



Some Thoughts on Regulating Airbnb

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Kansas City wants to present itself as tech friendly and forward looking, yet too often city leaders stand in the way of innovation. The city stumbled with its effort to welcome ride sharing technology such as Uber and Lyft, but we have another opportunity with short-term rentals (STRs). If we do this right, Kansas City could not only see increased home values, but spur development and be a leader for other cities to follow.

On January 17, Kansas City's City Council will again consider an ordinance regulating STRs such as Airbnb and VRBO (Vacation Rentals by Owner). Some neighborhoods are fearful of change, but there are great opportunities for all homeowners. Failure to think anew could create an uneven and potentially unconstitutional patchwork of regulations that harm consumers and property owners.

STRs have been illegal in Kansas City since 2011, but the City has chosen to overlook infractions and instead work on regulations allowing for STRs. STRs themselves are nothing new. What is new is the ease of finding and booking them thanks to Internet platforms such as Airbnb and VRBO. In the view of some homeowners, STRs amount to boarding houses and would irrevocably change the character of their communities from owner-occupied neighborhoods to more transient rental tracts. But research does not support that fear.

Protecting neighborhood character may sound good, but it is too broad to be a meaningful

standard for regulation. As for fear of crime, there is no research that shows a causal relationship between criminal activity and STRs. In fact, studies have found that an increase in STRs increases property values in the surrounding areas. This shouldn't be a surprise. People who seek to make a living off their homes have every reason to maintain the property and keep it attractive—and the income they receive from STRs helps them do so.

Cities like ours have plenty of housing codes to address issues that might arise from STRs. But there appear to be few actual problems. A public records request of the City Planning and Development Department uncovered only 68 complaints going back to 2014. Fifty-four of them simply noted that the location is being used for Airbnb or a STR, as opposed to specific complaints about noise or crime.

Meanwhile, Kansas City is host to hundreds if not thousands of long-term rental properties. Those homes do not require substantially different regulation—owners are not required to get permission from neighbors or pay additional fees or taxes. What's more, once a unit is rented, there is little incentive to maintain the property—think of the stereotypical negligent landlord. STRs have the opposite impact by maintaining an incentive to be a good host and neighbor.

Those incentives are important. It is in the interest of every STR owner and every online platform to make sure that the experience is positive for everyone. Airbnb wants happy and safe customers; owners want respectful and well-behaved guests. Neighbors should see the opportunity for better-maintained and higher-valued neighborhoods.

The big problem with an outright ban, at least according to Jamila Jefferson-Jones of the UMKC School of Law, is that it amounts to an unconstitutional restriction on an individual's property rights. Cities may be able to regulate the industry, but they may not be able to stop it.

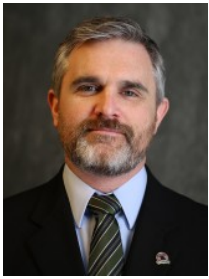
Some regulation may be welcomed by STR owners. Airbnb recently announced it would collect and remit state and local taxes on behalf of their owners. Perhaps a nominal registration fee is warranted as well. People living in apartments or condominiums may want assurances that common areas remain secure. But using the power of government to stamp out a new aspect of the sharing economy is unwise and likely unworkable.

If Kansas City wants to be seen as an innovation leader, it needs to welcome new opportunities. Opening ourselves to short term rentals is a good way to do so.

Tags:

- [Short-term rentals](#)

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