Bay Area Council Economic Institute Study: Pacaso, An Innovative Housing Model Helps Relieve Strain on Housing Market & Boosts Local Economies

Report Provides Policy Recommendations: Governments Should Distinguish Co-ownership from Other Models and Encourage its Expansion

SAN FRANCISCO, March 18, 2025 /PRNewswire/ -- Pacaso, the leading technology-enabled real estate marketplace for co-ownership, today highlights research on co-ownership from the Bay Area Council Economic Institute (BACEI) in a new report that underscores the growing need for housing solutions to combatCalifornia's ongoing affordability crisis. The paper focuses on co-ownership as a viable solution and provides a case study on the Pacaso model. BACEI examines how co-ownership models like Pacaso can not only reduce financial barriers to homeownership but also contribute to local economies and long-term community investment.

"The Bay Area and California face some of the nation's highest housing costs, with home prices often exceedingone million dollars," said BACEI Executive Director Jeff Bellisario. "With a limited housing supply, new models have emerged that promote shared usage and co-ownership of real estate that have the major potential to ease housing strain by using our existing housing stock more efficiently. We hope our policy recommendations inspire the public and private sectors to collaborate on supporting innovative initiatives like co-ownership, which will increase housing accessibility and affordability in California."

The report finds that the growing trend of co-ownership, up 7% among mortgage applicants, is beneficial because it consolidates several owners into one housing unit and thus reduces demand pressure on the overall housing market. The report concludes that the Pacaso model is an innovative solution that makes more efficient use of a particularly underutilized asset in housing today, the vacant second home, while also boosting the local economies where the company operates. Other key findings include:

- Pacaso homes in California are used **89%** of the year, compared to just **39%** for traditionally owned second homes;
- Pacaso owners across California spend **$42,555** per year locally compared to **$18,645** for traditional second homeowners;
- This translates to a **128%** increase in California local and state tax revenue per property.

The report concludes with five policy recommendations for California legislatures to consider:

- **Local governments should not create barriers to innovation** in local housing markets, and highlights examples of Palm Springs and Miami Beach where local officials have worked to define regulations that support co-ownership.
- **State governments should define co-ownership** within their regulatory frameworks to ensure it is not improperly categorized under other models, such as short-term rentals or timeshares.
- **Encourage the expansion of co-ownership** to ease housing market pressure and to create greater accessibility to housing, particularly among primary homebuyers.
- **Utilize co-ownership as a means for downtown revitalization** especially in areas where post-pandemic vacancy rates have soared and housing costs remain prohibitively high.
- **Streamline permitting** in California where it is crucial to reform the permitting and zoning processes in order to sufficiently address the state's housing shortage.

"We appreciate how this report outlines the benefits of co-ownership, including increased economic spending, greater tax revenue, and better utilization of existing housing stock, and likewise clearly states how the Pacaso model can benefit local communities," said Pacaso CEO Austin Allison. "We look forward to continued collaboration with our partners to define and promote co-ownership housing policy in order to increase access to homeownership."

To view the complete report and methodology, please visit the Pacaso blog.

About Pacaso
Co-founded by Austin Allison and Spencer Rascoff in 2020, Pacaso® is a technology-enabled marketplace that modernizes real estate co-ownership, enabling families to effortlessly own a luxury vacation home and travel with confidence. Pacaso curates private residences in premier destinations across the U.S. and internationally, with exceptional amenities, luxury interiors and expert design. After purchase, Pacaso professionally manages the home, provides white-glove scheduling and personalized

service, and ensures seamless resale.

Find out about Pacaso's community efforts by visitinghttps://www.pacaso.com/communities

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