

The Awful Quandary of the Super-Rich: Palm Beach or Manhattan?

Wealthy Florida transplants are back north for August, sipping Southsides—and claiming bragging rights—with their skeptical Gothamite friends.



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By Holly Peterson
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When rich people hang out, the conversations are always laced with one-upmanship. Tennis elbow? My orthopedist can fix all. Long Island to Cape Cod? Fly private from East Hampton—*it's the only way.*

It's summertime, and wealthy New Yorkers who moved to Florida are back North. From East Hampton to Kennebunkport, everyone's in the same sandbox now. It's time to compare who has the shiniest bucket: those who decamped or those who stayed.

Palm Beach: the best decision ever? Yep, or so they claim. They golf before work and take a dip on Billionaires' Row beachfront after work. It's only two hours by speedboat to go bonefishing in the Bahamas.



On Worth Avenue, superwealthy Florida transplants can be seen well into June. They linger because they want to, not merely to avoid higher taxes. Photo: Jose More/VWPics/Associated Press

But for true Manhattanites, moving somewhere for fishing ease seems positively boneheaded. Asked if he'd ditch New York for enduring sunshine, mega-developer Aby Rosen prefers the big-boy pond. "Wow, gee whiz, how great I'm so free, swimming with kids in the middle of a workweek," he responded facetiously. "I mean, who does that? I don't want to putz around. Midweek, I'd rather go to Carnegie Hall, Lincoln Center or hear good jazz downtown. Kill me if I have to jump on a boat on a Wednesday evening!"

Spending months straight in Florida during Covid changed people’s perspectives. Some had enough sea spray for a lifetime and couldn’t wait for New York to be New York again. Others fell in love with existing in Florida full-time. They changed residency for a mixture of eased pandemic rules, less crime and no state income tax.

It isn’t an easy move. A fact pattern must emerge: fewer days in New York than in Florida. All possessions “near and dear” must go South—from framed photos to framed Basquiats. It can take years to prove to New York tax authorities that a second home in Florida is a true residence. They search cellphone locations and credit card receipts with the determination of truffle hounds.

People use apps such as Tracking Days to tally their whereabouts because five minutes in Manhattan is considered a whole day.



Asked if he’d ditch New York for enduring sunshine, mega-developer Aby Rosen (pictured in 2018) prefers the big-boy pond: “I don’t want to putz around.” Photo: Robin Platzer/Twin Images/Zuma Press

Media mogul Barry Diller is a current New Yorker. Twenty years ago, he was carefully maintaining his California residency. One night at 11:45 p.m., he pulled over to wait 15 minutes before crossing from New Jersey to Manhattan on the George Washington Bridge.

“I had no more days left in New York state except one. Only one,” he tells me. “I had a meeting the next day. I had to arrive in New York after midnight, so the day before could not count. And I thought, ‘This is not a life to lead.’ So, we jammed over the bridge to the city five minutes before midnight. The next day, I had exceeded the limit, became a New York City resident and never regretted it.”

Stalwart Manhattanites believe a high heart rate gives them an edge. If a messenger on an electric bike clips their nose, it’s an opportunity to flip someone the bird, show ‘em you mean business. It gets them pumped up to compete with and crush the next guy who pisses them off.

Those who fled the grit and grime of Manhattan repeat a common refrain: If New York doesn’t want to compete with other states on tax rates, people are under no obligation to stay. “Companies and employees can go anywhere to be competitive,” explains Ryan Williams, a consultant and former aide to Sen. Mitt Romney. “If I were a guest in your home and you weren’t accommodating, I would probably leave and not return.”

Even after Memorial Day, the well-heeled stayed in South Florida through June’s 17 days of drenching rain. They risked life and Hermès-clad limb for that divine Cajun Chicken at Bilboquet. And with enough days away from New York to satisfy the tax authorities, Florida transplants are staying longer because they want to, not because they have to.

At 9 p.m. on a mid-June Friday night outside the posh Buccan restaurant in Palm Beach, four parking valets ran around as if their lives depended on it. One opened the key cabinet to prove wealthy regulars remained. “Look: you got your Rolls, Ranges and Mercedes. Maybe the Bugattis are gone, but others are mostly still here.”



The superwealthy may appreciate Central Park's canopied walkways, but many have stopped and thought, "This one walk costs \$40k in income taxes. Why don't I walk free on sunny sand and do less of this?" Photo: timothy a. clary/Agence France-Presse/Getty Images

Rich people move in clusters around the globe. They gather, they listen, they copycat and they charm. The money game in Florida is more efficient; with laxer regulations, deals close faster. Sinking a putt on a random Tuesday might impress your partner enough to get your "hundo" (\$100 million) into an otherwise closed fund.

Carl Icahn and Ken Griffin are among the major machers who have planted stakes on the Palm Beach-to-Miami axis. Investment firms building Florida outposts or headquarters include Millennium Management and Elliott Management, as well as private-equity giant General Atlantic.

"Many young real estate guys, all here to capitalize on the booming market, have moved down," explains Dylan Reiff, a 24-year-old licensed sales associate at the Corcoran Group's office. "Palm Beach is the perfect place to put our feet in the water. Development moves at lightning speed compared with Manhattan. the West Palm region is a developer's dreamland."

To boot, it's a taxpayers' haven. The superwealthy crowding Worth Avenue are saving cash they don't need to save. Why? Avoiding higher taxes often has more to do with ideology than financial considerations.

They appreciated Central Park’s canopied walkways, but they stopped and thought, “By being in New York today, this one walk costs \$40k in income taxes. Why don’t I walk free on sunny sand and do less of this?”



Media mogul Barry Diller, a stalwart New Yorker, with his fashion-designer wife Diane von Furstenberg on June 5. Photo: angela weiss/Agence France-Presse/Getty Images

Big [Apple](#) loyalists counter that paying taxes is a duty to the city where you made all that cash in the first place. “Without the overall financial ecosystem and infrastructure, I would not have been a fraction as successful. I feel I owe a big debt to New York,” says Roger Altman, founder and senior chairman of [Evercore](#) and Deputy Secretary of the Treasury in the Clinton administration. “The city is like Dickens, a tale of two cities, constantly under stress. It needs all the help it can get.”

I tried the “tax-as-duty” concept on a bulldog lawyer fresh off a cushy Palm Beach back nine. “I owe the city more taxes? Absolute f—king bulls—t. I paid millions and millions of dollars in real estate and income taxes to New York. I didn’t use the public school system or public health once. I called 311 every month: It took the city five years to cut down a dead and dangerous tree in front of my f—king home!”

You can take the guy out of New York, but you can’t take New York out of the guy.

Holly Peterson is a journalist and the author of six books, including the novel “It Happens in the Hamptons.”

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