Denver Short Term Rental Advisory Committee

May 9, 2023

Excise and Licenses
Public Comment

There will be time allotted at the end of the meeting for public comment.

Please use the “raise hand” feature on Zoom at any time during the meeting to indicate that you’d like to make a public comment at the end.

If you are calling in and cannot use the “raise hand” feature, you may sign up for public comment by emailing Alex.Vidal@denvergov.org at any point during the meeting.
Data Updates
STR Application Processing
(month-to-month)
STR Completed Applications (Last 12 Months)

New Applications
- 0-7 Days: 47%
- 8-30 Days: 35%
- 31-60 Days: 11%
- 61-90 Days: 3%
- 91-180 Days: 3%
- 180-365 Days: 1%

Renewal Applications
- 0-7 Days: 39%
- 8-30 Days: 32%
- 31-60 Days: 20%
- 61-90 Days: 4%
- 91-180 Days: 3%
- 180-365 Days: 1%
Final Disposition of Applications
(Last 12 Months as of 5/1/23)

- Issued - 1,008 (81%)
- Denied - 23 (2%)
- Withdrawn - 81 (7%)
- Administratively Closed - 130 (10%)
311 Trends by Topic

- **2021**
  - Application Questions: 72%
  - Questions: 20%
  - Complaints: 7%

- **2022**
  - Application Questions: 76%
  - Questions: 15%
  - Complaints: 7%

- **2023**
  - Application Questions: 80%
  - Questions: 14%
  - Complaints: 0%
## SalesForce Cases
(Year-to-Year Comparison)

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg Days to Close</td>
<td>8</td>
<td>9</td>
<td>+13%</td>
</tr>
<tr>
<td>Volume</td>
<td>2,488</td>
<td>2,708</td>
<td>+9%</td>
</tr>
<tr>
<td>First Call Resolution (FCR)</td>
<td>36%</td>
<td>32%</td>
<td>-11%</td>
</tr>
</tbody>
</table>
ADU/Structure and Rental Model Data
### Lodger’s Tax Update

<table>
<thead>
<tr>
<th></th>
<th>2017 Total</th>
<th>2018 Total</th>
<th>2019 Total</th>
<th>2020 Total</th>
<th>2021 Total</th>
<th>2022 Total</th>
<th>2023 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodger’s Tax from STRs</td>
<td>$ 3.5M</td>
<td>$ 8.36M</td>
<td>$ 10.6 M</td>
<td>$ 5.6 M</td>
<td>$8.2M</td>
<td>$11.4M</td>
<td>$3.9M</td>
</tr>
<tr>
<td>% of Lodger’s Tax Whole</td>
<td>7.5 %</td>
<td>10.1 %</td>
<td>11.9 %</td>
<td>10.4 %</td>
<td>9.1 %</td>
<td>12.3%</td>
<td></td>
</tr>
</tbody>
</table>

*Due to technology upgrades, all starred numbers are approximations and may not reflect actual amounts.*
Current Events
What’s happening in the world of STRs?

**Globally/In General**
- STR supply/demand continues growing in US in 2023
- STRs Test Sustainability Certification
- Airbnb pulls unpermitted listings in Quebec after tragic fire

**Nationally**
- States preempting/limiting local regulation of STRs (SC, FL, MT)
- Jurisdictions taxing, restricting, or banning STRs (MT, San Diego, Greensboro, Peachtree, Darien, general)
- North TX cities struggle to regulate STRs, while state looks to preempt

**Locally**
- Grand Junction considers STR regs
- Lakewood adopts primary residence requirement
- Aspen/Pitkin County regs tighten flow of STRs
- State bill would help rural counties regulate STRs
STRs and Tourism in Denver
Visit Denver
Presentation to STRAC
Word of The Year

2020
Unprecedented!

2021

2022
Complicated

2023
Growth
Traveler Sentiment

- Nearly 85% of American travelers have trips planned.

- The typical American traveler says they expect to take 3.5 leisure trips in the next 12-months.

- Trip-takers spent an average of 2.5 hours planning or researching their trip AFTER they arrived in their destination.

- Pet Peeves: Flight delays (#1), price gouging (#2), dirty hotel rooms (#4), road construction.

Source: Destination Analyst
Impact On Travel Plans

Travelers with Travel Plans in the Next Six Months Comparison

Source: Longwoods International
<table>
<thead>
<tr>
<th>Impact</th>
<th>3/29</th>
<th>3/1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coronavirus</td>
<td>12%</td>
<td>-1%</td>
</tr>
<tr>
<td>Financial Situation</td>
<td>24%</td>
<td>-1%</td>
</tr>
<tr>
<td>Transportation Cost</td>
<td>18%</td>
<td>-9%</td>
</tr>
<tr>
<td>Gas Prices</td>
<td>21%</td>
<td>-3%</td>
</tr>
<tr>
<td>Inflation</td>
<td>26%</td>
<td>-6%</td>
</tr>
<tr>
<td>Airfare</td>
<td>25%</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Source: Longwoods International
Domestic Business Travel

• Business travel continuing to recover
• The return to the office, coupled with easing restrictions
• Pent up demand for more face-to-face professional interactions
• The resumption of large conferences and conventions
• Slowing economy and an expected decline in corporate profits and stalled business investments
• Workforce shortage will likely remain a key challenge

* Source: USTA
U.S. Travel 2023 Forecast

**Continued resilience of domestic leisure travel**, which has surpassed pre-pandemic levels

**Continued improvement in domestic business travel**, with a slight slowdown in 2023 as the economy enters a mild recession. A full recovery in terms of volume is still forecast for 2024, but inflation-adjusted spending recovery remains beyond the range of the forecast

**Sluggish recovery for international inbound travel** as it continues to face headwinds, with a full recovery not expected prior to 2025

Source: U.S. Travel Association Semi-Annual Forecast, Fall 2022
Safety concerns raised for convention center visitors

by: Vivente Arenas
Posted: Jan 13, 2023 / 06:41 PM MST
Updated: Jan 15, 2023 / 06:41 PM MST
Safety Plan

- October 2022 - Mayor, in collaboration with local, state, and federal agencies launched an enhanced Public Safety Action Plan

- November 2022 - DDP launched “Together We Will,” announcing an infusion of resources to address public health and public safety challenges in Downtown
  - Mobilizing the Downtown Action Team
  - Implementing public realm improvements including enhanced lighting, wayfinding and music
  - Significantly growing response teams across the cross departmental teams
VISIT DENVER Initiative

- Sponsored shared Radio program for 21 hotels located in convention corridor
- Two Additional DDP ambassadors
- Off duty police during conventions
DEN Continues As The Bright Spot

3rd Busiest in the World
4th Best recovery of Major Airports

<table>
<thead>
<tr>
<th>Rank</th>
<th>Airport</th>
<th>YTD Jan. 2023 Total Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Atlanta (ATL)</td>
<td>7,445,041</td>
</tr>
<tr>
<td>2</td>
<td>Dubai (DXB)</td>
<td>7,171,695</td>
</tr>
<tr>
<td>3</td>
<td>Delhi (DEL)</td>
<td>5,846,189</td>
</tr>
<tr>
<td>4</td>
<td>Dallas-Ft. Worth (DFW)</td>
<td>5,727,290</td>
</tr>
<tr>
<td>5</td>
<td>Istanbul (IST)</td>
<td>5,637,182</td>
</tr>
<tr>
<td>6</td>
<td><strong>DENVER (DEN)</strong></td>
<td><strong>5,504,365</strong></td>
</tr>
<tr>
<td>7</td>
<td>London/Heathrow (LHR)</td>
<td>5,488,545</td>
</tr>
<tr>
<td>8</td>
<td>Los Angeles (LAX)</td>
<td>5,455,113</td>
</tr>
<tr>
<td>9</td>
<td>Tokyo/Haneda (HND)</td>
<td>5,285,977</td>
</tr>
<tr>
<td>10</td>
<td>Paris/De Gaulle (CDG)</td>
<td>4,717,623</td>
</tr>
</tbody>
</table>

Source: ACI; Note: Totals are preliminary and subject to change.
Opportunities

• Increased small to mid size meeting demand

• Great Summer demand drivers (sports, concerts, festivals, etc.)

• Excitement about center expansion

• NWC starting next phase

• Continued Business Investments in Denver

• Energy after the election
Convention Updates

- Record setting lead volume in 2023
  - Mostly small and midsize groups
  - Citywide leads rebounding
- Site visits back to near 2019 levels
- Citywides are recovering attendance
- Short-term citywide opportunities due to Dallas relocations
- Downtown environment – improving
- *New*
  - Light adventure incentive
  - MPI survey
  - Destination Analysts survey
  - Next steps
2023 vs 2019 # of Groups

Source: VISIT DENVER
2023 vs 2019 Attendance & Total Rooms

Source: VISIT DENVER
Site Visits On The Rise

Site Tours
Sales & Destination Services Q1 and Q2 Comparison

Source: VISIT DENVER
Back On Target For Conventions

Convention Booking Pace

<table>
<thead>
<tr>
<th>Year</th>
<th>Room Nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>620,000</td>
</tr>
<tr>
<td>2024</td>
<td>450,000</td>
</tr>
<tr>
<td>2025</td>
<td>400,000</td>
</tr>
<tr>
<td>2026</td>
<td>300,000</td>
</tr>
<tr>
<td>2027</td>
<td>150,000</td>
</tr>
</tbody>
</table>

Source: VISIT DENVER
<table>
<thead>
<tr>
<th></th>
<th>2019 Q1 Avg</th>
<th>2022 Q1 Avg</th>
<th>2023 Q1 Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Denver</td>
<td>22.0%</td>
<td>9.5%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Denver Metro</td>
<td>17.9%</td>
<td>9.7%</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

Source: VISIT DENVER Costar, STR Data
2023 May – July CCC

- **Envestnet**  
  April 25-28; 2,000 attendees

- **City Summit of the Americas**  
  April 26-28; 3,000 attendees

- **Assn for Unmanned Vehicle Systems Intl**  
  May 8-11; 8,000 attendees

- **American Alliance of Museums**  
  May 19-22; 5,000 attendees

- **Assn for Behavior Analysis Intl**  
  May 25-29; 5,000 attendees

- **American College of Sports Medicine**  
  May 30 – June 2; 4,500 attendees

- **American Assn of Airport Executive**  
  June 3-5; 1,200 attendees

- **(e)Revolution & The Big Gear Show**  
  June 7-11; 3,000 attendees

- **American Assn of Petroleum Geologists**  
  June 13-15; 3,000 attendees

- **UnboundEd**  
  June 12-16; 2,100 attendees

- **Multidisciplinary Assn for Psychedelic Studies (MAPS)**  
  June 20-25; 7,000 attendees

- **Family, Career & Community Leaders of America**  
  July 2-6; 8,500 attendees

- **Fan Expo**  
  June 30 – July 2; 60,000 attendees  
  (regional and local)

- **School Nutrition Assn**  
  July 9-11; 6,500 attendees

- **American Veterinary Medical Assn**  
  July 14-18; 9,000 attendees

- **Cetera Financial Group**  
  July 24-27; 1,600 attendees

Nearly 80,000 attendees!
Visit Denver was awarded a CTO Grant for 2023 and 2024

Direct representation with Agencies in Canada, Mexico, UK, Germany and France

Expand PR and Travel Trade efforts

Visits from Total international to Denver

Source: Tourism Economics

109% forecasted growth from 2022 to 2027

$513 million in Spend
Key Results Through March

**Winter Basecamp**
- 25 million impressions
- 164k conversions to website
- 56k room nights
- $10 million in sales

**OTA Co-op**
- 1.7 million impressions
- 14k room nights
- $2.9 million in sales

**Regional Events**
- 26 million impressions
- 150k conversions to website
- 32k room nights
- $5.2 million in sales
Thank You!
What feedback is Airbnb hearing from STR users in Denver?

Is there any sustainability work that Airbnb has recently completed or is currently working on?
What feedback if Airbnb hearing from STR users in Denver?
Guests
Airbnb Guests in Denver

Nearly 400,000 Guest Arrivals in 2022

60% women Booking Guest Gender (self reported)
Airbnb Guests in Denver
Primary Reason for Stay

35%  Visiting friends or family
25%  Vacation
15%  Attending a special event

All self-reported through survey of Airbnb guests
Airbnb Guests in Denver
Reasons for an Airbnb rather than another type of accommodation

60% Convenient location
30% Hotels do not offer required amenities (e.g. kitchen, shared space, etc.)
30% Wanted to save money

All self reported through survey to Airbnb hosts
Airbnb Guests in Denver
Recommendations from Hosts in Denver

70% Recommend local restaurants or cafes
40% Recommend cultural sites or activities (e.g. museums)

40% of guests visited places that were recommended to them by the Host of the Airbnb listing they were staying in.

All self-reported through survey of Airbnb guests
Airbnb Hosts in Denver

45%  Approximate percentage of Hosts who say Airbnb has helped them stay in their home

55%  Approximate percentage of Hosts who say hosting allows them to meet the rising cost of living

40%  Approximate percentage of Hosts who have a total household income (before taxes and from all source) under $99,999

All self reported through survey to Airbnb hosts
Is there any sustainability work that Airbnb has recently completed or is currently working on?
Airbnb’s Sustainability Efforts

1. Commitment to be a net zero company by 2030
2. Working with our global host community to increase adoption of sustainable practices
3. Partnering with organizations to promote more sustainable travel options
How Airbnb Denver Hosts Support Sustainability

- 65% Provided information on local public transportation
- 50% Utilize environmentally friendly cleaning products
- 55% Recycling or compost available in listing

All self-reported through survey of Airbnb hosts
2023 STRAC Meeting Dates

- August 8
- November 14

Agenda Planning

- Please continue providing input!

• All meetings will be held via Zoom
• Additional meetings can be scheduled as needed
Public Comment

Please use the “raise hand” feature on Zoom to indicate that you’d like to make a public comment. If you are calling in and cannot use the “raise hand” feature, you may sign up for public comment by emailing Alex.Vidal@denvergov.org

Speakers are allotted two minutes to speak.

Alternatively, you may email written comments at any time to licenses@denvergov.org and they will be shared with the committee electronically.