

# Hamptons Home Sales Fall To 14-Year Low In First Quarter

Jonathan LaMantia | 04/27/2023



East End home sales plummeted in the first quarter, with deals in the Hamptons and the North Fork falling to a 14-year low, according to new data from Douglas Elliman and Miller Samuel.

Real estate experts attributed the decline to a combination of a shortage of listings and rising interest rates taking a toll on the luxury real estate destinations, where homebuyers are often shopping for vacation homes.

The slowdown in deals had a more muted effect on prices. The median price among Hamptons sales that closed in the first quarter was \$1.36 million, which was 2.9% lower than in the first quarter of 2022. The median price in the region peaked at \$1.6 million, which was set during the second quarter last year and matched in the third quarter.

There were 171 Hamptons sales that closed during the first quarter, which was down 56.7% from the same period a year ago. It was the second-lowest number of deals recorded in a quarter since the firms started tracking the market in 2005. The fewest was 145 deals in the first quarter of 2009.

One factor contributing to the dearth of deals is listings that are priced too high. After home prices broke record after record in recent years, sellers haven't adjusted, said Jonathan Miller, CEO of appraisal firm Miller Samuel.

"A lot of inventory that's come onto the market isn't priced for the new market," he said. "It's priced for 2021."

The poor first-quarter showing didn't come as a surprise to Judi Desiderio, CEO of Town and Country Real Estate, which has eight offices on the East End. Because it can take several months to finalize sales, data on first-quarter closings reflects activity in late 2022 and the early winter months, she said.

“From November until the last week of February, it was like crickets,” said Desiderio, who publishes separate market reports focused exclusively on East End single-family home sales. “There was little to no activity going on.”

Far fewer homebuyers on the East End use mortgages to purchase homes than on the rest of Long Island, but rising interest rates have affected the market in other ways, Desiderio said.

The S & P 500 Index lost 18% last year, as the Federal Reserve raised its benchmark interest rate seven times. The average bonus paid to Wall Street securities employees fell 26% to \$176,700 last year as well, while large U.S. technology firms have laid off tens of thousands of employees.

“Even though potential purchasers might not be on the chopping block, they’re feeling a tightening of the belt,” Desiderio said. “Maybe instead of making the decision to buy, you made the decision to rent for another year.”

North Fork prices fared better but few sales were closed in the winter. The median price on the North Fork increased 10.3% to \$935,000 compared with the first quarter a year ago. There were only 77 deals closed in the first quarter, which was down one-third from a year ago.

By the end of March, there were only 141 homes on the market on the North Fork, an improvement from last year, but still about half as many as were available before the pandemic.

“We have so many buyers looking and waiting — buyers that weren’t able to make the transaction during COVID because they continuously got outbid,” said Todd Bourgard, Douglas Elliman’s CEO of Long Island, Hamptons and North Fork. “Those people are still here ... and we’re beginning to see an uptick of listings.”