

BROWN HARRIS STEVENS

Established 1873

East End Single-Family Home Market Report

Second Quarter 2012



SALES RISE, PRICES LOWER IN HAMPTONS AND NORTH FORK

The number of single-family home sales in the Hamptons rose 23% compared to the second quarter of 2011, helped by a sharp pickup in closings under \$1 million. The number of sales for less than \$1 million jumped 42% from 2011's second quarter, and they accounted for 56% of all transactions, up from 49% a year ago.

This trend towards lower-priced homes brought both the average and median price lower during this time. At \$1,750,264 the average price was 14% lower than during the second quarter of 2011, while the median price fell 21%. Some of this decline was expected due to the exceptionally strong data from a year ago. The scheduled expiration of the Bush tax cuts at the end of 2010 had led sellers to rush to close before the end of that year, leading to a weak first quarter of 2011 for luxury homes. This activity came back strongly in the second quarter, and the average Hamptons price reached \$2 million for the first time in over three years, as sales over \$1 million comprised 51% of the market.

Data for this report is sourced from second quarter 2012 single-family sales reported by The Long Island Real Estate Report through July 20, 2012, and compared to prior data reported during a similar time frame.

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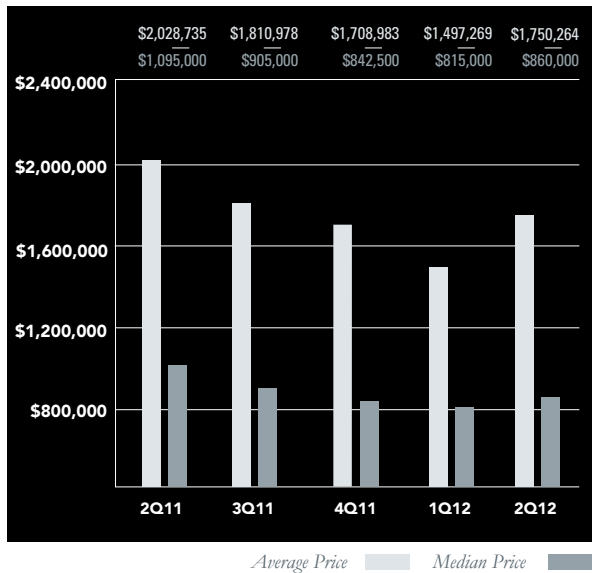
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SOUTH FORK

Average and Median Sales Price

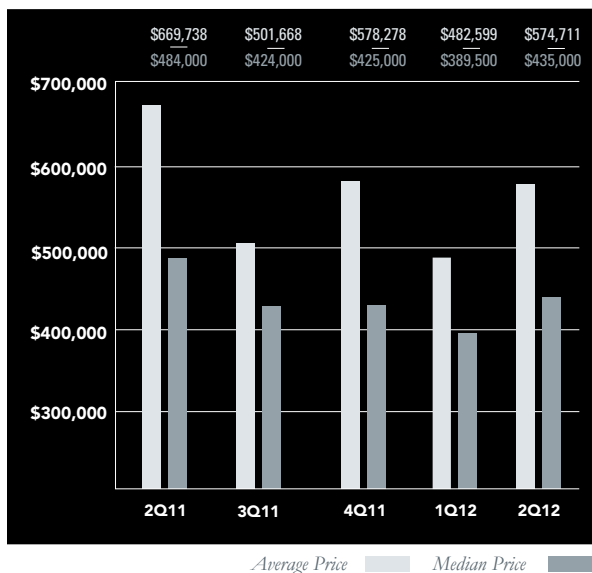


Sales Price	2Q11			2Q12		
	Sales	Percent of total	Median Price	Sales	Percent of total	Median Price
Less than \$1,000,000	176	49%	\$592,500	250	56%	\$555,000
\$1,000,000-\$2,499,999	120	33%	\$1,528,500	117	26%	\$1,570,000
\$2,500,000-\$3,999,999	29	8%	\$3,200,000	38	9%	\$2,812,500
\$4,000,000-\$7,999,999	24	7%	\$4,600,000	28	6%	\$5,286,750
\$8,000,000 and higher	12	3%	\$19,625,000	12	3%	\$11,915,000
Total	361	100%	\$1,095,000	445	100%	\$860,000

The South Fork experienced a 42% increase in sales under \$1 million compared to the same period in 2011, which helped bring the average price 14% lower to \$1.75 million. Overall, there were 23% more sales reported than in 2011's second quarter, with the \$2,500,000-\$3,999,999 price range seeing a 31% increase in activity.

NORTH FORK

Average and Median Sales Price

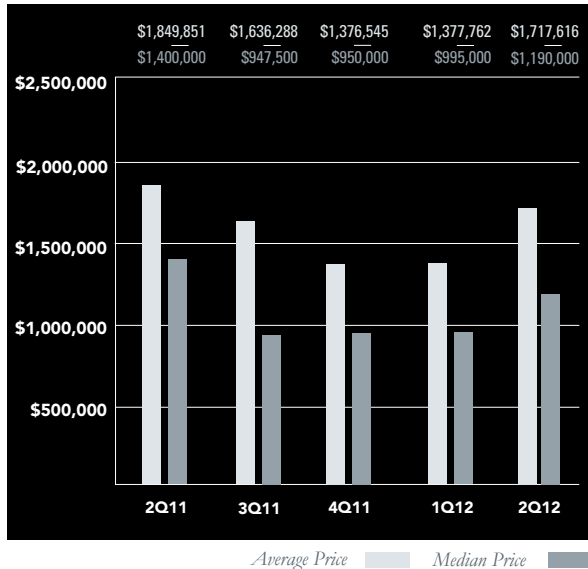


Sales Price	2Q11			2Q12		
	Sales	Percent of total	Median Price	Sales	Percent of total	Median Price
Less than \$1,000,000	60	86%	\$420,000	80	88%	\$401,000
\$1,000,000-\$2,499,999	9	13%	\$1,500,000	10	11%	\$1,352,500
\$2,500,000-\$3,999,999	1	1%	\$2,900,000	1	1%	\$3,200,000
\$4,000,000-\$7,999,999	0	0%	n/a	0	0%	n/a
\$8,000,000 and higher	0	0%	n/a	0	0%	n/a
Total	70	100%	\$484,000	91	100%	\$435,000

North Fork prices averaged \$574,711 in the second quarter, 14% less than 2011's comparable period. This market was more active than a year ago, with 30% more closings than during the second quarter of 2011.

AMAGANSETT MARKET

Average and Median Sales Price



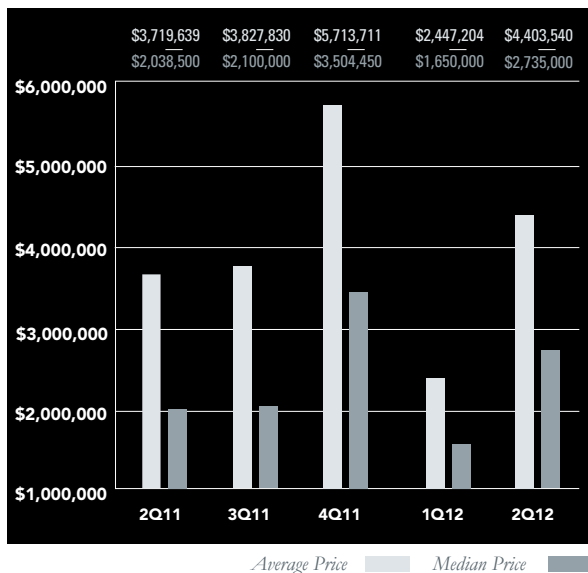
Sales Price	2Q11			2Q12		
	Sales	Percent of total	Median Price	Sales	Percent of total	Median Price
Less than \$1,000,000	14	38%	\$790,000	21	47%	\$705,000
\$1,000,000-\$2,499,999	16	43%	\$1,580,000	12	27%	\$1,407,250
\$2,500,000-\$3,999,999	3	8%	\$2,800,000	9	20%	\$2,700,000
\$4,000,000-\$7,999,999	4	11%	\$5,477,500	3	7%	\$7,000,000
\$8,000,000 and higher	0	0%	n/a	0	0%	n/a
Total	37	100%	\$1,400,000	45	100%	\$1,190,000

Sales rose 22% in the Amagansett market compared to the second quarter of 2011, led by a 50% increase in transactions under \$1 million. At just over \$1.7 million, the average price for single-family homes was 7% lower than a year ago.

Includes Amagansett and Montauk.

BRIDGEHAMPTON MARKET

Average and Median Sales Price



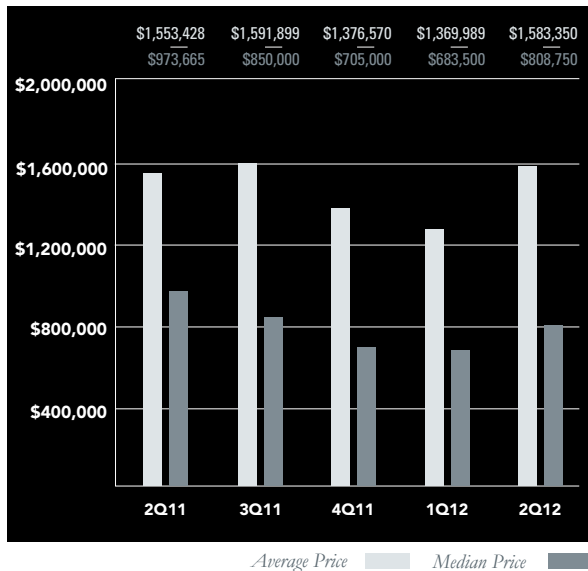
Sales Price	2Q11			2Q12		
	Sales	Percent of total	Median Price	Sales	Percent of total	Median Price
Less than \$1,000,000	6	17%	\$807,500	11	22%	\$818,260
\$1,000,000-\$2,499,999	15	42%	\$1,600,000	12	24%	\$1,675,000
\$2,500,000-\$3,999,999	4	11%	\$3,300,000	8	16%	\$3,325,000
\$4,000,000-\$7,999,999	7	19%	\$4,500,000	12	24%	\$5,386,750
\$8,000,000 and higher	4	11%	\$14,622,500	7	14%	\$10,500,000
Total	36	100%	\$2,038,500	50	100%	\$2,735,000

The Bridgehampton market was the only area in our report to post an increase in both average and median price from the second quarter of 2011. At \$4.4 million, the average price was 18% higher than a year ago, helped by a strong increase in sales for \$4 million or more. Overall, there were 39% more closings in this market than there were in the second quarter of 2011.

Includes Bridgehampton, Sagaponack and Wainscott.

EAST HAMPTON MARKET

Average and Median Sales Price



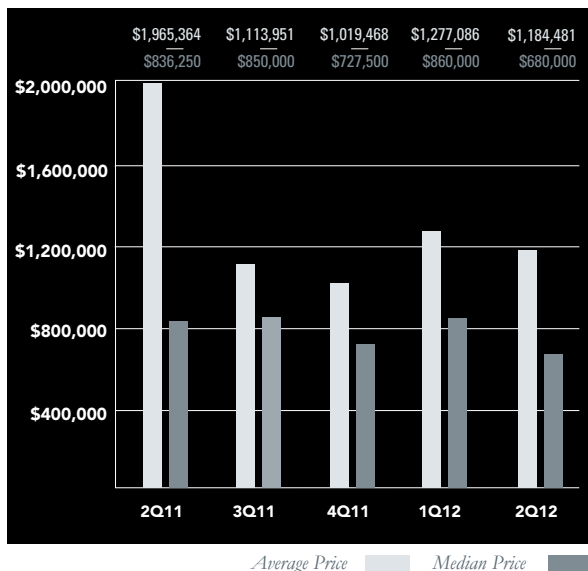
Sales Price	2Q11			2Q12		
	Sales	Percent of total	Median Price	Sales	Percent of total	Median Price
Less than \$1,000,000	40	57%	\$645,000	60	62%	\$589,500
\$1,000,000-\$2,499,999	22	31%	\$1,365,000	27	28%	\$1,400,000
\$2,500,000-\$3,999,999	4	6%	\$3,475,000	4	4%	\$3,135,000
\$4,000,000-\$7,999,999	3	4%	\$4,999,999	4	4%	\$7,250,000
\$8,000,000 and higher	1	1%	\$20,450,000	2	2%	\$18,137,500
Total	70	100%	\$973,665	97	100%	\$808,750

The number of sales rose 39% in the East Hampton market from 2011's second quarter. Sales under \$1 million led the way, as the 60 closings in the second quarter were up 50% from the same period in 2011. While the average price rose slightly in East Hampton over the past year, the median price fell to \$808,750.

Includes East Hampton and East Hampton Village.

SAG HARBOR MARKET

Average and Median Sales Price



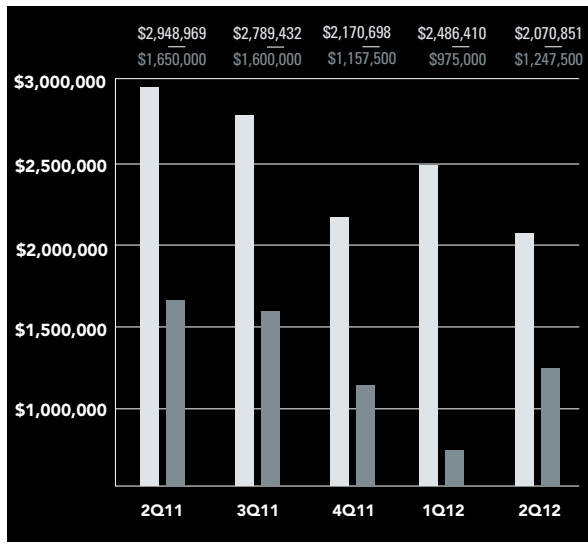
Sales Price	2Q11			2Q12		
	Sales	Percent of total	Median Price	Sales	Percent of total	Median Price
Less than \$1,000,000	27	61%	\$627,000	36	67%	\$567,500
\$1,000,000-\$2,499,999	12	27%	\$1,450,000	13	24%	\$1,800,000
\$2,500,000-\$3,999,999	2	5%	\$3,175,000	3	6%	\$3,150,000
\$4,000,000-\$7,999,999	2	5%	\$4,574,250	1	2%	\$4,425,000
\$8,000,000 and higher	1	2%	\$36,000,000	1	2%	\$8,250,000
Total	44	100%	\$836,250	54	100%	\$680,000

A \$36 million sale in 2011's second quarter helped push the average price in the Sag Harbor market up to just under \$2 million. Without a similar transaction this quarter, the average price declined somewhat predictably to \$1,181,481, and the median price, which measures the middle of the market, fell 19% to \$680,000. As in other Hamptons markets sales rose sharply, especially in the under \$1 million range.

Includes North Haven, Noyac, Sag Harbor, Sag Harbor Village and Shelter Island.

SOUTHAMPTON MARKET

Average and Median Sales Price



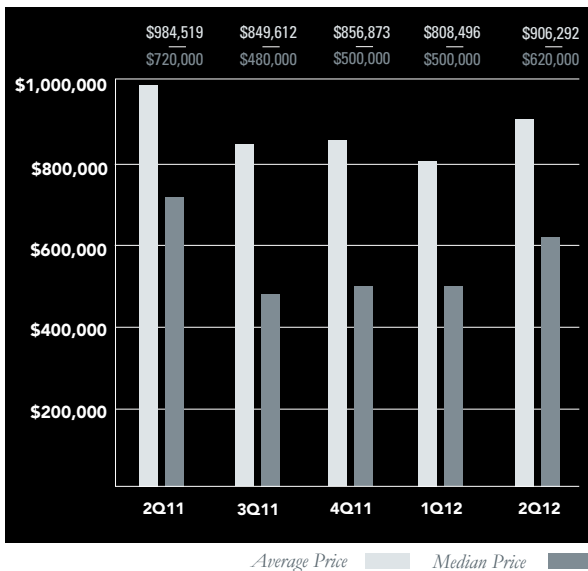
Sales Price	2Q11			2Q12		
	Sales	Percent of total	Median Price	Sales	Percent of total	Median Price
Less than \$1,000,000	29	33%	\$600,000	35	38%	\$620,000
\$1,000,000-\$2,499,999	33	38%	\$1,725,000	35	38%	\$1,600,000
\$2,500,000-\$3,999,999	12	14%	\$3,012,500	13	14%	\$2,800,000
\$4,000,000-\$7,999,999	8	9%	\$4,607,500	6	7%	\$4,697,500
\$8,000,000 and higher	6	7%	\$15,250,000	3	3%	\$15,100,000
Total	88	100%	\$1,650,000	92	100%	\$1,247,500

Both the average and median price fell in the Southampton market from the second quarter of 2011, despite an increase in activity. Overall, there were 5% more sales than a year ago, but the number of sales for at least \$4 million fell 36%, which was a main reason the average price declined.

Includes North Sea, Southampton, Southampton Village and Water Mill.

WESTHAMPTON MARKET

Average and Median Sales Price



Sales Price	2Q11			2Q12		
	Sales	Percent of total	Median Price	Sales	Percent of total	Median Price
Less than \$1,000,000	57	67%	\$440,000	79	75%	\$465,000
\$1,000,000-\$2,499,999	23	27%	\$1,490,000	21	20%	\$1,672,000
\$2,500,000-\$3,999,999	4	5%	\$3,550,000	2	2%	\$2,512,500
\$4,000,000-\$7,999,999	1	1%	\$4,333,550	3	3%	\$5,000,000
\$8,000,000 and higher	0	0%	n/a	0	0%	n/a
Total	85	100%	\$720,000	105	100%	\$620,000

The Westhampton market saw a 24% increase in sales from 2011's second quarter, with sales under \$1 million rising 39%. At \$906,292 the average price for homes in this area was 8% lower than a year ago.

Includes East Quogue, Hampton Bays, Quogue, Quogue Village, Remsenburg, Westhampton, Westhampton Beach, Westhampton Beach Village and Westhampton Dunes.

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