Fwd: Council file # 14-1635-S2

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Posted in group: Clerk-PLUM-Committee

From: Elizabeth Murphy <elizabethm@straca.org>

Date: Mon, Aug 28, 2017 at 12:11 PM Subject: Council file # 14-1635-S2

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Dear Councilmembers:

Please add the following article to the above referenced City Council File. STRACA appreciates seeing a balance in the media relating to short term rentals.

Than you.

Elizabeth Murphy

Paralegal

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Short-term rentals spiked across South Carolina as visitors flocked to S.C.

for solar eclipse

By Abigail Darlington

August 27, 2017

With hordes of visitors coming to South Carolina last week to catch the solar eclipse but too few hotels to lodge them, homeowners earned millions of dollars renting their homes to the star-gazing travelers.

Airbnb, an online booking platform for short-term home rentals, reported that 10,600 guests stayed in Airbnb-booked properties in the Palmetto State on Aug. 21, generating a combined \$2 million for hosts. It was the company's biggest night ever in South Carolina, exceeding its expectation of 7,000 guests.

The platform's top 10 list of the most popular destinations nationally had Charleston at No. 2, Mount Pleasant at No. 8, and Greenville at No. 9. Columbia barely missed the cut at No. 12, according to Airbnb figures.

South Carolina's major cities fell directly in the eclipse's path of totality across the United States, offering some of the best places on the East Coast to catch the historic sight.

Before the eclipse, tourism officials in Charleston and Columbia had reported their cities' hotels were mostly booked, creating a unique opportunity for homeowners to capitalize on the sky-high demand.

Charleston, Greenville and Mount Pleasant have regulations to restrict short-term rentals in various ways. But, as in most cities, they haven't been enough to control the growing number of homeowners listing their properties for rent on the popular booking sites — especially during major travel weekends.

About a third of the hosts in Charleston and Mount Pleasant used Airbnb for the first time last weekend, while almost 70 percent of hosts in Columbia and 40 percent in Greenville were new to Airbnb.

Expedia, parent company of the two other major platforms, HomeAway and VRBO, didn't respond to a request for its data. However, company spokesman Philip Minardi said last month that business across South Carolina for the eclipse weekend had surged 65 percent compared with last year.

'Why not rent?'

Stephen Bateman of Columbia was one of the first-time Airbnb hosts. He said he and his wife decided to rent their home on the app and stay with some nearby friends for the weekend to make some extra money.

"I heard a bunch of stories about people making a ton of money renting their houses out for the eclipse," he said. "I posted my house, and it rented four hours later."

He made \$175 a night, which he later found out was about \$300 less than what some of his other friends charged. Still, Bateman said he's glad he has a little extra money to put toward his student loan debt.

Another Airbnb novice in Charleston, Chad Reynolds, said he was using the eclipse weekend as a trial run for the home he's been renovating for use as a short-term rental.

"I wanted to get my feet wet with Airbnb and feel it out and get a little bit of experience," he said. "I live alone in a 3,000-square-foot house half a mile from Folly Beach, and I'm really not there a whole lot. And it's just like, why not rent the bottom?"

The city of Charleston has appointed a Short-Term Rental Task Force to figure out how to better regulate the rampant industry. Short-term rentals are only allowed in one downtown neighborhood, Cannonborough-Elliottborough, but rentals are listed all over the city.

At the group's meeting last week, several downtown Charleston residents begged for better enforcement of regulations already on the books, while others wanted a chance to rent their property to generate extra income. The challenge, members of the task force said, is making sure out-of-town investors don't buy up a slew of properties solely to use them as short-term rentals. They worried that could drive up long-term rents and disrupt the character of neighborhoods, among other things.

Joseph Montano, Expedia's Northeast government affairs official, offered a different perspective. He said home rentals can help Charleston meet the massive demand for lodging during major events such as the eclipse.

"What we have been able to do is provide the service for families who are looking to travel during times just like those when there are no more hotels available, yet they still want to visit this beautiful area," he said.

Keeping tabs

Officials in other cities in South Carolina said they haven't looked to change their approach to regulate short-term rentals — at least not yet. Most said they're waiting to see how other cities such as Charleston tackle the issue.

In Greenville, the city allows short-term home rentals only in commercial areas, and owners have to obtain specific licenses before booking any guests, city attorney Mike Pitts said.

"The city recognizes the use of short-term rentals will continue to grow," he said, "and city staff is keeping abreast of the approaches being taken in other jurisdictions."

Brian Cook, the zoning administrator in Columbia, said short-term rentals are most popular during University of South Carolina football games and other sports events. But regulating them was somewhat of a "gray area," he said.

"We've been looking at other jurisdictions and seeing how it all kind of plays out since we haven't received a whole lot of inquiries," he said.

Myrtle Beach wasn't in the solar eclipse's path of totality and didn't see the same spike in short-term rentals last weekend. But city spokesman Mark Kruea said short-term rentals are rising there, since Myrtle Beach is a tourism destination, like Charleston.

He said property owners need to be in certain zones, hold a local business license, and pay state and local accommodations taxes to legally host a short-term rental.

Myrtle Beach officials aren't looking to adjust those rules to regulate the activity.

"Zoning is in place to protect the neighbors, to make sure that uses are compatible," he said. "Most of our complaints come from neighbors who are not happy about short-term rentals... we investigate, and if necessary, we'll take it to court."