



# Short-term to Long-term Rental Conversion Incentive Programs



LOCAL  
IMPLEMENTATION

Implemented on Cape Cod

## OVERVIEW

Seasonal communities across the country are utilizing programs that provide financial incentives to short-term rental owners to rent to long-term or year-round renters instead. These programs are meant to close the gap for owners, at least partially, between rental income earned from a short-term rental and that earned from a long-term or year-round rental to provide more rental opportunities for residents and employees in the community. Converting existing short-term units to year-round rentals may increase housing availability quickly, without requiring construction or renovation.

### CHALLENGES ADDRESSED

-  Not Allowed to Build Multi-family Housing
-  Too Expensive to Build New Housing
-  Too Expensive to Secure or Maintain Housing
-  Hard to Find Year-round Housing

## POTENTIAL BENEFITS & CONSIDERATIONS

- Can increase the housing supply for long-term rentals and year-round housing rapidly
- Conversions may not be permanent, depending on the program parameters and requirements for participation
- The program will need to be funded and the amount of incentive offered necessary to encourage participation by short-term rental owners may be quite high
- Communities must identify an entity to administer the program, which may be a government or private organization

## EXAMPLES

***Lease to Locals Pilot, Provincetown, MA*** - The Town of Provincetown is piloting a program run by Placemate which offers incentives for property owners of primarily unused properties or who are currently renting on a short-term basis to shift to renting those properties to year-round residents.

***Rent Local Program, Sedona, AZ*** - The City of Sedona, AZ pays homeowners to convert their short-term rental to a long-term rental. To receive the cash incentive, homeowners must submit a fully executed one-year (or longer) lease with a local employee. Incentives can range from \$2,000-\$10,000 per year depending on the type of residence.

### CASE STUDY: LEASE TO LOCALS PROGRAM, PLACER COUNTY, CA

This program in Placer County, CA offers a set of incentives for homeowners that shift from renting their home short-term — or not renting at all — to 5- to 12-month-plus lease arrangements with locally-employed tenants. Participating and qualifying homeowners will receive grants ranging from \$2,000 to \$18,000. Tenants must work in the area and there is a maximum rent that can be charged.

Learn more [here](#).

