

## Trapped in Their Own Homes

By MARY JO PATTERSON

ON May 1, 2007, a very different economic era, Janet Faello put her former marital home on the market for \$829,000. She and her husband were divorcing.

It seemed like a good price for the house, a six-bedroom, three-and-a-half-bath ranch in Dix Hills. But it didn't sell at that price, or at \$750,000, where it landed six months later, or at \$699,000, where it stands now.

"It's not the Taj Mahal, but it's a nice, well-maintained home," said Ms. Faello, a 53-year-old massage therapist with two daughters in college who remains in the house, which she and her ex-husband still jointly own. Her ex-husband lives elsewhere. "I haven't been entertained once with an offer, and I'm still not getting any bites."

With the house unsold, Ms. Faello said she and her ex-husband are struggling to meet expenses. Taxes alone are \$13,860 a year.

"I'm not ashamed to say to you, I have had to borrow money from my father," she said. "We each want to move on. We're just hoping and praying things will turn around."

Would-be sellers in New York City's suburbs understand her pain, whether they are trying to sell a Cape Cod for \$300,000 or a center hall Colonial for \$1 million. In a housing market characterized by eroding home values, high inventory and tight credit for borrowers, many feel stuck in a place they don't want or can't afford. As the recession becomes more severe and unemployment mounts, they fret each week their properties remain unsold, and fear losing equity. While buyers hunt for exceptional values, sellers feel like hostages. And their pain is sometimes drawn out when deals that seem to be done blow up just before the closing.

"I have an offer and we've accepted it," said Ray Lopez of Croton-on-Hudson, N.Y., a manager for [Metro-North Railroad](#) who has been trying to sell his house since last March. Last year he signed a contract, but learned two weeks before the closing that the buyer could not get a mortgage. While he hopes the current deal will go through, he said he won't relax until three weeks after the closing. "Anything could happen," he said. "You don't know till you have the check in your hand."

All real estate is local, as brokers like to say, and comparable sales information is most useful within a smaller neighborhood, because prices vary so much even within one community.

Nevertheless, all the reporting agencies are concluding that the number of sales of single-family homes in 2008 was down from 2007 in the New York metropolitan area, and prices in general were down. The median price for a home sold in the metropolitan area was \$458,600 in the fourth quarter of 2008, down 11.7 percent from a year earlier, according to the [National Association of Realtors](#). Those figures reflect the agency's tracking of sales in Bergen, Hudson and Passaic Counties in [New Jersey](#); and the Bronx, Kings, Putnam and [Westchester](#) Counties in New York.

On [Long Island](#), the median sale price of homes in 2008 was \$378,688 in Suffolk County, compared with \$410,000 the year before, and \$455,000 in Nassau County, down from \$490,000 in 2007, according to the New York State Association of Realtors.

The number of pending home sales in the Northeast, meanwhile, decreased 14.5 percent from December 2007 to December 2008, according to the National Association of Realtors. And some experts are warning that the housing market may not hit rock bottom for at least another year.

A seller's anguish may not be as sharp as the pain of a homeowner facing foreclosure. But the situation can alter life plans and jettison hopes.

Some sellers are losing hope.

Consider Mary Beth Lang of Shelton, Conn. She is 62, with grown children and a husband who retired as a buyer for a technology company. Her dream went like this: sell the house and move to their new custom home in Kentucky.

Her five-bedroom, four-bath house went on the market for more than \$1 million in 2006. The price has since slid to \$875,000, but there are no takers. Repainted, with many personal effects removed to look less cluttered, it no longer feels like home. The Kentucky house? It's for sale, too.

"Sometimes dreams just blow away," Ms. Lang said. "Everything is incredibly depressing. Of course, there are people with sadder stories."

Conventional wisdom holds that well-priced, attractive and aggressively marketed homes will sell. Now that is not necessarily true, said Cynthia Lippolis, principal broker with River Towns [GMAC](#) Real Estate in Croton-on-Hudson. "I have some good listings that are priced very well and attractive, yet they are sitting there," she said. "The economy is holding everyone back."

James Bednar, a real estate agent representing buyers at DRI Real Estate Company in Ridgewood, N.J., said many sellers overvalue their homes.

"The industry has nailed into people's minds that their houses are worth a certain amount," said Mr. Bednar, who blogs about the New Jersey market at [njrereport.com](#). "Sellers remember what neighbors sold their houses for two years ago and hold on to those unrealistic comparables. They need to accept the current reality of the market."

Mr. Bednar said he knows that sellers do not always have the leeway to drop their price. Others will be asked to pay a steep price for features buyers consider undesirable.

"In a boom time, buyers tend to overlook things like a high tension line that's a little close to the house, a street that's a little too busy or an odd layout," Mr. Bednar said. "In a down market like this, those preferences are magnified."

JONATHAN GREENBERG paid \$792,000 for a lake house in Montville, N.J., in 2005, attracted by its unusual architecture and striking views. Then he invested nearly \$100,000 in improvements. At the time he was single, but is now married and a father. With its steep slopes and 30-foot drop to the lake, the property is not "kid-friendly," said Mr. Greenberg, who sells investment properties for a living. He listed the house a year ago for \$930,000. The price is now \$670,000.

"People say they love it, but it doesn't have some of the fundamentals families are looking for," said Mr. Greenberg, 41, whose wife, Malu, is expecting a second child. "It'd be perfect for New Yorkers who need some kind of getaway. It's stressful. We do feel stuck."

Some sellers manage to find equilibrium in limbo.

Pamela and Daniel Greenhall of Aberdeen Township, N.J., have been trying to sell their ranch-style home since May, when they learned they were expecting a third child. Their house, priced at \$279,900, has three bedrooms and one bath. Mrs. Greenhall, 33, a school counselor, and her husband, 33, a carpenter, bought the house for \$235,000 in 2004 and took out a loan for renovations. "If it sold, we wouldn't stand to make a dime," she said.

Last month Mrs. Greenhall prepared for the new baby by converting one child's bedroom into a nursery and doubling the children up in the other.

"We're blessed in that we can still afford it," said Mrs. Greenhall, who delivered a boy on Feb. 3. "We're comfortable.

Is it a little cramped? Yes. Am I being overtaken by toys? Yes. But that's O.K."

Margaret and Matt Brown, teachers in Westchester, took a similar approach. Last spring, when Mrs. Brown, 38, was pregnant with their second child, they listed their two-bedroom home in White Plains for \$519,000. Within a month they reduced the price to \$499,000.

As the baby's birth approached, the couple took the house off the market. Just then a buyer offered \$475,000, but the couple rejected the offer.

"Now it's \$465,000," said Mrs. Brown, a little ruefully, referring to the current asking price.

The new baby arrived last June, and in January the house was put back on the market. On the Feb. 7-8 weekend the Browns staged an open house themselves, after listing their home on [Craigslist](#), placing advertisements in two newspapers and sending e-mail messages to everyone they know.

Twenty-three people showed up. Mrs. Brown said that 11 knew about the open house from a sign outside; 6 spied the listing on Craigslist; 4 were referred by friends; and one saw a newspaper advertisement. (One declined to talk.)

In the meantime, the Browns made an offer on a bigger house conditioned on the sale of their house. The owners accepted it, but are leaving the country and anxious to sell.

"That puts a little pressure on us," Mrs. Brown said. After the open house she paid to list the house with an online multiple listing service.

People who move into a new place before selling their old one feel even more stressed. Take Patrick Sweeney, 43, a father of three from Rowayton, Conn., who put his home on the market after he and his wife agreed to divorce and moved into separate homes. Mr. Sweeney is a builder who constructed the six-bedroom, six-bath house himself.

The house went on the market last month for \$1,995,000, \$300,000 less than Mr. Sweeney had banked on. There were no offers. He was surprised.

"The thinking was always, 'It will sell in a heartbeat,' " Mr. Sweeney said.

He is worried now, and he plans to drop the price this spring. "This can't go on forever," he said. "It's got to go. We're paying to keep the heat on."

In spite of the months without a buyer, Ms. Faello of Dix Hills is still optimistic that her house will sell, if she can just find the right approach. First she listed with a broker, then switched to an online multiple listing service that charged a flat fee. She also listed the property on Craigslist, which cost her nothing, and on [ForSaleByOwner.com](#), which charged. Recently she began interviewing new real estate agents.

"I feel as if I get a little sharper each time," she said. "The amazing thing is, they'll see your home and come up with a number they justify by saying they've sold homes for that in the area. But list with them, and they're ready to drop the price."