

Short-Term Rentals
2024 Report to the Boston City Council



Mayor's Office of Housing
Mayor Michelle Wu

June 29, 2024

Short-Term Rentals 2024 Report to the Boston City Council

Introduction

This report is being submitted to meet the requirements of Section 2 of the *Ordinance Allowing Short-term Residential Rentals in the City of Boston* (the "Ordinance"), passed by the Boston City Council on July 13, 2018. The implementation of the Ordinance took place in stages, with complete implementation in December 2019. Therefore, this report is responsive to the research questions in the Ordinance.

Definitions

The following definitions are being used in the implementation of the Ordinance:

Short-term rental: A short-term rental uses a residential unit for residential occupancy for a period of fewer than 28 consecutive calendar days for a fee.

Short-term rental types:

Limited share units: Limited share units are private bedrooms or shared spaces in an owner-operator's primary residence. The owner would be present during the rental. The fee for this type of unit is **\$25 per year**. Occupancy is limited to three guest bedrooms or six guests, whichever is fewer.

Home share units: Home share units are whole units available for short-term rental at the primary residence of an owner-operator. The fee is **\$200 per year**. Occupancy is limited to five bedrooms or ten guests, whichever is fewer.

Owner-adjacent units: Owner-adjacent units are within owner-occupied two- or three-family buildings. In this situation, the owner lists a single secondary unit as a short-term rental. The fee is **\$200 per year**.

Other types of short-term rentals:

Lodging houses. A residential unit offered as a short-term rental that is located in a dwelling holding a current and valid Certificate of Occupancy as a lodging house from ISD and a lodging house license from the Boston Licensing Board.

Existing bed and breakfasts. A residential unit offered as a short-term rental that holds a current and valid Certificate of Occupancy as a bed and breakfast from ISD.

Other uses are not subject to all the provisions of the short-term rental ordinance.

Hospital stays. The use of a dwelling unit or portion thereof for which a contract exists between the owner of the dwelling unit and a health-care facility, government entity, or non-profit organization registered as a charitable organization with the Secretary of the Commonwealth of

Massachusetts, or classified by the Internal Revenue Service as a public charity or private foundation that provides for the temporary housing of individuals who are being treated for trauma, injury, or disease, or their family members, a is not considered a short-term rental.

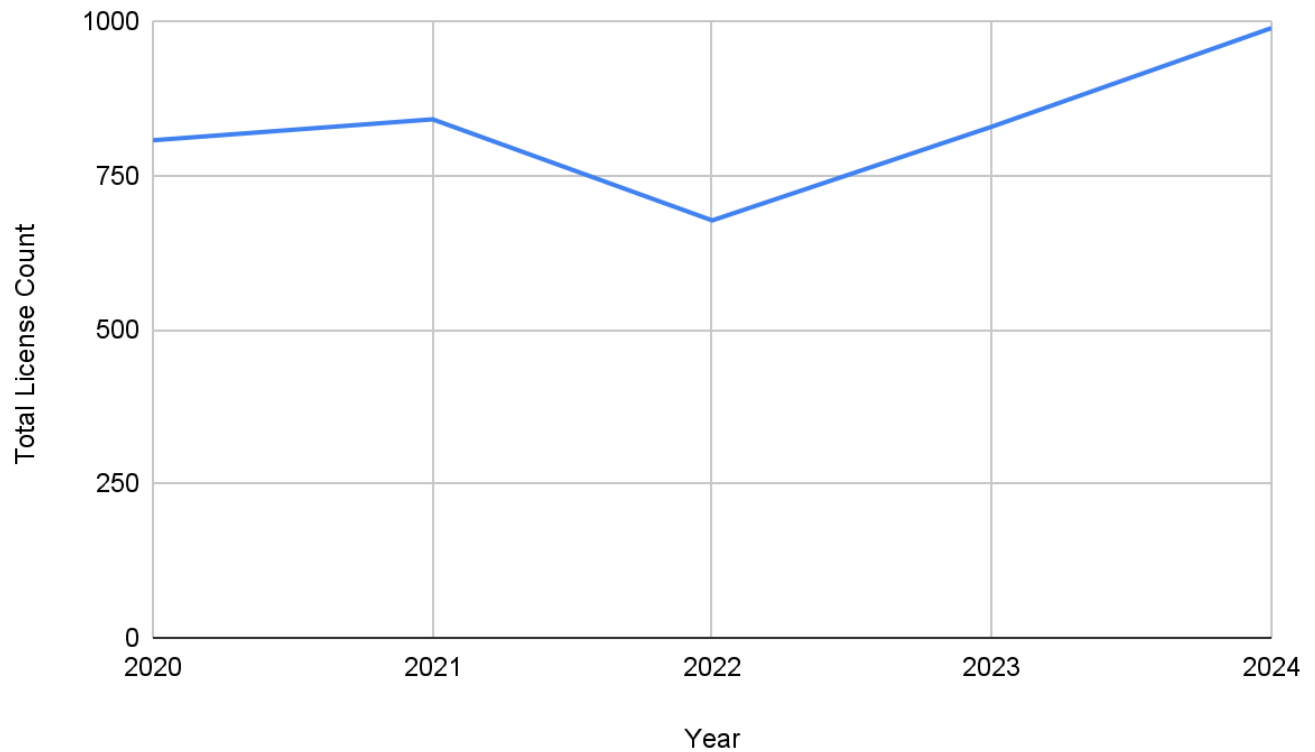
Furnished institutional or business stays. The use of a residential unit for which a contract or an agreement exists between the building owner, a corporate housing operator, or an institution or business for the temporary housing of employees or individuals affiliated with such institutions or businesses, where the minimum stay is at least 10 days, is not considered a short-term rental.

For further information on the STR regulations, please refer to [An Ordinance Allowing Short-Term Rentals](#) in the City of Boston, filed June 13, 2018.

Introduction

Short-term rental (STR) licenses peaked in 2024 after the full implementation of the STR ordinance in December of 2019 at nearly 1,000 active licenses.¹ The lowest count was 677 in 2022. The recent increase resulted from ISD's efforts to bring unregistered Short-Term Rentals into compliance.

Chart 1: Total Short-Term Rental Registrations by Year



Source: ISD, STR Registrations, June 2024; Analysis by Mayor's Office of Housing

¹ The annual count for this report is based on data from June of each year.

Estimate of the Impact of the Rental of Owner-Adjacent Units on the Number of Units Removed from the Long-Term Housing Stock

As of June 1, 2024, the Inspectional Services Department (“ISD”) had 989 active STRs. Of these, only 182, or 18.4 percent, were owner-adjacent units. Owner-adjacent units increased by 33 (+22.1%) from the year prior and 56 (+44.4%) from two years prior.

Table 1: Active Short-Term Rental Registrations by Type

Registration Type	2022		2023		2024		2 - Year Change		1- Year Change	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Home-Share Unit	207	30.6%	278	33.5%	289	29.2%	82	39.6%	11	4.0%
Limited Share Unit	146	21.6%	144	17.4%	195	19.7%	49	33.6%	51	35.4%
Owner-Adjacent Unit	126	18.6%	149	18.0%	182	18.4%	56	44.4%	33	22.1%
Hospital Stays	111	16.4%	167	20.1%	179	18.1%	68	61.3%	12	7.2%
Lodging House	68	10.0%	71	8.6%	123	12.4%	55	80.9%	52	73.2%
Executive Suite	16	2.4%	17	2.1%	16	1.6%	0	0.0%	-1	-5.9%
Licensed Bed & Breakfast	3	0.4%	3	0.4%	5	0.5%	2	66.7%	2	66.7%
Total STR Registrations	677	100.0%	829	100.0%	989	100.0%	312	46.1%	160	19.3%

Source: ISD, STR Registrations, June 2024; Analysis by Mayor’s Office of Housing

The 989 STRs are located on approximately 696 parcels. Most STRs (70.8 percent) are on parcels with one to three units (including condos), categorized as “residential” parcels (see Table 2).

Table 2: Distribution of STRs by General Parcel Type

Category	Total Registrations	% of Total
Residential (1-3 units)	700	70.8%
Mixed-Use	149	15.1%
Apartments (4+ units)	103	10.4%
Rooming House/Other	32	3.2%
Tax-Exempt	3	0.3%
Commercial	2	0.2%
Grand Total	989	100.0%

Source: ISD, STR Registrations, June 2024; Analysis by the Mayor’s Office of Housing

The top property types for STR Rentals are two-family (21%), single-family (19%), condos (19%), and mixed-use parcels (15%).²

Table 3: Distribution of STRs by Residential Parcels and STR-Type

	Home Share	Limited Share	Owner Adjacent	Hospital Stays	Licensed Lodging House	Furnished Institutional or Business Stay	Existing Bed and Breakfast	Total	Percentages
Mixed-Use	1	1	3	104	39	0	1	149	15%
Single-Family	92	83	7	1	0	0	0	183	19%
Two-Family	39	43	114	4	0	5	0	205	21%
Three-Family	26	21	50	20	0	8	1	126	13%
Multiple Bldgs (Res)	0	1	0	0	0	0	0	1	0%
Apartment (4-6 Units)	1	0	1	10	53	2	0	67	7%
Apartment (7-30 Units)	0	0	0	31	4	1	0	36	4%
Rooming House	0	0	0	5	4	0	0	9	1%
Fraternity House/Other	0	0	0	0	23	0	0	23	2%
Commercial	0	0	1	0	0	0	1	2	0%
Tax-Exempt	2	0	0	0	0	0	1	3	0%
Condos	128	46	6	4	0	0	1	185	19%
Total	289	195	182	179	123	16	5	989	100%

Source: ISD, STR Registrations, June 2024; Analysis by Mayor's Office of Housing

In addition to the fact that STRs are concentrated in smaller properties (3.2 units on average, excluding condo buildings), properties with registered STRs tend to be small-scale landlords as they own fewer than four properties on average.³

The top three neighborhoods for STRs are Dorchester (12.4 percent), Downtown (12 percent), and Jamaica Plain (10.3 percent). After the city's STR ordinance became fully enforced, the distribution of STRs became more even throughout the city.

² Mixed-use parcels refer to real property held for more than one purpose, such as buildings with commercial and residential uses. Condos is short for condominium and refers to ownership of a unit within a given building or condo association.

³ MOH analysis of STRs property ownership on privately-owned parcels.

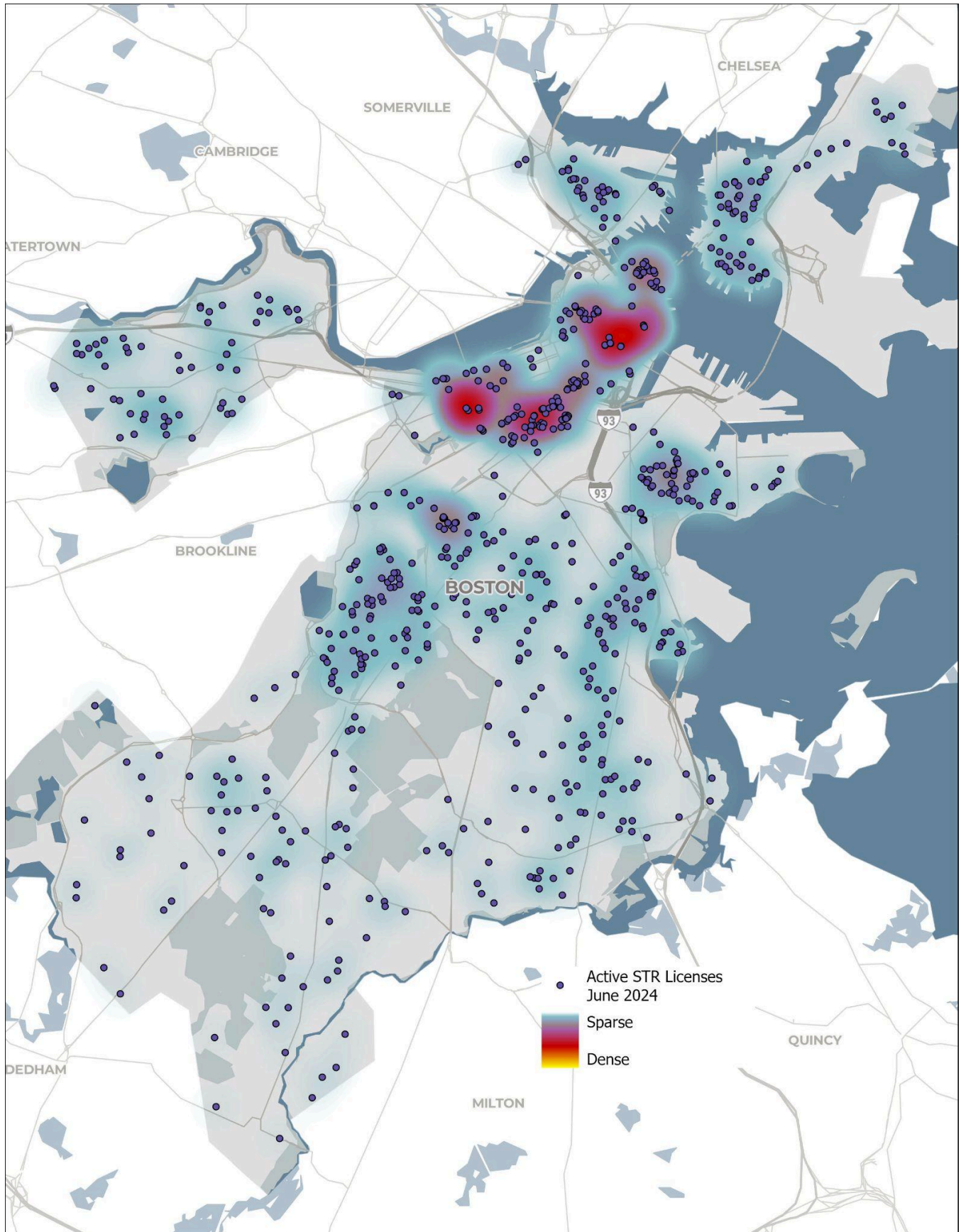
Table 4: Distribution of STR Units by Type and by Neighborhood

Neighborhood	Existing Bed and Breakfast	Furnished Institutional or Business Stay	Home Share	Hospital Stays	Licensed Lodging House	Limited Share	Owner Adjacent	Grand Total
Allston	0	0	3	5	0	7	3	18
Back Bay	0	0	6	18	17	0	1	42
Bay Village	0	1	3	0	4	0	4	12
Beacon Hill	0	0	14	3	16	1	2	36
Brighton	0	0	12	1	0	21	13	47
Charlestown	3	0	20	0	0	2	9	34
Chinatown	0	0	1	0	0	1	1	3
Dorchester	0	6	35	2	4	36	42	125
Downtown	0	0	8	96	0	0	0	104
East Boston	0	0	30	2	0	14	15	61
Fenway	0	1	5	15	52	0	3	76
Hyde Park	0	0	10	0	0	6	6	22
Jamaica Plain	0	5	31	0	0	33	23	92
Leather District	0	0	2	0	0	0	0	2
Mattapan	0	0	5	0	0	7	6	18
Mission Hill	0	0	2	6	2	2	2	14
North End	1	1	10	15	0	2	2	31
Roslindale	1	0	11	1	0	12	5	30
Roxbury	0	2	18	14	0	22	20	76
South Boston	0	0	34	1	2	14	6	57
South End	0	0	21	0	26	7	14	68
West End	0	0	1	0	0	0	0	1
West Roxbury	0	0	7	0	0	8	5	20
Grand Total	5	16	289	179	123	195	182	989

Source: ISD, STR Registrations, June 2024; Analysis by Mayor's Office of Housing

Map 1 shows an STR unit heat map. A heat map draws point features as a dynamic, representative surface of relative density. The map shows STR hotspots, or areas where STRs are more dense, in Back Bay, the South End, and downtown Boston.

Map 1: 2024 Registered STR Heat Map



Estimate of the Number of Evictions Caused by Conversions from Long-Term Housing to Short-Term Rentals

In October 2020, the City of Boston passed the Housing Stability Notification Act. This ordinance requires any landlord planning to end a tenancy agreement to provide the tenant with a Notice of Tenants' Rights and Resources. In addition, The Housing Stability Notification Act also requires landlords and foreclosing owners to provide the City of Boston's Office of Housing Stability with a copy of the Notice to Quit or Notice of Non-Renewal of Lease and a Certificate of Compliance/Service.

Thus far, the city has received over 25,000 notices, primarily for nonpayment of rent. In 2023, just 20 properties had a notice-to-quit and an STR license associated with the same parcel. No evidence was found that a notice-to-quit was issued to establish an STR. According to the Notices to Quit, the primary driver of these evictions is nonpayment of rent, followed by cause (i.e., lease violations).

Estimate of the Effect of the Ordinance on the Change in Home and Rental Prices in Owner-Occupied Two and Three-Family Homes

The Mayor's Office of Housing maintains databases of both property sales and advertised rental listings.⁴ This data is used to estimate the impacts of the ordinance on neighborhood rents and sales prices. A multiple linear regression (MLR) is a simple and common way to explore whether a set of variables predicts the outcome of a dependent variable and which variables are most significant in that prediction to answer this question. Note that regressions are used here primarily for prediction purposes and not to prove causation, as regression studies different relationships between variables.

Previous MLRs conducted by MOH on home sales prices reflect that prices after December 2019 rose by \$59,000, suggesting that the Ordinance did not immediately result in lower two- and three-family house prices. The onset of the COVID-19 shutdown (after March 15th, 2020) showed a price decline of \$62,000. Previous models show more bathrooms were more significantly associated with prices (showing an \$89,000 increase) than the COVID-19 pandemic or the new ordinance. Purchasing in the spring or summer is associated with a jump of nearly \$20,000. Purchasing a home in IDP Zone A (i.e., Back Bay, Beacon Hill, Downtown, and the Seaport) would add a million dollars to the price.

The nt MLR on rental listing prices is based on over 203,000 rental listings from 2014 to 2021. The rent MLR model suggests the STR ordinance increased monthly rent listing prices by \$45, while the COVID-19 shutdown in March 2020 contributed to a more significant \$189 drop in monthly rents. Of course, factors like the number of bedrooms, neighborhood, and when the property is built have a much more substantial impact on rent prices. For additional details on the Rent MLR, please see the appendix.

⁴ Sales data is obtained from the Warren Group, and the rental data is provided from Rental Beast and MLS.

The Differential Between Short-Term Rental Revenue and Long-Term Rental Revenue in an Owner-Adjacent Unit

The average monthly revenue from short-term rentals of entire homes in Boston in 2024 is estimated to be \$910 (table 5). Based on advertised rents from the same period, the median monthly revenue from a long-term rental is \$2,285. According to these estimates, an owner could potentially make an average of \$2,090 more monthly rent for a unit as a long-term rather than a short-term rental. Even so, even in neighborhoods where the differential is highest, there may still be specific properties that could earn more as an STR than a long-term rental.

Still, the \$2,090 citywide average differential suggests that short-term rentals are much less lucrative than long-term rentals. The revenue of a short-term rental depends highly on seasonal tourism, the average length of stay for the typical renter, and the overall supply of short-term rentals, which can impact relative listing prices. Additionally, long-term rentals are guaranteed revenue set during lease-up, and are not subject to the same regulatory risk as short-term rentals.

Table 5. Differential Between Monthly Airbnb & Long Term Rental Income, 2022 vs. 2024

Neighborhood*	2022			2024		
	Median Monthly Airbnb Income	Median Monthly Long-Term Rental Income	The differential between Airbnb & LTR Income	Median Monthly Airbnb Income	Median Monthly Long-Term Rental Income	The differential between Airbnb & LTR Income
CITYWIDE	\$1,745	\$2,796	(\$1,052)	\$910	\$3,195	(\$2,285)
Allston	\$1,492	\$2,363	(\$872)	\$1,314	\$2,900	(\$1,586)
Back Bay	\$2,184	\$3,424	(\$1,240)	\$636	\$3,950	(\$3,315)
Bay Village	\$1,575	\$2,697	(\$1,122)	\$980	\$3,838	(\$2,858)
Beacon Hill	\$3,082	\$3,041	\$41	\$575	\$3,375	(\$2,800)
Brighton	\$1,493	\$2,387	(\$894)	\$1,200	\$3,000	(\$1,800)
Charlestown	\$1,386	\$3,273	(\$1,887)	\$1,126	\$3,500	(\$2,374)
Chinatown	\$1,600	\$2,882	(\$1,282)	\$740	\$3,500	(\$2,760)
Dorchester	\$1,131	\$2,537	(\$1,406)	\$937	\$2,850	(\$1,913)
Downtown	\$2,216	\$3,992	(\$1,775)	\$1,235	\$4,450	(\$3,215)
East Boston	\$884	\$2,599	(\$1,715)	\$989	\$2,950	(\$1,961)
Fenway	\$2,213	\$2,777	(\$564)	\$686	\$3,100	(\$2,414)
Hyde Park	\$742	\$2,189	(\$1,447)	\$744	\$2,600	(\$1,856)
Jamaica Plain	\$1,751	\$2,635	(\$884)	\$1,061	\$3,200	(\$2,139)
Mattapan	\$1,389	\$2,323	(\$933)	\$811	\$3,300	(\$2,489)
Mission Hill	\$1,428	\$2,901	(\$1,473)	\$716	\$3,600	(\$2,884)
North End	\$3,583	\$3,059	\$524	\$2,467	\$3,600	(\$1,133)
Roslindale	\$2,302	\$2,272	\$30	\$923	\$2,800	(\$1,877)
Roxbury	\$1,465	\$2,736	(\$1,271)	\$1,222	\$3,100	(\$1,878)
South Boston	\$2,315	\$3,391	(\$1,076)	\$1,691	\$3,600	(\$1,909)
South Boston Waterfront	\$2,384	\$4,206	(\$1,822)	\$1,688	\$4,650	(\$2,963)
South End	\$909	\$3,567	(\$2,658)	\$517	\$3,750	(\$3,233)
West End	\$533	\$3,902	(\$3,369)	\$654	\$3,849	(\$3,195)
West Roxbury	\$1,008	\$2,359	(\$1,351)	\$1,031	\$2,850	(\$1,819)

Source 1: Inside Airbnb, March 2022 & March 2024 extract. Only entire home listings and listings with minimum night stays under 28 nights, were used. Listings with zero reviews or no price listed were excluded. Source 2: Rental Beast & MLS rental listings, January-March 2022 and January-March 2024). Only studio, 1-, 2-, and 3-bedroom listings were used due to the small sample sizes of larger units. The Leather District is included in Downtown and Longwood Medical Center is included in Fenway due to small sample sizes in Airbnb, Rental Beast, and MLS data.

Pink highlighted cells indicate fewer than 10 Airbnb listings, which may not be enough to conclude.

Methods: Data on short-term rental hosts' revenue are not available. To calculate this, we used a San Francisco Planning Department methodology (Marqusee, Alex, 2015) to align with existing scholarship on this subject. Airbnb and San Francisco: Descriptive Statistics and Academic Research. San Francisco Planning Department Administrative Code Text Change, April 16, 2015, page 42 (<https://commissions.sfplanning.org/cpcpackets/2014-001033PCA.pdf>). This method multiplies the listed price, the minimum nights listed (a proxy for the number of nights per stay), and the number of reviews per month (a proxy for the number of stays) inflated by 28 percent (this assumes that 72 percent of stays leave a review, as reported by Airbnb in 2012). This method yields a somewhat conservative estimate of short-term rental revenue instead of actual data from short-term rental platforms. Revenues could be higher if renters in short-term

rentals stay longer than the minimum number of nights (not accounted for in this methodology), or the review rate is significantly lower than estimated here (72 percent).

Future Projections of the Number of Owner-Adjacent Units and Their Impact on the Housing Market

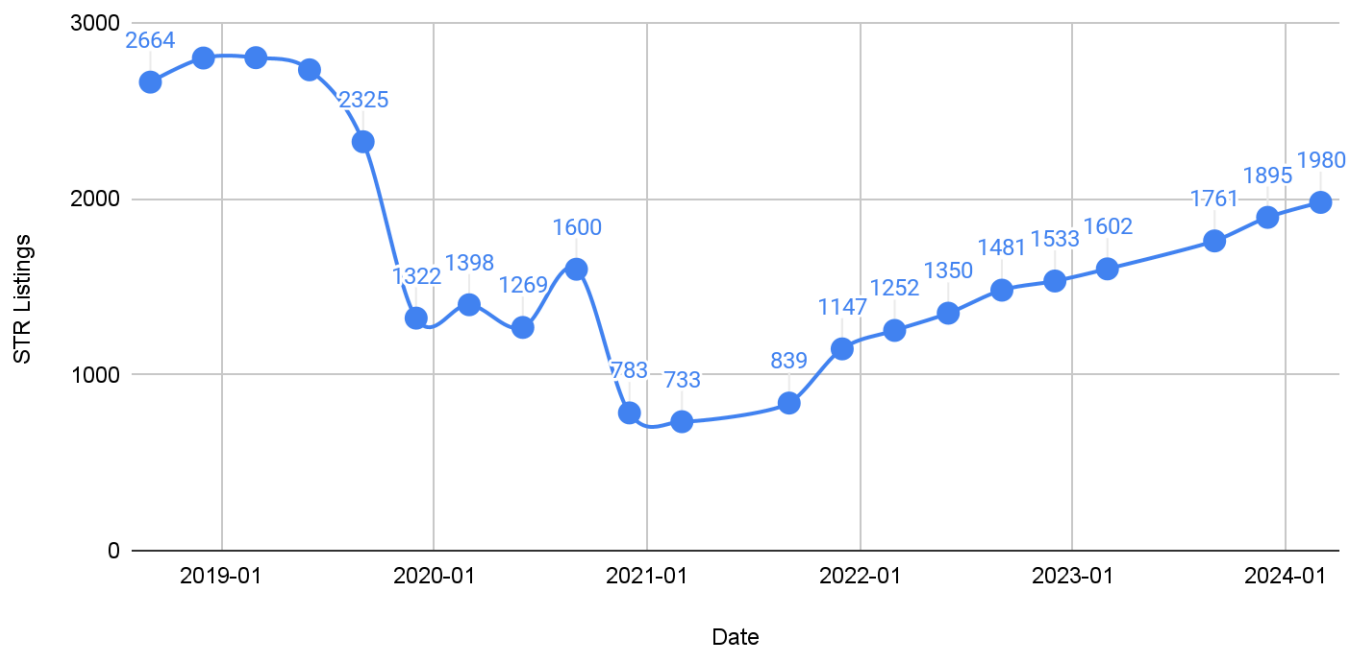
The number of STRs has remained stable over the last few years, and the number of owner-adjacent units is negligible compared to the number of units in the city. The recent increases between 2023 and 2024 are attributed to ISD's efforts to bring units into compliance with regulations and not necessarily an increase in owners converting LTR units to STR units. However, MOH will continue to monitor for future increases in subsequent reports.

Inside Airbnb Listing Data Analysis

Inside Airbnb scrapes data from the Airbnb website and makes it available to the public. They do not scrape other platforms, such as VRBO. This section relies on this data to look at short-term rentals, including those not covered by the city's STR ordinance.

This data shows the dramatic effect of the ordinance's implementation on the number of listings on Airbnb. Listings for entire units (apartments/homes) rented for less than 28 days decreased to 1,444 in December 2019, a 50 percent decline from 2,901 in November 2018. As mentioned above, partial implementation of the ordinance began in November 2018, and full implementation occurred in December 2019. The total listings of entire apartments/homes on Airbnb fell to their lowest point tracked in this report at 778 in August 2020. The total listings have steadily increased from 783 in December 2021 to 1,980 as of March 2024.

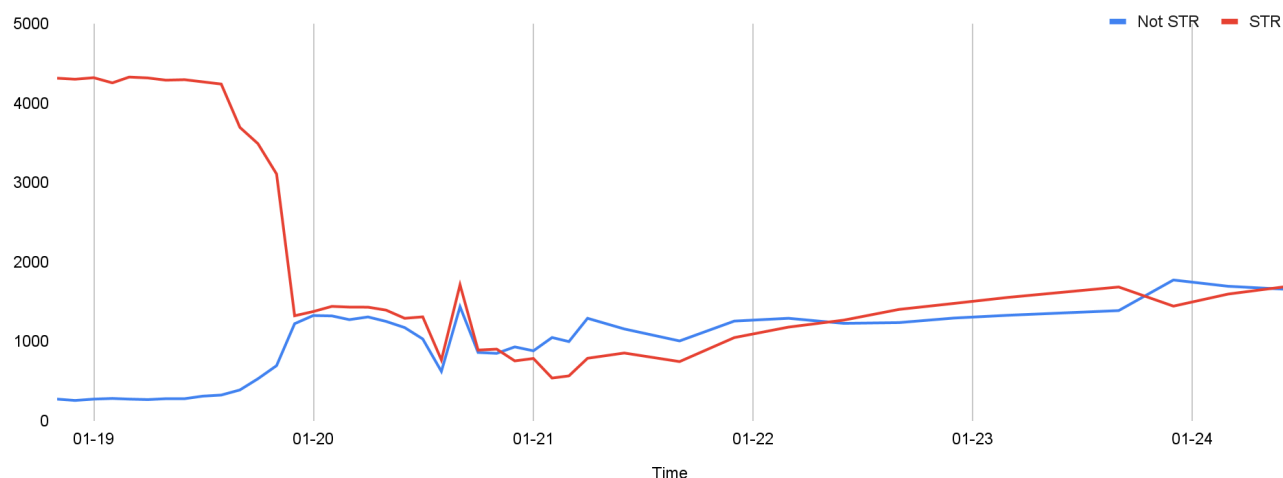
Chart 1: Entire Home/Apt STR Airbnb Listings, September 2018 to March 2024



Source: Inside Airbnb; Analysis by the Mayor's Office of Housing

The following chart (Chart 2) shows STRs (<28 days, red line) and non-STRs (>28 days, blue line). As shown in the previous chart, STRs significantly dominated the listings on the Airbnb platform until the full ordinance was implemented in December 2019. Since then, for the most part, STRs and non-STR listings have been nearly equally represented in the listing data. Please note that the rapid drops and increases shown in the last year of the data reflect a change in reporting from monthly to quarterly.

Chart 2: Entire Apartment/Home STR vs. Non-STR Airbnb Listings, November 2018 to June 2024⁵



Source: Inside Airbnb, December 2019–March 2024; analysis by the Mayor's Office of Housing

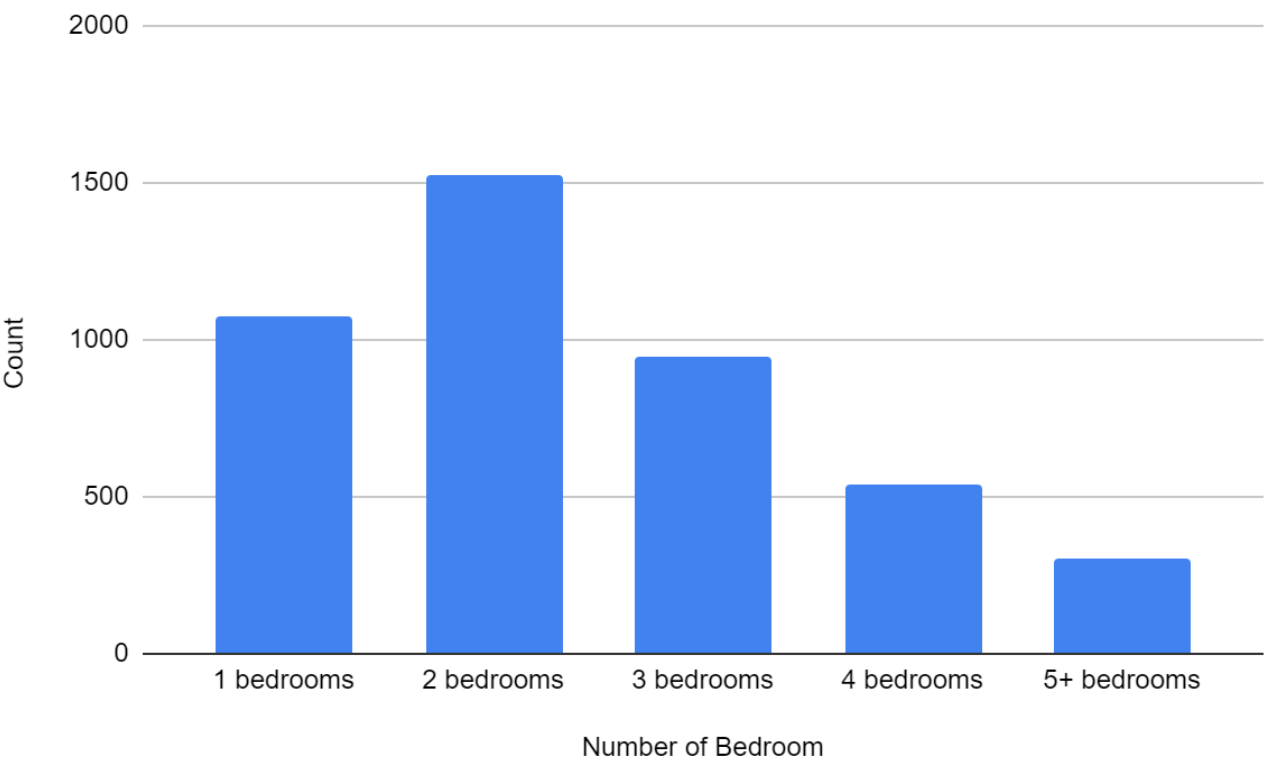
Approximately 68% of all listings on Airbnb are full homes/apartments. Inside Airbnb estimates that these listings' average annual income is \$19,494 for all full homes/apartment listings and an average of \$40,006 for those recently and frequently booked. This is equivalent to a per-month average of \$1,624 to \$3,333. For STRs, Inside Airbnb estimates that the annual revenue ranges from \$26,706 to \$40,786 annually, or \$2,226 to \$3,399 monthly. Approximately 34% of all entire home/apartment listings are unlicensed.⁶

The following chart shows the bedroom and bathroom count distributions for the entire home/apartment, no matter the minimum days of the rental. Thirty-five percent of Airbnb listings for entire units have two bedrooms, while 25% have one bedroom. Regarding the number of bathrooms, 68% have one, and 20% have two.

⁵ Inside Airbnb switched from monthly to quarterly reporting, creating false drops reflected in the chart since May 2021.

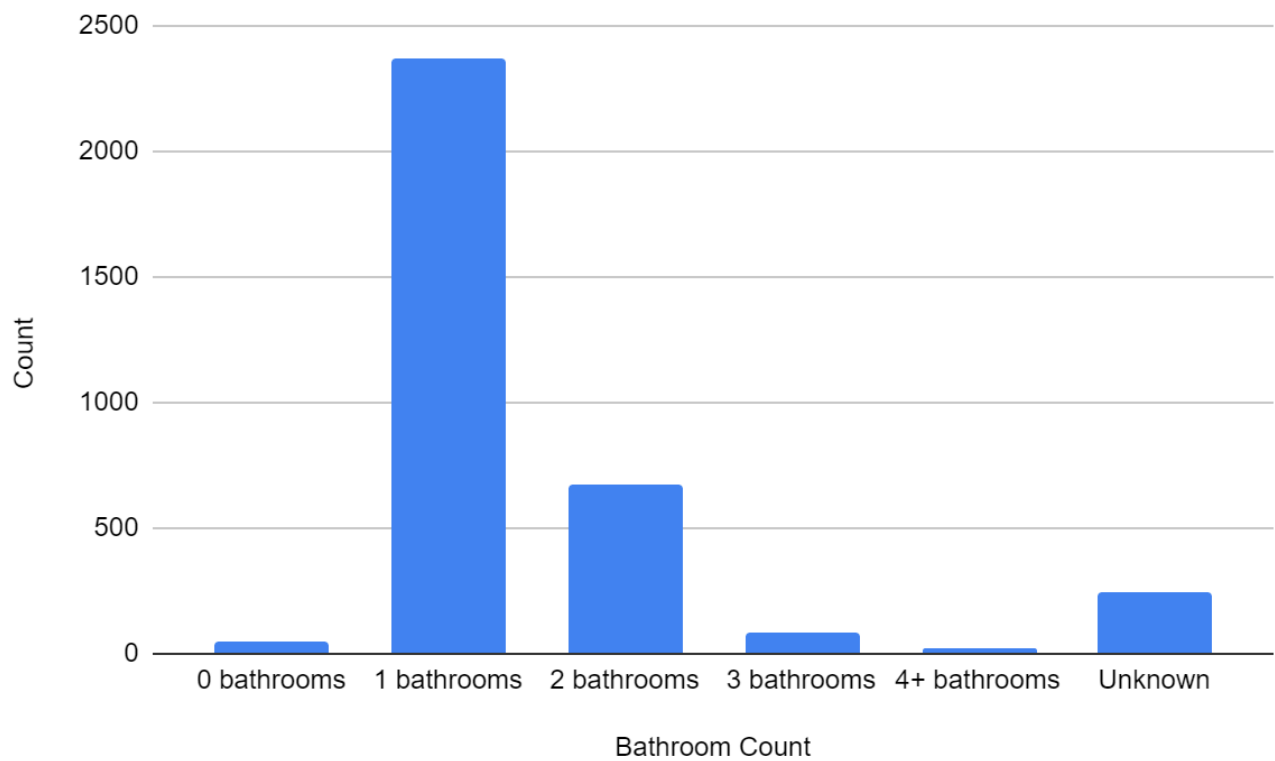
⁶ Inside Airbnb, Boston Dashboard, based on March 2024 data. (<https://insideairbnb.com/boston/>).

Chart 3: Bedroom Distribution of STR Listings for Entire Apartment/Homes, March 2024



Source: Inside Airbnb, March 2024; *analysis by the Mayor’s Office of Housing.*

Chart 4: Bathroom Distribution of STR Listings for Entire Apartment/Homes, March 2024



Source: Inside Airbnb, March 2024; *analysis by the Mayor’s Office of Housing.*

According to data from Granicus, which helps the city track the compliance of a host with STR regulations, approximately 600 STR listings have been identified as non-compliant with STR regulations (about 33% of all listings). ISD monitors these issues closely to bring non-compliant hosts into compliance. Over the previous 12 months, there have been 54 tickets written for STR violations, totaling \$15,660 in fines. In addition to the fines, ISD also delists non-compliant listings.

Appendix

Rent Regression

SUMMARY OUTPUT						
Regression Statistics						
Multiple R	60.50%					
R Square	36.60%					
Adjusted R Square	36.60%					
Standard Error	1079.308					
Observations	203090					
ANOVA						
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>	
Regression	8	1.36E+11	1.71E+10	14641.95167	0	
Residual	203081	2.37E+11	1164905			
Total	203089	3.73E+11				
	<i>Coefficie nts</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	-\$381,747	19310.83	-19.7685	0	-419595.9173	-343898.3909
Year	\$190	9.590023	19.80516	0	171.1357454	208.7281676
S&P/Case- Schiller Index	-\$9	0.782369	-11.7524	0	-10.72813455	-7.661287725
Quarter	\$74	5.070668	14.62866	0	64.23870775	84.11548015
Covid	-\$189	11.45808	-16.522	0	-211.7683939	-166.8532898
Bedroom	\$595	2.283028	260.5199	0	590.2995813	599.2489393
New Construction	\$1,017	10.43386	97.45734	0	996.4060974	1037.306318
Ordinance	\$45	12.11191	3.74959	0	21.67563949	69.15372885
Neighborhood	\$1,162	5.042502	230.5393	0	1152.611776	1172.378137

Interpretation: The rent MLR is based on over 203,000 rental listings from 2014 to 2021. This model explains 37 percent (R-square) of the variance in price, the dependent variable. In other words, if you plug the results (coefficients) into the MLR equation, it will predict the sale price 37 percent of the time. Price is the dependent variable. The numerical variables include year and bedrooms. The dummy variables include ordinance (1 = Dec 2019 and After), COVID (1 = 03/16/2020 and after), Quarter (1= Spring and Summer), New Construction (1 = built after 2011), neighborhood (1 = above the citywide rent price median), and a monthly period related to the S&P Case Shiller Index for Home Values.

The rent MLR model suggests rental list prices increased by \$45 after the full ordinance implementation. At the same time, the COVID-19 pandemic variable is correlated with a more significant impact of decreasing rent list prices by \$189. Again this is partly offset by the \$190 increase in the yearly coefficient (each additional year). The more significant variables impacting rent prices include the number of bedrooms (each bedroom adds about \$600), and the neighborhood or location (add \$1,162 for the City's most desired areas). Newly constructed rental listings also demand a premium, adding over \$1,000 in price to the MLR model. The period associated with the monthly frequency of the Case-Shiller Home Price Index showed a decrease of \$9 in rental list price per month. Since the home price index has increased over the last decade, this finding is counterintuitive and requires further research.