

LI home builder sees signs of real estate recovery

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It was like "pulling teeth" to sell homes last year, but now developer Mark Baisch thinks the \$399,000 starter price at his East Moriches project is too low.

Buyers have been able to afford higher-priced models, thanks to low interest rates.

"Long Island actually might have started its recovery," said Baisch, who started Landmark Properties of Suffolk in 1990 by buying liquidated land in the savings and loan collapse.

In two years, he predicts, the housing scene here will be stable, prices will rise a "normal" 3 percent a year, and the foreclosure crisis will be over and homes resold by 2015.

"I think we'll return to a market that realizes that real estate can go both ways," he said, meaning up and down. Long Island's foreclosure and [unemployment](#) rates are far from the double digits afflicting other places, such as [Florida](#), where he scouted for homes to buy last year, he said.

"You go to Florida, where there's 14 percent unemployment and tens of thousands of condos sitting there," Baisch recounted. "It was so numbing when the Realtor said, 'If you think it's not for sale, ask, because it probably is. We don't have enough signs.' "

In the Island's favor, he said, are a scarcity of land and its role as New York City's bedroom community.

But [Wall Street](#)'s buying and selling mortgage-backed securities once again signals danger to Baisch: another crisis, maybe in 20 years. That's the time span between the late 1980s crash of savings and loan firms, felled partly by risky lending, and today's crisis, he said: "We have a memory that lasts less than a generation."