



# YAVAPAI COUNTY & SEDONA AZ

*ECONOMIC, WORKFORCE HOUSING, & REGULATORY IMPACTS OF SHORT-TERM RENTALS*



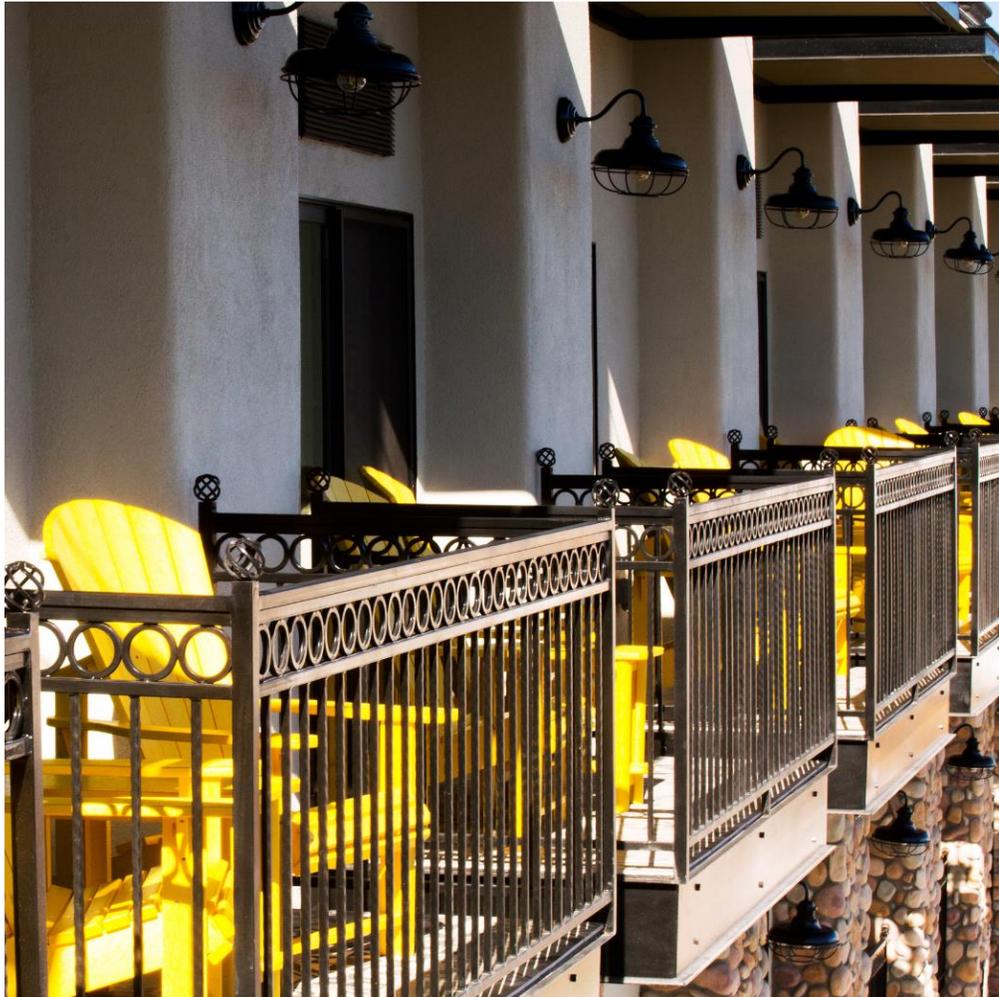
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# INTRODUCTION

The purpose of this study is to provide the Sedona Verde Valley Association of Realtors with an unbiased analysis of the economic contributions and workforce housing impacts of short-term rentals (STRs) in Yavapai County and the municipality of Sedona, AZ (which is partially in Coconino County, AZ).

In this study, RRC leverages a variety of primary and secondary data sources to address the multifaceted tourism, economic, and housing impacts of STRs these Arizona communities.

This report is focused on Yavapai County and the City of Sedona, and submarkets with high concentrations of STR units.



# RESEARCH METHODS

**Approach:** RRC conducted primary research and analyzed a range of secondary data to assess the status and impact of STRs in Yavapai County and the City of Sedona.

**Data Sources** include (but are not limited to) the following:

- AirDNA STR inventory and performance data
- State and local tax, STR permit, and budget records
- Yavapai and Coconino County Assessor records
- US Census, US Bureau of Labor Statistics data
- Local property sales data
- CoStar hotel inventory and performance data
- US Bureau of Economic Analysis RIMS II Multipliers
- Online community opinion surveys from a random sample of residents, second homeowners and STR owners

**Report Focus:** The present status and impact of STRs within Yavapai County and the City of Sedona, and historic trending over time, where data permits.

**Report Structure:** Each chapter in this report, as outlined in the [Table of Contents](#), contains a summary of Key Findings, followed by annotated slides that present detailed findings in charts and tables.

**Additional Deliverables** (under separate cover):

- Executive Summary: Overview of key findings
- Appendix: Quantitative results tables and respondent comments from the Community Survey

# STR PROFILE



# FINDINGS

## STR PROFILE

Data from AirDNA indicates 5,432 active STRs (rented or available for rent at least one day in the month) within the study area of Yavapai County and the City of Sedona in July 2024.

- The number of STRs in the study area has risen across the past 6.5 years, growing 151% from a unit count of 2,163 in January 2018.
- Between January 2018 and July 2024, STR counts more than doubled in all sub-geographies of the study area examined in this report.
- The growth of STRs since 2018 has been broad-based, fueled by the addition of STRs of various types, sizes and locations.
- The City of Sedona accounted for by far the greatest share of active STRs in the study area as of July 2024 (45% / 2,438 units). Following were the Village of Oak Creek CDP (16% / 895 units), City of Prescott (10% / 562 units) and City of Cottonwood (3% / 150 units). The remainder of the Verde Valley accounted for 15% of STRs (820 units), and the remainder of Yavapai County accounted for 10% of STRs (567 units).
- Active STR counts show some seasonality, peaking in the spring and fall, with lower numbers in the winter (especially February) and summer (especially August).

Nearly all active STRs in the study area are rentals for an entire home, most are for a single-family property, and most contain one or two bedrooms.

- Overall, 65% percent of STR units in the study area are single-family properties. This varies from 42% to 80% at the community level, representing the plurality of units in all locations except the Village of Oak Creek CDP, where units in multi-family properties (51%) are most common.
- Overall, 34% of study area STRs feature one bedroom, while 24% are two bedrooms in size. Single-family STR properties tend to be larger than units located in multi-family properties.
- Single-family units also tend to have higher occupancy rates (47% overall) and higher average daily rates (ADRs; \$330) as compared to units located in multi-family properties (38% and \$238, respectively).
- Like active STR counts, occupancy rates and ADRs both exhibit strong seasonality, with peaks in the spring and fall.

Yavapai County and the City of Sedona showed relative resilience to pandemic-related impacts on STR counts compared to other areas studied by RRC, including Blaine County, ID; Teton County, WY; Summit County, CO; and Pitkin County, CO.

- While the pandemic stalled growth in STR unit counts in the study area, numbers did not fall, as they did in the other communities.
- Beginning in early 2021 counts began to rise again in the study area, a trend which has continued through July 2024.

Based on identifiable properties in Assessor data, the vast majority of STR units (over 90%) are owned by individuals and/or entities that own a single STR in the study area, and among those who own multiple STRs, the majority own two STRs.

- This suggests that recent growth in STRs is primarily attributable to the addition of individually-owned units in the marketplace, rather than the addition of units operated by individuals/entities owning multiple units.

In the City of Sedona, the number of STRs identified in City STR permit records (1,119 as of September 2024) is less than half the count of active STRs identified by AirDNA (2,438 as of July 2024).

- Some of this discrepancy appears to be for logical reasons – for example, AirDNA listings include some properties which aren't required to have City STR permits (e.g., hotel units and timeshares, and units only rented for 30+ day periods).
- It may also be the case that some STRs operate without a license, or for some other reason are not reflected in City permit records.
- As a cross-check, AirDNA indicates there were 3,475 active STRs in Sedona-area zips (86366 and 86351) in July 2024, while Key Data estimated there were 3,245 active STRs in the “Greater Sedona Area” (inclusive of the Villages of Oak Creek) as of December 2024. While there is some discrepancy in these numbers (and the geographic areas represented), the results are in a similar ballpark, providing corroboration about the order-of-magnitude counts of STRs in the Sedona area.
  - Similarly, in Yavapai County, AirDNA indicates there were 4,611 active STRs in Yavapai County in July 2024, while Key Data estimated there were 3,990 active STRs as of December 2024. While there is some discrepancy in these numbers, the results are again in a similar ballpark.

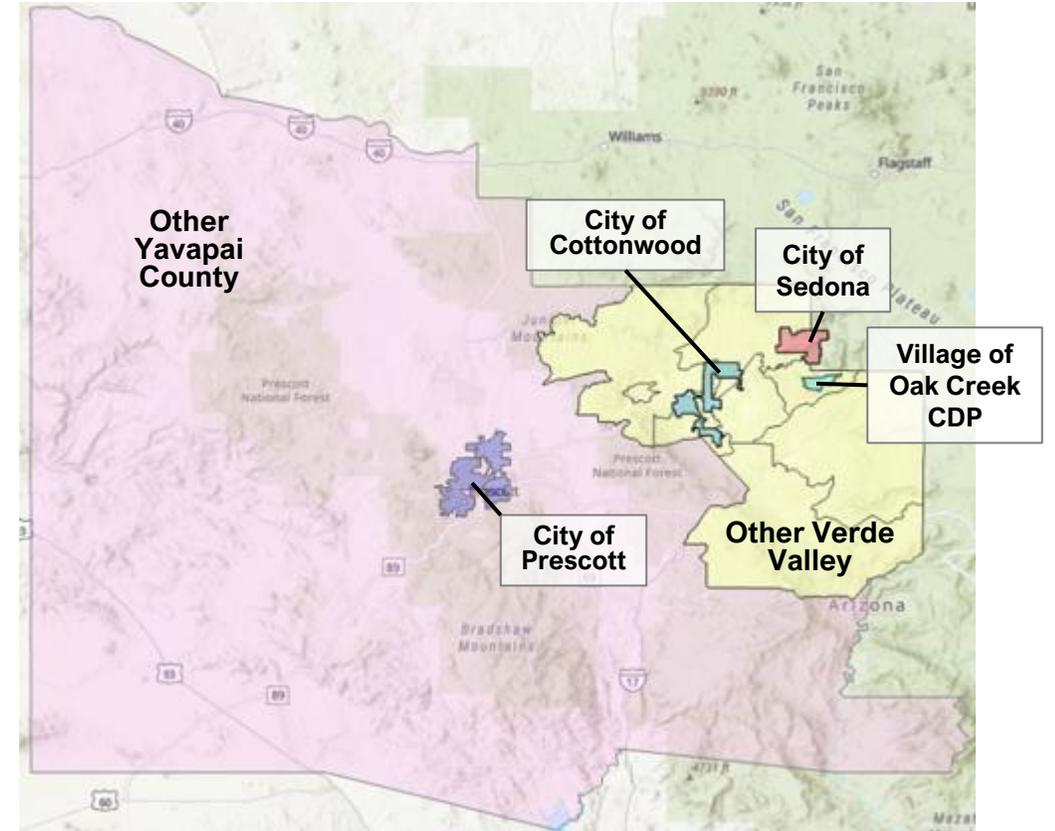
# REFERENCE GEOGRAPHIES

The AirDNA data presented in this section represents Yavapai County's municipalities and unincorporated regions, and the entirety of the City of Sedona, including areas within both Yavapai and Coconino Counties.

**Reference Geographies** (detailed maps are provided on the following two pages):

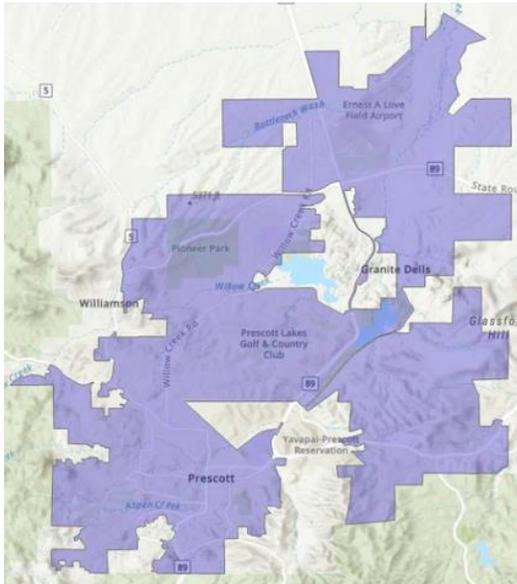
- **City of Sedona:** defined by the city's municipal boundaries
- **City of Cottonwood:** defined by the city's municipal boundaries
- **City of Prescott:** defined by the city's municipal boundaries
- **Village of Oak Creek Census Designated Place (CDP):** the unincorporated community of Oak Creek, a high-density STR area
- **Other Verde Valley:** ZIP codes 86322, 86324, 86325, 86326, 86331, 86335, 86336, and 86351, excluding the City of Sedona, City of Cottonwood, and Village of Oak Creek CDP.
- **Other Yavapai County:** all remaining areas of Yavapai County not included in the above geographies.

At the end of this chapter, [additional STR profile data](#) is presented using Assessor data from both Yavapai and Coconino Counties. As noted in those slides, this data is also organized by municipal boundaries.

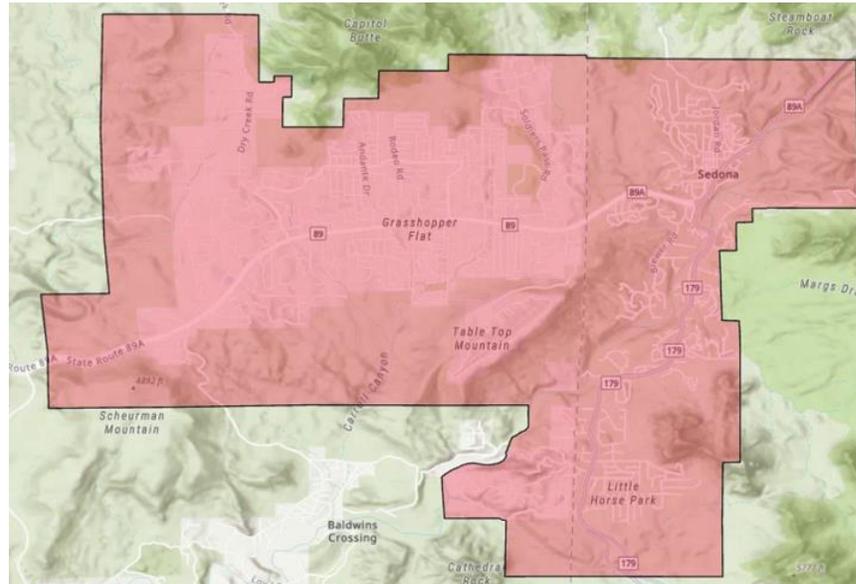


# REFERENCE GEOGRAPHIES

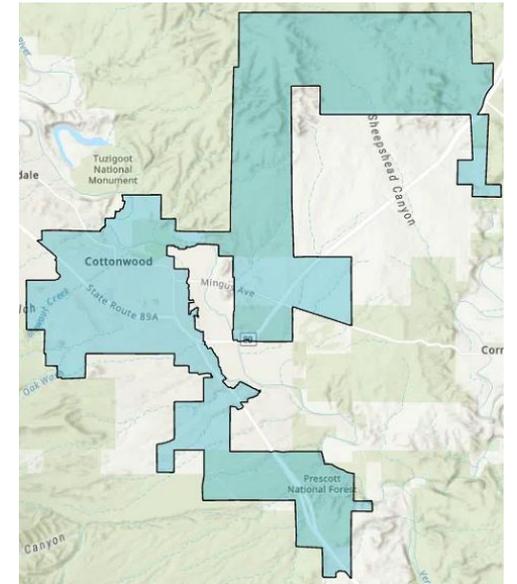
## City of Prescott



## City of Sedona



## City of Cottonwood

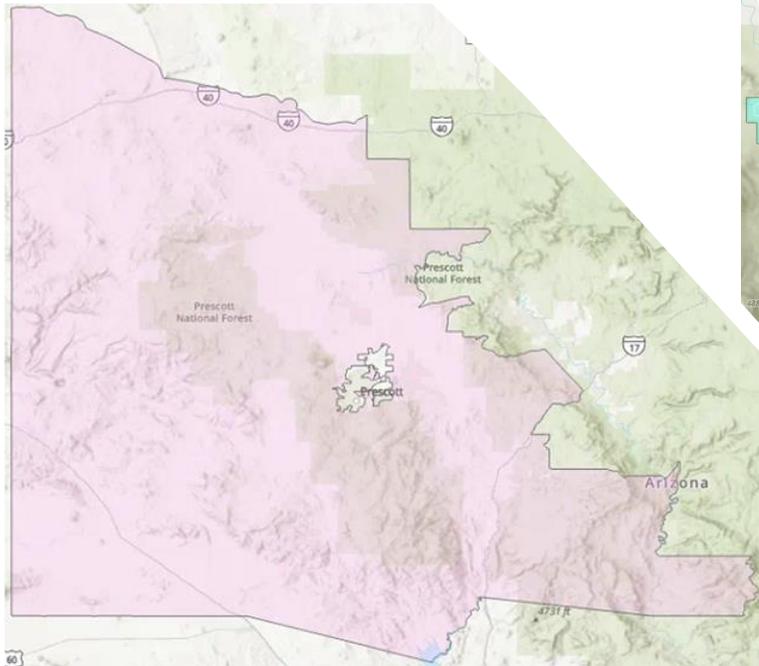


*Geographies for the three municipal study areas.*

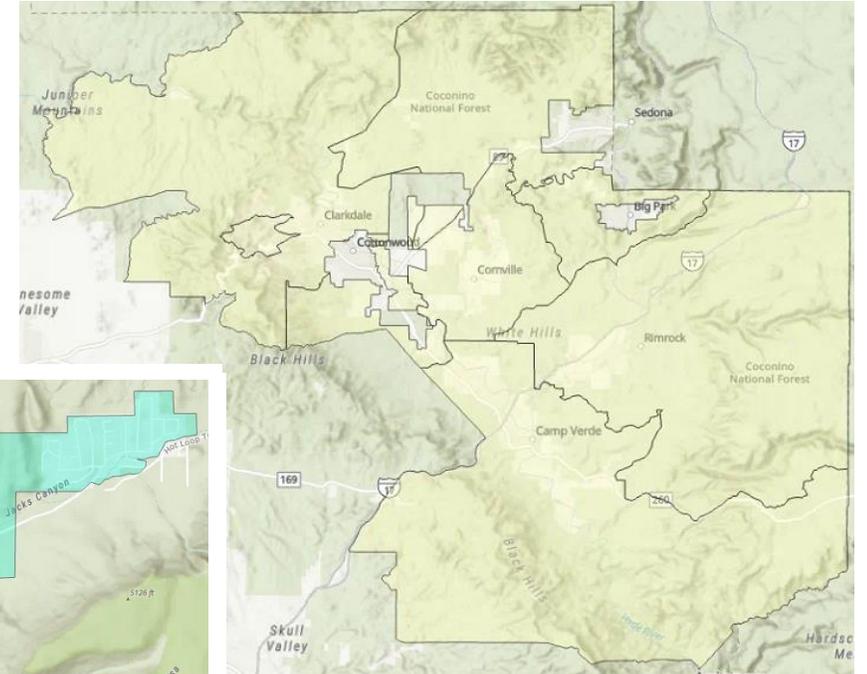
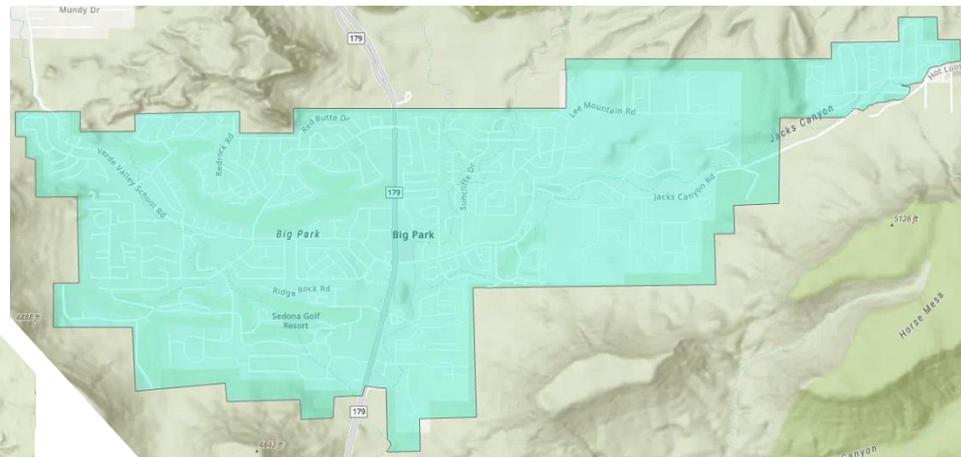
# REFERENCE GEOGRAPHIES

*Geographies for the three other non-municipal study areas.*

## Other Yavapai County



## Village of Oak Creek Census Designated Place



## Other Verde Valley

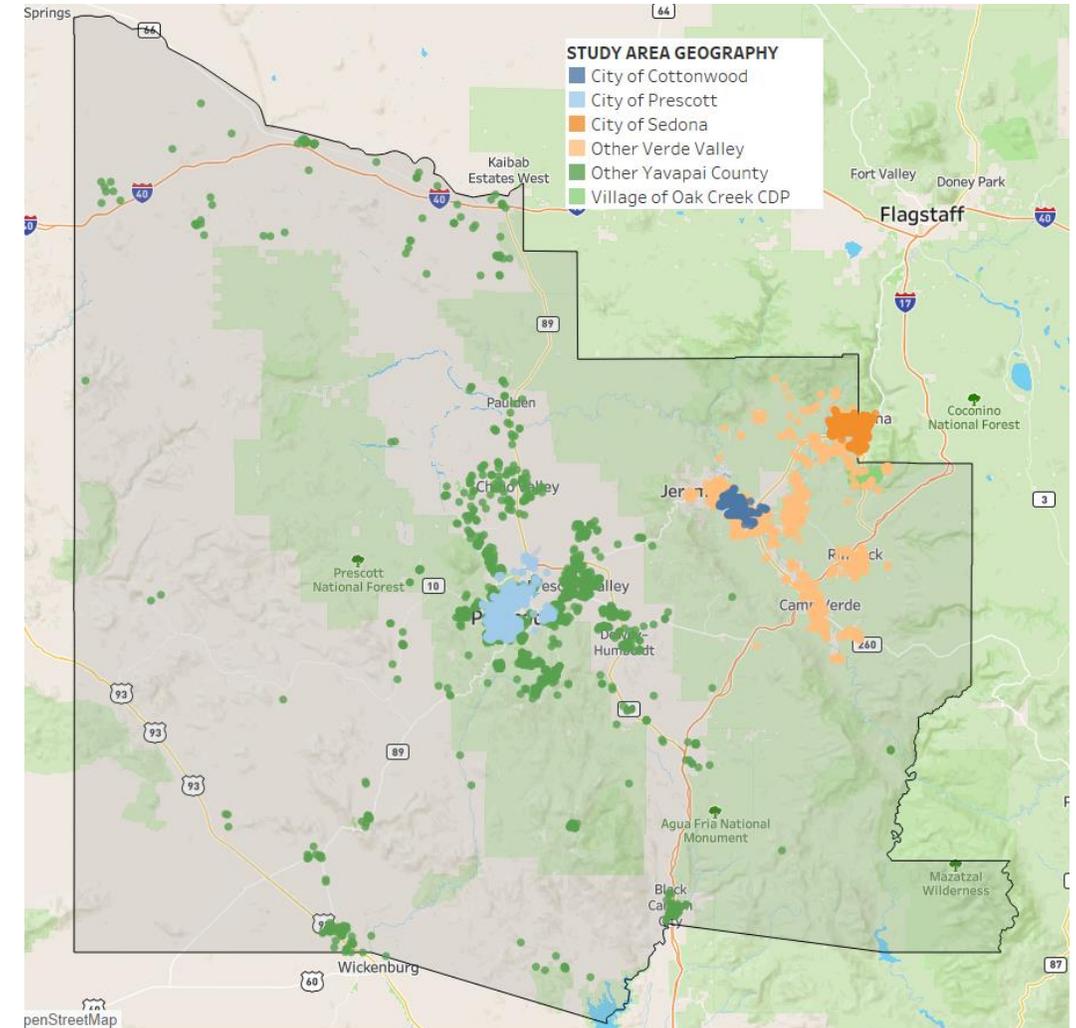
# STR LOCATIONS

## STUDY REFERENCE GEOGRAPHIES

This map illustrates the locations of STRs in the AirDNA database within the full study area, color-coded by Reference Geography.

While STRs are spread across the full study area, active STR units are highly concentrated within the Verde Valley, particularly the City of Sedona.

A more detailed view of the Verde Valley is provided on the following slide.

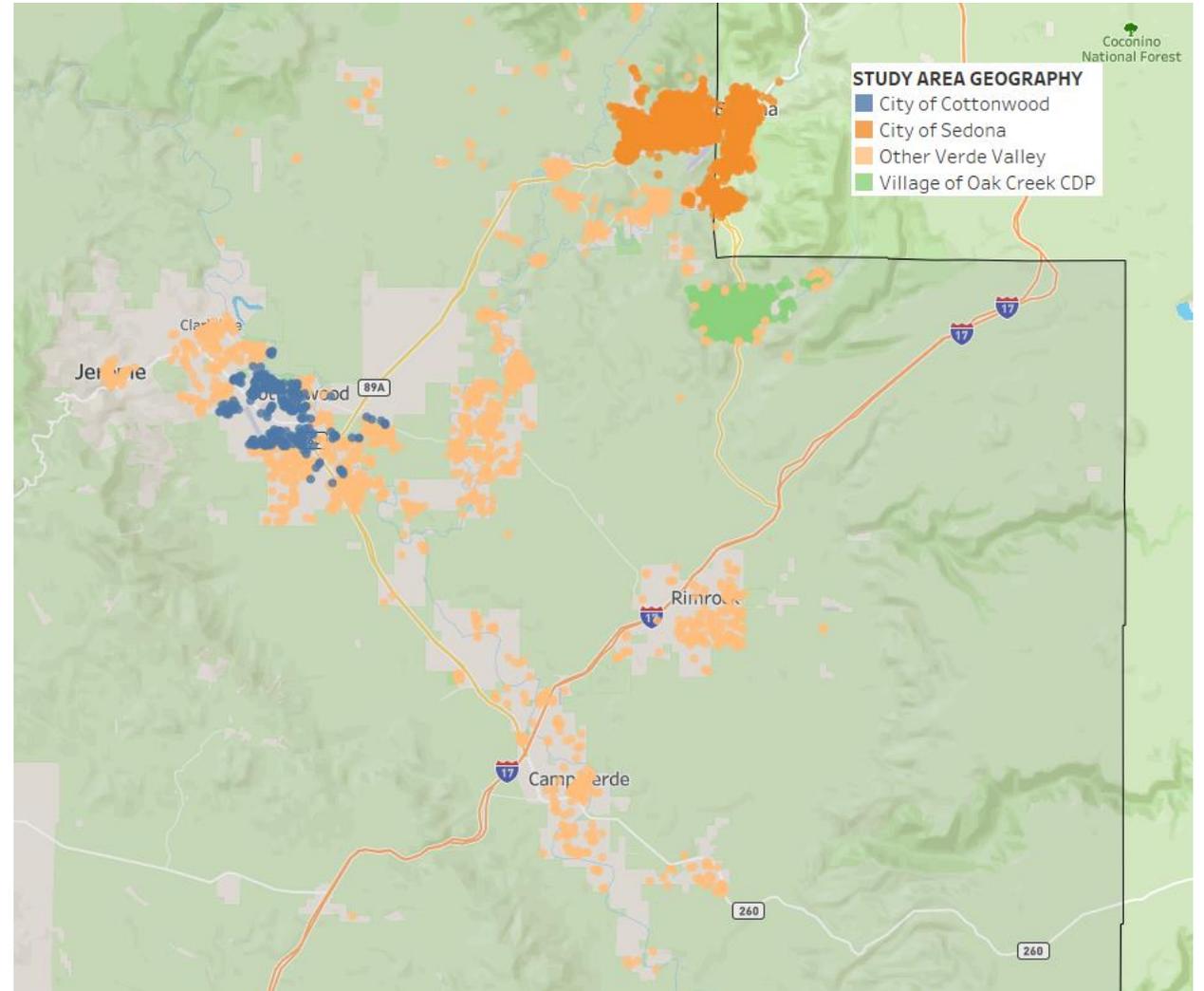


# STR LOCATIONS

## VERDE VALLEY

This map focuses on the Verde Valley, where the majority of Yavapai County's active STRs are located.

The county boundary, shown as a black line, helps illustrate the portion of the City of Sedona that extends outside Yavapai County into Coconino County.

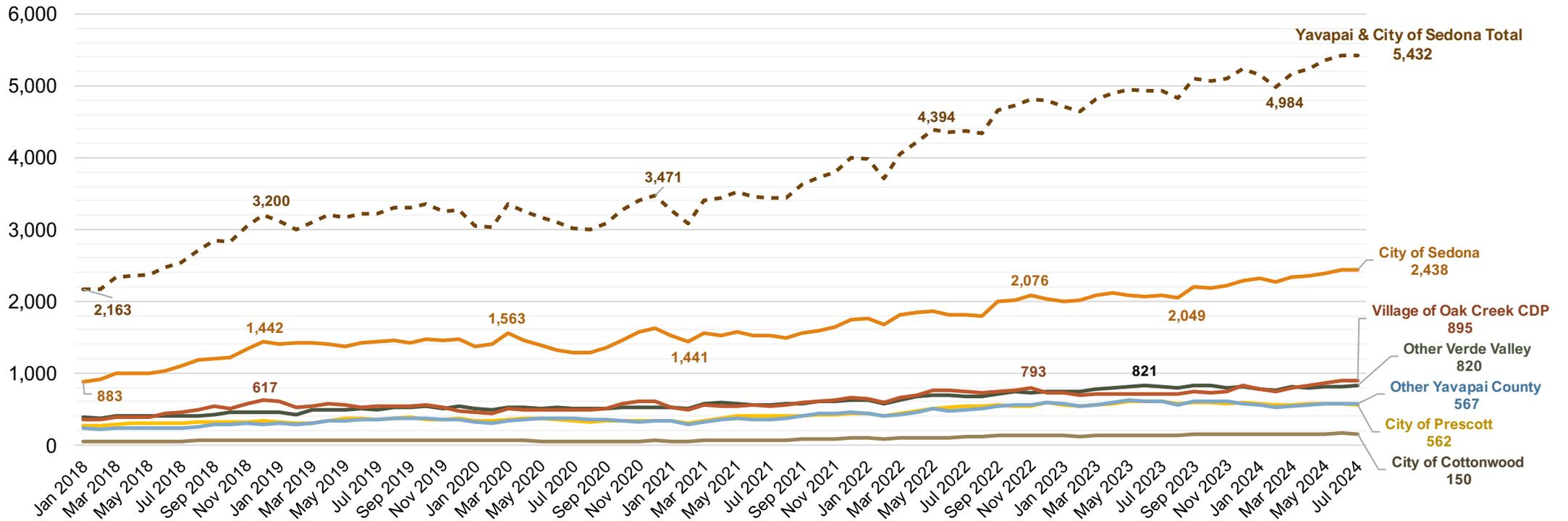


The total number of active STR units in Yavapai County and the City of Sedona has trended strongly upward over the past 6.5 years.

- Between January 2018 and July 2024, STR counts grew by 151% across the full study area, and more than doubled in each of the illustrated sub-geographies.
- As of July 2024, the City of Sedona contained 45% of the active STRs in the study area, followed by the Village of Oak Creek CDP (16%) and Other Verde Valley (15%).
- STR counts show a slight seasonality, with spring/fall peaks, and a resilience to pandemic-related impacts of 2020, with counts largely trending flat, in contrast to drops seen in several mountain resort communities.

## Number of Active STRs

Yavapai County & City of Sedona | Jan 2018 - Jul 2024

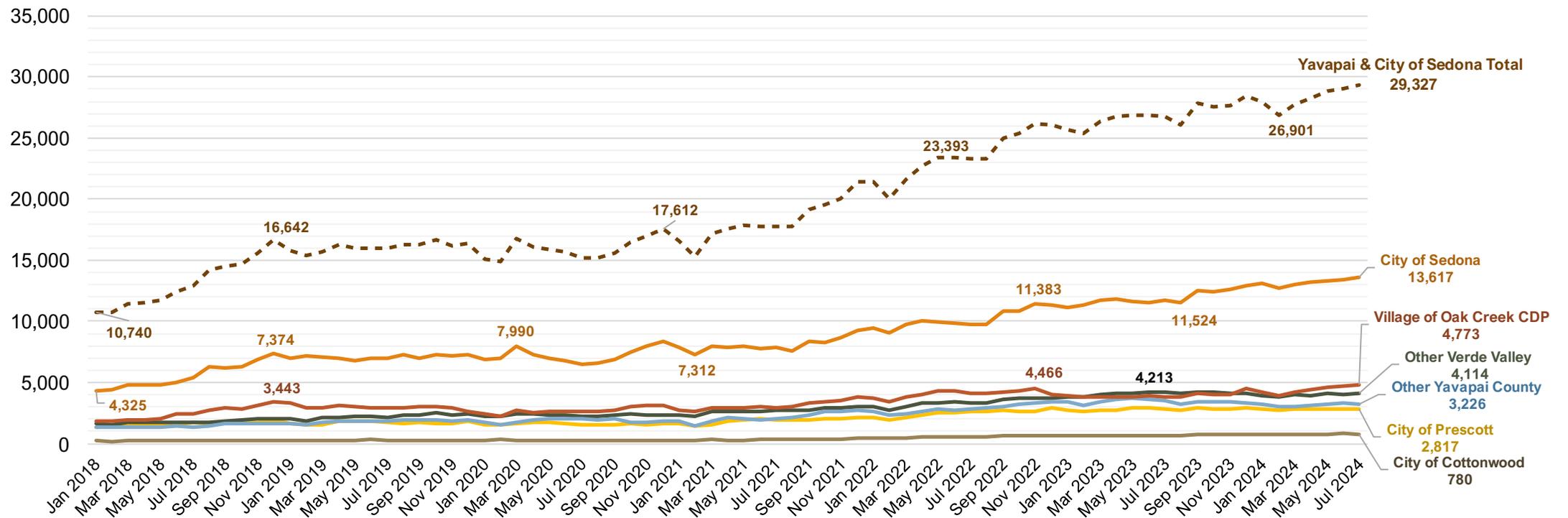


Like the number of STR units, the maximum guest capacity of active STRs in Yavapai County and the City of Sedona has also increased.

- A slight pause in growth occurred just prior to the pandemic, with little absolute growth from fall 2018 through fall 2020.
- However, a resurgence in capacity growth is seen starting in 2021, coinciding with a general return to travel after the height of pandemic restrictions.

## Maximum Guest Capacity within Active STRs

Yavapai County & City of Sedona | Jan 2018 - Jul 2024





# STR UNITS BY LOCATION

## ALL STUDY AREA SUB-GEOGRAPHIES

2024 BY  
LOCATION

The high number of STRs in Sedona, and to a lesser extent the Village of Oak Creek CDP and Prescott, is apparent when compared to other sub-geographies (cities, towns, and CDPs) within Yavapai County.

### Number of Active STRs by Location

Yavapai County & City of Sedona | July 2024

	# of STRs
City of Cottonwood	150
City of Prescott	562
City of Sedona	2,438
Town of Camp Verde	96
Town of Chino Valley	12
Town of Clarkdale	90
Town of Dewey-Humboldt	15
Town of Jerome	34
Town of Prescott Valley	58
Town of Wickenburg	6
Ash Fork CDP	2
Black Canyon City CDP	16
Congress CDP	1
Cornville CDP	121
Lake Montezuma CDP	51
Mayer CDP	2
Paulden CDP	9
Peeples Valley CDP	1
Seligman CDP	25
Verde Village CDP	151
Village of Oak Creek CDP	895
Williamson CDP	31
Yarnell CDP	3
All other Unincorporated Areas	663
<b>TOTAL</b>	<b>5,432</b>

# STR UNITS BY LISTING TYPE

Nearly all active STR listings (over 90%) are entire homes, with a monthly average of 4,677 of these units available over the past 12 months.

A moderate share (9%) are private sleeping rooms, where other areas could be shared.

- While smaller in share, STRs listed as “private rooms” are more likely to be owner- or renter-occupied units, in addition to being listed as a STR.
- By providing both resident housing and resident income, these STR situations may be particularly advantageous to Yavapai and Sedona residents.

Traditional tourist lodging sources like hotel rooms show up in Yavapai STR listings but comprise an average of just 0.6% of active STRs per month.

## Average Monthly Active STRs by Listing Type

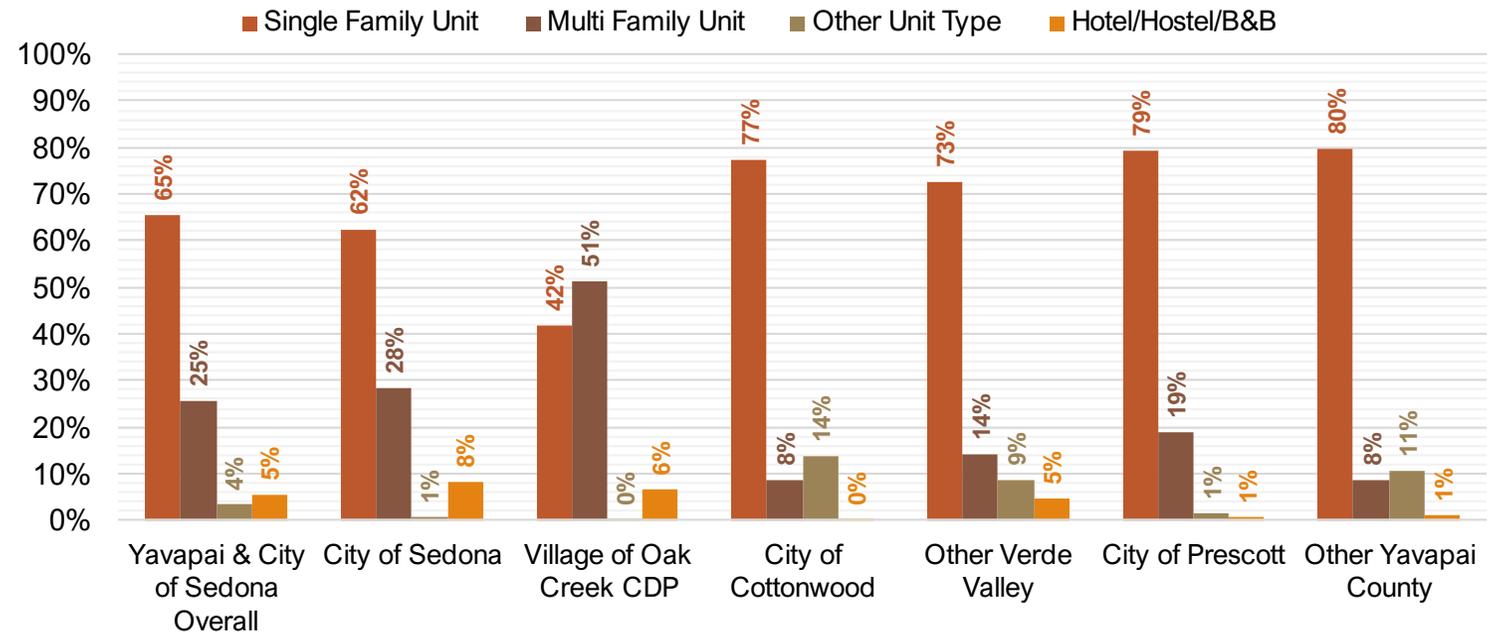
Yavapai County & City of Sedona | August 2023 - July 2024

	Monthly Average	Percent
Entire Home	4,677	90.4%
Private Room	465	9.0%
Hotel Room	31	0.6%
Shared Room	1	0.0%
<b>TOTAL</b>	<b>5,174</b>	<b>100.0%</b>

STRs in Yavapai County and the City of Sedona are predominantly single-family homes (65% overall).

- This varies at the community level, though only the Village of Oak Creek CDP has a higher share of STR units located within multi-family properties (51%) than single-family units (42%).

Percent of Active STRs by Property Type  
2023



**PROPERTY CLASSIFICATION EXAMPLES:**

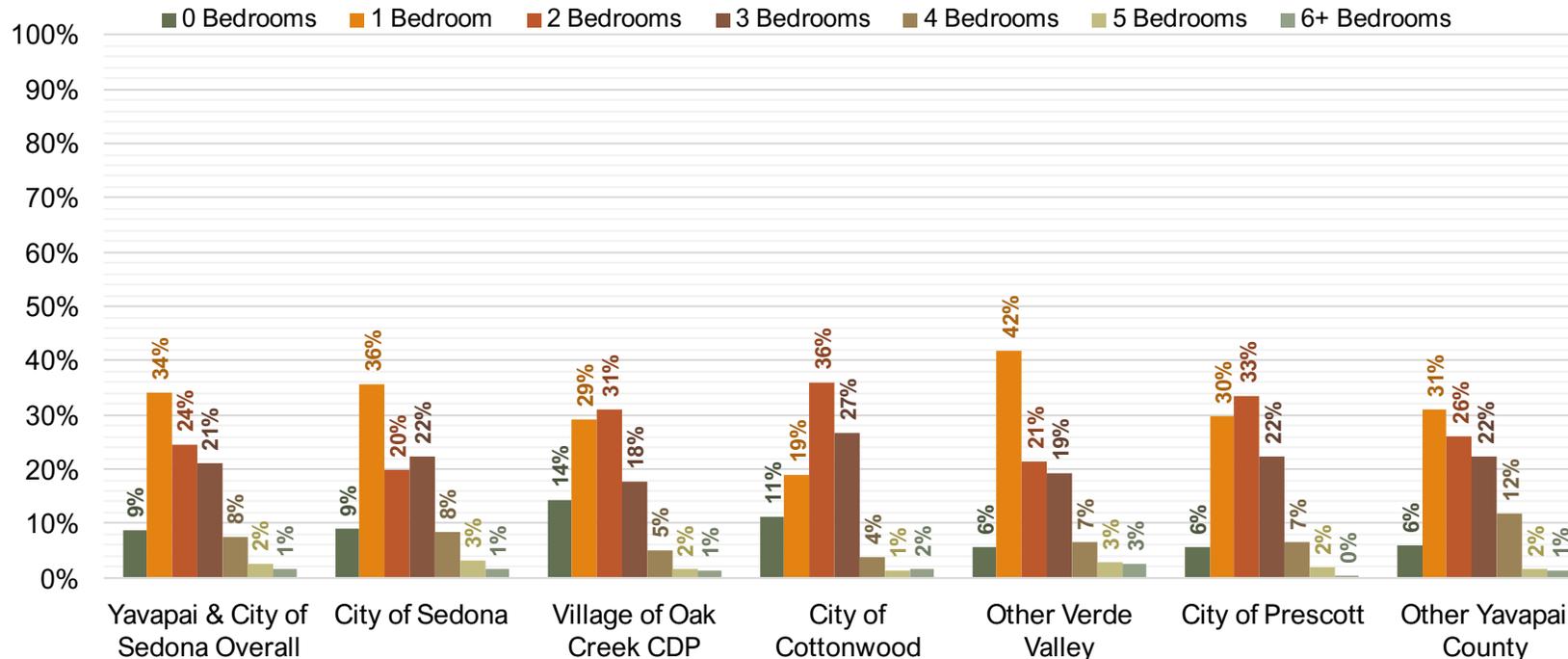
- Single-family:** House, cabin, guest suite, guest house, cottage, villa, bungalow, vacation home, place, chalet, etc.
- Multi-family:** Condominium, apartment, serviced apartment, townhouse, studio, loft, etc.
- Hotel/Hostel/B&B:** Resort, hotel, lodge, aparthotel, B&B, hostel, etc.
- Other:** Camper/RV, tent, tiny house, farm stay, campsite, nature lodge, yurt, ranch, farmhouse, etc.

One-bedroom units account for a plurality of active STRs, representing 34% of the current 2024 STR mix within the study area.

- This overall pattern applies within the City of Sedona (36% of units have one bedroom), Other Verde Valley (42%), and Other Yavapai County (31%).
- In contrast, units within the other reference geographies (Village of Oak Creek CDP, City of Cottonwood, and City of Prescott) are more likely to be two-bedroom units.

## Percent of Active STR Units by Bedroom Size

January - July 2024

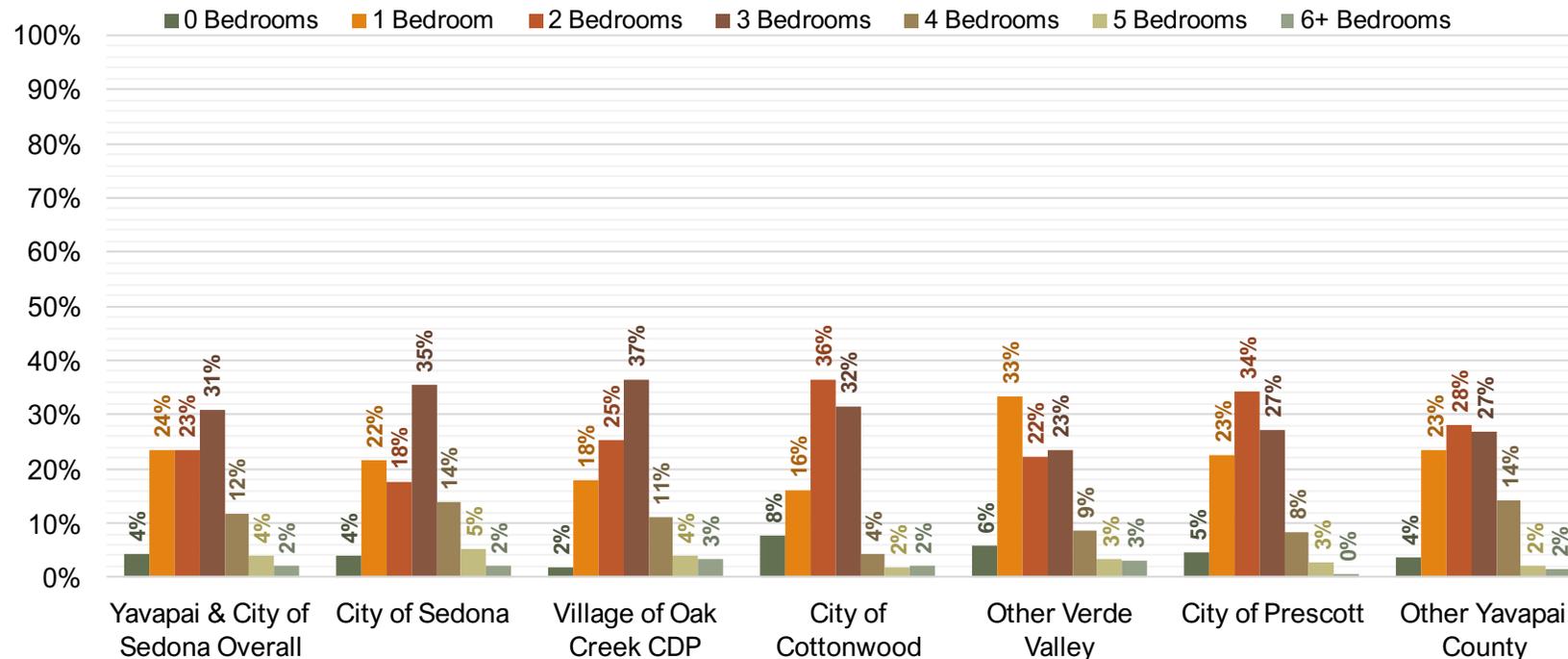


Single-family STR units tend to be above-average in size.

- A plurality of single-family units (31%) have three bedrooms, followed by one- or two-bedroom units (24% and 23%, respectively).
- In some reference geographies, the mix of single-family unit sizes is very similar to the overall mix of unit sizes shown on the prior slide, indicative of the overall dominance of single-family units in the STR supply.
- This similarity is not seen for the City of Sedona and Village of Oak Creek, which have the highest shares of multi-family and hotel/hostel/B&B units.

### Percent of Single Family STR Units by Bedroom Size

January - July 2024

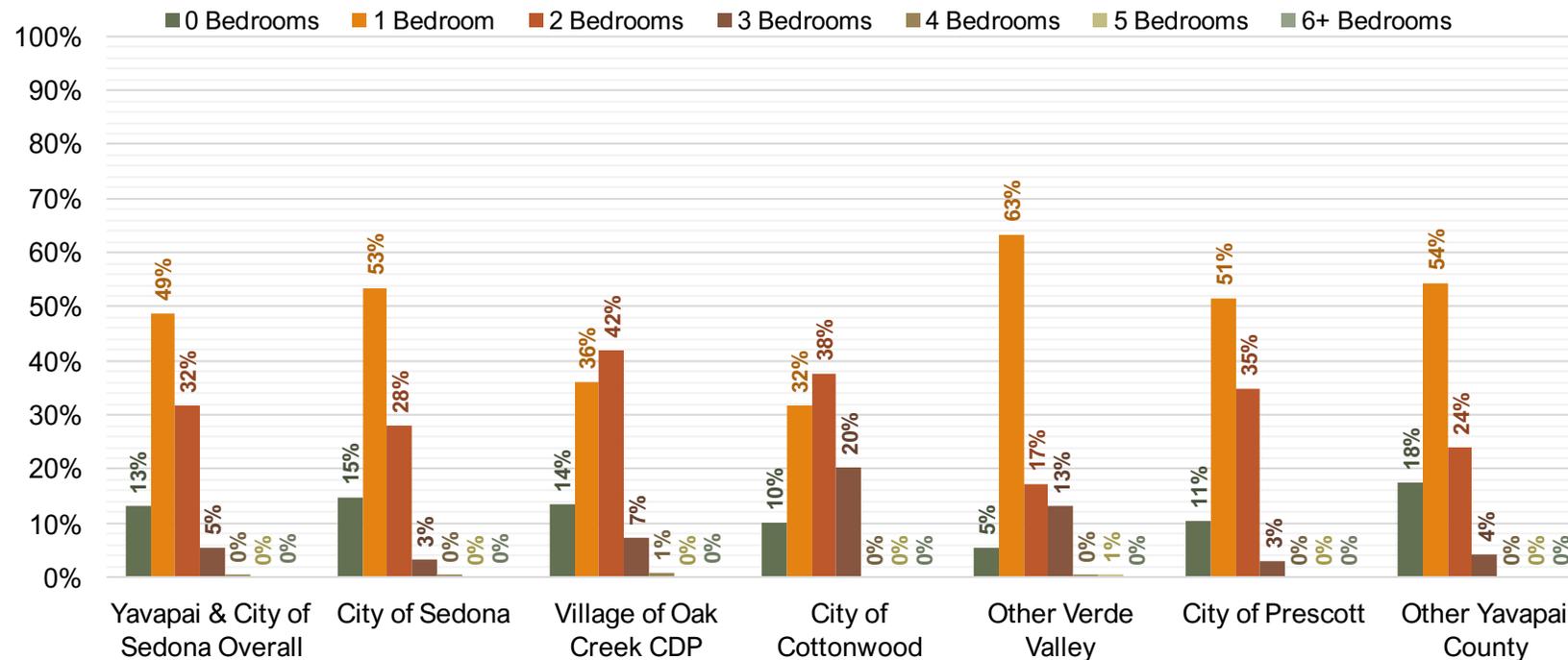


Source: AirDNA

Almost half of multi-family STR units (49% overall) are a single bedroom in size.

- This pattern applies to all sub areas other than the City of Cottonwood and the Village of Oak Creek CDP, where two-bedroom units comprise the plurality.
- Very few multi-family units are larger than two bedrooms in size, representing just 5% of the overall mix. Outliers to this pattern are the City of Cottonwood (where 20% of multi-family STRs have three bedrooms) and Other Verde Valley (13%).

**Percent of Multi Family STR Units by Bedroom Size**  
January - July 2024

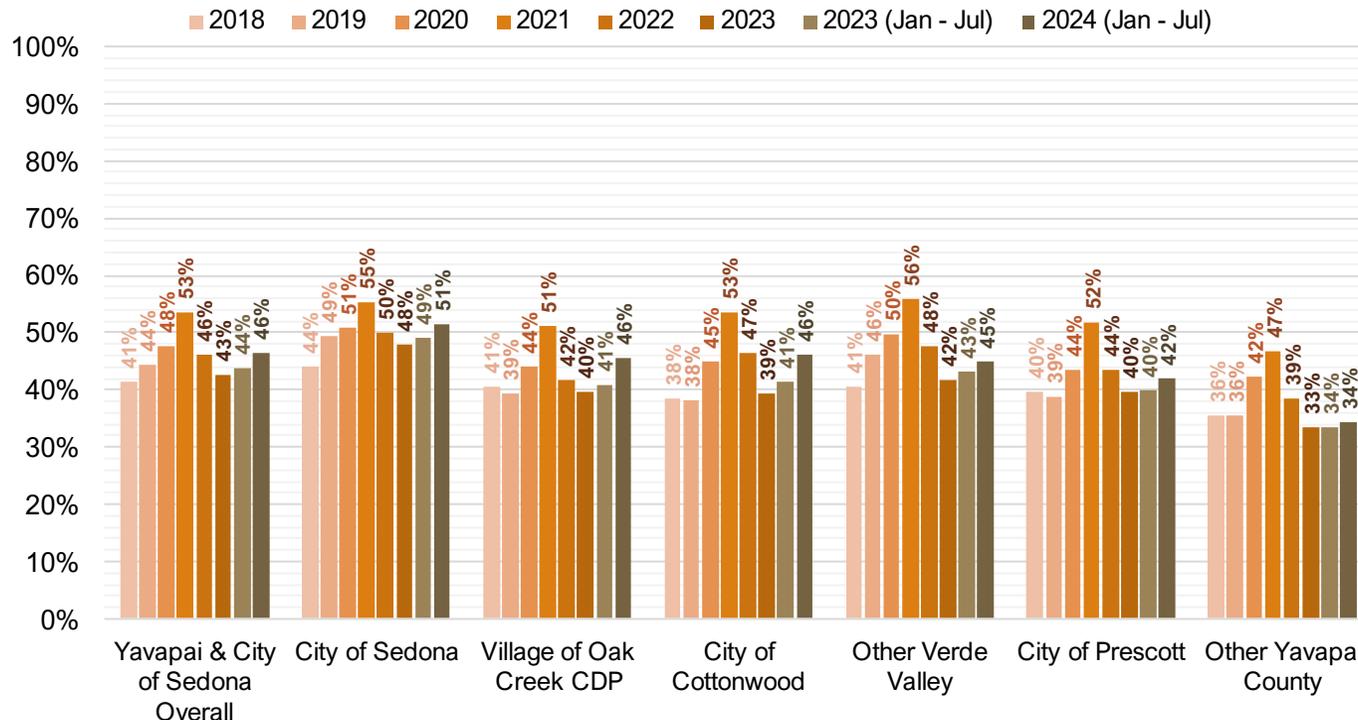


Source: AirDNA

From 2018 to 2021, overall STR occupancy rates across the study area rose steadily, reaching a high of 53%. Occupancy then declined two consecutive years, to a trough of 43% in 2023, indicating that demand didn't keep pace with the influx of supply.

- 2024 is showing a resumption year-over-year growth from 2023, based on data through July.
- Though occupancy rates vary by community (and are highest in Sedona), annual trends among all sub-geographies mirror the overall pattern.

**Active STR Occupancy**  
2018 - 2024



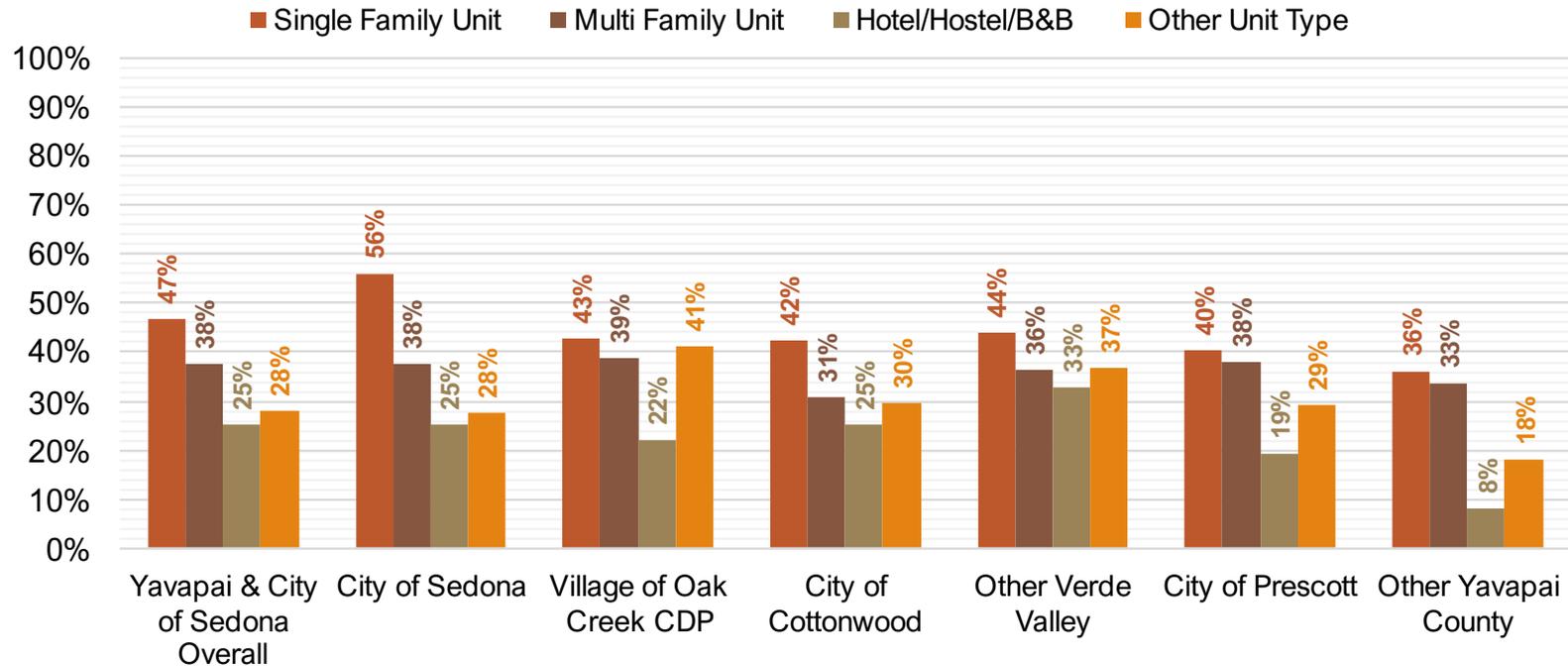
Source: AirDNA

The occupancy rate of single-family units consistently outpaces that of multi-family units in all reference geographies.

- Hotel/hostel/B&B units listed on STR platforms consistently have the lowest occupancy rates of any property type.

### Active STR Occupancy by Property Type

2023



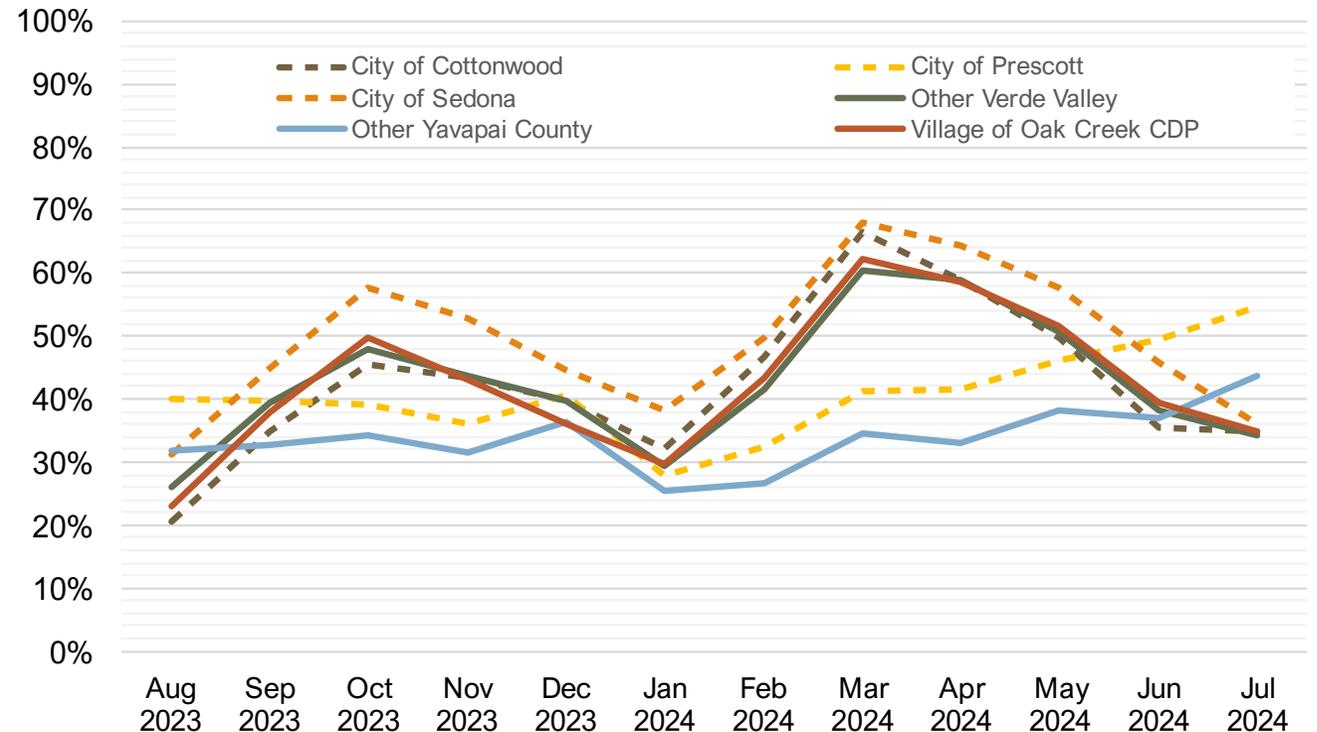
Source: AirDNA

Occupancy rates across the study areas are seasonal, with spring and fall peaks, and summer and winter troughs.

Units in the City of Prescott and Other Yavapai County show less seasonal variability, and reached their occupancy peaks in July, in contrast to the March highs seen in the other geographic areas.

### Active STR Occupancy by Month

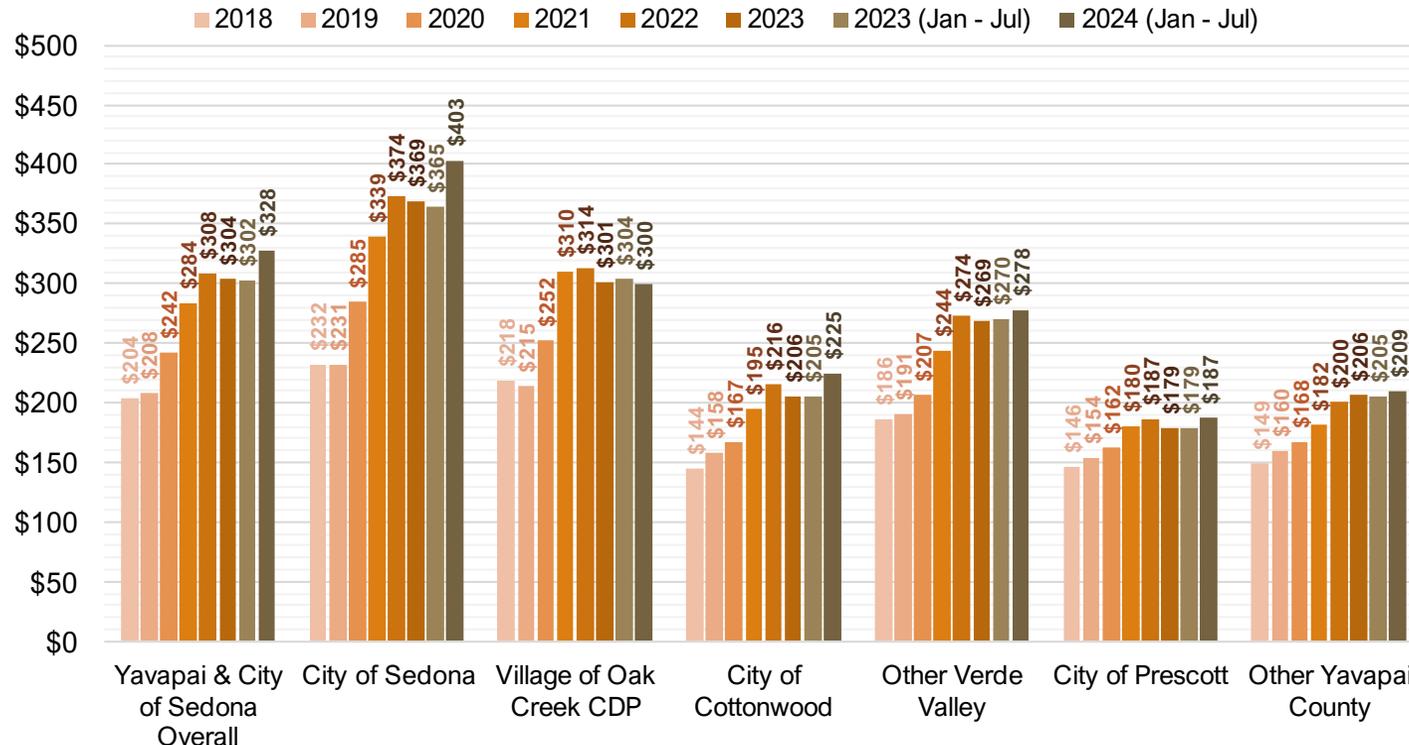
August 2023 - July 2024



The City of Sedona commands the highest STR rates in the study area, reaching an average of \$403 per night in 2024 to date. In recent years, the lowest rates tend to have occurred in the City of Prescott.

- STR ADRs increased annually from 2018 to 2022 across all geographies, plateaued in 2023, and have risen again in 2024 to date.

**Active STR ADR**  
2018 - 2024



Source: AirDNA

# STR AVERAGE DAILY RATE

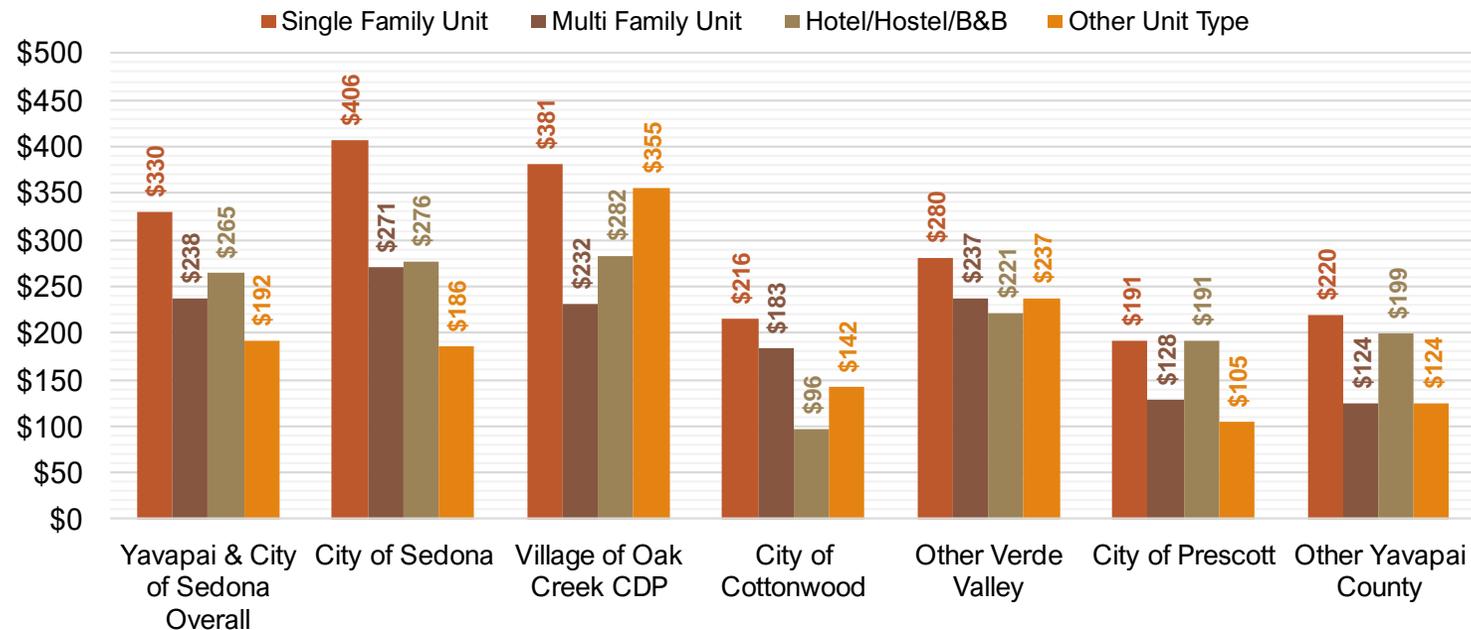
## BY PROPERTY TYPE

As might be expected, single-family homes (which tend to be larger) have higher ADRs than units located in multi-family properties across the study area.

- In the City of Sedona and the Village of Oak Creek CDP, which have the highest ADRs, staying in a single-family STR unit costs an average of 50% and 65% more, respectively, than a unit located in a multi-family property.

### Active STR ADR by Property Type

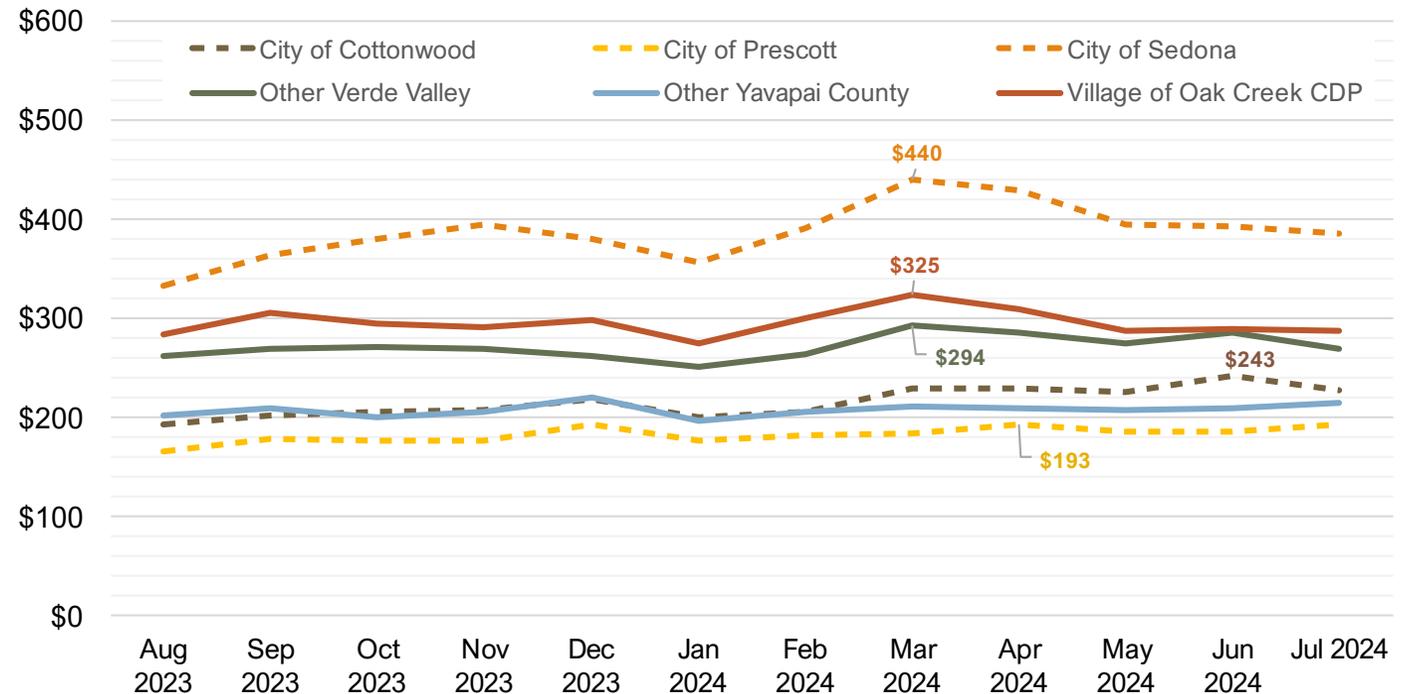
2023



Average daily rates follow similar seasonal trends as occupancy rates, with spring and to a lesser extent fall peaks.

Seasonal variations in ADRs are similar in timing, but lower in magnitude, than seasonal variations in occupancy rates.

**Active STR ADR by Month**  
August 2023 - July 2024

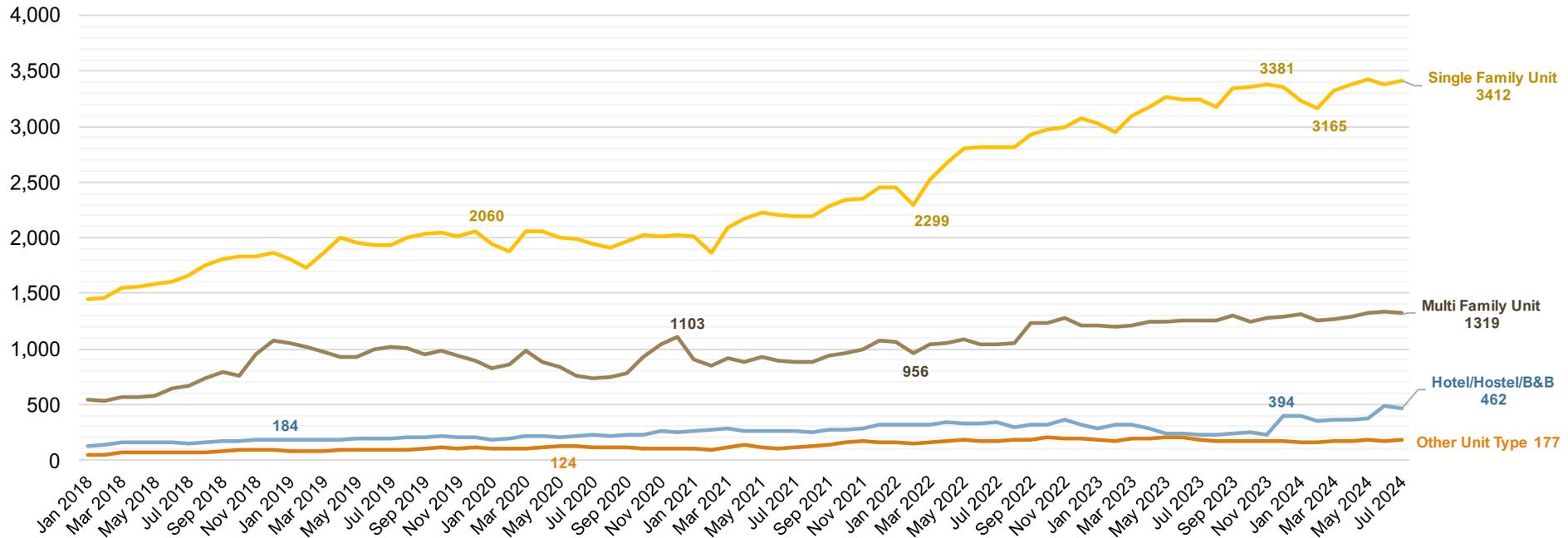


Long-term growth has occurred in all STR unit types, with each category more than doubling in percentage terms from January 2018 to July 2024, including single family units (+135%) and multifamily units (+143%). Single family units have consistently been the largest category.

**PROPERTY CLASSIFICATION EXAMPLES:**

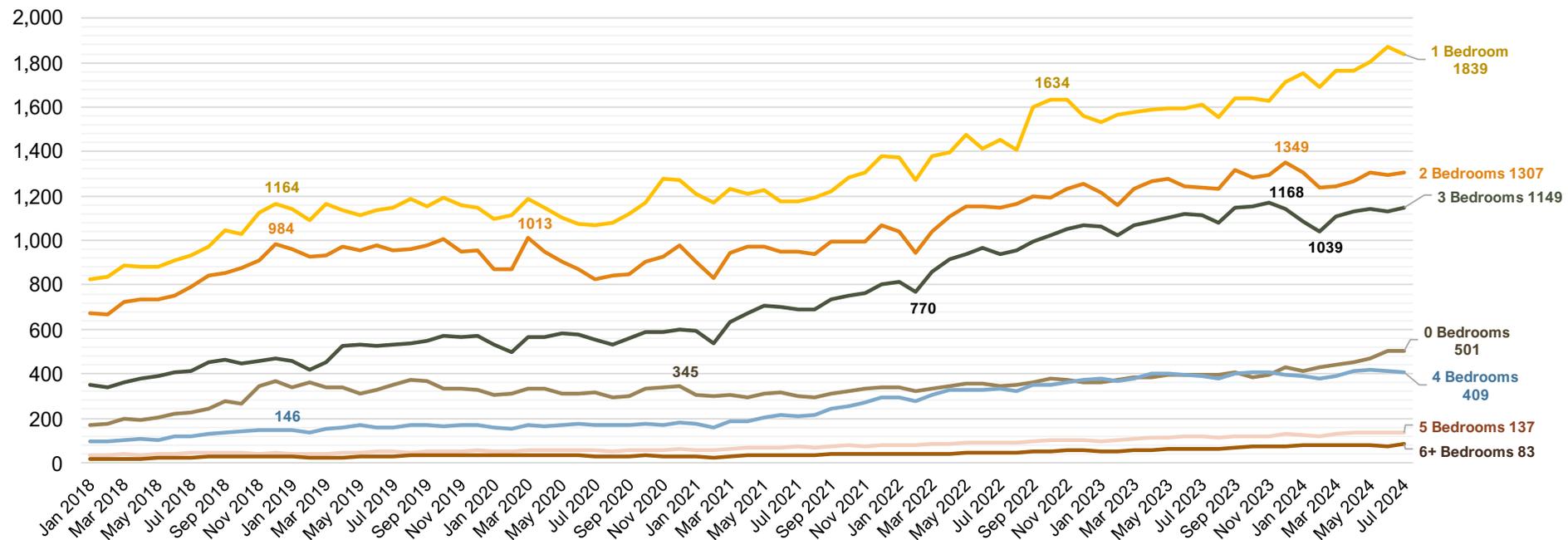
- **Single-family:** House, cabin, guest suite, guest house, cottage, villa, bungalow, vacation home, place, chalet, etc.
- **Multi-family:** Condominium, apartment, serviced apartment, townhouse, studio, loft, etc.
- **Hotel/Hostel/B&B:** Resort, hotel, lodge, aparthotel, B&B, hostel, etc.
- **Other:** Camper/RV, tent, tiny house, farm stay, campsite, nature lodge, yurt, ranch, farmhouse, etc.

**Number of Active STRs by Property Type**  
Yavapai County & City of Sedona | Jan 2018 - Jul 2024



Long-term growth has occurred across all bedroom counts, although with some variation across categories. Over the January 2018-July 2024 period, there has been somewhat less cumulative growth in 2BRs (+94%) and 1BRs (+123%) than 0BRs (+200%), 3BRs (+228%), and 4+ BRs (+347%).

**Active STRs by Number of Bedrooms**  
Yavapai County & City of Sedona | Jan 2018 - Jul 2024



# ASSESSOR STR ANALYSIS

The remaining slides in this chapter portray a profile of STRs derived from County Assessor data. This dataset was created by matching STR licensing records from the City of Sedona, City of Cottonwood, and City of Prescott to public Assessor records obtained from Yavapai and Coconino County in August 2024. Data limitations to consider when interpreting results are:

- **Licensing Variations**

Licensing requirements and data availability differ across Yavapai County communities, meaning not all operational STRs could be matched.

- **Sample Representation**

- 1,335 STRs were matched to Assessor data, representing one-quarter of the 5,432 active study-area STRs identified by AirDNA in July 2024.
- AirDNA listings are anonymized, and as such, cannot be matched to Assessor data; they were analyzed separately in the preceding slides.
- *Therefore, the results of the Assessor Analysis on the following slides are illustrative, but not exhaustive.*

## CITY OF SEDONA

**STR Licenses Provided:** 1,119

**Match Rate:** 1,110 successfully matched (99%)

- 700 of 703 matched via property address in Yavapai portion
- 410 of 416 matched via Parcel ID (3 unmatched, 3 duplicates) in Coconino portion

**NOTE:** Even when STRs outside city limits were excluded, AirDNA estimates (2,438) are more than double city records (1,119). Likely causes include:

- Unlicensed STR operations
- Inclusion of traditional lodging and timeshares on Airbnb/VRBO platforms (though limited in number)

## CITY OF COTTONWOOD

**STR Licenses Provided:** 60

**Match Rate:** 50 successfully matched (87%)

- Matched via the licensed property's unique Tax Lot Number
- 8 unmatched STRs lacked a Tax Lot Number with another 2 had duplicated license entries
- Property addresses were not included in the data, limiting backup matching options when Tax Lot Numbers were missing and/or owner information differed

**NOTE:** AirDNA estimates (150) are more than double city records (60).

## CITY OF PRESCOTT

**STR Licenses Provided:** 180

**Match Rate:** 173 successfully matched (96%)

- Matched via property addresses.
- 3 duplicate licenses were excluded
- 4 licenses could not be matched to public records

**NOTE:** AirDNA estimates (562) are more than triple city records (180).

# ASSESSOR STR COVERAGE

The data gathered from STRs matched to the Yavapai County and Coconino County (used for the Coconino area of City of Sedona) Assessor databases presented in the following slides should be considered as a **sample** of the overall STR universe within the study area.

Only STRs with licensing data can be matched to public records. We chose to focus only on STR license lists provided by the Cities of Sedona, Cottonwood and Prescott, as illustrative examples of STR patterns in the region.

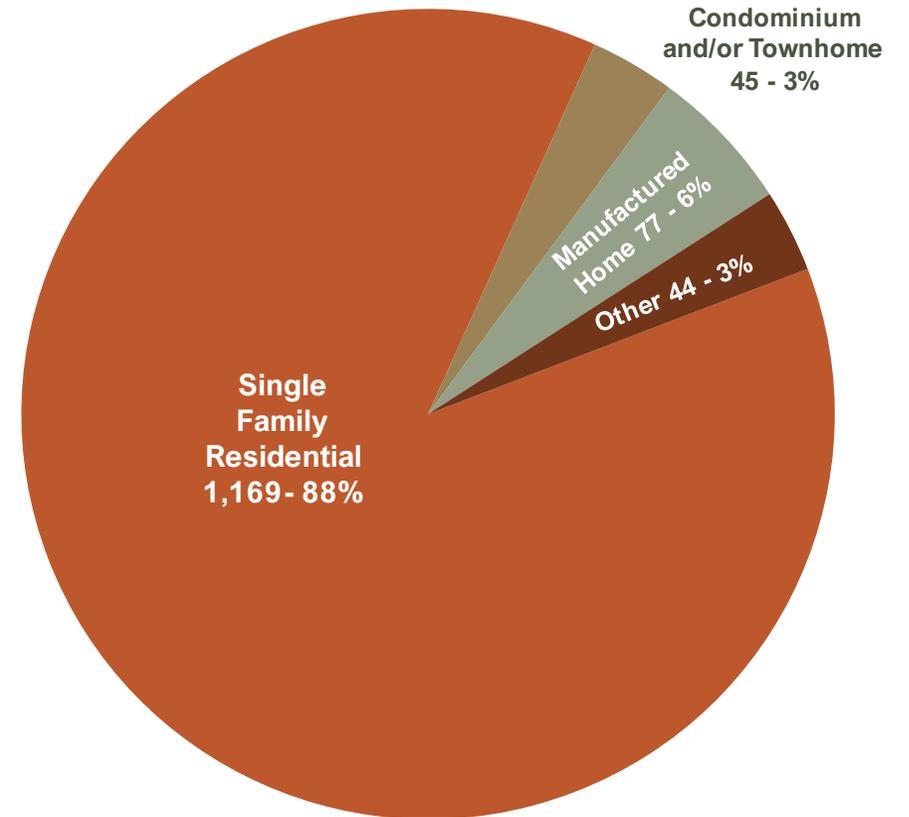
	City of Sedona	Village of Oak Creek CDP	City of Cottonwood	Other Verde Valley	City of Prescott	Other Yavapai County	TOTAL
<b>Active STRs</b> (per AirDNA as of July 2024)	2,438	895	150	820	562	567	<b>5,432</b>
<b>STRs matched to Assessor Database</b> (from city licensing records & property management company listings)	1,110	0	50	0	173	0	<b>1,333</b>
<b>% of STRs Matched to Assessor Database</b>	46%	0%	33%	0%	31%	0%	<b>25%</b>

# STRs BY PROPERTY TYPE

The majority of STRs in Sedona, Cottonwood, and Prescott which are identified in the Assessor databases (88%) are single-family residential homes.

- Smaller shares are multi-family units (condominiums and townhomes; 3%), manufactured homes (6%), or an unlisted and/or other property type (3%).
- Notably, manufactured homes make up a larger share of the STR mix in this study area than in other communities studied by RRC. This is indicative of the different built environment of Yavapai County and the City of Sedona, as the other mountain communities that have been studied have ski-centered tourism development and economies.

Share of STRs by Property Type

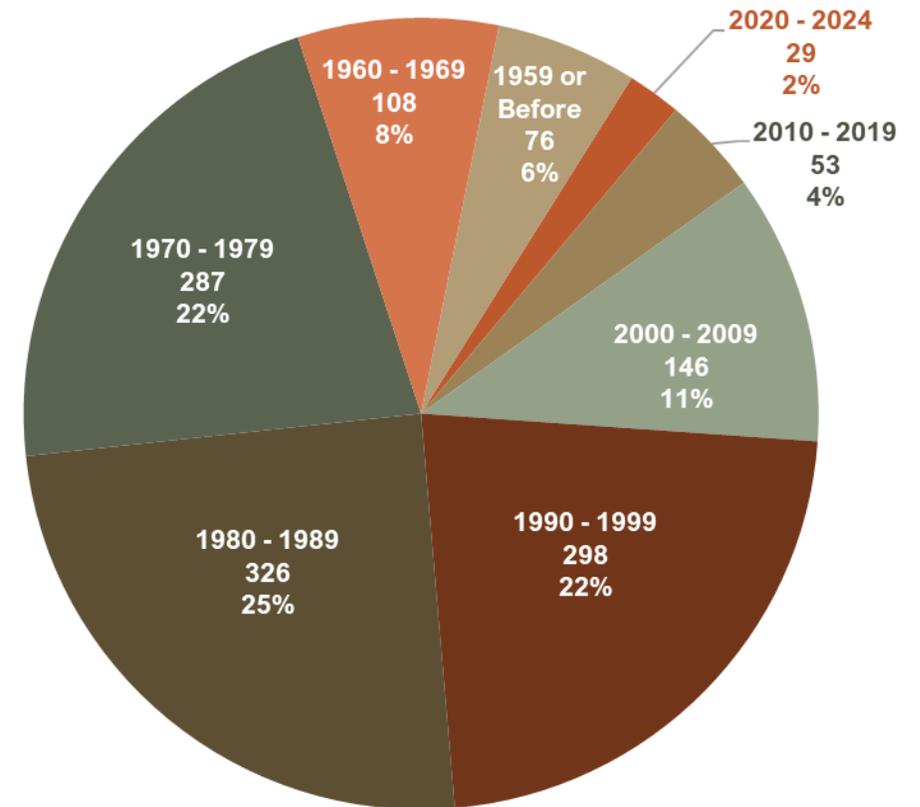


# STRs BY YEAR BUILT

Most STRs in Sedona, Cottonwood, and Prescott which are identified in the Assessor databases (69%) were constructed between 1970 and 1999.

- Fifteen percent were built prior to 1970, while 17% have been built since 2000, including 11% in 2000-2009 and 6% in 2010-2024.
- The 2008-09 Great Recession/Housing Bust had outsized impacts on Arizona and likely contributed to the slowdown of new building occurring in the study area over the past 15 years.
  - However, the overall share of STRs built since 2000 is similar to some other resort communities studied by RRC: 11% in Pitkin County, CO; 19% in Blaine County, ID; 23% in Summit County, CO – each of which also experienced construction slowdowns after the Great Recession.
- The age of most STRs (83% from pre-2000) is likely indicative that most units currently used as STRs were previously used for other purposes (e.g. homes for long-term residents and second homes), insofar as the STR phenomenon (and the growth of STRs) is likely a relatively recent development in much of Yavapai County.

Share of STRs by Year Built

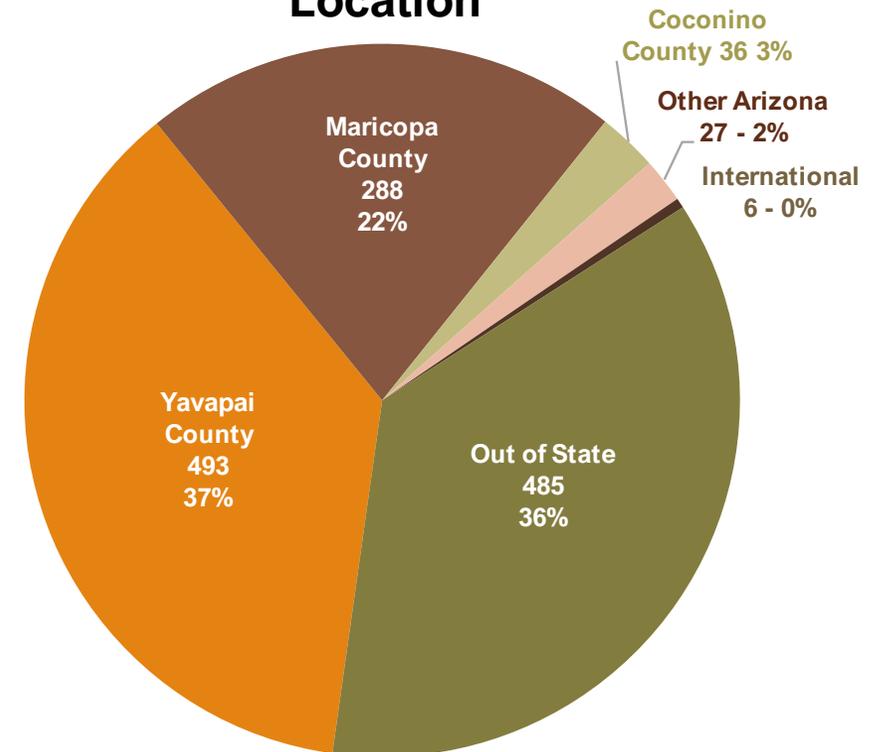


# STR OWNER GEOGRAPHY

A majority of STRs in Sedona, Cottonwood, and Prescott which are identified in the Assessor databases (60%) are owned by individuals and entities who reside outside Yavapai and Coconino counties.

- A combined 40% are residents of Yavapai or Coconino County (i.e., local owners)
- 24% are from elsewhere in Arizona, primarily Maricopa County (22%)
- 36% are from out-of-state
- 0.5% are from outside the U.S.

**Number of STRs by Owner Location**

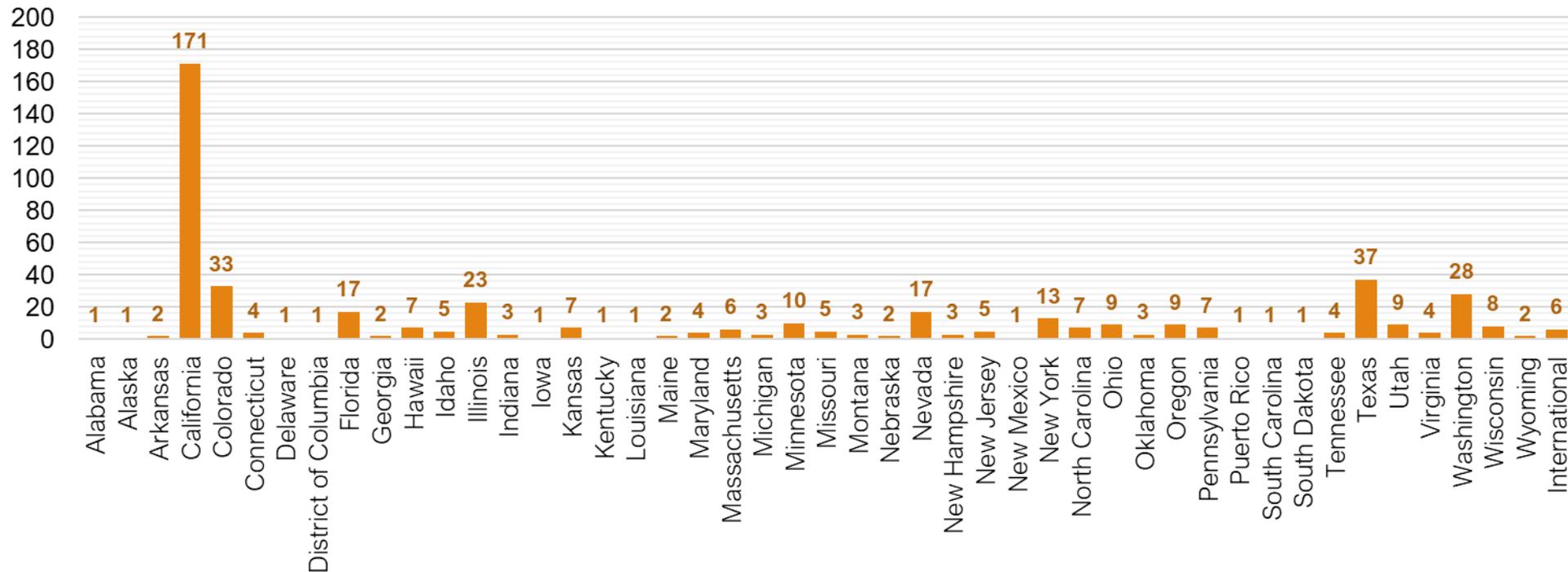


# STR OWNER GEOGRAPHY

## OUT-OF-STATE OWNERS

Among the 37% of STRs in the study area with out-of-state/international owners, most are owned by Californian individuals/entities (35%), followed by those from Texas (8%), Colorado (7%), Washington (6%), and Illinois (5%).

**Number of STRs by Primary Residence of Owner**  
Out-of-State & International Owners Only

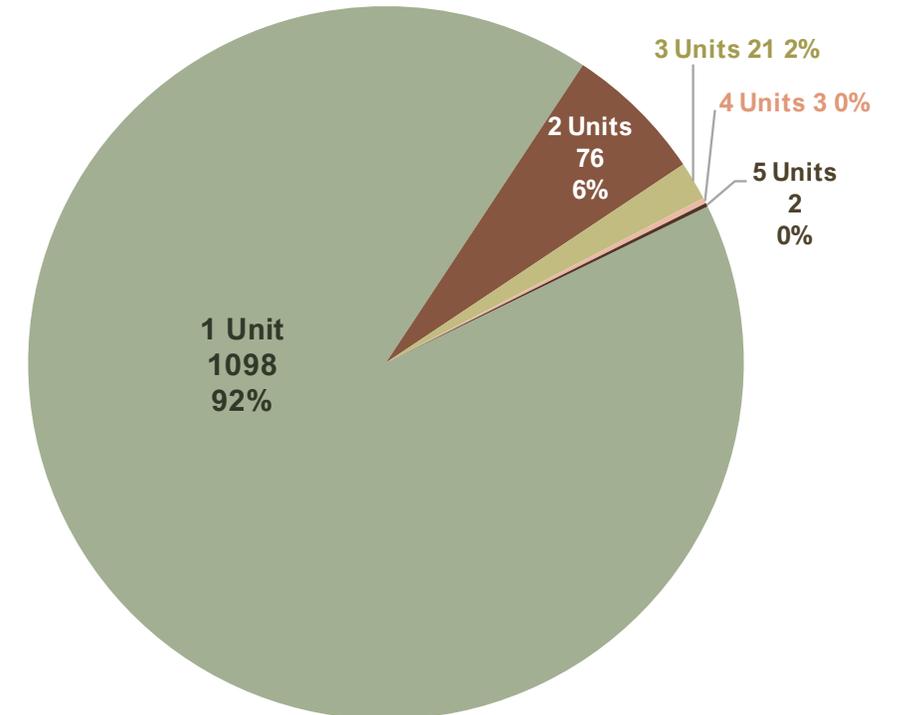


# MULTIPLE STR OWNERSHIP

Nearly all STRs in Sedona, Cottonwood, and Prescott which are identified in the Assessor databases (92%) are owners of a single STR unit.

- Among the remaining 8% that own more than one STR unit, the majority (three-quarters) own/operate two STR units.
- Three entities own four units: two of these owners are Arizona-based individuals, while the third is an individual and associated LLC from out-of-state.
- Two entities own five units: both are Sedona-based individuals.
- Note: Multiple ownership of STRs applies to identified STRs in Sedona, Cottonwood and Prescott.
  - Ownership of other STRs in these communities (which could not be identified in the Assessor data), and ownership of STRs in other communities, are not reflected in these results.

**Number of STRs by Single/Multiple STR Ownership**

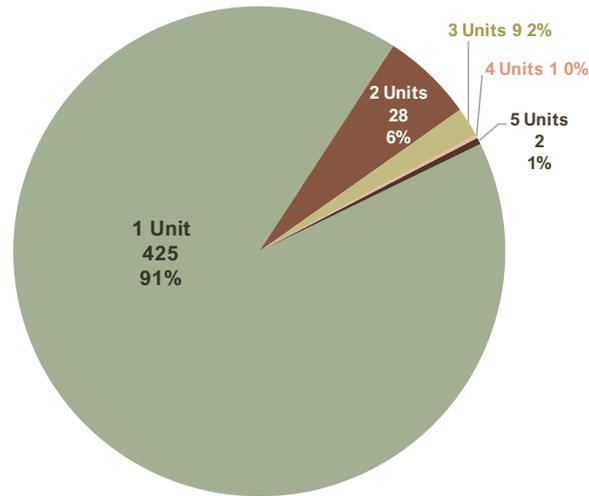


# MULTIPLE STR OWNERSHIP

## LOCALS vs. NON-LOCALS

**Number of STRs by  
Single/Multiple STR Ownership**

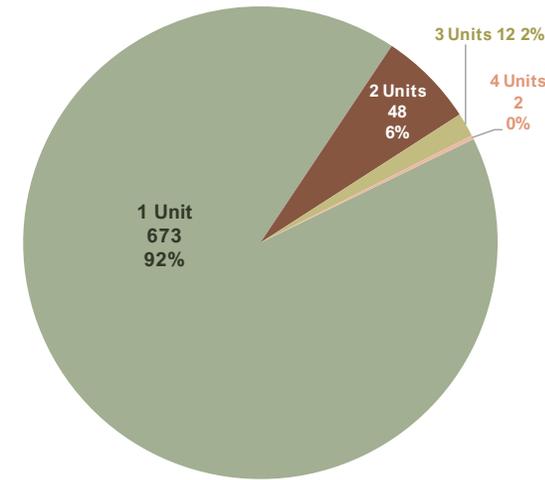
Local Owners



*n* = 465

**Number of STRs by  
Single/Multiple STR Ownership**

Non-Local Owners



*n* = 735

The multiple ownership profile of Local (Yavapai County and City of Sedona based owners) and Non-Local owners is nearly identical. Over 90% of both local and non-local owners own and operate a single STR. A small subset operate multiple STRs, the majority of whom operate two STRs.

Note: Multiple ownership of STRs applies to identified STRs in Sedona, Cottonwood and Prescott. Ownership of other STRs in these communities (which could not be identified in the Assessor data), and ownership of STRs in other communities, are not reflected in these results.

# ECONOMIC IMPACTS OF STRs



# FINDINGS

## ECONOMIC IMPACT OF STRs

### STRs contributed substantially to the economy of Yavapai County and City of Sedona in 2023.

- RRC estimates that STRs Yavapai County and the City of Sedona directly or indirectly supported 4,978 jobs in and generated \$721 million in economic output, \$449 million in GDP, and \$195 million in labor income.
  - Stated another way, STRs in Yavapai County and Sedona generated economic activity equivalent to 4.4% of Yavapai County's jobs, 4.2% of its GDP and 4.1% of its labor income.<sup>1</sup>
- Direct visitor spending on STR rentals was estimated at \$259 million.
- Additionally, visitors using STRs spent an estimated \$131 million at food services and drinking places; \$44 million for recreation, sightseeing, and entertainment; \$98 million on shopping and retail; and \$52 million on local transportation.
- When considering the impact on the direct tourism economy, STRs generated economic activity equivalent to 37% of Yavapai County's tourism jobs (10,020 jobs) and 38% of its earnings (\$352 million).<sup>1</sup>

### In 2023, STRs accounted for 51.6% of Yavapai County's combined available hotel and STR lodging inventory.<sup>2</sup>

### On average, in Yavapai County, STRs trail hotels in occupancy rates, but exceed hotels in average daily rates.<sup>2</sup>

- STR occupancy rates were lower than hotels in 2023, averaging 41.6%, compared to average hotel occupancy of 65.5%.
- STR room rates were higher than hotels in 2023 (\$279 ADR, compared to \$219).
- STR RevPAR was lower than hotels in 2023 (\$116, compared to \$144).
- STR annual average revenue per unit was lower than hotels in 2023 (\$42,293, compared to \$52,457).

<sup>1</sup>Note that economic activity of STRs in Yavapai County and the City of Sedona is compared to total economic activity (and total tourism activity) in Yavapai County only (since economic activity in the Coconino County portion of Sedona is unavailable).

<sup>2</sup>STR-hotel comparisons described here are based on Yavapai County only (Coconino County portion of Sedona is excluded).

# FINDINGS

## ECONOMIC IMPACT OF STRs

Factoring in room rentals and other trip spend, STR guests in Yavapai County and Sedona paid an estimated \$40.4 million in sales taxes in 2023. This includes \$21.8 million in state taxes, \$3.8 million in county taxes, and \$14.8 million in municipal taxes.

Looking at STR room rentals only, STR rentals generated an estimated 3.0% of Yavapai County's total net taxable sales in 2023.

- Compared to other industries, the taxable sales generated from STR rentals is more than the taxable sales of mining, communications, and amusements combined.
- On the municipal level, STR room rentals are estimated to generate 26.3% of municipal tax collections in Sedona, 4.1% in Jerome, and more modest shares in Camp Verde (1.6%), Cottonwood (1.3%), Dewey-Humboldt (1.3%), Prescott (1.4%), and Prescott Valley (0.2%).

**STRs have become a particularly important component of the bedbase in Sedona.**

- Sedona's hotel room supply has grown moderately over the past 25 years (from 1007 rooms in 2000 to 1533 rooms in 2024, an increase of +52%).
- In contrast, overall lodging demand in Sedona (as measured by lodging expenditures) has grown by over 5x from 2011 (about \$50M) to 2024 (over \$250M).
- STRs have quickly come to outnumber hotel rooms in Sedona over the past few years, rising from 729 in June 2017 to 2,395 in July 2024. The growth of STRs in Sedona has likely been fueled in significant part by hotel growth not keeping up with demand growth.

**Considering these findings with the robustness of the STR marketplace during disruptions such as the pandemic, STRs are an important foundation of the tourism economy and overall economy in Yavapai County and the City of Sedona.**

- STRs' contributions may grow further in the future if the upward trajectory of STR counts continues, and state pre-emption of local regulation of STRs remains in place.
- That said, other factors may moderate the future economic growth of STRs, such as:
  - The sometimes-negative social externalities possible with increased STR use in communities, as indicated in the [Community Sentiment Survey](#) findings presented later in this report

# ECONOMIC IMPACT METHODOLOGY

- 1. Estimate spend on STRs in Yavapai County and the City of Sedona in 2023.**
  - AirDNA was assumed to provide an accurate estimate of STR revenues.
  - Sales and bed taxes on STR revenues were calculated and added to estimate total visitor spending on STRs.
- 2. Estimate the proportionate breakdown of STR guest spend by category (STR rental, restaurant, recreation, etc.).**
  - This was informed by survey data on visitor spend in Yavapai County, particularly surveys conducted by Northern Arizona University in Prescott and the Verde Valley in 2014/15.
- 3. Estimate aggregate STR guest spend in 2023.**
  - This was done by benchmarking the proportions developed in step 2 to the aggregate STR expenditures developed in step 1.
- 4. Model the economic impacts of STRs with RIMS II multipliers from the US Bureau of Economic Analysis.**
  - Direct output was derived from STR guest spend by adjusting for retailer margins for retail sector expenditures (using IMPLAN margins).
  - RIMS II multipliers for Yavapai County were then used to derive direct, indirect and induced output, employment, earnings and value-added from direct output.
- 5. Apportion tax impacts to municipalities.**
  - Spend on STR rentals by municipality was estimated by geocoding AirDNA property-level data. (This data has a built-in noise factor for confidentiality reasons, so it is indicative but not precise of municipal geography.)
  - Other spend by STR guests was assumed to be geographically proportionate to spend on STR rentals.

# DIRECT & SECONDARY ECONOMIC IMPACTS OF STRs

## Economic Impacts of STRs in Yavapai County & Sedona, 2023

Effect	Employment	Earnings	Output	Value-added (GDP)
Direct	3,685	\$132,915,123	\$507,762,686	\$377,596,707
Indirect	557	\$27,997,863	\$98,682,611	
Induced	736	\$34,066,856	\$114,744,435	\$70,996,145
<b>Total</b>	<b>4,978</b>	<b>\$194,979,842</b>	<b>\$721,189,733</b>	<b>\$448,592,852</b>
Yavapai County Total - All Industries (2022/2023)	112,493	\$4,803,453,000	not avail.	\$10,755,479,000
<b>STR Share of Yavapai County Total</b>	<b>4.4%</b>	<b>4.1%</b>	<i>not avail.</i>	<b>4.2%</b>
Yavapai Co. Direct Travel Jobs & Income (2023)	10,020	\$351,900,000		
<b>STR Share of Direct Travel Jobs &amp; Income</b>	<b>37%</b>	<b>38%</b>		

Sources:

- *STR Impacts: AirDNA; visitor surveys conducted in Yavapai County by Northern Arizona University, Longwoods International and RRC; IMPLAN retail margins; and US BEA RIMS II multipliers for Yavapai County (2022, with inflation adjustment to 2023 based on US BLS CPI for Mountain Census Division).*
- *County Total Jobs, Earnings, & GDP: US Bureau of Economic Analysis. Jobs and earnings reflect wage/salary and proprietor jobs. Jobs data is as of 2022; earnings and GDP are as of 2023. All figures exclude Coconino County portion of Sedona.*
- *County Direct Tourism Jobs & Earnings: Dean Runyan Associates. Figures exclude Coconino County portion of Sedona.*

# VISITOR EXPENDITURES & DIRECT JOBS ATTRIBUTABLE TO STRs

## Visitor Expenditures & Direct Jobs Attributable to Yavapai County and Sedona STRs, 2023

Spend category	Expenditures	Employment
STR Rental	\$259,489,679	1,198
Food Services & Drinking Places	\$130,834,415	1,271
Recreation, Sightseeing & Entertainment	\$44,115,145	572
Shopping/Retail Purchases	\$98,995,834	461
Local Transportation	\$52,667,442	183
<b>Total</b>	<b>\$586,102,516</b>	<b>3,685</b>

Source: RRC, based on AirDNA STR revenue; state, county and municipal tax rates on STRs; visitor surveys conducted in Yavapai County by Northern Arizona University, Longwoods International and RRC;; IMPLAN retail margins; and US BEA RIMS II multipliers for Yavapai County (2022, with inflation adjustment to 2023 based on US BLS CPI for Mountain Census Division).



# STR CONTRIBUTION TO TAX COLLECTIONS

TRANSACTION PRIVILEGE TAX | ALL TAXES GENERATED BY STR VISITORS (ROOM RENTALS AND OTHER)

## Estimated TPT Taxes Paid by STR Visitors in 2023 by Jurisdiction Receiving Proceeds

Jurisdiction	TPT Collections
<b>State of Arizona</b>	<b>\$21,784,269</b>
<b>Counties</b>	
Yavapai County	\$2,484,464
Coconino County	\$1,329,026
<b>Counties Total</b>	<b>\$3,813,490</b>
<b>Municipalities</b>	
Camp Verde	\$206,464
Chino Valley	\$30,136
Clarkdale	\$174,411
Cottonwood	\$381,859
Dewey-Humboldt	\$21,077
Jerome town	\$73,454
Prescott	\$953,281
Prescott Valley	\$93,268
Sedona	\$12,871,333
Wickenburg	\$824
<b>Municipalities Total</b>	<b>\$14,806,107</b>
<b>Grand Total</b>	<b>\$40,403,866</b>

Source: RRC.



# STR SHARE OF NET TAXABLE INCOME

## YAVAPAI COUNTY | STR ROOM RENTALS

### STR Share of Yavapai County Taxable Income

FY 2024

Measure	July 2023 - June 2024	Source
Yavapai County STR Revenue (AirDNA)	\$200,511,707	AirDNA
Yavapai County Total Taxable Income	\$6,603,341,301	AZ Department of Revenue Annual Report FY 2024
Yavapai County STR Revenue as a % of total taxable income	3.0%	

### Net Taxable Income In Yavapai County

July 2023 - June 2024

Taxable Activities & Buisness Classifications	Calculated Net Taxable Income
Nonmetal mining	\$29,110,247
Utilities	\$399,672,682
Communications	\$51,013,266
Publishing	\$1,780,623
Job Printing	\$3,196,469
Restaurants & Bars	\$638,940,541
Amusements	\$54,397,590
Rentals of Personal Property	\$128,477,167
Contracting (All)	\$967,889,557
Retail	\$3,063,433,844
Remote Seller/Marketplace Facilitator	\$491,131,261
MARRA	\$6,806,966
Hotel/Motel & Online Lodging Marketplace	\$421,994,955
Use Tax	\$266,010,641
Other Taxable Activities	\$79,485,493
<b>TOTAL</b>	<b>\$6,603,341,301</b>

In Yavapai County in FY 2024, STRs generated \$201 million taxable room revenues, equivalent to 3.0% of the \$6.6 billion in total Yavapai County taxable transactions.

STR income represents more than the FY 2024 county income from mining, communications, and amusements combined.

# STR CONTRIBUTION TO TAX COLLECTIONS

## TRANSACTION PRIVILEGE TAX | STR ROOM RENTALS

STR room rentals are a significant source of municipal sales and bed tax revenues.

- This is particularly true for Sedona, where STR room rentals contributed an estimated 26.3% of all transaction privilege tax (TPT) revenues in FY 2024. Much smaller shares are estimated in selected other cities in Yavapai County (0.2% - 4.1%).

### STR Share of Municipal Transaction Privilege Tax Collections

Selected Municipalities in Yavapai County / Sedona Study Area

FY 2024 (Jul 2023-Jun 2024)

	STR Revenue (AirDNA)	Hotel Municipal Taxes			STR Municipal Hotel Tax Collections (AirDNA * tax rate)	Total Municipal Privilege Tax Collections (All Sectors; per AZ Dept of Rev)	STR TPT Collections as a % of Total Municipal TPT collections
		Tax Rate	Additional Tax	Total Tax Rate			
Camp Verde	\$1,959,750	3.65%	3.00%	6.65%	\$130,323	\$7,999,386	1.6%
Cottonwood	\$4,862,463	3.50%	3.50%	7.00%	\$340,372	\$26,119,077	1.3%
Dewey-Humboldt	\$405,226	2.00%	2.00%	4.00%	\$16,209	\$1,240,719	1.3%
Jerome	\$853,426	3.50%	3.00%	6.50%	\$55,473	\$1,369,360	4.1%
Prescott	\$15,385,421	2.00%	3.00%	5.00%	\$769,271	\$53,461,161	1.4%
Prescott Valley	\$1,198,143	2.83%	2.83%	5.66%	\$67,815	\$40,284,950	0.2%
Sedona	\$160,098,498	3.50%	3.50%	7.00%	\$11,206,895	\$42,618,246	26.3%

# PROPERTY TAXES PAID BY STR OWNERS

Jurisdiction / Fund	Property Tax Rate FY 2025	STRs Assessed Value FY 2025	Property Tax FY 2025	# STRs Included
<b>YAVAPAI COUNTY</b>				
General	1.7148%	\$36,692,093	\$629,196	921
Fire Dist. Contrib.	0.0826%	\$36,692,093	\$30,308	921
YC Free Library District	0.1404%	\$36,692,093	\$51,516	921
Flood Control District	0.1750%	\$36,692,093	\$64,211	921
<b>COCONINO COUNTY</b>				
Primary Levy	0.4944%	\$21,560,525	\$106,595	412
Library District	0.2956%	\$21,560,525	\$63,733	412
Flood Control	0.5000%	\$21,560,525	\$107,803	412
Public Health Services	0.2500%	\$21,560,525	\$53,901	412
Fire District Assistance	0.1000%	\$21,560,525	\$21,561	412
<b>CITY OF PRESCOTT</b>				
General	0.2520%	\$4,303,890	\$10,846	174
<b>CITY OF COTTONWOOD</b>				
	No property tax	\$641,759	No property tax	41
<b>CITY OF SEDONA</b>				
	No property tax	\$53,183,458	No property tax	1,111
<b>TOTAL SUM</b>		<b>\$58,252,618</b>	<b>\$1,139,669</b>	<b>1,333</b>

Based on matching city STR permits to Assessor records, permitted STRs in Sedona, Cottonwood and Prescott are projected to generate \$1.1 million in property tax revenues for these cities and Yavapai & Coconino counties in FY2025.

Total property taxes generated by STRs in the study area are likely significantly higher, as many STRs are excluded from these calculations.

# LODGING PERFORMANCE

## STRs vs HOTELS

In 2023, STRs comprised just over half (51.6%) of all lodging units in Yavapai County.

- STRs were utilized less than hotels, with fewer total room nights (shown on the following slide) and a lower occupancy rate.
- STR ADRs were 27% higher than hotels in 2023, while STR RevPAR was 19% lower than hotels.
- As shown on the following slide, the average STR had an annual revenue of \$42,293 compared to the \$52,457 of the average hotel unit.

While STRs performance varies compared to hotels, their contribution to the local bed base is significant, and provides a diversity of lodging options to visitors.

Yavapai County Lodging Units  
CY 2023



Yavapai County Lodging Performance Metrics  
CY 2023

	STRs	Hotels	STRs as a % of Hotels
Occupancy	41.6%	65.5%	64%
ADR	\$279	\$219	127%
RevPar	\$116	\$144	81%

*STR Occupancy = Reservation days / (reservation days + available days + blocked days)*

*STR ADR = Revenue / reservation days.*

*STR RevPAR = Revenue / (reservation days + available days + blocked days).*

# LODGING METRICS – YAVAPAI COUNTY

## STRs vs HOTELS

While STRs accounted for 51.6% of all lodging units in Yavapai County in 2023, they accounted for 40.4% of lodging room nights, and 46.2% of lodging room revenue.

### Yavapai County Rental Lodging Units, Room Nights & Room Revenue CY 2023

Type	Units		Room Nights		Room Revenue		Average Annual Revenue Per Unit
	#	%	#	%	#	%	
STR	4,192	51.6%	636,425	40.4%	\$177,293,881	46.2%	\$42,293
Hotel	3,934	48.4%	940,385	59.6%	\$206,345,889	53.8%	\$52,457
<b>Total</b>	<b>8,126</b>	<b>100.0%</b>	<b>1,576,810</b>	<b>100.0%</b>	<b>\$383,639,770</b>	<b>100.0%</b>	<b>\$47,213</b>

Source: AirDNA and CoStar.

Note: Data excludes the portion of the City of Sedona which is located in Coconino County.

Note: For comparison, as of December 16, 2024, Key Data website identified a 3,990 active STR listings in Yavapai County, AZ, fairly similar to AirDNA (4,192 units) (<https://www.keydatadashboard.com/markets/yavapai-county-arizona>). Additionally, the Key Data "ProDataset", based on property management company datafeeds representing 888 active STRs, reports the following 2023 Yavapai County STR metrics: occupancy 35% (vs. 41.6% for AirDNA) and ADR \$271 (vs. \$279 for AirDNA).

# LODGING METRICS – SEDONA

## STRs vs HOTELS

STRs accounted for an estimated 58.0% of all lodging units in the City of Sedona in 2023 and accounted for 51.7% of lodging room revenue.

### Estimates of City of Sedona Hotel and STR Units and Room Revenues, 2023

	Units		Room Revenues		Annual Revenue per Unit
	Count	Percent	Sum	Percent	
Hotels	1,533	42.0%	\$127,096,117	48.3%	\$82,907
Active STRs	2,115	58.0%	\$136,014,809	51.7%	\$64,312
Total	3,648	100.0%	\$263,110,926	100.0%	\$72,126

*Sources:*

- Total taxable lodging revenue: Northern Arizona University Economic Policy Institute; AZ Department of Revenue.
- Active STRs: AirDNA; RRC.
- Hotel unit count: CoStar; RRC.
- Hotel revenue: Inferred as difference between total lodging revenue and STR revenue.

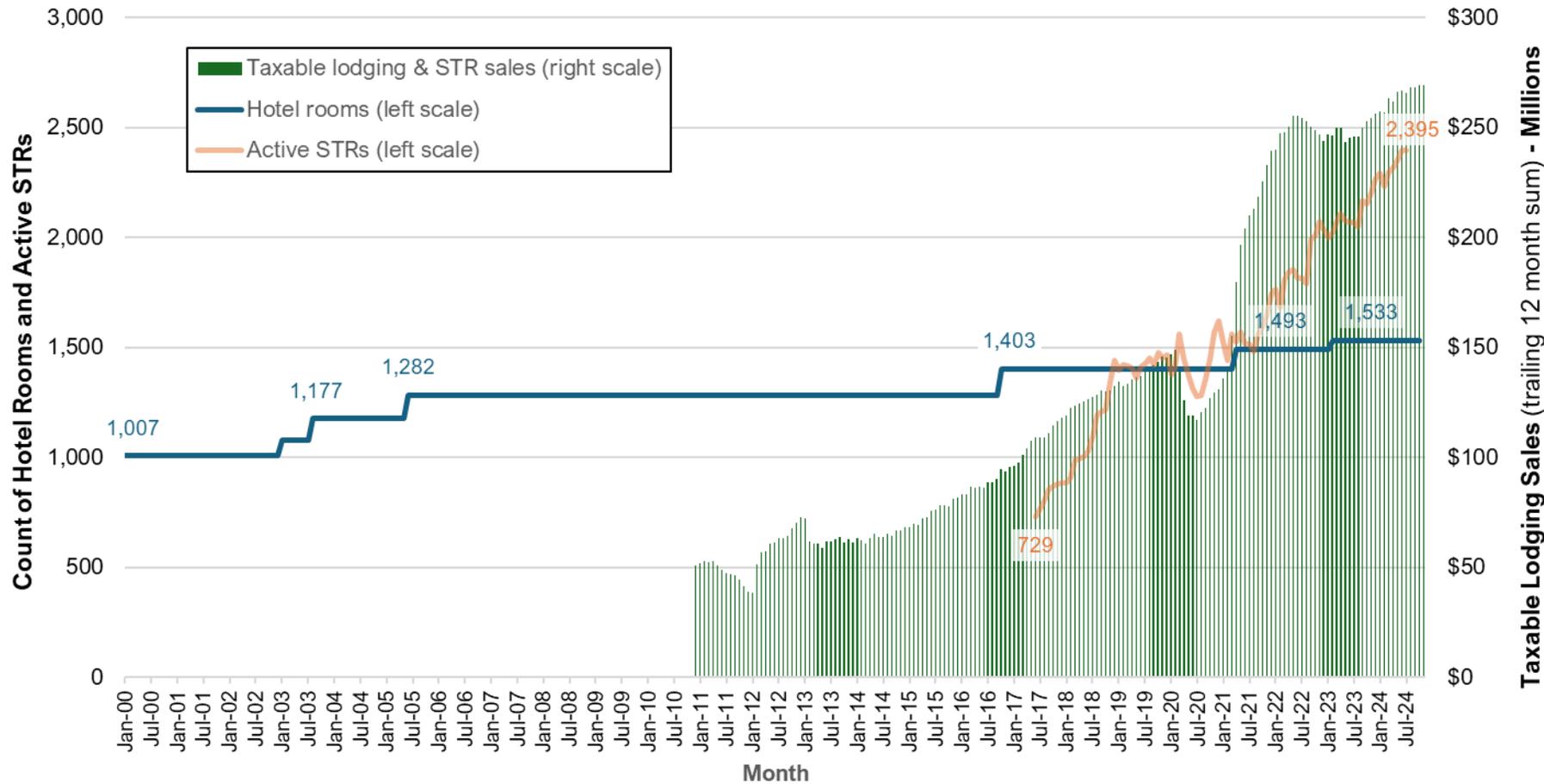
*Note: CoStar also produces estimates of hotel room revenue and would be a cross-check for the estimate above.*



# LODGING INVENTORY & REVENUE – SEDONA

## STRs vs HOTELS

### City of Sedona: STR & Hotel Inventory and Taxable Lodging Sales January 2020 - November 2024



- Sedona’s hotel room supply has grown moderately over the past 25 years (+52%,+526 units).
- In contrast, overall lodging demand (as measured by lodging expenditures) has grown by over 5x from 2011 (about \$50M) to 2024 (about \$250M).
- The growth of STRs in Sedona has likely been fueled in significant part by hotel growth not keeping up with demand growth.
- Stated another way, STRs have emerged as a ‘relief valve’ to accommodate much of the lodging demand that could not be met by hotels.
- STRs have quickly come to outnumber hotel rooms in the past few years. 50



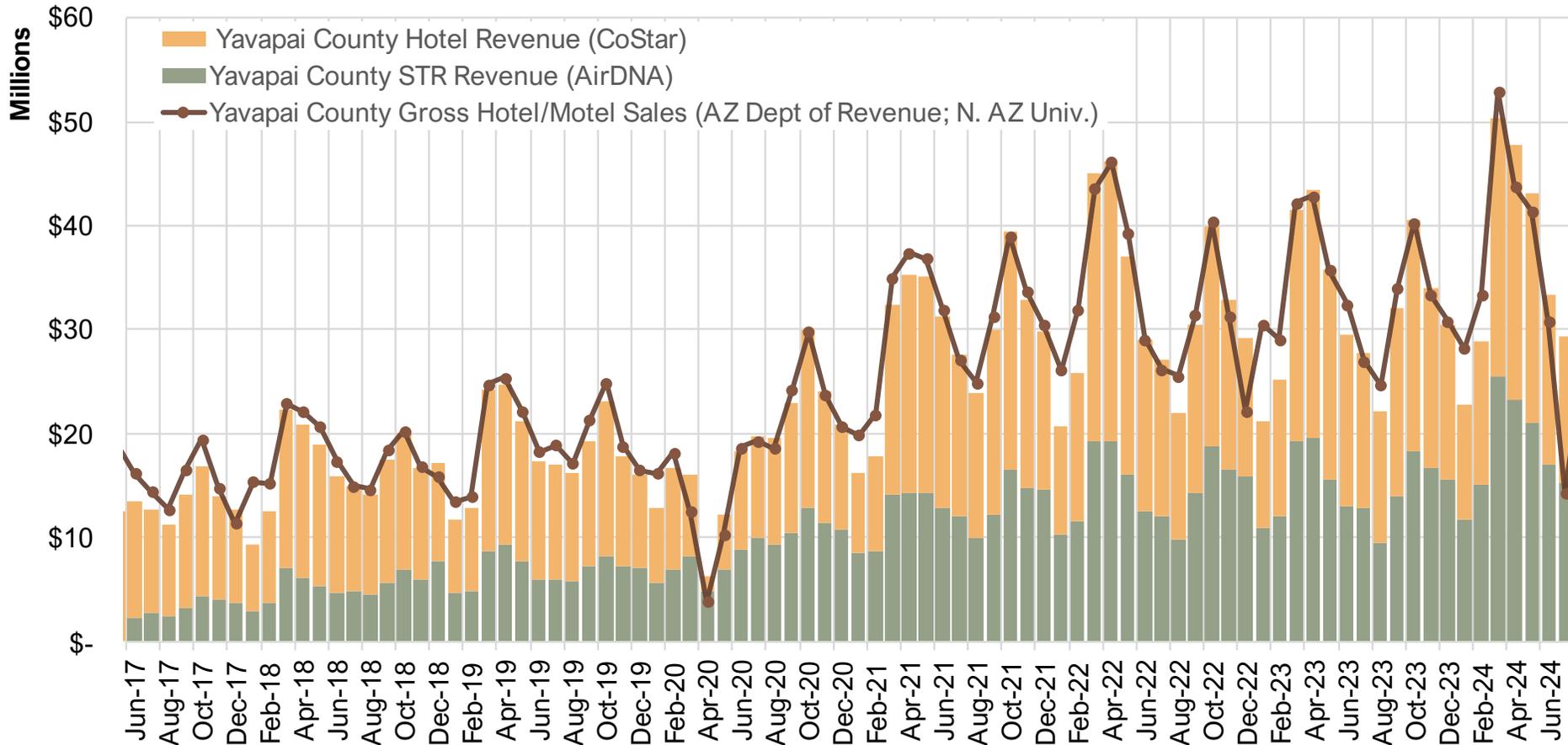
Sources: AirDNA; CoStar; Northern Arizona University Economic Policy Institute and AZ Department of Revenue; RRC.  
 Note: Hotel room counts reflect opening dates of hotels with 10+ rooms which were operating as of October 2024.  
 Hotels which may have been open/operating at an earlier date but which are now closed are excluded.

# SUPPORTING DETAIL

## YAVAPAI COUNTY: STR, HOTEL, & TOTAL LODGING SALES BY TYPE

### Yavapai County: Hotel & Vacation Rental Revenue vs. Taxable Hotel/Room Rental Sales

Monthly | June 2017- July 2024

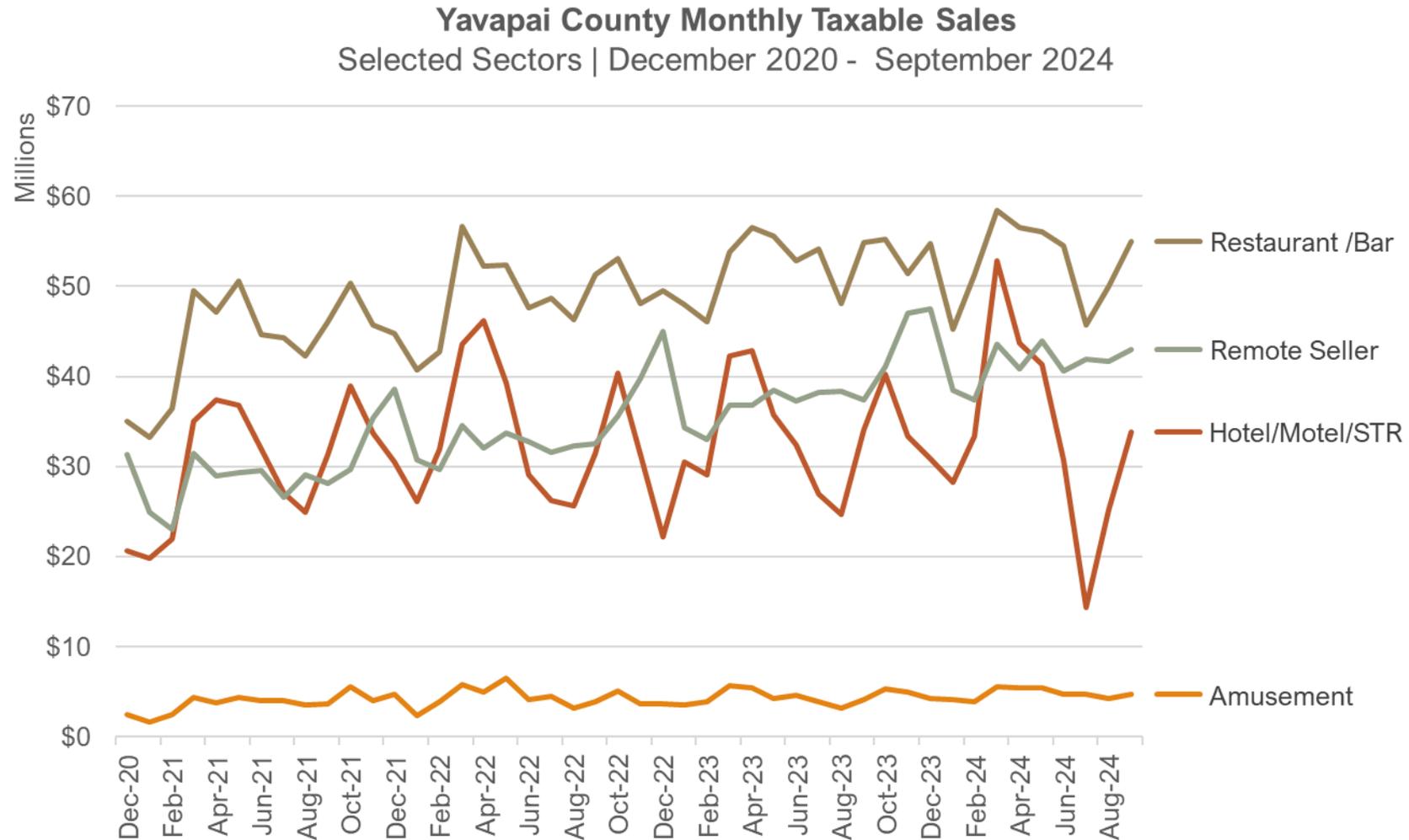


The sum of STR and hotel revenue in Yavapai County (as reported by AirDNA and CoStar) closely matches aggregate taxable lodging sales reported by AZ Department of Revenue.

This provides a degree of confidence in the accuracy of the STR/hotel data.

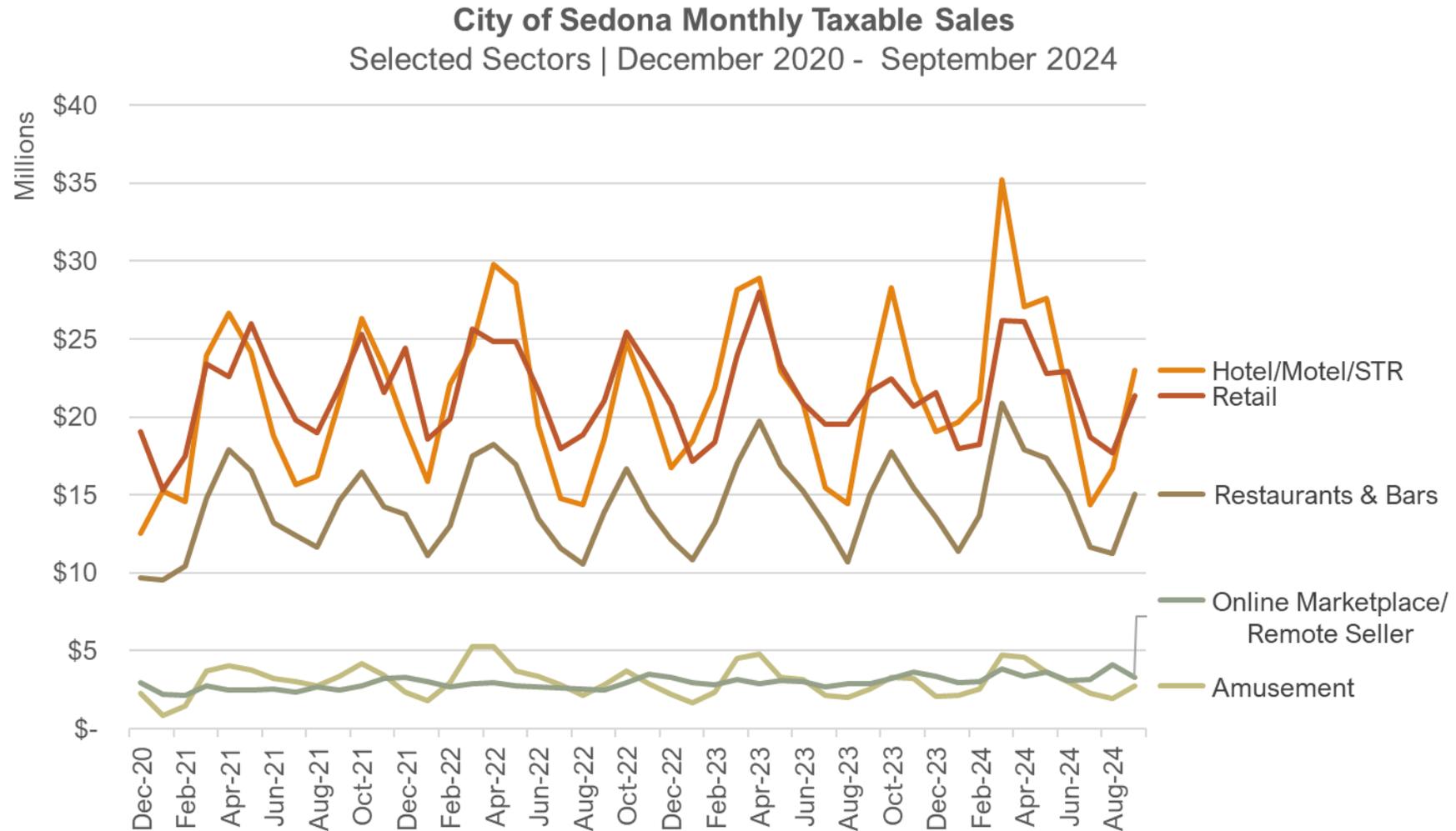
# SUPPORTING DETAIL

## YAVAPAI COUNTY MONTHLY TAXABLE SALES | SELECTED SECTORS



# SUPPORTING DETAIL

## CITY OF SEDONA MONTHLY TAXABLE SALES | SELECTED SECTORS



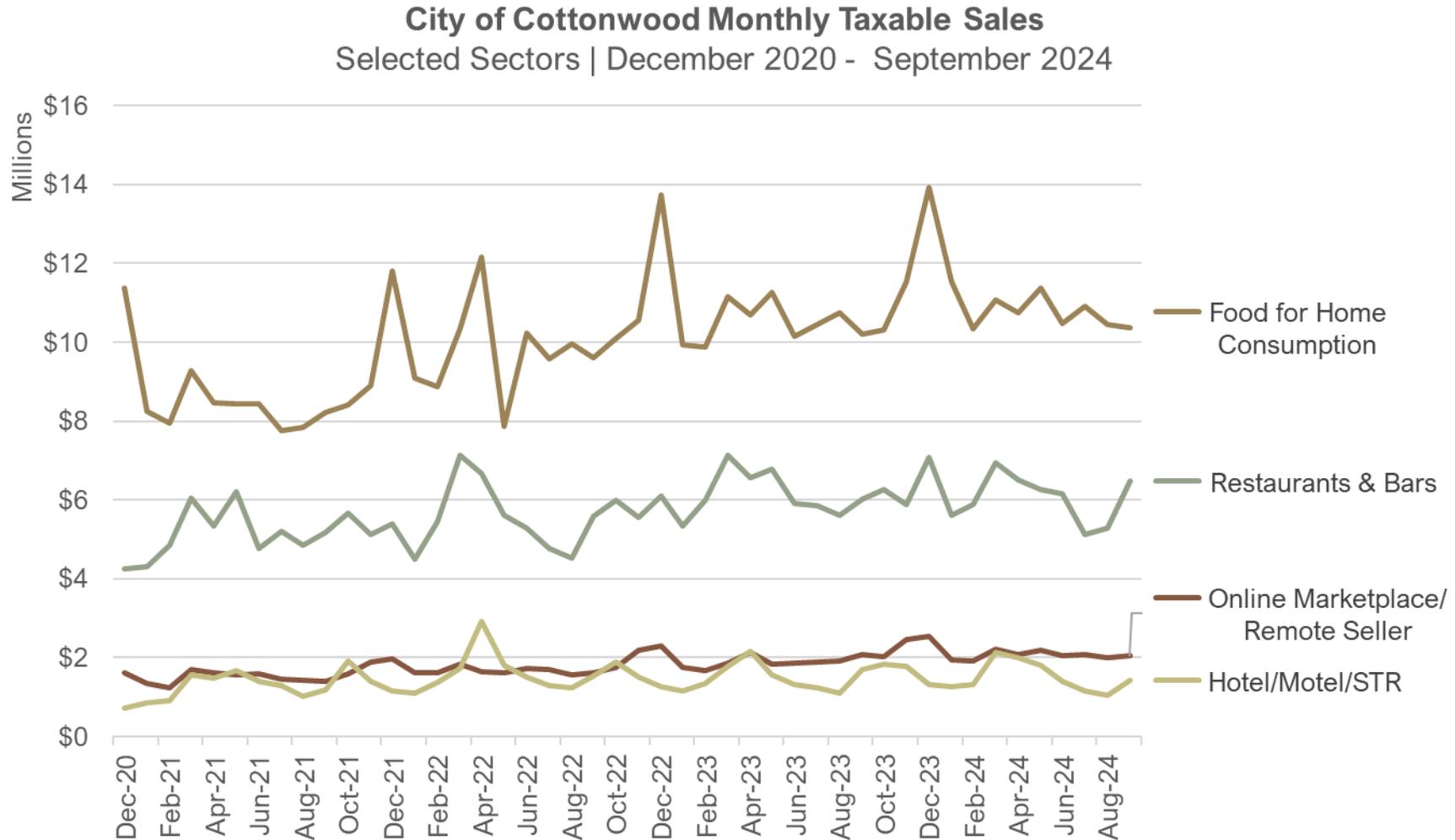
# SUPPORTING DETAIL

## CITY OF PRESCOTT MONTHLY TAXABLE SALES | SELECTED SECTORS



# SUPPORTING DETAIL

## CITY OF COTTONWOOD MONTHLY TAXABLE SALES | SELECTED SECTORS





**WORKFORCE HOUSING IMPACTS OF STRs**

# FINDINGS

## STR WORKFORCE HOUSING IMPACTS

Yavapai County and Sedona – along with the State of Arizona and the US as a whole - have experienced housing price increases in recent years, including a surge during the 2020-2022 Covid period. There have been several socioeconomic drivers of this widespread housing price growth.

- The home value gains seen in Yavapai County and Sedona in recent years were echoed across Arizona and throughout much of the US, in markets with varied STR concentrations and STR trends.
- During the Covid period, home value drivers nationwide included the following:
  - Historically low mortgage interest rates in 2020-2022
  - Surge in housing demand during the Covid period, coupled with limited supply
  - Changing live/work dynamics and housing preferences due to Covid:
    - Outmigration from urban cores to suburban and rural areas
    - Increased demand for larger homes, including homes with space for home offices
  - Rapid escalation in housing construction costs during Covid due to supply chain disruptions
- Factors other than Covid have also helped drive and maintain home value increases in recent years:
  - A housing supply deficit caused by years of underbuilding after the 2008 financial crisis
  - Construction labor shortages, and continued high construction and land costs
  - Restrictive zoning and land use policies
  - Millennials in their peak homebuying years
  - Strong household formation by Generation Z
  - Significant immigration contributing to housing demand
  - Limited supply of homes for sale due to the "lock-in" effect, where homeowners with low mortgage rates are disincentivized to sell
  - Wealthier households benefitting from substantial equity gains in the housing market, increasing their ability to bid up prices
  - Rising insurance costs related to weather and climate risks

# FINDINGS

## STR WORKFORCE HOUSING IMPACTS

STRs are likely a contributing factor to changes in housing values in certain areas like Sedona, although growth in STRs is unable to explain a large share of the variation in changes in home values locally. Additionally, the effect of STRs on home values is small and hard to detect in local areas with low STR concentrations.

- Excluding Sedona and Crown King (which have high concentrations of STRs), there has not been a statistically significant correlation between changes in the concentration of STRs vs. changes in home value across Yavapai County communities (2018-2024), at either the zip level or the city level.
  - This suggests that STRs have likely been a relatively unimportant factor in driving home value changes in local communities with lower concentrations of STRs.
- Including Sedona and Crown King, there has been a statistically significant correlation between home value changes and changes in STR concentrations (2018-2024) when measured at the zip level, but not at the city level.
  - This divergence suggests caution is needed in interpretation, due to the small number of available datapoints for areas with high STR concentrations (and the sensitivity of the analyses to these influential outliers).
  - At the ZIP level, and inclusive of Sedona and Crown King, changes in STR concentrations explain 28% of the variation in changes in home values (2018-2024), while 72% of the variation in changes in home values is not explained by STRs.\* (*\*Note: To clarify interpretation, this analysis finds that 28% of the variations in changes in home values between zips was explained by changes in STR concentrations (2018-2024). The analysis should not be interpreted as meaning that 28% of absolute price changes, 28% of percentage price changes, or 28% of absolute price levels are explained by STR concentrations.*)

# FINDINGS

## STR WORKFORCE HOUSING IMPACTS

Perhaps surprisingly, changes in STR density do not appear to correlate with changes in rents within Yavapai County.

- There has not been a statistically significant correlation (at the  $p < 0.05$  level) between changes in STR concentrations and changes in 2-bedroom fair-market rents across Yavapai County communities (2018-2024). This finding applies regardless whether Sedona and Crown King are included or excluded from the analysis.
  - To the extent that there might be a correlation between STR growth and rent growth (at  $p > 0.05$  level), the relationship appears to be negative – i.e. higher STR growth is correlated with lower rent growth.

Correlations between STR concentrations and home value levels within Yavapai County have also been examined.

- Excluding Sedona and Crown King, there is not a statistically significant correlation between STR concentrations and home value levels in 2024, when measured at the zip and city levels – indicating that STRs are likely a relatively unimportant factor in driving home values in these areas.
- Including Sedona and Crown King, there is a statistically significant correlation between STR concentrations and home values. However, correlation should not be confused with causation, and it is likely that there are qualities of Sedona that concurrently drive STR concentrations and home values (e.g. overall attractiveness of the community). Additionally, as discussed more later, Sedona has had a home value premium relative to Yavapai County for decades, pre-dating the advent of Airbnb in 2007 and the recent growth in STRs.

There does not appear to be a significant correlation between STR concentrations and rent levels across Yavapai County communities.

- At the ZIP level, current STR concentrations do not show a statistically significant correlation with current 2-bedroom Fair Market Rents – regardless whether Sedona & Crown King zips are included or excluded from the analysis.

# FINDINGS

## STR WORKFORCE HOUSING IMPACTS

Sedona is a special case within Yavapai County, with an elevated level of STRs and strong growth in STRs, along with high housing prices and limited land availability for housing development. However, again, STRs are just one of many factors which appear to be contributing to its high housing costs.

- Home values in Sedona have been elevated relative to the rest of Yavapai County (and the state of AZ, and the U.S.) for decades, back to at least the year 2000 – well before the founding of Airbnb (in 2007) and the Arizona Legislature’s pre-emption of local STR regulation (in 2016).
  - For example, based on estimates by Zillow, the typical home in Sedona was 87% more expensive than the typical home in Yavapai County in October 2024. This price premium was up from a 62% premium in April 2018, but down from a 101% premium in July 2012.
  - Likewise, in October 2024, the typical home in Sedona had a 120% value premium relative to a typical home in Arizona – up from a 96% premium in October 2020, but down from a 147% premium in June 2011.
  - Relative to the US overall, the typical Sedona home had a 163% value premium in October 2024 – up from a 114% premium in January 2018, and identical to a 163% premium in October 2006.
- The factors that have long made Sedona an attractive place to visit also helped make it an attractive place to live and to purchase a vacation home, as well as an attractive place to operate an STR.
- Many STRs in Sedona are owned by nonlocal second homeowners who also use their unit as a vacation home. As such, homebuyer demand for STRs and vacation homes is often intertwined.
  - Based on Assessor data and Sedona STR licensing records, approximately 62% of Sedona STR owners have their primary residence outside of Yavapai and Coconino counties.
  - Based on the community survey (summarized later), 54% of STR owners in Sedona/Cottonwood/Prescott (whether living locally or out of region) use their STR as a vacation home or seasonal home for themselves at least 1 week per year.
  - Based on the community survey, 42% of past or present Sedona STR owners (whether living locally or out of region) would have still purchased their unit if STRs were prohibited at the time of purchase. (47% would not have purchased, and 10% are uncertain.) This is a strong indicator of the value of STRs for non-STR purposes to many owners.
  - Hypothetically, if vacation rentals were now banned, 13% of STR owners in Sedona/Prescott/Cottonwood would “definitely not” sell their unit 10% would be “unlikely” to sell, and 39% would “maybe” sell. An additional 27% would “probably” sell, and 10% would “definitely” sell. Additionally, if STRs were banned, only 18% say they would “definitely” or “probably” rent their unit to local residents.

# FINDINGS

## STR WORKFORCE HOUSING IMPACTS

A small portion of STRs in Yavapai County are theoretically affordable to purchase by low- and middle-income locals. However, most STRs are unaffordable to even higher-income locals.

- A small share of STRs are affordable to low- and middle-income Yavapai County households (where affordability is defined as housing costs  $\leq 30\%$  of income, and income is categorized by AMI - Area Median Income).
  - For households earning 80% of the AMI (low income): 6.8–13.7% of STRs are affordable (depending on household size)
    - 100% AMI (middle income): 10.7–19.7%
    - 120% AMI (middle income): 14.8–27.6%
    - 150% AMI (high income): 21.4–38.9%
    - 200% AMI (high income): 35.6–50.4%
- In another measure of affordability, 35% of identified STRs (378 of 1,081 STRs) in the study area have an Assessor market valuation of less than \$500,000.
  - Most STRs valued under \$500K are owned by non-local owners (62%), many of whom use the unit themselves. (*According to this study's community survey, 54% of STR owners also use the property as a seasonal/vacation residence at least 1 week a year.*)
  - Many STRs are moderate in size, with 16% under 1,000 square feet and 42% being 1,000 to 1,500 square feet.
  - Very few properties  $< \$500K$  are rated as having above average structure quality, possibly implying that should these more affordable STRs go into use as full-time residences, they will need improvements or updates sooner than more expensive STRs.

# FINDINGS

## STR WORKFORCE HOUSING IMPACTS

A regression analysis of the drivers of Yavapai County and Sedona property values indicates that factors such as the location of the property, property type/size, and quality of structure have a significant impacts on property value. After controlling for property and location characteristics, the STR status of a unit does not appear to be a driver of its value.

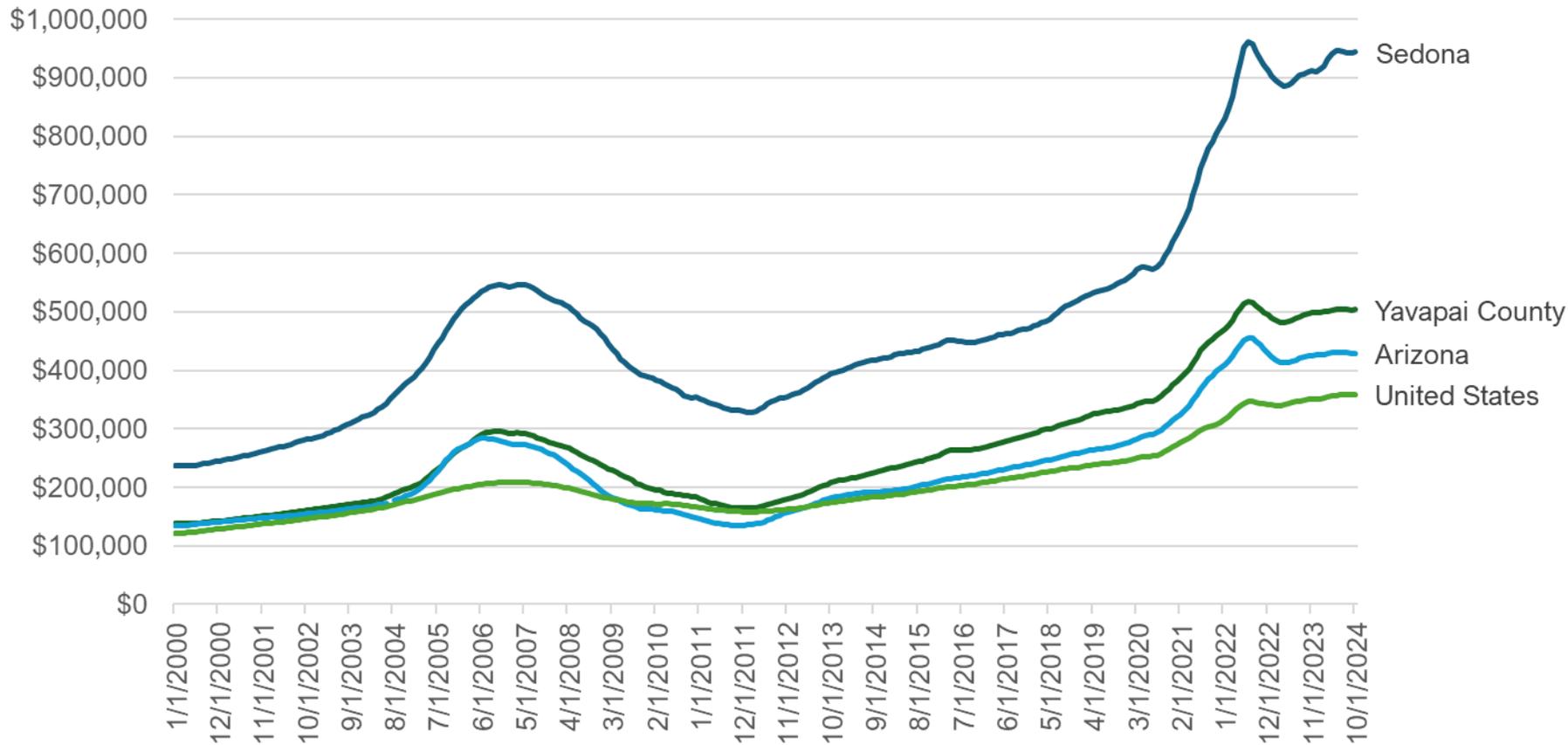
- The STR status of a housing unit (i.e., whether it is used as an STR) is a predictor of housing value in isolation and without controlling for property location. However, after controlling for housing characteristics and location of the property, STR status does not significantly impact value – suggesting that location is an underlying driver of both value and STR status.
- Sedona, specifically, contains the highest concentration of STRs, and Sedona properties, compared to both STRs and non-STRs in Prescott and Cottonwood, contain the highest property values. However, there is not a significant difference in property values between STRs and non-STRs within Sedona.
- The analysis also finds that within the combined area of Sedona, Prescott, and Cottonwood ...
  - Being a condo/townhouse or manufactured/mobile unit compared to a single-family residence, decreases the value of the home by 40 and 70% respectively.
  - Having a home that is larger than the property-based mean increases the value of the home by 42%.
  - Increasing the assessed structure quality rating by 1 increases the value of the home by 50%.
  - Being in Sedona, compared to Cottonwood or Prescott, increases the value of the home by 63%.

Real estate commentators have noted that STRs provide an investment opportunity in the Sedona market, and STRs may boost home values. However, it has also been noted that Sedona attracts diverse buyer groups, and properties which cannot be STR'd have also experienced value gains, suggesting a nuanced picture.

- For example, one local real estate commentator noted in 2016 that Senate Bill 1350 (allowing short term rentals) was expected to have a “positive impact on the Sedona market.” The same commentator noted in 2018 that “Condos and Townhomes were the best sellers [in 2018], in spite of the fact, that most developments do not allow vacation rentals.” (*Russ Lyon, Sotheby's International Realty, <https://www.findsedonarealestate.com/Sedona-market-analysis2>*)
- Another commentator noted in 2024, “While retirees and second-home buyers have traditionally dominated the [Sedona] market, there is an increasing presence of younger professionals and remote workers. The rise of remote work has allowed more individuals and families to relocate to scenic and serene locations like Sedona.” The commentator also noted that “For real estate investors, Sedona continues to offer attractive opportunities. The vacation rental market remains strong, driven by the steady influx of tourists and short-term visitors. Properties that can be marketed as vacation rentals often yield high returns, particularly those with unique features or premium locations.” (*Martin de Bókay, Realty One Group, <https://www.findsedonarealestate.com/Sedona-market-analysis2>*)

# HOME VALUES COMPARISON: SEDONA, YAVAPAI COUNTY, ARIZONA AND US: 2000 - 2024

Zillow Home Value Index  
Sedona, Yavapai County, Arizona & U.S. | January 2000 - November 2024

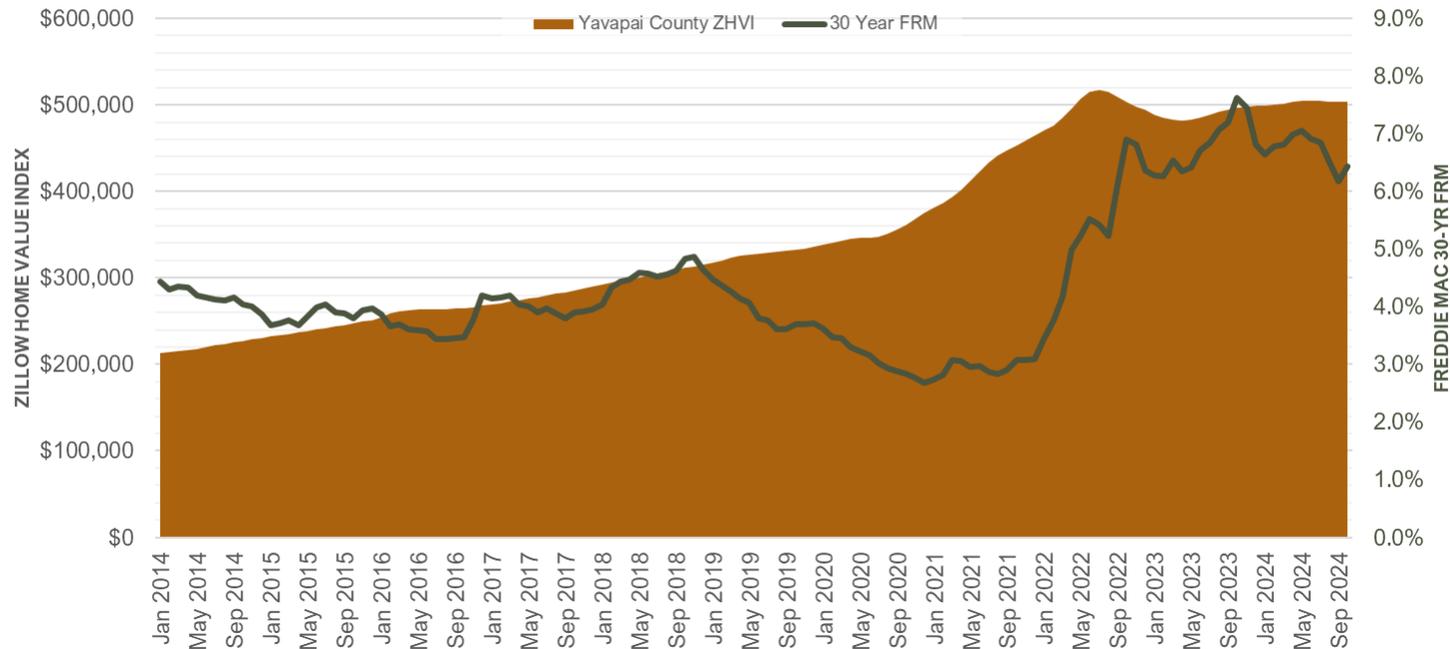


- Since 2000, Sedona has consistently been more expensive than comparables including Yavapai County as a whole, Arizona, and the United States.
- All four areas experienced marked price growth in the 2020-2022 period, despite varying STR contexts, though the slope of increase during this period was more exaggerated in Sedona than its counterparts.

# HOME VALUES VS. MORTGAGE RATES

The spike in Yavapai County home values beginning in 2021 coincided with, and were likely spurred in part by, historically low interest rates. A similar surge in home prices during the Covid period occurred across Arizona as a whole and throughout much of the U.S. -- indicating a common dynamic prevailing across markets, regardless of STR prevalence.

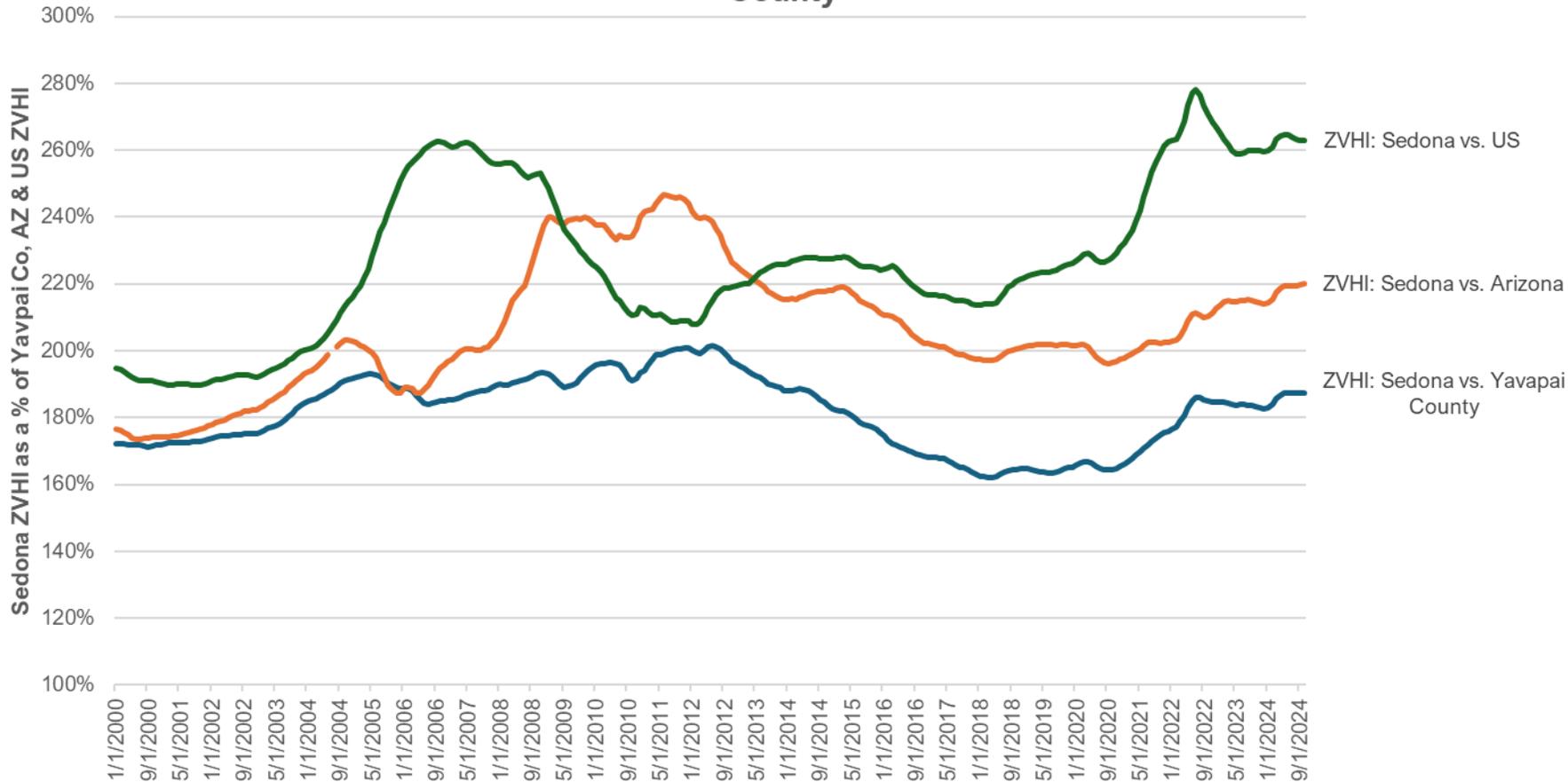
**Yavapai County Zillow Home Value Index vs. 30-Year Fixed Rate Mortgage Interest Rate**  
Monthly | Jan 2014 - Oct 2024



Source: Zillow & Freddie Mac

# SEDONA HOME VALUES AS A PERCENTAGE OF YAVAPAI COUNTY, ARIZONA AND U.S. HOME VALUES, 2000-2024

Zillow Home Value Index (ZVHI): Sedona as a Percent of US, Arizona and Yavapai County



- The high home values in Sedona relative to other areas predates the founding of Airbnb in 2007 and Arizona’s pre-emption of local STR regulation in 2016.
- Indeed, Sedona’s price premium has at times been higher in the past than today, suggesting that factors other than STRs have historically contributed to Sedona’s elevated price levels.
- By the same token, Sedona’s price premium has increased since 2017-2020, coinciding with a major surge in Sedona’s STRs.



# CHANGE IN HOME VALUES VS. CHANGE IN STR DENSITY: BY ZIP CODE

Zipcode	Zip Alias	STRs-AirDNA		# Housing Units		% of Housing Units Which Are Active STRs			Zillow Home Value Index		
		1/1/2018	7/1/2024	2018 Estimate	2023 Estimate	Active STRs (2018)	Active STRs (2024)	Ppt Change in Share of Active STRs 2018-2024	1/31/2018	11/30/2024	Change
86336	Sedona	996	2,573	8,007	8,180	12.4%	31.5%	19.0%	\$482,687	\$1,014,856	110%
86351	Sedona	367	902	4,423	4,526	8.3%	19.9%	11.6%	\$426,922	\$808,039	89%
86343	Crown King	2	20	234	234	0.9%	8.5%	7.7%	\$165,987	\$252,794	52%
86331	Jerome	23	40	335	335	6.9%	11.9%	5.1%			
86324	Clarkdale	36	95	2,185	2,318	1.6%	4.1%	2.5%	\$260,585	\$462,570	78%
86325	Cornville	93	157	2,896	2,893	3.2%	5.4%	2.2%	\$298,540	\$512,403	72%
86303	Prescott	237	505	11,895	12,181	2.0%	4.1%	2.2%	\$332,056	\$568,845	71%
86326	Cottonwood	96	318	11,177	11,540	0.9%	2.8%	1.9%	\$213,454	\$388,687	82%
86337	Seligman	5	27	1,189	1,213	0.4%	2.2%	1.8%	\$114,407	\$175,896	54%
86338	Skull Valley	2	7	303	306	0.7%	2.3%	1.6%			
86322	Camp Verde	26	102	5,528	5,520	0.5%	1.8%	1.4%	\$237,125	\$416,765	76%
86320	Ash Fork	2	17	1,312	1,378	0.2%	1.2%	1.1%	\$118,752	\$189,335	59%
86335	Rimrock	30	56	2,468	2,475	1.2%	2.3%	1.0%	\$187,669	\$347,028	85%
86301	Prescott	89	212	12,579	13,553	0.7%	1.6%	0.9%	\$317,554	\$534,193	68%
86305	Prescott	78	158	10,437	11,128	0.7%	1.4%	0.7%	\$411,192	\$702,171	71%
85324	Black Canyon City	6	16	1,520	1,563	0.4%	1.0%	0.6%	\$193,324	\$349,657	81%
86329	Humboldt		3	568	568	0.0%	0.5%	0.5%			
86334	Paulden	1	9	2,250	2,300	0.0%	0.4%	0.3%	\$223,763	\$411,654	84%
86315	Prescott Valley	3	19	3,828	4,726	0.1%	0.4%	0.3%	\$340,530	\$582,005	71%
86333	Mayer	3	11	3,094	3,145	0.1%	0.3%	0.3%	\$167,498	\$297,130	77%
86314	Prescott Valley	24	61	15,843	17,426	0.2%	0.4%	0.2%	\$249,114	\$425,740	71%
86323	Chino Valley	2	15	7,829	8,319	0.0%	0.2%	0.2%	\$267,247	\$484,619	81%
85362	Yarnell	2	3	480	526	0.4%	0.6%	0.2%	\$135,218	\$239,501	77%
86332	Kirkland	1	2	1,052	1,069	0.1%	0.2%	0.1%	\$197,922	\$334,703	69%
86321	Bagdad		1	1,071	1,098	0.0%	0.1%	0.1%			
86327	Dewey	21	24	5,949	6,226	0.4%	0.4%	0.0%	\$265,829	\$454,638	71%
85332	Congress	1	1	1,247	1,250	0.1%	0.1%	0.0%	\$199,557	\$342,643	72%
85342	Morristown	2	2	865	893	0.2%	0.2%	0.0%			
85390	Wickenburg	14	14	5,369	5,980	0.3%	0.2%	0.0%			
<b>Grand Total</b>		<b>2,162</b>	<b>5,370</b>	<b>125,933</b>	<b>132,869</b>	<b>1.7%</b>	<b>4.0%</b>	<b>2.3%</b>	<b>\$288,229</b>	<b>\$497,778</b>	<b>73%</b>

The change in STR density across Yavapai County and Sedona has taken different shapes depending on Zip Code. Across the 2018-2024 period, changes in STR density explains 28% of the variation in home price changes. Conversely, 72% of the variation in home price changes appears to be due to other factors.

Of the top 5 areas in Yavapai/Sedona that have seen the largest change in active STR inventory share, only Sedona is also within the top 5 areas of the largest change in property values.

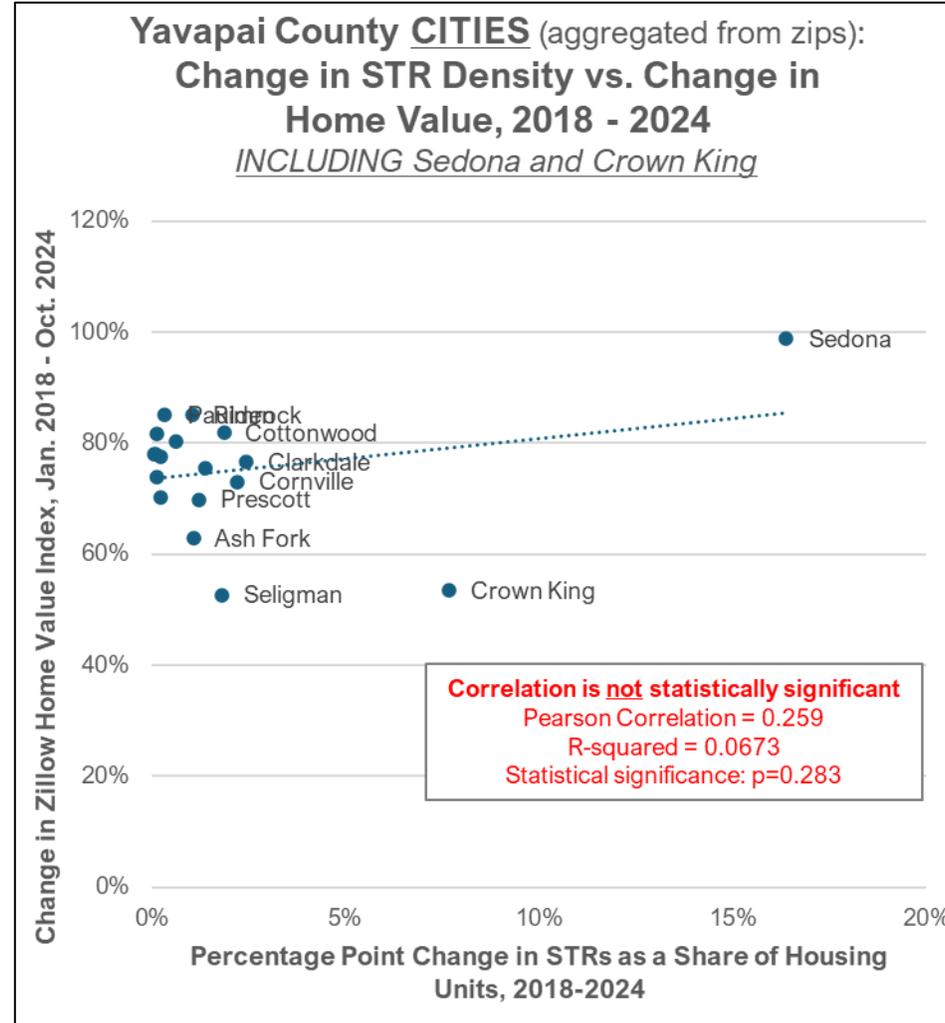
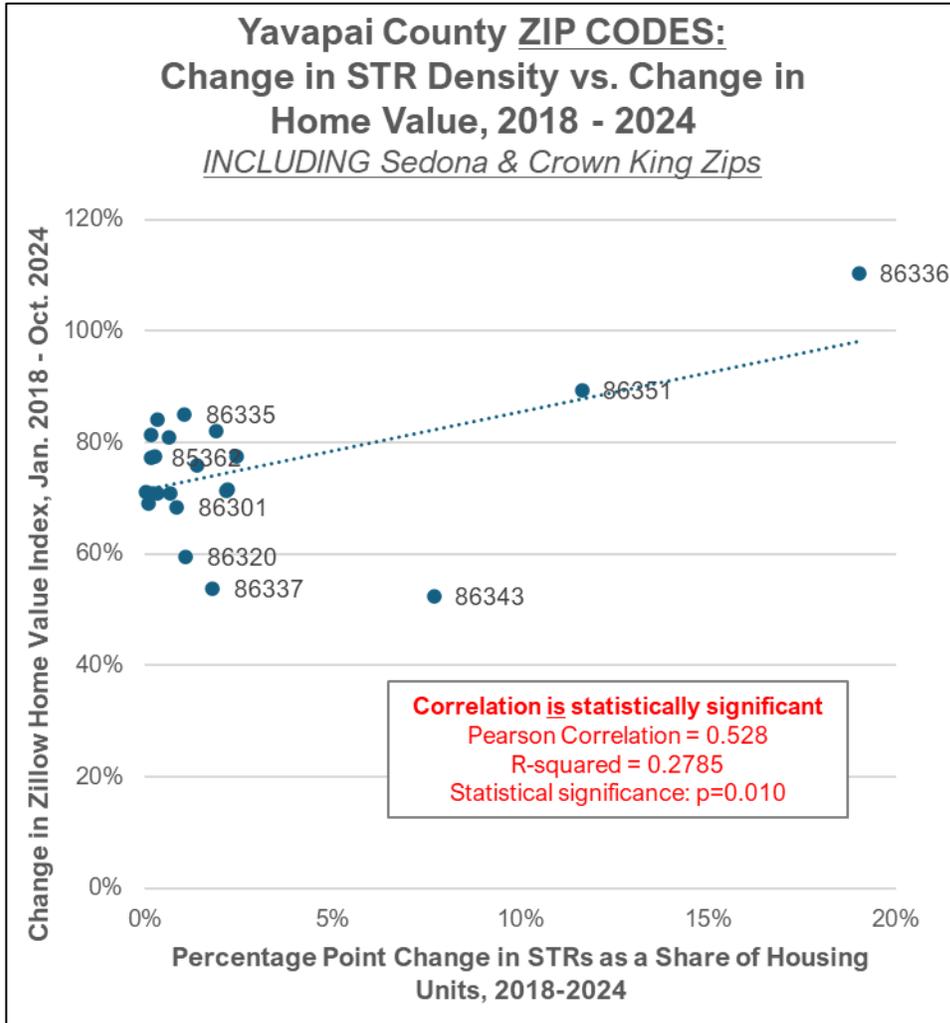
As such, factors other than changes in STR density appear to be important drivers of county-wide home values across the 2018-2024 period.



Source: AirDNA; US Census (2020 Decennial Census, 2014-18 ACS and 2019-2023 ACS), Zillow, RRC.

Note: Share of housing units which are STRs is likely somewhat overstated, since some units advertised on STR rental platforms are hotel units and other non-housing units (e.g. campsites).

# CORRELATION BETWEEN CHANGE IN HOME VALUES AND CHANGE IN STR DENSITY: BY ZIP AND CITY INCLUDING SEDONA AND CROWN KING

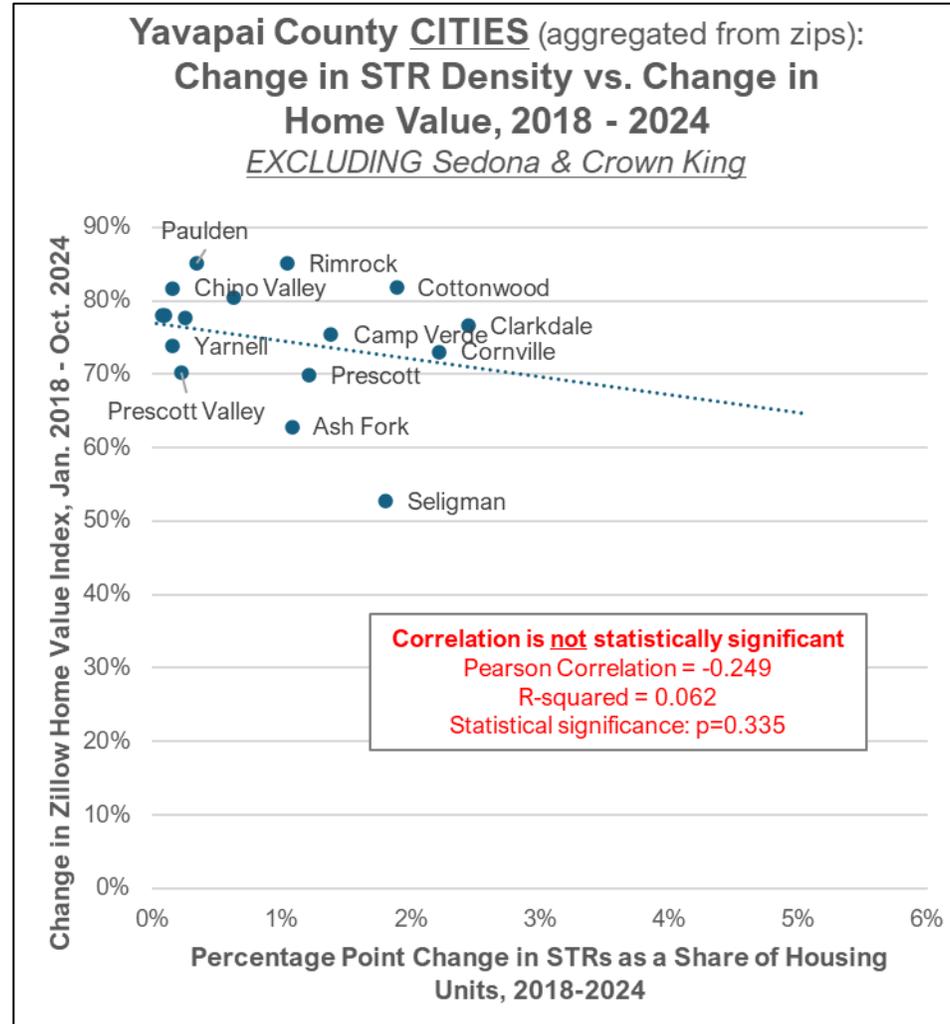
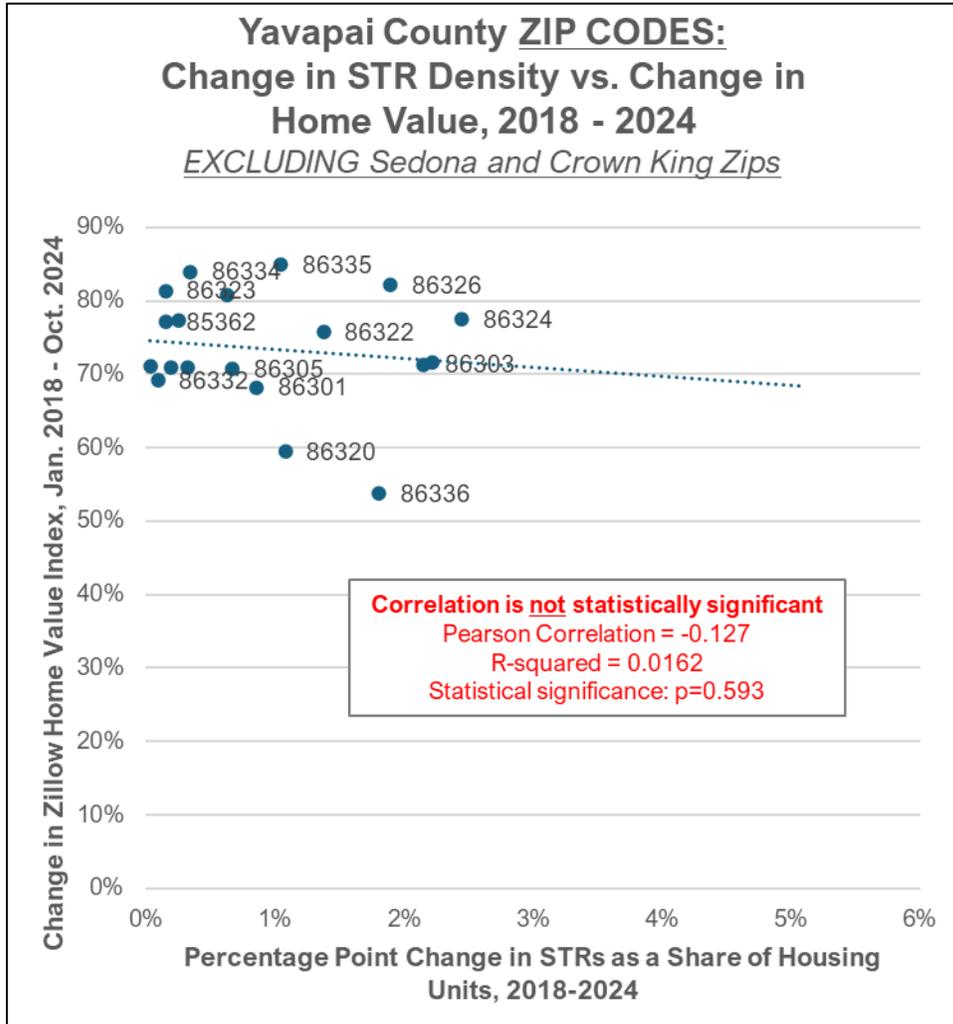


- Yavapai County communities show mostly small (<2.5 ppt) increases in STR concentrations at the ZIP and city levels (2018–2024), except for significant growth in Sedona and Crown King (and Jerome, not shown).
- At the ZIP level, changes in STR concentrations significantly correlate with home value changes, explaining 28% of the variation, while 72% is due to other factors.
- At the city level, no significant correlation is found,
- The differences in the ZIP and city results are likely due to limited data for areas with high STR increases. Caution is warranted in interpretation due to the sensitivity of the findings to a small number of data points.



# CORRELATION BETWEEN CHANGE IN HOME VALUES AND CHANGE IN STR DENSITY: BY ZIP AND CITY

## EXCLUDING SEDONA AND CROWN KING

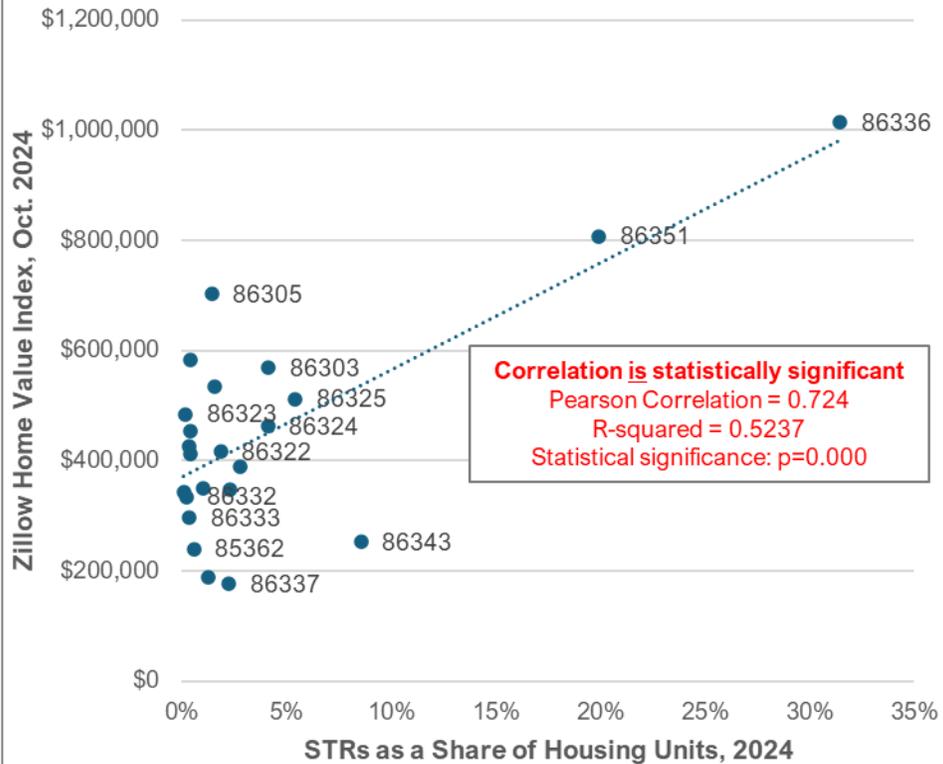


- Excluding Sedona and Crown King, no significant correlations are found between STR density changes and home value changes in Yavapai County.
- Thus, in most communities, STR density changes (within the community) were unlikely to be a major factor influencing changes home values in 2018–2024.

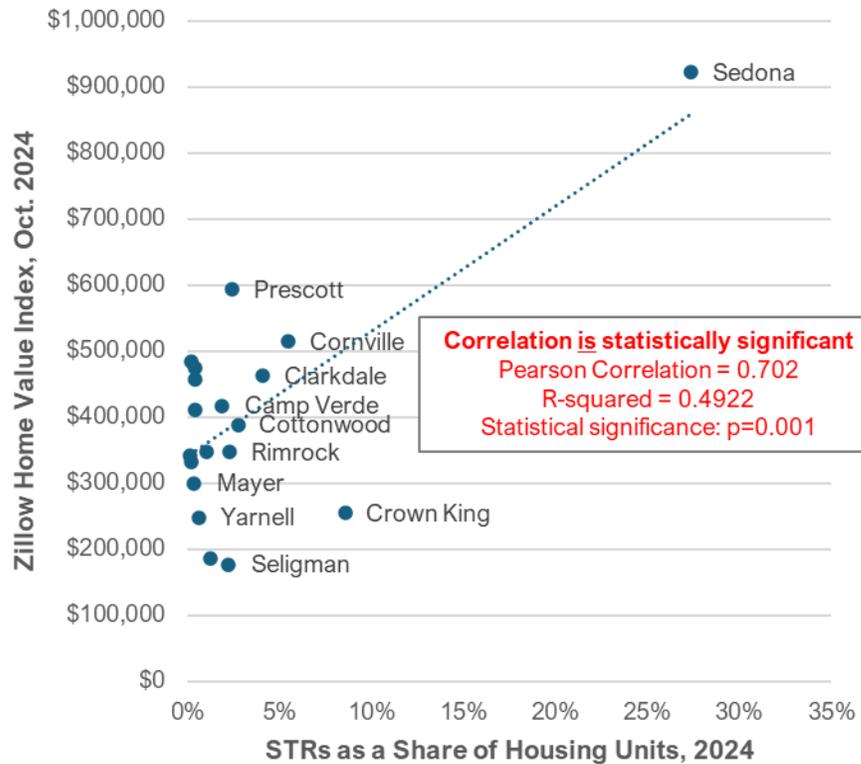


# CORRELATION BETWEEN HOME VALUE AND STR DENSITY: BY ZIP AND CITY, 2024 INCLUDING SEDONA AND CROWN KING

**Yavapai County ZIP CODES:**  
**STR Density vs. Home Value, 2024**  
*INCLUDING Sedona and Crown King Zips*



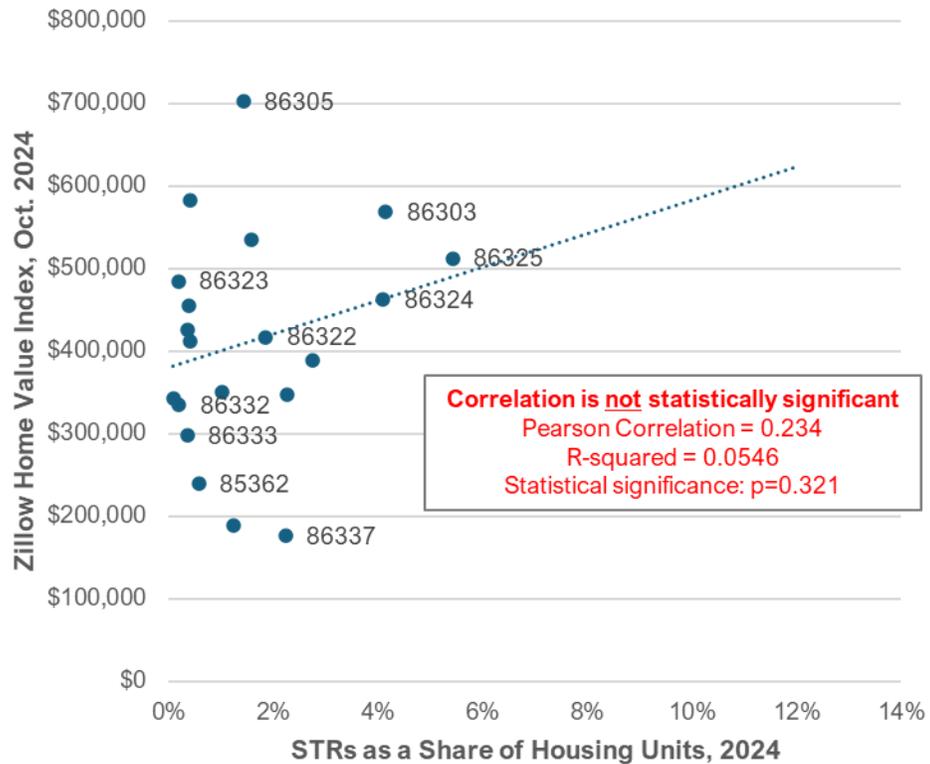
**Yavapai County CITIES** (aggregated from zips):  
**STR Density vs. Home Value, 2024**  
*INCLUDING Sedona and Crown King*



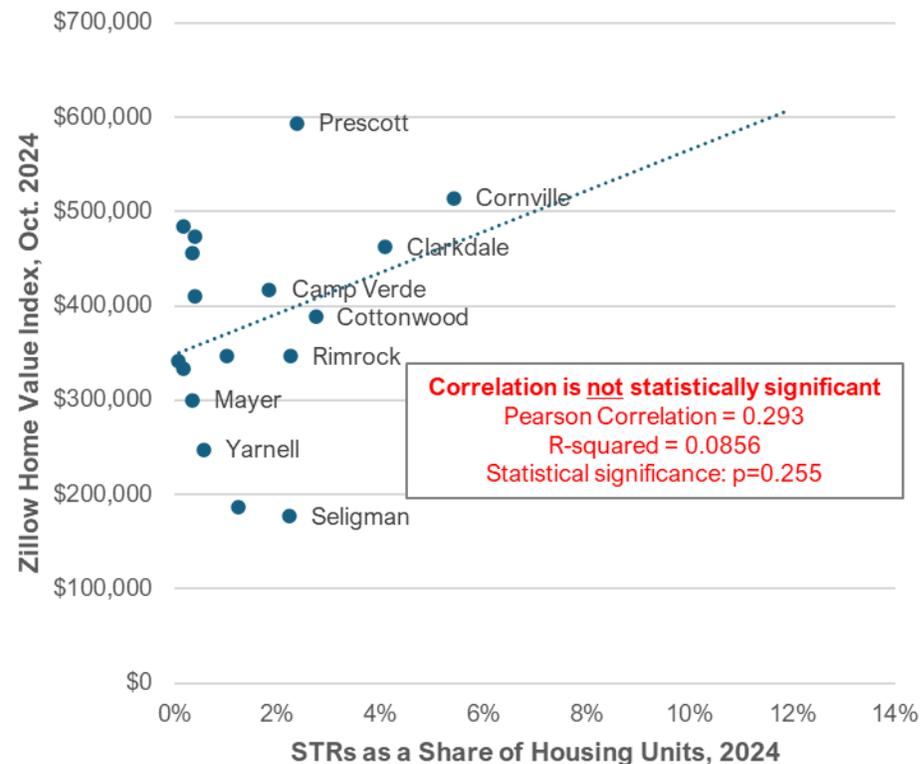
- At both the ZIP and city levels, there is a statistically significant correlation between STR density and home value.
- However, correlation should not be confused with causation, and it is likely that there are qualities of Sedona and other communities that concurrently drive STR concentrations and home values (e.g. overall attractiveness of the community).
- Additionally, as discussed previously, Sedona has had a home value premium relative to Yavapai County for decades, pre-dating the advent of Airbnb in 2007 and the recent growth in STRs.

# CORRELATION BETWEEN HOME VALUE AND STR DENSITY: BY ZIP AND CITY, 2024 EXCLUDING SEDONA AND CROWN KING

**Yavapai County ZIP CODES:**  
**STR Density vs. Home Value, 2024**  
*EXCLUDING Sedona and Crown King Zips*



**Yavapai County CITIES** (aggregated from zips):  
**STR Density vs. Home Value, 2024**  
*EXCLUDING Sedona and Crown King*

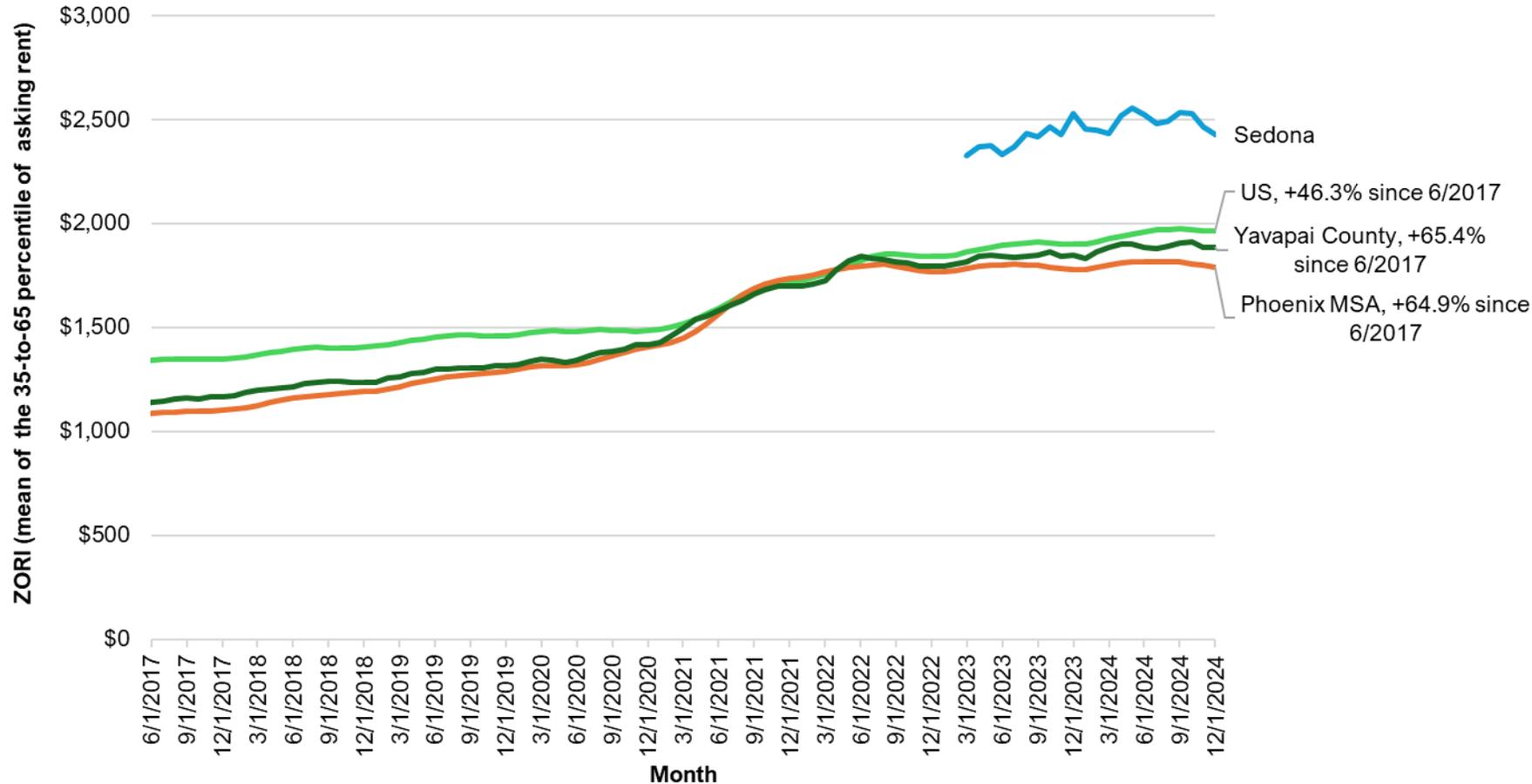


- Excluding Sedona and Crown King, no significant correlations are found between STR density and home value.
- Thus, in most communities, STR density changes (within the community) were unlikely to be a major factor influencing changes home values (2018–2024).



# ZILLOW OBSERVED RENT INDEX: YAVAPAI COUNTY & SEDONA VS. PHOENIX MSA & US, 2017 - 2024

**Zillow Observed Rent Index  
Selected Geographic Areas, January 2015 - December 2024**



Yavapai County, the Phoenix Metropolitan Statistical Area, and the US have all experienced significant increases in asking rents since 2017, with the sharpest increases occurring during the Covid period.

Yavapai County (+65.4%) and Maricopa County (+64.9%) have experienced similar cumulative rent increases, and both have outpaced the US (+46.3%). *(Historic data is limited for Sedona.)*

It is unclear whether Yavapai and Maricopa Counties have similar or different STR concentrations. However, it is clear that these two different markets, along with the US, have all experienced substantial rent increases, suggesting that factors other than STRs are important in driving price growth.



# CHANGE IN 2BR FAIR MARKET RENTS VS. CHANGE IN STR DENSITY: BY ZIP CODE

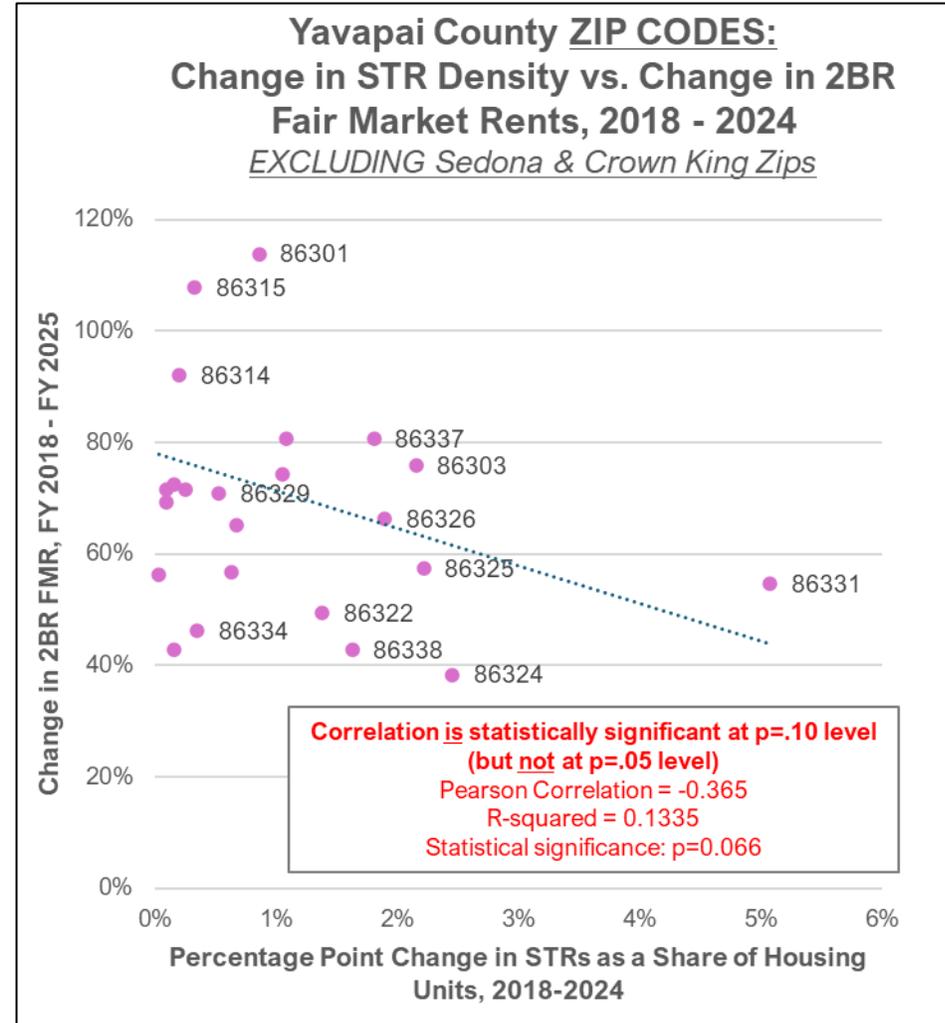
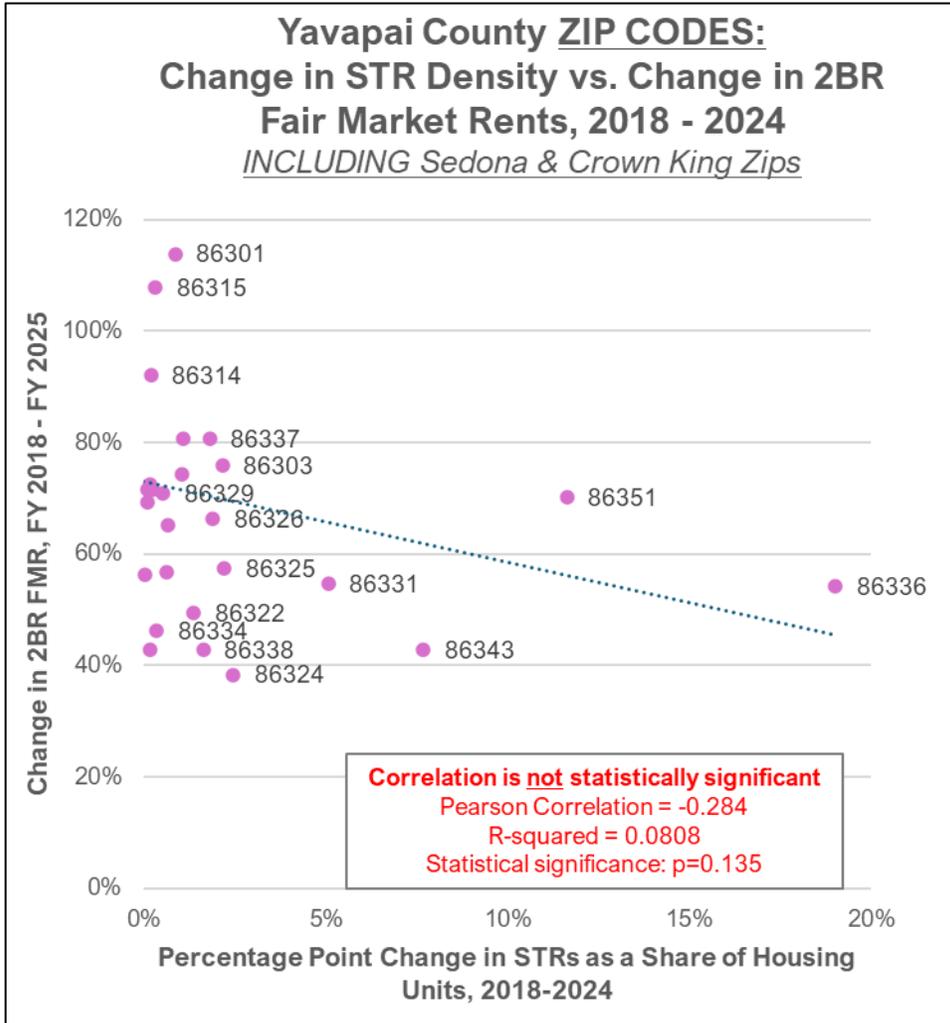
Zipcode	Zip Alias	STRs-AirDNA		# Housing Units		% of Housing Units Which Are Active STRs			2BR Small Area Fair Market Rents		
		1/1/2018	7/1/2024	2018 Estimate	2023 Estimate	Active STRs (2018)	Active STRs (2024)	Ppt Change in Share of Active STRs 2018-2024	FY 2018 2BR Advisory FMR	FY 2025 2BR FMR	Change in 2BR FMR
86336	Sedona	996	2,573	8,007	8,180	12.4%	31.5%	19.0%	\$1,220	\$1,880	54%
86351	Sedona	367	902	4,423	4,526	8.3%	19.9%	11.6%	\$1,140	\$1,940	70%
86343	Crown King	2	20	234	234	0.9%	8.5%	7.7%	\$890	\$1,270	43%
86331	Jerome	23	40	335	335	6.9%	11.9%	5.1%	\$860	\$1,330	55%
86324	Clarkdale	36	95	2,185	2,318	1.6%	4.1%	2.5%	\$940	\$1,300	38%
86325	Cornville	93	157	2,896	2,893	3.2%	5.4%	2.2%	\$1,220	\$1,920	57%
86303	Prescott	237	505	11,895	12,181	2.0%	4.1%	2.2%	\$830	\$1,460	76%
86326	Cottonwood	96	318	11,177	11,540	0.9%	2.8%	1.9%	\$890	\$1,480	66%
86337	Seligman	5	27	1,189	1,213	0.4%	2.2%	1.8%	\$930	\$1,680	81%
86338	Skull Valley	2	7	303	306	0.7%	2.3%	1.6%	\$890	\$1,270	43%
86322	Camp Verde	26	102	5,528	5,520	0.5%	1.8%	1.4%	\$850	\$1,270	49%
86320	Ash Fork	2	17	1,312	1,378	0.2%	1.2%	1.1%	\$930	\$1,680	81%
86335	Rimrock	30	56	2,468	2,475	1.2%	2.3%	1.0%	\$930	\$1,620	74%
86301	Prescott	89	212	12,579	13,553	0.7%	1.6%	0.9%	\$870	\$1,860	114%
86305	Prescott	78	158	10,437	11,128	0.7%	1.4%	0.7%	\$830	\$1,370	65%
85324	Black Canyon City	6	16	1,520	1,563	0.4%	1.0%	0.6%	\$810	\$1,270	57%
86329	Humboldt	0	3	568	568	0.0%	0.5%	0.5%	\$890	\$1,520	71%
86334	Paulden	1	9	2,250	2,300	0.0%	0.4%	0.3%	\$910	\$1,330	46%
86315	Prescott Valley	3	19	3,828	4,726	0.1%	0.4%	0.3%	\$1,160	\$2,410	108%
86333	Mayer	3	11	3,094	3,145	0.1%	0.3%	0.3%	\$810	\$1,390	72%
86314	Prescott Valley	24	61	15,843	17,426	0.2%	0.4%	0.2%	\$880	\$1,690	92%
86323	Chino Valley	2	15	7,829	8,319	0.0%	0.2%	0.2%	\$870	\$1,500	72%
85362	Yarnell	2	3	480	526	0.4%	0.6%	0.2%	\$890	\$1,270	43%
86332	Kirkland	1	2	1,052	1,069	0.1%	0.2%	0.1%	\$810	\$1,370	69%
86321	Bagdad	0	1	1,071	1,098	0.0%	0.1%	0.1%	\$810	\$1,390	72%
86327	Dewey	21	24	5,949	6,226	0.4%	0.4%	0.0%	\$1,140	\$1,780	56%
85332	Congress	1	1	1,247	1,250	0.1%	0.1%	0.0%	\$810	\$1,660	105%
85342	Morristown	2	2	865	893	0.2%	0.2%	0.0%	\$850	\$1,690	99%
85390	Wickenburg	14	14	5,369	5,980	0.3%	0.2%	0.0%	\$850	\$1,690	99%
<b>Grand Total</b>		<b>2,162</b>	<b>5,370</b>	<b>125,933</b>	<b>132,869</b>	<b>1.7%</b>	<b>4.0%</b>	<b>2.3%</b>	<b>\$891</b>	<b>\$1,606</b>	<b>80%</b>

The STR and rental cost data shown here is analyzed in graphic format in the next two slides.

The rental data shown here is from the US Department of Housing and Urban Development (HUD), and represents estimated 40<sup>th</sup> percentile rents in the respective zip codes, based primarily on US Census surveys of renter households.

This is a different measure of rents than the Zillow data shown on the previous slide, which represents asking rents.

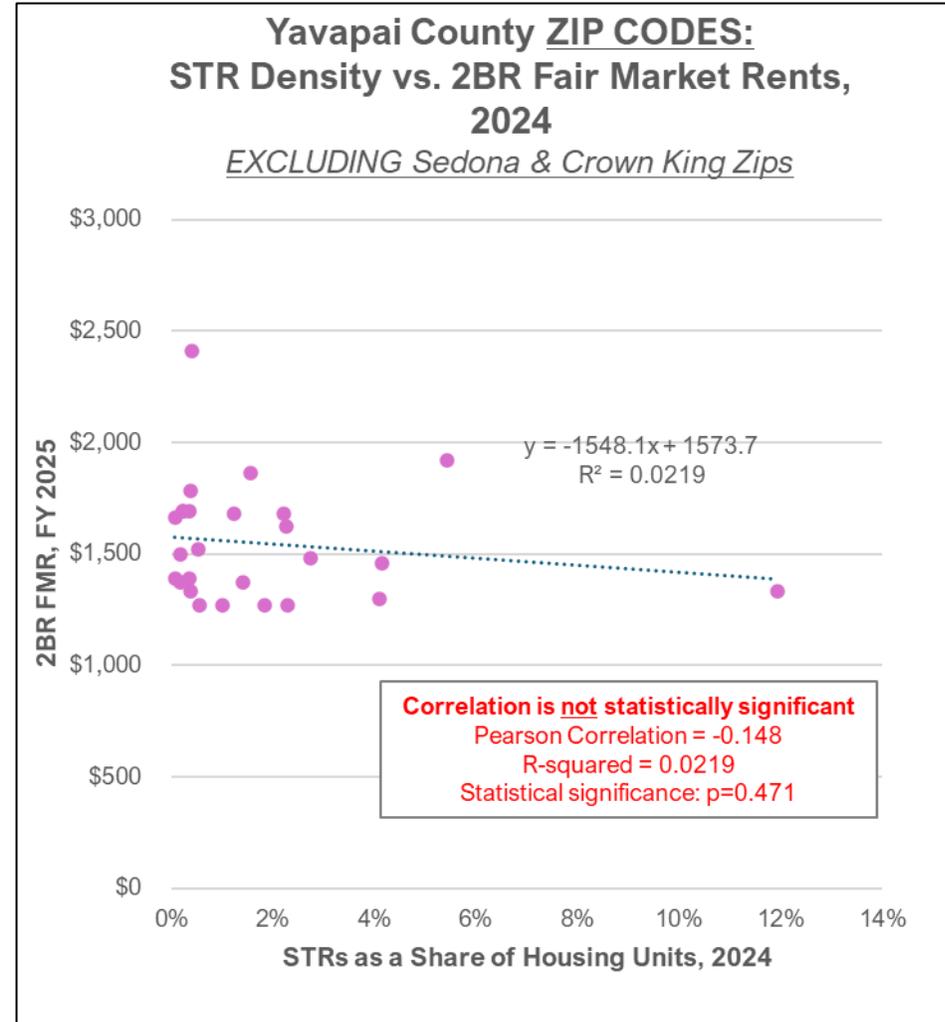
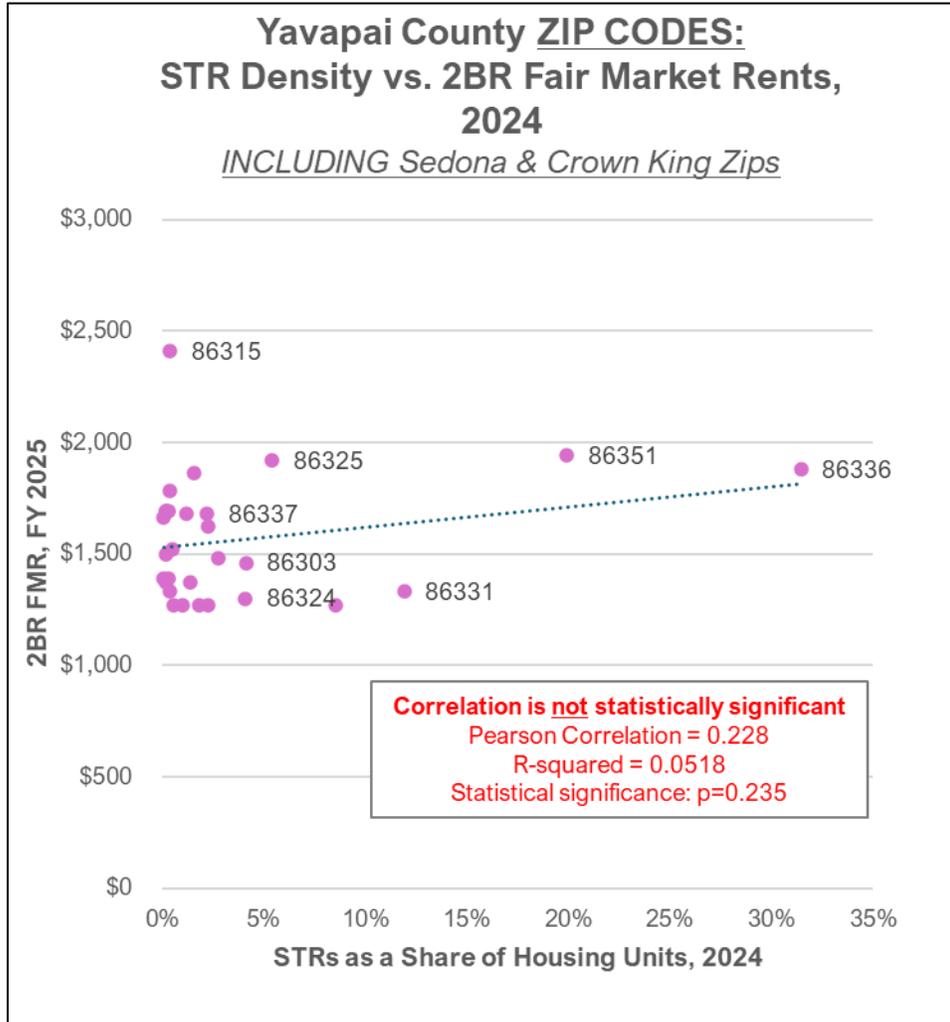
# CORRELATION BETWEEN CHANGE IN RENTS AND CHANGE IN STR DENSITY: WITH AND W/O SEDONA & CROWN KING



Across all study area zips (inclusive of Sedona and Crown King), changes in STR concentrations do not show a statistically significant correlation with changes in 2-bedroom Fair Market Rents (i.e. 40<sup>th</sup> percentile rents).

Among zips with lesser changes in STR density (i.e. excluding Sedona & Crown King zips), there is a slight negative correlation between changes in STR density and changes in rent – perhaps a surprising result. (*Statistically significant at 90% confidence level, but not at 95% confidence level.*)

# CORRELATION BETWEEN IN 2BR FAIR MARKET RENTS AND STR DENSITY: WITH AND W/O SEDONA & CROWN KING



- At the ZIP level, current STR concentrations do not show a statistically significant correlation with current 2-bedroom Fair Market Rents – regardless whether Sedona & Crown King zips are included or excluded from the analysis.

# ASSESSOR VALUATION OF STRs

Another means of examining the impacts of STRs on workforce housing is to investigate the degree to which STRs limit the pool of affordable homes for current buyers. The following tables show the distribution of home values of identified STRs in Sedona, Prescott and Cottonwood (based on municipal STR permit lists matched to Assessor database full cash value estimates).

- The bulk of STRs matched to Assessor data are in Sedona (1,081 STRs), while 158 are in Prescott and 47 are in Cottonwood.
- The range of STR home values in Sedona is broader than in Prescott and Cottonwood, due mostly to a greater share of STRs valued at \$500K+.
  - 35% of identified Sedona STRs have values <\$500K, a rough measure of attainable pricing for some low and moderate income buyers.
  - Another 42% have values of \$500-999K, which are 'attainable' for more some affluent or wealthy Sedona residents.
- Of the identified STRs in Prescott and Cottonwood, over 80% or more are valued at <\$500K.

**Count of STRs, by Full Cash Value**

Value	Sedona		Prescott		Cottonwood		Total	
	Count	Share	Count	Share	Count	Share	Count	Share
<\$100K	4	0.4%	4	2.5%	3	6.4%	11	0.9%
\$100-199K	72	6.7%	30	19.0%	14	29.8%	116	9.0%
\$200-299K	61	5.6%	54	34.2%	23	48.9%	138	10.7%
\$300-399K	131	12.1%	34	21.5%	7	14.9%	172	13.4%
\$400-499K	110	10.2%	13	8.2%	0	0.0%	123	9.6%
\$500-599K	77	7.1%	5	3.2%	0	0.0%	82	6.4%
\$600-699K	97	9.0%	4	2.5%	0	0.0%	101	7.9%
\$700-799K	111	10.3%	3	1.9%	0	0.0%	114	8.9%
\$800-899K	91	8.4%	7	4.4%	0	0.0%	98	7.6%
\$900-999K	73	6.8%	2	1.3%	0	0.0%	75	5.8%
\$1M+	254	23.5%	2	1.3%	0	0.0%	256	19.9%
<b>TOTAL</b>	<b>1,081</b>	<b>100%</b>	<b>158</b>	<b>100%</b>	<b>47</b>	<b>100%</b>	<b>1,286</b>	<b>100%</b>
<b>&lt;\$500K</b>	<b>378</b>	<b>35.0%</b>	<b>135</b>	<b>85.4%</b>	<b>47</b>	<b>100%</b>	<b>560</b>	<b>43.5%</b>
<b>\$500-999k</b>	<b>449</b>	<b>41.5%</b>	<b>21</b>	<b>13.3%</b>	<b>0</b>	<b>0.0%</b>	<b>470</b>	<b>36.5%</b>

\*Single-family homes, condos/townhouses, and manufactured units only

Source: Yavapai County Assessor & Coconino County Assessor



# HOW MANY YAVAPAI CO. STRs WOULD BE AFFORDABLE FOR PURCHASE BY LOCALS?

How many of these more-affordable STRs are attainable when considering monthly incomes, downpayments, taxes, and fees?

If housing costs=30% of income, following is the share of STRs that would be affordable to Yavapai County households earning ...

- 80% AMI: 6.8–13.7%
- 100% AMI: 10.7–19.7%
- 120% AMI: 14.8–27.6%
- 150% AMI: 21.4–38.9%
- 200% AMI: 35.6–50.4%

If housing costs=40% of income, following is the share of STRs that would be affordable to Yavapai County households earning ...

- 80% AMI: 12.1–22.6%
- 100% AMI: 17.5–32.8%
- 120% AMI: 24.4–41.1%
- 150% AMI: 35.6–50.4%
- 200% AMI: 47.4–66.5%

Income	AMI	People in Household			
		1	2	3	4
<b>Annual Household Income</b> <i>(2024 AMI - area median income, per HUD)</i>	80%	\$46,500	\$53,150	\$59,800	\$66,400
	100%	\$58,100	\$66,400	\$74,700	\$83,000
	120%	\$69,720	\$79,680	\$89,640	\$99,600
	150%	\$87,150	\$99,600	\$112,050	\$124,500
	200%	\$116,200	\$132,800	\$149,400	\$166,000

Affordability	AMI	Housing Costs=30% of Income				Housing Costs=40% of Income			
		People in Household				People in Household			
		1	2	3	4	1	2	3	4
<b>Affordable Monthly Housing Payment</b> <i>(30%-40% of income)</i>	80%	\$1,163	\$1,329	\$1,495	\$1,660	\$1,550	\$1,772	\$1,993	\$2,213
	100%	\$1,453	\$1,660	\$1,868	\$2,075	\$1,937	\$2,213	\$2,490	\$2,767
	120%	\$1,743	\$1,992	\$2,241	\$2,490	\$2,324	\$2,656	\$2,988	\$3,320
	150%	\$2,179	\$2,490	\$2,801	\$3,113	\$2,905	\$3,320	\$3,735	\$4,150
	200%	\$2,905	\$3,320	\$3,735	\$4,150	\$3,873	\$4,427	\$4,980	\$5,533
<b>Affordable Purchase Price</b> <i>(Assumes 30 year mortgage @6.60%, 20% down, 27% of monthly housing costs to insurance, prop tax, HOA, &amp; utilities)</i>	80%	\$166,095	\$189,849	\$213,602	\$237,177	\$221,460	\$253,131	\$284,803	\$316,236
	100%	\$207,530	\$237,177	\$266,824	\$296,471	\$276,706	\$316,236	\$355,765	\$395,295
	120%	\$249,036	\$284,612	\$320,189	\$355,765	\$332,047	\$379,483	\$426,918	\$474,353
	150%	\$311,294	\$355,765	\$400,236	\$444,706	\$415,059	\$474,353	\$533,648	\$592,942
	200%	\$415,059	\$474,353	\$533,648	\$592,942	\$553,412	\$632,471	\$711,530	\$790,589
<b>Affordable STRs</b> <i>(per 2025 Assessor valuation)</i>	80%	90	117	151	182	161	202	243	301
	100%	142	182	221	262	233	301	367	436
	120%	197	243	306	367	325	407	492	550
	150%	284	367	447	518	473	550	614	670
	200%	473	550	614	670	631	711	792	884
<b>Affordable STRs</b> <i>(as a % of 1,330 identifiable STRs in Assessor database)</i>	80%	6.8%	8.8%	11.4%	13.7%	12.1%	15.2%	18.3%	22.6%
	100%	10.7%	13.7%	16.6%	19.7%	17.5%	22.6%	27.6%	32.8%
	120%	14.8%	18.3%	23.0%	27.6%	24.4%	30.6%	37.0%	41.4%
	150%	21.4%	27.6%	33.6%	38.9%	35.6%	41.4%	46.2%	50.4%
	200%	35.6%	41.4%	46.2%	50.4%	47.4%	53.5%	59.5%	66.5%

\*6.60% interest rate is the weekly average as of 12/16/2024, per Freddie Mac

Source: Yavapai & Coconino County Assessor; local government STR & LOT tax license lists; HUD; Freddie Mac; RRC.

Note: Results reflect the affordability of 1,330 STRs with identifiable Assessor valuations (excluding STR properties classified by the Assessor as commercial), rather than all STRs.





# CHARACTERISTICS OF STRS BY VALUE

## SEDONA, PRESCOTT, AND COTTONWOOD

STRs valued under \$500K are more likely to be manufactured homes or condo/townhomes, and also tend to be smaller:

- While most identified STR properties in the area are single-family residences (SFRs), only 79% of STRs <\$500K are SFRs, while 99% of more expensive STRs are SFRs.
- 16% of STRs <\$500K are <1,000 square feet, and an additional 42% are 1,000 – 1,499 square feet. By contrast, a large majority of more expensive STRs are 1,500+ square feet (91%).

Affordable STRs are less concentrated in Sedona:

- 68% of STRs <\$500K in the total sample are in Sedona, while 97% of more expensive STRs are located in Sedona.

		Number of Identified STRs by Value											Total STRs		<\$500K		\$500-999K	
		<\$100K	\$100-199K	\$200-299K	\$300-399K	\$400-499K	\$500-599K	\$600-699K	\$700-799K	\$800-899K	\$900-999K	\$1M+	#	%	#	%	#	%
		<b>Property type</b>	Single-Family	4	48	121	146	123	79	101	114	98	75	256	1,165	91%	442	79%
	Condo/Townhome		8	9	25		3						45	3%	42	8%	3	1%
	Manufactured	7	60	8	1								76	6%	76	14%	0	0%
	<b>TOTAL</b>	<b>11</b>	<b>116</b>	<b>138</b>	<b>172</b>	<b>123</b>	<b>82</b>	<b>101</b>	<b>114</b>	<b>98</b>	<b>75</b>	<b>256</b>	<b>1,286</b>	<b>100%</b>	<b>560</b>	<b>100%</b>	<b>470</b>	<b>100%</b>
<b>Total floor area (sqft)</b>	0-499	1		1	1								6	0%	3	1%	1	0%
	500-999	4	38	23	15		2	1	1				87	7%	80	15%	4	1%
	1000-1499	3	51	79	70	19	14	23	6	3	1	6	275	22%	222	42%	47	10%
	1500-1999	1	9	23	71	60	36	44	41	31	15	8	339	27%	164	31%	167	36%
	2000+		2	4	14	44	30	33	66	64	58	237	552	44%	64	12%	251	53%
	<b>TOTAL</b>	<b>9</b>	<b>100</b>	<b>130</b>	<b>171</b>	<b>123</b>	<b>82</b>	<b>101</b>	<b>114</b>	<b>98</b>	<b>75</b>	<b>256</b>	<b>1,259</b>	<b>100%</b>	<b>533</b>	<b>100%</b>	<b>470</b>	<b>100%</b>
<b>Municipality</b>	Sedona	4	72	61	131	110	77	97	111	91	73	254	1,081	84%	378	68%	449	96%
	Prescott	4	30	55	34	13	5	4	3	7	2	2	159	12%	136	24%	21	4%
	Cottonwood	3	13	17	6								39	3%	39	7%	0	0%
	Other		1	5	1								7	1%	7	1%	0	0%
	<b>TOTAL</b>	<b>11</b>	<b>116</b>	<b>138</b>	<b>172</b>	<b>123</b>	<b>82</b>	<b>101</b>	<b>114</b>	<b>98</b>	<b>75</b>	<b>256</b>	<b>1,286</b>	<b>100%</b>	<b>560</b>	<b>100%</b>	<b>470</b>	<b>100%</b>

\*Single-family homes, condos/townhouses, and manufactured units only

Source: Yavapai County Assessor & Coconino County Assessor



# CHARACTERISTICS OF STRS BY VALUE

## SEDONA, PRESCOTT, AND COTTONWOOD

Nearly two-thirds of STRs valued under \$500K are owned by non-local owners (62%), some of whom likely use the unit themselves for vacation purposes, or plan to eventually use the unit as a retirement home.

While the majority of all identified STRs are rated by the County Assessor as having “average” or better structure quality, very few properties <\$500K are rated better than average (4%), while two-thirds (67%) of more expensive STRs are rated better than average. This may imply that should these more affordable STRs go into use as full-time residences, they will need improvements or updates sooner than more expensive options.

		Number of Identified STRs by Value											Total STRs		<\$500K		\$500-999K	
		<\$100 K	\$100- 199K	\$200- 299K	\$300- 399K	\$400- 499K	\$500- 599K	\$600- 699K	\$700- 799K	\$800- 899K	\$900- 999K	\$1M +	#	%	#	%	#	%
<b>Owner mailing address</b>	Local (Sedona, Yavapai, Coconino)	6	64	62	58	60	34	35	48	34	25	65	491	38%	250	45%	176	37%
	Elsewhere	5	52	76	114	63	48	66	66	64	50	191	795	62%	310	55%	294	63%
	<b>TOTAL</b>	<b>11</b>	<b>116</b>	<b>138</b>	<b>172</b>	<b>123</b>	<b>82</b>	<b>101</b>	<b>114</b>	<b>98</b>	<b>75</b>	<b>256</b>	<b>1,286</b>	<b>100%</b>	<b>560</b>	<b>100%</b>	<b>470</b>	<b>100%</b>
<b>Structure quality</b>	1.0 (Low)			1									1	0%	1	0%	0	0%
	2.0 (Fair)	5	7	1	2	3		1			1	3	23	2%	18	3%	2	0%
	3.0 (Average)	6	106	126	152	119	63	58	42	27	12	29	740	58%	509	92%	202	43%
	4.0 (Good)		1	4	17	1	19	42	72	69	59	123	407	32%	23	4%	261	56%
	5.0 (Very Good)								2	3		90	95	7%	0	0%	5	1%
	6.0 (Excellent)											11	11	1%	0	0%	0	0%
	<b>TOTAL</b>	<b>11</b>	<b>115</b>	<b>131</b>	<b>171</b>	<b>123</b>	<b>82</b>	<b>101</b>	<b>114</b>	<b>98</b>	<b>75</b>	<b>256</b>	<b>1,277</b>	<b>100%</b>	<b>551</b>	<b>100%</b>	<b>470</b>	<b>100%</b>

\*Single-family homes, condos/townhouses, and manufactured units only

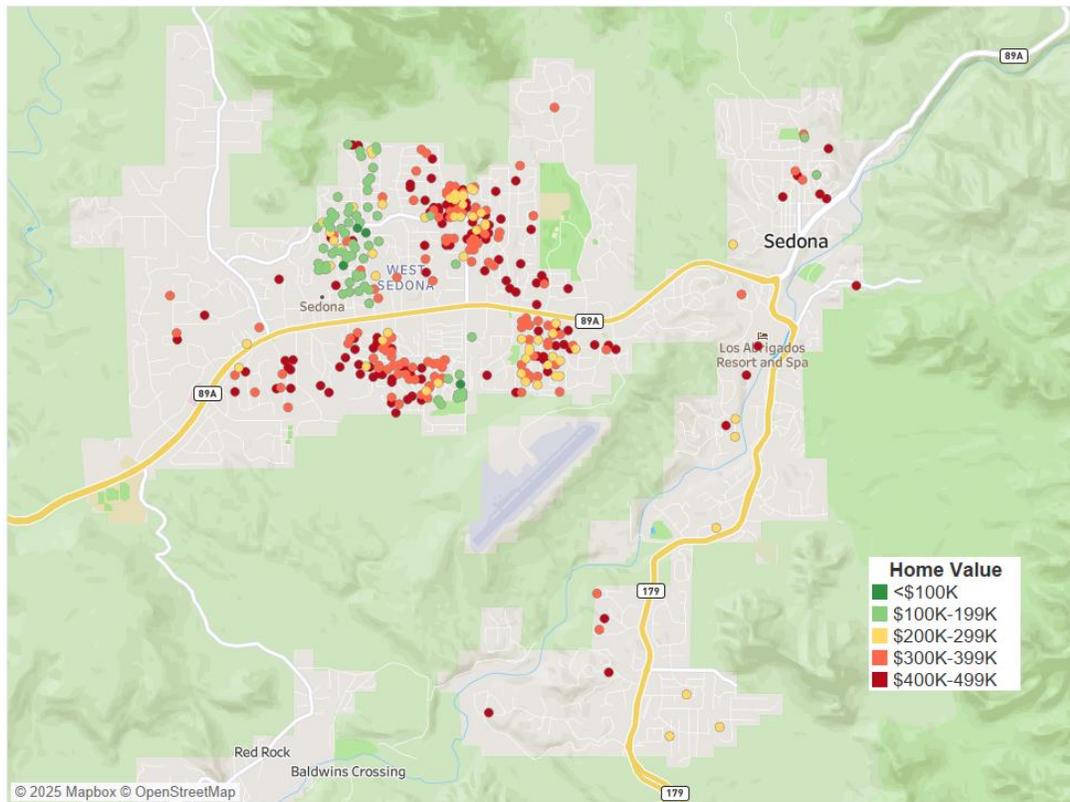
Source: Yavapai County Assessor & Coconino County Assessor

# STRS <\$500K BY VALUE & PROPERTY TYPE

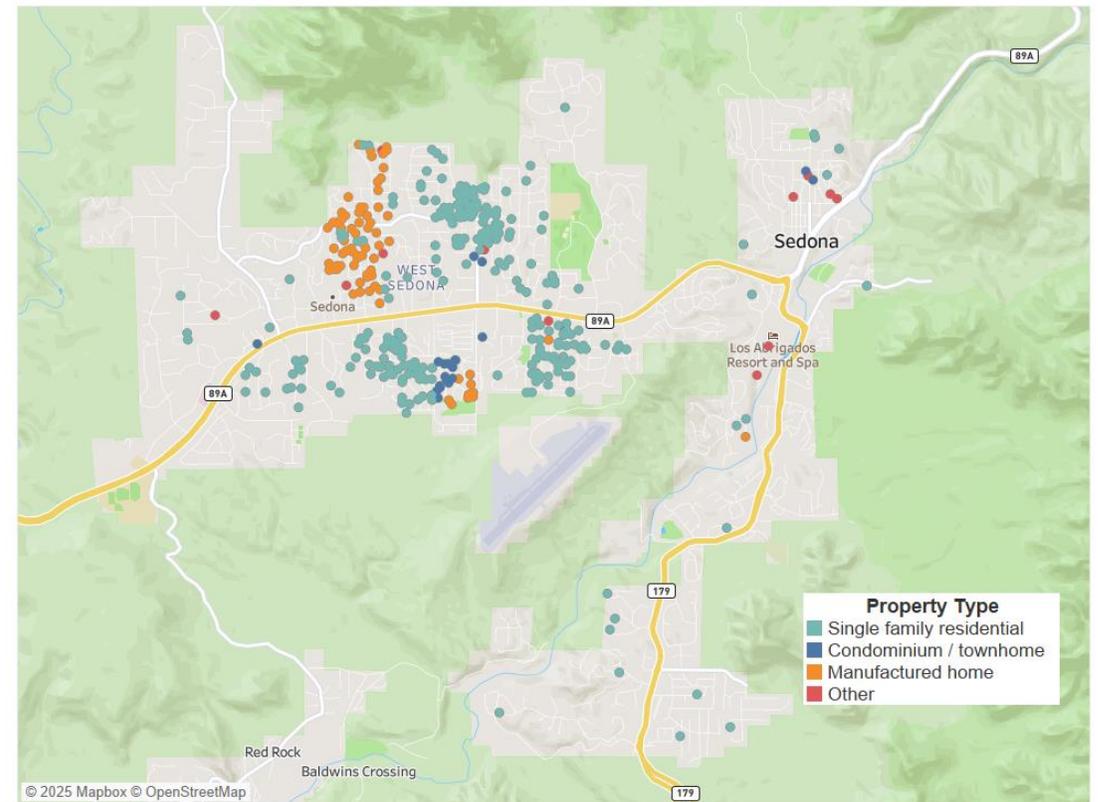
## SEDONA

In Sedona, STRs valued under \$500k are concentrated in West Sedona. The least expensive STRs (under \$200k) tend to be manufactured homes, while those valued over \$200k tend to be single family units.

Sedona STRs Under \$500k by Home Value



Sedona STRs Under \$500k by Property Type

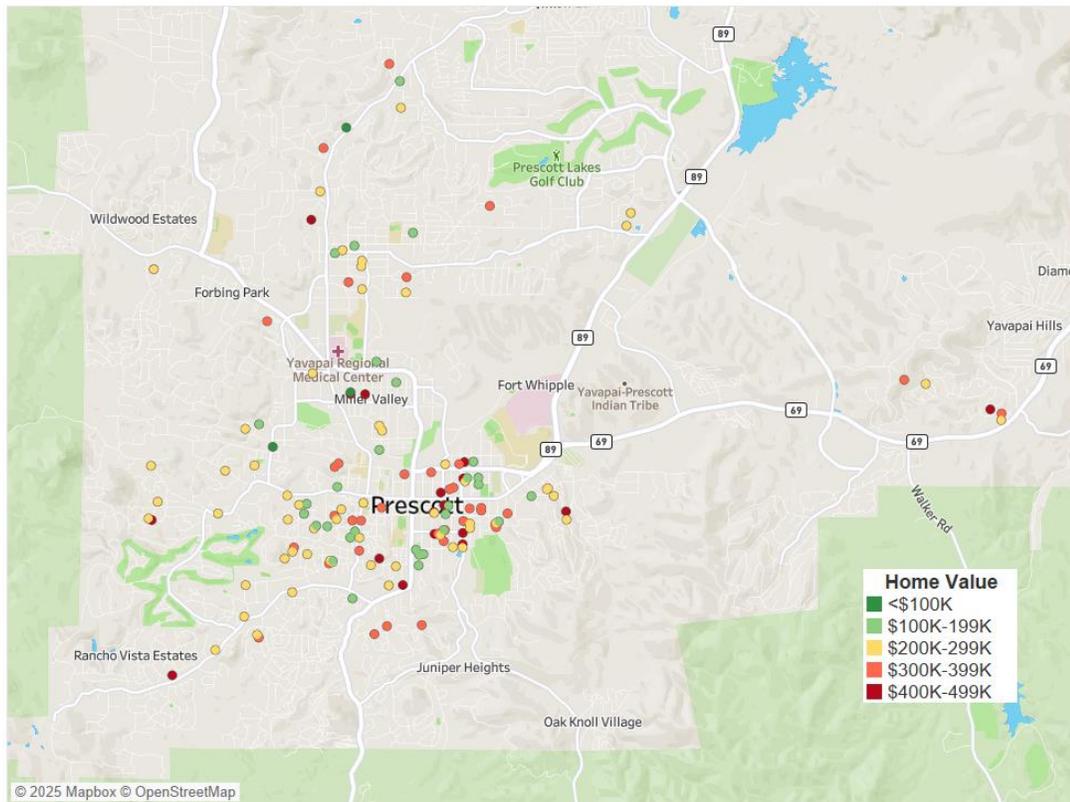


# STRS <\$500K BY VALUE & PROPERTY TYPE

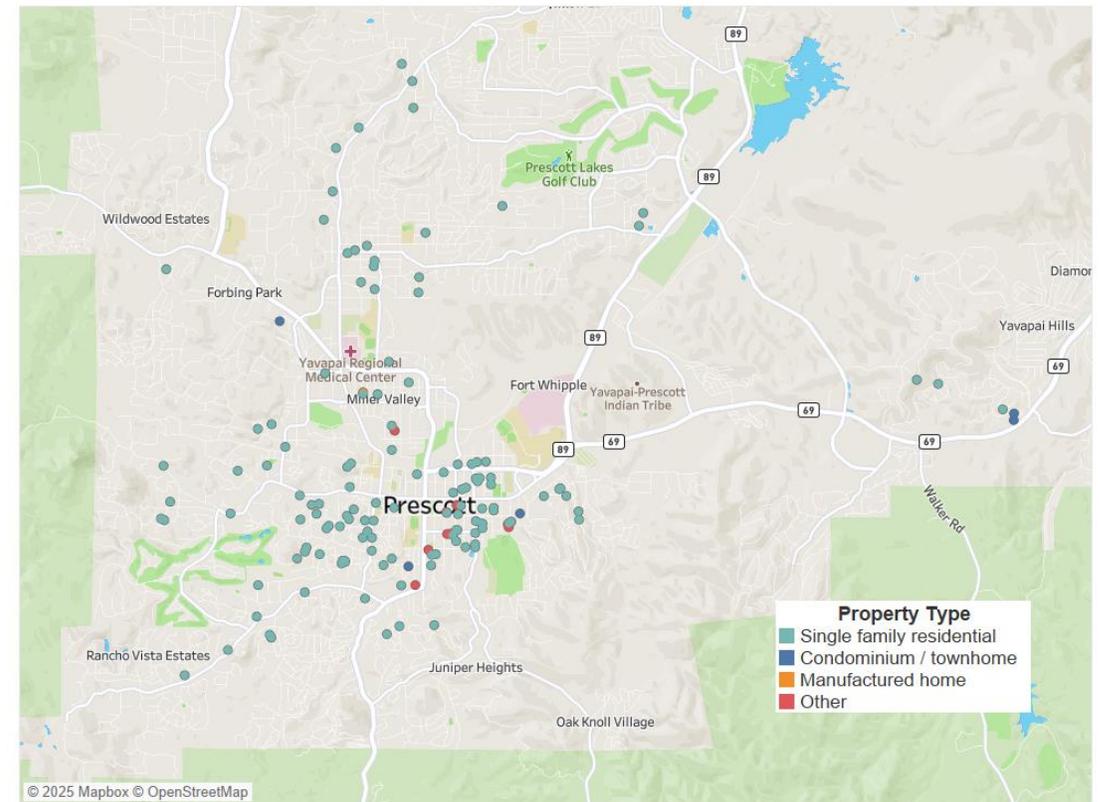
## PRESCOTT

Prescott's STRs valued at \$500,000 or less are nearly exclusively single-family homes, which range in value but are mostly valued between \$200,000 and \$399,000.

Prescott STRs Under \$500k by Home Value



Prescott STRs Under \$500k by Property Type

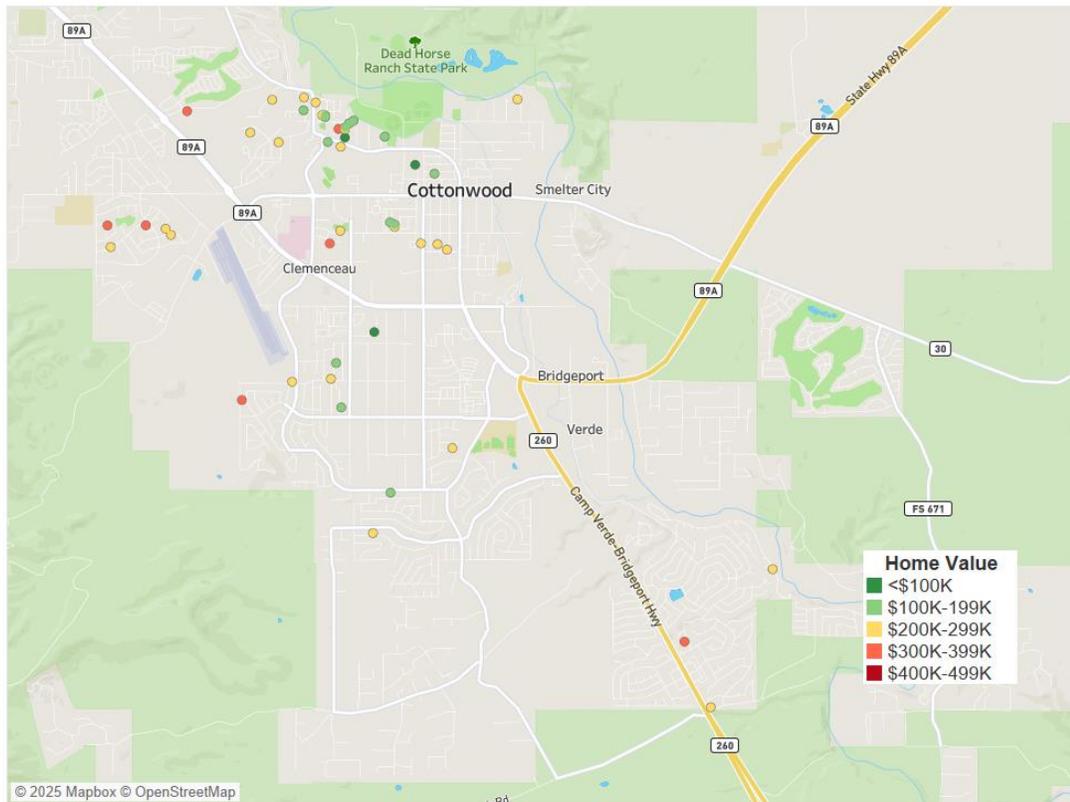


# STRS <\$500K BY VALUE & PROPERTY TYPE

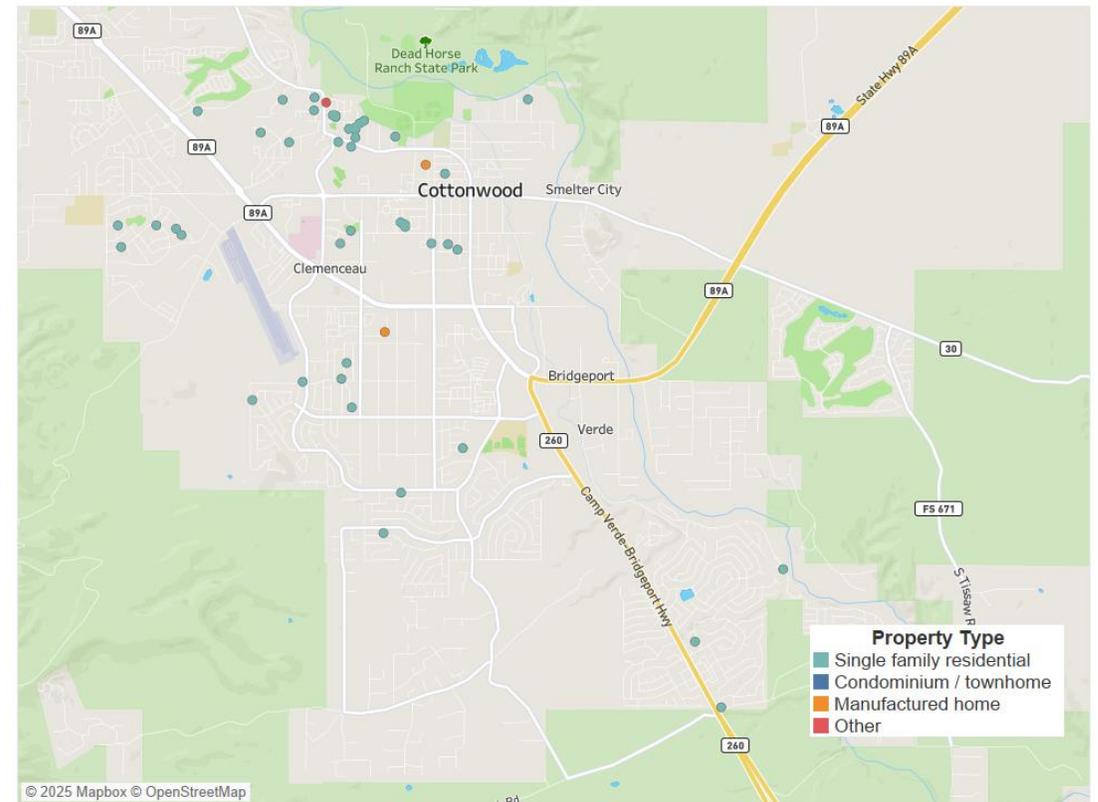
## COTTONWOOD

Similar to Prescott, Cottonwood's STRs valued under \$500,000 are predominantly single-family residences. They also tend to be more affordable, with most being valued under \$300,000.

Cottonwood STRs Under \$500k by Home Value



Cottonwood STRs Under \$500k by Property Type



# NUMBER OF HOUSING UNITS BY VACANCY STATUS

In US Census terminology, “vacant housing units for seasonal, recreational or occasional use” are largely equivalent to second homes (inclusive of STRs).

Across Yavapai County as a whole, second homes grew substantially from 1990 to 2010, and have since trended down.

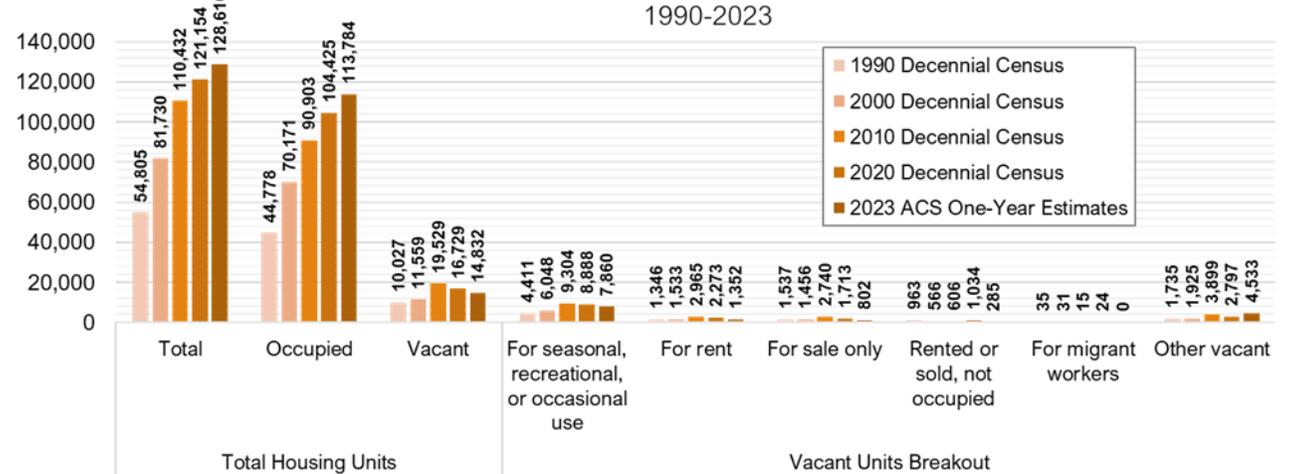
- Additionally, total housing units grew rapidly from 1990 to 2010, and more slowly from 2010 to 2020. This slowdown after the Great Recession likely resulted additional market pressure on the existing housing stock, contributing to higher prices.

In Sedona, second homes grew substantially from 2000 to 2020, and may have begun to level off.

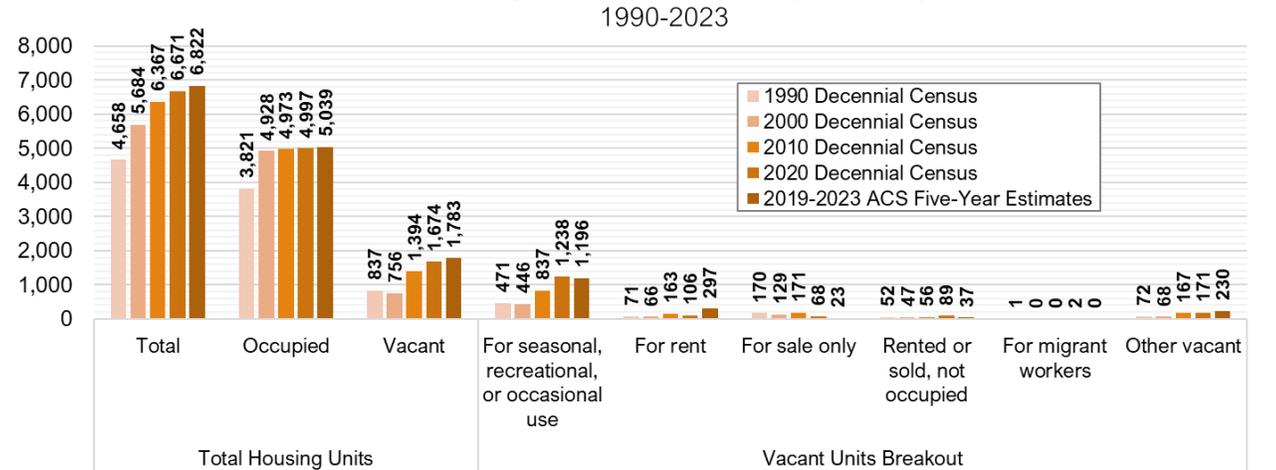
- The number of occupied housing units in Sedona has roughly plateaued since 2000, while vacant units have increased.

These results help provide context for understanding local housing market trends, including trends in the local resident market and the second home market (which overlaps with STRs).

**Yavapai County Housing Units by Occupancy/Vacancy Status**



**Sedona Housing Units by Occupancy/Vacancy Status**

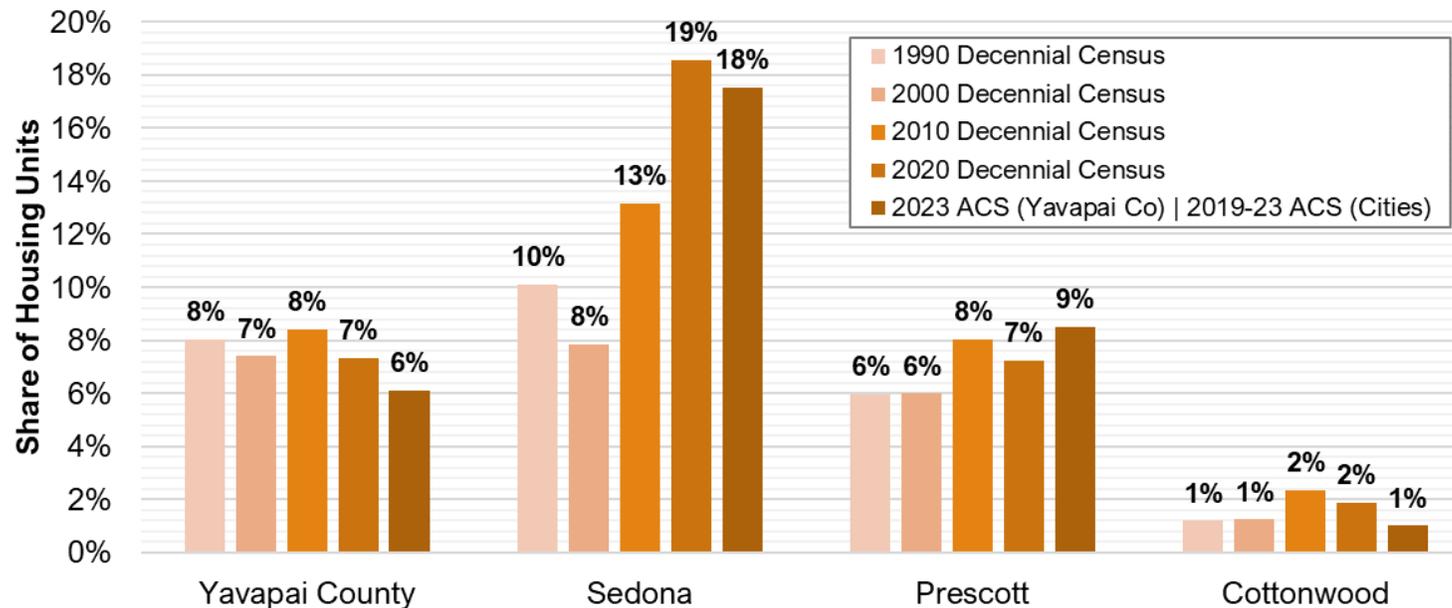


# SHARE OF HOUSING UNITS BY VACANCY STATUS

Second homes have had different growth patterns by community.

- Sedona exhibited strong growth in second homes as a percent of total units from 2000 to 2020 – predating and also overlapping the growth in STRs (since 2017) noted earlier.
- Prescott and Cottonwood have experienced more steady shares of second homes over time.

**Vacant Units for Seasonal, Recreational or Occasional Use**  
1990-2023

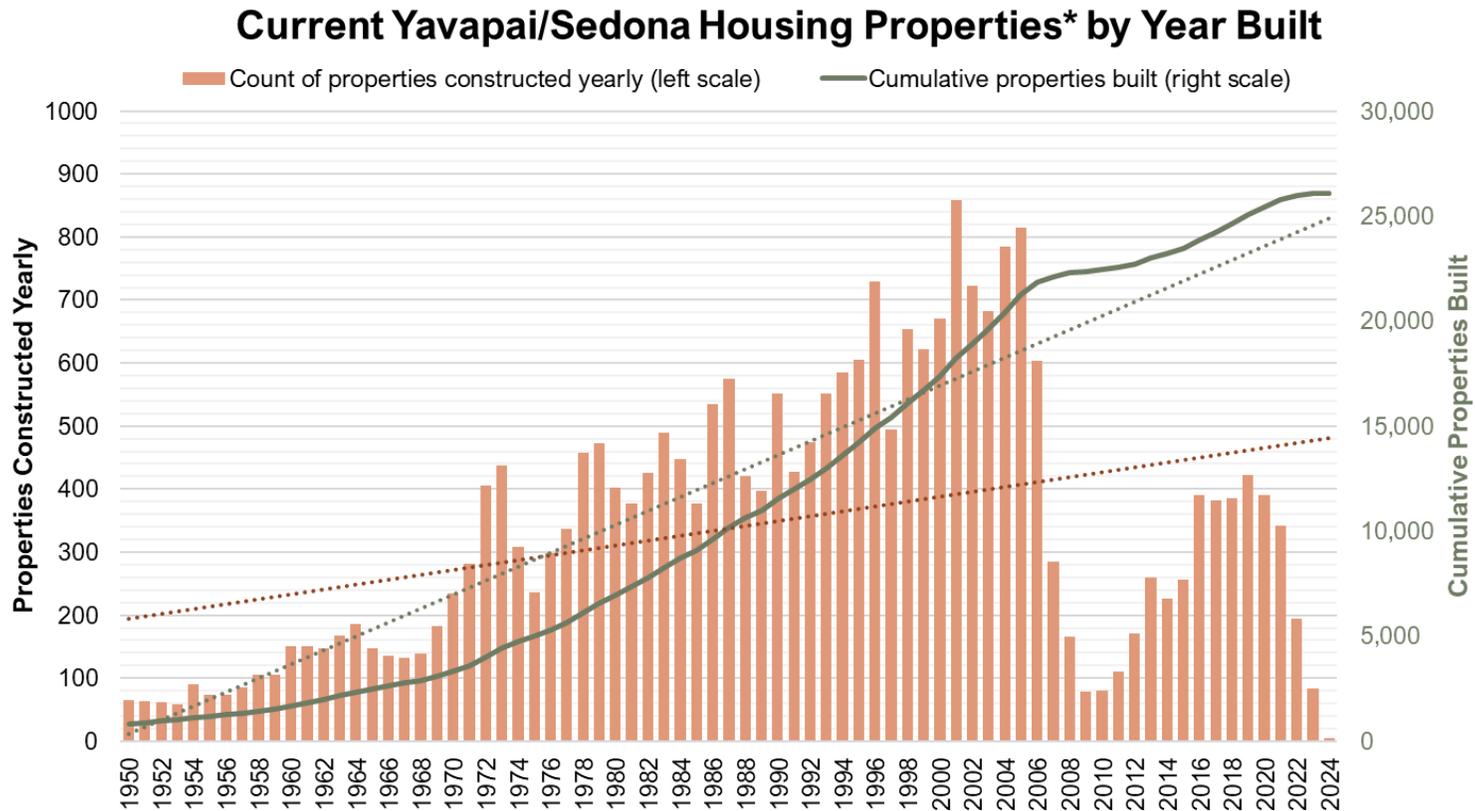


Source: US Decennial Census and American Community Survey (ACS)

# HOUSING PROPERTIES BY YEAR BUILT

PER ASSESSOR DATA

Yavapai County and Coconino County Assessor data corroborates Census data (shown previously) regarding growth of the housing stock – particularly the strong growth in the 1990s and 2000s, and more moderate growth since the Great Recession / Housing Bust.



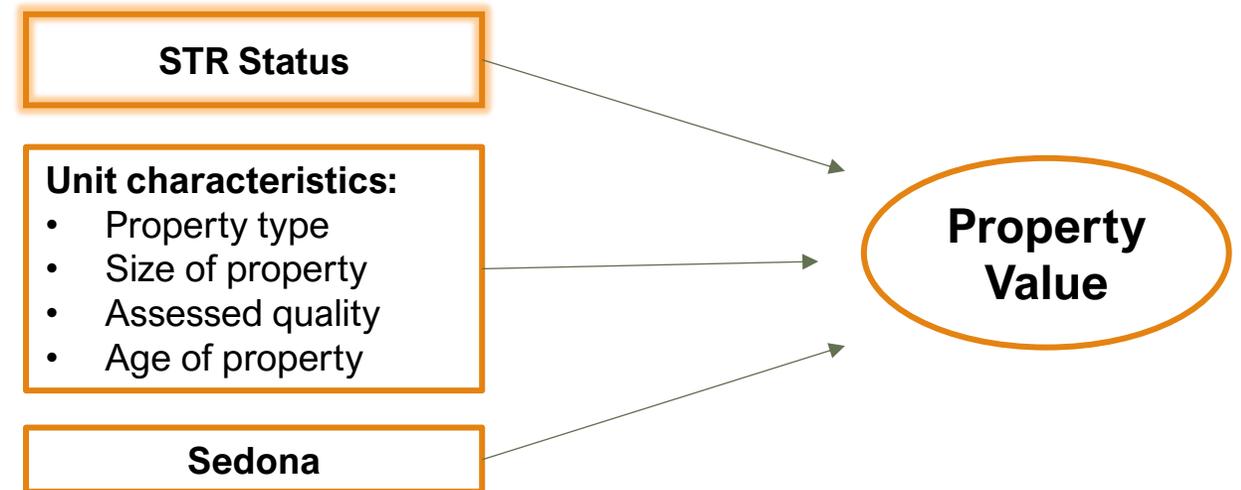
Source: Yavapai County Assessor & Coconino County Assessor

Previous slides have looked at correlations between STR concentrations and housing prices at the zip and city levels of aggregation.

For additional understanding, it is also helpful to also examine the factors that determine housing values at the individual unit level. To investigate these relationships, a hedonic regression model was used to inform the following questions:

- While controlling for unit characteristics and location, what is the effect of STR status on property values?
- How do unit characteristics and location influence property values?

This hedonic model is an application of an Ordinary Least Squares regression model. Hedonic models have traditionally been used to assess the valuation of a property as a combination of the property's collection of tangible and non-tangible characteristics.



*\*Analysis performed on single-family residences, condominiums, townhomes, and manufactured/mobile properties in Sedona, Prescott, and Cottonwood only.*

# STATISTICAL ANALYSIS OF HOUSING VALUES

## HEDONIC REGRESSION MODEL

These tables show descriptive information from the Yavapai and Coconino County Assessor data files used to conduct the hedonic regression. Overall, this sample contained 24,957 condos, townhomes, manufactured homes, and single-family residences in Sedona, Prescott, and Cottonwood.

- The outcome variable, full cash value, was log-transformed to normalize its distribution to better perform in the regression model.
- The key predictor of interest, STR status, is a 0/1 indicator of whether the unit is identified as an STR, per STR license lists.
- For the ability to control for home size, with also promoting model fit, and variation of size within property type, home sqft. was included as a 0/1 indicator of whether the unit has square footage larger than the mean square footage within the relevant property type.
- To capture a potential curvilinear relationship of age with value (i.e., properties that are a few decades old might need updating while properties that are several decades old might be considered “historic”), a squared-term of age was included.
- Lastly, an indicator of properties that are both STRs and located in Sedona was included to capture any premium that may exist on this specific intersection of location and STR status.

The table to the right shows average value by STR status within municipality. Within each municipality, non-STR homes are of higher value than STR homes, on average. However, the overall STR average value in the sample is higher than the non-STR value.

- This is attributed to STRs in Sedona (like non-STRs in Sedona) being of higher value than both STRs and non-STRs in Prescott and Cottonwood.

### Descriptive Statistics of Sample (N = 24,957)

Variables	Mean / %	Min.	Max.	Std. Dev.
<b>Outcome:</b>				
Full Cash Value	\$495,937.18	\$20,354.00	\$8,000,000.00	\$379,078.59
Full Cash Value (Logged)	\$12.88	\$9.92	\$15.89	\$0.69
<b>Key Predictor:</b>				
STR Status (1 = STR; 0 = Not STR):	5.0%	0.00	1.00	
<b>Unit Characteristics:</b>				
<i>Property Type:</i>				
Single-Family Residence	86.2%	0.00	1.00	
Condo/Townhouse	8.8%	0.00	1.00	
Manufactured/Mobile Home	5.0%	0.00	1.00	
Home SQFT > Property Type Mean (1 = Yes; 0 = No)	43.0%	0.00	1.00	
Assessed Quality of Home (1 = Low; 6 = Excellent)	3.44	1.00	6.00	0.70
Age of Property	33.37	0.00	130.00	19.51
Age of Property (Squared)	1,493.94	0.00	16,900.00	1,772.10
<b>Location:</b>				
Sedona	20.2%	0.00	1.00	
Prescott	67.6%	0.00	1.00	
Cottonwood	12.3%	0.00	1.00	
STR in Sedona (1 = Is; 0 = Is not)	4.2%	0.00	1.00	

Average Full Cash Value by Location and STR Status			
Location	STR	Non-STR	Total
Cottonwood	\$213,718	\$243,496	\$243,117
Prescott	\$345,106	\$447,180	\$446,223
Sedona	\$749,368	\$834,533	\$816,687
Total (N=24,957)	\$681,611	\$486,139	\$495,937

# STATISTICAL ANALYSIS OF HOUSING VALUES

## HEDONIC REGRESSION MODEL

Hedonic Regression of Full Cash Value (Logged) on STR Status and Property Characteristics (N = 24,957)

Variable	Model 1				Model 2				Model 3			
	Coef.	SE	S. Coef.	Sig.	Coef.	SE	S. Coef.	Sig.	Coef.	SE	S. Coef.	Sig.
STR Status (1 = STR; 0 = Not STR):	0.355	0.020	0.113	0.000	0.339	0.009	0.107	0.000	-0.028	0.019	-0.009	0.132
<i>Property Type (ref. = Single-Family Residence)</i>												
Manufactured/Mobile Unit					-1.143	0.010	-0.362	0.000	-1.219	0.008	-0.386	0.000
Condo/Townhouse					-0.479	0.007	-0.198	0.000	-0.514	0.006	-0.212	0.000
Home SQFT > Property Type Mean (1 = Yes; 0 = No)					0.345	0.005	0.248	0.000	0.354	0.004	0.254	0.000
Assessed Quality of Home					0.489	0.004	0.496	0.000	0.404	0.003	0.410	0.000
Age of Property					-0.004	0.000	-0.127	0.000	-0.010	0.000	-0.278	0.000
Age of Property (squared)					0.000	0.000	-0.015	0.083	0.000	0.000	0.107	0.000
Sedona									0.488	0.005	0.285	0.000
STR in Sedona									0.066	0.021	0.019	0.001
Constant	12.866	0.004		0.000	11.294	0.014		0.000	11.613	0.012		0.000
R2	0.013				0.794				0.857			

Each model above shows the effect of STR status on logged full-cash value, net of other unit features:

- Model 1 shows that the lone effect of STR status on value, when not controlling for any other factors, is positive and significant. In other words, when a property is an STR, average property value across the pooled sample of Sedona, Prescott, and Cottonwood properties increases compared to when it is not an STR. Despite its statistical significance, STR status alone explains effectively none of the total variation in full cash value.
- Model 2 shows the effect of STR status on value, while also controlling for various property characteristics that may also drive value. When controlling for these characteristics, STR status continues to have a significant, positive effect on value – when a property is an STR, value increases, net of other property characteristics. However, when comparing standardized coefficients, the effect of STR status is smaller in magnitude than other qualities such as property type, having a larger-than-average home, and having a home of higher assessed quality. Added characteristics improved model explanation power to 79.4%
- Model 3 adds the element of location, including an indicator of being in Sedona and an interaction term representing properties that are both STRs and located in Sedona. With the inclusion of these factors, STR status alone becomes insignificant, while both location indicators and all property characteristics are significant. Specifically,
  - Being a property in Sedona, compared to Prescott or Cottonwood, significantly increased value and,
  - When controlling for the higher value of Sedona properties, the effect of being an STR is absorbed by the positive effect of being a *Sedona-STR* compared to being a non-Sedona-based property.

# STATISTICAL ANALYSIS OF HOUSING VALUES

## HEDONIC REGRESSION MODEL – SEDONA ONLY

Similar conclusions are found when looking within Sedona cases in isolation.

STR Status alone is insignificant – meaning that there is no statistical difference between average property values that are STRs versus those that are non-STRs in Sedona.

Meanwhile, key home characteristics (which all are significant) explain a collective 82.6% of variation in value.

**Hedonic Regression of Full Cash Value (Logged) on STR Status and Property Characteristics - Sedona Only (N = 5,030)**

Variable	Model 4			
	Coef.	SE	S. Coef.	Sig.
STR Status (1 = STR; 0 = Not STR):	0.005	0.010	0.003	0.657
<i>Property Type (ref. = Single-Family Residence)</i>				
Manufactured/Mobile Unit	-1.375	0.019	-0.472	0.000
Condo/Townhouse	-0.695	0.014	-0.303	0.000
Home SQFT > Property Type Mean (1 = Yes; 0 = No)	0.309	0.010	0.221	0.000
Assessed Quality of Home	0.379	0.007	0.455	0.000
Age of Property	-0.009	0.001	-0.186	0.000
Age of Property (squared)	0.000	0.000	0.111	0.000
Constant	12.182	0.034		0.000
R2				0.826

# STATISTICAL ANALYSIS OF HOUSING VALUES

## HEDONIC REGRESSION MODEL

**Modeled Impact on Full Cash Value (Exponentiated Coefficients)**

Variable	All Cases: Model 1		All Cases: Model 2		All Cases: Model 3		Sedona: Model 4	
	Coef.	Sig.	Coef.	Sig.	Coef.	Sig.	Coef.	Sig.
STR Status (1 = STR; 0 = Not STR):	42.6%	0.000	40.3%	0.000	-2.8%	0.132	0.5%	0.657
Property Type (ref. = Single-Family Residence)								
Manufactured/Mobile Unit			-68.1%	0.000	-70.4%	0.000	-74.7%	0.000
Condo/Townhouse			-38.1%	0.000	-40.2%	0.000	-50.1%	0.000
Home SQFT > Property Type Mean (1 = Yes; 0 = No)			41.2%	0.000	42.4%	0.000	36.3%	0.000
Assessed Quality of Home			63.1%	0.000	49.8%	0.000	46.1%	0.000
Age of Property			-0.4%	0.000	-1.0%	0.000	-0.9%	0.000
Age of Property (squared)			0.0%	0.083	0.0%	0.000	0.0%	0.000
Sedona					63.0%	0.000		
STR in Sedona					6.8%	0.001		
R2	0.013		0.794		0.857		0.826	

To compare magnitudes of effect on full cash value (rather than logged value), we exponentiate the coefficients and subtract 1 to generate the estimated percent impact of each predictor on the outcome, property value. These estimates are summarized in the table above. Like the raw coefficients, these percents demonstrate that factors such property type, home size, assessed quality, and location are the most prominent predictors of values. For example, according to Model 3, across Sedona, Prescott and Cottonwood combined:

- Being a condo/townhouse or manufacture/mobile unit compared to a single-family residence, decreases the value of the home by 40-70% respectively.
- Having a home that is larger than the property-based mean increases the value of the home by 42%.
- Increasing the assessed structure quality rating by 1 increases the value of the home by 50%.
- Being in Sedona, compared to Cottonwood or Prescott, increases the value of the home by 63%.
- Though being an STR in Sedona, compared to a non-STR in Prescott or Cottonwood, increases the value by 7%, this is the smallest calculated change among all tested characteristics.



# **HOUSING & ECONOMIC IMPACTS OF STR REGULATIONS**

# FINDINGS

## HOUSING & ECONOMIC IMPACTS OF STR REGULATIONS

Due to the limitations in regulating STRs placed on local governments by the Arizona Legislature's SB 1350 (2016) and 1379 (2021), the regulatory environment for STRs is generally similar – and minimal - across all communities within the study area.

- Many of the regulatory tools used by other communities in selected other states are not available to Arizona municipalities due to this and the Private Property Rights Protection Act.

Many states allow more regulation of STRs than Arizona. However, despite differences in regulatory context, there are some commonalities in STR patterns in Yavapai county and selected out of state markets.

- There are similarities in the home value trends and the share of STRs as a percent of the overall housing inventory between Yavapai County/Sedona and other, more STR-regulated, communities in selected ski markets (e.g. Pitkin CO (Aspen), Summit CO (Breckenridge), Teton WY (Jackson Hole), and Blaine ID (Sun Valley)). This suggests the strong desirability of homes in these locations is a corresponding factor in a home purchase decision.

Within Yavapai County, the small differences in regulations appear to have no discernable effect on dampening STR activity.

- Sedona has the most restrictive regulations allowed by SB 1379, and the highest licensing costs, although both of these are unlikely to be major deterrents to STR rental. Indeed, Sedona has the highest number of STRs in the study area.
- That said, the high discrepancy between AirDNA STR counts and that of the city's official license lists suggests many STR operators may be sidestepping regulations entirely, and perhaps changes in current levels of *enforcement* may have larger effects than changes in *regulation*.

# FINDINGS

## HOUSING & ECONOMIC IMPACTS OF STR REGULATIONS

Comparing Yavapai County and the City of Sedona to other selected western destination communities shows all had roughly similar increases in home values prior to 2022. Some variation in values is seen in the years since, but with no likely correlation to STR regulations in a particular community.

- One possible effect of the limited regulatory environment in Arizona is the resilience seen in STR counts during the pandemic.
- In other destination communities, a large drop in STR numbers was seen after early 2020, while counts in Yavapai County and the City of Sedona remained comparatively flat during this time.

Survey results show that in the event of a hypothetical STR ban, owners of STRs would likely leave a unit vacant, increase their personal use of the unit, or sell the unit rather than renting it to local residents. Nearly half (49%) of STR owners indicate that they would not have purchased their property if there were prohibitions on vacation rentals.

# REGULATORY OVERVIEW

## STATE OF ARIZONA REGULATIONS

The State of Arizona limits the amount of regulation municipal governments can enact regarding STRs. Notably, **a city or town may not prohibit STRs**. This extends to all classifications of use or occupancy except for the following reasons as defined by SB 1379 (2021):

- To protect public health & safety
- To adopt or enforce use and zoning ordinances – specifically ones regarding noise, welfare, property maintenance & other nuisances
- To limit/prohibit use by sex offenders and other adult-oriented businesses
- Allows requirements to collect owner contact information
- Allows permitting requirements, but with specific instructions on what information can be collected in licensing
- To require notification to all adjacent neighbors of the STR
- The requirement to display local regulatory permit number and/or state transaction privilege tax number
- To require the owner to maintain liability insurance in the aggregate of at least \$500,000 or to advertise through an online marketplace with equal or greater coverage
- To require owners of ADUs to reside on the property with the ADU being used as an STR, if the ADU was built on or after September 14<sup>th</sup>, 2024.

REFERENCE TITLE: **vacation rentals; short-term rentals; enforcement**

State of Arizona  
Senate  
Fifty-fifth Legislature  
First Regular Session  
2021

### **SB 1379**

Introduced by  
Senator Mesnard

AN ACT

AMENDING SECTIONS 9-500.39, 11-269.17, 42-1125.02 AND 42-5042, ARIZONA REVISED STATUTES; RELATING TO VACATION RENTALS AND SHORT-TERM RENTALS.

# REGULATORY OVERVIEW

## COUNTY & MUNICIPAL REGULATIONS

Despite the state’s preemption on STR prohibition, all communities within the study area had STR licensing programs with varying levels of data collection and pricing for STR operators. Yavapai County’s hand in STR regulations appears minimal, as the listed information is the extent of what is described by the county’s Development Department via their website.

Municipality	Has Specific STR Regulations?	STR Licence Required?	Effective Date of STR Regulation	STR License Application Fee	Selected STR Regulations	Tax Rate on STRs	Arizona Transaction Privilege Tax Required?	Number of Licensed STRs (as of July 2024)
Sedona	Yes	Yes	February 15, 2023	\$200	<ul style="list-style-type: none"> <li>• Maintain liability insurance for each rental unit(s) in the aggregate of at least \$500,000</li> <li>• Notify each single-family property adjacent to, directly across from, and diagonally across the street from the short-term rental property</li> <li>• Conduct a sex offender background check 24 hours+ prior to a guest's check-in. The owner must keep a full copy of each background check for a minimum of 12 months after the booking date and no sex offender shall be permitted to rent or occupy the short-term rental.</li> </ul>	<p><b>13.325% in Yavapai County</b> (6.325% State/County Tax, 3.5% Bed Tax, 3.5% City of Sedona Hotel Tax)</p> <p><b>13.90% in Coconino County</b> (6.9% State/County Tax, 3.5% Bed Tax, 3.5% City of Sedona Hotel Tax)</p>	Yes	1,119 Licensed STRs
Cottonwood	Yes	Yes	March 7, 2023	\$50	<ul style="list-style-type: none"> <li>• The designated local contact person shall be available 24/7 and be available to respond to police within 60 minutes</li> <li>• STRs cannot rent to sex offenders and must notify all adjacent single family neighbors before obtaining a STR permit</li> </ul>	<p><b>13.325%</b> (6.325% State/County Tax, 3.5% Hotel Tax, 3.5% Additional City Tax)</p>	Yes	60 Licensed STRs
Prescott	Yes	Yes	November 8, 2016	\$95 initial fee \$30 renewal fee	<ul style="list-style-type: none"> <li>• The overnight occupancy of the vacation rental unit shall be limited to not more than two (2) persons thirteen (13) years of age and older, plus an additional two (2) persons thirteen (13) years of age and older per bedroom within the vacation rental unit.</li> <li>• During the rental term each vacation rental unit is rented, the local contact person shall be available twenty-four (24) hours per day, seven (7) days per week for the purpose of responding in person within forty-five (45) minutes to any initial or successive complaints regarding the condition, operation, or conduct of occupants of the vacation rental.</li> </ul>	<p><b>11.325%</b> (6.325% State/County Tax, 3% Bed Tax, 2% City Transaction Privilege Tax)</p>	Yes	180 Licensed STRs
Unincorporated Yavapai County	None	None	N/A	None	As of January 1, 2017, Yavapai County allows the short-term rental of permitted habitable structures. This includes single-family residences, guest houses, apartments and condominiums and does not include travel trailers, recreational vehicles, tents, yurts, gazebos, teepees, sheds, garages, barns, caves, offices or any other structure not permitted for overnight occupancy. Short-term rentals do not allow events such as weddings, parties, specialized retreats or any commercial activities.	<p><b>6.325%</b> (6.325% State/County Tax)</p>	N/A	None
Sedona - Coconino County	None	None	N/A	None	County STR regulations only apply outside of municipal boundaries	<p><b>13.90%</b> (6.9% State/County Tax, 3.5% Bed Tax, 3.5% City of Sedona Hotel Tax)</p>	N/A	None

# STR LICENSING & PERMIT FEES

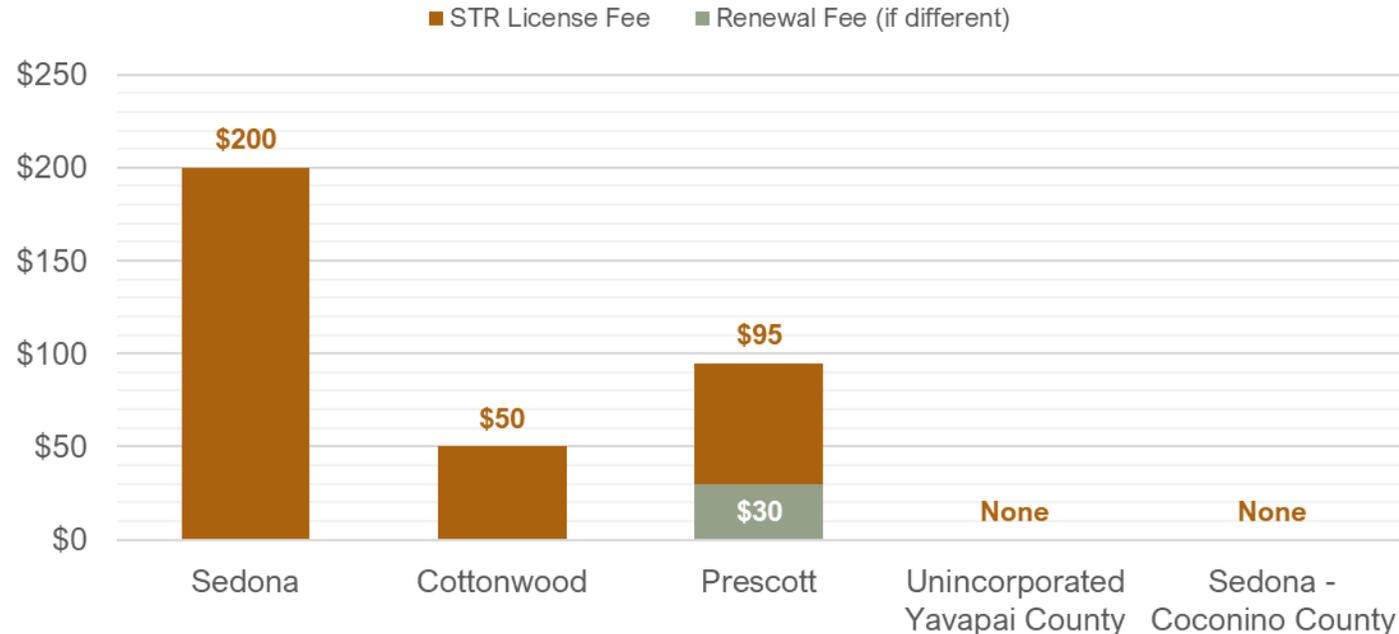
Among all communities in the study area, the City of Sedona charges the highest licensing fee for STRs at \$200 per unit registered.

Cottonwood and Prescott are more modest, and Prescott is the only community in the study area which offers a discounted rate for renewal licensing, at \$30.

Compared to other resort communities studied by RRC, the STR licensing fees in Arizona are modest, excluding Sedona.

## STR Annual Licensing Fees

2024

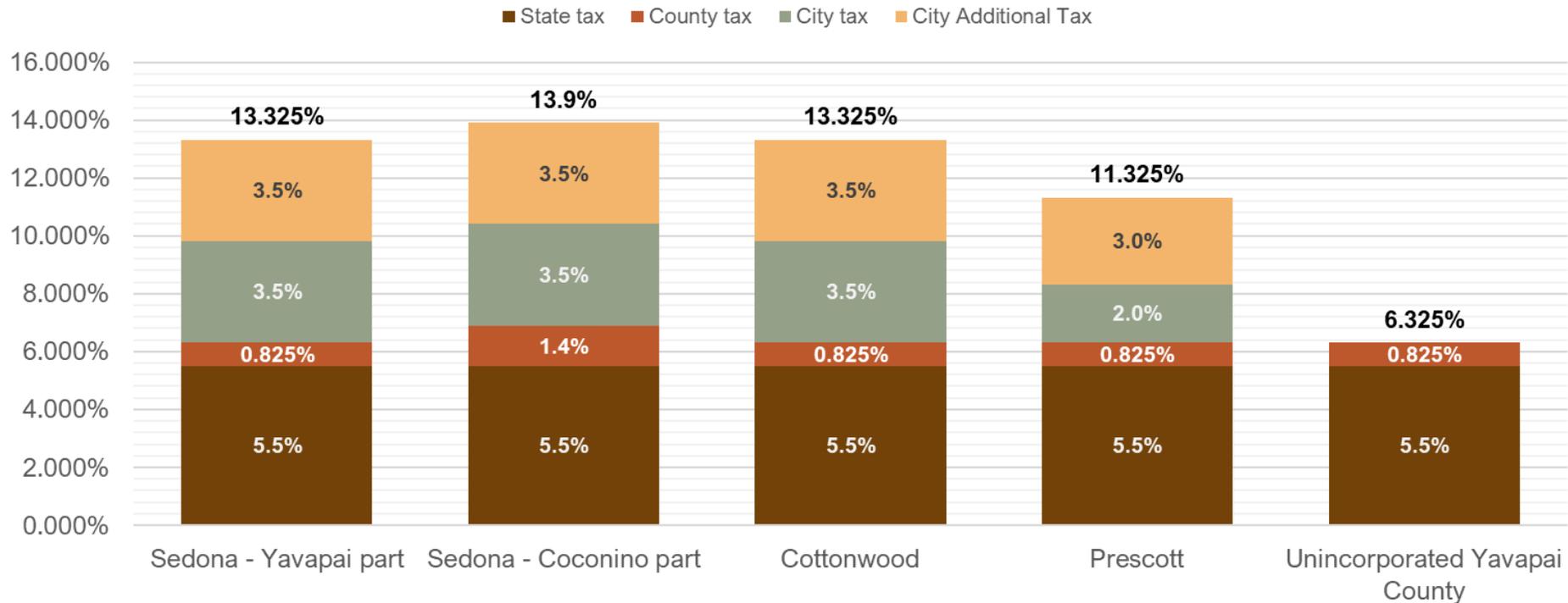


Source: Municipal & County Websites

# STR TAXES

Taxes on STR stays range from 6.325% to 13.900%. No community in the study area levies a STR-specific tax. In some other tourism-based communities, STR-specific taxes are used for funding enforcement/monitoring or other community development topics like workforce housing and destination marketing.

**Tax Rates on Study Area STRs**  
2024



Source: Arizona Department of Revenue

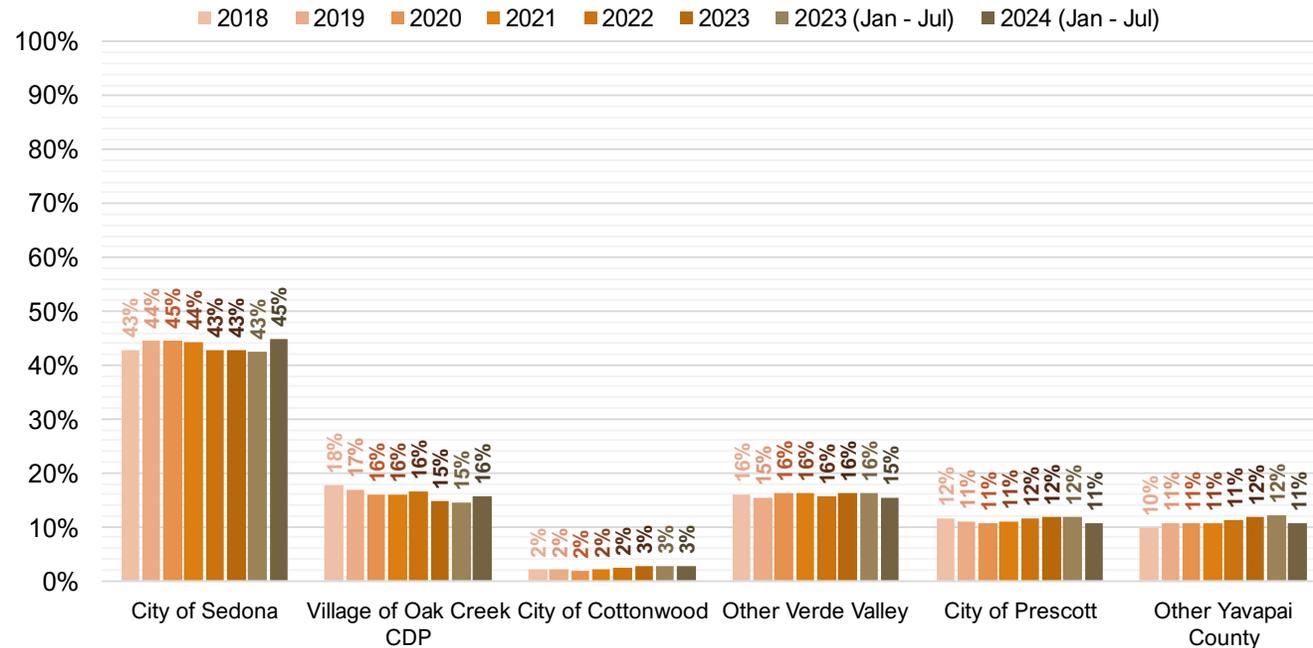
# IMPACT OF REGULATIONS ON STR COUNTS

Given the similar regulatory environment across Arizona set by SB 1350 (2016) and SB 1379 (2021), geography appears to be the dominant factor determining areas of STR concentration.

Small regulatory differences occur between Yavapai County’s municipalities and the unregulated areas in the “other” zones, but little appears to have changed in STR distribution since 2018 and the implementation of municipal STR regulations.

**Share of Total Yavapai Active STRs by Community**

2018 - 2024





# STR DENSITY

## COMPARING COUNTIES

In addition to Yavapai County and the City of Sedona, RRC has studied the impact of STRs across Blaine County, ID; Summit County, CO; and Pitkin County, CO (which contain the tourism destinations of Sun Valley, Breckenridge, and Aspen). STR densities across these popular locations trend above Yavapai County, but trail Sedona's STR concentration as of 2023.

- Notably, the share of STRs as a percent of total housing units in Sedona has nearly doubled since 2018, greatly exceeding the range of variation seen in the other communities. While licensing does add some resistance to entering the market, the sizable share of AirDNA listings without a corresponding municipal license match suggests much of the growth could stem from unlicensed and unregulated STRs.
- Summit and Pitkin County have a variety of STR regulations at the municipal and county level, which in many cases are much stricter than any regulations existing in Yavapai County and the City of Sedona, such as imposition of high licensing fees and numerical caps on STRs. Many of these regulations just went into effect in 2022 or 2023, so their long-term effects remain to be seen. Through 2023, however, STR counts remained strong, suggesting strength in the underlying STR market and commitment by STR owners.

	City of Sedona			Yavapai County			Blaine County			Summit County			Pitkin County		
	Avg. # of Active STRs per Month	Total Housing Units	Active STRs as a % of Housing Units	Avg. # of Active STRs per Month	Total Housing Units	Active STRs as a % of Housing Units	Avg. # of Active STRs per Month	Total Housing Units	Active STRs as a % of Housing Units	Avg. # of Active STRs per Month	Total Housing Units	Active STRs as a % of Housing Units	Avg. # of Active STRs per Month	Total Housing Units	Active STRs as a % of Housing Units
<b>2018</b>	1,109	6,788	16.3%	2,234	118,410	1.9%	1,159	15,499	7.5%	9,093	30,593	29.7%	1,959	13,107	14.9%
<b>2019</b>	1,426	7,096	20.1%	2,648	120,652	2.2%	1,186	15,600	7.6%	8,734	31,123	28.1%	2,084	13,183	15.8%
<b>2020</b>	1,421	6,834	20.8%	2,665	118,531	2.2%	1,044	15,461	6.8%	8,131	31,416	25.9%	1,936	13,260	14.6%
<b>2021</b>	1,558	6,426	24.2%	2,965	123,886	2.4%	1,011	15,673	6.4%	8,035	31,737	25.3%	2,014	13,315	15.1%
<b>2022</b>	1,873	6,806	27.5%	3,727	126,312	3.0%	1,066	15,955	6.7%	8,064	32,147	25.1%	2,059	13,504	15.2%
<b>2023</b>	2,115	6,822	31.0%	4,202	128,616	3.3%	1,060	16,344	6.5%	9,140	32,699	28.0%	1,903	13,612	14.0%

# HOME VALUE TRENDS

## COMPARISON WITHIN YAVAPAI COUNTY

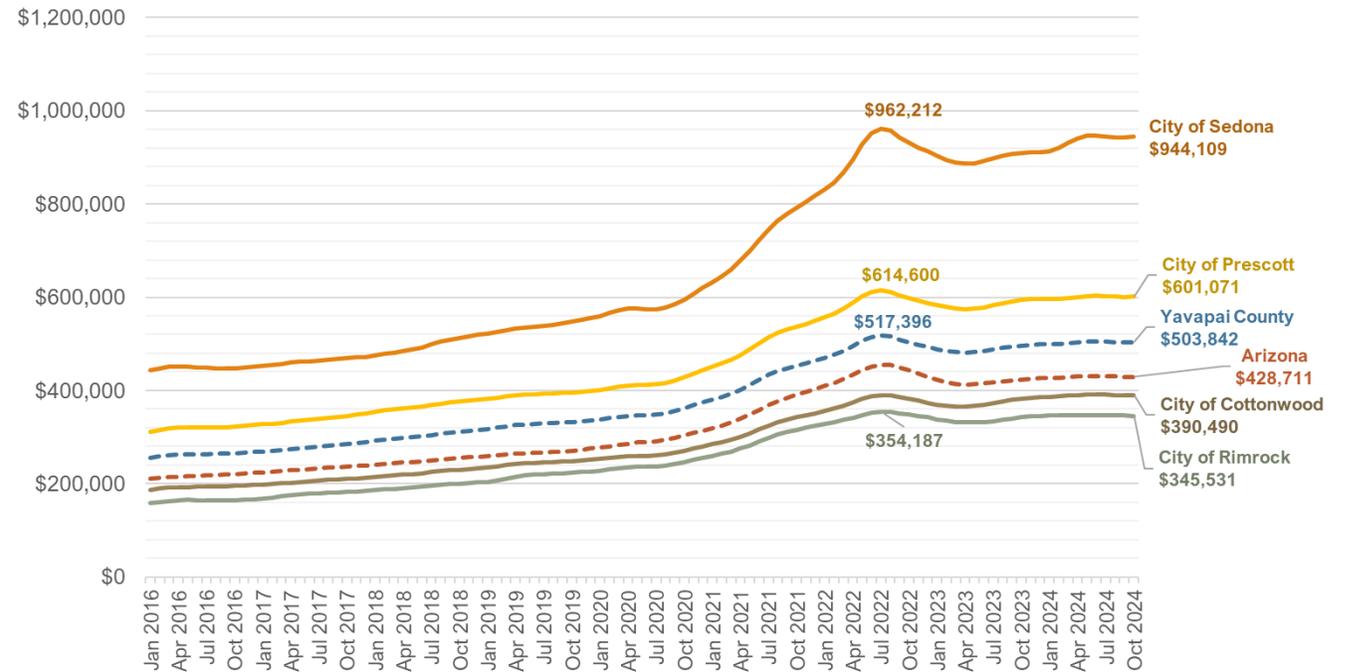
Home values throughout Yavapai County rose significantly during the pandemic and reached all-time highs in 2022. After a brief fall and slight rise in the years since, values appear to be stabilizing in 2024, near or below the peak values of 2022.

Sedona showed the most consistent growth trends since the post-pandemic lull in home values, which – when considering the relatively similar regulatory environment for STRs in the study area – suggests other factors are likely influencing home values.

That said, given the large discrepancy in number of STRs in Sedona between AirDNA and the City’s license list, the lack of enforcement of STR regulations could be a contributing factor in home values, alongside the general desirability of the community and its limited new development potential.

**Zillow Home Value Index - Yavapai County**

Jan 2016 - Oct 2024



# HOME VALUE TRENDS

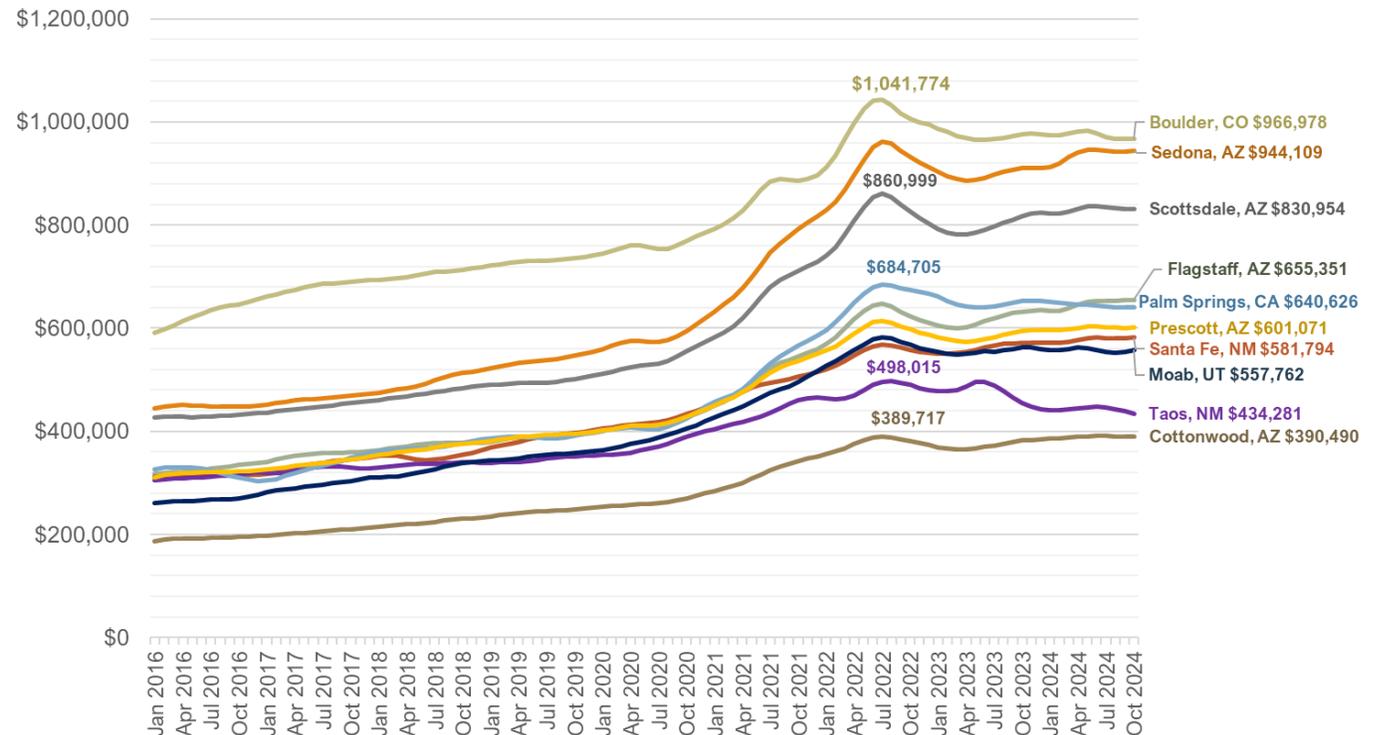
## COMPARISON ACROSS TOURISM DESTINATIONS

The figure on this slide compares housing values to selected other destination communities, all of which have STR specific regulations but to varying extents:

- **Flagstaff, AZ:** \$180 licensing fee, same general regulations as allowed per AZ SB 1379.
- **Scottsdale, AZ:** \$250 licensing fee, same general regulations as allowed per AZ SB 1379.
- **Palm Springs, CA:** Fees vary \$642 to \$1,072, STRs limited to single family residences only, licenses capped to include no more than 20% of total residential dwelling units.
- **Boulder, CO:** \$190 licensing fee, STRs limited to owner-occupied units (i.e. no rentals of second homes), rentals must still abide by occupancy laws.
- **Santa Fe, NM:** \$290 fee, \$100 one-time inspection fee, city-wide cap of 1,000 licenses for residential zones, permits can only be registered to people and a person can have only one license, limits on STR proximity to other STRs and within multifamily developments.
- **Taos, NM:** \$350 fee, STRs limited to certain zones, city-wide cap of 120 permits.
- **Moab, UT:** \$250 licensing fee, STRs limited to certain zones, only 4 rentals per property licensed, maximum rental length of 30 days.

### Zillow Home Value Index - Western Destination Communities

2016 - 2024





# HOME VALUE TRENDS

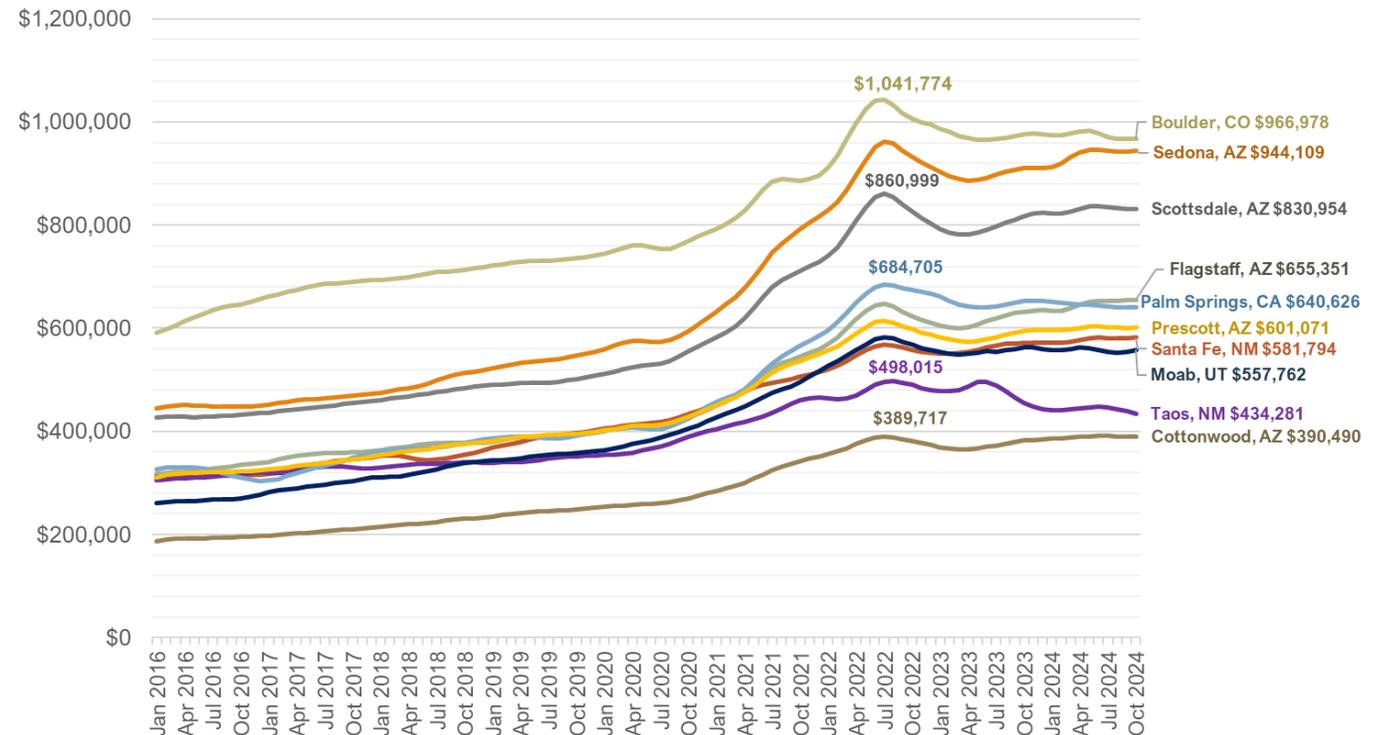
## COMPARISON ACROSS TOURISM DESTINATIONS

The regulations for compared communities were enacted from 2019 to 2022, though most of the listed rules were updates to existing policies. Regardless of their presence and extent, other factors appear to be more impactful on home prices prior to 2022, given the sharp rise in home values seen in each community.

Since 2022's peak, home values dipped then followed a slight rise and/or stagnation. Arizona's municipalities appear to have fared slightly better than some of other communities during this time, but it is doubtful that STR regulations are of influence, as Sante Fe, NM's (which has some of the strictest STR policies) home values generally mirror those of Prescott.

### Zillow Home Value Index - Western Destination Communities

2016 - 2024

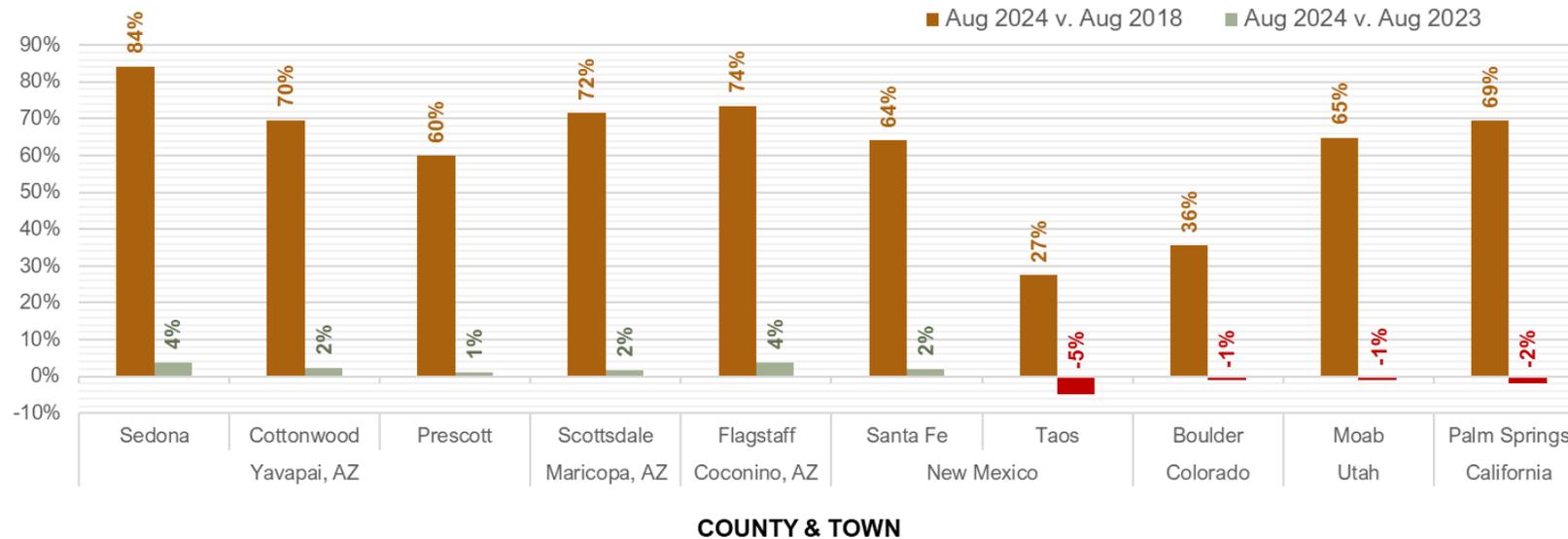


# HOME VALUE TRENDS

## COMPARISON ACROSS TOURISM DESTINATIONS

All selected communities have experienced robust growth in home values since 2018, while growth since 2023 has varied. Sedona, Cottonwood, and Prescott had slight positive annual growth since 2023, while Taos, Boulder, Moab, and Palm Springs had a net YOY loss.

**Change in Zillow Home Value Index**  
Selected Tourism Destinations



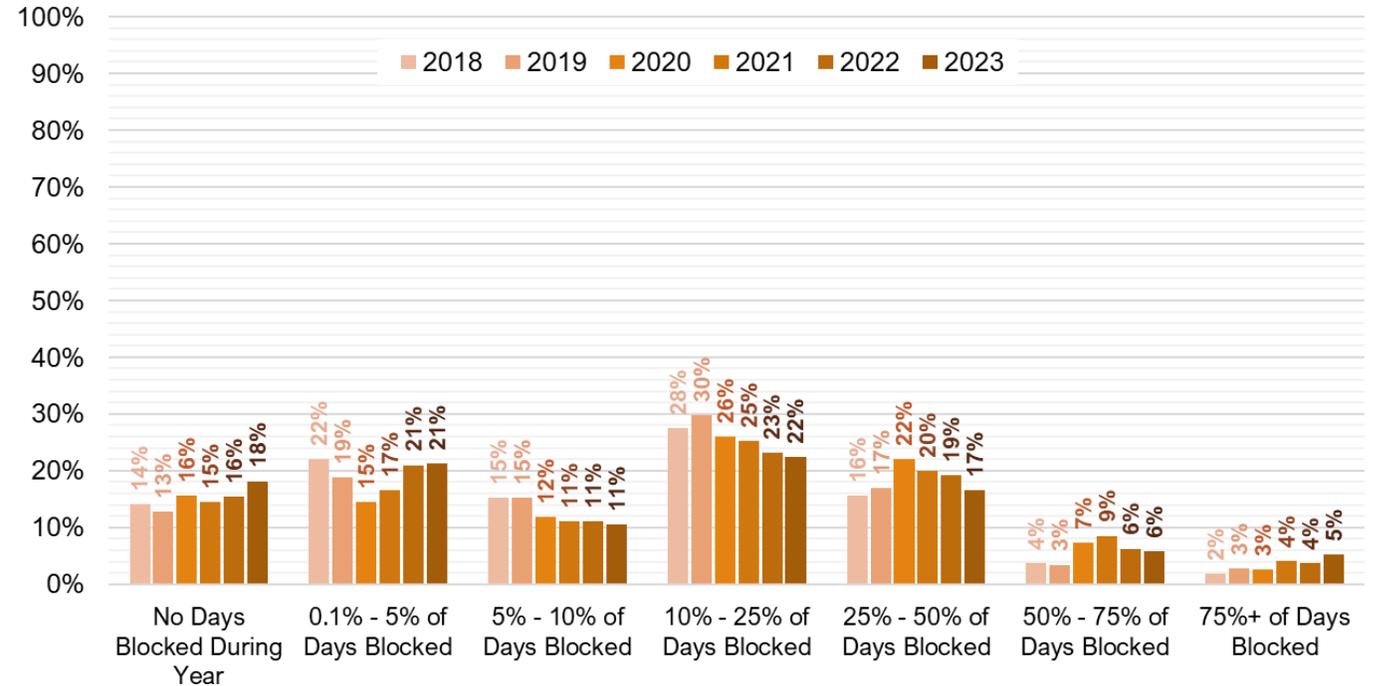
# UTILIZATION OF STRs

## BLOCKED DAYS

Per AirDNA, most of the active STRs in Yavapai County have at least one blocked day (i.e., not available for rental) annually (82-87% each year from 2018 to 2023). Roughly two-thirds of active STRs have at least 5% of their days blocked (61-70% in 2018-2023).

- Blocked days can be for various purposes, most commonly owner use (e.g., vacations) and maintenance.
- Because blocked days can be for varying purposes, the presence of blocked days should be understood as a suggestive but not definitive indicator of owner use.
- The community survey data indicates that 54% of local STR owners also use their units for vacation home purposes.

**Share of Active Yavapai STRs by Proportion of Days Blocked**  
2018 - 2023



# OWNER USE OF STRS

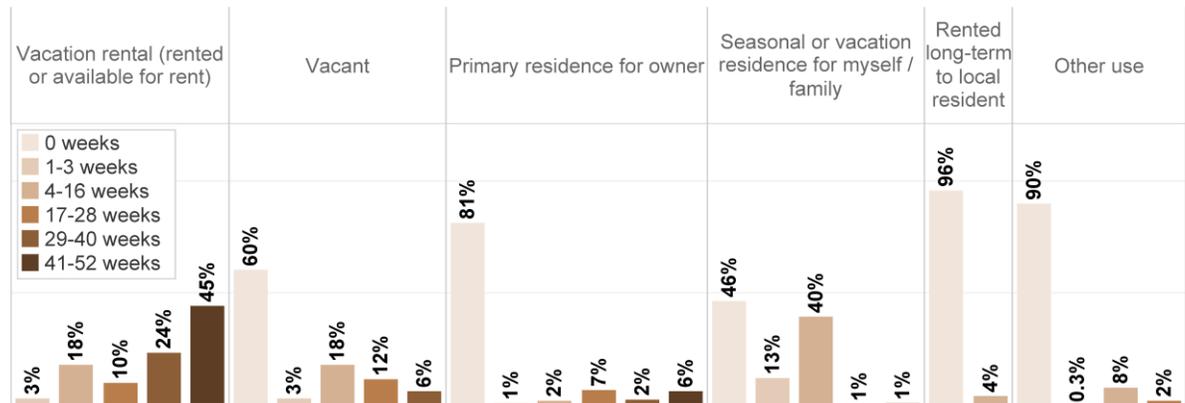
## PER 2024 YAVAPAI COMMUNITY SURVEY

The graph to the right shows the distribution of use types among **respondents in the Verde Valley / Prescott area who have used their unit as a vacation rental for at least 1 week** within the last 12 months (N=71).

- 69% used the unit as a vacation rental for 29+ weeks or more (29+ weeks).
- 31% of respondents rented their unit for 28 weeks or fewer.
- When not using the property as a vacation rental, the most likely way that owners utilized their properties was as a personal vacation home for (54% did this for 1 week or more), leave the unit vacant (40%), or use it as a primary residence (19%).

**Weeks of Use of STRs for Various Purposes in the Past 12 Months**

Universe: Homes Used as STRs 1+ Weeks/Year



**Average Weeks Used:**

Vacation rental (rented or available for rent)	34.5
Vacant	6.7
Primary residence for owner	5.6
Seasonal or vacation residence for myself / family	3.8
Rented long-term to local resident	0.4
Other use	1.0



# STR PROHIBITION

## RENTAL SENTIMENT

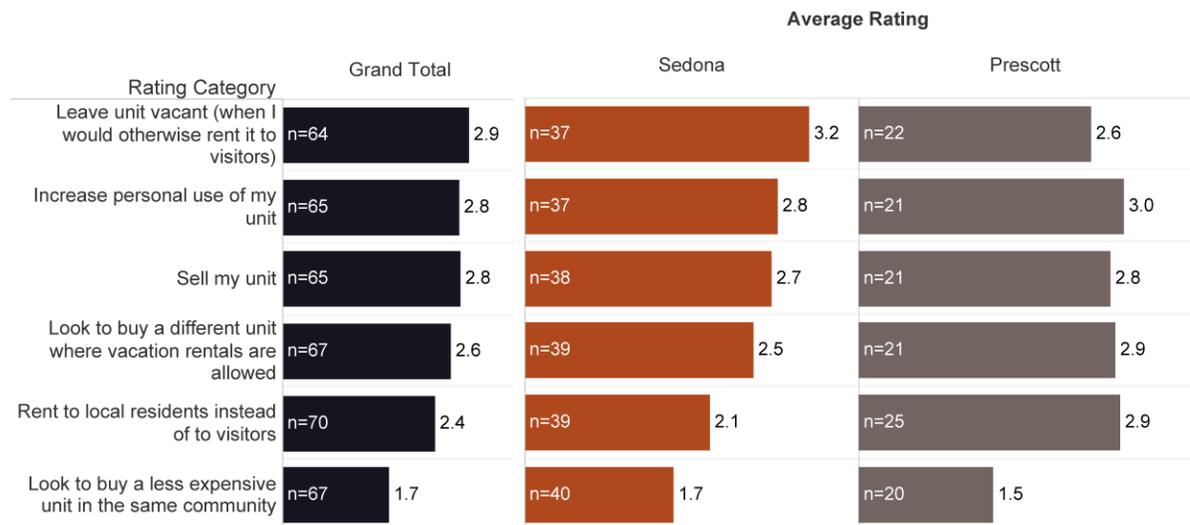
When posed with various reactions to the hypothetical banning of vacation rentals, respondents who have used their unit as an STR indicate that they would be most likely to leave the unit vacant (2.9 out of 5.0).

However, all ratings items have an average below 3.0, suggesting an uncertainty about this hypothetical.

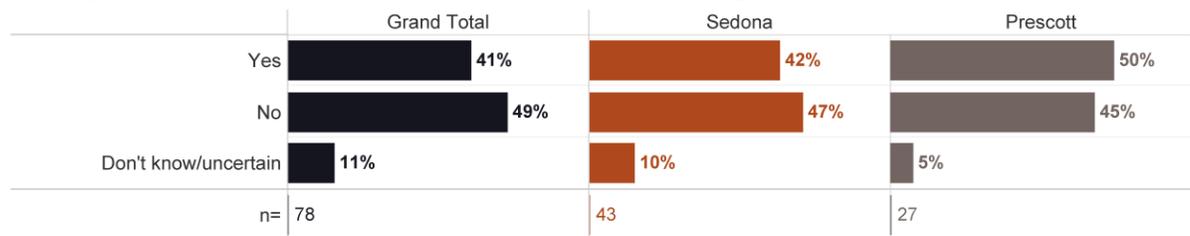
Nearly half (49%) of STR owners indicate that they would not have purchased their property if there were prohibitions on vacation rentals.

**Caution: small sample sizes!**

[If *have ever* used unit as short-term or seasonal rental] Hypothetically, if vacation rentals were banned in the area where your home is located, how likely would you be to do the following? (1 = Definitely not; 5 = Definitely)



[If *have ever* used unit as short-term or seasonal rental] Thinking back to when you acquired your property, would you have still purchased it if you were prohibited from using it as a vacation rental?



# STR PROHIBITION DETAIL

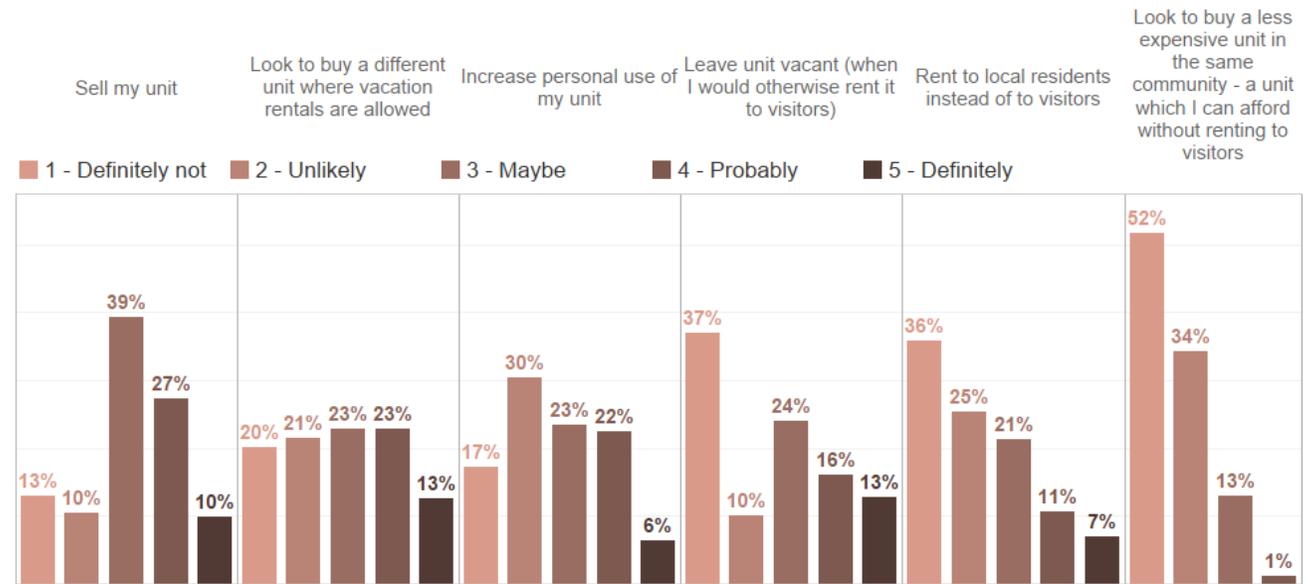
## RENTAL SENTIMENT

Looking more closely at current STR owners (N=55-61, depending on item):

- A combined 37% would “definitely” or “probably” sell the unit if STRs were banned
- Additionally, 36% would look to buy a different unit where vacation rentals are allowed
- 29% would leave the unit vacant (when they would otherwise rent it to visitors)
- 28% would increase their personal use of the unit.
- No STR owners said they would “definitely” seek to buy a less expensive unit in the same community (which they could afford without renting it to visitors), and just 1% said they would “probably” do this.

Hypothetically, if vacation rentals were banned where your home is located, how likely would you be to do the following?

Universe: STR Owners (STRs 1 week or more in last 12 months)



\*Sorted by average rating among respondents that have STRed for 1 week+ in the last year.



# CONTRIBUTIONS OF STRs TO AFFORDABLE HOUSING EFFORTS



# FINDINGS

## CONTRIBUTIONS OF STRs TO AFFORDABLE HOUSING EFFORTS

In **Sedona**, STRs are estimated to have generated approximately 28% of the monies used in the City's affordable housing efforts in FY 2023.

In **Prescott**, there is not a direct link between municipal revenues generated from STRs and spending on workforce housing.

- Prescott does not appear to have an accounting fund for ongoing accounting of contributions to housing efforts, which appear primarily to be development incentives such as fee waivers, and which appear to have been established only recently.
- STRs also generated only 0.2% of Prescott General Fund revenues in FY 2023 and 2024. As such, STRs to date do not appear to be contributing meaningfully to the City's housing efforts.

In **Cottonwood**, STRs are estimated to have generated approximately 0.7% of the city's General Fund monies in FY 2024, and by extrapolation, an identical 0.7% of the City's housing program expenditures (accounted for in the General Fund).

- By extension, STRs generated approximately \$4500 of the City's total budgeted \$740,000 for housing programs in FY 2024.

**Yavapai County** does not have identified affordable housing efforts. As such, although STRs generate an estimated roughly \$2.5 million in TPT taxes and likely well in excess of \$600,000 in property taxes for the County in CY 2023, none of those monies appear to have been used for housing efforts.



# SEDONA

## CONTRIBUTIONS OF STRS TO AFFORDABLE HOUSING EFFORTS

STRs contribute revenues to the City of Sedona via bed taxes and other sales taxes. Each of these taxes are accounted for in the City of Sedona’s General Fund, except for a 0.5% sales tax which is accounted for in the City’s Transportation Sales Tax Fund.

- Sales and bed taxes account for a large majority of Sedona’s General Fund revenues: 82.5% in FY 2023, an estimated 79.7% in FY 2024, and a projected 82.2% in FY 2025.
- It has historically been estimated that tourism generates 77% of Sedona’s total bed and sales tax revenues. (Sedona FY 2025 budget, p. 51; Sedona Sustainable Tourism Plan, p. 15 – referencing FY 2018.)
- STRs are estimated in this study to generate approximately half of Sedona’s bed taxes (see economic impact section).
- After factoring in all spending by STR guests, STRs are estimated to have generated \$12.1 million in Sedona General Fund bed tax and sales tax revenues in FY2023, equivalent to roughly 34% of Sedona’s General Fund sales and bed tax revenues and 28% of Sedona’s total General Fund revenues (per below).

**Sedona General Fund, FY2023 - 2025**

	<b>FY2023 Actuals</b>	<b>FY2024 Est. Actuals</b>	<b>FY2025 Budget</b>
City sales taxes	\$27,307,205	\$28,123,000	\$28,450,000
Bed taxes	\$8,587,989	\$9,079,000	\$9,261,000
Other General Fund revenues	\$7,606,199	\$9,483,320	\$8,171,620
Total General Fund revenues	\$43,501,393	\$46,685,320	\$45,882,620
<b>City sales and bed taxes as a share of General Fund revenues</b>	<b>82.5%</b>	<b>79.7%</b>	<b>82.2%</b>
Sales and bed taxes generated by STR guests (RRC estimate)	\$12,109,644		
<b>STR sales &amp; bed taxes as a share of all City G.F. sales and bed taxes</b>	<b>33.7%</b>		
<b>STR sales &amp; bed taxes as a share of all City General Fund revenues</b>	<b>27.8%</b>		

Source: Sedona FY2024-25 Budget Document; RRC.



Sedona's expenditures on affordable housing are primarily funded by transfers from the General Fund to the Housing Fund.

- This includes transfers of \$1.8 million in FY 2023, an estimated \$14.98 million in FY 2024, and a projected \$900,000 in FY 2025.
- Housing Fund monies are used incentivize and help finance the development of affordable housing, provide down payment assistance loans, assist City employees with housing, pay STR owners to rent to locals, and support other efforts.
- Insofar as STRs generate approximately 28% of Sedona General Fund revenues, and General Fund revenues are the primary funding source for Sedona's housing efforts, STRs can be viewed as supporting roughly 28% of Sedona's housing efforts in FY 2023.



# PRESCOTT

## CONTRIBUTIONS OF STRS TO AFFORDABLE HOUSING EFFORTS

STRs are estimated to have generated a comparatively modest \$118,000 in General Fund revenues for Prescott in FY 2023 and FY 2024.

- This is equivalent to just 0.2% of Prescott’s General Fund revenues.

**Prescott General Fund Revenues & STRs Contributions to General Fund Revenues, FY2023 - 2025**

Row	Calculation		FY2023 Actuals	FY2024 Est. Actuals	FY2025 Budget
<b>GENERAL FUND REVENUES:</b>					
A		1% City sales taxes	\$24,645,614	\$25,450,000	\$23,500,000
C	+	Primary Property Tax	\$1,904,723	\$2,227,185	\$2,267,210
D	=	Total General Fund Sales and Property Taxes	\$26,550,337	\$27,677,185	\$25,767,210
B	+	Franchise Taxes	\$1,875,549	\$1,781,000	\$1,795,000
E	+	Other General Fund Revenues	\$29,432,055	\$33,994,459	\$30,539,144
F	=	Total General Fund Revenues	\$55,982,392	\$61,671,644	\$56,306,354
<b>STR CONTRIBUTIONS TO GENERAL FUND REVENUES:</b>					
G		1% sales taxes generated by STR guests (RRC estimate)	\$107,205	\$107,847	n/a
H	+	Primary property taxes generated by identifiable STRs (RRC estimate; FY25)	\$10,846	\$10,846	\$10,846
I	=	Total 1% sales and property taxes attributable to STRs	\$118,050	\$118,692	n/a
J	I/D	<b>STR 1% sales &amp; property taxes as a share of G.F. sales and property taxes</b>	<b>0.4%</b>	<b>0.4%</b>	n/a
K	I/F	<b>STR 1% sales &amp; property taxes as a share of all G.F. revenues</b>	<b>0.2%</b>	<b>0.2%</b>	n/a



Prescott's May 1, 2024 Workforce Housing Policy prioritizes the incentivization of workforce housing development for essential workers, particularly households earning 60-120% of the Area Median Income.

- The Policy sets forth a variety of incentives that include fee waivers or reductions, zoning incentives, water incentives, expedited review, modification of development standards, making surplus city-owned property available for workforce housing development, and others.
- The Policy also identifies funding approaches it will pursue, such as voluntary contributions, grants, public-private partnerships, and exploring the establishment of a workforce housing trust fund.

Prescott budgeted for a cooperative project in 2023/24 with the Prescott Unified School District to provide housing for teachers and first responders. The project includes six modular units and utilities to be built on a pad on the Northside of Taylor Hicks School. The City budgeted \$430,000 from its Water Fund and Wastewater Fund to support the project.

Since STRs generate only moderate funding for Prescott, and since Prescott to date does not appear to have a dedicated funding stream for workforce housing, STRs likely make only a minimal and indirect contribution to workforce housing efforts in the City.

The City of Cottonwood does have a housing program, funded as part of the city's General Fund.

- The City's housing program includes first-time homebuyer loans for low and moderate income workers employed in the city, as well as City employees. It also offers a home repair program for code, health and safety repairs, for low income homeowners in the city.
- Housing funding in Cottonwood's General Fund included \$64,944 in expenditures in FY23, a budgeted \$740,000 in FY24, and a proposed \$300,000 in FY25.

STR guest spend is estimated to have generated approximately \$396,000 in TPT taxes for Cottonwood's General Fund in FY 2024. This is equivalent to 1.9% of the General Fund's estimated \$23.4 million in municipal sales tax revenue, and 0.7% of the Fund's total revenue.

Based on the above numbers, STRs generated a pro-rated \$4500 for Cottonwood's housing programs in 2024.

# COMMUNITY SENTIMENT



# COMMUNITY SENTIMENT SURVEY

As part of the overall STR investigation, a statistically valid survey was conducted to gather community input. Postcard and text invitations were sent to a random sample of residents and second homeowners within the municipal limits of Sedona, Cottonwood, and Prescott. This component of the research is referred to as the “Yavapai Community Survey, 2024.”

## SURVEY CONTENT

The survey aimed to engage respondents in a conversation about tourism, vacation rentals, and general community sentiment in Yavapai County.

- The research was designed to encourage participation from individuals with diverse perspectives, whether supportive, critical, or neutral on STRs.
- Questions were carefully worded in a neutral tone to minimize bias, recognizing the controversial nature of STRs.
- Responses reflect a broad spectrum of opinions on life in Yavapai County.

The following slides summarize key findings from selected survey questions. A complete set of responses is included in the Appendix.

## DATA WEIGHTING

Survey data were weighted to reflect the demographic composition of local full-time residents (owners and renters) and part-time residents/non-local homeowners in Sedona and Prescott, based on the 2020 Decennial Census.

Responses from smaller communities, such as the City Cottonwood (N < 70), were included in the “Grand Total” results but were not weighted separately due to the smaller sample size.



### BE A PART OF THE TOURISM & VACATION RENTAL CONVERSATION IN VERDE VALLEY!

Tell Us How Tourism & Vacation  
Rentals Impact You by Taking Our  
Brief Survey

Complete the survey for a chance to win one  
of three \$100 Visa gift cards!



### BE A PART OF THE TOURISM & VACATION RENTAL CONVERSATION IN PRESCOTT!

Tell Us How Tourism & Vacation  
Rentals Impact You by Taking Our  
Brief Survey

Complete the survey for a chance to win one  
of three \$100 Visa gift cards!



# FINDINGS

## RESIDENT TYPE AND OVERALL PERCEPTION OF STR COMMUNITY IMPACTS

Nearly three quarters (72%) of survey respondents are full-time residents of the Prescott / Verde Valley area, followed in prevalence by second homeowners (19%) and those with investment/rental properties (i.e., STR owners, 15%).

The survey was designed to compare opinions of these different stakeholder segments within the communities.

- As guided by Census-based weighting, a higher share of Prescott-based respondents are full-time residents (80%) than Sedona (71%).
- One fifth (20%) of Sedona respondents own a vacation home, compared to 14% in the Prescott area.

**STRs have an image problem in Sedona, while respondents in Prescott are more likely to view them favorably.**

- Sedona respondents have a significantly more negative view on the overall impacts of vacation rentals.
- Half of Sedona respondents feel that STRs have a “mostly negative” impact on the community, compared to 23% in Prescott.
- Conversely, Prescott respondents are more likely to view the impacts as mostly positive (21%, vs. 14% share in Sedona) or a mix of good and bad (38%, vs. 28% in Sedona).

**Across both areas, local residents view STRs far more negatively than either second homeowners or STR owners.**

- 43% of full-time residents view STR impacts as mostly negative, compared to just 4% of STR owners.
- 52% of STR owners view STR impacts as mostly positive, compared to just 14% of full-time residents.

# FINDINGS

## BROAD PERCEPTIONS OF TOURISM AND ITS LOCAL IMPACTS

Sedona and Prescott are very different communities with unique challenges and priorities.

- In contrast to Prescott, responses from Sedona were far more negative toward tourism in general.
- While the biggest challenge cited by residents of Prescott is water scarcity, Sedona respondents singled out congestion and crowding.

When given series of positive and negative statements about visitor impacts, Sedona respondents were in stronger agreement with the negative impacts and generally less aligned with the positives than their counterparts in Prescott. However, neither group was enthusiastic about paying more for public services if visitation decreased.

When asked to grade their community on a spectrum of tourism vs. resident focus, Prescott respondents were most likely to say that the focus was either balanced, or leans toward residents. However, in Sedona, more than two thirds said the community is weighted toward tourism.

- When asked what their preference would be in the future, the two areas were much more closely aligned.
- Respondents in both say they prefer either a balanced focus or one weighted toward residents.

# FINDINGS

## PROS AND CONS OF VACATION RENTALS BY GEOGRAPHY

When asked about benefits of STRs, about half of respondents in both study areas feel that they are good for the local economy.

Beyond that key positive impact, Sedona respondents are measurably more negative:

- 37% of Sedona respondents feel there are zero benefits from STRs, as compared to a 20% share among Prescott respondents.
- Two thirds of Sedona respondents cited damage to community character and quality of life as negative impacts of STRs, as compared to about half of Prescott respondents.
- Half of Sedona respondents are concerned about the number and density of vacation rentals, as compared to a 24% share among Prescott respondents.

Housing impacts of STRs are a bigger concern in Sedona as well.

- 62% of Sedona respondents feel that STRs negatively impact the housing supply for local residents, while just 35% of Prescott respondents feel that way.
- Half of Sedona respondents think STRs are causing higher housing prices, while just 23% of Prescott respondents feel that way.

***Note the density of STRs in Sedona and nearby areas is far higher than in Prescott, and Sedona has seen significant growth in units since 2018.***

# FINDINGS

## USE PATTERNS OF VACATION RENTALS

A sizeable majority (69%) of STR owners rent their units for at least half of the year. Slightly less than one third actively rent for fewer than 28 weeks. When not listed for short-term rental, the most common use of the properties is for personal vacation use.

The most frequent status of vacation homes when not in use by owners is to be left vacant. Among vacation home owners, 63% choose not to rent their properties when they are not using them, while the remaining 37% use them as STRs for at least one week per year.

The trend toward using second homes as vacation rentals started much earlier in Sedona than in the Prescott area:

- Nearly two thirds of Prescott respondents started renting in 2022 or later
- 70% of respondents from Sedona said they started renting prior to 2022, and half have been short-term renting since 2019 or earlier.

When asked how they would react to a hypothetical ban on STRs, the most common reactions from STR owners would be to either sell their unit and/or look to purchase a unit in another location where vacation rentals were still allowed. The next most common responses would be to use the property more frequently themselves, or simply leave it vacant.

# RESPONDENT TYPE

72% of survey respondents are full-time year-round residents in Verde Valley / Prescott, and 19% own a vacation home in the area.

- 15% of respondents own one or more investment homes in the area.
- As guided by Census-based weighting, Prescott contained a larger share of full-time residents than Sedona (80% and 71%, respectively).

This survey is intended for residents and second homeowners in the area. Which of the following best describe you? (Check all that apply)

	Grand Total	Sedona	Prescott
I am a full-time, year-round resident of this area	72%	71%	80%
I own a vacation home / second home or timeshare in this area	19%	20%	14%
I own one or more investment residences in this area	15%	12%	17%
I work in this area	8%	7%	9%
I commute to work in this area from a residence located outside of this area	1%	0.5%	1%
I am a seasonal employee living and working in this area for part of the year	0.4%		1%
Other	4%	5%	4%
n=	589	294	205

# OPINION ON VACATION RENTALS

## RENTAL SENTIMENT

All respondents were asked to give their general opinions about vacation rentals. This question provides a measure of overall opinion among owners and occupants of residential property in the county.

- Overall, 35% of respondents assert that vacation rentals have a mostly negative impact on the community. Negative views were markedly more common in Sedona (49%) than Prescott (23%).
- A third (33%) of all respondents feel that vacation rentals have a mixed impact, with Prescott respondents tending to note this mixed impact (38%) to a higher degree than their Sedona-based counterparts (28%).
- Overall, full-time residents are most critical of vacation rentals (43%) compared to other respondent types.

### Generally speaking, what is your view of vacation rentals in the community?

	Grand Total	Sedona	Prescott
Vacation rentals have a mostly negative impact on the community	35%	49%	23%
Mixed – both positive and negative	33%	28%	38%
Vacation rentals have a mostly positive impact on the community	19%	14%	21%
Vacation rentals have no discernable impact on the community	6%	5%	6%
Other	4%	3%	6%
Don't know / Uncertain	3%	1%	5%
n=	480	243	165

### By Respondent Type:

	Full-Time Res. (Does not STR)	Seasonal Res. (Does not STR)	Full-Time/Seasonal Res. (STRs for 1 week+)
Vacation rentals have a mostly negative impact on the community	43%	31%	4%
Mixed – both positive and negative	31%	37%	35%
Vacation rentals have a mostly positive impact on the community	14%	20%	52%
Vacation rentals have no discernable impact on the community	5%	7%	9%
Other	3%	5%	1%
Don't know / Uncertain	3%	1%	
n=	229	151	65

# PROS/CONS OF VACATION RENTALS

## RENTAL SENTIMENT – BY COMMUNITY

To delve further into vacation rentals sentiments, respondents were asked to note specific concerns and benefits rentals bring to the community.

Top benefits of vacation rentals selected by respondents include contributions to the local economy and providing additional accommodations to serve visitor demand.

- While 50% of Sedona respondents feel that vacation rentals bolster the economy, over a third (37%) assert that vacation rentals bring no benefit to the community whatsoever.
- About half of Prescott respondents feel that rentals contribute to the economy (49%), and provide accommodations needed to serve the visitor demand (52%).

Top-cited concerns with vacation rentals are impacts on community character and quality of life (58%) and on the local housing supply (51%).

- Sedona respondents selected every concern item in a higher share than Prescott respondents.

What benefits, if any, do you feel that vacation rentals bring to the community? (Check all that apply)

	Grand Total	Sedona	Prescott
Contribute to the local economy	52%	50%	49%
Provide needed accommodations beyond hotel inventory to serve current visitor demand in the area	42%	32%	52%
Enable the community to have more amenities	34%	29%	35%
Support property values	22%	24%	13%
Add vitality and energy to the community	19%	15%	21%
Other benefits	6%	8%	6%
No benefits	27%	37%	20%
Don't know / Uncertain	6%	1%	12%
n=	488	245	170

What concerns, if any, do you have about vacation rentals in the community where your residence is located? (Check all that apply)

	Grand Total	Sedona	Prescott
Impacts on community character and quality of life	58%	66%	52%
Impacts on the housing supply for local residents	51%	62%	35%
Increases to the cost of housing	39%	49%	23%
The number or density of vacation rentals	39%	50%	24%
Other concerns	15%	20%	11%
No concerns	17%	15%	18%
Don't know / Uncertain	4%	1%	8%
n=	480	242	166

# PROS/CONS OF VACATION RENTALS

## RENTAL SENTIMENT – BY RESPONDENT TYPE

Those who STR their unit and seasonal residents are most likely to feel positively towards the economic contributions of vacation rentals (96% and 65% respectively), while over a third of full-time residents (35%) feel that vacation rentals offer no benefits to the community.

- Over half of full-time residents are concerned about the impact of rentals on community character (64%) and on the impact of housing supply for local (57%).
- Seasonal residents are particularly concerned about the impacts of vacation rentals on community character (72%).
- Half of STR owners (50%) have no concerns about the impact of vacation rentals on the community, compared to a 17% share among all respondents.

**What benefits, if any, do you feel that vacation rentals bring to the community? (Check all that apply)**

	Grand Total	Full-Time Res. (Does not STR)	Seasonal Res. (Does not STR)	Full-Time/Seasonal Res. (STRs for 1 week+)
Contribute to the local economy	52%	42%	65%	96%
Provide needed accommodations beyond hotel inventory to serve current visitor demand in the area	42%	32%	58%	88%
Enable the community to have more amenities	34%	23%	54%	79%
Support property values	22%	12%	29%	65%
Add vitality and energy to the community	19%	12%	24%	67%
Other benefits	6%	6%	2%	16%
No benefits	27%	35%	14%	1%
Don't know / Uncertain	6%	7%	6%	
n=	488	233	151	69

**What concerns, if any, do you have about vacation rentals in the community where your residence is located? (Check all that apply)**

	Grand Total	Full-Time Res. (Does not STR)	Seasonal Res. (Does not STR)	Full-Time/Seasonal Res. (STRs for 1 week+)
Impacts on community character and quality of life	58%	64%	72%	14%
Impacts on the housing supply for local residents	51%	57%	47%	21%
Increases to the cost of housing	39%	44%	37%	15%
The number or density of vacation rentals	39%	41%	45%	30%
Other concerns	15%	17%	8%	10%
No concerns	17%	11%	18%	50%
Don't know / Uncertain	4%	4%	3%	2%
n=	480	231	148	66

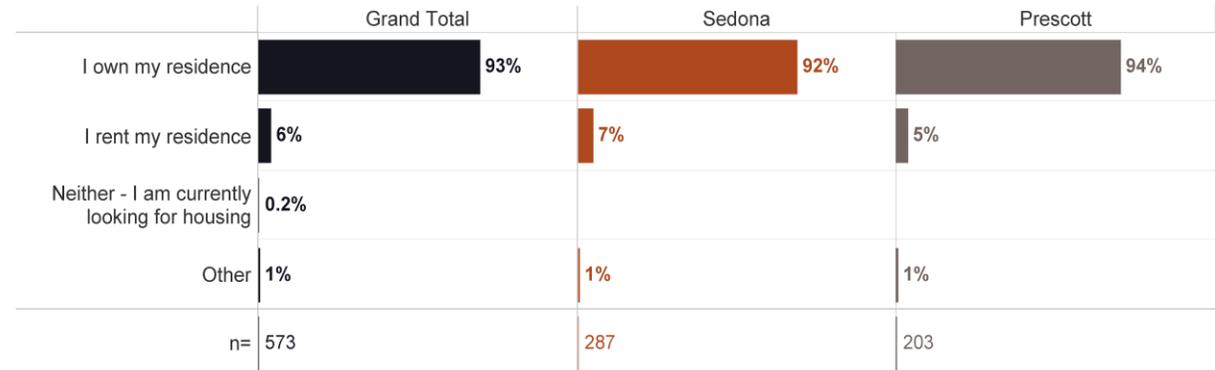
# UNIT OWNERSHIP

## OWNERSHIP STATUS

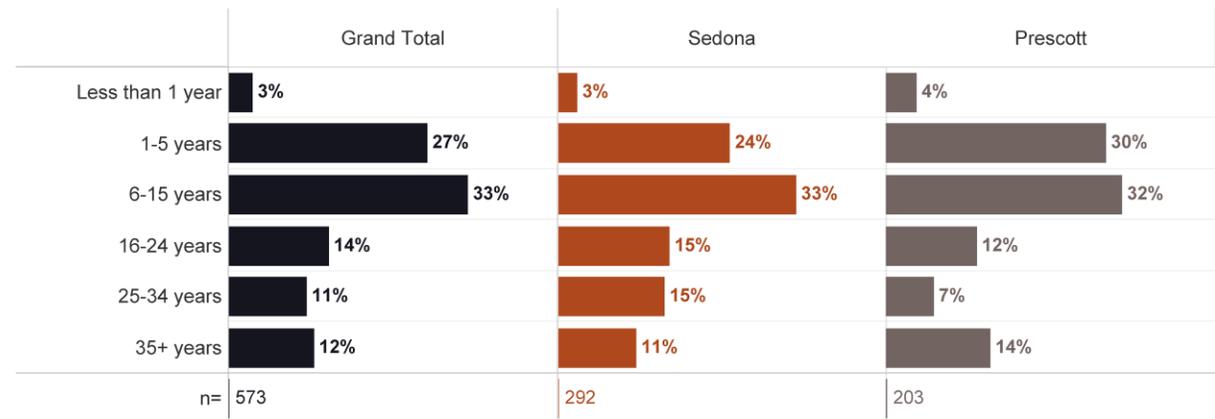
The full-time resident sample is made up primarily of owners (93%), with a small share of renters as well (6%).

- 60% of full-time residents have lived, worked, or owned property in the area between 1-15 years. Only 3% have been around the area for less than a year.
- Sedona and Prescott residents are similarly aligned on ownership and length of time characteristics.

Do you own or rent the residence that you occupy in this area?



How long have you lived, worked, or owned property within this community?



# UNIT TYPE

## PROPERTY CHARACTERISTICS

Respondents were asked to answer questions regarding the use of their property (or most recently purchased property) in the area.

- Sedona and Prescott respondents own properties of similar characteristics.
- 86% of respondents own a single-family detached home, followed by small shares of townhomes, mobile homes, and condos.
- Half of the properties have 3 bedrooms, and a collective 94% have between 2-4 bedrooms.

### What type of unit is this residence?

	Grand Total	Sedona	Prescott
Single family detached home	86%	84%	92%
Townhome	5%	6%	2%
Mobile home	4%	4%	2%
Condominium	3%	3%	2%
Duplex or triplex	1%	1%	1%
Apartment with 4 or more units	0.4%		1%
Other	2%	2%	1%
n=	482	235	176

### How many bedrooms does your residence have? (If your property includes an ADU, please respond for the primary unit only.)

	Grand Total	Sedona	Prescott
None – studio / efficiency	1%	1%	2%
1	3%	4%	1%
2	32%	27%	36%
3	50%	56%	48%
4	12%	10%	11%
5	2%	2%	3%
6	0.4%		
8 or more	0.2%		
n=	461	223	171

# ADU INCLUSION & USE

## PROPERTY CHARACTERISTICS

Just over a fifth (22%) of respondents own a property that includes an ADU.

- Of those owners who have an ADU on-site, it is primarily for personal use (56%).
- 25% of respondents report using their ADU as a rental to visitors, and 15% report using it to rent to residents.
- Sedona respondents with an ADU are less likely to rent to local residents than Prescott ADU owners (9% vs. 21%, respectively).

Does your property include a garage apartment or onsite accessory dwelling unit (ADU)?

	Grand Total	Sedona	Prescott
Yes	22%	23%	19%
No	75%	74%	77%
Don't know/Not sure	3%	3%	3%
n=	467	228	169

[If unit includes ADU] For what purpose(s) have you ever used your garage apartment or ADU? (Check all that apply)

	Grand Total	Sedona	Prescott
Personal use	56%	58%	57%
Rental to visitors	25%	27%	27%
Rental to local residents	15%	9%	21%
Occupied by my relatives	12%	12%	14%
Vacant / not used	10%	11%	3%
Other	10%	9%	9%
n=	95	43	35

# REASONS FOR BUYING HOME

## PROPERTY USE

While there are some differences in the reason for original acquisition of the property by location, most respondents (61%) acquired it as a primary residence.

Compared to Prescott, a larger share of Sedona residents acquired their residence to be a retirement home (27% vs. 13%) or vacation home (16% vs. 10%), while a smaller share acquired it as a primary residence (57% vs. 71%).

For what reason(s) did you originally acquire your residence? (Check all that apply)

	Grand Total	Sedona	Prescott
Primary residence for myself / family	61%	57%	71%
Retirement home	21%	27%	13%
Second home / vacation home	15%	16%	10%
Investment / rental purposes	13%	13%	11%
Investment / appreciation purposes	6%	4%	6%
Other	3%	2%	4%
n=	458	222	168

# USES OVER TIME

## PROPERTY USE

Aligning closely with the original purpose of acquisition, the majority of residents (72%) have used their home as a primary residence since purchasing it.

Sedona residents are more likely to report having used the property as a personal vacation residence or vacation residence for their family (25%) than Prescott residents (12%).

Since you purchased the home, what purpose(s) have you used it for? (Check all that apply. If your property includes an accessory unit, please respond for the primary unit only.)

	Grand Total	Sedona	Prescott
Primary residence for myself / family	72%	73%	79%
Seasonal or vacation residence for myself / family	20%	25%	12%
Long-term rental of entire home to local residents	12%	10%	9%
Short-term rental of entire home to visitors	11%	13%	11%
Rental of a bedroom (but not entire home) to visitors	4%	4%	5%
Seasonal rental of entire home to visitors (rental for 30 consecutive days or more)	3%	3%	2%
Long-term rental of a bedroom (but not entire home) to local residents	2%	2%	3%
Other	3%	3%	4%
n=	437	208	162

# PREVIOUS 12-MONTH USE OF STRs

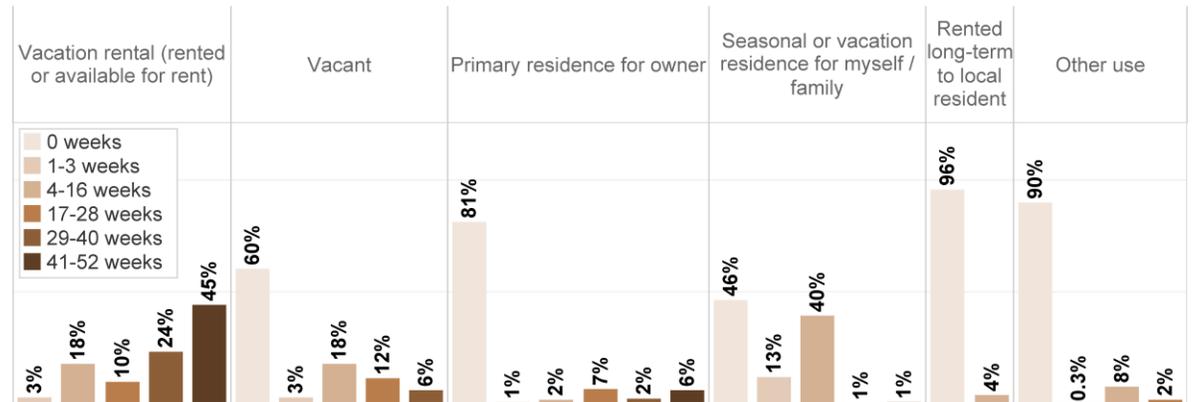
## PROPERTY USE

The graph to the right shows the distribution of use types among **respondents in the Verde Valley / Prescott area who have used their unit as a vacation rental for at least 1 week** within the last 12 months (N=71).

- 69% used the unit as a vacation rental for half the year or more (29+ weeks).
- 31% of respondents rented their unit for 28 weeks or fewer.
- When not using the property as a vacation rental, the most likely way that owners utilized their properties was as a personal vacation home for (54% did this for 1 week or more), leave the unit vacant (40%), or use it as a primary residence (19%).

**Weeks of Use of STRs for Various Purposes in the Past 12 Months**

Universe: Homes Used as STRs 1+ Weeks/Year



**Average Weeks Used:**

Vacation rental (rented or available for rent)	34.5
Vacant	6.7
Primary residence for owner	5.6
Seasonal or vacation residence for myself / family	3.8
Rented long-term to local resident	0.4
Other use	1.0

# PREVIOUS 12-MONTH USE OF VACATION RESIDENCES

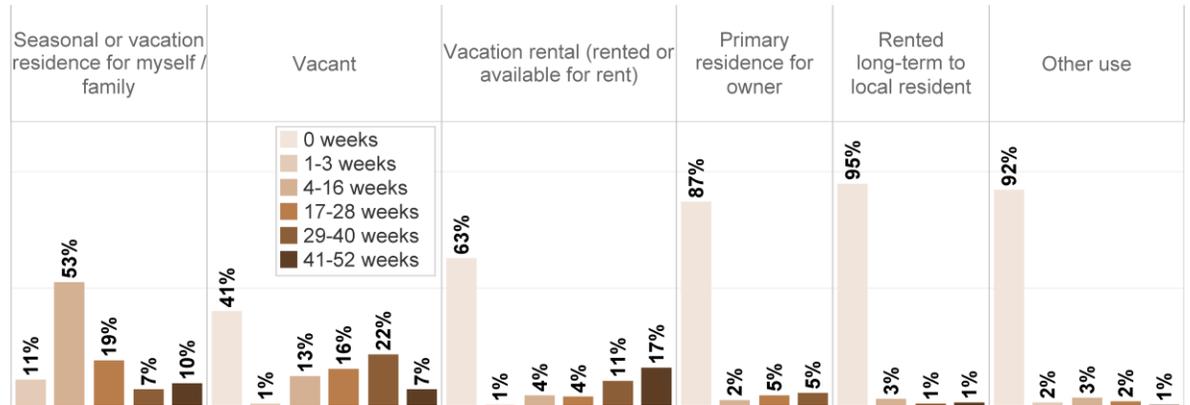
## PROPERTY USE

The graph to the right shows the distribution of use types among **respondents in the Verde Valley / Prescott area who have used their unit as a seasonal/vacation residence for at least 1 week** within the last 12 months (N=167).

- Almost two thirds used the unit as a vacation residence for 1-16 weeks of the past year (64%).
- When not using the unit as a vacation residence, this group are most apt to leave the home vacant and/or as a vacation rental.

**Weeks of Use of STRs for Various Purposes in the Past 12 Months**

Universe: Homes Used as Vacation Residence by Owner 1+ Weeks/Year



**Average Weeks Used:**

Seasonal or vacation residence for myself / family	16.8
Vacant	16.4
Vacation rental (rented or available for rent)	13.1
Primary residence for owner	3.3
Rented long-term to local resident	1.4
Other use	1.0

# PREVIOUS 12-MONTH USE OF PRIMARY RESIDENCES

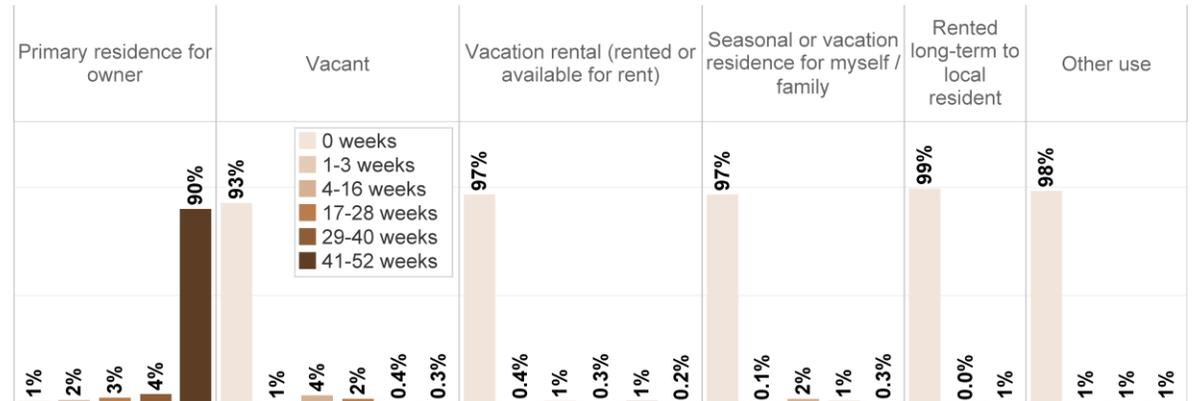
## PROPERTY USE

The graph to the right shows the distribution of use types among respondents in the Verde Valley / Prescott area who have used their unit as a primary residence for at least 1 week within the last year (N=231).

- The large majority (90%) of respondents used the home as a primary residence for 10-12 months of the past year.
- When not using the unit as a primary residence, this group is most apt to leave the home vacant and/or as a vacation rental.

**Weeks of Use of STRs for Various Purposes in the Past 12 Months**

Universe: Homes Used as Primary Residence by Owner 1+ Weeks/Year



**Average Weeks Used:**

Primary residence for owner	48.9
Vacant	1.1
Vacation rental (rented or available for rent)	0.6
Seasonal or vacation residence for myself / family	0.5
Rented long-term to local resident	0.3
Other use	0.6

# START OF STR USE BY STR OWNERS

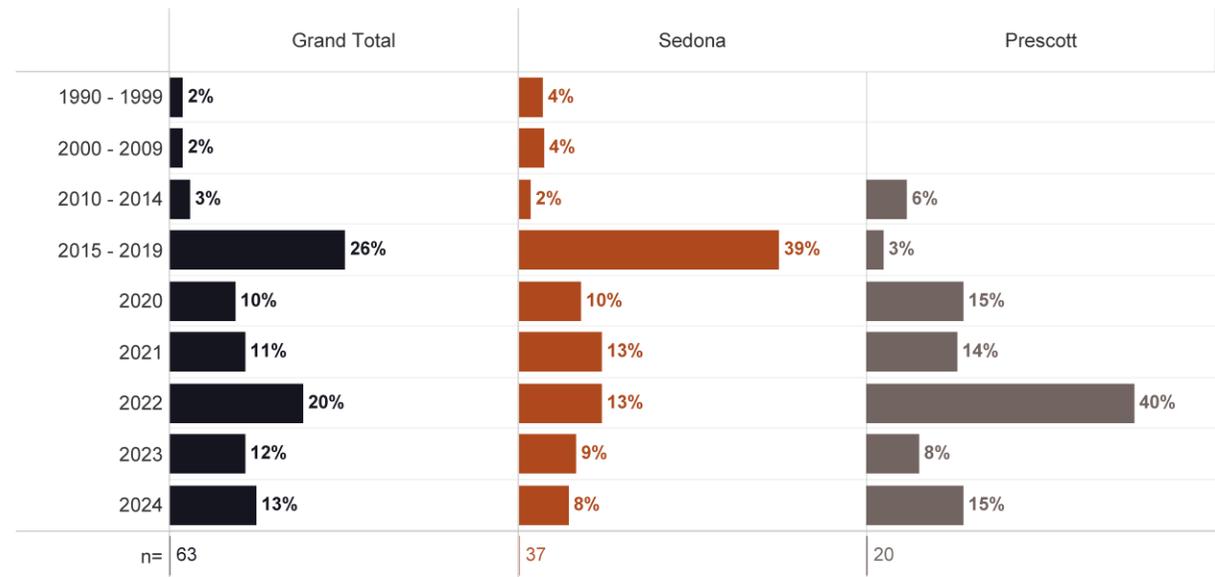
## PROPERTY USE

Two thirds of STR owners responding to the survey started renting their home to visitors in 2020 or later.

Many Sedona respondents began renting much earlier than Prescott respondents, though low sample sizes restrict in-depth comparisons.

**Caution: small sample sizes!**

[If used unit as vacation rental for 1 week or more in the last year] In what year did you first rent your home to visitors?



# EXPECTED USE IN FUTURE

## PROPERTY USE

Respondents' expected uses in the future generally align with their original reason for purchase.

- Respondents who currently rent to visitors expect to continue doing so (65%) or use their home as a vacation home (50%).
- Among both seasonal residents and STR owners, about a quarter expect to use the home as a retirement home in the next five years.
- At least half of STR owners expect to continue using their property as a vacation or seasonal home for themselves or guests (50%) or as a short-term rental to visitors (68%).

How do you expect to be using your home five years from now? (Check all that apply)

	Grand Total	Sedona	Prescott
As a primary residence for me or family member(s)	66%	65%	74%
A vacation or seasonal home for me or my guests	18%	21%	10%
Retirement home	14%	18%	10%
Short-term rental to visitors	12%	13%	9%
I intend to sell my home within the next five years	9%	6%	8%
Long-term rental for local residents	7%	3%	8%
Seasonal rental to visitors (rental for 30 consecutive days or more)	4%	3%	5%
Don't know/uncertain	3%	2%	3%
Other	1%	1%	1%
n=	430	206	158
	Full-Time Res. (Does not STR)	Seasonal Res. (Does not STR)	Full-Time/Seasonal Res. (STRs for 1 week+)
As a primary residence for me or family member(s)	85%	39%	31%
A vacation or seasonal home for me or my guests	3%	56%	50%
Retirement home	10%	24%	26%
Short-term rental to visitors	2%	10%	65%
I intend to sell my home within the next five years	8%	4%	15%
Long-term rental for local residents	2%	8%	7%
Seasonal rental to visitors (rental for 30 consecutive days or more)	0.4%	3%	16%
Don't know/uncertain	3%	2%	2%
Other	1%	0.2%	2%
n=	181	147	68

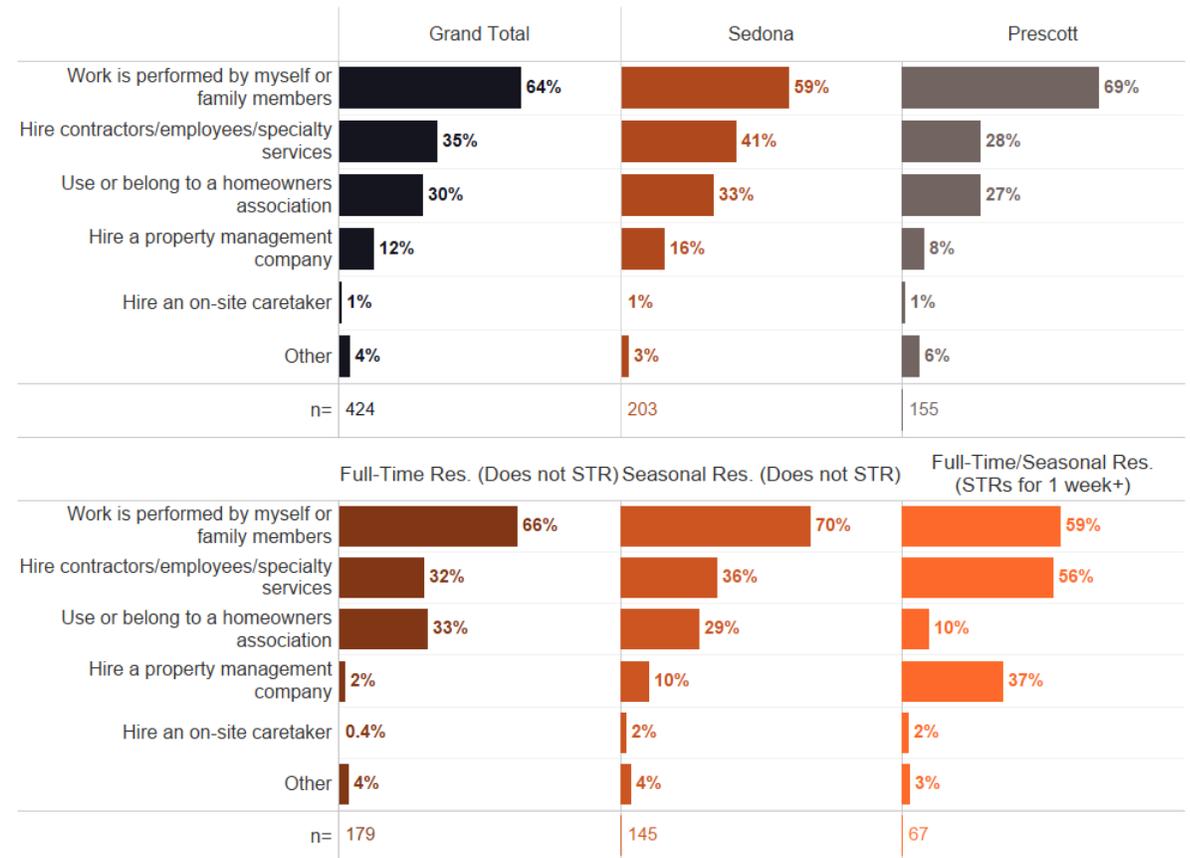
# MAINTENANCE & OPERATION

## PROPERTY USE

Nearly two-thirds of respondents (64%) perform maintenance themselves.

- Respondents in Sedona are more likely to use management companies or contractors than Prescott respondent.
- Overall, more than half of STR owners hire contractors and over a third hire property management companies to help maintain and operate their properties.

Which of the following do you use to maintain and operate your residence (including vacation rental management, if applicable)? (Check all that apply)



# REASONS FOR RENTING TO VISITORS

## RENTAL PATTERNS

Among respondents who have used their property as a vacation rental recently, over three-quarters (76%) do so for investment/income purposes.

- Two survey questions probed the extent that STR owners depend on their investment for various purposes.
- This subsample was moderately dependent on renting to “afford the unit” (2.8 out of 5.0), but less so to “support their livelihood” (2.6 out of 5.0).

**Caution: small sample sizes!**

[If weeks rented as vacation rental > 0] **What are the main reason(s) you have rented your home to visitors? (Check all that apply)**

	Grand Total	Sedona	Prescott
Investment / income purposes	76%	65%	93%
It allows me/my family the flexibility to use the home for vacations or other personal use	64%	74%	47%
I enjoy providing a positive experience to visitors	57%	49%	64%
Renting allows me to afford to own a home in this market	47%	51%	33%
Other	2%	4%	
n=	68	40	21

[If weeks rented as vacation rental > 0] **To what extent do you depend on renting to visitors to financially support your livelihood and to afford your unit? (1 = Not at all dependent; 5 = Extremely dependent)**

	Average Rating	Sedona	Prescott
Dependence on renting to afford my unit	n=59 2.8	n=34 2.9	n=19 2.4
Dependence on renting to support my livelihood	n=69 2.6	n=40 2.6	n=22 2.4

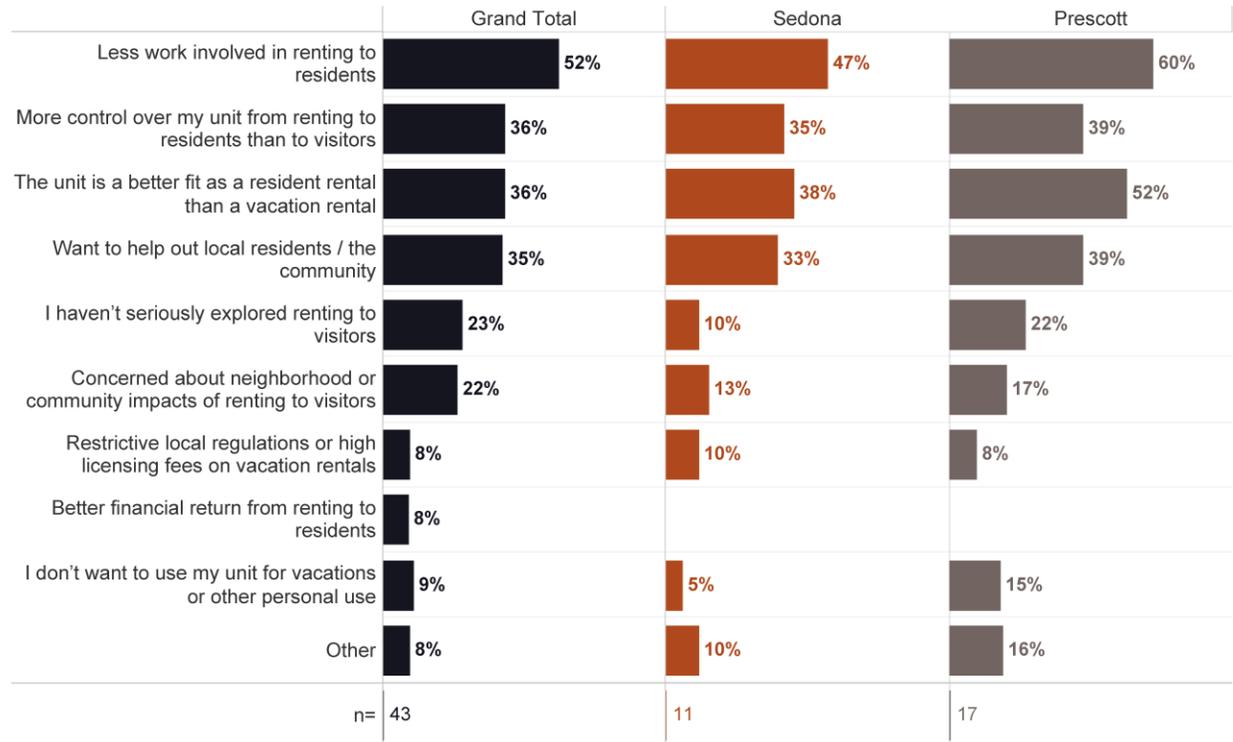
# REASONS FOR RENTING TO RESIDENTS

## RENTAL PATTERNS

Among respondents who have rented to residents recently and have not rented to visitors recently, but have done so in the past, over half (52%) have rented to residents instead of visitors because they find there is less work involved.

**Caution: small sample sizes!**

[If weeks rented to local residents > 0, but used as vacation rental in the past] **You responded that in the past 12 months, you've rented to residents but not visitors. What are the primary reason(s) you have rented to residents instead of visitors? (Check all that apply)**



# WHY NOT RENT TO VISITORS?

## RENTAL SENTIMENT

A majority of respondents who own a second home but have never rented to visitors have not done so because of wanting to avoid damage to the unit (60%), valuing privacy (55%), and not needing additional income (52%).

Sedona second homeowners who do not rent to visitors are much more concerned about neighborhood or community impacts from renting to visitors than Prescott respondents in this category (45% compared to 25%).

**Caution: small sample sizes!**

[If use property as seasonal residence, but have never used it to rent to visitors] **Some second homeowners rent their unit to visitors when they are not using it. Why have you chosen not to rent your unit to visitors? (Check all that apply)**

	Grand Total	Sedona	Prescott
I don't want to risk damage or wear and tear to my unit	60%	60%	48%
I value the privacy of my unit	55%	53%	59%
I don't need rental income to afford my unit	52%	53%	46%
I'm concerned about neighborhood or community impacts from renting to visitors	40%	45%	25%
I use the unit frequently enough that renting it to visitors would be impractical or uneconomical	30%	25%	30%
I don't want to expend the time / effort	17%	12%	18%
Vacation rentals are prohibited where my home is located	17%	20%	11%
Restrictive local regulations or high licensing fees on vacation rentals	3%	5%	
The unit wouldn't be a good fit for visitors	2%	3%	2%
It hasn't occurred to me to rent to visitors	2%	3%	2%
Other reason(s)	11%	17%	4%
n=	95	38	50

# WHY NOT RENT TO RESIDENTS?

## RENTAL SENTIMENT

Among second homeowners that have never rented to locals, over half overall have not done so due to prevention of personal use (73%) or not wanting to risk wear and tear to the unit (50%).

- Those in Sedona are slightly more affected by not being able to use their property personally if they were renting compared to those in Prescott.
- Prescott respondents place a greater priority on avoiding damage and protecting privacy compared to those in Sedona.

[If use property as seasonal residence, but have never used it to rent to local residents] **As a second homeowner, why have you chosen not to rent your unit to local resident(s)? (Check all that apply)**

	Grand Total	Sedona	Prescott
It would prevent personal use of the unit by me / family / friends	73%	76%	67%
I don't want to risk damage or wear and tear to my unit	50%	42%	66%
I value the privacy of my unit	38%	30%	42%
I don't need rental income to afford my unit	34%	33%	32%
I'm concerned about neighborhood or community impacts from renting long-term	18%	18%	23%
Difficulty in finding and screening good long-term renters	17%	12%	3%
Insufficient financial returns from renting long-term	15%	18%	3%
I don't want to expend the time / effort	14%	9%	15%
The unit wouldn't be a good fit as a resident rental	9%	7%	3%
It hasn't occurred to me to rent to local residents	1%	2%	
Other reason(s)	8%	12%	5%
n=	128	59	59

# STR PROHIBITION

## RENTAL SENTIMENT

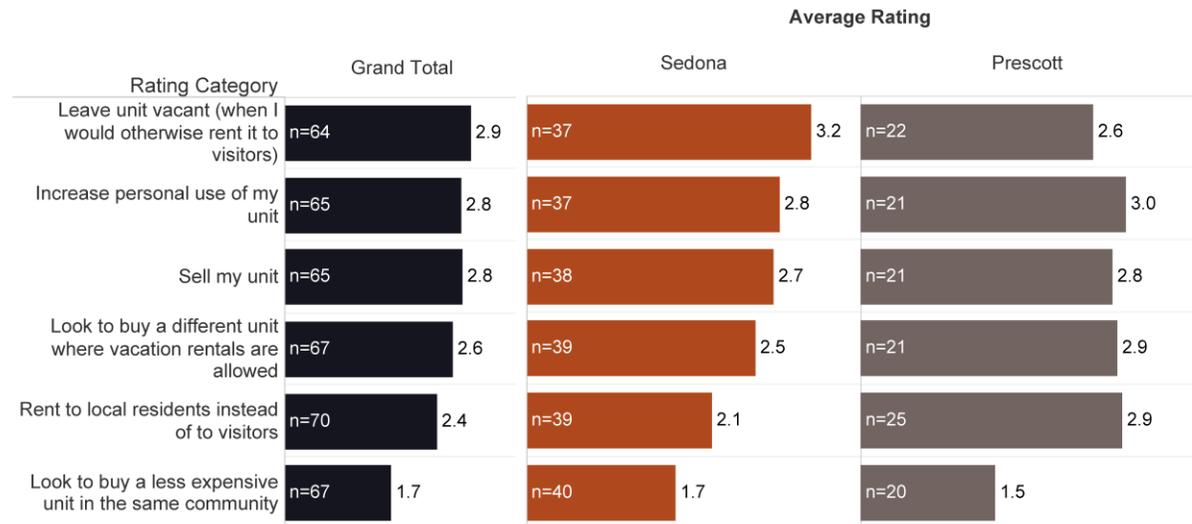
When posed with various reactions to the hypothetical banning of vacation rentals, respondents who have used their unit as an STR indicate that they would be most likely to leave the unit vacant (2.9 out of 5.0).

However, all ratings items have an average below 3.0, suggesting an uncertainty about this hypothetical.

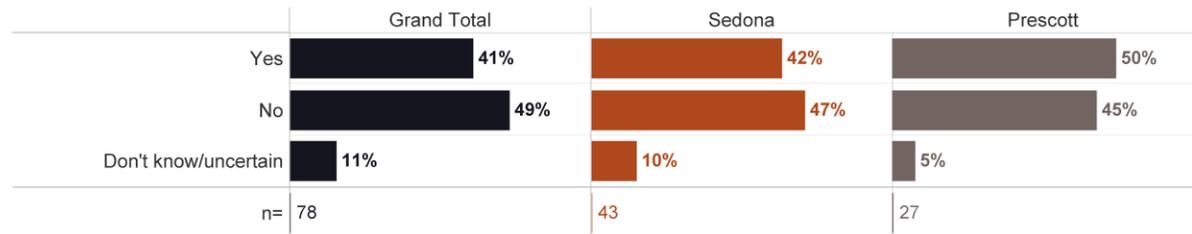
Nearly half (49%) of STR owners indicate that they would not have purchased their property if there were prohibitions on vacation rentals.

**Caution: small sample sizes!**

[If *have ever* used unit as short-term or seasonal rental] Hypothetically, if vacation rentals were banned in the area where your home is located, how likely would you be to do the following? (1 = Definitely not; 5 = Definitely)



[If *have ever* used unit as short-term or seasonal rental] Thinking back to when you acquired your property, would you have still purchased it if you were prohibited from using it as a vacation rental?



# STR PROHIBITION DETAIL

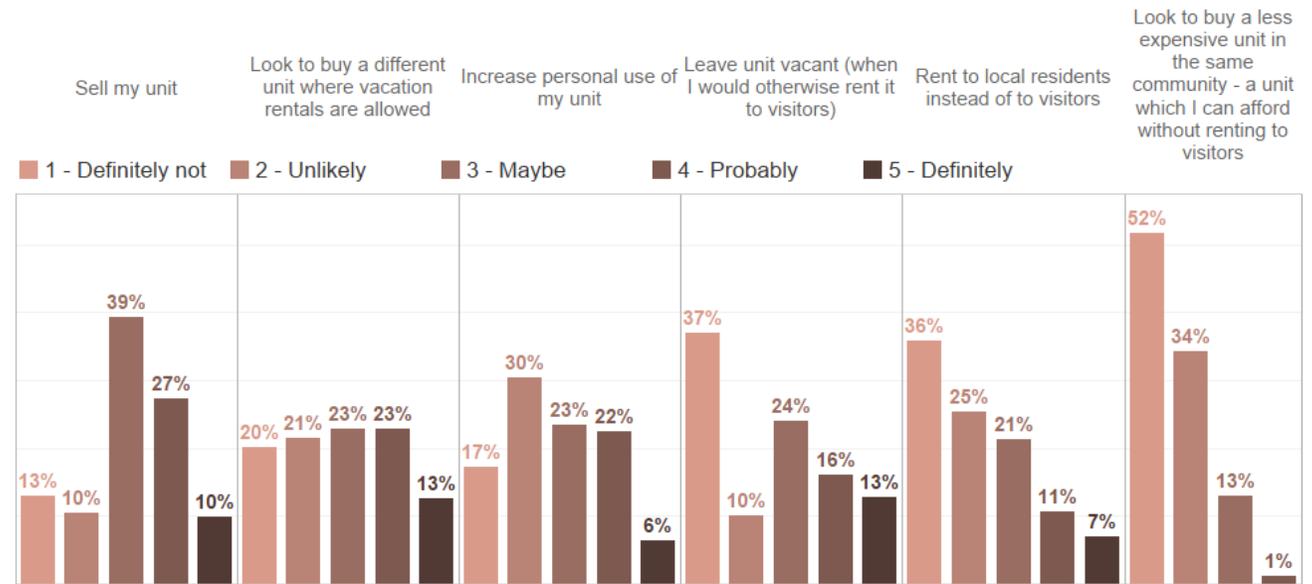
## RENTAL SENTIMENT

Looking more closely at current STR owners (N=55-61, depending on item):

- A combined 37% would “definitely” or “probably” sell the unit if STRs were banned
- Additionally, 36% would look to buy a different unit where vacation rentals are allowed
- 29% would leave the unit vacant (when they would otherwise rent it to visitors)
- 28% would increase their personal use of the unit.
- No STR owners said they would “definitely” seek to buy a less expensive unit in the same community (which they could afford without renting it to visitors), and just 1% said they would “probably” do this.

Hypothetically, if vacation rentals were banned where your home is located, how likely would you be to do the following?

Universe: STR Owners (STRs 1 week or more in last 12 months)



\*Sorted by average rating among respondents that have STRed for 1 week+ in the last year.

# VISITOR SENTIMENT

All respondents were asked to respond to a series of statements about tourism and the visitor economy in the Verde Valley/Prescott community.

- Among all respondents, the benefits of visitors to arts, culture, services and the visitor economy yielded moderately-high agreement (average > 3.5/5.0). However, respondents were also concerned about the quality of life in the area (3.5/5.0).
- Comparatively, Sedona respondents were more concerned with changing quality of life in the area (3.8/5.0), whereas Prescott respondents were more likely to acknowledge the benefits of visitors to the local economy and services.
- Respondents from all areas mostly agreed they did not want to pay more taxes in exchange for fewer visitors, though Sedona was more open to that scenario.

How much do you agree or disagree with the following statements? (1 = Strongly disagree; 5 = Strongly agree)

Rating Category	Average Rating		
	Grand Total	Sedona	Prescott
Arts organizations, cultural attractions, hospital/medical services, and festivals benefit from visitors to the community.	n=465 3.8	n=239 3.5	n=161 4.1
Taxes collected and revenues generated from the visitor economy help to sustain the quality of life in the community.	n=459 3.6	n=235 3.4	n=158 3.7
The quality of life in the area is changing in ways that concern me.	n=462 3.5	n=239 3.8	n=155 3.2
In general, the benefits of a visitor economy outweigh the drawbacks for the community.	n=466 3.3	n=240 3.0	n=159 3.5
Vacation rentals disrupt neighborhoods with noise and parking issues.	n=455 3.3	n=238 3.5	n=148 3.2
The area is overcrowded because of too many visitors.	n=466 3.2	n=240 3.7	n=158 2.7
I would be willing to pay more for local public services if it meant fewer visitors in the area.	n=462 2.7	n=236 2.9	n=161 2.4

\*Sorted by overall average rating.

# CHALLENGES IN THE AREA

When asked about the greatest challenges in the area, the majority of respondents in all areas (59%) felt that congestion and crowding held the largest impact.

- Sedona respondents were more concerned with housing impacts (e.g., rent and availability), staffing, and trail usage, whereas Prescott respondents were more concerned with inflation and home prices.
- Seasonal residents feel the greatest impacts from congestion and crowding (69%). Predictably, those who STR their units are much less likely to be impacted by crowding. They choose to not visit at the busiest times and instead are renting their homes.

What are the biggest impacts or challenges currently affecting you personally in the area? (Check all that apply).

	Grand Total	Sedona	Prescott
Congestion and crowding	59%	72%	50%
Expensive rent for local workers	41%	44%	34%
Lack of housing availability	35%	41%	26%
High home prices	35%	31%	37%
Service industry staffing and related impacts	35%	40%	25%
Trail usage and access	33%	48%	12%
Inflation	31%	26%	37%
School/youth programming capacities	12%	15%	10%
Other	15%	17%	14%
n=	456	234	155

By Respondent Type:

	Full-Time Res. (Does not STR)	Seasonal Res. (Does not STR)	Full-Time/Seasonal Res. (STRs for 1 week+)
Congestion and crowding	62%	69%	34%
Expensive rent for local workers	47%	27%	15%
Lack of housing availability	43%	18%	8%
High home prices	38%	27%	34%
Service industry staffing and related impacts	35%	38%	41%
Trail usage and access	33%	42%	25%
Inflation	33%	22%	40%
School/youth programming capacities	14%	6%	10%
Other	15%	12%	13%
n=	223	144	57

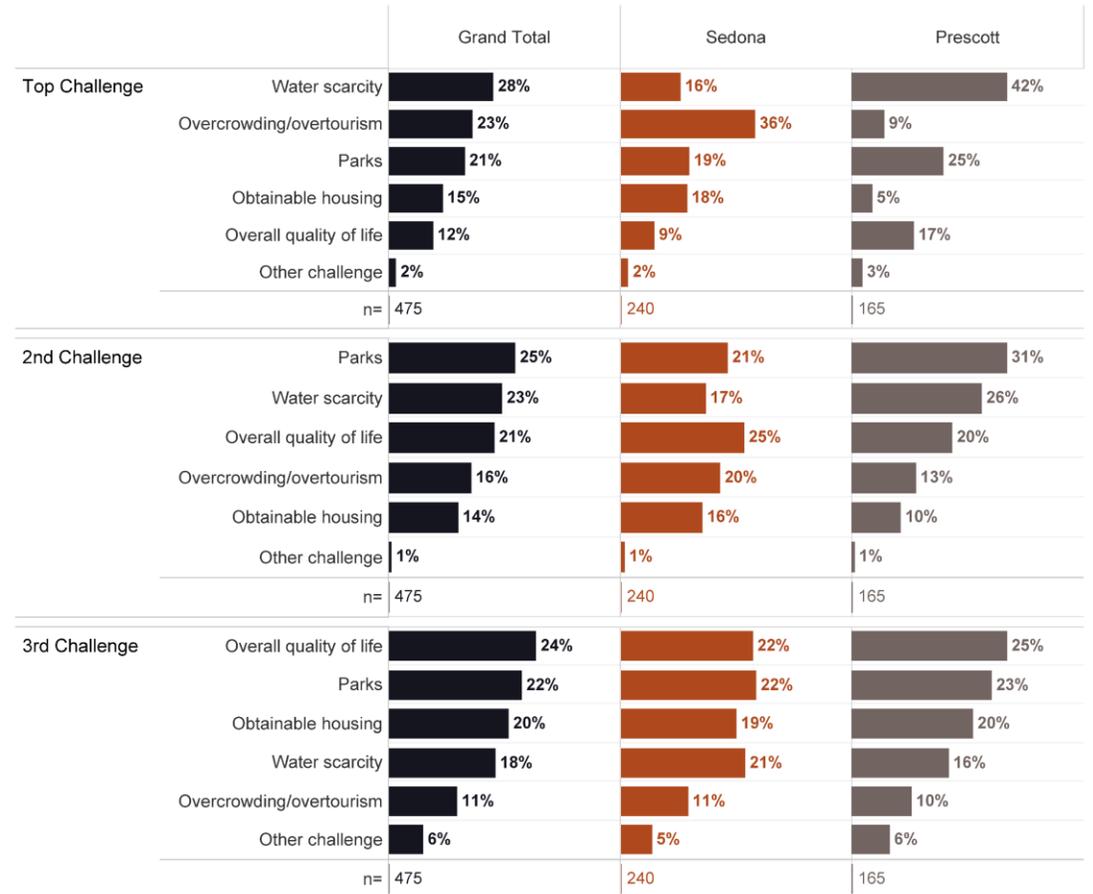


# TOP CHALLENGES

The plurality of Sedona respondents (36%) selected overcrowding as the top challenge to be prioritized, whereas the plurality of Prescott respondents (42%) selected water scarcity.

Second and third-level priorities included topics such as parks and overall quality of life.

Looking to the future, what are the three challenges that you believe should receive attention from local officials and decision-makers?

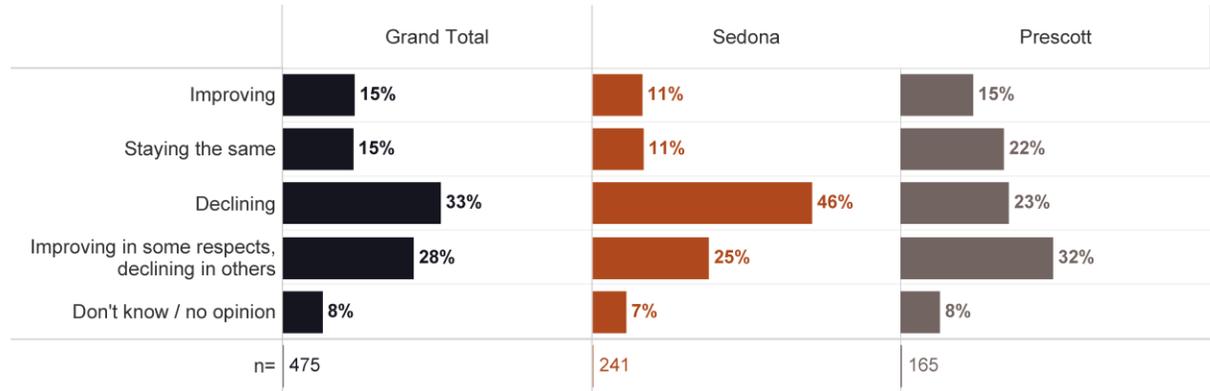


# PRIDE & QUALITY OF LIFE

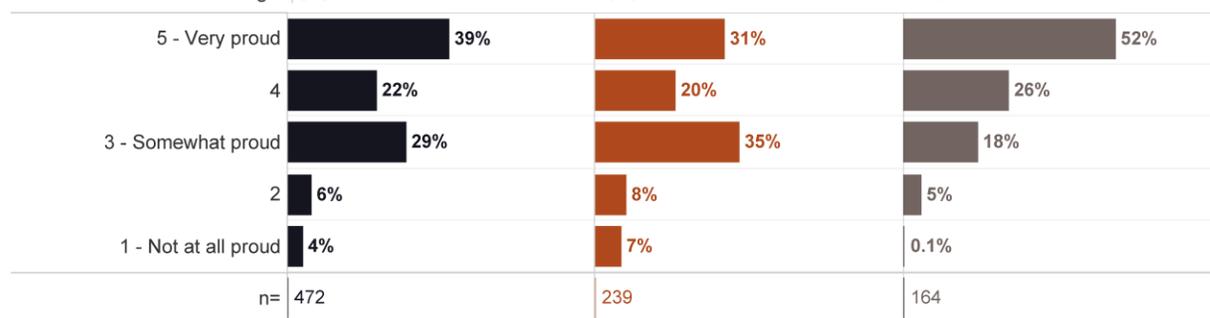
Overall, respondents are proud of the Verde Valley/Prescott area as a place to live. Only about 10% of all respondents indicated little or no pride. Overall, Prescott respondents feel more pride in the place they call home than those in Sedona.

Sedona respondents are more likely to feel that quality of life in the area is declining (46%) while just 23% of those from Prescott feel that way. Clearly, the divide between areas suggests opportunities for further exploration of differences in perceptions between communities.

Over the past few years, would you say the overall quality of life in your community has been:



In talking with friends and visitors, how would you describe your level of pride in the area as a place to live?

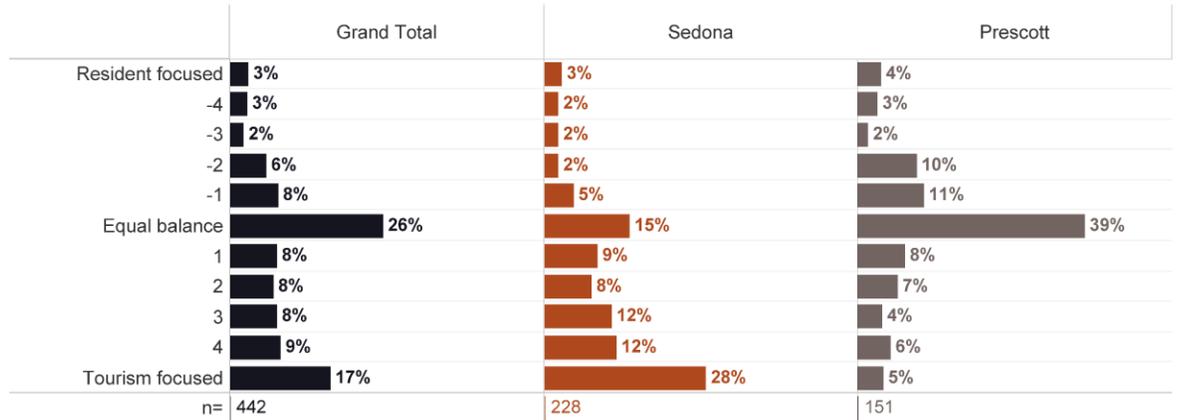


# RESIDENT VS TOURISM FOCUS

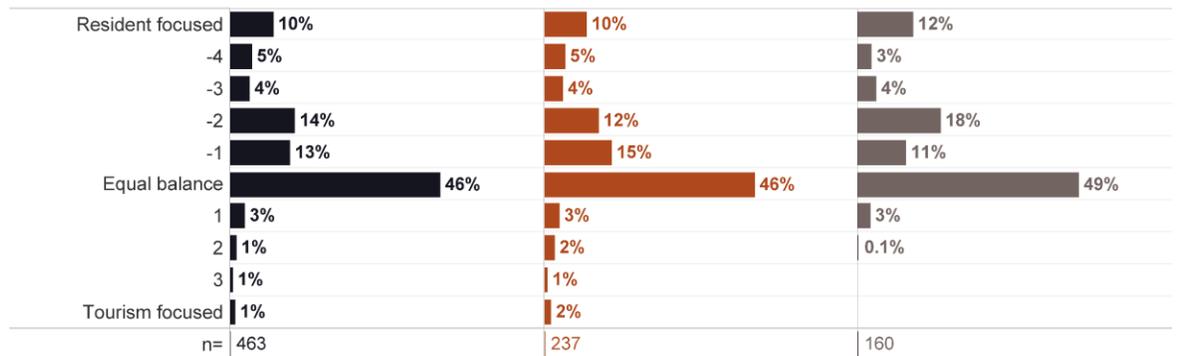
Currently, 69% of Sedona respondents find the community focus to be more scaled toward tourism than residents, while only 30% of Prescott respondents feel that way.

- Both communities wish to move toward the resident-focused end of the distribution in the future, with approximately half of all respondents seeking an equal balance between poles (46%).
- A small contingent of Sedona respondents would like to remain or move toward tourism-focus (8%), representing a share that likely relies on the tourism economy.

Using the scale below, how would you characterize your community between tourism-focused and resident-focused at the present time?



From the point of view of you and your household, using the same scale, where would you like the community to be in the future?



# EMPLOYMENT STATUS

## DEMOGRAPHICS

Nearly half of respondents (47%) are retired while a combined 49% is self-employed, employed locally, or employed by an external firm.

Among the 49% of the sample that is employed, just under half (46%) work from their home all or some of the time.

Which of the following best describes your current employment status?

	Grand Total	Sedona	Prescott
Retired	47%	44%	56%
Self-employed	25%	29%	18%
Employed by a firm located in or near the community where my residence is located	13%	11%	14%
Employed by a firm located outside the region	11%	12%	8%
Not working and not looking for work	2%	2%	3%
Not working but looking for work	1%	1%	0.1%
Other	1%	1%	1%
n=	462	230	164

[If currently employed] How frequently do you work from your home?

	Grand Total	Sedona	Prescott
All of the time	22%	27%	15%
Some of the time	24%	23%	25%
Rarely	16%	16%	14%
Never	38%	34%	45%
n=	436	217	151

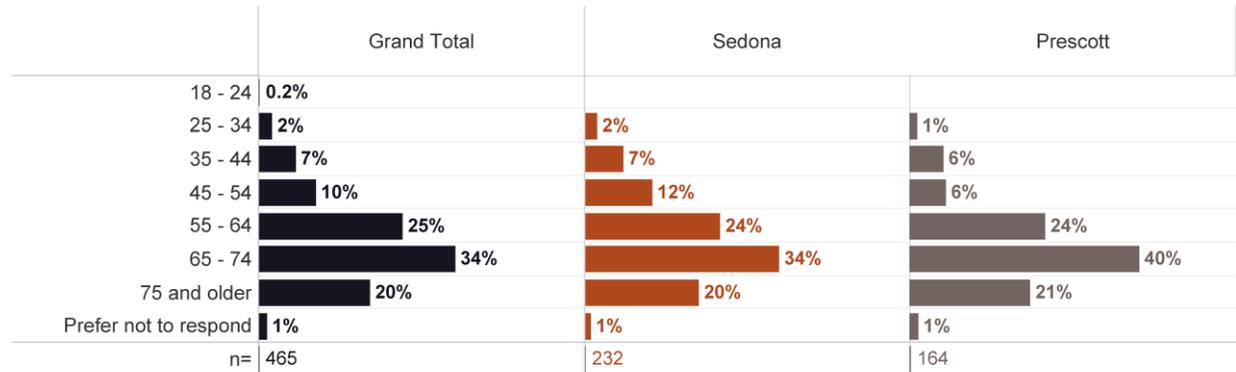
# AGE & INCOME

## DEMOGRAPHICS

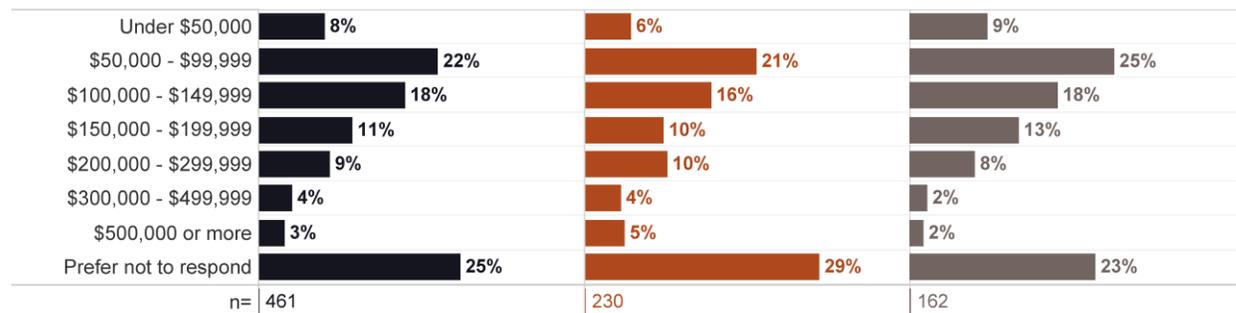
Sedona and Prescott samples contained similar age and income distributions.

- Over three-quarters of the sample (79%) is 55 or older, corresponding with a large share of retired respondents.
- A plurality of respondents (among those who chose to respond) reported incomes between \$50-99K (22%, overall).

Respondent age



Which of these categories best describes the total gross annual income of your household (before taxes)?





A total of 128 comments were received by Sedona Residents. Some common themes within this subset of comments include:

**Housing and Community Impact:** The proliferation of STRs is seen to have significantly reduced housing availability for long-term residents and workforce housing. This shift is thought to be eroding neighborhood cohesion, making it difficult for locals to find affordable housing and diminishing the sense of community.

**Tourism's Economic Role:** Tourism is recognized as a vital economic driver, supporting local businesses and creating jobs. However, there are calls for better regulation to balance tourism's benefits with its strain on infrastructure, housing, and quality of life for residents.

**Environmental and Infrastructure Concerns:** Residents raise concerns about the environmental impact of increased tourism, including overcrowded trails, noise, and waste. Traffic congestion and inadequate infrastructure to handle the growing number of visitors are cited as exacerbating the strain on local resources.

**Need for STR Regulation:** Many residents advocate for stricter regulations on STRs, such as zoning restrictions, caps on the number of rentals, and better enforcement of existing rules. Proposals include incentivizing long-term rentals and addressing the negative impacts of absentee and corporate-owned STRs.

### Verbatim Comments – Sedona Residents

*"The Airbnb situation is far out of control. Many neighborhoods consist of nothing but Airbnbs. If you can find a rental, it costs triple what it did 10 years ago. But you'll likely not even be able to find one. At some point, we have to start valuing something other than lining our pockets from ownership of housing."*

*"The short-term rental next to me resulted in theft of neighbor's property, peeping Toms, loud parties, trespassing, threats. The sheriff was constantly called. Tourism is ruining everything."*

*"My grown children cannot afford to live in the very city that they grew up in. So sad. Tourism has taken over housing that was available for retirees and workforce housing. We've lost our neighbors and sense of community."*

*"Tourism is a huge benefit—it brings residents more restaurants, more events, and concerts. Why run them off? That's foolish. Let's do more to make this a great experience for tourists and celebrate the economic boost they provide."*

# COMMUNITY STR SENTIMENT

COUNTY COMPARISONS



# COMPARING COMMUNITIES

## A GROWING DATABASE

Over the past year, RRC has conducted statistically valid STR sentiment surveys in other mountain resort communities, including Pitkin and Summit Counties in Colorado, Teton County in Wyoming, and Blaine County in Idaho.

- The addition of data from the Verde Valley and Prescott areas enables comparisons on standardized questions across communities spanning multiple states.
- These comparisons provide insights into communities with diverse tourism draws, such as mountain versus desert recreation.

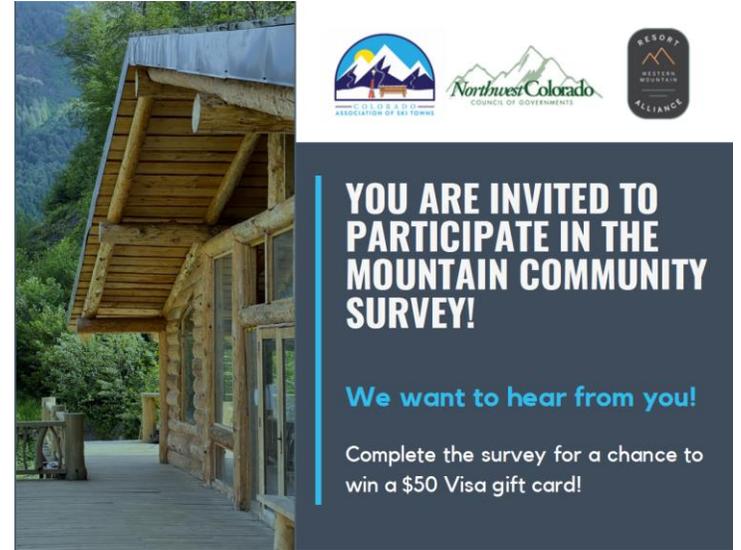
This section presents comparative results from all surveyed counties on a subset of questions related to STR opinions, property usage, and community sentiment, alongside findings from the 2024 Yavapai Community Survey.

## DATA WEIGHTING

As in the previous section, data were weighted to reflect the proportion of:

- Full-time local homeowners
- Full-time local renters (where applicable)
- Part-time residents/homeowners

Weights were derived from the 2020 Census for each respective area to ensure demographic representation.



**YOU ARE INVITED TO PARTICIPATE IN THE MOUNTAIN COMMUNITY SURVEY!**

**We want to hear from you!**

Complete the survey for a chance to win a \$50 Visa gift card!



**BE A PART OF THE TOURISM & VACATION RENTAL CONVERSATION IN BLAINE COUNTY!**

Tell Us How Tourism & Vacation Rentals Impact You by Taking Our Brief Survey

Complete the survey for a chance to win one of three \$100 Visa gift cards!

# FINDINGS

## RESIDENT TYPE AND OVERALL PERCEPTION OF STR COMMUNITY IMPACTS

Relative to the mountain resort communities surveyed in Colorado and Wyoming, the Arizona respondents have a more negative view of STRs, driven largely by their unpopularity in the Sedona area. These negative views in Arizona were fairly consistent with those expressed in the region around Sun Valley, Idaho.

Similarly, Arizona respondents were also more closely aligned with those in Idaho regarding their views of tourism in general. They were more likely to agree with negative statements about visitor impacts, and less inclined to accept positives, than their counterparts in Colorado.

The sample of respondents in Arizona is more heavily made up of primary residents than in the other locations. They were less likely to be second homeowners or STR owners than respondents from the mountain resort areas.

Similar to the mountain resort towns, respondents in Yavapai County feel the focus in their community is more tilted toward tourism than residents. And, like those in the other areas, they would prefer a more balanced approach or a change in focus toward more emphasis on residents.

# OPINION ON VACATION RENTALS

## RENTAL SENTIMENT

Compared to the other four mountain communities surveyed, Verde Valley / Prescott respondents are more likely to view vacation rentals in their community negatively (35%).

Verde Valley / Prescott rental sentiment aligns most closely with Blaine County, ID; which, along with Teton County, WY, are least apt to view vacation rentals positively.

Generally speaking, what is your view of vacation rentals in the community?

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
Mixed – both positive and negative	42%	33%	41%	45%	45%	42%
Vacation rentals have a mostly negative impact on the community	27%	35%	35%	18%	20%	27%
Vacation rentals have a mostly positive impact on the community	23%	19%	16%	31%	26%	16%
Vacation rentals have no discernable impact on the community	4%	6%	5%	2%	3%	9%
Other	2%	4%	1%	3%	3%	1%
Don't know / Uncertain	2%	3%	1%	1%	3%	4%
n=	2,426	480	592	889	231	234

# PROS/CONS OF VACATION RENTALS

## RENTAL SENTIMENT

The benefit most selected by respondents in all surveyed communities is the contribution of vacation rentals to the local economy (67% overall).

- Verde Valley / Prescott respondents are most likely to indicate that vacation rentals provide no benefit at all to the community (27%), followed by just over a fifth of respondents in Blaine County, ID and Teton County, WY.
- Among all surveyed communities, Summit County, CO respondents are least likely to say that vacation rentals provide no benefits.

Respondents in all surveyed communities indicate they have some concerns regarding vacation rental impacts on the local housing supply and impacts on community character.

- Among areas, Verde Valley / Prescott respondents (like those in Blaine and Teton counties) are particularly concerned about community character (58%).
- Summit County and Pitkin County respondents selected “no concerns” at a higher rate (20% or more) than respondents in other areas.

What benefits, if any, do you feel that vacation rentals bring to the community? (Check all that apply)

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
Contribute to the local economy	67%	52%	50%	79%	60%	63%
Enable the community to have more amenities	46%	34%	30%	58%	37%	40%
Support property values	28%	22%	13%	39%	25%	22%
Add vitality and energy to the community	23%	19%	15%	26%	26%	19%
Provide needed accommodations beyond hotel inventory to serve current visitor demand	22%	42%	47%			
Other benefits	6%	6%	3%	6%	6%	7%
No benefits	18%	27%	22%	8%	15%	21%
Don't know / Uncertain	6%	6%	6%	3%	10%	7%
n=	2,510	488	607	920	244	251

What concerns, if any, do you have about vacation rentals in the community? (Check all that apply)

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
Impacts on the housing supply for local residents	52%	51%	62%	45%	54%	48%
Impacts on community character and quality of life	51%	58%	57%	45%	34%	60%
Increases to the cost of housing	42%	39%	53%	35%	40%	43%
The number or density of vacation rentals	33%	39%	36%	31%	28%	29%
Other concerns	10%	15%	8%	10%	8%	5%
No concerns	17%	17%	11%	20%	22%	14%
Don't know / Uncertain	4%	4%	3%	3%	7%	6%
n=	2,489	480	599	916	245	249





# REASON(S) FOR BUYING HOME

## PROPERTY USE

Over half of Verde Valley / Prescott, Blaine County, and Teton County respondents (54-61%) indicate that their property was originally purchased as a primary residence, compared to 41% in Pitkin County and only 30% in Summit County.

Conversely, over half of Summit County respondents say their residence was purchased to be a vacation home (59%), compared to much smaller levels of second home acquisition in other counties.

For what reason(s) did you originally acquire your residence? (Check all that apply)

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
Primary residence for myself / family	46%	61%	54%	30%	41%	54%
Second home / vacation home	39%	15%	35%	59%	44%	27%
Retirement home	12%	21%	10%	10%	8%	11%
Investment / rental purposes	12%	13%	7%	14%	12%	11%
Investment / appreciation purposes	7%	6%	6%	10%	6%	7%
Other	3%	3%	3%	3%	3%	4%
n=	2,384	458	611	856	204	255



# USES OVER TIME

## PROPERTY USE

Aligning closely with the original purpose of acquisition, over 60% of Verde Valley / Prescott, Blaine County, and Teton County respondents indicate that they have used the property as a primary residence.

Nearly two-thirds of Summit County respondents have used their property as a seasonal residence (62%).

Respondents in Summit and Pitkin counties are most likely to have ever used their homes as a short-term rental (>20%).

Since you purchased the home, what purpose(s) have you used it for? (Check all that apply. If your property includes an accessory unit, please respond for the primary unit only.)

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
Primary residence for myself / family	54%	72%	61%	39%	51%	59%
Seasonal or vacation residence for myself / family	44%	20%	39%	62%	48%	35%
Short-term rental of entire home to visitors	20%	11%	14%	28%	26%	15%
Long-term rental of entire home to local residents	9%	12%	9%	7%	6%	14%
Seasonal rental of entire home to visitors (rental for 30 consecutive days or more)	6%	3%	4%	10%	6%	6%
Long-term rental of a bedroom (but not entire home) to local residents	3%	2%	1%	4%	3%	4%
Rental of a bedroom (but not entire home) to visitors	3%	4%	1%	3%	3%	1%
Other	2%	3%	3%	2%	2%	1%
n=	2,182	437	544	818	191	192

# WHY NOT RENT TO VISITORS?

## RENTAL SENTIMENT

The distribution of reasons seasonal homeowners have not rented to visitors are largely similar across counties.

- In all surveyed communities, over half of respondents who have used their property as a second home but not rented to visitors have not done so because of wanting avoid damage to the unit and privacy.
- Verde Valley / Prescott respondents are comparatively much more likely than those in other counties to cite concern for community impacts (40%).

[If use property as seasonal residence, but have never used it to rent to visitors] **Some second homeowners rent their unit to visitors when they are not using it. Why have you chosen not to rent your unit to visitors? (Check all that apply)**

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
I don't want to risk damage or wear and tear to my unit	70%	60%	69%	73%	73%	64%
I value the privacy of my unit	63%	55%	60%	66%	69%	58%
I don't need rental income to afford my unit	51%	52%	54%	53%	42%	36%
I use the unit frequently enough that renting it to visitors would be impractical or uneconomical	38%	30%	35%	42%	33%	39%
I don't want to expend the time / effort	23%	17%	25%	26%	10%	20%
I'm concerned about neighborhood or community impacts from renting to visitors	23%	40%	26%	17%	30%	22%
Restrictive local regulations or high licensing fees on vacation rentals	12%	3%	3%	17%	16%	14%
Vacation rentals are prohibited where my home is located	7%	17%	1%	7%	6%	25%
The unit wouldn't be a good fit for visitors	3%	2%	4%	2%	4%	3%
It hasn't occurred to me to rent to visitors	2%	2%	2%	3%	2%	3%
Other reason(s)	5%	11%	7%	3%	4%	8%
n=	566	95	150	213	51	57

# WHY NOT RENT TO RESIDENTS?

## RENTAL SENTIMENT

In all surveyed communities, among second homeowners that have never rented to local residents, well over half have not done so because it would prevent personal use of the property and wanting to avoid damage to the unit.

Respondents in this subgroup across all surveyed communities also commonly indicate that they value the privacy of their unit and do not need extra income.

[If use property as seasonal residence, but have never used it to rent to local residents] **As a second homeowner, why have you chosen not to rent your unit to local resident(s)? (Check all that apply)**

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
It would prevent personal use of the unit by me / family / friends	75%	73%	76%	80%	61%	64%
I don't want to risk damage or wear and tear to my unit	55%	50%	55%	56%	49%	51%
I value the privacy of my unit	43%	38%	44%	44%	44%	39%
I don't need rental income to afford my unit	37%	34%	40%	39%	28%	31%
I don't want to expend the time / effort	14%	14%	15%	15%	10%	18%
Insufficient financial returns from renting long-term	13%	15%	10%	14%	16%	6%
Difficulty in finding and screening good long-term renters	12%	17%	9%	13%	9%	18%
I'm concerned about neighborhood or community impacts from renting long-term	10%	18%	10%	9%	11%	10%
The unit wouldn't be a good fit as a resident rental	9%	9%	8%	9%	11%	8%
It hasn't occurred to me to rent to local residents	4%	1%	5%	3%	9%	7%
Other reason(s)	8%	8%	7%	7%	14%	8%
n=	865	128	227	352	81	77



# EXPECTED USE IN FUTURE

## PROPERTY USE

Reflecting respondents' original reasons for purchase, over half of Verde Valley / Prescott, Blaine County, and Teton County respondents expect to use the property as a primary residence, and nearly half (49%) of Summit County respondents expect to use the property as a seasonal home.

- Pitkin County and Summit County respondents tend to select use types other than primary/secondary residence (e.g., short-term rental and/or retirement home) at somewhat higher rates than others.
- Relatively few respondents, 5% to 10%, intend to sell their home in the next five years.

How do you expect to be using your home five years from now? (Check all that apply)

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
As a primary residence for me or family member(s)	51%	66%	56%	36%	50%	56%
A vacation or seasonal home for me or my guests	35%	18%	31%	49%	39%	28%
Short-term rental to visitors	15%	12%	9%	21%	22%	13%
Retirement home	14%	14%	11%	16%	17%	15%
I intend to sell my home within the next five years	8%	9%	7%	10%	6%	5%
Seasonal rental to visitors (rental for 30 consecutive days or more)	6%	4%	5%	8%	6%	5%
Long-term rental for local residents	6%	7%	7%	6%	4%	8%
Don't know/uncertain	3%	3%	2%	3%	1%	4%
Other	2%	1%	2%	3%	0.4%	4%
n=	2,130	430	553	764	189	194

# STR PROHIBITION

## RENTAL SENTIMENT

When posed with the hypothetical banning of vacation rentals, respondents who have used their unit as an STR indicate they would be most likely to leave their unit vacant when they would otherwise rent to visitors (3.5/5.0 or greater across all areas).

- Among all surveyed communities, Summit County and Pitkin County respondents have higher average inclinations to look to buy a different unit where vacation rentals are allowed, or to simply sell the unit.
- Verde Valley / Prescott, Blaine County, and Teton County respondents are roughly equal in their selections of “yes” or “no” when asked if they would have still purchased their property if prohibited from using it as a vacation rental. Conversely, over half of Summit County and Pitkin County respondents indicate that they would have not purchased the property.

[If *have ever* used unit as short-term or seasonal rental] **Hypothetically, if vacation rentals were banned in the area where your home is located, how likely would you be to do the following? (1 = Definitely not; 5 = Definitely)**

Rating Category	Average Rating					
	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
Leave unit vacant (when I would otherwise rent it to visitors)	n=524 3.5	n=64 2.9	n=106 3.6	n=258 3.6	n=47 3.4	n=49 3.3
Increase personal use of my unit	n=522 2.9	n=65 2.8	n=102 3.1	n=262 2.8	n=43 3.2	n=50 3.2
Look to buy a different unit where vacation rentals are allowed	n=529 2.8	n=67 2.6	n=98 2.4	n=266 2.9	n=47 3.3	n=51 2.5
Sell my unit	n=542 2.8	n=65 2.8	n=101 2.2	n=273 3.0	n=49 3.3	n=54 2.6
Rent to local residents instead of to visitors	n=535 2.1	n=70 2.4	n=107 2.3	n=258 1.8	n=47 2.2	n=53 2.2
Look to buy a less expensive unit in the same community	n=526 1.7	n=67 1.7	n=10 1.7	n=251 1.7	n=44 1.8	n=51 1.7

[If *have ever* used unit as short-term or seasonal rental] **Thinking back to when you acquired your property, would you have still purchased it if you were prohibited from using it as a vacation rental?**

	Grand Total	Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO	Teton, WY
Yes	30%	41%	43%	25%	12%	35%
No	53%	49%	42%	57%	70%	36%
Don't know/uncertain	17%	11%	15%	18%	19%	29%
n=	564	78	118	270	49	49

# RESIDENT VS TOURISM FOCUS

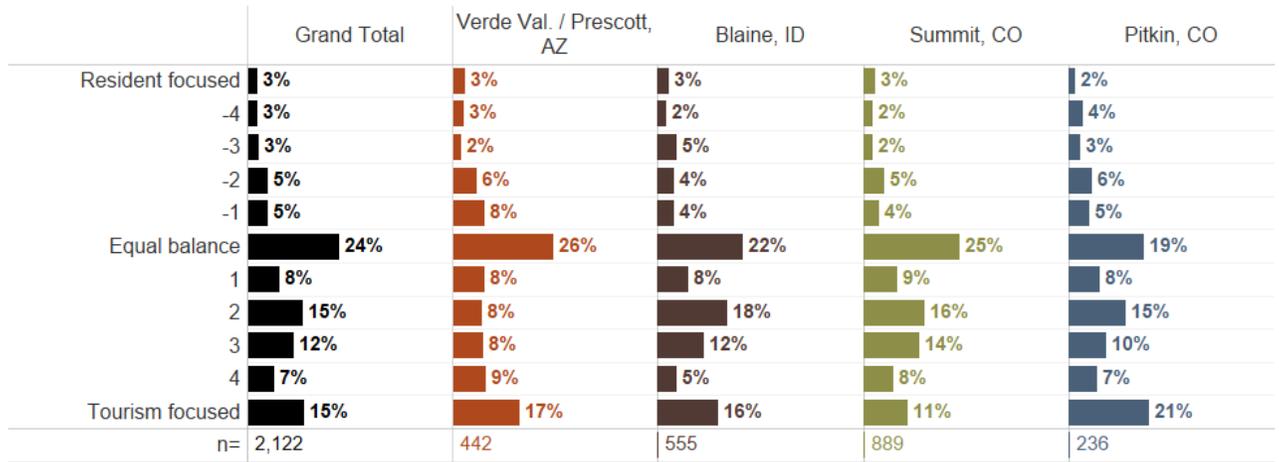
Among all surveyed communities, 24% of respondents feel the scale between tourism and resident focus is balanced.

About half of Verde Valley / Prescott respondents (50%) feel it tilts toward tourism, compared to 57% overall.

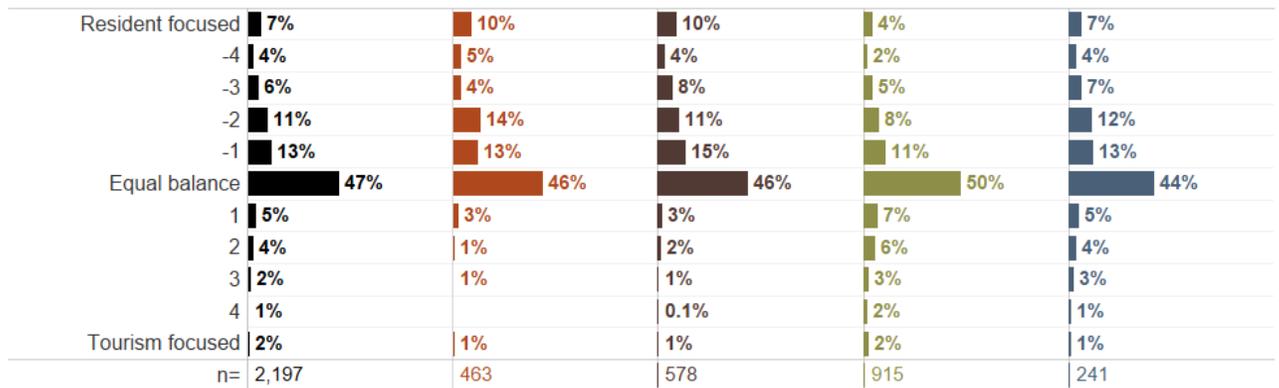
In the future, 47% of all respondents would like to see a balance between focusing on residents and tourists.

- While Summit County's future goal is the most tourism-weighted among the four study areas, its respondents still seek to substantially grow the emphasis on residents and more balance from its current state.

Using the scale below, how would you characterize your community between tourism-focused and resident-focused at the present time?



From the point of view of you and your household, using the same scale, where would you like the community to be in the future?



# SENTIMENTS ON VISITORS

Among all surveyed communities, Verde Valley / Prescott and Blaine County respondents provide the lowest average ratings on statements regarding positive impacts of visitors on arts/culture, local tax revenues and positive visitor benefits outweighing the drawbacks of tourism.

However, the ratings – ranging from 3.3 to 3.8 on a 5-point scale – are still net positive given that an average of 3.0 would indicate a neutral overall response.

How much do you agree or disagree with the following statements? (1 = Strongly disagree; 5 = Strongly agree)

Rating Category	Grand Total	Average Rating			
		Verde Val. / Prescott, AZ	Blaine, ID	Summit, CO	Pitkin, CO
Arts organizations, cultural attractions, hospital/medical services, and festivals benefit from visitors to the community.	n=2,222 4.0	n=465 3.8	n=574 3.8	n=936 4.1	n=247 4.1
Taxes collected and revenues generated from the visitor economy help to sustain the quality of life in the community.	n=2,209 3.9	n=459 3.6	n=574 3.6	n=931 4.2	n=245 4.0
The quality of life in the area is changing in ways that concern me.	n=2,218 3.6	n=462 3.5	n=578 3.7	n=933 3.5	n=245 3.8
In general, the benefits of a visitor economy outweigh the drawbacks for the community.	n=2,249 3.6	n=466 3.3	n=580 3.4	n=951 3.7	n=252 3.8
The area is overcrowded because of too many visitors.	n=2,242 3.2	n=466 3.2	n=578 3.1	n=948 3.2	n=250 3.1



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