

SHORT TERM RENTALS

IN RHODE ISLAND



RHODE ISLAND
STR ASSOCIATION

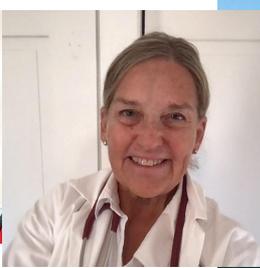




RHODE ISLAND
STR ASSOCIATION

WHO WE ARE :

- RISTRA was formed as an advocacy organization to represent the interests of short term rental homeowners across Rhode Island.
 - Our focus is to ensure reasonable regulations that protect homeowners' rights and encourages hosts to continue welcoming visitors to our state
- Our members are primarily Rhode Islanders who own 1-2 rental properties and are from all walks of life



STATE REGISTERED SHORT TERM RENTALS IN RHODE ISLAND - 5,010

5,010 REGISTERED STRs INCLUDE :

- 600-800 ROOMS IN HOMES
- ENTIRE HOMES / APARTMENTS
- ENTIRE HOTELS AND INDIVIDUAL HOTEL ROOMS
- RESORTS AND TIMESHARES
- BED & BREAKFASTS AND INNS

HOUSING STOCK IN RI - 486,029

ENTIRE HOME STRs MAKE UP LESS THAN 1% OF RI HOUSING STOCK



ECONOMIC IMPACT OF SHORT TERM RENTALS :

- In the US, the short term rental market reached **\$63 billion** in revenue in 2023
 - Travelers stayed 207 million nights in vacation rentals in 2023.
- On average, a short term rental listing brought in **\$26,024** in annual rental revenue
 - About **450 million people** worldwide use vacation rental properties.
- In 2022, the global online travel market had a total size of \$475 billion. This figure was predicted to exceed \$521 billion in 2023 and grow to over \$1 trillion by 2030.
- A significant reason that **71% of travelers with children** opt for vacation rentals is the ability to cook their own meals.

ECONOMIC IMPACT OF SHORT TERM RENTALS :

AFFORDABILITY FOR FAMILIES

Cost of a 1 week stay for a **family of 5** (2 adults, 3 children) in mid August in Newport

THE VIKING HOTEL

ONE DOUBLE QUEEN ROOM + COT

\$925/NIGHT
x 7 NIGHTS
+ TAXES/FEES =
\$7,681.71

SHORT TERM RENTAL

2 KING BEDROOM APARTMENT

\$435/NIGHT
x 7 NIGHTS
+ TAXES/FEES =
\$3,701.21

Short term rentals provide an affordable and comfortable option for traveling families. They make traveling even more affordable by having kitchens that allow them to cook meals for themselves, and larger spaces rather than one room for an entire family.

Without the option of a rental home, families may choose to travel somewhere else

THE RHODE ISLAND PICTURE :

According to Airbnb data for Rhode Island:

- The average home in Rhode Island is rented about **40 nights** out of the year
 - The average STR host in RI earns about **\$15,000/year** in rental income
 - Approximately **80% of hosts** in Rhode Island have **1** listing

American Travel Spending Habits :

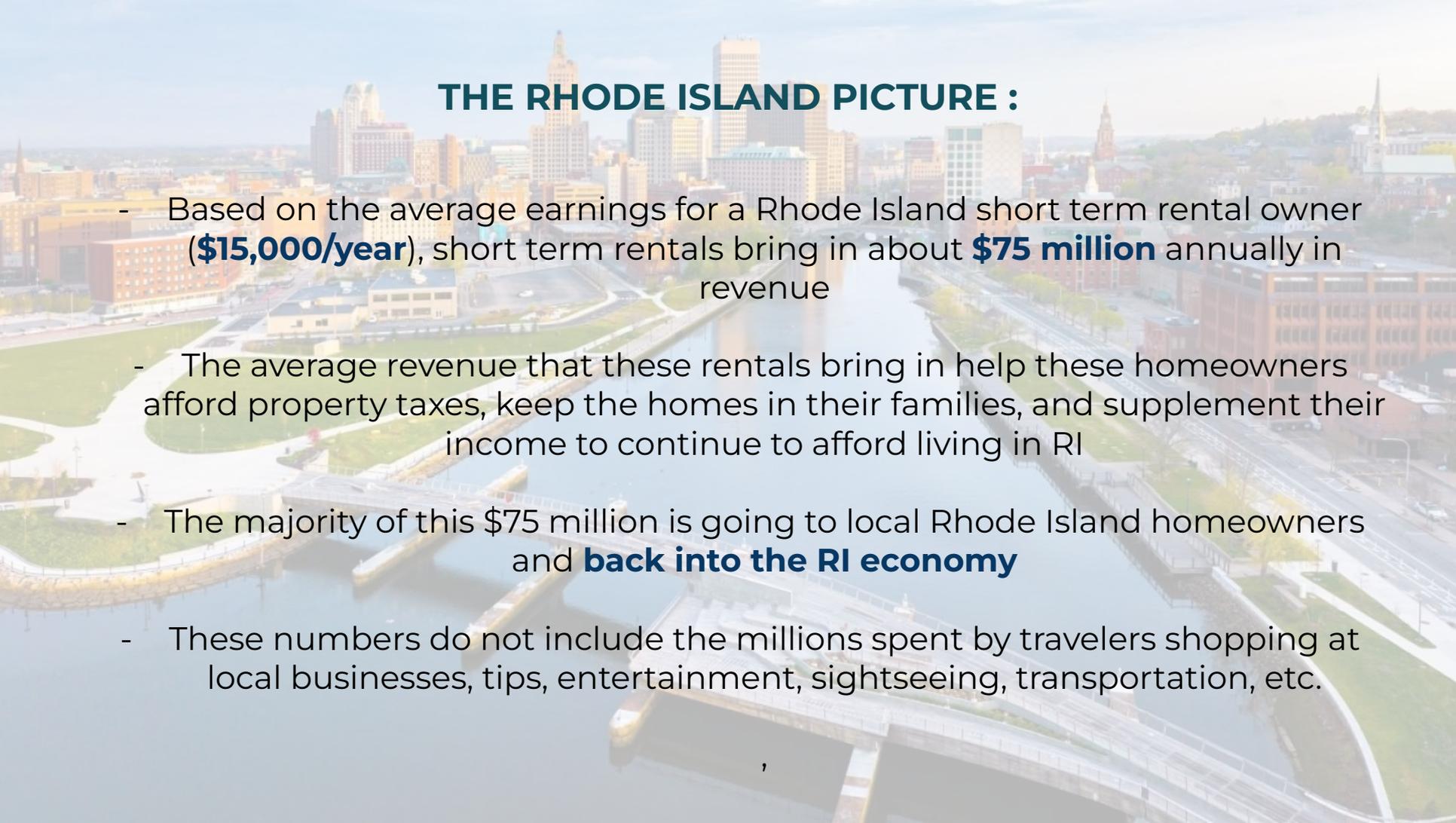
- The average person spends about **\$33/day** on food while on vacation (80% of that being at restaurants)
- 20% of people report spending money on alcohol while on vacation with an average spend of **\$23/day**
- On average, the 6-person family would spend **\$198/day** on food **x** average **40 days = \$7,920/yr.** for the average listing.

THE RHODE ISLAND PICTURE :

EXAMPLE BASED ON 4500 STRs :

- If there are 1,000 (6 person occupancy) listings : $\$7,920 \times 1000$ listings = **\$7.9 million** spent in the Rhode Island economy.
 - 1,000 (4 person occupancy) rentals would spend **\$5.3 million**
 - 2,500 (2 person occupancy) rentals would spend **\$6.6 million**
- If 20% of these guests spent \$23/day on alcohol it would add up to about **\$2.9 million**

Based on these extremely conservative numbers STRs in RI bring in at least \$23 million annually JUST from people buying food/drinks and eating at local restaurants.

An aerial photograph of a city waterfront, likely Providence, Rhode Island. The image shows a wide river with several bridges crossing it. In the background, a dense urban skyline with various skyscrapers and buildings is visible under a clear sky. The foreground shows a mix of green spaces, walkways, and modern architectural structures along the riverbank.

THE RHODE ISLAND PICTURE :

- Based on the average earnings for a Rhode Island short term rental owner (**\$15,000/year**), short term rentals bring in about **\$75 million** annually in revenue
- The average revenue that these rentals bring in help these homeowners afford property taxes, keep the homes in their families, and supplement their income to continue to afford living in RI
- The majority of this \$75 million is going to local Rhode Island homeowners and **back into the RI economy**
- These numbers do not include the millions spent by travelers shopping at local businesses, tips, entertainment, sightseeing, transportation, etc.

SHORT TERM RENTALS

A NECESSITY FOR THE STATE OF RHODE ISLAND

Short term rentals are not just for vacation. There are countless reasons why short term housing is needed throughout Rhode Island :

- Traveling nurses, doctors, and medical professionals needing housing
 - Domestic abuse victims in need of immediate housing
- Patients visiting Rhode Island for medical procedures and needing a place to recover with the comfort of a home
 - Military personnel in need of temporary housing
- People looking to relocate to one of our RI communities and wanting to experience and discover neighborhoods

SHORT TERM RENTALS

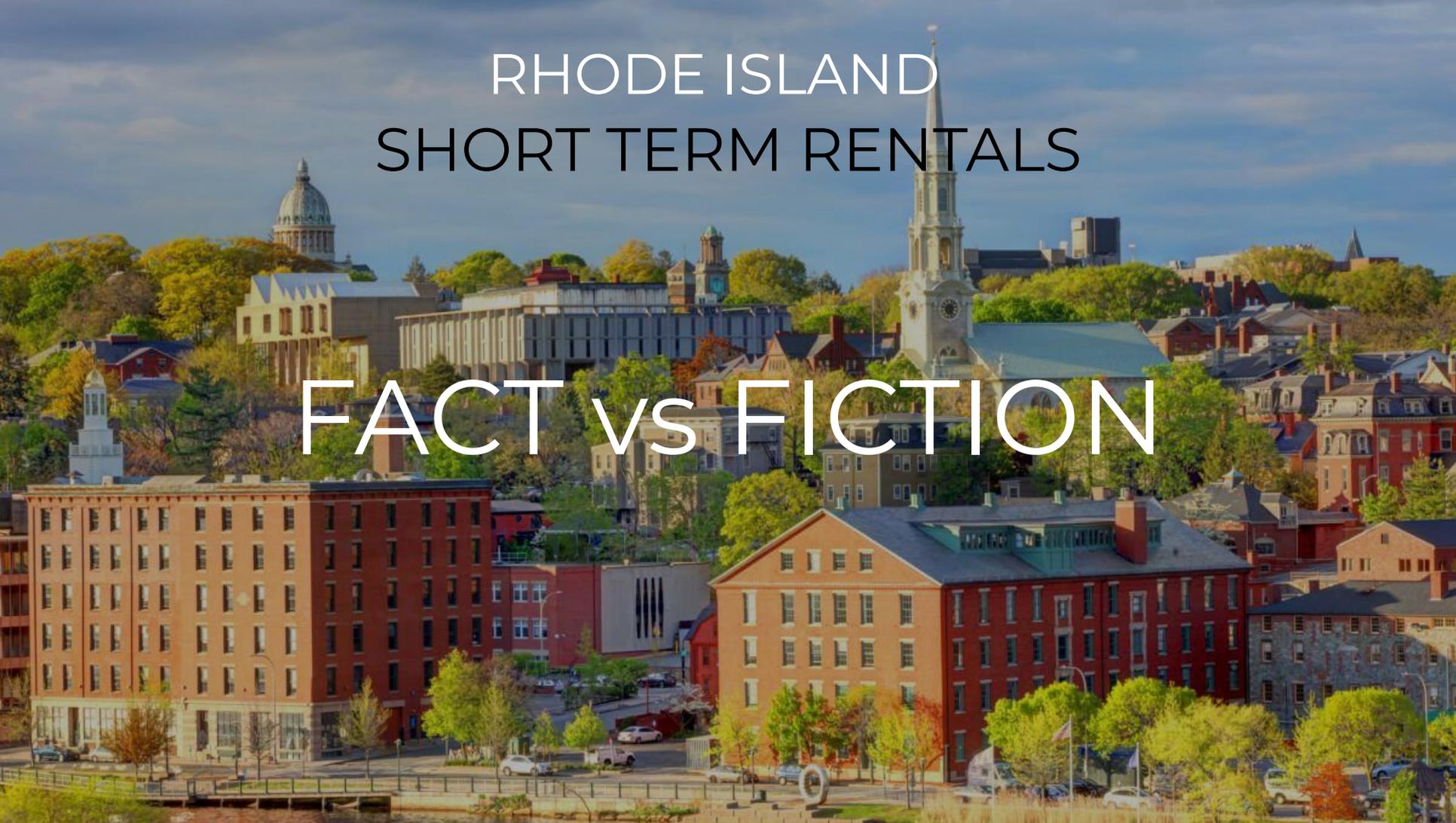
A NECESSITY FOR THE STATE OF RHODE ISLAND

- Families in need of housing for an undetermined amount of time due to an emergency or natural disaster
 - Traveling business professionals needing short term housing
- Rhode Island residents between housing options after selling their homes
 - Performers for shows at the Providence Performing Arts Center and other traveling entertainers
- Rhode Island residents hosting family or loved ones for an extended period of time and needing nearby accommodations

An aerial view of the Rhode Island State Capitol building, a large, ornate, light-colored stone structure with a prominent central dome and several smaller domes. The building is surrounded by greenery and a clear blue sky. The text is overlaid on the image.

RHODE ISLAND
SHORT TERM RENTALS

EXISTING LAWS THAT REGULATE
SHORT TERM RENTALS

An aerial photograph of Providence, Rhode Island, showing a dense urban landscape with various buildings, including a prominent white church steeple and a domed capitol building in the background. The foreground features a waterfront area with a railing and some trees. The sky is blue with light clouds.

RHODE ISLAND
SHORT TERM RENTALS

FACT vs FICTION

RHODE ISLAND HOUSING

The single greatest myth that we must dispel is that short term rentals are responsible - or even part - of the RI housing crisis.

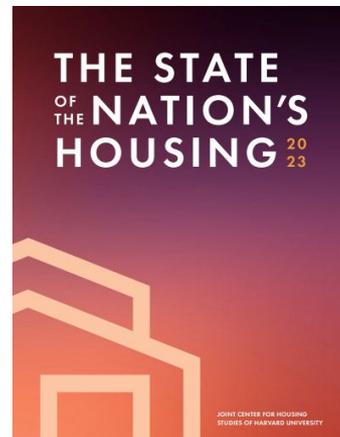
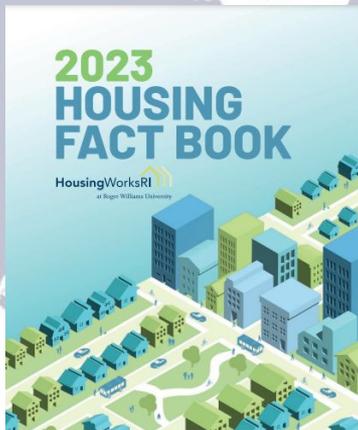
- Short term rentals make up **less than 1%** of all housing stock in RI
- Rhode Island has ranked last in the nation in recent years for annual housing production per capita
- The state has low vacancy rates and high housing costs, and demand is exceeding current available supply
- Homeowners and renters across the state are cost burdened. No where in the state is it affordable to rent on a full time minimum wage salary.
- Only **five** municipalities have met Rhode Island's 10% affordability goal

RHODE ISLAND HOUSING

Study after study has identified that the housing crisis is due to a lack of housing production and limited supply.

- **2023 Housing FactBook by Housing Works RI at Roger Williams University**
- **The Rhode Island 2023 Integrated Housing Report submitted by the RI Department of Housing**
- **The State of The Nation's Housing 2023 from the Joint Center for Housing Studies of Harvard University**

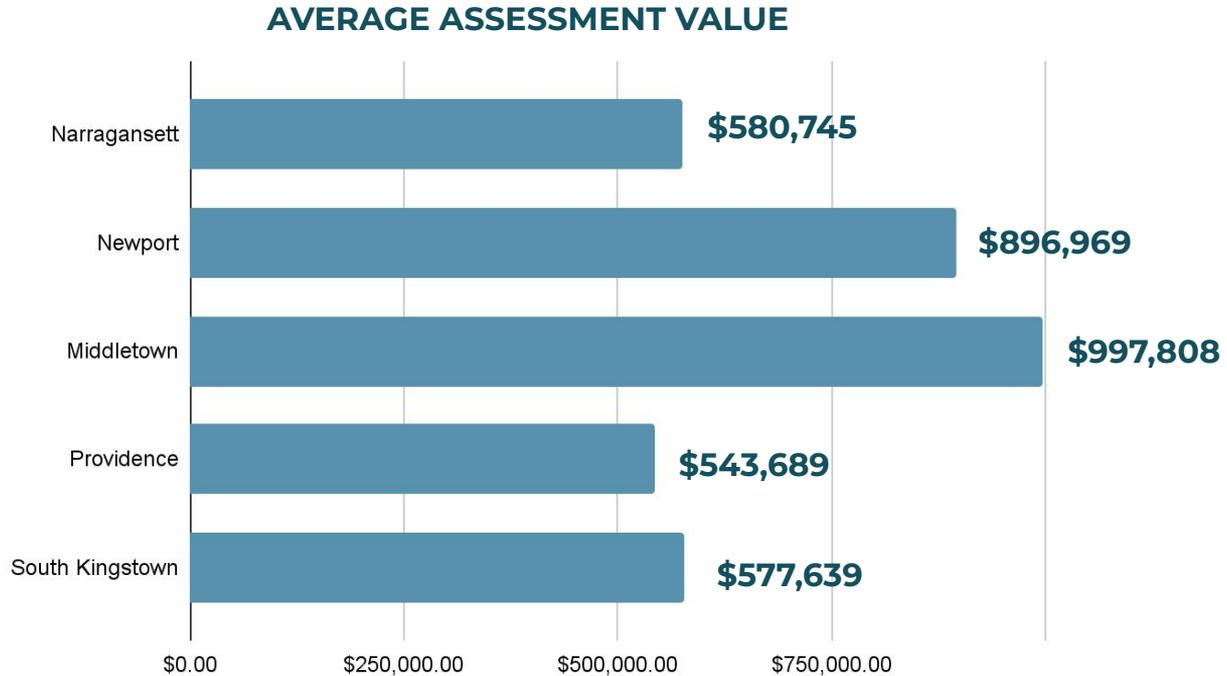
Short term rentals are not mentioned ONCE in any of these studies.



RHODE ISLAND HOUSING

It is equally important to dispel the myth that short term rentals take away affordable housing

According to the property assessment data for the top five towns with the most registered STR properties :



Fact V. Fiction : “Short term rentals disrupt neighborhoods”

- The vast majority of STR homeowners are responsible, have positive relationships with their neighbors, and constantly take steps to improve the curb appeal and quality of their homes
 - We surveyed **100 short term rental homeowners** across the state
 - **95%** had never had a complaint or violation for their property
 - Of the **5** that experienced complaints, **2** of those were calls from neighbors who simply did not want to live next to a rental property and not founded violations/citations
- It is important that we focus on hard data and founded violations when it comes to creating laws and regulations, anecdotal stories and unfounded complaints should not be the basis of legislation



According to data collected from all 39 municipalities in RI :

- **31 out of 39** cities and towns **did not have any record** of complaints or violations for short term rentals in their respective municipality
 - **8** municipalities gave us records for filed complaints/violations :
- **3** towns only had records of unregistered STRs or cease and desists for operating a STR, and zero data for nuisance complaints

OF THE 5 TOWNS THAT HAD RECORD OF NUISANCE COMPLAINTS/VIOLATIONS :

DATA GATHERED FOR
JUNE 2021 - JUNE 2023 (2 YEARS)

WESTERLY : **1 noise complaint in 2021** and **1** firework complaint in 2022 that was founded to be legal fireworks and was then cleared, **37** complaints from **one** neighbor of a STR address - complaints included not wanting to live next to a rental

NEWPORT : **1 noise disturbance in 2021**, **3** overcrowded assembly violations in 2021 and **1** in 2022, **3** “storage between collections” in 2021 and **1** in 2022
All other violations (**305**) were failure to register

During this time period there has been no measurable change in nuisance complaints or housing affordability in Newport, some of the reasoning used for passing the strict STR ordinance in 2022

OF THE 5 TOWNS THAT HAD RECORD OF NUISANCE COMPLAINTS/VIOLATIONS :

DATA GATHERED FOR
JUNE 2021 - JUNE 2023 (2 YEARS)

MIDDLETOWN : **63** trash violations in 2023 (bins not brought back from street) **59** of them from town officials driving to STRs and policing them, **4** were calls from neighbors

- Middletown Police Department : **13** parking complaints, **2** tickets issued
- **39** noise complaints, **all of them** recorded as “unfounded” or “no violation”

PORTSMOUTH : **3 occupancy limit** complaints in 2021, **3 parking** complaints (2 in 2021, 1 in 2022), **2 noise/party complaints** in 2022 (one address, both on same day)

NARRAGANSETT : Does not identify STR specific complaints, only overall rental complaints:

- Of **52** rental property complaints :
38 student occupancy complaints

Of the remaining complaints, **2 were from actively registered STRs**
1 for a driveway installed without a permit, 1 for trees planted that create a blind corner

What Does Banning Short Term Rentals Accomplish?

KEY FINDINGS :

- Harvard Business Review research found that short-term rentals are not the biggest contributor to high rents, especially when it comes to the most vulnerable segments of a city's residents.
 - The study estimates that at least half of Airbnb bookings — and 70% of those in New York City — are **not lost sales for hotels**: Those travelers would not have booked a hotel if Airbnb hadn't existed
- 
- In New York City they found that Airbnb had contributed to about **1%** of the aggregate rent growth
 - "Put simply, restricting Airbnb is not going to be an effective tool for solving the housing-affordability problems in many U.S. cities."

CONCLUSION

RHODE ISLAND SHORT TERM RENTALS

- **Short term rentals are an integral part of Rhode Island and our communities**
- **It is important that we base laws and regulations regarding STRs on facts and data, and not hearsay or anecdotes**
- **Short term rentals allow Rhode Island residents to sustain their way of life in our state and afford to keep their homes**
- **Municipalities have the ability to regulate STRs in RI, and should work with their constituents and stakeholders to create reasonable and effective legislation based on this data - each RI municipality is unique**
- **It is essential for not just the tourism industry, but for the overall wellbeing of Rhode Island to continue providing these short term rental options and welcoming people to our amazing state**