

East End Real Estate Prices Continue To Climb, Despite Winter Doldrums

By Beth Young | February 10, 2016

While East End real estate experienced its usual off-season sales slow-down in the fourth quarter of 2015, house prices here continue to climb, putting the days of the buyer's market solidly into the rear view mirror.

Fourth quarter market reports released by several East End real estate agencies in late January paint a picture of major price increases on the North Fork, while the South Fork saw modest increases in price but a decline in number and volume of sales.

The South Fork high end market showed the biggest slump in volume, attributed by realtors here to Wall Street's current temper tantrum over the Federal Reserve's December interest rate hike.



According to the Corcoran Group's Corcoran Report, median price increased 3 percent on both the North and South Forks in the last quarter of 2015, while the average price increased 10 percent on the North Fork and declined 7 percent on the South Fork. The South Fork decline in average price showed a shift in the market toward more sales at the lower end.

The Corcoran Report saw an increase of 358 percent in sales volume in the North Sea and Noyac area and by 103 percent in East Hampton Village.

The report also showed a significant shift in the price points of properties at the low end of the South Fork market west of the Shinnecock Canal — an important indicator of the availability of affordable South Fork homes.

The report showed a 15 percent decline in the market share of properties under \$500,000 west of the canal, and a corresponding increase of 14 percent in the segment between \$500,000 and \$1 million.

According to the Corcoran Report, sales volume on the North Fork from Aquebogue to Orient increased 23 percent quarter over quarter, with Greenport and Southold leading the way in terms of number of sales, with Greenport sales up 40 percent and Southold up 48 percent. They reported 21 sales in Greenport and 49 sales in Southold in the last quarter of 2015. Aquebogue and Jamesport did see a 37 percent decline in the number of sales, from 27 in the fourth quarter of 2014 to 17 in the fourth quarter of 2015.

In the ever-tight land market, sales of South Fork vacant land dropped 13 percent, from 104 in the fourth quarter of 2014 to 90 in the fourth quarter of 2015, while sales on the North Fork remained essentially flat, with 17 sales in the fourth quarter of 2015, down from 18 in the prior year quarter.

According to the report, "inventory of vacant land continues to decline" on both forks.

Town & Country Real Estate also showed an increase in sales activity on the North Fork, with a 12 percent increase in home sales in Southold, New Suffolk and Peconic, with 148 homes sold in those areas, up from 132 in the last quarter of 2014.

Town & Country reported a 12 percent decline in the number of home sales in Orient, East Marion and Greenport, but a 13.2 percent median price gain in those areas, from \$463,750 to \$525,000.

Town & Country broke with Corcoran on their assessment of sales in the Jamesport area, in which they include Aquebogue, Baiting Hollow and South Jamesport. The variations in numbers released by different agencies can be attributed to the differing ways in which they draw geographic boundaries between areas.

Town & Country reported a 5.4 percent increase in the number of home sales in the Jamesport area, along with a median home sales price increase of 8.5 percent and a total home sales volume increase of 9.6 percent, due to a significant increase in number of homes sold at the high end of the market.

On the South Fork, Town & Country CEO Judi Desiderio described the fourth quarter report as "one of the most interesting compilation of factors in the nearly three decades I've been reporting on market statistics. Tons of moving parts."

She reported that 10 of the 12 South Fork markets monitored by Town & Country saw declines in the number of sales the fourth quarter, with the greatest statistical drop in Amagansett, which saw 46 percent fewer sales in the fourth quarter of 2015.

But prices increased in 7 of the 12 markets monitored by Town & Country. In Bridgehampton, Water Mill and Sagaponack, prices shot up 38 percent from \$2.87 million in the fourth quarter of 2014 to \$3.95 million in the fourth quarter of 2015.

"As we predicted, the price range suffering the most was the high end," said Ms. Desiderio. "The \$20 million-plus price range sunk 64 percent from 11 sales in the fourth quarter of 2014 to 4 in the fourth quarter of 2015. This is a direct result of the pull-back on Wall Street, since that's the demographic of the buyer at that elite level."

Douglas Elliman Real Estate's Elliman Report showed a 15.6 percent increase in average sales price on the South Fork in the fourth quarter, which they say sets "a new record as super luxury sales returned to the market."

They also reported a median sales price increase of 2.3 percent, to \$997,000, "the highest level reached since the financial crisis began and the third highest on record."

They reported 613 sales in last quarter of 2015, down 16.5 percent from the fourth quarter of 2014, and they also reported that listing inventory declined 6.5 percent, with 1,472 houses on the market in the fourth quarter. The number of days on the market from the last list price change to the contract date fell 18 percent to 141 days, while listing discount edged up to 9.8 percent from 9.2 percent.

On the North Fork, the Elliman Report showed median sales price up 14.2 percent to \$522,500, the "seventh consecutive quarter with year over year increases in median sales price."

The report also showed that "all segments rose sharply with largest gains seen in the highest and lowest segments."

The average sales price was up 17 percent to \$718,240, a five year high.

The Elliman Report showed 180 sales on the North Fork in the fourth quarter of 2015, down 19.6 percent from a record 224 sales in fourth quarter of 2014.

The listing inventory on the North Fork fell 9.4 percent to 472 houses on the market, while the number of days on the market between the last list price and the contract date decreased to 138, nine days faster than in the fourth quarter of 2014. The average listing discount was 11.1 percent, up from 6 percent in the last quarter of 2014.