



## Short-Term Vacation Rentals:

### Something to Fear?

By Michael W. Hogan

The emergence of online search and booking websites such as Airbnb, Evolve, HomeAway and others helped popularize and grow the private owner short-term vacation rental industry. Owners of investment properties suddenly had a more viable — and often more profitable — option to secure the return on their investments. The trend, however, triggered fearful cries from some community residents; and caught many municipalities unprepared for how to deal with the growing mixed use dilemma.

The debates and battles over sober living facilities, halfway houses and residential care and senior group homes have raged for many years. And, for the most part, owners and operators of those residential neighborhood-based businesses have prevailed with manageable state and local restrictions that allow them to continue operating. Short-term vacation rentals are now facing similar pushback from what is typically a very vocal minority of neighborhood residents fearful that vacation rental guests will turn their quiet domains into year-round spring break party central; complete with loud all-night beer bashes, mountains of trash, traffic congestion and uncontrollable crime waves.

Faced with such resident — *and voter* — backlash, most of the local city governments in coastal south Orange County have already addressed the issue. Following is a quick overview of where they stand.

**Allowable with Permit** — Alternately referred to as Short-Term Lodging Units, the cities of Dana Point, Laguna Beach and San Clemente allow short-term vacation rentals in selected mixed use and/or residential zones with approved administrative or conditional use permit.

**Prohibited by Ordinance** — The cities of Aliso Viejo and San Juan Capistrano have passed ordinances specifically prohibiting short-term vacation rentals.

**Prohibited by Omission** — Some local municipalities, including Laguna Hills and Mission Viejo, prohibit short-term vacation rentals under the concept of ‘permissive zoning.’ In other words, if zoning codes don’t specifically allow them, then they are considered prohibited.

**Planned Prohibition** — Short-term vacation rentals in Laguna Niguel are expected to be officially banned by January 1, 2018. For now, they are deemed prohibited by omission.

If you own a single-family dwelling or condominium and either are or plan to utilize it as a short-term vacation rental, it’s important that you contact your local government to understand their definitions of short-term lodging and the applicable zoning and usage codes. Even if allowable, you’ll be responsible for guest behavior and ordinance violations regarding excessive noise, disorderly conduct, illegal parking and more. Being on a first name basis with code enforcement is rarely a good thing.

So, are fears of short-term vacation rentals in your neighborhood justified? The answer is likely an unsatisfying, “it depends.” Professionally managed vacation rentals can alleviate many of the potential negatives. But people are people. And even the best neighborhoods can have bad neighbors. Some we wish were “short term.”

*Michael W. Hogan resides in south Orange County, California and is an acknowledged expert in the home watch and vacation rental industries. He can be contacted at 949.220.3355 or by email at michaelh@globalmotu.com.*



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