

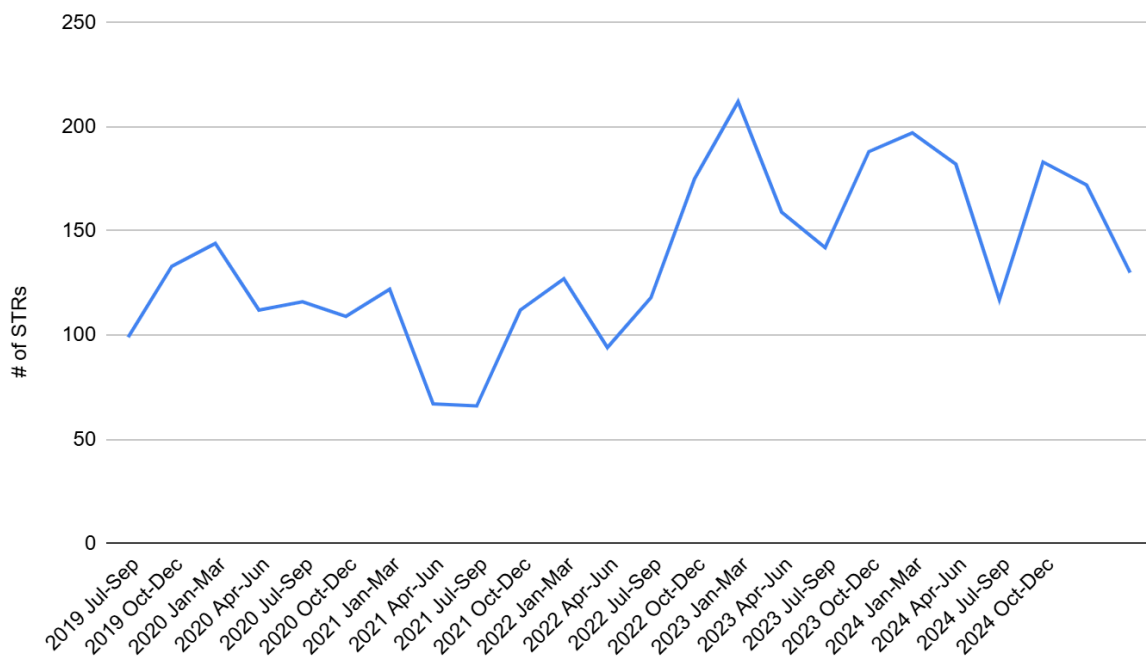
Hello STR Task Force,

While performing our “homework assignment” for this meeting I found some data that I thought could be helpful to consider as we determine how to assign the different levels of the STR matrix.

### Tax Data Shows STRs Declined Since Q3 2022

I asked Mr. Barr for the most recent non-hotel bed tax data for 2019-2024 and found an interesting trend. The number of non-hotel operators reporting bed tax peaked in the quarter of Ironman and has since been on a declining trend.

# of STRs Reporting Bed Tax 2019-2024



### 2024 Non-Hotel Bed Tax and Gross Income Data

CBJ Finance reported that in 2024, non-hotel bed tax contributed \$643,402. If you include the bed and sales tax together, that is a total of \$1,000,847 in income. The total impact through gross sales was \$12,097,722. This includes only the direct impact to CBJ. The gross sales does not include any of the many indirect benefits to the local economy through employment and additional local spending by owners and guests. In addition, our recommendation to the Assembly to require STR platforms to collect and remit bed/sales tax to CBJ should cause these numbers to increase in the future.

### **STR and Vacancy Rates After Tight Regulations**

I researched and found several markets where strict STR regulations were implemented to improve vacancy rates and rental prices. However, the data I found shows that STR and vacancy rate, or rental prices, are often not correlated in these complex markets. There are several examples where STR bans went into place and vacancy rates actually went down, while long term rental rates and hotel rates increased higher than national averages. This occurred in New York City, Amsterdam, Barcelona, and Whitehorse.

Amsterdam: A 30 nights per year cap rule was introduced on STRs in 2019. The number of Airbnbs declined by 54% between 2019 and 2024. However, long term rental costs increased by 34% between the same period of time, compared to 13% growth across the Netherlands overall. (1,2,3)

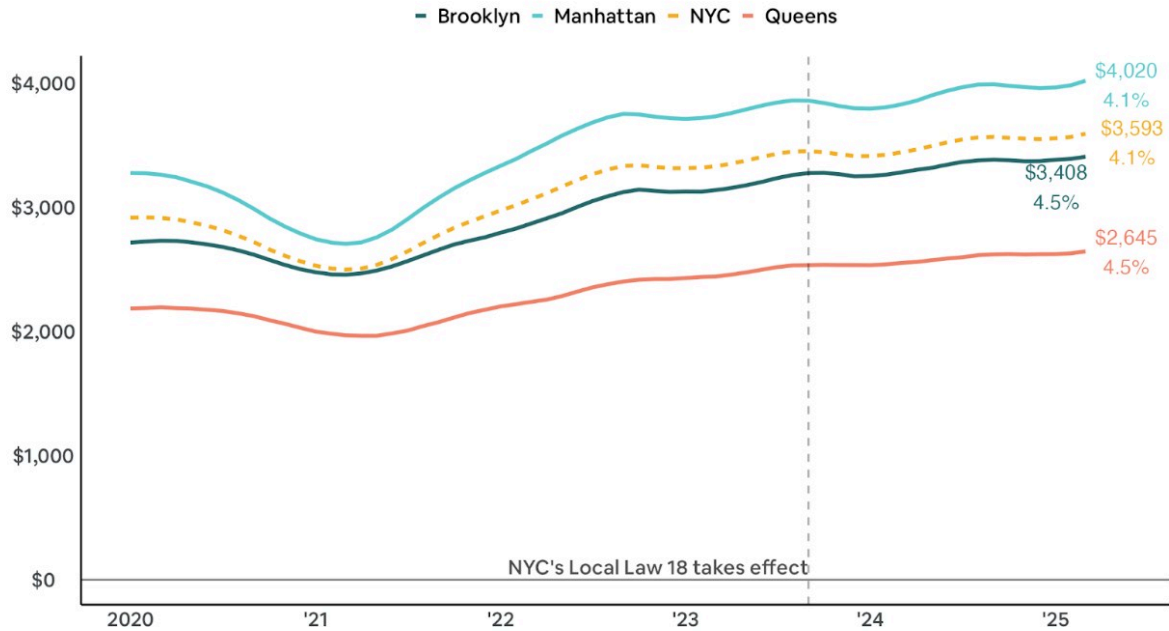
Barcelona: A moratorium on new short term rentals has been in place since 2014. Airbnb worked with the municipality to enforce the regulations starting in 2018. As a result, the number of STR listings decreased by 24% between 2018 and 2024. However, long term rents increased by 37% during the same period of time, compared to 9% growth across Spain overall. (3)

Whitehorse: Even our neighbors in the Yukon have seen markets not behaving as expected. Between 2019 - 2021, median rents increased by 12.2%. At the same time, STR supply decreased by 100 listings, according to the Yukon Bureau of Statistics.(4,5)

New York City: An STR ban has been in place since late 2023. It has not increased housing availability or affordability. Vacancy rates have remained unchanged at record lows. Rents have continued to rise at higher than state and national averages. In addition, the hotel costs for visitors have increased at rates higher than national averages. Below are some graphs showing that the STR ban in NYC has not encouraged housing availability or development:

## Rent in New York City

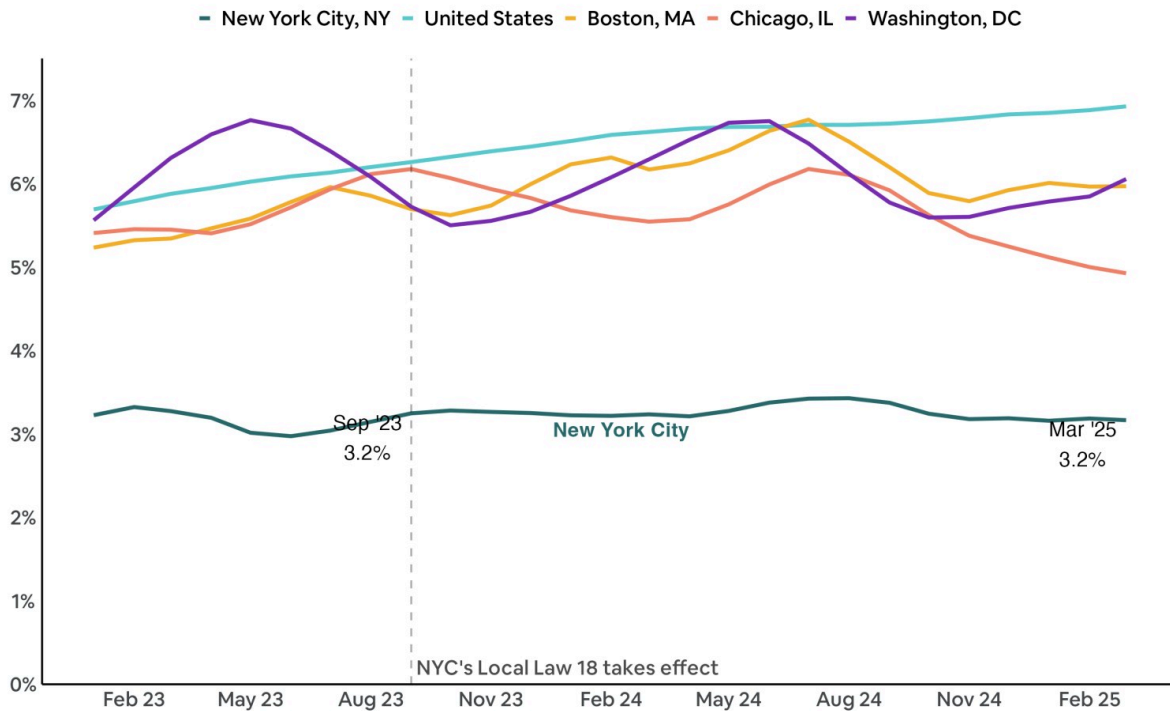
StreetEasy's Rent Index  
% change since August 2023



Source: StreetEasy

## New York City vacancy rates remain unchanged since September 2023

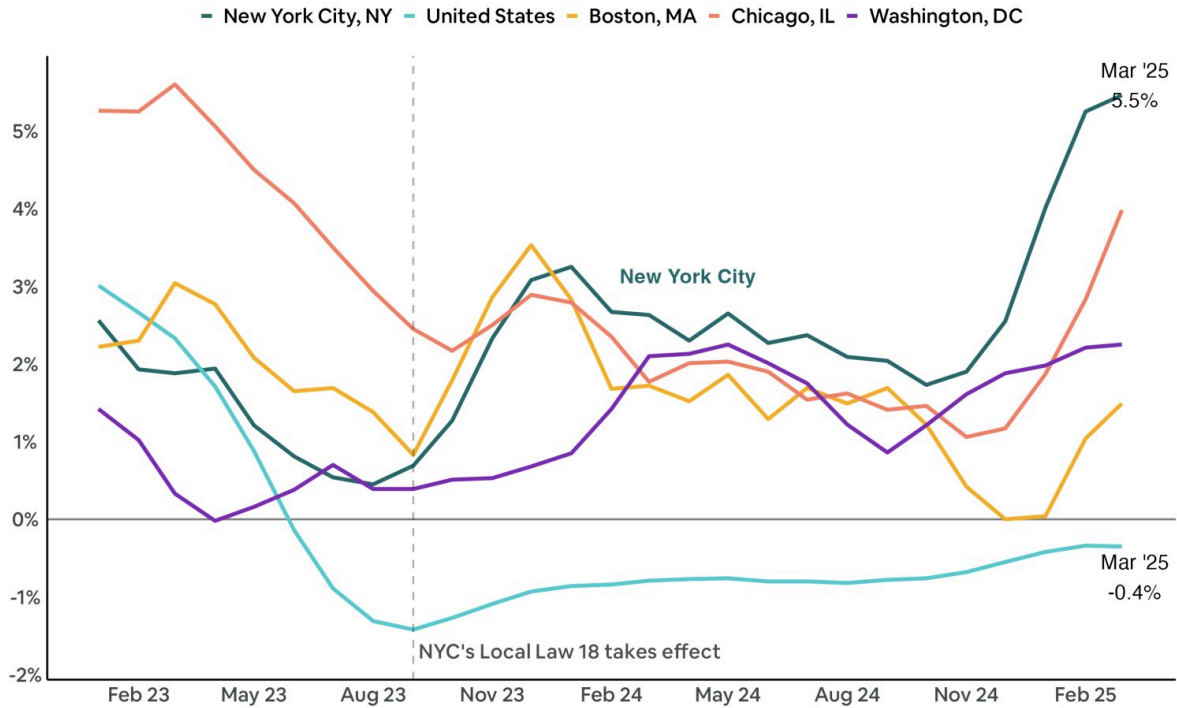
City-level Vacancy Index\*



Source: Apartment List; \*Ratio of vacant units to total units  
Data Available: [www.apartmentlist.com/research/category/data-rent-estimates](http://www.apartmentlist.com/research/category/data-rent-estimates)

## New York City rent growth continues to outpace peer cities

Year-over-year change in Rent Index

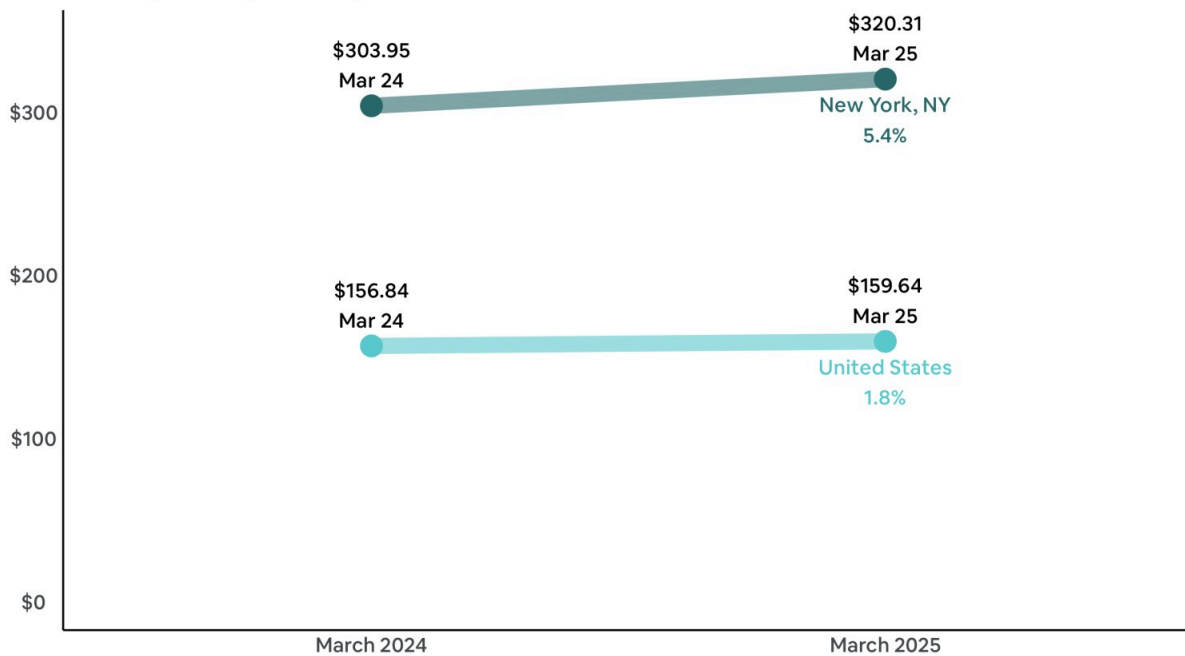


Source: Apartment List

Data Available: [www.apartmentlist.com/research/category/data-rent-estimates](http://www.apartmentlist.com/research/category/data-rent-estimates)

## New York, NY hotel rates up 5.4% in the last year, compared to 1.8% Nationwide

Average Daily Rate (ADR) 12-month moving average\*  
% change from previous year



Source: CoStar, Market Report

I tried to find other municipal regulatory models that limit STRs based on vacancy rate, in an attempt to encourage long term rentals. The closest regulatory tool that I could find that placed STR restrictions based on vacancy rates is in Bellingham, WA. Their rental vacancy rates have been extremely low, around 2-3% since 2016. (6) Their target healthy vacancy rate is 5-7%. (7)

Bellingham currently has strict regulation of STRs. They will only consider lifting the strict regulations if vacancy rates increase above 4%:

*"If the citywide housing vacancy reaches four percent or higher, the city council shall review whether short-term rentals should be allowed in nonprimary residences in residential general use type areas."* (8)

Nearly all of the other municipalities I researched used a flat rate of allowed STRs when they applied a limit or restriction. I could not find any municipalities that regulated based on a measure of affordability. Bellingham was the only municipality I found that used vacancy rate as a minimum to allow expansion of STRs.

If we choose vacancy rate to adjust the matrix we could create unintended consequences. One example would have occurred when vacancy rates increased during COVID. That would have allowed for STR growth during a time of temporary rising vacancy rates. Even if it is averaged out over time, there could be a temporary bump from a single short-term event that could increase STRs. This method also relies on data from the State of Alaska, which may not be available in the future.

I think the best method is to set the levels of the matrix using the number of STRs/available housing. The denominator could include all housing, or just all rental housing. Then the tool will provide a more stable, predictable measure for STR owners/operators to plan for the future. This data is based on CBJ and federal census data, which may be more reliable than data from the State in the future.

Thank you for your time and consideration.

Sincerely,  
Dan Coleman

- 1) [https://ec.europa.eu/eurostat/databrowser/view/prc\\_hicp\\_aind\\_custom\\_1514466/default/table](https://ec.europa.eu/eurostat/databrowser/view/prc_hicp_aind_custom_1514466/default/table)
- 2) <https://www.numbeo.com/cost-of-living/city-history/in/Amsterdam>
- 3) <https://news.airbnb.com/new-analysis-shows-stringent-str-regulations-have-failed-to-improve-the-housing-situation-in-amsterdam-and-barcelona/>
- 4) <https://neighbourlynorth.com/researchnote/>
- 5) <https://yukon.ca/sites/default/files/2025-02/fin-yukon-rent-survey-october-2024.pdf>
- 6) <https://maps.cob.org/resources/images/pcd/HousingStatsStoryMap/VacancyRates.jpg>
- 7) <https://cob.org/services/planning/key-housing-questions#:~:text=A%20healthy%20vacancy%20rate%20is,and%20around%20%25%20for%20homeowners.>
- 8) <https://bellingham.municipal.codes/BMC/20.10.037>