

Summary of the Economic Impacts of Short Term Vacation Rentals in Santa Fe, NM

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Santa Fe Short Term Vacation Rental Tourism Economic Impacts 2018 & 2019 (\$ millions)

	2018		2019			
	Direct	Total	Direct	Indirect	Induced	Total
Food and Beverage	\$24.8	\$28.0	\$37.1	\$1.8	\$3.0	\$41.9
Finance, insurance, and real estate	\$10.8	\$24.8	\$16.2	\$8.0	\$12.9	\$37.1
Lodging	\$23.7	\$23.8	\$35.5	\$0.1	\$0.0	\$35.6
Retail Trade	\$18.4	\$20.7	\$27.5	\$0.2	\$3.3	\$31.0
Recreation and entertainment	\$14.2	\$14.9	\$21.2	\$0.5	\$0.6	\$22.3
Gasoline station	\$10.0	\$10.1	\$14.9	\$0.0	\$0.2	\$15.2
Other Transport	\$4.4	\$5.7	\$6.6	\$1.5	\$0.5	\$8.6
Air Transport	\$2.6	\$2.7	\$3.8	\$0.1	\$0.1	\$4.0
All Other Industries	\$0.0	\$21.6		\$18.0	\$14.3	\$32.4
Total	\$108.7	\$152.3	\$162.9	\$30.1	\$35.1	\$228.0

Summary Economic Impacts

- Short Term Vacation Rentals (STVR) owners' revenue was **\$35.5 million in 2019** and **\$23.7 million in 2018** in the City of Santa Fe.
- STVR-related direct spending is estimated to be **\$162.9 million in 2019**, and **\$108.7 million in 2018**.
- A total economic impact of **\$228 million in 2019**, and **\$152.3 million in 2018** is estimated from STVR-related spending in Santa Fe.

Selected STVR Estimated Direct Impacts

- **Food & Beverage Spending**— \$37.1 million in 2019, and \$24.8 million in 2018
- **Retail Spending** — \$27.5 million 2019, and \$18.4 million in 2018

Estimated STVR Fiscal Impacts

- Lodgers' Tax & Gross Receipts Tax — **\$13.4 million** in 2019, and **\$9 million** in 2018 (Direct Impact)
- Total Fiscal Impacts — **\$18.9 million** (2019) and **\$12.6 million** (2018) from STVR-related economic activities

New Mexico Tourism Department (NMTD) reported 2019 statewide direct tourism impacts of \$7.4 billion and total impacts of \$10.4 billion for New Mexico.

Santa Fe Short Term Vacation Rental Spending Estimated Tax Revenues (\$ millions)

	2018	2019
Direct		
Lodgers' Tax*	\$1.8	\$2.7
Gross Receipts Tax	\$7.2	\$10.7
Indirect		
Gross Receipts Tax	\$1.7	\$2.5
Induced		
Gross Receipts Tax	\$2.0	\$3.0
Total Estimated Tax Revenue	\$12.6	\$18.9

*Estimated Lodgers Tax and GRT from STVR are based on the calendar year data and assume compliance with the tax liability by STVR hosts.

The City of Santa Fe receives all Lodgers' Tax revenue and nearly two-thirds of the GRT distributed to Santa Fe County's governmental units.

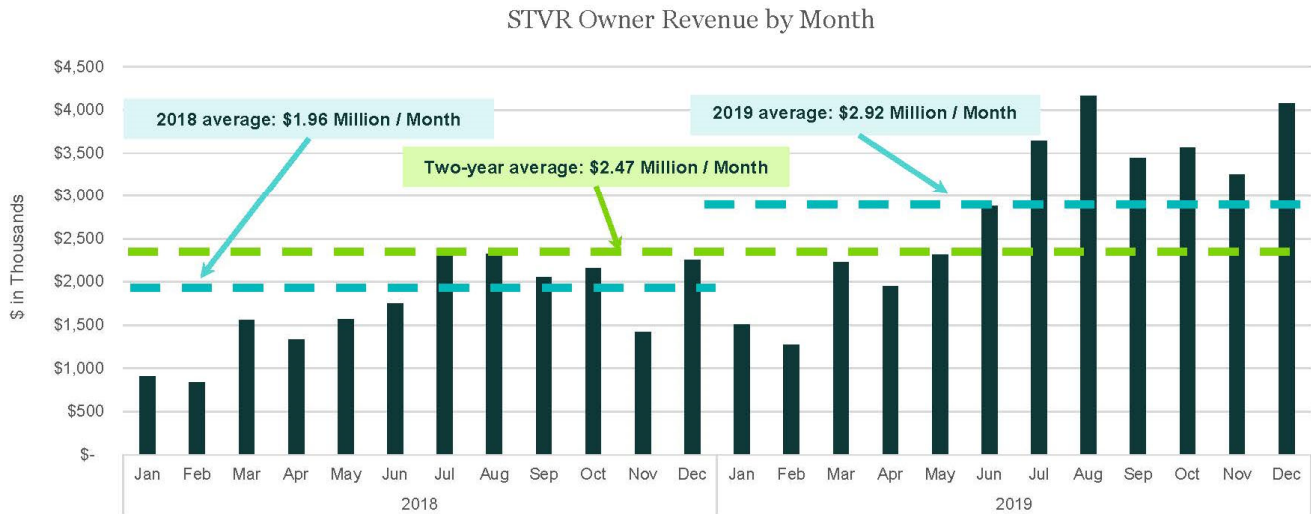
Estimated Lodgers' Tax from STVRs in Santa Fe make up **15%-20% of total Lodgers' Tax in the City.**

This analysis estimates the economic and fiscal impacts of Short Term Vacation Rental (STVR) guest spending in the City of Santa Fe in 2018 and 2019. It assumes that the vacation rental or STVR renters are traveling for tourism purposes. It is outside of the scope of this analysis to determine if renters are traveling for business or other reasons. The economic impacts of tourism come from both the direct dollars of visitor spending, and also accounts for the flow of the dollars through the economy as the indirect and induced impacts. STVR visitors' spending impacts the economy when paying hosts, dining out, shopping, recreating, travel and more.

STVR spending also generates fiscal benefits to the City of Santa Fe in tax revenues from the Gross Receipts Tax, as well as the City of Santa Fe's Lodgers' Tax.

Revenue Generated from STVR, by Month

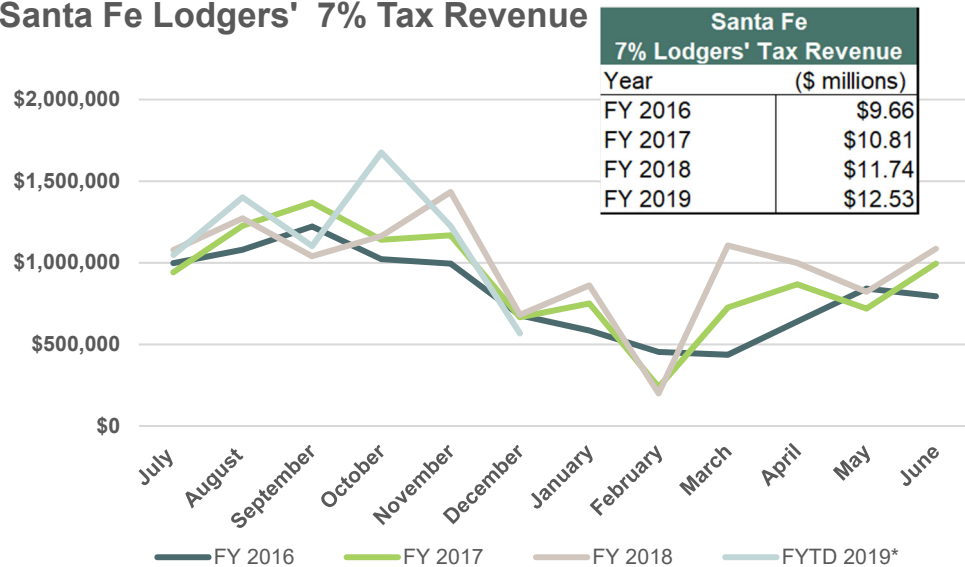
City of Santa Fe STVR Data, 2018 and 2019



Lodgers' Tax: Santa Fe Lodgers' Tax Ordinance provides a combined 7% tax on lodging revenues, composed of a 5% occupancy tax and a 2% convention center fee. This analysis of STVR impacts includes Santa Fe's Gross Receipts Tax (currently 8.43%) for a combine total of **15.43%** rate on STVR revenues. Santa Fe lodging establishments are responsible for both the GRT and Lodgers' Tax (\$3.2.211.8 NMAC), and the rate are the rates imposed for FY2018 and FY2019 though, subject to adjusted by the city.

Estimated Lodgers' Tax revenues from STVR are estimated to total **\$2.7 million in 2019** and **\$1.8 million in 2018**. Total Lodgers' Tax collections reported from City of Santa Fe's Comprehensive Annual Financial Report for FY2019 totaled just over \$12.5 million and \$11.74 million in FY2018, with 15% to 20% of that tax revenue estimated to derive from STVR properties.

Santa Fe Lodgers' 7% Tax Revenue



*FY2019 includes reported data through December 2019

Reported Lodgers Tax from the City of Santa Fe is based on the City's fiscal year tax revenues, as stated by its Comprehensive Annual Financial Report.

Monthly tax data from City of Santa Fe Cash Reports data, and is incomplete for FY 2019

Published data from NMTD was used to estimate the direct, indirect and induced economic multipliers of Short Term Rental (STR) tourism spending in Santa Fe. NMTD's model is derived from the industry-standard industry input output model, IMPLAN®. *Tourism Economics* produced the statewide report for NMTD.

STVR data analyzed includes: revenue; nights stayed, geographic location and other characteristics of STVRs. City of Santa Fe data was gathered from AirDNA, LLC, and directly from Expedia®. The STVR data is based on calendar years. This analysis uses 2018 and 2019 Santa Fe STVR revenue to determine the economic and fiscal impacts of STVR tourism revenues in Santa Fe. STVR data excludes any hotels data or revenues.