

# LI Business



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Long Island's real estate market has gone wild during the pandemic, with luxury homes that once languished on the market suddenly sparking bidding wars, and some first-time home buyers scrambling to make offers of \$30,000 or more over asking prices.

Rock-bottom interest rates, a shortage of homes for sale and a sudden influx of buyers leaving New York City in search of more spacious sub-urban properties get most of the credit—or blame, from buyers' perspective—for the skyrocketing prices, real estate agents said.

"If something comes on[the market] it's gone immediately," said Ann Conroy, CEO of Douglas Elliman's Long Island division. "There are more buyers than there are sellers at this point, and interest rates are extraordinarily low." The average mortgage rate was 3.13% last week, mortgage giant Freddie Mac reported.

Demand is especially fierce for homes with plenty of space for remote work and school, along with land where children can play and adults can entertain

safely, she said.

The surge of buyers leaving the city drove up the median home price on Long Island, outside of the East End, to a record high of \$525,000 in the last three months of 2020, up 15.4% from a year earlier, Douglas Elliman and the appraisal company Miller Samuel said in their most recent report on the region.

The gains have not been evenly distributed, though, the companies reported. In Locust Valley, for instance, the median home price nearly doubled in a year, from \$569,000 in the last three months of 2019 to more than \$1 million in the same period last year.

In scores of other Long Island communities, bidding wars drove prices up by margins that were less eye-popping but still dramatic, generally ranging from about 10% to 30%. And in some communities, the median price dropped over that period.

The local upswings or downturns in median prices were partially due to changes in the types of homes that sold,

said Jonathan Miller, president and CEO of Miller Samuel. And in some affluent communities, sales of the highest-priced homes had been sluggish for several years, so the pandemic price gains look especially sharp, he said.

Now that vaccines are becoming more widely available, it's likely that homeowners will feel more comfortable putting their houses on the market, and the increased supply could help ease competition among buyers, he said.

"That reduces one of the limitations on supply," he said, "which is sellers not being willing to let strangers walk through their homes."

Here is a closer look at six Long Island communities where prices have risen during the pandemic, according to the most recent available figures from Miller Samuel and Douglas Elliman.

## LOCUST VALLEY

Locust Valley home prices have skyrocketed during the pandemic, selling for a median price of \$1,037,500 in the last three months of 2020, a staggering 82% leap from a year earlier, among the biggest gains on Long Island, Miller Samuel and Douglas Elliman reported.

The dramatic increase was due in part to a few big-ticket transactions such as a five-acre waterfront estate that sold for \$7.5 million in December, as well as an influx of New York City residents seeking three- or four-bedroom houses within walking distance of Locust Valley's downtown, brokers said.

Locust Valley is among the Gold Coast communities viewed as a safe haven during the pandemic, as affluent buyers sought out outdoor amenities such as beaches and country clubs, along with private and public schools, downtown shops and eateries and easy access to highways, said Regina Rogers, a real estate agent with Douglas Elliman in Locust Valley.



# What's driving rising home prices?

A look at 6 communities that have seen double-digit increases



LOCUST VALLEY

Some city residents are purchasing second homes in Locust Valley “as a Hamptons alternative,” Rogers said. “Those in particular with pools were snatched up immediately.”

In Locust Valley’s entry-level market — up to about \$1 million — homes typically have seen price increases of about \$100,000 during the pandemic, Rogers said.

A recent search of listings turned up roughly a dozen homes in Locust Valley priced under \$1 million.

There were about the same number over \$1 million, including a 32-acre estate with a seven-bedroom historic mansion where F. Scott Fitzgerald and his wife Zelda were said to have attended parties, along with an eight-car garage, pool, horse stables and farm, listed for \$28.5 million.

Buyer interest remains strong this spring, and inventory is “extremely low,” Rogers said.

Locust Valley’s downtown is attractive to buyers. Above, Elli Abishayev at his downtown barbershop, Gentlemen’s Chop Shop.

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	Median price 4th quarter 2019	Median price 4th quarter 2020	Percent change	Median price change
Bayville	\$558,000	\$745,000	33.50%	\$187,000
Brookville	\$1,648,750	\$2,130,000	29.2%%	\$481,250
Glen Cove	\$582,500	\$650,000	11.60%	\$67,500
Lattingtown	\$1,550,000	\$1,410,000	-9.00%	(\$140,000)
Laurel Hollow	\$995,000	\$1,493,500	50.10%	\$498,500
Lloyd Harbor	\$1,566,250	\$1,659,021	5.90%	\$92,771
Locust Valley	\$569,000	\$1,037,500	82.30%	\$468,500
Matinecock	\$2,437,500	\$2,610,000	7.10%	\$172,500
Mill Neck	\$820,000	\$1,475,000	79.90%	\$655,000
Muttontown	\$1,260,000	\$1,470,000	16.70%	\$210,000
Old Brookville	\$1,645,000	\$1,762,500	7.10%	\$117,500
Old Westbury	\$1,800,000	\$1,600,000	-11.10%	(\$200,000)
Oyster Bay	\$647,500	\$600,000	-7.30%	(\$47,500)
Oyster Bay Cove	\$1,225,000	\$1,085,000	-11.40%	(\$140,000)
Roslyn Harbor	\$1,190,000	\$1,710,000	43.70%	\$520,000
Upper Brookville	\$1,537,500	\$2,025,000	31.70%	\$487,500

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