



Accommodation-sharing platforms and small towns in the Covid-19 era

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ABSTRACT

Accommodation-sharing platforms, such as Airbnb, provide the owners of accommodation, including private homes, with the opportunity to offer all or part of their home, or bed space in it, for accommodation-sharing. Accommodation-sharing platforms are seen as inherently and deeply disruptive to the conventional accommodation sector and rental markets in many cities and regions worldwide. In regional towns in Aotearoa New Zealand, accommodation sharing is seen as an important part of the total visitor accommodation and an important influence in the rental accommodation and housing markets. The aim of this short field note is to share some thoughts on the planning and the policy implications of Building Better Homes, Towns and Cities National Science Challenge: Ko ngā wā kāinga hei whakamāhorahora research that sought to demonstrate the likely 'spill-over' effects of accommodation-sharing on local housing waiting lists and rental prices over time. It draws on insights gleaned from a series of local government workshops focused on accommodation-sharing, and collaboration with the Waitaki Housing Taskforce supporting the development of a district housing strategy.

Keywords: Accommodation-sharing, small towns, Airbnb, housing, Aotearoa New Zealand, Waitaki District.

1. INTRODUCTION

This short field note arises from a study of accommodation-sharing platforms in Aotearoa New Zealand (Campbell et al., 2019). The aim of the study was to demonstrate the likely 'spill-over' effects of accommodation-sharing on local housing waiting lists and rental prices over time, and to share the planning and the policy implications of our findings. To review the full content and context of these studies, see Campbell (2019), Campbell (2020, 2019, 2021) and Perkins et al. (2019).

Accommodation-sharing platforms, such as Airbnb, provide the owners of accommodation, including private and holiday homes, the opportunity to rent all or part of their home, or bed space in it. As a research team, we often discussed the categories of 'owners' of accommodation-sharing having different motives for offering accommodation to visitors. For example, some may wish to extract maximum economic value from

an asset that they are living in or only use part of the time, whereas others may be more interested in the social and sharing aspects of 'hosting' guests in their own homes and providing an enjoyable experience of their locale. Our reflection is that it was whole homes rented by absentee 'hosts' that stretched local acceptance of accommodation-sharing platforms, rather than those hosts offering only a room. Accommodation-sharing platforms are seen as inherently and deeply disruptive to the conventional accommodation sector and rental markets in many cities and regions worldwide (Adamiak, 2019, Campbell et al., 2019, Crommelin et al., 2018, Dudas et al., 2017, Gurran and Phibbs, 2017, Gutierrez et al., 2017, van Holm, 2020, Wachsmuth and Weisler, 2018). In regional towns and cities such as Oamaru in the Waitaki District of Aotearoa New Zealand's South Island, accommodation-sharing is seen as an important part of the total visitor accommodation and an important influence in the rental accommodation and housing markets (Campbell, 2020).

In this short field note we share a few observations from our research for those interested in housing policy and the effects of accommodation-sharing. We conclude by noting some implications for those interested in accommodation-sharing platforms as they affect regions and their small towns, a relatively under-studied phenomenon when compared to larger urban areas. These issues have been discussed in workshops held across Aotearoa New Zealand in the pre-Covid-19 era. At the time of writing, the COVID-19 pandemic is ongoing and has led to significant disruption to the international tourism industry (Higgins-Desbiolles, 2021). Concurrently, there have been notable changes to patterns of immigration and emigration (Guadagno, 2020), with reductions in flows of movement in both directions.

Our work is part of a wider programme of research on regional development and small-town regeneration in Aotearoa New Zealand, funded by the Building Better Homes, Towns and Cities: Ko ngā wā kāinga hei whakamāhorahora National Science Challenge (BBHTC) (Perkins et al., 2019). In our work, we have examined both absolute and relative measures of intensity of accommodation-sharing to interpret the impacts of accommodation-sharing and examine local responses to the phenomenon.

2. WORKSHOPS

In 2019, our research piqued the interest of local authority planning and housing policy personnel and several workshops were organised by BBHTC with local governments in Auckland, Rotorua, Queenstown, Westport and Christchurch. During these workshops we gained a much deeper appreciation of the challenges faced by local authorities in responding to an accommodation-sharing platform (Airbnb) that was relatively unregulated.

It became apparent in our work that the impacts of accommodation-sharing varied considerably between places – with Queenstown being a particular 'hotspot' (Campbell et al., 2019) leading to a mix of local experiences, challenges and responses. Overall, however, the disruptive impact on local communities was framed mainly in terms of the accommodation-sharing phenomenon being an issue for local housing provision as seen in other international contexts (Gurran and Phibbs, 2017), even though it was widely acknowledged as a 'good idea' to make the most of underused accommodation to support a booming tourist industry (pre Covid-19). Other reported benefits of accommodation-sharing include the genuine ('homey') authentic nature as well as the enjoyment, authenticity and social experiences that differ from other accommodation options (Sthapit et al., 2021, So et al., 2018). The workshops highlighted the challenges of regulating accommodation-sharing in combination with the consequences to local communities. There was widespread agreement on the need for a central, independent source of administrative data which would allow the quantification and mapping of accommodation-sharing within a particular locality. In smaller districts, such as the Waitaki this source of data can help to address a lack of resource for informed policy making and strategic responses to housing issues.

Concerns raised at the workshops included moving from anecdote to data. There was also a desire to see more specific and targeted mechanisms to allow regulation of accommodation-sharing. A series of comments in the workshops emphasised the need to assess compliance with existing district plans, and building regulations, especially the fire design safety and accessibility components, as these could be a source of risk.

A pernicious issue that featured in workshops was the impact on housing availability and affordability. There was widespread recognition of the need to improve housing affordability and that waiting lists for social housing were increasing (and have subsequently grown even further). A more contested set of comments related to the local impacts on existing accommodation providers, for example the motel and hotel owners. This was especially the case in places which already had an established commercial holiday accommodation sector. Specifically, 'fairness' in relation to taxation, as well as regulation, was seen as a particularly important issue to resolve when compared to the regulatory regime applied to accommodation-sharing.

Participants also noted the positive aspects of accommodation-sharing, especially in relation to increased revenue, a greater choice for where visitors can stay, and an increase in visitors to an area with otherwise limited capacity. The more 'traditional' holiday hotspots related that there is a need for short-term accommodation capacity during peak tourist season, or during local events or festivals.

3. THE WAITAKI DISTRICT STORY

The research data on accommodation-sharing was applied in a case study of Oamaru, and the development of a district housing strategy. Over a two year period the Oamaru case study research team of the Thriving Regions Programme contributed to development of a Waitaki District Housing Strategy, building on the first phase of research into regeneration initiatives in the region (Mackay, 2018). The research adopted a co-production of knowledge approach, working with Safer Waitaki, a "whole-of-community project" of the local Council focusing on community safety, health and well-being, including housing needs. Safer Waitaki established a Housing Task Force that brought together key community members, councillors and agencies in the housing sector.

The housing strategy directly used the BBHTC programme research findings relating to population, housing and community wellbeing (Taylor, 2020). From the first available data in 2018, Airbnb has been a new presence in the Waitaki rental housing market. These data showed, for instance, that the number of Airbnb listings in the Waitaki District had increased steadily from 263 in July 2018 to 322 in July 2019, since when, the number of listings fell noticeably to 235 by July 2021, presumably as demand in the hospitality sector was affected by COVID-19. Maps showed the spatial distribution of these Airbnb listings included a concentration in the town of Oamaru but also listings in the small settlements along the main local tourism routes.

The Airbnb listings appear high for the size of the population, and they potentially remove up to 200 houses or apartments from the rental housing supply and the number of listings of places to rent. The main effect of Airbnb is likely to be on rental prices. While these prices have stayed relatively stable since 2017, the data on the level of affordability (rental prices in relation to household income) was a concern to the Housing Taskforce, as was a steady rise in the waiting list for social housing (Campbell, 2020) and increasing demand for emergency housing, which draws on visitor accommodation such as motels if necessary.

In developing a housing strategy based on these data, the community organisations and agencies involved in the housing sector found that the availability and affordability of rental housing was their primary concern. Alongside that concern, were issues of discrimination in a pressured housing market and of the particular needs for housing migrant workers in the farming and food processing sectors.

4. CONCLUSION: COVID-19 AND BEYOND

Accommodation-sharing is a disruptive factor in regional housing markets. While accommodation-sharing was emerging as a disruptive force in its own right, the Covid-19 outbreak during 2019-2020, led to an unprecedented disruption to travel around the world (Conrow et al., 2021), which subsequently disrupted the international tourism industry (Higgins-Desbiolles, 2021). This then led to a switch in focus to the domestic visitor market. In tandem, the changes to patterns of immigration and emigration (Guadagno, 2020) have led to changes in local communities and have altered previous assumptions about population growth or decline and the different demand for housing.

As an additional complication, the role of rapid and unsustainable house price growth in general has lowered the aspirations of many low(er) paid and young(er) buyers to become home owners, exacerbated by the negative externalities of accommodation-sharing (Nieuwland and van Melik, 2020).

The 'affordability' problem in relation to housing was already contentious pre Covid-19 (Rehm and Yang, 2021). In this environment, the disrupted 'normal' operating in tandem to a 'disruptive' accommodation provider, means there is likely to be a particularly challenging period ahead as the strain on certain socio-economic and demographic groups reaches a peak, especially low-income, migrant workers.

In a world that is slowly returning to a level of pre Covid-19 movements as the vaccine rollout gathers pace, there will likely be the return of the old 'disruption' of accommodation-sharing. Currently, international travel bans affect close to 90 per cent of the world population (Gössling et al., 2021). As travel returns and as home affordability has markedly and materially worsened, we suggest that this trend will generate many more heated and difficult discussions about the nature of housing as an asset, rather than as a home and as part of a local community. Will we see a policy response which aims to balance the needs of local communities with the desire to see a tourism revival? If there is not a policy response which addresses the needs for visitor accommodation alongside challenges of local housing affordability and their impact on housing for local residents, deleterious social consequences may result.

Future research should focus on development of a central, independent source of administrative data which would allow the quantification and mapping of accommodation-sharing within a particular locality and a more detailed understanding of both positive and negative impacts. This could be supplemented by estimating 'what-if' revenue and taxation scenarios, using simulation, as has been used successfully in other research areas such as health or economic policy (Campbell and Ballas, 2016, 2013) or better understanding spatial patterns (Campbell, 2011). Furthermore, a qualitative study which aims to understand the precise motives of those engaged in accommodation sharing, and how communities are responding, could be conducted on a case study area with a high concentration, for example Queenstown.

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