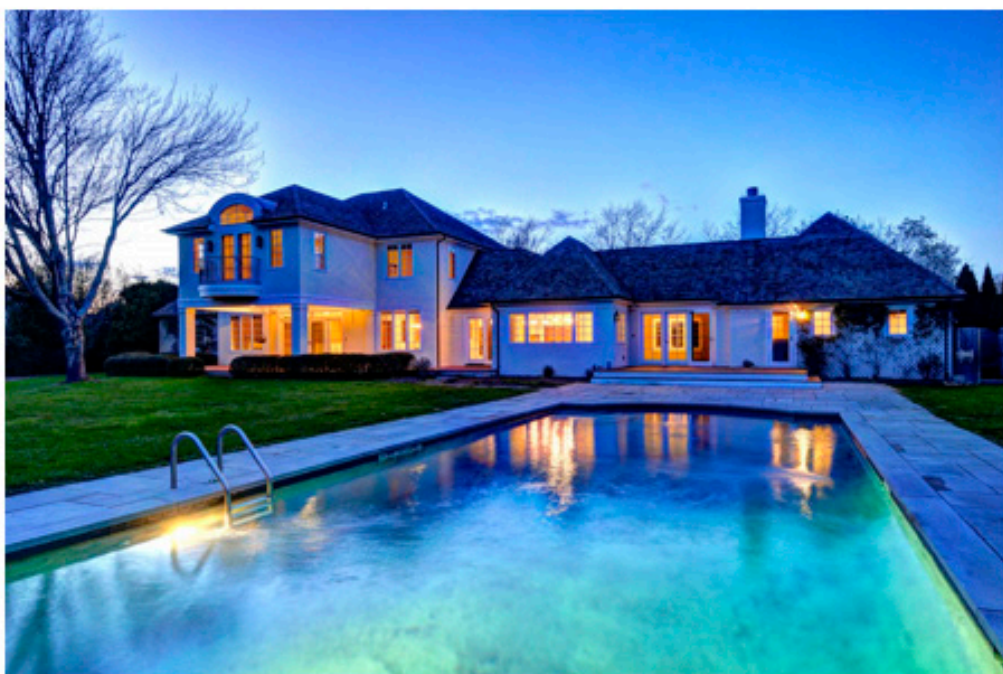




## Real Estate Roundtable: Markets on the Move



8 PONDVIEW LANE, EAST HAMPTON. PHOTO CREDIT: COURTESY TOWN & COUNTRY

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The numbers don't lie.

No matter where you look, the tide seems to be rising in East End real estate. The number of home sales and total home sales volume were up over the same period last year when the third-quarter reports came in. Median home sale prices were up across the Hamptons. We saw explosive growth in places like Bridgehampton and Amagansett, upward movement in \$10 million-plus homes like we haven't seen in years, and a sense of excitement about things to come. Looking at the overall year the Hamptons and North Fork markets have experienced thus far, an esteemed group of experts and insiders share their insights into what market trends will define the rest of 2014 for both buyers and sellers on the East End.

"2014 was the best year for Town & Country as well as for the overall markets on the East End. The North Fork experienced heightened awareness by investors and second-home buyers. Their vineyards and farm-to-table movement have certainly put the North Fork on the map and everyone's radar! In the Hamptons, we see activity in all hamlets and price ranges experiencing upticks, some more significant than others—for example, the ultra high-end has not experienced this much activity since 2007, but it was expected since the stock market shot up 30% in 2013—and the pattern is, investors like to take some of that stock gain and put it in hard assets... and what better investment than one you can actually live in and enjoy with family and friends."—Judi Desiderio, CEO, Town & Country Real Estate

"High-end market continues to be very busy, land is scarce, spec builders are buying everything they can, more new construction than ever—good time to purchase!"—Susan Breitenbach, Senior Vice President, The Corcoran Group

"I've noticed a growing trend of buyers looking for concierge-type services to complement their home purchase. Today's buyers want a fully turn-key experience, from purchasing their 'new construction' home to interior design and furnishing. More buyers are hiring property managers offering services to make their weekend stays a vacation, providing everything from grocery shopping to restaurant reservations."—Terry Thompson, Licensed Real Estate Salesperson, Douglas Elliman Real Estate

"Our residential market is directly connected to the equity markets. As the Dow Jones goes, so goes our housing market. Any year-end correction will result in a temporary consolidation of our market. Just like a correction in the stock market, it usually signals a buying opportunity for professionals. Our market is being fueled by low interest rates and the Federal Reserve increasing the money supply. I see no long-term change in the upward direction of our market."—Alan Schnurman, Licensed Associate Real Estate Broker, Saunders & Associates

"Looking back on the summer season in the Hamptons, my impression for the rest of 2014 is opposite to what a lot of buyers are currently thinking. Their thought processes are leading them to believe that this is a good time to buy to get a great deal. Normally, that might be the case with the summer season being over and the holidays fast approaching. The rationale says fewer buyers, more negotiable sellers, better deals.

I believe we will have a fantastic fall and winter when it comes to sales, probably like we had last year—maybe even better. My belief is based on the current low interest rates. Buyers are not going away, especially in the million and below market. For those that want to own a piece of the Hamptons and all that it offers, now is the time before rates go up. As for sellers, pricing is still so important. If priced correctly, the house will sell quickly. I recently sold a waterfront home that from the day it was listed to the day it closed was three months."—John Christopher, Licensed Associate Real Estate Broker, Brown Harris Stevens

"What a great year to be in the real estate business as an owner, seller or buyer. Share this with everyone—do not procrastinate, it's still a great time to sell or buy in the Hamptons. Can't wait for 2015!"—Beau Hulse, Licensed Real Estate Broker, Coldwell Banker Beau Hulse Realty Group

"From a design standpoint, my clients are asking sustainability questions that extend beyond energy efficiency. Daylight, volume and views are high priorities. My clients are asking for big volumes, high ceilings and 8-foot-high doors, but they also want to be sure their home is healthy and constructed to a standard higher than minimum code.... I serve clients of every economic strata—all of them want high efficiency, but recently high-end clients are much more sophisticated about the entire building process and insist that aesthetics become part of the sustainability equation. As an analogy, we all want the efficiency of a Prius, but would rather be seen at the wheel of the Tesla."—Ric Stott, President, Stott Architecture

"We are seeing a definite shift from a buyer's market to a seller's market in many sectors, inventory is decreasing, as well as the numbers of days properties are staying on the market. In some cases, key properties are selling within days of being listed. This will be the busiest fall season we have had in a very long time, buyers wanting to buy out here should be in the market now."—Geoff Gifkins, Licensed Associate Real Estate Broker, Nest Seekers International

"Real estate, statistically, is a 10-year cycle, and the Hamptons is on the upswing. I think buyers and sellers have learned after our financial crisis that Hamptons purchases hold their value. A little patience is still needed, but we only have one South Fork and our demand continues.

We have lots of potential buyers in numerous price ranges. Homes are selling and will continue to do so, especially if you don't overprice your home. Real estate is a safe, enjoyable place to put money, have fun and enjoy memories, the beach and life. Everyone needs some place to recharge. I'm pleasantly surprised how busy we are. Water is in big demand and people enjoy the views and the water toys! I anticipate that demand will continue to grow and the Hamptons will just get stronger."—Lynn November, Licensed Associate Real Estate Broker, Douglas Elliman Real Estate

"The trend I see finishing up the remainder of 2014 is what I like to call The Real Estate Road Test. The spring season was so strong and the summer season was even stronger, with people discovering the North Fork. I don't think I had one rental tenant that hasn't looked to buy. It's a great way to get to know an area. I frequently recommend renting if we can't nail a buy before season. That way, we can take our time and we can really hone in on the feel."—Sheri Winter Clarry, Licensed Associate Real Estate Broker, The Corcoran Group

"Buyers have a great opportunity to purchase magnificent new construction. Some even during construction to get exactly what they want in a home. Sellers can profit from this extremely vibrant market."—Robert Nelson, Licensed Associate Real Estate Broker, Brown Harris Stevens Southampton Brokerage

"We're excited to be seeing multiple offers on the table at the same time, and even bidding wars going on for some of the properties we represent. One of our waterfront listings had been sitting on the market for years, and when we finally convinced the owner to reduce the price to true market value, we ended up getting him \$500,000 more than the asking price.

Although second quarter statistics showed an increase in the luxury-market listing discount (the percentage difference between the original listing price the sales price), we personally are not experiencing that this quarter. As we enter fourth quarter, we have more than a dozen homes in contract. Buyers are ready to buy and sellers are ready to sell. It's very exciting."—Enzo Morabito, Licensed Associate Real Estate Broker, Douglas Elliman Real Estate

"In the area where I specialize, Sag Harbor, the trend continues to be a strong seller's market. But that is only true if the seller's asking price is market informed. That's because buyers are more educated and have done their due diligence. In other words, properties that are accurately priced continue to trade readily."—Elizabeth Troy, Licensed Associate Real Estate Salesperson, Brown Harris Stevens Sag Harbor Brokerage

"The growth of the real estate market here on the East End, we believe, will continue to grow over the long term, but there will be some valleys as the financial markets go through a correction cycle, which greatly impacts what happens out here in the East End. Overall we don't think we'll see the same magnitude of growth as these past 12 months, but we will see good, sustainable growth as long as interest rates stay at comparable levels."—Steve Pryzby, Vice President, Farrell Building Company

"2014 will continue to trend in the black in most markets and across the majority of price points. What is also trending is 'Privacy, Peace of Mind and a Path.' Many buyers are seeking new construction or newly rehabbed and remodeled properties and are willing to pay for that peace of mind along with their quest for both privacy, regardless of actual lot size, and an easy path to village essentials, restaurants and nightlife. When all three come together, it will continue to go to the highest bidder!"—James Rooney, Principal, FLEX Development

"One marked trend we can anticipate to continue is the stepped-up pace of the real estate market on the East End. Properties that were priced correctly sold quickly, often with competing bids. Sellers are interested in 'no nonsense' transactions. Buyers should be prepared to move on a property when it is right."—Karen Benvenuto, Licensed Associate Real Estate Broker, Brown Harris Stevens East Hampton Brokerage

"The year has been an impressive one for Hamptons and other luxury sectors. One must keep in mind, the Hamptons are a finite footprint and inextricably linked to Manhattan money. As such, astute investors allocate significant investment in luxury and resort real estate, and the security and utility of Hampton properties provide a hedge for many. That said, extant conditions aside, I am as both brokerage, proprietary investor and developer seeing continued growth, perhaps trending a bit slower in the number of sales as the winter approaches, combined with rising prices, all of which should eclipse 2013 results."—Lawrence Citarelli, Principal - L III Group/First Hampton International RE / Lawrence III Corp. / Citadom Holdings

"Even with the market at an all-time high, it is a known fact real estate is the better investment—thus the reason for so many new listings, and more shoppers. Many sellers seem to be on the move, either up or down."—Georgiana B. Ketcham, Licensed Real Estate Broker, Georgiana B. Ketcham Realty

"As the 2014 selling season draws to a close, this has been an incredible year where we have seen motivated sellers pricing their homes competitively to sell quickly. Buyers are extremely well informed and are prepared to move quickly when they see something of value. One of the hottest markets is in the historic district of Sag Harbor Village, where homes are trading briskly. It no longer matters if a home has been totally renovated or is in need of a total renovation—buyers and sellers realize that this is the place to be in 2014."—Mary Ann Cinelli, Licensed Real Estate Salesperson, Brown Harris Stevens Bridgehampton Brokerage

"The first three quarters of 2014 have been impressive. Quite simply, the two defining trends that will most effect the real estate market are interest rates and a perceived positive stock market. Given that Europe is underperforming economically, the low interest rates appear to be steady for the time being. Slight correction in the upward trend of the stock market may prove healthy in the long run. If the buying public perceives both these factors as the health, we should see 2014 into 2015 in good shape."—Paul Brennan, Licensed Associate Real Estate Broker, Douglas Elliman Real Estate