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All-cash offers and 18 bids on a single home: Realtors describe the frenzied state of the suburban market as people abandon New York City

Libertina Brandt 8 hours ago



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Thomas Barwick/Getty Images

City

Business Insider spoke to four real estate agents in Westchester County, the Hamptons, Northern New Jersey, and Southern Connecticut, and they've all seen a massive influx of buyers from the city.

Bidding wars are breaking out as millennials already wanted out of the city, and the coronavirus pandemic made them want it more.

Commutable suburbs are desirable — but so are second-home locations like the Hamptons.

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Cristina Sippel is a real estate agent in Bergen County, New Jersey, about 45 minutes from Manhattan.

Back in February, she told Business Insider, homes under \$1 million sat on the market for a few weeks, give or take.

But that's not the case now.

"I can't tell you how many calls I get," she said. "Every house that's priced relatively well has multiple offers."

Sippel explained that the market was strong in the first months of 2020, but the increase in prospective buyers looking for suburban homes as a result of the coronavirus pandemic has been unprecedented. There are bidding wars, all-cash

It's not unusual these days to get up to 10 offers on a home priced under \$1 million, she said. "Within a couple days, you've got an accepted offer," Sippel said about houses in that range.

When the pandemic brought much of the tristate area's economic activity to a sudden halt in mid-March, it not only impacted housing [inventory](#) and sales, but it also also shifted buyer interest.

First-time buyers have been surging for a few years, as [Genworth Mortgage Insurance](#) found they exceeded 2 million for three years running heading into 2020, something that hadn't happened for a quarter-century. By late April, a [Harris Poll](#) survey of 2,050 US adults found that 39% of city residents were considering moving to less densely populated areas because of the coronavirus outbreak, and most of these were between 18 and 34 years old.

In short, the millennial city dwellers hit hard by the coronavirus want out, and they want to buy their first homes in the suburbs.

Business Insider talked to four real estate agents in Northern New Jersey, Southern Connecticut, Westchester County, and the Hamptons. They revealed that the urban exodus of the summer of 2020 is taking flight, both to commutable suburbs and farther afield.

Millennials already wanted out of the city, and the coronavirus made them want it more

The need to work from home will likely be a reality for many prospective buyers, Ratiu said, pushing a need for more space for things like a home office. The ability to work from home will also allow prospective homebuyers to widen their search for affordable housing markets.

In May, [UrbanDigs](#) released a report that showed demand for the month of May was up year-over-year in Westchester, Greenwich, Bergen County, and Monmouth County — all suburban markets — while demand in Manhattan was unchanged. On a month-over-month basis, UrbanDigs found demand was up in Bergen County and Westchester, and down in Manhattan.

The increase in buyer interest is being met with low inventory which in part explains the massive competition. On a national level, the housing market has suffered a massive dip in inventory, with [new listings down 36.9%](#) for the last week of March, per Realtor.com, and down even farther for the month of April, [by 44.1%](#).

According to Sippel, the lack of inventory in Bergen County comes from a mix of sellers waiting to list their homes and people who have decided not to sell anymore. However, as we progress into the summer, Sippel said she believes that those waiting to sell will be encouraged by low mortgage rates and the prices homes are selling for now, and will be more inclined to list.

Sales in ritzy, commutable suburbs are sizzling

Associate broker Anne Moretti from Scarsdale, in Westchester County, told Business Insider that back in March, urbanites were looking for short-term rentals where they

May came around, the major interest in rentals morphed into a major interest in sales.



Scarsdale. Alex Potemkin/Getty Images

The new philosophy is instead of spending money on long-term rentals for a year or two, it's better to take that money and buy a house, she said. Even if those buyers decide to move back into the city in a few years they'll break even if there's a relatively flat market, and maybe they'll even make a profit.

Now there's a larger focus on things like gardens and large kitchens.

"People here are just scrambling to try and figure out what those New York City residents want as they come fleeing from the boroughs," she said.

Moretti said New York City residents made up 46% of buyers in the Scarsdale area by the end of April, and she said she expects it to be 50% very soon as all-cash offers and bidding wars become more apparent. With people not ready to completely turn their backs on the city yet, she said Scarsdale is very attractive right now, combining a suburban character with a still-commutable distance to Manhattan.

In nearby Greenwich, Connecticut, real estate broker Robin Kencel has seen a similarly large increase in prospective buyers from New York City. "I have to say that in my 20 years in real estate, I have never had such an intense work pace," she said.

The first weeks after shelter-in-place orders began, Kencel said, most people from the city were looking to rent for a month or two. That trend eventually shifted to rentals for the entire summer, and now, city residents have decided to either accelerate their timeframe for moving or they've enjoyed renting in the area so much that they want to move there full-time.

"Manhattanites are really understanding what it means to be a bedroom community, are understanding how emotionally restful and mentally relaxing it is to have green space around you," she said.

But second-home markets are seeing an increase in buyers, too

Cristina Matos in Southampton, Long Island, told Business Insider that some city dwellers are ditching their rental plans for a full-time investment. She said she's seeing homes go for full asking price immediately, especially if more than one buyer is interested, and yes, she's been involved in a bidding war.



Southampton. Saunders & Associates

When asked which parts of the Hamptons will see the most activity, she said, "Everywhere." Rentals are booming and prices are skyrocketing.

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second-home market — is set to increase.



the time, prospective buyers were still showing an interest. (The South Fork encompasses most of the Hamptons.)

Bourgard said he was busy with virtual deals and that people who had previously visited the area to see homes were making offers.

"We are getting phone call after phone call from buyers that want to come out here and want to see homes," he said.

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schedule from 5:30 a.m. to 6 p.m. as she handles a massive influx of prospective buyers

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