



# IMPACT OF SHORT-TERM RENTALS ON HOUSING IN NEWPORT

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HOUSE COMMITTEE ON HOUSING AND HOMELESSNESS

JUNE 1, 2023 MEETING



# Vacation rentals and seasonal housing reduce Newport's already constrained housing supply

## Barriers

- About 14% of Newport's existing housing units (811 units) are vacant for seasonal, recreational, or occasional use. These units are unavailable for full-time residents to own or rent. Growth in seasonal housing reduces the already low inventory and drives up the prices of remaining units.

## Opportunities

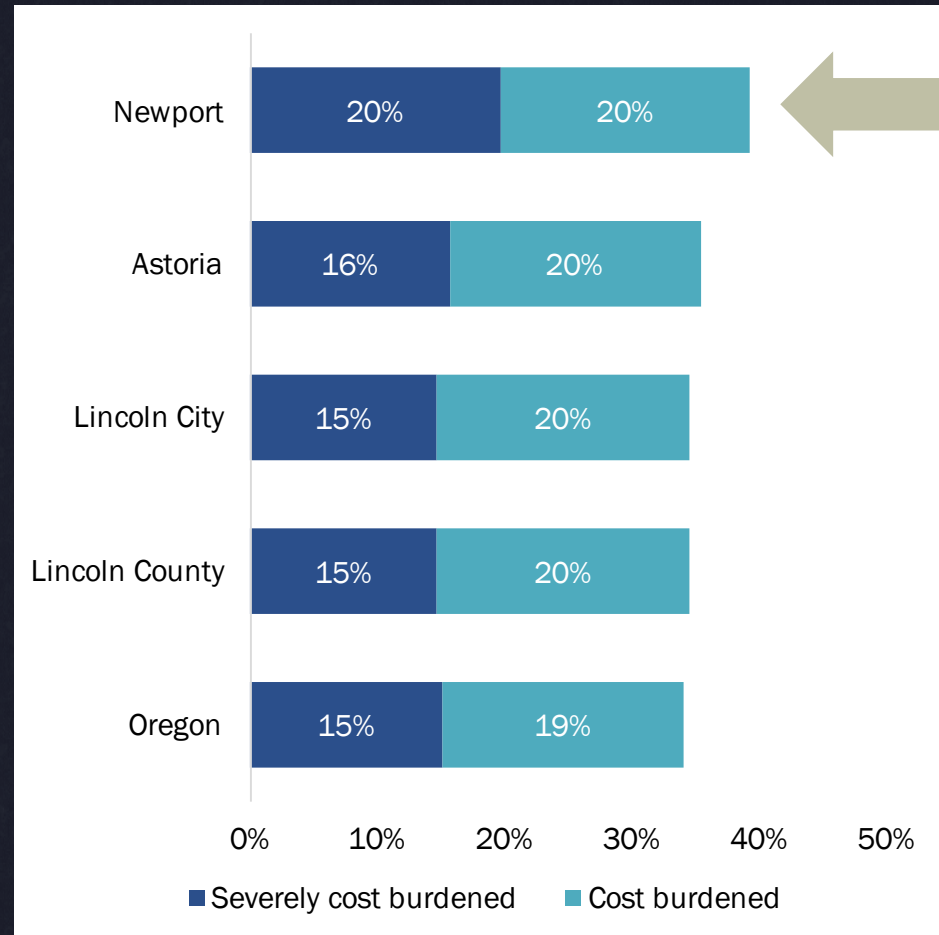
- Maintain limitations on the number of housing units available for vacation rental use
- Lobby the legislature to adjust the tax structure to disincentivize purchase of second homes for seasonal use.

# COST BURDEN, 2020



Cost burdened:  
spending more than  
30% of income on  
housing costs

Severely cost  
burdened: spending  
more than 50% of  
income on housing  
costs





# MULTI-FAMILY VACANCY RATE, 2011-2022

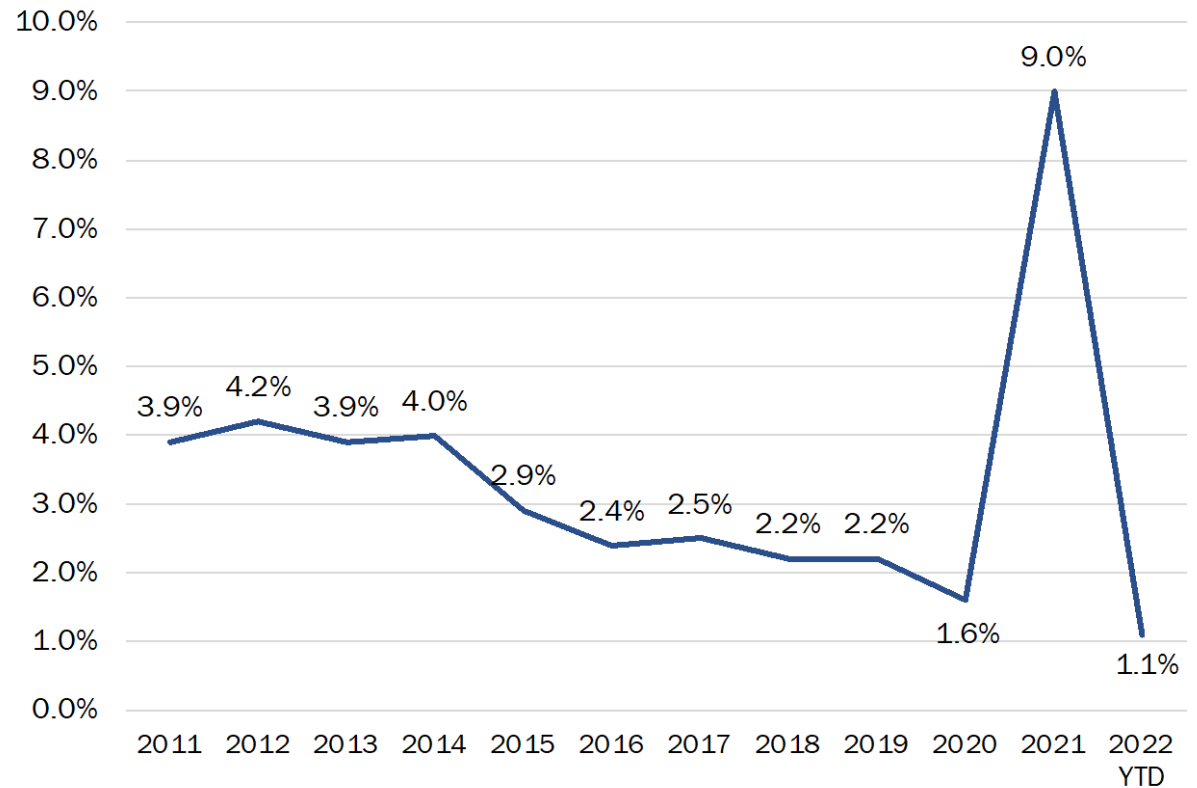


Newport's multi-family vacancy rate was 1.6% in 2020, down from 3.8% in 2010. In 2021 it spiked to 9.0% before coming back down to 1.1% at the beginning of 2022.

In 2020 and 2021, 176 multi-family units were completed and newly available for occupancy. The increased vacancy rate in 2021 was likely the result of absorption of the new units. This is the typical pattern for absorption of a relatively large number of new multi-family units.

## Average Multifamily Vacancy Rate, Newport, 2011–2022 YTD

Source: CoStar. March 2022.

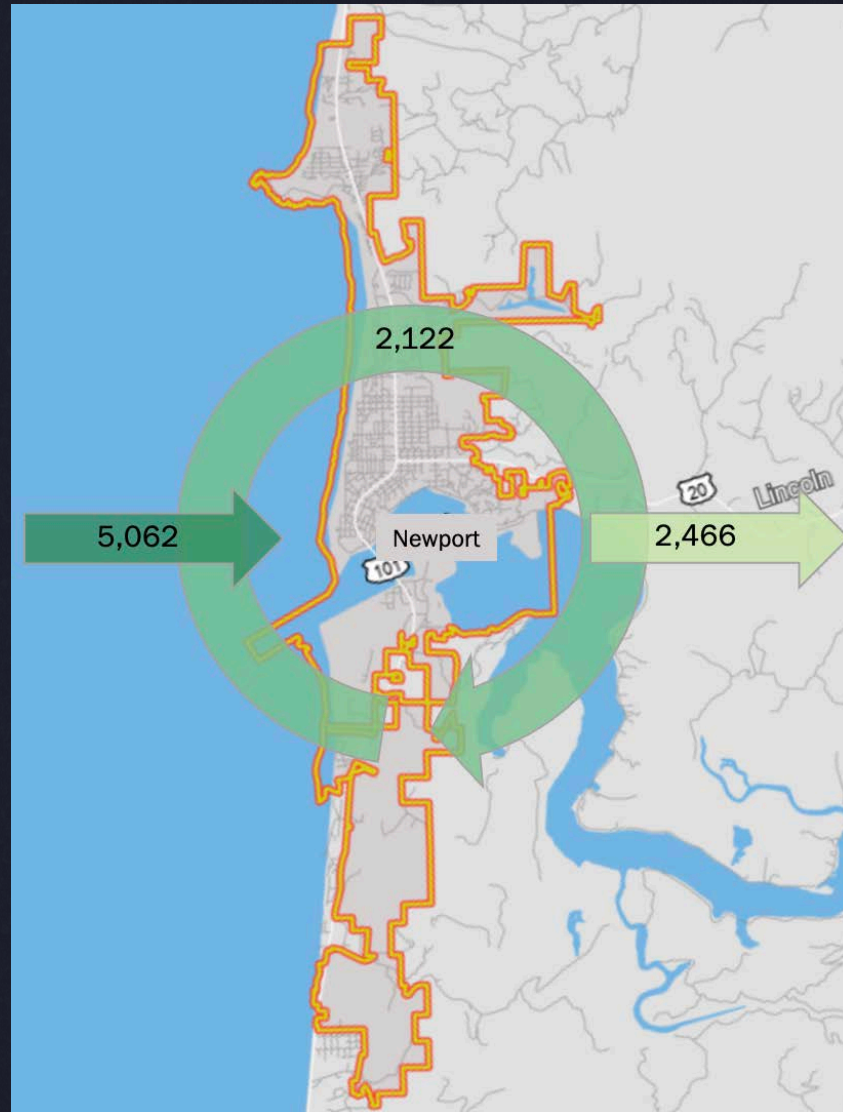


# COMMUTING PATTERNS



About 7,184 people work in Newport

Most of these people (5,062) commute into Newport for work

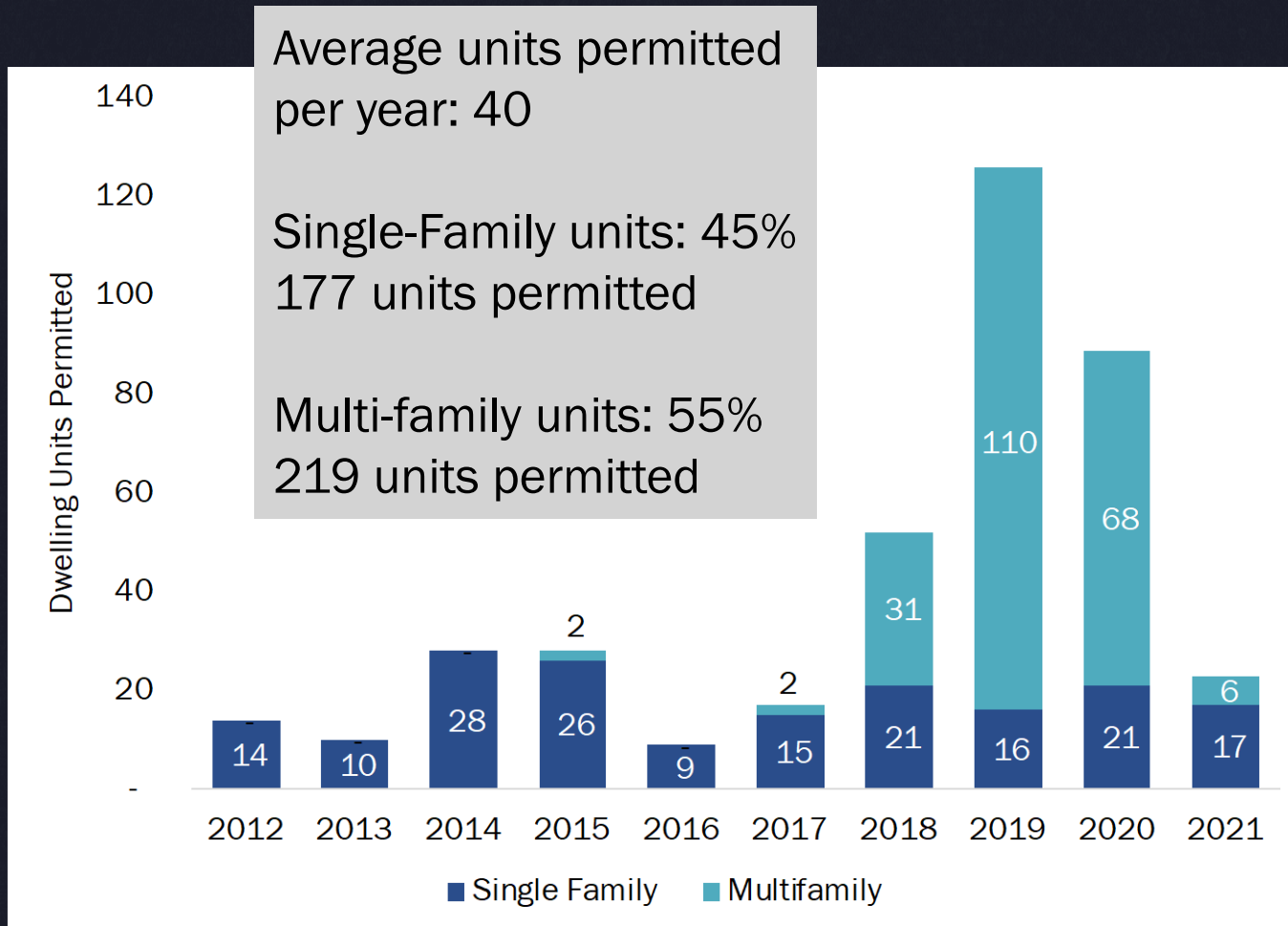


# BUILDING PERMITS



## Building Permits Issued for New Residential Construction by Type of Unit, Newport, 2012 through 2021

Source: City of Newport, Permit Database.





# FORECAST OF NEW HOUSING (2022 TO 2042)



NEWPORT IS FORECAST TO ADD 626 NEW DWELLINGS

Single-  
Family  
Detached



**313**  
New Units  
(50%)

Single-  
Family  
Attached



**63**  
New Units  
(10%)

Duplex,  
Triplex,  
Quadplex



**94**  
New Units  
(15%)

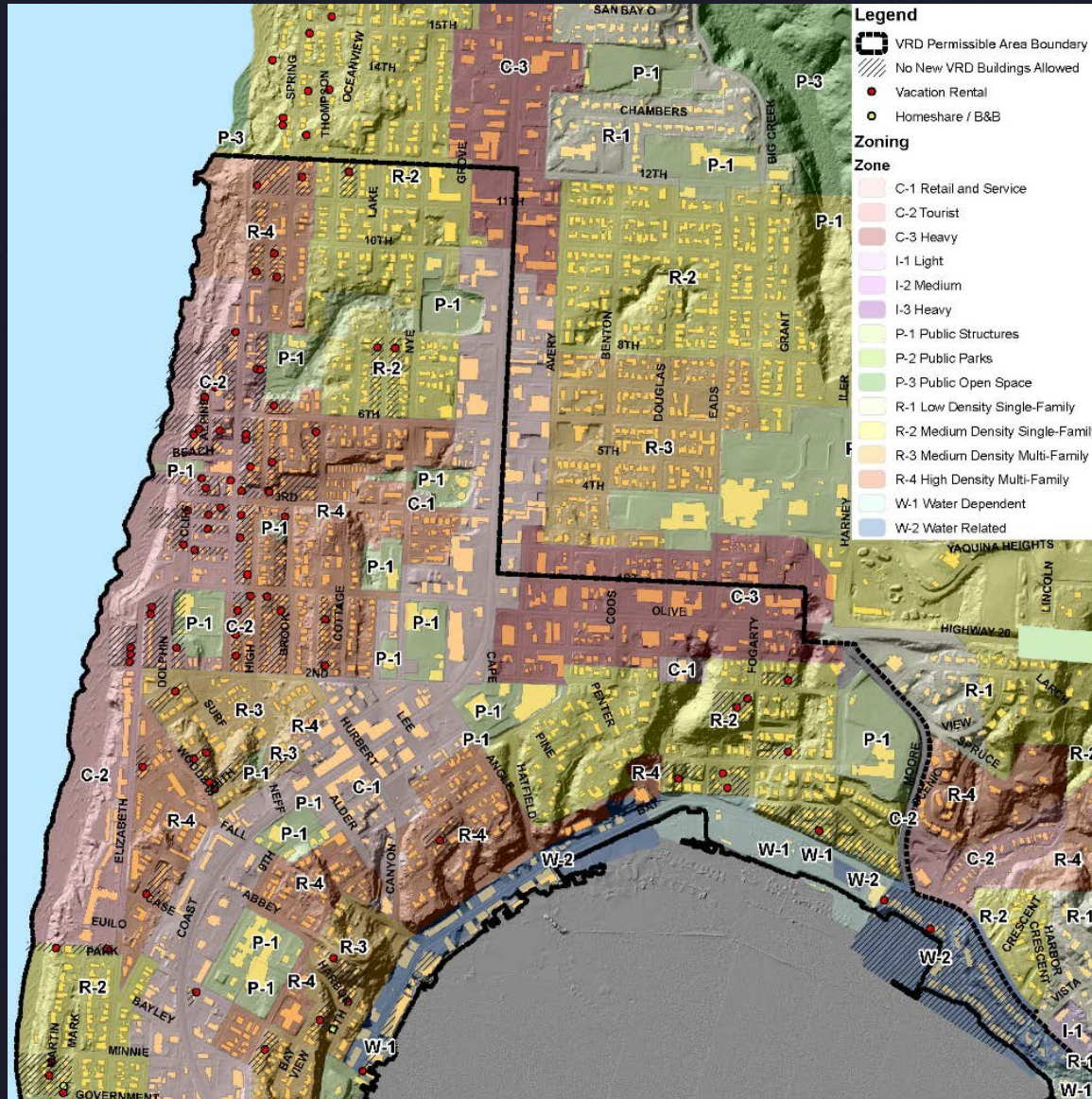
Multifamily  
(5+ units)



**157**  
New Units  
(25%)



# NEWPORT SHORT-TERM RENTAL LICENSING PROGRAM



LIMITS VRDs TO AREAS CLOSE TO TOURIST COMMERCIAL USES

CAP OF 176 LICENSES APPLIES TO AREAS WHERE VRDS AREA ALLOWED

VRDs IN PROHIBITED AREAS TO BE PHASED OUT OVER TIME (CURRENTLY 36)

3-4 YEAR WAITLIST (CURRENTLY 84)





QUESTIONS?