

Fact Sheet: Understanding Short-Term Rentals in Vermont

Definitions & Distinctions Among Rental Types			
Type of Use Designation	Short-Term Rental (STR)	Licensed Lodging Establishment	Residential Rental
Rental Characteristics			
Rental agreement is shorter than 30 days	Yes	Yes	No
On-site food service is provided	No	Yes	No
3 or more units are rented on a property	No	Yes	N.A.
Legal Requirements			
Collect & remit 9% meals & rooms tax	Yes	Yes	No
Collect & remit 1% local option tax*	Yes	Yes	No
Obtain state license	No	Yes	No
Display "STR Health & Safety Obligations" form	Yes	No	No
Municipal zoning regulations apply	Yes	Yes	Yes

*Only required by select municipalities. See which towns have adopted the Local Option Tax here.

Quick Facts on Vermont STRs (2021-2022)	
Prevalence	<ul style="list-style-type: none"> As of April 2022, Vermont had 8,684 whole-unit STRs and 1,230 rooms (or partial unit STRs) listed for rent (source: data provided by Kay Data Dashboard) Whole-unit STRs include seasonal camps and un-plumbed accommodations, and equates to roughly 2.5% of Vermont's housing stock (source: VHFA) 17% of Vermont's housing stock are private second homes (source: VHFA) The average annual growth of STRs in Vermont has been ~400/year since 2017 (source: VHFA) The highest proportion of STRs per total housing units are found in ski resort communities (source: VHFA)
Economics	<ul style="list-style-type: none"> Airbnb and Vrbo have been collecting and remitting the Vermont State Meals & Rooms Tax on behalf of property owners since 2018 (source: Vermont Department of Taxes) In 2021, Airbnb remitted \$16.5M in taxes to the State of Vermont (source: data provided by Airbnb) \$401.5 Million in gross revenue was generated by Vermont vacation rentals in 2021 (source: data provided by Key Data Dashboard) Every 1 STR supports 4 fractional jobs in its adjacent communities (source: data provided by Airbnb) 40% of Vermont's tourism economy is directly supported by second-homeowner spending (source: 2017, VTDM Benchmark Report)
Trends	<ul style="list-style-type: none"> First-time homebuyers are looking for an STR opportunity to help them afford their home. Airbnb reported ~60% of Vermont Airbnb Hosts said their STR helps them afford their home (source: data provided by Airbnb)

	<ul style="list-style-type: none"> 1 in 5 Airbnb bookings are now for month-long stays, and there is a rising demand for furnished, temporary housing for traveling professionals and remote workers (source: data provided by Airbnb) 1 in 3 millennial travelers exclusively stay in short-term rentals and won't return to the same place twice (source: data provided by Airbnb)
Demographics*	<ul style="list-style-type: none"> 60% of Vermont STRs are women-owned and/or managed 55% of Vermont STR owners are over the age of 55 50% are full-time Vermont residents who pay Vermont income taxes 82% of owners operate fewer than 3 vacation rental units 90% of Vermont STR owners occupy their unit for personal use each year 22% of Vermont STR owners also Vermont housing providers (AKA landlords)

*Based on 2021 VTSTRA survey of 229 respondents

Quick Links to More Information	
Laws & Statues	<ul style="list-style-type: none"> Act 10 (2018) – An Act Relating to Short Term Rentals VT Department of Taxes – Short Term Rentals STR Health & Safety Obligations Form Licensed Lodging Establishment Guide Vermont Fire & Building Safety Code (2015)
Research & Data	<ul style="list-style-type: none"> VHFA Housing Data on Short-Term Rentals VDTM Tourism Impact Research 2017, Vermont Department of Tourism & Marketing, Tourism Benchmark Report 2019, Maine Law Review, The Short-Term Rental Economy in Rural Maine Communities: An Opportunity for Economic Growth Instead of a Target for Regulation 2020, Dartmouth, Short-term Rental Units: Regulations and Impacts in Vermont 2021, Harvard Business Review, Research: Restricting Airbnb Rentals Reduces Development 2021, Vermont Short Term Rental Alliance, Research Review of Best Practice Short-Term Rental Regulation 2021, Oxford Economics, The Drivers of Housing Affordability: An Assessment of the Role of Short-Term Rentals 2022, National Vacation Rental Industry Trends
Industry Associations	<ul style="list-style-type: none"> Vermont Short Term Rental Alliance, Inc. ("VTSTRA") Vacation Rental Management Association ("VRMA") Rent Responsibly Alliance of Short Term Rental Homeowners ("ASTRHO")
Regulation Enforcement & Data Providers	<ul style="list-style-type: none"> GovOS AirDNA Key Data Dashboard Transparent
Other Resources	<ul style="list-style-type: none"> Guide to Regulating Short-Term Rentals in Cities & Towns Vermont towns with STR Regulations