



Guide to Short-Term Rentals

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<https://www.a2gov.org/departments/planning/Pages/Short-Term-Rentals.aspx>

Short-Term Rentals are regulated by City Code Chapter 97 (Short-Term Rentals), Sections 7:650 – 7:655; Chapter 55 (Unified Development/Zoning Code), Sections 5.16.1a, 5.33.6, and Tables 5.15.1 & 2; and Chapter 105 (Housing Code), Sections 8:511, 8:516, and 8:517.

What is a Short-Term Rental (STR)? It is a dwelling unit in which guests may stay for up to 30 consecutive days. Examples include bed and breakfasts, rental units (an entire house or a single room) advertised on platforms such as Airbnb and VRBO, and commercial units that resemble hotel rooms.

What types of STRs are permitted? There are three types of STRs in Ann Arbor:

- A Non-Principal Residence STR is a “commercial” rental in which the owner or host does not have to reside. They require a Certificate of Compliance, are subject to inspection under the Housing Code, and are generally prohibited in residential districts. *(If a commercial STR was established before 3/1/2021, it is allowed to continue as a legal nonconforming use under the zoning ordinance—even if located in a residential zoning district, per Sec 5.33.6.)*
- A Principal Residence Homestay STR in which the owner (or 30+ day tenant), who must be a permanent resident, also lives onsite throughout the visitors’ stay. A bed and breakfast (e.g. single room rental) is an example of this STR type.
- A Principal Residence Whole House STR is a rental where the owner (or 30+ day tenant), who must be a permanent resident, does not occupy the dwelling unit while it is rented out. Examples include Airbnb and VRBO rentals of an entire house.

What does permanent residency mean? Where an owner (or 30+ day tenant) has their true, fixed, and permanent home to which they intend to return whenever absent. The following factors are relevant:

- Is there a Principal Residency Exemption for the STR unit under the Michigan property tax code;
- Is the resident registered to vote at the STR address;
- Does the resident have a Michigan driver's license/state identification card at the STR address;
- Does the resident list the STR address on their tax returns;
- What address does the resident use for bank statements, utility bills, etc.

What regulations are there for the interior of a STR? All dwelling units must comply with Ann Arbor’s Building Code (Chapter 100) and Housing Code (Chapter 105). Non-Principal Residence (commercial) STRs are subject to periodic inspections, but Principal-Residence STRs are not.

How many people can stay overnight in a STR? Maximum occupancy may vary and is determined by the Zoning and Housing Codes. Hosts cannot require people to sleep in areas that are not habitable under the Housing Code, which establishes maximum occupancy based on square footage, lighting, ventilation, and exits. Non-Primary Residence (commercial) STRs require a Certificate of Compliance (C of C).

Regarding maximum occupancy under the Zoning Code:

- A maximum of 4 persons, plus their “offspring” (descendants, adopted and foster children) are permitted in all zoning districts, (unless a Certificate of Compliance specifies a lower number based on the Housing Code);
- A maximum of 6 persons as a single unit are permitted in multiple-family and mixed-use districts, (unless a Certificate of Compliance specifies a lower number based on the Housing Code).

What makes a STR different from a registered Rental? The maximum stay for a STR is 30 days whereas registered rentals, which are governed by Chapter 105 (Housing Code) are for longer term leases.

Registered rentals are also inspected and require a Certificate of Compliance, whereas Principal Residence STRs (Homestay or Whole House) do not.

Who is responsible for noise, parking, trash, or other complaints? Community Standards responds to and investigates parking, trash, and vegetation complaints. The Ann Arbor Police Department responds to noise complaints, which must be reported while they are occurring.