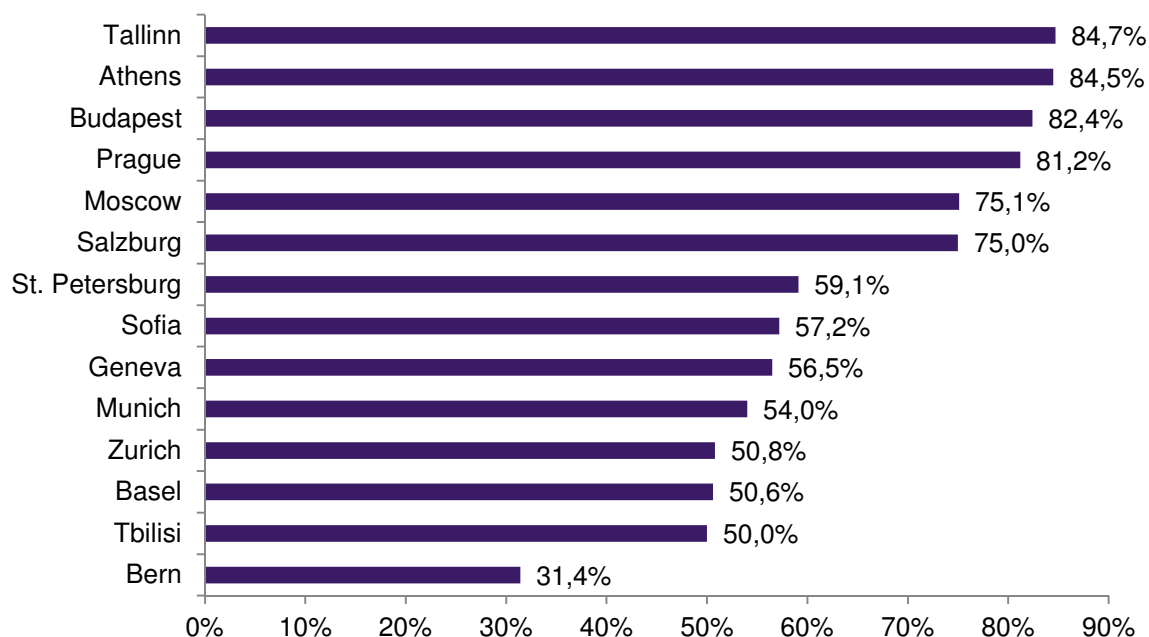


## AIRBNB - THE CONCEPT OF "AIR-MATTRESS AND BREAKFAST" IS BECOMING MORE AND MORE SUCCESSFUL IN THE REAL ESTATE INDUSTRY! AN UPDATE:

The successful website airbnb is always categorized in the "Sharing Community". In reality, airbnb has become more and more a renting platform for apartments – and this is creating competition with the hotel industry.

Airbnb has less to do with "sharing" in recent times. More and more empty apartments (not rooms in flats where you have a local contact etc.) are offered to the clients and this segment (entire place) is continuously being discovered by the real estate industry and partly outsourced to service providers. The product of airbnb therefore loses its originality, its "appeal".

**Apartments in % offered airbnb accommodations per city**



Source: Research Kohl & Partner Switzerland – March 2015

Region	Number shared rooms
Tallinn	7
Athens	20
Budapest	58
Prague	51
Moscow	208
Salzburg	10

It all started with air mattresses and breakfast in San Francisco: locals shared their rooms with visitors in order to keep rent cheap.

Today, this market is in the hands of the portal [www.couchsurfing.com](http://www.couchsurfing.com), which can also reach the appropriate clientele. Airbnb's clients tend to be older (although not old) and brings the segments of families, weekend-breakers and also business guest with them.

The rooms offered to share are, in all surveyed cities, fewer than 5% and are losing demand. We also

Region	Number shared rooms
St. Petersburg	178
Sofia	16
Geneva	10
Munich	132
Zurich	27
Basel	12
Tbilisi	27
Bern	23

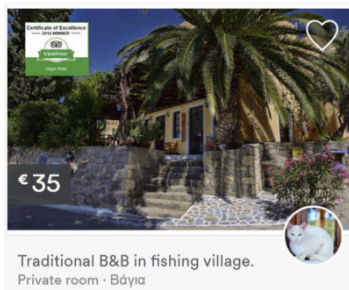
followed the occupancies of the different room types in different cities and found that the occupancy in the shared rooms is the by far the lowest.

Airbnb for us is not a Sharing Community anymore – it has increasingly become a product of the Real Estate Agencies. The airbnb product has become commercialized. People deal with the renting out of their flats professionally. Professionals take the pictures for you, place them on the portal, deal with the clients and organize the cleaning of the apartment. Often such hosts have more than 100 apartments under their control.

This trend started mainly in Eastern European countries two years ago and is now spreading to Central Europe. Airbnb has become used to political pressure from other countries and cities. Los Angeles, Amsterdam, Paris and Berlin are known towns that already had legal disputes with airbnb. According to press reports and information received in several of these cities, airbnb visitors also pay Tourism tax, like a hotel guest. In many central European countries this is a current political issue – but not in Eastern and South Eastern Europe where the airbnb market is actually even larger and more competitive to the local hotel industry.

We assume that the trend cannot be stopped and that airbnb will continue to grow – but we also recommend that local hotel associations fight for equal rights between the renter of the apartments and the local hotel industry.

### New Distribution Channel?



Besides its part in the "Sharing Community" (private and shared rooms), airbnb increasingly has become part of a sales channel for supplementary accommodation, mainly apartments.

In addition, we note a trend that more and more formal B & B Hotels are using the airbnb website as a direct sales channel and gain either an additional market or cheaper commission rates (The commission rate for airbnb, depending on the country, is between 6-12%).

### Airbnb with Yield Management?

Based on our research, airbnb renters are beginning to work more with some kind of yield management and increase the prices in accordance with the expected demand. The prices for rooms during fairs/exhibitions are higher and there are often additional apartments and private rooms coming on the market. From a tourism perspective, it makes sense that necessary room capacities for a special occasion can be compensated with these new products.

Kohl & Partner will continue to follow this trend and do ongoing surveys in different cities. We will keep you updated in our following newsletters.

### Short company profile "Kohl & Partner"

Kohl & Partner is an **independent and internationally operating** consulting company, specialized in the field of hotel and tourism development.

Kohl & Partner is the **leading tourism consulting company in the Alpine Region**, one of the most developed tourism regions in the world. Furthermore Kohl & Partner has implemented projects in more than 20 countries, has a broad network of local partners and contacts and is therefore one of the biggest companies with this specialization in Europe. Clients of Kohl & Partner range from famous tourism destinations, leading companies, public authorities to well-known investors. Our tourism know-how, combined with **more than 30 years of experience** in the field of tourism development gives us the ability to act as a reliable partner for the development of international tourism projects.

**Kohl & Partner means „quality in tourism“.** The company is being developed and managed according to the EFQM-Modell for Business Excellence and won the “Austrian Quality Award” (a competition of the Austrian Ministry of Economics) for SMEs in Austria. Furthermore Kohl & Partner is an affiliate member of the UN World Tourism Organization and works in accordance with international consulting standards.

Beside the German speaking markets we put a special focus on Central, Eastern and Southeastern Europe. Currently we have **offices and local contacts in eleven countries** (Albania, Austria, Bulgaria, Germany, Hungary, Italy, Macedonia, Romania, Russia, Switzerland and Turkey). In total more than 40 professionals are employed at Kohl & Partner.

#### **The core business areas of Kohl & Partner**



**HOTELS & RESORTS**



**TOURISM INFRASTRUCTURE**



**TOURISM DESTINATIONS**

#### **“Kohl & Partner” Newsletter**

Kohl & Partner regularly publishes a newsletter to current topics in tourism. To register for the newsletter please visit our homepage **[www.kohl-int.com](http://www.kohl-int.com)**.