

## ‘Hot Vax Summer’ Pushes Summer Rental Market Closer To Pre-Pandemic Trends — But Still Not Quite

Sophie Griffin | February 11, 2022

In the depths of winter, it can be hard to remember that, in just four months, the first day of summer will mark warmer temperatures, beach days and, of course, the influx of summer renters.

But for the real estate agents who find them vacation homes, the season is never that far off — especially given the large pandemic-influenced shifts in renting trends over the past two years.

It started when New York-based clients frantically reached out to East End agents to secure month-to-month stays in March 2020 — long before Memorial Day, the official start of the rental season — in an attempt to escape from the worsening conditions at the first epicenter of the pandemic.

“We started getting calls that we never normally would have gotten,” recalled Michael Gary, an associate real estate broker at Town & Country, who specializes in the Southampton area, adding, “At the beginning, they started just asking month to month. We started getting increments where they were asking for three months at a time, but it was almost like playing it by ear because they weren't sure how long they were going to be in this state.”

As spring turned to summer, many of the displaced renters decided to make their temporary digs more permanent and stuck around, pumping even more money and demand into the rental season. Homes went fast and prices skyrocketed.

The uncertainty of the virus’s future, and the danger associated with travel, also lengthened the duration of stays, explained Sarah Minardi, an associate real estate broker with Saunders & Associates.

“Pre-pandemic, people had other plans,” she said. “They were going to weddings in Europe, or they had a family vacation in California, or whatnot. So we did not see as many people rent for an extended amount of time ... They, maybe, rented a month, or they rented a couple of weeks.

“Since the pandemic, more and more people, because of the fact of travel being difficult, have rented for much longer time periods on the East End,” she continued. “They were coming out in March and staying through October, and maybe extending and having a house through the off-season, even if they were going back to the city to have a safe haven — to have that space, to have that assurance that they had a home to go to, should we shut down again.”



*Michael Gary, Associate Real Estate Broker, Town & Country Real Estate*

These shifts ran counter to rental tendencies from years past, which trended toward shorter, week- to month-long stays, rather than committing to the entire season from Memorial Day to Labor Day. During the pandemic, it was a return to the golden days, Gary said.

“I haven't seen that in a long time,” he said. “Way back when I first started, it was very common to have Memorial Day to Labor Day. After that, the people just wanted August to Labor Day, that's prime time. Now it seems like they went back, where people are looking for longer time periods.”

That trend continued in the summer of 2021, but to a lesser degree after the COVID-19 vaccine rolled out and, with it, the freedom granted by “Hot Vax Summer” — a movement to make up for lost time. As for this year, it's a bit early to definitely say, but it seems like rentals may be shortening yet again, although still not to pre-pandemic levels.

“People have been vaccinated and boosted, they are open more so to traveling elsewhere and are potentially looking at the East End and the Hamptons for a month, not two months,” Minardi said. “We're getting a little bit more of the shorter terms coming back around again, which is not surprising.”

Despite abbreviated stays, the higher price point shows no signs of wavering, which the agents attributed to the strong real estate market in general, as well as high demand, noting that the price increases apply to year-round rentals, too. “I'll give an example: If a three-bedroom, two-bath house with a pool that wasn't brand new, but was clean, I would have said \$25,000 for July pre-pandemic,” Minardi said. “And now it's more like \$35,000 to \$40,000.”

Minardi said she doesn't think prices will ever return to pre-pandemic levels, and Gary noted that the high demand has meant less negotiation. Now, renters tend to pay the asking price and there are fewer reductions.

The real estate market also saw record-setting home sales over the past two years, which has affected the rental market by reducing rental stock and turning former renters into second homeowners, who then don't need to book for the season.

“What we've seen is that a lot of people have sold their homes that maybe had an investment home and they would rent it year-round, but found that they could get a good amount of money for their investment home for somebody that was looking for a second home,” Minardi explained. “Those year-round rentals have really dwindled, really dwindled. We definitely have a housing crisis, as far as this is concerned, for people that live and work here year-round that can't necessarily afford to purchase.”

“I would say there's more homes available on the market today for rent because of the amount of people that purchased,” she added. “But, at the same time, those who have purchased have taken themselves out of the rental pool as tenants. So it's kind of been a little bit of a wave, I would say — up and down.”

Minardi also described a shift in the attitude of seasonal renters toward their Hamptons getaways. “We went from people wanting and thinking it was a nice opportunity if they had the extra income to have a second home out here to needing it — having it becoming a vital part of their lives, to have that escape and extra space outside, if they were living in an apartment in the city,” she said.

Despite the changes wrought by the pandemic, renters continue to look for the same amenities as they did before when planning their summer vacations: A nice, clean, uncluttered home, maybe with a pool, maybe close to the ocean, near friends and family — and within budget.

“I would say that anyone, if you know what your plans are, get working right now, work with an agent who you trust and knows the inventory,” Minardi said.

Both agents advised that booking early is the way to go for those thinking about renting.

“Sooner the better, because the good stuff goes first,” Gary said.