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THIS WEEK

Real estate in the Hamptons is off to a slow start for summer. Plus, shaking the SALT and the inheritor's dilemma.

It's that time of year in the Hamptons – \$97 lobster salads at Duryea's, \$4,000 summer passes on Blade and the inevitable \$1 million July-August rental on the water. Except this year, a chilly wind is blowing over the start of the real estate high season Out East.

Summer rentals are down 30% across the board, with many owners starting to panic over homes that remain unrented even after Memorial Day. Some of the ultra-high-end brokers say business is down 75% from last year.

Hamptons broker Enzo Morabito summed it up best: "People are holding on to their money. They don't like uncertainty."

This week, I take a look at the presummer slowdown in the Hamptons and the state of high-end real estate in Nantucket, Aspen and other seasonal playgrounds for the wealthy. I also report on the prospects for yet another change in the SALT deduction as it heads to the Senate. And Hayley looks at the succession planning, or lack thereof, by family offices.

Thanks for reading! If you have any stories about the real estate market in the Hamptons or other high-end beach retreats, send them along!

Best, Robert



Summer rentals in the Hamptons are off to a chilly start to the season, as unrented homes start to pile up and sales slow, according to brokers.

Hamptons rentals are down 30% from the same period in previous years, according to Judi Desiderio of William Raveis Real Estate. Brokers who focus on the very high-end say luxury rentals are down between 50% and 75%.

“The intensity of rentals has really been off,” said Enzo Morabito, head of the Hamptons-based Enzo Morabito Team at Douglas Elliman. “Renters are getting very anxious.”

Of course, Hamptons renters often wait until the last minute to book July and August rentals. This year may be starting even later due to cold weather in May and a larger-than-usual supply of homes, leading renters to hold out even longer in hopes of better deals.

Yet some brokers and renters say privately that the volatility in the stock market and economic uncertainty sparked by the ever-changing tariff landscape has made some affluent renters and even some buyers hold off on a pricey Hamptons vacation this summer.

Here is a round-up of the preseason real estate market in the Hamptons, Nantucket and Aspen – three of the wealthy’s favorite summer getaways.

The Hamptons

After the post-election euphoria in markets at the end of last year, brokers saw a surge in interest from potential renters in January and February. But as spring arrived, along with the April tariff announcements, the early interest didn’t translate into rentals.

“People are just unsettled,” Morabito said. “It may be hopeful thinking to say that people are just waiting until the last minute and that people will feel better by June.”

Morabito said he represents several homeowners with large waterfront and luxury properties that typically would have been rented by March or April. Today, they’re still available. He said some homeowners who rent out three or four homes in the Hamptons during the summer may start to question their investments after this summer if renters don’t start emerging.

On the plus side, the rise in unrented inventory means potential bargains and choice for renters. Brokers say some listings have started lowering their prices by 10% to 20% in hopes of saving the summer.

Gary DePersia of My Hampton Homes said the best houses in the Hamptons typically get rented early in the year. “But this year I have great rentals available in every town, from Southampton to Montauk.”



While tariffs and economic uncertainty may play a role in the slump, he said renters seem to have been waiting longer and longer every year, perhaps holding out for better deals. Eventually, he said, they end up renting.

“I think a number of people have deferred decisions, or they weren’t sure what [they were] going to do, go to Europe or the West Coast,” he said. “They will realize they want to be in the Hamptons; they have lot of friends and colleagues here and then they start scurrying around for rentals.”

Desiderio said the combination of weather and grim economic headlines made for a slow start that will quickly reverse.

“I believe this year there was so much ‘dark noise’ out there financially, and geopolitically, and the weather was not conducive to thinking of summertime,” she said. “There’s no doubt that by the time July 1 is upon us, all of the rentals will be taken this year.”

When it comes to home sales, the Hamptons real estate market remains fairly strong, despite relatively low inventory. Sales in the first quarter were down 12% from a year ago, although the median sales price jumped 13% to a record \$2 million.

Brokers say when a quality home in the Hamptons is priced right, it sells immediately. They add that the surge in high-end sales in Manhattan over the past two months could also lift the Hamptons market.

“I just had two Canadians put a bid on an \$18 million house, sight unseen” Morabito said. “When Manhattan comes alive, we always follow.”

Nantucket

While data on Nantucket rentals is scarce, brokers say there are more properties on the Massachusetts island available than usual for late spring.

“I’m seeing advertisements for properties still available for July and August, which is surprising,” said Brian Sullivan at Fisher Real Estate.

Many owners became aggressive with pricing, brokers say, which has made renters reluctant to sign for the summer.

“I think it’s the combination of the pricing trend and a little bit of hesitancy in the market,” he said.

Another sign of tepid demand: Ferry tickets are more plentiful this year.

On the sales side, demand and prices for Nantucket real estate remain strong — at least through the end of March. The first quarter saw 71 sales compared to 42 during the same period last year, according to Sullivan.

The big challenge, as with all luxury real estate markets today, is inventory. Sullivan said Nantucket typically had inventory of around 425 homes for sale. Today, it's around 180. He said many of the largest deals are off-market — where homes are listed and sold privately, without public listings.

“There's a shadow market of homes between \$30 million and \$50 million that are selling,” he said. “If I had quality product to bring to market, there is pent-up buyer demand.”

Aspen

While Aspen used to be known for its winter ski season, the summer is now as or more popular. And the rental market is largely defying the economic uncertainty and volatility in markets.

The Aspen season starts with the Food & Wine Classic in late June, followed by the Aspen Ideas Festival and then the Aspen Music Festival and School. While some brokers say demand at the lower end of the rental market is soft, demand for luxury properties is holding up.

“High-end rentals for the summer are fairly strong,” said Joshua Saslove, of the Saslove & Warwick Team at Douglas Elliman.

Mark Haldeman at Christie's International Real Estate in Aspen said renters were hesitant after the tariff announcements in April.

“But with the stock market comeback, rental interest has picked back up considerably,” he said. “I don't think we'll see a big drop in interest for summer rentals.”

One challenge for the high-end Aspen rental market: local restrictions on short-term rentals. The city of Aspen is limiting the number of homes that are licensed for short-term rentals, or those less than 30 days. In some areas, the city has also imposed a sales tax of 21.3% on short-term rentals.

Haldeman said the regulations have shifted some of the rental inventory from short-term to long-term, requiring longer stays.

At the very top end of the market, with mountain mansions renting for \$500,000 or more a month, demand is high for the summer.

The McLendon Team in Aspen has between 35 to 40 exclusive rental listings for high-end properties in Aspen and only two are still available, with one just listing this week. They said that because the homeowners don't need the rental income, they prefer to hold on to their rentals for summer rather than lower prices.

“These are people who may own four or five homes, in Saint-Tropez or Capri or in the U.S.,” said Ian McLendon. “They tell us ‘We aren't negotiating.’ If they don't get their

number, they have immediate family use it. Or they will let someone they're hoping to do business with use it for a month."