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Vacation rentals boom but critics see trouble

By Paul Owers Staff writer

An explosion of short-term rentals by South Florida homeowners has left neighbors complaining and cities scrambling to regulate the practice.

Websites such as Airbnb-.com and VRBO.com have soared in popularity, offering travelers the opportunity to rent rooms or homes that are more quaint, spacious and cheaper than chain hotels .

A yearlong study released in January by the Penn State School of Hospitality Management showed a nearly 60 percent annual increase in host revenue on Airbnb in 12 major metros nationwide, including South Florida.

From September 2014 through September 2015, more than 5,400 operators in South Florida pulled in \$127 million of the \$1.3 billion in revenue generated by Airbnb, the study found. Only New York, Los Angeles and San Francisco accounted for more.

HomeAway, a company in Austin, Texas, that owns VRBO and other sites, says it has roughly 7,700 South Florida property listings, more than double the number from five years ago.

HomeAway has about 1.2 million listings worldwide, the majority of which are second homes not occupied by the owners, spokesman Jordan Hoefar said.

Most of the guests are "families in groups looking for calm, peaceful getaways," he said. "It's a much more affordable way to travel than three hotel rooms for a weeklong stay."

Homeowners say that renting out a spare bedroom or an entire residence to vacationers is a great way to meet new people and earn extra cash. But municipalities, residents and homeowner groups see vacation rentals as nuisances and potential safety risks that should be banned or at least regulated.

Melinda Morgan, 49, of Fort Lauderdale, said vacation renters in her neighborhood routinely blast loud music and party in the street. They also speed through the area, she said, prompting her to put up a sign to remind drivers that children are playing.

"These people are on vacation, so they have different hours and attitudes than the rest of us," Morgan said.

Bob Jasinski, who lives near a vacation rental in Fort Lauderdale's Riverside Park, says he has constant traffic on his dead-end street from renters, taxis and cleaning crews. He isn't opposed to the rentals but does want them regulated.

Susan Thomas, a resident of the Colee Hammock neighborhood in Fort Lauderdale, said she had to call police last year to deal with disorderly tenants occupying the vacation rental across the street.

That was before a Fort Lauderdale ordinance regulating the rentals went into effect. Since then, things have improved, she said, though she's still not a fan of vacation rentals because she said they change the face of the neighborhood.

Thomas recently noticed about a dozen young women at the house across the street carrying what appeared to be formal gowns. She suspects they're in town for a wedding.

"I just hope it's not a bachelorette party because those are the worst," she said.

Despite the improved economy, some homeowners still are struggling financially and are turning entrepreneurial to find new sources of income, said Donna DiMaggio Berger, a South Florida real estate lawyer.

"They're looking to monetize things they own," Berger said. "They're using their cars for Uber and their homes for lodging."

Cindy Levine, a mortgage broker and real estate agent, said she placed an ad on Airbnb last year to rent out a room in her Coral Springs home. At the time, she said, she was unemployed and could not work.

Within two days of placing the ad, Levine said, she received an email from the city of Coral Springs telling her to stop the rental. As a result, she had to cancel five reservations.

Levine said she resents the restriction, saying homeowners should be able to rent rooms if they want.

"It was such a shock," Levine said of the email from the city. "I was really desperate for income. I was flat broke."

Under state law, cities can't ban vacation rentals, but some municipalities have adopted measures to regulate the practice.

Nick Noto, a municipal prosecutor in the Coral Springs City Attorney's Office, said he didn't have details on Levine's case. Coral Springs doesn't have ordinances addressing the issue, he said, but rooms rented beyond 30 days aren't considered vacation rentals and can be shut down, he said.

Other cities are grappling with the problem as well.

Fort Lauderdale last year approved an ordinance that requires people renting their properties to register with the city. Commissioners will be asked June 7 to amend the ordinance to improve compliance.

In a May 3 memo to commissioners, City Manager Lee Feldman wrote that Fort Lauderdale has received 126 applications for vacation rentals and more than \$84,000 in revenue generated from registration and business tax fees.

The city's enforcement efforts led to five property owners ending the vacation rental and 23 properties submitting the required application, according to the memo.

"There are 80 properties with code enforcement action in progress and potentially several other properties that remain unidentified," Feldman wrote.

Matt Little, a Fort Lauderdale spokesman, said in an email that the city is pleased with the success of the program so far. Coordinated training with code enforcement officials, police officers and neighborhood volunteers will help in flagging unregistered properties, he said.

"If there is a property that is disrupting a neighborhood's quality of life, we want our neighbors to let us know so that we can thoroughly investigate," Little said.

State law doesn't prevent community and homeowner associations from banning the practice, and many boards include language in their governing documents that outlaws or severely restricts short-term rentals.

Community associations have found that vacation renters and full-time residents just don't mix, said Steven Weil, president of Royale Management Services, a company in Fort Lauderdale that oversees 28 condo associations in the tricounty region.

Neighbors have no way of knowing whether the vacationers are vandals or just there to have a good time, Weil said.

Hotels and motels are set up for the safety and comfort of visitors. An innkeepers' license allows for problem guests to be easily removed, but those staying in an owner's condo may have squatters' rights and could require evictions, Weil said.

What's more, vacation rentals could void condo insurance policies and result in zoning violations.

"It's kind of like finding a date on Craigslist," Weil said of allowing vacation renters. "It's probably not real smart."

Palm Aire Country Club Condo Association 4 in Pompano Beach requires guests to have parking permits as a way to keep track of illegal vacation renters. Still, even that isn't a fail-safe method because the complex includes 768 units in 14 buildings, said Darlene Smith, president of Palm Aire.

Officials recently discovered two legal renters trying to rent out rooms on Airbnb in violation of board rules.

"We just ran across them by accident," Smith said.

Hoefar, the spokesman for HomeAway, said the company supports regulations on vacation rentals. But ordinances often are written in legal language, making it difficult for people to understand, he said.

Hoefar added that the bans, however well-intended, effectively drive the practice underground and make the rentals less safe for everyone.

"People are just going to find sneakier ways to rent them out," he said. peowers@tribpub.com,

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