

AIRBNB, from page 4

Holm is Vancouver's chief license inspector. Her job is to enforce a citywide law that went into effect Sept. 1 regulating short-term rentals. Airbnb agreed to give the city the names and addresses of its operators in Vancouver.

With that information in hand, the city now requires all short-term-rental operators to have a business license issued by the city. Additionally, operators must include that license number in all the online listings and advertising for their rental unit.

The new law requires that all rentals be in the operator's primary residence – no secondary homes, investment properties or separate basement apartments with separate locks and address.

Condominium associations are allowed to decide on their own whether they want to allow short-term rentals in their buildings.

All short-term rentals must adhere to safety requirements similar to what hotels and bed and breakfasts must follow, including having functioning smoke detectors and fire extinguishers and signage showing how the room and building can be exited during an emergency.

Operators who do not comply with the new laws face fines of \$1,000 per offense. The city wields a great deal of discretion in deciding what constitutes an offense – the violations can be per day or for each short-term-rental company the operator lists through.

"That number can add up very quickly," Holm said. "(If) people have deliberately lied to us or are blatantly not in compliance, we have the opportunity to fine heavily."

Vancouver developed what Holm calls a permissive policy – allowing short-term rentals in "the right circumstances." But the city has a zero-tolerance approach to those breaking the new law.

"And if you don't pay, you'll get more tickets," Holm said. "We work very closely with our friends in legal services."

When the new law went into effect, Vancouver saw an immediate 43 percent reduction in the total number of listings in the city, from nearly 6,600 to 3,742; 2,500 listings were removed by Airbnb. The company removed any operator who had not

entered a license number onto the website by midnight Aug. 31, the day before the city law took effect.

Another 660 listings, which were being rented out for more than 30 days at a time, have been converted to long-term rentals or removed entirely from the rental market.

The city of Vancouver has so far issued approximately 2,600 licenses. Holm said there are nearly 300 listings that are not in compliance with city law; they do not have a license, yet their online listings appear as if they have one, with any string of numbers entered into the field asking for a business license.

Holm does not expect total compliance.

"There are going to be folks who slip through ... being devious and finding creative ways to misrepresent themselves," she said.

"We're going to continue to chase those folks," Holm said with more than a hint of determination, and perhaps some glee, in her voice.

Vancouver began developing a short-term-rental policy, as well as negotiating with Airbnb and other short-term-rental companies, in April 2016. What followed were years of public meetings, public comment periods and discussion of draft policy proposals.

Holm said the city considered "everything."

"We looked at what every city in the world was doing," she said.

Vancouver has one of the tightest, most expensive housing markets anywhere on the West Coast. The average rent for a one-bedroom apartment is \$2,000 (Canadian), according to PadMapper, and the vacancy rate is less than 1 percent, Holm said. Approximately 51 percent of Vancouver residents are renters.

"We have an obligation to ... make (Vancouver) a place where people can live

and work," Holm said. The city is trying "to ensure that properties that can be used for long-term rentals are."

In working through its policy, the city of Vancouver even considered an outright ban of short-term rentals.

Berlin, Germany, essentially banned Airbnb and other short-term rentals from operating in May 2016, when the city passed a law that only allowed homeowners to rent out one room in their principal residence.

But a court ruling there found that short-term-rental units do not affect the housing market, and operators found ways to evade the law. Berlin lifted the ban May 1, 2018, allowing homeowners to rent out their main homes, as well as to rent out second homes for no more than 90 days a year.

"People will find a way to do it," Holm said.

In April, the city of Paris sued Airbnb for refusing to enforce local laws, calling on it to remove tens of thousands of unregistered listings from its site. The French capital is the company's largest market.

Earlier this year, San Francisco passed a measure requiring operators to register their rentals with the city. When the law went into effect, the number of Airbnb listings dropped by 50 percent. Operators who don't comply with city law face fines of \$1,000 per day per listing.

In July, New York City passed a city ordinance requiring Airbnb and other short-term rental companies to share the names and addresses of its hosts in the city.

The new legislation goes into effect in January. Short-term-rental companies that do not share data will face fines of up to \$1,500 per listing they fail to disclose. There are approximately 52,000 Airbnb

listings in New York. Airbnb has said it will fight the city law in court, and in August, it filed suit against the city, claiming the city's law violates constitutional rights.

Cities that do not have access to the names and addresses of short-term rental hosts must rely on third-party companies that provide that data.

Will Norris, Hood River's finance director and assistant city manager, said "we kind of know" that Airbnb will not share the names and addresses of its hosts with the city, given Hood River's size, among other factors. "They don't really communicate with us," he said.

Hood River requires that all short-term-rental listings be licensed with the city and that operators pay lodging and transient taxes.

The city uses a system called Host Compliance, which scrubs the internet for listings, comparing information gathered online with records kept by Hood River. Norris said the city is able to use the information to find unlicensed hosts, who receive a letter asking that they come into compliance. From there, the city can ratchet up enforcement.

Right now, there are between 200 and 210 listings in Hood River, and approximately 90 percent of listings are in compliance. When asked how accurate that number is, Norris said, "It's hard to prove a negative."

He also said there are a number of community groups and neighbors who keep a vigilant eye on their neighborhoods and are willing to make a formal complaint to the city – something that a smaller, more rural community like Hood River relies more heavily on than larger cities, which have the ability to resort to legal action, as San Francisco and New York City have done.

Holm, the license inspector in Vancouver, thinks that as the sharing economy grows, "government needs to react," no matter the solution eventually reached.

"Any city in the world will tell you that this is a journey and that there is no silver bullet," she said.

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