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Why the hot Hamptons summer rental market has caught a chill.

Zoe Rosenberg Jun 18, 2023



- The Hamptons are facing a summer rental glut, with over 1,000 available in August as of Wednesday.
- Renters shouldn't expect a deal, as wealthy landlords often remove their listing rather than settle.

- **Real-estate agents said an uptick in travel and lower Wall Street bonuses are behind the glut.**

The sun may be shining in the Hamptons, but a perfect storm of events is casting a pall over the market for summer rentals known for attracting thousands to the posh New York beach enclave each year.

A glut of available properties and sky-high rental prices are adding up to a slow summer rental season, worrying real-estate agents counting on tenant demand. It's a sharp twist from the frenzied days of the pandemic, when the jetsetting class — grounded — gravitated to the Hamptons, just a two-and-a-half hour drive from New York City.

Where are the renters? Real-estate agents reached by Insider noted many recurring renters had purchased homes for themselves during the pandemic. Some of them are now year-round residents, while others are would-be landlords hoping to lease their properties as they travel abroad, thanks to the end of the Covid-19 health emergency.

Agents are also blaming less than stellar Wall Street bonuses — which can easily top \$100,000 — pointing to how historically dependent Hamptons real estate has been on the success of the financial markets. Last year, the annual average Wall Street bonus dropped 26%, to \$176,700, CNN reported.

Hundreds of rentals, but no deep price cuts

As of Wednesday, more than 1,000 rentals were still up for grabs for the month of August, according to the East End Listing Exchange, the Hamptons' equivalent of the Multiple Listing Service.

However, that doesn't mean renters should expect a deal.

"I have a summer rental that's listed for \$150,000 for a month and it got an offer of \$80,000. The landlords laughed," Dana Trotter, co-managing partner of The Agency Hamptons, told Insider.

She explained that, for this class of landlords, renting their homes when they're not using them is a nice perk, but by no means a necessity.

"A lot of these tenants think they can offer fifty cents on the dollar and get it," Trotter added.

"No, that's not how it works."

Instead of letting a stranger move into their home for less rent than they desired, many Hamptons owners will pull their properties off the market.

"If someone else lives in it, it just changes the character of the house," Enzo Morabito, a real-estate agent with Douglas Elliman, told Insider. He advises his clients who don't need the money, and who aren't getting offers up to snuff, to simply not rent this season.

The unseasonably large number of rentals still up for grabs this summer means some landlords are holding out hope. And some rentals are still being snatched up, to be sure.

"The houses that are really buttoned up and pulled together and are priced properly are renting," Trotter said. Older properties, or ones that aren't in prime waterfront locations, are slower to move.

A dearth of renters driven by market forces

The pandemic sparked a Hamptons land grab in which many recurring renters became buyers.

"They have not only decreased the pool of tenants, but they've increased the pool of landlords, thus increasing the surplus," Anthony Rosina, an associate broker with Sotheby's International Realty, told Insider. Those landlords aren't around, he said, because they're planning on taking flights overseas or other places they've missed during the pandemic.

The dearth of new renters may reflect the down year in the financial and tech markets. It's often said that there is an umbilical cord connecting Wall Street to the Hamptons.

"When Wall Street is doing well, we do well. When they pull back, we pull back," Judi Desiderio, CEO of Town & Country Real Estate in East Hampton, told [CNBC](#).

Rosina said Hamptons agents started to suspect it would be a slow summer when Wall Street bonuses were issued and the pinstripe set was noticeably absent.

All of it adds up to a season that is surely slower than those that preceded it.

Rosina, for his part, is optimistic.

"We're still busy. We're very active. And you know, we're here and ready," he said.