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Home Sales Brisk in New York City's Suburbs

By LISA PREVOST MARCH 17, 2017



North Main Street in downtown Port Chester, N.Y. Demand for housing has stayed strong in many New York City suburbs, according to industry experts. Gregg Vigliotti for The New York Times

Real estate market temperatures in the [commuter suburbs around New York City](#) range from warm to sizzling, having never really cooled down for the winter.

As 2016 ended, prices remained stable, but most markets showed rising sales volume and a dwindling supply of homes for sale. Now, on the cusp of spring, any slack left over from the financial crisis is largely gone, with the exception of an oversupply of luxury homes at the very top.

In [Westchester](#) and Fairfield Counties, “I wouldn’t characterize anywhere as dead or nonactive,” said Jim Gricar, the general sales manager for Houlihan Lawrence. “Two years ago, I couldn’t have said that. But today, I feel confident saying it.”

On [Long Island](#), in both Suffolk and Nassau Counties, the housing markets are moving at a “blistering pace,” and prices are accelerating, according to a fourth-quarter market report from Douglas Elliman Real Estate.

And in the inner-ring [New Jersey](#) suburbs closest to [Manhattan](#), the markets are so brisk that many have less than three months’ worth of inventory, according to Jeffrey Otteau, the president of the [Otteau Group](#), an appraisal and advisory firm. By way of comparison, in 2012, most of those markets had a four-to-eight-month supply, a more typical range.

The dynamics driving demand vary from suburb to suburb, but industry experts cited several overall reasons for the busy winter. First, many buyers had been holding off on making a purchase until after the presidential election, largely because of uncertainty about the outcome. That pent-up demand was unleashed after Nov. 8, and has been helped along by a mild winter.

“Anecdotally, the brokerage community said literally the day after the election there was a pop — activity jumped,” said Jonathan Miller, the president of the appraisal firm [Miller Samuel](#), which prepares the Douglas Elliman market reports. “We saw the same thing after the 2012 election. When the numbers come in for the first quarter, I think we will see an uptick over a year ago.”

In addition, buyers priced out of New York continue to be on a quest for affordability, a phenomenon common to many high-priced metropolitan areas around the country, Mr. Miller said. Many of those buyers [bring a city mind-set](#) to their hunt in the suburbs, driving competition in areas with in-town living, lively and walkable downtowns and commuter rail service.

And then there was “the real noise” that began toward the end of last year about the likelihood of rising interest rates this year, Mr. Gricar said, adding, “Buyers decided to get to work.” The Federal Reserve announced on Wednesday that it would raise its benchmark interest rate, which will likely mean a rise in mortgage rates. A 30-year fixed rate currently averages just above 4 percent.

Indeed, 2017 “started out with a bang” for sellers in the Mount Pleasant and Ossining areas, said Susan Strawgate Code, an associate broker in the Briarcliff Manor office of Houlihan Lawrence. Take Pleasantville, a village in Mount Pleasant popular with New York City buyers because of its quick commute to Manhattan and its Brooklynesque feel.

“Over the last six months, the average days-on-market in Pleasantville before going to contract was only 83 days,” Ms. Code said. “That’s a pretty quick turnaround.”

Inventory is so low — just 34 homes were on the market as of last week — that buyers are waiting in the wings for new listings to come on, she said. And multiple bids are common.

For Westchester as a whole, the absorption rate — the number of months it would take to sell all active listings based on the pace of sales — was 3.7 months in the last quarter of 2016, the fastest pace since 2001, according to Douglas Elliman. The overall median sales price rose by a modest 3 percent compared with a year earlier, though increases were greater in the White Plains and lower Westchester markets.

On Long Island, sales have been so brisk over the past couple of years that inventory is at its lowest level in 13 years, Elliman reported. As a result, prices are accelerating more quickly than in other metropolitan-area markets, especially in Nassau County, which had a median sale price increase of about 7 percent last quarter compared with a year ago.

In New Jersey, price growth has been very modest across the state as a whole, even as sales volume grew by 12 percent last year. But appreciation is much more robust in the economically strong commuter suburbs closest to the city, such as Jersey City, Hoboken, Glen Ridge and Ridgewood, according to Mr. Otteau.

He noted that January brought an unusual statewide spike in sales of homes priced between \$1 million and \$2.5 million, a market segment that had slowed in recent years. While the 19 percent year-over-year surge might be an anomaly, Mr. Otteau said, it could also be a sign that high-income buyers are feeling extra confident, possibly because of the Trump administration's talk of financial deregulation and tax reform.

"It's completely opposite to what we'd been seeing previously," he said.

Still, the market above \$2 million remains soft throughout the suburbs. In Fairfield County, Conn., for example, the median price for the top 10 percent of sales dropped by more than 15 percent in the last quarter of 2016 to \$1.7 million, due primarily to a shift toward lower-priced sales, according to Elliman. (The median sale price for the county as a whole declined by 3 percent, to \$372,000.)

In Greenwich, Conn., where the median single-family sale price is around \$1.6 million, the sluggish high-end market is contributing to concerns among some agents and business people that the town might have a perception problem. Sabine H. Schoenberg, the chief executive of Prime Sites, said that derogatory comments about the Greenwich housing market made publicly last fall by [Barry Sternlicht](#), the chairman and chief executive of Starwood Capital Group, were one of the first things buyers saw when researching the town on the internet. (Mr. Sternlicht, who had been frustrated in his efforts to sell his Greenwich mansion, claimed the market was so bad "you can't give away" a home.)

Ms. Schoenberg and other members of a Greenwich economic advisory council are pushing the town to help fund a public relations campaign that would promote its positive attributes as a counterpoint to the negative perceptions.

A similar effort is happening in the small town of Weston, Conn., where some residents are frustrated that the town "isn't getting the attention it should from potential home buyers," said Bill Douglass, who is helping to craft the campaign. Without rail service or a downtown, Weston has lost some buyer appeal in recent years. A new website, [the](#)

[Weston Way](#), promotes the town's two-acre zoning, abundance of nature and high-performing schools as part of an effort to put Weston "in a proper context," Mr. Douglass said.

"Say you're thinking of moving from [Brooklyn](#), and you like farmers' markets, fresh food," Mr. Douglass said. "Here, you could have your own chicken coops, and maybe have a farmers' market just a short drive away."

While such campaigns may attract some buyers to communities they hadn't considered, they won't change market realities, Mr. Miller noted. It is up to agents to educate sellers about what their homes are really worth, especially at the high end of the market, he said.

"It's not that demand for the high end has waned," he said. "It's that the value map has changed. And buyers are not looking to pay 2014 prices in 2017."