

AIRBNB IN FRANCE ISN'T WHAT IT USED TO BE



Starting in September 2023, a new regulation was introduced in New York, regulating short-term rentals. As per the new rules, renting out your accommodation for less than 30 days is illegal unless the property owner also lives in it simultaneously and accommodates a maximum of two people. Consequently, by mid-September, The Atlantic reported that around 15,000 listings on Airbnb had vanished due to the new regulations.

In France, some of the most touristic cities in the world, such as Paris, face significant housing issues. Property owners in these cities must choose between long-term or short-term rentals, and Airbnb is considered more profitable. As a result, fewer homes are available for long-term rental, causing local concerns. Detractors of Airbnb in New York, Paris, and Saint-Malo are harshly criticizing the shrinking rental market as a significant issue. In response to this situation, local and national regulations are implemented. It remains to be seen if these regulations will lead to a decline in Airbnb's popularity in France, the platform's second-largest market after the United States.

The city of Paris, a pioneer in regulation

According to experts, European cities have led the regulation of tourist rental platforms. Paris is particularly notable in France and worldwide, as primary residences can be rented out for up to 120 days per year after being registered with the town hall. However, if you wish to rent out a home that is not your primary residence, you must take extra measures, such as converting a commercial space into a home, to compensate for the long-term loss of living space.

In some French cities, the number of listings is decreasing

Over 200 cities in France have made it mandatory for renters to register before using Airbnb or other short-term rental platforms. The registration process requires renters to obtain a unique registration number.

However, according to a study by ParisVSBnb in June 2023, this obligation may have discouraged some property owners from renting their properties on short-term rental platforms. However, Airbnb disputes the study's findings and claims it does not accurately represent the situation. The company does not reveal the number of listings it has in each city. It disputes studies that involve data scraping, i.e., collecting data directly from its platform. Airbnb claims that the studies do not consider all listings because already-booked properties disappear from the platform and are not counted.

Despite the challenges, ParisVSBnb added almost 750,000 new advertisements on their platform in metropolitan France between January and June 2023. The overall number of ads on the platform is increasing significantly. However, according to a survey, some cities recorded a decrease in short-term rentals compared to 2021. Marseille recorded a decrease of 23.5%, Paris 31%, Montpellier 32%, and Lyon as much as 59%. It is worth noting that all these cities have made short-term rentals mandatory.

Based on scraping, Le Monde confirmed a drop in ads in major cities with restrictions at the end of 2022.

The Olympic Games Effect

As the summer of 2024 draws closer, Paris is already witnessing a rise in announcements. This is primarily due to the upcoming Olympic Games, for which ticket sales have already begun. People are also actively organizing themselves for the event.

One of the major sponsors of the International Olympic Committee is a Californian company. Their deal with the committee runs until 2028, including the Paris Olympics.

According to a study commissioned by Airbnb and conducted by Deloitte, just over 877,000 people would require accommodation in Ile-de-France, and Airbnb's capacity could accommodate 350,000. The study also suggests that one in five Ile-de-France residents is willing to put their apartment on Airbnb for the first time during the Olympics.

Keeping customers' trust

Airbnb's core business is centered around connecting people, so it is unlikely that regulations will significantly impact the company's success. However, negative publicity can profoundly affect Airbnb's image. For example, the recent discovery of cameras in a few homes used to film guests or reports of homes that do not live up to their advertised descriptions.

Faced with a trust problem, Airbnb's CEO, Brian Chesky, introduced a new feature called "Guest Favorites". It brings together 2 million homes with the highest user ratings to reduce customer disappointment.

Date: 2023-11-15

Article link:

<https://www.tourism-review.com/short-term-rentals-in-france-under-pressures-news13951>