



**TIARA**

(Tybee Island Association of Rental Agents)

[www.TiaraTybee.com](http://www.TiaraTybee.com)

### Tybee Island Vacation Rentals – By The Numbers – April 2011

- The 2010 economic impact of ALL Tybee Lodging was over \$65.6 million – and Vacation Rentals made up over \$43 million of that number. *These were based on conservative estimates.*
- Tybee’s vacation rental industry created over 436 jobs in lodging and other tourism related businesses (*again very conservative multipliers were used*). This does not account for all the City government jobs created.
- Tax revenues in our economic impact chart reflect only lodging taxes – it does not take into account property, sales, excise, income, real estate transfer, or other tax revenues, building permits, planning and development fees, etc.
- The average number of nights rented annually in a Tybee Island vacation rental is 125. This means **for 2/3 of the year these homes are vacant** and utilizing no city services or otherwise “negatively” impacting the city.
- There are 3100 water meters on Tybee. TIARA estimates that there are approximately 900 vacation rentals (850 vacation rentals are professionally managed and there are +/- 50 “rent by owner” unmanaged properties).
- Vacation Rental income to the individual homeowner routinely falls short of covering mortgage payments, maintenance, and management expenses. So these homeowners, many who are absentee, are subsidizing our local economy to the additional tune of \$100-\$2,000+ monthly.
- The State of Georgia has reported that **overnight visitors spend on average 2 ½ times what a day visitor spends**. Their estimate is \$112 per visitor per night of their stay. The average vacation rental ADR (Average Daily Rate) on Tybee is \$200 per night base rent not including taxes or other fees, or additional spending outside of lodging cost.

<http://www.georgia.org/SiteCollectionDocuments/Industries/Tourism/IndustryResearch/State%20Economic%20Report/2008%20GA%20Region%20Repot%20%28Preliminary%29.pdf>

## Impact of Vacation Rentals on Tybee Island Economy - 2010

	Direct Impact	Indirect & Induced <sup>3</sup>	Total Impact
Expenditures <sup>1</sup>	\$18,607,232	\$13,025,062	\$31,632,294
Payroll Generated	\$6,047,350	\$2,936,593	\$8,983,944
Jobs Generated	294	143	436
Lodging Tax Revenue <sup>5</sup>			\$2,418,940
Local Hotel Tax (6%) <sup>2</sup>	\$1,116,434		
State Sales Tax (7%)	\$1,302,506		

**Total Direct, Indirect, & Induced Impact:<sup>4</sup>                      \$43,035,178**

Total Impact = Direct Impact x 1.7 output multiplier (A conservative choice)  
 Payroll Generated = Direct Impact Expenditures x Payroll Multiplier of 0.325  
 Jobs Generated = 15.78 Jobs Per Million Dollars of Direct Impact Expenditures  
 Indirect Jobs Generated = Direct Jobs x 0.4856 jobs

<sup>1</sup> Direct Impact Expenditures is Gross Rental Revenue based on actual tax reports. Doesn't include non-reported income of VRBO's.

The City of Tybee Island retains 50% of all lodging taxes collected for its general fund. The City of Tybee Island receives additional funding via SPLOST/sales taxes.

<sup>3</sup> Indirect & Induced Expenditures is money spent at restaurants, retails, attractions, etc.

<sup>4</sup> Economic Impact figure is a conservative estimate and does not take into account many indirect impacts like property tax revenue generated.

<sup>5</sup> Tax revenues reflect only lodging taxes – it does not take into account property tax, sales, excise, income, real estate transfer, or other tax revenues, building permits, planning and development fees, or other revenues generated.

End Note: The methodology used in the above table was derived from a report titled "Measuring the Economic Impact of the Vacation Rental Industry on State and Local Economies" dated August 22, 2009.  
<http://www.vrma.com/resource/resmgr/files/industryimpactwhitepaper2.pdf>