

# “I Don’t Think My Landlord Will Find Out:” Airbnb and the Challenges of Enforcement

Last Modified on 01/07/2019 3:16 pm CEST

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**Date published:** 15 February 2018

**Research commissioned by:** Royal Melbourne Institute of Technology & Western Sydney University

## Why did we select this research?

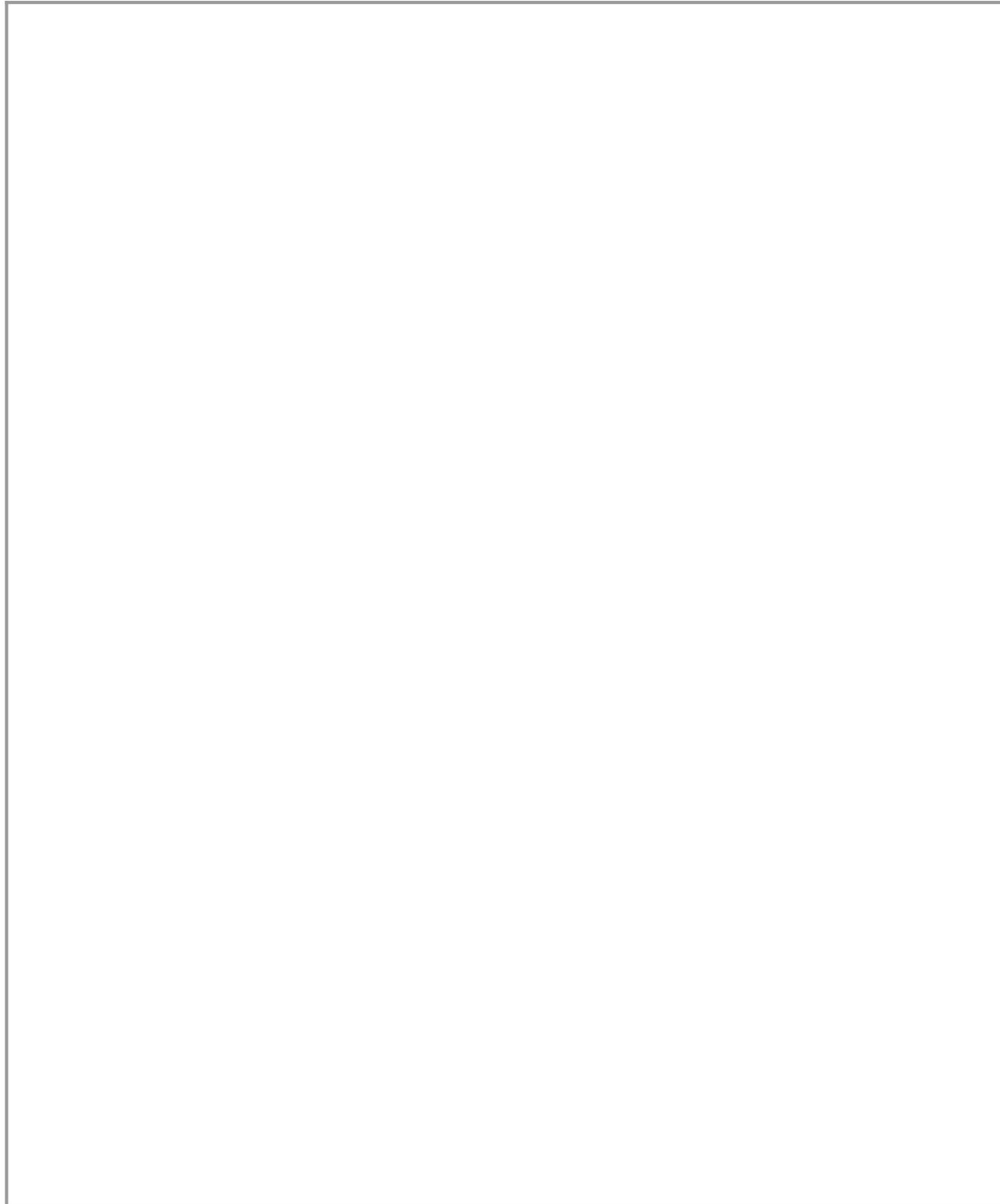
Whilst short-term rentals (STRs) are not new to cities, the past few years have seen extraordinary growth in their use by tourists and business people. The STR sector has become contentious, with claims that it has heavily disrupted established housing and tourism industries.

## Key findings

- Legislation, when drafted well and supported by sound policy, should operate effectively, reducing the need for lengthy and expensive enforcement processes.
- The authors suggest that cities that enforce regulation targeting individual hosts with fines, like Berlin and Santa Monica, have the biggest impact on the number of Airbnb listings in those cities.
- Airbnb professionals, were most affected by steep fines and caps. Some cities have attempted to target Airbnb itself. Findings from the study suggest that it is inconclusive, however, whether this approach has a real impact on the number of Airbnb listings.
- The bottom line is that it is difficult to know who is listing properties (addresses are not included on websites such as Airbnb) and for what period of time, as

well as what actually transpires in terms of stay length etc. this makes it more difficult to pass effective legislation, and under such circumstances, where there is a default enforcement process to accompany such legislation, such a process may not even be able to adequately support STRs that are legally operating in the platform economy.

- Enforcement in general is expensive and time-consuming, and STRs only add another degree of complexity, given how difficult they are to detect
- Challenges also exist with getting STR companies such as Airbnb on board, and on finding ways to discourage investors from “hotelisation”, which can impact on long-term tenants’ opportunity this paper elaborates on the planning implications of the STR market by examining where planning enforcement is situated within STRs. to remain in rental properties.
- Enforcement requires resources and these are limited at the municipal level. Taxpayer funds may be better spent on traditional land use and planning breaches e.g. illegal use or building permit breaches. Practical economics may suggest that there is no point in allocating scarce city funds for STR enforcement. STR regulation may in fact have been hastened by cities. Understandably in times of affordable housing shortages, municipalities have been looking for strategies to keep rental properties on the long-term market



## References

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