

## East End Real Estate Market Slowdown? Yes, But That's Not the Whole Story, Town & Country CEO Says

Taylor K. Vecsey | July 28, 2022



*While there was “a pullback” in sales activity in Amagansett much like that of other Hampton markets, Amagansett still saw an increase of 12.7% in median homes sales price. The home at 68 Fresh Pond Road, listed with Town & Country, is asking \$9,999,999.*

When it comes to East End real estate, “Remember, nothing lasts forever — and things aren’t always as they seem.” That’s the overall message from Judi Desiderio, the CEO of Town & Country Real Estate, in her mid-year home sales reports for the Hamptons and the North Fork.

In looking at the first six months of 2022 as compared with the same period of 2021, it’s clear there is a slowdown in market conditions, but Desiderio feels it’s important to also look to a more realistic, balanced view of sales activity before the COVID-19 pandemic hit and sales skyrocketed.

“COVID created a temporary heightened market for home sales clear across the country, with the greatest impact on vacation markets within driving distance to major cities,” she reports. “Bottom line, the ‘COVID Kick-Up,’ as I call it, sent sales activity and prices to rise in volumes never seen before by this student of the market. Everything has its lifespan.

This one has run its evolutionary course and I'm already looking forward to the markets to come and the opportunities they bring."

Desiderio, who has been delving into data on East End home sales, sales volume and median home sales prices for 25 years, focused on comparing the past six months with Town & Country's mid-year sales report for 2019. She adds that "every single report on home sales or real estate sales is a glimpse in the rearview mirror." Some deed transfers that happened just before the data was compiled have not been recorded yet.

"That said this report shows a slow down from 2021 but keep in mind that year was one of our best years ever. In fact for most of the country that was the year of years," she says.

"Sales activity I have slow down out here beginning about two months ago," Desiderio tells Behind The Hedges. "That slow down will show up in the next quarterly report and the fourth quarter report."

Desiderio, who has been delving into data on home sales, sales volume and median home sales prices for 25 years, says that based on sales activity she shows a slow down in the Hamptons beginning about two months ago. "That slow down will show up in the next quarter report and the fourth quarter report," she says.

On the South Fork, from Westhampton to Montauk, the number of home sales dropped -27% year-over-year from 1,919 in 2021 to 1,400 in 2022. She says this resulted in the total home sales volume dipping nearly -15%. However, the median home sales price did not change, staying at \$1,595,000.

Inventory has picked up some from the historic lows of last year, but the market is certainly not flooded. Based on supply and demand that means the prices should not be headed down, she says. "That only happens when the supply outweighs the demand so for those of us in the business we can look at the amount of inventory we have in different market places in different price ranges and we can easily surmise which markets may feel a pullback in price."

Looking back before the pandemic by using Town & Country's mid-year sales report for 2019, this year has so far seen nearly twice the number of home trade hands and the sales volume has more than tripled. "In fact, if you look at the uber high-end, home sales over \$10 million, we had 70 in 2022, and a mere 16 in 2019, staggering statistical difference," Desiderio writes.

Still, it's important to note, "2019 and 2018 were not great markets for the East End," she adds. There were 729 home sales in 2019 — which had declined -17% from 878 in 2018 — and a total sales volume of \$1.43 billion in 2019, versus \$1.82 billion in 2018, a decline of -21.37%.

The median home sales price in 2019? Just under a million dollars at \$995,000, down -6.13% from 2018 when it was \$1,060,000.

## **SOME UPS, SOME DOWNS IN THE HAMPTONS**

Delving into data by hamlets, Desiderio reports that Montauk had 400% more home sales in the \$5 million to \$9.99 million price category, driving the median home sales price up 32.45% to \$2 million. "The demand for properties at The Point remains heightened.

In Amagansett, where she says there is an equal demand for properties north of the highway as there is for south-of-the-highway properties, there was "a pullback in sales activity much like that of other Hampton markets," but the hamlet still saw an increase of 12.7% in median homes sales price.

East Hampton Village saw a staggering 62.27% increase from the same period last year, due to a 60% increase in the number of home sales in the \$10 million to \$19.99 million category. The median home sales price in the village is \$6,247,500.

Looking at the East Hampton area as a whole, which includes Wainscott for this report, closed the most amount of home sales for the first half of 2022 with 303 in total. The median home sales price increased over 18% to \$1,650,000.

Heading west to Southampton Town, Town & Country reports Southampton Village experienced the second highest median home sales price in the first six months of 2022 at \$4.2 million, a 51.35% increase as compared to the same period in 2021. "Southampton Village is also experiencing a significant upturn of 86% in the number of home sales in the \$10 million to \$19.99 million price range," it says.

The greater Southampton area, which includes North Sea, also saw a median home sales price increase of over 28.2% to \$1,602,500. "This was directly due to an increase in home sales activity over \$3 million in this region," according to the report.

The Bridgehampton area, which includes Water Mill and Sagaponack for these purposes, had the highest total home sales volume of just over \$1 billion. Seven of the 17 homes in the price category of \$20 million or more that were sold so far in 2022 were closed in Bridgehampton.

Meanwhile, "Shelter Island took quite a turn year-to-year with the number of home sales sinking -45% and the total home sales volume decline of -35.54%, yet the median home sales price increased by 14.42%."

Looking at the Sag Harbor area, which includes Noyac and North Haven, total home sales volume rose 11%, the highest increase in total home sales volume for any Hamptons market. The median home sales price also rose 20.98% for the first half of 2022.

"Sag Harbor Village was the only market to have a drop in median home sales price. The decline was -14.74% from \$2,340,000 in 2021 to \$1,995,000 in 2022," the report says. "All other markets experienced increases in median home sales price."

## **PRICES KEEP RISING WEST OF THE CANAL**

Desiderio says real estate west of the canal continues to rise.

In her report, the Westhampton area — Westhampton Beach, East Quogue, Quogue, Quogue, and Remsenburg — is seeing more home sales activity over \$3.5 million. Thirty-four homes sold over that price point so far in 2022, whereas 23 sold in the same six-month period in 2021.

"Hampton Bays experienced very slight changes in the three criteria we monitor but look closely and you will see the future trajectory— fewer sales at the lower end and more at the higher ends," she says.

The number of home sales dipped -9%, but the median home sales price increased 8.15% to \$730,000.

The number of sales under \$500,000 sank -56%, while sales in the \$500,000 to \$999,999 category rose 6%. Interestingly, the sales in the \$1 million to \$1.99 million price point dropped -15%, while sales in the \$2 million to \$3.49 million category jumped 100%.

## **NORTH FORK BY NUMBERS**

On the North Fork, in all four individual markets monitored by Town & Country — Mattituck, Jamesport, Southold and Orient — there continues to be an inventory issue.

The North Fork markets experienced declines in both the number of home sales, as well as the total home sales volume, yet the median home sales price in all these markets increased — by as much as 29.5%.

"You know what that means, the primary factor influencing our North Fork markets is inventory," Desiderio writes.

Combined, all of the markets on the North Fork the number of home sales decreased by -28.64% in the first half of 2022 as compared to the first half of 2021.

However, according to the report, in the \$2 million to \$3.49 million price category, the number of home sales rose 20%. It shows that in the \$3.5 million to \$4.99 million price range, the increase was even greater at 50%.

“When I take you back to the Town & Country North Fork Mid-Year 2019 Home Sales Report you can see that the sales activity for 2022, while lower than that of the 2021 heightened market, it is still considerably greater than that of the pre-COVID 2019 levels,” Desiderio writes.

The total home sales volume so far in 2022 is at \$300,765,835 — more than twice what it was in 2019 at \$124,466,685 or even in 2018 when it was at \$148,196,427.

The median home sales price is now at \$822,500, up from \$576,250 just three years ago in 2019.

So far in 2022, the area with the lowest level of decline in the number of home sales and total sales volume on the North Fork is Jamesport in the Town of Riverhead, which for this report includes the hamlets of Aquebogue, Baiting Hollow, and South Jamesport.

“As the gateway markets to the North Fork the price points are still within reach for so many,” Desiderio says.

Looking at Mattituck, which includes Laurel and Cutchogue for the purposes of this report, the median home sales price rose 9.99% to \$870,000. Desiderio attributes this to more home sales in the upper price categories. The \$3.5 to \$4.99 million price category saw an increase of 200% so far this year as compared to the same period last year. The \$2 million to \$3.49 million category also increased 20%.

Orient, including East Marion and Greenport, experienced “the greatest spike” in the median home sales price, now at \$975,000, up from \$753,000 in the first half of 2021.

“The -27.17% drop in the number of home sales is due to a significant lack of supply,” she explains.

Southold, which includes New Suffolk, wound up with the greatest decline in the number of home sales at -37.31% and total home sales volume dropped -40.14%.

“Like much of the North Fork it’s getting more difficult to find homes for sale under a million in this region,” she says.