

# L/Real Estate

## WAITING GAME

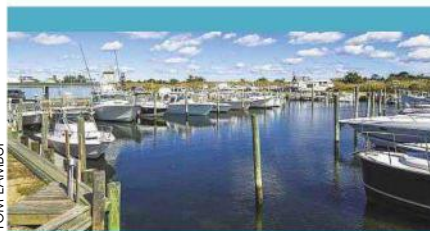
Burned-out  
home seekers  
take a timeout  
to rest, save  
more money **C6**



DEBBIE EGAN-CHIN

### SECLUSION IN FLANDERS

Contemporary home hidden  
on 4.5 tree-filled acres **C5**



TOM LAMBUJI

### EAST MORICHES

Buyers drawn by affordability,  
proximity to beaches **C12**

# BURNED OUT, PRICED OUT: THE WAIT TO BUY A HOME

Why Long Islanders are exiting the housing market altogether — for now

BY LIZA N. BURBY  
Special to Newsday

**W**hen Gabrielle Deonath, 28, and Sadiqur Rahman, 29, were planning their 2022 wedding, they thought they were going to rent for a year or two and then buy a house.

Rahman, who co-owns a real estate investment firm, Exquisite Ventures in Floral Park, said they began to rethink their options after realizing how much money they would need to initially put down to buy a house and afford a mortgage.

"The more I learned about mortgages — at the end of the 30 years, you're paying three to four times more than the house cost — it didn't sit well," Rahman said.

Currently, they rent a 1,000-square-foot Cape in Bellerose for \$2,500 a month. They'd like to buy a home in the New Hyde Park, Great Neck or Roslyn school districts. Rahman said that means being OK with prices as high as \$1.1 million. Deonath, a website content designer, said they figure that until they have a school-age child, they don't have to worry about the school district in which they want to buy.

That's why they now have an eight- to 10-year plan in which they'll try to buy investment homes for around \$600,000 — which Rahman said are also hard to find — and use them as rentals until they can accrue money to buy what they want — and that would fit in with their plans for starting a family.

Prospective buyers are responding to the current home market conditions on Long Island — where the median sale price is now \$700,000 and mortgage rates have remained above 6% this year — by bow-

ing out of the market altogether. They're waiting for a better interest rate or just hoping for some positive changes.

That reflects what Vasilios Markou, 36, a senior loan officer with Citizens Bank in Melville, said he's seeing with both first-time buyers and those looking to upgrade or get a smaller home as they become dismayed about the constant competition.

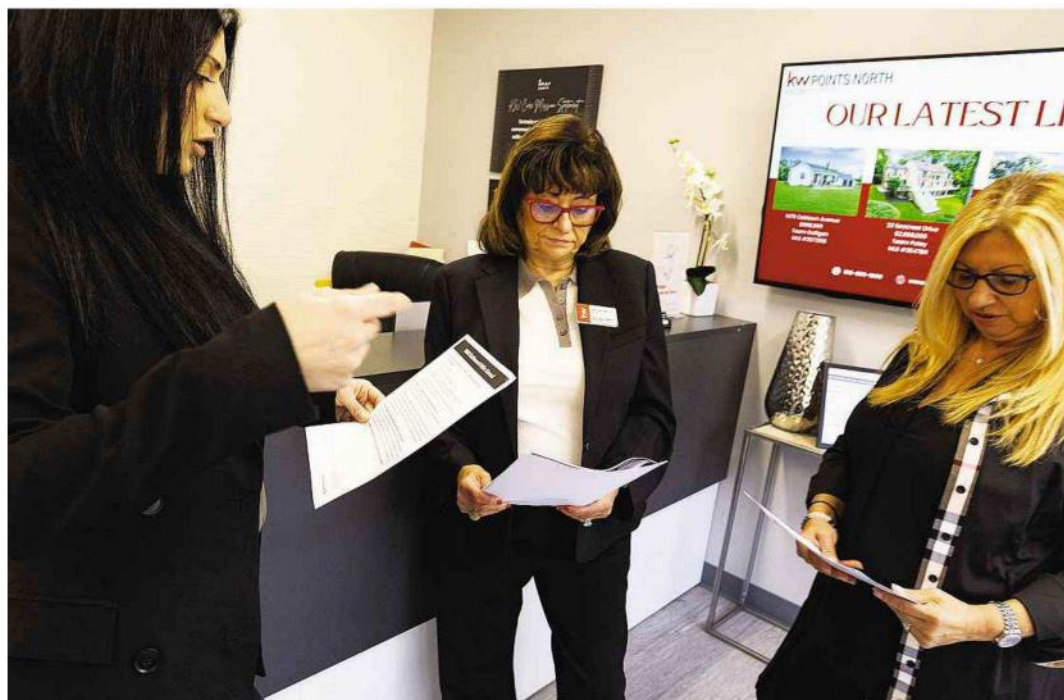
"A lot of people looking for homes have just been burnt out from submitting offers and then getting rejected," he said. "After a while getting so many negative responses, they just say we'll hold off for the time being and come back to it."

## WHY SOME ARE WAITING

But Mark Raghunandan, 29, and his wife Shania Mendez, 26, who gave birth to their first child in September, have been searching for more than a year. Frustrated by the options, they recently decided to put off their search for their first home until spring. Raghunandan said when there was a house that didn't need a lot of work and was in a good school district, there was always a bidding war for it.

"You weren't going to get it if you didn't have as much cash as the other person," said Raghunandan, who works in finance. "But what we got to see was that houses were a little bit overvalued and with the interest rate being so high, you weren't getting a bang for your buck. If I was going to put more than a 20% down payment on hypothetically an \$800,000 house, I'm not going to go over that knowing that I still need a cash reserve for other things."

Raghunandan said he and Mendez, who works in human



Real estate salesperson Ann Garamella, center, working with Stephanie Lupo, left, and Theresa Lupo at Keller Williams Realty in Woodbury, says, "There are a lot of first-time buyers who are on the sidelines."

resources, will keep renting their \$3,500-a-month, two-bedroom Colonial in Lynbrook — and save more money in the meantime. "That way I could put down a little bit more than 20% if I do feel the need to pull the trigger on something, because from what I've seen, the rates are going down, which is great, but you do need that extra cash to kind of stand out," Raghunandan said.

Shaun and Mackenzie Hantzschel, both 33, shared similar stresses. They started looking for a two- to three-bedroom house or town house in 2022, aiming for anywhere within a 25-minute commute from his education job in Dix Hills. They had an accepted offer in their budget, but they walked away because of concerns about

## ON THE COVER

**Gabrielle Deonath and Sadiqur Rahman rent a house in Bellerose while they wait to buy.**

the house. Shaun said the value of what they could purchase then and now has changed as the prices have increased. They've continually been disappointed despite offering up to \$30,000 over asking price. For example, they recently saw a house in Holbrook they liked in their price range for \$499,000 and they offered \$525,000 with 5% down. The accepted offer was \$540,000 with 15% down.

"It's tough because we both work full time and we should be able to afford a house, but with the rates it's not easy

and we can't compete with somebody offering \$30,000 to \$50,000 over asking with significant money down, like 80% to 90% in cash. We're not getting help from family. I don't have a grandmother giving me \$150,000," Shaun said.

Because they're expecting a child in December, they're putting their home search on hold. They rent a two-bedroom apartment in North Massapequa for \$2,000 a month. "It's fine for us because a baby doesn't necessarily need the house; we can make it work for the time being," Shaun said.

## IT'S OK TO WAIT TO BUY

"Part of it right now is seasonal; if you haven't found something by the end of the summer and you haven't



Gabrielle Deonath and Sadiqur Rahman calculated they would have to pay \$8,000 per month for a mortgage if they bought a house now.

gotten an accepted offer, they might hold off until after the holidays," Markou said.

He added: "Some of these people thought it would be better to hold off until interest rates dropped. But the price of the homes were still going up. What's the benefit of getting a lower rate if you're going to have to pay for more for the house anyway?"

Besides, said Ann Garamella, a real estate salesperson at Keller Williams Realty in Woodbury, they're impacted by limited inventory. "There are a lot of first-time buyers who are on the sidelines renting or living with their parents and even though they would like to buy, they're not really in a rush," she said.

Garamella and other experts said there are practical reasons

for them to take their time.

Brandon Moran, a controller with Associated Mortgage Bankers in Ronkonkoma, said: "It's going to be a longer wait for the situation to improve on Long Island the way buyers want it to. So if they don't need to buy right now, then I just don't see the necessity to try to continue to compete in this market."

In the meantime, he suggested using the resources they have. "If they're renting and it's affordable and their living situation warrants it, just stay put, keep saving, keep putting your money away with the goal that eventually you'll have a bigger down payment no matter what the house price is. Or that will give you the cash just to remain competitive."

#### MAINTAINING LIFESTYLE

And that decision can come down to buyers' current lifestyle choices rather than future ones.

Raghunandan said that with a combined annual income of about \$318,000, he and Mendez figure they can afford a home between \$680,000 and \$800,000 with a mortgage around \$5,000. But they also don't want to significantly change their lives for it.

"We live a really good lifestyle where we're able to go out for a nice dinner . . . If you buy a house that you can't afford monthly, then all that stuff goes away," he said. "I'm not going to stop living my life to buy an overpriced house."

That's also a concern for Deonath and Rahman.

"If we were to buy a million

dollar house with 20%, which is about \$200,000, we'd be paying a mortgage like \$8,000 a month for 30 years," Rahman said. "The difference with renting is that allows us the money we're spending on our experiences as a young couple, versus putting it into a house and not really having any money left over to do anything else with."

#### WHEN TO TRY AGAIN

Garamella said when they are ready to get back into the market, first-time homebuyers should ask their agent to consider prospecting off-market properties from homeowners who may not yet have put their home up for sale, such as someone who needs to downsize, relocate or may have inherited a house.



NEWSDAY / ALEANDRA VILLA LOARCA

**A lot of people looking for homes have just been burnt out from submitting offers and then getting rejected.'**

— Vasilios Markou, senior loan officer at Citizens Bank in Melville

"Start with something modest and then build up the equity and then buy another house," she said. "Or they could look for a legal two-family where they could rent and get income that way."

She added, "Just don't lose hope."

Markou recommended that no matter what homebuyers decide, there may not be a perfect time. "There will always be an opportunity out there and it's not like you're necessarily shooting yourself in the foot by waiting," he said. "But if waiting gives people that are living with family for instance another six months to a year of building up your savings so you can be able to put a larger down payment, that can be worth it."

Raghunandan said he believes there's never really a right time to buy a house. "Whenever the time is right for you, that's when it's going to happen," he said. "I would say to any client, you're just going to have to go with your gut and kind of pull the trigger once you're ready. And there's no risk in renting if you're going month by month or a one-year lease."

DEBBIE EGAN-CHIN