SHORT-TERM RENTAL SERVICES

NMHC/NAA Viewpoint

NMHC/NAA support the right of multifamily companies and other property owners to participate in all aspects of the sharing economy, if they so choose and if it is done in full compliance with existing law and regulation.

The multifamily industry is increasingly dealing with the implications – both positive and negative – of peer-to-peer short-term rental services like Airbnb, VRBO and HomeAway. While these services are growing in popularity with consumers, they raise potential issues for apartment companies including tenant lease violations, on-site security concerns, and questions around liability and property insurance. Although these services have led to areas of uncertainty for the multifamily industry and the wider economy, the "sharing economy" is booming. With such growth, Congressional and federal oversight is likely to increase.

Currently, in the absence of a clearly defined federal role, much of the regulation and oversight of home sharing falls under the jurisdiction of state and local governments. To date, public policy has ranged from attempts to limit the use of these services altogether to those that provide a framework for the services to be legally offered and for lodging taxes to be collected.

High-cost markets like New York, Denver, Los Angeles, San Francisco and Washington, D.C., are receiving a lot of attention when it comes to home sharing because opponents in these cities have aggressively sought to impose regulation, fees and disclosure requirements on participating hosts or bar short-term rentals altogether.

There are numerous pending regulations and pieces of legislation, at the local and state levels, that would potentially prevent apartment firms wishing to participate in the home sharing and short-term rental sector from doing so.

Some opponents of the emerging short-term rental sector, however, may have inadvertently misled lawmakers and the public by indicating that apartment owners and operators are dominating the space and operating as illegal hotels. They state that "commercial landlords" are avoiding existing lodging regulations, building codes and taxes.

However, data from Airdna, an analytics firm that researches Airbnb data and publishes trends, shows that those described as "multi-unit operators" and "commercial landlords" actually list as few as three properties on Airbnb. This makes it unlikely that the hosts are traditional apartment firms that lawfully operate under heavy federal, state and local regulation – in full compliance with health, safety, tax, Americans with Disabilities Act and Fair Housing laws.

NMHC/NAA support the right of multifamily firms and other property owners to participate in all aspects of the sharing economy, if they so choose, and if it is done in full compliance with existing law and regulations. NMHC/NAA also strongly believe that multifamily property owners must maintain the ability to restrict the use of short-term rentals in their communities to protect the quality of life they tirelessly work to achieve for all residents.

Policymakers at all levels wanting to regulate the short-term rental market should be cautious as to not inhibit the benefits of the sharing economy , while ensuring that the protection of private property rights and contractual obligations between property owners and residents are respected.