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ECONOMIC IMPACT OF TEXAS SHORT-TERM VACATION RENTALS 2022

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Prepared for: Vacation Rental Management Association (VRMA)



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INTRODUCTION

PROJECT BACKGROUND

Short-term vacation rentals provide significant economic value to the state of Texas, with hosts and property managers and their guests providing sizable contributions to the Texas economy. Texas short-term vacation rental visitors spent \$8.6 billion on accommodations and other spending in the 12-month period ending September 2022, benefitting households, businesses, and government alike.

By monitoring the size, scope, and impact of the short-term vacation rental visitor economy, Texas policymakers gain important context on the sector and its broader role in local economies throughout the state.

METHODOLOGY AND DATA SOURCES

To quantify the significance of the short-term vacation rental visitor economy to Texas, Tourism Economics developed a comprehensive model detailing the far-reaching impacts arising from the spending of hosts and property managers and visitors.

Short-term vacation rental visitors are defined as those who stayed in short-term vacation rentals, including units listed on Airbnb, VRBO, and other online travel agencies or listed brokered properties. Visitor spending is defined as the amount spent on accommodations, as well as non-accommodations spending in the local area, such as at restaurants and recreation venues. As part of the analysis, Tourism Economics prepared estimates of short-term vacation rental operating characteristics that were confirmed for reasonability with industry participants.

The analysis draws on the following data sources:

- Key Data Dashboard: short-term vacation rental scope and performance data for the state of Texas for the 12-months period ending September 30, 2022. Includes room demand, room rates, total room revenue, and bedrooms booked.

The Vacation Rental Management Association (VRMA) engaged Tourism Economics to quantify the significance of the short-term vacation rental visitor economy to Texas. The results of this study show the significant scope of the short-term vacation rental economy to Texas in terms of direct visitor spending and downstream host and property manager spending, along with total economic impacts, jobs, and fiscal (tax) impacts in the broader economy.

- US Census: seasonal second homes inventory and other housing attributes, including housing pricing and value
- Longwoods International: survey data providing visitor profile characteristics for Texas visitors staying in short-term vacation rentals. Includes spending on and outside of short-term vacation rental accommodations, travel party size, and length of stay.

An IMPLAN input-output model was constructed for both hosts and property managers and guests of short-term vacation rentals in Texas. The model traces the flow of visitor and host and property manager-related expenditures through the Texas economy and the effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

ECONOMIC IMPACTS

KEY FINDINGS

COMBINED ECONOMIC IMPACT

The combined impact of short-term vacation rentals and their guests drove nearly \$14.3 billion in business sales in the state of Texas, supporting 83,552 jobs and generating approximately \$1.2 billion in state and local tax revenues.

This analysis segments the economic impact of Texas short-term vacation rentals into two categories:

- **Accommodations revenue and host and property manager spending:** the revenue associated with short-term vacation rentals and the downstream impacts of hosts and property managers spending revenues
- **Other guest spending:** visitor spending outside of short-term vacation rentals in the local economy

ACCOMODATIONS REVENUE & HOST AND PROPERTY MANAGER SPENDING

In the 12-month period ending September 30, 2022, 19.6 million overnight visitors spent \$3.5 billion on short-term vacation rentals across the state of Texas, occupying 14.6 million room nights across nearly 76,000 listed properties on 5.4 million trips taken. Spending on short-term vacation rentals in Texas drove nearly \$6.1 billion in business sales, supporting 17,113 jobs and \$211 million in lodging tax collections for the state.

OTHER GUEST SPENDING

The 19.6 million Texas visitors staying in short-term vacation rentals spent more outside of their accommodations than they did on or inside them, totaling \$4.6 billion across the food & beverage, retail, transportation, and recreation sectors, ultimately creating \$8.2 billion in total economic value. This spending supported 66,439 jobs and drove \$663 million in state and local tax revenues.



\$8.1B

Total Direct
Visitor Spending



\$14.3B

Total
Economic
Impact



83,552

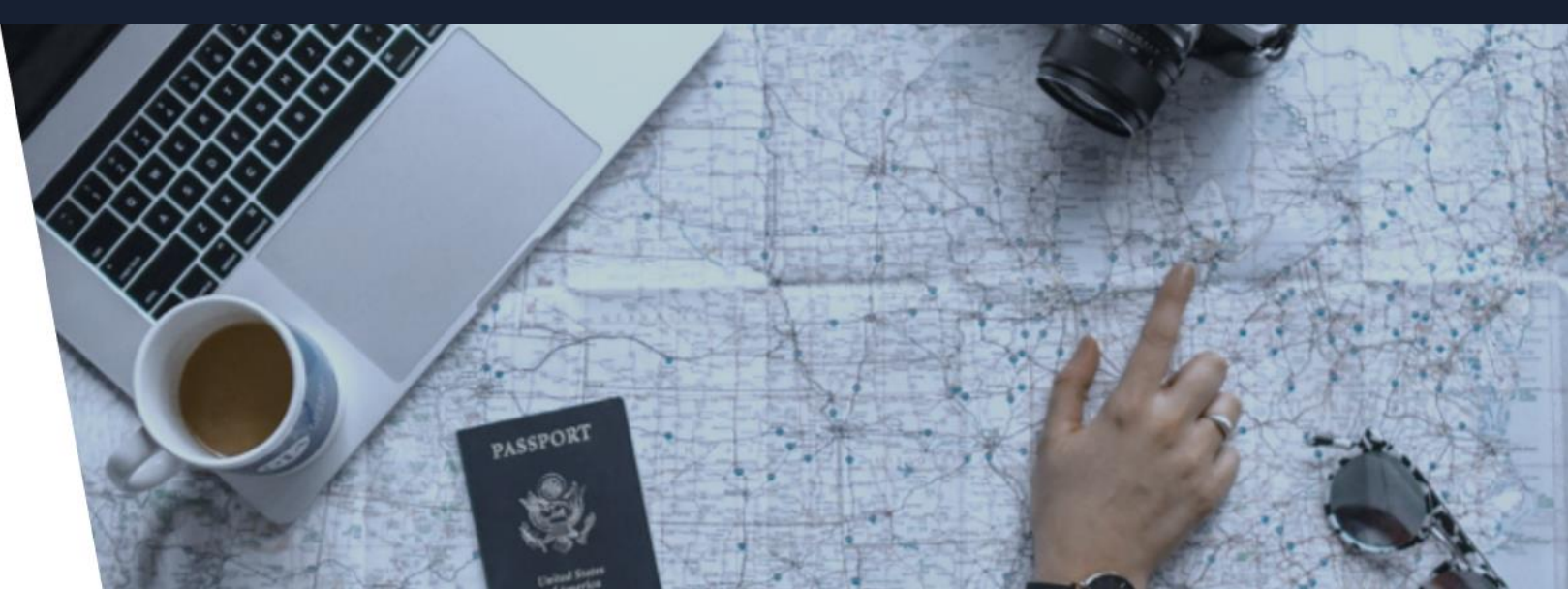
Total
Jobs
Supported



\$1.2B

State & Local
Taxes
Generated





VISITS & VISITOR SPENDING

Across a range of destinations and seasons, short-term vacation rentals (“STVRs”) provide places to stay for Texas visitors, including residents traveling in-state as well as visitors from out-of-state and abroad.

For the period of October 2021 through September 2022, nearly 76,000 short-term vacation rental units hosted 5.4 million trips to and within the state of Texas, accommodating 19.6 million visitors. Altogether, short-term vacation rental visitors spent just over \$3.5 billion alone on short-term vacation rental stays for the 12-month period ending September 30, 2022 in the state of Texas.

TEXAS SHORT-TERM VACATION RENTAL VISITOR VOLUME



19.6M

Overnight Texas Visitors



76K

Average Active Listings



14.6M

Occupied Unit Nights



\$3.5B

STVR Rental Revenue

Sources: Longwoods Int'l, KeyData Dashboard, Tourism Economics

OTHER GUEST SPENDING

For every \$100 spent on STVRs, guests spent \$131 outside of their accommodations

STVR guests typically spend more at local businesses than they spent on short-term vacation rentals. For the typical visitor, the cost of the short-term vacation rental stay represents less than half (44%) of the total amount they spent in the local area during their visit.

One-third of other guest spending occurred in the food & beverage sector, driving nearly \$1.6 billion to Texas’s restaurants, bars, and grocery stores.

Just over \$1.0 billion was spent in Texas’s retail sector, with a nearly identical amount flowing into local transportation, which includes taxis, rental cars, and rideshare services.

Almost \$1.0 billion was spent by STVR guests in the recreation sector, including outdoor recreation, and attractions such as theme parks and sporting events, as well as shows and other forms of nightlife.

Altogether, short-term vacation rental guests drove \$8.1 billion in direct visitor spending in the 12-month period ending September 2022.

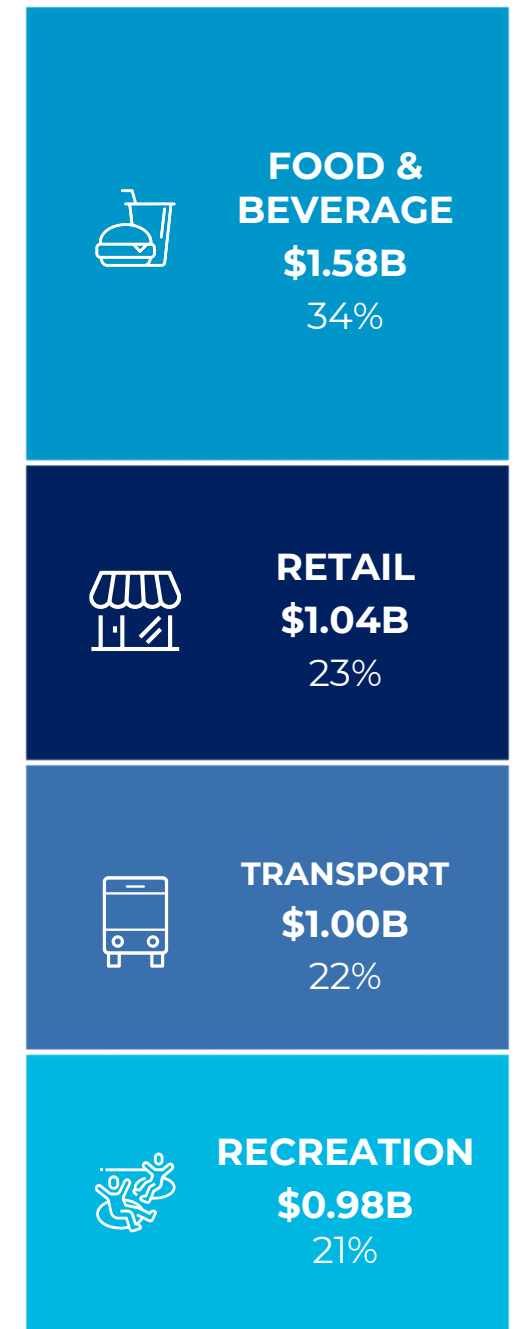


\$8.1 BILLION

Total Direct Spending from Short-Term Vacation Rental Guests in Texas

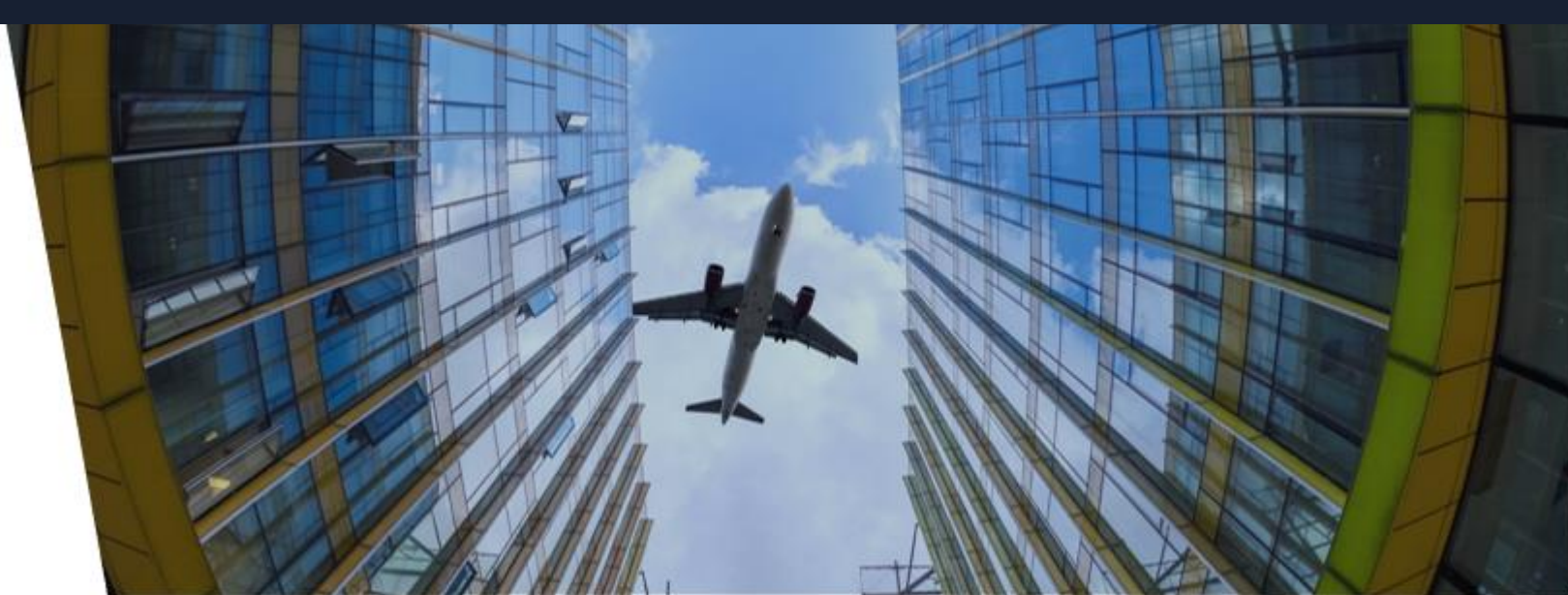
\$4.6 BILLION

Texas Other Guest Spending



Source: Longwoods International, Tourism Economics

Note: Transport only includes local transportation within the destination



ECONOMIC IMPACT METHODOLOGY

Our analysis of short-term vacation rental guests in Texas begins with direct visitor spending and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct guest spending into a model of the Texas economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy.

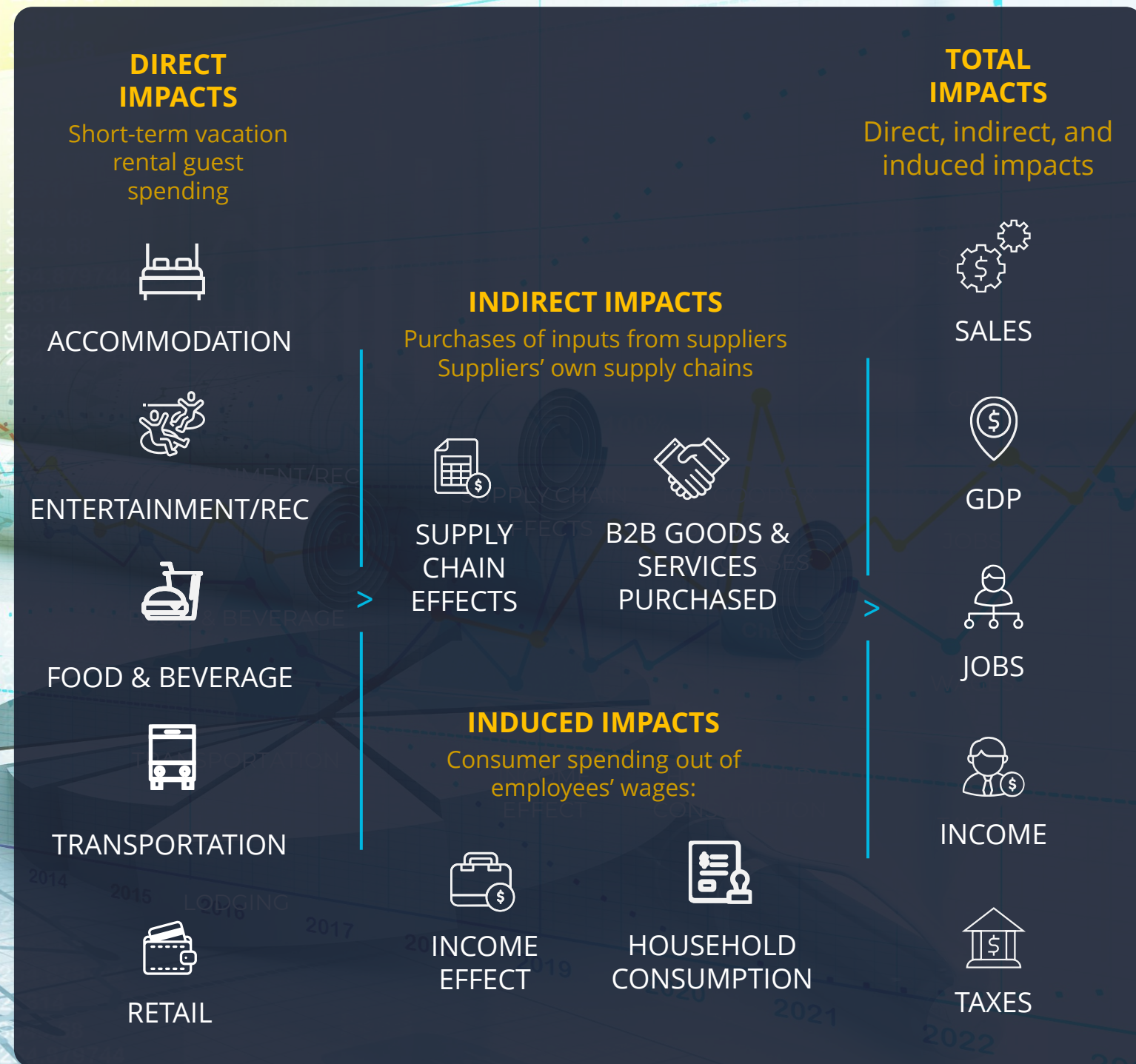
An I-O model represents a profile of an economy by measuring the relationships among industries and consumers and quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g., food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact - direct, indirect and induced - for a broad set of indicators, including:

- Spending
- Wages
- Employment
- State Taxes
- Local Taxes

ECONOMIC IMPACT FRAMEWORK



ECONOMIC IMPACT COMBINED IMPACTS

Total Combined Impacts

Amounts in \$ millions, except for employment; 12 months ending September 30, 2022

Total Short-Term Vacation Rental Impact				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Direct Guest Spending	\$8,108	\$1,972	50,833	\$777
Indirect Impacts	\$3,530	\$935	16,655	\$202
Induced Impacts	\$2,627	\$726	16,065	\$191
Total	\$14,265	\$3,633	83,552	\$1,170

Accommodations Spending & Host and Property Manager Spending				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Accommodations Spending	\$3,509	\$518	5,197	\$399
Indirect Impacts	\$1,730	\$444	6,702	\$65
Induced Impacts	\$852	\$236	5,215	\$43
Total	\$6,090	\$1,197	17,113	\$507

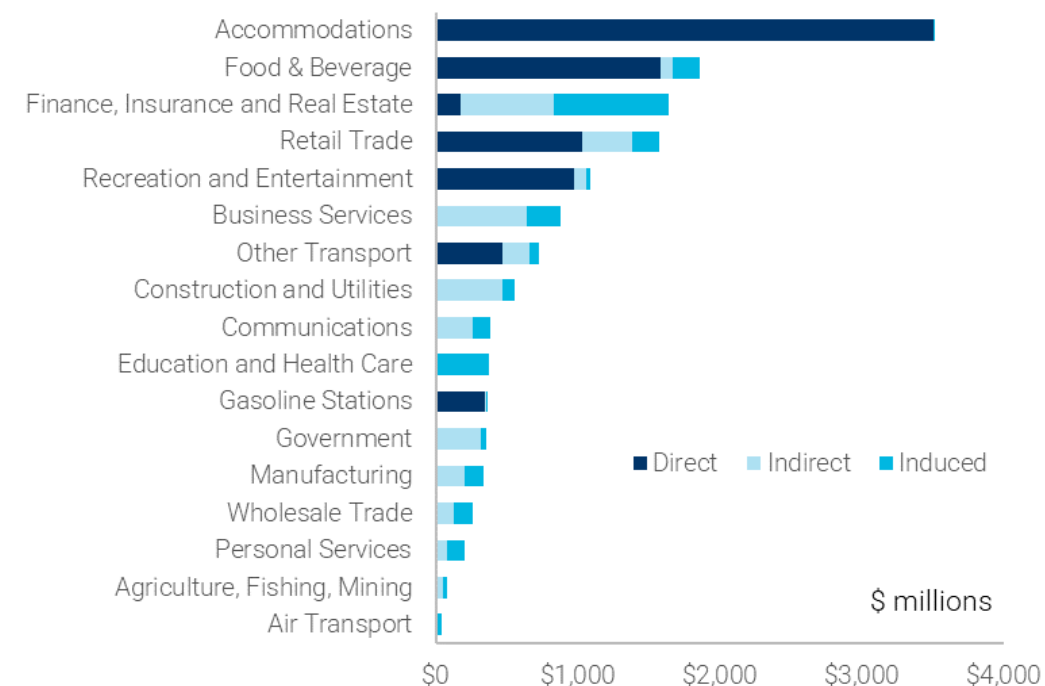
Other Guest Spending				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Other Guest Spending	\$4,600	\$1,455	45,636	\$378
Indirect Impacts	\$1,801	\$491	9,953	\$137
Induced Impacts	\$1,775	\$491	10,850	\$148
Total	\$8,176	\$2,436	66,439	\$663

In total, spending by Texas visitors on short-term vacation rentals and on non-lodging activities (retail, transportation, recreation, and food & beverages) drove over \$14.2 billion in economic activity representing sales at Texas businesses in the 12-month period ending September 30, 2022.

Direct guest spending on accommodations and other guest-facing industries drives significant induced and indirect sales and employment in industries that are not directly guest facing including finance, insurance, and real estate, and business services.

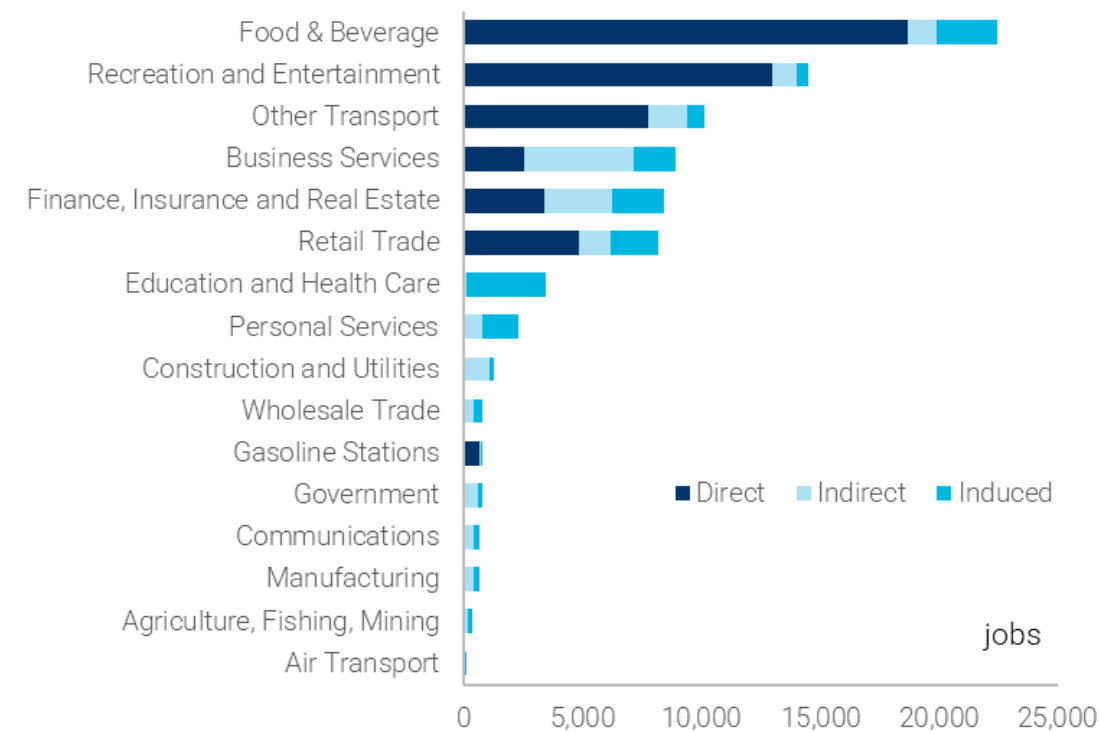
Total Business Sales by Industry Supported by STVRs in Texas

Amounts in \$ millions; 12 months ending September 30, 2022



Total Combined Jobs Supported by STVRs in Texas

12 months ending September 30, 2022



Source: Tourism Economics

Note: in the business sales graph above, short-term vacation rental revenue is shown in the accommodation sector. In the employment graph, direct jobs associated with STVRs, such as property management and cleaning services are shown in the finance, insurance, and real estate and business services industries.

ECONOMIC IMPACT

ACCOMODATIONS REVENUE & HOST AND PROPERTY MANAGER SPENDING

Accommodations Spending Impacts

Amounts in \$ millions, except for employment; 12 months ending September 30, 2022

	Economic Impacts			State & Local Fiscal Impacts				Total
	Business Sales	Labor Income	Employment	Lodging*	Sales	Property	Other	
Accommodations Spending	\$3,509	\$518	5,197	\$211	\$44	\$144	-	\$399
Indirect Impacts	\$1,730	\$444	6,702	-	\$25	\$34	\$7	\$65
Induced Impacts	\$852	\$236	5,215	-	\$24	\$16	\$3	\$43
Total Impacts	\$6,090	\$1,197	17,113	\$211	\$93	\$194	\$10	\$507

Source: Tourism Economics

*State & Local direct taxes of \$211M are lodging tax revenues for the state of Texas, and do not include locality occupancy taxes. Locality tax revenue estimates are included in the regional breakout appendix.

ACCOMMODATIONS SPENDING

DIRECT IMPACTS

Spending of \$3.5 billion by visitors on Texas STVRs employed 5,197 people in direct service roles, including in cleaning services and in property management functions. For many hosts and property managers, STVRs represent an important source of income. In this analysis, host and property manager income has been included in direct labor income. Hosts and property managers have not been counted as direct jobs. Revenues from STVRs also directly contributed \$144 million to property tax collections, and \$211 million in state-level lodging tax collections.

HOST AND PROPERTY MANAGER SPENDING

INDIRECT & INDUCED IMPACTS

STVR hosts, as well as service providers such as cleaning and property management services, purchase inputs from other Texas businesses. These supply chain effects are referred to as indirect impacts. Example purchases include:

- Utilities, including electrical, water, cable, and internet services
- Cleaning supplies
- Maintenance products & services, performed both by hosts and property managers themselves and by professional construction & renovation services
- Consumable items for guests, including linens, soap, and groceries, among others

As STVR hosts and property managers and service providers spend a portion of their income in Texas, it supports additional impacts referred to as induced effects.

Altogether, the over \$6 billion of economic activity driven STVR accommodations spending supported 17,113 jobs in Texas, paying nearly \$1.2 billion in incomes.





ECONOMIC IMPACT OTHER GUEST SPENDING

Summary economic impacts

Amounts in \$ millions, except for employment; 12 months ending September 30, 2022

	Economic Impacts			State & Local Fiscal Impacts			
	Business Sales	Labor Income	Employment	Sales	Property	Other	Total
Other Guest Spending	\$4,600	\$1,455	45,636	\$276	\$85	\$17	\$378
Indirect Impacts	\$1,801	\$491	9,953	\$108	\$23	\$5	\$137
Induced Impacts	\$1,775	\$491	10,850	\$107	\$34	\$7	\$148
Total	\$8,176	\$2,436	66,439	491	\$143	\$29	\$663

Source: Tourism Economics

Statewide, short-term vacation rental guests spent \$4.6 billion outside of accommodations during the analysis period. Short-term vacation rental guests support key areas of the Texas economy through business sales, employment opportunities, and tax revenues.

The initial \$4.6 billion in other guest spending generated over \$3.5 billion in indirect & induced impacts throughout the Texas economy. Indirect and induced business sales are generated in industries that are not directly visitor facing, as visitor-facing businesses purchase goods and services, and additionally employ workers who then spend earnings in their daily lives.

STVR visitor spending outside of accommodations directly supported 45,636 jobs, rising to 66,439 when indirect and induced impacts are included. Additionally, visitors supported over \$2.4 billion in wages outside of accommodations spending.

Source: Tourism Economics

ECONOMIC IMPACTS IN CONTEXT



\$22 MILLION IN VISITOR SPENDING PER DAY

Short-term vacation rental guests spent approximately \$22 million per day in Texas.



\$114 TAX SAVINGS

The \$1.2 billion in state & local tax revenues generated by short-term vacation rentals and their guests would be equivalent to an offset \$114 of the state & local tax bill for every Texas household.



ONE JOB FOR EVERY 65 STVR STAYS

On average, the spending associated with every 65 STVR stays supports one Texas job. Each stay drives \$1,491 in visitor spending.



\$15,408 STATE & LOCAL TAXES PER UNIT

The economic activity associated with Texas short-term vacation rentals and their guests brought in approximately \$15,408 in state & local tax revenue per STVR listing.

TEXAS COASTAL REGION VISITOR SPENDING

The Texas Coastal Region contains Cameron, Galveston, and Nueces counties. These three counties include the coastal destinations of South Padre Island, Corpus Christi, Port Aransas, and Galveston Island.

4.5 million overnight visitors stayed in short-term vacation rentals in the Texas Coastal Region, spending just over \$900 million on accommodations.

COASTAL REGION STVR VISITOR VOLUME



4.5M

Overnight
Visitors



14.6K

Average Active
Listings



2.9M

Occupied Unit
Nights



\$900M

STVR Rental
Revenue

Sources: Longwoods Int'l, KeyData Dashboard, Tourism Economics



OTHER GUEST SPENDING

42% of other guest spending by Texas coastal visitors is in the food & beverage industry

In the Texas Coastal Region, short-term vacation rental guests spent \$712 million outside of their accommodations. Combined with the \$900 million spend on accommodations, direct visitor spending in the Coastal region totaled \$1.6 billion in the 12 months ending September 30, 2022.

42% of other guest spending in the Coastal region was in the food & beverage industry. This includes restaurants as well as grocery stores. As a share of total other guest spending, spending on Food & Beverage is higher at 44% versus the statewide average of 34%.

Recreation and retail are at similar shares of wallet relative to statewide averages, though recreation has a slightly higher share, 23%, relative to the statewide average of 21%.

Transportation spending is lower, at 13% of other guest spending in the Coastal region, relative to the statewide average of 22%.



\$900M

Spending on
Accommodations



\$712M

Other
Spending

\$1.6 BILLION

Total Direct Spending from Short-Term
Vacation Rental Guests in Texas

\$712 MILLION

Texas Coastal Other Guest
Spending



Source: Longwoods International, Tourism Economics

Note: Transport only includes local transportation within the destination

TEXAS COASTAL REGION ECONOMIC IMPACT

Coastal Region Combined Economic Impact

Amounts in \$ millions, except for employment; 12 months ending September 30, 2022

Total Short-Term Vacation Rental Impact				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Direct Guest Spending	\$1,612	\$315	10,290	\$188
Indirect Impacts	\$542	\$109	2,918	\$36
Induced Impacts	\$231	\$58	1,720	\$26
Total	\$2,385	\$482	14,928	\$250

Accommodations Spending & Host and Property Manager Spending				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact*
Accommodations Spending	\$900	\$108	1,605	\$109
Indirect Impacts	\$367	\$69	1,566	\$15
Induced Impacts	\$110	\$28	821	\$6
Total	\$1,377	\$205	3,992	\$129

Other Guest Spending				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Other Guest Spending	\$712	\$207	8,685	\$79
Indirect Impacts	\$174	\$40	1,352	\$22
Induced Impacts	\$121	\$31	899	\$19
Total	\$1,007	\$278	10,936	\$121

In total, spending by Texas Coastal Region visitors on short-term vacation rentals and on non-lodging activities (retail, transportation, recreation, and food & beverages) drove nearly \$2.4 billion in economic activity representing sales at businesses in Cameron, Galveston, and Nueces counties, for the 12-month period ending September 30, 2022.

*The \$109 million of state & local fiscal impact above excludes estimates of local lodging taxes. Lodging tax revenue can depend on factors specific to local jurisdictions. Based on estimated STVR activity in Cameron, Galveston and Nueces, potential local lodging tax revenue at consistent tax rates and compliance, could total approximately \$61 million annually.



TEXAS METRO REGION VISITOR SPENDING

The Texas Metro Region contains Comal, Dallas, Fort Bend, Harris, and Travis counties. These three counties include the urban destinations of Dallas, Houston, and Austin, as well as suburban destinations outside of cities such as New Braunfels and Sugar Land.

4.8 million overnight visitors stayed in short-term vacation rentals in the Texas Metro Region, spending just over \$1.2 billion on accommodations.

METRO REGION STVR VISITOR VOLUME



5.4M

Overnight Visitors



25.8K

Average Active Listings



4.8M

Occupied Unit Nights



\$1.2B

STVR Rental Revenue

Sources: Longwoods Int'l, KeyData Dashboard, Tourism Economics

OTHER GUEST SPENDING

For every \$100 spent on STVRs in the Texas metro region, guests spent \$141 outside of their accommodations

In the Texas Metro Region, short-term vacation rental guests spent \$1.7 billion outside of their accommodations. Combined with the \$1.2 billion spend on accommodations, direct visitor spending in the Metro region totaled \$2.8 billion in the 12 months ending September 30, 2022.

40% of other guest spending in the Metro region was in the food & beverage industry. This includes restaurants as well as grocery stores. As a share of total other guest spending, spending on food & beverage is higher at 40% versus the statewide average of 34%.

Transportation spending is right at the state-level average of 22% of visitors' share of wallet.

Retail spending is slightly lower than the state average as measured by total share of spending. Retail spending in the Metro region captured 17% of other guest spending, versus 21% at the state level.



\$1.2B

Spending on Accommodations



\$1.7B

Other Spending

\$2.8 BILLION

Total Direct Spending from Short-Term Vacation Rental Guests in Texas

\$1.7 BILLION

Texas Metro Other Guest Spending



FOOD & BEVERAGE
\$665M

40%



TRANSPORT
\$369M

22%



RECREATION
\$339M

20%



RETAIL
\$285M

17%

Source: Longwoods International, Tourism Economics

Note: Transport only includes local transportation within the destination



TEXAS METRO REGION ECONOMIC IMPACT

Metro Region Combined Economic Impact

Amounts in \$ millions, except for employment; 12 months ending September 30, 2022

Total Short-Term Vacation Rental Impact

	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Direct Guest Spending	\$2,824	\$754	14,593	\$266
Indirect Impacts	\$1,106	\$321	4,167	\$73
Induced Impacts	\$551	\$169	2,910	\$50
Total	\$4,482	\$1,243	21,670	\$390

Accommodations Spending & Host and Property Manager Spending

	Business Sales	Labor Income	Employment	State & Local Fiscal Impact*
Accommodations Spending	\$1,168	\$180	1,211	\$129
Indirect Impacts	\$528	\$139	1,479	\$23
Induced Impacts	\$176	\$54	932	\$11
Total	\$1,871	\$373	3,622	\$163

Other Guest Spending

	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Other Guest Spending	\$1,657	\$574	13,382	\$137
Indirect Impacts	\$578	\$182	2,688	\$50
Induced Impacts	\$375	\$115	1,978	\$39
Total	\$2,611	\$870	18,047	\$227

In total, spending by Texas Metro Region visitors on short-term vacation rentals and on non-lodging activities (retail, transportation, recreation, and food & beverages) drove nearly \$4.5 billion in economic activity representing sales at businesses in Comal, Dallas, Fort Bend, Harris, and Travis counties, for the 12-month period ending September 30, 2022.

*The \$129 million of state & local fiscal impact above excludes estimates of local lodging taxes. Lodging tax revenue can depend on factors specific to local jurisdictions. Based on estimated STVR activity in Comal, Dallas, Fort Bend, Harris, and Travis counties, potential local lodging tax revenue at consistent tax rates and compliance, could total approximately \$76 million annually.



TEXAS RURAL REGION VISITOR SPENDING

The Texas Rural Region consists of Gillespie and Llano counties. These two neighboring counties include the cities of Fredericksburg, and Llano.

970,000 overnight visitors stayed in short-term vacation rentals in the Texas Rural Region, spending over \$187 million on accommodations in the 12-months ending September 30, 2022. Average daily rate for STVRs across these two counties measured \$346, much higher than the statewide average of \$241.

RURAL REGION STVR VISITOR VOLUME



970K

Overnight
Visitors



2,800

Average Active
Listings



543K

Occupied Unit
Nights



\$187M

STVR Rental
Revenue

Sources: Longwoods Int'l, KeyData Dashboard, Tourism Economics



OTHER GUEST SPENDING

For every \$100 spent on STVRs in the Texas metro region, guests spent \$131 outside of their accommodations

In the Texas Rural Region, short-term vacation rental guests spent \$246 million outside of their accommodations. Combined with the \$187 million spend on accommodations, direct visitor spending in the Rural region totaled \$433 million in the 12 months ending September 30, 2022 across Gillespie and Llano counties.

34% of other guest spending in the Rural region was in the food & beverage industry. This includes restaurants as well as grocery stores. As a share of total other guest spending, spending on food & beverage was right at the statewide average of 34%.

Retail spending is slightly higher than the state average as measured by total share of spending. Retail spending in the Rural region captured 23% of other guest spending, versus 21% at the state level.



\$187M

Spending on
Accommodations



\$246M

Other
Spending

\$433 MILLION

Total Direct Spending from Short-Term
Vacation Rental Guests in Texas

\$246 MILLION

Texas Rural Other Guest
Spending



**FOOD &
BEVERAGE**

\$85M

34%



RETAIL

\$55M

23%



TRANSPORT

\$53M

22%



RECREATION

\$52M

21%

Source: Longwoods International, Tourism Economics

Note: Transport only includes local transportation within the destination

TEXAS RURAL REGION ECONOMIC IMPACT

Rural Region Combined Economic Impact

Amounts in \$ millions, except for employment; 12 months ending September 30, 2022

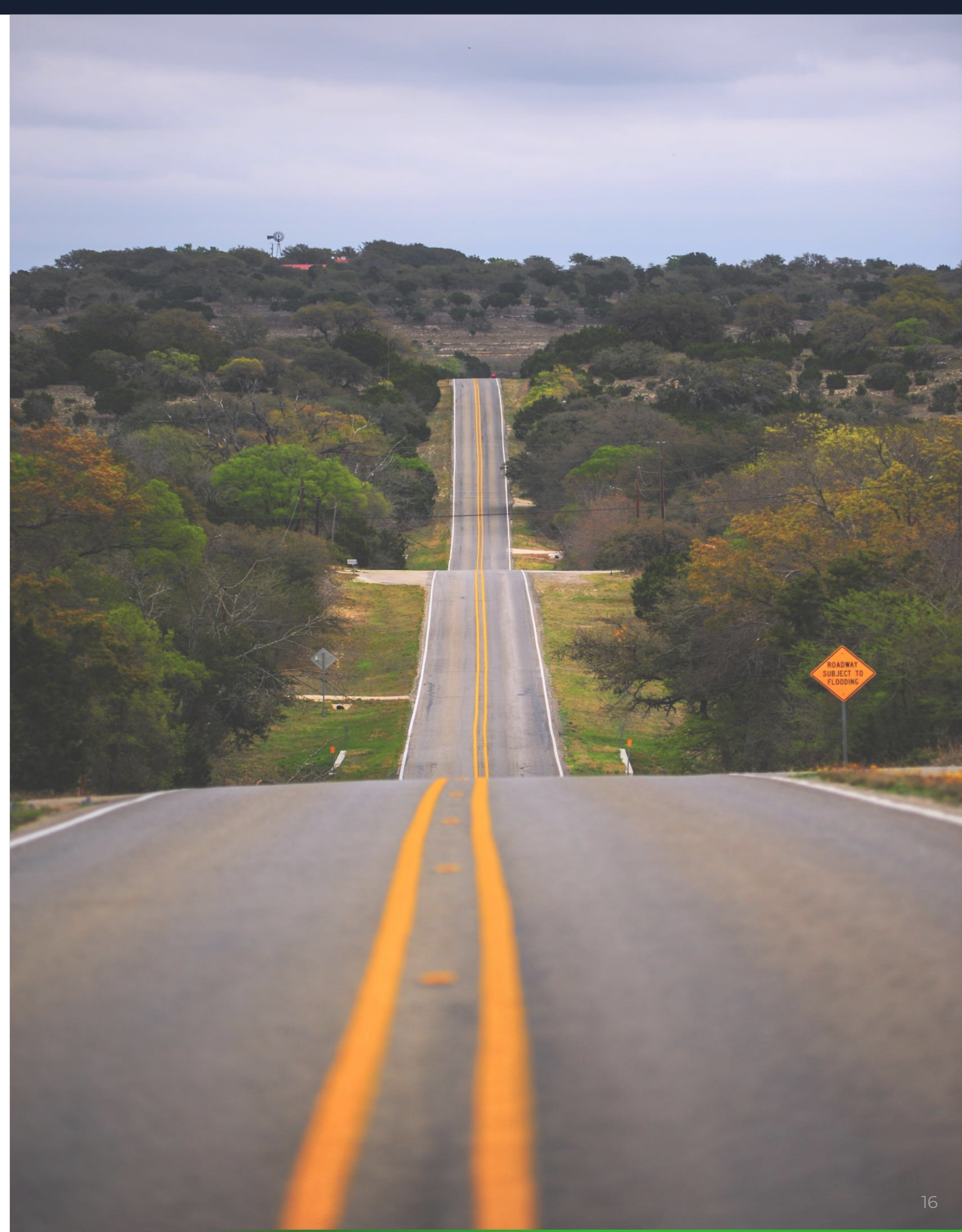
Total Short-Term Vacation Rental Impact				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Direct Guest Spending	\$433	\$89	2,768	\$43
Indirect Impacts	\$134	\$22	723	\$9
Induced Impacts	\$49	\$10	325	\$4
Total	\$617	\$121	3,815	\$56

Accommodations Spending & Host and Property Manager Spending				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact*
Accommodations Spending	\$187	\$19	270	\$23
Indirect Impacts	\$68	\$12	271	\$3
Induced Impacts	\$17	\$3	111	\$1
Total	\$273	\$34	652	\$28

Other Guest Spending				
	Business Sales	Labor Income	Employment	State & Local Fiscal Impact
Other Guest Spending	\$246	\$70	2,497	\$20
Indirect Impacts	\$66	\$10	452	\$5
Induced Impacts	\$32	\$7	214	\$3
Total	\$344	\$87	3,163	\$28

In total, spending by Texas Rural Region visitors on short-term vacation rentals and on non-lodging activities (retail, transportation, recreation, and food & beverages) drove \$617 million in economic activity representing sales at businesses in Gillespie and Llano counties, for the 12-month period ending September 30, 2022.

*The \$23 million of state & local fiscal impact above excludes estimates of local lodging taxes. Lodging tax revenue can depend on factors specific to local jurisdictions. Based on estimated STVR activity in Gillespie and Llano counties, potential local lodging tax revenue at consistent tax rates and compliance, could total approximately \$8 million annually.



APPENDIX

Methodology Overview

Tourism Economics reviewed data from several sources to estimate the total footprint of short-term vacation rentals, including units not listed on Airbnb or VRBO, such as rentals occurring through brokers. These sources included key Data Dashboard, Inc. which covers de-duplicated listings and revenues for short-term vacation rental units listed on the Airbnb and VRBO platforms, and the US Census Bureau, which estimates seasonal and recreational home inventory.

Other guest spending was estimated on top of the foundation of rental activity listed above, by layering in survey data from Longwoods International detailing the average travel party size, and spending shares of Texas visitors staying in short-term-rentals. Further, Tourism Economics prepared estimates of short-term vacation rental operating characteristics that were confirmed for reasonability with industry participants.

Glossary – Spending Definitions

Term	Description
Accommodations	Visitor spending on short-term vacation rentals.
Active Listing	A property active and available for short-term vacation rental use.
Occupied Unit Night	A night stayed by a visitor in a short-term vacation rental. One trip staying at one listing for three nights would be 3 occupied unit nights.
Other Spending	Spending on goods, services, and experiences by visitors outside of accommodations, such as restaurants or attraction entrance fees.
Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
Recreation	Includes visitor spending within the arts, entertainment and recreation sub-sector.
Retail	Includes visitor spending in all retail sub-sectors within the local economy, such as clothing.
Local transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, and buses.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g., short-term vacation rental revenues, recreation, transportation).
Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g., food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e., economic effects stemming from business-to-business purchases in the supply chain).
Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work).
Labor income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
Value Added (GDP)	The economic enhancement a company gives its products or services before offering them to customers.
Local Taxes	City and county taxes generated by visitor spending. This includes any local sales, income, bed, usage fees, licenses and other revenues streams of local governmental authorities – from transportation to sanitation to general government.
State Taxes	State tax revenues generated by visitor spending. This includes sales, income, corporate, usage fees and other assessments of state governments.

ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, London, Frankfurt, Ontario, and Sydney.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 400 full-time staff, including 300 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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