

SHORT TERM RENTALS (STRs): MYTHS vs FACTS

MYTH 1

STRs are 'mom-and-pops' trying to make house payments

FACTS

Only one-third of STRs are run by hosts with a single listing, one-third are run by investors with 25+ listings, one-third by investors with 2 - 25+ listings; (WSJ)¹
81% of Airbnb revenue from homes with absentee owners²

MYTH 2

STR companies (Airbnb, Expedia/HomeAway, etc.) prohibit party houses

FACTS

Party house complaints have soared 250% in 2020 – twenty-seven shootings between March and October (NY Times)³

MYTH 3

STRs are good for cities and The economy

FACTS

Costs of STRs outweigh benefits for city residents (EPI)⁴
STRs deplete housing stock and drive up costs (UEJ)⁵
STRs frequently fail to pay hotel taxes, siphoning off tax revenues cities would have received from hotel stays.

MYTH 4

City ordinances and codes can deal with the 'bad apple' STRs

FACTS

These efforts don't stop bad behavior. Most code enforcers don't work late nights on weekends, when most problems occur, and police already have their hands full. **Neighbors should not be responsible for policing and enforcement.**

MYTH 5

'Superhosts' primarily rent to families and closely vet their guests

FACTS

STRs do not require verified gov't ID and cannot guarantee users are who they claim to be, nor do they run criminal record or sex offender background checks (Airbnb IPO filing)⁶

MYTH 6

Neighbors and local communities appreciate STRs

FACTS

80%+ of residents do not want to live next to a short-term rental (WFAA)⁷
Increases in Airbnb listings lead to more violence in neighborhoods (Jan 2021 Research Report)⁸

MYTH 7

Courts side with STR private property rights

FACTS

Courts overwhelmingly side with cities and long-held zoning priorities, including US Supreme Court May 2020 ruling⁹

MYTH 8

I can do what I want with my private property

FACTS

When buying in a residential neighborhood, you are subject to local zoning ordinances that forbid certain activities incompatible with residential neighborhoods. **These laws protect you and other residents.**¹⁰

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Selected References:

- (1) [‘A Bargain With the Devil’—Bill Comes Due for Overextended Airbnb Hosts](#) Entrepreneurs built mini-empires of short-term rental properties, borrowing against revenue that’s now vanishing under coronavirus lockdowns, Wall Street Journal, Apr 28, 2020
 - (2) [CBRE Report: “Hosts with Multiple Units – A Key driver of Airbnb Growth,”](#) 81% of Airbnb’s revenue nationwide comes from whole-unit rentals where the owner is not present.
 - (3) [Airbnb Fights Its ‘Party House Problem’](#) Noise. Damages. Safety questions. Airbnb is racing to address the risks posed by partying guests before it goes public. NY Times, Oct 27, 2020.
 - (4) [Evidence shows no compelling reason why local policymakers should keep the playing field tilted toward Airbnb.](#) Economic Policy Institute, January 30, 2019
 - (5) [Do short-term rental platforms affect housing markets?](#) Journal of Urban Economics, Sept 2020 and [Research: When Airbnb Listings in a City Increase, So Do Rent Prices,](#) Harvard Business Review, April 17, 2019
 - (6) We have no control over or ability to predict the actions of our users and other third parties, such as neighbors or invitees, either during the guest’s stay, experience, or otherwise, and therefore, we cannot guarantee the safety of our hosts, guests, and third parties. The actions of hosts, guests, and other third parties have resulted and can further result in fatalities, injuries, other bodily harm, fraud, invasion of privacy, property damage, discrimination, brand and reputational damage, which have created and could continue to create potential legal or other substantial liabilities for us. We do not verify the identity of all of our hosts and guests nor do we verify or screen third parties who may be present during a reservation made through our platform. Airbnb IPO filing with the SEC, November 16, 2020, at page 45.
 - (7) [WFAA TV poll shows 84% of residents in N. Texas do not want to live next to a short-term rental.](#) Sept 5, 2018 [Airbnb Suffered a Big Defeat in Jersey City,](#) over 70% of residents voted overwhelmingly in favor of stricter regulations on short-term rentals that will almost certainly shrink the number of Airbnb listings in New Jersey’s second-largest city. NY Times, Nov 5, 2019.
 - (8) [Airbnb and Neighborhood Crime: Northeastern University Research Report:](#) We find evidence that increases in Airbnb listings led to more violence in neighborhoods...prevalence of Airbnb listings erodes the natural ability of a neighborhood to prevent crime. July 16, 2021
 - (9) [The US Supreme Court upheld a very detailed and comprehensive set of STR regulations adopted by the City of Santa Monica, refusing to even consider claims that those regulations somehow infringed on the STR owners federal constitutional rights.](#) May 18, 2020
- [TX 14th Court of Appeals held Texas Property Code provides independent authority for HOA to adopt rules prohibiting short term rentals](#) Aug 18, 2020
- [Austin Court of Appeals case upholds penalties against an STR operator which tried to use sham 30-day rentals to defeat Austin's STR regulations](#) April 29, 2020
- (10) Real estate ownership carries with it a [complex set, or bundle, of rights](#) that homeowners assume when they buy in residential areas.