



Airbnb response to the Welsh Government's consultation on a statutory licensing scheme for overnight visitor accommodation



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Executive Summary

- At Airbnb, we are proud of the role that we play in Wales helping people take part in and benefit from the tourism economy by welcoming visitors into their homes. Over 10,000 Hosts on Airbnb are helping to facilitate local tourism across Wales' best loved destinations and hidden gems in 2022, bringing tens of millions of pounds per annum to the Welsh visitor economy and allowing Hosts to supplement their income during the most significant cost-of-living crisis in decades.
- Airbnb plays a valuable role in Wales' tourism economy. According to a study by Oxford Economics, Airbnb guests are estimated to have contributed £107 million to the Welsh economy and directly supported 3,613 jobs in 2019. More than a third of these were in the restaurant industry, and around a quarter in retail. Airbnb guests are estimated to have supported 6.8% of all tourism activity in Wales, equivalent to 0.2% of Wales' total GDP.¹
- However, we understand that as new innovations like Airbnb change the way people live, work and travel, rules need to be updated to keep pace with new habits and trends. We have led the way in calling for fair regulation across the UK and we look forward to working closely with the Welsh Government on the details of their proposed statutory scheme for overnight visitor accommodation.
- The overwhelming majority of guests on Airbnb enjoy a safe and positive experience. Negative incidents are incredibly rare, reflecting the high standards the community upholds. Guest satisfaction with the quality and experience of their stays in Wales is also strong, with visitors rating their experiences highly and in many cases higher than other destinations around the UK.
- We consider a licensing scheme that applies across the board to be a blunt tool that would not achieve the Welsh Government's policy objectives. It would impose disproportionate burdens on a significant number of providers of visitor accommodation, particularly everyday Hosts. It could act as a powerful disincentive for those who are otherwise keen to make a vibrant economic and social contribution to the rejuvenation of Welsh tourism following the pandemic.
- In contrast, registration is the only instrument that will allow the Welsh Government to meet the policy objectives set out in the consultation. An easy, simple to use registration scheme for Wales would tackle the most important problem currently facing the sector: the lack of accurate data on the number, type, and concentration of overnight visitor accommodation (including short-term lets) across Wales and their role within specific communities.
- A registration scheme would allow operators to attest that they understand and will comply with obligations concerning health and safety. The data gathered through

¹ <https://news.airbnb.com/oxford-economics-analysis-2019-airbnb-guests-supported-3000000-jobs/>

registration could be used by local authorities to identify if overnight visitor accommodation is having a meaningful impact on local housing supply, and provide an evidence base for adjacent processes such as local tax and planning interventions.

- Regardless of which model the Welsh Government opts for, any statutory scheme must be designed in a way that minimises cost and barriers to entry for visitor accommodation providers. This is especially important for ordinary people sharing a space in their primary homes, who in the current economic climate are often relying on this income to help make ends meet.
- Any solution should be nationally administered and consistent across local authorities to reduce complexity. Operators should have the ability to apply online and obtain an immediate decision on whether they can operate, with fees that are reflective of the scale and type of overnight activity. Any regulatory scheme should apply across the industry as a whole, with exemptions for specific accommodation types such as spare rooms in primary homes.
- From our extensive international experience we know that the registration model works, while licensing and other obstacles to entry discourage primary home Hosts. A registration model would deliver the data, information and reassurance around quality that the Welsh Government seeks through this consultation, while protecting the benefits of short-term letting and the wider visitor economy. Finally, any solution should also be deployed across the visitor accommodation sector as a whole.



Question 1

Do you agree or disagree with establishing a licensing scheme for all visitor accommodation in Wales?

- **Disagree**

We believe that an easy, simple to use and online national registration system for visitor accommodation is the best option, rather than a licensing scheme. There is no evidence to suggest that there is an issue with standards or the safety of visitor accommodation in Wales that requires a licensing system as a solution (in contrast, and as explained more fully in our response to Q6 below, the evidence demonstrates that visitors consistently rate the quality of accommodation in Wales very highly). We instead support the introduction of a mandatory registration scheme to provide better data on the visitor accommodation sector, and ensure that all operators are aware of their obligations. This would be a wise first step, instead of requiring operators to obtain a licence and adhere to ongoing conditions and onerous checks to continue activity, particularly as the vast majority have been operating without incident and at huge benefit to the Welsh economy for a long time.

The proposals set out by the Welsh Government do not distinguish between professional accommodation providers and ordinary people who may use Airbnb to generate additional income by renting out a space in their primary residence. The introduction of a licensing system that treats an individual who infrequently shares a spare room in their home the same as a major hotel chain would be disproportionate, unnecessarily blunt and bureaucratic, and would impose unjustified burdens on a significant number and type of visitor accommodation providers. This will result in many short-term accommodation operators choosing to leave the sector, and, in the case of home sharers and home letters, losing a valuable source of income for everyday families in the midst of a cost-of-living crisis. This has been particularly seen in Scotland, which adopted a restrictive licensing model in 2022 and has seen a decline in booking and visitor capacity (see our answer to Q25 for more information).

Question 2

If you disagree with the proposal to establish a licensing scheme, do you agree with the creation of a registration scheme for all visitor accommodation in Wales?

- **Agree**

We support the introduction of a registration system for Wales, rather than a licensing scheme. A registration model would be a low-cost and high impact approach to increasing transparency and oversight of visitor accommodation in Wales. It could be hosted digitally, such as on gov.wales, with online applications based on self-certification. This would keep administrative costs low and require far less government resource and capacity to operate than a licensing scheme.

A mandatory registration system would ensure that all visitor activity (including short-term letting activity) was captured. Operators would need to attest that they have understood and will comply with obligations around fire safety, quality and standards as part of the process. Data on the

location and type of accommodation would be made available to the Welsh Government, local authorities, other government bodies, and housing and tourism stakeholders. This information could then be used to provide an evidence base for any local interventions needed to control the number of second homes or short-term lets in an area, including recent changes to planning legislation for short-term lets.

Regardless of the model introduced, we would reiterate that any solution should be designed in line with best practice in other jurisdictions (examples of these are provided later in this consultation response) and in a way that minimises cost and barriers to entry for visitor accommodation providers. This is especially important for those sharing a space in their primary homes who in the current economic climate are increasingly relying on this income to help make ends meet. Regardless of whether the Welsh Government opts for registration or licensing for visitor accommodation, any statutory system should be nationally administered and consistent across local authorities to reduce complexity. Hosts should have the ability to apply online and obtain an immediate decision on whether they can operate with fees that are reflective of the scale and type of Hosting activity.



Rhydlewis, Ceredigion

Question 3

Do you agree or disagree that introducing a statutory licensing scheme will ensure a level playing field?

- **Disagree**

A licensing system should not create a level playing field. This is because any scheme should adopt a risk-based, tailored approach whereby different types of accommodation providers are regulated in different and proportionate ways. What is needed are proportionate and tailor made solutions. The proposals in the consultation document suggest that a single pensioner who tops up their income by occasionally renting out a spare place in their own home, or their whole primary residence for a few nights a month, would face the same obligations as a major hotel chain with hundreds of employees and accommodating thousands of guests a year.

It is therefore important that in any registration or licensing system, the fees and other requirements should be proportionate to the scale of activity.

Question 4

Do you agree or disagree that the Welsh Government needs a register of accommodation providers in Wales to know who is operating in the industry?

- **Agree**

Yes. Airbnb has long advocated for a registration system that would give government bodies and local authorities better visibility and understanding of short-term letting activity. Our vision for such a registration scheme and how it can support in meeting the policy aims in this consultation are set out in our [2021 short-term lets white paper](#), which formed the basis of our response to the UK Government's call for evidence on a tourism accommodation registration scheme. A registration model would provide a single, authoritative map of all visitor accommodation in Wales, allow local councils to identify any areas of over-supply and where pressures may exist, and provide an evidence base to inform local planning policies on the use of new powers around council tax and second homes.

A registration scheme would also give the Welsh Government a single method of contacting all accommodation providers in Wales to alert them to changing rules and regulations, or to provide information at short notice.

Question 5

Do you agree or disagree that introducing a statutory licensing scheme will ensure an effective platform for communication between the Welsh Government and local authorities and providers of visitor accommodation in Wales?

- **Disagree**

This could be more effectively done through a registration scheme. While it could also be accomplished through licensing, a registration model would provide the same benefits to the Welsh Government but without imposing new administrative burdens and costs on local authorities and tourism accommodation providers.

We would caution that a licensing scheme (or indeed any regulatory system) does not inherently produce an effective platform for communication between different stakeholders. On the contrary, disproportionate regulation can result in effective communication breaking down.

Question 6

Do you agree or disagree that introducing a statutory licensing scheme will ensure enhanced confidence in the visitor accommodation in Wales and accommodation providers in Wales?

- **Disagree**

There is no data to suggest that there are notable visitor concerns around the quality of accommodation in Wales which would necessitate the introduction of a licensing scheme. Rather, the evidence demonstrates that travellers highly rate the quality of the accommodation and the guest experience in Wales. In the 2022 Visit Wales consumer re-contact survey, two thirds of visitors rated their trip as excellent and 95% as good or excellent.² Similarly, the Wales Visitor Survey, conducted by Visit Pembrokeshire in 2019, found that 81% of UK staying visitors in 2019 were very satisfied with Wales overall as a place to visit.³ With regards to the short-term letting sector, our data (as of December 2022) tells us that guest reviews in Wales are consistent with other parts of the UK and in many locations in Wales, are rated more highly. Across Wales as a whole, 90% of guests rate their accommodation experience as 5-stars (the highest rating), while Wales has the highest proportion of “superhosts” (i.e., a Host who has received consistently good reviews after a year of hosting) than any other nation in the UK.⁴

It is not clear from the consultation document how a licensing scheme would enhance the already high quality and reputation of accommodation in Wales. We would therefore encourage the Welsh Government to only make a decision on whether a licensing scheme is needed for the purposes of safety and maintaining confidence in the quality of accommodation based on clear and unambiguous evidence, such as that which could be provided through a registration scheme.

Question 7

It is our view that a statutory scheme should be delivered on a hybrid basis, taking a national approach to core elements such as registering providers and processing applications, with enforcement to be undertaken by local authorities as required. Do you agree or disagree with this?

- **Agree - scheme should be delivered nationally**

We agree that any statutory scheme should be operated nationally in Wales by a properly resourced single authority, with a centrally-set and consistent set of non-variable conditions, and

² <https://www.gov.wales/sites/default/files/statistics-and-research/2022-03/visit-wales-consumer-re-contact-survey-2021.pdf>

³ <https://www.visitpembrokeshire.com/wp-content/uploads/wales-visitor-survey-2019-uk-staying-visitors.pdf>

⁴ Internal Airbnb data from Jan 2022 - Jan 2023 sourced in Feb 2023

with instant granting and issuing of a permit number to be made on the basis of self-certification through an online application process.



This would be in line with international best practice (such as current EU proposals on short-term letting regulation). Operating a ‘digital first’ system, with applications through an online portal would also be consistent with the ambitions set out in the UK Government’s Digital Transformation Strategy, which recognises the benefits of significant cost savings that come from operating digital services at the national level.

Such an approach would also avoid the situation seen in Scotland, where legislation has resulted in the worst of both worlds: centralisation and fragmentation, with a reduction in accommodation capacity, a loss of Host income and a major hit to the wider tourism sector (see our answer to question 25 for more detail). Obliging local authorities to design and maintain their own licensing schemes has led to significant variations in terms of processing timelines and fees, and the introduction of additional mandatory conditions that have little to do with the policy intention of ensuring safety in accommodation and have resulted in de facto blanket bans on short-term letting in certain areas. This is already hurting everyday families trying to earn additional income in the wake of the cost of living crisis and has resulted in a significant projected loss to the visitor economy. The Scottish model forces local authorities to incur the expense of operating a scheme that many of them did not want, and to recoup those costs through high application fees, which are a deterrent to accommodation providers, particularly casual Hosts and those sharing a space in their primary residence for a limited number of days per year (i.e. for big ticket annual events).

Question 8

It is proposed that all visitor accommodation is considered within the scope of a statutory scheme. Do you agree or disagree with this?

- **Disagree**

There should be an exemption for those who are offering a spare room in their primary residence as opposed to the entire property, given the low risk and limited nature of activity, and in the same way that temporary lodgers who share amenities with homeowners are excluded from the need to register for Rent Smart Wales. This is also consistent with schemes in other jurisdictions, such as in France where spare room hosting is exempt from registration.

Question 9

Can you identify any visitor accommodation that should be exempt from a statutory scheme and what are the reasons for your answer (e.g. accommodation that is used solely for education purposes or vulnerable groups)?

- **Agree**

We believe that homesharers, defined as those sharing a spare room in their primary residence, should be exempt from the need to register or obtain a licence number. This is due to the fact that home sharers operate on a much more limited basis than professional Hosts or accommodation providers.

Should the Welsh Government decide not to exempt homesharers, it is important that the costs and requirements to obtain a permit number are proportionate to the level of Hosting activity, both in terms of the size of the accommodation being offered, and the frequency of let. Homesharers should not pay the same level of fees as professional accommodation providers such as hotels, or dedicated, whole home short-term lets.

Question 10

We are proposing that whoever is responsible for the letting of the accommodation for holiday purposes on caravan and/or camping sites (i.e. the park owner or individual owner) should be required to obtain a licence. Do you agree or disagree with this proposal?

- **Neither Agree or Disagree**

We have no opinion on this question.

A) Do you have any other comments relating to a statutory scheme and the caravan and camping sector?

- **No**

Question 11

We are proposing that a licence is required even if the visitor accommodation is operating infrequently (including one night per year). Do you agree or disagree with this proposal?

- **Disagree**

We believe that homesharers, defined as someone sharing a spare room or space in their primary residence, should be exempt from the need to register or obtain a licence. Beyond that, we broadly agree that any statutory scheme should cover all accommodation listings, even those that operate infrequently provided that the process is online and simple, low-cost, based on self-certification and with an immediate decision and issuing of a permit number upon application. It is essential that any statutory scheme is as frictionless as possible so that it is easy to understand and comply with, while at the same time ensuring that occasional operators are not discouraged from applying. Fees should also reflect the frequency of let, with occasional Hosts paying less than established accommodation providers who operate all year round.

Question 12

Do you agree with the need for a limited licence for one-off or annual events?

- **Disagree**

We believe that there should be a registration scheme in Wales rather than licensing, and hence there should be no need to obtain a temporary licence to operate.

However, should the Welsh Government proceed with a licensing option, there should be an expedited mechanism to obtain, quickly and at low or no cost, a temporary licence. To reflect the reduced length of time that Hosts can operate, temporary licences should be set centrally, and with instant approval upon submission of an application through an online portal. Temporary licences should not be restricted to a year, but rather should allow the ability to Host for a set number of days per year over a limited period period (i.e., five years), rather than requiring a new temporary licence each year. This would support the ability of the accommodation sector in Wales to quickly scale up and down for recurring, annual events such as music and cultural festivals or regular sports fixtures, as well as one-off major events.

While we do not support local authorities having the power to vary licence conditions or requirements, councils should have the power to reduce the fees for temporary licence downwards, to minimal or no cost, should they determine that this is needed to quickly scale up accommodation supply. This would further reduce any barriers for occasional, casual, or first time primary home Hosts who might otherwise decide not to offer up their home if the barriers to participation are perceived as being too complicated, costly or onerous.



Nolton Haven, Pembrokeshire

Question 13

We are proposing that a provider of visitor accommodation should supply the above information / documentation and be required to provide evidence/confirmation that they comply with the requirements as detailed above. Do you agree or disagree with this proposal?

- **Disagree**
 - If you disagree, what information / documentation / evidence should providers have to produce in order to apply for a licence?

To ensure that any licensing or registration system is simple and accessible and to reduce the need for lengthy waiting times while documents are checked, and to reduce the cost and administrative burden on any new central licensing authority, the Host or operator should self-certify upon application that they hold all the required documentation (including, for example, insurance, a fire safety risk assessment, a gas safety certification and an electrical safety testing certificate), rather than uploading these documents to the online portal. This would be a more streamlined and proportionate approach than, for instance, the approach taken in Scotland, where such documents are provided as part of the application process and then reviewed before a decision is taken. This has resulted in decision timelines of up to twelve months during which prospective providers of visitor accommodation are simply unable to contribute to the tourism industry or supplement their income during a crippling cost-of-living crisis.

Hosts could then be required (as part of the proposed mechanism in the consultation document for post-approval physical inspections of a limited number of properties based on intelligence and complaints) to provide those documents during any spot checks. Failure to provide such documents, or provision of incorrect, false or outdated documentation could then require an operator to take remedial action or penalties being applied, with platforms notified through a Notice and Takedown mechanism of any property that is no longer licensed as a result and which needs to be removed from the platform.

We would highlight an issue with the suggestion that applicants should have to demonstrate proof of planning status. Short-term letting activity in Wales is classed as permitted development which does not need planning permission, unless a local authority has issued an Article 4 decision for a particular area. Even in those circumstances, the requirement to obtain planning permission would only apply to new changes of use, and not properties that are already being used for short-term letting. As such, most short-term let operators will not be able to demonstrate that they hold planning permission, because they do not need it. The obligation should be on the applicant to know when they need to provide proof of planning permission. We suggest that there should be a non-mandatory field with regards to planning consent, which applicants can fill in only if they hold planning consent and if it is necessary for them to have planning permission. Operators providing accommodation without the right planning consent could be dealt with under a local authority's normal enforcement procedures, and notified to platforms for delisting through a Notice and Takedown procedure, while data from a registration scheme would help focus planning enforcement.

Question 14

We are proposing that inspections are carried out on a 1:50 ratio using a risk-based approach and additional inspections in response to customer complaints or other concerns brought to the attention of the licensing authority. Do you agree or disagree with this proposal?

- **Agree**

Should inspections be necessary under any statutory licensing regime, they should not be part of the pre-approval process, and should be carried out only after a licence number has been issued. A regime which required physical inspection of properties as a condition of granting a licence, or which required the physical inspection of all properties, would be disproportionate to the stated level of risk, not to mention resource intensive for any central agency and local authorities to manage. It would create significant delays in granting approvals for Hosts, to the point that the system would not be able to function. There is no evidence to suggest that there have been issues around safety or non-compliance to the extent that would require pre-application physical checks of properties before granting a permit to operate.

Any inspections should only be undertaken after a licence number has been issued, should be limited in scope and should be undertaken selectively, based on intelligence from guest complaints or any other insight by local authorities which suggests that a premises may be operating without a licence, in breach of its licence conditions, or pose a safety risk to guests.

Should the local authority undertake inspections and determine that a property is non-compliant, then our view is that it is the central authority that should determine the penalty and manage any appeal, rather than individual local councils, to ensure a consistent approach. Should the breach be such that the licensing authority determines it requires the removal of a licence, then a notice and takedown mechanism could be utilised to remove the listing from booking platforms.

Question 15

Do you agree with the principle that visitor accommodation providers that do not comply should be subject to enforcement measures?

- **Agree**
 - If you agree, which enforcement measures do you think should / should not be used?

Any liability for non-compliance with a licensing scheme should sit only with the operator of the accommodation since they are the ones who are responsible for managing the property and providing the service.

In relation to short-term lets, the operator of a property and the owner are often different people. Some individuals or families will appoint the services of a host management company to help them run the property. In those situations, it should be sufficient for liability to sit with the operator that has responsibilities and obligations under any statutory scheme, and it would be duplicative and unnecessary for the owner to also be licensed.

To ensure consistency, reduce complexity and allow for greater awareness of the rules, any penalties and accompanying sanctions should be set and communicated by the central licensing authority. Penalties should be on a sliding scale proportionate to any offence, with lower penalties where any breach is administrative or as a result of honest error (for example, starting with a warning or cease and desist letter, and escalating depending on repeat or more serious offences).

Question 16

Do you agree that a fit and proper person test or similar should be included as part of the scheme requirements for all visitor accommodation providers?

- **Disagree**
 - If you disagree, what other ways do you think could be used to establish that providers are suitable people to let accommodation to visitors?

While we support measures to ensure guest safety, we would caution that pre-approval fit and proper person checks would be disproportionate to the risks faced by guests. There are millions of guest nights stayed in Wales a year, and unfortunate incidents are incredibly rare. Fit and proper checks are primarily imposed where the activity the licensed person is performing involves the provision of potentially harmful goods or services, or involves engaging with individuals who are potentially vulnerable or open to exploitation.

Requiring fit and proper checks prior to the granting of any licence would also create lengthy waiting periods before accommodation services could operate. We would encourage the Welsh Government to consider the situation in Scotland, where the police have warned that they are not able to conduct background checks on applicants for short-term let hosting in good time without diverting resources from other responsibilities.

The consultation does not recognise that there is a difference between the owner and operator of visitor accommodation. The owner of a property may have little involvement with the management or running of the premises, and may not be physically present or have any contact with guests, meaning that there would be no good reason to subject them to fit and proper tests. At the same time, hotel staff or other service employees such as cleaners, caterers and receptionists would not be subject to fit and proper person checks under the proposals, despite being the ones who are in most contact with the public. There are also restrictions on when employers can require criminal record checks as a condition of employment and it would be infeasible for different accommodation types to require such checks as a condition of operating.

Should the Welsh Government determine that fit and proper person checks should form part of any statutory scheme, we propose that these should apply to the operator only. This would be consistent with the Licensing Act 2003 on premises licensing for alcohol sales, where it is the responsible person who is checked. Applicants should have to self-certify that they have not been convicted of any serious offences (for example, sexual offences and those related to violence or fraud). Police checks could then be required as part of the regime of limited, post-approval physical checks of properties, based on intelligence or complaints, with the licence being revoked if an applicant is found to have been untruthful or is unable to provide the necessary DBS documentation, or is subsequently found to have committed an offence after a licence has been granted. The police or local authorities could then use established Notice and Takedown procedures to remove listings from platforms on the grounds that a licence is no longer valid.

Question 17

We would like your views on whether all visitor accommodation providers should pay the same standard fee or should the fees be scaled (i.e. based on the type and size of the visitor accommodation)?

Fees should be scaled. It would be clearly unfair that a single pensioner in Powys who tops up her income by occasionally renting out a spare room for a few nights a month should have to pay the same amount as a major hotel chain with a high occupancy rate. Setting a single fee that is appropriate or equitable for such a wide range of accommodation types and sizes, from spare room short-term letting in primary homes through to large hotels, would result in a rate that is disproportionately high for smaller Hosts but underpriced for large operators.

We instead propose that there be a range of fees for different accommodation types (i.e., hotels, home sharing, short-term letting, B&Bs), within which there would be a sliding scale based around size of accommodation as well as frequency of use.

A) Do you agree that all visitor accommodation providers should pay the same fee?

- **Disagree**

No. As outlined in our answer to the previous question, there should be different fees per accommodation type (i.e., home sharing in a primary residence, short-term letting in a secondary property, hotels, B&Bs, etc) which should be scaled based on the size of accommodation, the availability, and the occupancy.



Rhydlewis, Ceredigion

B) Do you agree that fees should be scaled based on the size of the visitor accommodation?

- **Agree**

Yes. It would not be fair or proportionate for a casual Host renting a spare room in their primary home to pay the same as a major hotel chain accommodating hundreds of people at any one time. The typical UK Airbnb Host earns £6,000 a year, which is a significantly lower level of revenue than established accommodation providers⁵. There should be different cost categories for those sharing a spare room: these should be based around accommodation in a spare room in a primary residence, a whole home listing, and then different levels based on size and occupancy.

To reduce complexity (and avoid the situation in Scotland where councils have charged high fees across the board in a bid to recoup the cost of operating a licensing scheme) fees should be set centrally by any new central agency and should not be variable between local authorities. Large fees such as those charged by some Scottish local authorities are a much bigger proportion of

⁵ <https://news.airbnb.com/en-uk/new-data-shows-hosting-on-airbnb-equivalent-to-two-months-pay/>

smaller operators' income and are a strong disincentive for home sharers and home letters to continue hosting.

Question 18

In Question 12, we asked about limited licences for one-off or annual events. Do you agree or disagree that providers could apply for a one off licence at a reduced cost.

- **Agree**

We believe that a registration scheme for short-term lets in Wales is the best option, and hence temporary licences should not be necessary.

However, should the Welsh Government proceed with a licensing system, temporary licence fees should be centrally set and at a reduced cost. While we do not agree with local authorities having the power to vary licence fees, in the case of temporary licences, councils should have the ability to reduce the centrally set fee downwards, to no cost, should they feel that this is needed to meet an unanticipated or unusual increase in visitor numbers or demand for accommodation (for example, as occurred with COP in Glasgow, or the Commonwealth Games in Birmingham).

Question 19

How often should a visitor accommodation provider be required to renew their licence?

- **Every 5 years**

We believe that a registration system is the best option and hence there should be no need for licences that are required to be renewed. However, should the Welsh Government proceed with a licensing scheme, we recommend that licences are granted which last indefinitely until revoked. Requiring regular licence renewals would be out of keeping with other licensed activities (such as licences for premises that sell or serve alcohol and hot food or play live music), where permission to operate is granted under the Licensing Act 2003 and does not need to be renewed, unless it is either surrendered or lapses owing to an enforcement decision by a local authority. There is no evidence to suggest that risks faced by guests in visitor accommodation are more significant than users of other licensed establishments, in a way that would require guest accommodation licences to be regularly renewed when those for other licensed premises are not.

A need for regular licence renewals would impose a significant cost and administrative burden on operators, particularly of smaller accommodation types. It would create uncertainty for businesses and Hosts, who would not have the predictability or reassurance that they could continue operating or accepting future bookings. It would also place significant resource requirements on the authority/authorities that would be required to manage thousands of renewals on an ongoing basis.

We therefore believe that once a licence has been granted, it should last indefinitely unless a physical inspection or spot check determines that it should be withdrawn, or change in

circumstances means that the licence conditions are no longer met. However, should the Welsh Government not accept this proposal, then for proportionality and to provide certainty for businesses and Hosts, five years would be the best option, with no mandatory resubmission of documents during this time except where required as part of a physical inspection, and automatic renewal of the licence unless the Host has been subject to enforcement action.

Question 20

If the frequency of renewal is less often than annual, do you agree or disagree that visitor accommodation providers be required to do an annual review i.e. upload up-to-date evidence/confirmation that they comply with their licence requirements?

- **Disagree**

Imposing a need for annual resubmission of documents outside of the application process would be a de facto requirement to renew a licence on a yearly basis. This would be hugely disproportionate and create great bureaucracy for individual Hosts, as well as being unnecessary, particularly in cases where there has been no complaints or suggestions that a property has not complied with the licensing requirements. It would also place major administrative requirements on any new registration or licensing agency, who would be required to check that premises are re-submitting the relevant documentation on a yearly basis, with significant costs involved and questions about how such a large volume of documents would be checked and stored.



Machynlleth

Rather than annual reviews or submission of documents, operators could instead be asked to self-certify on a yearly basis that they continue to meet requirements to operate and hold all necessary health and safety documentation. Up to date documentation could then be reviewed as part of any post-approval physical inspection of properties, where intelligence or complaints suggest that such a spot check may be warranted.

Question 21

We are proposing that as part of the licence application process, accommodation providers are asked to give their consent to the information they supply being shared between key authorities and partners for the purposes of communication, safety, compliance, enforcement and implementation of a visitor levy. Do you agree or disagree with this proposal?

- **Neither Agree or Disagree**

We have no view on this question.

Question 22

Do you agree or disagree with the proposal that all visitor accommodation providers should be required to display their licence number on all advertising/marketing materials and at their visitor accommodation?

- **Agree**

Yes. However, liability for inputting a correct licence number should rest with the operator.

Question 23

Do you agree or disagree with the proposal that all online travel agents (OTAs), travel trade organisations, other booking and social media channels, marketing platforms and self-catering agencies SHOULD BE REQUIRED to display the licence number of the visitor accommodation they are promoting on their listings and/or adverts and be subject to sanctions if they deliberately or negligently advertise unlicensed visitor accommodation?

- **Neither Agree or Disagree**

Any obligation on platforms or other marketing channels should be limited to a requirement to display a number that has been entered by someone who has applied for that licence/registration. Such an obligation should apply to all booking platforms, as well as in cases where listings are displayed on social media platforms. Liability for populating the licence/registration number field and providing the correct information should rest solely with the licensee. In contrast, platforms should not be liable if the information provided by the licensee is inaccurate. This is because platforms are legally not advertisers, and they are not in a position to validate permit numbers or

confirm they are up to date. Rather, there should be an established notice and takedown framework, where local authorities can notify platforms that listings are unlicensed, or have licences which have expired or been revoked and should therefore be removed. We also recommend that the design of any scheme should allow for a consistent format for permit numbers, so that platforms can ensure that only numbers which are consistent with that format can be inputted.

The above proportionate allocation of roles and responsibilities would reflect the nature of a platform like Airbnb's role, which is to host content, rather than advertise or promote a particular listing. It would also be consistent with the carefully calibrated protections already afforded to platforms in UK law (for instance, the hosting defence under the Electronic Commerce (EC Directive) Regulations 2002). These protections facilitate effective and frictionless e-commerce and promote investment and innovation in the digital environment.

Airbnb can offer tools such as our City Portal, an online tool that helps local and national authorities with informed policy making and fair enforcement procedures. City Portal provides a notice and takedown process for authorities to alert us to listings which should not be on our platform due to not holding the right regulatory approvals. Through City Portal, local authorities (or any new central licensing agency) could request that Airbnb action a listing, with local authorities notifying the Host that enforcement action is being taken. The authority should select from a set of "reason codes" to explain the reason for each takedown request in City Portal. The Host has 14 days to address the issue being complained about. If the matter is resolved then the local authority can rescind the request. Otherwise Airbnb will take action on the listing. For such online systems to work, proper notice and adjudication procedures for takedown and reactivation decisions must be agreed prior to any statutory scheme coming into effect. There should also be a government point of contact for Host communications on appeals, resolutions and reactivation.

More broadly, we recommend that following this consultation, the Welsh Government engage in discussions with platforms to formulate a detailed and consistent process where listings of concern (such as properties whose permit to operate has been revoked, or who are listed on a platform without holding the correct permissions) can be flagged for appropriate action through a notice and takedown mechanism.

Question 24

We would like to know your views on the effects that a statutory licensing scheme for all visitor accommodation would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there may be? How could positive effects be increased, or negative effects be mitigated?

We would be happy to have further discussions to understand more about how we can support the Welsh Government's ambitions in this area.

Question 25

Do you have any insight or evidence on the impact of any different type of schemes that are already running, or approaches taken elsewhere in the world that you think the Welsh Government could learn from or implement?

Yes. There are a number of countries which have adopted registration systems in recent years, some of which are effective at preserving the balance between the economic benefit of tourism and the control over the sector that regulation provides local authorities. It is also important that any new system established in Wales avoids the issues that have arisen from the approaches taken by other jurisdictions.

A selection of relevant case studies are outlined below.

Schemes that work

- **New South Wales, Australia.** One model we would encourage the Welsh Government to study is that used in New South Wales, Australia. Hosts are required to enter their properties on a short-term rental accommodation register. The process is wholly online and Hosts are required to complete attestations regarding fire safety standards and compliance with a mandatory, industry-wide code of conduct. After entering their details and completing the attestations, Hosts pay a registration fee of \$65 for the first 12 months, and an annual renewal fee of \$25. Hosts are immediately issued with a registration number upon payment.



Llanvapley, Monmouthshire

- **Hamburg, Germany.** Every Host who rents out residential space needs to notify the authorities prior to sharing a primary home and display the registration number provided by the city in their listing. Hosts that do not fall under the law (for instance if they rent commercial space) either need to also notify the city and display a registration number, or, if applicable, display their company details in an approved format.

This is done through an easy digital registration system, which allows Hosts to register in real-time, and receive their registration number directly (when their address data is consistent with the city's register). Registration is free, and takes 5-10 minutes.

- **Greece.** Greece's national rules set out a clear definition between professional tourism accommodation and home sharing. Professionals in Greece are licensed under a long-standing piece of legislation. Homesharers must register online, and receive their registration numbers instantly, which should be displayed in all public listings of the property. There are no limits on how many nights a homesharer can host, but the Host is obligated to report on all bookings and earnings, including guest information, on a monthly basis.

The registration system in Greece is run by the national tax authority, allowing the reporting system to be integrated into tax reporting. All Greek citizens have an access code and they can register to share their home using easily accessible property and personal information. The system provides a registration number immediately. Tax is declared and paid through the standard and pre-existing annual tax declaration. Registration is free, requires no paperwork, and is very quick.

- **France.** In France, around 20 municipalities including Paris, Bordeaux, Nice and Lyon have the power under French law to introduce registration systems for short-term tourist accommodation. These rules have been introduced progressively since 2017. Registration is instantaneous, free, online and one time only. Hosts obtain a registration number automatically from their City Hall's website and include it on their Airbnb listing. No documents need to be uploaded onto the system.
- **Netherlands.** Another scheme which works well is that in the Netherlands, where new national rules came into effect in January 2021. These give cities in the Netherlands a range of policy instruments to apply based on a tiered approach. Cities presenting robust evidence of housing scarcity and/or livability issues are able to opt into this new regulatory framework. Cities can introduce increasingly stringent measures, beginning with registration, followed by nightly limits and, finally, a licensing requirement. The introduction of each, more far-reaching, step is only possible if the previous step has been taken and cities have thoroughly substantiated that taking the next, more stringent, step is both necessary and proportionate. Therefore, although requirements are variable by local area, this is within a centrally-set, predictable national framework. Registration is instantaneous, free, online and one-time only. Hosts in Amsterdam have to apply for a permit every year, which costs about EUR 45 per year.

Licensing systems that don't work

- **Scotland.** The licensing model introduced for short-term lets in Scotland is deeply flawed and is already having a significant impact on ordinary people who are earning extra income by sharing a space in their primary home and now find that they are unable to obtain a licence, as well as on the availability of visitor accommodation and the health of the wider tourism economy. Data provided by the Association of Scottish Self Caterers (ASSC) suggests that 41% of operators in Scotland say their bookings for Q1 were “substantially lower” than last year, with a further 28% saying bookings are slightly lower; 61% saying that the Q1 2023 season is worse or much worse than the same period in 2022, and that just 2% of operators are optimistic about the performance of their business in the next 12 months.⁶ According to a study by Biggar Economics in June 2022, the Scottish licensing system could cost the Scottish economy £133m, putting 7,000 jobs at risk.⁷

There are several factors which make the Scottish regulations so detrimental to the visitor economy. The legislation imposes a duty on local authorities to implement a mandatory licensing function, but provides no additional resources to manage this, leaving councils attempting to recoup the costs through fees that in some local authorities are excessively high. Councils must approve applications on an individual basis before new Hosts can operate, with estimated waiting times of between 9-12 months. The legislation also provides for each council to impose additional mandatory conditions beyond those set centrally, with some councils imposing conditions that have little to do with the licensing objective of safety (such as requiring accommodation to have only carpet or vinyl flooring), or impose sweeping, blanket restrictions that are effectively a de facto ban on short-term letting (for example, Edinburgh’s condition which prohibits secondary short-term letting in flats or buildings with shared access). New planning rules introduced through Control Areas are also being applied retrospectively to existing operators. All this has meant in many thousands of cases, accommodation providers who have operated successfully and without complaint or incident for many years are now finding themselves unable to obtain a licence and will have to stop accepting guests. An August 2022 survey of Hosts in Scotland found that, as a result of the new licensing regulations, 18.75% were highly unlikely to continue hosting, and a further 9.38% were unlikely to continue Hosting, and 35.1% were unsure.⁸

We would therefore encourage the Welsh Government to seriously consider learnings from the Scottish model, in particular by ensuring that any statutory scheme in Wales is centrally administered, with a simple and online application process based on self-certification, with immediate determination and issuing of a permit number to operate, proportionate fees and no variation or additional conditions able to be imposed by individual local authorities.

- **Brussels.** Brussels imposes very strict requirements on the provision of homestay accommodation services (such as Hosting in a primary home), and tourism residence

⁶ <https://www.assc.co.uk/assc-occupancy-survey/>

⁷ <https://biggareconomics.co.uk/new-licensing-system-for-short-term-lets-could-cost-the-scottish-economy-133m>

⁸ Survey of Airbnb Hosts in Scotland, conducted 12-26 August 2022 - 399 responses.

services in secondary homes. These regulations were adopted without any concrete analysis or demonstration of suitability to deliver on the intended objectives of protecting the rights of consumers, fair competition in the tourism accommodation sector, and contributing to the fight against the housing crisis in Brussels. The system is overly burdensome and complex because the applicant is required to provide an excessive amount of information, documents and certificates, and the procedures to be followed are excessively lengthy before a registration number is provided.

Question 26

Do you have any other comments on a statutory licensing scheme for all visitor accommodation not covered in your answers to the above?

We would reiterate here that regardless of which model the Welsh Government chooses as a result of this consultation, any new statutory scheme should be nationally administered under a central framework, consistent across local authorities, and allow operators the ability to apply online and obtain an immediate response that allows them to operate. Fees should be affordable and reflect the scale of activity, with expedited processes and lower costs for temporary licences, and coordination with platforms on a notice and takedown mechanism to allow them to remove unlicensed properties when flagged.

Question 27

Is there anything else you wish to say which you think would help the Welsh Government proceed with their proposals?

No. We would be happy to have a further meeting with officials to discuss the points made in this submission, or to answer any questions you may have.



Cardiff