

In East End Real Estate, Covid Boom Shows No Signs of Bust

Jamie Bufalino | March 18, 2021

More than a year after the onset of the Covid-19 pandemic caused a boom in East End real estate rentals, industry professionals said the market is still going strong even as the end of the pandemic may be drawing near.

"We're seeing tremendous strength in the rental market, and we're keeping pace with exactly where we were last year," said Todd Bourgard, a senior executive at Douglas Elliman Real Estate.

The prospect that the ramped up distribution of vaccines may allow life to return to normal by July 4, as President Joseph R. Biden suggested in a speech last Thursday, hasn't diminished the eagerness to find a summer refuge here. "We have not seen prices come down from last year, and we are finding a very enthusiastic group of renters that are paying asking prices," said Mr. Bourgard.

Although prospective renters are not balking at prices, said Htun Han, the owner of Hamptons Realty Group, they are demanding quality houses, which has become a challenge because inventory is low.

"Agents have to call every day, multiple times a day to make sure a house is still available to rent," said Judi Desiderio, the chief executive officer of Town and Country Real Estate. The overall demand for rentals has "pulled back a little," she said, because many customers have remained in the houses they leased last year, but prices have remained at the elevated levels ushered in by the pandemic. "Before 2020, rental prices had been flat,"



This summer, the East End will continue to be as populated with New York City residents as it was at the height of the pandemic, predicted said Judi Desiderio, the chief executive officer of Town and Country Real Estate. (Durelle Godfrey)

she said. And just like last year, customers are seeking assistance from local brokers rather than clicking on Airbnb or the other online vacation rental platforms predominantly used by those interested in short-term stays. "People don't want to be in a home that had someone in it yesterday," she said.

This summer, the East End will continue to be as populated with New York City residents as it was at the height of the pandemic, said Ms. Desiderio, but a "seismic shift" may come in September if the city is fully reopened, especially the schools. "City dwellers are always going to be city dwellers, and the majority will move back but keep a country home," she said.

The looming possibility that the pandemic may end soon has also not squelched the boom in real estate sales, said Mr. Bourgard. "The demand is still there and momentum is carrying through with no real end in sight," he said. "In the first 15 days of March alone, we have already doubled the number of signed contracts from all of March 2020."

"The real estate market last year was driven by [New York City residents'] desire to leave the city for a home where they could keep their families safe and have space for quarantining," said Sarah Minardi, a broker at Saunders and Associates. "But what we saw was that people liked living outside the city." Because working remotely is now widely accepted, and the East End offers a chance to lead a more "relaxed" lifestyle, the surge in buying will continue, she said. "Whether it's an insurance policy in case Covid continues, or recognizing the strength of a family-oriented life outside the city . . . I am confident it will continue to be a seller's market throughout 2021."

To illustrate how strong the market remains, Ms. Minardi cited the short-lived availability of one of her recent listings in Springs. "I brought an adorable house on the market at \$895,000 early last week and held by-appointment open houses Thursday through Sunday," she said. "There ended up being 17 serious buyers bidding on it, all above list price. If that's not telling of buyer demand in the sub-\$1.5 million range, I don't know what is."

Mr. Bourgard agreed that a combination of the ability to work from home and the quality of life on the East End has convinced many New York residents to move here permanently. "I do think the vast majority of people who have come out to the Hamptons are here to stay," he said. "These buyers are in it for the long haul, and I think the strength in the market will hold."