

2020: Real Estate Was Real

Beth Young | February 15, 2021



Real estate reports for the pandemic year paint a statistical picture of what had anecdotally already been predicted to be a barnburner of a year.

Numbers of sales, median price and sales volume all climbed through the roof, while a tightening inventory of houses on the North Fork seemed to be the only thing holding the market back from the stratosphere.

“2020 will go down as the most unusual year for East End Real Estate,” said Town & Country Real Estate CEO Judi Desiderio in her annual report issued in late January. “After nearly three months in lockdown, sales activity rushed in like a full moon high tide surge.”

Community Preservation Fund revenue, money used by East End towns for land preservation generated by a 2 percent real estate transfer tax, skyrocketed 79 percent in 2020 over the prior year, producing \$139.42 million.

“This is the highest annual total for CPF revenue in history, topping \$107.69 million generated in 2014,” according to State Assemblyman Fred Thiele, who drafted the CPF program. “December 2020 totaled 21.31 million, the highest single month in the history of the program. 7 out of 12 months in 2020 produced revenues in excess of \$10 million.”

Shelter Island saw a 100 percent increase in CPF revenue, \$3.08 million, up from \$1.54 million in 2019. Southampton Town saw the second highest percentage gain, 88.3 percent, generating \$80.71 million, up from \$42.86 million in 2019. East Hampton followed with an 80.8 percent gain, \$40.94 million, up from \$22.65 million in 2019.

Riverhead saw a 44.4 percent gain, \$4.94 million, up from \$3.42 million, and Southold saw a 31.6 percent gain — \$9.75 million, up from \$7.41 million.

On the South Fork, Town & Country broke out 12 specific markets within the Hamptons market, monitoring criteria ranging from number of homes sold to total home sales volume to median price, as well as breaking out sales by price range.

“All 12 markets had gains in the Number of Home Sales as well as Total Home Sales Volume. In fact, 5 out of 12 markets more than doubled their Total Home Sales Volume in 2020 vs 2019,” said Ms. Desiderio, who reported a 47 percent increase in the number of Hamptons houses sold year-over-year, and a total sales volume of \$5.8 billion, an 82.3 percent increase over 2019 .

On the North Fork, Ms. Desiderio said 23 percent more homes changed hands, with a Median Home Sales Price of \$667,000 — 15 percent higher than in 2019 — and 39 percent more in Total Home Sales Volume, with transactions totaling nearly half a billion dollars.

Town & Country reported that 575 properties changed hands on the North Fork in 2020, up from 468 properties in 2019.

On the South Fork, they reported 2,450 houses changed hands in 2020, up from 1,670 in 2019.

The median price on the South Fork rose 35.67 percent, according to Town & Country, from \$998,750 to \$1,355,000, while the median price on the North Fork rose 15 percent from \$580,000 to \$667,000.

The bulk of North Fork sales — 322 of them — were in the \$500,000 to \$1 million range. On the South Fork, the bulk of the sales — 1,899 of them — were between \$500,000 and \$3.49 million.

Every South Fork town saw a major increase in the number of sales year-over-year, with Amagansett, Southampton Village and East Hampton Village posting the biggest proportional gains.

On the North Fork, Town & Country reported the greatest increase in number of houses sold in Southold and Mattituck, with just one area, Jamesport/Aquebogue, showing fewer home sales than in 2019. But even there, the decrease was from 95 to 90 — not statistically significant.

Douglas Elliman’s New Signed Contracts report for the month of December showed a market that wasn’t slowing down in the least.

“New signed contract activity for each property type rose year over year for the seventh straight month. The significant gain in new inventory continued to exceed new signed contract growth in recent months,” Elliman said of the Hamptons market, while “new signed contract activity for each property type rose year over year for the seventh straight month. Overall new inventory declined year over year for the first time since May.”

Quarterly reports from Corcoran and Douglas Elliman also painted a strong fourth quarter of 2020.

The Corcoran fourth quarter report showed a 68 percent increase year-over-year in closed sales on the South Fork (844 total sales), with prices rising 58 percent to the highest median price on record — \$1.583 million.

On the North Fork, Corcoran reported the number of sales (208) jumped 26 percent, while the median price jumped 27 percent — to \$732,000.

Differing sales numbers from different real estate reports are due to differing geographical boundaries covered in each report.

Affordable homes on both forks saw a big drop in market share, with South Fork sales under \$1 million dropping 17 percent quarter-over-quarter in Corcoran's fourth quarter report, while North Fork sales between \$350,000 and \$750,000 dropped 15 percent.

Douglas Elliman also reported a record median sales price on the South Fork of \$1.4 million, up 54.5 percent over the fourth quarter of 2019, with a 100.3 percent increase in total sales, 803 when compared with 400 in the fourth quarter of 2019.

On the North Fork, Douglas Elliman reported a 23.8 percent increase in median sales price, to \$805,000, with the number of sales up 90.2 percent, 291 sales, compared with 153 sales in the fourth quarter of 2019.

On the North Fork the number of days on the market from last list price dropped dramatically, from 112 to 70 days, while inventory of houses on the market fell 61.1 percent, with just 136 houses on the market in the last quarter of 2020.