

The impact of short-term residential rental accommodations on neighborhoods

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/EINPresswire.com/ -- No doubt, individuals with an adventurous spirit have most likely used [short-term residential rental accommodations](#) while on their travels. The concept of short-term residential lodging is part of the "sharing economy". It has existed for more than two decades and has made it easier for travelers to find accommodation at a lower price.

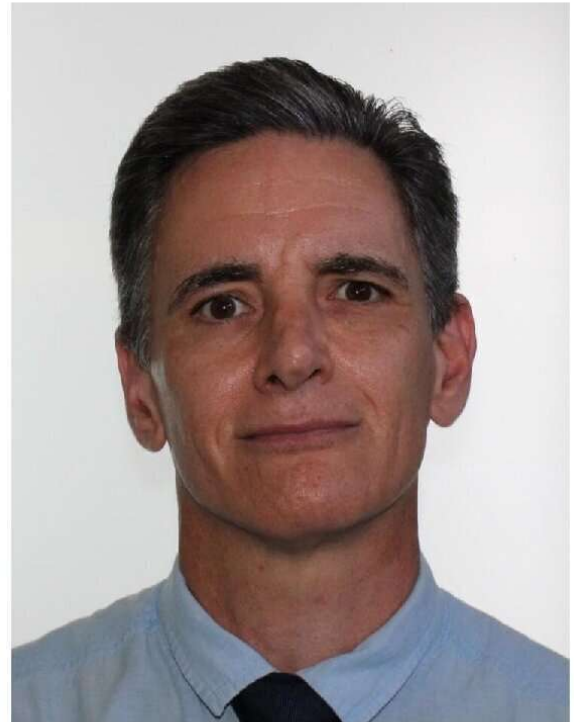
Short-term residential lodging is a popular e-commerce travel accommodation solution for those who travel in large groups or with their children—the privacy and serenity are appealing, and the travelers are given a sense of “home away from home”.

Homeowners have significant financial benefits from renting out their properties. However, despite the benefits to travelers and homeowners, short-term residential rentals extensively disadvantage the local community and neighborhood for various reasons. It is recommended that regulations are established to curb the adverse effects caused by the increase in short-term online rental listings.

Tenant expulsions

Landlords often strive for high profitability. Currently, it is more profitable to list properties on online lodging websites than to rent out the property, so tenant expulsions are a common issue.

A 2018 study revealed that full-time residential accommodation listings earned, on average, double or triple the income gained from renting out the property long-term. Therefore, the short-term residential rental industry is a desirable market to join, and landlords evict their



David Mandrake

tenants to list the property on on e-commerce lodging websites.

Potentially, local residents could find themselves unable to rent properties in their neighborhood because rentals have been taken off the market and put on e-commerce accommodation websites.

Neighborhood gentrification

The short-term residential rental industry has also led to the gentrification of [neighborhoods](#). As residential rental listings in a neighborhood increase, the value of the neighborhood starts to increase.

A U.S. study revealed that a 1% increase in short-term residential accommodation listings led to a rental increase of 0.018% and a house price increase of 0.026%. Albeit a minimal increase, locals renting or buying in the future could encounter financial constraints.

Another study indicated that the introduction and expansion of short-term residential rentals in New York led to an average annual rental increase of \$400 for renting residents.

Damaged 'sense of community'

Usually, travelers only stay in the short-term residential accommodations for a short period before moving on to their next location or returning to their homes, and the residential rental properties remain vacant between bookings.

A 2017 study reported that short-term residential rentals affects the sense of community in a neighborhood. For example, local residents never have neighbors with whom they can form a connection because these rental properties allow strangers to visit for a short time before leaving.

Also, some short-term residential rental visitors cause disturbances by hosting loud parties or creating parking congestion. More generally, short-term rentals can also lead to "over-tourism" in a particular area, which has environmental and social impacts.

Strained housing supply

Property owners are enticed by the substantial financial gain associated with listing their property on short-term residential accommodation websites rather than committing to long-term rent agreements.

A 2020 report revealed that short-term residential listings in the U.K. increased by 33% in 2018 (up to 223,000 from 168,000 in 2017). The 2020 report revealed that 2.7% of the U.K.'s landlords had re-categorized their properties from long-term to short-term rentals—a move that left

around 50,000 homes inaccessible to long-term renters.

The report also detailed that 10% of U.K. landlords yet to move into the short-term rental market were considering it. If these landlords did commit to this change, the housing supply would decrease by an estimated 470,000 properties—equating to approximately 8.7% of the entire U.K.'s rented housing. This would significantly detriment an already-strained housing supply in the U.K.

David Mandrake
The Guardian Alliance
+1 202-773-8117
[email us here](#)

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