



THE HAMPTONS

Quarterly Survey of Residential Sales

1Q-2013

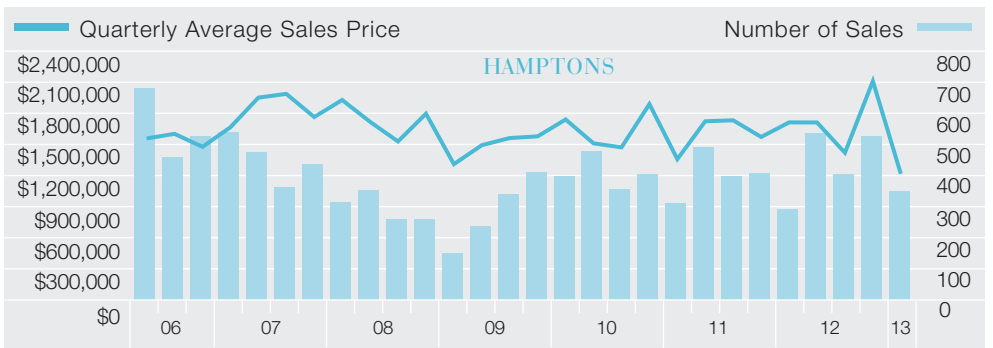
ELLIMAN REPORT

THE HAMPTONS

- Price indicators fell below year ago levels as year end rush to close shifted mix lower** After a record number of sales in the 4th quarter of 2012, fueled by many high-end buyers rushing to close at the end of last year, 1st quarter of 2013 experienced a drop in sales over \$5M. Median sales price fell 5.1% to \$740,000.
- Negotiability between buyers and sellers grew closer as marketing time lengthened** Despite the lower number of high-end sales, the overall number of sales jumped 20.6% to 347 from the year ago quarter.
- Listing inventory slipped as number of sales jumped** There were 1,437 listings at the end of the first quarter, 4.9% below year ago levels. The monthly absorption rate, the number of months to sell all inventory at the current pace of sales, fell to 12.4 months from 15.8 months in the year ago quarter.

| Hamptons Market Matrix | 1Q-2013 | % Chg (QRT) | 4Q-2012 | % Chg (YR) | 1Q-2012 |
|---|-------------|-------------|-------------|------------|-------------|
| Average Sales Price | \$1,218,594 | -42.8% | \$2,130,788 | -29.4% | \$1,724,973 |
| Median Sales Price | \$740,000 | -18.4% | \$907,000 | -5.1% | \$780,000 |
| Number of Sales (Closed) | 347 | -34.4% | 529 | 20.9% | 287 |
| Days on Market (From Last List Date) | 187 | -14.2% | 218 | 5.6% | 177 |
| Listing Discount (From Last List Price) | 9.4% | | 13.1% | | 13.2% |
| Listing Inventory (active) | 1,437 | 40.5% | 1,023 | -4.9% | 1,511 |
| Absorption Rate (mos) | 12.4 | 113.8% | 5.8 | -21.5% | 15.8 |

| Year -to-Date | 1Q-2013 | % Chg (QRT) | 4Q-2012 | % Chg (YR) | 1Q-2012 |
|--------------------------|-------------|-------------|---------|------------|-------------|
| Average Sales Price | \$1,218,594 | N/A | N/A | -29.4% | \$1,724,973 |
| Median Sales Price | \$740,000 | N/A | N/A | -5.1% | \$780,000 |
| Number of Sales (Closed) | 347 | N/A | N/A | 20.9% | 287 |



After an unprecedented year end surge in high end closings motivated by tax planning purposes, the first quarter Hamptons housing market saw an unusually low level of high end sales despite a year-over-year increase in total sales. As a result, the price indicators reflected declines, when in fact the housing market was not experiencing falling prices.

The number of sales jumped 20.9% above prior year levels to 347. However, there were only 8

sales at or above \$5M, roughly half the level of 15 sales seen in the year ago quarter and 83.7% below the 49 sale total of the prior quarter. Listing inventory fell 4.9% to 1,437 from the year ago quarter, to the lowest first quarter total in 7 years.

As a result of rising sales and falling inventory, the pace of the market accelerated. The monthly absorption rate, the number of months to sell all inventory at the current pace of sales, fell to 12.4

months from 15.8 months in the year ago quarter. Days on market, the number of days from last price change to contract date, expanded by 10 days to 187 from the same period last year. Listing discount, the percent difference between the list price at time of contract and the sales price, fell over the same period to 9.4% from 13.2%.

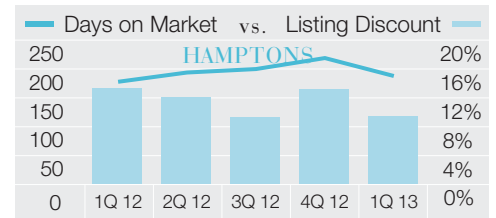
Median sales price fell 5.1% to \$740,000 from the same period last year. Average sales price

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fell sharply by 29.4% due to the drop in high end sales in the first quarter. Consistent with limited activity at the upper end of the market, the median sales price by quintiles reflected much larger declines in the top 2 quintiles over the same period.

| Quintiles | Med. Sales Price | % Change (YR) |
|-----------|------------------|---------------|
| 5/5 | \$2,850,000 | -26.0% |
| 4/5 | \$1,195,000 | -16.1% |
| 3/5 | \$740,000 | -5.1% |
| 2/5 | \$485,000 | -3.2% |
| 1/5 | \$285,000 | -4.4% |



CONDOS

- Price indicators fell sharply as a result of shift in the mix** The much larger decline in median sales price than average sales price reflected fewer high end sales.
- The number of sales fell faster than inventory** The number of sales fell 16.7% from the year ago quarter compared to the 7.6% decline in listing inventory, lowering the absorption rate, increasing the pace of the market.

| Condos Market Matrix | 1Q-2013 | % Chg (QRT) | 4Q-2012 | % Chg (YR) | 1Q-2012 |
|---|-----------|-------------|-----------|------------|-----------|
| Average Sales Price | \$527,664 | 4.9% | \$502,842 | -16.3% | \$630,117 |
| Median Sales Price | \$330,000 | -40.1% | \$551,100 | -41.9% | \$567,500 |
| Number of Sales (Closed) | 15 | -46.4% | 28 | -16.7% | 18 |
| Days on Market (From Last List Date) | 136 | -45.2% | 248 | -32.0% | 200 |
| Listing Discount (From Last List Price) | 9.1% | | 10.0% | | 11.7% |
| Listing Inventory (active) | 97 | 16.9% | 83 | -7.6% | 105 |
| Absorption Rate (mos) | 19.4 | 118.0% | 8.9 | 10.9% | 17.5 |

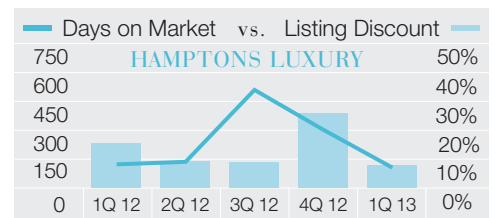
LUXURY

- Fewer sales above \$5M were the result of year end tax planning** There were 8 sales at or above \$5M in the quarter, the lowest total in 4 years. It was sharply below the 49 sale surge in the prior quarter, a result of the year end rush of high end sales for tax purposes.
- Days on market and entry price threshold fell** The luxury market threshold began at \$2,875,000 in the first quarter, 25.3% below the year ago threshold. The average time to sell a property was 104 days, over 2 weeks faster than the prior year quarter.
- Price indicators fall sharply from shift in mix to lower priced sales** As a result of the year end rush and resulting dearth of high end sales in the first quarter, median sales price fell 25.6% to \$3,677,250 from the prior year quarter.

| Luxury Market Matrix | 1Q-2013 | % Chg (QRT) | 4Q-2012 | % Chg (YR) | 1Q-2012 |
|---|-------------|-------------|-------------|------------|-------------|
| Average Sales Price | \$4,753,294 | -51.5% | \$9,791,736 | -42.6% | \$8,276,417 |
| Median Sales Price | \$3,677,250 | -47.4% | \$6,995,000 | -25.6% | \$4,940,000 |
| Number of Sales (Closed) | 34 | -35.8% | 53 | 17.2% | 29 |
| Days on Market (From Last List Date) | 104 | -65.3% | 300 | -14.0% | 121 |
| Listing Discount (From Last List Price) | 7.9% | | 25.6% | | 15.5% |
| Listing Inventory (active) | 254 | 117.1% | 117 | 57.8% | 161 |
| Absorption Rate (mos) | 22.4 | 239.4% | 6.6 | 34.1% | 16.7 |

| Top 5 Locations by Average Sales Price (Number of Sales) | | | |
|--|-------------------------------|--------------------------------|-------------------------------|
| | Current Quarter | Prior Quarter | Prior Year Quarter |
| | Wainscott (2) \$9,318,750 | Southampton (8) \$12,481,250 | East Hampton (7) \$12,142,857 |
| | Water Mill (6) \$5,805,000 | Water Mill (4) \$12,412,500 | Southampton (6) \$9,809,183 |
| | Sagaponack (4) \$5,712,500 | Bridgehampton (6) \$10,675,000 | Water Mill (5) \$7,263,800 |
| | Bridgehampton (7) \$4,947,143 | East Hampton (17) \$10,040,812 | Cutchogue (1) \$5,500,000 |
| | Quogue (1) \$3,862,500 | Sagaponack (8) \$9,112,900 | Bridgehampton (6) \$5,170,833 |

| Quintiles | Med. Sales Price | % Change (YR) |
|-----------|------------------|---------------|
| 5/5 | \$8,250,000 | -58.8% |
| 4/5 | \$4,122,500 | -34.3% |
| 3/5 | \$3,677,250 | -25.6% |
| 2/5 | \$3,240,000 | -25.9% |
| 1/5 | \$2,925,000 | -28.7% |



Note: This sub-category is the analysis of the top ten percent of all sales. The data is also contained within the other markets presented.

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