

Hamptons Real Estate Experts Discuss Trends In High-End Homes At Provocative Panel

Nancy Kane | May 15, 2017

Parking on Jobs Lane was easy on the first Thursday in May, as some 40 or so folks made their way through the Southampton Arts Center to the auditorium in the back.

There, Warren Strugatch had gathered several of the Hamptons' most well-known real estate experts, including brokers from Corcoran, Town & Country and Bespoke, and builder Joe Farrell of Farrell Building Company. Panelists took the stage as part of Mr. Strugatch's conversation series Out of the Question, which has returned to the East End after an extended hiatus. Billed as "brain food," the series features newsmakers, innovators and thought-leaders in spirited conversations offering candid opinions on national issues and local concerns. The audience is always a part of this conversation where "nothing is out of the question!"

Mr. Strugatch welcomed the audience with a humorous reference to Jerry Lewis in "The King of Comedy" and then got right to business.

"It's spring in the Hamptons and everyone's thoughts turn to real estate," Mr. Strugatch said. "While the [stock] market may be a topic of perennial interest, it's the High Holy Days of the real estate industry."

He mentioned the downturn in the luxury market, referencing reports that sales were down around 24 percent and luxury sales down around 30 percent and even said that it felt like the East End is coming out of a "long dark winter."

Mr. Strugatch pointed out that two iconic homes are for sale for the first time in many years: Grey Gardens and the Bouvier estate, which are connected by family. The Beales, who lived at Grey Gardens and were the subject of the Maysles Brothers' documentary and subsequent television movie, were cousins of the Bouviers, including Jacqueline Kennedy.

Mr. Strugatch quoted Sally Quinn, the current owner of Grey Gardens, when she said "People want new houses that look like old houses" and with leading builder Mr. Farrell joining Judi Desiderio (Town & Country), Zachary Vichinsky (Bespoke) and Gary DePersia (Corcoran), the conversation covered sales trends and provided though-provoking conversation on building new, versus buying old, and what today's buyers are looking for in the Hamptons.

Ms. Desiderio, a self-confessed "numbers junkie," admitted that the end of 2016 saw a downturn in luxury real estate on the East End, with "people paralyzed by politics."

Speaking to the high-end home market, generally defined by homes \$5 million and up, Ms. Desiderio said, "We're a luxury, like a piece of art or a bigger boat. People hold back when the stock market gets emotional."

She noted that there are a lot more transactions and houses in contract and that January saw bidding wars. She mentioned that, in particular, sales in the villages of Southampton and East Hampton are brisk, calling them the "crown jewels" of the East End.

For anyone house hunting, Ms. Desiderio noted that the estate area of East Hampton has some incredible bargains at the high end of the spectrum, such as a 2-acre oceanfront house in Amagansett that sold for under \$20 million, and a 2-acre Further Lane home for under \$12 million.

"It's time to go shopping!" she said with a laugh.

Zach Vichinsky of Bespoke Real Estate acknowledged that he and his brother, Cody Vichinsky, who own the company together, are "the new kids on the block."

They focus on the high end of the market and \$10 million is the minimum for any property they represent.

What does \$10 million buy you? Mr. Strugatch wanted to know.

"Depends where you are looking," Mr. Vichinsky said. The Southampton estate section is different than Fowler Lane, and Bridgehampton is different than Water Mill.

Mr. Vichinsky sees a newer buyer too.

"We are seeing younger people, 30 to 45 years, some in the finance business, as buyers. Whether they've inherited their money or are self-made, they are younger," he said.

He was careful to point out that his business puts math first and emotion second. "Nobody wakes up and says 'I'm going to buy a \$20 million dollar today,'" he said. "Our job is to expose properties in the right way to the right people."

Corcoran's Gary DePersia, subbing in for Corcoran President and CEO Pamela Liebman, who had a last minute conflict, called upon his more than 20 years' experience to talk about how things have changed.

"The dramatic shift has been the availability of

newer construction," he said. "Even a house built in the late '90s or mid-2000s can feel dated to a buyer. People want their own homes."

Discussing a trend toward teardowns, Mr. DePersia said buyers are tired of having a house on the market that won't sell; so when developers approach them, they accept the offer.

Mr. DePersia said new buyers want "finished basements, home theaters, wine cellars, gyms, spa and even bowling alleys."

Mr. Farrell agreed, "It's much easier to sell new houses." He went on to talk about the competition for land, which he said is harder to find, hence, the teardowns.

He is seeing development on previously undesirable land, for example, on busier roads.

Are towns stepping up to conserve land?

"Yes," Mr. Farrell said. But he mentioned that developers become targets. "I haven't knocked down any houses of historical significance. It's usually a rickety 1980s house." Citing that there will always be people that won't be happy, he mentioned that buyers are more informed, a topic that everyone on the panel agreed with.

With the rise of real estate websites like Zillow, Property Shark and others, buyers are coming to a meeting with more information, some of it not always correct.

All the brokers agree that it's become their job to educate and guide buyers, whose questions are more informed and often more analytical.

As fast-paced as it was informative, the panel was opened up to questions from the audience, with no question out of the question.

"I think these panels are about conversation and participating in a conversation," Mr. Strugatch said. "People come and sit through and listen but when the conversation opens up, it allows people to take part in an active way."

He concluded, "It felt from the panel that, from anecdotal evidence, it's more of a buyer's marketplace with some good bargains out there."