

REAL ESTATE

The Hamptons-in-Waiting

Hamptons Real Estate West of the Shinnecock Canal

By ROBIN FINN MAY 9, 2014



Nicole Bengiveno/The New York Times

The great Hamptons divide in Hampton Bays is a scenic waterway that offers boats of all persuasions, from blue-collar Boston Whalers to yachts helmed by plutocrats, a fluid north-south link between the Atlantic Ocean and Great Peconic Bay.

But the opposing residential shores to the east and west of the Shinnecock Canal skew less democratically. The east is a magnet for high-rollers with highly visible social agendas; the west tends to attract second-home buyers seeking accessibility, low-wattage night life and a semblance of affordability.

A prelude to the miserable summer and weekend gridlock that clogs Route 27A, a.k.a. Montauk Highway, as it meanders eastward from Southampton to Montauk, the canal is also a point of geographic and socioeconomic demarcation. The prevailing mind-set is that it represents the unofficial border of the bona fide Hamptons.

East of the canal lie the pride of the Hamptons, blue-chip destinations like Southampton Village, Bridgehampton, Sagaponack, East Hampton Village and Amagansett, where oceanfront estates can sell for more than \$50 million and the choicest summer rentals can surpass \$500,000 for the season.

West of the canal, lesser-sung hamlets and villages like Hampton Bays, East Quogue and Remsenburg are often regarded as if they weren't part of the Hamptons at all, despite their spectacular wetlands and legitimate location within the Town of Southampton.

"People have tended to overlook them," said Eileen Bishop, an agent at Town & Country Real Estate. "They don't realize the area is a silent gem with the same amenities and beauty found farther out on the East End. It usually requires a bit of an education process when you suggest to a client that the special property they're looking for can be found west of the canal."

Lesson 1: In real estate lingo, "west of canal" is often shorthand for less desirable and less expensive. But less expensive does not mean inexpensive.

After searching in vain last fall for a bike-to-ocean residence in Water Mill or Sagaponack that he felt was worth its asking price, Aaron Slonim, an investor in commercial and industrial real estate, agreed to tour properties in Westhampton and Quogue with Ms. Bishop.

He preferred Quogue and quickly found two appealing listings: one was in turnkey condition, the other less so, but redeemed by an idyllic setting. In March, he closed on the house that needed work, a \$5.6 million oceanfront contemporary on Dune Road, and hired William R. Mitchell, a Westhampton architect, to do a total renovation in anticipation of renting it out this summer for \$295,000.

"I went to Quogue on a lark," he said. "At first my wife would have preferred to be farther east where her friends are, but there is something to be said for a really pretty piece of property right on the ocean: I took one look and I was done. Nothing really compares to being on the ocean."

"Worst-case scenario," Mr. Slonim continued, "if it doesn't rent for the whole summer, we'll use it. The other great thing about it is that we live in Old Brookville, so we're only an hour away. We're still learning about Quogue, but if Michael J. Fox goes there, it must be doing something right."

With prices re-escalating to the point of no return farther east, west-of-the-canal locales have been attracting buyers more interested in maximizing their second-home investment and their downtime than following the fashionable crowd. The payoff: more time relaxing on the beach or barbecuing by the pool. If leisure is the goal, west of canal has the quicker supply system.

The finance guru Robert Olstein, the chief executive of the Olstein Funds and a frequent CNBC commentator, was an early convert. Uninterested in what he describes as "the Hamptons hullabaloo," in 1992 he bought a so-so contemporary on 1.3 waterfront acres on Duck Point in Remsenburg. He eventually had it torn down, and in 2006 commissioned the architect Nicholas A. Vero and the builder George Vickers to construct its replacement, a 6,000-square-foot mansion with five bedrooms and six and a half baths with water views in three directions and its own boat slip.

"I was shocked at how nice it was here," he said. "When I'd tell people I was going to Remsenburg for the weekend, they'd say, 'Where in California is that?' It's a delightful place to go for peace and quiet. I have views of the bay and ocean, I can bike to Westhampton, fish from my own wharf."

For family reasons, Mr. Olstein has reluctantly put his Remsenburg estate on the market for \$9.950 million through Enzo Morabito of Douglas Elliman Real Estate. "For a buyer who wants to be on the water, this is the most pristine property in the Hamptons," Mr. Morabito said.

But Mr. Olstein has noted some residual resistance among prospective buyers, not to the price, but to the address. "They come in and love everything about the house and the views and then say, 'But I can't be in Remsenburg,'" he said. "I don't understand that attitude."

Quogue's privet hedges are just as green, and its clubs just as private, as Southampton's, and the taxers are lower. Westhampton's splashy oceanfront homes can cost half as much as an equivalent property farther east, and Westhampton Beach is also home to a world-class performing arts center. Remsenburg, with myriad waterfront options, is so quiet that it doesn't have a single stoplight.

"West of the canal is like the Brooklyn of the Hamptons," said Ashley Murphy, the director of public relations for Douglas Elliman Real Estate and a native of the Hamptons. "Once upon a time, people felt like they were settling if they lived or summered there, but now it's a destination of choice. It cuts your trip from New York City by at least an hour in the summer."

Mary Ann Jansen and her husband, Erik, disheartened by the lackluster 700-square-foot apartments in downtown Manhattan that their \$1 million budget was turning up, were visiting her brother in Quogue a few years ago when he suggested that they instead look for a place in the Hamptons to use on weekends.

"I thought we could never afford a place in the Hamptons, but he said we might be surprised by what we could find in Westhampton and East Quogue," said Ms. Jansen, who like her husband works in advertising and marketing. They decided to continue renting in Brooklyn and shift their home investment plans to the Hamptons.

"We wanted a place that it wouldn't take forever to get to, and we knew you can get more for your money west of the canal," she said. "Westhampton felt homey and convenient and less crazy than places farther east."

With help from Craig Amodemo, the owner of Hampton Estates Realty, they soon saw a house they liked and offered the full asking price, but the owner decided not to sell. After a summer of looking, they hadn't seen anything better.

"And then we lucked out," she said. "It was Labor Day weekend and Craig called and told us there was a house we had to see right away because he knew we'd like it and the price was right."

The house, which had a pool and was within biking distance of the village and ocean and was originally listed at \$1.1 million, had just been approved for a short sale at \$750,000. "My brother came with us to look at it and said if we didn't buy it, he would," Ms. Jansen said. They snapped it up, and closed in December 2010.

"It's just an hour and 20 minutes from the city, so we come out most every weekend, even during the winter," she said. "We both have stressful jobs, but the minute we pull into the driveway, we're just transported to a totally different head-space."

Vicky Reynolds, a fifth-generation East Ender, grew up in Remsenburg and is president of Norma Reynolds Sotheby's International Realty, established more than 40 years ago in Westhampton Beach by her mother, Norma. Ms. Reynolds praises the conveniences of the west-of-canal lifestyle, especially for second-home buyers with an aversion to sitting in traffic with antsy children.

"The main reason people are choosing to stay west of the canal is that our area is where the families are," she said. "Our buyers from the city always tell us they love being able to get out to their summer homes with the kids in 90 minutes. They love having the ability to own a luxury waterfront home in a family-oriented area and still be so close to the glamour of farther east that they can frequent the same restaurants and be part of the scene — but at a much lower cost."

Tom Jones, a retired lawyer, and his wife, Riry, of Manhattan, knew precisely what they wanted in a vacation home: up-close water vistas and peace and quiet. After scouring the North Shore and Rhode Island and ruling out East Hampton "because the traffic was impossible," they toured a listing in Remsenburg. They didn't buy the house, but they fell for the area.

Wow! I grew up in Quogue, and back then it and Westhampton Beach were unquestionably part of the Hamptons -- Hampton Bays not so much...

I enjoy fantasizing about real estate I will never be able to afford as much as the next guy, but I can't help but wish the New York Times...

As a member of the year round local rabble in Montauk, I would suggest that the NYT should consider writing real estate articles that relate...

Through Eileen Brod at Norma Reynolds, they found a Westhampton contemporary with a pool and 130 feet of bay frontage for \$2.25 million. "We took one look at the views and went nuts," Mr. Jones said.

After living in the 2,200-square-foot house for a year, they wound up knocking it down and building a 5,500-square-foot replacement "that brings the views inside," he said. "Out here, it's not about being in with the in-crowd. It doesn't have the same social pressures." The Joneses plan to eventually leave Manhattan and live in Westhampton full time.

Buyers who insist on the sandy beaches farther east can expect to pay a stiff and ever-escalating premium. In the first quarter of 2014, the median home price in Southampton Village leapt to \$4.2 million. The median cost of acquiring a home in Amagansett and Sag Harbor village more than doubled from a year ago, to \$2.725 million from \$1.22 million in Amagansett and to \$1.695 million from \$675,000 in Sag Harbor, according to a report by Judi Desiderio, the head of Town & Country Real Estate. The most affordable houses east of the canal were outside of the village proper in East Hampton, where the 2014 median was \$816,000.

The median in the villages and hamlets west of the canal, not including Hampton Bays, rose by 25 percent to \$793,000, and the volume of sales in the area went up 38 percent. There was one sale for more than \$10 million; sales in the \$1 million to \$3.49 million range doubled to 12 from 6.

Hampton Bays, a hamlet in transition, continued to be the least expensive destination in the Hamptons, with a median price of \$369,000. But it has its charms and champions, including the extended Cuomo family.

"The area west of the canal doesn't get the attention it probably deserves," said Jonathan Miller, the president of Miller Samuel, an appraisal agency. "It represented 29.4 percent of the Hamptons market in the first quarter of 2014 with pricing at less than half, \$456,000, of the areas to the east, at \$1.18 million," he said.

"I've always viewed the area west of the canal as the intersection of affordability and second homes," he added.

In the past three years, he said, the median sales price for properties west of the canal increased 11.2 percent, clearly outpaced by east of the canal prices, which rose 36 percent.

In the 1980s, Westhampton and Hampton Bays had a reputation for being party towns: group rentals glutted the area and night clubs made for noisy neighbors. But stricter town regulations brought that era to a close. The party has moved eastward.

"What Montauk is turning into is what Westhampton was in the '80s, party central," said Patrick Galway, an executive sales manager at Town & Country. "Instead of the day-trippers we used to get, families with young kids are choosing to summer west of the canal. When people in Quogue, Quogue and Remsenburg hear there's a public perception that they aren't part of the Hamptons glitz, they tend to say 'thank you.' You probably won't see the Kardashians opening a boutique in our area. The high-profile people who choose to live here are not looking to be noticed," he added. "Same ocean, same sand, better deals."

Cary Glotzer, the chief executive of Tupelo-Honey Raycom, a video production company, had made it a mission to own a home in the Hamptons ever since he made his first summer visit as a teenager. By age 25, he had bought "a beat-up wreck of a house" in Southampton; after selling that, he bought a summer home in Water Mill, and a few years later sold it for a place in East Hampton. "We liked moving around and getting a feel for the different communities," he said.

Mr. Glotzer's next purchase, a postmodern home in East Quogue, prompted a major lifestyle change. He decided to move his family out to the Hamptons year-round and to try a reverse commute to his office in the city. "My wife told me I was insane," he said. "Now she loves living out here: you don't lose any of the beauty of the Hamptons whatsoever when you go west of the canal."

To accomplish his goal, he moved one more time, selling the East Quogue house and buying a two-acre lot Mr. Galway found in Quogue's estate section; it was listed at \$1.7 million, but he acquired it for significantly less. Mr. Glotzer and his wife, Traci, and their three children now live there in a custom-built house "with all the bells and whistles, indoor basketball court included."

The west-of-canal commute, he said, seems to be catching on.

"I used to be the only guy getting on the 6:30 a.m. jitney to Manhattan and had the row to myself," he said. "Now there are days when I can barely get a seat."