

When Your Neighbors Aren't Who You Think They Are: The Revolving Door Of Airbnb

By Aida Gashi, R.E.M. Residential



With the ubiquity of the recent airbnb ads displaying images of sunny scenes and smiling New Yorkers lauding it, one would be apt to think this is a beneficial service to New Yorkers. However, the only New Yorkers it really benefits are renters that are reaping financial reward from it by having tourists and/or other visitors sublet their units. The reality is airbnb has repercussions that are not all mutually beneficial when it comes to the other party: the landlord and management. For a management company, the liabilities that come along with having airbnb and/or other websites that utilize residential apartments as hotel rooms in their buildings are far-ranging.



When a building's front door becomes a figurative "revolving door" by having strangers come in and out in droves, its security is compromised. At R.E.M. Residential, we make sure our superintendents report any suspicious activity

including unfamiliar people traffic. In the buildings that use electronic key fobs, we restrict the number of activated keys to leaseholders only. If they request a key fob for a guest, we deactivate it once their given duration of stay has passed. This helps us and the superintendents familiarize ourselves with any and all residents of the building, be they permanent or temporary.

The job of a competent superintendent never stops. Be they leaks, electrical issues, maintaining and cleaning, there are always tasks that require attention. By having airbnb providers in their building, a superintendent can neglect their daily routine and priorities when they are now burdened with additional tasks. R.E.M. Residential, clearly delineates in its lease riders what is acceptable in terms of house rules and regulations and makes sure tenants stringently adhere to them. However, itinerants may not be aware of nor comply with garbage and recycling rules. For example, if there is a leak or other issue which requires immediate attention, they may not report it. Someone who is itinerantly residing may not be as fastidious in maintaining sinks, floors and walls. The wear and tear of an apartment having a renting tenant is inevitable but one can only imagine how much more conspicuous it becomes when there is a slew of people streaming in and out in the "revolving door" fashion. Although this year's increased NYC Water Board rate was lower than those in recent years, as a landlord, one must also take into account the heavier load on plumbing a building

incurs with an influx of residents.

One of the more daunting prospects of having a lot of turnover in these airbnb units is bedbug infestation, the bane of any landlord and management company. In rental units, the onus falls upon the landlord to pay for bedbug extermination and preventive measures. As with hotels and motels, the probability of spreading bedbugs is significantly increased in airbnb units.

All of these factors inexorably lend themselves to giving buildings citywide higher insurance premiums in the future as insurance companies become aware of this trend. If tenants are open with management and are amenable to clear dialogue and understanding, perhaps an arrangement of sorts can be made. Ultimately, however, landlords certainly are not getting a piece of the proverbial pie when their tenants regularly sublet their units, but what they are getting is increased spending overall.

About R.E.M. Residential

R.E.M. Residential is one of New York's preeminent real estate management companies with a focus on managing rental buildings for investors. At R.E.M., we adhere to a set of core values that form the cornerstone of our reputation: accountability, integrity and a dedication to an "old school" work ethic that commits us to delivering on every client obligation in a professional and timely fashion.

Accountability is a term that is all too often overlooked by our competitors in the industry. Our firm belief in accountability, however, goes beyond the management of your asset, where our commitment and care adapts your property as our own. An undertaking accomplished through a consistent performance of synergistically tailoring and implementing improvement strategies to all the various aspects of our management services. We are passionate about the buildings we manage and are confident no company can match our attentiveness or the level of experience we bring to the table.

Our belief is that it is our responsibility to do everything we can to provide an unparalleled service of not only maintaining, but most importantly enhancing your investment's value. Our expertise in increasing rent rolls and tremendously lowering expenses is evident in every property that we manage. An approach that has, amongst others, delivered a large Gramercy Park group of buildings we have managed for a number of years, with an astonishing increase in their rent roll of 400% over the last 15 years.

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