

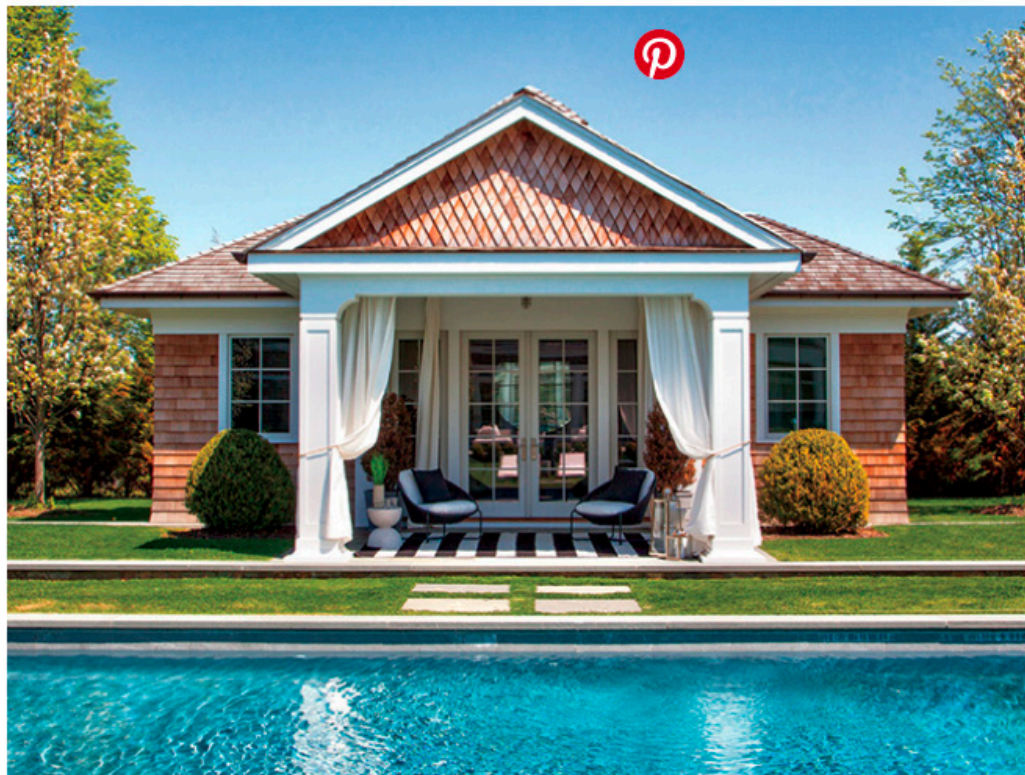
HAMPTONS

Local Real Estate Pros Discuss the Popularity of New Constructions

Moderated by Michael Braverman

Photography by Daniel Gonzalez | July 2, 2015 | [Home & Real Estate](#)

A rising number of spec homes are being built around the Hamptons and changing the way today's buyers acquire property, notes a panel of local real estate experts.



379 Ocean Road, Bridgehampton, a listing by DePersia of Corcoran.

Michael Braverman: The new-home market is so strong that people want to move into new houses.

Gary DePersia: Buyers today come out looking for something that they can move into without a lot of work. They may have some preconceived notions about what new construction is. Spec homes have a bad connotation, almost, [but with a spec home] you have newer finishes, newer kitchens, newer bathrooms, great floors, newer outside amenities, the ceilings are higher, the finished basements are better... These are things that today's buyers are looking for.

Cody Vichinsky: The builders are competitive as well; they're constantly trying to innovate and add better finishes, better amenities to the home.

GD: Also, when purchasing a new house, very often a buyer will come in somewhere during construction and can start making his end product the way he wants it, rather than the way the builder conceives it. Coming in early enough gives the buyer the opportunity to fine-tune the house during the construction phase, and that appeals to a lot of buyers.

John DeVito: I find most people, though, don't have the creativity. If the house is just framed, they can't see it. I find that once the sheet rock is on the wall, then they can actually feel the space better. When they get to pick out their tile and their doorknobs and some light fixtures, they think that they built the house, but what they've done is just personalized the finishing work. Most builders and architects, in my experience, don't really want [buyers] involved before we put lights up and doorknobs in.

David Auth: Most of our clients are building a custom home while interacting with our designers or an architect, and they impact the house. When we have a developer or a spec builder involved, that person's experience and ability to make definitive decisions make the process go much faster, which makes the end product more effective and accepted by the market.

MB: What are the amenities that we're seeing in spec houses? What are the trends?

Judi Desiderio: A house built on speculation means that there isn't an owner who has commissioned an architect and commissioned a builder; it's built on speculation, meaning for the general public to buy. But if you look at the spec houses in the Hamptons versus what you might see anywhere else in the country, it's a completely different animal. Our spec houses are \$25 million to \$30 million spec houses. For that much money, you can buy an entire subdivision in the middle of a county and build it all out. [Builders] try to stay with the white [color palette], they pick the right windows, the right hardware—a little bit of everything that people are looking for today.

Christine Curiale: For the first time I'm actually seeing things very specific in contracts, such as wanting all the outdoor furniture. This particular area is really attracting homeowners who want to be in newer properties, [and] they're not necessarily just thinking vacation home. They're thinking, Can I rent this property? What is going to bring me more money in the summertime—if I rent it out per month, year-round, or per season?

CV: It's important to know the different tiers of what a spec home is in the Hamptons—you have spec homes between \$1 million and \$3 million, \$3 million to \$5 million, all the way up to \$30 million spec homes. Obviously, you're going to get a little more the more you spend, but the movie theaters are starting to be incorporated into lower-tier spec homes. At \$3 million to \$5 million you're starting to see all the bells and whistles, but as you go north in price point, you're starting to see architects of notoriety and interior designers incorporated into the projects. Builders are trying to offer a package that is comprehensive but exciting.

GD: Something we're seeing over the past five, six years in spec homes is the staged and completely furnished houses, so when the buyer walks in, he can see how the house lives. It feels much warmer when you take photographs of it. So very often you'll see builders hire an interior designer at the outset so they get the molding treatments right, or they get the placement of the rooms properly, or they get the finishes, and the tiles, and the hardware at a level that maybe they couldn't pick out themselves. They know it's a much more competitive market today.



Christine Curiale, Gary DePersia, Judi Desiderio, David Auth, and Cody Vichinsky.

CC: Turnkey is definitely what's selling. They want to come in—literally come in—with their toothbrush. "Spec homes under \$3.5 million give lots of people a chance to have a home with a lot less renovation." —Gary DePersia

Harry Bates: That's the big appeal of a good spec house—the buyer doesn't really want to get involved with me [the architect], or with the designer, or the landscape people; they want it all there.

DA: Do you find that there's a difference between someone who's building a legacy home who might have a different opinion about value than someone who's building a spec house?

HB: Oh, yes, I would certainly think so. Most, if not all, of the houses that we do are what you might call "legacy." The [owners] don't intend to rent them, and they don't intend to sell them. They intend to stay there and have their families stay there. It's an interesting factor in the design of the house.

DA: We find that 80 percent of our clients are building legacy homes, and price is secondary to fulfillment of the family dream. They expect that house to last another 100, 200, 300 years, just like the houses we built 100, 200, 300 years ago. They don't want them to fall down in 30 years, because they want their grandchildren having their grandchildren in these houses.

JD: Years ago, people of wealth hired the right architect who captured the essence of their style, and then they selected a builder based not necessarily on price, but on who they wanted to live with for a year and what he had put out in the market already. Then they built their dream house. Today's buyers are younger, they're a technology-era buyer, so I think they're into more immediate gratification. I'm finding that when you can put a spec house on the market at \$30 million, that tells you that today's buyers do not want to spend the year with the architect of their dreams, the year with the builder of their dreams, and two and a half years later move into their dream house. They want it now.

MB: Does this have to do with age? Generations?

JD: Maybe because I'm getting older, it's like the demographic of the buyer is getting younger, but we are finding that there is a younger customer with more money than there was years ago. When 25-year-olds or 30-year-olds come out with \$10 million or \$20 million bonuses and they're willing to blow it on a house in the Hamptons, that's something we didn't see a long time ago. We're living in a whole other world.

CV: The legacy-house concept is there with intention, but I can't remember a home that I sold where there wasn't a really intense conversation around resale value and investment—even if [the buyers were] overspending, which, as Gary alluded to, happens many times. The [legacy] idea is certainly romantic, but most people who are buying out here as a secondary or tertiary investment asset for them, they're always looking at the market because they understand it could be a potentially good return on their investment.

DA: Years ago, when I first started, when you sold a piece of land to someone to build a house, the commission was 10 percent because you could buy a piece of land for \$50,000, \$100,000. That changed as land got up into the millions. JD: When they first opened Sagaponack, nobody wanted to touch it. It was raw farmland; you couldn't give it away—\$125,000 for an acre and a half—and now it's multimillions just for the lot.

CC: We're seeing a ton of teardowns. Almost every other contract comes in with a mortgage application that basically states, "This is what I'm buying; however, this is what I want to build there. This is my time frame." The buyer today is the complete opposite of what he was 15, 20 years ago. HB: A real form of arrogance, I always say.

DA: The houses that were built in the '70s and '80s mostly shouldn't have ever been built, so—it sounds harsh, [but]—the more we can tear them down and replace them with good houses, the better off we'll all be.

HB: Well, some of them weren't so bad.

JD: He [Bates] designed a lot of them, and he built some of them! Be careful... I think it's personal taste and if you have the wherewithal. Randy Lerner took Stony Hill Farm—a spectacular stone manor house on a horse farm—and it was magnificent, but it wasn't to his taste, and Randy Lerner could have whatever he wanted, so he took that down. There is a concern, though. We do need infrastructure. We need teachers, we need police, we need firemen; we need people who support our communities. Honestly, it's a concern of mine.

GD: People who are the infrastructure of the Hamptons very often can't live in the Hamptons. Children of people who have had homes in the Hamptons, who grew up and went to school here, very often struggle to afford a house in the Hamptons. The reality of the spec home market is that virtually no one who buys a spec home in the Hamptons is worried about the school system, worried about anything that has to do with the community, other than what their needs are on the weekends and in the summer.

CV: Ever since I've been working and living out here, I've been selling homes to people who intend on raising children out here and getting out of the city to a large extent. In my mind, I'm saying there is this migration of a more year-round, family-type atmosphere.

MB: By way of summing up, what does all this mean for the future, this trend toward new construction?

JD: Depends on the stock market.

GD: I see it as a good thing, giving opportunities for more people to come out here at different price ranges because it's not just the \$5 million, \$10 million, and \$15 million spec homes that are being built. There are spec homes that are being built at a million and a half to three million and a half, so it gives a lot of people opportunities to come out and have homes with a lot less renovation. I see it as a good thing.

CV: I also see it as a significant positive. People are now starting to grab ideas and influences from all over the world, [so] we're getting out of this very bubbled, Hamptons-esque atmosphere for what a house could be. I'm having a lot of conversations with my clients and also architects and developers who are really trying to innovate what is a new-construction home in the eyes of people buying in the Hamptons. We have a good way to go with it, but new construction to me always is a benchmark as to where we are in design and the market, and where we could potentially go.