

TOWN OF KENNEBUNKPORT, MAINE

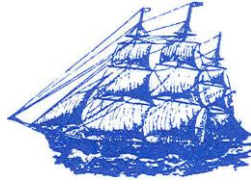
– INCORPORATED 1653 –

MEMO

To: Board of Selectmen
cc: Laurie Smith, Town Manager
From: Werner Gilliam, Director of Planning and Development
Date: February 22, 2019
Re: Short Term Rental Committee Activity 2018/19

The topic of short-term home rentals has become a rather explosive topic with the continued expansion of online rental platforms such as Airbnb, HomeAway, VRBO, etc. Short term rentals or STR's are generally understood to be the rental of a home or rooms within a private home to a single group for a period of less than 30 days. The opinions surrounding short term rentals are as varied and extreme as one can imagine. Opinions range from entitled economic use of one's own property to the cause of the loss of character and affordability in traditional neighborhoods. Regardless of the position one takes it is by far one of the most well-known components of the ever-evolving shared economy, and unlikely to diminish in use. Shared economies allow individuals and groups to make money from underused assets. Simply put homes and other assets are shared as services. Take for instance car sharing services like Lyft and Uber. According to the Brookings Institute, private vehicles go unused for 95% of their lifetime. The same report detailed Airbnb's cost advantage over the hotel space as homeowners make use of their homes. Airbnb rates were reported to be between 30-60% cheaper than hotel rates around the world.

So, what does this mean for Kennebunkport? As a popular coastal community, the Port has historically had several areas that have had many short-term rentals. Goose Rocks beach as an example has historically been a popular short-term rental destination. Before the advent of the internet local real estate agents handled many of the rental requests. How many were in town before the internet was not generally known, but we know that in 2018 we have approx. 248 short term rentals in the community impacting about 8.42% of the existing housing stock. In early 2018 amidst concerns surrounding the impact of short-term rentals (STR's) the Board of Selectmen appointed an Ad-Hoc Committee of residents to investigate STR's and



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report back to the Selectmen regarding what should be done with STR's if anything. This group consisted of Sheila Matthews-Bull, Jane Evelyn, Ann Hand, Marlene Raum, Susan Hill, Bill Junker, Linda Flint, and David Neshier. Staff support was provided by Werner Gilliam. The makeup of the committee was intended to provide a broad base of opinions and experiences in order to be as objective as possible. Questions identified early on that the committee discussed included;

- Do short term rentals change the community character?
- Do they increase nuisances' issues such as noise, trash and parking?
- Are they safe?
- Are we losing long term rentals to the short-term market?

Meetings began in March 2018 and continued thru January 2019. The committee engaged in reviews of other Maine communities' regulations and permitting structures, research into local and national trends, numerous public meetings, and ultimately the development and execution of a community survey intended to gather greater community opinions regarding the matter. Meetings were primarily attended by property owners from the Goose Rocks area who were not interested in supporting regulatory oversight or restrictions over STR's. A survey was necessary in order to reach a more diverse representation of the community. The survey consisted of 9 questions and included demographic as well as opinion questions. We received almost a 30% response rate with most respondents identifying themselves from the Goose Rocks area. Most did not believe they had been negatively affected by STR's with a narrow majority believing that the town should not regulate STR's. Not surprisingly opinions did differ depending upon which area of town participants identified with.

Over all the public opinion regarding potential regulation of Short-Term Rentals was split with a slight majority favoring not regulating. The committee also found that there was not enough data to support conclusions that STR's present a significant negative effect on the issues that were presented. Over all recommendations did include trend monitoring of STR's to determine rates of increase or decrease in the community, as well as departmental review of nuisance issues with attention given to a review of current ordinances, tracking and enforcement practices.