

North Fork Real Estate Market Q3 Reports Revealed

Behind The Hedges Staff | October 30, 2019

Ah, the signs of fall on the North Fork, a cornucopia of apples, pumpkins...and Third Quarter real estate reports. As that traffic on Sound Avenue might indicate, we aren't the first ones to arrive.

"The secret is out," says Town & Country Real Estate CEO Judi Desiderio, whose most recent report notes that overall the North Fork saw an 11% increase year-on-year in home sales over the summer, with 90 closes. "The natural beauty of the North Fork is no longer a secret. The media has done a bang-up job letting the public know about the farms, vineyards and rural nature of the region. Couple that with a very attainable price point and the result is heightened demand."



Indeed, price--make that accurate pricing for the market--has played a major role all the way out to Orient Point. While the entire fork was a mix of ups and downs, Corcoran's Q3 report shows that while sales volume dropped 15% and the number of sales fell 16% to its second lowest figure in six years, the average price on the North Fork was up 1% year-over-year, and median price increased 13% (a rise driven by fewer reported sales under \$350,000).

"Buyers are finding value in these areas," says Ernie Cervi, Regional Senior Vice President East End at Corcoran, "and properties priced well for the current market are trading."

Across the board, the report notes, "East Marion/Orient reported closings were the same as Third Quarter 2018 and Southold had a notable 29% increase in sales. However, these positives were overwhelmed by double-digit declines in Aquebogue/Jamesport, Greenport and Mattituck/Laurel." As for price changes versus last year, they were relatively minor in most areas. In Greenport, where the biggest changes were seen, they note, the average price was up 7% and median price up 25% year-on-year.

Prices in the maritime village have been on the rise for some time now, and interest remains strong for the right property at the right dollar amount. "Greenport has really attracted that Brooklyn crowd," says Ann Conroy, President, Long Island Division, with Douglas Elliman Real Estate. "It's hip, it's a walkthrough town, it's got a great young buzz."

Greenport, with its hip appeal, is only part of the story. Douglas Elliman's report notes that the North Fork saw the second-largest share--an impressive 29.3%--of total East End sales in more than 11 years. On the luxury listing end,

inventory increased year over year for the fourth straight quarter, while median sales price declined for the first time in 10 quarters. "The more inventory you have, there is a downward pressure on pricing," Conroy says. "The luxury market in every single marketplace hasn't been doing as well as everyone would love it to do, or as it has done in the past, and that's in Manhattan, Nassau North Shore, the Hamptons--so as more and more sellers put their houses on the market and fewer and fewer buyers are biting at the prices they're asking, that causes that."

Supply, demand, inventory, asking price--a market responds to and is driven by all these factors, and then some.

Desiderio notes in the Town & Country report that Southold (which includes New Suffolk and Peconic), showed a "45% explosion in the number of home sales and a 33% leap in total home sales volume, largely due to a 300% increase in the \$1 million to \$1.99 million price range, which included the highest North Fork sale for the quarter of the Butz residence on Hyatt Road for \$2.45 million." Mattituck (which includes Laurel and Cutchogue) may have seemed to "lag a bit from its eastern and western counterpart markets," the report says, "but realized the greatest statistical increase (+13.2%) to \$665,000 for the highest median home sales price on the North Fork for the 3rd Quarter 2019."

The Jamesport area--which includes Aquebogue, Baiting Hollow and South Jamesport--closed 43% more deals and saw an increase of 9.45% in total home sales volume, a testament to the attractive nature of its being "the most western North Fork hamlet [and] the ease of travel in and out of the city and points west," Desiderio notes.

Looking at all North Fork markets combined, Desiderio says, "we see a very deliberate shift--as we predicted--to higher-priced home sales. The \$1 million to \$1.99 million price category increased year over year by 120%."

That is just one of the intriguing observations among the numbers. "More sales were reported on the North Fork in the \$750,000 to \$1 million and \$1 million to \$1.5 million price ranges, causing these categories to grow markedly in market share," Cervi notes. "The biggest drops occurred at the extreme ends of the market. Reported sales under \$350,000 decreased from 9% of the market to only 3% this year. Over \$1.5 million closings were also 3% of the market but were 7% in Third Quarter 2018."

With all these numbers and analysis, however, don't expect any crystal-ball gazing as we close out 2019 and head into 2020. "We won't try to predict the future markets," Cervi says. "However, the level of activity agents are experiencing appears to be promising."

"The North Fork still has a long way to go--they haven't peaked yet in terms of pricing," Conroy adds. "Every single year it just gets better and better. There was a time when it was second to the Hamptons, but right now it's just a different buyer. A lot of people from Brooklyn, Garden City, millennials from Manhattan. It really has become a whole market segment that is attracting a very different buyer than the buyer that is normally attracted to the Hamptons. It's young, it's vibrant, it's really great."

That is not to say, of course, that buyers are necessarily comparing the North Fork and the Hamptons. Nor should they. "They're apples and oranges," Desiderio says. "But for anyone who loves fruit, they will explore both--maybe live on one fork and invest in the other fork."