

Inventory and Analysis of Short-Term Rentals in Pennsylvania

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The short-term rental (STR) market in Pennsylvania has experienced significant growth over the past decade, evolving from a niche offering into a widespread industry with substantial economic and social impacts. This project provides a statewide inventory of STRs using 2023 data from AirDNA and maps STR locations in a Geographic Information System (GIS). AirDNA is a proprietary web service that estimates a 95% accuracy rate for all aggregated short-term rentals listed on Airbnb, HomeAway, and Vrbo.

The statewide inventory includes thousands of STRs that vary greatly by price, number of rooms, types of accommodations, and seasonality. In addition, 20 municipalities in the state were selected to examine the inventory and the characteristics of STRs in various localities. The sampled municipalities vary in population, location throughout the state, location within urban and rural counties, and types of tourism amenities. The AirDNA data include information on types of occupancy units, housing characteristics, number of rooms rented, number of allowed guests, and occupancy rates. A detailed evaluation is provided for the 20 municipalities that includes 12 months of revenue, average nightly rate, number of bookings, maximum number of guests, and cleaning fees.

Growth of Short-Term Rentals in Pennsylvania

The STR market in Pennsylvania began its expansion in 2008 with the creation of a few properties, including a luxury apartment near Kane and a shared room in the original Airbnb style. By 2009, 32 additional STRs were established, though only a few reported revenues. The market gradually gained momentum, with 149 new listings in 2011, 349 in 2012, and a notable increase to 851 in 2013. This steady growth reflected the rising popularity of STRs as an alternative to traditional accommodations, particularly in tourist-friendly areas such as Gettysburg and Hershey.

The period between 2014 and 2016 marked a significant surge in STR listings, with thousands of new properties appearing across the state. These years saw an expansion not only in the number of listings but also in the variety of accommodations available, from traditional houses and apartments to unique offerings like yurts, treehouses, and houseboats. By 2016, STRs were present in all 67 counties, with revenue figures continuing to climb, particularly in the Poconos, Laurel Highlands, and in the vicinity of The Pennsylvania State University in Centre County.

The growth trend persisted into the years 2017-2019; in 2018, the top-performing STR produced over \$1 million in revenues. The COVID-19 pandemic in 2020 caused a temporary dip in new STR

listings and fluctuating revenue, but the market rebounded by 2021 and 2022. The resurgence was driven by the return of in-person events and a growing preference for socially distanced, outdoor-friendly accommodations.

The State of the STR Market in 2023

In 2023, Pennsylvania's STR market reached a milestone with 53,810 active listings spanning all 67 counties and 1,960 municipalities. This widespread presence highlights the market's activity in both urban and rural areas. Philadelphia, with 14,007 listings, emerged as the leading county, followed by Monroe County (6,885), and Allegheny County (5,189). The distribution of STRs demonstrated a balance between urban centers such as Philadelphia, Pittsburgh, and Harrisburg, and rural vacation destinations, particularly in the Poconos.

The range of property types within the STR market was diverse, with houses (44%), apartments (26%), cabins (6%), and townhouses (6%) being the most common. Additionally, the market included unique accommodations like chalets, farm stays, and tiny houses, along with more unconventional options such as buses, nature lodges, yurts, and even castles. This diversity reflects the state's varied tourism appeal, catering to different needs and preferences.

Financially, the STR market in Pennsylvania gen-

erated total revenues surpassing \$856 million in 2023. However, the distribution of revenue among listings was uneven, with the average STR earning \$16,125 annually, while the median income was significantly lower at \$5,642. The average daily rate (ADR) for STRs statewide was \$175, with some as high as \$3,220, indicating the wide range of offerings available. The occupancy rate averaged 35 percent, suggesting that most STRs were booked about one-third of the time, with an average of 22.4 bookings per listing.

Analysis of Selected Municipalities

To provide a deeper understanding of the STR market’s impact, this project analyzed 20 municipalities across Pennsylvania, offering insights into the housing, economics, and tourism dynamics in both urban and rural settings. Urban areas such as Harrisburg, Erie, and Allentown saw substantial growth in STR numbers, driven by their diverse economic bases, historical significance, and vibrant local economies. These cities capitalized on their assets to attract a considerable volume of STRs, with higher ADRs and occupancy rates than many rural areas.

In contrast, municipalities in rural counties, like Gettysburg, Jim Thorpe, and State College, also experienced growth in STRs, largely due to tourism centered around historical sites, natural beauty, and local colleges. However, the economic impact of STRs in these areas varied, with municipalities in rural counties generating lower total aggregate revenue compared to urban counterparts. For instance, municipalities like Derry and New Hope, along with their surrounding areas, exhibited significantly higher ADRs than rural areas like Kane, Wellsboro, and Brookville, which had lower ADRs. Still, per unit, some rural STRs have as many bookings as units in

urban counties and can bring in revenues just as high; the lowest mean/median revenues for 2023 in the 20 selected municipalities are observed in urban Allentown, Harrisburg, and Scranton.

Occupancy rates and the number of bookings also varied significantly between urban and rural STRs. Urban areas generally saw higher occupancy rates and more bookings, driven by constant demand from both business travelers and tourists. Rural STRs, while seeing growth, often experienced more seasonal fluctuations in occupancy, influenced by local events and tourist seasons. For example, Derry, New Hope, and Harrisburg showed higher average occupancy rates compared to rural areas like Huntingdon, Stroudsburg, and Hawley.

Conclusion

This study provides a comprehensive inventory and analysis of the STR market in Pennsylvania, offering valuable insights into its growth, distribution, and impact on both urban and rural areas.

The findings highlight the significant economic contributions of STRs to the state, as well as the disparities between urban and rural markets in terms of revenue, ADRs, and occupancy rates. The research also underscores the importance of considering local regulations and policies to manage the growth of STRs effectively while balancing the needs of residents and tourists.

As the STR market continues to evolve, municipalities across Pennsylvania must consider how best to leverage this growing sector to enhance tourism, economic development, and community well-being. By implementing well-informed policies and emphasizing responsible tourism management, municipalities can ensure that STRs contribute positively to their local economies while preserving their unique character and resources. This study serves as a foundation for future discussions on STR regulations and their role in shaping the future of Pennsylvania’s tourism and housing markets.

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