

HAMPTONS SUMMER RENTALS

NOW & THEN



Those of you who have been inside (or outside) the Hampton Real Estate industry as long as I have (35 years), know that the play book has changed... yet again. Summer Rentals used to be so predictable. For the first 25 years, most Summer Rentals were Memorial Day - Labor Day. One month rentals were the exception to the rule. The rule was full season and tenants secured their summer place over the winter and by President's weekend (AKA "Summer Rental Weekend"), over 60% of all Hamptons rentals were spoken for.

Landlords increased rents by approximately 5% a year. Families and small groups of friends were happy to secure their rental early and go on with their busy lives. Our inventory of summer stock remained relatively steady (approximately 10,000).

Then came the fall of Bear Stearns and Lehman Brothers and the evolution began. That summer, tenants split homes via the weeks, others shared homes with friends, and some even got away with couch surfing. At the end of the day one thing was crystal clear — people need their Hamptons reprieve - it's like therapy. The anecdote for the fast paced concrete jungle. That said, a new modus operandi was born. Now we see more one month rentals (July or August) than full season (Memorial Day - Labor Day). A total inversion of what the history of Hamptons rentals had always been.

For the next few years, our summer friends curtailed their time out east. Coincidentally, Home Away, VRBO, and AirBNB hit the scene hard. Some landlords dipped their toe in the on-line options, some stayed with the brokerage community. After all, turning the keys to one of your most expensive possessions without anyone personally meeting the tenant leaves most with an uneasy feeling. Some tenants rent for as little as a weekend through on-line aggregates, not brokers. Most though, do book for a month — usually through a broker.

Fast forward to 2019. The demographic of renters today, do everything last minute... book a flight, make dinner plans, hook up with a date, and yes, rent a house in the Hamptons. They sleep with their cell phones — need I say more?

BOTTOM LINE:

- Hamptons Rentals are secured later than what was, and at times it's at the zero hour
- Prices have stabilized, but if inventory is flooded the prices drop
- Majority of the leases written are July or August or some combination of the two
- Inventory is holding steady and with sale prices at today's level, most buyers have purchased with the intent to use the home as a gathering place for family and friends — not to use as a rental property.

LANDLORDS : remain fluid, paint, primp and style up!

TENANTS: The earlier you secure a rental the more you have to choose from!

As with so many other industries, ours has changed and will continue to evolve as markets and demographics continue to change.

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