

Still available: Luxe Hamptons summer rentals

Maura McDermott | May 28, 2017

The Hamptons summer rental season is off to a slow start, with brokers and homeowners saying there are still plenty of desirable homes available.

In the days leading up to Memorial Day, homes could still be rented at prices ranging from less than \$600 a night to \$1 million or more for the full season.

The growing popularity of websites such as HomeAway and Airbnb is helping to reshape the Hamptons rental scene. Some vacationers book trips just days in advance. Brokers and homeowners also say they're seeing more vacationers booking one month — or a week or two, or even a few days. Those shorter stays have freed up weeks or months in homes that once were reserved for the full summer.

What's more, a surge of new construction and renovations in the Hamptons has increased the supply of sleekly designed rental homes with amenities such as entertainment rooms, outdoor kitchens and smart-home technology.

The number of seasonal homes on the East End — those occupied primarily in the summer, whether by homeowners or renters — increased by nearly 23 percent from 2000 to 2010, to about 37,500, and it has continued to climb since then, according to an analysis by the Suffolk County Department of Planning.

"People built too many houses thinking they can turn around and rent them, so the supply is outweighing the demand," said Paul Brennan, an associate broker with Douglas Elliman Real Estate in East Hampton.

Some homeowners have grown accustomed to a degree of uncertainty in the rental market.

"I just think there's so much on the market now it's going to be harder and harder for everybody to be counting on consistency," said Diana Clemente, who uses HomeAway to list her four-bedroom house in East Hampton with a saltwater pool, hot tub and two wood-burning fireplaces for \$1,300 a night during the high season, with a minimum stay of two weeks.

Hamptons brokers and homeowners say they're confident a flurry of last-minute bookings will fill the ordinarily in-demand homes still awaiting renters. But some owners are getting antsy.

"It's been a painful rental period for landlords across all price ranges," said Christopher Burnside, an associate broker with Brown Harris Stevens in Bridgehampton. Business started to pick up in late May, when he brokered a few last-minute reservations such as a \$300,000 full-season rental in Sagaponack, he said.

It's a stark contrast to the years before the financial crisis, when vacationers lined up to book full-season rentals by Presidents Day weekend in February — once considered the deadline to get an appealing home near the water. "Every year since the financial crisis, that has moved later and later in the season," said Jonathan Miller, chief executive of the Manhattan-based appraisal company Miller Samuel.

Before the recession, in January and February "we would literally have people waiting in the waiting room of the office, like we needed bakers' tickets to see who would come next," recalled Diane Saatchi, an associate broker with Saunders & Associates in East Hampton.

Now, vacationers might decide on a Wednesday to book a Hamptons rental for the weekend. "If it doesn't look like the weather is going to be good, they just don't do it," she said.

The appeal of last-minute Hamptons vacations has led to a surge of interest in online home rentals.

The website HomeAway had a 17 percent increase in Hamptons rental demand — that is, bookings and booking inquiries — from 2013 through this spring, a company spokesman said. The company's Hamptons inventory has grown by 88 percent since 2013, to more than 2,600 homes. The average stay is five to seven days, and the average cost is \$875 a night, compared with \$243 nationwide, the spokesman said.



Airbnb has 500 listings in the Town of Southampton and 800 in the Town of East Hampton, a company spokesman said.

A study by urban research firm HR&A Advisors found that nearly 74,000 people booked rentals on Long Island through Airbnb last year, putting \$25 million in homeowners' pockets and spending \$45 million at local businesses.

Some brokerages are joining forces with rental websites. Bespoke Real Estate, which specializes in selling homes listed for \$10 million or more, has teamed up with the website Onefinestay.com to offer high-end rentals. The priciest is an estate on Meadow Lane in Southampton with panoramic views of the ocean and bay. The "one of a kind gem" is listed for \$2.25 million for the summer, said Michael Cantwell, Bespoke's chief marketing officer.

The firm's clients "are willing to hold out until they find a property that's really going to meet all of their needs," he said.

Despite the slow pace of rentals overall, homes in villages such as East Hampton and Southampton are getting snapped up by renters, said Judi Desiderio, chief executive of Town & Country Real Estate, based in East Hampton. "If you want to be in the core villages, there's only a fixed amount, and that's one of the first things to go," she said.

This year's rental season is better than last summer's, but it hasn't bounced back to what it was like before the recession, she said. In some cases, vacationers got into the habit of bargain-shopping during the recession that ended in 2009, and they have not returned to their free-spending ways. Others plan to spend the summer touring luxurious locales throughout the United States and abroad.

In the immediate aftermath of the financial crisis, vacationers opted for one- or two-week rentals, but they eventually realized, "I'm not getting enough in a week," Desiderio said. Now, one-month rentals are more common, she said.

And homeowners got "fed up" with renters who booked online and left homes in disarray, Desiderio said. Some have returned to using brokers.

In response to the booming business in online vacation rentals, and to address concerns that they may be driving up rental prices and displacing year-round residents, some Hamptons communities have begun to crack down on short-term stays. Last year, East Hampton started requiring landlords to register; 3,500 homes are on the list. The town limits landlords to two short-term rental periods in any six-month period.

"Summer rentals in East Hampton have been a tradition for 50 years, and many people rely on them to help put kids through school and help make ends meet," said Larry Cantwell, town supervisor. But those living in residential areas "have a right to expect that it's going to be a single-family neighborhood and not a high-turnover, commercial rental area," he said.

Some landlords praised East Hampton's new restrictions. Without those rules "you have just too much turnover and too much potential for abuse," said Ralph Bekkevold, who owns a four-bedroom home with private beach access in Montauk, which is part of the Town of East Hampton. Bekkevold lists the home on HomeAway for up to \$1,000 a night for a minimum stay of a week.

Bekkevold said he has been surprised by how long it has taken for his home to get booked this year, compared with previous years. "Until May, I did not have August booked at all," said Bekkevold, an attorney who grew up in Wantagh and now lives in Coral Gables, Florida. "It didn't concern me because I knew ultimately it would fill in, but it was very peculiar."

He speculated that some vacationers have been concerned about turmoil in Washington, D.C., and abroad.

"They were putting off their decision-making about vacations because of the political climate, so they weren't committing to a rental in Montauk, nor were they committing to a European vacation," he said.

Some homeowners are comfortable with last-minute bookings.

"We are agile enough that I don't mind," said Farnaz Mansuri, an architect and interior designer who lists her three-bedroom East Hampton home with a pool for up to \$4,800 a week, with a minimum stay of two weeks, on HomeAway.

Others caution that renters can lose out if they wait too long.

"People shouldn't wait until the very last minute," said Beatriz Warecki, who lives in Manhattan and lists her three-bedroom home in Sag Harbor with a pool, fire pit and pergola on HomeAway for \$1,200 to \$1,300 a night, for at least a week. "At some point inventory does get tight, and it does not put you in a good position."

Philip Sharfstein, an attorney who lives in East Hills, has been renting homes in the Hamptons off and on for about 20 years. One summer, he and his wife, Joyce, found a waterfront rental in East Hampton, but he hesitated to book it. By the time he made a decision, the house had been rented.

"Did I lose the house because I was slow pulling the trigger? Yeah, I lost the house," he said.

This summer, they are staying in the same East Hampton home they rented last summer, where they enjoyed sunset views over Three Mile Harbor. They booked it a year in advance.

"The owner wanted the security of having renters, and we wanted the security of having a place that we like," Sharfstein said. "I didn't want to take the risk."

Many vacationers, though, are willing to take that risk.

"They're calling and saying, 'When is the \$100,000 rental going to be \$60,000 or \$50,000? When are people going to start to blink?'" Brennan of Douglas Elliman said. "It's all a matter of timing. It all depends on when people need to rent."