

RESEARCH CONDUCTED BY:



**RRC Associates**

(303) 449-6558

[www.rrcassociates.com](http://www.rrcassociates.com)

Boulder, CO 80303

# WESTERN MOUNTAIN RESORT ALLIANCE

ECONOMIC & WORKFORCE HOUSING IMPACTS OF SHORT-TERM RENTALS

MARCH 27, 2024





# INTRODUCTION



The purpose of this study is to provide an objective assessment of the impacts of short-term rentals (STRs) in three mountain resort communities.

The areas of focus include:

- Summit County, CO
- Pitkin County, CO
- Teton County, WY



# INTRODUCTION

Research focused on the impact of STRs on **local economies** and **housing markets**. The impacts of STR regulations (when present) on housing were also investigated.

Insights from residents and homeowners in each County were collected via a mail invite for a survey conducted by RRC.





# INTRODUCTION

RRC conducted extensive primary research and collected secondary data to gauge the impact of STRs in the target counties.

This includes:

- AirDNA and Inntopia STR data
- County Assessor records & GIS coverage
- County & Municipal STR regulations
- MLS database analysis
- Community surveys conducted by RRC in all three counties
- US Census data and other resources as needed



# ACCESS THE REPORTS!

All reports are published and provide more granular detail of the impacts of STRs in the respective communities.





# ACCESS THE REPORTS!

Find the reports at <https://wmra.online/news/> or by scanning this QR code:

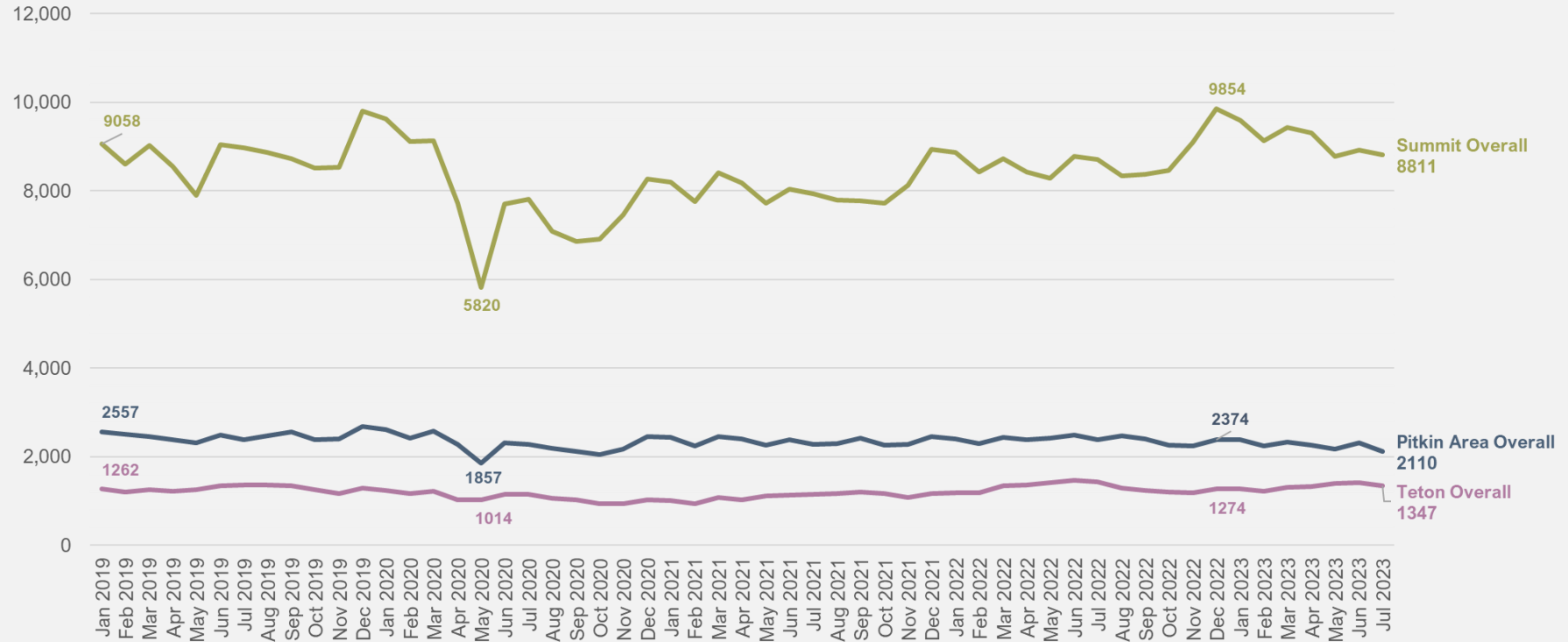







# STRS BY THE NUMBERS

# NUMBER OF STRs

## Number of Active STRs



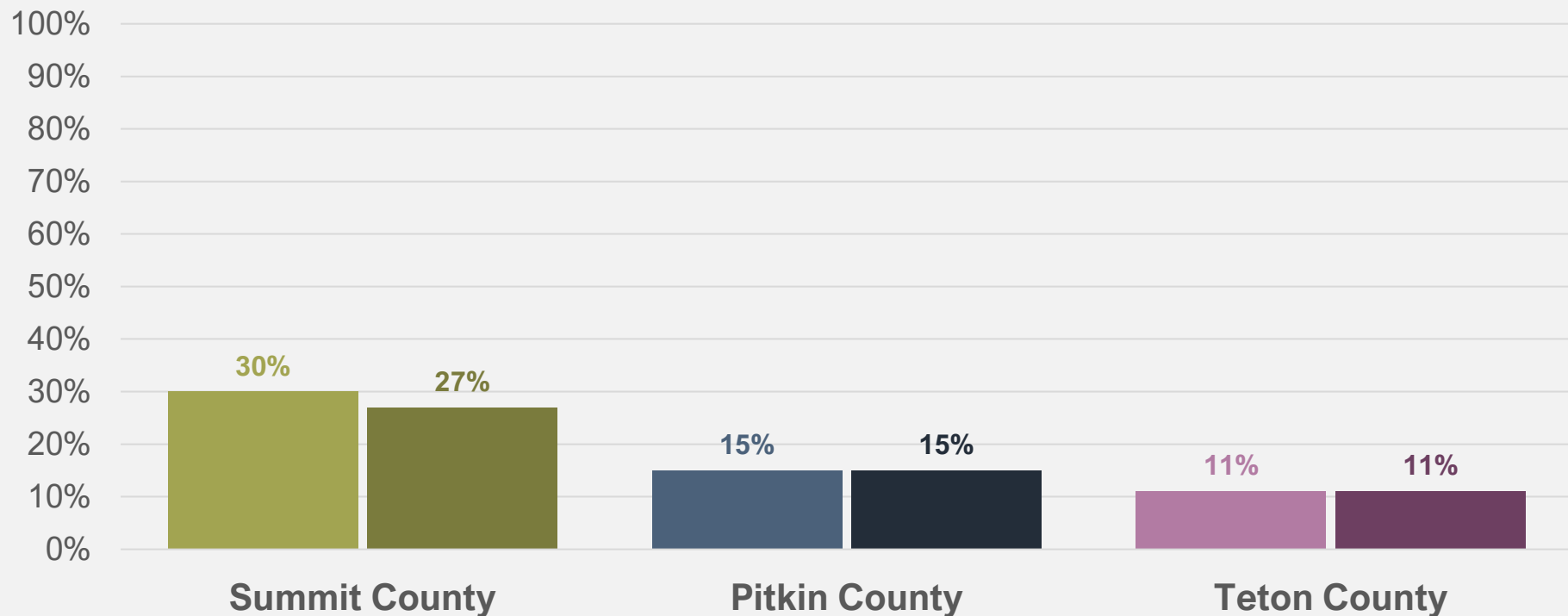
	2019 Average Number of Units	2023 Average Number of Units	% Change
Summit County	8734	9140	+4.6% 
Pitkin County	2084	1903	-8.6% 
Teton County	1271	1326	+4.3% 

Source: AirDNA



The percentage of STRs as a share of the total housing units in the target counties has remained relatively stable since 2018.

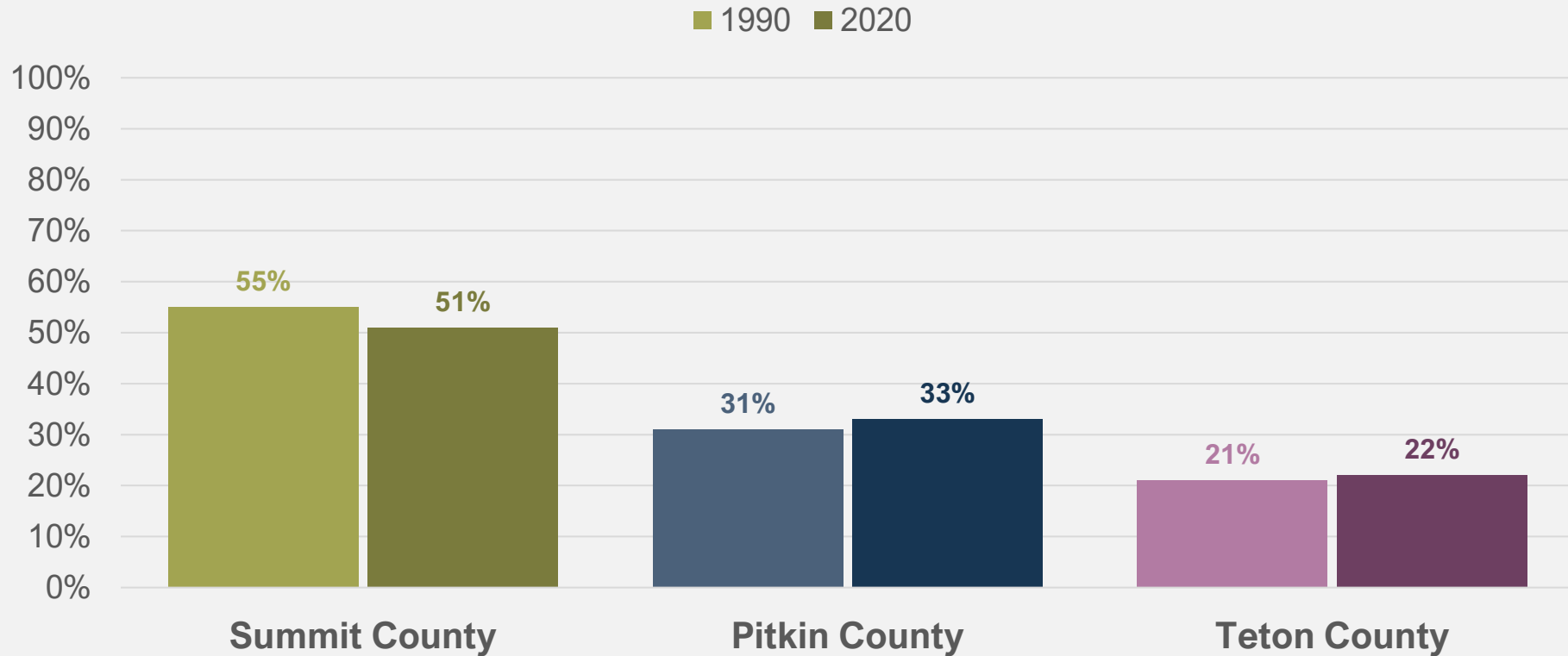
### STRs as a % of Total Housing Units 2018 vs 2022/23



Source: AirDNA, Assessor's Lists, & STR Licensing data

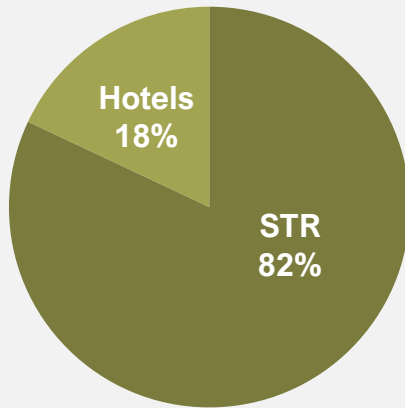
The number of vacation homes (including STRs) as a share of the total housing units has remained similar since 1990.

### Vacation Homes as a % of Total Housing Units

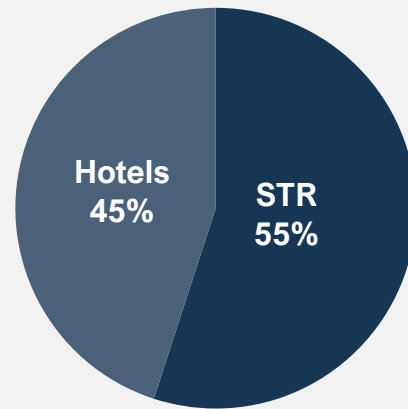


Source: US Census

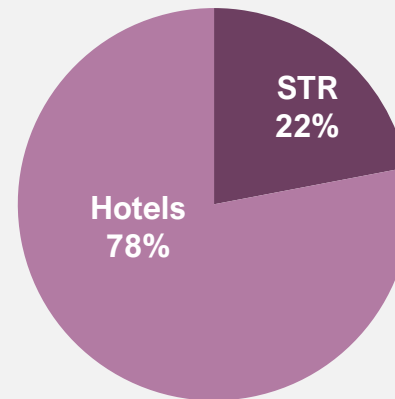
Mountain resort towns are **NOT** all created equal. Historical differences in the development of tourism and seasonality play a big role in STR lodging share vs. hotels.



Summit County



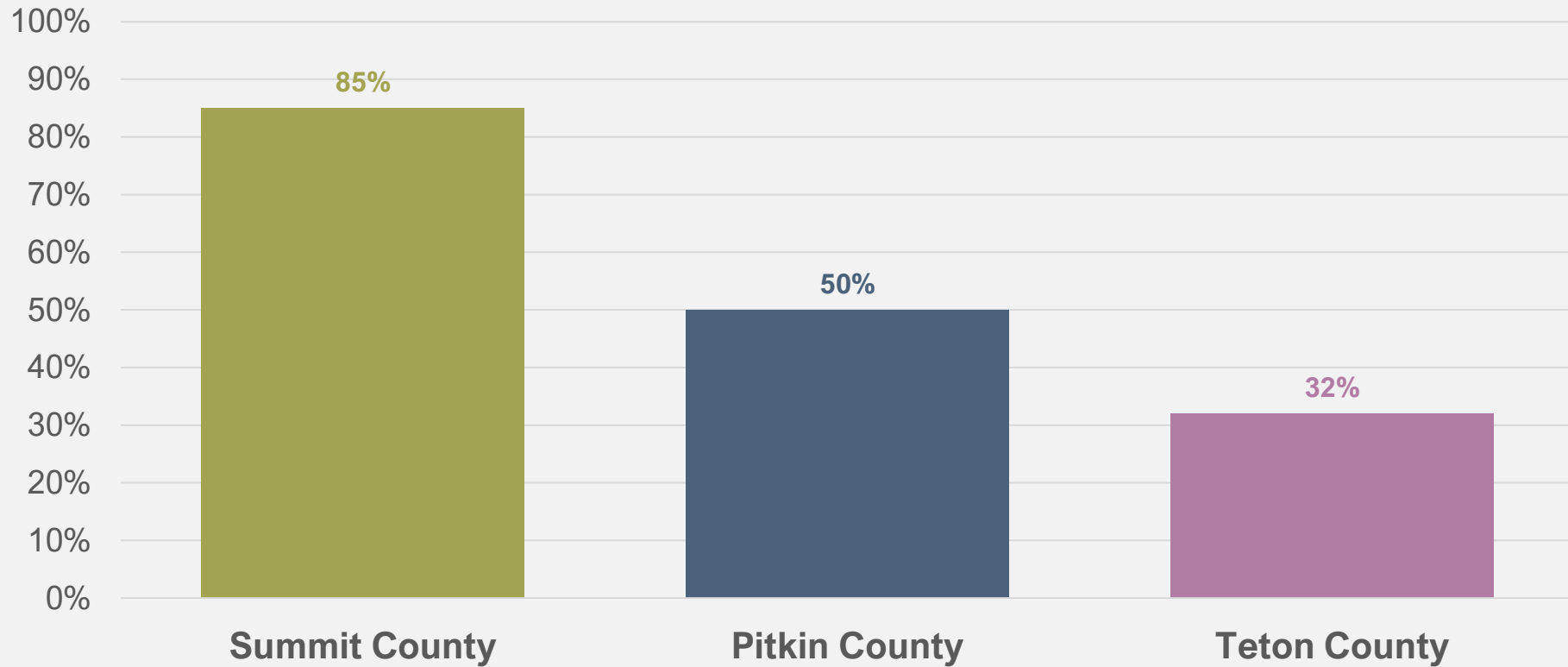
Pitkin County



Teton County

STRs, as a share of lodging revenue, tracks closely with share of lodging units.

### STRs share of Overall Lodging Revenues



Source: AirDNA, CoStar, & State Tax data

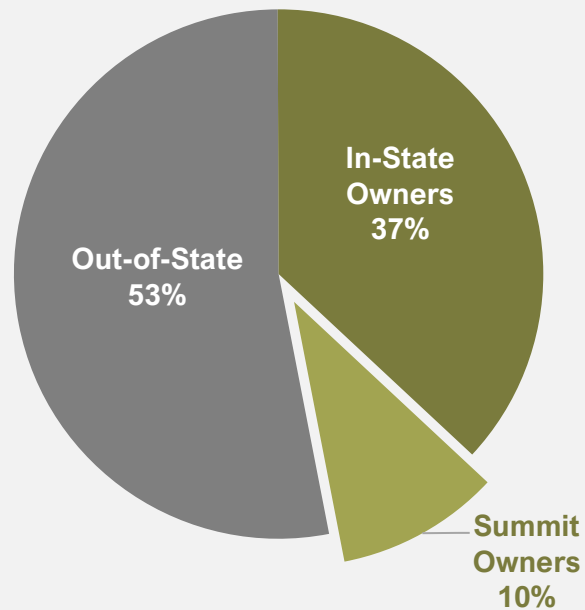


**WHO ARE THE STR OWNERS?**

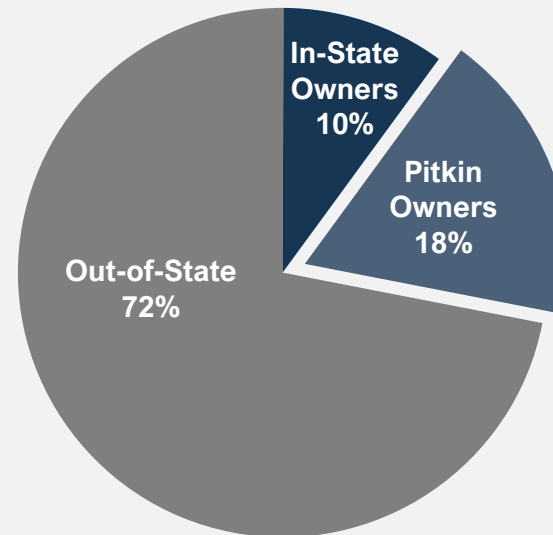


Percentages vary among the three counties, but more than half of owners are out-of-state.

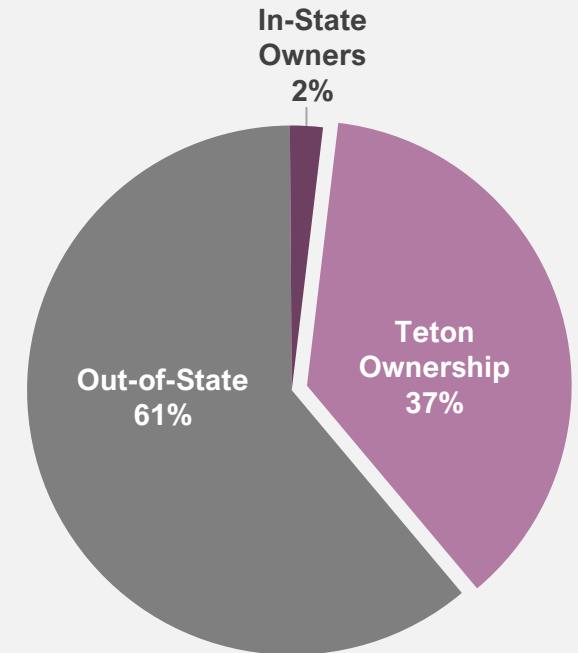
## Summit County



## Pitkin County



## Teton County\*

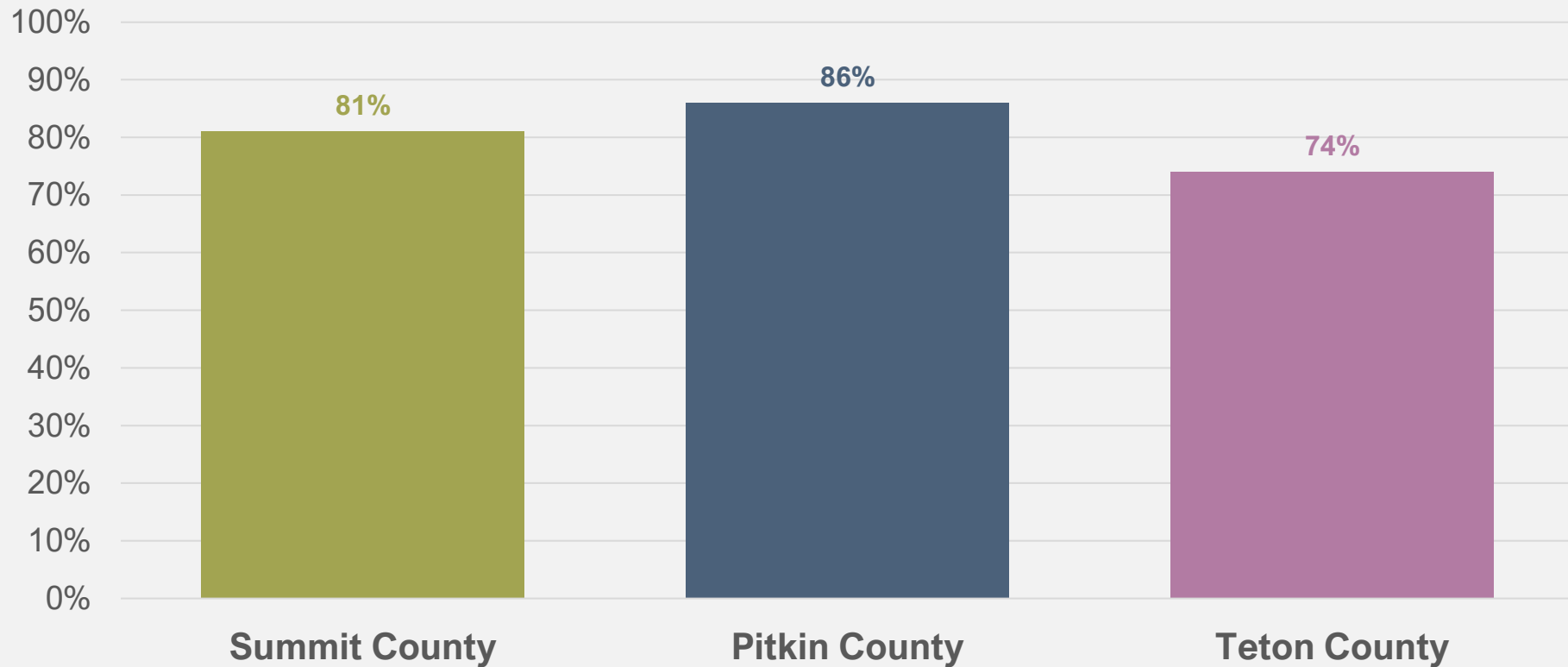


Source: Assessor's databases and STR licensing lists.

\*Teton County data reflects ownership of residential properties in areas where STRs are allowed. Ownership of units actually used as STRs is not available in Teton County (since there isn't an STR registry or STR licensing database for the unincorporated county).

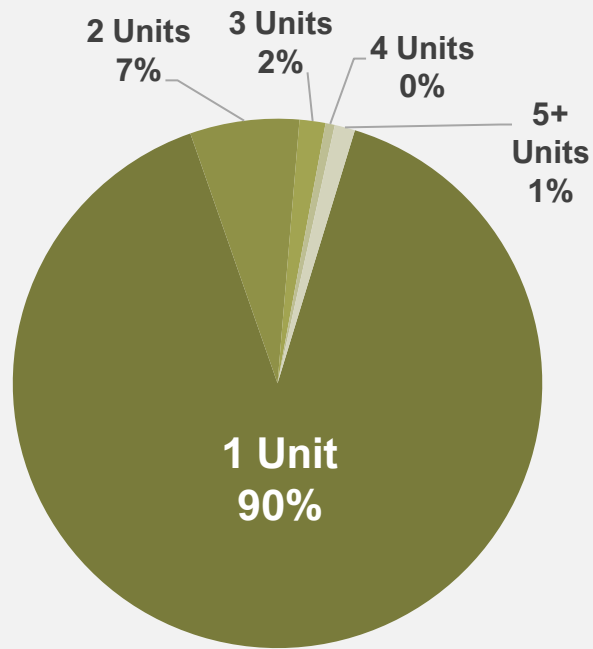
The large majority of STRs also serve as vacation homes for their owners.

### STR Owners Using Unit for Personal/Family Getaways

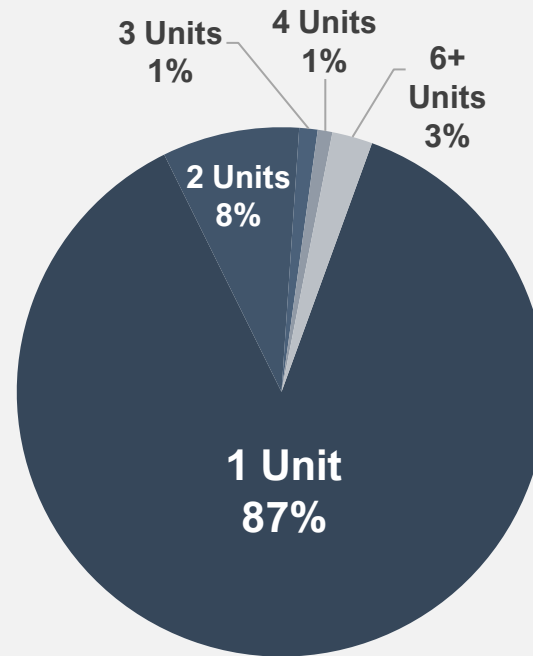


The vast majority of STR units are owned by owners who own just one STR.

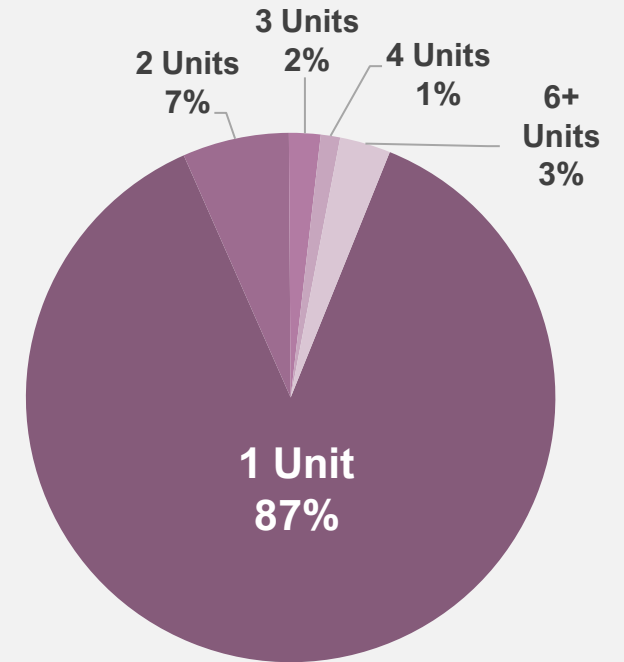
### Summit County



### Pitkin County



### Teton County







# **ECONOMIC IMPACTS OF STRS**

# ECONOMIC OUTPUT

## SUMMIT COUNTY

Effect	Output	Value-added (GDP)
Direct	\$1,202,000,000	\$908,000,000
Indirect	\$284,000,000	
Induced	\$215,000,000	\$136,000,000
<b>TOTAL</b>	<b>\$1,701,000,000</b>	<b>\$1,044,000,000</b>

## PITKIN COUNTY

Effect	Output	Value-added (GDP)
Direct	\$438,000,000	\$317,000,000
Indirect	\$78,000,000	
Induced	\$36,000,000	\$23,000,000
<b>TOTAL</b>	<b>\$553,000,000</b>	<b>\$340,000,000</b>

## TETON COUNTY

Effect	Output	Value-added (GDP)
Direct	\$402,000,000	\$302,000,000
Indirect	\$94,000,000	
Induced	\$51,000,000	\$37,000,000
<b>TOTAL</b>	<b>\$547,000,000</b>	<b>\$339,000,000</b>

# JOBS & EARNINGS

## SUMMIT COUNTY

Effect	Employment	Earnings
Direct	5,874	\$292,000,000
Indirect	908	\$68,000,000
Induced	910	\$56,000,000
<b>TOTAL</b>	<b>7,692</b>	<b>\$416,000,000</b>

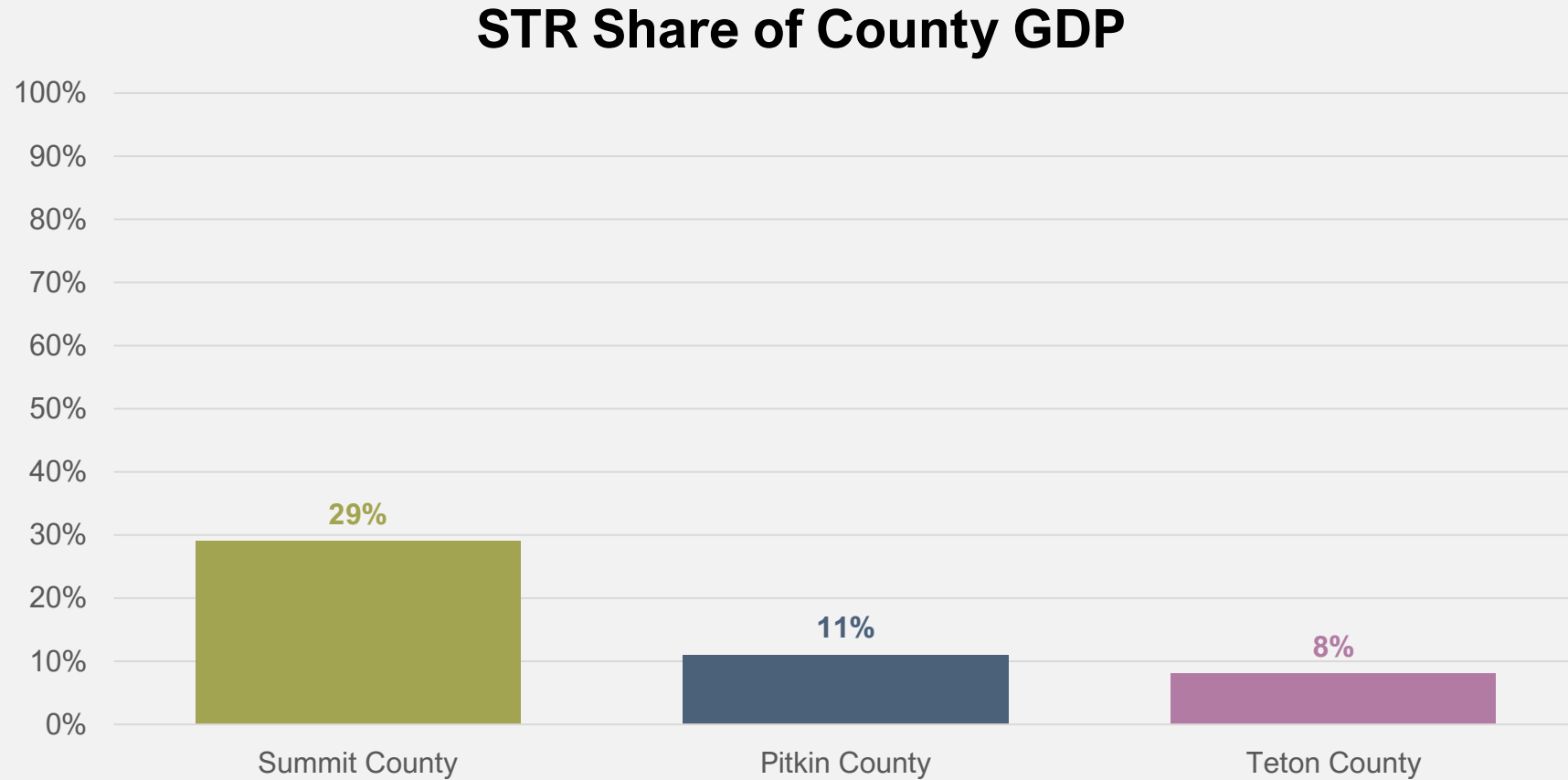
## PITKIN COUNTY

Effect	Employment	Earnings
Direct	2,049	\$77,000,000
Indirect	280	\$15,000,000
Induced	152	\$7,000,000
<b>TOTAL</b>	<b>2,481</b>	<b>\$99,000,000</b>

## TETON COUNTY

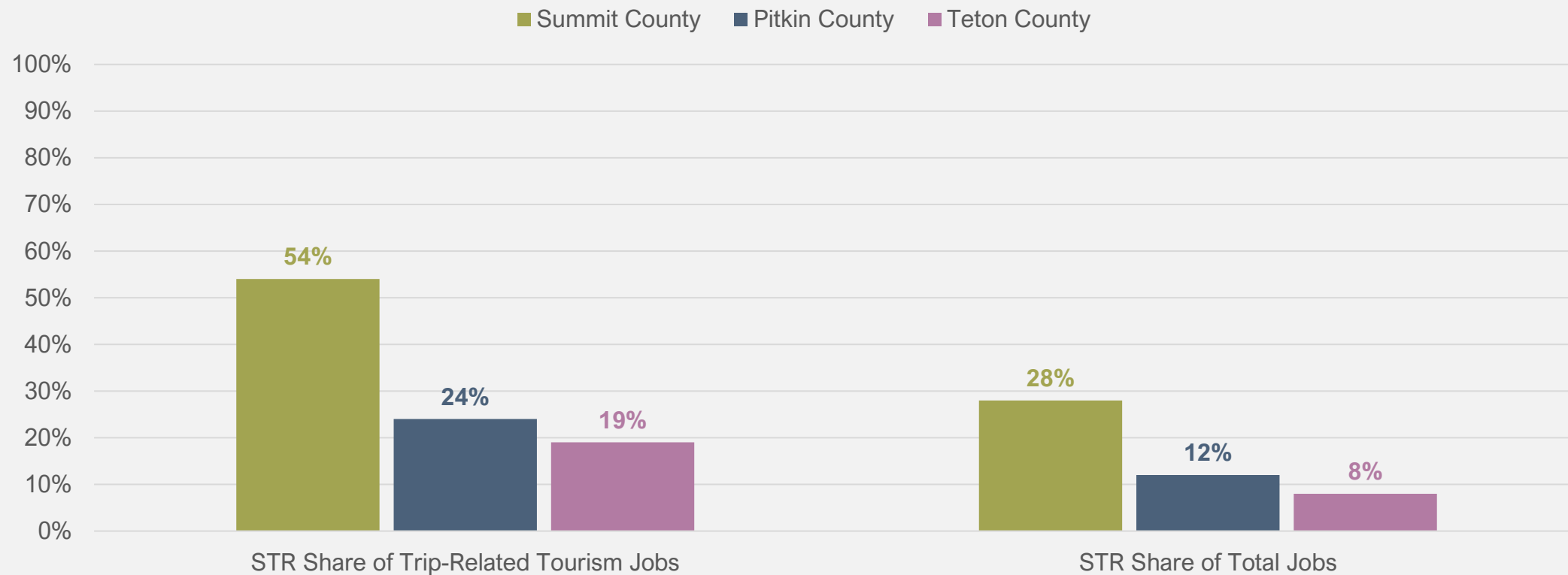
Effect	Employment	Earnings
Direct	1,536	\$93,000,000
Indirect	236	\$23,000,000
Induced	135	\$12,000,000
<b>TOTAL</b>	<b>1,907</b>	<b>\$128,000,000</b>

Predictably, GDP share is greatest in Summit County but still significant in Pitkin and Teton.



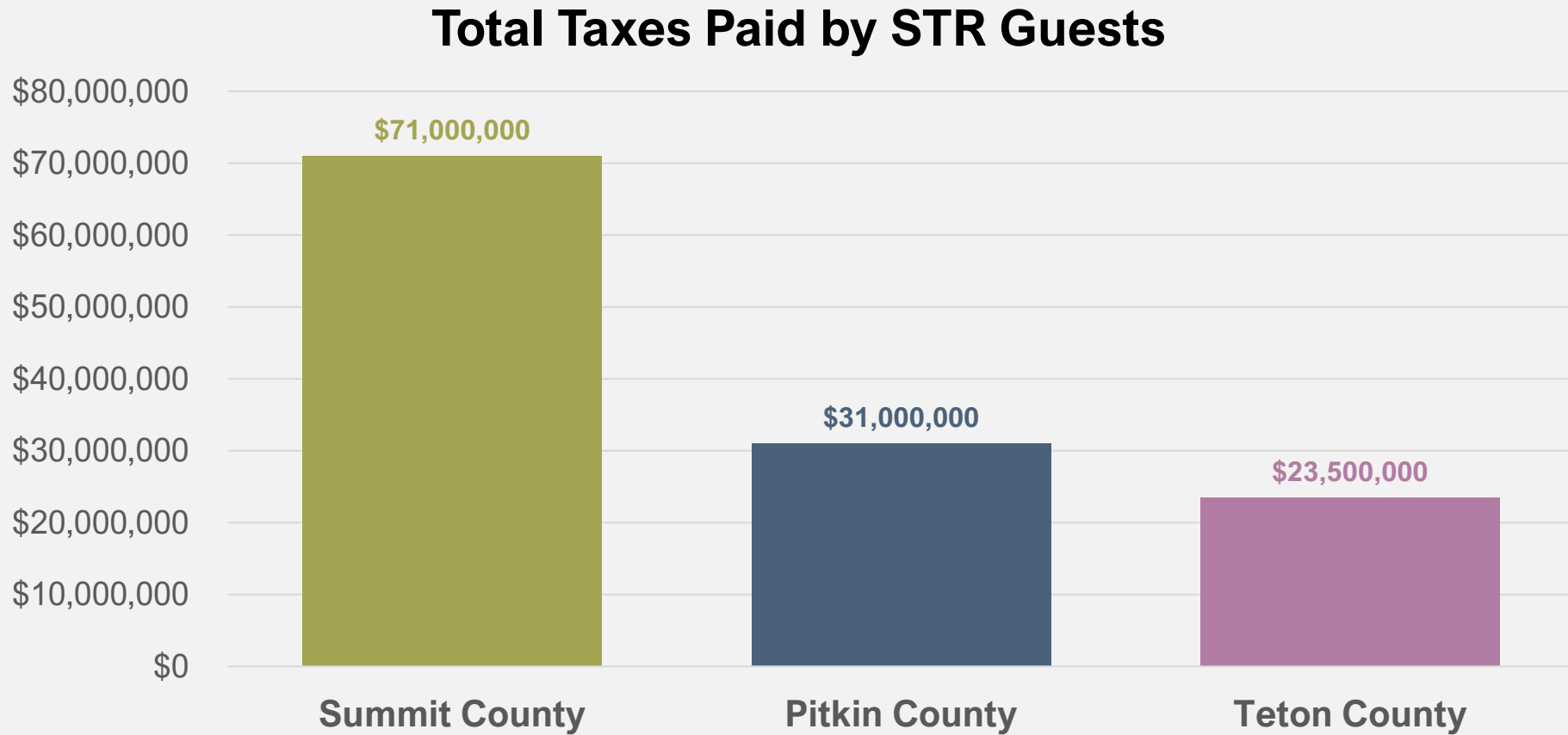
More than 1 in 4 jobs in Summit County are reliant on STRs.

### STR Share of County-Wide Employment



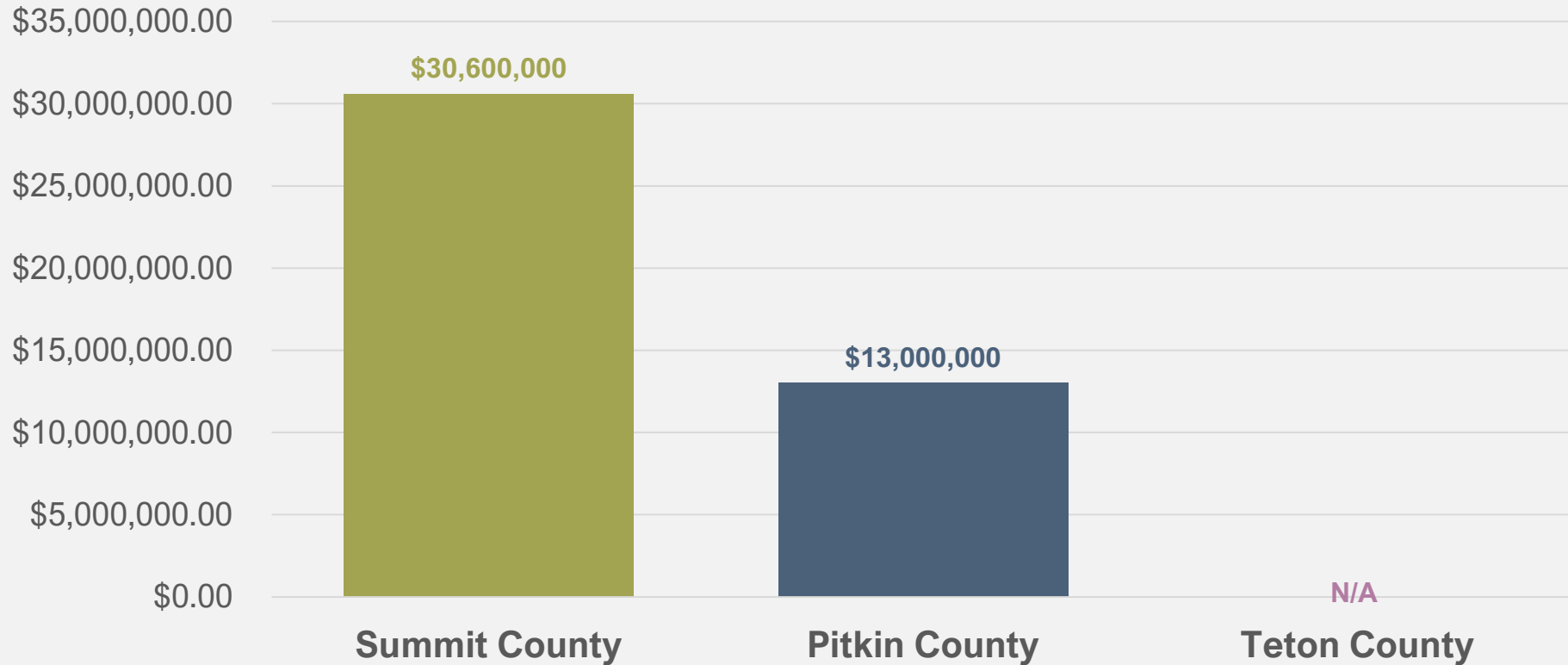
Source: RRC, US Bureau of Economic Analysis, & others

Summit County is most reliant on STR taxes, but the tax revenues are significant across all three counties.



In Summit County, STR owners pay over \$30 million. Combined, STR taxes from guests and owners surpass \$100 million for municipalities and counties.

### Total Taxes Paid by STR Owners



***“My local customers pay my rent  
and cover my payroll.”***

***“Tourists put my kids through  
college and bought my new car”***

*Downtown Boulder Retailer*



## Additional Findings:

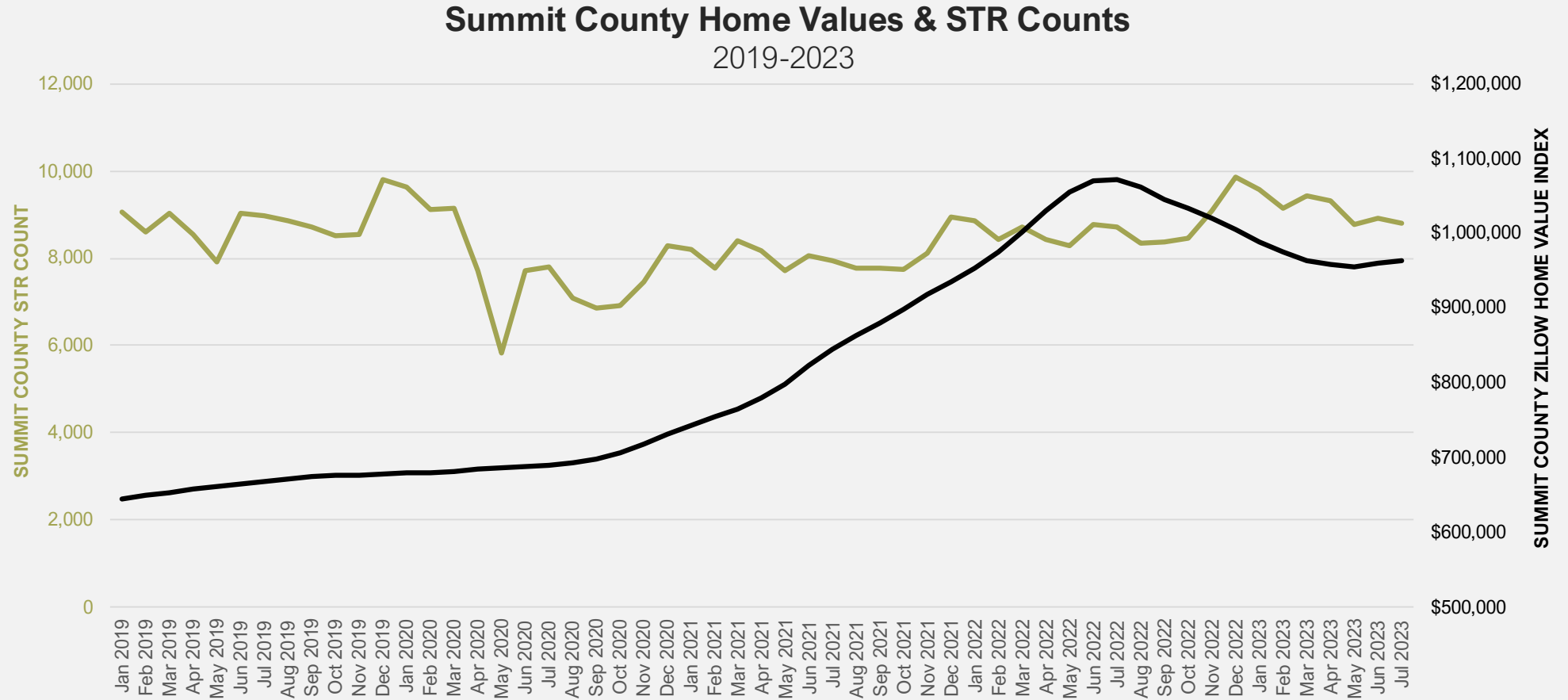
- STR sales revenue grew substantially 2018–2022 due primarily to higher occupancies & ADRs, rather than more units.
- STRs have lower average occupancy rates but higher ADRs than hotels.
- STRs complement hotels by offering different unit sizes, amenities, experiences, and price points.
- STRs likely have greater economic and tax impacts than second homes which aren't STR'd due to more days occupied & lodging spend.
- In addition to contributing to local tourism economies, STRs also help drive local construction and real estate economies.
- STRs are a fundamental part of the fabric of the studied communities. Local economies would be profoundly changed if STRs were hypothetically banned.



# HOUSING IMPACTS

# HOUSING PRICES

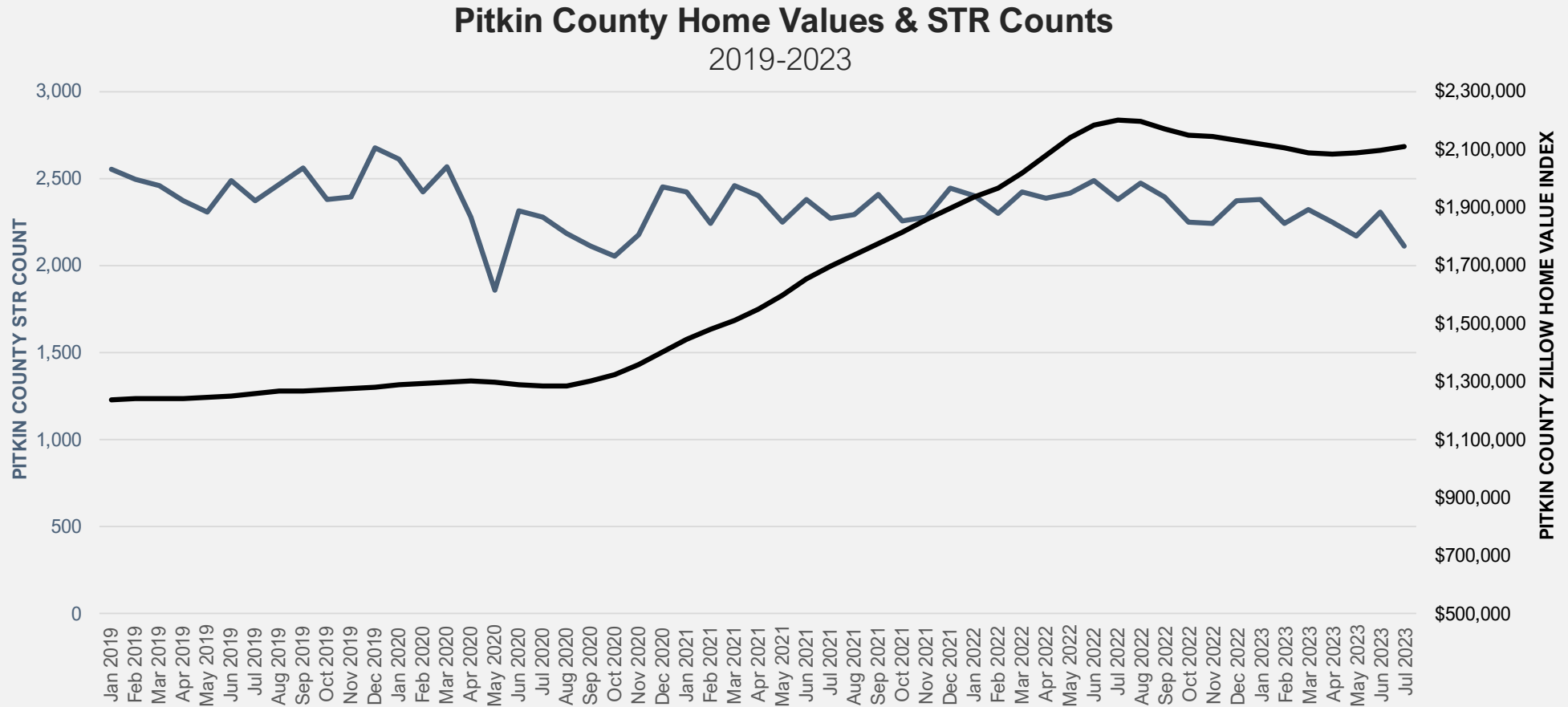
Summit County home values rose without a similar rise in the amount of STRs within the county.



Source: AirDNA & Zillow

# HOUSING PRICES

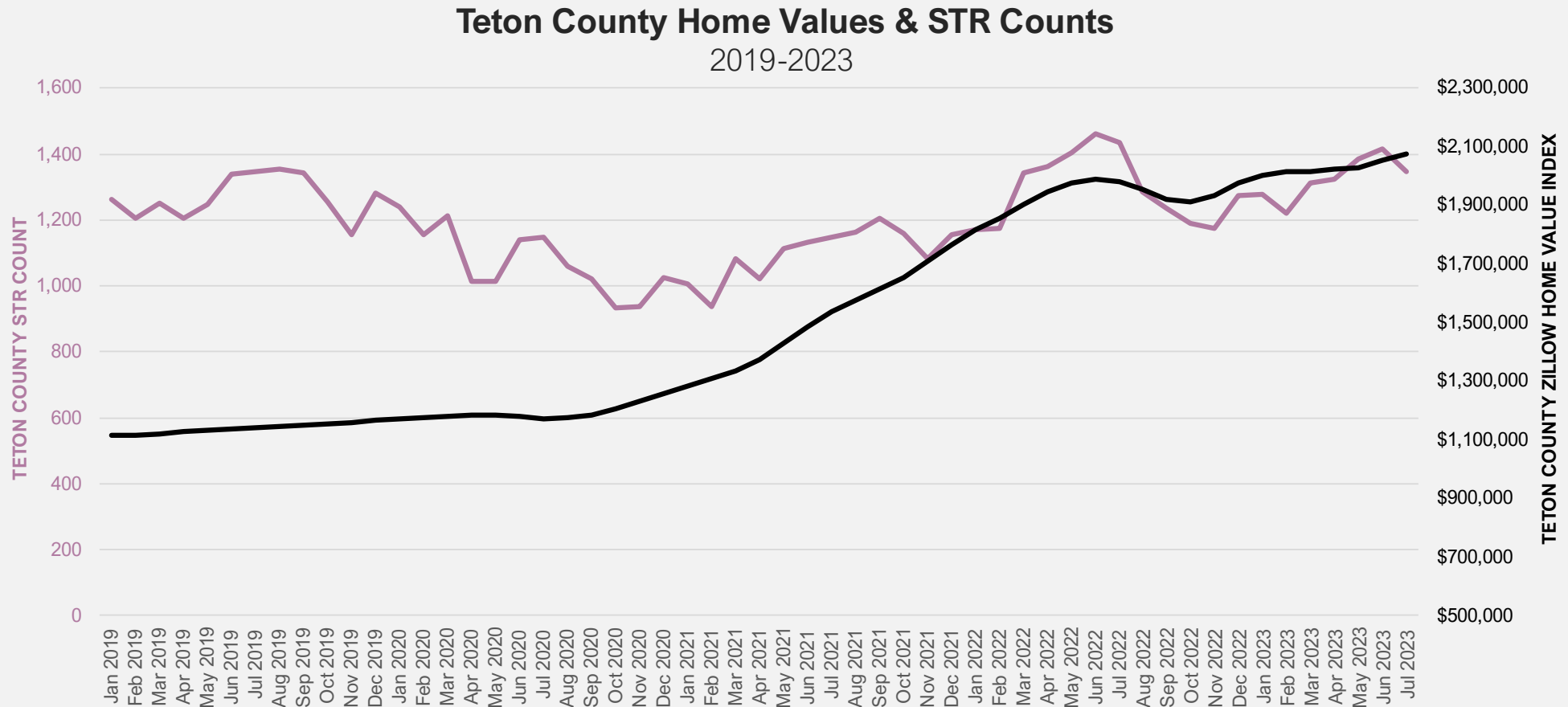
The same can be said with Pitkin County.



Source: AirDNA & Zillow

# HOUSING PRICES

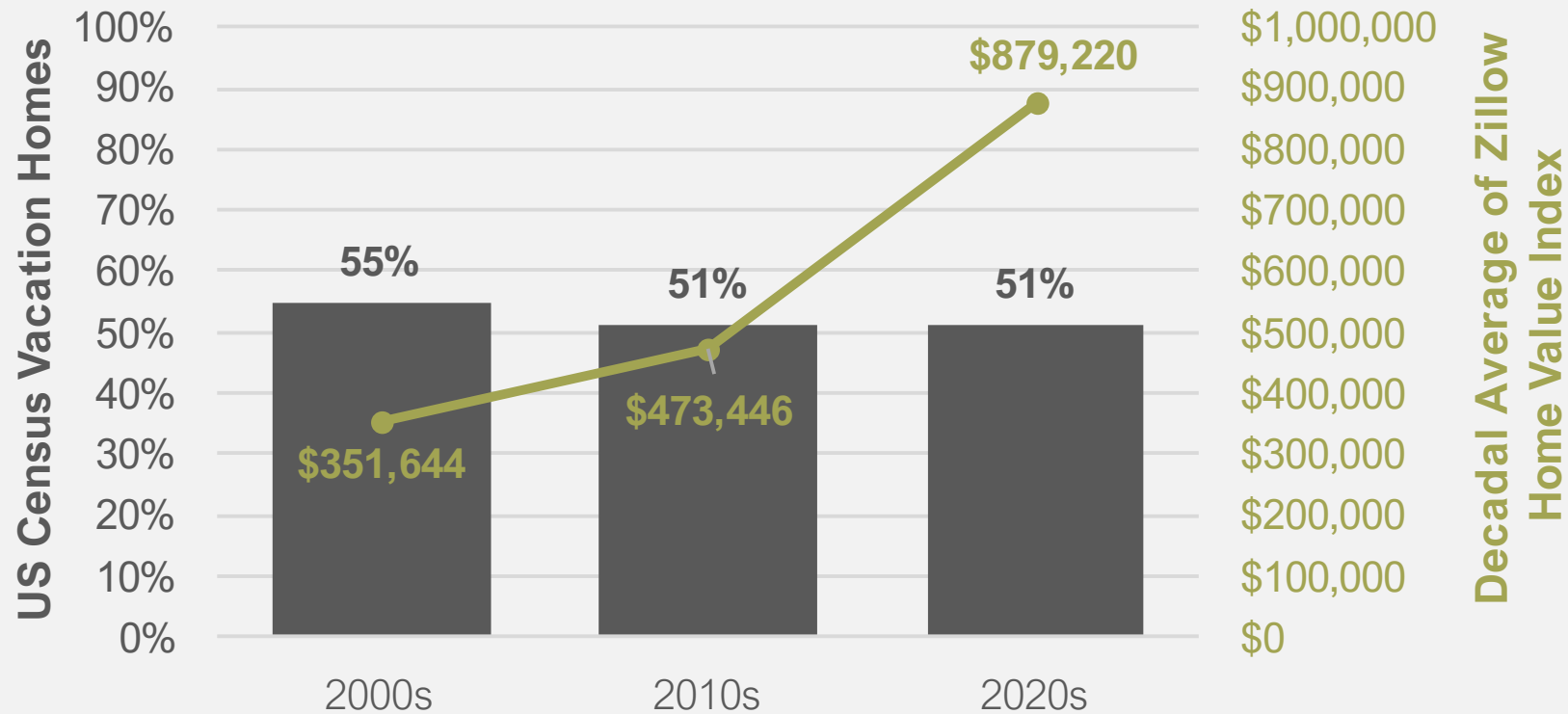
STR counts STR' d in Teton County somewhat track the increase of home values but with some turbulence.



Source: AirDNA & Zillow

Between the 2000 and 2020 US Census, the amount of vacation homes in Summit County has remained flat while home values surged **150%**.

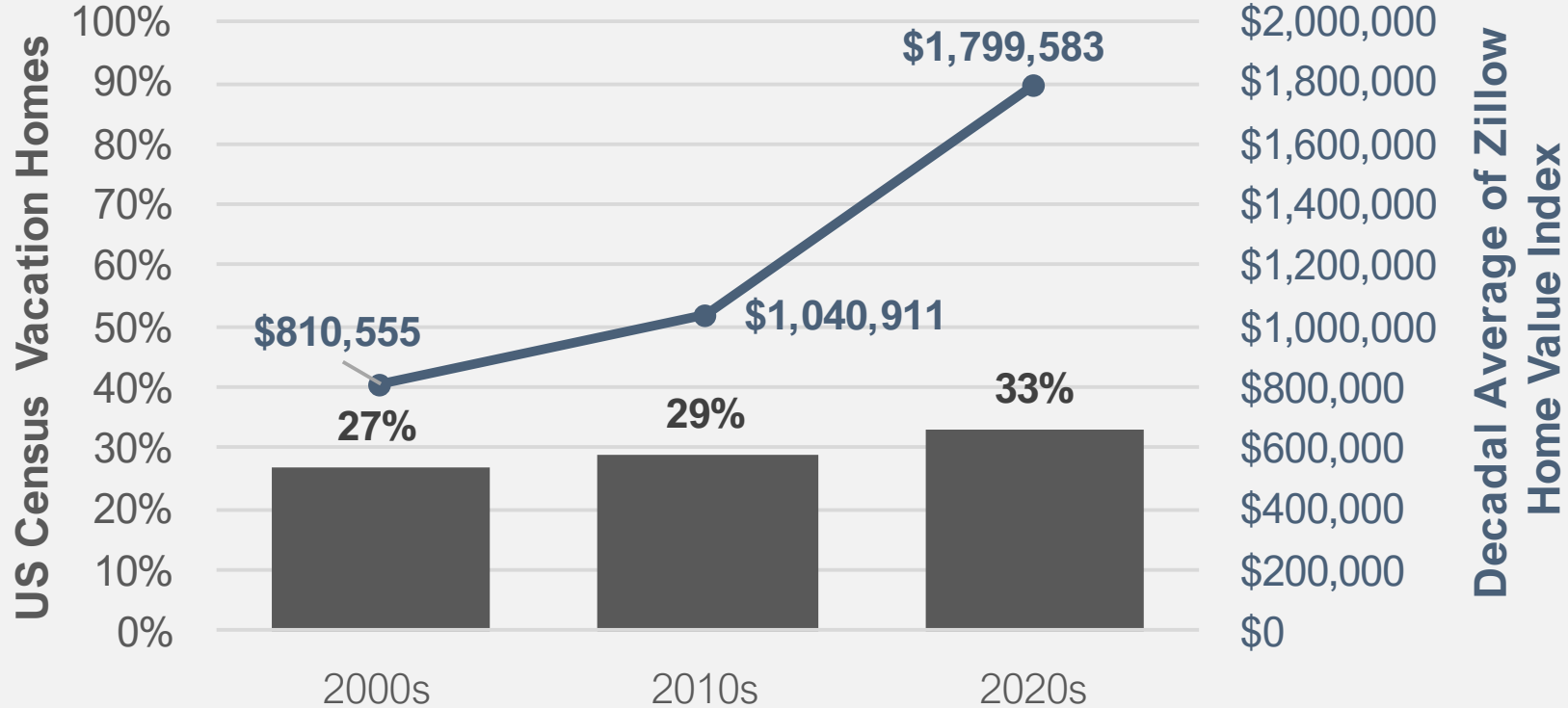
## Summit County Vacation Homes & Home Value



Source: US Census & Zillow

Similarly, home values surged **122%** in Pitkin County between the 2000 and 2020 US Census.

## Pitkin County Vacation Homes & Home Value

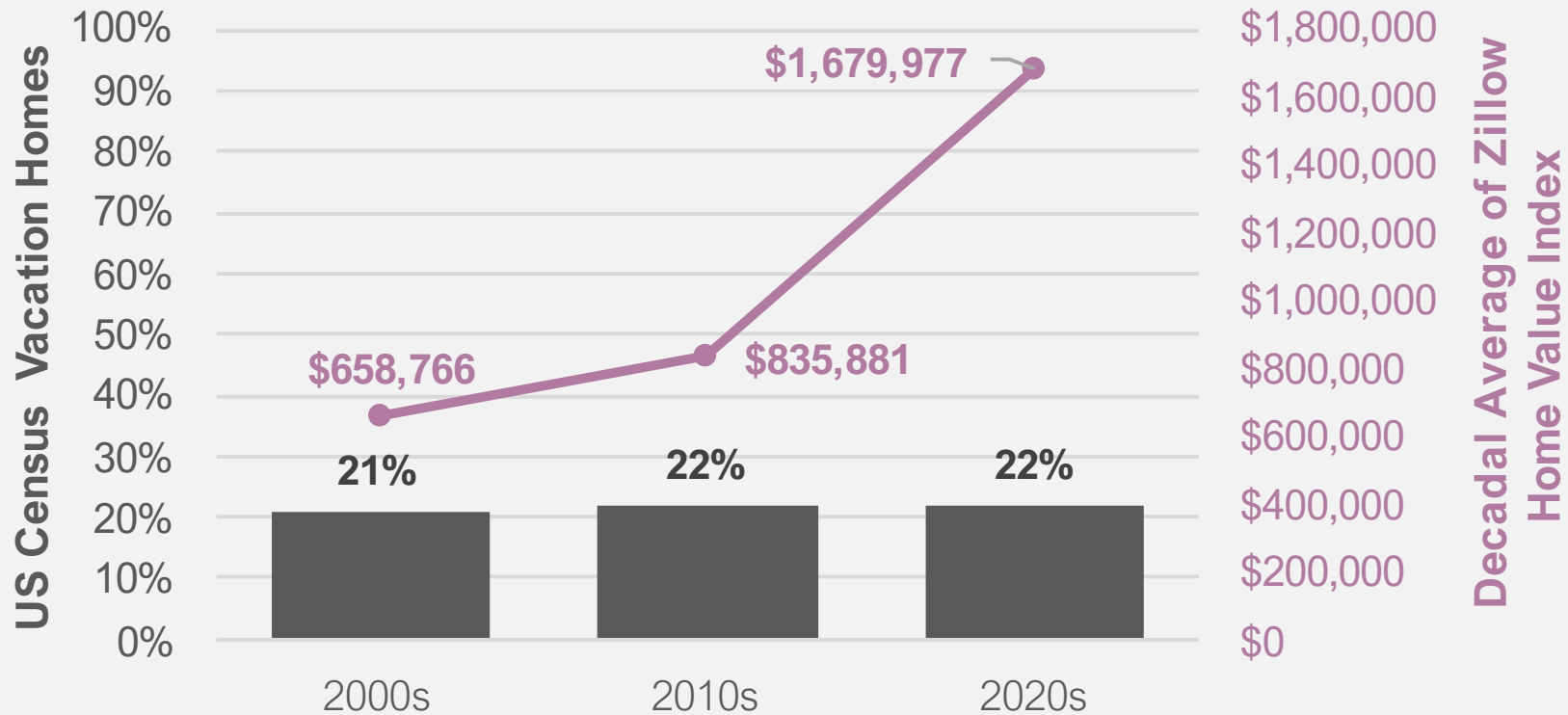


Source: US Census & Zillow

# HOUSING PRICES

In Teton County home values surged **155%** between the 2000 and 2020 US Census while the percentage of 2<sup>nd</sup> homes was flat.

## Teton County Vacation Homes & Home Value



Source: US Census & Zillow



## Multiple macro-factors have impacted the housing market over the last 10-15 years:



Nosedive of new home construction post 2008



Strong national economy



Rapid growth in western mountain states and metro areas



Record low mortgage rates



Massive shifts in how/where we work and live post-pandemic

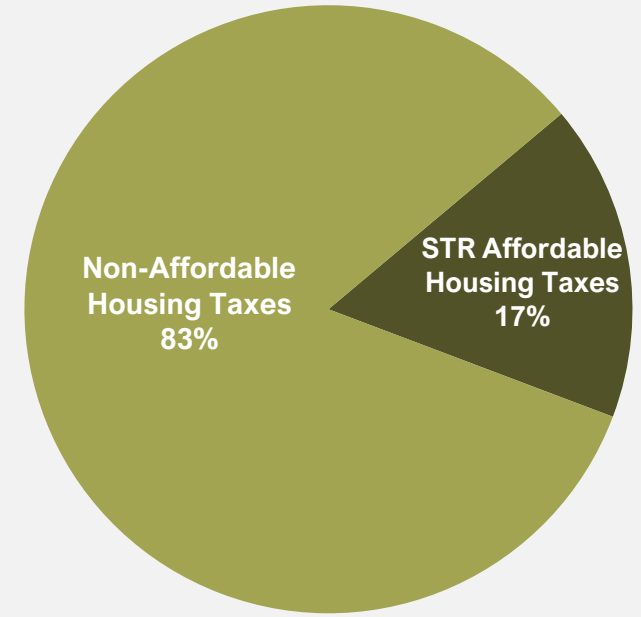
## Additional Findings:

- Resort areas have different housing and STR market contexts and dynamics than urban areas -- more vacation homes and non-local owners; constrained land and housing supply; etc.
- Factors other than STR eligibility are key drivers of property values in resort communities: e.g. location, unit type, size, age.
- Communities without abundant STRs in both resort and non-resort areas also experienced dramatic price increases in the past few years, further suggesting STRs haven't been the primary driver of recent price growth.
- STR regulations have recently changed significantly in many communities. Many different local experiments are playing out which bear watching for their housing and economic impacts.



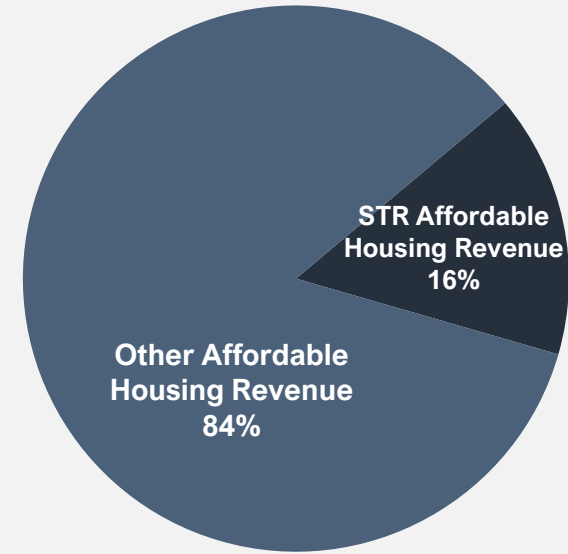
# CONTRIBUTIONS TO AFFORDABLE HOUSING

In Summit County, **\$17.2 million** is generated for affordable housing efforts via taxes and fees attributable to STR use. This is 17% of the **\$102 million** generated by STR owners and visitors in Summit County.



Share of total housing revenues attributable to STRs	Summit County Affordable Housing Fund	Breckenridge Affordable Housing Fund	Dillon Housing 5a Fund	Frisco Housing Fund	Silverthorne Housing 5a Fund
	52%	31%	29%	7%	15%

In Aspen, **\$5.8 million** was generated for affordable housing by STR taxes. This is 16% of the **\$37.3 million** in revenues for Aspen’s Housing Development Fund in 2023.



---

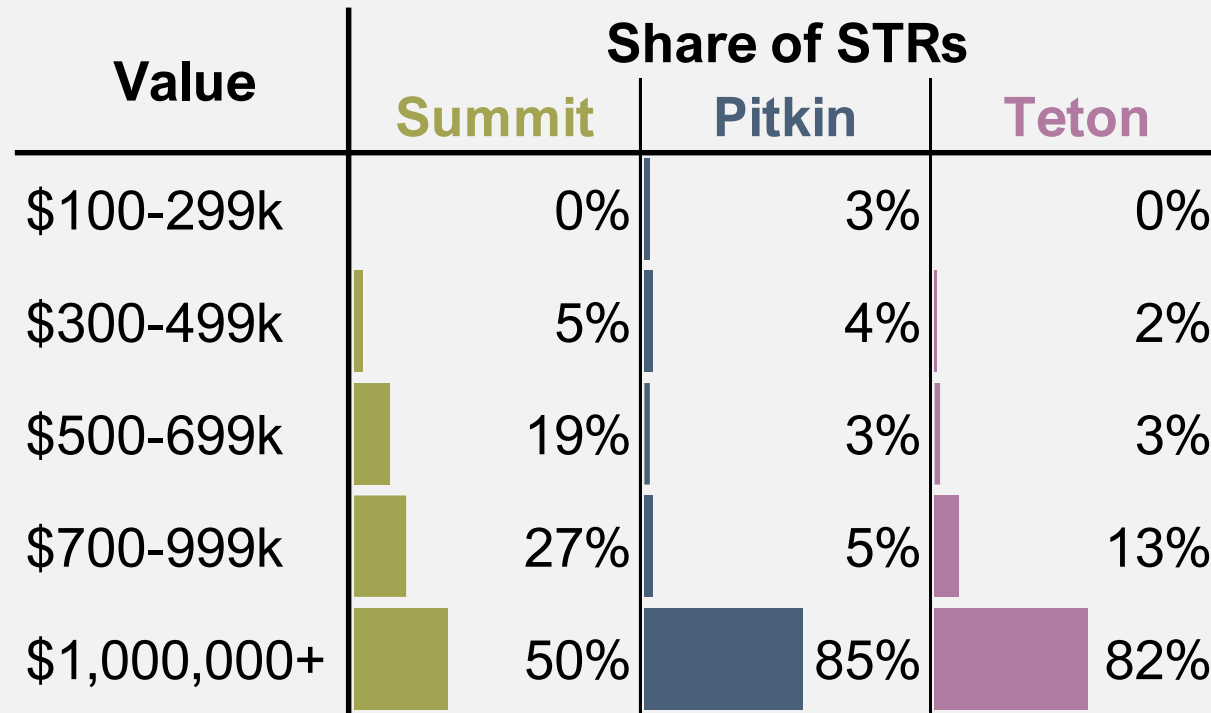
Snowmass Village STRs are estimated to have contributed **\$2.3 million** to the town’s affordable housing efforts in 2023. An additional **\$360,000** from STR licensing fees was earmarked for the operations and maintenance of existing affordable housing.

## **In Teton County, taxes derived from STRs support multiple workforce housing and transportation initiatives:**

- 1% Special Purpose Excise Tax: STRs generated \$2.6 million for capital projects, including affordable housing development.
- The Jackson/Teton Housing Department is jointly operated by the Town and County and funded by revenues generated in part by STR guests.
- START bus funding: Affordable transit service for local residents funded by lodging tax and General Fund revenues.

# STR HOME VALUE

A small share of licensed STRs have values of under \$500,000 across the counties. Those that do tend to be smaller units like studios or single bedroom condos which likely limits the market of locals who could live in them.



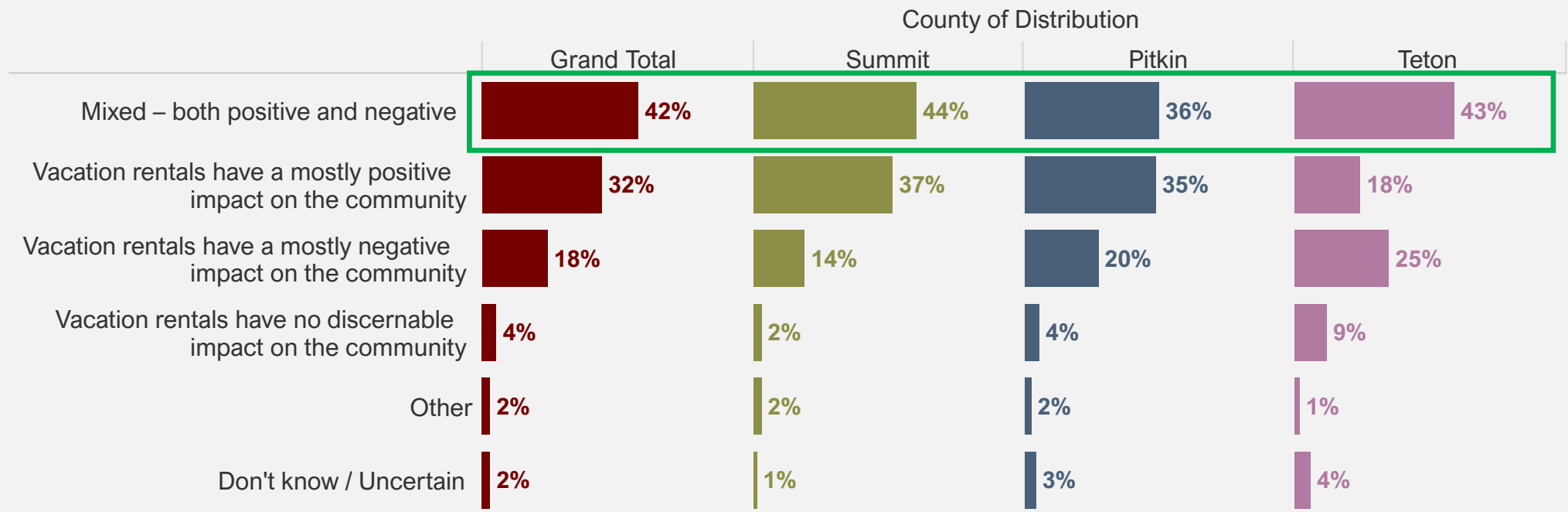


# RESIDENT SENTIMENTS



Most people view STR impacts as either a mixed bag or mostly positive in their communities. Teton is the only county where negative sentiments outweigh positive.

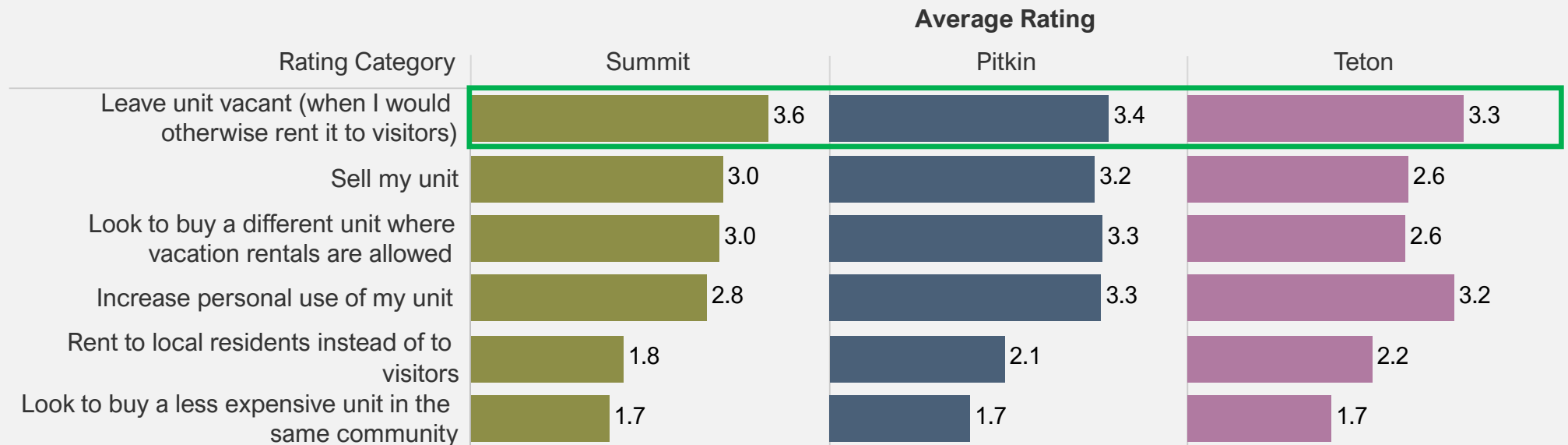
**Generally speaking, what is your view of vacation rentals in the community?**



If STRs were banned, the most likely response would be to leave them vacant when not in use by the owners.

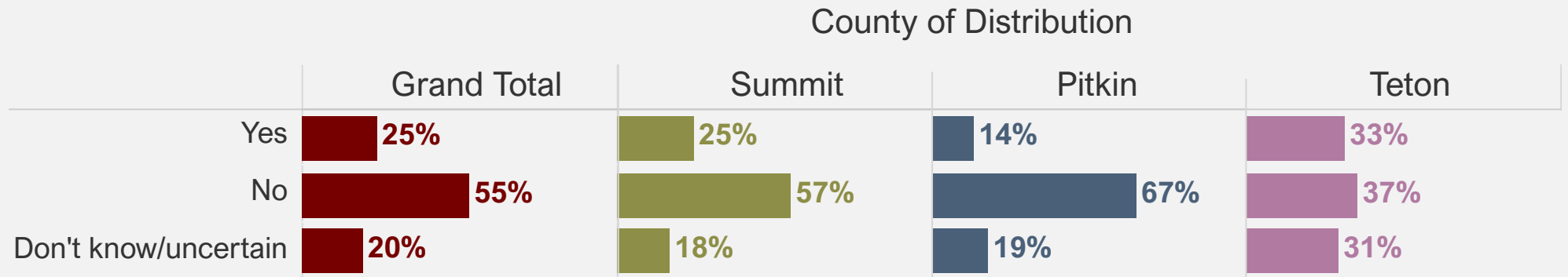
Hypothetically, if vacation rentals were banned in the area where your home is located, how likely would you be to do the following?

(1 = Definitely not; 5 = Definitely)



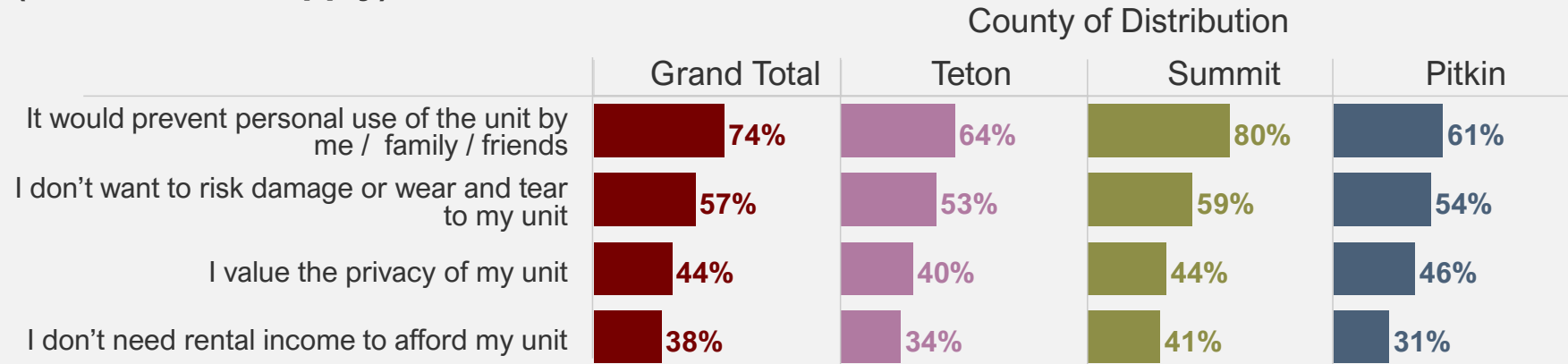
STR eligibility has a major influence on purchase decisions among those who rent their units.

Thinking back to when you acquired your property, would you have still purchased it if you were prohibited from using it as a vacation rental?



STRs largely are prevented from being rented to local residents by the desire of unit owners to use the unit for their own purposes

**As a second homeowner, why have you chosen not to rent your unit to local resident(s)?  
(Check all that apply)**





# CONCLUSIONS

# CONCLUSIONS

1

**Mountain resort areas vary sharply in their reliance on STRs as an economic engine as well as a component of lodging inventory.**

This is likely due to historic differences in tourism development in each market and the seasonality of peak visitation – not STR regulations.

2

**STRs are important economic drivers in all three counties studied,** particularly in Summit where vacation rentals generate \$1.7 billion in economic impact and account for 85% of lodging revenues as well as 28% of jobs in the county.

3

**STR numbers have been stable relative to the pre-Covid period.** During this same period (2019-2023), housing prices rose sharply in the three counties (45% - 81%), **suggesting that STRs' role in driving the housing market higher is relatively minor.**

4

**The number of vacation homes (including STRs) as a percentage of total housing units in each county has remained stable for 30+ years (1990-2020).**

5

**Massive socioeconomic shifts** related to the pandemic, strong national economy, western migration and demographic trends have played a larger role in driving housing prices than the presence of STRs in any given market.

6

**In all three counties, the number of STRs that would be attainable for workers earning median wages is negligible.** The vast majority are valued at \$700k+. Of those few that would be viable for purchase or long-term rentals, most are quite small and would not significantly impact the shortage of workforce housing.

7

**If STRs are banned, the housing supply would likely not increase measurably.** Most owners value using them and say they would keep them and let them sit vacant. They also cite personal use as a primary reason not to rent longer-term to locals.

8

**A more viable way to increase affordable housing stock is to develop new units designed and built for that purpose.** STR taxes and fees as well as other local revenue sources provide significant funding that should be strategically deployed.

9

**STRs have played a key role in mountain lodging for 60+ years** since the Housing Act of 1961 incentivized condos and accelerated the second home market. STRs diversify lodging options, complement traditional hotels and create opportunities for second home ownership.





# WESTERN MOUNTAIN RESORT ALLIANCE

**ECONOMIC AND WORKFORCE HOUSING IMPACTS  
OF SHORT-TERM RENTALS & STR REGULATIONS**

Summit (CO), Pitkin (CO) & Teton (WY) Counties



# THANK YOU!

---



**RRC**

## **RRC Associates**

4770 Baseline Road, Suite 355

Boulder, CO

80303

(303) 449-6558

[www.rrcassociates.com](http://www.rrcassociates.com)