

Second Home Co-Ownership Reduces Competition for Primary Homes, Boosts Economies in Destination Communities According To Leading Economic Consulting Firm

- Pacaso helps aggregate second home demand into fewer, top-tier luxury homes, reducing competition for single family homes
- The average Pacaso home costs 6x more than the average second home and 7x more than the average primary home
- The average second home is used just 11% of the year compared to the average Pacaso home which is occupied nearly 90% of the year
- Year-round home use means Pacaso homes result in nearly 10x more spending at local businesses compared to the average second home
- Pacaso owners make more tax contributions than traditional second home owners

SAN FRANCISCO, May 18, 2022 /PRNewswire/ -- [Pacaso](#), the leading technology-enabled real estate marketplace that helps people buy and co-own a luxury second home, today highlighted [new research](#) that demonstrates the benefits of its second home co-ownership platform to communities. [EBP](#), a trusted economic research firm, analyzed the impact of Pacaso co-ownership homes in five top second home destinations across the United States.

"The average second home sits empty for 10 months/year, which is a wasteful use of single family homes in communities."

"Our study found that Pacaso's unique approach to housing co-ownership provides multiple benefits for the communities it operates in," said Glen Weisbrod, Chair of the Board of Directors at EBP. "This includes additional household spending going to local stores and services as well as additional tax revenue, compared with other second homes. We also concluded that in all likelihood, by consolidating multiple owners into luxury homes, Pacaso is providing a new option to second homeowners without disrupting local housing markets."

Founded in 2020, Pacaso currently operates in 40 destinations around the world and has sold nearly 600 units since launching.

EBP analyzed the impact of Pacaso homes in five top second home destinations across the US: the San Francisco Bay Area, the Colorado Mountains, Palm Springs, South Florida, and the wider New York City area. Download the full report [here](#).

Due to high demand and low inventory, many destination communities throughout the United States are struggling with high costs for single family homes.

"These results reinforce the problem with second homes today and how Pacaso's co-ownership model can help," said Pacaso Co-Founder and CEO Austin Allison. "The average second home sits empty for ten months out of the year, which is a wasteful use of single family homes in destination communities. Through co-ownership, Pacaso aggregates demand into fewer, high-end homes and, because the homes are occupied eleven months out of the year, the owners spend more at local businesses."

Following the shift to work from home, there are higher levels of demand for homes in destination communities. This demand on top of short supply has driven up home prices to unprecedented levels. Instead of eight second home buyers buying eight separate median priced homes, which drives up prices even further, Pacaso consolidates those eight buyers into just one luxury home, which alleviates pressure at the median priced tier.

Consolidating home demand into top-tier properties:

- The EBP study describes the 'mitigating effect' that Pacaso has on local housing market dynamics: by

offering out-of-town buyers a desirable alternative to buying a single-family home (that would sit empty for most of the year), Pacaso helps concentrate buyer demand into fewer, top-tier homes.

- The average Pacaso home costs six times more than the average second home and seven times more than the average primary home, meaning the company is unlikely to compete with middle-tier homebuyers in the five markets EBP studied.

Co-ownership means year-round home use, which means more support for local businesses:

- The average second home sits empty over ten months out of the year. By comparison, the average Pacaso home is occupied nearly 90% of the year — almost 11 months. Since the average Pacaso home is occupied more months of the year than other second homes, their owners spend more money in the community.
- Based on an analysis of data from the Bureau of Labor Statistics on consumer expenditures, Census Bureau Data, and Pacaso home occupancy data, EBP found that Pacaso homes contribute nearly 10x as much to local economic activity than typical second homes. The average Pacaso home generates \$48,390 in annual spending compared with a typical second home, benefiting local restaurants, stores, and many other businesses.

Pacaso owners contribute substantially through local and state taxes:

- On top of paying all applicable property taxes, the study by EBP also found that, across the five markets analyzed, Pacaso owners generate more local and state tax revenue than a typical second home owner, which benefits important local services such as schools, fire stations, or local parks.

Methodology: The study findings are grounded on a combination of sources including a Pacaso survey of home utilization, along with broader data sources on local real estate prices, household spending, and tax rates.

About Pacaso

Pacaso® is a technology-enabled marketplace that modernizes real estate co-ownership to make owning a second home possible and enjoyable for more people. Pacaso curates luxury listings with premium amenities and high-end contemporary interior design, offers $\frac{1}{8}$ to $\frac{1}{2}$ ownership with integrated financing, and, after purchase, professionally manages the home and supports seamless resale. Co-founded by Austin Allison and Spencer Rascoff in 2020, Pacaso operates in more than 40 top second home destinations around the world. Pacaso has been certified as a [Great Place to Work](#) and is recognized as one of Glassdoor's [2022 Best Places to Work](#).

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