

Hamptons Home Prices Fall For First Time In Four Years

Prices, sales fell as interest rates, inflation and banking upheaval hit markets

TDR Staff | 4/6/2023

Home prices fell in the Hamptons last quarter for the first time since 2019, a sign the market is moving past the post-lockdown boom cycle.

The median home sale price out East fell 7.6 percent in the first quarter, according to a Bloomberg analysis of data from Town & Country Real Estate. The number of homes sold also fell by 44 percent.



“The retreat began with interest rate hikes at an unprecedented pace, due to the highest inflation in four decades, not to mention a stock market that gave even a seasoned investor whiplash,” Town & Country CEO Judi Desiderio told Bloomberg.

There were fewer homes sold across the board, but the fall was more dramatic in the upper end of the market, with 61 percent fewer homes selling between \$10 million and under \$20 million.

The Hamptons market boomed in the wake of pandemic lockdown orders, when wealthy New Yorkers fled the city. But a year of rapidly rising interest rates and a banking crisis appear to have finally cooled demand in the area.

All 12 of the Hamptons markets tracked by Town & Country saw declines in the overall number of homes sold, while six saw a year-over-year decline in prices. Prices dropped in Montauk, Amagansett, Southampton Area, Southampton Village, Bridgehampton and Shelter Island.

The greatest increase came in Sag Harbor, where prices rose by a third. Hampton Bays, Westhampton, Sag Harbor Village, East Hampton Area and East Hampton Village also saw increases.

Despite the discounts, inventory remains low in the Hamptons, according to a recent report compiled by Miller Samuel for Douglas Elliman. Inventory and new signed contracts in March both remained below pre-pandemic levels, though both have been on an upward trend.

“Part of the reason we’re experiencing an uptick in activity is because there’s product for brokers to sell,” Miller said. “But it’s still limited.”

— *Harrison Connery*