

# Bidding Wars Rocket Prices Up In Formerly Affordable East End Communities

Maura McDermott | August 26, 2021

Even the "affordable" East End isn't so affordable anymore.

A year's worth of COVID-19 bidding wars has driven prices up into the \$1 million range in East End communities that once were reasonably priced destinations for those seeking idyllic places to live and vacation on Long Island.

Now, even as brokers say the market for multimillion-dollar, ultra-luxury Hamptons homes is starting to cool, demand for East End homes priced at around \$1 million or less remains fierce. That's been a boon for home-sellers, and a challenge for buyers, whether they're looking for vacation homes or primary residences.



*This four-bedroom home in Southold is listed for \$1.25 million. Credit: Bobby Hamski*

"It used to be, you'd walk into a million-dollar house and you'd feel like, 'this is a million-dollar house,'" said Mary Binder, an associate broker with Daniel Gale Sotheby's International Realty in Westhampton Beach. But with competition pushing up prices, she said, "I have people call me and say, '...I saw a similar house last year that went for \$400,000, why would I pay \$800,000?'"

"It's all supply and demand," she said.

The rising prices are due in part to pandemic buyers' preferences for larger, renovated houses with plenty of outdoor space and room for remote work and school, in part to bidding wars that have driven up values across the board and in part to low interest rates that drive buyers into the housing market, leading to increased competition, said Jonathan Miller, president and CEO of Miller Samuel. The average rate was 2.86% last week, mortgage giant Freddie Mac reported.

Buyers' appetite for East End properties has been "just about insatiable," Miller said. The ability to work from home in places like the East End, he said, "is not going away even if the pandemic is brought under control or eradicated. Remote work is now an embedded factor in the location calculation of consumers."

Those seeking refuges from New York City remain a big factor, Binder agreed: "They are working more remotely and they just want to stay healthy and safe, and they're a little skeptical about what's going on in the city. A lot of people that have children are really kind of nervous, and the elderly people are nervous. I don't think we have that secure blanket yet to go back to the city."

The result has been an eye-popping rise in property values in some East End communities, especially in communities where appealing homes can be purchased for six figures.

"When something does come on the market for under \$1 million and it's good, it will have a bidding war," said Constance Porto, an agent with Douglas Elliman in Hampton Bays.

74 - The number of homes sold in Hampton Bays in the second quarter of 2021, up from 54 during the same period in 2020.

In the Hamptons, East Quogue home prices have nearly doubled over the course of the pandemic, soaring 96% from a median price of \$561,000 in spring 2020 to almost \$1.1 million in the April-through-June period of 2021, according to figures provided to Newsday by the appraisal company Miller Samuel and the brokerage Douglas Elliman. In Hampton Bays, the median home price jumped 27% over the same period, to \$729,500 this spring.

On the North Fork, the median home price in Jamesport skyrocketed by 76%, to \$914,000 in the April-through-June period – up from \$520,000 a year earlier, Miller Samuel and Douglas Elliman reported. In nearby Southold, the median price jumped 58% in the same period, from under \$582,000 last spring to \$918,000 in the second quarter of this year, the companies reported.



*Kathleen DAmico, shown on the balcony of her Jamesport condominium, plans to sell and move to a home directly on the water in the same community. Credit: Randee Daddona*

To Jamesport homeowner Kathleen DAmico, residing on the North Fork is "like living in paradise on Long Island." It's a paradise that's been found by many, many homebuyers during the pandemic.

\$914,000- The median price of homes sold in Jamesport in the second quarter of 2021, up from \$520,000 during the same period in 2020.

DAmico has listed her renovated three-bedroom condo with water views for \$1,399,000.

She's moving to a nearby home directly on the water in the same community, Maidstone Landing in Jamesport. She has spent 15 years living in the community, where she enjoys

swimming in the pool, kayaking in the Long Island Sound, listening to birds in the adjacent bird sanctuary and playing host to her three adult children and five grandchildren.

"It was a quiet town for a long time when I first moved out" from Bayport in 2006, said DAmico, a mortgage loan officer. "Over the years more people are coming to the North Fork – they're enjoying what I'm enjoying now."

And during the pandemic, she said the North Fork housing market has "exploded."

A 6-bedroom home on a half-acre in Jamesport sold for \$1,118,000 in May, almost twice the \$517,050 it fetched in 2008, Binder said. And while buyers have grown "a little more particular" and less apt to rush into a purchase, there's still plenty of competition for a slim supply of homes, she said.

The same is true in some Hamptons communities.

\$1,099,500 - The median price of homes sold in East Quogue in the second quarter of 2021, up from \$561,000 during the same period in 2020.

The quiet hamlet of East Quogue has a "tremendous" number of prospective buyers, said Patrick Galway, an associate broker with Town & Country Real Estate in Westhampton Beach. "The challenge has been getting new listings," he said. "We go back to people, even if they [bought] in the past year or two years, to see if they're interested in basically cashing out, and we've had pretty good success with that."

Galway said he represented a homeowner in East Quogue last year who had purchased a four-bedroom property with a pool on almost an acre for just under \$1 million in 2016. He said the previous high for the area had been \$1.3 million, so

when he suggested listing it for \$1.765 million, "the guy thought I was absolutely crazy." But it went for the full asking price, he said: "It was a staggering number for the area."

But while rising prices have benefited sellers – especially those moving out of state, to less expensive locales such as Florida and the Carolinas – many would-be buyers are getting left behind, brokers said.

Binder said some young adults on the North Fork are moving in with their parents, or asking their parents to co-sign on mortgage loans.

Galway said teachers at East Hampton schools used to be able to buy houses in East Quogue, but now they're having to commute from homes farther west, in Center Moriches and Riverhead.

"It was more affordable before coronavirus," he said. Locals, he said, "are having a hard time staying here because it's just getting too expensive."

The housing market also has taken off in Hampton Bays, brokers said.

The hamlet was "once sort of the stepchild of the Hamptons, and now that has changed completely," said Anne Francavilla, an associate broker with Douglas Elliman in Hampton Bays. These days, Manhattan buyers favor the community because of its relatively short commute from the city, ocean and bay beaches and waterfront properties, she said.

"We have a lot of beautiful communities, and we always had good pricing, very reasonable pricing," Francavilla said. "People could move in and get a nice home, let's say for \$500,000.... Now those \$500,000 houses have jumped to \$700,000. And the \$700,000 houses have gone to \$900,000, under a million. Everything has increased so much that it's hard to keep up with."

Some buyers who managed to purchase homes before the market took off last summer have looked on in amazement. Gary Interrant, 60, a pressman for The New York Times and formerly for Newsday, made an offer on a three-bedroom home with a pool on almost a half-acre in Hampton Bays in late 2019. By the time he was ready to close, it was April and the COVID-19 shutdown had taken effect. He paid \$675,000 – \$75,000 less than the listing price – and signed the closing papers in a parking lot.

Shortly after that, he said, "the prices went through the roof."

His broker, Francavilla, said he could sell the house now for a good profit.

"He could double his money," she said. "He was at the right place at the right time."

But Interrant won't consider it. He and his wife Laura, 61, an office manager at a car dealership, plan to eventually move from their home in St. James to live year-round in Hampton Bays, he said: "I love it out there so much, I plan on retiring out there."



*Gary and Laura Interrant, who purchased a second home in Hampton Bays last year, could already cash out but instead plan to retire there.  
Credit: John Roca*