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Large Numbers of Illegal Short-term Rentals Make Housing Scarce for Los Angeles Residents

New Report Details Extent of Violations and Housing Loss

Short-term rentals had removed 7,300 housing units from the market

Los Angeles, CA: Today the Urban Politics and Governance research group at McGill University releases a new report entitled “[Short-term rentals in Los Angeles Are the City’s regulations working??](#)” that outlines the extent of illegal STRs in LA and the impact on housing availability.

Los Angeles passed the Home Sharing Ordinance in 2018 to address an extreme shortage of affordable housing and the negative effects of short-term rentals on long-term housing markets. The Ordinance strictly limits home sharing to primary residences and requires hosts to register and prohibits Rent Stabilization Ordinance housing from being listed as short-term rentals.

The [report](#) reports that more than 35% of LA’s short-term rental listings are illegal more than a year and a half since the City claims to have begun actively enforcing its laws. The report also finds that since a one-time mass removal of listings in late 2019 produced a decline in STR activity in the months prior to the pandemic, there has been no discernible impact of Los Angeles’ regulatory enforcement in the year and a half since.

Prior to the pandemic, short-term rentals were removing 7,300 housing units from LA’s market. STR activity in Los Angeles is highly concentrated in the Venice, Downtown & Hollywood & had a quarter of all listings & revenue in 2021. In Venice, 3.9% of ALL housing units are operating as dedicated STRs, taking housing off the market. In addition, the economic benefits of STRs are narrowly concentrated in the hands of a few big operators. Just 10% of hosts earned more than half (57.5%) of all STR revenue in 2020.

The bottom line is that weak enforcement of the Los Angeles Home Sharing Ordinance allows illegal short-term rentals to fester, taking thousands of housing units off the market during an affordable housing crisis. In addition, STRs are concentrated in three areas of the City, worsening housing and homelessness issues in those areas.

Better Neighbors LA operates a [website and hotline](#) that enables residents and neighbors to report short-term rentals that violate the city’s Home Sharing Ordinance. Along with neighborhood advocates, Better Neighbors will continue door-to-door literature drops around alleged illegal short-term rentals until the City increases enforcement of the Home Sharing Ordinance.

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Better Neighbors LA is a coalition of Southern California hosts, tenants, housing activists, hotel workers, and community members. We believe the best way to support true sharing for hosts and guests is also the best way to protect jobs and the community: by curbing illegal commercial activity in the short-term rental industry.

The report was produced by the [Urban Politics and Governance research group at McGill](#), addresses pressing urban governance problems with rigorous and publicly-oriented research. UPGo is led by Prof. David Wachsmuth of the School of Urban Planning.