

---

# Bloomberg

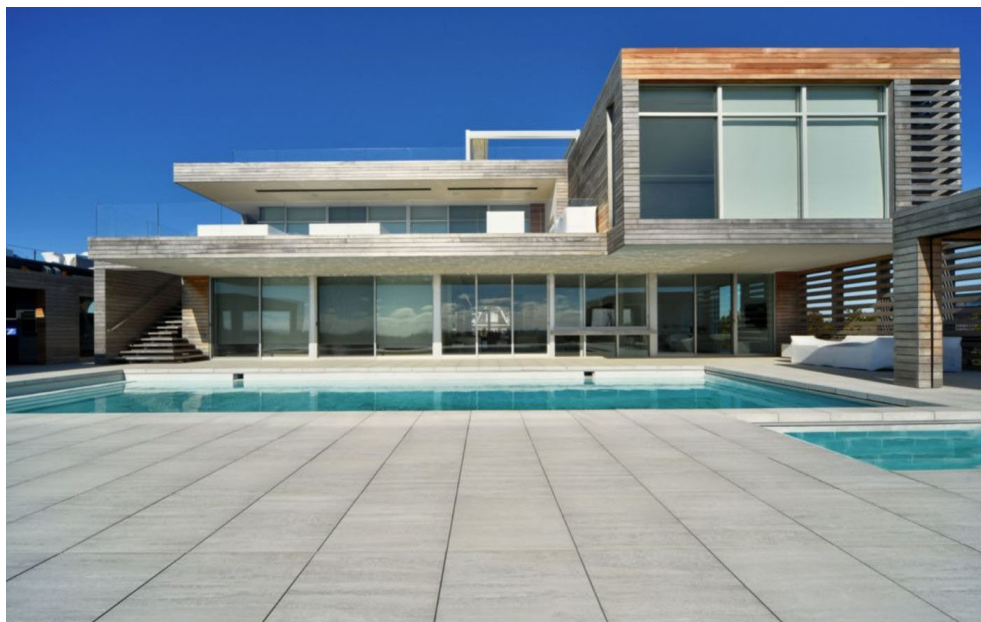
## Hamptons Rentals List for Over \$1 Million a Month as Landlords Test Summer Market

One Bridgehampton home is going for \$1.65 million for the month of July, despite signs the market may have peaked.

Misyrlena Egkolfopoulou | April 21, 2022

Still looking for a Hamptons rental? It's going to be expensive.

Properties in the enclave for financiers and other wealthy New Yorkers are being listed at record prices for the upcoming summer season, with beachside mansions offered for more than \$1 million a month. It's a bet by landlords that demand for ultra-luxe rentals on eastern Long Island will be hot for a third year in a row, as Wall Street pays out its biggest bonuses in decades and many employers embrace the flexibility of hybrid work.



Yet, after two years of torrid pandemic-related demand, there are questions about whether the market can sustain those prices. Hamptons home sales are falling off as inventory dries up. Many former renters now own their own vacation homes or relocated there full time, and others are foregoing the South Fork this year to take long-delayed international trips instead.

Still, everything is more expensive these days, and landlords are pushing the envelope, betting that demand from the jet-set elite means they can set their sights even higher this summer.

One 11,000-square-foot beachfront property at 277 Surfside Drive in Bridgehampton — which offers a pool, spa, multiple fire pits, golf simulator, butler's area in the kitchen and what the listing describes as "heroic views" — recently lowered its price from \$1.5 million for the month of July to a mere \$1.25 million. Another, just down the road at 155 Surfside Drive, is sticking to its ultra-high rental price of \$1.65 million for July.

"I think some of those prices were a little bit over-inflated," said Corcoran Hamptons broker Susan Breitenbach. "They certainly can rent. Whether they get exactly that amount of money, we'll see."

### A REFUGE

For decades, the Hamptons have been an essential destination for wealthy Wall Streeters and celebrities during the summer months. Beyonce and Jerry Seinfeld mingle with billionaires including Citadel's Ken Griffin and Apollo Global Management co-founder Leon Black, and many B-listers flock to the region to see and be seen.

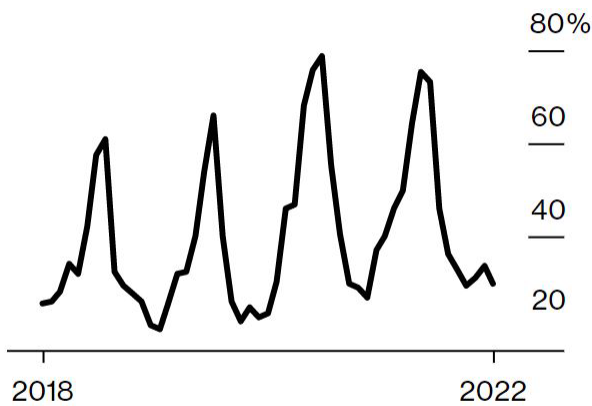
The area's popularity, once a mostly seasonal phenomenon, ramped up during the pandemic, when the Hamptons became a refuge for New Yorkers who had the flexibility to work from home and the money to escape the city. As international travel restrictions remained in place, the region's proximity and ease of access caused home values to spike, taking rental property prices up with them.

The average daily rate for Hamptons rentals between May and September rose 22% from 2018 to 2021, according to data from AirDNA, a rental analytics company.

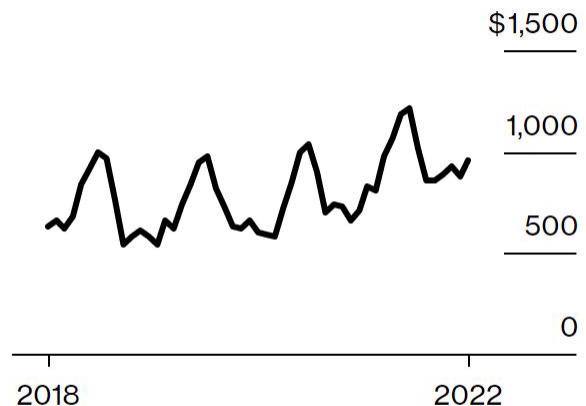
### Pandemic Prices

Demand for rentals in the Hamptons during the pandemic pushed occupancy and average daily rates up across all seasons

**Occupancy Rate**



**Average Daily Price**



Source: AirDNA

Footnote: Data include rentals from Westhampton to Montauk

Going into the third summer season after the Covid outbreak, prices indicate that landlords remain optimistic.

Even places that aren't on the ocean are listing for seven figures, such as one six-bedroom, seven-bathroom farmhouse in Bridgehampton, described as the "Hamptons' finest in horse country," that's on the market for \$1.2 million for July to Labor Day. Another seven-bed, 10-bath oceanfront property at 279 Dune Road in Bridgehampton is listed for \$1.5 million from Memorial Day to Labor Day. And a third place in Bridgehampton, with 12 bed and 11 baths, is going for \$1.1 million for the summer season.

To Breitenbach, these high prices are a reflection of a couple of strong years in the Hamptons, when even the off-season saw a spike in demand. Looking ahead to this summer, however, renters who picked the region as a destination over the past two years may decide to travel abroad as restrictions lift, while others may be out of the market because they bought instead, she said.

Breitenbach said she's now having conversations with her clients about considering lowering their prices or, if they choose to stick with their asking price, at least extending the rental period.

"Those owners got a lot of money last year, so they are feeling out the market and keeping the same pricing," she said. "But I think people do have, this year compared to last year, a few more options. People are starting to travel again."

### BOOKINGS FALL

Bookings are already beginning to decline. The number of nights booked for rentals in the Hamptons in June, July and August are down an average 34% compared to last summer, according to data analyzed by AirDNA. Average daily rates remained virtually unchanged for August and July, but were down 14% for June compared to last year.

## Slower Summer

Demand for Hamptons rentals in 2022 is lower compared to last year as guests choose to travel abroad.

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Total Nights Booked	-33%	-28%	-35%	-33%	-34%	-10%
Average Daily Rate	-11%	-6%	-14%	-3%	-1%	-16%

Source: AirDNA

Footnote: Data show YoY change

“Asking prices are up but there’s still reductions on rentals, proof that landlords may be overreaching coming out of two hot years,” said Judi Desiderio, CEO of Hamptons brokerage Town and Country.

What’s supporting prices, both in rentals and sales, is a finite amount of inventory. The total number of home sales in the Hamptons in the first quarter declined 22% from a year ago, while closing prices increased 13.3%, according to Town and Country. Meanwhile, Corcoran calculated that the number of homes listed for sale across the east end fell 48% between the first quarter of 2020 and the first quarter of this year.

Desiderio said the Covid-related jump in demand appears to be leveling off. The lack of inventory on the home sales front is an indicator that many of the people who traditionally chose to rent in the Hamptons became buyers during the pandemic. This, in turn, took rental inventory off the market as landlords sold to people who wanted a more permanent home.

“A peak in sales reduced the rental inventory,” Desiderio said. “Covid came and prices popped up, then popped up even further the second year. Now they are facing a third pop, but rentals won’t have the same demand they had. It’s a different demand from 2020 and 2021.”