

BPLN0039_19142627

by Sophie Metcalfe

Submission date: 24-Sep-2020 10:48AM (UTC+0100)

Submission ID: 133522955

File name: 699445_Sophie_Metcalfe_BPLN0039_19142627_1064841_469257909.pdf (6.66M)

Word count: 16291

Character count: 87063



UCL Bartlett School of Planning: **BPLN0039 Dissertation in Planning**

To be completed by the student submitting the dissertation:

Candidate name:	Sophie Metcalfe
Programme name:	International Real Estate and Planning
Time and date due in:	Tuesday 8th September 2020 (extension granted for 29.9.20)
Supervisor name:	Howard Cooke

To be completed by the School office:

Time and date actually submitted:	
Lateness penalty applied (if applicable):	
Supervisor name:	
Second marker name:	
Third marker name (if applicable):	

UNIVERSITY COLLEGE LONDON
FACULTY OF THE BUILT ENVIRONMENT
BARTLETT SCHOOL OF PLANNING

An Investigation into the Impact of the Short-Term Rental Market (and its Sub- sequent Professionalisation) on the Private Long-Term Rental Sector in Lon- don

SOPHIE METCALFE BA, MARLA

Being a dissertation submitted to the faculty of The Built Environment as part of the requirements for the award of the MSc International Real Estate and Planning at University College London:

I declare that this dissertation is entirely my own work and that ideas, data and images, as well as direct quotations, drawn from elsewhere are identified and referenced.

SophieRG Metcalfe

Date: 24.9.20

Word Count Main Body: 10,985

Word Count Appendix: 425 (excluding consent forms and risk assessment)

Abstract	4
Acknowledgements	5
Definitions and Abbreviations	6
1. Introduction	7
1.1 Context of London Housing	7
1.2 Commodification of Residential Real Estate	8
1.3 The Sharing Economy	9
1.4 Significance and Structure	10
2. Aims and Objectives	12
3. Methodology	13
3.1 Data Source	13
3.2 Ethics Statement	14
4. Literature Review	15
4.1 Global STR Literature	15
4.2 London STR Literature	17
4.3 Professionalisation of STR's and SAOs Literature	19
4.4 STR Regulation	20
4.5 London Regulation	21
5. Research and Data Discussion	24
5.1 STR Data	24
A Note on Covid-19	28
5.2 Interviews: SOA's and other Professional Bodies	28
7. Case Study Regulation Comparative Discussion	34
7.1 Japan	34
7.2 Barcelona	35
7.3 Santa Monica	37
8. Discussion and Policy Recommendations	38
8.1 Discussion of Findings	38
8.2 Policy Recommendations	40
9. Concluding Thoughts	41
9.1 Summary and Future Research	41
9.2 Limitations	42
10. Bibliography	43
11. Appendix	53
11.1 Secondary Data Information	53
11.2 Primary Data Information	53
11.3 Information Sheet & Consent Forms	55
11.4 Risk Assessment	60

Abstract

AirBnB and other short term rental services (STRs) have become an established part of the residential real estate market in London. For the STR market in general, the desire to stay in apartments and your 'own space' over that of a hotel has given rise to this market. AirBnB and other short-term rental platforms claim to operate through the 'sharing economy'. However this paper will show that STR listings in London are forming a new professionalised market. As a result of this booming industry, there is substantial removal of stock from the private rental sector (PRS) resulting in reduced supply and rising prices. Despite this, the industry is still operating largely unregulated and uncontrolled. Where regulation has been attempted in London, it has been routinely ignored without repercussions and remains ineffective. This paper investigates the impact of STR professionalisation using data samples and interviews before examining regulatory policies from Japan, Santa Monica and Barcelona. Through this investigation, the paper will make policy recommendations for urban planners for efficient and effective regulatory policy in London.

Acknowledgements

I would like to first thank my tutor, Howard.

Thank you for the endless patience, advice and support throughout this process.

Thank you to my parents who have always been my cheerleaders. Their unwavering encouragement and faith in ability has allowed me to continue to succeed in my ambitions.

Definitions and Abbreviations

Short-term Rentals (STR):

Any residential accommodation listed for shorter than a standard Assured Shorthold Tenancy (AST = minimum 6 months), typically holiday or business lets.

Long-term Rental (LTR):

Any residential accommodation listed for the length of an AST or longer, typically 6 months to 3 years.

Private Rental Sector (PRS):

Any property owned by a landlord and leased to a private tenant on a long-term basis (as above). The landlord can be an individual, a company or institutional investor.

Serviced Apartment Operator (SAO):

A professional body managing and leasing multiple serviced apartments on a short-term basis (as above). SAOs lease PRS accommodation on a long-term contract (typically 3-6 years) then sub-let to STR guests. As will be seen in this paper, this definition can be open to interpretation as the market continues to diversify.

90 Day Rule:

This is the current STR legislation in London. It allows individuals to let their properties for less than 90 consecutive nights provided that the short lets, taken in aggregate, do not amount to more than 90 nights in any one year.

NB: outside Greater London there are no legal regulations, therefore this paper is only applicable to Greater London

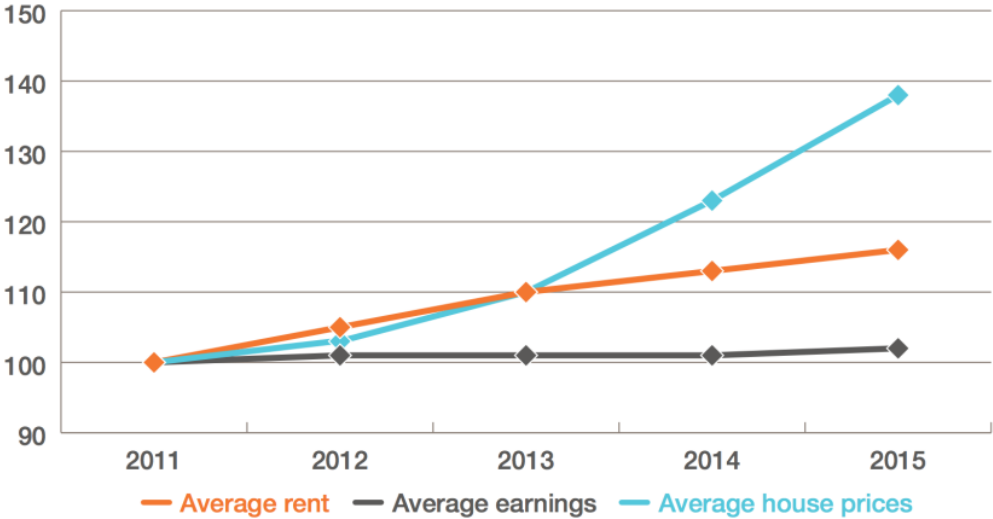
1. Introduction

1.1 Context of London Housing

London has a long standing reputation for being a city of wealth inequalities and disparities (Hamnett, 2003). It has been suggested that “London, more than anywhere else in the UK, is experiencing an acute, pervasive and socially explosive housing crisis so severe and polarising that it has become the city’s number one political issue” (Beswick et al, 2016. p321). Despite its proliferation in political discourse, the problem of affordability in the capital shows no sign of improvement (Harris et al. 2019; Gallent, 2016).

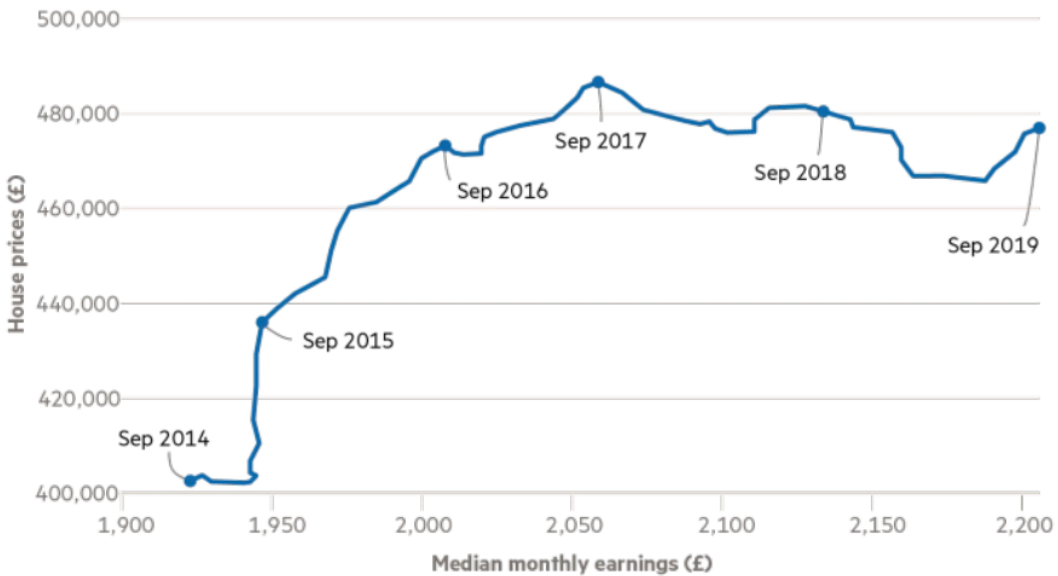
The affordability and home-ownership crisis in London (Gallent, 2016) remains a prevalent social and economic issue (London.gov. 2020). Yet, according to data (see Figures 1 & 2 below) there is little tangible hope of the situation improving in the near future. Statistics show a dislocated relationship between house price and rental growth and income, demonstrating the extent to which the younger and working population are reliant on the private rental sector (PRS) for accommodation (Pickford, 2020).

Figure 1: Average Rents, Earnings and House Prices (2011-2015)



Source: ONS as cited in Institute for Public Policy Research (2016)

Figure 2: London House Prices vs Median Monthly Earnings



Source: Savills, ONS as cited in Pickford, J. (2020)

Due to this, it is crucial to identify and understand influential trends affecting the private rental market. The London residential real estate market which has “failed to keep pace with the growth of housing need and of market demand” (Edwards, 2016. p9) is facing a new threat - the short term rental (STR) market boom (Shabrina, Arcaute, Batty. 2019). STR market growth is widely considered a contributory factor to problems of supply and price in the long-term PRS (Gurran, Phibbs, 2017; Wachsmuth, Weisler, 2018). Despite its importance, there has been little London-specific academic research conducted on STR markets. This paper aims to address this.

1.2 Commodification of Residential Real Estate

For further contextualisation, growing professionalisation of the STR market and London’s liberal attitude towards regulation can be understood through the lens of ‘commodification of residential real estate’. Commodified or financialised markets “respond to preferences of global investors rather than to the needs of communities” (Cheng, 2017). Commodification

will be defined for the purpose of this essay as 'the transformation of housing from being a place of residence and a home, into an investment, asset and/or business opportunity'.

In the UK, the government has facilitated commodification by de-regulating many policies, taking a hands-off approach and giving freedom to the private market (Aalbers, Haila. 2018). The STR market has taken full advantage of this, therefore when discussing the STR boom and the consequential threats posed to housing, it is important to provide this market philosophy context.

For London, the discussion of commodified housing has primarily focused on "transnational wealth elites buying residential real estate" as "safe deposit boxes" (Fernandez, Hofman, Aalbers. 2016. p2443) as the city secured its position as a 'core' investment opportunity (Knight Frank, 2013). Recent figures show that "the proportion of homes held by overseas-based landlords grew to 11 per cent in the first 10 months of 2019" and "18 per cent of properties belonging to landlords from overseas" (Adams, 2019) with this figure set to rise further.

This second home acquisition has driven prices beyond many residents affordability, forcing them out of London (Fernandez, Hofman, Aalbers. 2016). Turning housing into an asset (or a commodity) for investment purposes rather than a place to live (Aalbers, Haila. 2018) has cemented itself in the makeup of the London housing market (Edwards, 2016). This market philosophy of commodification is catalysing STR market expansion.

1.3 The Sharing Economy

The STR market began as part of the 'sharing economy' (Robinson, 2019). The sharing economy "has been celebrated as the new frontier of economic innovation...capable of disrupting existing industries as well as ways of life" (Ferreri, Senyal. 2018. p3354). The sharing economy peer-to-peer business model pioneered by Airbnb and Uber has experienced seismic expansion in only the last decade (Robinson, 2019). In more recent years, the consequences of this expansion and disruption have been coming to the fore.

As indicated above, a key element of the sharing economy boom is the ability of "online platforms to disrupt established industries and challenge existing institutions" (Boon, Spruit

& Frenken, 2019. p898). However, as the popularity and usage of this business model continues to grow in London through platforms such as AirBnB, so does the consumption of residential space. This puts further pressures on private rental market supply and prices.

More recently professionalisation of STRs has entered the market. Professionalisation will be defined as the process whereby companies (or in some cases individuals) make their property available for STRs permanently as part of a company (e.g. SAO) or service, for monetary income on a full-time basis. Serviced apartment operators (SAOs) act as an intermediary. They lease properties from private landlords on long contracts (typically 3-5 years) then sub-lease on a short term basis to a range of clients and guests.

This professionalisation exemplifies property commodification of residential space in London. The platform was originally intended for non-professional users in a peer-to-peer network. However data presented in this paper will demonstrate this is no longer the case. Furthermore, a lack of research in this field has meant attempts at regulation in London have not kept up with the pace of STR growth (Nieuwland, Melik, 2020), allowing the market to develop with full freedom.

1.4 Significance and Structure

Despite being founded only 12 years ago, the short-term rental platform Airbnb is “one of the world’s largest marketplaces...offering over 7 million accommodations” (Airbnb, 2020). Due to the relative youth of the company, it is perhaps unsurprising that there are gaps in knowledge. However, having serviced “over three quarters of a billion guests to date” (Airbnb, 2020) and with research showing that one in ten landlords are likely to move from long-term rentals to short-term lettings (ARLA, 2020) it is clearly a relevant and important topic in real estate planning policy research.

This rapid and substantial growth has raised concerns for planners and policy makers alike (Gurran, Phibbs. 2017). Research for London has not received much attention, despite it being affected on such a significant scale. This paper assesses the causal impact of professionalised STRs entering the market on the long-term PRS and asks the question of how best to approach the situation in London.

The paper will first look at the aims and methodology of the paper before conducting a review of current literature. Although this paper focuses on London, it will draw from global research to support and supplement the investigation. After establishing the context of existing research, secondary data will be used to illustrate the current situation in London. This will be followed by interview material focused on professionalisation and SAOs. Finally, the paper will compare three regulatory frameworks in order to make formal policy recommendations to implement in London.

2. Aims and Objectives

This study aims to add to and update existing research by giving a current view of the STR market. Professionalisation of the market is a topic that hasn't been acknowledged enough in London literature. This lack of attention is perhaps to blame for the extent of the problems now being faced by the London housing market.

As a result of a lack of research on this topic thus far, adequate resources have been unavailable to policy makers for them to produce evidence based resolutions to the problem. The paper aims to improve this understanding and make legitimate evidence-based policy recommendations for London.

3. Methodology

3.1 Data Source

To examine characteristics of the STR market in London, this paper will analyse data from the independent data collection sites AirDNA and Inside AirBnB. AirDNA collects data relating to active short-term vacation rentals from as many platforms as possible (e.g. AirBnB, HomeAway and Booking.com) to give the most comprehensive view of the STR market. Inside AirBnB is an investigatory website reporting data from AirBnB, focusing on illegal renting on the platform. The site gathers public information from the AirBnB website, including location of AirBnB listings and availability for the upcoming calendar year.

Data extracted for this study will specifically look at the number of listings available from 'multi-hosts' and 'entire homes'. These listings will be examined in regards to how often they are available for throughout the year and therefore, whether or not they could be in breach of the London 90 day rule. This will give a reflection of how many residential units are being offered in line with regulations and which are in breach as full time hosts, multi-hosts, part of a business and/or a professional letting service. Although this data encompasses most online leasing platforms, AirBnB is the primary focus as it is the market leader with majority market share (Farmaki, et al. 2020).

To support this analysis, two Central London agents from different companies have been interviewed to discuss their experience. One agent is from a leading global real estate company who have recently followed other large agents in opening a department dedicated to servicing the short-term market - specifically SAOs. The second agent selected is lettings manager for a Covent Garden agent (a hotspot for professional STRs). These interviews give a ground-level perspective of current trends in the short and long term markets from a corporate perspective and local agent perspective.

As a result of circumstances surrounding Covid-19 the data sample is significantly smaller than originally intended. The interviews that were arranged with SAO employees were cancelled due to them experiencing visitor cancellation rates of up to 97% and were either no longer able or willing to be interviewed. Other estate agents due to be interviewed were placed on furlough during the time when the interviews were conducted and personal contact information was not available. The two agents that were interviewed for this paper

were known to me through previous employment and therefore were contactable despite being on furlough.

Finally, in order to construct an evidence based policy recommendation in the conclusion of this research, three case studies will be examined. This paper will draw from these case studies to assess which could have the most positive impact in London considering market dynamics.

NB: Due to Covid-19 limitations, more emphasis has been placed on existing literature and secondary data to support the arguments presented in this thesis and to make some assumptions.

3. 2 Ethics Statement

The methodology adopted for this research presents little ethical risk. All interviewee information will remain anonymous in the hope this will encourage the most honest and open responses. All interviewees were fully informed of the purpose of the investigation prior to participating and signed consent forms (see appendix). In addition, due to Covid-19 the interviews were conducted online rather than in person.

All secondary data collected in this investigation is available on publicly viewable platforms including data analytical websites, literature and government legislation.

4. Literature Review

This chapter is divided into the following five sections to give a full and rounded background of existing research in this field.

- Global literature on the STR market
- London specific literature on the STR market
- Professionalisation of the STR market and the introduction of SAOs
- Literature on STR market regulations
- London STR regulations

4.1 Global STR Literature

It has previously been stated that there is “limited evidence on whether home sharing affects the housing market, despite the obvious overlap between these two markets” (Horn, Marante, 2017. p6). This is not because they are not correlated, but rather that not enough research has been conducted on the topic to form a definite conclusion. However it is becoming “a topic of increasing concern for urban researchers and policymakers” (Wachsmuth, Weisler, 2018, p1147). Since Horn & Marante published their claim of little supporting evidence for a direct LTR vs STR correlation, a growing body of literature has begun to provide such evidence. Mainstream media is also generating necessary noise and is stimulating public interest after being covered by most news outlets in the UK including the BBC, The Guardian, Financial Times and ITV Dispatches.

This recent surge in interest should come as no surprise when considering the pace at which this market has emerged. As Leshinsky & Schatz (2018) point out, although STRs are not a new phenomenon, it is only in the last few years that the industry has experienced rapid growth. Research shows that for “the summer of 2010, about 47,000 people stayed with an AirBnB host...by the summer of 2015, it was estimated that almost 17 million people stayed in an AirBnB” (Leshinsky, Schatz. 2018. p417). As of 2020, it is estimated more than 2 million people stay in AirBnB accommodation every night (IProperty Management, 2020). This exponential growth has given urban planners and policy makers cause for concern about the long term impacts on price and supply in the PRS (Gurran, Phibbs, 2017; Wachsmuth, Weisler, 2018).

Some of the more recent studies have found evidence that monetisation of housing through short-term rentals is leading to PRS stock reduction (Barron, Kung, Prosperpio. 2019). The STR market is not a market built from its own independent real estate, rather it is simply removing stock from the long-term market. Properties that were previously available on the long-term rental market are being turned into STR opportunities due to the higher yields (ARLA, 2020) available through online sharing platforms including AirBnB. Hidden behind the 'sharing economy' rhetoric (Cocola-Gant, Gago, 2019), the opportunity to make significantly greater financial returns than the LTR route has tempted an ever-increasing number of landlords into this new market place (ARLA, 2020; Evans, Osuna. 2020).

This has been an issue seen in many cities around the world but the impacts have varied depending on how established the STR market has become (Shabrina, Arcaute, Batty. 2019). Given the global reach of this market, the locational variability of impacts has been widely acknowledged in existing literature. It is claimed that "while global cities are not the only places being reshaped by AirBnB, they are by their nature likely to be significantly affected" (Crommelin et al. 2018. p434). Large global cities with higher levels of tourism and/or are international business hubs are more likely to be the epicentre of professional STRs and SAOs (Crommelin et al. 2018). This is due to existing travel appetite and infrastructure already in place to facilitate growth in a market of this nature (Wachsmuth, Weisler. 2018).

Although the previous point may seem obvious, it is an important observation. If large cities are the locations where negative impacts will be felt on the biggest scale and experience the growth of a new professionalised industry, they should be identified as the most in need of academic research (Coyle and Yeoung, 2016). Although global cities are more likely to experience the evolution of a professional STR industry it does not mean they are exclusively impacted. Studies have been conducted across most regions including Europe, Asia, and USA where the professional STR markets have been established for longer and serviced apartment operators have secured a foothold in the economy (Foxley, 2001). These studies have provided a useful base to expand on.

It has been suggested that one of the most concerning features of these platforms is that it "encourages the professional use and the accumulation of additional properties in order to acquire rents" (Ferreri, Sanyal, 2018. p3356). This, together with increased globalisation of

travel and business and a gap in the market for an alternative to hotels, has given rise to this industry (Crommelin et al, 2018; Foxley, 2001). This sector in countries such as USA and Australia has developed to a point where SAO brand names are as recognisable as those of hotels (Foxley, 2001). This highlights the significant shift in attitude towards STR's and the conditions which facilitate can them.

A further consideration raised by Crommelin et al (2018) which helps explain the rapid professionalised STR market growth is the reduction of risk. Online platforms and the evolution of such management companies have enabled people to engage with a market they are very familiar with (i.e. renting property) with little risk. Landlords have been presented with a similar service to that of traditional estate agents but with higher yields and "quality assurance outsourced to a third party" (Crommelin et al. 2018. p432). This needs to be considered when designing policies as this inevitably promotes further growth of the industry.

To give additional insight into potential STR impacts, studies have also shown STR growth can lead to increased prices in the PRS (Gurran, Phibbs, 2017; Crommelin et al. 2018). One study used a hedonic estimation to find that "a one standard deviation increase in AirBnB listings is associated with an increase in asking rents of 0.4%...which equates at the citywide mean monthly asking rent to an increase of as much as \$93" (Horn, Marante, 2017. p16). Another paper used a regression model and agreed that for every 12 AirBnB listings per census tract, the asking price on private rentals increased by the same 0.4% figure (Holder, 2019).

4.2 London STR Literature

As this discussion has shown so far, this is a topic of significant importance and relevance to housing. It is also clear that large cities are particularly vulnerable to the issues posed by this new industry. Therefore London needs to be given more attention. As acknowledged at the beginning of this paper, there is a lack of London-specific research and thus a limited pool of literature which can be cited in this section.

The global literature cited in the previous section claimed that destinations with existing tourist and business demands are most affected by the STR industry (Crommelin et al.

2018). London attracts 30 million visitors annually (expected to hit 40 million by 2025) (Whitbread, 2019). Over 2.2 million of these visitors are using AirBnB alone (Statista, 2018), up from under 1 million in 2015 (Prynn, Figueiredo, 2015). The STR market is experiencing rapid expansion across the globe and these statistics show London is at its heart (ASAP, 2020). London's experience of the STR market has been one of the most explosive with AirBnB listings now "accounting for 2% of all households" (Boon, Spruit, Frenken, 2019). STR listings in London quadrupled between 2016 and 2020, and almost 25% residential landlords currently opt short-let their properties (Evans, Osuna. 2020).

One of the few studies carried out on London used a similar technique to Horn & Marante's Boston study and found that the STR market was "detracting more than 1.4% of the housing supply into short-term rentals" (Shabrina, Arcaute, Batty. 2019. p1). This may seem like a small percentage at first glance but it needs to be examined alongside the pre-existing affordability concerns (Edwards, 2016) and the continuous growth of this industry (Coyle and Yeoung, 2016). It then becomes clear that this topic needs to climb up the urban policy agenda.

Similarly to Boston, research has also suggested that STRs are contributing to rising long-term PRS prices in London. Coyle and Yeoung (2016) published an overview of the Air BnB market across 14 different European cities including London, investigating localised impacts of the STR market on the PRS. In the case of London, they found that AirBnB usage "positively correlated with the rental price index" (Coyle and Yeoung, 2016. p3).

In London STR returns are estimated at "between three and five times the rental rate compared to a long-term tenant" (Temperton, 2020). It has also been claimed by two leading organisations (The Residential Landlords Association and the National Landlords Association) that Government taxation policies are incentivising landlords to move from the PRS into the STR market (Cromarty, Barton, 2020). These undeniable financial attractions, coupled with house prices and cost of living rising but average incomes remaining static in London (Edwards, 2016. p8) explains the extent and pace of growth.

In addition to the growth of STR and SAO usage, there is a rising sub-market trend of sub-letting tenants (Simcock, 2016). Survey analysis found that in London "15% of landlords had experienced issues with tenants sub-letting online through sites like Airbnb" (Simcock, Smith. 2016. p6). This suggests it is not just landlords. Tenants are also being enticed by

the lucrative opportunity of STR subletting. Although tenants do not have the ability to lease to SAO-type companies, it is an issue which requires examination in future research.

4.3 Professionalisation of STR's and SAOs Literature

As has been touched on previously, professionalisation of STRs is a new and rapidly expanding industry (Larpin et al, 2019). A recent investigation revealed that “only a minority of AirBnB listings can be classified as sharing economy services, while commercial offers constitute a significant share of listings on the platform” (Gyódi, 2019. p537). Data analysis from the website AirDNA supports this, showing 35 per cent of global hosts are ‘management companies’. It has further been claimed that this ratio is rapidly shifting towards the latter (Maclean, 2017). While 35% is a significant figure, what is most concerning is the suggestion that this ratio is shifting at an exponential pace. For this to be the case for the market leading website, it raises further concerns for when other platforms and companies are brought into the equation.

Another investigation into five cities (including London) came to a similar conclusion. They stated that for “global cities in 2016, between a quarter and a half of all AirBnB listings were best viewed as traditional holiday let businesses, rather than examples of the sharing economy” (Crommelin et al, 2018. p440). For this to be the case for five of the biggest cities in the world demonstrates how online STR platforms are transforming into professional property management rather than a peer to peer (P2P) network. This ‘big business’ is predominantly in the form of Serviced Apartment Operators, commonly referred to as SAOs.

Keeping the definition of an SAO concise is a continuous challenge. There are a number of different types of STR accommodation offerings in London which float between residential and hotel categorisations. Jones Lang LaSalle’s also identified this issue as serviced apartments don’t have their own “specific use class under UK planning legislation, resulting in some assets being classified as C1 (Hotels) and others as C3 (Residential Apartments)” (2013, p3).

It could be argued that a driving force, or at the very least a catalyst, to the growth of STR professionalisation and SAOs is the globalisation of business and business travel (Jones Lang LaSalle, 2013). After a period of decline following the GFC, business travel is currently on a trajectory to reach its past 2007 peak. One study found that 76% of travellers in Europe flew for business purposes in 2019 (Ghijs, 2020) and travel spending for corporate businesses increased by 217.85% between 2016 and 2019 (Whatman, 2019). As business travel has increased, so has the preference to use SAO accommodation as a more cost effective, flexible and convenient alternative to traditional hotels. From direct experience, SAOs have developed relationships with large corporate companies and professional bodies such as Google and Facebook.

Foxley (2001) published a study on Serviced Apartment Operators (SAOs) in the UK, describing it as a “growth sector” (p2). Twenty years ago, the UK market was described as being in its “embryonic stage” (Foxley, 2001. p79). The industry didn’t see much more growth in the immediate aftermath of that paper. However more recently “growing numbers of property investors are using short-term lets to diversify their portfolios” (BuyAssociation, 2019). The attraction is clear, SAO’s are approximately 30% less expensive than an equivalent hotel room (London Serviced Apartments, 2020). If current patterns are to continue, business travel will continue to increase and globalise, and so will SAOs. This will see STRs take over an ever greater portion of the residential market.

Despite its increasingly concerning dominance in residential real estate, it is evident from the limited material drawn from in this section that this is an area of little substance in current academic literature. The interview data discussed later in Section 5.2 will shed more light on this topic.

4.4 STR Regulation

The short-term rental market has “developed as rapidly as it has attracted calls for regulation” (Ferrari, Sanyal, 2018. p3355). However, regulating this industry has proved to be a complex and unique challenge, a challenge not yet met without complications.

Nieuwland & Melik (2017) examined this issue using Host Compliance data. They investigated the key challenges policy makers face when regulatory frameworks have been im-

posed in this dynamic and rapidly developing industry. By examining examples of regulatory policy in a range of cities, Nieuwland & Melik concluded there was no single case study considered a completely successful attempt at regulation. It was suggested the reason for this is that policy makers are slow to respond to the advancement of new technologies which drive these markets, citing Uber as a second example (Nieuwland, Melik. 2017). These markets are evolving from new forms of technology yet levels of understanding are not keeping pace with this growth.

A further concern is the disregard of regulations and the often nonchalant attitude to breaches (Temperton, 2020). It is suggested that for the STR market it “seems that no matter if cities decide to prohibit or restrict, enforcement is difficult and could possibly stimulate the illegal operation of STRs...yet not responding to the rise of STRs and their externalities is no option either” (Nieuwland, Melik. 2017. p823). As these studies point out, regulation content is not the only consideration, it is also how rule breaks are treated. If there is law, but no repercussions for breaking the law, then the law will inevitably be broken. This is a pattern of behaviour seen repeatedly, particularly in London.

4.5 London Regulation

Despite the size and popularity of STR platforms in London, regulation has been poorly designed and has resulted in uncontrolled and explosive growth of the market (Nieuwland, Melik, 2017). Balancing the pros and cons of the market has been a significant challenge for planners and policy makers and as the data will show, London has failed to find a tangible solution (Quattrone et al, 2016). London’s current approach has been described as one of the most “liberal” (Boon, Spruit, Frenken, 2020. p905).

Original regulatory legislation fell under the Greater London Council (General Powers) Act 1973. Section 25 stated that any leasing of a property for less than 90 nights a year classed as a ‘change of use’ (Legislation.gov, 2020). In this case, specific planning permission was required in order to operate legally. Any breaches of this would face fines of up to £20,000 or the recovery of money earned through the rental (Legislation.gov, 2020).

This regulation sought protect the housing supply in London by preventing the conversion of homes into STRs in the hope this would prevent large scale removal of homes from the

PRS (Department for Communities and Local Government, 2015). Up until the 'sharing economy' wave, this rule was largely successful in its objective (Crommelin et al, 2018).

However, confusion over the rules from Londoners renting their homes out during the London 2012 Olympics triggered calls to update legislation and remove "unnecessary red tape" (Department for Communities and Local Government, 2015). According to Brandon Lewis MP, Section 25 legislation was "inconsistently enforced, leading to confusion and uncertainty for householders" (Gov.uk. 2015). In 2015, through the 'sharing economy' rhetoric, the coalition government issued the Deregulation Act 2015 Section 44. The aim was to "amend the regime to be more realistic and effective" (Crommelin et al. 2018. p434).

This Act relaxed the rules and allowed individuals to lease out their properties "for less than 90 consecutive nights; provided that the short lets, taken in aggregate, did not amount to more than 90 nights in any one year" (Legislation.gov, 2020). Similarly to the original 1973 Act, fines would be issued if landlords were found to be in breach.

The Department for Communities and Local Government (DCLG) stated that the purpose of the Deregulation Act 2015 was to "enable Londoners to participate in the sharing economy and benefit from recent innovations in information technology by letting out either a spare room or their whole house in the same way as other residents across the country... this policy is aimed at helping residents" (DCLG, 2015. p2). This liberal approach to regulation was pitched as "an opportunity for the Capital to catch up with the 21st Century way of living" (DCLG, 2015. p3).

However, the GLA recently admitted that current law "is near-impossible for councils to enforce" (London.gov, 2019). As the literature points out, when regulations are implemented it is the subsequent enforcement which poses the biggest challenge (Nieuwland, Melik, 2017). In London, planning offices are underfunded (Tighe, 2019). This lack of resources has left current STR planning policy ineffective and inefficient as breaches go undiscovered and unpunished. A task as large as investigating potential AirBnB breaches requires significant government funding, time and man-power as seen in New York (Weiser, Goodman. 2019). Poor enforcement of this already liberal legislation has allowed the market freedom to evolve to an unprecedented scale (Guttentag, 2013).

A recent report suggested that due to a lack of attention and control thus far has left councils with a virtually impossible task with them almost exclusively relying on residents' reporting breaches (London Councils, 2020). In response to this, the Mayor and GLA have collectively called for a new registration system to be rolled out. This will be for any individual or company wishing to rent out a property for less than 90 days in a calendar year. Their hope is that this will help to control and protect the capital's housing for long-term residents (London.gov, 2019). The details and practicalities of this voluntary and self-regulating scheme remain unclear. However, it is difficult to predict much success given the current 90 day rule in London is consistently ignored without repercussions.

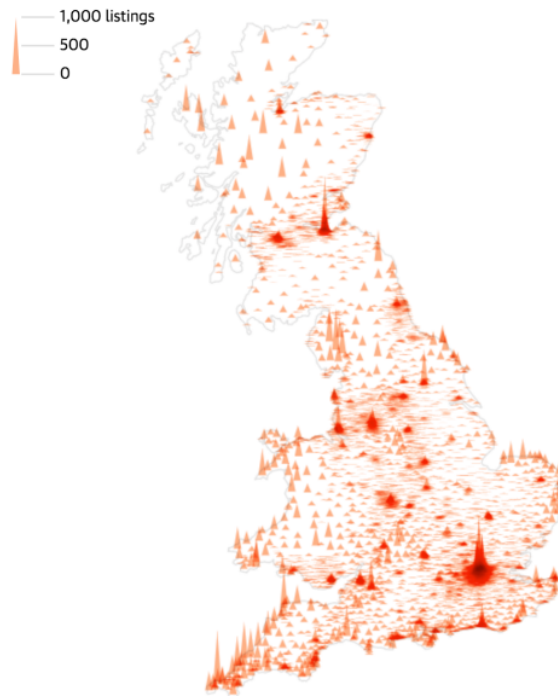
5. Research and Data Discussion

London has a lack of evidence based STR regulatory policy (Quattrone et al, 2016). This chapter will present the most up to date data to demonstrate current market conditions. This will be followed by expert experiences and predictions for the future in order to make informed policy recommendations.

5.1 STR Data

London is the epicentre of AirBnB listings in the UK by a significant margin (see Figure 3). It is estimated that the London AirBnB STR market saw, “2,200,000 guests staying at 75,700 listings, generating £1.3 billion” (London.gov, 2019).

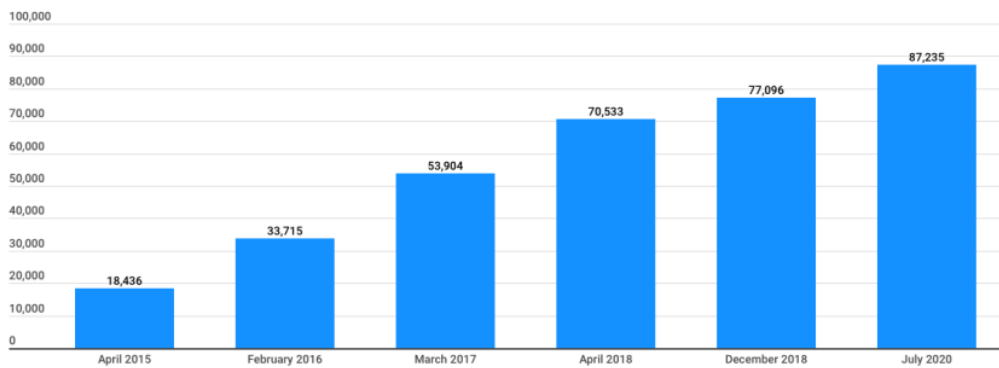
Figure 3: Number of AirBnB Listings in UK 2020 (in absolute terms)



Source: Inside AirBnB as Cited in Kommenda, Pidd, Brooks, 2020

In the last 5 years, AirBnB has increased its presence five-fold (see Figure 4). This makes London the 5th most popular destination in the world for STR stays (IProperty Management, 2020).

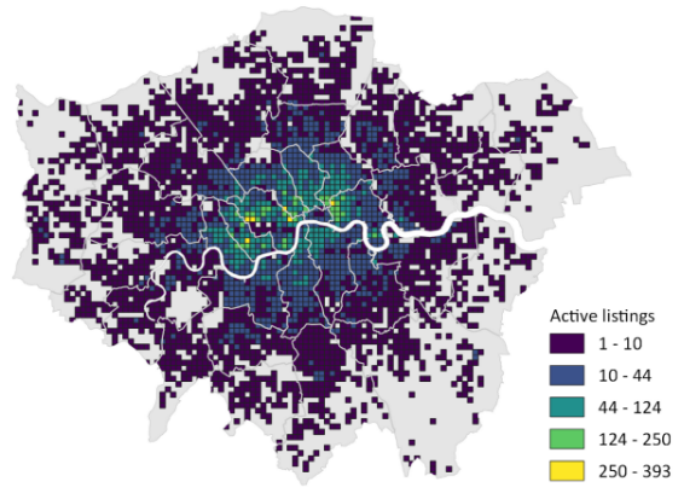
Figure 4: Number of AirBnB Listings in London 2015-2020



Source: Finder.com, 2020

Given the size and diversity of London, impacts have been very localised. Although Central London remains the epicentre of activity (see Figure 5 below), outer London experienced a fifteen-fold increase in listings between 2015 and 2019 (Greater London Authority, 2020), showing the extent of uncontrolled STR market expansion across the whole of London.

Figure 5: Number of Active AirBnB Listings in London (May 2019)



Source: Greater London Authority, 2020

The scale of AirBnBs increase in popularity is clearly significant. However, the biggest concern is the shift from a peer to peer sharing economy rhetoric to a professional industry dominating large parts of the London housing market. Although it is impossible to accurately decipher which properties are directly removed from the PRS (due to data protection laws), data for multiple listings and entire homes can give a realistic estimation.

Inside AirBnB data shows there are currently 87,235 rooms or entire homes listed on AirBnB. Of these listings, data analysis also shows that 49.4% of current listings are from multi-listing hosts, 56% are entire homes and 1% of hosts are responsible for over 15% of total listings (Inside AirBnB, 2020). According to AirDNA, which incorporates other sharing platforms in its sample, 63% are entire homes (AirDNA, 2020). For comparative context, the Boston study mentioned previously in the literature review found that only 18% were multi-hosts. These figures not only indicate the scale of the industry but also the proportion of listings which can be considered professional.

To then understand effectiveness of current legislation, the length of time listings are available for throughout the year can be used. Inside AirBnB data shows that 40.4% of current

listings are available all year round. This implies that just under half of all London hosts are listing properties in breach of London's 90 day rule. A study by Camden Council found that approximately 48% of online STR listings were in breach of the 90-night rule (Camden.gov. 2020). For Westminster this figure is currently 32% (Inside AirBnB, 2020). Figure 6 below shows a breakdown of the most effected London boroughs, demonstrating the scale of professionalisation in London.

**Figure 6: Top ten London Boroughs by Share of Multiple Listings
(October 2019)**

	Share of listings by users with multiple listings	Share of listings that are for entire properties
City of London	74.5	86.9
Westminster	65.9	74.0
Kensington and Chelsea	60.5	81.2
Camden	55.7	64.8
Hillingdon	53.6	31.4
Tower Hamlets	51.9	49.2
Brent	49.2	45.0
Hammersmith and Fulham	48.6	60.9
Newham	48.6	38.0
Harrow	48.1	32.1
London	46.6	55.5

Source: ARLA Propertymark, 2020

A recent survey suggested 57% of landlords offering their property in the STR market in 2019 had previously listed in the long term sector (ARLA, 2020). Connecting this to the above statistics from Inside AirBnB, approximately 21,556 homes have potentially been removed directly from the PRS. Other platforms not encompassed in this data sample and SAOs then need to be added on top of this figure. Although there are limitations preventing

the collection of precise figures, from this data it is implausible to suggest these hosts are non-professional local Londoners renting out their own home on an occasional basis.

A Note on Covid-19

The purpose of this analysis is not to focus on recent events but rather to focus on the long term growth and impact of this industry. However, it is important to note as some realities of the STR market has been put under a magnifying glass by the current Covid-19 pandemic.

Due to significant STR cancellation rates of up to 97% in some cases, the traditional real estate website used by agents for long-term rentals Rightmove, “saw a 45 per cent increase in new rental listings on its platform for the week beginning March 16” (Temperton, 2020). This has further highlighted the amount of homes being removed from the housing market. This is perhaps temporary while tourism and business travel is halted, however it can be used as further evidence to establish a truer scale of PRS stock removal.

5.2 Interviews: SOA’s and other Professional Bodies

As AirBnB and most other platforms don’t publish data themselves, the extent of short-term lettings in London cannot be determined using Inside Airbnb and Air DNA data alone. It is important to also engage with those working in the industry. The primary focus of these interviews is professionalised STR’s - specifically SAOs.

As Figure 6 above showed, City of London, Westminster and Camden are some of the boroughs most affected. Both interviewees have over 10 years of experience in the residential real estate market across London, however they currently specialise in these areas.

Interviewee 1: *Lettings Manager at a Covent Garden Estate Agency*

Interviewee 2: *Head of Serviced Apartment Operator Management at a leading global great estate company*

To preface the following discussion, a key concern which came to light during these interviews is that the definition of SAO is growing to encompass a variety of operations. "Rent to rent" could perhaps be a more accurate description for the myriad of nuanced differentiations between each. There are student focused operators, long term serviced apartments, room share operators and the traditional serviced apartment operator. The similarity being they all seek to acquire C3 (residential) stock to sub-let in one form or another. A number of companies are also beginning to fashion themselves as "apart hotels". These are starting to enter the C1 (hotel) space and challenge the hotel sector directly as the demand moves further their way.

The discussion below is divided into 4 sections - 1) discussion of market changes and SAO industry growth, 2) impact on the LTR market, 3) current London regulation, 4) predictions for the future of the SAO industry.

SAO Growth:

When discussing the industry growth over the last 5 years, both agents have witnessed significant change in the quantity and the success of SAOs. Five years ago Interviewee 1 said they worked with just one serviced apartment operator and knew very little of how these companies worked. They are currently working with approximately 20 reputable operators which deal solely with the West End. For Interviewee 2 the numbers are even more striking. In December 2019 they had been working with 170 SAOs compared to just a "handful" 5 years ago. Due to the competitive nature of the market, this is whittled down to around 50 companies through extensive interviews and analysis of accounts of all the operators who approach them in order to select only the most reputable clients.

Interviewee 2, who has a greater exposure to a wider market across London said that the biggest change they had witnessed in the last 5 years for SAOs was their validation as a legitimate arm of the residential sector. SAOs have gone from having a fairly nefarious reputation, to landlords specifically requesting SAOs see their properties first and more often than not, opting to rent to the operator if possible. Further, this validation has reached developers and large portfolio owners as well as receiving significant investment from funds and individuals. In Covent Garden, two of the biggest portfolio landlords have made 'block deals' with a few selected SAOs and as these relationships build, more units are leased in this manner.

Both agents admitted only a couple of years ago SAOs would look at most letting opportunities available to them. However, more recently companies have grown to such a size they now almost solely focus on taking entire residential blocks rather than 'one-off' units. Not only does this demonstrate the extent of growth in size and profits gained in this market, it also means that residential stock is removed from the long-term rental market in bulk.

NB: Interviewee 2 - *"These block deals are often facilitated on an institutional level by our hotels team, often in C3 [residential] buildings/developments the decisions are made before they ever reach the residential market, making it difficult to quantify this and it's effect on the private market in turn".*

In addition, the agents said more recently SAOs have become far more conscious of the rental prices they offer. Previously, they would offer a premium (typically 10%) above asking price in order to make themselves a more attractive option to landlords. However, as their popularity and reputation improved they can now afford to use specific algorithms to ensure they make optimum financial sense. Instead of the focus being simply on growing stock levels and making any profit possible through the 'sharing economy', these comments are a clear indication of the professionalised shift and how the industry has become much more of a serious business venture - well beyond a P2P sharing economy. It also shows SAOs can now afford to be more selective in their choice because they are so established in the market. This could be one positive as comparative market prices wont be driven up at a pace that was previously seen due to the above market rent contracts agreed.

STR vs LTR:

From both interviews, it is clear that the growth of SAOs is an issue almost exclusively impacting the rental market. Both agents stated that they only knew of one apartment block outright purchased by an operator. They estimated that over 95% of SAO stock is rental stock and sub-leased out. There are purchases going ahead on the hotel side, aiming at the 'apart hotel' initiatives aforementioned. However, in the residential sector it's exclusively rent to rent. This will perhaps change in the future as an increased range of these businesses start grow their cash reserves and are approached by investors of a level required to purchase real estate.

According to Interviewee 1, serviced apartments have been known to take approximately 20% of available residential rental stock. Interviewee 2 estimates closer to 10% of total available property on the residential side. However this was caveated by the additional issue of some residential blocks being leased directly to SAOs before they were listed in the PRS, making statistics more difficult to quantify accurately. This market is still relatively new yet supply levels are being impacted significantly. Although these figures are not exact, they should not be dismissed. It is also perhaps worth re-mentioning a previous statistic - AirBnB listings make up 2% of all households in London (Boon, Spruit, Frenken, 2019). If AirBnB alone equates to 2% and if SAOs continue to take between 10% and 20% of central London LTR stock, it demonstrates how substantial this industry could become.

Another factor to consider is the the length of contract under which SAOs are leasing these properties from landlords. Contract lengths are typically 3-5 years, often with options to renew. This means that properties may not come back for 5 years, or longer. This is potentially very damaging to a market like Central London where the stock levels are already stretched and the young demographic (of mostly students and young professionals) rely on the high turnover of apartments available. With up to 20% of residential stock being removed and put into the STR market for such an extensive period of time is a significant concern.

Although both agents said they haven't noticed a direct impact on rental prices (as on a surface level they couldn't determine conclusively the drivers behind rising rents), they have seen a noticeable difference in stock levels available in the long-term sector due to SAOs. As this market is relatively young, it may take time for prices to feel the impact - this should be an area for in-depth future analysis.

Regulation:

When discussing regulation and how effective it has been, both agents were very open and frank with their opinion and experience. They both admitted that in their years of experience they couldn't recall any SAO or landlord who had been fined for breaching the London STR 90 day rule. Although they are aware of complaints (mainly from neighbours) in blocks where SAOs were in breach of freehold agreements, they have no experience of an eviction or a fine from a London council or authority.

Another interesting point raised is the leasing of entire residential blocks. As they are run more like corporate hotels, in some cases these companies are applying for a 'change of use' from the council during operation, side-stepping the 90 day rule requirements completely. It will be important to follow this trend as the professionalised STR market established an even greater foothold in the London economy. Although, a news report stated that only six change of use applications (from residential to hotel) have been approved in London since the 90 day rule introduced in 2015 (BBC, 2019).

From these interviews it was apparent that the negative media buzz surrounding STRs has had more of an impact than the actual regulations. Interviewee 1 in particular believed that from talking to clients, the negativity in the press has brought these issues into the mainstream and some landlords are beginning to express more caution before going down this route than was previously the case merely 6 months to a year ago. This is surely evidence that this issue is coming to the forefront of conversation and it is starting to receive the attention required to implement change.

Both interviewees expressed hope and expectation that legislation surrounding the SAO model will be changed to better support the functionality of the private long-term London property market.

Future Predictions:

Asking about future predictions was a particularly interesting conversation to compare against literature and draw parallels. Many predictions matched those of Foxley (2001) - undoubted continuous growth for the industry.

Interviewee 1 made the prediction that the SAO industry will become far more refined and only "big players" will dominate. This will leave smaller operators gradually priced out of this highly competitive market. This may be expedited given recent events where they have already seen larger operators taking over residential blocks given up by smaller operators who have been unable to pay rent during the Covid-19 pandemic.

Further, both predicted that SAOs will only operate in whole blocks and start to compete with the hotel industry. One agent did note this may be delayed as it will take at least another year to bounce back from the coronavirus outbreak. However, the larger companies

do have the financial backing to enable them to keep operating through these quieter and more challenging periods. Despite recent events which have impacted the cooperate lettings market (as the number of people working from home and communicating via video calls has replaced travel), the agent said the market will inevitably bounce back.

Interviewee 2 made a crucial statement - "the industry is really only just getting into its stride". Explaining this, they believe the demand for flexible, reasonably priced accommodation is not going to go away (and it is without doubt the data presented earlier in the paper supports this claim). Nor will the requirement for a certain level of comfort fall away with the larger corporate occupiers they service. At some stage they will reach saturation point naturally, but this is yet to be seen or even defined as the end user demand and demographic continues to evolve. SAOs are only just beginning to experience organic growth (without restriction) and will likely continue to do so until demand and supply reaches equilibrium. Considering the damage already being done, this only highlights the crucial need for legitimate regulatory reform.

7. Case Study Regulation Comparative Discussion

In this section three legislative approaches to the STR market will be examined. The three locations discussed below have all experienced a number of regulatory changes regarding STRs. These different policies have led to varying degrees of success which London should take lessons from in future regulatory policy decisions.

7.1 Japan

After experiencing a number of issues with anti-social behaviour, on June 15th 2018 the Japanese government rolled out the 'Minpaku' Law (Dayman, 2018). This banned privately owned short-term rentals, unless specific permission was obtained (Tomikawa, 2018). Under the Inns and Hotels Act, property owners of unused apartments are required to apply for planning permission from the Japanese Land Ministry (Brasor, Tsunuku, 2018). The aim of this law was the "lower the legal hurdles" (Brasor, Tsunuku, 2018) in obtaining permissions of the old Minshuku Law, while also regulating the market and making it easier to control. It strikes a balance and meet the industry halfway - allowing it to still thrive but making planning permission compulsory in order control the number of STRs on the market should the situation escalate (as London has experienced).

Property owners who wanted to register were able to do so prior to the implementation date. Any property that did not obtain a license number prior to June 15 2018 was ordered to remove their listings and cancel any existing bookings by the Japanese government. The programme was slow to gain traction given the country-wide magnitude of the market. Registration to the minpaku scheme was also seen as a long and "onerous process" (Mainichi Japan, 2018). According to a Mainichi Japan News report in 2018 published on the day the law came into force, "as of June 8, the registration process had only been completed for 2,707 of the 60,000 minpaku properties that were believed to exist nationwide" (Mainichi Japan, 2018).

A crucial element of this implementation was the ability and willingness of Airbnb to work with the Japanese government to ensure the new rules were followed and hosts were as informed as possible (Dayman, 2018). AirBnB “voluntarily removed 80% of its listings prior to the effective date of the law, bringing the 62,000 listings recorded earlier this year down to 13,000” (Mariano, 2018). The platform has since stated they will not allow any properties to be listed without the appropriate permissions and registration number (AirBnb, 2018). In response to some significant disruption, AirBnB set up a Japanese Response programme, within this they offered a “\$10 million fund to cover additional expenses for guests who are scheduled to travel to Japan and have had their plans interrupted due to a cancellation” (AirBnb, 2018).

Japan policy shows the need for time and careful planning. Feedback suggests property owners were not given enough advance warning to make the appropriate applications and the government departments were not able to process details as timely as required. Although there are still issues and a number of illegal listings still operating, the programme is generally accepted as progressive and a step in the right direction. This in part could be due to this being country-wide (as opposed to city-specific) legislation. This removes confusion and allows procedural consistency. A key lesson for London to learn here is the need for a period of preparedness and subsequent adjustment.

7.2 Barcelona

According to news articles and available data, the STR market in Barcelona appeared to be similar to London (Gutiérrez et al, 2017) and is a useful comparison. Described as a “poisoned chalice” (O’Sullivan, 2018), the pandemic of STRs and multi-hosts using online sharing platforms in Barcelona left “the number of affordable long-term rentals available to locals shrinking” (O’Sullivan, 2018). In response to the situation, Barcelona implemented a strict regime to combat the impact on the PRS (Gutierrez et al, 2017).

In Barcelona, all AirBnB hosts now require licenses to operate an STR property. Owners must register their property as a ‘tourist household’ if they are offering rentals for less than 31 days (Segu, 2018). This application is also subject to certification of occupancy, a property inspection and final approval. Applications cost €144.45 per property, with the second

property's application fee at €72.23, a further €227.00 fee is due for 'declaration of operation' as a tourist household (Gutierrez et al, 2017). Only when this process is complete and declaration is made and paid does the host receive their registration number needed to legally operate as a STR host (Segú, 2018).

Unlike Japan, when this policy was originally rolled out AirBnB wasn't working as closely with authorities. However, on June 1 2018, AirBnB reached an agreement which allowed Barcelona officials access to details of hosts - who the hosts were and when bookings were made (Segú, 2018). This has enabled Barcelona officials to track down hosts who break the rules more efficiently and without significant human or monetary capital (Sans, Domínguez. 2016). Following the successful removal of 1,500 unlicensed apartments in one year alone, Barcelona continues to push AirBnB and other platforms including Booking.com to introduce the rule that listings can not be made live until a license has been approved, rather than retrospectively removing breaches (Sans, Domínguez. 2016).

It has been stated that "other cities have attempted to implement similar measures, but Barcelona stands out in its commitment to enforcement" (O'Sullivan, 2018). Their determination to crack down on the STR industry has paved the way for future global policy. Their policy appears simple, however it represents significant progress for other cities to replicate. It has demonstrated the ability of house sharing P2P platforms to work with government bodies to simplify the process of tracking down hosts that are breaching regulations. Due to the process involved in attaining a license it has also made the STR route less appealing to landlords (Segú, 2018).

San Francisco and Andalucía have also recently come to the same agreement (AirBnB, 2020). It should be noted that although this seems straightforward, it is not without complications. New York attempted to roll out a similar policy, however a Judge ruled in a court battle that this type of legislation was in breach of the Fourth Amendment and breached privacy (Weiser, Goodman. 2019).

7.3 Santa Monica

Santa Monica experienced significant professionalisation of the STR market. Property management companies took over multiple units and subleased them on a short term basis (Bender, 2015). Santa Monica officials were increasingly concerned about the impacts of this on the long term rental market and the character of the city (Bender, 2015). In 2015, Santa Monica city introduced unprecedented regulations on short term rental hosts.

Regulations require owners to live on the property during the renter's stay (Loudenback, 2018). This removes the possibility of entire homes being removed from the PRS and allowed sharing platforms to only operate in a way that wouldn't be disruptive or damaging. Any breaches of these regulations are punishable by a \$500 fine. In addition, hosts are required to register for an official business license and all income is subjected to the city's 14% occupancy tax (Loudenback, 2018).

Although this regulation may seem extreme, by implementing the toughest regulations on short-term rentals seen in the U.S to date, Santa Monica has removed 80% of its AirBnB listings (Bender, 2015). Although this is one of the biggest reductions of online STR rentals seen to date, the London STR market has more engrained complexities in regards to revenue which needs to be weighed up.

8. Discussion and Policy Recommendations

8.1 Discussion of Findings

From the data presented in this paper it is clear that the STR market and subsequent professionalisation is having a detrimental impact on the long-term PRS in London. Evidence has shown that the STR market has begun to dominate elements of the residential market, causing extensive stock removal acutely visible in data and to industry professionals. This correlation between STR growth and LTR decline is in agreement with most academic studies cited in this paper, in particular Barron, Kung & Prosperpio (2019). However, the data shows that London is experiencing STR growth on a larger (and therefore more concerning) scale than other cities studied. Boston has received notable attention despite only 18% of listings being from multi-hosts (Bivens, 2019) compared to 49.4% in London (Inside AirBnB, 2020).

Wachsmuth & Weisler (2018) and Shabrina, Arcaute & Batty (2019) presented the argument that cities considered hubs or global cities provided optimum opportunity for an STR market boom on a larger scale. This investigation has shown London is a perfect example of this. The 'larger scale' mentioned is not exclusive to individual STR hosts using sharing platforms. Rather, the most significant element of this large scale growth is professionalisation. What Wachsmuth & Weisler (2018) and Shabrina, Arcaute & Batty (2019) failed to identify was how professionalisation of these platforms could take over the STR market. This paper has shown the level to which this industry can evolve in a very short space of time and how detrimental it can be to the PRS.

In addition, this investigation has shown not only is the market not slowing down, it is only getting started. The professional STR industry is evolving in a legitimate and professional way, cementing itself as a significant part of the London tourism and business travel economy. It is worth considering the idea that as these companies grow to a level of established business - working with developers and taking entire residential blocks before they even enter the PRS - they will reach a point where they no longer require the use of sharing platforms such as AirBnB and Booking.com. Current trends suggest that the SAO market will expand to such level where it is an independent market. This has the potential to

make accurate data collection even more difficult and again, poses regulatory issues that will require constant updating as the industry evolves.

Other studies also found a correlation between STR growth and LTR rental price increases (Bivens, 2019; orn, Marante, 2017). Although London private rental prices increased by 0.9% between May 2018 and May 2019 (the highest annual growth since September 2017) (Office for National Statistics, 2020), the cause of this could not be identified as the STR market. This was a question broached in the interviews, however conclusive results couldn't be drawn.

Given the level of literature already published which supports this correlation, it is presumed with little doubt that the London market will respond similarly to other cities cited (e.g. Barcelona, Boston and Santa Monica). As discussed, London has experienced STR market growth and subsequent professionalisation on a greater scale than most, if not all, cities studied. It is therefore likely that London will see this 'STR growth vs LTR rent correlation' manifest on a greater scale. This will inevitably inflame the affordability problem London has been experiencing for a number of years.

Further, it is clear from interviews and numerical data that London's STR market has established itself to a point of no return. As a result, London cannot implement a policy that would be too restrictive or disruptive to an entire industry on which a substantial proportion of the travel and hospitality market is now reliant upon. When analysing Santa Monica, Barcelona and Japan, it is evident that Santa Monica policy has been by far the most successful in reducing STR listings. However as per this discussion, in London the STR market has become too established in the economy for this to be a legitimate option. Implementing a policy of this design would cause significant damage to the tourism market - a market that contributes significant levels of revenue to the city. This poses an additional challenge for regulation that goes well beyond the 90 day rule.

Another aspect for consideration is the notion that impacts vary locally (Coyle and Yeung, 2016). The literature discussed argues that impacts differ country by country or city by city (Crommelin et al. 2018). However for a city as large and economically diverse as London it is unsurprising that data presented earlier shows it has manifested borough by borough, council by council. Therefore, due to the way London has been affected by the STR mar-

ket, it is impossible to carbon-copy a legislative approach taken by another government. Any policy should be localised and underpinned by data from each area or borough.

8.2 Policy Recommendations

The GLA implemented the 90 day rule in 2015. The results have not been as anticipated and as the evidence presented shows, it has failed to control the numbers of STRs available in the city. Despite this, the GLA have not made any changes or improvements to their regulatory framework.

To correctly implement policy, the GLA should consider the following recommendations:

1. Although the current 90 day rule is not enforced as it should be, in its essence there is nothing wrong with the legislation and should be kept in place (with the following amendments).
2. Policy should have the ability to be tailored locally. Borough-level databases need to be established which allow councils to have individual autonomy and discretion for policy implementation.
3. Taking lessons from Japan and Barcelona, licensing requirements is a simple and effective way of controlling hosts numbers. It is recommended London enforces mandatory registers where any individual or company is required to apply for an official license prior to listing any unit online.
4. All platforms should automatically require confirmation of a license before hosts are able to list their properties.
5. To monitor and address breaches of regulation, London councils need to work with on-line platforms for optimum efficiency. Similarly to Japan and Barcelona, a database of host information and those without licenses needs to be available to councils at all times.

6. For the professionalised sector, planners and policy makers need to work with industry leaders to find a balance between allowing businesses to succeed, while controlling the impacts on the PRS. Improved data transparency is crucial.
7. To prevent the occupation of entire residential blocks by STRs, planning permission application approvals should require conditions stating developers may not lease to STR companies. Councils in the UK already have the framework for this through Section 106 guidelines, therefore should be simple to implement.

9. Concluding Thoughts

9.1 Summary and Future Research

This investigation has examined the relatively unregulated freedom in which the STR market has developed as an example of commodified residential real estate in London. This is a deeply rooted ideology through which the London economic market operates. Issues have arisen as a result of unbalanced regulation for STR prosperity vs protecting the LTR PRS.

As discussed in the previous chapter there are concerning predictions for the extent to which London will continue to experience STR expansion. Should these manifest as predicted, it is particularly concerning for lower-income residents who are key to the functionality of the city - e.g nurses, cleaners and police officers. If PRS prices continue to rise beyond their affordability many will be forced to move away. For London to keep functioning (economically and socially), preserving the PRS should be a priority issue for urban planners and GLA policy makers.

Previous studies have not thoroughly examined the impacts of professional STRs and SAOs. However, the literature that has been published thus far draws sure conclusions that when the STR market is unregulated (or not regulated properly), issues for the LTR market occur. As London has given this industry so much freedom to evolve, the definition of SAO (or professionalised STR) continues to expand, so does the challenge of designing

regulation that will be adaptable and fully encompassing. It is also crucial that pushes are made to improve data availability, transparency and accuracy. Only when data is made more reliable can the true extent of this industry be understood and subsequently addressed.

As a result of these rapid changes alongside concealment of information in the industry, it is a topic with numerous facets that cannot be covered in one paper. It requires much future attention. The main issue which could be examined using a regression model (like Boston) is the correlation between STR growth and the impact on PRS prices. Future research should also examine the impact professionalised STRs is having on the tourism industry, the impact on community bonds and the broadening term 'SAO' as a 'rent-to-rent' service and what this could mean for existing markets (e.g. student accommodation and hotels).

9.2 Limitations

The methodology used for this paper does present some limitations. Although Inside AirBnB and AirDNA are acknowledged as the most accurate analytical websites available, using secondary data should always be used with caution as unknown errors may be present in the sample. Due to data protection laws and general accessibility issues discussed, some assumptions of the data have been made.

As mentioned, due to the Covid-19 pandemic the interview sample is significantly smaller than originally intended. Although this is a circumstantial issue rather than a methodological issue, due to the sample size it must be noted that any opinions expressed in this sample are a marginal representation of experiences and opinions of the STR market and future research must be broader. As a result of more limited data samples than was anticipated, more reliance was placed on existing literature for supporting evidence and to make some assumptions.

10. Bibliography

Aalbers, M. Haila, A. (2018). A conversation about land rent, financialisation and housing. *Urban Studies*. 55 (8), p1821–1835.

Adams, P. (2019). *Properties to Let Increasingly Held by Overseas Landlords*. Available: <https://www.propertynotify.co.uk/news/properties-to-let-increasingly-held-by-overseas-landlords/#:~:text=The%20report%20found%20that%20the,record%20low%20at%20that%20-time..> Last accessed 17 July 2020.

AirBnB. (2020). About Us. Available: <https://news.airbnb.com/about-us/>. Last accessed 1 September 2020.

AirBnB. (2018). *Responsible hosting in Spain*. Available: <https://www.airbnb.co.uk/help/article/1388/responsible-hosting-in-spain>. Last accessed 20 August 2020.

AirBnB. (2018). *Supporting Travellers in Japan*. Available: <https://news.airbnb.com/en-au/supporting-travelers-in-japan-anz/>. Last accessed 1 September 2020.

AirDNA. (2020). *London*. Available: <https://www.airdna.co/vacation-rental-data/app/gb/london/london/overview>. Last accessed 6 September 2020.

ARLA, Propertymark. (2020). *The impact of short-term lets Analysing the scale of Great Britain's short-term lets sector and the wider implications for the private rented sector*. Available: <https://www.arla.co.uk/media/1048597/the-impact-of-short-term-lets.pdf>. Last accessed 7th September 2020.

ASAP. (2020). *What is a Serviced Apartment?*. Available: <https://theasap.org.uk/non-members-consumers/about-serviced-apartments/what-is-a-serviced-apartment/>. Last accessed 28 May 2020.

BBC. (2019). *What the Airbnb surge means for UK cities*. Available: <https://www.bbc.co.uk/news/business-47910700>. Last accessed 29 August 2020.

Bender, A. (2015). *New Regulations To Wipe Out 80% Of Airbnb Rentals In California's Santa Monica*. Available: <https://www.forbes.com/sites/andrewbender/2015/06/15/new-regulations-to-wipe-out-80-of-airbnb-rentals-in-californias-santa-monica/#5f7bbf2f169a>. Last accessed 26 August 2020.

Beswick, J. Alexandri, G. Byrne, M. Vives-Miró, S. Fields, D. Hodgkinson, S. Janoschka, M. (2016). Speculating on London's housing future. The rise of global corporate landlords in 'post-crisis' urban landscapes. *City: Analysis of Urban Change, Theory, Action*. 20 (2), p321-341.

Boon, W. Spruit, K. Frenken, K. (2019). Collective institutional work: the case of Airbnb in Amsterdam, London and New York. *Industry and Innovation*. 26 (8), p898-919. DOI: 10.1080/13662716.2019.1633279

Brasor, P. Tsubuku, P. (2018). New minpaku law will alter Japan's rental and hospitality landscape. Available: <https://www.japantimes.co.jp/community/2018/04/01/how-tos/new-minpaku-law-will-alter-japans-rental-hospitality-landscape/>. Last accessed 29 August 2020

Buy Association. (2019). Professionalisation of Airbnb set to attract more property investors. Available: <https://www.buyassociation.co.uk/2019/11/11/professionalisation-of-airbnb-set-to-attract-more-property-investors/>. Last accessed 30 August 2020.

Camden.Gov. (2020). *Half of short term lets in Camden exceeded the 90-night legal limit in 2019*. Available: <https://news.camden.gov.uk/half-of-short-term-lets-in-camden-exceeded-the-90-night-legal-limit-in-2019/>. Last accessed 8th September 2020.

Cheng, L. (2017). *Commodification of housing leading to empty homes, greater inequality, UN report finds*. Available: <https://architectureau.com/articles/commodification-of-housing-leading-to-empty-homes-greater-inequality-un-report-finds/>. Last accessed 17 July 2020.

Cocola-Gant, A. Gago, A. (2019). Airbnb, buy-to-let investment and tourism-driven displacement: A case study in Lisbon. *Environment and Planning A: Economy and Space*. 1 (1), p1-18. <https://doi.org/10.1177/0308518X19869012>

Coyle, D. Yu, T. Yeung, C. (2017). *Understanding AirBnB in Fourteen European Cities*. Available: <http://www.lcii.eu/wp-content/uploads/2017/02/Yeung-Understanding-AirBnB-in-Fourteen-European-Cities-v4.1-1-1.pdf>. Last accessed 15 August 2020

Cromarty, H. Barton, C. (2020). *Briefing Paper: The growth in short-term lettings (England)*. Available: <http://intranet.parliament.uk/commons-library>. Last accessed 7th September 2020.

Crommelin, L. Troy, L. Martin, Pettit, C. (2018). Is Airbnb a Sharing Economy Superstar? Evidence from Five Global Cities. *Urban Policy and Research* . 36 (4), p429-444. <https://doi.org/10.1080/08111146.2018.1460722>

Dayman, L. (2018). *What You Need to Know About the Airbnb Ban in Japan*. Available: <https://theculturetrip.com/asia/japan/articles/what-you-need-to-know-about-the-airbnb-ban-in-japan/>. Last accessed 18 August 2020.

Department for Communities and Local Government. (2015). *Promoting the sharing economy in London Policy on short-term use of residential property in London*. Available: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/402411/Promoting_the_sharing_economy_in_London.pdf. Last accessed 15 August 2020.

Edwards, M. (2016). The housing crisis and London. *City: Analysis of Urban Change, Theory, Action*. 20 (2), p222-237.

Evans, A. Osuna, R. (2010). *The impact of short-term lets*. Available: <https://www.arla.co.uk/media/1048597/the-impact-of-short-term-lets.pdf>. Last accessed 25 May 2020.

Farmaki, A. Christou, PSaveriades, A. (2020). A Lefebvrian analysis of Airbnb space. *Annals of Tourism Research*. 80 (1), p1-12.

Fernandez, R. Hofman, A. Aalbers, M B. (2016). London and New York as a safe deposit box for the transnational wealth elite. *Environment and Planning*. 48 (12), p2443–2461. DOI: 10.1177/0308518X16659479

Ferreri, M. Sanyal, R. (2018). Platform economies and urban planning: Airbnb and regulated deregulation in London. *Urban Studies*. 55 (15), p3353–3368. <https://doi.dox.org/10.1177/0042098017751982>

Finder.com. (2020). *London AirBnB Statistics* . Available: <https://www.finder.com/uk/london-airbnb-statistics>. Last accessed 7th September 2020.

Foxley, S. (2001). Serviced apartments in the UK – a growth sector?. *Journal of Property Investment & Finance*. 19 (1), p79-89. <https://doi.org/10.1108/14635780110365389>

Gallent, D. (2016). *Whose Housing Crisis?*. Available: <https://www.ucl.ac.uk/grand-challenges/sustainable-cities/our-work/re-thinking-housing/whose-housing-crisis>. Last accessed 15 August 2020.

Ghijs, S. (2020). *The Business Flight Travel Survey Statistics*. Available: <https://flyaeolus.com/blog/2017-business-travel-statistics/>. Last accessed 7th September 2020.

Greater London Authority. (2020). *Housing Research Note 2020/04 Short-term and holiday letting in London*. Available: https://www.london.gov.uk/sites/default/files/housing_research_note_4-_short-term_and_holiday_letting_in_london.pdf. Last accessed 7th September 2020.

Guttentag, D. (2013). Airbnb: disruptive innovation and the rise of an informal tourism accommodation sector. *Current Issues in Tourism* . 18 (12), p1192-1217. <https://doi.org/10.1080/13683500.2013.827159>

Gutiérrez, J. García-Palomares, J. Romanillos, G. Salas-Olmedo, M H.. (2017). The eruption of Airbnb in tourist cities: Comparing spatial patterns of hotels and peer-to-peer accommodation in Barcelona. *Tourism Management*. 62 (1), p278-291.

Gurran, N. Pibbs, P. (2017). When Tourists Move In: How Should Urban Planners Respond to Airbnb?. *Journal of the American Planning Association* . 83 (1), p80-92.

Gyódi, K. (2019). Airbnb in European cities: Business as usual or true sharing economy?. *Journal of Cleaner Production* . 221 (1), p536-551.

Hamnett, C. (2003). Gentrification and the Middle-class Remaking of Inner London, 1961-2001. *Urban Studies* . 40 (12), p2401-2426. doi:10.1080/0042098032000136138

Harris, E. Nowicki, M. Brickell, K. (2019). On-edge in the impasse: Inhabiting the housing crisis as structure-of-feeling. *Geoforum*. 101 (1), p156-164.

Holder, S. (2019). *The Airbnb Effect: It's Not Just Rising Home Prices*. Available: <https://www.bloomberg.com/news/articles/2019-02-01/airbnb-increases-home-prices-yet-escapes-regulation>. Last accessed 20 August 2020.

Horn, K. Merante, M. (2017). Is home sharing driving up rents? Evidence from Airbnb in Boston. *Journal of Housing Economics*. 38 (1), p14-24.

Institute for Public Policy Research. (2016). *HOMESHARING & LONDON'S HOUSING MARKET*: Summary Report. Available: https://news.airbnb.com/wp-content/uploads/sites/4/2019/06/homesharing-and-London-housing-mkt_summary.pdf. Last accessed 8th September 2020.

Imrie, R. Lees, L. Raco, M (2009). *Regenerating London: Governance, Sustainability and Community in a Global City*. Oxon: Routledge. p20-234.

Inside AirBnB. (2020). London. Available: <http://insideairbnb.com/london/>. Last accessed 6 September 2020.

IPropertyMangement . (2020). *AirBnB Statistics* . Available: <https://ipropertymanagement.com/research/airbnb-statistics>. Last accessed 15 August 2020.

Jones Lang LaSalle. (2013). *Focus On: The London Serviced Apartment Sector*. Available: https://www.voxmarkets.co.uk/squawk_content/587fe3efe4075.pdf/. Last accessed 1 September 2020.

Knight Frank . (2013). *INTERNATIONAL residential INVESTMENT IN LONDON*. Available: <https://content.knightfrank.com/research/503/documents/en/2013-1217.pdf>. Last accessed 19 August 2020

Kommenda, N. Pidd, H. Brooks, L. (2020). *Revealed: the areas in the UK with one Airbnb for every four homes*. Available: <https://www.theguardian.com/technology/2020/feb/20/revealed-the-areas-in-the-uk-with-one-airbnb-for-every-four-homes>. Last accessed 1 September 2020.

Tighe, C. (2019). *UK councils 'on life support' as lack of funding takes its toll*. Available: <https://www.ft.com/content/f89022a2-2fab-11e9-8744-e7016697f225>. Last accessed 15 August 2020.

Larpin, B. Mabillard, J. Scaglione, M. Favre, P. Schegg, R. (2019). An Analysis of Regional Developments of Airbnb in Switzerland: Insights into Growth Patterns of a P2P Platform. *Information and Communication Technologies in Tourism* . 1 (1), p92-103. https://doi.org/10.1007/978-3-030-05940-8_8

Legislation.gov. (2020). *Greater London Council (General Powers) Act 1974*. Available: <https://www.legislation.gov.uk/ukla/1974/24/contents>. Last accessed 15 August 2020.

Leshinsky, R. Schatz, L. (2018). "I Don't Think My Landlord Will Find Out:" Airbnb and the Challenges of Enforcement. *Urban Policy and Research* . 36 (36), p417-428.

LondonCouncils . (2020). *'One in 50' London homes potentially used as short-term let*. Available: <https://www.londoncouncils.gov.uk/press-release/22-january-2020/%E2%80%98one-50%E2%80%99-london-homes-potentially-used-short-term-let>. Last accessed 25 August 2020.

London.gov. (2020). Tackling London's housing crisis. Available: <https://www.london.gov.uk/what-we-do/housing-and-land/tackling-londons-housing-crisis>. Last accessed 22 May 2020.

London.gov. (2019). Mayor calls for registration system to enforce short-term letting law. Available: <https://www.london.gov.uk/press-releases/mayoral/registration-system-for-short-term-letting-law>. Last accessed 27 August 2020.

London Serviced Apartments. (2020). FAQ's. Available: <https://londonservicedapartments.co.uk/faqs/>. Last accessed 1 September 2020.

Loudenback, T. (2018). Los Angeles is finally regulating Airbnb stays — here's what the new short-term rental law means for hosts and travelers. Available: <https://www.business-insider.com/airbnb-vrbo-regulations-los-angeles-what-it-means-for-hosts-renters-2018-5?r=US&IR=T>. Last accessed 15 August 2020.

Maclean, D. (2017). *London Airbnb landlord makes £12m a year from 881 rental properties*. Available: <https://www.independent.co.uk/news/uk/airbnb-landlord-london-ps12-million-year-rental-properties-website-tax-a8048306.html>. Last accessed 19 August 2020.

Mainichi Japan. (2018). *'Minpaku' lodging law goes into effect, but complicated process thwarts property owners*. Available: <https://mainichi.jp/english/articles/20180615/p2a/00m/0na/028000c#:~:text=A%20new%20law%20regulating%20short,get%20in%20on%20the%20action>. Last accessed 18 August 2020.

Mariano, K. (2018). *Airbnb suffers blow in APAC with new legal rulings*. Available: <https://www.traveldailymedia.com/airbnb-apac-new-regulations/>. Last accessed 1 September 2020.

Ministry of Housing, Communities & Local Government . (2015). Short-term use of residential property in London. Available: <https://www.gov.uk/government/speeches/short-term-use-of-residential-property-in-london>. Last accessed 15 August 2020

Nieuwland, S. Melik, R. (2017). Regulating Airbnb: how cities deal with perceived negative externalities of short-term rentals. *Current Issues in Tourism*,. 23 (7), p811-825. DOI: 10.1080/13683500.2018.1504899

Office For National Statistics. (2020). *Index of Private Housing Rental Prices, UK: May 2019*. Available: <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/index-of-private-housing-rental-prices-may-2019#:~:text=5.-,Growth%20in%20London%20private%20rental%20prices%20strengthening%20since%20mid%20>. Last accessed 5th September 2020.

O'Sullivan, F. (2018). *Barcelona Finds a Way to Control Its Airbnb Market*. Available: <https://www.bloomberg.com/news/articles/2018-06-06/how-barcelona-is-limiting-airbnb-rentals>. Last accessed 28 August 2020.

Pickford, J. (2020). *London house prices link to earnings is 'almost entirely dislocated'*. Available: <https://www.ft.com/content/cd6f3a84-1903-40e0-957d-ad7163931a14>. Last accessed 10 August 2020.

Prynn, J. Figueiredo, R. (2015). Nearly one million tourists use Airbnb to visit London each year. Available: <https://www.standard.co.uk/news/london/nearly-one-million-tourists-use-airbnb-to-visit-london-each-year-a3128746.html>. Last accessed 20 August 2020.

Robinson, D. (2019). *Sharing economy companies list: From Airbnb and Uber to Omni and Hubble, 15 companies disrupting their industries*. Available: <https://www.ns-businesshub.com/technology/sharing-economy-companies-list/>. Last accessed 1 September 2020.

Sans, A A. Domínguez, A Q. (2016). Unravelling Airbnb: Urban Perspectives from Barcelona. *Built Environments and 'Glocalised' Spaces*. 1 (3), p209-226.

Segú, M. (2018). Do short-term rent platforms affect rents? Evidence from Airbnb in Barcelona. *MPRA Munich Personal RePEc Archive*. 1 (1), p1-19.

Shabrina Z. Arcaute, E. Batty, M . (2019). Airbnb's disruption of the housing structure in London. *Centre for Advanced Spatial Analysis* . 1 (1), p1-10.

Simcock, T. (2017). *From Long-Term Lets to Short-Term Lets: Is Airbnb becoming the new buy-to-let?*. Available: <http://research.rla.org.uk/wp-content/uploads/Is-Airbnb-becoming-the-new-buy-to-let-Residential-Landlords-Association-August-2017.pdf>. Last accessed 1 September 2020.

Simcock, T. Smith, D. (2016). *The Bedroom Boom: Airbnb and London*. Available: <https://research.rla.org.uk/wp-content/uploads/The-Bedroom-Boom-Airbnb-and-London.pdf>. Last accessed 1 September 2020.

Statista. (2018). *Number of Airbnb guests and listings in London (UK) from July 2016 to July 2018*. Available: <https://www.statista.com/statistics/510048/airbnb-hosts-and-guests-london-united-kingdom-uk/#:~:text=Airbnb%20hosts%20and%20guests%20in%20London%202016%2D2018&text=This%20statistic%20presents%20the%20>. Last accessed 1 September 2020.

Squires, G. White, I. (2019). Resilience and housing markets: Who is it really for?. *Land Use Policy*. 81 (1), p167-174. <https://doi.org/10.1016/j.landusepol.2018.10.018>

Temperton, J. (2020). London's rental market is being flooded by bargain Airbnb listings. Available: <https://www.wired.co.uk/article/airbnb-coronavirus-london>. Last accessed 20 August 2020.

Temperton, J. (2020). Airbnb has devoured London – and here's the data that proves it. Available: <https://www.wired.co.uk/article/airbnb-london-short-term-rentals>. Last accessed 28 May 2020.

Tomikawa, K. (2018). Towards the Relaxation of Regulations on Minpaku in Japan. *Economic Challenges Facing Japan's Regional Areas*. 1 (1), p83-89. https://doi.org/10.1007/978-981-10-7110-2_9

Wachsmuth, D. Weisler, A. (2018). Airbnb and the rent gap: Gentrification through the sharing economy. *Environment and Planning A: Economy and Space*. 50 (6), p1147–1170. <https://doi.org/10.1177/0308518X18778038>

Weiser, B. Goodman, J D. (2019). *Judge Blocks New York City Law Aimed at Curbing Airbnb Rentals*. Available: <https://www.nytimes.com/2019/01/03/nyregion/nyc-airbnb-rentals.html>. Last accessed 1 September 2020.

Whatman, P. (2019). *Business travel spend: business travel statistics for 2020*. Available: <https://blog.spendesk.com/en/business-travel-statistics>. Last accessed 7th September 2020.

Whitbread, J. (2019). *TOURIST INFORMATION Mapping the local value of international visitors*. Available: https://www.londonfirst.co.uk/sites/default/files/documents/2019-05/TouristInformation_0.pdf. Last accessed 15 August 2020.

Quattrone, G. et al. (2016). *Who Benefits from the "Sharing" Economy of Airbnb?*. Available: <https://dl.acm.org/doi/pdf/10.1145/2872427.2874815>. Last accessed 22 May 2020.

11. Appendix

11.1 Secondary Data Information

AirDNA

Available: <https://www.airdna.com>

AirDNA is an online data collection and analysis site which displays metrics for every AirBnB listing across the world. It offers a range of custom data products to show how the short-term rental industry is evolving. This includes property-level data, trend reports and future-looking forecasts. The site provides information on the performance of over 10 million vacation rentals across 80,000 cities worldwide (including London) across the last three years.

Inside AirBnB

Available: <http://insideairbnb.com/london/>

Inside Airbnb is an investigatory online platform which collects data and reports on AirBnB. It focuses primarily on discovering illegal renting. Although this data source has limitations, it is widely used as a source of information to monitor the market place.

11.2 Primary Data Information

Interviewee Information

Interviewees are professional real estate agents currently working with Serviced Apartment Operators. They have worked in the PRS long-term rental market in London for over 10

years and have seen the proliferation of SAOs enter their market and establish itself as a legitimate operator in the market.

Interviewee 1: Lettings Manager at a Covent Garden Estate Agency

Interviewee 2: Head of Serviced Apartment Operator Management at a leading global great estate company

Interview Questions

From your experience/In your opinion...

- *What is your understanding of the term Serviced Apartment Operator or SAO?*
- *How many units do you rent to SAOs per month, as a percentage of your available rental stock?*
- *What type of properties are SAOs taking?*
- *Are these rentals or purchases? (what is the percentage of each?)*
- *What have been the biggest changes in the STR market in the last 5 years in London?*
- *How many SAOs do you currently work with compared to 5 years ago?*
- *Have landlords opinion on SAOs changed in the last 5 years when presented with an SAO offer, if so in what way?*
- *Are SAOs offering more rent than PRS tenants?*
- *What is general PRS landlord feedback on SAOs as potential tenants?*
- *Does 90 rule impact SAOs ability to operate?*
- *Are you aware of any fines or repercussions to breaches of the 90-day rule?*
- *Have you seen any impact on stock levels for long-term market rents as a result of SAOs?*
- *Have you seen any impact on PRS rental prices as a result of SAOs?*
- *What are your predictions for the future of SAOs/Professional STRs?*
- *Any comments on Covid-19 and how you think that has/will impact the SAO industry?*

11.3 Information Sheet & Consent Forms

1

Information and consent form

Project Title
An investigation into the impact of short-term rentals and its professionalisation on the private long term rental sector in London

Researcher
Sophie Metcalfe

Introduction
You are being invited to take part in a research project being undertaken by a Masters student from the Bartlett School of Planning, University College London (UCL).
Before you decide whether or not to participate it is important for you to understand why the research is being conducted and what participation will involve. Please read the following information carefully, feel free to discuss it with others if you wish, or ask the research team for clarification or further information. Please take time to decide whether or not you wish to take part.

Why is this research being conducted?
The aim of this project is to contribute to and update existing research to give a current view of the short term rental (STR) market. It is investigating the impact of the growing professional STR market on the long-term PRS in London. The investigation aims to establish a clearer understanding of the industry in order to make evidence-based policy recommendations for London.

Why am I being invited to take part?
You have been chosen as a participant as you work in the industry and have first hand experience of the changing market place.

Do I have to participate?
Participation is entirely voluntary. If you do choose to participate and then change your mind, you may withdraw from the research at any time with no consequences and without having to give a reason.

What will happen if I choose to take part?
If you do choose to participate, you will be invited to face-to-face interview explore the issues highlighted above. The interview will be conducted at a mutually agreed location. The interview will last approximately 30 minutes and will be audio recorded (and transcribed at a later date). You will have the opportunity to see the interview transcript and agree any amendments with the researcher after the interview is concluded. Travel and subsistence expenses are not offered for participation.

What are the advantages of taking part?
There are no immediate benefits for participating in this project and no financial incentive or reward is offered, however it is hoped that this project will inform planners and policy makers in London.

What are the possible disadvantages of taking part?

We anticipate no significant disadvantages associated with taking part in this project. If you experience any unexpected adverse consequences as a result of taking part in the project you are encouraged to contact the researcher as soon as possible using the contact details on page X of this information and consent sheet.

If I choose to take part, what will happen to the data?

The interview data will be anonymised at the point of transcription and identified by a general identifier (e.g. 'Planning officer A' or 'Planning consultant B' or a suitable pseudonym). A record of participant identities and any notes will be kept separately and securely from the anonymised data. All data and information affiliated with this project will be securely stored on an encrypted computer drive and physical documents will be stored securely on University property.

The data will be only used for the purposes of this research and relevant outputs and will not be shared with any third party. The anonymised data may be utilised in the written dissertation produced at the end of this project, and this dissertation may then be made publicly available via the University Library's Open Access Portal, however no identifiable or commercial sensitive information will be accessible in this way.

What will happen to the results of the research project?

It is anticipated that the data collected in this project will be included in the dissertation produced at the end of this project, submitted for the award of a Masters degree at University College London (UCL). You will not be personally identified in any of the outputs from this work, and attributions and quotations will be anonymised. If you would like to receive an electronic copy of any outputs stemming from this project please ask the contact below who will be happy to provide this.

Contact Details

If you would like more information or have any questions or concerns about the project or your participation please use the contact details below:

Primary contact	Sophie Metcalfe
Role	MSc student
Email	sophie.metcalfe.19@ucl.ac.uk
Supervisor	Howard Cooke
Role	MSc dissertation supervisor
Email	hc@core-consult.co.uk

Concerns and / or Complaints

If you have concerns about any aspect of this research project please contact the MSc student contact the student in the first instance, then escalate to the supervisor.

Informed Consent Sheet

Title of project

If you are happy to participate, please complete this consent form by ticking the boxes to acknowledge the following statements and signing your name at the bottom of the page.

Please give the signed form to the researcher conducting your interview at the interview. They will also be able to explain this consent form further with you, if required.

1.	I have read and understood the information sheet.	<input checked="" type="checkbox"/>
2.	I agree to participate in the above research by attending a face-to-face interview as described on the Information Sheet.	<input checked="" type="checkbox"/>
3.	I understand that my participation is entirely voluntary.	<input checked="" type="checkbox"/>
4.	I understand that I may withdraw at any time without giving a reason and with no consequences.	<input checked="" type="checkbox"/>
5.	I agree for the interview to be audio recorded.	<input checked="" type="checkbox"/>
6.	I understand that I may see a copy of the interview transcript after it has been transcribed and agree any amendments with the researcher.	<input checked="" type="checkbox"/>
7.	I understand that the intention is that interviews are anonymised and that if any of my words are used in a research output that they will not be directly attributed to me unless otherwise agreed by all parties.	<input checked="" type="checkbox"/>
8.	I understand the data from this project will be considered for repository in the UCL Open Access repository as described on the Information Sheet but that this will be anonymised data only.	<input checked="" type="checkbox"/>
9.	I understand that I can contact the student who interviewed me at any time using the email address they contacted me on to arrange the interview, or the dissertation supervisor using the contact details provided on page X of the information sheet.	<input checked="" type="checkbox"/>

Participant name: *Jarryd Reay*

Signature: *[Signature]*

Date: *27/08/20*

Researcher name: *Sophie Metcalfe*

Signature: *[Signature]*

Date: *27/08/20*

Informed Consent Sheet

Title of project

If you are happy to participate, please complete this consent form by ticking the boxes to acknowledge the following statements and signing your name at the bottom of the page.

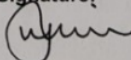
Please give the signed form to the researcher conducting your interview at the interview. They will also be able to explain this consent form further with you, if required.

1.	I have read and understood the information sheet.	<input checked="" type="checkbox"/>
2.	I agree to participate in the above research by attending a face-to-face interview as described on the Information Sheet.	<input checked="" type="checkbox"/>
3.	I understand that my participation is entirely voluntary.	<input checked="" type="checkbox"/>
4.	I understand that I may withdraw at any time without giving a reason and with no consequences.	<input checked="" type="checkbox"/>
5.	I agree for the interview to be audio recorded.	<input checked="" type="checkbox"/>
6.	I understand that I may see a copy of the interview transcript after it has been transcribed and agree any amendments with the researcher.	<input checked="" type="checkbox"/>
7.	I understand that the intention is that interviews are anonymised and that if any of my words are used in a research output that they will not be directly attributed to me unless otherwise agreed by all parties.	<input checked="" type="checkbox"/>
8.	I understand the data from this project will be considered for repository in the UCL Open Access repository as described on the Information Sheet but that this will be anonymised data only.	<input checked="" type="checkbox"/>
9.	I understand that I can contact the student who interviewed me at any time using the email address they contacted me on to arrange the interview, or the dissertation supervisor using the contact details provided on page X of the information sheet.	<input checked="" type="checkbox"/>

Participant name:

Will Pollitt

Signature:



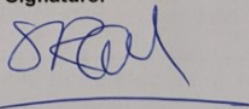
Date:

27/08/20

Researcher name:

Sophie Metcalfe

Signature:



Date:

28/08/20

RISK ASSESSMENT FORM FIELD / LOCATION WORK



The Approved Code of Practice - Management of Fieldwork should be referred to when completing this form

<http://www.ucl.ac.uk/estates/safetynet/guidance/fieldwork/acop.pdf>

DEPARTMENT/SECTION

LOCATION(S)

PERSONS COVERED BY THE RISK ASSESSMENT

BRIEF DESCRIPTION OF FIELDWORK

Consider, in turn, each hazard (white on black). If **NO** hazard exists select **NO** and move to next hazard section.

If a hazard does exist select **YES** and assess the risks that could arise from that hazard in the risk assessment box.

Where risks are identified that are not adequately controlled they must be brought to the attention of your Departmental Management who should put temporary control measures in place or stop the work. Detail such risks in the final section.

ENVIRONMENT

The environment always represents a safety hazard. Use space below to identify and assess any risks associated with this hazard

e.g. location, climate, terrain, neighbourhood, in outside organizations, pollution, animals.

None

CONTROL MEASURES

Indicate which procedures are in place to control the identified risk

N/A	work abroad incorporates Foreign Office advice
N/A	participants have been trained and given all necessary information
N/A	only accredited centres are used for rural field work
YES	participants will wear appropriate clothing and footwear for the specified environment
N/A	trained leaders accompany the trip
N/A	refuge is available

N/A	work in outside organisations is subject to their having satisfactory H&S procedures in place
	OTHER CONTROL MEASURES: please specify any other control measures you have implemented:

EMERGENCIES Where emergencies may arise use space below to identify and assess any risks

e.g. fire, accidents None

No risk. Data to be collected remotely.

CONTROL MEASURES Indicate which procedures are in place to control the identified risk

N/A	participants have registered with LOCATE at http://www.fco.gov.uk/en/travel-and-living-abroad/
N/A	fire fighting equipment is carried on the trip and participants know how to use it
Yes	contact numbers for emergency services are known to all participants
Yes	participants have means of contacting emergency services
Yes	participants have been trained and given all necessary information
N/A	a plan for rescue has been formulated, all parties understand the procedure
N/A	the plan for rescue /emergency has a reciprocal element
	OTHER CONTROL MEASURES: please specify any other control measures you have implemented:

FIELDWORK 1

May 2010

11.4 Risk Assessment

EQUIPMENT Is equipment NO If 'No' move to next hazard

used?	If 'Yes' use space below to identify and assess any risks
--------------	--

<i>e.g. clothing, outboard motors.</i>	None. Only equipment needed is computers.
--	---

CONTROL MEASURES	Indicate which procedures are in place to control the identified risk
-------------------------	--

- | | |
|--|---|
| | the departmental written Arrangement for equipment is followed |
| | participants have been provided with any necessary equipment appropriate for the work |
| | all equipment has been inspected, before issue, by a competent person |
| | all users have been advised of correct use |
| | special equipment is only issued to persons trained in its use by a competent person |
| | OTHER CONTROL MEASURES: please specify any other control measures you have implemented: |

LONE WORKING	Is lone working a possibility?	YES	If 'No' move to next hazard
			If 'Yes' use space below to identify and assess any risks

*e.g. alone or in isolation
lone interviews.*

Low risk.

Low risk.

Interviews to be done online via email or video call.

CONTROL MEASURES

Indicate which procedures are in place to control the identified risk

YES	the departmental written Arrangement for lone/out of hours working for field work is followed
N/A	lone or isolated working is not allowed
YES	location, route and expected time of return of lone workers is logged daily before work commences
YES	all workers have the means of raising an alarm in the event of an emergency, e.g. phone, flare, whistle
YES	all workers are fully familiar with emergency procedures
	OTHER CONTROL MEASURES: please specify any other control measures you have implemented:

ILL HEALTH	The possibility of ill health always represents a safety hazard. Use space below to identify and assess any risks associated with this Hazard.
-------------------	---

<i>e.g. accident, illness, personal attack, special personal considerations or vulnerabilities.</i>	<p>Low risk.</p> <p>No allergies, health conditions or current illnesses.</p> <p>Project requires no physical activities.</p>
---	---

CONTROL MEASURES	Indicate which procedures are in place to control the identified risk
-------------------------	--

N/A	an appropriate number of trained first-aiders and first aid kits are present on the field trip
N/A	all participants have had the necessary inoculations/ carry appropriate prophylactics
N/A	participants have been advised of the physical demands of the trip and are deemed to be physically suited
N/A	participants have been adequate advice on harmful plants, animals and substances they may encounter
N/A	participants who require medication have advised the leader of this and carry sufficient medication for their needs
	OTHER CONTROL MEASURES: please specify any other control measures you have implemented:

TRANSPORT	Will transport be required	NO	NO	Move to next hazard
		YES		Use space below to identify and assess any risks

<i>e.g. hired vehicles</i>	No transport required. No risk.			
----------------------------	---------------------------------	--	--	--

CONTROL MEASURES	Indicate which procedures are in place to control the identified risk
-------------------------	--

	only public transport will be used
	the vehicle will be hired from a reputable supplier
	transport must be properly maintained in compliance with relevant national regulations
	drivers comply with UCL Policy on Drivers http://www.ucl.ac.uk/hr/docs/college_driver-s.php
	drivers have been trained and hold the appropriate licence
	there will be more than one driver to prevent driver/operator fatigue, and there will be adequate rest periods
	sufficient spare parts carried to meet foreseeable emergencies
	OTHER CONTROL MEASURES: please specify any other control measures you have implemented:

DEALING WITH THE PUBLIC	Will people be dealing with public	YES	If 'No' move to next hazard
			If 'Yes' use space below to identify and assess any risks
<i>e.g. interviews, observing</i>	No risk. No public engagement. Interviews online.		

CONTROL MEASURES	Indicate which procedures are in place to control the identified risk
YES	all participants are trained in interviewing techniques
NO	interviews are contracted out to a third party
NO	advice and support from local groups has been sought
YES	participants do not wear clothes that might cause offence or attract unwanted attention
YES	interviews are conducted at neutral locations or where neither party could be at risk
	OTHER CONTROL MEASURES: please specify any other control measures you have implemented:

WORKING ON OR NEAR WATER	Will people work on or near water?	NO	If 'No' move to next hazard If 'Yes' use space below to identify and assess any risks
<i>e.g. rivers, marsh- land, sea.</i>	No risk. No work conducted near or on water.		
CONTROL MEAS- URES	Indicate which procedures are in place to control the identified risk		
	lone working on or near water will not be allowed		
	coastguard information is understood; all work takes place outside those times when tides could prove a threat		
	all participants are competent swimmers		
	participants always wear adequate protective equipment, e.g. buoyancy aids, wellingtons		
	boat is operated by a competent person		
	all boats are equipped with an alternative means of propulsion e.g. oars		
	participants have received any appropriate inoculations		
	OTHER CONTROL MEASURES: please specify any other control measures you have implemented:		

MANUAL HANDLING (MH)	Do MH activities	NO	If 'No' move to next hazard
	take place?		If 'Yes' use space below to identify and assess any risks

e.g. lifting, carrying, moving large or heavy equipment, physical unsuitability for the task. No risk. Manual handling required.

CONTROL MEASURES **Indicate which procedures are in place to control the identified risk**

- the departmental written Arrangement for MH is followed
- the supervisor has attended a MH risk assessment course
- all tasks are within reasonable limits, persons physically unsuited to the MH task are prohibited from such activities
- all persons performing MH tasks are adequately trained
- equipment components will be assembled on site
- any MH task outside the competence of staff will be done by contractors
- OTHER CONTROL MEASURES: please specify any other control measures you have implemented:

SUBSTANCES	Will participants	NO	If 'No' move to next hazard
	work with		If 'Yes' use space below to identify and assess any
	substances		risks

e.g. plants, chemical, biohazard, waste No risk. No travel to unknown locations, no engaging with people or places beyond my known and normal routine.

CONTROL MEASURES	Indicate which procedures are in place to control the identified risk
-------------------------	--

- the departmental written Arrangements for dealing with hazardous substances and waste are followed
- all participants are given information, training and protective equipment for hazardous substances they may encounter
- participants who have allergies have advised the leader of this and carry sufficient medication for their needs
- waste is disposed of in a responsible manner
- suitable containers are provided for hazardous waste
- OTHER CONTROL MEASURES: please specify any other control measures you have implemented:

OTHER HAZARDS	Have you identified	NO	If 'No' move to next section
	any other hazards?		If 'Yes' use space below to identify and assess any
			risks

i.e. any other hazards must be noted and assessed here. Hazard: Risk: is the risk

CONTROL MEASURES	Give details of control measures in place to control the identified risks
-------------------------	--

[Empty box]

Have you identified any risks that are not

NO NO

Move to Declaration

adequately controlled?

YES

Use space below to identify the risk and what

action was taken

[Empty box]

Is this project subject to the UCL requirements on the ethics of Non-NHS Human Research?

NO

If yes, please state your Project ID Number

[Empty box]

For more information, please refer to: <http://ethics.grad.ucl.ac.uk/>

DECLARATION

The work will be reassessed whenever there is a significant change and at least annually. Those participating in the work have read the assessment.

Select the appropriate statement:

YES

I the undersigned have assessed the activity and associated risks and declare that there is no significant residual risk

[Empty box]

I the undersigned have assessed the activity and associated risks and declare that the risk will be controlled by the method(s) listed above

NAME OF SUPERVISOR

SIGNATURE OF SUPERVISOR

DATE

FINAL GRADE

GENERAL COMMENTS

/100

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15

PAGE 16

PAGE 17

PAGE 18

PAGE 19

PAGE 20

PAGE 21

PAGE 22

PAGE 23

PAGE 24

PAGE 25

PAGE 26

PAGE 27

PAGE 28

PAGE 29

PAGE 30

PAGE 31

PAGE 32

PAGE 33

PAGE 34

PAGE 35

PAGE 36

PAGE 37

PAGE 38

PAGE 39

PAGE 40

PAGE 41

PAGE 42

PAGE 43

PAGE 44

PAGE 45

PAGE 46

PAGE 47

PAGE 48

PAGE 49

PAGE 50

PAGE 51

PAGE 52

PAGE 53

PAGE 54

PAGE 55

PAGE 56

PAGE 57

PAGE 58

PAGE 59

PAGE 60

PAGE 61

PAGE 62

PAGE 63

PAGE 64

PAGE 65

PAGE 66

PAGE 67

PAGE 68

PAGE 69
