

How Can Coop and Condo Boards Further Restrict Short-Term Rentals?

New York City recently adopted Local Law 18, also known as the “Short-Term Rental Registration Law,” which requires owners and/or renters (hosts) who want to rent out their residential units for less than 30 days to register with the New York City’s Mayor’s Office of Special Enforcement (OSE) before doing so. The law also permits certain qualified owners, including any applicable board of a cooperative (coop) or condominium (condo), to add their building to OSE’s “prohibited building list” to prevent any short-term rental of any dwelling unit therein. Reservation sites such as Airbnb, VRBO, and Booking.com will be prohibited from authorizing bookings for unregistered short-term rentals. Even once registered and consistent with previous laws, short-term rentals are only allowed in Class-A multiple-dwelling buildings if the host remains in the same apartment with his or her guests, and no more than two guests are allowed at a time. The guests must also have unfettered access to all of the rooms located in that apartment.

Beginning March 6, 2023, building owners and boards can start registering their buildings for the “prohibited building list.” Building owners and boards should visit OSE’s website to access the registration or the prohibited buildings list application. OSE’s final rules (Rules), which also go into effect on March 6, 2023, provide that owners, boards, and/or managers of buildings that submit a prohibited building list application must include the following information:

1. The name of a natural person making the application;
2. A working phone number for the applicant;
3. An email address for the applicant;
4. The address of the building the applicant seeks to add to the list;
5. An explanation of the relationship between the owner and the applicant;
6. Any proof or documentation requested by the administering agency to substantiate the request where the administering agency has cause to require further verification; and
7. The applicant must also certify that leases and other occupancy agreements for dwelling units within the building prohibit short-term rentals.

To support such application requests, we suggest that coop and condo boards submit a copy of their governing documents (either by-laws, proprietary lease, and/or house rules), which establish that short-term rentals are prohibited in their respective buildings.

Even without registration, building owners and boards will be made aware of applications for short-term rentals by OSE, which will allow them to take action to prevent the rental. To avoid disputes regarding short-term rentals, we recommend that building owners and boards, or their property managers, complete the prohibited building list application once registration opens.

There will be penalties for both hosts and booking services who fail to comply with Local Law 18 and the Rules.



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