Short Term Rentals in Small Cities: Impacts and Regulations

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RESEARCH QUESTIONS

1. What is the prevalence of short-term rentals in small communities? What are the characteristics of short-term rentals? [Data: AirBnB and AirDNA]

2. What is the revenue potential for short-term rentals in Oregon cities under 100,000 in population? [Data: AirDNA; Oregon Dept. of Revenue]

3. To what extent do short-term rentals constrain the supply of housing in Oregon cities with under 100,000 people? [Data: ACS]

4. What are the perceptions and current regulations of short-term rentals in Oregon cities with under 100,000 people? [Data: Survey of Planners. 92/238 cities responded (39%)]

UNIVERSITY OF OREGON
School of Planning, Public Policy and Management
FINDINGS: PREVALENCES
### FINDINGS: CHARACTERISTICS

#### Reservation Days

<table>
<thead>
<tr>
<th>Reservation Days</th>
<th>Entire Home/Apartment</th>
<th>Private Room</th>
<th>Shared Room</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 30 Days</td>
<td>32%</td>
<td>17%</td>
<td>1%</td>
<td>49%</td>
</tr>
<tr>
<td>30 to 90 Days</td>
<td>21%</td>
<td>7%</td>
<td>0%</td>
<td>28%</td>
</tr>
<tr>
<td>91 to 180 Days</td>
<td>13%</td>
<td>5%</td>
<td>0%</td>
<td>17%</td>
</tr>
<tr>
<td>181 Days or More</td>
<td>4%</td>
<td>1%</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69%</strong></td>
<td><strong>30%</strong></td>
<td><strong>1%</strong></td>
<td><strong>8,132</strong></td>
</tr>
</tbody>
</table>

#### Income Distribution

- Less than $10,000: 68%
- $10,000 to $14,999: 9%
- $15,000 to $24,999: 11%
- $25,000 to $34,999: 6%
- $35,000 to $49,999: 4%
- $50,000 to $74,999: 2%
- $75,000 to $99,999: 1%
- $100,000 and Up: 0.3%

n = 8,132
### FINDINGS: REVENUE POTENTIAL

<table>
<thead>
<tr>
<th>Regions</th>
<th>Average Daily Rate per Property</th>
<th>Total Bookings Annual</th>
<th>Annual Revenue</th>
<th>State Levy (1.8%) Annual Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Oregon</td>
<td>$ 209</td>
<td>46,391</td>
<td>$ 37,539,776</td>
<td>$ 675,716</td>
</tr>
<tr>
<td>North Coast</td>
<td>$ 206</td>
<td>38,927</td>
<td>$ 24,875,499</td>
<td>$ 447,759</td>
</tr>
<tr>
<td>Willamette Valley</td>
<td>$ 97</td>
<td>14,026</td>
<td>$ 5,315,475</td>
<td>$ 95,679</td>
</tr>
<tr>
<td>Portland Metro</td>
<td>$ 72</td>
<td>11,172</td>
<td>$ 4,937,697</td>
<td>$ 88,879</td>
</tr>
<tr>
<td>Southern Oregon</td>
<td>$ 98</td>
<td>13,209</td>
<td>$ 4,886,800</td>
<td>$ 87,962</td>
</tr>
<tr>
<td>South Coast</td>
<td>$ 132</td>
<td>5,710</td>
<td>$ 2,335,541</td>
<td>$ 42,040</td>
</tr>
<tr>
<td>Northeast Oregon</td>
<td>$ 129</td>
<td>3,307</td>
<td>$ 1,738,663</td>
<td>$ 31,296</td>
</tr>
<tr>
<td>Southeast Oregon</td>
<td>$ 125</td>
<td>2,977</td>
<td>$ 1,143,628</td>
<td>$ 20,585</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 134</strong></td>
<td><strong>135,719</strong></td>
<td><strong>$ 82,773,079</strong></td>
<td><strong>$ 1,489,915</strong></td>
</tr>
</tbody>
</table>
• **Airbnbs account for more than 5% of total housing in only 15 cities**
• **Airbnbs are most prevalent in Central Oregon and the North Coast.**
  • In Central Oregon, Airbnbs account for approximately **4%** of the region’s total housing stock. In the North Coast, Airbnbs account for **5%** of the region’s total housing stock.
  • In other regions, Airbnbs account for approximately **1%** of the total housing stock.
• **Property Owners earn more revenue on average from STRs than long term rentals in 7 out of 10 of our case study cities (resort communities) but the actual revenue generated varies tremendously across individual units**
Perceived Benefits

- Tax revenue
- Support tourism
- Provide lodging in absence of hotels
- Income and employment

Perceived Negative Impacts

- Availability of rental and owner housing
- Police and city staff time to hand complaints

Regulations

- Defined as transient rental or vacation; rented <30 days
- 35% of respondents are regulating
- Most common regulations: license or permit (92%) and taxes (81%)
  - Other regulations: concentration caps/limits or occupancy requirements
- Enforcement: administrative citations (62%) and fines (58%)

Have your community's policies for STRs (or lack of) been effective in managing the economic benefits or negative impacts that STRs create?

FINDINGS: PERCEPTIONS

• Airbnbs account for more than 5% of total housing in only 15 cities, indicating that short-term rentals are not prevalent in most jurisdictions.
• Short-term rentals generate substantial revenue in Oregon. Hosts have earned an aggregated $82 million in one year.
• Half of all STRs are reserved for more than 30 days in a year.
• 35% of survey respondents are regulating STRs
• Most regulations for STR require that operators have a license and/or permit (92%) and 81% of respondents also indicated that their community imposes a transient lodging tax (or similar tax) on STRs.
The Promise of Home Sharing in Oregon

Andrew Kalloch, Public Policy
Airbnb: By the Numbers

- 4 million active listings in over 81,000 cities across 191 countries.
- 300 million guest arrivals since the company was founded in 2008.
- Peak Night: On December 31, 2017, over 3 million people were staying in Airbnb homes worldwide.
Airbnb in Oregon
- 12,000 hosts (63% women, 20% over the age of 60)
- $9,000 in income for typical host
- Typical host rents for 4-5 nights a month
- 952,000 inbound guests in 2017
- Avg group: 2.5 people
Airbnb: Good for Middle Class Oregonians

• Oregon residents earned over $126 million in 2017 sharing their homes on Airbnb. 64% of hosts said Airbnb helped them stay in their homes.

• In addition, 820,000 Oregon residents used Airbnb to make travel more affordable and enjoyable at home and around the world.
Airbnb: Good for Seniors

• The number of senior hosts grew faster than any other age group, with the average senior host earning just under $6,000 a year to age in place, support their families, and make ends meet in retirement.

• Senior women are particularly successful on the platform, with listings hosted by senior women consistently rated higher than any other host demographic.
Airbnb: Good for Students

• For example, 21,000 Millennial hosts in New York City earned nearly $158 million in 2016.

• Many used this supplemental income to pay down student debt, with the typical Millennial host in NYC earning $6,008 a year, which represents nearly 20% of the average student debt burden of New York graduates.
Airbnb: Good for Municipal Budgets

- Airbnb has entered voluntary collection agreements (VCA) to collect local lodging/sales taxes throughout Oregon, including four counties, nine cities, and the state.

- Since we started collecting taxes in Oregon in 2014, Airbnb has contributed over $13 million to local and state coffers.

- Globally, Airbnb has entered over 300 VCAs, collecting over $500 million.
Airbnb: Good for Communities

• In 2016, the average Airbnb guest spent over $150 per day during their visit to Portland.

• 31 percent of guests reported that they either could not have come to Oregon or would not have stayed as long without Airbnb.

• Airbnb helps municipalities from the Bend to Beaverton, Seaside to Sunriver, with $40 million in host earnings generated outside PDX.
Trust and Safety

• $1 Million Host Protection Insurance
• 24/7 Hotline
• Background Checks
• Neighbors Tool
Tools for Regulators

- Simple registration systems
- Tax collection and remittance
- Mandatory Insurance
- Round-the-clock support
- “One Host, One Home” (PDX)
What about the impact of Airbnb on the overall housing market?
1. Check the source/data.

2. Don’t ignore the positive impact of supplemental income.

3. Consider all transient lodging.
Thanks to the sharing economy, the private car is no longer as convenient.
Potrero 1010
453 homes
Streets can become parks
Design for shared modes of transportation
More room for active edges
The sharing economy is expanding access to vibrant neighborhoods and premium amenities
Micro units are popular!
Dorm Living for Professionals Comes to San Francisco

By Nellie Bowles  March 4, 2018

SAN FRANCISCO — In search of reasonable rent, the middle-class backbone of San Francisco — maître d's, teachers, bookstore managers, lounge musicians, copywriters and merchandise planners — are engaging in an unusual experiment in communal living: They are moving into dorms.
Sustainable Transportation and the Sharing Economy

Steve Hoyt-McBeth
A majority of carbon emissions produced locally come from powering our homes, businesses and vehicles.

Figure 8. Total Multnomah County carbon emissions by sector (Sector-based inventory, 2013). Source: Portland Bureau of Planning and Sustainability.
Bike Commute Rate: 1.2%
Portland Oregon Bicycle Commute Mode Split by Census Tract

Bike Commute Rate: 1.8%

Legend
- Existing Bikeway
- 0 to 1.5
- 1.51 to 4
- 4.1 to 6
- 6.1 to 8
- 8.1 to 10
- 10.1 to 12
- 12.1 to 15
- 15.1 to 20
- 20.1 to 25

2000
Portland Oregon Bicycle Commute Mode Split by Census Tract

Bike Commute Rate: 5.4%

Legend

- Existing Bikeway

- 0 to 1.5
- 1.51 to 4
- 4.1 to 6
- 6.1 to 8
- 8.1 to 10
- 10.1 to 12
- 12.1 to 15
- 15.1 to 20
- 20.1 to 25
- 25.1 to 33
Portland bike commuting rate tops 7%

A cyclist navigates the floating walkway that is part of the Eastbank Esplanade between the Morrison and Steel bridges. (Stuart Tomlinson/The Oregonian)

By Elliot Njus | The Oregonian/OregonLive
Email the author | Follow on Twitter
on September 17, 2015 at 3:34 PM, updated September 17, 2015 at 7:07 PM
Car Sharing
- Zipcar
- Car2Go
- Reach Now
- Get Around (peer to peer)

Bike Sharing
- BIKE TOWN
BIKETOWN

Launched
July 19, 2016

112 Stations

1000 Bikes

11 sq. mile service area
FOUR TYPES OF RIDERS

60% INTERESTED BUT CONCERNED

33% NO WAY, NO HOW

7% ENTHUSED & CONFIDENT

<1% STRONG & FEARLESS
Sustainability

26% of BIKETOWN trips (by locals) replace auto trips

64% of BIKETOWN (local) users say they’re biking more since joining

5% of BIKETOWN (local) users say they’ve reduced the number of personal vehicles because of BIKETOWN
Portland commuters: change in mode 2000-2014

The distribution by primary means of transportation to work for the 54,673 increase in Portland commuters since 2000 using actual mode splits (blue).

- Drove Alone: 15,235
- Carpooled: 5,119
- Transit: 3,423
- Walked: 18,572
- Bicycled: 12,901
- Worked at Home: -2,546

Actual change using 2014 mode splits
### East Portland needs more complete neighborhoods

<table>
<thead>
<tr>
<th>Indicators of neighborhood completeness</th>
<th>Average percent complete for East Portland neighborhoods</th>
<th>Average percent complete for Portland neighborhoods (excluding East Portland)</th>
</tr>
</thead>
<tbody>
<tr>
<td>¼ mile from bike route</td>
<td>21%</td>
<td>44%</td>
</tr>
<tr>
<td>Streets with at least one sidewalk fully paved</td>
<td>40%</td>
<td>59%</td>
</tr>
<tr>
<td>½ mile of MAX</td>
<td>42%</td>
<td>54%</td>
</tr>
<tr>
<td>¼ mile of frequent transit service or ¼ mile of regular transit service</td>
<td>42%</td>
<td>54%</td>
</tr>
<tr>
<td>½ mile from a neighborhood park and three miles from a community center</td>
<td>34%</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Table 6.** Neighborhood completeness indicators for East Portland neighborhoods as compared to the rest of Portland. Source: Portland Bureau of Planning and Sustainability

Due to lack of investment, East Portland neighborhoods fare worse than the rest of Portland on key complete neighborhood indicators including bike lanes, sidewalks and access to transit making low-carbon transportation options for these communities less viable.
Thank you!

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