



NEW YORK STATE SENATOR

Liz Krueger

Sen. Krueger's Statement on the Use of Airbnb for Floating Brothels

LIZ KRUEGER April 14, 2014

| ISSUE: **HOUSING, RECREATION AND TOURISM**

Sen. Krueger issued the following statement in reaction to today's front-page New York Post story on the use of Airbnb to facilitate floating brothels:

"When residential housing ceases to be residential -- via online businesses, like Airbnb, turning residential apartments into illegal, unregulated hotel rooms -- all kinds of undesirable and illegal activity can be brought into a residential building. Prostitution wasn't really at the top of our minds when we passed the 2010 law helping NYC enforce against illegal short-term rentals, but in hindsight it seems kind of obvious.

"Real estate is an extremely well-developed industry here in New York City, where density is what we do best. There's a reason that we zone certain areas, buildings, and neighborhoods to be residential -- both because we need to protect the limited housing stock we have from being arbitrated into other uses, and because residents living side-by-side and on top of one another in apartment buildings deserve some ground rules and guarantees about what they have to put up with. Companies like Airbnb have decided to ignore all that, so they can pull in revenue from the estimated two thirds of their New York City business that's illegal. What do they care? They don't live in these buildings.

"The outcome of this, predictably, has been constant streams of tourists disrupting residential buildings, and other inappropriate, even illegal activity floating from building to building. Today it's a prostitution ring, tomorrow it could be an illegal gambling ring, and maybe next week it could be a drug operation. There's really no way to know.

"What we do know is that Airbnb continues to demand we legalize its illegal conversion of apartments into short-term hotel rooms.

"And while it's nice that Airbnb spares no expense in compensating hosts who experience disasters like the use of their apartment as a headquarters for a floating brothel, that's a textbook PR tactic and shouldn't be mistaken for actual responsibility. Because if Airbnb were truly responsible, they would stop openly violating our local laws, or at least stop enthusiastically encouraging New Yorkers to rent out their apartments without giving them fair warning that it's probably illegal, almost certainly violates their rental lease or coop/condo rules, and could get them evicted."

Sen. Liz Krueger was the Senate sponsor of Chapter 225 of the Laws of 2010, the "Illegal Hotel Law," which clarified certain provisions of the state Multiple Dwelling Law to help New York City pursue enforcement action against illegal short-term rental activity in residential buildings.

Sen. Krueger represents the 28th Senate District, which includes Manhattan's Upper East Side and East Midtown communities. A veteran member of the New York State Senate's Democratic Conference, she serves as ranking member on the Senate Finance Committee.

Background:

- "Hookers turning Airbnb apartments into brothels," Dana Sauchelli and Bruce Golding. New York Post. April 14, 2014.
- "Airbnb hides warning that users are breaking the law in the fine print," Nitasha Tiku. Valleywag. April 10, 2014.
- "Airbnb in NYC: the real numbers behind the sharing story," Jason Clampet. Skift. February 13, 2014.
- "Two thirds of Airbnb listings in NYC are illegal, report says," Adrienne Jeffries. The Verge. February 13, 2014.