

March 17, 2015

Auction set for 150 Sandy-damaged properties

By: David Winzelberg March 17, 2015 0

The state has contracted a Garden City-based firm to auction homes damaged by Hurricane Sandy, with the first 150 Long Island properties up for sale in May.

[Paramount Realty USA](#) has listed [the homes](#) on its website—81 in Nassau County and 69 in Suffolk County—with minimum bids ranging from \$27,950 for a two-bedroom ranch in Mastic Beach to \$397,800 for a four-bedroom waterfront Colonial in Massapequa.

The two-day auction, scheduled for May 19 and 20 at the Hyatt Regency in Hauppauge, includes 70 waterfront homes, some of the 1,200 or so damaged properties that were purchased by the [Housing Trust Fund Corporation](#), as part of the New York Rising Housing Recovery Program. About 500 of the properties, which stretch from Staten Island to Suffolk's East End, are slated to be demolished and left as open space. But the remaining properties—about 700 on Long Island—are going to be resold via auction.

Buyers of the properties can either pay to have the existing homes raised, to avoid future flooding damage, or demolish them and rebuild new ones. New homes have to be completed within three years.

Among the first round of properties to be auctioned are 15 lots where the houses have already been demolished. The neighborhood with the most properties for sale in the first round is Lindenhurst, with 26 addresses on the auction list, followed by Island Park with 17, Freeport with 15 and Babylon with 14. Long Beach and Massapequa each have 11 properties on the auction block.

A series of open houses at the properties is scheduled to begin on April 13 and run through April 30. In advance of the auction, prospective bidders must pay \$50 to receive due diligence documents from Paramount that includes title reports, surveys, appraisals, terms of sale, and a copy of the purchase and sale agreement. Bidders also must bring to the auction certified or cashier's checks—for \$25,000, \$35,000 or \$45,000—for each property purchased.

Paramount was contracted in November 2014 to auction the properties by the state's Office of Storm Recovery, established by Gov. Andrew Cuomo in 2013. For its efforts, the firm gets a flat fee of \$300,000 to cover marketing expenses in addition to an undisclosed percentage of each sale.

Misha Haghani, a Paramount Realty principal, said the auction represents a rare opportunity for builders and developers of single-family homes who want to get into the Long Island market or expand their presence here. "This is a once in a generation opportunity where this much property is going to be auctioned for sale on Long Island," Haghani told LIBN.

Mitch Pally, executive director of the [Long Island Builders Institute](#), agreed.

“You don’t want to have opportunities from unfortunate circumstances like this, but having said that, this is a great opportunity for both large and small builders to get properties already zoned with a lot less difficulty in getting permitting,” Pally said. “I would encourage all the builders on Long Island to take a look at the list and bid on these properties, because once they’re gone, so goes the opportunity.”

Though the sale was just announced, Haghani said the firm has already had “a quite strong response” from prospective buyers.

<http://bit.ly/1wW5tvd>