



Policy for short-term rentals:

Balancing property rights and community preferences

Efforts to

restrict short-term rentals (STRs) are based on concerns about rising housing costs and neighborhood nuisances. These worries are often overstated or unsupported by research, and resulting policies limit economic opportunity and frequently violate property rights. Rather than limiting STRs and the digital platforms that support them, policymakers should adopt rules that allow them to operate with minimal barriers while addressing legitimate community concerns through targeted enforcement.

#1 – Deregulate land-use rules to address housing affordability

While STRs can tighten supply in certain tourist markets, they are not the main force behind rising prices and should not be the focus of sweeping restrictions. The nation's housing affordability crisis stems from decades of policies that have constrained new construction, particularly of the smaller and more affordable homes needed to meet demand. A healthy housing market should be able to support both permanent residents and owners who rent their homes shortterm. Meaningful progress requires removing barriers to new construction including excessive minimum lot sizes and parking mandates, singlefamilyexclusive zoning, and outdated building and aesthetic codes, among many others. Even the strictest STR bans cannot substitute for the dynamic, flexible housing production needed to achieve lasting affordability.

#2 – Make policy related digital platforms at the state level

State-level regulation provides the consistency digital platforms need, since platforms operate at scale nationwide and cannot feasibly accommodate granular municipal rules. A single framework allows digital platforms to plan, avoids conflicting licensing requirements, and simplifies compliance. It also enables stronger, standardized enforcement, since states can set uniform reporting requirements, implement privacy protection standards, and limit the data that local governments request despite limited resources to protect it. State-level policy for digital platforms is the most effective way to preserve local preferences and oversight of local STR operators while ensuring STR laws on platforms remain coherent and enforceable.

#3 – Enforce nuisance laws locally

Local governments already have tools to address disruptive behavior. Enforcing existing nuisance ordinances is more precise than restricting STRs. These rules apply to all residents and visitors, directly addressing disturbances without penalizing responsible hosts and guests. STR platforms also use screening tools to reduce the likelihood of noisy gatherings, but these measures do not replace public enforcement. Relying on existing enforcement rather than restricting STRs appropriately addresses misconduct rather than targeting the type of lodging involved.

Bottom line: To create a fair and dynamic housing market, remove land-use barriers and target nuisances directly rather than restricting STRs and the platforms that support them.