

Selected *excerpts* from news about short-term rentals in 2019, some indicating trends, issues, and arguments with which we have become familiar, and others hinting at things to come...

“A citizen housing task force made up of realtors, landlords and other stakeholders has started the process of thinking about this complicated topic. Initial ideas for regulations address many of the common concerns related to short-term rentals, such as changes to neighborhood character, noise, trash, parking, and more. Their initial idea considers a three-tiered approach that is based on Greeley’s current housing situation.

“Under this model, Tier I would allow residents to host paying visitors on an ongoing basis in a spare bedroom in any neighborhood, with a limit of one bedroom per home and a stay for no more than ten consecutive nights. The resident must be on-hand to handle issues. Owner would also have to secure a business license, home occupation permit, and approval of a safety checklist.

“Tier II would be similar, but allow residents who are out of town — such as a professor on sabbatical — to host a short-term rental for their whole home for up to ten weeks of the year.

Tier III would allow investors to convert a dwelling into a full-time short-term rental, but only in high-density residential and commercial zones, where comparable uses are already allowed. For these, there would be additional limitations and requirements for safety standards.”

Brad Mueller & Benjamin Snow, “City seeks citizen input regarding short-term rental policies” *Greeley Tribune*, December 6, 2019

Greeley, CO

“[More than 11,000 units have been lost to short-term vacation rentals](#), most of which are [“whole home,”](#) according to data compiled by Host Compliance, a San Francisco company that monitors the industry. And that loss of residential housing is growing rapidly. It’s now easier to find a short-term vacation rental in a residential neighborhood than it is to find a long-term rental.

“Neighborhoods in every corner of the city, not just the beaches, can expect to see their residential housing stock diminish as these mini-hotels proliferate unchecked. People are [waking up to the impact these rentals have on our neighborhoods](#), and are finally understanding that it’s not just about nuisance complaints — it’s about the already scarce residential housing we’re losing.

In a city that only builds an average of [3,000 new housing units a year](#), we lost 2,000 housing units to short-term vacation rentals [in 2017 alone](#).”

Matt Valenti, “Anyone Who Supports More Housing Should Oppose Short-Term Vacation Rentals”

Voice of San Diego, May 22, 2018

“Among their primary reasons for proposing these restrictions, the city expressed a desire to preserve the character of neighborhoods and address alleged concerns of noise, parking and traffic associated with short-term rentals. There isn’t anything inherent in rental housing, be it short- or long-term, to support these claims, so to say this is specific to short-term rentals is disingenuous. If there are bad actors, then let’s treat them as any other violator of public nuisance ordinances. Instead of creating new regulations or restrictions, let’s use the existing code enforcement tools should an issue arise, instead of singling out short-term rentals as the scapegoat.

“The city’s proposal also claims that by restricting short-term rentals they will address the housing shortage by freeing up more long-term options. Let’s be honest, the number of long-term housing options this could create immediately is marginal at best. While we absolutely need more housing today, creating regulations that have long-term and potentially unintended consequences at the expense of private property rights is short-sighted.”

Phil Mount, “Short-term rental restrictions infringe on private property rights”

Idaho Statesman, September 28, 2019

Read more here: <https://www.idahostatesman.com/opinion/readers-opinion/article235557332.html#storylink=cpy>

“A federal appeals court in March unanimously rejected Airbnb's challenge of Santa Monica's 2015 home-sharing ordinance, which prohibits short-term rentals if the owner is not on the premises. City officials adopted the ordinance after receiving complaints of disturbances in normally quiet residential neighborhoods.

“Airbnb will now require all listings to have a license number issued by the city. The company will permit each host to list only one dwelling and no more than two rooms in that home. Airbnb also will collect \$2 a night from renters and pass it on to the city to be used for affordable housing. The company charges similar fees in other cities.

“‘After years of uncertainty for our host community in Santa Monica, the new settlement agreement provides our hosts the clarity they need to continue sharing their homes,’ said Matt Middlebrook, Airbnb's director of public policy in California. “We are proud to support Santa Monica's efforts to build and maintain affordable housing and look forward to continuing to work with city leaders on policies that strengthen the communities our hosts call home, just as we've done in jurisdictions around the world.”

“Airbnb and Santa Monica Reach Deal on Short-term Rentals” NBC Los Angeles December 10, 2019

“The summit’s liveliest panel talk featured representatives from AHLA, Expedia Group, and Vacasa. They crossed swords about regulations for short-term rentals.

“One point the panelists saw some potential common ground on was seeking solutions at local rather than national levels. The consensus was short-lived, though. In the following session, Olivier Grémillon, vice president of global segments at Booking.com, made a case for national-level rules as a practical privacy measure, given that some municipalities are villages. So the debate continues.

“In a complicating twist, some hotel groups are lobbying for stricter regulations for short-term rentals at the same time as they enter the sector through acquisitions or new brand launches, as illustrated by a talk by Marriott on its efforts.”

...

“Professionalism Is the Watchword

While renting out homes is a centuries-old concept, new technologies and a flood of investment have created a recent boom.

“Airbnb said it was cracking down on improper behavior by guests. Margaret Richardson, the company’s vice president of Trust, said Thursday [Airbnb is cracking down](#) on so-called “open invite” parties, such as ones promoted on social media. The move came in the wake of a Halloween shooting at an Airbnb rental in a San Francisco suburb.

“Richardson also hinted that Airbnb is considering making changes to its listings and user interfaces. For instance, it may make it more transparent when a host is a professional or an amateur.

Speakers and attendees at the Summit rallied around the notion that the way to find scale efficiencies is to build their own technology for critical operational needs.

“While industry chatter tends to play up the differences between hotels and alternative accommodations, there are some striking similarities between the traditional hotel industry and the professional short-term and vacation rental management companies, especially when it comes to technology questions,” said senior research analyst Wouter Geerts of Skift Research.

“Hotels often rely on antiquated technology, and many of the software systems for vacation rental managers are also on the older side,” Geerts said. “I thought it was notable how many players felt they needed to build their tech. Even if the functionality may be somewhat basic, new tech can fit modern needs for cloud-based services and the ability to connect with lots of tools and vendors, among other factors.”

“Yet perspective is in order. Independent hosts run the majority of rentals worldwide, Geerts said.

“Independent hosts and the community feeling they can bring continue to matter. In some markets, short-term rentals continue to enable amateurs to generate revenue. They also introduce visitors to local experiences. Those twin advantages can be critical to helping destination management organizations showcase their locales, said Leah Chandler, chief marketing officer of Discover Puerto Rico.”

Sean O’Neill, “5 Smart Insights for the Short-Term Rental Industry” *Skift*, December 6, 2019

“Multifamily has become an increasingly diversified sector – with niche asset classes such as student housing, senior housing, coliving and micro-units garnering major investor interest, and short-term rentals are next. Our Chicago multifamily team takes a national look at this growing trend in our new report, [Short-term Rentals: The Next Evolving Asset Class](#).

“The concept has existed in a limited format for decades – with small local operations and corporate housing outfits dotting the nation. Homeshare platforms like Airbnb and VRBO then revolutionized the market, steadily becoming a primary means of travel lodging for the common consumer – attaining over 500,000 average stays per night by 2018. At the same time, the 2010s real estate cycle saw a wave of new Class-A apartment buildings delivered largely around downtown submarkets nationwide. Given the valuable locations and amenity sets of these apartment buildings, an underground market emerged on homeshare platforms for these units. A new crop of startups arose to legitimize and streamline this market, with the most successful among them creating independent national platforms with hundreds of branded, furnished apartments.”

Susan Tjarksen, “Short-Term Rentals are the Next Niche in Multifamily,” *Cushman & Wakefield*, July 9, 2019

“NASHVILLE, Tenn. (WKRN)— Metro Council will be cracking down on short term rentals.

On Tuesday night, they will discuss a new proposal to create new zoning districts prohibiting Airbnb’s.

They will also be approsing [sic] a \$7.5 million dollar funding plan to give teachers a 3% raise next month.

Scooters will also be a topic on the agenda. “

“The United Kingdom's largest craft brewery, which just opened its second-largest U.S. taproom in Cincinnati, is eyeing the home neighborhood of its newest pub for an Airbnb-like experience.

“Scotland-based BrewDog, whose U.S. headquarters is in Canal Winchester, Ohio, opened a Cincinnati taproom at 316 Reading Road in Pendleton on Nov. 15. Now the brewery is eyeing property in the neighborhood to transform into short-term rentals for its guests.

“BrewDog Pendleton

“BrewDog's Pendleton taproom and restaurant opens Nov. 15.

“The brewery is looking for long-term rentals in Pendleton to bring its DogHouse hotel experience, which it opened in Columbus in 2018, to locals visiting its Cincinnati taproom. It's doing that through what it calls "Kennels," or short-term rentals of one- and two-bedroom apartments through long-term leases with local landlords.

“It's handled just like our DogHouse in Columbus – you stop into the bar, get your check-in pint from the bartender and your key and all of the concierge service is handled through the bar staff,’ Jenny Lane, BrewDog's equity for punks community ranger, told me.

“The Kennels will be in buildings where BrewDog has long-term leases with the landlords and renovates to bring a similar look and feel to the Columbus DogHouse. They're meant for fans of the brewery who travel and want to stay close to the taproom, and especially for the craft brewer's equity punks.”

Andy Brownfield, “EXCLUSIVE: BrewDog eyeing Pendleton for short-term rentals near new brewery” Cincinnati Business Courier, December 4, 2019

“Airbnb announced Tuesday that its Boulder host community rented to almost 8,000 guests and earned a combined \$1 million during college football game weekends in the fall.

“Those short-term rentals helped Boulder expand its lodging capacity to accommodate the surge in visitors, according to Airbnb, an online marketplace for short-term rental properties.

“The CU games against Nebraska on the Sept. 6 weekend and Arizona on the Oct. 4 weekend were the busiest weekends of the season, with hosts earning \$232,000 and \$252,000, respectively.

“The last home game of the season, against Washington on the weekend of Nov. 23, brought in the least with \$77,400.”

Amy Bounds, “Short-term rental owners cash in on CU Boulder football games” *The Daily Camera*, December 3, 2019

“Domio, a startup that designs and then rents out apart-hotels with kitchens and other full-home experiences, has raised \$100 million (\$50 million in equity and \$50 million in debt) to expand its business in the U.S. and globally to 25 markets by next year, up from 12 today. Its target customers are millennials traveling in groups or families swayed by the size and scope of the accommodation -- typically five times bigger than the average hotel room -- as well as the price, which is on average 25% cheaper than a hotel room.

“The Series B, which actually closed in August of this year, was led by GGV Capital, with participation from Eldridge Industries, 3L Capital, Tribeca Venture Partners, SoftBank NY, Tenaya Capital and Upper90. Upper90 also led the debt round, which will be used to lease and set up new properties.

“Domio is not disclosing its valuation, but Jay Roberts, the founder and CEO, said in an interview that it's a “huge upround” and around 50x the valuation it had in its seed round and that the company has tripled its revenues in the last year. Prior to this, Domio had only raised around \$17 million, according to data from PitchBook.

“For some comparisons, Sonder -- another company that rents out serviced apartments to the kind of travelers who have a taste for boutique hotels -- earlier this year raised \$225 million at a valuation north of \$1 billion. Others like Guesty, which are building platforms for others to list and manage their apartments on platforms like Airbnb, recently raised \$35 million with a valuation likely in the range of \$180 million to \$200 million. Airbnb is estimated to be valued around \$31 billion.

“Domio plays in an interesting corner of the market. For starters, it focuses its accommodations at many of the same demographics as Airbnb. But where Airbnb offers a veritable hodgepodge of rooms and homes -- some are people's homes, some are vacation places, some never had and never will have a private occupant, and across all those the range of quality varies wildly -- Domio offers predictability and consistency with its (possibly more anodyne) inventory.

"We are competing with amateur hosts on Airbnb,' said Roberts, who previously worked in real estate investment banking. 'This is the next step, a modern brand, the next Marriott but with a more tech-powered brain and operating model.' These are not to be confused with something like Hilton's Homewood Suites, Roberts stressed to me. He referred to Homewood as 'a soulless hotel chain.'"

Ingrid Lunden, "Domio raises \$100M in equity and debt to take on Airbnb and hotels with its curated apartments" *Tech Crunch*, December 17, 2019