

Newsday

Agent broker Susan Chen
and Hector Camacho at an
open house in Valley Stream.

Lhome



Making a DEAL

WHAT YOU CAN NEGOTIATE WHEN BUYING A HOME, EVEN IN A TOUGH MARKET **C8**



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5 ways to make it a

The right agent can help navigate tough market for buyers

BY ELLEN YAN
Special to Newsday

When Christine and Tom DeCillis Blaney bid \$10,000 less than asking price on a three-bedroom condo in Oceanside last week, the seller's agent tried to get them to increase their offer.

Instead, "we stuck to it," said Christine, 31, a 401(k) administrator. "We came to a number we felt was reasonable."

They believe getting a buyer's agent and making an offer this winter, outside the peak spring and summer season, played a key part in snagging their spacious, new home for \$515,000.

"We really didn't have to worry too much about a bidding war," said Christine.

Many agents say the market, still more a seller's dream than a buyer's, has been buffeted by several factors, from house hunters leaving the market due to higher interest rates to empty nesters staying in their homes instead of selling.

Median closing prices on Long Island fell in March compared with a year ago, according to the latest data from OneKey MLS. Nassau's dropped 0.8% to \$645,000, while Suffolk's dropped 2.6% to \$515,000.

"There are buyers getting homes today for less than asking price — it's just not a whole lot," said Frank DellAccio, chair of the board of managers for OneKey MLS, Long Island's home listing service.

But five key strategies can boost the odds of snagging a home, getting a better price or polishing the buyer as a serious one who can close quickly, housing market veterans said.

GET A BUYER'S AGENT

Many house hunters believe they're being represented by the agent who's been showing them properties and chitchatting on hopes and dreams for months.

But that's a big misconception,



Christine and Tom DeCillis Blaney say their buyer's agent played a role in getting the price they wanted for the perfect Oceanside condo.

tion, DellAccio said. "The buyer should have representation," said DellAccio, broker-owner of Century 21 AA Realty in Lindenhurst and Massapequa. "If you don't have a buyer's agent, you need to understand the agent you're working with is working in the best interests of the seller."

Any agent can be a buyer's agent by signing a buyer's agreement with the house hunters, who can interview agents to see who they like.

Most agents are open to negotiating terms of the contract, and just like a listing agent's contract, the agreement can cover the timing, fee, agent's commission and conditions for ending the relationship, said Lora Cusumano, broker owner of Melville-based Lux House Hunters. Her agency works only with buyers, because she believes inherent conflicts of interest may arise when agents with listings also agree to be a buyer's agent.

Buyers' agents have a fiduciary

responsibility to house hunters. They'll point out pros and cons, research the home's history and provide sources of information on the neighborhood, said Cusumano, incoming president of the National Association of Exclusive Buyer Agents. A buyer's agent would strategically "package" the buyer in the best light, including having mortgage pre-approval, an attorney and home inspector ready to go, she said.

"I feel like I am not a salesperson," she said. "I am a professional service. You're going to have a person who's going to do more research on the property, maybe do a deeper dive into the building department to find things on record and also maybe do a little digging on the sellers to see if you can come up with other ways [to get the house] besides just the prices."

GET A MORTGAGE COMMITMENT

Over the last two years, more

house hunters have gone through loan underwriting processes before signing contracts or even seeing their dream homes. This step is usually done after a contract is signed, but agents have been driving this trend since the pandemic-fueled rush.

"When the prices and houses were being snapped up, they didn't want to be caught in the middle of having a contract without a buyer being qualified," said mortgage broker Rich Biondi of RJB Financial Consultants in Farmingdale.

Biondi said about half of lenders he works with will do the underwriting to issue buyers commitment letters, with the loan amount stated as to be determined. He and several lenders say they don't charge for pre-approval upfront but an underwriting cost, which can be set from a few hundred dollars and up, would likely show up in closing fees.

More banks and lenders

have noticed the trend, including Bethpage Federal Credit Union, which plans to roll out its early preapproval service this year aimed at helping borrowers.

To Embrace Home Loans, a national lender, it made sense to take documents needed for basic pre-approval vetting — including credit reports, pay stubs, proof of salary and bank statements — and run them through the underwriting process, said Frank Virga, a vice president and manager of its Hauppauge branch.

Sellers take buyers more seriously and know they're not window shoppers when underwriters have approved them, experts said.

"We're trying to make them the diamond in the hay bale," Virga said.

FIND MOTIVATED SELLERS

Finding motivated sellers can pay off. House hunters and their agents can try to find out if the

happy house hunt



Susan Chen, broker-owner of S.A.C. Properties in Valley Stream, helps buyer Hector Camacho.

seller has any terms that they need to meet and also ask whether the seller has a deadline.

Some want a quick sale to avoid carrying mortgages on old and new homes, agents said. Others might want to remain in their homes after closing to pack.

Christopher Reyes listed his East Meadow home in March and signed a contract for over asking price in April. In that time, about 25 families attended his three-hour open house and 36 private showings afterward. Some offers fell through; others were lowballed.

Before he signed the contract to move to a house he was having built in Florida, he was willing to consider a lower offer to close quicker to avoid the hassle.

"You got to make the house look like you don't even live there, and I have a 9-year-old so that's almost impossible," said Reyes, 42, an insurance claims adjuster who works remotely. "Sometimes, I go sit in my car in the driveway with the dogs in the car."

Emotions count, and it's not unusual for sellers to pick a buyer who may not offer the highest price but loves the house, agents said. Some agents said they would request to meet with the seller's agent and the seller to make a pitch for their buyers.

"They want the house to go to another family who's going to take care of the house the same

way their family did," said Susan Chen, broker-owner of S.A.C. Properties in Valley Stream.

LOOK FOR OLDER AND EXPIRED LISTINGS

"What's wrong with the house," DellAccio said he hears when buyers see a property languishing on the market.

But he and other agents said those listings are not necessarily in bad shape. They may be overpriced — especially leftovers from the low-interest, high-demand days.

Owners may be flexible on price because they don't want to keep paying the taxes and monthly mortgage, especially if they're already in their new

homes, DellAccio said.

Recently expired listings could offer opportunities, Cusumano said, and agents have access to them, even though they're gone from public real estate websites.

Between September and the end of April, more than 1,000 Long Island listings expired and several hundred were temporarily off the market, she said in looking at local data.

"I call or write a letter to the homeowner," Cusumano said. "Sometimes you can buy the house for a better price because you're not competing with other buyers or because the seller is saving by not paying the listing side of the commission."



By representing buyers, Susan Chen can match them with sellers who care about how the future owners will take care of the house.



Lux House Hunters owner Lora Cusumano works solely with buyers.

WAIVE BUYER'S DEMANDS, NOT THE INSPECTION

Amid bidding wars, real estate agents say many house hunters waive home inspections, sometimes at the behest of agents, so sellers won't be saddled with demands for making expensive repairs.

But many agents say other bidders are willing to do the same, so it might not help reduce the price or get the house.

"It's risky, especially for a first-time homebuyer or some with no experience in construction," noted Lisa Boncich, associate broker of The Toscana Realty Group in Massapequa. "If I have a buyer that wants to redo the house, I see it as more acceptable."

A better strategy: Get the inspection, but waive demands to the seller, she and other experts said.

"Know what you're getting into," said Peter Elkowicz, chief executive officer of the Long Island Housing Partnership, a nonprofit that counsels first-time homebuyers. "It may need \$20,000 in repairs if they found something."

A line of people at a property's first open house is not always a sign of how many buyers want it, he said.

There's been much talk about low inventory on Long Island and high demand, but housing experts acknowledge

that data on the number of house hunters is not compiled.

The buyer pool may be dwindling, said Margaret Trautmann of the Locust Valley office of Compass. Many homeowners with low-interest mortgages don't want to sacrifice them for the current rates, she said. Others cannot afford to overpay due to higher interest rates, she said. In April, average 30-year mortgage rates rose to 6.39%, according to Freddie Mac. This was up from 5.11% at the same time in 2022, and 3.15% when rates hit historic lows in December 2021.

"I don't find that the homeowners are in the driver's seat even though they think they are," she said.

Elkowicz said the rush to buy is partly driven by an industry in which the professionals get paid only if they sell. The 2008 real estate market collapse was preceded by agents and lenders advising house hunters to buy soon because housing prices were rising quickly, he noted.

Like several agents and buyers, Elkowicz said not to lose hope. Years ago, Elkowicz said he and his wife lost a bid but another dream house came along. "A better home will come around," he said, and other agents agreed. He advised, "I wouldn't rush into buying a home. It's going to be basically one of your biggest purchases in life."