



COMMUNITY BUILDER

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Short Term Rentals: Don't Wait to Address This Important Issue

Short-term rentals have been a topic of discussion in the community association industry for years now. Still, many associations have been blessed not to face any negative impact from the existence or lack thereof, within their communities. It is only a matter of time before an association faces the complexities of short-term rentals. Even if short-term rentals do not affect your association today, we recommend preempting any issues by becoming educated and seeking guidance from the association's legal counsel. As with many things, the simple solution is always to be proactive.



The rise of online platforms has revolutionized how we travel and seek accommodation. Short-term rentals, facilitated by platforms like Airbnb and Vrbo, have gained immense popularity worldwide. However, this new trend has also sparked debates and challenges within community associations which strive to maintain harmony, security, and property values. We will explore the positive and negative impacts of short-term rentals on community associations and guide how a board of directors should navigate setting rules and regulations to mitigate potential issues.

Positive Impacts

The idea of a short-term or vacation rental is relatively simple. Individuals looking for a clean, safe, enjoyable place to stay often can do so at a cheaper rate than a hotel. Frequently, short-term rentals offer more exciting places to stay, with specific unique characteristics not found in hotels. Plus, property owners have their own set of benefits as well.

1. **Economic Benefits:** Short-term rentals can inject additional income into community associations, as homeowners who are more financially sound are more likely to pay assessments. There is also a benefit to homeowners in that

the income from renting their home or unit can lead to improvements to the condition of the home and ultimately to increased property values.

2. **Flexibility for Homeowners:** Short-term rentals allow homeowners to utilize their properties when not in use, making it financially viable to maintain a vacation home or investment property. This flexibility can appeal to those who value freedom and want to offset homeownership costs.
3. **Enhanced Cultural Exchange:** Short-term rentals often attract tourists and travelers who desire a more immersive experience in the local community. This promotes cultural exchange and contributes to a vibrant and diverse community atmosphere.

Negative Impacts

Short-term rentals sound like a good deal for all parties. Yet, there has been an increasing trend among community associations to ban them out and out. For all the listed benefits, short-term rentals can have real implications and downsides for community associations. The impact is that the advantages are reserved for the individual homeowner while much of the risk is assumed by the community.

1. **Disruption to Community Atmosphere:** Frequent turnover of short-term renters can disrupt an association's sense of community and stability. Neighbors may feel a lack of familiarity and increased security concerns due to the constant flow of strangers.
2. **Increased Noise and Traffic:** Short-term rentals can lead to increased noise levels, parties, and traffic, causing disturbances and inconvenience for permanent residents. This can erode the peace and tranquility that community associations strive to maintain.
3. **Strain on Shared Amenities:** Community associations often provide shared amenities such as pools, gyms, and parking facilities. Short-term rentals can strain these resources, leading to overcrowding and conflicts over usage, creating frustration among residents.

Adding Short-Term Rental Restrictions

To begin down the path of placing restrictions on short-term rentals, the board must first determine where they stand in the present day. Due to the nature and sensitivity of this topic, the board should start by engaging the association's legal counsel who will be able to provide quick guidance for the association as it relates to state and local laws that either prohibit rentals already (and therefore supersede the governing documents) or prevent the association from placing restrictions on short-term rentals.

Here are some additional steps to consider:

1. **Assess Community Needs:** Consider holding a town hall or survey to gauge the opinions and concerns of homeowners about short-term rentals. Understanding the community's pulse will help guide the decision-making process and strike a balance between different viewpoints.
2. **Craft Clear and Enforceable Policies:** Develop rules and regulations that address specific concerns raised by the community. Policies may include restrictions on the frequency and duration of rentals, noise limits, and parking regulations. It is essential to communicate these policies clearly to all homeowners.

3. **Enforce Compliance:** Establish a clear enforcement mechanism for violations of short-term rental policies. This may involve issuing warnings, imposing fines, or other ramifications. Remember that like with all covenants, consistent enforcement will help maintain order and protect the interests of all residents.
4. **Monitor and Adapt:** Regularly review and update the policies as necessary. Keep abreast of evolving trends, technologies, and community dynamics to ensure that rules remain relevant and effective.

Short-term rentals have been around for years, and many associations still need to adequately address how they will govern their existence within their community. Short-term rentals can have positive and negative impacts on community associations. At the same time, they offer economic benefits and flexibility for homeowners, but they can also disrupt the community atmosphere and strain shared resources. The board of directors play a crucial role in navigating this complex landscape by implementing clear and enforceable rules that address residents' concerns while adhering to local laws. By striking a balance between the needs of homeowners and the preservation of community values, community associations can thrive amidst the evolving landscape of short-term rentals.

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