

Real Estate Market Boomed in Late 2017

Jamie Bufalino | January 31, 2018

The real estate market closed out 2017 with a boom. According to fourth-quarter reports from many of the major real estate agencies, house sales were up virtually all across the South Fork. Town and Country's sales were up 36 percent over the same period in 2016, Corcoran Group's were up 34 percent, Saunders and Associates posted a 28-percent increase, and both Halstead and Brown Harris Stevens saw their numbers rise nearly 27 percent.

So what's behind the upswing? "If you recall, 2016 was a time of hesitation," said Judi Desiderio, the chief executive officer and president of Town and Country. "We had a contentious presidential election underway, disconcerting geopolitical activity — all of which negatively impacts luxury markets." (The Corcoran Group's analysts agree that last year's real estate market may have been "suppressed due to the election.") But, one year later, "regardless of your political preferences, by mid-2017 uncertainty was not an issue, and the trajectory for our country's economy was on sound footing," Ms. Desiderio said.

As expected, properties in the Villages of Southampton and East Hampton proved to be in especially high demand, posting strong numbers in both houses sold and in overall dollar figures. For example, Town and Country agents sold 14 houses in East Hampton Village, with a combined price tag of nearly \$64 million dollars, an increase of nearly 181 percent in sales volume over 2016's fourth quarter. That marked the greatest increase year over year across the East End for the agency. And Southampton Village — where 22 houses were sold by Town and Country — notched more than \$145 million in sales volume, an increase of 71 percent.

As far as individual house prices go, the news was more mixed: Some of the agencies showing a dip in average prices, while others showed modest gains. "Each market moves independently, so I have a hard time giving you a broad stroke explanation," Ms. Desiderio said. "But I will say that in 2017 we were weeding through gluts of inventory in certain segments of the market."

Looking ahead, the South Fork real estate forecast for 2018 appears rosy, thanks in large part to strong corporate profits. "The stock market closed 2017 up 25 percent," Ms. Desiderio said. "That always leads to a bump out east. We have already seen that effect on the high end. There remain bargains, due to the pent-up supply, but that is changing rapidly."