



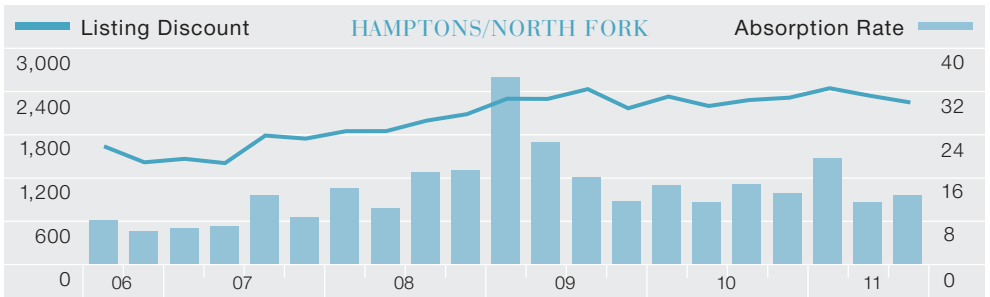
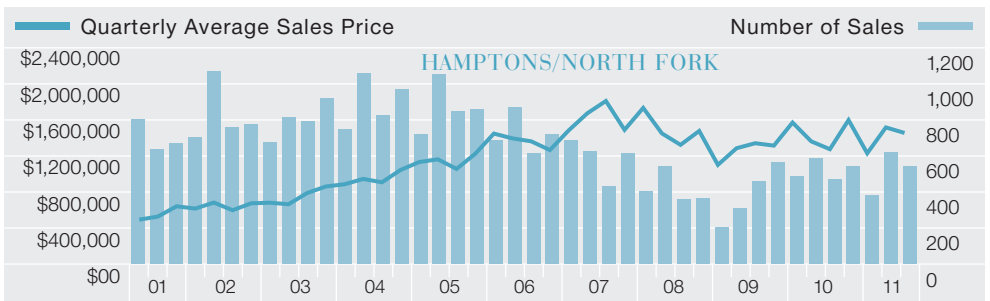
# ELLIMANREPORT

## HAMPTONS & NORTH FORK

- Number of sales above last year's level** There were 538 sales in the third quarter, 14.7% above 469 sales total in the same period last year, but 13.1% below the prior quarter total of 619.
- Price indicators jumped as high-end sales picked up** Median sales price was \$700,000 in the third quarter, 12% higher than \$625,000 in the prior year quarter. The market share for sales activity above one million dollars was 32.9%, compared to 27.3% in the prior year quarter.
- Listing inventory saw a nominal decline** There were 2,238 listings at the end of the third quarter, 1.5% less than 2,271 listings in the same period last year.

Housing prices in the third quarter were up sharply from the same period last year, but experienced a seasonal decline from the spring market activity of the second quarter. There were 30 sales above the five million dollar threshold, nearly three times the 11 sale total in the prior year quarter. Median sales price increased 12% to \$700,000 in the third quarter from \$625,000 in the prior year quarter, but declined 8.6% from \$766,250 in the prior quarter. Average sales price followed the same pattern, rising 14% to \$1,452,678 in the third quarter from \$1,273,775

Hamptons/NorthFork Market Matrix	3Q-2011	% Chg (qtr)	2Q-2011	% Chg (yr)	3Q-2010
Average Sales Price	\$1,452,678	-4.0%	\$1,513,636	14.0%	\$1,273,775
Median Sales Price	\$700,000	-8.6%	\$766,250	12.0%	\$625,000
Number of Sales	538	-13.1%	619	14.7%	469
Days on Market (From Last List Date)	170	-9.6%	188	3.7%	164
Listing Discount (From Last List Price)	11.3%		11.4%		10.0%
Listing Inventory (Active)	2,238	-3.9%	2,329	-1.5%	2,271
Absorption Rate (Monthly, Active)	12.5	10.6%	11.3	-13.8%	14.5



in the prior year quarter, but falling 4% from \$1,513,636 in the prior quarter. The fourth and fifth market quintiles posted year-over-year gains in median sales price, while the lower three segments showed declines.

There were 538 sales in the third quarter, 14.7% more than 469 sales in the same period last year, but 13.1% less than the 619 total of the prior

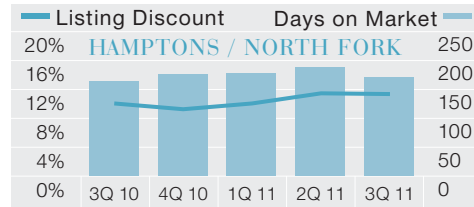
quarter. Listing inventory slipped 1.5% to 2,238 from 2,271 in the prior year quarter, and fell 3.9% from 2,329 in the prior quarter. As a result, the market efficiency, as measured by the monthly absorption rate, improved over the past year. The number of months to sell all listing inventory at the current pace of sales was 12.5 months, 2 months faster than 14.5 months over the same period.

The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market in the New York City metropolitan region. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.



Despite the challenges of tight credit, elevated regional unemployment, and weakness in the overall economic conditions, the East End housing market continued to show market indicators consistent with longer term averages.

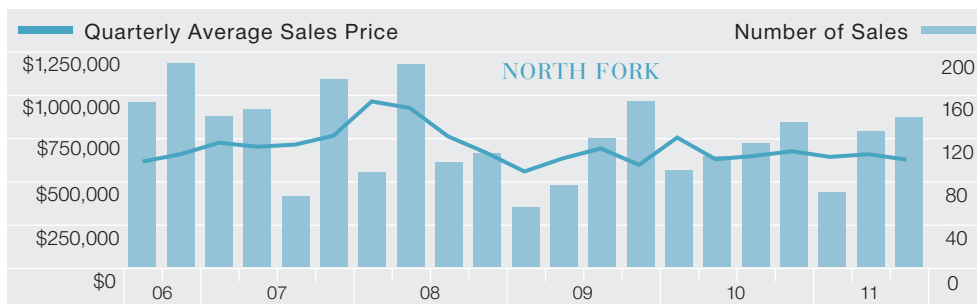
Quintiles	Med. Sales Price	% Change (yr)
5/5	\$2,850,000	1.8%
4/5	\$1,150,000	2.2%
3/5	\$700,000	-4.1%
2/5	\$442,500	-18.9%
1/5	\$257,500	-39.4%



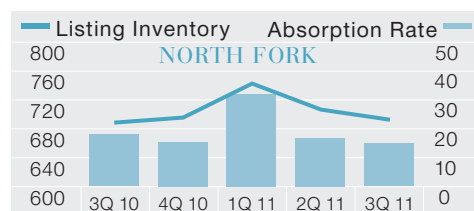
## NORTH FORK

- Number of sales surged as listing inventory stabilized** There were 140 sales in the third quarter, 21.7% more than 115 in the prior year quarter. Inventory remained essentially unchanged over the same period, edging up 0.6% to 692.
- Price indicators declined** Median sales price declined 8% to \$450,000 from \$489,000 in the prior year quarter. Average sales price fell 3.3% to \$620,323 from \$641,495 over the same period.
- Days on market expanded** A property that sold in the third quarter took an average of 167 days to sell, 18 days longer than 149 days in the same period last year.

North Fork Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$620,323	-4.8%	\$651,561	-3.3%	\$641,495
Median Sales Price	\$450,000	5.3%	\$427,500	-8.0%	\$489,000
Number of Sales	140	10.2%	127	21.7%	115
Days on Market (From Original List Date)	167	-10.2%	186	12.1%	149
Listing Discount (From Original List Price)	8.0%		8.5%		15.5%
Listing Inventory (Active)	692	-2.0%	706	0.6%	688
Absorption Rate (Monthly, Active)	14.8	-11.4%	16.7	-17.3%	17.9



Quintiles	Med. Sales Price	% Change (yr)
5/5	\$998,500	-24.6%
4/5	\$665,500	2.4%
3/5	\$450,000	-8.0%
2/5	\$346,000	-5.2%
1/5	\$251,500	-10.2%



There were 140 sales in the third quarter, 21.7% more than 115 sales in the prior year quarter, and 10.2% more than 127 sales in the prior quarter, as the momentum from the spring market carried through the summer. North Fork sales in the third quarter reached their second highest total of the past three years, accounting for 11% of all East End sales dollars, but 26% of all East End sales. Listing inventory edged nominally higher over the year. There were 692 listings, 0.6% more than 688 in the same period last year, and 2% less than 706 in the prior quarter.

The combination of rising sales and a modest uptick in listings resulted in a drop in the monthly absorption rate, the number of months to sell all properties currently in inventory at the current pace of sales. The monthly absorption rate fell to 14.8 in the third quarter from 17.9 in

the prior year quarter, and fell from 16.7 in the prior quarter, indicating that the efficiency of the market improved. With the faster absorption rate, the listing discount fell sharply to 8% from 15.5% in the prior year quarter and fell from 8.5% in the prior quarter. Despite more efficient market conditions, the number of days to sell a property expanded to 167 from 149 in the prior year quarter.

Median sales price fell 8% to \$450,000 from \$489,000 in the prior year quarter, but increased 5.3% from \$427,500 in the prior quarter. Average sales price also slipped from the same period

last year. The average sales price was \$620,323 in the third quarter, 3.3% below \$641,495 in the prior year quarter, and 4.8% below \$651,561 in the prior quarter. The fourth quintile was the only market segment to post a year-over-year gain in median sales price, rising 2.4% to \$665,500 from \$650,000. The remainder of the quintiles fell over the same period. The largest decline was seen in the fifth quintile, falling 24.6% to \$998,500 from \$1,325,000.

## HAMPTONS

- **Price indicators jumped** The median sales price was \$850,000, 22.1% above the prior year quarter result of \$696,000, the second lowest level since the credit crunch began.
- **More sales and less inventory** There were 398 sales in the South Fork, 12.4% more than 354 sales in the prior year quarter. Listing inventory fell 2.3% to 1,546 over the same period.
- **Days on market remained stable** It took an average of 171 days to market a property from the point it was priced correctly, a nominal two day increase from 169 days in the prior year quarter.

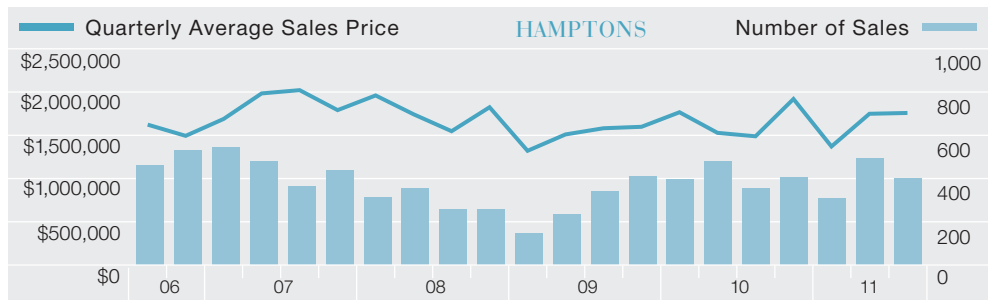
There were 398 sales in the third quarter, 6.4% above the 374 sales five-year quarterly average. There were 12.4% more sales than the 354 total in the same period last year. Over the same period, listing inventory slipped 2.3% to 1,546 from 1,583 in the prior year quarter. As a result of the increase in sales and decline in listing inventory, the monthly absorption rate, the number of months to sell all listing inventory at the current pace of sales, dropped to 11.7 months, below the prior year quarter result of 13.4 months. The third quarter total remained faster than the five year 14 month average. Despite a faster absorption rate, days on market slowed nominally to 171 from 169 in the prior year quarter, and listing discount jumped to 12.5% from 8.2% over the same period.

Price indicators posted large year-over-year gains as the high end of the market saw an increase in sales activity. Year-over-year changes in median sales price were flat to moderate in the bottom two quintiles, while the remaining three

Hamptons Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$1,745,466	0.5%	\$1,736,164	18.0%	\$1,479,177
Median Sales Price	\$850,000	-9.3%	\$937,500	22.1%	\$696,000
Number of Sales	398	-19.1%	492	12.4%	354
Days on Market (From Original List Date)	171	-9.0%	188	1.2%	169
Listing Discount (From Original List Price)	12.5%		12.1%		8.2%
Listing Inventory (Active)	1,546	-4.7%	1,623	-2.3%	1,583
Absorption Rate (Monthly, Active)	11.7	18.2%	9.9	-12.7%	13.4

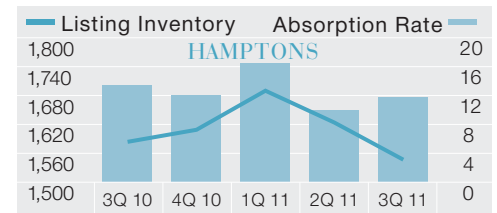
Hamptons Submarket Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
North of Highway (rt 27)	\$840,000	3.7%	\$810,000	24.4%	\$675,000
South of Highway (rt 27)	\$931,000	-24.0%	\$1,225,000	18.6%	\$785,000
East of Shinnecock Canal	\$1,150,000	-4.2%	\$1,200,000	36.9%	\$840,000
West of Shinnecock Canal	\$420,000	-27.6%	\$580,000	-14.3%	\$490,000

[The Hamptons Submarket Median Sales Price]



Quintiles	Med. Sales Price	% Change (YR)
5/5	\$3,965,000	34.4%
4/5	\$1,500,000	33.3%
3/5	\$850,000	22.1%
2/5	\$520,000	6.1%
1/5	\$275,000	0.0%

quintiles posted double digit gains. The median sales price of a property in The Hamptons was \$850,000, 22.1% above \$696,000 in the prior year quarter, the second lowest level since the credit crunch began, but 9.3% below \$937,500 in the prior quarter. Average sales price also showed a large gain, jumping 18% to \$1,745,466 from \$1,479,177 over the same period last year, but was nominally up 0.5% from \$1,736,164 in



the prior quarter.

The four submarkets relating to orientation to the Route 27 and the Shinnecock Canal reflected the same general shift in mix toward the high-end. As expected, there were increases in median sales price north and south of the highway and east of the canal.

## CONDOS

- **Price indicators showed stability** Median sales price saw a nominal decline of 0.4% to \$557,500 from \$560,000 in the prior year quarter. Average sales price increased 2.7% over the same period.

Condos Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$576,323	-0.1%	\$577,182	2.7%	\$561,322
Median Sales Price	\$557,500	-1.3%	\$565,000	-0.4%	\$560,000
Number of Sales	29	7.4%	27	20.8%	24
Days on Market (From Original List Date)	189	3.3%	183	58.8%	119
Listing Discount (From Original List Price)	8.6%		7.0%		7.1%
Listing Inventory (Active)	88	-1.1%	89	3.5%	85
Absorption Rate (Monthly, Active)	9.1	-8.1%	9.9	-14.2%	10.6

## LUXURY

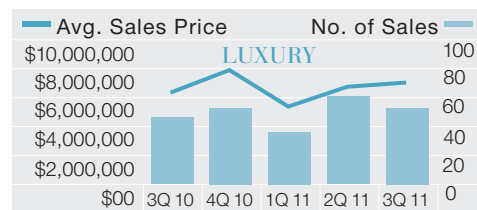
- Listing inventory fell and days on market slipped** There were 328 listings offered at the end of the third quarter, 16.3% less than 392 listings in the prior year quarter. Days on market slipped nominally to 135 days from 137 days over the same period.
- Price indicators jumped as high-end sales surged** The median sales price of an East End property was \$5,450,000, 47.3% above \$3,700,000 in the prior year quarter. There were 30 sales over five million dollars, nearly triple the 11 sales of the same period last year.
- Luxury market accounted for nearly half of total sales dollars** The top ten percent of the housing market began at \$2,850,000 in the third quarter, accounting for 48.5% of all sales dollars in aggregate.

Luxury Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$7,025,522	4.4%	\$6,727,504	11.3%	\$6,311,557
Median Sales Price	\$5,450,000	22.8%	\$4,437,500	47.3%	\$3,700,000
Number of Sales	54	-12.9%	62	14.9%	47
Days on Market (From Original List Date)	135	37.8%	98	-1.5%	137
Listing Discount (From Original List Price)	11.7%		16.3%		5.9%
Listing Inventory (Active)	328	58.5%	207	-16.3%	392
Absorption Rate (Monthly, Active)	18.2	82.0%	10.0	-27.2%	25.0

## TOP 5 LOCATIONS BY AVERAGE SALES PRICE (NUMBER OF SALES)

Current Quarter		Prior Quarter		Prior Year Quarter	
Amagansett (1)	\$9,690,000	Southampton (12)	\$10,964,000	Westhampton (1)	\$13,000,000
Sagaponack (2)	\$9,338,889	Sagaponack (11)	\$7,309,182	Amagansett (1)	\$10,350,000
Southampton (9)	\$8,000,000	Bridgehampton (7)	\$7,281,429	Sagaponack (4)	\$7,593,298
East Quogue (1)	\$7,500,000	East Hampton (9)	\$6,167,555	East Hampton (11)	\$7,585,909
Bridgehampton (15)	\$7,083,333	Amagansett (7)	\$4,968,571	Bridgehampton (5)	\$6,720,000

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$12,750,000	-0.8%
4/5	\$7,500,000	0.0%
3/5	\$5,450,000	47.3%
2/5	\$4,350,000	42.6%
1/5	\$3,400,000	21.4%

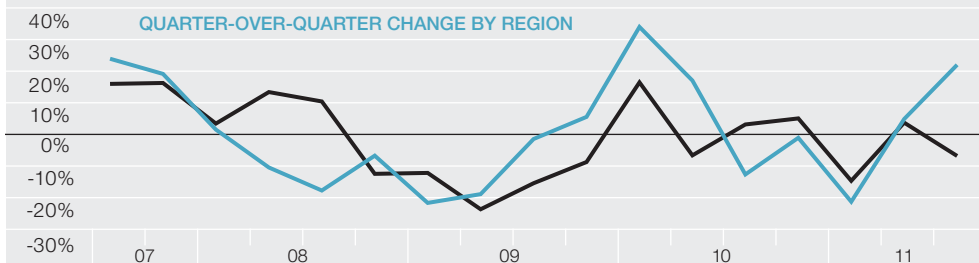


Note: This sub-category is the analysis of the top ten percent of all sales. The data is also contained within the other markets presented.

## IN-FOCUS

- North and South Fork housing markets showed very similar trends** Over the past four years, since before the credit crunch, the Hamptons and the North Fork showed similar price trend patterns in declines and increases.
- Hamptons showed recent jump caused by high-end activity** The Hamptons showed a significant jump, as high-end sales continued to press overall market prices higher.
- Price trends a year after Lehman was unusually volatile** Price trends showed double digit declines at the onset of the credit crunch, and then double digit increases, as activity at the high end of the market returned.

## IN-FOCUS: Median Sales Price



Although the East End housing market is widely known for its high-end sales, this type of activity has not skewed quarter-over-quarter price trends, as much conventional wisdom would suggest. Both regions have shown a remarkable consistency in their respective mix of properties above and below the one million dollar threshold. In the third quarter, 67.1% of all sales fell below the million dollar threshold consistent with the 65.9%, five-year average.

Although the two regions had similar maximum quarter-over-quarter declines, 23.9% for The Hamptons and 25.9% for The North Fork, the upside goes to The Hamptons. In three quarters within the past four years, The Hamptons posted a 24.1%, 34.6% and 22.1% quarter-over-quarter price increase, while The North Fork reached 16.1% twice over the same period.

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