

Geffen's estate purchase tops Hamptons luxury home sales in 2016

NEW YORK | BY HERBERT LASH | January 19, 2017

Hollywood mogul David Geffen's \$70 million purchase of an oceanfront estate topped luxury home sales last year in New York's Hamptons, but a sharp price drop after the No. 2 spot reveals a dismal year, a local brokerage reported on Thursday.

A \$63.8 million sale of another oceanfront property in East Hampton, New York, to liquefied natural gas entrepreneur Michael Smith was the second-most expensive home sold in 2016 in the Hamptons, according to Town & Country Real Estate in East Hampton.

But subsequent sales dropped below \$30 million for the first time since 2012, said Judi Desiderio, chief executive of Town & Country. The lowest ranking on her annual list of the top 10 most expensive homes sold was \$15.99 million, the lowest since 2010, she said.

"The high end sank like a stone in 2016. It wasn't one of those 'feel good' years for Wall Street," Desiderio said.

The Hamptons real estate market goes in cycles in lockstep with Wall Street's fortunes, according to Desiderio. Record sales are only shattered after outstanding years for U.S. stocks.

Billionaire investor Barry Rosenstein of Jana Partners paid \$147 million for ocean-front property in East Hampton in 2014, a record for U.S. residential sales.

Smith's purchase of three adjacent properties totaled \$110 million.

Geffen and Smith represent an elite whose wealth outstrips others with homes in the Hamptons, a cluster of towns, villages and hamlets on Long Island's east end, Desiderio said.

The market for overall sales in the Hamptons ended 2016 with a thud, she said. Of the 12 local markets that Town & Country monitors, only three last year experienced an increase in the number of homes sold.

But traffic to the brokerage's eight offices so far in January is up. Desiderio knew of three bidding wars, which is unusual for the month, and indications point to a better 2017, she said.



A house is seen on a private property in East Hampton, New York, March 16, 2016. REUTERS/JEFFREY BASINGER