

SHORT TERM RENTAL STUDY

Town Council Work Session
February 15, 2022



Economic & Planning Systems, Inc.
The Economics of Land Use



CONTENT OF PRESENTATION

- STR Inventory Analysis
 - Composition of Town of Vail total inventory and guest inventory
 - Breakdown by Zone
 - Pace of registrations and growth of inventory
- Community Composition and Comparison to Peers
 - Change in occupancy of homes
 - Change in voter registration
 - Peer comparison
- Neighborhood Composition
 - Prevalence of STRs: Town, Zone, and Neighborhood
 - Zoning Consideration
- Home Sales and Relationship to STRs
 - Home pricing trends, for all properties and for STR properties
- Discussion Points and Next Steps

KEY QUESTIONS

Project Questions

- What is the nature of STRs within the Town of Vail?
- What might be the impacts to residential neighborhoods from STRs?
- What might be the impacts to affordable housing?
 - What could the Town do to increase the long-term rental inventory?
 - How might fees come into play?

DISPERSED SHORT-TERM RENTAL (DSTR) DEFINITION

The current legal definition for Short-Term Rentals is:

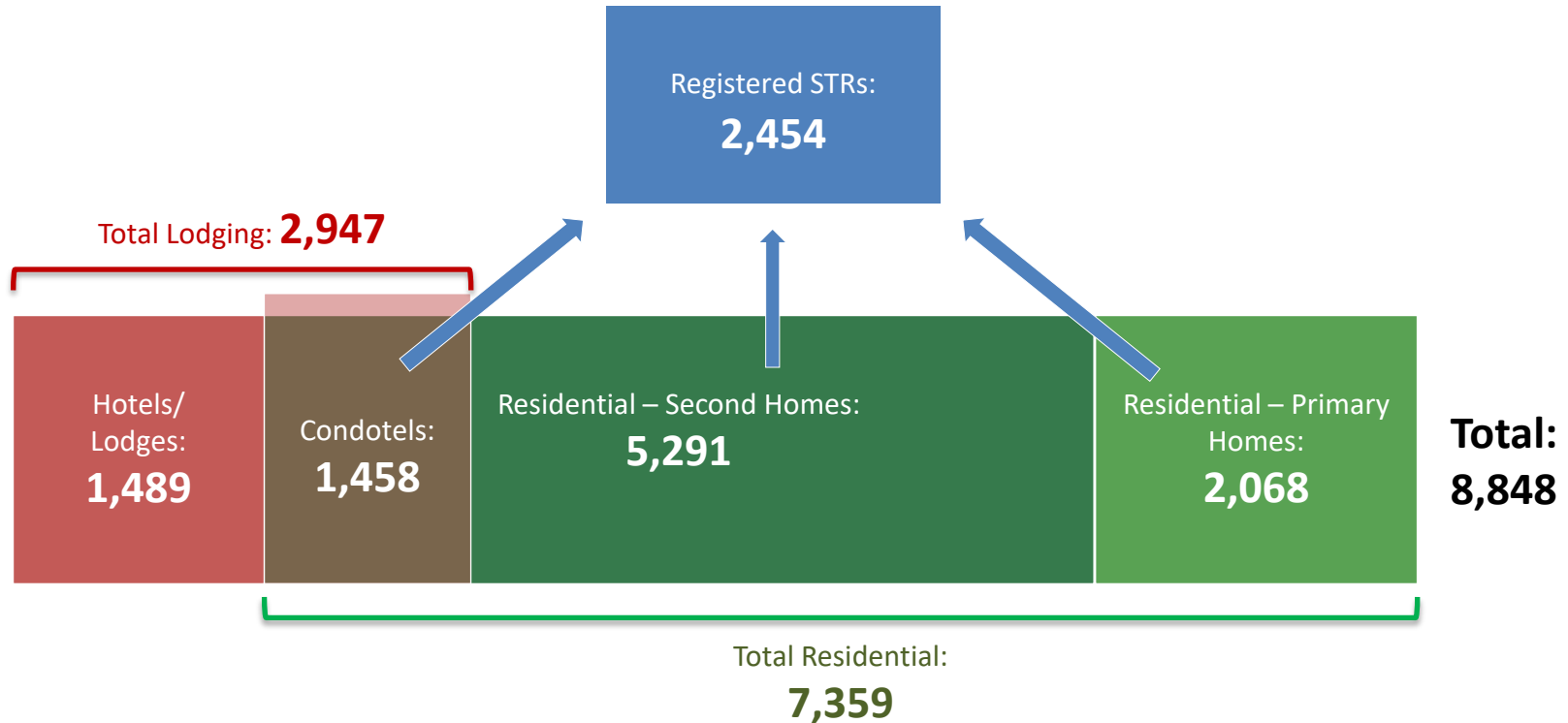
“SHORT-TERM RENTAL PROPERTY (STR): A residential dwelling unit, or any room therein, available for lease for a term of less than thirty (30) consecutive days, but excluding bed and breakfasts and accommodation units.”

(Ord. 19(2018) § 1)

STR INVENTORY ANALYSIS

CHARACTERIZING STRS IN VAIL

VAIL INVENTORY ANALYSIS

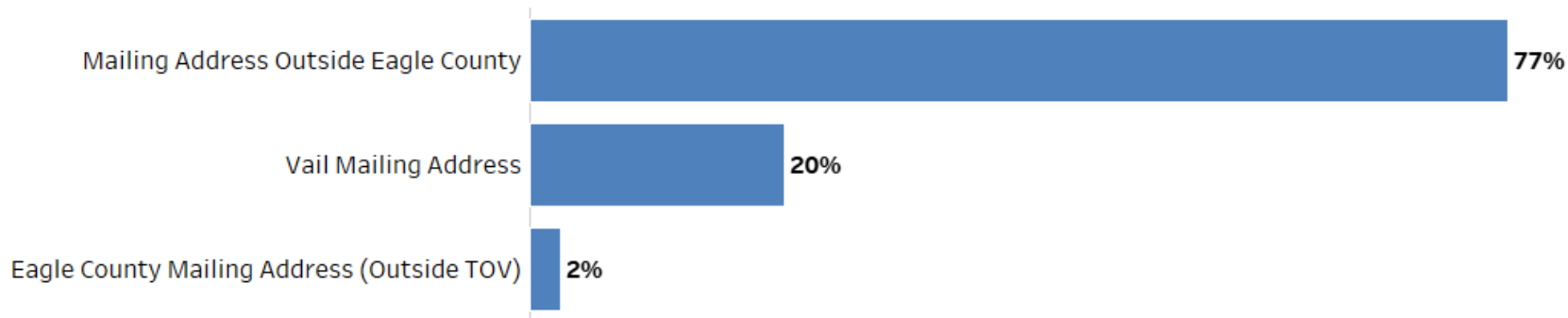


*There are 929 Town Owned/Deed Restricted Units (+23 in Edwards)

*2019 Census Housing Units Estimate: 7,475 (+/-223)

REGISTERED STRS MAILING ADDRESS LOCATIONS

Registered STR Mailing Address Location

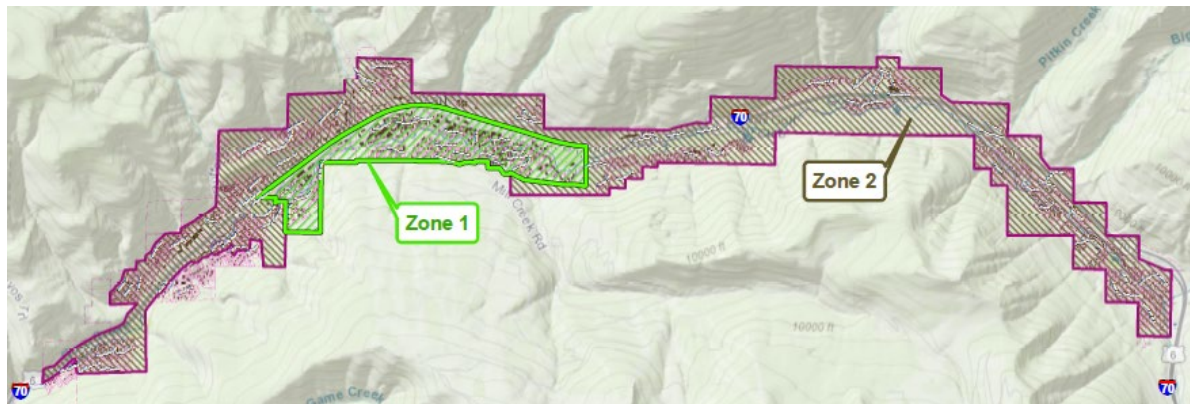
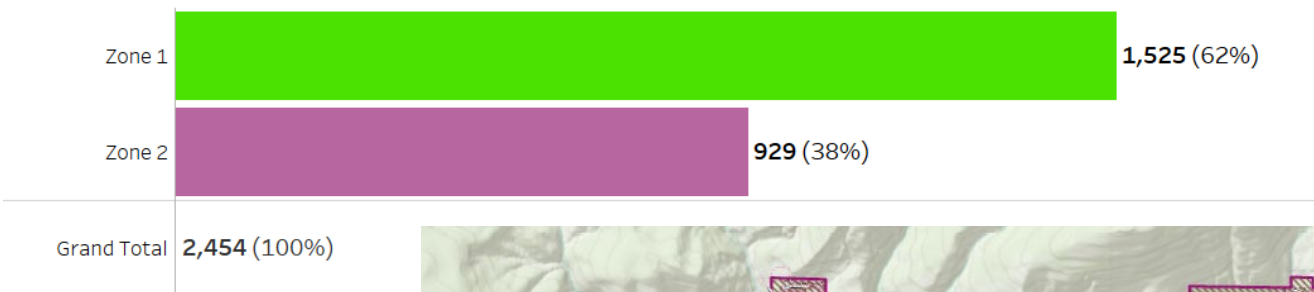


STR REGISTRATIONS BY ZONE

Zone 1 includes more units than Zone 2 (+596) , and as illustrated more of the units are registered at the present time (51% versus 18% in Zone 2).

Overall, about 31% of units in the Town are registered as STRs at the present time.

STR Registrations by Zone and Sub Area

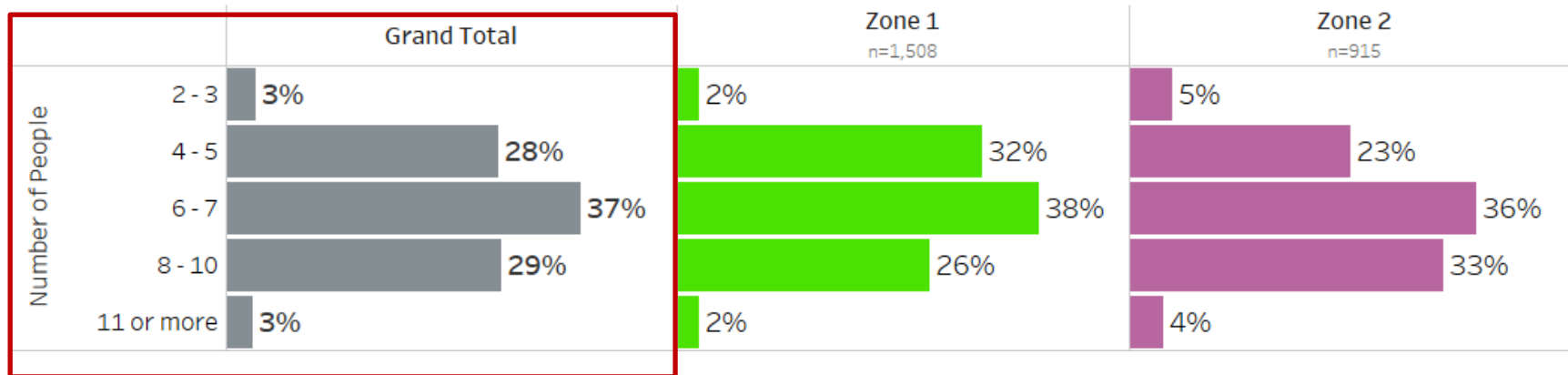


REGISTRATIONS BY OCCUPANCY (PERSONS AS ADVERTISED) BY ZONE

As summarized below, more STRs are advertised for 6–7 people than any other category (37%), but with large percentages also in the 4–5 range (28%) and the 6–7 range (29%).

The STR inventory is complementary to the hotel bed base, with ability to serve larger group sizes.

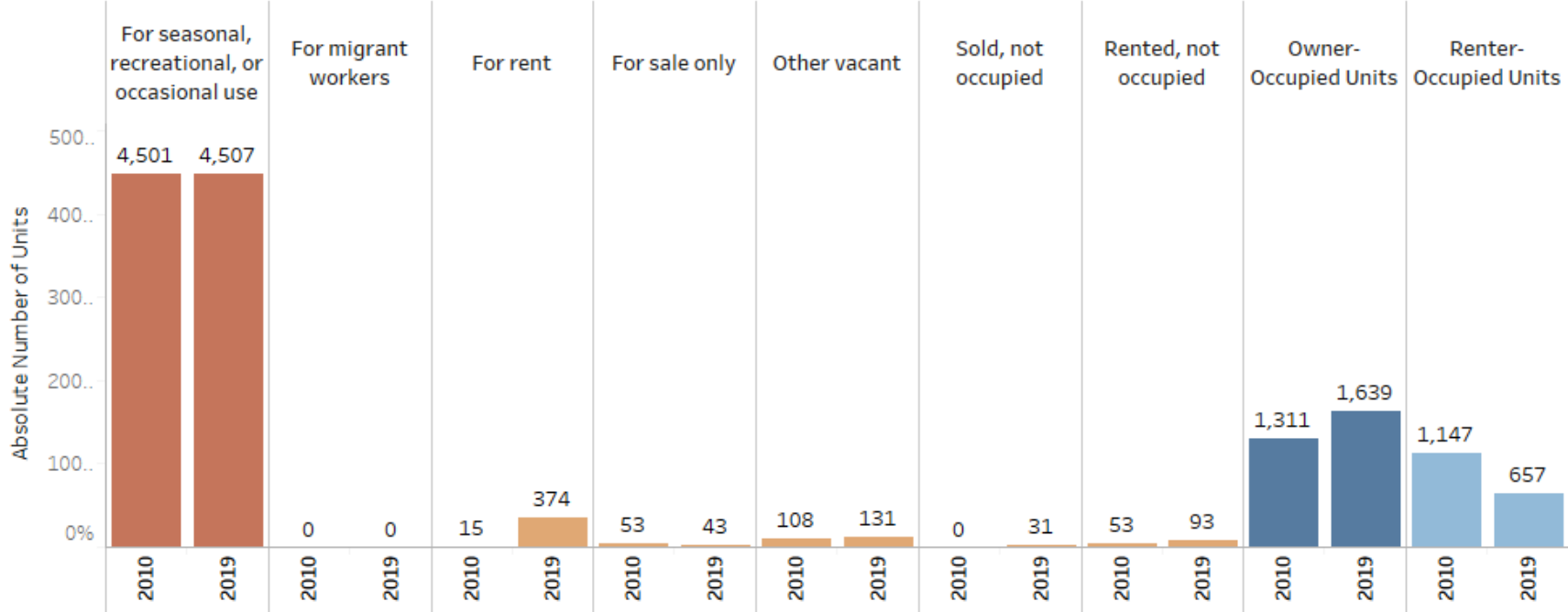
Percent of STR Registrations by Advertised Occupancy and Zone



COMMUNITY COMPOSITION AND COMPARISON TO PEERS

TOWN OF VAIL: NUMBER OF HOUSING UNITS 2010, 2019

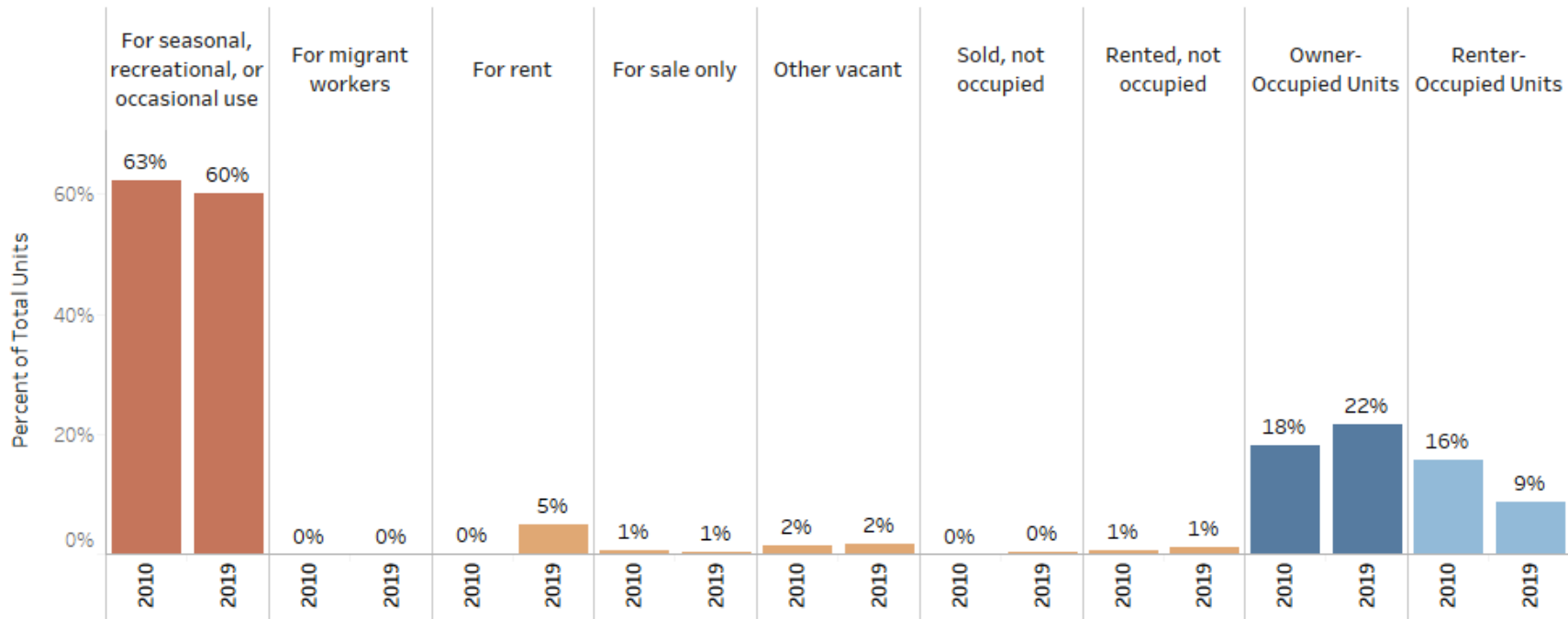
2010 & 2019 Absolute Number of Units



Source: ACS 5-Year Estimate

TOWN OF VAIL: PERCENT OF HOUSING UNITS 2010, 2019

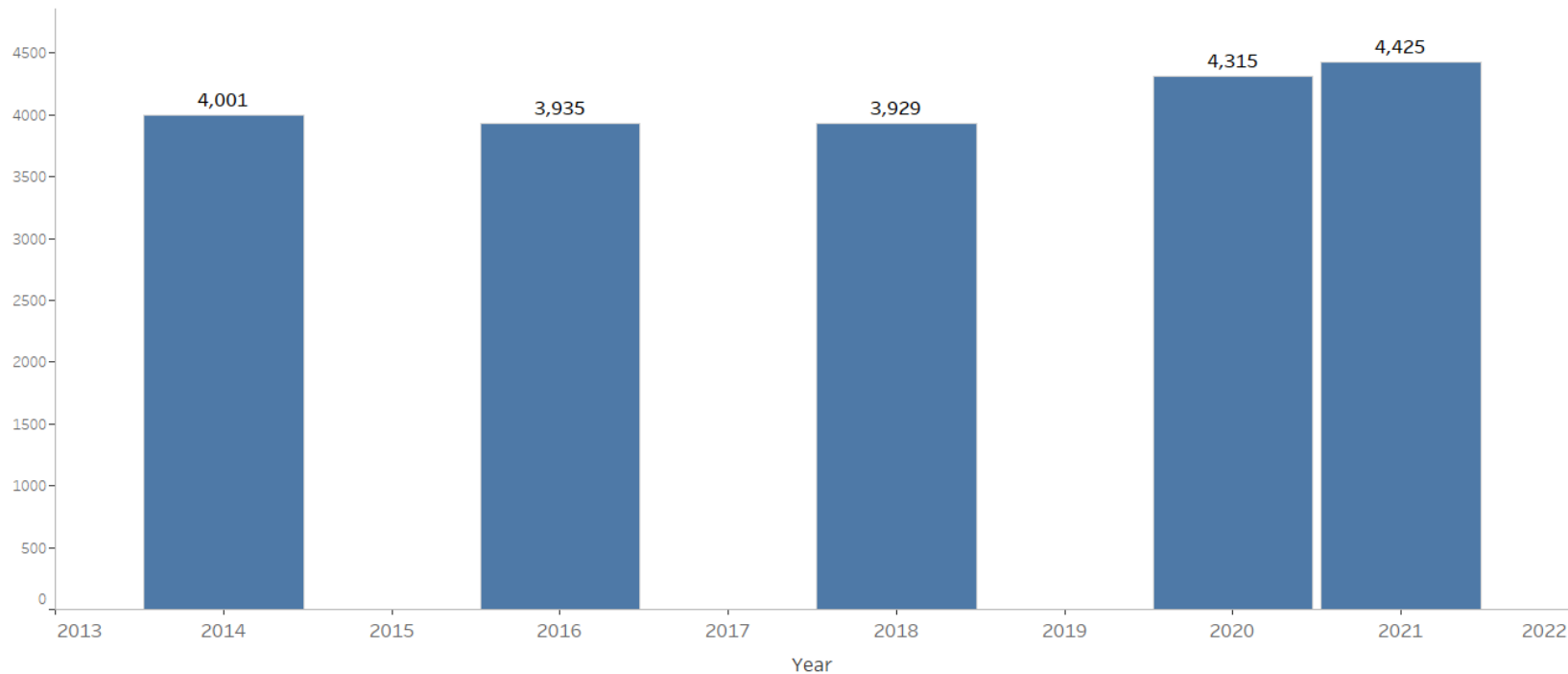
2010 & 2019 Percent of Total Units



Source: ACS 5-Year Estimate

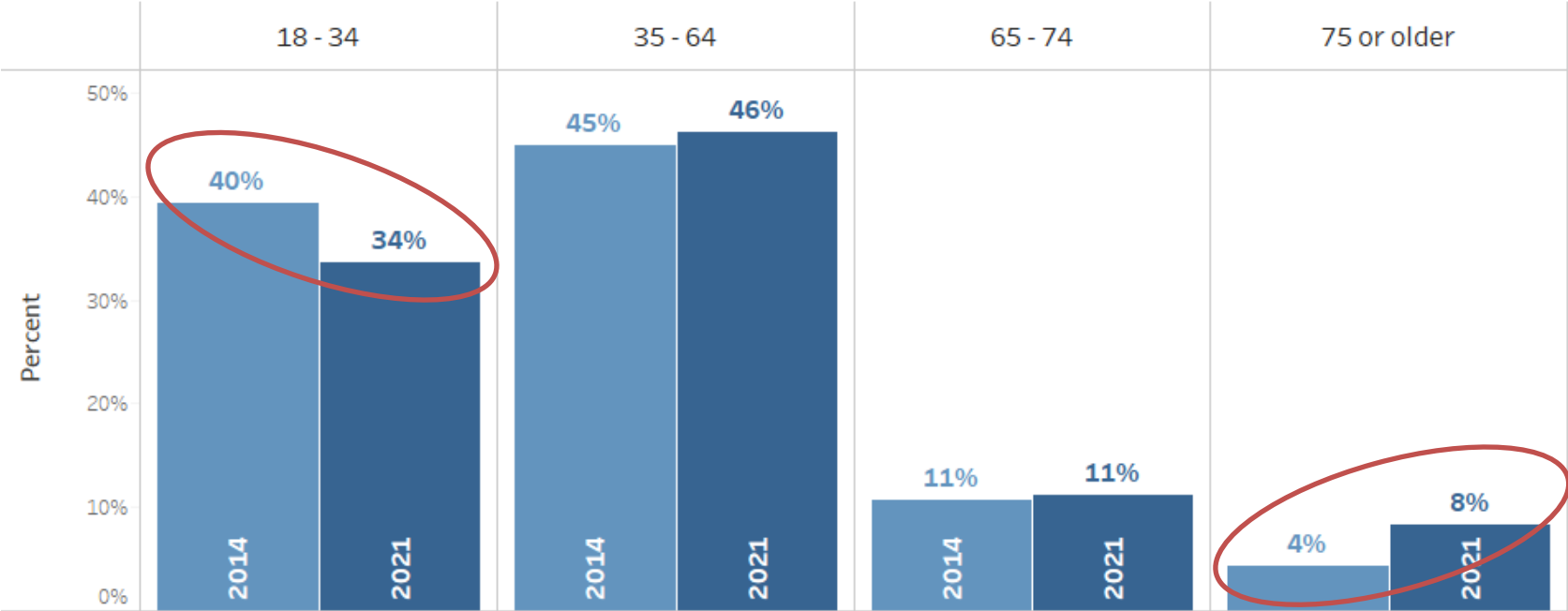
NUMBER OF REGISTERED VOTERS BY YEAR

Registered Voters by Year



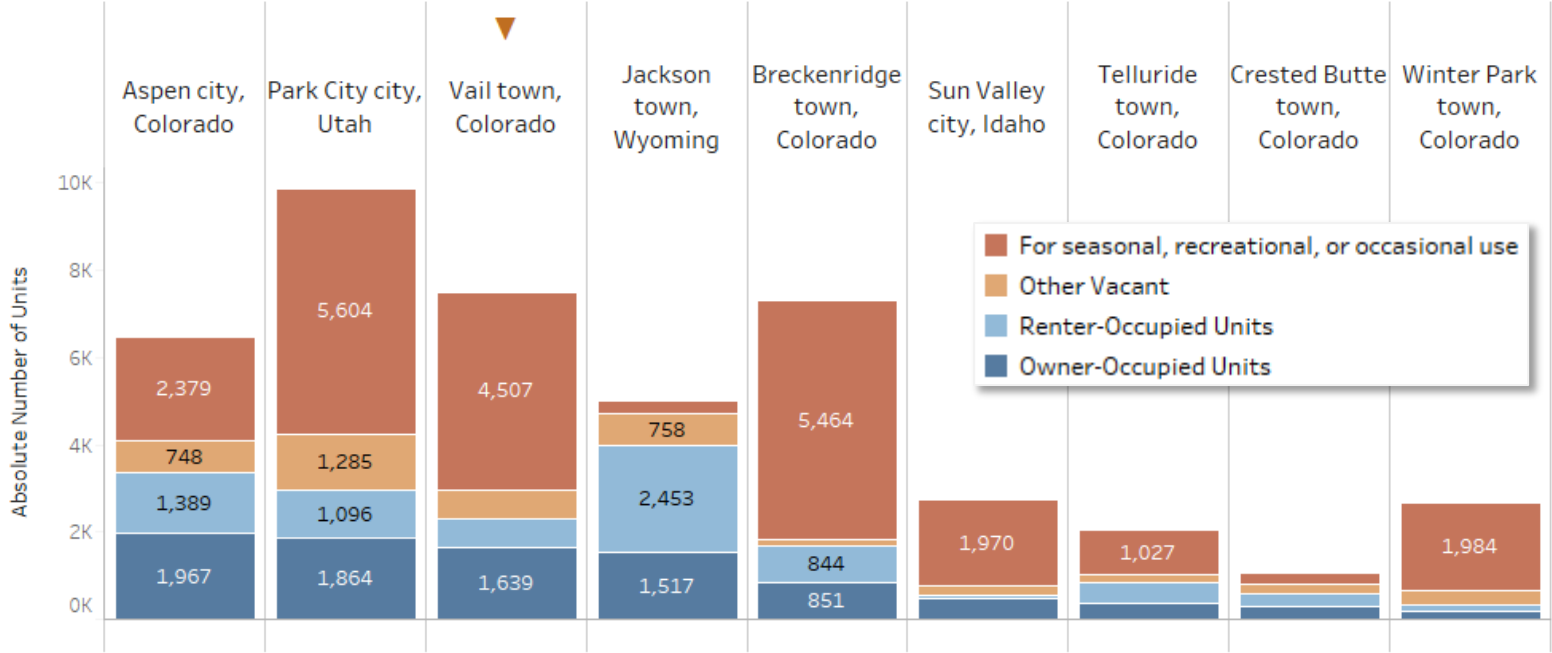
AGE OF REGISTERED VOTERS – 2014 & 2021

Age of Registered Voters - 2014 & 2021



TOWN OF VAIL: PERCENT OF HOUSING UNITS 2019 VS PEERS

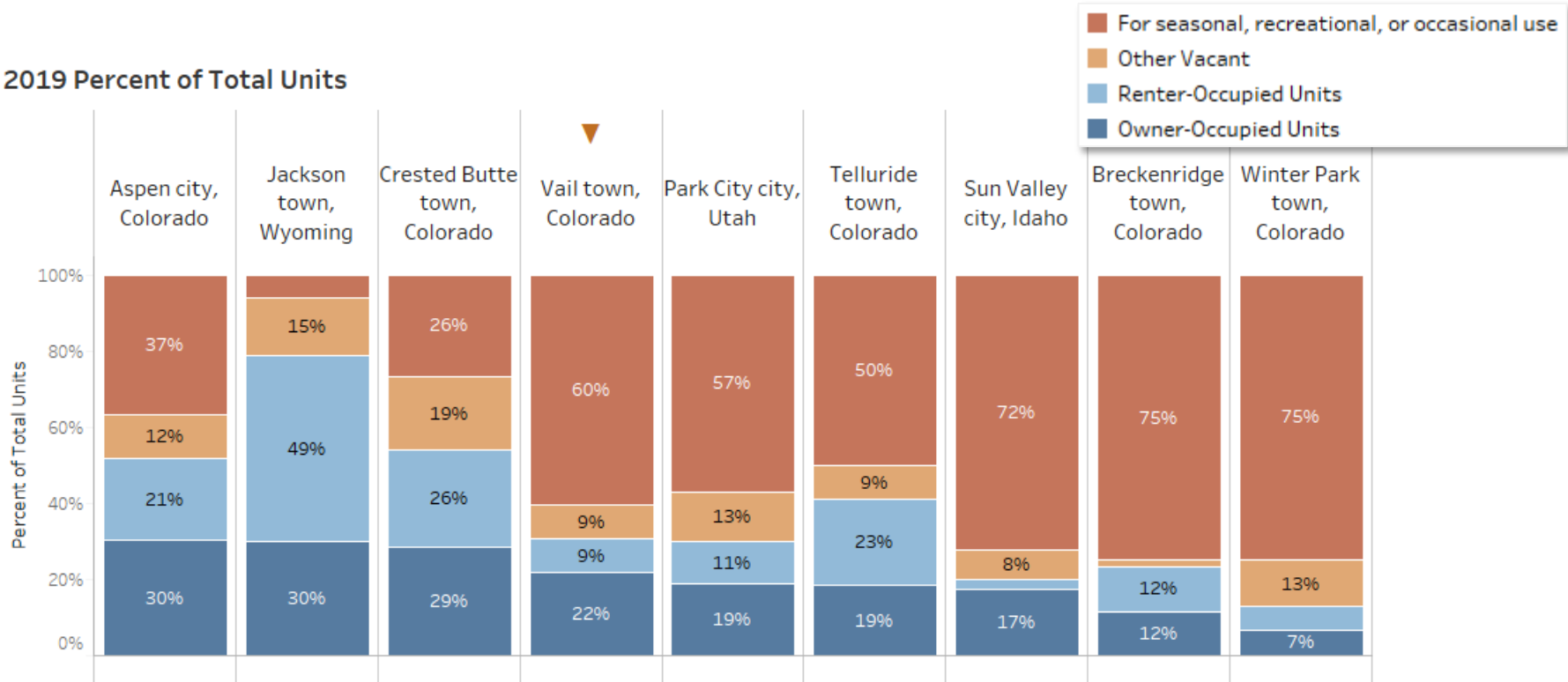
2019 Absolute Number of Units



Geographies are sorted in descending order by the number of owner-occupied units.
Source: ACS 5-Year Estimate

TOWN OF VAIL: PERCENT OF HOUSING UNITS 2019 VS PEERS

2019 Percent of Total Units



Geographies are sorted in descending order by the percent of owner-occupied units.

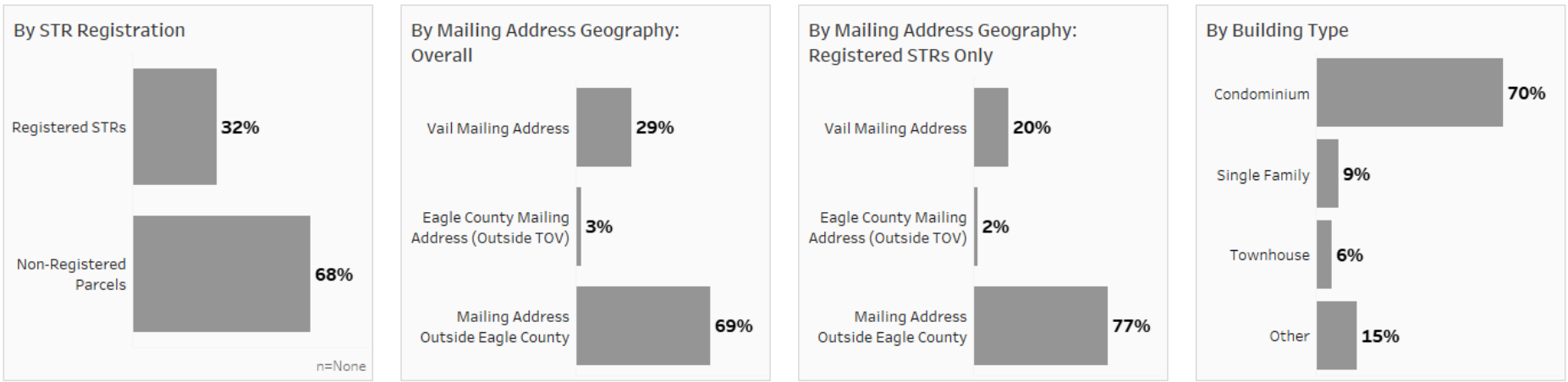
Source: ACS 5-Year Estimate

RECENT STR REGULATIONS FROM PEER COMMUNITIES

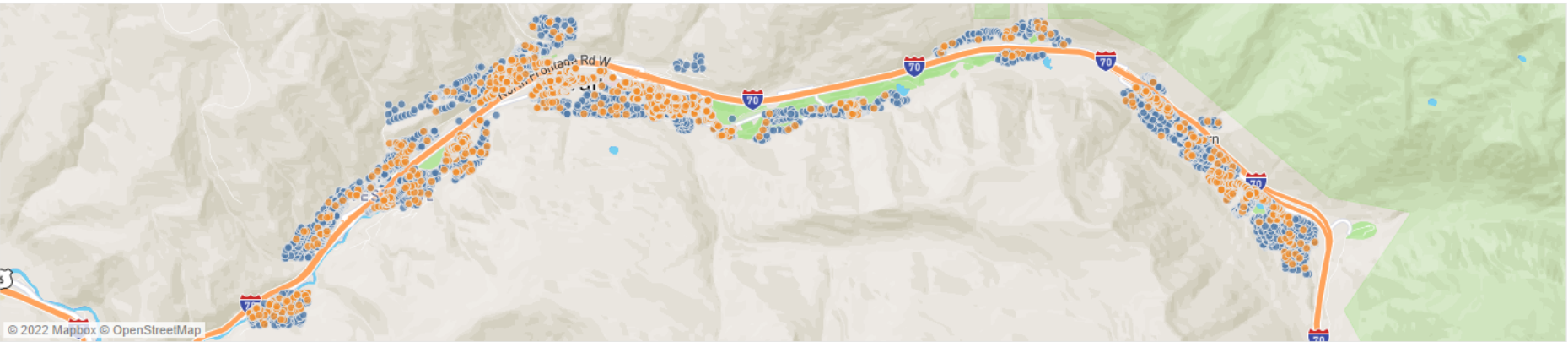
City	Concentration Limits	Zoning	Fees	Moratorium
Breckenridge	2,200; No new licenses to be issued until total STR licenses is under limit	No	Regulatory Fee: \$400/bedroom; Fee to increase to \$756/bedroom in 2023 (excludes hotels and lodges owned by one entity) License: \$75- \$175 (dependent on number of bedrooms)	
Aspen	No	No	Business License: \$150	Moratorium on new STR and home expansion construction until 9/30/2022
Crested Butte	30% of free market units	Yes; Permitted Zones	Unlimited Rental: \$750/ annually Primary Residence (6 night max): \$200/annually	Moratorium on new STRs for non-primary residences until July 2022
Jackson Hole	No	Lodging Overlay or Resort District only	Residential STR Fee: \$107	
Steamboat Springs	No	No	One-time Sales Tax Fee: \$50 One-time Vacation Home rental Fee: \$500 Vacation Home Rental Renewal: \$50/ annually	Moratorium on new Single Family or duplex unit vacation home rentals until 1/31/2022
Truckee	No	No	\$481 Annually	Moratorium on new STR until 6/15/2022

NEIGHBORHOOD COMPOSITION

Town of Vail Housing Composition | ■ Overall Town of Vail

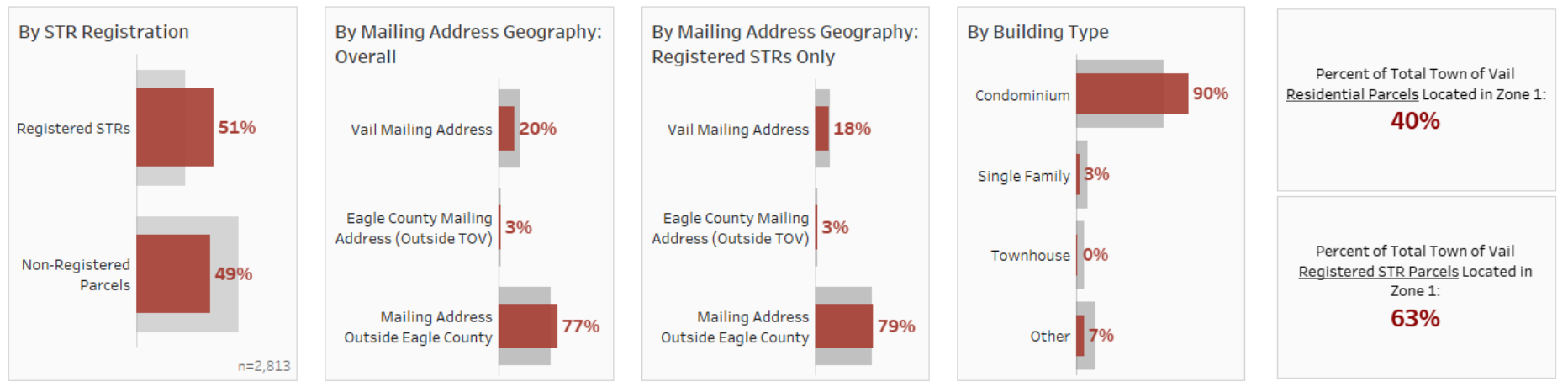


■ Registered STRs ■ Non-Registered Parcels

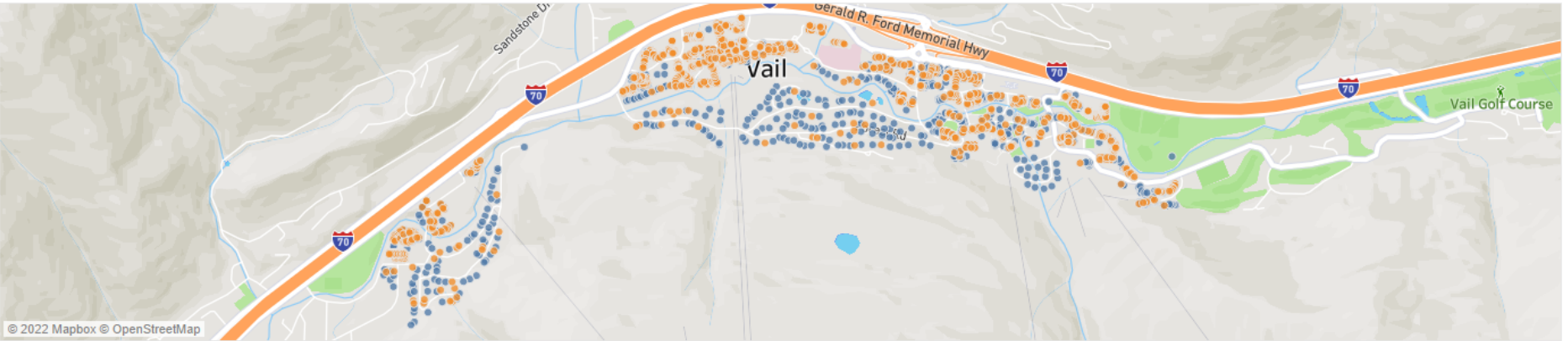


Note: Data is sourced from assessor, address, and registered STR databases. It is intended to broadly characterize neighborhoods, but is not a complete census of total housing units in the the Town of Vail.

Town of Vail Housing Composition | ■ **Zone 1** vs. ■ **Overall Town of Vail**

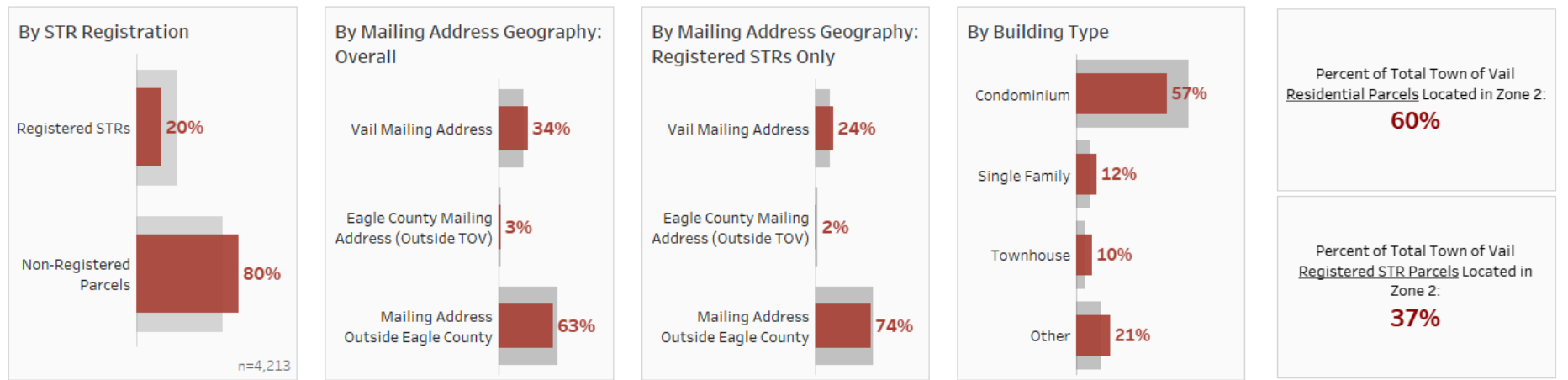


■ Registered STRs ■ Non-Registered Parcels

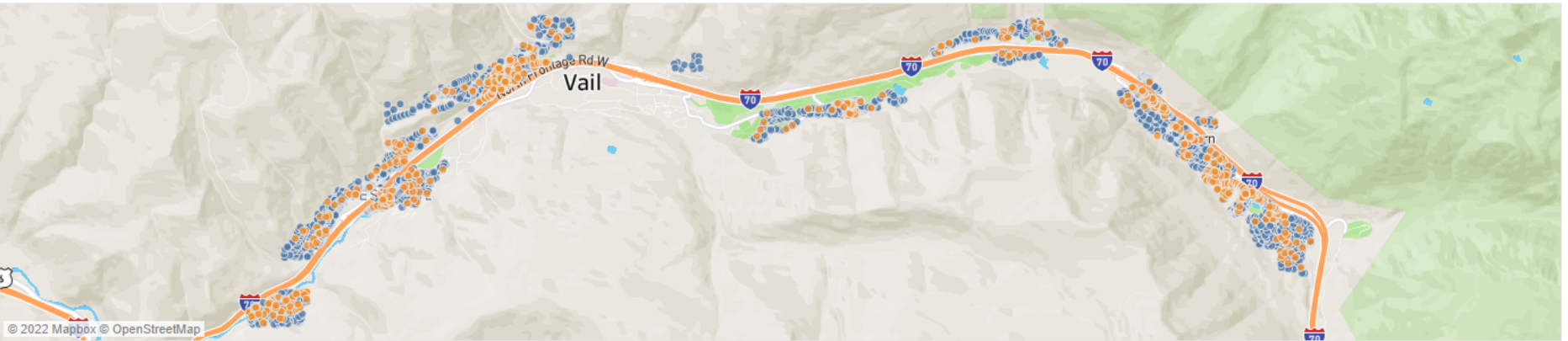


Note: Data is sourced from assessor, address, and registered STR databases. It is intended to broadly characterize neighborhoods, but is not a complete census of total housing units in the the Town of Vail.

Town of Vail Housing Composition | ■ **Zone 2** vs. ■ **Overall Town of Vail**

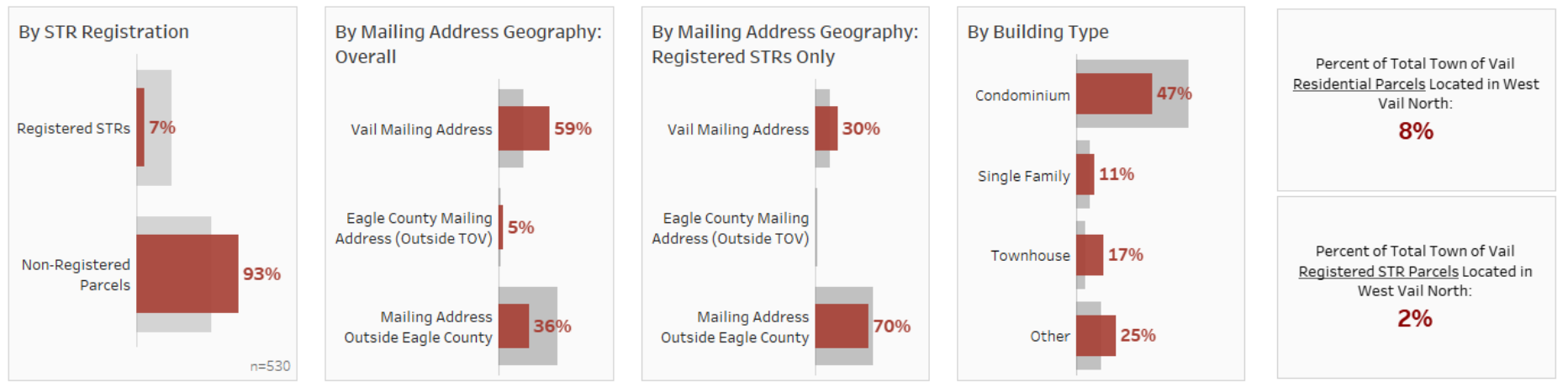


■ Registered STRs ■ Non-Registered Parcels

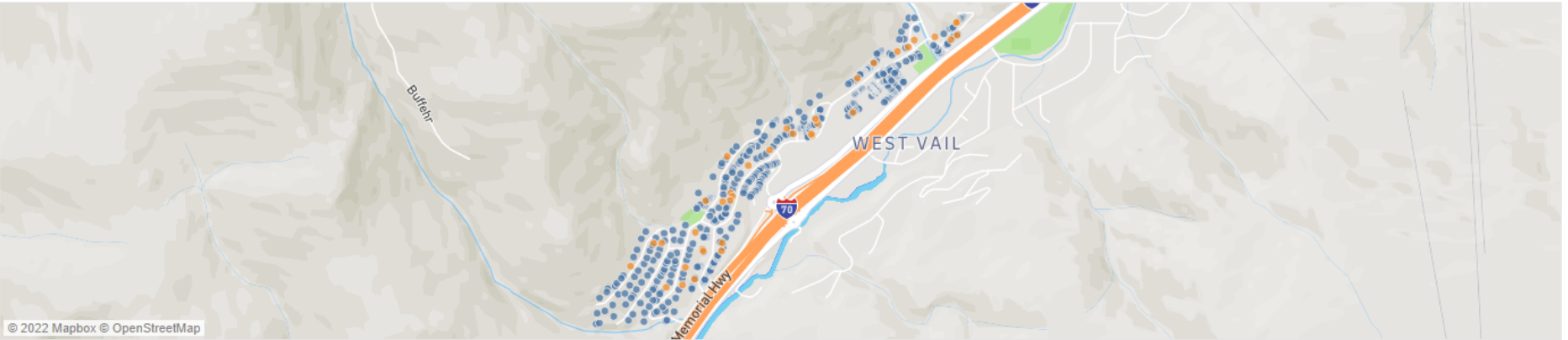


Note: Data is sourced from assessor, address, and registered STR databases. It is intended to broadly characterize neighborhoods, but is not a complete census of total housing units in the the Town of Vail.

Town of Vail Housing Composition | ■ West Vail North vs. ■ Overall Town of Vail

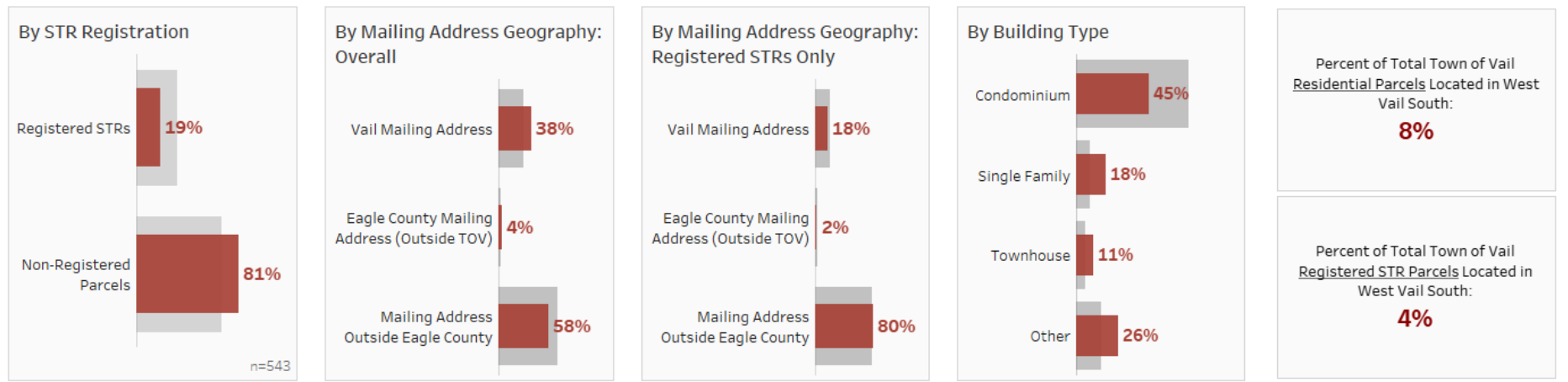


■ Registered STRs ■ Non-Registered Parcels

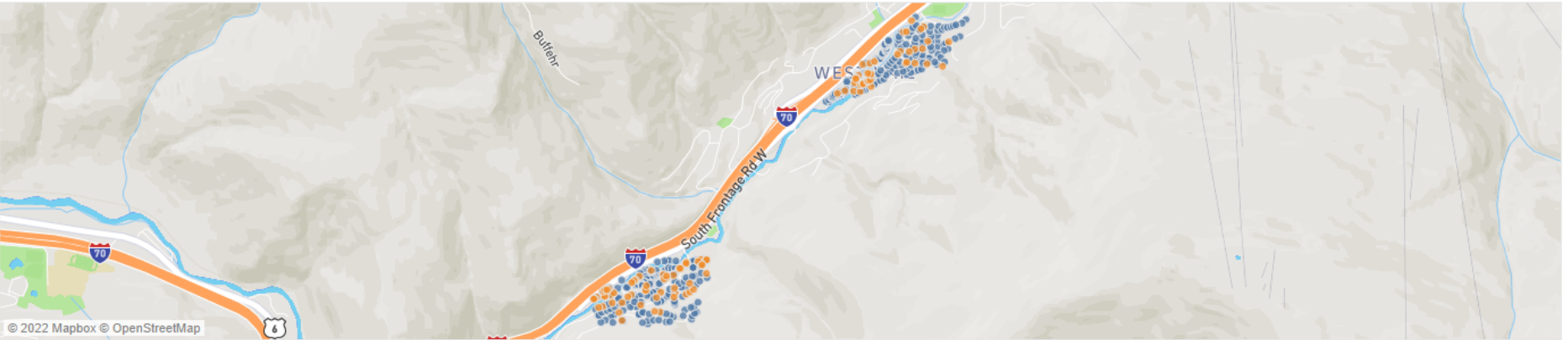


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Town of Vail Housing Composition | ■ West Vail South vs. ■ Overall Town of Vail

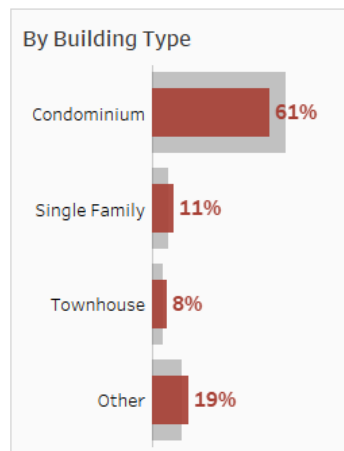
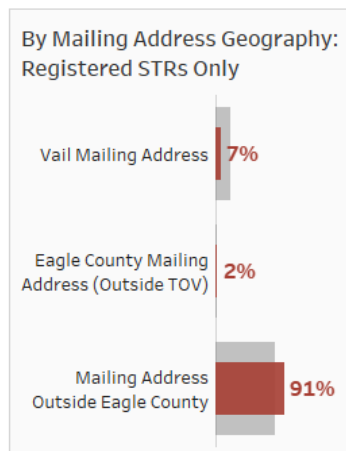
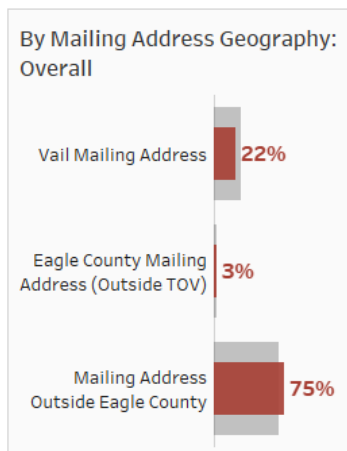
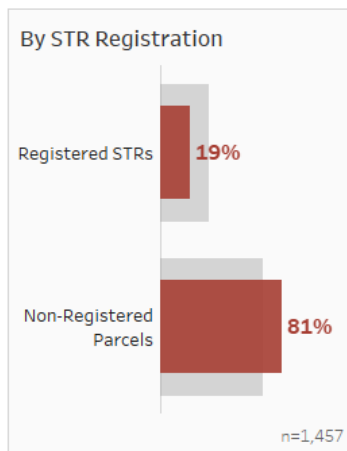


■ Registered STRs ■ Non-Registered Parcels



Note: Data is sourced from assessor, address, and registered STR databases. It is intended to broadly characterize neighborhoods, but is not a complete census of total housing units in the the Town of Vail.

Town of Vail Housing Composition | ■ **East Vail** vs. ■ **Overall Town of Vail**



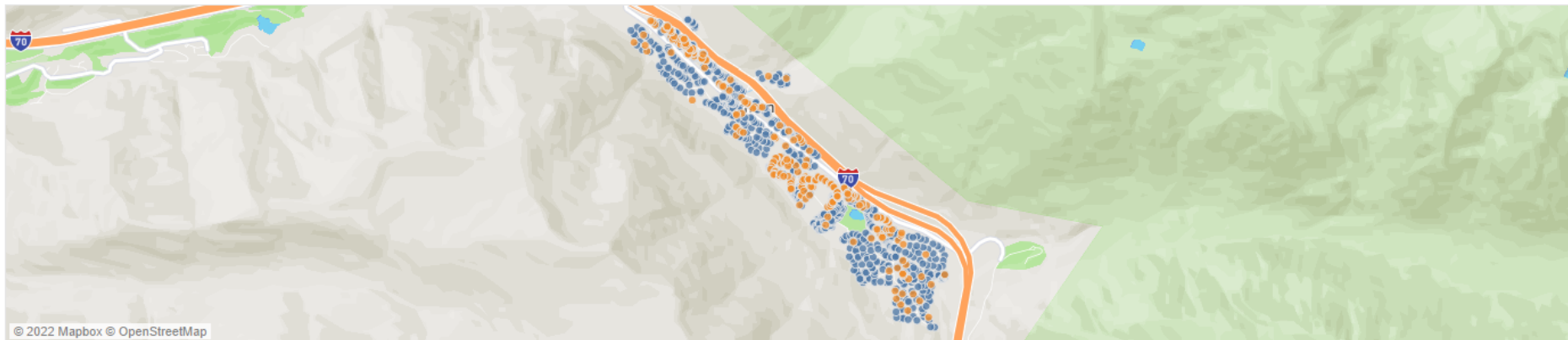
Percent of Total Town of Vail Residential Parcels Located in East Vail:

21%

Percent of Total Town of Vail Registered STR Parcels Located in East Vail:

12%

■ Registered STRs ■ Non-Registered Parcels



Note: Data is sourced from assessor, address, and registered STR databases. It is intended to broadly characterize neighborhoods, but is not a complete census of total housing units in the the Town of Vail.

SUMMARY BY NEIGHBORHOOD

PERCENT OF UNITS WITH STR REGISTRATION

Area	Percent of Units with STR license
Overall	32%
Zone 1	51%
Vail Village	45%
Lionshead	63%
Cascade Village/Glen Lyon	48%
Zone 2	20%
Booth Creek	11%
Buffehr Creek	4%
East Vail	19%
Golf Course	16%
Potato Patch	11%
Sandstone	36%
Spraddle Creek	0%
West Vail (North)	7%
West Vail (Intermountain/Matterhorn)	19%

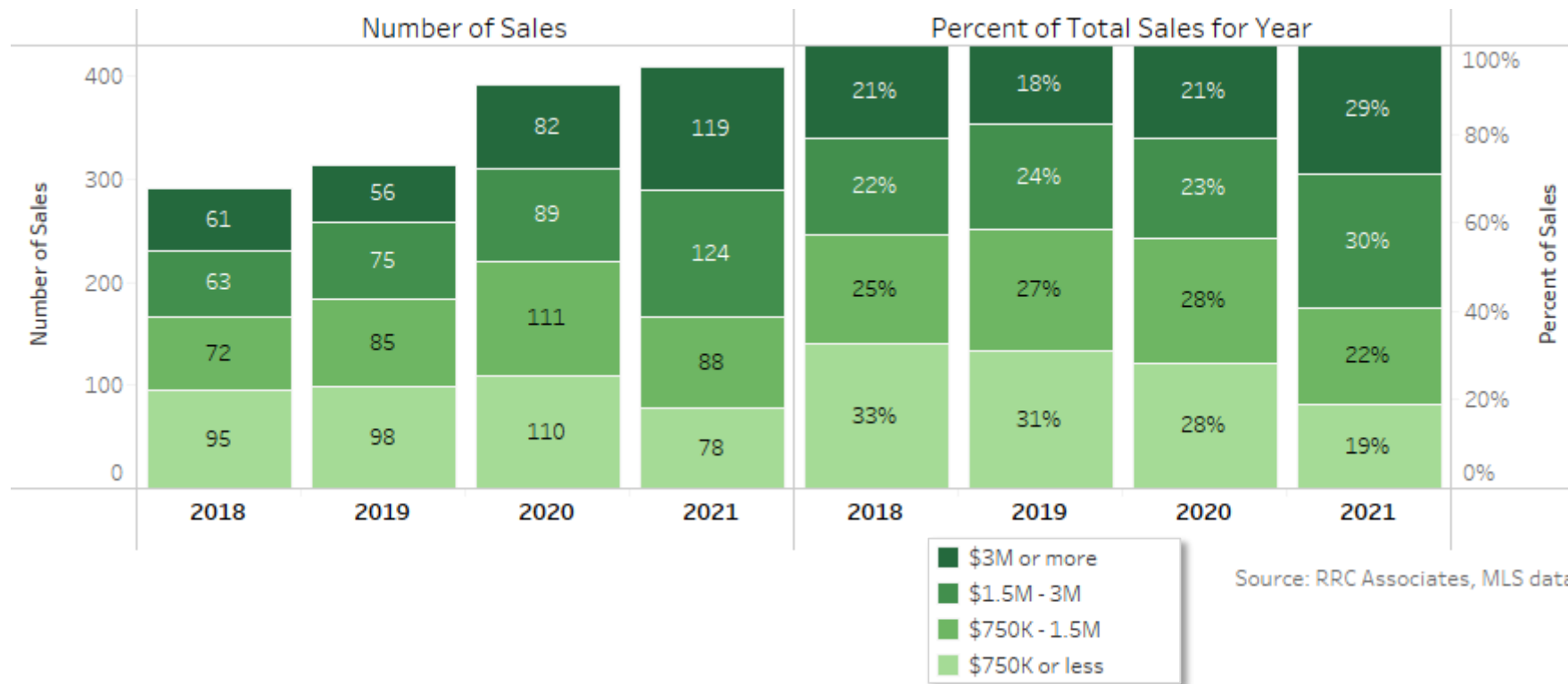
- Overall, 32 percent of units within Town of Vail have STR Registrations
 - For Zone 1, it reaches as high as 51 percent
 - For Zone 2, there are 20 percent of units with registrations
- Some neighborhoods have high concentrations of STRs, boosting their representation (Fall Ridge, Streamside, Simba Run, Racquet Club, etc.)

Source: Economic & Planning Systems

REAL ESTATE SALES DATA

NUMBER AND PERCENT OF SALES BY PRICE

2018 – 2021



MLS SUMMARY BY STR REGISTRATION

MLS data indicates that in 2021, 410 real estate sales occurred within the Town of Vail. Of these transactions, 34% or 138 properties were registered as an STR during 2021, either prior to the sale, after the sale, or both

By STR Registration

	Number of Sales - 2021	Median Sold Price/SqFt	Median Sold Price
Registered STRs	138	\$1,481	\$1,799,500
Non-Registered	272	\$916	\$1,750,000
Grand Total	410	\$1,076	\$1,772,500

MLS SUMMARY BY REGISTRATION AND UNIT TYPE

By STR Registration and Type

		Number of Sales - 2021	Median Sold Price/SqFt	Median Sold Price
Condominium	Registered STRs	112	\$1,564	\$1,774,500
	Non-Registered	167	\$1,067	\$1,205,000
Duplex	Registered STRs	10	\$982	\$2,625,000
	Non-Registered	41	\$890	\$3,145,000
Single Family Residence	Registered STRs	5	\$792	\$1,950,000
	Non-Registered	35	\$898	\$3,000,000
Townhouse	Registered STRs	11	\$947	\$1,600,000
	Non-Registered	29	\$791	\$1,725,000
Grand Total		410	\$1,076	\$1,772,500

MLS SUMMARY BY AREA

By Area

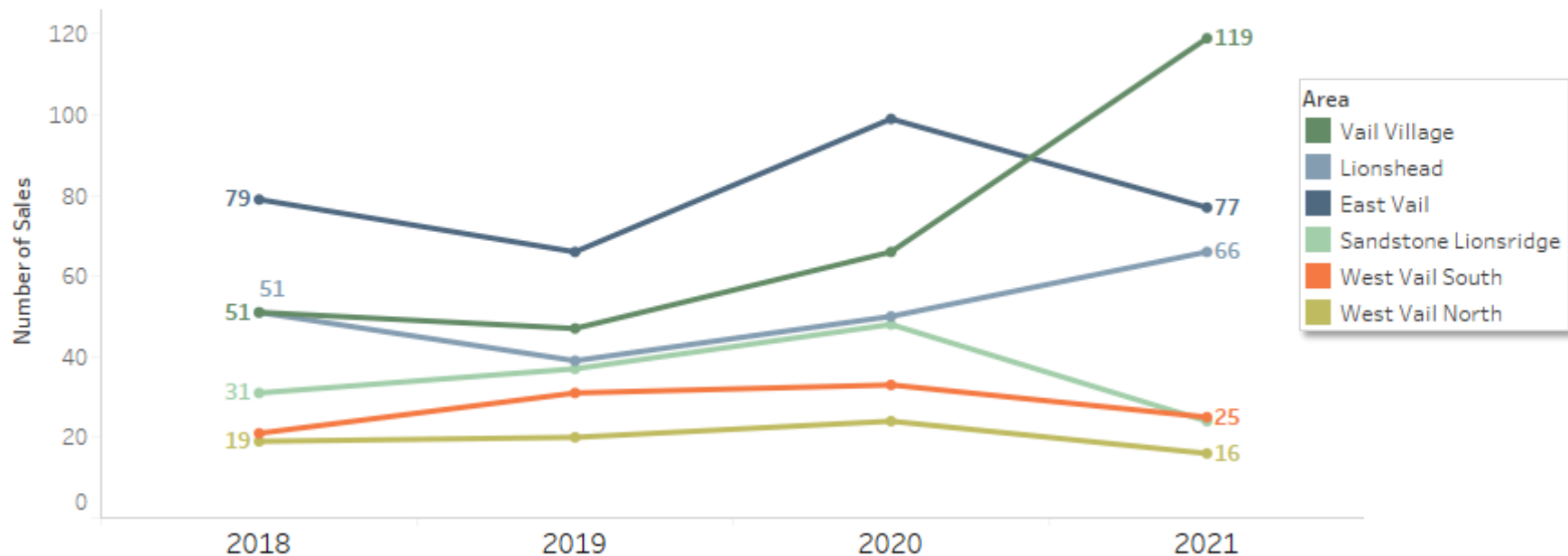
	Number of Sales - 2021	Median Sold Price/SqFt	Median Sold Price
Vail Village	119	\$2,090	\$2,950,000
Lionshead	66	\$1,657	\$2,425,000
Cascade Village Glen	12	\$1,200	\$2,900,000
Spraddle Creek	1	\$1,078	\$8,100,000
Vail Golf Course	22	\$1,021	\$3,022,500
Potato Patch	10	\$845	\$2,687,500
Booth Creek	10	\$838	\$1,762,500
East Vail	81	\$764	\$809,000
Highland Meadows	6	\$719	\$2,987,500
Sandstone Lionsridge	28	\$676	\$652,500
West Vail South	27	\$667	\$860,000
Buffehr Creek	7	\$640	\$1,275,000
West Vail North	20	\$616	\$774,500
Grand Total	409	\$1,078	\$1,795,000

NUMBER OF SALES BY AREA

2018 – 2021

Number of Sales by Area

Free-market units only, areas with at least 10 sales per year only.



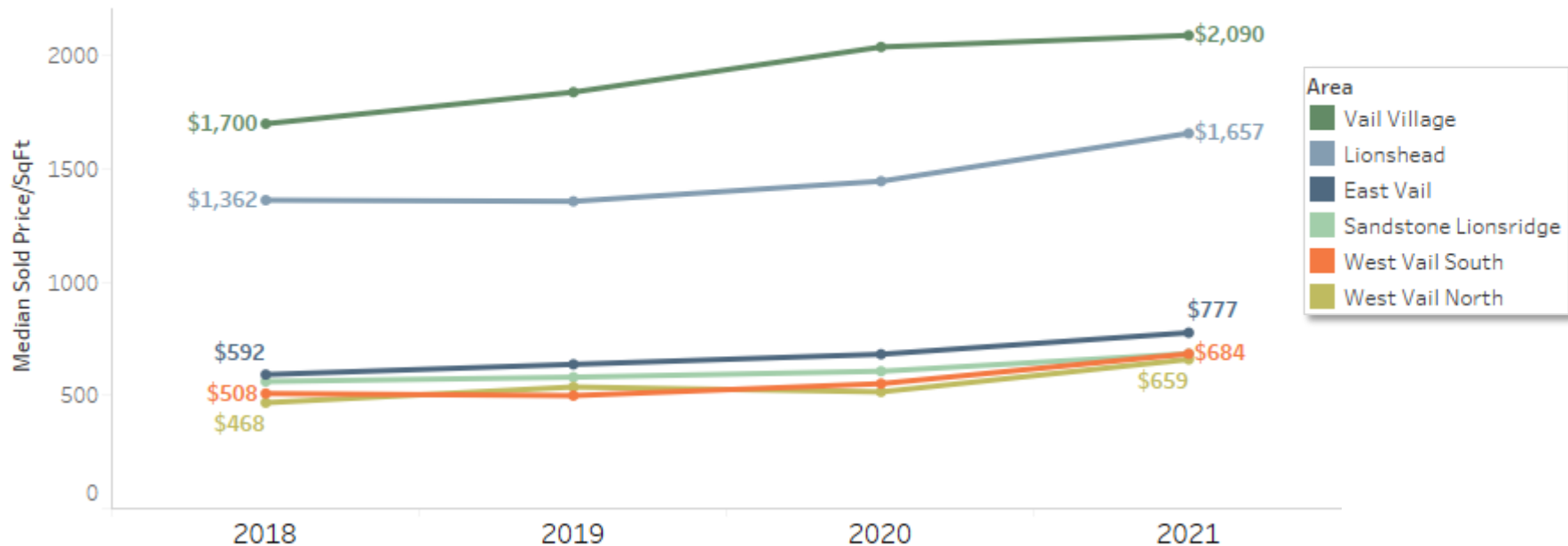
Source: RRC Associates, MLS data

MEDIAN SOLD PRICE PER SQ. FOOT BY AREA

2018 – 2021

Median Sold Price Per Sq. Foot by Area

Free-market units only, areas with at least 10 sales per year only.



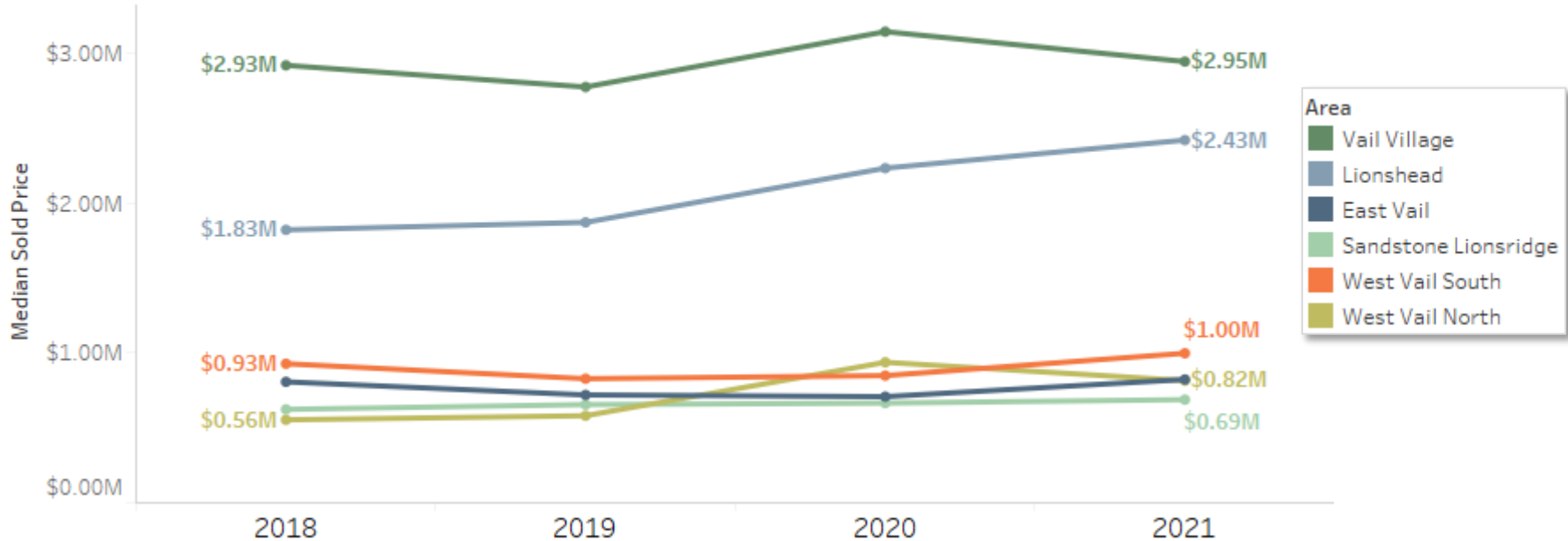
Source: RRC Associates, MLS data

MEDIAN SOLD PRICE BY AREA

2018 – 2021

Median Sold Price by Area

Free-market units only, areas with at least 10 sales per year only.

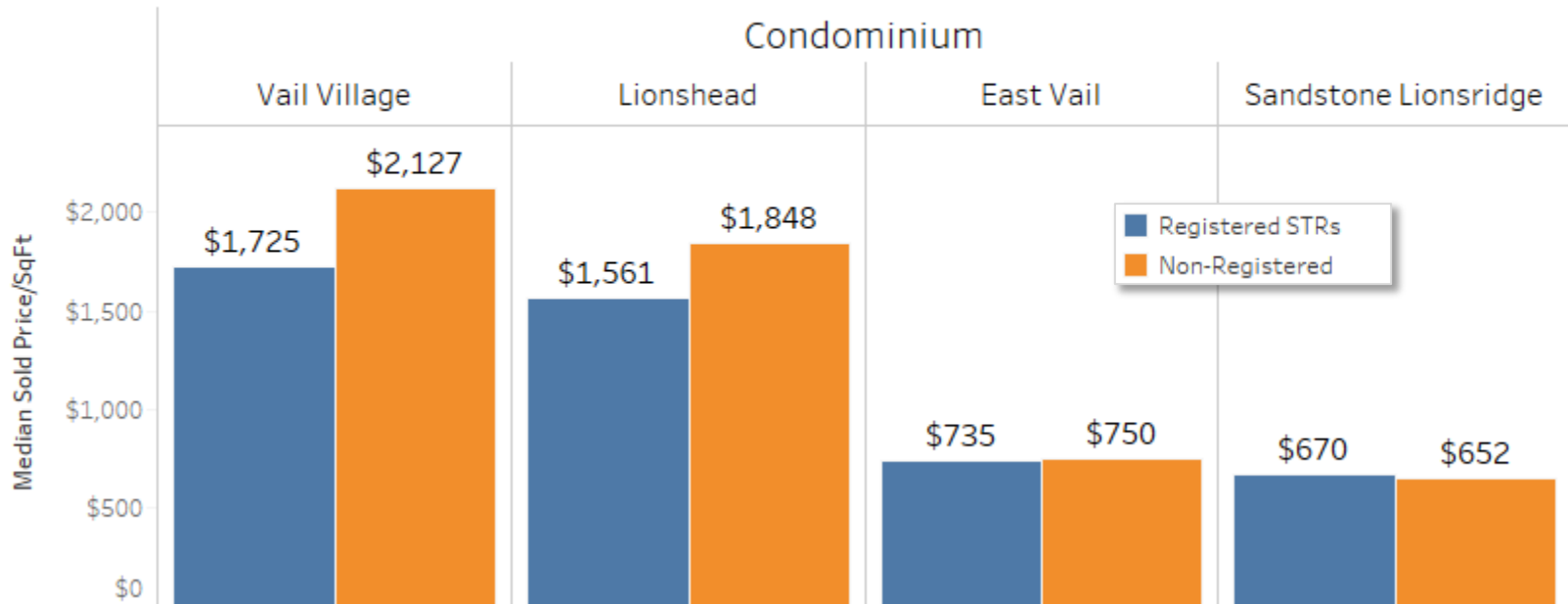


Source: RRC Associates, MLS data

MLS SUMMARY BY COMPARABLE AREAS AND UNIT TYPES

Median Condominium Sold Price Per Sq. Foot by Area, 2021

Free-market units only, minimum of 5 sales per category



Source: RRC Associates, MLS data

DISCUSSION POINTS AND NEXT STEPS

DISCUSSION POINTS AND NEXT STEPS

Discussion Points

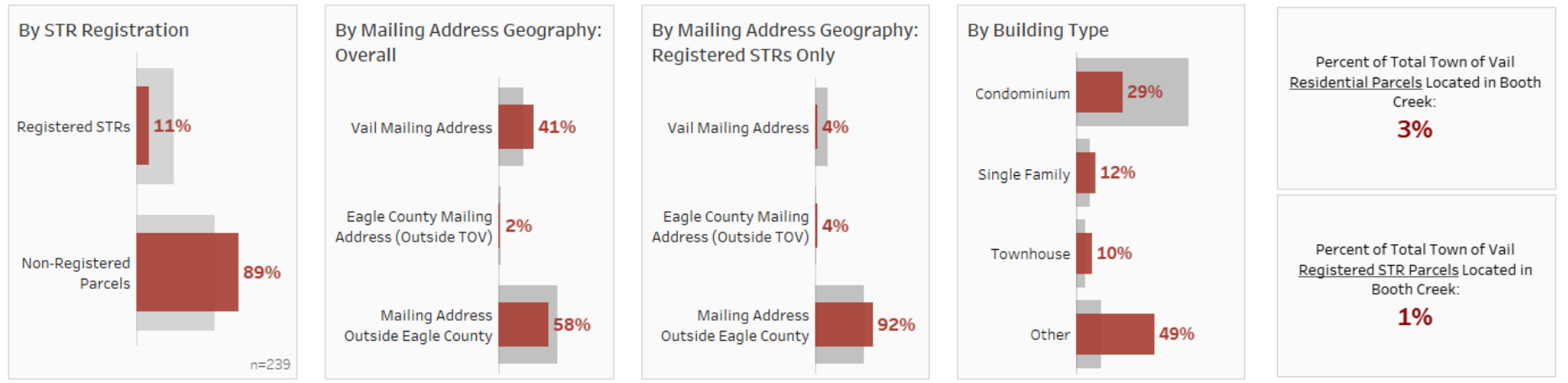
- To what degree are STRs impacting the community and how has that changed in the recent past?
- Is a 'light touch' the correct approach – raising fees and relying on enforcement?
- Are more deliberate actions needed that might limit STR activity?
- What tools can most effectively address the need for long-term rentals?

Next Steps – Return to Council March 15

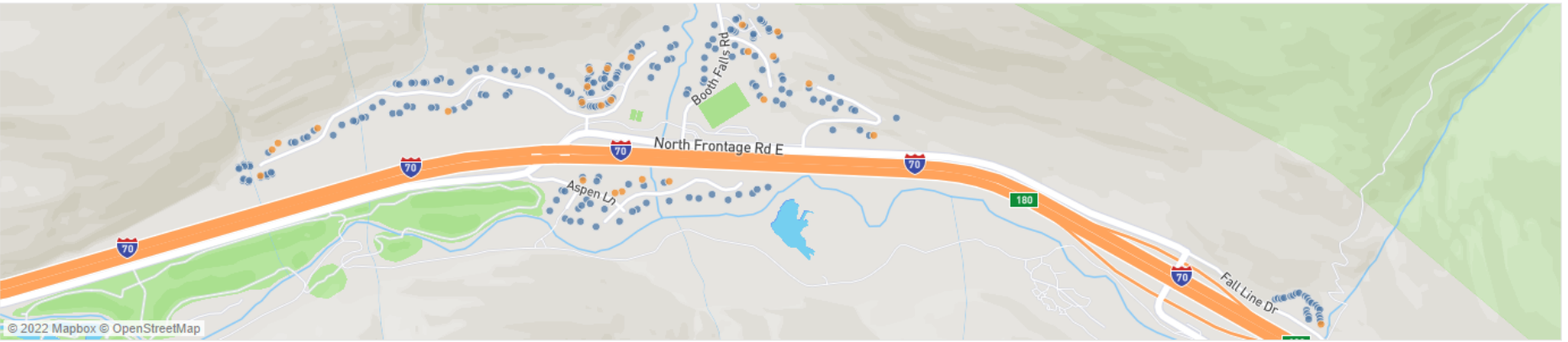
- Clarify and complete MLS data analysis
- Approaches to limit STR activity, with a focus on Zone 2
- Options for registration structures that are based on use
- Background on fee increase – admin costs and/or impacts to the community
- Address violations fine structure related to complaints
- Bolster STR registration requirements

DETAILED SLIDES SHOWING COMPOSITION BY AREA

Town of Vail Housing Composition | Booth Creek vs. Overall Town of Vail

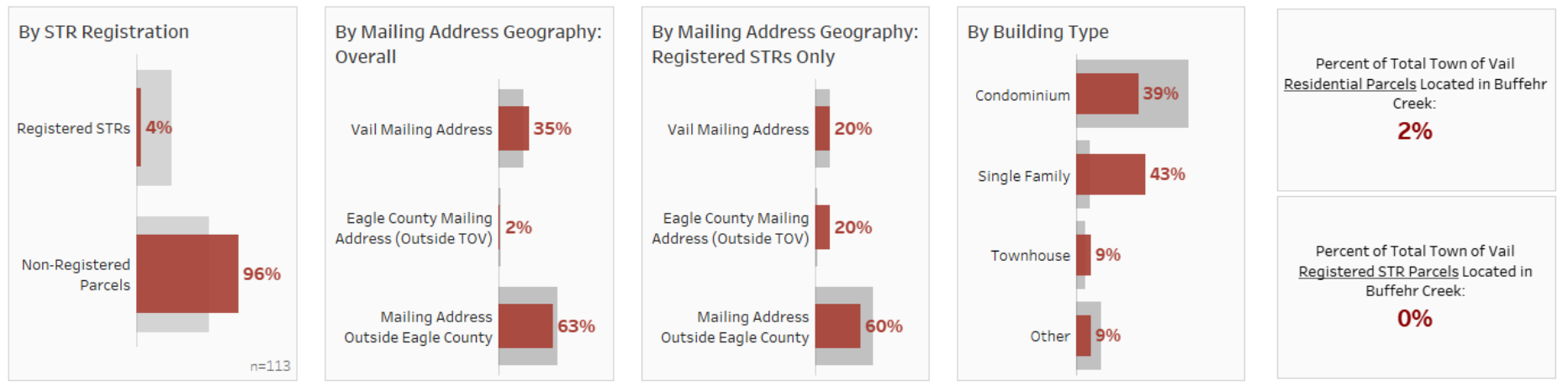


■ Registered STRs ■ Non-Registered Parcels

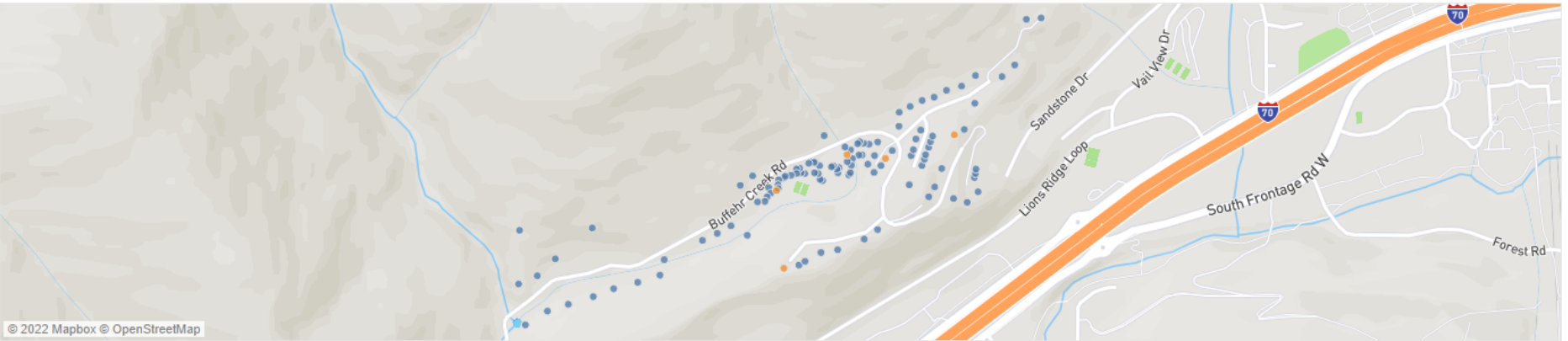


Note: Data is sourced from assessor, address, and registered STR databases. It is intended to broadly characterize neighborhoods, but is not a complete census of total housing units in the the Town of Vail.

Town of Vail Housing Composition | ■ Buffehr Creek vs. ■ Overall Town of Vail

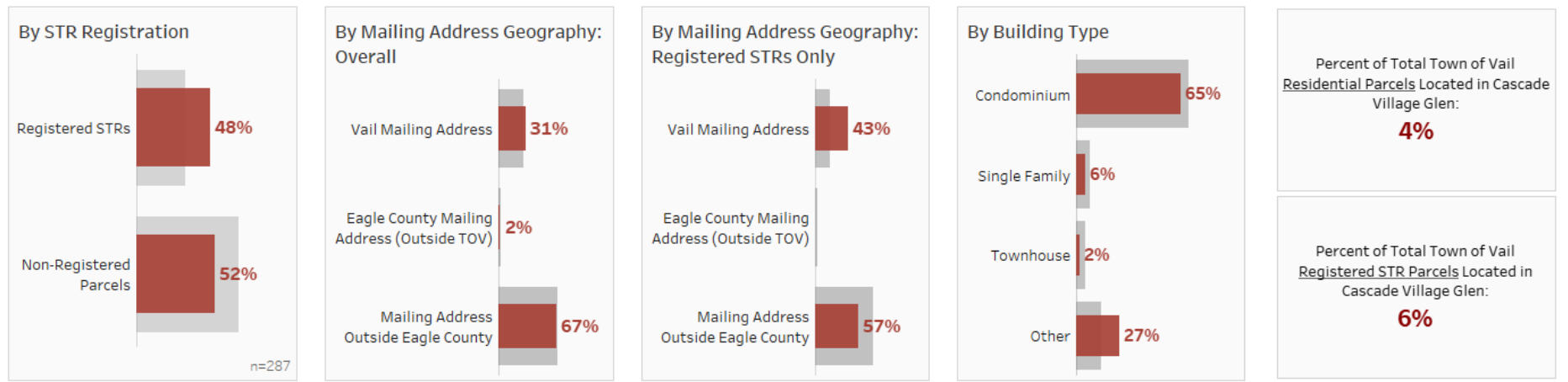


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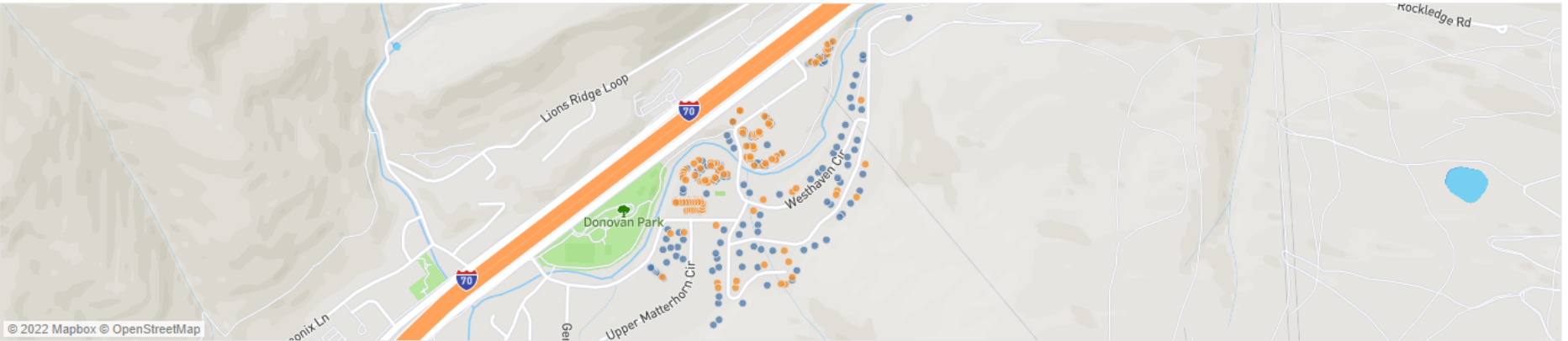


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Town of Vail Housing Composition | ■ Cascade Village Glen vs. ■ Overall Town of Vail

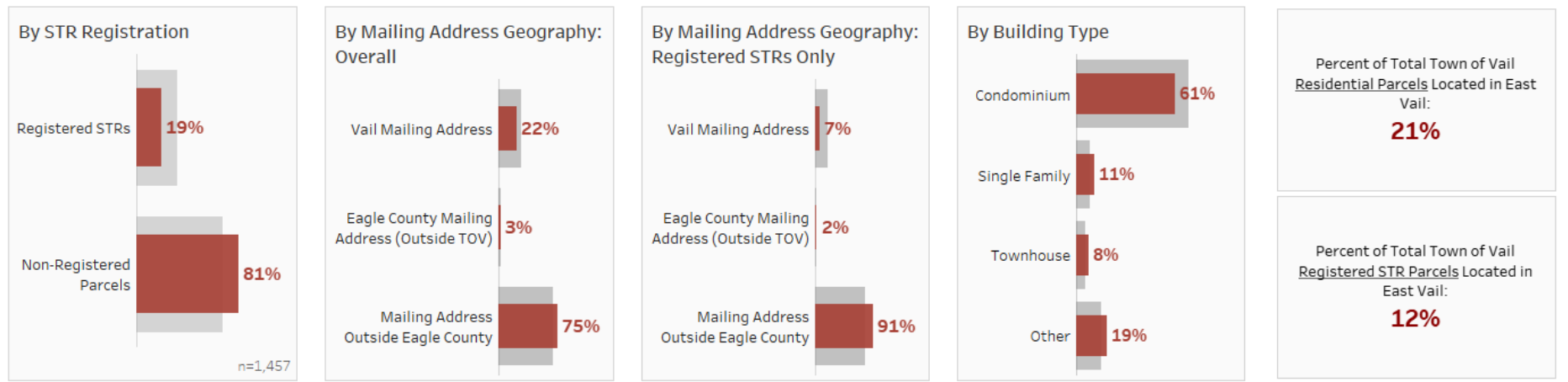


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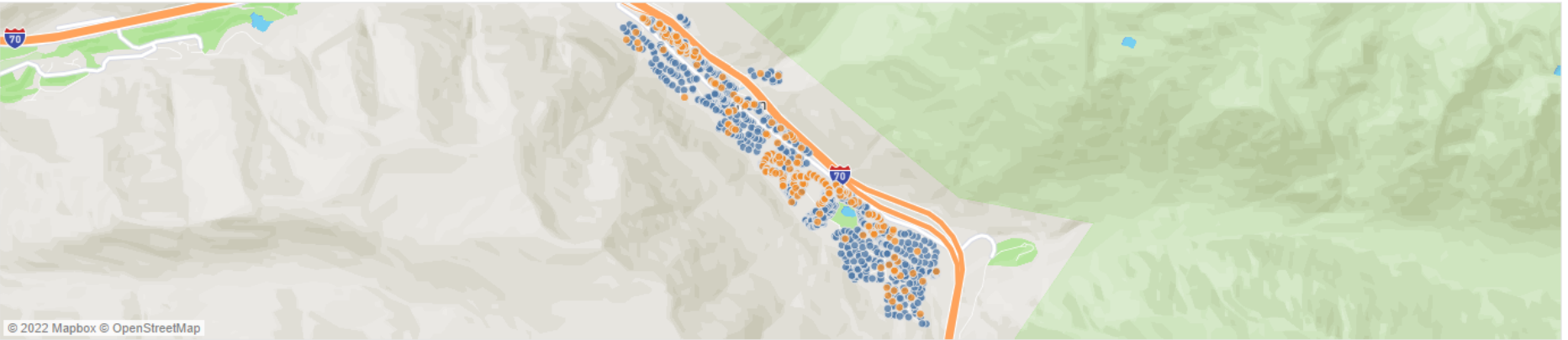


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Town of Vail Housing Composition | ■ East Vail vs. ■ Overall Town of Vail

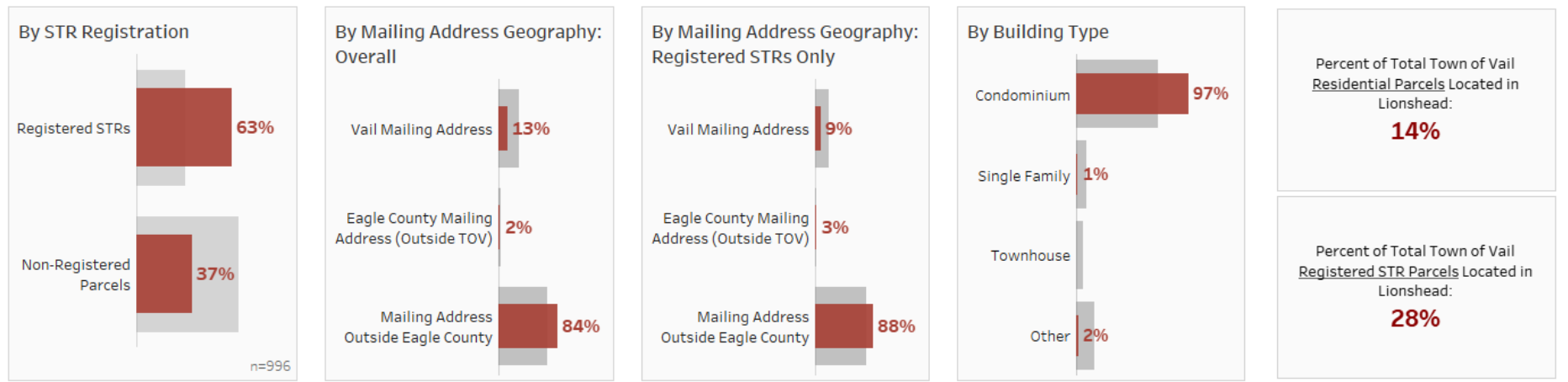


■ Registered STRs ■ Non-Registered Parcels

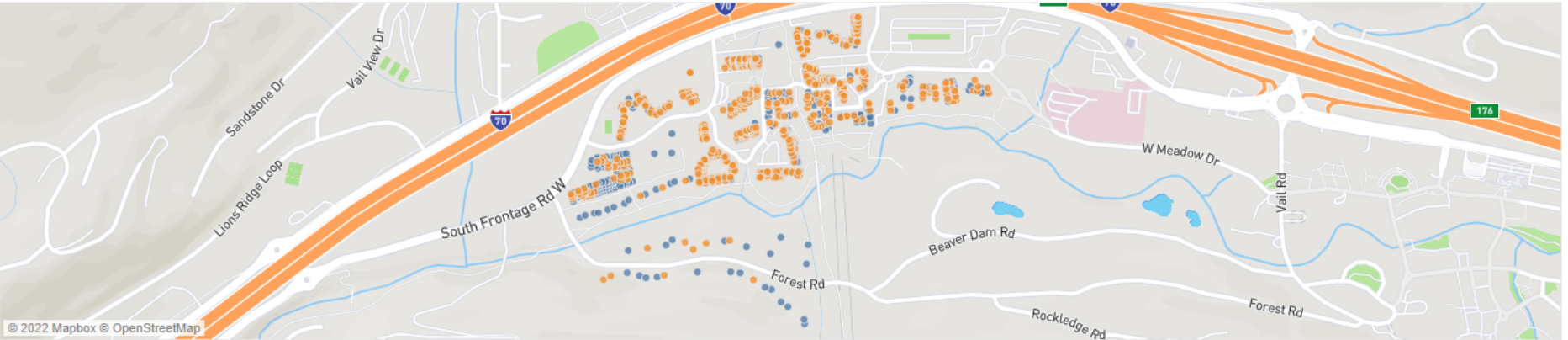


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Town of Vail Housing Composition | ■ **Lionshead** vs. ■ **Overall Town of Vail**

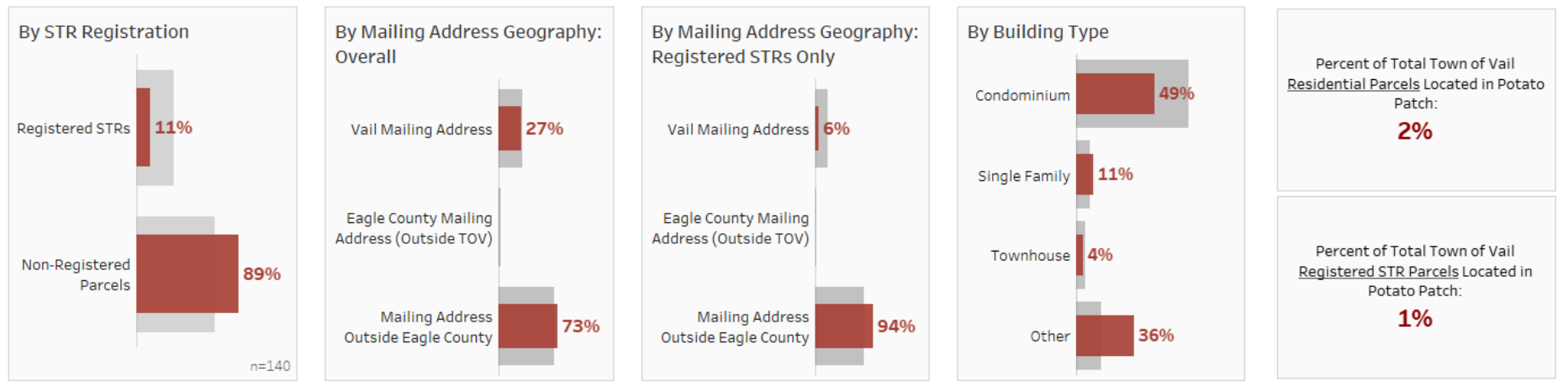


■ Registered STRs ■ Non-Registered Parcels

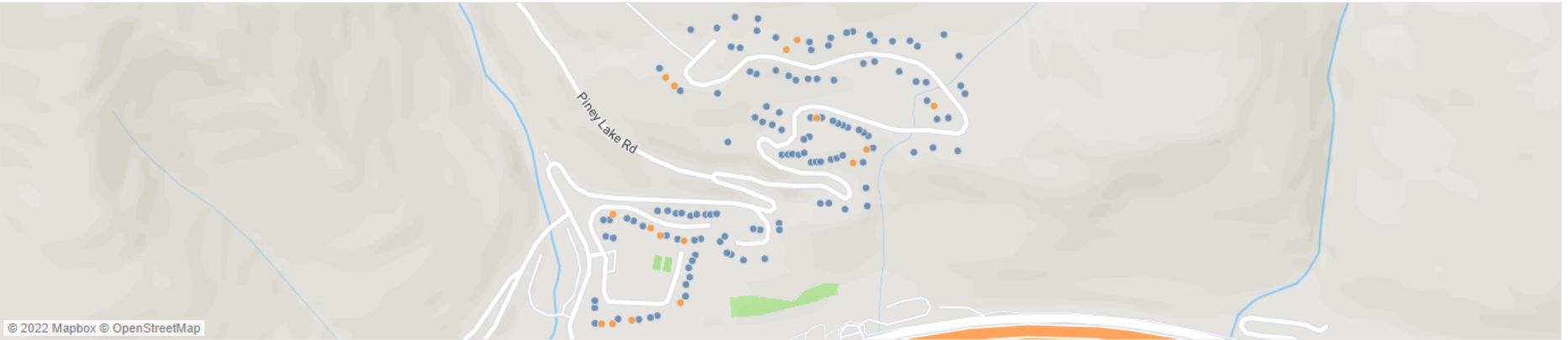


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Town of Vail Housing Composition | ■ Potato Patch vs. ■ Overall Town of Vail

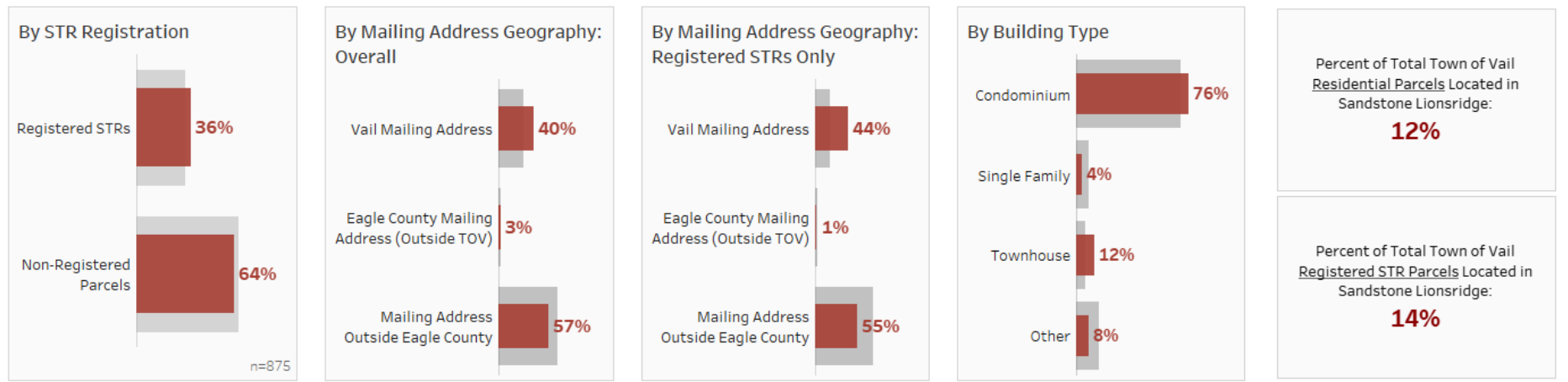


■ Registered STRs ■ Non-Registered Parcels

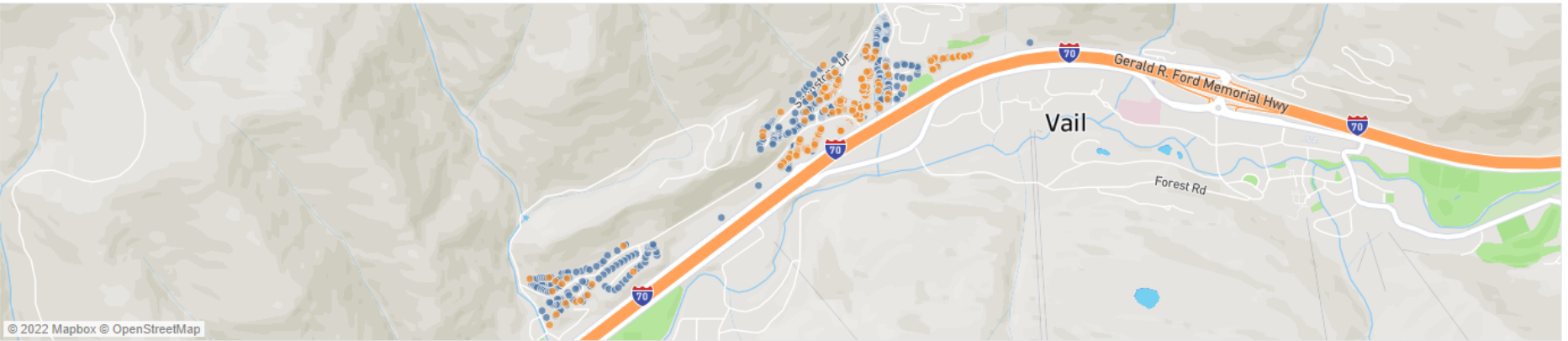


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Town of Vail Housing Composition | ■ Sandstone Lionsridge vs. ■ Overall Town of Vail

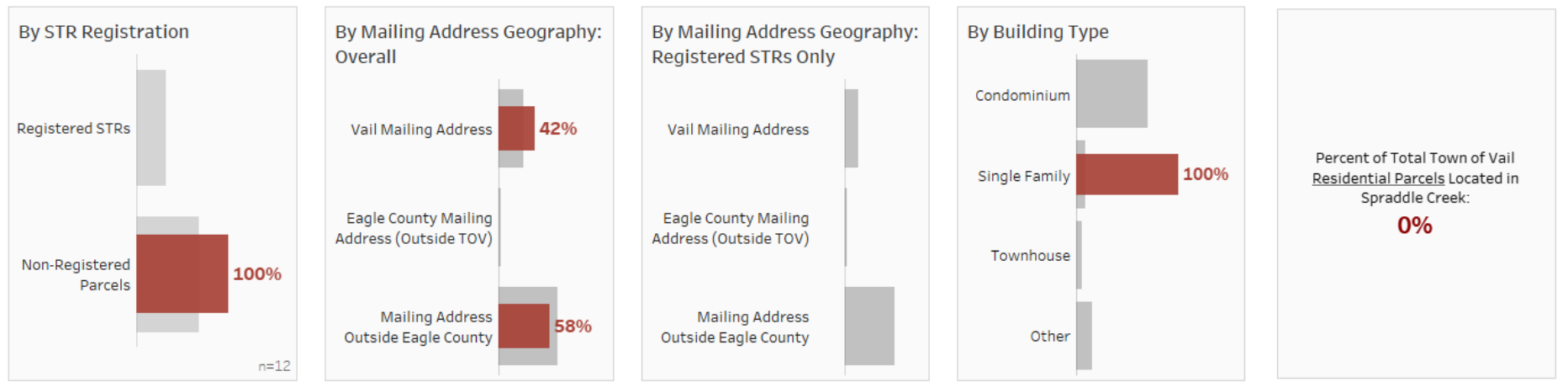


■ Registered STRs ■ Non-Registered Parcels

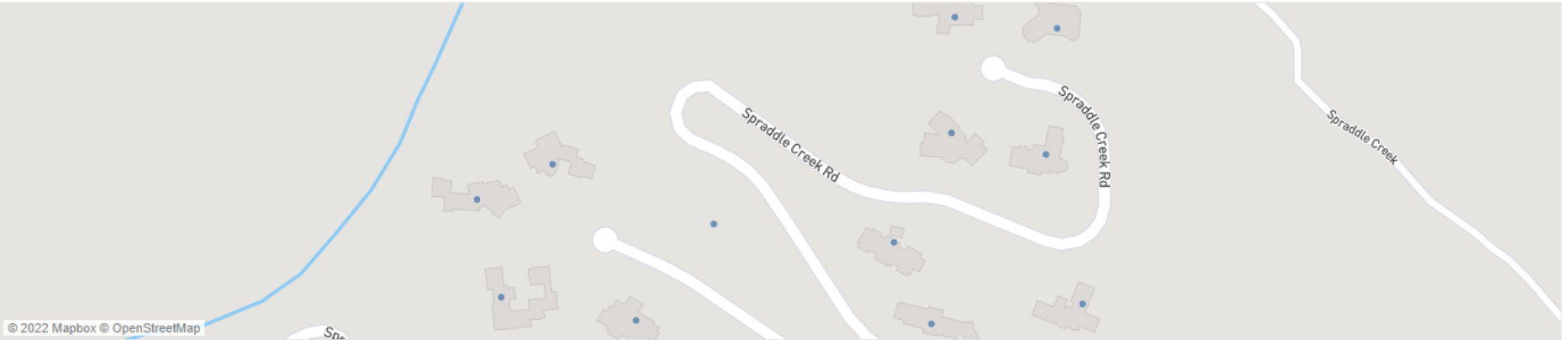


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Town of Vail Housing Composition | ■ Spraddle Creek vs. ■ Overall Town of Vail

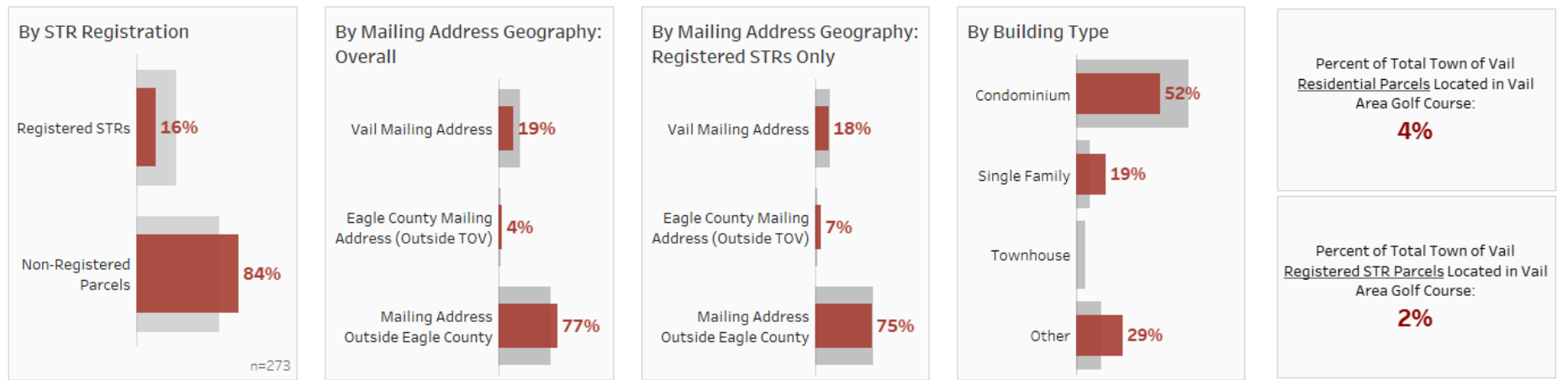


■ Non-Registered Parcels

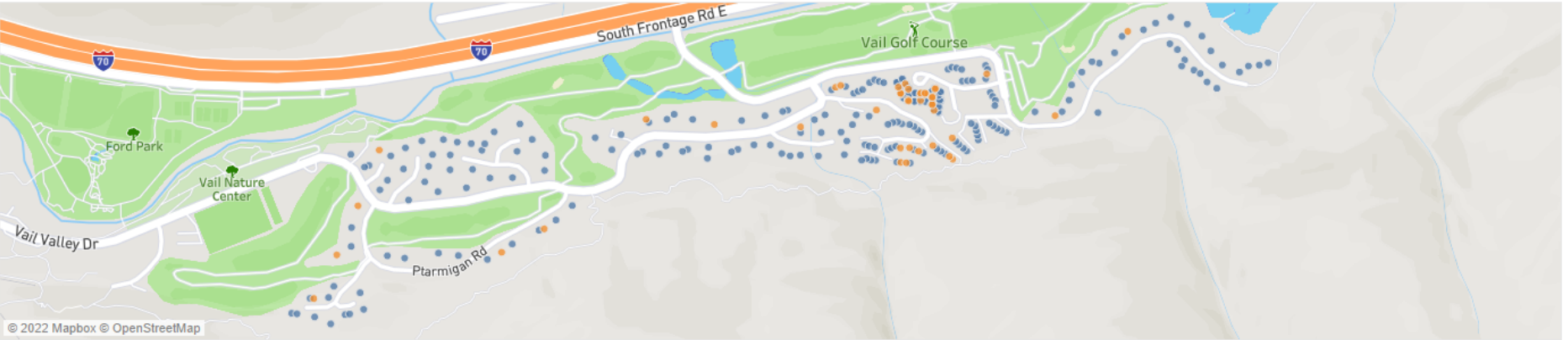


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Town of Vail Housing Composition | ■ **Vail Area Golf Course** vs. ■ **Overall Town of Vail**

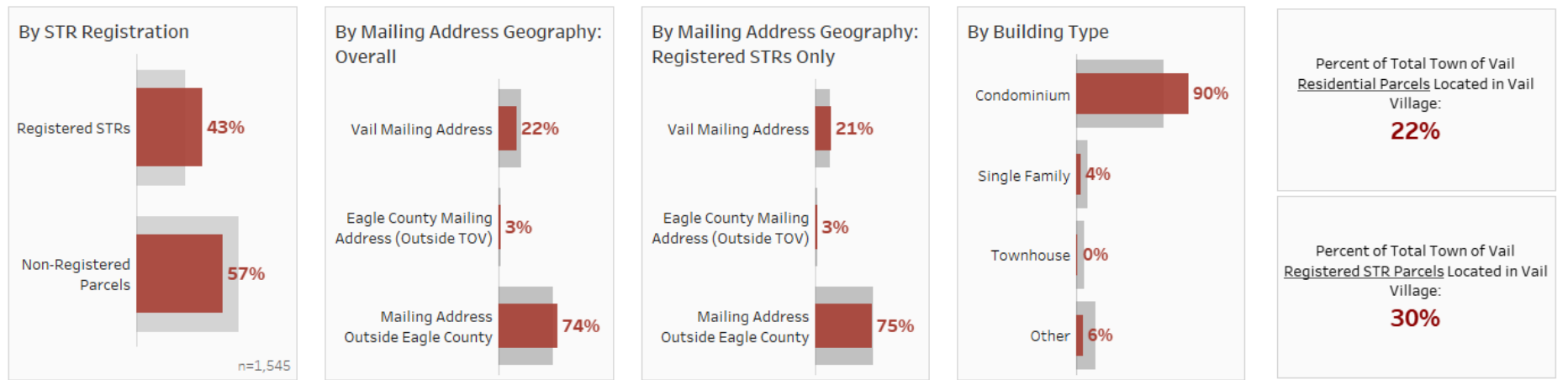


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Town of Vail Housing Composition | ■ **Vail Village** vs. ■ **Overall Town of Vail**

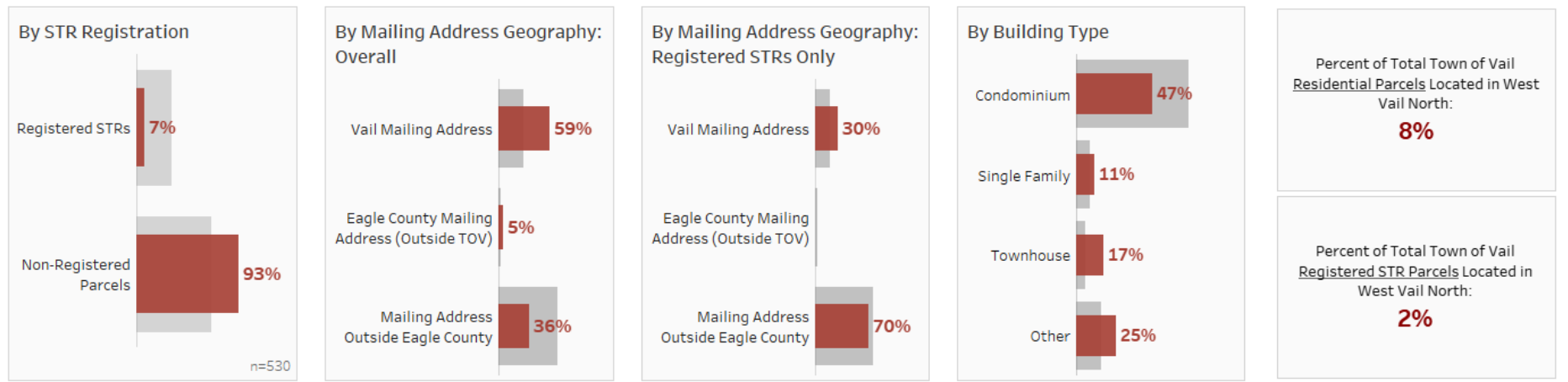


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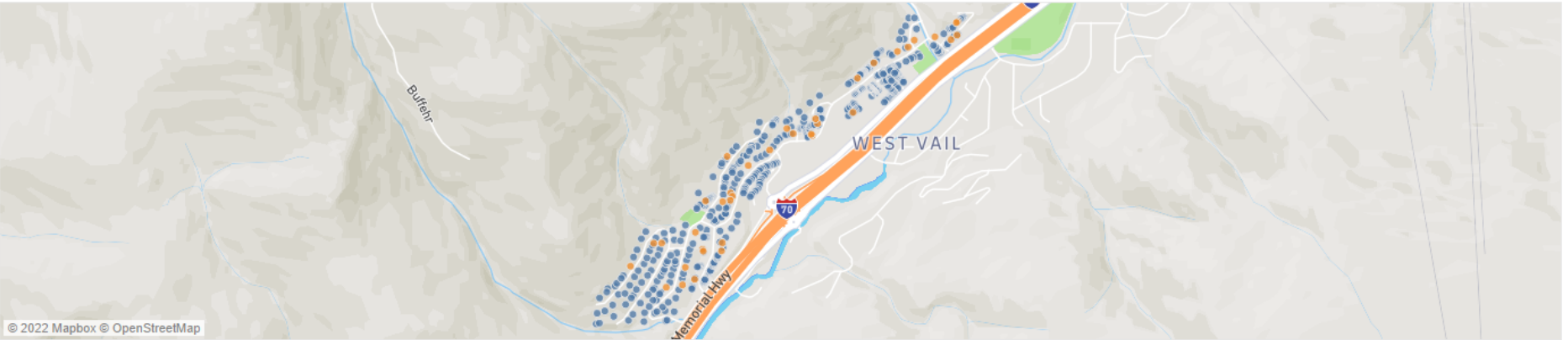


Note: Data is sourced from assessor, address, and registered STR databases. It is intended to broadly characterize neighborhoods, but is not a complete census of total housing units in the the Town of Vail.

Town of Vail Housing Composition | ■ West Vail North vs. ■ Overall Town of Vail

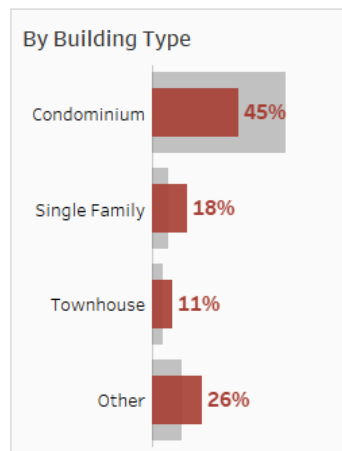
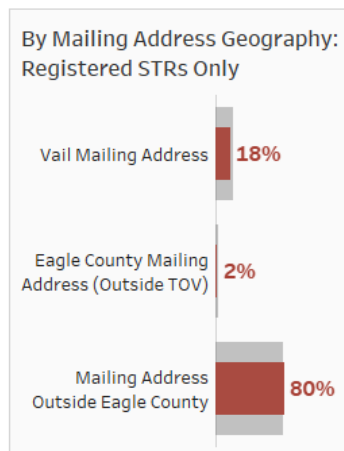
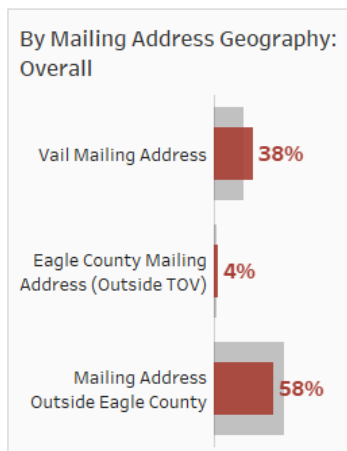
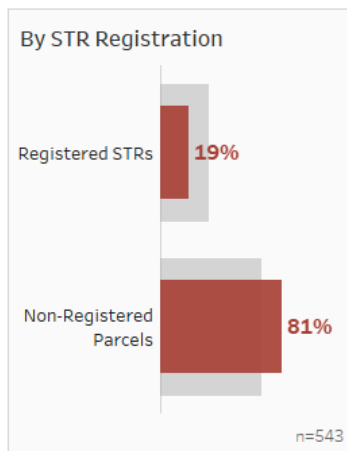


■ Registered STRs ■ Non-Registered Parcels



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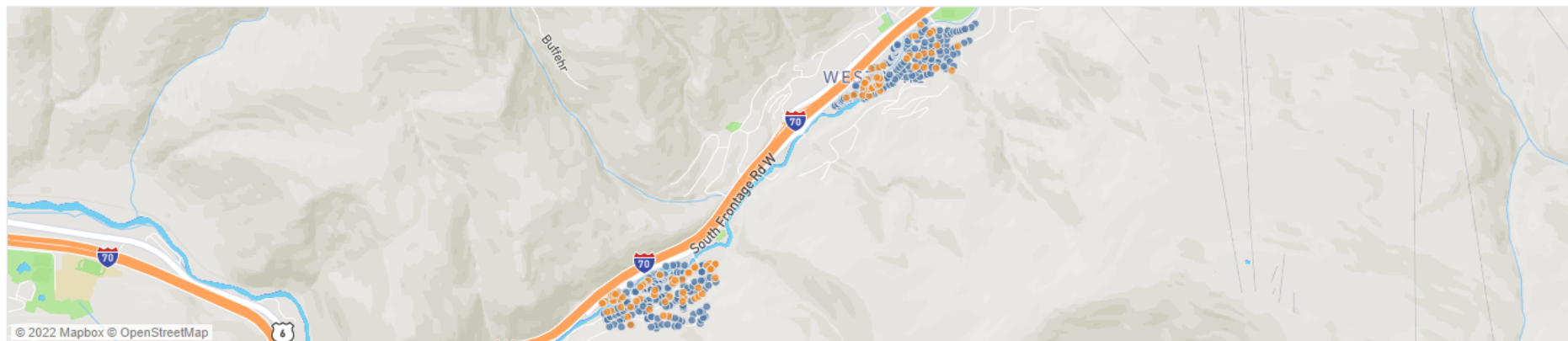
Town of Vail Housing Composition | ■ West Vail South vs. ■ Overall Town of Vail



Percent of Total Town of Vail
Residential Parcels Located in West
Vail South:
8%

Percent of Total Town of Vail
Registered STR Parcels Located in
West Vail South:
4%

■ Registered STRs ■ Non-Registered Parcels



Note: Data is sourced from assessor, address, and registered STR databases. It is intended to broadly characterize neighborhoods, but is not a complete census of total housing units in the the Town of Vail.