

Britainthinks

— Insight & Strategy —

October 2020

Stakeholder consultation on a registration scheme for STLs

Report from BritainThinks

BritainThinks | Private and Confidential

Contents:

Background to the report	3
Executive summary	4
Introduction	6
Views of the short-term lettings sector	8
Responses to the registration scheme	12
Design of the registration scheme	17

1. Background to the report

This report has been produced by BritainThinks and presents our findings from an in-depth qualitative consultation with stakeholders in the housing and tourism sectors, on the implementation of a registration scheme for Short Term Lets (STLs). The consultation reached over 70 stakeholders through a combination of regional roundtables, in-depth interviews and an online form.

The consultation was commissioned by Airbnb as part of their efforts to engage with communities that have previously supported registration in London and Scotland, as well as to collaborate with stakeholders across the rest of the UK. The findings outlined in this report will form the evidentiary basis of a white paper, written by Airbnb, which will contain their recommendations to government for next steps regarding the proposed registration scheme.

BritainThinks is an independent insight and strategy consultancy and has been responsible for the design, facilitation and analysis of all consultation activities. We have carried out the research in accordance with the Market Research Society's Code of Conduct in order to ensure impartiality and a fair representation of stakeholder views. Furthermore, both the consultation and the white paper deriving from it were developed and conducted with independent advice provided by Dr. Marina Novelli, Professor of Tourism and International Development of the University of Brighton.

This report has been written in the context of a complex business environment for STLs. Airbnb and others in the tourism sector are addressing a number of issues and exploring ideas for change - of which registration is just one. In addition, the ongoing COVID-19 pandemic has thrown up additional challenges for the industry and we are aware that stakeholders across the country are facing their own pressures during this difficult time. Despite this, stakeholders welcomed the opportunity to contribute to this consultation and engaged in a constructive dialogue with Airbnb throughout the process. We thank them for taking the time to contribute to this important consultation.

Within this report we cover stakeholder views of the STL sector, of the registration scheme, and of the role STLs can play in the recovery of the tourism sector. The consultation focussed on developing an in-depth understanding of what stakeholders view to be the issues associated with STLs, and how a registration scheme might help to alleviate these. For any issues raised in this consultation that stakeholders did not think could be addressed by a registration scheme, Airbnb will be sharing its responses and proposed measures to tackling these in the white paper.

2. Executive summary

1. **The majority of stakeholders see short-term lettings (STL) as an overall positive force in the UK.** These stakeholders believe there are significant economic benefits to communities and hosts and see STLs as complementing the traditional hospitality industry. As well as the increase in tourist flow and spend associated with this, STLs are seen to provide a diversity of accommodation which cater to a range of customers. This was seen to draw visitors to less well-travelled areas and help provide overflow accommodation in busy city centres and coastal towns.
2. **STLs are seen as key to the post-COVID-19 tourism recovery.** Stakeholders think that there is increasing consumer demand for private, domestic spaces in which customers can stay on holiday and which STLs are very well-placed to provide. Stakeholders also think it will be easier to abide by the new guidelines and keep consumers protected from COVID-19 in STL properties compared to traditional hospitality settings and therefore see STLs as driving the first phase of recovery in domestic tourism.
3. **Stakeholders with concerns about STLs were typically focussed on the impact on housing stock in their local area and anti-social behaviour at STL properties.** These concerns centred around the perception that professional agencies letting out whole properties as short term lets, take properties off the market that would otherwise be available to local people. These stakeholders were also of the view that the emergence of STLs has led to an increase in anti-social behaviour in residential areas.
4. **Stakeholders agree that lack of robust data on STLs is a challenge to making the most of opportunities or being able to effectively mitigate against challenges.** This is driving tension between stakeholder groups, as the benefits and other impacts of STLs on local communities are disputed. Local authority stakeholders feel that with data on the number, location and health and safety accreditations of STLs in their area, they would be better placed to assess the impact, and target resources accordingly.
5. **A registration scheme for STLs has broad appeal amongst stakeholders in the tourism and housing sectors.** They do not think it will solve all issues, but say they would welcome the data it would provide and most are of the view it would help drive up standards in the sector. Stakeholders in our sample also felt that increased data and visibility of the STL sector would support local authorities specifically to assess the role of STLs within local economies and better manage planning issues, anti-social behaviour and adherence to health and safety standards.
6. **Reservations about registration were typically around how the scheme would relate to regulation of STLs.** Some stakeholders were wary that the scheme would lead to regulation, something they felt would damage the sector. Others were of the opposing view, that the scheme would lack real value if it was not accompanied by additional regulation.
7. **The majority of stakeholders consulted think the registration scheme should be nationally run, easy-to-use and charge a minimal fee to hosts.** Stakeholders warn against any scheme that is too complex or costly for hosts, which they say would harm the STL sector by acting as a barrier to entry and compliance for new hosts. This is

seen to be particularly important as the tourism sector tries to recover in the aftermath of the COVID-19 pandemic.

- 8. Stakeholders raised queries about how the registration scheme would be funded and how enforcement would work.** Stakeholders say they that the administrative fee charged would need to cover the implementation and running costs of the registration scheme. Its purpose should be to ensure the cost of the scheme is not passed on to the local authority, and it should not be so high as to act as a barrier to entry and compliance for hosts. There was some feeling that enforcement would be important for ensuring the credibility of the scheme, although it was currently unclear how this could be achieved.

3. Introduction

3.1. Policy context

Short term lets (STLs) are temporary arrangements between hosts and visitors wishing to rent on a non-permanent basis – whether a spare room a primary residence, or a second home - in a given location. Except for properties located in Greater London, there is no legal definition of STLs.¹ Short term lets represent a broad and diverse industry and can be advertised on a number of different internet platforms, or simply be advertised publicly, e.g. using a billboard.

Short term rental operations are already subject to regulation in the UK. Existing regulations provide clear legal standards for fire safety, gas safety, taxation and limits on activity in some areas of the country. In January 2020, regulatory proposals were announced in Scotland, setting out a framework for increased powers for local authorities impacting licensing, planning and taxation of STLs due to come into force in Spring 2021. For more information on how the short-term rental industry is already regulated, please see the UK Short Term Accommodation Association's website [here](#).

However, there is currently no system in the UK for monitoring the number or location of STL properties on the market, meaning data on the sector is often of poor quality.² This stands in contrast to many other markets across the world, which have introduced registration systems requiring 'hosts' (those advertising the property) to register with the relevant authority, such as the central Government or tourism body. Registers differ from place to place, changing in breadth, scope and administration to fit public policy objectives.

It should be noted that stakeholders had different views and levels of understanding when it came to the regulatory context for STLs, as well as the degree to which these regulations are adhered to.

3.2. Background and objectives of the consultation

This consultation engaged stakeholders from around the country on a proposal to introduce a registration scheme for STL properties in the UK. Specifically, the consultation aimed to establish:

- Stakeholder views of the STL sector including perceived impact on communities
- Extent of support for the introduction of a registration scheme in the UK, and perceived benefits and drawbacks such a scheme would bring

¹ [https://www.london.gov.uk/sites/default/files/housing_research_note_4- short-term and holiday letting in london.pdf](https://www.london.gov.uk/sites/default/files/housing_research_note_4-_short-term_and_holiday_letting_in_london.pdf)

² With the exception of Northern Ireland, which requires certification from the Northern Ireland Tourist Board to rent out rooms / properties for more than 30 days. The Isle of Man also requires compulsory registration of all tourist accommodation.

- Views on how the scheme should be administered
- And, in Scotland only: views on the recent legislation introduced by the Scottish Government, and the perceived impact this will have on the tourism sector in Scotland

Given that this study took place before and after the outbreak of COVID 19, there emerged an additional requirement of the research, to understand from stakeholders their perception of the impact on the tourism industry and if/how the STL sector may have a role in the recovery and future sustainability of domestic tourism.

3.3. Methodology

Between February and March 2020, BritainThinks hosted six stakeholder roundtables in the South of England (Brighton and Hove), London, Wales (Cardiff), the South-West (Plymouth), the West of England (Bristol) and the North-West (Manchester). Each roundtable comprised a broad range of 8-10 local stakeholders, including representatives from local councils, industry associations, residents' associations, business organisations, destination marketing organisations and Airbnb hosts.

Roundtables gathering had to be discontinued due to the COVID-19 outbreak and the implementation of social distancing measures and ban on all non-essential travel within the UK, necessitating the move to telephone interviews. BritainThinks conducted a total of 18 telephone interviews; 10 with stakeholders in Scotland and 8 with national level stakeholders representing UK wide organisations and Government.

To ensure that all relevant stakeholders had the opportunity to engage, BritainThinks also provided the option of taking part in a digital version of the consultation, which ran from March to July 2020 and which was distributed to a list of over 300 stakeholders across the UK. A total of 27 stakeholders completed the digital consultation.

3.4. Ethical considerations

The research drew upon ethical guidelines set out by the University of Brighton Social Sciences CERC, informing the consultation and roundtable design and conduct, in line with ethics procedures, including data protection regulations (i.e. GDPR) approved by the University of Brighton's Social Sciences CERC prior to fieldwork commencing. All participants received full disclosure of the research aims and objectives and were given the opportunity to withdraw participation from the research at any stage. Consent forms were provided prior to the roundtables (featuring as part of the pre-session briefing note). Written consent was gained from stakeholders at the beginning of each roundtable.

BritainThinks adheres to the Market Research Society Code of Conduct, meaning personal information was not passed on to any third party without participants' express consent. Extensive safeguards were in place to anonymise respondents' personal information and responses will not be shared in a manner from which they can be identified.

4. Views of the STL sector

4.1. There is much disagreement amongst stakeholders over the impact STLs are having on communities in the UK, leading to a polarised debate.

Stakeholders acknowledge that a driving force of this polarisation is a lack of robust data. This is partly a consequence of properties being advertised in multiple ways, both online and offline, making it hard to get a full picture of the sector. In the absence of clear evidence on the impact STLs are having on local communities, local authority views on the sector are informed by what they see on the ground, and what they hear from local residents in their communities, while industry views are garnered from host feedback. Having more coherent datasets would help provide greater consensus around what the actual impacts of STLs are, and this is something most stakeholders felt a registration scheme could assist with.

4.2. Most stakeholders take the view that on balance the STL sector is a positive force in the UK.

Stakeholders acknowledge a range of benefits deriving from the STL sector, including:

- **Acting as an economic driver for the regeneration of otherwise overlooked areas within communities:** Supporting the local economy through increased visitor spend is the most widely recognised and celebrated benefit of the STL sector. Stakeholders in most locations noted that the proliferation in STLs had contributed to an increase in tourist flow, and a subsequent increase in money spent in local shops, restaurants and on cultural experiences. This is also considered to have the potential long-term effect of 'bringing back' tourists to patronise traditional accommodation, as increased traffic creates a word-of-mouth 'buzz' around the areas in question. Stakeholders pointed to specific examples of rejuvenation in Manchester, Liverpool and Wales as proof of the power of the STL sector to drive economic growth. Stakeholders highlight the increased importance of this in the context of the tourism sector needing to recover from lockdown.

"It's spreading the geography of where people spend their money because hotels tend to be in central locations where spending can become concentrated... STLs spread spend across areas that may not have had any tourism before."

(Wales)

"It has huge economic benefits for areas hosts are in...hosts are often recommending and highlighting local businesses within the community that might not have otherwise had the income."

(Wales)

- **Greater choice of affordable accommodation for guests:** This is seen to encourage greater and more diverse types of tourism. Providing accommodation flexibility for tourists and visitors was one of the most commonly cited benefits of STLs by stakeholders. Many

stakeholders view STLs through their capacity to provide guests with accommodation that they might otherwise struggle to access through traditional hospitality. For instance, traditional hospitality outlets are generally not seen by stakeholders to offer accommodation that is as affordable to everyone; STLs by comparison are seen to offer a greater supply of cheaper rentable accommodation on a short-term basis, which is beneficial for tourists working with lower budgets. Stakeholders also recognise that STL accommodation is much more diverse than that offered by traditional hospitality, can help provide guests with an 'authentic' feel to their holiday and provide a different insight into a local area.

"I think this type of letting opens up to families who cannot afford hotels but do not want caravan/camping holidays and offers a wide range of basic to luxury options."

(South of England)

"It is great that Bristol is able to offer a variety of places, not just hotels; it can offer a wider selection which ultimately will bring more people to Bristol."

(West of England)

"It gets people networking and shows people another side to the city. I always try to tailor what I offer to the people staying and it makes more of a connection...they will often eat in local places I recommend in my welcome pack."

(Host, North-West)

- **Overflow accommodation for cities at peak times:** In some instances, the STL sector is seen to complement rather than compete with traditional hospitality. For instance, stakeholders from busy urban areas identified the distinct value of STLs in providing overflow accommodation at peak times. For example, in Cardiff and Manchester, which see high volumes of tourists coming in for sporting events, the overflow accommodation provided by STLs was seen to be crucial in maximising the economic opportunity of those events. Stakeholders from those locations say that STLs essentially allow larger numbers of visitors to stay (and spend money in their city) when hotels have already reached capacity. As a result, cities and regions can continue to grow their tourism economy without being constrained by the supply of accommodation.

"Tourism has blossomed in Manchester. Airbnb picks up the slack that hotels can't provide. It enables that growth to continue when there are big events on."

(North-West)

Other stakeholders representing urban areas described how STLs can enable visitors to be located closer to the major events (sometimes within walking distance) which can help reduce pressure on the local transport system and preventing it from otherwise 'grinding to a halt'.

- **Extra income for local people and businesses:** Stakeholders recognise the crucial importance this extra income represents for many individuals and families around the UK and acknowledge that this is likely to become more important in the wake of COVID 19. In all locations, the extra income afforded to hosts letting out their properties as STLs is recognised by stakeholders as a benefit. This was in particular highlighted in areas with a high cost of living, such as London and the South of England. Some stakeholders also described how making use of an otherwise unused asset in this way is a particular benefit for groups who are otherwise struggling financially, including, for example, single parents who struggle to work full time due to childcare responsibilities.

“There’s a family I know that vacates Friday to Monday with their four kids to stay in a really cheap hotel for three nights and make about a grand a weekend in the good season [letting out their house as an STL]... they really need that money very badly.”

(South of England)

Beyond the financial help, hosts also pointed to the social and emotional benefits they had experienced from letting out a space and meeting new people.

“For hosts with family responsibilities it’s a great way to earn extra income and you get to meet amazing people doing brilliant things.”

(Host, Wales)

“My experience has been very positive...with people coming to say, it works really well. People are polite and it’s given me a lot of faith in human nature.”

(Host, South of England)

However, stakeholders do have concerns about some issues in the sector:

- **Perceived increase in ‘professionalisation’ of STLs:** There is a perception that there has been a trend highlighting the transition of STL’s practices from being informal and small scale to one which has seen the increase of ‘professional’ operators, who run multiple, whole properties as permanent STLs. There are concerns that this heightens the risk of anti-social behaviour incidents (as the landlord is less present/engaged) and has an impact on local housing markets.
- **Perceived lack of compliance with health and safety standards:** There is a perception that standards around health and safety vary significantly across the STL sector, due to a lack of enforcement. Stakeholders emphasise that raising awareness and compliance of existing standards across the sector should be a key objective going forward. The COVID-19 pandemic has only strengthened this view, with national level stakeholders commenting that this presents an opportunity for the sector to address long-standing concerns.

“There’s a lack of understanding around health and safety and ignorance is no excuse, so people are being prosecuted under regulations they weren’t aware of.”

(South-West)

4.3. Stakeholders feel that the STL sector can play an important role in the recovery of the tourism sector in the wake of the COVID-19 pandemic.

There is consensus that current conditions may present an opportunity for a revival of domestic tourism, given continued restrictions and difficulties around international travel and that STLs can play a significant role in this ‘home-based’ recovery. There is thought to be an opportunity for STLs to capture a large degree of this market as customers will likely have higher levels of demand for self-catering accommodation options in the coming months.

Further, given the financial constraints many are likely to face as the economy heads into recession in the coming months, letting out a spare room, etc. may become a way to earn extra cash to compensate for lost income and relative rises in the cost of living. Stakeholders point to a similar phenomenon in the midst of the last economic downturn, where many let out rooms (and/or properties) as STLs to provide them with extra cash to see them through, as historical precedent for this.

“We might see a big increase in the amount of people letting out rooms and properties as a means of generating extra cash during the recession, on an amateur basis - which is how Airbnb initially got off the ground.”

(National stakeholder)

4.4. There are a minority of stakeholders in the sample who felt the sector is having a negative impact on UK communities, but that there is potential for a registration scheme to address this.

These stakeholders do acknowledge the benefits set out above, but feel these are outweighed by the more negative impacts of STLs, most notably:

- **Distortion of the local housing market:** The greatest concern amongst certain stakeholders, most notably those working in local councils, is that long-term, professionally managed, whole property STLs in high-demand areas reduce the supply of housing. Whilst only a minority have very strong views on this, a wide range of stakeholders do express similar concerns and say that they would be interested in seeing data that would aid further understanding of this.

“The evidence on housing is not conclusive, and it’s used as a political football.”

(National stakeholder)

- **Anti-social behaviour:** There is a perception amongst these stakeholders that STLs in an area increase the frequency of anti-social behaviour complaints. Local authority stakeholders in particular voiced concerns about the pressure this can put on resources and the tensions this can cause within communities.
 - Whilst this was a concern across the sample we consulted, stakeholders are divided on how prevalent these 'problem properties' are, with some taking the view that this is a growing problem, whilst others remain far less convinced.

4.5. There are also some secondary concerns that stakeholders want to see addressed in the STL sector.

These include:

- **Impact on community cohesion:**

"It's important to strike a balance between offering someone to come and live in the community... [and the] impact on the community losing its soul from people not living there permanently."

(Wales)

- **Non-compliance with tenancy agreements:**

"There are a number of people reporting tenancy fraud and social housing tenants being in breach of their arrangements."

(North-West)

- **Non-compliance with tax obligations:**

"I worry about their tax compliance compared to the hotel sector."

(South of England)

4.6. There is confusion amongst stakeholders as to the extent to which the STL sector is currently regulated, and a perception that adherence to regulation is inconsistent among hosts.

There is a general lack of awareness amongst stakeholders as to what regulations apply to STL properties. Even amongst those who are aware that STL properties have to abide by existing building, planning and tourism regulations, there is concern that there is no enforcement mechanism leading to widespread non-compliance amongst STL properties.

"We [hotels] are regulated to the hilt, but Airbnb isn't regulated at all. We need more of an even playing field if they are here to stay."

5. Responses to the registration scheme

5.1. Overall the consultation saw a positive reception to the idea of a registration scheme.

79% of consultation participants agree the scheme would have a 'positive' or 'very positive' impact. The majority of stakeholders agreed that it would be a positive step forward to have increased data and visibility of the STL sector.

Stakeholders see potential for the registration scheme to improve the reputation of the STL sector by increasing transparency - some believe that the data could be used to quantifiably demonstrate the positive impact that STLs are having in their local area - and providing greater assurance around health and safety standards. The latter point is seen to be particularly important in the aftermath of COVID 19, given the increased demand for 'staycations' stakeholders are observing with the continued difficulties of international travel.

"There are now more [hosts] wanting that independent accreditation to reflect increasing consumer demands around standards...there's the ability for platforms to show registration and advice [around Covid-19] to hosts in one place."

(National stakeholder)

"It would give a better idea of the size of the market and who is participating in it. LAs often don't have that overview and need it for a more rational discussion and being able to demonstrate quantifiably contribution it can make to the economy, supporting jobs and shift the conversation."

(National stakeholder)

Fieldwork conducted after the outbreak of the COVID-19 pandemic suggests that support for a registration scheme has been strengthened by recent events. Stakeholders emphasised the importance of making it as easy as possible for members of the public looking to generate additional income to participate in the STL sector, whilst still imposing some oversight of the sector.

"Independent accreditation is increasingly important; people are wanting things to be checked by third parties and demonstrate that those standards are there and being adhered to."

(National stakeholder)

5.2. There was broad agreement that the registration scheme could be a potentially important tool in tackling anti-social behaviour.

Anti-social behaviour is a core concern stakeholders have about STL properties. There was agreement amongst stakeholders that a registration scheme would allow for greater monitoring of anti-social behaviour in STL properties, and therefore more effective targeting of resourcing. Stakeholders also recognise that greater visibility of how STL platforms are operating could help give peace of mind to those in local communities that local properties are being let out safely and legally.

“Having a registration scheme where it is easy to track where properties are and who owns them would make enforcement more effective”

(South of England)

“Hosts have to be made accountable for what happens at their properties, quickly and transparently.”

(South of England)

However, most stakeholders felt that a registration scheme would not in and of itself solve the issue of anti-social behaviour in the STL sector. Their view was that it would be a first step towards dealing with the issue and welcomed it for this reason.

“It would undoubtedly address some of the [anti-social behaviour] issues and give that local knowledge of who is operating...but it won't address the issue of whether the law is being equally applied.”

(National stakeholder)

5.3. There was also broad agreement that the registration scheme would enable more informed policy-making, and better enforcement of existing regulation.

Stakeholders recognise that current lack of data is a source of tension and disagreement. One particular issue that stakeholders debated was the impact on local housing markets of professional agencies letting out whole properties as short term lets, over a length of time. Stakeholders on all sides agree that better quality data would lead to more constructive debates and informed discussion around what policy solutions might be best employed to ensure local housing supplies.

“If you have regulation you can keep an eye on the data of how many STLs there are, rather than scraping the internet to try and find out - it could give a clearer picture.”

(South-West)

While, broadly speaking, stakeholders feel that the majority of STL hosts operate their lets properly, they also acknowledge that where enforcement efforts are necessary, in the case of ‘bad apples’ then better data may help to identify these. Another key benefit of transparency

around STLs is therefore the improved understanding of how they operate in their area and the potential to improve enforcement action and administer penalties for bad practice. Stakeholders also recognise the potential of the registration scheme to enable better enforcement of existing legislation, such as the 90-day rule in London.

“We’d all appreciate more data, to assess whether people are actually breaking the law and we can target those who are going over 90 days.”

(London)

“A registration scheme could also allow local authorities to effectively focus their enforcement efforts. In particular, a simple scheme could allow local authorities to instantly prosecute anyone found operating without the necessary authorisation.”

(West of England)

5.4. The majority of stakeholders also wanted to see the registration scheme include provisions for greater guest and host protection.

Many stakeholders felt the value of the scheme would be greatly increased by including a declaration for hosts on their commitment to health and safety and fire obligations. It is assumed the visibility provided the data would enable greater identification of ‘problem properties’ and areas, including service planning to further support the sector and grow local economies, as well as better enabling emergency services to more easily identify these properties that may pose fire hazards. Stakeholders also argue that this also provides greater protection for hosts as it means they know what to do to avoid being sanctioned further down the line – e.g. through certification.

“There have to be commitments from the platform that they are actually checking those registering. They need to certify that they meet certain legal requirements - as a hotel would do. At the minimum self-certification for fire safety.”

(National stakeholder)

A small number of stakeholders are also able to identify some of the similarities between the registration scheme and the types of voluntary accreditation schemes that they are already developing locally to tackle perceived issues around the health and safety of STL properties, providing a means by which hosts are able to demonstrate that they are meeting their obligations, and for guests to choose their accommodation accordingly.

However, a minority of stakeholders oppose this on the grounds that this will act as a deterrent to hosts. These stakeholders advocate voluntary accreditation as a more effective way of maintaining and improving standards and suggest that the registration scheme directs hosts towards voluntary accreditation.

5.5. Stakeholders identified a number of secondary benefits to the scheme.

Whilst not the most top-of-mind benefits for stakeholders, the following are seen as further reason to give support to the scheme:

- **Enable greater visibility of tax earnings from STLs:** This was particularly important to stakeholders from the traditional hospitality sector. However, other stakeholders cautioned against using the scheme for tax collection purposes, as this may act as a deterrent to hosts.
- **Improved procedures for local residents wishing to report issues:** Some stakeholders wondered whether the scheme could be made available to local residents wishing to report a local issue. They envisage residents being able to access a property registration number in order to raise their complaint.

“If you could link the registration number against the complaint, it could allow a sort of 10 strikes and you’re out kind of policing.”

(Wales)

- **Improved overall perceptions of the STL sector:** Some stakeholders highlighted the potential for the scheme to help legitimise the STL sector, the benefits of which would in theory become more widely recognised with more transparency, reducing concerns around its negative impacts.

“When we are pitching a large event, we always advertise the number of hotels, but if STLs were more regulated this would legitimise the market – which there isn’t at the moment - and it would allow us to quote their figures too.”

(Wales)

5.6. There was a minority of stakeholders who would only support the scheme if it came alongside additional regulation. These stakeholders tended to support a version of the registration scheme that is closer to licensing legislation introduced in Scotland.

These stakeholders did not dispute that the scheme would bring benefits, as set out above. However, they felt that it would not be enough to tackle the key challenges in the STL sector. These stakeholders therefore wanted to see additional powers come in as part of the introduction of the registration scheme.

Stakeholders who held this point of view tended to be most concerned about the impact that whole property and/or professionalised STLs are having on local housing markets. The additional powers they wanted to see introduced are analogous to what has been introduced in Scotland, namely that the registration scheme should:

- Act as a licensing scheme, rather than being simply declarative e.g. hosts would have to prove via mandatory inspection / certification that they have met health, safety and fire requirements.
- Provide local authorities with the power to demarcate control zones in areas where there is deemed to be an especially high concentration of STL properties.

“You [should] have to make them [hosts] prove some level of understanding, as you do with HMO licensing, of the complexities of what they’re doing. Landlords all the time think it’s really easy to rent out but have no idea of all the things they have to do for making their properties safe.”

(London)

“We already do landlord licensing for if you’re renting out [long-term] as there is a responsibility there...if the registration scheme brought that [licensing] forward that would be helpful.”

(National stakeholder)

6. Design of the registration scheme

6.1. There was broad stakeholder agreement in relation to key design characteristics of the registration scheme.

Most stakeholders agreed that the following would be important to ensuring that the scheme has success:

6.1.1. Must be mandatory i.e. all hosts must be obliged to register no matter what platform they are using, or how they operate their STL:

Stakeholders agreed this would be critical to ensuring benefits from the scheme. In London this is seen to be particularly important for ensuring that it would be an effective tool for enforcing the 90-day rule³.

It was felt that STL platforms themselves would have an important role to play in ensuring that hosts are abiding by the rules of registration e.g. requiring hosts to display their registration number on their listing before allowing them to use a platform.

³ In January 2017, Airbnb introduced a 90-day limit on ‘entire home’ listings in the Greater London area now commonly known as the ‘90-day Airbnb rule’. This means that a property cannot be let out on Airbnb for more than 90 days of occupied nights per year.

“I think the key to success is a system which enforces the 90-day rule. I can absolutely see the logic of that.”

(London)

6.1.2. The scheme should be nationally-run:

Most stakeholders felt that the requirements for the scheme should be consistent across the country, and that the platform for registration should be a central portal, e.g. via a Gov.uk or VisitBritain web page. Some of the key benefits of the scheme being rolled out nationally include:

- *Consistency and simplicity* - whilst some stakeholders saw local authorities as ideally positioned to oversee and enforce the scheme on a day to day basis, they recognised that a national umbrella scheme would be necessary to ensure consistent application, rather than having regional variation (potentially resulting in accusations of unfairness);
- *Efficiency* - the planning system which is run at a local level is held up as an example of the type of inefficiencies that can arise from locally administered schemes. There are some concerns about different ‘localised schemes’ overcomplicating registration for hosts moving to new locations.

“Scotland has different regulations per local authority but doesn’t have as many local authorities as Wales. In Wales there are 22 different local authorities so you don’t want 22 different systems.”

(Wales)

Despite this broad consensus, some stakeholders, particularly those in local authorities, did express concerns over the practicalities of a nationally-run scheme. They wanted extra reassurance that any nationally-run scheme would be easily accessible to local stakeholders and that their local-level data requirements would not necessitate a lengthy or bureaucratic process involving a request to a central authority.

“It’s frustrating for local authorities to rely on data being managed centrally and access issues can be painful, so we would need more local control than a national scheme.”

(North-West)

6.1.3. The scheme should include requirements around health and safety obligations:

Most stakeholders felt that the scheme should go beyond ‘registration only’ and include requirements on health and safety, such as requiring hosts to provide fire safety certificates. However, some stakeholders felt this would create barriers to entry and argued against including any additional criteria to the registration process, proposing instead that an independent accreditation scheme be set up separate to the registration scheme.

“The registration scheme should require hosts to comply on fire safety and carbon monoxide detectors before they can list on platforms...that’s all part of law and should be included in the registration scheme.”

(South-West)

“Consumer safety is better guaranteed via an independent accreditation scheme...a quality assessment scheme can award properties which meet specific criteria, allowing consumers to identify properties which they know have been independently checked and will comply with all relevant regulation.”

(North-West)

6.1.4. Data from the register should be made available to local authorities and local fire services:

Stakeholders agreed that local authorities would need to have access in order to realise the benefits of the scheme in terms of increased targeting of resources. Most stakeholders also wanted the register to be made available to emergency services so that they could better target their resources, and so they can identify problem properties more readily e.g. properties which are being used in a way that could present a fire hazard.

“Greater visibility is important because the local fire service in Bath was not aware even of large STLs being used.”

(West of England)

6.1.5. The registration scheme should be designed in a user friendly, accessible way, and not increase barriers to entry / compliance:

This is felt to be critical to ensuring that the scheme gets widespread take-up and doesn't result in rogue hosts going 'underground.' Stakeholders felt the scheme would need to strike a balance between gathering enough information from hosts to ensure guests feel safe and not asking so much that hosts feel deterred from registering.

“We’re supportive on the basis that it’s as easy as possible for people to use – it’s declarative, you fill out basic information. We want to avoid creating lots of hurdles and hoops for people to jump through.”

(South of England)

This view was echoed by a stakeholder from the Isle of Man, where a registration scheme already exists. This stakeholder has found regulation works well when it has minimal barriers to entry and offers greater guest protection, and this is something they feel can be replicated with the registration scheme.

“One of the top benefits of a registration scheme is that it is a system of regulation with minimal barriers to entry.”

(Isle of Man)

6.1.6. The registration scheme should not create an additional financial burden for local authorities/public bodies and so a small administration fee to hosts should be considered:

There was broad agreement that local councils would not be in a position to pay for the administration of the registration scheme. Local council stakeholders themselves raised concerns about the potential ‘hidden costs’ that might arise from additional enforcement responsibilities and wanted further reassurance these wouldn’t land with them. It is worth noting that the broader cost-benefit of a registration scheme being in place (e.g. being better able to target enforcement activity) was not part of these conversations.

“I’m concerned this won’t be adhered to and local councils will end up monitoring/ enforcing the scheme without the resources to do... We have no powers to require people to ask for planning permission to ask for change of use.”

(South-West)

“As a local authority or DMO they won’t have the resource to set this up and police it, so my worry is who will pay for it?”

(North-West)

Therefore, there was a view that the scheme would need to pay for itself in order to be viable and a charge to hosts was seen as a sensible way to achieve this. Indeed, this position was supported by the Isle of Man stakeholder who said this was how the scheme was run there. At the same time, however, many stakeholders felt that too large a fee would act as a deterrent to hosts, particularly the less professionalised and newer entrants to the market⁴ and that a scheme that was free of charge to hosts would most likely result in greater compliance.

“You would need an entry cost, but you would have to make sure that it is low enough for people to do it. The risk is if the cost is too high people won’t do it and then it wouldn’t fund the system.”

(Wales)

⁴ It should be noted that no cost/benefit analysis has yet been undertaken of running a free registration scheme system, types of which already exist in Europe.

Another suggestion for covering the costs of running the registration was to bring in local tourism taxes, drawing on comparable schemes in other jurisdictions.

“In Hamburg they have a tourism tax, that could be partly used to pay for the registration”

(South-West)

“If you charge a fee for everyone it’s a tourist tax, it could be charged at the point of sale and the money should go to the local authority”

(South-West)

6.2. However, there are a number of areas where stakeholders are more divided.

6.2.1. Some stakeholders feel that certain data from the register should be made available to the general public:

Some stakeholders felt that certain details from the register should be made available to the general public to enable guests to check the safety of the property they are planning to rent, and to ensure a more streamlined complaints procedure for local residents wishing to report a local issue. This would be limited to being able to check which properties had been awarded health and safety or other accreditation, and either a contact number or email for prospective guests to follow up. GDPR regulations were not typically considered here but it is worth flagging that other stakeholders did voice concerns that such a move would infringe the privacy of hosts and act as a deterrent to hosts registering their properties.

6.2.2. Requirements for registration should vary depending on the type of host:

Some stakeholders felt it would be fairer to ask more ‘professional’ hosts i.e. those renting out entire properties / multiple properties to pay a higher fee / to meet a higher standard of documentation in order to register.

“It needs to be a percentage fee of the earnings you take... if you’re renting out a room or doing it as a business.”

(South-West)

However, other stakeholders argue that it would be unfair and add a layer of administrative complexity to create a ‘two-tier’ system and that instead all hosts should be treated equally.

6.3. Stakeholders feel that one key limitation of the registration scheme is that it does not in itself make any provisions for sanctioning ‘bad apple’ hosts.

For the full value of the scheme to be realised, stakeholders felt there must be a mechanism for holding ‘bad apple’ hosts to account i.e. that minority of STL hosts who breach health and

safety standards or causing noise disturbance. This view is particularly relevant for those stakeholders who believe that the registration scheme should be paired with health and safety requirements. While powers do already exist for local authorities and the police to take action on anti-social behaviour and health and safety violations, there is a feeling among these stakeholders that a registration scheme would not in itself drive up compliance.

“I’m concerned that these [requirements] won’t be adhered to and local councils will end up monitoring and enforcing the scheme without the resources to do so.”

(South-West)

Next steps

BritainThinks would like to extend our thanks again to all of the stakeholders who took part in this consultation.

Airbnb will now take the findings from this report forward as their evidentiary basis for their white paper. This white paper will contain recommendations for next steps regarding the proposed registration scheme. For issues raised by stakeholders that a registration scheme is not thought to address, Airbnb will provide separate proposals for in the white paper.

For further information on this report, please do not hesitate to contact the team at BritainThinks: airbnb@britainthinks.com.