

The Economic Impact of Short-Term Rentals in Fredericksburg/Gillespie County



Fredericksburg TX STR Alliance



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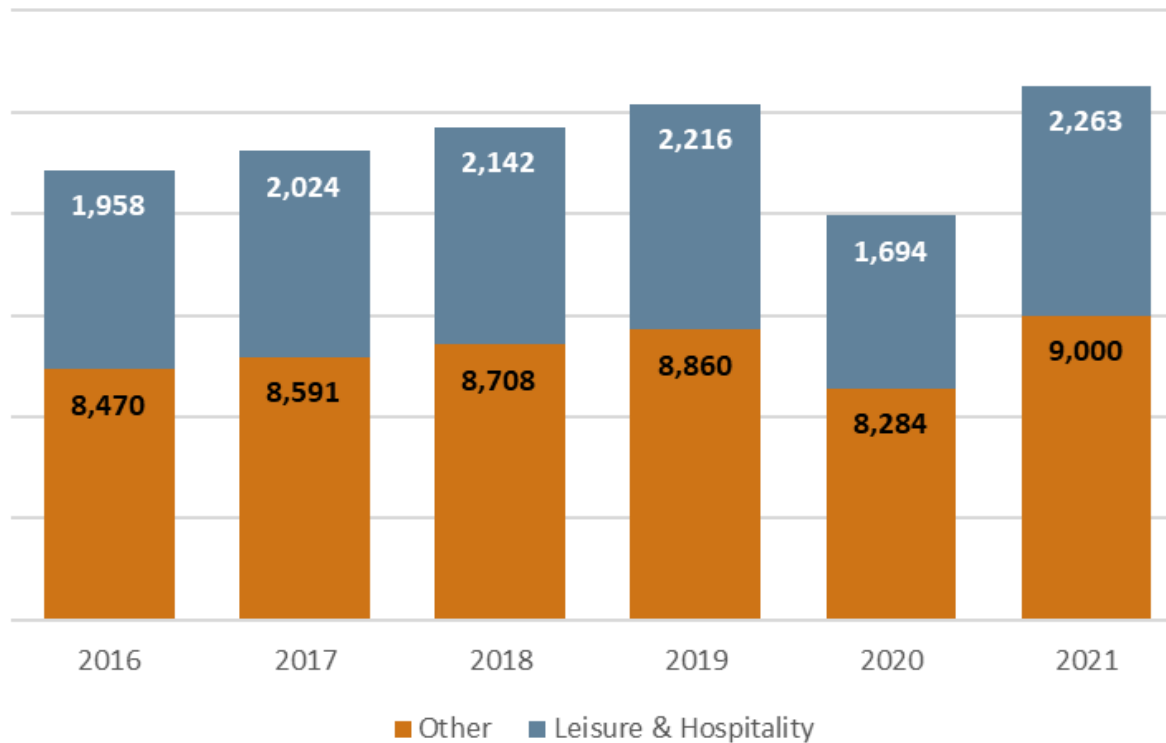


About TXP/Jon Hockenyos

- 35 years experience providing economic analysis and public policy consulting services throughout Texas and across the nation.
- Economist-on-retainer for Austin, San Antonio, San Marcos, New Braunfels, and numerous other cities in Texas. Over twenty years experience with creating and implementing economic development policy and programs for Austin.
- Led Travis County team that negotiated the deal to bring Tesla to the Austin area. Currently working for the Texas A&M System to structure a public/public partnership to greatly expand the law school and associated innovation center footprint in Fort Worth— additional economic development efforts pending in Bryan/College Station.
- Significant volume of work on behalf of both the State of Texas and with private clients associated with policy issues before the Legislature, including topics related to health care, transportation, tax policy, economic development, tourism, and revenue forecasting.
- Serves as a Trustee of Ascension Texas (Seton Family of Hospitals), largest hospital system in Central Texas, and a member of the Board of American Bank of Commerce. Substantially involved in the creation of new medical schools in Austin and the Rio Grande Valley.
- Extensive experience analyzing the impacts of STRs:
 - Community-level impact analysis in cities as diverse as Myrtle Beach, SC, Austin, and Seattle, WA.
 - State-level analysis for Texas, Georgia, Maryland, Missouri, and North Carolina.

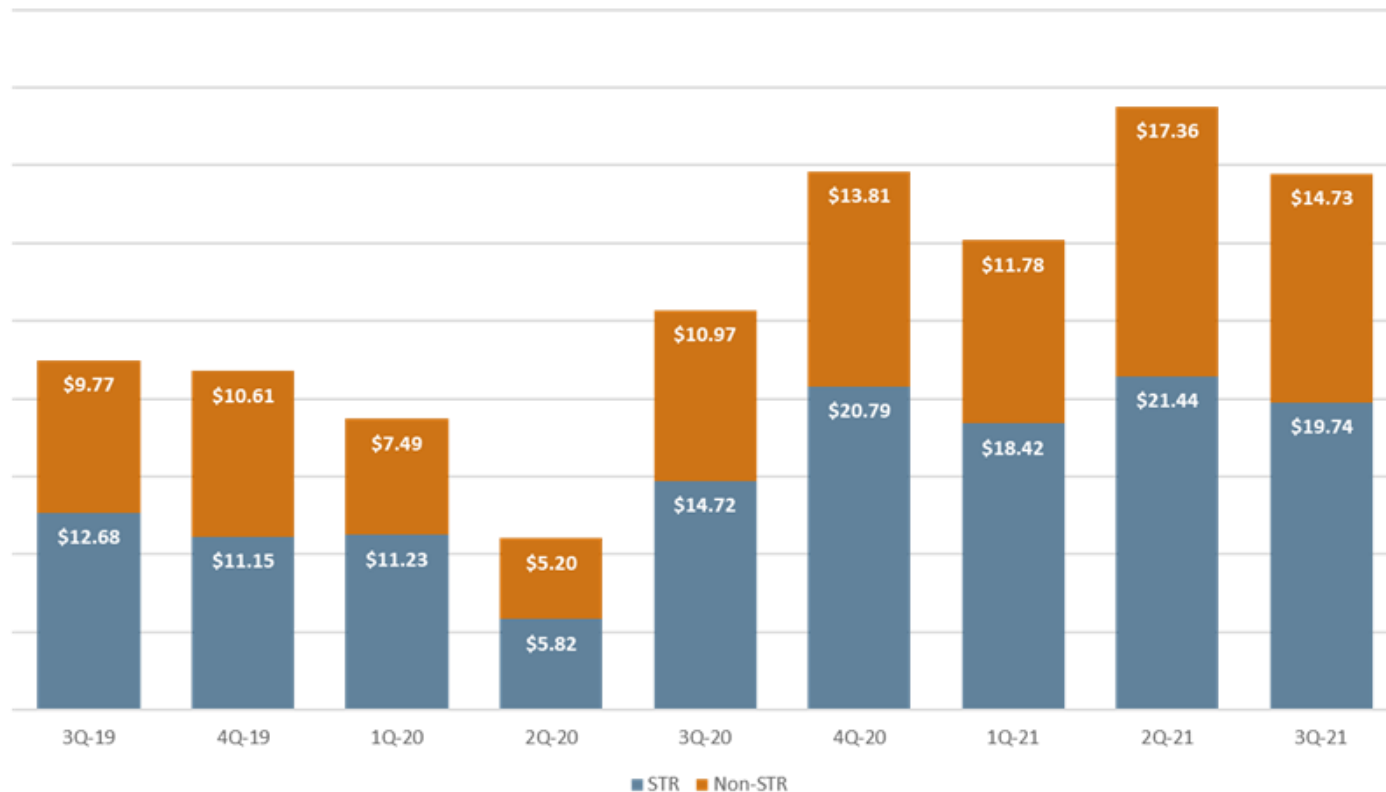
Market Trends in Fredericksburg

2nd Quarter Employment: Leisure/Hospitality vs. Other Sectors (000s)



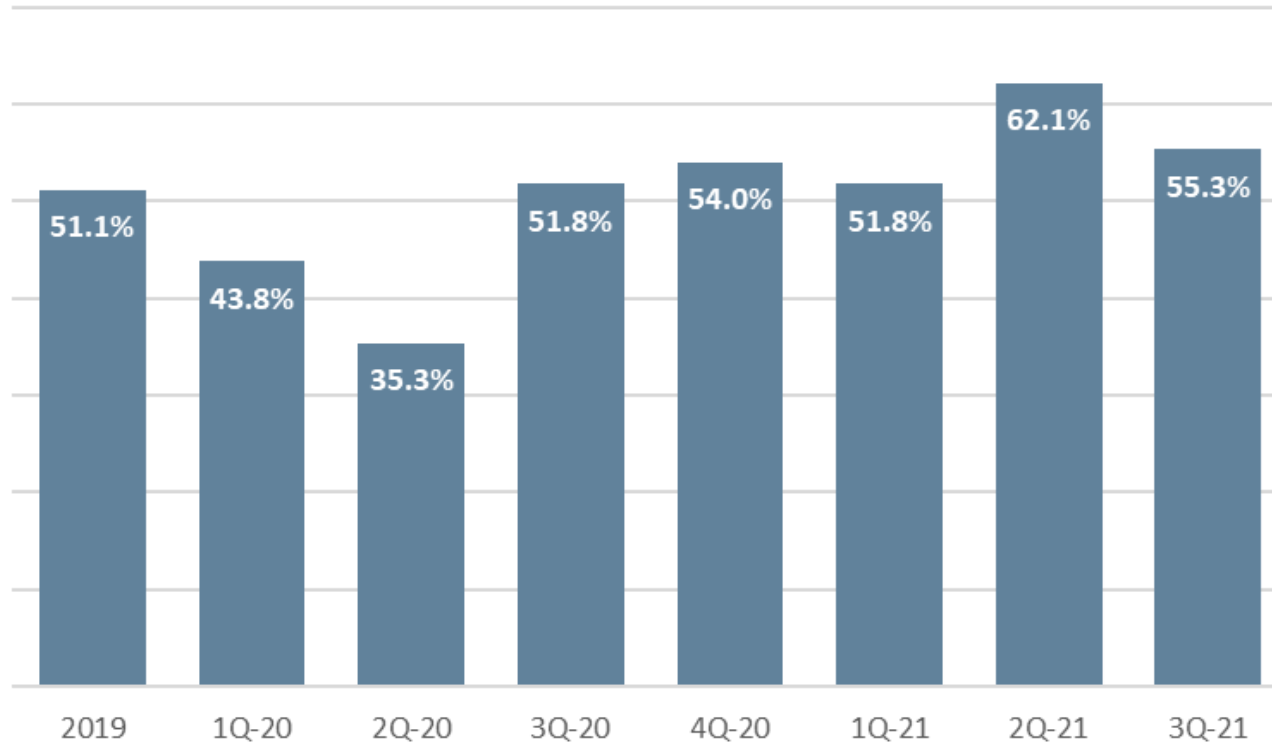
Market Trends in Fredericksburg

STR vs Non-STR Lodging Revenue (\$Millions)



Market Trends in Fredericksburg

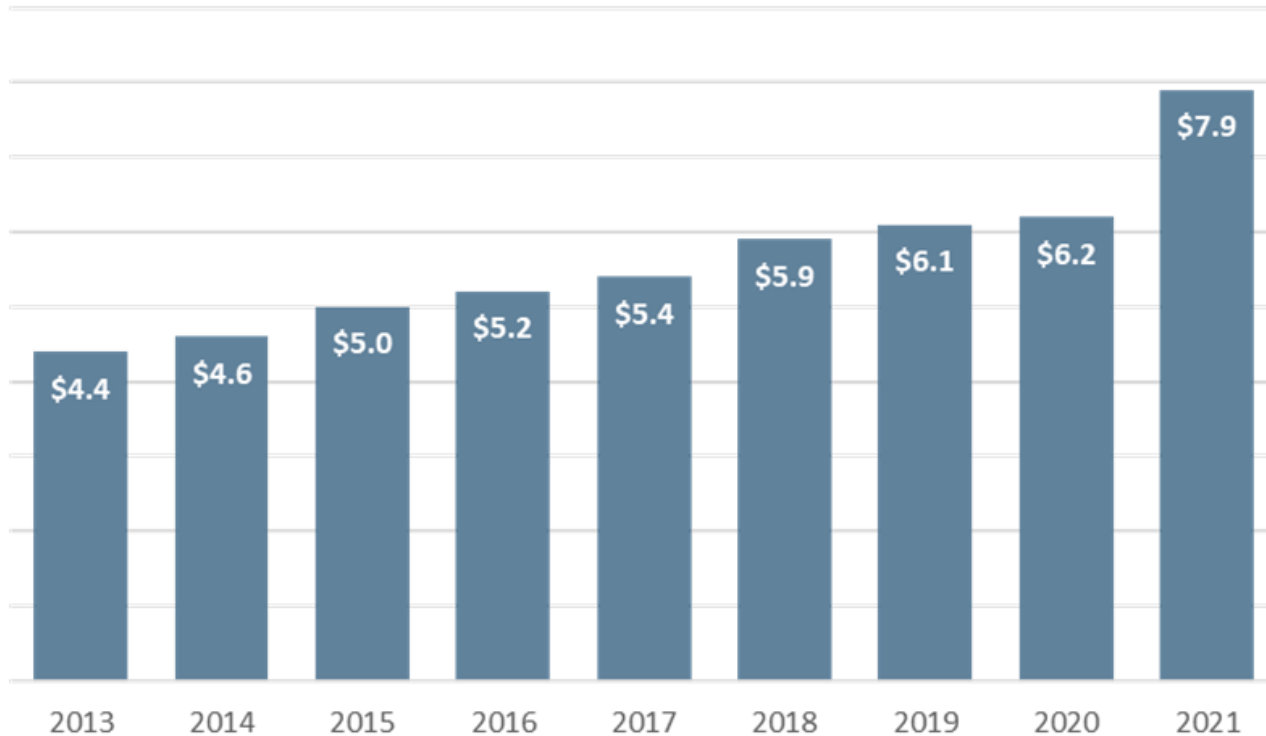
Lodging Occupancy Rate (Both STRs and Non-STRs)





Market Trends in Fredericksburg

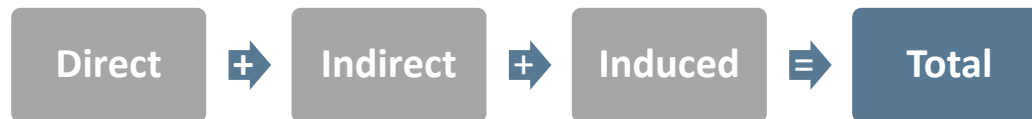
City of Fredericksburg Calendar Year Sales Tax Rebates (\$Millions)



Methodology/Approach

- Gather data on direct STR accommodations spending (and other information) – AllTheRooms is the vendor/source.
- Use the direct STR accommodations spending as the lever to estimate additional local direct visitor spending, e.g, “for every dollar of STR accommodations spending, an additional \$1.43 is spent locally on food & beverage, entertainment, retail, arts & culture, etc.” US Satellite Travel & Tourism Accounts maintained by US Census Bureau is the source.
- Use the direct spending outlined above as inputs into an input-output model specific to Gillespie County that allows estimation of the “ripple effects.” Bureau of Economic Analysis RIMS II Multiplier System maintained by the Census Bureau is the source.

The Flow of Economic Impacts



- Results measured in top-line revenue, local equivalent of GDP, earnings by proprietors and works, and job

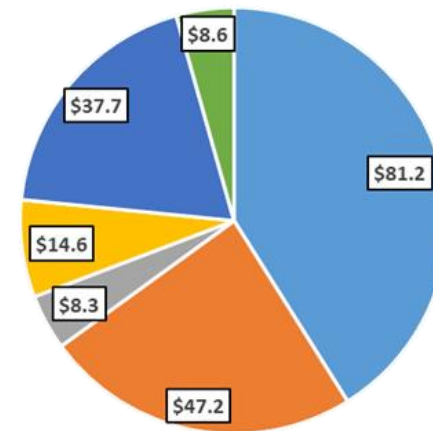


Direct Local STR Footprint

	Room-Nights	Gross Revenue	Occupancy	RevPAR	Stay (days)
2019	164,334	\$41,392,684	31.4%	\$79.15	2.67
2020	202,663	\$52,558,990	35.0%	\$90.85	2.54
2021	272,515	\$81,224,570	42.6%	\$126.84	2.46

- Rapid growth through the pandemic – both in terms of volume and rate.
- Length of stay declines slightly.
- \$81.2 million in STR accommodations spending translates into total 2021 injection of \$197.7 million.

2021 Estimated Direct STR Visitor Spending by Category (\$millions)



- Accommodations
- Food & Beverage
- Ground Transportation
- Art, Entertainment, & Recreation
- Retail Sales
- Gasline Stations



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Local 2021 STR Economic Impact (\$Millions)

	Output	Value-Added	Earnings	Jobs
Agriculture, etc.	\$0.7	\$0.3	\$0.1	6
Mining	\$0.1	\$0.1	\$0.0	0
Utilities	\$5.3	\$2.8	\$0.8	6
Construction	\$4.7	\$2.0	\$1.2	20
Durable Manufacturing	\$1.0	\$0.4	\$0.2	3
Non-Durable Manufacturing	\$2.1	\$0.5	\$0.3	7
Wholesale Trade	\$1.6	\$0.9	\$0.4	4
Retail Trade	\$30.1	\$13.4	\$8.8	303
Transportation & Warehousing	\$9.2	\$3.5	\$3.4	221
Information	\$1.5	\$0.7	\$0.3	4
Finance & Insurance	\$4.6	\$2.7	\$1.0	17
Real Estate	\$96.9	\$71.0	\$15.0	634
Professional Services	\$2.1	\$1.3	\$1.0	13
Administrative & Waste Services	\$1.1	\$0.7	\$0.3	8
Educational Services	\$1.4	\$0.8	\$0.4	14
Health Services	\$4.0	\$2.4	\$1.5	29
Arts/Entertainment/Recreation	\$15.3	\$8.7	\$5.1	240
Accommodation	\$0.7	\$0.4	\$0.2	6
Food Services	\$48.9	\$25.6	\$12.0	538
Other Services	\$2.4	\$1.2	\$0.6	20
Households	\$0.4	\$0.2	\$0.2	5
Total Annual	\$233.9	\$139.6	\$52.9	2,099

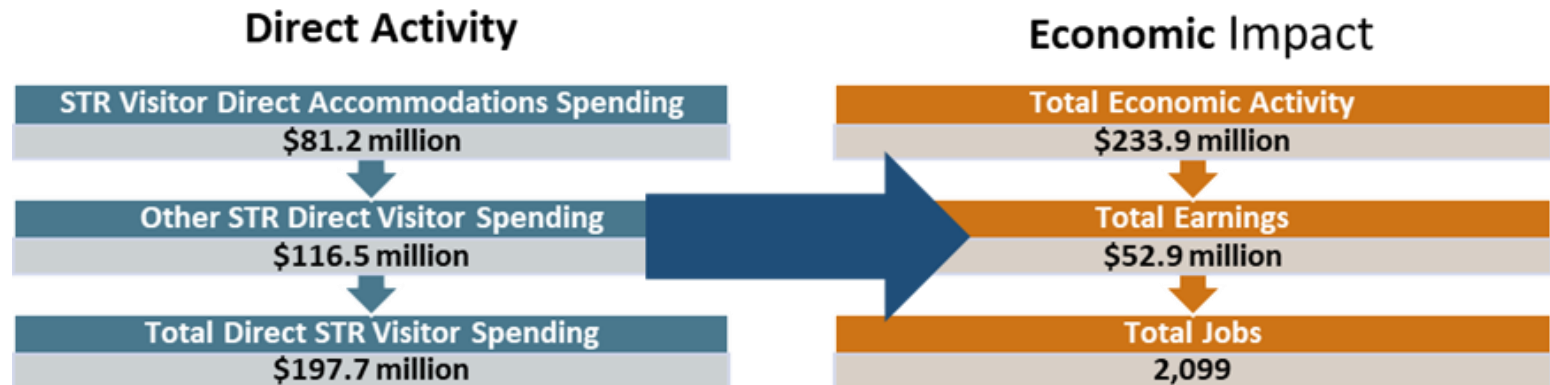
- Impact spread throughout the local economy, though concentrated in consumer sectors.
- Equivalent to perhaps 15-20% of Gillespie County job base.
- Tax impacts likely proportionately higher.
 - Lodging tax
 - Sales tax
 - Property tax



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Summary



Questions?