

# MICHIGAN: Short-term rentals are destroying the community fabric of neighborhoods and making us less safe

*Gunshots, Drugs & Out-Of-Control Parties Fracturing Communities & Threatening Neighborhood Safety Through Out Michigan*



## HEADLINES: COMMERCIAL AIRBNBS IMPACTING NEIGHBORHOODS ACROSS MICHIGAN

### NOVI: California Woman Rented Michigan Airbnb For A Month To Meet With 14-Year-Old, Police Say

A 33-year-old California woman was arrested after she flew to Michigan and rented an Airbnb to meet with a 15-year-old boy she had met online, authorities said. Stephanie Sin was taken into custody in Novi and charged with one count each of child sexually abusive activity. ([FOX News](#), 4/12/22)

### CASS COUNTY: Homeowner Rents Out House On Airbnb Only To Discover Unthinkable

18-year-old Dayman Chatman was shot and killed at a large house party in Michigan. Katelyn Gregory said she rented out her house on Airbnb the night the incident took place. ([WDNU 16 News Now](#), 10/10/19)

### SAGINAW: Man Dead After 5 People Shot During Gathering At Daily Rental House In Saginaw

A 29-year-old Saginaw man died of his injuries early Monday morning after he and four others were shot at a house party. The home was being operated like a daily rental spot or a "Facebook party house," according to Detective Sgt. Matthew Gerow. ([MLive](#), 5/3/21)

### DETROIT: Police ask for ordinance to crack down on commercial-operated short-term rentals causing safety concerns

"The city's law department says the ordinance would address the biggest concern the city receives from neighbors about "party houses" by regulating rentals in which the owner does not remain present." ([The Detroit News](#), 11/19/19)

### DETROIT: 4 Shot During Bachelor Party At Airbnb Rental On Detroit's West Side

Four men were shot during a bachelor party on Detroit's west side. The shooting happened early Saturday morning at an Airbnb rental. Police say a large group of people were at the party when an unknown suspect, armed with a rifle, drove by and fired multiple shots into the home. ([WJBK FOX](#), 6/11/22)

### ROYAL OAK: Missing Michigan Teen Found Dead In Detroit Basement

She said her son had attended an Airbnb party in Royal Oak 50 miles south of their home on Friday night and reconnected with the Oxford boy, who'd been a childhood friend. She said that friend introduced him to the people he'd been socializing with the night he was fatally shot. ([Oxygen True Crime](#), 7/27/22)

### CLARKSTON: Neighbors Complain About Short-Term Rentals In Clarkston

There are only three short-term rentals in Clarkston, but they are generating a fair number of complaints from neighbors... City Manager Jonathan Smith: "We're hearing from neighbors that they (short-term owners) don't care," Smith said, as they don't have the vested interest in neighborhoods that traditional property owners do. ([The Oakland Press](#), 6/29/21)

### EAST LANSING: Revolving Door Of Strangers Impacting Neighborhood Safety and Community Fabric.

"Noise from the vacation rentals can create problems for long-term residents... 'The number one complaint is the constant revolving door for these short-term rentals. They've got multiple families in there for a weekend and they treat it like Vegas.' East Lansing's attorney Mike Homier ([Lansing State Journal](#))

**MICHIGAN LEGISLATURE: PROTECT OUR NEIGHBORHOODS FROM UNREGULATED, COMMERCIAL AIRBNBS MAKING OUR COMMUNITIES LESS SAFE. OPPOSE HOUSE BILL 4722**

# A COMMONSENSE APPROACH TO MICHIGAN'S VACATION RENTAL INDUSTRY

## GOVERNMENT RESPONSIBILITIES

- **Create a short-term rental database** through the Department of Licensing and Regulatory Affairs.
- Enforce a **statewide 6% excise tax** on each short-term rental.
- **Share database with local governments**, including any filed complaints.



## SHORT-TERM RENTAL OWNER RESPONSIBILITIES

**Every short-term rental unit must have the following:**



Carbon Monoxide Detector



Smoke Detector



Fire Extinguisher

- **Maintain liability insurance** unless the hosting platform offers greater coverage.
- **File a yearly certificate** that includes the name and address of the owner, rental address and certification of their liability insurance.

## HOSTING PLATFORM RESPONSIBILITIES



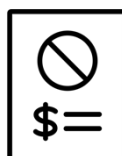
- **Register with the Department of Licensing and Regulatory Affairs** before facilitating any bookings on the platform.
- **Pay an annual registration fee** equal to \$100 per listing, but **no more than \$50,000 a year**.



- Develop and **share a report of transactions** hosted by the platform in the state of Michigan.

## PENALTIES

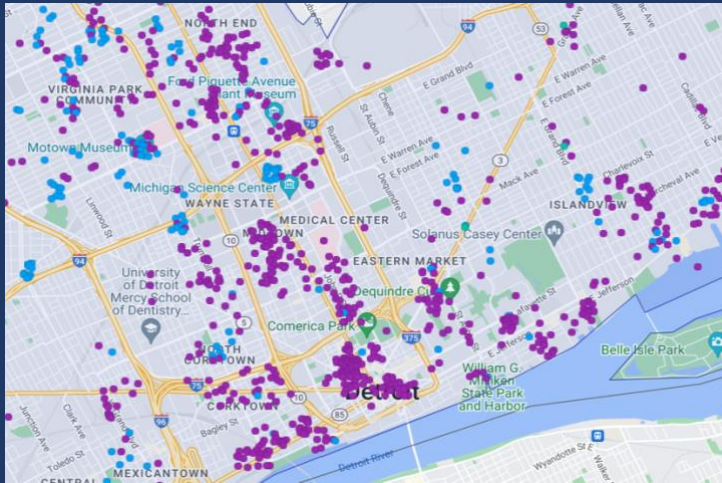
**SHORT-TERM RENTAL OWNER**  
→ UP TO \$1,000 PER VIOLATION



**HOSTING PLATFORM**  
→ UP TO \$5,000 PER VIOLATION

# DETROIT: AIRBNB'S NEGATIVE IMPACT ON HOUSING

*Airbnb & Short-Term Rentals Deplete Housing & Raise Rent Prices*



## COMMERCIAL AIRBNB OPERATORS ARE TAKING OVER THE CITY OF DETROIT

In Detroit, 66% of Airbnbs are now commercially operated – up 71% since the end of 2020 – taking more than 1,300 homes off the market for local residents and workers.

Source: AirDNA.co

**DETROIT NOW RANKS IN THE TOP 10 US CITIES FOR COST-OF-LIVING INCREASES POST-PANDEMIC**

(Go Banking Rates, 9/26/22)



## The Detroit News

**"Metro Detroit's housing shortage continues to grow, currently estimated at about 47,000 units short." (9/25/22)**

## The Detroit News

**"My bedroom acts as my living room, my dining room, my den, my office – all in this 12-by-12 space. Now, even low-income housing is being priced out of the water for a lot of us who are just trying to get by."**

-Sean Bailey, Homeowner (8/27/22)

## Detroit Free Press

**"The ongoing lack of supply in the real estate market suggests that elevated housing prices may endure for awhile in metro Detroit... Housing prices in southeast Michigan were up nearly 15% year-over-year in October, after having more or less regained their pre-Great Recession peak by 2019, according to the latest figures from the closely watched S&P CoreLogic Case-Shiller index." (1/14/22)**

## EVEN AIRBNB ADMITS ITS IMPACT ON HOUSING & NEED FOR LIMITS:

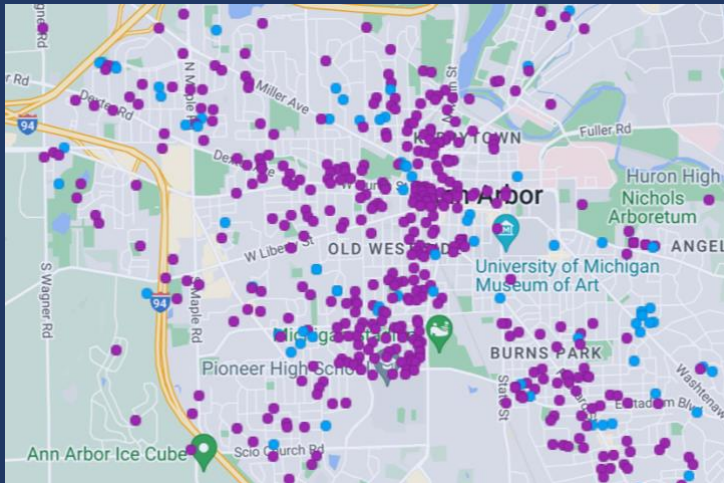
**"We want to limit hosts to one home – just the home you rent. The basic premise is if a city has a housing constraint – [like] San Francisco and New York City – we want people to rent the homes they live in and not take units off the market."**

**-Airbnb CEO Brian Chesky (Economic Club Of New York, 3/27/18)**



# ANN ARBOR: AIRBNB'S NEGATIVE IMPACT ON HOUSING

*Airbnb & Short-Term Rentals Deplete Housing & Raise Rent Prices*



## COMMERCIAL AIRBNB OPERATORS ARE TAKING OVER THE CITY OF ANN ARBOR

In Ann Arbor, 57% of Airbnbs are now commercially operated – up 23% in 2022 alone – taking more than 500 homes off the market for local residents and workers.

Source: AirDNA.co

## The Michigan Daily

**“All we do know is that the number of short-term rentals has indeed grown and that every home used for short term rental is one less unit of permanent housing.”**

-Fmr Ann Arbor City Councilor Jane Lumm (11/9/21)

## Ann Arbor Bans Dedicated Airbnb Short-Term Rental Properties (9/10/20)



While short-term rental properties that aren't owner occupied were recently banned in Ann Arbor's residential neighborhoods, **nearly six in ten short term rental properties are still listed as available more than 90 days per year.** Nearly 25% of listings are available year-round.

“The average sales price for a single-family home in the Ann Arbor school district was **\$621,749** as of April — up from **\$358,103** a decade ago — while the median was **\$565,000**, according to the Ann Arbor Area Board of Realtors' latest market report, which notes homes are selling about **6% above** list price on average.” (5/22/22)



## The Michigan Daily

“I've heard Airbnb investors say... 'Oh well, my house is so valuable anyways,' but that's not the point. **The point is that housing prices are escalating, and (short-term rentals) are part of the reason they are escalating.**”

-Ann Arbor City Councilor Elizabeth Nelson (3/28/21)

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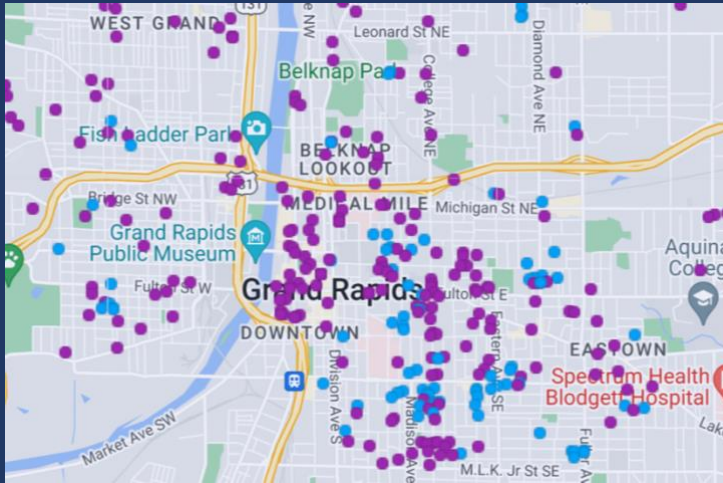
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# GRAND RAPIDS: AIRBNB'S NEGATIVE IMPACT ON HOUSING

*Airbnb & Short-Term Rentals Deplete Housing & Raise Rent Prices*



## COMMERCIAL AIRBNB OPERATORS ARE TAKING OVER THE CITY OF GRAND RAPIDS

In Grand Rapids, 64% of Airbnbs are now commercially operated – a 40% increase over the last three years – taking nearly 500 off the market for local residents and workers.

Source: AirDNA.co

"Gabi Williams, 28, describes the housing market in Grand Rapids as **"cutthroat"** and **"horrendous."** Rental costs have gone up across the country and in Michigan leaving many renters scrambling to find housing."  
*(MLive.com 8/26/22)*

**1.1 Million**  
Michigan renters  
looking for  
housing



**Grand Rapids ranked in top 20 most competitive renter's markets in the nation:** "Experts are reporting a housing crisis for renters in Grand Rapids... On average last year, an apartment in Grand Rapids is only on the market for 25 days, with 22 prospective renters looking at it at once. The city's occupancy rate is at 97%, while the nation's average sits almost two points lower."  
*(2/7/22)*



**Grand Rapids home, rental supply bottoming out amid surging demand:** "There is significantly more competition for homes...and that's really pushed prices up," said Ryan Kilpatrick with heads-up local advocacy organization Housing Next."  
*(2/10/22)*



**Be prepared for higher rents: Housing crisis continues in west Michigan:** "Be prepared for higher rents. Be prepared for a shortage of housing. This cannot be changed by the builders anymore because it's been regulated beyond our ability to work within that."  
-John Bitely, Developer *(8/18/22)*



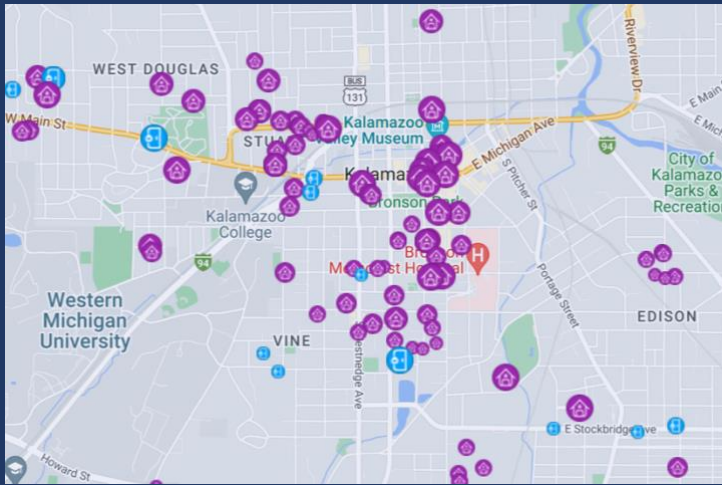
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# KALAMAZOO: AIRBNB'S NEGATIVE IMPACT ON HOUSING

*Airbnb & Short-Term Rentals Deplete Housing & Raise Rent Prices*



## COMMERCIAL AIRBNB OPERATORS ARE TAKING OVER THE CITY OF KALAMAZOO

In Kalamazoo, 59% of Airbnbs are now commercially operated – up 44% since the end of 2020 – taking nearly 200 homes off the market for local residents and workers.

Source: AirDNA.co



“...They [short-term rentals] compete with other buyers to raise prices of houses. When we have absentee landlords who are unavailable or unresponsive to concerns, sometimes there are properties that turn into party houses.” (06/18/22)



**Be prepared for higher rents: Housing crisis continues in west Michigan:** “Be prepared for higher rents. Be prepared for a shortage of housing. This cannot be changed by the builders anymore because it’s been regulated beyond our ability to work within that.” -John Bitely, Developer (8/18/22)

“The majority of renters in Kalamazoo said housing was **unaffordable** in a survey conducted by the W.E. Upjohn Institute for Employment Research.” (06/10/22)



## Michigan Advance →

“Noise, trash and nuisance complaints, and a lack of affordable housing for year-round residents, are some of the issues associated with too many short-term rentals in a community. **Other studies show short-term rentals deplete housing stock and increase rent for long-term renters.**” (11/06/21)

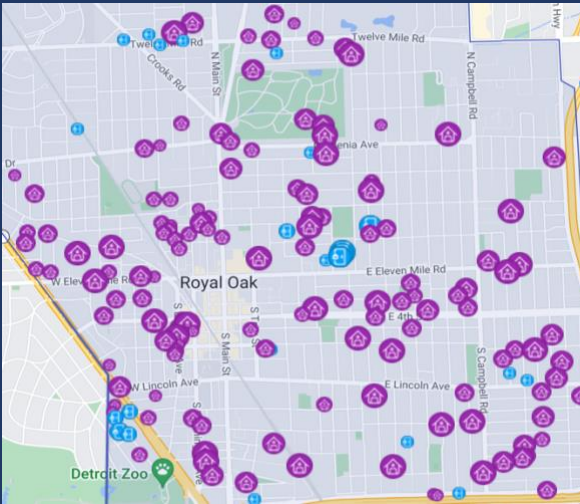


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# ROYAL OAK: AIRBNB'S NEGATIVE IMPACT ON HOUSING

*Airbnb & Short-Term Rentals Deplete Housing & Raise Rent Prices*



## COMMERCIAL AIRBNB OPERATORS ARE TAKING OVER THE CITY OF ROYAL OAK

In Royal Oak, 58% of Airbnbs are now commercially operated – up 44% over the last year – taking more than 200 homes off the market for local residents and workers.

Source: AirDNA.co

"Rental costs have gone up across the country and in Michigan leaving many renters scrambling to find housing." (MLive.com 8/26/22)

**1.1 Million**  
Michigan renters  
looking for  
housing

### ROYAL OAK TRIBUNE

**Oakland County home prices continue to skyrocket as inventory remains at historic lows:** "The county's housing inventory, the number of homes listed for sale, dropped from 3,264 in May 2020 to 1,681 in May 2021, a 48.5 percent decrease. That's about a month's worth of supply.. A balanced housing market has around six months worth of supply." (7/21/21)

### THE OAKLAND PRESS

**Housing market squeezing buyers battling rising mortgage rates, closing costs:** "We are in a crisis... In a balanced market, months supply of for-sale home inventory hovers around six months. In March, the month supply of inventory totaled 1-2 months across Macomb, Oakland, and Wayne counties." (5/2/22)

### THE OAKLAND PRESS

**Michiganders seeing rent costs soar, affordable housing options depleted:** "Between 2015-2019, the number of affordable housing units statewide has decreased by 18% from 541,677 units in 2015 to 443,079 units in 2019, the most recent data available." (4/2/22)



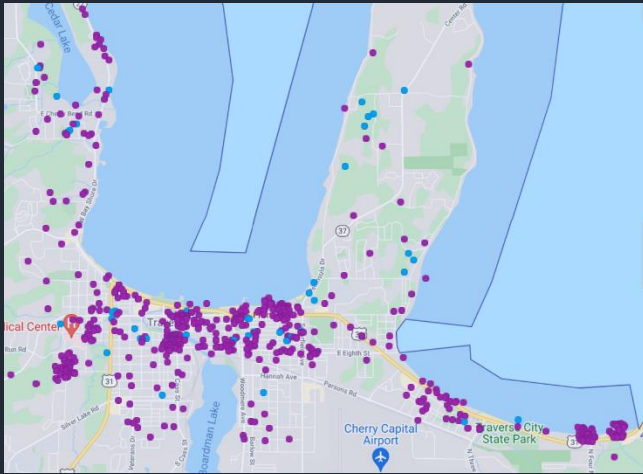
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**-Airbnb CEO Brian Chesky (Economic Club Of New York, 3/27/18)**

# TRAVERSE CITY: AIRBNB'S NEGATIVE IMPACT ON HOUSING

*Studies Show Airbnb & Short-Term Rentals Deplete Housing & Raise Rent Pricing*



## COMMERCIAL AIRBNB OPERATORS TAKING OVER TRAVERSE CITY

**69% of Airbnbs now commercially-operated in Traverse City; 33% increase since 2018 taking more than 400 homes off the market for local residents and workforce.**

Source: from Airbnb website on: [AirDNA.co](https://airdna.co) and [InsideAirbnb.com](https://insideairbnb.com)

## TRAVERSE CITY IS FACING A WORKFORCE HOUSING CRISIS

**TRAVERSE CITY READING EAGLE:**  
**"Short term rentals affect year-round housing"** – "Each short-term rental created is one less home in our community to house teachers, families with kids in local schools, year-round residents who will run for office, volunteer with organizations and shop at local businesses.

There are many factors making housing harder and harder to afford. In this case, the competing demand for short-term rentals drives up prices and removes homes from the local housing stock. This is happening at the same time housing demand is on the rise." **Yarrow Brown, Housing North** (*Traverse City Reading Eagle*, 5/26/21)

## STUDIES SHOW AIRBNB DEPLETING HOUSING ACROSS THE U.S.



**"New York City renters paid an additional \$616 million in 2016 due to price pressures from Airbnb."**

(*"The Impact Of Airbnb On NYC Rents,"* New York City Comptroller Report, 5/3/18)



**"64 percent of Airbnbs in Los Angeles are never occupied by their owners, and operate year-round essentially as independent, unlicensed hotel rooms."**

(*"How Airbnb Short-Term Rentals Exacerbate Los Angeles's Affordable Housing Crisis,"* Harvard Law & Policy Review, 2/2/16)



**"Airbnb incentivizes landlords to remove properties from the long-term rental market...causing rents for long-term leases to increase."**

(*"Sharing Economy And Housing Affordability,"* The University of California, Los Angeles, 5/1/18)



**"Eighty-two percent of Airbnbs are for whole-homes as opposed to an operator's residence."**

(*"The Corrosion Of Housing Access And Affordability In New Orleans,"* Jane Place Neighborhood Sustainability Initiative, 3/28/18)

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**Airbnb CEO Brian Chesky** (*Economic Club Of New York*, 3/27/18)







## **Statewide Michigan Survey on Short-Term Rental Regulations**

TargetPoint Consulting conducted a survey of voter preferences on short-term rental regulations in Michigan from October 4-7, 2022. The data were weighted to approximate a target sample of adults based on age, gender, educational attainment, race, and region. High-level findings from the 400 respondents include:

### **Most Michigan voters (75%) favor local control of short-term rentals.**

- **75%** think local government should set rules and regulations for short-term rentals. Only 17% think state government should.
- **84%** agree that local governments better understand the needs of their communities and creating a one size fits all solution at the state level that will be almost impossible to change doesn't make any sense.

### **8 out of 10 Michigan voters are concerned about Airbnbs' negative impact on neighborhood safety, housing costs and character of neighborhoods.**

- **82%** are concerned that commercial investors are buying up residential homes and evicting families in order convert them into short-term rentals on Airbnb; removing housing options for permanent residents and raising the cost to rent or buy a home.
- **3 out of 4** women voters say they feel less safe with an Airbnb in their neighborhood.
- **82%** are concerned about their children playing outside if they lived next to a short-term rental where strangers were coming and going every night.
- **76%** agree When a family buys a home, sometimes investing their life savings, they have an expectation of living in a safe community with full-time neighbors, not living next to homes that have been turned into short-term rentals with a revolving door of strangers every weekend.
- **82%** are concerned that If a commercial investor bought up multiple homes in their neighborhood, replacing neighbors with a revolving door of strangers, it would have a negative impact on the character of their neighborhood.

### **Michigan voters oppose H.B. 4722 limiting localities' ability to regulate short-term rentals. Voters are less likely to vote for a legislator who supports the bill, by nearly a 3 to 1 margin.**

- **55%** oppose state legislation that would limit the ability of local governments to regulate short-term rentals, like Airbnb and VRBO. Would you support or oppose this bill that would limit local control of short-term rental laws.
- **58%** would be less likely to vote for a legislator who voted to take away local government control of regulating short-term rentals in their communities.

### **Michigan voters believe short-term rentals should pay their fair share of taxes and respect neighbors' rights.**

- **8 in 10** voters say Airbnb should "pay the same as everyone else" after hearing that they enter into "voluntary tax agreements" with state and local governments.
- **7 in 10** voters agree that "properties that are rented out like commercial real estate should be restricted to doing so only in areas that are zoned for commercial use not in residential zones."
- **Nearly 2 in 3** voters disagree that "homeowners should have the absolute right to rent out their homes as they see fit without consideration of their neighbors."