

SPAIN: AIRBNB SEEMS IMMUNE TO TOURISM SLOW DOWN



Airbnb is immune to the most recent tourism slowdown in Spain. The rental platform has not seen a drop in foreign visitors during the summer and has increased once again the number of visitors in the country, reaching over 3.6 million guests in the three months of the summer season.

This number, which significantly increased by 12% over the previous year, includes both foreign visitors arriving to Spanish lands and domestics who visit other cities in the territory.

This has been confirmed by Airbnb itself, which states **that Spain represents the fourth largest market in the world in number of total overnight stays, averaging 99 euros per night.** Barcelona, Madrid and Valencia are the three most visited destinations, with Palma de Mallorca and Granada closely behind.

In the same way, up to 2.1 million Spanish tourists used Airbnb to rent accommodations for their trips abroad, with France, Portugal and domestic tourism itself bringing in the highest numbers.

Airbnb's figures are opposite to the tourism slowdown experienced by Spain. According to the National Statistics Institute (INE), the number of foreign arrivals only increased by 0.3% in the first seven months of the year, reaching up to 47.1 million visitors.

The summer season, a key time for the tourism industry, is not showing promising figures. In July, the number of foreign visitors shrunk by almost 5% (reaching 10 million visitors), a number mostly explained by the fact that tourists from the United Kingdom, Germany and France prefer other Mediterranean destinations that have regained stability and security, such as Egypt or Turkey.

Fewer Rentals in Barcelona

The increase in Airbnb users during Spain's summer season concurs with the slowdown in rental offers, a direct result of the restrictions being placed by Madrid and Barcelona, the two main markets of the country.

In Barcelona, after several fines imposed by the City Council of Ada Colau, Airbnb removed 2,577 rentals on June 1, at the start of the summer campaign. In July and August, as a result of these tighter controls, the destinations suffered consecutive 4% decreases for those two months.

After a period of continuous expansion and with a rate that sparked the anger of the hotel sector and residents of city centers alike, Airbnb closed the summer of 2018 without setting a new record of accommodations and rentals.

The strict measures taken by the City Council have reached a point where Airbnb has had to launch a technological tool, available since June 1, to identify all the hosts that offer rentals. These hosts have to give their consent so that their name, address, or ID is revealed to the local authorities.

Madrid Remains Strong against Adversity

Madrid's situation is quite the opposite of Barcelona's. The capital of Spain has managed to remain strong against adversity during the summer season. Although Manuel Carmena, **mayor of the capital, has also waged war against Airbnb in the city, the measures have yet to take place due to absence of approval from the city council.**

According to José Manuel Calvo, representative of Sustainable Urban Development, establishing a set of measures and restrictions will cause a "massive illegalization" of accommodations in Madrid, putting out of business more than 95% of the current tourist rentals.

However, since these measures are still not in effect, Airbnb registered 17,600 rentals in July and shot up to 18,300 in August, while waiting for Carmena's plans, which will divide the city into zones in the hopes of sinking the strong growth of tourists' go-to platform for rentals.

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