

Summer Rentals Warm Up

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Mounting snowdrifts, slushy streets and unplowed driveways are par for the course this time of year. And while the weather may be warding off the visitor who prefers to ski in Aspen or sunbathe in Palm Beach, February still draws the die-hard summer renters who want to secure a new home for the season.

Overall, experts agree that inventory is stable but expectations for how the season—traditionally stretching from Memorial Day to Labor Day—will fare are somewhat mixed.

The rental forecast is often weather dependent, and right now the steady snowfall and freezing temperatures are making the summer season difficult to predict, according to Cia Comnas, executive managing director at Brown Harris Stevens of the Hamptons. “I’m guessing it might be the same as last year,” she said. “It’s just too early to tell. We haven’t had a good sampling yet.”

Still, there can be a general rule of thumb to follow. “Sales and rentals are always conversely related,” said Judy Desiderio, chief executive officer at Town & Country Real Estate. “Last year sales were terrific, off the charts.” Meanwhile, rentals were down about 20 percent, she added. Since January 1 this year, sales reportedly have been the busiest in seven years, and although many renters renewed their leases last fall, “I think rentals will stay in line with last year,” Ms. Desiderio said.

There are “two wild cards,” she said, that can throw a curve ball, however: the international crowd and the 30-somethings. An influx of these groups can happen for various reasons and tip the scale of demand. The number of visitors from around the world, for example, will depend on how strong the U.S. dollar is, while a younger New York City clientele, who tend to run in the same circles, can decide to rent on a lark, all at once.

“It could be that flippant, and that’s the wild card,” said Ms. Desiderio.

The location of rental homes is generally up to personal preference, but there are a few villages seeing an up-tick of activity. “I think Sag Harbor and North Haven are very hot right now,” said Margot Horn, owner of We Lead The Hunt Ltd. real estate, which is based in Southampton. “Everybody has their own Hampton that they’re fond of, but I know that Sag Harbor has really exploded.” In addition, the 30-somethings tend to gravitate to Montauk, where the waves are prolific, or to Westhampton Beach, which cuts down on time spent sitting in traffic, according to Ms. Desiderio.

While the Hamptons hot spot may vary, the thirst for amenities remains unchanged. For a certain clientele, there is no limit to what they want, from five-plus bedrooms with flat-screen TVs in every room, to a pool, tennis court and an ocean view. “There isn’t a thing they don’t want, and rightfully so,” said Ms. Horn.

“People increasingly like turnkey, and that’s what’s made the rental market more challenging for landlords,” Ms. Comnas explained. “In the old days, landlords didn’t have to do much ... and people coming here didn’t expect a lot.” That changed during the recent recession, when home sales dropped and the rental market saw a boom in higher-end homes, with all the bells and whistles, that hadn’t previously been available. “And once tenants experience soup-to-nuts amenities, they want it the following summer,” Ms. Comnas said.

A mix of modern and historical can also add to the appeal. Last week, not long after it was listed, a newly built oceanfront home in Westhampton that shares property with the iconic Double Diamond House designed by modernist architect Andrew Geller was snatched up as a rental for the summer season for \$225,000. The new home includes a custom designer kitchen, separate media room, five bedrooms, 4.5 bathrooms and both a dry and a steam sauna. The restored Geller home is considered additional entertaining space including a kitchen, bath, living room and several lounging spaces.

The bulk of the rentals on the East End fall between \$50,000 and \$150,000, with south of the highway homes in the estate sections inching closer to \$200,000 and reaching as high as \$500,000 for a full season.

Generally, there are four variables that will dictate how a rental is priced: location, size of home, amenities and decoration, according to Ms. Desiderio. The latter is especially influential, and the trend is leaning toward immaculate and freshly painted.

Overall, if potential renters are flexible, there is a home for everyone. However, those looking for abodes in the moderate range of \$25,000 to \$50,000 may be in for a tougher hunt. “It’s a very small segment of the market,” said Ms. Desiderio. “And, hopefully, you secure something before March.”