

— HAMPTONS —
REAL ESTATE SHOWCASE

Market Holding Steady

Ruth Thomas | August 22, 2016



As another great summer winds down in the Hamptons, the real estate market is experiencing an uptick in activity. The entry level-\$1.5M range is as strong as ever, while there are multiple bid situations on well-priced properties, and new construction is doing very well. As fall approaches, buyers will always be in the market for unique locations, historic properties, and great projects in any of the Villages in the Hamptons.

Judi Desiderio of **Town & Country Real Estate** says, "The terms for rentals were shorter than usual this summer in the Hamptons and prices were stable or lower depending on location. As for sales, the year began with a drag, but as soon as the Dow returned to positive territory, every T&C agent in every office was busy. The \$1M-\$3.5M range was the most active segment. Hot areas are Sag Harbor, Shelter Island, and Westhampton Beach. Prices are stable, while certain segments are very low in inventory and others are top heavy." Judi believes, "The balance of the year should be steady, though being an election year anything's possible after November. I still prefer my investment dollars to remain in East End dirt."

Angela Boyer-Stump of **Sotheby's International Realty** says, "In early spring, we saw a new trend of tenants looking for short term (2-week) rentals. Sales, while not as active as last year, continue to be moving. Interest rates are still low and the Hamptons are a great place to buy. Homes listed under a million, tend to move very fast. Properties in good condition, under \$4M, South of the Highway in Bridgehampton, Water Mill, or Sagaponack will move quickly. There is quite a bit of inventory, especially in the \$3M-\$5M range, North of the Highway." Angela notes, "The flow of potential buyers has been very active. If they follow through, the Hamptons will have a banner Fall. Many believe owning in the Hamptons is like buying a Blue Chip Stock."

Deirdre Devita of **Brown Harris Stevens** says, "Rentals were off this season. In terms of sales, volume is lower than last year, but prices are holding. Our market is tightening up: less inventory and less sales. The most active segment of the market in the westerly Hamptons is the under \$1M range, where 70-80% of our business is usually done. New construction is doing very well. Quality-built houses in good locations are

achieving higher prices than expected. Overall, the median price has held steady at \$975,000, and inventory has shrunk: down 9.9% in the second quarter compared with the same period in 2015." Deirdre thinks, "We will continue to see slow-but-steady activity. Houses that are priced right are moving, and we have a lot of buyers in the pipeline right now."

Heather Saskas and Caroline Sarraf of Compass say, "Many homes were rented this summer, though for shorter periods. We closed several homes and vacant lots ranging from \$750K in East Hampton to a Southampton Village home at above \$8M. The entry level-\$1.5M market is as strong as ever, but there is not enough new construction in the \$1.5M-\$2.5M range due to the high prices of land now. Inventory is too high in the mid-high range spec homes and not enough in the \$1.3M-\$1.9M price point. Prices in the Hamptons have been leveling to meet the market demand." Heather and Caroline reflect, "Going into the fall, we have buyers seriously looking at homes to purchase in all price points. The election obviously has everyone's attention. For now, it seems that the fall will be a busy season."

Mala Sander of The Corcoran Group says, "It was not the strongest rental year, but there was some last minute, short term rental activity. The summer season has kicked in with a marked uptick in sales activity. There has been a lot of supply via new construction hitting the market, and while demand was a bit slow in the first quarter, it's picking up now. Buyers and sellers are making deals. I have seen multiple bid situations when the property was priced well, and East Hampton, Southampton, and Sag Harbor are very hot. The tale of 2016 is not told yet!" Mala observes, "In my experience, a quiet spring brings a very active fall. I think with the uptick in activity now, we'll have a strong fall season."

Terry Cohen of Saunders & Associates says, "The rental market in general was softer than previous years. Sales are just starting to pick up, similar to last year, where sales became robust in August. Waterfront is popular at any price range. Sag Harbor and Amagansett have been especially hot. New construction is always desirable. Prices are similar to last year, with some price adjustments lately. In some areas inventories are higher than last year. There is a build up in the \$3M-\$5M range, North of the Highway." Terry remarks, "Most of my business takes place now through the fall. Interest rates are still so low and the stock market in general is relatively healthy, so those factors in the past have kept our market active."

Martha Gundersen of Brown Harris Stevens says, "Houses nicely furnished and close to the ocean or village rented pretty well. Sales started very slow in the first half of the year and have definitely picked up. Amagansett Lanes and East Hampton Village are busy. Waterfront is hot. There are still a lot of new construction homes for sale and the pace of land sales has slowed dramatically as a result. Prices have gotten overly ambitious to where now they are being adjusted down. The inventory is expansive with lots of choices for buyers in all price ranges." Martha thinks, "It will be a very good fall. The weather has been great. There is no place like the Hamptons when it comes to beauty and available amenities."

The Hamptons real estate market is anticipated to be strong going into the fall selling season. Prices are steady, interest rates are still low, new construction is in demand, and inventory is abundant in certain areas. Now that the summer is coming to a close, this is the time to invest in Hamptons real estate. The Hamptons will always be a beautiful place to call home.