

This Is Not a Party House

Written by John Ise, BT Contributor
November 2019

The Airbnb model takes a turn for the ugly



What's the difference between a hotel and a single-family residence? With the proliferation of Airbnb and similar short-term rentals, it's not as silly a question as you may think.

Hotels must comply with a litany of zoning, safety, health, and other regulations, as well as be licensed, and collect and forward certain state and local taxes, including occupancy taxes. They are typically located along transit corridors and are designed with appropriate parking and a buffer setback between the hotel and the nearby community.

With the advent of Airbnb's model of short-term rentals, the economics of hotels have been turned upside-down.

Founded in 2008, Airbnb saw the market potential of the "sharing economy," where a person could rent out a spare room in his or her house, condo, or apartment to others, with Airbnb serving as the web-based platform to link consumer to supplier. Think Uber, but with houses.

According to *Wired* magazine ("Inside Airbnb's 'Guerrilla War' Against Local Governments," March 20, 2019), Airbnb has become a "lodging colossus, offering more than 6 million places to stay in more than 191 countries. Its listings outnumber those of the top six hotel chains combined, helping the company reportedly generate more than \$1 billion in revenue in the third quarter of 2018. It is valued by investors at \$31 billion, making it the country's second-most-valuable startup, after Uber. By comparison, Hilton and Marriott's current market capitalizations are \$25 billion and \$43 billion, respectively."

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To which my initial reaction was, “Good for them!” Why stand in the way of people making a bit of income on the side by renting out a spare room or that mother-in-law cottage in the backyard? Case in point: 17-year Biscayne Park resident Paola Ugolini, profiled in a January 28, 2019, *Miami Herald* story. She rents out her backyard poolside cottage to Airbnb guests and has become the most popular Airbnb rental in all of Florida. Charging between \$85 and \$100 per night, Ugolini has become an Airbnb sensation while doing well. Three cheers!

On the flip side -- and there's always a flip side, sad to say -- the City of Miami Beach has been waging an aggressive struggle against thousands of illegal short-term rentals, with fines that start at \$20,000 (until they were recently struck down in circuit court). What motivated the city crackdown was a barrage of noise complaints from sleepless neighbors disturbed by wild and drunken partiers.

Loud, rollicking booze fests with swerving motorists doing their very best to re-create *National Lampoon's Animal House*'s Delta frat house are, well, kinda expected on Miami Beach, with its Sin City reputation. But that would never ever happen in tony Miami Shores, right?

Keen observers of the hyperlocal website NextDoor will note that the hapless folks on NE 105th Street in Miami Shores Estates (the neighborhood in Miami Shores wedged between the golf course and behind the old Kmart on Biscayne Boulevard) are beginning to feel a kinship in misery with their Miami Beach brethren.

According to neighbors of the canal bordering 105th, a handful of short-term rentals have become ongoing nuisances to the quality of life in what is typically a tranquil paradise with little traffic.

Over the past year, several properties that operate as short-term rental businesses have *not* followed the Paola Ugolini model of renting out a simple cottage to the quiet couple or family with young child. Instead, they've been teaming up with event companies to host loud and late-running parties to a multitude of nonresident revelers.

The neighbors complain about the jarring predawn noise, drug use, public sex, profanity, and fights.

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Well, where are the property owners, you ask? And herein lies part of the problem. The owners are nowhere to be seen. They don't actually live on the premises. They live elsewhere and use Internet platforms to rent out the properties to people they don't know for purposes they don't care about -- so long as the check clears.

Then throw into the mix the possibility that the property isn't even owned by people, but rather by a limited liability company. Now who do you complain to?

It's this latter point that has become the sticky wicket for communities. More and more short-term rentals are becoming commercial enterprises with no owner occupancy, whose actual owners don't even live in the local communities, have no stake in the area, and no reason to care how the neighborhood around them suffers from the activities of thrill-seeking renters. The more people who rent the property, the bigger the payday.

The solution isn't hard, although the State of Florida doesn't make it easy. In 2011 the legislature prohibited cities from regulating short-term rentals, although the ban was later amended to allow localities to regulate their short-term rentals based upon issues of noise, trash, and other detrimental consequences. But municipalities cannot prohibit short-term rentals or regulate the time duration/frequency of the rentals.

Irrespective of Tallahassee's dim-wittedness, the Miami Shores Village office of code enforcement has been on top of the issue in recent weeks, enforcing noise and parking restrictions. But even when one group of partiers is tamed, another group comes behind them and same issues repeat.

On a weekend when I bicycled over to 105th, I found the streets empty and peaceful. The very next day, a Sunday morning at 7:00 a.m., I received a text suggesting I bike back on over. Young partiers decked in Carnival regalia were streaming into the neighborhood by car and Uber. Again, this was a Sunday at 7:00 a.m. I doubt any church service was being held in the property they were entering.

But the village, to its credit, sent its code enforcement officer, a Vin Diesel doppelganger,

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directly over to address the situation.

In addition to code enforcement and advocacy to amend state laws, the village could explore added parking restrictions in Miami Shores Estates, require the owners of short-term rentals to keep a log of driver's license information of visitors, enact strict caps on the number of visitors, and perhaps most important, require either the owner or a responsible caretaker to be on site to monitor guest behavior.

Use every tool in the village's toolbox, including the police, to make it impossible for short-term rentals to convert their properties into party houses. Short-term rentals, particularly those that rent unoccupied single-family houses to a multitude of party animals for mass profit, are a threat to the fabric of the Miami Shores Estates community. The village needs to send the unmistakable message that these for-profit enterprises in the middle of residential neighborhoods need to reform or relocate.

Feedback: letters@biscaynetimes.com