

Juneau Housing Stock and Short-Term Rentals (STRs) Research Note



November 2, 2022



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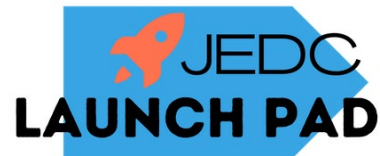
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Assembly Liaison

JEDC's Five Areas of Focus

- Help Make Juneau a Great (Capital) City
- Strengthen Key Regional Industries
- Develop Talent
- Promote Entrepreneurship and Small Business Development
- Deliver Economic Development Services



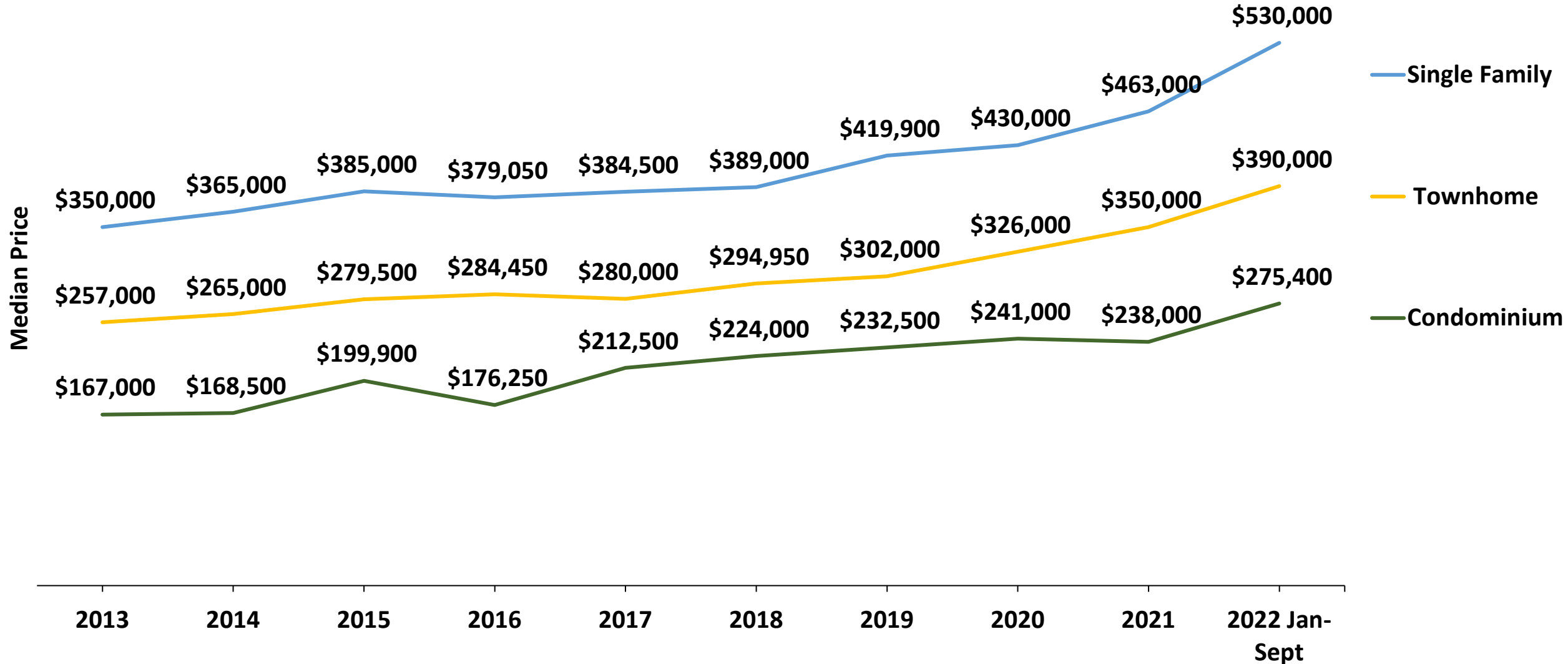
Research Question

Since 2010, there have been 1,492 (2021) new units added to Juneau's housing stock while Juneau's population has remained relatively stable. In 2022, we continue to experience a housing crisis.

- ***Where have those new units gone?***
- ***What is the impact, if any, of the short-term rental market on Juneau's housing stock?***

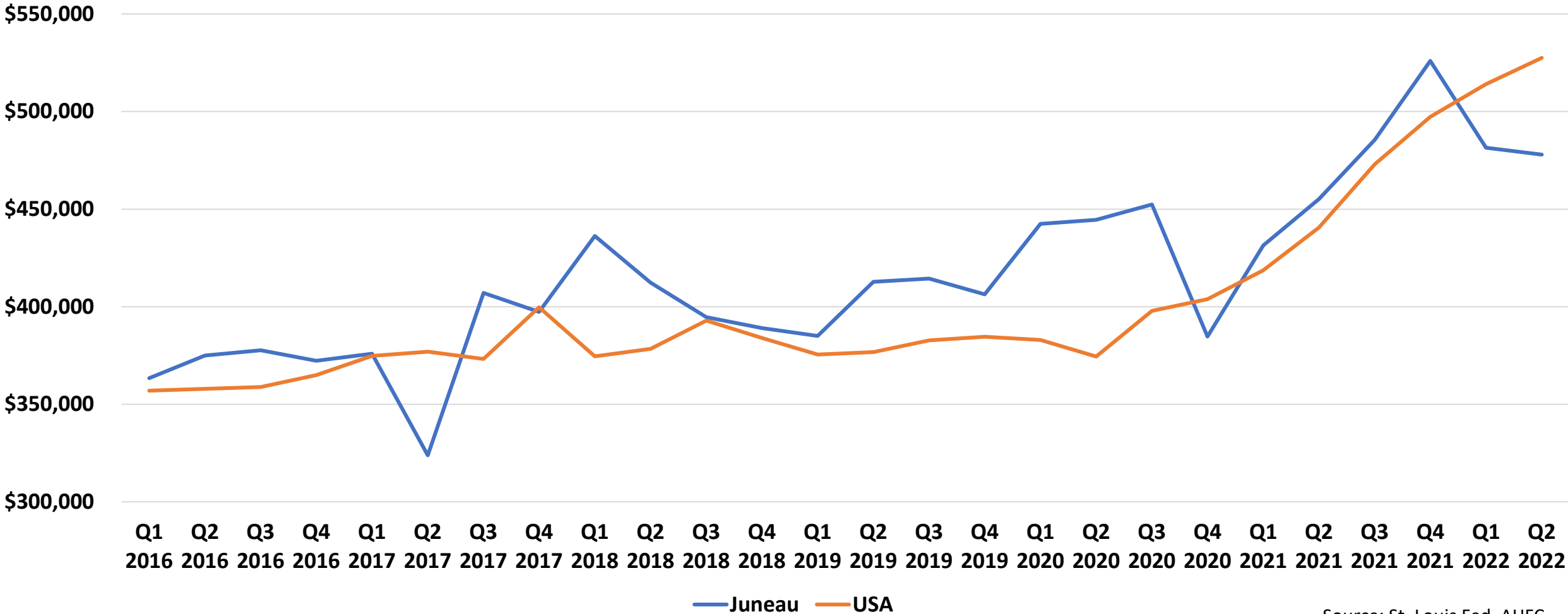
Home Sales: Median Price of Homes

Source: MLS



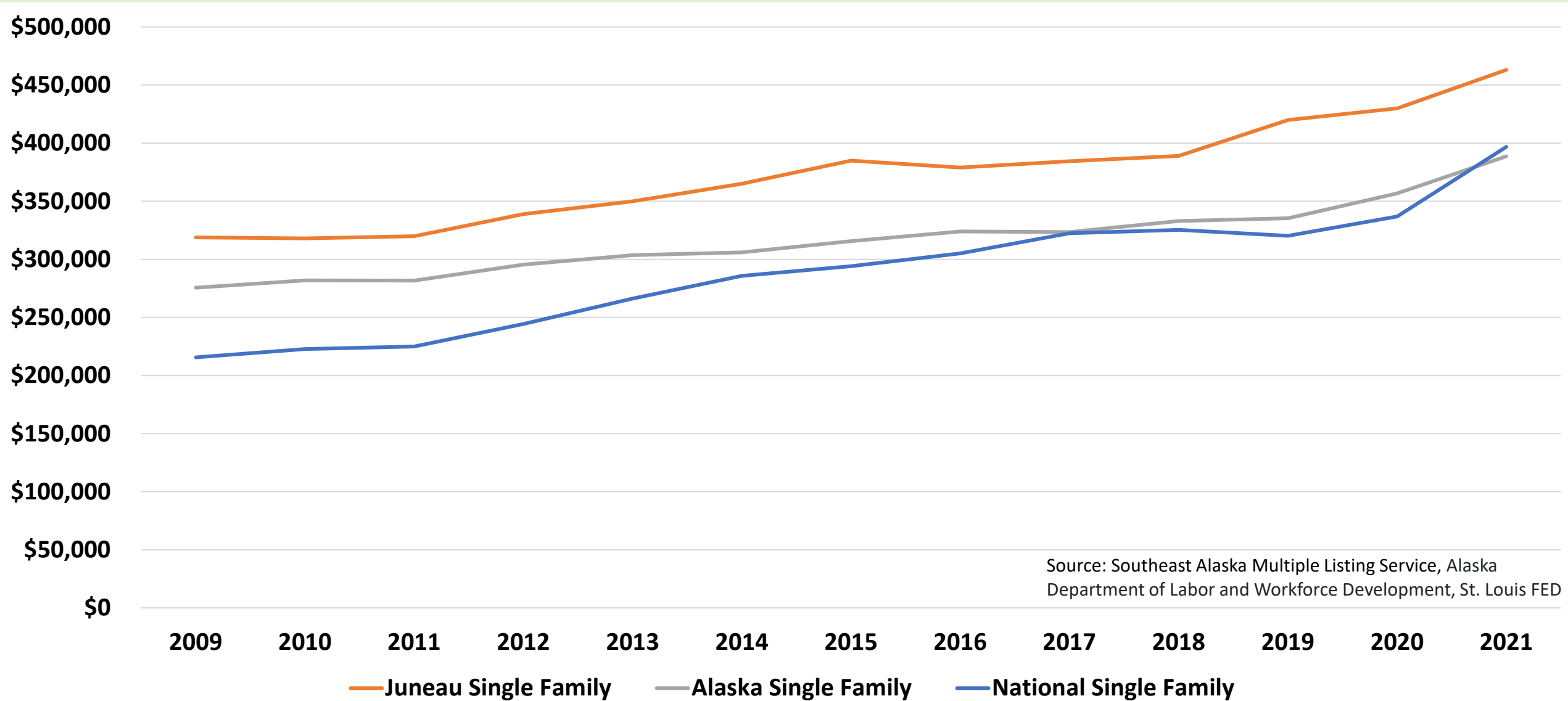
Home Sales: Average Price of Homes

Housing Prices in Juneau and US, Compared



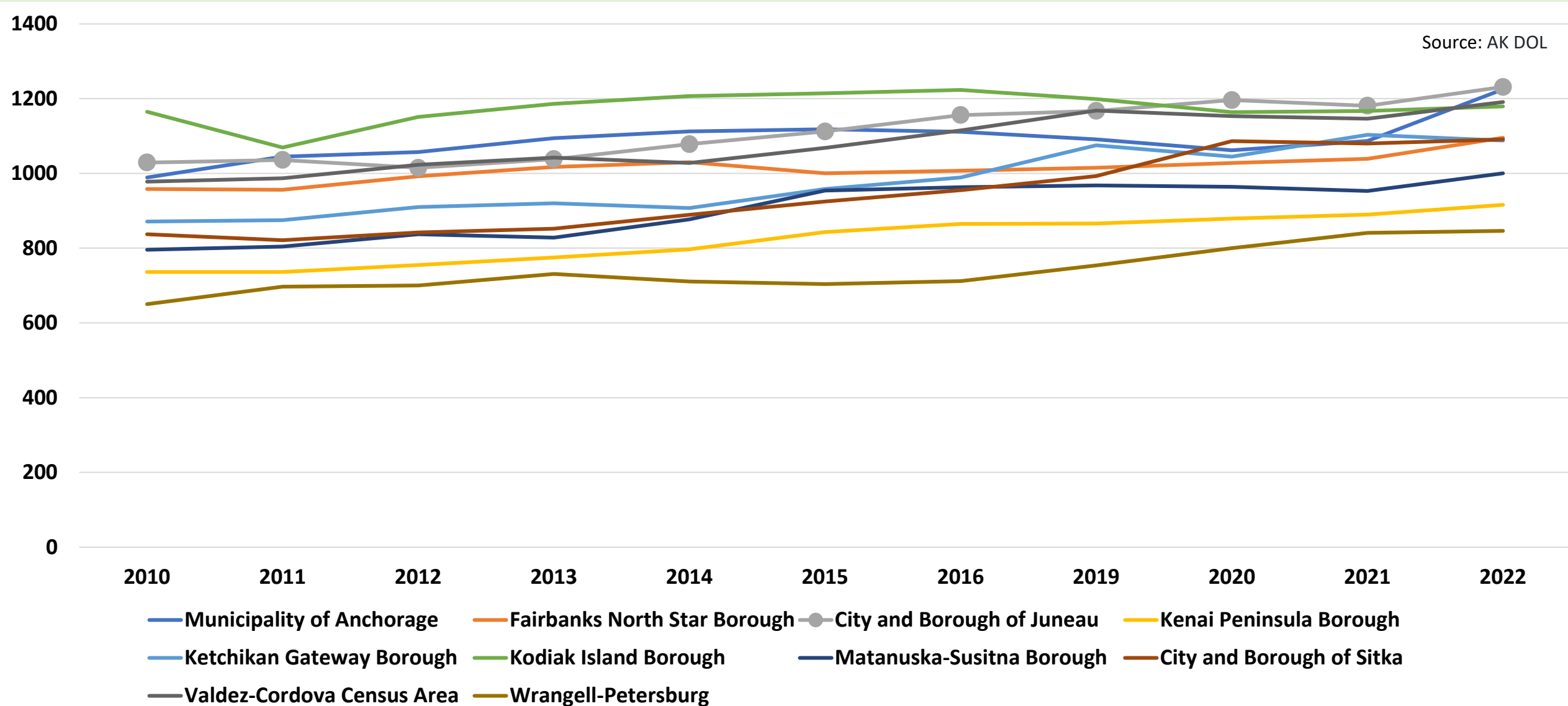
Source: St. Louis Fed, AHFC

Home Sales: Median Price of Single Family, Attached Homes and Condominiums



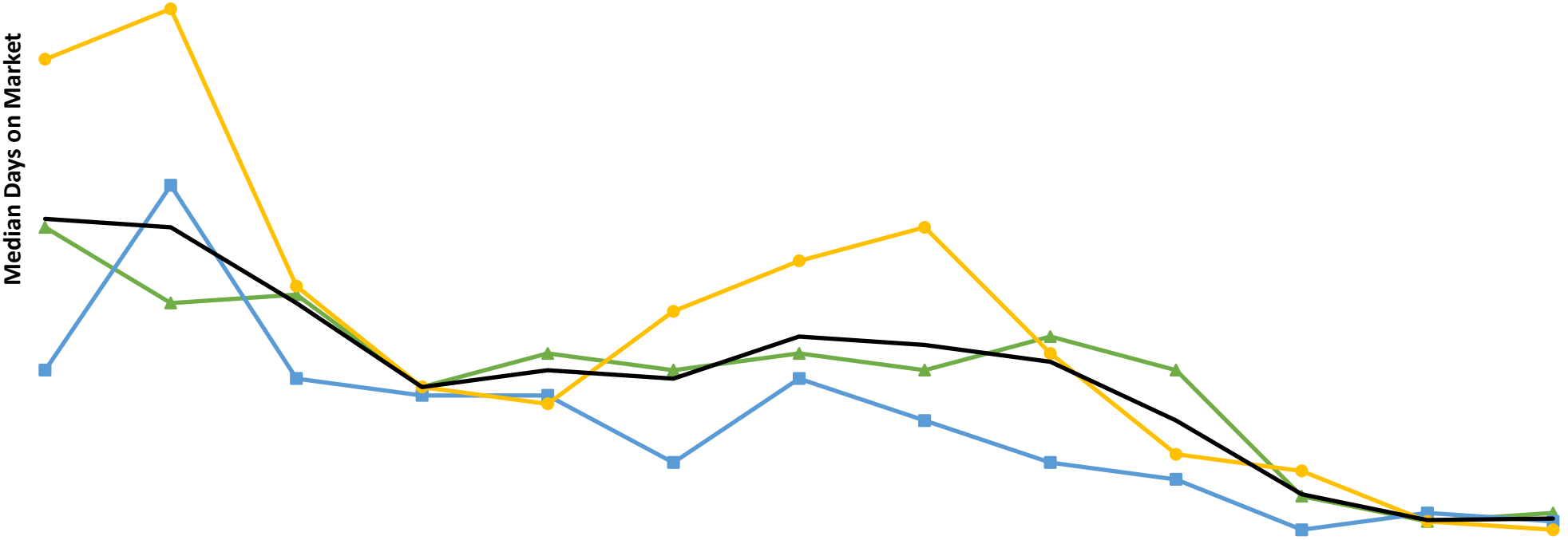
Rental Costs: Average Apartment Rent Across Alaska

Source: AK DOL



Home Sales: Days on Market

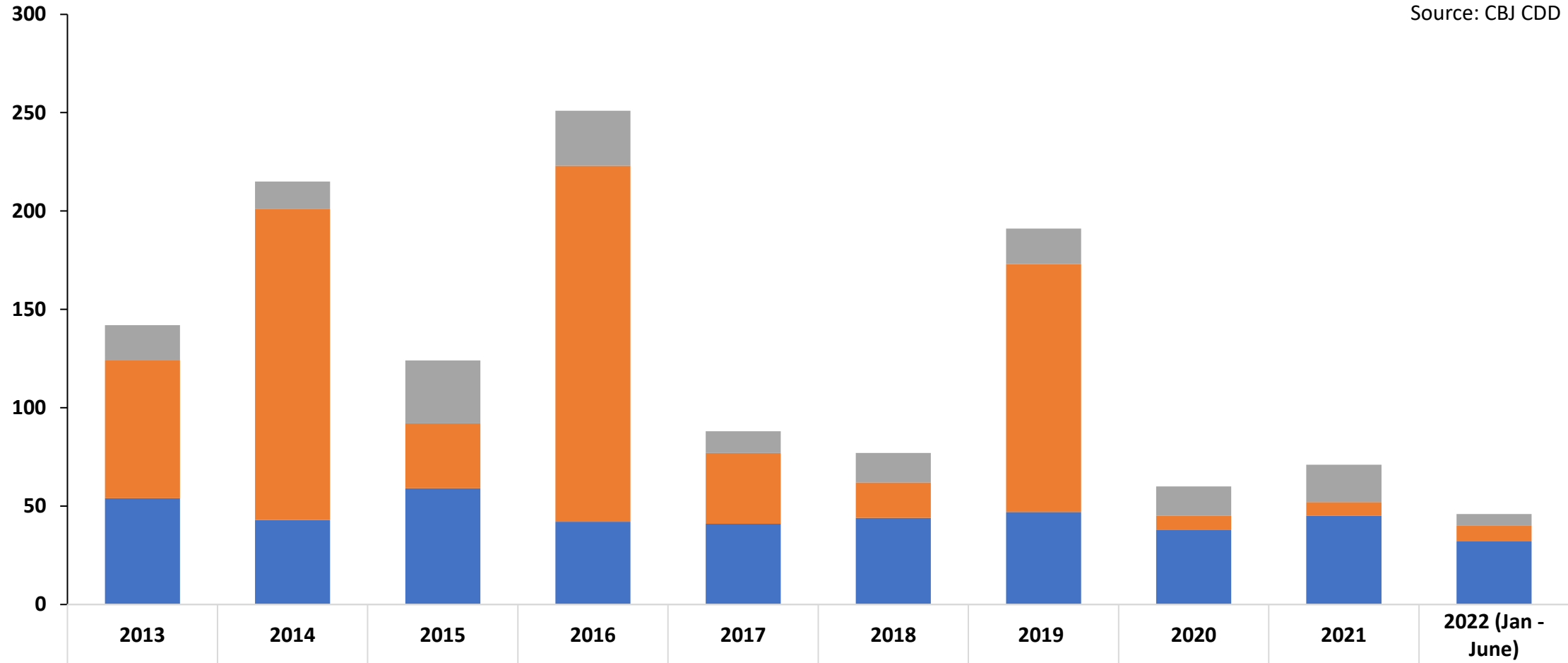
Source: MLS



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (Jan - Sept)
Single Family	40	31	32	21	25	23	25	23	27	23	8	5	6
Townhome	23	45	22	20	20	12	22	17	12	10	4	6	5
Condominium	60	66	33	21	19	30	36	40	25	13	11	5	4
Weighted Average	41	40	31	21	23	22	27	26	24	17	8	5	5

New Housing Permits Issued

Source: CBJ CDD



Accessory Units	18	14	32	28	11	15	18	15	19	6
Multifamily	70	158	33	181	36	18	126	7	7	8
Single Family Residence	54	43	59	42	41	44	47	38	45	32
Total	142	215	124	251	88	77	191	60	71	46

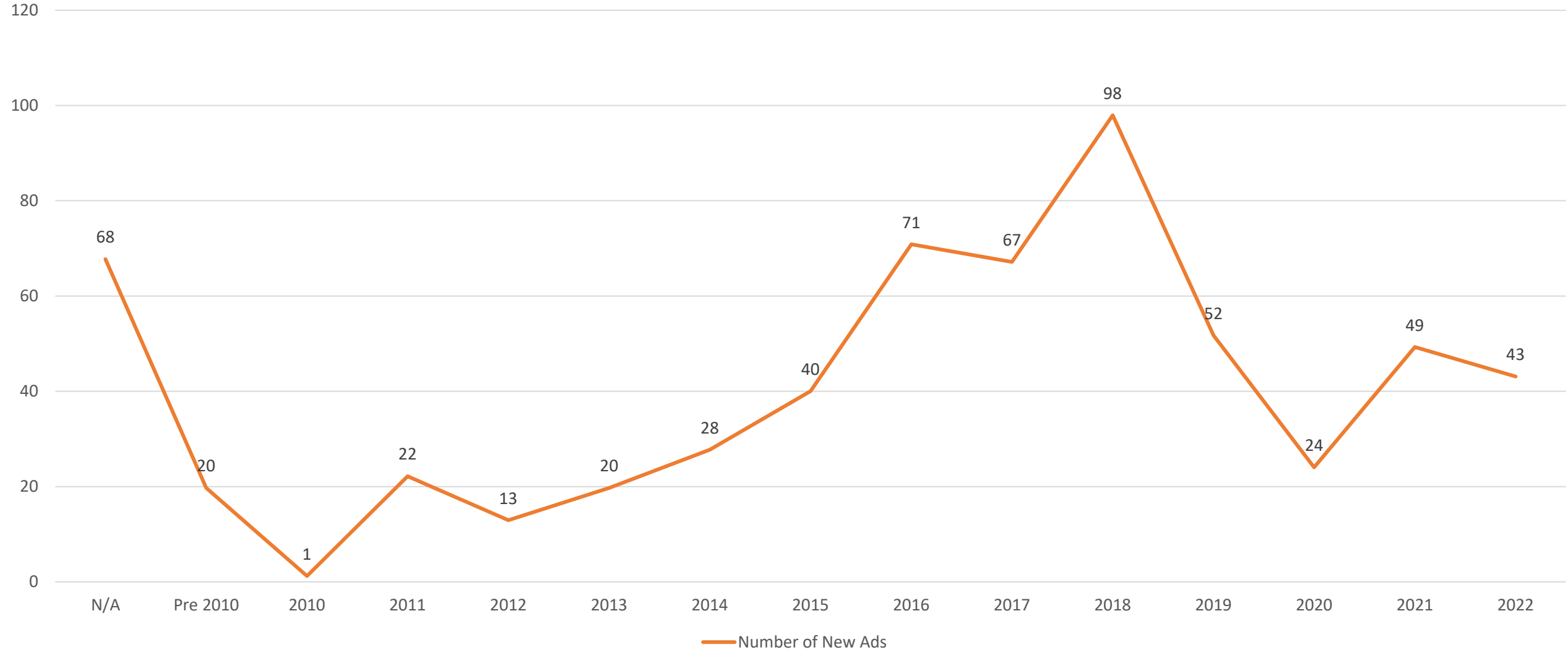
Short Term Rentals (STRs) are Growing Fast around the world, including Juneau

- A short-term rental is typically defined as a **rental of any residential home unit or accessory building for a short period of time**. This generally includes stays of less than a month (30 days).
- Number of STRs in the US has tripled in the last five years (Source: AIRDNA)
- Juneau has more than 300 (but less than 600) STRs today.

New STRs Listed Per Year in Juneau

Number of New Ads

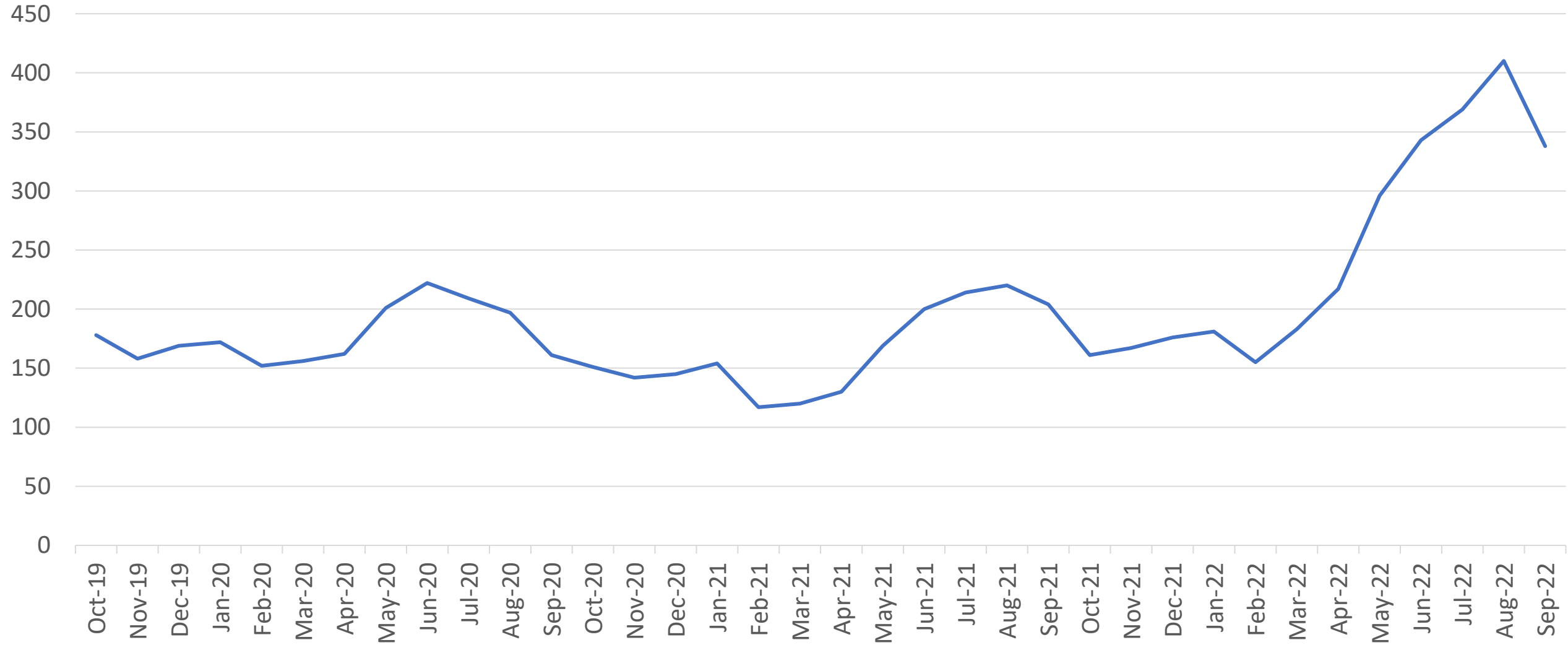
Source: Harmari



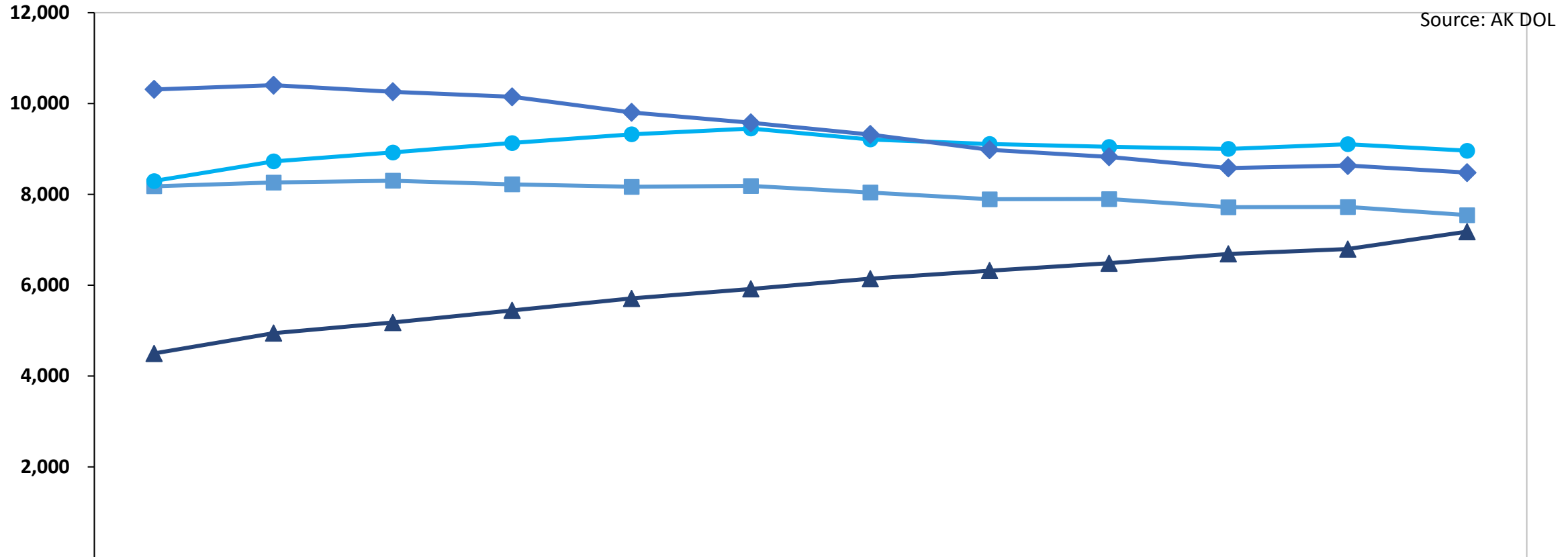
Active STRs Listed in Juneau from AirDNA

AirDNA Active Listings

Source: AirDNA



Juneau's Population Grew by 880 Since 2010; Population 20 and Over Grew by 1516

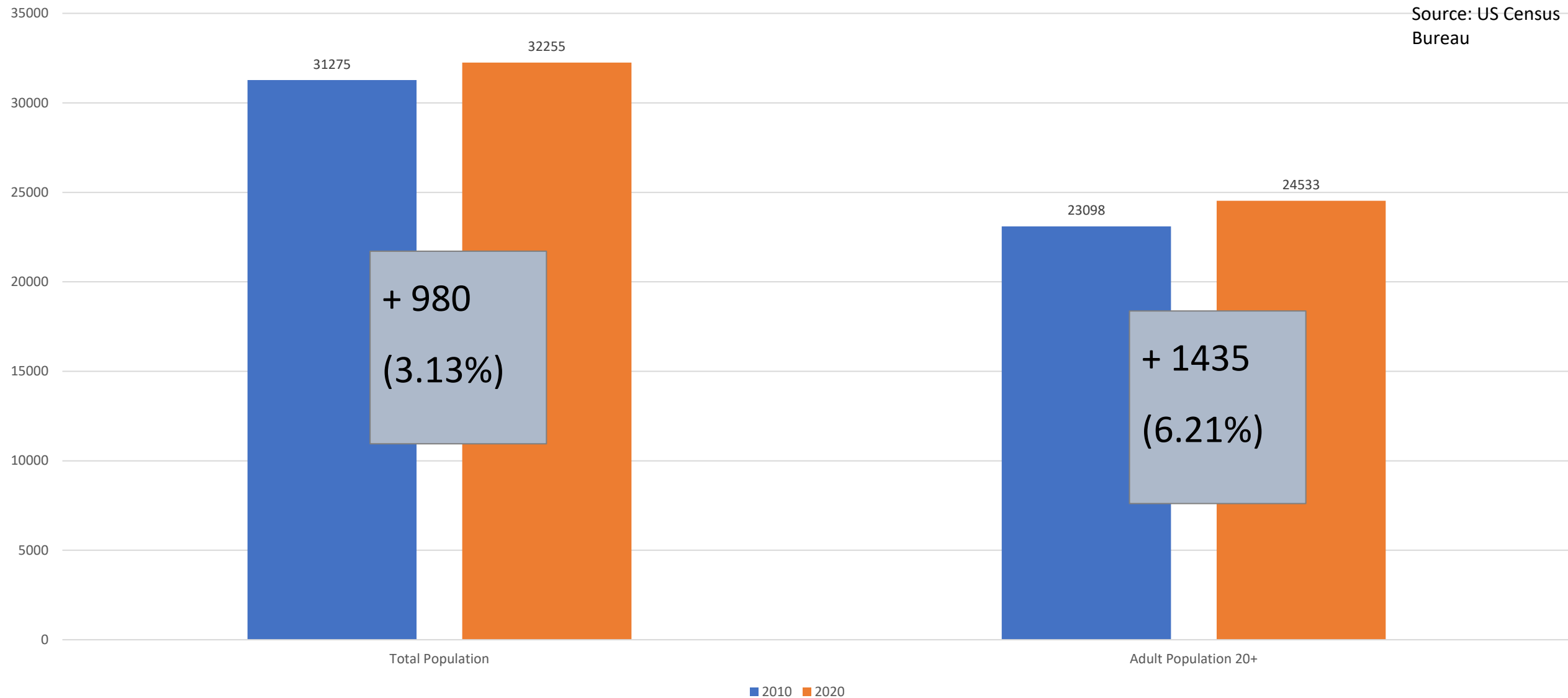


Source: AK DOL

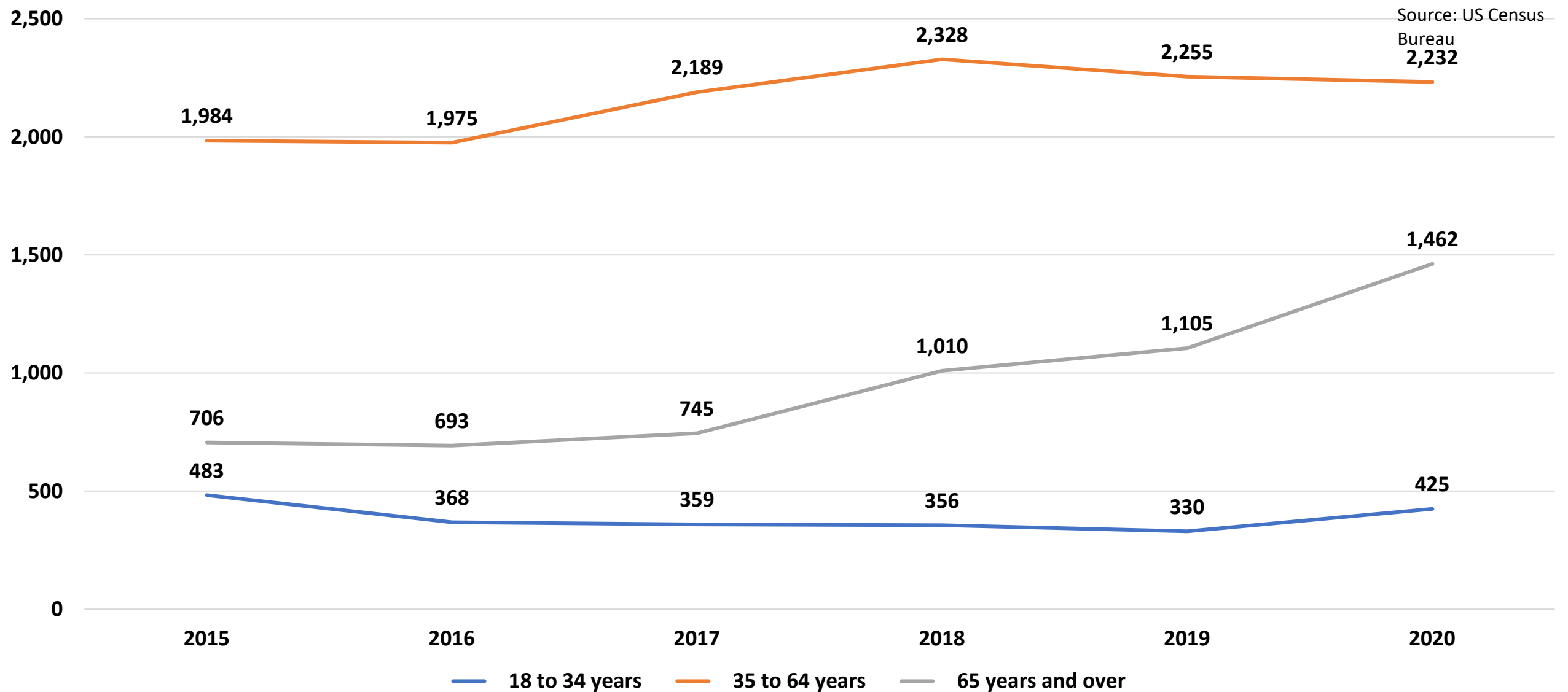
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
0 to 19	8,177	8,261	8,301	8,220	8,166	8,185	8,039	7,891	7,895	7,717	7,722	7,541
20 to 39	8,294	8,725	8,921	9,130	9,322	9,450	9,207	9,109	9,045	9,001	9,105	8,961
40 to 59	10,309	10,402	10,259	10,146	9,805	9,575	9,317	8,982	8,824	8,580	8,633	8,477
60+	4,495	4,943	5,176	5,445	5,707	5,918	6,142	6,320	6,483	6,688	6,795	7,176

Aging Population: Total Population Growth vs. Adult Population Growth

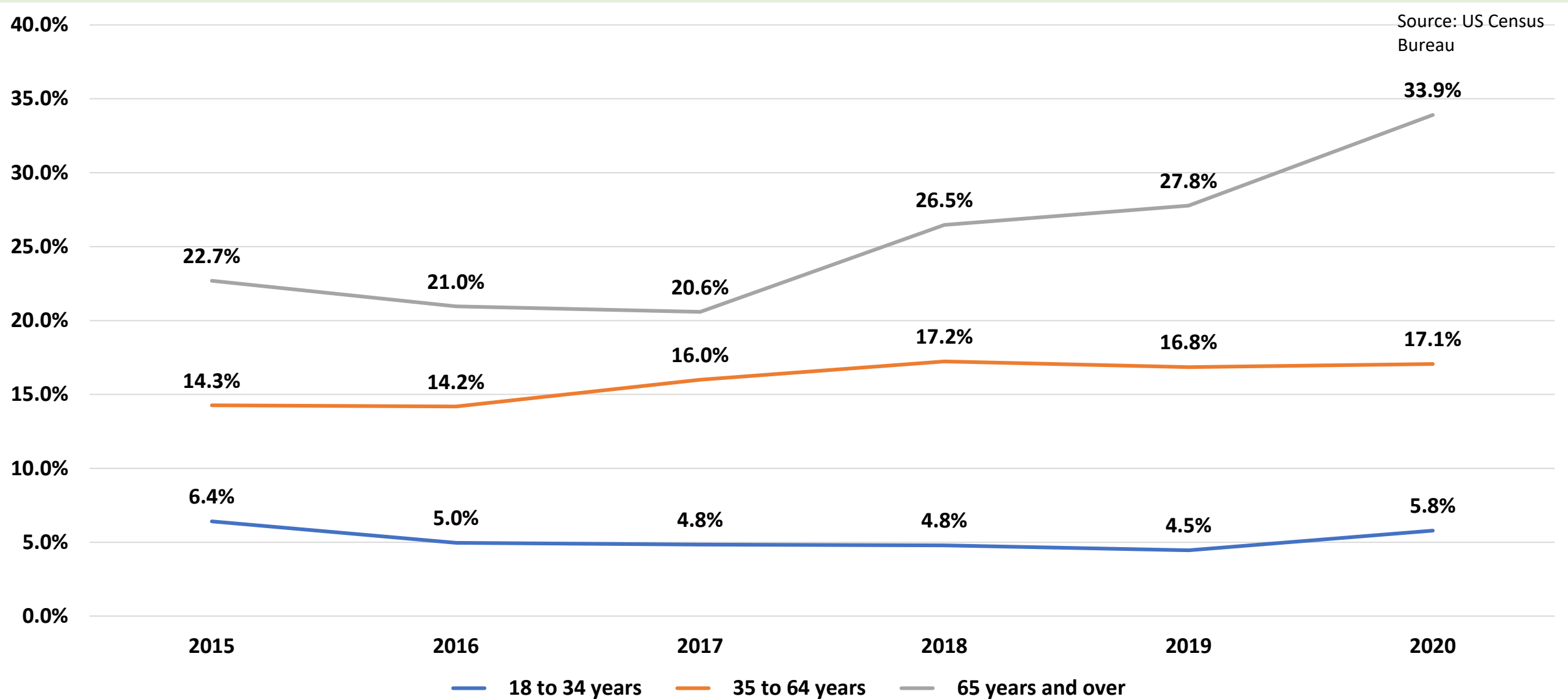
Source: US Census Bureau



Aging Population: Number of residents living alone by age

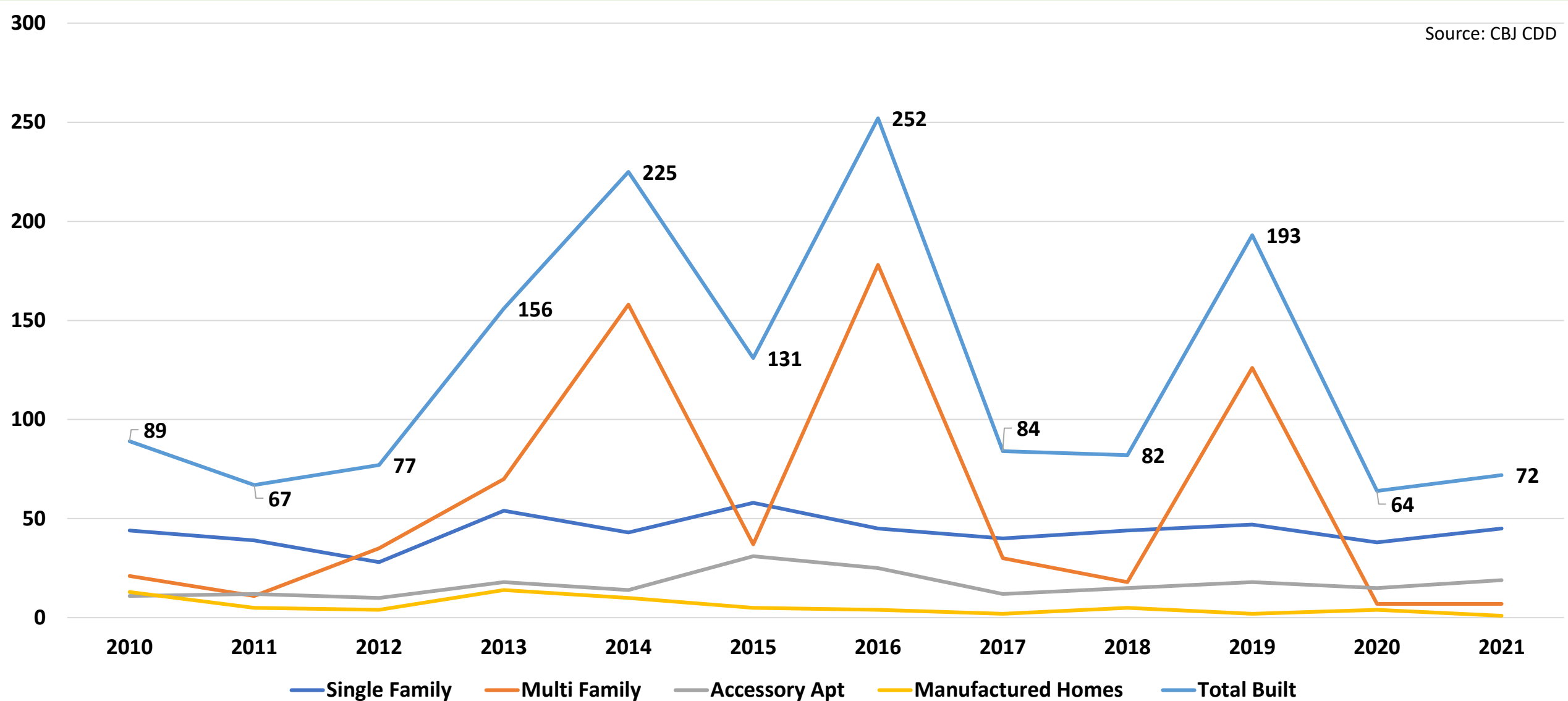


Aging Population: Percent of each age group living alone by age



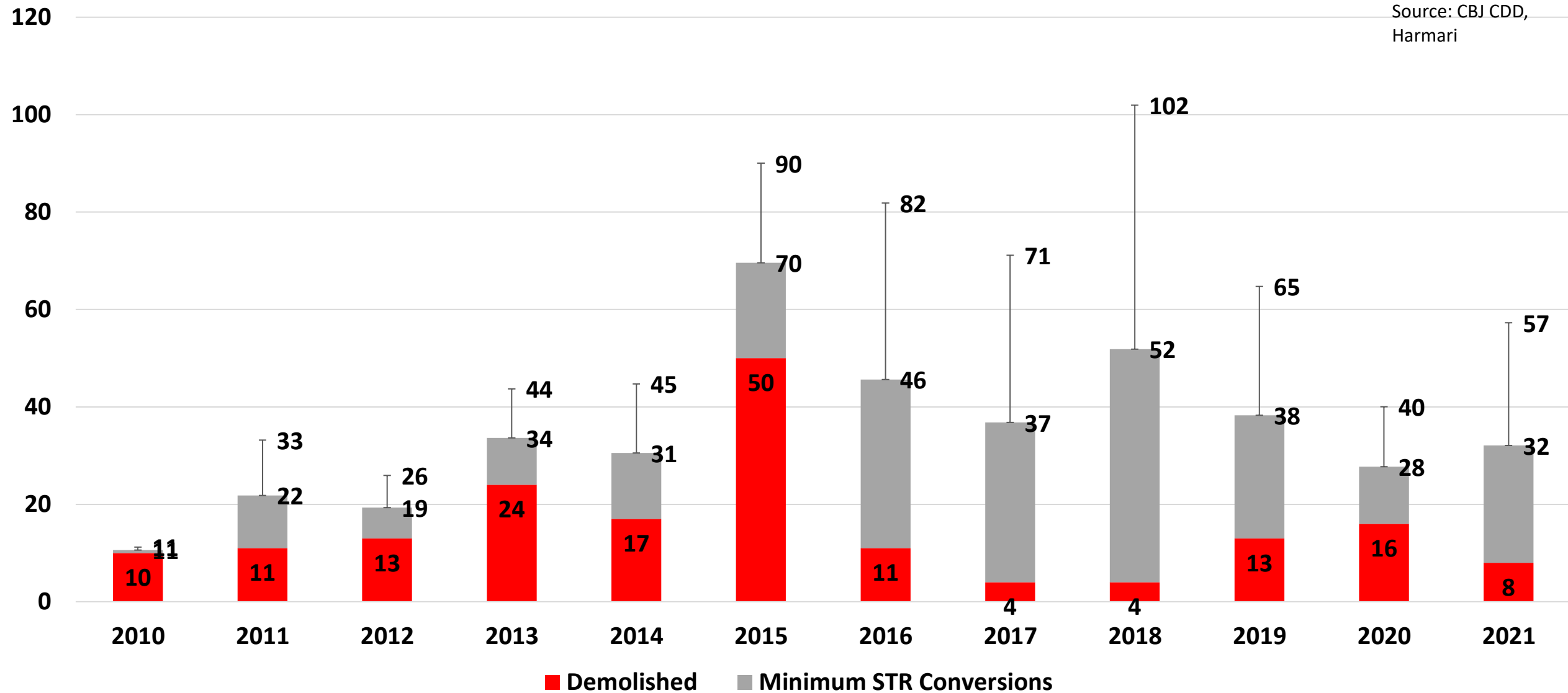
Add: New Units of Housing Total and by Type

Source: CBJ CDD



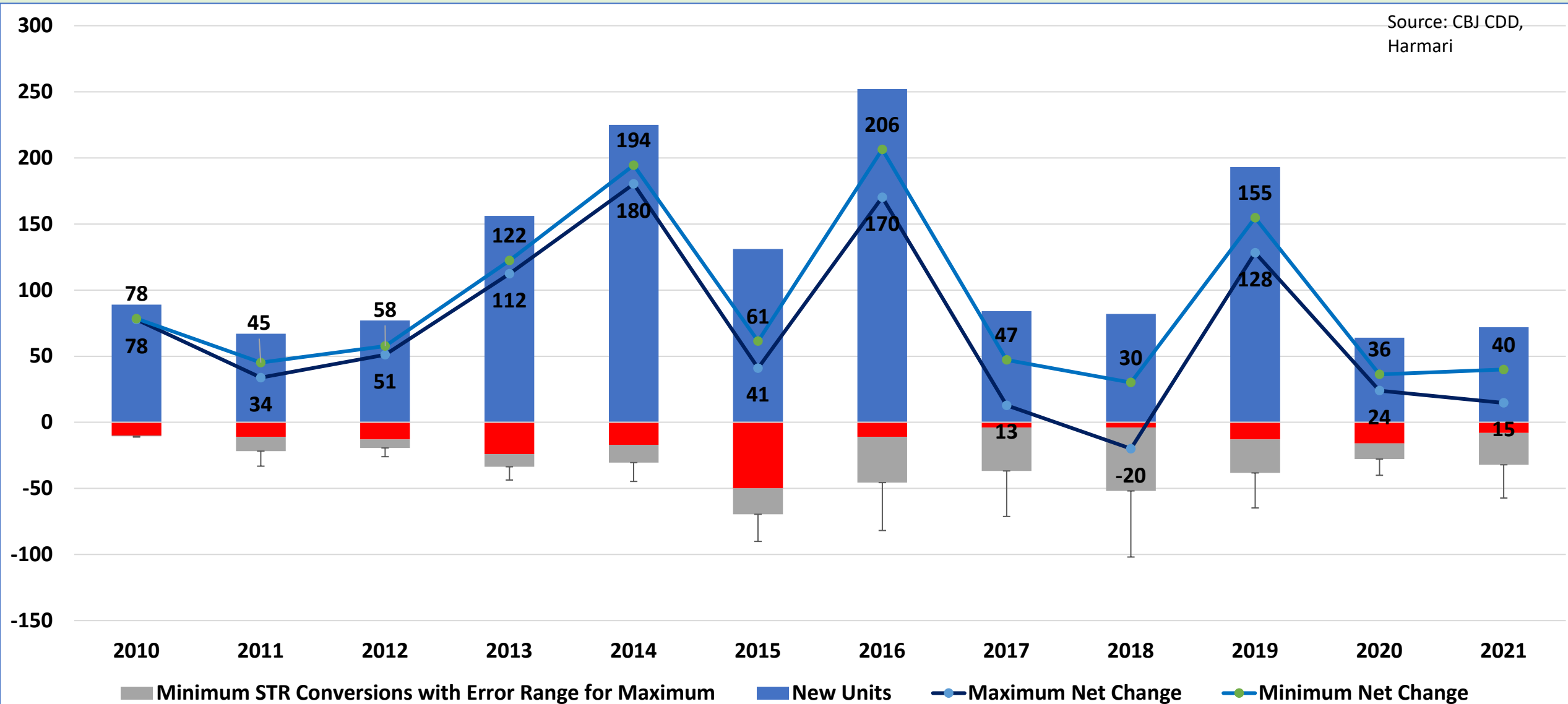
Subtract: Units of Housing Lost by Conversion to STRs or Demolished

Source: CBJ CDD,
Harmari



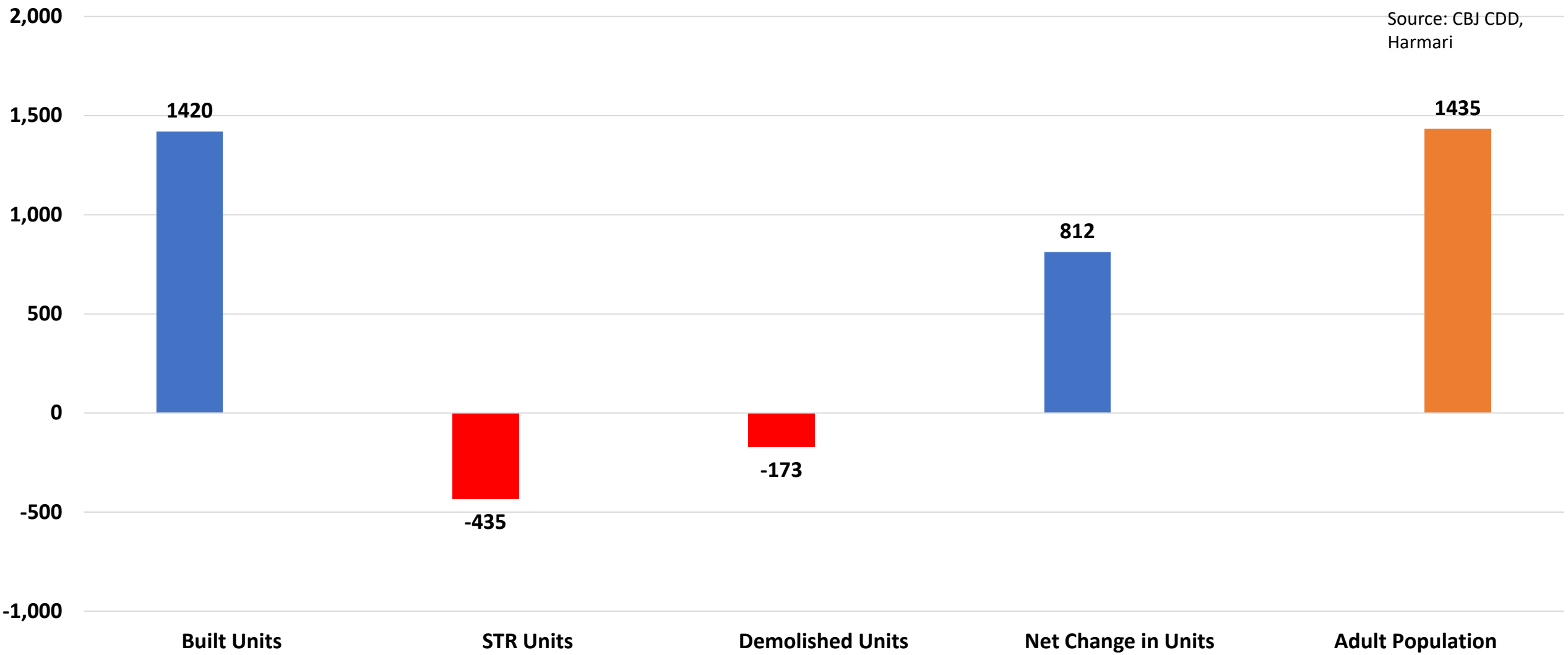
Net: New Housing Units vs. Units Lost to STRs or Demolished

Source: CBJ CDD, Harmari



2010-2020 Growth: Housing Units vs. Adult Population

Source: CBJ CDD,
Harmari



Conclusions about STRs and Housing Shortage

Since 2010, there have been 1,492 new units added to Juneau's housing stock while Juneau's population has remained relatively stable. In 2022, we continue to experience a housing crisis.

- **Where have those new units gone?**

- *Our Adult Population has grown faster than the rest of the population.*
- *More seniors are staying in Juneau.*
- *More people live alone.*
- *Some converted to Short-Term Rentals, demolished, or acquired for seasonal workers.*

- **What is the impact, if any, of the short-term rental market on Juneau's housing stock?**

- *300+ homes are no longer available for long-term rentals in our market.*
- *STRs do reduce the availability of long-term housing but are only one of several factors.*

Research shows that a lack of affordable housing **prevents economic development**

1. A lack of housing leaves **jobs unfilled**, threatening local businesses and organizations. The presence of affordable housing has been shown to **improve employee recruitment and retention**.
2. A lack of affordable housing puts a **cost burden on workers**, stifling economic activity in other sectors.
3. The absence of affordable starter homes **prevents economic mobility** for new families and early career workers, encouraging outward migration.

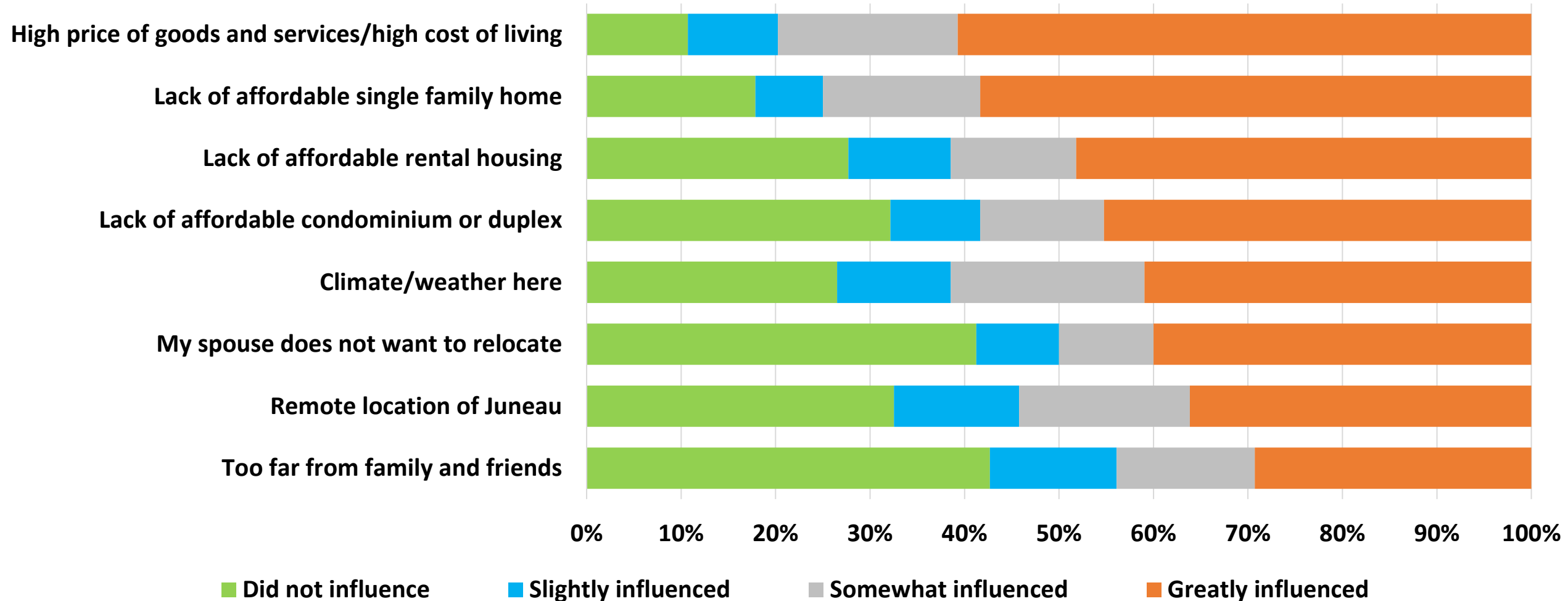
1. Lack of housing leaves jobs unfilled. Affordable housing improves employee recruitment and retention.

- **Across six of Juneau's largest employers** (in terms of total payroll amount) that publicly list job openings, there are an average of 21 open positions, for a total of **127 open jobs**. All six firms operate within different sectors: Air Transportation, Tribal Government, Breweries, Grocery Retail, Residential Facilities, and Healthcare.
- There are **109 openings for State of Alaska jobs** alone in Juneau (not included in the above sample). The **Juneau School District has 75 vacancies**.
- Bartlett Regional Hospital currently employs 26 travelers and has **indicated that housing (both availability and cost) is a factor that impacts their ability to both recruit and retain employees**
- The US Coast Guard has indicated they are having **difficulty finding housing** for active duty members.
- As of August 2022, Juneau's **unemployment rate was 2.3%**, a record low. This means that people are working, but jobs are still unfilled, so attracting outside talent is necessary. This is made more difficult when prospective workers cannot find affordable housing.

2016 Survey Shows COL and Housing are Key Factors that Keep Non-Resident Workers Commuting

Indicate the degree to which each of the following aspects of Juneau may have influenced your decision to make, or continue to keep, your permanent residence outside of Juneau

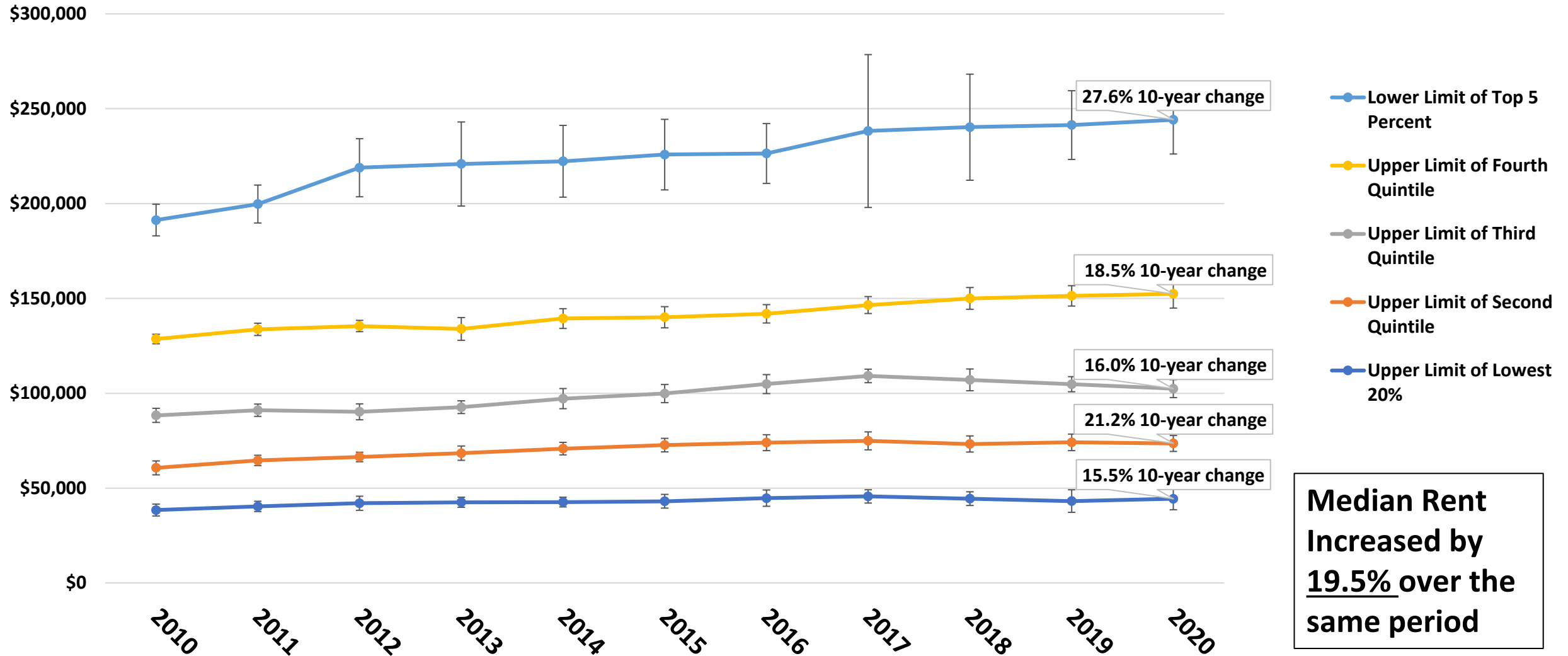
Source: JEDC
Non-Resident
Survey



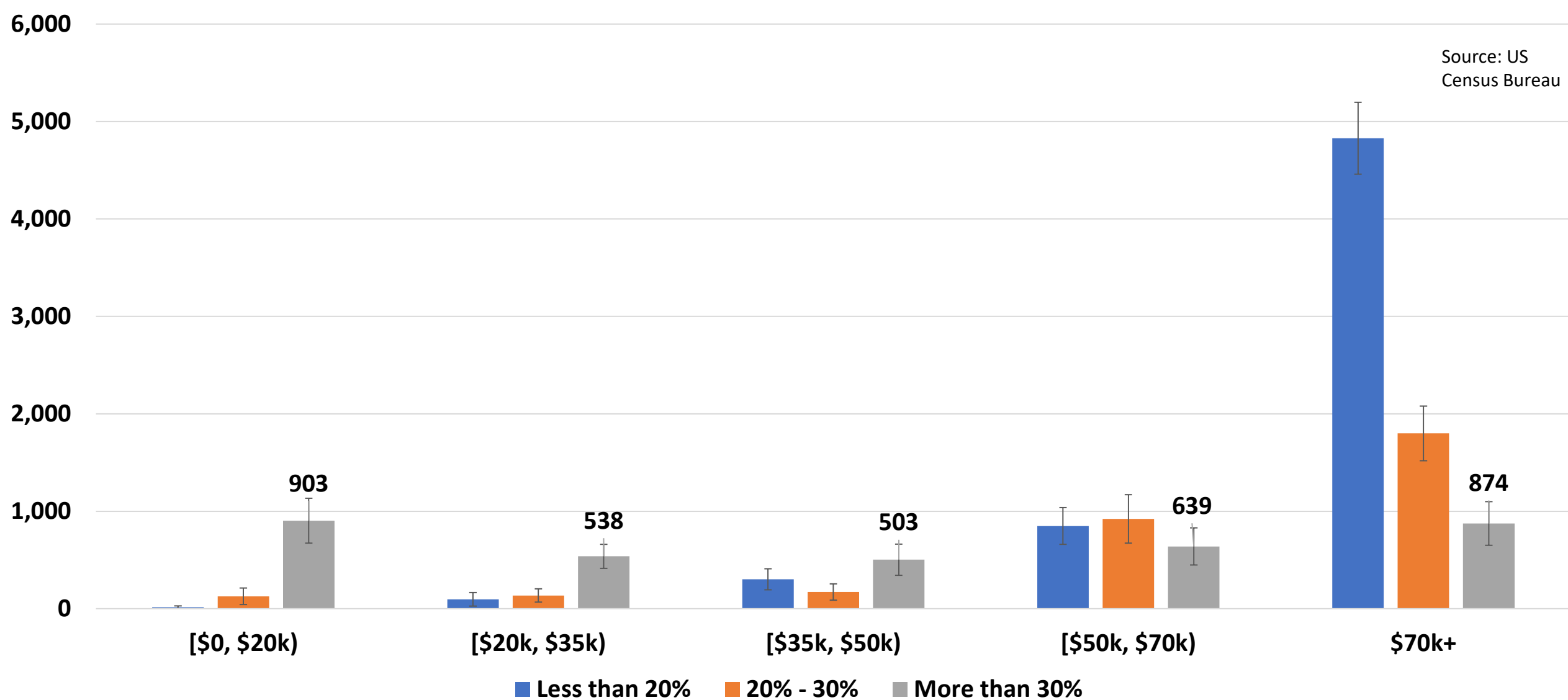
2. Lack of affordable housing puts a cost burden on workers, stifling economic activity in other sectors.

- **27%** of Juneau households were cost burdened in 2020.
- Cost burdened citizens are less likely to spend money on non-essential goods and services, preventing them from contributing to Juneau's economic activity.
- Children in households that are cost burdened by housing are more likely to have Adverse Childhood Experiences.
- Housing has a major impact on overall Cost of Living in Juneau. Juneau COL is very high for Alaska and the Nation.

Income for Most Households Has Not Kept Up With Rental Costs



3,457 (27%) of 12,705 Juneau Households Were Cost Burdened by Housing in 2020



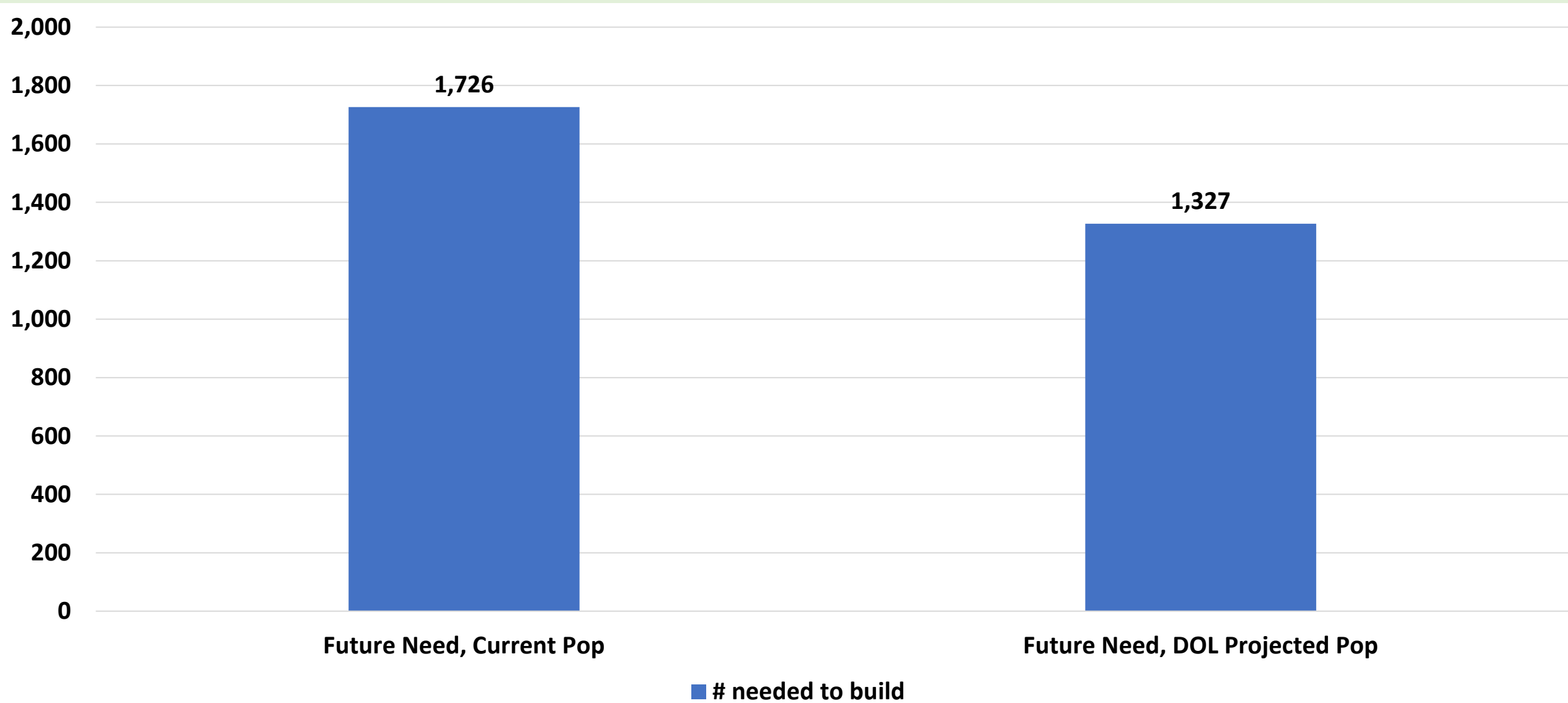
3. Absence of affordable starter homes prevents economic mobility for new families and early career workers, encouraging outward migration.

- Juneau (and Alaska) has a low fertility rate (1.4 approximately)
- Juneau has not seen net in-migration since 2013
- Cost of Living, Housing Availability, and Housing Costs are the top three most important factors when workers relocate

Projecting Housing Needs for Juneau

- To meet current housing demand, we need to build units as soon as possible to account for the ongoing deficit.
- Due to the trend of decreasing household sizes and changing demographics, Juneau will need more housing even if its population is stagnant or declines (as projected by DOL).
- Remedying the current housing crisis will likely positively affect Juneau's population trends.
- Bottom line: we need more supply!

Housing Need Projections to 2030: 1,500 New Units



Thank you!



*Please read the full “Juneau Housing Stock and Short-Term Rentals”
research notes and our other materials at*

www.JEDDC.org