

REAL ESTATE: SUMMER RENTALS



There used to be a truism in local real estate. If you hadn't found your summer rental by Easter, you too late to the party. That has been especially true these past two years when waves of Covid driven renters leased every available home to escape the pandemic. This year we've seen an easing of the panic, an easing of the crush for summer rentals.

TOWN AND COUNTRY'S CEO Judi Desiderio has been at this game for over 30 years and knows why this year is different. "It could be due the fact so many former renters bought a Hampton home. It could also be due to the fact inventories are down and prices are up a good 25% across the board. Easter has come and gone and this year, unlike the past two Covid years, there is a still a good selection of rentals available across the East End."

If you are in the market the first question to answer is, "how long will I stay?" Time was this was solely a Memorial Day to Labor Day commodity. Not so much anymore. Owners are just as likely to rent by the summer month, even the legal two-week minimum, as the full season.

Basically, June is less expensive than July, August the most expensive of all. As to where and how to begin, its only logical the most expensive rentals are on the water, specifically the ocean. And the very tippy-top of that Everest of pricing is on the golden sands of Sagaponack where two side-by-side ultra-contemporary homes are both for semi-seasonal rent.

Listed with **SAUNDERS REAL ESTATE 631-537-5454** their crack agents can show you either of 8 or 10 bedrooms in glass boxes looking over the dunes to the blue sea beyond. Add every possible amenity you can image, every modernistic detail possible, every square inch of these palatial palaces are architectural masterpieces. All it takes is \$375,000 a week or \$1.5 million for the month of August. Takes you summer breath away, doesn't it?

Of course, with over 2500 rentals still on the market there are many areas and price points that don't require you to be flush as a Saudi prince to enjoy. One place that is as hot as beach sand in August is Montauk, the quint-essential summer's destination. Here you can find many a hacienda that's reasonably priced for summer rent.

Again, let's start at the ocean itself. At present there isn't a single-family house for rent on that sandy shore, but you can find oceanfront cop-ops and condos that fit the bill. The largest and most popular are two story townhouse units at the **ROYAL ATLANTIC 631-668-**

STATE OF THE MARKET

We all know the past two years has had a tremendous effect on local real estate. A type of panic spread throughout the East End that in many ways rivaled the pandemic itself. Sales spiked, prices soared, inventory bottomed and even a small shack in Springs became a million-dollar home to be fought over. As you will see from the data provided by Town and Country Real Estate, the area's leaders in market research, that fever has cooled considerably over the past six months. The results of the first quarter of 2022 are in and they paint a very different picture from 12 month ago.

HOMES SOLD 1ST QUARTER 2021 VS 1ST QUARTER 2022

	0-500K	500K-1M	1-2M	2-3.5M	3.5-5M	5-10M	10-20M	20M+
2022	14	69	162	131	59	71	28	11 = 522
2021	9	146	215	165	67	61	19	8 = 690

The easy element to see is the drop of roughly 25% in overall sales. What's more important to me and many here is the shift of home values away from the least expensive to the stratospheric.

In 2021 there were 155 homes sold below a million. This year only 73. And where there were 155 homes sold above \$3.5million in 2021 this year there have been 169. That's 33% of the total sales this year vs 23% of the sales in that same upper-end last year. That shift into more expensive homes keep total gross revenue for 2022 equal to 2021, roughly \$2.5 billion total dollars!

This trend didn't start with the pandemic. It simply accelerated. In 2010 of the roughly 1350 homes sold, almost 800 fell under a million dollars. That's almost 60% of all sales then vs 14% this year. And given the pressures on homes in that price range the chances of that slice of the market increasing are much like proverbial snowball in a very hot place.

Bottom line? Buyers should expect to see elevated prices for the foreseeable future. Sellers on the other hand, beware the temptation to hang any price on your home. There are fewer buyers then in the recent past and increasingly higher mortgage rates are likely to thin their ranks even more. The tug and war between the two continue in earnest.

5103. Set on the dunes in the heart of the village these two-bedroom units run roughly \$10,000 per week in high season.

Need a private house? Compass's **GREG GOULD 760-846-6355** specializes in Montauk rentals and has a half-dozen homes along the Old Montauk Highway that reflect the diversity of style and price of this micro-market. Each well-maintained, modern home offers between 3 and 4 bedrooms, most all have pools and good-sized outdoors areas for entertaining, many offer beautiful views of the ocean across the street.

Depending on the house you can choose from a

month to a full season, with starting prices for May at \$25,000, average June's for \$30,000, July will run that to \$40,000 while premium August averages \$60,000. Choose longer stays and enjoy discounts for multiple months.

No matter what you need the fact is, with Memorial Day at hand the time to find your summer home is now. It may take some time to sort your options but this much is for sure. If you want to enjoy this summer on the sand in the East End run, do not walk, to your favorite agent with check book in hand and nail down your home away from home. ■