

Hamptons Home Prices Soar to Record \$1.07 Million

Oshrat Carmiel | July 27, 2017

The stock market is up. Must be time to splurge on a mansion in the Hamptons.

Buyers in the Long Island resort towns opted for more-expensive properties in the second quarter, sending the median sale price for a single-family house to a record \$1.07 million, up 7.5 percent from a year earlier, according to a report Thursday by appraiser Miller Samuel Inc. and brokerage Douglas Elliman Real Estate. Forty-eight homes priced at \$5 million or higher changed hands in the three months through June, the most for any quarter since the end of 2015.

The Hamptons, a second-home market whose health is tied to the fortunes of New York's financial industry, is benefiting from stocks at record highs and a Wall Street bonus pool that's climbed for the first time in three years. Sales of single-family houses jumped 26 percent in the quarter from a year earlier to 674, Miller Samuel and Douglas Elliman said. The number of listings fell 4.1 percent as eager buyers depleted inventory -- and fast. At the current pace of deals, it would take 6.1 months to sell all the homes on the market, compared with 8 months in the second quarter of 2016.

"The stars all lined up," said Judi Desiderio, chief executive officer of brokerage Town & Country Real Estate, which earlier this month released a report on the Hamptons showing a jump in high-end sales and a 10 percent increase in the overall median price for the second quarter. "The stock market's doing well, people feel a sense of safety, and they pulled profits out of the market."

Buyers still demanded a deal, however. Eighty-six percent of purchases of houses and condos in the quarter were for less than what the seller sought, said Jonathan Miller, president of Miller Samuel. The average discount was 12 percent from the last asking price.

"Even when the numbers make sense, buyers will still say, 'I don't want to pay full ask,'" said Raymond Lord, a local broker with Douglas Elliman. "They always want to negotiate."

Lord represented buyers last month who made a \$1.8 million offer on an East Hampton home listed at \$2.295 million. The owners didn't accept the bid, but ultimately agreed to sell for \$2.05 million and upgrade the septic system so the four-bedroom property could legally be classified as having six bedrooms, Lord said.

The quarter's most expensive transaction was the \$31 million purchase of a four-bedroom oceanfront home at 328 Gin Lane in Southampton Village, according to Miller. The property, on 2.7 acres (1.1 hectares) with a pool and a tennis court, was originally listed for \$39.5 million, then had its price cut to \$32 million.

The second-priciest was an estate in East Hampton with more than 5 acres that sold for \$25 million. The owners of the 8,268-square-foot (768-square-meter), six-bedroom house initially sought \$38.5 million, Miller said.

Four of the top five sales in the quarter recorded by brokerage Corcoran Group were in Southampton Village, driving the median price there up 40 percent to \$2.8 million. The total value of completed deals in the village more than doubled to \$157.9 million, up from \$65.9 million a year earlier, Corcoran said in its report Thursday.

In Water Mill, where transactions jumped 60 percent to 24, the median price rose 86 percent to \$3.73 million, according to the brokerage.

Deals for vacant land in the Hamptons slowed to 56 from 88 a year earlier, Corcoran said. The dollar volume of land purchases fell 44 percent to \$58.6 million.