



# Another Mixed Bag for East End Real Estate

Beth Young | July 26, 2016

Real estate reports from several agencies in the past week all tell a similar story — of a South Fork market unsure of its footing, while activity and prices have crept upward on the North Fork.

The reports vary based on the timing of the information received from the Suffolk County Clerk's office and based on the manner in which they define the geographic boundaries of the regions they cover.

The Corcoran Group's Corcoran Report showed a slide in average and median price of 9 percent and 5 percent respectively on the South Fork "as sales skewed toward lower-priced areas like East Quogue and Hampton Bays."

They also reported more sales and higher prices in Sag Harbor, North Haven and Shelter Island, while sales price and volume in East Hampton remained on par with last year. The Corcoran Report said that half of the South Fork's villages and hamlets saw an increase in average price, while half saw a decrease.

On the North Fork, Corcoran reported a 2 percent climb in the number of sales, along with average and median price increases of 5 percent and 3 percent, respectively. Corcoran reported that Greenport is hopping, with the number of transactions increasing by 83 percent, but the report says the average price in Greenport "was essentially unchanged and median price dropped 7 percent."

Corcoran also pointed out a "strong increase in the number and volume of sales" in Southold, with both metrics increasing 18 percent. Southold's median price increased by 3 percent, while average price was flat.

Douglas Elliman's Elliman Report told a similar story, with the median price on the North Fork rising 2.9 percent to \$535,000, while the average sales price rose 8.3 percent to \$694,387.

The Elliman Report also showed signs of price growth in the luxury market (above \$1,399,000), with the median luxury sales price surging 33.4 percent to \$1,797,500. The "luxury market" is defined in the Elliman Report as the top 10 percent of all sales.

But the number of sold houses under the \$1 million threshold on the North Fork increased to 95 percent of all sales, up 5.5 percent from the second quarter of 2015.

The Elliman Report showed mixed numbers for sellers in the second quarter — while average number of days on the market (from the last list price change to close) increased by 10 to 157, the overall number of sales increased 4.7 percent, while the listing inventory declined 7.9 percent to 546 homes on the market. Overall, they reported 179 sales on the North Fork in the second quarter, with the average discount from the

last listing price edging up to 9.8 percent from 9.4 percent.

Douglas Elliman reported that North Fork sales made up 24.2 percent of the number of homes sold on the East End in the quarter, but made up just 11.6 percent of the total dollar value of the sales.

Douglas Elliman reported the number of sales on the South Fork plummeted 20.5 percent to 561 sales in the second quarter of 2016, while median prices climbed 4.3 percent to \$975,000, the highest second quarter median price in nine years.

Douglas Elliman also reported shrinking inventory on the South Fork, with 1,527 houses on the market, down 9.9 percent from the second quarter of 2015.

Douglas Elliman also reported a 3 percent increase in the number of days on the market to 170. The South Fork listing discount declined to 12.4 percent from 13.6 percent in the second quarter of 2016.

The Elliman Report also stated that "overall market price trends outperformed the luxury housing market," with a particularly large slide of 25 percent in the number of homes sold in the "above \$5 million" category.

Town & Country Real Estate's North Fork report says the quarter "demonstrates uneven growth, but growth nonetheless."

They reported a 25 percent increase in number of homes sold in Southold, New Suffolk and Peconic, from 28 in the second quarter of 2015 to 35 in the second quarter of 2016, but reported a 6 percent drop in the median sales price in those areas, to \$535,000

They also reported an 18 percent jump in the number of homes sold in Jamesport, Aquebogue, Baiting Hollow and South Jamesport, but a 3.08 percent decline in sales price, to \$441,000.

"The North Fork has established definite traction," said Town & Country CEO Judi Desiderio in her report. "I anticipate the second half of 2016 to continue to gain momentum as more and more people discover the richness of North Fork living."

Town & Country described the second quarter as "challenging" for the 12 markets they monitor on the South Fork, with number of homes sold dropping in eight hamlets and declines in median sales price in nine hamlets.

Town & Country reported particularly weak sales numbers in East Hampton and Southampton villages, while prices continue to climb in Montauk, with the median sales price now \$1.25 million, up 19.33 percent.

Like the Corcoran Group, Town & Country reported gains in the Sag Harbor area, including Noyac and North Haven, with the number of homes sold leaping 100 percent from 17 to 34, though the median price in that area fell 13.33 percent to \$1.19 million.

Town & Country also reported solid figures on Shelter Island, with 19 homes sold, a 46 percent increase, while the median sales price increased 26.67 percent to \$950,000.

"Is there a shift in focus to the quaint boutique markets from the estate sections, or is it a function of price?" asked Ms. Desiderio in her report.

Ms. Desiderio reported that sales in the \$500,000 to \$999,000 range were the only range to experience an increase in the number of homes sold in the second quarter.

"While the Second Quarter Home Sales Report proved what I have said about the \$10 million and up price categories being hit the hardest, I do anticipate the next three months will see a seasonal uptick on the high end," she said. "It is the stock market trajectory that dictates Hamptons high end sales. Just another cycle."

Another important indicator of the health of the local real estate market is Community Preservation Fund revenues, which for the first six months of 2016 were down 4.4 percent from the first half of 2015. In all, the CPF raised \$46.16 million throughout the five East End towns in the first half of this year, according to information released July 26 by State Assemblyman Fred Thiele.

Mr. Thiele added that, in the past six months, there were 3,125 closings in the five East End towns, down from 3,689 in the first half of 2015. And in the past four months, he said, CPF revenues were down 17.3 percent from the same time frame in 2015.

Mr. Thiele cautioned that "the towns should take note of this downward trend. Only the Town of East Hampton has shown a substantial increase in revenue over last year."

Mr. Thiele reported that East Hampton took in 16.48 million in the first half of 2016. Riverhead took in \$1.39 million, down 2.1 percent. Shelter Island took in \$840,000, down 13.4 percent. Southampton took in \$24.62 million, down 13.2 percent, and Southold took in \$2.83 million, up 2.5 percent.