

Hamptons Home Sales Jump, Chopping the Supply of Listings

Oshrat Carmiel | January 25, 2018

Hamptons home sales jumped in the fourth quarter, surprising even most the optimistic brokers, as buyers moved to close deals in a stock market-fueled rush.

The sales surge left 756 homes on the market in the Long Island resort towns at the end of December, down 43 percent from a year earlier and the biggest decline in supply since the first quarter of 2008, appraiser Miller Samuel Inc. and brokerage Douglas Elliman Real Estate said in a report Thursday. It would take 4.1 months to clear all the listed homes at the current pace of sales, the quickest rate in records dating back to 2006.

Purchases surged 34 percent from a year earlier to 581, brokerage Corcoran Group said in its own report. Brown Harris Stevens put the increase at 27 percent. The total value of all homes that changed hands in the quarter climbed 43 percent to \$778.5 million, Town & Country Real Estate said.

“I don’t think anyone could have predicted it was going to be this strong,” said Ernest Cervi, the senior vice president at Corcoran Group who oversees sales in the Hamptons. “But the stock market is soaring. It sparked consumer confidence, and they came out and bought.”

The Hamptons, a second-home market whose success is tied to that of New York’s financial industry, is seeing its fortunes rise alongside the Dow Jones Industrial Average. The index jumped 25 percent in 2017, and with that came an interest in vacation-home purchases among even the most price-conscious buyers. The biggest gain in sales was for properties listed from \$500,000 to \$999,000, which increased 56 percent from a year earlier to 145, Town & Country said.

“They got a tax cut, they got 25 percent on their money last year in the stock market, and the overall outlook for the economy is pretty bright around the world,” said Judi Desiderio, chief executive officer of Town & Country. “That makes people feel secure about buying a second home.”

Homes that sold in the quarter spent 132 days on the market before finding buyers, down from 145 days a year earlier, according to Miller Samuel and Douglas Elliman. The median price of completed deals rose 7.6 percent to \$995,000, the firms said.

Luxury homes -- the top 10 percent of sales, which in the quarter meant \$3.9 million or more -- traded for a median of \$5.75 million, down 1.7 percent. There were 172 high-end properties on the market at the end of December, a 31 percent decline from a year earlier.