

Cities Tell Airbnb to Make Room for Affordable Housing

STATELINE ARTICLE

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Unite Here Local 25 Executive Secretary-Treasurer John Boardman addresses a rally of District of Columbia workers outside the D.C. Council's chambers in favor of a law to restrict short-term rental companies like Airbnb. The union contends the nightly rentals cut into affordable long-term housing in the Capital City and

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New York did too, earlier this year, along with San Francisco and a host of other pricey cities that put new measures on the books recently. It's the latest front in the battle between the short-term rental companies and their adversaries — hotels, traditional bed-and-breakfasts, labor unions and affordable housing advocates — that in the past largely focused on hospitality taxes.

Airbnb officials and representatives of short-term housing platforms argue that there's room for all kinds of accommodations — short-term, long-term, traditional and innovative. But that coexistence is uneasy at best.

Hotels argue that Airbnb and similar operations cut into their business and compete unfairly because they don't have to adhere to the same regulations regarding safety and commercial property.

Airbnb landlords complain that neighbors unfairly attack them as a nuisance while they are just running a nice little business. And, increasingly, affordable housing advocates worry that the short-term rentals are displacing long-term tenants.

There's even a dispute between small "mom and pop" short-term landlords, who rent out a room in their basement or spare sleeping spot in their primary residences, and investors who may buy up premium properties in urban areas for the sole purpose of renting them out on a nightly basis.

Municipal officials are left trying to walk the line between the burgeoning short-term rental industry and competing constituencies. Short-term rentals have grown more than 80 percent over the past five years, worldwide. Traditional housing and hotel industries have struggled to adapt.

Consumers are caught in the crossfire, according to Christopher Elliott, head of Elliott Advocacy, a nonprofit based in Arizona that advises and advocates for consumers. Renters, he said, don't usually ponder the impact their vacation stay is having on affordable housing.

"Most consumers don't think about the effect of their rental when they are going

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Airbnb platforms. There is a much stronger argument to be made that they need to start playing ball with the affordable housing folks.”

The proposed D.C. ordinance under consideration this year is aimed at addressing that specific concern — the line between the professional renters and owner-occupied temporary rentals. It would outlaw renting second homes on a nightly basis and would limit homeowners who are absent from their residences to renting for 90 days or fewer a year, a practice known as a “vacation rental.”

Hosts at home would not be limited from renting a spare room. The council vote a couple of weeks ago was preliminary; a second vote is scheduled in November. The measure would not affect traditional long-term rentals.

U.S. home prices in June were at their least affordable level since 2008, according to ATTOM Data Solutions, a company that keeps track of property databases. In D.C., it takes an hourly wage of \$34.50 to afford a two-bedroom rental home, according to the National Low Income Housing Coalition.

In New York City, a study this year from McGill University estimated, Airbnb and similar nightly rental companies increased long-term rents by 1.4 percent “over the last three years. This implies that the median renter household looking for a new apartment will pay \$384 more per year because of Airbnb’s recent growth.”

Sides Square Off

Affordable housing advocates were out in force at the D.C. Council this week, backed by Unite Here union members in bright red T-shirts. Unions representing hospitality and hotel employees have been supporting the restrictions on Airbnb-type rentals, which they say cut into their business.

“It’s about affordable housing and middle-class jobs,” said John Boardman, executive secretary-treasurer of Unite Here Local 25, who led a rally outside the D.C. Council chambers in favor of the bill. “That’s what they are fighting for — the ability to live in this

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that the coalition is made up of several constituencies, with the same target in mind – updating existing regulations governing the short-term rentals.

The travel industry research group Skift reported in July that worldwide short-term rentals grew more than 80 percent from \$46 billion in sales in 2012 to \$83 billion in 2017. In the same period, hotel rooms increased 27 percent, from \$404 billion to \$512 billion.

Affordable housing advocates also maintain that stocks of traditional rental housing are being hurt by the growing short-term rental market. The McGill report found that “Airbnb has removed between 7,000 and 13,500 units of housing from New York City’s long-term rental market.” The more Airbnbs in a city, the higher rents get for local residents.



Protesters gather in New York City, which joined the crackdown on short-term rentals to protect affordable housing for long-term tenants.

Frank Franklin II/The Associated Press

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He noted that affordable housing is a decades-old issue, particularly in urban areas, and that many factors affect it. “In all of these large urban cities, the number of short-term rentals is so minute,” he said, “that it’s really hard to look at a couple of thousand short-term rentals in a market and say this is having a meaningful impact on the millions of homes that make up that inventory.”

Kiessling said the restrictions on short-term rentals are more about protecting the hotel industry than they are about protecting urban neighborhoods.

Lauren Windsor, executive director of American Family Voices, a progressive national advocacy group that is part of the coalition calling for the D.C. restrictions, said her organization doesn’t claim that the short-term rentals are “causing the problem exclusively — it’s a complicated issue — but it’s exacerbating the issue across the country.”

“Do you list your own home? We’re good with that. That’s true home-sharing,” Windsor said. “But when you are running a commercial enterprise because this platform allows you to skirt the regulations of others in the lodging space — bed and breakfasts or the hotel industry — that’s not fair to the other players in the industry and not fair for residents of D.C. as well.”

Spreading Rules

New York City Mayor Bill de Blasio, a Democrat, in August signed a bill that requires short-term rental sites to provide city officials the names and addresses of hosts in the city. The new regulation is aimed at cracking down on people who rent out apartments and rooms when they are not on-site.

New York state law makes it illegal to rent out an apartment for fewer than 30 days unless the permanent resident is there. The new bill is aimed at enforcing that law.

A similar measure implemented this year in San Francisco cut the number of Airbnb-type listings by half, the *San Francisco Chronicle* reported.

Boston is putting together rules to take effect in January that would ban many rentals for more than 30 days and require owners to be registered. It is modeled on rules in nearby

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considering regulations.

Meanwhile, Airbnb – which was founded in 2007 in San Francisco when two roommates, Brian Chesky and Joe Gebbia threw air mattresses on the floor and rented them out to friends – has expanded to a \$31 billion company. Airbnb vigorously fights the regulations everywhere they are proposed.

“Airbnb was started to help [pay] the rent and we have made clear that we want to work with cities to address their specific concerns and craft smart rules that work,” Nick Papas, spokesman for Airbnb, said in an email.

D.C.’s chief financial officer, Jeffrey DeWitt, said the bill would cost the city about \$100 million over four years because it will reduce the number of short-term rentals and revenue assessed on the booking services that host the rental sites. A dispute over those numbers this week delayed final action on the bill.

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