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Hamptons houses are renting for more than \$1 million a month as new owners try to cash in on their pricey pandemic purchases

Jordan Pandy May 26, 2022, 6:30 AM



J.B. Andreassi, a Nest Seekers agent in the Hamptons, represents pandemic buyers who are now renting out their mansions for as much as \$1.65 million a month. [Discovery+](#)

As the Hamptons enters its third pandemic summer, demand for vacation homes is still high.

Property prices are way up from pre-pandemic levels, and summer rentals are charging hefty rates.

People who paid dearly for Hamptons real estate are making some back by renting out their homes.

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The New York Times

The owner of a sleek eight-bedroom mansion in Bridgehampton, New York, would like to rent it out.

Property records showed an LLC bought the beachfront property at 155 Surfside Drive [for \\$16.5 million](#) in July. Less than a year later, it's back on the market [for \\$1.65 million for the month of July](#). That's 10% of the purchase price.

The Bridgehampton home's listing agent, J.B. Andreassi, told Insider that a few interested vacationers had tried — and failed — to seduce

the owner with offers of \$1 million for two other weeks.

You can afford to turn down deals like that when you're dealing with one of the hottest markets in the world.

Andreassi — a Hamptons local, a Nest Seekers broker, and the lead in the reality-TV show "Selling the Hamptons" on Discovery+ — is normally unfazed by sky-high summer numbers. After all, Memorial Day to Labor Day is the busiest time of the year for agents on the eastern end of Long Island, a few hours from Manhattan.

Now, Andreassi and other brokers say, the vacation-home buying frenzy that kicked off at the start of the pandemic is starting to bear down on the rental market. Owners are trying to cash in on their purchases by charging ever-higher prices for peak-season stays.



A rendering of 155 Surfside Drive in Bridgehampton, which is asking for \$1.65 million in rent for the month of July. FARRELL BUILDING COMPANY

Real-estate brokerage Compass [told the New York Post](#) that rental pricing for summer 2022 is about 10% higher than last year.

The average daily rent in the Hamptons was \$996.70 in April, 23% more than the same period last year, according to AirDNA, which conducts market research on vacation rentals. Daily rents have surged 60% above prepandemic levels of \$623.62 a night in April

2019, AirDNA found.



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Context matters in consumer choice, but in different ways around the world

How the Hamptons became a pandemic hot spot

It started during the early days of the pandemic, when retreating to popular vacation towns became more common. Remote-work options made it easier to work from wherever. And for an area like the Hamptons, [the phenomenon was exacerbated in 2020 and 2021](#).

"It's always been a very appealing place for people to land," Andreassi said. "But with COVID and everything that's happened over the last two years and our world sort of being turned upside down, it's seemed to even exaggerate some of the reasoning for people wanting to be in the Hamptons."

For those who could afford it, the migration to the Hamptons became a gold rush as people were buying homes under the assumption that

they could make that money back by renting them out over the summer months. And for the most part, they were right.





68 Egypt Lane in East Hampton is asking for \$330,000 in rent for three weeks. Douglas Elliman Realty

"I've been doing this for 18 years, and it was the craziest two years I've ever experienced," Justin Agnello, a real-estate agent with Douglas Elliman, said. "They knew that the Hamptons was a good place for their money to invest. Whether they buy and hold for 10-plus years — it's going to go up — or they rent it out for cash or to cover costs."

Another example: A [six-bedroom home at 68 Egypt Lane in East Hampton](#) that was purchased toward the end of 2020 by another LLC for \$8.55 million is back on the market. It's asking \$330,000 for three weeks in August via its listing agents, Martha Gundersen and Paul Brennan of Douglas Elliman.

And a six-bedroom property at 1190 Sagg Road in Sag Harbor that was snapped up in 2020 for \$754,000 is [back on the market for \\$275,000](#) for the summer.



1199 Sagg Road in Sag Harbor, which rented for \$275,000 for the summer. Douglas Elliman

Even homes that did not trade hands in the last two years are renting for top dollar. Agnello rattled off the priciest deal he's closed so far

this year: a \$425,000 Memorial Day-to-Labor Day deal for a seven-



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People continue to flock to the Hamptons

The number of Hamptons stays booked between May and September increased from 1,575 bookings in 2020 to 2,647 in 2021, according to [data](#) from the vacation-rental-management company StayMarquis. That's a 68% increase. Meanwhile, the money brought in during the same months jumped from \$8.2 million in 2020 to \$17.9 million in 2021.



7 Old Station Place in Amagansett, which rented for \$425,000 for the summer. Douglas Elliman Realty

StayMarquis manages 800 properties in New York to Colorado, but most are in the Hamptons. Bryan Fedner, a cofounder and managing partner, said that managing vacation rentals had allowed him to see firsthand the profits Hamptons buyers had reaped.

"Oftentimes, just one or two months of renting in July or August can really carry all the expenses for the property for the entire year," Fedner told Insider.

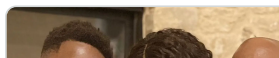


The interior of 7 Old Station Place. Douglas Elliman Realty

The rental market is so hot, Fedner added, that anyone who managed to buy during the pandemic always has a backup plan to cover their costs.

"A lot of people who ended up buying a property out there over the last two years fully realized the rental potential of their investment," Fedner said. "Whether or not they were planning to use the property themselves — which many of them do — they know that when they're not using the property, they can take advantage of the rental market."

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