Understanding Short Term Rentals Globally and Locally

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Overview

Impacts of short-term rentals globally

Housing Market Impacts
Neighborhood Impacts

Boise as a Case Study
Market Impacts: Rents and Inventories

- Desirable qualities of STRs—**space**, but also **authentic local experiences**—encourage proliferation in urban neighborhoods (Guttentag et al. 2018, 349; Paulauskaite et al. 2017)

- **Entire units** converted from full-time residential market to short-term use (Yang and Mao 2019; Rabinowitz 2019; Transparent 2020)
  - Including **workforce housing** in resort areas (DiNatale, Lewis, and Parker 2018; Vanderbilt 2017; Stuber 2021)

- Most studies indicate that **rents increase, and vacancies diminish** (Garcia-López et al. 2020; Grisdale 2019; Horn and Merante 2017; Hoffman and Heisler 2020; Lee 2016)
  - **Purchase prices** increase as well (Valentin 2021; Kim, Leung, and Wagman 2017)
Market Impacts: Investment and Financialization

- **Investors** appreciate STRs as low investment, highly flexible (A. Gutiérrez and Domènech 2020; Wachsmuth and Weisler 2018; Yrigoy 2019)
  - Ownership/operation of multiple STRs is common (Crommelin et al. 2018)

- STRs **reconfigure the rent gap**, intensifying pressure for **gentrification** (Wachsmuth and Weisler 2018; N. Smith 2005)
  - **Tourism gentrification** accelerates (Gant 2016; Gotham 2005; Pinkster and Boterman 2017)

- STRs as an expression of the **financialization of housing** (Aalbers 2016; Hoffman and Heisler 2020)
  - Airbnb emphasizes returns to owner-occupant hosts; market analysts like AirDNA tout “rental arbitrage” (Airbnb n.d.; DuBois 2020)
Neighborhood Impacts: Nuisances

- Predictable problems including *noise, parking, trash*

- **Strangers, visitors, and tourists** are themselves a nuisance (Cocola-Gant and Gago 2019; Gurran and Puibbs 2017; Pinkster and Boterman 2017; Stergiou and Farmaki 2020)
  - Tourists operate on different schedules; not invested in neighborhood wellbeing
  - STR guests displace “familiar strangers” within neighborhoods

- **Long-term residents become uncompensated sources of STR income** (Spangler 2020; Stergiou and Farmaki 2020)
Neighborhood Impacts: Erosion of Neighboring

- Neighboring involves **routine and regular interactions** that follow predictable local rules
  - Friendly recognition, providing aid, etc. (Kusenbach 2006)
- **Short tenures** limit the formation of relationships, transmission of norms (Hubbard 2008; Powell 2016)
  - Owner/renter tensions (McCabe 2016)
- Familiarity facilitates **routine stock-taking; informal social control** (Mahmoudi Farahani 2016; Unger and Wandersman 1985)
STR Concerns in Boise: Project Outline

• STRs increased from 488 in 2016 to 1261 in 2019
  • 2019: Substantial news coverage; discussion of regulation

• Current STR research focuses on global tourism destinations and resort areas
  • Boise is more typical of US cities

• Research focused on neighbors’ perceptions of impacts
Perceived Threats to Affordability

• Residents understand STRs as one factor driving Boise’s housing crisis
• Neighborhood diversity is valued; affordability generally supported
• STRs in the core associated with displacement and sprawl
Perceived Threats to Neighborhood and Community

• **Actual nuisances** minor; fear of nuisances substantial
• Lack of **onsite management**
• “**Coming and going**” of STR guests as a recurring theme in testimony and interviews
  • Undermines desires for familiarity, security (Kusenbach, 2006; Mesch and Manor 1998; Wickes et al. 2017; Jacobs 1961)
  • Each new guest must be educated on norms
  • Guests have no stake in community relationships
• STR owners’ **interests may be at odds** with those of residents
  • Example: Homeowners’ association priorities
Thank you!
References

References, cont.


