

My name is Eric Plow. I have been doing short term rentals for almost 20 years, and have never had one complaint. I have probably done more STR's than anyone else in Chapel Hill. I have 7 apartments in an area surrounded by apartments mostly rented by students, very close to the UNC campus and downtown. My purpose in being here today is to show you that you have been asked to solve a problem that is being promoted by people in different kinds of neighborhoods, such as single-family, far from the kind of area my apartments are in. This can be solved by simple steps without restricting the use of private property.

You were asked by the council to not consider noise and parking issues because those are already addressed in current ordinances. But let's face it, that is what started concerns about STR's. There are many people that are extremely worried about these 2 issues. I have never had these problems, and my experience has shown that noise and parking problems usually emanate from long-term student rentals. I rent to mostly families who are here for special events, funerals, weddings, and whose house is being renovated. I rent to families visiting their college students, who are doing college tours for at UNC, or are here to support a family member who is having medical treatment at UNC. I sometimes rent to single individuals who are here for job interviews, who are attending conferences, or who need temporary housing as the next speaker will explain. All of my guests have been extremely responsible and respectful.

After each Airbnb rental, the host gets to review the guest and the guest gets to review the place they stayed at. When someone wants to rent a place, they see the reviews on where they want to stay, and the owner can see reviews on that guest before accepting the reservation. Therefore a guest that has caused problems in the past are basically black-listed, and the same holds true for owners who provide poor or unsafe housing.

So, if we put aside noise and parking, which is what you are not supposed to consider, what concerns remain? Let's examine them one by one.

- 1) Some people have expressed concerns that there will be strangers in the neighborhood. Chapel Hill is a very transient place. This is not a reason to restrict uses of property that do not cause problems for others. This especially applies to rental apartments such as mine, which is in a multi-family area that is already highly transient. Even in single-family neighborhoods, the question should be how to allow use of property that does not negatively affect others.
- 2) Hotels want to restrict STR's because they want a "level playing field". I am sure that no Airbnb host would object complying with safety standards, such as smoke and CO detectors. The "level playing field" argument was used by taxis to try to stop Uber and Lyft. How many of you have used (and appreciate) Uber? It turns out that there are some families that want all the comforts of home rather than a motel room. Do you want these folks to rent in Durham, Hillsborough, or Carrboro and spend their money there? I submit that taxis and Uber have learned to peacefully co-exist, and the same can occur between hotels and STR's. There is a market for both.
- 3) One big issue seems to be the occupancy tax. Chapel Hill get 3% of any rentals under 90 days. You may not be aware that Airbnb collects the occupancy tax from the renters and automatically submits it to the town. Based on personal

experience, Airbnb accounts for the vast majority of STR's. This means Chapel Hill already gets the lion's share of STR occupancy taxes. Now it is true that some owners may occasionally rent a room in their home without collecting the few dollars of occupancy tax. The cost of hunting these people down would vastly exceed any revenue collected. But this would be a trivial amount compared to what guests spend at restaurants and other businesses in Chapel Hill, for which they pay sales tax, part of which goes to Chapel Hill.

- 4) The last concern is that investors will buy up numerous single-family homes in established Chapel Hill neighborhoods and turn them into Airbnb rentals. This fear is absolutely and completely unfounded. Keep in mind that single-family homes in Chapel Hill sell for a very high price, and in addition to that, owners have to pay high property taxes, maintenance costs, and cleaning between renters. There is not enough STR demand to keep a property occupied most of the time. I know the market, but other than football and graduation weekends, a 25% occupancy rate is good. A 25% occupancy rate will not provide a reasonable rate of return on such a huge investment. On the contrary, anyone engaging in this enterprise would lose a lot of money very quickly. I bought my 7 condos 20 years ago, but if I bought them at today's prices, I could not get enough STR business to make any money. So the fear that investors would buy up Chapel Hill housing and turn them into STR's is simply unrealistic.

Can anyone else think of other reasons that STR's present such a problem that they need to be restricted or even eliminated? We live in a country where the ownership and use of private property is one of our core values. I have hired an attorney to protect my property rights in the event that attempts are made to restrict or eliminate the business that I have spent 1/3 of my life building up, and for which I am earning income during my retirement years. You have the ability to recommend measures that will protect my business. **One of these would be to set out particular uses that are specific to different zoning districts. If the primary concern is for single-family neighborhoods, which seems to be the main concern for the town council, this is the tried-and-true way to accommodate different uses for different areas.**

Finally, my apartments are governed by a Homeowners Association, and it's covenants specifically allow short-term rentals. This task force should not set out to overturn covenants in condominium complexes. People who buy into such complexes have the opportunity to read the covenants in advance. The main purpose of covenants is to set out what uses can and cannot be made of property, and under what conditions. The town should not get into the business of attempting to overturn existing covenants in condominiums relating to use of property so long as such covenants do not impact public safety. HOAs are ways by which people in certain areas mutually agree to allow some uses of property and restrict others. **Negating property-use provisions in established covenants would set a very dangerous precedent.**

I conclude by saying that I will be glad to work with you in any way possible so that it is a win-win situation for everyone concerned.