

The Hamptons just had its worst second quarter for sales in 8 years

Inventory continues to rise on the East End, where the median sales price fell, although the situation is a bit more promising on the North Fork

Grace Cassidy | July 25, 2019

A first quarter slump for Hamptons home sales continued during the past three months, which were the worst second quarter for sales since 2011, according to the latest Douglas Elliman market report.

With fewer people buying, listing inventory continued to soar, as the median sales price on the East End fell 4.2 percent, to \$850,000. As a matter of comparison, the median sales price during the second quarter of 2017 was \$1.03 million.

There are now 2,557 homes on the market in the Hamptons, the highest mark since 2006. The report from Elliman and appraisal firm Miller Samuel noted that the second quarter was also the eighth straight quarter in which luxury inventory — defined as the top 10 percent of the market — continued to expand.

The Real Deal reported in May on how the sluggish pace of sales for high-end homes in the Hamptons is affecting brokerages and their agents. A glut of luxury homes on the market coupled with a dramatic decline in foreign buyers and controversial new tax law changes have helped depress sales numbers.



The Peconic Community Preservation Fund, which draws its revenue from a 2 percent real estate transfer tax on the East End, has experienced a dramatic decline this year due to lackluster Hamptons home sales numbers. In late June, 27east reported that CPF revenue had fallen 27.4 percent year-over-year as a result of a dip in transaction volume.

But while the 498 closed sales during the second quarter were the worst in eight years, the Elliman report noted the number was only a 1 percent dip from the second quarter of 2018, when there were 503 closed sales. The report noted that homes are staying on the market for less time at an average of 139 days, with buyers getting a better price. The average listing discount in the Hamptons was 10.4 percent during the second quarter, up from 9.5 percent a year ago.

“Sales above the \$10 million threshold were in line with the quarterly average for the decade,” said a statement from Jonathan Miller, CEO of Miller Samuel and author of the report. Miller added that home sales in the \$5 million and higher segment of the market were also in line with the decade-long quarterly average, while the median sales price for luxury homes rose 3.4 percent year-over-year, to \$6 million.

A separate market report released by the Corcoran Group noted that the quarterly decline in East End sales was steepest in East Hampton and Water Mill, as the sagging top tier of the market was responsible for the biggest drop in prices.

The picture was a bit rosier on the North Fork, the low-key section of the East End that TRD checked in on this spring. The number of North Fork sales during the second quarter surged 25.5 percent year-over-year, to 182, the “highest rate in four-and-a-half years,” per Elliman’s report.

The median sales prices on the North Fork rose 8.8 percent year-over-year, to \$644,500, as the total listing inventory in the region jumped 5.9 percent during that time frame, to 452, according to the Elliman report. Another analysis from Town & Country Real Estate found less activity on the North Fork for home sales in excess of \$1 million, as total home sales volume fell 11 percent year-over-year.

“Truth be told, the primary issue holding back North Fork home sales is a severe lack of inventory, as the demand is certainly there for most price ranges in most markets,” said a statement from Town & Country CEO Judi Desiderio.