

Home Prices Rise On LI As Buyers Compete For Scarce Supply, Report Shows

Maura McDermott | July 23, 2020

Long Island's supply of homes hit its lowest point in at least 16 years during the COVID-19 shutdown, driving up prices as buyers competed for a scarce supply of listings, a new report shows.

The median home price on Long Island, excluding the East End, hit \$469,000 in the April-through-June period, up 5.4% compared with a year earlier, the brokerage Douglas Elliman and the appraisal company Miller Samuel were due to report Thursday.

The number of sales fell by about 34% and listings dropped by 31% in the second quarter compared with a year earlier, the report shows. Those declines came as real estate agents were prohibited from doing in-person work such as showings from late March until June 10, to help slow the spread of the coronavirus.



In the Hamptons, the median price increased annually by 27% to \$1.08 million, the highest in eight years, the report shows. The number of sales fell by 13% and listings dropped by 25.5%, compared with the same period in 2019.

"It's the result of being shut down for the prior three months... every marketplace we're in and every price point is experiencing a wave of buyers," said Ann Conroy, chief executive of Douglas Elliman's Long Island division. Purchasers are especially keen on houses with home offices, plenty of outdoor space and pools, she said.

Long Island is seeing an influx of buyers from New York City just as inventory has fallen sharply, Conroy said.

Nassau County and western Suffolk County had 9,714 homes listed for sale at the end of June; there had been nearly three times as many listings 12 years before, when inventory was at its peak, said Jonathan Miller, president of Miller Samuel.

Long Island's combination of low inventory, rising prices and declining sales activity "is a fairly common pattern across the country as the pandemic hit each market," and the ordinarily busy spring home sales market got pushed into summer, Miller said. "To understand what the actual market is, we're probably not going to see that until the pent-up demand is satisfied or fully absorbed, and I suspect that will happen in the fall, after Labor Day."

The fact that average mortgage rates have fallen to less than 3% is prompting some buyers to get into the market, he said. But factors that could slow the fall home sales market include a potential second wave of COVID-19 infections, and uncertainty about the presidential election, Miller said. In previous years, sales activity has tended to ease during campaign season as buyers wait to see how the election turns out, but in previous years that pause has been followed by a surge of sales, he said.

Like the rest of the Island, the Hamptons is experiencing "a huge lack of inventory," said Judi Desiderio, president of Town & Country Real Estate in East Hampton. New York City residents are seeking out second homes where they can work remotely while their families enjoy more outdoor space than they can get in the city, she said.

With all those remote workers on the East End, she said, cellphone circuits and roads are as jam-packed these days as if "every day is Labor Day."

Demand is especially strong in East Hampton and in communities farther west, such as Westhampton, Remsenburg and Quogue, she said: "If you are looking to get back and forth to the city quickly, west of the [Shinnecock] Canal is an easier commute."