



BOOKED OR BLAMED?

THE TRUTH ABOUT SHORT-TERM RENTALS IN ARIZONA

AUTHOR: GLENN FARLEY

As housing affordability challenges have intensified, short-term rentals have increasingly been blamed for rising housing costs, but the data tells a different story. CSI's analysis finds that Arizona's housing affordability challenges predate the rise of Airbnb and other short-term rentals and are primarily driven by long-term housing supply shortages rather than short-term rental activity.

The Housing Supply Crisis

A decade of housing underproduction after the Great Recession left the market structurally fragile, and the pandemic broke it.

400K → **211K**

housing units built in AZ in the 5 yrs before the crash (2003-2007)

housing units built over the NEXT 10 years (2010-2019)

What really caused prices to rise?

2015-2019 Home prices: +33%
Airbnb Listings: +64%

2020-2024 Home Prices: +61%
Airbnb Listings: +56%

→ No long-term relationship in Arizona between STR market growth and the rate of home price increases

Are STR Units using up available housing stock?

+57K STR listings added

-55K vacation homes lost

→ STR growth was largely offset by declines in vacation or seasonal homes, suggesting no net impact on full-time housing supply.

Scale of Arizona's STR Market (2024):

~3.3M total housing units in Arizona

~57K STR listings in AZ (up from ~15,000 in 2010)

~30% of listings rented 90+ days/year ("frequent")

Price Growth: High-STR vs. Statewide

Statewide AZ: 42%

High-STR ZIPs: 37%

→ ZIP codes with the most Airbnb listings saw SLOWER price growth than the average Arizona home, and were ALREADY expensive places to live prior to 2010.

Bottom Line

The Great Recession's collapse and the decade of weak housing production that followed set up Arizona's affordability crisis. When the pandemic hit an already fragile market, prices surged 64% in just three years. While short-term rentals grew during this period, areas with the highest concentration of Airbnb listings saw slower price growth than the state average. The data shows Arizona's housing challenges were driven by years of underbuilding, not short-term rentals.