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Hamptons Home Sales Rise as Buyers Find More Inventory

By Jonathan LaMantia | July 24, 2014



Craig Folise paid \$3.64 million for this 7,000-square foot home in Bridgehampton. The home has access to a pond where his three children can enjoy paddleboarding, kayaking and fishing. Source: Corcoran Group

Home sales in New York's Hamptons, the Long Island vacation locale popular among financiers and celebrities, climbed in the second quarter as more inventory became available for buyers.

Purchases increased 3.7 percent from a year earlier to 700 homes, according to a report today by appraiser Miller Samuel Inc. and brokerage Douglas Elliman Real Estate. The median price fell 1.3 percent to \$908,500, reflecting a shift toward deals done at the lower end of the market.

Sales were boosted by a 4.7 percent increase in inventory from a year earlier and harsh winter weather that pushed several transactions into the second quarter, said Jonathan Miller, president of New York-based Miller Samuel. The median Hamptons home price is up almost 35 percent from a 2009 bottom, helping to increase supply as owners take advantage of gains.

"We're seeing stability and modest activity in pricing and sales," Miller, a Bloomberg View contributor, said in a telephone interview. "It all points toward a longer-term trend of improving, rather than a quick spike or drop."

The median price in the luxury market, the highest 10 percent of all sales, rose 4.1 percent to \$5.2 million, according to the report. There were 69 transactions at that level in the quarter, compared with 67 a year earlier.

Craig Folise, the co-owner of Resources Trucking, a North Bergen, New Jersey-based international freight company, looked for a vacation home in the Hamptons for seven months before reaching a deal for a property above his original price range. He said he set out to spend \$3 million on a recently built property in the area from Southampton to Water Mill.

"After looking, that was probably too low of a number," Folise said. "We wanted something that we really didn't have to renovate, and what we found was at the price range above that."

His search led him farther east to Bridgehampton, where he paid \$3.64 million for a 7,000-square-foot (650-square-meter) home, built in 2006, with access to a pond where his three children can enjoy paddleboarding, kayaking and fishing.

"I hate to say that I think we got a bit lucky, but that's how I feel," said Folise, who completed the purchase in early June. "If I continued to look at the market, everything in the area seems to be more money than what I paid."

A separate report from the Corcoran Group showed that second-quarter sales in the Hamptons rose 11 percent. Susan Breitenbach, a Corcoran broker who worked with Folise, said she has \$200 million in sales and contracts so far this year, on pace to eclipse her typical yearly volume of \$250 million.

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Tim Davis, another Corcoran broker, recently sold Wooldon Manor, a 14.5-acre (6-hectare) estate in Southampton, in two parcels for a combined \$80 million. The seller was Scott Bommer, president of hedge fund SAB Capital Management LP, who paid \$75 million for the oceanfront property in December.

Davis said he expects more listings above \$20 million to become available in the next few months.

"There's been a pent-up demand for buying some of the most sought-after homes and properties that could ever be available on the market," Davis said.

The lower end of the market has recently been the most active, said Judi Desiderio, chief executive officer of Town & Country Real Estate in the Hamptons. Sales from \$1 million to \$1.99 million increased 31 percent in the second quarter, while sales from \$3.5 million to \$4.99 million fell 48 percent, according to a Town & Country report released last week.

"The people who were ready to put their money where their mouth was that closed in the quarter were more comfortable buying in that" lower price range, Desiderio said.

To contact the reporter on this story: Jonathan Lamantia in New York at jlamantia1@bloomberg.net

To contact the editors responsible for this story: Kara Wetzel at kwetzel@bloomberg.net Daniel Taub