



TRAVEL



OREGON

Short Term Rentals and Session Recap
September 2023 Commission Meeting

9.13.23

Joni Kabana

TRAVEL OREGON AND THE 2023 LEGISLATURE

- As a semi independent state agency we do not lobby the legislature or take specific positions on bills
- Our role is to proactively educate and share information about Travel Oregon and the tourism industry writ large
- 2023 session was historic for several reasons
- These distinct factors led to a unique process and timeline for many bills





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NEWLY PASSED LEGISLATION

- New legislation that affects the industry is light
- Several funding bills included new dollars for tourism priorities
- Policy bills are more limited
- Team is implementing several state agency focused bills as well

OTHER BILLS

- While the number of passed bills affecting tourism is small, there were certainly others that received consideration
- In the TLT space, the bill that received the most attention proposed doubling the TLT to fund habitat conservation
- Saw a focus on agritourism we expect we could see continue, including a proposed Travel Oregon grant program
- Recreation liability still awaits a solution





FUTURE SESSIONS LEARNINGS FOR 2024

- The 2024 session will be short and will not have a budget component
- Institutional knowledge and memory of the TLT is fading, 20th anniversary provides education opportunity
- Bills adjusting the TLT are likely
 - Conservation groups could reintroduce habitat bill
 - Ongoing tension with the split of local TLT dollars
- Renewed focus on housing crisis—implications for Short Term Rentals

Short Term Rental (STR) Research

- The perception that short-term rentals exacerbate the housing crisis has gained steam in recent years
- Commissioned study from Cascadia Partners to contribute to this conversation
- Presented study findings to the House Committee on Housing and Homelessness in June
- Short-term rentals may have some impact on rising rents in select areas
- STRs account for only a small portion on the broad undersupply challenges Oregon faces



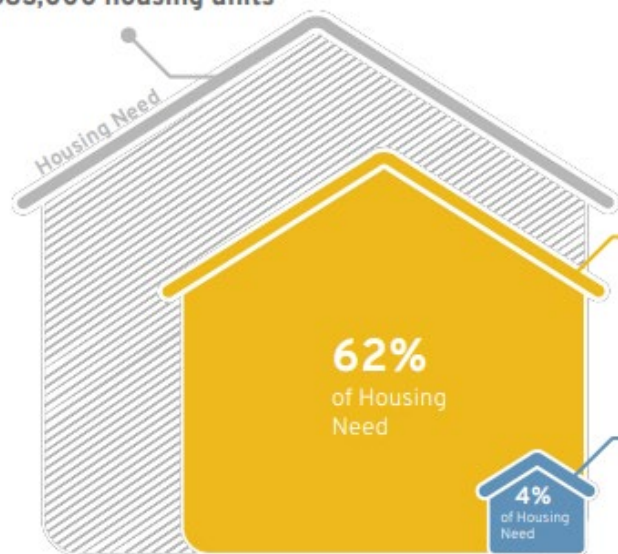


SCOPE OF STRS IN OREGON

- Only about half of STRs are suitable for long term housing
 - Defined as whole unit with a kitchen and bathroom
- There are roughly 23,000 suitable STRs in Oregon
- Unique stays are a growing and active STR market

STR SCOPE RELATED TO HOUSING NEED

Oregon's 20-year housing need
583,000 housing units¹



Oregon's 20-year projected housing production is estimated to produce
380,000 housing units²

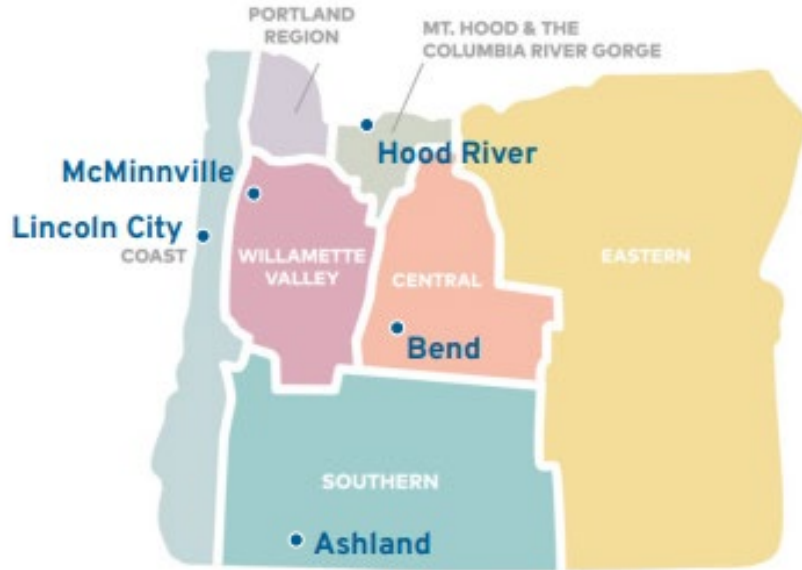
Converting suitable STRs to long-term housing is estimated to produce a maximum of
23,000 housing units³

Oregon needs 583,000 additional housing units by 2040. Converting suitable STRs to long-term housing would do little to meet Oregon's housing need.

If Oregon keeps producing housing as fast as the last decade, it won't be fast enough to meet the need. **Meeting the state's 20-year housing need will rely on increasing the rate of production rather than converting STRs.**

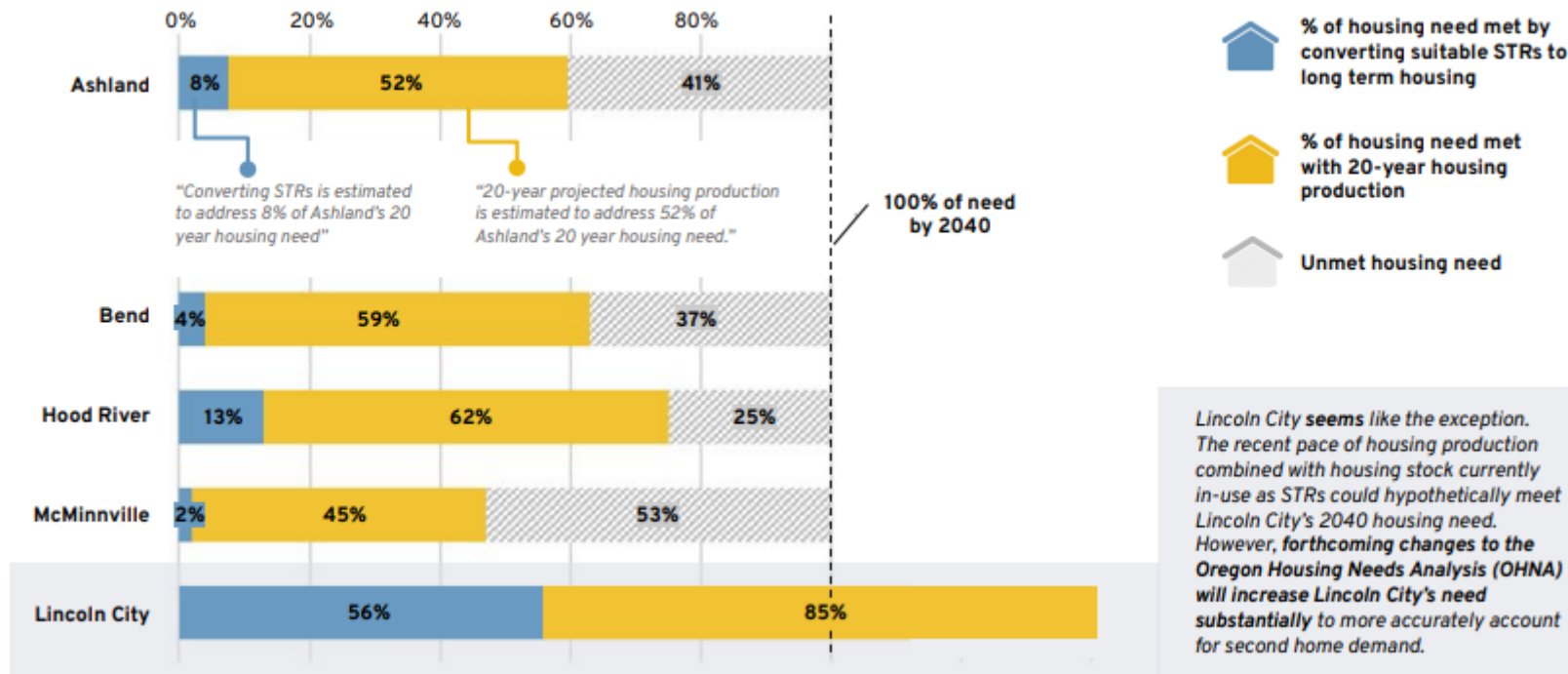
Sources: 1) ECONorthwest (2021) *Implementing a Regional Housing Needs Analysis Methodology in Oregon*, 2) HUD SOCDS Building Permit Data for Oregon (2012-2021), and 3) AirDNA counts of STRs with at least one kitchen, bedroom, and bathroom (2020)

CASE STUDIES



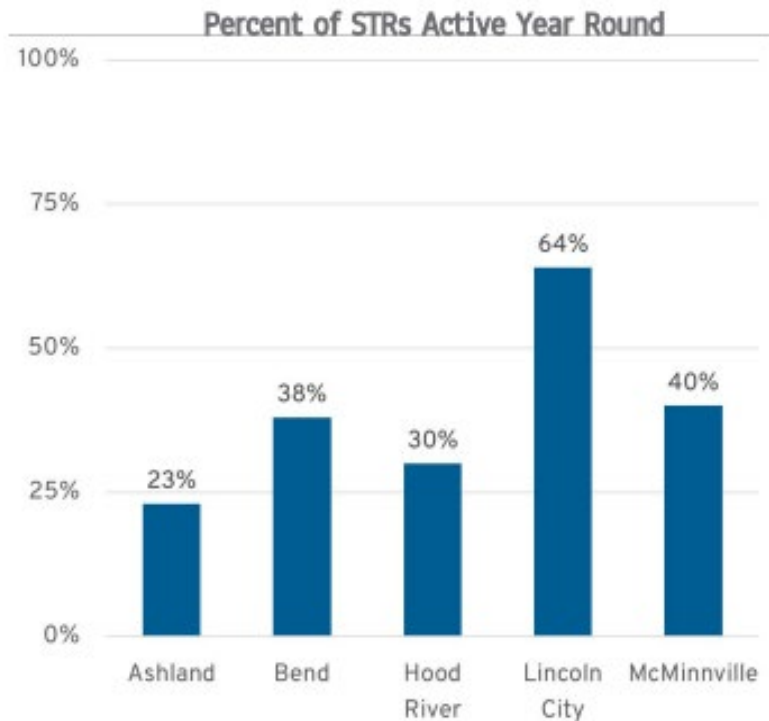
- 5 cities across the state
- Each represent unique region from our 7-region structure
- Each feature strong tourism economies
- These cities have experienced a variety of STR regulation

HOUSING SUPPLY IMPACTS



SECOND HOME INSIGHTS

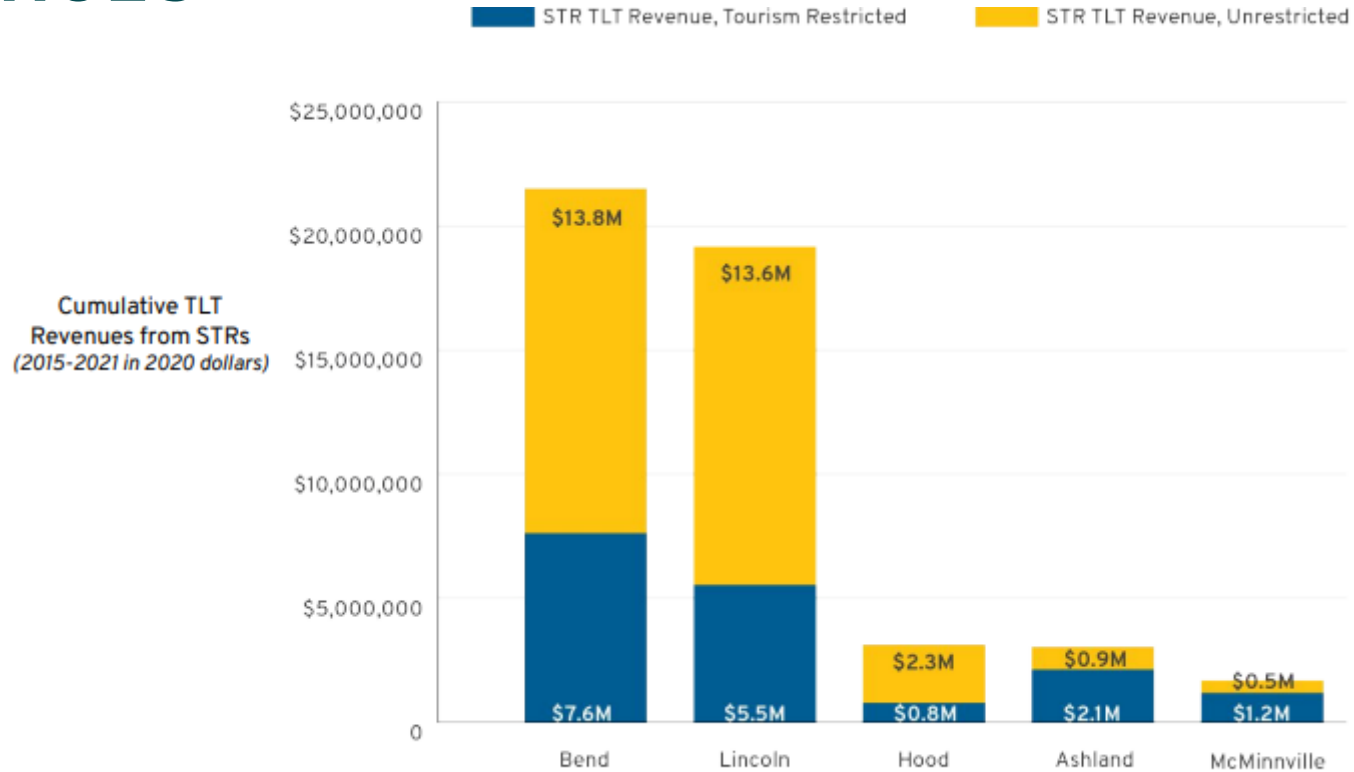
- Most STRs are not active year round
- STR income is a factor in purchasing another home but typically not the major motivator
- More than 40% of second or more home purchasers are unlikely to rent at all
- In the cities of focus, STR income only covered between 40-70% of home ownership costs, excepting Lincoln City



AirDNA Property Performance and Attribute Data (Received November 2022)

*Only includes STRs that are suitable for long-term rental, meaning they are classified as a whole home and include a kitchen, bedroom, and bathroom

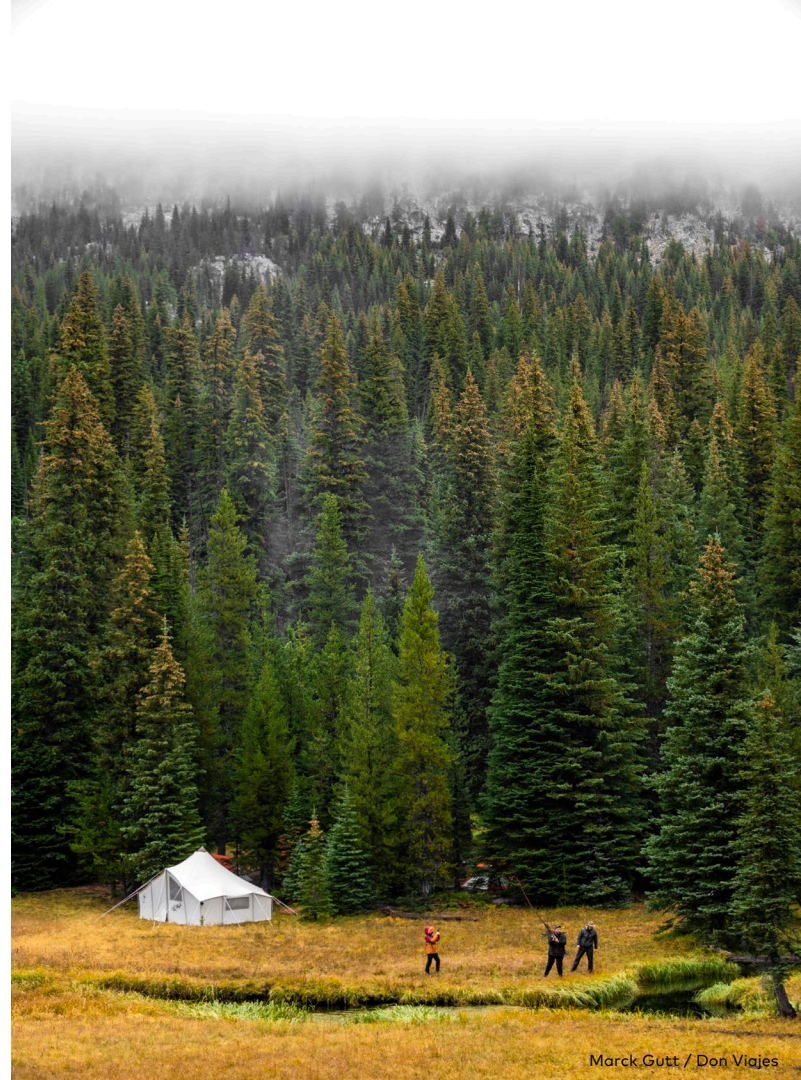
LOCAL GENERAL FUND REVENUES



Sources: Municipal budgets for each jurisdiction (2015-2021)

CONCLUSION

- The 2023 session was a unique year, and new legislation affecting tourism is minor
- Institutional memory of the 2003 TLT legislation is fading in the industry and the legislature, 20th anniversary offers chance for proactive education
- Funding, conservation, agritourism, and housing will be topical in future sessions
- When accounting for suitability, STRs represent only a small portion of Oregon's housing need, even in high visitation communities
- STRs rarely cover the costs of home ownership and aren't often active year round





Questions?