

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



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**In Partnership with Pierce County**

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## 1. INTRODUCTION

The rapid growth of short-term rentals (STRs) through platforms like Airbnb has raised concerns about affordability, neighborhood stability, and equity, especially where tourism pressures meet limited housing supply (Allen 2017; Albuquerque et al. 2024; Hoffman & Heisler, 2020). Research highlights that STR effects vary significantly across community types, necessitating localized analysis. Pierce County, Washington, is an ideal case because it encompasses diverse housing markets within a single county yet has received little attention in studies. As Pierce County Planning and Public Works staff consider changes to the county code regarding STRs, they seek to understand whether new regulations should be nuanced and vary across community plan areas. This study, conducted through the University of Washington–Livable City Year Program, assesses how STRs impact affordable housing access and seeks to guide equitable, evidence-based, and place-sensitive STR policymaking in Pierce County.

### 1.1. Purpose of Study

Ultimately, this research aims to answer the question: *What are the impacts of STRs on affordable housing?* In particular, this study examines how STRs affect different populations and communities across Pierce County. It draws on academic case studies of STRs in comparable jurisdictions and uses this data to analyze the direct and indirect impacts of STRs on affordable housing, explore how jurisdictions with varying demographic and geographic patterns regulate STR activity, and investigate how tourism affects regulatory considerations. The findings are intended to inform STR policy development in Pierce County and to provide recommendations for place-based policies that outline whether certain community areas in the county should receive

different regulatory treatment and enforcement methods based on their unique characteristics and use patterns.

Using the Case Selection Rationale, we selected Oregon, Los Angeles, and New York City as comparative cases because they represent different regulatory and market conditions relevant to Pierce County. Oregon offers a regional comparison with similar tourism patterns and smaller-city STR impacts; Los Angeles illustrates an urban county/city context in which enforcement gaps shape outcomes; and New York City provides an example of high-intensity regulation focused on registration and platform-level enforcement. Together, these cases help identify policy tools that may be adaptable across Pierce County's diverse community areas.

## **1.2 Research Questions**

What are the impacts of short-term rentals on affordable housing?

- a. What does a literature review of academic literature on this topic say?
- b. What are jurisdictions of different sizes (both geographically and by population) doing about this issue? (e.g., in state vs. nationally, urban vs. rural)
- c. Of the jurisdictions that limit short-term rentals in some way, which are similar to Pierce County?
- d. How does tourism affect regulation considerations?
- e. Should there be a difference in treatment for different areas—e.g., expensive waterfront homes in Gig Harbor or Key Pen versus neighborhood housing in the central part of the County in Parkland, Spanaway, and South Hill?
- f. What recommendations or considerations do you have for the County as we pursue this work?

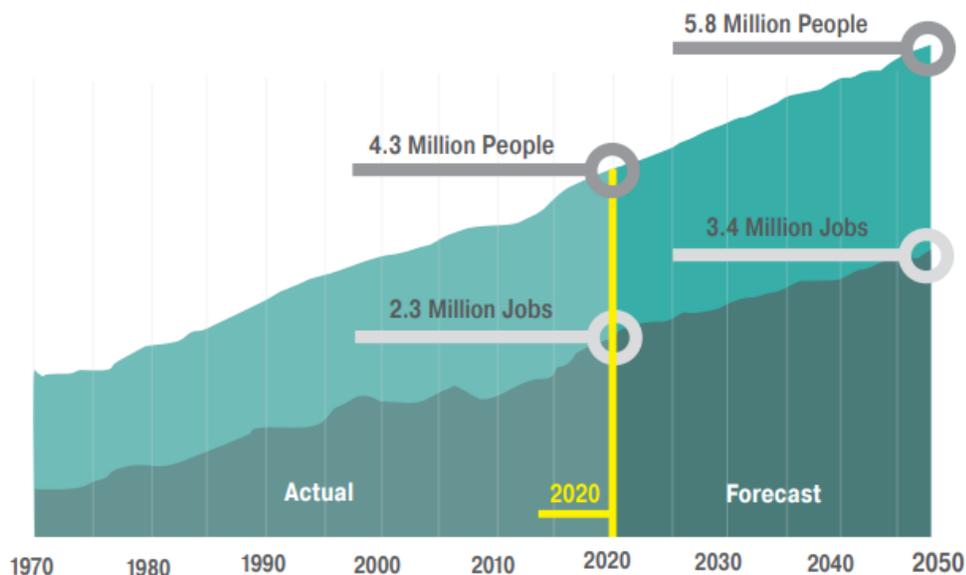
## **2. BACKGROUND AND LITERATURE REVIEW**

### **2.1 Background on Pierce County**

The current Pierce County Comprehensive Plan (2025) defines housing as an “essential need for all people” and explains the county’s housing goal is to “plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of the existing housing stock.” Chapter 9 of the Comprehensive Plan further suggests that, based on the county’s age demographics, rural areas tend to have higher percentages of older residents, whereas unincorporated urban areas have higher percentages of children under 18. Projected population growth and age demographics in Pierce County suggest a strong need for smaller, more affordable units in the near future, as the growing elderly population may need to move to units closer to community resources and urban amenities.

Pierce County is also facing a significant housing shortage, a challenge that is expected to intensify in the coming decades. By 2044, the county will need over 100,000 new housing units to meet projected demand. Growth pressures are compounded by regional trends; the central Puget Sound area is expected to add 1.8 million residents and 830,000 households by 2050 (Pierce County Vision, 2020). Pierce County reported that household size increased from 2.59 people per household in 2010 to 2.61 in 2021 (Pierce County, 2025). They attributed this increase to a lack of affordable housing, because people are likely to seek shared housing when they cannot afford housing on their own. Meanwhile, between 2015 and 2021, home values in the county increased by 103%, rent values increased by 79%, and median family income increased 59% (Pierce County, 2025).

**Figure 1. Projected Growth in Pierce County Region** (Pierce County, Vision 2050 Plan)



While the homeless population in Pierce County was estimated at 14,424 individuals in 2020, county officials speculate that the population is larger as of 2026 and recognize the need for services and facilities that exceed the county's current resources. This growing strain on the housing system underscores the urgency of addressing both the pace of housing construction and the replenishment of the existing housing supply, as these processes take considerable time. With all of these concerns in mind, understanding the impacts of STRs on housing affordability is a high priority for Pierce County.

## 2.2 Key Issues on STRs

Academic research shows that STRs have uneven impacts across different populations and places, influenced by housing market conditions, tourism demand, and regulatory environments (Wachsmuth & Weisler, 2018; Barron et al., 2021). Earlier studies focused on major global cities

such as New York and Los Angeles, but more recent research highlights variation within regions, noting differences among urban, suburban, and rural areas. This evolving focus makes Pierce County an ideal case study because it includes an urban core, suburban areas, and amenity-rich areas such as the Gig Harbor Peninsula, the Key Peninsula, and Anderson–Ketron Islands. STR impacts tend to be strongest where housing supply is limited, and tourism is high, both of which characterize parts of Pierce County (Barron et al., 2021).

STRs are generally defined as furnished units or rooms rented for fewer than 30 days through platforms such as Airbnb or Vrbo (Congressional Research Service [CRS], 2025). Pierce County defines STRs similarly, specifically citing vacation rentals in County Code 18A.37.040B as short-term rental accommodations within a legally established single-family or accessory dwelling that do not exceed 30 days. However, STRs vary widely in ownership and purpose. Casual home-sharing differs markedly from commercial, full-unit rentals, which are identified as the main contributors to housing shortages and market pressures (Barron et al., 2021). Barron et al (2021) describe this dynamic as a reallocation of housing from long-term use to short-term accommodation, especially when properties are investor-owned. Wachsmuth and Weisler (2018) frame it as housing financialization, where homes are treated as investment assets rather than dwellings.

Historically, housing and hotel services served separate markets: hotels for travelers and homes for residents. However, as STR units become more common, the distinction is diminishing. The growing number of homes converted into STRs, driven by profit motives, encourages homeowners to buy properties specifically for short-term stays (Lee, 2016). The role of STRs has exacerbated housing shortages in high-demand areas by converting long-term residential housing into tourist accommodation, thereby reducing the supply available to residents and increasing

rental prices. (Lee, 2016). In addition, more than 30% of STR owners have four or more homes (Kemmis, 2023). Corporations have increasingly dominated the STR industry because they have the means to expand and take over it (Cocola-Gant et al., 2021).

A US study examined how Airbnb affects housing markets nationwide. Using extensive data, researchers found that more Airbnb listings slightly increase rents and home prices (Barron et al., 2021). For example, in typical neighborhoods, a 1% rise in STR listings raises rents by 0.02% and home prices by 0.026%. The effect is stronger in areas with fewer owner-occupied homes, suggesting investors are more likely than residents to convert long-term rentals (LTRs) into short-term Airbnb units (Barron et al., 2021).

### **2.3 Definitions of Key Terms**

**Short-Term Rentals (STRs):** Housing or dwelling units rented for 30 days or fewer through platforms like Airbnb or Vrbo (Wachsmuth & Weisler, 2018).

*For Pierce County:* Housing or dwelling unit rented for 30 days or fewer (Pierce County Code § 18A.37.040, 2025). For example, Bed & Breakfast (B&B) lodging not exceeding two weeks and Vacation Rentals (VR) not exceeding 30 days. B&B and VR owners shall file an Affidavit with the Pierce County Planning and Public Works.

**Affordable Housing:** Housing that costs no more than 30% of a household's gross income (U.S. Department of Housing and Urban Development, 2023).

**Housing Supply:** The total number of available housing units in a market, shaped by regulation, construction, and market dynamics (Glaeser & Gyourko, 2018).

**Housing Affordability:** Capacity of households to obtain adequate housing without financial strain, influenced by income and housing costs (Joint Center for Housing Studies, 2023). For

example, housing cost burden is a key indicator of housing affordability. A household is considered cost-burdened if it spends more than 30% of its income on housing costs. Housing cost-burden was most common among the lowest-income households (Pierce County Comprehensive Plan, 2025, Chapter 9)

**Tourism:** Visitor activity that drives demand for temporary accommodations and affects local housing conditions (Zervas et al., 2017).

### **3. DATA AND METHODOLOGY: CASE STUDY APPROACH**

This study uses a range of quantitative and qualitative research to examine STRs in Pierce County and assess how STR regulations influence housing availability and affordability. Due to limited access to comprehensive local STR data, especially since platforms like Airbnb do not publicly share complete listings, the analysis relies heavily on case study comparison for findings.

The study incorporates comparative case studies from Oregon State, Los Angeles County and City, New York City, and Pierce County. These jurisdictions were chosen for their diverse housing pressures, tourism levels, regulations, and enforcement capacities, offering lessons for Pierce County. Oregon highlights STR impacts in cities comparable to those of Pierce County; Los Angeles shows enforcement issues in large urban areas; and New York City exemplifies strict registration and platform regulations.

For Pierce County in particular, spatial density maps were used to show estimated STR concentration listings from Airroi. Tables were also created to depict each city in Pierce County and its population density relative to the STR ratio. In addition, pie charts show the type of property (entire house vs. room) on Airbnb and the number of days they are on the market.

Across cases, we examined five key dimensions: (1) STR type and ownership patterns (entire-unit vs. home-sharing; individual vs. corporate hosts), (2) tourism pressure and spatial concentration of listings, (3) housing market conditions and rental impacts, (4) regulatory tools (taxes, caps, primary residence requirements, registration systems), and (5) enforcement mechanisms (complaint-driven systems, platform accountability, proactive inspections).

## **4. ANALYSIS & INTERPRETATIONS / CASE STUDY ANALYSIS OUTCOME**

### **4.1 Oregon State - A direct comparison**

The appeal of analyzing the State of Oregon is that it has an identical climate, population density and distribution, and geography to Washington. We stand to gain many insights into how STRs affect Washington state and Pierce County by looking at Oregon.

In Oregon, STRs are primarily distributed in cities with fewer than 100,000 residents, with nearly 44% of all rentals in the state located in smaller cities and counties (DiNatale et al., 2018). While the largest cities have more STRs, they make up a larger portion of the housing market in smaller cities. Commonly, STRs are scarce in rural areas unless the area has high tourism value (appeal). In Oregon, this is reflected in places like the Northwest Oregon Coast, the Vancouver River region east of Portland, and the Willamette Valley.

In big cities and regions like Portland, STRs are utilized as rentable rooms rather than homes, which mitigates potential damage to the housing supply. Conversely, when researchers compared pre- and post-Airbnb popularization, they found that smaller cities with STRs representing a larger share of the housing market tend to face greater constraints on housing supply. For instance, seasonal vacant STRs account for about 27% of coastal Oregon's available housing, reducing the housing supply by over a quarter (DiNatale et al., 2018). In a big city like Portland,

STRs make up just 1% of housing, but when compounded with other housing shortage factors, this further constrains homebuyers.

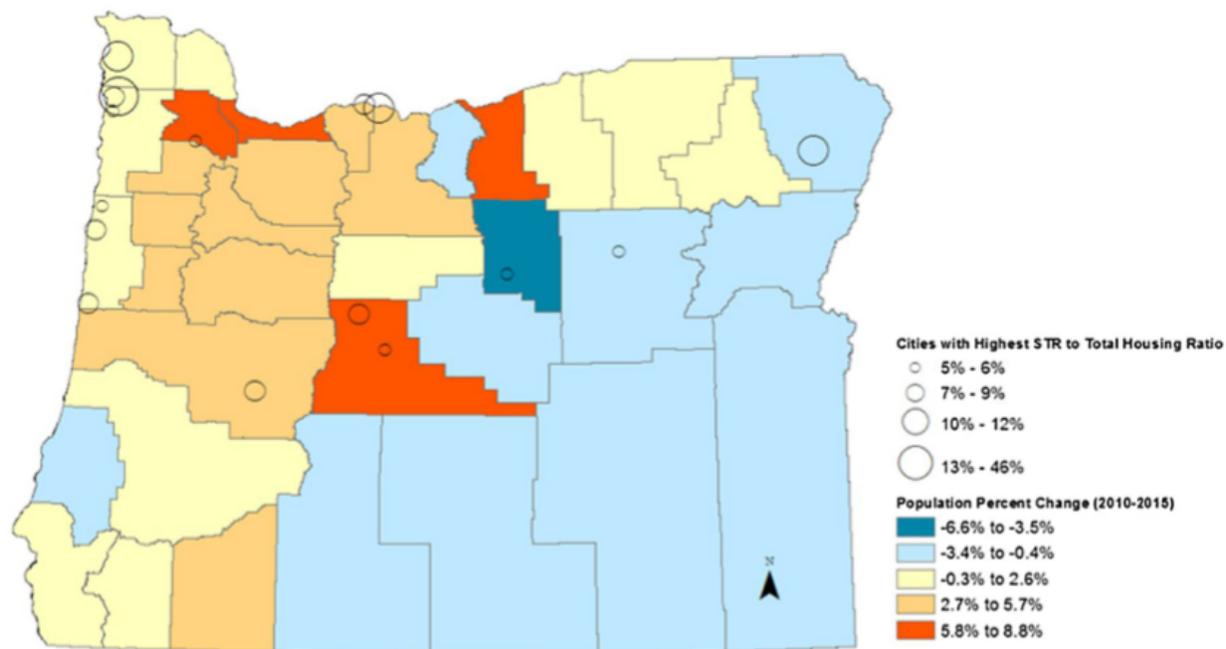
Currently, Oregon has a statewide blanket taxing policy known as the Transient Lodging Tax (TLT). This is a 1.8% tax on all STRs, which generates approximately \$1.5 million in estimated tax revenue for the state (DiNatale et al., 2018). While this has been deemed sufficient for the more populous counties, smaller counties are planning on imposing higher TLT rates to combat the increased costs of STRs. Clatsop County in the tourist-heavy Northwestern Oregon region is enforcing zoning laws to limit the number of STRs per plot, while also imposing caps on the maximum number of STRs within a given area or neighborhood.

Clackamas County is a key county to pay close attention to, as it closely resembles Pierce County in terms of urban and rural development, median incomes, and population. To address the high number of STRs in their county, they raised their TLT to 6%, required each owner to provide off-street parking, and required STRs in unincorporated (rural) areas to register with the county (DiNatale et al., 2018). By forcing STRs in unincorporated areas to register, it becomes easier to regulate and track operations of STRs that have previously been “off the grid.”

Across the board, areas with higher tourism have more Airbnbs, as measured by the proportion of STRs to permanent dwellings (DiNatale et al., 2018). Since STRs make up a larger share of homes in these tourist-heavy areas, they tend to bring more meaningful economic benefits to their communities (via tourism spending) even if the number of STRs is lower than in larger cities like Portland. It is imperative to limit STRs in tourist-heavy areas to allow residents to find housing without overwhelming the infrastructure of these smaller places. Bigger cities have more available funding to address negative outcomes because they generate more taxable income. Smaller cities can make up the difference if they have a strong appeal to tourists. Otherwise, they

have very few means to afford regulatory compliance and corrective measures when economic and physical damage occurs.

**Figure 2. Cities with Highest Share of STR Housing Units vs Population Change by County 2001-2015** (DiNatale et al., 2018)



## 4.2 Los Angeles - A county versus city comparison

Airbnb reallocates existing long-term rentals to the STR tourism sector. The effects are particularly noticeable in cities where the housing supply markets are already under strain. For instance, researchers found that in Los Angeles, tourists are competing with residents for housing (Lee, 2016). When homes are listed year-round as STRs, they are effectively removed from the long-term housing market and absorbed into the city's de facto hotel supply. Researchers discovered that 64% of Airbnb listings in Los Angeles are unoccupied by their owners and function as unlicensed hotel rooms serving the region's millions of annual tourists.

In areas facing housing shortages, even minor decreases in available housing can significantly raise prices. This is because increasing housing supply involves a lengthy

construction process that can take years. Economic data from Los Angeles shows that a 1% drop in rental availability can lead to a 7.3% rent hike (Lee, 2016). Neighborhoods like Venice, with high tourism and short-term rental activity, experience even sharper rent increases. In 2014, rents in these high-tourist neighborhoods were 20% higher and rose 33% faster than rents citywide. These effects build over time; as LTRs decrease, competition for existing units rises, driving rents higher. In cities where affordability was already a concern, growth in STRs has further fueled displacement, especially affecting lower-income renters.

In 2018, 18 cities in Los Angeles County implemented Home Sharing Ordinances (HSOs) that ban informal vacation rentals and impose restrictions, including registration requirements, business licenses, and taxes. (Koster et al., 2021). For instance, the City of Los Angeles enacted a primary-residence rule known as “one home, one host” that prevented hosts from renting out multiple homes by requiring that hosts live in the home they rent. The regulations led to a 50% decline in Airbnb listings and a 2% drop in house prices and rents (White & Thor, 2025). The study noted varying impacts across tourism levels and concluded that regulations benefited renters by increasing rental supply and lowering rents. However, poor enforcement led to a rapid resurgence of illegal listings, with 14-34% of hosts violating restrictions. To combat this resurgence, Better Neighbors LA was created to boost enforcement and investigate illegal listings.

#### **4.3 New York City - A case for *or* against stringent regulations**

New York City is considered an outstanding example in the STR domain. It is a case that is closely monitored for many reasons, including New York's high population density, STR density, and hotel and temporary-living industries (Anastasi et al., 2025). Prior to 2023, NYC had very lax STR regulations despite housing affordability being a significant issue in the city (New

York City Mayor's Office of Special Enforcement, n.d.). That said, measures to bolster the housing market were already in place (e.g., the Multiple Dwelling Law of 2010, which made it illegal to rent an entire apartment in most multi-unit buildings for less than 30 days) (Lasser Law Group, n.d.). Measures such as these eliminated Airbnb's "entire-unit" style rentals within/as apartment buildings, preventing apartments from functioning like hotels (Lasser Law Group, n.d.). Despite this regulation, the market reality was that the lack of enforcement created an illegal but widespread culture of STRs. The only form of enforcement was initiated through complaints, leading to the proliferation of illegal STRs (which could be easily posted online).

In 2016, both the city and the state attempted to tighten enforcement by enacting a state law allowing fines for illegal STRs found online. These fines applied to the host and ranged from \$1,000 to \$7,000. Unfortunately, the market continued to grow, as this law was difficult to enforce and platforms were uncooperative with the state in sharing violators' data (City & State New York, 2025). Prior to 2023, there was no comprehensive registration system and no legal mechanism to stop illegal bookings automatically. City officials consistently maintained that illegal STR growth directly reduced the housing supply, as many landlords and investors converted long-term housing units solely for STR use (City & State New York, 2025).

Only very recently, in 2023, the creation of what is commonly referred to as the 30-Day Rule, or Local Law 18, has significantly transformed STR regulatory and verification processes. This law requires hosts to register with the Mayor's Office of Special Enforcement (OSE) and prohibits booking platforms (Airbnb, Vrbo, etc.) from processing transactions for unregistered listings. In March of 2023, registration with the OSE opened, and enforcement followed in September of the same year. For this reason, many label NYC as a "de facto ban" state for common entire-home STRs. Targeting the transaction component of the user STR acquisition prompted

platforming sites to refrain from encouraging illegal STRs. In their reporting, OSE noted that 40% of the STR applications they received have been approved, while the majority have been rejected. The OSE continually conducts inspections, investigations, and follow-ups on complaints received, all of which are available on its website.

Although the exact magnitude varies by source, it is clear that short-term listings dropped sharply. Airbnb, for one, alleged an astonishing 80-90% decline in short-term listings (Airbnb, 2024). These claims have been used to oppose Local Law 18, stating that “short-term rental law has not increased housing availability or affordability as promised.” A peer-reviewed article by Anastasi et al. (2025) that examined this change from the perspective of hotel properties found little change in the number of rooms rented, although it noted that average daily hotel prices increased by \$14-\$19 per night. Outcomes of heavy STR regulation regarding housing affordability remain heavily contested to this day for many reasons. Local Law 18 clearly reduced “short-stay” STR availability, but, with respect to its “rent relief” goals, a multi-factor, holistic analysis of many policy levers may be required.

High tourist areas (Midtown Manhattan, Lower Manhattan, Chelsea, SoHo, Williamsburg-Brooklyn, Long Island City-Queens) with the highest STR concentration naturally experienced the largest reductions in listings. Large-scale STR units that were functionally similar to apartments were prohibited and thus repurposed as apartments of their own right. STRs thus functioned as a part of the “visitor economy” (Zervas et al., 2017). Aside from this, STRs in non- or low-tourism areas (most of the Bronx, Staten Island, and interior residential sections of Queens and Brooklyn) have, over time, shifted toward more private-room or occasional-rental use. These areas consisted of lower-income rents and higher renter populations.

#### 4.4 Pierce County - Understanding STR Density

Tacoma and Gig Harbor have the highest concentration of STRs in Pierce County. Tacoma leads with 902 units, while Gig Harbor has 163. However, when taking population into consideration, the density in Gig Harbor is about 12.75 listings per 1,000 residents, whereas Tacoma's is 3.88 per 1,000 residents, making Gig Harbor's density roughly three times higher. This data supports our qualitative research, indicating that STR activity is more concentrated in tourist-popular areas.

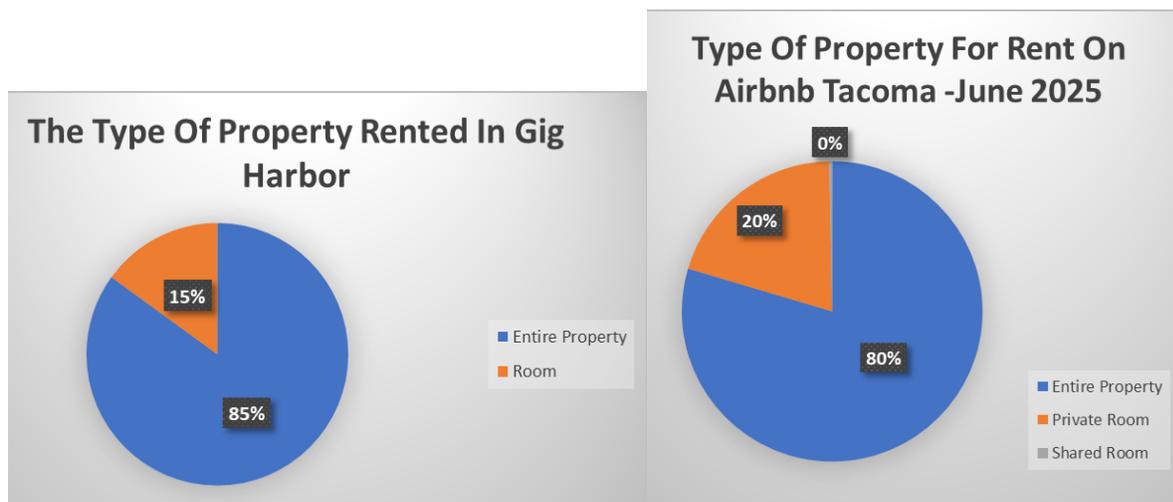
According to a Pierce County Staff Report, as of August 2023, there were 1,670 entire homes and 333 rooms listed on Airbnb and VRBO, meaning 1,670 houses potentially shifted from the long-term rental market to STR use. Since Airroi's data differs from the county's staff-reported figures, we discuss both to illustrate variation and likely underestimation across sources. As you can see in Table 1, the number of STR listings Airroi reports (1,506) is lower than the figures Pierce County reported for August 2023. Therefore, the data vary across sources, yielding only a general idea of the listing numbers, which are most likely underestimated.

Furthermore, Airroi's data for Tacoma indicates that 80% of listings, totaling 718, are entire homes, while 20%, or 181 listings, are private rooms. In Gig Harbor, 85% of hosts rent out their entire homes, while 15% rent out only a room or a part of their residence. In addition, availability data from Airroi indicate that many listings in Tacoma are available for most of the year: 39% are available 271–366 days annually, 28% 181–270 days, 26% 91–180 days, and only 7% 31–90 days. Likewise, 37% of properties in Gig Harbor are available to rent 271–366 days a year. This data shows the high number of STRs available in Tacoma and Gig Harbor that are rented out for most of the year, underscoring that many entire homes are shifting toward the hotel industry.

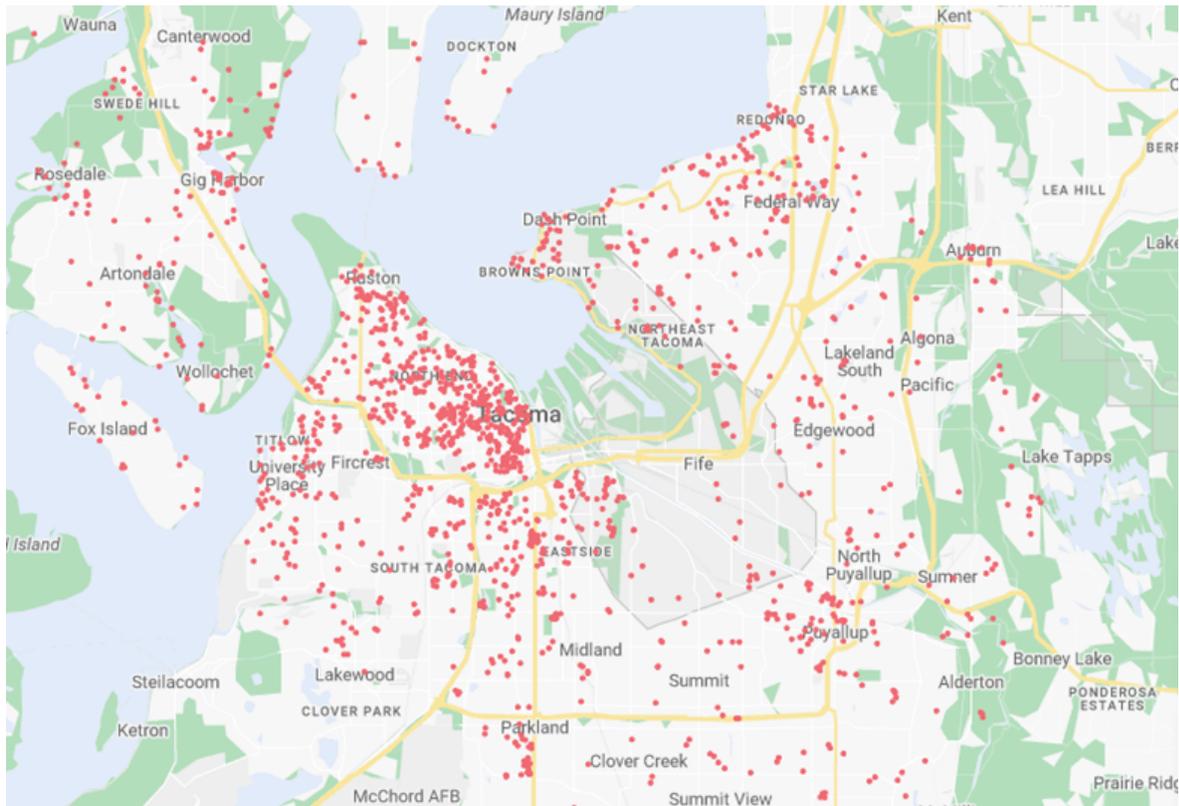
**Table 1. STR Data by City & Population in Pierce County (Airroi, 2025)**

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	2.70
Spanaway	24	0.70
Edgewater	22	1.57
Dupont	20	2.4
Sumner	18	1.65
<b>Total</b>	<b>1,506 Units</b>	

**Figure 3. Types of Properties Rented in Gig Harbor & Tacoma (Airroi, 2025)**



**Figure 4. Pierce County Airbnb Concentration** (Airroi, 2025)



#### 4.5 Pierce County - Current Regulations & STR Concerns

Pierce County currently allows STRs as an accessory use, as outlined in code 18A.37.040, which dictates the allowable length of stay, the number of guests and rooms, parking, and notification to neighbors. STR property owners must register their rental by filing an affidavit with Planning and Public Works, but there is no approval process beyond the affidavit (Pierce County, 2024). Neighbors can file complaints against an STR if they believe the STR owner is not complying with county codes. While these enforcement cases are documented in the PCResponds database, they are not distinct from other land-use complaints.

One of the challenges the county faces is that it has no way of knowing what percentage of STR owners have actually filed an affidavit and had their STR publicly recorded in the county

database. Pierce County has received 260 affidavits since 2018, yet a staff report found that more than 1,600 homes were available for rent in August 2023. Pierce County believes code compliance varies by area, estimating that on Anderson Island it is as high as 50%, whereas in Ashford it is as low as 4% (Pierce County, 2024).

Pierce County is both urban and rural, with a population of over 940,000 and an estimated 6 million tourists who visit each year (US Census Bureau, n.d.). STR listings vary across the county and are concentrated in tourist-driven areas such as Gig Harbor, the Key Peninsula, and the Anderson-Ketron Islands, as well as in urban areas such as Tacoma and Puyallup. This is consistent with the case studies above. STR listings are not distributed evenly across cities; instead, they are concentrated in a minority of neighborhoods near the central city, tourist attractions, public transit, and gentrifying areas (Hoffman & Heisler, 2021).

“Airbnb-induced gentrification” is a newer phenomenon that Wachsmuth and Weisler (2018) define as gentrification without redevelopment, requiring little capital, and providing quick turnaround. As STRs are spatially concentrated in areas undergoing gentrification, a steady flow of tourists staying in these STRs accelerates gentrification, driving up rental costs and pushing existing tenants out of the area (Hoffman & Heisler, 2021). This displacement is not limited to urban areas; it has also affected resort communities where STRs have replaced affordable workforce housing. This is something Pierce County officials should keep in mind as they develop specialized policies for each community area.

#### **4.6 Cross-Case Findings Organized by Research Question**

**RQ(a): What does existing literature show about STR impacts on housing affordability?**

Across jurisdictions, research consistently shows that STR growth contributes to rent increases and housing price pressures, particularly in markets with limited housing supply and high tourism demand (Barron et al., 2021; Lee, 2016). While STRs are not the sole driver of affordability challenges, evidence suggests they exacerbate existing constraints by reallocating housing from long-term residential use to short-term tourist accommodation.

**RQ(b–c): What are jurisdictions of different sizes doing, and which are comparable to Pierce County?**

**Table 2. Structural Market & Context**

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

Oregon demonstrates how smaller cities and amenity-rich areas experience disproportionate STR impacts relative to their housing stock. Los Angeles illustrates the importance of pairing regulation with enforcement capacity, while New York City demonstrates that platform-level registration systems can dramatically reduce STR listings. Among these, Clackamas County (Oregon) provides the most structurally comparable case to Pierce County due to its mix of urban and rural areas.

**RQ(d): How does tourism affect regulatory considerations?**

**Table 3. STR Patterns, Housing Impacts & Regulatory Response**

Dimension	Pierce County	Oregon State	Los Angeles City	New York City
<b>Population</b>	960,000	4,200,000	3,800,000	8,400,000
<b>Tourism Intensity</b>	Moderate – High (6M annual visitors)	Moderate-High (high in coastal towns)	Very High (45M annual visitors)	Extremely High (64M annual visitors)
<b>STR to Tourism Link</b>	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
<b>% Renter Households</b>	37-40% (varies by tract)	36%	63%	67%
<b>Main Housing Market Pressure</b>	High growth, 100,000+ units needed by 2044	Tight in coastal cities; moderate statewide	Severe affordability crisis	Severe housing shortage

Tourism intensity strongly correlates with STR concentration. In both Oregon’s coastal communities and Los Angeles’s tourist neighborhoods, STR impacts were greatest in high-amenity areas. This correlates with our quantitative findings, as Gig Harbor and Tacoma had the highest STR concentration per population density in Pierce County. This suggests that tourism pressure is a key variable when designing localized STR policy, particularly in areas such as Gig Harbor, the Key Peninsula, and Anderson-Ketron Islands.

**RQ(e): Should there be differential treatment across community areas?**

**Table 4. Tiered STR Treatment for Regions in Pierce County**

Area Type	Example in Pierce	STR Pattern	Housing Risk	Tourism Role	Recommended Regulatory Treatment
<b>High-Tourism Waterfront</b>	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
<b>Urban Core</b>	Tacoma	Entire-home STR dominance	Rental displacement & gentrification pressure	Mixed tourism + residential	Primary residence requirement + limit multi-unit hosts
<b>Suburban Residential</b>	Lakewood, South Hill	Moderate STR	Gradual housing reallocation	Low tourism	Registration + density buffer between STRs
<b>Rural Non-Tourism</b>	Interior unincorporated areas	Low but growing	Small stock vulnerable to investor conversion	Limited tourism benefit	Monitoring + registration only (light-touch regulation)

Findings suggest that a uniform, countywide STR policy may not adequately address variation in housing markets across Pierce County. Tourist-driven waterfront areas, urban core neighborhoods experiencing gentrification, and lower-tourism residential communities face distinct pressures. A tiered or place-based regulatory framework may therefore better align policy tools with localized housing dynamics.

### **RQ(f): What considerations emerge for Pierce County?**

Across cases, three consistent themes emerge:

1. Registration and regulatory systems must be realistic and avoid total STR bans.
2. Primary residence requirements reduce corporate or investor-driven STR growth.
3. Enforcement capacity is as important as regulatory design.

These cross-case insights provide the foundation for evaluating Pierce County's current STR framework and potential policy revisions.

## **5. RECOMMENDATIONS FOR PIERCE COUNTY**

### **5.1 Create a Policy that Benefits Individuals Over Corporations**

By incentivizing and institutionalizing STRs through platforms like Airbnb, the financialization of housing has shifted from long-term to short-term and drawn corporate investors to the residential real estate market. In major US cities, commercial and professional hosts dominate listings and revenue; listings concentrate in inner-city and gentrifying neighborhoods; spatial concentration of listings is associated with rising rents, housing prices, and lack of availability; and residential areas with concentrated listings become tourist areas, displacing residents (Hoffman & Heisler, 2021). To combat the prevalence of corporation-owned STRs and

shift economic benefits to individual STR owners in Pierce County, the county should consider adopting owner-occupied STR regulations along with registration requirements.

Owner-occupied STRs (meaning operators must be present when guests use their STRs) are generally lauded because they safeguard local interests by allowing residents who live, work, and vote in the region to operate STRs in that same region, giving them a bigger stake in the community and an easier means to keep track of STR guests. Areas with owner-occupied STRs, combined with STR registration requirements, experience less unchecked STR growth, fewer whole-home STRs, fewer commercial STRs, and greater housing availability (White & Thorr, 2025).

## **5.2 Avoid Total STR Bans**

Even a small percentage of homes used for STRs instead of LTRs creates a deficit in LTRs. As noted in the case studies above, in areas with more heavily regulated STRs, there were clear decreases in the number of available STR listings, leading to greater availability of long-term housing and slightly lower housing costs. However, there are repercussions of creating more stringent regulations, particularly when it comes to total bans.

In 2016, Airbnb agreed to share hosts' information with New Orleans (NOLA), collect a tourism levy on behalf of the city, and facilitate a licensing procedure through their platform. NOLA then adopted ordinances requiring each host to apply for and pay for an annual STR license, limiting STRs to 90 nights per year, and banning STRs in certain city zones. These ordinances included a total ban on STRs in the French Quarter neighborhood, where listings were 138% more likely to be removed from the Airbnb platform (Valentin, 2020). However, enacting these restrictions simply shifted the supply of Airbnb listings, concentrating them outside the French

Quarter. As a result, the number of Airbnb units and total Airbnb revenue increased in neighborhoods most proximate to the ban zone. Housing prices for properties at the border and within the ban zone decreased by about 30%, indicating that participation in the STR market is valuable to homeowners and that more regulations do not necessarily translate into lower home prices (Valentin, 2020).

Pierce County should be wary of enacting a total ban within its community areas, as this could shift STR supply to neighboring counties. In addition, a total ban would require significant staffing and funding to implement stringent regulatory measures.

### **5.3 Employ Realistic Enforcement Measures**

Regulation is only successful when coupled with sufficient enforcement. A major concern about STR policies is that homeowners do not comply with them, which is certainly the case in New York City, where two-thirds of Airbnb revenue comes from illegal listings (Wachsmuth et al., 2018). Pierce County's enforcement measures should prioritize the removal of illegal listings, commercial entities, and fraudulent operators. Remaining realistic about enforcement capacity will be key for Pierce County. County officials should focus on the following: enforce in high-tourist and gentrifying community areas rather than the county as a whole; use community resources to support data collection and enforcement efforts; and ensure STR enforcement is not static by using public feedback, audits, and mistakes to revise ordinances and adopt new policies.

## **6. CONCLUSIONS & REFLECTIONS**

Housing plays a major role in wealth inequality, with disparities in housing wealth (including rising long-term rental costs) growing exponentially over the last few decades (Hoffman

& Heisler, 2021). Home-sharing growth accounts for about one-fifth of the average annual increase in US rents and about one-seventh of the average annual increase in US housing prices (Barron et al., 2019). Therefore, while STRs are not the main culprit in rising home and rental prices, they do contribute to overall housing pressures, with the primary threat posed by the growing STR sector being to renters. Landlords can choose between short- and long-term rentals with ease, giving them more options and greater autonomy over their profits. Meanwhile, tenants have less power and, in some cases, fewer long-term rentals to choose from. Overall, these findings highlight the complex relationship between STRs and housing affordability, underscoring the importance of thoughtful local policy responses.

The case studies examined in this research make clear that there are two sides to the story regarding the impact of STRs on housing affordability. Popular STR neighborhoods are turning into “hotel districts,” making housing unaffordable for locals. At the same time, STRs offer individuals an opportunity to earn additional income and cover rising property taxes and home insurance costs. While STRs are not the sole problem in housing affordability, they are part of the solution.

We recognize that we lack robust data on STR listings in Pierce County, and therefore, do not have the full picture of STR prevalence in the region. This is common with several cities and counties. We also recognize that we examined a small number of related case studies in our limited study timeframe. Ultimately, we recommend that Pierce County follow the recommendations outlined in this study and conduct further research to adjust policies in its community plans. To mitigate the impacts of STRs on affordable housing, our study recommends three main policy approaches for the county: prioritizing owner-occupied short-term rentals, avoiding total bans that could shift activity elsewhere, and focusing enforcement efforts in high-tourism areas.

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