

Hamptons Real Estate Reaches New High During Third Quarter

Nicole Barylski | October 20, 2016



56 Middle Lane in East Hampton. (Courtesy Photo)

"In East Hampton Village, for the first time ever, the median home sales price pierced the \$5 million mark," noted Judi Desiderio, Chief Executive Officer of Town & Country Real Estate, about third quarter Hamptons sales. "That's pretty impressive, even if you're a little jaded towards the numbers on the East End. That's over twice of what it was last year, third quarter."

While there were only eight sales in the Village, the median home sales price was a staggering \$5.25 million. "There were not many sales, but the sales started in the \$2 million to \$3.5 million range and went up from there," she noted. "That shows you that the little microcosm, the Village of East Hampton, is very, very small."

Limited listings have driven up the prices there. "As things go, the price of anything - whether it's your house or blouse - has to do with the scales of supply and demand," Desiderio shared. "So the supply of East Hampton Village is never going to be huge and the demand is obviously showing that it's pretty strong."

Montauk also remained hot, more than doubling its home sales from 8 in 2015 to 17 in 2016. "That also applies to the Montauk market where literally you're surrounded on three sides by water," she added. "They can't make any more Montauk properties, so if you want to be in Montauk, it is what it is." The total home sales volume in Montauk showed a noteworthy increase from \$9 million in 2015 to \$28 million in 2016.

But it was the Bridgehampton market - which also covers Water Mill and Sagaponack - that was the top Hamptons earner with \$125 million in sales throughout July, August and September of 2016. The median home sales price in Bridgehampton is now \$3.9 million, a 42 percent increase from last year.

The luxury market saw tremendous growth, which Desiderio found intriguing. "What surprised me most was there was a jump in the \$5 million to \$10 million range of 127 percent," Desiderio said. "The reason that surprised me was because we're hearing from owners in that price range that they're not getting the showings that they expected or offers that they expected." This is most likely due to an increase in listings. "But then what I did was look at the inventory that we have and the inventory throughout the Hamptons has increased - probably twice as much as last year, on the high end," she shared. "Again, the price of everything is dictated by supply and demand, so while the number may have jumped up from 11 to 25 sales in that price range, I think the inventory more than doubled. It made the owners of these properties say, 'What about me?'"

Overall, the Hamptons markets showed a 5 percent growth in the number of home sales and 8.5 percent increase in total home sales volume, while the median home sales price fell 13 percent to \$850,000.



565 Daniels Lane in East Hampton. (Courtesy Photo)

"All Hamptons markets combined showed a pretty healthy market for the third quarter and that surprised me too because we're in an election year and ordinarily that means that people, remember we're a luxury item, so they don't have to have what we have, so if there's an excuse to postpone that kind of a decision to spend a couple million dollars, people do sometimes," Desiderio explained. "And election years, historically, are pull back years, but let's see what the fourth quarter looks like."

The North Fork is heating up. "The markets that we monitor on the North Fork, two of the four realized significant increases in the number of sales," she said. "The other two were pretty much stable. In general, you saw the combined markets for all of the North Fork went up almost eight percent in the number of sales. That's pretty significant."

Desiderio credits the North Fork's lower price points as the reasoning. "The total home sales volume was up over 11 percent and the median home sales prices are being pushed up as well. In my professional opinion, I think we're going to see that trend continue - simply because of price point," she noted. "Right now, the median home sale price is still under \$500,000." That is incredibly appealing for those looking for a vacation home. "For many people coming from the City or the Gold Coast to buy a house on the East End for under \$500,000 - where they have the light and the fresh air and the water and whatnot - I think that it's really going to be a big draw," she added. "Especially since we have those who are aging baby boomers looking at the possibility of retirement, I think just the demographic of that person, that individual, is going to push both Forks, but particularly the North Fork for its price point."