



Housing Trends and Best Practices in Short-term Vacation Rentals

Agenda

- **Introductions**
- Understanding the Challenge
- Best Practices for Enforcing STR Regulations
- Available Solutions to Help
- Questions

Introduction:

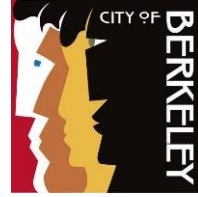


Paul Hetherington
Co-Founder & CCO

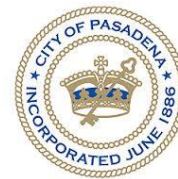
- Over 120 City and County customers coast to coast
- First provider of efficient short-term rental permitting, compliance monitoring and enforcement solutions for local governments
- Team of seasoned local government technology executives and data-scientists
- Providing technology solutions to Local Government for over 20 years
- Launched Host Compliance when asked by local town council to study possible ways to address its short-term rental compliance issues
- Met with over 400 cities and counties on the topic of Short-term Vacation Rentals.

More than 120 leading cities and counties are looking to Host Compliance for guidance, data and solutions to their short-term rental challenges

Select Metropolitan City Clients




Select Southern CA Clients




Agenda

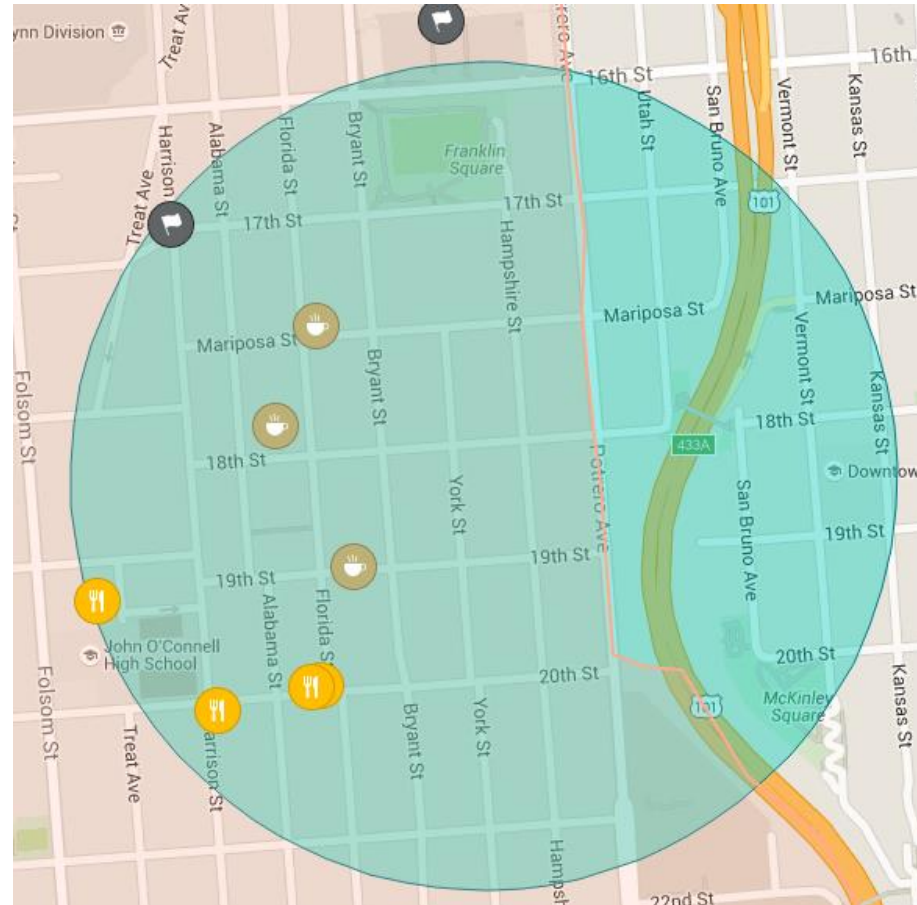
- Introductions
- **Understanding the Challenge**
- Best Practices for Enforcing STR Regulations
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The Challenge: Address and Contact info is Hidden on Host Platform Listings



Verified ID

- ✓ Email address Verified
- ✓ Phone number  63
- ✓ Online ID Verified
- ✓ Reviewed 124 Reviews
- ✓ Offline ID Personal Info
- ✓ Offline ID Driver License
- ✓ Offline ID Personal Info



The Vacation Rental Platforms Refuse To Exchange Detailed User Data With Local Governments

Airbnb Sues Its Hometown Over Latest Short-Term Rental Crackdown

by Kia Kokalitcheva @imkialikethecar JUNE 27, 2016, 8:56 PM EDT

✉️ 🐦 📘 🌐




The company is fighting recently passed ordinance aimed at illegal rentals.

The Airbnb logo.
Photograph by Getty Images

HomeAway threatens suit over Airbnb proposal for N.Y.

Kaja Whitehouse, USA TODAY 9:39 p.m. EST January 21, 2015



Airbnb's already convoluted battle with New York over the legality of its rentals here just got more complex.

Airbnb competitor HomeAway, the owner of VacationRentals.com and VRBO, said it will likely sue New York if the Empire State adopts Airbnb's proposal to allow people to rent out their primary residences for less than 30 days.

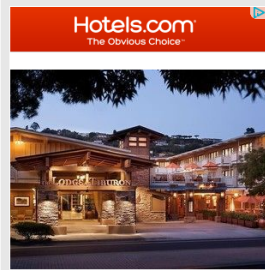
"We would probably take legal action if they wrote such a restrictive law," Carl Shepherd, co-founder of HomeAway, which also owns VRBO.com, told USA TODAY.

Airbnb's proposal, presented to New York lawmakers last week, is the San Francisco start-up's answer to growing controversy about its practices in New York.

A report by Attorney General Eric Schneiderman found that one-third of Airbnb's revenues in NYC were going to commercial operators who were renting out numerous apartments. This has sparked outrage, including a day-long hearing in City Hall on Tuesday, over whether Airbnb is contributing to a shortage of affordable housing in NYC.

Airbnb has sought to quell the outrage by agreeing that commercial operators should be stopped.

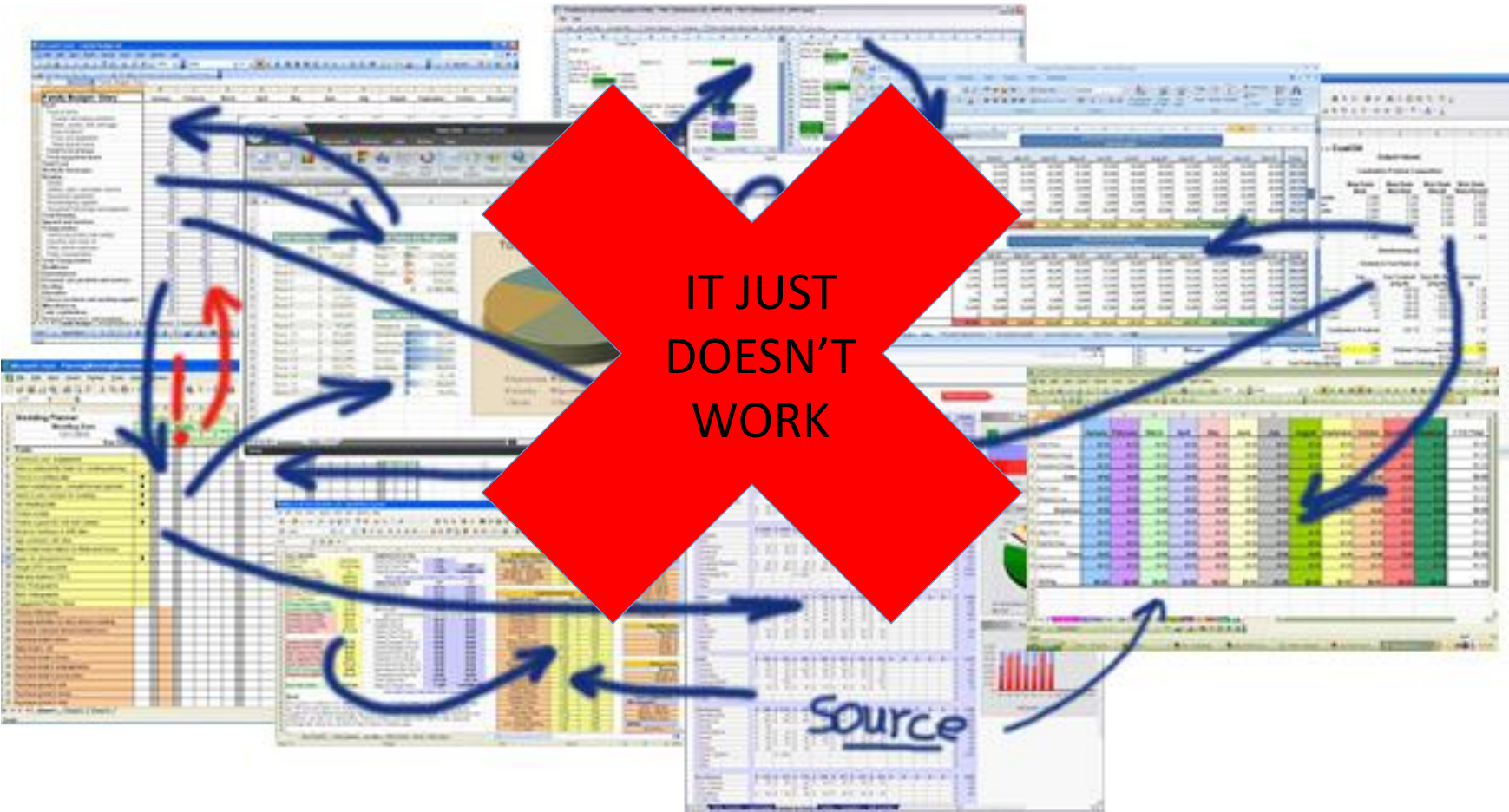
At the same time, Airbnb's head of policy, David Hantman, has asked New York to change its laws to allow people to rent out their primary residences on occasion for extra cash.



Hotels.com
The Obvious Choice™

The Lodge at Tiburon
Located on the scenic Tiburon Peninsula, this Marin County hotel is set on 3 landscaped acres, only 17...
\$332
\$291
Tiburon
BOOK NOW

Keeping Track Of 100s Or 1,000s Of Str Listings Is A Spreadsheet Nightmare



Listings (And Duplicates) Change, Come And Go All The Time

HomeAway Listing

The screenshot shows a HomeAway listing page. At the top, there's a search bar with 'Stuart, FL, USA' and fields for 'Arrive' and 'Depart'. Below the search bar, the listing title is 'Treasure Coast Waterfront Home with Private Pool and Deep Water Dock'. The price is listed as '\$184 avg/night'. There are buttons for 'Request to Book', 'Send a Message', and 'How to pay safely'. The listing has 5 reviews, indicated by stars. Navigation tabs include Overview, Reviews, Map, Photos, Rates, Availability, and Amenities.

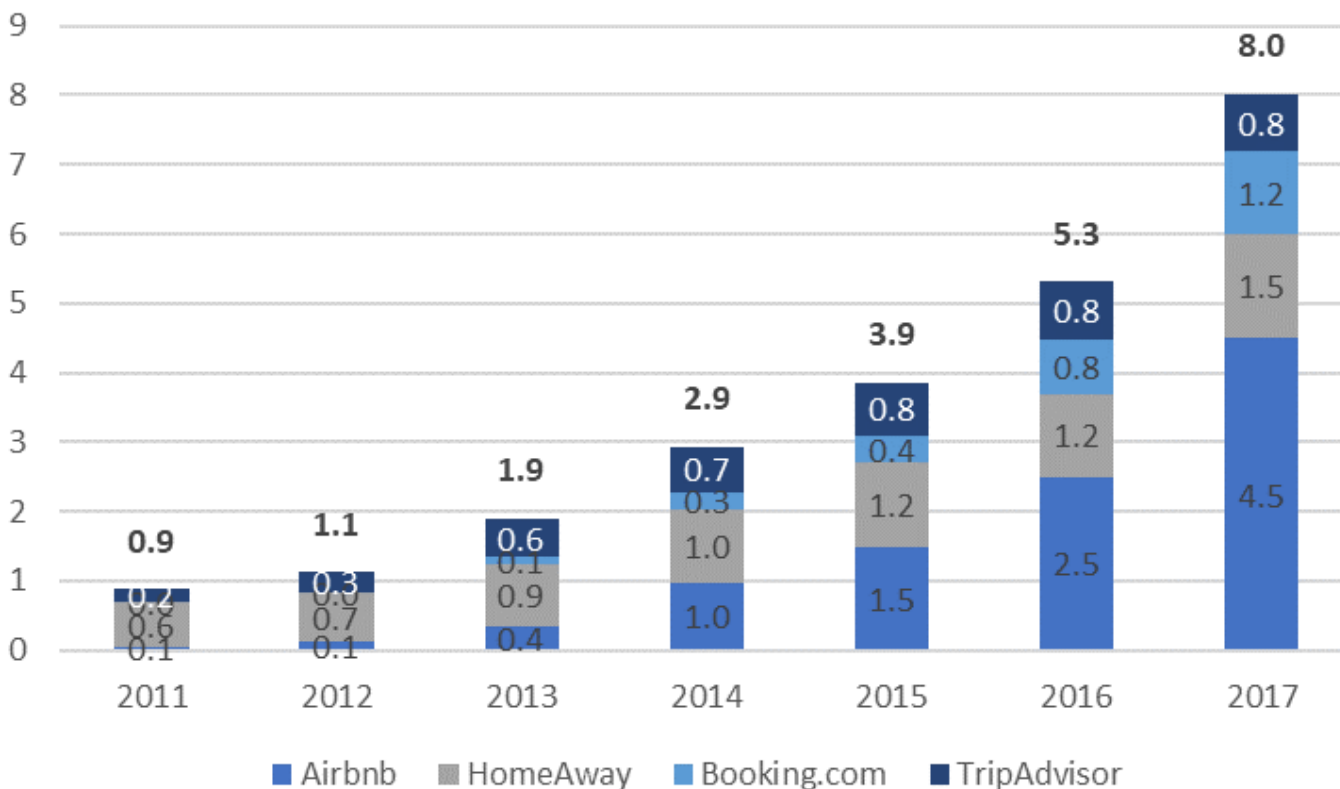
FlipKey Listing

The screenshot shows a FlipKey listing page. At the top, there's a banner for 'Pay on FlipKey to get Payment Protection for this rental. Never pay by bank or wire transfer.' Below the banner, the listing title is 'Treasure Coast Waterfront Pool Home with Dock'. The price is listed as 'From \$235 /night'. There are buttons for 'Book now' and 'Book on FlipKey and get payment protection.' The listing has 1 review, indicated by stars. Navigation tabs include Overview, Map, Availability, Amenities, and Reviews. There are also fields for 'Check-in', 'Check-out', and 'Guests'.

Market Context: AirBnb, VRBO and 100's of other vacation rental websites have turned vacation rentals into a booming (underground) economy...

The short-term rental market has grown 800% since 2011

Millions of STR listings



Market is fragmenting



100+ other web platforms

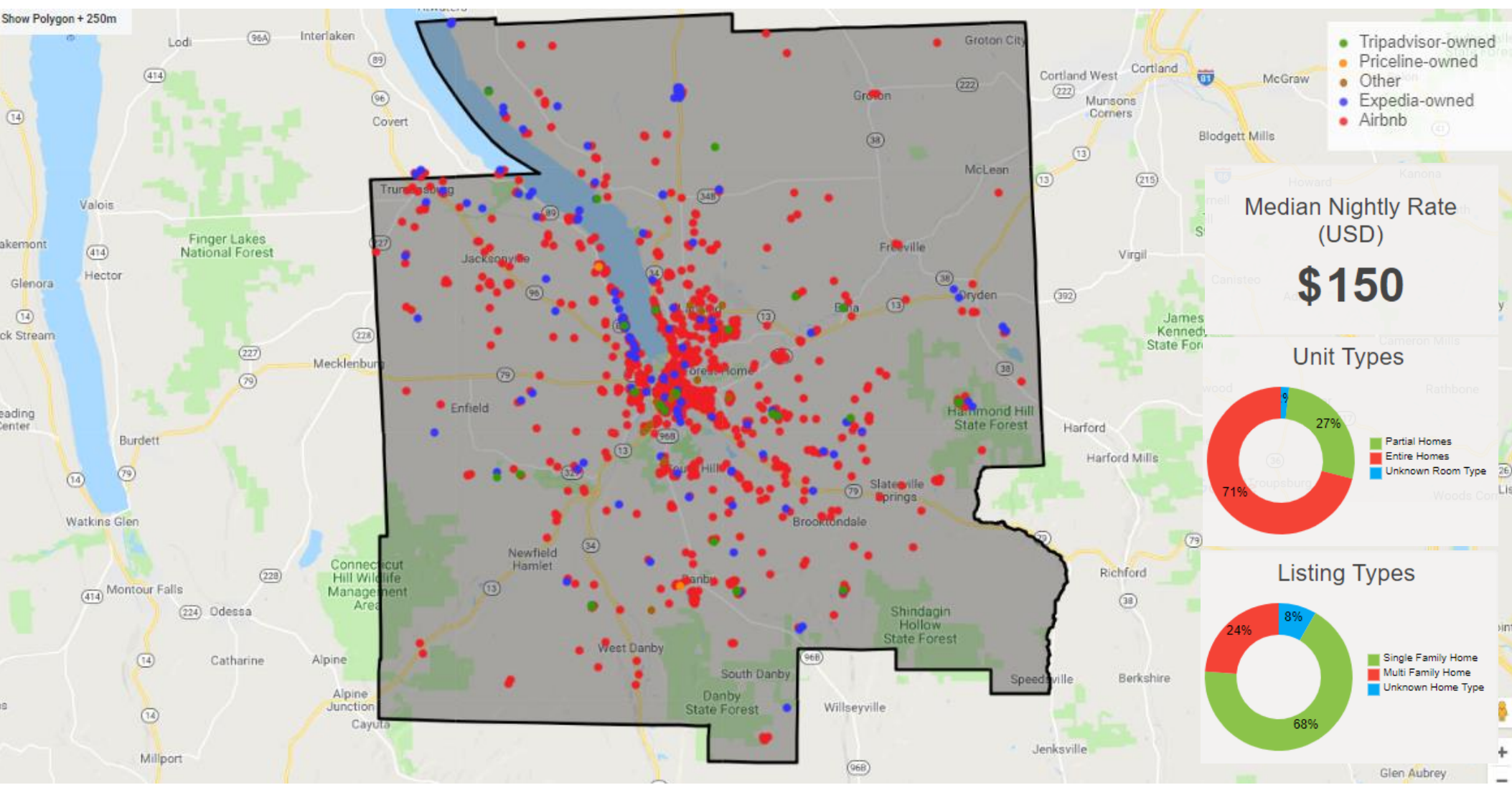
Sources: AirBnB, Expedia, TripAdvisor and Booking.com



Short-term Rental By Jurisdiction (Top 10)

City/County	Listings In	Alrbnb	Expedia	Tripadvisor	Priceline	Other
		■	■	■	■	■
<u>Tompkins County</u>	1,234					
<u>Jefferson County</u>	432					
<u>Livingston County</u>	126					
<u>Schenectady County</u>	74					
<u>City of White Plains</u>	70					
<u>City of New Rochelle</u>	56					
<u>Town of Hamburg</u>	28					
<u>Town of Ossining</u>	27					
<u>Village of Mamaroneck</u>	26					
<u>Village of Ossining</u>	22					

Tompkins County Data Breakdown



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- **Best Practices for Enforcing STR Regulations**
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Best Practice # 1: Require hosts, property managers (and platforms) to register and provide detailed records of their rentals, rental activity and TOT remittances by rental unit

Allowing permit holders to register multiple units under one permit number or remitting TOT for multiple properties in one payment makes it impossible to verify compliance

Property #1

Property #2

Property #3

Property #4



Best Practice # 2: Make sure the ordinance is enforceable by specifying that advertisement of unpermitted STRs will be considered prima facie evidence of illegal activity

Best practice ordinance language example 1:

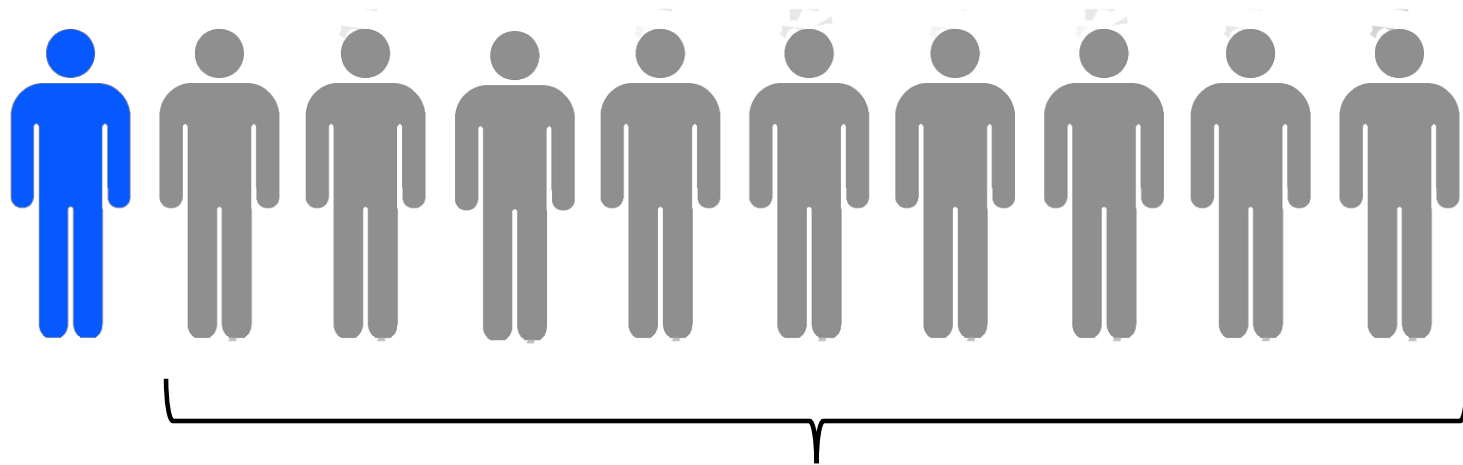
"An advertisement promoting the availability of short term rental property in violation of City code is prima facie evidence of a violation and may be grounds for denial, suspension, or revocation of a license"

Best practice ordinance language example 2:

"Advertising that offers a property as a Residential short-term rental shall constitute prima facie evidence of the operation of a Residential short-term rental and the burden of proof shall be on the owner, operator, or lessee of record to establish that the subject property is being used as a legal Residential short-term rental or is not in operation."

Best Practice # 3: Plan for the reality that without systematic and proactive enforcement, only a fraction of short-term rentals will get permits and pay their fair share of taxes

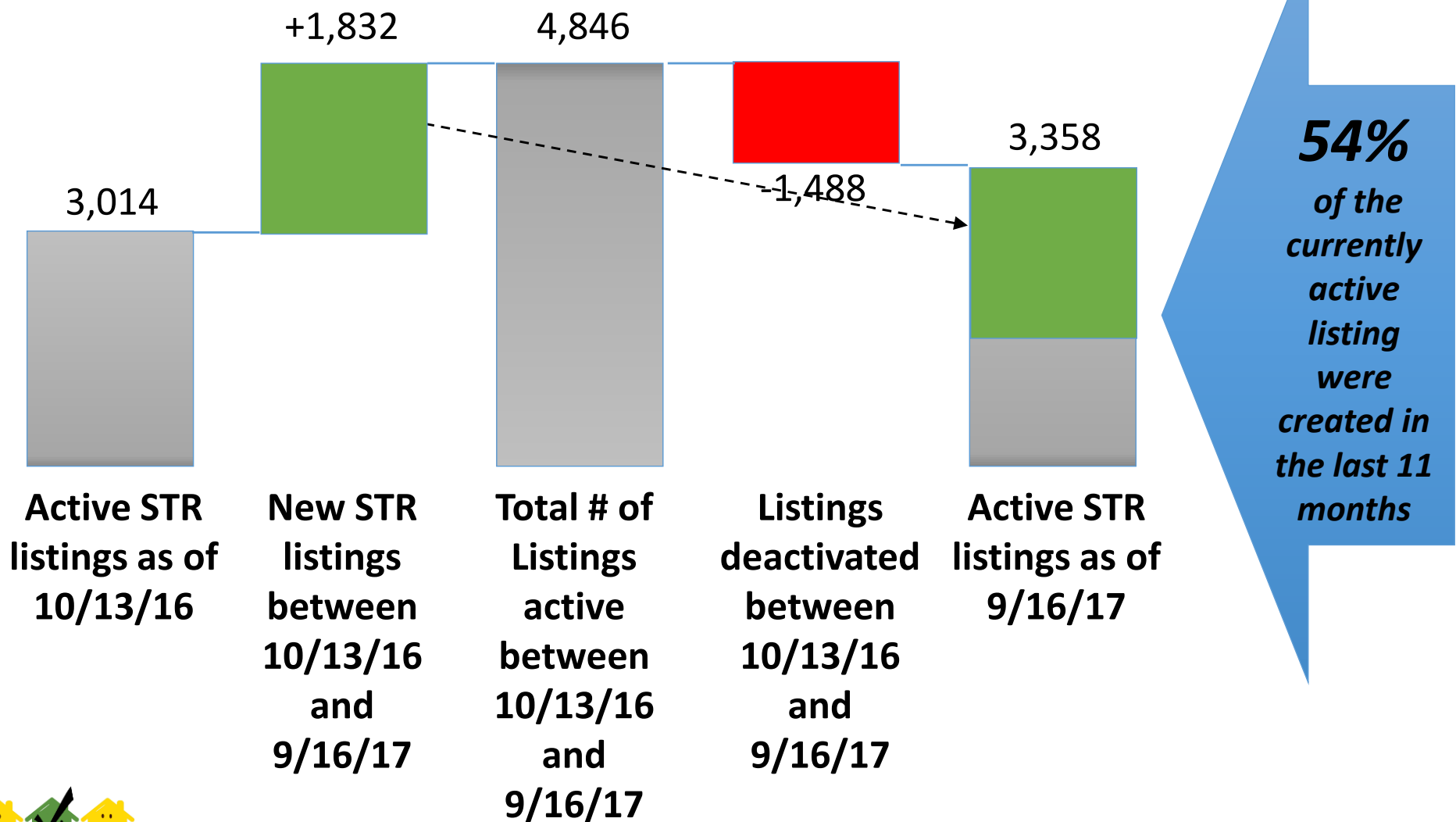
IN GENERAL LESS THAN 10% OF STR OWNERS VOLUNTARILY GET A PERMIT AND PAY ALL OF THEIR HOTEL TAXES



Large potential for increasing permit fee and tax collection

Best Practice # 4: Understand that the STR market is in constant flux so the City will need to constantly monitor 50+ websites for new non-compliant operators

South Lake Tahoe example:



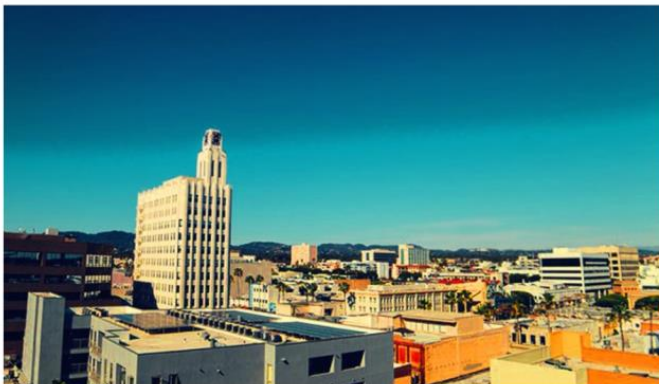
Best Practice # 5: Don't expect that traditional code-enforcement techniques and processes can ensure compliance

THE REAL DEAL Los Angeles New York Miami
LOS ANGELES REAL ESTATE NEWS

Santa Monica has strict Airbnb laws, but few hosts follow them: report

The vast majority of illegal listings go undetected by city officials

By Dennis Lynch | February 21, 2018 01:00PM



Santa Monica (Credit: Pexels)

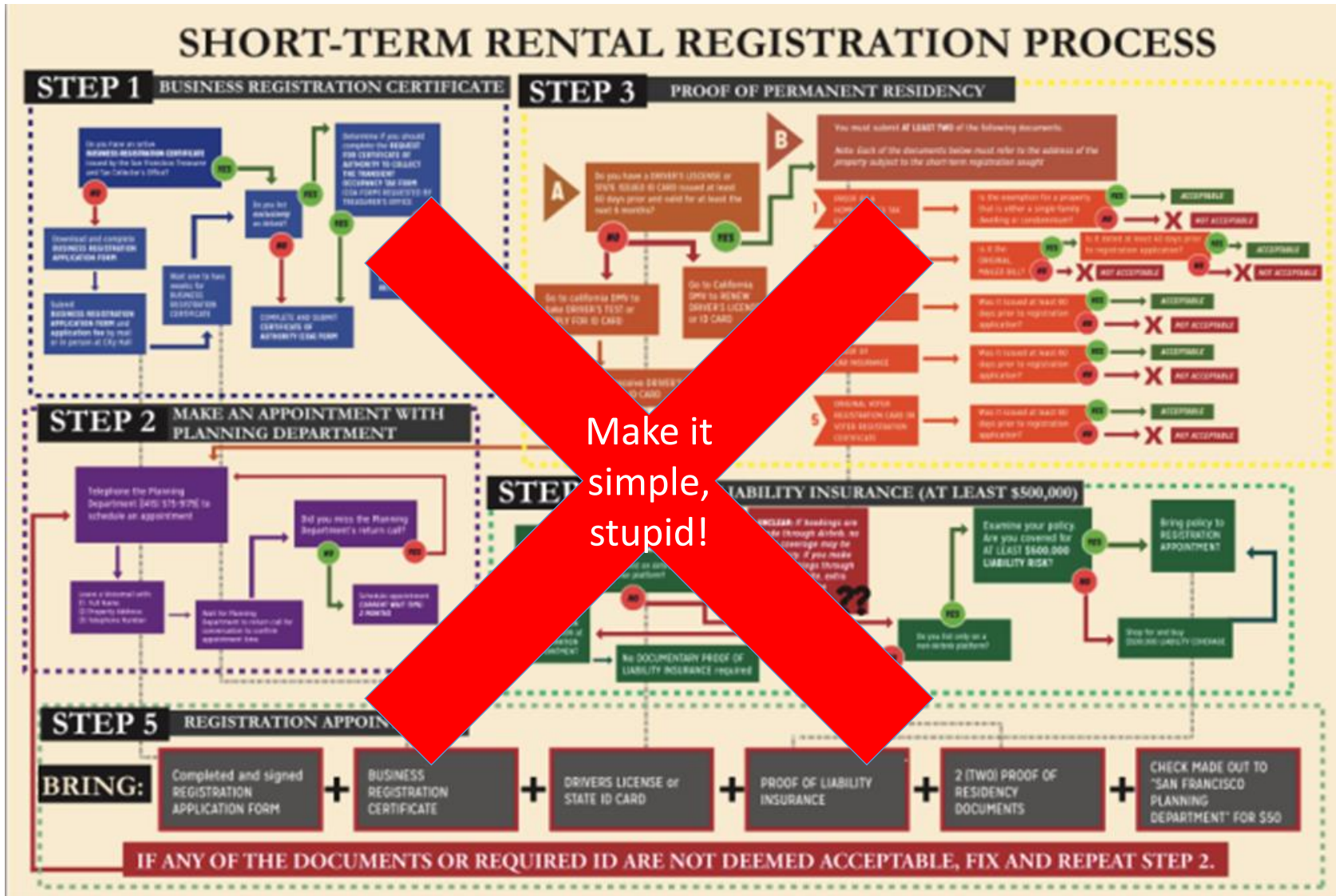
A report by the city of Santa Monica details the uphill battle the beachside community must wage against illegal short-term rentals, and the novel methods homeowners and tenants deploy to skirt city taxes and laws regulating them.

The study says that only 187 of the 950 estimated short-term rentals in Santa Monica between June 2015 and October 2017 were licensed with the city according to its 2015 Home-Sharing Ordinance Rules.

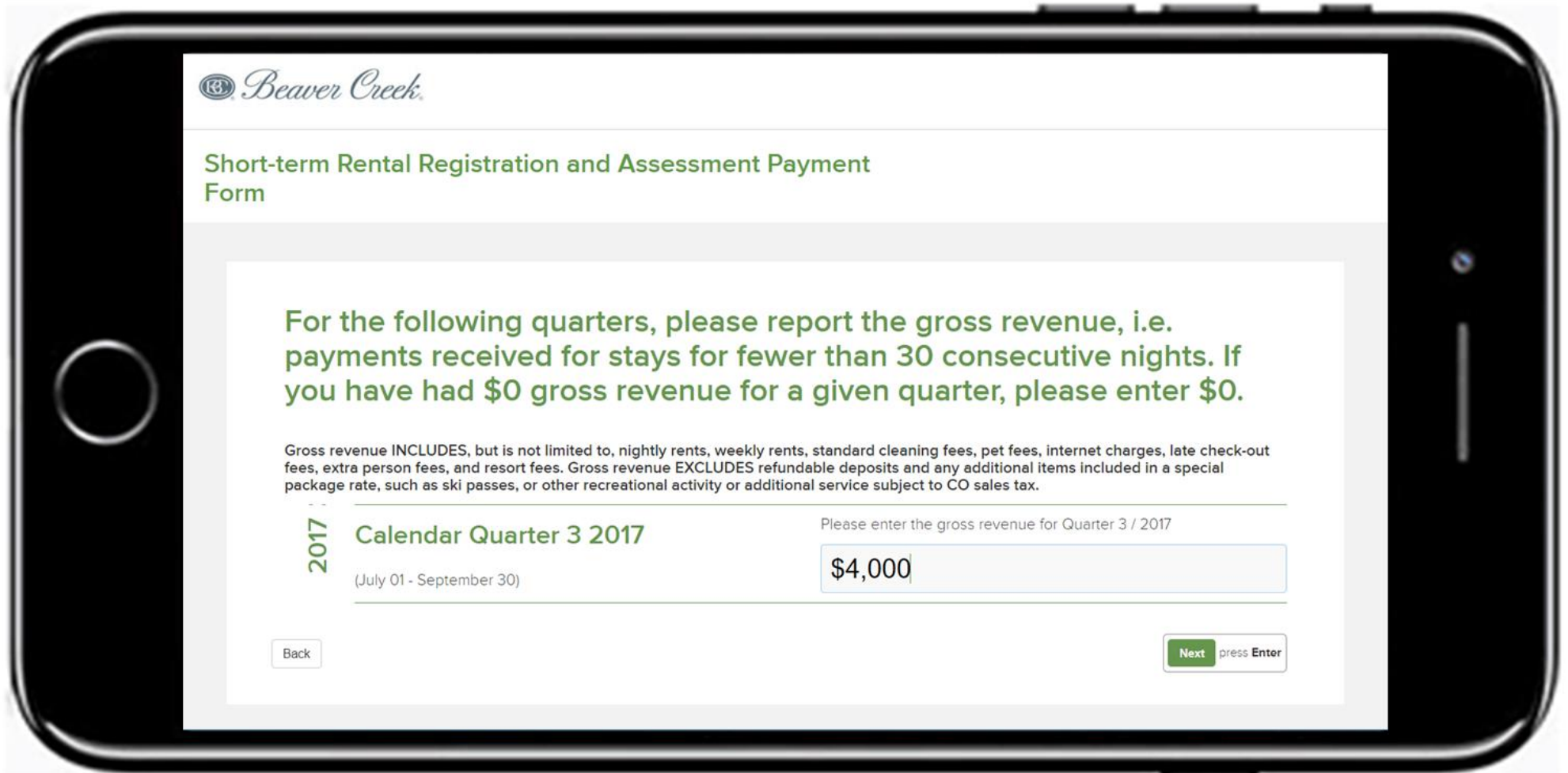
The local ordinance only allows home-sharing, but only when at least

- ✓ Rental property listings are spread across 100s of different websites
- ✓ Address data is hidden from listings making it time-consuming or impossible to locate the exact properties and identify owners
- ✓ There is no easy way to manually find out how often each property is rented and for how much
- ✓ The vacation rental platforms refuse to provide the detailed data necessary for enforcing local ordinances
- ✓ Manual compliance monitoring and complaint-based enforcement often leads to claims of selective enforcement

Best Practice # 6: Make it easy for STR operators to register and pay their taxes



Best Practice # 7: Allow STR operators to get permits and pay their taxes online (and make the online forms mobile friendly!)



The image shows a smartphone screen displaying a web form from Beaver Creek. The form is titled "Short-term Rental Registration and Assessment Payment Form". It contains instructions for reporting gross revenue for a specific quarter. The form is designed to be mobile-friendly, with a clear layout and a "Next" button.

Beaver Creek

Short-term Rental Registration and Assessment Payment Form

For the following quarters, please report the gross revenue, i.e. payments received for stays for fewer than 30 consecutive nights. If you have had \$0 gross revenue for a given quarter, please enter \$0.

Gross revenue INCLUDES, but is not limited to, nightly rents, weekly rents, standard cleaning fees, pet fees, internet charges, late check-out fees, extra person fees, and resort fees. Gross revenue EXCLUDES refundable deposits and any additional items included in a special package rate, such as ski passes, or other recreational activity or additional service subject to CO sales tax.

2017	Calendar Quarter 3 2017 (July 01 - September 30)	Please enter the gross revenue for Quarter 3 / 2017
		<input type="text" value="\$4,000"/>

[Back](#) [Next](#) press Enter

Best Practice # 8: Systematically capture evidence of advertisement and rental activity and take weekly screenshots to prove it

Host Compliance

Address Match: Fusion Report
Oceanside, CA, United States

Matched Details

Zto Code Match **City Name Match**

Listing Details

Listing URL: [Redacted]

Listing Status: Active

Most Compliance Listing ID: [Redacted]

Listing Title: Longueux Beachfront Montage on the Sand - 10041 Home + Private - at 10041/10

Listing Info Last Updated: Jul 24, 2017

Screenshot Last Captured: Feb 9, 2017

Price: \$337/night

Information Provided on Listing

Contact Name: SearchForOnly

Latitude, Longitude: [Redacted]

Minimum Stay (x of Nights): 1

Max Sleeping Capacity (x of People): 15

Timeline of Activity

View the status of events and documentation for items in this property.

- 1 Documented Stay: Primary 2017
- ✓ Listing #12903987 Identified: Primary 2017
- ✓ Listing #1290523 Identified: Primary 2017
- ✓ Listing #1290524 Identified: Primary 2017
- ✓ Listing #1290523 Identified: Primary 2017
- ✓ Listing #1290523 Identified: Primary 2017
- ✓ Listing #1290523 Identified: Primary 2017
- ✓ Listing #1290523 Identified: Primary 2017
- 2 Documented Stays

HomeAway

East Fort Lauderdale, Fort Lauderdale, FL, USA

Arrive: [Redacted] Depart: [Redacted] Search

See more properties in this area: East Fort Lauderdale, Fort Lauderdale, FL, USA - Rental 649181vb

5/5 - ★★★★★ (4 traveler reviews)

Waterfront with Boat Dock Luxurious Oasis By The Beach

Overview Amenities Reviews Map Photos Rates Availability

Share Favorite

Book Online or call HomeAway
Booking Assistance
888-640-7927

\$500 avg/night

Enter dates for accurate pricing

Arrive: [Redacted] Depart: [Redacted]

Guests (required): [Redacted]

Request to Book

Send a Message

Report this listing

Details

House Sleeps Bedrooms Bathrooms Half Baths Minimum Stay

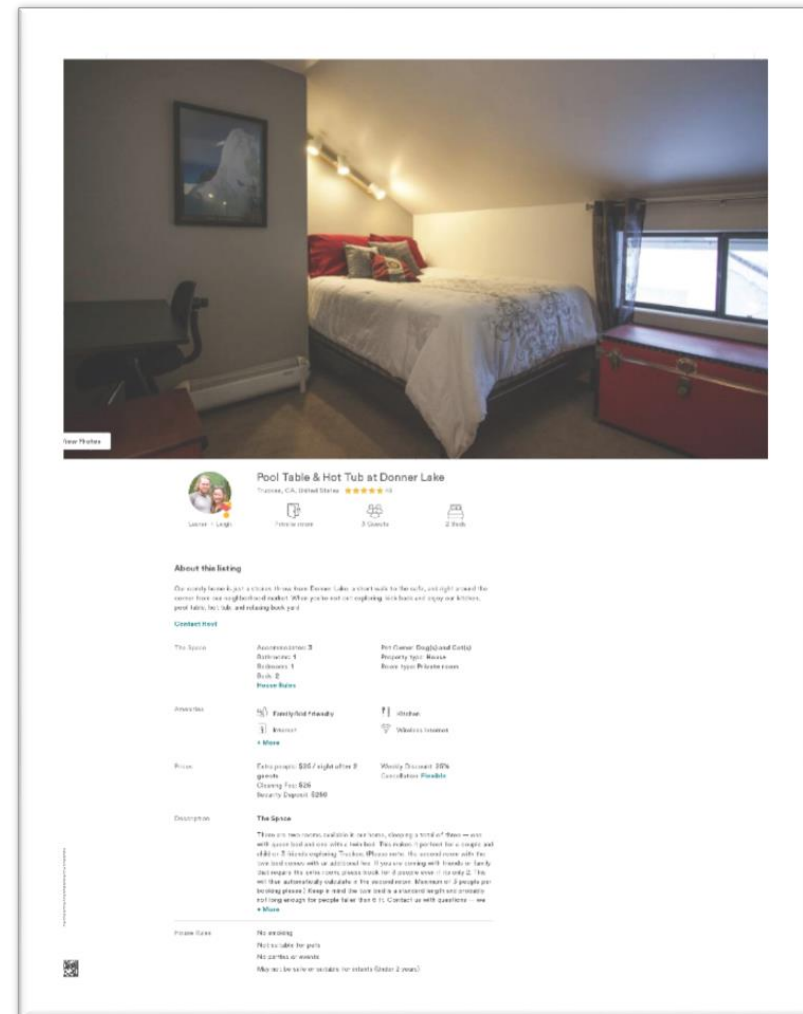
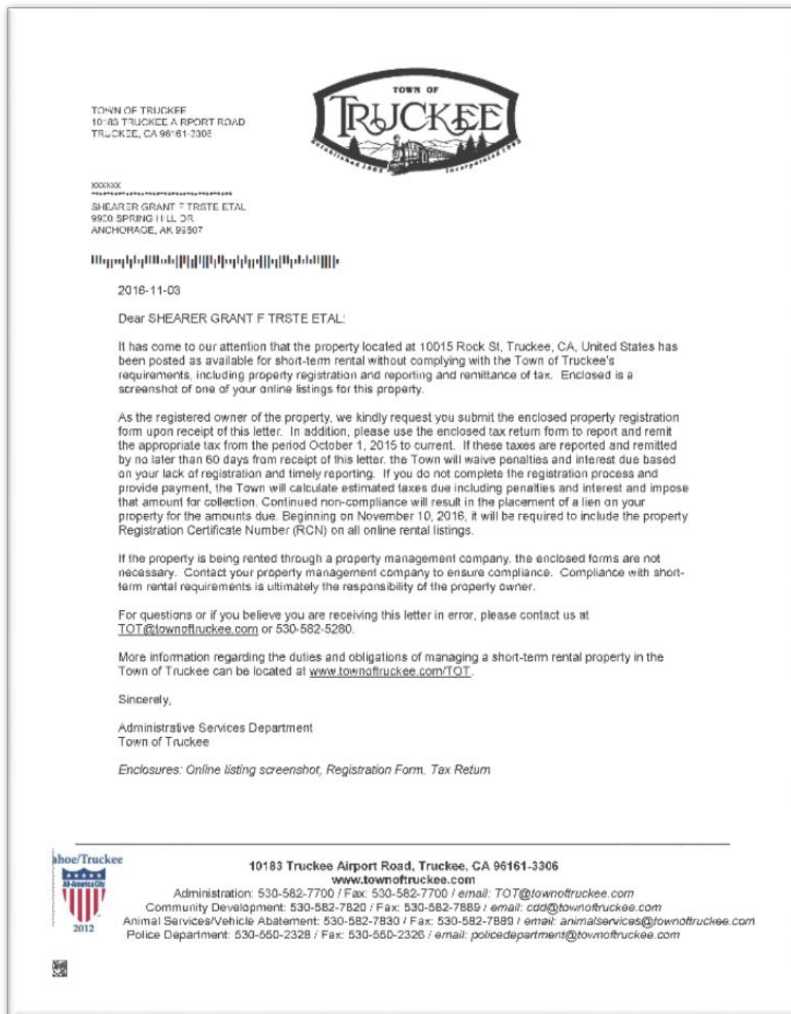
3,900 sq ft 9 3 3 1 6 Nights

About the property

Luxurious Waterfront Home With A Sparkling Pool And Many Extra Amenities.

The moment you walk into this mini mansion estate you will feel right at home. From the original art pieces to the pool table and poker table. Sit and relax in front of the 55" television or relax poolside while watching a parade of boats and yachts cruise by. The home is located on a private, deep water channel connected to the Intercoastal Canal. A private 85 ft. dock is perfect for docking a rental boat, fishing off the dock or just watching Mega Yachts pass by on the Intercoastal Canal. Completely furnished and decorated with luxury in mind. Just a few blocks to the beach, bars, downtown nightlife & shopping. You will not want to leave this private tropical oasis. Completely remodeled 3 bedroom 3.5 bath home plus office and spacious laundry room. This two story home has lots of space to roam. The Master bedroom suite and office is located downstairs. The two guest bedrooms and game room with pull out lounge chairs and Xbox are located upstairs. A large Sun Deck with Patio Table and chairs is located off of the North Guest Room is a perfect place for evening refreshments, Yacht watching or Star Gazing. Plenty of comfy amenities make this your home away from home. You cannot beat the location. This will be your go to vacation home from now on. Walk across the street or bike to the beach from this home. Email for more information. It is unlawful to allow for a sexual offender or sexual predator to occupy this residence.

Best Practice # 9: To eliminate “gaming”, quickly mail notifications to owners of illegal rental units and include evidence to maximize response



Best Practice # 10: Make it easy for neighbors to report, prove and resolve non-emergency STR related problems in real-time

Step 1

Concerned neighbor calls 24/7 short-term rental hotline



Step 2

Complainant provides info on alleged violation and is asked to provide photo, video or other proof of the alleged violation



Step 3

If property is registered, Host Compliance immediately calls host to seek resolution



Step 4

Problem solved or escalated – Complaints saved in database so serial offenders be held accountable



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Available Services To Help



Mobile Enabled Permitting and Registration: Mobile/web forms and back-end systems for streamlining Los Angeles' permitting and registration processes and capturing payments, signatures and required documents



Address Identification: Online dashboard with complete address information and screenshots of all identifiable STRs in Los Angeles' jurisdiction



Compliance Monitoring: Ongoing monitoring of STRs for zoning and permit compliance coupled with systematic outreach to illegal short-term rental operators (using Los Angeles' form letters)



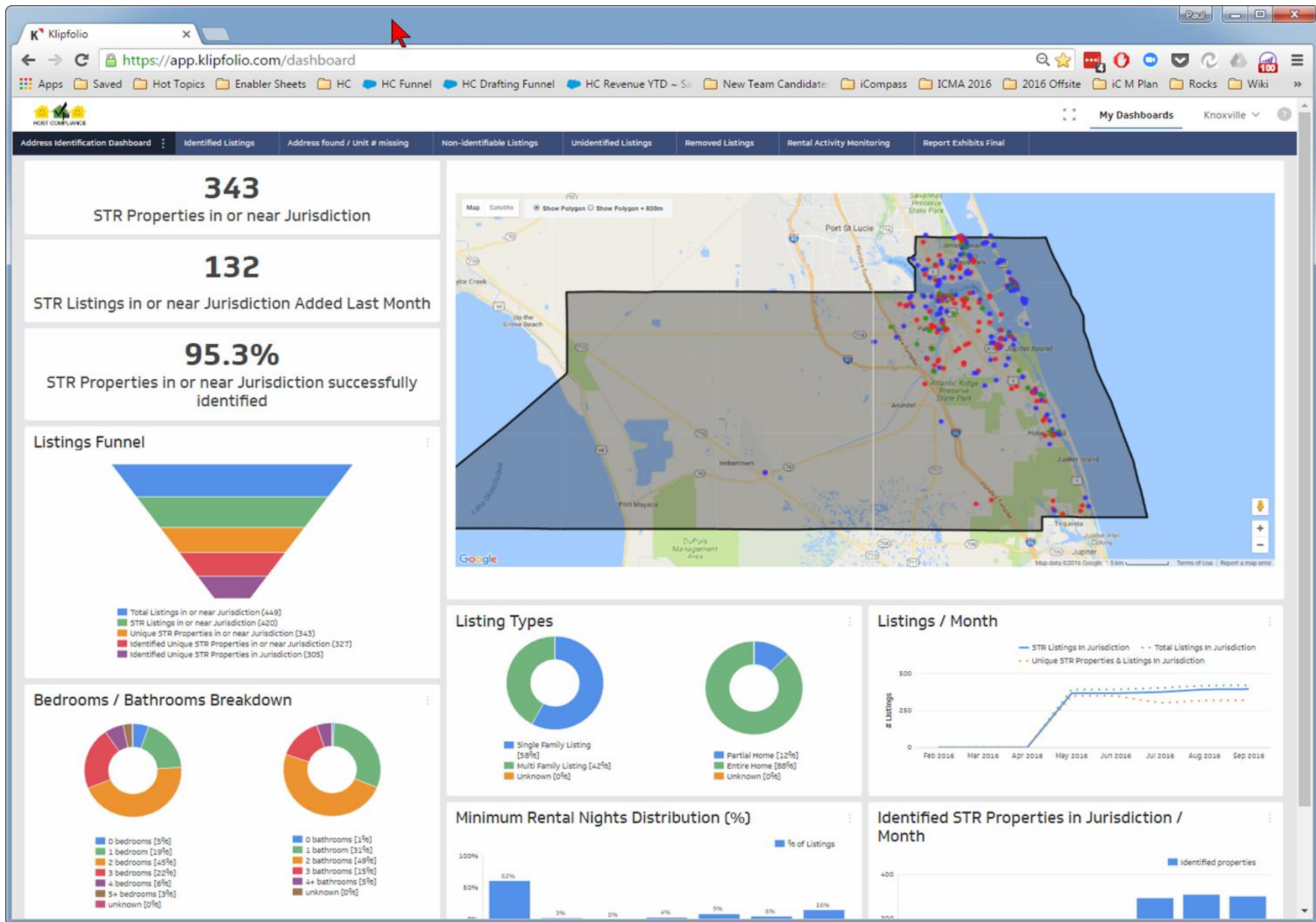
Rental Activity Monitoring and Tax Collection Support: Ongoing monitoring of Los Angeles's STR listings for signs of rental activity. Enables data-informed tax compliance monitoring and other enforcement practices that require knowledge of STR activity level



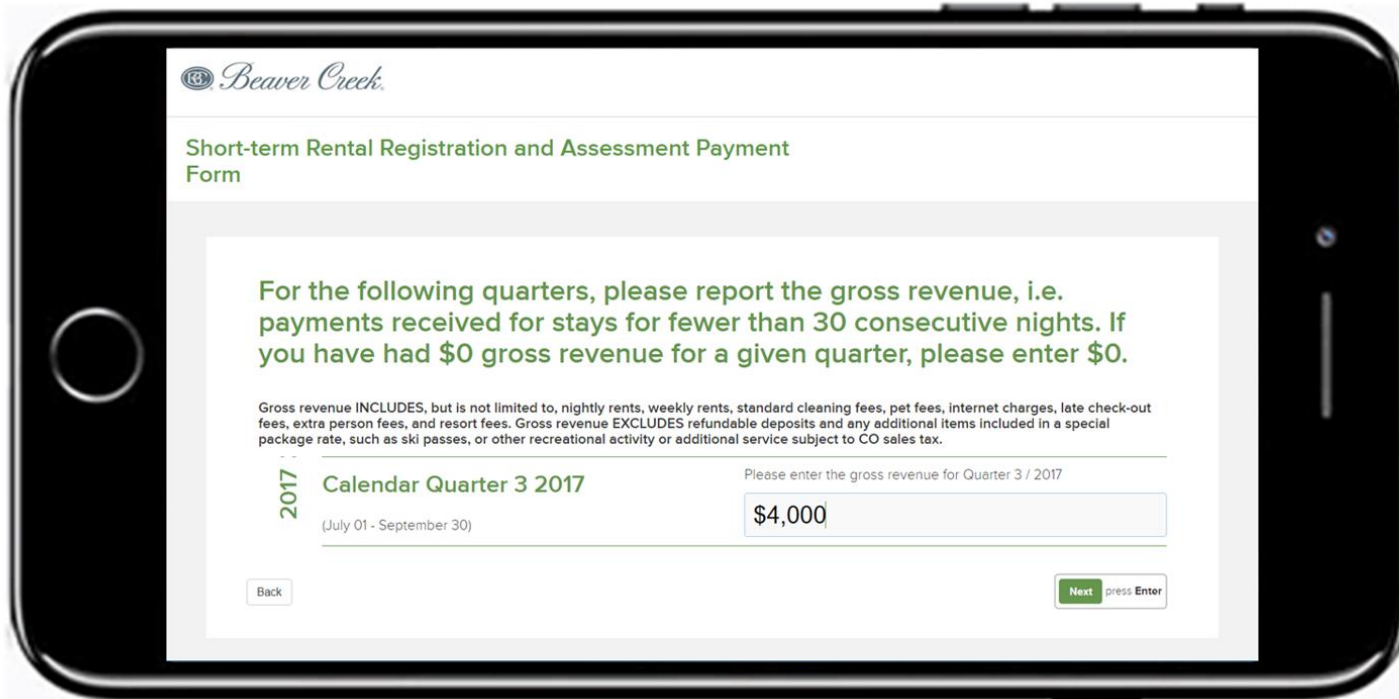
Dedicated Hotline: 24/7 staffed telephone hotline for neighbors to report non-emergency STR problems



Address Identification: Access your jurisdictions short-term rental activity incl. complete address information and screenshots of all identifiable STRs



TOT Collection: Host Compliance's online tax collection tools makes it easy for hosts to report, calculate and pay their taxes



binzer

1 2 3 4 5 ... 620 >

Number	Number	Charge ID	Submitted	Source	Method	Processor Fee	kee Tibid	Ach Processor Fee	Tot	Payment Amount	Tax / Assessment	Mark payment as returned or refunded
361	2		complete 2010-02-14 12:00am	data_upload	N/A	\$-21 \$3	\$0 \$0	\$0 \$0	\$0	-\$18.66	\$0.00	Mark payment as returned or refunded
396	N/A		complete 2010-09-02 12:00am	data_upload	N/A	\$36	\$0 \$0	\$0 \$0	\$363	\$399.00	\$363.00	Mark payment as returned or refunded
373	N/A		complete 2010-09-07 12:00am	data_upload	N/A	\$14	\$0 \$0	\$0 \$0	\$70	\$84.00	\$70.00	Mark payment as returned or refunded
59	N/A		complete 2010-09-07 12:00am	data_upload	N/A	\$0	\$0 \$0	\$0 \$0	\$0	\$0.00	\$0.00	Mark payment as returned or refunded

Enforcement: Host Compliance advanced call center and web reporting solution makes it easy for concerned neighbors to anonymously report incidents and keep hosts accountable

Step 1 - Concerned neighbor calls 24/7 short-term rental hotline



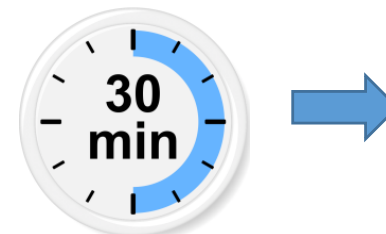
Step 2 – Complainant provides info on alleged violation and is asked to provide photo, video or other proof



Step 3 – Host compliance immediately calls host to seek resolution



Step 4 – Problem solved or escalated to code-enforcement – violation saved in database and serial offenders can have permits revoked



Benefits to using this approach

- ✓ Ensures fair, continuous and consistent compliance monitoring and enforcement **across all platforms**
- ✓ Provides the most citizen and staff friendly user-experience possible
- ✓ Frees up valuable IT, code-enforcement, tax collection staff time that can be focused on higher-value added activities
- ✓ Minimizes noise, parking and trash violations
- ✓ Minimizes the impact on law and code enforcement agencies as complaints are first handled by our 24/7 hotline and routed to the appropriate property owner before further enforcement actions are triggered
- ✓ Maximizes tax and permit fee collections
- ✓ REVENUE POSITIVE – the additional permitting fees alone will pay for Host Compliance’s services. The incremental TOT revenue makes ROI very compelling!!!
- ✓ Requires NO up-front investment or complicated IT integration
-> we can be up and running before the new ordinance goes into effect!

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Questions



Contact info

Please feel free to contact us anytime if you have any questions about home-sharing regulation and how to best address the associated permitting, monitoring and enforcement challenges.

Paul Hetherington

paulh@hostcompliance.com

604.763.7285

www.hostcompliance.com