

Purpose

Town Manager Barry Tibbetts indicated that the Town may be interested in exploring a new GPCOG member service: understanding the current short-term rental (STR) landscape in Windham and surrounding communities' STR ordinances/licenses. This memo will outline how GPCOG can assist Windham with its future STR license management and enforcement.

Overview

As of August 21st, 2024, Windham has 110 verified addresses listed on either Airbnb or VRBO. From GPCOG's experience, these two websites typically list approximately 80% of STRs in each municipality. With this, it is reasonable to surmise Windham has approximately 130 active STRs. This is a snapshot of the current listings and can vary throughout the year, but it is certainly precise enough for decision-making discussions. To the right is a map with the verified listings in Windham. The "further details" section below will breakdown the STR landscape on a more granular level.

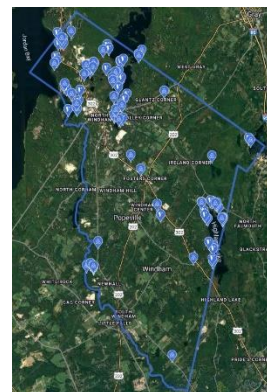
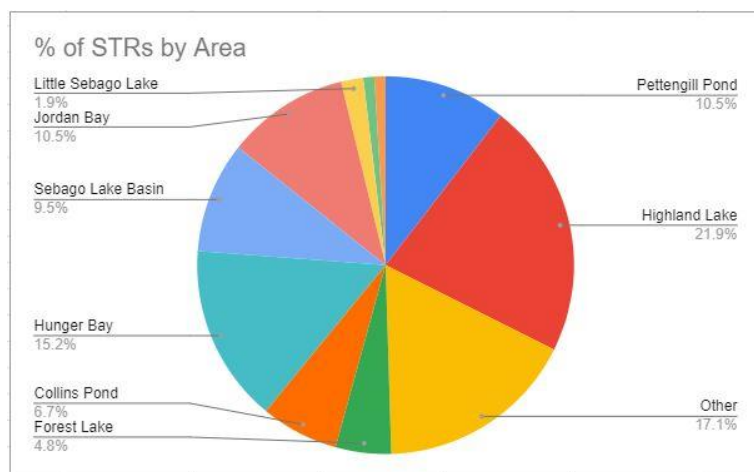


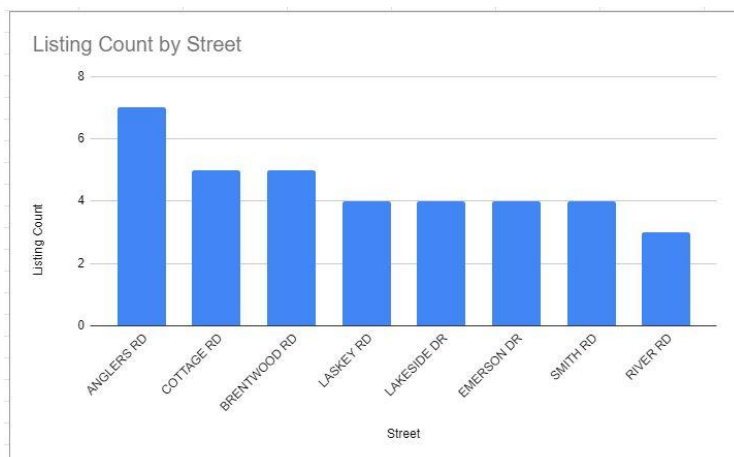
Figure 1 - A larger version of this map is available in the appendix to this memo.

Further Details

For a closer look, the STR landscape is further broken down into STRs by geographical region and streets with the most STRs. To the left is a pie chart of the percentage of STRs on each



body of water in Windham. These percentages are expected to correlate with the number of housing units on each body of water. It may be worth working with the assessing department to note any unusually high percentages. On the next page is a bar graph showing the streets in Windham with the most active STRs.



Lastly, it is helpful to look at STRs as a percentage of total housing units. For reference, Portland recently amended its STR ordinance to cap the number of STRs to 1.5% of its total housing stock. **Please note** some of the numbers below are estimations based on the preliminary results of GPCOG's tracking software. They need to be refined. However, the numbers should be accurate to +/- 20% of STRs.

Municipality	Total Housing Units	Approximate STRs	% of Housing Stock
Bridgton	4785	300	6.27%
Naples	3463	150	4.33%
Casco	3056	120	3.93%
Scarborough	10352	350	3.38%
Falmouth	5240	100	1.91%
Windham	8333	130	1.56%
Cape Elizabeth	4152	60	1.45%
South Portland	12407	140	1.13%

Neighboring Communities – Current Solutions

There is little uniformity amongst communities when it comes to regulating short term rentals. Each municipality appears to be crafting an STR ordinance and/or licensing process based on its unique geography, demographics, and trends. The common themes include:

Licensing Fees: Municipalities have licensing fees ranging from \$25/year to \$500/year (the annual fee can be even larger for corporate owned STRs in Portland). The municipalities on the lower end of the fee schedule tend to treat STRs as a typical business license with the larger fees coming from more involved ordinances. In general, the “sweet spot” tends to be about

\$200/year. It is important to consider the cost incurred (primarily staff time) when enforcing an STR ordinance.

GPCOG staff observation: Treating STRs the same as a local business license appears to be more of a temporary solution while crafting a more detailed ordinance.

Safety: Virtually all municipalities put the most emphasis on safety inspection by code enforcement and the fire marshal. These inspections are equally split between an annual and biannual basis amongst local municipalities. Old Orchard Beach, for example, is on a biannual schedule simply due to the sheer number of STRs.

Hosted/"Unhosted": More municipalities than not distinguish between "unhosted" and hosted properties. A hosted property is one in which the homeowner is on the grounds while the renter is utilizing the property (i.e. renting out a room or ADU) and an "unhosted" property is one in which the owner is not on site. Unhosted properties tend to have more issues associated with them.

Overall Cap: Portland just created an overall cap on STRs to 1.5% of its housing stock and Kennebunkport has a cap of 400 STRs throughout the town (there is a waiting list). Most other municipalities do not have an overall cap on STRs, but the conversation appears to be emerging amongst municipalities that already have an STR ordinance and those just beginning the process.

Geography: Some municipalities have STR ordinances that treat different geographical areas of town differently. For example, Saco allows STRs on the waterfront while disallowing them downtown. This is often done using language such as "east/west of Route One" or "designated growth area".

GPCOG staff observation: Most municipalities do not distinguish between geographical areas. This can lead to communication and enforcement challenges.

Rental Day Limits: Some municipalities cap the total number of days a property can be rented out. For example, Cape Elizabeth limits the number of "Unhosted" days to 42 per year and does not limit the number of days for hosted properties.

Occupancy Limit: Many municipalities cap the number of visitors allowed in an STR. Casco uses the formula of "two more people than the number of bedrooms." For example, a four-bedroom house would be limited to six people.

Management/Enforcement – How GPCOG can help

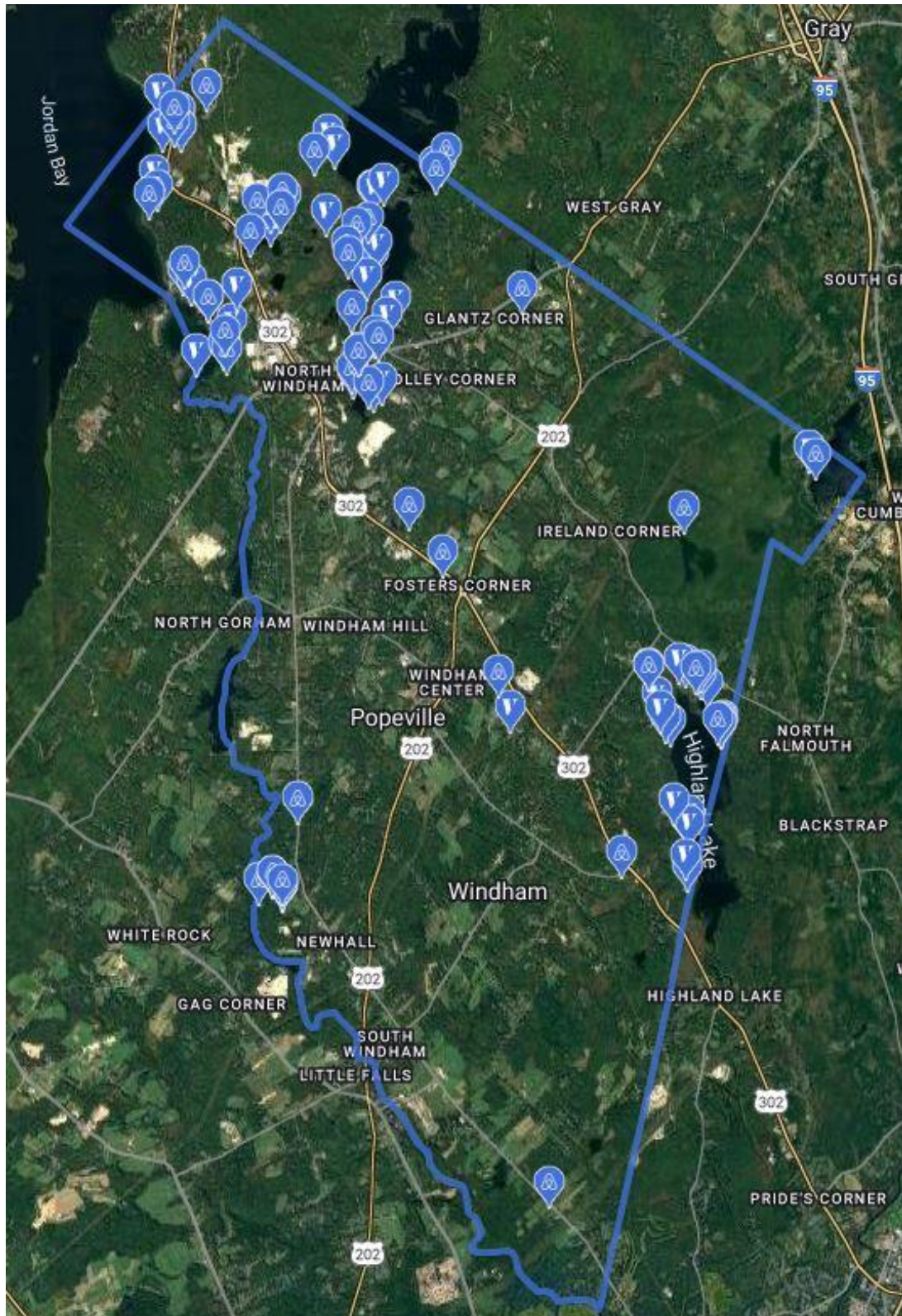
GPCOG has developed software to help its members enforce and manage their STR licensing program. With this tool, municipalities can:

- Manage STR licenses
- Enforce current regulations
- Communicate with the public about STRs and allow easy online registration
- Generate new fee revenue for the municipality
- Provide the public with transparency around STRs

All data and screenshots in this memo are directly from GPCOG's STR software. Paul Johnson, GPCOG's Economic Development Director, will give a live demonstration to the town council and field any questions. It is GPCOG's goal to centralize most of the STR management and enforcement in the region. This will greatly reduce the burden on town staff and keep the cost of the STR software highly competitive when compared to private STR enforcement options. Casco, Cape Elizabeth, and Old Orchard Beach are active users of the software managing over 2000 STRs in total.

Appendix – Larger Map/Chart

Please see the next page for larger versions of all graphics used in this memo.



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