

Inheritance can strain family ties

Like in a divorce, siblings' emotions often prevail over their intelligence

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NEW YORK — In New York City real estate, death is the ultimate leveler, evicting the residents of 16-room duplexes as well as those in fifth-floor walk-ups. It doesn't matter who you know.

But even as homeowners ascend to that great co-op in the sky (where the plumbing is excellent and every line commands sweeping views), all hell can break loose among those granted a share of the earthly dwelling left behind.

"You would think it would be easy because there's money at the end of the rainbow, but there are more problems than you would think," said **Adam Leitman Bailey**, a Manhattan real estate lawyer.

"This is one of those cataclysmic events that really shake everybody up. It's just like in a divorce, where you don't use your brain -- you use your emotions. So you're hurt, you're not thinking clearly, and a lot of the time the person that dies is the one who used to give you advice."

For a buyer, conflict among heirs, or just conflicted feelings brought on by the death, can translate into lengthy delays at the negotiating table over what a parent, aunt or uncle's home is worth.

On the other hand, for patient buyers, such delays can spell opportunity.

"Estate taxes have to be paid within a year, and so if an apartment is still on the market after six months, you have to borrow money or make a deal with the government," said A. Laurance Kaiser IV, the president of Key-Ventures Inc., a Manhattan real estate brokerage. "Things become more negotiable."

Nevertheless, lawyers and brokers who have seen the drama play out describe qualified buyers who walk away frustrated, families who become permanently estranged over asking prices, and delays that siphon money in the form of carrying costs, legal fees and slashed sales prices.

The recent upsurge in prices has only created more motivation and opportunity for conflict as soaring property values have turned homes into the crown jewels of many an inheritance.

"Tragically, money is a god," said Kaiser, who has watched heirs become "piranhas" around their parents' pricey domiciles, sometimes securing appraisals well before a parent's last breath.

The messiest and most common estate-sale skirmishes typically involve sibling rivalry. Ancient tensions can reignite when brothers and sisters are forced to work together in an emotionally charged situation.

"This is their chance to get the attention they always wanted, to get the revenge they always wanted, and for the youngest child to finally show that they matter," **Bailey** said.