

Co-op Coalition Survey: Airbnb

Thanks to the 15 members who responded to the survey, several of you who provided thoughtful and detailed responses. It appears that the issue is primarily a problem for larger co-ops because, as one person wrote, it's not a problem "... perhaps because we are so small and notice every person who enters our building." Following is the e-mail containing the e-survey with result in the table, below.

Mike O'Dell, Director
DC Cooperative Housing Coalition
www.CoopsDC.org
CooperativesDC@aol.com

In a message dated 11/5/2014 3:41:22 P.M. Eastern Standard Time, CooperativesDC@aol.com writes:

Do you know if your residents are renting out their units for 1 or more days at a time? For at least 3 co-ops, Airbnb has posed a problem of enforcing rental restrictions (let alone even knowing it is happening and to what extent). A Coalition member wants to know what other co-ops are experiencing and how they are dealing with the matter. The member's request appears at the end of this e-mail. The Coalition would also like to know the extent to which Airbnb or other nightly rental services are affecting co-ops. Please respond to this survey by 5pm, Friday, November 14.

For background, the following is copied from the Airbnb web site (<https://www.airbnb.com/about/about-us>):

Founded in August of 2008 and based in San Francisco, California, Airbnb [enables] people to list, discover, and book unique accommodations around the world — online or from a mobile phone. Whether an apartment for a night, a castle for a week, or a villa for a month, Airbnb connects people to unique travel experiences, at any price point, in more than 34,000 cities and 190 countries. ...Airbnb is the easiest way for people to monetize their extra space and showcase it to an audience of millions.

Thanks for helping one another!

Mike O'Dell, Director
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We just discovered one of our owners is renting out part of their unit using Airbnb – not sure what to do yet. Are other coops experiencing this issue? If so, how are boards handling the situation? Any information would be useful.

<50 units	Not a problem for our co-op.
<50 units	[Our co-op] is not experiencing this--perhaps because we are so small and notice every person who enters our building.
<50 units	[Our co-op] has no renters, only owners in our [small] building. Sub-leasing is permitted with Board approval but no one has asked nor would they be

	approved to rent on a short term basis. So Airbnb has not arrived at [our co-op].
<50 units	<p>Our co-op did have a problem this year with one member. The Board addressed complaints from other residents about security concerns. One Board member had also seen Airbnb reviews for this particular apartment. The Board felt it was a clear violation of our rules, sufficient to threaten termination of this member's occupancy rights. He was informed of these concerns and of possible Board action.</p> <p>Co-op Boards should be aware that a standard question on lenders' co-op questionnaires asks whether any portion of the building is used for short-term or corporate rentals. An affirmative answer to this question could cause a lender to reject any applications from prospective purchasers.</p>
<50 units	Our coop requires all rentals to be on an approved Coop lease form and the Board approves all rentals. Our general policy is to require a one-year lease. Although we have made exceptions to allow shorter terms in certain situations, we would never approve a nightly or weekly kind of rental. Having said that, I would guess that enforcement might be another issue.
50 – 99 units	<p>We became aware of a member's use of Airbnb this past year. We informed the member that this activity violated two Coop Rules:</p> <ol style="list-style-type: none"> 1. Subleases of the unit require Board approval. Nightly rental constitutes a short-term sublease of the unit. 2. Running a business from the unit is prohibited without prior Board approval. <p>We issued a "cease-and-desist" letter. The member initially refused to comply and was fined. The member has now agreed to comply.</p>
50 – 99 units	We have not experienced it (yet). What a problem!
50 – 99 units	[Our cooperative] has not experienced this problem. I'm sure we would not allow this to happen.
100 – 299 units	[Our cooperative] had a similar situation. When I [the manager] saw the apartment advertised on Airbnb, I asked the shareholder about it. She did not deny that she had been renting the apartment in this manner. I wrote to her explaining our rules regarding rentals and she now complies with them. I actually think the longer term rentals (1 year) have worked out to be less stressful for her.
300+ units	<p>We actually have a band of shareholders, that occasionally browses through craigslist and Air BNB, and will forward any advertisements for short-term rentals to my attention, by which I would follow up with an email referencing the cooperative's house rules in this regard.</p> <p>Our concierge is also aware of the issue, and does a decent job of paying attention to suspicious "check-in's", and will alert me, by which I will follow up with the house rules violation and note to the cooperative's attorney. To set an example, the cooperative has taken a past repeat offender to court, and won.</p> <p>Fortunately, I do not believe the issue is so severe at this particular location.</p>
300+ units	Our Proprietary Lease states that each sublease must be at least 6 months in duration. Shareholders are permitted ONE lease per annum with no regard to the term (i.e. a short term lease). Fortunately this language protects us against Shareholders that would seek to list a unit via Air Bnb.
300+ units	We have had at least 3 known violators. Once discovered, each owner was told to stop because the rentals were in violation of our rules and policy as well as being a security issue. However, one individual started offering their unit again a few months later (under a different name). They were informed that if they continued, their ownership would be terminated. It is difficult to monitor and

	<p>requires constant vigilance.</p>
<p>300+ units</p>	<p>This is a very complicated issue and a survey response is not adequate for a comprehensive reply. You may provide my contact information to the requestor and I will provide a detailed explanation of my experience with subleasing violations although to the best of our knowledge we do not have apartments listed on AirBNB.</p> <p>In relation to the survey question, we have provisions in the Bylaws, Proprietary Lease and House Rules that I am certain all cooperatives have. The problem is catching violators. It takes consistent effort of educated front desk clerks and constant oversight by management. If violators are identified, we send a demand letter to cease and desist immediately and notify the shareholder we are also notifying DCRA. Any shareholder who subleases the apartment or even a single room must have a Basic Business License – One Family Rental. If the respondent continues subleasing without application and approval by the Board we use internal enforcement procedures of hearing and then forward to attorney with all costs charged to the shareholder’s account in accordance with the governing documents and the enforcement procedures. Immediate action is best and it is recommended that you let the community-at-large know of the action by the Cooperative, keeping names and apartments confidential of course, and for the purpose of education and discouraging others.</p> <p>The following link contains a fairly comprehensive outline of the single family rental registration process: http://dcra.dc.gov/service/get-one-family-rental-license</p> <p>We recently identified this DC requirement and added the website address and the printed material in our sublease package provided to shareholders inquiring about subleasing. We are preparing an article for our newsletter that explains the DC requirement. We found it applies to the Cooperative for the two apartments owned by the Cooperative, one is used for the resident building engineer (even though there is no rent charged) and the other apartment is used as a Guest Suite for guests of shareholders who stay overnight for a fee to the Cooperative. It was very cumbersome working through the process which involved DCRA, OTR and Department of Housing and Community Development, Rental Accommodations Division, the Cooperative’s attorney and accountant.</p>
<p>300+ units</p>	<p>We identified a few members that were advertising on Air BnB and sent them notices that they were in violations of our rules.</p> <p>We are just getting a (small?) handle on this. Recently we found 3 Members listing their units on AirBnB, sent them a letter, and the 3 listings came down. There is still one AirBnB listing for a townhouse offering 1 night, 1 week or 1 month rental... all against our rules. Basically our rules state a Member can lease their unit (ie the entire unit) for 3 one-year periods with Board approval; each optional one-year period has to be separately approved by the Board. We do not permit or authorize any shorter period of time.</p> <p>How does one know if a Member has a visitor for a few days? Could be a friend or relative. And whether the friend or relative pays for the lodging is not our business.</p> <p>But... here could be the trap... the DC government could move to recover tax revenue from the AirBnB or nightly rental business our Members might be in. This happened in New York -- the government subpoenaed AirBnB records and went after individuals</p>

300+ units	We had the same thing happen. There is language in our equity (owners contract), Bylaws and Rules that specifically say that all rental must get prior written approval. Our attorney notified them on the violation and the ultimately took down the listing. Same thing happened in the Condo that I own and live in – there is a rule that says rentals cannot be less than 30 days so they again were forced to remove the listings or face fines.
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