



Airbnb and Amenity: Is Short-Term Letting Reshaping How We Live in the City?

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***Abstract:** The popularity of short-term letting (STL) platforms like Airbnb has created housing and planning challenges for cities worldwide, including the potential impact of STL on the quality of life of nearby residents and communities. Underpinning this concern is an inherent tension in urban living between the rights and interests of individual residents and the collective rights and interests of neighbours. Through interviews with Australian Airbnb hosts, this paper examines how STL hosts navigate this tension, including how they frame their rights, how they seek to minimise impacts on neighbours, and how they perceive the role of regulation in balancing individual and community rights. In doing so, the paper contributes to both theory and policy debates about urban property rights and how 'compact city' planning orthodoxies are reshaping the lived experience of urban residents worldwide.*

Keywords: Urban Policy and Planning; Residential Environments and People; Home Ownership; Metropolitan Housing and Urban Policy.



Introduction

In the proliferation of academic research on STL platforms, a major theme is the impact of STL on housing affordability, especially in global cities with high tourist appeal and pre-existing affordability issues (e.g. Wachsmuth and Weisler 2018). Scholars have also considered how STL reshapes urban culture, with concerns about ‘touristification’ affecting the lived experience of residential neighbourhoods (e.g. Gurran and Phibbs 2017).

To date, there has been less research on the impact at the sub-neighbourhood scale, examining the disruptions STL causes for those living nearby. This is surprising, given that amenity impacts have received much media coverage, with exposés of ‘party houses’ and property damage (e.g. Bye 2018). Resident action groups have also directed attention to the amenity tensions created by STL, particularly in high-density areas (e.g. Ross 2017).

This paper considers the significance of amenity tensions not just for affected residents, but also for urban planners and regulators. Drawing on interviews with Airbnb hosts in Australia’s two largest cities, it examines how they balance their perceived responsibilities to neighbours and their rights as residents and owners. While amenity issues can seem small-scale relative to the wide-reaching impacts of affordability pressures, these neighbour conflicts offer a contemporary perspective on fundamental tensions inherent in urban life (Cheshire, Easthope and ten Have 2019). As such, STL amenity impacts provide a new perspective from which to contemplate how we might better plan and manage future urban developments.

Amenity issues in the compact city

While the ‘compact city’ has become planning orthodoxy in the past two decades (Bunker et al. 2017), planners and politicians have often been unwilling to recognise the full range of its challenges to harmonious living. In Australia, a new policy narrative about ‘density done well’ (e.g. Committee for Sydney 2016) emphasises design solutions, and leaves unexamined questions about property rights as the default framework for resolving controversies over amenity.

Academics have tackled these questions more directly, notably in research on multi-owned residential properties (e.g. Randolph 2006; Forrest et al. 2008; Sherry 2013; Mandič and Hrast 2019). As Easthope (2019: 151) argues, apartment living ‘brings with it a built-in tension between individual and collective needs, desires and responsibilities, and necessitates negotiation about the control one has, and can expect to have, over one’s home’. Urban densification has thus created new tensions and reshaped old ones, from disputes over pets (Power 2015) to the effects of gentrification (Cheshire, Fitzgerald and Liu 2019). Similar negotiations arise in master-planned communities, where McGuirk and Dowling (2011) see the creation of ‘the consumer-citizen subject’ through governance structures based in private property rights and individual self-sufficiency, but also find residents resisting this role in multiple, messy ways. As they observe (2011: 2625), ‘relations with others—the relations of neighbourhood and everyday life—shape a contradictory embrace, ambivalence and outright rejection of consumer-citizen practices and subjectivities, necessarily exceeding them’.

The nuanced processes of self-regulation McGuirk and Dowling identify highlight the need to examine the complexities and contradictions in residents’ negotiation of individual and collective rights in different urban settings.



Hosts: middlemen between Airbnb and communities?

Following McGuirk and Dowling (2011: 2617), we examine the ‘contours and subtleties of self-regulating consumer-citizenry’ of STL hosts in Australia’s two biggest cities. To date, little research has explored hosts’ views, instead often conflating their perspective with that of STL companies (e.g. van Doorn 2019). An emerging body of research is now rectifying this, examining hosts’ experiences and the challenges they encounter (Knaus 2020; Ranzini et al. 2020; Roelofsen and Minca 2018). This work demonstrates that hosts offer a distinct and nuanced perspective on STL.

Of particular interest here is Farmaki et al.’s (2019) work examining how Airbnb hosts frame their moral responsibilities. Respect for neighbours emerges as a key quality of responsible hosts, for both pragmatic reasons (‘I have to see my neighbours every day, so I don’t want any problems with them’) and moral reasons (‘I don’t want to benefit myself but damage others in the process’). However, Farmaki et al. also note the contextual and sometimes self-serving nature of these moral justifications, concluding that self-regulation alone is insufficient to ensure the negative impacts of STL hosting are sufficiently mitigated.

In this paper, we extend this line of inquiry to examine hosts’ practices. How far will hosts go to ensure their neighbours are undisturbed? Do concerns about neighbours outweigh the appeal of a risky booking? Do hosts think regulation is required to protect the community’s rights? This offers new insights into how best to regulate STL so that it doesn’t further exacerbate the tensions inherent in our urban lives.

Methodology

The paper draws on 50 semi-structured interviews across Sydney (30) and Melbourne (20), with a mix of current hosts, property owners considering hosting, and STL property managers. These interviews were undertaken as part of a broader project examining Airbnb’s impact on housing opportunity. For this paper, interview transcripts were re-analysed to identify key amenity issues and host behaviours. Hosts interviewed included a diverse mix of owners and tenants letting part or all of their home, and owners letting investment properties and holiday houses (for detailed interviewee profiles, see Appendix 3 in Crommelin et al. (2018)). In this paper we distinguish primarily between onsite hosts (living in the property alongside the guest(s)) and offsite hosts (property-managers, owner-occupiers/tenants who let while away, or investor owners), as this distinction often—but not always—informs how hosts frame their responsibilities.

How do hosts navigate potential tensions with neighbours?

While the use of ratings and reviews on peer-to-peer platforms is supposed to provide an effective mechanism for user self-governance, research has highlighted these systems’ flaws, which disincentivise truthful reporting of bad experiences (Ravenelle 2020). As a result, hosts are left to devise other self-regulating practices to protect their perceived right to operate an STL, whilst also ‘middle-managing’ any impact on neighbours. These rights and responsibilities are framed by reference to their perceived property rights within a broader market-based system, maintained through the enforcement of soft regulation.



Middle-managing

Self-regulating by selecting guests and imposing house rules

Hosts used a range of techniques beyond ratings and reviews to screen out those perceived to potentially cause problems. These strategies were used by both onsite and offsite hosts, to prevent both property damage and neighbour issues. One mentioned using Google to search for guests, while others relied on morality and prejudices to help guide selection decisions (e.g. not renting to 'anyone under 30', or selecting mums and families because 'they clean up'). Generally, hosts stressed that they had only encountered the 'odd' problem, with most guests being 'very well behaved':

There have been no issues [with neighbours] but I think that is because I'm also very careful who I rent the property or rooms out to, and I like to be able to talk with them first. (Melbourne Host 1)

The relationship that you develop with people very quickly tells you what you're dealing with...the personal information...I mean, 'my kids are coming down' and 'we're looking forward to this'... it's a very sort of human aspect and you can feel that in the communications. (Melbourne Host 11)

While personal engagement was one way to minimise perceived risks, another was to scrutinise guests that did not fit the standard tourist mould:

Yeah, I have a few rules around that because if they're locals then I'll ask them why they're staying there rather than if it's a person travelling... If someone is working in Melbourne already and they want to stay there it's like well, why? (Melbourne Host 5)

House rules, including prescriptive signs and notes, were also used to try to manage risks. Some hosts limited the nights stayed or the number of guests, implemented noise curfews, or rented small dwellings only:

My house rules are that there's no party uses, no noise after 10 o'clock, no smokers, no pets. Because it's just a little one-bedroom apartment it's not going to be a party house either. (Sydney Host 2)

One live-in host provided house rules for how guests are to peacefully interact with neighbours in a multi-storey complex:

When you're using the communal facilities remember to follow all the signs. Be nice to people...That's one of the things when they first check in and it's on my simple house rules, it's a residential building...smile, it goes a long way in a building. (Sydney Host 5)



Covert avoidance to direct negotiations with neighbours

Hosts' engagement with neighbours or body corporate members varied widely, from no contact and hoping to remain covert, to actively developing a collaborative approach. These practices were again shaped by a sense of 'neighbourly morality' and how engaged hosts were in their community. Onsite hosts tended to have a bigger stake in their neighbourhood and value the relationship or 'caring bonds' with neighbours, which in turn moderated how far they were prepared to encroach on their space. Offsite hosts would sometimes rely on family members and friends within the local area to 'police' activities.

One host who chose to remain covert felt that there was no need to inform neighbours until there was a problem:

I think it would be the case of, if there was a rule against it, it's better to beg for forgiveness than ask permission. (Melbourne Host 7)

This offsite host described detailed efforts to ensure that a lockbox used to provide keys would be well concealed—both to increase security, and to minimise the chance that neighbours knew:

We lock an old bicycle to a post and then lock the key safe to the bike...that way it's actually on the opposite side of the road to the property. When the guests are accessing the key, I feel like it gives them just that extra degree of separation.... By the time they're getting into the building...they're already far enough away from the key safe that, hopefully, any neighbours wouldn't be able to connect two and two. I know that sounds like I'm being a bit sneaky about it. (Melbourne Host 7)

While some hosts hoped their covert practices would minimise the impact on neighbours, there remained an underlying concern that their operation would be blocked if discovered. Others found it better to be proactive and open, and to negotiate specific conditions or demonstrate that they could manage the property responsibly or 'professionally' by implementing strategies to appease neighbours. In one case, there was little choice but to disclose after a security breach on the front door of the apartment block, after which the hosts had to negotiate with neighbours to keep running the property:

So that was actually a major drama. My husband had to front up to a couple of [body corporate] meetings with that and talk it through...We had to install—we chose to do it—one of the things that allowed us to continue to use short stays, was we secured an electronic keypad on the door to our apartment, so that I issue a code to people from here now. (Melbourne Host 16)

In contrast, hosts with close ties to their neighbours reported going the extra mile to manage the impact of STL:

Because I care about my neighbours; I like them...But I imagine there would be a lot of places [that] wouldn't do that because they're—it's not their family home and they don't really care about the neighbourhood. They don't have a personal connection to the property. (Melbourne Host 9)

Another potential host (who was waiting on council clearance to proceed) described a plan to work with neighbours to develop additional rules to keep everyone happy:



As much as I want to rent my place out, I don't want anybody living downstairs being disturbed...So it's about working together [with the body corporate] and trying to work out 'well where's the common ground; where can we try and regulate'.
(Sydney Host 4)

Supporting regulation—within limits

While some hosts expressly invoked property rights to justify their use of STL, they did so in response to concerns about an outright ban on STL, rather than more limited rules to minimise negative impacts. In one case, a host framed the possibility of prohibiting STL as an infringement on free market liberalism:

I just hope they don't stop people privately renting from their own homes. How could they do that? I mean, we're not a communist country are we yet? (Sydney Host 1)

Overall, however, such explicit appeals to free markets and the primacy of private property rights were rare. It is also noteworthy that where these appeals did occur, they were framed more in terms of the personal rights of 'home' owners, incorporating rights to privacy and self-realisation in the home: *'definitely what you do in your own home, should be very much your own personal thing'* (Melbourne Host 10). Importantly, however, hosts did not suggest that the protection of these rights should in turn mean that the STL industry should be free to operate unregulated. This is despite Airbnb's efforts to mobilise hosts as advocates for its deregulatory agenda (van Doorn 2019).

This prompts the question of how much formal regulation hosts would accept, and in what form. Most interviewees acknowledged that STL could create amenity issues, although these were often downplayed: *'there is a tiny little problem with party house rentals'*, and a need to *'weed out the bad eggs'*. Regulation was supported by almost all hosts, as many lacked trust in the ratings and review system to adequately protect their rights and minimise amenity risks. This is because of the disincentives in the system to accurately report problems, and a perception that Airbnb was pushing towards a business model that exposes hosts to greater risks:

...a lot of Airbnb guests don't actually state the truth. The hosts don't state the truth with the fear of getting bad ratings that will impact their future bookings, and I did that with the guests that had the party. I didn't actually state that they broke the house rules because I didn't want them coming back and saying anything else.
(Sydney Host 7)

When guests breached house rules, hosts had little means of being able to enforce them, particularly if they were offsite:

My property's a strict no party policy and they had a party, which I didn't find out until the day they left from my neighbours...Can I ring the police and say, they've breached my Airbnb rules, kick them out? Do I have that legal right? (Sydney Host 7)

Regulations that could help to reduce risk in scenarios like this were welcomed. But at the same time, many hosts felt that new rules should primarily target perceived 'poor operators' and address concerns about being 'building compliant', rather than adopting a blanket approach:



What's been proposed [in Melbourne] with the [strike policy], annoying neighbours, things like that, I think 'great', because if that weeds out the operators or individuals who are...not delivering a good service...that's a good thing. (Sydney Host 22)

I think it needs regulation to weed out the bad eggs...apartment after apartment that has bunk beds [and] it's a one-bedroom place. These people are essentially slum lords. (Melbourne Host 6)

Some hosts took a bigger picture perspective, however, such as recognising a potential tipping point when operators concentrate in one area, drastically changing the neighbourhood character:

If you live in an area where there's four backpacking [properties], you're going to have people hanging out, making a bit of noise here and there, just a different vibe to what you would have if it was just a suburban area. (Melbourne Host 16)

Overall, hosts were generally willing to accept regulation if this resulted in the legitimisation of STL and less push back from neighbours.

Policy implications and conclusion

This paper adds to the growing literature on STL host experiences and highlights the need for multi-faceted policy responses to address the different impacts of STL equitably and effectively.

The negotiations and justifications of hosts suggest an acknowledgement of the tensions involved in balancing individual rights against neighbourhood obligations. While hosts' framing of issues is often self-serving, it also does not always neatly align with the deregulation narratives portrayed in public debates (often furnished by Airbnb's PR efforts). Most hosts are not immune to neighbours' concerns and seek to mitigate their impact while still accessing the benefits of hosting. Many are also open to regulation and may even welcome it if it brought more security and certainty.

Rather than simply being 'pro-Airbnb', hosts might be better viewed as middlemen, negotiating between Airbnb and the neighbourhoods in which it operates. Far more than the company itself, they are the ones negotiating tensions with neighbours and trying to mitigate impacts. Meanwhile, Airbnb has until recently pushed an aggressive deregulation platform, which has potentially made the situation harder for hosts trying to 'do the right thing' by neighbours. Interestingly, COVID-19 seems to have prompted some reflection from Airbnb founder Brian Chesky, who now agrees that 'we really need to think through our impact on cities and communities' (Arlidge 2020). For now, however, the practical implications of Chesky's proposed 'reset' remain to be seen.

Given the messy relationship between Airbnb and its hosts, it seems appropriate that regulators differentiate between STL companies and hosts—as well as between different types of hosts—when designing regulatory responses. While the impacts on neighbours must still be front of mind for regulators—given they get all the downside and no upside—the findings here highlight various ways in which the interests of STL platforms and hosts are not always directly aligned. This creates an opportunity to design regulatory responses that benefit hosts having the least impact, while still strongly restricting the most damaging aspects of STL.



Funding

This work was supported by funding from the Australian Housing and Urban Research Institute.



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