


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Abstract

Based upon a hedonic pricing model, this study examines the effect of vacation home rentals (VHRs) on the value of all home sales within a quarter-mile radius of a VHR. The results show that the presence of VHRs has a positive effect on the value of all home sales within a quarter-mile radius of a VHR. VHRs benefit owners and neighbors near them, but overall reduce the city's residential property values. These findings offer a logical basis for the heated discussions often observed over planning activities that restrict the presence of VHRs and/or attempt to mitigate their neighborhood effects. The paper concludes with implications for planning policy directed at VHRs.



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