

LEASE TO LOCALS

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Chilmark Housing Committee

Jan 18, 2024

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Agenda

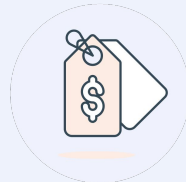
- ▶ Background on Lease to Locals
- ▶ Bringing Lease to Locals to Chilmark



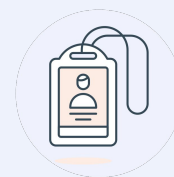
Lease to Locals Program Structure



Convert existing housing stock to new longer-term rentals for the local workforce in tourist towns



Provide property owners cash incentives to convert their properties into seasonal and long-term rentals



Allow local governments to quickly and efficiently address critical “missing middle” housing needs

Lease to Locals Markets



 **Truckee, CA**
November 2020

 **Summit County, CO**
October 2021

 **South Lake Tahoe, CA**
January 2022

 **Placer County, CA**
August 2022

 **Ketchum, ID**
October 2022

 **Eagle County, CO**
June 2023

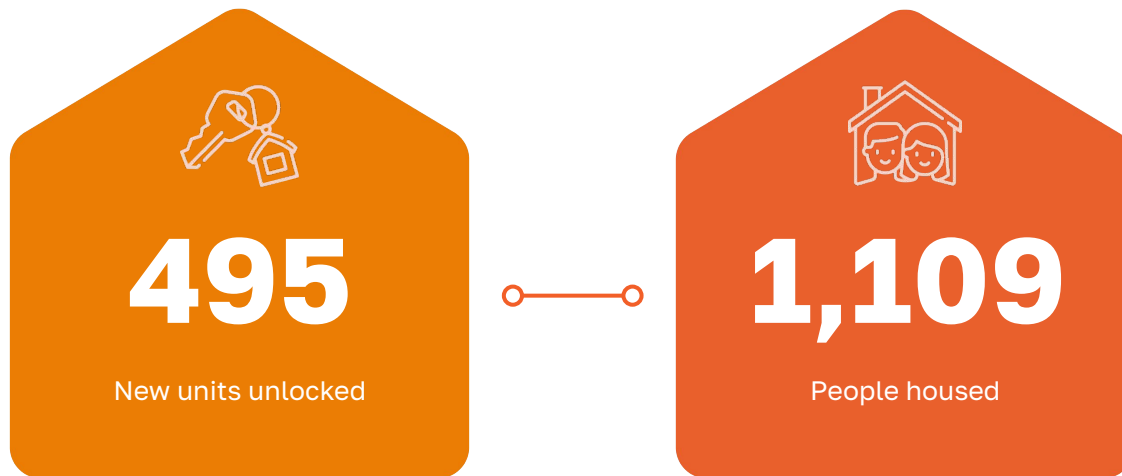
 **Nantucket**
September 2023

Lease to Locals Overall Results



Results to Date*

2,446 total property owner leads



*Data as of Jan 2024

Bringing Lease to Locals to:



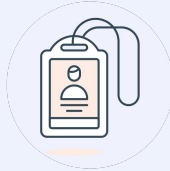
Town of
Chilmark
Massachusetts

Lease to Locals - Program Definition



Define types of eligible properties and target unit size:

- Short-Term Rentals
- ADUs / In-law units
- Empty second / vacation homes
- Private rooms



Define “workforce” and who the town will serve, including:

- Local employment
- Income cap
- Rent cap



Determine incentive structure and budget

- Incentive amounts
- Program budget

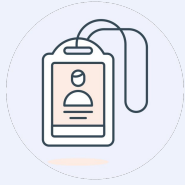
Lease to Locals Program Definition



Target Property Owner / Unit Size

- Current short-term rentals
- Empty or underutilized second homes
- Empty rooms in primary residences

Lease to Locals Program Definition



Proposed Tenant Profile

- Tenants must work full-time (30+ hours a week) for a local employer

Lease to Locals Program Definition



Determine Incentive Structure:

- Lease length of 12 months (or greater)
- Seasonal lease of 5 months (or greater)
- Incentive should be targeted to “bridge the gap” between STR and LTR

Lease to Locals Incentive Amounts



Monthly Net Income of Short-Term Rentals in Chilmark

	1bd	2bd	3bd
Gross	\$5,632	\$6,689	\$7,944
Cleaning Fees (10%)	\$563	\$669	\$794
PM Fee (20%)	\$1,126	\$1,338	\$1,589
Utilities (10%)	\$563	\$669	\$794
Airbnb Fee (3%)	\$169	\$201	\$238
Net	\$3,210	\$3,813	\$4,528

Lease to Locals Incentive Amounts



“Gap” needed to bridge short-term vs long-term rental income

	Max Monthly Rental Rate*	Monthly STR Income	Monthly Gap	Annual Gap
Private Room	\$1,000	\$1,605	\$605	\$7,262
Studio	\$1,500	\$2,408	\$908	\$10,893
1BD / ADU	\$2,000	\$3,210	\$1,210	\$14,524
2BD	\$2,500	\$3,813	\$1,313	\$15,751
3BD	\$3,500	\$4,528	\$1,028	\$12,339

*Max Monthly Rental Rate based on 150% AMI for Dukes County (2023)

Lease to Locals Goals and Budget



Unit Size	Incentive Per Qualified Tenant	Number of Units	People Housed	Cost
Private Room	\$5,000	2	2	\$10,000
Studio / ADU	\$6,000	2	2	\$12,000
1bd	\$7,000	3	6	\$42,000
2bd	\$7,000	2	5	\$35,000
3bd	\$7,000	2	6	\$42,000
		11	21	\$141,000

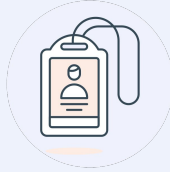
\$141,000	Incentive Costs
\$52,500	Placemate Admin Cost
\$5,500	Marketing Expenses
\$199,000	Total Program Cost for Year 1

Lease to Locals Placemate's Role



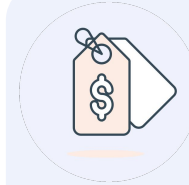
Property Owner Qualification

- Oversee targeted marketing
- Dedicated program webpage / phone #
- Onboarding phone call and ongoing support
- Ability to self-list property on Placemate



Tenant Qualification

- Ability to create renter profile on Placemate to match with properties
- Verify local employment/income via paystub or employer letter
- Verify tenant ID



Compliance and Reporting

- Submit full application packet to Town Staff
- Ongoing compliance with mid-year and year-end check ins
- Reporting and regular updates to Town staff and Select Board

Lease to Locals Timing and Next Steps



1

Gain consensus,
aligning on program
goals, policies, and
budget

2

Build program
guidelines and
allocate budget for
1-2 years of program

3

Launch program
with full marketing
and PR plan to gain
momentum

This process typically takes 3-6 months and the launch date is targeted around tourism seasonality

Appendix

Placemate's Vision and Mission:



Vision: We envision a world where communities thrive because local employees can find stable housing.



Mission: Our mission is to help local employees secure housing in tourism-based economies, through innovative public and private partnerships across the country.

Placemate's Evolution



Fall 2020

Lease to Locals Pilot

Launched first of its kind incentive program in partnership with Town of Truckee

Spring 2019

Proof of Concept

Launched our marketplace – “The Airbnb for local’s housing” in Truckee, CA

Fall 2021

Rollout Nationally

Lease to Locals programs launched across the country

Market Deep Dive



Launched Oct 15, 2021

Guidelines



Property must be located in Town of Breckenridge or Unincorporated Summit County

Property must have been an active short-term rental for at least the last three months



Leases can be seasonal (6+ months), or long-term (12+ mo.) and subject to rent caps

Incentive amounts vary based on length of lease and size of unit, up to \$22,000



Qualified tenants **must be locally employed** in (Summit County) at least 30 hours per week

All bedrooms must be filled with Qualified tenants (Exceptions for disabled and caretakers)

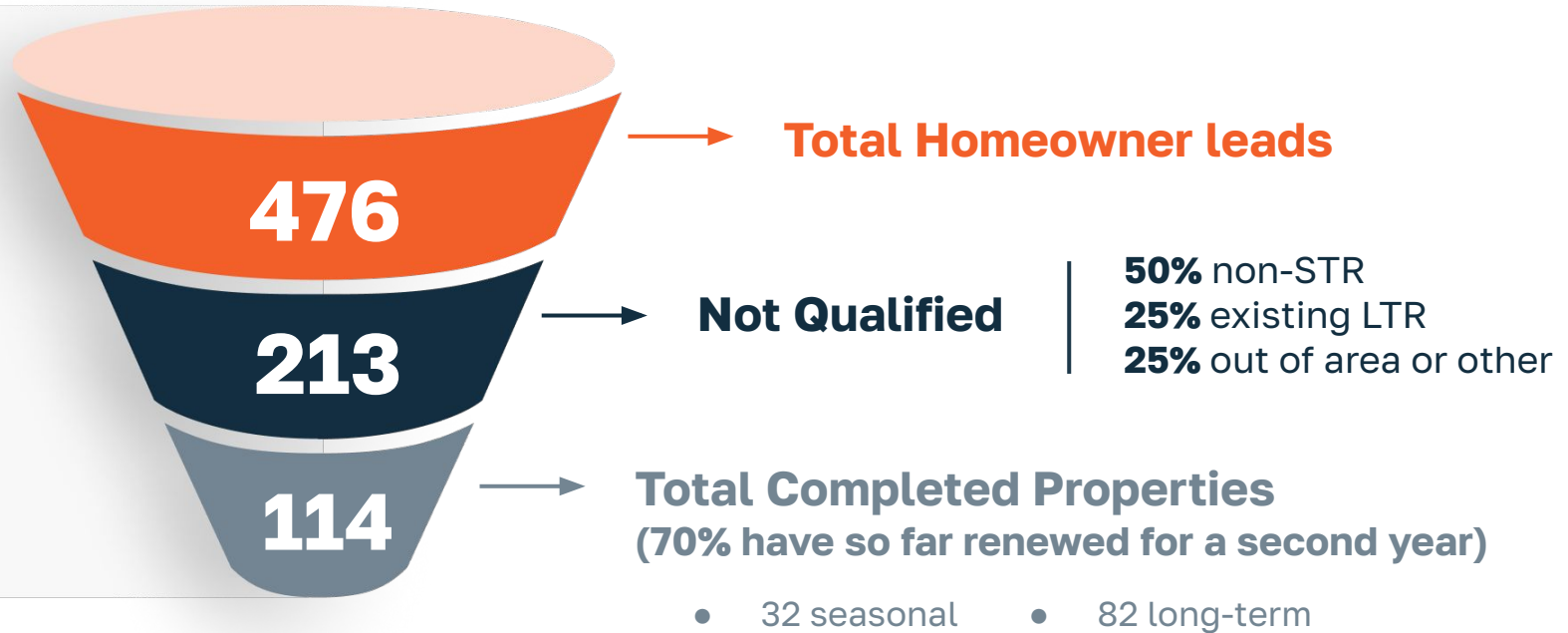
Current Program Guidelines



Unit Size	Seasonal (6+ months)	Long-Term (12+ months)	Rent Cap Per Bedroom
Studio/1 Bedroom	\$4,000	\$8,000	\$1,500
2 or 3 Bedrooms	\$8,000	\$16,000	\$1,200
4 Bedrooms or Larger	\$9,000	\$18,000	\$1,000

*Leases cannot end between Nov 1 and March 1

Results Property Owners



Results Tenants



228

Total People
Housed



\$1,200

Median
rent/bedroom



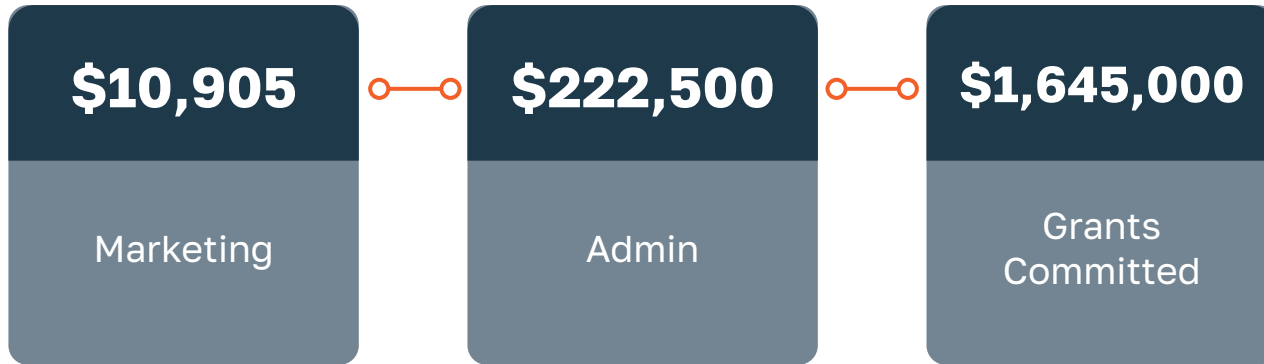
\$2,400

Median
rent

Results Summit County Budget





\$7,580 average cost of incentive per bedroom





Feedback





 "I think this is a wonderful program and gives incentive for local owners to lease to other locals who desperately need housing! More programs like this please!!!"
Tenant

 "Excellent program. Tenants were very appreciative to receive a subsidy (we split the payment with them)"
Homeowner

 "Overall Great program for locals and have connected with some fantastic people in our community because of it. Looking forward to keeping our tenant for the future"
Homeowner

 "My landlord is amazing and I am so thankful she leased to me instead of airbnb!"
Tenant

 "We really appreciate this opportunity and think it is incredibly beneficial to the locals and the community."
Tenant

 "Great program, I am happy to be participating in Lease to Locals. I have lived in the county as a renter before and know how challenging it is. I am grateful to be able to help provide long term housing"
Homeowner