

Hamptons Real Estate Market Sees Uptick In Activity To Close Out The Year

Nicole Barylski | April 24, 2020

While the Hamptons market had a strong start to the first quarter of 2020, activity dramatically dropped in mid-March as a result of the Coronavirus.

"We saw a vigorous two-and-a-half months in the first quarter," Todd Bourgard, Douglas Elliman Real Estate Agent, noted. "Fortunately, our scheduled closings were not affected by COVID-19 and our market activity surged in both seasonal and off-season rentals."



The median sales price grew 16.5 percent to \$990,000 - compared to the same period a year ago, the average sales price was up by 25.5 percent to \$2,124,336, the number of sales increased by 15.5 percent to 343, and listing inventory was down by 19.9 percent to 1,929.

"Once the quarantine is over, it would seem that lower inventory and pent up demand from buyers may result in strong 3rd and 4th quarters," Bourgard noted.

Sales volume increased in nine of 13 areas that Corcoran monitors - with the greatest growth in Southampton Village, which saw a whopping 428 percent increase due to a plethora of deals over \$10 million.

"The first quarter was the strongest quarter in the past 18 months," Ernie Cervi, Regional Senior Vice President, East End, Corcoran, noted. "We are seeing continued demand going into Q2, and the level of activity we have seen thus far in April can be the foundation for a substantial sale and rental market ahead."

On the South Fork, the total number of sales was down 9.5 percent, compared to the first quarter of 2019 (249 sales in 2020 vs. 275 sales in 2019). However, as there was an uptick in the share of sales above \$10 million, the total dollar volume increased 17.1 percent to \$634,764,397. Sales in the \$5M+ range, which accounted for just shy of 10 percent of all South Fork sales, was responsible for 48.4 percent of the total dollar volume.

"Prior to the state-wide shutdown of real estate activity in March due to COVID-19 concerns, the market was showing significant signs of strength, exhibited particularly in the sharp rise in the ultra high-end market above \$10 million," Robert Nelson, Executive Managing Director, Brown Harris Stevens Hamptons Region, said. "While the number of sales in the First Quarter of 2020 were down 9.5 percent compared to the previous year, overall dollar volume was up an impressive 17.1 percent."

The surge in sales above \$10 million led to an increase in average sales price, which was up 29.3 percent to \$2,549,255, compared to the first quarter of 2019. The median price saw a minimal 0.4 percent decrease to \$1,195,000.

The first quarter of 2020 saw 24 sales over \$5 million, which was up from 22 in the first quarter of 2019. 13 of those sales were over \$10 million, compared to only 4 in the first quarter of 2019.

"The number of ultra-luxury sales was unusual for this time of year, driven by an increasing number of people - many of them from NYC - looking to invest in this area as a safe haven," Nelson added. "And, while we can't predict the future, that trend is likely to bode well for a rebound in our region."

"The world came to a grinding halt as of mid-March, but the fall out from that will not show up until the 2nd Quarter Home Sales Report, due to the nature of the time-frame from time of contract, to closing, and then recording," Judi A. Desiderio, Town & Country Real Estate CEO, noted in the Town & Country Hamptons 1Q 2020 Home Sales Report. "I do, though, hypothesize that some of the lack of statistical data here is due to the closings of government offices — in this case, lawyers and title companies were unable to record closing documents as of mid-March in Suffolk County. If the closings are not recorded, then the data doesn't show up on my report."

Of the 12 markets Town & Country monitors, 11 saw a decline in the number of home sales - with Sag Harbor Village experiencing the biggest decline (46 percent). "Keeping in mind, the number of trades dropped from 13 to 7, year over year, thus the amount of closings are limited, which therefore yielded a deeper statistical change," Desiderio explained.

"I will venture to say, the East End should, undoubtedly, experience heightened interest as we emerge from this life-altering event. Interest from people who wish to secure a safe haven for their families and the nostalgic experience of life and nature in full harmony," Desiderio concluded.