

Written evidence submitted by Airbnb

Digital, Culture, Media and Sport Inquiry: Impact of COVID-19

Introduction

It was just over a decade ago, during the last financial crisis, that Airbnb was born. Today, Airbnb's marketplace connecting hosts and guests is a trusted platform for travellers all over the world. Until just a few months ago, hosts on Airbnb welcomed an average of over 2 million guests per night globally. Now, we are facing an unprecedented public health crisis that has led to a near-total halt in travel.

Airbnb is one of the world's best known marketplaces for unique, authentic places to stay and things to do. The platform has helped millions of hospitality entrepreneurs monetise their spaces and their passions while keeping the financial benefits of tourism in their own communities.

Travellers (who we call "guests") and providers of accommodation (who we refer to as "hosts") can meet, connect and transact directly with one another on our platform. Hosts on Airbnb are in total control of the accommodation they offer. As a platform, Airbnb does not control, manage or rent these properties: hosts do. They set the price they wish to charge, any conditions or 'house rules', the dates that their place is available for bookings, and ultimately who they choose to accept as a guest. They also earn up to 97% of the price that they set.

The last few months have been incredibly challenging for everyone in the UK tourism and hospitality sector. We therefore would like to thank the Committee for the opportunity to provide information on the proactive steps we have taken throughout this crisis, as well as plans for the recovery of our business in the future. As such, we have structured our response around three main areas of focus:

- Impact on our business and the Airbnb community
- Airbnb's response to the pandemic
- The future of tourism in the UK

As we look to plan for the reopening of UK tourism in the coming weeks, we'd like to request the Committee's attention to the following:

- **Increased resources to aid tourism recovery** - With hosts, guests, and communities feeling the economic strain of limited travel, we back the tourism industry's call for increased funding for destination marketing, and an additional bank holiday in October to provide further stimulus to a struggling sector. A particular area of concern is urban markets, which are largely dependent on overseas visitors and will likely not organically benefit from domestic travel; it will be essential to support this recovery as a priority.
- **Continued support for everyday people engaged in the sharing economy** - As many across the country are struggling financially, there is an opportunity for the Government to support people to be a part of our tourism industry as micro-tourism entrepreneurs, helping them make a little extra money. By raising the property and trading allowance to £5,000 it will help foster a new era of hospitality.
- **Clarity on timescales for future contingency planning, local lockdowns and second spikes** - It is crucial that hosts have certainty about how and when travel can return safely, domestically and internationally, across all four nations. In the event of local lockdowns, or a second wave of infections, we would welcome more guidance for hosts about how they should prepare.

As travel looks to return, we know that consumers are looking for places to travel that are local, affordable, spontaneous and safe. This crisis has sharpened our focus to get back to our roots, back to the basics, back to what is truly special about Airbnb - everyday people who host their homes and offer experiences. We would like

to keep the Committee updated on our work to promote the recovery of UK tourism, working in partnership with communities, destination marketing organisations, and policymakers.

Impact on our business and the Airbnb community

COVID-19 has hit our business hard—just like it has for hosts on Airbnb. [Our CEO, Brian Chesky, announced in an email to all Airbnb staff on May 5 2020](#), that forecasts for revenue this year will be less than half of what we earned in 2019. In the past few months, we have raised \$2 billion in capital and dramatically cut costs. This has touched nearly every corner of our business. Out of our 7,500 Airbnb employees, nearly 1,900 teammates will have to leave Airbnb, comprising around 25% of our company globally. We have also paused our efforts in work streams such as transportation, and scaled back our investments in hotels and luxury offers.

But COVID-19 hasn't just hit us as a company, but also the hosts who rely on their income from Airbnb, and guests whose travel plans have been disrupted. Hosts and guests on Airbnb generated an estimated £5.1 billion for the UK economy in 2019, with up to 97 pence of each pound spent on the platform being paid directly to hosts. Decreased tourism footfall and visitor spending has also impacted small businesses in high streets across the country - many of which are located outside traditional tourist districts and not served by hotel-supported tourism. Last year, guests on Airbnb in the UK spent an average of £92 per day in local communities.

Hosting on Airbnb provides an easy and flexible source of income from what is typically a person's greatest asset and expense - their home. Hosts typically spend or reinvest their earnings in a number of ways such as covering household expenses, cleaners and home improvement. Almost half of hosts surveyed (43%) in 2019 in the UK said their income from Airbnb helped them stay in their homes, with 28% of hosts spending their earnings on rent or mortgage.

The platform provides a flexible source of income to everyday people - earnings from Airbnb represent an average of 20% of total income for UK hosts. This money can supplement the income of those in full-time employment, help stabilise the income of self-employed people, or provide a revenue stream for those who have retired:

- 29% of hosts in the UK are retired
- 35% of hosts in the UK work full time
- 13% of hosts in the UK work in healthcare
- 15% of hosts in the UK work in education

For businesses operating on our platform like self-catered apartments, boutique hotels, B&Bs and property managers, we thank the Government for the support offered to the tourism and hospitality industry. Programmes like grants, loans, and business rates reliefs, are welcome to professional hosts. In a recent survey conducted by Airbnb, almost a quarter of hosts (23%) said they were benefiting from one of the packages laid out by the government. Out of this portion, over half are claiming small business grants, or business rates relief.

Whilst we commend the UK Government for their leadership in helping businesses impacted by the COVID-19 outbreak, the vast majority of hosts on Airbnb are not businesses and therefore do not qualify for the package of business reliefs or grants set out by the Government. Over two thirds of hosts who are not claiming government reliefs state that they are ineligible for government support. Many are relying on mortgage holidays (9%) or the extension of Universal Credit (4%). **We ask that the Government consider hosts on Airbnb along with the everyday people whose financial security has been put at risk.**

Almost half of hosts surveyed (49%) stated they'd like more support from the Government, in the form of grants or tax reliefs. Therefore, **we're backing calls from Sharing Economy UK and the Short Term Accommodation Association to raise the property and trading allowance from £1,000 to £5,000.** This will give everyday people the opportunity to make supplemental income at a time of financial hardship, boosting the local tourism economy and cementing the UK's status as a world leader in the sharing economy.

Airbnb's response to the pandemic

At Airbnb, our first priority is the health of the public. During this unprecedented crisis we believe it is essential that the industry put public health first, that is why we have taken the steps we have to date.

Restricting UK bookings

To ensure we are playing our part in protecting these communities we have been in regular contact with the Government for guidance on travel restrictions and accommodation providers. Following the implementation of emergency restrictions on holiday accommodation providers, we periodically extended restrictions on our platform, which meant [it was not possible to book a nonessential stay on Airbnb in the United Kingdom](#). Since implementing those changes on April 9, 2020, we have reviewed restrictions inline with the review cycle in the legislation.

We took this action on an exceptional and voluntary basis, because we believed it was the right thing to do. Under the current legislation, obligations apply to hosts on Airbnb whether they are listing online or offline. We have gone further than any other platform to help hosts follow those rules.

Since the start of the crisis, we have also consistently communicated to both hosts and guests through our platform and informational email campaigns that people should only be travelling for essential purposes. We have worked with local authorities to find ways to address specific issues that are raised with us regarding suspected breaches of the emergency legislation.

Hosts need maximum clarity about the scope of local lockdowns and contingency planning for a second spike. Any local lockdowns should be triggered at a national level, to ensure that any temporary restrictions are applied consistently and accommodation providers are treated equally regardless of where their property is located. Providing clarity on how local lockdowns will be implemented, and giving sufficient advance warning to hosts if local lockdowns are required, will also help hosts prepare contingency plans that will minimise the adverse impact of further lockdowns on their earnings and businesses. It is also essential for hosts that any exemptions to restrictions on accommodation are clear and for guests, clear guidance for non-essential travel.

Community safety

The safety of communities is absolutely our number one priority in this crisis. As such, we are constantly reviewing our policies and [have prohibited listing titles](#) that reference “COVID-19,” “coronavirus,” or “quarantine”. In addition, we have banned hosts from authorising parties in regions where current public health mandates prohibit events and gatherings. We have reinforced this global policy by temporarily disabling the “event-friendly” search filter, which is typically used so that guests can seek out venues for responsible parties and gatherings during normal times.

Frontline Stays

[On March 28 2020, we launched the Frontline Stays initiative in the UK to support medical professionals working on COVID-19.](#) Our Frontline Stays programme enabled hosts to offer their accommodation free of charge to hundreds of guests working as healthcare professionals in the COVID-19 response.

[Georgina, an NHS doctor in London, said,](#) “I was really lucky to have been told about the Airbnb programme as it was just starting out. A few days before, I had found out that I would be redeployed to ICU and at the time I was staying with family, one of whom is in the government’s “extremely vulnerable” category. I was truly overwhelmed by the generosity of the hosts who made their properties available for free and I was quickly accepted by a host who had a property nearby my work.

“In the past month I have been able to work on the frontline in the ICU without the constant worry of putting my family at risk, looking after patients who had sadly become critically unwell as a result of this awful disease. I am so grateful to all of the hosts on Airbnb who have provided healthcare workers like myself with a safe place to stay during this pandemic.”

Doug, a host on Airbnb in Kent, said, “We feel privileged to play a part in the programme which enabled us to offer free accommodation to an ICU nurse working at Maidstone Hospital. She has been unable to return home to her partner who is self isolating after major surgery, and being parted from him while working long shifts must take an incredible toll, both emotionally and physically. We feel proud to be able to help this truly dedicated young woman in this small way.”

Hosts on Airbnb have accommodated over 1,200 free stays for NHS staff and medical workers, accounting for over 2,000 workers when including subsidised stays. This is equivalent to more than 20,000 overnight stays in the two months since this programme was launched. To offset cleaning costs and as a gesture of its gratitude, Airbnb has given hosts £75 each time they host a free stay in the UK Frontline Stays programme. We'd like to take this opportunity to offer thanks to our doctors and nurses, and gratitude to those hosts who opened their homes.

Support for guests

For many years, we have had an [Extenuating Circumstances policy](#) that allows hosts and guests to cancel eligible reservations with no charge or penalty. In light of the WHO's declaration of COVID-19 as a global pandemic, that policy has been applied to reservations made on or before [14 March 2020 with a check-in date between 14 March 2020 and 31 July 2020](#) and this policy is under constant review. Eligible guests can choose to receive either a full cash refund or a travel credit, including all fees, and are required to attest or provide supporting documentation regarding their inability to travel because of the COVID-19 pandemic. In the UK, we've been named by the consumer [body Which?](#) as a recommended company for UK consumers to book their next holiday with.

Support for hosts

On 30 March 2020, [we announced a \\$250 million commitment](#) to hosts to help cover the cost of COVID-19 cancellations under our Extenuating Circumstances policy. For eligible reservations, we committed to paying 25% of what hosts would have received under their usual cancellation policy, at no cost to the guest.

In addition, we created a [\\$17 million Superhost Relief Fund](#). To date, [we have awarded \\$16.8 million in grants to over 8,700 hosts](#) around the world. Grants range from \$1,000 to \$5,000 and are aimed at tenured hosts who are facing financial challenges because of travel disruption and other impacts of the global COVID-19 crisis.

Online Experiences

In March 2020, we made the difficult decision to pause all Airbnb Experiences globally to protect the safety and wellbeing of hosts and guests. Launched in 2016, Airbnb Experiences are unique, memorable in-person activities designed and hosted by locals that go beyond typical tours or workshops.

As lockdowns continued worldwide, on April 8 2020, we launched [Online Experiences](#), a new way for people to connect, travel virtually and earn income during the COVID-19 crisis. Hosted on Zoom, these new Online Experiences are available for everyone to book and are also ideal for friends and family to book and reconnect with loved ones over a shared activity. This has unlocked unprecedented access to hosts across the UK including [Olympic medalists](#) and [magicians](#). On 21 May 2020 (Global Accessibility Awareness Day), [Airbnb launched a new category of Online Experiences](#), which features hosts who have designed their Experiences to be inclusive of, and adapted for, people of different abilities.

Experience hosts shifting online have seen an immediate and positive impact that will likely continue to last after quarantine orders lift. Globally, top earning Experience hosts have netted over \$20,000 each.

The future of travel

This crisis has sharpened our focus to get back to our roots, back to the basics, back to what is truly special about Airbnb - everyday people who host their homes and offer experiences. The travel industry, including Airbnb, has been hit hard by COVID-19 and there will continue to be tremendous uncertainty. Even so, our global booking data shows [that travel is beginning to resume](#) and new survey research has identified a series of trends that will shape travel in the weeks and months to come. As such, we've set out our approach below.

Working in partnership

We are committed to working with policymakers and local communities to create a sustainable future for tourism. Working in partnership is at the heart of our long-term approach to serve and strengthen communities.

From a UK perspective, we announced our plans to collaborate with communities across the UK on proposals for a short-term rental registration system. We wanted to develop an industry-wide system in partnership with the tourism sector, local authorities and policymakers across the country. We plan to present a paper to the Government with our findings and recommended policy in 2020. In collaboration with the University of Brighton and BritainThinks, we are resuming our consultation, paused during the lockdown, and the findings will now include views on recovery plans, and how a registration system could play a role in the long-term sustainability of short-term letting in the UK. **We look forward to sharing these findings with the Committee once they are published later this year.**

At Airbnb, we want to work with destination marketing organisations to help support the return of tourism. We have a strong track record in the UK of working with agencies such as VisitBritain and VisitScotland to help support shared objectives around tourism, such as encouraging millennials to travel domestically and experience the best of Britain's local communities. **If your local destination marketing organisation is looking to partner with Airbnb, please direct them to [our new dedicated homepage](#) to get more information on partnership opportunities.** Airbnb will share travel data and insights as well as allow these organisations to leverage our platform and channels, reaching hundreds of millions of people globally.

To give the travel and tourism industry a much needed boost, **we support additional funding from the Government for destination marketing campaigns.** As the tourism industry looks to plan for the return of travel, we back VisitBritain's call for an additional bank holiday in October to provide further stimulus to a struggling sector. The Centre for Economics and Business Research suggested this could boost the economy by £500 million.

Local

Even before this pandemic, local travel was gaining popularity on Airbnb. In 2019, Airbnb saw the number of hyper-local bookings (meaning trips of less than 50 miles) grow by 56%. Globally, we are seeing growth in the ratio of domestic versus international bookings in comparison to last year.

In 2019, domestic travel represented 63% of guest arrivals on our platform in the UK. Tapping into the demand for nearby trips, we will be updating the content on our UK app and homepage to help guests rediscover the UK, making it easier to book local travel, including at the last minute. Whilst our focus in the short-term will be boosting domestic travel in the UK, it is important to note that urban tourism is largely dependent on overseas visitors, and will likely not organically benefit from domestic travel. For example, in 2019 approximately two thirds of bookings on Airbnb in London were by overseas visitors. We believe it will be essential for the Government to also support the recovery of urban tourism as a priority.

Globally, we are working with governments and tourism agencies to help support local, responsible and safe travel that benefits local citizens and small businesses. However, in the UK, we have heard from local communities and indeed hosts, that are worried about guest visits and the impact on the health of local residents. **We welcome further clarity from the Government regarding the return of domestic and international tourism across the UK, giving confidence to local communities that tourism can return.**

Safe and Clean

As governments continue to address the crisis and begin planning the reopening of communities, at Airbnb we are working hard to prepare for the future of travel. From June 18 2020, hosts in the UK are able to opt-in to [Airbnb's Enhanced Cleaning Protocol](#).

All UK hosts on Airbnb will be given access to specialised cleaning educational materials including a [handbook](#) and [quick start guide](#) with guidance on the use of personal protective equipment, how to clean every room in a home, what to sanitise, and what supplies to have on hand. Hosts can enroll in the Airbnb Enhanced Cleaning Protocol via their Airbnb accounts, where they can review the guidelines, and complete a quiz and an attestation that they commit to following the cleaning protocol. Participating hosts will receive a special call-out on their listing so guests know they are committed to an enhanced cleaning and sanitisation routine.

Airbnb is also introducing safety guidelines for [hosts](#) and [guests](#), in preparation for the return of in-person Airbnb Experiences in the UK. These will include requiring guests and hosts to wear masks, as well as guidance on social distancing and sanitising measures.

In the UK, Airbnb has worked with a broad range of partners from industry and government, having been appointed to the Department for Culture, Media and Sport's [Visitor Economy Working Group](#), and working with the wider tourism sector on cross-industry guidance to accommodation providers across the UK. **We're seeking endorsement from the Government to support our work for the safety of our hosts and guests.**

Conclusion

Airbnb will continue to work with the Government and encourage safe, responsible travel and work to ensure guests have amazing experiences. In the meantime if you have any questions about the support Airbnb is providing to hosts and guests in this unprecedented time, please do get in touch with us for more information.