

# **The impact of short-term holiday platform letting**

**Housing Scrutiny Sub-Committee  
13 November 2017**

# Holiday Platforms?

- Airbnb
- VBRO
- HomeAway
- Wimdu
- 9 Flats
- House Trip

# Short Term Lets

- Skyline Worldwide
- Go Native
- Premier Apartments London
- Apple Apartments

# Legislation

- **Greater London Council (General Powers) Act 1973**

The use as temporary sleeping accommodation constitutes a material change of use for which planning permission is required. This applies even if only part of the premises is used as temporary sleeping accommodation.

- **Deregulation Act 2015**

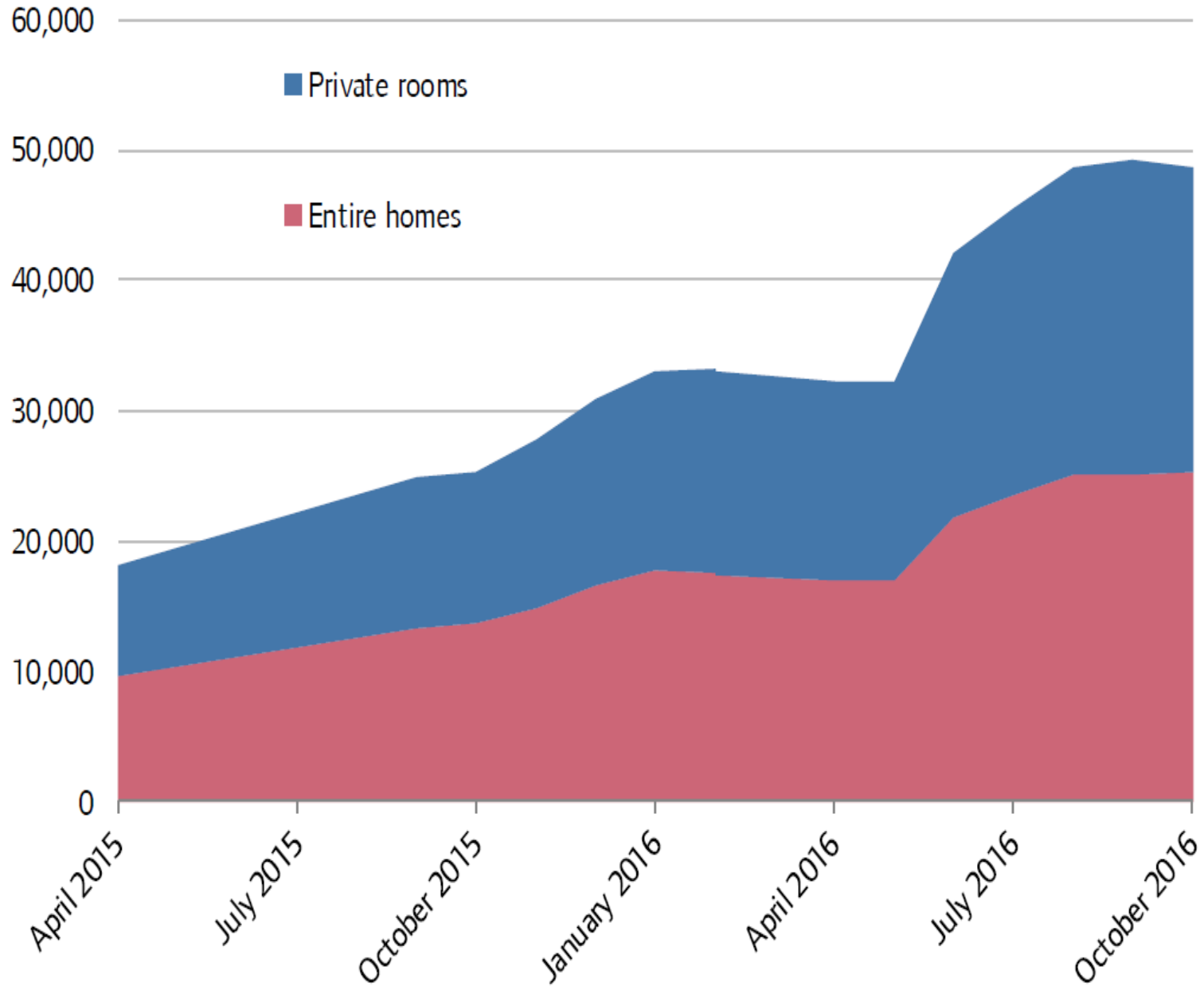
The use as temporary sleeping accommodation... does not involve a material change of use if two conditions are met.

- The first is that the sum of the number of nights of use as temporary sleeping accommodation... in the same calendar year, does not exceed ninety.
- The second is that, in respect of each night.. the person who provided the sleeping accommodation for the night was liable to pay council tax

**‘This policy is aimed at helping residents, and not providing opportunities for the commercial sector.’**

DCLG Policy on short-term use of residential property in London, February 2015

## Trend in number of private rooms and entire homes listed on Airbnb in London, April 2015 to October 2016



# Entire home-lets in London

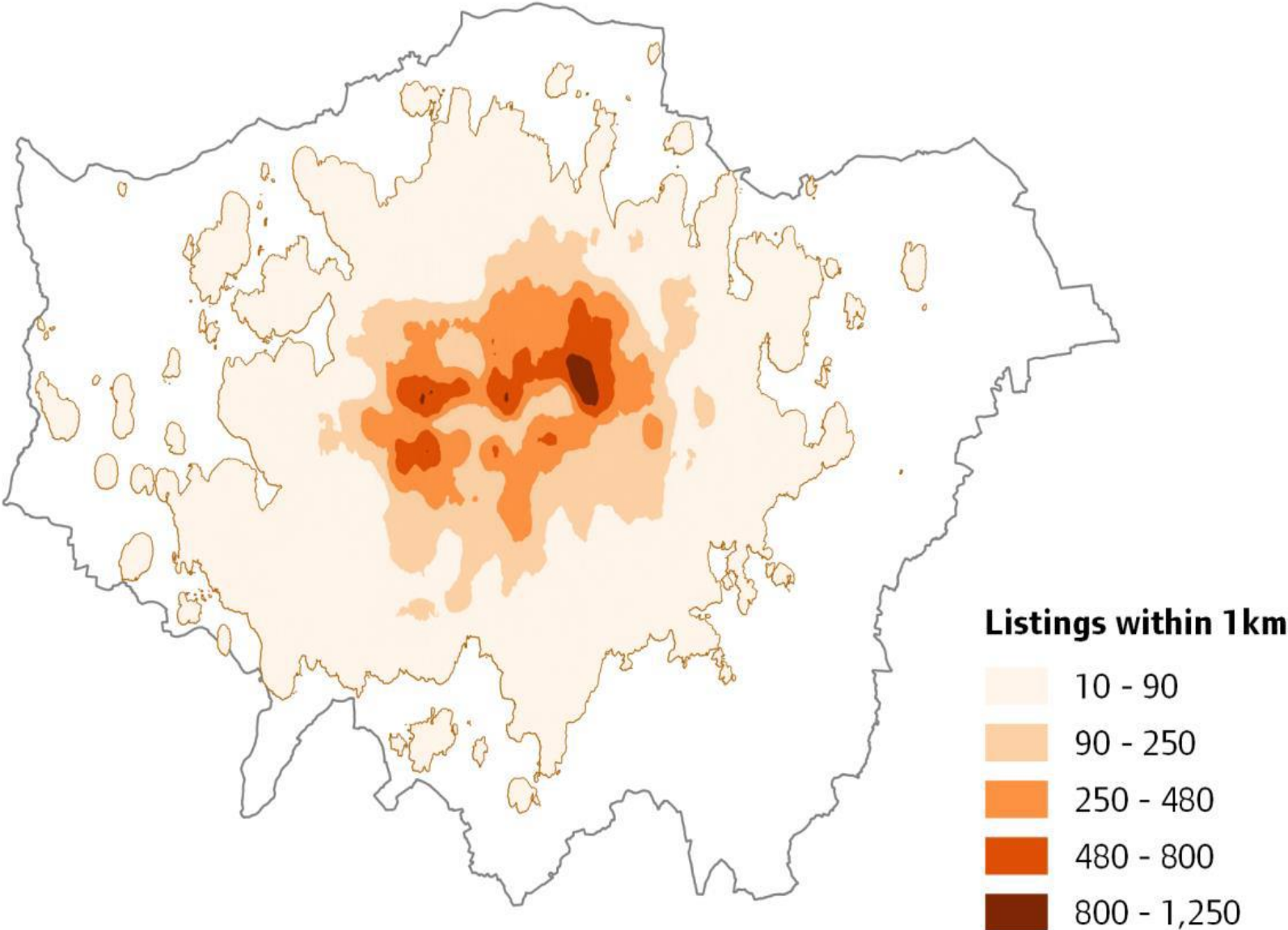
- March 2016: 17,650
- March 2017: 27,175

# **Holiday lets in Tower Hamlets**

- More than half of all Airbnb bookings in London were in Westminster, Tower Hamlets, Camden, Kensington & Chelsea and Hackney
- In the year to March 2017 there were more Airbnb bookings in Tower Hamlets than any borough except for Westminster



# Distribution of Airbnb listings in London as of October 2016



# Entire homes let through Airbnb in Tower Hamlets in 2015

- 3% of our housing stock – London figure is 1%
- 25% let for more than 90 nights
- Around 800 dwellings let through Airbnb for more than 90 nights
- “these lettings... may exacerbate existing housing supply issues”.

# Entire homes let through Airbnb in Tower Hamlets in February 2017

- on a single day in **February 2017**:
- 2,174 flats or houses listed in Tower Hamlets
- 649 of these available for more than three months, and had been let recently
- 370 of these available for more than three months, and recent lettings **and** were offered by 'hosts' with multiple listings

# **Entire homes let in Tower Hamlets in September/ October 2017**

- VRMO - 284 flats available on 22 September
- HomeAway - 176 flats available for the whole of October.

# opportunities for the commercial sector

- 7 per cent of RLA members let properties as holiday lets *that they would have previously let in the private rented sector*
- More than half Airbnb lettings in London during January 2016 were made by hosts with more than one listing
- the number of individuals offering multiple listings has expanded by 75 per cent over 12 months

# opportunities for the commercial sector

- Airsorted: “Airbnb Hosts can earn 60 - 100% more than renting their home residentially... We are so sure that we can fill your property, we give you the option of receiving guaranteed monthly income.”
- Hostmaker: “Hostmaker helped us redesign our flat and took away the day to day stresses. It's now been almost two years and we can say that we don't regret our choice!”
- Portico: “whether you wish to rent out your home while you're on a month-long trip, or you have a spare apartment in the city”.

# the commercial sector in Tower Hamlets

- ‘Vincent and Alice’ list 32 flats in Tower Hamlets: “I am a UK born Australian fashion designer who lives between NYC and London.”
- Bell Boi, a “one stop Concierge Coffee Shop” on Brick Lane
- ‘Petra’ has 39 flats listed in Tower Hamlets
- William/ Fabio list 8 flats in Tower Hamlets: “working in the hospitality industry” and living in London, “the most exciting and bigger property market in the world”.

“When you consider the characteristics of these units and their spatial distribution, it is clear that these rentals are primarily a commercial activity; the uncontrolled expansion of which is not only harmful to the hotel market, but also to city neighbourhoods and the housing market.”

(Jeroen Oskam at Hotel School The Hague)



# Is this a problem?

- **Loss of housing**
- **Nuisance and ASB**
- **Crime**
- **Community Cohesion**

# **Mayor of London's Draft Housing Strategy**

“The Mayor will work with councils to encourage all short term lettings operators in London to enforce the 90 day limit, and will work with the industry to develop an information-sharing protocol or other measures to support council enforcement of the law”

# Airbnb's approach

- Enforcing the 90 day rule
- Image recognition software
- Neighbour complaint tool
- Working towards an industry self-regulation
- Proposing licensed operator scheme

# **The challenge in Tower Hamlets**

- No enforcement against breach of 90 day rule
- No permissions granted for change of use
- Planning Inspectorate appeal upheld
- Website information
- THHF working group on leasehold subletting

# Other options

- **THH and RP lease enforcement**
- **Apply for exemption from the 90-day permission**
- **Resources for cross-departmental enforcement**
- **Publicity and communications**
- **Lobbying for legislative change**
- **Community Protection Notices**