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Privileged and Confidential Attorney Client Communication

Kennedy Smith
33 W. Huron St. #703
Chicago, IL 60654

Re: Legal Analysis for Short-Term Rental Eligibility (Lake Point Tower & Platform Compliance), Platform Policies, and Guest Screening

Dear Kennedy,

Thank you for meeting with us last week regarding your new short-term housing and car rental business. In this letter, I've provided my legal opinion and analysis so that you can make informed decisions regarding your purchase of the Lake Point Tower Condo and possible relationship with shared housing rental platforms.

BACKGROUND

This legal opinion is based on the facts provided during our intake conversation. We understand you are currently seeking to purchase a Lake Point Tower unit (505 N. Lake Shore Dr.) for use as an initial property for launching a luxury-oriented short-term rental business via platforms such as Airbnb and Vrbo (previously HomeAway). You are also exploring short-term car rentals, which we will address in future communication. Your longer-term business goal is to manage multiple rental properties. To that end, you've requested our guidance on the Lake Point Tower building's eligibility for such use, as well as implementing standard, legally compliant security and guest screening protocols to protect your investments.

LEGAL QUESTIONS

Question #1:

Is Lake Point Tower Condo eligible for listing with Airbnb or any shared housing platforms?

Answer:

Unfortunately, no. Lake Point Tower is currently ineligible for short-term rentals under both private contract and city laws, with at least three layers of regulation:

- **Condominium Bylaws:** Article 13 explicitly prohibits leasing a unit for “hotel or transient purposes.” Any leases must be for a minimum term of six months.
- **Chicago Shared Housing Ordinance:** This governs all short-term rentals and will be vital for setting up policies for your business. Specifically, regarding the Lake Point Tower building, the building would likely face a density limitation. Chicago limits these rentals in larger buildings to six units or 25% of the building, whichever is less. Even if the condo association chose to change their policies, this unit limitation could present challenges.
- **Chicago Residential Zoning and House Share Prohibited Buildings List:** Chicago has very specific restrictions regarding neighborhoods or residential zones that are and are not eligible, and the Prohibited Buildings List which, as of March 13, 2026, includes the Lake Point Tower building.

Alternate Options:

If you proceed with the Lake Point Tower condo, there may be options for legally renting it out for more traditional, long-term leases of six months or more.

If you’d like to keep focus on short-term rentals, notwithstanding these restrictions, significant opportunities exist for your business in Chicago. We can certainly advise you on the zoning and building questions, and Airbnb provides a helpful summary of Chicago hosting guidelines on their site.

We also note, launching this business will necessitate registration via Chicago’s Shared Housing Registration Portal, and a Shared Housing Unit Operator License should you manage more than one property.

Question #2:

Can security cameras be used in a short-term rental unit?

Answer:

Airbnb and Vrbo have similar policies on security cameras, strictly prohibiting their use inside any listings, regardless of their location, purpose, or disclosure to guests. Outdoor cameras are allowed, with disclosure, for an area such as a pool, but not for any areas where guests should have a strong expectation of privacy, such as a sauna, hot tub, or outdoor shower.

Alternate Options:

There are a number of privacy-safe technologies you could consider for the security and safety of your rental properties, including doorbell cameras, noise decibel monitors in-unit, smart lock/entry to track check-in and check-out times, and devices such as a Nest-connected smoke and carbon-monoxide detector.

Question #3:

Can guests be limited to Native English speakers?

Answer:

You've asked if potential guests could be restricted to native English-speaking individuals. This policy would create significant liability for your business. Filtering guests based on native language can have a discriminatory impact, which would violate the anti-discrimination policies strictly enforced by platforms such as Airbnb. Courts often view language requirements as a direct proxy for national origin discrimination, which is specifically prohibited by Airbnb, and reinforced by Illinois and federal law.

Alternate Options:

Understanding that your underlying concern is likely to be ensuring guests can fully read and comply with your property rules, safety guidelines, and to ease communication with them, we can identify and recommend translation services to assist with welcoming a wide variety of guests. Particularly because Chicago is a major international travel hub, providing welcome materials in many languages and real-time translation services will make your properties even more attractive to visitors, demonstrating elevated customer service. This approach can achieve your goals while ensuring your business remains compliant and welcoming.

CONCLUSION

This letter sets forth our legal analysis based on the facts presented. I'd be glad to schedule a meeting to answer your questions and discuss how we can adapt your strategy to find eligible properties and create a set of policies and regulations that ensure your business meets your needs while fully complying with all platform rules as well as local laws and regulations.

Additionally, if there are any misstatements of facts in this letter it is important that you contact us immediately, as a change in fact may significantly alter our legal conclusions. This opinion is limited to the facts as stated, is current as of the date of this letter, and does not constitute ongoing legal advice.

It was a pleasure meeting you, and I look forward to your response.

Sincerely,

Attorney Atlas Lawson

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