



Data Driven Insights: Short-Term Rental Trends for Local Government

What You Need To Know

Granicus is transforming how government and people connect digitally



6,000+

Government Agencies

have chosen Granicus to modernize their online services, web presence, and communications strategies.



Seamless

Digital Solutions

that help government: improve the customer experience, simplify/automate workflows, and enable strategic community development.



Short-Term Rental

Software Services

offering compliance and monitoring software, proprietary and updated data, and consulting and advising services.

Housekeeping



Questions

Submit your questions via the Zoom Q&A console.



Benchmark Report

Check your inbox for the 2024 **STR Benchmark Report**.



Issues

Connect with us in the Q&A console and we'll get back to you ASAP.



Short-Term Rental Survey



On-Demand

We will email you the link to the on-demand versions of this webinar.

Today's speakers



Jeffrey Goodman, AICP

Planner, Consultant,
Host Compliance at Granicus



Graeme Dempster

Director,
Host Compliance at Granicus



Agenda

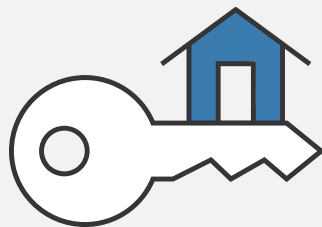
- **Why Short-Term Rentals Matter**
- Market Dynamics, Trends, and Legislation
- Economic Opportunities
- Overcoming Community Challenges
- Questions and Next Steps

What is a short-term rental?

Rental of a residential dwelling unit usually for periods of **less than a month**. Commonly booked through one of the many online marketplaces available, such as Airbnb, VRBO, and others.



The **short-term rental market** has grown continuously



20x

Global short-term rental
listing growth since 2011

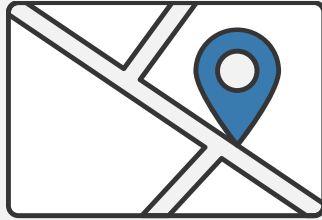
There are more than **2.4M** STR listings in the U.S., representing
1.8M unique rental units



2.4M+

U.S. based short-term
rental listing in 2024

Short-term rental density varies by region and **affects**
communities of all sizes



99

Short-term rental units for every
1,000 people in rural communities

The Problem: Short-term rentals can have unintended impacts, displacing long-term tenants, straining infrastructure, and raising safety and fairness concerns



Conversion of long-term rentals into STRs can affect housing availability



Increased tourism can change "neighborhood character"



Visitors don't always know (or follow) local rules



Short-term renters might not care about keeping good neighborly relations



Increased occupancy can have quality of life concerns



Unfair competition from STRs can cause conflicts with traditional lodging providers

The **good relative financial performance** of STRs and the **lack of prior focus on the industry** provides for an **attractive revenue enhancement opportunity** for local governments...



STRs are growing despite the economic slow-down

Focusing on those who have or are generating income and not claiming it.

Particularly important for out of state STR hosts.



Prior lack of focus on STRs as a government revenue source

Local governments have traditionally seen STRs as a small part of the lodging industry.

Lack of focus on the industry and challenges with rental identification have led to low revenue recovery.



Untapped revenue potential in the thousands or millions

Nashville, TN, collected \$2.8m in their first year using Host Compliance.

Many communities use tax, permitting, and licensing revenue for affordable housing, tourism marketing, and more.



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- **Market Dynamics, Trends, and Legislation**
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Market growth is
spread across
**multiple rental
platforms**

GLOBAL STR LISTING GROWTH SINCE 2011

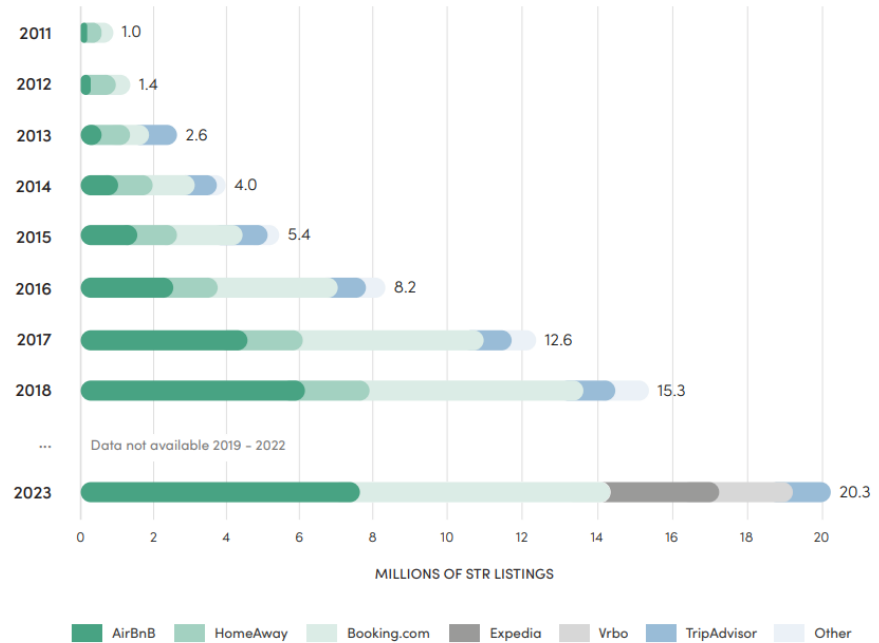


Figure A

Sources: AirBnB, Expedia, TripAdvisor, Booking.com, Tripping.com, Vrbo, Expedia

Platform consolidation is constant



Many hosts
advertise on
multiple
platforms

State	Listing Count	Rental Unit Count	Percent Difference	Listed Daily Rate*	Min. Night Stay*
AK	10,797	8,952	-17%	165	2
AL	45,905	26,241	-43%	196	2
AR	18,184	13,657	-25%	145	2
AZ	77,178	59,979	-22%	181	2
CA	256,296	172,121	-33%	217	2
CO	108,973	74,966	-31%	221	2
CT	7,426	5,994	-19%	210	2
DE	11,009	8,665	-21%	249	3
FL	425,489	327,734	-23%	200	3
GA	68,396	48,672	-29%	168	2
HI	60,002	42,674	-29%	314	3
IA	6,111	4,868	-20%	125	2
ID	22,130	16,409	-26%	182	2
IL	20,707	15,928	-23%	128	2
IN	15,383	12,438	-19%	139	2
KS	6,820	5,467	-20%	102	1
KY	17,835	13,754	-23%	145	2
LA	17,265	12,279	-29%	150	2
MA	39,175	28,748	-27%	264	3
MD	30,399	23,729	-22%	188	2
ME	27,846	22,098	-21%	249	2
MI	47,769	35,665	-25%	200	2
MN	16,650	11,899	-29%	175	2
MO	30,418	21,875	-28%	146	2
MS	11,666	8,632	-26%	165	2

State	Listing Count	Rental Unit Count	Percent Difference	Listed Daily Rate*	Min. Night Stay*
MT	20,487	15,634	-24%	208	2
NC	108,393	82,806	-24%	173	2
ND	1,291	1,038	-20%	104	2
NE	4,118	3,207	-22%	120	2
NH	15,326	11,661	-24%	230	2
NJ	32,225	24,754	-23%	217	3
NM	19,959	12,629	-37%	160	2
NV	23,349	16,508	-29%	200	2
NY	116,408	91,028	-22%	199	2
OH	26,214	20,029	-24%	135	2
OK	17,275	13,221	-23%	152	2
OR	46,574	31,429	-33%	174	2
PA	37,711	29,072	-23%	168	2
RI	7,736	5,566	-28%	311	2
SC	87,161	62,951	-28%	189	2
SD	7,612	5,841	-23%	179	2
TN	75,150	52,357	-30%	190	2
TX	186,591	143,382	-23%	150	2
UT	48,248	31,669	-34%	179	2
VA	44,045	31,454	-29%	178	2
VT	19,088	15,209	-20%	255	2
WA	53,403	38,298	-28%	181	2
WI	30,088	21,966	-27%	200	2
WV	8,161	6,519	-20%	160	2
WY	6,907	5,185	-25%	175	2
Average	48,867	35,937	-26%	184	2.08

Figure B | Aggregate data compiled by Granicus data scientists for July 2024.

* Average for state

Source: Granicus' Host Compliance Proprietary Data

**Fastest growing
states** in terms
of listings

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Advertising on multiple platforms is **more prevalent in smaller communities**

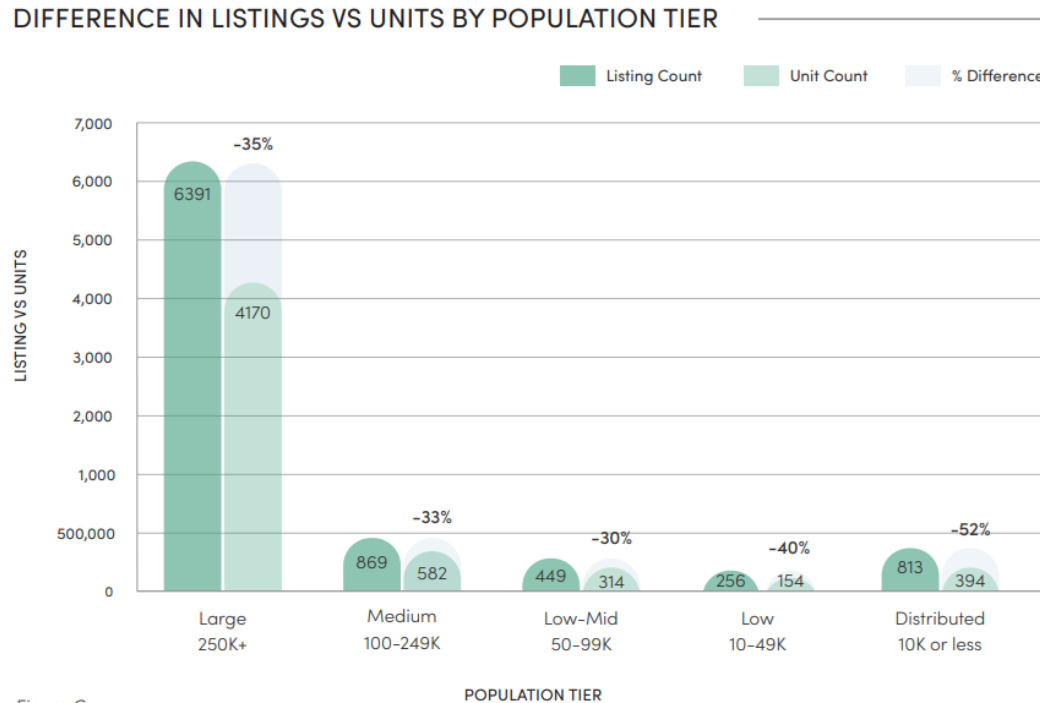


Figure C

There are nearly **10 short-term rental properties** for every **100 people** in communities with 10,000 or fewer residents

STR UNITS PER 1,000 PEOPLE OF POPULATION



Source: Granicus' Host
Compliance Proprietary Data



Why does this mean **for local governments?**

Smaller communities will see the most significant effects from changes in the short-term rental market.

For small and mid-size communities, it's time to get up to speed on your local markets and **implement a compliance program.**



New & pending legislation

New York

S885C – Awaiting signature by Gov. Hochul

- State registry
- Grandfathers existing registries and bans new ones
- Formalizes tax collection
- Allows local ordinances
- Empowers local governments to enforce state law
- Data sharing and platform responsibility



New & pending legislation

Hawai'i

SB2919 – Signed by Gov. Green

- Driven by post-disaster community activism
- Devolves power to counties
 - Regulate time, place, manner, duration
 - Phase out in residential and agricultural zones
- Maui moves to eliminate 7k STRs in 'Minatoya list'

New & pending legislation

Michigan

HB5438 – State registry, formal state standards, 'health and safety' local laws, ban on bans, allows for caps



What's going on with **VCAs**?

Considerations

- Time and Place
- No way to reconcile
- Loopholes





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Particularly important for out of state STR hosts.



Prior lack of focus on STRs as a government revenue source

Local governments have traditionally seen STRs as a small part of the lodging industry.

Lack of focus on the industry and challenges with rental identification have led to low revenue recovery.



Untapped revenue potential in the thousands or millions

Yates County, NY, collected \$272k in their first year with Host Compliance.

Many communities use tax, permitting and licensing revenue for affordable housing, tourism marketing, and more.

Average daily rates
vary by community
type, and are
highest in
communities with
10,000 or fewer
residents

Source: Granicus' Host
Compliance Proprietary Data

AVERAGE DAILY RATE BY POPULATION TIER



Average revenue generated by short-term rental hosts

Source: Granicus' Host
Compliance Proprietary Data

AVERAGE REVENUE BY POPULATION TIER - ESTIMATED VS DOCUMENTED

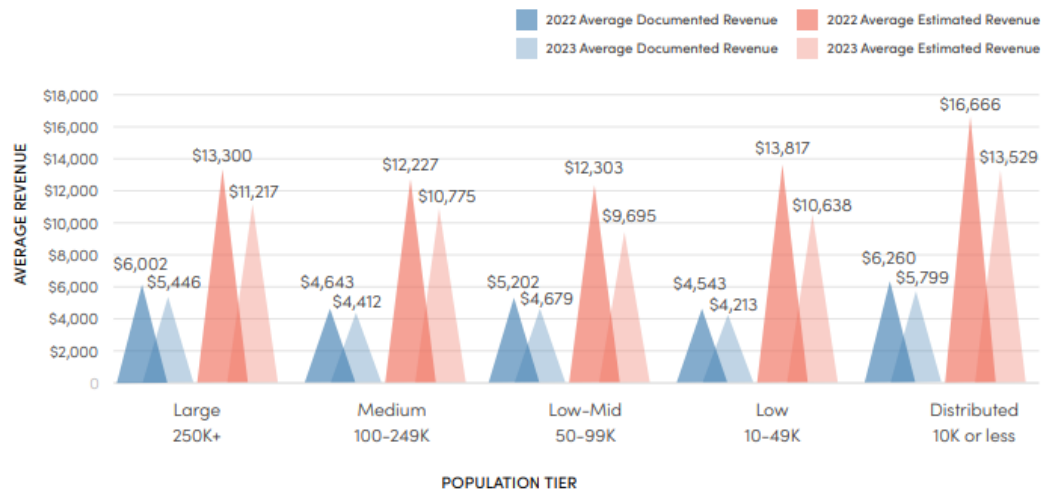
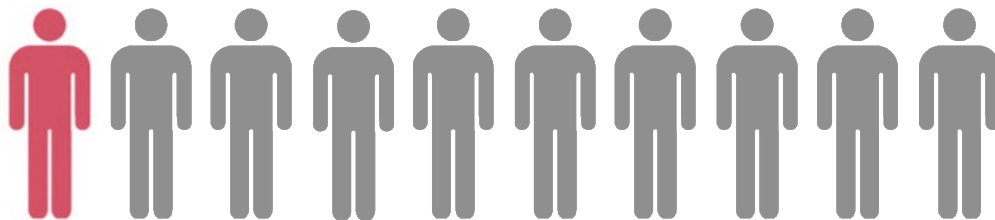


Figure F | Average Revenue by population tier

But **without proper enforcement** only a fraction of short-term rentals will register and comply with regulations

In General, Less Than 10% Of STR Owners Voluntarily Register And Comply With Regulations



A significant amount of potential revenue from registration fees and taxes is left on the table

Key stakeholders for revenue recovery



Finance



Planning



Code
Enforcement



Tourism



City Managers



Elected Officials

Best practices for recovery of tourism-related revenue

Be clear about what the rules are

- » Non-compliance or non-remittance is often due to a lack of awareness around regulations.
- » State the purpose of the regulations.

Taxes, licenses, fire inspection, pool inspection.

Not everyone will agree, but transparent reasoning for decisions can ease tension.



Best practices for recovery of tourism-related revenue

Get to know the local market



- » New listings enter and leave the market daily.
- » 90% of hosts generate less than 50% of revenue.
- » Audit "big fish" for best ROI potential (the top 10% of hosts).

Tracking number of nights stayed.

Keep an up-to-date list of biggest suspected hosts underreporting.

Best practices for recovery of tourism-related revenue

Make it easy to register and remit payment

- » Make it as easy as listing a short-term rental.
- » Collect payments online.



Best practices for recovery of tourism-related revenue

Continually monitor compliance levels and returns



- » How much did you make last year?
On par with expectations?
- » Provide staff support for hosts to become compliant — a win-win.
- » Which hosts have received warning letters? Have they remitted missing revenue?

Best practices for recovery of tourism-related revenue

Discourage non-compliant operators with penalties

- » Penalties should be tough but fair.
- » They can't be another cost of doing business.



Ensure revenue allocation aligns with community goals



- » General fund, enforcement costs, and specific Issues.
- » Affordable housing goals.
- » Holistic community impacts.



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Infrastructure issues and regulatory solutions

There are growing concerns around stress on infrastructure, particularly in rural or gateway communities.

Core areas of concern:

- Water
- Septic
- Trash
- Traffic



TRAVEL NEWS

Carbon monoxide leak at vacation rental in Idaho sends 25 to hospital

The Associated Press

Published 6:54 p.m. ET Jan. 28, 2020



when fossil fuels burn. In the home, heating and cooking

Life safety and disaster preparedness

Safety remains a critical consideration for local governments. With both resident and visitor safety at stake, getting caught flatfooted can be both tragic and expensive.

Housing issues

While this has been a well-documented issue for years, it has been exacerbated by tight housing markets.

Airbnb recently acknowledged this and has formed a council to address the issue.

That said, act early.

"This is my former house on Josephine st. where me, my ex and our neighbors were forced out of in the spring by a woman who lives in New Jersey and who lied to everyone's face from the beginning about her intentions. Now both sides are an Airbnb and I thought I might let the outta towners know....

#welcometonola

#happymardigras"



The Hill

+ Follow

Airbnb eyes increasing housing supply, driving down prices

Story by Filip Timotija • 5d



Housing solutions



Prevent Conversion *Durango, CO*

- Town cap of 2-3% of housing units
- Blockface limits
- Bans in vulnerable neighborhoods



Rollback Conversion *Sedona, AZ*

- \$240k in homeowner subsidies to flip from STR to LTR
- \$10k for 3-bedrooms
- 35 long-term rental units opened
- Summit CO: \$1M in incentives netted 74 STR conversions



Leverage Conversion *Various – NOLA, etc.*

- \$1 fee to the NHIF
- Massachusetts: 3% Community Impact Fee on 'professionally-managed' STR units
- Other ideas: TDRs, ADU grace periods, Development bonuses...

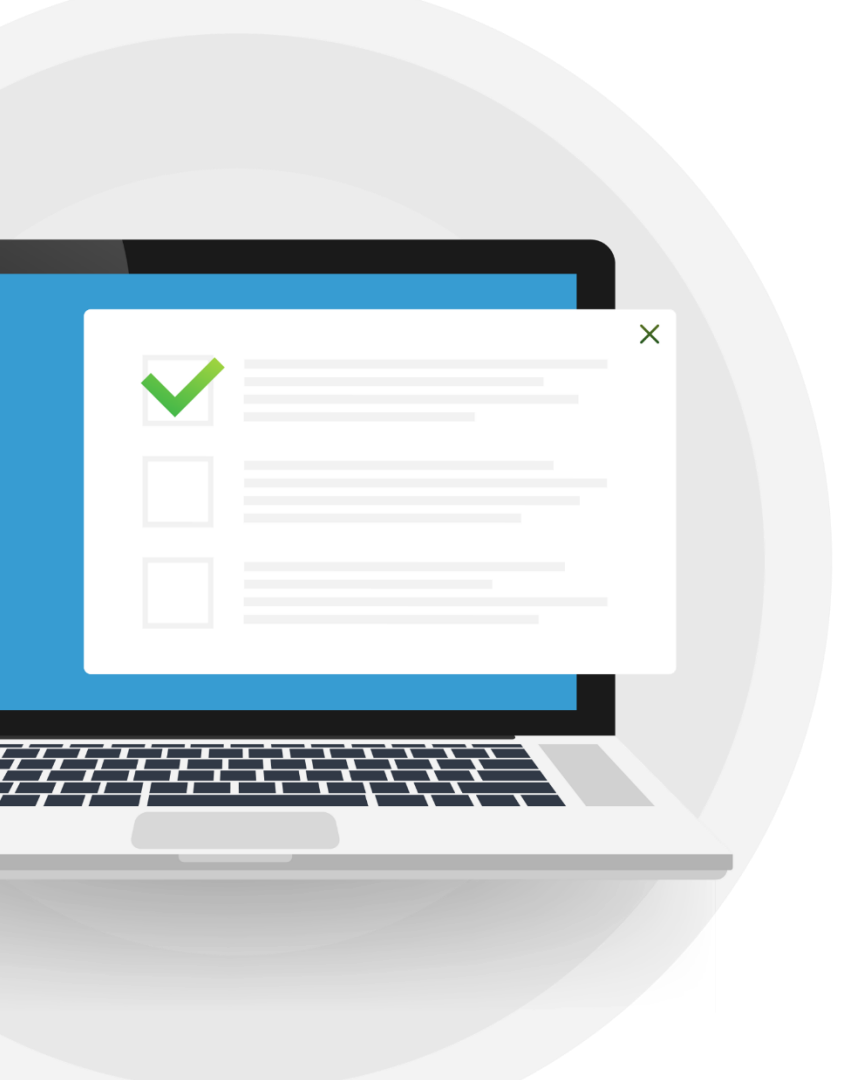


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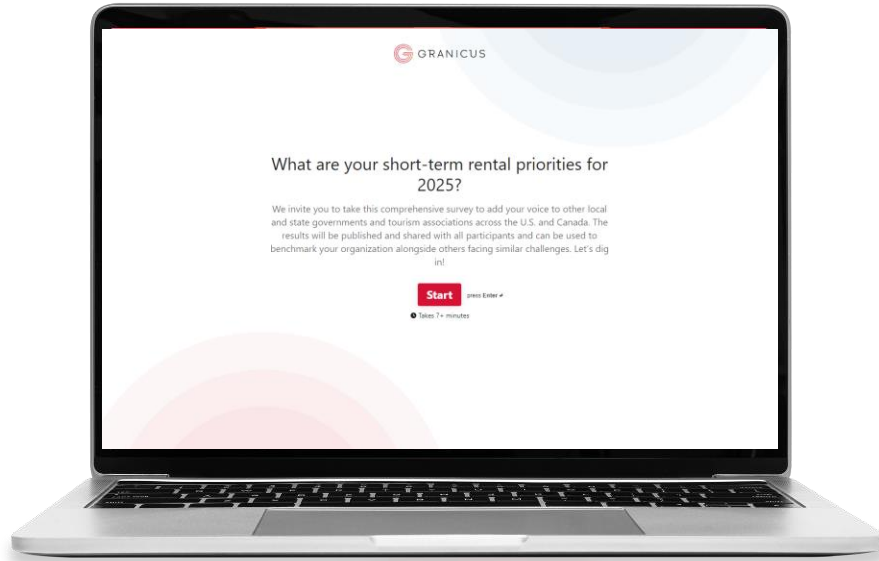


Questions?



Poll: Would you like an overview of STRs in your community?

1. Yes
2. No



Take Survey:
[STR Priorities for 2025 Survey](#)

One more way to connect: Take the Survey!

Inaugural survey

Survey collects **qualitative data**

Supports the **quantitative data** in
the Short-Term Rental Benchmark
Report





Thank you!