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# For These Retirees, Short-Term Rental Bans Aren't Just a Perk—They're a Must

Some senior homeowners are seeking out neighborhoods and communities that keep online platforms like Airbnb and Vrbo at bay

By [Katy McLaughlin](#)

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When Wes Swenson sold his data center company in 2017, he was able to buy the retirement homes of his dreams in Utah. He purchased a \$1.5 million house in Woodland Hills and a \$1.2 million house in St. George. Both homes are in resort-like communities that tourists love; the former for skiing and the latter for access to Zion National Park, hiking and golf. Both are also in cities where homeowners can make high fees from short-term renting their houses.

But Mr. Swenson won't make a penny that way. He sought out communities with homeowner association rules, known as Covenants, Conditions and Restrictions, or CC&Rs, that forbid short-term rentals and have histories of strong enforcement.

Real-estate agents around the country say that it is far more common for a buyer preparing for retirement to seek out a property where they can generate revenue by short-term renting until they are ready to occupy the house themselves.

But for a minority of buyers, making sure they will spend retirement in a community of neighbors, not a rotating cast of visitors, is essential. This is especially true for retirees who want the same deserts, mountains and coastlines as short-term renters. By a long shot, buyers over 65 in the NAR study identified a “desire to be closer to family/friends/relatives” as their top reason for buying a new home, indicating how important community and relationships are to this age group.

Ensuring a short-term-rental-free neighborhood has gotten harder in the last few years. From the beginning of 2015 to the beginning of 2020, U.S. units rented short term on both Airbnb and Vrbo grew from about 450,000 to 1 million; revenue grew by 150% in that same period, according to Jamie Lane, vice president of research at AirDNA, an analyst for the short-term rental industry. Though the pandemic caused travel, bookings, and revenue to nosedive, a recovery is already under way, Mr. Lane said.

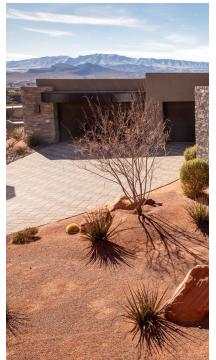
“The five-year outlook is for strong growth in demand for short-term rentals,” said Mr. Lane, who expects a full recovery to pre-pandemic revenue levels by next year and a growth rate similar to pre-pandemic levels thereafter. “The vast majority of U.S. short-term rentals are in destination/resort and small town/rural locations around the country, of which many are the owner’s second homes.”



Olya and Wes Swenson and their daughter, Angelika, pose for a portrait in front of their St. George home.  
PHOTO: ROGER KISBY FOR THE WALL STREET JOURNAL

### A St. George Sanctuary

Wes Swenson sought out a home in community where short-term rentals are banned.



An exterior view of the Swenson home. Tourists and retirees alike are attracted to St. George's red sandstone views and desert climate. ROGER KISBY FOR THE WALL STREET JOURNAL

As short-term rentals have proliferated, so too have negative stories about living next to one, especially if it is a site used for frequent parties. These tales, plus his own experience, were what convinced Mr. Swenson to seek out Summit Creek and the Vistas at Entrada,

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both gated communities with strong rules and reliable enforcement, he said. In his previous home in Payson, Utah, the home two doors down from him was a short-term rental owned by an investment group, he said. Guests choked the street with parked cars and sometimes had loud parties.

“I have nothing against short-term renting in principle, but I don’t want to live somewhere that allows it,” said Mr. Swenson, who recently launched a new data center company. “It makes life too unpredictable.”

Close relationships with neighbors mean a lot to Bill Webbe, 77, a retired healthcare executive. He moved with his wife, Connie Webbe, to Durango, Colo., and built a nearly 6,000-square-foot mountain-style house within Glacier, a community that currently has 110 homes in a private club with two 18-hole golf courses. It lies 9 miles from Purgatory ski resort. Rentals of less than six months are prohibited, and renters have to undergo background checks, said chief operating officer Jim Goodman.

A three-bedroom condo within Glacier could theoretically rent for \$1,000 a night during peak ski season, said Michael Gullotti, associate broker with the Wells Group, who handles many transactions within Glacier; he based his estimate on what condos outside the community charge. Homes within Glacier have sold for between \$539,000 and \$2.5 million, he said.



Sally Finch and her husband recently bought this condo in Coronado, Calif., for roughly \$1.85 million. The building has even stricter short-term rental rules.  
PHOTO: ALBERTO ZEBALLOS



A view of the San Diego Bay and skyline from the bedroom.  
PHOTO: ALBERTO ZEBALLOS

Leaving money on the table doesn’t bother Mr. Webbe. “Our concern is to have a community where we know each other well and do things together,” said Mr. Webbe, who said he skis, plays golf and bridge, and hikes with his neighbors.

Short-term rental rules are set in a number of ways, some of which overlap, some of which

contradict each other and some of which can change over time. First, there are local municipal ordinances that can mandate rules such as 30-day rental minimums or require landlords to take out a permit. The gold standard for anti-renting ordinances is “platform accountability,” which means online platforms are held liable if they are found collecting fees on listings that contradict local laws, said Dale Carlson, co-founder of ShareBetter SF, a group that advocates for regulation of short-term rentals. Mr. Carlson has been retained personally to consult with hotel industry groups, but said the organization isn’t currently funded by the hotel industry. San Francisco, Santa Monica, Los Angeles, Boston, Portland, Denver, and Honolulu all have platform accountability statutes, Mr. Carlson said.

Even in places where state or local ordinances allow short-term renting, there is still another barrier: Homeowner associations with CC&Rs that prohibit it. Sally Finch, 76, and her husband, Parker Finch, 81, just purchased a roughly \$1.85 million, two-bedroom condominium in Coronado, Calif., that has stricter rules than even the town of Coronado, where city rules limit renting to a minimum of 26 days. In their building, rentals of less than six months are banned, said the Finches’ agent Scott Aurich of Pacific Sotheby’s International Realty. Ms. Finch said though the couple used to rent out their single-family home when they went away to another home they own in North Carolina, she is relieved it can’t be done in their new place.

“I expect to get to know the people on my floor and in my building,” said Ms. Finch.





Connie and Bill Webbe built a home in Glacier, a club community in Colorado with strict community rules against short-term renting. PHOTOS: JASON SPETH; BILL V

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*Would you prefer to live in a community that banned short-term rentals? Join the conversation below.*

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Many CC&Rs were drafted before short-term renting became commonplace and don't even include language to address them, said Dawn Bauman, senior vice president of government affairs for the Community Associations Institute, a trade group for property associations. Changing CC&Rs typically requires the approval of two-thirds of the membership, Ms. Bauman said. Another limitation of CC&Rs is that the rules are only as powerful as the enforcement behind them. About 70% of community associations are managed by professionals who often have more wherewithal than all-volunteer boards to discipline rule breakers with letters, fines and legal action, Ms. Bauman said.

Chuck Murray, a 68-year-old retired financial adviser, said he bought a home within the Shadow Estates Homeowners Association in Sedona about 10 years ago, partly attracted to the community because it didn't allow rentals of less than six months. For four years, he was president of the HOA and was active against violators of rental rules, sending out letters of warning and issuing fines. Homes in the community cost roughly \$1.7 million to

\$2.4 million, said Re/Max agent Brian Dante.

“You have a true sense of community. You talk to your neighbors as if they were your friends, and you wouldn’t have that if there were short-term rentals,” Mr. Murray said. He’s not entirely anti-short-term: Mr. Murray partly finances his retirement with income from two properties he rents out via Airbnb, one on the west side of Sedona and the other in Puerto Peñasco, Mexico.

“We live on that cash flow and it’s worked out amazingly well. It’s purely just a business to me,” he said.

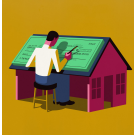
### **Finding a Short-Term-Free Community for the Long Term**

- 1.) Search Airbnb and Vrbo for listings where you are considering buying. Locate the home you are considering by zooming into the cross streets on the sites’ maps, then zoom out looking for listings.
- 2.) On AirDNA.co, the website of the industry analyst, click on “Market Minder” and input the ZIP Code where you are searching. Free, the site will show a map of short-term rentals, identify which are whole house rentals, which are shared houses, and how many days a year they are available. For a fee (from \$19.95 to \$99.95, depending on how many short-term rentals are offered in the area), the site will also show how many days a year listings are occupied and how much revenue the owner makes, among other data points.
- 3.) Call the city attorney or the city’s planning department and ask about the local short-term-rental laws. The gold standard is “platform accountability” whereby platforms are held liable for listing rentals that contravene local laws.
- 4.) Ask to read the CC&Rs of any community in which you’re home shopping. Look for policies that ban or limit short-term renting and that spell out penalties for noncompliance.
- 5.) Discover whether the association is professionally managed. Speak to management about how they address rental violators. If it is an all-volunteer board, consider joining or becoming active.
- 6.) Look through a community’s minutes over the past year to see how often complaints about short-term rentals came up in meetings. Interview board members and neighbors about whether they are an issue.

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### Corrections & Amplifications

Wes Swenson's St. George, Utah, home is near Zion National Park. An earlier version of this article incorrectly referred to it as Mt. Zion National Park. (Corrected on Feb. 25)

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