

## Strong demand for high-end real estate in the Hamptons

- **Prices for luxury properties still increasing**
- **Besides New Yorkers, more Europeans and Asians active in the market**

**Hamburg/Southampton, May 2007.** The demand for high-end residential real estate in the Hamptons – New Yorkers’ preferred second-home location in the eastern section of Long Island – is traditionally very strong. While the extreme price increases of the past few years appear to have levelled off somewhat in Southampton, East Hampton, Westhampton, Bridgehampton, Sag Harbor and Hampton Bays, there is a constant demand for luxury properties in the most popular locations, which translates into high prices for this category of real estate. The Engel & Völkers Group, Germany, has set up an office in Southampton in 2005, with its motto of service "Made in Germany".

“In addition to New Yorkers, our office is also a starting point for numerous potential buyers from Europe and Asia who are looking for luxury properties in the Hamptons,” says the Managing Director of the Southampton Office, Laura Bennett. With its headquarter in Hamburg, Germany, Engel & Völkers is one of the world’s leading high-end real estate companies. Licensed partners currently operate in more than 200 residential real estate shops in 25 countries and on every continent. “Through this successful global network, we receive inquiries from all over the world,” adds Laura Bennett.

Increasing international demand is linked to successful economic performances in recent years in Asia, Eastern Europe and – once again – in Western Europe. Potential customers now have more and bigger real estate assets and are increasingly mobile. “Along with a higher international demand for luxury properties in all the well known, desirable locations worldwide, there is continuing strong interest in New York, and especially in Manhattan, and also in the Hamptons. Above all, it’s the global economy and a high-performing investment banking industry, plus a strong Euro and British Pound Sterling, that are providing attractive opportunities for people looking for sound real estate investments”, says Laura Bennett.

There is insufficient supply to meet potential demand in prime locations. Real estate is in some instances registering enormous price increases, according to research from Engel & Völkers. In the village of East Hampton, for example, house prices increased last year by one third, on average, to \$3.4 million. In Sagaponack the average price of a home increased by more than 40% to \$5.5 million last year. “We assume that we will see a significant number of sales above the \$10 million mark this summer in the best locations in the Hamptons,” says Laura Bennett. Recently Engel & Völkers’ Southampton office sold a property valued at around \$18 million.

In the past ten years there have been huge increases in the price of real estate in this area. Home-owners have thus seen the value of their assets rise considerably. Even in the less sought-after locations, values have doubled or even tripled. In Westhampton, the average price of a single family home increased from \$274,000 in 1997 to more than \$600,000 today. In Hampton Bays, over the same period average house prices increased from \$129,000 to over \$500,000.

Leaving aside waterfront or Estate properties, however, the price increase is slowing down. “We take the view that this is a re-adjustment of the real estate market caused by a generally cooler US economy.”, says Laura Bennett. “This is a healthy development if you take into account the sharp increases over the past few years.”

For further questions, please contact:

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## Press Release