

Lots of people bought second homes on the Cape during the pandemic. That means more short-term rentals this summer.

The number of properties available for short-term rental has jumped 50 percent since 2021

By **Beth Treffeisen** Globe Correspondent, Updated April 9, 2024, 5:52 a.m.

For the last few years, finding a summer rental on Cape Cod has felt nearly impossible as prices soared, making it increasingly out of reach. But in a rare bit of good news on the housing front — at least for vacationers — renting at a reasonable rate might be a little more possible this year due to an uptick in availability.

The Cape has nearly 18,000 short-term rentals on the market this summer, a 12 percent increase from April last year and nearly 50 percent more than March 2021, according to the Massachusetts Department of Revenue and the Cape Cod Commission.

Why? A big reason is the ripples from [the wave of second-home buying that hit the Cape during the COVID-19 pandemic](#). Many second-home owners are now looking to recoup some of their costs as they spend less time on the Cape and return to more normal work and school routines, said Paul Niedzwiecki, executive director of the Cape Cod Chamber of Commerce.

That increased availability has stabilized the cost of rentals. Prices were unsustainable during 2021 and 2022, Niedzwiecki said, when people flocked to the Cape as a safe space

during the pandemic, sending costs to rent a house for the week (or longer) soaring. They improved last year and will level off even more this summer.

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“We had another really good year last year,” said Niedzwiecki. “It will be another solid year.”

However, some traditional Cape lodgings, such as hotels and bed & breakfasts, are seeing demand fade, and don’t command the high rates that short-term rentals do, according to an AirDNA report compiled by the Massachusetts Office of Travel & Tourism.

For example, the report shows that in July of last year, traditional lodging in Barnstable County had an occupancy rate of 71 percent, with an average daily rate of \$286, compared to short-term rentals in the same period that saw an occupancy rate of 86 percent with an average daily rate of \$552.



A dense neighborhood of homes in Provincetown. An uptick in availability across the Cape has made renting for the summer a little more possible this year. SOPHIE PARK/NYT

But if supply is up, demand is still strong, too — a sign that overall interest in Cape Cod remains high.

Bookings at WeNeedaVacation, an online platform with nearly 4,000 rentals on the Cape and Islands, are running 3.4 percent ahead of last year's pace, said co-owner Joan Talmadge; prices are up 2 to 3 percent. Compared with 2019, bookings are up 27 percent through March.

And Talmadge, who has overseen vacation rentals since 1997, said [clients are looking for upscale experiences in ways they did not before.](#)

“Years and years ago, when people were renting homes, it was often a cottage that wasn’t winterized, and they might have had to do their own cleaning before they left — the price, of course, was much lower,” said Talmadge. “But that has all changed. It’s a whole different environment now.”

Adding to the cost of Cape summer rentals, a bushel of new taxes.

The state occupancy excise tax of 5.7 percent and the Cape Cod and Islands Water Protection Fund tax of 2.75 percent both went into effect in 2019. Most towns also have additional occupancy fees of 6 percent. All told, taxes can add 14 percent or more to the cost of a week.

It hasn't really dented demand, said Luke Chapman, CEO and founder of Orleans-based [Del Mar Vacations](#), but he worries about what ever-increasing costs might do to other businesses — from ice cream shops to bike and boat rentals — that rely on summer visitors spending money.

“If your economy depends on tourism and you’re applying a sizable sin tax, you’re implying that you’re trying to dissuade that behavior, which I think is probably unwise,” he said.



A growing share of the people who own summer rentals are themselves Cape residents — meaning the money generated by rentals is more likely to stay local, Chapman said.

“A lot of the conversation around rentals is always about ‘these baddies from New York City buying up all the real estate,’ ” he said. “But based on a couple of hundred interviews I’ve done with homeowners this year, I’d say more than ever I’m talking with folks . . . [who] live locally.”

Tanner Ellison put his house in Harwich on the short-term rental market for the first time this year after moving into a larger home nearby with his family. The listing went up last month and he’s already booked all but four weeks this summer, charging \$2,000 a week for the 915-square-foot two-bedroom. The extra rental income is a cushion that helps him afford Cape Cod.

“It’s allowing us to stay here with a little more security,” said Ellison.

For others, renting out a house on the Cape is a way to plan for retirement. Take Susan and David Alexander, who live in Boston and own a rental house in Falmouth. They dream of having the house to themselves one summer, but this year, most of July and part of August are already booked, and carving time for themselves feels like a jigsaw puzzle. As they are semi-retired, the rent from summer visitors is a big part of their income.

“Let’s see what happens,” said Susan Alexander. “But it’s a special place. We love it.”

Last year, coming off the crazy years of the pandemic, [some vacation-property owners adjusted their asking rent down a bit](#) in order to fill their houses. That kept occupancy high. On the islands, price was less a factor, and the occupancy numbers were even higher.

The islands don't have as many hotels, motels, and rentals as the Cape. A state database lists around 4,000 short-term rentals on Martha's Vineyard, though that doesn't include properties rented 14 nights or less, and just over 3,000 on Nantucket — a number that could decline amid a raging debate over how to regulate them there.



A state database lists around 3,000 short-term rentals on Nantucket. ERIN CLARK / GLOBE STAFF/THE BOSTON GLOBE

Niedzwiecki said the ferry connection also constrains the islands. The Steamship Authority is already reporting it is sold out for most of the peak season if one wants to take a car over.

“There’s an exclusivity with the islands,” said Niedzwiecki.

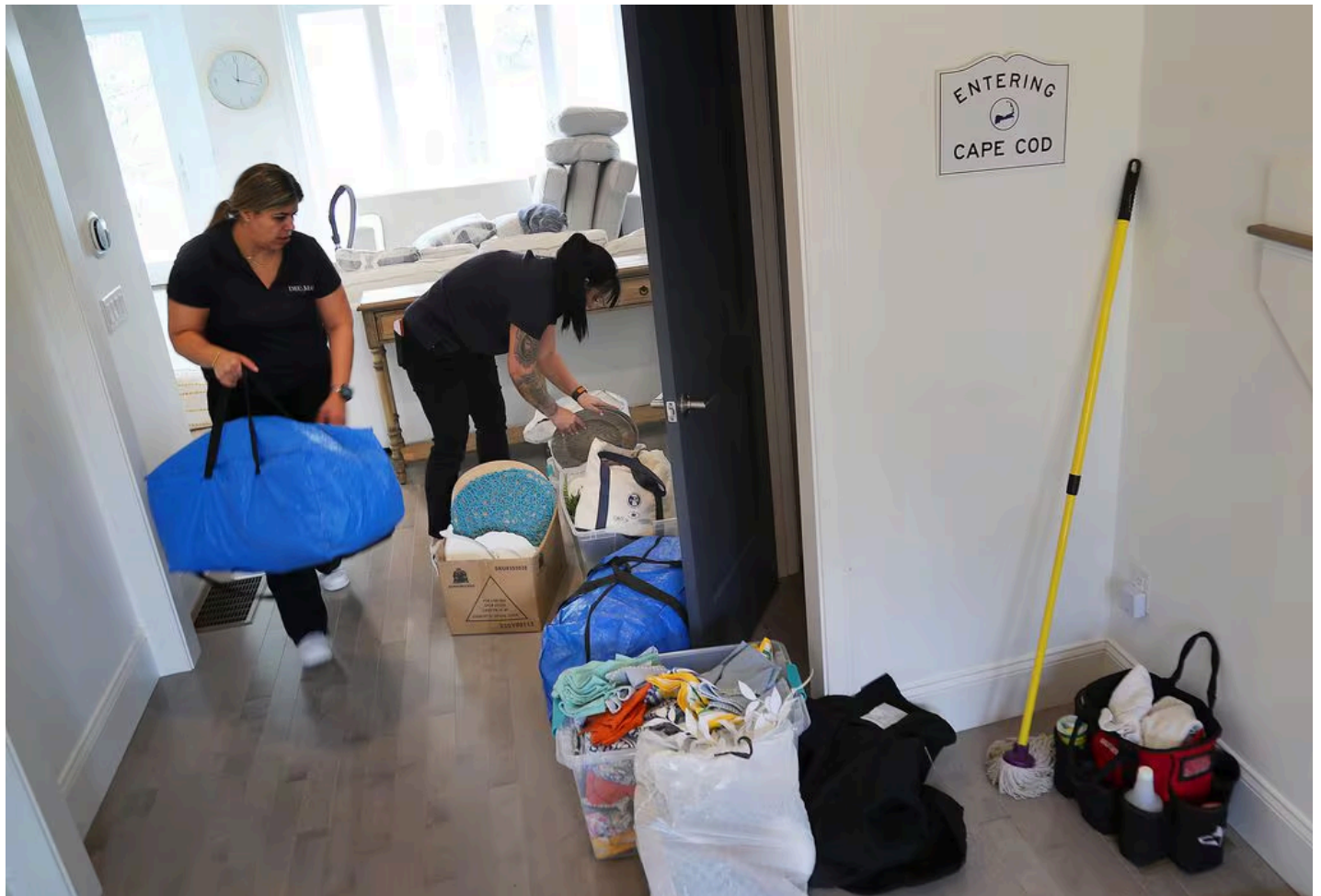
No matter where vacationers go, Talmadge has seen one notable trend take hold since the pandemic: they are planning their trips earlier, sometimes as early as the previous fall. Maggie Kulbokas, a rental manager for Kinlin Grover who manages close to 200

properties on the outer Cape, has seen that shift, too. Vacationers are booking year-round, with larger parties tending to book earlier. The majority are repeat customers.

Amy Ruffo of Brooklyn, N.Y., has been vacationing on the Cape since early childhood and has noticed that trend firsthand.

When she rented in September last year, the owner showed the house to potential renters who came to view the property — while she was there — and book it for the next year.

“That blew my mind,” said Ruffo. “Why would you spend your vacation time looking for your next vacation house?”



Del Mar Vacations worker Emily Araujo (left) carried bags of supplies with co-worker Jaqueline Abrants as they cleaned and prepared a South Yarmouth rental home. JOHN TLUMACKI/GLOBE STAFF

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