Agenda Summary
August 26, 2026

Agenda Item No. B-3
Short-Term Rental Economic Impact Study

Summary: Enclosed please find a draft of the STR Economic Impact study completed by consultants Jeff Carr and Michael Crane. Both will be in attendance to discuss their findings and answer questions the Selectboard or public may have.

Town Plan & Policy Impact: N/A

Fiscal & HR Impact: Contract cost of up to $35,000 on an hourly rate, and 25 hours +/- of staff time assisting and compiling datasets.

Recommendation: No action needed.

TOWN OF STOWE, VERMONT

Short-Term Rentals in Stowe: Key Findings

Executive Summary | Prepared by Crane Associates and EPR for the Town of Stowe | Draft, August 2026

THE QUESTIONS THIS REPORT ANSWERS

The Town of Stowe commissioned this study to provide data-driven and objective answers to several key questions regarding the impacts of Short-Term Rentals (STRs) in the town. The questions addressed were:
How are STRs affecting Stowe's long-term housing supply and property values?
Do STRs incentivize real estate investment?
Has the increase in STRs contributed to the decline in Stowe homesteads?
How do STRs impact market competition with area hotels?
How do STRs affect traffic, utilities, and municipal services in Stowe?
What are the economic impacts of STRs on the local/regional economy?
How does Stowe compare to other Vermont municipalities in terms of STR impacts?

BASELINE DATA: *January to December 2025*: HOUSING & STRs

- **4,654 total housing units**; about 28%, or 1306, are a registered STR.
- **383 exempt and 88 unregistered:** removed from the database
- **921 registered STR units (736 parcels)**: in the working database; 649 units (528 parcels) generated revenue in 2025, totaling $27.1M.
- **Single-family homes dominate STR activity** — 57.8% of active STRs and 69% of active STR revenue, vs. condos.

HOMESTEAD DECLARATION DECLINE AND STRs

- **33% → 27%** share of Stowe parcels filing a homestead declaration, 2012–2025 (~0.5%/yr average decline).
- **Statewide regression across 175 VT towns** (r = 0.099, p = 0.193) found no statistical significance between STRs and homestead filing.
- **Homestead ≠ residency:** voter-registration and trust-address data suggest Stowe is more likely gaining residents through non-homestead property ownership than losing them.

STOWE VS. OTHER VERMONT RESORT TOWNS

- **8th highest of 250 VT towns in "STR Intensity Score":** unique STR intensity score was created for statewide comparisons. Stowe has highest number of listings but retains a higher owner-occupancy rate than other ski towns like Killington or Dover.
- very little, if any, causal relationship between STR "intensity" and homestead filings.

STR ECONOMIC CONTRIBUTIONS

- **$42 million** in direct spending in the local economy
- **Supports 418 direct** jobs and 251 indirect jobs
- **Produces $18.1 million** in household wages

COMPETITION WITH LOCAL HOTELS

- **STRs vs Hotel/Motels are limited substitutes:** STRs and hotels compete directly in a narrow overlap (e.g., private-entry STR studios vs. hotel suites/kitchenettes) — most inventory on each side serves distinct guest needs.
- **31.2% STR Occupancy vs. 54.0% Hotel occupancy** —2025 Stowe STRs ran 1.7x below the average Stowe hotel occupancy rate.
- **Low Demand for STRs**: data show that 62% of STR owners wish to sell 300 room nights/year but reach only 40% of their target due to insufficient market demand.

Bottom line: hotels capture a larger share of total visitor demand, 59% of STRs are single-family homes and serve a different segment rather than head-to-head competition.

STR ECONOMICS: MODEST RETURNS FOR MOST OWNERS

- **3.7% average ROI** across all active STRs
- **87% Non-Investor:** Primary purpose is personal recreational use. Units are assumed to be unavailable for conversion to long-term housing.
- **13% Investor Owners:** exceed in occupancy rates, revenue, net-returns w/cap rates>8%. Businesses, not recreational use (116 units

STRs ATTAINABLE FOR WORKFORCE-HOUSING STOCK

- **27 investor STR parcels** are valued at or below $380K (120% AMI). 25 condos and 2 SF housing units.
- **61 investor STR parcels** at or below $570K (180% AMI). 37 condos and 24 SF housing units

COMMUNITY & ENVIRONMENTAL IMPACTS

- **4.3x energy use.** Consumes 8% of Stowe's energy demand.
- **80% more water** used per STR night vs. a regular occupied Stowe home night; STRs are ~14% of homes but ~25% of comparable energy use and 16% of water use.
- **334 cars/day** estimated from STR activity (range 165–504), plus roughly 4,100 vehicle trip-ends/day.
- **2.04x EMS, 2.48x fire** — active STRs are twice as likely than other properties to require emergency services.

Economic Impacts of Short-Term Rentals

STOWE, VERMONT

Draft Report · August 19th 2026

Crane Associates Inc
Burlington, Vermont
www.craneassociates.us

EPR ECONOMIC & POLICY RESOURCES

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DEFINITIONS

Active STR: An STR that is registered with the Town of Stowe and has recorded revenue or nights booked during the study period, January 1st, 2025, to December 31 2025.
Homestead Declaration (Form HS-122): determines whether a property is taxed as either a Homestead (Owner-occupied primary residence) or Non-Homestead (Second homes, rentals, commercial property)
Housing Unit: A house, apartment, mobile home, group of rooms, or single room that is occupied or intended for occupancy as separate living quarters. Examples include:

- Single-family houses
- Apartments or condominiums
- Mobile homes or manufactured housing
- Accessory dwelling units (ADUs)
- Single rooms intended as independent living quarters

Housing units are not included in group quarters such as:

- Dormitory rooms (unless designed as separate living quarters)
- Nursing home rooms
- Barracks or institutional group quarters
- Hotel rooms occupied only temporarily

Inactive STR: An STR that is registered with the Town of Stowe and has no recorded revenue and nights booked during the study period, January 1st, 2025, to December 31 2025.
Investor STR owners: a property owner with a registered STR who is earning an ROI of 8% or greater
Non-commercial STR owners: a property owner with a registered STR who is earning an ROI of less than 8%
Single Family Housing Unit: A structure containing one housing unit that is separated from any other building by open space on all sides, or a common wall that separates housing units.
Short Term Rental (STR): per Vermont Statute 24 VSA 2291 ss29: means "a furnished house, condominium, or other dwelling room or self-contained dwelling unit rented to the transient, traveling, or vacationing public for a period of fewer than 30 consecutive days and for more than 14 days per calendar year."
STR Listing: A digital advertisement and profile of an STR for the purpose of selling accommodation in a specific short-term rental unit. One STR may have multiple listings. Popular on-line platforms include Airbnb, VRBO, and Booking.com.
STR Registration: A record of an STR property usually stored by a government entity. Stowe requires an STR registration per local ordinance
STR Property: One taxable parcel ID that is, or includes, STR accommodation
Vermont Homestead: "The principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual's domicile." **32 V.S.A. § 5401**.

Acknowledgements

This report would not be possible without helpful cooperation from many people including:
Charles Stafford, Town Manager
Will Fricke, Assistant Town Manager
Tim Morrissey, Town Appraiser
Penny Davis, Town Clerk
Ed Webster, Chief, Stowe Fire Department
Sarah McShane, Planning and Zoning Administrator
Harry Shepard, Public Works Director, Town Engineer
David Rugh, Town Attorney
Jake Feldman, Analyst State of Vermont Department of Property Tax
Will Baker, Assistant Attorney General, Director, Legal Unit, Vermont Dept. of Taxes
Greg Farnham, Stowe Area Association

Any opinions expressed or implied in this report are those of the author and do not reflect those of the Town of Stowe or anyone else. The author of this report is Michael Crane AICP, President, Crane Associates Inc, www.craneassociates.us.

Chapter 1: Introduction

Short-term rentals (STRs) can vary in size, ownership, building type, availability, guest responsibilities, and related services. In tourism communities, the number of STR units can be a large percentage of the total housing units in town. For Stowe, about 28% of its housing units have a registered STR. The growth in STRs in the last 18 years has prompted the Stowe leadership to question its impact on housing supply, the local economy, and community character.

Short-term rentals are an active and constantly changing market. An STR landlord can be almost any property owner: a retired couple who may want to generate a little revenue to help pay for their dream vacation; or it can be a property investor who owns several condos and rents them all year long. It only takes a property owner to advertise a living space for less than 30 days, just once, to become an STR landlord. The number of STRs in a community rises and falls with the seasons, real estate markets, and the owners' personal preferences. An STR today can be a full-time residence tomorrow or vice versa, or both simultaneously. STRs vary from a spare bedroom in an occupied home, an accessory dwelling unit, or an entire private house.

Given STRs' broad range of types, ownerships, and temporal flexibility, an analysis of their impact on a community is difficult. This new and fast-growing segment of the overnight accommodation sector is not fully understood by the public or policymakers. A concern about the impact of STRs has risen in communities across America and in many tourist destinations in Vermont, like Stowe. Airbnb alone has over 7 million listings in 220 countries. Data on Airbnb listings shows that Stowe property owners started listing their STRs in 2008 [i].

As the community of Stowe knows experientially, short-term vacation rentals have maintained an integral part of the Stowe tourism economy ever since Mt Mansfield has attracted tourists. The Stowe Ski Club was formed in 1932[ii]. The National Ski Championships were held in Stowe in 1938; in 1940 the Mt. Mansfield Lift, Inc. made national headlines when it opened the "longest and highest chairlift in the world"; and Stowe has long maintained the moniker "Ski Capital of the East" ever since. This long-term effort to attract tourists has generated demand for visitors' accommodation. The Stowe Town Plan documents the growth of the ski industry and the start of short term rentals in 1940 when farmhouses and village houses were converted into "small inns and tourist cabins.[1]" Short term rentals have been part of Stowe's recreation economy with ski dorms, informal ski clubs, and residents renting rooms, long before Airbnb and the internet. Today's STRs, and all visitor accommodations, are an output of the demand generated by the tourism industry in Stowe.

[1] 2018 Stowe Town Plan page 9.

THE PROS AND CONS OF STRS

While the pros and cons of STRs will vary from town to town, the overriding debate about this issue includes the following:

BENEFITS	COSTS
Homeowner Revenue Monetizes unused space, helps cover property taxes and household expenses	**Housing Stock Reduction** Converts residential units away from long-term use
Seasonal Accommodation Diversifies the accommodation portfolio	**Affordability Pressure** Reduces supply, raises rents and property prices
Property Value Growth Improves grand list values	**Neighborhood Character** Transient visitors can disrupt community character
Visitor Distribution Helps other tourist-dependent businesses Spreads foot traffic to non-hotel business areas	**Municipal Services** More police, emergency, and zoning enforcement calls
Local Tax Revenue Increases 1% local option rooms & meals tax	**Environmental Impact** Higher water, power, traffic, and waste generation

THE BENEFITS of Short-Term Rentals in Stowe can include:

- Giving homeowners a means of monetizing unused space in their home and generating additional revenue to help pay for property taxes and other housing expenses that may be inflated in tourist destinations compared to towns without a tourist industry.
- Supplies additional types of accommodations to meet a wider range of demand. This allows tourist dependent businesses such as restaurants, retail, attractions, and visitor services, to strengthen their annual revenues from a new accommodations market.
- Increasing property values, although this benefit is a double-edged sword. Increased property values may improve the town's grand list values, and it may benefit the homeowner, depending on the household's finances.
- Distributing more visitors evenly across the town. In Stowe, STRs may generate additional foot traffic to businesses that are not walkable from commercial hotels.
- Increased revenue to the town through the 1% local option rooms and meals tax.

THE COSTS of STRs in Stowe can include:

- Reducing the stock of long-term housing. If residential housing units are converted to STRs then it eliminates the units to be used by local residents and further exacerbates the existing housing shortage.
- Upward pressure on housing affordability. If STRs displace long-term residents, and reduce the supply of long-term rentals, then two economic effects occur: 1) the reduction in supply will increase the rental price (all other factors remaining equal) and 2) the increase in property values will also increase the rental price on those remaining rental units.
- Distributes accommodation businesses into residential neighborhoods, changing the neighborhood character. The concentration of STRs in one location may increase to the point where the character of the neighborhood is dominated by rental units with transient visitors and not homeowners. This can result in increased noise, parties and parking congestion.
- Increase in community services including police calls, emergency services, zoning enforcements, STR registration monitoring.
- Environmental impacts such as increases in water and power consumption, traffic, wastewater and trash generation.

THE STUDY'S OBJECTIVES

The purpose of this study is to research and report on how STRs in Stowe Vermont impact long-term housing supply, tax revenues, traffic, neighborhood character, hotel occupancy, real-estate values, municipal services and other impacts not yet discovered. The Town of Stowe requested an objective, fact-based study to investigate and analyze several key elements of STR activity in the Town, including:

- The size and growth of the short-term rental (STR) market in Stowe.
- STRs' relationship to housing availability, prices, and rents.
- STR's relationship with full-time resident populations and housing occupancy.
- Stowe's STR trends relevant to other benchmark resort communities
- Identify key drivers of change such as housing availability and affordability, employment, and demographic shifts, subject to data availability.
- Provide data analysis to help the Town evaluate how potential STR regulatory approaches could impact housing availability, housing costs, and the number of full-time residents and homesteads over time.
- Provide data analysis to help the Town evaluate how potential STR regulatory approaches could impact the range and value of residential ownership, governance, and rental structures in Stowe's housing market, including condominiums, traditional lodging, fractional ownership models, single family units, and others.
- Provide data analysis to help the Town evaluate how STR fees could be structured and utilized to directly mitigate potential housing impacts associated with STR activity and recommend potential STR fee amounts.
- The economic and fiscal role of STRs in Stowe, including impacts on economic activity, tourism, employment, hotel occupancy, business revenues, municipal revenues, and state revenues.
- Assess the impact of STRs on traffic congestion, infrastructure, public safety, and other municipal services

CHAPTER 2: BASELINE:
SHORT-TERM RENTALS IN STOWE

HOUSING SUPPLY AND HOMESTEADS

A detailed analysis of the assessor database was conducted by Stowe staff to create a primary dataset for housing units in town. The process involved reviewing each of the 4177 parcel records in the Stowe's 2025-26 Grand List. The records were reviewed to determine the number of housing units on each parcel[2]. The results of this review provide a reliable baseline inventory of housing units upon which this study is built.

The analysis shows a total of 4654 housing units in Stowe. Over half (53%) are single family units, 34% are condo units, and 12% are apartment units.

Table 1 Stowe Housing Inventory (source2025 Grand List)

Type	*Units*	%
Apartment	547	12%
Condo	1511	34%
SF Home	2344	53%
Total	**4402**	100%

The analysis of the grand list also showed that there are 252 accessory dwelling units (ADUs) in Stowe. Since each ADU must be on a single-family parcel they are not shown as a separate land use in the grand list and therefore must be identified separately from the total housing stock. In total, Stowe effectively has 4654 housing units including the ADUs (Table 2).

Table 2 Housing Units in Stowe 2025 (source 2025 Grand List)

Type	**HOMESTEAD**	**% OF ALL HOMESTEADS**	**NON-HOMESTEAD**	**%**	**TOTAL**
Apartment	8	0.7%	539	16%	547
Condo	106	9.5%	1405	43%	1511
SF Home	1001	89.8%	1343	41%	2344
Total	1115	100.0%	3287	100%	4402
				Total Accessory Dwelling UNITS (ADU)	252
				Total Housing Units[3]	**4654**

[2] The recently completed Stowe Housing Needs Assessment estimates a total 4062 housing units in Stowe while the analyzed assessor database shows 4654 units.
[3] Assessor Grand List

INVENTORY OF SHORT-TERM RENTALS IN STOWE

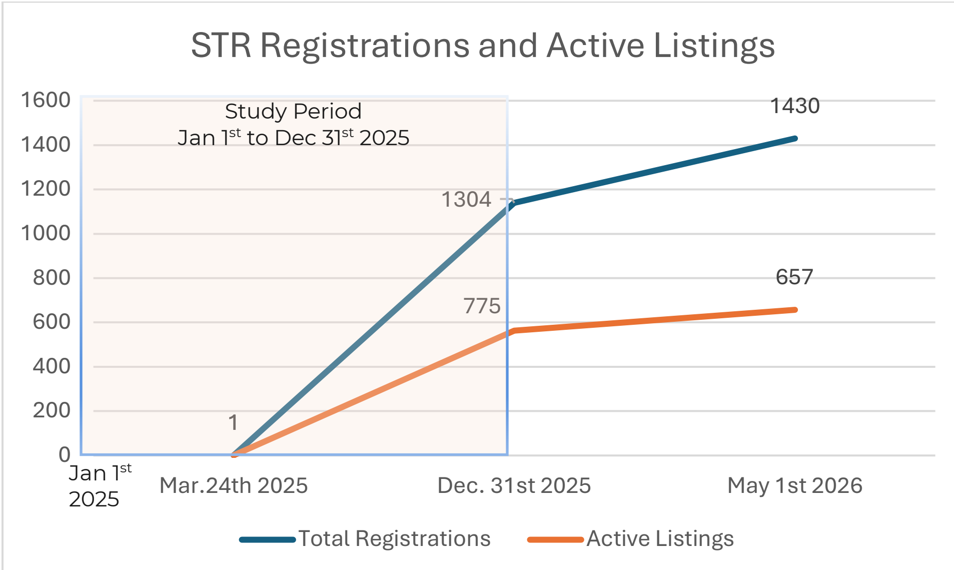

Figure 1 Inventory of STRs by select months (source Town Managers' Office)

The analysis of the STRs in Stowe relies on baseline of data. The baseline is used to reconcile calculations within this report. The database was produced by the Town of Stowe with data received from their data management service Deckard Technologies.

As described in the introduction, the STR market is highly dynamic and constantly changing. The STR market in Stowe has also been affected by recent public discourse and policy discussions regarding potential STR regulations. The Stowe STR registry went into effect on March 23, 2025. Data on STR income and rental activity were available back to January 1, 2025. By June 2025, there were approximately 900 registered STRs, and by December 31, 2025, there were 1,304 registered STR units.

This study was initiated in February 2026. By June 24, 2026, there were **1,474 registered STR parcel records**. When the 88 unregistered STRs with 2025 revenue are added for reconciliation purposes, the full STR activity database totals **1,562 parcel records**. A registered STR is not necessarily an active STR listing. Registration allows a property owner to preserve the option to offer a property as an STR, but it does not mean the unit generated rental revenue during the study period. With numerous news articles and public meetings regarding potential STR restrictions, including a late-February 2026 headline urging property owners to "Beat the Deadline" before a potential cap on registrations, the market appears to have responded with a surge of registrations by property owners seeking to preserve the option to rent in the future. Between January 1 and June 24, 2026, there were 380 new registered STR parcel records and 456 new registered STR units. Of those, 53 parcel records and 66 registered STR units were tied to revenue records. These post-December 31, 2025 registrations are shown for reconciliation purposes in Table 1 but are excluded from the final working analysis database.
(Table 1).

FOMO, or the Fear of Missing Out, is a well-documented behavior in financial markets that is often the source of market bubbles, over-trading, late-cycle rallies, and price surges in new sectors such as tech-stocks, crypto, cannabis, and EVs. Research on FOMO has shown that each 10% increase in the purchases based on FOMO leads eventually to a 1.7%-2% decline in returns[iii]. The US Securities and Exchange Commission advises the public to avoid being influenced by the effects of FOMO[iv]. FOMO is likely the reason for the recent surge of STR registrations and because it is known to temporarily distort markets, these data are removed from the study period.

To conduct any impact analysis, a set of data must be limited to a fixed period of time. This study's baseline data is limited to the STR inventory and registrations as of December 31st 2025 to align with other corresponding relevant data sets including the assessor's database, municipal budgets, several datasets within the Vermont Tax Department, voter registration, and STR listing revenues.

The Town of Stowe adopted STR policy regulations that created an "exempt area" where properties are not subject to the STR regulations. There is a total of 655 parcels within this exempt area and 358 of these land records have registered STRs. These STRs are mostly condominiums marketed concurrently with resort hotels rooms on the same platforms. Since they are deemed by the town to be exempt from the STR regulations, and because they are not recognized as a potential long-term housing unit, they are removed from the analysis.

The database is complicated by the number of unregistered STRs. There were 88 records from Deckard's raw data that showed a total of $3.47 million in revenue generated in 2025 but not assigned to an APN number and therefore not matched to an address (Table 3). When we combine registered, newly registered, and unregistered STR activity, total revenue in 2025 was $39.3 million. Because the unregistered records cannot be matched to property type, ownership status, location, or assessed value, they are shown as a reference category but are excluded from the final working analysis database (Table 3).

WORKING BASELINE DATA

Table 3 STR baseline data

Measure	*Total Registered by Dec. 31, 2025*	*Exempt Registered STRs (excluded)*	***Non-Exempt Working Database***	*Unregistered STRs (Excluded)*	*Current Full STR Activity (2026)*
Total parcels in STR Revenue worksheet	—	—	—	—	**4,177**
STR parcel records w/ units	1,094	358	**736**	88	**1,562**
Total registered STR units	1,304	383	**921**	**0**	**1,760**
STR parcel records with revenue	645	117	**528**	**88**	**786**
STR parcel records with no revenue	449	241	**208**	—	776
Registered STR units tied to revenue records (active STRs)	775	126	**649**	0	841
Registered STR units with no revenue (inactive STRs)	529	257	**272**	—	919
Total STR revenue	$33,416,029	$6,320,096	**$27,095,933**	$3,471,697	$39,284,488
Total booked nights	72,595	12,485	**60,110**	7,206	85,891
Total available nights	188,026	35,507	**152,519**	18,618	224,054
Total assessed value	$1,124,668,700	$379,696,000	**$744,972,700**	$212,491,300	$1,770,787,200
Unique owners	1,035	322	**715**		—
Unique active owners	625	110	**517**	87	

The database was cleaned to remove the exempt properties, unregistered properties, and properties that were registered after December 31st 2025. The final working database is shown in Table 4.

Table 4 Final Working Baseline

STR Type	Total Registered by Dec. 31, 2025	Non-Exempt, Final Working STR database
STR parcel records w/ units	1,094	**736**
Total registered STR units	1,304	**921**
STR parcel records with revenue	645	**528**
STR parcel records with no revenue	449	**208**
Registered STR units w/revenue (active STRs)	775	**649**
Registered inactive STRs (no revenue)	529	**272**
Total STR revenue	$33,416,029	**$27,095,933**
Total booked nights	72,595	**60,110**
Total available nights	188,026	**152,519**
Total assessed value	$1,124,668,700	**$744,972,700**
Unique owners	1,035	**715**
Unique active owners	625	**517**

The final working baseline data include 649 registered STR units tied to revenue records, representing 528 active parcel records that generated $27.1 million in 2025. Another 272 registered STR units were inactive and generated no revenue. The final non-exempt working database contains 921 registered STR units across 736 parcel records and 715 unique STR owners.

After excluding the exempt area, most STR activity in the working database is now concentrated in single-family properties and non-resort condominiums. Single-family properties account for 532 registered STR units, while condominiums account for 300 registered units (Figure 2).

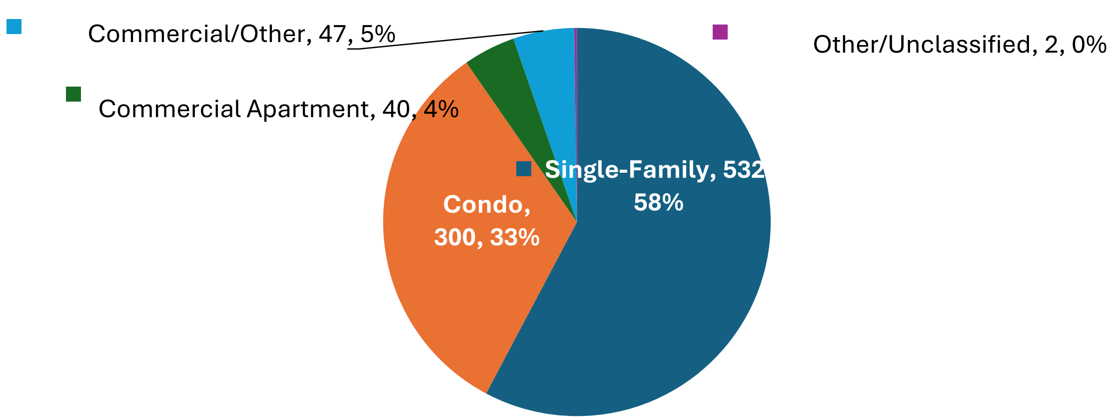

Figure 2: Registered STR Units by Property Type

Single-family STRs also generate the majority of revenue in the final working database.

Among active STRs, single-family properties account for 325 parcel records and $18.6 million in revenue, while condominiums account for 178 active parcel records and $7.1 million in revenue.

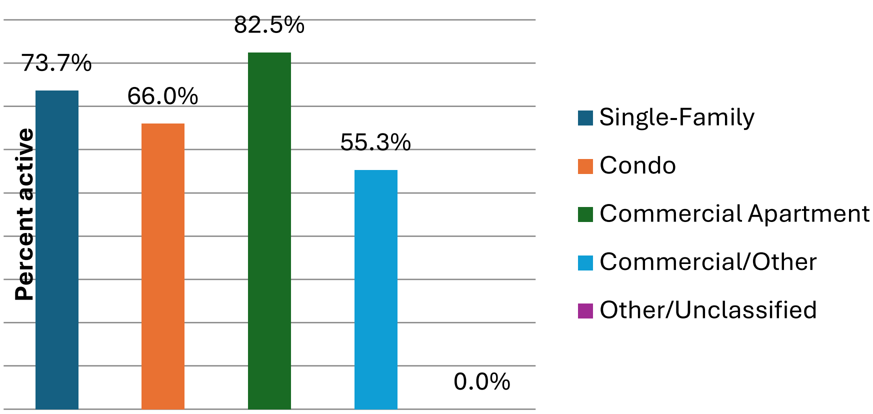

Figure 3 Registered STRs and Percent Active by Unit Type

The median assessed value of condo STRs in the final working database is $505,900; single-family STRs have a median assessed value of $946,200 (Table 5).

Table 5 STR inventory in Stowe (source Town Managers' Office)

Land Use / Property Type	*Active STRs (w/ Revenue)*	*Total Registered STR Units*	*% Active STR Units*	*Total Revenue*	*Nights Booked*
Single-Family	325	532	57.8%	$18,621,780	36,097
Condo	178	300	32.6%	$7,110,235	19,757
Commercial Apartment	9	40	4.3%	$611,810	1,527
Commercial/Other	16	47	5.1%	$752,108	2,729
Other/Unclassified	0	2	0.2%	$0	0
TOTAL	528	921	100.0%	$27,095,933	60,110

HAS THE INTRODUCTION OF STRS DECREASED THE SUPPLY OF LONG-TERM WORKFORCE HOUSING IN STOWE?

Single-family homes and condominiums were combined into separate assessed-value categories to evaluate whether the STR inventory overlaps with attainable workforce housing (Table 6).

To determine the number of STRs that are financially obtainable as workforce housing, the Stowe Housing Assessment recently completed by Community Scales was referenced. That report shows, on page 68, the affordable purchase price for workforce housing, or households earning 100%–120% of AMI (Area Median Income), is a maximum of $266,697 (Table 7). Using a threshold of $266,697, the database contains a small number of STR properties condominiums that may be attainable for workforce housing. It does not indicate any single-family STRs that are attainable at the Community Scales workforce-housing threshold.

Table 6: Assessed Value of STRs for SF homes and Condos (source, 2025 Grand List)

Asset Value Category	Single-Family STR Properties	Median Assessed Value
Under 250K	0	—
$250K–$375K	5	$335,300
$375K–$500K	26	$432,800
$500K–$1M	206	$743,600
$1M–$2M	160	$1,340,150
$2M–$5M	37	$2,741,600
$5M–$10M	4	$7,572,400
Over $10M	0	—

Asset Value Category	Condo STR Properties	Median Assessed Value
Under 250K	5	$188,800
$250K–$375K	66	$301,050
$375K–$500K	58	$432,250
$500K–$1M	89	$666,300
$1M–$2M	44	$1,194,450
$2M–$5M	0	—
$5M–$10M	0	—
Over $10M	0	—

Table 7: Stowe Housing Needs Assessment, Affordability Thresholds, (page 68. Source: Community Scales)

Housing affordability thresholds by household income group

AMI level	Total households	Household income range	Monthly affordable housing costs	Affordable home price max	Affordable rent max
<30%	277	<$27,800	<$700	$49,987	$526
30-60%	457	$27,800-$55,700	$700-$1,400	$124,022	$1,200
60-80%	313	$55,700-$74,200	$1,400-$1,850	$171,615	$1,633
80-100%	191	$74,200-$92,800	$1,850-$2,300	$219,209	$2,066
100-120%	144	$92,800-$111,400	$2,300-$2,800	$266,697	$2,498
>120%	1,081	>$111,400	>$2,800		

The Housing Needs Assessment does not provide calculations on how the affordable price was determined. Since $266,697 appears unreasonably low for the Stowe market, a new set of affordability calculations was completed for the purposes of this study to determine if STRs are reducing the supply of workforce housing in Stowe. The inputs and calculations are shown in Table 8.

Table 8: Affordability Calculations for Workforce Housing (source Crane Associates)

INPUTS	ASSUMPTIONS 120%AMI	ASSUMPTIONS 180%AMI
Household Size	4-person	4-person
AMI Income	$117,840	$176,760
Housing Cost Burden	30% of gross income	30% of gross income
Mortgage Interest Rate	6.37%	6.37%
Down Payment	5%	5%
Loan Term	30 years	30 years
Stowe FY26 Homestead Tax Rate	1.37%	1.37%
Homeowners Insurance	0.35% of property value	0.35% of property value
PMI	0.50% of loan balance	0.50% of loan balance
HOA Fees	$0	$0
CALCULATIONS	**AMOUNT**	**AMOUNT**
Annual household income	$117,840	$176,760
Gross Monthly Income	$9,820	$14,730
30% affordability factor	0.30	0.30
Maximum Affordable Monthly Housing Cost	$2,946	$4,419
Property Taxes	$434/mo	$651/mo
Homeowners Insurance	$111/mo	$166/mo
PMI(5%)	$150/mo	$226/mo
Maximum Affordable Mortgage (principal and interest)	$2,251/mo	$3,376/mo
Affordable loan	$360,991	$541,487
5% downpayment	$19,000	$28,499
Estimated affordable purchase price	~$380,000	$569,986

Based on these affordability calculations, the affordable purchase price of a home in Stowe for households earning 120% of AMI, or $117,840 per year, is approximately $380,000. Households earning 180% of AMI, or $176,760 per year, can afford an estimated purchase price of approximately $570,000.

As of January 2026, the State of Vermont, Property Tax Division, determined for statewide education property tax purposes, that Stowe's current grand list assessed values were 3% lower than the actual market price. Therefore, the grand list values are a reasonable proxy of market price to determine how many STRs units were affordable for purchase or rent to working families. Without adjusting for the 3% difference, **the data suggest that there are ten STRs in the single-family home category, obtainable to workforce households earning at least 120% of AMI.** For additional information we expanded the affordability calculations to 180%AMI and found that there are 73 single family STR units that are obtainable to households at this income level (14% of total SF housing stock. Table 9).

There are 87 non-exempt condo STR properties valued at or below approximately $380,000 (Table 10). None are studios; 20 are one-bedroom units and 67 have two or more bedrooms (Table 11).

Table 9 Count of Single Family STRs affordable to 120% and 180%AMI(Source, Town Managers Office)

Household Group	Annual Income	Affordable Purchase Price	# of affordable Single-Family STR Properties	% of All Single-Family STR Properties
120% AMI household	$117,840	$380,000	10	1.9%
180% AMI household	$176,760	$570,000	73	13.7%
Total single-family STR properties			532	100.0%

Table 10 Count of STR condos affordable to 120% and 180% AMI(Source, Town Managers Office)

Household Group	Annual Income	Affordable Purchase Price	# of affordable Condominium STR Properties	% of All Condominium STR Properties
120% AMI household	$117,840	$380,000	87	29%
180% AMI household	$176,760	$570,000	179	59.7%
Total Condominium STR properties			300	100.0%

Table 11 Affordable STR Condos by number of bedrooms (Source, Town Managers Office)

Bedroom Category	STR Condo Properties	%
Studio	0	0%
1 Bedroom	20	23%
2 Bedrooms	47	54%
3 Bedrooms	20	23%
4 Bedrooms	0	0%
TOTAL	87	100%

While these housing units may be affordable to workforce households, their availability for purchase or rent is a separate question. Availability is most likely dependent on the owner's prerogative of retaining it for personal temporary use. To determine if they are available for long-term housing, the question that must be answered is: **if renting out an STR was not a legal option for these owners, would they continue to retain it for personal use, or then rent their property to long-term renters?**

We don't know the answer without interviewing each owner but if they were purchased for recreational use then one might assume that they would continue to be used recreationally and not be available for long-term rent. One indicator that they might convert to renting for long-term use is to review the revenue and nights-booked on these properties. If the properties are being booked frequently and generating considerable revenue, then it may suggest that profit generation might be a motivating factor. If creating profit for one's property is the prime reason for owning it, then it may stand to reason that long-term rental is the next best option for the owner if short-term renting was not an option.

Table 12 shows the revenue and nights booked for non-exempt condo STR properties valued below $500,000. These properties generated $3.24 million in STR revenue. Active condo STRs below $500,000 had an average revenue of approximately $22,662 and an average of 85 booked nights (Table 12).

Table 12 Revenue of Condo STR units at <$500,000 asset valuation

Assessed Value Category	Condo STR Records	Total Condo STR Units	Units w/ Revenue	Units w/ No Revenue	Total Revenue	Median Revenue, Active Only	Median Nights Booked, Active Only
Under $250K	5	7	4	3	$49,576	$6,944	53.0
$250K–$375K	66	73	50	23	$1,645,505	$33,334	105.0
$375K–$500K	58	69	50	19	$1,547,530	$27,710	99.0
$500K and above	133	151	94	57	$3,867,624	$33,506	70.5
TOTAL	262	300	198	102	$7,110,235	$32,658	87.5

To conduct comparative estimates on revenue from short-term versus long-term rental we used an average two-bedroom condo as a base case. Based on internet search for long-term condo rentals in Stowe, the monthly rent is approximately $2,500. The owner would collect approximately $30,000 in gross rent and have expenses of between 5% to 20% of gross. The average 2-bedroom condo STR rental in Stowe generated $22,662 during 2025, from an average of 85 nights booked. Expense ratios for STRs is between 25% and 40%. In both cases, maximum expenses were used. Results show that long-term condo rentals in Stowe would generate nearly twice as much net revenue for the owner than STRs ($24,000 versus $13,600). **If the condo owner was strictly interested in revenue, then the long-term option would provide more net revenue with less management (Table 13)**.

Table 13 Gross and Net Revenue from Long-term rental vs STRs

	Revenue Estimates	
Unity Type	**2-bedroom condo**	**STR**
Source	12mo. x $2,500 (internet search)	Stowe STR database 2025
Occupancy	365 days	85 days
Gross Revenue	$30,000	$22,663
Expense Ratio	5%-20%	25%-40%[4]
Net Revenue (less max expenses)	$24,000	$13,598

The reader should note that these are average figures representing the entire market. The data also revealed outlier owners who are earning much more or less. This might result in STR owners who may or may not be willing to convert, but that would require a parcel-by-parcel analysis. A more thorough assessment of owners' motivation to own an STR, their investment activity, and probability of conversion to long-term housing is conducted in Chapter Four of this report.

HOMESTEADS AND STRS

Several of the main questions for this study revolve around STRs and Homestead filings including:

- Does the decrease in homestead filings indicate a decrease in Stowe residents?
- Does the decrease in homestead filings have any relationship to the increase in STRs and if so, what is it?
- Is the number of homestead filings an indicator of long-term housing supply?

This section attempts to address these questions. In 2025, 27% of the homeowners in Stowe filed a homestead declaration, amounting to 1,115 parcels, and approximately 90% of them owned a single-family housing unit (Table 14).

[4] Airbnb Host Costs: 4 Expenses Every Host Should Know. September 26th,2025 https://www.airdna.co/blog/airbnb-host-costs

Table 14 Homestead Filings, Stowe 2012 to 2025 (source, Town Manager's Office)

YEAR	Homesteads	Change	Parcels	% Homestead Parcels
2012	1222	8	3732	33%
2013	1157	-65	3745	31%
2014	1154	-3	3759	31%
2015	1149	-5	3755	31%
2016	1172	23	3806	31%
2017	1180	8	3832	31%
2018	1184	4	3840	31%
2019	1180	-4	3834	31%
2020	1180	0	3866	31%
2021	1180	0	3915	30%
2022	1144	-36	3982	29%
2023	1132	-12	3999	28%
2024	1102	-30	4095	27%
2025	1115	13	4177	27%
'12-'25 Net+/-			-99	
'18-'25 net+/-			-65	

Combining the assessor database with the non-exempt STR working database indicates that **130 homestead parcels had active STR revenue in 2025. This amounts to 11.6% of all homesteads.**

Table 15: Homesteads and STRs (source, 2025 Grand List)

Homestead STR Type	Homestead STR Parcel Records	Registered Homestead STR Units	% registered Homestead STR Units	Active Homestead STR Units	% of Active Homestead STR Units	Total Revenue
ADU / Apartment	40	56	32.9%	45	38.1%	$1,782,581
Condo	7	7	4.1%	3	2.5%	$71,959
Entire Home	81	105	61.8%	69	58.5%	$2,398,822
Commercial Apartment/Other	2	2	1.2%	1	0.8%	$26,879
Other / Unclassified	0	0	0.0%	0	0.0%	$0
TOTAL	130	170	100.0%	118	100.0%	$4,280,241

Of the 130 homesteads parcels with an STR, about 1/3rd include ADUs and the other half entire houses. Only two commercial apartments and seven are condos (Table 14).

The number of homestead filings in Stowe have decreased steadily from 2012 to 2024. The 2025 Stowe Housing Needs Assessment erroneously states that "Only about ⅓ of residential properties file homestead exemptions, down from 43% in 2012. (page11)" In 2012 the percentage was actually 33%, and without any additional data, the report further claims that the "…extensive supply of short-term rentals has negatively impacted the availability of attainable housing choices for residents.[v]" This report has generated a concern by some that the increase in STRs have contributed to a decrease in attainable long-term housing as measured by homestead filings, and in part, prompted this study. This section further investigates the relationship between STRs and homestead filings.

HOMESTEAD FILINGS IN STOWE

The Vermont Department of Taxes is required by law to send each municipality Form 411 which documents the number of annual homestead filings for that municipality. Stowe Assessor data show 1222 homestead filings in 2012, or 33% of the total 3745 parcels in Stowe in that year. In each year there are four variables of homestead recordings that change: property ownership; total number of parcels in town; total number of homestead filings; and the net difference. In 2025, there were 4177 total parcels and 27% of them (1115) filed a homestead declaration (Table 14).

From 2012 to 2025 the absolute net change was that 99 parcels left the homestead inventory in Stowe. Out of a total inventory of 4177 parcels this is an absolute decrease of 2.4% or a net decrease in the share of homestead parcels by 6 percentage points from 33% to 27%. **The difference in the share of six percentage points over the 14-year period is an annual average change of about 0.5% over this period.** For most of this period the percentage of homestead filings remained consistent at about 31% but in the last 5 years the percentage decreased by a total of 3% or 0.7% annually. The data show that number of homestead filings has decreased steadily, but not in large volume, for the past 14 years, most prominently in the last seven years (Figure 4).

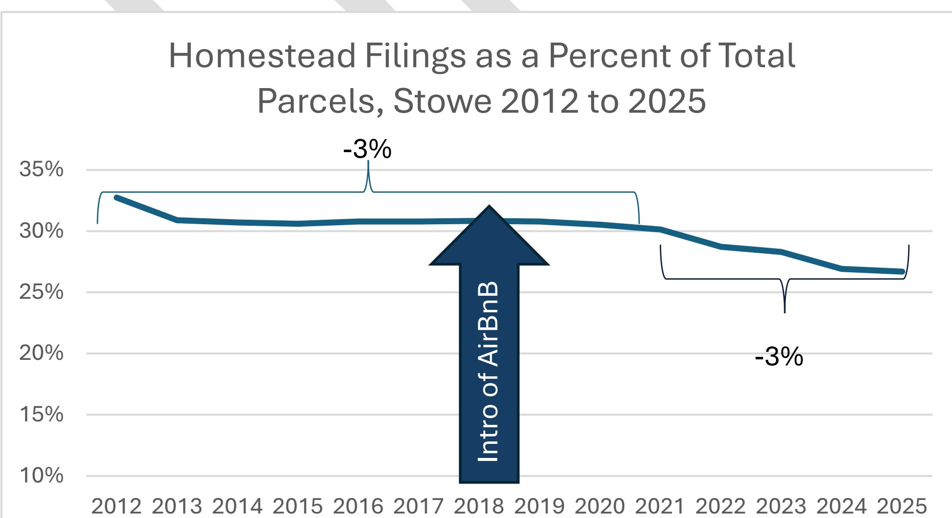

Figure 4 Homestead Filings in Stowe 2012-2025

During the period of the largest decline in homestead filings, the Airbnb activity in Stowe increased. Airbnb started in 2018 and the data on active listings since then have been recorded and made public by the Vermont Housing Finance Agency through the third-party service AirDNA. These data show active listings in Stowe rose by a compound average annual growth rate of 4% (Figure 5). Is there a cause-and-effect relationship between an increase in active STR listings and the decrease in homestead filings? Or are these two trends moving independently? To answer these questions research on the requirements to file a homestead declaration and the relationship between these trends is conducted.

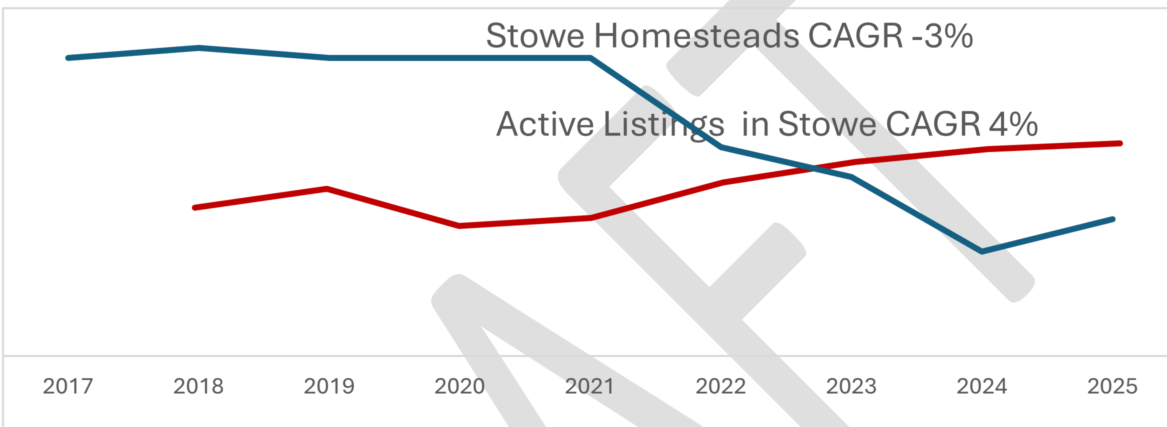

Figure 5: Homestead Filings and Airbnb Activity

HOMESTEAD FILING REQUIREMENTS IN VERMONT

Under Act 32 VSA Chapter 154, a statewide education tax is imposed on all homestead and non-residential property (32 V.S.A. § 5402(a)). The State of Vermont provides property tax relief to some full-time Vermont residents through the Homestead Property Tax Credit program under this same chapter.

The Act not only serves as a means for some Vermonters to gain property tax relief, but it also provides the State with a method of monitoring the inventory of properties in Vermont, for purposes of imposing the statewide education property tax. Under this law, all homestead owners are required to file a homestead declaration as dictated in the Act:

> "*(a) A homestead owner shall declare ownership of a homestead for purposes of education property tax.*"[vi] In the same subsection, the law states "(*e) The Commissioner shall adopt rules governing the eligibility requirements for declaring a homestead.*"

The eligibility requirements define homesteads under 32 V.S.A. § 5401(7) that use seven criteria starting with:

> "*A) "Homestead" means the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual's domicile.*"

While homestead is defined as one's principal dwelling, an important eligibility criterion under the law, with respect to this study, is the definition of dwelling when the title of the property is held in trust or by a corporation. In Stowe there are 758 properties held in trust. The definition of homestead is further qualified by the following subsection:

> "*A dwelling held in trust and occupied by the beneficiary of the trust as the principal dwelling should be declared as the homestead of the beneficiary <u>only if</u>: (1) the declarant is the sole beneficiary of the trust, (2) the declarant or the declarant's spouse or civil union partner was also the grantor of the trust, and (3) the trust is revocable or became irrevocable solely by reason of grantor's death.*" Under the same subsection "*When title is held by an entity such as an S corporation, partnership or limited liability company, none of the attributes of ownership are retained by an individual and therefore the property cannot be an individual's homestead.*[5]" (underline added)

In essence, this means that some trust properties may not file Homestead declarations regardless of the owner's residency status. (See Appendix 1 for complete definition)

DOES THE DECREASE IN HOMESTEADS MEAN A DECREASE IN RESIDENCES?

Correspondence with the Legal Unit of the Vermont Department of Taxes confirms that fully domiciled Vermont residents can live in non-homestead properties under certain conditions and not be eligible, nor required, to file an HS122[vii]. This includes

[5] 32 V.S.A. § 5401(7)e (3)

residents of Stowe who are living in property owned by a trust, in which there is more than one unmarried beneficiary of the trust. Without reading each trust document, we don't know how many trusts in Stowe fall within this classification. Landowners have several reasons to create a trust property. One common reason is to distribute property to unmarried individuals. What this means for this analysis is that **the relationship between homestead and residency is not a direct, 1:1 correlation. Therefore, the use of homestead as an indicator of residency should be used with caution, if at all.**

The Stowe Assessor's office provides the number of homestead and non-homestead properties that are held in trust. Assessor's office reports that in 2025, there were a total of 758 properties held in trust in Stowe. Of these trusts, 250 filed a homestead declaration.

The question for this analysis is how many of the remaining 508 non-homestead trusts in Stowe are the primary residence of the occupants? One indication is the mailing address for the property tax bill. Of the 508 non-homestead trusts in Stowe, 364 have Stowe mailing addresses (Table 16). There are several scenarios where non-residents may still use a Stowe mailing address, so this isn't a 1:1 correlation to residency either but it is one more indicator.

Table 16 : Estimation of Non-homestead Stowe residents (source 2025 Grand List)

	HS Trusts	*Non-HS Trusts*	*Total Trusts*
Total Trusts	250	508	758
Stowe zip trusts	394	**364**	758

Voter registration is also an indicator of residency. Data on registered voters in Stowe were collected and assigned to addresses to determine the number of voters in homestead and non-homestead properties. Using the November 2024 general election voter registration list and the April 2025 homestead filings, approximately half of the non-homestead properties had registered voters at these addresses and 61% of them had cast a vote in the 2024 election. There are approximately two voters per homestead parcel and 81% of them had cast a vote in the same election (Table 17).

Table 17: Registered voters and votes cast in non-homestead parcels (source Town Managers Office)

	Registered Voters	*Parcels*	*Voters/Parcel*	*Votes Cast*	*Votes Cast/ Registered Voter*	*Votes Cast/ parcel*
Homestead	2095	1102	1.90	1693	81%	154%
Non-homestead	1483	3077	0.48	908	**61%**	**30%**

These data indicate that the number of homestead declarations is not an accurate metric to determine residency. Therefore, the decrease in homestead declarations in

Stowe, as documented in the Stowe Housing Assessment Report, should not be used as indicator that Stowe is losing residents. In fact, the same housing assessment report forecasts a 20% increase in households in the next ten years, or 523 new households[viii]. A decrease in homestead filings does not necessarily mean an increase in out-of-town owners. **Given that homestead filings should not be used to measure residency, its use to measure a relationship with STRs may also be inaccurate.**

ESTIMATION OF STOWE RESIDENTS IN NON-HOMESTEAD PROPERTIES

The combination of voting activity and the number of trust properties with a Stowe mailing address is used as indicators of residency. Considering the sizable numbers of each, Stowe has a percentage of residents living in non-homestead properties. In the 2024 general election, **approximately 30%, or 150, of the non-homestead parcels had registered voters who had cast a vote in 2024**. This is used as a minimum since not all residents cast a vote. Using 30% as a floor, an estimated 150 non-homestead properties that are occupied by Stowe residents.

If the zip codes of the owners' billing address were used to identify residency, then **there are an estimated 364 non-homestead parcels occupied by Stowe residents**. Using this figure as the ceiling, then the median value between these two ranges results in 257 non-homesteads parcels occupied by Stowe residents (Table 18). The number of homesteads that left the homestead inventory between 2018 and 2025 is only 65, while the median estimate of non-homestead Stowe residents is four times greater, therefore **it is more probable that Stowe is gaining residents through non-homestead properties than losing them**. It is also possible that a **percentage of the 65 properties that left the homestead list are still Stowe residents**.

Table 18 Estimate of Non-Homestead Residents in Stowe

Method	*Estimate of Non-homestead Residents*
Voter estimation	150
Zip code of Trusts	364
Median	**(Est)257**

Chapter 3: Statewide Comparative Analysis of STRs in Vermont

The results of the analysis on homestead filings in Stowe provide some insight into the reason households file a Homestead Declaration, but it doesn't explain the relationship, if one exists at all, between homestead declarations and the increase in STRs. To determine if the growth in STRs has influenced the number of homestead declarations, a statewide comparative analysis was conducted on STR activity and homesteads filings. This required building a database of all homestead declarations and collecting STR activity across Vermont.

Homesteads Declarations and STRs

Regression analysis was conducted to examine the relationship between total homestead filings in Vermont provided by the Vermont Department of Taxes and the monthly average STR listings across 175 Vermont towns as provided by the on-line VHFA- STR database.

Pearson correlation analysis was performed to evaluate both the strength and statistical significance of the relationship. The results indicate a very weak positive correlation (r = 0.099) between homestead filings and monthly listings, with a p-value of 0.193, which exceeds the conventional significance threshold of 0.05 T.

In practical terms, **this means the analysis did not result in statistical evidence that towns throughout Vermont with more or fewer homestead filings systematically experience higher or lower levels of average monthly STR listings.** The results show that towns with more homesteads do not consistently have more STR listings and towns with fewer homesteads filings do not consistently have fewer STR listings or vice versa. These findings imply that factors other than the total number of homesteads are more likely to explain variation in monthly listings across towns — such as local economic conditions, tourism demand, or supply.

- Correlation (r): 0.099
- p-value: 0.193
- Sample size: 175 towns

Strength

- r = 0.099 → very weak relationship (basically none)

Statistical significance

- p = 0.193 (> 0.05)
  Not statistically significant

These data find **no statistical relationship between homesteads and STRs.** The two trends observed in Stowe, **the increase in STRs and a decrease in homesteads, appear to be moving independently of each other.**

STATEWIDE COMPARISON OF STR ACTIVITY ACROSS VERMONT

A comparative analysis of STR activity in towns across Vermont was conducted to determine how Stowe's STR activity is related to other Vermont towns. To accomplish this an STR Intensity Score was created. The intensity of STR activity is measured by the ratio of active STR listings to the number of owner-occupied housing units. This provides town-to-town comparisons of the impact that STRs have on long-term residents in a town.

The STR Intensity Score assumes that as the concentration, or density, of STRs increases as a percentage of all dwelling units in the municipality, STRs become the more dominating residential land use and therefore have a greater, or more intense, impact on the community. A higher intensity score means a higher impact. Killington has the highest STR intensity because it has an average of 904 monthly listing per year and only a total of 287 owners occupied housing units, resulting in an intensity score of 315%. Stowe has the highest number of average monthly listings in the state, but it has a higher percentage of owner-occupied housing units than many other resort towns in Vermont including Killington, Ludlow, Warren, and Dover. This is testimony to the success of Stowe's long-term, town planning goals of finding balance in creating a livable community within a tourism-dominating economy[6]. Nonetheless, Stowe is challenged with an STR Intensity score of 53%, the 8th highest in Vermont (Table 19).

Table 19 STR Intensity Levels Across Vermont Towns (source Crane Associates, VHFA and US Census)

Intensity Level	*Towns*	*Listings per Owner-Occupied HH*	*STR Intensity Score*	*Count of Avg Monthly Listings*
Highest Town	Killington	3.15	315.0%	904
Top category	Dover, Winhall, Ludlow, Peru, Warren, Plymouth	0.53-1.02	53.5%-102.5%	92-635
Stowe	**Stowe**	**0.52**	**52.9%**	**1,010**
Very High Intensity STR towns	Londonderry, Wardsboro, Wilmington, Pittsfield, Cambridge, Bridgewater, Burke	0.29-0.45	29.2%-45.1%	53-394
High listing intensity	17 towns	0.10-0.27	10.3%-27.1%	13-213
Moderate listing intensity	74 towns	0.02-0.09	2.5%-9.7%	3-275
Low listing intensity	52 towns	0.01-0.02	1.1%-2.5%	2-109
Very low listing intensity	17 towns	0.00-0.01	0.1%-1.0%	1.5-24.4

Regression analysis was performed to determine if the intensity of STR activity had an impact on whether homestead declarations were filed. Homestead filings were used as the dependent variable, while the STR intensity score was used as the independent

[6] Stowe's Vision Statement *"…a vibrant recreation-based economy which maintains the town's historic character and traditional standard of quality; a strong community spirit reflective of the town's sense of security and diverse population;"* 2018 Stowe Town Plan

variable. The analysis found a weak negative correlation between the two variables (r = -0.133). The results show that towns with a higher rating of STR intensity tend to have slightly fewer homestead filings. However, the relationship was not statistically significant (p = 0.079), meaning the result does not meet the standard 0.05 threshold for statistical significance. The R-squared value was 0.018, indicating that STR intensity explains only about 1.8% of the variation in homestead filings. These data imply that there are other variables that influence the number of STRs in a town. The analysis suggests that the intensity level of **STR activity is not a meaningful predictor of homestead filings** across towns in Vermont and **suggests that if the percentage of homestead filings in Stowe decreases, that there is very little, if any, causal relationship with STR activity.**

CHAPTER 4: THE ECONOMICS OF SHORT-TERM RENTALS IN STOWE

This section analyzes the economic impacts of short-term rentals and how they affect property values, competition with hotels, investor incentives, real estate speculation and related impacts on properties. The analysis is based on proprietary data owned by the Town of Stowe and collected from their paid subscription service, Rentalscape[7], an STR data monitoring company. The source of all data is the Town Manager's office unless otherwise noted[8]. The time period of the data analyzed in this section is from January 1st 2025, to December 31st 2025.

HOMESTEAD VS. NON-HOMESTEAD SHORT TERM RENTAL ACTIVITY

The working database shows that 17.6% of all parcels in Stowe have a non-exempt STR registration included in this analysis, and 12.6% of all parcels generated STR revenue in 2025. For purposes of this report, any STR that generated revenue is considered an active listing. A total of 71.7% of the registered non-exempt STR parcel records generated revenue in 2025. Non-homestead properties remain more likely than homestead properties to have a non-exempt STR registration (Table 20).

Table 20 Homestead vs Non-Homestead STRs

Tax Status	Total Parcels	STR Registered Parcels	Active Parcels	STR Registered Units	Inactive Parcels	% Active Parcels
Non-Homestead	3,075	606	437	751	169	72.1%
Homestead	1,102	130	91	170	39	70.0%
TOTAL	**4,177**	736	528	921	208	71.7%
% of All parcels	**100%**	17.6%	12.6%			

Table 21 shows the total revenue that was generated in 2025 by all active, non-exempt, registered STRs was $27.0m. **Non-homestead STRs generated 84.2%** of this revenue. Non-homestead STRs also earned higher average and median revenue than homestead STRs.

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[7] Owned and operated by Deckard Technologies https://deckard.com/short-term-rental.

[8] Database Disclaimer: Database used in this study was assembled by the Town Managers office by merging the Stowe Grand List data with Rentalscape database on revenue, occupancy, and other relevant STR information and was provided to the consultant as one package. During the analysis internal discrepancies appeared and best attempts were made to rectify them. The database is not static. As of this writing, improvements are still being made to the database in an iterative cycle of testing and reconciliation. As a result, the consultants recommend additional revisions to the analysis and findings of this report following any data improvements or augmentations.

However, homestead STRs had more booked nights. Homestead STR properties were booked a median of 111 nights per year versus 101 nights for non-homestead STRs. The average nights booked were 119.8 for homestead STRs versus 112.6 for non-homestead STRs indicating that a small percentage of STRs are booked considerably more frequently.

Table 21 Revenue and Nights booked

Tax Status	Active STR Parcels	Total Revenue	Median Revenue	Avg Revenue	Total Nights Booked	Avg Nights Booked	Median Nights Booked
Non-Homestead	437	$22,815,692	$41,820	$52,210	49,208	112.6	101.0
Homestead	91	$4,280,241	$36,846	$47,036	10,902	119.8	111.0
TOTAL	528	$27,095,933	**$41,059**	**$51,318**	60,110	113.8	104.5

Non-homesteads STRs accommodated 86% of the total nights booked in Stowe. Table 22 shows that the frequency of nights booked are not evenly distributed. Of the 528 active STR parcel records, 138 properties, or 26%, were booked for 60 nights or less, generating only $2.8 million in revenue. By contrast, 42%, 221 parcels, were booked for more than 120 nights and generated approximately $16.0 million in revenue, representing the majority of STR rental activity.

Non-homestead properties dominate every cohort of nights-booked, including 181 of the 221 properties booked more than 120 nights. This indicates that the most intensive STR activity is concentrated among non-homestead properties operating at higher annual booking levels. However, this is merely the result of the total stock of non-homestead properties in Stowe outnumbering homesteads by a 3:1 margin. Homestead properties, while fewer in numbers, are also highly active with 44% of all homestead STRs booked more than 120 nights in 2025 (Table 22).

Table 22 STR nights booked

Nights Booked	Active STR Parcels	Homestead	Non-Homestead	% of Active STRs	Total Nights Booked	Total Revenue
0–30	61	12	49	12%	985	$727,914
31–60	77	9	68	15%	3,481	$2,063,662
61–90	84	9	75	16%	6,256	$3,659,348
91–120	85	21	64	16%	8,895	$4,669,407
121–180	126	20	106	24%	18,891	$8,245,663
180+	95	20	75	18%	21,602	$7,729,939
TOTAL	528	91	437	**100%**	60,110	$27,095,933

On a percentage basis there is not an appreciable difference in the frequency of night-booked between homestead and non-homestead STRs in Stowe (Table 23).

Table 23: summary of nights booked in 2025

Level	Active STRs	% of active STRs	% active homesteads	% active non-homestead
Under 60 nights/year	138	26%	23%	27%
61 - 120 nights/year	169	32%	33%	32%
>120 nights/year	221	42%	44%	41%
TOTAL	528	100%	100%	100%

COMPETITION WITH LOCAL HOTELS: ARE STRS ECONOMIC SUBSTITUTES?

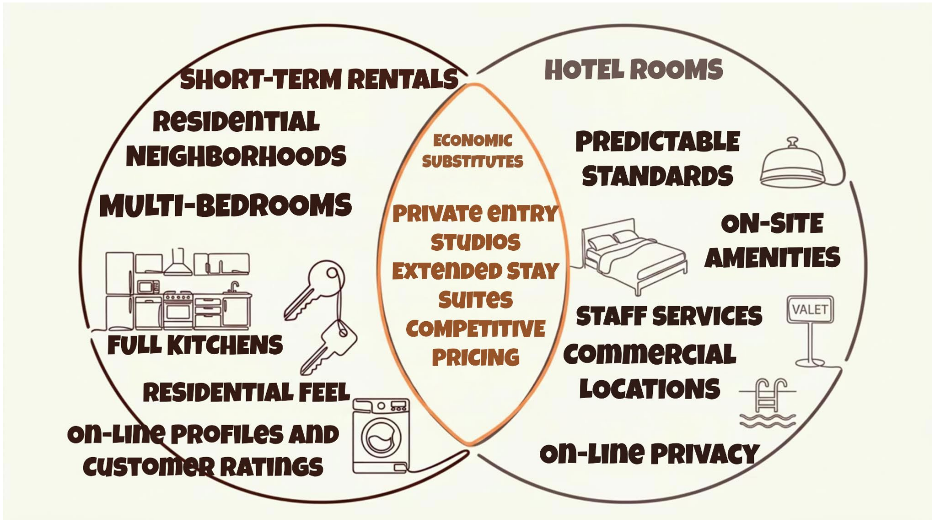


Figure 6 Economic Substitutes between STRs and Hotels

Areas where STRs are not economic substitutes for hotels	Areas of economic substitution	Areas where hotels are not economic substitutes for STRs
Spare bedroom in an occupied home	STR studios/one-room units with private entrance	Standard studio rooms with no cooking facilities
Accessory Dwelling Units (ADUs)	Hotel suites with separate bedrooms and kitchenettes or full kitchens	Full guest services (concierge, front desk)
Entire private houses	Competitive pricing	Daily housekeeping & cleaning services
Unique stays (treehouses, log cabins, etc.)		24-hour check-in services
No shared public spaces — fully private		Shared public spaces: lobby, pool, spa
Requires online account & user profile		Food & beverage services
Guests are rated by host; rating may affect future bookings		No online profile required to book. No guest rating or pre-screening
Host can refuse a booking without explanation		Exact location always known before booking
Exact property location not disclosed until after booking		No internet required for arrival or access
Unknown seller		Predicable products and brand recognition

Figure 7 Distinctions between STRs and Hotels

STRs and hotel rooms are only partial economic substitutes. The overlap — where they compete — is where both types of properties sell the same product. This is a limited set of products and generally includes studio-style STRs with private entrances or where hotel suites provide kitchen facilities. The majority of each product type serves distinct consumer needs.

The distinction between STRs and hotel products is an important background to determine the level of competitivity between the two businesses. The popular and anecdotical comment that STRs are "like mini-hotels" has very limited factual basis after scrutiny of the different product types. In Stowe the level of competition between hotels and STRs occurs where they are the same products (center column in Figure 6).

STRs and Commercial Hotels: Occupancy Rates

Occupancy rates are an important measure in determining the economic viability of commercial hotels. They are also important in measuring impacts of STRs in residential properties as they are a direct indicator of visitation. Comparing the economics of hotels to STRs starts with a comparison of occupancy rates. However, the occupancy rates of commercial hotels and STRs are measured differently. STRs operate in a different business model than traditional hotels and use a different method to measure occupancy. Therefore, adjustments are made to allow equal comparisons.

In a typical commercial hotel, occupancy rates are calculated by:

$$(Occupied\ rooms/Total\ Available\ Room)x\ 100$$

Hotels have a limited number of rooms to sell per property, but the calculation assumes that the rooms are generally available 365 days per year.

The occupancy rate of an STR is calculated differently by AirDNA, Airbnb and other STR industry analysts. In an STR occupancy rate, the STR is considered one unit (regardless of size) and total availability is determined by the number of days that are listed as available on its advertising platform. This results in an occupancy rate formula as:

STR Occupancy Rate method:

$$Occupancy = STR\ Booked\ Nights\ 2025/STR\ Available\ Nights\ 2025$$

The dominator for an STR occupancy rate is time available, not the physical inventory of the rooms available as in a traditional hotel occupancy. This difference distorts the understanding of how STRs operate within the local accommodations market.

To analyze STR impacts one must select the correct occupancy rate depending on the questions being asked. To measure the social impact of STR activity in Stowe, it is appropriate to use the STR occupancy rate calculation. This method will show volume of STR traffic. However, to measure their economic impact, as in their impact on property values or competition to traditional hotels, a traditional hotel occupancy rate should be calculated. In this case the total nights booked for one STR should be divided into 365 days since the owner has the option to keep it available and rent it all year, like a hotel.

$$STR\ Occupancy = STR\ Booked\ Nights\ 2025/365$$

This is necessary to make equal comparisons to hotels. Table 20 shows the occupancy rates using both methods.

Table 24 Occupancy rates of STRs in Stowe using two methods

Metric	STR Occupancy Rate	Traditional Occupancy Rate
Average	40.5%	31.2%
Median	39.2%	28.6%

STR listing data show that, among active non-exempt STRs in the working database, the average STR occupancy rate was 40.5% and the median was 39.2%. Using the traditional hotel-style calculation applied to STRs, the average occupancy rate was 31.2% and the median was 28.6% (Table 24). The average annual occupancy rates for hotels in Stowe are estimated to be between 43.5% and 64.5% depending on day of week, with a blended 2025 average of 54.0% (Table 25).

Table 25 Average Occupancy Rates of Stowe Area Association Member Hotels (source Stowe Area Association)

	Stowe Hotels			Local STRs
Year	**Weekday Avg**	**Weekend Avg**	**Blended Average**	**Annual average, Occupancy Rate**
2025	43.5%	64.5%	54.0%	31.2%
2024	45.0%	63.5%	54.3%	

In the hospitality industry, occupancy rates, average daily rates, and RevPAR (Revenue per available room) are the three most important factors in determining the economic viability of hotels. The base data shows that hotels have higher occupancy than non-exempt STRs in Stowe. Compared with the STR traditional occupancy rate of 31.2%, the 2025 hotel blended average of 54.0% occupancy is roughly 1.7 times higher than STRs. The data show that hotels capture a larger share of available-room demand.

WHAT IS THE IMPACT THAT STRS INVESTORS HAVE ON REAL ESTATE VALUES IN STOWE?

While all active STRs generate revenue for the property owner, not all STR owners are motivated by profit. Some STR owners are using the STR to help pay down taxes, mortgage, construction loans, or other household expenses. For this group of STR owners, the STR is helping to offset expenses, and by providing an extra source of income, the STR is making their homes more affordable. This group is identified as **"non-commercial" STR owners.**

Other owners enter the STR market as a means of making profit. This group can be called "**STR investors**"; they purchase residential property with the objective of generating net-positive income. This study assumes that an STR investor behaves in the market like any rational investor, and that they expect the future stream of revenues from owning and operating an STR will be greater than the STR's debt service costs and operating expenses. For the rational STR investor, the yields should be greater than the return rates that they would receive from other equally accessible investments. For the purposes of this analysis, a reasonable threshold return must be selected to be used as a benchmark to identify STR investors. If their returns on their STR property are greater than the threshold, then they are identified in this study as Investor STR owners who are using residential property for commercial purposes.

Separating investor STRs from non-commercial STRs is difficult but necessary to determine the impact that STRs have on real estate values in Stowe. **This analysis assumes that only the Investor STR owners have units that would be otherwise available for the long-term rental or ownership market** if they didn't invest in Stowe-based STR units. It also assumes that non-commercial STR owners would keep their second home for personal recreation purposes even if STRs were banned outright. Measuring the impact of STRs on Stowe real estate assumes that the demand for second homes in Stowe is generated by the demand for tourism and recreation in Stowe – not STR ownership per se.

An appropriate return threshold must be selected to identify STR investor activity. This section uses the following metrics to identify STR investors:

- ownership type;
- nights booked;
- number of STRs per owner;
- operating efficiency;
- gross and net revenue;
- yield rates and;
- capitalization rates.

STR OWNERSHIP TYPES

STR properties were sorted into assessed-value categories and ownership types: homestead, non-homestead, and LLC. LLC's are separately identified in this analysis because businesses may be an indicator of investor activity. LLCs are recognized by government as business entities for tax purposes and may provide the owner with greater protection from liability. In the working database there are 176 LLC STR parcel records, of which 131 are active and 45 are inactive.

There are LLC STRs in every value category in the working database, and LLCs are generally more prevalent among active STRs as assessed value increases (Table 26).

Table 26 STRs by Property Valuation and Type

Assessed Value	Homestead STRs	Non-Homestead STRs	Active LLC STRs	Total Active STRs	% Active LLC	Inactive LLCs
Under 250K	0	3	1	3	33%	2
$250K–$375K	1	47	18	48	38%	6
$375K–$500K	8	58	14	66	21%	5
$500K–$1M	41	196	47	237	20%	18
$1M–$2M	36	109	36	145	25%	13
$2M–$5M	4	20	12	24	50%	1
$5M–$10M	1	3	2	4	50%	0
Over $10M	0	1	1	1	100%	0
Total	91	437	131	528	25%	45

Table 27 STR Revenue by Property Valuation and Type

Assessed Value	Homestead Revenue	Non-Homestead Revenue	Total Revenue	LLC Revenue	% LLC Revenue
Under 250K	$0	$49,576	$49,576	$31,668	64%
$250K–$375K	$15,008	$1,705,265	$1,720,273	$688,565	40%
$375K–$500K	$252,196	$2,610,800	$2,862,996	$552,226	19%
$500K–$1M	$1,894,553	$9,568,729	$11,463,282	$2,692,329	23%
$1M–$2M	$1,911,598	$7,367,963	$9,279,561	$2,979,552	32%
$2M–$5M	$166,075	$1,291,349	$1,457,424	$848,885	58%
$5M–$10M	$40,811	$192,441	$233,252	$127,437	55%
Over $10M	$0	$29,569	$29,569	$29,569	100%
Total	$4,280,241	$22,815,692	$27,095,933	$7,950,231	29%

Non-homestead STRs generate 84.2% of all non-exempt registered STR revenue. LLCs are a subset of non-homestead STRs. Active LLCs account for 29.3% of total STR revenue and 24.8% of active STR parcel records.

Table 28 measures the efficiency of STRs in an attempt to identify investor STRs. Efficiency is defined as revenue per property and measured across STR ownership types.

Table 28 STR efficiency of revenue generation

	STR Revenue Per Parcel					
Assessed Value	**Homestead**	**Non-Homestead**	**LLC**	**Total**	**Total Active STRs**	**Total Revenue**
Under 250K	—	$16,525	$31,668	$16,525	3	$49,576
$250K–$375K	$15,008	$36,282	$38,254	$35,839	48	$1,720,273
$375K–$500K	$31,524	$45,014	$39,445	$43,379	66	$2,862,996
$500K–$1M	$46,209	$48,820	$57,284	$48,368	237	**$11,463,282**
$1M–$2M	$53,100	$67,596	$82,765	$63,997	145	**$9,279,561**
$2M–$5M	$41,519	$64,567	$70,740	$60,726	24	$1,457,424
$5M–$10M	$40,811	$64,147	$63,718	$58,313	4	$233,252
Over $10M	—	$29,569	$29,569	$29,569	1	$29,569
Total	$47,036	$52,210	$60,689	$51,318	528	$27,095,933

LLCs generate higher average revenue per parcel than homestead and non-homestead ownership types in most, but not all, assessed-value categories. The data show that LLCs are particularly strong in the $250,000 to $2 million categories, while non-homestead non-LLC properties are more efficient in some higher-value categories. This supports a narrow conclusion that LLC ownership is associated with higher revenue efficiency overall, but ownership form alone does not determine STR performance.

Table 28 also shows that the STR properties generating the highest gross revenue are concentrated in the $500,000 to $2 million asset classes. These two classes account for approximately 76% of all active STR revenue.

STR NIGHTS BOOKED

The greatest impact of STR activity that people see and feel is measured by nights booked and active properties. These two indices are directly related to vehicle traffic, pedestrians, parking demand, and demand on municipal services. The working database shows 60,110 booked nights across 528 active parcel records. The highest volume of nights booked is concentrated in properties valued between $500,000 and $2 million (Table 29).

Table 29 Revenue per Nights Booked

Asset Value Category	Avg Rev / Night	LLC Rev / Night	Non-LLC Rev / Night	Total Nights Booked	# active Properties	Ave. Nights Booked /property
Under 250K	$169	$202	$131	294	3	98
$250K–$375K	$299	$332	$281	5,747	48	120
$375K–$500K	$324	$328	$323	8,833	66	134
$500K–$1M	$413	$466	$399	27,753	237	117
$1M–$2M	$612	$653	$594	15,166	145	105
$2M–$5M	$747	$694	$837	1,951	24	81
$5M–$10M	$762	$917	$634	306	4	76
Over $10M	$493	$493	—	60	1	60

The data show that average nights booked are relatively similar across homestead, non-homestead, and LLC ownership categories. LLCs average 119.7 booked nights, compared with 119.8 for homestead STRs and 112.6 for non-homestead STRs. LLCs generate more revenue per property, but the difference is likely explained by a combination of occupancy, nightly rates, property type, and assessed value rather than occupancy alone (Table 30).

Table 30 Nights booked per year by Ownership Type

Ownership Type	Active Properties	Total Nights Booked	Average Nights Booked	Median Nights Booked
Homestead	91	10,902	119.8	111.0
Non-Homestead	437	49,208	112.6	101.0
LLC	131	15,683	119.7	111.0
Total Active STRs	528	60,110	113.8	104.5

SUMMARY CONCLUSION OF LLC-STR PROPERTIES.

Based on rental activity, the STRs that are owned by an LLC do not appear to be generating more revenue or nights booked than non-LLC properties. It is possible that LLCs are being established as a vehicle for unrelated individuals to commonly own an STR property as opposed to establishing a business.

NIGHTLY RATES OF STRS

Nightly rates are calculated for each asset class for the 528 active STR parcel records and are reconciled to total working database revenue of $27.1 million. These rates are used to help determine the commercial value of the property and the level of investor activity. Average nightly rates are:

$$Nightly\ Rate = Total\ STR\ revenue\ /\ Total\ nights\ booked$$

Table 31 Nightly rates and revenue by asset class

Assessed Value	Homestead Nightly Rate	Non-Homestead Nightly Rate	LLC Nightly Rate	Total Nights Booked
Under 250K	—	$169	$202	294
$250K–$375K	$234	$300	$332	5,747
$375K–$500K	$288	$328	$328	8,833
$500K–$1M	$353	$427	$466	27,753
$1M–$2M	$451	$675	$653	15,166
$2M–$5M	$695	$754	$694	1,951
$5M–$10M	$361	$997	$917	306
Over $10M	—	$493	$493	60
Ave/Total	$393	$464	$507	60,110

Calculating average nightly rates allows for the calculation of RevPAR, an important metric in analyzing STR's value as accommodation businesses and their impact on property values.

STR REVPAR: REVENUE POTENTIAL AND COMMERCIAL VALUE

What is the economic performance and commercial value of STRs in Stowe? This question is asked and answered to help determine if, or to what degree, STRs are having an economic impact on property values and on competition with local hotels.

If an STR is an investment, then the investor's objective is to create net-positive revenue. Revenue per Available Room, or RevPAR, is a common standard in the accommodation industry and is used by hotel investors to analyze the property's earning potential, its capitalization rate (cap rate), and its Return on Investment (ROI). Analyzing the RevPAR of STRs is an important element in understanding how STRs impact Stowe's real estate markets and how they compare to commercial hotels. This section calculates the RevPAR of STR's in Stowe to determine their attractiveness as an investment.

RevPAR measures the efficiency of the property's earning potential by calculating how much revenue a property generates for every night it could be rented.

$$RevPAR = ADR \times OccupancyRate$$

As mentioned previously, an STR occupancy rate is calculated differently from a commercial hotel. Comparison to hotels should be made using the traditional hotel method. An investor seeking to maximize profit would use the traditional hotel occupancy rate method to allow comparison across investment options.

Research on RevPAR across Vermont was conducted to determine an acceptable level of RevPAR for hotel investors. Results found an average RevPAR of $111 across Vermont hotels and is used in this study as a comparative benchmark. Data received from one luxury hotel in Stowe shows that their RevPAR is more than twice that amount. It would not be appropriate to use this as the standard for STRs but provides an additional point of reference.

Table 32 presents the results of RevPAR calculations for Stowe STRs in eight asset value classes. After removing exempt properties, the townwide hotel-method RevPAR increases to approximately $141. All STRs above $375,000 in valuation exceed the Vermont statewide benchmark of $111 except for the one active STR with a property valuation above $10m, which generated a RevPAR of $81 in 2025.

RevPAR was calculated for three types of ownership. In the working database, LLC STRs generated a hotel-method RevPAR of approximately $166, above the statewide benchmark of $111. Homestead and non-homestead STRs also exceeded the benchmark after the exempt-area properties were removed (Table 32).

Table 32 RevPAR of Stowe STRs ranked by Assessed Value using Hotel Occupancy Rates

Assessed Value	Active STRs	Total Revenue	Booked Nights	Ave. Nights Booked	Possible Nights	Occupancy Rate Hotel Method	RevPAR
Under 250K	3	$49,576	294	98	1,095	27%	$45
$250K–$375K	48	$1,720,273	5,747	120	17,520	33%	$98
$375K–$500K	66	$2,862,996	8,833	134	24,090	37%	$119
$500K–$1M	237	$11,463,282	27,753	117	86,505	32%	$133
$1M–$2M	145	$9,279,561	15,166	105	52,925	29%	$175
$2M–$5M	24	$1,457,424	1,951	81	8,760	22%	$166
$5M–$10M	4	$233,252	306	76	1,460	21%	$160
Over $10M	1	$29,569	60	60	365	16%	$81
TOTAL	528	$27,095,933	60,110		192,720	31%	$141

Table 33 RevPAR by Ownership Segment

Ownership Type	Active STRs	Total Revenue	Booked Nights	Possible Nights	Occupancy Hotel Method	RevPAR
Homestead	91	$4,280,241	10,902	33,215	32.8%	$129
Non-Homestead	437	$22,815,692	49,208	159,505	30.9%	$143
LLC	131	$7,950,231	15,683	47,815	32.8%	$166
	528	$27,095,933	60,110	192,720	31.2%	$141

ESTIMATED YIELD RATES AND CAPITALIZATION RATES FROM STR PROPERTIES

RevPAR calculations provide an estimate on the potential gross revenue from the operations of an STR (or hotel). However, revenue is not the full story. It is the net revenue potential, after expenses, that determines how profitable the return on investment will be compared to other investment options.

An investor seeking to maximize profit looks for opportunities that maximize the Return on Investment (ROI). Yield rates and cap rates provide an estimation of ROI. Yield rates were calculated on all STR properties and categorized by assessed values. The grand list assessed value is used as a proxy value of the purchased STR. Currently the market value of real estate in Stowe is approximately 3% greater than assessed value, according to the State of Vermont, Department of Property Tax, so no adjustment is made. Yield rates on 528 active STR parcel records were calculated as:

What is an "Acceptable Return"

An acceptable Return on Investment (ROI) is an individual decision based on many factors specific to the investor. Factors may include risk tolerance, personal discount rates, opportunity costs, and endogenous factors other than profit that make one investment more attractive than another. Just as each individual will have a different utility curve for $1 (e.g. the value of a dollar is different to each person), the same is true for STR investors. While this study must pick a reasonable threshold to discern rewarding investments from others, it does not mean that all investors will act accordingly. Some STR investors in Stowe may accept below threshold rates and some will require more.

$$\textbf{\textit{STR Gross Yield}} = \textbf{\textit{Total STR Revenue}} \div \textbf{\textit{Total Assessed value}}$$

The results show that lowest valued properties generally produce the highest yields. There are 354 active STR parcel records with estimated cap rates of 5% or more and 117 STR parcel records above 8%. Most are non-homestead properties, and the strongest investment returns are concentrated in properties valued below $1 million (Table 34).

Table 34 Gross Yields per Asset Class

Assessed Values	***Active STR Parcels***	***Total Revenue***	***Total Assessed Value***	***Estimated Gross Yield***
Under 250K	3	$49,576	$497,100	10.0%
$250K–$375K	48	$1,720,273	$15,213,000	11.3%
$375K–$500K	66	$2,862,996	$28,692,000	10.0%
$500K–$1M	237	$11,463,282	$171,500,400	6.7%
$1M–$2M	145	$9,279,561	$196,524,000	4.7%
$2M–$5M	24	$1,457,424	$68,584,100	2.1%
$5M–$10M	4	$233,252	$29,868,200	0.8%
Over $10M	1	$29,569	$12,612,400	0.2%
TOTAL	528	$27,095,933	$523,491,200	5.2%

Yield Rates show the revenue value of the property against its asset value. They do not subtract out operating expenses. A more informative measure of Return on Investment (ROI) would be cap rates.

Calculating the cap rate is a better estimate of net profit because it subtracts operating expenses. Expense ratios for STR owners were researched and applied to estimate operating expenses. AirDNA, an STR advisory service, advises new owners to estimate that their STR operating expenses will be between 25% and 40% of gross revenue[ix]. The larger and higher valued properties will have more expenses. AirDNA guidance on expenses is used in the cap rate calculations.

Cap rates on STRs in Stowe were calculated and compared to the industry benchmark for hotel investors to determine if the ROI on Stowe's STRs was attractive enough to investors. If profitable returns were produced from a substantial amount of STRs in Stowe, then it can be assumed that the market values of real estate were being influenced by STR Investors.

What are acceptable cap rates for real estate investors? Again, research on a reasonable benchmark was conducted. Acceptable industry benchmark cap rates for residential long-term rentals are used by investment underwriters for multifamily rentals projects. Benchmark cap rates that guided real estate investors and lenders in 2025 are shown in Table 35 and generally fall between 4.75% and 6.3%.

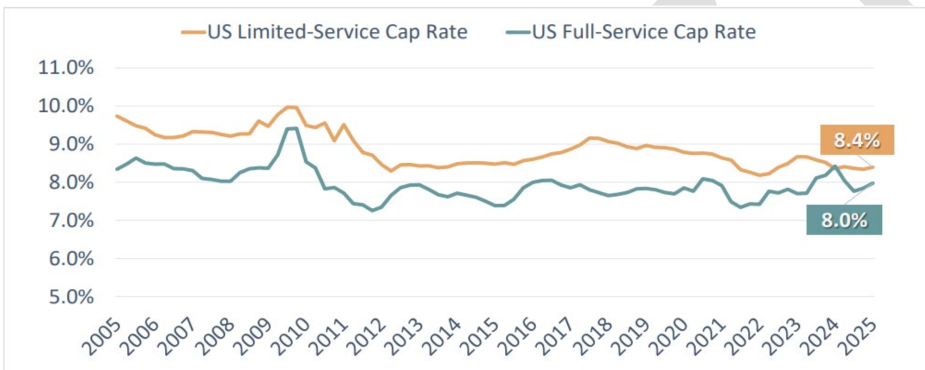
Table 35 Benchmark cap rates. 2025

Comparable	***Property Type / Market***	***Average Cap Rate Benchmark***	***Source***
CBRE Core Multifamily	2025 U.S. core multifamily	**4.75% going-in 4.96% exit**	CBRE Research Q2 2025. (CBRE https://www.cbre.com/insights/briefs/multifamily-underwriting-metrics)
Arbor Small Multifamily,	2025 U.S. small multifamily	**6.0%**	A Arbor' Reality Q2 2025. (www.arborrealty.com)
Boston Multifamily Capital Market	2025 Greater Boston multifamily / New England proxy	**6.3%**	CoStar Group.Wronka LTD Commercial Real Estate Advisors. https://www.wronkaltd.com/)

These cap rates are for long-term rental housing. STRs are a hybrid between rentals and visitor accommodations. Therefore, benchmark cap rates for hotel investments are provided in Table 36. Extended stay accommodations are the closest comparable product to STRs. The benchmark cap rate for extended stay accommodations is 7.5-9% depending on market risk. The 20-year average cap rate for limited-service hotels is 8.4% (Figure 9).

Table 36 Cap rate benchmarks for hotels

Hotel Investment Type	Acceptable Cap Rate / Yield Range	Source
Full-Service Hotels	7.0%–8.5%	https://hotellaw.jeffer.com/
Limited-Service / Economy Hotels	8.0%–9.5%	https://hotellaw.jeffer.com/
Select-Service / Extended-Stay Hotels	7.5%–9.0%	https://www.esla.org/wp-content/uploads/sites/2/2025/02/jll-us-select-service-and-extended-stay-hotel-outlook-2025.pdf
20-year Limited Service Hotel cap rate 2005-2025	8.4%	https://www.msci.com/data-and-analytics/real-estate



Source: MSCI Real Capital Analytics

Figure 8 Benchmark cap rate for hotels 2005 to 2025

Generally, investors in the accommodations sector seek returns of approximately 8%. The overall estimated cap rate for all active non-exempt STRs in Stowe is approximately 3.7% and do not exceed an acceptable cap rate. However, several properties within some value categories produce acceptable returns. Similar to yield rates, capitalization rates are generally strongest for the lowest-valued properties. There are 48 active STR properties that meet the industry standard of 8%. There are another 69 active STR properties that produce cap rates of 7.5% (total of 117). The largest asset category of $500,000 to $1m. has 237 active STR and they generate a cap rate of 5%. **A 30-year Treasury bond could produce the same return with a lot less risk, therefore owning an STR as an investment to generate 5% is not considered in this study as a rational economic choice.** Results show that some STRs with valuations of less than $500k can be attractive to property investors. **To compound the issue of housing supply, these 117 properties are in the same valuation categories that are obtainable to workforce households** (Table 37).

Table 37 Cap Rate estimations by Property valuation

Asset Class	Active STR Parcels	Total Revenue	Total Assessed Value	Expense Ratio	Est. NOI	Est. Cap Rate
					Benchmark Threshold	**8.0%**
Under 250K	3	$49,576	$497,100	25%	$37,182	7.5%
$250K–$375K	48	$1,720,273	$15,213,000	25%	$1,290,205	8.5%
$375K–$500K	66	$2,862,996	$28,692,000	25%	$2,147,247	7.5%
$500K–$1M	237	$11,463,282	$171,500,400	25%	$8,597,462	5.0%
$1M–$2M	145	$9,279,561	$196,524,000	35%	$6,031,715	3.1%
$2M–$5M	24	$1,457,424	$68,584,100	40%	$874,454	1.3%
$5M–$10M	4	$233,252	$29,868,200	40%	$139,951	0.5%
Over $10M	1	$29,569	$12,612,400	40%	$17,741	0.1%
TOTAL	528	$27,095,933	$523,491,200	29.4%	$19,135,957	3.7%

Cap-rate calculations by ownership type show that homestead, non-homestead, and LLC STRs all generate aggregate returns below hotel investment benchmarks. This further demonstrates that investor-grade STRs are only discoverable when analyzing the data at the parcel level. Viewing the issue through the lens of broad property categories will distort the accuracy of the impacts of STRs on housing availability in Stowe.

Homestead STRs have an estimated cap rate of 2.82%, non-homestead STRs have an estimated cap rate of 3.87%, and LLC STRs have an estimated cap rate of 3.44% (Table 38).

The value of all properties in Stowe as a whole, based on grand list values, grew at a compound annual average growth rate of 7.5% from 2012 to 2026. The active non-exempt STR properties analyzed represent approximately 9.5% of the FY26 grand list value when measured by assessed value. The data show some evidence of STR returns and investor attraction but presents a cautious conclusion: **STRs may affect selected submarkets and investor behavior, but the aggregate data do not prove that STRs alone are driving townwide property-value appreciation.**

Table 38 Cap rates by property type

	Active STRs	Total Revenue	Total Assessed Value	Expense Ratio	Estimated NOI	Estimated Cap Rate
Homestead	91	$4,280,241	$106,035,000	30.2%	$2,987,988	2.82%
Non-Homestead	437	$22,815,692	$417,456,200	29.2%	$16,147,969	3.87%
LLC	131	$7,950,231	$160,262,300	30.6%	$5,513,834	3.44%
TOTAL	528	$27,095,933	$523,491,200	29.4%	$19,135,957	3.66%

MOTIVATION FOR STR OWNERSHIP

If properties are not being purchased for their Return on Investments, then what is motivating investors? Regression analysis was used to further analyze the factors that drive the investment value of STRs. Results show that higher property values reduce ROI, even after controlling occupancy and RevPAR. The correlation between ROI vs property values is = –0.28, meaning that **as property value increases, ROI tends to decrease and the relationship is somewhat statistically meaningful.** Occupancy rates are the biggest driver of ROI among the variables tested.

Variable	*Coefficient*	*t-Stat*	*p-Value*	*Interpretation*
Intercept	0.0181	8.48	<0.001	Baseline ROI when others are zero
Property Assessed Value	**-8.31E-09**	**-6.94**	**<0.001**	Higher property value is associated with lower ROI
Occupancy	**0.0604**	**8.63**	**<0.001**	Higher occupancy strongly increases ROI
RevPAR	**0.0000265**	**3.09**	**0.002**	Higher revenue per available night increases ROI

Occupancy rates have the strongest correlation to ROI but average STR occupancy rates in Stowe are about 70% lower than the occupancy rates of typical hotels in Stowe.

Since the number of nights booked are not regulated by government and are entirely based on the decision of the owner, it stands to reason that if they were booked as frequently as local hotels that STRs would generate much better returns. This requires a deeper look at demand for STRs. **Are STR owners voluntarily reducing available nights or do owners wish to maximize profit but are unable due to the lack of demand for STRs versus hotel rooms in Stowe?**

DEMAND FOR STRS IN STOWE

Occupancy rates are the hotel industry standard for measuring room demand. Average occupancy for active STRs using the STR method is 40.5%. Using the STR method reveals the owner's desire to rent and is therefore the appropriate metric here. By segregating occupancy rates into categories of available nights, the data show that 61.6% of active non-exempt STR owners made their unit available for at least 275 nights. A deeper look at the data show that the owners made these properties available for an average of 341 nights, however, they were only able to sell 41% of these nights. (Table 39).

Results show that STR owners are not creating low occupancy rates because they are voluntarily limiting their available nights. The data show that they wish to sell more room nights but apparently cannot due to insufficient market demand. For whatever reason the demand for STR-type accommodation is much weaker than hotel rooms in Stowe. If an investor-STR owner is one who makes their property available all year, then there are approximately 325 investor STR owners or 61% of all owners. While this may be cause for concern, the data also show that many of these investments are not lucrative and their activity is being constrained by market forces.

Table 39 Market Demand for STRs

Available Nights Category	Active STR Parcels	% of Active STRs	Total Available Nights	Avg Available Nights	Total Booked Nights	Occupancy Rate	Total Revenue
0–30	4	0.8%	72	18.0	67	93.1%	$28,415
31–60	13	2.5%	553	42.5	261	47.2%	$134,527
61–90	7	1.3%	556	79.4	239	43.0%	$144,581
91–120	18	3.4%	1,961	108.9	857	43.7%	$566,006
121–180	42	8.0%	6,434	153.2	2,348	36.5%	$1,058,108
181–200	23	4.4%	4,356	189.4	1,854	42.6%	$1,051,478
200–275	96	18.2%	22,958	239.1	8,414	36.6%	$4,199,543
275+	325	61.6%	110,702	340.6	46,070	41.6%	$19,913,275
TOTAL	528	**100%**	147,592	279.5	60,110	40.7%	$27,095,933

TARGETING STR INVESTOR ACTIVITY IN STOWE

The data indicate that some STRs may be actively managed as a business. These indicators include: properties that generated over $100,000 in rental revenue in 2025; properties that are booked as frequently as hotels; and multiple STRs that are owned by the same owner.

Identifying multiple STR owners is one metric to identify investor-level STR activity in Stowe. While ownership of one STR can still indicate an investor who is motivated by profit, the database shows that most active single-STR owners generated a median of $40,811 in annual revenue in 2025. Active owners with multiple STR parcel records generated higher average revenue per active parcel, but they represent a smaller group. To help further understand investor activity in Stowe, this section analyzes both single- and multi-STR owners.

MULTI-STR OWNER INVESTORS

In the working database, there are 16 owners with more than one non-exempt registered STR parcel record. Together they control 37 parcel records and 54 registered STR units (Table 40). Eight of these owners have more than one active STR parcel record, representing 19 active parcel records and $1.31 million in revenue. The largest owner by parcel count has five active STR records; the largest owner by registered units controls 11 units but generated no revenue in 2025 and therefore is not listed in Table 40.

Table 40 STRs per Owner

STRs per Owner	***# Owners***	***STR Parcels Represented***	***Registered STR Units***	***Active STR Parcels***	***% Active***	***Median Revenue per Active Parcel***
5	1	5	*5*	5	100%	$99,745
4	1	4	*11*	0	0%	—
2	14	28	*38*	19	68%	$55,342
1	699	699	*867*	504	72%	$40,672
TOTAL	715	736	*921*	528	72%	$99,745

Active multi-owner STRs are in all types of properties. The largest amount of revenue comes from non-condo residential units (single family and ADUs) with this group generating approximately twice the amount of revenue than condominiums (Table 41).

Table 41 multi-Owner STRs by type

Property Type	***Owners***	***STR Properties***	***Revenue Properties***	***$0 Revenue Properties***	***Total Revenue***
Condos	5	8	8	0	$457,944
Res. / non-Condo	5	9	9	0	$746,581
Commercial / Other	2	2	2	0	$102,321
TOTAL	12	19	19	0	$1,306,846

INVESTOR STR OWNERS IN STOWE AND THEIR RETURNS

Based on the nights booked and revenue data, some active STR owners with multiple units appear motivated by profit and may reasonably be characterized as investor STR owners. However, not all multi-STR owners generated revenue in 2025. Therefore, this report uses three data points—nights booked, annual revenue, and ROI/cap rate—to identify STR investors.

There are eight active multi-STR owners. ROI and cap-rate calculations were completed for these owners. The results show that several multi-owner portfolios produce investment-level returns, but the group is small relative to the 504 total active single STR owners.

The eight active multi-STR owners are highly active, generating 3,539 booked nights and $1.31 million in total revenue. The top three multi-STR owners alone generated 2,210 booked nights. Average booked nights among these owners range from 190 to 320 nights. Their assessed values range from approximately $342,400 to $3.6 million, although the assessed values of the most active multi-owner properties are concentrated between roughly $430,000 and $1.0 million (Table 42).

Table 42 Active multi-STR Owners and Level of Activity

Owner	# STRs	Total Nights Booked	Ave Nights Booked	Total Portfolio Revenue	Home stead (FY25)	First Purchase	Last Purchase	Ave Assessed Value
Private-1	5	952	190.4	$480,665	Yes	Oct-23	Oct-23	$513,300
Private-2	2	618	309.0	$221,735	No	Jul-09	Apr-23	$596,250
Private-3	2	640	320.0	$163,557	No	Apr-18	Mar-21	$996,000
Private-4	2	448	224.0	$143,306	Yes	May-20	Sep-22	$578,650
Private-5	2	316	158.0	$106,796	No	Nov-15	Feb-16	$1,978,450
Private-6	2	182	91.0	$96,843	Yes	May-21	Nov-22	$666,900
LLC-7	2	113	56.5	$52,495	No	Oct-18	Dec-20	$488,200
LLC-8	2	270	135.0	$41,449	No	Aug-06	Mar-17	$1,276,550
TOTAL	19	3,539	186.3	$1,306,846	—	—	—	$886,788

The cap rates for three of the owners exceed the 8% threshold for accommodations investments and therefore indicate they are operating their STRs as investments. Two others are also exceeding the 5% return threshold (above the 30-Year US Treasury bond threshold) and may be considered investor STR owners as well (Table 43). **In summary, this analysis identifies five of the eight multiple owners as investor STR owners.**

Table 43 ROI and CAP Rates for Investor STR Owners

Owner	# STRs	Total Revenue	Assessed Values	Yield	Expense %	NOI	Cap Rate
Private-1	5	$480,665	$2,566,500	18.7%	25%	$360,499	14.0%
Private-2	2	$221,735	$1,192,500	18.6%	25%	$166,301	13.9%
Private-3	2	$163,557	$1,992,000	8.2%	25%	$122,668	6.2%
Private-4	2	$143,306	$1,157,300	12.4%	25%	$107,480	9.3%
Private-5	2	$106,796	$3,956,900	2.7%	35%	$69,092	1.7%
Private-6	2	$96,843	$1,333,800	7.3%	25%	$72,632	5.4%
LLC-7	2	$52,495	$976,400	5.4%	25%	$39,371	4.0%
LLC-8	2	$41,449	$2,553,100	1.6%	32%	$28,191	1.1%
TOTAL	19	$1,306,846	$15,728,500	8.3%	26%	$966,234	6.1%

Single Parcel STR Owner Investors

Single parcel STR owners can also qualify as investor STR owners. Cap-rate calculations were completed for the **509 active owners with exactly one active STR parcel**. Table 44 shows that these owners are not concentrated only in the lowest revenue category: **136 owners**, or **27%**, earned $25,000 or less; **172 owners**, or **34%**, earned between $25,001 and $50,000; and **201 owners**, or approximately **39%**, earned more than $50,000 in gross annual STR revenue (Table 44).

Table 44 One STR owners by Gross Revenue

Gross Annual Revenue Category	# of Active One-STR Owners	%
$0-$25,000	136	27%
$25,001-$50,000	172	34%
$50,001-$75,000	102	20%
$75,001-$100,000	41	8%
Over $100,000	58	11%
TOTAL	***509***	***100%***

Applying the **8% cap-rate threshold** to the active one-STR owner group identifies **91 single parcel active investor owners who own 104 registered units**. Within this group of property owners, there are 24 who are earning cap rate returns greater than 15% and a few are above 20% (Table 45). The occupancy rates of these units are well above average for STRs and in some cases surpass hotel occupancy rates. All of these 91 owners can be considered as investor STR owners.

Table 45: Cap Rates of Single parcel STR owners with returns >8%

CAP RATE CATEGORY	ACTIVE ONE-STR OWNERS PARCELS	NIGHTS BOOKED	AVAILABLE NIGHTS	OCCU. RATE	TOTAL REVENUE	ASSESSED VALUE	AGGREGATE CAP RATE
20.0%-23.5%	3	715	1,011	70.7%	$342,712	$1,175,600	21.9%
15.0%-19.9%	7	1,616	3,015	53.6%	$793,344	$3,459,600	17.2%
12.0%-14.9%	14	2,309	4,590	50.3%	$1,080,393	$6,278,700	12.9%
8.0%-11.9%	67	11,320	22,267	50.8%	$5,140,373	$39,370,600	9.6%
TOTAL 8%+	91	15,960	30,883	51.7%	$7,356,822	$50,284,500	10.8%

The property types of Investor owners of single parcel STRs are evenly split between condo and single-family units. Single family units have an average assessed value of $619,380 and generate decent returns on their investment with a cap rate of about 11%. The average assessed value of a condo STR unit is $417,841 (Table 46).

Table 46 One-Owner STRs with cap rates above 8%

PROPERTY TYPE	STRS	TOTAL REVENUE	TOTAL ASSESSED VALUE	AVG ASSESSED VALUE	MEDIAN REVENUE	GROSS ROI	COMBINED CAP RATE
O	41	$2,393,937	$17,131,500	$417,841	$54,263	14.0%	10.4%
R1	46	$4,309,228	$28,491,500	$619,380	$88,834	15.1%	11.2%
R2	2	$418,627	$2,967,700	$1,483,850	$209,314	14.1%	9.2%
C	2	$235,030	$1,693,800	$846,900	$117,515	13.9%	10.4%
TOTAL	91	$7,356,822	$50,284,500	$552,577	$68,804	14.6%	10.8%

Assessed values are used as an indicator to determine if an STR unit is attainable to Stowe residents. Within the **91** single-owner STR parcels that meet the **8%+ cap-rate threshold**, **27 parcels** are at or below the **120% AMI affordability threshold**, and **61 parcels** are at or below the **180% AMI threshold.** Most of the affordability overlap is in condos, but the R1 residential category also has **24 parcels** at or below $570,000 (Table 47)

Table 47 STRs attainable for workforce housing

			ATTAINABLE TO 120% AMI		**ATTAINABLE TO 180% AMI**	
PROPERTY GROUP	**8%+ STR PARCELS**	**UNITS**	**PARCELS <= $380K**	**%**	**PARCELS <= $570K**	**%**
CONDO	41	46	25	61.0%	37	90.2%
RESIDENTIAL (R1)	46	54	2	4.3%	24	52.2%
RESIDENTIAL (R2)	2	2	0	0.0%	0	0.0%
COMMERCIAL / OTHER	2	2	0	0.0%	0	0.0%
ALL 8%+ SINGLE-OWNER INVESTOR STRS	91	104	27	29.7%	61	67.0%

SUMMARY OF INVESTOR STRs

There are a total of **921 registered STR units** in the final non-exempt working database, controlled by **715 registered owners**. Using an **8% cap-rate threshold**, **94 owners**, or **13.1%** of all registered STR owners, qualify as investor STR owners. This group includes **91 single active STR owners** and **3 multiple active STR owners**. Together, they represent **94 active STR parcel records**, and **116 active registered STR units**. The remaining **621 owners** either generated STR revenue but did not meet the 8% investor threshold or had no active STR revenue in 2025. The 8% threshold identifies the strongest-performing STR investments while separating them from active but lower-return STR owners and inactive registrations.

Table 48 Summary of Investor STR owners and Units

	STR Owners			STR Units		
Owner Group	**Total Owners**	**Investor-STR Owners**	Non-Investor STR Owners	Active STRs	**Investor STR Units**	Total STR Registered Units
Single active STR owners	509	**91**	418	623	**104**	628
Multiple active STR owners	8	**3**	5	26	**12**	26
Inactive STRs	198	**0**	198	0	**0**	267
TOTAL	715	**94**	621	649	**116**	921
Percent	100%	**13%**	87%	70%	**13%**	100%

ARE INVESTOR STRS TAKING HOUSING AWAY FROM LONG-TERM RENTALS OR OWNERSHIP FOR WORKFORCE HOUSING?

Analysis of the property values of investor STRs shows that some residential properties obtainable to workforce households are being used as income-producing STRs. Using an 8% cap-rate threshold to identify investor STRs, the investor group includes 94 unique investor owners, consisting of 91 single active STR owners and 3 multiple active STR owners. Together, these owners control 100 active investor STR parcels representing 116 registered STR units. Using approximately $380,000 as the affordable purchase price for households earning 120% of AMI and approximately $570,000 for households earning 180% of AMI, there are several attainable properties for long-term rental or ownership. At these affordability thresholds, **there are 28 registered investor STR units**, valued at or below **$380,000**, and **74 registered investor STR units**, valued at or below **$570,000**. All of the investor STR units attainable to workforce housing have at least one bedroom.

Table 49 Investor STRs by Assessed Value

Assessed Value Category	Single Investor-STR Parcel Records	Multiple Investor-STR Parcel Records	Total Active Investor STR Parcels	Investor STR Units Represented	Investor STR Units with 1+ Bedrooms	% of Investor STR Units
Under $250K	1	0	1	1	1	0.9%
$250K–$375K	23	0	23	23	23	19.8%
$375K–$500K	20	4	24	32	32	27.6%
$500K–$1M	42	5	47	53	53	45.7%
$1M–$2M	5	0	5	7	7	6.0%
$2M–$5M	0	0	0	0	0	0.0%
$5M–$10M	0	0	0	0	0	0.0%
Over $10M	0	0	0	0	0	0.0%
TOTAL	**91**	**9**	**100**	**116**	**116**	**100.0%**

CHAPTER 5: SOCIAL AND ENVIRONMENTAL IMPACTS OF STRS IN STOWE

STR ENERGY USE

This section compares STR energy use to a standard Vermont home. The energy use within an STR when it is occupied by a visitor is assumed to be consistent with commercial hotel guests. When STRs are not booked they are assumed to use energy consistent with an average Vermont full-time residence.

The US Energy Information Administration's Residential Energy Consumption Survey estimates that an average occupied Vermont primary home uses **88.6 million Btu/year** of site energy, including electricity, natural gas, propane, and fuel oil/kerosene. Expressed as kilowatt equivalents, the average Vermont household equivalent electricity consumption is estimated at 73kWh-e per night[9].

KEY ASSUMPTIONS

- Occupied STR nights: modeled as commercial hotel energy use
- Unbooked STR nights: modeled as average Vermont home
- Booked nights adjusted upward 25% for 12-month annualization
- Average STR size: 1,891 sq. ft., ~3 bedrooms, 4.5 guests/stay

The average size of an STR in Stowe is 1891sq ft. with approximately **3 bedrooms**, and **4.5 guests per stay** (assuming 1.5 people-per-bedroom). Energy usage is calculated on a sq ft basis consistent with data sources and standard methodologies used by the US Energy Information Administration.

The energy consumption of a non-booked STR night is assumed to be consistent with an average Stowe residence and therefore removed from the analysis so that the impacts of STRs specifically can be isolated. When STRs are booked, energy use is assumed to be equivalent of an average occupied hotel room at 200.18 kBtu/sq. ft./year[10].

The calculations are shown in Table 51.

[9] Data source: U.S. Energy Information Administration, Office of Energy Demand and Integrated Statistics for Vermont, Forms EIA-457A, D, E, F, & G of the 2020 Residential Energy Consumption Survey Notes: See RECS Terminology for definition of terms used in these tables.
[10] [10] Dong, B., Wang, N., Hooks, E., & Zhao, J. (2016). *Quantifying Behavior Driven Energy Savings for Hotels*. ACEEE Summer Study on Energy Efficiency in Buildings.

Table 50 Energy Consumption, STR vs Full-Time Residence in Stowe

Baseline	***Regular Stowe homes***	***Active Stowe STRs 12 month basis***
Units	4,654 homes	649 active STRs; 1,891 sq. ft./unit average
Active STR sq. ft.	—	1,227,259 sq. ft.
Total annual sq. ft.-nights	—	447,949,535 sq. ft.-nights
Booked sq. ft.-nights	—	113,668,010 sq. ft.-nights
Energy-use data source	EIA Vermont average occupied primary home	Hotel EUI applied to booked STR square footage; regular-home energy applied to unbooked STR nights
Annual energy rate	88.6 MMBtu/home/year	200.18 kBtu/sq. ft./year for booked STR space
Night basis	365 nights/home	60,110 booked STR nights; 176,775 unbooked STR nights
Total occupied / booked nights	1,698,710 home-nights	60,110 booked nights
Energy per occupied / booked night	0.243 MMBtu/night	1.037 MMBtu/booked night
kWh-equivalent of energy per night	71 kWh-e/night	304 kWh-e/booked night
Booked STR site energy use	—	**62,339.90 MMBtu**
Non-booked STR site energy use	—	**42,910.32 MMBtu**
Total site energy use	**412,344 MMBtu**	**105,250.21 MMBtu**
kWh-equivalent of total site energy	120,846,215 kWh-e	

Table 51 Summary Comparison of Energy Use

Comparison	***Result***
STR occupancy on a 12-month calendar-night basis	***25.4%***
Booked STR energy per night vs. regular Stowe home night	**4.3x higher**
Booked STR total energy as share of regular Stowe home energy	**15.0%**
Total STR energy as share of regular Stowe home energy	**25.5%**

STR vs. Residential Energy Consumption

4.0x

Higher Energy Per Night

8.0%

Share of Residential Energy

16%

STR Occupancy Rate

Water Use

The impacts of STRs on water use versus non-STR residential properties in Stowe were estimated. The water used for non-STR residential units is determined by referencing the State of Vermont Department of Environmental Conservation[11] administrative rules for residential water supply. The amount was also confirmed by the Stowe Town Engineer and Director of Public Works who recommended using the minimum design flow of potable water supply for residential units as 70 gallons per/bedroom per day for each living unit.

For STR properties, as in energy use, water consumption is assumed to mirror hotel occupancy behavior and therefore hotel water consumption standards were used. The same State of Vermont rules used in residential use require hotels to estimate water usage between 50 and 60 gallons per day depending on the type of room. Other data sources found that hotel room water consumption varies greatly from across the country from 36 gallons per day to 410 gpd based on weather, type of hotel, and other factors. The US EPA energy star reports provide a blended average of 102 gallons per bedroom per night[12] and is used in this study.

In Stowe there are many second homes that are not registered as STRs and not occupied 365 days per year. Their water consumption is probably much lower than that of a full-time residence. Without extensive research, their occupancy and water consumption are unknown. The number of these non-resident, non-STR units is estimated by subtracting homestead properties (1,115) and active non-exempt STRs (528) from the total number of parcels, resulting in an estimated 2,534 dwelling units that are not STRs and are not occupied year-round. Their occupancy is estimated using the average active STR utilization of approximately 114 nights per year.

Results show that the average STR in Stowe uses approximately 315 gallons per booked night while a non-STR home uses 175 gallons per occupied night (Table 53). In total, active non-exempt **STRs are estimated to use approximately 18.9 million gallons** annually. This **compares to approximately 121.7 million gallons for year-round homes** and estimated second homes combined. **STRs therefore account for approximately 16% of the combined residential water-use** estimate and use about 80% more water per occupied night than the average Stowe residential home (Table 54).

[11] Subchapter 8 of the Technical specifications Standards for Wastewater Systems and Potable Water Supplies
[12] US EPA www.energystar.gov/DataTrends.

Table 52 Water consumption in STRs vs Full-Time Homes

Metric	***Year Round non-STR homes***	***Second homes non-STR***	***Active Stowe STRs***
Units included	1,115	2,534	528
Nights used	365	114	60,110
Total occupied / booked nights	406,975	288,482	60,110
Water-use basis	70	70	103
Average bedrooms used	2.5	2.5	3.06
Water per occupied / booked night	175	175	315
Total water consumption	71,220,625	50,484,431	18,928,207

Table 53 Total Water usage comparison

Comparison	***Result***
Year-Round non-STR homes	**71,220,625**
Second homes non-STR	50,484,431
Total non-STR consumption	121,705,056
Active Stowe STRs total water	18,928,207
STR water as share of regular-home water	16%
STR water per booked night vs. regular home per occupied night	80%

A booked Stowe STR night uses about 80% more total site water than a regular Stowe home per occupied night under the assumptions used here. **Active STRs account for approximately 60,110 booked nights and an estimated 18.9 million gallons of annual water consumption.**

TRANSPORTATION IMPACTS

The active, non-exempt STR portfolio generated **60,110 booked property nights in 2025**. Active STRs average approximately **3.06 bedrooms per unit**, equivalent to an estimated **183,937 occupied room-nights** when booked STR nights are adjusted for the number of bedrooms. Assuming an average occupancy of **1.5 persons per bedroom**, the active STR portfolio represents approximately **275,905 visitor-nights** Table 55. These assumptions provide the basis for estimating STR-related vehicle activity in Stowe.

Table 54 Trip Generation Assumptions for STRs

Baseline		***Assumption***
Annualized booked STR nights	—	**60,110 booked nights**
Average active STR bedrooms	—	**3.06 bedrooms**
People per bedroom	—	**1.5 people/bedroom**
Average guests per booked STR night	3.04 × 1.5	**4.59 guests**
Hotel-room-equivalent nights	36,014 × 3.04	**183,937 room-nights**
Visitor-nights	36,014 × 4.55	**275,905 visitor-nights**
vehicle trip ends per occupied room-night[13]	8.17	

Using the Institute of Transportation Engineers hotel/lodging planning rate of **8.17 vehicle trip ends per occupied room-night**, active non-exempt Stowe STRs are estimated to generate between approximately **491,000 and 1.50 million vehicle trip ends per year**. The lower estimate applies the ITE rate directly to the 60,110 booked STR property nights, while the upper estimate applies the rate to the estimated 183,937 occupied bedroom-equivalent room-nights. The bedroom-adjusted estimate is equivalent to approximately **4,117 vehicle trip ends per day**. Table 56 presents the bedroom-adjusted trip-generation calculations.

Table 55 Trip Generation Calculations for STRs in Stowe

Metric	Calculation	Result
Low estimate: vehicle trip ends	60,110 × 8.17	491,099 trip ends/year
Low estimate: average daily trip ends	491,099 ÷ 365	1,345 trip ends/day
Bedroom-adjusted vehicle trip ends	183,937 × 8.17	1,502,762 trip ends/year
Bedroom-adjusted vehicle round trips	1,502,762 ÷ 2	751,381 round trips/year
Bedroom-adjusted average daily trip ends	1,502,762 ÷ 365	4,117 trip ends/day
Bedroom-adjusted average daily round trips	751,381 ÷ 365	2,059 round trips/day

The average number of vehicles associated with STRs in Stowe is estimated at **approximately 165 to 504 cars per day over a 12-month period, with a midpoint**

[13] *Institute of Transportation Engineers. Trip Generation Manual, 12th Edition. Land Use Code 310: Hotel. ITETripGen Web-based App.*

estimate of approximately 334 cars per day (Table 57). This estimate can also be used as a basis for parking demand.

Table 56 Vehicle Usage from Stowe STRs

Assumption	*Calculation*	*Result*
Annualized booked STR nights	—	60,110 booked nights
Low estimate: 1 car per booked STR	60,110 × 1	60,110 car-nights/year
High estimate: 1 car per STR bedroom	60,110 × 3.06	183,769 car-nights/year
STR vehicles per day, (low)	60,110 ÷ 365	165 cars/day
STR vehicles per day, (high)	183,769 ÷ 365	504 cars/day
Median Estimate	Midpoint	334 cars/day

Emergency Services

Impacts of STRs on EMS services were calculated using the denominator of 528 active parcel records. Only active STRs are used in the analysis to ensure that impacts measure STR activity rather than the mere presence of a registration.

There were a total of 89 EMS incidents and 130 fire incidents at active STR properties for a total of 219 incidents. Incident rates are shown in Table 58 and compared to the incident rates for all other properties (ADUs were not counted in this total).

Table 57 Incident rates/property by property type

Incident type	*Active STR incidents*	*Active STR parcels*	*Active STR incident rate*	*All other parcels*	*denominator*	*Non-active incident rate*	*Total incidents*
EMS incidents	89	528	17%	558	3,649	15%	647
Fire incidents	130	528	25%	435	3,649	12%	565
Total	219	528	41%	993	3,649	27%	1,212

Results show that EMS services were requested at a rate of approximately 17% for active STRs compared with 15% for all other properties. Fire Department services were requested at a rate of approximately 25% for active STRs compared with 12% for all other properties. Combined, active STR properties had higher incident rates than all other properties under the denominator.

Since multiple calls can be made to the same property, the results in Table 58 show the incident rates per property not the likelihood that an STR property will demand services. To determine the probability that any active STR will demand EMS services, unique call rates per property were analyzed. **Data show that active STRs are 2.04 times more likely to have at least one EMS incident, and 2.48 times more likely to have at least one fire incident.** Table 58

Table 58: Probability of active STRs requesting EMS services versus All Other Property

Incident type	*Incidents active STRs*	*Active STR Total*	*Active STR rate*	*Incidents All other parcels*	*All other parcels total*	*Rate*	*Relative likelihood to request services*
EMS incident	52	528	9.8%	176	3,649	4.8%	2.04x
Fire incident	86	528	16.3%	240	3,649	6.6%	2.48x

Chapter 6: Economic Contribution Analysis

The final component of this study is an economic contribution analysis that STRs in Stowe provide to Lamoille County and the state. The study was conducted using the accommodation revenues generated by STRs in the Town. An economic contribution analysis measures the direct, indirect and induced effects of visitor spending on the economy. Data show that the combined total revenue from all STR activity in the Town was $27.0 million in 2025.

The revenue from STRs represents spending in the accommodations sector and therefore all of it is assumed to be imported into the local economy from visitors to the Town. When visitors come to Stowe they also spend money in the following sectors: food and beverages, recreation services, retail, and transportation. Data on average visitor spending profiles are available from the Vermont Department of Tourism and Marketing that were detailed in a recent economic impact study of visitor spending in Vermont and each of its counties[x]. The Lamoille County visitor spending ratios for each sector are shown in Table 59. The economic contribution study assumed that visitors to the Town also spent consistently across all the other visitor spending categories as would a typical visitor to Lamoille County. An equal percentage of visitor spending per sector was applied to Stowe STR accommodation spending to estimate the total spending in Stowe across the other tourism sectors and shown in Table 59

Table 59: Lamoille County Visitor Spending Profile

Lamoille County	*Lodging*	*F&B*	*Recreation*	*Retail*	*Transport**	*Total*
12-month Stowe STR Spending ($mil)	**$27.00**[14]	$5.1	$2.6	$3.9	$4.1	$42.84

**Includes both ground and air transportation*

Economic contribution modeling was performed on STR spending by using the REDYN (Regional Dynamics) Input-Output model. Input-Output models, like REDYN, simulate the relationships between economic sectors of a local economy, in this case Lamoille County, through time, as STR visitors bring (e.g. import) money into the region. Economic linkages exist between sectors because the output spending in one sector will generate input for another sector.

[14] Source: Stowe Town Managers office/Rentalscape

For example, STR accommodation spending will generate demand from the STR owner for a wide range of support services, which they purchase, to operate the STR. Examples may include: advertising, cleaning services, property maintenance, and supplies. Those effects on vendors and suppliers to the STR sector are referred to as indirect spending. When the support services are hired and products bought, the revenue that support businesses receive from the STR owner, becomes wages for their companies. These wages are spent again by the owners and employees on household expenses of all types. This is called induced economic effects. The whole spending cycle is often referred to as recirculating economic impacts of spending, or the "ripple effect." The STR visitor will also engage in other types of spending such as patronizing restaurants, renting skis, and purchasing of fuel for their vehicle. All of this direct spending creates indirect and induced economic impacts for these sectors as well.

Input-Output models are built on these linkages. The direct spending by STR visitors in five economic sectors (accommodations, food and beverages, recreation services, retail, and transportation) was modeled here to see how the $27 million in visitor spending will likely ripple throughout the Lamoille County economy and create economic contributions to the regional economy in the form of additional jobs, wages, and total productivity that contributes to Gross Regional Product (GRP).

The results are shown in Table 60. The $42.8 million in spending that STR visitors spent directly in the local economy supports $18.1 million in wages and a total of 418 economically direct jobs at establishments throughout the county. The employees and owners of those establishments then spent an additional $50.1 million on business and household expenses that gets recirculated in the regional economy and supports another $22.4 million in additional wages and supports another 251 additional indirect jobs.

Table 60: Economic Contribution of STR-related spending in Stowe

Short-Term Rental Economic Contribution: Stowe, VT	**Combined Economic Contribution ($m.)**
Direct Economic Contribution - Lamoille County, VT	
Direct Spending (m$2026)	$42.8
Direct Wages (m$2026)	$18.1
Direct Jobs	418
Indirect and Induced Economic Contribution - Lamoille County + Rest of Vermont	
Indirect and Induced Spending ($2026)	$50.1
Indirect and Induced Wages ($2026)	$22.4
Indirect and Induced Jobs	251
Notes:	
***1)** Economic activity estimates for spending that occurred during calendar year 2025, presented in 2025-dollar value.*	

Appendix 1: § 5410. Declaration of homestead

"§ 5410. Declaration of homestead
(a) A homestead owner shall declare ownership of a homestead for purposes of education property tax."
32 V.S.A. § 5401 — Definitions
As used in this chapter:
(7) "Homestead":
(A) *"Homestead" means the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual's domicile or owned and fully leased on April 1, provided the property is not leased for more than 182 days out of the calendar year or, for purposes of the renter credit under subsection 6066(b) of this title, is rented and occupied by a resident individual as the individual's domicile.*
(B) The parcel of land surrounding the dwelling shall be determined without regard to any road that intersects the land. If the parcel of land surrounding the dwelling is owned by a cooperative housing corporation incorporated under 11 V.S.A. chapter 14 or owned by a nonprofit land conservation corporation or community land trust with exempt status under 26 U.S.C. § 501(c)(3), the homestead includes a pro rata part of the land upon which the dwelling is built, as determined by the cooperative corporation, nonprofit corporation, or land trust.
(C) A homestead may consist of a part of a multi-dwelling or multipurpose building, including cooperative property occupied as a permanent residence by a member of a cooperative housing corporation incorporated under 11 V.S.A. chapter 14. A mobile home may constitute a principal dwelling for purposes of this chapter.
(D) A dwelling owned by a trust may qualify as a homestead if it meets the requirements of subsection 6062(e) of this title. (which states "(e) A dwelling owned by a trust is not the homestead of the beneficiary unless the claimant is the sole beneficiary of the trust, and: 1) the claimant or the claimant's spouse was the grantor of the trust, and the trust is revocable or became irrevocable solely by reason of the grantor's death; or (2) the claimant is the parent, grandparent, child, grandchild, or sibling of the grantor, the claimant is mentally disabled or severely physically disabled, and the grantor's modified adjusted gross income is included in the household income calculation. "
(E)
(i) A homestead also includes a dwelling on the homestead parcel owned by a farmer as defined under section 3752 of this title and occupied as the permanent residence by a parent, sibling, child, grandchild of the farmer or by a shareholder, partner, or member of the farmer-owner, provided that the shareholder, partner, or member owns more than 50 percent of the farmer-owner, including attribution of stock ownership of a parent, sibling, child, or grandchild.
(ii) A homestead further includes the principal dwelling of a widow or widower, provided the dwelling is owned by the estate of the deceased spouse and it is reasonably likely that the dwelling will pass to the widow or widower by law or valid will when the estate is settled.
(F) A homestead also includes any other improvement or structure on the homestead parcel that is not used for business purposes. A homestead does not include that portion of a principal dwelling used for business purposes if the portion used for

business purposes includes more than 25 percent of the floor space of the building.
(G) For purposes of homestead declaration and application of the homestead property tax rate, "homestead" also means a residence that was the homestead of the decedent at the date of death and, from the date of death through the next April 1, is held by the estate of the decedent and not rented.
(H) A homestead does not include any portion of a dwelling that is rented, and a dwelling is not a homestead for any portion of the year in which it is rented.

Vermont Statutes Title 24. Municipal and County Government, § 2291. Enumeration of powers

For the purpose of promoting the public health, safety, welfare, and convenience, a town, city, or incorporated village shall have the following powers:

(29) To regulate by means of an ordinance or bylaw the operation of short-term rentals within the municipality, provided that the ordinance or bylaw does not adversely impact the availability of long-term rental housing. As used in this subdivision, "short-term rental" means a furnished house, condominium, or other dwelling room or self-contained dwelling unit rented to the transient, traveling, or vacationing public for a period of fewer than 30 consecutive days and for more than 14 days per calendar year

[i] Vermont Housing Finance Agency. 2026: https://housingdata.org/profile/housing-stock/short-term-rental
[ii] Stowe Historical Society. https://www.stowehistoricalsociety.org/new-page
[iii] Bonaparte, Y. 2025. Global FOMO: The Pulse of Financial Markets Worldwide. Financial Research Letters, Vol 85, Part A November 2025
[iv] https://www.investor.gov/additional-resources/spotlight/formerdirectorlorischock-directors-take/say-no-go-fomo?utm_source=chatgpt.com
[v] *Stowe Housing Needs Assessment, 2025,* page11 and 98. Community Scale for the Town of Stowe, VT
[vi] VSA32 Chapter 135 SS5410 Declaration of Homestead
[vii] Email to Michael Crane from Will S. Baker | Assistant Attorney General, Director, Legal Unit Vermont Department of Taxes. 4/16/26
[viii] Stowe Housing Needs Assessment , page 70
[ix] Airbnb Host Costs: 4 Expenses Every Host Should Know. September 26th,2025 https://www.airdna.co/blog/airbnb-host-costs
[x] Economic Impacts of Visitors in Vermont 2023. Dec 2024. Vermont Department of Tourism and Marketing. Prepared by Tourism Economics.