

From: Son Hawaii [son.hawaii@yahoo.com]
Sent: Thursday, March 06, 2008 6:34 PM
To: Kobayashi, Ann H.; Marshall, Barbara; Djou, Charles; Dela Cruz, Donovan M; Okino, Gary; Garcia, Nestor; Tam, Rod; Cachola, Romy; Apo, Todd K
Cc: City Clerk; Mayor Mufi Hannemann
Subject: Dubai prohibits short-term rentals in residential zones



“E Malama i ka Nohona Kaiaulu o O‘ahu.”

P.O. Box 88131
 Honolulu, HI 96830
www.sonhawaii.org

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 HONOLULU HAWAII

Dear Council Members;

The operators of illegal B&B's and TVU's have repeatedly claimed that “only” Oahu has issues with short-term rentals. Please review the attached PDF file (**Dubai prohibits short-term rentals in residential zones**) that demonstrates their propaganda is false. Visitor lodging business such as B&B's and TVU's being located in residential zoned neighborhoods is increasingly becoming a problem for many municipalities around the country and the world.

Thank you for protecting our residential zoned neighborhoods.

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Emaar warns against short-term rentals

<http://archive.gulfnews.com/articles/07/06/18/10133225.html>

06/18/2007 07:25 PM | By Abbas Al Lawati, Staff Reporter

Dubai: Short-term letting of homes in the Emaar developments is a violation of contract and action could be taken against homeowners, Emaar has warned, but residents said the rules are not clear.

Homeowners cannot let out their properties for less than six months as it is considered a "commercial" activity and requires a trade licence, an Emaar spokesperson said.

Melanie, a homeowner, (not her real name), said she had received warnings of legal action from Emaar if she did not stop letting her Arabian Ranches villa for short periods to holidaymakers.

Disturbances

Emaar said it has "taken action" on one such homeowner. "We respect the privacy of our homeowners and approach this matter with sensitivity. However, when such activities and related disturbances are reported to us, we take appropriate action," said the spokesperson.

According to Tatyana Dreis, short-term rentals manager at Better Homes real estate agency, homeowners could potentially make on average "10 to 20 per cent" more on short-term rentals. The agency began listing short-term rental units two years ago and since then such units listed with them grew from 15 to 130.

A number of real estate agencies have started short-term rentals and many internet-based agencies have also surfaced, targeting potential tourists from abroad. Many of the units listed on the websites and real estate agencies are located in Emaar residential projects. Dreis said, however, that her agency had faced "no obstacles" so far. According to Emaar, although there is no mention of short-term rentals in the contracts, "the same is implied by the clause: 'is for single family residential purposes only'".

Contracts

"Short-term contracts are typically used as holiday lets, for which a trade licence must be obtained from the appropriate authority," said the spokesperson. "Emaar's communities are private gated communities and have not been designed or equipped to be used for commercial purposes. Safety and security is paramount at Emaar's communities and we believe that unapproved activities put a strain on the system." Homeowners and real estate agencies say they have not been made aware of this and that a clear policy on the issue is lacking.

"I was never made aware of this when I was buying the property. Had I known, I wouldn't have bought it," said Melanie, adding that Emaar sales agents were not informing homeowners about the restrictions. When Gulf News contacted an Emaar sales agent as a potential buyer, the agent said that the developer had no restrictions on how long a homeowner could let the unit for, and did not object to short-term lets.

Asked to comment on the correspondence, the Emaar spokesperson said, "Emaar sales agents do not make such comments as they are aware of the rules and regulations governing the use of our properties." When contacted again as Gulf News, the agent said that there was no clear policy on short-term rentals. "We don't allow it but we can't control it either."

Another major real estate developer, Nakheel, however, sets no such conditions on homeowners in its

residential projects, according to a spokesperson. Although running businesses in Nakheel homes is prohibited, short-term renting is not.

Tourists search for alternatives to hotels

Dubai will become a major holiday destination over the next five years, competing with resorts like Orlando in the multi-billion dollar short-term leisure market, a self-catering accommodation expert says.

According to Nick Turner, Managing Director of RCI Middle East, by the time Dubai achieves its target of 15 million tourists annually, 20 per cent of those will be staying in villas or apartments rather than hotels.

"At present, the average stay for a tourist visiting is three nights," says Turner. "Once you've done the old souks, the shopping malls and the beach you've virtually exhausted the reasons for being here from a tourist's perspective.

"So Dubai is now developing like Orlando has over the last 20 years, by broadening the tourism proposition for families of two adults and two children, building huge theme parks and other attractions to extend the tourists' stay and increase their spending while they're here."

Turner added: "Dubai should achieve its target of 15 million tourists per year by around 2015. We estimate that 20 per cent of those will be staying in short-term accommodation, rather than in hotels for three or four nights." Turner's extensive market research shows that tourists from the UK followed by Germany prefer self-catering holidays in Dubai, while six out of ten Saudi families prefer a villa or apartment to a hotel.

Government figures show Dubai now has 7 million overnight guests per year, with beach front hotels and others in corporate districts enjoying occupancy levels of 90 per cent or higher.

"When you consider that, and look at all the new major tourist attractions in Dubailand ... Dubai is moving from the average three-night tourism stay towards two-week family holidays."