

Short-term Rentals is an Extractive Industry
by
Monica Kirk

“Vacasa lists more than 25,000 vacation rentals, from Manzanita to Myrtle Beach, taking a commission from the vacation homeowners on rentals booked through its site.”

“Vacasa employs more than 400 at its headquarters in Portland’s Pearl District and more than 6,000 worldwide, most of them maintenance and cleaning personnel in its destination communities. Roberts said the company’s biggest hurdle in the immediate future will be maintaining operations as it continues rapidly adding employees and property listings.”

“That’s a challenge,” Roberts said. “That’s a challenge for any successful, high-growth business.” <https://www.oregonlive.com/silicon-forest/2020/02/vacasa-founder-eric-breon-resigns-as-ceo-of-portland-vacation-rental-giant.html>

Short-term vacation rentals (STRs) fuel an Extractive Industry dominated in Unincorporated Lincoln County by Meredith Lodging (22%) and Vacasa (18%). At a distant third place is Sweet Home, at 8%.

Why Extractive? **Because it takes public resources and generates wealth that does not stay in the community.**

These Property Management Corporations do not own the STRs. They own none of the amenities that drew us to Oregon's Central Coast's residential neighborhoods, in my neighborhood, over 50 years ago. Neither these Corporations nor their clients acknowledge any responsibility to preserve the livability of our residential neighborhoods. The four legal obligations they owe to neighbors are to (1) securing garbage, (2) comply with licensed occupancy (3 per bedroom, plus one for the house), (3) provide off-street parking, and (4) obey the County’s noise ordinance.

What is the punishment for noncompliance? In essence, nothing. The burden is on the neighbor to phone the Local Contact. If the Local Contact does not reply, the neighbor phones the County Sheriff. So long as “voluntary compliance is achieved” there is no consequence. There is no citation, no fine, no “strike”, no loss of its Business License. No wonder neighbors demand change.

Just as in other Extractive Industries such as Oil & Gas or Mining, **the STR Industry takes the property of others and generates wealth that does not lead to sustainable and inclusive growth in the communities where the extractive activity takes place.**

The goal of an Extractive Industry is to **maximize short-term value, not long-term investment**. This Extractive Industry erodes our sense of community. Like a parasite, this Industry will ultimately injure or kill its host, namely, our neighborhoods. Unlike a symbiont, there is **no mutually beneficial relationship** between the STR Industry and the residential neighborhoods in which it operates.

Lacking resources and overwhelmed with an unexpected surge in STRs, the County relies on neighbors to enforce the law. Neighbors who want to "live and let live" become known as snitches by Owner/Investors and sticklers by government regulators. The STR Industry promotes an "us against them" mentality that changes relationships.

Who benefits from STRs? Not the residential neighborhoods where the money is made. Management Fees range from 30-40%. Some of this fee, no doubt, remains in the County. The net proceeds of 60-70% are paid to Owner/Investors. Because fewer than 6% of the Owner/Investors live in Lincoln County, **this money is not re-invested where the adverse impact is so intensely felt**.

Investor/Owners pay a Transient Room Tax, but by state law, 70% of that must be invested in tourist attractions and facilities, not our residential neighborhoods' well-being.

The STR Industry thrives by providing poorly paid temporary jobs with no career potential, no pensions, no 401(k) plans (with or without an employer match), or health insurance. In our community, high school kids work to support their families. That's not right.

During the recent September wildfires, one of the Property Management companies dared to fire an employee who was delayed returning from fighting fires. Another company's attorney wrote a letter threatening to sue for defamation a neighbor who made critical, but true, statement at a public meeting. That's not right, either.

Meredith and Vacasa and their stable of Investor/Owners buy furnishings and supplies, but so would residents if they could afford to live here and had a family wage job.

Tourists spend money on food and entertainment, but so do residents. If resident families had sustainable employment and stable housing, we would live in Lincoln County near where we work, paying our way 365 days a year, not just during the Season.

Meredith and Vacasa don't contribute to Emergency Preparedness, don't provide emergency supplies to its renters, don't subsidize our emergency medical and volunteer fire services, or contribute anything to infrastructure. In my experience this month, it was neighbors that guided the short-term renters to safety.

Were a cost-benefit analysis performed, we would learn that the residents of Unincorporated Lincoln County derive a net loss from hosting this Industry. Essentially, we pay to host the STR

Industry. Like all Extractive Industries, STRs take our community resources without a thought beyond their bottom line.

By flipping affordable housing from its intended residential use to licensed business use, STRs force families to move further from employment or out of the area. Our schools risk closure because they lose government funding when the census is too low. Closing schools has a domino effect on a community—Google "Arizona Re-Thinking Short-Term Rental Laws After Sedona Uproar" for an example.

Our residential neighborhoods, our homes, our families are mere resources to this Industry. Like the Oregon Mining Company near Baker, the STR Industry takes what it wants and will leave when the resource is depleted.