

## BEHIND THE HEDGES REAL ESTATE

*Preservation Fund Spikes in First Quarter*

# As Shelter Island's Revenue Nearly Triples



COURTESY CORCORAN | GARY DEPERSIA

SHELTER ISLAND'S 7 APPLE ORCHARD LANE SOLD FOR \$9.1 MILLION, HELPING TO ATTRIBUTE TO WHY SHELTER ISLAND'S CPF REVENUES ARE HIGHER THAN USUAL.

BY TAYLOR K. VECSEY

First quarter revenues for the Peconic Bay Community Preservation (CPF) were the largest in the fund's 23-year history, Assemblyman Fred W. Thiele Jr. reported late last week.

The community preservation fund, which generates money from a 2% tax on all real estate transfers, received \$55.22 million in the first quarter of 2021, a 78.6% jump from the first quarter a year ago. In the first quarter of 2020, which was mainly before the big jolt to East End real estate due to the COVID-19 pandemic, brought in \$30.92 million.

"Revenues for the CPF continue to reflect the significant increase in real estate activity on the East End since the advent of the pandemic," Thiele said in a statement. "This marks the eighth straight month that revenues have exceeded \$10 million per month. The last six months have all exceeded \$15 million per month."

The Town of Shelter Island saw the biggest increase in this first quarter—a 191.3% jump year over year. The town received \$1.34 million in 2021, as op-

posed to \$460,000 in 2020.

To put it in perspective, in all of 2020 the town received \$3.08 million.

"Activity in Shelter Island has definitely picked up over the last 12 months," says Gary DePersia of Corcoran. "Prior to that, in the 12 months ending mid-2020, there were no sales over \$5 million. In the past year there have been several including my fantastic listing at 7 Apple Orchard Lane which just closed at \$9.1 million."

The sale of Four Seas, as the waterfront home is known, is the biggest so far in 2021 for the small island. The house, which had been listed with DePersia and his colleague at Corcoran Peter McCracken, closed on March 18.

"The Shelter Island market has been strong, steadily picking up steam since the spring of 2020," says Penelope Moore of Saunders & Associates, who brought the buyers for the 1.5-acre property. The 10,000-square-foot, six-bedroom gambrel-style home was renovated by Ben Krupinski Builder.

"What many people do not recall is that after the presidential election in 2016, the real estate market quieted down for a while, then began to

rebound in 2017," Moore says. When the state and local tax (SALT) reform became law in December of 2017, "the momentum which had been building quieted down as second home buyers, which comprise most of our customer base, sat out a full cycle, to see how their finances would be affected," she explains.

"In 2018, after tax time, the market got stronger, however with the pandemic most of the inventory that had been waiting since these slowdowns cleared out, and were sold. In the majority of these cases, buyers got pre-pandemic pricing, which presented excellent opportunities. There are still properties that are 'sleeper listings,' that are available and waiting for a buyer with an eye," Moore says.

DePersia agrees. The sale of 7 Apple Orchard Lane "bodes well for my new 3.25-acre waterfront compound at 10 Lari Lane, now on the market for \$11.995 million, \$2.5 million less than previously listed."

Meanwhile, East Hampton Town also saw a big boost to its preservation fund when drawing the annual comparison. East Hampton took in \$17.5

million so far this year versus \$6.7 million last year.

Meanwhile, the Town of Southampton received \$31.32 million in the first quarter of '21, a 55% bump from '20, when the first quarter brought forth \$20.20 million.

Riverhead Town has received \$1.82 million in the first quarter, a 44.4% increase. In the first quarter of 2020 it received \$1.26 million.

Lastly, the Town of Southold saw the smallest increase, but it was still a 40.6% increase. The figures for this year's first quarter are \$3.22 million over \$2.29 million for the same period last year.

March 2021's revenues totaled \$18.15 million. In March of 2020, just as the COVID-19 shutdowns began, the total revenue was \$10.19 million.

Since the program began in 1999, the preservation fund has generated \$1.655 billion. The last 12 months have been a banner year thanks to the record number of real estate sales. The revenues have total \$164 million.

The 2% tax under the CPF expires in 2050.