

# 2,000 APARTMENTS FOR TOURISTS: VIENNA TAKES ACTION AGAINST AIRBNB



Airbnb is driving up rents. In Vienna alone, 2,000 apartments are being completely removed from the housing market in order to rent them out to tourists. The city is now intervening and taking legal action against Airbnb apartments in community housing.

If you walk around Schwedenplatz, Spittelberg or the Freihausviertel in Vienna, within 500 meters you will pass **around 100 apartments that are no longer available to the normal tenants due to Airbnb**. This is one of the findings of the researchers at the Vienna University of Technology.

The online accommodation platform's slogan goes "Living like a Local", but in reality, their apartments for tourists are pushing the local population out of their hives. Particularly problematic is the fact that the Viennese municipally-owned apartments are also increasingly being offered for subletting on Airbnb. Now residential building councilor Kathrin Gaal is taking legal action against Airbnb.

## 11,000 Airbnb's in Vienna

In 2016 there were already over 11,000 Airbnb apartments in Vienna. Around 2,000 apartments are rented so frequently that they are no longer accessible to normal tenants. This happens particularly frequently in districts 1, 2, 4 and 7, where the central location means that they can be sublet at a higher cost. But also the areas outside the belt are profitable. It is particularly lucrative for Airbnb providers in the 10th and 11th districts, which have hardly been used for this purpose so far. This is where the difference between regular rental and Airbnb rental is the highest. The price difference also makes the municipal housing particularly interesting, since the taxpayer subsidizes the income of Airbnb hosts.

## Vienna's Authority against Airbnb

But subletting the municipal housing is prohibited to prevent such rentals of apartments for tourists. This is now being tackled by the housing counselor who demands that the platforms such as Airbnb and Booking.com delete all advertisements placed at addresses of council housing.

"This form of subletting of municipal housing is strictly prohibited by contract. Anyone who knowingly takes advantage of a breach of contract by a third party is personally liable under the Federal Act against Unfair Competition," states her letter.

In doing so, it also holds the platform operators responsible and threatens to impose penalties if community housing continues to be offered there.

## 60.000 EURO through Airbnb ... Per Month

In general, this form of letting has developed into a real business. In total, around 81 million euros per year are raised through the platform in Vienna alone. But the income is distributed very unevenly. Two-thirds of the money goes to the top 20% of the hosts. The top 0.4% earn at least €

13,500 per month individually.

**The Airbnb top earner alone receives 60,000 euros per month.** This unequal distribution of income is also caused by the fact that the platform has moved far away from its basic idea. From the original idea of CouchSurfing, a concept where people share their living space with the guests and put them on the couch - Airbnb is now miles away from that. Many hosts have several apartments and buy or rent them only for this purpose.

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