

# OP-Ed Page

## Why Short-Term Rentals Should be Restricted

By Peter McCausland

I thank the newspaper for the opportunity to address an important topic for the Nantucket community. To begin, let me say that neither ACKNow nor I have any affiliation with the Inky.

I got involved with ACKNow because many people, both year-round and summer residents, believe that something has gone terribly wrong, and the voters may be ready to protect the Island, its community, and restore our quality of life. I serve on the Board with Tobias Glidden, Linda Holland, and Kelly Steffen. Julia Lindner is our Executive Director. Our mission is to inspire the change needed to protect what the community loves about Nantucket. ACKNow stands for the preservation of the middle class, for year-round housing, less development and less stress on infrastructure, and the environment.

In our research, we came to realize that the growth of Short-Term Rentals "STRs" is out of control, with damaging consequences for our community. In the absence of any Town initiative, ACKNow submitted an article in the form of a Bylaw that legalizes STRs and attempts to limit the negative impacts of business STRs before they destroy what we love about Nantucket. It's a complex problem, and we're trying to be fair and transparent in our approach.

Nantucket is a unique community, which has a special connection between summer residents and locals. At its heart is respect for one another and an acknowledgment of mutual dependence. That said, Nantucket has always been for sale, and the efforts to protect it, some of which have been spectacular, overall,

show mixed results.

I can't vote, but, together with my ACKNow colleagues, we can try to give Nantucketers something to think about. We believe that STRs violate local zoning bylaws and, at today's levels, are tearing at the fabric of our community. I know many year-round and summer residents agree with us and want business STRs curbed, but why are we only hearing from the STR industry and their friends? This letter attempts to explain why it is in our best interest to support this Bylaw. We are hoping for a strong silent majority of voters to save our Island.

STRs represent 22% of all houses and are multiplying. The vacation rental market is expected to double in the next decade, as public companies like Airbnb and Expedia's VRBO and HomeAway go for growth. STRs are already bad for the community in terms of disruption of neighborhoods, stress on the environment and infrastructure, and impacts on housing for Nantucket's middle class. Anyone who doesn't see the connection between the business STRs and our housing shortage should read the studies, including a new report from LINK which shows sales of houses under one million dollars have fallen from 43% to 8% of total sales in less than ten years! It's no wonder a year-round resident can't compete for housing with STR investors who can deduct depreciation, mortgage interest, and taxes against other income. Worse, STRs are being subsidized by the community. They pay real estate taxes at residential rates, which are forty percent lower, even though most are strictly businesses. They don't pay for their disproportionate impacts on the environment and infrastructure, and; now the community is spending

large sums of money to replace the housing STRs have absorbed.

With the amendments we have announced, the Bylaw restricts business STRs and preserves all the freedom for year-round residents to rent their primary residence on a short-term basis without limitations. Our Chairman, Tobias Glidden, will introduce an amendment at Town Meeting to address this issue. Having the owner present on the property is clearly a distinguishing factor, and the last thing we want to do is make it more difficult for year-round residents to afford rent, much less own a home.

I can relate to summer residents who rent their Nantucket homes to offset some of the cost of ownership. Bonnie and I are fortunate that we don't have to rent now, but we did in 1980 when we purchased our first home. The proposed Bylaw does not deny anyone the opportunity to rent to help pay for their old or new home, and we think it will protect property values over the long run. Unlike communities such as Carmel, Charleston, and the Hamptons, which have eliminated rentals of less than 30 days or imposed two-week minimums, the proposed Bylaw legalizes STRs with necessary and reasonable limitations to restore balance within the community.

At the other end of the spectrum are those that own a house that is not a home but a business property; no one lives there, and it rents for as few as 2 or 3 days. Most of these business owners are not Nantucket residents. These businesses are in both summer and year-round neighborhoods.

The Bylaw will push the market to longer-term rentals, with a lot less disruption in neighborhoods

and less impact on the environment, traffic, and parking, and dampening investors' enthusiasm for Nantucket should also help preserve year-round rental and ownership inventory. People essential to our community are leaving Nantucket. We don't have enough caregivers for the elderly. We can't keep police officers; try getting a plumber. Nantucket's middle-class is roadkill as STR investors and other off-island businesses drive hard to extract profit from the building boom.

Whether they rent their house or profit directly or indirectly from STRs, all Nantucket residents need to assess the collective impact of business STRs on our Island. Business STRs range from the Copley Group, a chain of 14 STR houses, to the single business properties which were the subject of recent letters to the Editor. The Marriott Hotel Corporation is just getting started. Mr. Nydes, the founder of Nantucket Together, an effort to drum up support to defeat the Bylaw, turned a house on Pilgrim Road into an STR business that sleeps 24 and rents for \$45,000 per week. Does anyone doubt that he claims this as a business on his tax return? By the way, Mr. Nydes lives in Santa Monica, where he has been an outspoken proponent of regulation to keep business STRs out. I guess what is good for Santa Monica isn't good for us. Nantucket Together is attempting to stir up the "don't mess with Nantucket crowd" to give it a local flavor, thereby obscuring its efforts on behalf of STR business owners. We urge everyone to read Nantucket Together's materials to see how they are attempting to scare people. Follow the money.

We know the Bylaw will have some economic impact

on these STR business owners, 80% of which are nonresidents, but the effects on year-round residents will be very different given the proposed amendment. And there is no way that the Bylaw will have devastating economic consequences. The rental market will adjust. In fact, the Bylaw could cushion the next major economic downturn. We don't want to scare people like Mr. Nydes is trying to do, but it is not inconceivable that the next recession could hit STRs dramatically when the renters go away, and the loans are called. And, by then, the middle class on Nantucket will have been forced off the Island, leaving only rich people, STR support staff without jobs and the non-profits helping them, and, of course, realtors as the last vestige of Nantucket's middle class. Both scenarios, the growth or failure of STRs, are very scary, and that is precisely why the Bylaw is so essential. Many other communities have adopted more severe restrictions and are thriving. The people who support us are concerned about the long-term, about preserving this unique community which, combined with its history and natural beauty, make Nantucket special.

The real estate industry is lined up against the Bylaw despite the fact that the Bylaw can help alleviate the housing crisis. On behalf of his STR clients, Arthur Reade submitted an Article suggesting that the bulk of the lodging tax be earmarked for affordable housing. Just what Nantucket needs, another STR subsidy and an unhealthy alliance that would give serious momentum to STRs and, possibly, workforce housing. Now, that would be a huge subsidy for STRs. There are other much more sensible

ways to address the housing issue without tying funding to a major source of the problem.

Why hasn't the Town addressed STRs? Does the Planning Director think that Nantucket's natural evolution is to go from a residential community with a unique history, extraordinary natural beauty, and a vibrant community to Disney World? Will Nantucket voters do something, or will they let STRs continue to suck up all the year-round housing, ruin neighborhoods, and strain the Island's environment and infrastructure until it is too late? I hope that fair and reasonable people will conclude that limiting STRs is in their self-interest too. We hope Nantucketers will follow the money and see the opposition to the Bylaw for what it is.

I got involved with ACKNow because we all have one thing in common; we all love the Island. And the debate on how to protect the Island is not new to Nantucket. Zoning was not introduced until the early 1970s; then followed the Historic District Commission. And in the 1980s, the Island passed the Nantucket Island Land Bank. All these efforts were faced with vociferous debate. Now we are talking about protecting our community and the quality of life with a desire to have a long-term impact that will ensure that many future generations enjoy what we all love about Nantucket today.

*Peter McCausland is a summer resident of 50 years, an avid sailor, and the retired founder and CEO of Airgas, a medical and specialty gas supplier. Peter and his wife Bonnie are devoted to protecting Nantucket, its people, natural beauty, history, and culture. He is also the founder of ACKNow.*