

The Airbnb backlash has begun as the company becomes part of the mob-tourism problem. Investors beware



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Protesters take part in a demonstration to protest against the massification of tourism and housing prices in Malaga on June 29. The banner reads 'Airbnb out of our neighbourhood.'

JORGE GUERRERO/GETTY IMAGES

What are the trademark sounds and sights of Rome? In the era of mass tourism, I no longer associate the city with the tinkle of water in its glorious fountains. Instead, I think of the clatter of wheeled suitcases as they are dragged along cobblestone streets. And the sights? I see lockboxes everywhere, many attached to the lovely, elegantly decayed wooden doors in the historic centre. They contain the keys to the ubiquitous Airbnb apartments and those of other short-term rental businesses.

I am not the only European resident of a popular city who is growing weary of the mob scene. The long, hot summer of 2024 in southern Europe may be remembered as the summer when several cities got fed up with the type of mass tourism that, at one point, turned [Airbnb](#) into a US\$100-billion company.

A few weeks ago, for instance, tens of thousands of protesters took to the streets of some of [Spain's most popular destinations](#) – among them Málaga, Mallorca, Gran Canaria and Granada – to call for curbs on mass tourism, including Airbnb rentals. Locals were so enraged by the onslaught of tourists that they used water pistols to spray them. They carried signs that read “Tourists go home” and “You are not welcome here.” The doors of some short-term rental apartments were plastered with stickers that said, “A family used to live here.”

Cities everywhere are putting curbs on Airbnb rentals, and not just in Europe. New York is effectively banning short-term rentals. In Valencia, Spain, the government plans to shut down all its 10,000 short-let tourist apartments by 2028. In Florence, no new short-term rental licences are being issued. In Rome, where I live, there are essentially no controls on Airbnbs, but they will come since the locals are becoming angry and have taken to the streets to protest, though not in the same numbers as their Spanish counterparts.

Short-term rental businesses – Airbnb is the biggest, VRBO a distant second in many cities – are about to get hit by a combination of government regulations and oversupply in some markets. This scenario was inevitable, and tougher regulations are welcome, if too late. The proliferation of Airbnbs is being blamed for everything from raising house-purchase and rental prices, hurting local residents, especially students, to degrading the character of lovely old cities.

Rome, in my view, is becoming the new Venice, Florence or Barcelona, where the locals are leaving in droves because they can't afford to stay put; or they succumb to greed and list their apartments on Airbnb as they flee to the suburbs. Historic centres are being hollowed-out, losing their character and their utility for everyday life. Hardware, dry cleaner and tailors are replaced by down-market pizzerias, noisy bars and stores selling cheap, Chinese-made tat such as fake Venetian glassware.

The performance of Airbnb seems to reflect the growing backlash against short-term rentals. The shares are down 8 per cent in the past 12 months and are

well off their 2024 high of US\$170.10, reached in March. Today they are trading at about US\$115, giving the company a market value on the Nasdaq of US\$74-billion.

[Airbnb forecasts lower third-quarter revenue as economic worries slow demand](#)
[Thorben Wieditz: Airbnbs only a tiny share of potential long-term housing? Still a problem](#)

The business model of Airbnb rests on never-ending expansion. The more Airbnbs, the more fees earned by the company. Its website says that it generally collects a service fee of 14 per cent, on top of the nightly rate, and also takes 3 per cent from most “hosts” – the owners or leaseholders on the apartments listed on the company’s site. The fees lavished the company with net profits of US\$4.8-billion in 2023, up 153 per cent from the previous year, and free cash flow of US\$3.8-billion.

Airbnb’s growth has yet to flatline. In February, the company said that it had more than 7.7 million listings around the world, up 18 per cent over the end of 2022. But how long can this double-digit growth last as the mass tourism backlash picks up momentum and governments everywhere consider Airbnb too much of a good thing?

Airbnb is still galloping ahead in certain parts of the world, notably Latin America and Asia-Pacific, but I suspect the tightening regulations and general public weariness, even anger, at mass tourism will slow, perhaps eliminate the company’s growth in Europe and North America in the not-too-distant future.

Airbnb itself has already hinted that it is looking for a second act. When it revealed its 2023 results, it said it believes that “now is the time for us to expand beyond our core business and reinvent Airbnb.”

What next? Using artificial intelligence and its immense database, anything is possible, from dating sites to financial services. Whatever comes, you can bet it will be disruptive, then possibly annoying.

None of my friends who live in Rome’s historic centre want to see Airbnb thrive. They want it to apologize for cluttering their streets and piazzas with armies of strangers. My artist friend Chiara Rapaccini finds living in Monti, the once authentic Roman village-like neighbourhood near the Colosseum, virtually unbearable. As Airbnbs take over her street, and noisy, late-night bars

crammed with tourists open below her apartment, she often finds herself dragging a mattress into her kitchen at the back of her place to escape the noise.

“It’s all about money, money, money, not preservation. More tourism, more alcohol, more Airbnbs. I am so sad about this,” she told me.

<https://www.theglobeandmail.com/business/commentary/article-the-airbnb-backlash-has-begun-as-the-company-becomes-part-of-the-mob/>

I have never felt comfortable with Airbnb. It just doesn’t seem right.

Eric, again, gives us something good here. We, the affluent, mostly in the North, continue to trample all things good that could redeem us as a species. Tourism has become a curse. Yet even the lower middle-class feels entitled to a week or two “all inclusive” in Mexico—and the working poor in Mexico, cleaning their rooms and, as a curmudgeon fellow I know puts it, “dancing for their nickels” desperately want them to keep coming bringing their cousins with them. They even feel they ‘need it” to endure their stressful jobs and harried lives back home. Life on this planet has gotten so badly bent out of shape with no hope of deliverance from this travesty save for an eventual cataclysmic decline yielding, maybe, millennia later, some kind of recovery of civilization. This ecologically, socially, and psychologically dysfunctional decline has long been set irreversibly in motion; it is only obscured (sort of) by the propaganda of those still profiting from it. They don’t believe they personally will drown as the Titanic sinks; the band may be playing, but they have long known they needed to have a (luxury) life raft of their own in waiting for the encounter with the final iceberg. Will there be a “private island” they can retreat to indefinitely? The wealthy of all degrees and persuasions have always been our curse as a species, making messes wherever and however necessary to get rich while enjoying the spoils of their profiteering elsewhere far away from the carnage.

As Sarah Smarsh put it, musing upon what had kept her people going on their squirrel cage treadmills so long, in *Heartland: A Memoir of Working Hard and being Broke In The Richest Country on Earth* (2018, p. 273): “It wasn’t that I had been wrong to be suspicious of government programs, I realized I had been wrong to believe in the American Dream. They were two sides of the same trick coin—one promising a good life in exchange for your labor and the other keeping you just alive enough to go on laboring.”

TJB