

## Ch. 13 Houston news story titled: **“Airbnb’s British Invasion Faces Potential Backlash”**.

Byline: Government rules could temper recent growth in short-term rental supply.

Article by: KTRK TV

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Politics could darken the landscape. This past week, the U.K. government said it would be conducting a review of short-term tourism rentals in England toward informing appropriate policy options. The government lists benefits that short-term rentals have brought to its tourism industry, such as green tourism and enhanced variety, but also suggests potential negative impacts on housing supply and home prices. Scottish, Welsh and Northern Irish authorities have taken separate regulatory steps already.

A 2020 report by macroeconomics research consulting firm Capital Economics showed London listings quadrupled on Airbnb between 2015 and 2019. More than 16% of adults in the U.K. had rented out all or part of their property on a short-term basis over the preceding two years and many landlords shifted from long- to short-term rentals to avoid regulations and to gain flexibility, according to the report.

While data from AirDNA show the U.K. accounted for less than 6% of Airbnb’s global active listings as of May, RBC analyst Brad Erickson wrote this past week that the government’s review of the industry could lead to taxes on short-term rentals or limits to short-term rental capacity in select areas. These actions would make it harder and more expensive to bring new short-term rental supply to market, he wrote. Minister of State for Housing Stuart Andrew said the U.K. government is already authorizing up to double the council taxes in some areas “to tackle the issue of second and empty homes.”

In a blog post responding to the news, Airbnb said there is a big difference between buy-to-let speculators and hosts who occasionally share their homes on Airbnb to afford the rising cost of living. As such, the company said it welcomes regulation and has itself been working toward more rules for the industry, such as limiting how often hosts in London can share their homes.

Still, Airbnb promoted its listings in an April press release as a way for Brits to offset inflation to some degree. That release cited the typical income of a U.K. host as about £6,000 annually in 2021—nearly double what it reported in 2018—or about two months’ pay for the median British household. Added taxes would counteract at least some of that financial benefit to hosts.

Other countries could consider upping short-term rental regulation. In the U.S., which AirDNA shows accounts for more than 20% of Airbnb’s active listings, housing inventory is low and investors have been snatching up much of what becomes available. Redfin data show real-estate investors bought a record 18.4% of the homes that were sold in the U.S. in the fourth quarter of 2021, including more than 30% of homes sold in such cities as Charlotte, N.C., and Atlanta during that period.