

# BROWN HARRIS STEVENS

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## 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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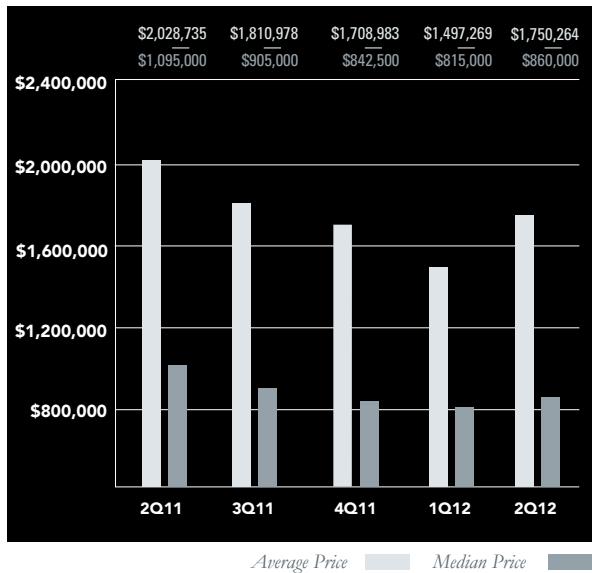
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# SOUTH FORK

Average and Median Sales Price

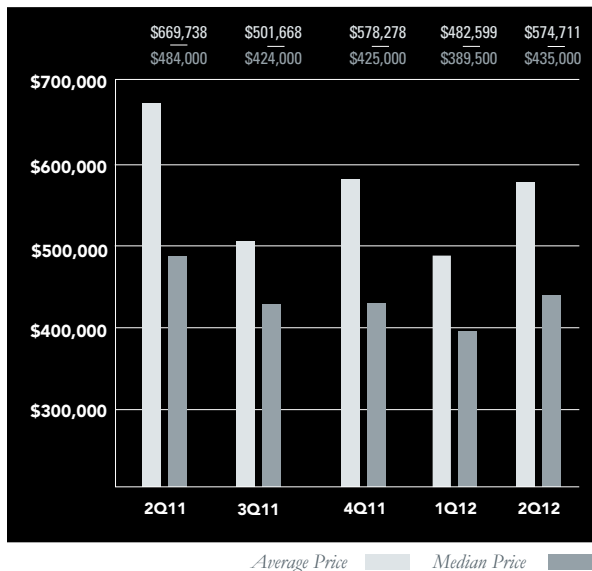


| Sales Price             | 2Q11       |                  |                    | 2Q12       |                  |                  |
|-------------------------|------------|------------------|--------------------|------------|------------------|------------------|
|                         | Sales      | 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     |
| <b>Total</b>            | <b>361</b> | <b>100%</b>      | <b>\$1,095,000</b> | <b>445</b> | <b>100%</b>      | <b>\$860,000</b> |

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

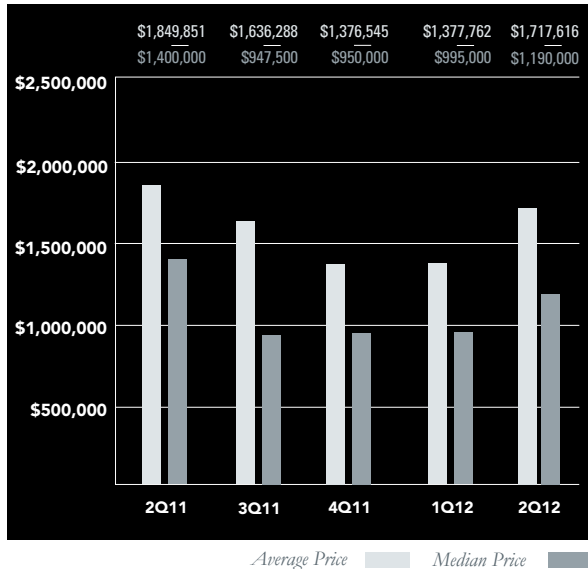


| Sales Price             | 2Q11      |                  |                  | 2Q12      |                  |                  |
|-------------------------|-----------|------------------|------------------|-----------|------------------|------------------|
|                         | Sales     | Percent 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              |
| <b>Total</b>            | <b>70</b> | <b>100%</b>      | <b>\$484,000</b> | <b>91</b> | <b>100%</b>      | <b>\$435,000</b> |

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



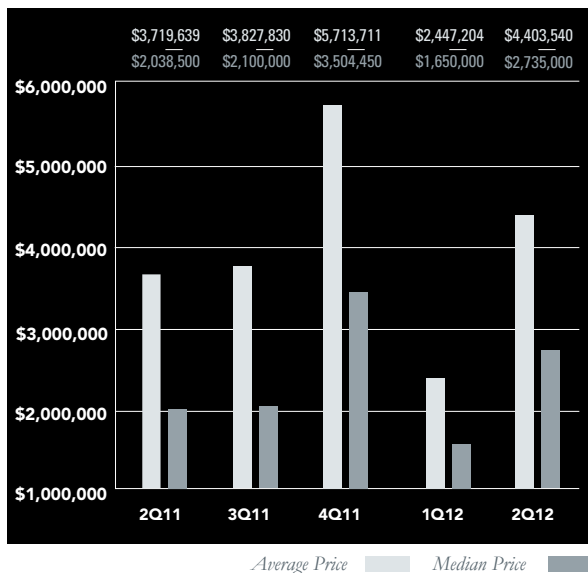
| Sales Price             | 2Q11  |                  |              | 2Q12  |                  |              |
|-------------------------|-------|------------------|--------------|-------|------------------|--------------|
|                         | Sales | Percent of total | Median Price | Sales | 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  |

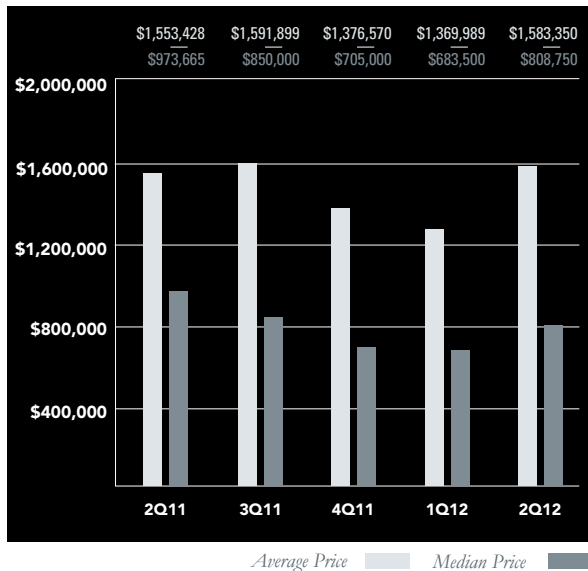
The Bridgehampton market was the only area in our report to post an increase in both average and median price from the second quarter of 2011. At \$4.4 million, the average price was 18% higher than a year ago, helped by a strong increase in sales for \$4 million or more. Overall, there were 39% more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



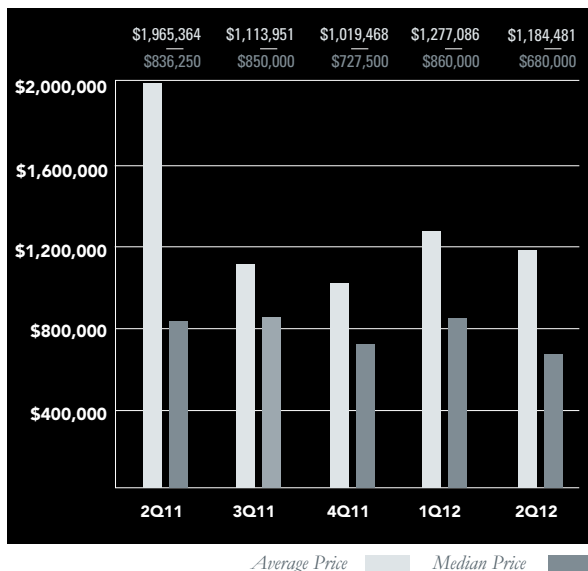
| Sales Price             | 2Q11      |                  |                  | 2Q12      |                  |                  |
|-------------------------|-----------|------------------|------------------|-----------|------------------|------------------|
|                         | Sales     | Percent 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     |
| <b>Total</b>            | <b>70</b> | <b>100%</b>      | <b>\$973,665</b> | <b>97</b> | <b>100%</b>      | <b>\$808,750</b> |

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



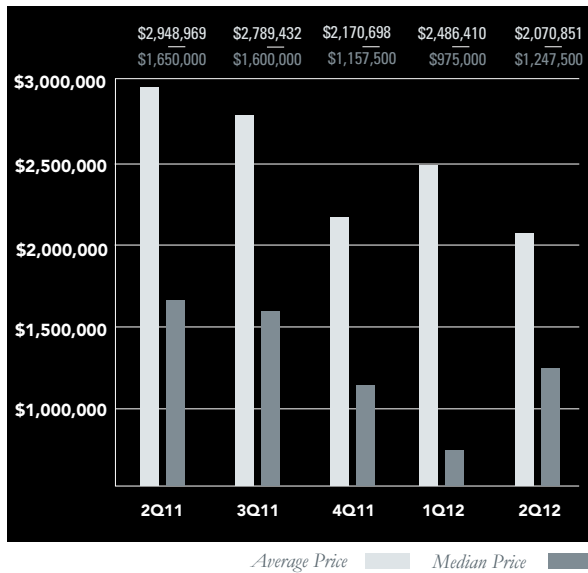
| Sales Price             | 2Q11      |                  |                  | 2Q12      |                  |                  |
|-------------------------|-----------|------------------|------------------|-----------|------------------|------------------|
|                         | Sales     | Percent 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      |
| <b>Total</b>            | <b>44</b> | <b>100%</b>      | <b>\$836,250</b> | <b>54</b> | <b>100%</b>      | <b>\$680,000</b> |

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



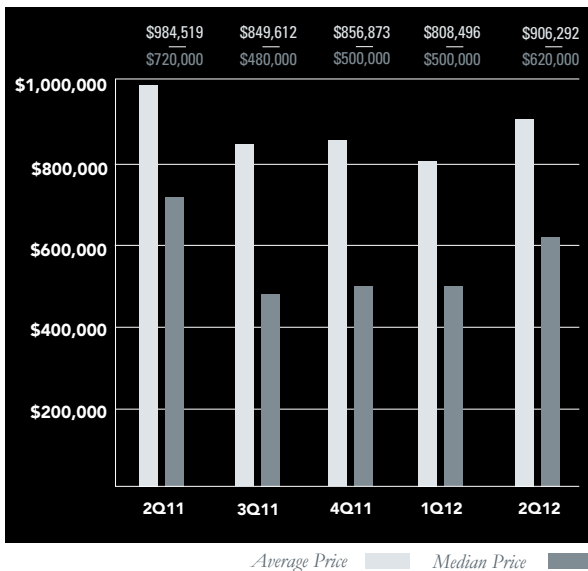
| Sales Price             | 2Q11      |                  |                    | 2Q12      |                  |                    |
|-------------------------|-----------|------------------|--------------------|-----------|------------------|--------------------|
|                         | Sales     | 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       |
| <b>Total</b>            | <b>88</b> | <b>100%</b>      | <b>\$1,650,000</b> | <b>92</b> | <b>100%</b>      | <b>\$1,247,500</b> |

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              |
| <b>Total</b>            | <b>85</b> | <b>100%</b>      | <b>\$720,000</b> | <b>105</b> | <b>100%</b>      | <b>\$620,000</b> |

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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Cover Property: WEB# 46257, East Quogue

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