

Senedd Cymru | Welsh Parliament

Pwyllgor yr Economi, Masnach a Materion Gwledig | Economy, Trade, and Rural Affairs Committee

Bil Datblygu Twristiaeth a Rheoleiddio Llety Ymwelwyr (Cymru) | Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill

Evidence from Airbnb

1. What are your views on the general principles of the Bill, and whether there is a need for legislation to deliver the stated policy intention?

(We would be grateful if you could keep your answer to around 500 words).

Short-term lets are essential for tourism in Wales. In 2024, Airbnb facilitated more than 1.6 million nights booked and 490,000 inbound trips, contributing £345 million to the Welsh economy and supporting 5,336 jobs.

The typical Airbnb host shares just one listing for 31 nights a year and earns around £6,000 annually. Two thirds of our Welsh hosts are women. Many are retired or can no longer work. Four in ten of our UK hosts say the money they earn helps them afford to stay in their homes.

The vast majority of Airbnb guests enjoy a safe, positive experience. Negative incidents are extremely rare, with an average satisfaction rating of 4.9 stars out of 5 for trips to Wales. Our internal data shows that accommodation in Wales hosted on our platform enjoys a stronger safety record compared to other parts of the UK and across EMEA, both of which already have very high standards. Of the trips completed between January 2024 and October 2025, just 39 checkouts had a safety incident reported, equating to 0.004%. During this time, Wales had proportionally 40% fewer safety reports than average for the EMEA region, with no carbon monoxide incidents, no fire hazard reports, no electrical safety reports, and only a single reported gas incident.

Against this backdrop, licensing to regulate health and safety is a blunt and unnecessary tool that is grossly disproportionate to the potential risks faced by guests. There is no evidence that there are issues around the quality or safety of visitor accommodation in Wales that require the imposition of a bureaucratic licensing scheme. The scheme's requirements will impose disproportionate burdens on visitor accommodation providers (VAPs), particularly casual or occasional Airbnb hosts who top up their income by renting their property for a few nights a month, and act as a

powerful disincentive for those who are keen to make an economic and social contribution to Welsh tourism.

A licensing scheme is also not needed given the intention to introduce registration on all overnight accommodation in Wales. A registration system will tackle some of the most important problems facing the sector, which is a lack of data on the number, type and concentration of short-term lets. Registration will allow VAPs to be signposted to information about existing health and safety obligations and attest that they follow them. Data gathered from the scheme can be used by local authorities when investigating complaints and as part of an intelligence and evidence-led approach to enforcement. All this can be achieved without the cost and friction that licensing entails.

We strongly suggest that the Welsh Government withdraw this bill, particularly given the extremely limited timeframe that remains for proper scrutiny. Instead, they should wait until the registration system has been fully implemented, and use data from the scheme to inform whether there is evidence that supports further regulation of the sector. It is not appropriate to enact this bill without taking these steps.

2. What are your views on the Bill's provisions, including whether they are workable and will deliver the stated policy intention?

(We would be grateful if you could keep your answer to around 500 words).

The bill will create a licensing framework that is unnecessary and bureaucratic for hosts, while not achieving its stated intention.

Of particular concern is the shift (without meaningful consultation) from the 2023 proposals for instantaneous granting of a licence and registration number following upload of relevant health and safety documentation, and its replacement with an "apply and wait" model whereby every application and supporting documentation is manually checked. This is an outdated framework which does not reflect learnings from other jurisdictions, such as in Scotland where operators have faced waits of many months (and in some cases, up to a year) for a decision, leaving their businesses in limbo. Although we note comments from officials that AI could expedite the approval process, we have not seen any credible explanation of how this could work in practice.

We recommend that the Welsh Government adopt a more modern and frictionless approach whereby an accommodation provider is granted an automatic licence number on submission of the application with the required documents. This is an example of best practice internationally and is used in countries like France, Germany, Hungary and Greece. Automatic approval can be followed by random inspections or a risk-based approach to checks, and a right to rectify any mistakes before a licence is withdrawn.

The proposals in the bill to require annual renewal of licences is also problematic, considering that many visitors book stays months or more than a year in advance. It will create ongoing uncertainty for VAPs about whether they will be able to continue operating or honour future bookings, and place an additional administrative workload on them to re-apply on a yearly basis. Where annual licence renewals have been introduced, the licence validity period has often been extended for these reasons. Edinburgh recently amended its policy to allow for three-year licences rather than single-year ones after incurring similar issues. Annual renewal would make Wales an outlier in the UK and internationally. Should the Welsh Government proceed with this legislation, we suggest that it considers a longer length of licences, with three to five years being more appropriate.

The impact of annual renewals must also be seen in the context of a large number of regulatory interventions on short-term let hosts (who are mostly individual operators or small or micro businesses) in recent years, including registration, a requirement to collect and remit visitor levies, planning permission where Article 4 directions are introduced, potential new minimal energy efficiency standards, council tax premiums and increased business rates thresholds. All these have been introduced in close proximity to each other, without any consideration of the cumulative impact. The costs, time and administration required from all this risk being passed on to guests through higher prices, potentially making Wales a less competitive and attractive destination for domestic and international guests. For these reasons, we recommend that this bill is withdrawn until the registration scheme has been fully implemented, and a full analysis has been carried out into the health of the sector.

3. In your view, are there any potential barriers to the implementation of the Bill's provisions?

(We would be grateful if you could keep your answer to around 500 words).

We have extremely serious concerns about how the Welsh Government envisages the role of booking platforms and intermediaries when it comes to enforcement.

Under sections 46 and 47, the bill would make platforms (and their senior officers) liable for a VAP's failure to display an accurate registration number, to link to the visitor accommodation directory, and any other display requirements on their accommodation listing "in a form specified by Welsh ministers". These proposals were communicated to us at an extremely late stage (one week before introduction of the bill to the Senedd), with no prior consultation or discussion.

Platforms do not have the ability to determine whether a registration number inputted by an VAP is correct. While we note comments from the WRA that the register will be public and platforms could check whether the number on a listing matches the details

on the registration scheme, they do not appear to be familiar with the significant technical and resource difficulties involved in implementing this, which could have been highlighted had they requested input from us before publication of the bill.

The suggestion that platforms could validate registration numbers through API integration with the registration scheme (which has been informally put to us) would create significant difficulties for applicants, and be disproportionately burdensome and costly for both booking intermediaries, smaller VAPs who take direct bookings online, and the WRA (such a system requires hundreds of thousands of pounds annually to maintain on both sides). We would be happy to write to the Committee with more detail on why this proposal is technically unfeasible. We note the Welsh Government has previously accepted these arguments in earlier discussions with us around implementation of the registration scheme.

Imposing criminal liability on platforms and their officers, and introducing monitoring obligations is out of keeping with established practice in other jurisdictions which have introduced short-term lets regulation, including the Scottish licensing regime, the forthcoming registration scheme in England, and the EU STR Regulation. It is incompatible with well-established legal concepts around intermediary liability, which is fundamental to the effective functioning of digital markets and provides platforms with protections against general monitoring obligations.

We believe this can be rectified by amending the bill to ensure that liability for providing the correct information rests solely with the VAP. Criminal liability should sit only with those who have knowledge of the registration status of a particular premises and control over that property. Platforms can support by ensuring every in-scope listing on their platforms displays a registration number in a set format, to be agreed in consultation with the WRA.

While we oppose the bill overall, these changes would bring it more closely in line with international best practice, align with the approach anticipated for the registration scheme and with that taken in other jurisdictions, and avoid a situation whereby booking platforms are held criminally liable for activity under which they have no control. Without this, the bill could face legal challenges at an early stage.

4. Do you feel there will be any unintended consequences arising from the Bill?

(We would be grateful if you could keep your answer to around 500 words).

We are concerned at suggestions from some MSs that the scheme should be made even more restrictive than currently proposed, such as withdrawing licences due to complaints about parking, or requiring the approval of neighbours before granting a licence. Where jurisdictions have imposed overly restrictive licensing conditions that

add friction, cost, uncertainty and complexity for hosts, and subjective reasons for rejecting applications, the impact is invariably a loss of accommodation supply, the growth of an unregulated black market that operates off-platform, a less competitive market, a loss of tax revenue for the local economy and higher prices for guests.

The impact of licensing on the tourism economy can vary greatly based on the type and method of the scheme and how quick and easy it is to gain approval. We acknowledge some positive design aspects of the scheme that reflect learnings from mistakes in Scotland, such as a single, national set of rules, limiting the requirements to obtain a licence to steps which are already legal obligations, no variation between local authorities, and no ability to reject applications on speculative grounds. We also believe it is correct to exempt "spare rooms" and hosting in a primary residence, since these are very different types of accommodation experiences to hotels and stays in dedicated self-catering accommodation.

However, our initial and informal estimate at this stage suggests that the introduction of the kind of licensing framework envisaged in the bill could cost ordinary, everyday Welsh hosts between £4.5m to £15m in reduced income. Costs for the wider Welsh economy and hospitality sector are likely to be much higher and the potential harm to the Welsh tourism economy is at this stage immeasurable. We would draw attention to the experience in Scotland, where BiGGAR Economics has estimated a £57 million potential GVA loss in Edinburgh per 0.5% reduction in secondary short-term lets, with a broader national risk of £864 million to baseline GVA.

Finally, a consequence of targeting short-term lets in this way (increasing the difficulty of doing business, and adding extra administrative workloads, ultimately reducing supply and raising costs for visitors), will be to make hotels a more attractive option for travellers to Wales, meaning that it is large and international hotel chains who will most benefit from guest spending on accommodation, rather than smaller VAPs and local short-term let hosts where the money would stay in local communities.

5. What are your views on the Welsh Government's assessment of the financial and other impacts of the Bill as set out in Part 2 of the Explanatory Memorandum?

(We would be grateful if you could keep your answer to around 500 words).

We do not believe the impacts of the bill are properly captured in the explanatory memorandum.

The memorandum presents assumptions as fact, and makes bold statements to justify the need for licensing in Wales without providing data to back these up. For example, it states that residential landlords are switching to short-term lets because it is "easier". In fact, running a self-catering business is a very different activity to the private rented

sector, with the need to manage multiple changeovers a week, regular cleaning, more competitive marketing and dependence on tourist flows and the attractiveness of the local area for guests.

Likewise, the memorandum says that there is “anecdotal evidence” that some short-term lets are not meeting existing regulatory obligations. This is a weak foundation to build the case for licensing. We have not seen any credible research and evidence which demonstrates that licensing is needed to ensure health and safety in the sector. Our own data suggests the opposite.

The memorandum acknowledges that it is difficult to quantify the number of short-term lets and their role and impact on the tourism economy due to the lack of data. This reinforces our suggestion that the bill should be withdrawn, to allow evidence from the registration system to be utilised and inform any next steps around future regulation.

The memorandum also does not sufficiently capture the impact of the pivot towards an “apply and wait” form of licensing. The need to process tens of thousands of applications annually, with the review of hundreds of thousands of documents, is likely to impose a huge resource and administrative burden on the WRA, leading to delays for VAPs in securing their licence. This was seen in Scotland, where 11% of applicants were still pending determination 15-18 months after they were first submitted. The potential for business disruption and uncertainty for VAPs is significant, especially as the memorandum does not appear to set out any expectations on how long it will take for the scheme operator to process each application. Rent Smart Wales claims licences take up to eight weeks to determine, despite the fact that these applications are far less onerous than those proposed in this bill, with no document uploads, licences being valid for five years, and a far smaller number to process each year. It feels inconceivable that short-term let licences could be processed more quickly.

In addition, we question whether the average application fee of £75 per annum suggested in the memorandum is realistic. The fee for Rent Smart Wales is £254, despite being a simpler regime. Early estimates of licence fees made by the Scottish Government in 2021 suggested fees between £214 and £436. In reality, application fees in Edinburgh range from £653 and can reach up to £6,000 (the latter of which would wipe out the entire average earnings of a typical Airbnb host). As such, the bill appears to be proceeding on a false basis and we encourage the Committee to scrutinise this aspect in more detail.

6. What are your views on the appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Part 1: Chapter 5 of the Explanatory Memorandum)?

(We would be grateful if you could keep your answer to around 500 words).

The bill as drafted gives the Welsh Government too much discretionary power to alter or vary the scope of the scheme. For example, it gives wide powers to ministers to expand the scope of licensing to other accommodation types beyond those set out under section 5, to change requirements around public liability insurance, and to create additional conditions of obtaining a licence, including new obligations which are not currently legal requirements of operating a short-term let.

We are also concerned that giving ministers the discretionary power to require "training" as a condition of obtaining a licence is both unnecessary, and risks creating a much slower, bureaucratic and convoluted process than originally envisaged. There is no evidence that requiring mandatory training as a condition of holding a licence is needed, particularly given the already safe and high quality of accommodation in Wales which we have demonstrated in answer to previous questions. Completion of a training course (particularly one which is not yet defined) as a condition of issuing a licence would create a significant barrier, especially for casual or occasional Airbnb hosts, and reduce the ability of local authorities in Wales to quickly scale up provision to support major events or seasonal changes in demand for accommodation, all without achieving the stated intention of improving the safety of guest stays..

We therefore believe these clauses in the bill should be removed. Signposting VAPs to guidance about their obligations and sources of information and promoting a clear code of practice should be sufficient. At an absolute minimum, the ability of ministers to use these powers should be clarified so that no substantive changes to the requirements of obtaining a licence can be made except through subordinate legislation and only after first publishing a robust evidence base and undertaking public consultation.

Finally, the requirement on booking intermediaries to "include advice on how to access information regarding the premises on the visitor accommodation directory" is problematic, and we would welcome further clarity about what this would mean in practice, considering this would require product changes to global platforms. We question whether this is necessary, since a registration number would be clearly displayed anyway, and therefore indicate that a registration scheme is in place which a guest could look up if they were concerned or interested. We would highlight that, like the proposals around liability on platforms for the accuracy of registration numbers, no conversations took place about the feasibility, possibility or practicality of this requirement before the bill was published. Again, the powers that would be granted through this clause should only be enacted following proper consultation and communication with the platforms who will be affected.

7. Are there any other issues you would like to raise about the Bill and the Explanatory Memorandum or any related matters?

(We would be grateful if you could keep your answer to around 500 words).

Yes. We are strongly concerned about the accelerated timeline for passage of the bill, and the far more limited period for parliamentary scrutiny that it has been allocated compared to equivalent legislation. The Visitor Accommodation Regulation Bill, which establishes the registration scheme that will underpin the proposed licensing framework, was introduced on 25th November 2024 and spent 126 days in stage one proceedings. This was similar to the timeline given for consideration of other bills this session (for example, the Public Transport Bill spent 169 days and the Disused Mine and Quarry Tips Bill had 141 days in stage one). We understand the intention is for this bill to conclude stage one consideration by the end of December, meaning that it would have received fewer than 60 days of consideration by this Committee, less than half the time given to other bills.

Given the intention of Welsh Government officials to pass the legislation before next year's Senedd elections, this would allow a maximum of 157 days scrutiny for the bill (including the Christmas and Easter recess) before the pre-election recess on 8th April. This is almost half the 297 days between the Visitor Accommodation Regulation Bill being introduced and receiving royal assent, and substantially less than the 357 days that the Welsh Language and Education Bill spent in the Senedd.

Another illustration of this is that turnaround for written evidence on the bill has been extremely short (for example, the stage one consultation on the Visitor Accommodation Bill opened on 25th November 2024 and accepted submissions until 10th January 2025, giving 47 days to respond. This current exercise opened on 3rd November, with a submission deadline of 17th November giving just 15 days to reply on proposals that are far more consequential than the earlier legislation.

These timelines feel excessively rushed, particularly given that the bill will introduce major legal obligations on VAPs, create a new framework which may restrict their ability to continue operating, impose criminal penalties for non-compliance, and apply a new regime on online platforms for enforcement that is out of keeping with international legal principles.

The impact on scrutiny is more important given that Welsh Government officials appear to be relying on the Senedd to address some of the open questions and the uncertainties and unresolved issues stemming from loose drafting of the bill. One example of this is that when we raised serious issues about the feasibility and practicality of the WRA's suggestions around how platforms might confirm the validity of registration numbers, we were simply told that we should "take it to the Senedd".

We again reiterate our strong recommendation that this bill should be withdrawn until the registration scheme is fully implemented, following which it should only be brought back following robust consultation and clear, reliable and unambiguous evidence that

licensing is needed to ensure the safety and quality of short-term let accommodation in Wales.