the new loan is obtained from the same lender —and the lender verifies that the house has not decreased in value.

This change could save a homeowner several hundred dollars, but not all lenders will be willing to go along with it.

"Some are, some are not," said Robert Engelstad, vice president for mortgage standards at Fannie Mae. "The key is how well lenders know their markets."

Engelstad said a local bank that keeps track of property values in your neighborhood is much more likely to waive the appraisal than a national lender that doesn't focus on any one area. And in areas where home prices have declined, new appraisals will be necessary.

Fannie Mae said it was making the changes to avoid the kind of backup that occurred several years ago when lenders were overwhelmed by homeowners seeking to refinance during a period of low interest rates.

"What we're trying to do here is grease the skids and make it easier for people to refinance," said chief economist David W. Berson of Fannie Mae, a congressionally-chartered, shareholder-owned company that provides money for home buyers by purchasing mortgages from lenders and packaging them into securities for sale to investors.

During the last refinancing boom in 1986 and 1987, homeowners often had to wait three months before getting approval for their new loans, Berson said. The waiting period has dropped to about six weeks and the company's new program could shorten the process by another week or two, he said.

Lenders are anticipating a surge in refinancing this summer because fixed-rate mortgages have fallen by about 1 1/4 percentage points since March and are expected to fall by another quarter of a point by fall.

Fixed rates are below 10 percent for the first time in more than a year. One-year adjustable rates have edged down in recent months, but not by as much, and still are about a percentage point higher than a year ago.

Berson estimated that between 25 percent and 35 percent of the conventional mortgages issued this summer will be refinances since 30-year fixed-rate mortgages are available for less than 10 percent in many areas.

Robert Levin, Fannie Mae's senior vice president for marketing, said many homeowners with ARMs now have interest rates 4 percentage points higher than they did when they took out mortgages three years ago.

"Fannie Mae's streamlined requirements may be the answer for these borrowers," Levin said, "as well as for others with higher interest fixed-rate mortgages."

(Pamela Reeves is a syndicated columnist.)

Island

(Continued from Page 1-C)

the S.C. Department of Health and Environmental Control. "That's why it hasn't been developed before," Nelson said.

A treatment plant probably also would not receive DHEC approval, because "disposal is a problem there," he said. "It's very unlikely anybody could get a discharge permit into those waters, because those are shellfish waters."

A future option might be to run sewer lines for about seven miles across the Chechessee River to hook up to the proposed Cherry Point sewer system, he said. That system is expected to come on line by 1992, he said.

Smith estimated that sewerage on his property could cost anywhere from $200,000 to $600,000, depending on whether effluent would have to be hauled off-island.

Although sewerage is a big obstacle to development, it is not an impassable hurdle, according to property owners on the island.

Widgeon Point

Thompson has apparently found his way around the sewerage problem with plans to use "modified drain fields" for a low density development on his 50 acres. The plans have received preliminary approval from the Beaufort County Joint Planning Commission with final approval sought from JPC at its first meeting in August, he said.

To build such drain fields requires 8,500 to 21,000 square feet apiece, and each field must be surrounded by a buffer, he said. But the large amount of land needed for the drain fields reduces the acreage available for developing lots.

"With the environmental sensitivity underground and on the immediate shoreline, that's why we have to space these things so widely," he said. It took 9 1/2 years and "a lot of money" on studies to devise the sewerage plan, said Thompson.

The proposed Widgeon Point community, named after a type of duck common to the area, would consist of 15 lots on 16 acres ranging in size from 8/10 of an acre to 1.5 acres, he said. Thompson said the fields would cost him $2,500 per house, meaning a total cost to him of $37,500. Eleven drain fields would be off the lots, while four would be on the lots, he said.

Ownership of the drain fields would revert to Thompson when a sewage line becomes available, at which point lot owners "would be required to hook in to that," he said.

He bought the property — which originally included 60 dry acres, a 22-acre lake and more than 700 acres of marsh — with his late father for $125,000 in 1980 in a foreclosure sale on the Beaufort County Courthouse steps.

Since the purchase, Thompson said, he has spent about $180,000 in interest payments and engineering study expenses. Three years ago, he sold 10 of the original 60 dry acres to three partners in a Hampton law firm, who "are just holding it," he said.

Broad River views

Widgeon Point lots would range in price from $30,000 for marshfront and lakefront properties to $80,000 for two lots on the Broad River. About half the lots have views of the Broad River, with the other half fronting the marsh and lake, he said.

If the development is approved, he said, he would seek approval for a boathouse on Little Rose Island Creek, which runs along the back side of the property.

Given the county's population growth, the island is destined to have more residents in coming years, according to the property owners and public officials interviewed.

"I think Lemon Island eventually will be developed, but whether it's in three years or 15 years, I don't know," said Nelson.

Is Lemon Island a "lemon?"

"I don't think so. But give me lemons, and I'll show you how to make lemonade," Smith said. "It will sell; there's no doubt about it."

"It's a beautiful piece of property," he said pointing out an unobstructed view from the southside to the tip of Hilton Head Island. Another benefit is the island's proximity to Beaufort, a 10-minute drive away, he said.

"More people all the time are wanting to live in out-of-the-way places, so these properties are becoming more popular all the time," he said.

Selling Lemon Island "is just a matter of time," Smith said.

Property transfers

Beaufort County Clerk of Court W. Henry Jackson has issued reports summarizing recent property transfers across the county. Each entry lists the seller, buyer, location of the property, declared purchase price and the date the transaction was filed at the Beaufort County Courthouse in Beaufort.

Harold E. Schreckengast to Charles A. Cummings, 2 Parcels See Document, $8,000, July 6.

Kathleen Dipietro to Franz William and Robin Russell, Lot 14 Audubon Pond Subdivision I Sea Pines Plantation, $250,000, July 6.

Eleanor R., Richard E., Richard M. and Jane D. Potocki to Minster Machine Co., Lot 566 Long Cove Club Hilton Head Island, $515,000, July 6.

Marian S. and Travis L. Houston to Louis J. and Mildred F. Marchiante, Lot 159 Greenwood Forest Subdivision Sea Pines Plantation, $58,000, July 6.

Diane L. and Kenneth D. Courtright Jr. to John H. and Mary LuGrisdale, Lot 465 Moss Creek Plantation Bluffton Township, $52,000, July 6.

Russotto Hoisington Partnership to Arthur F. and Julie B. Bradham, Lot 6 Foxhunt Drive Bigh Wood Plantation Hilton Head Plantation, $199,900, July 6.

Tabby Walk Limited Partnership to Catherine and Thomas J. Frey, James R. and Sandra Reynolds, Apartment 413 Tabby Walk, $80,000, July 6.

Doris T. and James A. Joseph, David L. and Arlene Lanter to Alyce M. and Edward V. Polguy, Apartment 545 Sea Pines Plantation Club Villas, $132,750, July 6.

Hilton Head Health Foundation to Phyllis G. and Walter K. Busch, Lot 25 Ph II Block G Wexford Plantation Hilton Head, $127,000, July 6.

Colony Service Corp. to Maureen Ann and Richard Dean Towner, Lot 713 Moss Creek Plantation Bluffton Township, $113,500, July 6.

Elizabeth H. and Herbert Dill to Patricia A. Doblar, Lot 34 Sparrow Hawk Dolphin Head Subdivision II Hilton Head, $126,500, July 6.

Joan E. Mauk to Carol S. and John M. Graddock, Lot 70 Audubon Pond Subdivision Sea Pines Plantation, $205,000, July 6.

Robert J. Beaudoin to Christel E. Beaudoin, Lot 275 Long Cove Club Hilton Head, $1, July 6.

Eldredge H. Leeming to Counsellor Title Insurance Agency Inc., Lot 37 Marsh View Subdivision Sea Pines Plantation Hilton Head, $1, July 6.

Counsellor Title Insurance Agency Inc. to Deborah D. and Eldredge H. Leeming, Lot 37 Marsh View Subdivision Sea Pines Plantation Hilton Head, $1, July 6.

August M. and Patricia A. Careo to Bertin M. Jr. and Joan E. Stuckart, Lot 53 Harbour Passage East Windmill Harbour, $94,500, July 6.

Greenwood Mills Inc. to Greenwood Development Corp., Apartment 273 Turnberry Village Palmetto Dunes Resort, $90,000, July 6.

Greenwood Development Corp. to Greenwood Mills Inc., Villa 7622 Huntington, $356,300, July 6.

Greenwood Development Corp. to Greenwood Mills Inc., Apartment 274 Turnberry Village Palmetto Dunes Resort, $110,000, July 6.

Clark V. Daly to Lawrence Byrd, Stephen Feldman and Ella Wallack, Unit 127 Windward Village Ph II Shipyard Plantation, $10, July 6.

Anthony and Marjorie Balinski to Francis and Mary Crane, Treeloft 9006 Week 25, $6,000, July 6.

Mary E. and Tony R. Knapp to Joan and Valentine Burbrosky, Lot 42 Block B Parcel III Tract B Palmetto Dunes Hilton Head, $227,500, July 6.

NCNB South Carolina to Joel S. Engell, Apartment 307 Period 10 Harbour Pointe, $8,900, July 6.

NCNB South Carolina to Barbara E. and Russell L. Lawson, Apartment 307 Period 16 Harbour Pointe, $8,900, July 6.

NCNB South Carolina to Mary Ann and Richard J. Urbanski, Apartment 207 Period 17 Harbour Pointe, $8,000, July 6.

NCNB South Carolina to Barbara C. and Darwin M. Knapp, Apartment 205 Period 9 Harbour Pointe, $7,600, July 6.

NCNB South Carolina to Donald L. and Myra C. Folsom, Apartment 307 Period 31 Harbour Pointe, $9,900, July 6.

NCNB South Carolina to Tracy A. and Williard E. Quillian, Apartment 408 Period 22 Harbour Pointe, $9,100, July 6.

NCNB South Carolina to Frances W. and John C. Wallace, Apartment 409 Period 20 Harbour Pointe, $11,000, July 6.

NCNB South Carolina to Georgeanne Schira, Apartment 405 Period 37 Harbour Pointe, $10,500, July 6.

NCNB South Carolina to Catherine H. and Frederick R. Crowgey Jr., Apartment 205 Period 41 Harbour Pointe, $9,600, July 6.

NCNB South Carolina to Larry E. and Meredith M. Lloyd, Charlotte B. and Wilbert R. Madison, Apartment 209 Period 15 Harbour Pointe, $8,400, July 6.

NCNB South Carolina to Daryl and Deborah Chambless, Apartment 414 Period 6 Harbour Pointe, $3,150, July 6.

NCNB South Carolina to Sandra L. Laputz and Patrice D. Primack, Apartment 418 Period 8 Harbour Pointe, $6,000, July 6.

NCNB South Carolina to William J. McCarthy and Bobby S. Williams, Apartment 511 Period 45 Harbour Pointe, $6,400, July 6.

NCNB South Carolina to Charles W. and Lee K. Bell, Apartment 517 Period 33 Harbour Pointe, $14,000, July 6.

NCNB South Carolina to Gerald A. and Joan H. Wallock, Apartment 222 Period 16 Harbour Pointe, $8,000, July 6.

NCNB South Carolina to Donald R. and Norene F. Casey, Apartment 313B Period 16 Harbour Pointe, $11,900, July 6.

NCNB South Carolina to Barbara J. Bard and Richard P. Gibson, Apartment 308 Period 21 Harbour Pointe, $9,500, July 6.

NCNB South Carolina to Barbara J. Bard and Richard P. Gibson, Apartment 308 Period 22 Harbour Pointe, $9,500, July 6.

NCNB South Carolina to David R. and Rhonda B. Seligmann, Apartment 220 Period 32 Harbour Pointe, $14,500, July 6.

NCNB South Carolina to Charles M. and Lenore O. Barresi, Apartment 514 Period 22 Harbour Pointe, $8,800, July 6.

NCNB South Carolina to Jeanne J. and Michael L. Townes, Apartment 209 Period 28 Harbour Pointe, $9,400, July 6.

NCNB South Carolina to Mark A. Easton, Apartment 209 Period 7 Harbour Pointe, $4,900, July 6.

NCNB South Carolina to Rachel A. Fischer, Apartment 215 Period 48 Harbour Pointe, $4,500, July 6.

NCNB South Carolina to Concetta and Frank R. Petrock, Apartment 216 Period 10 Harbour Pointe, $7,300, July 6.

NCNB South Carolina to Fred G. and Susan D. Martin, Apartment 118 Period 37 Harbour Pointe, $8,400, July 6.

NCNB South Carolina to Marie B. and Thomas H. Tessman, Apartment 305 Period 22 Harbour Pointe, $9,800, July 6.

NCNB South Carolina to Donna M. and Melvin L. Frederick, Apartment 115 Period 47 Harbour Pointe, $5,200, July 6.

Carlos R. and Elizabeth A. Naranjo to Leonard and Sally Bloom, Apartment 10-410(C) Period 19 Harbour Pointe, $3,800, July 6.

Prudential Bache Fogelman Harbour Town Prop. to Wilmington Trust Co. Trustee, Unit 54 Boat Slip Harbour Town Yacht Club, $76,000, July 6.

Arthur E. and Mary T. Cameron to David W. and Melinda B. Akard, Lot 1 Block G Harbour Town Townhouse Sites Subdivision, $181,666, July 6.

Nancy S. Corbett to James A. Buck, Lot 14 Ph II Block F Wexford Plantation Hilton Head Island, $140,000, July 6.

Allan L. Miller to Bruce D. and Cheri M. Romig, Lot 17 Marsh Island Subdivision Sea Pines Plantation, $129,000, July 6.

Barbara and Monte K. Stout to Andrew and Mary C. Musaelian, Lot 57 Block B Rose Hill Plantation Bluffon Township, $44,000, July 6.

Mario T. and Patricia Plaza Ponte to Donna W. and J.W.W. Chisman Jr., Apartment 1469 South Beach Village Sound, $320,000, July 6.

Kristine Kyser Personal Rep. and Lolita I. Kyser Estate of to Kenneth and Kristine Kyser, Lot 2 Point Comfort Woods Sea Pines Plantation Hilton Head, $10, July 6.

Elayne L. Robidoux and Elayne L. Young to Augusta Evalee Riley, See Document, $21,204.63, July 6.

Gertrude S. and Louis F. Smyder to Gerald L. and Patricia K. Gilman, Lot 133-M Tansi Village Subdivision St. Helena Island, $8,000, July 6.

Thomas Kemmerlin Jr. As Master In Equity, Minda and Thomas O Callaghan By Master In Equity to City Federal Savings & Loan Association, $42,000, July 6.