

As Home Prices Skyrocket On The North Fork, It's A Seller's Market

Sara Austin | October 26, 2020

The sales numbers for North Fork real estate in the third quarter of 2020 are out, and they're pointing in one direction: Straight up.

For the first half of the year, uncertainty around COVID-19 and restrictions on in-person house showings made for a slow market. But over the summer, it came booming back: The average sales price on the North Fork increased 17% to \$715,485, the highest third quarter average price in more than five years, according to the Third Quarter 2020 Residential Market Report for the Hamptons and North Fork from Brown Harris Stevens (which recently merged with Halstead).



A new analysis by Town & Country Real Estate also shows “tremendous” growth, reporting that total home sales volume on the North Fork grew 38% and median sales prices rose 18% in the third quarter compared to the same period last year.

“I think it’s just the beginning of what you are going to see,” said Judi Desiderio, CEO of Town & Country Real Estate and author of the report. “Quarter four is going to be off the charts. That’s how much we have in the hopper that is going to close.”

Behind the numbers is a pandemic-driven influx of New York City residents looking for more space, both for safety reasons and because they are working and schooling from home. But buyers do not fit a single profile, said Marianne Collins, licensed real estate salesperson with Brown Harris Stevens in Greenport. Some are adding second homes, others have relocated permanently. And some are a sort of combination, said Collins: “There is a demo of people planning to be out here at least for this year or this school year, and depending on what happens with the virus or the vaccine, they may transition back.”

Desiderio said she sees the influx of new people as exciting for the area. “I am embracing it,” she said. “I am seeing young families coming out, and they want to be part of the fabric of the community. They are just going to add color to what we have. Every time they open a new shop or restaurant or art gallery, it brings life and excitement. I know some people are nervous about change, and that’s human nature. But sometimes change is good.”

Nearly all homes on the North Fork sell for under \$2 million, and the biggest proportion (38 percent) of homes sold over the summer were in the \$500,000 to \$750,000 range, according to the Brown Harris Stevens analysis. But the category with the greatest growth was higher-end homes priced from \$750,000 to \$1 million.

Mattituck (which includes Laurel and Cutchogue) saw a huge 83% increase in homes sold, Desiderio said. But she noted that this might be simply due to greater inventory rather than buyers favoring Mattituck over other hamlets.

Throughout the area, inventory is “ridiculously low,” said Desiderio. She said that the North Fork has gone from having up to 400 homes for sale to only about 160 homes currently on the market, according to data from the real estate platform One Key MLS. “It’s the best seller’s market I have seen in my 30 years of being a broker,” she said.

Low inventory also means buyers are more willing to invest in homes that need upgrades and renovations, meaning business is booming for local builders and contractors.

“It’s an excellent time to sell,” Collins said. “If you had thought about selling but were thinking maybe it’s next year, I would say do it. And if somebody is starting to make plans for upgrading or downsizing, it’s a good time to think about it.”

Even if you’re happy in your home, the agents said, the rapidly changing markets mean it’s a great time to check in with a knowledgeable broker and your accountant and get a sense of how your home value might have changed and whether you are in a position to trade up.

Predicting the future is a risky business in such an unprecedented year, said Collins; that said, she agreed it’s likely the area will see even more growth in the last quarter of the year. “I think there is still a lot of value to be had here and room for growth. Although,” she added in true North Fork fashion, “hopefully not too much growth.”