

HAMPTONS

EXPERTS WEIGH IN ON THE FUTURE OF HAMPTONS REAL ESTATE

Moderated by Michael Braverman | August 30, 2017



Close to the ocean, the Maidstone Club, and Main Street shopping, this more traditional Middle Lane estate in East Hampton, listed by Judi Desiderio, still affords complete privacy on a mature landscape of 2.2 acres.

Our intrepid panel of experts returns to discuss who we are and where we're going with Hamptons real estate.

Our final roundtable of the season raises some weighty issues of money, markets, and motivation for architect Aaron Zalneraitis; attorney Tara Hakimi; brokers Paul Brennan, Judi Desiderio, and Beate Moore; builder Mike Elliot; interior designer Laura Sanatore; and landscape designer Declan Blackmore.

How has 2017 compared to 2016?

Declan Blackmore: We had a record year in 2016. Best year in 23 years. I am very optimistic that we'll have a repeat.

Mike Elliot: Everything always trails the stock market just by a little bit.

Judi Desiderio: We're umbilically connected to Wall Street. What happens there affects us.

Paul Brennan: The question for me is the unbridled appreciation of the stock market. It seems a little unrealistic.

JD: We can almost predict, based on who's not doing well, which segments of the market are going to get a big bump. Now that we have the banks making money again, the hedge fund guys are in Sagaponack, Bridgehampton south of the highway.

PB: Now the funny money just doesn't seem to be apparent.

JD: Everybody's so focused on the high end, because it's dazzling to read about a \$50 million sale. But we have aging baby boomers getting ready to retire, sitting down with you for the long-term plan. They want you to design their dream.

How do baby boomers factor versus millennials?

PB: Millennials want a house off the shelf.

Aaron Zalneraitis: It's also a financial factor. There's less expense in that. As millennials grow older, they'll do the same thing their parents did: buy properties and engage architects. Also, I see some people turning away from the region altogether and looking north—Hudson,



the Catskills. This is all positive. It generates competition and more interest in engaging in the built environment. That helps all of us.

ME: Frankly, there aren't that many 35-year-olds that can afford a little beach house in Southampton. They come in saying, "I want to get something for \$2 million." That doesn't really exist.

AZ: With the glaring exception of Montauk, the Hamptons has a stuffy reputation. That's not really fair. There's definitely a place for millennials and Gen Xers. There are lots of benefits. This is Long Island without a barrier island on the ocean. Even for millennials who are initially turned off by cost or the social scene, that will always lure people here. Laura Sanatore: Two couples I had were driven out here by a feeling of community. They had the same appreciation for where we live that I do. They renewed my faith a little bit in the new generation that's coming out to the Hamptons, because they have families and they love community.

JD: If you're 25 and making a couple million dollars a year, buy a house in Westhampton Beach for \$700,000. If you have someone younger who has to get just a piece of the earth on the East End, you could buy a beautiful little North Fork farmhouse in the \$400,000 range. Because of what people want to read about, everybody starts to think of the Hamptons as that, but the Hamptons is so much more diverse.

LS: It's not as elitist.

JD: The younger generation does want to read about that.

AZ: They want to know if [they] could have a piece of the action. That's more exciting to young people than looking at a dazzling house they could never in their wildest dreams....

LS: You need to show something very cool about buying a smaller house and renovating it and creating your own story for your family, and then go ahead and show the \$50 million houses and how, you know, you never know—you could win the Lotto.

DB: I've heard people saying numerous times, "Our kids will never be able to afford to live here." I'm thrilled to hear they can. That's reassuring.

Tara Hakimi: Judi hit it really well with the piece of earth. Everybody would like to have their own, because it gives them the insight to family and community and things people don't have.

JD: If we went around this table and asked the demographic of your client, you're probably looking at somebody at least in their 50s.

LS: You'd be surprised.

JD: Then you must be the only affordable interior designer!

LS: Our business model is approachable. Anyone can get really great design.

ME: Millennials want a lifestyle that's smaller, smarter, selfsustaining.

JD: Is 5,000 square feet the sweet spot?

BM: I think six or seven.

PB: Let's say I'm a Hamptons reader and I have a house. Should I get rid of it and get back into the market in another cycle, or should I deal with my architect, landscaper, or decorator?

JD: It depends on your age and position. If you're, as I call it, on the back nine and you're really happy in your home, it's served you well, and the thought of moving is painful, then hire these guys around the table to make it your dream house. I'll say, "Don't sell. Just get an architect in here, a builder; redo this. You love where you are; it's not too much for you to handle."

BM: And that's giving really honest advice.