



@better_LA
betterneighborsla.org

March 29, 2024

Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, CA 90012

Dear Members of the Los Angeles City Council,

Better Neighbors Los Angeles (“BNLA”) is writing to highlight the ongoing issue of Short-Term Rental (“STR”) hosts falsely advertising the location of their STRs to evade the Los Angeles Home-Sharing Ordinance (“HSO”) regulations, known as the “Bait and Switch” tactic and previously reported on in BNLA’s August 2022 Enforcement Report.¹

In this report, BNLA analyzes recent Airbnb listing reviews and descriptions to provide an updated and expanded analysis of the Bait and Switch tactic both within the City of Los Angeles and in the unincorporated areas of Los Angeles County. Based on this analysis, BNLA also provides a number of recommendations to increase enforcement against illegal listings utilizing this tactic.

Hosts Falsely Advertise the STR Location to Avoid Oversight: The HSO regulates STR activity within the City of Los Angeles. The Los Angeles Department of City Planning (“City Planning”) is tasked with enforcement of the HSO but only monitors listings advertised as being within the City limits. As a result, hosts with illegal rentals in the City avoid detection by advertising their rental unit as being outside City limits. This allows their rental of unregistered or prohibited units, including rent-controlled units, to go undetected by Planning. For example, an unscrupulous hosts list their rent-controlled Venice property as being in unincorporated Marina Del Rey. Once a guest reserves a property, the host sends the guest the actual address of the listing in Venice.

Online platforms, including Airbnb and Vrbo, fail to take adequate measures to verify a rental unit’s actual address. Airbnb’s Rules for Hosts state that “The location information (map pin, address, etc.) on the listing page should be accurate.” Airbnb itself has access to the exact location of these listings and can easily verify their accuracy but it concedes that it only acts after “guests ... report violations of these ground rules.”² The evidence suggests that it rarely takes measures even when it is put on notice.

¹<https://static1.squarespace.com/static/5fc9845732f65217775cb3a5/t/630d175792646053600e4d38/1661802328457/08.2022+Enforcement+Report+FINAL.pdf>

² <https://www.airbnb.com/help/article/2895>

Airbnb Reviews Highlight Bait and Switch Listings within the City of Los Angeles:

One plain way to find listings using the tactic is to examine reviews left on STR listings within the City. Using Inside Airbnb data, BNLA examined monthly scrapes of Airbnb listings from December 2022 to December 2023, searching guests' reviews for phrases like "wrong location" or "different address" to identify Bait and Switch listings. BNLA found over 100 reviews within the City of Los Angeles left by guests that describe the Bait and Switch tactic.³ For example, the review pictured above states the unit's location was "significantly further from the Convention Center than listed in the BnB description."⁴

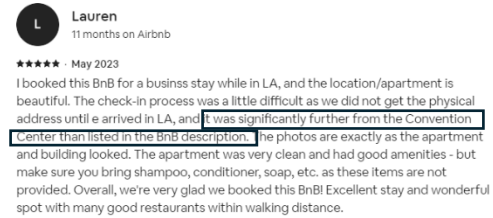


Figure 1 highlights a review that indicates a listing is a Bait and Switch Property

Many guests report being told the real property addresses only during check-in instructions a few hours before arrival. This leaves guests with no ability to cancel or refund the booking, leaving them feeling "scammed." These hosts are violating the HSO by not properly registering and displaying valid registration numbers for their units within the City.⁵ They are also deceiving our City's visitors to make a profit in the Los Angeles STR market. The City should crack down on bad actors who clearly and knowingly violate the law to deter other bad actors from using the same scheme.

Bait and Switch Hot Spots for False Locations:

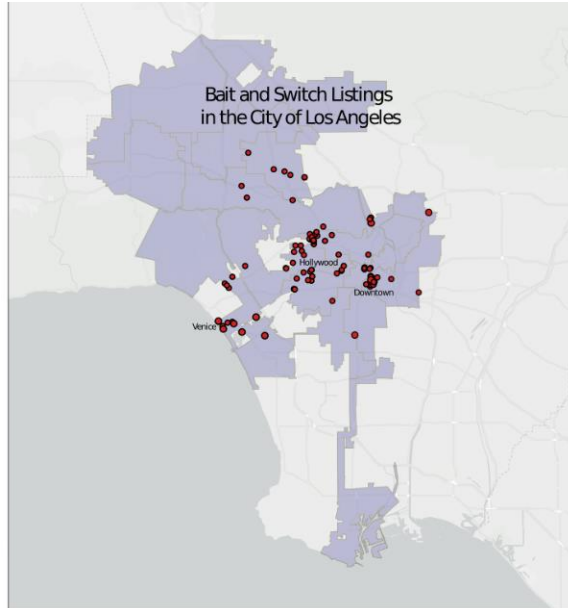


Figure 2: Map of Bait and Switch Listings in the City of Los Angeles

BNLA mapped the locations of 87 listings with Bait and Switch reviews within the City. The Council Districts ("CDs") with the highest concentration of Bait and Switch listings are CDs 13, 14 and 5 and particularly. Hollywood, Downtown, Westlake, and Venice listings have the highest rate of Bait and Switch listings.

There are two reasons why hosts use the Bait and Switch tactic: to make their listing more desirable, and/or to list a property that is prohibited for home-sharing under the HSO. First, hosts may list their STRs within these popular neighborhoods because they are more desirable than their actual location in the City. More often, hosts are listing ineligible properties, such as one protected by the Rent-Stabilization Ordinance ("RSO")⁶ in a

³ The data for this report, unless otherwise noted, comes from the analysis of monthly scrapes of Airbnb's listings and reviews provided by Inside Airbnb: <http://insideairbnb.com/>

⁴ <https://www.airbnb.com/rooms/574688150550988467>

⁵ Los Angeles Home Sharing Ordinance, LAMC Section 12.22.A.32.d.1-2

⁶ Los Angeles Home Sharing Ordinance, LAMC Section 12.22.A.32.b.11 http://clkrep.lacity.org/online/docs/2014/14-1635-S2_ORD_185931_07-01-19.pdf

different location in an attempt to circumvent the HSO.

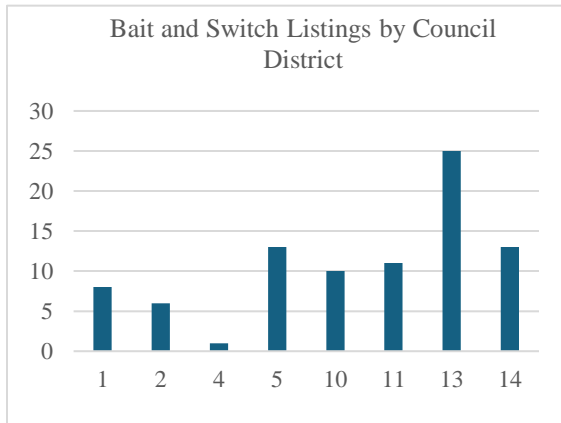


Figure 3 showing which CDs the listings report themselves to be in

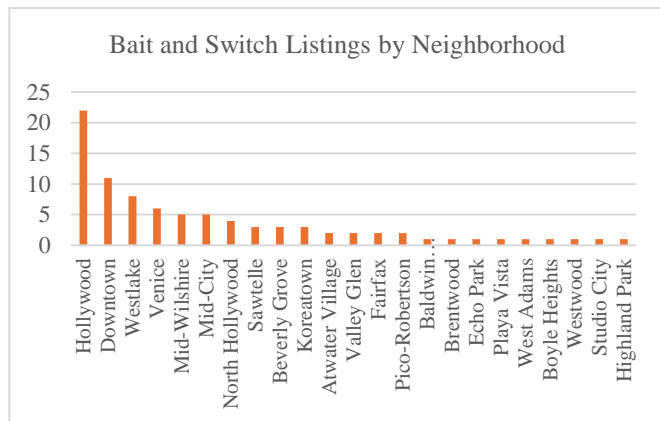


Figure 4 Showing which Neighborhoods the Listings Report Themselves to Be In

Bait and Switches within the City are More Likely to Claim Exemptions: The HSO exempts from registration properties City licensed hotels, motels, bed and breakfasts, and transient occupancy residential structures (“TORS”).⁷ Platforms typically allow a property claiming an exemption to list even when it does not have a valid registration number. Platforms rarely, if ever, verify that a claimed exemption is legitimate. As a result, Hosts often claim an exemptions to list ineligible or unregistered properties. Doing so is a violation of the HSO which requires that all online listings include a valid registration number.⁸ BNLA found that while only 7.7% of Airbnbs in the City of Los Angeles claim exemptions, a shocking 47% of the listings with Bait and Switch reviews claimed some form of exemption.⁹

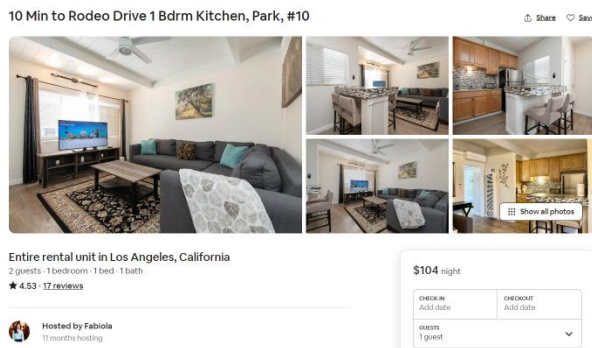


Figure 5 shows the Rodeo Listing

Figure 5 (“Rodeo Listing”) is an example of a Bait and Switch listing claiming an exemption from the HSO. The Rodeo Listing advertises its location in the City of Los Angeles along Miracle Mile on Mid-Wilshire Blvd. Like other “Bait and Switches,” the host of this listing claims an exemption for being a hotel/motel (See Figure 9). City data indicates it is not eligible for this exemption and thus is subject to the HSO.^{10, 11}

⁷ Los Angeles Home Sharing Ordinance, LAMC Section 12.22.A.32.b.11 http://clkrep.lacity.org/onlinedocs/2014/14-1635-S2_ORD_185931_07-01-19.pdf

⁸ Los Angeles Home Sharing Ordinance, LAMC Section 12.22.A.32.d.1-2 http://clkrep.lacity.org/onlinedocs/2014/14-1635-S2_ORD_185931_07-01-19.pdf

⁹ The 7.7% percent was calculated using the number of listings claiming the exemptions out of the number of short-term rentals available on Airbnb for that month.

¹⁰ Data from Department of City Planning on file with BNLA.

¹¹ <https://www.airbnb.com/rooms/837979412583828756>

In a review, a guest noted that the location listed on Airbnb was a “15-minute walk south of the actual location,” evidence that is a Bait and Switch listing. Other reviews of “The Cut on Pico” are similar.

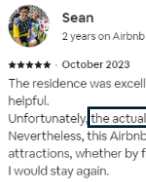


Figure 6 shows a review that indicates Rodeo is a Bait and Switch Property



Figure 7 shows the Rodeo Listing is at the Cut on Pico

A Google search shows the Cut on Pico is located that at 1383 Hauser Blvd. The host “Robbie” confirmed that the building is at the intersection of Pico Blvd and Hauser Blvd. confirming the properties 1383 Hauser Blvd location. Lastly, the City Planning program Zone Information and Map Access System (“ZIMAS”)¹² indicates this address has 12 units.¹³ In the listing description, the host emphasizes this “property is a small 12 unit apartel.” Evidence that the property is located at 1383 Hauser Blvd. is convincing

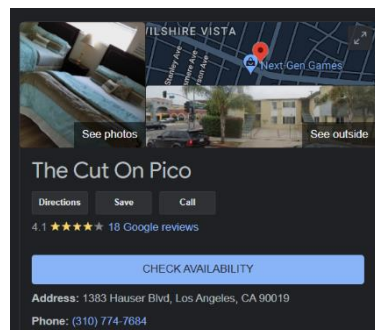


Figure 8 shows the Address of the Cut on Pico

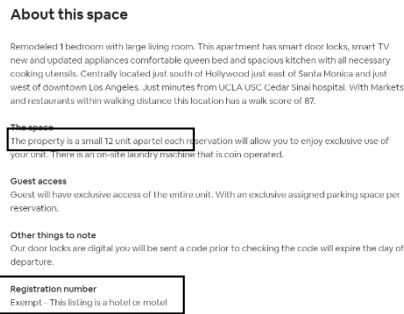


Figure 9 shows the listing is a 12 unit location and that the host claimed an exemption to the HSO

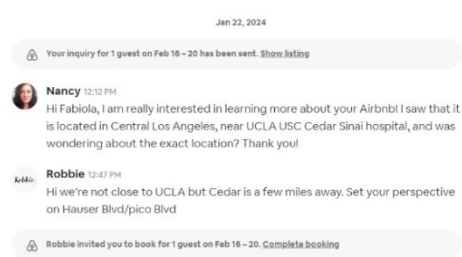


Figure 10 shows the host confirming the location is on Hauser and Pico.

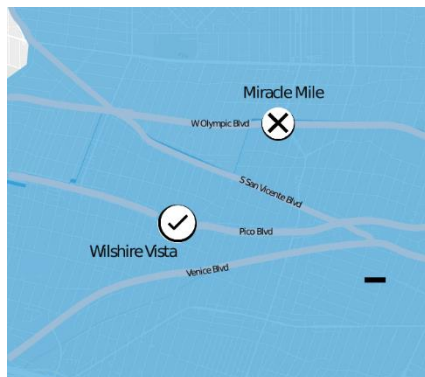


Figure 11 shows a comparison between the fake location of the listing and its actual location

As seen on the map in Figure 11, the X is where The Cut is advertised on Airbnb, while the check is where the listing actually is based on the analysis above. Because this property is in the City, it is subject to the HSO. This listing violates the HSO by not registering with the City or displaying a valid registration number and instead claiming a false exemption.¹⁴ This unit is also subject to the RSO according to ZIMAS¹⁵, making it further ineligible for home-sharing purposes.¹⁶ This evidence indicates this listing is circumventing the HSO using the Bait and Switch tactic to operate an STR in a rent-stabilized apartment, taking away affordable housing intended for long-term residents.

¹² <https://zimas.lacity.org/>

¹³ [Ibid.](#)

¹⁴ Data from Department of City Planning on file with BNLA.

¹⁵ <https://zimas.lacity.org/>

¹⁶ Los Angeles Home Sharing Ordinance, LAMC Section 12.22.A.32.d8

Hosts List their L.A. Properties in Unincorporated Los Angeles County to Evade Regulation: As of the time of this report, there are no regulations in unincorporated LA County protecting housing from conversion into STRs. Because of this gap in regulation, hosts list their properties in these areas when the true location is within the City of Los Angeles to avoid oversight. BNLA found over 70 reviews for 55 listings left by guests that describe the Bait and Switch tactic at units listed as unincorporated County. One guest noted, “The address of the location and actual site is very different! That caused a lot of inconvenience for me. The location is not Marina, it is close to Venice Beach.”¹⁷ This particular guest ended up staying at a hotel, spending more money and leaving dissatisfied.

The map and the chart below indicate a significant portion of Bait and Switch listings are located in unincorporated Marina Del Rey and East Los Angeles. Presumably, hosts claim these locations due to their proximity to Venice and Downtown Los Angeles. Hosts will likely continue to use this tactic as long as City Planning does not monitor properties listed as outside of the City.

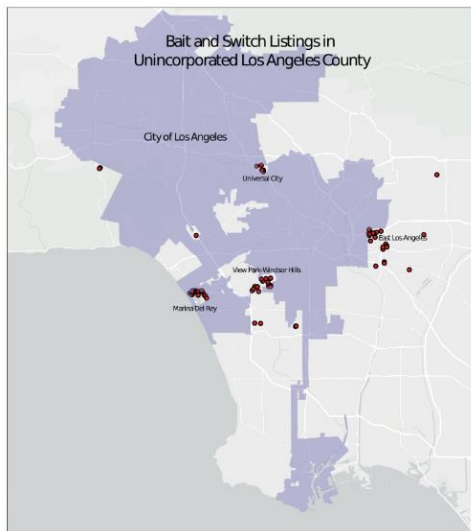


Figure 12 shows a Map of Bait and Switch Listings in Unincorporated Los Angeles County

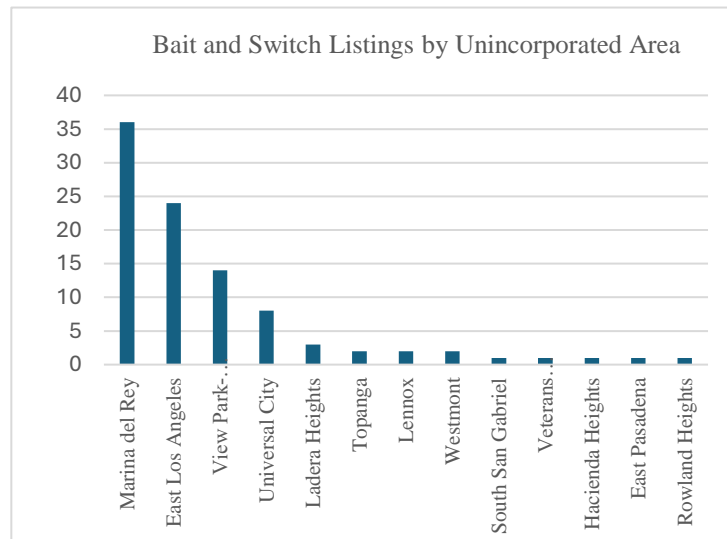


Figure 13 shows the Neighborhoods where Bait and Switch Properties are Located

For example, the Airbnb pictured below has its location set to Marina Del Rey, an unincorporated part of Los Angeles Count.¹⁸



Figure 14 shows the Maxella Listing

About this space

Dream Getaway for 5 guests in Venice.

We are located by 13400 Maxella Ave in Venice, not Marina Del Rey!

It's a 2 bedroom apartment with 2 bathrooms, furnished with high-end furniture and a 50" TV!

Figure 15 shows the Listing's Description and clearly indicates it is in Venice, not Marina Del Rey

¹⁷ Review is on file with BNLA

¹⁸ <https://www.airbnb.com/rooms/975479724868781686>

In reality, as seen in Figure 15, the host indicates the STR address as 13400 Maxella Ave. This address is located in Venice across from Lincoln Boulevard. The Maxwell listing is similar to many of the Marina Del Rey STR listings that BNLA reviewed. Since this listing is within the City of Los Angeles, depicted in blue on the map, it is subject to the HSO and the host is violating the HSO by falsely advertising the location and operating without a valid registration number.¹⁹

Hosts Flaunt False Locations in Listing Descriptions: BNLA analyzed Inside Airbnb and found 40 listings where hosts explicitly indicate they are falsely advertising the location of

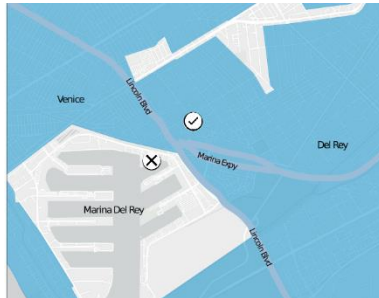


Figure 16 shows a comparison between the fake location of the listing and its actual location

the listing. For example, hosts included descriptions such as: “**Located in DTLA** (Not East Los Angeles)” or “NOTE: This property is in Venice, LA.”^{20,21}. Some hosts went as far as putting the true addresses of the properties in their listing descriptions. Airbnb collects hosts’ provided exact addresses and descriptions for each listing. Using this information, Airbnb could easily identify where there are clear discrepancies, especially in Bait and Switch hotspots like Marina Del Rey. Once identified, Airbnb has the ability to remove the listings.

High Rates of Commercial Hosts Operate Bait and Switch Properties: The HSO stipulates that an individual may not operate more than one STR in the City of Los Angeles.²² Yet, many hosts run more than one STR, which we define as “commercial hosts.” Of all the listings BNLA examined, Bait and Switch properties are disproportionately run by commercial hosts. 80% of the Bait and Switch hosts have multiple listings.²³ This high rate of noncompliance demonstrates that hosts who are evading regulations on one listing are more likely to use this tactic across their portfolio of listings.

Recommendations: As BNLA’s analysis indicates, hosts misrepresenting the location of their STR properties to avoid HSO regulations has become a commonly used tactic. Through a simple search, BNLA found over 180 active listings utilizing this tactic in Los Angeles. These listings remove affordable housing from the long-term rental market and scam visitors. In order to support enforcement against these illegal operators, BNLA recommends the following:

- **Direct City Planning to monitor STR Listings on the Periphery of the City of Los Angeles.** The City currently only looks at listings that indicate their location within the City’s boundaries. As described in this report, many Bait and Switches are on the periphery of the City in Unincorporated Areas. In addition, a significant number of the listings indicate the unit’s location in the description or listing title and can be found with simple keyword searches. If the City reviews such listings in Unincorporated Los

¹⁹ Los Angeles Home Sharing Ordinance, LAMC Section 12.22.A.32.d.1-2

²⁰ <https://www.airbnb.com/rooms/952883506854095286>

²¹ <https://www.airbnb.com/rooms/51977439>

²² Los Angeles Home Sharing Ordinance, LAMC Section 12.22.A.32.C.2.II.D

²³ The number of listings is calculated based on how many listings a host operates within LA, Unincorporated LA, and other cities within LA County. See the Inside Airbnb data dictionary for “calculated_host_listings_count”

Angeles County, they can quickly identify listings that are actually in the City, including Venice and Downtown. The City should then issue appropriate citations and fines.

- **Pass the Blumenfeld motion currently sitting in the PLUM committee of City Council to amend the HSO to include Mandatory Application Programming Interface (“API”) Agreements with all platforms operating in Los Angeles (Council File 14-1635- S12).**²⁴ The HSO requires platforms to provide the City with monthly reports of information the City can use to support enforcement.²⁵ Airbnb is the only platform that shares live data through the City’s API to facilitate oversight. Dozens of other platforms evade regulation by refusing to share information about their operations, leaving the City without the information necessary to monitor compliance. A compulsory API system would allow the City to collect adequate data to enforce upon all violations across all platforms, including Bait and Switch properties.
- **Direct the City’s enforcement agencies to properly enforce against platforms who allow Bait and Switches by imposing maximum fines for each violation.** The City can do this immediately by analyzing and responding to API information received from Airbnb. While the City does not receive the mandated data from most platforms, the City does receive data from Airbnb through the API system as part of their platform agreement. The City should start by imposing fines against platforms for allowing Bait and Switch listings to pressure platforms to eliminate these illegal operations.

Thank you for your time and consideration. Should you have any questions, please contact lbata@betterneighborsla.org.

Sincerely,

/s/

Randy Renick

²⁴ <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=14-1635-S12>

²⁵ See LAMC 12.22 A 32(f)(4).