August 2012

Special Request Results

Why We Did This Report

This memo responds to a request from Council Member Spelman to provide a map showing the geographic distribution of all of the short term rental properties that are currently registered with the Controller's Office for tax purposes.

What We Did

To complete this special request, we obtained and mapped the list of registered short term rental properties from the City Controller's Office, and used Travis County Appraisal District information to determine occupancy status.

For more information on this or any of our reports, email oca_auditor@austintexas.gov

Special Request Report on Geographic Distribution of Registered Short Term Rentals

Mayor and Council,

I am pleased to present this report on the geographic distribution and ownership status of registered short term rentals.

BACKGROUND

Every person required to collect the Hotel Occupancy Tax[1] must file a Report of Hotel Occupancy Tax with the City of Austin Controller's Office each quarter. The Controller's Office maintains a database with tax registration and payment information.

OBJECTIVE AND SCOPE

Our objective was to determine the geographic distribution of short-term rental (STR) properties that are registered with the City Controller's office for tax purposes, and the extent to which these properties are owner occupied. The scope included STR properties that were registered with the City Controller's Office as of July 30, 2012. Data used for this analysis was subject to several significant limitations and assumptions, which are provided in detail in Attachment B.

WHAT WE FOUND

Based upon our analysis, we estimated that there are 346 short term rental properties registered with the City of Austin. We were able to map 344 of these properties. The estimated occupancy breakdown for these properties is as follows:

- 143 are owner occupied,
- 182 are non-owner occupied, and
- 19 were unknown.

The map in Attachment A shows the geographic location of these properties.

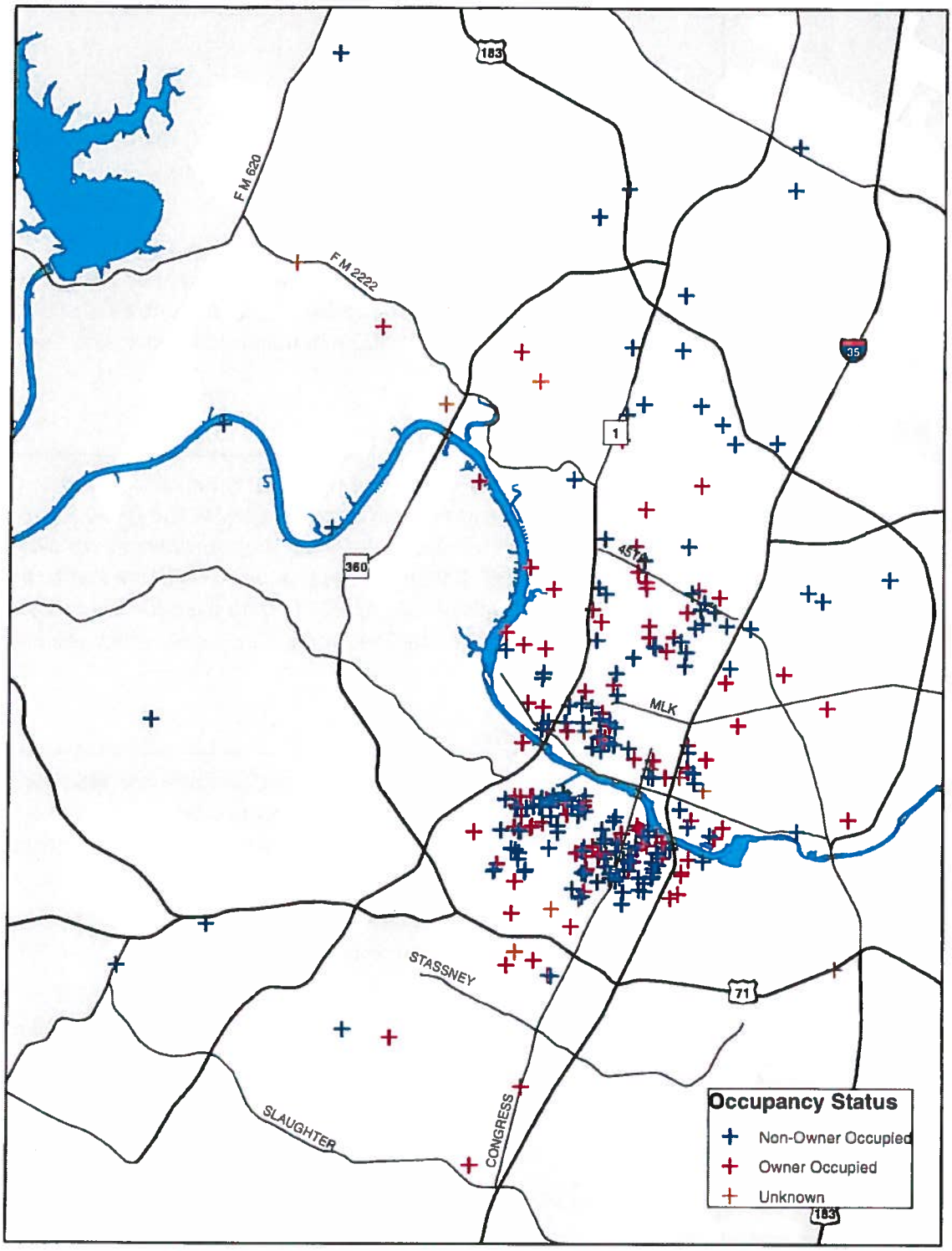
We appreciate the cooperation and assistance we received from the Controller's Office during this audit.

Kenneth J. Mory, City Auditor

[1] Per City Code, every person owning, operating, managing, or controlling any hotel shall collect the Hotel Occupancy Tax from their guests for the City of Austin. A Hotel is defined as any building or buildings in which the public may obtain sleeping accommodations for a cost of 2 dollars or more each day for a consecutive duration of 30 days or less.

ATTACHMENT A

Location and Ownership Status of Registered Short Term Rental Properties



SOURCE: OCA analysis of registered properties, August 2012.

ATTACHMENT B

Assumptions and Limitations of Analysis

Limitations of Data Used

- The address data used for this analysis is derived from data that is self-reported by short-term rental owners to the City Controller's Office and has not been audited by the Office of the City Auditor. We did identify and correct some minor data entry errors in order to plot addresses in GIS.
- While we attempted to distinguish between owner mailing address and short-term rental property addresses, there may be some properties that are mapped to the mailing instead of the property address due to the information submitted to the Controller's Office.
- We were unable to map two properties due to incomplete/inaccurate address data. Specifically, one registration was linked to an address outside of Texas. Another registration was the address of an office building that was verified to not be a residence.
- We have not audited the City's GIS street and boundary files. It is possible that errors exist in the placement of address points.
- Multiple entries of the same property were identified for 21 addresses. We were not always able to distinguish if these properties had multiple units or another reason for being on the registration list more than once.
- TCAD data was used to determine occupancy of STR properties. We have not audited this data. Due to limited information, in some cases we had to use our audit judgment to determine occupancy.

Assumptions about Ownership of Short Term Rentals

- For the purpose of this analysis, we considered a property owner-occupied if the location address of the STR was the same as the mailing address indicated in the Travis County Appraisal District's (TCAD) property database and the property reflected a homestead exemption. We also considered properties with a homestead exemption and an Austin Post Office (PO) Box as the mailing address owner-occupied. For duplexes/multi-unit properties, an STR was considered as owner-occupied if the owner's mailing address is on the same TCAD parcel.