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IN THE REGION | LONG ISLAND

Pristine, but for How Long?

By [VALERIE COTSALAS](#)

THE latest mind-bending price tag for waterfront property on the East End: a juicy \$80 million, for a 55-acre waterfront estate in North Haven.

That beats even the \$75 million being asked for a Bridgehampton property called Three Ponds Farm.

The North Haven property has two homes that are barely mentioned in the real estate broker's online listing. But its nearly 3,000 feet of waterfront on Shelter Island Sound, two deep-water docks and a deep-water lagoon, a saltwater pond and many forested acres, combine to make it prime, and very rare, real estate.

"It's quite a site, actually," said Robert Evjen, a real estate broker with Prudential Douglas Elliman who lives in neighboring Sag Harbor. The property ends in a point on the northeastern region of the village, where, Mr. Evjen said, there are views of Shelter Island, Robbins Island and a sandy peninsula called Jessup's Neck, as well as "a western view of a great sunset."

All of which has many in the village worried that a developer might try to subdivide the 55 acres. The development potential is not lost on the broker handling the listing, Dolly Lenz, of Prudential Douglas Elliman, who advertises the "excellent subdivision possibilities" for the property.

In past years the village has made several attempts to contact the owner, Robert W. Rust, to discuss preserving the land under a conservation easement, according to Frederick Stelle, an architect and North Haven village trustee, who lives near the property. But Mr. Rust, 78, a former United States attorney in [Florida](#), who inherited the property from his aunt a few years ago, never replied, Mr. Stelle said.

Under village rules, he added, any subdivision plan would require that 50 percent of the property be kept as open space.

Mr. Rust, who is said to visit the property infrequently, did not respond to telephone messages left at his home in Miami.

One of the issues he may be facing is the recent revaluation by the Town of Southampton, which encompasses North Haven. The town is trying to raise assessments to reflect full market value, resulting in huge tax increases for many residents. Since 2003, Mr. Rust's property taxes have more than doubled, to more than \$164,000 a year, according to the Southampton town assessor's office.

But "if he's really motivated by the property tax situation, then there's a way to deal with that," said John V. Halsey, president of the Peconic River Land Trust.

Last year, Mr. Halsey said, the preservation of private land became a more lucrative proposition after a federal law amended tax benefits for landowners who choose to sell development rights to their land to local governments below market rates.

Under the new law, landowners who sell the right to develop some or all of their property to a local municipality or conservation organization can deduct the value of the gift from their federal income taxes. The donation is the difference between a property's market value and the price the local government or conservation group pays to protect it from further development.

The deduction can be taken at a rate of up to 50 percent of the owner's adjusted gross income for a year, Mr. Halsey said. Farmers can deduct 100 percent of their adjusted gross income.

If an owner's income is insufficient to allow the full deduction to be taken in one year, he or she can take as many as 15 additional years to deduct the gift's value from income taxes, up from five years under the former rules. "It's a very generous change," Mr. Halsey said of the new law. "It increases the amount of income that can be sheltered with a gift of a conservation easement."

Under the arrangement, the landowners retain the title to the property, which is protected from development even if it is later sold.

In addition, land protected from development is generally assessed at a lower value than land that can be developed, which reduces the property tax burden, Mr. Halsey said.

In North Haven, waterfront property generally ranges from \$3 million to \$25 million, though a brand-new seven-bedroom "stone castle" on two acres is currently listed for \$45 million, Mr. Evjen said.

From North Haven, "you can look out on the water at night and see the lights on Shelter Island, or across the bay in Sag Harbor," said Susan Breitenbach, the Corcoran broker who is listing the \$75 million Bridgehampton home and who recently bought a home in North Haven. "There's easy access to downtown Sag Harbor's shops and restaurants, the ferry to Shelter Island and beautiful waterfront beaches," she added.

The minimum allowable lot size in the village is two acres, giving residents secluded privacy. The village is also "removed from the hubbub of Sag Harbor, but close enough to see a show at the Bay Street Theater or go to a restaurant," Mr. Evjen said.

The first homes in the village of North Haven, a small 2.5-square-mile peninsula on the north shore of the South Fork, were built in the late 1680s. That's about 20 years earlier than Sag Harbor.

Mr. Rust's property was originally part of a larger parcel owned by the Tindall family, who started operating a ferry to Shelter Island from the beach on their land sometime in the 1860s, according to the North Haven village historian, Joseph Zaykowski. In 1925, a later owner, Charles Jundt, built one of the two houses that still stand there. The other house is believed to have been built after that.

North Haven has been a retreat for prominent people since the late 1800s; and soon actors of the time began building summer homes there in an area known as the Actors Colony. One early resident, Mr. Zaykowski said, was William Farnum, a silent movie star. Evan Backus, stage manager of the Empire

Theater on 42nd Street in [Manhattan](#), and Frank Case, who owned the Algonquin Hotel, followed. The stream of visitors included Douglas Fairbanks and Mary Pickford, Mary Martin and Irving Berlin.

North Haven still attracts celebrities. Richard Gere bought a house down the road from Mr. Rust's property last year. Julie Andrews and Jimmy Buffett have homes there, and [Billy Joel](#) once had waterfront property in North Haven, real estate brokers say.

Mr. Stelle, an avid boater, described the 55 acres for sale in North Haven as some of the most pristine land on the East End. The lagoon, where he has taken his own boat on occasion, could shelter a boat as big as 35 feet, he said.

"The bay we live in, in nor'easters, turns into a washing machine," he added, "but in that lagoon I think it would be protected. It's a pretty cool spot. I think it's one of the coolest spots out here."

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