

Hamptons Home Prices Fall For The First Time Since 2019

Thomas Barrabi | April 6, 2023



Not even the luxe real estate offerings of the Hamptons are immune from an ongoing slowdown in the US housing market.

The median home sale price in the Hamptons fell to \$1.66 million in the first quarter of 2023 – a 7.6% decline compared to the same period one year earlier, when the median home sale price was \$1.8 million, according to data released by Town & Country Real Estate this week.

The price drops — which are happening after Hamptons real estate hit record highs during the pandemic as well-heeled New Yorkers fled city lockdowns — were the first since 2019, according to the firm's data.

“The retreat began with interest rate hikes at an unprecedented pace, due to the highest inflation in four decades, not to mention a stock market that gave even a seasoned investor whiplash, while geopolitical

tensions escalate and a ground war ensued, the likes of which we've not seen in decades," Town & Country CEO Judi Desiderio said in a quarterly report.

"With all those negative influences, it comes as no surprise for buyers to take a pause," Desiderio added.

Economic uncertainty swelled in the first three months of the year as Wall Street digested the failures of Silicon Valley Bank and Signature Bank of New York.

The Hamptons set is also faced with the Federal Reserve's ongoing slate of interest rate hikes, which have made forms of debt more expensive and prompted a surge in mortgage rates.

The sharpest plunges in median home sale prices occurred in the Shelter Island market, where the figure plunged nearly 38% to \$1.61 million.

Sale prices in Amagansett and Bridgehampton each fell by more than 15%.

All 12 Hamptons-area real estate markets tracked by the firm reported declines in total home sales. Overall, the number of home sales plunged by a whopping 44% for the first quarter year-over-year.

The number of homes sold at a price between \$10 million and \$19.99 million fell by 61%, while the number of homes sold for more than \$20 million, the most expensive category tracked by Town & Country's data, fell by 55%.

Bloomberg was first to report on the data.

Mortgage rates have dipped in recent weeks.

Still, the average 30-year fixed mortgage rate was 6.32% as of last week – an increase of 1.65% compared to the same week one year ago.

US home prices have plunged in many markets as sellers look to sweeten the deal for cash-strapped potential buyers.