

# Embracing Fair and Reasonable Short-term Rental Regulations



2016 Montgomery County, MD: Planning Commission Forum  
July 18, 2016  
Matthew Kiessling  
The Travel Technology Association

# The Travel Technology Association



*NOT a "millennial" phenomenon*

## Short-term Rental Popularity On the Rise

- 61% of Americans believe the short-term/vacation rental economy provides a valuable alternative to traditional lodging options such as hotels
- The percentage of US travelers who had stayed in a short-term rental rose from 11% to 16% between Q1 and Q4 of 2015
- 48% of Americans anticipate they or a family member will stay in an STR in the next two years
- 34% of Americans would be less likely to visit a destination where short-term rentals are banned

Sources: Goldman Sachs Consumer Research Survey (2016) & Travel Tech & Internet Assoc. joint Peer-to-Peer Consumer Sentiment Study(2015)



**Average User:  
53 years old**



# Regulating short-term rentals at the local level is a challenge



**Sedona Locals Divided Over Short-term Rentals**



INDUSTRY NEWS > TECHNOLOGY

**Austin behind the curve on short-term rental regulations, report says**

## **THE DAILY ASTORIAN**

**Gearhart sharply divided over short-term rental rules**

## **LUMINA NEWS**

YOUR COASTAL COMMUNITY NEWSPAPER SINCE MAY 2002

**Short-term Rental Forum Brings Out Advocates on Both Sides**

## **THE Durango HERALD**

**Vacation rental regulations roils Estes Park**



# A Case Study in Local STR Regulation

Portland, OR

Nashville, TN

**Versus**



# Portland, OR

Passes and implements a “primary residence only” STR ordinance in August of 2014

- Estimated STR listings in Portland at the time of passage: 2300
- STR permit applications in the first 6 months: 166

Portland amends STR law in an attempt to encourage compliance in February of 2015

- New ordinance includes platform data sharing and liability
- STRs are still limited to primary residences only
- By October of 2015 there are an estimated 3500 STRs listed in Portland
- Total STR permit applications: 448

# Nashville, TN

Began considering short-term rental regulation in late 2013 and spent nearly a year engaging the community and various stakeholders in a collaborative discussion aimed at a reasonable and fair solution

- Passes a comprehensive STR ordinance in February, 2015
- Ordinance goes into effect in July, 2015
- At the time of implementation there are an estimated 2500 STR listings in Nashville
- Total STR permits issued by December of 2015:  
**1200**




Nashville, less than one year after passing its new STR ordinance:

- Compliance rates of 60%+ and rising
- Numerous accolades as a top travel destination
- A huge positive economic impact from STRs
- Recognition as a leading city in developing sound peer-to-peer regulatory policy







# Developing Fair and Reasonable Short-term Rental Regulations

*A solution that benefits everyone*

# Opposition to Short-term Rentals is Often Based on Some Incorrect Assumptions

- 1) Short-term rentals are merely a “zoning issue”
- 2) The ability to implement a more limiting local ordinance makes enforcement easier and leads to greater compliance
- 3) Existing “good neighbor” laws are not sufficient for dealing with short-term rentals and their guests

# Addressing the Myths:

## 1) Such standards usurp local control because short-term rentals are merely a “zoning issue”

- Seeing short-term rentals as merely a “zoning issue” is like trying to put a square peg in a round hole

## 2) The ability to implement a more limiting local ordinance makes enforcement easier and leads to greater compliance

- More limiting ordinances drive STRs underground, diminish tax and enforcement revenue, and lead to less accountability

## 3) Existing “good neighbor” laws are not sufficient for dealing with short-term rentals and their guests

- Why are we holding short-term rental guests to a higher standard? Existing “good neighbor” laws should be sufficient for those in STRs, just as they are for residents

## Partners + Stakeholders

---

“We were able to arrive at a workable set of regulations for Nashville based on multiple meetings with neighborhood groups, community groups, short term rental property owners, and metro departments. Everyone provided an important perspective. Because they were involved in the process, people were supportive of the compromises. These ultimately led to a good balance of respecting neighborhoods and allowing hosts to share their homes in a way that benefits them and visitors to our city.”

Burkley Allen  
Metro Council 18th District



# THANK YOU

Matthew Kiessling  
The Travel Technology Association

[Mkiessling@TravelTech.org](mailto:Mkiessling@TravelTech.org)

(202) 834-0544

@MKiessling

Learn more at [TravelTech.org](http://TravelTech.org) and [STRAdvocacy.org](http://STRAdvocacy.org)