PRINCIPLES FOR STRONG HOME SHARING

Airbnb's mission is to democratize travel by allowing anyone to belong anywhere. We make this happen through our people-to-people platform -- we are of the people, by the people, and for the people -- that connects hosts and guests in more than 190 countries.

Cities around the world are embracing home sharing and enabling middle class residents to earn extra money by welcoming guests into all—or part—of their home on platforms like Airbnb. While some cities already have laws in place, others have found a need to update or clarify outdated laws and establish simple guidelines that hosts can easily follow to share their homes with others. We want to enhance our relationships with cities. To achieve that goal, we have released the <u>Airbnb Community Compact</u>, which outlines a series of commitments we are making to be good partners with cities.

Homesharing is an economic boon to cities and to residents who enthusiastically embrace it. Economic inequality is on the rise and home sharing expands the pie for our overwhelmingly middle-income hosts who earn the equivalent of a 14% annual raise on average. Hosts keep 97 cents of every dollar they charge guests on Airbnb - money that stays in the local economy and is often used to pay rent or a mortgage.

Our community is also a powerful source of new tax revenue, particularly where Airbnb can partner with governments to streamline and simplify the process. Since 2014, Airbnb has partnered with dozens of governments around the world and remitted nearly \$42.6 million in hotel, occupancy and tourism tax revenue. In just the fifty largest cities in the United States, Airbnb could have remitted \$200 million in 2015 through these types of partnerships, and we look forward to expanding this program.

Nothing is more important than ensuring the safety of our hosts and guests. Though accidents and property damage are extremely rare, Airbnb's <u>Host Guarantee</u> enables reimbursement for up to \$1 million in the event of damage to a host's personal property. Additionally, our <u>Host Protection Insurance</u> provides \$1 million of primary coverage for Airbnb hosts and landlords, as additional insurance, in over 15 countries including the United States. Both of these programs are offered free of charge to hosts.

And our trust and safety tools allow guests and hosts to verify their IDs by connecting to popular social networks and scanning their official ID. All users can learn about one another through detailed profiles and confirmed reviews, and by sending messages through the platform before booking. Airbnb <u>asks</u> hosts to ensure they have working smoke and CO2 detectors and provides an online tool for hosts to create emergency exit maps.

We are committed to working with governments on smart, sensible rules that address key concerns, generate new revenue, and help middle-income families stay in their homes. We understand that every city is different and as we move forward, we will partner with individual cities to address their unique policy needs. Attached, please find examples of best practice regulations from several cities as well as key issues for consideration.

Key Issues and Best Practices

Every city is unique and there is no one-size fits all regulatory approach to short term rentals. Because each city different, we developed the following principles to help guide policy makers develop thoughtful home sharing regulations:

- Clear Rules for Home Sharing: All residents should be able to share their permanent home without the need for complicated permits or licenses. We encourage such regulations to require streamlined and online registration/permitting processes only. Renting all or a portion of a primary resident's home to visitors should not trigger complex permit rules or alter the character of a property from residential to commercial. Stronger regulation may be occasionally appropriate for residents who rent non-primary homes to visitors for more than half of the year.
- Common Sense Safety Rules: Airbnb's trust and safety tools are intended to educate users about important safety rules and provide information about the individual features of each listing. Some cities adopt simple, and complementary, rules requiring all hosts to carry to maintain working smoke and carbon monoxide detectors in their homes. Others have simply added other features in the legislation, such as requiring hosts to have fire extinguishers or emergency-exit maps in their home.
- **Community Trust:** Cities have nuisance laws in place that address neighborhood character (e.g. occupancy, parking, noise, and garbage) through their own enforcement and penalty procedures. These apply to all similar properties, whether or not the property is rented on a short-, or long-, term basis. Airbnb's robust reciprocal review system and trust and safety tools further protect hosts, guests, and communities. We encourage hosts to think carefully about their responsibilities and understand that hosting comes with a commitment to neighbors and to the community.
- Streamlining Transient and Accommodation Tax Collection: One of the great benefits of homesharing is that it provides a new source of revenue for cities. At Airbnb we are committed to ensuring our community pays its fair share of taxes. However, most of the taxes our hosts are required to pay are based on laws that were written with hotels in mind, and hosts often struggle with complicated processes that were never intended for short term rentals. Cities should streamline these rules and work with platforms like Airbnb that voluntarily agree to assume the hosts' collection obligation to increase compliance and convenience.
- Understanding Home Sharing in Your Community: Airbnb will provide cities with the information they need to make informed decisions about home sharing policies. While protecting host and guest privacy, Airbnb will provide anonymized information regarding hosts and guests in our community to city officials to help inform the development of their home sharing policies.
- Home Sharing That Benefits All: Home sharing rules should not discriminate between neighborhoods or building types, instead allowing all residents to share their home with visitors. Home sharing should be authorized in any zoning district where residential activity is allowed, and all residents whether renters or homeowners should be able to participate.

• **Respecting Rules of Local Communities:** Rules for home sharing or vacation rentals should not override otherwise lawful private contractual agreements such as leases or homeowners' association covenants.

Attached are a number of examples of cities that have passed sensible home sharing rules.