

THE WALL STREET JOURNAL.

April 12, 2017

<https://www.wsj.com/articles/suburban-new-york-housing-market-turns-red-hot-1492013385>

REAL ESTATE

Suburban New York Housing Market Turns Red Hot

Property boom redux: Sellers see multiple offers above asking price in Manhattan suburbs



This home in Glen Ridge, N.J., sold for well over the \$697,000 asking price. PHOTO: KEVIN HAGEN FOR THE WALL STREET JOURNAL

By Josh Barbanel

The owners of a Tudor-style house in Glen Ridge, N.J., spent months refinishing floors, painting walls and otherwise dressing up the place before they put it on the market.

It took all of four days to sell.

The couple, Ellen Sherman, a writer, and her husband Christopher Hitchcock, a lawyer, received eight offers for their Forest Avenue property, all above the \$697,000 asking price. They are downsizing and moving to Jersey City.

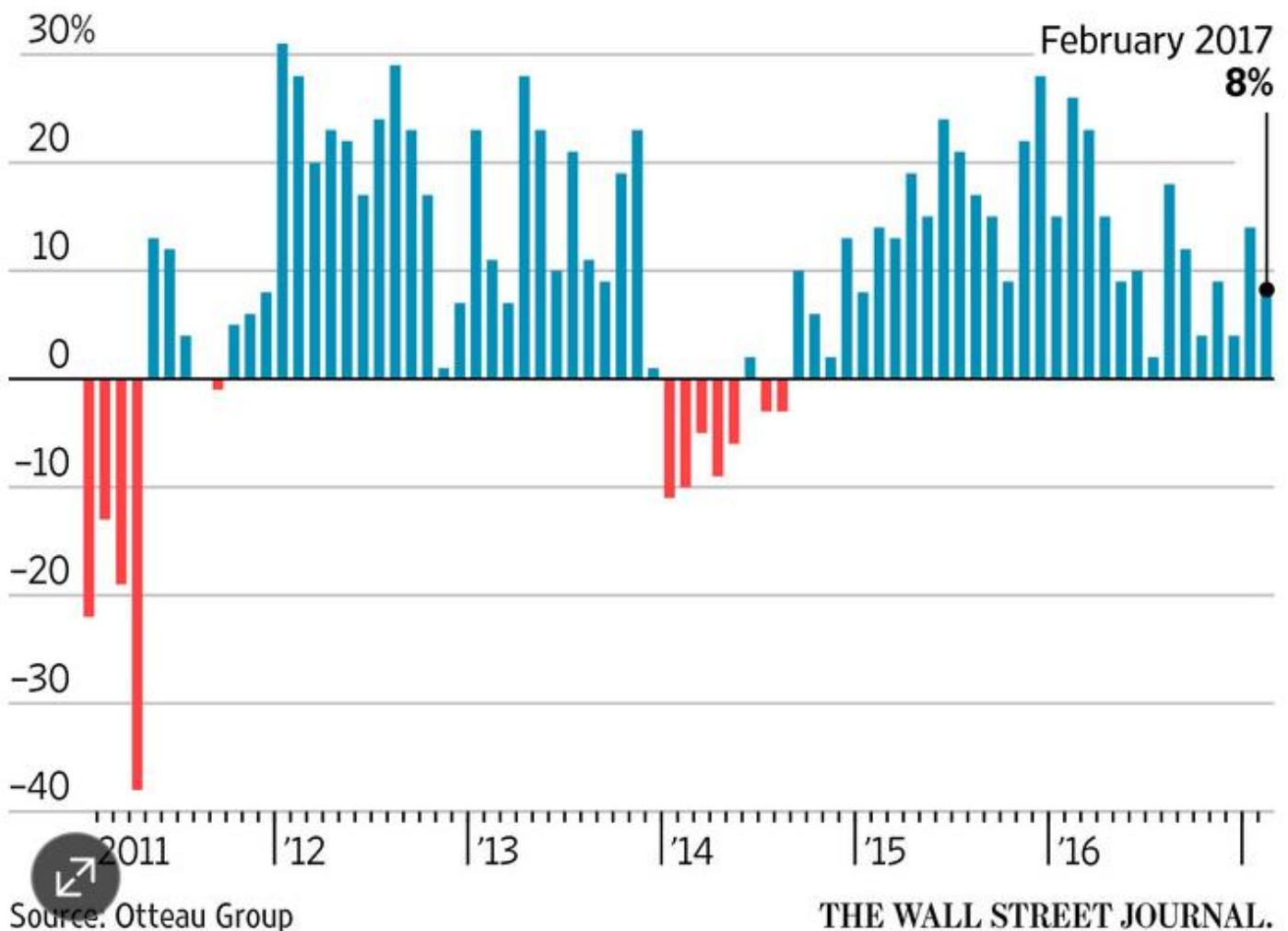
“We put a lot of effort into it,” Ms. Sherman said. “It was a beautiful 1928 house and was very well maintained. But we wanted it to look really good.”

The quick sale is a sign of the strengthening suburban home market this year—particularly in places with easy Manhattan commutes—as both buyers and sellers brace for the peak spring season.

“Any agent who works in this area knows that if someone makes an offer at the asking price—they are not going to get the house,” said Kathy Kulik, a broker at Keller Williams – NJ Metro Group who handled the Glen Ridge sale.

Spring Sale

New Jersey monthly home purchase contracts, change from a year earlier



Across New Jersey, the pace of monthly sales compared with the year-earlier month has increased for 30 consecutive months, according to data from the Otteau Group, an appraisal and consulting group that tracks market data. Median prices have been trending higher as well.

In Westchester, sales have been rising for several years. Transactions jumped 6.8% in the first quarter compared with a year earlier, according to brokerage firm Houlihan Lawrence. The median price rose 5.3% to \$570,000.

On Long Island, sales surged last year; the third quarter saw a record for quarterly transactions dating back to 2003, when brokerage firm Douglas Elliman began tabulating sales. Sales slipped in the fourth quarter, but still were the most for a fourth quarter since 2004, with median prices up nearly 5%.

The sales pickup is being driven by some of the same forces pushing up sales across the U.S., such as economic growth, fears of rising interest rates and falling inventory.

But there also are some only-in-New-York factors, especially a rise in apartment prices and rents over several years in Manhattan and Brooklyn that is driving some urban dwellers to contemplate more affordable homes with yards in the suburbs.

“We reached an affordability threshold in the city,” said Jonathan Miller, president of Miller Samuel Inc., who compiles the Elliman report. “You started to see city renters becoming homeowners, and trade-up buyers moving from a one- or two-bedroom apartment to the suburbs.”



Bucolic settings and an easy commute have fueled the boom in prices for homes like this one, for sale in Glen Ridge, N.J. PHOTO: KEVIN HAGEN FOR THE WALL STREET JOURNAL

The market is particularly tight for lower-priced listings, and in New Jersey towns such as Montclair, Glen Ridge and others on a direct rail route to Manhattan.

“The dynamic at the entry-level price point is very frothy,” said Chris Meyers, president of Houlihan Lawrence, which has agents in Westchester and in Fairfield County in Connecticut. “We could use some more sellers.”

In Glen Ridge and Maplewood, both stops on the rail route in New Jersey, it can take 1.7 months to sell the available listings at the current pace, the best absorption rates in the state, according to the Otteau report. In Montclair it was 2.2 months. Statewide it was 4.4 months.

Sue Lovit, a broker at Prominent Properties Sotheby’s International Realty, said the competition in the “direct-train towns” like Glen Ridge is so fierce that buyers make offers on multiple properties at the same time and routinely offer sweeteners, agreeing to waive inspection requirements or mortgage contingencies.

The pickup in sales hasn’t been uniform. The market for the most expensive properties remains weak, brokers said, with many lingering on the market for years. But in recent months, the surge in buying has moved a bit up the price scale to include properties priced more than \$1 million.

In New Jersey, the biggest jump in sales in January was a 19% increase in sales of homes priced between \$1 million and \$2.5 million compared with the year-earlier month, according to the Otteau report.

Hazem Ennabi, a lawyer, and his wife Kathleen, a pediatrician, along with their four children are beginning to outgrow their four-bedroom house in Chappaqua, N.Y., and are looking to upgrade.

“It’s amazing how having four small kids you could live in a room,” he said. “As soon as they get bigger their stuff spreads out and their friends come over.”

Working with John Oliveira, an Elliman Broker, he has been looking to spend up to about \$2 million for a bigger home with a pool in the same neighborhood. He has found “a nice inventory of homes,” he said, and is about to make an offer on a property that has been on the market for more than year.

“I think the offer I am making is a good one,” he said.