



Short-term rentals

Background

The rapid growth in the popularity of short-term rental websites and apps like Airbnb and VRBO has expanded the market for visitor accommodations in San Diego County. Instead of staying in a traditional hotel or motel, visitors can now book a room in someone's home, or rent an entire house in a residential neighborhood. Visitors say these services provide benefits they can't get from a hotel, such as the ability to meet and connect with locals and the chance to experience neighborhood life outside of a tourist district. Hosts say the short-term rental services allow them to bring in extra income. Providing visitor accommodations in residential neighborhoods, however, has sometimes led to complaints from neighbors about noise, parking, litter and other nuisances. Some local governments have responded by developing new ordinances that either ban or strictly regulate short-term rentals.

Analysis

Listing a room or an entire home can be a good source of income for hosts. Most single-room listings range from about \$50 to \$150 per night, while whole-home rentals generally range from \$65 to \$450. Prices vary significantly based on location and the quality of the accommodations. Airbnb collects a 3 percent fee from hosts. Airbnb also collects a service fee and applicable tourism occupancy taxes from guests. Some hosts only list their homes a few days out of the year, while others have made a more regular business out of it.

The majority of listings on Airbnb, VRBO and other similar sites have not presented any problems for their neighbors. This is especially true of single-room listings where the property owner remains on site and can self-police any problematic behavior. When complaints do arise, they are more often related to whole-home rentals where a group of people has rented for the weekend. Some neighbors have been disturbed by excessive noise, public drunkenness, litter and illegally parked vehicles.

While these problems are real, they are the result of poor management by hosts and poor enforcement by local authorities. They are not inherent to the overall concept of short-term rentals. With the right ordinances and funding mechanisms in place, all of these problems can be effectively addressed by police or code enforcement officers.

Position

The Greater San Diego Association of REALTORS® supports the right of property owners to rent all or part of their residence with certain limits. SDAR recognizes that visitor accommodations may present unique challenges, but those challenges should be addressed by targeting the bad actors – hosts and visitors – who interfere with other homeowners' peaceful enjoyment of the neighborhood. The challenge calls for increased code enforcement to stop nuisance behaviors while balancing a property owner's right to generate income from their property. SDAR also believes property managers of short-term rentals should be subjected to the same licensing requirements as property managers of all other rental properties.

