

# MYTH vs FACT of Short-Term Rentals

## ✘ MYTH

Cities/Towns amending their "Code" is designed to put STRs out of business.

**WRONG.** Cities and towns are using tools in their toolkit, not to shut down STRs, but to protect the community. These reasonable rules and restrictions are easy to comply with and won't overburden anyone choosing to rent out their property.

**FACT**

## ✘ MYTH

Over-regulation and legislation will destroy the STR industry.

**Not True.** Arizona has some of the lowest levels of regulation on STRs in North America. The industry does quite well with much stronger rules and restrictions in place in other states.

The better question is why is the STR industry so hostile to common-sense laws protecting citizens in Arizona?

**FACT**

## ✘ MYTH

The STR industry shuts down "party houses."

**We Wish.** While the STR companies would like for you to believe they shut down "party houses," the truth is that they end up relisted within days and sometimes hours after being "delisted." In fact, there are two houses in Paradise Valley where the police had to respond to more than 20 calls at each location in 2021. Both have been reported to the platform, and both continue to be listed and active.

**FACT**

## ✘ MYTH

The ability to use one's property to its fullest extent, and to the fullest enjoyment, is your right.

**Rights Have Limits.** I can't turn my house into a nightclub or a pot dispensary. Many STRs are full-time hotels operating in the middle of residential neighborhoods without staff or oversight. It's also true that neighbors of STRs have the right to the quiet enjoyment of their properties.

**FACT**

## ✘ MYTH

Only a minority of properties are "party houses."

**FALSE.** Any house can be a party house, just like any car can be a getaway car. It depends on who gets behind the wheel. In fact, approximately 3% of Paradise Valley STRs 'regularly' require law enforcement intervention. Just two of those addresses have had police deployed 24 and 25 times in less than a year with 103 citations prosecuted just in 2021. The amount of police attention for STRs in our community is far greater on a relative basis than for owner-occupied or long-term rental homes, and the issues that regularly occur at STRs – including large, unruly gatherings – put officers at great risk.

**FACT**

## ✘ MYTH

STRs help bring in more tourists.

**Wrong Again.** The vast majority of tourists would still visit if STRs didn't exist. Morgan Stanley found only 2-4% of bookings were dependent on Airbnb.

**FACT**

# MYTH vs FACT of Short-Term Rentals

## ✗ MYTH

STRs create jobs in the community.

**The Opposite is Actually True.** It has been shown that tourism-related employment declines as the number of multi-unit hosts on STR platforms increase. Tourists that stay in STRs are less likely to eat in local restaurants.

**FACT**

## ✗ MYTH

STRs contribute to the economy.

**Incorrect.** The STR industry says they are stimulating the economy, when in fact they're stimulating their bottom line. They significantly overstate their impact – using a tourist's total spending on a trip to puff up their numbers, when in fact most spending would happen regardless of the availability of STRs.

**FACT**

## ✗ MYTH

Communities have the tools in place to enforce existing laws.

**UNTRUE.** We are using all the tools at our disposal including mandatory background checks on those staying at an STR, health and safety provisions like smoke and CO detectors, and more stringent noise regulations. What's really needed is a return of many of the traditional tools that the current state law stripped away – allowing communities to better determine how, where and when businesses can operate within residential neighborhoods.

**FACT**

## ✗ MYTH

Using zoning to regulate the industry is overkill.

**VERIFIABLY INCORRECT.** Zoning has been an important tool for local governments for well over 100 years. It's the reason we don't have strip clubs, bars, and marijuana dispensaries in residential neighborhoods. With STRs some communities have experienced large homes being used repeatedly as nightclubs and pop-up bars in otherwise quiet neighborhoods. Restricting commercial activities in residential areas is an appropriate tool for common-sense guardrails around STRs.

**FACT**

## ✗ MYTH

The STR issue is one of small business vs. big government.

**FICTION.** Let's not get confused about who is David and who is Goliath. **Airbnb is a \$105 billion\* company.** Expedia Group – which owns VRBO – is valued at \$29 billion\*. This is **BIG business** trampling over local governments and residents. Their No. 1 goal is to push industry-friendly legislation in Arizona (and around the world) that boost profits through the unrestrained commercialization of our residential neighborhoods.

\*Feb 2022 Market Capitalization Rate

**FACT**