

BIG DROP IN LI HOME SALES

Scant inventory cited for nearly 17% decline

BY JONATHAN LAMANTIA
jonathan.lamantia@newsday.com

Long Island's housing market in February recorded the fewest closed sales since July 2020, when the first wave of the pandemic delayed deals, as buyers continued to confront a shortage of homes on the market.

Completed sales fell 15.1% in Nassau County, to 954, and 17.7% in Suffolk, to 1,181 compared with February 2021, according to data released Tuesday by OneKey MLS. Island-wide, sales fell by 16.6%. A historically low number of homes on the market, a scarcity driven in part by intense buyer demand, has held back sales in recent months.

Home prices in both counties rose compared with the same month in the previous year. In Nassau, the median sale price was \$650,000, or 8.5% higher than in February 2021. In Suffolk, the median sale went for \$527,000 or 10.9% more than a year earlier. Prices were little changed from the previous month and have remained fairly stable since the fall.

The Island's inventory problem improved slightly by the end of last month. The market didn't set a record low for homes on the market in February, as it had in the previous three months, with about 100 more listings at the end of last month than at the end of January. But there were still about 25% fewer homes on the market in February compared with the previous year.

New listings were about the same as last year at this time, but buyer demand has prevented homes from staying on the market and increasing available inventory, said Jim Speer, CEO of OneKey MLS.

"That is what is keeping the market hot. It's that inventory is still down," Speer said.

The number of contract signings last month for sales that haven't closed yet was



A house in Holtsville, which was listed for \$539,000, went into contract in February.

CHARLES RUTENBERG REALTY

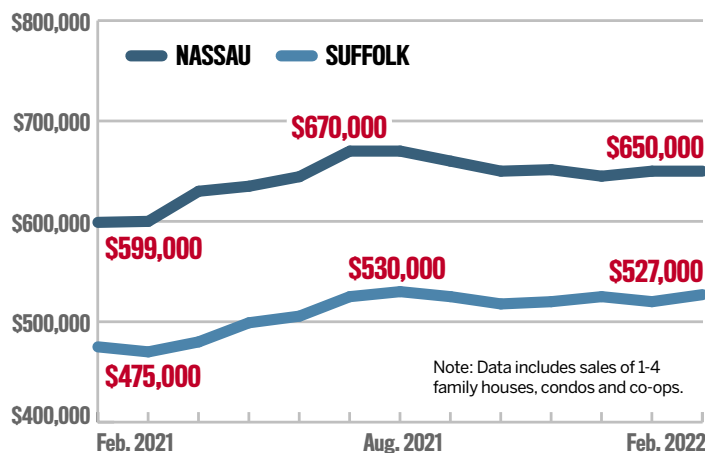
WHAT TO KNOW

- Home sales on Long Island fell by 16.6% in February compared with a year earlier and hit their lowest level since July 2020.
- The median sale price in Nassau County rose 8.5% to \$650,000 compared with the previous year. The Suffolk median sale was 10.9% higher, at \$527,000, than the same figure a year earlier.
- The median price among pending sales that have not yet closed was \$689,900 in Nassau and \$550,000 in Suffolk. Prices could be headed higher, but Jim Speer, CEO of OneKey MLS, said more data is needed to determine whether it is a trend.

HOME SALE TRENDS

	MEDIAN PRICE			NUMBER OF SALES		
	February 2021	February 2022	Change	February 2021	February 2022	Change
NASSAU	\$599,000	\$650,000	8.5%	1,124	954	-15.1%
SUFFOLK	\$475,000	\$527,000	10.9%	1,435	1,181	-17.7%

MEDIAN SALE PRICES



SOURCE: ONEKEY MLS

stronger than completed sales. Pending sales fell 6.6% in Nassau, to 1,020, and 7.3% in Suffolk, to 1,278, compared with those figures in February 2021, which is a positive sign for the market with inventory as low as it is, Speer said.

"There's been some concern about what will happen if interest rates start going up, which they of course have," he said. "Will inflation start slowing down the market? At this point, it has not, which is a good sign. We're not really

seeing a slowdown as far as the sales that are actually going into contract now."

Rising interest rates could limit homebuyers' purchasing power this year. The average rate for a 30-year fixed mortgage was 3.85% for the week ending March 10, according to mortgage giant Freddie Mac. A year ago, that rate stood at 3.05%. The Federal Reserve will meet this week and is expected to approve a rate increase to tame inflation. Mortgage rates tend to rise during periods of inflation.

Contracts signed last month point to higher closing prices in the spring. The median price of pending sales that have yet to close was \$689,900 in Nassau County and \$550,000 in Suffolk.

"I find it hard to put much credence in what happens in one month since it could just be a bump for whatever reason and come back down, but it did go up," Speer said.

The homes that are on the market are drawing plenty of interest. Nicole Chimento, a real estate agent at Realty Connect USA in Hauppauge, said she held an open house March 6 for a three-bedroom home in West Babylon that attracted about 45 to 50 buyers who lined up down the driveway and into the street. The

showing yielded around 20 offers, and most were above the \$465,000 asking price.

"You're now having buyers waiving the appraisal clause to ensure their offer is the strongest and they will get the house," Chimento said. Buyers who waive an appraisal contingency agree to pay more in cash if their lender appraises the house at a lower value.

The number of homes on the market is unlikely to rebound substantially in the next few months, so buyers must find ways to put as much cash down as possible to make their offers stand out, said Joe Moshe, a real estate broker and owner of Charles Rutenberg Realty in Plainview, which has offices around the metro area.

He said buyers must be willing to use all their financial resources to get their offer accepted and seek help from family, if possible, to make the most competitive bid. Some buyers hold back cash for repairs, which Moshe said is a mistake.

"The market is too tough to lose a house for money you have in the bank. You're better off making those repairs in one or two years," Moshe said. "Don't lose a house for something you can afford to pay out of your disposable income."