



Second Quarter 2016: Hamptons Cools, North Fork Real Estate on the Rise

Oliver Peterson | July 26, 2016

The numbers are in! Town & Country Real Estate and Douglas Elliman released their second quarterly reports for 2016 last week and it's official—sales are down in the Hamptons, but the North Fork is on the rise!

TOWN & COUNTRY

Hamptons

The second three months of 2016 proved challenging, according to Town & Country, which reports "significant drops" in three areas. The number of homes sold fell in eight of the 12 South Fork hamlets monitored by the firm, while total homes sales volume and median home sale price both saw declines in nine of the 12 locales.

Both the prestigious and usually fruitful Southampton Village and East Hampton Village suffered significant declines in all three criteria. Total Homes Sales Volume plummeted by 53% (\$95M to \$45M year to year) in East Hampton Village—the greatest fall of all markets, but Southampton Village was a close second, dropping 48% from \$86M to \$45M. Town & Country had similar declines in the second quarter of 2015.

Fortunately, it wasn't all bad news. The Sag Harbor area, including Noyac and North Haven, realized huge gains in the number of home sales, going up 100%, from 17 in 2015 to 34 this year. Total homes sales volume improved from \$23.5M to \$58M. Sag Harbor Village and Shelter Island, which recently saw a \$32M listing—its most expensive ever—both realized excellent growth in the number of home sales, total homes sales volume and median home sales price. "Is there a shift in focus to the quaint boutique markets from the estate sections, or is it a function of price?" Town & Country asks in their report.

In Amagansett, 35% fewer homes changed hands, but this isn't for lack of interest, according to T&C, but more due to price sensitivity thanks to a nearly \$2M median home sales price including properties both north and south of the highway.

Only one of the eight price ranges monitored by T&C saw gains, and that was only a 5% increase in the number of home sales between \$500,000 and \$999,000—the most popular price category. "While the second quarter home sales report proved what I have said about the \$10M and up price categories being hit the hardest, I do anticipate the next three months will see a seasonal uptick on the high end," says T&C President Judi Desiderio. "Though, it is the stock market trajectory that dictates Hamptons high end sales. Just another cycle."



North Fork

The North Fork fared better, with uneven growth in the second quarter of 2016. Southold (including New Suffolk and Peconic) offered the highest gains in the number of home sales, improving 25%—from 28 in the second quarter 2015 to 35 during the same period in 2016—but the total home sales volume dropped by 14%, and median home sales price fell by 6%. Jamesport (which includes Aquebogue, Baiting Hollow and South Jamesport) increased by 18% in the number of home sales, and went up 20% in total home sales volume. Mattituck (with Laurel and Cutchogue) and Orient (with East Marion and Greenport) had one less home sale each in the second quarter, year over year.

Monitoring all North Fork markets, only two of the five price categories had declines. The \$500,000–\$999,000 category fell 22.45% from 49 to 38 from 2015 to 2016, and the \$5M and up, where there were no sales vs. last year. The number of home sales overall rose 8% over 2015, but total home sales volume tipped back 3%, and median home sales was down 14%.

"The North Fork has established definite traction," Desiderio says. "I anticipate the second half of 2016 to continue to gain momentum as more and more people discover the richness of North Fork living."

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DOUGLAS ELLIMAN

Hamptons

Douglas Elliman reports the number of homes sold in the Hamptons declining by 20.5% from the same period last year. This is the fourth consecutive

quarter of drops, but the 561 homes sold remains higher than the 450 quarterly sales average of the past decade. Listing inventory is down 9.9% in quarter two. "The pace of the market cooled," Elliman explains, because sales declines exceeded the decline in supply.

After falling in the first quarter of 2016, median price for all sales in the Hamptons improved 4.3% to \$975,000—the highest second quarter result in nine years. Sales at or above \$5M fell 20%. The time homes stay on the market was up by 5 days, or 3%, over the second quarter of 2015.

North Fork

The North Fork was wholly positive for Douglas Elliman, showing higher prices and more sales in quarter two. For the ninth consecutive year-over-year quarterly increase, median sales price ticked up 2.9% to \$535,000. Average sales price also revealed the same pattern, improving 8.3% to \$694,387 from second quarter 2015.

Unlike the South Fork, the North Fork luxury market (top 10% of all sales) grew more than the market overall. The luxury median price surged 33.4% to \$1,797,500, while the average sales price went up 15.3% in the luxury market, to \$2,018,347, over the second three months of 2015.

The number of sales improved 4.7% to 179—the highest second quarter in eight years—while listing inventory fell 7.9% to 546 over last year. So, while the South Fork experienced the reverse trends and a market cool off, the falling inventory and rising sales have resulted in this market beginning to catch fire.

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