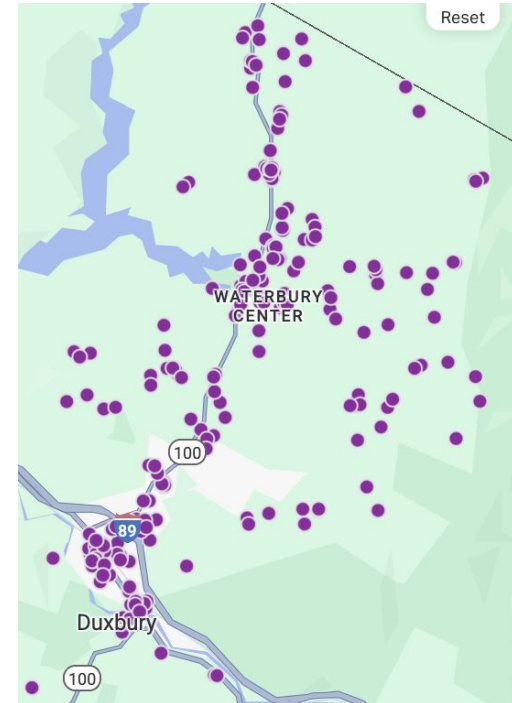


Regulation Considerations

What we know...

- Waterbury has approximately 179 short term rentals (June 2025). Increase of 77% from pre-pandemic level (101). STRs represent 8% of the town's housing stock.
- Several cities and towns are implementing regulations to restrict growth of short term rentals, including Morrisville (2022) and Stowe (discussed). Most common regulation is requirement of STRs on owner-occupied properties.
- In Waterbury, approximately 50% of renters are cost-burdened. But also, 25% of owner-occupied households are cost-burdened.
- Evidence that short-term rental restrictions lead to more affordable housing is limited and situation-dependent — they reduce listings but rarely produce large or immediate gains in housing affordability.
- A cap of 80 units would result in an estimated \$65,000 reduction in LOT, and \$3.8M revenue reduction for “Main Street” businesses.



Source: AirDNA (October, 2025)

What needs to be discussed...

- What's the goal of the ordinance?
- What are your assumptions on existing STRs that could realistically become year-round housing if restricted (i.e. whom are you targeting)?
 - Owner-occupied vs. seasonal vs. investor-owned
 - Unit type (room vs. apartment vs. house)
 - Single-unit vs. multi-unit properties
- How will enforcement work? What resources will it require and how will they be funded?
- How will the town offset the reduction in the LOT?
- What types of motivation or incentives would be needed to get STR property owners to enter the long-term housing market?

LOT Financial Impact

Assumptions

of STRs (current): 179

of STRs (capped): 80

% of STR houses: 50%

% of STR ADUs/room: 50%

Annual STR revenue (house): \$45,000

Annual STR revenue (ADU/room): \$15,000

Average occupancy: 55% (200 nights)

Average party size: 3

Average spend / visitor / day on restaurants and retail: \$65

Calculations

Reduction in units: 99

thereof houses reduced: 44

thereof ADUs/rooms reduced: 45

Reduction in STR revenue: \$2,655,000

Reduction in LOT from reduced number of STRs: \$26,550

Visitor days lost: 99 STRs x 200 nights x 3 guest / unit =
59,400

Reduction in restaurant and retail: \$3,861,000

*Reduction in LOT from reduced restaurant and retail spend:
\$38,610*

Total reduction in LOT: \$65,160