

Project: Airbnb
 Location: Everywhere
 Stakeholders: Citizens,
 Local government

AIRBNB URBANISM



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WEST 54

Airbnb is reshaping our cities. With the input of governments, planners and designers, it could provide benefits for all.

Infrastructure in our cities – let’s call it the hardware – remains much the same as ever, but the software – the way we use it – is rapidly transforming.

One piece of ‘software’, Airbnb, is dramatically reshaping the world’s cities. The digital platform, which allows citizens to find and rent short-term accommodation from other citizens, has the potential to rupture the traditional spatial relationship between tourist and local, making our cities more vibrant and diverse places to live in and to visit.

The question is, what opportunities and dangers does the platform present? What are the implications of repurposing existing residential infrastructure for short-term accommodation? What happens when the global ‘sharing economy’ meets a city’s suburbs?

Melbourne was an early adopter of Airbnb. It is also one of the top 10 cities for global travellers on Airbnb. What insights can be gathered from its experience?

According to Airbnb, three quarters of listings worldwide are located outside major hotel districts. Three types of property listings exist on Airbnb: entire homes, private rooms and shared rooms.

Entire homes in Melbourne make up over half the total number of the city’s metropolitan listings. Data collected in

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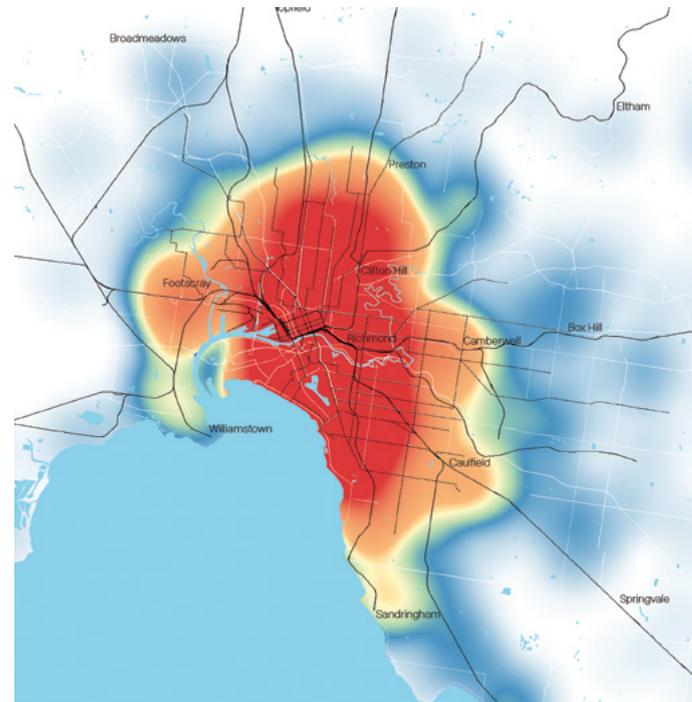
January 2016 reveals that their distribution is relatively consistent with that of hotels and licensed accommodation, which exist in large concentrations in the CBD and inner city.

Analysis by website Inside Airbnb indicates that about 75 per cent of entire house listings in Melbourne are available for over 90 days per year. Many hosts who list entire homes lease or sublet when they go away. In Australia, tenants require permission from their landlord to sublet, so there is little risk for the landlord if they follow due process

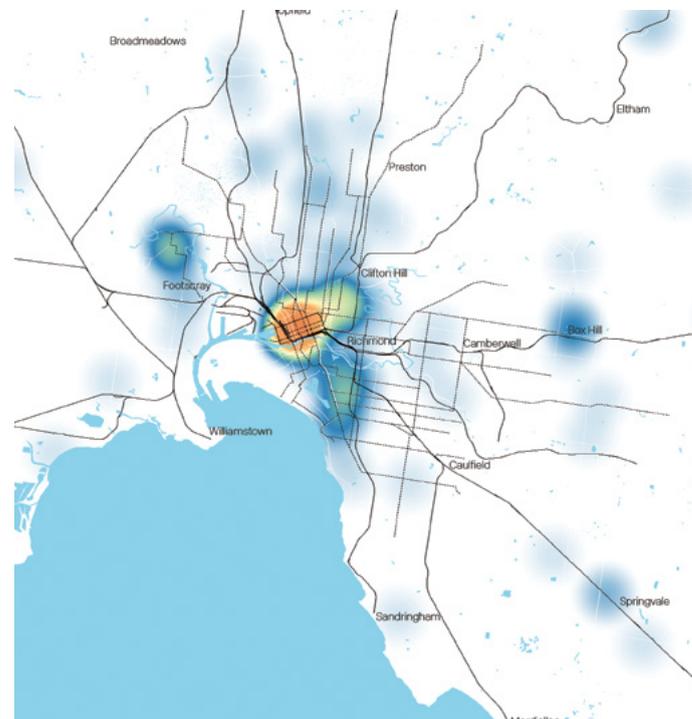
About a third of all entire-house listings in Melbourne are managed by hosts with multiple properties: the average number of properties held by these operators is three, but some have dozens of properties. Through Airbnb, these hosts are making existing housing infrastructure into informal, distributed hotels while saving on capital costs, overheads and wages.

Globally, the Airbnb phenomenon has been blamed for driving up rental prices, accelerating gentrification and displacing local residents by reducing available housing stock. In Melbourne, the boom in high-density development in the CBD has resulted in an excess of homogenous apartment dwellings. Bedrooms without natural light, as well as insufficient floor area, outdoor space and storage space, characterise many of these developments, rendering them effectively unlivable for long-term residents. These properties are attractive to itinerant tenants seeking affordable inner-city accommodation.

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Concentration of entire-house rentals in Melbourne on Airbnb. Diagram: Jacqui Alexander and Tom Morgan



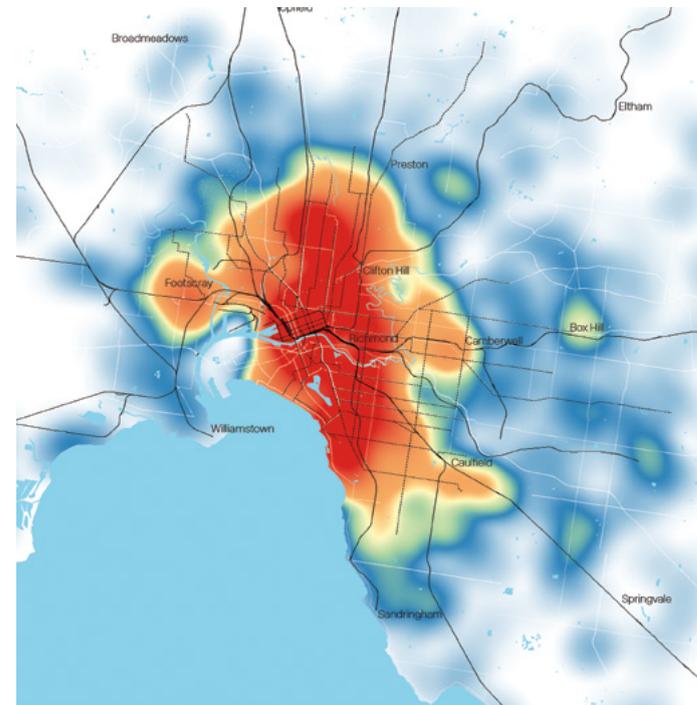
Concentration of shared-room rentals in Melbourne on Airbnb. Diagram: Jacqui Alexander and Tom Morgan

Shared rooms in Melbourne only constitute about 2 per cent of all listings, but they are almost exclusively confined to the CBD, with Box Hill (14 kilometres east of Melbourne), and Maidstone/Braybrook (eight kilometres west of Melbourne) as secondary outlying hotspots. The majority of CBD listings are around new apartment towers near Southern Cross Station (at the western end of the CBD) and RMIT University. A number of already small two-bedroom apartments in the Neo200, Upper West Side and QV1 towers are operating as gendered dormitories, often sleeping eight, with four to a room. Overloading these apartments results in potential fire-safety and hygiene-compliance issues.

Short-term letting via sites like Airbnb allows investors to earn up to three times the amount they'd receive in rent (the average cost to rent an entire home is AU\$189 per night). Travellers benefit from competitive accommodation rates, cooking facilities, convenient locations and access to private pools and gymnasiums intended for residents.

Airbnb acknowledges the exploitation of the so-called sharing economy by professional hosts with multiple listings, but it has not yet taken steps to regulate it. In the meantime, governments would do well to implement much-needed minimum design standards to curb the construction of developments that fail to cater for residents or which are purpose-built for the Airbnb market (there are a few local examples already emerging).

Short-term letting via sites like Airbnb allows investors to earn up to three times the amount they'd receive in rent.



Concentration of private-room rentals in Melbourne on Airbnb. Diagram: Jacqui Alexander and Tom Morgan

Beyond the obvious need to protect the amenity of citizens, protection of the liveliness and heterogeneity of the city is essential to maintaining the kind of 'authentic' experience that appeals to Airbnb users in the first place. Melbourne is beginning to follow the trajectory of international cities like London, where the investor market, fuelled by capital gains tax exemptions, has pushed residents further and further out. Dispersing the concentration of entire-house and private-room rental is vital.

More promising is the dispersed pattern of private rooms in Melbourne, which represent around 45 per cent of listings across the city. While there is still a concentration of private rooms in and around the CBD, diffuse listings across Melbourne's middle-ring suburbs realise Airbnb's ambition to enable access to the everyday spaces of cities.

This pattern makes sense given the mismatch between Australian house sizes, which remain the largest in the world, and changing household structures; most significantly, the decline of the nuclear family. An increase in housing diversity in the

middle-ring suburbs is likely to facilitate more entire house listings in these areas in the future.

We are also seeing evidence of Airbnb *driving* housing diversity, with annexed and granny-flat configurations commonly listed in suburbs close to the Melbourne CBD like Brunswick and Caulfield. The by-product of arrangements like these is slow but genuine ‘bottom-up’ densification. Government incentives around this kind of small-scale development would help to make this a viable (and for many, welcome) alternative to densification through high-rise apartment development.

Airbnb claims that tourists that use their platform “stay longer and spend more”. With additional revenue captured from the sharing-economy, governments could be funding more extensive and efficient transport networks to service both locals and visitors. Extending transport infrastructure would support the intensification of distributed neighbourhoods, and maximise the intermingling between tourists and locals.

Bottom-up densification could also be a way forward for Perth. The distribution of Perth Airbnb accommodation towards its coastal suburbs highlights potential in this space: here, tourism-specific and local infrastructure can converge. This is an exciting prospect for a state that positions itself as a unique travel destination.

Airbnb emerges from the same cultural tendency as the pop-up shop and interim-use place activation. Built environment professionals must recognise it as an urban issue, and lead with a framework for targeted, productive disruption. Airbnb can increase the density of people within existing building stock, and it can disperse the positive effects of the tourist economy. This requires more imagination from planners and designers, who must also consider the interests of individual citizens, whether they are renters or homeowners.

Can Airbnb be a part of the solution of increasing urban infill without compromising a minimum standard of living?

Right: Airbnb rentals in Perth. Diagram: Jacqui Alexander

→ Data on Airbnb accommodation in Perth was gathered from publicly available information on Airbnb via Airdna.

