

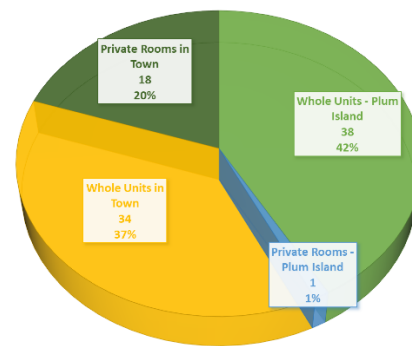
Why Short-term rentals are good for Newburyport?

Newburyport City Council has initiated an ordinance to address short-term rentals in Newburyport. Why? It is alleged that Short-term rentals are causing a housing shortage and creating a nuisance. Meanwhile, communities often benefit from short-term rentals. Let's talk about the concerns, the facts, and the benefits.

Housing Shortage: where did all the rentals go?

Newburyport's housing market is booming. Did you know that **2180** multi-family rental units have been converted to condos? Homeowners are replacing renters – how fabulous is that! Meanwhile, Newburyport has only 189 short-term rentals - over 70% are on Plum Island. Fewer than 50 places are in downtown Newburyport. It's clear that condo conversions have consumed many more rental units.


NEWBURYPORT REGISTERED SHORT-TERM RENTAL UNITS



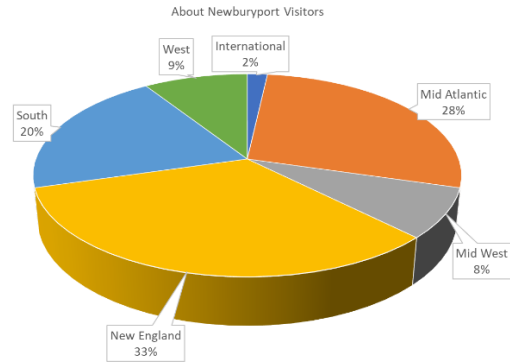
Short-term rentals help local merchants:

Everyone on vacation spends more money. Vacationers go out to eat, shop for trinkets and gifts, take tours, and visit museums. On average, a vacationer spends \$550/day. It's estimated that \$350-400/day is spent on travel and accommodations. \$150-200 per visitor per day is spent locally. Vacationers spend in Newburyport.

All the local businesses can tell you: they have a lot more business when there are visitors. Did you know that Newburyport's current blend of short-term rentals can accommodate 1000 guests? The current short-term rental capacity provides visitor spend of \$150,000 to \$200,000 per day. Table below illustrates potential visitor spend based on capacity and occupancy. What would happen to Newburyport's charming city center if we eliminated or severely reduced short-term rentals? Would the downtown thrive or survive?

Unit Type 	Total Guests	\$Visitor Spend (\$150/Guest/Day)	\$Annual @50% Occupancy	\$Annual @80% Capacity
1 Bedroom	99	\$14,850	\$2,717,550	\$4,348,080
2 Bedroom	231	\$34,650	\$6,340,950	\$10,145,520
3 Bedroom	256	\$38,400	\$7,027,200	\$11,243,520
4 Bedroom	290	\$43,500	\$7,960,500	\$12,736,800
5 bedroom	26	\$3,900	\$713,700	\$1,141,920
6 bedroom	58	\$8,700	\$1,592,100	\$2,547,360
Private Room	42	\$6,300	\$1,152,900	\$1,844,640
Grand Total	1002	\$150,300	\$27,504,900	\$44,007,840

Some may say: we don't need short-term rentals; Newburyport visitors are day trippers; loss of short-term rentals would not adversely affect local tourism. The data shows differently. In 2019, 1000 bookings in Newburyport show an interesting blend of visitors. Only 16% were within day trip distance; 33% were from New England; and 67% or 670 bookings were for visitors flying into New England and choosing to stay in Newburyport.



Alternatively, some may say – residents spend locally. Downtown merchants are more reliant on residents than visitors. Truth is at home, people spend differently. They dine out less, shop less, and participate in local activities less. While 100% of visitor purchases are local, 40% of all retail transactions are purchased on Amazon. Even if residents spent as many dollars as visitors, they would only be spending 60% in comparison to 100% of the visitors.

Visitors spend more in a short time. With the current short-term rental capacity of 1000 guests, Newburyport enjoys 365,000 visitor days per year. Let's use this to consider the impact on local merchants. If ½ the residents went on 1 whale watch per year, residents would buy about 9000 tickets. If ½ the visitors went on a whale watch, visitors would buy >180,000 tickets. Even if we cut that in half to 90,000 – that's still 10 times the residents' tickets.

Visitors are a Nuisance:

Some say "visitors" are a nuisance. Visitors are vacationers – I vacation; you vacation; we all vacation. Most visitors are families & friends enjoying beautiful locations like Newburyport. Unruly guests are rare – I have managed thousands of visitors, and, have only had to intercede a couple times to reinforce house rules. Most visitors, like us, are courteous and respectful. The real issue is poorly managed properties. Ordinances exist to address problem properties and local nuisances. Let's use the existing rules and address poorly managed properties.

Short-term rentals help local businesses:

While visitors spend with local merchants, property owners and managers spend with local companies. Short-term rentals create local jobs and use local services. As you can imagine, visitors expect nice, clean and fully functioning accommodations. The 189 short-term rentals translate into many jobs: 30-50 cleaners, 10-15 property managers, 15-20 property maintenance technicians, and regular business for local trades like landscapers, handymen, appliance repair, electricians, plumbers, and more.

Short-term rentals help your neighbors:

Imagine neighbors who have owned their home for many years; they are entering the next phase in life. Their children are grown; they want to keep the family home, but they don't need all that space. Perhaps they are facing unexpected expenses – higher property taxes, expensive maintenance, or

medical bills. Their homes can provide additional income. Short-term renting helps these long-time residents age in place with dignity and grace.

In Closing

Let's all agree that Tourism is essential to Newburyport's economy. Well managed short-term rentals are essential to good neighborhoods. Ideally, we can find a solution that retains short-term rentals to buoy the Newburyport economy while sustaining neighborhood character. An ordinance can help to achieve all of these ends when it considers the impact on the businesses and the residents.