FINDING ANOTHER WAY HOME:

A Guide to Turning an Adirondack Short-Term Rental into a Long-Term Rental

Considering the Switch

It's easy to understand why people love coming to the Adirondacks. In fact, the word "vacation" was coined here in the 19th century: Then, wealthy Americans would "vacate" sweltering cities every summer to rough it in Great Camps.

While most of the Great Camps disappeared generations ago, visitors never stopped traveling here. For decades, these guests typically stayed in hotels, motels and the occasional seasonal rental. In recent years, though, the rise of Airbnb and other online platforms have transformed our region's rental landscape. In some communities, short-term rentals (STRs) have significantly reduced the number of long-term rental (LTR) properties on the market. That makes it challenging for local workers and families to find affordable housing. And when housing is scarce, communities can't grow.

Owning a short-term rental has its own challenges. Keeping units properly maintained can be time-consuming and expensive. And rising competition means owners can no longer guarantee a steady stream of business.

There are many solutions to our region's housing crisis. One is to convert some of our existing short-term rentals back into long-term housing. If you own a short-term rental, we wrote this guide to help you decide if that might be a good option for you.

Who We Are

Our region's housing shortage can't be solved single-handedly. The three Adirondack-based non-profit groups behind this guide, **AdkAction**, **Adirondack Roots**, and **LivingADK**, each focus on different aspects of this issue. AdkAction and LivingADK have extensive experience building community-focused initiatives to improve the quality of life here, while Adirondack Roots has been a leader in providing housing assistance across the region.

"I wish I had this toolkit when I was becoming a landlord."

—Deb Fox, Saranac Lake

Ease the Housing Shortage, Build a Sustainable Business, and Become a Landlord

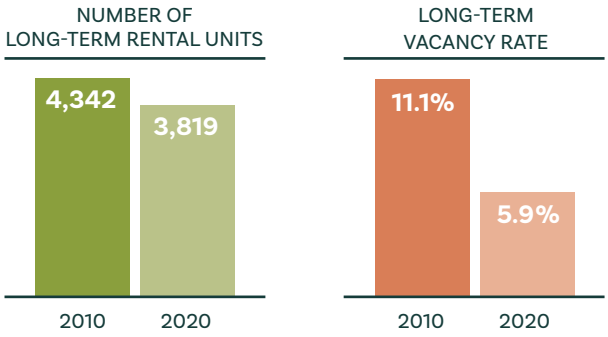
- **Do you own a short-term rental?**
- **Are you finding the demands, and expenses, of managing a vacation rental more than you counted on?**
- **Are you looking for a consistent, month-to-month source of income, rather than the ups and downs that come from operating an STR?**
- **Do you want to take a big step toward easing the housing shortage in our communities — a problem that threatens the stability and economic future of the places we live?**

This guide can help you decide whether converting your short-term rental to an apartment or other long-term property is right for you. In addition, a pilot program can even provide a year-long stipend to some owners of short-term rentals who make the switch, helping to defray some of the costs incurred in the process.

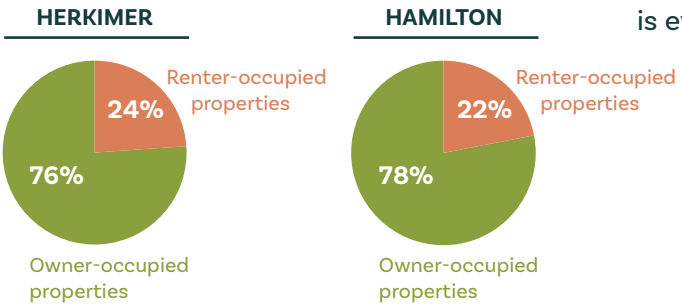
In the next pages, we'll present a list of the pros and cons of running a short-term rental — and the same for being a full-time landlord. We'll also share the stories of owners and tenants, to give you an idea of what to expect from making the switch to long-term renting, as well as resources you can consult for writing rental agreements, understanding your legal obligations as a landlord, guidance on tenant screening, and other practical information.

The Crisis, In Numbers

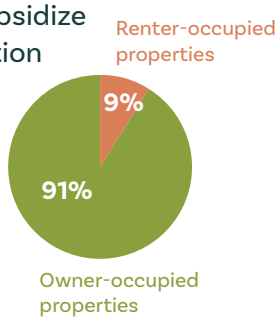
Long-term rental housing has gotten harder to find. These statistics from **Essex County** demonstrate a common trend.



The story in **Herkimer and Hamilton counties** is the same.



In the **Town of Webb**, where we unveiled a pilot project to subsidize the switch to LTRs, the situation is even starker.



Pros and Cons of Operating a Long-Term Rental

There's no one-size-fits-all approach to property management. Only you can answer whether short-term or long-term rentals make sense — but here are some things to consider as you choose your approach.

Roger Brubaker, renter

LONG-TERM RENTALS

PROS

- *Predictable income:* Rental income is consistent, making it easier to set aside money for maintenance and repairs and accurately forecast your return on investment.
- *Lower operating expenses:* Unlike STRs, renters pay for utilities. You'll avoid cleaning costs and will not have to purchase sheets, towels and other items required to run an STR.
- *Reduced wear and tear:* Tenants tend to take better care of properties they consider their home.
- *Reduced vacancy:* Most LTRs are leased on an annual basis, so you won't have to spend as much time on administrative tasks such as marketing, replying to potential renters and serving as a concierge.
- *Lower property management costs:* Fees for a property manager range between 8–10% monthly for an LTR. Because STRs turn over so much more frequently, those fees could be as high as 30% of the room revenue.
- *More control over choosing your tenant:* LTR owners can do a more thorough job vetting their prospective tenants (within legal limits). STR owners can access reviews from past hosts, but have few other tools.

CONS

- *Reduced flexibility:* Owners are unlikely to be able to use their property for personal purposes while long-term tenants occupy it.
- *Legal requirements:* Housing laws govern rental activities. Landlords must be knowledgeable about regulations governing security deposits, rent increases, tenant privacy, lease termination and eviction proceedings, to name a few.

SHORT-TERM RENTALS

PROS

- *Increased flexibility:* Owners can use their property when they're not renting it to guests.
- *Higher gross income potential:* Nightly rental fees typically exceed what property owners can get via LTRs.
- *Easier to keep maintained.* Owners or property managers can inspect for issues at each turnover.

CONS

- *Income may be inconsistent.* Units aren't necessarily occupied year-round. Owners may face extended vacancies, late cancelations and other issues.
- *Higher operating expenses.* Frequent turnover adds to wear and tear. Owners must also provide furnished spaces and consumables, such as sheets, towels, toilet paper and kitchenware, as well as paying utility costs including water, heat, electricity and Internet.
- *STRs require constant time, effort, and energy.* Operating an STR is more like running an inn than being a landlord. Owners must be available to communicate between bookings, answer guest questions promptly and help with check-in and check-out processes. When maintenance issues arise, owners must respond immediately to ensure guest satisfaction and uphold the property's reputation.
- *Regulations can present challenges.* Local laws and regulations governing STRs are changing quickly and may affect the way you do business.

Landlord Spotlight: *Dre Roebuck and Derek Prill*

For Keene residents Dre Roebuck and Derek Prill, Airbnb was a great way to make extra money. For now, though, they've decided long-term rentals make more sense for them. The main reason: LTRs allow them to generate income while expending less time and energy than operating an STR. With three LTRs in Keene, Dre and Derek have the freedom to work less and enjoy more time with friends and family while enjoying life in the Adirondacks.

> *"This area wants to develop economically and culturally. If you want to recruit people to these communities to do important work, you need to have a place for them to live."*
>
> — Roger Brubaker, Renter, Saranac Lake

Lessons Learned

Over the course of a dozen interviews with property owners and renters, some common themes emerged about what it takes to operate an LTR. As you decide whether to make the leap, consider this advice.

MAJOR TAKEAWAYS

- Not every homeowner is a good fit to serve as a landlord. It requires respect, communication, knowledge and follow through.
- When a tenant is also your neighbor, building a good working relationship becomes especially important. You may ask more of them — and they may ask more of you.
- Remember: There is a power imbalance between landlords and tenants. Many tenants are afraid to lose their housing. Good landlords do not take advantage of this.
- Being a landlord probably won't make you rich. It does, however, build equity, pay down a mortgage and provide a steady source of cash flow.

FINDING TENANTS

- Some landlords rely on advertisements to find tenants, while others depend entirely on word-of-mouth or personal referrals. You can choose your own method, but it is difficult for newcomers to find unadvertised housing. That has implications for equity and inclusion.
- Walk-throughs can be time consuming. You can conduct a virtual or in-person showing of your property.
- Applications should not be unduly burdensome. Do not ask for information you will not use or is not necessary. Be sure you're securely storing sensitive information or immediately disposing of it.
- Don't ask for information that is illegal to seek. You can run a background or credit check, but you must comply with all applicable laws and regulations.
- References can be useful, but can only reveal so much. You might ask for a personal, work and landlord reference.
- All applicants deserve a response, whether positive or negative.

KEEPING IT LEGAL

- Use a lease template approved by a New York State lawyer, and ensure your lease and rental management practices remain legal and updated over time.
- Understand your rights and those of your tenants throughout the entire vetting and move out (or eviction) process.
- Conduct home inspections only when appropriate and when thorough notice has been given. Establish and discuss at the time of the lease how often and why you plan to do these.
- Some leases include clauses requiring tenants to leave the property during certain times of the year. While legal, this is a poor practice that destabilizes your tenant. They may accept, but likely only because they have no other options.

SMART MANAGEMENT PRACTICES

- Keep a list of contractors available for urgent and non-urgent needs. Consider using a property manager (see p. 9), or pay a tenant to fill this role. Or serve as your own contractor. Whatever you do, be ready to fix issues promptly: Long-term tenants are more forgiving than short-term renters, but they have rights you need to respect.
- Maintain a regular schedule of maintenance and upkeep to protect your investment.

> *"The right tenant can really be a guardian of your asset."*
>
> —Heidi Roland, Lake Placid

Renter Spotlight: *Erin Dorney*

Erin Dorney knows the stereotype many people have of renters: Immature, broke, irresponsible. Think again, she says. "There is this stigma that we haven't done well enough to buy a house yet," she says. "But many people choose this intentionally based on the needs of their life and family and unwillingness to take on debt." Most renters she knows, including herself, are working professionals. That should make them attractive tenants — but between a lack of available housing and difficulty finding what is available, many are simply giving up on moving here at all. "All the apartments I've found are word of mouth," she says. "It's all about who you know, which is hard for anyone new to town or different in any way."

Landlord Spotlight:
Peter and Heidi Roland

In Lake Placid, where some streets have more STRs than full-time residents, Heidi and Peter Roland made the opposite choice: They have three LTR units in or near their home on Hillcrest Avenue. When it comes to finding tenants, the Rolands pay close attention to whom they choose. After all, those people will be their neighbors. While they view their units as a steady source of income, they're also mindful of setting a fair price. "You've got to understand what people can afford," Peter says. "If you're pumping the rent and they leave the lease early, any advantage you were gaining (cash wise) is gone."

Landlord Resources

There's no such thing as "landlord school." These resources, though, can help you navigate the complexities involved with operating a long-term rental. Can't find what you're looking for? You can contact staff at AdkAction (info@adkaction.org), Adirondack Roots (info@adirondackroots.org) or LivingADK (info@livingadk.com) for guidance.

How can I find good tenants? You don't have to rent to just anybody — but you do need to follow the law as you screen potential tenants. Learn how to conduct credit, background and reference checks and show your property.

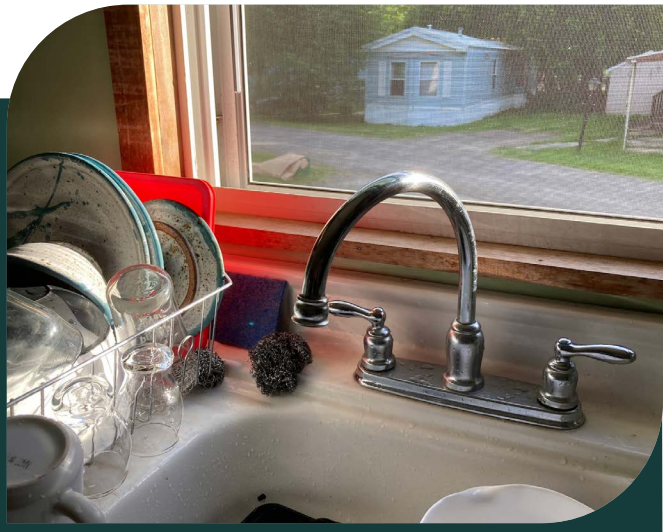
How do I write a good lease? A lease is a contract that protects your interests as well as your tenant's. Find sample contracts at RentPrep Landlord Resources.

What rights do tenants have? The New York Tenants' Rights Guide outlines the rights and responsibilities of tenants in New York State, helping landlords understand legal obligations and foster positive tenant relationships.

What happens if my tenant doesn't pay rent or violates their lease? Landlords have rights, also. Learn strategies to handle situations when things go poorly, including legal recourse and mediation.

Where can I get more info? This website managed by Lewis County provides a list of resources and support services applicable for landlords there, and across the Adirondacks.

For a project funded by a 2023 Statewide Community Regrant (SCR), artist Erin Dorney invited renters to gather in Saranac Lake and respond to various prompts about housing. The results were compiled in the online ADK Housing Zine.



Is a Property Manager Right for You?

Being a landlord typically takes less time than operating a short-term rental — but it still takes work. You can hire a property manager to handle many of the day-to-day tasks you'll need to complete as a landlord, including collecting the rent, property maintenance and tenant relations.

Property managers take a percentage of the rent paid on each property they manage as a commission. They serve as a liaison between owners and tenants, providing guidance to both. Experienced managers can help owners set reasonable rents, ensuring that units don't sit vacant because of unrealistic expectations (or lease for too little, leaving money on the table.)

ADIRONDACK ROOTS

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STRONGER COMMUNITIES.

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ADKACTION

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