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NEWS

Renters struggle to keep housing in Cape Cod's hot real estate market

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FALMOUTH — Debby Wells moved to Cape Cod in 2013 and in the years since she's learned firsthand that being a renter on the Cape can be difficult.

She's had three rentals sold from underneath her, but struck housing gold when she was able to secure a three-year lease for a condo in Falmouth.

That goldmine may be running dry now as the Cape's pre-existing housing crisis has been exacerbated by COVID-19.

Wells' landlord didn't offer a new lease for the fourth year and she recently learned that he wants to sell the property in the hot real estate market that's been spurred on by the pandemic.

"With housing prices as good as they are right now, he called me (last week) and said 'I'm going to sell the condos,'" Wells said last week.

Between when the state eviction moratorium ended in October and January more than 150 evictions — mainly for nonpayment of rent — have started working their way through local courtrooms. But landlords raising the rent or deciding not to renew leases is another form of eviction happening across the region.

The effects of COVID-19 are expected to continue to shake the Cape's housing landscape well after those evictions are processed, causing the current housing shortage and affordability gap to get worse, according to housing advocates.

Wells, an empty nester in her late 50s who moved to the Cape from San Diego, understands her landlord's motivation and hopes that, if he does find a buyer, they will retain her condo as a rental and keep her on as a tenant. But there's no guarantee that will happen.

She doesn't think she'll have to leave anytime soon but is already making contingency plans, including possibly moving back to her home state of Maryland. Wells just wishes she didn't have to make a possibly life-altering decision in the middle of a pandemic.

Wells is not alone. Renters across the Cape are facing similar housing insecurity issues.

Assistance: How to get help if you are behind on your rent, mortgage

Matilda Delano knows the struggle to find — and keep — housing on Cape Cod.

She moved into her current rental in Brewster in 2019, where she lives with her husband Jedediah and three children. This summer, the lease expired and the owners decided not to renew it so they could use the house for their own family.

The Delanos say they've tried to find a new place to live in the area through Craigslist and Zillow, but have been unable to find anything. They've stayed in the home after the lease ended and continue to pay rent, but are now navigating the court system as the landlord tries to take back possession of the home

“I never actually thought this would happen to us, but here we are,” Delano said.

Cape real estate prices jump 16.8%

The available housing stock, including those for sale, is being depleted rapidly as people realize they can get out of cities and work remotely from Cape Cod, said Alisa Magnotta, the CEO of the Housing Assistance Corporation.

This is evidenced by the number of homes priced under \$500,000 on the market. These are the type of homes working people can afford or would likely rent, she said. Around this time last year, there were about 400 homes for sale in that range. Now there's less than 50.

“People are being priced out,” she said. “We're just moving the affordability gap even wider.”

The median home sale price for Barnstable County jumped to \$479,000 for 2020 — nearly 17% higher than 2019. According to data collected by the Cape Cod & Islands Association of Realtors, the median sales price has been creeping up for years. In 2016, the median sales price was \$362,500 and rose between 2% to 5% every year until 2020, when it jumped to a 16.8% increase.

Adversely, the number of days that properties are on the market has been decreasing — from 127 days in 2016 to 82 in 2020 — and the inventory of homes for sale at the end of the year

took a huge dip, from 2,480 in 2016 to 760 in 2020.

If the trend continues, Magnotta fears that the affordability gap for the rest of the Cape could widen to the levels seen in Provincetown, where a recent study found that to afford a median-priced house, a buyer would need an annual income of \$120,040 — nearly \$78,000 more than the town's median income.

Behind on the rent

Housing needs caused by the pandemic are already some of the highest ever seen by local housing organizations.

The Homeless Prevention Council, a nonprofit based in Orleans, ran its first three-quarter statistics for 2019 versus 2020 and saw a 35 to 40% increase in requests for services last year. Several towns have created emergency relief funds to try and alleviate the pressure and HAC has given out more than \$1 million in rental assistance to 365 households since the start of the pandemic.

Despite the high levels of aid, both HAC and the council worry that more people aren't reaching out and the agencies' staff are encouraging them to do so before it's too late, even if they are unsure if they qualify for aid.

Some tenants who were affected by the pandemic and helped by HAC have owed payments of several thousand dollars, bumping up against regulations that limit relief money to no more than \$10,000 in arrears. The council has seen a persistent need related to families and caregivers who are dealing with the stress of juggling work, school and child care, and hoped to extend their reach to the most isolated members of the community.

“There are resources available,” said Hadley Luddy, the CEO of the Homeless Prevention Council. “We really want people to reach out.”

Frequent rent increases

One of those people who is reaching out is 67-year-old Lynne Pandiani Norton. She has lived with her fiancé in a townhouse in Mashpee since 2014. In January, the rent was raised \$100, pushing her to the brink of what she could afford.

Last week, her landlord notified her that the rent will be going up another \$100 starting in April.

“We can’t swing it,” she said of the soon-to-be \$1,900 monthly rent.

She fears this may work as a de facto eviction. Like several other renters who were interviewed for this story, Norton said she’s looked, but can’t find another rental to flee to.

“I’ve called every real estate broker on Cape Cod,” she said. “There’s no place to go.”

She hopes to see a moratorium on rental increases and was scared that the pandemic would do lasting damage to businesses by pushing their employees off-Cape.

Another group that is trying to make it easier for people to live on the Cape is the Upper Cape Women’s Coalition. The organization plans to submit a petition article to Falmouth Town Meeting to start a task force for sustainable living for workforce families, said member Sandy Faiman-Silva.

“Younger workers are finding it extremely more difficult to live, not only in Falmouth but throughout the Cape and Islands,” she said.

The article also would create a child care voucher program, which could help free up more money in household budgets for housing and other essentials.

This could be even more helpful as people’s homes have become classrooms for children during remote schooling, workplaces for parents working from home and essential to maintaining good health.

As a mother of three sons, Faiman-Silva has seen the exodus of young people on the Cape and worried that the peninsula could see more young people pushed out.

“I’m pretty concerned about what’s happening demographically,” she said.

A better environment for Cape renters

Last spring, housing advocates hoped that this past summer would be better for renters. Maybe the pandemic would scare people off from coming to the Cape and short-term rental property owners would switch over to more year-round leases.

“That’s not what happened at all,” Jay Coburn, the CEO of the Community Development Partnership in Eastman, said. Instead, short-term rental properties had a banner year and the real estate market skyrocketed.

Now those same housing advocates are trying to avoid an even further shrinkage of the Cape's housing stock.

“The economics of what property owners can make on short-term rentals, there's no reason most owners of inventory on the Outer Cape or Lower Cape would rent those out (year-round) as opposed to vacation rentals,” Coburn said.

There aren't many vacancies left among the year-round rentals that do still exist. Many affordable units that come online have dozens of applications lined up for them and many housing complexes have waiting lists that are years-long.

According to a recent Cape Cod Commission housing study, there are around 60,000 seasonal rentals and, according to U.S. Census data, about 19,300 year-round rentals. One of the larger landlords on Cape Cod is Bass River Properties, which owns 195 apartments and manages more than 100 additional properties.

“The demand is still through the roof,” said founder Ronald Bourgeois. “Nothing sits.”

Most of his tenants are able to pay the rent, though Bourgeois has a handful who are getting help from programs through HAC. One renter got help for about seven or eight months of back rent.

There are tenants, he said, who aren't paying at all and he thinks some are taking advantage of the current federal moratorium on evictions for people who were affected by the pandemic.

Michael Pierce, an attorney who handles landlord-tenant disputes, says his caseload is larger than ever.

“It's sad to see because you want to keep the rental market strong, but a lot of private landlords are tapping out,’ he said.

For Wells, Delano and Norton, who are current on their rent but caught up in market forces caused by the pandemic, there is little they can do to keep their housing.

“I don't have any hands on the wheel at all,” Wells said.