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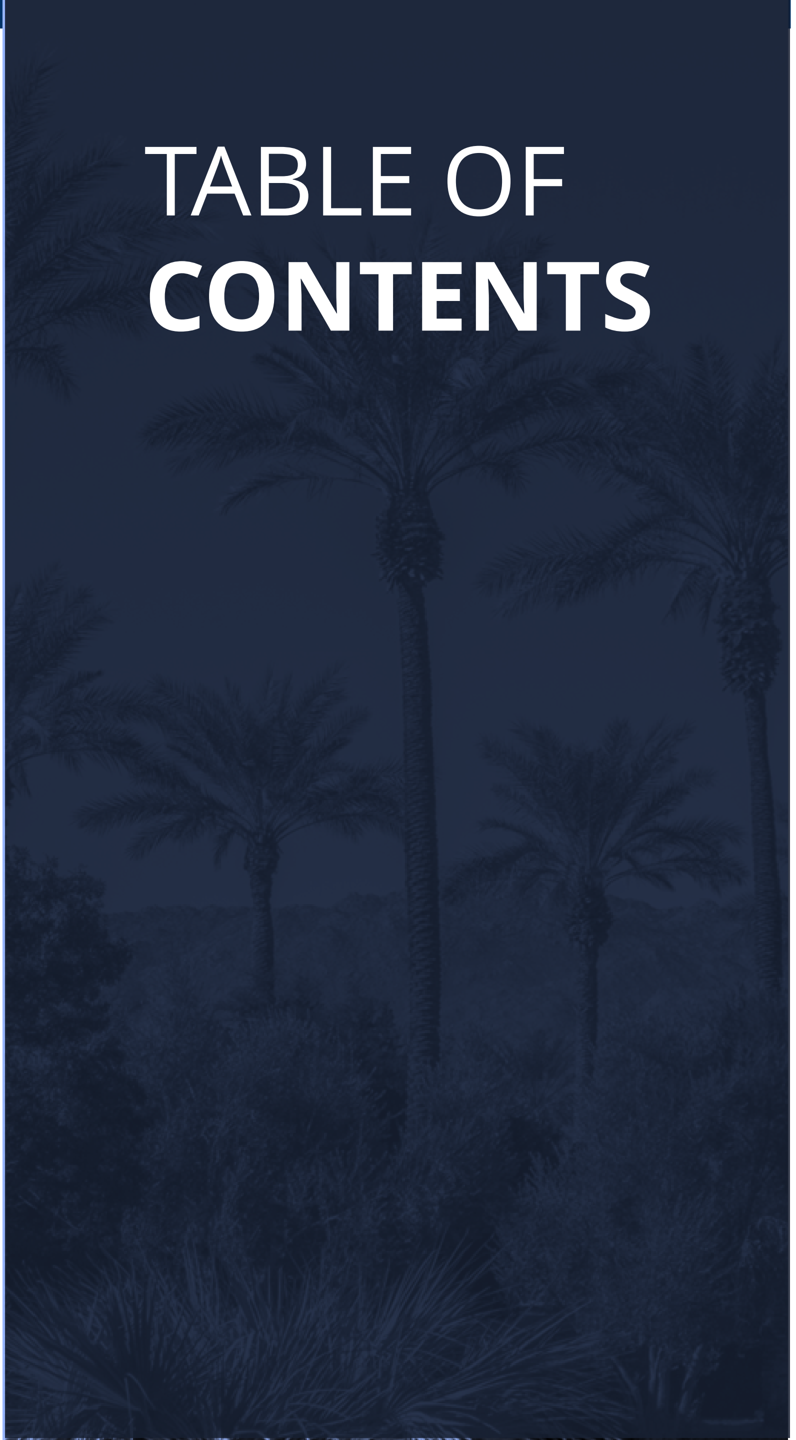
ANALYSIS OF POLICY RESTRICTIONS ON SHORT TERM RENTALS

Prepared for:
Visit Greater Palm Springs



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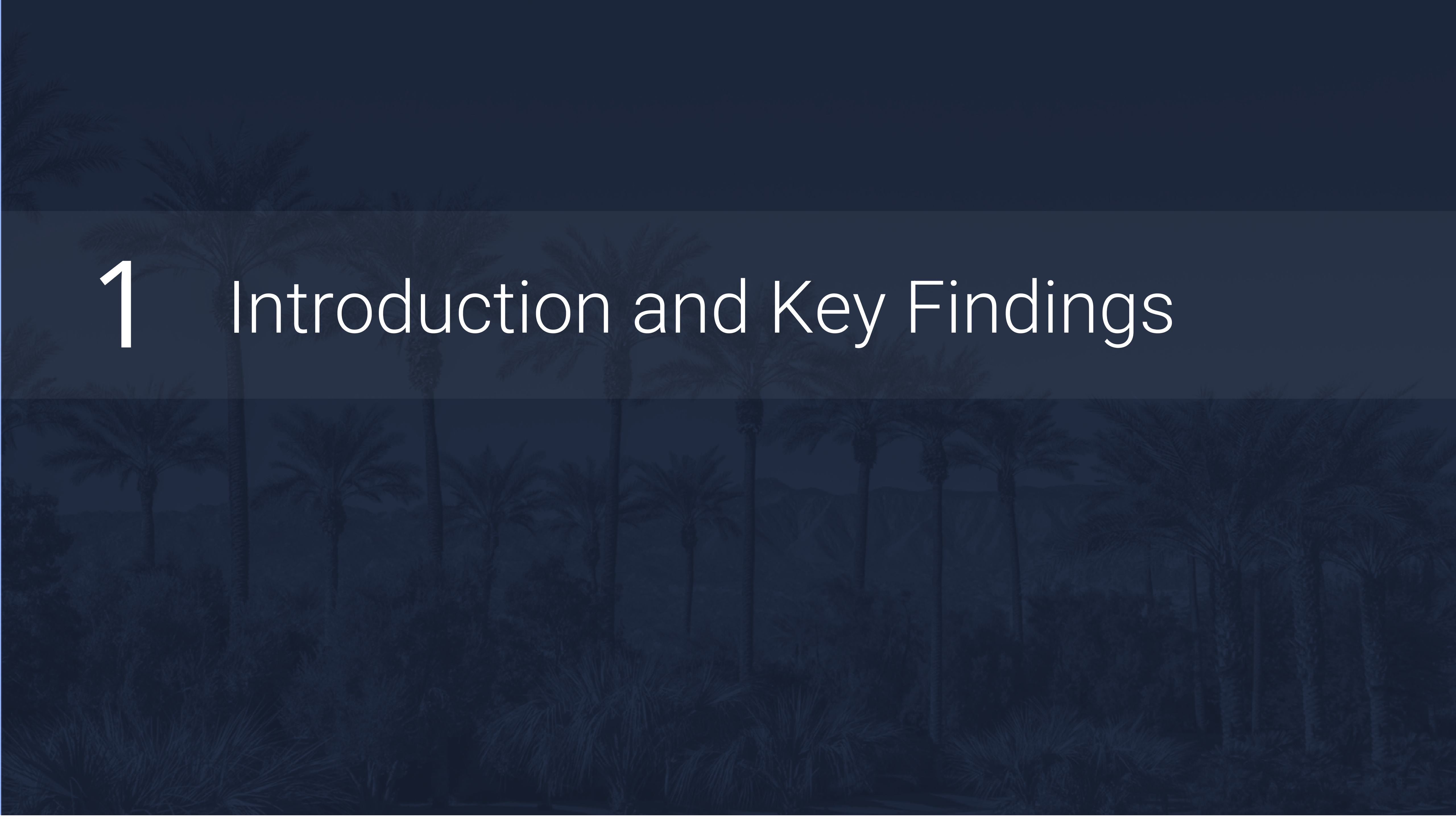


1 Introduction and Key Findings

Introduction and Key Findings

Introduction

This study includes a composite of research to inform the potential ban and other restrictions on short-term rentals (STRs). In summary, we find that the economic losses would be substantial in the event of an STR ban. These losses would extend beyond the rental market to the restaurant, recreation, entertainment, retail, and transportation sectors. Further economic losses in the form of residential real estate and business investment would be realized over time.

Importance of STRs and Potential Economic Losses

Short-term rentals (STRs) have substantially contributed to the economic gains in the Coachella Valley. STR visitors accounted for 15% of all visitor spending in the region in 2021 and 25% of overnight visitor spending.

STR visitors to the Coachella Valley spent $829 million in 2021. This direct spending generated $989 million in total business sales, including indirect and induced impacts. This supported 4,649 jobs and generated $121 million in household income and $131 million in state & local taxes.

This has been the experience of La Quinta as well. STRs accounted for 25% of La Quinta's visitor economy in 2021. The proposed regulations on STRs would result in massive economic losses. Within 10 years, La Quinta would experience a 122,000 drop in annual visitors (-55%), $102 million less in visitor spending (-62% versus the baseline), 530 fewer jobs and $9.5 million less in local tax revenues.

Literature Review

A review of literature on the impacts of STRs finds that concerns regarding their potential downside effects is unfounded.

An examination across 15 major U.S. metropolitan areas from 2008 to 2019 found that a 1% increase in Airbnb listings led to a 0.769% increase in residential permit applications, suggesting that Airbnb can play a major role in supporting local real estate markets and thus boosting local tax bases.

In contrast, STR *restrictions* reduced property values by a total of $2.8 billion and tax revenues by $40 million per year.

The analysis identified a clear downward trend in both listings and permits after a regulation was enacted. Over the first 12 months, STR regulations reduce Airbnb listings by 8.9% and residential permits by 10.8%. This produces negative impacts on housing availability, business investment, and tax revenues over time.

Consistent with this finding, Oxford Economics concludes that STRs have not substantially driven the U.S. house price and rent increases. For the period 2014–18, only 1% of the 14.9% increase in housing prices was attributable to STRs and even less in seasonal markets like the Coachella Valley.

Case Studies of Economic Losses Due to STR Restrictions

Case studies of STR restrictions show consistent losses in economic activity. A review of 10 destinations where a range of restrictions were instituted indicates a combined loss of $330 million over the first 24 months after these laws took effect. Most of these restrictions were considerably less stringent than the proposed La Quinta legislation.

2 The Economic Value of Short-Term Vacation Rentals in the Coachella Valley in 2021

VISITATION, SPENDING, AND EMPLOYMENT

Short-term vacation rentals accounted for an important share of the tourism market in 2021.

Visitors at short-term vacation rentals were a key driver of business sales, employment, and tax revenue in the Coachella Valley in 2021. The strong demand for this type of overnight stay continued into 2021, as total spending by STVR visitors increased by 47% relative to the prior year – accounting for 15% of all visitor spending in the region. Considering just overnight visitor spending, STVRs accounted for one-quarter of the market.

VISITOR SPENDING

STVR visitors to the Coachella Valley spent $829 million in (CY) 2021. This direct spending generated $989 million in total business sales, including indirect and induced impacts.

EMPLOYMENT SUPPORTER

A total of 4,649 jobs were sustained by STVR visitors to the Coachella Valley in (CY) 2021, generating $121 million in income for workers in the region.

FISCAL CONTRIBUTIONS

STVRs in the Coachella Valley generated $166 million in tax revenues in (CY) 2021, with $122 million accruing to state and local governments.

ECONOMIC IMPACTS OF STVR IN COACHELLA VALLEY

$989M
Total Economic Impact

4,649
Jobs Sustained by STVR Visitors

$122M
Total State & Local Tax Revenues

Tourism Economy Trends

Visitor volumes and spending rebounded in 2021

Recovery in 2021

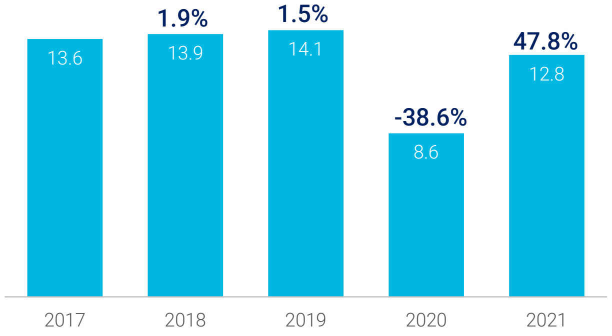
Visitor volume was severely impacted in 2021 by COVID-19 restrictions and closures.

In 2021, travel confidence rebounded due to easing restrictions and effective vaccines. With an increase of more than four million visitors over the prior year, total visitation remains about 10% below 2019 volumes.

Visitor spending in Greater Palm Springs registered $5.6 billion in 2021, an increase of more than $2 billion in comparison to 2020. Following a year in which both visitation and visitor spending were severely impacted by the pandemic, 2021 was a year of recovery.

Coachella Valley total visitation

Amounts in millions



Source: Tourism Economics

The Coachella Valley welcomed 12.8 million visitors in 2021.

Overnight visitation grew faster than day visitation, by 58% compared to a 40% increase on the day side.

Visitor spending amounted to $5.6 billion

Visitor spending was about 58% higher in 2021 versus a year earlier, reaching 95% of 2019 levels.

Strong lodging spending growth

By spending category, lodging spending, including second homes, grew fastest (63%) versus the previous year – a result of strong price and demand growth – after declining 40% in 2020.

Tourism Economy Trends

Visitor volumes and spending

Visitor volumes grew 48%, to 12.8 million

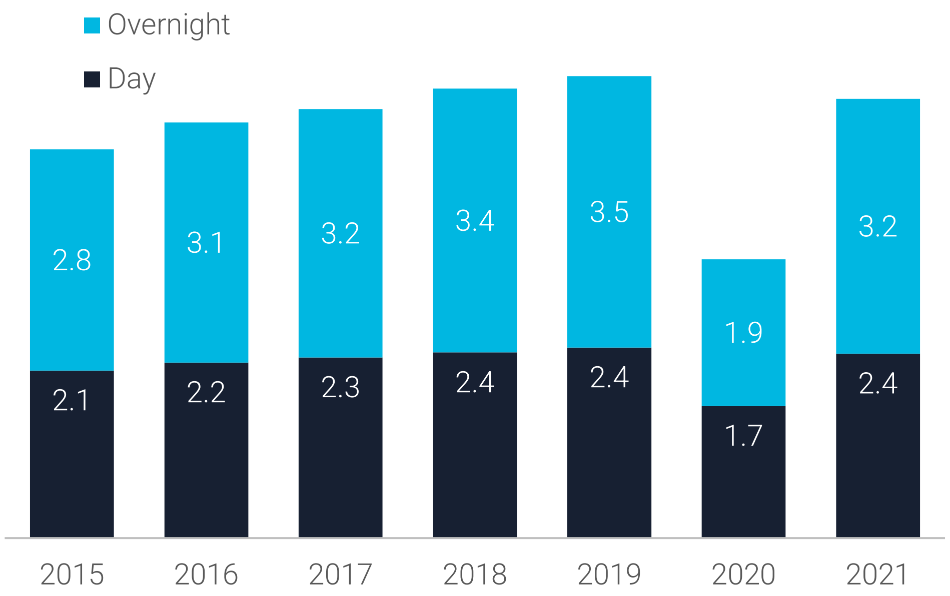
Visitation expanded 48% in 2021 and remains largely dominated by domestic visitors. International visitation continues to lag the overall visitor market and accounts for just 1.5% of overall visitation.

Overnight visitation growth outpaced day travel (+58% vs +40%), but day visitors still comprise the majority (55%) of overall visitation to the region.

Overnight visitation remains at about 90% of 2019 levels.

Coachella Valley visitor spending by segment

Amounts in billions of nominal dollars



Sources: Tourism Economics

STR Visitation and Spending

Short-term vacation rental segment

The STR segment is an important share of the total overnight market

Considering just the overnight segment of the market, the nearly 1.3 million visitors who stayed in short-term vacation rentals accounted for approximately 23% of total overnight volume.

Those visitors spent $829 million in the Coachella Valley, contributing almost 26% of total overnight visitor spending in the region.

Coachella Valley STR visitor volume and spending

Amounts in millions

	2020	2021	% change
Volume (mils)			
Total overnight	3.624	5.739	58.4%
Short-term rentals	0.990	1.302	31.5%
Share of overnight	*27.3%*	*22.7%*	
Spending ($mils)			
Total overnight	$1,870.8	$3,248.5	73.6%
Short-term rentals	$564.1	$828.9	46.9%
Share of overnight	*30.2%*	*25.5%*	

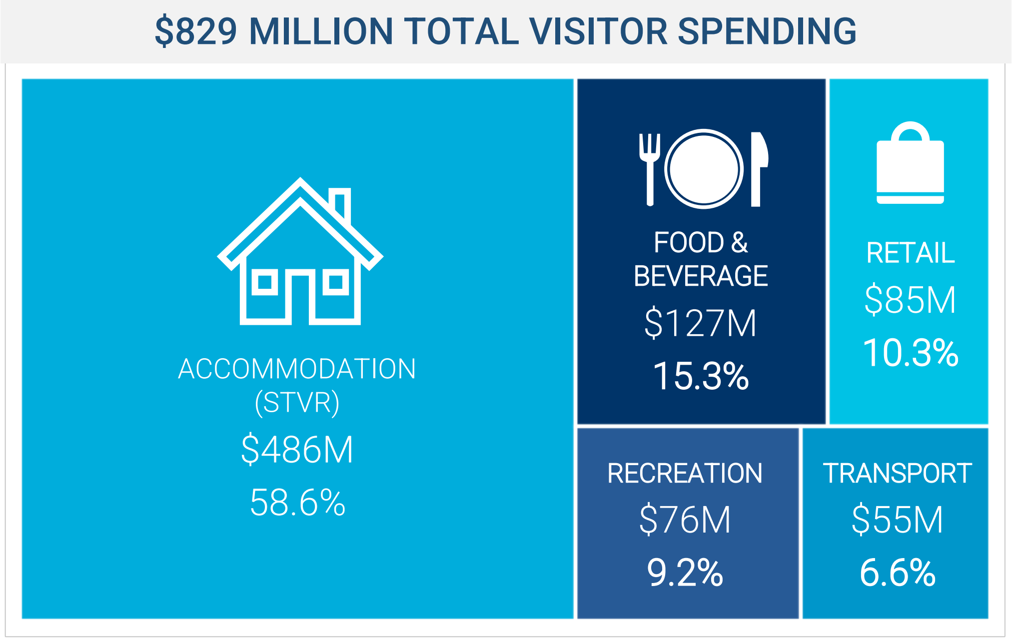
Sources: Tourism Economics

Visitation and Spending

Short-term vacation rental segment

STR visitors to the Coachella Valley spent $829 million across a range of sectors

Accommodations accounted for most spending at $486 million, 59% of the total, followed by $127 million in food and beverage spending, $85 million in retail, $76 million in recreation, and $55 million on transportation.



Note: Transport includes both air and local transportation
Sources: Tourism Economics

3 Potential La Quinta Economic Losses

Excerpts from a Tourism Economics study
prepared for The City of La Quinta in July 2022
Click HERE for full study

Key Findings

- The City of La Quinta halted issuance of new vacation rental permits and citizens in 2020 is now proposing additional regulations to permanently ban “non-hosted short-term vacation rentals” in non-exempt areas of the City effective December 31, 2024.
- Vacation rentals accounted for 25% of La Quinta’s visitor economy in 2021, and the proposed changes to regulations would significantly reduce the inventory available to host visitors. As a result, the proposed change to vacation rental regulations could have severe impacts on the local economy over the coming years. Impacts in 10 years would tally:
  - Lower visitor volume by **122,000 annual visitors (-55% versus the baseline).**
  - Lower direct visitor spending by **$102 million (-62% versus the baseline),** which would result in **$121 million** in total lost economic activity.
  - Support **530 fewer jobs** and $16.5 million less in local personal income versus the baseline scenario.
  - Local government would receive an estimated **$9.5 million less in tax revenues** versus the baseline**.**

Lost activity attributable to proposed vacation rental regulations: 10-year outlook

Direct Impacts

-122,000
Reduced Visitor Volume

-$102M
Reduced Visitor Spending

Total Economic Impacts

-$121M
Total Economic Impact of Reduced Visitor Spending

-530
Total Reduction in Jobs

-$9.5M
Reduction in Local Tax Revenues

Vacation Rental Economy Trends

Vacation rental spending by category

STR visitor spending reached $143 million in 2021

- Total direct visitor spending reached nearly $143 million in 2021, representing an 32.1% increase over 2020 spending levels, and nearly 20% per year on average.
- On average, vacation rental visitors spent $706 per person on their trip to La Quinta.

La Quinta STR Visitor Spending by Segment

Amounts in millions of nominal dollars

	2018	2019	2020	2021	2021 Growth
Total visitor spending	**$69.1**	**$82.6**	**$108.1**	**$142.8**	**32.1%**
Accommodation	$40.8	$51.4	$70.6	$97.0	37.4%
Food and beverage	$10.6	$12.0	$15.3	$18.4	20.1%
Retail	$6.8	$7.2	$8.4	$10.2	21.8%
Recreation	$6.0	$6.5	$7.4	$8.7	16.5%
Transportation	$5.1	$5.5	$6.3	$8.5	35.0%

Sources: City of La Quinta, Tourism Economics

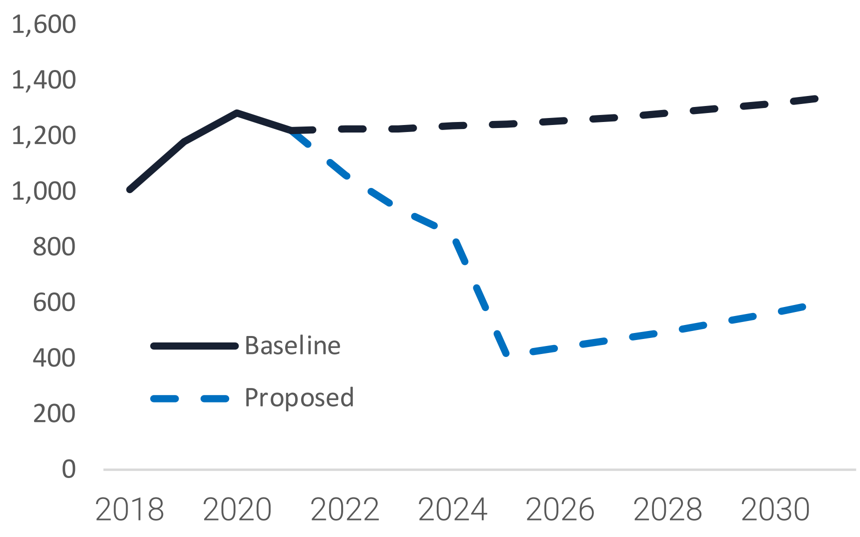
Proposed Change to Regulations

The proposed change will reduce the tourism inventory

- If adopted, the proposed measure would reduce the inventory of available units from more than 1,200 to an estimated 400, using annual averages. The level of permits has been below 1,200 since September of 2021. Permit levels would recover to just over 600 by 2031.
- The reduction would occur even before the ban in non-exempt areas is binding after December 31, 2024.
- Registrants in the non-exempt areas are decreasing at a pace of approximately 20% annually, and this is assumed to continue in 2023 and 2024.
- Registrations in the exempt areas have recently been increasing, and this is likely to continue as the area is built out, and units come online, and property owners seek vacation rental permits.
- The reduction in units in the non-exempt areas is significantly greater than the number of new registrations likely to come online in the exempt areas.
- As a result, the total number of registrations is likely to drop significantly by 2025, then slowly increase over the long-term. A density of permits in the exempt areas is assumed to reach 45% 10 years out.

Registered Vacation Rental Units

Number of units



Sources: City of La Quinta, Tourism Economics

Proposed Change to Regulations

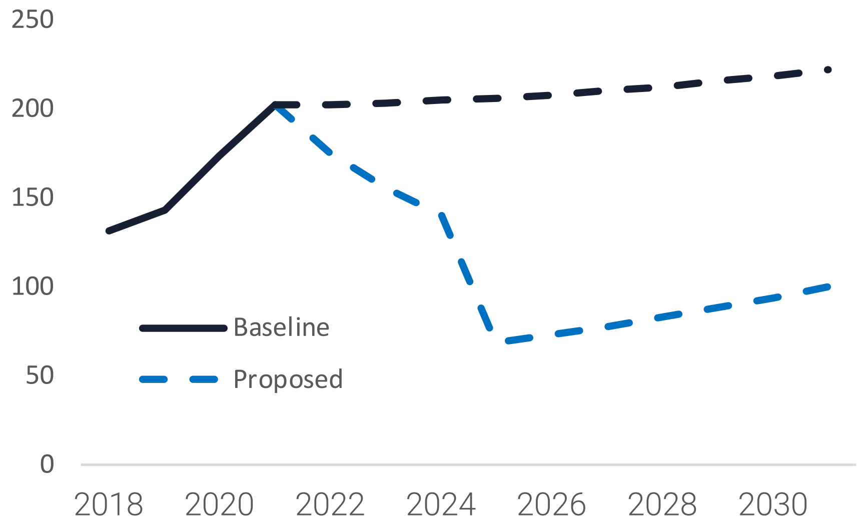
The proposed change will reduce the tourism inventory

Lower inventory will lead to reduction in visitor volume

- A significantly lower hospitality inventory will likely lead to lower levels of visitors to La Quinta.
- While some demand may shift to hotels, the market is sufficiently different such that any shift will likely be minimal.
- The potential for lodging demand to spill over into neighboring communities is also possible, however the existing lodging inventory is sufficiently far away that this kind of shifting is also unlikely. One would have to go approximately 7-8 miles out of La Quinta in order to make up for the lost inventory that would result from the proposed measure.
- Reduced volume is estimated proportionally with lower unit inventory and would correspond to 138,000 fewer visitors in 2025 and 122,000 fewer visitors in 2031, versus the baseline.

Vacation Rental Visitor Volume

Amounts in thousands of visitors



Sources: AirDNA, City of La Quinta, Tourism Economics

Proposed Change to Regulations

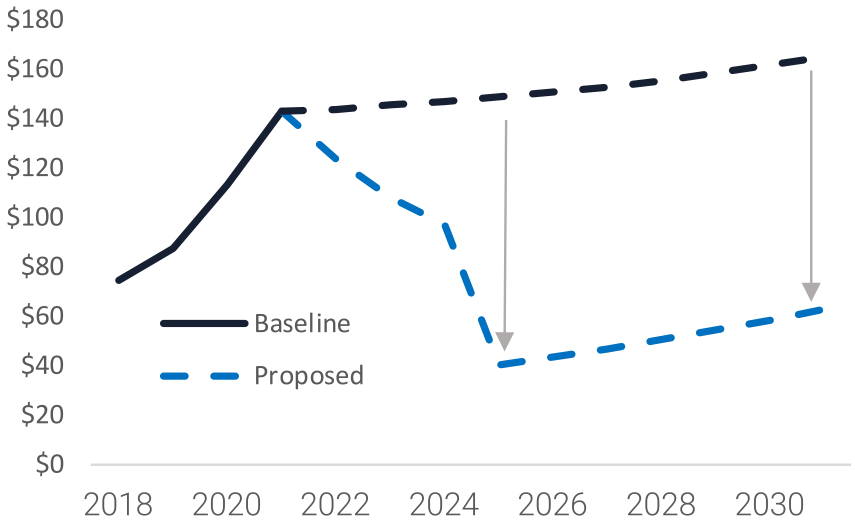
The proposed change will reduce the tourism inventory

Fewer visitors will translate to less visitor spending

- Reduced volume would drive lower spending, corresponding to $108 million less spending in 2025 and $102 million less in spending in 2031, versus the baseline.

Vacation Rental Visitor Spending

Amounts in millions of $2021 dollars



Sources: AirDNA, City of La Quinta, Tourism Economics

Impacts of the Proposed Changes

Visitor Spending

Fewer available vacation rentals will likely reduce visitor volume and spending in La Quinta

- The proposed change will reduce registered units and available vacation rentals. With units only available in the exempt areas, an estimated 606 units will be available in 2031.
- This level of units corresponds to 100,000 annual vacation rental visitors, 122,000 less than the baseline, and $63 million in visitor spending, $102 million less than the baseline.
- On average, the impacts average to 105,000 fewer visitors and $84 million less in visitor spending per year over 10 years.

Changes in STR units, visitor volume, and visitor spending attributable to proposed vacation rental regulations

	2025 (4 yrs)		2031 (10 yrs)	
Registered VR units	**412**		**606**	
Difference from baseline	-832	-66.9%	-737	-54.9%
Total visitor volume, ths	**68.2**		**100.3**	
Difference from baseline	-137.8	-66.9%	-122.1	-54.9%
Direct visitor spending, $mils	**$40.4**		**$63.1**	
Difference from baseline	-$108.3	-72.8%	-$101.8	-61.8%

Source: Tourism Economics

Impacts of the Proposed Changes

Economic losses will ripple through the economy

Less direct visitor spending would result in a potential loss of $121 million in total lost business sales

- With less direct visitor spending, the benefits that ripple through the local economy would also be lower by approximately 62% versus the baseline.
- In 2031, vacation rental-generated total business sales would be lower by $121 million, about 530 fewer jobs would be driven by vacation rentals, $16.5 million less in income would be earned, and $9.5 million less in local tax revenues, all versus the baseline.
- In annual terms, these correspond to lower business sales of $100 million, about 445 fewer jobs driven by vacation rentals, $13 million less in income would be earned, and $8 million less in local tax revenues on average per year.

Reduced economic impacts attributable to proposed vacation rental limits and regulations

Amounts in millions of $2021 dollars and number of jobs

	2025 (4 yrs)		2031 (10 yrs)	
Direct spending, $mils	**$40.4**		**$63.1**	
Reduction in visitor spending	-$108.3	-72.8%	-$101.8	-61.8%
Total business sales, $mils	**$48.1**		**$75.2**	
Reduction in total business sales	-$129.1	-72.8%	-$121.4	-61.8%
Employment	**216**		**328**	
Reduction in employment	-580	-72.8%	-530	-61.8%
Personal income, $mils	**$6.2**		**$10.2**	
Reduction in personal income	-$16.6	-72.8%	-$16.5	-61.8%
Local tax revenues, $mils	**$3.8**		**$5.9**	
Reduction in local tax revenues	-$10.1	-72.8%	-$9.5	-61.8%

Source: Tourism Economics

Impacts on Local Government

City of La Quinta Revenues

City revenues would be lower

- Total City revenues would be lower by approximately $9.5 million by 2031 versus the baseline.
- While money is fungible and the City would have the ability to shift priorities, raise other revenues, or reduce public services, this level of lower revenues would be available to balance the budget.
- Annually, on average, the impact to the City would be $8 million less in revenues.

Total City Revenues and Budget Impacts

Amounts in millions of $2021, and number of jobs

	2025 (4 yrs)		2031 (10 yrs)	
Total Revenues, $mils	**$53.1**		**$65.9**	
Difference from baseline	-$10.1	-16.0%	-$9.5	-12.6%
City FTE Staff	**76**		**86**	
Difference from baseline	-14	-16.0%	-12	-12.6%
City staff, police, and fire, $mils	**$6.7**		**$8.3**	
Difference from baseline	-$1.3	-16.0%	-$1.2	-12.6%

Source: Tourism Economics

4 Relevant Literature Review

STRs Positively Effect Residential Development

"Restricting Airbnb Rentals Reduces Development"

Harvard Business Review, November 2021

An examination across 15 major U.S. metropolitan areas from 2008 to 2019 spanned 2.9 million residential permit applications, 750,000 Airbnb listings, and 4 million residential sales transactions across the country.

The study compared both Airbnb listings and residential permit applications in the three years before and after an STR restriction was passed.

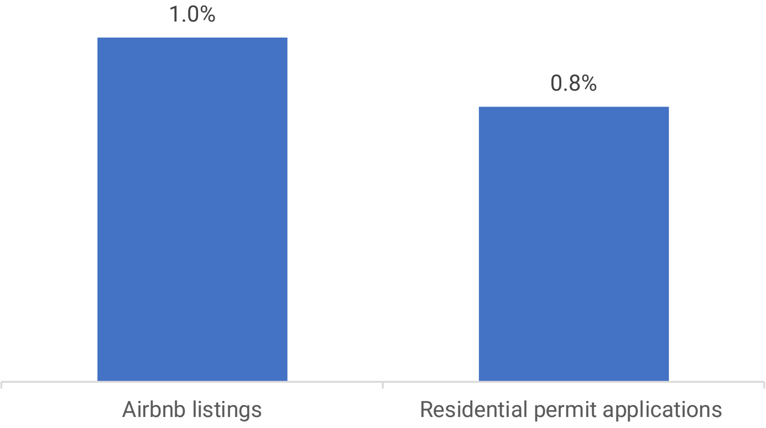
On average, a 1% increase in Airbnb listings led to a 0.769% increase in permit applications, suggesting that Airbnb can play a major role in supporting local real estate markets and thus boosting local tax bases.

For the 15 cities, STR restrictions reduced property values by a total of $2.8 billion and tax revenues by $40 million per year.

Authors: Ron Bekkerman, Maxime C. Cohen, Edward Kung, John Maiden, Davide Proserpio

Relationship between Airbnb listings and residential permit applications

Change residential permits per 1% change in Airbnb listings



Economic Impacts of STR Restrictions

-$40M

Loss of Tax Revenues per Year

-$2.8B

Reduction in Property Values

STRs Restrictions Limit Development and Economic Growth

"The Effect of Short-Term Rentals on Residential Investment"

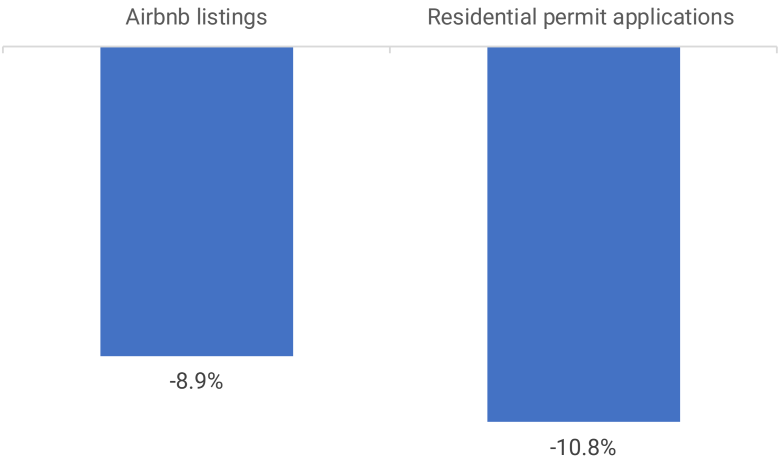
Presented at the 23rd ACM Conference on Economics and Computation, July 2022

The analysis expands on the Harvard paper and identified a clear downward trend in both listings and permits after a regulation was enacted.

Over the first 12 months, STR regulations reduce Airbnb listings by 8.9% and residential permits by 10.8%. This produces negative impacts on housing availability, business investment, and tax revenues over time.

Impact of STR regulations

After 12 months



Authors: Ron Bekkerman, Maxime C. Cohen, Edward Kung, John Maiden, Davide Proserpio

STRs Do Not Significantly Drive Housing Prices

"The Drivers of Housing Affordability, An Assessment of the Role of Short-Term Rentals"

Oxford Economics, November 2019

Modeling from 2014-2018 finds that STRs have not substantially driven the U.S. house price and rent increases. For the period 2014–18, only 1% of the 14.9% increase in housing prices was attributable to STRs. In other words, we estimate the average annual mortgage payment would have been $105 cheaper if STRs had remained at their 2014 levels.

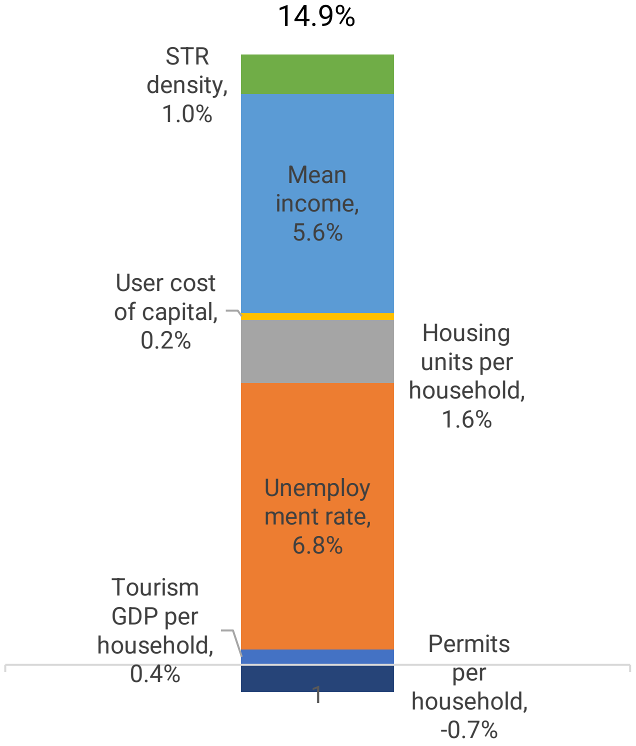
And in the absence of any growth in the number of STRs, real rents would still have grown by 4.1%, as opposed to the actual growth rate of 4.3%. Put another way, median monthly rents would have been only $2 lower in 2018 if STRs had remained at their 2014 levels.

Interestingly, an extension of the baseline models suggests that, in the long run, the effect of STRs on both house prices and rents is weaker in highly seasonal areas. One explanation for this is that, in vacation markets, homes are less likely to be rented on a long-term basis. In addition, homeowners of properties in seasonal destinations have been renting out their properties long before the advent of internet platforms offering STRs (through agencies and brokers) and therefore the value from such rental revenue has long been priced in the value of homes in these localities.

The findings suggest that adopting stricter regulations on STRs is unlikely to solve the housing affordability crisis faced by many American households, in both the rental and homeowners' market. Moreover, it is important to weigh these potentially modest affordability benefits against the associated negative consequences for the local economy, e.g., lower levels of tourist expenditure and tax receipts.

Drivers of growth in US house prices, 2015-2018

After 12 months



Authors: Hamilton Galloway, Head of Consultancy, Americas; Alice Gambarin, Senior Economist
https://www.oxfordeconomics.com/resource/the-drivers-of-housing-affordability/

STRs Do Not Drive Increases in Crime

Short-Term Rentals and Neighborhood Crime

Oxford Economics, September 2022

Oxford Economics set out to analyze the relationship between STRs and crime incidence for cities throughout the U.S., including Atlanta, Chicago, Dallas, Los Angeles, and Philadelphia at the block (neighborhood) level.

Oxford Economics included the following independent variables:

- Airbnb usage: number of Airbnb guests divided by total housing units
- Airbnb density: number of Airbnb listings divided by total households
- Airbnb penetration: the proportion of buildings in a neighborhood with Airbnb listings
- Public social disorder: intoxicated individuals, lewdness, and drunken disturbances
- Private conflict: issues such as landlord/tenant trouble, breaking and entering, and vandalism
- Violence: events like armed robberies, assaults, a person with a knife, and fights.

Out of the five cities included in Oxford Economics' analysis across nationwide markets, increased crime incidence for certain types of crime corresponded with increased Airbnb presence in just one city (Dallas). However, additional modeling suggested crime was already increasing before increased Airbnb presence, suggesting lack of causation for certain types of crime.

In summary, Oxford Economics' models indicated no relationship between Airbnb presence and crime incidence.

Boston: Oxford Economics Findings Based on Actual Airbnb Data and Udpated Crime Data (Same-year, one-year lag, and two-year lag regressions)

	Oxford Economics Same-year Model	Oxford Economics One-year Lag Model	Oxford Economics Two-Year Lag Model
Airbnb Penetration			
Violence	No Effect	No Effect	No Effect
Private Conflict	No Effect	No Effect	No Effect
Social Disorder	No Effect	No Effect	No Effect
Airbnb Density			
Violence	No Effect	No Effect	No Effect
Private Conflict	No Effect	No Effect	No Effect
Social Disorder	No Effect	No Effect	No Effect
Airbnb Usage			
Violence	No Effect	No Effect	No Effect
Private Conflict	No Effect	No Effect	No Effect
Social Disorder	No Effect	No Effect	No Effect

"No effect" indicates the given Airbnb metric in the DID regression model for the specified crime metric was insignificant with a p-value greater than .05

Authors: Michael Mariano, Head of Economic Development; Greg Pepitone, Senior Economist

5 Case Studies of STR Restriction Economic Losses

Overview of Restrictions

Destinations have moved ahead with various restrictions on STRs over the past decade. These have generally fallen in 5 categories:

Full ban on STRs

Some of these laws have already been reversed or amended after legal and community challenges. Others are currently in litigation.

Host Present Requirement

These laws effectively require "home sharing" as a version of STRs.

Full ban on NEW STRs

This approach is designed to limit additional inventory while not harming current STR property owners.

Minimum stay requirements

Destinations have restricted STRs by requiring a minimum night stay that is typically much longer than that of a leisure visit (e.g., 30 days).

Zoning Bans on STRs

Destinations have used this approach to limit STRs to particular resort areas, require distance between STRs, require distance between STRs and hotels, or reduce visitor density in certain areas.

Primary Residency Requirement

These laws require that STR properties must be the owners' primary residence. Many also require that the owner spend a minimum number of nights there each year.

Maximum rental nights

These restrictions place a cap the number of nights a property is allowed to be rented in a year.

Destination Case Studies (summary)

City	State	Year of Implamentation	License Fee	Zoning Restrictions	Primary Residency	Max Units per Owner	Max Paying Guests	Host Must Be Present	Max Unhosted Nights per Year	Max Nights Total	Vioation Fines
Anaheim	CA	2019	$ 250								$200 - $2500
Austin	TX	2016	$ 643	X							$500 - $2000
Berkeley	CA	2017	$ 220		X	1			90		
Boston	MA	2019	$ 200		X	1					$100+
Chicago	IL	2020	$ 500		X						$2500 - $10,000
Denver	CO	2016	$ 150		X	1	1				$0 - $999
Emeryville	CA	2017	$ 71		X	1			90		
Honolulu	HI	2022	$ 1,500	X							$1000 - $10,000
Las Vegas	NV	2021	$ 550			5					$1000 - $10,000
Los Angeles	CA	2019	$ 89	X	X	1				120	$500 - $2000
Miami	FL	2017	$ 136		X	1					$100 - $2500
Millbrae	CA	2020	$ 300		X	1			100		
Nashville	TN	2019	$ 313	X							
New Orleans	LA	2019	$ 500	X							$0 - $500
New York	NY	2011	$ 100				2	X			$1000 - $7500
Redwood City	CA	2018	$ 231		X	1			120		
San Francisco	CA	2015	$ 450		X	1			90		$484+
San Jose	CA	2014	$ 150		X	1			180		
Santa Monica	CA	2019	$ 100		X	1	2	X			$1,000+
Seattle	WA	2019	$ 75		X	2					$500 - $1000
Washington DC	DC	2019	$ 105		X	1	2		90		$250 - $1000

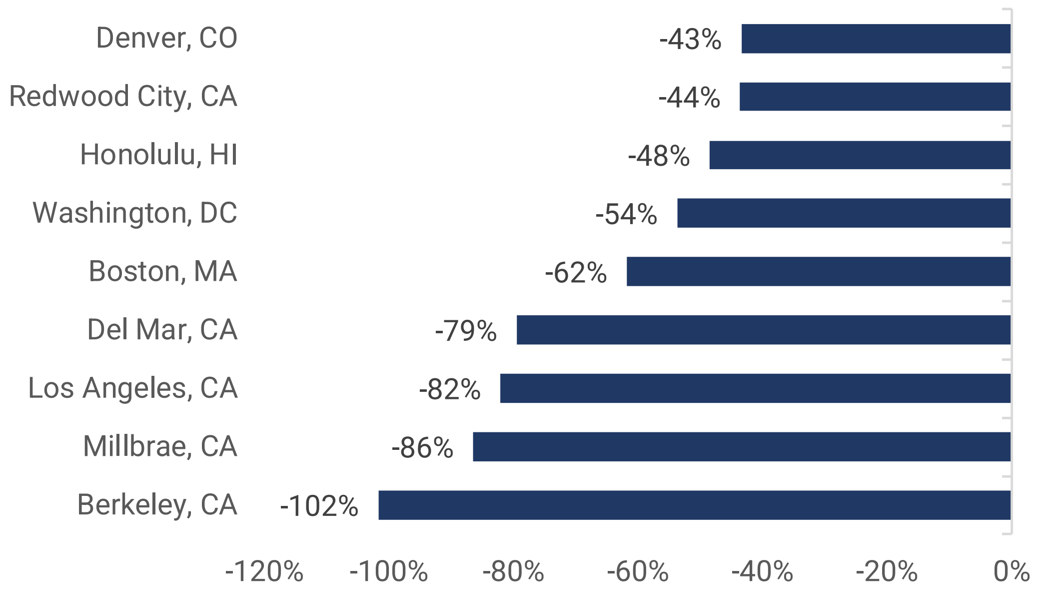
Effects of Restrictions on STR Bookings

Impacts of STR Restrictions on Nights Booked

Significant losses are evident in the months after STR restrictions take effect. The 102% loss for Berkeley implies that, including potential gains, the city lost more than 100% of its pre-policy STR activity.

STR Room Nights Booked % Decline + Market share loss

24 months after policy change in each destination



Source: AirDNA, Tourism Economics

		Market Decline		Market Share Effect	
City	Policy Date	12-month	24-month	12-month	24-month
Berkeley, CA	Aug-17	-3%	-11%	-50%	-102%
Boston, MA	Jan-19	-34%	-70%	-48%	-62%
Del Mar, CA	Nov-17	-22%	-13%	-58%	-79%
Denver, CO	Oct-19	-38%	-27%	-27%	-43%
Honolulu, HI	Jul-19	-65%	-30%	-57%	-48%
Los Angeles, CA	Jul-19	-67%	-64%	-59%	-82%
Millbrae, CA	Sep-18	-19%	-74%	-51%	-86%
New Orleans, LA	Dec-19	-49%	-17%	-38%	-40%
Redwood City, CA	Mar-18	-15%	16%	-30%	-44%
Washington, DC	Oct-19	-59%	-37%	-48%	-54%

Economic Losses

Impacts of STR Restrictions on Visitor Spending

Bookings, Rental Revenue, and Total Visitor Spending

Effect after policy change in each destination

	Room nights booked				24-month loss		
	Month before	12-month loss	24-month loss	ADR	Rental revenue loss	Other visitor spending	**Total visitor spending loss**
Berkeley, CA	30,164	(926)	(30,668)	$ 175.23	$ (5,373,879)	$ (3,734,391)	**$ (9,108,270)**
Boston, MA	71,669	(24,288)	(44,305)	$ 197.31	$ (8,741,870)	$ (6,074,859)	**$ (14,816,730)**
Del Mar, CA	7,777	(1,721)	(6,183)	$ 437.21	$ (2,703,105)	$ (1,878,429)	**$ (4,581,534)**
Denver, CO	177,060	(67,703)	(76,874)	$ 222.80	$ (17,127,743)	$ (11,902,330)	**$ (29,030,072)**
Honolulu, HI	244,301	(158,561)	(118,472)	$ 244.57	$ (28,974,400)	$ (20,134,753)	**$ (49,109,153)**
Los Angeles, CA	520,572	(349,151)	(427,353)	$ 271.52	$ (116,036,670)	$ (80,635,652)	**$ (196,672,322)**
Millbrae, CA	2,011	(392)	(1,739)	$ 206.68	$ (359,445)	$ (249,784)	**$ (609,229)**
New Orleans, LA	260,288	(126,268)	(102,954)	$ 233.04	$ (23,992,712)	$ (16,672,902)	**$ (40,665,613)**
Redwood City, CA	6,479	(945)	(2,825)	$ 183.76	$ (519,198)	$ (360,799)	**$ (879,997)**
Washington, DC	175,504	(103,290)	(94,310)	$ 199.20	$ (18,786,448)	$ (13,054,990)	**$ (31,841,438)**
Total	1,495,825	(833,245)	(905,683)	2,371	(222,615,471)	(154,698,886)	**(377,314,357)**

Source: AirDNA, Tourism Economics

Economic losses from forgone visitor spending include significant business to retail, restaurants, transportation, recreation, and entertainment services.

Across the 10 destinations tracked, $377 million in visitor spending was lost in the 24 months after the restriction was put into effect.

This includes $155 million in visitor spending at restaurants, shops, entertainment and cultural venues, recreation, and transportation.

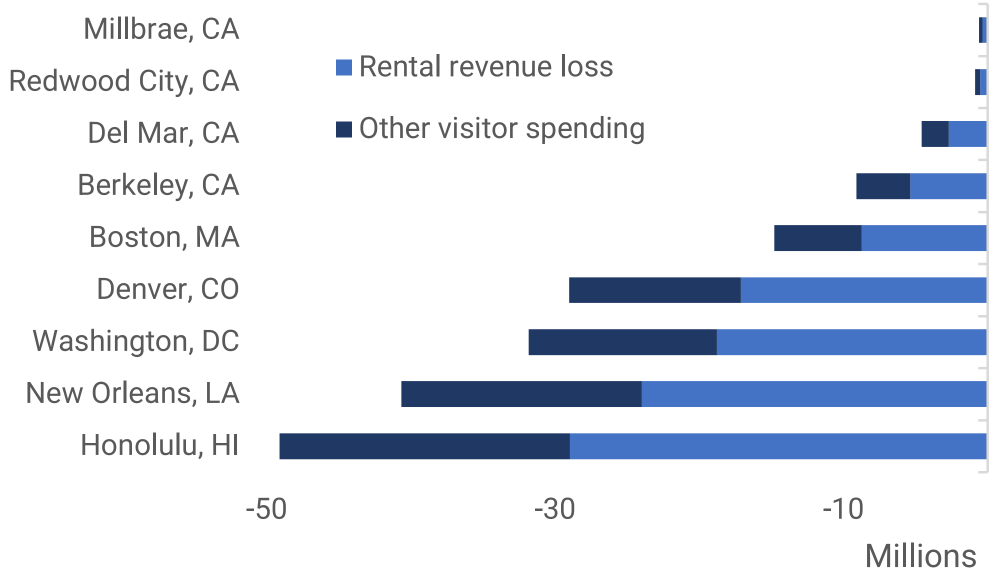
An additional $223 million in rental income to residents was also forfeited in the 2 years after the restrictions took effect.

Economic Losses

Impacts of STR Restrictions on Visitor Spending

Economic losses by Destination over 24 Months

Visitor spending loss attributable to STR restrictions



Source: AirDNA, Tourism Economics

About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 500 full-time staff, including 400 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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