

March 4, 2024

Esteemed Chairs Felipe and Moore,
Members of the Housing Committee:

The Western Connecticut Council of Governments (WestCOG) appreciates the opportunity to comment on Raised Bill 267, *An Act Requiring a Study of the Effects of Short-Term Rentals on the Housing Market of the State*.

WestCOG **supports** this bill.

A growing body of research finds that short-term rentals make long-term rentals less available and less affordable. A few of these include:

- [Short-Term Rentals Make Housing Less Affordable \(Purdue University\)](#)
- [When Airbnb Listings in a City Increase, So Do Rent Prices \(Harvard Business Review\)](#)
- [The economic costs and benefits of Airbnb: No reason for local policymakers to let Airbnb bypass tax or regulatory obligations \(Economic Policy Institute\)](#)

On the other hand:

- Short-term rentals create a revenue stream that can defray the costs of homeownership.
- Short-term rentals can provide needed lodging for contract workers, interns, and visitors in locations that were under- or unserved by hotels and motels.

WestCOG suggests that this study:

- Evaluate impacts on a regional and local basis, in addition to statewide. Short-term rentals may have a greater impact on local housing markets in areas where they tend to cluster (e.g., beach towns) than in areas where they are sparse.
- Differentiate between properties where the owner lives on premises and ones where the owner is absent. Impacts on local housing markets may vary by unit type. An entire home that is short-term rented is a home that is unavailable for sale or long-term rental. Conversely, a homeowner may Airbnb a spare room that they would not otherwise rent out (so they are adding, rather than displacing, supply).
- Review the role of state policy. For instance, while short-term rentals pay the same lodging tax as hotels and motels (15%), unlike the latter, commercial (i.e., not owner-occupied) short-term rentals are generally assessed as residential property for the purposes of property taxation.
- Develop policy solutions to address the findings of the study, so that the document is not shelved without further action.

Should you have questions or require additional information, please do not hesitate to contact me. Thank you for your consideration.

A handwritten signature in black ink that reads "Francis Pickering". The signature is written in a cursive, flowing style with a long horizontal stroke at the bottom.

Francis R. Pickering
Executive Director