

THE SKINNY ON HAMPTON RENTAL MARKET

Those of us in the business hear it every day... “so what’s really happening to the summer rental market?” Good question with a multifaceted answer. First let’s look at the past. 35 years ago when I began my career in real estate in the Hamptons, there were no cell phones, no computers, we had our rentals on index cards and the majority of the rentals we did were M-L. Or to the rest of the world “Memorial Day to Labor Day”. On a rare occasion there was an August or maybe a July rental, but the rule was for summer rentals. Many rental properties were owned by the same guy... or gal. Tenants paid the expenses and there were very few problems. People came out east for R&R to enjoy the natural beauty. To fish and play golf. To gather with friends at dinner parties and just a few times each season there would be a big social event.

Now, let’s fast forward to today. What has changed? Well everything, almost. With cell phones, computers, the internet and an entire generation craving immediate gratification, R&R is no longer the driver. Couple that with the change in our hamlets. We went from quaint Ma & Pa shops to big box stores and Main Streets that close down for 9 months of the year. Additionally, every weekend there are several, major, social events, fund raisers, shows, parties. No down time. The Hamptons vacation became about social events. They became all about weekends or a week or so at a clip.

Memorial Day through Labor Day is now the exception; July or August even take a back seat to short terms.

The Great Recession was the beginning of the end of full season rentals, as that severe correction changed the way people spend money. One thing that hasn’t changed though is the demographic of our clients, they are mostly from Manhattan and work in finance. The summer after the crash we saw families sharing rentals and the huge shift toward short term rentals. Now there are uber sites which push weekly rentals, again accelerating the short term rental market. This shift toward short term rentals contributes to overcrowded roads and congestion as there’s no slack time. Every home is maximally occupied.

Another important factor contributing to this year’s down rental market is that sales and rentals have always been inversely related and sales have been quite strong for the past few seasons.



Will the seasonal Hamptons Summer Rental Market be back? Where else can you rent a home worth \$8,000,000 for just \$200,000, for the best 3 months of the year and not have to pay taxes, insurance and maintenance. It’s the best vacation bargain I know. And if you take a home for the summer it’s ok to miss a rainy weekend here or there.

After all there’s always next week!

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