

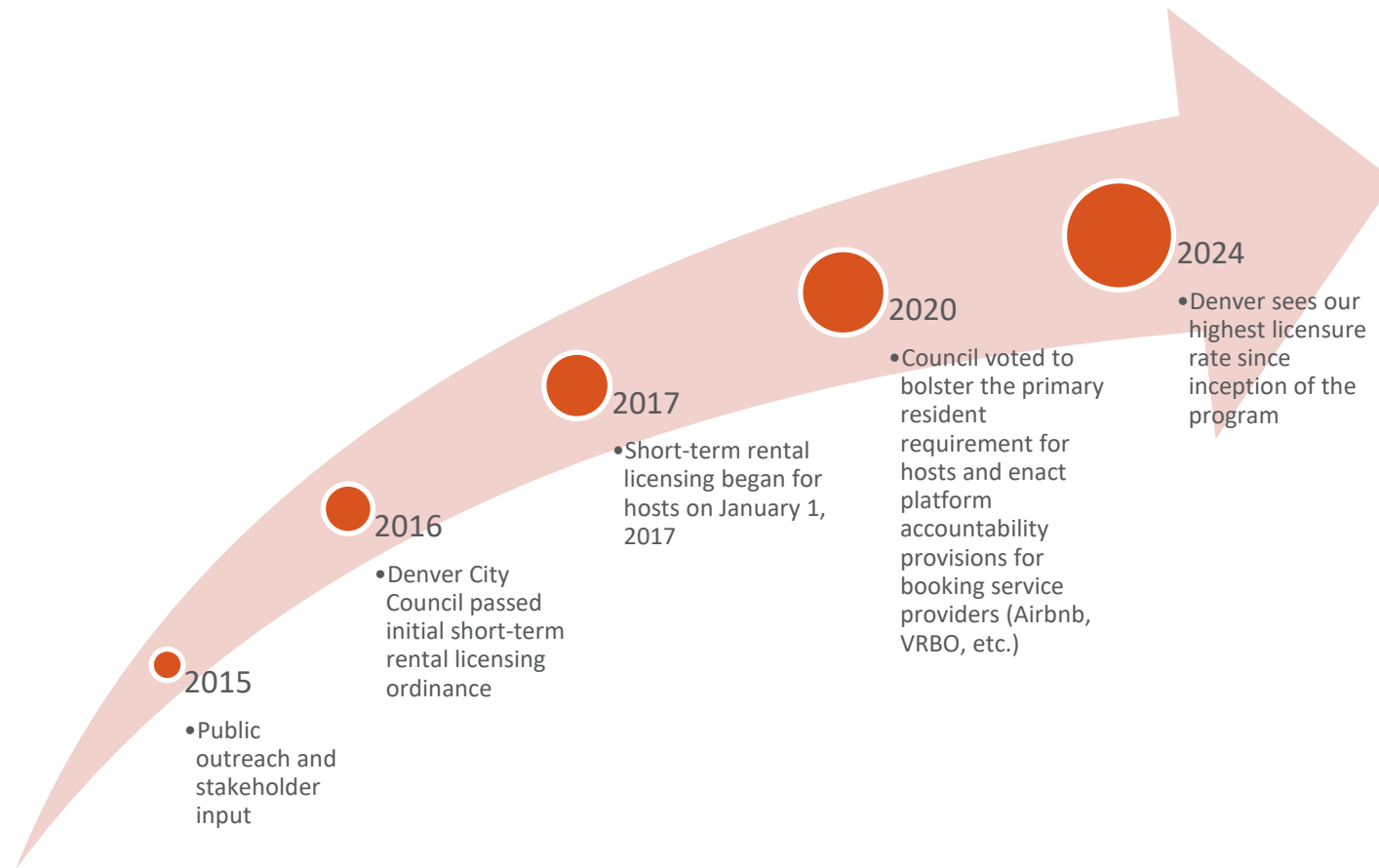


Short-Term Rentals in Denver

Department of Excise and Licenses
Presentation to BIZ Committee

June 5, 2024

Short-Term Rentals in Denver: A Quick History



Short-Term Rentals: Opportunities and Risks

Opportunities

- STRs can create additional income opportunities for Denver residents
- STRs can foster variety in lodging options for Denver visitors
- STRs can drive community economic development when hosts recommend local businesses and employ service providers

Risks

- Use of properties for STRs can put stress on the housing stock and affect affordability
- STRs used as “mini hotels” can lead to commercial encroachment in residential neighborhoods and accelerate gentrification and/or displacement of permanent residents
- Disrespectful guests can lead to health, safety, welfare, or quality of life concerns

The Basics

A short-term rental is any dwelling unit offered, provided, or operated as lodging accommodations to guests in exchange for remuneration for a period of **less than 30 consecutive days**.

All short-term rentals must be **licensed**.

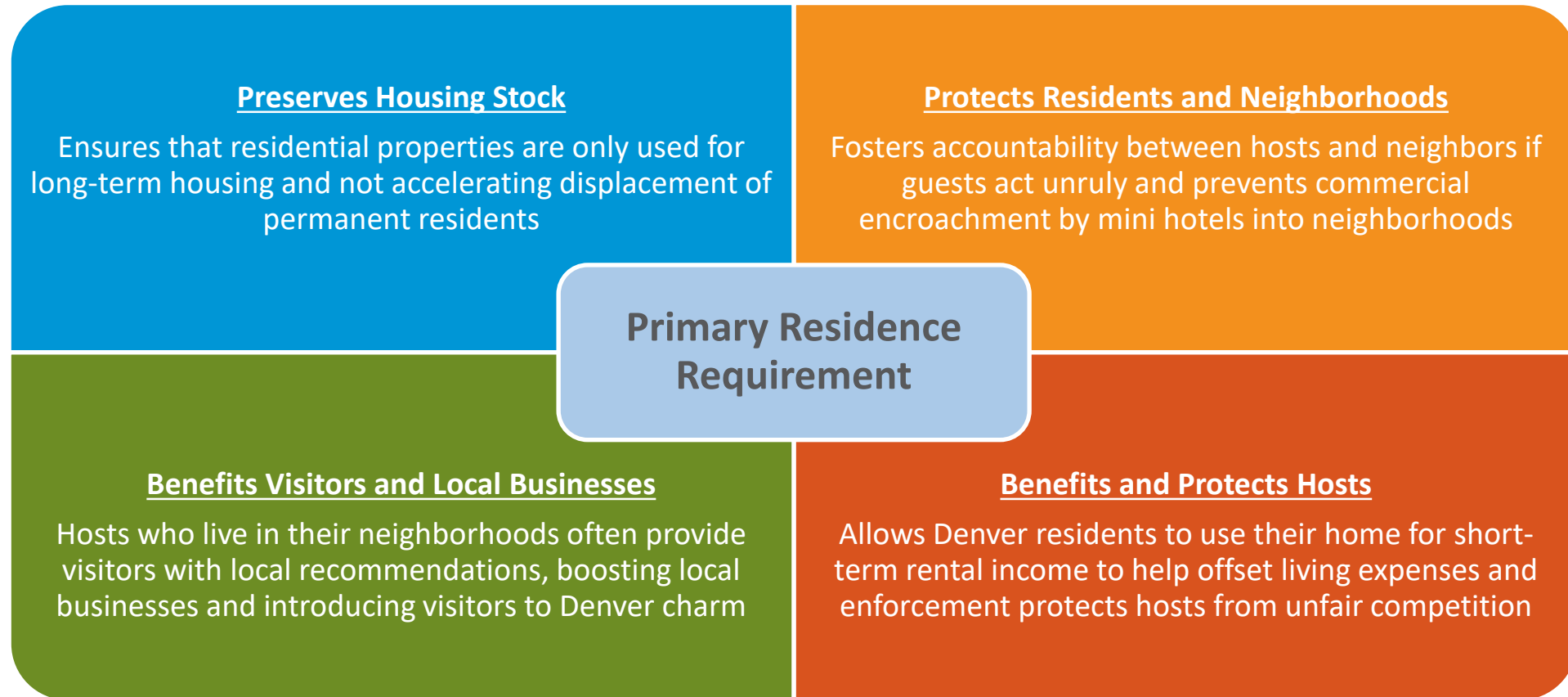
Any short-term rental must be the host's **primary residence**.

All advertisements for short-term rentals must **display** the host's **business license number**.

All short-term rental hosts must abide by rules related to **safety, taxes, zoning, and insurance**.

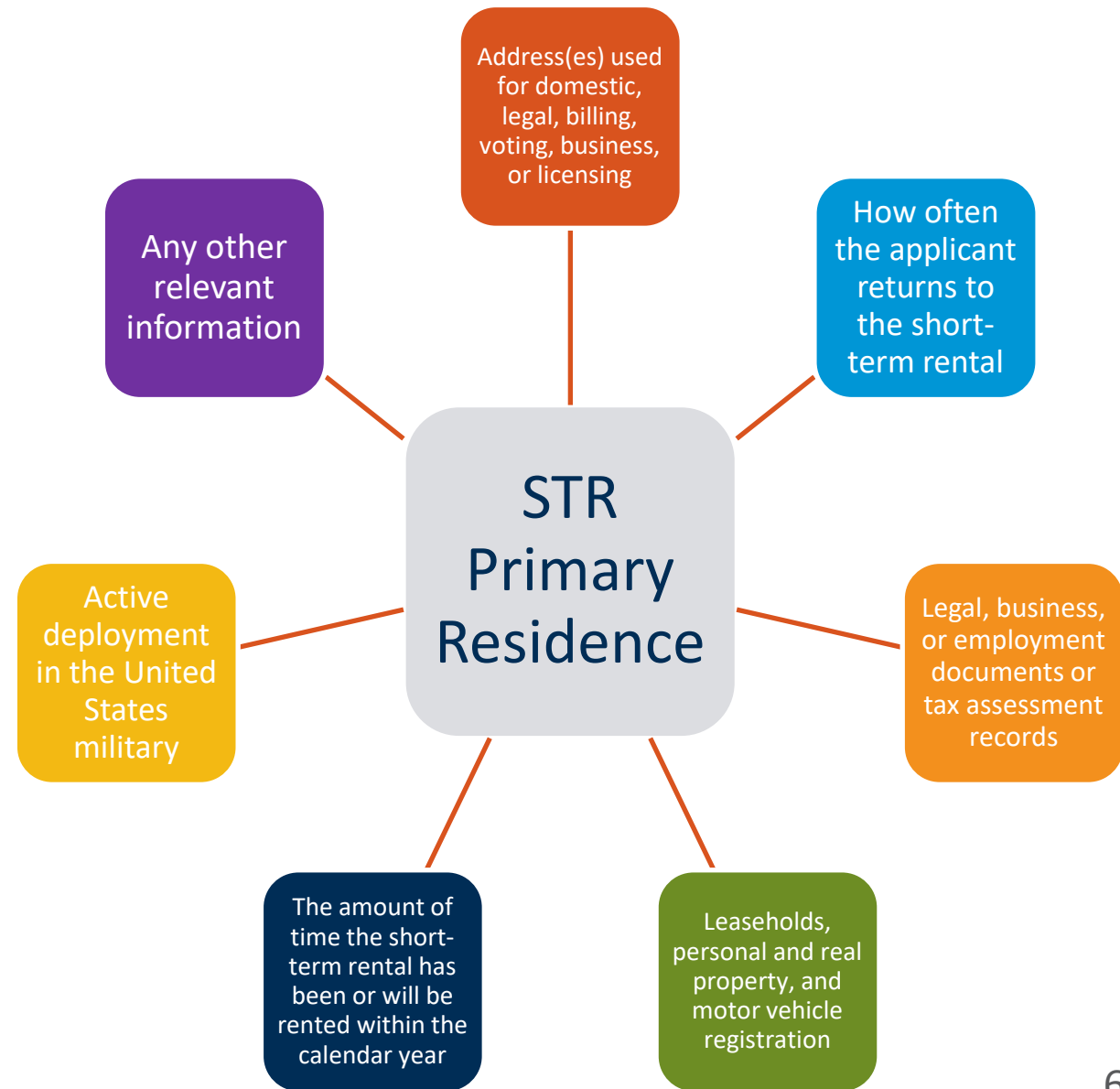
Failure to follow the rules can result in **fines or other penalties, including license revocation**.

The Primary Residence Requirement



Factors for Determining Primary Residence

- Under the Denver Revised Municipal Code (D.R.M.C.), the Director is required to **deny** any application if the proposed licensed premises is not the applicant's primary residence.
- [D.R.M.C. 33-53\(a\)](#) lists several factors that the Director **may** consider in coming to a determination.
- **No single factor is determinative** – the Director will consider all relevant factors.



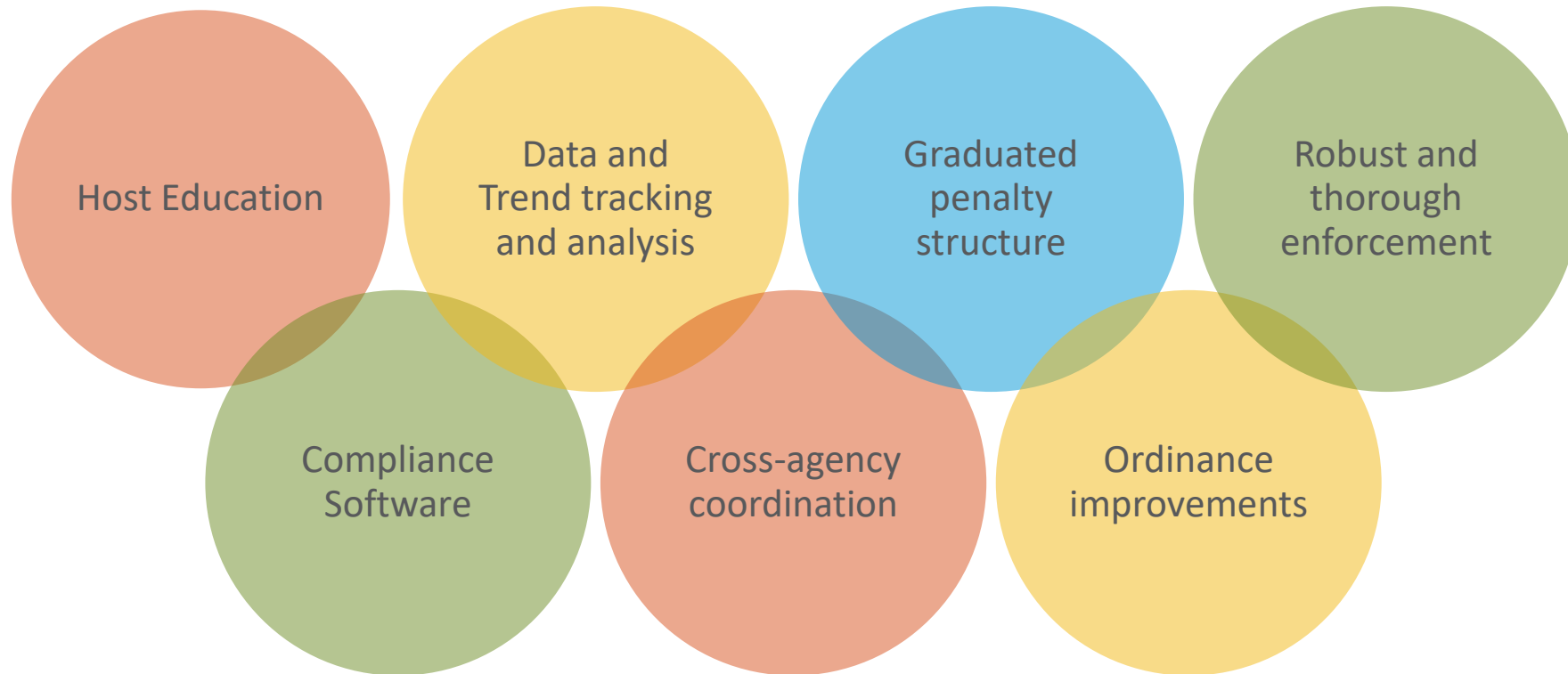
Platform Accountability Provisions

Prevention Options for Booking Service Providers:

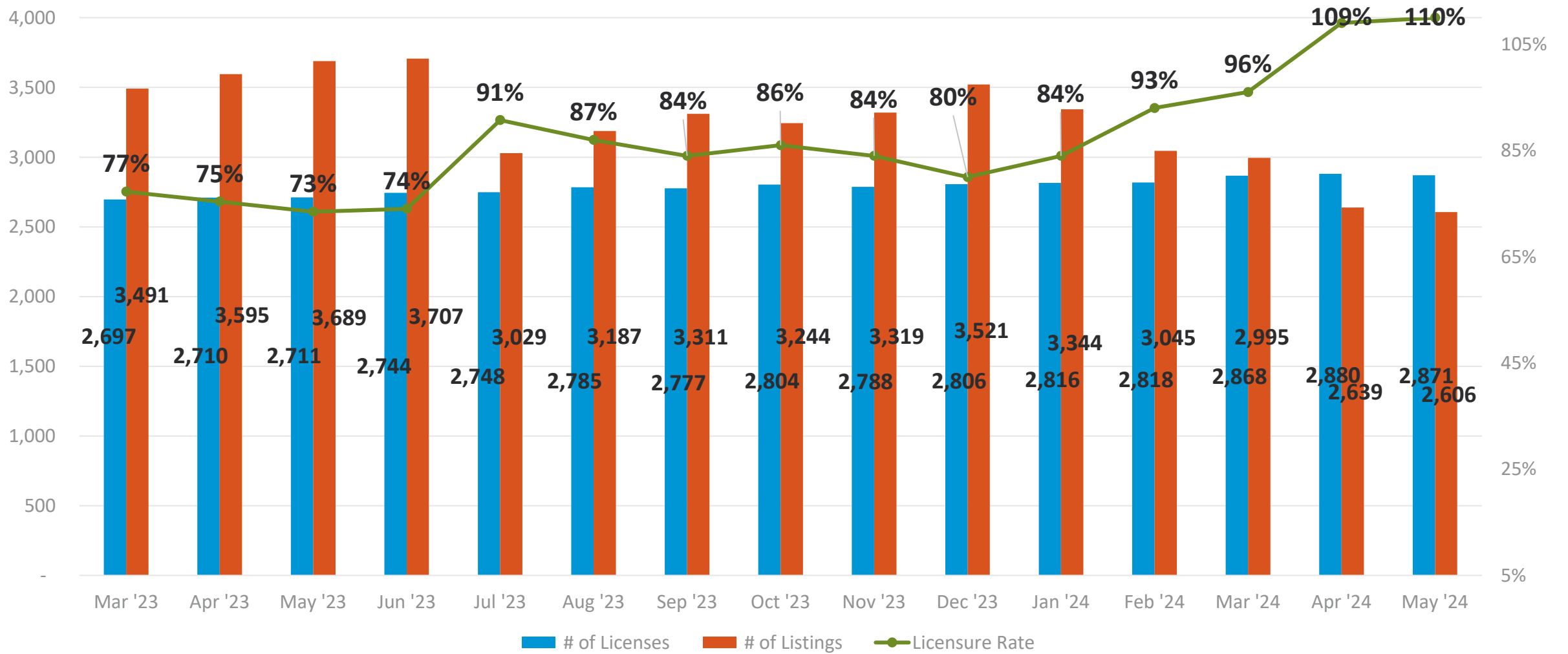
- Requiring hosts to enter their license number in a mandatory field before allowing the host to post an advertisement
- Verifying the validity of a host's valid license before allowing the host to post an advertisement using any number of methods
- Deactivating or removing listings that do not have a license number listed or with an invalid license number displayed



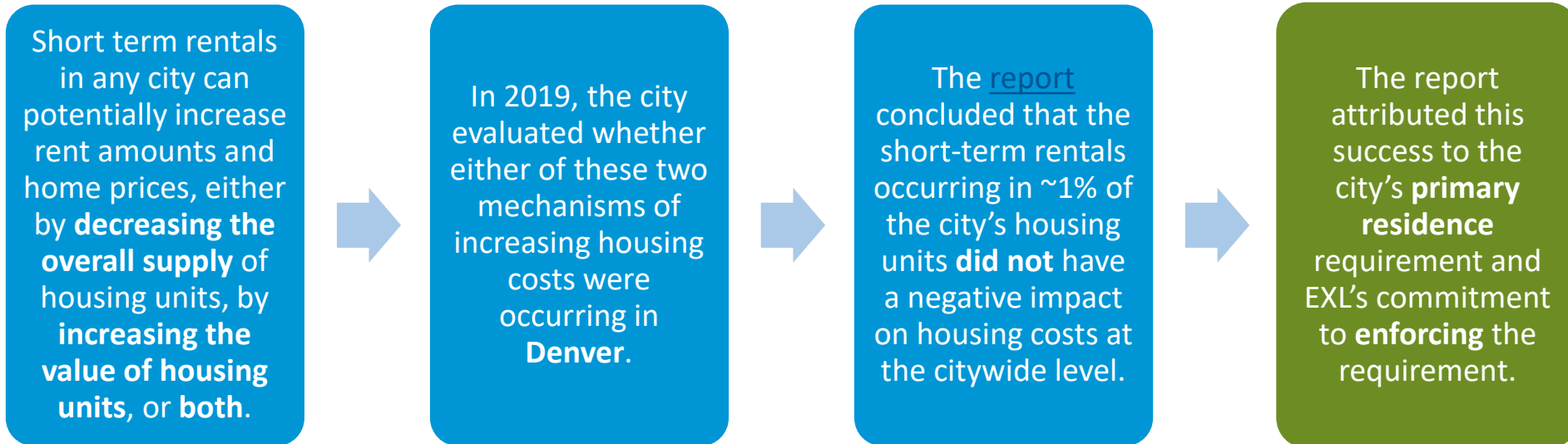
Keys to Success in Denver



Licensure Rate



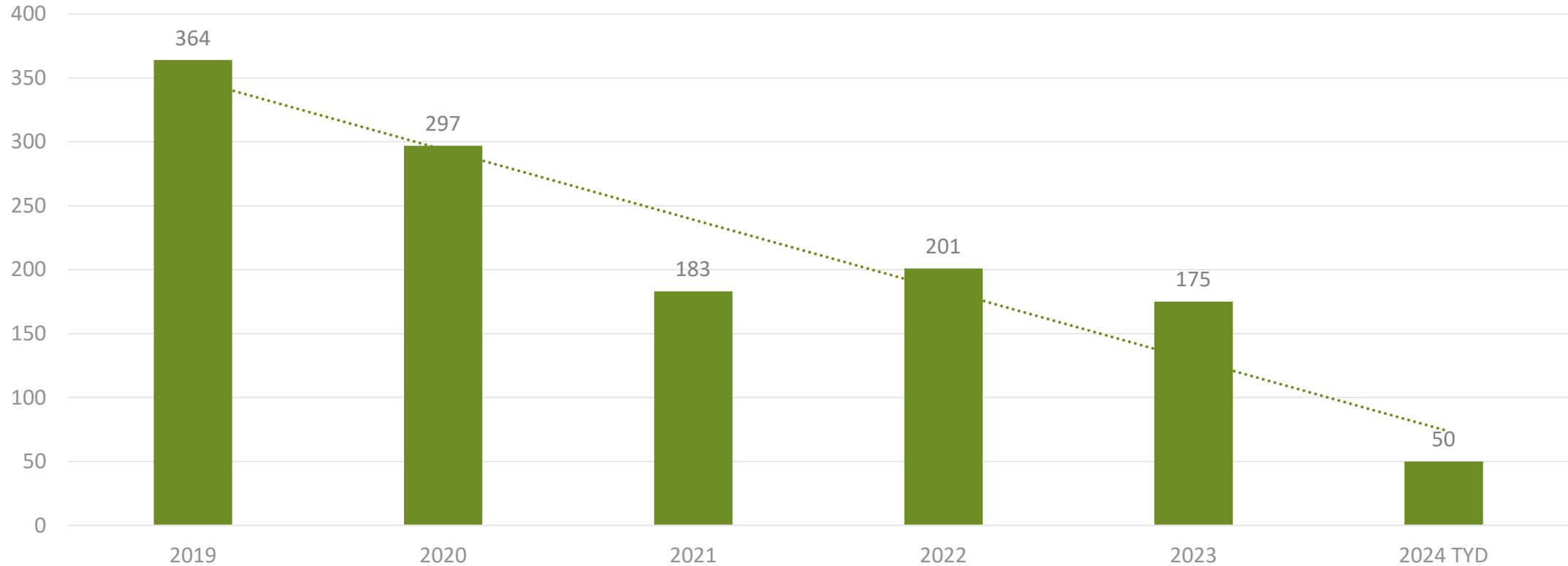
Effect on Housing



“One of the key factors mitigating the potential for short term rentals to increase housing costs is Denver’s requirement that a short term rental must be a host’s primary residence. This prevents investors from purchasing housing that would otherwise be used for normal, long term residential purposes, thereby decreasing the housing supply and inflating prices.”

The enforcement of these regulations is critical to ensuring that short term rentals do not inflate housing prices in Denver. Denver’s Office of Excise and License has shown a commitment to enforcing these regulations and has continued to improve compliance rates.”

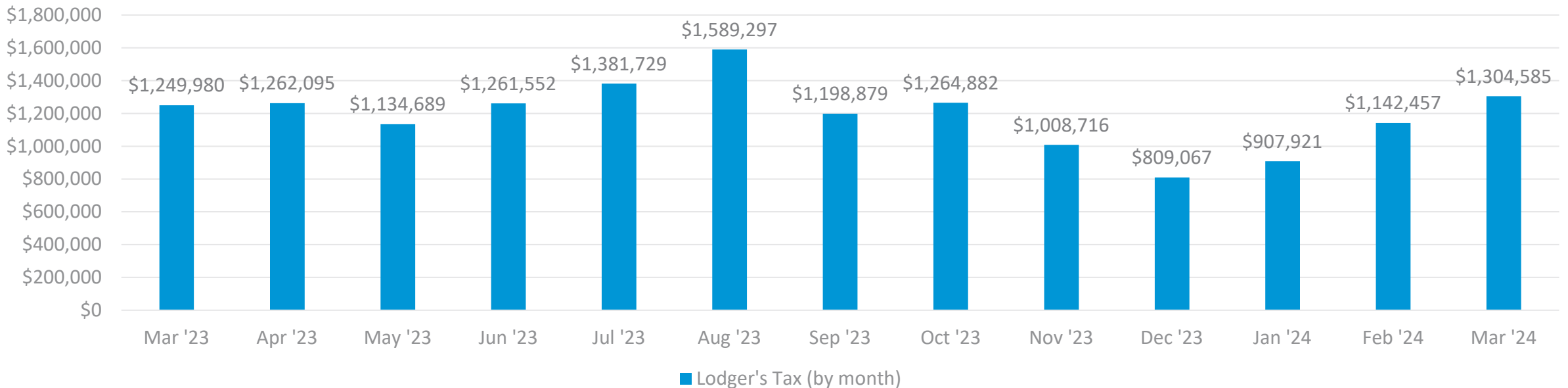
Property Complaints



Lodger's Tax

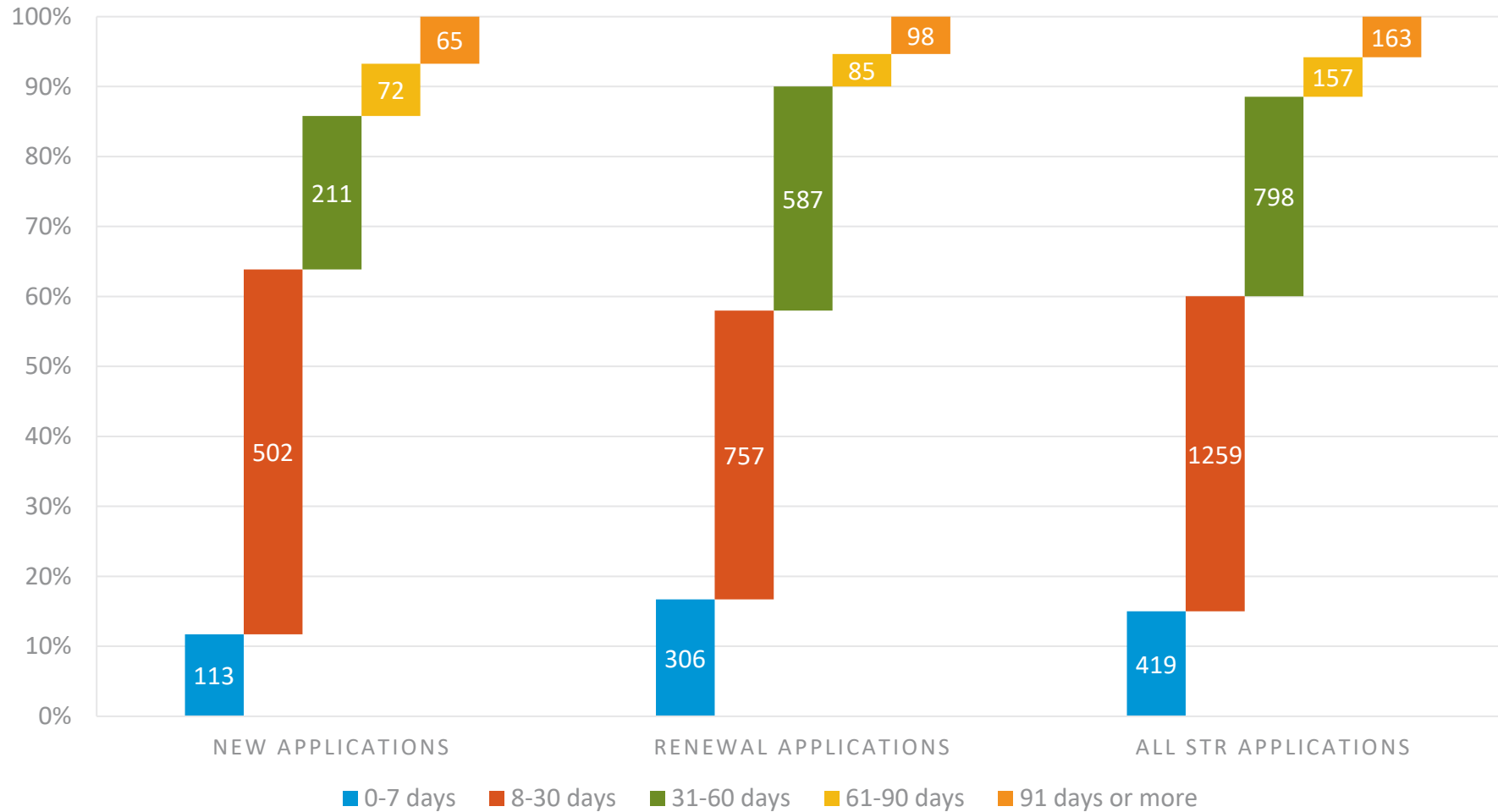
	2018 Total	2019 Total	2020 Total	2021 Total	2022 Total	2023 Total	2024 YTD
Lodger's Tax from STRs	\$ 8.36M	\$ 10.6M	\$ 5.6 M	\$ 8.2 M	\$11.4M	\$13.8M	3.4M
% of Lodger's Tax Whole	7.5%	10.1 %	11.9 %	10.4 %	9.1 %	9.9%	13.2%

Lodger's Tax (by month)



*Due to technology upgrades, all starred numbers are approximations and may not reflect actual amounts.

Average Application Processing Times



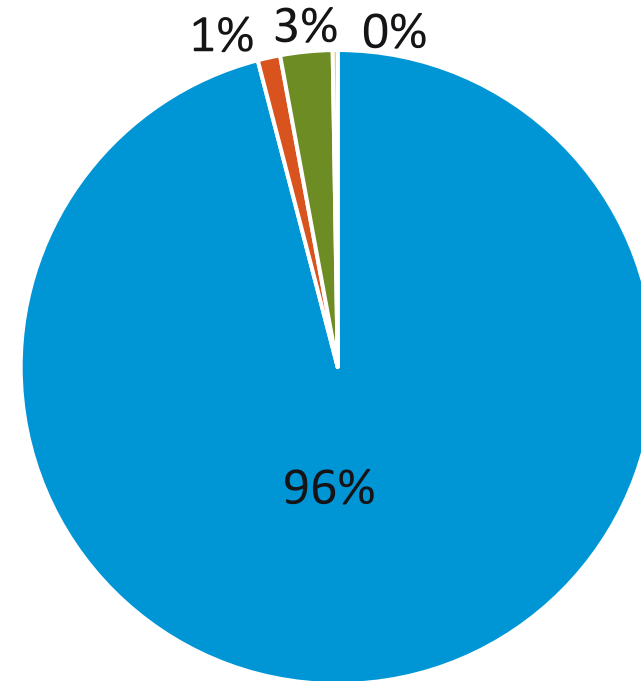
88% of STR applications are processed in 60 days or less

60% of STR applications are processed in 30 days or less

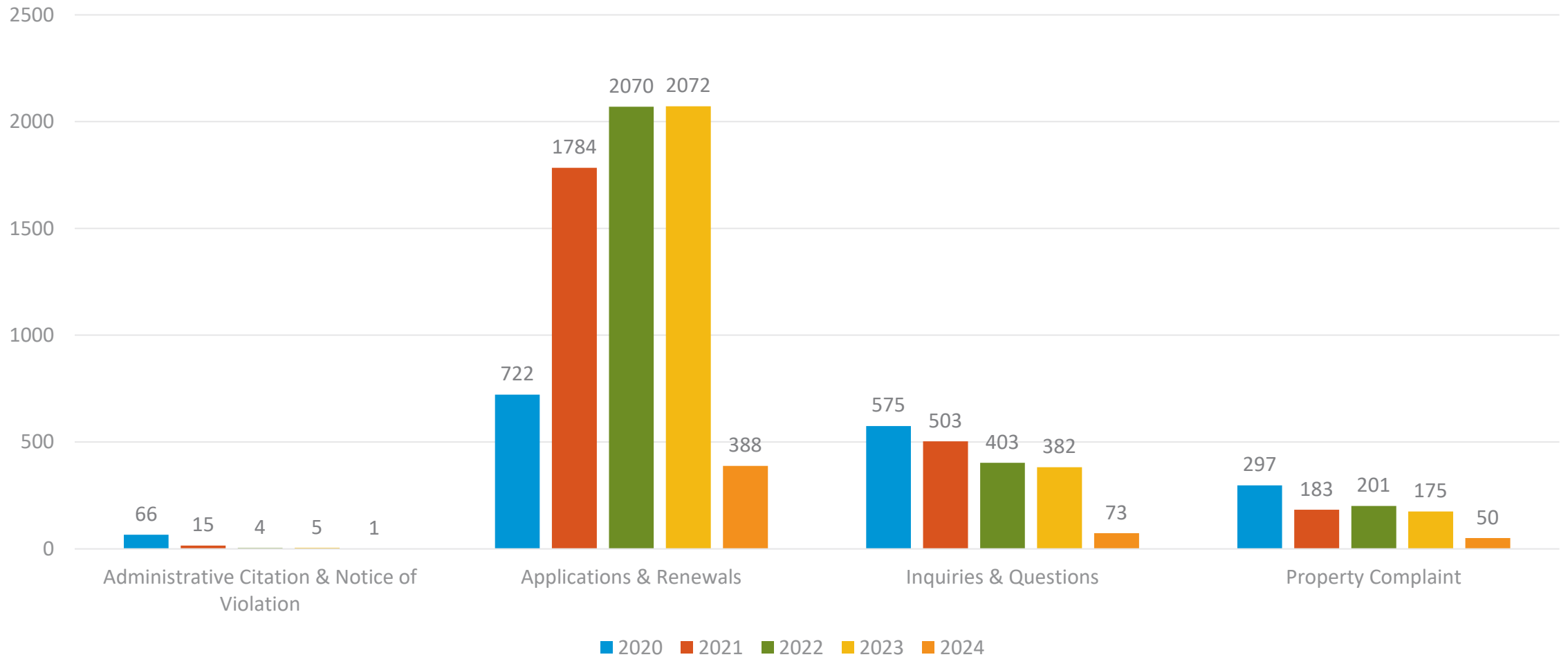
About 15% of STR applications are processed in 7 days or less

Final Disposition of Applications

- Issued - 2,672 (96%)
- Denied - 32 (1%)
- Withdrawn - 74 (3%)
- Not Completed - 7 (<1%)



311 Data and Trends



Short-Term Rental Outreach

Online Resources

Applicants can [check the status of a license application](#) and view the current application [processing times](#).

Applicants can also access [video instructions](#) for submitting a short-term rental application.

Quarterly Updates

We provide quarterly updates on STR data, which you can view on our [website](#) or [sign up](#) to receive through our short-term rental informational bulletin.

Anyone can also view past public meetings on our [short-term rental YouTube playlist](#).

Educational Session

EXL frequently provides educational opportunities at community gatherings, host meetups, and informational sessions at the library.

Our next session will be held on **August 8** from 2:00 to 3:30 p.m. at the [Denver Public Library - Eugene Field Branch](#).

Sharing Success

EXL has shared insights with cities near and far:

Austin, TX
British Columbia, CAN
Englewood, CO
Fort Collins, CO
Lakewood, CO
Los Angeles, CA
New York, NY
Phoenix, AZ
Scottsdale, AZ
...and more!

Denver Short-Term Rental Resources

Check out our [Short-Term Rental Laws, Rules, and Regulations page](#)

[Sign up](#) for our short-term rental bulletin.

Email us at licenses@denvergov.org

Denver Revised Municipal Code: [Short-Term Rental Ordinance](#)

Denver Department of Excise and Licenses: [Short-Term Rental Rules](#)

Denver Department of Finance: [Short-Term Rental Taxation Information](#)

Denver Zoning Code: [Short-Term Rental Zoning Provisions](#)



Questions?

Molly Duplechian, Executive Director
Molly.Duplechian@denvergov.org

Erica Rogers, Policy Director
Erica.Rogers@denvergov.org