

IMPACT RESEARCH ON SHORT-TERM RENTALS

NOTE: Most sources have direct links to research; in some cases an outline or excerpts are cut and pasted in. Additional research is welcome.

<https://hostcompliance.com/how-do-short-term-vacation-rentals-impact-communities>

- 1. Positive ECONOMIC IMPACT**
- 2. Less Long-Term Rentals Available**
- 3. Neighborhood changes**
- 4. Increased Tourism Activity**
- 5. Unfair Playing Field for Traditional Lodging Partners**
- 6. Missed TAX Revenues**

https://www.washingtonpost.com/news/where-we-live/wp/2016/09/07/how-your-neighbors-airbnb-rental-can-affect-your-property-values/?noredirect=on&utm_term=.ab458ba81eee

Short-term rentals are of increasing concern to homeowners, real estate agents, local communities, and the National Association of Realtors (NAR). At the 2016 Realtor Legislative Meetings in May, a panel of industry experts spent 90 minutes discussing whether short-term rentals infringed on property rights.

Christopher McElroy, a Realtor from Colorado and chairman of NAR's State & Local Issues Policy Committee, said owning property comes with a "bundle of rights," including the opportunity to rent owned property to another individual.

McElroy said, "The increased popularity of short-term rentals puts additional pressure on availability and affordability [of lodging options] in tourist communities,

In the January issue of Realtor Magazine, a story by contributing writing Carolyn Schwaar covered a variety of issues relating to short-term rentals, including zoning and other local law restrictions on short-term rentals, the shifting nature of those laws, and the effect of short-term rentals on property values and the second-home market.

In terms of the effect short-term rentals have on neighbors, it's a negative effect if the neighbor is renting what's known as a "party house," but a positive if a property can advertise "rentable areas," such as an in-law unit or coach house with its own entrance.

<https://www.citylab.com/equity/2019/02/study-airbnb-cities-rising-home-prices-tax/581590/>

The Airbnb Effect: It's Not Just Rising Home Prices [Sarah Holder](#) February 1, 2019

A new Economic Policy Institute study (*epi link below*) finds that Airbnb contributes to rising home prices in cities, yet often escapes comprehensive regulation.

What renters lose

Since Airbnb helps homeowners take existing housing stock and turns some of it into short-term units, its biggest measured effect so far has been on housing prices—by repurposing units that might otherwise be long-term housing, it's straining an already supply-short market. Rents rise in the process.

What employees lose

Something else happens when Airbnb enters a city: People rent Airbnbs, not hotel rooms ... is it's displacing regular payroll jobs ... hosts may hire third-party cleaning services, which aren't mandated to offer the same employment benefits as hotel staff. "It's a form of this kind of fissuring of the economy," Bivens said. "Spinning off jobs that used to be part of a big corporation ... into a more insecure part of the economy."

<https://www.epi.org/files/pdf/157766.pdf>

Conclusion: Airbnb should have to play by the same rules as other lodging providers

<https://voxeu.org/article/short-term-rentals-and-housing-market>

Short-term rental platforms such as Airbnb have grown spectacularly in recent years, and local governments around the globe have responded differently in regulating such rentals. This column analyses the effects of a policy change in several cities of Los Angeles County that restricted short-term rentals of entire homes and apartments. Airbnb has led to an increase in house prices that is particularly pronounced in popular tourist areas, and homeowners in these areas lose out from the regulation. Renters, on the other hand, benefit from the regulation.

<https://homeownershipmatters.realtor/issues/short-term-rentals-impact-neighborhood/>

Leaders in these communities say that's because homes, that could be available for rent or sale to local residents, are instead being bought by investors and listed on short-term rental company websites (think, for example, Airbnb, VRBO, FlipKey, or HomeAway).

In fact, rental rates for long-term residents appear to be rising faster in neighborhoods where short-term rentals are most prevalent. And this trend is anticipated to grow, as more investors begin specifically seeking to buy homes they can rent out short-term. The cold hard fact is that an investor can make more money renting properties out by the day than by the month or year. This business model has grown so large that it's now an industry influencer; Vacation home sales have jumped by over 50% in the past few years alone, in part due to the short-term rental phenomenon.

4/22/18 NY Planning Federation Annual Conference Workshop “Regulating Short-term Rentals”
by Charles W. Malcomb (*request a copy of handout* “The Good Parts” “The Bad Parts”

7/2019 NYPF “Managing Short-term Rentals” seek copy from Lakins@nypf.org

<https://www.aeaweb.org/conference/2018/preliminary/paper/sna9Y7s3>

Do Airbnb properties affect house prices?

Stephen Sheppard¹ and Andrew Udell²

January 1, 2018

Abstract

The growth of peer-to-peer markets has provided a mechanism through which private individuals can enter a market at small scale, often temporary, suppliers of a good or service. Companies that facilitate this type of supply have attracted controversy in cities around the world, with concerns regarding Uber and Airbnb in particular. Airbnb has been criticized for failing to pay taxes to local authorities, for avoiding regulatory oversight that constrains more traditional suppliers of short-term accommodation, and for the impact of short-term rental properties on the value of residential property ...

... Somewhat more speculatively, we note that our analysis is consistent with thinking of Airbnb as increasing local urban population (by attracting tourists), since this would generate a pattern of property value changes similar to those we estimate as having taken place. This increase in population, as desirable as it might be for certain individuals and the temporary occupants of the properties, is associated overall with a decline in equilibrium utility in the urban area. This observation helps to explain the concern of policy makers and the (occasional) vehemence of local opposition to Airbnb properties.

Conclusions

In this paper we have presented a variety of estimates of the impacts that properties listed for rent on Airbnb appear to have on the market value of residential properties in New York City. The direction and magnitude of these impacts has prompted widespread concern and considerable debate about the impact on urban structure and housing affordability in New York City and in other cities around the world....

... Despite the speculative assessment of utility impacts, and the clear evidence for impact on house prices, we advise caution in crafting policies that ban Airbnb or similar short-term private rentals altogether. Public policies that reduce house prices in pursuit of housing affordability by diminishing the efficiency with which an owner can make use of his or her property may fail to be welfare-improving, in the same way as a city that creates “affordable” housing by encouraging more crime hardly seems desirable. Evaluating the welfare consequences of Airbnb, and hence the appropriateness of any regulatory action to limit use of Airbnb services, requires deeper analysis than we have provided here and much deeper analysis than appears to have been undertaken to date.

<https://www.washingtonpost.com/news/where-we-live/wp/2016/09/07/how-your-neighbors-airbnb-rental-can-affect-your-property-values/>

<https://www.bbc.com/news/business-45083954>

<https://www.bbc.com/news/business-45083954> Of course, many factors affect housing markets. And the author of the Los Angeles report suggested the growth of Airbnb could be as much a result as a cause of wider affordability problems.

But the report also suggests that Airbnb profits from illegal rentals that "cause rent increases, reduce the housing supply, and exacerbate segregation".

Aside from affordability concerns, some worry that a rapid expansion of short-term lets can alter an area's atmosphere.

Edinburgh's heritage watchdog fears "the character of the Old Town in particular is being changed" by short-term lets, although it acknowledges these rentals boost tourism and help businesses.

<http://www.keepneighborhoodsfirst.org/strproblem>

<https://urbanland.uli.org/economy-markets-trends/short-term-rentals-and-the-effects-on-housing-affordability/>

<https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/>

Short-term Consequences | Examining the impacts of Airbnb and other short-term rental services on tenants, housing, and cities

<https://shorttermconsequences.wordpress.com/>

STRs - What You Need to Know — Host Compliance - The #1 STR Solution for Local Governments.

<https://hostcompliance.com/short-term-rentals-what-you-need-to-know>