



Locking down Portland's short-term rentals

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Portland nears agreement with Airbnb, as cities throughout the country struggle with regulating short-term rental companies

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Portland is "on the cusp" of reaching an agreement with Airbnb to have the short-term rental company share its listing data with the city, a spokesperson for Mayor Ted Wheeler said.

It may sound like a simple technicality, but this gap in information has held Portland back from effectively monitoring the runaway industry and enforcing short-term rental guidelines.

Sophia June, senior spokesperson with Mayor Ted Wheeler's office, said that the data will include the names of "Portland hosts, contact information, rental addresses, etc."

HomeAway, another short-term-rental company, will start sharing its hosting data once Airbnb does, meaning the city will have access to data related to approximately 90 percent of the city's short-term rental listings.

"Once we have this data we will be in a position to enforce our regulatory and tax codes more forcefully," June wrote through email. "Importantly, both platforms have agreed to remove all listings that fail to comply with regulatory requirements."

Cities throughout the world are struggling to find ways to regulate the rapidly expanding short-term-rental market. Little can be done without the names and addresses of people who operate those short-term-rental units, and the only way to

get that information is reaching agreements with Airbnb, HomeAway and other short-term-rental companies.

The imminent agreement between the city and Airbnb follows a scathing audit, conducted by the city of Portland's auditor's office, which showed that only 22 percent of short-term rentals in the city have a legally required permit.

According to the audit, 4,648 Portland homes were listed on Airbnb's website in December 2017. The number more than doubled since 2015, showing how quickly short-term rentals are growing.

Currently, city law requires that hosts obtain a permit, that the rental be the host's primary home, that the host live there at least nine months out of the year, and that rentals last no longer than 30 days. Hosts found not in compliance, including those operating without a permit, are subject to fines starting at \$1,000 for the first offense.

But "if you don't have the data, you can't regulate," said Alexandra Fercak, one of the audit's authors. "It's almost like putting up a program and not backing it up with the resources and what you need to make it function well."

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— ALEXANDRA FERCAK
PORTLAND AUDITOR'S OFFICE

On top of that, she said, the city of Portland has no idea how short-term rentals are affecting the supply of rental housing in the city.

As Fercak and her colleagues conducted the audit, they reviewed the public testimony given when the city adopted the guidelines for short-term rentals in 2014.

"I can't tell you how many times the effect on housing availability and affordability and long-term rental prices came up," she said. "That was one of the major themes."

The Office of Management and Finance is leading

the negotiations with Airbnb. Thomas Lannom, the director of the bureau's Revenue Division, declined to comment on the negotiations until an agreement is reached.

The responsibility for overseeing short-term rental regulations falls under the the Bureau of Development Services, which is under the charge of City Commissioner Chloe Eudaly. Marshall Runkel, Eudaly's chief of staff, said that part of the new agreement with Airbnb entails no longer requiring physical inspections of the unit in

exchange for the host's data.

"The intent was good," Runkel said, which was "to ensure that these short-term rentals would be safe."

However, Fercak thinks the number of permitted short-term rentals is so low because hosts wanted to avoid the time and effort it takes for an inspection to be conducted.

More importantly, Runkel said, Portland needs "the ability to enforce against commercial operators," which are those hosts who rent out their homes or apartments for more than 30 days at a time.

"Those are the units that do the most damage to our housing market," he said.

Had Airbnb not cooperated in negotiations and data sharing, Runkel said, the city would have been willing to take legal action and even enact an outright ban of all short-term rentals in the city.

"If you're not going to give the data, it's not OK to operate in the city of Portland," Runkel said. "All of it becomes illegal. The option of them continuing to not provide basic data about their activities in our city is not an option."

Kathryn Holm spent much of the first week of September signing tickets fining illegal short-term-rental operators in Vancouver, British Columbia.

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