




HOTEL ASSOCIATION OF NEW YORK CITY, INC.

320 PARK AVENUE, NEW YORK, NY 10022-6838

(212) 754-6700 FAX (212) 754-0243

TO: General Managers, Directors of Human Resources – Member Hotels

FROM: Joseph E. Spinnato, President 
Vijay Dandapani, Chairman

DATE: Friday, January 22, 2016

RE: British Hospitality Association goes head to head with Airbnb

On Tuesday, January 12, 2016, the following article was posted by the British Hospitality Association:

BHA goes head to head with Airbnb

'Industrial in scale, professional landlords, operating outside UK regulations and endangering the safety of the public.' These are the strong terms describing the forces that have over-taken the so-called sharing economy. Terms which British Hospitality Association CEO Ufi Ibrahim today (Tuesday 12th January) outlined when she provided evidence to the Business Innovation and Skills Committee on behalf of the hospitality and tourism industry.

Ms Ibrahim argued that home exchange websites are made up of many large-scale landlords, operating multiple properties rather than individual homeowners to which the sharing economy was intended to service.

Ms Ibrahim shared industry research, which estimates that:

- 40% of all home-exchange website listings are 'professional landlords' running unregulated 'pseudo-hotels'
- The top 1000 home-exchange hosts are netting £150m of accommodation revenue annually
- Half of all home-exchange listings are entire properties rather than rooms in host's own homes
- London is most affected with the largest number of landlords (40% of all listings in London are multiple property owners renting accommodation on a short-term basis year-round)

Platforms such as Airbnb are allowing hosts to circumvent planning regulations, break short lettings regulations and avoid tax, food, health and fire safety regulations.

In avoiding planning regulations, the effect the further reduction of already stretched housing stock, disrupting communities with increased noise, crime and safety issues and avoiding health and safety regulations. In London, the reduced housing stock is putting further pressure on the already stressed housing market, pushing up rents and property prices. Short-term lettings on Airbnb can attract a premium over longer term renting to tenants like hard-working Londoners.

Ms Ibrahim informed the Select Committee that the industry is particularly concerned that the UK's trusted reputation as a high quality and safe tourist destination could be damaged if guest health, safety and security checks are not properly delivered.

At the hearing, the BHA put forward three key proposals to properly regulate home exchange websites and bring them up to the quality standards of the tourism and hospitality industry:

Home exchange websites should share with government bodies (London Authorities & Councils, HMRC) named host level data to demonstrate clearly:

- Who is letting over 90 nights in London?
- How many people are letting out a secondary residence?
- How much tax is due on the income?
- How staff are employed and paid to service multi-rentals?

Home exchange websites should directly restrict landlords from letting out for more than 90 days per year through their platform.

Home sharing websites should require much stricter checks on safety and security, something other sharing economy platforms, such as Uber, have already implemented.

The role of the BHA is to champion better standards across the industry. The BHA believes that tourists should be free to choose to stay in whichever accommodation they prefer. However, they must be afforded the same basic health and safety protection.

To view the BIS Select Committee submission video and full article please visit the News Section of our website at www.hanyc.org.

Thank you.