

AIRBNB CHINA REPORTS GRADUAL RECOVERY AND POSITIVE OUTLOOK



As China experiences stable and continuous recovery from the coronavirus outbreak that put its markets and businesses on hold, different services are getting back up and the shared accommodation and homestay service sector are one of these industries.

As Labor Day holiday approaches, the number of searches and reservations on various shared accommodation platforms has seen a major surge. **From available data, the search for domestic listings in advance of Labor Day right now is over 2.5 times the number that was recorded last year.** While this might be very surprising considering the fact that China and the rest of the world are still in recovery, there is a rational reason as to why this might be so.

Airbnb China is optimistic and confident about the short-term rental sector as well as the travel sector as China's economy begins to recover.

People's desire and interest in traveling is also increasing. It seems like there is a connection between the recovery in the economy and people's growing interest in traveling, or maybe people had been anticipating the opportunity to travel again even if on a domestic level.

Chinese travelers on Airbnb are looking for domestic travel destinations including Changsha, Nanjing, Shanghai, Hangzhou, Beijing, Shenzhen, Chongqing, Guangzhou, Chengdu, and Xi'an.

Speaking on the recovery rate of the company, the president of Airbnb China, Peng Tao explained that the company is experiencing massive growth in short-haul trips. He further expressed hopes that after the pandemic ends, people to people communication would have been strengthened by the situation.

Ever since the outbreak, Airbnb had stepped in to cushion the financial loss incurred by the local hosts and also helped them deal with the brunt of the massive cancellations they had experienced.

Airbnb organized online training classes that taught at least 10,000 people including local hosts some practical skills that they could apply in the course of the outbreak.

Going further to expatiate on how Airbnb is built on trust and a sense of community, Peng assured that the company had plans to roll out initiatives targeted at helping local communities recover from the pandemic. The first of these measures is the introduction of an early payout program to release immediate cash-flow pressure on the hosts.

For example, for eligible reservations, Airbnb will pay eligible hosts a 50% advance fee two months ahead in order to help them generate funds early enough.

Airbnb is also launching a spring recovery campaign that contains short-haul suggestions and room listing recommendations, as well as a rest assured stays program all in a bid to promote listings with cleanliness and sanitization standards.

Chinese hosts are also experiencing as much positivity and confidence in their short-term rentals

moving forward. Results from a survey conducted by Airbnb China showed that a near-perfect number of 99% hosts felt either elated or neutral about getting engaged in short-term rentals immediately after the outbreak.

72% of these hosts also added that they would maintain their Airbnb hosting activity, with a possibility of increasing it as they go along. Another nearly 60 percent of Airbnb China hosts are looking to accept more weekly and monthly rentals going forward.

A recent analysis of Airbnb host income and guest spending on the Chinese mainland found that the combined activity generated \$3.6 billion in 2019, a 61 percent increase over 2018.

Recent studies into the level of guest spendings and host incomes on the Chinese mainland showed that both activities generated \$3.6 billion in 2019 which is a 60% increase from funds generated in 2018.

The State Information Center also did a financial estimate of this sector and found that in 2019, the revenue of the shared accommodation industry reached \$3.2 billion, representing a 36% increase from the previous year.

Predictions were also made into the state of the industry this year, showing a strong likelihood of tenants to exceed 100 million while shared homes will exceed 6 million.

In light of the improvement and foreseen increase, an analyst from the market Consultancy Analysis, Han Mengying predicts another period of uncertainty for the local hosts. According to him, the epidemic is still affecting local hosts and they could be forced to leave the industry due to a shortage of funds resulting from the pandemic.

Mengying also expressed that pent-up travel demands from Chinese tourists will be released soon, as things revert to normal. He, however, **sees more hope for the hotels than the vocational rental market owing to its nonstandard management methods.**

Regardless of the uncertainties that may face the short-term rental and homestay industry in the near future as the epidemic is contained, it does not dampen the hope that has been raised by increasing numbers of domestic travelers, more booking, and ultimately more money for the local hosts and the industry in general.

As to the hotel industry, the outlook is generally positive as well. David Chang, President, Shanghai HQ Vienna Hotel Co. Ltd said that the Chinese hotel industry should get back into normal by May thanks to domestic tourists. People have slowly started getting back to work, and this has helped the hospitality industry. "Also, with the policies to boost economy being released by the government, the business travel market will also see a turnaround," Chang said

Date: 2020-04-06

Article link: <https://www.tourism-review.com/airbnb-china-is-positive-about-the-future-news11468>