

AIRBNB REGISTERS GROWTH DESPITE INCREASING REGULATION



Airbnb is a phenomenon that has been growing immensely in terms of popularity in the past year. However, recently many countries and cities decided to control the company's activities to tackle many issues connected to them. Despite the increasing regulation, research has revealed that the company is registering a stable growth in Europe's top cities.

According to analysis, Airbnb in London, Amsterdam, Berlin, Paris and Madrid remains a popular accommodation option. **The overall share in overnight stays has risen by up to 3.4% since 2016.** Paris is the city with the highest market share (15.2%), followed by Amsterdam (11.8%) and Madrid (10.1%). Berlin (6.5%) and London (6.9%) are still somewhat behind but are growing nevertheless.

Countries are taking various measures to regulate the market and Airbnb's activities. For example, in Amsterdam apartments may only be rented for a maximum of 60 days per year. Airbnb is obliged to block an offer for the remainder of the year once this maximum has been reached. From 2019, the city wants to decrease the number to 30 and even prohibit renting to tourists in certain areas.

Berlin, on the other hand, has eased its two-year short-term ban. It is possible to rent an apartment for up to 90 days in the German capital. Bremen is also looking to regulate the market with a three-month rental limit, while Frankfurt and Cologne prohibit commercial renting.

Spain is known for increasing regulation of the company. From July 2018, apartment owners in Palma de Mallorca can no longer rent to tourists. A similar ban will apply on the island of Ibiza soon. Barcelona has, meanwhile, suspended all new permits for short-term rentals. Madrid has also regulated a 90-day regulation period, while apartment buildings used for short-term rentals should meet the same requirements as hotels.

In New York, the United States, life is difficult for Airbnb landlords. In October 2016, home-sharing websites have been banned from short-term rentals. Renting a whole apartment for less than 30 days is now illegal. Other cities like New Orleans, Boston and San Francisco, the home of Airbnb, have also introduced regulations to tackle the issues.

But as mentioned, all these regulations have not stopped tourists from looking for their accommodation on Airbnb. This can be seen in the example of Switzerland. The country's cantons and cities have introduced numerous regulations varying from day limitations to additional payments.

However, despite this, Airbnb offers 32,761 properties and 92,315 beds in the country. It is clearly dominating the home-sharing market and within just one year, **from January 2017 to January 2018, the offer on the platform increased by 8,000 properties throughout Switzerland.**

The share of Airbnb beds in Switzerland now reaches 34% of the hotel supply. In January 2017, it was only 25%. There is also an increasing trend towards professionalization of hosts. Only 54.2% of Airbnb properties are hosted by hosts with one object on the platform. A year earlier, it was still 60%. All other providers lead two, three or more objects. At the upper end of the scale, there is

currently an unnamed provider, who offers 184 objects on Airbnb alone.

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