

# Real Estate Roundtable: Interest Rates Take a Dive, but What Does it Mean for the East End?

Taylor K. Vecsey | September 04, 2024



Earlier this month, mortgage rates took a plunge, declining to the lowest level in nearly 15 months and coming in below 6.5% for the first time this year. Mortgage rates have been trending downward since mid-July, perhaps signaling good things to come in many housing markets. We asked our esteemed panel of agents how they each anticipate it affecting the East End market. Experts don't expect rates to recede much further, so how do current rates position both buyers and sellers in the Hamptons and on the North Fork?



**Jackie Dunphy**  
**THE CORCORAN GROUP**  
**EAST HAMPTON**

Lower-trending interest rates spell very good news for our real estate market out here on the East End! I have already noticed an uptick in buyer interest now that money is cheaper. Also, there has been an increase in inventory as sellers, who had low-interest mortgages and were hesitant to give it up to either downsize or upsize, now feel more comfortable making a move with these lower rates. No one has a crystal ball, but it wouldn't surprise me if rates continue to lower over the next year or so. Buyers can always get a low-interest variable loan and then simply refinance if rates trend lower. I also believe now is an excellent time to list a home for sale. There is still less competition, but that won't last for long as more and more people put their homes on the market. I am anticipating a very active real estate market for the fourth quarter of 2024, especially after the elections, and for most of next year.



**Judi Desiderio**  
**TOWN & COUNTRY REAL ESTATE**  
**EAST HAMPTON**

Interest rates are certainly moving in the right direction — albeit slowly — and they are forecasted to continue in a slow descent. Until rates are in the 5s, I don't believe it will be a big enough factor to impact home sales. That said, most of our home sales out east are cash deals; therefore, logic would tell us interest rates don't matter...but in fact, they do. Partly because most of our clientele is sensitive to interest rates to help grow their businesses, mostly because the overall economic conditions impact Hamptons and North Fork sales since we are largely a second home market. In addition to interest rates, factors such as inflation, geopolitics and the looming presidential election, all create a pause on nonessential financial decisions for some buyers and sellers. We have seen these cycles before; this too shall pass.



**Ed Bruehl**  
**SAUNDERS & ASSOCIATES**  
**EAST HAMPTON**

While mortgage rates are indeed trending downward and I expect that trend to continue, I don't think rates have as large an impact on the niche Hamptons market. However, I have observed a notable decrease in showings across all my listings and at my open houses, which I think is because of the extraordinary weather we've been experiencing. Many people are understandably taking full advantage of the summer weather and focusing more on pleasure and really enjoying these last few weeks of summer. That said, I have multiple showings being scheduled through September. This is why I anticipate a significant uptick in showings and activity this fall selling season, as people shift their focus back to real estate and finally identify their Hampton dream home by the end of the year. I'll also add: The presidential election season does play a role in the current market dynamics. Many potential buyers, those new to our market, are adopting a "wait and see" approach, hesitant to make a major decision like purchasing a home until they know who is elected. I believe this creates a unique opportunity for savvy buyers to secure properties that might otherwise be out of reach once the market heats up again. And for sellers — now is the time to properly position your property for the incoming wave of buyers looking to purchase by the end of 2024.



Jack Pearson  
THE CEEJACKTEAM  
COMPASS

This current summer decrease in rates is a precursor to the CeeJackTeams' Hamptons fall business. Creating sauce for the impending Fed rate cut in mid-September will ripen our sidelined buyers and sellers and be the psychological waterfall we have been anticipating, igniting our fall business.



**William Walters**

**DANIEL GALE SOTHEBY'S INTERNATIONAL REALTY  
GREENPORT**

I feel lowered rates will take us into a healthier cycle, as it will bring buyers who have been sidelined by higher rates back into the mix, while simultaneously allowing homeowners who have been waiting for more palatable rates to list their properties and allow for them as they leave a rate of under 3% behind (for those who refinanced when rates were at the all-time lows). This should increase transaction volume overall which will be great for the market and return us to a sense of normalcy after years of unprecedented transaction history. Lowered rates shouldn't have an immediate effect on pricing unless they come down below 4.5% but as we approach rates that are in the 5.5% range, it will give both buyers and sellers the confidence to participate in the market and allow clients on both sides to make the moves that they have put on hold for a couple of years now.



**Robert Banker**  
**HEDGEROW EXCLUSIVE PROPERTIES**  
**BRIDGEHAMPTON**

Since 2008, interest rates have been kept intentionally low to save a housing market crisis. Most buyers of homes here in the Hamptons have been rewarded with this luxury over the last 16 years. Furthermore, the weak dollar typically made real estate a valuable commodity and investment for foreign buyers. In the last two and a half years, interest rates have spiked to levels not seen in decades, which has significantly impacted the volume of transactions in the Hamptons. Current interest rates have a range of effects across different price points in real estate, with a more critical impact on the average buyer in the \$1-5 million space. Larger purchases are generally not as affected due to their ability to borrow off other assets and obtain better loans and rates. Sellers are apprehensive to downsize with low inventory and rates still way above their previous refinanced levels. The Hamptons real estate market is highly correlated to Wall Street wealth and all signs are pointing to a robust if not healthy bonus year-end. We shall see...



**Hara Kang**  
**THE ATLANTIC TEAM**  
**DOUGLAS ELLIMAN**  
**EAST HAMPTON**

I can certainly see this as a window of opportunity for both buyers and sellers on the East End. For buyers, this decline in rates can boost purchasing power, allowing them to consider properties and even neighborhoods that might have been out of reach just a few months ago. It also nudges those who have been on the fence to act now, knowing that rates could rise again. For sellers, now would be the time to list their homes. Lower mortgage rates should increase demand as more buyers enter the market, potentially leading to quicker sales and competitive offers, especially during the typically busy fall selling season for the East End. This is especially relevant for my clients who have purchased in the past four years listing their homes now; many are now viewing this as an opportunity to sell, whether they're looking to upgrade, down-size, or even make a lifestyle change.