



A RESOURCE FOR REALTORS® IN THE POCONO MOUNTAINS MONROE COUNTY





Pocono Mountains
Association of REALTORS ®

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SHORT-TERM RENTAL TASK FORCE

In March 2018, a Short-Term Rental Task Force (STRTF) was formed by the Pocono Mountains Association of REALTORS® Government Affairs Committee in response to changing regulations and member concerns on behalf of their clients. Short term rentals, or vacation rentals as we have always called them, are not a new phenomenon in the Pocono Mountains and have been a big part of the real estate and vacation industry for generations. The advent of the "sharing economy," including AirBnB, VRBO as well as similar companies has changed and expanded the industry exponentially. As a result, our municipal and homeowner association leaders are dealing with a host of new. The mission is to help local leaders understand the issues while protecting the rights of property owners, whether those are people renting out their homes or neighbors of these properties.

STRTF priorities aimed at helping our region continue to thrive:

- 1) Facilitate widespread adoption Monroe County's Model Ordinance for Short Term Rentals
- 2) Research regulations in other areas to identify what works and what doesn't
- 3) Provide education on the topic to members, community leaders, and the public

STRTF reviewed the Model Ordinance for its efficacy in today's marketplace and its enforceability and ease of implementation. The STRTF then had several meetings with representatives from the Monroe County Planning Commission, which was the original author of the model document, in order to explain the few changes the realtors recommend.

Concurrently, the STRTF planned and held two educational summits for community officials and the public to address concerns regarding short term rentals. They identified,

interviewed and hired national speakers to lead the discussions using data gathered from around the country about finding solutions to problems and important considerations in creating short term rental regulations. The STRTF and PMAR are committed to being the community's partner in this important issue, as it affects our neighborhoods, property values and our local economy.

Realizing how extremely important it is to understand the issue from all sides, the STRTF also held an information-gathering session with local zoning officers to get a better feel for the issues and pressures the municipalities are experiencing.

The STRTF is holding ongoing meetings with municipalities, Monroe County and other experts to convey the economic importance of allowing, through thoughtful regulation, short-term rentals in our communities. Working together to continue to address the issues with zoning, ordinances and registration/permitting of short-term rentals is especially prudent and important in light of the recent <u>PA Supreme Court ruling</u>.

READ: Court issues decision short-term rentals in residential areas (PARealtor.org)

Some of the things learned so far are:

- Implementation of effective and enforceable regulations is critical to our area and time-sensitive
- Grassroots education of the public, especially STR owners, around compliance with permitting requirements and hotel/sales tax collection is necessary and PMAR can and should play a key role in this
- PMAR should continue to offer its partnership in the community to help with issues like this that affect such a broad cross section of our communities and property owners, as Realtors have a valuable perspective and many, geographically diverse 'boots on the ground'
- Partnering with other organizations in these efforts is key







SHORT-TERM RENTAL TASK FORCE

Jeff Rickert, Chair 2019
- Broker, Property
Manager, RE/MAX
Property Specialists

Judy Acosta - Zoning Administrator, Middle Smithfield Township

Rick Cordisco - Broker, Pocono Mountain Lake Realty

Kate DeAngelo - Staff, Pocono Mountains Association of REALTORS®

Joan Fitzgerald - Broker, Property Manager, Camelback Real Estate Jessica Keller - Sales Agent, Keller Williams Real Estate

Brittany Kinsman - Gov't Affairs Representative, Pennsylvania Association of Realtors

Cindy Knecht - Broker, Property Manager, Carr Realty

Nicole Murray -Association Executive, Pocono Mountains Association of REALTORS® Heidi Pickard -Supervisor, Tobyhanna Township/Property Manager, Lake Naomi Real Estate

Lisa Sanderson (Founding Chair, 2018) Associate Broker, Keller Williams Real Estate

Christine Wilkins -Supervisor, Stroud Township/President, Better Homes & Gardens Real Estate

Sonia Wolbert - Loan Officer, Guaranteed Rate Mortgage

Government Affairs Committee Mission Statement

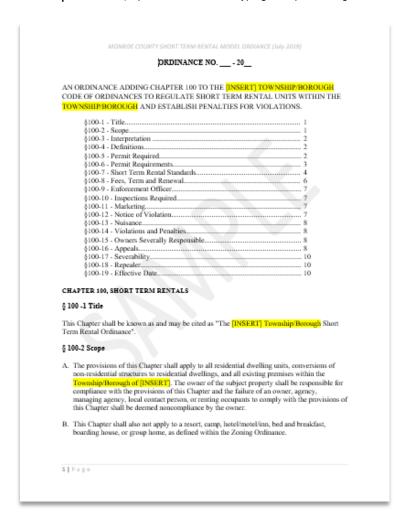
Pocono Mountains Association of REALTORS® (PMAR) Government Affairs serves as a voice for Realtors throughout the Pocono region at all levels of government – local, state, and national – and advocates for policies that promote and preserve homeownership.

MISSION: The Pocono Mountains Association of REALTORS® Government Affairs Committee identifies and promotes the political interests of its members by supporting policies and political candidates that protect the sanctity of private property rights and affordable housing.

SHORT-TERM RENTAL MODEL ORDINANCE



This document (found at <u>Monroe County Planning Department</u>) should be the standard going forward as it pertains to regulating STRs on a municipal level or homeowners' developments. (http://www.monroecountypa.gov/Dept/Planning/Documents/ShortTermRentalModelOrdinance.pdf)

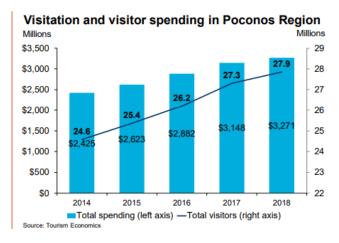


- → Defines terms used in many STR scenarios for townships/boroughs
- → Requires STR owners to obtain a permit via application
- → Requires at least \$500,000 in general liability insurance
- → Permit effective for one year
- → Places limits on how many occupants can stay in an STR
- → Limits parking to the STR property
- → Prohibits disorderly conduct & excessive noise
- → Requires smoke/CO detectors and numerous other safety concerns
- → Establishes inspections by municipal code enforcement
- → Establishes procedures for violations, penalties and appeals

TOURISM IN THE POCONO MOUNTAINS



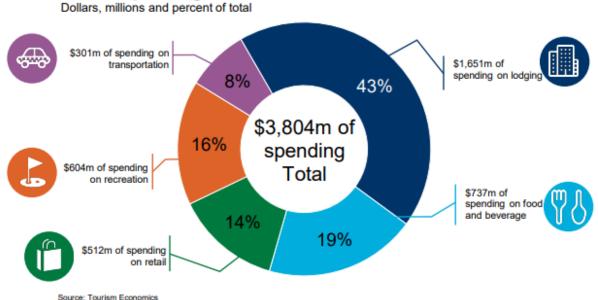
2018 KEY FACTS



- → 27.9 million visitors
 - o 550,000 ↑ over 2017
- → Visitation has grown by 3.3 million since 2014 (13%)
- → \$3.3 billion spent
- → Visitor spending has grown 35% since 2014 (\$850 million)
- → Tourism in the Poconos generated \$282 million in state & local taxes
- → Supports roughly 25% of <u>all jobs</u> in the Poconos

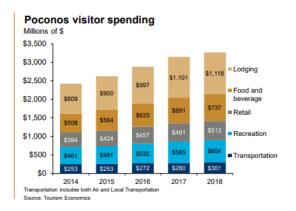
Visitor spending on lodging has increased an average of nearly 6.7% over the past five years, increasing by more than \$300 million

Visitor spending in the Poconos, 2018



2018 VISITOR SPENDING BREAKDOWN





- → Recreational spending reached \$600 million
 - Nearly \$20 million increase
- → Lodging spending rose to \$1.1 billion
 - Including spending on 2nd homes
- → Food & beverage spending increased by nearly \$230 million since 2014

Overnight visitors make up 65% of all visitor spending in the Poconos, spending \$2.1 billion.



To make up for the \$520 million in state and local taxes generated by visitor activity, each household in the state would need to contribute \$1,500 to maintain the current level of government.

Employment impacts, 2018				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining		30	13	43
Construction and Utilities		314	53	368
Manufacturing		24	6	30
Wholesale Trade	-	70	63	133
Air Transport	136	9	8	153
Other Transport	225	262	113	600
Retail Trade	3,357	211	628	4,196
Gasoline Stations	535	22	46	603
Communications		107	42	149
Finance, Insurance and Real Estate	1,282	953	389	2,624
Business Services	109	1,641	315	2,065
Education and Health Care		29	822	851
Recreation and Entertainment	5,526	323	131	5,980
Lodging	7,991	38	11	8,040
Food & Beverage	7,325	349	691	8,365
Personal Services	297	132	380	809
Government	-	152	41	193
TOTAL	26,783	4,667	3,751	35,201

Source: Tourism Economics



Positive elements of Jackson Township's Short-Term Rental program (Zoning & Codes Officer Michelle Arner):

Initiation and ongoing communication with industry professionals, realtors, government officials and applicants

Communication leads to understanding, understanding leads to development of reasonable regulations. Regulations lead to accountability.

Safety improvements to properties (smoke and CO2 detectors, fire extinguishers, handrails on stairways, etc.)

Adequate insurance coverage for the use of the short-term rental (STR & homesharing on policies)

Subject to collection of hotel taxes, STRs are on a more level playing field as hotels as they function with the same purpose, transient lodging.



Reviews

Northridge, 557 Upper Deer Valley Road

Daniel M., Bronx, NY

We enjoyed our stay in this spacious and welcoming home. The kids had enough space in the basement to be kids and the dog was able to come with us and enjoy a beautiful Christmas weekend with us. The location was perfect to where you can oversee the slopes as well.

Rachel R., Hempstead, NY

We had a wonderful time at Camelback for our winter vacation. We rented the house for my family and our mothers and 2 small dogs. The house was very nice and had an AMAZING view. We also appreciated that the beds were made and all the linens were pristine. We would definitely rent again

POCONO RECORD

Monroe County a 'perfect fit' for Airbnb

By Brian Myszkowski Jan 5, 2019

Airbnb makes for big business in Pennsylvania, and Monroe County has carved out a particularly profitable niche in the lucrative rental market.

On Monday, the "community driven hospitality company" announced that Pennsylvania's hosts raked in around \$122 million in supplemental income from housing approximately 1 million quests in 2018.

Monroe County rentals alone pocketed hosts an impressive \$11.4 million with 102,900 visitors, earning a third place rank after Philadelphia's \$47.7 million from 404,000 guests and Allegheny's \$14.7 million from 131,800 renters.

So what makes Monroe such a hotspot for Airbnb?

"The Poconos are known for their sense of community, and community is something that Airbnb guests seek out as well when they travel," Liz DeBold Fusco, Northeast Press Secretary for Airbnb, said. "Our guests look to immerse themselves wherever they stay, so regions like Monroe County — with its unique shops and restaurants, plenty of activities and welcoming atmosphere — are a perfect fit for Airbnb."

TALKING POINTS

- FOR DECADES SHORT-TERM RENTALS WERE REPUTABLY OVERSEEN BY REALTORS
 - THAT HAS ENSURED ACCOUNTABILITY FOR STRs
- NOW GUESTS/OWNERS ARE INCREASINGLY USING ONLINE COMPANIES TO ACT AS INTERMEDIARIES
 - THAT HAS LED TO LESS ACCOUNTABILITY
- BETTER REGULATION MEANS EVERYONE WINS
 - ONCE A FRAMEWORK IS IN PLACE, NO GUESSING
- STRs HELP SUPPORT MORE PROPERTY OWNERSHIP
 - REVENUE OPPORTUNITY IS INCENTIVE TO BUY
 - THEREFORE, MORE HOMES AND PROPERTIES
 CONTRIBUTE TAXES TO LOCAL MUNICIPALITIES
- MORE STRs LEADS TO MORE VISITATION TO SUPPORT JOBS
 - RIGHT NOW, THAT'S 2/3 OF THE POCONOS' LABOR INCOME
- PROPERTY VALUES GO UP THANKS TO STRs
 - A POTENTIAL BUYER IS MORE LIKELY TO PAY MORE FOR A PROPERTY THAT CAN PROVIDE RECURRING REVENUE
 - INCENTIVIZES BUYING "SECOND HOMES" IF THE PROPERTY DOESN'T SIT EMPTY MOST OF THE YEAR
- IN SOME CASES, THERE IS NOT ENOUGH HOTEL/TRADITIONAL LODGING TO HANDLE THE CURRENT DEMAND FOR SHORT-TERM STAYS
- WORKING WITH HOMEOWNERS' ASSOCIATIONS
 - PREVENTS MISINFORMATION, FEAR OF WORST-CASE SCENARIOS
- ATTENDING MEETINGS (TOWNSHIP/ZONING HEARING BOARDS, HOAs) KEEPS LINES OF COMMUNICATION OPEN



CONCLUSION

The Pocono Mountains has steadily been a destination for millions of visitors from NY, NJ, Philadelphia and now more from Washington D.C. and Baltimore. Many visitors prefer the ease of renting on a short-term basis in order to experience the feel of "home" while they are away.

Short-term rentals can play a significant role not just in the tourism industry, but the real estate market and the overall economy. Jobs and economic vitality depend on ample supply of lodging options for everyone.

While we recognize the concerns communities have as it pertains to short-term rentals and how they fit into each respective municipality or development, we also want to ensure we're protecting the homeowners' ability to make the most out of their properties.

Key Takeaways

- Regulations should be implemented on a case-by-case basis. A complete ban hurts everyone.
- Open discussions with realtors, HOAs, the vacation bureau and stakeholders are key to our success
- Educating our neighbors about the benefits of STRs will help build a common understanding

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Monroe County municipalities

http://www.monroecountypa.gov/Dept/Assess ment/Pages/Municipalities.aspx