

# Exhibit 3 – Short-Term Rental (STR) Background & Data

## University Towns and STRs

During the November 6, 2019 STR Task Force meeting, Rebecca Badgett, an attorney with the UNC School of Government provided an overview on how other university towns approach STR regulations. This table summarizes her findings and has been updated to reflect current conditions:

College Town	Number of undergrads enrolled	Primary Residence (Hosted STRs)	Dedicated STRs
<a href="#">Berkeley, CA</a> <sup>1</sup>	31,870	Up to 90-days of unhosted rentals	Prohibited
<a href="#">Boulder, CO</a> <sup>2</sup>	29,624	Accessory Dwelling Units limited to 120 days/year	Prohibited
<b>Chapel Hill, NC</b>	19,117	TBD	TBD
<a href="#">Fort Collins, CO</a> <sup>3</sup>	26,559	Up to 90 days per year	Prohibited in high-density residential
<a href="#">Kansas City, MO</a> <sup>4</sup>	11,315	Up to 95 days of unhosted rental	Year-round STRs require approval from 55% of adjacent property owners
<a href="#">Lawrence, KS</a> <sup>5</sup>	27,619	Allowed. Owner is defined as residing in the unit for more than 270 days/year.	Prohibited in Single-Dwelling Residential zoning district
<a href="#">Madison, WI</a> <sup>6</sup>	33,456	Up to 30 days of unhosted rentals	Prohibited
<a href="#">Nashville, TN</a> <sup>7</sup>	23,290	Allowed	Not allowed in residential zones, but permitted in mixed-use and commercial zones

<sup>1</sup> <https://www.codepublishing.com/CA/Berkeley/?comp-Berkeley23C/Berkeley23C22/Berkeley23C22.html>

<sup>2</sup> <https://bouldercolorado.gov/plan-develop/short-term-rentals>

<sup>3</sup> <https://www.fcgov.com/shorttermrentals/>

<sup>4</sup> [https://library.municode.com/mo/kansas city/codes/zoning and development code?nodeId=ZODECOKAMI 30 0 SERIESUSRE 88-321SHTERERE 88-321-01AP](https://library.municode.com/mo/kansas%20city/codes/zoning%20and%20development%20code?nodeId=ZODECOKAMI_30_0_SERIESUSRE_88-321SHTERERE_88-321-01AP)

<sup>5</sup> [https://lawrenceks-my.sharepoint.com/:b/g/personal/webmaster\\_lawrenceks\\_org/EV5\\_eoKv5\\_BFigH4i5qMuDwB\\_C1vDwll\\_khuhL96OF6Yrg](https://lawrenceks-my.sharepoint.com/:b/g/personal/webmaster_lawrenceks_org/EV5_eoKv5_BFigH4i5qMuDwB_C1vDwll_khuhL96OF6Yrg)

<sup>6</sup> <https://www.cityofmadison.com/dpced/bi/regulations/3449/>

<sup>7</sup> <https://www.nashville.gov/Codes-Administration/Short-Term-Rentals/Permit-Types.aspx>

## Short-Term Rentals and Motels/Hotels

Staff has provided a brief summary of the similarity and differences between short-term rentals and motels/hotels.

Short-Term Rental	Motels/Hotels
<ul style="list-style-type: none"> <li>Rental of all or part of a residential dwelling unit for compensation for 30 days or less</li> <li>Houses fall under residential building codes; multi-family units fall under commercial building codes.</li> <li>Responsible for paying occupancy tax. (Taxes are usually collected by hosting platform and remitted to the town)</li> <li>May be managed by a property owner or management company.</li> <li>Property owner sets the rental rate and duration. It may or may not be reflective of market demand.</li> <li>Emerged as part of shared economy, providing property owners an opportunity to rent unused space or housing units</li> </ul>	<ul style="list-style-type: none"> <li>A building or group of buildings containing in combination ten (10) or more lodging units intended primarily for rent or lease to transients by the day or week, as distinguished from residence halls, in which occupancy is generally by residents rather than transients.</li> <li>Fall under commercial building codes.</li> <li>Health and safety codes apply</li> <li>Responsible for paying occupancy tax.</li> <li>Motel/hotel staff is typically on-site to manage and aid guests</li> </ul>

## Market Trends

Prior to the pandemic, the Chapel Hill community saw a significant growth in STRs. Since March 2020, the number of active STRs has decreased by 22.5%.

Many of the trends staff initially presented to Council about the makeup of STRs have remained consistent according to [AirDNA](#).

	Total Number of STRs	Rental Type	Rental Size
<b>Jan. 2021</b>	235	76% Entire House 24% Private Room	2.2 Bedrooms/ 5.4 guests on average
<b>March 2020</b>	334	71% Entire House 29% Private Room	2.1 Bedrooms/5.3 guests on average
<b>July 2019</b>	338	67% Entire House 33% Private Room	Data not collected
<b>Averages</b>	302	71% Entire House 29% Private Room	2.1 Bedrooms/5.3 guests on average

## Short-Term Rentals & Zoning

We collected data on STRs from 2014 to January 1, 2021 to determine trends among STRs. We found:

- 873 total STRs during this period (not all listings were active simultaneously)
- 25,814 residential properties in total
- This equates to about 3.4% of residential units serving as STRs over a 6-year period

To protect their clients' identity, Airbnb provides the coordinates as an estimated longitude and latitude, not a specific address. In some cases, the coordinate location showed a STR where there were no residential addresses. Staff had to approximate the location of a STR by moving it to the closest residential address within a zoning district.

### Short-Term Rentals by Zoning District

Staff has summarized the number of residential dwelling units and STRs that occur in each zoning district below. Staff then considered the number of residential dwelling units in zoning districts that were similar in the types of uses that they permitted, and these are shown in bold below. We found:

- Majority (83%) of STRs are located in the Residential (R-) zoning districts. The intent of these zoning districts is to provide residential development with access to major activity centers and transportation systems.
- Town Center (TC), Office/Institutional (OI), Community Commercial (CC) and Neighborhood Commercial (NC) have fewer residential dwelling units, but higher percentages of STRs within each zoning district. These districts offer more amenities to visitors, such as access to transit, restaurants, stores, and other commercial uses. Hotels are permitted in the TC-, CC, OI-3, and OI-4 zoning districts.

Zoning District	Residential Addresses	STRs	% STR
<b>RESIDENTIAL ZONING DISTRICTS</b>	<b>22,929</b>	<b>738</b>	<b>3.2%</b>
R-1	4,834	182	3.8%
R-1A	396	10	2.5%
R-2	4,867	159	3.3%
R-2A	63	0	0.0%
R-3	2,334	129	5.5%
R-4	4,809	134	2.8%
R-5	4,134	70	1.7%
R-6	190	6	3.2%
R-SS-CZD	457	7	1.5%
R-LD1	576	32	5.6%
R-LD5	107	6	5.6%
RT	<b>32</b>	<b>0</b>	<b>0.0%</b>
<i>Historic Rogers Road</i>			
HR-L	70	3	4.3%

HR-M	60	0	0.0%
<b>NON-RESIDENTIAL ZONING DISTRICTS</b>	<b>2,885</b>	<b>135</b>	<b>4.68%</b>
Neighborhood Commercial (NC)	145	9	6.2%
Community Commercial (CC)	9	9	100.0%
<b>Office/Institutional Districts</b>	<b>223</b>	<b>35</b>	<b>15.7%</b>
OI-1	48	8	16.7%
OI-2	171	27	15.8%
OI-3	4	0	0.0%
<b>OI-4 (UNC Zoning District)</b>	<b>103</b>	<b>13</b>	<b>12.6%</b>
<b>Town Center</b>	<b>632</b>	<b>42</b>	<b>6.6%</b>
TC-1	0	0	0.0%
TC-2	175	34	19.4%
TC-3	457	8	1.8%
<b>MU-OI-1</b>	<b>476</b>	<b>4</b>	<b>0.8%</b>
<b>MU-R-1</b>	<b>41</b>	<b>1</b>	<b>2.4%</b>
<b>MU-V</b>	<b>334</b>	<b>12</b>	<b>3.6%</b>
<b>U-1</b>	<b>1</b>	<b>1</b>	<b>100.0%</b>
<b>Blue Hill Form Based Code Districts</b>	<b>912</b>	<b>9</b>	<b>1.0%</b>
WR-3	180	1	0.6%
WR-7	5	1	20.0%
WX-5	163	3	1.8%
WX-7	564	4	0.7%
<b>DA-1</b>	<b>8</b>	<b>0</b>	<b>0.0%</b>
<b>IND</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>LI-CZD</b>	<b>1</b>	<b>0</b>	<b>0.0%</b>
<b>Total:</b>	<b>27,711</b>	<b>962</b>	<b>3.472%</b>