



Third Quarter Is First Rate for East End Real Estate Market



PHOTO CREDIT: ELIZABETH GLASGOW / TOWN & COUNTRY REAL ESTATE

OCTOBER 29, 2014 BY ERIC FEIL

The numbers don't lie. No matter where you look, the tide is rising in East End real estate.

Home sales and total home sales volume were up all the way to Montauk when the third-quarter numbers came in. We saw explosive growth in places like Bridgehampton and Amagansett, upward movement in homes \$10 million and above like we haven't witnessed in years and a sense of excitement about the possibilities of things to come.

In the first half of 2014, we saw a 21% increase in the number of home sales and a 24% increase in total home sales volume, along with a 6.7% bump in median home sale price on the South Fork, up to \$950,000. A look at the third quarter of the year demonstrates a continuation of that upward trend, including some numbers the likes of which we haven't seen since before the massive market downturn some six years ago.

"I have several thoughts," said Judi Desiderio, the CEO of Town & Country Real Estate, whose 2014 third-quarter report showed a 63% increase in the number of home sales year over year, all 12 markets covered in the report rising year over year, and five of those markets doubling in the number of home sales—including a 200% jump in East Hampton Village. "The two primary thoughts are that one, there were quite a few buyers sitting on the sidelines—that combined with two, the stock market had an incredible year in 2013, up 30%, plus or minus—and good years on the street are always followed by investments in our real estate and art."

There were impressive gains in total home sales volume in 11 of the 12 markets monitored by Town & Country—only East Hampton Village was down, by 13.6%, and Desiderio noted "that can be explained by the one sale last year over \$10 million and none this year in East Hampton Village in that price category."

Amagansett in particular exploded, by 367%, from \$11.5 million in 2013 to \$53.6 million in 2014, "Amagansett is a consistent

player," Desiderio observed. "They have their own audience and the volume of business picked up to its norm." And in Bridgehampton, the total home sales volume number rose 336% to nearly \$160,000,000 over the past three months, followed by Southampton Village's \$131,000,000. "Bridgehampton, which includes Sagaponack and Water Mill, had the most number of sales over \$10 million," she noted. "That pushed the sales volume to that figure."

Nowhere was the upward movement more notable than at the high end of the market—the \$10 million and above category saw a 450% jump, increasing from 2 to 11 home sales, last quarter. Is this a harbinger of the way the East End, and particularly the high end, will continue to move? That depends on Wall Street. "The high end moves with the stock market, so that will be the determining factor," Desiderio said.

That final point underlies what market trends will likely define the rest of this year for both buyers and sellers in the Hamptons and on the North Fork, it seems.

"2014 was the best year for Town & Country as well as for the overall markets on the East End," Desiderio said. "The North Fork experienced heightened awareness by investors and second-home buyers. Their vineyards and farm-to-table movement have certainly put the North Fork on the map and everyone's radar!"

"In the Hamptons we see activity in all hamlets and price ranges experiencing upticks, some more significant than others," she continued. "For example, the ultra high end has not experienced this much activity since 2007, but it was expected since the stock market shot up 30% in 2013—and the pattern is, investors like to take some of that stock gain and put it in hard assets. Last winter at our broker meetings at Town & Country I announced that 2014 was going to be a banner year for East End real estate in anticipation of this diversification of funds into real estate, art and other tangible investments...and what better investment than one you can actually live in and enjoy with family and friends."