

A home price peak

■ **Nassau median hits** a 6-year high: \$470,000

■ **But strict** lending rules stalling lower-priced sales

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Nassau County home prices hit their highest point in six years last month, as strict lending standards and other factors led to a 15 percent drop-off in the number of houses sold.

The median sale price in Nassau was \$470,000 in August, the Multiple Listing Service of Long Island reported yesterday. That's the highest since August 2008 and just 6.5 percent below the peak of \$502,500 in August 2007. Some analysts said a decline in the number of first-time buyers contributed to the rising median price — and to the sharp year-over-year decline in home sales.

Nassau's rising prices did not carry over into Suffolk County, where the median home price slipped by 3.3 percent compared with the previous August, to \$333,500, the listing service reported. Home prices in Suffolk remain nearly 20 percent below their peak of \$415,000 in August 2006. The number of houses sold also fell, by a less-steep

10.5 percent.

Real estate experts said the apparent gain in Nassau's home prices is less robust than it appears. First-time home buyers are having trouble qualifying for mortgages, said Joe Moshé, broker-owner of Plainview-based Charles Rutenberg Realty. As a result, the greater volume of higher-end home sales is pulling up the median price.

"It's very difficult for the first-time buyer to accumulate the down payments" and to meet lenders' credit and income standards, Moshé said. "The people who are able to buy homes are the people who are established and have the income to support the higher-priced homes."

Jonathan Miller, chief executive of Manhattan-based appraisal firm Miller Samuel, agreed that high-end home sales are skewing the statistics. "Overall, prices didn't spike," he said. "The high end of the market in 2014 seems to be outperforming the balance of the market."

For instance, along the Gold Coast of northern Nassau County median prices rose by 7.7 percent in the second quarter, compared with the same period in 2013, Miller said. By contrast, throughout Nassau County, prices ticked up by only 2.5 percent over the same period.

Long Island's REAL ESTATE market

	Median price			Number of sales		
	August 2013	August 2014	Percent change	August 2013	August 2014	Percent change
Nassau	\$445,000	\$470,000	+5.6%	1,346	1,144	-15.0%
Suffolk	\$345,000	\$333,500	-3.3%	1,358	1,215	-10.5%

SOURCE: MULTIPLE LISTING SERVICE OF LONG ISLAND

Tight lending standards have had a greater impact on less-wealthy buyers, causing sales of lower-priced homes to slow down, Miller said.

Moshé attributed the drop in home sales to a variety of factors, from stringent federal lending guidelines that took effect in January to what he sees as a tendency among younger people to prefer renting an apartment and spending their money on vacations rather than saving up to buy a home.

Affordable home prices and low interest rates are giving first-time buyers a foothold in the Suffolk real estate market, said Jerry O'Neill, broker/owner of Coldwell Banker Harbor Light in Amity Harbor.

"It's giving them an opportunity to get into a house with a more affordable monthly payment," O'Neill said.



Real estate signs are posted along a street in Long Beach yesterday.