

Hamptons Home Sales Fell By One-Third In The Fourth Quarter

Jonathan LaMantia | January 27, 2022

Buyers looking for a property in the Hamptons before summer face the fewest options in at least 15 years, while the median sale price on the North Fork hit a record high, according to new data from real estate brokerage Douglas Elliman and appraisal firm Miller Samuel.

The median sale price fell 2.9% in the Hamptons to \$1.36 million for deals that closed in the final three months of 2021 compared with that period in 2020. On the North Fork, the median price rose 11.8% year-over-year to a record \$900,000.



The number of listings in the Hamptons for single-family houses and condos fell to 794 as of Dec. 31, which is less than half the number that were available at the end of 2020.

WHAT TO KNOW

- The median sale price in the Hamptons fell 2.9% to \$1.36 million in the fourth quarter compared to a year ago.
- The number of sales in the Hamptons dropped 34% in the last three months of 2021 compared to the same period in 2020, as the number of listings fell by half.
- The median sale price on the North Fork set a record at \$900,000 in the fourth quarter. The North Fork "started out being the Brooklyn of the Hamptons. It started out as affordable, and then all of a sudden it's not affordable anymore," one broker said.

"It's creating a situation where we're seeing intense competition for listings out there," said Tim Kelly, a real estate broker and manager of Douglas Elliman's Montauk and Sag Harbor offices.

The lack of supply held back sales, which fell 34% to 530 during the fourth quarter compared with the 803 deals that closed in the final months of 2020, when closings were inflated by deals delayed by the pandemic. By pre-pandemic standards, the volume was still an improvement. The number of sales in the fourth quarter was nearly 26% higher than the 400 sales recorded during that period in 2019.

The decline in sales at the end of 2021 compared to the year before ran counter to what brokers on the East End were experiencing, said Judi Desiderio, CEO of Town & Country Real Estate in East Hampton.

"The question on everyone's mind was, 'How can it be there's a dip when business was so brisk?'" Desiderio said. "The truth of the matter, if you look at where things were in the fourth quarter of 2020, we were in a feeding frenzy."

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She said rising mortgage rates are less likely to affect the East End market because of the higher percentage of cash buyers, but a bad year on the stock market could affect sales given the links between the Hamptons and Wall Street financiers.

Among the marquee deals in the fourth quarter was the \$70 million sale of 840 Meadow Lane in Southampton and the \$55 million sale of 442 Further Lane in East Hampton, which ranked No. 3 and No. 7 on Newsday's list of the most expensive homes sold on Long Island last year.

The number of sales combined with the scarcity of listings made the pace of the Hamptons market the fastest on record, according to the report. Based on the number of closings in the fourth quarter it would take 4.5 months to sell all the houses on the market as of Dec. 31, which was down from 6.5 months at the end of 2020. It takes longer to sell homes in the Hamptons, with its multimillion-dollar listings, than on the rest of Long Island, where there was just a 1.5-month supply of homes in the fourth quarter. Supply of about five to six months puts buyers and sellers on even footing.

"The story before the pandemic was that the high end of the market had a lot of excess supply, and that has been burned off fairly quickly," said Jonathan Miller, CEO of Miller Samuel.

On the North Fork, there were 161 sales in the fourth quarter, which was 44.7% fewer than the same period a year ago.

Desiderio, whose brokerage publishes its own East End market reports focused solely on single-family homes, said the North Fork had fewer than 60 homes on the market earlier this week, when she would expect there to be at least 300 to 400. "That's ridiculously low," she said.

"The North Fork trajectory for prices is still on the up climb. It started out being the Brooklyn of the Hamptons. It started out as affordable, and then all of a sudden it's not affordable anymore."