

Short-Term Rental Issue Overview

Marketplace

Vacation Rental Market Emerges

Airbnb Emerges as a Platform for Renting Primary Homes; Platforms Begin Handling Transactions

1950s

1990s

2010s

2020s

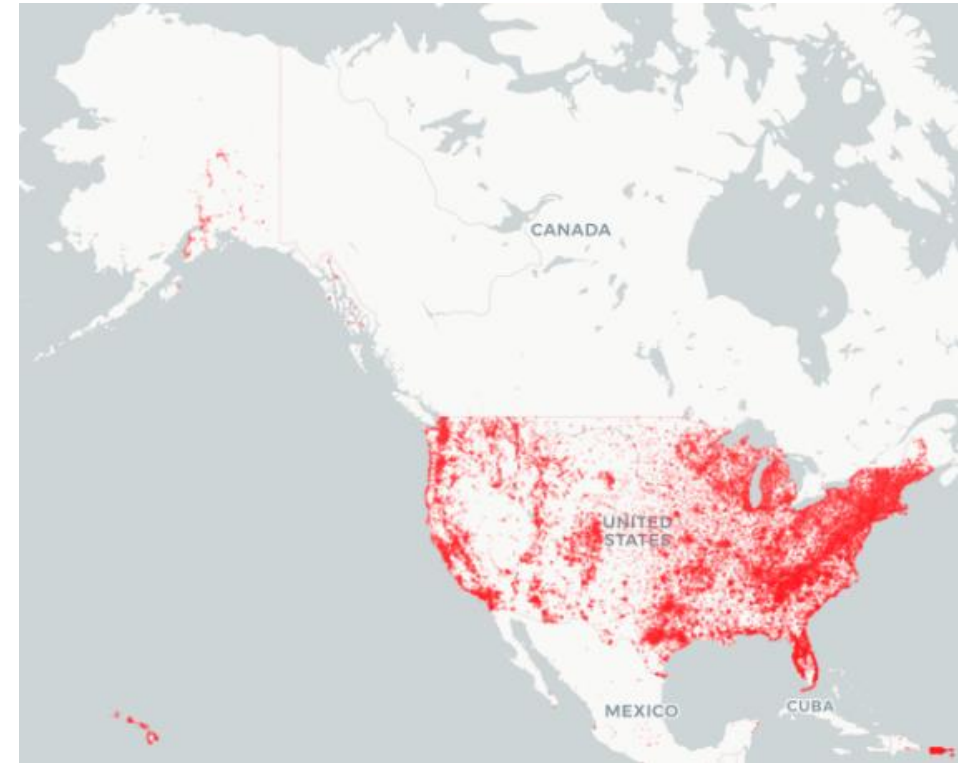
Internet Advertising Revolutionizes the Vacation Rental Industry: VRBO, HomeAway, Expedia

Exponential Growth: Driven Largely by Commercialization of Residential Housing



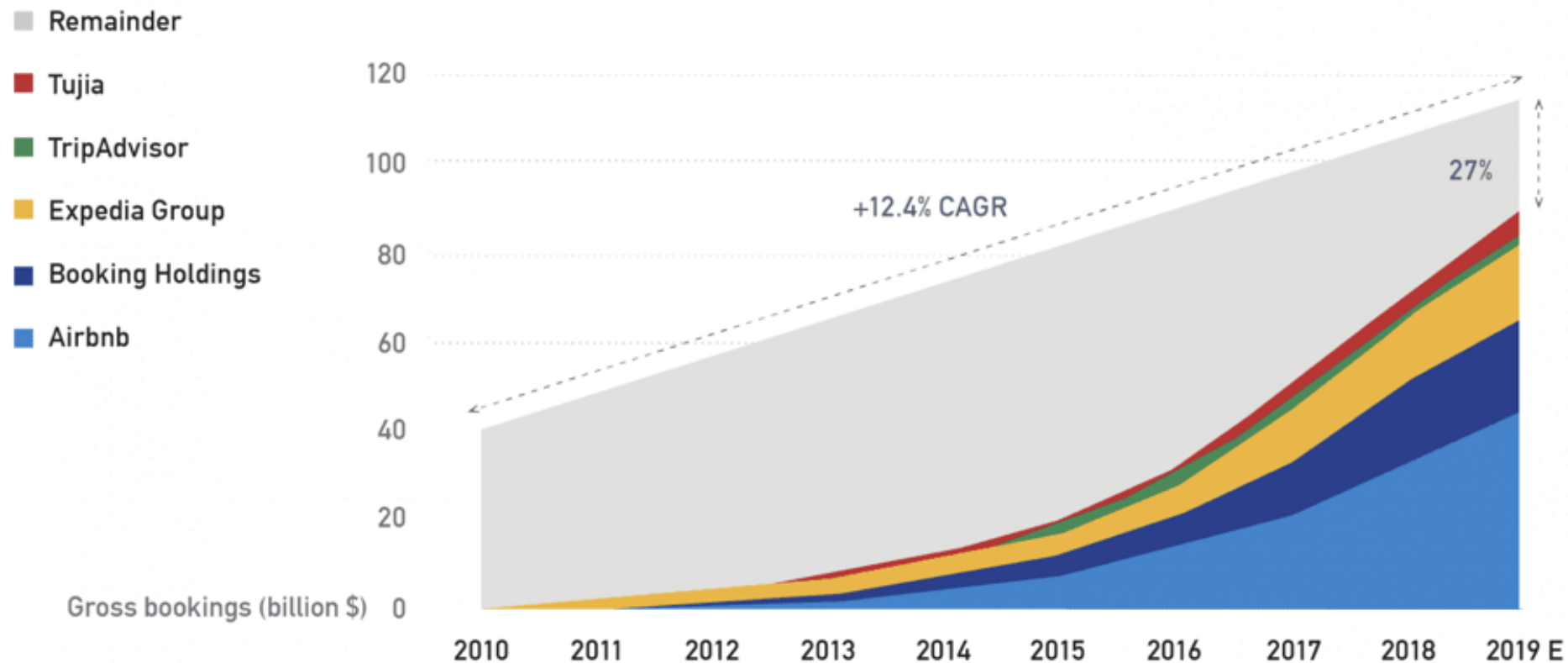
Snapshot of U.S.

- In 2021, over 2,157,000 active short-term rentals were operating in the U.S. (*AllTheRooms Report*)
- These rentals generated over \$31 billion in gross revenues that year
- Compared to the year prior, this is an 88% increase in the number of short-term rentals on the market
- Unless reversed...



STR Market Expansion

Short-Term Rental Bookings Through Major Platforms



Stresses on Regulatory Frameworks

- A 1950s Framework in Today's Economy
 - Most communities haven't historically been tourism destinations
 - Most communities are not set up to manage issues when significant blocks of residential housing are converted to commercial use (seemingly overnight)
- "Homesharing" Created a Massive Grey Market, Which Quickly Expanded Into a Black Market
 - What began as "homesharing," quickly became investor-driven commercial activity
 - Much of this economic activity over the past decade has been out-of-compliance with state and local requirements
 - Outdated regulatory frameworks provide few mechanisms to ensure compliance
- Communities Struggle to Manage Compounding Impacts
 - Impacts vary widely from community-to-community
 - A lack of accountability attracts bad actors across the board, compounding problems

Considerations

Residential Homes Vs. Short-Term Rentals

- Zoning
- Building codes
- Fire and safety systems
- Insurance
- Taxing
- Resident is on-premises

Community Impacts

- Land use: Noise, parking, trash, water/sewer, community assets
- “Party houses” and criminal activity
- Public safety
- Discrimination
- Housing affordability
- Community and quality of life

Considerations

Short-Term Rental Licensing / Registration

- Can be managed at state and / or local level
- Often includes local considerations / requirements
- Accountability for conduct, taxes, etc.
- Transparency for regulators
- Includes basic contact information in case of emergency

Taxes

- Federal, state, and local compliance
- Issues around preferential treatment for residents (e.g. homestead exemption)

Transient Room Tax Financials from State Tax Commission

	<i>County Transient Room Tax Collections</i>	<i>Municipality Transient Room Tax Collections</i>	<i>State Transient Room Tax</i>	<i>TRCC - Room Rental Tax Collections</i>	<i>Total Transient Room Tax</i>
2019	71,745,452	14,853,007	5,490,705	2,824,531	94,913,695
2020	66,274,434	13,998,716	4,905,122	2,506,798	87,685,070
2021	68,225,758	14,059,335	5,149,916	1,528,257	88,963,266
2022	104,950,998	22,452,324	7,991,773	3,205,415	138,600,510
2023	109,772,542	23,659,805	8,289,173	3,764,944	145,486,464

- This data includes the transient room tax reported by all entities that are subject to the tax. This includes Hotels, motels, B&Bs, and all private residential short-term rentals.

Statement on Airbnb's Announcement on May 23rd, 2023

“Last week, Airbnb announced the worldwide rollout of ‘Airbnb Rooms,’ a new home-sharing feature allowing guests to rent singular bedrooms from an Airbnb property. This unfortunate move further incentivizes commercial short-term rental operators to turn once-residential homes into mini-hotels hosting multiple guests at a time—exacerbating the unchecked proliferation of short-term rentals in neighborhoods across America. The Alliance for Stronger Communities will continue advocating against these dangerous tactics that replace neighbors with a revolving door of strangers, harm neighborhoods’ sense of community and deplete housing options, making it even more difficult to buy a home and start a family.”

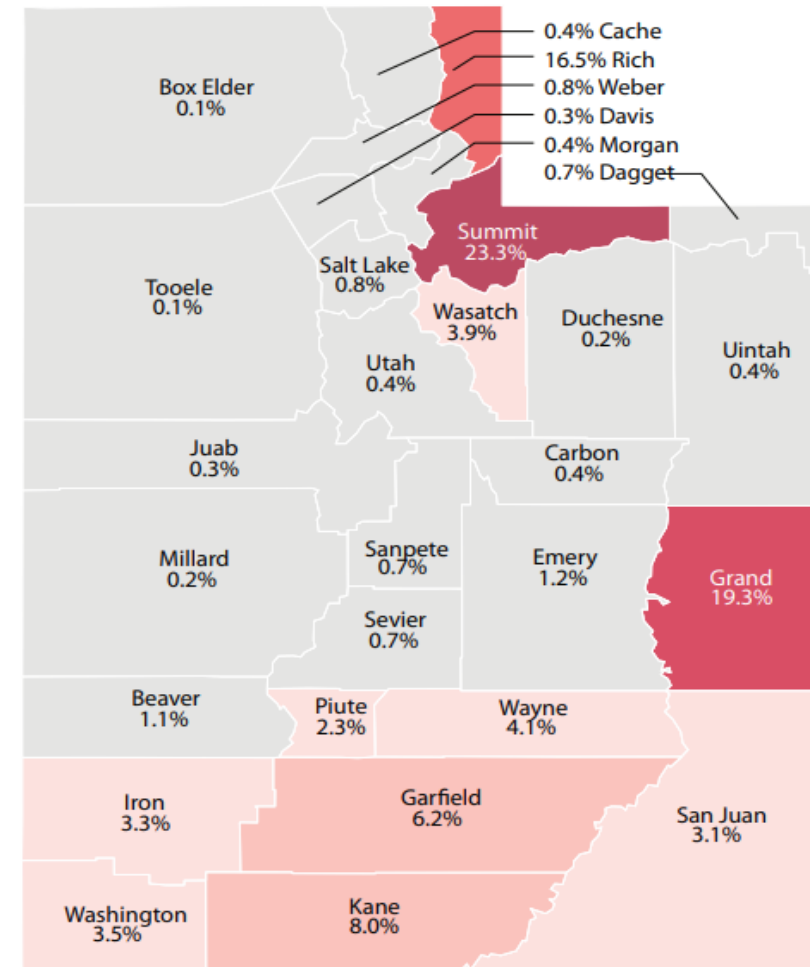
- Franklin Coley, President of the Alliance for Stronger Communities

Regional STR Growth

Utah

- More than 38,000 active listings statewide.
- Generating over \$750 million in annual gross revenue
- From 2020-2021, the YOY listing growth was 138%
- Summit County's 6,043 units make up over 23% of the available housing market
- Booms in Washington County, Moab, Park City, Salt Lake City, among others

STRs as a Share of Total Housing Units, 2021



Bill to Provide State
Guidance on STR's
is Overdue

Transparency

- Owner is required to obtain a local permit
- Sales & Tax license to be issued by State Tax Commission
- Any listing or advertisement that offers short-term rentals for reservation shall include the owner's short-term rental permit number

Accountability

- Local contact required – lives within an hour's drive
- Limited to 20 STR's for management
- Education course required for owner and local contact

Sustainability

- One reservation in a single rental
- Limit on occupancy
- Not in low-income housing

Questions?