

This article applies to all lower mainland municipalities seeking to maintain normal (more than 1 month at a time, and usually yearly) rental supply. - cjk

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## Got them coming and going

### City of Vancouver, residents face hospitality headaches with Airbnb

Until a couple of months ago, the residents of Vancouver's Alexander Row didn't know much about the wildly popular short- term rental service Airbnb.



FRANCIS GEORGIAN

Don and Charlene Brooks were asked by the potential buyer of a neighbour's home in their Gastown development if he could list it on Airbnb.

"I thought Airbnb was more like a home-exchange type of thing, where people from other countries come ... and you exchange homes," said Charlene Brooks, who owns one of six row houses in the small Gastown development.

But she learned exactly how Airbnb works when her husband received a note from someone interested in buying a neighbour's home. The potential buyer wanted assurances from the other owners that they'd be fine with him listing the suite on Airbnb, something he'd done a whopping 65 times over an 18-month period in his current condo.

"That's when we realized that this was something that we didn't want," Brooks said, explaining that the idea of allowing a revolving door of strangers into the building made her nervous.

She was surprised to learn that Vancouver's bylaws forbid rentals shorter than a month without a hotel or bed and breakfast licence, and felt little was being done to enforce the rules. Right now, city staff only enforce the rules against illegal shortterm rentals when they get a complaint.

"If you're going to have a bylaw, then you have to enforce it. What's the sense of having it if you don't enforce it?" Brooks said.

Across North America, city governments and neighbourhood activists worry the exploding popularity of Airbnb is hurting neighbourhoods and putting a strain on rental housing stock, as landlords choose the lucrative option of short-term rentals over long-term tenants.

They're dealing with these issues either by enforcing existing bylaws and talking tough with Airbnb and other shortterm rental services, or by legalizing the industry, introducing licensing systems and collecting lodging taxes from hosts.

Vancouver City Hall is examining those approaches as part of a study into how the city should handle Airbnb.

For some city councillors, the biggest concern is how the site's popularity impacts the already limited rental housing stock.

"A very large number of listings are out there, and if even half of them are in secured rental housing and that housing has been taken off the market, then that could have an impact on our vacancy rates, which are virtually zero in parts of the city," Coun. Geoff Meggs said.

Numbers compiled by Murray Cox, a community activist in New York who operates InsideAirbnb.com, suggest that there were 4,728 Airbnb listings in Vancouver in December. His numbers also suggest that about a third of the site's listings in Vancouver belong to people who rent out multiple homes or rooms. Right now, one has 29 listings in the city, all of which are for entire apartments.

Airbnb describes those numbers as inaccurate, but the company has yet to produce a full study on its impact in Vancouver.

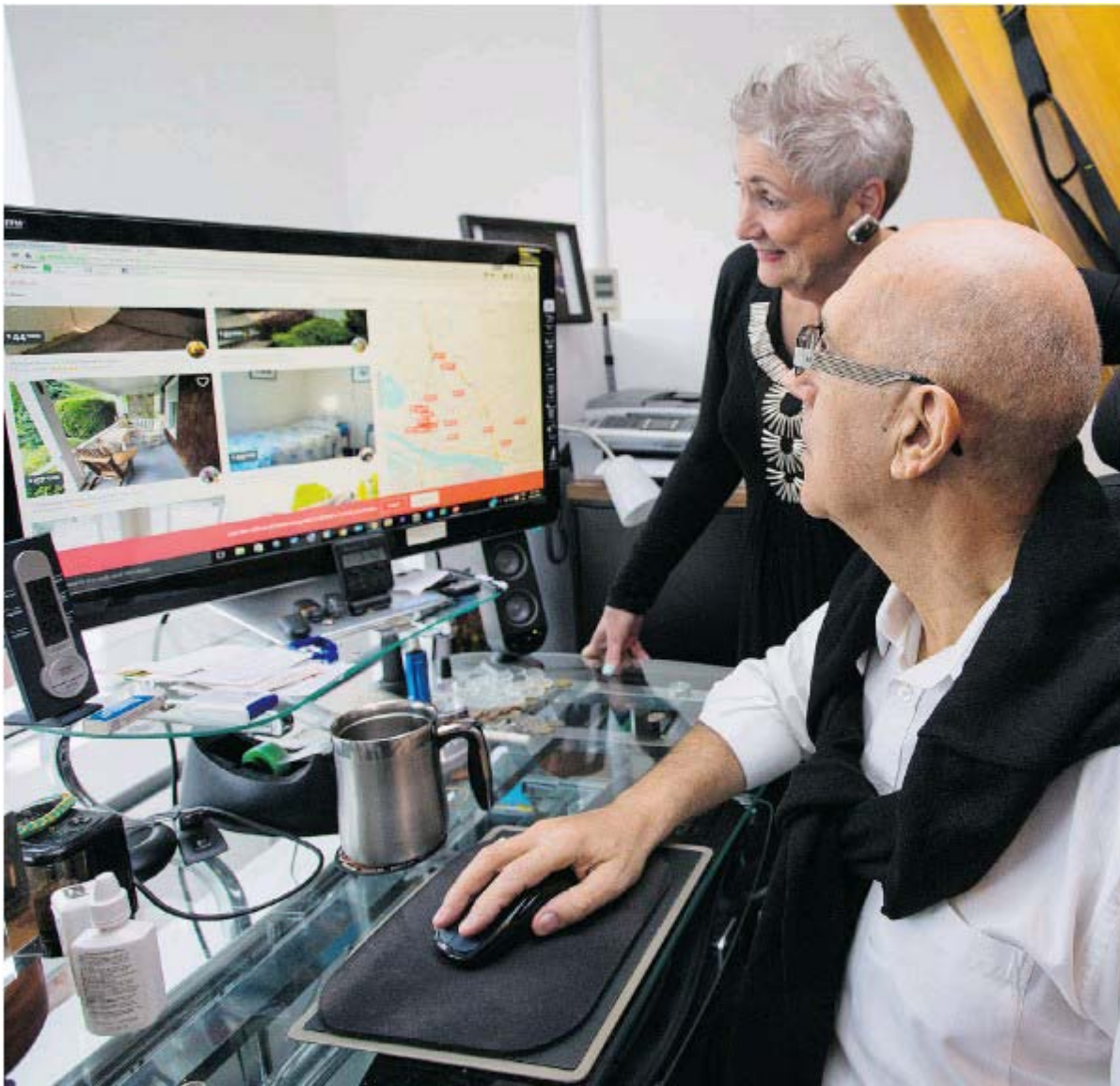
Meggs hopes Vancouver will be able to work with Airbnb to enforce any future regulations.

"Airbnb has worked with municipal jurisdictions to try and find a balance. They collect taxes in some cities, they participate in some oversight and regulations," he said.

That includes Philadelphia, Jersey City and San Francisco.

In the case of Vancouver, obviously housing affordability is an issue. AARON ZIFKIN AIRBNB'S COUNTRY DIRECTOR FOR CANADA

But other observers are less optimistic.



*FRANCIS*

*GEORGIAN* Charlene and Don Brooks discovered that city bylaws forbid rentals shorter than a month without a hotel or bed and breakfast licence. WEEKEND EXTRA | FROM PAGE C8

Karen Sawatzky has been gathering data on Airbnb for her master's thesis in urban studies at SFU, and her research suggests a 63-per-cent increase in the number of Airbnb listings in Vancouver between November 2014 and December 2015.

"Airbnb is facilitating the conversion of housing space to leisure space, and I don't think we have room for that to happen in the city of Vancouver," Sawatzky said.

She supports regulating the short-term rental industry, as long as the city's focus is on preserving housing for residents.

"I'm a little pessimistic, I have to say, about how cities are going to be able to manage this," she said. "I haven't seen anywhere that Airbnb is providing local governments with the data that they need to properly understand and address the issue."

She points to New York City, where the home-sharing site made a claim to transparency in November when it released data on its listings in the Big Apple. But the company later acknowledged that it had scrubbed about 1,500 listings from the site before making the numbers available.



Those listings were from operators who were renting out multiple homes, listings that the company said “did not reflect Airbnb’s vision for our community.” Airbnb maintains that those listings were removed as part of an effort to eliminate commercial operators, and that it will continue to remove similar listings.

New York is one city that is digging in its heels and promising to crack down on Airbnb rather than regulating short-term rentals.

Some New York City councillors are promising to bring in more inspectors, and they’ve even gone so far as to send a letter to the company’s investors advising them to pull their money out.

But many other cities have been more flexible.

In B.C., Tofino allows licensed home rentals, but is planning to crack down on unlicensed hosts out of concerns about a lack of housing for residents.

Austin, Texas, has made enforcement of its recent shortterm rental regulation scheme “the highest priority thing we’re doing,” according to Robert Alvarado, who heads up a new short-term rental enforcement office.

Like Tofino, Austin is a community that periodically swells with thousands of visitors in need of a place to stay. This month, an estimated 200,000 people flooded into the city for the South by Southwest conference and festival, and another 450,000 are expected for the Austin City Limits Music Festival in August.

These tidal waves of tourists create tremendous temptation for local residents to cash in through Airbnb, but the platform’s popularity is straining Austin’s housing supply — and created some big conflicts with neighbours.

“There’s a term people keep using: it’s a ‘bad actor.’ It’s the person who rents to bachelor parties, groups of young men who get drunk, make a lot of noise, get into fights and generally cause trouble,” said Alvarado.

He estimates that there are only about 20 “bad actors” among the thousands of people who advertise on Airbnb and other shortterm rental sites.

Still, the headaches they’ve caused for their neighbours were serious enough that the city introduced a \$285 licensing fee and fines of up to \$2,000 for violations.

The rules were introduced about three years ago, but until recently the city has focused on educating hosts and encouraging them to pay for their licences. Now, about 1,400 licences have been issued in a city where there are an estimated 7,000 listings across all short-term rental sites.

Enforcement amped up in October. Alvarado now supervises four full-time inspectors dedicated to making sure people follow the rules, as well as a researcher who scours online listings for violations.

So far, just two violations have gone through the city’s administrative hearing process, both resulting in fines of about \$700, but Alvarado expects that number to jump in the near future.

And Austin’s rules are about to get stricter. City councillors voted last month to begin phasing out all short-term rentals where the owner doesn’t live on site and limiting the number of people who can stay in a single Airbnb.

In Oregon, Portland has also introduced a licensing system for short-term rentals, with mixed success. Hosts are also required to pay lodging taxes and provide proof that the home is their primary residence.

So far, the city has had mixed success.

“Our compliance rate is still very low,” said Mike Liefeld of the city’s development bureau.

“At last check we had just a little over 500 permits issued and there’s estimates of, at any given time, online rooms for rent that exceed 2,500 units in the city of Portland.”

One feature of Airbnb that makes enforcement difficult is that its website gives officials no way of confirming the identity or location of a host. The company has no plans to change that feature. It’s promised to provide city governments with some data about local listings, but not names.

Since Portland’s regulations came into effect in 2014, the city has issued 321 warnings and violation notices to hosts, and five to the operators of home-sharing websites.

But city staff say that Airbnb has been relatively co-operative, working with the revenue division to encourage hosts to get the proper permits and pay their taxes, and the site hasn’t been served with any violation notices.

Competitor VRBO and its parent company HomeAway have been less helpful, according to the city, and those two sites have been sued by the city for failing to remit taxes and display hosts’ licence numbers.

In Vancouver, an Airbnb representative said he’s excited to be working with the city on its approach to the short-term rental issue.

“We take a lot of pride in working with local government,” said Aaron Zifkin, Airbnb’s country director for Canada.

He pointed to the company’s community compact, released in November, which pledges to work with cities on any issues they have with Airbnb, and to ensure that hosts are paying all applicable taxes. Part of that will be working with local governments on a solution that addresses their “individual policy needs.”

For Vancouver, that may mean weeding out commercial operators who are cutting into the rental housing supply.

“In the case of Vancouver, obviously housing affordability is an issue, we want to make very sure that people are renting out their primary residences,” Zifkin said.