



How We Did It: Elevating Short-Term Rental Compliance

Yates County, NY and Granicus

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Today's **Speakers**



Will Mason

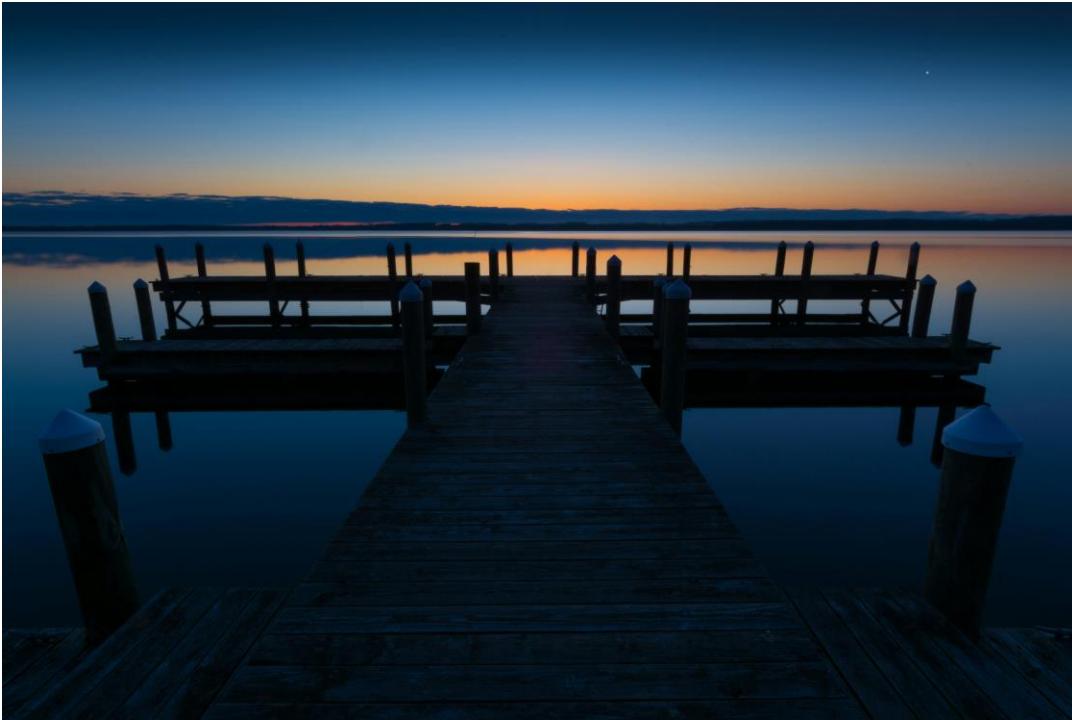
Granicus



Jessica Mullins

Yates County, NY

Today's **Agenda**



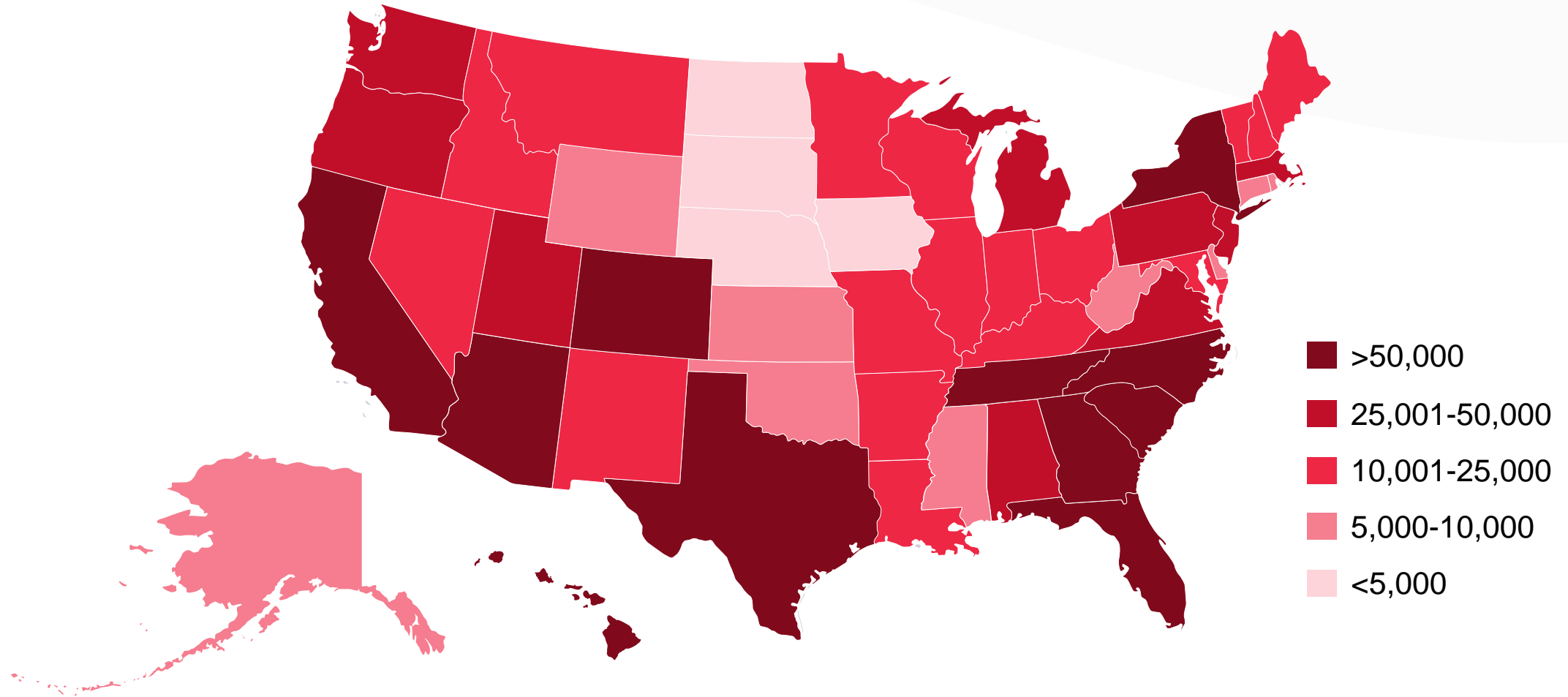
- 1 **Short-Term Rental Market Overview**
- 2 Impacts and Concerns for Real Communities
- 3 Yates County's Success and Learnings
- 4 Ways to Connect

What is a **short-term rental**?



Rental of a residential dwelling unit usually for periods of **less than a month**. Commonly booked through one of the many online marketplaces available, such as Airbnb, VRBO, and others.

There are more than **2M** STR listings in the U.S., representing **1.6M** unique rental units



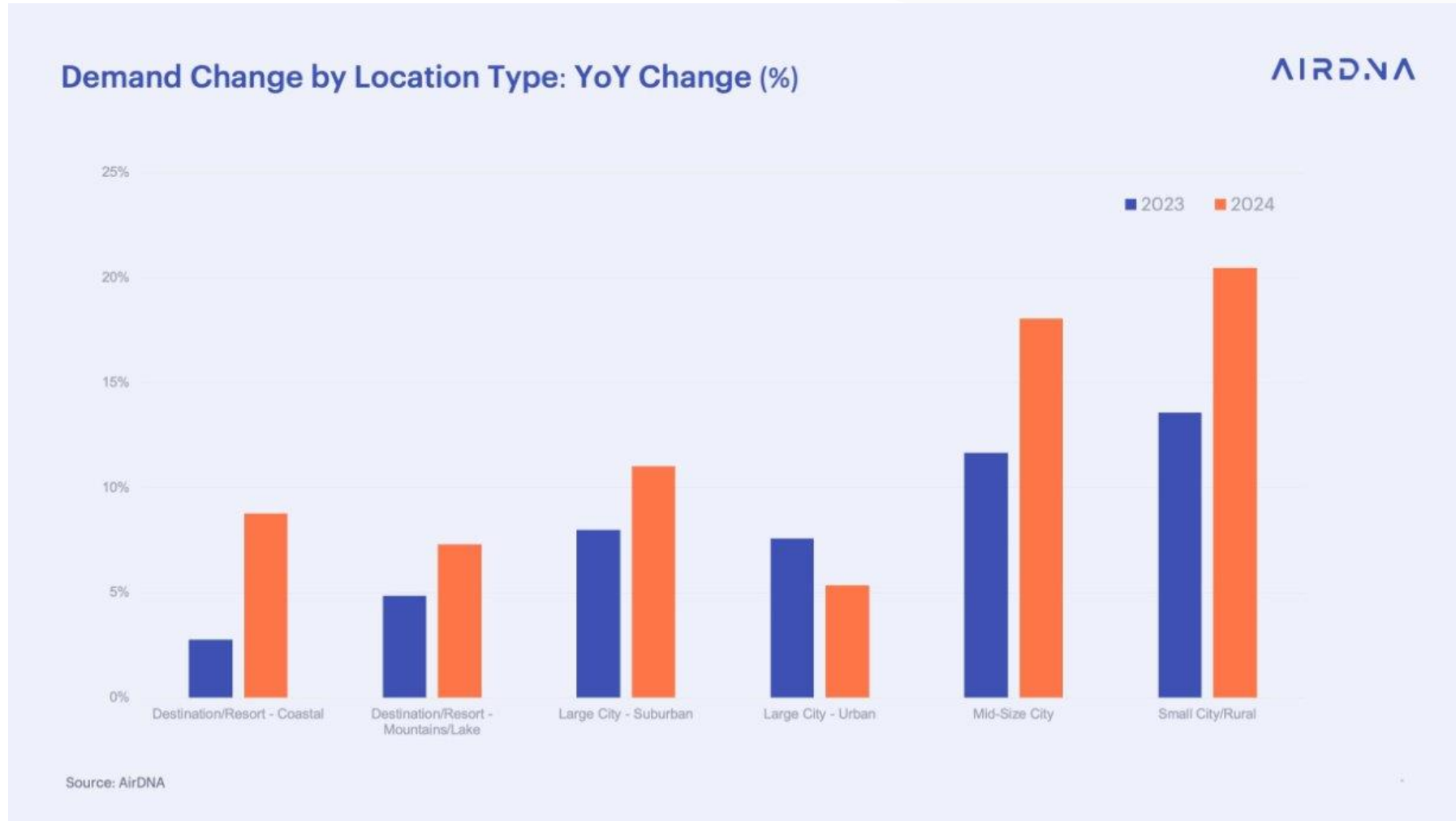
Demand will increase in most locations

Mid-sized and small/rural markets poised to grow rapidly



Large urban areas no longer leading in growth

Urban areas likely to see slower growth in 2024, with other markets accelerating



A closer look at the big fish

Demand Change for the Top 50 Largest US STR Markets: YoY Change (%)

AIRDNA



Source: AirDNA

What does this mean for local governments?

Smaller communities will see the most significant short-term rental market changes and community impacts in 2024.

For small and mid-size communities, it's time to get up to speed on your local markets and implement a compliance program.



The Problem: Short-term rentals can have unintended impacts, displacing long-term tenants, straining infrastructure, and raising safety and fairness concerns



Conversion of long-term rentals into STRs can affect housing availability



Increased tourism can change "neighborhood character"



Visitors don't always know (or follow) local rules



Short-term renters may not care about keeping good neighborly relations



Increased occupancy can have negative trash related side-effects



Unfair competition from STRs can cause conflicts with traditional lodging providers

The good relative financial performance of STRs and the lack of prior focus on the industry, provides for an **attractive revenue enhancement opportunity for local governments...**



STRs are growing despite the economic slow-down

Focusing on those who have or are generating income and not claiming it

Particularly important for out of state STR hosts



Prior lack of focus on STRs as a government revenue source

Local governments have traditionally seen STRs as a small part of the lodging industry

Lack of focus on the industry and challenges with rental identification have led to low revenue recovery



Untapped revenue potential in the thousands, or millions

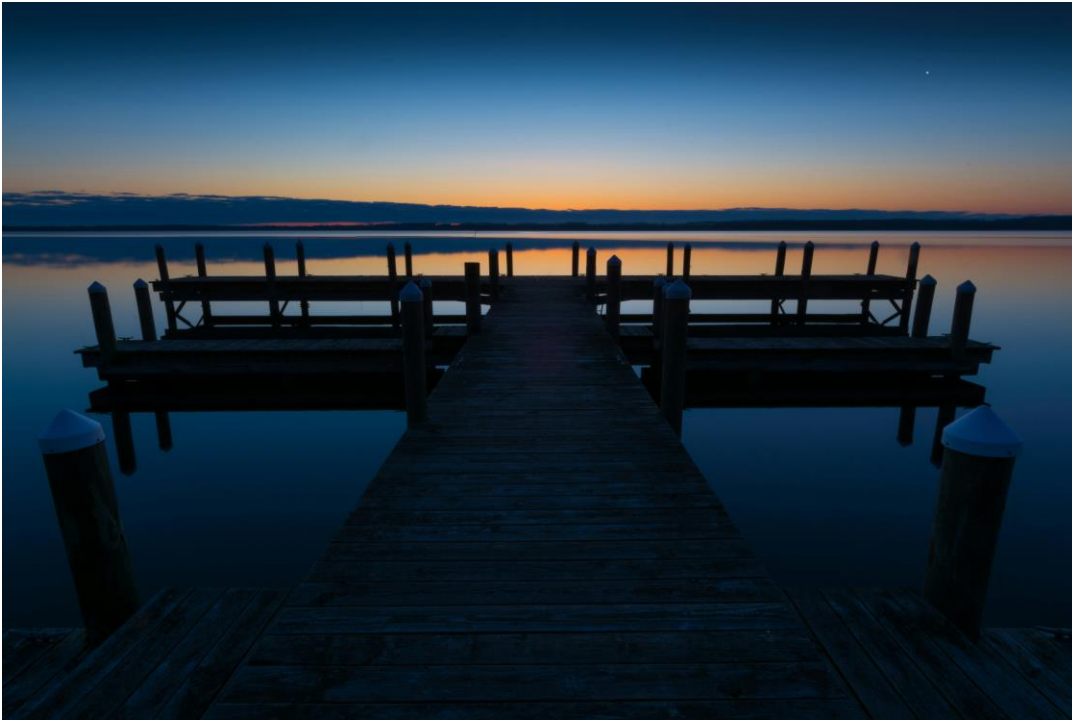
Yates County, NY collected \$272k in their first year with Host Compliance

Many communities use tax, permitting and licensing revenue for affordable housing, tourism marketing, and more.



The STR market is nearly impossible to track manually as STR property listings are spread across 100s of different websites

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How do these market trends impact real communities?

Yates County, New York



Looking Back: Short-Term Rentals in Yates County

- One-person managed short-term rental compliance activities full-time, from online research to site visits
- Relied on a voluntary, honor-based system to collect taxes and host information
- Roughly 250 rentals operate in Yates County, but levels compliance with local regulations were unclear
- A local law dating to 2007 dictates a 4% lodging tax for short-term rentals
- 2016 attempts to gather information from platforms were unsuccessful
- Nearby counties were facing similar issues with little success

Core Challenges

Where to start when it comes to compliance

Cooperating with platforms

Identifying properties without platform data

Determining level of compliance with regulations

Auditing revenue collected

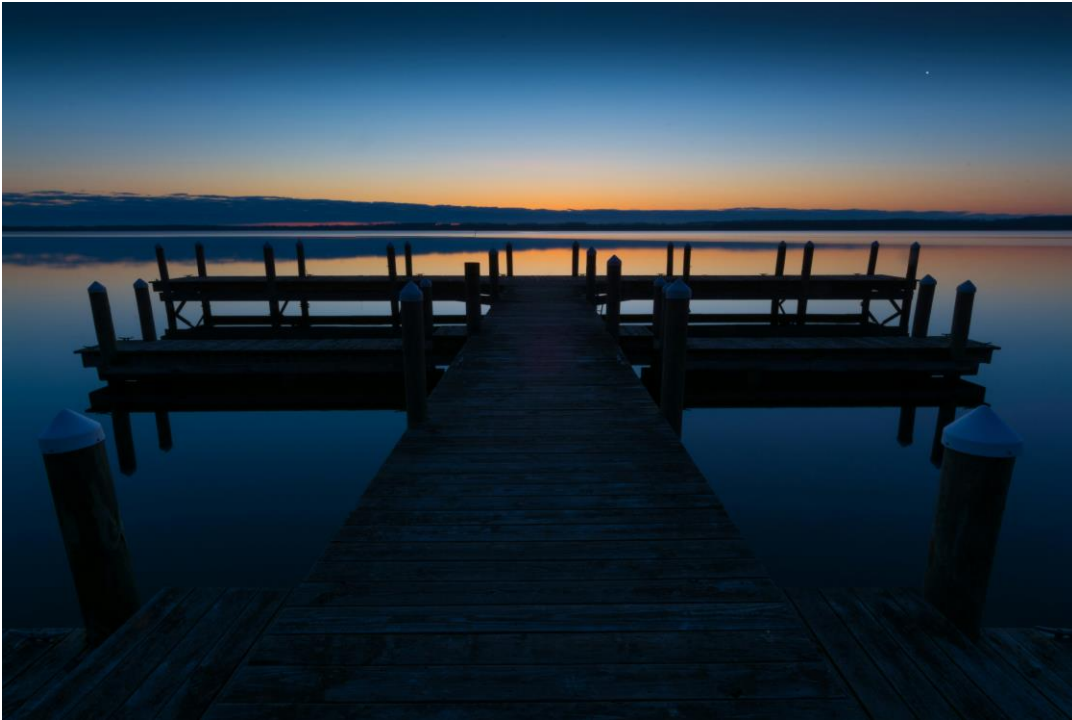
Catalyst for Change

COVID prompted a significant shift in the local lodging market, work-from-home mandates increased overall volume and brought new visitors

New staff joined the finance department and took an openminded approach to understanding revenue generating opportunities associated with short-term rentals

With an increase in short-term renting by Yates County homeowners and limited housing availability, sales and tourism related taxes became a critical source of revenue for community programs

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How did Yates County stay ahead of short-term rentals?

Digital Transformation!



Yates County's Short-Term Rental Success



One-person comfortably manages short-term rental compliance, with increased visibility for the cross-departmental team



Increased continuity and time-savings for staff help avoid issues caused by turnover

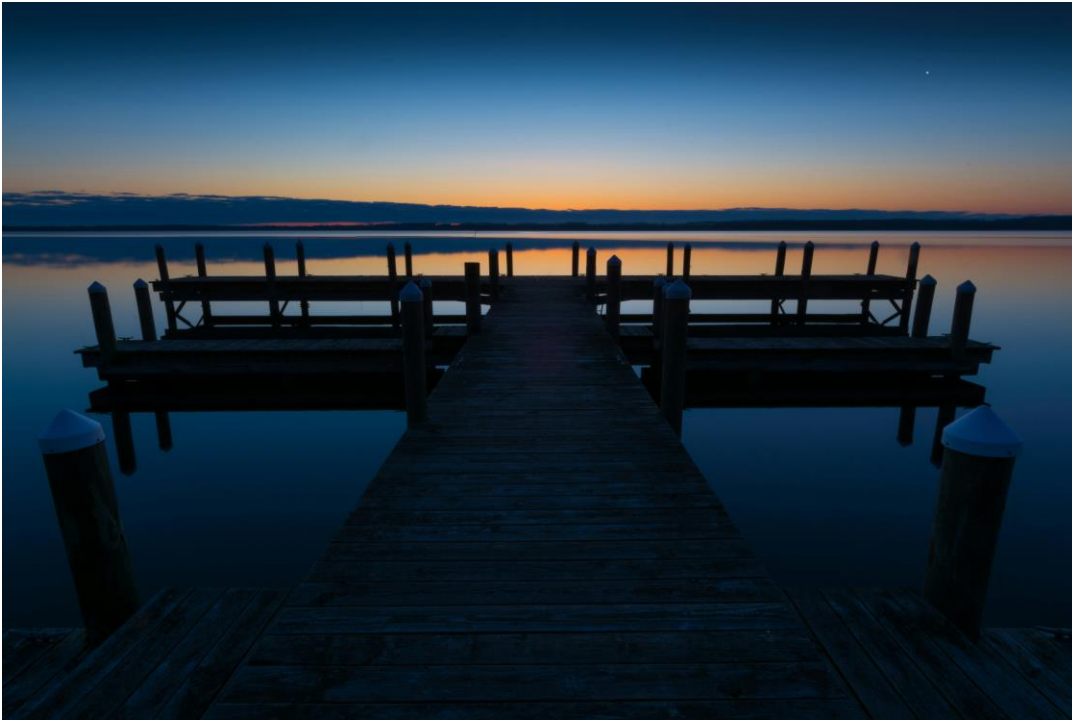


Yates County is seen as a short-term rental compliance thought leader and source for best practices by surrounding communities



Reduced tensions between residents and short-term rental operators, the system has created a straightforward and level playing field for lodging

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Ways to Connect

Please feel free to contact us anytime if you have questions about short-term rental compliance. Visit us at granicus.com/str-consult or contact Jessica Mullins from Yates County at jmullins1@yatescounty.org to learn more.

Thank you!

