ONLY IN NEWSDAY

Alyssa and John Schmidlein, with sons Jack, 4, and Joey, 1, bought their starter home in Massapequa for $400,000 in 2020 and just sold it for $600,000.

NEWSDAY / STEVE PFOST

SELLING HIGH, BUYING

Homeowners pocket record profits, then face soaring prices

BY FRANK LOVECE
Special to Newsday

In 2020, Alyssa Schmidlein and her husband, John, bought a lovely little 1940 bungalow in Massapequa for $400,000. Recently renovated, it squeezed three bedrooms and two full bathrooms into 1,030 square feet. But much of the appeal was its expansive 0.32-acre lot.

Two toddlers later, Alyssa, 37, an orthodontic dental hygienist, and John, 40, a construction project manager, needed a bigger home. They listed their South Shore starter for sale and it's now in contract for $600,000 — significantly above the couple's original expectations.

"I never would've thought when we bought this house that we would've made what we did. That being said," she added, "if you want to stay on Long Island, it doesn't really make a difference when it comes to buying another house."

Long Island homes are selling for record prices, which means sellers are seeing high profits, especially if they bought their homes decades ago. However, those sellers who attempt to stay on the Island and purchase a new property are entering the perfect storm that contributed to their profits: high demand in a desirable region, limited inventory as sellers hang onto their low mortgage rates, and a region with little space to develop new housing.

The Schmidleins did find a way to remain on Long Island, by moving farther east to a slightly larger home on a smaller lot. Others downsize, buy condos, move into rentals or consider leaving the Island entirely.

The Schmidleins expected to sell their Massapequa house "for $540,000, $550,000," said broker Kathleen Castro of EXP Realty, who handled the sale with her business partner, Jennifer Nyx.

"But then looking at the prices in the area and the size of the lot and the closeness to the water, we just felt all that was going to bring value even though it was a small house," Nyx said. And so, they priced it at $600,000 — "exactly where we thought it would sell," Nyx said — and that's the pending close price.

"We certainly were surprised by the difference in what we had bought this for six years ago versus what we sold it for," Alyssa Schmidlein said.

While they were appreciative of the ultimate profit on the home, they faced a new challenge when they wanted to find another house, especially one that fit their needs.

"They have two young children so they needed more bedrooms, and they both work on Long Island, so they needed to stay here for work," Castro said. "And her mom is going to move into an apartment downstairs to help watch the children. We had a lot of boxes to check," but they did so — albeit landing 32 miles away in Selden.

While still a three-bedroom with two full baths, it offers slightly more interior space (1,059 square feet) and less exterior space (0.12 acre). They bought it for $635,000.

"We would've liked to have stayed in the [Massapequa] area," Schmidlein said, "but Nassau County is just not affordable for a lot of people. I mean, we make a decent living, my husband and I, and we couldn't find anything that was not a complete gut renovation. So moving farther East was our only option for staying on Long Island."

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The couple, originally from Orange County in upstate New York, also liked the quieter Selden compared with busy Massapequa.

"[Around Selden] are the types of roads we're used to driving on," Schmidlein said. "And there's more space out there and it just seems a little slower than it does the closer to the city you get."

Suffolk ultimately offers more bang for your buck, experts say.

"You can get more for your money out East in terms of square footage," Nyx said.

Median home prices reached $890,000 in Nassau and $718,250 in Suffolk in May, according to OneKey MLS. That's a 9.9% increase in Nassau and a 4.1% increase in Suffolk year over year. Meanwhile, area inflation was 5.1%, according to the Bu-

Nancy and Kevin McCarthy bought their home in Cold Spring Harbor for $650,000 in 1995, put on an addition and made some upgrades, and sold it this year for $2.325 million.

THOMAS HENGGE

HIGHER ON LONG ISLAND

reau of Labor Statistics.

Analysts say these figures demonstrate that the two counties are diverging, becoming less of a single housing market and more of two distinct markets: Nassau as a premium, high-demand suburb that shows stronger demand despite already elevated prices and Suffolk as a relatively more affordable alternative that also is appreciating, but at a slower pace.

Despite little space for expansion on the Island and many facing the "lock-in effect" — where a homeowner is reluctant to sell because they secured a low interest rate — Long Island is still in demand.

"The desirability to live on Long Island has increased" in recent years, said real estate agent Tara Fox, of Daniel Gale Sotheby's International Realty. This has continued, she noted, far beyond the COVID-19 pandemic that prompted some urban-dwellers to seek less densely populated spaces.

As well, she said, "There is a scarcity of land" on which to build. "New communities are not being developed" as they were during the post-World War II boom that produced Levittown and other planned communities.

As with any statistics, there are caveats and nuances. Real estate appraisal company Miller Samuel, for instance, generally excludes the Hamptons and the North Fork, since those McMansion-heavy locales can weigh the stats unduly. Company founder Jonathan Miller characterizes such homes as their own "luxury submarket" that would skew stats unhelpfully.

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How 3 others fared

The Schmidleins saw a greater-than-expected profit after just six years. What kind of profits come after a few decades?

BOUGHT FOR $30,000 IN '64, SOLD FOR $770,000 IN '26

Civil engineer Robert Perotto, who died in August at age 90, bought a four-bedroom, two-bath, split-level ranch in Oyster Bay around 1964, recalled his widow, Joann Perotto. It cost about $30,000, or approximately $322,000 in today's dollars, with Robert then buying out his first wife in 1974 for another $25,000, or about $169,000 today.

The 1,676-square-foot abode on a little over a quarter-acre lot sold in January for $770,000.

"He had an uncle, an attorney, who always told him, 'Don't buy expensive. Buy less expensive houses in an expensive area and you'll do better,' " said Joann Perotto, who now lives in an Oyster Bay senior community. "I mean, you're not going to buy a shack. It was certainly ample. And," she conceded, "of course it's the luck of the draw. But fortunately the neighborhood got better and better. It's not quite the Gold Coast, but peripheral, very Gold Coast-ish."

Perotto and her husband made some improvements, she said, but nothing major like adding a pool. "We changed the outside of the house, put in new windows, things like that."

And while her husband financially "left me well," Perotto embodies another strategy for staying on Long Island: buying a senior-community home.

In her case, "I moved into a Town of Oyster Bay development," she said, referring to the municipality's Golden Age Housing program for those 62 or older who meet eligibility requirements. Co-ops in the town's nine senior developments generally sell for $180,000 to $390,000, depending on location.

BOUGHT FOR $95,000 IN '78, SOLD FOR $1.675M IN '26

Following the death of her mother in August, New York City's Susan Rider sold the nearly 100-year-old family home in Manhasset. Purchased in 1978 for $95,000 — about $485,000 today, adjusted for inflation — Rider thought it would sell for about $1.25 million. Instead, when the sale closed last month, it went for $1.675 million.

A four-bedroom, 2½-bath home with the quaint look of an English cottage, the 1,755-square-foot house on a 0.27-acre lot "needed a lot of work," said Rider, 65. That it reaped more than she had expected she credits to what seemed unorthodox advice by her broker and five-decade friend Elena M. D'Agostino, co-owner of the Cold Spring Harbor real estate company Lucky to Live Here, which recently merged with the nationwide firm Serhant.

They listed the house in January, a traditionally slow period for home sales. "Who would want to go out and look

See BUYING on C10

This Manhasset home was purchased for $95,000 in 1978 and recently sold for $1.675 million. It is set to be demolished.

DEBBIE EGAN-CHIN

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BUYING from C9

at houses when it's been just so bitterly cold?" Rich Haggerty, CEO of OneKey MLS, told Newsday in February. Sellers, knowing this, generally did not put their homes for sale then.

At the time, there was only one other house in Manhasset listed for less than $2 million. Plus, "we had a lot of snow," D'Agostino recalled. "But it's not about the green grass and the pretty flowers and all of that. It's about timing and low inventory."

Joyce E. Mennella, D'Agostino's business partner, said there were three days of back-to-back showings.

They also looked at comparable sales in the same school district and priced it a bit lower to help competition.

"When there's no supply and the demand is great," Mennella said, "people want that territory and they're going to fight for it. And it was a fight to the end."

Territory, sadly, is the word for it, Rider said. "At the end of the day, a builder bought it, so it's going to be knocked down."

BOUGHT FOR $650,000 IN '95, SOLD FOR $2.325M IN '26

Nancy McCarthy, 72, a corporate flight attendant, and her husband, Kevin, 73, a three-decade Wall Street broker who segued to teaching high school, sold their Cold Spring Harbor home this year for $2.325 million.

The 1946 construction was purchased in 1995 for $650,000, or about $1.42 million today, and the recent sale price was well above not only the adjusted-for-inflation original cost but also that of improvements over the years that totaled a bit "over $200,000," Nancy said.

"We put an addition on," she said. "We added a bedroom, enlarged the kitchen, attached the garage and added a front porch." The result was a four-bedroom, 3½-bath home measuring 3,262 square feet on an existing 1.78-acre lot.

Even with the upgrades, the final price was above what the McCarthys thought they could get. And while they could have afforded to stay on Long Island, they had already made plans to move to Ireland.

"We'd put it at $2.2 million," McCarthy said, "because we were anxious to sell." But the couple then listed it at a higher price at the suggestion of their broker, D'Agostino.

Even beyond the fact of earning more than originally imagined, "I am happy that the home sold not so much because of the price we got but because I love the buyers," McCarthy said.

"They're a young family and they're not going to change the house and they're not going to knock it down," McCarthy said. "So many of the houses as beautiful or more beautiful than ours in our area have been leveled and then gigantic homes built on the properties."

Having new owners who appreciate their home of 30 years, she said, "makes me so happy."