

# THE REAL DEAL

## RESIDENTIAL MARKET REPORT

### Time to relist?

*More sellers now consider putting apartments back on the market*

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*By Candace Taylor*

Positive signs in the market are attracting the attention of the many New Yorkers who wanted to sell their apartments, but took them off the market last year in the midst of the recession.

With the market now showing signs of improvement, many of these homeowners are considering relisting their homes.

"Sellers feel the market is stronger than it was last year," said Kyle Blackmon, a vice president at Brown Harris Stevens.

Their decisions could have far-reaching consequences for the Manhattan market in the coming months. Inventory has declined for the past few quarters (see "The inventory squeeze"), which has helped to create urgency in the market and prevent further price drops. But a large number of units reentering the market at once could reverse some of that progress.

In deciding whether to put their homes on the market, sellers are weighing several factors. Now that prices have stabilized -- for the time being at least -- those who bought several years ago feel comfortable that they won't lose money on the sale.

"Most homeowners who purchased before 2005 are in a perfect position to sell for profit and 'trade up' for a larger apartment," said Sara Rotter, a sales manager at Citi Habitats.

Those who bought more recently, however, realize they won't be so lucky. (See "Can't win for losing.")

"Sellers are, in general, still coming to grips with the price drops since the recent boom years," said Bradley White, a vice president at Halstead Property.

Some have gotten used to the idea that they are not going to make money on their sale, however, and are deciding to sell anyway.

"Sellers are finally accepting that if they bought two years ago, they will have to take a loss or break even," said Antonio del Rosario, the president of sales at A.C. Lawrence Real Estate.

Others are hesitant to list their homes, but for entirely different reasons.

Now that the market has picked up, they're not so worried about finding a buyer. Rather, they're concerned about their own options for finding a new home, brokers say. Even if they are able to get a mortgage, is it wise to take on higher payments in the still-uncertain job market?

"Some sellers are still hesitant to list their homes, but not because of the market or pricing," said Eric Benaim, the president and CEO of the Long Island City-based brokerage Modern Spaces. "They are hesitant to list because of job uncertainty and their own ability to secure a larger mortgage for a larger or better condo or co-op. Many sellers are asking themselves, 'Yes, I could sell, but what would I buy? Could I buy what I wanted?'"

Ironically, Benaim said, inventory has grown so tight in some areas that more listings are desperately needed. In Long Island City, for example, there is a shortage of three- and four-bedroom units, he said.

"What would help the recovery would be more sellers taking a chance on listing this spring," he said. "The buyer demand is there, for the right homes."

Other brokers agree that the heightened level of demand means the market could easily absorb new listings, at least in prime areas.

"Inventory will come on, but well-priced properties will go to contract faster in high-demand areas," said Maggie Kent, a sales associate at Core Group Marketing. "It's inevitable, with the amount of activity we're seeing."

She added: "Buyers are jumping out to see new inventory, which makes sense because many buyers have been on the sidelines and are now pulling the trigger."

But in other areas, adding more inventory could be a problem.

One is the Financial District.

"The big growth spurt in the Financial District from a few years back has provided for a good amount of inventory on the market from investors and the developers who still have units left to sell," Kent said.

Harlem is another. The neighborhood "was going through revitalization when the bubble burst, and therefore you have a lot of inventory on the market and coming on the market," said Charlie Lewis, a senior managing director at Warburg Realty Partnership.

These conflicting forces have, understandably, left brokers optimistic, but cautious.

"Brokers seem pleased with the amount of activity going on, but everyone still seems like they're looking over their shoulders a bit," White said.

But with spring approaching and with its warm Sunday afternoons perfect for browsing open houses, brokers are hoping for a flurry of sales activity.

"I expect April to pick up, due to the increase in temperatures," Lewis said. "More people are expected to be out and visiting open houses and making more phone calls."