



The Benefits of the STR Economy in Annapolis

Overview

This document provides an overview of the economic impacts and benefits generated by Short-Term Rentals (STRs) in Annapolis, Maryland. The data and results come from exclusive economic analysis conducted by Internet Association using proprietary data and federal government datasets.

The STR Economy

- STRs in Annapolis created an additional \$7 million in economic activity through bookings for the city and its residents in 2018.
- The average revenue per listing in Annapolis is about \$7,200, which adds an additional 10 percent to the median household income of residents who use an STR platform.
- Despite a citywide employment drop of 10 percent since 2009, the STR economy of Annapolis has created 60 additional jobs in the city across numerous industries, including 10 direct jobs, while opening up additional choices to visitors and tourists.
- The STR economy in Annapolis creates 6 indirect jobs in related industries for every 1 direct job created.
- The STR economy adds over \$500,000 in value-added to the city's GDP.

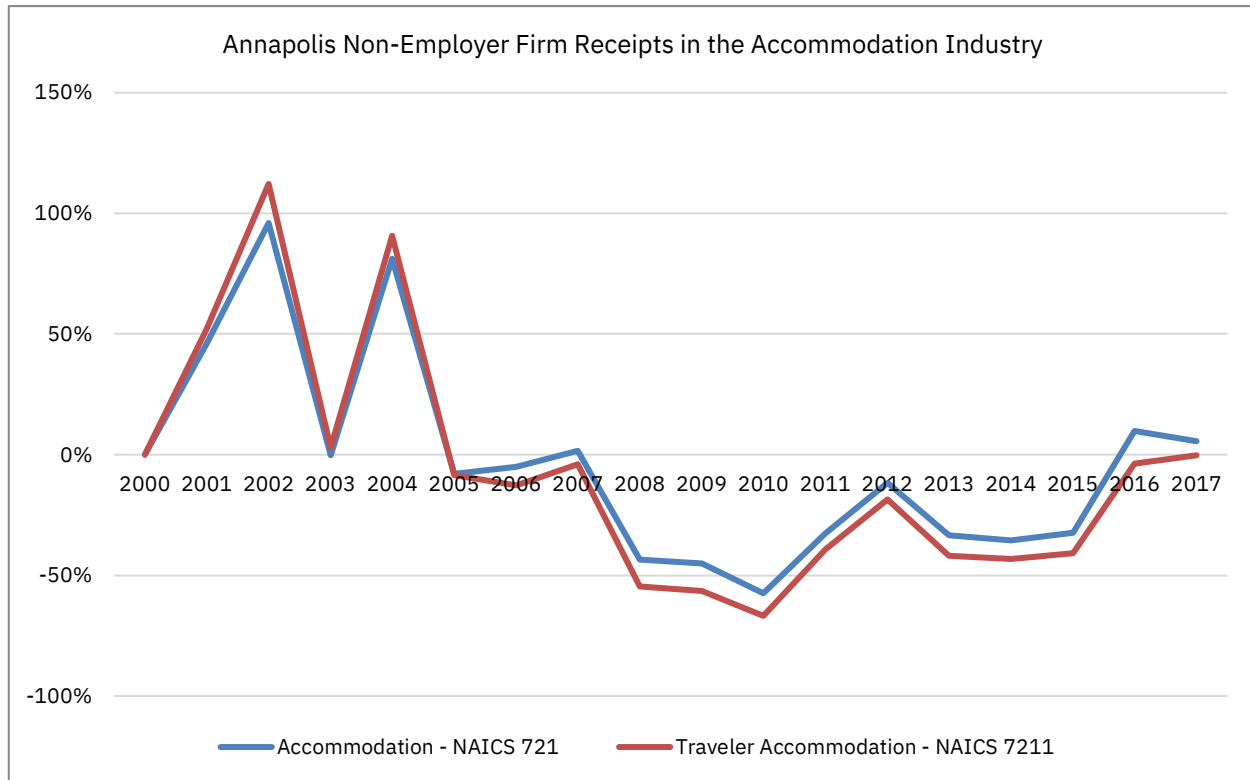
The Net New Economic Contributions of STRs in Annapolis, 2018

Total Output	Total Earnings	Total Employment	Value-Added^	Direct Earnings	Direct Employment
\$880,000	\$240,000	60	\$530,000	\$970,000	10

Note: Estimates created using IA member data on STR activity and Regional Input-Output Modeling System (RIMS II) multipliers; ^accounts for existing tourism, retail, and other related activities; shows economic activity induced by STRs and not the number of people engaged in STRs or revenue from STRs

Supporting Micro Businesses

- Short-Term Rental platforms enable dozens of individuals to run small businesses as non-employer firms.
- These self-employed individuals have been a bright spot in an otherwise struggling economy.
- Non-Employer firms in the Traveler Accommodation Industry in Annapolis earned approximately \$4.3 million in receipts in 2017, an increase of nearly 129 percent since 2009.
- The Non-Employer firms in the Accommodation Industry in Annapolis have increased over 10 percent since 2009 even while the city has lost 10 percent of all jobs since that year.
- Non-Employer firms in the Traveler Accommodation Industry in Annapolis earned approximately \$4.3 million in receipts in 2017, an increase of nearly 129 percent since 2009.



The Accommodation/Hotel Industry

- STRs have created a valuable complementary resource for consumers in and visitors to Annapolis.
- Total employment in the Traveler Accommodation industry has increased by 49 percent since 2009 and by 87 percent since 2000.
- Average earnings in the Traveler Accommodation industry have increased steadily and are up about 20 percent since the Great Recession (2009); they are up over 45 percent since 2000.

Methodology

IA calculates these estimates using proprietary data on the volume of STR activity for the jurisdiction of Annapolis, MD and LEHD Origin-Destination Employment Statistics (LODES) Data, American Community Survey Data, Non-Employer Statistics, and County Business Pattern Data from the Census Bureau. IA uses RIMS II Type II multipliers for Maryland and the “Accommodation” Industry (NAICS 721000), based on the 2012 Benchmark Input-Output Table for the Nation and 2017 regional data. IA follows guidance from BEA on the calculation of net additional impact for the accommodation and tourism industries. IA assumes the majority of STR rentals to be related to tourism in order to allow calculations. Source: Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.