

North Fork Home Inventory Can't Meet Demand

Few housing markets have been hotter than Hamptons' counterpart

Laura Euler | May 26, 2021

That warm westerly breeze you feel? That's coming from the North Fork of Long Island, where the real estate market is scorching.

Demand is so intense that houses are getting multiple offers before they even hit the market, according to Jeanmarie Bay of Town & Country Real Estate's Greenport office.

"We put up a listing as coming soon; it will be on the market April 15," she said. "By the time April 15 gets here, there are several offers with people not even seeing the property. And they're always above ask."

At the brokerage next door, Douglas Elliman agent Barbara Poliwoda is witnessing a similar phenomenon.

"There's a lot of interest in living here. A lot of people are moving out from the city," she said. "We do have a lot of buyers and not much inventory to accommodate everybody. What's happening is multiple buyers are after the same house. And a lot of times there's a bidding war."

Home shoppers are so often disappointed that Poliwoda said she feels sorry for them. But for agents, at least, the process has become more efficient.

Bay's office is limiting showings to one weekend, then asking for final offers by Sunday evening or Monday morning.

Statistics back up the anecdotes. The first three months of the year saw the most first-quarter sales in 15 years, according to data Miller Samuel compiled for Douglas Elliman. Some 34 percent of sales closed above the last listing price, the second-highest number on record. That followed a record-setting fourth quarter in which median and average sale prices reached all-time highs of \$805,000 and \$1 million, respectively, and the 291 homes sold were the most since 2006.

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**JEANMARIE BAY,
TOWN & COUNTRY
REAL ESTATE**

"On the North Fork, all three criteria monitored by Town & Country — total home sales volume, number of home sales and median home sales price — saw gains," Town & Country CEO Judi Desiderio said in a statement. "Orient was the clear winner with the greatest statistical increase in all three. Every price range and all three criteria show strong growth except under \$500,000, a segment of the market that will be disappearing."

The rest of the market has pulled its own vanishing act. "Inventory is at record lows," reports Thomas McCloskey, an agent at Douglas Elliman's Cutchogue office. "We are working with about 25 or 30 percent of the normal inventory for this time of year."

Miller Samuel reports that listing inventory fell sharply in the first quarter to the lowest level since tracking began in 2006. With sales surging and supply skimpy, homes sold 74 percent faster than in the same quarter last year. At that rate, it would take just two months to sell all the North Fork inventory on the market. The 10-year average for the first quarter is 11.2 months.

"I'm spending a lot of time, more than I normally would, looking for listings," McCloskey sighed. "I have the buyers there ready to go. I just have to find something for them."

Bay said she has resorted to mailings, referrals and word of mouth.

"I tell people, if you happen to see people in your neighborhood working on their house, ask them if they know anybody interested in selling," she said. "It's back to old-fashioned brick-and-mortar real estate; that's what we used to do."

As for price, there's most definitely a sweet spot. "When a house is listed in the \$600,000-to-\$800,000 mark, it goes very quickly," Poliwoda said. What's a buyer in that price range to do? Look further west, to Riverhead, Baiting Hollow, even Rocky Point.

Of course, those aren't the hotter towns on the North Fork, a popular area for summer homes with a more down-to-earth vibe than the Hamptons-dominated South Fork. Charming and perennially popular Greenport is always sought after, and McCloskey mentioned that New Suffolk is also in extremely high demand. It's the smallest town on the North Fork, he noted, so there are even fewer properties to purchase.

Town & Country's statistics bear this out. While the median price across Orient, East Marion and Greenport rose 54 percent to nearly \$1 million, even more interesting is the sales volume increase of 147 percent.

But then, even much higher-priced properties are being snapped up in record time. McCloskey had a waterfront listing in Southold's Paradise Point in December that was the highest-priced sale on the North Fork last year at \$4.95 million. "Sold for full price," McCloskey said, "and was only on the market for 13 days."

What advice do agents have for anyone interested in buying or considering selling on the North Fork? Be realistic.

"I had one buyer, she was putting bids in either ask or just over ask, losing every bid," Bay said. "Finally, something came on the market at \$875,000. I told her, you need to be way over asking right at the start, or forget it. She put in an offer of \$950,000 — and it was rejected."

But the client went higher and came away with the property.

The North Fork market bears no resemblance to the sleepy 2010s, when properties traded well below the prices they commanded before the 2008 financial crisis and lawyers who challenge tax assessments did a brisk business. So what are these homes really worth?

The answer, as always, is what someone else is willing to pay. Bay's buyer, despite shelling out more than she had planned, is in her new home now and looking forward to the summer.

Price a North Fork property correctly, McCloskey said, and "buyers will come out of the woodwork fighting for it."

Good luck to anyone joining the fray.