

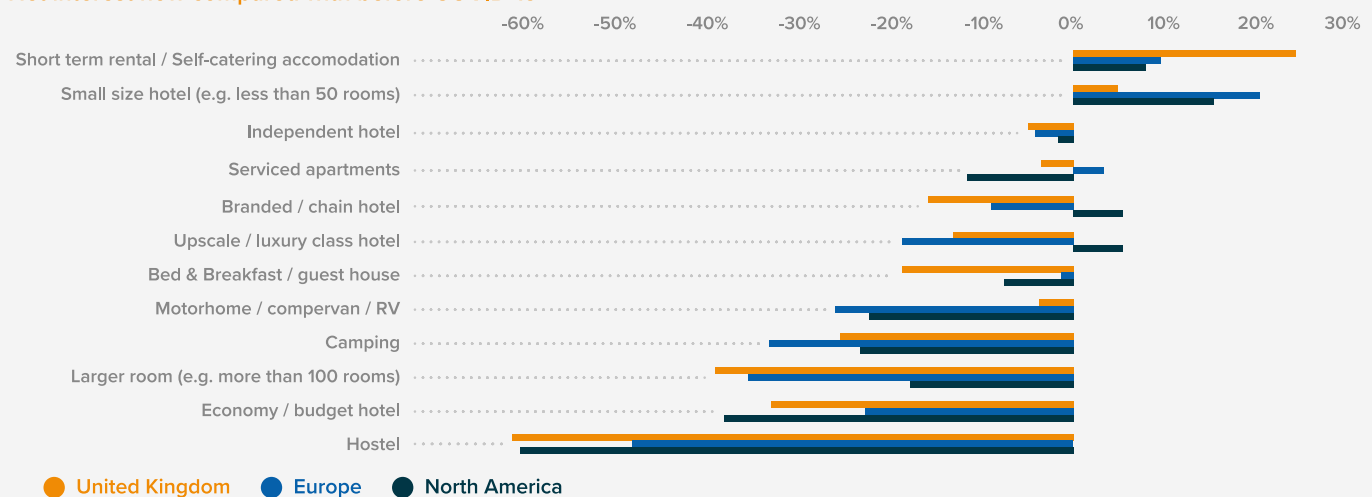
In this bulletin, we take a critical view on the ongoing restart of the tourism sector. This is crucial because [the STR supply appears to have now stabilised at 14 million bedrooms](#), following a decline from an all time high 15.5 bedrooms since Covid-19. Also, [hosts managing multiple properties have grown since 2019](#). In June, there were 370 hosts in Spain, 341 hosts in France and 292 hosts in Italy with 50 or more STR properties. With more and more destinations required to join a battle already being waged by many leading cities, easing the recovery of tourism activity and jobs will be equally important to mitigating adverse social effects.

Crucially, destination authorities have access to dedicated data more now than ever before. In June, [Eurostat](#) published statistics for 2018 and 2019 on STR activity generated via four platforms (Airbnb, Booking, Expedia Group and Tripadvisor). Published reports cover national, regional and city-level data on the number of stays booked and the number of nights spent in accommodation booked via these four platforms. Since March 2020, the platforms have agreed with the European Commission to share, on a continuous basis, figures on the number of nights booked and the number of guests.

Most importantly, the first series of statistics have come to corroborate the essence of concerns raised by local communities, destination authorities and the hotel sector before the pandemic. Rather than creating new types of demand and spreading the benefits of tourism to a more inclusive range of destinations, as often argued by the platforms’ spokespersons, STR activity is highly concentrated in space and time. According to Eurostat, the top city destinations for bookings through one of the four platforms were: (i) the urban areas of Paris (15.1 million guest nights); Barcelona (11.3 million); Rome (10.4 million); Lisbon (10.5 million); and Madrid (8.3 million). Also, more than 1 in 2 nights spent by visitors in properties offered via the platforms were registered over a four-month period (May-August 2019).

In the post-pandemic period, cultural differences among geographic markets are expected to have an impact on competition between hotels and STR properties. Two waves of research carried out by [STR](#) in February and August have shown that travellers from North America and Europe, are much less keen to stay in STR / Self-catering accommodation compared with British travellers. The strong interest of Europeans in small sized hotels is likely to be influenced by pre-COVID-19 travel behaviour and preferences as well as current views on travel. Meanwhile, for North Americans, accommodation preferences prioritise small sized hotels compared and vary on a second level among STR / Self-catering accommodation, branded hotels and upscale luxury hotels. However, North Americans were less interested in almost all forms of accommodation in the most recent survey; possibly a reflection of recent progression and impact of the Delta variant in US and Canada.

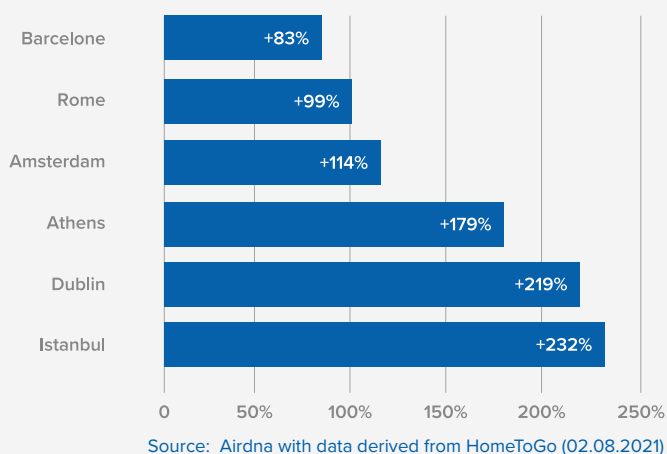
**Net interest now compared with before COVID-19**



Source: [STR \(31.08.2021\)](#)

Where should we expect to see a resurgence in STR demand? Rural and coastal destinations were among top performers in May and June based on an analysis of travel behaviour and STR activity in Europe carried out by Airdna in partnership with the booking channel HomeToGo. Rural vacation rentals are highly valued among domestic travellers, because they are better equipped to offer self-distancing to families than big-city hotels. Broadening their portfolio of destinations, the major platforms are also more flexible to lure new audiences (e.g. people currently working from home and digital nomads) to new areas. Nevertheless, the more people will feel more confident about travel the more the platforms will count on city properties to benefit from economies of scale. As illustrated in the graph, European cities dominated search increases for vacation rentals by US travellers, following the EU's lift of the American travel ban. In the future, we should also expect cities to shape again the scale and scope of platform competition.

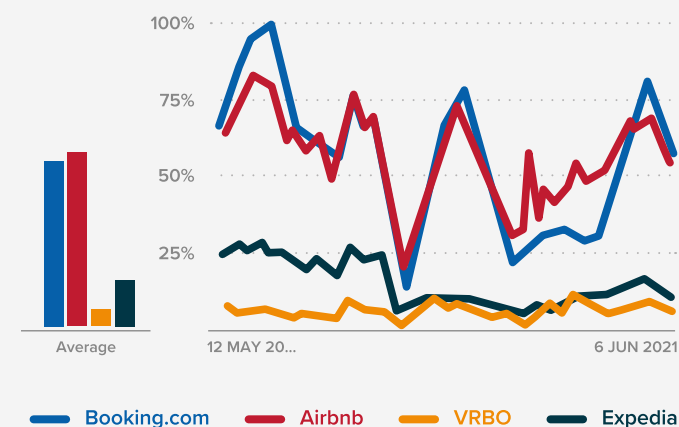
City, Search Increase (May 2021 vs June 2021)



## Booking.com and Airbnb are going to push for competition, increasing pressure on cities

According to Google Trends, global searches for Booking.com regularly lagged behind global searchers for Airbnb from March 2020 to May 2021, dented by numerous factors such as the decreased volume of hotel bookings in big cities, the weak position of Booking.com in the US market and limited activity in Asia by Agoda, Booking.com's sister company, due to ongoing travel restrictions. However, since June 2020 Booking.com is again the most searched website compared to Airbnb, Expedia and VRBO. To maintain this advantage, Booking.com needs to upgrade marketing in a wide range of markets (Australia, Canada, France, the U.K., and the U.S.). In these markets, [Airbnb is ahead after investing heavily on commercials on TV and on YouTube](#) since the beginning of 2021. In the absence of a strong portfolio of STR properties in rural areas, Booking.com will also have to compete more effectively with Airbnb in big cities. As of June 30, [Booking.com was reported to have over 28 million registered listings on its website](#), of which 6.6 million (23.5%) were for alternative accommodation properties. No matter how the pandemic might play out in the rest of 2021 and beyond, destination authorities should be ready to orchestrate an integrated approach to monitoring and regulating the activities of different platforms.

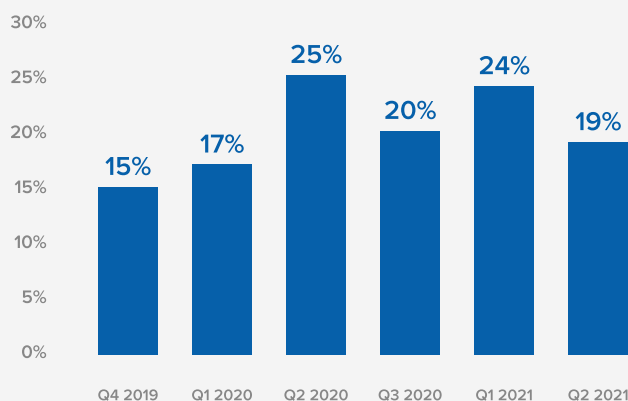
### Interest over time



Meanwhile, Airbnb is argued to have additional priorities for bookings and revenues to continue trend upward. Certain analysts point out that [hotel bookings will become an important area for Airbnb](#) over the next years. Currently, there are more than 300 hotels connected on Airbnb and the platform has established a low, yet steadily growing market share in Europe since 2020. [Others focus more on connections between Airbnb and US groups of professional activists and libertarian thinkers](#), who wish to address the negative impacts of scarce and expensive housing by taking aim at local zoning and pushing for building more housing. It is common ground between Airbnb the [YIMBY movement](#) ("Yes-In-My-Back-Yard") that securing affordable housing is not a matter of optimising the use of current property portfolio according to different social needs.

Here it's good to ask ourselves why [Airbnb is so keen to go after the real-estate market](#). This approach offers an ambitious prospect: Airbnb could build a portfolio of alternative properties in cities with advanced STR regulations and increase its valuation while securing a reasonable share of the global real estate rental market. Recently, the percentage of long stays (28 nights and more) within Airbnb's room nights increased from 15% in Q4 2019 to 25% in Q2 2020 and 24% in Q1 2021. There is also the recent case of [Airbnb's partnership with Costa del Sol Tourism and Malaga City Council](#) to promote long-term stays and capitalise on the digital nomad trend by attracting remote workers.

### Share of Long Stays within Airbnb's Room Nights



## City council-owned platform to keep tabs on STR platforms in Canada



The City of Ottawa has decided to create a digital platform of its own to [scrape data off platforms](#) including Airbnb, Vrbo, Expedia, TripAdvisor, FlipKey and misterb&b. Such a digital surveillance solution will enable the City of Ottawa to directly collect publicly available from the platforms (e.g. the host's license number, listing availability, daily rates) and enforce the STR bylaw that was passed in April 2021 and requires licenses for listing properties on STR platforms. Similar tools guide the enforcement of STR regulations in Los Angeles, Boston and Montreal, providing a solid solution when STR avoid or delay to respond to data-sharing requests from cities.

## Spanish authorities shape new urban plans with provisions for short-term rentals



City council in Spain's two major cities are determined to secure that in the future STR platforms will not cause some serious harm to these popular destinations. [In Madrid](#), a new set of STR regulations will be included in the forthcoming update of the city's planning codes that will help "Madrid adapt to the 21st century". [In Barcelona](#), as of August 6, the one-year moratorium on STR activity was extended for one more month. [Similarly, to competitor destinations such as Paris, Lisbon and Amsterdam](#), bookings via Airbnb and VRBO for June-July 2021 were down more than 60% compared with bookings made for the same period in 2019. While it remains unclear if bookings via Airbnb and VRBO in Barcelona have involved rentals for more than 31 days, the one-month extension of the moratorium is used by the city council to finalise revisions on the [Special Urban Plan for Tourist Accommodation \(PEUAT\)](#).

## Busy autumn with STR consultations for authorities in Scotland



The City of Edinburgh has launched a [consultation](#) seeking views on a proposal for Edinburgh to be legally designated as a Short-term Let Control Area (STLCA). If, following the public consultation that will run until November 5, the council gives the go-ahead and the proposal is approved by the Scottish Government, property owners who are letting out a residential property (which is not their principal home) on a short-term basis will have to apply for 'change of use' approval through the planning application process. Besides the consultation in Edinburgh, [the Scottish Government recently concluded a series of consultations on legislation to introduce a new licensing regime next year](#). Early in September, in a letter to the Short Term Lets Stakeholder Working Group, setting out the Scottish Government's next steps for its proposals, the Cabinet Secretary for Social Justice, Housing and Local Government, advised that the Scottish Government plans to spend additional time, reviewing the overwhelming volume of 1,010 consultation responses and finalising plans of the licensing scheme by November 2021. This will further facilitate stakeholder engagement, despite the resignations from the working group of members representing the Association of Scotland's Self-Caterers, Airbnb, the Scottish B&B Association, and the UK Short Term Accommodation Association in August.

## Airbnb fined twice in France since July



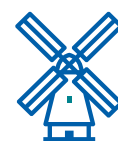
First, Airbnb was ordered to pay €8 million (\$9.5 million) in fines by a [court in Paris](#) after more than 1000 of its listings were found not to have the necessary registration number after the relevant law was approved four years ago. "This is the first time in France that a local government wins a case against a tech giant," Paris Deputy Mayor Ian Brossat said in statement. "Platforms are finally held accountable. A wonderful win for Parisians". Second, in August, [Airbnb was ordered to pay €300,000 \(\\$356,500\) by the Fraud Control](#) for not having sufficiently informed consumers, in particular about their right of withdrawal when using its services. Meanwhile, [several cities introduced new STR regulations during the summer](#), aiming to protect affordable housing and minimise the negative effect on life in their neighbourhoods.

## Airbnb hosts in Ireland will face strict restrictions by next summer



The Ministry for Housing, Local Government and Heritage has prepared a [new licensing system](#) based on which property owners will have to receive planning permission before they are permitted to advertise their properties on STR platforms. The new system, which resembles the model operating in Lisbon, is part of the Irish government's new 'Housing For All' plan which states that "during the period of the pandemic, much-needed accommodation, typically used for short-term letting purposes, returned to the long-term private rental sector, thereby increasing supply". Due to previous criticism over the involvement of local authorities in law enforcement, Fáilte Ireland and the Residential Tenancies Board will assume active roles under the new system.

## Dutch cities make further progress in enforcing registration systems



In August, Airbnb announced its support for the STR registration system [introduced by the City of Hague](#). The Hague has become the fourth major Dutch city including such a requirement. If a listing does not have a registration number or an exemption after a six-month legal disclosure period in these cities, it will be withdrawn from the platform. Developing a Registration Toolkit is among initiatives taken by Airbnb to enable hosts in complying with the new rules, following the deployment of the registration system in Amsterdam. These resources, which include reminder emails, online training sessions, and a redesigned website and app with a dedicated section for filling out registration information, are also available to the hosts in Utrecht and Rotterdam.

## Almost half of Airbnb's properties in Brussels are owned by professional hosts



[According to a new study by VUB University](#), about 45% of the properties in Brussels listed on Airbnb is managed by a real estate management company or individual investors with multiple properties in their portfolio. The study uses data for 11,427 dwellings in the Brussels Capital Region on Airbnb for the year 2019. As usually, the study indicates that STR properties were highly concentrated in popular areas for visitors and the European institutions triggering detrimental effects on the supply of affordable housing and rental prices.