

Do Short-Term Rentals Impact Affordable Housing?

September 11, 2016

A survey was taken to determine if short-term rentals (STRs) impact affordable housing. STR owners were surveyed throughout incorporated cities and unincorporated areas of Monterey County. These final results are from 153 respondents. The survey was completed on September 11, 2016.

STR opponents claim that STRs impact affordable housing. The fact is that STRs have very little impact on affordable housing. 75.8% of all STRs are either the owner's primary residence or a second home used by the owner, his family, and friends at times. These owners expressed that they will not offer their home as a long-term rental.

STR opponents claim that homes are taken off the long-term market to be converted to STRs. This conversion is small. Only 19.0% of current STRs were once long-term rentals before being converted to short-term. The reasons stated for converting break down as shown below. Some owners gave multiple answers.

- 9 owners wanted to use the home for personal, family, and friend use
- Another 9 cited problems and issues with long-term renters
- 7 owners stated they needed additional income offered by short-term rentals
- 5 said their property was not suitable for long-term rentals
- And 4 gave other reasons

STR opponents claim that banning STRs would result in more long-term housing. When asked what owners would do if STRs were completely banned, only 5.9% would offer their home as a long-term rental. The reasons given for not offering their home on a long term basis break down as shown below. Some owners gave multiple answers.

- 87 owners wanted use of the home for personal, family, and friends
- 25 said they would sell
- 18 stated long-term rents do not cover the operating costs
- 15 owners cited problems and issues with long-term renters
- 12 stated their property was not suitable for long-term rentals
- And 3 gave other reasons

Finally the question was asked, if you had no other option but to rent your home long-term, what would you charge as monthly rent? Only 9.1% would charge less than \$2,000 per month. A full 90.9% would charge over \$2,000 per month. Combining these responses indicates only 9.1% of the 5.9% of STRs that would be offered as long term rentals might be considered affordable. This is just 0.54% of all STRs!

Findings: STRs have NO impact on affordable housing.

The survey was taken by the Monterey County Vacation Rental Alliance