

A Renter's Market in the Hamptons

Michelle Higgins | June 3, 2016

Looking for a vacation rental in the Hamptons this summer? From the manicured hedgerows of Southampton to the wind-swept dunes of Montauk, real estate agents say, it's a renter's market.

Thanks to greater inventory and a trend toward shorter bookings, many prime rental homes are still available, and owners are willing to negotiate. While advertised discounts have yet to emerge, deals are for the taking for renters who ask, agents said.

"Our advice to owners whose home has not yet rented is to forget what you wanted for the house," said Anthony DeVivio, the managing director of Halstead Property in the Hamptons. Instead, consider, "What do you need to carry the house for the year?" he said. "Be prepared to take that number. If you're asking for more at this point, you're probably overpriced."

A house with three bedrooms, three baths and a pool in the Northwest Woods section of East Hampton, originally listed by Mr. DeVivio for \$28,000 for the month of August, recently rented for \$19,000. That's a 32 percent discount. Some of the best deals can be found at the ultrahigh end, Mr. DeVivio added, noting that he recently negotiated a last-minute house rental off Further Lane in East Hampton for June and July "for a very, very good price." Further Lane is one of the most desirable addresses in the Hamptons, lined with oceanfront estates.

The term deal, of course, is relative in the Hamptons, where the cost of a rental house for the month of August can range from \$30,000 to \$300,000. And prime waterfront properties and houses within walking distance of shops and restaurants tend to offer less wiggle room on price.

A combination of factors is contributing to the rental slowdown, according to real estate agents across the Hamptons, who say the volume of seasonal rentals is down 30 percent to 50 percent compared with this time last year. The buying boom over the last couple of years has flooded the market with new inventory, as many of the recent buyers have no plans to use the house all summer long. At the same time, more families are coming out for one-month or weeklong increments instead of renting a house for the entire summer. And some owners have simply overreached, setting unrealistic prices.

Exacerbating the issue in the Town of East Hampton, which includes the hamlets of Wainscott, Springs, Amagansett and Montauk, is a rental registry implemented this season to help crack down on overcrowding and share houses. The registry requires owners to display their rental registry number on listings and any advertising. So far more than 2,400 residential properties have been registered, according to the town. Brokers say others are available but are simply not being advertised.

"There are a lot of properties that aren't being publicly marketed," said Rylan Jacka, an associate broker at Sotheby's International Realty. Some are just entering the market now, as owners scramble to comply with the new ordinance.

As a result, many places that normally would be booked by now are still up for grabs. Among the listings still available from Town & Country Real Estate: a house with five bedrooms and three and a half baths overlooking Hither Hills beach in Montauk for \$50,000 for July; a newly built five-bedroom in Amagansett with an outdoor kitchen and a heated saltwater pool, \$115,000 for August; and a six-bedroom English manor on two acres with a heated pool in the estate section of East Hampton Village, \$200,000 now through Labor Day.

But don't wait too much longer if you are planning on a hammock in the Hamptons. "Now that temps are finally hitting 80, tenants who have been waiting on the sidelines will come rushing out," said Judi A. Desiderio, the chief executive of Town & Country, with offices throughout the Hamptons. "And frankly, they will get some great rentals at some great prices."

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