

LI Owners Keeping Their Homes Off The Market, Report Shows

Maura McDermott | April 23, 2020

Long Island homeowners pulled their homes off the market – or declined to list them – as the coronavirus pandemic took hold last month, and local brokers say sales are nearly at a standstill.

The number of homes for sales on Long Island – not counting the East End – has taken a dive of almost 30% compared with a year earlier, to 8,337 at the end of March, the brokerage Douglas Elliman and the appraisal company Miller Samuel said in a report to be released Thursday.

In the first three months of the year, Long Island's median home price increased by 4.7% compared with a year earlier, to \$450,000, and the number of closed sales grew by 1.7%, the report shows. But that mostly reflects activity before the deadly outbreak prompted a shutdown of nonessential businesses, including real estate brokerages, on March 22. On April 2, real estate agents were allowed to resume working in their offices or virtually.

The pandemic dealt a severe blow to what had been a busy market, brokers said.

“I was so excited at the beginning of this year, we were just rocking and rolling,” with a strong economy and low interest rates, said Ann Conroy, chief executive of Douglas Elliman's Long Island division. When the pandemic hit, she said, “it was like going 300 miles an hour and then hitting a brick wall.”

Assuming the region avoids a second wave of infections later this year and the economy recovers, “pent-up demand” among buyers and sellers could bring about a recovery by the end of the year, she predicted.

The sharp decline in listings shows how skittish sellers are about allowing buyers into their homes, as well as their hope that the market will recover once the crisis passes, said Jonathan Miller, president and chief executive of Manhattan-based Miller Samuel.

It's likely there will be a "severe drop in activity" this spring, he said. "I think it's reasonable to see pricing fall," though it's unclear by how much, he said.

"The shorter the crisis lasts, the less damage to the economy, therefore the less damage to the housing market," he said. But, he said, if there is a new spike in infections, "all bets are off."

In the Hamptons, inventory dropped by almost 20% compared with the previous March, the report shows.

The median Hamptons home price jumped by 16.5% annually, to \$990,000 in the first quarter, and the number of closed home sales grew by 15.5% year-over-year, the report shows.

The Hamptons has seen a surge in rental activity as New York City residents flee to beach houses, but the spring sales market is a different story, brokers said.

"I think the next quarter is going to look quite grim," said Judi Desiderio, chief executive of Town & Country Real Estate, based in East Hampton, though she predicted the market would benefit from a strong interest in second-home purchases once in-person showings resume. For now, she said, "some sellers are very nervous about having anybody in their house, and some buyers are very nervous about going inside somebody's house. People will rent a house sight unseen, but they won't necessarily buy a house sight unseen."