HOUSE OF LORDS

Built Environment Committee

Corrected oral evidence: Short-term lettings

Tuesday 8 February 2022

10 am

Watch the meeting

Members present: Baroness Neville-Rolfe (The Chair); Baroness Bakewell; Lord Berkeley; Lord Best; Lord Carrington of Fulham; Baroness Cohen of Pimlico; Lord Grocott; Lord Haselhurst; Earl of Lytton; Lord Moylan; Lord Stunell; Baroness Thornhill.

Evidence Session No. 1 Heard in Public Questions 1 - 14

Witnesses

I: Professor Marina Novelli, Professor of Tourism and International Development, University of Brighton; Dr Tatiana Moreira de Souza, Lecturer in Planning, University of Liverpool.

Examination of witnesses

Professor Marina Novelli and Dr Tatiana Moreira de Souza.

Q1 **The Chair:** Welcome to the House of Lords Built Environment Committee's public evidence session as part of our short inquiry into short-term lettings. This inquiry will consider the impact of short-term lettings such as by Airbnb, and in particular their impact on housing supply, which was the subject of our major study last year. The aim of this session is to discuss the scale and impact of short-term lettings as well as potential options for regulation of the sector. The inquiry will result in a letter to the Government to make recommendations on how the issue might or might not be in addressed, including the Government's proposals for a new register.

Our witnesses today are very welcome. We have with us Professor Marina Novelli, professor of tourism and international development at the University of Brighton's School of Business and Law, and Dr Tatiana Moreira de Souza, lecturer in planning at the University of Liverpool. Our session is being broadcast live on parliamentlive.tv. A full transcript is also being taken and will be made available to you to make any corrections shortly after the session. Please may Members and witnesses keep their questions and responses brief, as we have a lot to cover this morning and we are using this hybrid system for the first time?

I will kick off with the first question and ask the witnesses each to describe what they see as the positive and negative effects of an increase in short-term lettings through sharing-economy providers such as Airbnb.

Professor Marina Novelli: Certainly short-term lets have created a great deal of controversy over the past 10 years, during which they have obviously experienced substantial growth. Although Airbnb does not constitute the entire short-term lets market—there is other provision such as Spare Rooms or HomeAway—there are a number of positive impacts that can be summarised in three main areas. The first is the consumers of the peer-to-peer accommodation services, the second is the providers, and the third is the general economy.

In a nutshell, I would say that, for consumers, short-term lets provided on sharing-economy platforms have provided and increased choice and flexibility. As for local experiences, Airbnb, for instance, is known for promoting a "live like a local" experience, and short-term lets have increased the capacity for tourism at peak times such as during major cultural and sport-related events, particularly in European settings, as well as increased competition.

Peer-to-peer providers have also created variety, with research also showing evidence of sharing economy platforms creating some level of democratisation of travel and tourism. There are also, of course, a number of other elements pertaining to the general economy of the country, which are certainly related to an increase in activities in areas that were normally not particularly accessible or attractive to visitors.

Globally, the sector appears to have contributed to the creation of employment; Oxford Economics[1] found that about 1,000 Airbnb guests generally generate about 5 jobs in a destination. In the UK, a dataset from 2019 showed that in a destination like Devon, for instance, the presence of platforms such as Airbnb have created an income of US$199 million, directly supporting 3,048 jobs. There are many other data that I am happy to share with you at a later stage.

The bottom line is that these positive impacts have also been paired with negative impacts, which are pretty much the basis of the great concern about the sharing-economy platform and range from lower standards to health and safety issues, competition for other hospitality providers and certainly in some cases, general economic issues such as missed tax revenues, less long-term rentals' availability, and in many cases also neighbourhood changes, as well as other issues such as anti-social behaviour, overcrowding of properties, and transient communities.

I am happy to share more information about these, which may contrast both in due course.

The Chair: On the rental point, you mentioned fewer long-term rentals. Do you have any data on that that you can give to us now or in writing? That was the genesis of our interest: the lack of housing supply of all tenures.

Professor Marina Novelli: Yes, there are controversial, and contradictory, data. Figures released by the Government in November 2020 show that 268,385 homes in England alone have been empty for at least six months, so on one side we have locations like London or Brighton that are affected by housing shortage issues and a certain level of pressure, but we also have contradictory data that shows that there is some level of availability. Again, this issue requires further assessment at local authority level. In the study that we conducted for Airbnb, for instance, although this concern was raised, with elements of community awareness of the benefit, which in many cases outweighed the negative effect. It was raised more as an issue of management and regulation, which received a level of wider consensus in terms of clarity over some data that are based very much on specific locations rather than others.

Dr Tatiana Moreira de Souza: I would add a few things to what Professor Novelli has said. Obviously the arguments in favour of short-term rentals have been pretty much based on the idea of the democratisation of travel, as she stated, and on the flexibility for travellers, particularly in relation to areas that perhaps do not have the traditional hospitality services, hotels and hostels. There is also the idea of sociability and cultural exchanges from hosts and guests meeting. Another important idea is the trickle-down effect through visitor expenditure and wealth generation surrounding neighbourhoods. Professor Novelli mentioned that Airbnb is the most popular website for short-term rentals. Airbnb claims that around 42% of guest spending stays local. So the arguments in favour are pretty much related to these issues.

On the arguments against, Professor Novelli has already touched on the idea of security and safety concerns for guests. That is quite important, because short-term rentals are generally subject to less stringent regulation requirements than traditional hospitality establishments. I say this, because we did work in 12 different cities, including London, and we saw that some cities have regulatory requirements in place for short-term rentals. Another argument against is the issue of the loss of the initial spirit of sharing, particularly with the increase in businesses advertising properties on these platforms.

Our study did not aim at all to quantify the size of the impact on the housing market, but we reviewed a list of studies that looked at the impacts on housing markets in different cities.

The Chair: Thank you, that is a very good introduction.

Q2 **Lord Best:** I was just enumerating these problems, because different problems have completely different solutions, do they not? You have covered two of the four that I was noting. There are problems created by Airbnb for those needing a permanent home, which is where we came in—the would-be tenants of longer-term rentals. There are the problems that Dr de Souza mentioned for the consumers, the people who move into the Airbnb properties, of safety factors and insurance and other questions. The regulation is not there. There are problems for the city as a whole—I noticed that in Barcelona this worried the planners—such as concentrations of tourists in particular areas, leading to all kinds of problems, from traffic congestion to waste disposal.

There is another issue, which I do not think either of you have touched on but has come up in debates in the House of Lords, which is the problems for neighbours of people next door, who are only there overnight, not behaving as long-term residents would like in terms of their litter and the noise they make in the middle of the night.

All those aspects suggest that one might need to moderate the growth of this industry. Am I right in identifying those categories? Have you any comments on the neighbours problem?

Professor Marina Novelli: I only briefly mentioned anti-social behaviour, overcrowding of properties and transient communities—the issues that you rightly pointed out in terms of visitors usually spending a very short time and in many cases having some level of "conflict of uses" in specific residential areas. This is not necessarily related only to cities such as Barcelona; we have seen that happening in many cities around the UK as well. Brighton is one of the examples that we could refer to.

However, there are three aspects here: the housing element, safety and regulations, and the behaviour of visitors. When contemplating the impact of STLs, we also need to look at the typology of the STLs that we are talking about: whether they are home-shares, whether the residents are present in the property or whether the entire property is being rented out. It is important to bear that in mind, because each of those has different potential problems associated with it. In any case, the total volume of listings suggests that they account for a significant proportion of short-let stock currently available in the UK—particularly if we look at the listings on Airbnb, although, as I said earlier, Airbnb is not the only platform.

In terms of problems, there is also a degree of misconception that the sharing economy as it pertains to tourism is an unregulated industry. In fact, there are many regulations that providers must currently adhere to. It is more a matter of enforcement rather than whether the regulations are present or not. This relates to local authorities' role in enforcing those, and to emergency services and other agencies that operate in local areas. For instance, regulations might include things like compliance with fire, water and gas safety regulation, electrical standards, health and safety assessments, energy performance standards and planning regulation—I could continue— which are more related to general planning permission.

The real issue that we are experiencing here is that although local authorities, the police and the fire services already have a number of powers to take action against short-term lets that they are concerned with, the real problem is that, although hosts are responsible for carrying out things like fire risk assessments, local fire services have regulatory powers, but resources may be limited when it comes to making sure that everyone is checked regularly, particularly with the growth of such a market.

On anti-social behaviour, police and local authorities have regulatory powers to tackle anti-social behaviour and noise orders, but do not always have the information needed to identify potentially problematic actors. In the specific case of Airbnb, Airbnb has played a part in the last couple of years in working towards addressing these problems. In 2020, it introduced a series of initiatives to prevent party houses, which involve the immediate removal of listings booked on Airbnb that would indicate, through the number of people booking in and the number of potential repeated complaints that may have been registered, that it should be removed from their listing.

On safety, in 2021 Airbnb also launched the UK Trust and Safety Alliance, "a network of expert organisations that will work closely with Airbnb in the UK and provide information and guidance to Hosts and the Airbnb community", with the exact purpose of monitoring and trying to collaborate with organisations such as the National Fire Chiefs Council, Neighbourhood Watch and Crimestoppers to have a partnership and address safety issues.

So there has been an attempt to address some of those issues but, as I said, with Airbnb not being the only provider, there is obviously a need to have an ad hoc provision of regulation and certainly registration systems so that the system can become more transparent and the monitoring and addressing of those issues, can become widespread across the board.

Dr Tatiana Moreira de Souza: May I add a few things regarding disturbances and nuisance? In our interviews in different cities we found examples of disturbance and nuisance, particularly anti-social behaviour and people being loud and causing nuisance to neighbours. One of the key issues was increasing transience in areas that have a higher number of short-term rentals, particularly in areas that are of interest to tourists and central areas.

It is important to highlight that enforcement is a very complex task for public authorities, particularly because of a lack of resources, both human and financial, and a lack of data. An extremely important point to consider is the fact that the lack of data for local authorities makes it extremely hard for them to identify and then to begin enforcement actions.

Q3 **Lord Berkeley:** I want to ask our two witnesses about the impact of these lets on the housing market. I live in a little village in Cornwall, and we experience this. I do not know whether you have seen the recent CPRE report dated 13 January, which says, "Cornwall … saw short-term listings grow 661% in the five years to … 2021. There are roughly 15,000 families on social housing waiting lists and the same number of properties being marketed as holiday lets".

That is a pretty frightening figure. I am not against holiday lets at all, but one has to think about whether there will be anybody left in these communities to provide the services which the community thinks it needs, as well as the visitors. Houses are also empty for probably more than half the year.

Is there a solution to this? Some people in Cornwall want to ban people from buying second homes, which is probably much too radical, but how do you arrange the system, whatever system it is, to ensure that the communities survive but the people who want to let the houses and make a bit of money can continue? Do you have any solutions to that?

Dr Tatiana Moreira de Souza: As I mentioned, our research did not aim to quantify the impact on the housing market, as I said, we reviewed many studies. Our study focused on large cities. I would perhaps recommend the work of Professor Nick Gallent from the Bartlett School of Planning at UCL, who is an expert on rural areas and villages and second homes in particular.

It is key that short-term rentals, as an object of regulation, are both a land use and a building use as well as an economic activity, which obviously can be conducted by a professional or a non-professional actor. The rationale for regulating short-term rentals as a land use in the name of the public interest—in this case, the issue of the right to housing—can sometimes be perceived as clashing with the right to use a public property or to conduct a business. This is the key point of tension at the heart of this regulatory attempt: the conflict between land use and economic activity.

What we have seen of the impact, and as I said I can speak only about the large cities that we studied, is that is the negative impacts of short-term rentals are generally in places that are already experiencing demographic pressures and that have intensive visitor flow—areas in Cornwall and Devon, for example, would fall in this category—and tight housing markets. So one of our recommendations is that local authorities have more power to introduce regulations, be it regulations relating to land use or to economic activity, but at least to try to serve the public interest in this case.

Lord Berkeley: That is very interesting. What is the public interest exactly? Quite. Professor Novelli, I think I heard you say earlier that many of the visitors who use Airbnb and everything else like to live like locals. I am not sure what that means, because if there are no locals around it is not much use.

Lord Moylan: Actually, like you, Tony.

Professor Marina Novelli: I agree with you 100%. I only quoted the mantra that Airbnb has been using for a long time. Indeed, it is an issue if locals are no longer locals, so a destination's character may be well affected by second homes and short lets and an unmanaged tourism system.

To add to what Dr de Souza just mentioned, one of the other greater changes and potential solutions is the lack of data. A potential very important start is first to have a registration system that actually provides those data and creating a targeted system and proportionate to the impact of what is actually the impact in a particular destination. If we compare, let us say, the City of London or the city of Brighton and Hove with a rural setting, the needs and priorities might be very different. So, we need to be careful that any registration system is transparent, accountable and consistent, but we also need to be careful that, in the consistency and the proportion that is utilised, it takes into consideration the implications that any regulation may have for the locality.

I mentioned data relating to Devon. In a lot of ways, when we look at the data, we obviously have short-term lettings creating opportunities for the local economy, let us say in remote rural areas that would normally lose younger generations. So when looking at opportunities that would create new businesses and to keep small businesses alive, particularly in rural areas, a regulated STL system in a locality like some of the Cornish ones that you may be referring to, one of the solutions, that is being promoted and proposed also by organisations such as Airbnb, is the creation of a registration system that provides data and enables local authorities to implement stringent regulatory decisions such as the 90-day rule that has been implemented in London, which is problematic to monitor and implement for the very reason that Dr de Souza mentioned earlier, but have been piloted as a way to implement such restrictions. We should look at how we could do that in other locations.

Q4 **Baroness Thornhill:** I would welcome the opportunity to pick at that a bit more with both of you. It seems to me that regulation can be seen as very negative. There are certainly people who feel that very strongly. I worry that in the end it is about counting. Data is important. I am concerned about what ability local authorities actually have, given that we have the most centralised local government in the universe, to change the strategic direction of housing. You may be able to impose a limit of so many days or make tweaks, but it does not change the fundamental availability of supply of affordable homes for local people to continue to live in.

I look at the Southwold situation. I am guilty of Airbnb in Southwold. It is a wonderful place to visit, but schools are closing. I do not believe that local authorities have enough powers to change that strategic direction to create balanced, sustainable communities—unless you can convince me otherwise. I think they can do certain things to nip and tuck and tweak and make things better, but I am not really sure about that bigger strategic issue and whether it really needs something else.

Dr Tatiana Moreira de Souza: You have touched on a crucial point here. We have seen from our study that some countries have given public authorities and local government the power to create their own regulations. For example, in France a national law was passed to give cities of more than 250,000 inhabitants the ability to implement a registration scheme—we have talked about registration already—and make their own regulations.

The case of the UK, and England in particular, is quite complicated, because in theory local authorities can apply to the Secretary of State for Housing for the 90-day exemption to be lifted in a defined area if they can prove that it has been severely affected by the growth in short-term rentals. I am talking about our research in London. That is currently the only route through which short-term rentals can be further regulated at the local level. Westminster City Council is the only London borough to have applied for that exemption and it was met with rejection. That was in 2016.

In our study we found that it is extremely important that local governments have the freedom to enact their own regulations. As Professor Novelli mentioned, there are areas that are extremely popular and attractive for tourism, but there are others, such as old industrial towns, that would benefit from an increase in tourists. The context here is extremely important. There needs to be some thinking about how to give more powers to local governments on this.

Professor Marina Novelli: You have rightly highlighted a strategic issue. As with any strategic issue, we need to look at what is required to have the long-term implementation of such new approaches, when it comes to how we manage the situation. This situation is not going to be resolved immediately; there is no easy fix. As we mentioned earlier, though, one starting point would be to have a registration system. Dr de Souza mentioned the case of France. There have been many other such cases, such as Portugal, where: the registration works at the national level; the law clearly specifies which type of tourism accommodation should be registered and which should not; the registration scheme is nationally consistent, with municipalities able to further establish regulation and restrictions based on their local competences. In addition to that, in Lisbon as one of the most affected cities in Portugal, municipalities such as Lisbon have since introduced further local regulation in which a quota system is applied that limits the granting of new registration of short-term lets in certain areas of the city.

I will also refer to another case. Similar problems have been verified and studied in Amsterdam, and such limitations have discouraged further investments related purely to entire buildings and properties. That is why I said earlier that we should be careful to differentiate between properties that are full properties, which would be a commercial set-up vs. smaller properties or the spare-room approach, which is how Airbnb started, we should be careful that they are not all placed in the same basket with a similar approach. That is why the approach used in countries such as Portugal may be more aligned to the requirements that we may have in the UK from differentiating between rural, coastal and urban settings.

The Chair: I remember talking to the Portuguese Tourism Minister about Airbnb. He said that it was an essential part of dealing with peak in places like Lisbon, but clearly they have brought in a regulatory system to complement that.

Q5 **Lord Haselhurst:** I find it bizarre that something like this may start as a humanitarian act, where a family member assists another who has become recently bereaved or divorced and so on by allowing them to live in their property. If you own a property in a popular area, you can short-term let to people who are looking deliberately to come for a holiday from their ordinary routine life. What can be wrong with that?

How, then, have we let that develop to the point where it is becoming a serious threat to the balance of the housing market, with all the sorts of abuse that one can begin to imagine? Is it really now so serious that action must be taken or the long-term rental market might be critically undermined?

Dr Tatiana Moreira de Souza: It is important to bear in mind the different types of short-term rental, as Professor Novelli mentioned. Our report basically categorises them as three types: type 1 is the commercial letting of a property, which is not the owner's primary residence; type 2 is the owner's primary residence that is then let on an occasional basis—when they go on holiday, for example; and type 3 is rooms in a house—it can be one or two rooms, but generally the owner is present and lives in the house.

Over the years, we have seen an increase in what we call type 1 rentals, the commercial operation of property—properties that are used strictly for short-term rentals. It is important to realise that in cities or countries where tenant protection regulations are weak, generally there will be more impact on long-term rentals, particularly because it becomes easier for landlords to enter and exit the longer-term rental sector. It is also important to bear in mind that regulations on long-term rentals that protect tenants here are also part of the issue. Obviously there will be differences between countries and cities in tenant protection regulations.

Professor Marina Novelli: I will add some data specifically on organisations such as Airbnb, in addition to the element of differentiation. Although entire homes listed on Airbnb in England account for less than 0.6% of the housing stock—the typical listing is also shared for less than three nights a month, which is fundamental—travel on platforms such as Airbnb boosted the economy by £5 billion last year alone, particularly at a time when tourism was in the recovery phase in a post-Covid pandemic situation.

I am not suggesting that the problem does not exist. The problem may well exist, but we go back to what Dr de Souza was saying: that we need an in-depth assessment of existing data about the typology of the property invested in. We did some research in London, and one of the serious issues that emerged particularly in central London was the number of properties that had were the result of overseas investment that are actually empty properties. They were not listed on Airbnb, and they were absolutely not part of the short-let market.

Lord Berkeley: Owned by Russians.

Professor Marina Novelli: I am not going to comment on the nationality, particularly at this historical time.

My point is that attention may need to be paid to the variety of reasons why the housing market may be affected in specific locations. Cornwall, as I have written in the past, has become a victim of its own success in becoming a staycation destination in the UK. There are many such destinations around the world. I come from a very unknown part of southern Italy. In the past year, the input into and the positive effect that short-term lets and the sharing economy have had on some remote areas of Italy have been phenomenal and have been because of proximity travel and the whole set-up that the post-Covid situation has afforded us. We should not dismiss that opportunity and should certainly look at the most transparent and effective way of identifying the real challenges and what should be put in place.

Q6 **Baroness Cohen of Pimlico:** I have been brooding on the impact of short-term lettings for some time. I think both of you are suggesting that registration is the first place to start, because if you do not have to register, we do not really know what is going on. I am totally baffled, even by London. If the regulation works so that you can do short-term letting for only 90 days, frankly I could make a much better return in

London by doing long-term letting. You cannot make in 90 days quite what you can make in 365 days with a long-term let. If you could explain something of this, I would be most grateful.

Professor Marina Novelli: This is a planning issue that Dr de Souza might be better placed to talk about, but I think I can answer from a more generic perspective. You rightly mentioned the relationship between having an effective system that enables us to track the records of what is happening in the market and discouraging potential practice that would be disruptive and create the problem that we mentioned.

Specifically on what you said about short-term versus long-term rentals, I found some data on the duration of the common contractual agreement and the tax system that should be implemented that may also have an important influence on the way providers and local authorities may come to regulate the system. If you look at the short-term lets versus the long-term tenancies, there is an element where Rent a Room relief allows home owners and renters up to £7,500 tax free, versus tax paid on rental income.

So, again, it is about clarifying, because there is a lot of misconception about the opportunity cost of having a property on one of those sharing platforms versus having a stable income. That, again, links up to what we said earlier. A property that is empty is different from a property that is lived in by a member of the family and they just use a spare room to have additional income. That is where the real issue lies, but Dr de Souza may have planning-related issues that are more relevant to your point.

Dr Tatiana Moreira de Souza: On the short term versus the long term, there is the crucial issue of enforcement. We interviewed one London borough that had only four inspectors for all potential breaches of planning regulations, including severe cases of suspected slum landlords and overcrowding. We have to ask questions about what resources local authorities have to conduct enforcement. One part of the borough is extremely attractive for tourism and it is known that many properties are being let short term.

On the 90 days and the issue of enforcement, we talk about Airbnb but there are other platforms as well. We have heard about cases of hosts advertising on Airbnb for a certain amount of time and, after that, advertising on other platforms so that they can evade the control of 90 days. So it is extremely hard for local authorities to identify and then enforce, as I said.

Cities have taken different approaches. Barcelona is an example of a city that invested quite substantially in enforcement. At the time of the interviews, the city had more than 30 inspectors on the ground, plus a data scraping team. That is extremely important. We talk about data, but one issue is that, in many instances, platforms are less interested in providing individualised data. When we talk about data, there is the issue of obtaining individualised data so that local authorities can correctly identify properties. We saw in different cities that they had to have or had to think about how to get the data. Barcelona, for example, had a data scraping team, who are basically computer scientists or people who collect data from these platforms.

There was a reduction in illegal short-term rentals but at quite a high price. We found that there was this never-ending process. If hosts intend to make more profit off their properties in the short-term rental sector, they can because of this issue of enforcement. The 90 days, for example, is quite difficult to enforce.

Q7 **Lord Grocott:** We have seen very early in our investigation that it is potentially quite a complicated area, because there are so many different types of tenure. I found Dr Moreira de Souza's paper very helpful, not least in giving us some attempt at categorisation of the various types of rental.

My question is related to type 1 letting, which is, "The letting on a commercial basis of an entire property not used as a primary residence to visitors staying for short time periods". That is pretty clear to me. What is also clear to me—my question is specifically about this area, otherwise we will all disappear into the stratosphere—is that in any other walk of life, if the house next door to me, which was clearly previously used as a residential property that was either owner-occupied or rented, opened up as a shop, that would be a clear change of use that would inevitably involve the local authority—quite rightly, for a thousand reasons we could all think of. However, if it turns into essentially short-term holiday accommodation, which has more in common with a hotel or a boarding house than it does with a primary residence, surely that is a change of use in all but name.

Nothing is easy in life, but is it not easier at least to identify that category and describe it as a change of use, and then we would have a clear regulatory system that we could understand at least for a particular category of short-term rent?

Dr Tatiana Moreira de Souza: The 90-day rule is important to bear in mind, because it is exactly that: if you rent for more than 90 days, you should be applying for a change of use. The issue for local authorities, as I said, is enforcement and how to identify this issue. When we looked at the regulations that public authorities are introducing, we saw that these regulations try to influence five aspects of the phenomenon. One of those is the distinction between these different types, particularly targeting the commercial use of a property, the type 1 that we mentioned in the report. That is a crucial point.

Again, the problem goes back to how local authorities can identify a breach of use so that they can enforce the regulations on change of use. That is our main problem. I hope I have answered your question. We can probably write in more detail about this issue.

Lord Grocott: Except, presumably, in the other case that I mentioned of a residential property being used for a different purpose from which it was intended, there may be difficulties in enforcement, but if it has four legs and all the rest of it, we can identify it. I would imagine that neighbours would identify it; they would if the house were turned into a shop. At least it is a category that we are familiar with. It is just a question of applying the same mechanism that applies to other changes of use in identifying this one, is it not?

Dr Tatiana Moreira de Souza: To a certain extent, yes. We saw in a couple of cities that they had a more direct line for people to call local authorities about the short-term rentals. So, yes, that is the main issue. As I said, the problem is that you have potential hosts advertising on different platforms and local authorities once again having issues in identifying the properties that are being used for more than 90 days.

The Chair: I think what Lord Grocott might be suggesting is that, as in planning, you put a sticker on a lamppost outside the house when you have change of use.

Lord Moylan: That is when you apply for planning permission.

The Chair: When you apply for planning permission. If you had some system involving planning permission—not that I am necessarily advocating that, but if you did—it would be easier to enforce, because I suspect there would be greater transparency and awareness of the use of the things.

Dr Tatiana Moreira de Souza: This is also the issue of information—information for those who are advertising their properties for the short term. Obviously many people do not understand what the regulations are.

Professor Marina Novelli: There are new property developments that are implementing a ban on short lets in their lease agreements. We can see that happening already in all sorts of ways on a case-by-case basis. I know on a personal level that is the case in Brighton, because I have been looking for properties there. That is one of the newly introduced elements that may help the new builds.

However, the issue may be how do we go back retrospectively and address issues relating to people who may have invested in locations such as coastal areas, Cornwall, or the City of London? Unfortunately, we go back to what we said: in order to address the problem, we need to have a clear picture of the differentiation and the data relating to that. As I mentioned earlier, with Airbnb stating that only 0.6% of its property market is based on full commercial property, 0.6% would not resolve the problem if only that aspect was addressed. Again, it is certainly one good step forward, but not the only one to adopt as a potential easy fix to the problem.

Q8 **Lord Moylan:** I am very interested in the incentives that property owners have for putting their property on the market for any purpose. These incentives, at least in the UK, appear to me to be heavily influenced by the taxation treatment of the income that they receive. I do not expect you to be able to provide an answer immediately, but I wondered if you have access to a table, or could help us to find one, showing the position in relation to the following taxes.

I know Lord Grocott wants to narrow the focus, but I am stretching it slightly wider, because we know that if you disincentivise a certain activity, people very often move to a similar activity that you have ignored because you have narrowed the focus too much. So the questions on tax seem to me to be these. When are the properties subject to council tax as opposed to the national non-domestic rate? When do the recipients pay corporation tax as opposed to paying income tax? Does the restriction of tax relief to 20% on borrowings apply to owners of all second homes or to spare properties, or only to some?

The tax-free allowance that exists—I thought it was still £3,000, but Lord Best updated me earlier and said that it is £7,400 a year—is available to someone who rents out a spare room in their home so that they can earn £7,400 without having to pay income tax on it. Is that available to Airbnb or not? How does that apply? Then there is a special tax regime for holiday lettings, which I am very ignorant of but I know there is one because I have read about it. How does that apply to these activities? There is such complexity in the tax system that there are almost certainly very strange and perverse incentives there.

Lord Best: Can we add council tax as well?

Lord Moylan: I mentioned council tax at the top—council tax as opposed to NNDR. What is the incidence of those? We really need to understand some of those issues. As I say, I cannot throw that question at you for an immediate answer—that would be ridiculous—but if you were able to help us with that, I would be grateful.

Unless you want to say something specifically on that, I wanted to make a comment. The 90-day rule that applies in London, unless I am being very foolish, is no longer the 90-day rule as it used to be. The 90-day rule that used to exist in London, as I understood it, was that a short-term letting was a letting of up to 90 days. So if you had a property and you let it for fewer than 90 days at a time it was in a particular use class, whereas if you let it for longer than 90 days it was an ordinary rental and in a separate use class.

This clearly made a comfortable distinction between hotel activity on the one side, because very few people will stay in hotels for longer than 90 days, and residential activity on the other, because people stay for longer than 90 days when they are in residence. In response to the Airbnb explosion of complaints, the Government said, "We're going to have a 90-day rule in London". But it was a different 90-day rule: it was 90 days in 365. That seems to me to be almost impossible to enforce, because you have to have a record of how the property was being used for every night of the year. The 90-day letting rule is very much more enforceable, because you can demand to see leases and tenancy agreements: "Does this person, Smith, who is staying in this property, have the right to stay here for more than 90 days or not?" That is very evidence-able.

Unless I have misunderstood it, the new rule is different and is actually impossible to enforce unless you have an enforcement officer standing at the end of every street permanently.

Dr Tatiana Moreira de Souza: It becomes impossible to enforce, exactly because of that. They have to prove that the property is being let for more than 90 days.

Lord Moylan: Whereas the previous rule was 90 days per letting.

Dr Tatiana Moreira de Souza: Yes, and that is 90 days in 365, so it becomes extremely hard to enforce.

Lord Best: Although Airbnb has a record of every night against a property.

Lord Moylan: Every night that it has been rented on Airbnb's platform.

Lord Best: On its platform, exactly.

Earl Lytton: Which is why it is keen to get its foot in the door on registration.

Professor Marina Novelli: I would like to clarify something with regard to the taxation system. Indeed, the Rent a Room relief allowance of £7,400—it is £7,500 now, although I do not know exactly; I will need to check the figure—applies to all short lets. You asked whether it applies to Airbnb. Airbnb does not rent properties.

Lord Moylan: No, I appreciate that. It is the landlord.

Professor Marina Novelli: It is the landlord. In effect, all landlords who fit into the short-let categorisation would be allowed to access that tax relief. In other cases, tax is paid on rental income. That is the main differentiation in the data I have available at the moment.

Lord Moylan: This may help to some extent with Baroness Cohen's question earlier. Will it be possible for you to provide us with, or point us in the direction of, some sort of comprehensive understanding of the tax position in the various categories that I have mentioned, all of which seem relevant?

Professor Marina Novelli: I do not know whether Dr de Souza included that in her study. We certainly did not in our study, which was particularly pertinent. I can certainly look into it.

Lord Moylan: Could you point us in the direction of where our clerks might be able to gather that information?

Dr Tatiana Moreira de Souza: We can look into it.

The Chair: It would be most helpful if you could. We will discuss it offline, and the clerk may have other ideas as well. We need to get to the bottom of the tax, because people are interested in that.

Lord Moylan: It is very incentivising.

Q9 **The Earl of Lytton:** Good morning, Professor Novelli and Dr de Souza. It has been very interesting to hear what you have to say. There is an essential incoherence. I must declare that I have some skin in the game here. I do not use Airbnb or that sort of platform, but I have some short-term holiday lets in a desirable part of the West Country.

Planning policy has been incoherent, very often because of a dislike of new dwellings in the countryside; my experience is mainly in the countryside. Local planning authorities have often given consents for the conversion of buildings to use for holiday lets. Then they say, "There are too many of these". So, first, there is a straightforward incoherence about the process here, and if we are not careful we will slosh from one extreme to the other in trying to rectify whatever imbalance is perceived.

Whether short term or long term, the nature of the actual occupation—in the sense that there is a couple or a family or whatever ostensibly living in a property for a short or longer period—is fundamentally the same: they are living, sleeping, cooking and washing there. The only the difference is in the length of their stay. That is a hard thing to pin down, as we have heard. Partly in answer to Lord Grocott's point, if someone has been doing this for a sufficient length of time, under UK planning law you can apply for a lawful use certificate if you are faced with enforcement proceedings. If you have been doing it for long enough, you are entitled to do that and to continue doing it.

I want to take the point that Lord Moylan made about drivers a bit wider, because clearly the furnishing and fit-out management servicing of short-term lets mean that they are not for everyone as a straightforward choice between conventional letting or a short-term holiday type of letting or B&B letting. I suggest that if you apply a holiday letting for one or two weeks to an urban environment, that is different from something that is a regular night after night churn at odd hours in a block of flats in a high-density part of a metropolitan area. It has been suggested to me that things like property transaction costs, the wish to build a nest egg, the lack of equivalent investment alternatives, plus murmurings that we have heard about greater security of tenure for regular lettings, are influences.

For regulation and management purposes of the sector, we need to know more about the lessor profiles and aspirations, and the economics of what they are faced with. Looking at how the platforms function, are these simply the response to underlying market factors, or are they in fact now a driver in their own right, and to what extent are they now a driver in their own right?

We have heard from Dr de Souza about the fact that there are other points of access into the lettings market. They do not have to be via one of these platforms. They can be all sorts of things: individual websites or Facebook leading to repeat bookings and ultimately word of mouth. All these things are access points into the market.

So the real question is: how did the options used themselves shift the market? That is fundamental to this issue, along with understanding the drivers. Like with Lord Moylan's question, you may prefer to comment in writing, because that question is obviously a mouthful. Dr de Souza, you are probably nearest to this issue, so I will ask you first for your comments.

Dr Tatiana Moreira de Souza: Regarding short-term and long-term rentals and the matter of living in a property, I would argue that we need to think about a person's primary residence or the residence which they consider to be primary. But I would like to respond to those questions in writing, particularly with Professor Claire Colomb, who is the first author of this report.

The Earl of Lytton: Fair enough. Professor Novelli, do you have some thoughts?

Professor Marina Novelli: Your comment is quite comprehensive and touches on a number of things. I might just pick one, given the time available. We talked earlier about the implementation of regulation implementation, and the case of Portugal may serve as an example of the issue you rightly highlighted where there are a variety of players in the game and a variety of stakeholders involved.

We cannot just point the finger at a specific promotion or sale of short-term lettings. We have talked about the introduction of quota systems—in London, there is the 90-day rule, and in other cases you might involve just the reach of a certain number of properties being sold as a second homes or whatever else. Again, that is very difficult to monitor, because at the end of the day someone may invest in a property in the West Country, like you, and then decide to relocate to the West Country. So we need data monitoring, as we discussed earlier.

One example is standard regulation. For instance, a "subject to buy to let" requirement might be applicable in the context of long-term tenancies versus the less clear change of use regulation that is required in the short-term letting context.

When it comes to a strategic approach to solving the problem, a building-block approach is needed. Data monitoring is an essential building block, as is the registration system, which, according to the typologies, is fundamental. In Portugal, the registration system is free, so it is not a burden on those who have a genuine interest in earning a bit of money on the side, as we said, versus those who are potentially having a much bigger impact on the housing market if they are letting more on a commercial basis, entering into competition with the hospitality industry and all the different things that we have discussed today.

As I said earlier, there is no easy fix, but there are certainly stepping stones that we need to look at, from registration and taxation, which might be one of the stringent elements that we use as a regulatory framework, to other aspects that may well be include a community-informed decision. Given all the negative things that have been said about the sharing-economy system, particularly Airbnb, which has often become the scapegoat for a lot of problems that the sharing economy has produced, one of the interesting aspects that emerged from our study is that there is an interest in regulation, because regulation, and registration in particular, also means control over the system in which we operate. So even those who are generally interested in making sure that they do not constitute a problem for their own communities are interested in doing that. They may well be the ones who would be most affected if any regulation that is not well thought out was implemented.

It is important, as I said, to have a building-block approach in the way decisions are taken on the basis of the data available, and if data are not available. We recently came to the conclusion that the economic impact of tourism on a country like the UK and like many other countries in Europe is fundamental, so it is probably time to look at where the investment should go in order to maintain a systematic approach to looking at how tourism can have a sustainable impact on the local economy in which we operate.

The Chair: Thank you for offering to follow up on Lord Lytton's questions. As you have mentioned community, I am keen to bring in Lady Bakewell at this point.

Q10 **Baroness Bakewell:** I would like to pick up on the issues that you have just mentioned. This is an international and a growing business. Presumably you base your research on expectation of change over time and the intensification of this particular sector. Given that, can you comment on what you have learned from different cities? You mentioned Barcelona, for example, and Berlin was very interesting. I am absorbed by the idea of how other countries are solving the problems that we are confronting, and what we can learn from them. Could you perhaps give us even a personal judgment as to where the best examples are?

Dr Tatiana Moreira de Souza: There are important issues here. These cities have been introducing regulations that influence five aspects. One is the existence of short-term rentals and their visibility through licensing or registration.

Professor Novelli mentioned Portugal, for example, so this is at the national level. Portugal has introduced regulations that focus on quality standards, such as safety, furnishings and equipment requirements, and the overall quantity or scale in the city or neighbourhood. We talked about Lisbon, which has some containment areas, which are areas in which they are basically reducing or stopping the number of licences that they give. These are the historical areas of Lisbon or central areas that attract a lot of tourists.

Another aspect has to do with the distinction or the balance between the different types—type 1, type 2, type 3—that we talked about. Another important aspect is the practice of the platforms themselves mediating short-term rentals. We have talked about Airbnb, but we have to be very mindful of the other platforms as well. It is important to note that registration schemes can be successful. We have seen that in Portugal, with its registration schemes at national level. The platforms have to comply with the need to show their registration number on their website. It is also important that there is some sort of checking of the platforms or data to check that the registration number exists.

The implementation of regulations can be effective only with the co-operation of platforms. We have noticed that platforms have done different deals with different cities.

Baroness Bakewell: Do the cities themselves come together and collaborate? Is there any overarching authority that can give us information on a broader scale?

Dr Tatiana Moreira de Souza: Twenty-two European city leaders have collaborated and put a document together, which I can send you more information about. I have three of their main demands here: that holiday rental platforms are obliged to share relevant data with city administrations; that, where national or local registration schemes apply, platforms are obliged to publish the registration numbers of listings and to remove listings without valid registration numbers, because checking platforms' accountability was problematic; and that platforms are liable for fulfilling their obligations according to national and local legislation so that legal enforcement can be possible and effective.

So, yes, there have been city leaders, particularly in European cities, getting together and collaborating on their demands in relation to the platforms.

Baroness Bakewell: Professor Novelli, do you have anything to add on where we can look for wisdom on this sector? It is so complicated, and so variable from country to country.

Professor Marina Novelli: In the specific Airbnb context, in the case of Portugal, Greece, France and the Netherlands, data are available on the effectiveness of the regulatory system that has been put in place. All these systems have free registration for hosts, so hosts are encouraged. In the specific case of Portugal, for instance, Airbnb has now implemented the regulation that all new users must register online and receive a number that they must put online and even in offline advertisements. So if they go to a local short-let renting agency they have to have that registration n in place.

Effectively there is a level of willingness on the part of some of those providers to collaborate on this, and I think the time is fertile to really push for these collaborations. Organisations such as Expedia, VRBO and TripAdvisor have been in conversation about these collaborations, so it is a matter of learning from different lessons.

Numerous studies have been done, even in the UK; the recent House of Commons study looked specifically at some of these issues. So I suppose it would be a matter of identifying what has been highlighted as the major applicable systems to the UK's context. There is some reference to the report in the short-term lets registration white paper that I contributed to for Airbnb.

Certainly the fact that the sector is not against it is fundamental, because, particularly when it comes to the availability of and access to data or the implementation of some of the basic regulatory elements—for instance, if you are not registered, you cannot be listed—

Baroness Bakewell: Is there any data on their capacity and their efficiency in policing these different sets of rules? Are some places more successful than others?

Professor Marina Novelli: I do not have the answer to that, but I could certainly find out whether that is the case, particularly in the context of Airbnb. I could certainly ask about the protocol, the process, that it uses to implement that level of monitoring and evaluation. I am sure there must be something, because Airbnb is, for instance, implementing interventions with regard to a house that is creating problems with nuisance behaviour, and things like that, certainly there is an element of increased attention to all these aspects, which have created reputational damage for the company. I am very familiar with the very negative media and academic research that has been produced on the issue of the sharing economy, and it has become extremely clear to me over the past six months that there is an increasing interest in working with communities in particular to address the main issues that you rightly highlighted earlier today in this conversation.

Q11 **Lord Stunell:** Thank you, there has been a lot of good information. I think we all recognise that if you do not count it or measure it, you cannot tax it and regulate it properly. It is interesting to hear that the sector itself is apparently in strong support of that. Could I test that a little? I am not clear what fraction of these lettings are done through the main sites and what are, if you like, freelance operations. The market leader is always in favour of having regulation, because it makes competition that much easier.

I wonder if you would like to comment on that position. Maybe I will not embarrass Professor Novelli by asking her straightaway but hear first from Dr de Souza about whether there is an element of market restriction in the very consensual presentation that we have received so far.

Dr Tatiana Moreira de Souza: Sorry, could you please repeat the question?

Lord Stunell: My question is about the general consensus that you presented—that the first step is registration—which has come across very clearly and clearly favours the large operators, the Airbnbs of this world, compared to the market entrants or, for that matter, the sole traders. I just wondered if you would like to comment on that aspect of it.

Dr Tatiana Moreira de Souza: Okay. It is important to think, first, about the role of the platforms. Short-term rentals have always existed, to a certain extent. Before, they used to operate through word of mouth or other means of advertising, but platforms are able to reach a large number of people. That is why we have had this growth.

All I can say is that obviously we do not have data for other, different ways of advertising short-term rentals, but if we think about a way of at least being able to control or to understand the activity better, registration would be a way to identify that. But I am not really sure that I have understood your question. I do not know whether Professor Novelli would like to help me with that.

Professor Marina Novelli: I understand where the point of concern comes from. First, I would like to clarify that the point made about the pro-attitude to registration does not emerge from Airbnb's specific commercial interests. This attitude has actually emerged from research conducted across the UK over a period of 18 months, and it was an independent piece of research that was led by me. Airbnb was obviously the funding organisation and the organisation pushing to find out more information, but having regulation can be of benefit to both the large operators such as Airbnb and the sole traders.

I think there is a bit of a misunderstanding here about how you have market access on short-term lets in the sharing-economy system. Every host can access Airbnb for free, initially. They can register. Then, of course, the operation is costed in the way the platform is generated, which is not unique to Airbnb; it is the same with Booking.com and all the other sharing platforms.

So I am not entirely sure that I can agree with the idea that big players are in favour because they would gain more benefit from it. I think big players like Airbnb are also facing great criticism for the exact reasons that you mentioned: they have become too big, they are creating issues in the housing market, they are perceived as creating neighbourhood problems and so on.

It would probably be unfair, without having the data that Dr de Souza referred to earlier, to make bold conclusions as to why certain players may be more in favour than others without basing those conclusions on independent research that has been conducted on behalf of those organisations. We have, for instance, involved communities across the country that were identifying some of those problems but were putting forward counterarguments for where the positive and negative elements were in trying to solve the challenges that we are all facing at a local level.

We need to exercise some level of caution in concluding that the big players would seek an advantage from those regulation and competition elements.

Q12 **The Chair:** What do you think of the Government's proposals for regulation?

Professor Marina Novelli: I know that organisations such as Airbnb have been in discussion with government about registration. That conversation started in 2015 with the implementation of the 90-day regulation in accordance with negotiations and discussions with the Mayor of London Office.

This has been an ongoing conversation across the European continent and actually across the world for the past five years. Communities around the UK have increasingly been increasingly affected by issues such as overcrowding and the one you mentioned earlier, so we have come a bit later to the conversation, but we are probably better placed to learn from the examples and to implement measures that work in the specific national context in which we operate.

So I would be in favour of what the Government are proposing, but in line with the recommendation that this is not an easy fix and cannot just be done on an ad hoc basis without having the data, which we very much highlight as a fundamental element, particularly now that we are at a historic time when we are trying to come back into the tourism system in a more responsible way with regulation that emphasises the sustainability of business in the country.

Addressing those challenges head on is very timely, and we can ensure that the restart of tourism benefits not only consumers and providers such as Airbnb—I do not want to use just that specific case—but communities in the long term, because we have data on the economic benefit which the short-term let market brings to communities and on the importance of tourism for the country, and I think we should just learn from the lessons that have been learned in our neighbouring countries. We have France, and we potentially have Spain and other destinations that we could look at.

The Chair: So that is a yes to registration and the Government's proposals. What about you, Dr de Souza?

Dr Tatiana Moreira de Souza: I would have to look in more detail at the Government's proposals, but I agree with Professor Novelli. I would just like to highlight that, in our report, we have tables for every city that we looked at, which show very clearly the types of regulation that they have. Again, the identification of short-term rentals is extremely important in order not only that we understand the sector but to enforce regulations, be it to ensure quality or other issues that are related to having a hospitality sector. Registration—again, I would just highlight the fact that I do not know the details of the Government's proposals—is a very good, positive way of being able at least to identify short-term rentals and to start enforcing more effectively.

I would just like to highlight that the issue of data is, to a certain extent, a little more complex, because even though there might be more interest from platforms now and platforms might be keener—

The Chair: We have lost Dr de Souza. Let us move on and see whether we can get her back later.

Q13 **Lord Carrington of Fulham:** I guess my question is for the professor, because that is probably where we are at. The whole question of regulation is fine as far as that goes, and of course it will be centred on the large providers of rentals; it will be very bureaucratic for somebody who just occasionally rents out a room in a house and who will not cope with it very well and in a cost effective manner. It will go only so far, as I understand it, in providing security as to whether a property is insured, whether it is up to the right standard, whether it has been maintained and so on.

To get back to the taxation issue, you would need a lot more data about how many nights the property was rented out for, and that would depend upon the platforms being prepared to share that granular data with the tax authorities as well as with regulators. I am not terribly convinced that all the platforms would see that as being their role, but even if they did, one of the characteristics of short-term rentals, and indeed holiday rentals, is that it becomes a maturing market fairly quickly.

I have friends who, for instance, rent out properties; I do not myself, and I do not own any properties other than the one I live in. They get a certain amount of their business from platforms—and all variety of platforms, because they tend to have multiple listings, so they will get some from Airbnb, some from Bookings.com and some from specific rental platforms for the type of property that they are letting. But, actually, the majority of their rentals these days come from repeat bookings, which coming direct to them from people who have been there before, and indeed by word of mouth from friends of people who do repeat bookings and who say, "This is a very nice place to stay. Why don't you try it?"—in which case the owners of the property do not pay fees to the platforms, and the number of days for which they have rented out the property become subject to their honesty in reporting it to the tax man.

We are in danger of setting up a whole regulation and a whole structure that will only catch the people who honestly report what is going on. We are not going to have a structure that will cope with the people who are doing it on an occasional basis or people who are deliberately ensuring that they cannot be traced by the authorities because if they are traced by the authorities they will end up paying tax, which they do not want to do. How do you get around that sort of problem?

Professor Marina Novelli: It is certainly a complex issue. I do not claim to be a tax expert, so forgive me if I cannot be as detailed as you would wish me to be from a taxation perspective.

Certainly you are entering the domain of potential tax evasion if you are operating in a business, which in this case happens to be tourism but could be any small business, that you may want to run across the country and are deciding how much of that you declare versus how much you are forced to declare.

I would probably need to think about this in a bit more detail, but to answer your question in short, first of all there is an element of willingness on the part of different players to collaborate and to co-operate with government. There is obviously an element of registration that exist whereby, if a property is rented through a platform such as Booking.com, that information is available in the system, so I suppose it would be a matter of negotiating a reporting system and of course implementing a layer of monitoring and evaluation through the kind of cross-party collaboration that these kinds of regulation may require.

On the other hand, for individual operation, whether the letting is done on an occasional basis or on a more commercial basis, I suppose there is an element of enforcement by the tax authorities whereby it would be a matter of understanding how this would work as it would work in any other small business management, versus the responsibility of the individuals to know that if you are operating outside a specific set of rules, you could be liable to sanctions.

In any business, if you evade tax or go beyond the rules and you are caught, you are caught. If you are not caught, you get away with it. And although it would not be my inclination to encourage that, we also need to take stock of the fact that we are talking about a small and medium-sized enterprise approach to the way the sector is run.

It should become a multi-party conversation on how registration and regulation, because I think we are mixing the two terminologies here. Registration is only part of the regulation and only one step. What follows after that—whether it is a limit on the number of days, a quota system on investment and all these other things—are all aspect that need to be determined in due course as the conversation that we have to have as multi-party players evolves.

Q14 **Lord Carrington of Fulham:** I have a question about the other side of the coin. As I understand it, Airbnb is an American company. It is registered in the states. It is therefore subject to US regulation and US taxation policies. There have been a lot of problems in trying to tax American corporations operating on the internet—Facebook, to name but one, but also Amazon, and so on. I do not know about Airbnb's taxations arrangements, but I suspect that they are fairly similar to the other big internet companies'.

Airbnb obviously has income coming in that it probably does not claim as being UK income; it probably claims that it is, for instance, from its UK rentals and is probably registered in Dublin or Luxembourg for the purposes. How co-operative will Airbnb and the other operators be in providing data to the UK authorities that would enable those authorities to tax people renting out their properties but that would also allow the UK authorities to form a case for greater taxation of Airbnb?

I am just deeply suspicious of these companies. I think they are pretending to co-operate, but I suspect the reality is that their co-operation will just go so far until it starts to hit them on the bottom line.

Professor Marina Novelli: First, we need to make a differentiation here. We are trying to regulate the way in which the short-term lets market is operating in the UK and whether that is the way forward. The way that corporations such as Facebook, Airbnb or any of the others that you are referring to are taxed on a national level can be related to the conversation about their interests in having a transparent operation, as you rightly highlighted. Without necessarily pointing the finger at Airbnb, a corporation operating in any national, socio-political and regulatory system will need to comply with the regulation which that country has put in place.

That might be a naive answer on my part, but we need to differentiate between the commercial interests of an organisation such as Airbnb, Booking.com or TripAdvisor that may have to share their data and the fact that if regulation has been implemented in other countries, the data on registration has been shared by those organisations. We need to appreciate that that is the situation we are in.

So I suppose you are right to be potentially suspicious about why this push may come from such organisations, but the reality is that the regulatory system that we are discussing here is actually multifaceted and addresses particularly those who operate in the UK. It could also be a foreign investor in commercial housing, who may have a stock of propertied in the middle of London who uses that stock as an Airbnb or Booking.com property.

It is how we operate with regard to a specific commercial property or short lets in somebody's house that we need to concentrate on, in my humble opinion, because, at the end of the day, although we need the entire system to be on the radar, we need to start by addressing the issues that we have identified as the major challenges that we are facing.

Since those organisations have offered an interest in collaborating, I would be inclined to say, "Okay. You've said that you're supporting us in this. Are you going to do that?" There is evidence that organisations such as Airbnb and TripAdvisor have created alliances to operate in a more sustainable way across Europe and the world, so I would say that they are adopting and implementing a business sustainability approach in this current era. It is one of the elements.

The Chair: Thank you, Professor Novelli, and welcome back, Dr de Souza. I do not think it would be fair to ask you the question at this late stage of proceedings, so perhaps we can send you Lord Carrington's question in writing in case you wish to add any comments.

Both of you have been very generous with your time, and thank you for struggling with the hybrid nature of the session. We are so glad to hear from you. Time is up. You have kindly offered various follow-up material, which we are very interested in receiving, and our clerk, Dee Goddard, will be in touch with you both, if she may, just to enumerate what we need and on what timeframe. This has been an excellent session. Thank you for your time.