



Ceto Consulting, LLC.

MEMORANDUM

Subject: Integrated Market Analysis of Overnight Accommodations in the City of Santa Barbara
Date: October 4, 2026

California Coastal Zone Hotel and STR Market Comparison

To inform the Santa Barbara City Council and California Coastal Commission's decision on Short Term Rental (STR) restrictions proposed in the City of Santa Barbara (City), Ceto Consulting LLC (Ceto) conducted a market analysis of the visitor accommodation market in the City as well as properties which are also within the official California Coastal Zone. A market analysis evaluates supply, demand, pricing dynamics, and competitive conditions within a defined geographic area. This analysis focuses on hotels, motels, and short-term rentals (STRs) and examines their role in meeting tourism demand and in turn supporting coastal access.

To understand the impacts of STR regulations on accommodation supply and coastal access Ceto examined:

- The supply and affordability of Coastal Zone STRs in the City ;
- The supply and affordability of Coastal Zone hotels in the City.

This report builds on previous analysis examining visitor demand for coastal access in Santa Barbara.

Data: Ceto analyzed available data for STRs and hotels -- 2024 short-term rental (STR) listing data and 2025/2026 (through February) hotel inventory data within the designated Coastal Zone of Santa Barbara. STR data were obtained from AirDNA and include only active properties, defined as listings with at least one listing night in 2024.¹ Hotel inventory and occupancy data were obtained

¹ AirDNA data are based on aggregated short-term rental listing information compiled from multiple online platforms. Individual property locations are spatially generalized to protect host privacy, and results are reported at aggregated levels. Data reflect active listings and estimated performance metrics and may not capture all short-term rental activity.

from CoStar/Smith Travel Research and include hotels operating in 2025.² To evaluate visitation patterns and seasonal demand for coastal recreation, Ceto analyzed anonymized mobile device-derived data aggregated by Placer.ai, which estimates visitation to beaches and piers within these respective boundaries.³

KEY FINDINGS

- **Santa Barbara's Coastal Zone hotels offer very few lower-cost options.** Approximately 83% of hotel guest capacity is concentrated in upscale, upper-upscale, and luxury properties, including 51% in luxury hotels alone.
- **Economy hotels account for just 4.5% of Coastal Zone hotel capacity, leaving visitors with limited alternatives at the lower end of the hotel market.**
- **STRs fill an important gap in this market.** Within the Coastal Zone, STRs are on average 15% less per person, with average daily rates (ADRs) averaging \$128 per person per night, compared with \$151 for hotels. Although Santa Barbara STRs are expensive relative to statewide affordability benchmarks, they remain meaningfully less expensive than local hotels.
- **The affordability advantage of STRs becomes substantially larger when total trip costs are considered.** When accounting for lodging, food and incidental expenses, and hotel fees, a Coastal Zone hotel stay costs approximately \$251 per person per day, compared with \$168 for an STR. This represents estimated savings of \$83 per person per day, or 33%, largely because STR kitchens allow guests to substitute groceries for some restaurant meals.
- **STR costs should be compared to other options in the relevant market, not a statewide average.** Fewer than 5% of Coastal Zone STRs meet the Coastal Conservancy-derived benchmark of \$57 per person per night (which is based on statewide data not coastal zone data). Like many coastal cities, Santa Barbara is an expensive destination overall. However, 57% of Santa Barbara Coastal Zone STRs fall below a statewide Coastal Zone benchmark of \$125.40 per person, demonstrating their comparatively greater affordability within the broader coastal lodging market.
- **Restrictions that significantly reduce STR availability could disproportionately reduce the supply of comparatively affordable visitor accommodations.** Hotels currently provide more total Coastal Zone capacity, but that supply is overwhelmingly concentrated in higher-priced hotel classes. STRs provide approximately one-third of Coastal Zone guest capacity while diversifying the lodging inventory below prevailing upscale and luxury hotel prices.
- **Santa Barbara's Coastal Zone has a structurally high-cost hotel market with very little inventory of economy hotels, and STRs provide one of the primary alternatives for**

² Hotel inventory, occupancy, and rate data are derived from CoStar/Smith Travel Research and are reported in aggregated form. Data reflect participating properties and may be subject to data suppression or limited reporting in smaller markets to protect confidentiality.

³ Placer.ai mobility data are based on anonymized and aggregated mobile device location signals. Data are de-identified and processed to ensure user privacy, with results reported only in aggregate form. Estimates are derived from a sample of devices and modeled to represent broader visitation patterns.

visitors seeking to reduce the cost of an overnight coastal stay—particularly for groups and travelers able to prepare some meals themselves.

Finding 1. Distribution of Lodging Supply

This analysis examines the visitor-serving accommodation market within the official limits of the City of Santa Barbara—excluding the independent community of Montecito—and the official California Coastal Zone within the City. The Coastal Zone is defined by the California Coastal Act. Generally, it extends 1,000 yards inland in urbanized areas, or up to 5 miles/first major ridgeline in significant habitat or estuarine zones. Ceto used the official boundary from the California Coastal Commission⁴ and Geospatial processing software to separate STRs and hotels in the Coastal Zone from the rest of the City.

1.1 Hotels Provide the Majority of Santa Barbara’s Lodging Capacity

Hotels provide more estimated overnight guest capacity than short-term rentals (STRs) both citywide and within Santa Barbara’s Coastal Zone. STRs, however, have lower average per-person lodging costs, particularly with the coastal zone.

Metric	Hotels	STRs
Citywide Properties/Listings	68	1,615
Citywide Nightly Guest Capacity	8,571	6,919
Share Of Citywide Capacity	55%	45%
Coastal Zone Properties/Listings	34	571
Coastal Zone Guest Capacity	5,007	2,626
Share Of Coastal Zone Capacity	66%	34%
Citywide Average Daily Rate (ADR) Per Person	\$127	\$116
Coastal Zone Average Daily Rate (ADR) Per Person	\$151	\$128

2 *Note: Percentages may not total 100% because of rounding*

Hotels provide an estimated 8,571 spaces for overnight guests, compared with approximately 6,919 STR guest spaces. Hotels account for approximately 55% of total citywide lodging capacity, while STRs account for 45%. Without STRs, the city would face a supply shortage in guest accommodations.

1.2 Hotels Dominate Lodging Supply Within the Coastal Zone

The difference is more pronounced within the Coastal Zone, where hotels provide nearly twice as much guest capacity as STRs.

- Hotels provide approximately 5,007 guest spaces, or 66% of Coastal Zone capacity.
- STRs provide approximately 2,626 guest spaces, or 34%.

⁴ <https://www.coastal.ca.gov/maps/czb/>

1.3 Nearly Half of the City of Santa Barbara's Lodging Capacity is Located in the Coastal Zone

Together, hotels and STRs in the Coastal Zone provide just under half (49%) approximately 7,633 guest spaces in Santa Barbara. Hotels are more concentrated near the coast, while STRs are distributed more broadly throughout the city and play a larger relative role *outside* the Coastal Zone.

- Approximately 58% of hotel capacity is located in the Coastal Zone.
- Approximately 38% of STR capacity is located in the Coastal Zone.

Finding 2. STRs Have Lower Average Per-Person Lodging Costs

2.1 The Relative Cost Difference is Most Pronounced in the Coastal Zone

Citywide, the average nightly STR cost is approximately \$11 less per person than the average hotel cost, representing a difference of about 9%.

- Hotels average approximately \$127 per person per night.
- STRs average approximately \$116 per person per night

Within the Coastal Zone, STRs cost an average of approximately \$23 less per person, representing a difference of about 15%.

- Hotels average \$151 per person per night
- STRs average \$128 per person per night

The dollar difference between average hotel and STR lodging costs is therefore slightly more than twice as large within the Coastal Zone as it is citywide. Although hotels provide more Coastal Zone capacity, STRs offer a lower average-cost option for visitors seeking overnight accommodations near coastal resources.

2.2 The Coastal Zone Price Premium is Greater for Hotels

Both lodging types are more expensive in the Coastal Zone, but the coastal premium is considerably greater for hotels.

- Coastal Zone hotels costs are approximately 19% higher than the citywide hotel average.
- Coastal Zone STR costs are approximately 10% higher than the citywide STR average.

This pattern is consistent with coastal location being more strongly reflected in hotel prices than in STR prices. The result is a wider average cost difference between hotels and STRs in the area where visitors have the most direct access to coastal resources.

2.3 Santa Barbara is Expensive Relative to Statewide Affordability Benchmarks

The analysis considers three statewide affordability benchmarks:

- \$57 per person per night, The California Coastal Conservancy's fixed benchmark for lower-cost coastal accommodations (LCCAs), based on 75% of the average hotel rates statewide
- \$106 per person per night, representing the 50th percentile (median) of hotel rates within California's Coastal Zone; and

- \$125.40 per person per night, representing the 75th percentile of hotel rates within California’s Coastal Zone, meaning 75% of the hotel rates in the Coastal Zone are lower, while 25% are higher.

In 2024, only about 1 in 10 (10%) of Santa Barbara’s citywide STR listings cost less than \$57 per person per night. About half of them cost less than \$106.90 per person, while nearly two-thirds cost less than \$125.40 per person.

Affordability was more limited within Santa Barbara’s Coastal Zone. Fewer than 5% of Coastal Zone STR listings cost less than \$57 per person per night. Approximately 42% cost less than \$106.90 per person, and approximately 57% cost less than \$125.40 per person.

A Santa Barbara City-specific relative affordability threshold would be even higher. Calculated as 75% of the average local hotel rate in Santa Barbara City, it would be approximately \$156 per person per night. This is approximately 24% higher than the statewide Coastal Zone benchmark of \$125.40 and about 2.7 times the Coastal Conservancy’s fixed \$57 benchmark. See *Appendix 1* for a detailed discussion of affordability benchmarks.

These comparisons indicate that Santa Barbara lodging remains costly, even when evaluated relative to broader Coastal Zone hotel prices. STRs are generally less expensive than Santa Barbara hotels, but relatively few meet the Coastal Conservancy’s fixed definition of lower-costal coastal accommodations.

Finding 3. Estimated Total Trip Costs

The per person ADR comparison, adjusted for hotel and STR capacity, does not include several additional costs that typically differentiate hotels from STRs. Ceto separately considered dining and incidental expenses and resort or destination fees. Additional costs are applied across the sample. Combined, these additional trip costs add up to an additional \$71 per guest, on average, per night for hotel guests across the sample and \$83 per night in the Coastal Zone.

Resort or Destination Fees

Resort and destination fees can increase the effective cost of a hotel stay beyond the reported room ADR. Hotel-industry accounting practices classify resort-fee revenue separately from room revenue, meaning these charges are generally not reflected in reported ADR. CBRE Hotels Research has also found that resort fees are more common among resort and luxury properties than among other hotel types.⁵

For this analysis, Ceto assigns an average fee of \$18.53 per room per night to luxury and upper-upscale hotels, \$8.79 to upscale hotels, and no fee to upper-midscale, midscale, or economy hotels based on industry analysis by CoStar. Adding these fees to each hotel class’s share of estimated guest capacity produces an average estimated resort or destination fee of approximately \$8.22 per hotel room per night.

⁵ Robert Mandelbaum, “Resort Fees: A Growing Source of Revenue,” CBRE Hotels Research, published by CoStar, March 24, 2020. The analysis explains that resort-fee revenue is reported separately from room revenue and therefore does not affect hotel ADR. <https://www.costar.com/article/1865943275/resort-fees-a-growing-source-of-revenue>

These estimates are based on hotel class and should not be interpreted as the observed average fee charged by every Santa Barbara hotel. Actual fees vary by property and may not apply to every stay.

Dining Costs

STRs commonly provide access to kitchens or kitchenettes, allowing visitors to replace some restaurant meals with groceries or prepared food. Hotel guests generally do not have opportunities to prepare meals and must therefore rely more heavily on restaurants.

Ceto developed an illustrative dining and incidental cost scenario using the FY2026 General Services Administration Meals and Incidental Expenses allowance for Santa Barbara as a standardized proxy for hotel-guest spending. The FY2026 Santa Barbara allowance is \$92 per person per day, consisting of \$23 for breakfast, \$26 for lunch, \$38 for dinner, and \$5 for incidental expenses.⁶

For STR guests, Ceto assumes a daily grocery cost of \$16 per person if all meals are prepared using food purchased for consumption at the accommodation, based on the based on the U.S. Department of Agriculture “food-at-home” plan rates for a higher cost market⁷. The illustrative STR scenario assumes that guests prepare some meals in the STR kitchen, represented by one-half of the daily grocery estimate, and purchase either lunch or dinner at a restaurant. This results in an estimated \$8 in grocery spending and \$32 for one restaurant meal, for a total of approximately \$40 per person per day.

Under these assumptions, estimated dining and incidental costs are approximately \$92 per hotel guest and \$40 per STR guest, producing an illustrative difference of approximately \$52 per person per day.

Accounting for modeled total trip costs, Citywide STR guests save an estimated \$71, and \$83 in the Coastal Zone. STR amenities result in a per person, per night trip cost reduction of about one-third.

Area	Hotel total cost per person	STR total cost per person	STR savings
Citywide	\$227	\$156	\$71, or 31%
Coastal Zone	\$251	\$168	\$83, or 33%

Under this scenario, the estimated difference in food costs contributes more to the total STR cost advantage than the difference in lodging rates. Kitchen access is therefore an important driver of the estimated savings associated with STR stays, even under the conservative assumption that STR guests purchase one or two restaurant meals.

⁶ U.S. General Services Administration, FY2026 CONUS Per Diem Rates and Meals and Incidental Expenses breakdown. The \$92 Santa Barbara M&IE rate consists of \$87 for meals and \$5 for incidental expenses. https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-results?fiscal_year=2026&state=CA

⁷ USDA Food Plans: Monthly Cost of Food Reports. <https://www.fna.usda.gov/research/cnpp/usda-food-plans/cost-food-monthly-reports>

Finding 4. Lodging Demand

4.1 Coastal Zone Lodging Occupancy Differs by Lodging Type

STR occupancy averages approximately 63.3% within the Coastal Zone, compared with approximately 61.8% citywide. The difference becomes more pronounced during the summer peak. Coastal Zone STR occupancy reaches approximately 75% in July, compared with a citywide peak of approximately 70%. These patterns indicate stronger seasonal demand for STRs located near the coast.

Hotels show the opposite geographic pattern, with lower occupancy (65%) among Coastal Zone hotels than among hotels citywide (74%), even though most hotel capacity is located within the coastal zone. One possible explanation is the Coastal Zone's concentration of luxury and upper-upscale hotels whose higher prices can limit demand and contribute to lower year-round occupancy outside peak travel periods, although the present analysis does *not* isolate the causes of the observed occupancy difference.

4.2 Coastal Zone STR Demand is Highly Seasonal

Coastal Zone STR rates exceed citywide average STR rates in every month examined. The Coastal Zone premium generally ranges from approximately 7% to 13%, with the largest percentage of differences occurring during the spring and summer months.

Peak Coastal Zone STR rates occur in:

- July, at approximately \$137 per person;
- August, at approximately \$140 per person;
- September, at approximately \$137 per person.

Coastal Zone STR occupancy is slightly lower than the citywide STR occupancy in September and October and materially lower in December. Taken together, the rate and occupancy patterns suggest that Coastal Zone STR demand is more seasonal, rather than uniformly stronger throughout the year.

4.3 The Coastal Zone Hotel Market is Weighted Toward Higher-End Lodging

The hotel-supply analysis indicates that Santa Barbara's Coastal Zone market is predominantly composed of higher-priced hotel classes. Approximately 83% of Coastal Zone hotel guest capacity is provided by upscale, upper-upscale, or luxury hotels. Economy hotels provide only approximately 4.5% of Coastal Zone hotel capacity.

Luxury hotels account for approximately 51% of Coastal Zone hotel capacity, upper-upscale hotels account for approximately 21%, and upscale hotels account for approximately 11%. This market structure helps explain the substantial average hotel price premium within the Coastal Zone. Lower-cost hotel alternatives are limited, increasing the relevance of STRs for visitors seeking accommodations below prevailing upscale and luxury hotel rates.

Finding 5. Coastal Visitation to Santa Barbara

A 2025 academic analysis of visitation to the Santa Barbara County South Coast, which includes Santa Barbara, Goleta, Montecito, and Carpinteria, reported approximately 9.3 million “visitor days” to the South Coast, including Santa Barbara⁸. Although most visitors are day trippers, overnight visitors stay longer (2.2 nights on average for hotel visits, 4.8 for stays in private residences). Of the 9.3 million visitor days, more than half (5.1 million) are represented by overnight stays. However, beach visitation was not the primary driver of travel; only 40% of visitors reported including a trip to the beach during their stay.

- The survey found that the lodging in the City of Santa Barbara accounted for approximately 65% of all visitors in the sample. Applying this percentage to overnight stays implies 3.3 million overnight visitors per year just to the City of Santa Barbara.

Anonymized cell-phone derived location data from the last 5 years indicate nearly 4.2 million annual visits to **beaches** within the City of Santa Barbara, with approximately one million visitors traveling greater than 150 miles from their home and therefore likely to stay overnight. Based on typical length of stay, beach visits alone generate over 2.2 million visitor nights.⁹

Demand for coastal access in Santa Barbara is strongly seasonal, with visitation peaking during the summer months, particularly in July. Beach visitation in the summer is approximately 85% higher than during the off-season months of November through February, based on aggregated mobile device visitation estimates.

- Citywide hotel occupancy rates reflect this pattern, reaching approximately 80% during the summer, a level widely considered near full capacity in the lodging industry. However, the data show lower occupancy among Coastal Zone hotels than among hotels citywide (74%), even though most hotel capacity is located within the coastal zone. As occupancy approaches or exceeds equilibrium levels, empirical research shows that average daily rates (ADRs) increase in response to constrained supply.ⁱ

STRs provide a flexible source of lodging capacity that hotels cannot. Hotel inventory is fixed in the short term, whereas STR availability expands in response to seasonal demand. STR rental data for the last five years show that supply increases during the summer, precisely when demand is highest, helping with moderate price pressure. Persistent high occupancy rates and

⁸ King, P., Jenkins, S., Spaccarelli, L., Patsch, K., Reineman, D. R., King, S., Lester, C., & Castro-Sotomayor, J. (2025). Beach tourism and local economies: A micro-level study of visitor spending in Southern California. *Shore & Beach*, 93(2), 3–17. <https://doi.org/10.34237/1009321>

⁹ The 3.3 million visitor days/nights might at first seem inconsistent with the Placer.ai estimate for annual beach visitation (953,153). However, the survey reported that only 40% of overnight visitors visit the beach during their stay and not all Santa Barbara visitors visit the beach every day. The data implies that overnight visitors spend just under a third of their days at the beach (29%). The most popular destination in the survey was “Downtown/State Street” (71.5%), and the most popular activity was dining in restaurants (88.6%) and shopping (63.5%). Almost a third of respondents visited the Santa Barbara Mission (31.5%) and over 20% indicated they visited or planned to visit the Paseo Nuevo shopping/entertainment complex (23.5%). A number of museums, the farmers market, and other sites completed the survey. The survey makes clear that while beaches are an important destination for many visitors, they are not the primary destination for most visitors, or the only destination for beachgoers.

commensurate increases in ADRs, however, suggest that additional STR availability during peak months may help moderate price pressure and promote affordability.

- In the Santa Barbara Coastal Zone, 106 more STRs are available in August than in February, representing a **32% increase in active listings during the peak visitation period.**
- In July, despite the expanded inventory, STR occupancy averages approximately 75%, near peak hotel occupancy levels (80%).
- Hotel ADRs in the Coastal Zone exhibit significant price increases in the summer season—rising to over \$400 per night, over \$200 per person, in July and August. STRs don't exhibit as intense price pressure, helping alleviate impacts to visitors.

Conclusion

STRs play an important role in expanding access to overnight accommodations within Santa Barbara's Coastal Zone. Further, although all overnight accommodation in Santa Barbara tends to be expensive, STRs are generally more affordable, and their availability no doubt keeps hotel prices in line.

The hotel market is heavily skewed toward higher-cost properties: approximately 83% of hotel guest capacity is upscale, upper-upscale, or luxury, while economy hotels account for just 4.5%. As a result, visitors seeking lower-priced accommodations have relatively few hotel options near the coast.

STRs help fill this gap. Although they represent only about one-third of Coastal Zone guest capacity, STRs average approximately 15% less per person than hotels (\$128 compared with \$151 per night). Their cost advantage is even greater when considering the broader cost of an overnight stay: under the modeled total-trip-cost scenario, STR stays are approximately 33% less expensive per person than hotel stays. Thus, while Santa Barbara remains an expensive destination overall, STRs provide a meaningful comparatively lower-cost alternative in a Coastal Zone lodging market dominated by upscale and luxury hotels.

Under Ceto's estimated total-trip-cost scenario, which includes food expenditures and hotel fees, estimated STR costs are approximately 31% lower citywide and 33% lower within the Coastal Zone. Much of this modeled difference is associated with the ability of STR guests to prepare some meals rather than relying entirely on restaurant dining.

The Santa Barbara-specific affordability measure further illustrates the distinction between relative and absolute affordability. Using a locally calculated threshold equal to 75% of the prevailing Santa Barbara hotel rate, a larger share of STRs would qualify as comparatively lower cost. However, the resulting threshold of approximately \$156 per person per night is substantially higher than statewide benchmarks and approximately 2.7 times the Coastal Conservancy's fixed \$57 lower-cost lodging benchmark. This local measure therefore indicates that STRs are relatively less expensive within Santa Barbara's high-cost lodging market, not that most STRs provide genuinely low-cost accommodations.

The strongest access-related conclusion is that STRs not only provide much needed additional capacity beyond that provided by hotels, especially in summer; they also offer affordability advantages compared to hotels, in terms of lower ADRs, lower dining costs and no resort fees or

destination fees. STRs diversify the City's lodging inventory and provide a comparatively lower-cost alternative within a Coastal Zone market dominated by upscale and luxury hotels. At the same time, the small share of accommodations meeting the Coastal Conservancy's fixed benchmark demonstrates that Santa Barbara remains an expensive destination across both lodging types.

Appendix 1 – Affordability

Ceto evaluated short-term rental affordability using a range of Low-Cost Coastal Accommodation (LCCA) thresholds. These include an existing benchmark derived from the California Coastal Commission’s approach to identifying lower-cost overnight accommodations and alternative coastal-market benchmarks developed by Ceto using hotel data from California’s 15 coastal counties and the official California Coastal Zone.

For this analysis, LCCA refers to accommodations with capacity-normalized rates at or below the selected benchmark. These thresholds provide comparative measures of accommodation cost and should not be interpreted as direct measures of affordability for a particular household or income group.

Existing LCCA Benchmark

In past actions, the California Coastal Commission has generally defined lower-cost hotel accommodations as standard double-occupancy rooms priced at or below 75% of the annual statewide average hotel ADR. The California State Coastal Conservancy subsequently used a threshold equal to 75% of the 2015 statewide average ADR in its Explore the Coast Overnight Assessment. The assessment noted that the threshold was developed for purposes of the inventory and that lower-cost accommodations are not necessarily affordable to all low- and middle-income visitors.

The Commission benchmark is expressed as a room rate. Ceto converted it to a capacity-normalized *per-guest* threshold, using the study assumption of 2.2 guests¹⁰ per occupied hotel room. This produces an LCCA benchmark of approximately \$57 per guest per night. Fewer than 5% of Santa Barbara Coastal Zone STR listings cost less than \$57 per person per night.

Alternative Coastal-Market LCCA Benchmarks

Ceto also developed alternative coastal-market LCCA benchmarks using economy- and midscale-segment ADRs and the median and 75th-percentile distribution of hotel ADRs in California’s 15 coastal counties and additional thresholds based on California’s Coastal Zone. These benchmarks provide coastal-market reference points for comparing Santa Barbara Coastal Zone STR rates with hotel rates in California’s coastal counties and the Coastal Zone.

The median coastal-county hotel ADR is approximately \$78.63 per guest, equivalent to approximately \$173 per room per night. The 75th-percentile coastal-county hotel ADR is approximately \$100.34 per guest, equivalent to approximately \$221 per room per night. Approximately 42% of active Santa Barbara Coastal Zone STR listings have capacity-normalized rates at or below this threshold.

In the Coastal Zone, the LCCA equivalent 75th-percentile hotel ADR is \$125.40 per person. Approximately 57% of Santa Barbara Coastal Zone STRs have capacity-normalized rates at or below this threshold.

¹⁰ Destination Analysts, Inc. (2013, August). *Santa Barbara South Coast visitor profile study: Final report of findings*. Visit Santa Barbara. [Report](#).

These coastal-market LCCA thresholds were developed by Ceto for this analysis and should not be interpreted as California Coastal Commission definitions of lower-cost accommodations.

*Table A-1. Comparison of Low-Cost Coastal Accommodation (LCCA) benchmarks and the share of CA **coastal-county** hotel rooms and Santa Barbara Coastal Zone STR listings at or below each threshold.*

LCCA Benchmark	Capacity-Normalized Threshold	Share of CA Coastal-County Hotel Rooms at or Below Threshold	Share of Santa Barbara Coastal Zone STR Listings at or Below Threshold
Existing Commission-Based LCCA Benchmark	\$57.00	28%	5%
Median Coastal-County Hotel ADR	\$78.63	50%	18%
75th-Percentile Coastal-County Hotel ADR	\$100.34	75%	37%

Note: The existing Commission-based benchmark is converted to a per-guest amount using 2.2 guests per occupied hotel room. The remaining benchmarks were developed by Ceto using capacity-normalized hotel ADRs in California's 15 coastal counties. Hotel percentages represent the share of coastal-county hotel rooms at or below each threshold; STR percentages represent the share of active Santa Barbara Coastal Zone listings at or below each threshold.

*Table A-2. Comparison of Low-Cost Coastal Accommodation (LCCA) benchmarks and the share of CA **Coastal Zone** hotel rooms and Santa Barbara Coastal Zone STR listings at or below each threshold.*

LCCA Benchmark	Capacity-Normalized Threshold	Share of CA Coastal-Zone Hotel Rooms at or Below Threshold	Share of Santa Barbara Coastal Zone STR Listings at or Below Threshold
Existing Commission-Based LCCA Benchmark	\$57.00	28%	5%
Median Coastal-Zone Hotel ADR	\$106.9	50%	42%
75th-Percentile Coastal-Zone Hotel ADR	\$125.4	75%	57%

Note: The existing Commission-based benchmark is converted to a per-guest amount using 2.2 guests per occupied hotel room. The remaining benchmarks were developed by Ceto using capacity-normalized hotel ADRs in California's Coastal Zone. Hotel percentages represent the share of Coastal Zone hotel rooms at or below each threshold; STR percentages represent the share of active Santa Barbara Coastal Zone listings at or below each threshold.

Seasonal Variation

Hotel and STR ADRs vary throughout the year, with rates generally highest during the summer. In the data examined, capacity-normalized hotel ADRs reach approximately \$102 per guest in July, while STR rates peak at approximately \$82 per available guest space in August.

Annual LCCA benchmarks do not capture these seasonal changes in lodging rates. Monthly or seasonal comparisons therefore provide useful supplemental context but are not proposed as replacements for the annual LCCA benchmarks used in this analysis.

ⁱ Denton, G. and Sandstrom, J., 2021. The Influence of Occupancy Change on Hotel Market Equilibrium. *Cornell Hospitality Quarterly*, 62(4), pp.426-437.