



Summer 2014: Hamptons Real Estate Expert Outlooks and Insights



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Are we there yet? It's a question that has been on everyone's mind since 2008, the destination being the real estate market heights that the Hamptons enjoyed before the economic downturn that took the real estate industry, like so many others, for a bumpy ride. Now, six years later, signs are suggesting that we're back.

"It's been our time since the beginning of the year," says Gary DePersia, Licensed Real Estate Associate Broker with The Corcoran Group. "I'm not a statistics guy, but I will tell you that prices are definitely back. I don't think there were any bigger prices then than we have now. We've had benchmark sales over the last four, five, six months, even before that, for properties that in 2007, at the height of the market, might not have achieved those levels. And demand is certainly there. To me, it's as busy now as it ever was at the height of the market. Now, that's not to say that there aren't pockets of the market that aren't doing as well or the numbers are the same, but prices are definitely back—and in some cases, higher."

As we head into summer, the positive industry vibe is hard to ignore. "It's going to be the biggest season ever," prognosticates Jeffrey Collé as he enters his 36th year as one of the leading design-builders of luxury estates the East End. "This summer is going to be incredible. I've been plugged into the Hamptons real estate scene for three-and-a-half decades, and I've never seen anything like the level of interest I'm seeing in the market right now."

He is not alone in that sentiment, as enthusiasm for a strong summer and big year overall for the East End real estate market is being driven by a number of factors as we head toward the 2014 edition of the seasonal coming out party that is Memorial Day weekend. Wall Street bonuses are up in double-digit percentages, bigger than they've been in seven years. The harsh winter is finally in the rearview mirror and would-be buyers and renters are emerging in growing numbers. First quarter reports across the board showed growth in home sales and prices and impressive movement on higher-priced properties on both the North Fork and in the Hamptons. Six years removed from the crash of 2008, the market appears poised for a major move, starting at the top.

"There is a lot of confidence in the high end, and that spreads throughout the market. Land is hard to come by. It's about supply and demand. There's not much left in waterfront. Once the inventory is depleted, prices will go up. I'm telling people to buy now." —Susan Breitenbach, Senior Vice President, The Corcoran Group

"The real estate market throughout the Hamptons will be strong. The overall market in New York has been rising, and since the weather has turned, we are getting more foot traffic for different properties. There have been a lot of rentals already and the number of rentals will continue to increase. Buyers, sellers and renters should be aware that activity for all has now increased. The rental market is now very active, with residences getting ready for the impending season, even as a lot of people are looking to both buy and sell. The market is hot, and there is a lot of action going on at all price points." —Harald Grant, Senior Global Real Estate Advisor, Associate Broker, Sotheby's International Realty

"Properties moving faster. We are seeing the arrival of some inventory that has been sitting waiting for the market to change and is now at a price that will work for the sellers and buyers. Also, hearing the sound of hammers as developers pick up land and start new projects—the Hamptons is seeing construction and home renovations return to levels not seen for a few years." —Maz Crotty, Licensed Real Estate Salesperson, NestSeekers International

"The outlook is very positive. I think because of the long winter we've had, there is a pent-up demand to be in the Hamptons. There is a definite upswing in houses going into contract in a shorter period of time." —John Christopher, Licensed Associate Real Estate Broker, Brown Harris Stevens of the Hamptons, LLC

"The median price of a home on the East End in the first quarter of 2014 was up 15.7% from the same quarter in 2013. The average price increase was up 40.7% with total dollar volume up 27.1%. The numbers speak for themselves. The market is the strongest I have seen it in years. The existing inventory is being absorbed at a record pace. There is nothing on the horizon to forecast any change. As long as interest rates remain at historic lows and the stock market continues to be stable, our residential market will prosper." —Alan J. Schnurman, Licensed Associate Real Estate Broker, Saunders & Associates

"I'm noticing that more inquiries are coming from people east of the canal who have had enough of the traffic jams and spending hours trying to get to their homes. We are approximately 70 miles from New York City and the Armonk area. We are still less expensive, with lots of conveniences. We are fun with our beautiful beach towns, far from an extension of Madison Avenue." —Lynn November, Licensed Associate Real Estate Broker, Douglas Elliman

"I'm very happy to say we are on our way to a very promising 2014. Now that the tundra of snow is gone, the buyers are out and calling. Inventory is shrinking. The disconnect between buyers and sellers is in the past. We are on our way to a very healthy increase in sales going forward this year and beyond. The Hamptons lifestyle is alive and well." —Beau Hulse, Licensed Real Estate Broker, Beau Hulse Realty Group, Inc.

"This past winter took a toll, naturally, and many people did not want to come out, but that is changing now. The market is quite strong, as there are plenty of wealthy people who want to find the right property—for sale or for rent. All houses between \$1 million and \$5 million get snapped up. The price range that was almost untouched was \$9 million to \$15 million, but that is changing. On the very high end, some extraordinary moves have been seen, and the sky's the limit." —Beate Moore, Senior Global Real Estate Advisor, Associate Broker, Sotheby's International Real Estate

"The Montauk market has gained a lot in popularity—it is very much sought-after and there is a greater demand than supply. Take areas like Ditch Plains; when houses come on the market they sell quickly, and there is a scarcity of buildable lots. We expect to see people continue to buy pre-existing homes that are dated and take them down to build newer homes on the same site." —John and Nancy Keeshan, Licensed Real Estate Brokers, Keeshan Realty

"So far, home sales have been very busy. We have seen some bidding wars on properties under \$1 million. Anything that comes on the market in this price point goes very quickly. Commercial business is hot as well: both sales and restaurant rentals. All areas [of Montauk] are busy, but of course Ditch Plains and Hither Hills take first place. Buyers and renters always prefer being close to the beaches or homes with a water view. We all have buyers looking for the last good deal in all price points. If this first part of the year is any indication of business, it is going to be one great year for real estate." —Theresa Eurell, Licensed Real Estate Salesperson, Town & Country Real Estate

"Summer of 2014 is just around the corner and the real estate market is feeling it. It was a bit delayed getting going this year due to the weather conditions this winter preventing people from getting out here to 'shop' and also making it difficult to prepare houses to be ready for the market. In the past month, there has been a great deal of activity getting new inventory listed and market ready. Buyer interest and activity has also taken a rapid upward turn. It seems the enthusiasm and activity among both buyers and sellers is increasing by the week." —Donielle Cardinale, Licensed Associate Real Estate Broker, Daniel Gale Sotheby's International Realty

"The Hamptons real estate market is a second-home diversified market. Buyers are looking to optimize their investment in something tangible for a future return and/or to avoid capital gains taxes. The Hamptons is part of the tri-state area, which is appealing to foreign investors and helps fuel the Hamptons rental market. Today's buyer wants to enjoy what they are investing in, and a second home in the beautiful Hamptons is appealing to many, which explains why the market will continue to be strong in 2014 while interest rates are low and while there is consumer confidence in the economy. Where else can you be so close to Manhattan and have ocean beaches?" —Janice Hayden, Licensed Associate Real Estate Broker, Halstead Property

"The market is back. Look at the price of land. Over in Sagaponack, an acre of land is trading for \$5 million. Prices are up from just six months ago. People are buying, and that drives the market up. People are feeling good about buying, they're not saying, "Oh, I'll wait and see," because there's an incentive now. And that incentive is that in two months, the price is going to be \$200,000 more!" —Steve Pryzby, Vice President, Farrell Building Co.

"Buyers, the market is perfect—dive in. Interest rates are still at record lows, prices remain favorable, but inventory is dwindling. Sellers, select the right professional to guide you through the process. Your professional should be able to price you strategically based on comparable sales, position your home through innovative marketing, and be able to advise you as to how to best present your home—declutter, paint, curb appeal, staging, etc. Tenants: Your greatest value is in a full-season rental—this takes out weather variables, other commitments and always allows for social schedules with friends and families. But the big question is... What are you waiting for? If you have any interest in investing in real estate, there's no better place and no better time than the present." —Judi Desiderio, CEO, Town & Country Real Estate