



STAYMARQUIS

WHERE HOME MEETS HOSPITALITY



Hamptons Rental Market Report 2021

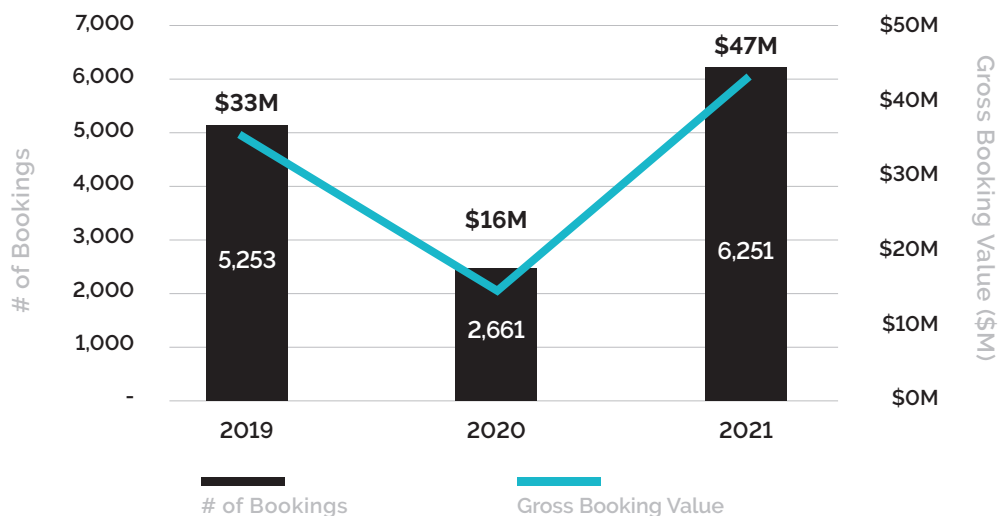
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Season Recap

Reflecting continued momentum from 2020, booking activity in 2021 kicked off extremely early in the year.

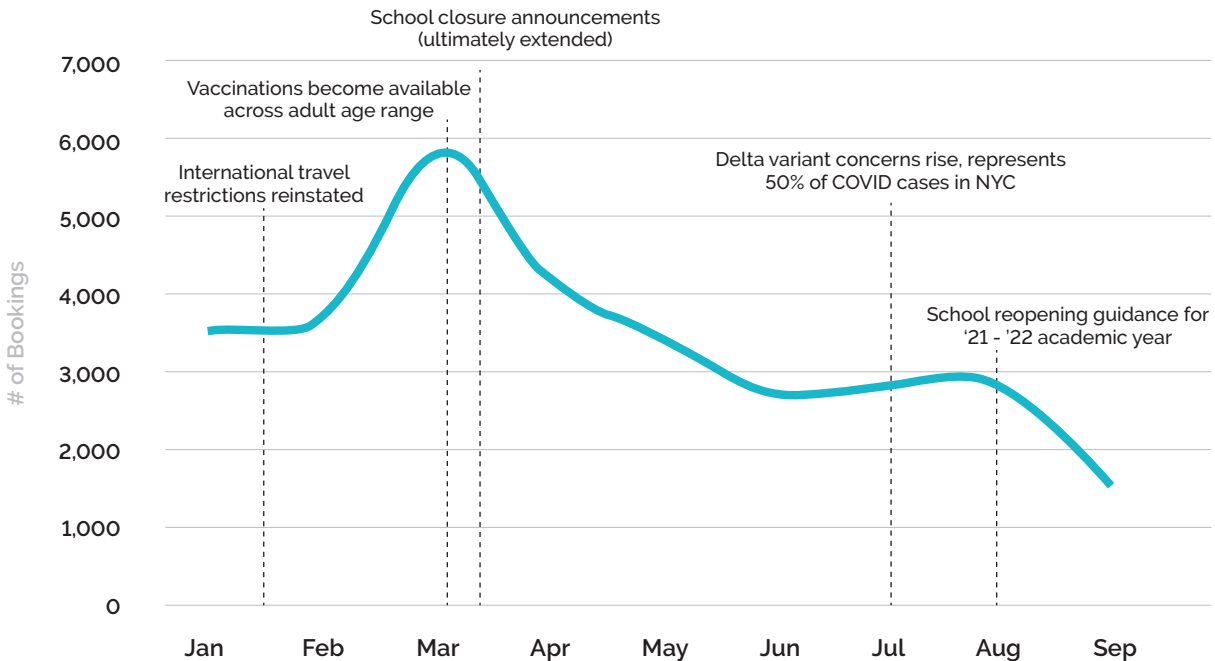
Gross Booking Value for bookings with check-ins between Memorial Day and Labor Day (peak season) that were made in the first quarter of 2021 were 3.0x above 2020 levels and 1.5x above 2019 levels, demonstrating renters' desire to lock in summer plans earlier than years prior. New owners who had originally purchased properties for their own COVID safe havens only added additional inventory to the market. As these owners returned to their primary residences, they subsequently marketed their properties for rent, opening peak season availability earlier than owners traditionally have. This early availability aided to facilitate high booking activity in Q1 of this year.

Online Bookings in the Hamptons Made in Q1 2021 for MDW-LDW



Optimism around an expeditious rollout of vaccinations combined with the reopening of restaurants and businesses offered a renewed sense of normalcy just in time for summer. This sense of hope only supplemented the steadfast booking activity showcased in Q1. As spring headed into the summer, booking activity seemingly then cooled off due to a few factors including: depleted supply, increased rental rates, and eased international travel restrictions which would allow potential renters to travel overseas for the first time in 18 months.

Timeline of 2021 Booking Activity



Maturation in other markets such as Upstate New York, the Berkshires, and Litchfield County – which have cheaper price points than the Hamptons – also shifted demand away from the Hamptons market mid-summer. As new rental properties emerged in these markets and Hamptons pricing stayed at all-time highs, this steered potential renters to search for alternative markets to vacation in.

Forecasting ahead, the influx of demand, pricing, and revenue experienced over the last 18 months are likely to revert towards 2019 levels. Prepared with this information, owners should temper their expectations and take a proactive approach to these changes to generate maximum income for the 2022 season. While rates are not anticipated to mirror 2019, pricing is expected to fall between 2021 and 2019 levels.

THE MOST SUCCESSFUL OWNERS IN 2021 DISPLAYED STRATEGIES THAT INCLUDED: BOOKING EARLIER IN THE YEAR, MONITORING THEIR ASSETS, AND PLANNING PROACTIVELY IN RESPONSE TO THE CHANGING MARKET ENVIRONMENT.

Market Overview

Overall booking activity increased this year in both volume and value. In 2021, peak season market booking volume grew by ~1,400 (+8.9%) transactions compared to 2020, with an associated market value increase of \$8.2m (+7.5%). This trend reflected lower lengths of stay -- a reversion to pre-pandemic levels. Higher booking volume and value, coupled with shorter stays facilitated higher nightly rates for owners. Even though overall nights booked decreased 8.2% vs. 2020, favorable rates allowed revenue per property to remain flat YoY.

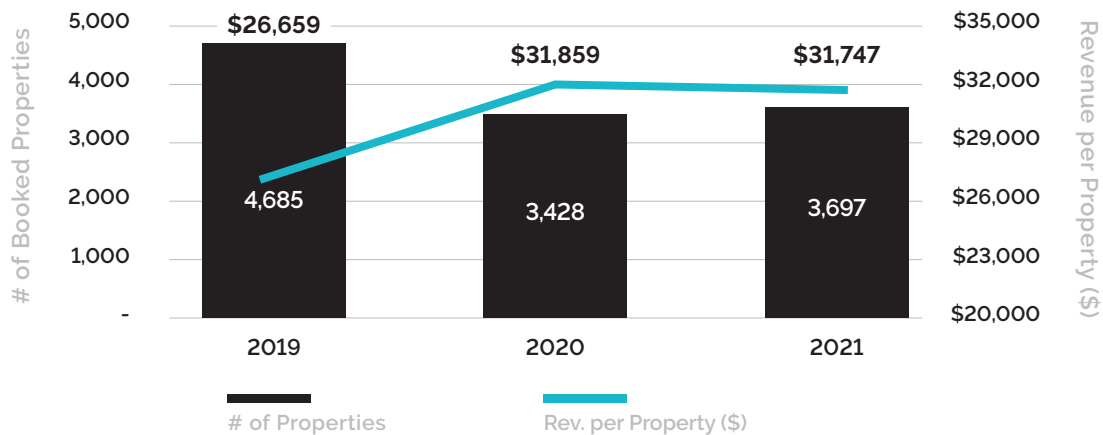
DESPITE A SHIFT IN DEMAND, INVENTORY WAS RELATIVELY STABLE AS MANY OWNERS CONTINUED TO RESIDE IN THEIR PROPERTIES. THESE TRENDS HIGHLIGHT AN EXTENSION OF THE 2020 MARKET ENVIRONMENT AND COLLECTIVE SENTIMENT AROUND TRAVEL, COVID-19, AND OWNER PREFERENCES.

	2019 MDW - LDW	2020 MDW - LDW	2021 MDW - LDW
# Bookings Growth	23,740	15,284 (35.6%)	16,645 8.9%
Bookings (\$ Amount) Growth	\$124,895,114	\$109,212,183 (12.6%)	\$117,369,259 7.5%
# Nights Booked Growth	126,309	99,748 (21.0%)	91,526 (8.2%)
Avg. Rate / Nt Growth	\$989	\$1,095 10.7%	\$1,282 17.1%
# Booked Properties Growth	4,685	3,428 (26.8%)	3,697 7.8%
Revenue / Property Growth	\$26,659	\$31,859 19.5%	\$31,747 (0.4%)
Nights Booked / Property Growth	27	29 7.9%	25 (14.9%)
Avg. Duration of Stay (# Nights) Growth	5.3	6.5 22.7%	5.5 (15.7%)

Supply

The number of properties in the Hamptons available for rent in 2021 grew slightly YoY (+7.8%) but trailed slowly behind 2019 levels – 3,697 in 2021 vs. 4,685 in 2019.

of Booked Properties in the Hamptons



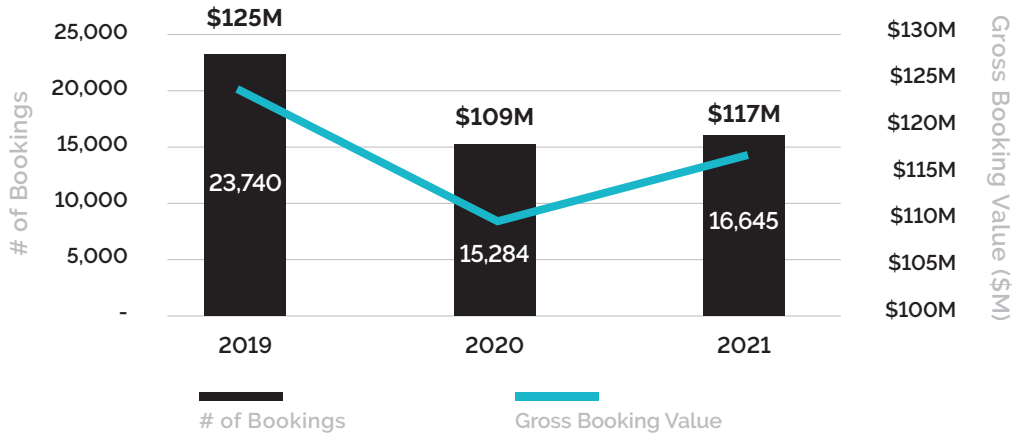
Another driver of increased inventory came from former renters who turned into owners. During peak season, a portion of this owner subset either periodically or frequently resided in their properties. As owners in this segment seek to capitalize on this steady rental demand, supply is expected to increase in the off-season. Further, preparation time for newly purchased homes limited marketability of these properties, as furnishing, permitting, and improvement projects were all delayed throughout the year.

EXPECTED AS OF EARLY 2022, MANY OF THESE HOMES WILL BE MARKET READY, INCREASING SUPPLY AS WE MOVE TOWARD NEXT PEAK SEASON.

Demand

Throughout the 2021 Peak Season, there were 16,645 bookings (+8.9% vs. 2020) executed in the Hamptons for a Gross Booking Value of \$117.5M (+7.5% vs. 2020).

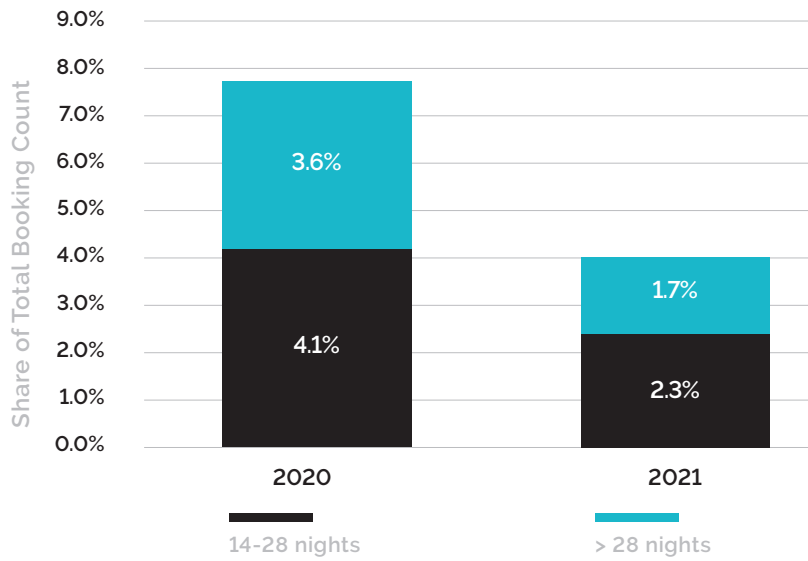
Online Bookings in the Hamptons (MDW - LDW)



The influx of bookings, compared to total Gross Booking Value, reflects a slight decrease in occupancy. Lower occupancy levels are an inherent risk to renting with shorter lengths of stay; average length of stay decreased from 6.5 nights in 2020 to 5.5 nights in 2021.

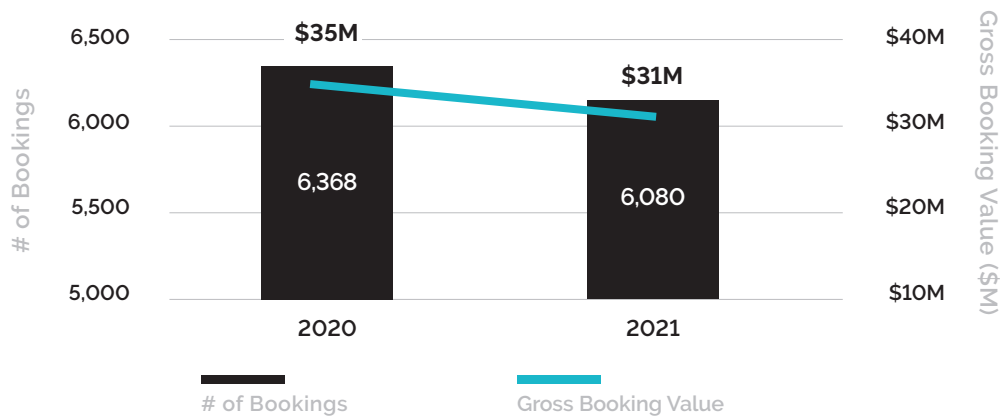
THIS TREND REFLECTS A BROADER SHIFT BACK TOWARD SHORTER TERM BOOKINGS, AS THERE WAS A SIGNIFICANT DECREASE IN LONG TERM BOOKINGS – 39% FEWER TWO-TO-FOUR-WEEK BOOKINGS AND 47% FEWER BOOKINGS FOR OVER A MONTH THIS YEAR, AS COMPARED TO 2020.

Long Term Bookings (2 weeks+) MDW - LDW



Booking activity for check-in dates later in the year slowed over time. The number of bookings requested in July for August and September check-ins and their associated Gross Booking Value have both decreased YoY, 4.5% and 11.1%, respectively.

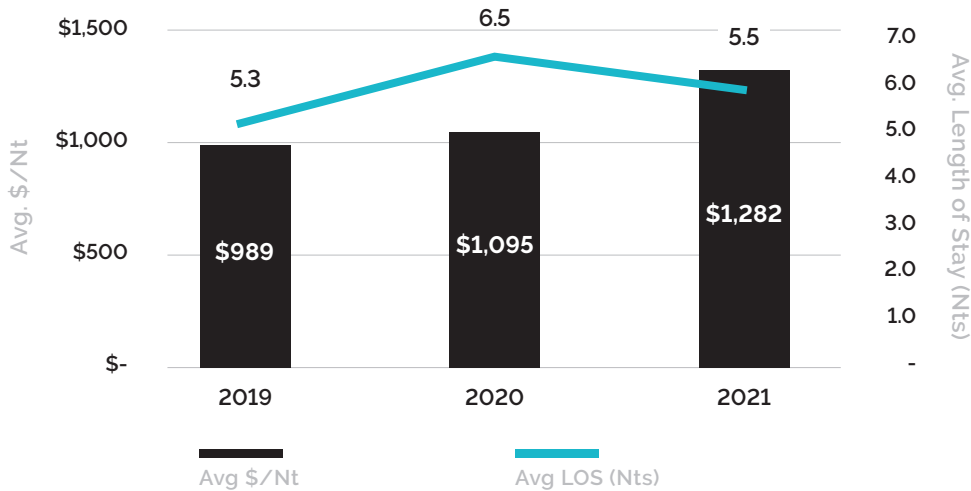
Online Bookings in the Hamptons made July forward (August and September Check-Ins)



Pricing and Length of Stay

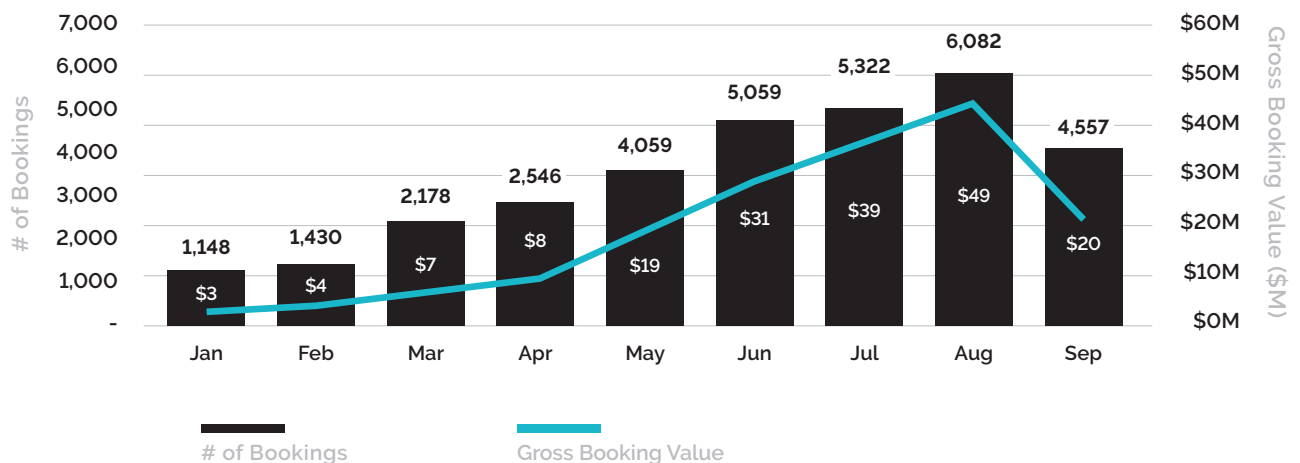
Average nightly rates continued their meteoric rise increasing 17.1% in 2021 over 2020.

Average Rate per Night



Seasonality has been consistent with prior years. While in 2020, September was achieving peak season rates, 2021 activity shows that renter behavior has reverted towards pre-pandemic levels, where activity and pricing for September reflect a more significant drop off from peak season.

2021 Bookings by Month (Based on Check-in Date)



Future Expectations

A reversion to pre-COVID off-season booking trends is expected to extend into October. Owners who opened off-season dates earlier, however, have been able to use lead time to their advantage achieving higher nightly rates than owners who decided to open fall dates towards the end of the summer. September bookings executed within one week of check-in post-LD had a 14% lower average nightly price, as compared to those executed six to eight weeks early (\$836 / night vs. \$972 / night); the same is true for October.

Lead Time	Post-LD September		October	
	Booking Dollars	Avg. Nightly Rate	Booking Dollars	Avg. Nightly Rate
Less than 1 Week	\$1,490,554	\$836	\$0	
1 - 2 Weeks	\$860,012	\$888	\$16,698	\$757
2 - 4 Weeks	\$1,560,920	\$932	\$614,416	\$800
4 - 6 Weeks	\$1,264,314	\$968	\$740,479	\$826
6 - 8 Weeks	\$947,345	\$972	\$784,276	\$874
8 - 12 Weeks	\$1,190,825	\$979	\$825,337	\$859

Evaluating pricing through the lens of its key drivers – 1) demand at the individual renter level, 2) size of renter pool, and 3) market level inventory – it is expected that future nightly pricing will revert to lower levels as each one of these key drivers will individually slide backwards. Collectively, these drivers will produce a compounding, negative effect. As vaccination rates have increased, renters are becoming more comfortable with traveling, dampening comparisons to 2020 behavior and the notion of “needing to get out of the house”. Further, as borders open, potential renters are expected to increasingly opt for fly-time locations versus those within driving distance. This mentality towards travel creates market-level travel decisions that are expected to have a negative impact on demand to the Hamptons, relative to the last year. As owners who have been living in or improving their properties re-open them for bookings, this increased supply will also create a drag on pricing.

AS A RESULT, BOOKINGS EXECUTED NOW FOR PEAK SEASON 2022 ARE LIKELY TO COME IN AT HIGHER RATES – ANY OWNER WHO PLANS ON MARKETING THEIR PROPERTY FOR NEXT SUMMER SHOULD OPEN AVAILABILITY AS SOON AS POSSIBLE.

2021 StayMarquis Highlights

In the News:

- We were recognized by INC5000 for the second year in a row, #343 Fastest Growing Private Company in the Country and #4 in the Travel & Hospitality Sector

Enhanced Services:

- Rolled out Home Vision, our tech-enabled property management service, currently with over 40 properties enrolled
- Newly launched "Pricing Analytics Dashboard" (PAD), available to all owners on our platform
 - This dashboard provides real-time, data driven pricing recommendations for owners and their properties
- Newly launched Advisory Services for prospective buyers, helping existing and future owners source buying opportunities and understand realizable income levels for potential purchases

As always, please do not hesitate to reach out if you have any questions about the rental market, need a full-service solution to renting your home, or need property management services.

✉ For **owners**, please email owners@staymarquis.com

✉ For **travelers** or travel agents, please email travel@staymarquis.com

✉ For **brokers**, please email broker@staymarquis.com

We hope you find this analysis helpful and hope to hear from you soon!

The StayMarquis Team