



Real Estate Roundtable: East End Experts Share the Do's and Don'ts of the Market



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Always do this. Never do that. The rules of real estate in the Hamptons and on the North Fork are as varied as the properties themselves, but knowledge is power—your power, as luck would have it, as our roundtable of experts and insiders share their Do's and Don'ts for navigating the market today and in the future on the East End.

“The Do's:

1. Location is a prime consideration. Buy the best location your budget will allow. In an up market the best locations go up first and go up most and in a down market they go down last and go down least.
2. Determine what your goals are. Is the purchase for an investment, personal use or a combination of both? Do you want a larger home further from the water or something smaller but in a more desirable location? If the home is for rental, factors to consider are number of bedrooms, baths (en suite is desirable), does it have a heated pool and tennis court. The more amenities the better.
3. Once you select the area you want, you should become acquainted with the market. All real estate is local. There are different price points even in the same village depending on the location. Try to see all the homes that your budget will allow. You never will know what a seller will accept until you make an offer.

The Don'ts:

1. The purchase of real estate is an investment. In some cases it might be the largest investment you will make. The purchase can be very emotional. Professionals try to eliminate emotion from the process.
2. All markets are cyclical. Real estate is no different. If you are going to invest, you must have a long-term horizon. Flipping properties is not for the faint of heart. It is speculation. You must have patience for the market to improve. If you do not, I suggest the equity markets.
3. Do not over-leverage the property. If you take out a large mortgage and the market goes thru a downward cycle, you may have to sell the property at a loss. Be on notice—substantial interest and principal payments takes away patience.”

—Alan Schnurman, Licensed Associate Real Estate Broker, Saunders & Associates

“1. Choose an experienced, full time agent to represent you as a buyer's agent who can negotiate on your behalf and give you the information you need to make an informed decision. Most agents working with buyers are actually working for the seller unless you sign a contract to be a client. Be sure it is someone who is deeply rooted in knowing the area and makes a practice of working as a buyer's agent. Do not use an out of area agent or someone who does this part time. Referral of friends, family and people in the community are helpful.

2. Use a local attorney. There are different customs, practices, town codes, and situations that an out of area attorney won't be familiar with. Local attorneys also have past experience working with one another and this will help with the communication through the contract and closing process. Ask your buyer's agent for a few recommendations. Then call each to see whom you feel most comfortable with.

3. Although most buyers think they will keep the home the buy forever, life circumstances do change unexpectedly. Be sure that you are considering resale when you purchase. Buying a location or home or renovating that home to create something that is too taste-specific will make it very difficult to sell if need be. This is another area that the right buyer's agent can help advise you about.”

—Donielle Cardinale, Licensed Associate Real Estate Broker, Daniel Gale Sotheby's International Realty

“Do's and Don'ts in the real estate market all come down to a balance between practicality and passion as you shop for an east end home. Limiting them to three each is tough, but here are some thoughts:

1. Do your homework prior to your purchase journey with regards to east end financing, brokers and builders. Social media and company sites give you plenty of advanced info.
2. Do be sensible with offers and expectations. Check websites that allow you to see what neighboring homes recently sold for with regards to square-footage and amenities.
3. Do scope out your desired locations diligently. What may be a quiet, picturesque road on Tuesday may be a parking lot on a Friday.

- For Don'ts:
1. Don't think your East End home only exists in the summer—access, marketability and functionality have four seasons.
 2. Don't buy just because it has a pretty face. New mechanicals—boiler, electric, etc.—are as important as the capacity of your media room and wine cooler.
 3. Don't wait to put in that offer. If you find that new construction or perfectly remodeled home with a great locale amazing, be assured in this market, other buyers feel the same way!”

—Jim Rooney, Principal FLEXdevelopment/KP Property Group Inc.

“Do's: Make sure you can afford the property; consider maintenance costs, and always think about location for resale.

Don'ts: Get carried away with making changes to your liking; search above your price range, hoping to do a steal/deal; don't put all your eggs in one basket.”

—Georgiana Ketcham, Licensed Real Estate Broker, Owner, Georgiana B. Ketcham Realty

“Do work with a local broker who knows the area well—you need to trust in your broker, and liking them helps—if you don't find a new one! A good relationship with your broker will help them understand your needs and they can identify a property that wouldn't have been on the initial list but works perfectly—maybe in a slightly different area or at a lower price point with a few changes to make it the perfect home.

1. Do think about your future needs—you should probably expect to own a home for at least five years—make sure that you are taking in to consideration any additional family members and age changes or additional guests who may spend more time with you in future years. Look at a number of homes and identify which you like and which will work best for your needs now and in the future.

2. Do have an inspection—even as a cash buyer on a newer home! While it is possible to get a sense of the home there are things that we can't see with naked eye—plumbing, wiring, foundations etc. This could be the biggest purchase you make in your life—don't chance it—make a solid investment.

3. Don't forget the additional costs involved in buying a home – there are closing costs to be considered—ask your broker to explain the Peconic Bay Community Preservation Fund (2% Tax) and New York State Mansion Tax if you are purchasing a home over \$1,000,000. After closing there are taxes, insurance—homeowners and flood—service and maintenance costs. Make sure you are aware of these, especially if you live in an apartment, and will be comfortable paying these even with a change in household income. Some costs can be defrayed by renting the home during season—work out the income potential.

1. Don't buy a house for the shiny things in it—the sellers and stagers usually tend to take these out! Try to look at the space and not the stuff in it. You, or your decorator, will have an opportunity to imprint your own style on any home and minor changes to décor and furnishings can have a dramatic effect—you too can have a magazine quality home!

2. Don't ask for too many other people's opinions—you are the ones buying the home—everyone has an opinion on the neighborhood, price, style, even your second cousin in Idaho who hasn't ever been to the Hamptons but may have once looked at Zillow. This will be your home, it is your budget and your money—too many opinions will simply confuse you and spread doubt in the whole process.”

—Maz Crotty, Licensed Associate Real Estate Broker, Nest Seekers International

“In today's market, with well priced homes moving briskly, one of the things that buyers need to do is to have their financial ducks in order. If they need to finance, they should be talking with their bank or mortgage broker to be sure they qualify. But more important than having a pre-qualifying letter is to have documentation with the lender. This can facilitate making a no mortgage contingency offer which is attractive to sellers. Another “do” for the buyer is to find a real estate broker that will have their best interests in mind, that knows the market and is a “value-add” agent that comes to the table prepared. Lastly, do use a local attorney. A local attorney will know the various nuances of East End real estate clearing restrictions, permits and laws that lawyers outside the area aren't cognizant of.

When it comes to the don'ts...Don't hesitate to make an offer. I've seen buyers waver and then another buyer makes an offer to swoop in and get the home. When it comes to negotiating, don't put in a low ball offer. All that does is to off put the seller. Granted it's a business transaction but some sellers get emotional to the point of stopping negotiations. Even though a home is under contract, don't stop communicating with your broker. Many times a broker can iron out a problem that might arise in an economical and timely fashion. Knowing these basic do's and don'ts can go a long way in helping the buyer acquire his dream home.”

—John Christopher, Associate Broker, Brown Harris Stevens of The Hamptons, LLC

“Do select a real estate professional with the knowledge and expertise necessary to make your experience painless. Do hire other professionals necessary, such as surveyors, engineers, inspectors, etc. Do hire local counsel—even if he or she is to co-counsel with your family attorney.

Don't think the information you receive on the internet is accurate—in fact, all of the online property evaluators are flawed due to the lack of local data. Don't go it alone—a seasoned professional can save you valuable time, and time is money. Don't begin the process unprepared—know exactly what your comfort zone is, price-wise.”

—Judi Desiderio, CEO, Town & Country Real Estate