

Airbnb's Legal Problems And Challenges

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Abstract

Airbnb has been suffering from many troubles for a long span of time. Few problems are common in China, France, and the USA. Ad campaigns of Airbnb are creating problems for itself. There are many platforms provided by Airbnb which allow individuals to give their apartments, houses, and rooms to tourists. This type of business is not illegal, but there are inevitable issues that can become an obstacle for Airbnb, such as there is a tax issue; many tourists or visitors have to pay a tourist or hotel tax when they rent out any hotel room or an apartment. Similarly, every country has its local housing laws and regulations which have to be followed to avoid unnecessary conflicts. Airbnb is continually changing its political strategies just to save the economy, and international strategies are not going in favor of Airbnb.

Ethics And Business

The whole hotel industry became an opponent of Airbnb because Airbnb helps tourists or visitors find affordable accommodation in their desired locations without mentioning the cost of hotels and their costs; therefore, while paying bills, visitors face many problems. Hotels are continually threatening the business of Airbnb and its future, in April, an economist reported that if the immoral act of Airbnb will continue to grow at the same rate, then by 2016 its 10% share with hotels will be taken out.

Airbnb's Legal Problems In The US

In New York, it is as of now amidst a delayed legitimate debate with the lawyer general, while experts in San Francisco, Malibu, New Orleans and different US urban communities are additionally rising shutdowns. In France, where Airbnb has been halfway reprimanded for expanding rents, city authorities have made another lodging law prohibiting standard here, and now, letting of rooms without Europe is the highest priority on the rundown – where Airbnb has, as of late, been fined €30,000 for violating vicinity tourism laws – the association is in like manner under ambush in a creating number of various urban territories.

Airbnb represents its business as an issue of discourse. Much as it advances “living like a neighborhood” in the urban areas where it profits, the organization says it, at last, has no obligation regarding what occurs on the earth, much the same as a site with remarks.

If Airbnb is viable, and a couple of authorities think Airbnb has a better shot, CDA is planning to free

the association of obligation concerning the influence of Airbnb's business, and SCA is planning to shield urban zones from discovering has, and in like manner Airbnb, reliable. Governments all through the United States would be vulnerable to control the amount of these company postings or compel the guest corporations that they bring. It's a solid mixture of offensive driving forces. (Time.com, 2017)

Airbnb continues displaying its company as low-effect, consisting of normal has sporadically rented their specific apartments. A current Airbnb gives an account of its company in the show of Lisbon that "various postings on Airbnb in Lisbon are neighborhood inhabitants' family," comforting per clients that "In Lisbon, seventy-two percent of hosts in Airbnb have only a solitary posting." But being honest and reasonable with reality, My openly accumulated educational gathering exhibits that the 28% of hosts with more than one posting (who can be seen as "business") speak to 66% of the Association's company in Lisbon.

Also, remembering that Airbnb claims that "seventy percent of guests of Airbnb stay outside spots instead of the regular vacationer in Lisbon," my study exhibits that the bigger piece of tourist occurs inside the two main areas of Santa Maria Maior and Misericórdia, a scope of just around 6 square kilometers. In May 2015, the number of postings in the little town of a large segment of a million increased from 5,500 to more than 10,000 today; a primary influence is certain. João Seixas, a teacher of geography at the New University of Lisbon, and his accomplices are "particularly stressed over what is rapidly occasion to the recorded point of convergence of our brilliant city and town. Since last three years, around one-quarter or even 33% of the hotel has changed its stock limit, generally toward cash related theories and rentals with the short span of time."

Sharing a home is a long-time trend in America. For a long time, homeowners have let other people live in their homes instead of hotels, sometimes for house chores and sometimes for money. At this time, Airbnb is playing a role as a sharing economy technology which become a link between travelers and home renters. Such online platforms help tourists select the living place of their own choice, whether it's a hotel or someone's home. But Airbnb doesn't mention all the expenditures a tourist or renter has to pay. Therefore, this issue is becoming very prominent in different cities in America, for example, Chicago, New York, and San Francisco.

Airbnb Faces Legal Challenges In China

Airbnb may have bumbled somewhat a week ago when it revealed its new methodology for vanquishing the Chinese market – which incorporated a multiplying of its venture there and an important new name: Abiding. This is the place where the issue lies. The name isn't anything but difficult to state for Mandarin speakers, and many Chinese netizens have responded adversely. China has a unique culture as compared to other nations in the world. A cultural study before implementing a business is a must-do for any organization. Cultural misinterpretation could lead to some serious issues.

As one Weibo client put it: “Airbnb has given itself a doltish Chinese name and even shot an MV (music video) for it. It is much the same as an outsider attempting to talk poor Chinese.” However, notwithstanding the name issue, Airbnb may be preferred over different US tech organizations that have tried (and fizzled) to split China – most strikingly, Uber. As an issue of fundamental significance, there is a bigger size and improvement potential of the Chinese travel grandstand. In 2015, vacationing totaled \$500 billion and is depended upon to significantly increment to \$1.2 trillion, according to a China National Tourism Administration report.

A large portion of this travel is occurring locally, as well. As per the report, the number of excursions taken inside China came to an amazing 4.1bn in 2015, a normal yearly development of 10.2%.

The home-sharing business sector in China is still in its earliest stages along these lines; in spite of the fact that Airbnb just has 80,000 postings there up until this point, its domestic rivals are not that long way ahead. Xiaozhu, its direct equal, has more than 100,000 postings, while Tujia, which is, to a greater extent, an occasion rental site and regulates the administration of its properties, claims to have 450,000 postings. Recently, Airbnb has faced many problems in the Chinese market. They are facing challenges, and authorities are continually finding clear answers regarding population management, taxes and other stuff of the client-to-client business model.

It also has to face problems because of its different background. Comparatively, Airbnb faces many difficulties in adapting Chinese environment. It is becoming quite difficult for Airbnb to establish friendly relations with authorities and the people of China because it’s a foreign internet company. And these challenges are not limited to one country only, Airbnb has to suffer these problems even in the international market. But the main benefit of these hurdles is the experience Airbnb has gained from international markets, which might help it to adapt Chinese environment. Airbnb has to work very hard just to gain the trust of its users and regular authorities in the Chinese market. Negative reviews of the international market Airbnb became another hurdle to its success. Their success in the Chinese market depends on the collaboration and understanding of the Chinese people and their demands and needs.

Airbnb Is In Continues Crackdown In Paris

The French government has busted homes and apartments in the total capital just to get hard on Airbnb because they are not following the rules and regulations of the country. Recently, they have carried out raids on apartments in the first and sixth arrondissements because both these areas are attractive for tourism, and tourists usually stay in these places. The main reason for this raid was to discover home renters because their attempts were to become rich by renting out their apartments and flats for up to 120 days, which is against their country’s rules. Airbnb has faced these problems by not complying with local government regulations, which is a very important factor to consider when expanding a business to a different country. They didn’t touch those who rent their homes for one or two weeks when they go on visits or vacations.

It was told by the town's hall housing chief that they wanted to discover those professionals who violate rules and rent their flats for the whole year or those who buy a house or an apartment merely with the purpose of converting it into a tourist place. They found many individuals who violate the rules of the country and rent out their homes without following any rules. Recently a survey conducted and it was found that on Airbnb forty-four percent of the home renters are available permanently. Along with those landlords, Airbnb also had to pay a hefty fine. Individuals who rent their homes for more than three weeks have to pay fines up to €25,000, but still it's not enough amount according to authorities; however, they have decided to increase this number to around €100,000.

People of Paris are showing their frustration with the constant pace of Airbnb residents carting baggage up the stygian of their flat buildings. France Blue said that we are getting more complaints from residents because of Airbnb. Paris is already a very expensive market, and now Airbnb is adding these housing challenges for tourists, which makes it difficult for a tourist to enjoy their tour. Airbnb was launched in 2008, and in the starting period, it had some forty million users, but with the passage of time, its quality has decreased, and the whole hotel industry is becoming rival because it violates tax laws and country laws.

Airbnb recently accepted to redeem tourist tax to France and Paris from every booking it will get. A study was conducted in November, and it was found that Paris is the world's biggest market for Airbnb. It has 3.9 million users using the service of Airbnb, thus losing the market of Paris is the biggest loss for Airbnb. Paris government made a new law in June which says that whoever will rent out their flats in Paris using services like Airbnb will have to get a registration integer. The main reason behind this law was to make sure that no one rents out their property for more than a 120-day limit. But there is also good news for homeowners in Paris the rates of local tax will remain the same for everyone. Airbnb is in continued pressure from different cities almost 17 cities, and Paris is one of them, it's trying to control its rentals according to local rules. On the website of Airbnb, Paris offers more than 60,000 homes. Hence, it is clear that the business of Airbnb is booming in France's capital. It's one of the world's biggest tourist markets, and Airbnb can't lose it at any cost.

Political Economy

All countries are not against of Airbnb, their reaction to Airbnb is positive to some extent. This February, Airbnb was passed as an Airbnb-friendly law by Amsterdam, keeping the sharing economy of the city in mind. Amsterdam became the first city which pass Airbnb when legislation was created. This city allows natives to give their homes and apartments to four visitors at a time for up to two months. Nevertheless, all types of taxes, such as tourist tax, should be paid by an owner who rents out his home or an apartment. The founders of Airbnb and their expert economists are spreading their business in such cities, which can give them maximum benefits (SmarterTravel, 2017).

Many homeowners think they could get in trouble for renting their homes through Airbnb, but it

depends on local laws. Airbnb doesn't follow local laws, regulations, and rules of countries that are why it has to face such problems. Airbnb puts homeowners in trouble because it becomes a risk of punishment from government authorities. Recently, it was found that in San Francisco, it is entirely banned to rent out homes without an expensive permit, and those who violate this rule have to face heavy punishment and penalties from high authorities. The study has found similar cases in New York; they also do not allow homeowners to rent out their property by using Airbnb without any legal permission.

Penn Schoen Berland partner of Burson Marsteller conducted a timed poll on the gig economy and realized that fifty-six percent of people share their homes and made money, all of them says Airbnb is an entirely different thing from vacation and hotels rentals and should not be imposed by same regulations. Those who rent out their homes and apartments were more positive about their financial condition than the general people. 63% of people believe that their financial condition will get better in the coming year. San Francisco's attempts to abandon Airbnb were overcome by fifty-five percent to forty-five percent. Lehane states this defeat of San Francisco as "Coming out of that, the light bulb went on over our head." A lot of people are inspired and have a self-interest in their economy. Thus, a huge community supports Airbnb because of its political economy strategies and the benefits it gives to home renters (Miller, 2017).

Response Of Airbnb To All These Challenges

Keeping the need for change in mind, Airbnb invigorated its terms and conditions of the organization to make its customers more cognizant of neighborhood charges and laws, putting stress on the host's commitment to consent to them. When doubt hits, most have not been charging their guests lodging charges, also submitting it to the town. To mention this, in a couple of domains, Airbnb has begun managing to gather hotel evaluations for the host's advantage, which implies costs in a couple of spots will increase. They have focused on the international strategy to view cultural values more closely, along with the regulations of the local country. Beginning on July 1, the association has been adding a few amounts, around 11.5%, to hotel evaluation for all reservations made in Oregon and Portland, and it has, in like manner, begun gathering charges in San Francisco. Likewise, the association is attempting to mastermind practically the same game plan in New York. (Harvard Business Review, 2017)

Airbnb is planning to take revenge on San Francisco and take it to court and claims that this city is not following laws and violation is very open. Section 230 of the 1996 Communications Decency Act (CDA) says that the owner of the website is not responsible for the content given by its use on the site. This law protects newspapers, bloggers, and locations like YouTube, Yelp, and Craigslist. The 1986 Kept Public Services Act provided that before the government is entitled to information about the consumers of a web service, it must have a particular subpoena. Therefore, according to its international strategy and under these laws, Airbnb is claiming protection (Anon, 2017). Airbnb planned to make home-sharing groups; these groups are made to push the company's mission to the

government. In 2008, it was founded by three friends just to make money and to become one of the best travel brands in the world. These strategies help Airbnb to regain its lost reputation in three continents.

However, all would never again be spotless reviling for Airbnb. The business of Airbnb is booming currently in Europe, wherein Barcelona, Berlin, and, to a lesser volume, Paris is discovering a fresh out of the box new decisiveness in adapting to the blast of outing rentals. In the interim, the leaders of 10 noteworthy markets the world over are starting an endeavor weight to gather a typical reaction to the inconveniences that Airbnb brings. Such patterns are very much planned. Without them, accurate explorer reports might be sold at the cost of people who recall the greatest: genuine natives.

However, some voyagers can “remain there” sooner than Airbnb acknowledges that it has developed a mass tourism vehicle and that its clients are explorers; like various components of the vacationer endeavor, Airbnb has to wind up a double-edged sword. Guests get new stories and create in real money; however, as their numbers develop, they disintegrate the very climate wherein they lounge and undermine the bearableness of the town for occupants (Fox Business, 2017).

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