

## MARBLEHEAD PLANNING BOARD

### A STUDY ON AIRBNB LAND USE

January 2019

#### INTRODUCTION

Last year the board discussed studying short term rental regulations. Because there has been a rise in these in the town, it seemed that this contemporary and increasing land use deserved study. To determine what makes sense for Marblehead, in addition to looking at what other communities are doing, the board invited comments and held a public meeting. The purpose was to gather information on what the issues are with this use from operators, abutters and other interested persons. The board is looking at the issue through land use perspective only. The board will focus their efforts on safety and registration only to continue exploring mechanisms to address professional and commercial short-term rental operators, which may be stressing an already thin housing market.

#### OTHER COMMUNITIES

The board looked at other communities regulations and how they work in those communities. Salem, Boston, Cambridge, Somerville, Northampton, Amherst.

#### BACKGROUND ON SHORT TERM RENTALS

For the purpose of this study short term rentals are rental units that use site such as, Airbnb, Homestay, VRBO. The length of stay is not defined. There are presently over 60 short term rentals in Marblehead.

#### PUBLIC MEETING & COMMENT

The Planning Board held a workshop /discussion on November 29, 2018. More than 45 people attending the meeting.

Board learned that positive contribution short-term rental use provides a unique economic benefit to home owners and tenants.

#### Positives learned

- Short term rentals fill a void in lodging options especially for families and people traveling with children under
- Are good for tourism -allow people to stay in town and airbnb host often promote local businesses especially in the off season
- Provides a long term option for housing to care for sick relative

#### Issues

- Parking is an issue, noise concern about fire safety

- No one present to lead certification for children under 6

The board also received comments outside of the public meeting about noise and trash, inability to contact owners and general nuisance

Other things learned through the comments the planning board learned that the short term public meeting, public input and following that, the Health dept. and building dept.

There seemed to be a desire to prevent out of town owners from buying homes for the purpose of renting but allowing people who live in Marblehead the ability to do. This maybe discriminatory and not possible.

The board sees a benefit in limiting to persons and not LLC's

In late December 2018 the Commonwealth enacted laws regarding short term rentals

*The short-term rental rate varies by locality and is the total of the following rates:*

*State: 5.7%*

*Local: A community impact fee of up to 3% may be assessed locally on professionally managed properties (Owners of two or more units in one town).*

*The law requires regulations to minimize the administrative burden on tax filings for those who only rent their unit five (5) months or less each year.*

*The tax imposed by the new law does not apply to properties rented for fourteen (14) days or less per calendar year. It is important to note that these properties are still subject to the other requirements of the law, such as insurance and registration.*

*It will take effect on July 1, 2019*

*The law exempts from tax any 2019 rental contract that was completed on or before December 31, 2018. Rental contracts that were signed on or after January 1, 2019 for stays on or after July 1, 2019 will be subject to the tax. We anticipate that the Department of Revenue will issue guidance on how to handle the tax on bookings made on or after January 1, 2019.*

*Ordinary rentals, such as an annual lease or a tenancy-at-will are not covered. The new law applies regardless of whether the owner rents the property themselves, hires a Realtor® to rent the property, or uses an online platform to facilitate the rental.*

*Each rental unit will need to be listed with the state short-term rental registry. Additionally, each city and town is permitted to create a registration requirement for short term rentals. Check with your municipal government office for details.*

*Cities and towns may implement a health and safety inspection requirement and set the frequency of inspections. Short-term rental operators are required to cover the cost of inspections and will likely face a fee to cover registration costs as well.*

In the future local registration and self-compliance with health and safety and local tax may be warrant further study. At this point the board has decided to see how state laws affect short term rentals.

