

Letter to the Editor –

(Submitted by George R. Simpson, Joe Louchheim and Joe Shaw refused to publish it.)

Your "Fourth Quarter And Year-End Real Estate Analysis" article is full of inaccurate data and "analysis". Your writer simply makes up things and presents them as fact. This is the fourth quarter that this same real estate sales person/attorney has been allowed to have you publish inaccurate, misleading and useless figures.

There were not "approximately 334 deed transfers (sales) on the East End of Long Island in the fall of 2010". You don't report East End real estate sales volumes by averaging two figures (one from Prudential, one from Town & Country) to get an "average of 334. Both Prudential and Town & Country use the same data source. There is no question as to what constitutes "The East End of Long Island". They can't legitimately get different numbers of sales unless they report different areas. If the Real Estate agencies report different areas (leave out certain hamlets and villages), averaging numbers from both agencies does not produce useful results.

A grade school student knows you don't average apples and oranges to get a more representative count of Oranges (or Apples).

Both Prudential and Town and Country use data provided by LIRealEstateReports.com. The actual, true and indisputable, sales volume for the 4th quarter is 546 units. Count them, they are all listed on our free website, [www.eastendcomps.com](http://www.eastendcomps.com).

Which ones of the 546 single-family home transfers do you not want to count to bring that number down to 334?

You say "The average price calculation was \$1,878,000 for the fourth quarter of 2010, a 13 percent increase from the fourth quarter of 2009."

Comparing the 4th qtr 2009 with the 4th qtr 2010, the average price (single family homes) went from \$1,277,249 to \$1,300,590 an **increase of 0.25%, not 13%** as stated by the your writer. Median price dropped from \$630,000 to \$615,590, 2.3 %, 2009 to 2010 on the EAST END.

The writer says: *"luxury buyers are rapidly re-entering what has been a market dominated by entry-level buyers"*. What evidence do you have that this is the case? Your statements are totally unsupported by anything. See the chart below showing actual number of houses sold over \$5 M for each quarter 2006 – 2010.

Your lawyer/real estate agent writer of the article makes the following misleading statement:

*"In the third quarter of 2010, the big story was the fact that 67 percent of all sold homes traded for less than \$1 million as first time buyers rushed to take advantage of historically low interest rates."*

Here are the real figures for 1st Qtr 2009 through 4th Qtr 2010.

Qtr % under 1M

4th 10 70.0

3rd 10 73.5

2nd 10 66.9

1st 10 63.1

4th 09 67.8

3rd 09 70.9

2nd 09 71.8

1st 09 74.6

There was no "big story". The % of homes under \$1M has been hovering in the high 60% to low 70% for 2 years.

Your writer makes the statement:

*"But in the fourth quarter of 2010, as high-end buyers returned the number of houses selling for more than \$5 million rose by more than 50 percent compared to the fall of 2009. The total volume of sales over \$5 million was the highest in any quarter for the last four years."*

The number of homes with a price of \$5 M and up didn't rise by 50% as he says in the article. The number of houses sold on the EAST END over \$5M *fell by 4%* -- from 27 homes in 4th qtr 2009 to 26 homes in 2010. He must just make his numbers up.

Your writer says:

*"... The total volume of sales over \$5 million was the highest in any quarter for the last four years."*

This statement is untrue. In fact, there were 7 quarters in the last 4 years, which had sales greater than the sales in the 4th Qtr 2010.

Here are the numbers:

| Year/Quarter | Units | \$ Sales/Qtr<br>In Total Sales Order |
|--------------|-------|--------------------------------------|
| 2007/2       | 33    | \$405,494,480                        |
| 2006/2       | 37    | \$389,119,779                        |
| 2007/4       | 33    | \$352,275,000                        |
| 2008/2       | 35    | \$339,882,313                        |
| 2008/1       | 25    | \$302,432,000                        |
| 2007/3       | 32    | \$291,685,000                        |
| 2007/1       | 33    | \$291,340,361                        |
| 2010/4       | 27    | \$245,334,000                        |
| 2010/1       | 26    | \$ 244,136,400                       |
| 2006/1       | 22    | \$ 228,572,500                       |

|        |    |                |
|--------|----|----------------|
| 2006/3 | 27 | \$ 221,013,086 |
| 2006/4 | 23 | \$ 220,760,000 |
| 2009/4 | 27 | \$ 203,616,174 |
| 2010/3 | 19 | \$ 201,741,596 |
| 2009/3 | 21 | \$ 161,903,700 |
| 2010/2 | 18 | \$ 152,740,000 |
| 2008/3 | 18 | \$ 151,125,000 |

The article's writer makes the following misleading statement:

*"The volume of land sales in 2010 was up more than 90 percent versus the prior year. These land sales drove the total dollars spent on land in the year up more than 180 percent when compared to 2009"*

Dollars spent on land on the East End rose just over 100% -- not 180% as the article says.

09/4 Qtr \$54,362,249

10/4 Qtr \$115,061,439

George R. Simpson, President

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