Short Term Rentals

Paula Hewson – Village of Schaumburg
Millennials Driving the Sharing Economy

- Baby Boomers
- WWII Gen
- Gen X
- Millennials
$27,000  $1.68 Trillion

Student Loan Debt Balance  Estimated Purchasing Power

50%

Book travel on their phones & tablets
AMERICANS ARE BUYING EXPERIENCES

Admissions to live events: music concerts, performing arts, sporting events.

- First Millennials are born
- Millennials enter the workforce
- Millennials command over $1 trillion in spend

Where are they Going?

Top International Destination: Europe
- On the Rise:
  - Andalusia, Spain
  - Split, Croatia
  - Skye & Lochalsh, Scotland
  - Svalbard, Norway

Top Domestic Destination: Hawaii
- On the Rise:
  - Savannah, Georgia
  - Portland, Maine
  - Denver, Colorado
  - Detroit, Michigan
  - Schaumburg, IL
Schaumburg’s Rentals Doubled in 2 years

Cumulative Listed Properties
Of currently active listings

2012  2015  2016  2017
<table>
<thead>
<tr>
<th>Listing Title</th>
<th>Room Type</th>
<th>Rooms</th>
<th>Airdna Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Enchanted Garden Treehouse (Amenity*)</td>
<td>Private room</td>
<td>1</td>
<td>86</td>
</tr>
<tr>
<td>2 Chicago best apartment !!!</td>
<td>Private room</td>
<td>1</td>
<td>66</td>
</tr>
<tr>
<td>3 Comfy modern home</td>
<td>Private room</td>
<td>1</td>
<td>56</td>
</tr>
<tr>
<td>4 Home in Roselle</td>
<td>Private room</td>
<td>1</td>
<td>36</td>
</tr>
<tr>
<td>5 AWESOME 2BR/2BA in Schaumburg</td>
<td>Entire Place</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>6 Live like a Family! Rooms available</td>
<td>Private room</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>7 Cozy apartment in Schaumburg</td>
<td>Entire Place</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>8 Comfortable, clean bedroom</td>
<td>Private room</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>9 Schaumburg House</td>
<td>Entire Place</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
Schaumburg treehouse prompts look at short-term renting regulations

Dan Alexander poses with his treehouse in Schaumburg earlier this year.

By Lee V. Gaines
Chicago Tribune
### Original Short Term Rental Regulations

<table>
<thead>
<tr>
<th>&gt;12 units</th>
<th>&gt;3 units but &lt; 12 units</th>
<th>2 or more rooms let separately</th>
<th>one bedroom within one unit</th>
</tr>
</thead>
</table>

This table outlines the original short term rental regulations for different types of rental properties. The regulations are based on the number of units and the number of rooms let separately. Hotels, boarding houses, and rooms for rent fall under these categories, each with specific guidelines for short-term rentals.
Short Term Rental Regulations

No changes.

No changes.

Definition modified/clarified:
- Owner occupied
- Term is greater than 30 days

No change to single room or whole unit rentals.
Short Term Rental Regulations

New Definition
- Permitted in all residential zoning districts.
- License required (Fee: $60)

New Definition
- Special Use approval needed in all residential zoning districts.
- License required (Fee: $120)
Short Term Rental Regulations

- **How do you enforce the ordinances?**
  - Implemented a rental inspection program
    - Single family home rentals inspected at least once every 3 years. There are over 300 rentals.
  - Monitor short term rental websites
  - Developed and implemented educational program for HOA and Management Companies
Short Term Rental Regulations

- Challenges:
  - While the host may screen prospective guests, neighbors may not have access to this information.
  - May take otherwise affordable rental units off the community’s inventory.
  - Identifying the owner of the unit
  - Collection of Hotel/Motel tax (8%)
    - Increase in Short Term Rentals equates to reduction in hotel revenue.
    - If they seek the lower cost rental, will they stay longer and thus spend more on other transactions.
What happened to the treehouse?