

Assessing the Impact of Short-Term Rentals on Affordable Housing in Pierce County, WA: A Comparative Case Study Analysis



**University of Washington Bothell -
Livable City Year Program**

In partnership with Pierce County

**Presented by Master of Arts in Policy
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Research Purpose

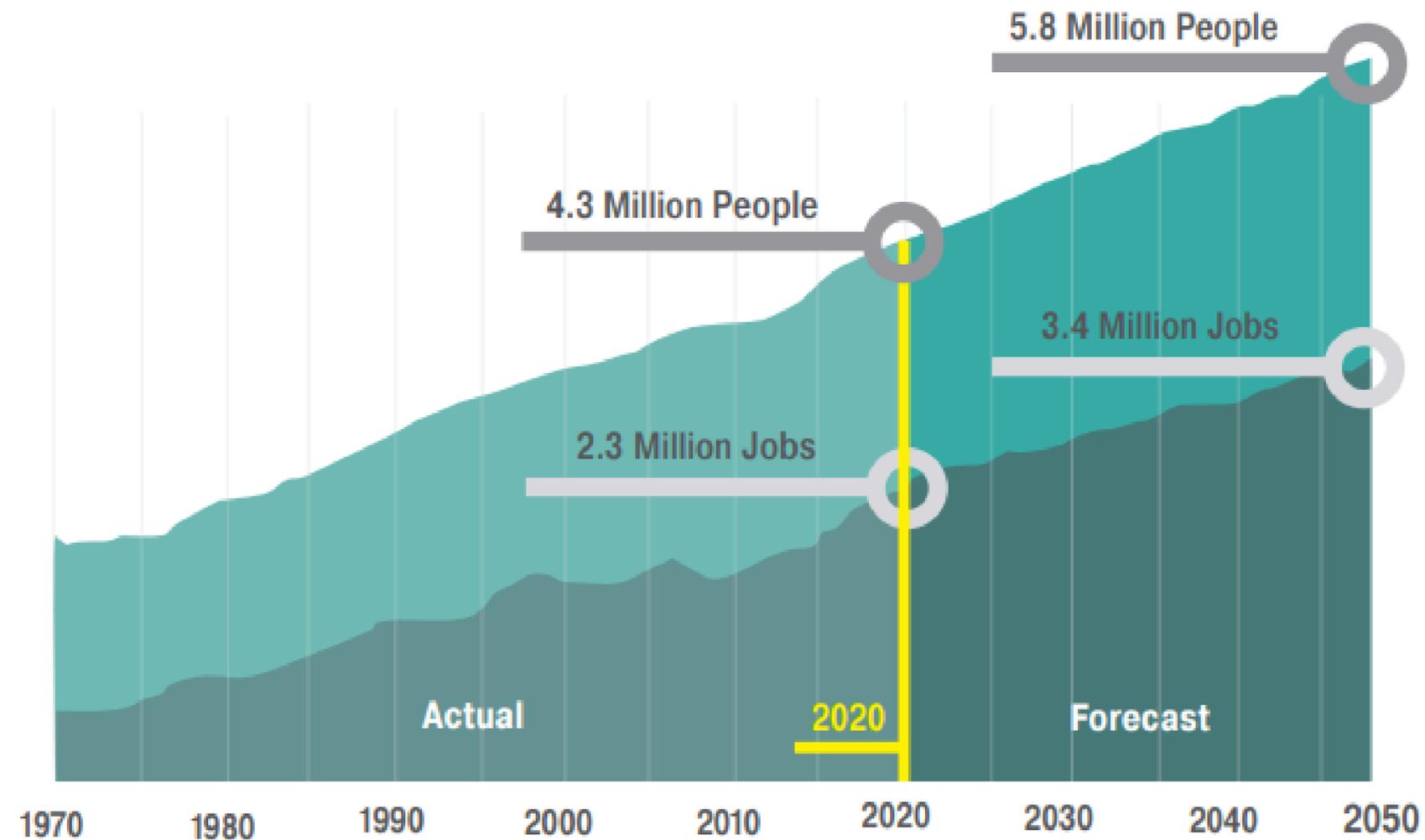
This research aims to explore **the impacts of short-term rentals (STRs) on affordable housing** and specifically how these impacts should inform Pierce County's STR policies



Research Purpose: Deeper Dive

- What does a **literature review** on this topic say?
- What are **jurisdictions of different sizes** doing about this issue?
- Of the jurisdictions that limit STRs, **which are similar to Pierce County?**
- How does **tourism** affect regulation considerations?
- Should there be **different treatment** for different communities in Pierce County?
- What **recommendations or considerations** do you have for Pierce County?

Projected Growth in Pierce County Region (Pierce County, Vision 2050 Plan)



Community Context

The affordable housing landscape in Pierce County is challenging

Residents face:

- aging population
- need for smaller, more affordable units
- housing shortage
- regional growth pressures

About STRs in Pierce County

Pierce County Code 18A.37.040 on Vacation Rentals

- short-term rental accommodation
- within legally established single-family or accessory dwelling
- does not exceed 30 days
- owners must file an affidavit with the county



Keep in Mind

Renters please keep in mind that you may be cited, fined, or evicted for creating a noise disturbance or violating any of the provisions for Bed and Breakfasts (B&B) and Short-Term Vacation Rentals (VR) under PCC 18A.37.040.

Key Issues & Information on STRs

Furnished units or rooms rented for fewer than 30 days

Uneven impacts of STRs include:

- Reallocation of housing from long-term use to short-term accommodation
- Homes are treated as investment assets rather than dwellings
- Reduction in housing supply for residents
- Slight increase in rents and home prices
 - 1% rise in STR listings raises rents by 0.02% and home prices by 0.026%



Methodology

Comparative case study approach:

- Oregon State
- Los Angeles County & City
- New York City
- Pierce County

Measuring:

- STR type & ownership patterns
- Tourism pressure & spatial concentration of listings
- Housing market conditions & rental impacts
- Regulatory tools
- Enforcement mechanisms



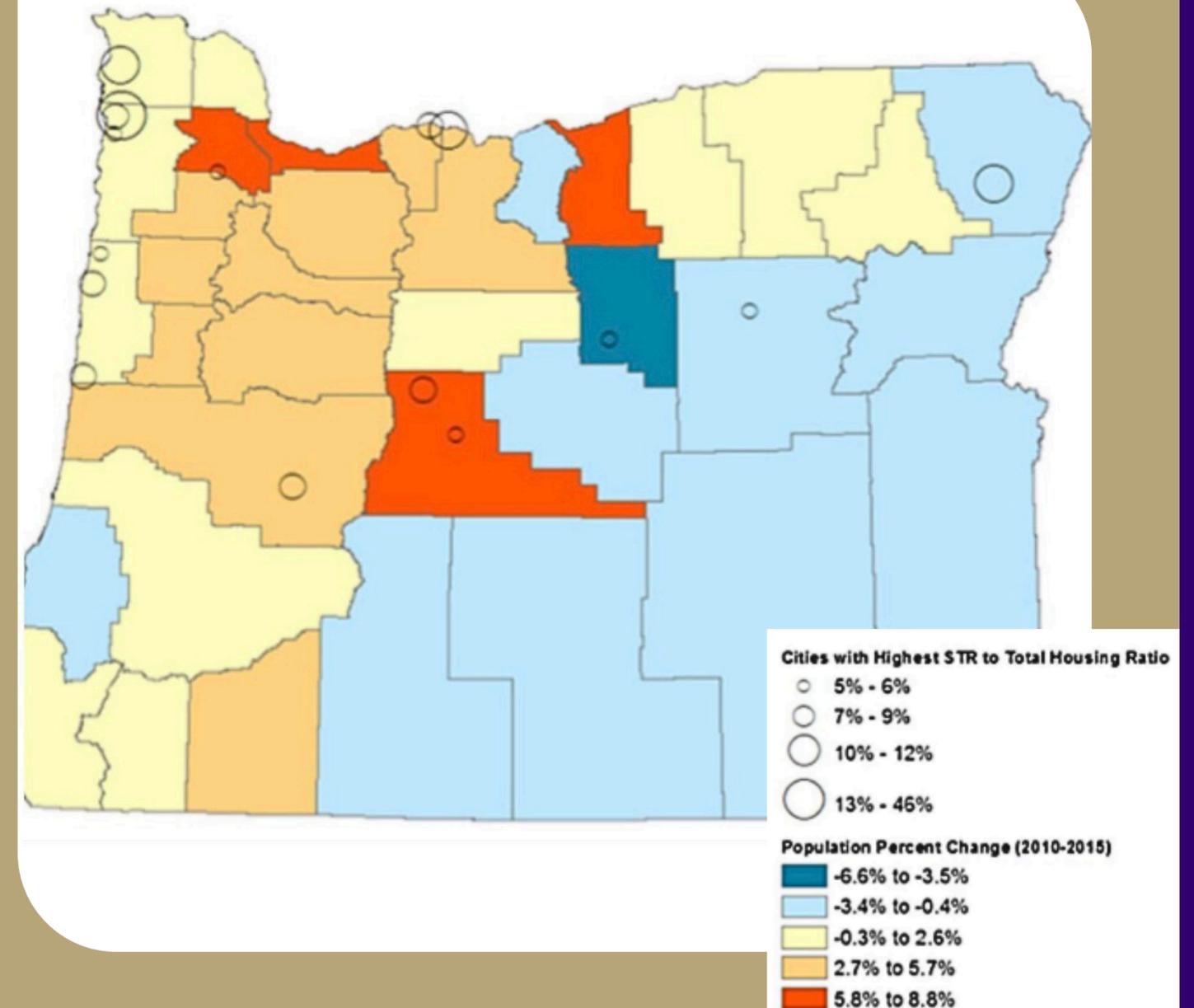
Oregon Case Study

A Direct Comparison

- STRs are scarce in rural areas unless there is a **high tourism value**
- Seasonal vacant STRs account for **27%** of coastal Oregon's available housing
- **1.8%** statewide Transient Lodging Tax (TLT) on STRs, generating **\$1.5 million** in tax revenue
- Clackamas County: raised TLT to **6%**

Cities with Highest Share of STR Housing Units vs Population Change by County 2001-2015

DiNatale et al., 2018



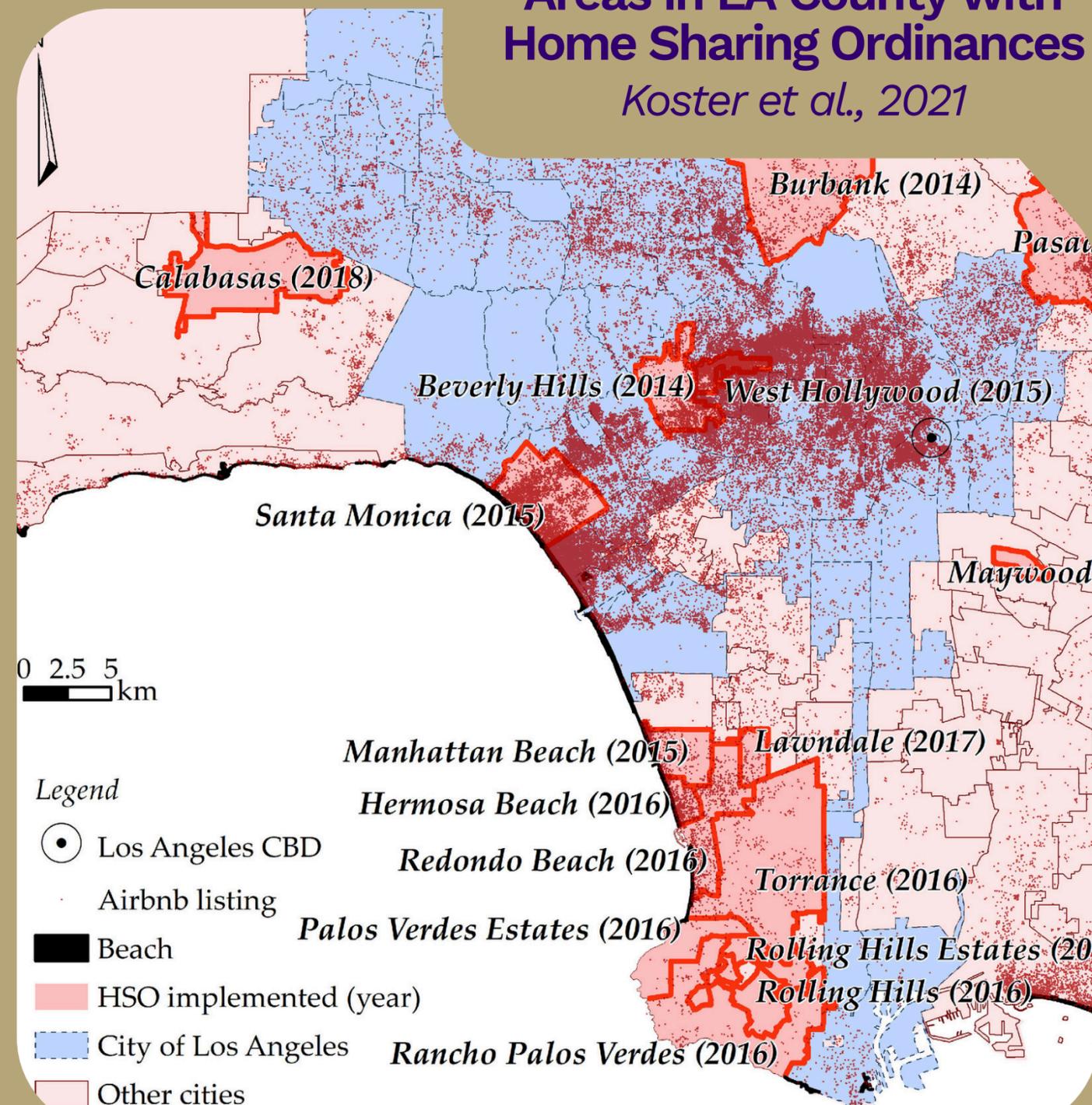
Los Angeles Case Study

A County vs City Comparison

- **64%** of Airbnb listings are unoccupied by their owners
- **1%** drop in rental availability can lead to **7%** rent hike
- High tourism areas like Venice lead to even sharper increases
- High tourist neighborhoods **20%** higher and rose **33%** faster
- **County level:** Home Sharing Ordinance restrictions for 18 cities
 - led to **50%** decline in Airbnb listings, **2%** drop in house prices and rents

Areas in LA County with Home Sharing Ordinances

Koster et al., 2021



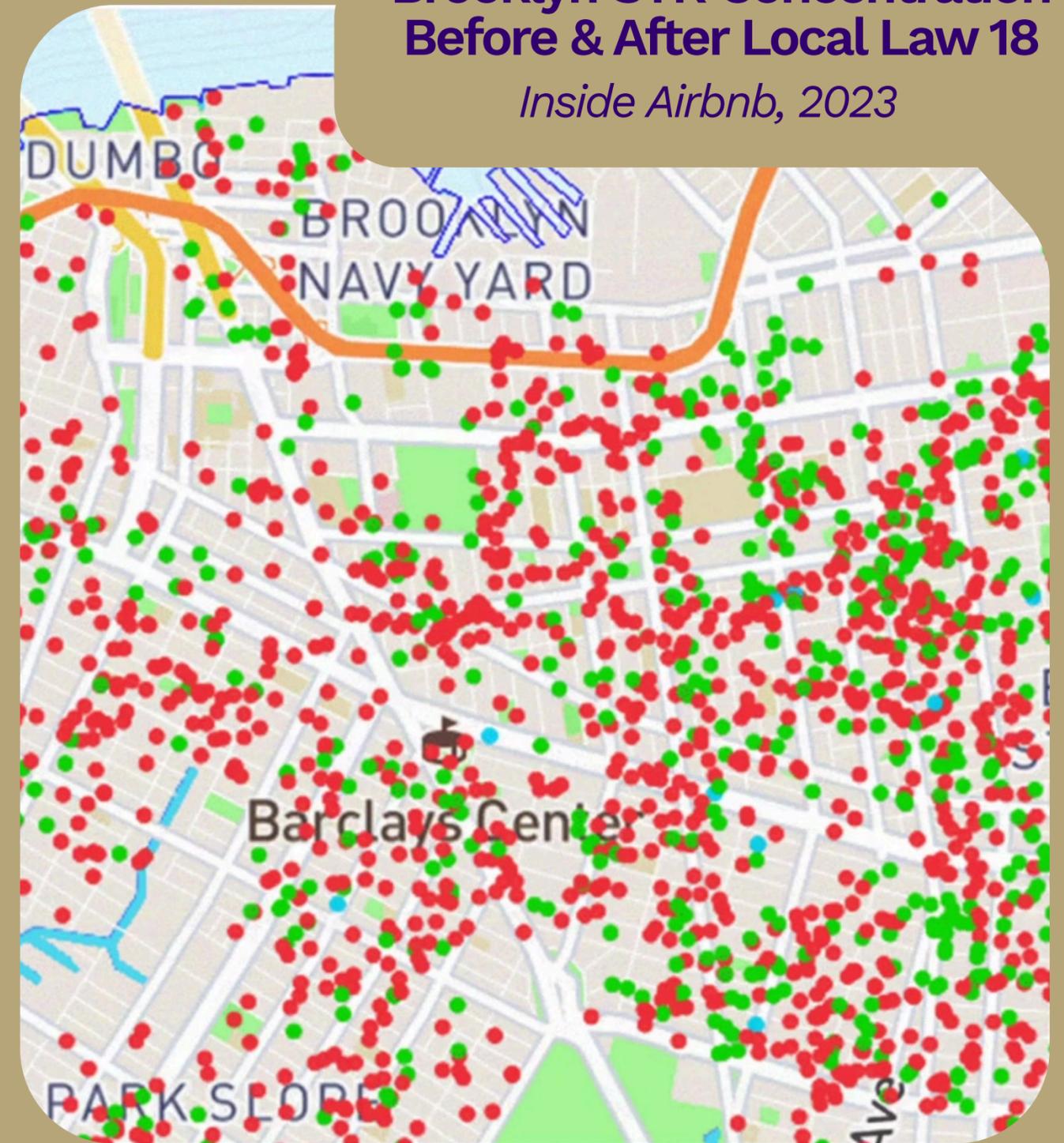
New York City Case Study

A Case For or Against Stringent Regulations

- **2010:** Law that made renting entire apartment units for < 30 days illegal
- **2016:** Law allowing fines for illegal STRs found online (\$1,000 - \$7,000)
 - difficult to enforce, platforms are uncooperative in sharing data
- **2023:** Local Law 18 requires hosts to register with the Mayor's Office of Special Enforcement
 - Airbnb alleged an **80-90% decline** in STR listings

Brooklyn STR Concentration Before & After Local Law 18

Inside Airbnb, 2023



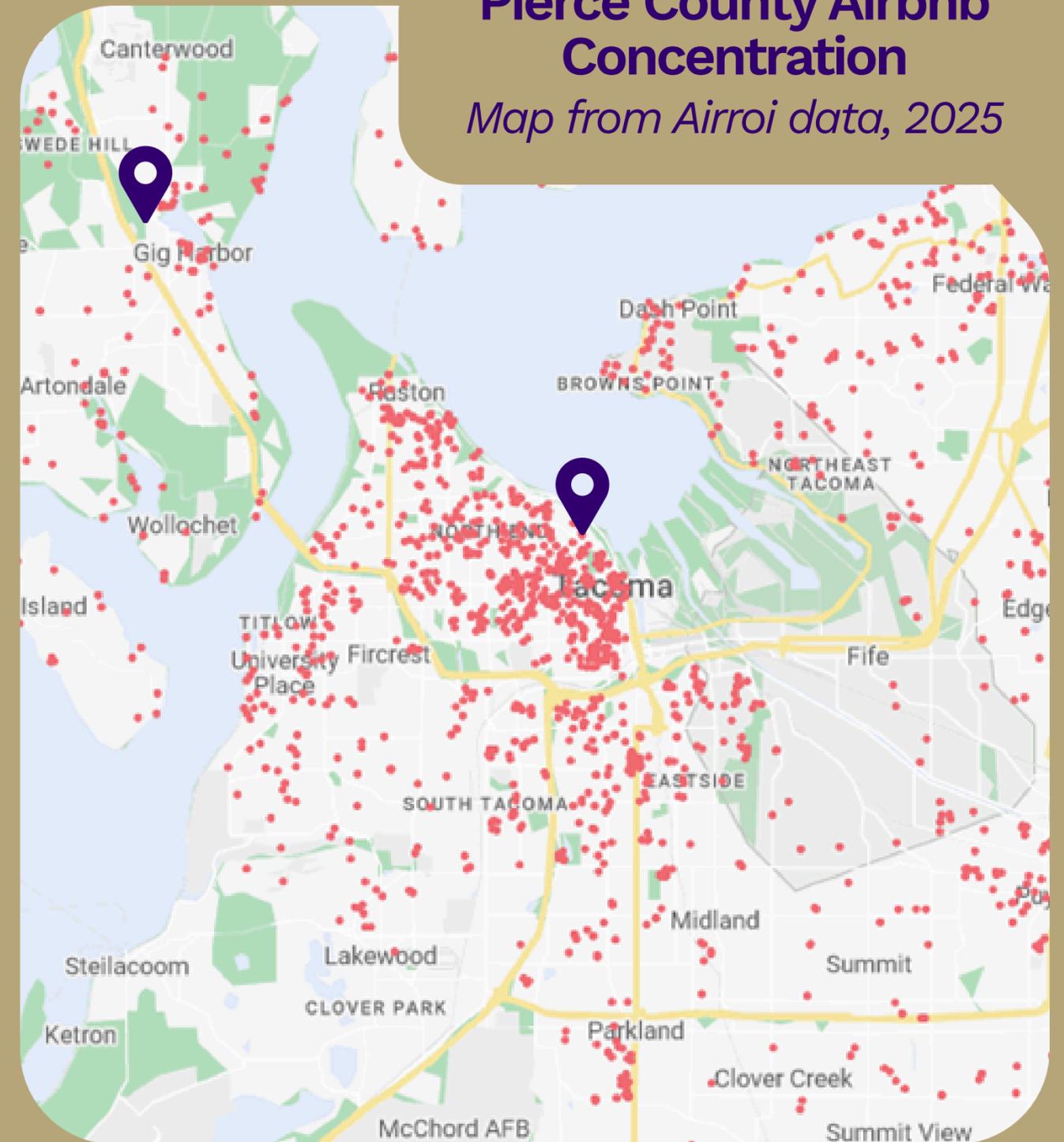
Pierce County Case Study

Current Regulations & Concerns

- Only **260** affidavits on file since 2018
- Number of homes available for rent is closer to **1,670** per Pierce County Staff Report
- **Tacoma and Gig Harbor** have the largest concentration of STRs

Pierce County Airbnb Concentration

Map from Airroi data, 2025



STR Data by City & Population in Pierce County

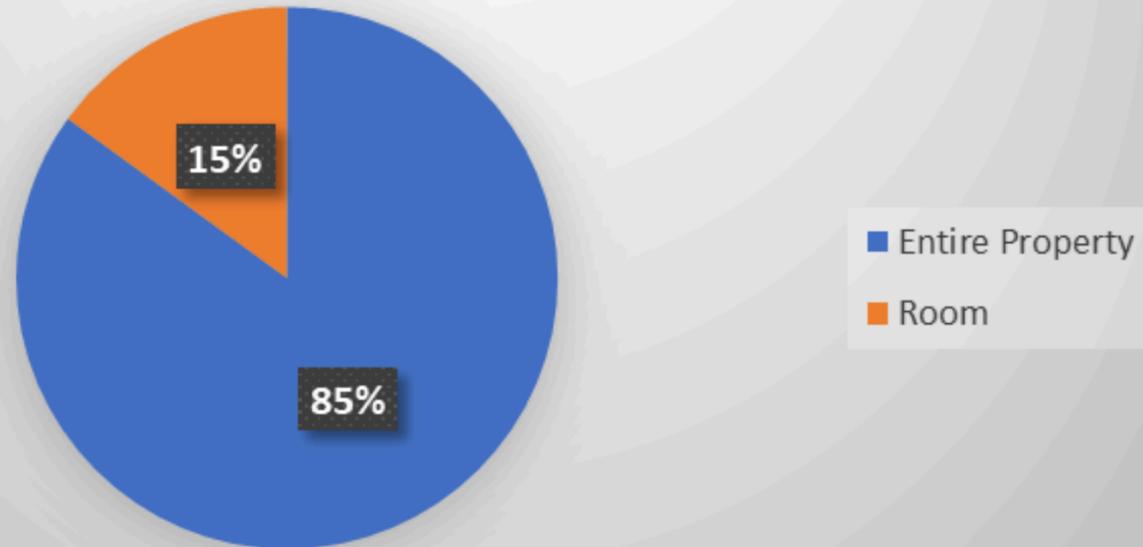
Figure from Airroi data

City In Pierce County	# of STRs	Listings Per 1,000 Residents
Tacoma	902	3.88
Gig Harbor	163	12.75
Lakewood	126	1.98
Puyallup	110	2.58
University Place	55	1.56
Bonney Lake	37	1.64
Fife	29	2.7
Spanaway	24	0.7
Edgewater	22	1.57
Dupont	20	2.4
Sumner	18	1.65
Total	1,506 Units	

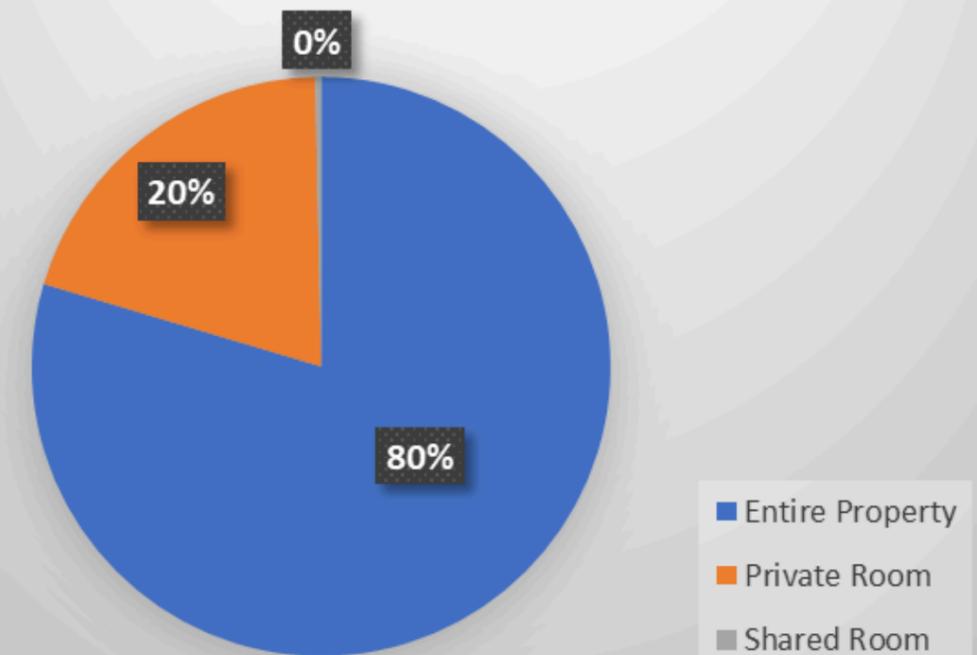
Property Insights in STR-Dense Areas

Charts created using Airroi data, June 2025

The Type Of Property Rented In Gig Harbor



Type Of Property For Rent On Airbnb Tacoma - June 2025



Cross-Case Insights

What are jurisdictions of different sizes doing?

Dimension	Pierce County	Oregon	Los Angeles	New York City
STR Concentration	Tacoma & Gig Harbor clusters	Coastal small towns	Venice & Echo Park clusters	Manhattan core & Brooklyn
Dominant STR Type	80% Entire-home majority in Tacoma	Entire-home in tourist towns	64% Non-owner-occupied (pre-HSO)	Commercial entire-unit (pre-LL18)
Regulatory Model	Affidavit registration	Tax + caps	Primary residence rule	Registration + platform enforcement
Enforcement Strength	Weak–moderate (Complaint-driven)	Moderate	Weak enforcement → illegal surge	Strong
Policy Outcome	Uneven compliance	Localized caps effective	Regulation undermined by enforcement gaps	Platform accountability dramatically reduced listings

Cross-Case Insights

How does tourism affect regulatory considerations?

Dimension	Pierce County	Oregon State	Los Angeles City	New York City
Population	960,000	4,200,000	3,800,000	8,400,000
Tourism Intensity	Moderate-High (6M annual visitors)	Moderate-High (high in coastal towns)	Very High (45M annual visitors)	Extremely High (64M annual visitors)
STR to Tourism Link	Higher density of STRs in waterfront/tourism areas	Strong STR presence in coastal towns	Tourist neighborhoods drive STR	High density of STRs across the city, global tourism
% Renter Households	37-40% (varies by tract)	36%	63%	67%
Main Housing Market Pressure	High growth, 100,000+ units needed by 2044	Tight in coast cities; moderate statewide	Severe affordability crisis	Severe housing shortage

Recommendations for Pierce County

Focus on the following to mitigate impacts of STRs on affordable housing

1

Create a policy that benefits individuals over corporations: owner-occupied regulations & STR registration requirement

2

Avoid total STR bans: this could shift STR supply to neighboring counties

3

Employ realistic enforcement measures: focus efforts in high-tourist and gentrifying community areas rather than whole county

Recommendations by Community

Tiered STR Recommendations per Area Type in Pierce County

Area Type	Example in Pierce	STR Pattern	Housing Risk	Tourism Role	Recommended Regulatory Treatment
High-Tourism Waterfront	Gig Harbor, Key Peninsula, Anderson Island	High STR per capita	Seasonal workforce housing loss	STRs function as tourism infrastructure	Permit system + neighborhood caps + higher STR tax
Urban Core	Tacoma	Entire-home STR dominance	Rental displacement & gentrification pressure	Mixed tourism + residential	Primary residence requirement + limit multi-unit hosts
Suburban Residential	Lakewood, South Hill	Moderate STR	Gradual housing reallocation	Low tourism	Registration + density buffer between STRs
Rural Non-Tourism	Interior unincorporated areas	Low but growing	Small stock vulnerable to investor conversion	Limited tourism benefit	Monitoring + registration only (light-touch regulation)

Thank you! Questions?



*Thank you to Livable
City Year and Pierce
County Planning &
Public Works for
partnering with us
on this research*

Limitations & Future Research

- Lack of robust data on STR listing in Pierce County
- Limited number of case studies
- Short study timeframe

We recommend using the sources listed at the end of our study for future research

