

Short-Term Rentals Public Input Workshop

Meeting Summary

December 3, 2019

The meeting facilitator began the meeting and Mayor Donald T. Lopez welcomed everyone. Village Planner Tiffany Justice presented information on short-term rentals (STRs), short-term rentals in Los Ranchos and the community context, the history of lodging in Los Ranchos ordinances, the Village Bed and Breakfast Permit, and the context of short-term rentals in other communities in New Mexico and how they have addressed the topic. Questions were asked throughout the presentation and afterwards there was also a question and answer session.

Rather than breaking out into small groups, based on the questions, the tone of the room, and the desire of the attendees, the meeting proceeded as a large whole group and people posed questions and comments to the room.

Documents available at the workshop included powerpoint handouts, data on STRs in Los Ranchos, a legal memo from Village Counsel, and information on what other communities in New Mexico have done to address STRs. On each table was a set of questions on placards, a table comparing the current Village Bed and Breakfast permit and the question “If Short-Term Rentals were allowed, what would be required?”, and blank comment cards for people to leave written comments. Written comments were also accepted after the meeting, sent by email or sent physically to Village Hall.

There were three questions posed on the placards:

- Should short-term rentals other than Bed & Breakfasts be allowed in Los Ranchos?
- If short-term rentals were allowed, what uses and requirements would be acceptable?
- What are your overall top three recommendations?

The conversation covered several topics and had different perspectives on the topics. Below are the topics that were discussed:

Property Rights

- Would regulating or prohibiting STRs infringe upon property rights?
- The Village needs to get feedback from its Legal Counsel and keep an eye on Federal House Bill 4232
- Much of the conversation and questions asked focused on specific circumstances—“Could someone do ___?”

Regulation & Prohibiting

- Some of those who were for STRs said that they could be allowed to operate under new STR regulations.
- Some of those who were for STRs said that they could operate under the existing Bed and Breakfast permit or amend the Bed and Breakfast permit to include STRs.
- Those who were against STRs said that they should be prohibited.

Renting

- Rent is a key term for the topic—whether something is considered for single-family use or is rented, either for short-term or long-term depends on whether the person is being compensated.
- Short-Term vs. Long-Term Advantages & Disadvantages
 - Those who were in favor of STRs talked about the advantages that a short-term renter has over a long-term renter. If there are issues, a short-term renter is not around for a long time to be a larger issue compared to someone who is a problematic long-term renter. Those who were against STRs talked about the frequency that short-term renters could be problematic because they are in the neighborhood for a short period of time.

- For both short and long-term renters, whether the experience is a positive one is a case-by-case basis.

Commercial vs. Residential

- Attendees talked about the commercial nature of STRs and residential zoning
- Those who were in favor of STRs pointed to the commercial activities that occur in residential zones and Bed and Breakfasts. Those who were against STRs pointed to the residential zone code and regulations.
- Attendees also mentioned that the digital practice of STRs is commercial—by operating through an online platform, the physical hosts are franchises under a franchisor.

Buildings & Verbiage

- In the Village there are different buildings that an STR could take place in. There are permitted guest houses, older buildings that operate like guest houses that existed prior to the permitting and are thus grandfathered in, and outbuildings, such as barns, which have been converted into guest rooms.
 - Which of these would be allowed to be STRs and/or long-term rentals would have an impact on zoning.
- STRs are inherently tied to zoning because of the buildings they can or cannot exist in.
- Both those who were for and those who were against allowing STRs said that the language in the code should be clarified.
 - Some of those who were for STRs said that all buildings should be allowed to be used as STRs (main buildings, guest houses, outbuildings).
 - Some of those who were for STRs said that guest houses should not be allowed to be used as STRs.
 - Those who were against STRs primarily said that guest houses should continue to not be allowed as rentals and that outbuildings should also be prohibited as rentals.
 - Overall attendees said that the language should be fair.

Enforcement

- Attendees were concerned that any regulations that would be created would be properly enforced by staff and that there would be enough staff.
- Because issues with an STR would likely be at odd hours or at night, those that were against STRs were concerned about how to report complaints and enforce. Mentioning something the next day would not address the issue in the moment and those renters could be gone.

Neighborhood Impact

- Attendees had personal experience with STRs, as operators, guests, and neighbors. Some attendees had positive personal experiences as any or all of those types and some had negative personal experiences as any or all of those types. Attendees also pointed out that they had heard about bad situations as neighbors and some had had those experiences.
- Those who were against STRs were concerned about neighborhood impact. Those who were for STRs stated that the STRs would not negatively impact the neighborhood and that there were mechanisms to control the impact, such as rules or reviews. The usefulness of reviews for neighbors was questioned by those who were against STRs.
 - Those who were for STRs said that there are advantages to the guest/host review system to mitigate potential problematic renters.
 - Those who were against STRs said that there are disadvantages to the guest/host review system as the host is primarily concerned about the guest review to get more business, not the concerns of the neighbors.

Division

- Two straw polls were posed to the room on the first placard question: Should short-term rentals other than Bed & Breakfasts be allowed in Los Ranchos? The possible options were Yes, No, and Maybe.

- The difference between the first and the second polls was that there were significantly fewer Maybes.
- Some people voted twice the first poll as the options had not been clarified, some people who voted were not Village residents (this is a public workshop so any member of the public could attend), and some people did not vote.
- The second straw poll results were divisive, almost fifty-fifty.

Situational Perspectives

- Attendees mentioned both good and bad experiences from the side of the neighbor, STR owner, and STR user.
- Some of those who were against STRs mentioned that being the immediate next door neighbor is the main concern for neighborhood impact. Some said that the further their distance from an STR, the less impact it would have and the less concern there would be, but for the immediate neighbor they would receive the biggest negative impact.

Village Character

- There was concern from both those who were for and against STRs to maintain and preserve the Village character and values.
 - o Both those who were for and against STRs felt that their approach would preserve Village character and values.
- Market saturation was mentioned as an overall impact if STRs were allowed. Is there a need for more STRs? Should there be a cap on the total allowed? Or will the market respond accordingly and regulate itself?

Economic Impact

- Some said there are possible economic benefits to Los Ranchos through permitting fees, taxes, and indirect influence on Fourth Street and its revitalization if STRs were allowed and regulated.
- Some questioned exactly how much of a positive economic impact STRs would have compared to the costs of regulation and enforcement.

The conversation centered on the first question on the placard and attendees were divided on their perspectives. While there were differences in opinion, those that attended agreed that the buildings and activities/uses that occurred in the buildings were tied together and could not be talked about separately. There was also an overall concern to preserve the Village character and values. While the attendees differed on the exact mechanisms to preserve, the intent behind it was the same. There was discussion on the larger situation of STRs in the nation, in other communities in New Mexico, and how Los Ranchos is similar and different to those other contexts and that any rules should be tailored for Los Ranchos.

Due to the complexity of the topic, there will be another workshop to continue the conversation on short-term rentals. The next workshop will be on Tuesday, January 28, 2020 from 6:30 pm – 9:00 pm at Village Hall 6718 Rio Grande Blvd NW. The format of the meeting will be similar to this meeting and will involve presentation at the beginning of the meeting followed by small group discussion.

Below are the written comments from attendees, both from the meeting and submitted afterwards. The order is not grouped by category or importance. Emphasis was maintained as was written to the extent possible.

Compiled List of Comments:

Do you see why my idea of a boutique hotel sharing parking lot with Steelbender is a good idea? Good luck getting a permit! Also, I think the info cards may be a bit premature...

The foregone conclusion is that the cat is out of the bag!

1. Regulate carefully any application for STR short term rentals
- 2 & 3. If STR are allowed then preference should be given to maintain large tracts.

I propose to make a deal w/ Airbnb/VRBO so we can make money \$\$\$

There should be a permit process to neighbors know what is going on next door.

If we make it easy enough, then people will actually go through with the permit process.

How do we preserve the values and culture of Los Ranchos?

You people are getting priced out. (We don't want all old rich people) We want families with kids.

People are going to do it, so let's make money.

Don't allow short term rentals!

If you do decide to open the flood gates

- Only allow in primary residence
- Have enough staff and be ready to police

Look at how many cities have allowed it and then had so many problems they are now changing it

Keep an eye on house bill H.R. 4232 which intends to give power back to local cities.

Fix the wording so that no outbuildings are rented

Allowing guest house rental is really bad. It goes against keeping a rural village. It also will be more difficult to keep everyone from building guest houses.

I heard many participants mention they are new or recent to the Village. STR guests have the opportunity to experience our Village and may likewise move here. STR give people a chance to explore Los Ranchos.

To protect citizens' rights to exercise their property rights, short-term rentals should not be suppressed.

New Mexico courts have ruled short term rentals are not prohibited

STR are well cared for to earn high star rating or pretty soon they are not booked.

What is the cost of enforcing/regulating vs. the expected incomes from STR

4th Street merchants will realize more foot traffic/revenue with STR vs. long term residents

As a policy, if short-term rentals are permitted via Village Ordinance, the policy regulations should override the CCRs of a neighborhood association and/or homeowner's association.

Until the Village enacts a lodging (short-term rental) policy, merchants are not going to capitalize significantly on the tourism dollars that surrounding communities enjoy from mega venues, i.e.

Balloon Fiesta, Lavender in the Village, wine tasting festivals, Fourth of July at Balloon Fiesta Park, open space hiking and outdoor activities, film-making and other enterprises.
Los Poblanos is cost prohibitive to many tourists who would like to stay in the Village short term and spend their time and money here.

Question 1: Yes, I hate to tell everything that it is inevitable. Ask your attorney about the property owner's rights.

Question 2: Party, no party? Occupied, unoccupied? Connected to home, disconnected from home?

Question 3: 1) Review municipalities' restrictions from similar municipalities. 2) Create Village policy and regulations. 3) Monitor, notice, enforce!

Other questions: What is the connection between the revitalization of 4th Street and the need for available/convenient lodging?

Economic benefit to Village in fees, gross receipts tax, and guests eating at local restaurants, buying art and gifts in local shops.

AirBnB should be regulated

B&B has been in Village for decades.

How can the Village choose who should manage a short-term rental – Regulation and fairness

Why some and not others?

How about a mail vote? For the entire Village population! Or put on a ballot.

Please clarify what off-street parking is. Many "off-street" are private road that should be used only for ingress and egress. Should not park there.

Long term renters are preferred because they are members of the community. Short-term renters have no sense of neighborhoods and communities.

My neighbors prefer short-term over long-term because if a tenant is poor you can't get them out before they cause damage to the property or community.

I feel that the Bed and Breakfast Permit for properties that are owner-occupied are a good way to regulate short-term rentals. This requires an owner to occupy the property which is a great way to prevent guests from getting out of control.

On platforms like AirBnB, guests see a map, highlighting local attractions such as restaurants, cafes, etc. This directly promotes business in the Village.

Allowing short-term rentals allows homeowners to increase their income, increasing the aesthetics of our properties.

We owned a community oriented apartment complex across from CNM 8 years ago and rented several of the 10 units on AirBnB. We met great people and the additional income helped us improve the property for our community. We sold our 10 unit property to buy my grandfather's property after he died 7 years ago. We intend to develop our property to be a wheelchair accessible farm and lodge.

Keep the unique character of Los Ranchos.

No short term rentals of any kind.

To “jump on the bandwagon” and regulate is not the way to go.

I do want BnB in my neighborhood. It’s a great way to connect with people from other places.

What if the Village of Los Ranchos created its own web platform and required locally permitted B7Bs to use “a little inn” and all proceeds go to the Village for the platform

Short Term Zoning

Air quality, noise ordinance

Traffic, parking

Size

Conditional Use

Safety

Limit # of permits

Mute

Regulate

Ordinance amend

Asses what we have

I live in El Caballero, our gated community, I absolutely am opposed to short-term rentals in Caballero where we have private streets and pay for security entrance.

The concept of short-term rental assumes enforcement – Will the Village hire more staff and enforce any policy?

The home occupation resident in our neighborhood had twice daily UPS and FedEx

Regulation, enforcement by whom?

I would rather rent my house out short term for 1, 2, 3, 4 weeks at a time and be in and out all the time checking on house and people than renting out on a 1 year lease and have it torn up and no way to help neighbors who don’t like tenants and with the landscape be destroyed. We are always at property. Short-term is the safest way to protect my home so that it can be handed down to my children. I have lived in the Village 61 years. Others boast 1 ½ years and 15 years and call it their Village. I love this Village and now to protect the integrity of 4th Street revitalization is not characteristic of the “Village”. It is now a little “Malibu” designed by newcomers. My neighbors appreciate short-term instead of long term!!!

I have a business license with the state, pay my gross receipts to the Village, and have short-term insurance. 3 houses down is a new short-term rental. I would rather have that on my street than have it be a long-term where it will look like heck and we have no say or opinions/decision with owners.

A responsible use of a person’s property for short-term rental is a reasonable use of one’s own property.

Sharing the beauty of the space in a way that provides for connection and cross-community is a way to bring people together.

Short-term rentals destroy neighborhoods! An older couple we know had lived for 20 years in an old adobe house near Old Town. After the next door house was sold and converted to an AirBnB they were forced to sell due to constant partying, whooping, and hollering...

Ban all short-term rentals please.

1) Shouldn't we distinguish rental of MAIN HOME versus GUEST HOME's/RV/other dwelling?

2) If we don't allow AirBnB/VRBO/Booking/Home Away doesn't that violate:

PROPERTY RIGHTS

SPEECH (marketing) RIGHTS

3) It's important to know that the district court 'overrules' issues in the Village.

Is Sarabande/La Casita/Los Poblanos/Alameda House zoned commercial?

Why doesn't the Village recognize the fundamental commercial basis of the B&Bs and the VRBO operations and commence to create a hybrid commercial zoning category that would permit BUT that would need to be obtained, at least, by any new applicant to start the permit process.

Zoning control is your best bet to enforce restrictions which will be necessary in many areas but will be expensive to support.

Workshop comments December 3, 2019

When our neighbor recently decided to rent his detached guesthouse in our Los Ranchos neighborhood as an Airbnb this brought to our attention, in a very personal way, the issue of short-term rentals in the Village.

Our little neighborhood is situated on a parcel of land in North Los Ranchos, just east of the Rio Grande Blvd corridor. Twenty two years ago, when we first moved here, there were 6 dwellings on the parcel which encompasses around 15 or 20 acres. There are now 10 primary residences, and at least five of those have guest houses, either attached to the primary residence or located in a separate building. These guest houses are all potential short-term rental properties.

Although our home came with one of those guesthouses, we have never rented it in the 22 years we have lived here because we understood that guesthouse rentals were not allowed. That ordinance makes sense to us, we understand that it was written to preserve a shared quality of life which values a sense of community. We support the Village vision to sustain and promote a friendly and peaceful community, which originates in neighborhoods like our own. We agree with the Village goal to preserve the semi rural Village identity and character through careful, low-density commercial development primarily focused on Fourth Street. We greatly appreciate the zoning restrictions that separate commercial from residential.

In opening up residential areas for commercial short-term rental business, what is at risk is a loss of a sense of ownership of the neighborhood, if not an actual loss of neighborhood itself. Privacy and rural tranquility can be easily disrupted.

Airbnb rentals are not B&Bs. Airbnb and VRBO are internet brokered short term rentals with little to no personalized contact between the proprietor and the customer. Airbnb vetting is minimal and superficial.

Guests visiting their hosts are different than internet brokered short term rental customers. The guest and the host have a personal relationship which is not based on a down payment or a deposit or a room rate.

Airbnb customers are strangers linked to the available accommodation via a website broker, the relationship is a business transaction. Airbnb customers have paid for their accommodation and the arrangement involves a paid entitlement to the time in this rented space. When money is exchanged, the expectation is that the accommodation is theirs for whatever time they have paid to be there. It is a very different mindset and while many people are not disruptive or destructive, the potential is much higher. There is no personal relationship involved. Without oversight and supervision, the short term rental customer may or may not abide by the suggested rules or limitations. They are strangers to the nuances of their rented surroundings, such as shared private roads, property boundaries, security or privacy concerns. Perhaps they will respect privacy and be sensitive about their surroundings, perhaps they won't. Neighbors have no control over who is renting or how they will behave.

Is the Village prepared to function as hotel manager for scattered internet brokered short-term rentals? The potential for problems is higher than with established, licensed and actively managed bed and breakfast establishments. The potential for complaints and more serious problems is much higher than for the assortment of existing residential businesses such as art studios, in-home yoga or language lessons, and agricultural activities such as orchards, vineyards, lavender fields.

In summary, again, we appreciate all the Village has done and continues to do to preserve our shared quality of life. We support the Village vision to sustain and promote a friendly and peaceful community, which originates in neighborhoods like our own. We agree with the Village goal to preserve the semi rural Village identity and character through careful, low-density commercial development primarily focused on Fourth Street. We greatly appreciate the zoning restrictions that separate commercial from residential.

- We would like to see the Village enforce the current ordinance to disallow rental of guest houses.
- In lieu of opening up residential neighborhoods for short term rentals, we would like to see the Village encourage the development of short-term rental properties along the 4th street corridor where shops and restaurants can also be developed.
- Licensed Bed and Breakfast establishments current exist in the Village, however, both renewal and new applications should be considered on a selective case-by-case basis in consideration of neighborhood density, security, and privacy. A proactive process is needed to involve neighbors who are potentially impacted, such as requiring the applicant to meet with neighbors and asking neighbors to submit their vote to either approve, disapprove or abstain, followed by the formal zoning committee hearing to grant or deny licensure.

Comments on Bed & Breakfast Permit Table:

“Village needs income – Lodgers Tax” Do something for Los Ranchos

Be able to call someone if there is a disturbance

Needs to be protection for your neighborhood

[A tally showing 8 and 4]

[Allowed in all zones] No, only in the commercial zones

[Water and sewer connection required] Absolutely if they are permitted

[Comply with federal, state, and local laws] Is this really a question?

[Can be inspected by Village Code Enf for violations (like Home Occupation)] Of course – but when I had a complaint I was told Village could not go on the property to inspect

Problem with these suggestions is that they are not enforced.

Needs to be a limit on permits

Emailed Comments:

Good morning, I was at last night's meeting and didn't say anything out loud, but have two comments to make. I also left a comment card at the back of the room.

Like the 'Field of Dreams', if we build it they will come! Someone mentioned saturation point, but I think the number of airBnB guests will be endless provided that there is a marketing strategy with the Village promoting the many venues and attractions that we have alongside the many accommodations for short term stays. Prices should be high and with 3-5 day minimum stays to ensure that we get tourists. The Village is a tourism destination in itself aside from ABQ, Balloon Fiesta, Santa Fe, the outdoors, etc. Merchants can offer airBnB's coupons, discounts, order-in meals, discounted Uber rides, etc. The concept would be similar to boutique hotels at many quaint destination points all over the world. Perhaps an Economic Development task force group or committee can be established specifically for this purpose.

My second point is that if the Village limits lodging to commercial zoned areas, we give the impression that we are selling out to corporate America. An investor coming into the Village to develop lodging would have to have several million dollars to purchase/lease the acreage needed in addition to permitting, building and operating. Village residents with the potential to offer short term rentals are theoretically robbed this enterprising opportunity and the message is that a.) only the rich can afford to build it and b.) only the rich can afford to patronize it. As much as I don't want to criticize Los Poblanos, they have corner on the lodging market and the Village is only protecting their monopoly.

I look forward to next month's meeting!!!

Interesting meeting last night. I have attached a letter that I sent to the AirBnB net door when i lived in Nob Hill. Nothing changed. Also attached is an article about what it is like to have an AirBnB on the block. Thanks for putting this together last night!

[Below is the letter and article]

4/18/18

Hi,

I am writing in the hope that we might be able to have a discussion about the AirBnB next door. When we met last time we were able to work out some ideas. Unfortunately, things are not going particularly well for me and for others on the block. It is starting to affect my work very negatively.

Yesterday was pretty bad. I did OK at work for a few hours, but felt like a zombie for the rest of the day. In my profession you have to listen to people and try to figure out what might be wrong with them, and then do things based on the results. I really was not up to the task. It was pretty bad, and my patients suffered. In the afternoon I had to lecture the medical students and then work with a group of eight students, training them on certain maneuvers and procedures. I was a wreck, and it ended poorly. I have always prided myself on my teaching. Not yesterday.

This is not the first time that I have been woken up this month, nor the first time that my work has been affected. Sometimes cars will show up at midnight, or perhaps later, and there will be the inevitable slamming of multiple car doors and then the setting of the car alarms, with their loud "HONK! HONK!" – all of this happening about 20 feet away from my bed. When this happens on a day when I have to get in to the hospital early in the morning it really affects my ability to function at work.

Then there are the groups who like to hang out in the backyard and talk loudly and laugh loudly. This carries right into my bedroom and into other rooms of the house, and leaves me in the position of having to go outside and ask them to move inside once the clock hits 10:00. The response I get is usually not very friendly. Since they are all on vacation, I understand that, but I am not on vacation—I have to get up in the morning and go to work! I really don't enjoy being a policeman. Waiting till 10:00 is not enjoyable. Having 8 or 10 people vacationing next door is not enjoyable. There is simply no way around it: I no longer have the quiet enjoyment of my home.

I know you are doing well with the AirBnB, but it is coming at my expense, and consequently at my patients' and students' expense. I am really at my wit's end here. I just don't see how this is workable. You have created a lovely outdoor space next door and people are going to want to use it. That's bad news for me, especially now that the temperatures are becoming more conducive to outdoor activities. Over the past 20 years, people have always been quiet, polite, and neighborly next door. But these are not neighbors; these are people who are here on vacation, and for them every day is a

party. Before the AirBnB came along the only noise at night were the crickets—it was wonderfully quiet. But when large groups are here, in vacation mode, it is loud and unpleasant. It is the only noise on the block. I realize that much of this might sound petty or insignificant, but try to imagine if it were happening immediately next door to you. Try to imagine a group of eight or ten with their attendant loud vehicles and party-like atmosphere right next to you.

I am at my wit's end, in terms of what to do about this situation. Would the two of you consider moving in yourselves? That would solve everything! I don't know what else to suggest. I never expected anything like this to happen here. And this is all happening with the cool weather and the windows closed! With the warming weather it will be worse.

Please share any thoughts that you have. I cannot stress to you how much this is affecting me and others on the block.

Thanks,

Below are some interesting reads and my search for HR4232 relevant articles revealed a boatload of legal debates across the country in various forms and approaches (which you no doubt already came across). The second read is more of an informed opinion but well worth a read as it brings up a lot of good background and perspective...and an eyeopener as to the far reaching legal impacts.

It is clear (and alluded to by a couple of dissenters last night) that it is not Mr. & Mrs. AirBnB Owner that are funding the litigation battles across the country on a basis of their respective Property Rights...it is the deep pocketed platforms that are making the legal assault on a municipalities ability to manage the impact of STR in their domain. They stand to loose if Mr. & Mrs are no longer able to be "in their franchise" because of local municipal ordinances. This is why we see STATE AFTER STATE working on state level law in this realm. And why the lodging industry as a whole has suddenly become an advocate of municipalities (trying to harness the AirBnB impact).

Going back to our attempts to "poll the issue" last night.... If you look at the problem on a national level I think it's clear that neither a "YES, full speed ahead" nor a "Hell NO, not at all" is going to be the right solution (nor in our Village's best interest). I suggest before the January meeting we put together some straw model of what the middle ground might look like and offer that up for collective hack/comment. I feel it is unreasonable to talk from a position of hard and fast descent without giving a reasonable hearing to a "what if it operated like this" model. I think we know enough of the issues now to try to bake in protections for the worst-cases-scenario of a baaaaad B&B. The question on how to effectively/fairly license and enforce is perhaps the most ominous aspect to find assurances around.

I continue to share the concern that there is a more fundamental issue of zoning/building use that underlies all the above. Perhaps "the undoing" or "redoing" of some long standing ordinances is predicated on the outcome of the "AirBnB issue", but perhaps not.

I think it could be argued that even without this "AirBnB phenomena" we have seen many instances where restrictions on casitas/accessory buildings/tricked-out-barns usage inhibits productive and beneficial use of private property...and thus Village vitality in a 21st century. Understandably, these ordinances are in place out of a fear of "the bad stories", but I think it is proven that a "battening down all hatches" forever out of some perceived potential problem has been more of a drag on societal evolution. Over time we see that what comes out of the next generation's propensity to shake up old ideas (to go for it, to build it to be modified, and just see how it works out) may be just as material here as it is in technology.

I think that's probably more than you guys wanna read this morning. I'll stop here.

#1

(Honolulu, HI) – U.S. Congressman Ed Case (Hawai'i – District 1) introduced on Friday H.R. 4232, a measure to confirm that Internet platforms who knowingly market illegal short-term vacation rentals can be held liable under state and local law. His "Protecting Local Authority and Neighborhoods" (PLAN) Act would end abusive litigation by Internet-based short-term rental platforms like AirBnb, HomeAway, VRBO, Flipkey, and others attempting to avoid accountability for profiting from illegal ren...

<https://case.house.gov/media/press-releases/case-introduces-measure-allow-full-enforcement-state-and-local-laws-targeting>

#2

[The PLAN Act Proposes to Amend Section 230 to "Protect"...Landlords and Hotel Chains? - Technology & Marketing Law Blog](#)

This is my third time in 2019 blogging proposed Section 230 amendments. The other two bills, from Sen. Hawley and Rep. Gosar, propose structural reforms to Section 230—to mandate political neutrality and ban any content moderation not required by law,...

<https://blog.ericgoldman.org/archives/2019/10/the-plan-act-proposes-to-amend-section-230-to-protect-landlords-and-hotel-chains.htm>

Just wanted to send my comments regarding short-term rentals. Mostly I am repeating what I started at the meeting. Forgive and odd formatting, etc as I'm typing on my phone.

First off, thanks for running the meeting. I have to do the same for my job and keeping things civil and flowing is always a challenge!

I know of several instances in which short term rentals are better taken care of than tenants of long term rentals.

Quality lodging near 4th street should help create a "synergy", a walking community, reduction of vehicular traffic. Prohibiting these types of rentals will affect the potential for growth and notability of the area.

Having the ability to do short term rentals could help homeowners improve their property to further maintain the character of the village.

Regulating short term rentals should be part and parcel of this. Added revenue from gross receipts tax might allow for additional personnel to help enforce regulations.

One regulation I feel strongly about is owners must live on the property. I lived in a place (Mammoth Lakes, CA) where this was not the case and you would see entire streets that were vacant unless occupied by renters on weekends.

I'm sure there are other things but it's a start.

I was especially taken back by some of the opposition. The gentleman who repeated the statement about money he spent and his "contract"....what contract? Spending more money than others should not give him a more powerful vote. Further, like a lot of public input, often times there is that "silent majority" that doesn't always have the ability to comment/be involved. I'd expect some amount of those people would/could benefit from being able to make a little extra income.

Lastly, the Village should be shared with our greater community. Let's open arms not build walls....

Thanks for your time and consideration,

Re: Comments on Village Meeting December 3, 2019 concerning Short Term Rentals

My spouse and I attended the Village meeting referenced above (“Meeting”) and at the conclusion of the Meeting participants were invited to submit written comments for consideration by the Board of Trustees (“Board”). This letter from my spouse and myself contains our suggestions. I am also enclosing sufficient additional copies of this letter with its enclosures in separate envelopes addressed for the Mayor and the members of the Board. Would you please pass the extra copies on to the Mayor and the members of the Board for whatever use they may choose to make of them.

It appears to me that the discussion at the Meeting primarily focused on two separate areas of concern.

The first area of concern was that residents of the Village are extremely worried about potential negative effects on existing residences in the Village caused by Short Term Rental of residences on VRBO (Vacation Rentals By Owner) and other similar internet platforms. There was considerable apprehension expressed by participants about disruptions of the existing pastoral atmosphere in the Village if a VRBO commences operation with a neighborhood of existing single family residences. The participants at the Meeting were cautious, however, to expect that any efforts by the Village to completely prohibit VRBO facilities would very likely involve the Village in lengthy and expensive litigation that might not be successfully defended against. If VRBO facilities are to be allowed in the Village, I believe most participants felt that those uses would need to be carefully regulated and monitored by the Village to ensure continuing compliance with all applicable regulations, in order to avoid adverse effects at that location.

For the purpose of the Meeting, the phrase “Short Term Rental” (“STR”) was tentatively defined by the Village to mean leasing of residential property for payment of rent for an uninterrupted period of thirty (30) days or less, (which is apparently the same definition adopted by other municipalities in related proceedings). At the Meeting, Village representatives assured one participant, in answer to his specific question, that he could allow use of his Guest House by friends or relatives without subjecting him to Village STR restrictions if he was not charging any rent.

Several participants questioned whether it was legally permissible for the Village to impose any restrictions that would limit or prohibit a property owner from freely leasing all or part of a residence on STR. These questions seemed to be assuming that such restrictions would be taking property rights. On that issue, I suggest that if the residence to be leased on STR is located in an area of the Village presently zoned for “Agricultural/Residential” uses, then the Village can (and, in my opinion, definitely should) adopt enforceable restrictions to ensure that such STR leasing does “...not change the residential character of the dwelling unit or adversely affect the character of the surrounding neighborhood”. (Quoted wording taken from the existing Village Zoning Ordinance, Specific Definitions, Home Occupation.) The key factor supporting my suggestion is the inherent Commercial nature of the STR activity from collecting rent for the permitted use is

not different from other activities generally permitted under Commercial zoning category. The STR restrictions would not need to apply.

It is our suggestion that the Village adopt a “Special Zoning Category” to be potentially available for the owner of a residence in a Residential Zoned area who wishes to lease the residence on STR. This Special Zoning Category would allow the sole permissible Commercial activity to be the collection of rent at that location. I suggest that this Special Zoning Category could be defined by the Village as a supervening overlay zone allowing STR leasing for one lot for a single limited purpose of STR leasing of that one residence which would not change the Residential Zoning. Approval of a request for such Special Zoning Category would require the owner applicant to convince the Board (or the Zoning Officer) that (a) all Village limitations and restrictions for STR leasing of that lot were guaranteed to be satisfied, on a continuing basis, by the owner/applicant and (b) the granting by the Village the STR Overlay Zoning on that lot would be permissible (not inconsistent with or in conflict with) (1.) any Covenants, Conditions and Restrictions (“CC&Rs”) applicable to that lot or (2.) any decisions of the governing body of a Homeowner’s Association created by CC&Rs applicable to the lot in question.

I strongly suggest that under any adoption of this STR Overlay procedure, the Zoning Officer would be authorized and directed to temporarily suspend permissible STR leasing of a lot for a term of one week as a result of any violation of the STR limitations/restrictions on that lot on two occasions and to permanently revoke or rescind approval of the STR Overlay Zoning on that lot after a third violation of the STR limitations/restrictions within any 12 month period.

The second area of concern of residents at the Meeting, as I saw it, arose when it was explained to the participants that for many years the Village has issued permits for “Bed and Breakfast” (“B&B”) operations in single family residences subject only to limited regulations related primarily to safety of occupants of the B&B from the dangers of fire and carbon dioxide inhalation. This concern seemed to relate to the risk of repercussions from person now holding (or soon to obtain) B&B permits if any new STR regulations could disrupt those B&B operations. Please consider that if STR limitations/restrictions being considered may be difficult for an owner/applicant to satisfy; then commencement of adopting specific restrictions/limitations on STR leasing can be expected to provide incentive for persons interested in STR leasing to make an immediate application for a B&B permit, thereby creating a possible “loop hole” to avoid compliance with STR limitations/restrictions. At the Meeting, it was unclear how many active B&B permits there are in the Village; but it was disclosed that existing B&B regulations do not require B&B operators to provide any breakfast for guests and so may now (or might be claimed to) essentially allow an STR operation under a B&B permit.

For this area of concern, I suggest that adoption of an STR Overlay category of zoning should be made so it clearly does apply to existing permitted B&B facilities in Residential zoned areas, but that the owners of those properties would be allowed a grace period (of for example 5 years) to make application and fully comply with the STR Overlay limitations/restrictions. Failing this compliance within the 5 year period should cause the prior B&B permit to be rescinded.

I am pleased that the Board of Trustees of the Village is considering potential problems from STR leasing because I believe it is entirely possible to expect a surge of VRBO type Short Term Rental activity in the Village. In support of my statement, I am enclosing with this letter copies of several pages from a Wall Street Journal dated November 22, 2019 suggesting lucrative monetary opportunities to profit from making VRBO conversions of existing residences for subsequent operation.

If you have questions about the content of this letter or if I have not clearly stated my ideas, please let me know and I will try to answer your questions to the best of my ability. Please know that the contents of this letter are only suggestions from my wife and myself who have greatly enjoyed living in the Village since 1973 and sincerely hope the Village will continue to be the same wonderful place to live for many more years. I am sure that the Village is always well advised on these matters such as this by its own attorneys and that those attorneys will call to your attention any part of my suggestions where they do not agree.

YOUR MONEY

New Worry for Home Buyers: A Party House Next Door

Your Money

By RON LIEBER OCT. 9, 2015

AUSTIN, TEX. — The houses are often among the nicest on the block, or at least the biggest. They may be new construction where a smaller structure once stood, or an extensively renovated home with cheery paint in shades of yellow or blue.

But then the telltale signs appear, including an electronic touch pad on the door that makes it easy for people to get in without a key. The ads on HomeAway or Airbnb eventually confirm it: A party house has come to the neighborhood.

Some neighbors have warmed in recent years to travelers dragging suitcases through their residential neighborhoods, and they are happy that the visitors spread their money around. But when profit-seeking entrepreneurs furnish homes they do not live in to make them attractive to big groups and then rent out those houses as much as possible, parties and noise are nearly inevitable.

And so it goes here in Austin, where a group of enraged and occasionally sleepless residents have taken their complaints to the city. Austin made rules in 2012 that were meant to keep short-term rentals under control, but the neighbors argue that many of the rules are unenforceable.

This week, I rented one of the most notorious party houses in Austin and invited some of the neighbors over for a chat to ask a few questions. Where do the rights of property owners to rent out their homes end, and where do those of quiet-loving neighbors begin? Do all home shoppers now need to be on the lookout for nearby problem properties? And if so, what might happen to home values when revelers can bunk up next door on any given night?

These are not new questions. In resort areas in particular, people have been renting out investment properties for ages. What's new is how easy it has become for people to make money by listing rooms or homes and for visitors to save money

by staying there. This is particularly true in good-time destinations like Austin, Nashville, New Orleans and other bigger cities.

When Austin tried to bring some order to the proceedings three years ago, it limited the number of unrelated people who could stay in one place at one time to six. (It also capped the number of certain listings in many neighborhoods, albeit with a loophole that has allowed many unregistered properties to hit the market.)

Nevertheless, listings began appearing all over the city advertising beds for 10 or 15 people, or more. Austin has become a popular bachelor party destination, and the website Thrillist described one Airbnb listing as “the perfect place to bed down for a bonkers bachelor party, as it’s a short bike ride from downtown, just the right blend of weird & huge, and not at all unaccustomed to rowdy entertainment.”

Emmy Jodoin lives next door to that house with her family. “It is loud, and there is live music and karaoke stuff, and it’s all done outside because of the pool,” she said. “They’re out in front at 4 in the afternoon waiting for their Uber to come, drunk on the front lawn.”

Homeowners had other complaints about guests, including trash bins overflowing with beer cans, public urination, catcalling, foul language, racist remarks, companies throwing events and the appearance of a rainbow-colored painted pony. “Sometimes, when they are outside, they’re playing beer pong just wearing their underwear,” said Hazel Oldt, age 11, who can see them next door from the third-floor rooftop garden of her house.

Many of the complaints result when there are well over six people staying at these houses. So how do owners get away with renting to more people than city rules allow? “Determining how many are occupying versus just visiting is almost impossible,” Carl Smart, who is the director of Austin’s code department, said, chuckling as he did so.

What was so funny? Had some of the guests been coached to say that they were related? “I think so,” he said. “There is no way for us to disprove or to prove it. We could ask them to, but they don’t have to, so we have to take their word for it.” KVUE, a local television station, tagged along with code enforcement officers who heard from guests at one house that there were triplets inside and that someone else was related to a fifth guest by marriage.

The neighbors would prefer that the city simply cap guests at six people — or, better yet, stop allowing what they describe as rogue hotels to operate in residential neighborhoods. (They have no problem with people renting out their entire homes occasionally or renting rooms more frequently, while the owners themselves are in residence.)

At HomeAway, which is based in Austin and also owns Vrbo.com, executives did not want a ban and said that renting out one’s home on a short-term basis was

a fundamental right. Nor do they think that it is a commercial activity. “It’s a residential use of the property,” said Matt Curtis, who runs its governmental relations efforts. “It’s no more a business than someone renting it out long-term would be a business.”

Even if no one, in this instance, is doing any actual residing? HomeAway’s contention is that the visitors coming for the weekend are the residents in this context.

Mr. Curtis questioned how widespread the problem was. Airbnb provided some statistics about its customers, noting that from Oct. 1, 2014, to Oct. 1 this year, 87 percent of trips to Austin involved four or fewer people and 97 percent involved eight or fewer. The average age of Airbnb guests in Austin is 36. According to the research company Airdna, of the 1,414 Airbnb listings in Austin as of Aug. 31 with three or more bedrooms, 33 offer lodging for four or more people per bedroom while 618 sleep over two per bedroom.

Airbnb offers a hotline for neighbors having problems with hosts anywhere it operates and is building tools that will try to recognize parties before they happen, say when someone books a large house and that listing is immediately viewed by many other site visitors.

Since October 2012, Austin has received 266 complaints about the type of registered properties where the homeowner is generally not present. Twenty percent of the properties have at least one complaint, with an average of 2.4 complaints among those. Seventeen percent of the complaints were about over-occupancy.

The house where I stayed has received 15 complaints, and the city has suspended its license once. The walls have “Dumb and Dumber” and “Anchorman” movie posters, and the three bedrooms are full of bunk beds and futons. “Our neighbors understand that your group is here to have a good time,” the listing says.

But not too good a time. Each door to the outside has a framed copy of Austin’s noise ordinance nearby, and Jason Martin, a limited partner with partial ownership in the property, sends an extensive list of house rules to guests urging them not to disturb the neighbors. “It is extremely professionally run,” he said. “Any word of a bachelor party or fraternities is an immediate no-go.”

In fact, house parties and “organized social events” are not allowed on the premises, a rule I thought I was not breaking when I invited the neighbors over. There’s another rule noting that “all persons entering the premises are counted as chargeable guests.” I should have reread the rules and reviewed my original communications with Mr. Martin once I decided to hold the gathering in the days after I made the booking.

Those visitors were especially concerned about their property values. For many of them, their homes are their largest asset. Jessie Neufeld, who bought her home right before the local rules changed in 2012 and now has a 2-year-old child, put it most bluntly. “We did not buy our house to be living next to a hotel,” she said. “Would you buy a home if you knew a hotel like this was operating next door, if you wanted to set your life up and raise a family?”

I put the question to two real estate professionals whose names I saw on for-sale signs for homes that were next to or close to some of the party houses. Were the properties going to sell for less because of the problem properties nearby, and did they have a duty to disclose these houses to any and all buyers?

Katie Brigmon of Dash Realty did not want to answer many questions about her listing, a house that is very close to one problem property, and my call to her quickly went dead.

Jeff Grant from Saddle Realty said that he wasn’t aware of the short-term rental several homes down from the house he’s trying to sell on Hidalgo Street. “But my philosophy has always been disclose, disclose, disclose,” he said. “I don’t think it affects property value in the least.”

It probably won’t if the buyer simply wants to rent out the home every weekend. But every other home buyer ought to be searching Airbnb, HomeAway and similar sites for listings that are close to a home that they’re considering buying.

Ms. Neufeld said she resented the fact that people making a living from renting out homes for the weekend have put her own home’s value at risk. “They are leveraging our neighborhood for their profit, telling people to come stay in this beautiful place where you would like to pretend that you live,” she said. “And they are making people miserable.”

Twitter: @ronlieber

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A version of this article appears in print on October 10, 2015, on Page B1 of the New York edition with the headline: Animal House Shakes Up Cul-de-Sac.



Some of the most-expensive rentals in seven cities. **M4**

MANSTION

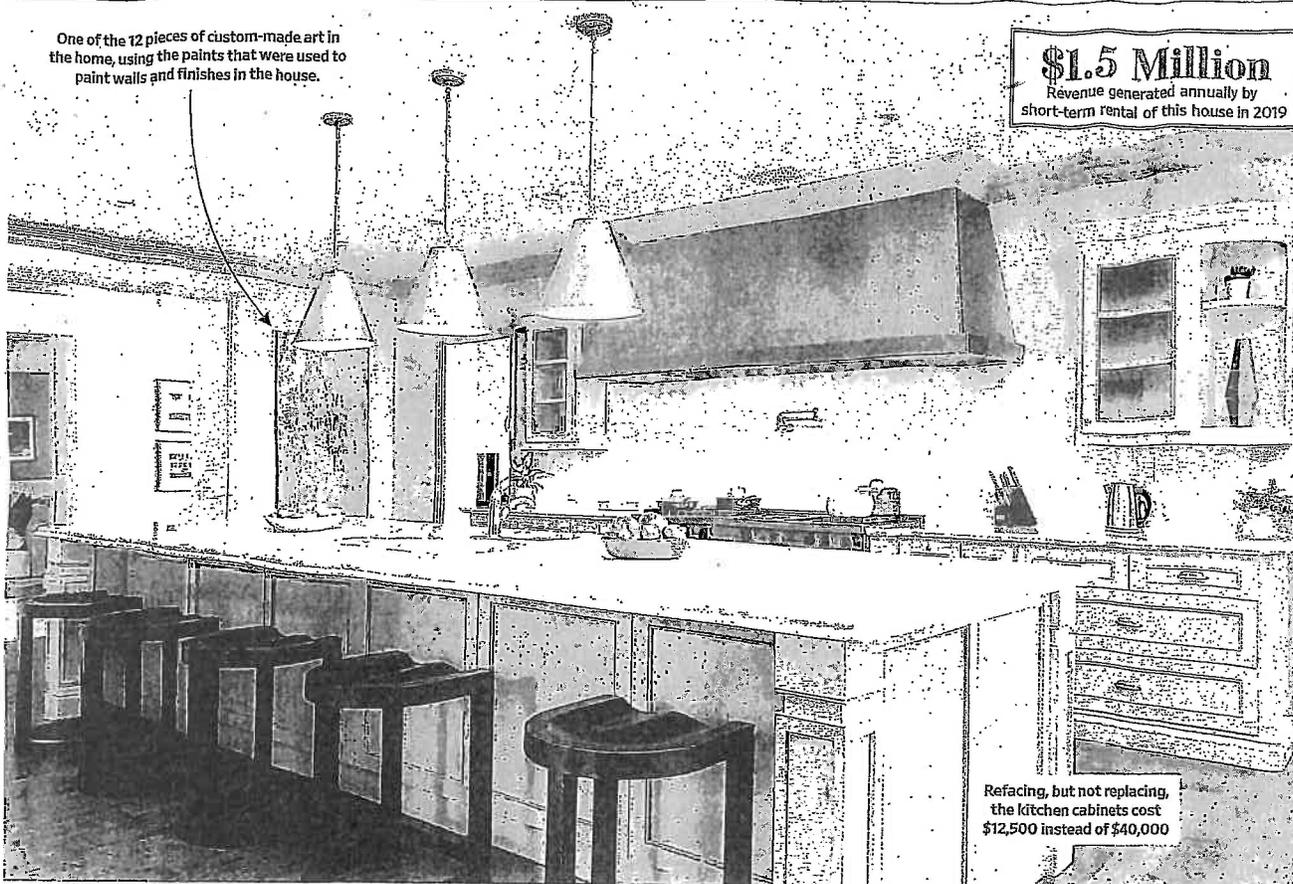
Algorithms and AI are changing how landlords vet renters. **M5**



HOMES | MARKETS | PEOPLE | REDOS | SALES

THE WALL STREET JOURNAL

Friday, November 22, 2019 | **M1**



One of the 12 pieces of custom-made art in the home, using the paints that were used to paint walls and finishes in the house.

\$1.5 Million
Revenue generated annually by short-term rental of this house in 2019

Refacing, but not replacing, the kitchen cabinets cost \$12,500 instead of \$40,000

MATTASHA LEE FOR THE WALL STREET JOURNAL (2); ISTOCK (REAR); DOBNA DOTY/VOX PERS/THE CORCORAN GROUP (THE PIERCE)

This 12,000-square-foot Beverly Hills home, above and below, was purchased by investors for \$15.94 million in 2017. They upgraded it into a luxury short-term rental.

Turning Your Home Into A Luxury Short-Term Rental

If you're thinking about renting out your home for top dollar, here are some proven ways to boost the 'wow' factor—as well as the rent



By KATY McLAUGHLIN



CHAD WATERHOUSE, the head of design and leasing for Elite Luxury Homes, faced a challenge: His job was to turn a dark, unfashionable and outdated Beverly Hills house into a showcase someone would pay up to \$200,000 a month to rent short term.

Investors had purchased the house for \$15.94 million in 2017. They didn't want to spend millions more, yet the nearly 12,000-square-foot estate needed a new modern kitchen, marble floors, more bedrooms, luxurious rugs, chic décor and lots of art, plus landscaping.

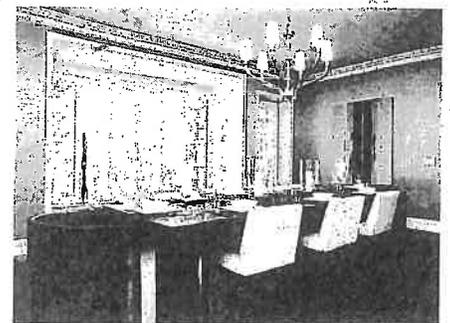
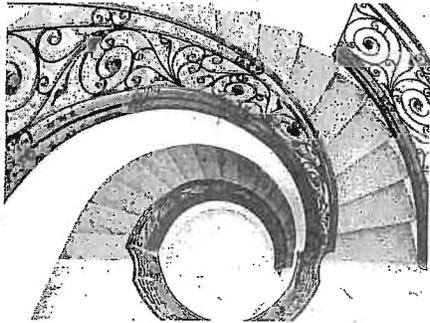
It was time to dig into a bag of tricks Mr. Waterhouse and chief executive Martin Beurivage have developed as part of Elite's business of converting houses into ultraluxury short-stay rentals.

The short-term rental revolution ignited by do-it-yourself platforms including Airbnb and Vrbo is going upscale. In June, Airbnb rolled out Airbnb Luxe, which has over 2,000 properties that cost an average of \$1,500 a night. In April, Marriott introduced Homes & Villas by Marriott International, upscale short-term rentals that can be paid for in cash or Marriott points. A host of new, smaller companies with an array of business models have also started marketing luxury properties.

With so many new ways to promote upscale short-term rentals, it

Please turn to page M8

MANSION | RENTALS



Luxury to Let

Continued from page M1
 is tempting for luxury homeowners to think about jumping in, wherever local law permits. We talked to homeowners, real-estate investors, property managers, short-term-rental company executives and hospitality players about what a home must offer to bag big nightly fares. Here's their wisdom about what it takes:



CHAD WATERHOUSE FOR THE WALL STREET JOURNAL
 Chad Waterhouse, head of design and leasing for Elite Luxury Homes, a short-term rental company.



A large sectional sofa with washable slip covers was moderately priced. Gathering spaces are a key feature of successful short-term rentals.

Up to \$200,000 a month

Marble-looking tiles and sisal carpeting, above left, weren't expensive but look grand; a pool house, above center, was converted to an extra bedroom to up the bed count; the dining room, above right, with a roughly \$500 canvas commissioned to complement the room.

FURNISH FOR VACATION, NOT LIFE

Mr. Waterhouse's bag of tricks at the Beverly Hills home included several cost-saving face-lifts. Instead of replacing kitchen cabinets for about \$40,000, he refaced the existing cabinets for \$12,500. A formal foyer that would have looked good in marble instead got marble-looking

porcelain tile. Rather than spend big on artwork, Mr. Waterhouse hired an artist to create a dozen custom canvases painted with colors showcased in each room. They cost \$500 to \$600 each, he said. Furniture must look modern and new, but shouldn't be top-tier designer fare, which is too expensive to replace if damaged, Mr.

Beaurivage said. Instead of buying Persian carpets, Mr. Waterhouse had a sturdy sisal carpet made for less than \$1,000 for a big room. He used furniture from Crate & Barrel's spinoff brand CB2 and Restoration Hardware, including a sofa with washable slip covers. Key to a high rental rate are extra bedrooms, so Elite converted

an outdoor pool house into a guesthouse. Kelsey Path, controller for Signet Management, which owns the property, said the investors, whom she declined to name, earned \$1.5 million in short-term revenue this year. The property is now rented for the next 18 months for \$125,000 a month, she said.

RECIPE FOR A LUXURY SHORT-TERM RENTAL

1. ADD A BEDROOM

Turn a home office, storage area, or den into an extra bedroom for the greatest boost to income.

2. SPARE THE CAVIAR

Invest in sturdy, preferably washable, furniture from upmarket brands. Skip the most expensive stuff, which is too costly to replace if damaged.

3. SOFA SERVINGS FOR ALL

Make sure the central gathering space has seating for the maximum capacity of the home.

4. A SEAT AT THE TABLE

The maximum capacity of guests should all be able to sit for group meals together.

5. HEAVILY SPICE WITH LOCAL FLAVOR

Don't be afraid of stereotypes: Décor and accents should reference the best elements of the location itself.

6. SPRINKLE ON TOYS

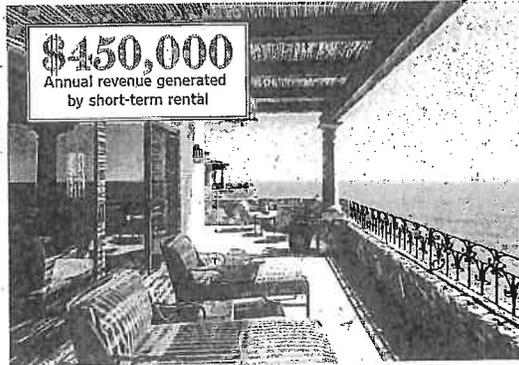
Make it easy to envision having fun at the property by providing activities like cornhole, Ping-Pong, pool, pool toys, bikes, etc.

7. SO DELICIOUS IT'S INSTAGRAMMABLE

Stop and consider an emblematic feature of the house—perhaps a sign with the property name on it—where guests will stop and take selfies.

8. SERVICE WITH A SMILE

Luxury renters demand new towels, toiletries, high-quality sheets, strong Wi-Fi, and someone to call if there is a problem.



Larry Mueller and his wife Mary Kay Mueller, above right, on the terrace of their home in San José del Cabo, Mexico; terrace lounges overlooking the Sea of Cortez, above left; the kitchen and living area, above, in the casita, part of the compound the Muellers built a decade ago; a bedroom, below left, in the five-bedroom compound; a bathroom, below right, with a copper soaking tub.



MASTER THE BASICS

Many prerequisites for success are no surprise: Great locations, ample square footage, and upscale finishes are must-haves for this market. Service is also key; many of these properties come with on-call agents and concierge service.

Larry Mueller, a 69-year-old retired technology executive, started his own luxury short-term rental company, Denver-based Cuvée. He also short-term rents his own homes, including a San José del Cabo, Mexico, home he built for \$5.5 million a decade ago; he rents it today for between \$3,000 and \$10,000 a night, earning annual revenues of \$400,000 to \$450,000. Another house on Hawaii, which he built for roughly \$6 million eight years ago, gets \$12,000 a night in peak season; it reaps up to \$650,000 a year. A third in Beaver Creek, Colo., cost \$6.4 million, charges up to \$13,000 a night, and brings in up to \$550,000 a year.

But just having a great home isn't enough, Mr. Mueller said. High-rolling renters have high sensitivity to out-of-date décor, electronics and dishware. He recently realized the granite in his Hawaii kitchen was fashionable several years ago, he said. He's changing it to white quartzite.

The single most profitable alteration to any house: Turn rooms into bedrooms. Not everyone paying thousands a night is "ultra-rich; more often, it is an extended family or group of friends looking to save money by not booking hotel rooms, said Joe Liebke, chief executive of Villaway in Los Angeles. The easiest way to boost income—some platforms say by 20% to 30% per night—is to take a home office or den, furnish it with bedroom furniture, build a closet or add an armoire, and add it to the bedroom count.

There are two pieces of décor that short-term rentals have to get right, Mr. Liebke said. "Is there a comfortable sectional sofa, where, if the house sleeps 10 people, also fits eight to 10 people? Is there a big dining table where everyone in the house can eat together?" he said. People go on vacations together because they want to gather, so group spaces are essential, he said.

FRANCISCO ESTRADA FOR THE WALL STREET JOURNAL '19

MANSION | RENTALS

PUMP UP THE AUTHENTICITY

Teri Kelly knows what it takes to get people to pay \$700 a night and up for a short-term rental in Lexington, Ky. She has been renting out her own historic home for years, making as much as \$1,100 a night.

"It shouldn't be cluttered. It should be authentic. We're trying to make it Instagrammable," said Ms. Kelly, 54, a professional property manager. In addition to renting her personal home, she, along with her husband and sister, is also putting the finishing touches on an 1,800-square-foot condo she plans to rent for \$600 to \$750 a night.

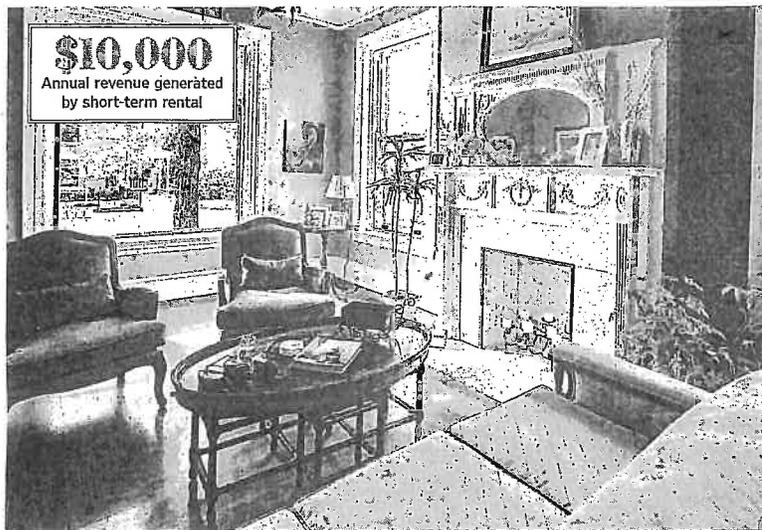
Ms. Kelly's own home didn't cost a fortune: She and her husband bought it for \$290,000 in 1999 and spent somewhere around \$300,000 over the years improving it. Neither it nor the condo they are developing features Viking stoves nor designer furniture.

Instead, they offer something intangible: An only-in-Lexington vibe. Her home décor, while not very expensive, "is the result of 3,000 hours scouring yard sales and antique marts" for local gems, she said.

In recent years, she's cut back on renting it to about six or seven weekends a year, bringing in roughly \$10,000 annually, she said. The new condo is housed in a once-defunct bourbon distillery Ms. Kelly bought with her husband, structural engineer Chris Kelly, 54, and her sister, Delena Spencer, a 52-year-old executive recruiter.

The family members spent \$2.6 million to buy and restore the building; they will spend about \$250,000 more to complete the rental unit. Décor includes art depicting horse racing and reclaimed wood from the distillery. Kentucky bourbon will serve as a welcome gift.

The Kellys and Ms. Spencer have tapped into the same concept that drives the model of Onefinestay. Stephen Haskell, general manager, America, for the company, said one of the most popular homes in the U.S. is a Los Angeles house "that looks like an old-fashioned Hollywood movie." In Brooklyn, classic brownstones with period detail are big sellers. In London, the renters are mostly Americans who crave English traditionalism, he said.



The front parlor of the Kellys' home in Lexington, Ky., above; Chris and Teri Kelly, below left, discovered short-term renting in 2010 with their own home, below right.



A bedroom, left, in the Kellys' 5,800-square-foot, four-bedroom house; the dining room, above.



MAKE IT 'GRAMMABLE

When Sean Breuner, the chief executive and founder of AvantStay—a company that leases properties from owners, redesigns them and then rents them short term—looks at photos of his properties, he doesn't talk about bedroom count or square footage. Instead, he describes scenarios.

"Here's where you sit on the balcony overlooking Lake Tahoe while you're sipping a glass of wine next to a fire pit, roasting marshmallows with your whole family and telling stories about how the trout you caught was bigger than your brother-in-law's," he said.

If Mr. Breuner sounds like he's narrating an Instagram story, that is on purpose: Consumers, he said, are more likely to book stays when they can envision sharing a picture of themselves swinging in a hammock or engaged in a poker game at a fully stocked card table.

To underscore the notion of a home as an activity center, AvantStay moves out breakfast tables and formal parlors, and brings in ping pong, pool and foosball tables. It decorates walls with surfboards, skateboards, or pool cues, and outfits backyards with bocce ball courts and croquet sets.

In their distillery unit, Ms. Kelly and Ms. Spencer created a sign at the gate with the name of the unit—"The Top Shelf"—"where renters can take selfies," Ms. Kelly said. Tile work in the shower is inscribed "Join or Die," a Revolutionary War slogan.

The goal is to provide "something authentic, local and original that gives people something to write about their trips on their Facebook page or Instagram," Ms. Spencer said.

If renters follow through and Instagram their trips, that is a bonus, Mr. Breuner said. But the point of the visual storytelling is to get them to book a stay.

"Short-term renting is the business of selling experiences through pictures," Mr. Breuner said.

AARON M. CORNWAY FOR THE WALL STREET JOURNAL (6)

RISK V. REWARD

Short-term landlords need to follow local laws, secure valuables and insure against unknowns. Here are the must-dos:

KNOW THE RULES

Many states have complicated rules and requirements that govern what types of homes can be offered for short-term rent, and rent duration. Many state and local,

governments require hosts to pay hotel or occupancy taxes on rental income. Separately, it is essential that your insurance carrier knows you are short-term renting, or damages and liability may not be covered at all. Short-term renting may be excluded in some policies, and telling the carrier you intend to rent may cause them to threaten cancellation. Some insurers have policies specifically for short-term renting.

Others may require you to take out a business policy.

LEARN THE PLATFORM'S POLICY

Cuvée requires that all renters buy accidental damage insurance for each stay; the company offers its own provider, which typically adds \$109 per stay. Airbnb offers up to \$1 million in "host protection insurance" for each stay. AvantStay carries \$10 million in

commercial general liability coverage and tells homeowners it will cover property damage. Policies change, so demand the most updated information.

BUILD A SAFE ROOM

It is routine for homeowners to have a locked room or closet where they keep their valuables and anything else they don't want renters to touch.