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Pulse Real Estate Roundtable: Hamptons Experts Look Back On 2020 And Give 2021 Outlook

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The South Fork has never been as populous in winter as it is right now, as summer homes have become primary homes for the duration of the pandemic — if not longer — and houses for sale, as well as rentals, are being picked up at a fast clip for immediately occupancy.

Though contract signings peaked in August 2020 amid the initial pandemic-driven rush, sales activity has remained strong since then. How much longer this sellers' market can last remains to be seen.

Between the beginning of the statewide coronavirus shutdown in late March and phase two of reopening on June 10, in-person real estate showings were prohibited. Deals were still being made under those circumstances in the face of unprecedented demand for Hamptons rentals. And then sales reached new heights in the months that followed, as showings resumed following strict COVID safety protocols.

Developments regarding vaccinations, virus variants, international air travel, work-from-home and closures in New York City are among the factors identified as influencing the Hamptons market in 2021, though experts agree that the perception of the South Fork has changed amid the pandemic — and things may never go back to the way things were.

To reflect on the year that was and give their outlook for the coming months, we asked Hamptons real estate professionals from throughout the local industry to share their thoughts, observations and predictions.

After the real estate industry was allowed to “reopen” in June, how did the rest of 2020 unfold?

Nanette Hansen: There was so much pent-up demand, first with urban dwellers fleeing their primary homes and gobbling up rental inventory, then the buying frenzy followed quickly like somebody threw a switch, and we watched the rush of the salmon swimming upstream. It wasn't always easy to preview inventory, and occupied dwellings couldn't be shown with occupants present. Agents became creative and showed via FaceTime or through shooting videos with their smartphones. The agents who quickly pivoted and adopted all the tech tools Sotheby's International Realty had in the bullpen for some time had banner years, many doubling and tripling their average annual incomes.

Judi Desiderio: The second half of 2020 set new records. It actually began in Q2 (April to June), where rentals dominated — I believe we were at 100 percent occupancy. Then, July to December, deals and sales peaked! T&C, like most every brokerage, had a record year.

Ed Bruehl: Firstly, the market never actually closed — it is a free market, and transactions continued to occur. That said, when we got through the initial shock in February to April — yeah, we roared back very strong, actually like a whole new world out here. I think, all for the better. Most importantly, I feel like the post-COVID buyers are far more “year-round,” which means they tend to care more about the year-round community. Great new development, in my opinion. I'll also add that this is the year the Hamptons “second home” became the primary residence — another good local development out here.

Cee Scott Brown: We were swamped. Listings were regularly in contract within days of going on the market, or even when they were being pre-marketed as “Coming Soon” on the Compass platform.

Simon Harrison: A half million people bolted from Manhattan as much as 100 miles out in February, March, April and May. The Hamptons saw a significant percentage of that, so our summer of 2020 started in February. It's 23 degrees in January 2021, and we are still in the summer of forever 2020!

Ernie Cervi: For the East End real estate market, 2020 was an incredibly busy year. We experienced demand like we have never seen before. Agents hit the ground running, and listings didn't sit on the market long. In many cases, there were multiple buyers willing to pay more than the property's asking price.

Geoff Gifkins: 2020 was a record year for us, with business increasing by over 110 percent from 2019 levels. Traditionally, the summer months had seen slow sales; however, that was not the case last year: High sales levels were recorded in all sectors. Bidding wars became a standard part of negotiations, with many properties selling over asking, and rentals commanded exceptional prices in the offseason. Although the open season was reduced, the volume surpassed all expectations.

Robert Nelson: We have all been working overtime and then some. There are many interested buyers and tenants with limited inventory. Demand remains strong.

Todd Bourgard: 2020 unfolded in ways we never could have imagined. We broke more records in the number of sales and in the volume of sales than we ever thought possible, and the number of people coming to live in the Hamptons on a full-time basis was something we just didn't see coming. It was both a surprising and extraordinary year.

Beau Hulse: It continued with a steady flow of renters and buyers investing in the Hamptons. Renters requested extended leases beyond Labor Day. Past renters became buyers. Volume of sales increased due to a major demand.

What is the general mood of the Hamptons real estate market at the moment?

Nanette Hansen: Everyone is feeling “pandemic slump.” We are all really fed up with the way we have had to live socially distanced, the lack of things to do: no going to movies, no dining out, no get-togethers the way we were accustomed. We saw a slight wane in activity right around the holidays, as though buyers hit a pause button, but it was short-lived. Q1 is already showing robust activity at all price points. The mood is cautiously optimistic. The concern: Inventory levels are shrinking, leaving less to choose from. If you are an agent working with a buyer, it’s important that the agent tell them, “If you like this house, chances are there are a few other buyers who also like it.” It is a sellers’ market and not the time to put up roadblocks to a deal — the path of least resistance and strong buying credentials seals the deal every time.

Judi Desiderio: Cautiously optimistic. While activity levels remain very good, they’re not frenetic — as they were in 2020 — and the prognosis is healthy. But another shutdown or virus surge could change all that.

Ed Bruehl: Strong, selective, active and efficient. If you are a buyer, be prepared to pounce — quick and strong. If you are a seller, price correctly and await the quick and strong buyer!

Cee Scott Brown: The Hamptons remains a robust market in the new year — we have 12 listings in contract in 2021. It is exhilarating assisting so many people seeking less dense living situations and more indoor and outdoor space. The Hamptons has genuinely become a full-time destination, with more permanent residents than ever before. Soon, our infrastructure will need upgrades to accommodate the influx of residents.

Simon Harrison: The market mood is robust but still measured. I’ve heard that some in our industry engage in scream therapy, as in full-throated kind, and others like myself have eaten too well. Nobody is free from individual or collective grief, and we combine that with the gratitude that our industry was not decimated like many others.

Ernie Cervi: Demand continues to be strong in both the rental and sales markets. We have done more seasonal rentals to date than in years past, and renters who want a choice are securing their summer homes now. The current rental inventory simply can’t satisfy the demand. Many of the houses we sold were rental properties that became year-round homes, thus taking them out of the pool.

Geoff Gifkins: Every agent I speak with says the same thing: They need a break. The demand for both sales and rentals is still exceedingly high. I think we were incredibly lucky to be active in this market, as many other markets around the country suffered. The beginning of 2020 looked dismal, and the reversal was a very welcomed surprise. 2021 has already started off very strong.

Robert Nelson: While the panic has subdued, there is still great interest in Hamptons real estate, both buying and renting. There are still multiple offers, and the sale and rental stock is in short supply.

Todd Bourgard: The Hamptons real estate market remains abuzz. Right now, we are busier than ever, and in January we just doubled our written volume in contracts signed as compared to January 2020. We still have an abundance of serious buyers out here. They continue to come in volume, and that’s been amazing.

Beau Hulse: Positive, continuing flow of the 2020 market.

Briefly describe a house that could sell in a day in the current market at a price that will make both seller and buyer very happy.

Nanette Hansen: Three words: crisp, clean, modern. A product that is new or recently renovated, that is triple mint, with new stone baths, stone and stainless kitchen, preferably high end, a house that has no flaws — and that is priced fairly,

based on recent comparable trades or what's similar that's in contract — is what will sell quickly. A few examples are: 27 Marion Lane in East Hampton. Sotheby's International Realty agents Ann Ciardullo and Keith Green listed it and within a day of making the listing live had 14 showing appointments. The sellers, like so many of us, are COVID sensitive, and it was quite a choreographed day of showings. It had a deal within a week at a very compelling price.

Judi Desiderio: Southampton to Sag Harbor, north of the highway, 5,000 square feet, newish — immaculate, five bedrooms and five bathrooms, tastefully decorated, pool and landscaped nicely, \$3 million — or anything on the low end.

Ed Bruehl: Any house in any Hamptons hamlet — priced correctly! That said, anything under \$2 million has multiple lookers immediately.

Cee Scott Brown: A three-bedroom, three-bath Sag Harbor Village cottage spanning over 2,100 square feet, built in 2008 and renovated in 2017 by John Bjornen Design, was marketed as a "Coming Soon" on Compass.com — and within two hours we had a request for a showing. The next day, we had a full-price, noncontingent offer. All parties were pleased.

Simon Harrison: The well-maintained older ranch or cape on a quiet street under a million; the new four-bedroom house with a pool at \$2 million on an acre; and the \$3 million waterfront with a dock or a pool.

Ernie Cervi: A buyer's "dream property" would be located in Southampton Village. It would have four bedrooms, 4.5 baths, and be move-in ready — regardless if that means new construction or a thoughtful renovation. A gracious floor plan that includes a great room complete with a fireplace and a large, well-equipped kitchen are also "musts." Outside, there would be plenty of outdoor space, and, of course, a pool. When it comes to price, \$4.8 million to \$5.4 million — depending upon location — is the sweet spot.

Geoff Gifkins: This occurred in many sectors of the market — it was not unique to any one segment. It happened almost daily in our offices, with our agents' customers either winning or losing in a bidding war. The properties involved were always priced well and offered great value in the current market, which many buyers recognized. New construction inventory has vanished, and builders are racing to bring new projects to the market.

Robert Nelson: That would be any clean, updated house under \$1.3 million. Also, any house 4,000-plus square feet with pool, four-plus bedrooms, updated, move-in condition under \$3 million.

Todd Bourgard: Anything that is listed under \$1 million in any of our Hamptons neighborhoods will sell immediately, and with multiple offers that will bid the price up and over. Certainly, if it is under \$1 million and 2,500 square feet with three bedrooms, two and a half baths, a nice sized yard, patio and pool, you can bet it will be gone in one day. And, again, that's in any neighborhood right now.

Beau Hulse: New construction, 4,500 square feet, gunite pool, furnished, first-floor master, five bedrooms en-suite, Southampton, with a home office, for \$2,900,000.

What questions are buyers asking about living in the Hamptons year round?

Nanette Hansen: How can I get a jump on everyone else seeking what I want?

Judi Desiderio: Schools, social nuances, cultural interests, beaches, parks and business opportunities.

Ed Bruehl: Where can my children go to school? Which room in the house will be my Zoom Office Room?

Cee Scott Brown: Many new homeowners have never owned a free-standing structure. People who rented for a month or a season (usually in the summer months) never had to consider heating and heating fuel or irrigation shutdown and winterization in its many forms. We make our clients who are in these categories aware of these things and give them

recommendations of three to four service providers. By and large, our clients are thrilled to be out of dense urban areas and love the natural beauty the Hamptons offers.

Simon Harrison: My favorite is, “What happens to the beaches in the winter?” But that’s just poking fun at the rare person feeling lost in a pandemic when all of us are in new territory. Without fail, the Hamptons is an interesting dynamic place all year round, and some of the most interesting and dynamic people are only here in the winter.

Ernie Cervi: Their first question is: “Is there anything to do in the offseason?” Keep in mind, our beaches never close. People walk, jog, and take in the scenery on the coast in all seasons, and we see surfers out regardless of the weather. Our renowned restaurants, stores, museums, wineries, and farm stands are open all year. The East End is a year-round community — we just happen to also be a resort. This is a beautiful part of the country, no matter the season.

Geoff Gifkins: Many are used to being in the Hamptons for the summer months and a few weekends in the winter, so moving out here full time was different for them. Most were concerned about schooling for their children, activities for their families and friends, and proximity to villages and shopping. However, at the forefront of their decision was health and safety. Also, the shutdown affected all areas, and life as we all knew it changed in all locations, so when faced with the choice of being isolated in an apartment in the city or in a home in the Hamptons with open space and the outdoors, most chose the latter.

Robert Nelson: They have already figured out they can live here year round now.

Todd Bourgard: We’re getting a lot of questions about what’s it like to live here during the colder months, since many of these buyers have never experienced a winter in the Hamptons. They want to know what restaurants and stores remain open and what there is to do. Many buyers also want to know what school options are available as well. This year, we can happily report that our East End school district enrollments were up substantially from 2019, and our shops and restaurants are open and are doing business well after typical seasonal closures. The East End has come into its own as a thriving year-round community for most of its residents.

Beau Hulse: Where are the restaurants, beaches, parks and shopping? Resale value?

After New York City returns to normal, will the Hamptons buyers who rushed in during the pandemic then put the houses they purchased back on the market just as fast?

Nanette Hansen: I really don’t think that is going to happen immediately. Full-time residents can and likely will continue to work remotely and will continue to do business via Zoom. The Hamptons is a beautiful place to be — so close to water within six miles of wherever you are, sandy beaches, beautiful topography ... and low crime. We’ve retained that small-town charm and feel, and folks say, “This is a place where I want to be and where I want my kids to grow up.” I don’t have a crystal ball, but I don’t see a mass exodus when the pandemic lifts.

Judi Desiderio: That all depends on the experience they have while here — city dwellers will always be city dwellers, even if they take a hiatus for a bit. But most of those personalities rented versus bought.

Ed Bruehl: No chance — real estate doesn’t move that quickly. Everything moves in cycles. We are in the beginning of a new three-year “uptrend” cycle after just going through a rather “flat-trend” over the previous three years.

Cee Scott Brown: That is the million-dollar question. I don’t have a crystal ball, but what I can say is that the value of owning a house with outdoor property became immensely valuable to the New York City audience, and I think that preference is here to stay in our uncertain world. In addition, the pandemic altered everything in our lives, and I can see many things finding new ways of operating permanently. Working remotely in some capacity may be the future for many industries. Takeout dining could have a lasting role, and outdoor dining, a beautiful new component of many municipalities, is, hopefully, here to stay once we can do that again safely. There will likely be some resales, certainly, but all that is good and beautiful out east will continue to allure many.

Simon Harrison: I was an economics major where we learned how to predict what happened. The only source of predicting the future is what happened in 9/11, and people migrated back a year later. This is different, and normal is just a setting on a washing machine. New York City might never normalize because of concurrent events like the retail apocalypse and remote learning and business practices.

Ernie Cervi: Most of the people who bought homes this past year were already very familiar with the Hamptons. They may have rented for a season or two or had homes in the family. There was an initial “rush” on sales, as many city-dwellers wanted to be outdoors and have more space to ride out the pandemic. But many buyers just didn’t want to be caught competing for rental or sale inventory in the future. A house in the Hamptons will always be a great place to call your own 12 months a year, or perhaps generate some income and rent it for a few months. Will some people sell? Yes, of course, but usually for lifestyle changes or moves out of the area. The pandemic may have spurred them to act when they did — but these are people who want homes in the region long term.

Geoff Gifkins: No, I don’t think so. Many buyers were considering buying before but had simply held off. The pandemic provided some motivation for buyers wanting to isolate. Although the city will rebound and we have seen sales increase lately, I believe buyers will keep their new Hamptons homes. Even now many are staying out here for longer periods and going back to the city only when necessary for a few days. The pandemic is not over and is unlikely to be this year, so I think everyone is proceeding with caution. I don’t see a return to normal any time soon, and I believe many will establish a life here working remotely.

Robert Nelson: We believe that with the lifestyle, home size, house amenities, friends and family also living in the Hamptons, that these buyers are here to stay. They may keep a place in the city, but we have all learned to Zoom and work remote.

Todd Bourgard: I think the buyers who have come and settled in the Hamptons are going to really enjoy and appreciate the quality of life that they find here. Especially as people have embraced the ability to work from home and seen that it’s a proven option, I think they will stay. I really don’t see the turnaround on the investment or a rush back to the city.

Beau Hulse: No, a new lifestyle has been created with people working from home. There is a sense of security in having a second home in the Hamptons.

What should homeowners who are thinking about listing their older Hamptons houses for sale be doing right now to ensure they can get top dollar?

Nanette Hansen: Consult with a Sotheby’s International Realty Broker! Sellers of homes of any age should declutter, depersonalize to make sure the buyers can envision themselves in the space, freshly paint, refinish floors, upgrade appliances, powerwash, and price accordingly with the help of a knowledgeable and trustworthy broker.

Judi Desiderio: Consult with a seasoned professional. Nearly all brokers assist their sellers with this aspect. Sometimes it’s as simple as whitewashing — painting — inside and out, then sometimes it’s a full face-lift. Other times it may just be change out 10-year-old furnishings to newer brighter welcoming furniture. Staging companies can assist here.

Ed Bruehl: Good question, but not an easy answer, as all sellers have different circumstances and situations. But that said, one of two things: 1) Trying to get top dollar can be costly, so most of the time doing nothing and just pricing it perfectly is the best answer and keeps the seller from opening Pandora’s box and tripping into the “money-trap” issues of trying to resolve every little flaw with an older home. 2) Make the house look and feel and smell like a luxury hotel room — not joking. If you want top dollar, the house needs to scream “turn-key,” including either perfect professional staging or furnished to the nines, and a seller who is willing to include furniture in the deal if the price hits the seller’s threshold.

Cee Scott Brown: Invest in making your home as appealing as possible to sell it for as much money as possible. This investment could range from decluttering to painting and making sure all things, including appliances, are in good

working order. A cracked wall outlet cover can lead a buyer to seek out other issues that need fixing. Don't let that happen!

Simon Harrison: Get rid of 80 percent of your stuff, and paint it any color you want as long as it's white. Call the brokers that live and breathe on the front lines of the SOLD market and ask them for guidance. They should be generous with information and guidance.

Ernie Cervi: Make it as move-in ready as possible and stage it well. It's worth the investment. Have a knowledgeable broker in to guide you on how to get the most return on your dollar. Most of the homes sold this past year were homes that required little or no updating. Many people don't want to deal with the hassle of renovating; rather, they want a home they can begin to enjoy today.

Geoff Gifkins: Make an informed decision to sell and get it listed. The demand is still remarkably high, and good inventory is very low. They also need to consider what the next step for them will be. Are they moving out of the area, downsizing or simply looking for something new? Sellers that become buyers in this market can face some difficulties with higher prices and the low inventory, so don't rush into selling without a plan.

Robert Nelson: Simply declutter, paint, clean, organize, fix anything broken — the age-old suggestions we brokers always recommend.

Todd Bourgard: I think the most important thing is to just clean it up a bit. A fresh coat of paint, decluttering and sprucing up the grounds can go a long way. Buyers want to see a home where they can just come, bring in their furnishings and start living. That's really important right now.

Beau Hulse: Depersonalize, remove clutter, exterior cleanup, take care of open permits and get updated certificate of occupancy. Correct any visible open-ended issues.

Many have said that the frenzy to find a Hamptons rental in 2020 was unlike anything they have seen before. Looking ahead, what's the outlook for the 2021 rental season?

Nanette Hansen: The rental market is showing continued strength, with many renters locking in summer rentals for 2021 in Q4 of 2020. The bigger issue is finding inventory. Many homes have been rented out already, or owners are choosing to use their homes themselves and not rent them, since travel by air is still an unknown, whether it will be an option by summer 2021.

Judi Desiderio: T&C has been writing leases for 2021 since summer of 2020! I am certain we will be at 100 percent occupancy this year as well!

Ed Bruehl: Very strong with lower inventory. Rentals will stay steady, but this season, like last, will see another record number of extended-season or year-round rentals. Another good thing as these are new residents who are taking a new-found love of the community and area.

Cee Scott Brown: It is already bustling. I think both the rental and sales market will continue to be active and robust, and so does our CEO, Robert Reffkin.

Simon Harrison: Demand soared, inventory shrank and fear drove many to make decisions because the future looked grim. This spring, things are looking up, and while prices for rentals soared, interest rates fell hard. Rental prices are "sticky going down," but they'll moderate. Many tenants will look for a house to buy.

Ernie Cervi: I see no signs of the market cooling off, as there remains a steady flow of renters seeking their summer retreat. Conditions may not be as frenetic as they were in spring, but potential renters need to act fast. Prime properties don't sit around collecting dust, and many have already been secured.

Geoff Gifkins: Yes, it has been incredible and continues to be. Many homes were rented sight unseen. Owners got record prices even for the winter months, and all agents had to navigate the new New York State rental laws, embracing new technology, together with safe showing practices. Unlike past years, the rental level and activity has been very fluid and consistent, with almost no break, and tenants have been looking to secure their rental early. Some tenants opted for very long tenancy and extended their leases through to the end of the 2021 summer season.

Robert Nelson: It's almost harder now with limited rental properties. Many have already rented. Some owners need to use the house themselves this year and fear the unknown. They simply do not want to rent their house this year.

Todd Bourgard: We've already seen the beginnings of a strong rental season, and we expect that to continue. Many of the people who rented last season already locked in their rental place for this year back in August or September before they left. So it's already begun and has been robust out of the gate.

Beau Hulse: The rental market should continue and follow 2020. The rental market started earlier this year. It is expected to increase.

What 2020 sale will stick in your memory?

Nanette Hansen: Sotheby's International Realty participated in several high-end deals in 2020, which are, of course, memorable, but NDAs [nondisclosure agreements] put them off limits for me to share them with you. I think it's fair to say that 2020 saw its share of bidding wars, sealed bids, homes trading above asking price, with a line of buyers asking for the privilege. My favorite sale, however, was very unique: a car garage owned by our client who was a collector. Patricia Wadzinski listed and sold the very special structure in the heart of East Hampton Village on Fresno Place for \$2 million. Even vintage cars sought pandemic shelter in the Hamptons!

Judi Desiderio: There are so many. We have had sales to the towns of Southampton and East Hampton, which are always elongated processes, but when the seller is an estate, what should take six months to a year takes twice that — painful but good for the soul.

Ed Bruehl: Every sale is memorable because it is never really the house that is sold — it's the service that is rendered, which is most memorable to me. I love watching a deal come together and thereafter seeing the new buyer or seller move into the home or move on with their life. Real estate sales are very intimate and a lot of emotions are triggered throughout the process, which is why I always encourage both buyers and sellers to take the broker-choosing decision very seriously as you'll be going through a roller coaster ride — so you might as well choose an ace who both knows the business like a pro, someone you can trust and as importantly someone you like to do business with. Life is too short to do business with people you don't like — just saying!

Cee Scott Brown: It's difficult to call out one sale. We regularly had multiple offers on the first day or in the first week of a home going on the market or as a "Coming Soon" that went into best-and-final sealed bids — generating more money for the sellers in the least amount of time. Most of our listings go to contract within 30 days due to an active market and proper pricing. Typically, our market is made up of second- or third-home buyers, and those buyers usually are not in any rush to make decisions. The pandemic changed that. People were buying homes on the first day out, or more remarkably from FaceTime with their brokers or the game-changing Matterport 3-D tours we use to market our listings.

Simon Harrison: I sold a \$4 million house in a day (and closed it in a month) using one walk-around the house, and I texted three cellphone videos. It was a teardown.

Ernie Cervi: The sale of my personal home will stick in my memory. I sold while the market was in high gear. However, strict guidelines were in place, and access was very limited. An owner could not be in their home while it was being shown. As I left one afternoon, there were buyers lined up outside my house with their brokers waiting to get in. This scene happened at many properties on the East End over the past year. I'm proud to say the sale of my home was a Corcoran trifecta. It was owned by a Corcoran employee, listed by a Corcoran agent, and sold by a Corcoran agent. I am a very happy seller!

Geoff Gifkins: Definitely the massive wave of buyers in this market at one time, open houses that had 15 potential buyers waiting in line to view the property safely, and tenants renting a property sight unseen at 9 a.m., settling the transaction remotely in a few hours and driving out from the city to move in by 4 p.m. the same day.

Robert Nelson: It wasn't just one house but numerous homes that needed work and no one wanted to take that on. This past year, those homes have been purchased to new homeowners happy to now be living in the Hamptons.

Beau Hulse: One of our Amagansett exclusives went into a bidding war with multiple offers and went well north of the ask price with no contingencies.

Todd Bourgard: I actually have three sales that stand out in my mind, which are memorable for totally different reasons. First is the \$50 million sale of 187 Dune Road in Bridgehampton by Erica Grossman, simply because a price tag like that is memorable in and of itself. Anytime one of your agents closes on something of that caliber, it's incredibly exciting and one of those sales you just never forget. It was quite a way to cap off 2020. Then, of course, there was the sale of East Hampton's iconic White House by Elliman agents Paul Brennan and Douglas Brown. It's a house that everyone knows and loves. The location as a local landmark — just as you make that left turn into East Hampton Village — and the beauty of that home really stays with you. And then there is the sale of the Water Street Shops in Sag Harbor, which is certainly memorable as the biggest commercial deal on the East End this year. Expertly represented by Enzo Morabito and Adam Rothman, the property will be transformed into the permanent home of the Bay Street Theater, and we were thrilled for Elliman to be involved with such an important and historic deal for the community.