



THE HIDDEN COST OF HIDDEN HOTELS

THE IMPACT OF VACATION RENTALS IN HAWAI‘I

THE FACTS

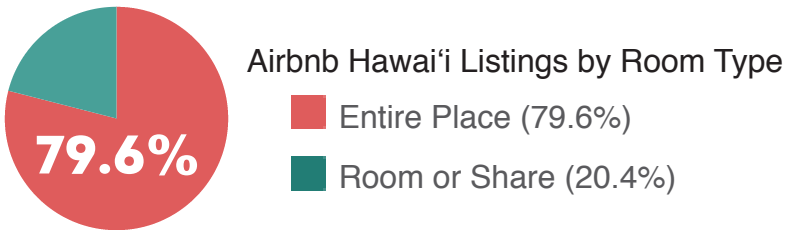
Vacation Rentals in Hawai‘i are growing

There are **27,177** “individually advertised units” (IAUs) in Hawai‘i. IAUs increased by **22%** between 2014 and 2015.

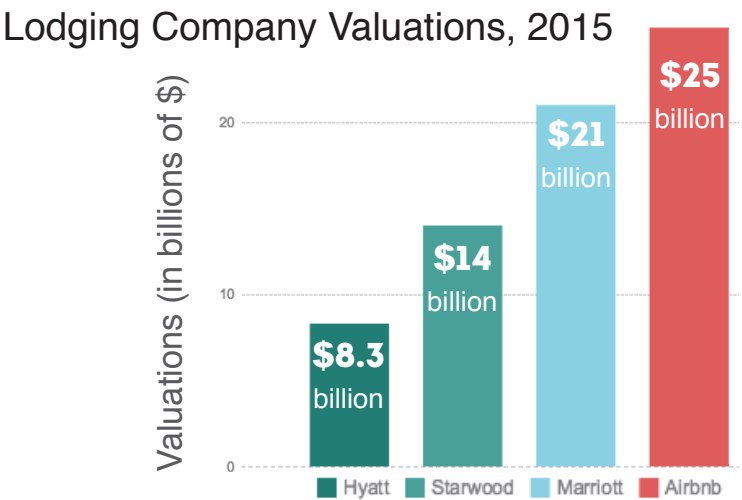
50% of vacation rentals on Oahu are illegal

Companies like Airbnb are profiting

79.6% of Airbnb listings are for the entire place



That’s **5185 homes** that could be rented long-term to residents



THE IMPACT

HOUSING



“My mom worked 3 jobs to afford rent for our 2 bedroom apartment. I’m constantly worried about whether I can afford to live here.”
—Aina Iglesias, UH Manoa student

THE ECONOMY



“It is HLTA’s goal to establish a level playing field for all visitor accommodations.”
—Mufi Hannemann, Hawai‘i Lodging and Tourism Association President & CEO

NEIGHBORHOODS



“How is it that I live in a neighborhood that has both semi-empty vacation rental houses and also one of the island’s largest houseless communities?”
—Amanda Shaw, Waimanalo Resident

HOUSING

6 reports have found that Airbnb has a negative impact on housing

- New York
- San Francisco
- Santa Monica
- Penn State
- Los Angeles Alliance for a New Economy (LAANE)
- California Legislative Analysts' Office

Airbnb drives up the price of housing

Increase in rent of 1-bedroom unit because of Airbnb:

in New York City: **\$288** /year

in San Francisco: **\$912** /year

Many Airbnb hosts have listings for multiple units

Oahu: Hosts with 5+ listings: **13**

Oahu: Most listings by 1 host: **56**

THE ECONOMY

Vacation rental guests spend 36% less on lodging, food, etc. than hotel guests

Hotel guests spend: **\$235.50** /day

Vacation rental guests spend: **\$149.90** /day

Each hotel room on Oahu brings over \$8,000 per year in state tax revenue

Less hotel rooms = less good, local jobs

NEIGHBORHOODS

Number of vacation rentals per housing unit:

KOLOA
1 out of 2.5

KIHEI
1 out of 4.5

KAHUKU
1 out of 5

KAILUA-KONA
1 out of 8

WHAT HAS BEEN DONE

	Allowed Airbnb to be a tax broker	Status
Portland		90% of vacation rentals are illegal. Airbnb refused to release data on hosts to the City. City threatened Airbnb with \$930k fines for non-compliance in paying taxes.
San Francisco		86% of vacation rentals are illegal. Airbnb refused to release data on hosts to the City. Airbnb was not remitting the correct amount of taxes and owed City \$25m. Airbnb is fighting City on requiring permit numbers to be placed on listings.
New York City		72% of vacation rentals are illegal. Airbnb refused to release data on hosts to the City. Attorney General had to subpoena Airbnb for data. Airbnb removed 1500 listings before releasing data to City.
Virginia		Bills are currently being passed that would allow Airbnb to collect and remit taxes on behalf of its hosts. They would forbid any localities from banning vacation rentals. Senate bill was amended to require a year of study before the bill can take effect.
Hawaii		HB 1850 and SB2693 are currently being considered that would allow Airbnb to collect and remit taxes on behalf of its hosts. It would supplant the Counties' efforts to enforce illegal vacation rentals.

WHAT SHOULD BE DONE

Enforce the laws first

Give enforcement agencies the power to:

- Initiate investigations of potentially illegal vacation rentals
- Use advertisements as evidence that a vacation rental is operating illegally
- Issue fines against both the host and the online platform they advertise on

If members of the public file a complaint to the enforcement agency about a potentially illegal vacation rental, the agency should have the duty to investigate and report back its findings to the public.

Give neighbors power to file suit

Give neighbors the power to:

- Sue the vacation rental operator and/or the online hosting platform
- Collect attorneys' fees and seek damages

OPPOSE HB 1850 and SB 2693

It doesn't hold Airbnb responsible for making sure their listings are transparent, thus allowing Airbnb to collect and remit taxes without any way of verifying that the amount they remit is what they actually owe. We need to ensure there is no preemption of existing County laws.

Airbnb has shown over and over that they disregard the law. They do not cooperate with cities.

AIRBNB NEEDS TO #SHAREBETTER