

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
 FROM: Commissioner Alex Fernandez
 DATE: September 13, 2023

SUBJECT: REFERRAL TO LAND USE AND SUSTAINABILITY COMMITTEE TO DISCUSS THE NEW SHORT-TERM RENTAL LAW PASSED IN NEW YORK CITY, KNOWN AS "LOCAL LAW 18."

RECOMMENDATION

A recent article published on Wired.com underscores the urgent need for action regarding the ongoing short-term rental crisis. The recent developments in New York City, as highlighted in the article, have only intensified our frustration and anger with the situation we are facing.

The article, titled "The End of Airbnb in New York," details how thousands of Airbnb and short-term rentals are on the brink of disappearing from rental platforms in New York City due to Local Law 18. This law, which was recently adapted, imposes strict restrictions that nearly ban short-term rentals for many hosts and guests. It mandates hosts to register with the city, reside in the property they're renting, and limits the number of guests to two. While these regulations are aimed at addressing valid concerns such as housing shortages, noise disturbances, and disruptions caused by short-term rentals, the impact on our own city has been nothing short of devastating.

Our housing situation in Miami Beach has reached a breaking point, and our residents are suffering. Housing shortages have driven up rents to exorbitant levels, making it increasingly difficult for our citizens to afford stable housing. The quality of life for our residents has been severely affected, with noise complaints, trash, and safety concerns plaguing our neighborhoods. Our local economy has been disrupted, with short-term rentals driving up prices and disrupting the balance between tourism and residential living.

What is particularly infuriating is that while our residents bear the brunt of these issues, some landlords and operators exploit the situation, profiting immensely from the proliferation of short-term rentals. It's an injustice to see a small number of individuals reaping the rewards while our community suffers.

The tourism industry, which we value and depend on, is also at risk of losing its charm due to the unchecked proliferation of short-term rentals. Our city's unique appeal is being eroded, and the very essence of Miami Beach is at stake.

Given the dire circumstances we are facing, it is imperative that we continue to consider action that can be legally take to address this crisis. I propose that we refer this pressing matter to the Land Use & Sustainability Committee for an in-depth discussion on how we can implement regulations similar to those in New York City.

The time for action is now. We cannot allow this crisis to persist, and we must take a stand to protect our residents, our economy, and the future of Miami Beach.

SUPPORTING SURVEY DATA

N/A

FINANCIAL INFORMATION

N/A

Applicable Area

Citywide

Is this a "Residents Right to Know" Item, pursuant to City Code Section 2-14?

Yes

Does this item utilize G.O. Bond Funds?

No

ATTACHMENTS:

Description

- The End of Airbnb in New York

AMANDA HOOVER

BUSINESS SEP 5, 2023 6:00 AM

The End of Airbnb in New York

Thousands of Airbnbs and other short-term rentals are expected to disappear from rental platforms as New York City begins enforcing tight restrictions.



SAVE

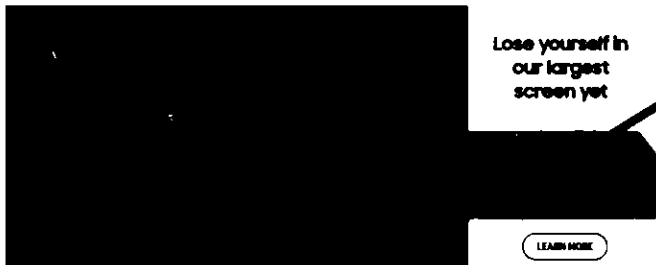
THOUSANDS OF AIRBNBS and short-term rentals are about to be wiped off the map in New York City.

Local Law 18, which came into force Tuesday, is so strict it doesn't just limit how Airbnb operates in the city—it almost bans it entirely for many guests and hosts. From now on, all short-term rental hosts in New York must register with the city, and only those who live in the place they're renting—and are present when someone is staying—can qualify. And people can only have two guests.

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The End of Airbnb in New York

Business

Gone are the days of sleek downtown apartments outfitted for bachelorette parties, cozy two- and three-bedroom apartments near museums for families, and even the option for people to rent out their apartment on weekends when they're away. While Airbnb, Vrbo, and others can continue to operate in New York, the new rules are so tight that Airbnb sees it as a "de facto ban" on its business.

Short-term rentals can bring noise, trash, and danger, and they can price local residents out of their own neighborhoods. Some landlords in New York are prolific and have hundreds of Airbnb listings. But other New Yorkers who have listings on Airbnb are trying to make ends meet, either leasing their place while they're out of town or renting half of a duplex to help cover their mortgage costs.

Airbnb is also popular with some of the 66 million visitors a year looking for accommodations that are cheaper and sometimes larger than hotels. In 2022 alone, short-term rental listings made \$85 million in New York. The city might be a relatively small slice of Airbnb's global market, but the new rules show how local governments can effectively stamp out short-term rentals overnight and lessen their impact on dense residential areas. And New York is just one of many cities around the world trying to calm the short-term rental gold-rush.

And everyone is taking a different approach. Dallas has limited short-term rentals to specific neighborhoods to avoid disruptive and dangerous parties. Elsewhere, the Canadian province of Quebec and Memphis, Tennessee, among others, now require licenses for short-term rentals. In San Francisco, the amount of time someone can list their entire residence for rent on Airbnb is limited to 90 days each year. Amsterdam puts that limit at 30

Airbnb is limited to 90 days each year; Amsterdam puts that limit at 30 nights per year, Paris at 120 days. Berlin previously banned nearly all Airbnbs but walked the decision back in 2018.

Airbnb's attempts to fight back against the new law have, to date, been unsuccessful. The company sued New York City in June, but a judge dismissed the case in August, ruling that the restrictions were "entirely rational." Airbnb did not comment on whether it would appeal the decision. Hosts are also fighting for the right to list their apartments as short-term stays by meeting with city officials to try to change the law.

The rules "are a blow to its tourism economy and the thousands of New Yorkers and small businesses in the outer boroughs who rely on home sharing and tourism dollars to help make ends meet," says Theo Yedinsky, global policy director for Airbnb. "The city is sending a clear message to millions of potential visitors who will now have fewer accommodation options when they visit New York City: You are not welcome." Yedinsky says Airbnb has a goal of working with the city on "sensible" home-sharing rules, but he did not elaborate on the company's next steps.

The change will make short-term rentals "a lot less attractive" for many people coming to New York, says Sean Hennessey, a professor at the New York University Jonathan M. Tisch Center of Hospitality. And in a city where hotel rooms are small and expensive, it could "make the city a little less accessible."

There are currently more than 40,000 Airbnbs in New York, according to Inside Airbnb, which tracks listings on the platform. As of June, 22,434 of those were short-term rentals, defined as places that can be booked for fewer than 30 days. Many Airbnbs are concentrated around downtown Manhattan, along the Upper East Side, and in Williamsburg and Park Slope in Brooklyn. While the number of rentals may be small compared to New York City's population of 8 million people, Murray Cox, founder of Inside Airbnb, says some desirable neighborhoods are overly burdened by short-

term rentals, which can result in housing shortages and higher rents. The new law, in theory, could open these homes to local residents. New York City is facing a housing shortage that has increased rents and rates of homelessness.

The implementation of the law shows “very clearly you can cut down on

short-term rentals,” says Cox, who was part of the Coalition Against Illegal Hotels, a group that advocated for the registration law. “You can make these platforms accountable.”

There’s an older law on the books that prevents short-term rentals of entire apartments for less than 30 days in New York, but it’s been difficult to enforce without the registration mandate that takes effect Tuesday in place. Compounding the sudden shortage of Airbnbs in New York is another piece of the new law that allows landlords to ban entire buildings from short-term rental platforms. As of July, nearly 9,000 buildings across New York City were on the list. New York’s laws on short-term rentals exempt certain entire apartments on rental platforms that are zoned as hotels and boarding houses, meaning there will still be some entire units advertised on rental platforms.

Some small-time hosts feel the law unfairly loops them in with professional landlords. Margenett Moore-Roberts rents out a two-bedroom apartment in her Brooklyn brownstone; she lives in the home’s other unit with her husband and teen daughter. She says she doesn’t want to rent the apartment to a full-time tenant and lose the flexibility to host family and friends there, or, as she did during the pandemic, use it as a home office. But because her family doesn’t occupy the second two-bedroom unit, it can no longer be listed on Airbnb for stays of less than 30 days.

Restore Homeowner Autonomy and Rights, a group of homeowners in New York, is advocating for amendments to the regulations that would allow owner-occupied one- and two-family homes to register their units with the city and do away with capacity limits. They believe people like Moore-Roberts should be able to rent out units, and that they don’t fall into the same category as bigger landlords.

Moore-Roberts says she isn't against the rule change entirely, but she wants to see the law reworked with more nuance to protect renters with just one property, like herself. "They've used a very blunt object when they should have used a scalpel," Moore-Roberts says. She is currently out of work, and she says a drop in income from the short-term rental compounds that financial stress. "Putting us all in that same bucket of players is really unfair and not helpful."

Airbnb says it is canceling and refunding reservations in unregistered accommodations from December 2 onwards, but those up until December 1 can remain in effect to lessen the impact on hosts and guests. Guests won't be penalized if they book and stay in an unregistered rental, but hosts and the platforms they advertise on could be as of September 5.

Airbnb also says unregistered stays were blocked from future bookings past September 5 as of August 14, but a search showed dozens of entire apartments for more than two people still available to book beyond September 5. These listings should not pass New York's registration requirements for short-term rentals. Airbnb did not comment on why these are still on the platform. Vrbo declined to comment for this story. Booking.com did not return a request for comment.

There are 3,250 short-term rental hosts who had submitted applications for registration by August 28, according to Christian Klossner, executive director of Office of Special Enforcement in New York City. More than 800

applications had been reviewed, and the office had granted 257 registrations, returned 479 to seek additional information or corrections, and denied 72. As of Tuesday, the office will focus on working with booking platforms to make sure they are using the verification system for registrations and that they are not processing unverified transactions, Klossner says.

KIOSSHER says.

A growing number of cities might be trying to clamp down on Airbnb rentals, but the company continues to grow. It made \$2.5 billion in the second quarter of 2023, up 18 percent year-on-year, with the number of nights and experiences booked on the platform growing by 11 percent in the same period.

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STAFF WRITER

