



Rental and Occupancy Study

Presentation of Key Findings
Ginny Sawyer and Corona Insights

Rental Housing Forces At Work

A variety of issues have affected the local rental market over the past 15 years.

Construction of New
Housing

Condo Defects
Law

Occupancy
Ordinance

The Great
Recession



Population
Growth

Rise of Short Term
Rentals

Household formation
dynamics and
geography

Snapshots of the Rental Market

2005 to 2007 Era

Rental Vacancy
Rate
5.4%

Excess Rental Units
+100 units

1,200 violator
households

2010 to 2012 Era

Rental Vacancy
Rate
1.2%

Excess Rental Units
-1,000 units

550 violator
households

2015 to 2017 Era

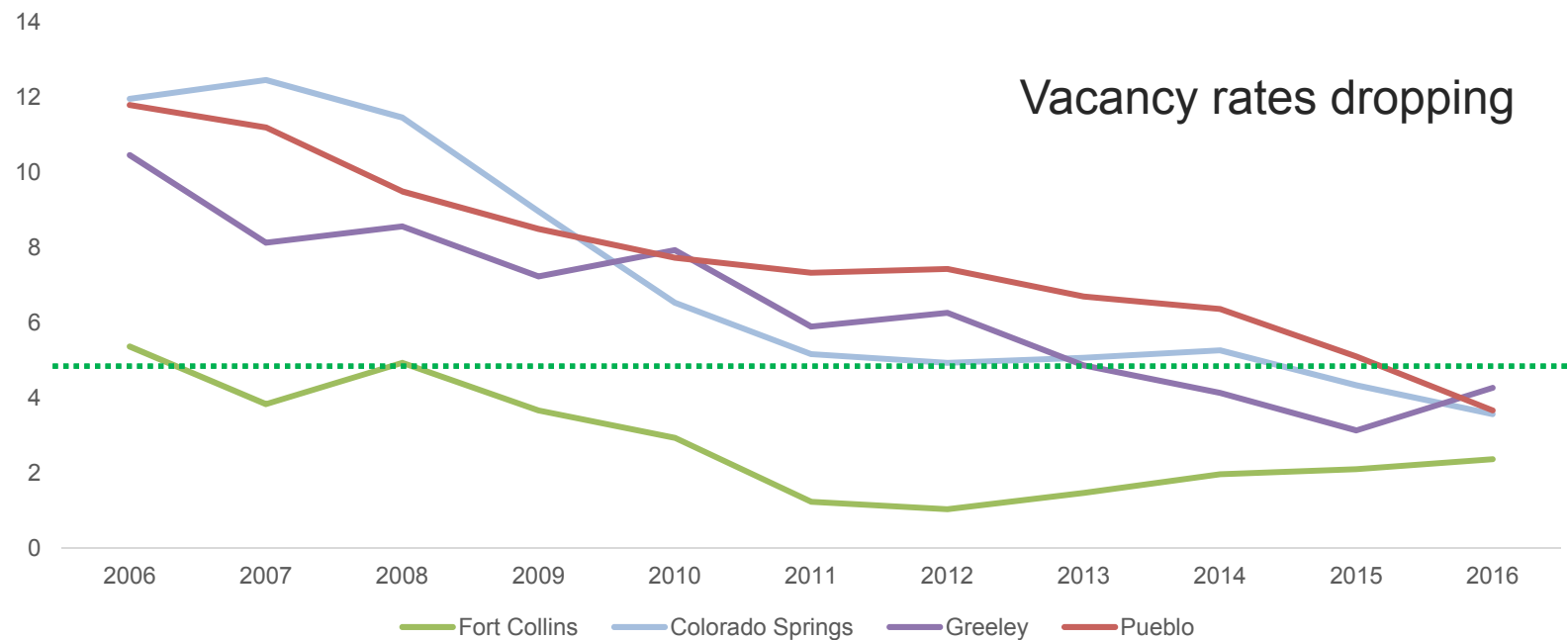
Rental Vacancy
Rate
2.4%

Excess Rental Units
-800 units

1,200 violator
households

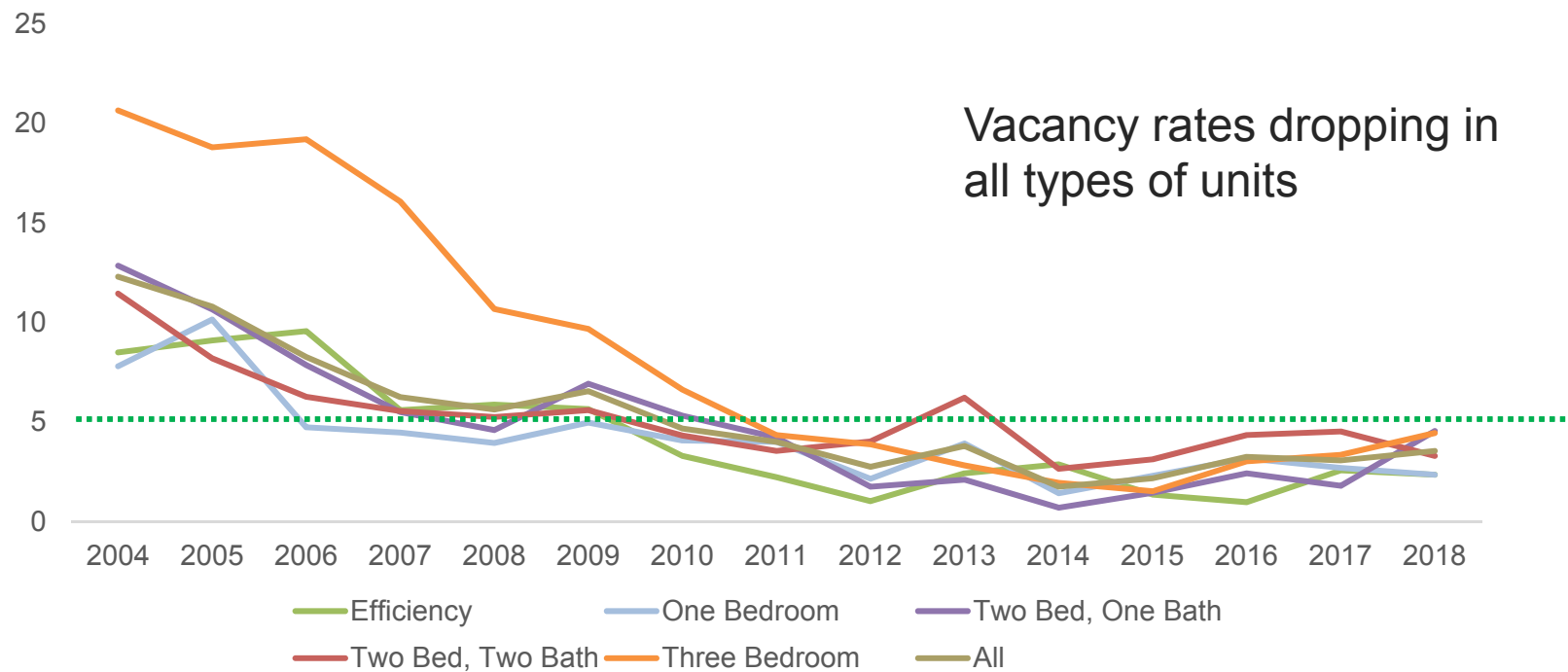
Total Vacancy Trends

Total Rental Vacancy Rate (Three Year Average)

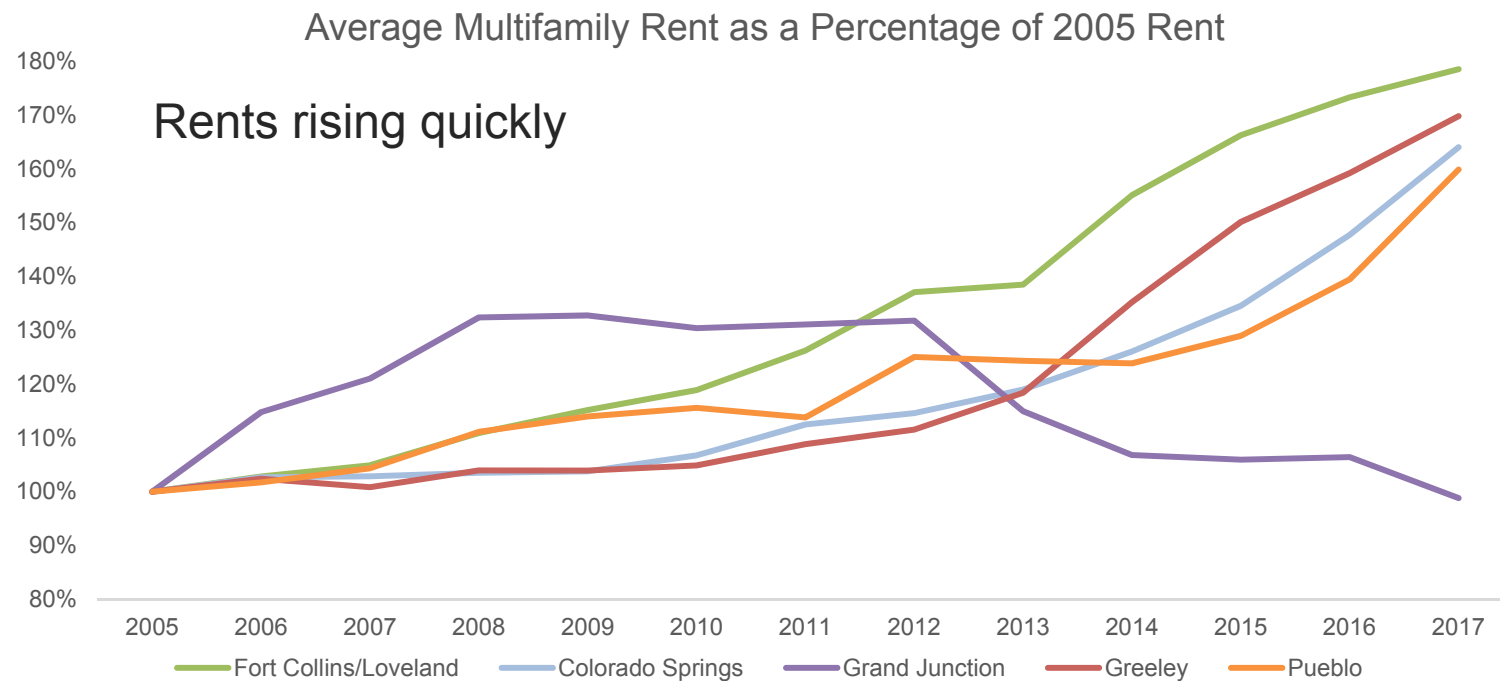


Multi-Family Vacancy Trends

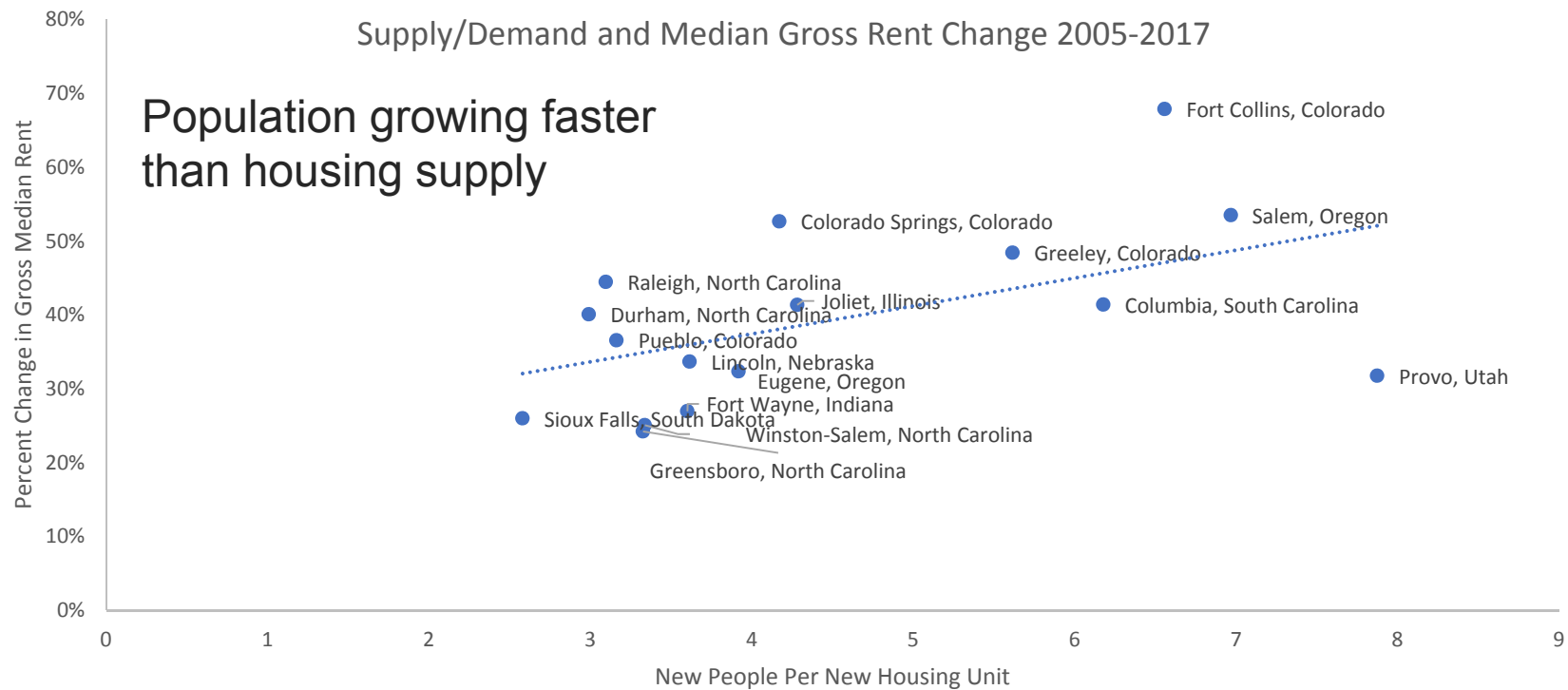
Fort Collins Multifamily Unit Rental Vacancy Rate by Unit Type



Multi-Family Rental Cost Trends



Supply and Demand's Impact on Rent



Multi-Family Vacancy Trends

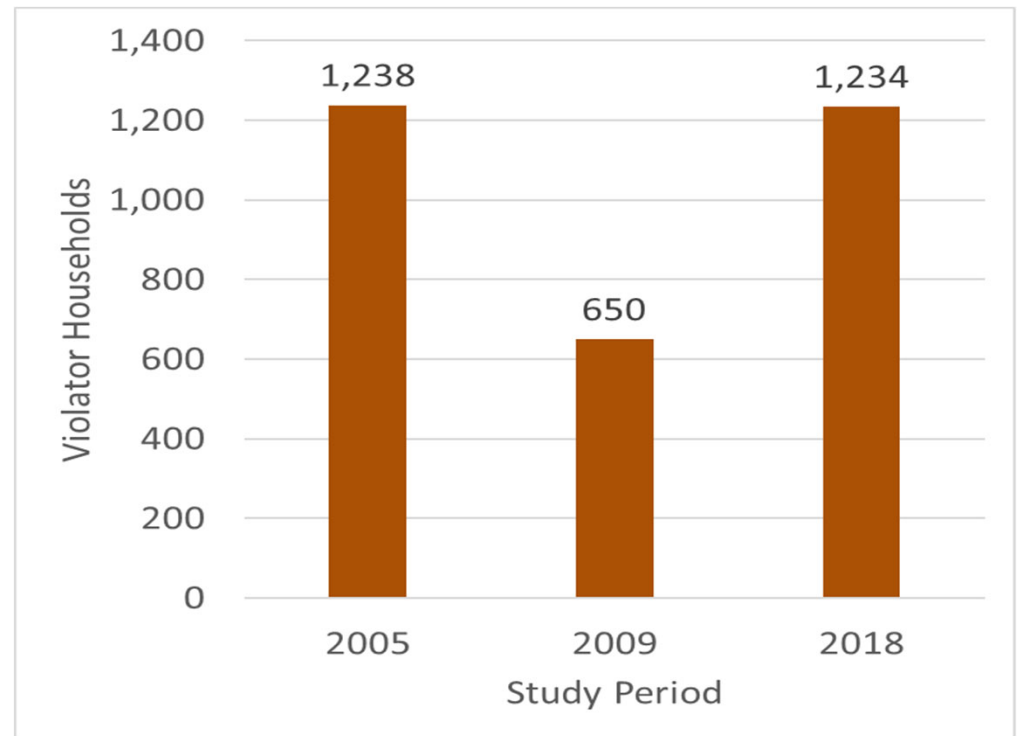
Era	Rental Households	Rental Population	Average Renter Household Size	Proportion of Households Who Are Renters
2005-2007	23,130	48,790	2.11	43.1%
2010-2012	26,044	59,530	2.29	45.6%
2015-2017	28,871	68,815	2.38	46.4%

Renter households are getting larger

More households are renting compared to owning

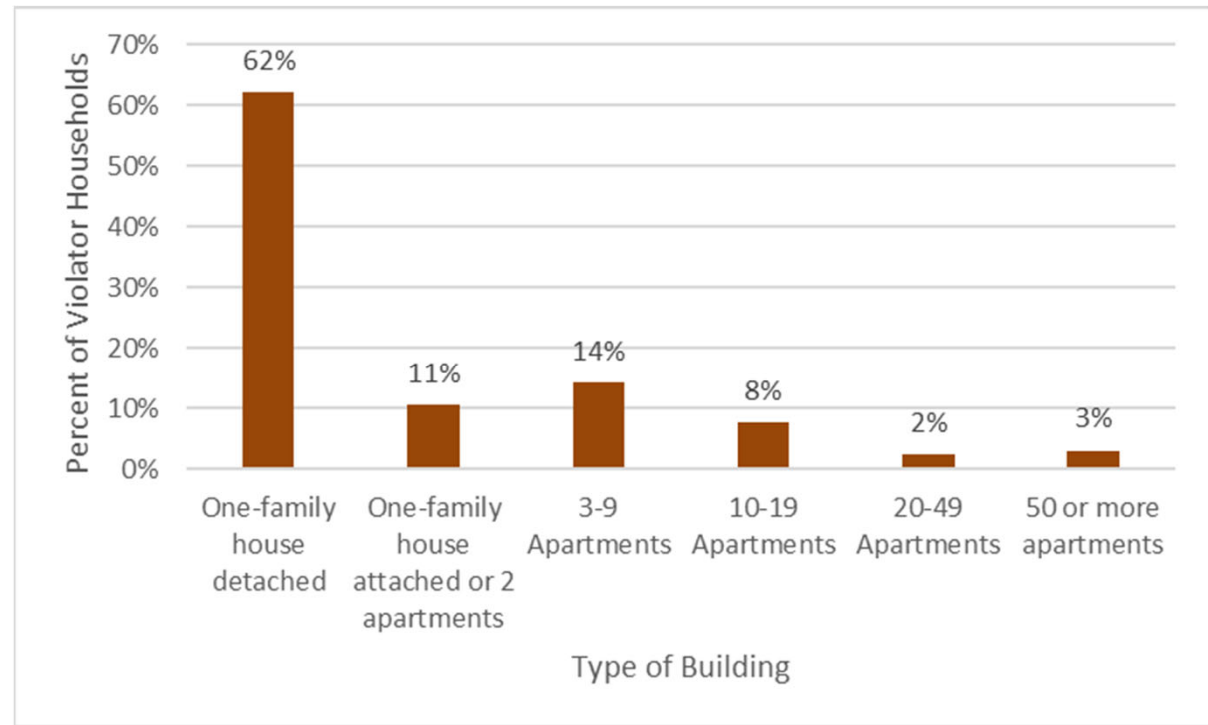
Occupancy Ordinance Violators

The number of occupancy-violating households has risen back to pre-ordinance levels.



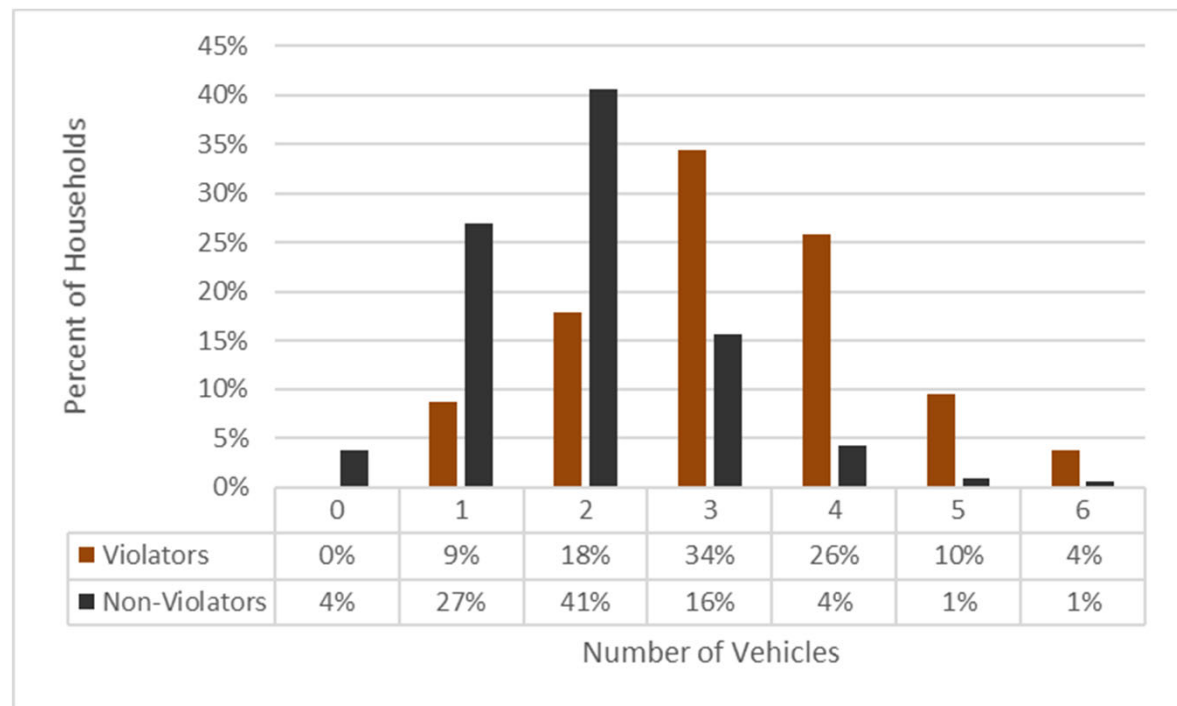
Occupancy Ordinance Violator Homes

Violator households tend to live in single-family homes.

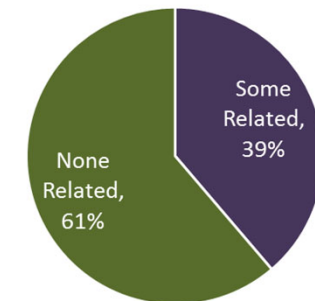
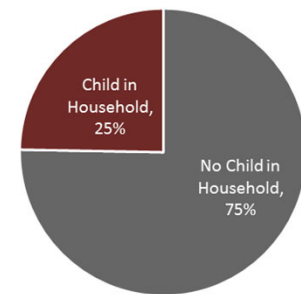
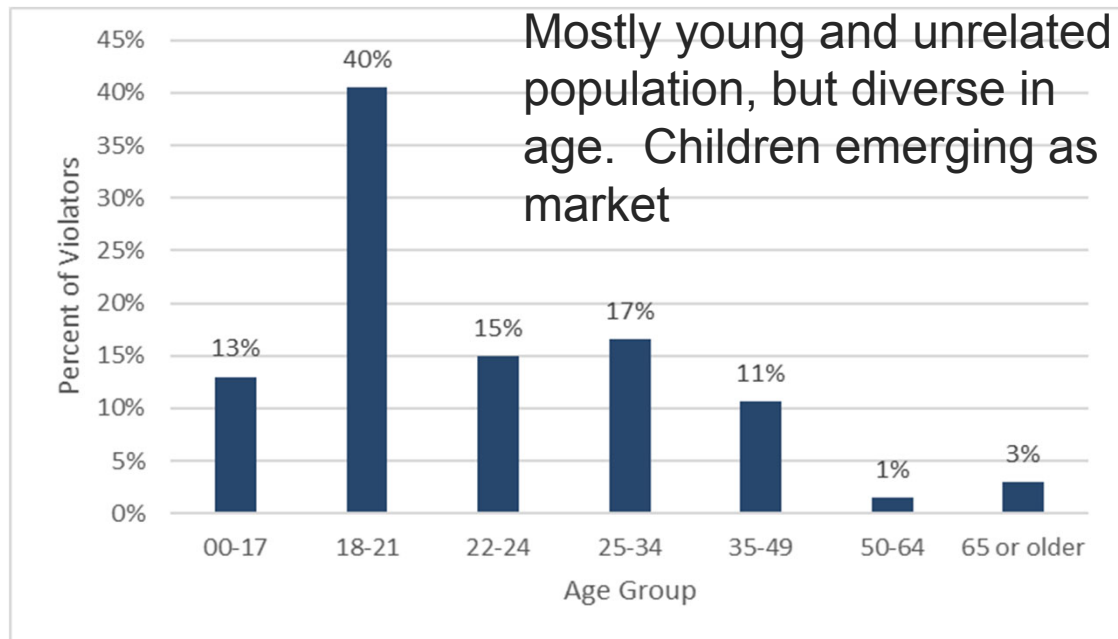


Occupancy Ordinance Violator Vehicles

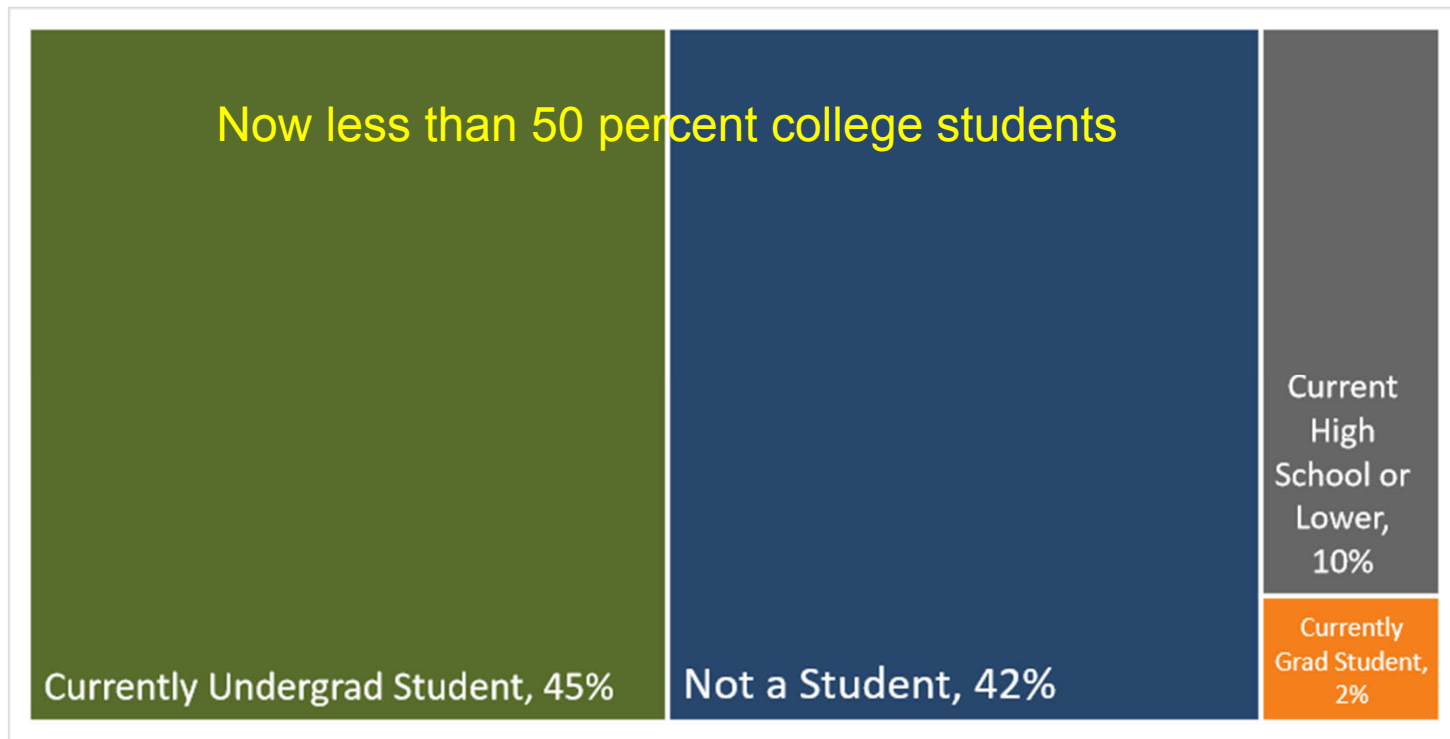
Violator households
tend to have lots of
vehicles



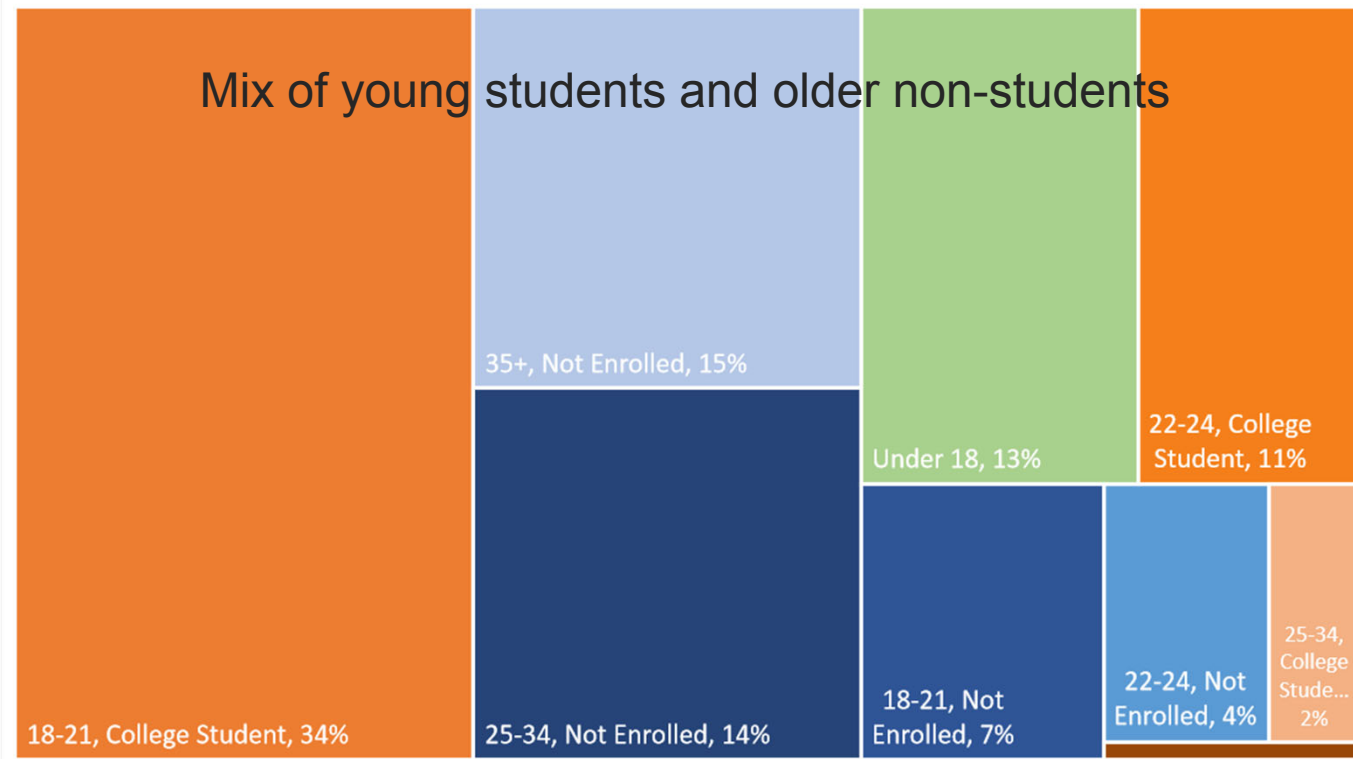
Occupancy Ordinance Demographics



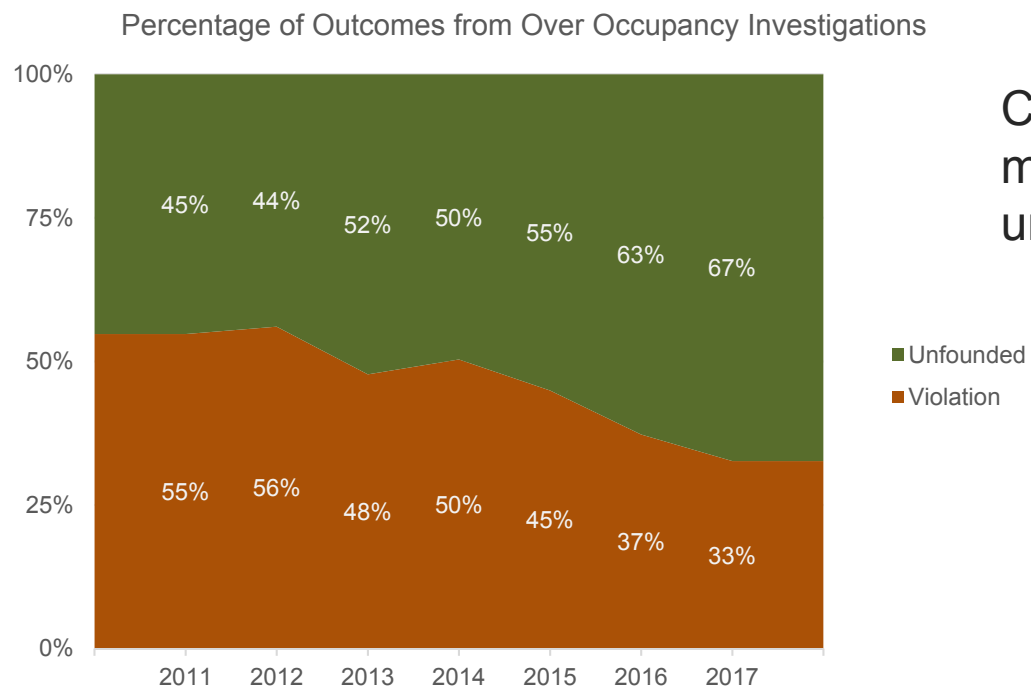
Occupancy Violator College Status



Violator College and Age Segmentation



Occupancy Ordinance Investigations



Complaints are
more likely to be
unfounded



Occupancy Ordinance Opinions

More support than opposition for ordinance

		Region			Dwelling Type		Tenure		College Student in Home		Aware of Occupancy Ordinance	
		West of campus	East of campus	Remainder of city	Single family	Multi-family	Owner	Renter	Yes	No	Yes	No
Base												
Unweighted	1328	355	498	475	1044	284	1049	271	202	1064	1167	123
Opinion of Occupancy Ordinance												
Support	42%	38%	44%	43%	45%	37%	53%	30%	19%	47%	43%	28%
Neutral	31%	34%	26%	31%	29%	34%	25%	38%	31%	31%	29%	40%
Oppose	24%	26%	25%	23%	22%	27%	19%	29%	44%	19%	24%	27%
No opinion	3%	3%	4%	3%	4%	3%	3%	4%	7%	2%	3%	5%



Occupancy Ordinance Impacts on Neighborhood

Most don't see direct impacts of ordinance

	Total	Region			Tenure		College Student in Home	
		West of campus	East of campus	Remainder of city	Owner	Renter	Yes	No
Base								
Unweighted	1283	342	477	464	1018	257	196	1029
Weighted	1266	301	128	837	700	560	226	983
Positive impact	15%	23%	17%	11%	15%	14%	11%	15%
No significant impact	78%	61%	76%	84%	79%	77%	72%	79%
Negative impact	8%	16%	7%	5%	7%	9%	17%	6%

Occupancy Ordinance Support, Part 2

Most don't see a need for change to enforcement (or don't know)

	<i>Total</i>	Region			College Student in Home		Opinion of Occupancy Ordinance			
		West of campus	East of campus	Remainder of city	Yes	No	Support	Neutral	Oppose	No opinion
<i>Base</i>										
<i>Unweighted</i>	<i>1319</i>	<i>354</i>	<i>491</i>	<i>474</i>	<i>200</i>	<i>1058</i>	<i>640</i>	<i>327</i>	<i>306</i>	<i>42</i>
<i>Weighted</i>	<i>1314</i>	<i>316</i>	<i>139</i>	<i>859</i>	<i>236</i>	<i>1021</i>	<i>554</i>	<i>405</i>	<i>311</i>	<i>41</i>
More strictly than now	<i>17%</i>	20%	18%	15%	8%	19%	33%	4%	5%	5%
Same as now	<i>38%</i>	40%	33%	37%	31%	38%	49%	46%	9%	19%
Less strictly than now	<i>18%</i>	20%	27%	16%	34%	14%	0%	9%	63%	6%
Don't know	<i>28%</i>	21%	21%	32%	27%	29%	18%	41%	23%	70%

Number of Short-Term Rentals

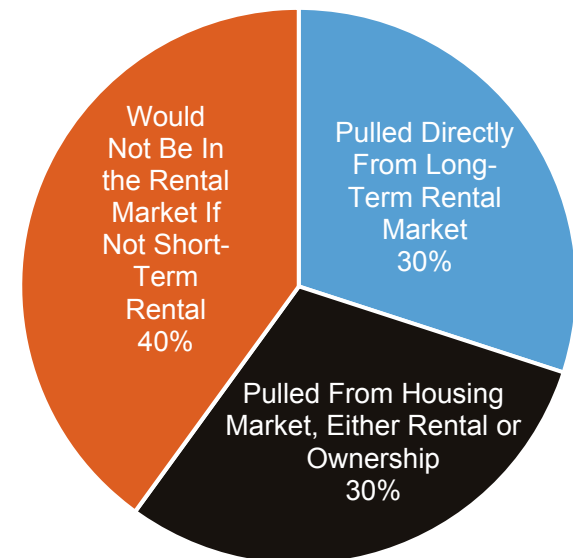
Short-Term Rentals (STRs) are a growing market. The number of advertised units by month and year are shown below.

Year	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
2014										86	88	100
2015	109	99	103	117	140	148	176	176	185	192	213	241
2016	256	266	277	282	329	343	364	376	414	434	445	465
2017	477	473	501	491	533	524	549	541	525	527	541	562
2018	556	528	524	514								

Types of Short-Term Rentals

Short-Term Rentals (STRs) are evolving toward full units.

	Entire home/apt	Private room	Shared room
2014	34%	57%	9%
2015	37%	56%	6%
2016	41%	54%	4%
2017	44%	52%	5%
2018	46%	50%	4%





Revenues of Short-Term Rentals

Short-Term Rentals (STRs) are growing as a business model.

Revenue Per Property												Month	Citywide Revenues	
													Measured Total	Estimated Annual Total
1	2	3	4	5	6	7	8	9	10	11	12			
2014									\$599	\$566	\$429		\$144,297	\$489,519
2015	\$498	\$376	\$486	\$495	\$692	\$764	\$923	\$752	\$528	\$571	\$466	\$524	\$1,137,225	\$1,137,225
2016	\$452	\$391	\$499	\$579	\$880	\$1,120	\$1,319	\$1,087	\$783	\$884	\$641	\$691	\$3,398,016	\$3,398,016
2017	\$479	\$461	\$696	\$718	\$1,088	\$1,357	\$1,748	\$1,581	\$1,187	\$1,201	\$960	\$990	\$6,586,274	\$6,586,274
2018	\$673	\$625	\$884	\$981									\$1,671,493	\$9,591,305



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Short-Term Rental Rules - Opinions

Only 31 percent of residents are aware of STR rules.

	Total	Region			Aware of STR Licensing		Impact of STRs on Neighborhood				Household Income		
		West of campus	East of campus	Remainder of city	Yes	No	Positive impact	No significant impact	Negative impact	Not applicable	Less than \$50,000	\$50,000 or more	Decline to specify
Base													
Unweighted	1344	354	506	484	487	817	31	673	144	438	287	777	215
Weighted	1337	316	144	877	422	863	23	647	170	439	401	661	213
Opinion of STR Rules													
Support	41%	38%	41%	42%	50%	37%	31%	38%	61%	38%	35%	44%	43%
Neutral or no opinion	39%	42%	41%	38%	34%	42%	39%	43%	23%	42%	44%	36%	40%
Oppose	19%	20%	18%	20%	16%	21%	31%	19%	16%	20%	21%	20%	17%



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Support	41%	38%	41%	42%	50%	37%	31%	38%	61%	38%	35%	44%	43%
Neutral or no opinion	39%	42%	41%	38%	34%	42%	39%	43%	23%	42%	44%	36%	40%
Oppose	19%	20%	18%	20%	16%	21%	31%	19%	16%	20%	21%	20%	17%

Quality among all types of housing units

	Total	Region			Tenure		College Student in Home		Opinion of Occupancy Ordinance			
		West of campus	East of campus	Remainder of city	Owner	Renter	Yes	No	Support	Neutral	Oppose	No opinion
Peace and quiet	1.12	0.80	1.14	1.24	1.27	0.94	1.17	1.11	1.06	1.11	1.21	1.40
Maintenance of lawns	1.05	0.77	0.87	1.18	1.10	0.99	1.13	1.04	0.99	1.01	1.25	1.19
Maintenance of houses	1.07	0.78	0.90	1.20	1.20	0.90	0.89	1.10	1.04	1.04	1.12	1.28
Sense of community	0.48	0.25	0.56	0.55	0.76	0.13	0.21	0.54	0.54	0.39	0.52	0.69

Very good = 2, Fair = 0, Very bad = -2,
Not applicable = excluded

Parking and noise are the most common issues

	Total	Region			Tenure		Opinion of Occupancy Ordinance		
		West of campus	East of campus	Remainder of city	Owner	Renter	Support	Neutral	Oppose
Uncontrolled pets running loose	0.51	0.69	0.47	0.45	0.43	0.6	0.58	0.53	0.39
Criminal activity	0.33	0.62	0.34	0.23	0.16	0.54	0.35	0.31	0.27
Disruptive parties	0.36	0.74	0.3	0.24	0.24	0.5	0.35	0.45	0.3
Loud noise other than parties, such as stereos or yelling	0.59	1.12	0.55	0.4	0.37	0.86	0.56	0.66	0.59
Parking vehicles inappropriately	0.66	1.03	0.64	0.53	0.59	0.74	0.71	0.66	0.59
Snow on sidewalks (snow not shoveled)	0.54	0.83	0.66	0.43	0.58	0.49	0.59	0.6	0.36
Trash or junk in the yard	0.49	0.91	0.51	0.34	0.39	0.62	0.59	0.46	0.39
Poorly maintained house	0.36	0.6	0.54	0.25	0.34	0.39	0.41	0.36	0.28

Very good = 2, Fair = 0, Very bad = -2, Not applicable = excluded



Neighborhood Quality and Ordinance Violators

Proximity to a suspected ordinance violator correlates with lower neighborhood quality

	Total	West of campus- Neighbor(s) violating occupancy ordinance		East of campus- Neighbor(s) violating occupancy ordinance		Remainder of city- Neighbor(s) violating occupancy ordinance	
		Yes	No	Yes	No	Yes	No
Peace and quiet	1.13	0.52	0.92	0.78	1.24	0.85	1.3
Maintenance of lawns	1.08	0.51	0.97	0.57	0.93	0.72	1.28
Maintenance of houses	1.08	0.5	0.96	0.83	0.95	0.49	1.31
Sense of community	0.49	-0.11	0.44	0.45	0.58	0.03	0.65

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Neighborhood Issues and Ordinance Violators

Proximity to a suspected ordinance violator correlates with more issues

	Total	West of campus- Neighbor(s) violating occupancy ordinance		East of campus- Neighbor(s) violating occupancy ordinance		Remainder of city- Neighbor(s) violating occupancy ordinance	
		Yes	No	Yes	No	Yes	No
Uncontrolled pets running loose	0.51	1.02	0.54	0.66	0.42	0.77	0.4
Criminal activity	0.31	1.07	0.45	0.93	0.23	0.54	0.14
Disruptive parties	0.36	1.42	0.44	0.7	0.19	0.6	0.18
Loud noise other than parties, such as stereos or yelling	0.59	1.75	0.84	1.49	0.39	0.76	0.35
Parking vehicles inappropriately	0.63	1.78	0.67	1.47	0.49	0.86	0.44
Snow on sidewalks (snow not shoveled)	0.53	1.55	0.47	1.35	0.5	0.87	0.35
Trash or junk in the yard	0.48	1.53	0.58	1.53	0.32	0.91	0.25
Poorly maintained house	0.35	1.07	0.33	1.19	0.42	0.89	0.15

Proximity to a suspected STR correlates with lower neighborhood quality

	Total	Neighbor(s) operate STRs		No STRs allowed- Neighbor(s) operate STRs		Primary STRs only- Neighbor(s) operate STRs	
		Yes	No	Yes	No	Yes	No
Peace and quiet	1.13	1.07	1.14	1.1	1.27	1.17	1.08
Maintenance of lawns	1.07	0.91	1.09	0.71	1.14	1.15	1.09
Maintenance of houses	1.07	0.93	1.09	0.90	1.18	0.96	0.98
Sense of community	0.5	0.36	0.52	0.37	0.68	0.40	0.38

Small sample sizes

Very good = 2, Fair = 0, Very bad = -2,
Not applicable = excluded

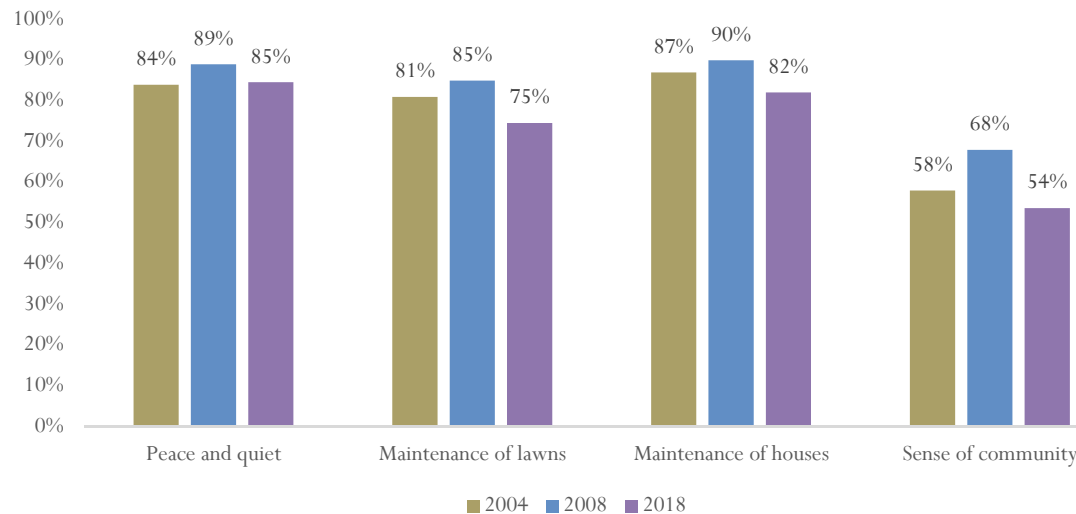
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		Yes	No	Yes	No	Yes	No
Uncontrolled pets running loose	0.51	0.82	0.47	0.85	0.47	0.78	0.46
Criminal activity	0.3	0.56	0.26	0.52	0.15	0.68	0.35
Disruptive parties	0.35	0.56	0.33	0.63	0.24	0.55	0.37
Loud noise other than parties, such as stereos or yelling	0.57	0.84	0.54	0.88	0.39	0.91	0.63
Parking vehicles inappropriately	0.63	0.87	0.60	1.03	0.52	0.8	0.66
Snow on sidewalks (snow not shoveled)	0.53	0.77	0.50	1.08	0.51	0.5	0.54
Trash or junk in the yard	0.47	0.67	0.44	0.76	0.38	0.65	0.45
Poorly maintained house	0.35	0.64	0.32	0.71	0.33	0.63	0.32

Trends in Quality – Single-Family Homes

Neighborhood quality rose, then fell in the past 15 years

Percentage of Single Family Homes that Rated Their Neighborhood
Good or Very Good

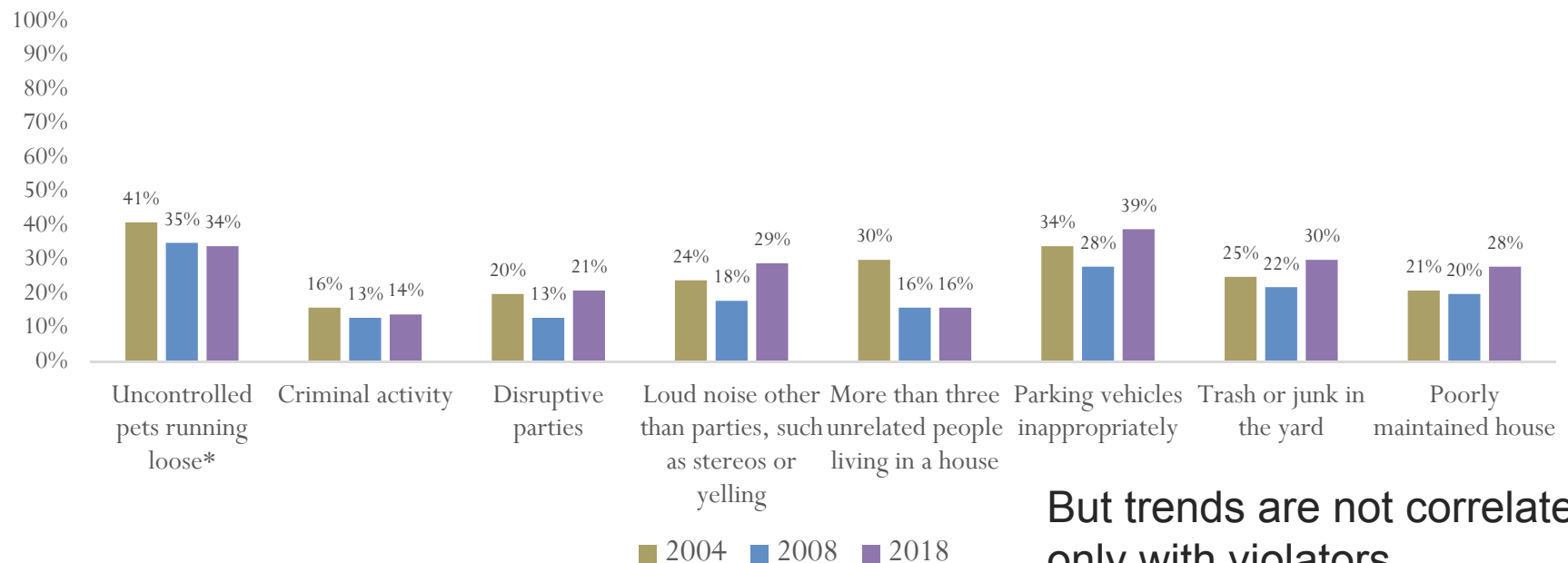


But trends are not
correlated only
with violators

Trends in Issues – Single-Family Homes

Neighborhood issues declined, then rose, in the past 15 years

Percentage of Single Family Homes that Observed Neighborhood Problems



But trends are not correlated only with violators

A Plausible Theory

2007 – City begins enforcing ordinance during period of high vacancy

2008 – Recession hits, stifling construction while population growth still occurs

2009-2011 – Vacancies bottom out. Condo Defects Law, recession, etc. stifle housing supply

2011 – Housing supply begins to recover, but is far behind demand. Prices rise.

2012-present – Recession ends - housing supply still behind, population growing, lower home ownership rates, ordinance impacts lead to fast-growing renter population, growing size of rental households

2014-present – Short-term rentals emerge, placing additional (not yet major) pressure on housing supply

2010 – present – Non-student populations begin emerging as ordinance violators, likely due to affordability. Need for rentals pushes more rental households into single-family homes, which creates more potential for conflict with rooted homeowners. Higher density and transience affects neighborhood quality and issues.