

# 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** (García-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

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- **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

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- Predictable problems including **noise, parking, trash**
- **Strangers, visitors, and tourists** are themselves a nuisance (Cocola-Gant and Gago 2019; Gurran and Puiibbs 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

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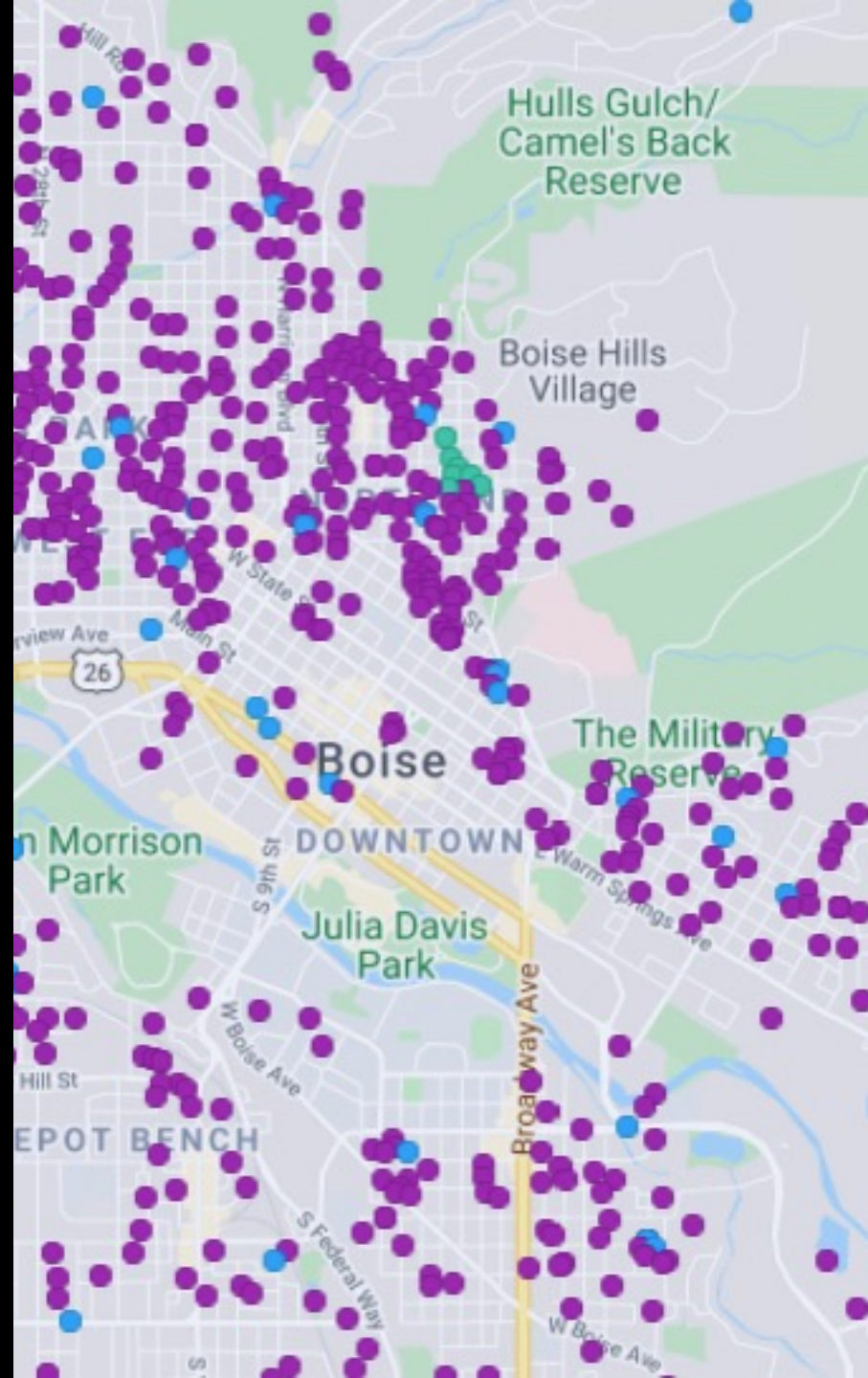
- Neighboring involves **routine and regular interactions** that follow predictable local rules
  - Friendly recognition, providing aid, etc. (Kusenbach 2006)
- **Short tenures** limit the formation of relationships, transmission of norms (Hubbard 2008; Powell 2016)
  - Owner/renter tensions (McCabe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



# STR Concerns in Boise: Project Outline

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- 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



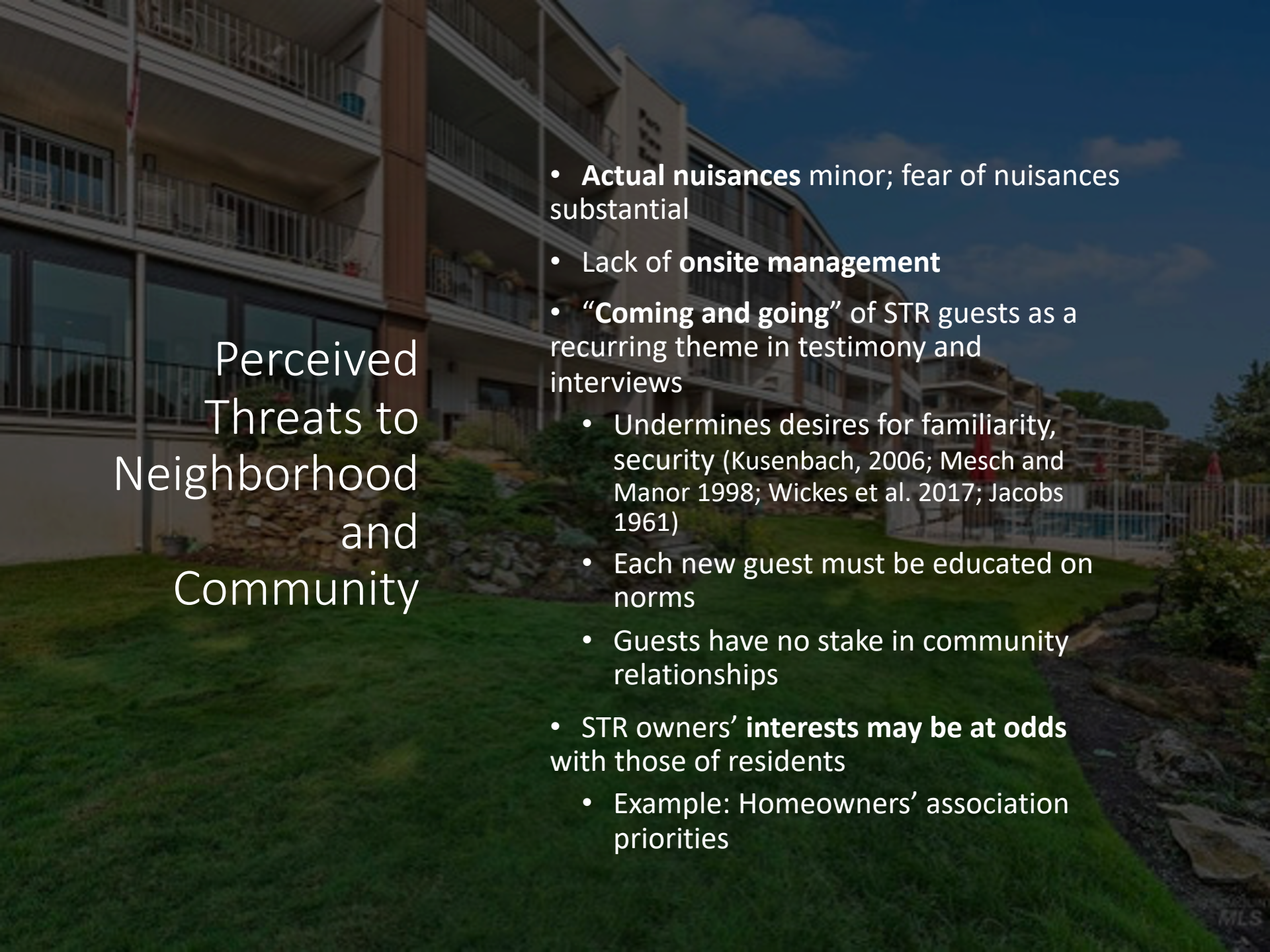




# Perceived Threats to Affordability

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- 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!*



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