



## CITY VIEWS: OPINIONS AND ANALYSIS

**Opinion: City's New Rules on Short Term Rentals Will Hurt Small Homeowners**

**By David Summers. Published January 11, 2023**

**“Undermining the ability of individual homeowners to rent property based on their needs is an imbalanced infringement upon owners’ rights, discourages home ownership, and represents a slippery slope towards government overreach. Prohibiting short term rentals would severely impact homeowners’ ability to meet financial obligations and continue to live in the city.”**





*(Adi Talwar)* An evening view of Manhattan over the East River.



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On Wednesday, the Mayor's Office of Special Enforcement (OSE) will conduct a second and potentially final public hearing to solicit input about Local Law 18. This new law requires short-term rental hosts to register with the city and prohibits booking services from processing transactions for unregistered listings. Local Law 18 would severely curtail short term rentals in New York City, and makes no distinction between individual homeowners with a rental unit in an owner-occupied building and larger rental businesses who have converted entire buildings into de facto hotels.

The proposed law as currently written is a one-size-fits-all solution to a nuanced problem which is being caused by larger rental businesses operating multiple short-term listings in New York City. The current language of Local Law 18 is a blunt instrument that will cause upheaval and stress for individual homeowners, when the real target should be larger operators who are competing with the powerful hotel lobby. Local law 18 is unbalanced and must be modified before adoption. This is the last opportunity for the community to speak up in defense of small homeowners and hard working families from being unfairly penalized for the violations of larger rental businesses.

Former New York City Councilmember Ben Kallos, who championed the initial law, acknowledged in a recent Fox5 interview, "this is really going after people who have more than one place." According to the story, more than half of the city's inventory listed on Airbnb are from hosts with multiple listings. The spirit of the law was intended to go after egregious offenders, in extreme cases a single "host" having 400 listings. However the interpretation of this law as currently written by the Office of Special Enforcement makes no distinction between these scofflaws and individual homeowners with a single listing who are just trying to make ends meet. The Fox5 report has it right.



New York City's ever present housing issues will not be solved by government overreach and overzealous enforcement. Stopping short term rentals will not add low income housing to the city's insufficient inventory. New housing development needs a much more significant surge to offset the lack of housing for the city's growing population. In December 2022 Mayor Adams announced a "moonshot" effort to promote new development. His "Get Stuff Built" initiative plans to address New York City's housing shortage by accelerating the pace of development, with a goal of 500,000 new homes over the next decade.

By contrast, the implementation of Local Law 18 is projected to remove approximately 10,000 short term rental units from the city's current inventory. The two efforts are on completely different levels. While few would disagree there should be enforcement of flagrant violations of the New York City multiple dwelling law by large rental businesses, hurting individual homeowners should not be part of the solution.

Short term rentals provide small homeowners and local businesses with crucial income needed to make ends meet. They offer affordable options to bring tourists and visitors into communities with limited hotel supply. Hosts provide curated recommendations for local restaurants and businesses, and offer accommodations with multiple bedrooms and kitchens that are not available or affordable with traditional hotels. Short term rentals are used by visiting doctors and nurses as well as visiting professionals on extended visits for business who want to live in a home, not a hotel. The supplemental income helps homeowners pay mortgages, bolsters the local economy and provides jobs for maintenance staff.



Many small homeowners choose to offer their extra rental unit as short term instead of long term based on their preferences and their individual circumstances. Many have extended family who use their unit part of the year, so can't commit to long term leases that would prevent family or friends from visiting. Some hosts are filling a need in communities with insufficient hotel inventory, and welcome visiting tourists or those visiting nearby families. Eliminating short term rentals will hurt struggling homeowners, put homes at risk and add pressure to local businesses trying to compete with online retailers. The hotel lobby should not be allowed to dictate the cost of tourism and limit affordable options to those who want to visit our city.

The Mayor's Office of Special Enforcement needs to course correct. Local Law 18 must not be implemented as currently written. There must be a distinction between individual homeowners with a unit in owner-occupied buildings from large scale commercial rental businesses with multiple listings. Large scale rental businesses have a disproportionate impact on New York City housing supply and are in direct competition with hotels. Individual homeowners should be allowed to rent their unit in owner-occupied buildings without the restrictions currently proposed by Local Law 18. The registration requirement could help to distinguish these groups from each other, but the penalties and rules should focus on how many listings a host maintains in order to differentiate individual homeowners from large scale rental businesses.

Individual homeowners with a listing in an owner-occupied building are not in the same category as commercial landlords operating large scale rental business. The proposed restrictions on all short term rentals would have a disproportionate impact on individual homeowners compared to large scale commercial businesses who control multiple listings. Undermining the ability of individual homeowners to rent property based on their needs is an imbalanced infringement upon owners' rights, discourages home ownership, and represents a slippery slope towards government overreach. Prohibiting short term rentals would severely impact homeowners' ability to meet financial obligations and continue to live in the city. It would limit income spent on local businesses and crucial revenue that visitors bring to local communities. These new measures are unfair to homeowners and extremely unbalanced in favor of hotels. Balanced legislation must differentiate between individual homeowners with owner-occupied listings and large scale rental businesses.

Concerned citizens should submit written feedback to the OSE and come to the hearing on Jan. 11 to voice their support for individual homeowners with a listing in an owner-occupied building. Together we can find a better solution that doesn't hurt small homeowners while protecting against those who are skirting the laws and adding to the city's housing problems.



David Summers is a homeowner in Brooklyn, and has hosted short term rentals for the past few years. He owns a single building in Park Slope where he resides with his family, and has hosted hundreds of visitors who have given overwhelmingly positive and appreciative reviews of their experience staying in his short term rental unit.

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