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### 'Hidden' Apartment Sales Are on the Rise, Brokers Say

By Amy Zimmer



*A living room of a home in an India Street building, where a seller recently refused to let broker David Kazemi, of BOND New York, publicly list her property. The seller's apartment sold in nearly two weeks for \$573,000.*

MANHATTAN — David Kazemi, a real estate agent who specializes in Greenpoint, recently got a call from a woman wanting to sell her one-bedroom, 625-square-foot condo on India Street.

But she didn't want her home listed anywhere. She didn't want to host any open houses. She didn't want photos of her home taken.

Transactions involving "hidden" homes that are never publicly listed — often called "pocket listings" or "off-market deals" — have become more popular in today's notoriously tight housing market, according to brokers.

To match buyers with sellers, brokers have to go “old school” in a market that has increasingly become focused on searching online — and sometimes that’s the very reason sellers want to avoid being listed, brokers say. They may worry about negative impacts of their homes sitting on the market too long — with the number of days clearly broadcast on sites like Streeteasy and Trulia, or they may want privacy.

Brokers, however, sometimes tread a fine line with pocket listings if they’re hoarding the sales for their own gain. Representing the buyer and seller is not only frowned upon by the real estate community but also violates

New York's co-brokering rules, which require that a seller's brokers send the listing to other firms and then split the commission with the buyer's broker.

"When people hire a broker they want the service: full exposure, professional pictures, the whole 9 yards," said Kazemi, of BOND New York, who told the shy seller that in a "hot" neighborhood such as Greenpoint, the broker could attract 50 people to an open house and spur a bidding war.

But the seller insisted she didn't want people poking through her stuff during open houses, Kazemi explained.

So, he reached out to other clients, his friends and family. He called colleagues at big firms and at small ones around the neighborhood. Roughly two weeks after Kazemi began hunting for a buyer, he found one through a local firm. The condo sold for \$573,000.

Off-market deals have long been part of the commercial real estate market. They've also been common in the upper echelon of the city's residential market, where sellers rely on the rolodexes of high-end brokers to quietly market their homes.

Jessica Cohen, of Douglas Elliman, has recently seen more sellers across the board request that their homes not be listed online.

"The market has been so sensitive to something getting stale," she explained. "[Buyers] think if it's been on the market more than a few weeks it wasn't priced right or something is wrong. So if your property doesn't sell quickly, then you're devaluing your home because people think it's more negotiable."

While some sellers think a deal on the down low will avoid the risk of their home sitting on the market, on the flip side, by not listing, they might not get as much for their property, Cohen said.

"Usually to get the highest price it behooves them to bring it to market," said Cohen, who knows of about seven potential sellers on the Upper West and Upper East sides who are not interested in listing their homes.

"Our hands are tied in bringing it to market because we can only do what the seller is willing [to do]," she added.

Under New York's co-brokerage rules, an agent must list a home unless a seller requests the home not be listed, explained real estate attorney Craig L. Price.

But Karen Gastiaburo, of Warburg Realty, said it's incumbent on a broker to convince a seller that a listing must be shared.

There are ways for brokers to work around sellers' concerns about privacy, by not disclosing "too much" in a listing, she explained.

If someone is concerned about a home sitting too long on the market, then maybe that seller has "unrealistic numbers in their head" for the sale price, she said.

"In this marketplace right now if it's priced right it will go sooner rather than later and probably go in a month," Gastiaburo said, adding that if it sits on the market it was likely overpriced from the start.

Yet, when buyers are looking for specific homes that aren't on the market, brokers will hunt down owners to see if they're willing to sell, said Rob Anzalone, of Fenwick Keats.

His firm recently brokered such a deal for a \$10 million property on the Upper West Side.

"When supply is low people need to be resourceful and look for other ways to tempt people to sell," he said. "[That was] basically a private sale with a broker. It's old-fashioned investigating, and good brokers do it."