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Subject: New York Times Article documenting STR are hotels
Attachments: Taking the Work Out of Short-Term Rentals - The New York Times.pdf; ATT00001.txt

Supervisor Potter,

I believe it is crucial you read this article, "Taking the Work Out of Short-Term Rentals." As you will clearly see, the excesses it documents, and the range of services available to make ones home in to a hotel, it makes any ordinance allowing short-term rentals for all legal purposes to be the same as permitting hotels. Any such move, I believe, is a major amendment to the General Plan, and requires nothing less than a full-blown Environmental Impact Statement. With over 600 listings and counting, the County needs to pass effective legislation to take the profit out of this illegal activity that steals desperately needed housing for people who work here, water, the quiet enjoyment of one's property, and brings a constant stream of strangers in to residential neighborhoods where children play.

If there was any doubt that Short-term rentals are nothing more than hotels, this article in the New York Times clearly documents dispels it. People wanting to turn their homes in to hotels should go through the same permitting process everyone else does.

<http://www.nytimes.com/2015/06/21/realestate/taking-the-work-out-of-short-term-rentals.html?action=click&pgtype=Homepage&module=c-column-middle-span-region®ion=c-column-middle-span-region&WT.nav=c-column-middle-span-region>

REAL ESTATE

Taking the Work Out of Short-Term Rentals

By **MICHELLE HIGGINS** JUNE 19, 2015

If the idea of renting out your home on Airbnb, HomeAway or similar vacation rental sites sounds intriguing, but the thought of posting photos, managing bookings and getting your apartment ready seems far too daunting, read on.

A fledgling industry has sprung up in the last five years offering to take the work out of short-term rentals, for a fee. Start-ups with names like Guesty, Flatbook, onefinestay and proprly will do everything from greeting guests with the keys to swapping out your cowboy-print polyester sheets for natural linens. Some allow you to book services like cleanings and key exchanges à la carte.

Others take the entire rental process out of your hands, dealing with bookings, storing your belongings and cleaning up after the guests go home in exchange for as much as half of your revenue. A few will even dispatch a team of decorators to your apartment.

“We make it completely seamless and hassle-free for the owner and the guest as well,” said Evan Frank, a founder of onefinestay, a five-year-old company offering end-to-end rental management for upscale homes in New York, Los Angeles, Paris and London.

To ensure you don’t have to lift a finger, onefinestay first photographs and then stores your personal possessions, including the soap in your shower. It replaces your toiletries with its own toiletries. Beds are made with hotel-quality linens and refrigerators are stocked. Before you return, everything is cleaned and put back the way it was, right down to that bar of soap.

Pamela Bell, who uses onefinestay to rent out her 1848 East Village townhouse

for about \$1,300 a night when she and her three children are away, vouches for the service. “I had a book turned on its side on a bench in front of my bed. It was exactly the same way when I got back,” said Ms. Bell, a founding partner of the Kate Spade brand, who now runs Prinkshop, which designs advocacy campaigns and uses fashion to raise awareness and funds.

The money she earns from her rental, billed as “bohemian bourgeoisie” on the site, helps cover the upkeep of her home, which was once featured in The New York Times. Besides, Ms. Bell said, “I like the idea of sharing the house.”

Renting out your entire townhouse while you are away is one thing; renting out your entire apartment is another. Short-term rentals in apartments, especially those sold through Airbnb, have been under scrutiny in New York City since the state’s attorney general, Eric T. Schneiderman, released a report in October that said nearly three-quarters of Airbnb rentals in the city were illegal.

The report found that commercial operators, not individuals renting out spare bedrooms, accounted for a substantial share of Airbnb’s business in New York City, running what amounted to illegal hostels. Airbnb has said that many of those commercial operators have been removed, but the battle over short-term rentals is still playing out.

While some are calling for stronger enforcement to ensure that buildings don’t become overrun with vacation renters, supporters of so-called home-sharing would like to see fewer restrictions. The New York State Multiple Dwelling Law prohibits the renting of entire apartments for less than 30 days.

It is legal, however, to rent out a spare room in your apartment for less than 30 days, as long as you are present during your guest’s entire stay. The law allows short-term rentals of single-family and two-family homes whether the owners stick around or not.

Onfinestay won’t take on just any old place. You must apply to be accepted on its roster. If your abode is deemed worthy, the company will list it on its site, as well as on HomeAway, VRBO and other rental sites, handling reservations, collecting and remitting occupancy taxes and meeting guests for check-in. For such high-touch service, onfinestay takes anywhere from 20 percent to 50 percent of the proceeds, depending on how often and for how long you plan to rent out the

space.

Flatbook, which started in Montreal in 2012 and is now in 33 cities including New York and Boston, casts a wider net. Apartments must meet “a minimum quality threshold,” said Francis Davidson, a founder and the chief executive. “If it’s a dirty crash pad we’re not going to put our brand on that.”

Apartments with very high rents or those far outside the city are also rejected, as the return on investment is not worth the company’s efforts.

Catering to city dwellers who want to sublet for two months or more, Flatbook pays them the monthly rent upfront for the period they will be away. Then it rents the place out at a markup, often in weeklong increments through Airbnb, Craigslist and other sites. Though it won’t pack up belongings, it will store them free and stock the apartment with its own sheets and towels so clients don’t have to think about strangers rolling around in theirs while they’re off backpacking through Europe.

Last year, Mayce Makani, who rents a one-bedroom in an apartment building in Ditmas Park, Brooklyn, for \$1,500 a month, decided to try out Flatbook after coming across it in a Facebook post. Ms. Makani, 29, a high school Spanish teacher, spends summers with her family in California and had previously let her boyfriend stay in the apartment free while she was away. But after getting the go-ahead from her landlord, she decided to let Flatbook cover her rent and sublet the place.

“I wasn’t sure how I would feel about strangers staying in my apartment,” Ms. Makani said. But upon her return, it seemed as if nothing had been moved or misplaced. “It made me feel comfortable walking back into my apartment,” she said. “If someone had read through my book, they put it right back.” In other words, she added, “It still felt like home.” That’s why she is kicking her boyfriend out once again this summer and turning the keys over to Flatbook.

These leave-the-driving-to-us companies seek to help fill a gap in the growing short-term rental market. Traditional property management firms typically serve large landlords with multiple buildings and focus on long-term leases. And while real estate agents will occasionally handle sublets on behalf of a potential client, they tend not to make a habit of it without a sales commission in sight.

“The nature of Airbnb is it’s often last minute,” said Randy Engler, who founded proprly in 2013, after finding it difficult to keep up with the demand and logistics for his West Village apartment on Airbnb. “You might get a booking request for Memorial Day weekend and you’re out of town already and don’t have anyone to give the key to a guest.”

Aimed at vacation-rental hosts who want help only with certain tasks, proprly offers a team of “verified cleaners” and “key couriers” available on demand in Manhattan and Brooklyn. Cleanings start at \$95 for a studio; key exchanges can be arranged for \$40 between 9 a.m. and 7 p.m. with additional charges outside of that time period. The company’s tagline: “property management for the sharing economy.”

Tel Aviv-based Guesty, created by twin brothers from Israel, Amiad and Koby Soto, calls itself an “Airbnb management service.” It does not have a staff on the ground. Rather, it facilitates short-term rentals remotely, charging a 3 percent commission for each reservation it handles through Airbnb. After you create an account on Airbnb, Guesty will help increase your search ranking by closely monitoring your listing and soliciting reviews to boost visibility, as well as screen potential guests and respond to reservation requests.

Once a booking is made, Guesty offers to schedule cleanings and coordinate key exchanges with third-party contractors, like proprly or Keycafe, which places lockboxes in neighborhood cafes and shops for storage and pickup. A 24-hour guest hotline allows Guesty to respond quickly to guests so you don’t have to, including answering common questions depicted in a playful YouTube video, such as what is the Wi-Fi password or how late is checkout?

While outsourcing vacation-rental tasks can alleviate a lot of work, plenty of risk is still involved in opening your home to strangers. You should do due diligence by contacting the company to ask what, if anything, it will cover if a cleaner accidentally breaks something or a toilet overflows while you are away.

Onefinestay has an insurance policy that provides coverage in case of loss, theft or damage (whether malicious or accidental). Flatbook extends a \$10,000 damage protection policy to clients for a fee. Proprly waives all liability in its terms of service, but Mr. Engler said the company covers clients’ homes in case of

damage by cleaners.

And before you rush to list your fifth-floor walk-up as a charming weekend getaway, be sure you understand the regulations involved. Most leases prohibit subleasing without the consent of the landlord. And many co-op and condo boards restrict owners from renting out their units. But that's beginning to change.

Onefinestay has started making deals with condominiums and co-ops in New York to act as the exclusive home-sharing partner for the buildings. In turn, the buildings — a handful so far — receive a portion of the rental proceeds.

“In many cases condos and co-ops aren't philosophically opposed to home sharing,” Mr. Frank said. “What they need is accountability.”

Stan Kliszowski is the board treasurer of a seven-unit condominium building on the Upper West Side that recently signed on with onefinestay. “Some of the owners of other apartments had heard about Airbnb and the kind of problems you can have with it,” said Mr. Kliszowski, who owns a duplex with two terraces and travels for a good portion of the year for his job at a global management consultancy. “They were willing to rent their apartments but not really sure about how they wanted to do it. Now they have this support team.”

Last year, while Mr. Kliszowski was out of town, his terrace irrigation system sprang a leak. Onefinestay stepped in and had it fixed. Having a team to manage empty apartments while the owners are away, he said, “adds security to both my apartment and to the building.”

By focusing on details that rental hosts may not have the time or disposition for, the start-ups aim to bring hotel standards to the online vacation rental market. Onefinestay requires each property in its portfolio to adhere to strict standards outlined in what Mr. Frank describes as an “inch-thick” manual, from the number of wine glasses available for guests to the thickness of the mattress (at least five inches). Properly spells out the duties of its cleaners, from the removal of cobwebs to vacuuming under couch cushions.

Airbnb, which has been working on a blueprint for its own set of hospitality standards, has taken note. The company declined to comment on the fledging companies, but acknowledged that it has been testing an on-demand cleaning start-up, Handy, in New York, among other cities.

Cathy Moore, who owns a brownstone in Park Slope, Brooklyn, decided to dip her toe into the Airbnb waters earlier this year after her downstairs tenant cut her lease short. Signing up for Handy through Airbnb seemed like a no-brainer to Ms. Moore, 53, who designs and makes laptop covers out of her home for her line Fern.

“I don’t know why everyone doesn’t do this,” said Ms. Moore, who rents out the garden apartment for about \$200 a night with a three-night minimum and pays about \$70 for cleanings, including laundered sheets, via Handy before each new guest arrives. “I don’t have to do anything. I just say when I want them to come and what I want them to do. It is so simple.”

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