

James Lane

— Real Estate —

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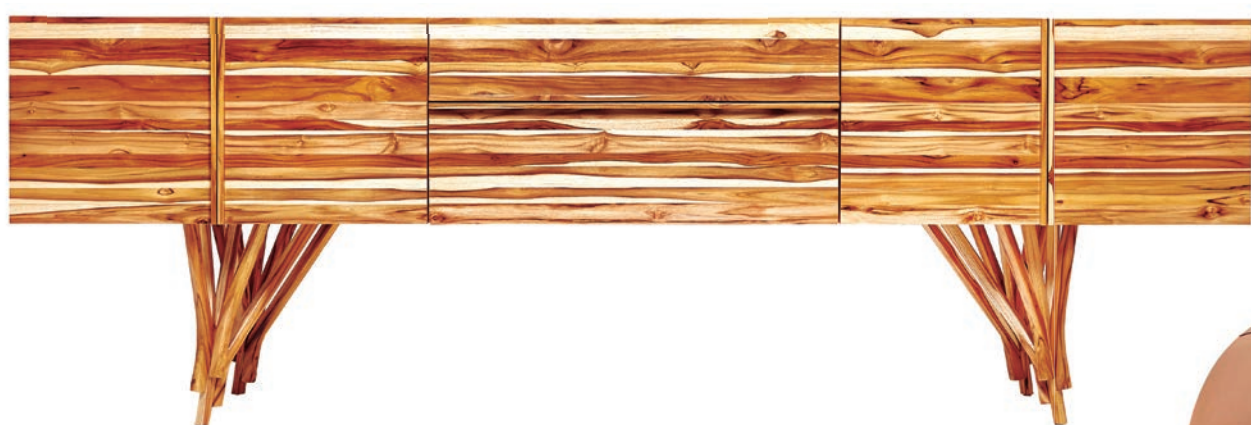
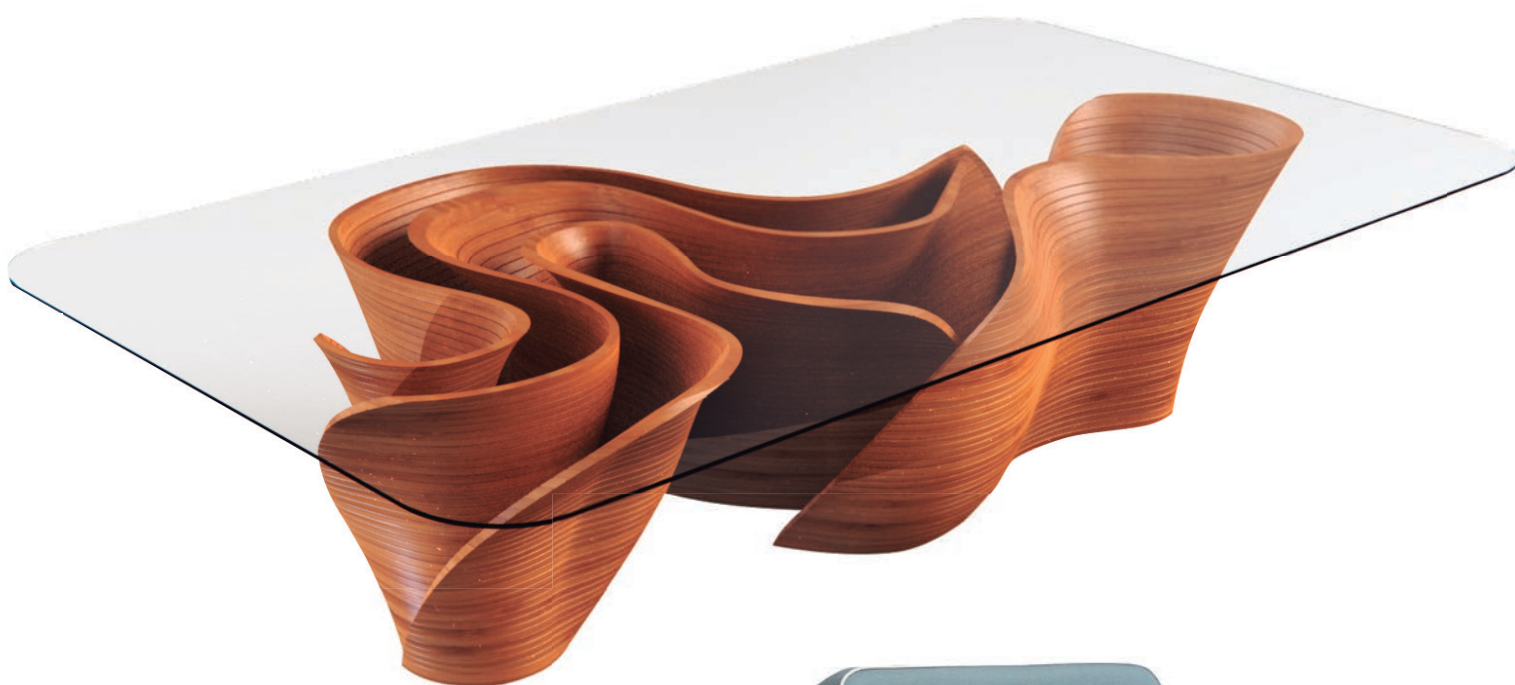


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Photos courtesy Douglas Elliman

Erica Grossman

Leading Douglas Elliman In Hamptons Real Estate

By Ty Wenzel

The last couple of years has been extraordinary for Erica Grossman, a Douglas Elliman agent since 2005. She has consistently been ranked either the #1 or the #2 broker in Gross Commission Income (GCI) in the Hamptons market since 2013. For 2022 she landed the Douglas Elliman “Pinnacle Award Winner Top Producer in the Hamptons” and the “Number One Agent in the Hamptons.” Among 7,000+ agents, Grossman ranks #5 & #8 in volume and GCI across all individual agents within the agency.

Grossman has an expansive history with

real estate development, thus creating a seamless transition into real estate. It includes renovating many of her own properties with an in-depth knowledge of the construction process. We caught up with Grossman to learn more about her methodologies and how she consistently lands in first place among Douglas Elliman’s top tier agents on the East End.

Erica, 2022 was truly your year with Douglas Elliman! You recently received the 2022 Pinnacle Award Winner Top Producer in the Hamptons

and the 2022 Number One Agent in the Hamptons. Congratulations! Are you still on cloud nine?

I feel beyond blessed for my clients and colleagues who helped me achieve what I accomplished in 2022. It was truly a team effort.

Something happened in 2013 when you were suddenly #1 or #2 in the Hamptons with Douglas Elliman, as you started with the brokerage in 2005. What was it that elevated your business to the top that year?

2013 was an inflection point in my career. I reached a place where my years of hard work truly paid off, dedicating seven days a week, building strong relationships with my clients, and generating referrals from my colleagues.

Let’s get into how you became an agent in the Hamptons. Are you local to the East End? How did you get started? What were you doing before?

I am originally from Long Island. In 2005, I was looking for a change and moved to the Hamptons thinking I would be a real estate agent part-time. But I went all in and it quickly turned into a career I was so passionate about that I was happy working seven days a week.

You have a background in

development? Is it in spec-building, renovations, etc.?

Real estate has always been in my professional DNA. Before becoming an agent, I worked on the development and ownership side, handling everything from renovations to new construction. That experience has in many ways shaped my expertise as a real estate agent. Through the years, I’ve been able to advise clients on how to optimize their property and navigate the development space.

Are you primarily a buyer or a seller’s agent? If for both, what is your methodology in getting them started with you? Do you look at their vision to find the best route to making that a reality... or do you formulate a vision based on the house and their expectations?

I represent buyers and sellers, which isn’t unusual in this line of work. But what makes my methodology unique is how I tailor service and strategy for each client’s distinct needs and goals. A highlight of my work is building genuine, long-term relationships with clients. As their lifestyle and tastes evolve through the years, they trust me to anticipate their needs. It’s wonderful to get to the place with a client where we don’t waste any time touring properties that I know aren’t a fit and when I immediately know what checks all their boxes.

How is the rental season going so far?

This has been a strong rental season so far. It kicked off earlier than usual, with a lot of clients getting a head start in December and January. I’m expecting that will continue as we head into April and new listings are coming to market.

Of all the brokerages, why did you choose Douglas Elliman as yours?

When I launched my career almost 18 years ago, I was drawn to Douglas Elliman’s boutique nature. As the firm has grown, my business has grown, but I’ve maintained my close relationships with management and ownership. While the firm is much larger now, Douglas Elliman’s team still prioritizes its agents, operating like a boutique agency where everything is personalized.

What is it about the East End that you love so much?

The beauty and peacefulness. That’s why the fall is my favorite time of the year here, it’s still warm but very low-key. The East End is so unique in its offerings from beaches to farms to the country to the unique villages and main streets.

What are ways that you relax and unwind? Is there time for relaxation at the level in which you succeed?

I love to take a beach walk, even if it’s late at night.



Real Estate Confab

By Ty Wenzel

Philanthropy & Our Real Estate Community

The East End is a region rife with philanthropic ways to help the community and beyond. We asked real estate leaders about the ways that they give back. Here's what they shared with us.

Tim Davis, The Corcoran Group

Philanthropy is near and dear to me personally and one of the many things that my wife, Susan, and I spend time being involved in. Giving back has always been part of who we are and our way of giving thanks for the blessed life that we are fortunate to live. As longtime locals, we are deeply committed to several regional nonprofits and chapters of national foundations to which we give annually. Please take a look to see how you can also get involved. Just think of the lives you'll touch. Both of us thank you.

CORCORAN CARES

NATURE: Peconic Bay Keeper, Lake Agawam, Peconic Land Trust, Sail Newport

CULTURE & HISTORY: Parrish Art Museum, Southampton Arts Center, Southampton History Museum, Preservation Society of Newport County

HEALTH & WELLNESS: Stony Brook Southampton Hospital, Newport Hospital, East End Hospice, God's Love We Deliver, Elton John AIDS Foundation, Ellen Hermanson Foundation, Breast Cancer Research Foundation, Ronald McDonald House, Fighting Chance, Center for Therapeutic Riding of the East End

FAMILY & YOUTH SERVICES: The Bridgehampton Child Care & Recreational Center, Have a Heart Community Trust, LaGuardia Community College

CHURCH-AFFILIATED COMMUNITY SERVICES: First Presbyterian Church of Southampton, St. Michael's School in Newport

Jennifer Wilson, Saunders & Associates

Treacy and I grew up here and we are strong believers in giving back to our local community. We are involved every year in supporting i-tri which is a local community-based program for adolescent girls. It's an amazing and important youth initiative that teaches girls self confidence, positive body image, and personal empowerment. These young women are the next leaders of our local communities. We are also very involved in donating to our local food pantries.

Sheri Winter Parker, The Corcoran Group

I am on the board of directors for Stony Brook Eastern Long Island Hospital Foundation. This hospital was prepared when the pandemic hit. I say this, having firsthand experience. We are so blessed to have such incredible care on the North Fork and it is the only hospital on Long Island that you can get to by air, land, and sea! I am also a supporter of CAST (Community Action-Southold Town), North Fork Parish Outreach, the North Fork Animal Welfare League, and many others.

Cee Scott Brown, Compass

I was on the board of the Parrish Art Museum for two years. I support Gimme Shelter Animal Rescue and ARF. I am a founding board member of Art Matters, a foundation that supports visual artists

nationally through direct grants. In the past grant cycle Art Matters supported a Shinnecock artist, Jeremy Dennis. Bay Street Theater and Arts Center had an exhibition of his photographs at the end of 2022. Before real estate and moving full time to Sag Harbor, I was involved in the arts in New York City for over 25 years, from working at MoMA as a curatorial assistant for the PROJECTS program (MoMA's first venture into contemporary art), to running a commercial gallery (Holly Solomon), to heading up the seminal non-profit arts organization, Creative Time, that produces artworks all over the city enabling everyone an opportunity to have an art experience without having to go to a museum or gallery. Art Matters Foundation was in play during almost all of that span of time and it continues to give money to individual artists, over 30 years later.

Cristina Matos, Brown Harris Stevens

I am a big fan and support two outstanding local organizations. i-tri, which empowers young women. My daughter also attended the program. Citizen4Humanity, an organization which started its focus on single mothers and their families. Today the organization helps individuals or families in crisis or suffering from a variety of set-backs and where I volunteer my time.

What Is Your Sage Advice To First Time Home Buyers?

For many people, the idea of purchasing their first home is an exciting and daunting experience. But when it comes to buying a home in a luxury market, the process can be even

more complex. From navigating high price tags to understanding the unique features and amenities that come with luxury properties, first-time home buyers in this market have a lot to consider. We asked some of the region's real estate superstars their advice for first-time home buyers and to provide tips on how to make the most of this exciting investment.

Tim Davis, The Corcoran Group

The person assisting in your search regardless of price range should be an individual with a seasoned history and a minimum of 10-plus years in selling properties in the region that the buyer is interested in. The higher the price point, above \$15M for example, there should be a long and deep history of selling these types of properties — oceanfront, especially.

Cee Scott Brown, Compass

One of the first things I discuss with new buyers that is key to finding the right home, at any price point, is exclusivity. I tell them I am not making a pitch for them to necessarily work exclusively with me, but when they find a broker that feels right, that they trust and can relate to, they should seriously consider working with them exclusively. If they work with various brokers randomly, it is very unlikely that they will be the first ones called if a property comes on the market that fits their requirements. By working solely with one broker, anytime a new listing comes on the market, if it might be a good fit, they will certainly be contacted immediately. They are at the top of the exclusive broker's rolodex.

Jennifer Wilson, Saunders & Associates

We work very hard for the buyers that we work with. Educating buyers on the market is key to our success. We educate them on the current inventory and on the deals that have traded in the areas that they are

interested in. This is very important in terms of setting expectations. Treacy and I have a lot of established relationships with attorneys, home inspectors, mortgage brokers, and we utilize these relationships to expedite the process of getting our clients into contract quickly... especially if there are multiple bidders on the same property.

Sheri Winter Parker, The Corcoran Group

My immediate advice to first-time home buyers is to make sure they are working with a seasoned professional. It's the most important first step a first-time home buyer can take, the size of the transaction doesn't even matter if you have the right representation.

Cristina Matos, Brown Harris Stevens

I would advise the first-time buyers the same for every price point: to work with a seasoned, trained broker, who lives and breathes real estate and will turn over every stone for them to find their property, and to educate themselves about the market. Ask your broker lots and lots of questions!

If the buyer is unaware of the particular town or area of interest, I do a high level overview of the town, villages, and areas. Then we discuss the process of buying and what they can expect during negotiations as well as some of the larger ticket items in addition to the purchase price. For example, the welcome tax of 2.5 percent which covers 2 percent for the Community Preservation Fund and .5 percent for the Community Housing Fund (which is new), Mansion Tax, survey for updated CO, etc.

If they know the area they are interested in, we start evaluating properties together. We go over the pros, cons, relative value, past sales, and available properties overall. Providing knowledge and a dedicated service is the key to success!

Patti Frank

From Bidding Wars To Interest Rates, Breaking Down The Mortgage Process On The East End

By Ty Wenzel

With bidding wars *de rigueur* in the Hamptons and interest rates doubled from a year ago, we asked Patti Frank, Vice President and Branch Manager of GuardHill Financial Corp. Southampton, to talk about the process of getting financing these days to secure the proverbial Hamptons dream home.

You represent GuardHill, a mortgage brokerage that is often recommended to buyers in the Hamptons. Tell us about the company and why you chose to work for them?

You are correct. GuardHill is a great company to work for. We started operating 29 years ago to fill an underserved niche in the real estate market where borrowers can obtain best-in-class financing from the largest, most sophisticated lenders with the high touch service of a private bank. I have been at GuardHill for nine years, and find the culture very collegial and inclusive. Every challenge I face, no matter how big or small, is tackled in a very timely, professional manner. Just take a look at the testimonials on our website. We provide exceptional service and the majority of our clients are repeat customers.

You have an incredible reputation on the East End being one of the very best in your field. But isn't GuardHill based in Manhattan? Do they have an office here?

Yes. GuardHill is based in Manhattan and we are licensed in every state. I was recruited to join the Company in 2014. As part of the incentive, a Southampton office was established for me to build upon my already large roster of clients. Many of the homes in the top tier are often paid for in cash.

What is the price point that homes come to you for mortgages? Is there a system?

I have originated mortgages as small as \$50,000 and as large as \$10 million. Typically, when interest rates are low, clients who can afford to pay cash may opt to obtain a large mortgage so they can keep their money invested in other financial markets.

And yes, there is a system of sorts. It works like this: The FHFA sets conforming loan limits, which change annually. In 2023 it is \$726,200 for a single family residence. Once underwritten, these loans are subsequently sold to Fannie Mae and Freddie Mac. These agencies form the cornerstone of the mortgage industry, and comprise about half of all the loan volume. The Hamptons mortgage market is unique because most loans are non-conforming jumbo loans, which receive government backing from agencies such as the Federal Housing Authority. In some cases, the FHA permits lower FICO scores and down payments, which may help borrowers purchase a home (the 2023 loan limit is \$1,072,500).

I spend a significant amount of time in the Hamptons market working on jumbos. Lenders require that these larger mortgages have higher qualification standards since lenders are taking bigger risks. To qualify for a mortgage, lenders analyze many factors such as income, assets, and

credit scores. A larger down payment is also required to obtain a jumbo mortgage especially if it is a second home or investment property. Jumbos also tend to have higher interest rates than conforming mortgages. There are so many different mortgage options available that it is important to work with a mortgage banker who can properly pre-qualify a borrower and find the right product that meets their qualifications and needs.

Is pre-qualifying super important to the process? What can we do to improve our chances of getting approved for a loan?

FICO score is very important. Borrowers with a score above 760 can obtain the lowest cost financing. Borrowers with low debt-to-income ratio is also important. Lenders prefer ratios below 43 percent. It is very important to get pre-qualified so you know how much you can afford. The more knowledge you have when you are shopping for a home with your realtor the better negotiating power you will have.

With all the chatter about the higher interest rates, how is this affecting people buying homes versus not buying homes?

Buying a home in any market is a highly personal decision. I generally recommend that my clients not try to time the market or predict what will happen next year, because that may not be the best strategy. If the costs of borrowed money continue to rise and cause more people to stand on the sidelines, perhaps we will see an uptick in home equity loans over the course of next year. The whims of the mortgage market remain entirely dependent on the Federal Reserve's ability to get inflation under control. For the past two years it's been a seller's market.

Will 2023 favor buyers or sellers?

I predict that 2023 will be a transitional year with a lot of uncertainty. Economic worries may slightly depress buyer demand, while inventory remains limited.

Do you have any prediction about how interest rates will go for the remainder of 2023?

I expect the Fed to keep raising rates to fight inflation. With inflation, higher rates, a potential recession and geopolitical tensions, I don't expect to see mortgage rates decline for at least another year. Mortgage rates continued their recent uptick. The average 30-year, fixed-rate mortgage was 6.50 percent for the week ending February 23, up from 6.32 percent the previous week, according to Freddie Mac. Though rates jumped the past three weeks, they are still down from the 20-year high of 7.08 percent last fall. In early February, the Fed raised the Fed Funds Rate by 25 basis points while indicating it would continue raising rates to contain inflation. I read that the Mortgage Bankers Association thinks long term rates have already peaked, and they expect the 30-year to end at 5.20 percent.

How's the current Hamptons real estate market from your point of view?

I speak to real estate brokers daily about trends in the markets, and all agree,



Courtesy photo

especially with economic headwinds, the market has cooled. Home prices have dropped somewhat, but not as much as many buyers are hoping for. Inventory for sale is low and has increased slightly, but as I mentioned it is still below normal levels because homeowners currently have mortgages with low 3 to 4 percent interest rates. Few will choose to sell today. Renters, it's worth noting, may finally see a reprieve from surging prices as that market cools.

What exactly does a mortgage loan officer do? And why is it important to use one?

A loan officer works for a lender. At GuardHill I am a mortgage originator/banker. Mortgage bankers help would-be borrowers find the right product with the best terms and rates to meet their financial needs. Working with me can potentially save you time, effort, and money because I may have better and more access to a larger universe of loan products. In short, I save my clients most of the legwork, ensure a smooth and efficient process, and also help manage costs.

What happens if you don't use a loan officer?

Negotiating the mortgage world is complex. Every bank has its menu of

products they offer. A borrower may not qualify for a product offered by a bank but may qualify at GuardHill. My job is to know which lender offers what product and rates to meet each individual's needs. With 29 years of lending experience, I provide the comfort of knowing that the home someone buys is optimally financed.

What's more important: rates, fees, or points?

The interest rate is the cost of borrowing money from a bank. Banks calculate the rate based on the duration of the loan. For example loans can be amortized over 15, 20, or 30 years for fixed rate mortgages, or on shorter maturities such as 5, 7, or 10 years for Adjustable Rate Mortgages. Closing costs are the fees borrowers pay to obtain loans. Examples of fees include mortgage tax, mansion tax (if the purchase price is \$1M or more), title insurance, recording fees, Peconic preservation tax, appraisal, and bank attorney fees. Points are a percentage of the loan amount that a borrower can pay to reduce the interest rate on the loan, or points can be fees paid to the lender for certain mortgage products.

What top factors determine if someone qualifies for a loan?

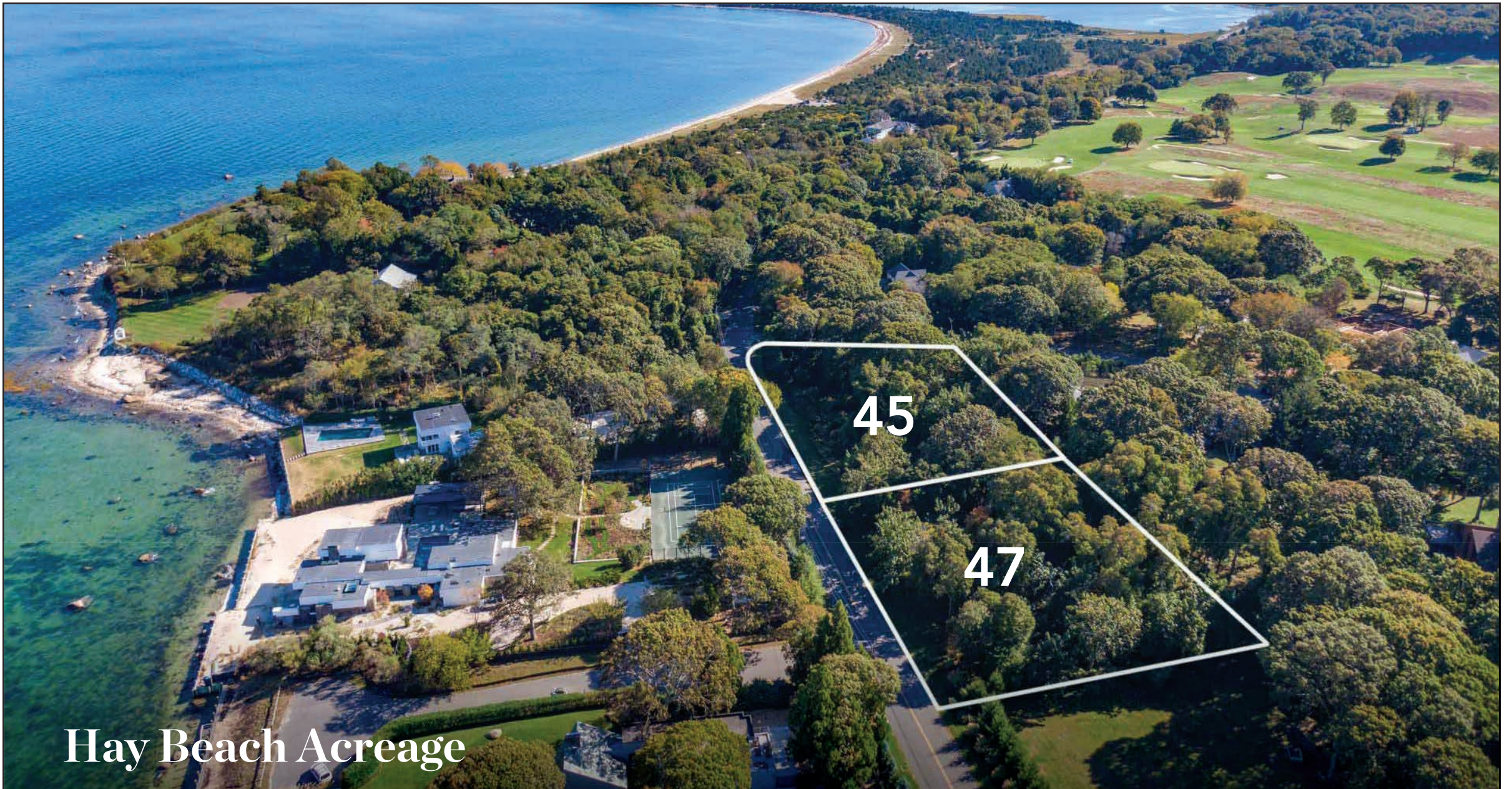
Income, credit score, assets, and liabilities.

If you've been denied a loan, what can you do to increase your chances with another lender?

I can help you hire a credit repair company to raise your score, advise on how to obtain additional credit if needed, or I can advise you on how much debt an individual needs to pay down to get below 25 percent usage of available credit. We can discuss assets and possible gifts they may receive from family members. I receive calls from numerous borrowers that have gone directly to a bank and have either been denied or have not received a denial or an approval and it has been months in the process. We can close loans in 30 to 45 days consistently. GuardHill prides itself on our service, professionalism, and speed to closing table.

What are some mistakes that people make when buying their home?

I have gotten a number of calls over the years from clients who have not gotten prequalified prior to an accepted offer on a house they are purchasing. This is probably the biggest homebuyer error. Getting pre-qualified helps a borrower to know how much of a mortgage they can afford. Sometimes they can afford more than they think and other times it may be less. Knowledge is power when shopping for a home in the Hamptons or North Fork.



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