



# It's Hot on the North Fork

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As the North Fork continues to get national media attention as the antithesis to the Hamptons, real estate reports for the second quarter of 2019 show the boom is extending well beyond tourism, to homebuying patterns as well.

According to Douglas Elliman's second quarter report, prepared by Miller Samuel Inc., North Fork sales were "surging and the median sales price rising for the ninth straight quarter," while on the South Fork, "the market is still challenged by the tax law, which has slowed sales and resulted in rising inventory. The median sales price decreased year-over-year for the fifth time in six quarters."

Last year's changes to the federal income tax code capped the deduction for state and local property taxes at \$10,000, making high-end properties with higher taxes less attractive to buyers.

"The market in the Hamptons is still showing signs of softness, with fewer sales and an increase in supply," said Todd Bourgard, Douglas Elliman's Senior Executive Regional Manager of Sales for the Hamptons. "We are seeing some evidence of stabilization in the near term, though, as sellers in the luxury market are beginning to price closer to actual market conditions."

Miller Samuel Inc.'s numbers show the North Fork median sales price rose 8.8 percent compared with the second quarter of 2018, to \$644,500, while the number of North Fork sales jumped 25.5 percent to 182. North Fork homes were selling at a mere 6 percent below list price, down from 15.2 percent. They reported the North Fork listing inventory edged up 5.9 percent, to 452 houses on the market — an increase of about 26 houses on the market.

Meanwhile, on the South Fork, the Miller Samuel Inc. report shows the median sales price declined 4.2 percent, to \$850,000, while the number of sales fell 1 percent to 498. In the same time period, they report that the number of houses on the market skyrocketed 84.2 percent, to 2,557. South Fork houses were selling at a listing discount of 10.4 percent, up from 9.5 percent.

On both forks, the average amount of time on the market hovered around three-and-a-half months.

"Long Island and the North Fork are two of the strongest markets in the New York metro area right now, and the Hamptons market is also beginning to show signs of leveling off in the coming months," said Jonathan Miller, President and CEO of Miller Samuel Inc. and author of the report. "It will be interesting to see if the region overall can maintain its strength going forward."

Both the Miller Samuel Inc. report and Town & Country Real Estate reports make note that the luxury market on the North Fork — properties listed at over \$1 million, has been soft.

"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 Judi Desiderio, CEO of Town & Country Real Estate, in her second quarter report.

Town & Country reported an increase in the number of sales in Greenport, Mattituck/Cutchogue, Orient and East Marion, and a decrease in the number of sales in Southold, Jamesport and Aquebogue.

Ms. Desidero reported that the overall number of home sales decreased 22 percent in the Hamptons when compared with the second quarter of 2018, while sales of houses in the \$2 to \$3.49 million price range decreased 37 percent.

The Corcoran Group's Corcoran Report told a different story about the North Fork, reporting a 30 percent decrease in the number of closings, and stating that "prices were basically unchanged from a year ago."

The Corcoran report put the median North Fork sales price at \$575,000, reporting just 97 sales in the second quarter, minus 30 percent year-over-year.

Each real estate report calculates the geographic areas covered in the report differently, and differences in methodology can lead to variations between the reports.

The Corcoran Report shared the other reports' findings of a softening market on the South Fork.

"Second Quarter 2019 was a challenging one for the South Fork market, with declines in both closed sales and price statistics," according to The Corcoran Report. "The number of reported closings declined 26 percent versus Second Quarter 2018. Nearly every area registered a decrease in the number of sales. Shelter Island was the one area to have a small increase in sales and Amagansett and Montauk sales were even with Second Quarter 2018.

"Double-digit drops in the number of reported closings were common," the report added, citing a 58 percent decrease in the number of sales in East Hampton Village, and a 69 percent decrease in the number of sales in Water Mill.