

January 3, 2022

## SHORT TERM RENTALS

I read the recent column where the writer claimed that the residents of Dog Mountain Subdivision sought annexation for the purpose of stopping STRs in their neighborhood. That annexation occurred back in 2011/12. I wasn't the mayor then but am not aware of any legal action filed by Dog Mountain residents against the town then or now.

That claim motivated me to research the history of short-term rentals. Some folks in town have contended Highlands has a long history of STRs. I think there are several categories of rentals that tend to get muddled together. Yes, Highlands has had a long tradition of vacation rentals, but the new trend driven by growth of VBRO and Airbnb was not the original driving force for vacation rentals in Highlands.

Highlands has been both a tourist and a retreat community. There are distinctions between the two. People would come to Highlands during the spring, summer and stay to fall to get away from regions with extreme heat, mosquitos, and other distractions. These folks loved the mountains, the climate and simple lifestyle.

The Highlands Inn had a large group of folks who stayed there the entire summer. Other folks would rent a home for a season, or for several months, weeks at a time, or for a week. With this retreat model, Highlands did, and still enjoys the seasonal residents that come, live and become a vital part of the town for part of the year.

Highlands has always had a transient tourist industry where folks would visit our hotels like Lees Hotel, Old Edwards Inn, the Highlands Lodge, Mitchells Motel and the Highlands Inn. In the past we had some bed and breakfast tourist homes, but they are no longer in operation.

I do not accept the contention that the VBRO and Airbnb STR model has always been a part of our tourist industry. Looking at the history of how these companies came into being supports my assertion.

VRBO was originally founded in 1995 in Breckenridge, Colorado for renting ski condos. The original company was purchased by Homeaway in 2006. Homeaway was acquired by Expedia in 2015 and then rebranded as VRBO in 2019. That year a national expansion and media blitz was launched to include more remote communities beyond city areas.

With the initial concept of renting rooms in existing homes, Airbnb was founded in San Francisco in 2008 to respond to a workforce housing shortage. In 2013 Airbnb expanded their operations by creating a media document called Neighborhoods which showcased properties in 23 major cities.

In 2018 “Airbnb Plus” was launched which promoted and vetted, well designed, luxury homes to rent for a short period. This effort was followed by the creation of “Beyond” which featured luxury vacation rentals.

At about this same time, late in 2018, the city of Asheville passed an ordinance banning short term rentals. I followed this issue, and suspected VRBO and Airbnb would at some point impact Highlands. That impact was fast, especially during the pandemic in 2020. Now the town is reviewing this issue that has impacted almost all communities across the nation.

But let me get back to the notion that the Dog Mountain annexation was in order to stop STRs. Now that is a stretch of the imagination. The vast majority of people had no idea about what STRs, Airbnb and VRBO even meant back in 2011/12. Highlanders did know about vacation rentals that were administered primarily by local real estate companies and property managers, but these new national companies were nonexistent, or were at best limited start up endeavors.

One concern I have is that corporations and investments companies will become even more involved in this trend. That drives my position that Highlands needs thoroughly examine the short-term rental industry within our town limits. While we have had transient visitors and tourist for decades, I do not want to see this national, corporate model overwhelm our residential communities.

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