AirBnB –

the RoI experience

LORCAN SIRR

In the beginning

Launched as Airbed and Breakfast in 2007 – AirBnB in 2008. 1 million bookings by 2011.

In 2019, AirBnB is a conglomerate business mostly marketing itself as an amateur pin-money sideline.

In general, a good idea, but not without consequences; and for cities limiting these consequences means looking at where and when AirBnB is allowed.

Dublin data – AirBnB stock

As of November 2019, Dublin (4 LAs) has 9,512 listings.

Average price €133 / night: Dublin City has 7,323 listings at €144 / night.

50.4% are entire homes/apartments [4,790]

46.6% private rooms [4,436]

1.6% shared rooms [1.6%]

29.4% estimated occupancy, giving average income €1,103/month: Dublin City 30.6% occupancy, giving €1,245/month

Half of Dublin's operators are commercial.

Dublin data – who owns the stock

Number of Listings Owned	1	2	3	4	5-10	>10
Number of Hosts	5,136	1,096	312	138	170	68
Percentage of Hosts Living Outside of Dublin	0%	34.12%	34.29%	38.4%	45.29%	70.59%
Percentage of Total Listings	51.89%	18.36%	7.94%	4.49%	8.7%	8.62%

'Courtesy of Antonia Blankenberg, TUD 2019'

Dublin data – who owns the stock

	Estimated Annual Revenue	Percentage of Total Annual Revenue	Total Number of Listings	Average Listing Count	Percentage of Total Listings
Top 10% Hosts	€166,340,465.80	57.82%	2,908	4.21	29.37%
Top 1% Hosts	€65,393,607.36	22.73%	701	10.16	7.08%
Top 10 Hosts	€23,709,729.84	8.24%	199	19.9	2.01%

'Courtesy of Antonia Blankenberg, TUD 2019'

Dublin data – who owns the stock

| Host ID	Host Name	Number of Listings	Estimated Annual Revenue
152937423	HipHipStay	38	€5,188,683.31
31284582	Paul	54	€5,127,669.97
247178939	HipHipStay	10	€3,675,446.96
56322091	Jen	11	€1,898,455.38
126495480	Daniel	13	€1,433,306.81
23191772	Bernard	15	€1,390,109.93
180273152	Caroilin	14	€1,351,908.92
125150723	Kevin	7	€1,307,236.65
202961997	Sweet Inn	31	€1,206,426.80
66040510	Patrick	6	€1,130,485.09

'Courtesy of Antonia Blankenberg, TUD 2019'
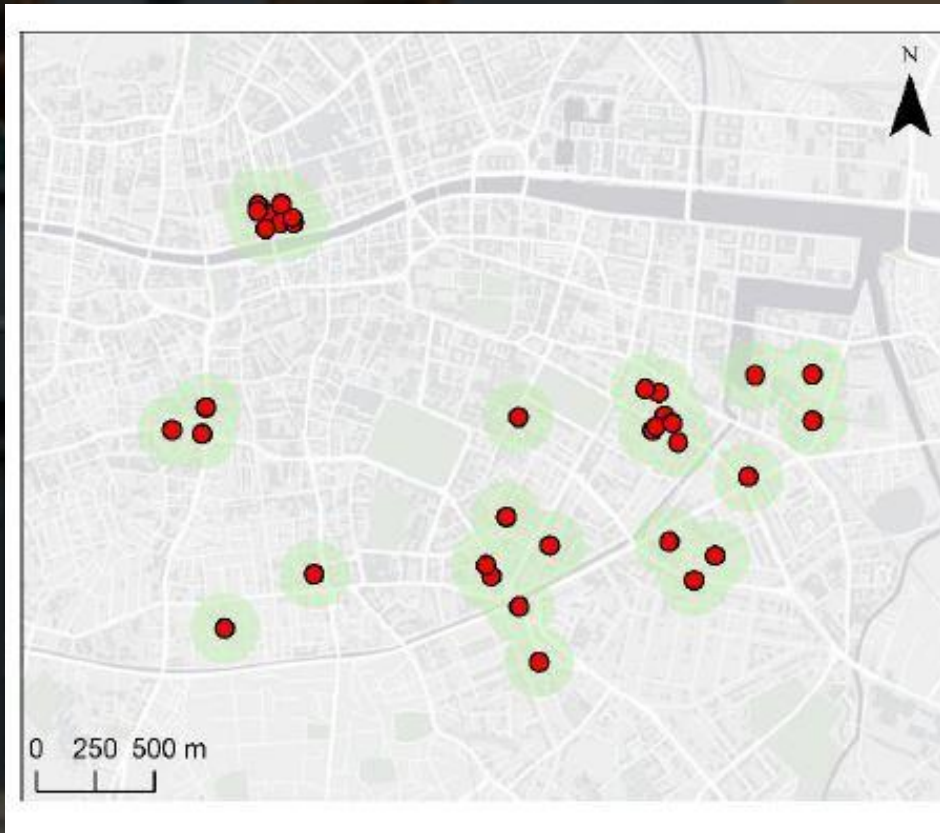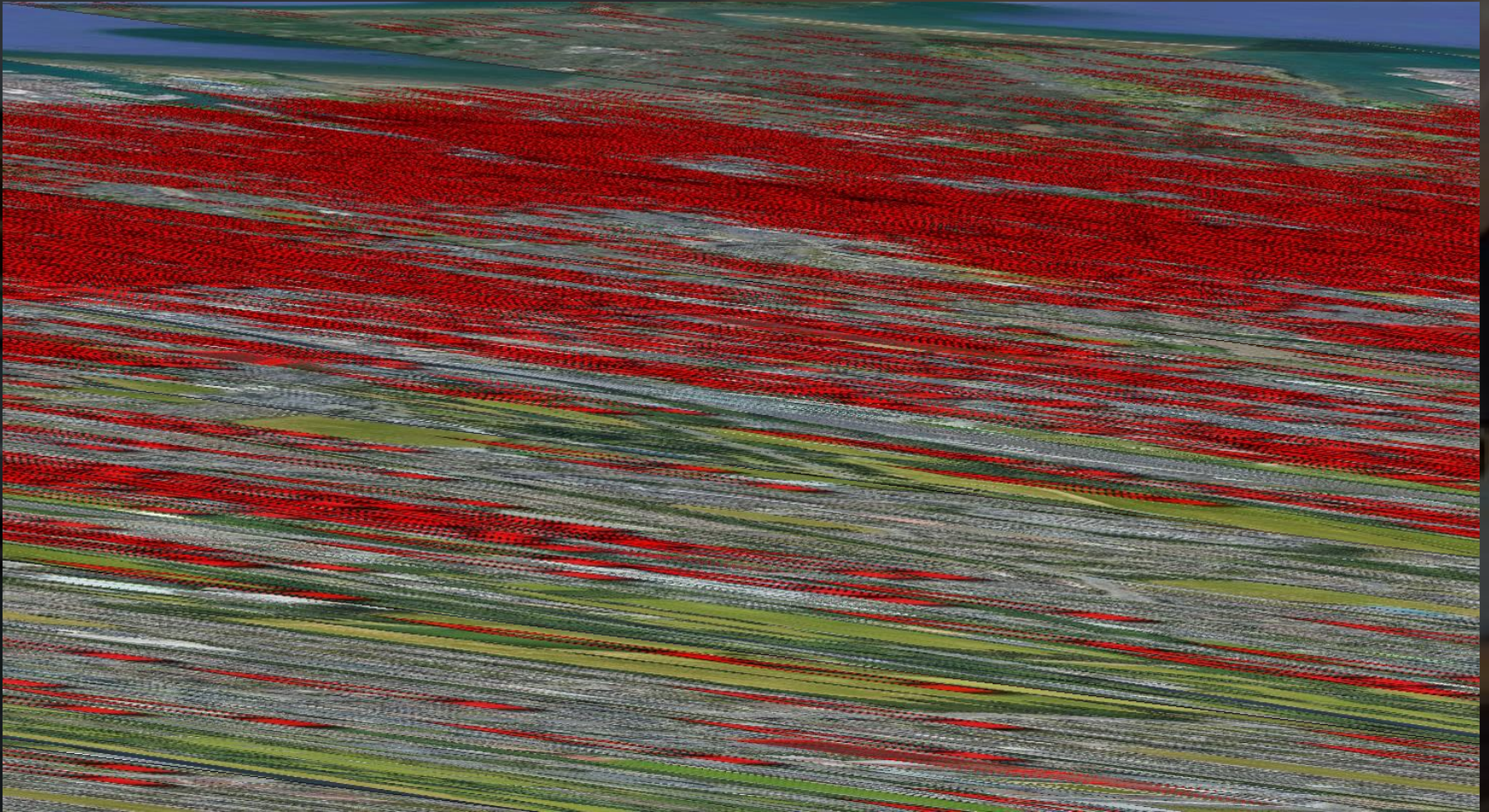
Dublin data – who owns the stock

Dublin data – AirBnB stock
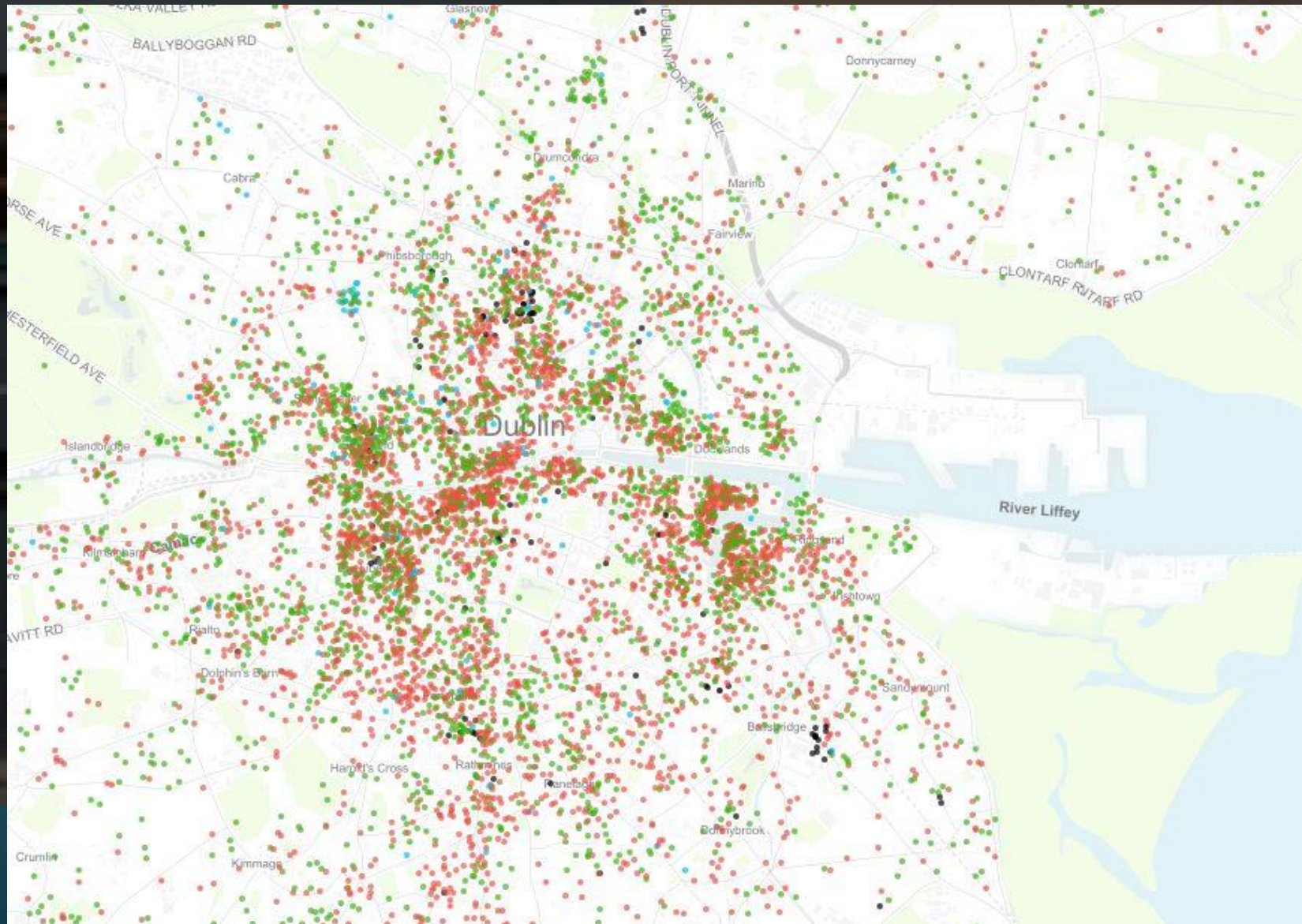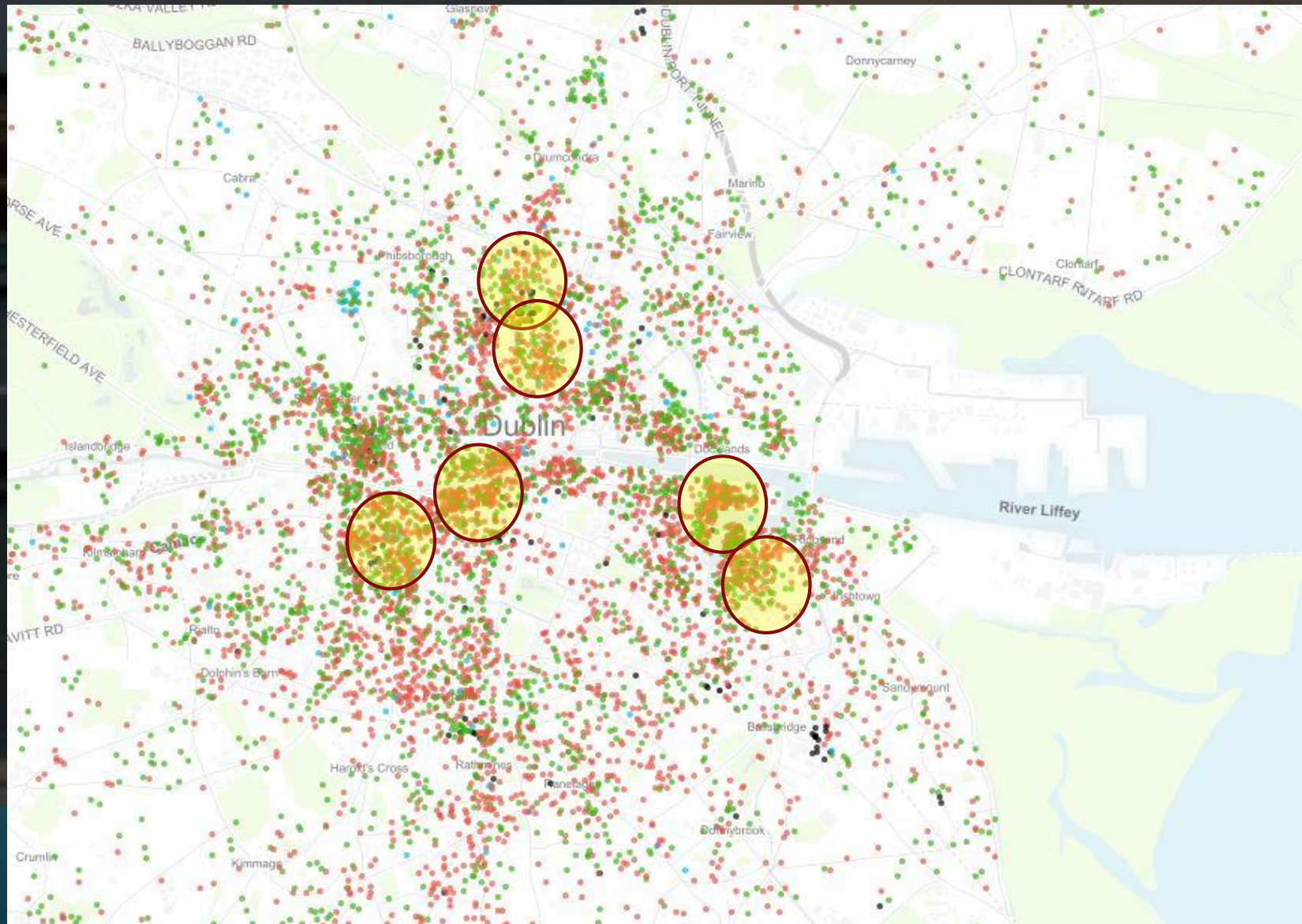
'Flyby courtesy of Robert Cross'

AirBnB – consequences

Hotel industry – unhappy with 'unfair' competition. AirBnB causes more transformation than hotels due to lack of regulation.

Social / community – increased rents (~); displaced communities (o); gentrification / touristification (tourists act as the new gentry looking for the 'urban ordinary')

Housing – MUDs and local impact; affects some demographics more than others

Land values – (double if AirBnB)

AirBnB – regulation

Departments clash over short-term rentals

Transport officials rebuff attempt by Housing to make it responsible for sector

Mon, Dec 3, 2018, 00:11

Jennifer Bray

Minister for Housing Eoghan Murphy and Minister for Tourism Shane Ross. Documents acquired under Freedom of Information show their respective departments clashed over changes to the short-term rental sector. File photographs: Dara Mac Dónaill and Alan Betson/The Irish Times

Regulation – Dublin rules

"One host, one home" model.

Planning permission required for some AirBnB accommodation:

The requirement for planning permission only applies to homeowners in Rent Pressure Zones (RPZs) who:

- ► Let out their entire home (principal private residence: the place where someone ordinarily lives) for short-term lets of more than 90 days in total while they are away. 14 days at a time max.

- ► Let out a second property for short-term lets (different to a traditional landlord).

Regulation – Dublin exemptions I

No planning permission required if:

- The property is not in a Rent Pressure Zone (RPZ)
- The property is in an RPZ, but rooms or the entire property is let out for 15 days or more at a time
- The property is a holiday home that has already been approved as dedicated tourist accommodation
- The property is used for corporate or executive lets. For example, lettings provided for people coming to Ireland under employment contracts.

Regulation – Dublin exemptions II

No planning permission required if:

▶ A room in the property is let out under the rent-a-room scheme

▶ The property is purpose-built student accommodation. (This accommodation generally has the required planning permission, which means accommodation is reserved for students during the academic year, but short-stays are allowed outside of term time.)

▶ There is 'home-sharing'. Home-sharing is where a homeowner rents a room or rooms in their principal private residence for short-term lets while they are also occupying it. (In this situation unlimited short-term lettings can be offered for less than 14 days at a time.)

▶ The entire principal private residence is let out for short-term visitors for less than 90 days a year while owner is temporarily away. The 90 days do not have to be consecutive and the full 90 day allowance is allowed for 1 July – 31 December 2019.

Regulation – registering

In certain situations owners will need to register with the planning authority in order to get an exemption from the requirement for planning permission. This applies if:

▶ A room is rented in a principal private residence for short-term lets while the owner is also occupying it

▶ The owner is going to be away from their principle private residence and want to let it out on a short-term basis, for less than 90 days in a calendar year

Regulation – registering

▶ **Form 15 – Start of year notification form.** This form should be sent to the local authority within 4 weeks of the start of each year, and no later than 2 weeks before the first short-term let of the year for that property.

▶ **Form 17 – End of year notification form.** This should be sent to the local authority between the 1 and 28 January of the year after the lettings have taken place.

▶ **Form 16 – 90 day threshold notification form.** This should only be sent to the local authority if a homeowner is temporarily away from the home and reaches the 90 day threshold during the year. The form should be submitted no more than 2 weeks after the 90 day threshold has been reached.

Regulation – penalties

▶ The maximum fine for non-compliance with planning breaches is a €5,000 fine or six months imprisonment – or both.

▶ If the offence continues, a person could face an additional sanction of €1,500 per day for each day the breach continues.

▶ The local authorities will also have the power to seek a court order that any unauthorised activity must not be continued.

Regulation – reality

Regulations commenced July 1st 2019.

Govt. pledged €750,00 for 7 extra staff to enforce regs. 3 appointed, all in Dublin.

Since July 1st, ten applications for planning permission.
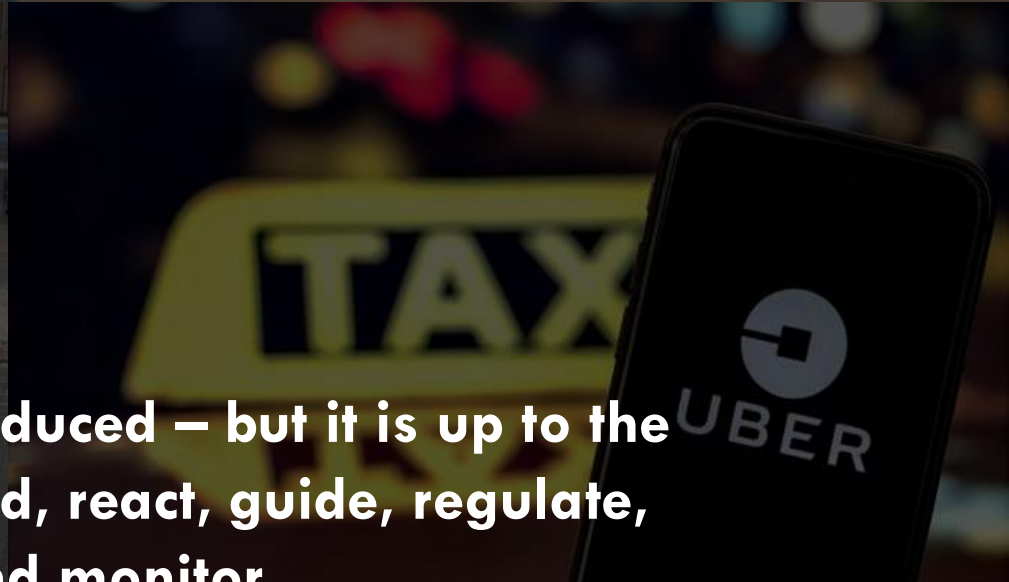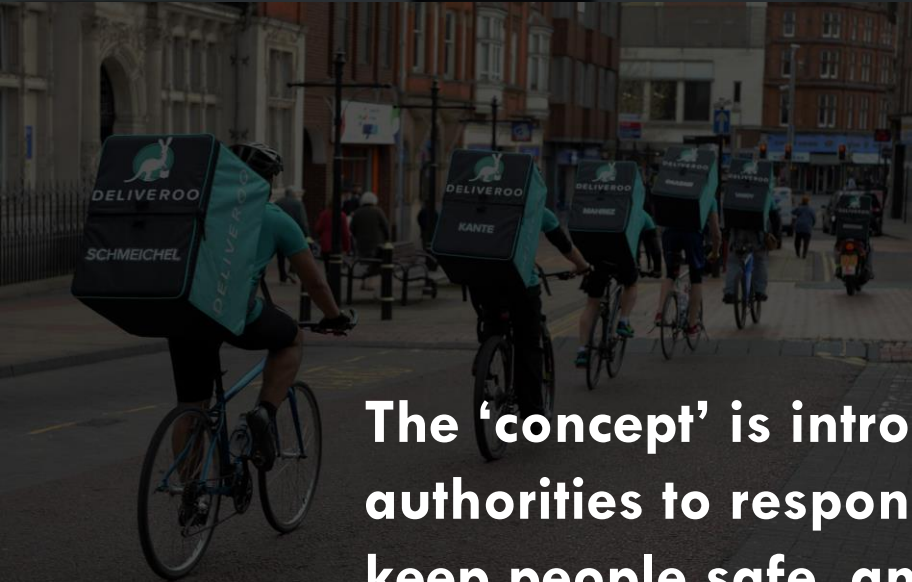
3% of AirBnB properties have been registered.

417 applications for exemptions. 35 enforcement notices served by DCC.

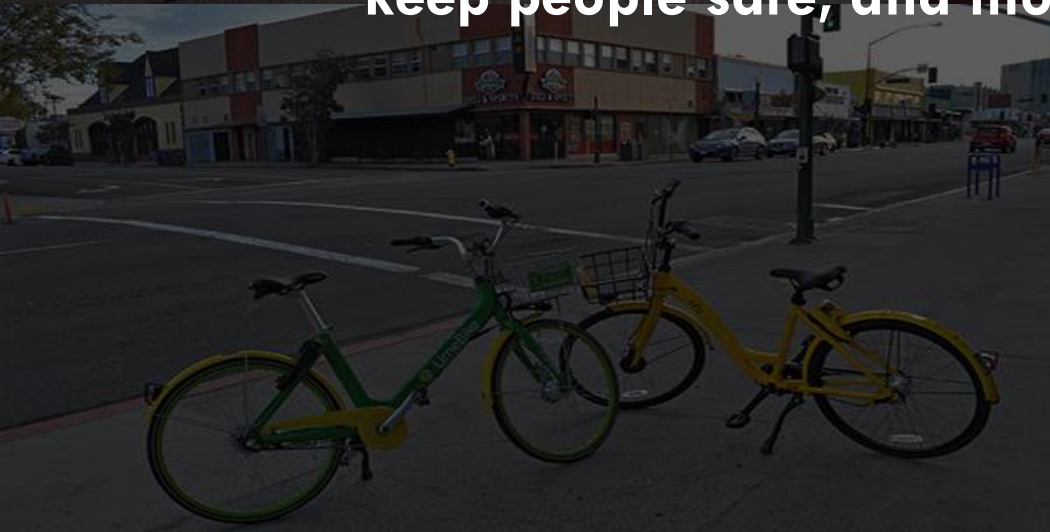There are about 7,320 AirBnB properties currently available.

How to make AirBnB work?

The 'concept' is introduced – but it is up to the authorities to respond, react, guide, regulate, keep people safe, and monitor...

'Disruptor' models

Definitions: Defining AirBnB is challenging – are they guesthouses, hotels, or residential properties?

Convenient: Blur boundaries and skirt regulations where possible. Exploit the gap.

Role: AirBnB have argued in the European Court of Justice that they are a "digital services provider", not a "real estate provider".

Responsibility: transfer responsibility to the (often under-resourced/sometimes disinterested) state.

Responding and regulating

Very challenging: a small tweak in the disruptor's algorithm can have significant impact on the ground.

It is very difficult to stay ahead by responding to each individual entrant or innovation.

There are rapid shifts in provider and consumer behaviour.

Governments – and/or authorities – can be reactive and untrained.

How do you deal with this?

Responding and regulating

Practical solutions: Above the shop; AirBnB to regulate

Regulatory approach – advantages and disadvantages for both:

No touch: AirBnB allowed free rein; certain businesses thrive; negative impact on other occupiers and tourism industry as well as on city resources.

Light touch – some regulation, but not enough to deter. Light touch invariably favours the enterprise who are often involved in the devt of the reguilations.

Heavy regulation – embrace the concept and either dismiss it, or plan for it (local area plans, development plan, etc.)

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