

## In First Quarter, Low Inventory Kept Prices Climbing

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The price of home sales in the Hamptons continues its climb, despite dips in volume, according to first-quarter reports.

"Sales year to year are generally higher than last year, just by a little bit," Jonathan Miller, an appraiser and president of Miller Samuel Inc., said on Wednesday. "We're seeing prices being pushed modestly higher ... and inventory is not really growing to meet demand, so that keeps pressure on prices."

In fact, a decline in inventory continued for the third consecutive quarter, and this quarter's inventory level reached a 20-quarter low of 6,531 residential units, according to Ernest Cervi, Corcoran's East End regional senior vice president. As a result, prices trended upward for the third consecutive quarter.

The average sale price climbed around 3 percent from \$1.7 million last year to \$1.76 million this quarter. The median sale price increased 4.6 percent to \$920,500 from \$880,000, year to year.

Growth activity was greatest in the \$1 million to \$5 million range, accounting for 37.9 percent of all sales. And condominiums, a relatively new kid on the Hamptons block, appear to be on the rise, with the average and median sales prices climbing 44.9 percent and 36.8 percent, respectively, year to year.

Meanwhile, Bridgehampton sold more high-end properties than any other market in the Hamptons, according to a report by Town & Country. Two thirds

of sales between \$10 million and \$19.99 million were in that hamlet, and out of two sales over \$20 million, one was in Bridgehampton. The other was in Southampton Village.

Despite these bright spots, Corcoran saw sales volume drop 6 percent from a year ago. Out of the 12 Hamptons markets Town & Country monitors, eight saw both the number of home sales and total home sales volume take a dive. Judi Desiderio, CEO of the firm, pointed in particular to Shelter Island and Sag Harbor, both of which dropped more than 50 percent in total home sales volume.

Why the downturn? "In my professional opinion, 2014 was an explosive year that began its uptick in 2013 when the stock market was up 30 percent. That said, the stock market is doing well, but the overall economic picture, especially on a global basis, is still recovering," Ms. Desiderio explained on Monday.

The largest swath of economic activity is coming from Wall Street. "It's really a hop, skip and a jump to say that the Hamptons is joined at the hip to Manhattan," said Mr. Miller. "Wall Street has to do with it."

With a strong start to the year, forecasts for the next one are positive. "Everything has been up in the Hamptons," said Dottie Herman, president and CEO of Douglas Elliman. "I think you'll see it continue to grow, and I think the demographics show that the second-home market is here to stay."