The Economic Impact of Short-Term Rentals (STRs) in Georgia

As the Georgia tourism and travel industry grows, STRs are an important part of the lodging market in communities as diverse as Atlanta (Fulton County), the Blue Ridge (Fannin, Gilmer, and Union Counties), Jekyll & St. Simons (Glynn and McIntosh Counties), and the Tybee & Savannah (Chatham County) area.

The 2019 economic impact of STRs in the state of Georgia and the above regions was calculated as follows. First, direct accommodations spending of visitors using STRs (not including studios or one-bedrooms), showed a total of $224.4 million being spent last year. Next, this spending figure was used as the basis of calculating the total STR guest spending on other tourism purchase categories, such as entertainment and food. The result was total direct spending attributable to STR guests of $682.2 million last year. This direct spending was used to estimate the ripple effects, i.e., the induced and indirect impacts. The total economic impact combines the direct spending with these ripple effects.

The direct spending by STR guests in Georgia yielded a total impact of over $1.3 billion in economic activity, value-added of just under $950 million, over $400 million in annual earnings, and almost 18,000 jobs last year. To put these figures in context, the economic activity attributable to STRs is the equivalent of about 3 percent of the reported aggregate impact of travel to the state during 2018. As would be expected, the lion’s share of the activity tends to be found in consumer-driven segments of the economy such as food services, retail trade, and arts & entertainment.

It is increasingly clear that in Georgia, as in other areas of the country, STR activity is serving to expand the lodging market by providing a complementary good: as STR revenues have climbed dramatically in the past few years, hotel occupancy rates and revenues have also continued to increase in the vast majority of local markets in Georgia and across the nation. As a result, a region’s overall travel and tourism industry activity, and the resulting local economic impact, is increased by including STRs in the available lodging options.

Source: The Economic Impact of Short-Term Rentals in the State of Georgia 2020, TXP, Inc., Austin, Texas (forthcoming)