



Real Estate Sales Slow on South Fork as Prices Rise to the North

Beth Young | January 27, 2017

The thud of slowing sales at the ultra-high end brought down the South Fork's real estate sales figures in the fourth quarter of 2016, while prices rose dramatically on the North Fork, according to several new real estate reports.

Town & Country Real Estate CEO Judi Desiderio did not mince words about the state of the South Fork market.

"The last three months of 2016 were NOT good for the Hamptons real estate markets," she said in her fourth quarter report. "Eleven of the 12 individual markets monitored by Town & Country experienced declines in the number of home sales, with the hardest hit being starlets East Hampton Village, with a 46 percent drop and Bridgehampton (which includes Water Mill and Sagaponack), with a whopping 56 percent free fall."

Ms. Desiderio reported a 61 percent jump in median price in homes sold in Montauk quarter over quarter, from \$815,000 to \$1.315 million.

"Simply put, the supply is never going to outweigh the demand, since Montauk is surrounded on three sides by ocean," she said.

Ms. Desiderio reported there were only 5 closed sales on the South Fork in the \$10 million and up range in the fourth quarter of 2016, down from 14 sales in the fourth quarter of 2015.

"The last three months of 2016 were filled with fits and starts for North Fork Real Estate markets," said Ms. Desiderio.

"One key statistic to note is the median homes sales price rose in nearly every market on the North Fork. This is a clear indicator that prices are on the rise," she said.

Ms. Desiderio reported that Mattituck, Laurel and Cutchogue had a banner quarter, with an impressive 45 percent jump in number of homes sold and a "whopping 65 percent leap in total home sales volume."

But, she reported, the North Fork hamlets of Southold, New Suffolk and Peconic saw a 49 percent drop in the number of home sales, from 41 in the fourth quarter of 2016 to just 21 in the fourth quarter of 2016.

"The good news is all eight Town & Country offices are reporting heightened activity since the election and I predict 2017 will be a much better year than 2016," she said.

Douglas Elliman's Elliman Report said that on the North Fork there were "more sales as inventory fell, resulting in the fastest paced market in a decade."

They reported that median sales price on the North Fork spiked 13.9 percent. while the number of houses sold edged up 2.8 percent to 185.

Listing inventory fell 28 percent, to 340 homes on the market in the fourth quarter.

Each real estate report uses different geographic boundaries, leading to slightly different sales figures.

"The North Fork housing market reflected improving conditions, with more sales, less inventory and rising prices," according to the Elliman Report. "This performance was in contrast to the higher priced Hamptons market to the south because of the lower price point of the market."

Douglas Elliman reported on the South Fork that "the decline in high-end sales played a large role in skewing market-wide price indicators lower."

They reported that transactions above \$5 million fell 40.3 percent, quarter over quarter, while "sales also declined in lower priced segments, but to a lesser degree."

Overall, Douglas Elliman reported a 7.2 percent decline in median sales price on the South Fork and a 14.5 percent decline in closed sales quarter over quarter, with 524 sales closed in the fourth quarter of 2016.

The Corcoran Group's Corcoran report reported the average sales price on the South Fork fell 1 percent from \$2.172 million to \$2.15 million quarter over quarter, while the median sales price fell 11 percent from \$1.12 million to \$995,000. They also reported a 24 percent decline in sales, from 574 in the last quarter of 2015 to 435 in the last quarter of 2016.

"Sales dipped on the South Fork, as some potential buyers held off pending uncertain economic conditions and the election," according to the Corcoran Report. "Fewer closings were reported in every area this quarter compared to a year ago."

Corcoran also reported that the \$3 million-plus price range grew from 20 percent to 22 percent quarter over quarter east of the Shinnecock Canal, while west of the canal, sales under \$500,000 increased to 43 percent of sales, up from 38 percent in the last quarter of 2015. Houses under \$500,000 made up just 7 percent of the market east of the canal, down from 9 percent in the fourth quarter of 2015.

On the North Fork, Corcoran reported a 12 percent decline in average sales price, from \$705,000 to \$623,000, and a 2 percent decline in median price, from \$512,000 to \$500,000. They reported 165 sales in the fourth quarter, down 1 percent from 167 sales in the last quarter of 2015.

They reported a doubling of the number of sales in Aquebogue and Jamesport and a 33 percent drop in sales in Southold. As far as prices go, Greenport's average sales price increased 16 percent to \$580,000; Mattituck/Laurel's fell 15 percent to \$633,000 and East Marion and Orient fell 31 percent to \$753,000.