

CITY AND BOROUGH OF SITKA

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT

2024 Annual Short-Term Rental Report

May 7, 2025

Prepared for Chair Windsor and Planning Commission Members

Copies provided to Mayor Eisenbeisz and Assembly Members,

John Leach, Municipal Administrator

Report Sections

- A. Permit & Financial Data
- B. Marketing & Management Data
- C. Visitation – Enplanement
- D. Use Data
- E. Short-Term Rental Density Maps

Please note the following:

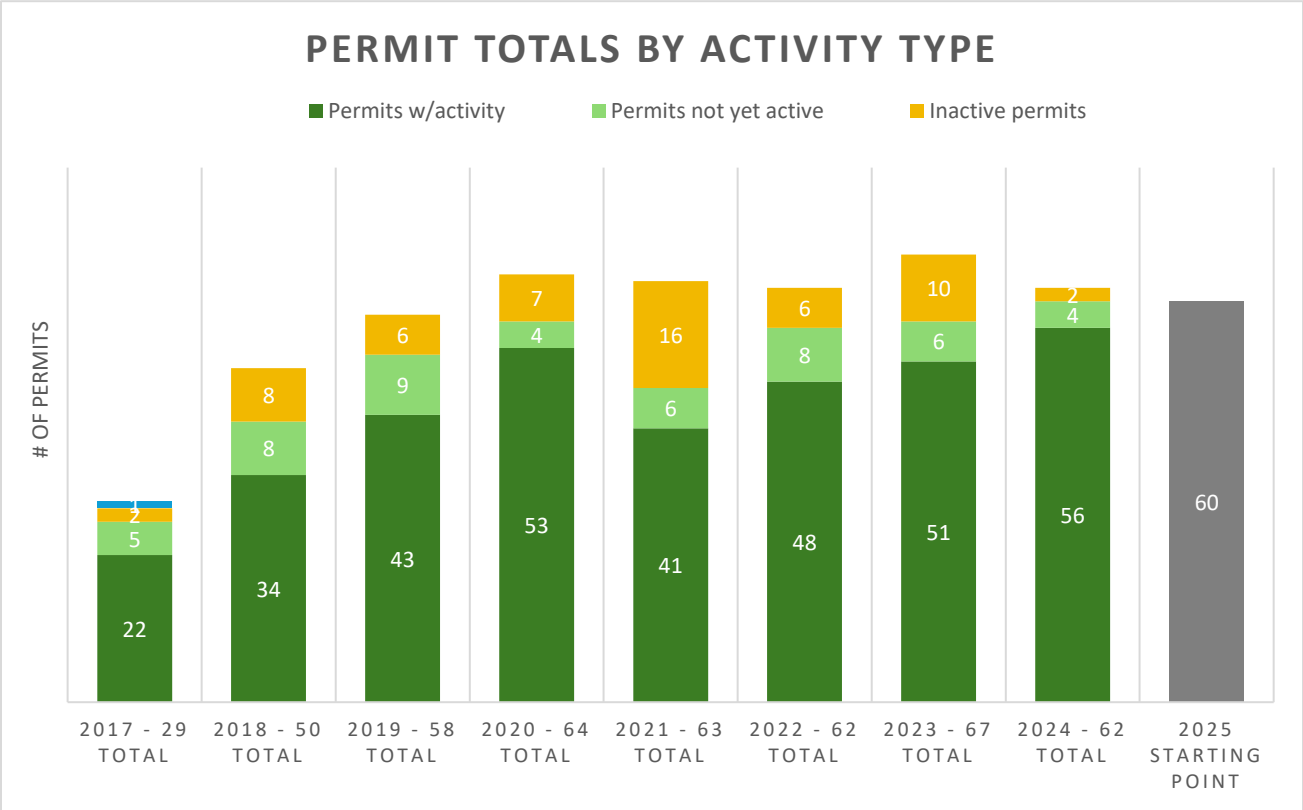
This report only covers short-term rentals or bed and breakfast establishments that operate through the conditional use permit process. This report does not have information about short-term rentals that are operated by right within the Central Business District, Commercial 1 District, Commercial 2 District, Waterfront District, General Island District, and/or Recreational District.

The term “short-term rental” or STR, will also be used to describe bed and breakfast establishments permitted through the conditional use permit (CUP) process.

A. PERMIT & FINANCIAL DATA

Permit Data	2018	2019	2020	2021	2022	2023	2024
Total Permits	50	58	64	63	62	67	62
Active permits in use	34	43	53	41	48	51	56
Active permits not yet use	8	9	4	6	8	6	4
Inactive permits	8	6	7	16	6	10	2
Rental Data from Active Permits							
Total nights rented	2928	3190	1788	2917	4137	3977	4465
Average nights rented (avg/permit)	86	74	30	71	86	78	72
Minimum nights rented	2	2	0	1	5	3	0
Maximum nights rented	446	259	174	205	276	250	232
Financial Data from Reporting Permits (\$ USD)							
Total bed tax remitted	27,950	39,137	21,293	47,286	63,997	76,273	90,783
Total implied revenue	465,838	652,292	354,883	788,100	1,066,617	1,271,234	1,513,057
Average bed tax remitted	822	910	402	1,153	1,333	1,557	1,745
Average implied revenue per permit	13,701	15,169	6,695	19,222	22,217	25,944	29,097
Average implied nightly rental price	159	205	223	271	258	333	351
Minimum bed tax remitted	0	14	0	6	10	0	46
Maximum bed tax remitted	3,107	3,776	1,581	2,936	4,538	5,725	4,694
Maximum implied revenue	51,783	62,933	26,350	48,933	75,633	95,417	78,233

There were 62 total permits in 2024. Of the seven permits issued in 2024, four began rental activity within the calendar year and three did not. One permit issued in 2022 was given a two-year initiation period and did not begin renting in 2024. These four are the permits considered “Active permits not yet used.” Two permits reported activity in 2024 but communicated the intent to deactivate in 2025. The beginning baseline of active permits as of January 1, 2025, was 56. Four permits with reported activity did not remit bed tax; staff will be following up with permit holders to resolve this issue. Those permit holders were excluded from calculations of average implied revenue and nightly price. There was a 100% response rate for all permits.



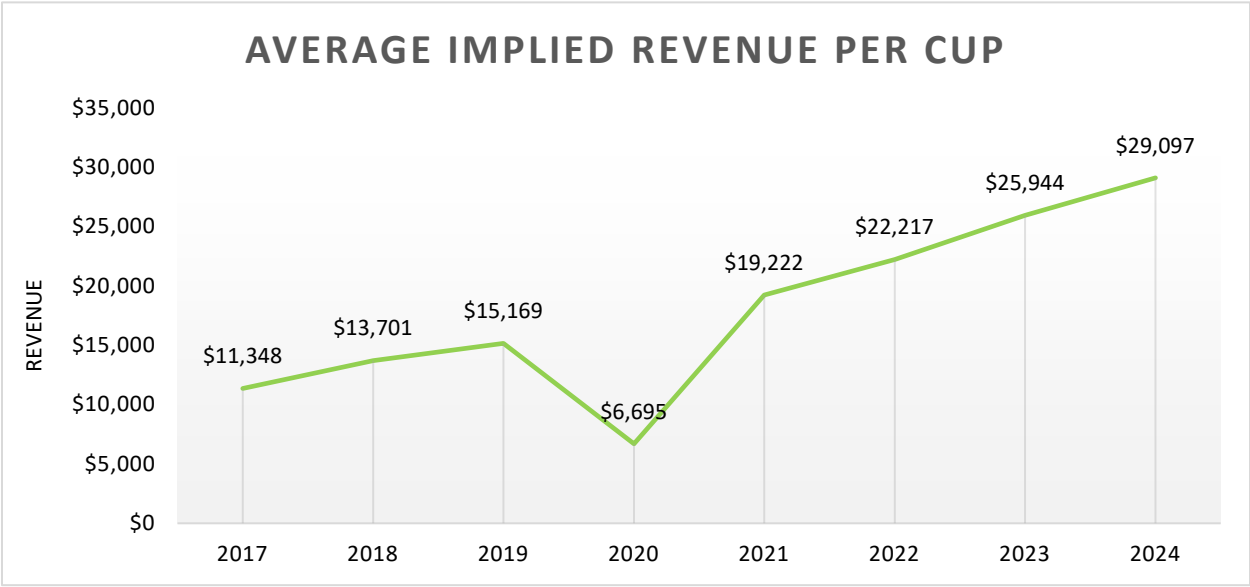
Of the 62 permit holders who responded to the report, 53 reported bed tax remittance. Sitka’s bed tax on short-term rentals is 6% and the total reported bed tax remitted was \$90,783; this implies total rental revenue of \$1,513,057, breaking \$1 million for the third year in a row and surpassing \$1.5 million for the first time. Reported STR revenue exceeded 2023 revenues by 19%. Over 4,312 rental days reported by properties also reporting bed tax, the average price per night was approximately \$351.

In 2023, the average nights rented per permit was 78; when considering all nights reported—including nights reported by those who did not report bed tax remittance—that number declined slightly to 72 in 2024. However, when considering only permittees who reported bed tax remittance, that number increased from 78 in 2023 to 83 in 2024.

STRs still represent a significant revenue source that could substantially offset housing expenses. Among permit holders reporting bed tax, the average revenue per permit holder is \$29,097—a sizeable revenue stream for properties owners not otherwise captured at hotels, lodges, or short-term rentals/bed and breakfast establishments in other zoning districts. In comparison to long-term rentals,

the U.S. Department of Housing and Urban Development estimates that the fair market value of a two-bedroom unit in Sitka is \$1,498 per month. Averaging short-term rental revenue (average per permit reporting bed tax) over twelve months, this equates to \$2,425 per month while only having to rent the unit for 83 days a year.

The average implied revenue per CUP increased steadily between 2017 and 2019, dropped dramatically in 2020 due to the pandemic, and has rebounded and steadily grown since 2021.

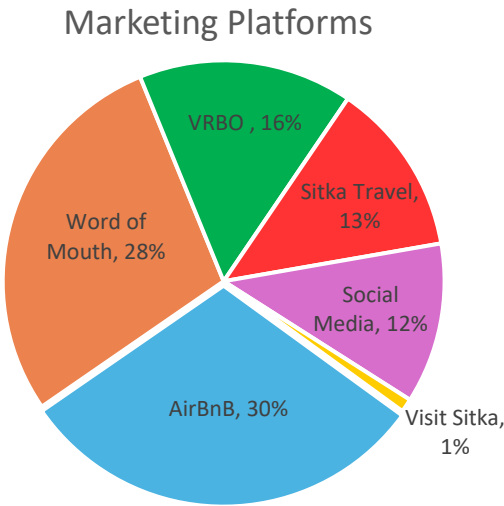


B. MARKETING & MANAGEMENT DATA

Marketing platform data is collected to help better understand marketing trends and monitor platforms for compliance. The survey question regarding marketing platforms was optional, and 52 of the 62 permit holders surveyed responded to the question.

Most respondents listed multiple marketing platforms, such as using multiple websites, or a manager as well as a private listing site (such as Airbnb or VRBO). Airbnb was again the most popular marketing platform, followed by VRBO and local company Sitka Travel. "Word of mouth" grew from 26% in 2023 to 28% in 2024, while Airbnb decreased from 32% in 2023 to 30% in 2024.

28% of those with active permits stated that they were using professional services for property management, a slight decline from 31% in 2023, which was a decline from 46% in 2022. 56% of permittees report that they live on the property with the short-term rental and are present when the



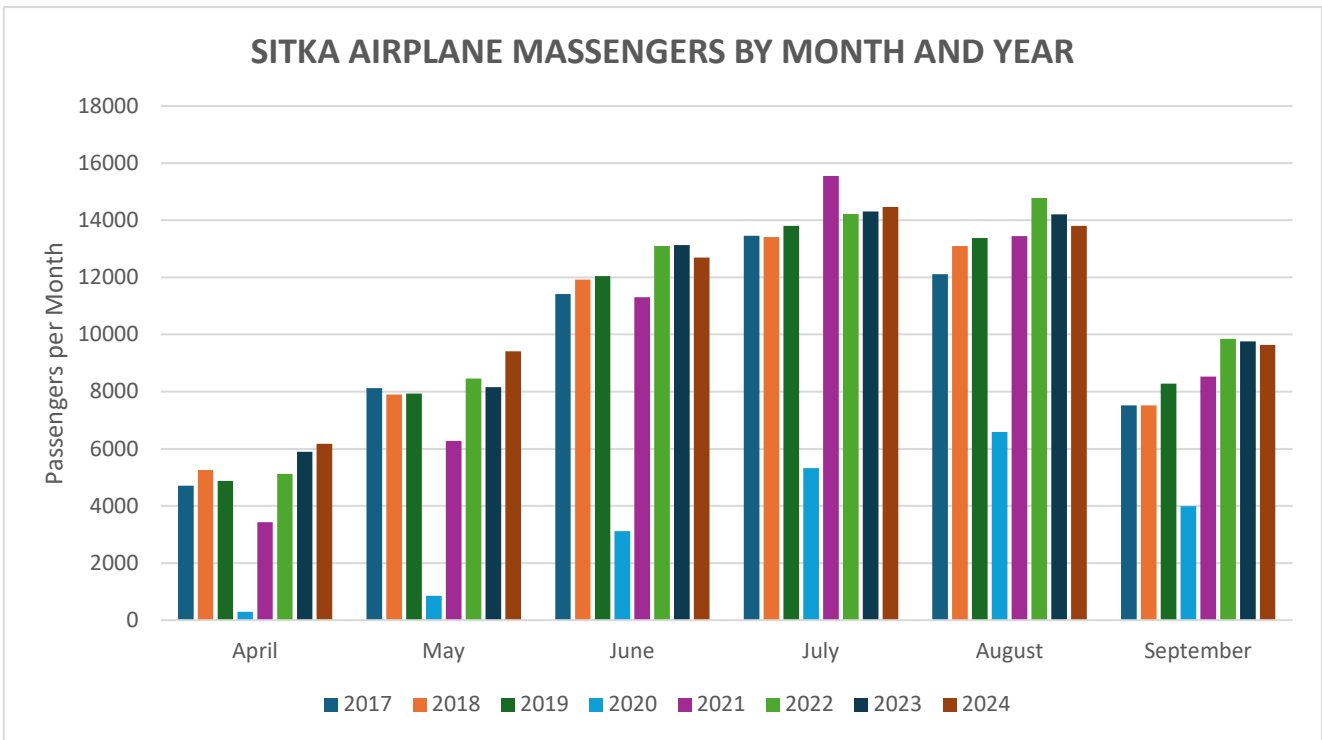
unit is rented—the same proportion as in 2023—18% personally monitor the property when it is rented, and 26% are not present on the property when it is rented.

C. VISITATION – ENPLANEMENT

Short-term rentals primarily serve independent travelers who arrive in Sitka via commercial airlines. Beginning in the 2021 report, enplanement data was presented to understand visitation numbers and the strength of the independent travel market.

2024 enplanement from the months of April through September was about 1% higher than enplanement in 2023. Comparing the two years, enplanement was slightly higher in April and July of 2024, with a 15% increase (1,253 additional passengers) in May. Decreases in enplanement were observed in June (438-passenger, or 3% decrease), August (400-passenger, or 3% decrease), and September (123-passenger, or 1% decrease). The consistent level of enplanement between 2022 and 2024 is particularly interesting in the context of the increase in total nights rented (10%) in 2024 from 2023, and more of note as the increase follows a slight decline (4%) in total rental nights in 2023 from 2022. This could imply that in 2024, travel was absorbed more by residential short-term rentals than by hotels, lodges, and short-term rentals in commercial zones; that there was less resident travel; that there was less travel by family and friends of residents who might stay as house guests; that there was less day-travel from nearby communities; and/or that there was a decrease in non-permitted short-term rentals.

Summer enplanement has grown 15% since 2017, and total yearly enplanement has grown by 13%. Enplanement in the summer months as a proportion of total year enplanement was consistently two-thirds 2017-2019, dipped to 53% in 2020, reached a high of 74% in 2021, was 70% in 2022, and 68% in 2023 and 2024.



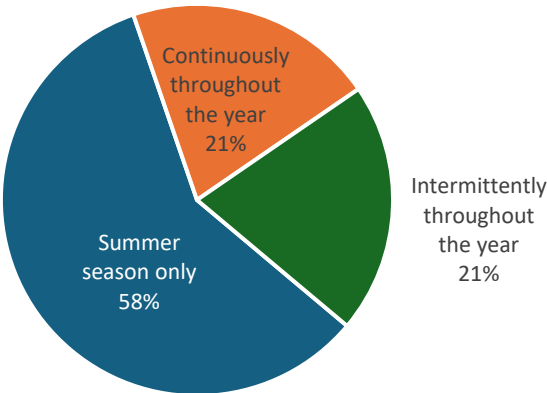
Data Source: https://www.transtats.bts.gov/Data_Elements.aspx?Data=2

D. USE DATA

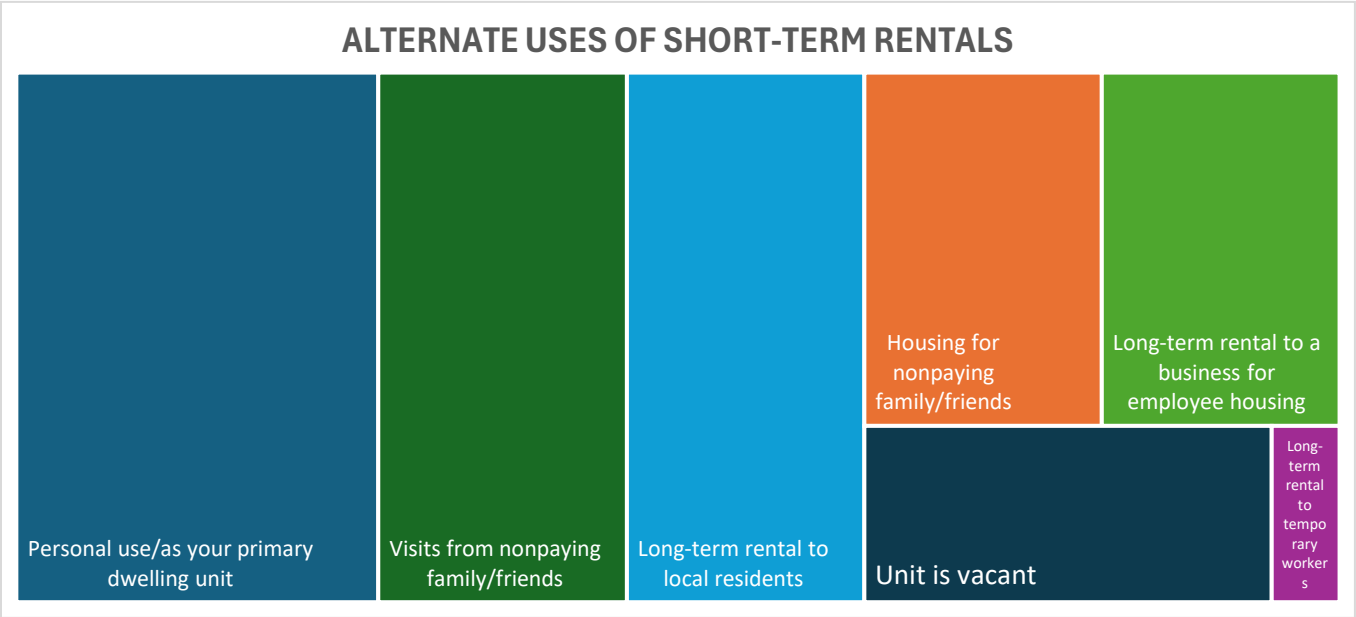
Following the inclusion of information regarding use of units when not short-term rented and the type of visitors utilizing short-term rentals in 2023, an optional portion of the annual report was again included in the 2024 survey. Nearly 97% of permittees elected to participate in this part of the report.

Respondents predominantly short-term rent their units in the summer months (defined as April – September) which was consistent with general assumptions/expectations, and data collected in 2023’s report. There was an even split (21%) between those who rent continuously throughout the year and for intermittent periods throughout the year. Respondents were not asked whether they short-term rent solely in the winter months.

TIME OF YEAR RENTED



Alternate Uses of Short-Term Rentals



As in the 2023 report, respondents were able to select all options they felt applied to alternative uses for their units when not short-term rented.

Personal use, including the unit serving as the permittee’s primary dwelling unit, was the highest use. Visits from family and friends received the second-most responses, followed closely by long-term renting to local residents.

A continued area of interest has been whether units are alternatively used as long-term rentals when not rented short-term. In total, 41% of respondents indicated use of the unit as a long-term rental for part of the year; their responses are further detailed below:

Long-Term Rentals To:	
Local residents, no additional uses	23%
Local residents in combination with other uses	18%
Temporary employees, no additional uses	0%
Temporary employees in combination with other uses	18%
Local residents and temporary employees, no additional uses	14%
Local residents, temporary employees, and additional uses	41%

For responses indicating long-term rental use by local residents as their only alternate use of the unit (8% of total permits), of those five permits, four (7% of total permits) are short-term rented in the summer only which means they could potentially provide up to 6 months of housing for local residents. The remaining permit is rented continuously throughout the year.

Use by visiting family and friends was also common at times when units were not short-term rented. A little over one-third of respondents reported using their short-term rental to house nonpaying visitors. Slightly less than three-quarters of respondents who indicated use by houseguests also indicated additional use; 50% reported use as housing for nonpaying family/friends, and 50% reported long-term rental use. Two permit-holders reported using their units solely for housing for nonpaying family and friends when not rented short-term.

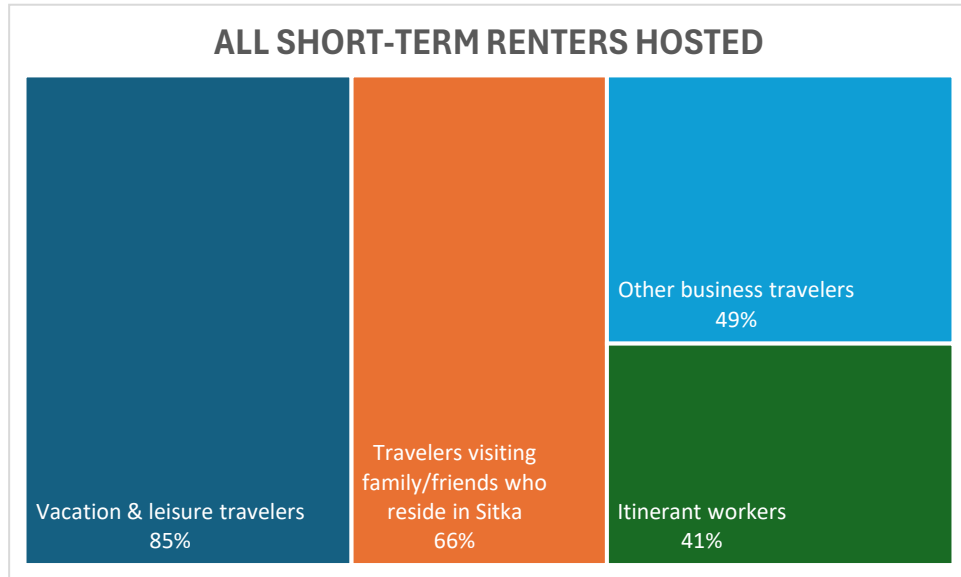
Slightly over a quarter of respondents reported personal use or use as a primary dwelling unit as the only alternative use of a short-term rental unit. Such reporting might be an indication of the use of short-term rentals as a method of subsidizing the high cost of home ownership in Sitka.

There has also been continued interest in understanding how many units are vacant when not used as short-term rentals. Of the 11 respondents who reported that the unit is vacant, slightly less than half indicated no other additional uses. 45% reported use by visitors, 18% reported housing use by other family/friends, and 27% reported occasional long-term rental use.

Visitor Characteristics

Respondents were asked to characterize the primary users of their short-term rentals, as well as users overall. 79% of respondents said vacation and leisure travelers were their primary users, followed by 14% travelers visiting family/friends who reside in Sitka, 3% business travel, and 3% itinerant workers.

When looking at all short-term renters hosted by permittees, the proportions between vacation and leisure travelers, those visiting Sitkans, and work-related travel is fairly even. The question differentiated between itinerant workers such as those who come to work for Sitka for short, infrequent, or intermittent periods such as those providing specialized repair services, visiting researchers or artists, etc., temporary employees like traveling nurses, and other business travelers such as those visiting for meetings or conferences.



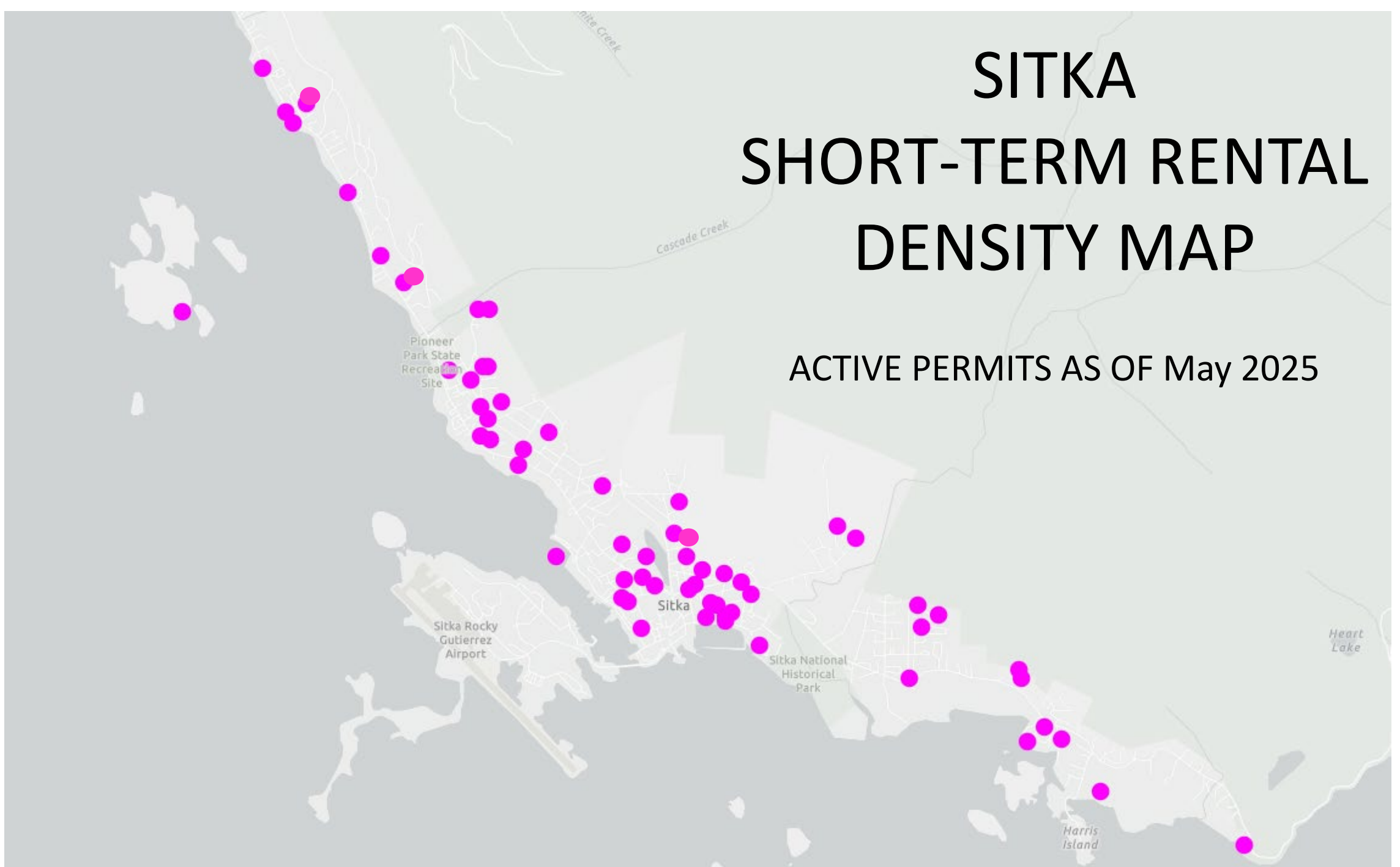
85% of hosts reported hosting vacation and leisure travelers; 22% reported that these visitors were their only short-term renters. 10% reported only having guests who were visiting Sitkans. 42% reported hosting all four categories of short-term renters.

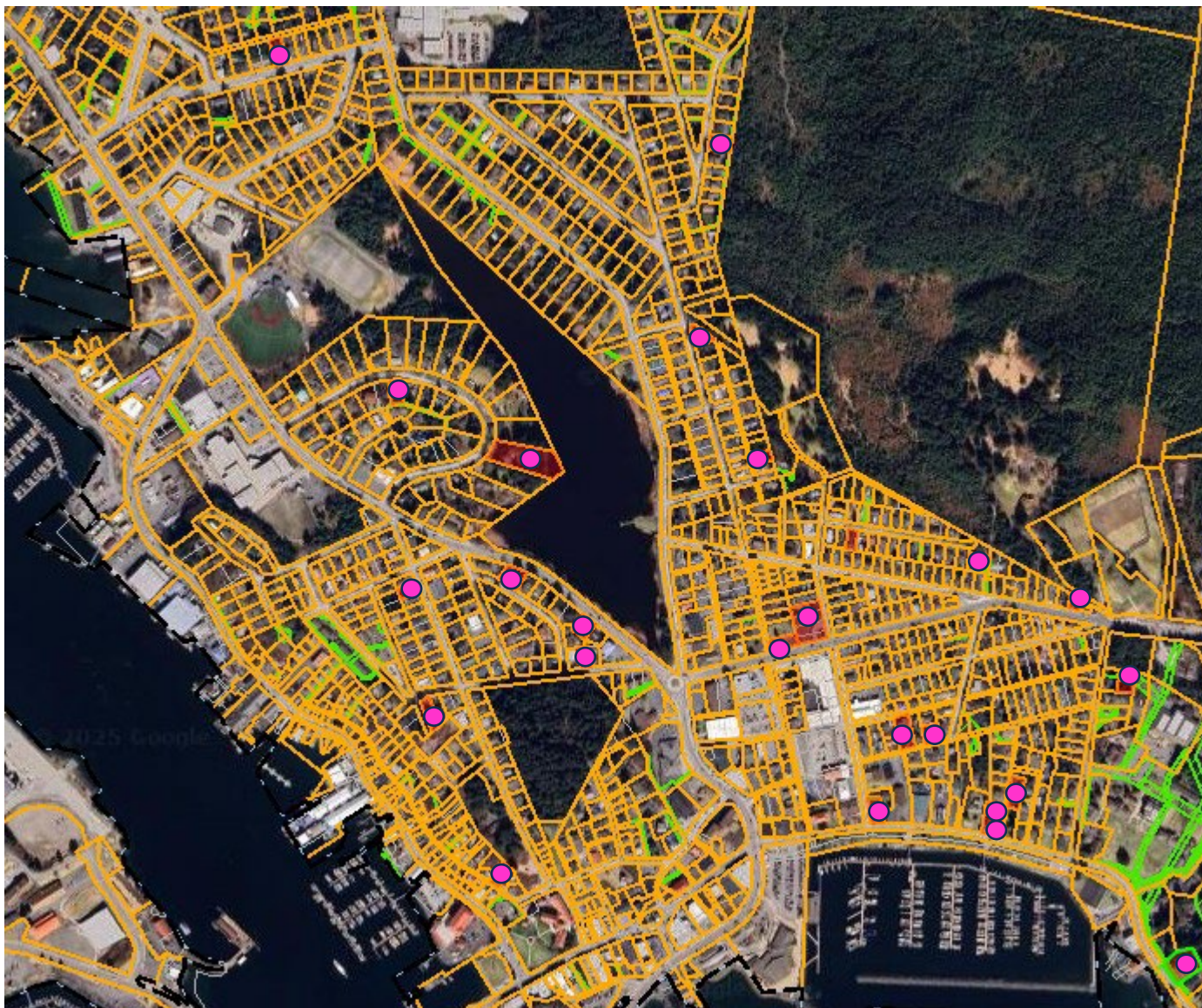
E. SHORT-TERM RENTAL DENSITY MAPS

The density maps produced depicting the locations of active short-term rental permits demonstrate similar trends from previous years—STRs are generally concentrated in the downtown area and the Edgecumbe Drive/connectors area.

SITKA SHORT-TERM RENTAL DENSITY MAP

ACTIVE PERMITS AS OF May 2025

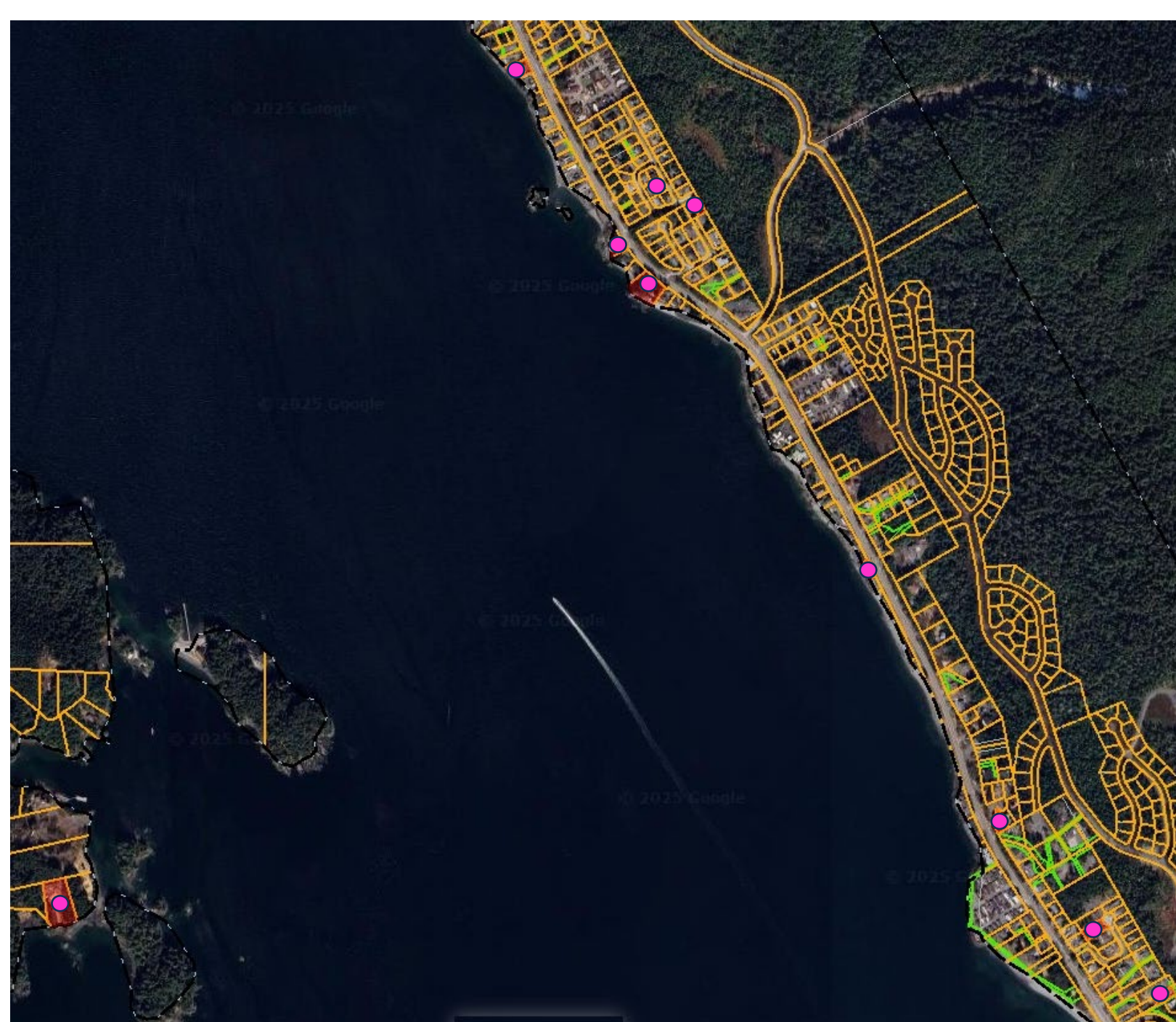




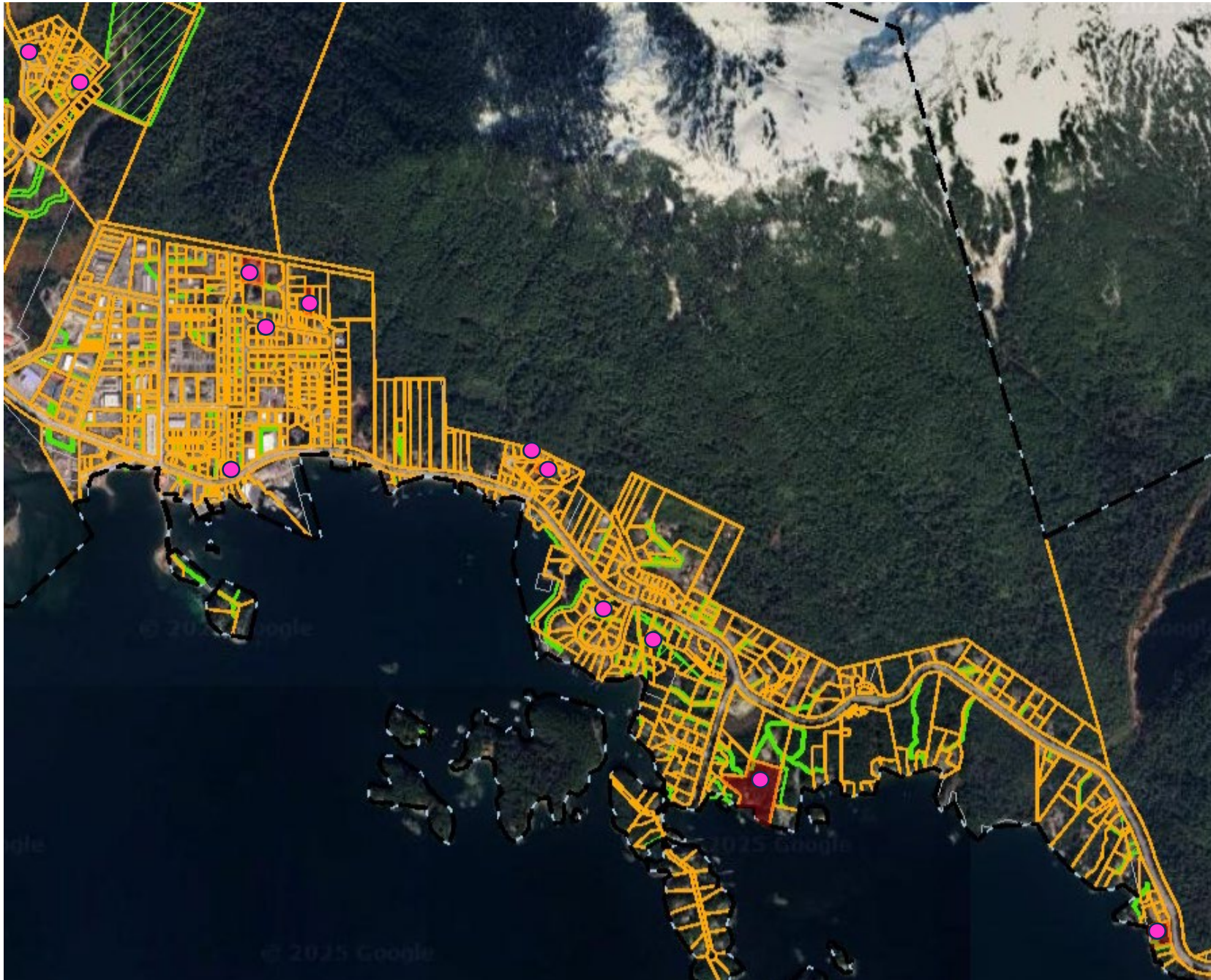
DOWNTOWN



EDGECUMBE DRIVE & CONNECTORS



HALIBUT POINT ROAD:
KRAMER AVENUE TO
HARBOR MOUNTAIN
&
KASIANA ISLAND



SAWMILL
CREEK ROAD:
INDIAN RIVER
TO
WHALE PARK