HOME SHARING SERVICES

NMHC/NAA Viewpoint

NMHC/NAA support the right of multifamily companies and other property owners to participate in all aspects of the sharing economy, if they so choose and if it is done in full compliance with existing law and regulation.

The multifamily industry is increasingly dealing with the implications – both positive and negative – of peer-to-peer home sharing services like Airbnb, VRBO and HomeAway. While these services are growing in popularity with consumers, some of the potential issues for apartment companies include tenant lease violations, on-site security concerns, and questions around liability and property insurance. Although there are unanswered questions for the multifamily industry, and our economy as a whole, the "sharing economy" is booming. With such incredible growth, Congressional and federal oversight is likely to increase.

Currently, in the absence of a clearly defined federal role, much of the regulation and oversight of home sharing falls under the jurisdiction of state and local governments. This is where public policy has ranged from attempts to limit the use of these services altogether to those that provide a framework for the services to be legally offered and for lodging taxes to be collected.

High-cost markets like New York, Denver, Los Angeles, San Francisco and Washington, DC, are receiving a lot of attention because opponents in these cities have aggressively sought to impose regulation, fees and disclosure requirements on participating hosts.

There are numerous pending regulations and pieces of legislation, at the local and state levels, that would potentially prevent apartment firms wishing to participate in the home sharing and short-term rental sector from doing so.

Some opponents of the emerging home sharing sector, however, may have inadvertently misled lawmakers and the public by indicating that apartment owners and operators are dominating the short-term rental market and operating as illegal hotels. They state that "commercial landlords" are avoiding existing lodging regulations, building codes and taxes.

However, data from Airdna, an analytics firm that researches Airbnb data and publishes trends, shows that those described as "multi-unit operators" and "commercial landlords" actually list as few as three properties on Airbnb. This makes it unlikely that the hosts are traditional apartment firms that lawfully operate under heavy federal, state and local regulation – in full compliance with health, safety, tax, Americans with Disabilities Act and Fair Housing laws.

NMHC/NAA support the right of multifamily firms and other property owners to participate in all aspects of the sharing economy, if they so choose, and if it is done in full compliance with existing law and regulations. Importantly, there are numerous pending regulations and pieces of legislation at the local and state levels across the country that multifamily firms wishing to participate in the home sharing and short-term rental sector should be aware of before participating. Those wanting to regulate the sharing economy, and the short-term rental market in particular, should be cautious as to not inhibit innovation and economic growth.

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