

Slump in LI home sales reported

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Photo credit: James Carbone | The Multiple Listing Service of Long Island reported Friday that median home closing prices on Long Island and Queens fell 6 percent in December compared with a year ago. (Nov. 10, 2010)

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Long Island home sales and prices slumped last month, reflecting a persistently weak housing market more than two years after the official end of the recession.

The Multiple Listing Service of Long Island, which tracks regional housing activity, reported Friday that median home closing prices on Long Island and Queens fell 6 percent in December compared with a year ago. The price dip for home closings in Nassau County was more muted, with prices falling 2.5 percent to \$385,000. In Suffolk, the median price fell 6.2 percent to \$305,000.

The volume of sales also dropped — down 8.8 percent in Nassau and 12.7 percent in Suffolk. Long Island's bloated inventory of homes remained mostly unchanged.

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"The market has been flirting with stability but it's fragile," said Jonathan Miller, a Manhattan-based real estate appraiser who tracks the Long Island housing market.

Dorothy Aschkar, owner of Fairway Homes, a real estate firm in Queens Village that lists homes in Nassau and Suffolk, said wannabe buyers have been dogged by tight credit — lenders demanding higher credit scores and down payments. Higher standards have locked many from the market, Aschkar said.

Pearl Kamer, chief economist for the Long Island Association, the region's largest business group, said a number of factors are pressuring the local market: Distressed sales — foreclosures and short sales — are driving prices lower, lending standards make financing difficult, and tumbling prices are encouraging potential buyers to wait.

"Why buy today when you think the price is going to be lower tomorrow?" Kamer said.

Michael McHugh, president of Continental Home Loans in Melville, which originates and services loans, said he's seeing new buyers daily. He said that loans are available for qualified buyers, even while some lenders have tightened standards.

"These numbers are a little lower than what I had hoped to see, what I had expected to see quite honestly," McHugh said.