



STAYMARQUIS

WHERE HOME MEETS HOSPITALITY

HAMPTONS RENTAL MARKET REPORT 2020

Season Recap

The Hamptons rental market in 2020 was unlike any other year in recent memory. The rental season got an early start in mid-March as both renters and owners fled urban areas such as NYC in search of an escape from the pandemonium that ensued as COVID-19 spread throughout the tri-state area. Many bookings were for indefinite periods of time, as renters requested "Right of First Refusals" ("ROFRs") in the event they wanted to extend their reservation. With the new laws instituted under the NYS Tenant Protection Act of 2019, a key concern for owners was tenants' potential refusal to vacate the rental property after the end of the term. Many people expected to run into "holdover tenants" given the stay placed on evictions, however, this was not an issue for owners on the StayMarquis platform as we were able to mitigate this risk through rigorous vetting procedures and strict booking agreements, ultimately pre-empting these issues.

Concurrently with increases in demand, properties were taken off the market in a hurried fashion as owners looked to use their homes as their own safe havens. Unfortunately, this led to booking cancellations, disappointed renters, and some challenging positions for both sides – logistically and financially. These substantial supply and demand shifts, in addition to broad-reaching travel restrictions, created an extremely favorable environment for owners who were interested in renting and an unmatched economic opportunity.

2020

WAS UNLIKE ANY
OTHER YEAR IN
RECENT MEMORY

Market Overview

As a result of the changes in supply/demand dynamics, overall booking trends this year reflected fewer bookings – in volume – for longer term and higher nightly rates. From March to September, available inventory decreased 23% while total rental dollar value only decreased 16%, supporting a 4% increase in average nightly rate. Further, average rental income per property grew by 9%, to \$39,392. Booking volume during this period was down 37%, highlighting the potential for income per property to have grown more if properties were opened in more normative fashion.

4 %

Growth of
the average rate
per night

9 %

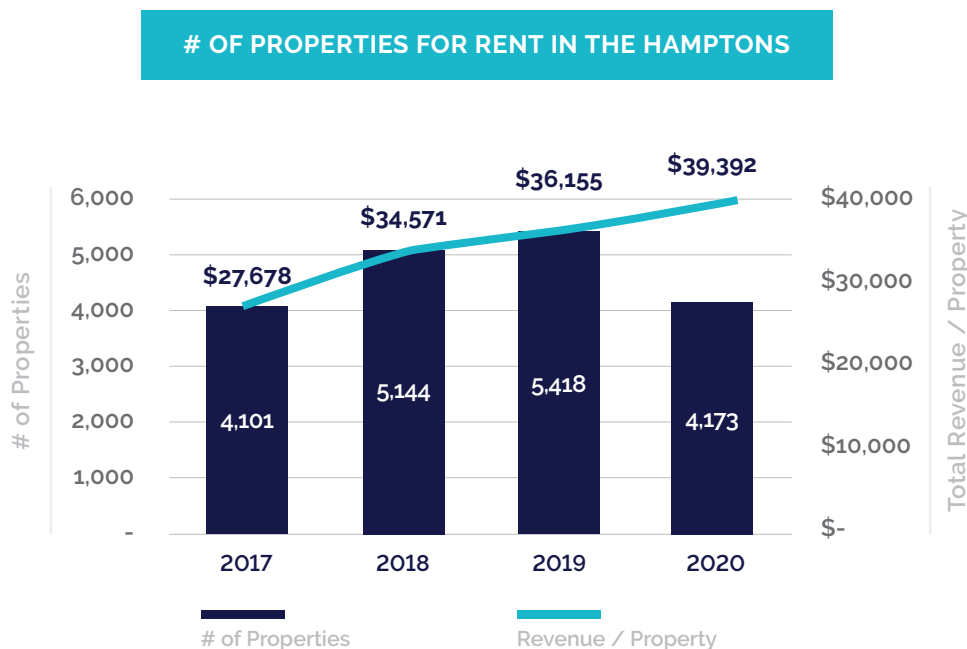
Growth of
the average rental
income per property

An additional consideration is that rental extensions are unlikely to be reflected in the numbers below. As a result, the actual total booking amount, average duration of stay and number of nights booked are likely to be higher than what can be tracked online:

	2015 MARCH - SEPT	2016 MARCH - SEPT	2017 MARCH - SEPT	2018 MARCH - SEPT	2019 MARCH - SEPT	2020 MARCH - SEPT
# Bookings	4,233	9,257	20,408	29,181	42,513	26,953
Growth		118.7%	120.5%	43.0%	45.7%	(36.6%)
Bookings (\$ Amount)	\$11,047,429	\$33,990,971	\$113,507,058	\$177,833,819	\$195,890,283	\$164,384,799
Growth		207.7%	233.9%	56.7%	10.2%	(16.1%)
# Nights Booked	15,574	43,026	143,150	192,932	210,248	169,244
Growth		176.3%	232.7%	34.8%	9.0%	(19.5%)
Avg. Rate / Nt	\$709	\$790	\$793	\$922	\$932	\$971
Growth		11.4%	0.4%	16.2%	1.1%	4.2%
# Properties	882	1,564	4,101	5,144	5,418	4,173
Growth		77.3%	162.2%	25.4%	5.3%	(23.0%)
Revenue / Property	\$12,525	\$21,733	\$27,678	\$34,571	\$36,155	\$39,392
Growth		73.5%	27.4%	24.9%	4.6%	9.0%
Nights Booked / Property	18	28	35	38	39	41
Growth		55.8%	26.9%	7.4%	3.5%	4.5%
Avg. Duration of Stay (# Nights)	3.7	4.7	7.0	6.6	5.0	6.3
Growth		26.4%	50.8%	(5.7%)	(25.1%)	26.9%

Supply

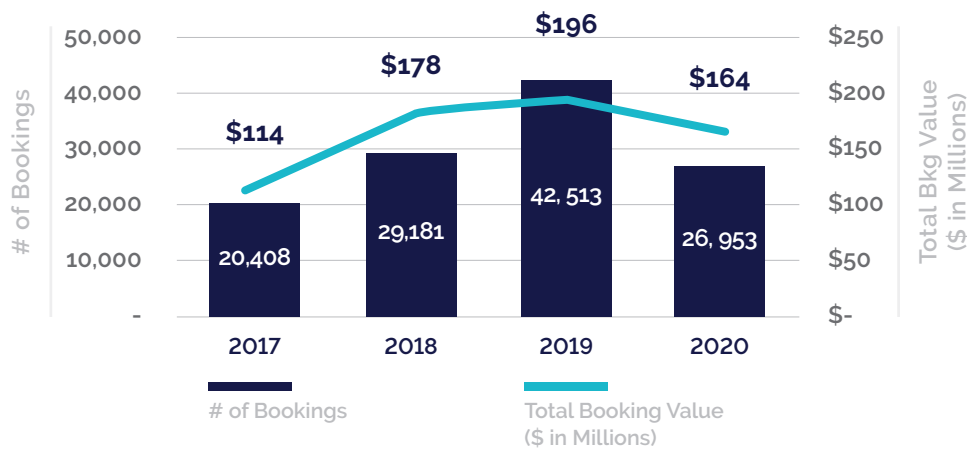
The number of Hamptons properties available for rent in 2020 on online channels declined by **23% year-over-year to 4,173**. This decline was the result of owners removing their listings for rent – to use their properties themselves – or deciding to put them on the market for sale. The latter was driven by the sudden spike in demand for single family homes in vacation destinations, particularly those that are shorter drive times from major metropolitan hubs. The buyer market received additional tailwinds as the rental market supply constricted, as would-be renters took interest in outright ownership. As the world and travel economy return to normalcy, we expect that the number of listings will revert toward 2019 levels. This belief is rooted in the fact that the online market proved to be incredibly effective channels to procure bookings in the current environment for both short-term and month-long+ stays.



Demand

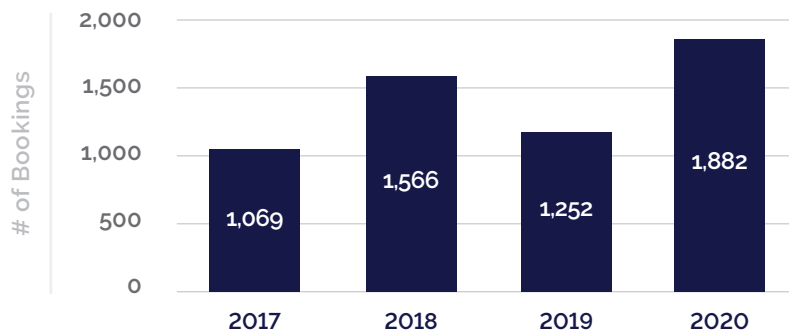
From March through September of 2020, there were 26,953 bookings (-37% YoY vs. 2019) effectuated in the Hamptons, totaling \$164 million in booking value (-16% vs. 2019). The overall volume decrease outpaced the change in booking value as average length of stay increased 27%, to 6.3 nights from 5.0 nights in 2019.

ONLINE BOOKINGS IN THE HAMPTONS (MARCH - SEPT)



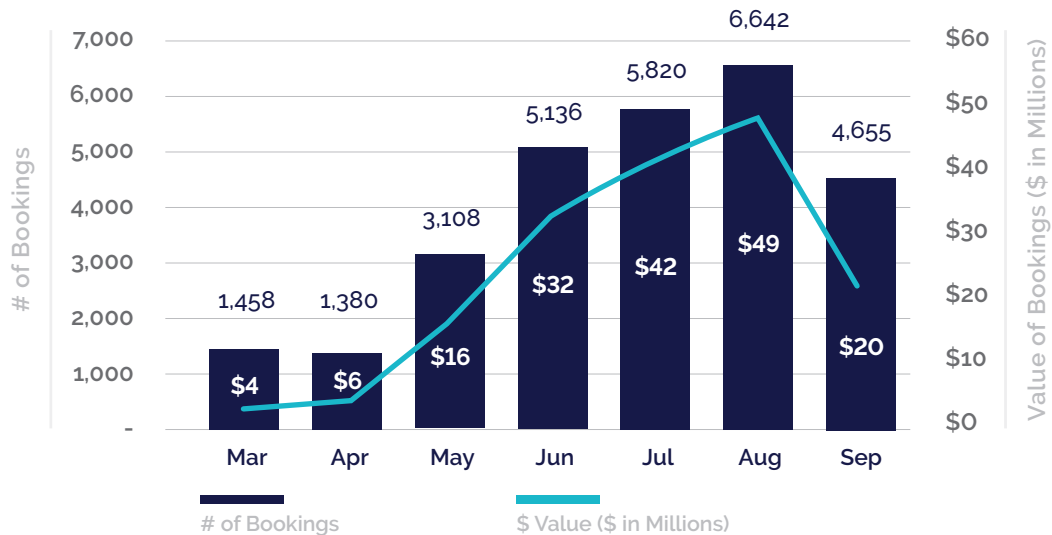
This shift in renter behavior is interesting, as more rentals of 2 weeks or longer were made in 2020 than any year prior. To us, this signifies longer-term renters' increasing trust reserving properties via online channels, often sight unseen. This is a trend that we expect to continue going forward.

NUMBER OF BOOKINGS FOR LONGER THAN 2 WEEKS



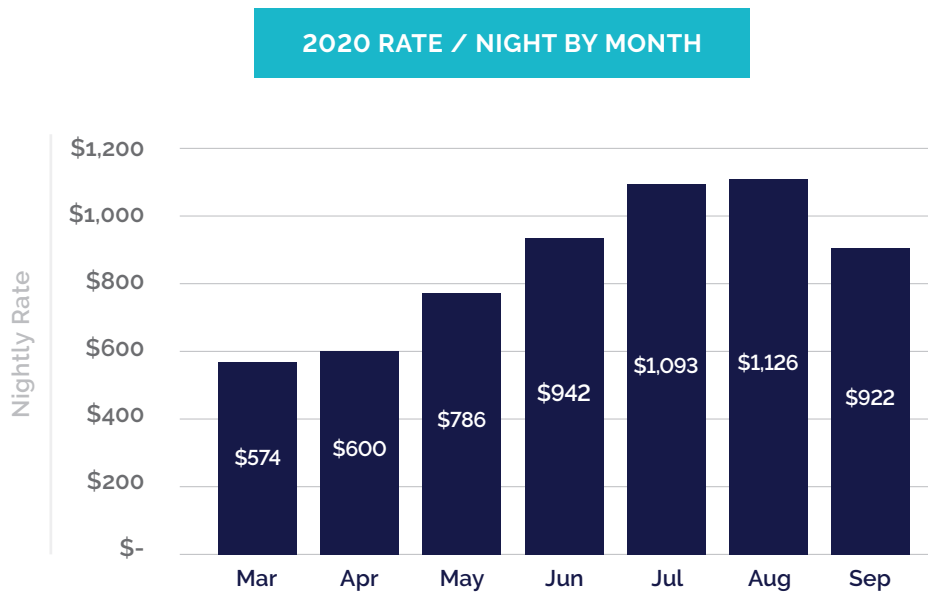
While there was more booking activity in March and April compared to the same months in previous years – as an immediate response to COVID-19 concerns and shelter-in-place requirements – booking activity during those months was still significantly less than peak season (May through September). The table below shows the number of bookings made (based on check-in date) and the total booking value broken out by month. As expected, August, July and June were the most active months, in that order. Interestingly, however, September booking volume is only slightly behind June booking levels, explaining the relatively higher local populations in the offseason relative to prior years.

2020 BOOKINGS BY MONTH



Pricing

With limited supply, increased demand at the individual level and overall larger renter pool, average nightly rates increased 4% in 2020, to \$971/night. Higher daily rates coupled with longer term stays resulted in a significant increase in average booking size – up **32%**, from \$4,600 to \$6,099. While total booking value declined from 2019 to 2020, the total rental revenue per property increased by 9%; owners who elected to rent this summer likely had a very successful season.

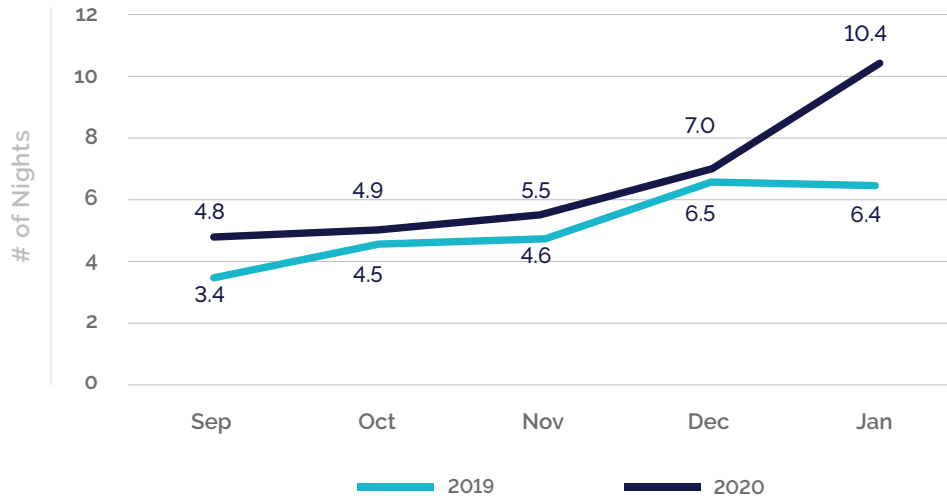


Future Expectations

As we look ahead into the fall and winter months, we are seeing trends consistent with peak season – lower total booking volume with longer average duration of stays in each month in 2020 vs. 2019. Similarly, average nightly rates in 2020 are higher than they were last year. As new developments continue to unfold with respect to COVID-19 and the uncertainty surrounding the upcoming election, making specific predictions for 2021 at this juncture is premature. However, it is unlikely that both supply side and demand side factors, as it relates to pricing and length of stay, will continue to provide the compounding benefits that they did for the 2020 season. As a result, there is likely opportunity to take advantage of the current market conditions.



AVG DURATION OF STAY BY MONTH (NIGHTS)



AVG NIGHTLY RATE BY MONTH



2020 StayMarquis Highlights

We at StayMarquis are thankful and fortunate to have persevered through the pandemic without having to layoff or furlough any members of our team. Despite the many challenges we faced within the past 6 months, we were still able to accomplish so much, which is highlighted below:

- **Marriott Partnership:** StayMarquis was selected by [Marriott International](#) to be their preferred property management partner in the Hamptons in their roll out of their new Homes & Villas division, a website dedicated to vacation rentals meant to rival Airbnb and VRBO. As a result of this partnership, all StayMarquis properties are featured and bookable on the Homes & Villas website, which reaches over 142 million Bonvoy members, a highly sought after and discerning clientele.
- **INC5000:** StayMarquis was recognized by INC5000 as the [#77 Fastest Growing Private Company in the Country](#) and #3 in the Travel & Hospitality sector.
- **Home Vision:** StayMarquis launched [Home Vision](#), a tech-enabled, fully customizable house watching and property management service, where we perform weekly inspections and provide a detailed recap of the inspection directly to the owner's cell phone. We use live photo and video functionality to show owners what is happening at their home in real time, and their dedicated Field Manager, who is an experienced, fully-insured professional, highlights any issues and makes suggestions to rectify those issues immediately. We only work with the most reputable service providers in the market including fuel companies, landscapers, electricians, plumbers, who provide *Home Vision* clients with priority service and preferred rates, saving owners thousands of dollars per year.
- **Broker Partnership Program:** StayMarquis rolled out our [Broker Partnership Program](#) where we successfully partnered with over 2 dozen local real estate agents from the top tier brokerages throughout the Hamptons. By partnering with agents, we were able to leverage our network of renters to drive additional booking activity to their clients' homes. If you are an owner and work exclusively with an agent, have them reach out to learn how we can help with providing marketing and rental management services.

As always, please do not hesitate to reach out if you have any questions on the above analysis or need assistance with renting your home and carrying out on-the-ground services associated with your home.

- ✉ For travelers or travel agents, please email travel@staymarquis.com
- ✉ For owners, please email owner@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