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The Negative Consequences of Short-Term Rentals – Arizona's Recipe for Disaster

Report by Elliott Pollack & Co. outlines the Impacts of the Short-Term Rental Industry

SCOTTSDALE, Arizona (March 01, 2021) — Elliott D. Pollack & Company has released a report looking into the short-term rental (STR) industry in Arizona. The report reveals the secondary or indirect negative impacts of the short-term rental industry on cities and neighborhoods in Arizona — a state with some of the most STR industry-friendly state laws.

The report's key findings include:

- It is clear that the so-called "unintended consequences" of the STR industry, often directed by Airbnb, are actually direct attempts to undermine existing local land use control, health and safety regulations, and tax collection all in an effort to maintain and grow revenues for this industry.
- Any "unintended" consequences of the STR industry are instead direct, intentional
 consequences that will continue to adversely affect residential neighborhoods and citizen peace
 and security, the housing market, jobs, and traditional tourism businesses until STR platforms
 are willing to negotiate in good faith to resolve these issues.
- Arizona's unique, industry-friendly regulatory framework is intensifying adverse impacts on Arizona neighborhoods and the State. These negative impacts cannot be mitigated until and unless Arizona returns to a more mainstream approach that re-empowers local communities to use oversight and enforcement tools.

"Arizona is unique in that it doesn't allow local government to regulate companies like AirBnB or VRBO, and that decision is resulting in dangerous and disruptive practices in communities across the state," said Rick Merritt, President of Elliott D. Pollack and Company, an economic and real estate consulting firm. "Unregulated short-term rentals take affordable rental units off the market and out of the hands of the labor force, invite noxious activity, hurt local government revenues and the overall health of the bedrock of Arizona tourism, the hotel industry."

The report was commissioned by a group of concerned citizens from the Town of Paradise Valley and Scottsdale.