# CITY AND BOROUGH OF SITKA

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT

# 2025 Annual Short-Term Rental Report

April 1, 2026

Prepared for Chair Windsor and Planning Commission Members

Copy provided to Mayor Eisenbeisz and Assembly Members

John Leach, Municipal Administrator

## <u>Report Sections</u>



***Please note the following:***

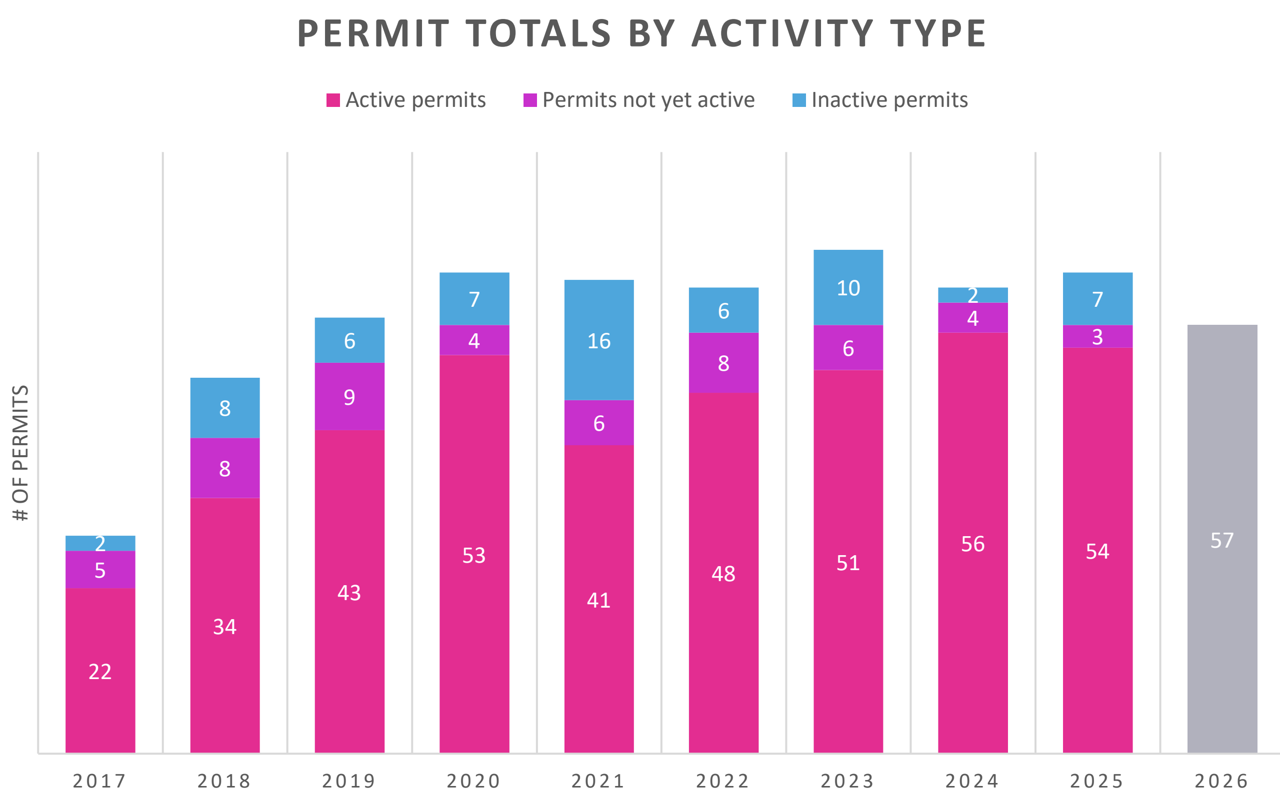
This report only covers short-term rentals or bed and breakfast establishments that operate through the conditional use permit process. This report does not have information about short-term rentals that are operated by right within the Central Business District, Commercial 1 District, Commercial 2 District, 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 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Total Permits | 58 | 64 | 63 | 62 | 67 | 62 | 64 |
| Active permits in use | 43 | 53 | 41 | 48 | 51 | 56 | 54 |
| Active permits not yet used | 9 | 4 | 6 | 8 | 6 | 4 | 3 |
| Inactive permits | 6 | 7 | 16 | 6 | 10 | 2 | 7 |
| **Rental Data from Active Permits** | | | | | | | |
| Total nights rented | 3190 | 1788 | 2917 | 4137 | 3977 | 4465 | 4534 |
| Average nights rented (avg/permit) | 74 | 30 | 71 | 86 | 78 | 72 | 73 |
| Minimum nights rented | 2 | 0 | 1 | 5 | 3 | 0 | 0 |
| Maximum nights rented | 259 | 174 | 205 | 276 | 250 | 232 | 251 |
| **Financial Data from Reporting Permits ($ USD)** | | | | | | | |
| Total bed tax remitted | 39,137 | 21,293 | 47,286 | 63,997 | 76,273 | 90,783 | 99,919 |
| Total implied revenue | 652,292 | 354,883 | 788,100 | 1,066,617 | 1,271,234 | 1,513,057 | 1,665,317 |
| Average bed tax remitted | 910 | 402 | 1,153 | 1,333 | 1,557 | 1,745 | 1,784 |
| Average implied revenue per permit | 15,169 | 6,695 | 19,222 | 22,217 | 25,944 | 29,097 | 29,738 |
| Average implied nightly rental price | 205 | 223 | 271 | 258 | 333 | 351 | 381 |
| Minimum bed tax remitted | 14 | 0 | 6 | 10 | 0 | 46 | 24 |
| Maximum bed tax remitted | 3,776 | 1,581 | 2,936 | 4,538 | 5,725 | 4,694 | 5,982 |
| Maximum implied revenue | 62,933 | 26,350 | 48,933 | 75,633 | 95,417 | 78,233 | 99,700 |

There were 64 total permits in 2025. Of the eight permits issued in 2025, five began rental activity within the calendar year and three did not. These three are the permits considered “Active permits not yet used.” Three permits reported activity in 2025 but communicated the intent to deactivate in 2026. Four permits did not report activity in 2025 and therefore became inactive. The beginning baseline of active permits as of January 1, 2026 was 54. 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.

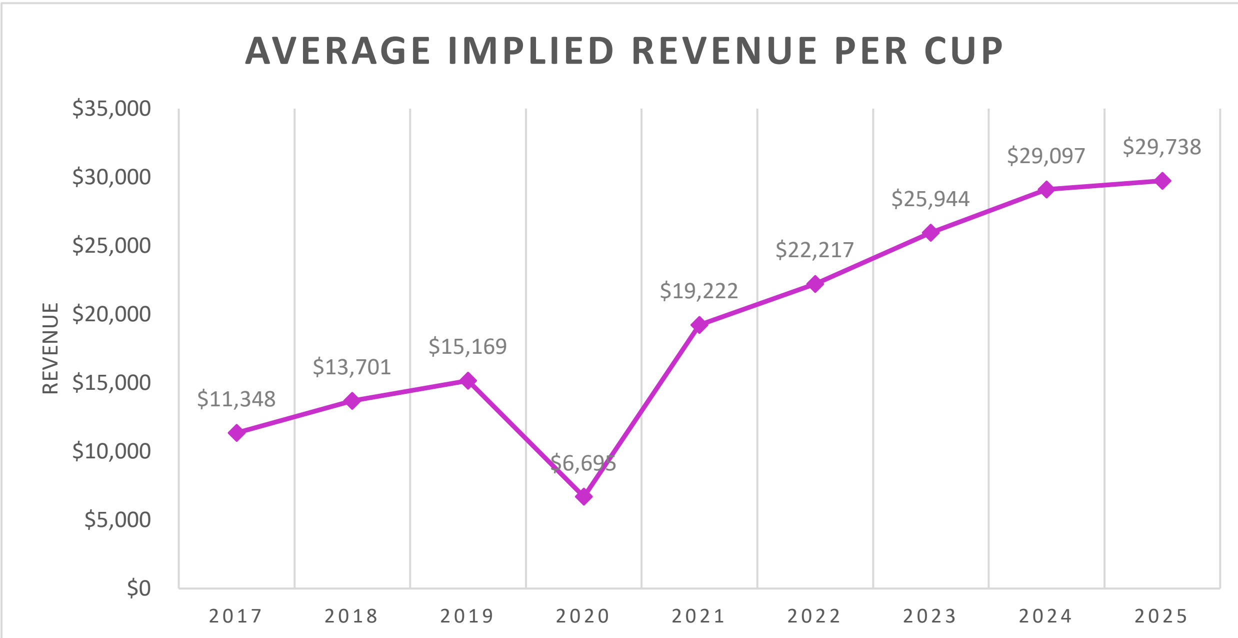



Of the 58 permit holders who responded to the report, 54 reported bed tax remittance. Sitka's bed tax on short-term rentals is 6% and the total reported bed tax remitted was $99,919; this implies total rental revenue of $1,665,317, surpassing $1.5 million for the second year in a row. Reported STR revenue in 2025 exceeded 2024 revenue totals by 10%. Over 4,374 rental days reported by properties also reporting bed tax, the average price per night was approximately $381.

In 2025, 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 decreased slightly to 73 in 2025. When considering only permittees who reported bed tax remittance, average nights rented per permit decreased slightly from 83 nights in 2024 to 78 nights in 2025.

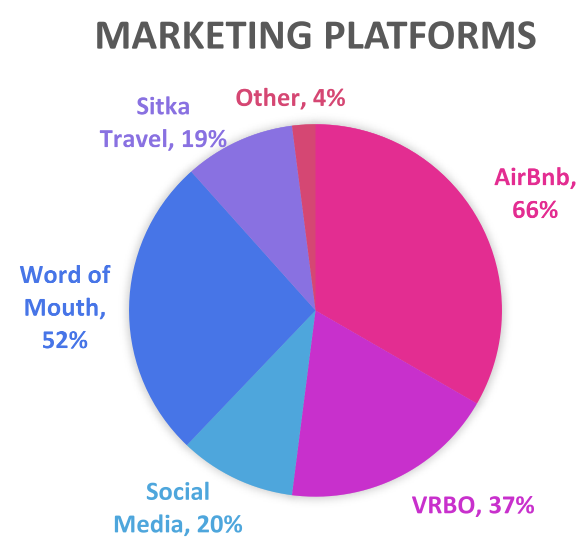
STRs still represent a significant revenue source that could substantially offset housing expenses. Among permit holders reporting bed tax, the average revenue per permit holder is $29,738—a sizeable revenue stream for property owners not otherwise captured at hotels, lodges, or short-term rentals/bed 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 in 2025 was $1,498 per month. That number has risen in 2026 to $1566. Averaging short-term rental revenue (average per permit reporting bed tax) over twelve months, this equates to $2,478 per month while only having to rent the unit for 78 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. <u>MARKETING & MANAGEMENT DATA</u>

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 54 of the 59 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" remained a popular marketing tool and was reported to be used by 52% of respondents, rising from 51% in 2024. The use of marketing platform Airbnb rose from use by 54% of respondents in 2024 to use by 66% of respondents in 2025. It remained the most popular marketing platform.

24% of those with active permits stated that they were using professional services for property management, a slight decline from 28% in 2024, which was a decline from 31% in 2023 and 46% in 2022. 69% of permittees report that they live on the property with the short-term rental and are present when the unit is rented—an increase from 56% of respondents in 2024. Compared to 26% in

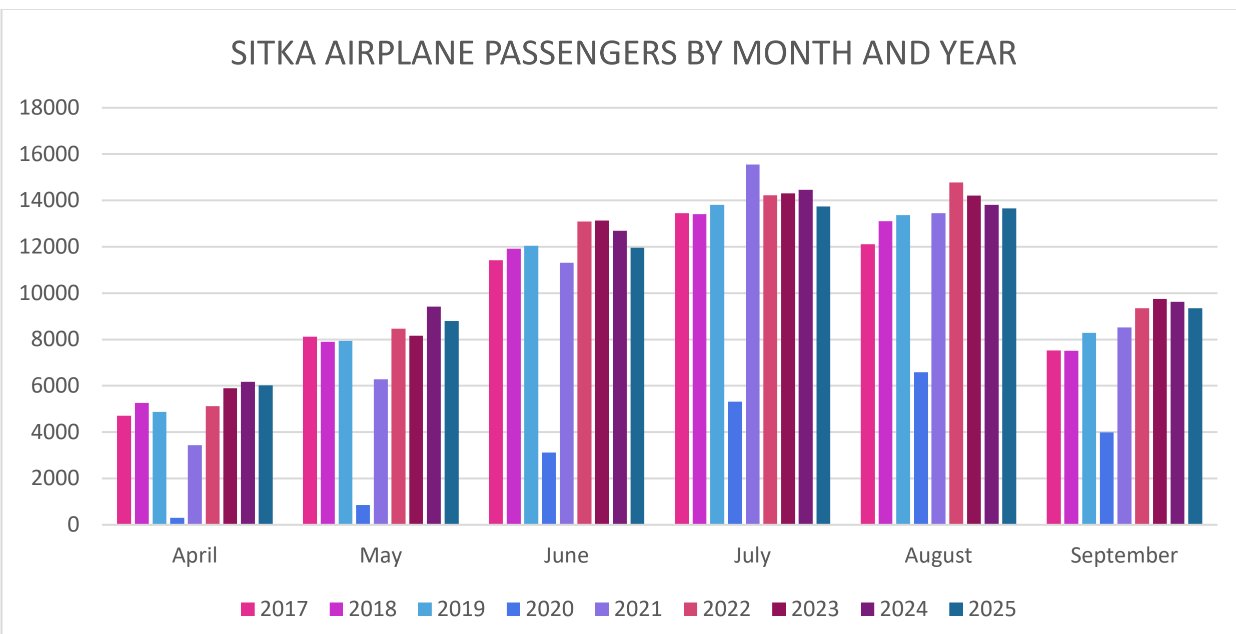
2024, 40% of respondents personally monitor the property when it is rented. 31% of permit holders—an increase from 26% in 2024—are not present on the property when it is rented.

C. <u>VISITATION – ENPLANEMENT</u>

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.

2025 enplanement from the months of April through September was about 4% lower than enplanement in 2024. Comparing the two years, enplanement was slightly lower in all 2025 summer months. April saw a 150-passenger, or 2% decrease; May a 712-passenger, or 8% decrease; June a 731-passenger, or 6% decrease; July a 712-passenger, or 5% decrease; August a 148-passenger, or 1% decrease; and September a 277-passenger, or 3% decrease. While there was a 3% decrease in enplanement between 2024 and 2025, there was a 2% increase in total nights rented. This could imply that in 2025, 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; that there was an increase in the average time those visiting by plane stayed in Sitka; and/or that there was a decrease in non-permitted short-term rentals.

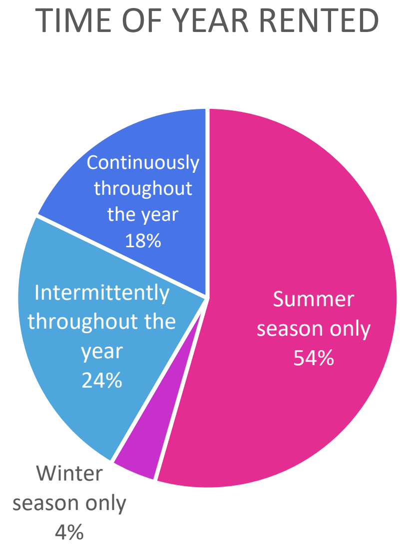
Summer enplanement in 2025 was 11% higher than in 2017, and total yearly enplanement was 10% higher. 2025 summer enplanement was 4% lower than 2024's peak summer enplanement (66176 passengers). Enplanement in the summer months as a proportion of total year enplanement was consistently two-thirds 2017-2019, dipped to 53% in 2020, reached a high of 74% in 2021, was 70% in 2022, and 68% from 2023 through 2025.




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 2025 survey. The 2025 survey eliminated a previous question to limit redundancy and included an additional question regarding the average number of days short-term rentals were rented by guests. About 92% of permittees elected to participate in the optional part of the report.

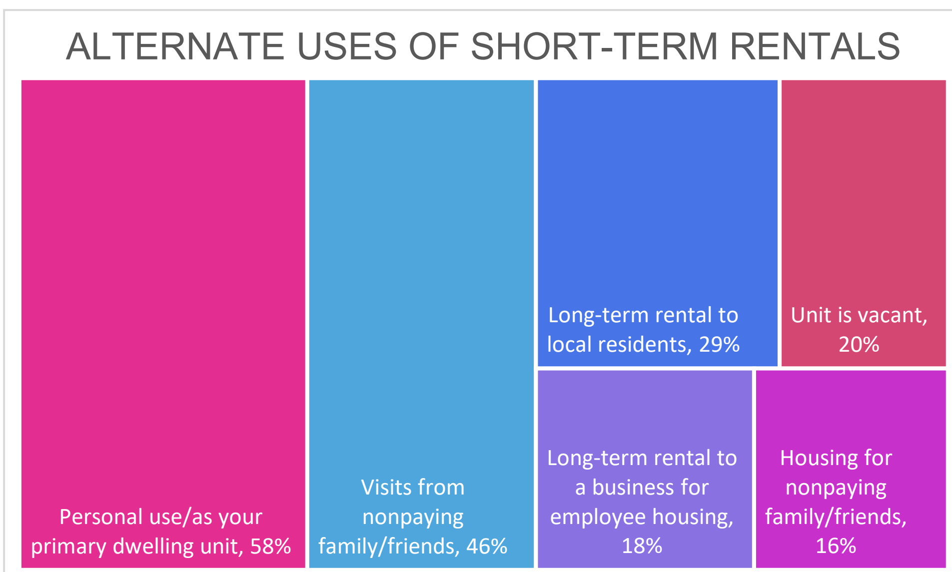



Respondents predominantly short-term rent their units in the summer months (defined as April – September), which was consistent with general assumptions, expectations, and data collected in the 2023 and 2024 reports. There was a relatively even split between those who rent continuously throughout the year (24%) and those who rent for intermittent periods throughout the year (18%). 4% of respondents reported short-term renting solely in the winter months.

*Alternate Uses of Short-Term Rentals*

Since the 2023 report, respondents have been asked 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 alternative use. Visits from family and friends received the second-most responses, followed 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, 36% of respondents (20 permit holders) 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 | 15% |
| Local residents in combination with other uses | 30% |
| Rental to business employees, no additional uses | 0% |
| Rental to business employees in combination with other uses | 15% |
| Local residents and business employees, no additional uses | 0% |
| Local residents, business employees, and additional uses | 40% |

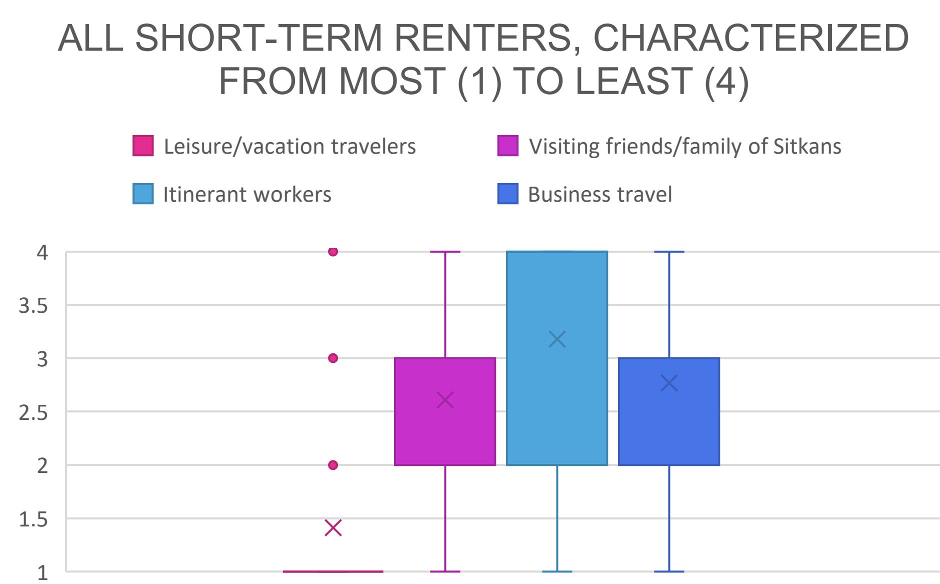
For responses indicating long-term rental use by local residents as their only alternate use of the unit (5% of total permits), of those three permits, one is short-term rented in the summer only which means it could potentially provide six or more months of housing for local residents. The remaining two permits are rented intermittently throughout the year.

Slightly over a third 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, only three respondents (27%) indicated no other additional uses. This is a decrease from the five units in 2024 that were noted to be left vacant. 45% (five respondents) reported use by visitors, 18% (two respondents) reported housing use by other family/friends, and 36% (four respondents) reported occasional long-term rental use.

*<u>Visitor Characteristics</u>*

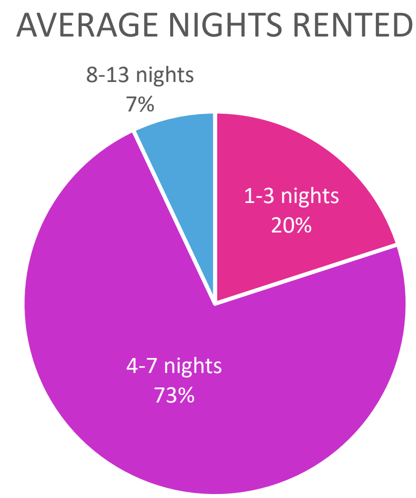
In the 2025 response form, changes were made to questions regarding visitor characteristics. In the past, respondents were asked to characterize the primary users of their short-term rentals, as well as users overall. In the 2025 report, respondents were instead asked to rank short-term renters hosted from most-hosted (1) to least-hosted (4). This was a request



by the Planning Commission to mitigate confusion by respondents and redundancies in the data.

When considering this data, staff calculated the average (the sum of all responses divided by the number of responses) and the mode (the value appearing most frequently). The averages are marked with an "x" on the graph on the previous page; the boxes indicate the middle 50% of responses.

The majority of respondents categorized most short-term renters as vacation and leisure travelers. The data was more mixed when considering the other three groups—visiting friends and family of Sitkans, itinerant workers, and business travelers. The averages for those three groups were quite similar, with results becoming more clear when considering the modes for each. Following leisure and vacation travelers, visiting friends and family of Sitkans rented the most, followed closely by business travelers. Itinerant workers were the least prevalent short-term renters.




It is of note that some respondents selected the groups they most and least rented to but did not fill out all four columns of the ranked choice question. This may impact why there is such a dramatic difference in the graph between leisure and vacation travelers and all other groups; it also may impact the clarity of itinerant workers as the least-renting group and the closeness in the averages for the business travel and visiting friends/family of Sitkans groups.

The 2025 report also asked respondents to provide the average length of stay by short-term renters. Respondents had the option of selecting 1-3 nights (20%), 4-7 nights (73%), 8-13 nights (7%), 14-21 nights (0%), or 21+ nights (0%). Continued collection of this data may provide several insights. Such insights include the frequency of short-term rental turnover and time between guest stays, as well as the associated impacts of turnover within neighborhoods; visitor trends and behaviors which may inform economic opportunities within the independent travel market; and future analysis of relationships between average stay duration and unit takeovers with tax remittance, permit revenue, and permit attrition.

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.

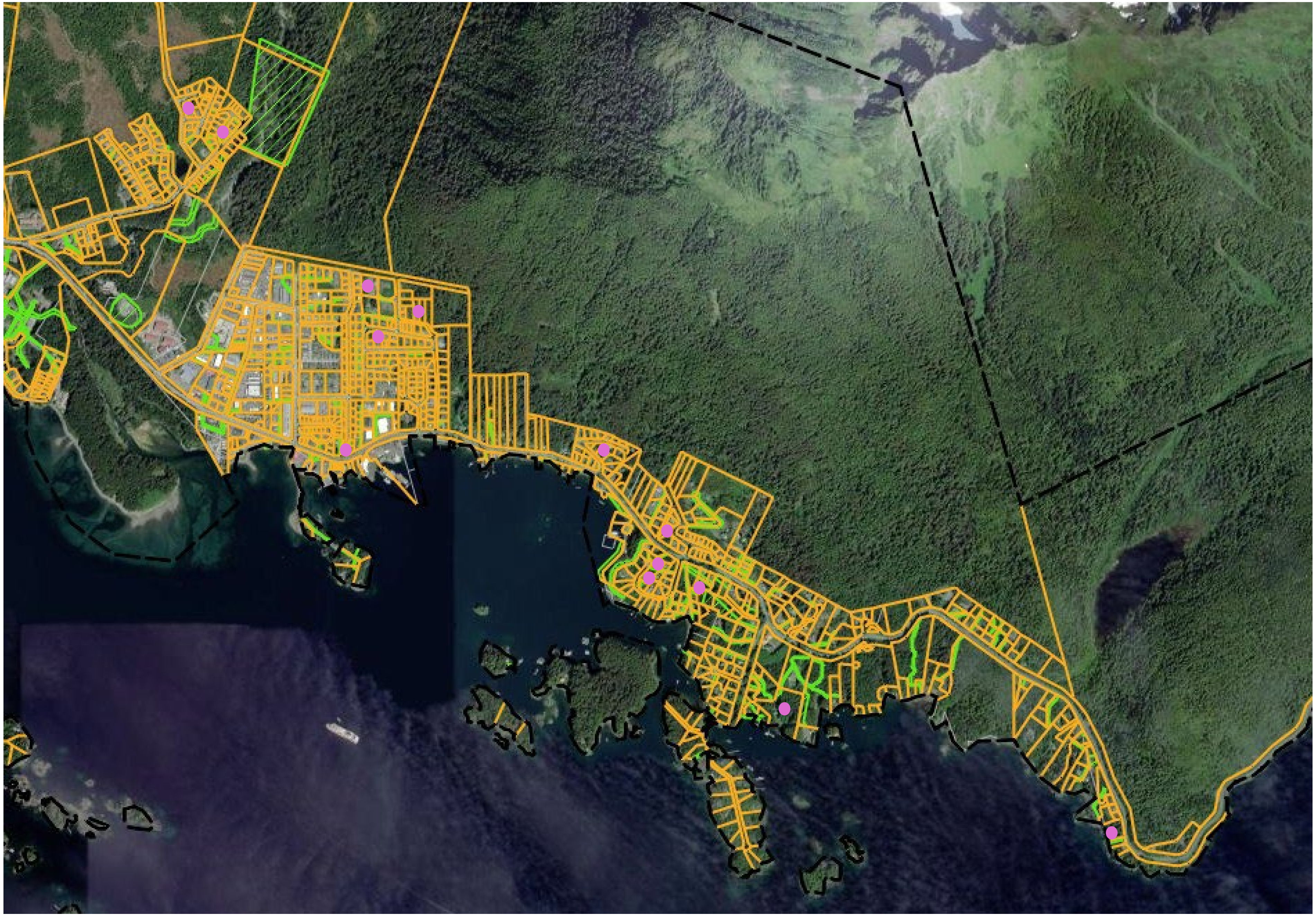
# Sitka Short-Term Rental Density Map

ACTIVE PERMITS AS OF JANUARY 1, 2026

DOWNTOWN

# EDGECUMBE DRIVE & CONNECTORS

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



SAWMILL CREEK ROAD: INDIAN RIVER TO WHALE PARK