



# TETON COUNTY, IDAHO AND TETON COUNTY, WYOMING SHORT TERM RENTAL STUDY

CAPSTONE - SPRING 2020



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*Prepared for:  
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# EXECUTIVE SUMMARY

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## *Introduction*

The study area of this report encompasses Teton County, Wyoming and Teton, County Idaho, an area that covers approximately 4,667 square miles. Both counties are premier tourist destinations, attracting thousands of overnight visitors every year. The two counties are situated along the Idaho/Wyoming border in the Teton Mountain range. This mountain range is a large attraction for visitors who take advantage of the plentiful opportunities for skiing, hiking, mountain biking and sight-seeing. Additionally, Teton County, Wyoming hosts the southern entrance to Yellowstone National Park. This entrance provides visitors with access to Yellowstone's two million acres of protected area containing waterfalls, geysers and a diverse array of wildlife. The tourists that make their way to the Tetons are vital to keeping countless businesses in operation, and supporting the local economy. Restaurants, hotels and ski resorts alike all rely on the influx of visitors into the area every year.

While tourism contributes to the local economy and plays a vital financial role in the area, the influx of visitors also brings unintended consequences to the communities they visit. The desire for affordable and unique accommodations has driven many to utilize short-term rental properties rather than traditional lodging such as hotels, motels and lodges. Since the company Airbnb was established in 2007, vacation rental companies have become increasingly common within the United States and internationally. Like many others, property owners within Teton County, Wyoming and Teton County, Idaho have seen short-term rentals as an opportunity to capitalize on their properties. The short-term rental market is becoming increasingly

saturated within the study area, resulting in both positive and negative impacts on these communities. These impacts will be amplified as this practice continues to grow.

## *Objective*

The Client organizations for this project are The Valley Advocates for Responsible Development and The Jackson Hole Conservation Alliance. These two organizations are focused on understanding environmental, social and economic issues within the Teton region. The objective of this report is to determine how the short-term rental market has impacted the study area and to provide policy recommendations to mitigate the negative impacts resulting from the rise of short-term rental units.

## *Background Research*

The initial phase of the study included completing background research on the topic of short-term rentals. Peer reviewed research articles helped to provide an understanding of the different types of short-term rental properties that are commonly seen and their impacts on the communities they are located in. It was found that short-term rental properties can generally be grouped into three categories: full-home rentals, private room rentals, and shared space rentals. While these types of rentals can all be listed on popular vacation rental platforms; such as Airbnb, VRBO and HomeAway, they often have very different impacts on communities. These impacts often vary based on the size and scope of the short-term rentals. Full-home rentals are often utilized by investors or individuals with multiple homes, while private room and shared space rentals are

# EXECUTIVE SUMMARY

generally located within residential units that have a full time resident residing in the home. It was also discovered that while short-term rental properties can have economic benefits, they can also have a significant negative impact on housing availability.

Additional background research also included a review of other existing short-term rental studies. It was found that a number of communities have conducted studies into short-term rentals with the goal of using their findings to provide new or updated regulations. These studies generally employ similar techniques to understand rental markets including stakeholder surveys, research into comparable community regulations, and assessments of housing data. The information in this research was utilized to create the methodology for the remainder of the report.

## *Existing Short-Term Rental Conditions*

After examining data on short-term rental properties within the area, it was found that there were approximately 2,575 individual short-term rental properties active within the study area from February 2019 to February 2020. Of these 2,575 properties, approximately 67 percent were located within Teton County, Wyoming, with the remaining 33 percent located within Teton County, Idaho. It was also found that the short-term rental market in the study area is subject to seasonal fluctuation. During February of 2020, there were a total of approximately 1,877 active short-term rental properties with a total of 1,254 properties located on the in the Wyoming portion of the study area, and the remaining 623 located within Idaho. It

was also found that property owners in Idaho are more likely to offer up a single room or shared space within their home for a short-term rental than those in Wyoming, where almost all short-term rentals are entire homes.

## *Housing Analysis*

When comparing the short-term rental properties within the study area to existing housing data, it was found that these rental properties are likely negatively impacting the availability of housing for residents. Approximately 6.9 percent of the total housing units within Teton County, Wyoming have been converted to use as full time short-term rental properties. This percentage is even higher to the west of the Tetons, where approximately 7.9 percent of housing units have been operating as full time short-term rentals in the past year.

The data also indicated that the opportunities to earn high profits from vacation rentals are likely motivating an increasing number of property owners to partake in the practice. It was found that the average monthly income for a vacation rental within the Wyoming portion of the study area is approximately \$5,791, while the average monthly income earned on the Idaho side is approximately \$2,920. The potential income of these rental properties in both counties is higher than the median rental price, and median monthly mortgage payments. These high profits can make renting a property to short-term tourists more lucrative compared to renting the properties to long term tenants. The opportunity to make high profits through short-term rentals not only drive up local property values, but also incentivizes purchasing multiple homes as investments, ultimately

# EXECUTIVE SUMMARY



leaving fewer properties available for purchase or long-term rental.

## *Recommendations*

The recommendations for the study area have been summarized below:

### Teton County, Idaho

- Include Short-Term Rentals as use in Land Development Code Update
- Require Short-Term Rental Permitting
- Utilize a Third Party Monitoring Company
- Evaluate Need for Code Enforcement Officer

### City of Driggs, Idaho and City of Victor, Idaho

- Include Short-Term Rentals as use in Land Development Codes
- Establish a Principal Dwelling Requirement
- Provide Exception for Accessory Dwelling Units
- Require Conditional Use Permits
- Utilize a Third Party Monitoring Company

### City of Teton, Idaho

- Monitor Properties for Business Licenses

### Teton County, Wyoming

- Require Permitting of Short-Term Rental Properties
- Utilize a Third Party Monitoring Company

### Town of Jackson, Wyoming

- Additional short-term rental recommendations for the Town of Jackson have not been deemed necessary at this time.