

ANZSOG Case Program

Regulating the P2P economy: Airbnb

2015-180.1

Three inflatable mattresses, two housemates and one game-changing idea: these were the humble foundations of the empire now known as Airbnb. It was late 2007 when industrial designers Brian Chesky and Joe Gebbia found themselves struggling to pay the rent on their San Francisco loft. An upcoming conference presented a possible solution: an influx of people and a shortage of affordable accommodation. They set up a simple website advertising air mattresses and breakfast for \$80 per person (Exhibit A). Three guests responded and the seeds of a start-up were planted: What if travellers could book private accommodation around the world in much the same way they could reserve a hotel room? They recruited former roommate and computer science graduate Nathan Blecharczyk to help them scale-up the concept.

By 2009, the trio had mustered a modest amount of funding and launched US operations but Airbnb wasn't exactly setting the internet alight. They suspected that unflattering property photos weren't helping and hired a professional photographer to document their NYC listings. A week later, bookings had doubled and the site began to grow. Chesky went on a tour of Airbnb properties to better understand what hosts and guests wanted. Investors started to express their interest with capital, and Airbnb took off. By 2015, the site was valued at \$20 billion¹ and had over 1.5 million listings in more than 34,000 cities across 190+ countries. Indeed, it had overtaken bricks and mortar chains to become the world's largest 'hotelier'. 'At first, we thought, surely you would never stay in a home because you wanted to, you would only stay there because it was cheaper,' recalled Chesky. 'But that was such a wrong assumption. People love homes. That's why they live in them. If we wanted to live in hotels, more homes would be designed like hotels.' Yet Airbnb's ascendancy cast a long shadow; the start-up's impact on cities and their inhabitants was preoccupying people around the world.

This case was written by Marinella Padula for Dr Michael Di Francesco, the Australia and New Zealand School of Government. It has been prepared from published materials as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation.

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¹ Unless otherwise indicated, all currency in US Dollars (USD).

How the site works²

Airbnb is an online marketplace connecting householders/owners ('Hosts') with travellers ('Guests') wishing to rent private accommodation on a short-term basis. Airbnb acts as the intermediary, facilitating communication and handling payments on behalf of the parties. For this, the company charges Hosts and Guests a commission on transactions based on a percentage of the accommodation rate. Guests and Hosts can browse the site, create profiles, list properties and communicate with members for free, but all users must accept Airbnb's Terms of Service. The document (Exhibit B) which totals close to 17,000 words informed users, amongst other things, that:

- Airbnb was a booking service only, and not in any way responsible for any of the listings;
- Guests and Hosts used the service entirely at their own risk;
- Hosts were responsible for reviewing local laws in relation to short-stay lets and obtaining any necessary permissions;
- Hosts were responsible for meeting taxation obligations and ensuring the rights of third parties were not breached; and
- by accessing the site all users, whether registered or not, implicitly agreed to Airbnb's Terms of Service.

Hosts

Hosts (the owner/occupier or party in charge of a property) create a listing describing the features and amenities on offer, along with the location (Exhibit C). Listings do not reveal precise addresses; search results show only approximate map locations. Hosts can list as many properties as they want but can only have one account.³ Hosts must upload property photos and are advised to use attractive yet accurate images and comprehensive descriptions. They can also apply for free professional photography. Airbnb takes an inclusive approach: Hosts can let out anything from sofa beds and bungalows, to caves, barges, chateaux and castles. Though most listings were private dwellings, the site did not exclude commercial operations such as bed-and-breakfasts or boutique hotels.

Members of the public can search listings and see pricing details, check availability and read reviews from Guests. However, only other Airbnb members can contact Hosts to make enquiries or reservations. Hosts can set and adjust their own prices, but are encouraged to reference similar listings, along with average prices in their locality. Hosts set out House Rules for the use of their property and expectations of Guests, for example, specifying whether pets or parties are permitted.

When prospective Guests submit booking requests, Hosts can peruse the member's profile and accept, decline or seek more information. Booking requests automatically expire after 24 hours. There is no obligation to accept a booking, though Hosts who decline a significant number of requests risk downgrading their placement in search results. Top Hosts have an acceptance rate of 75% or higher.⁴ Hosts are advised to read Airbnb's anti-discrimination policy and follow local equal opportunity mandates.

Once a booking is accepted, Hosts are given the Guest's name and contact details. When payment has been made electronically, Hosts will send address and check-in information. Also provided are the House Manual, which instructs Guests how to use features such as heating and cooling systems safely, and the Guidebook which highlights local places and activities of interest. Airbnb's Responsible Hosting Guidelines (Exhibit D) advise Hosts to audit their property regularly for potential hazards,

² As at November 2015.

³ As of 2015, it was still free to create accounts and list properties, although Airbnb reserved the right to change this at any time.

⁴ <https://www.airbnb.com.au/help/article/697/how-is-my-acceptance-rate-calculated>

demonstrate essential features for guests before handover and provide guests with fire escape information and emergency contacts (Exhibit E). Airbnb's Hospitality Standards set out the basic expectations, i.e. that Hosts will provide a clean, well-appointed space; make sure promised facilities are available and functional; and give detailed travel directions. Airbnb urges Hosts to give Guests a memorable experience by socialising with them, introducing them to friends and sharing their favourite local haunts. Hosts are encouraged to create a Welcome Basket with wine and chocolate, provide in-room coffee and tea-making facilities and display freshly-cut flowers. The Airbnb blog also suggests they:

Raise the bar on that bar of soap by also treating your guests to some fabulous shower gel or bath salts—and source from local makers. And how about a sweet on the pillow as a finishing touch for those freshly laundered sheets? If you think toilet paper can't be kicked up a notch, we beg to differ. Spending a few seconds folding back the corners of that first sheet on the roll—or mastering tp origami—has the power to make someone say 'Hey, honey, check this out!'.⁵

Hosts are paid 24-hours after check-in, from which Airbnb takes a 3% commission. Depending on the jurisdiction, Airbnb can also charge additional fees, levies or taxes. Hosts may opt to take a security deposit from Guests in the event of loss and damage, and to charge cleaning fees. Hosts and Guests both need to read Airbnb's Refund and Cancellation Policy.

Airbnb advises Hosts to anticipate potential problems, for instance giving Guests a local contact to assist if Hosts themselves will not be present during the stay. Hosts were also required to familiarise themselves with local laws relating to issues involving third parties such as neighbours and landlords, and offers tips for discussing hosting plans (Exhibits F,G). If problems arise, Hosts and Guests are instructed to attempt to resolve the issues themselves first. If matters escalate, Airbnb can intervene and in 2011 introduced a 24-7 helpline for urgent but non-emergency situations. In the event of serious damage, Hosts must attempt to recoup losses from the Guests responsible, and from their own insurers, before applying for reimbursement from Airbnb's Host Guarantee (which, from 2012, reimbursed up to \$1 million in losses).⁶

All Hosts are required to create a profile page to introduce themselves (Exhibit H), and are strongly advised to include a photo and obtain Verified ID. Both Hosts and Guests can get a Verified ID badge by linking their accounts to, for example, social media accounts and government-issued identification. Guest reviews and references from other users are other forms of verification. Verification was, however, not a police background check and not intended as such. Upon its introduction in 2013, CEO Chesky said: 'Airbnb gives you access to the world in a way that was never before possible. Access is built on trust, and trust is built on transparency. When you remove anonymity, it brings out the best in people. We believe anonymity has no place in the future of Airbnb or the sharing economy.'⁷ In a 2013 interview, Chesky explained:

Interviewer: I think some people have a fundamental aversion to the sharing economy because it runs contrary to their feelings about trust. I know I can trust a hotel, a restaurant, an established institution. But can I trust a total stranger for a dwelling or a dinner?

Chesky: I'm going to zoom up for a second. It's basically a simple shift from centralized to decentralized production. Centralized production works because you trust a central brand. What happens when everybody is a brand? When everybody has a reputation? It means every person can become an entrepreneur. You can call it the sharing economy. Or the trust economy. I think there's something really special about that...

Interviewer: But what about people who don't want to be brands?

⁵ <http://blog.airbnb.com/amenities-diy-hosting-tips/>

⁶ <https://www.airbnb.com.au/guarantee>

⁷ <https://www.airbnb.com.au/press/news/airbnb-announces-verified-identification>

Chesky: Some people will choose to be anonymous their whole life. That's okay. But if you don't opt into this online identity, you'll have less access to the services that require it. The rest of us build a history. We build a brand online. The trust currency makes every seller an entrepreneur.⁸

Guests

To contact Hosts and request bookings, Guests must be registered Airbnb members, and like Hosts, create a personal profile (Exhibit I) and ideally have a verified identity. Airbnb was working towards having all members' ID confirmed as Hosts and Guests prefer to deal with verified members. Hosts can opt to limit bookings to verified Guests.

Airbnb charge Guests between 6-12% based on the value of their booking. Payment is made at the point of reservation and payable electronically. Guests are generally subject to the same terms and conditions as Hosts, and warned to check listings and cancellation policies carefully before booking, study the House Manual and respect House Rules during their stay. Considerate, responsible behaviour is the cornerstone of the Airbnb experience; both parties can review each other after the stay. Guests, whose name and profile photo are attached to their reviews, can rate Hosts from one to five stars on different aspects of the experience, accompanied by a short written assessment. Hosts cannot use star ratings, but their reviews are attached to Guest profiles. From 2015, reviews were withheld for up to two weeks so each party could complete a review without seeing the other's first. Airbnb's Extortion Policy prohibits using coercion and inducements to ensure positive coverage. The Content Policy is designed to keep the site free of defamatory, obscene, bigoted or otherwise inappropriate language. Guests (and Hosts) in violation of Airbnb's terms, or rating poorly, could find themselves barred from the site.

Airbnb vitals

A 2015 survey of 500,000 US listings found that just over 10% were booked on a typical night, the average room rate being \$80 (Exhibit J). The majority of Hosts listed a single property. Almost 90% of reservations were for groups of two to four people and 60% of reservations were for the entire property, suggesting that Airbnb was used primarily for travel with family and friends. Just over 30% of stays were for 2-3 nights. Per capita, Australians were amongst the most enthusiastic users of the site with some 40,000 properties (mainly in Melbourne and Sydney) listed in 2015 – a doubling of the previous year.⁹ A 2014 Airbnb economic impact survey of Sydney found that:

- 75% of Airbnb guests visit Sydney from another country. The average age of Guests is 42 and 77% have at least a college degree.
- 63% of Airbnb Guests say that Airbnb makes them more likely to return to Sydney.
- 98% of Hosts suggest local restaurants, cafes, bars and shops in their neighbourhoods to their Guests.
- 85% of Hosts rent out the home they live in and the typical host earns AUD\$4,505 per year by renting 37 nights per year. Most Airbnb Hosts are over age 40 and employed.
- Airbnb Guests spend AUD \$1,822 during their trip; on average, tourists spend AUD \$1,071.
- 80% of Airbnb listings in Sydney are outside of the main tourist areas.
- The average Airbnb Guest spends AUD \$1,042 in the neighbourhood where she stays.
- 31% of Guests said they would not have been able to make the trip had it not been for Airbnb as an accommodation option.

⁸ <http://www.theatlantic.com/business/archive/2013/08/airbnb-ceo-brian-chesky-on-building-a-company-and-starting-a-sharing-revolution/278635/>

⁹ <http://www.afr.com/real-estate/australian-listings-on-airbnb-double-in-12-months-20150527-ghat2s>

- The majority of Airbnb Hosts in Sydney rent out their primary residence; 60% of Hosts indicated that Airbnb income helped them with their monthly rent and mortgage costs.
- Airbnb Guests and Hosts generated an estimated AUD \$214 million of economic activity in one year.¹⁰

These findings echoed the results from other Airbnb surveys of places such as New York, San Francisco, Paris and London. A separate geographical analysis of Airbnb listings in Brisbane found some overlap with hotel districts but considerable separation also.¹¹ However, it was not entirely clear how Airbnb defined 'main tourist areas'. Data from analytics site Airdna, which looked at active Airbnb listings around the world, showed that most Airbnb listings in places such as Melbourne and Sydney were concentrated in largely gentrified, inner-city areas. This was especially true of listings that offered entire properties.¹² The most popular properties, which could have occupancy rates of 50%-100%, tended to be apartments in the city or on the city fringe. Meanwhile, research by consumer advocacy magazine *Choice* reported that Australian Airbnb properties were at least 10% cheaper than comparable hotel accommodation in Sydney, Melbourne and other popular destinations (Exhibit K).

Making the world at home

Airbnb cited examples like Sydney as proof that the start-up was a force for good, both economically and socially. 'I don't think we're disrupting hotels unless hotels refuse to change,' said Brian Chesky in a 2013 interview, disputing the popular 'For me to win, you have to lose' Silicon Valley ethos:

We generally believe that the [tourism] pie can grow so much, it's not a fixed pie. Around the world, tourism is as big an industry as oil. Oil is \$4 trillion and tourism is between \$2 trillion and \$6 trillion. With the rise of Brazil, Russia, India, China, you have all of these new travelers, 300 million people from China alone. Think about what that means for the industry'.¹³

The platform, fans and founders argued, mainly created additional, flexible capacity in under-served markets and encouraged more people to travel for longer. It offered an alternative for travellers increasingly eager to get off the beaten track, avoid homogenised 'tourist' product and feel part of the places they visited. 'Welcome Home' announced Airbnb's landing page, flanked by images like architect-designed treehouses, infinity pools and attractive guides (Exhibit L). Words such as 'unique', 'discover', 'belong', 'explore' and 'community' feature prominently in company marketing material. Its 2015 campaign *Is Mankind?* exhorted viewers to get out and learn about the world. Airbnb extolled the potential for cultural exchange, one executive claiming the company helped promote world peace.¹⁴ During Hurricane Sandy in New York, the site enabled Hosts to donate free accommodation to displaced residents.

For Hosts, the company emphasised earning potential, as well as the opportunity to meet people from around the world. Airbnb helped householders keep up with escalating living costs, and sometimes even prevented people from losing their homes. 'Two years ago, when the monthly rent on his two-bedroom apartment rose to \$5,000 from \$2,800, a 35-year-old real estate agent in Lower Manhattan had a quick fix,' reported the *New York Times*, 'Rather than move, or take on some random Craigslist sub-letter, he listed the smaller bedroom on Airbnb, the vacation-rental website. Eventually he was charging \$175 a night for short-term stays. It earned him enough to cover the astronomical rent increase, said the agent, who insisted on anonymity to avoid professional and legal

¹⁰ <http://blog.airbnb.com/economic-impact-airbnb/>

¹¹ <https://theconversation.com/airbnb-social-media-and-the-quest-for-the-authentic-urban-experience-48889>

¹² www.airdna.co, Accessed: December 2015.

¹³ <http://www.theatlantic.com/business/archive/2013/08/airbnb-ceo-brian-chesky-on-building-a-company-and-starting-a-sharing-revolution/278635/>

¹⁴ <https://www.washingtonpost.com/news/the-intersect/wp/2014/11/24/how-airbnb-promotes-world-peace/>

consequences.’¹⁵ Airbnb’s founders heard many similar stories during the aftermath of the 2008 Global Financial Crisis.

Yet for many, Airbnb’s utopian vision was more of a mirage. While the founders wrote of receiving wedding invitations from former guests, forging potentially lifelong friendships and fostering a sense of belonging¹⁶, an article in the *Harvard Business Review* questioned how much sharing and connecting was actually going on:

AirBnB wants its new logo to be a universal symbol of sharing, yet the reason why most consumers use AirBnB is the value they can get for their money, especially in expensive cities. Additionally... most consumers opt to have the entire place to themselves, meaning they don’t share the space with the owner at all. AirBnB provides the means for travelers and owners to engage in a market transaction of short term access, and their brand should reflect this... Consumers are not looking for social value out of rental exchanges with strangers.¹⁷

Critics claimed that Airbnb’s heavy emphasis on connection and community was a smokescreen to obscure the fact that it was essentially an accommodation booking service. Doubts were also raised about their feedback system, given that reviews tended to skew towards the extremes, with anything in between perceived as negative. As one commentator observed:

Courtesy now dictates behavior and guests/hosts will often refrain from leaving a critiqued review unless it was just truly, truly an awful experience. Minor issues get glossed over. And that’s unfortunate, because...it’s the three- and four- star reviews that are often the most objective...Even though Airbnb has a valid interest in trying to police their community so that there are no bad eggs, Airbnb has a financially vested interest to at least ensure satisfaction levels *appear* to be high. Unlike most review sites, it should not be forgotten that Airbnb takes a decent chunk of fees (a [healthy 6-12%](#) depending on the cost of the total reservation) out for every transaction made. These fees make up a huge portion of their [estimated annual \\$250 million profit](#) in 2013.¹⁸

Meanwhile, a 2014 Harvard Business School paper revealed that Airbnb’s method to engender trust and transparency, i.e. verified identities and Host profiles, could be inadvertently facilitating discrimination, finding that black New York City Hosts charged approximately 12% less than other Hosts for an otherwise equivalent rental.¹⁹ In another US study, Guests with distinctively African American sounding names were less likely to secure a booking than putatively ‘white’ Guests, irrespective of the Host’s background or location.²⁰ Although Airbnb was unlikely to be held liable for user bias, researchers questioned whether the company could tweak aspects of the platform to reduce the potential for discrimination. They also raised the possibility that Hosts could be investigated under relevant anti-discrimination legislation.

Unsurprisingly, Airbnb attracted much criticism from the hotel industry which claimed that Hosts were in effect amateur hoteliers and unfairly undercutting licensed providers who had to observe a different set of rules. In the *Sydney Morning Herald*, the managing director of Tourism Accommodation Australia, Rodger Powell, argued that the rooms offered by Airbnb should be treated the same as other kinds of short-stay accommodation. ‘Our concerns are around the things governments expect hotels to abide by - fire alarms, fire exits, lighting, accessibility for disabled people...Even during huge events like Mardi Gras and New Year’s Eve, there is no dearth of short-stay accommodation that justifies unregulated rooms. There are some nights where every hotel room in the city is full ... But these nights are few and far between,’ Mr Powell said.²¹ Budget lodgings were

¹⁵ http://www.nytimes.com/2014/11/30/magazine/the-business-tycoons-of-airbnb.html?_r=1

¹⁶ <http://blog.airbnb.com/belong-anywhere/>

¹⁷ <https://hbr.org/2015/01/the-sharing-economy-isnt-about-sharing-at-all>

¹⁸ http://mashable.com/2015/05/18/airbnb-reviews/#2kY9hSN_4PqI

¹⁹ <http://articles.latimes.com/2014/jan/21/business/la-fi-tn-airbnb-discrimination-20140121>

²⁰ <http://www.benedelman.org/publications/airbnb-guest-discrimination-2015-12-09.pdf>

²¹ <http://www.smh.com.au/nsw/tourists-find-theres-something-in-the-airbnb-20140207-3278u.html#ixzz3nhQX2B31>

most threatened by the Airbnb model; 4-5 star hotels aimed primarily at business travellers were less concerned. However, Airbnb was increasingly targeting the corporate dollar, allowing businesses to set up employee travel accounts. In return, many major hotels were predicted to drop prices to compete with an estimated 40% to 50% annual growth in Airbnb listings.²²

Concerns were also raised about potential risks to Hosts and Guests. Most transactions were trouble-free and most parties well-intentioned, but members could find themselves in serious jeopardy and/or substantially out-of-pocket if things went wrong. For example, most insurance policies covering domestic dwellings did not apply to short-term rentals. Not disclosing paid short-term lets could be considered a breach of contract; theft might only be covered after unauthorised entry.²³ As the story of Airbnb demonstrated, when things went wrong, they could go spectacularly wrong.

Mi casa, sue casa

San Francisco Host, 'EJ', was Airbnb's Patient Zero when it came to crisis management. She returned after a week-long Guest stay in 2011 to find her apartment had been burgled and vandalised,²⁴ and personal documents stolen. Airbnb's customer service team were initially sympathetic and helpful, when she was finally able to reach them, but the support evaporated when she blogged about her experience. Airbnb executives then asked her to redact and/or modify her post on the incident.

The media reaction to EJ's ordeal and Airbnb's response prompted the company to introduce its Host Guarantee and 24-7 helpline. '...[W]e let her down, and for that we are very sorry,' wrote Chesky, 'We should have responded faster, communicated more sensitively, and taken more decisive action to make sure she felt safe and secure.'²⁵ The company claimed this was the first event of this magnitude but it was far from the last.

In 2014, Ari Teman returned to his New York apartment to find Guest 'David' hosting an orgy for paying attendees. This time, Airbnb was quick to offer Teman short-term practical support, paying clean-up costs and arranging temporary accommodation, but Teman was still evicted and put on a rental blacklist.²⁶ Soon afterwards, a New York Housing Court judge evicted a Hell's Kitchen resident from the rent-stabilised apartment he was listing for \$649 per night on Airbnb, arguing that he was unfairly profiting from a program designed to help lower-income earners stay in the city.²⁷ One unfortunate Host in California found herself with a Guest who would not vacate the premises. Since he had occupied the property for more than 30 days, state law considered him a tenant who had to be formally evicted.²⁸ Other cautionary tales emerged: homes turned into pop-up brothels, used for unauthorised commercial events, or as a base for criminal activity. Hosts could unwittingly find themselves in breach of laws or regulations governing everything from liquor licensing to zoning.

Guests could also get burned. Hosts misrepresenting properties, suddenly cancelling, or changing the terms of the lease were amongst the most common pitfalls. Some Guests reported being turfed out of their beds by irate landlords who discovered their properties were being sublet illegally. Other Guests fared worse. Though rare, and not unique to 'home-sharing', stories of assault, harassment or unlawful surveillance during stays were enough to prompt some Airbnb users and observers to ask whether the company should offer criminal background checks for Hosts and Guests.

Accidental injury was a far greater risk. Airbnb would not release data on the number of guests hurt in listed properties, but from 2015 the company offered additional Host Protection Insurance (HPI) to

²² <http://www.marketwatch.com/story/as-airbnb-grows-hotel-prices-expected-to-drop-2015-08-13>

²³ <http://www.domain.com.au/news/holiday-homewreckers-expose-hole-in-home-insurance-20150529-ghakds/>

²⁴ <http://abcnews.go.com/Business/airbnb-user-horrified-home-burglarized-vandalized-trashed/story?id=14183840>

²⁵ <http://abcnews.go.com/Business/airbnb-user-horrified-home-burglarized-vandalized-trashed/story?id=14183840>

²⁶ <http://www.nydailynews.com/new-york/airbnb-orgy-victim-homeless-blacklisted-leasing-article-1.2239905>

²⁷ http://gothamist.com/2015/02/20/court_evicts_rent-stabilized_hells.php

²⁸ <http://www.businessinsider.com.au/airbnb-host-cant-get-squatter-to-leave-2014-7>

cover liability claims up to \$1 million. Like the Host Guarantee, HPI only applied to losses not covered by existing insurance policies. Unlike the Host Guarantee, it only applied to stays within the US which American tourist Mike Silverman discovered after he suffered a serious dog bite at an Airbnb property in Argentina. The listing never mentioned the resident Rottweiler which took a chunk of Silverman's arm. His Host was unable to cover his medical expenses and when he turned to Airbnb for reimbursement and compensation, they deflected his request until a *New York Times* journalist inquired on his behalf.²⁹ Writer Zak Stone was less fortunate. He woke one morning to discover his father had been killed while using a rope swing at their Airbnb rental in Texas. The branch holding him broke, crushing his father's skull. Amidst his grief, Stone wondered: 'As Airbnb rises into a global hospitality behemoth — reinventing not just how we travel but how we value private space — what responsibility does the company have to those who have given it their dollars and trust?.'³⁰

'To be fair, Airbnb has always put basic safeguards in place, like user reviews,' he wrote, 'But its general approach to safety is consistent with Silicon Valley's "build it first, mend it later" philosophy. When an early product produces negative outcomes and bad press, apologize. Then, fix it; make it better...Even so, nothing is currently done to make sure hosts actually comply with safety guidelines (or even read them), which is a problem particularly for newer properties on the platform, which Airbnb's customers, as opposed to employees, are left to vet for safety. Should the company demand more from aspiring hosts... they'd burden the seamlessness of the minutes-long sign-up process and deter new registrations.'³¹

Hosts, Guests and property owners weren't the only ones having bad trips. Neighbours, especially in apartment buildings, could be adversely affected by Airbnb listings to the point they felt obliged to move out or take legal action. Airbnb Guests posed many potential safety, security and amenity issues, particularly in high-density areas and in properties with communal areas. All-night parties, vomit-splattered elevators and overcrowded rooms were common short-stay complaints; councils and courts were increasingly required to intervene. Exacerbating the problem was confusion over the rights and responsibilities of tenants, landlords, owner-occupiers, property managers, owners' corporations and local authorities under outdated laws and regulations. Establishing liability for mishaps was to wander into a legal thicket. Real estate experts began warning prospective buyers to check whether they were surrounded by Airbnb lets. Landlords were advised to check if their insurance policies covered unauthorised subletting. Owners' corporations were advised to develop policies pertaining to short-term stays.

Yet Airbnb and similar services didn't just affect individuals. As the boundaries between tourist centre and residential area became less distinct, what did 'home sharing' mean for neighbourhoods and cities often grappling with overburdened infrastructure and other issues. Governments around the world were under growing pressure to decide how to answer the big questions 'micro-hotels' posed.

Locked out

Many local officials and resident groups looked askance at Airbnb's ambitious plans. Though the company might be a boon for tourism and short-term solutions for struggling residents, it could actually be contributing to underlying cost-of-living issues and deteriorating housing affordability. A small but significant number of members approached Airbnb as a business venture. The New York estate agent who originally listed his home to keep a roof over his head soon evolved into a small-scale entrepreneur, earning \$6000 a month by leasing a second apartment solely for Airbnb, and

²⁹ <http://www.nytimes.com/2015/04/11/your-money/questions-about-airbnbs-responsibility-after-vicious-attack-by-dog.html>

³⁰ <https://medium.com/matter/living-and-dying-on-airbnb-6bff8d600c04>

³¹ <https://medium.com/matter/living-and-dying-on-airbnb-6bff8d600c04>

planning additional rentals, possibly under phony accounts, to avoid legal scrutiny.³² Spinoff companies had emerged, offering to manage Airbnb properties on behalf of Hosts for additional fees.

Data obtained from Airbnb under subpoena by the New York Attorney General's office found that as many as 72% of Airbnb's 35,000+ New York City listings violated one or more state or city laws. (For example, subletting for less than 30 days in NYC was illegal unless the permanent resident was present.) This figure did not include Airbnb listings which were in breach of lease agreements, or building co-op regulations.³³ Illegal listings generated over \$300 million in revenue, \$40 million of which went to Airbnb in commissions. Only 6% of NYC hosts had three or more listings, yet the same group accounted for 36% of total rental transactions and 37% of total revenue – one extremely prolific host had 272 listings on the site, earning \$6.8 million over 5 years. There were also reports of Hosts cramming large numbers of guests into tiny apartments. The Attorney General found that Airbnb was having a deleterious effect on housing availability, estimating that at least 2000 dwellings were leased out for 6 months of the year or more, effectively removing them from the long-term rental market.³⁴ This tallied with numerous anecdotal reports of landlords evicting long-term tenants to enter the short-term rental market. Similar stories emerged from the home of Airbnb, San Francisco, which was facing an affordability crisis thanks partly to an influx of high-paid tech workers.

San Francisco, however, had decided to cohabit with Airbnb. In 2014, after 6 years of operation, officials made short-term lets legal provided that Hosts were registered with the city, collected transient occupancy taxes, carried liability insurance, and did not lease their homes without being present for more than 90 days per year.³⁵ Airbnb was also required to pay an estimated \$25 million in company back taxes.³⁶ Amsterdam took a similar approach, permitting residents to rent their homes for up to two months each year to up to four people at a time, provided they paid tourist taxes. France passed a law allowing short-term rentals of primary residences. However, many Parisian Hosts seemed to be flouting it.

Spanish authorities were less hospitable. Rising anger about the impact of overwhelming tourist numbers saw Barcelona take a particularly hard line, issuing Airbnb and Hosts with heavy fines for renting out unlicensed tourist apartments. Madrid banned sublets of less than 5 days. With high unemployment, some 6 million Spanish families depended on short-term letting for survival, yet the government estimated it was owed \$4 billion in taxes from undeclared revenue.³⁷

At the beginning of 2015, New York was still locked in battle with Airbnb, demanding the company conduct its business more responsibly and transparently. For its part, Airbnb argued that although it was difficult to keep on top of the changing regulatory landscape in 34,000 different cities, it was now much more proactive in alerting users to their legal obligations. However a number of lawmakers were not convinced that Airbnb yielded genuine benefits for the City, was sincere in its efforts to curb illegal lets, or that there was a workable solution that would balance everyone's needs. Remarked New York State Assembly Member Linda B. Rosenthal:

Airbnb is like an invading army. It comes into a city, floods the market with illegal units and only after the incursion is complete does it come to the government, hands out, looking for ways to legalize its

³² http://www.nytimes.com/2014/11/30/magazine/the-business-tycoons-of-airbnb.html?_r=1

³³ Airbnb did not collect data on whether Hosts had the consent of property owners/building managers. It also refused to relinquish the personal details of Hosts.

³⁴ <http://www.ag.ny.gov/press-release/ag-schneiderman-releases-report-documenting-widespread-illegality-across-airbnbs-nyc>

³⁵ <http://www.cnet.com/news/san-francisco-board-of-supervisors-vote-on-airbnb/>

³⁶ <http://america.aljazeera.com/articles/2015/2/19/airbnb-pays-back-taxes-to-san-francisco.html>

³⁷ <http://skift.com/2014/07/12/madrid-bans-use-of-airbnb-and-other-short-term-rentals-for-less-than-5-days/>

illegal hotel activity. Legalizing Airbnb's activity in New York would further destabilize communities and contribute to the already meteoric loss of affordable housing.³⁸

Airbnb go home?

As many property owners and residents had already discovered, the laws governing short-term subletting around Australia varied between jurisdictions and were hard to interpret. Residential leases generally prohibited subletting without the landlord's prior written agreement. In Victoria for example, landlords could not 'unreasonably' withhold their consent; what constituted 'unreasonable' was far less clear. For owners listing their properties on short-term rental sites such as Airbnb and Stayz (a popular vacation rental site) the situation wasn't necessarily straightforward either.

If the property was owned under a strata title then it was subject to the rules and regulations set down by the owners' corporation, most of which had no provision for short-term subletting. Though owners' corporations were strongly advised to devise a policy covering Airbnb-type rentals, those policies might not count for much. Only Tasmania had legislation allowing owners' corporations to impose minimum rental periods. By contrast, New South Wales, South Australian and Western Australian legislation expressly prohibited owners' corporations from making rules which interfered with the ability of lot owners to lease their units. In 2015, the Victorian Civil and Administrative Tribunal (VCAT) ruled that owners' corporations did not have power under state legislation to make or enforce a rule prohibiting short stays. The case concerned the Watergate building in Melbourne's Docklands precinct, where apartment owner Paul Salter ran 11 short-stay apartments to the dismay of fellow residents and building management. Salter had already won a lengthy Supreme Court case against the City of Melbourne, which claimed that he had breached building regulations by hosting short-term stays.³⁹ Salter hailed the VCAT decision: 'Property owners have a fundamental right to use their property for accommodation purposes irrespective of the length of stay...In addition, Melbourne has a responsibility to provide a suitable range of accommodation to visitors in our city.'⁴⁰ The Owners' Corporation planned an appeal.

A number of high-rise residents, including some from the Watergate Building, had also banded together to form a lobby group called We Live Here to raise awareness of the issue and mobilise support. Former long-term Docklands resident and Owners' Corporation Chair, Sally Hewitt, understood their frustration well: "Just in broad terms, the budget for the building annually was \$1 million per year in administration, maintenance and cleaning...If you looked at those costs you could identify \$100,000 which was related to extra things we did due to serviced apartments including security, cleaning, more administration, a live-in manager, night-time security, and that all totalled to \$100,000 or about 10 per cent of the budget."⁴¹

Prominent real-estate website Domain surveyed 34 Sydney councils about Airbnb-style subletting, finding that six councils permitted some form of short-term renting, with varying conditions.⁴² The rest prohibited short-term subletting altogether or had no official position. The penalties were also variable. One Annandale resident faced a potential \$1.1 million fine for putting his house on Airbnb after a neighbour complained to the local council.⁴³ At the Bridgeport building in Sydney's Circular Quay, owner and resident Trish Burt claimed that more than 50 of the 163 apartments were available

³⁸ <http://campaign.r20.constantcontact.com/render?ca=e8d825cf-b21a-491f-92d3-c48ae8d17a02&c=4dff3e80-3f7e-11e4-a6e7-d4ae52843dc7&ch=4e01af80-3f7e-11e4-a6e8-d4ae52843dc7&id=preview>

³⁹ <http://www.smh.com.au/business/shortstay-operators-win-tribunal-decision-over-watergate-building-20150714-gjv4k.html>

⁴⁰ http://www.docklandsnews.com.au/editions/article/guy-declares-war-on-short-stays_8928/

⁴¹ http://www.docklandsnews.com.au/editions/article/driven-out-by-short-stays_11215/

⁴² <http://www.domain.com.au/news/nsw-government-investigating-airbnb-rentals-20150627-ghu7l0/>

⁴³ <http://www.domain.com.au/news/nsw-government-investigating-airbnb-rentals-20150627-ghu7l0/>

for short-stays, making her building feel more like a 'hotel'.⁴⁴ The issue had been percolating for several years, but the council had only recently instructed owners to cease short-term letting. There were calls for the NSW Government to create a state-wide policy. In Victoria, a government-appointed panel investigating short-stay accommodation recommended that:

- owners corporations be empowered to serve a 'notice to rectify breach' on providers of short-stay accommodation (whether the owner of the apartment, or their lessee or agent) regarding breaches of the owners corporation rules by their short-stay occupants; and
- the orders that VCAT can make in determining disputes based on such breach notices should include an order prohibiting the use of the relevant apartment for short-stay accommodation for a specified period or until the apartment is sold to someone unconnected to the provider.⁴⁵

Meanwhile, Queensland passed legislation allowing councils to restrict the operation of 'party houses' i.e. accommodation rented for social functions and typically occupied for less than 10 days. Airbnb and similar services had also attracted federal attention. In May 2015, the Australian Taxation Office announced that Airbnb Hosts were not required to collect GST but did have to declare income from their listings in annual tax returns. Airbnb's own taxation arrangements had also drawn scrutiny. Appearing before a Senate corporate tax avoidance inquiry, Airbnb's Australia and New Zealand manager Sam McDonagh confirmed that 'Airbnb Australia is a wholly owned entity of Airbnb Ireland. Our small team in Sydney performs the marketing and promotional functions relevant to the local market. All engineering, customer service, legal, business development, maintenance and other functions are administered by Airbnb Ireland and are physically based outside of Australia... All transactions relating to users outside of the United States, including guests and hosts in Australia, are handled by Airbnb Ireland, pursuant to applicable laws and regulations.'⁴⁶ This meant that the bulk of money earned by Airbnb in Australia was directed offshore. That same year, the Australian Competition and Consumer Commission accused Airbnb of misleading consumers with its pricing, ordering it to disclose all mandatory fees, including its 6-12% service fee, to Guests upfront.

As governments around the world tried to craft policy responses, the company itself was continually on the lookout for new offerings. Rumours suggested Airbnb was even exploring a platform for informal residential restaurants. Inspired by the Airbnb model, many other services had sprung up in recent years such as Homecamp which allowed backpackers to book camping space on private land, including residential backyards. Said Airbnb CEO Brian Chesky:

We're in the business of trips. There are two things we care about. First, we want to make every trip as meaningful as possible. The second thing is we want to popularize the sharing economy and create as many micro-entrepreneurs as possible. If somebody can build something that lets people share and become entrepreneurs better than us, they should do it. Maybe we partner with them. Maybe we don't. If they can't do it better than us, and we think we can create a more shareable world, we would do it.⁴⁷

In the meantime, as more and more solo hoteliers signed up, more were also set to discover that their sideline might quickly start to resemble a full-time job. Reported one busy UK member:

'Most days I can be seen dashing away with the smoothing iron. When that chore is finished, I'm shoving armfuls of bedlinen into the washing machine, changing sheets, cleaning out toilets and wiping down the shower – all day and every day. So, welcome to my brand-new career as a laundress and chambermaid or, as it is sometimes known, being an Airbnb host.'⁴⁸

⁴⁴ <http://www.domain.com.au/news/prestige-unit-owners-angered-by-shortterm-letting-to-tourists-20140523-38udw/>

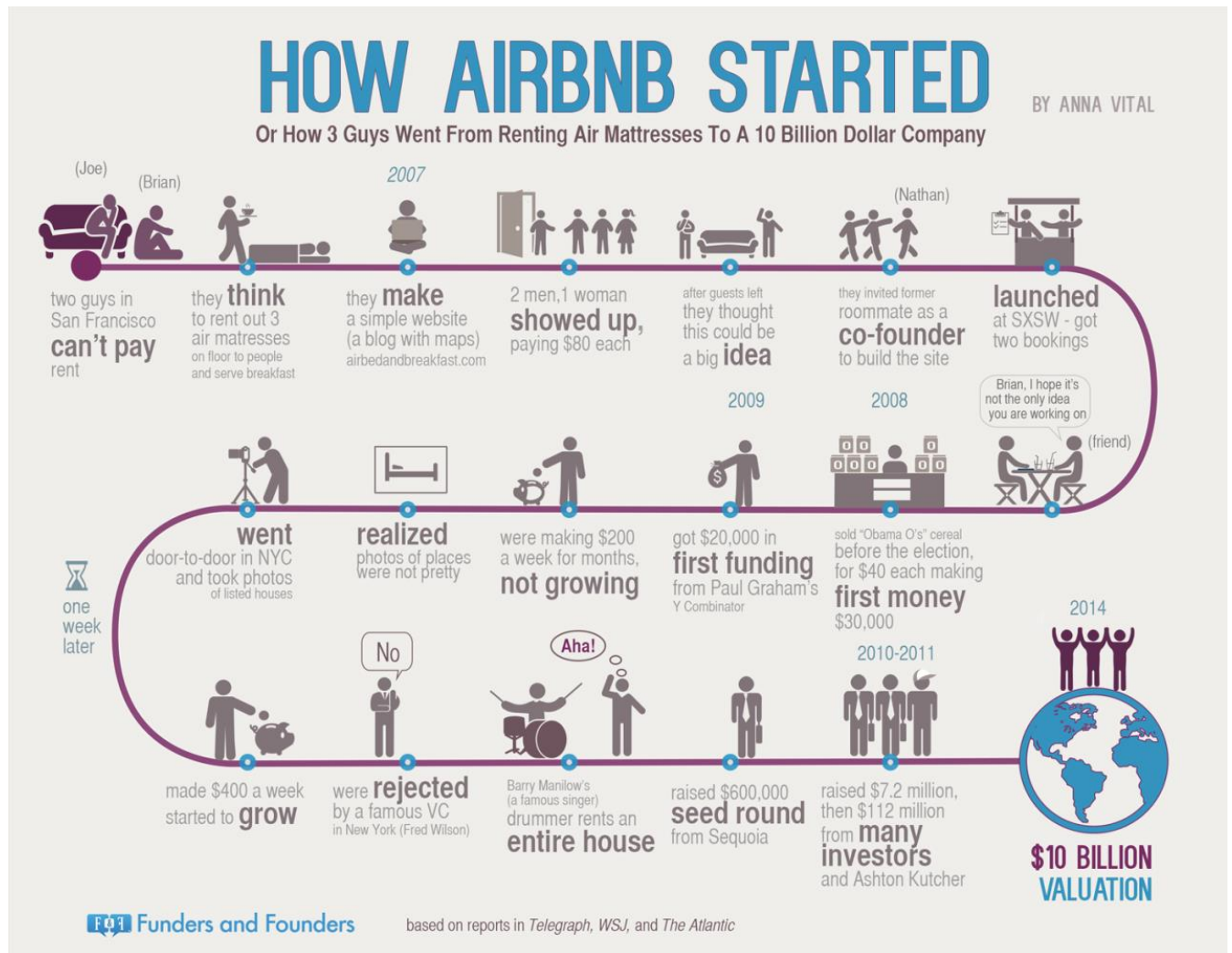
⁴⁵ Independent Panel on Short-Stay Accommodation in CBD Apartment Buildings, p.3

⁴⁶ <http://www.theage.com.au/business/the-economy/uber-airbnb-reveal-they-send-profits-offshore-20151006-gk2v5z.html>

⁴⁷ <http://www.theatlantic.com/business/archive/2013/08/airbnb-ceo-brian-chesky-on-building-a-company-and-starting-a-sharing-revolution/278635/>

⁴⁸ <http://www.telegraph.co.uk/goodlife/living/confessions-of-an-airbnb-host/>

Exhibit A: History of Airbnb




Source: <http://notes.fundersandfounders.com/post/82297315548/how-airbnb-started>

Exhibit B: Airbnb Terms of Service (Excerpt)


- 'PLEASE NOTE THAT, AS STATED ABOVE, THE SITE, APPLICATION AND SERVICES ARE INTENDED TO BE USED TO FACILITATE HOSTS AND GUESTS CONNECTING AND BOOKING ACCOMMODATIONS DIRECTLY WITH EACH OTHER. AIRBNB CANNOT AND DOES NOT CONTROL THE CONTENT CONTAINED IN ANY LISTINGS AND THE CONDITION, LEGALITY OR SUITABILITY OF ANY ACCOMMODATIONS. AIRBNB IS NOT RESPONSIBLE FOR AND DISCLAIMS ANY AND ALL LIABILITY RELATED TO ANY AND ALL LISTINGS AND ACCOMMODATIONS. ACCORDINGLY, ANY BOOKINGS WILL BE MADE OR ACCEPTED AT THE MEMBER'S OWN RISK.'
- 'IN PARTICULAR, HOSTS SHOULD UNDERSTAND HOW THE LAWS WORK IN THEIR RESPECTIVE CITIES. SOME CITIES HAVE LAWS THAT RESTRICT THEIR ABILITY TO HOST PAYING GUESTS FOR SHORT PERIODS. THESE LAWS ARE OFTEN PART OF A CITY'S ZONING OR ADMINISTRATIVE CODES. IN MANY CITIES, HOSTS MUST REGISTER, GET A PERMIT, OR OBTAIN A LICENSE BEFORE LISTING A PROPERTY OR ACCEPTING GUESTS. CERTAIN TYPES OF SHORT-TERM BOOKINGS MAY BE PROHIBITED ALTOGETHER. LOCAL GOVERNMENTS VARY GREATLY IN HOW THEY ENFORCE THESE LAWS. PENALTIES MAY INCLUDE FINES OR OTHER ENFORCEMENT. HOSTS SHOULD REVIEW LOCAL LAWS BEFORE LISTING A SPACE ON AIRBNB.'
- 'You [as Host] acknowledge and agree that you alone are responsible for any and all Listings and Member Content you post. Accordingly, you represent and warrant that any Listing you post and the booking of, or a Guest's stay at, an Accommodation in a Listing you post (i) will not breach any agreements you have entered into with any third parties, such as homeowners association, condominium, lease or rental agreements, and (ii) will (a) be in compliance with all applicable laws (such as zoning laws and laws governing rentals of residential and other properties), Tax requirements, and rules and regulations that may apply to any Accommodation included in a Listing you post (including having all required permits, licenses and registrations), and (b) not conflict with the rights of third parties. Please note that Airbnb assumes no responsibility for a Host's compliance with any agreements with or duties to third parties, applicable laws, rules and regulations.'
- 'THE SITE, APPLICATION AND SERVICES COMPRISE AN ONLINE PLATFORM THROUGH WHICH HOSTS MAY CREATE LISTINGS FOR ACCOMMODATIONS AND GUESTS MAY LEARN ABOUT AND BOOK ACCOMMODATIONS DIRECTLY WITH THE HOSTS. YOU UNDERSTAND AND AGREE THAT AIRBNB IS NOT A PARTY TO ANY AGREEMENTS ENTERED INTO BETWEEN HOSTS AND GUESTS, NOR IS AIRBNB A REAL ESTATE BROKER, AGENT OR INSURER. AIRBNB HAS NO CONTROL OVER THE CONDUCT OF HOSTS, GUESTS AND OTHER USERS OF THE SITE, APPLICATION AND SERVICES OR ANY ACCOMMODATIONS, AND DISCLAIMS ALL LIABILITY IN THIS REGARD TO THE MAXIMUM EXTENT PERMITTED BY LAW.'
- 'YOU ACKNOWLEDGE AND AGREE THAT, BY ACCESSING OR USING THE SITE, APPLICATION OR SERVICES OR BY DOWNLOADING OR POSTING ANY CONTENT FROM OR ON THE SITE, VIA THE APPLICATION OR THROUGH THE SERVICES, YOU ARE INDICATING THAT YOU HAVE READ, AND THAT YOU UNDERSTAND AND AGREE TO BE BOUND BY THESE TERMS, WHETHER OR NOT YOU HAVE REGISTERED WITH THE SITE AND APPLICATION. IF YOU DO NOT AGREE TO THESE TERMS, THEN YOU HAVE NO RIGHT TO ACCESS OR USE THE SITE, APPLICATION, SERVICES, OR COLLECTIVE CONTENT.'


Source: Airbnb Terms of Service, <https://www.airbnb.com.au/terms> Accessed: September 2015

Exhibit C: Airbnb Sample Listing



[Become a Host](#)
[Help](#)
[Sign Up](#)
[Log In](#)





Anna

I SETTE CONI - TRULLO EDERA

Ostuni, Brindisi, Italy 4.9 ★ · 34 Reviews

\$128 AUD Per Night

Check In
Check Out
Guests

dd-mm-yyyy
dd-mm-yyyy
1 ▾

Request to Book

Photos
About this listing
Reviews
The Host
Location

\$128 AUD Per Night

Contact Host

The Space

Room type: **Entire home/apt**

Property type: **House**

Accommodates: **4**

Bedrooms: **1**

Bathrooms: **1**

Beds: **2**

Amenities

Kitchen

TV

Heating

Washer

+ More

Prices

Extra people: **No Charge**

Cancellation: **Moderate**

Description

The Space

Spent a unforgettable holiday in the enchanting surroundings of the town of Cisternino (reachable from the near airports of Bari and Brindisi). Trullo Edera offers a heaven of peace and tranquillity, set in an elevated position with a stunning view. It's the perfect place if you like nature. You can stay under an olive tree reading a good book, you can have a walk in the small country streets or go to the nearest beaches. You can even easily visit any of the sights in Apulia such as the caves of Castellana, the trulli of Alberobello, the baroque cities of Lecce and Martina Franca, the excavations of Egnazia, the zoosafari of Fasano, Castel del Monte with Frederick's castle, Grottaglie famous for its ceramics, Taranto, Brindisi and Lecce museums.

Prices vary on period and are to be considered included: in-outcoming cleanings, towels, sheets, water, gas, electricity.

Safety Features

None

Check In
Check Out
Guests

dd-mm-yyyy
dd-mm-yyyy
1 ▾

Request to Book

♥ **Save to Wish List**

Email
 Messenger
... More


Photos
About this listing
Reviews
The Host
Location

\$128 AUD
Per Night

Reviews **4.9** ★ from 34 reviews

Accuracy	5.0 ★	Location	5.0 ★
Communication	5.0 ★	Check In	5.0 ★
Cleanliness	5.0 ★	Value	4.5 ★

[Translate reviews to English](#)




Jill

The trullo was so beautiful, well appointed and maintained. The countryside is lovely, the outside area was just wonderful, and the hosts, Anna and her mom, were very nice and very helpful. And, it is easy to get from this location to pretty much anywhere in Puglia that you want to go. The bed was comfortable, the kitchen had everything

[+ More](#)

October 2015 Helpful




Ann & Justin

We had an incredible time at Annas trullo. The whole property is really well cared for and it shows in all of the details. We really needed a place to prepare some light healthy meals for ourselves and there we had more than we needed to do so. Very comfortable bed and furniture arranged thoughtfully. Set in beautiful surroundings just outside of the

[+ More](#)

October 2015 Helpful



Wow, this trullo has everything you need in a holiday. We've spent 2

Check In
Check Out
Guests

[Request to Book](#)

Save to Wish List

Email

Messenger

... More

Source: Airbnb.com, accessed: October 2015

Exhibit E: Airbnb Responsible Hosting Guidelines

Responsible Hosting

We encourage hosts to think carefully about their responsibilities. Hosting offers rich experiences, but it comes with a certain level of commitment. In addition to the [Hospitality Standards](#), here are some ways you can be a responsible host.*

1. Safety

[What can I do to make my space safe for guests?](#)

Emergency Procedures

○ Contact Info:

Indicate local emergency numbers and the nearest hospital. Provide a clear emergency contact number for yourself, as well as backup, for easy guest reference. Also make clear how you should be contacted if the guest has questions or issues arise.

○ Supplies:

Make a first aid kit easily available.

○ Fire Prevention:

Ensure you have a functioning smoke alarm and carbon monoxide detector, and that your property meets government safety guidelines for your area (e.g., International Building Code). Ensure you provide a functioning fire extinguisher and complete required maintenance.

○ Exits:

Ensure you have a clearly marked fire escape route, and post a map in your home.

Minimise Hazards

○ Privacy:

Always be mindful of your guests' privacy. Fully disclose whether there are security cameras or other surveillance equipment at or around your listing. Make sure you are aware of and comply with applicable federal, state, and local laws.

○ Occupancy:

Establish safe occupancy limits - your local government may have guidelines.

○ Access:

Go through your home to identify any areas where guests might trip or fall and either remove the hazard or mark clearly. Fix any exposed wires. Ensure stairs are safe and have railings. Remove or lock up any objects that may be dangerous to your guests.

○ Child-Proofing:

Ensure your home is safe for children, or else notify guests of potential hazards.

○ Climate:

Ensure your home is properly ventilated and that temperature control is clearly marked and functional. Ensure guests are clear about how to safely use the heater.

2. Neighbours

How can I be mindful of my neighbours?

- **Building Rules:**

Ensure you relay your building's common area rules to your guest. You may want to even notify your neighbours that you will have guests, and remind guests not to bother your neighbours (e.g., don't knock on their door or buzz them to let you in).

- **Smoking:**

If you don't allow smoking, we suggest posting signs to remind guests. If you do allow smoking, ensure you have ashtrays available in designated areas.

- **Parking:**

Ensure you relay parking rules for your building and neighbourhood to your guest.

- **Noise:**

Remind guests about keeping noise down. You may want to consider whether you allow babies, pets, or parties. Develop a policy about guests inviting other people over, and ensure your guests are clear about your 'party policy.'

- **Pets:**

If you allow pets, ensure guests are educated about things like local parks and local customs (e.g., cleaning up after your dog). Have a backup plan in case a guest's pet upsets the neighbours (such as the number of a nearby pet hotel).

- **House Rules:**

To avoid surprises, you may want to include the information covered above in your House Rules in your Airbnb listing profile.

3. Permissions

Whom should I notify that I'm hosting on Airbnb?

- **Contracts:**

Check your HOA or Co-Op Board regulations to make sure there is no prohibition against subletting--or any other restriction against hosting. Read your lease agreement and check with your landlord if applicable. You may consider adding a rider to your contract that addresses the concerns of these parties and outlines the responsibilities and liabilities of all parties.

- **Roommates:**

If you have roommates, consider a roommate agreement in writing which outlines things like how often you plan to host, how you'll ensure guests follow House Rules, and even whether you'll share revenue if that makes sense for you.

- **Neighbors:**

Consider whether you should notify your neighbours about your plans to host, along with your plan for how to make sure your guests are not disruptive.

- **Subsidised Housing:**

If you live in public or subsidised housing there may be special rules that apply to you. The manager of the property may be able to answer questions about this.

4. General Regulations

What local regulations apply to me?

- **Taxes:**

Ensure you look up any local taxes or business license requirements that may apply. This may include things like hotel/transient occupancy tax, sales, and other turnover taxes such as Value Added Tax (VAT) or Goods and Services Tax (GST), or income tax. As a starting point for your research, you can refer to the information [here](#) about the sharing economy and tax, published by the Australian Taxation Office.

- **Permits or Registrations:**

Ensure you look up any permitting, zoning, safety, and health regulations that may apply. The governing authorities that regulate the use and development of property in your area may have useful information on such regulations.

- **Rent Control/Rent Stabilization:**

If you live in rent controlled or stabilised housing, there may be special rules that apply to you. Contact your local Rent board to ask questions about this topic.

5. Insurance

What insurance should I get to cover my home?

- **Host Guarantee:**

Airbnb offers you our [Host Guarantee](#), but note this does not take the place of homeowners or renters insurance.

- **Basic Coverage:**

Review your renters or homeowners policy with your insurance carrier to make sure you have adequate coverage.

- **Liability:**

Ensure you have adequate liability coverage as well as property protection.

Source: Airbnb.com, Accessed: October 2015.

Exhibit D: Airbnb Safety Guidelines

What can I do to make my space safer for guests?

In addition to following the [Hospitality Standards](#) and [Responsible Hosting](#) guidelines, please take some time to review safety measures to help keep your guests safer. Every home is different, and you should be sure to consider what your specific listing requires. These steps are a good place to start:

- Make sure your property meets government safety regulations for your area (ex: International Building Code)
- Have functioning smoke alarm and carbon monoxide detectors as required by your local laws
- Provide a functioning fire extinguisher, and complete required maintenance
- Clearly mark a fire escape route, and post a map in your home
- Establish safe occupancy limits—your local government may have applicable regulations
- Ensure all electrical appliances and other equipment in your home are properly and safely installed
- Remove any hazards that might cause guests to trip or fall, or mark these areas clearly
- Remove or lock up any objects that may be dangerous
- Fix any exposed wires
- Make sure stairs are safe and have railings
- Child-proof your home, or else notify guests of potential hazards for kids
- Make a first aid kit easily available, and provide a disaster relief kit depending on where you live
- Make sure your home is properly ventilated and that temperature control is clearly marked and functional so guests know how to safely use the heater
- Show guests how to lock doors or windows, and how to use your plumbing system
- Document safe practices for using all your amenities in your [\[House Manual\]](#)
- Go through your property regularly to make sure all safety precautions are up to date and in accordance with local safety laws and regulations

As a host, your local knowledge helps people have amazing experiences. Find out where your guests are coming from, and make sure they're aware of local customs and cultural differences that will make their stay more comfortable. When showing guests the hidden treasures in your neighborhood, also make sure to indicate the nearest hospital and include local emergency numbers. Provide a clear emergency contact number for yourself as well as a backup, and ensure that you and your guests have access to a spare key. Also make clear how you should be contacted if the guest has questions or issues arise. Include this information in a [guidebook](#) or in your guests' [itinerary](#).

Source: Airbnb, Accessed: October 2015.

Exhibit F: Airbnb Advice to prospective hosts

What legal and regulatory issues should I consider before hosting on Airbnb?

When deciding whether to become an Airbnb host, it's important for you to understand how the laws work in your city.

Some cities have laws that restrict your ability to host paying guests for short periods. These laws are often part of a city's zoning or administrative codes. In many cities, you must register, get a permit, or obtain a license before you list your property or accept guests. Certain types of short-term bookings may be prohibited altogether. Local governments vary greatly in how they enforce these laws. Penalties may include fines or other enforcement.

These rules can be confusing. We are working with governments around the world to clarify these rules so that everyone has a clear understanding of what the laws are.

In some tax jurisdictions, Airbnb will take care of calculating, collecting, and remitting local occupancy tax on your behalf. Occupancy tax is calculated differently in every jurisdiction, and we're moving as quickly as possible to extend this benefit to more hosts around the globe.

In the meantime, please review your local laws before listing your space on Airbnb. More information about your city's laws and regulations may be available on our [Responsible Hosting page](#) in the **Your City's Regulations** section.

By accepting our [Terms of Service](#) and activating a listing, you certify that you will follow your local laws and regulations.

Source: Airbnb.com, Accessed: October 2015.

Exhibit G: Airbnb discussion tips

Do you have any tips for talking to my landlord about Airbnb?

Sure! Here are some tips to consider before you talk with your landlord about Airbnb.

Understand your lease.

Many hosts already know the details of their lease. If you don't, start by getting familiar with it. Review any rules about guests or subletting carefully and ask your landlord if you have questions.

Offer to provide advanced notice when hosting.

To show that you want to be courteous to your landlord and neighbors, consider offering them advance notice whenever you have a booking. With your guests' permission, you could also share their names or Airbnb profile pages with your landlord.

Be a responsible host.

Show your landlord that you care about the property and your neighbors as much as they do. Here are some things you can do that may show your landlord you're a [responsible host](#):

- Only allow groups of a certain size to stay at your home by setting an occupancy limit.
- Share your home and building rules with each guest.
- Provide your guests with phone numbers for emergency responders and a map of emergency exits and evacuation routes.
- Make sure you have a working smoke and carbon monoxide detector.
- Inform neighbors when a guest will be staying in your home.

Make a great first impression.

Consider giving your landlord your resume or showing them some photos of [your home](#) to help them understand who you are. Knowing more about you and the way you take care of your space will show your landlord that you're responsible, caring, and respectful.

Get the neighbors on-board.

Making sure your neighbors are comfortable might help address some of your landlord's concerns. If they have any concerns about you hosting, you can let your neighbors know that Airbnb is here to address them [over the phone or online](#), 24/7.

Provide information about Airbnb.

Tell your landlord about Airbnb's [trust and safety resources](#), including community reviews and [Verified ID](#). Remind them that you only host people you feel comfortable with. If applicable in your country, you can also explain that Airbnb offers a [US\\$1M Host Guarantee](#).

Educate, Inform, Inspire.


[Airbnb's hosts](#) have helped over 30 million travelers have [wonderful travel experiences](#). Hundreds of corporations now encourage their employees to use Airbnb for business travel. These are guests that landlords should feel comfortable with.

Ask questions, and be confident.


If your landlord declines your request to host on Airbnb, don't be afraid to ask why. And please take a moment to share their response with us, so we can learn how to assist you and our growing host community better. Feel free to reach out to us at tenants@airbnb.com.

Source: Airbnb.com, Accessed: October 2015.

Exhibit H: Host Profile Page



[Become a Host](#)
[Help](#)



Hey, I'm Anna!

Ostuni, Italy · Member since November 2010

Hi! I'm Anna and the one with me in the pic is my mum Tonia. After some years spend in different european cities, I decided to come back home and work in this area. At the moment I'm living in the cottage close to our trulli therefore if you have questions, you need something or you just wanna have a chat and drink a coffee/glass of wine, I'm there. My parents live at about 100 meters from the trulli and we are a big family, we love animals and we have no prejudice at all. Feel free to get in contact with us and we will be glad to let you spend a wonderful holiday.


Verified ID

- Email Address Verified
- Phone Number 27
- LinkedIn
- Validated
- Reviewed
- 61 Reviews
- Offline ID
- Driver License


About Me

Languages


Deutsch, English, Italiano




Superhost



61
Reviews




2
References



Verified ID

Reviews (61)

Reviews From Guests




Jill

The trullo was so beautiful, well appointed and maintained. The countryside is lovely, the outside area was just wonderful, and the hosts, Anna and her mom, were very nice and very helpful. And, it is easy to get from this location to pretty much anywhere in Puglia that you want to go. The bed was comfortable, the kitchen had everything you need plus more, (likes coffee and milk for the more comfortable) and Anna and her mom had left some extra food (bruschetta, the 100-gram ones for the more comfortable) and Anna and her mom had left some extra food (bruschetta, the 100-gram ones for the more comfortable) and Anna and her mom had left some extra food (bruschetta, the 100-gram ones for the more comfortable).


[+ More](#)

From Denver, CO · October 2015




We had an incredible time at Annas trullo. The whole property is really well cared for and it

Exhibit I: Guest Profile Page



[Become a Host](#)
[He](#)



Hey, I'm Ann & Justin!

San Francisco, California, United States · Member since June 2012

We are a couple in our early 30s who love to travel!


Verified ID

- Email Address Verified
- Phone Number 30
- Facebook
- 96 Friends
- Reviewed
- 19 Reviews
- Offline ID
- Personal Info


About Me

Languages

English, Italiano




19
Reviews



Verified ID

Reviews (19)


Reviews From Hosts



Mariella

Ann e Justin sono 2 ragazzi meravigliosi...gli ospiti ideali!!


From Apulia, Italy · October 2015



Anna

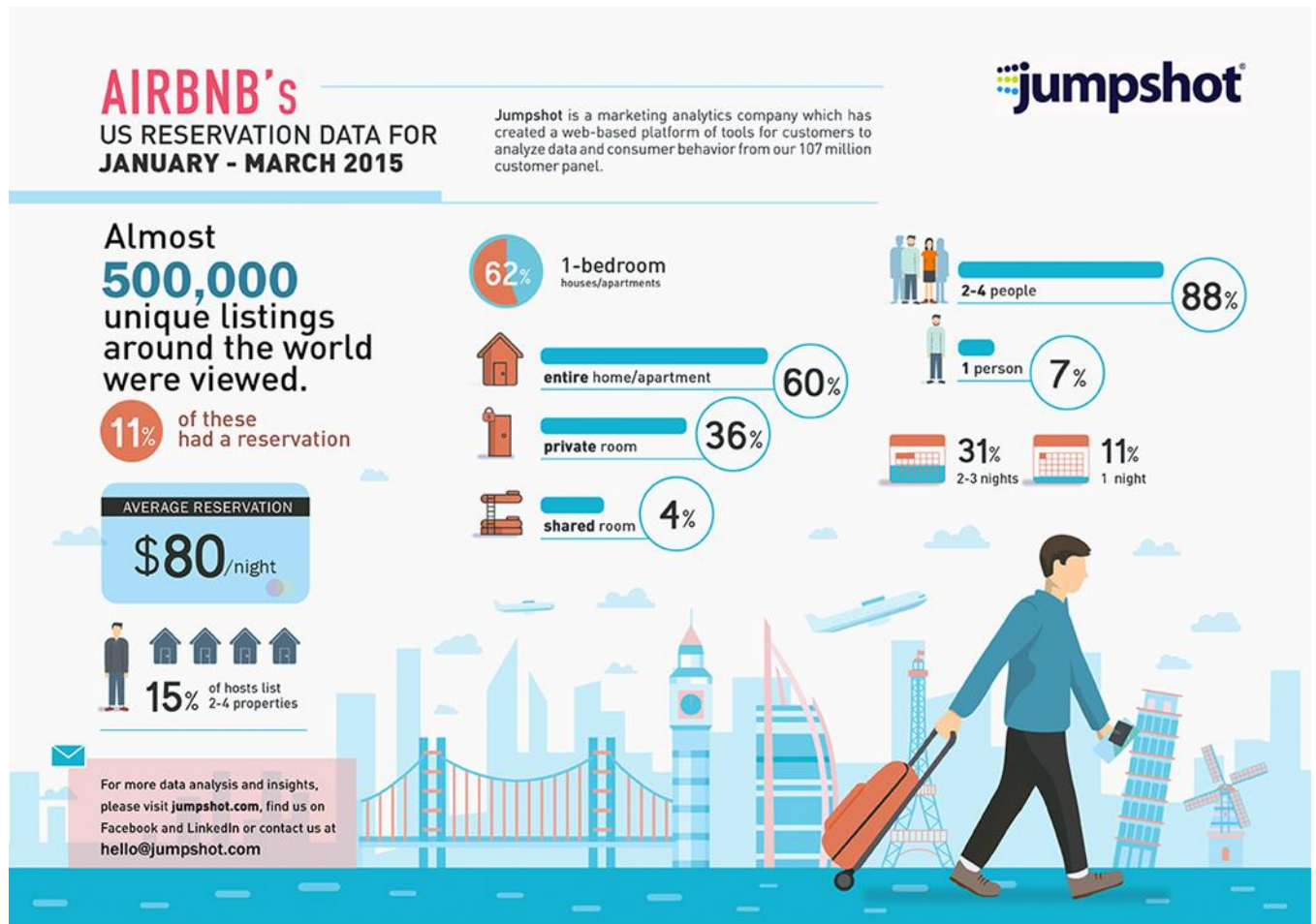
Very polite and nice guests. We just met briefly the night of their arrival. They left the house in perfect shape. Thanks

From Ostuni, Italy · October 2015



Ann and Justin were my guests in Bra during the Cheese fair. I spent little time with them, but

Exhibit J: Airbnb US Survey Results



N.B: listings viewed were US based.

Source: <https://www.jumpshot.com/airbnb-infographic-who-uses-airbnb-and-why/>

Exhibit K: Choice Magazine Airbnb Price Comparison

Average price: Airbnb vs hotels

City	Average price on Airbnb* (including 12% service fee)	Average hotel price** (Hotels.com)
Sydney	\$171	\$200
Melbourne	\$133	\$177
Auckland	\$132	\$151
Los Angeles	\$205	\$229
London	\$196	\$253

*These were averages on 16 June 2015. Average prices on Airbnb can fluctuate but we've tried to use cities that remained fairly static.

**Hotels.com figures are averages for the year 2014.

Source: <https://www.choice.com.au/travel/accommodation/homestays/articles/guide-to-airbnb>

Exhibit L: Airbnb Website Images

The image shows a screenshot of the Airbnb website homepage. At the top left is the Airbnb logo. On the top right, there are links for "Become a Host", "Help", "Sign Up", and "Log In". The main header features a large background image of a sunset over water with the text "WELCOME HOME" and "Rent unique places to stay from local hosts in 190+ countries." Below this is a "How It Works" button. A search bar is positioned below the header, containing "Lecce, Italy", "Check In", "Check Out", "1 Guest", and a "Search" button. Below the search bar is a large banner with the text "BELONG ANYWHERE" and "See how Airbnb hosts create a sense of belonging around the world." Below the banner is a section titled "Our community" with four cards: "create" (Make Airbnb yours), "Travelling" (Alice & Chris), "Business Travel" (Airbnb for Business), and "Hosting" (Nina).

airbnb

Become a Host Help Sign Up Log In

WELCOME HOME

Rent unique places to stay from local hosts in 190+ countries.

How It Works

Lecce, Italy Check In Check Out 1 Guest Search

BELONG ANYWHERE

See how Airbnb hosts create a sense of belonging around the world.

Our community

create

Make Airbnb yours
Create your symbol, Tell your story

Travelling

Alice & Chris
Across an ocean or across town, Alice & Chris are always in search of local experiences.
Learn more about travel on Airbnb.

Business Travel

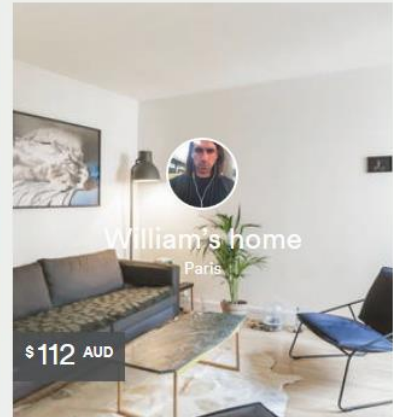
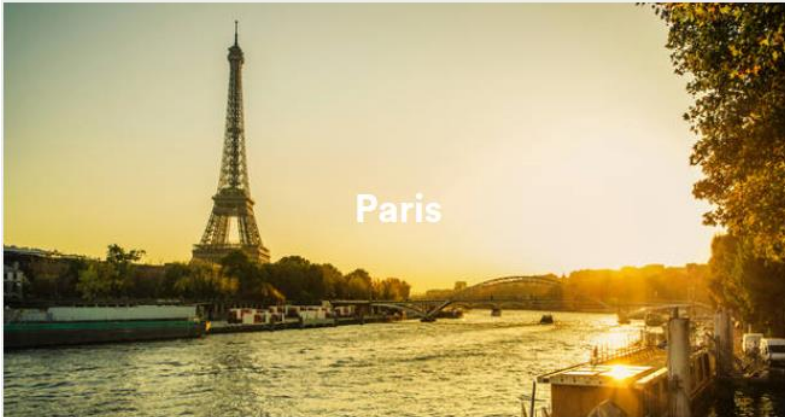
Airbnb for Business
Feel at home, wherever your work takes you.
Get your team on Airbnb.

Hosting

Nina
A professional photographer, Nina loves helping guests explore Shanghai's arts scene.
Learn more about hosting on Airbnb.

Explore the world

See where people are travelling, all around the world.



Hosting opens up a world of opportunity

Earn money sharing your extra space with travellers.

[See What You Can Earn](#)



Source: Airbnb.com, Accessed: October 2015.