

Hamptons summer rental's record-high price tag

By Kristin Taveira | February 4, 2016



Ordinarily, a home with a \$2.5 million price tag wouldn't raise many eyebrows in the posh Hamptons; in fact, there are 56 homes listed at that price on HREO.com, an East End real estate website where sale prices routinely soar into the double-digit millions. But what might get your attention right now is the one that is merely renting for that record price: an 18,000-square-foot home on an eight-acre oceanfront and bay-front estate in Southampton Village, available from Memorial Day through Labor Day.

And an oceanfront home in Southampton is listed with Town & Country Real Estate for \$1.5 million for the season. That's a first for the firm, says its chief executive Judi Desiderio. "Before that, the high-water mark was at a million," she says.

Though not quite commonplace, the once-sensational million-dollar rental is no longer unusual enough to cause a stir. A search of this year's offerings on HREO.com showed eight full-season rentals priced at \$1 million or more this summer — and eight that were priced at \$1 million or more for a single month.

And there just may be a market for that this season — namely, would-be buyers at the extreme high end who held off making a purchase this winter, but still want (and can afford) a million-dollar summer at the beach. "The \$20 million-and-up sales market is soft, and there's too much inventory right now. So that's where the market got hit," says Desiderio. Town & Country reported a 64 percent slide in fourth-quarter sales in that price range, from 11 sales in 2014 to just four in 2015.

Overall, the firm's latest market report shows a 21 percent decline in fourth-quarter sales compared to 2014. Desiderio estimates that rentals at her firm are up about 20 percent compared to this time last year. That doesn't surprise her — lower sales often coincide with a busier rental season, she says.

While many of last summer's renters already booked again for this year, Desiderio says there is enough inventory to meet demand.

Manhattan-based analyst Jonathan Miller says fourth-quarter sales volume in 2015 was down from near record levels in 2014, "so it is reasonable to expect an uptick in rental activity this year." Miller is the chief executive of appraisal firm Miller Samuel, which reported that fourth-quarter sales in the Hamptons fell 16.5 percent compared to the prior year. "Sales volume in the Hamptons is down from near record levels last year, so it is reasonable to expect an uptick in rental activity this year," he says. Miller is the chief executive of appraisal firm Miller Samuel, which reported that fourth-quarter sales in the Hamptons fell 16.5 percent compared to the prior year.

The Corcoran Group's market report was the exception, showing a modest 2 percent increase in the firm's fourth-quarter sales compared to the prior year.

Despite the uptick in seven-digit rentals, prices overall are similar to last season, with the most activity in the \$50,000 to \$75,000 range, Desiderio says.