

MANY BERLIN'S AIRBNB HOSTS FACE FINES



Most of Berlin advertisements for Airbnb accommodation still lack the registration number. The hosts are threatened with severe penalties of up to 500,000 euros for not registering. But the business is worth it: in October 2018, the turnover in Berlin was 16 million euros.

About 90 percent of all Berlin Airbnb listings have no registration number, although it is mandatory.

In November, the authorities gave the registration number to only 1,242 hosts. However, the number of active advertisements reached 13,644.

A large number of hosts without a registration number face high penalties under the Prohibition of Use Act. However, there are also some offers for which the law does not apply.

If the hosts want to rent their own Berlin apartment for a short term on the Airbnb platform, they need the registration number. Since August 1, the non-alienation law requires most hosts with short-term rentals to acquire a registration number from the district office. Otherwise, penalties of up to 500,000 euros are imminent.

Exceptions are only accommodations in commercial units or hosts that have received a certificate from the district office. Only around one percent of the hosts make such an exception in their listing.

The Prohibition of Use Act aims to prevent housing from being used for other – often more lucrative – purposes. Eckhard Sagitza, the head of the Department of Housing at the District Office Friedrichshain-Kreuzberg, is also concerned with the protection of the residents.

"The tourists behave like in a hotel, except that there is no reception, and no one controls the whole thing," says Sagitza commenting on frequent problems with guests.

More and more tourists today no longer want to live in hotels in tourist areas, but they are drawn to the popular Wohnkieze to be among real Berliners. "We're talking about rolling suitcase syndrome," says Sagitza. "These are burdens that are hard to bear for the population and that concentrate in certain neighborhoods."

Since July 2018, the number of active Airbnb listings in Berlin has fallen by around 18 percent. If there were 16,549 active advertisements in July 2018, there were only 13,644 offers in November 2018 – presumably also because the high penalties deterred the hosts. Airbnb considers the analysts' numbers unreliable but does not publish its own records.

However, although the number of listings is declining leasing to tourists via platforms like Airbnb remains a money printing machine. All Berlin Airbnb hosts together have alone in October 2018, according to

calculations of the AirDNA analysts 16 million euros in sales. During the high season in July, August and September 2018, it was almost 20 million euros per month.

Over the past few years, Airbnb host sales have been moving in one direction: steeply upward. The annual turnover of EUR 148 million in 2017 has already been surpassed in the first ten months of 2018 (around EUR 159 million). In the two years from 2015 alone (around 71 million euros) to 2017, the calculated turnover more than doubled.

Although the company Airbnb regularly emphasizes its willingness to cooperate, in concrete cases it does not hold any responsibility for sharing its data. Since Airbnb does not publish the names and addresses of the hosts, the district offices are dependent on information from the locals. Despite explicit obligation to cooperate for platform operators, Airbnb refuses the publication of user data. Two lawsuits filed by district authorities against Airbnb for the release of user data failed in court.

"Since the corporate server of Airbnb is in Ireland for all of Europe, the company relies on specific Irish data protection regulations that prevent the company from publishing certain data to the Berlin authorities," said spokeswoman for the Senate Department for Urban Development and Housing, Petra Rohland.

The high penalties imposed by the ban on alienation are likely to have a deterrent effect, as shown by the decline in offers. Nevertheless, the authorities find it difficult to control: they become active primarily when there are complaints from neighbors. Since 2015, the Berlin district offices jointly imposed more than 800,000 euros in fines.

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