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Short-Term Rentals (STRs) in Western Loudoun

Here are some of the key points about short-term rental pros and cons, especially with rural Loudoun in mind.

A short-term rental (STR) is a dwelling unit that rents for less than 30 days. In Loudoun they fall into 2 categories: Residential accessory (RA) uses and Commercial Whole-House (CWH) uses.

Accessory uses. These involve two subcategories:

Rental of auxiliary spaces, such as spare rooms, on-site mother-in-law units, farm outbuildings, and the like. The host is generally present. The impact can be positive, with tourists learning about the character of rural Loudoun. In some cases, the additional income can help native Loudouners avoid being priced out of their communities. STRs can help farmers stay in business, preserving our local character and food supply.

Vacation or weekend home, rental use of the host's primary or secondary residence. The host is generally not present, leaving guests unsupervised. On the plus side, rental use keeps the house from standing vacant for too long. With local government discouraging "party house" uses, negative impact of such uses on our quality of place is probably limited.

Commercial whole-house (CWH) uses. These raise issues. They are not true "sharing-economy" uses. Hosts are not generally present, often functioning as absentee landlords. Much depends on the nature of the locale, where the houses are located, how many the landlord is operating, and on a market reality: A short-term rental makes more money for the owner than does long-term. **Multiple-unit** owners take advantage of this. (See below.)

In rural areas: If sprinkled widely throughout a rural area, CWH uses may not be disruptive, even beneficial. If there is a shortage of tourist accommodation, they can be quite helpful, as well as ensuring that vacation homes don't stand empty for long periods. If however there is a shortage of affordable housing for residents and workers in local businesses, STRs can preemptively occupy units that would otherwise be available. Good stewardship planning can help set a balance appropriate for the area. If multiple units are spread through a rural area and owned by the same landlord, the array functions in effect as a commercial "scatter hotel" and should probably be regulated as such.

In village environments: High densities of CWH STRs can have serious consequences in historic districts and villages. In cities throughout the world, especially historic town centers, uncontrolled growth of STRs has disrupted the socioeconomic fabric, pumping in too many tourists and inflating real estate values to the point of forcing out local residents. The city of Charleston SC, for instance, had to impose draconian restrictions on STRs to keep from being overwhelmed.

Right now, western Loudoun STR listings look reasonable in number, but excess growth is a potential concern for our historic villages and Leesburg's historic district.

Multiple-unit owners. Some landlords buy up multiple units solely to rent to tourists. These commercial enterprises are in effect operating "scatter hotels" with little supervision of guests. (Someone cited one landlord claiming over 70 STR units in eastern Loudoun.) One of our multi-unit owners renovates dilapidated historic structures for STR use – a net positive for the community, although historic authenticity may be sacrificed. Such adaptive reuse is the exception, not the rule.

From a tourism point of view, there is a big difference between rentals where the visitor meets and talks with the host and rentals where owner interaction is peremptory or absent. The first is a travel experience and a public education opportunity; the second is just a holiday rental. A policy favoring hosted STRs would help western Loudoun to get the most PR benefit out of tourism.