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IN THE REGION

It's Spring. Somebody Tell the Buyers.

By ANTOINETTE MARTIN

IT'S spring, the traditional time for hope and growth in residential real estate sales. But beyond the borders of New York City, there are indications that a wintry chill besets the market in much of the region.

On Long Island and in Connecticut, brokers report the inventory of unsold homes continues to build, while the number of buyers is reduced by new lending restrictions.

In New Jersey, the market seems to have slowed from March to April — just when things would ordinarily be revving up. The number of sales contracts signed in April declined in 20 of 22 counties monitored by the Otteau Valuation Group, which does market analysis for brokers. Even in Hudson County, which encompasses such sought-after riverfront towns as Hoboken and Jersey City, sales volume declined 21 percent.

Next month, units at one newly built high-end condominium building in Hoboken will be put up for auction. Forty of 128 units at the complex, Velocity, which will have 24-hour concierge service, are to be offered at base prices set well below the cost of construction, according to Erik Kaiser, chief executive of the REMI Companies, the developer.

Mr. Kaiser described the auction, to be held on June 24, as an “out of the box” strategy designed to generate a blast of attention for high-quality units in a market that he characterized as extremely hot. But the Otteau Group's statistics indicate that Hoboken is actually getting colder: There were 25 percent fewer sales in April than in March.

Next door in Jersey City, where numerous condominium projects are under way, 16 percent fewer sales contracts were signed last month than the month before, according to the Otteau Group.

Jeffrey G. Otteau, president of the company that bears his name, analyzes numbers of signed contracts rather than closed sales, as most multiple listing services do, because they present a more timely read on market conditions. The April statistics are the latest available, he said, and are being provided this week to agents who subscribe to his service.

Many brokers in New Jersey, as elsewhere in the region, continue to speak of the market as having bottomed out and moving into recovery. In Westchester County, sales are up, asserted P. Gilbert Mercurio, of the County Board of Realtors. There were 4 percent more closed sales in the six-week period April 1 through May 17 compared with the year before, Mr. Mercurio said.

But Mr. Otteau suggested that such reports might possibly lag behind reality. He said that he, too, had predicted market recovery in New Jersey by now — and that he had been somewhat surprised by the further weakening in April. Given the definitiveness of the statistics, however, and the likely reasons behind them, Mr. Otteau said he thought the same scenario probably held true around the region.

“I would say there are two things affecting the market negatively right now,” he summarized: “tightening lending standards as a result of problems with the subprime market, and fear that the problems will spill over and affect the market as a whole.”

On Long Island in recent years, many homes in the middle price range — \$400,000 to \$700,000 — sold with 100 percent financing and multiple loans, said Kathy Anastasio of Anastasio Associates in Huntington. Since banks pulled back on subprime lending practices, “we lost about 30 percent of our buyers in that price range,” Ms. Anastasio said.

But even well-qualified buyers appear to have become more reluctant, Mr. Otteau said. “It’s spring, interest rates are very good, we’re not in a recession, we’re creating jobs — slowly, but creating them — and home builders are offering better pricing than they were a year ago. And buyers are still saying, ‘I need to think about it.’”

In Hoboken, Mr. Kaiser expressed his belief that the “incredible one-shot deals” being offered in the auction at Velocity would entice buyers. “We want to move units and get our building sold,” Mr. Kaiser said, “and this is our big kickoff.”

The building’s concrete-slab structure — a first for Hoboken, Mr. Kaiser said — is designed to produce soundproof apartments but also produced construction delays of almost a year. A number of signed contracts were voided when the condos were not ready in time, Mr. Kaiser said. “So, this is our fresh start.”

A “singing auctioneer” from Accelerated Marketing will conduct the auction at the Hyatt Regency in Jersey City. The apartments will be open for viewing from June 1 until the day of the auction, and a broker may place a bid on behalf of a client if he or she has registered in advance, said Jon Gollinger, the chief executive of the marketing company.

Examples of apartments being offered include a 909-square-foot one-bedroom, one-bath condo with a den, which had a previous asking price of \$520,000 but will have a minimum auction price of \$330,000. A 1,100-square-foot two-bedroom, two-bath unit previously priced at \$620,000 will be offered for a minimum price of \$395,000. A three-bedroom, three-bath apartment with 1,549 square feet that had been priced at \$865,000 will be offered for a minimum of \$545,000.

Mr. Gollinger, who conducted numerous auctions in Manhattan during the housing bust of the early 1990s and recently oversaw the one-day sale of \$26 million worth of condos at the Folio building in Boston, said auctioning off brand-new units in a building where sales are just beginning was a first for him.

The Northeast, he added, is starting to see a return of "closeout" auctions, in which the remaining units in multifamily complexes are put up for bid because sales have slowed.

For example, American Properties Realty is holding a closeout auction of 38 condos at the Madison in Ewing, N.J., on June 3 at the Westin Hotel in Princeton. The two-bedroom, two-bath condos were previously priced at \$275,000.

"It's a different situation in Hoboken," Mr. Gollinger said. "The buyers are there. We're just going to call them out."

Elsa Brenner contributed reporting from Westchester County, Valerie Cotsalas from Long Island and Lisa Prevost from Connecticut.

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