



JOHNETTA PAYE ESQUIRE

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Mi casa, tu casa, but legally maybe not with Airbnb



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THINKING ABOUT BECOMING AN AIR BNB INVESTOR



From apartment to condo to house, Airbnb hosts can post all of the above for potential travelers to reside in during their trips. And while it's easy enough to post and make a profit from travelers, those landlords, owners and tenants may risk highs and lows with doing so.

BUSINESS LICENSE OR NO?

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“Hosts should understand how the laws work in their respective cities. Some cities have laws that restrict their ability to host paying guests for short periods. These laws are often part of a city’s zoning or administrative codes. In many cities, hosts must register, get a permit, or obtain a license before listing a property or accepting guests. Certain types of short-term bookings may be prohibited altogether. Local governments vary greatly in how they enforce these laws. Penalties may include fines or other enforcement. Hosts should review local laws before listing a space on Airbnb.”

On June 22, 2016, the Chicago City Council passed an Airbnb ordinance that would increase taxes on short-term rentals to 21 percent. Under the new ordinance, Airbnb hosts are required to obtain a short-term rental business license and obtain commercial insurance. A host who violates the Airbnb ordinance is subject to a fine of no less than \$1,500 and no more than \$3,000 for each violation.

GUEST OR TENANT?

Another low of being an Airbnb is the guest or tenant debate. In its terms of use, Airbnb defines a guest as “a Member who requests from a Host a booking of a Listing via the Site, Application or Services, or a Member who stays at an Accommodation and is not the Host

Application or Services, or a Member who stays at an Accommodation and is not the Host for the associated Listing.”

If you are a **renter**, your lease may have a different definition of who is considered a guest. Generally landlords specify that someone is considered a guest for a certain amount of days (ex. 10 days or less). An Airbnb guest may be considered a new tenant under your lease if you host the individual in your apartment for longer than the maximum amount of days allowed in your lease. Then there is the possibility that your landlord may refuse to renew your lease because you had too many short-term guests.

If you are a **real estate investor** looking to purchase a condo for Airbnb purposes, you should request a copy of the condo association bylaws before purchasing the condo. Some condo bylaws may have provisions that prohibit owners from hosting Airbnb guest.

TO BE AN AIRBNB HOST OR NOT TO BE

From a legal and financial perspective, there are several factors that condo owners, renters and real estate investors should consider before becoming an Airbnb host. It's not as simple as taking a few pictures of your home, uploading them to Airbnb and granting paid guest access to your home.

Have more legal questions about vacation rentals or being a host? Contact [J. Paye & Associates](#) today.

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Shamontiel L. Vaughn contributed to this blog. Find out more about her at [Shamontiel.com](#).

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