

UNIVERSIDAD ESAN



**NAVIGATING REGULATIONS: ADAPTATION STRATEGIES OF AIRBNB  
HOST IN BARCELONA**

**In collaboration with:**



Master International Management  
Université Catholique de Lille  
Lille, France

**Thesis presented in partial satisfaction of the requirements to obtain the degree of  
*Maestro en Gestión Empresarial* by:**

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**Master Program at ESAN: *Maestría en Gestión Empresarial 07***

**Lima, 22 August 28, 2025**

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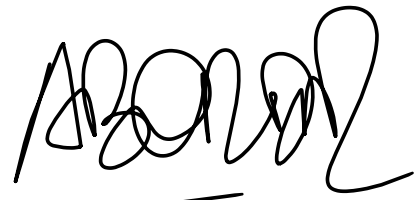
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III

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A merger of four major appliance chains in Peru with 122 stores nationwide.

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Logistics Assistant – Misky Sonko S.A.C. **2018**

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# INDEX

1)	Executive Summary.....	8
2)	Introduction .....	11
3)	Literature Review .....	14
4)	Methodology.....	32
5)	Results .....	37
6)	Discussion.....	76
7)	Conclusion.....	92

## **1) Executive Summary**

This study introduces a more specialized level of analysis in the field of short-term rental research by placing the host at the center of inquiry and exploring the so-called “grey zone,” where formal, informal, and semi-formal practices coexist. In contrast to most existing works, which primarily focus on the negative impacts associated with tourism demand, community perceptions, or governmental responses, this research examines the mechanisms of creative adaptation developed by hosts in response to regulatory pressures.

This approach adds significant value by identifying regulatory gaps, explaining economic adjustment strategies, and revealing dynamics that influence both the regulated and unregulated markets. Furthermore, it equips policymakers with tools to design more effective frameworks; provides hosts with a clearer understanding of their legal and economic positioning; and offers communities a more nuanced perspective on the structural factors contributing to housing pressures, challenging the oversimplified narrative that attributes these issues solely to tourism.

The findings also highlight that market reconfiguration creates potential business opportunities within the tourism and hospitality sectors, including complementary services such as breakfasts, dinners, guided tours, local activities, and even ancillary supply chains (cleaning, maintenance, property management). These opportunities not only diversify hosts’ income streams but also generate added value for both visitors and the local economy.

The research employed a mixed-methods design. Qualitatively, eight unstructured interviews were conducted with property owners, subletters, and intermediaries to explore their adaptation strategies and perceptions of the regulatory landscape. Quantitatively, InsideAirbnb data from 2009 to 2024 were analyzed to assess changes in listing types, pricing, host concentration, and licensing status. This methodological integration enabled the identification of key regulatory milestones and their effects on supply, pricing dynamics, and the informalization of the market.

The results demonstrate that, while regulatory enforcement in Barcelona has reduced the visibility of certain segments, particularly entire-unit rentals in central districts, it has not eradicated activity. Instead, it has reshaped the market toward medium-term stays, private room rentals, and alternative booking channels such as WhatsApp and Facebook. Licensed hosts reported declining profit margins due to taxes, license fees, and operational restrictions, often responding by increasing prices or diversifying their offerings to sustain profitability.

Finally, the findings of this research carry practical implications for multiple key stakeholders. For governments, Barcelona serves as a critical case study, illustrating how fragmented and reactive regulation can create inconsistencies: while demand remains constant, supply adapts through loopholes and informal channels. This underscores the need for more structured and comprehensive plans that include host education, clearer consumer rights, and regulatory frameworks tailored to different types of activity, whether individual, medium-scale, or professional.

For hosts, this study provides a reference point to better understand the actual impact of regulation on profitability and how adopting strategic adaptation measures can balance

economic opportunity with legal obligations. Moreover, it reveals that the regulatory process also opens commercial opportunities connected to tourism and hospitality, such as the provision of complementary services (breakfasts, dinners, guided experiences), allowing hosts to diversify income and increase competitiveness.

For local communities, this research challenges the narrative that solely blames “tourists” for housing crises, showing instead that these are systemic failures requiring informed governance and active neighborhood participation. Ultimately, understanding these dynamics enables emerging tourist destinations to anticipate challenges, demand more transparent policies, and avoid the severe disruptions experienced in Barcelona.

## **2) Introduction**

The emergence of short-term rental (STR) platforms has reshaped urban housing dynamics in major cities worldwide. Among them, Barcelona stands out as a city that has both benefited and suffered from the rise of platforms such as Airbnb. Initially embraced as a tool for economic innovation and tourism promotion, the widespread use of STRs has also contributed to housing shortages, neighborhood conflicts, and rising living costs. In response, the city has introduced increasingly strict regulations aimed at protecting housing access and maintaining social cohesion.

Airbnb, the leading platform in the STR industry, has positioned itself at the intersection of tourism, housing, and the digital economy. It allows individuals to rent out entire properties or single rooms to travelers, often at a lower cost than traditional hotels. While Airbnb promotes itself as part of the “sharing economy,” offering authentic local experiences and economic opportunities, critics argue that it has accelerated gentrification, reduced long-term housing availability, and fueled informal or illegal activity.

In Barcelona, the regulatory response has been especially strong. Since 2011, the city has implemented a series of measures, including mandatory licenses, zoning restrictions, and platform accountability requirements, intended to curb the negative effects of STRs. More recently, the local government announced a full ban on short-term rental licenses by 2028. These interventions have aimed to rebalance the relationship between tourism and residential stability, but they have also generated uncertainty and economic tension among hosts. While some owners have complied with the law, others have shifted their strategies, turned to informal channels, or exited the platform altogether.

This thesis examines how Airbnb hosts in Barcelona have adapted to the evolving regulatory landscape and how these changes have affected their economic outcomes. By combining qualitative interviews with property owners and rental professionals, along with a quantitative analysis of InsideAirbnb data, the research explores not only the formal consequences of regulation, but also the informal responses that operate beneath the surface. In doing so, the study aims to uncover the strategies that hosts employ to continue operating, the perceived or actual illegality of these actions, and the broader implications for the urban short-term rental economy.

The theoretical foundation of this research is grounded in the concepts of platform capitalism, informal labor, and urban regulation. Previous literature has examined how platforms like Airbnb contribute to new forms of digital entrepreneurship while simultaneously disrupting housing markets and bypassing traditional regulatory systems. Scholars such as Rozena & Lees (2023), Cocola-Gant (2016), and Spangler (2020) have highlighted how hosts often operate within ambiguous legal frameworks and how regulations can lead to unintended consequences, such as informalization or displacement to less visible markets.

In this context, the present study addresses the following research problem: *How have Airbnb hosts in Barcelona adapted to short-term rental regulations, and what economic consequences have these adaptations produced?*

To guide this investigation, the following research objectives were established:

- To explore the strategies that Airbnb hosts adopt to adapt to regulations in Barcelona.

- To investigate whether some of these strategies border on or cross into illegality.
- To assess the influence of regulations on the economic revenues of hosts.
- To observe changes in prices and availability of listings on the platform over time.
- To consider whether the current regulations have truly reduced the number of short-term rental listings or merely displaced them into less visible formats.

This study adopts a mixed-methods approach. The qualitative component is based on unstructured interviews with Airbnb hosts and intermediaries in Barcelona, offering insight into the daily experiences, frustrations, and adjustments of actors navigating a complex regulatory system. The quantitative analysis uses InsideAirbnb data to track trends in listing categories, price dynamics, license status, and host concentration. The integration of these two perspectives enables a fuller understanding of the impact of public policy on a highly adaptive and decentralized market.

Ultimately, this study introduces a more specialized level of analysis in the field of short-term rental research by focusing on the figure of the host and the so-called ‘grey zone,’ where formal, informal, and semi-formal practices coexist. Unlike most existing works, which primarily examine the negative impacts related to tourism demand, community perceptions, or governmental responses, this research unveils the mechanisms of “creative adaptation” that hosts develop in response to regulations. This perspective adds value by identifying regulatory gaps, explaining economic adjustment strategies, and highlighting dynamics that directly affect both the formal and informal markets.

Furthermore, it provides policymakers with tools to design more effective regulatory frameworks, offers hosts a clearer understanding of their legal and economic positioning, and gives communities a broader perspective on the structural factors influencing housing pressures, beyond the oversimplified view that places the blame solely on tourism. In addition, the analysis reveals that market reconfiguration opens new business opportunities linked to the tourism sector, such as food services (breakfasts, dinners) or complementary experiences (tours, local activities), which may serve as alternative income streams for hosts.

### **3) Literature Review**

Airbnb is a digital platform that connects hosts offering short-term accommodations with travelers seeking temporary lodging. Its business model relies on the principles of the collaborative economy, allowing property owners to monetize unused or underutilized spaces (Airbnb, 2024). Since its founding in 2008, Airbnb has grown to become a transformative force in the global tourism and housing markets, offering an alternative to traditional hotel accommodations. For many potential customers, Airbnb offers a personalized, often lower-cost alternative to hotels. The ability to stay in residential neighborhoods provides tourists with an authentic local experience, which has become a key selling point for platforms like Airbnb (Rozena & Lees, 2023).

For hosts, Airbnb represents an opportunity to generate supplemental income or, in some cases, a primary revenue stream. Guests benefit from the flexibility and often lower cost compared to conventional hotels, as well as the promise of experiencing destinations "like a local" (Rozena & Lees, 2023). However, the platform's rapid growth has also introduced

significant challenges to local economies, including rising housing costs and gentrification.

It has been observed in various studies that, despite the usefulness and innovation brought by platforms like Airbnb, they have begun to operate and impact essential infrastructures in the lives of local residents. These platforms have become indispensable for fundamental activities and services in society, such as transportation, communication, purchasing goods and services, among others. However, scholars point out that these platforms also operate in discriminatory ways and that their functioning can undermine public values and collective well-being. This is evident in how they prioritize private profits at the expense of inclusion and universal access (Plantin and Punathambekar 2019, Monahan 2020).

Airbnb's influence extends beyond individual hosts and guests, significantly affecting local housing markets and urban economies. While it provides income opportunities for property owners, it often exacerbates housing affordability issues by converting residential units into short-term rentals (STRs). This dynamic has been particularly evident in tourist-heavy cities like Barcelona, where Airbnb listings have increased citywide rents by 1.9%, with spikes of up to 7% in central areas (Garcia-López et al., 2020), or Japan, where STRs exacerbate the "rent gap," incentivizing landlords to convert long-term residential units into more profitable tourist accommodations, which intensifies housing shortages (Kondo & Miyamae, 2022).

There are notable contradictions in the narratives presented by stakeholders. While companies emphasize the benefits of these platforms, such as offering "authentic" cultural

experiences and supporting local economies, there is significant criticism regarding their less visible negative effects on communities, in addition to driving up housing prices.

One key issue is the erosion of community bonds, as homes transformed into hotels disrupt neighborhood dynamics, turning neighbors into strangers. Another concern is real estate speculation, where investors have embraced the short-term rental model. This has also influenced the construction of buildings with smaller units, designed to maximize the use of space for rental purposes (Torin, 2021).

Moreover, the platform has contributed to the phenomenon of gentrification, displacing long-term residents and altering the socio-cultural fabric of neighborhoods. In London, for instance, the transient nature of Airbnb guests has disrupted community cohesion, leading to what some scholars have termed "Airbnbification" (Rozena & Lees, 2023). In Barcelona, the platform has become a major economic contributor, generating revenue not only for individual hosts but also for the broader tourism ecosystem, including restaurants, transportation services, and local attractions (Garcia-López et al., 2020).

The rise of platforms like Airbnb has been linked to a range of significant social and economic consequences, including heightened gentrification, the displacement of long-term residents, instances of racial discrimination, and a reduction in municipal tax revenues critical for funding essential public services. These issues highlight the broader implications of short-term rental platforms on urban environments, raising concerns about their role in exacerbating existing inequalities and challenging the ability of cities to maintain equitable and sustainable communities (Torin, 2021).

From the hosts' perspective, Airbnb often represents a vital economic resource. Studies reveal that many property owners view the platform as a solution for generating supplemental income, with some relying on it as their primary source of revenue (Spangler, 2019; Hur & Lee, 2024). Some other property owners see Airbnb as a platform for small-scale entrepreneurship, enabling individuals to enter the tourism and hospitality industry without significant capital investment. This democratization of hosting appeals to many, particularly in cities with high unemployment or economic stagnation (Rozena & Lees, 2023).

Hosts frequently argue that the additional income helps cover mortgages, property taxes, and other expenses, thus enabling them to retain ownership of their properties. However, perceptions of Airbnb's broader impacts vary. While some hosts acknowledge their role in housing market disruptions, others focus on the financial benefits without fully recognizing the implications for community cohesion or housing availability. In London, for example, hosts often prioritize maximizing profits, even when aware of the negative effects on their neighborhoods (Rozena & Lees, 2023).

Recognizing the challenges posed by STRs, many cities have implemented regulations to mitigate their negative effects. However, the effectiveness of these measures varies widely:

We can see that in cities like Amsterdam and Berlin, the government has adopted strict caps on rental days and mandatory registration systems to curb STR growth and address housing shortages (Hübscher, 2022). In Canada, regulatory frameworks are uneven, with cities like Toronto enforcing stringent measures while smaller communities struggle with inadequate policy responses (Combs, 2020).

Regulations often produce mixed economic outcomes. In Bordeaux, a compensation rule requiring property owners to purchase additional properties for STR activity successfully reduced listings and preserved long-term housing but also shifted STR activities to adjacent areas (Robertson et al., 2024). Similarly, in New Orleans, restrictions in the French Quarter decreased STR listings but increased activity in nearby neighborhoods, illustrating the redistribution effects of localized policies (Maxence, 2021).

In cities like Barcelona and Los Angeles, STR regulations have been partially successful in curbing rent increases and preserving affordable housing. However, these measures have often fallen short of addressing the broader socio-economic transformations driven by platforms like Airbnb (Garcia-López et al., 2020; Koster et al., 2021).

**Table 1:** *Comparison of STR Regulations in Major Cities*

<b>Country/City</b>	<b>Regulation</b>
Barcelona	Caps on rental days; mandatory registration for hosts (Garcia-López et al., 2020)
Los Angeles	Restrictions on vacation rentals; limits on rental days and number of properties (Koster et al., 2021)
Berlin	Ban on secondary residences as STRs; mandatory host registration (Duso et al., 2020)
Amsterdam	Caps on rental days; strict enforcement of illegal STRs (Hübscher, 2022)
London	90-day annual limit on STRs; hosts must register with the city (Hübscher, 2022)

Bordeaux	Compensation rule requiring property owners to acquire additional properties for STR activity (Robertson et al., 2024)
New Orleans	Ban on STRs in the French Quarter; spillover effects in adjacent neighborhoods (Maxence, 2021)
Toronto	Strict measures in urban centers; uneven enforcement in smaller communities (Combs, 2020)
Madrid	Attempts to curb STRs in historical neighborhoods; limited success in controlling gentrification (Ardura et al., 2023)
Crete	STRs concentrated in tourist-heavy zones; regulations focus on limiting entire home/apartment rentals (Herte & Badulescu, 2023)

Source: Own elaboration based on Hübscher (2022), Garcia-López et al. (2020), Koster et al. (2021), and others.

Cities worldwide have responded to the rapid growth of short-term rental platforms by implementing regulations designed to limit their impact on housing markets. Amsterdam, Berlin, and London, for example, have introduced strict caps on rental days and mandatory host registration to prevent residential properties from being repurposed as full-time tourist accommodations (Hübscher & Kallert, 2023). However, instead of discouraging participation, these restrictions have driven many property owners to bypass legal channels entirely, renting their units through unofficial networks, private listings, and encrypted platforms.

Regulatory enforcement remains a key challenge. In Montreal, reports indicate that less than 5% of Airbnb hosts adhere to licensing and taxation requirements, leading to significant financial losses for local governments

(Combs et al., 2020). Similarly, in London, entire buildings have been surreptitiously converted into short-term rental hubs, operating outside of the regulatory framework while continuing to attract high-paying tourists (Rozena & Lees, 2023). The methods used to operate illegal short-term rentals vary by city. In London, property owners employ key lockboxes at undisclosed locations, enabling guests to check in without physical interaction, making enforcement difficult (Rozena & Lees, 2023). In New Orleans, enforcement crackdowns in central tourist districts have led to an uptick in illicit listings in surrounding areas where municipal oversight is weaker (Valentin, 2021). In Canada, unauthorized Airbnb rentals have further intensified the nation's housing crisis by reducing the availability of long-term rental units (Combs et al., 2020).

The proliferation of illegal short-term rentals significantly impacts urban housing markets, driving up costs and displacing long-term residents. In Kensington, London, for example, rising rental prices have forced many residents out of their neighborhoods as landlords prioritize lucrative short-term leases (Rozena & Lees, 2023). This shift has accelerated gentrification, eroding community cohesion and altering the socio-economic makeup of entire districts.

Furthermore, cities are experiencing financial repercussions due to the inability to collect taxes from unregulated listings. Municipalities lose millions in potential revenue, funds that could otherwise support infrastructure, social services, and housing initiatives (Combs et al., 2020). In addition, the lack of oversight raises safety concerns, as properties that do not

adhere to zoning laws, fire codes, and health regulations pose risks to both guests and local communities.

To counteract the rise of illegal Airbnb rentals, some cities have embraced technology-driven monitoring systems (Bekkerman et al., 2021). AI-powered software can track rental activity across multiple platforms, identifying suspicious listings and enforcing compliance. In cities like Paris and New York, authorities have mandated that Airbnb provide host data to improve regulatory oversight, though these measures have had mixed success depending on enforcement capacity and political will.

Moving forward, balancing the economic benefits of short-term rentals with the necessity of maintaining affordable housing and urban stability remains a challenge. The economic impact of government regulations on STR platforms like Airbnb is multifaceted. These outcomes highlight the importance of adaptive and context-specific regulatory strategies.

## **2.1) Context of the research**

### **2.1.1) Spain**

Before the implementation of specific regulations for platforms like Airbnb, Spain experienced exponential growth in the short-term vacation rental market. This phenomenon was largely driven by the country's popularity as a tourist destination, with cities like Barcelona, Madrid, and Valencia attracting millions of visitors each year. Airbnb and similar platforms provided property owners with a lucrative opportunity to monetize vacant or underutilized properties, leading to a significant increase in the number of short-term rental listings.

However, this growth was not without negative consequences. Studies indicate that the surge in vacation rentals contributed to rising housing prices in urban areas, exacerbating the shortage of affordable housing and accelerating gentrification processes. For example, in cities like Barcelona, it was estimated that Airbnb listings increased residential rents by an average of 1.9%, with hikes of up to 7% in central areas (Garcia-López et al., 2020). Additionally, the lack of regulation allowed many property owners to operate without licenses, raising concerns about consumer safety and loss of tax revenue for local governments.

In response to these challenges, the Spanish government and local authorities began implementing stricter regulations to control the impact of vacation rentals. In 2017, the central government passed the Ley de Arrendamientos Urbanos (Urban Leasing Law), granting autonomous communities and municipalities the power to regulate vacation rentals more effectively. This included imposing limits on the number of days a property could be rented, requiring specific licenses, and banning whole-home rentals in certain areas (Ardura et al., 2023).

At the local level, cities like Barcelona, Madrid, and Valencia adopted additional measures. For instance, in Barcelona, a 30-day annual limit was established for renting entire homes to tourists, and a mandatory registration system for property owners was introduced (Garcia-López et al., 2020). These regulations aimed to balance the economic benefits of tourism with the need to preserve affordable housing access for local residents.

Despite these measures, results have been mixed. Some studies suggest that the regulations have successfully reduced the number of Airbnb listings in central areas but have also led to increased activity in peripheral or unregulated zones (Robertson et al.,

2024). Additionally, reports indicate that some property owners continue to operate illegally, circumventing regulations and undermining local authorities' efforts (Torin, 2021).

### **2.1.2) Barcelona**

Barcelona, as one of Europe's most popular tourist destinations, was among the first cities to experience the massive impact of short-term vacation rentals. Before the implementation of strict regulations, the city saw an exponential increase in Airbnb listings, with more than 20,000 properties available for vacation rental in 2016 (Garcia-López et al., 2020). This surge had a significant impact on the housing market, driving up residential rental prices and reducing the availability of long-term housing.

Moreover, the rise in short-term rentals contributed to the gentrification of historic neighborhoods such as El Gòtic and El Raval, where many residents were displaced due to increasing prices and the transformation of residential housing into tourist accommodations (Rozena & Lees, 2023). The lack of regulation also led to tensions between local residents and tourists, sparking protests and social movements demanding stricter control over mass tourism (Smith, 2023).

According to the Barcelona City Council, the regulatory framework for short-term rentals was first established in 2011, when the city made it mandatory to obtain a tourist rental license to rent out properties to visitors (Ajuntament de Barcelona, 2011). This measure aimed to ensure that properties met habitability and safety standards and were registered with the Catalonia Tourism Registry. However, the rapid increase in tourist

accommodations led to the implementation of more restrictive measures in the following years.

In 2014, Barcelona banned the issuance of new tourist rental licenses, a decision intended to curb the uncontrolled growth of short-term rentals (Ajuntament de Barcelona, 2014). This restriction was reinforced in 2017 with the adoption of the Special Urban Plan for Tourist Accommodations (PEUAT), which established zoning regulations that limited the expansion of new short-term rentals in areas already experiencing a high concentration of tourist accommodations (Ajuntament de Barcelona, 2017).

Under the Special Urban Plan for Tourist Accommodations (PEUAT), Barcelona is divided into different zones regulating tourist accommodations (Ajuntament de Barcelona, 2017):

- Restricted Zones (Zone 1 "Zero Growth"): Includes central areas with high tourist density, such as Ciutat Vella, Eixample, Gràcia, and Poble-sec, where no new licenses are issued, and only existing ones may be renewed.
- Containment Zones (Zone 2): Areas with moderate tourism pressure, where opening new rentals is highly restricted and subject to specific conditions.
- Permitted Zones (Zones 3 and 4 – "Regulated Expansion"): New licenses are allowed under strict controls to ensure a balanced growth of tourism accommodations without negatively affecting long-term housing supply.

Further restrictions were introduced in 2018, when the city government mandated that rental platforms such as Airbnb and HomeAway remove unlicensed listings and share data with the local authorities (Ajuntament de Barcelona, 2018).

Despite these efforts, illegal tourist rentals continued to proliferate, prompting fines of up to €600,000 in 2019 for platforms failing to comply with the regulations (Ajuntament de Barcelona, 2019). In 2021, enforcement measures intensified, with increased inspections and sanctions aimed at eliminating unregistered tourist accommodations (Ajuntament de Barcelona, 2021).

**Table 2:** *Summary of Sanctions for Illegal STR Activities in Barcelona*

Violation	Fine or Sanction
Listing a rental property without a license number	Up to €30,000
Operating a short-term rental without a license	Up to €600,000
Violating community coexistence or safety rules	Fines ranging from €3,000 to €60,000
Rental platforms failing to remove illegal listings	Up to €600,000 per listing

**Caption:** *Source: Own elaboration based on Ajuntament de Barcelona (2021).*

These regulations had an immediate impact on the vacation rental market. According to a study by Garcia-López et al. (2020), the number of Airbnb listings in Barcelona decreased by 20% in the first two years after the regulations were implemented. However, an increase in activity was also observed in unregulated areas, such as municipalities near Barcelona, suggesting that the regulations may have displaced the problem rather than solving it (Robertson et al., 2024).

Additionally, reports indicate that some property owners continue to operate illegally, bypassing regulations and renting out their properties without the required licenses (Torin, 2021). Also, property owners have opted for strategies such as using less regulated platforms or intermittently posting listings to evade detection by authorities. According to a City Council investigation, an illegal rental network operated by constantly changing listings and using repeated photographs, making the inspection process more difficult (Benvenuty, 2024). These practices have increased the complexity of regulation and have generated a parallel market of undeclared rentals.

This has raised concerns about the effectiveness of regulatory measures and the need for greater oversight and enforcement. To legally operate a short-term rental in Barcelona, property owners must meet the following conditions (Ajuntament de Barcelona, 2011):

- Obtain an official tourist rental license issued by the Barcelona City Council.
- Meet the habitability and quality standards set by municipal regulations.
- Register the property with the Catalonia Tourism Registry.

- Ensure compliance with community coexistence rules, such as respecting noise regulations and maintaining building security.
- Display the official tourist license number in any rental advertisement on digital platforms.

Table 3 presents the regulations and the years in which they were enacted, along with their impact according to external sources:

**Table 3:** *Chronology of Regulations and Their Impacts in Barcelona*

<b>Regulation</b>	<b>Description</b>	<b>Implementation Date</b>	<b>Observed Impact</b>	<b>Source</b>
<b>Mandatory Licenses</b>	A specific license is required to rent properties to tourists.	2011	Initial reduction in illegal listings, but persistence of unlicensed operations.	Garcia-López et al. (2020); Ajuntament de Barcelona (2021)
<b>Prohibition of Entire Home Rentals</b>	Prohibition of renting entire homes to tourists without a license.	2014	Decrease in the number of listings on platforms like Airbnb.	Garcia-López et al. (2020)

<b>30-Day Annual Limit</b>	Restriction on the number of days a property can be rented to tourists (maximum 30 days/year).	2017	20% reduction in Airbnb listings in central areas.	Garcia-López et al. (2020)
<b>Mandatory Registration System</b>	Implementation of a mandatory registration system for tourist rental property owners.	2017	Greater control over listings, but evasion by some property owners.	Torin (2021); Ajuntament de Barcelona (2021)
<b>Fines for Illegal Operations</b>	Fines of up to €600,000 for operating tourist rentals without a license.	2018	Increased compliance, but persistence of illegal listings.	Torin (2021); Ajuntament de Barcelona (2021)
<b>Closure of Illegal Listings</b>	Collaboration with platforms like Airbnb to remove unlicensed listings.	2019	Reduction in illegal listings, but displacement of activity to peripheral areas.	Garcia-López et al. (2020); Torin (2021)
<b>Ban in High-</b>	Prohibition of new tourist rentals in areas	2021	Preservation of housing for	Ajuntament de

<b>Tourism Pressure Zones</b>	with high tourism density.		residents in critical areas.	Barcelona (2021); Smith (2023)
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**Caption:** *Source: Own elaboration based on Garcia-López et al. (2020), Ajuntament de Barcelona (2021), and others.*

As it was stated, some property owners have been found to continue renting illegally, ignoring regulations and making it harder for local authorities to enforce the rules. Torin (2021) highlights that even when strict regulations are in place, some landlords still operate unlawfully, which can directly affect consumers. According to the Barcelona City Council, an illegal rental refers to any property rented to tourists that does not comply with local regulations. This includes (Ajuntament de Barcelona, 2021):

- Renting without a valid tourist license.
- Exceeding the maximum permitted rental days for a primary residence (120 days per year).
- Failing to register guests in accordance with security laws.
- Operating in restricted areas where new licenses are not permitted under the PEUAT.

Furthermore, Mayor Jaume Collboni announced in 2024 the elimination of all short-term rental licenses by the end of 2028, with the goal of reintegrating more than 10,000

properties into the residential market (Minut, 2024). Additionally, he has promoted a reform of the Urban Leasing Law to equate seasonal rentals with regular rentals, thus preventing property owners from bypassing price regulations through temporary contracts (Martín, 2025). This measure has created uncertainty among property owners, who are seeking alternatives to continue operating in the short-term rental sector.

These violations pose challenges to regulatory enforcement and can contribute to issues such as housing shortages, neighborhood disturbances, and unfair competition within this sector.

Despite these challenges, the regulations have successfully reduced housing market pressure in some areas of Barcelona, allowing some residents to regain access to affordable housing (Koster et al., 2021). However, the overall impact of these regulations remains a topic of debate, with some arguing that they are insufficient to address the structural issues associated with mass tourism and gentrification.

## **2.2) Determination of objectives**

### **2.2.1) General Objective**

To explore the impact of regulations on strategies and Economic outcomes of Airnbn hosts in Barcelona, Spain.

### **2.2.2) Specific Objectives**

- Explore the strategies that Airbnb hosts may adopt to adjust to regulations in Barcelona.
- Investigate whether some of the strategies used by hosts could be approaching or entering into illegality.

- Assess the potential influence of regulations on changes in the economic revenues of hosts.
- Observe possible variations in prices and availability of listings on the platform before and after the implementation of the regulations.
- Consider whether the regulations may have contributed to a reduction in the supply of available listings on the platform in Barcelona.

### **2.3) Importance of the study**

This study is crucial because, according to recent literature, the use of platforms like Airbnb has increased significantly in recent years. While these platforms have generated additional income for many families, they have also revealed a pattern of rising housing costs. This, in turn, has exacerbated the phenomenon of gentrification, negatively impacting the quality of life of local residents. Governments, as regulatory entities, have struggled to manage this rapid growth effectively. According to Ian Spangler's study (2019), the expansion of Airbnb in New Orleans has led to regulations that often fail to satisfy stakeholders, revealing underlying conflicts regarding the impact of these platforms. This underscores the need to understand the motivations and perceptions of key actors, including property owners.

Understanding the perceptions and strategies of Airbnb hosts is essential for several reasons. First, it allows us to assess whether regulations are effectively addressing the negative externalities of short-term rentals, such as gentrification and housing affordability issues. For instance, in Barcelona, the rapid growth of Airbnb has led to widespread backlashes from both local residents and the government. Recent news reports highlight how the city has become a focal point of anti-tourism protests, with

locals expressing frustration over rising rents and the loss of community cohesion due to the proliferation of short-term rentals (Smith, 2023).

Second, examining host strategies is critical to identifying potential risks associated with non-compliance or illegal practices. If hosts are resorting to illegal activities to circumvent regulations, it could pose significant risks to consumers and the broader community. This study is important because these restrictions have also had a direct impact on tourists' experiences. For example: numerous cases have been reported where travelers discovered that their accommodation was illegal after the arrival of municipal inspectors or the police, which has affected Barcelona's reputation as a tourist destination (La Vanguardia, 2024). Furthermore, the closure of tourist apartments has reduced the availability of affordable lodging in the city, which could impact the flow of budget-conscious tourists.

By analyzing the economic outcomes and adaptive strategies of Airbnb hosts in Barcelona, this study seeks to provide valuable insights into the broader implications of short-term rental regulations. It aims to contribute to the ongoing debate on how to balance the economic benefits of platforms like Airbnb with the need to preserve affordable housing and maintain the socio-cultural fabric of urban communities. Ultimately, this research will inform policymakers, stakeholders, and the public about the effectiveness of current regulations and the potential need for more adaptive and context-specific strategies to address the challenges posed by the short-term rental market.

#### **4) Methodology**

This study will adopt a mixed-methods approach, combining qualitative and quantitative methods to comprehensively analyze the economic impacts and strategies of Airbnb owners in response to regulations in Barcelona, Spain.

For the quantitative analysis, secondary data from the *Inside Airbnb* portal was chosen to assess changes in housing dynamics, fluctuations in rental prices, the number of listings, and other key variables. This data source has been utilized in previous academic research, such as investigation of Hur, Lee, and Kim (2024), Herte and Badulescu (2023), and Hübscher and Kallert (2023), among others.

Inside Airbnb is a well-established and widely recognized source in academia for analyzing the relationship between the presence of Airbnb and the broader dynamics of the housing market. It enables quantitative analysis of the supply of short-term rental accommodation, their impact on rental prices, and their influence on housing availability. Moreover, it has been used in studies focusing on the regulation and commercialization of short-term rentals, which aligns with the primary objective of this research, which is evaluating the effectiveness of public policies related to Airbnb in Barcelona.

On the other hand, for the qualitative analysis, interviews have been conducted primarily with two key groups: property owners who have listed or currently list accommodations on the Airbnb platform, and subletters or professionals working in the field of property management within the Airbnb ecosystem. Participants were selected regardless of the legal status of the listings they manage or operate, in order to capture a comprehensive and realistic range of practices and experiences in the sector. The primary objective of this approach is to understand the strategies that these hosts have employed to adapt to state regulations over

time, assess how these regulations have impacted their economic profitability, and explore the potential growth of an underground rental market.

This methodology has been widely used in previous research on Airbnb and the effects of regulations on short-term rentals. For instance, the study by Hübscher and Kallert (2023) utilized interviews with hosts to examine how government restrictions have influenced their behavior and marketing strategies. Similarly, in Spangler (2020), interviews were conducted with hosts and residents to analyze how the expansion of short-term rentals has affected community stability and the housing market.

The use of in-depth interviews will allow for capturing perceptions, experiences, and dynamics that cannot be fully analyzed through quantitative data alone. Furthermore, this qualitative approach will complement the quantitative analysis based on *Inside Airbnb*, providing a holistic perspective on the impact of regulations on hosts and identifying adaptation patterns and potential regulatory evasion strategies. This will contribute to building a robust knowledge base that can support the development of more effective and balanced public policies.

### **3.1) Population**

The population for this study includes Airbnb hosts in Barcelona, Spain, who have active listings on the platform and are directly impacted by local regulations. This population represents a diverse group of property owners, ranging from individuals renting a single room in their primary residence to commercial operators managing multiple listings.

### **3.2) Data Collection Method**

Qualitative Data: In-depth, unstructured interviews will be conducted with eight Airbnb hosts in Barcelona. These interviews will explore their perceptions of local regulations, the strategies they have developed to comply or resist these policies, and the economic consequences they have faced over time. By adopting an unstructured format, participants will have the freedom to express their experiences openly, allowing for a richer and more nuanced exploration of the subject.

Due to logistical constraints, as the researcher resides in a different country, and to ensure flexibility for the interviewees, all interviews will be conducted virtually. This method provides a practical and efficient way to facilitate discussions without compromising the depth and quality of the data collected. Conducting interviews remotely also broadens accessibility, ensuring that participants can engage comfortably from their preferred environments.

To maintain accuracy and prevent any misinterpretations, all interviews will be audio-recorded with the explicit consent of each participant. However, given the sensitivity of the topic, no personally identifiable information will be collected. Participants will not be required to disclose their Airbnb property addresses, registration numbers, or surnames. Additionally, to protect their anonymity and comfort, only audio recordings will be made, excluding any video recordings.

The interviews will take place between February and April 2025. The number of questions will range from 12 to 16, depending on the participant and the depth of their responses. Following the interviews, all recordings

will be transcribed to facilitate detailed analysis and ensure the reliability and validity of the qualitative findings. This structured approach will contribute to a comprehensive examination of Airbnb regulations and their impact on hosts in Barcelona.

**Quantitative Data:** Secondary data will be collected from Insideairbnb.com, a platform that aggregates data on Airbnb listings worldwide. This data includes metrics such as the number of active listings, nightly prices, occupancy rates, and geographic distribution of listings in Barcelona.

The use of secondary data allows for a robust and systematic analysis of the impact of regulatory policies on the supply of Airbnb properties. The dataset will be processed and analyzed using statistical techniques to identify patterns, trends, and potential correlations between regulation enforcement and changes in the short-term rental market. Additionally, descriptive statistics and comparative analyses over different time frames will help illustrate how policies have shaped the Airbnb landscape in Barcelona.

### **3.3) Data Analysis Method**

**Qualitative Analysis:** The interview data will be analyzed using thematic analysis, which allows for identifying recurring patterns and themes across participants' responses. Key themes such as compliance with regulations, economic adaptation strategies, and the perceived legality of different approaches will be extracted and

categorized. Given the sensitivity of the topic, special attention will be paid to implicit narratives related to potential underground markets.

**Quantitative Analysis:** The secondary data will be analyzed using descriptive statistics to track changes over time in listing activity and pricing trends. Variables such as the number of active listings, price fluctuations, and host activity patterns will be examined. To assess the potential impact of regulatory changes, the study will employ comparative trend analysis, contrasting periods before and after the implementation of key policies. Statistical software such as Excel will be employed to visualize trends.

By integrating both qualitative and quantitative findings, this research aims to provide a holistic perspective on how Airbnb hosts navigate regulatory environments and how these changes influence the broader short-term rental market.

## **5) Results**

### **4.1) Adopted strategies by Airbnb hosts to adapt to regulations in Barcelona**

The strategies adopted by Airbnb hosts to comply with regulations in Barcelona have been a key topic for most participants. While property owners attempt to navigate the bureaucratic obstacles imposed by the city, subletters and rental businesses have adapted in different ways to sustain their operations. The uncertainty surrounding legal requirements and enforcement has created a climate of distrust and insecurity, pushing many hosts to seek alternative strategies. Some hosts have chosen to modify their

business models to comply with the law, while others have sought workarounds or exited the market entirely.

#### **4.1.1) Knowledge of regulations**

Most hosts are aware of the regulatory landscape in Barcelona, particularly the prohibition of renting entire apartments without a tourist license and the limitations on obtaining new licenses. However, there is still confusion regarding the legality of renting rooms within a primary residence and medium-term rentals.

*"Every time you think you understand the regulations, something changes. It feels like they do it on purpose to push us out."* (C.A., Property Owner)

Subletters and rental businesses experience additional difficulties due to unclear enforcement measures, which make compliance unpredictable.

*"Honestly, I don't even know if I'm fully complying with the regulations, but there is no clear information available. As long as no one complains, I don't see it as a problem."*

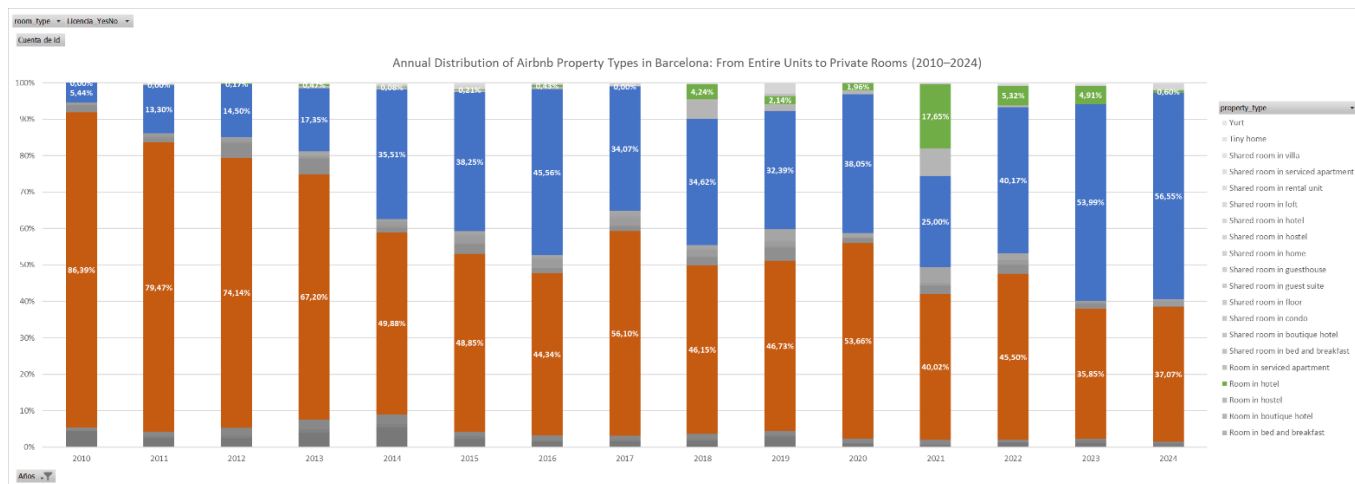
(L., Subletter)

#### **4.1.2) Adaptation strategies**

To better understand how Airbnb hosts in Barcelona have adapted to evolving regulatory frameworks, Figure 1 illustrates the annual distribution of listing types on the platform: "entire rental unit (orange)," "room in private unit (blue)," and "room in hotel (green)." This visualization allows us to observe how the composition of Airbnb's offering has shifted over time in response to the city's changing policy landscape. Notably, the increasing share of "room in private unit" listings, except during the pandemic year 2021, suggests a progressive strategic adjustment among hosts who seek to maintain platform

visibility while aligning with regulatory boundaries. This trend provides empirical context for several interviewees’ accounts, which describe an ongoing transition toward less visible, room-based rentals as a way to navigate legal and enforcement pressures.

**Figure 1:** *Annual Distribution of Airbnb Property Types in Barcelona (From Entire Units to Private Rooms, 2010–2024)*



Source: Own elaboration based on InsideAirbnb data.

Figure 1 shows the evolution of listing types on the Airbnb platform in Barcelona from 2016 to 2023, distinguishing between entire homes/apartments, private rooms, and hotel rooms. At the beginning of the period, entire home listings clearly dominate, reflecting the initial boom of the short-term rental model in a context with minimal regulation. During this time, the profitability of tourist rentals greatly exceeded that of traditional long-term rentals, encouraging widespread participation.

Two significant declines in the number of entire home listings can be identified. The first occurs around 2014, coinciding with the introduction of stricter regulations in Barcelona aimed at controlling tourist rentals, particularly targeting entire housing units. The second

major drop begins in 2018, when the city intensified enforcement efforts by tightening licensing requirements and increasing inspections. This led to the removal of many unlicensed listings from the platform.

Within this shifting regulatory context, private room listings begin to represent a larger share of the market. This trend suggests a strategic adaptation by hosts who, unable to legally rent out entire apartments, turned to offering individual rooms within their primary residence—a modality with greater regulatory tolerance. The outbreak of the COVID-19 pandemic in 2020, which drastically reduced international tourism, further contributed to changes in the composition of listings, with a shift toward medium-term stays and hybrid property use.

In the case of hotel room listings, a notable spike appears in 2021. This increase corresponds to an atypical year influenced by the pandemic, during which some hotel establishments turned to digital platforms to maintain visibility and attract guests amid ongoing travel restrictions and weakened tourist demand. This anomaly in the series is important to note due to its temporal concentration and lack of continuation in subsequent years.

The adaptation strategies employed by Airbnb hosts in Barcelona have evolved significantly in response to increasing regulatory constraints. Hosts, whether property owners or rental business operators, have found ways to adjust their business models, utilize alternative platforms, or leverage their personal networks to continue operating. These strategies vary between those who seek full compliance and those who attempt to circumvent the rules in subtle ways.

The strategies can be categorized into the following key approaches:

- Shifting Rental Models to Comply with Regulations: One of the most common strategies among hosts has been shifting from full unit rentals to individual room rentals, which in some cases still fall within the legal framework.

For hosts like L., who share a property while living in it, this transition has been relatively smooth. However, others, such as those managing multiple properties, have found this shift more challenging.

*"Since I can't get a license for my full apartment anymore, I now rent out rooms and live in the property myself. It's not ideal, but at least I'm still making some income."* (L., Subletter)

- Utilizing Alternative Booking Platforms and Personal Networks

Due to strict enforcement on major platforms like Airbnb, many hosts have diversified their sources of reservations. Some use smaller platforms with fewer restrictions, while others rely on private bookings through social media and word-of-mouth recommendations.

*"I use Airbnb just to gain visibility, but I finalize bookings privately with people I know."*  
(P., Rental Business)

Some hosts have also turned to classified ad websites or forums for expatriates and digital nomads, where short-term rentals can be listed without heavy scrutiny.

- Extending Minimum Stays to Fit Medium-Term Rental Models

Since long-term rentals remain legal and less regulated, some hosts have shifted their focus to medium-term rentals aimed at students, professionals, and temporary workers.

This adjustment has also allowed some hosts to continue operating without the risks associated with short-term tourist stays.

- Prioritizing Selective Guest Screening and Exclusive Clientele

Rather than relying on open Airbnb bookings, some hosts have chosen to be more selective in who they rent to.

*"Before, I accepted any booking that came through Airbnb, but now I prefer referrals from friends or trusted guests." (P., Rental Business)*

This strategy not only helps avoid unwanted attention from authorities but also allows hosts to establish more stable and reliable income streams.

- Diversifying Income Through Additional Services

To compensate for lost revenue from rental limitations, some hosts have started offering additional services to enhance their guest experience.

This approach has been particularly useful for hosts managing multiple listings, as it allows them to maintain profitability despite regulatory restrictions.

To sum up the insights gathered from the interviews, table 4 presents a comparative overview of the main adaptation strategies adopted by Airbnb property owners and subletters or company employees in response to increasing regulatory pressures in Barcelona. This classification helps visualize the diverse approaches, ranging from legal compliance and operational adjustments to circumvention tactics and the use of alternative platforms. It also reflects how these strategies differ depending on whether the interviewee owns the property or operates under another entity.

**Table 4:** *Main Strategies Adopted by Airbnb Hosts and Subletters*

Airbnb Owners	Subletters / Company Employees
<p>"Now we prefer to use private channels to rent. We no longer trust Airbnb like before." – P.</p>	<p>"We've had to be more strict with contracts and documentation (from the owners toward Airbnb). Some owners have stopped renting because it's too complicated." / "The company I work for offers breakfasts or tours to stand out and offset the costs." – M.P.</p>
<p>"When regulations tightened, I stopped renting the full apartment and switched to renting a room in my primary home." – C.A.</p>	<p>"I take care of the management, cleaning, check-ins and check-outs. We want guests to feel at home." – F.</p>
<p>"As long as no one complains, we continue renting. We added plants and decorations to make it look like someone lives here." – I.</p>	<p>"We turned the apartment into housing for students, that way we avoid problems." / "I only rent rooms. If Airbnb blocks me, I'll just use Facebook or Instagram. It's all about adapting." – L.</p>
<p>"I've always tried to follow the law and keep licenses up to date. I offer breakfast or tours to enhance the guest experience." – M.</p>	
<p>"After regulations, we switched to yearly rentals." – T.A.</p>	

Source: Own elaboration based on interview transcripts.

The strategies highlighted above demonstrate the resilience and creativity of short-term rental operators when faced with policy restrictions. While some adapt by complying with

regulations and enhancing guest services, others pivot toward informal channels or alternative rental models. This divergence not only illustrates the fragmented nature of the market but also underlines the limitations of enforcement in a city where the demand for tourist accommodation remains high.

#### **4.2) Impact on operations**

Two distinct response patterns emerged among Airbnb hosts in Barcelona when describing how regulations have reshaped their day-to-day operations. The first group includes those who have opted for formal adaptation, either by professionalizing their approach or by attempting full legal compliance. The second group includes those who have partially or fully withdrawn from Airbnb's formal structure, either operating informally or shifting away from short-term rentals entirely due to increased administrative burden, economic inefficiency, or platform restrictions.

The first current reveals a trend toward professionalization and bureaucratic restructuring. For example, M.P. (Rental Company Worker) described how her company had to become "*much more strict with contracts and the documentation that is required now,*" even incorporating legal staff to manage licenses. I. (Subletter) indicated that to continue renting under new legal frameworks, one "must register and get a number," referring to the official host registration requirement. P. (Owner) reflected on the revocation of her tourist license and explained how she continues using Airbnb primarily for visibility, while closing deals privately to avoid complications. These accounts illustrate a shift in operations toward risk reduction, formal tracking, and a more controlled selection of guests, transforming hosting into a legally-sensitive and more rigid business structure.

By contrast, the second current consists of hosts who reacted by reducing or informally displacing their operations. L. (Student Subletter) expressed doubts about fully complying with the law and admitted, *“if Airbnb blocks me, I’ll just use Erasmus or Facebook,”* showing a pivot to off-platform channels. F. (Manager for Third Party) stated she had no involvement in license procedures and only focused on property presentation and guest satisfaction, leaving legal compliance entirely to the owner. T.A. (Host) explained they stopped renting short-term due to workload and hidden costs: *“you have to pay for cleaning, maintenance... it consumes your time.”* These hosts adopted more flexible or informal arrangements, limiting their operational scope to reduce exposure or exiting the short-term rental market altogether.

In both currents, operational routines were significantly altered: from how guests are selected, to where bookings are processed, to how hosts engage with legal structures. Regulation has thus functioned not only as a filter for legal compliance but also as a force of segmentation, pushing operators either toward formalized professionalism or toward partial retreat and informal alternatives.

#### **4.2.1) Strategies used by hosts border on or cross into illegality**

The strategies used by Airbnb hosts that border on or cross into illegality reflect the increasing pressures they face in trying to sustain profitability while operating within an unstable regulatory environment. Although many hosts express a clear desire to operate legally, others are either pushed into legal grey zones by the complexities of the system or consciously choose to bypass regulations in order to avoid financial losses. The contrast between hosts who prioritize legal compliance and those who "try their luck" reveals a polarized landscape shaped by unequal access to resources, information, and bureaucratic resilience.

Some hosts deliberately seek to avoid detection by using less visible platforms or presenting false configurations in their listings, for example, registering an entire apartment as a room in a shared home. Others offer rentals without declaring income or without the required tourist license, hoping to stay under the radar. These behaviors emerge not only from a desire to maximize profit but also from a deep frustration with a regulatory system that many perceive as unclear, overly bureaucratic, and unfavorable to small-scale or independent operators.

Table 5 compiles a selection of statements from interviewees that illustrate behaviors which border on illegality or reflect strategies used to “game the system,” often crossing the line into non-compliance. These testimonies provide insight into the subtle, and at times deliberate, ways in which hosts adapt their operations to remain active in the short-term rental market, often navigating around legal loopholes or exploiting the lack of oversight in certain platforms or networks.

**Table 5:** *Verbatim Excerpts – Practices Bordering on Illegality*

<b>Initials</b>	<b>Strategy bordering or crossing into illegality</b>
M.P	"...there are people who really list their properties as if they lived there and pretend to rent just rooms, but in reality they are renting out the whole house."
M.P	"I know they use some kind of less popular platform to avoid regulations."
M.P	"...they are using classified ad sites or private groups on social media to arrange bookings. Without much control..."

L	"I've heard people use registration numbers from other individuals to post entire apartments..."
P	"I prefer filtering through recommendations on social networks or maybe platforms like 5, where there's not much control..."
I	"...maybe we'll be forced to rent it 100% but, I mean, not as Airbnb anymore, and the property wouldn't show up, they wouldn't notice"
M	"there are some who rent it out as if they were rooms, but in fact they are offering full apartments"

*Source: Own elaboration from qualitative interviews.*

Several of these strategies expose the vulnerabilities and inconsistencies within the current regulatory framework, helping to explain why such practices continue to exist. Rather than isolated incidents, they point to a broader culture of informal adaptation shaped by distrust in the system, perceived regulatory ambiguity, and the economic pressures of maintaining competitiveness in a heavily scrutinized market.

#### **4.2.2) Risks and consequences**

Hosts who operate illegally face a range of risks, from economic sanctions and listing deactivation to strained relations with neighbors and potential legal action. Several participants shared insights into the seriousness of these consequences, especially in a city like Barcelona where enforcement has become increasingly strict.

M., a property owner who went through the lengthy and costly process of legalizing her rentals, emphasized the dangers:

*“There are serious risks, from hefty financial penalties to having your listing shut down or even losing the property if there are repeated complaints. It also affects relationships with neighbors who may feel invaded if there’s no responsible management, and that eventually harms those of us who want to do things properly.” (M., Property Owner)*

L., who informally rents out rooms, admits to using private channels for bookings:

*“If Airbnb blocks me, I can still find guests through Erasmus, Facebook, or Instagram. It’s just about adapting.” (L., Subletter)*

P., who manages multiple properties, pointed out a workaround she’s observed:

*“Some people use someone else’s registration number to post listings for properties that aren’t actually licensed.” (P., Rental Business)*

But it is important to mention that two main perspectives emerged during the interviews: those who rent their properties legally, and those who do not. Hosts who follow the legal path tend to be more cautious and aware of the potential consequences. In many cases, they’ve either witnessed fines being applied to colleagues or have heard about them within their circles, which makes them more reluctant to take risks. Even if the legal route is more difficult or less profitable, they prefer to stay within the boundaries of the law.

On the other hand, those engaging in questionable practices often downplay the risks involved, especially the financial ones. They usually suggest alternatives like switching to other platforms, but rarely mention fines or legal consequences. Some even state that people around them do the same and have never faced penalties, reinforcing their belief that the risk is minimal.

### 4.2.3) Perception of illegality

Perceptions about illegality among hosts vary significantly. As discussed in the previous section, there is a clear division between those who choose to operate legally and those who engage in practices that may cross regulatory lines. This contrast also shapes how hosts perceive illegality itself. For some, operating outside the law is a necessary compromise given the complexity and inaccessibility of the current system. For others, legality is a conscious choice tied to personal values and long-term stability.

*“I know people who rent without a license and just try their luck. I get that for some it’s their only income...but I couldn’t live with that uncertainty. I’d rather know I’m doing it right and sleep peacefully.” (M., Property Owner)*

M’s perspective highlights a common view among small-scale hosts who see legal compliance not only as a regulatory obligation but as a way to protect their reputation and maintain peace of mind. Their awareness of local enforcement actions and the impact on the community reinforces their decision to avoid risk, even at the expense of higher earnings.

*“Yes, of course, there are people who rent without declaring or who use lesser-known platforms to avoid being detected. I don’t judge, it may be their only way to make money, but I think it causes tension in the neighborhood and in the city overall.” (M., Property Owner)*

Meanwhile, other hosts, especially those with more operational pressure, express a more flexible or resigned attitude toward questionable practices, viewing them as necessary in a hostile regulatory environment.

*“I don’t really see it as illegal, more like a reality we’re forced into. If you don’t adapt, you’re out.” (L., Subletter)*

*“It’s not that people want to break the law. But if the only way to survive is to skip unclear rules, then that’s what happens.” (P., Rental Business)*

In summary, while legal and illegal practices coexist, hosts’ attitudes toward them are shaped by both ethical considerations and economic survival. The persistence of informal strategies reflects not just individual choices, but a broader system that many perceive as rigid, unclear, and unbalanced, especially for those without institutional support.

#### **4.3) How the regulations have influenced the increase or decrease in the economic revenues of hosts**

The implementation of regulations has significantly impacted the income of Airbnb hosts in Barcelona. Many hosts report lower earnings due to decreased availability, higher operational costs, and restrictions on rental periods. While some have adapted by increasing prices or diversifying their offerings, others have found it difficult to remain financially viable.

This section reveals contrasting perspectives: some hosts express frustration with reduced earnings and rising costs, while others see long-term value in legal security, guest trust, and quality hosting.

##### **4.3.1) Impact on income**

Many hosts reported a noticeable decrease in earnings, particularly those who previously operated with greater flexibility or informality. They now face new taxes, mandatory license costs, and reduced rental capacities.

*"Being registered means I have to declare income, pay taxes, tourist fees, insurance. All that reduces the profit margin." (M., Owner)*

*"The profitability has dropped drastically, and many have opted for long-term rentals."*  
(P., Rental Business)

*"Now that I can't rent the full flat, only rooms, the earnings are lower. Before, it was more worth the effort." (C.A., Owner)*

Others report that the drop in tourist demand during off-seasons intensifies this instability:

*"During low season, bookings are harder to get and not always profitable. You end up earning little for a lot of effort." (I., Owner)*

*"There are many new taxes and compliance rules, and in the end, you're working more and earning less." (M.P., Rental Business)*

However, some owners acknowledge that despite lower margins, operating legally allows them to offer a more secure, structured service, as seen in the previous section.

Table 6 compiles additional statements from interviewees that further illustrate the diverse economic pressures generated by the current regulatory framework. Hosts report that both direct (for example, taxes, legal limits) and indirect factors (for example, competition, operational changes) have reshaped how they manage profitability. The testimonies reflect a variety of coping mechanisms, from seeking private agreements to cutting operational costs, and reveal how regulatory compliance often demands additional financial and personal investment.

**Table 6:** *Verbatim Excerpts – Economic Impact of Regulations*

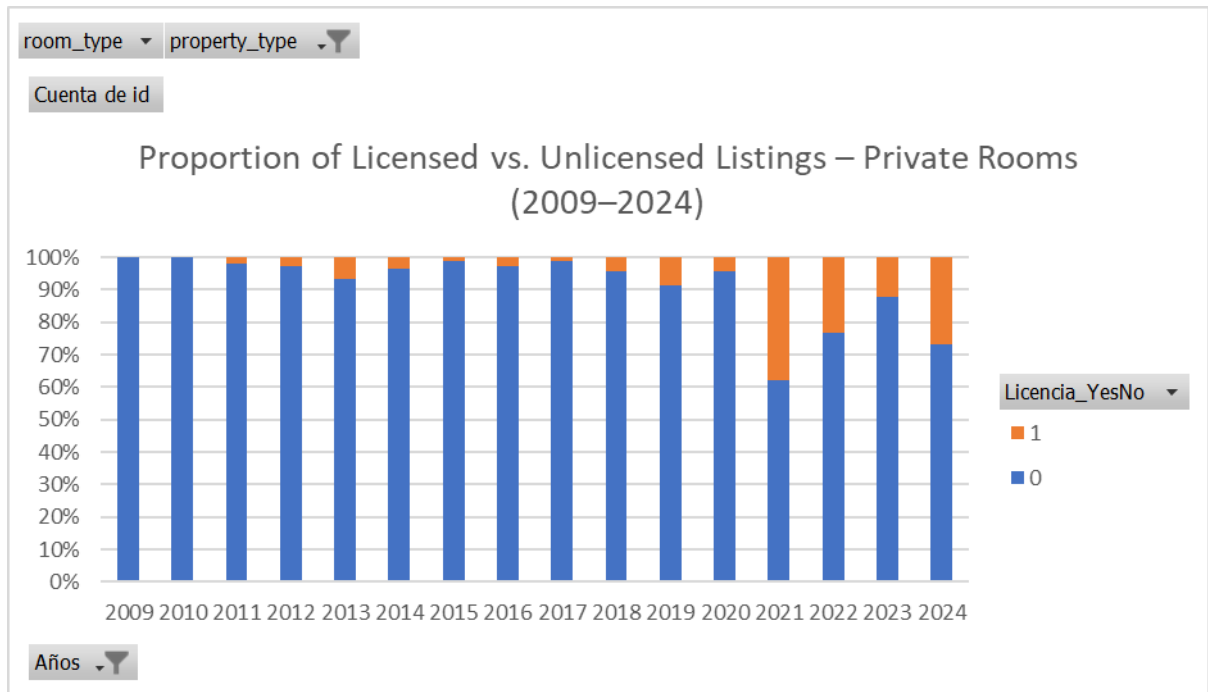
<b>Initials</b>	<b>Economic Impact</b>
P.	"... it's complicated because Airbnb regulates prices. That's why I prefer private agreements where I can set my own rates without intermediaries."
M.P.	"Honestly, it really affects (the margin) for those who try to comply with the rules, registering, modifying properties, doing paperwork. It's a slow and very expensive process, especially due to taxes and additional fees."
F.	"Well, what happens is that now there's more competition and fewer full apartments, so rooms become attractive, if managed well, you can still make money...".
L.	"All of that reduces the profit margin, but it also allows me to offer a safer and more reliable service...".
M.	"Tourist rentals can be more profitable, but they also require more dedication..." "
I.	"Obviously, as a primary residence it affects a lot because now it's not allowed to rent for 120 days, it's down to 90. And it also affects me economically... there's less income and more taxes."
C.A.	"We had to reduce costs...like doing cleaning ourselves or changing how we manage the property."
T.A.	"...the regulations have definitely affected the income we used to get from tourist rentals."

*Source: Own elaboration from qualitative interviews.*

This financial squeeze has particularly affected hosts who rely on short-term rentals as their primary or supplemental income, especially when forced to reduce the number of operating days or change to a different rental model.

In order to empirically contextualize the operational responses described by hosts, two stacked bar charts illustrate the proportion of Airbnb listings in Barcelona that are licensed (orange) versus unlicensed (blue) from 2009 to 2024, disaggregated by listing type.

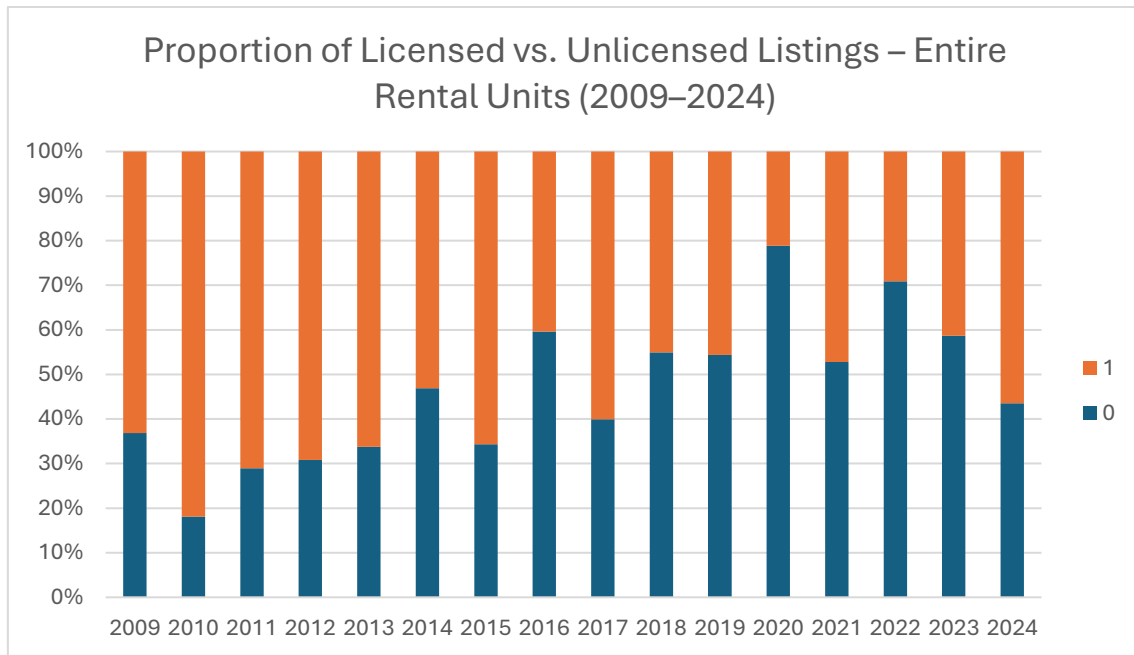
**Figure 2:** *Share of Private Room Listings by Legal Status in Barcelona (2009–2024)*



Source: Own elaboration based on InsideAirbnb data.

The first chart (see Figure 2) refers to "Private room in rental unit" listings. It shows that the vast majority of these listings have consistently operated without a license, maintaining over 90% illegal status across most of the time series. Even after 2020, when enforcement mechanisms became stricter, there is no substantial increase in licensing among this group, suggesting that the "room rental" format continues to serve as a common loophole or informal workaround, echoing testimonies from interviewees who described registering entire homes as shared units to avoid regulatory oversight.

**Figure 3:** Evolution of Entire Unit Listings by Legal Status in Barcelona (2009–2024)



Source: Own elaboration based on InsideAirbnb data.

In contrast, Figure 3 displays the evolution of "Entire rental unit" listings. Prior to 2020, a dominant share of these listings was legal (orange). However, starting in 2020, there is a sharp reversal, with a steady increase in the share of unlicensed (blue) listings. By 2024, illegal listings represent more than half of all entire-unit rentals. This inversion may reflect the regulatory tightening introduced in 2021 and the subsequent exit or informalization of hosts who could not, or chose not to, renew or regularize their licenses.

These visual trends align closely with the two behavioral patterns described in the interviews: on one hand, professional operators who attempted to maintain compliance, and on the other, hosts who withdrew from the formal market or began operating outside legal boundaries. The rise of illegal entire-unit listings after 2020 provides empirical support for the growing segment of hosts who expressed frustration with licensing

complexity, leading some to abandon formal platforms altogether or rely on less visible channels such as Erasmus, social media, or third-party intermediaries.

#### **4.3.2) Strategies to maintain income**

In response to declining earnings and rising costs, hosts have adopted various strategies to sustain their income. Among the most common adjustments is the shift toward longer rental durations and the combination of short and medium-term models, which allow hosts to reduce turnover and avoid the stricter requirements applied to short-term tourist stays.

*"Yes, I've considered long-term rentals, especially with the studio, because there are months with low tourist demand and sometimes it gets tiring having to manage constant check-ins and check-outs. Tourist rentals can be more profitable, but they also require more dedication. On the other hand, having the license gives me room to stay in this model as long as I respect the limits. But I don't rule out combining both modalities in the future, depending on how the regulations evolve." (M., Owner)*

Some hosts also attempt to enhance the guest experience through added services, hoping to generate better reviews and attract a more loyal and respectful clientele:

*"Yes, of course. Sometimes I offer breakfast made with products from the market or I give very personalized recommendations of places to eat or things to do. I've even collaborated with friends who are tour guides so guests can enjoy more local and unique routes. I don't do it so much for the extra money but for the experience." (M., Owner)*

A few subletters or independent operators, who face greater restrictions or do not have tourist licenses, opt for informal practices to avoid platform fees or automated enforcement:

*"I use Airbnb for visibility, but I close the bookings through WhatsApp or social media to avoid being blocked. I know it's not fully legal, but if you don't do that, they shut down your account."* (L., Subletter)

These strategies reflect the need for flexibility in a market where legal compliance can be expensive and risky, and where the margin for error, especially for smaller hosts, is shrinking. While some hosts invest in quality and guest services, others rely on informal or hybrid models to reduce friction and preserve control over their operations.

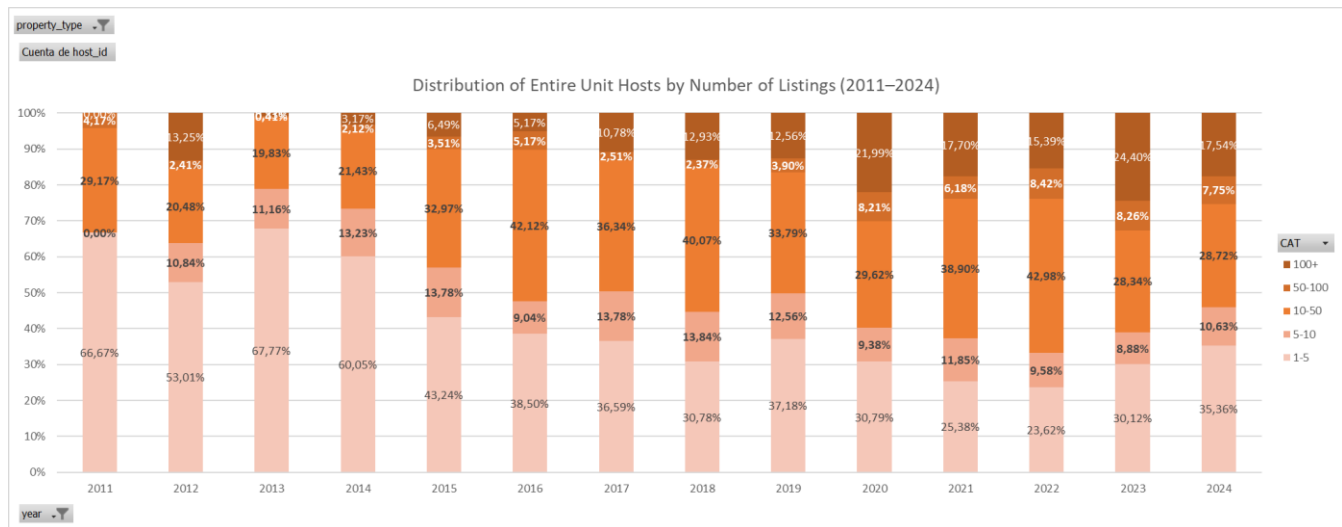
#### **4.3.3) Perception of economic balance**

The hosts interviewed express varied and nuanced perceptions regarding the economic fairness of the current short-term rental regulations in Barcelona. On one hand, there is a sense of inequity and growing frustration, especially among smaller-scale operators. On the other, certain hosts emphasize the intangible benefits of regulatory compliance, such as enhanced stability and guest trust. These contrasting perceptions highlight a clear divide between small-scale hosts, who feel increasingly marginalized, and those hosts who see compliance as beneficial to long-term operational sustainability, despite immediate financial costs.

To further contextualize the perceptions of economic imbalance reported by interviewees, figure 4 and figure 5 present the distribution of Airbnb hosts in Barcelona, segmented by the number of properties managed. The data was organized into five distinct clusters based on the number of listings per host: "1-5", "6-10", "11-50", "51-100", and "100+".

These clusters were determined using a histogram to identify natural breaks in the data and ensure greater homogeneity within each category. This stratification allows for a clearer understanding of the market composition and the scale of professionalization among different types of hosts.

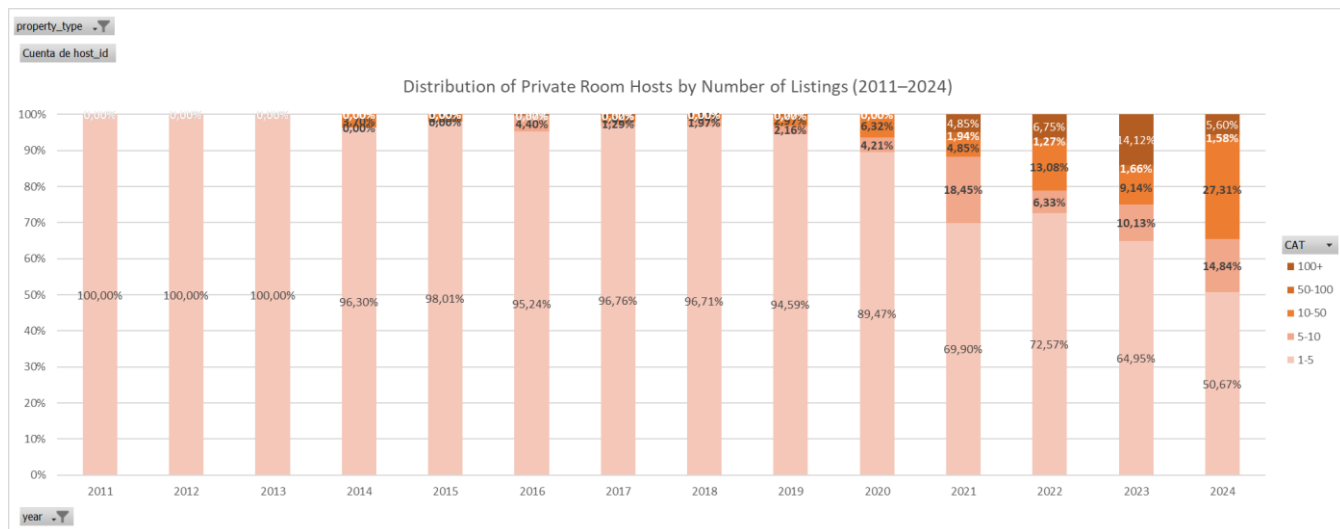
**Figure 4:** *Distribution of Hosts by Number of Entire Unit Listings (2011–2024)*



Source: Own elaboration based on InsideAirbnb data.

Figure 4 displays this distribution for hosts listing entire rental units, while Figure 5 reflects hosts offering private rooms within rental units. Both visualizations span from 2011 to 2024, illustrating the evolution of host concentration by scale over time.

**Figure 5: Distribution of Hosts by Number of Private Room Listings (2011–2024)**



Source: Own elaboration based on InsideAirbnb data.

Several hosts explicitly criticize the current system, believing that it disproportionately benefits larger-scale operators who have resources, legal expertise, administrative capacity, and financial backing, to comfortably navigate the complexity of the regulations:

*"The market is now favoring big investors who have the resources to navigate regulations, while small-scale hosts are being pushed out."* (M.P., Rental Business)

This perception of imbalance is reinforced by other hosts who express feelings of exclusion due to the complexity of compliance requirements:

*"These rules are made for large investors. We small owners don't have the time or resources to meet all the requirements. Some people feel forced to go around the rules."* (C.A., Owner)

The regulations are perceived as overly bureaucratic, which leads to a sense of fatigue and disenchantment among those trying to remain compliant. For hosts who are committed to legal operations, compliance often comes at the cost of profit margins, yet some accept this trade-off as worthwhile. Montserrat, for example, emphasizes stability and trust over profitability alone, highlighting a value-based perspective:

*"I don't earn the same as someone who rents without declaring, but what I gain is peace of mind, reputation, and stability." (M., Owner)*

This indicates that for certain hosts, the balance is not purely economic but also emotional and reputational. They see compliance as a long-term investment in their business and personal tranquility, even when short-term gains may be diminished.

Conversely, the sense of financial disadvantage is widely felt, particularly by hosts who strictly adhere to the rules but feel economically penalized for doing so.

While many hosts perceive the current system as skewed in favor of large-scale operators, the data reveals a more nuanced picture. It is true that the share of hosts managing 10 or more entire units has increased, suggesting a degree of professionalization and concentration. However, even by 2024, hosts with 1–5 properties still represent a substantial portion of the market, over 30% for entire units and the overwhelming majority for private rooms. This indicates that, although large operators are gaining visibility and market share, small-scale hosts remain a significant presence. The perceived imbalance may thus stem less from absolute market displacement and more from regulatory asymmetries, where larger hosts are better equipped to absorb the administrative and financial burdens of compliance.

#### **4.4) Changes in prices and availability of listings on the platform before and after the implementation of the regulations**

The implementation of strict short-term rental regulations in Barcelona has led to significant shifts in both pricing and availability on platforms like Airbnb. While numerical data shows that the total number of listings has actually increased, regardless of whether they are licensed or not, interviews with hosts reveal a contrasting perception. Many interviewees speak of a noticeable reduction in available listings, especially among those operating with valid licenses. This perceived decline is further evidenced by the specific cases of two hosts who decided to stop offering their properties on Airbnb altogether due to regulatory pressures.

As the number of legal listings becomes more limited, competition among compliant hosts has intensified, pushing many to adjust their pricing strategies to maintain profitability. Some have increased nightly rates to compensate for shorter rental periods, while others have shifted toward targeting longer-term guests in search of more stable income. At the same time, the relative scarcity of visible and legally compliant listings has contributed to a more exclusive and professionalized short-term rental sector.

In this section, we explore how hosts have navigated these challenges, their perspectives on pricing adjustments, and the broader implications of restricted listing availability, both real and perceived, on operators and visitors alike.

##### **4.4.1) Price changes**

Price dynamics have been affected both by reduced rental time windows imposed by the regulations and by increased taxation or administrative overhead. Some hosts who operate

legally described narrower profit margins, as rising taxes and fees absorb gains from elevated nightly rates.

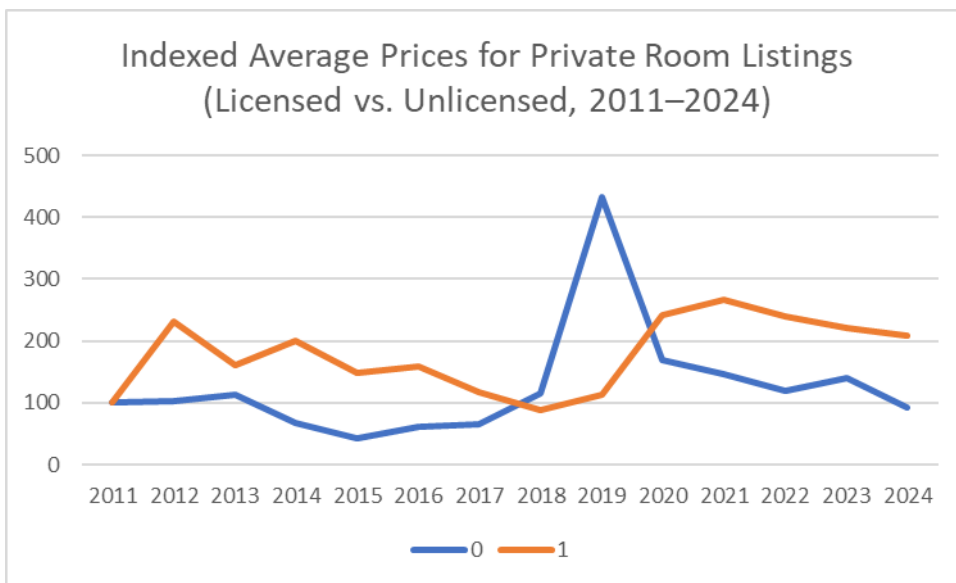
*"Now... from 120 days it went down to 90. Obviously, as a primary residence, that affects a lot... because you can't rent it out as much. That directly affects me economically." (I, Owner)*

*"I've learned to adjust prices depending on the season... in high months like summer or local holidays, I usually raise rates, and in low season, I make adjustments to stay competitive." (M., Owner)*

These strategies point to price adjustments as a compensatory mechanism. However, several participants who operate fully within the legal framework noted that, despite increasing their rates, their profit margins were shrinking due to higher taxation, platform fees, and stricter compliance requirements.

To complement the qualitative insights provided by hosts regarding pricing dynamics, figure 6 visualizes the evolution of average nightly prices for private room listings in Barcelona, distinguishing between licensed (blue) and unlicensed (orange) accommodations. The data is based on annual price averages from 2011 to 2024, using 2011 as the baseline (set at 100) to allow for a clearer comparison of relative price fluctuations over time.

**Figure 6:** *Average Nightly Price Index – Private Rooms (Licensed vs. Unlicensed, 2011–2024)*



Source: Own elaboration based on InsideAirbnb data.

This visualization was built upon raw average price data, which was then indexed for each group. The segmentation by license status allows us to observe how pricing strategies may have evolved differently between compliant and non-compliant listings across the years, especially around key regulatory shifts.

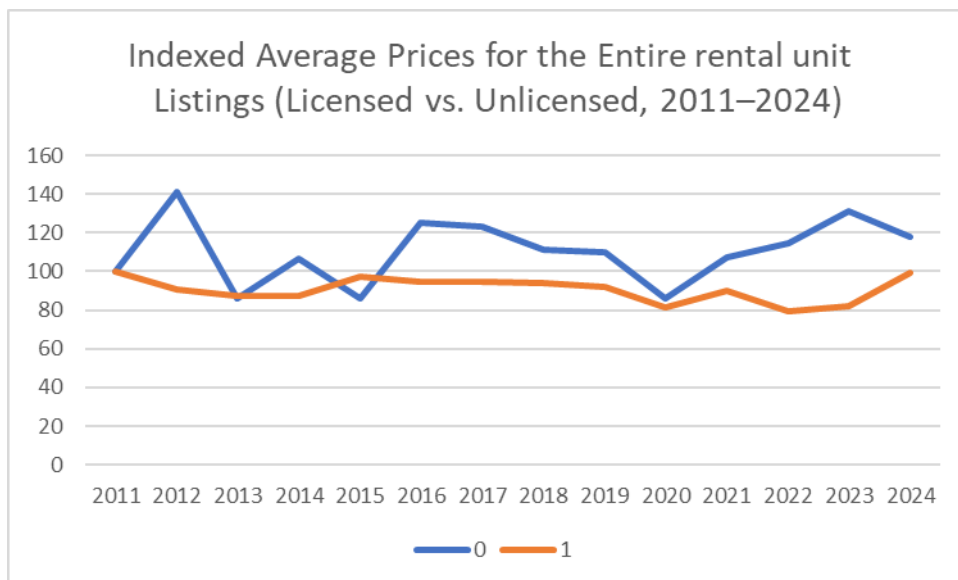
It is important to note that the unusually high spike in 2019 for unlicensed listings may reflect data irregularities, temporary market speculation, or outliers. While the overall

trend aligns with interviewee accounts of pricing pressure and divergence, this specific value should be interpreted with caution.

The following chart presents the indexed evolution of average nightly prices for entire rental unit listings, segmented by licensing status. Like the previous figure, this visualization uses 2011 as the base year (set to 100) to allow for a relative comparison of price movements over time between licensed (1) and unlicensed (0) properties.

This comparison offers a complementary perspective to the private room segment, illustrating whether similar pricing dynamics emerge in the more frequently commercialized category of entire-unit listings. As with the previous chart (figure 6), the index is based on annual average prices and enables the identification of long-term pricing trends amid shifting regulatory and market conditions.

**Figure 7:** *Average Nightly Price Index – Entire Units (Licensed vs. Unlicensed, 2011–2024)*



Source: Own elaboration based on InsideAirbnb data.

Unlike the price trends observed for private room listings, the indexed prices for entire rental units show a more stable and consistent divergence between licensed and unlicensed listings. Throughout most of the period from 2011 to 2024, unlicensed entire-unit listings (blue line) exhibit higher average prices than licensed ones (orange line), with few exceptions.

Licensed listings remain remarkably flat across the years, fluctuating within a relatively narrow band around the 100 base level. This suggests that hosts operating legally within the entire-unit category have maintained more stable and possibly conservative pricing strategies, likely influenced by regulation-imposed rental caps, limitations on rental nights, and increased compliance costs.

In contrast, unlicensed listings show greater volatility and higher peaks, particularly between 2012 and 2018. These fluctuations could be associated with more aggressive pricing tactics adopted by informal or commercial hosts who operate outside formal constraints. However, after 2020, both licensed and unlicensed listings begin to converge, potentially indicating pressure on the informal segment to reduce rates, either due to increased competition, platform restrictions, or a narrowing gap in visibility and demand between legal and illegal operators.

This pricing pattern aligns with interview data that reflects different risk appetites and pricing strategies between legal and informal hosts. Legal operators, particularly in the entire-unit segment, tend to emphasize stability and trust over rapid profit gains, while unlicensed hosts may push prices higher to offset risk or limited availability.

To complement the descriptive price trends observed across licensed and unlicensed listings, a linear regression model was estimated to assess the effect of having a license

on nightly prices, while controlling for key characteristics of the listing. Since units vary considerably in terms of capacity and amenities, the model includes variables such as the number of bathrooms, bedrooms, beds, and guest rating scores. Fixed effects for neighborhood, year, and property type were also included to isolate structural differences across time and geography.

**Table 7: Regression Model Results: Impact of Licensing on Airbnb Prices**

Log Price	Coef.	St.Err.	t- value	p- value	[95% Conf	Interval]	Sig
License (Yes=1, No=0)	.224	.016	14.31	0	.193	.255	***
Log bathrooms	.406	.031	13.06	0	.345	.467	***
Log bedrooms	.253	.025	9.96	0	.203	.303	***
Log beds	.177	.02	8.87	0	.138	.216	***
Log rating scores	.458	.061	7.48	0	.338	.579	***
Property type	Yes	.	.	.	.	.	
Neighbourhood	Yes						
Year	Yes						
Mean dependent var	4.556		SD dependent var	0.637			
R-squared	54%		Number of obs	7008			

\*\*\*  $p < .01$ , \*\*  $p < .05$ , \*  $p < .1$

Source: Own elaboration based on InsideAirbnb data

The results, shown in the table 6, confirm that licensing status is statistically and economically significant: listings with a tourist license (“1”) are associated with a 22.4%

higher nightly price on average, even after controlling for other relevant factors. This suggests that legal compliance may allow hosts to command a premium, likely due to increased guest trust, visibility on platforms, or service quality standards.

Other variables such as the number of bathrooms and bedrooms also contribute positively and significantly to price, as expected. These findings support the idea that formalized hosts not only operate under regulatory constraints but also tend to offer more structured, higher-quality accommodations, allowing them to price above informal competitors.

Meanwhile, those operating partially or fully outside legal frameworks also mentioned raising prices, but described alternative ways of keeping their listings attractive to guests. Instead of relying solely on price competitiveness, they aim to enhance perceived value through small extras and emotional connection.

As one participant stated:

*"We accommodate coffee, sugar, and those little things. We take care of the details... I leave a handwritten note, a little chocolate... and people value that a lot."(F., Manager)*

This approach reflects an effort to maintain perceived value among guests while adapting to the constraints of informality.

In these informal or semi-formal setups, offering thoughtful touches, like food items or personal notes, is part of a guest experience strategy designed to maintain bookings despite higher prices or limited exposure on official platforms. Rather than competing directly on price, such hosts aim to differentiate through hospitality and perceived warmth, especially in contexts where visibility and reviews are critical.

This aligns with the perception expressed by some hosts in interviews who reported that, despite the challenges of compliance, being legal allowed them to “charge more,” attract better guests, and maintain a more stable business:

Therefore, this quantitative evidence reinforces the notion that legality and price are positively correlated, and that licensing may function as a form of price signaling and quality assurance in the Airbnb market.

#### **4.4.2) Availability of listing**

The availability of listings on Airbnb has been visibly affected by regulatory changes in Barcelona, but the interviews reveal that this effect is not synonymous with a real decline in supply, rather, it reflects a transformation in how and where listings are offered. Two groups emerge clearly in the narratives: those attempting to comply with the law, and those operating outside or around it.

Among legal operators, a common response was the partial or complete withdrawal of listings from Airbnb’s public interface. However, participants clarified that this did not necessarily mean ceasing activity.

*"When the restrictions got tougher, I decided to leave the platform for a while. Around 2018, it was just too complicated with the licensing requirements and sanctions." (C.A., owner)*

*"I applied for a license some years ago, but it was taken away. Now, I still use Airbnb but only to give visibility to my property. I close bookings directly with people I know." (P., Owner)*

This behavior suggests a shift to semi-visible operations: Airbnb is retained as a showcase, while bookings are finalized via private networks, bypassing regulations and reducing traceability.

*"I've seen that many people have stopped listing on Airbnb, but that doesn't mean they stopped renting. They just find other ways." (M.P., rental business)*

*"If Airbnb blocks me, I'll just use Erasmus or Facebook. There are always other ways." (L., Subletter)*

*"Before, we rented without regard for the laws. Now, we rent the apartment yearly. It changed because it's too much work... cleaning, maintenance, platform fees." (A., Owner)*

These testimonies demonstrate that while formal listings on Airbnb may have declined, short-term rental activity persists, and in some cases increases, through informal platforms or via personal networks. Both legal and illegal operators agree on one point: supply never really disappears; it shifts.

#### **4.4.3) Market trends**

Despite increasing regulatory pressure, participants across both formal and informal rental activity agree on one central point: tourist demand in Barcelona has not decreased. Rather, it has adapted and rerouted, with both guests and hosts finding new ways to engage in short-term rental activity under changing rules. This continued demand, however, has been accompanied by a shift in dynamics marked by increased uncertainty, reduced trust, and structural transformation in how the market functions.

*"There's always demand... I just changed how I do it. I use WhatsApp or people refer me." (L., Subletter)*

*"I have friends that do the same (through) WhatsApp, those kinds of things." (F., Manager)*

This shows that informal networks have become common as alternatives to formal listing platforms. Hosts adapt by using closed circles of communication, where trust is already established and less visibility reduces regulatory exposure.

Several participants mentioned that demand remains strong, but that hosts now face more pressure to operate discreetly, selectively, or through fragmented platforms. This has led to a more cautious and often distrustful environment between hosts, neighbors, and guests.

In addition to the last statement, F., suggests an intentional approach to guest experience to build emotional connection and loyalty, especially in contexts where hosts depend on repeat bookings or private referrals to maintain activity under limited visibility.

*"...we want them to feel like they're arriving to a home" (F., Manager).*

Beyond physical features, guest ratings also play a key role in pricing dynamics. The regression model shows that the rating score is one of the strongest predictors of price, with a coefficient of 0.458. This implies that, holding all else constant, an increase in the rating score is associated with a significant increase in nightly price.

This quantitative insight echoes what several interviewees shared regarding the importance of maintaining high guest satisfaction and positive reviews as a strategy to protect revenue. For many legal hosts, this meant investing in guest experience through thoughtful extras, communication, and reliability.

In addition to the psychological toll and operational risks, regulatory changes have had broader economic implications, particularly in terms of local labor. Multiple participants pointed to a reduction in outsourcing, particularly in services like professional cleaning or small agencies that used to manage listings for owners.

*"The cleaning company no longer has many days (of work)... it has dropped more than 50%." (I., Owner)*

This illustrates the secondary impact of regulatory restrictions: fewer legal or platform-based rentals means fewer contracts for third-party services, such as cleaning companies.

And last, there is an increasing visibility of uncertainty which affects both guest selection and operational stability, contributing to a more cautious and restrained hosting environment. It reflects an atmosphere of risk, where hosts feel exposed not just to platform policies but also to interactions with unfamiliar clients.

#### **4.5) Reduction in the supply of available listings on the platform in Barcelona**

The enforcement of stricter short-term rental regulations in Barcelona has significantly reduced the number of active Airbnb listings, according to the interviews, fundamentally reshaping the market. Many small-scale hosts have been forced to exit the industry due to licensing requirements, legal uncertainties, and the growing costs of compliance. Others have transitioned to alternative rental models, such as long-term leases or medium-term stays targeting students and professionals. The reduced supply of short-term rentals has led to a noticeable shift in market composition, favoring large property management companies that have the resources to navigate bureaucratic hurdles. This section examines the consequences of these supply reductions, the hosts' perspectives on market contraction, and the evolving landscape of tourist accommodation in Barcelona.

Yet, when compared to quantitative data, a different trend emerges. The overall number of listings appears to be increasing, regardless of legal status, suggesting that hosting activity has not necessarily declined, but transformed. Several interviewees themselves recognize that demand remains strong and may even be growing. As a result, many hosts have shifted to less regulated platforms or turned to social media and private networks to maintain or expand their property's visibility. This reveals an ongoing process of adaptation in which the short-term rental market becomes more fragmented, informal, and harder to regulate.

#### **4.5.1) Reduction in listings**

Several interviewees confirmed a visible reduction in listings on Airbnb following the enforcement of stricter regulations. Participants expressed that the process of acquiring or maintaining licenses had become increasingly complex, prompting some to pause or abandon the platform. The clearest example of this is C.A. (Owner), who described stepping away from Airbnb due to regulatory pressure.

*“When restrictions started to get tougher, I decided to leave the platform for a while. Around 2018... it was already too complicated with the issue of licenses, of sanctions.”*  
(C.A., Owner)

However, it is important to highlight that a reduction in listings does not equate to the end of hosting activity. In fact, the same participant (C.A.) returned to short-term renting after pausing, and other participants, such as P. (Owner), M.P. (Rental Business), and L. (Student Subletter), explicitly stated that while listings may have disappeared from Airbnb, many hosts continue to rent, using different strategies.

#### **4.5.2) Impact on supply**

As highlighted in the previous section, hosts emphasize that a visible reduction in Airbnb listings does not equate to a true reduction in the overall supply of short-term rentals. Rather, activity has shifted, migrating to alternative platforms, informal networks, or private channels. This reconfiguration reflects an adaptation to regulatory controls, where listings remain active but hidden from formal oversight.

*“I’ve seen that many have stopped publishing on Airbnb, but that doesn’t mean they’ve stopped renting. They just look for other ways.” (M.P., Rental Business)*

In some cases, participants noted that Airbnb engages in internal data filtering or removes listings that appear non-compliant. This creates an image of a cleaner, reduced supply, while in practice, hosts continue to operate through unofficial channels.

This structural shift also affects the ecosystem around short-term rentals. A negative consequence identified by interviewees is the decline in demand for professional cleaning services. These companies were previously sustained by frequent check-ins and high guest turnover, which has now become more unpredictable and informal.

However, this transition has not been exclusively negative. Some hosts reported an increase in complementary services such as personalized tourist experiences, private guides, or curated welcome kits. These efforts aim to enhance the guest experience, increase competitiveness, and compensate for reduced visibility on traditional platforms.

#### **4.5.3) Future of the tourist rental market**

The future of the short-term rental market in Barcelona is being reshaped by both formal and informal dynamics. While regulations have reduced the number of publicly visible

listings, demand remains high and is being met through alternative, less visible structures. This is creating a bifurcated market: on one side, a professionalized group of operators with legal, financial, and managerial resources; on the other, a growing informal segment that relies on private networks and social media.

*“there’s always demand. You just have to adapt.” (L., Subletter)*

This dual structure has generated clear trends, according to the interviewees, formal supply is decreasing while informal activity adapts and persists. A key weakness in the current framework is the exclusion of small operators, which not only reduces diversity but also leads to inefficiencies and regulatory evasion. Additionally, the loss of employment in adjacent sectors, such as cleaning or agency management, suggests that broader economic stability around the tourism rental ecosystem is being eroded.

To illustrate how hosts perceive the trajectory of the tourist rental sector, Table 8 gathers verbatim statements from interviewees on the future outlook of the activity. Their perspectives reflect both uncertainty and adaptation, shaped by tightening regulations and shifting market conditions.

**Table 8:** *Verbatim Excerpts – Perceptions of the Future of STR Market*

<b>Initials</b>	<b>Perception of the Future</b>
<b>M.P.</b>	"Honestly, I see it very difficult. They keep adding more obstacles, and the controls are becoming very strict. I think many small owners will prefer to stop operating, and in the end, it will be left to big investors or companies with the resources to navigate regulations."

<b>P.</b>	"If restrictions keep increasing, many people will stop using Airbnb or do it informally. The demand will always be there, that's undeniable, but if the city keeps putting up barriers, hosts will look for other ways to operate."
<b>M.</b>	"I think it will be left in the hands of those who do it professionally or with great dedication. Small hosts, if they don't get support or facilities, will disappear, and that's a shame."
<b>I.</b>	"I think at first there will be a clash, but then it will stabilize. But being a capital, irregularities will appear again because there's always demand, but little supply. So many will turn to other means."
<b>F.</b>	"There's a weird instability lately, both for them and for us, and you really never know what might happen."
<b>C.A.</b>	"It's very difficult. If regulations don't change, there will be fewer options and higher prices. A key source of income for many is being limited."
<b>L.</b>	"People will always find ways to rent if there's money to be made."

Source: Own elaboration from qualitative interviews.

While some interviewees express resignation or concern, others maintain a pragmatic view, suggesting that hosting will persist, albeit under more selective or covert forms. There is consensus, however, that the current trajectory favors large-scale or fully

professionalized actors, further marginalizing small and individual hosts. This trend, if sustained, could exacerbate informality and deepen inequalities within the short-term rental landscape.

#### **4.6) Limitations**

One important limitation of this research is the survivor bias in the dataset. Since the data comes from InsideAirbnb, it only includes listings that are still active at the time of collection. This means that properties that were removed, whether due to regulatory restrictions, shifts in demand, or personal decisions by hosts, are not part of the analysis. Because of this, the study mainly reflects trends among listings that have remained in the market, which might give a somewhat skewed picture of the true impact of regulations in Barcelona.

Even with this limitation, the research still provides valuable insights into how the short-term rental market is evolving and how regulations may be shaping it. The data allows us to track trends and shifts among active listings, even if we can't fully capture the experience of those that have left the platform. Ideally, having access to historical data on removed listings would give a more complete picture, but given the available dataset, this approach remains a strong way to analyze the situation.

Another limitation of this research is that the InsideAirbnb dataset uses the date of the first review as a proxy for the listing's start date. While this can give a general idea of how long a property has been on the platform, it is not always an accurate indicator of when the listing was actually created.

For instance, a host might have listed a property but not received their first booking (and thus their first review) until months or even years later. Conversely, some listings may

have existed before InsideAirbnb started tracking data but appear as "newer" simply because the earliest recorded review is more recent. This means that the dataset could underestimate the actual longevity of some listings, affecting the accuracy of any time-based analysis.

Despite this limitation, the data still provides a useful approximation for understanding market trends. Since reviews typically follow bookings, the first review date can still serve as a rough indicator of a listing's activity within the short-term rental market. While it's not perfect, it remains one of the best available ways to estimate the timeline of listings in the absence of direct listing creation data.

## **6) Discussion**

### **5.1) Host adaptation to regulation — Objective 1: explore the strategies that Airbnb hosts may adopt to adjust to regulations in Barcelona**

#### **5.1.1) Adaptation strategies: between visibility and survival**

As regulatory pressure over short-term rentals intensified in Barcelona, particularly after the milestone years when stricter license enforcement was introduced, Airbnb hosts began deploying a wide array of strategies to remain operational. This process of adaptation was neither homogeneous nor linear; rather, it reflects an ecosystem that has learned to maneuver between legality, business reinvention, and operational invisibility.

Throughout the interviews, it became evident that while most hosts are aware of the existence of regulations, their understanding of them is often vague, fragmented, or outdated. Compliance is not so much the product of conviction

as it is of pragmatic response. Regulation is perceived more as an obstacle than a boundary, which gives rise to creative ways of circumventing or partially adapting to it. Instead of relying on official sources, many hosts receive information through intermediaries or informal networks, reinforcing the notion that legality is not a fixed concept but a negotiable space.

This atmosphere of regulatory ambiguity has accelerated a shift in business models. As reflected in the accompanying graph, following the years of most intense regulatory implementation (especially post-2016), the number of “entire unit” listings declined while “private room” listings grew steadily. This transition is far from superficial, it signals that hosts are not only reducing their public visibility but also recalibrating the tourist experience they offer. Listing individual rooms is perceived as a strategy to avoid detection, particularly in neighborhoods under heavier surveillance. In parallel, some hosts have redirected their business toward medium-term rentals, especially targeting international students or temporary professionals. This approach adapts to a legal gray zone outside the scope of short-stay regulations, while also tapping into an underexploited niche.

Facing growing scrutiny on mainstream platforms, another group of hosts has opted to diversify their outreach. Social media, WhatsApp groups, and direct messaging channels are being used to bypass platforms entirely. This shift allows them not only to maintain bookings but also to operate with greater discretion. Trust is now built outside platform-based review systems, through informal endorsements and networks.

Finally, where regulatory risk is highest, some hosts have moved into outright covert strategies. These include listing properties under a relative's name, tailoring the guest profile to avoid neighbor complaints, or even abandoning Airbnb in favor of less regulated platforms. Far from being isolated cases, these tactics reflect a broader logic adopted by small-scale operators who wish to remain active without formalizing their activity.

Collectively, these strategies do not reflect a passive response, but rather the strategic internalization of regulatory ambiguity. Hosts are not aligning themselves with the law so much as designing operative models that minimize exposure while preserving profitability.

### **5.1.2) Literature**

The literature clearly supports the idea that Airbnb hosts, when facing regulatory pressure, tend to adapt through informal or covert practices rather than exit the market. Spangler (2020) and Rozena & Lees (2023) both describe how regulation often leads to the rise of underground dynamics, such as unlicensed rentals and the use of private communication channels, findings that directly mirror the strategies reported by hosts in this study.

In addition, Monahan (2021) reinforces our interpretation that the shift from “entire home” to “private room” listings may be more cosmetic than structural. He argues that these changes often serve to avoid enforcement rather than reflect a real change in use, which supports our view that numerical reductions in listings should be interpreted with caution.

Moreover, the trend toward platform diversification and off-platform bookings echoes findings by Robertson et al. (2024), who document similar displacement of activity to private networks, signaling a decentralization of the short-term rental economy. These transformations not only preserve the market but potentially make it harder to regulate, reinforcing the idea of an evolving "shadow hospitality" sector.

### **5.1.3) Limitations**

While the analysis reveals consistent patterns, there are limits to the depth and granularity of the data derived from the interviews. In several instances, hosts provided vague responses or hesitated to elaborate, particularly when discussing practices that might border on illegality. This suggests a possible underreporting or softening of behaviors that are informal or non-compliant, which may result in a partial view of the spectrum of strategies being used.

Another constraint lies in the interpretation of the InsideAirbnb data. The categorization of listings (for example, "private room" vs. "entire home") may not always reflect reality. Some listings described as private rooms may still function as unlicensed entire-unit rentals with misleading labels, a tactic mentioned by some hosts. Therefore, the numerical trends might underestimate the persistence of entire home listings that have simply become more discreet rather than disappeared.

Furthermore, while this study captures a wide range of host profiles, it does not include perspectives from large-scale professional operators or from

municipal enforcement agents. Including these viewpoints might add depth to the analysis of compliance behaviors and state responses.

## **5.2) Illegality and informality — Objective 2: investigate whether some of the strategies used by hosts could be approaching or entering into illegality**

### **5.2.1) Strategies between informality and illegality**

One of the most significant findings of this research is the progressive normalization of practices that, while not always openly illegal, clearly operate in regulatory grey zones. The interviews reveal a growing tendency among hosts to operate outside of the legal framework, employing strategies that move between informality and concealed illegality. These are not isolated behaviors but part of a broader operational logic adopted by many hosts as a way to remain in the market.

As discussed in the previous section, many hosts have shifted their listings from “entire homes” to “private rooms,” partly to reduce visibility. However, this shift does not always represent a genuine change in business model. Several interviewees indicated that this category allows for greater concealment: it is easier to pretend that one is renting a room while actually offering the entire unit, especially if signs of tourist activity are minimized, such as by limiting noise, avoiding key exchanges in common areas, or rotating guests discreetly.

This behavior is supported by the data. The graph showing the evolution of listing types demonstrates a consistent and noticeable increase in “private rooms in rental unit” listings, particularly in the years following intensified

regulatory enforcement. This trend occurs even as regulations become more restrictive, suggesting that the growth in this category is not solely due to organic shifts in host preferences, but also to its usefulness as a regulatory shield.

Other practices identified include continuing to rent despite license expiration, registering properties under someone else's name, concealing the type of accommodation being offered, and diverting bookings away from monitored platforms. Some hosts also manipulate calendar settings to simulate occasional use, thereby avoiding thresholds that would trigger legal classification as a commercial operation.

Beneath these strategies lies a discourse that does not regard the law as a legitimate boundary, but rather as an arbitrary barrier, one that favors larger, professional operators while penalizing small-scale hosts. Many perceive themselves as excluded from the system and therefore morally justified in circumventing it. The lack of visible enforcement reinforces this perception, fostering a sense that operating in the grey zone is not only possible but silently tolerated.

In sum, what emerges is a semi-clandestine layer of the short-term rental market that hides behind ambiguous listing categories and carefully managed host profiles. This “disguised illegality” is not an exception but an increasingly normalized mode of operation.

### **5.2.2) Versus literature**

Spangler (2020) further reinforces our findings by showing how enforcement gaps shift the burden of surveillance to neighbors and local communities, which in turn creates incentives for stealth behavior among hosts. This echoes what our respondents described: not only are they trying to avoid detection by the authorities, but they are also adapting their operations to avoid conflict or suspicion among building residents.

Hughes (2021) adds another dimension, noting that in contexts where small-scale hosts feel excluded from the legal framework, either due to bureaucratic barriers or unequal enforcement, they tend to develop moral justifications for bending the rules. This moral distancing from illegality was also observed in our interviews, where many hosts expressed that their actions were “not truly illegal,” but rather necessary to avoid being pushed out of the market.

These perspectives align closely with the empirical patterns observed in Barcelona: rather than reducing the volume of activity, regulation seems to push it into more opaque and decentralized forms. What appears as legal adaptation on the surface may, in many cases, be structured non-compliance, subtle, normalized, and difficult to detect.

## **5.3) Economic outcomes for hosts — Objective 3: Assess the potential influence of regulations on changes in the economic revenues of hosts**

### **5.3.1) Impact of License Loss**

Rather than viewing license loss as a clean break from the short-term rental market, interview data and listing trends suggest that many hosts respond not

by exiting but by adapting or relocating their activity. The most visible outcome is the spatial and categorical transformation of listings. As seen in the listing evolution graph, entire-home listings decreased following key regulatory milestones, particularly post-2016, while “private rooms in rental unit” steadily increased. This shift does not necessarily imply compliance, but rather reclassification to evade scrutiny.

Some hosts, unable or unwilling to navigate the costly and bureaucratic licensing process, either downgraded their listings or shifted their activity to less monitored districts. Others became temporarily inactive or switched to longer-term stays. The result is not a uniform income loss but rather a redistribution of activity across categories, durations, and locations. This adaptation dilutes visibility in official data and complicates enforcement, but for hosts, it offers a survival mechanism under increasingly exclusionary regulation.

### **5.3.2) Diversification of Income**

One of the most common reactions to declining rental profits was the development of a “satellite economy” around tourism rentals. Hosts began offering supplementary services, transportation, breakfast deliveries, curated tourist recommendations, and on-demand conveniences, as a way to compensate for shrinking accommodation margins.

Crucially, this shift was not driven by branding or a desire to “add value” in the traditional hospitality sense. Instead, the focus on guest reviews became tactical: not to justify higher prices, but to prevent visibility loss in platform

algorithms and protect profit margins. Positive reviews became a form of digital insurance, helping listings remain competitive despite pricing constraints.

This pivot also activated a network of secondary actors: informal cleaners, freelance guides, independent laundry services, and third-party service providers. A micro-economy emerged, but not without consequences. Traditional cleaning companies and property management firms began losing business to more precarious alternatives, as cost-cutting and deregulation reshaped the operating model.

### **5.3.3) Market Professionalization**

In contrast to the precarious adjustments of small-scale hosts, professional operators, those managing multiple properties with legal and administrative support, were better equipped to absorb the cost of compliance. These actors managed to remain visible, maintain consistency, and dominate central areas of the city where regulation is strictest.

This professionalization was evident in more sophisticated strategies: automated pricing systems, multilingual guest communication, outsourced review management, and partnerships with tourism platforms. In this context, smaller hosts found themselves squeezed between informal survival tactics and an increasingly corporatized top tier.

Listing price stability in prime areas, as observed in platform data, further illustrates this trend. Despite the withdrawal of smaller operators, average nightly rates remained steady, largely sustained by well-resourced players

who could afford legal compliance while maintaining platform visibility. As further explored in section 6.4, this price stability masks a decline in profitability and intensifies the race to reduce costs elsewhere.

#### **5.3.4) Literature**

The rise of parallel service economies is also supported by Rozena & Lees (2023), who emphasize how Airbnb generates new labor circuits, both formal and informal, around cleaning, logistics, and tourist experiences. However, while these may create income opportunities, they often result in precarious work conditions and the erosion of previously established service contracts, as confirmed by our findings on the decline of structured cleaning firms and administrative intermediaries.

In summary, the literature not only supports the dynamics observed in Barcelona, but helps frame them within broader urban and platform-based economic shifts. Regulation may curtail specific practices, but it also accelerates others, reorganizing the urban tourism economy rather than dismantling it.

#### **5.3.5) Limitations**

This analysis is limited by the lack of quantitative income data from hosts. Financial impacts were described narratively, without precise figures or documentation. Platform data also does not reflect off-platform earnings or informal service arrangements, which limits visibility into the full economic scope. Moreover, perspectives from third-party actors, like cleaning

companies or transport providers, were not included, restricting analysis of the broader economic ripple effects.

#### **5.4) Price: between regulatory pressure and strategic containment — Objective 4**

##### **5.4.1) Changes in prices**

One of the clearest quantitative indicators of regulatory impact in the Airbnb market is the evolution of listing prices, yet, as this research shows, price does not move in isolation. It reflects a negotiation between legal pressure, host strategy, and the competitive structure of the platform economy. By combining quantitative price data with host narratives and regression analysis, this section uncovers a layered dynamic: price is not always a marker of value, but increasingly, a tool for survival.

- **Price Stability and Legal Status:** The regression analysis comparing listings with and without licenses revealed a significant pricing gap. On average, listings operating without a license charged €93.6 per night, while licensed listings averaged €111.8, an 19.4% difference. This may initially suggest that compliance enables price premiums. However, interviews nuance this reading: several hosts indicated that maintaining a higher price while staying within legal bounds required added costs (taxes, registration fees, service standards) that eroded net margins. Thus, higher prices did not always translate into higher profitability.
- **Price Anchoring and Strategic Discounting:** The analysis also showed that illegal listings tend to keep their prices more stable across time. The linear regression of price evolution over time displayed a flatter slope for unlicensed listings compared to licensed ones, which showed more fluctuation (and occasional spikes). This suggests a strategy of price anchoring among unlicensed hosts,

keeping prices low and constant to reduce visibility and guest turnover, avoiding scrutiny from neighbors and authorities.

Several interviewees confirmed this: they preferred longer stays at modest rates, offering "quiet rentals" to avoid attention. In some cases, these listings operated outside Airbnb entirely, using WhatsApp groups or Instagram to reach tourists directly. The goal was not to maximize profit per night, but to reduce risk while maintaining occupancy.

- Innovation in Margin Protection: The Role of Reviews and "Value Perception"

An unexpected insight from the interviews was how hosts adjusted not just price, but the perception of value. Many acknowledged that in the current market, price increases often led to reduced visibility or bookings. Instead, they invested in maintaining high review scores and offering add-on services (as explored in 6.3.2) to signal quality without raising rates. One host described this as a "psychological upgrade", keeping the price stable but enhancing the perceived worth to avoid negative guest expectations.

Interestingly, these strategies also reveal a shift in platform logic. While earlier literature framed reviews as brand-building tools, they now function as instruments of price defense. By ensuring high guest satisfaction at fixed rates, hosts protect their ranking, occupancy, and margin, even without increasing prices.

- Geographic Variation in Pricing Power: Pricing patterns also varied by location. In central districts like Ciutat Vella and Eixample, price levels remained more stable over time despite high regulatory pressure. This is likely due to the dominance of professionalized hosts with legal teams and optimized operations. In contrast, peripheral

areas like Sant Martí and Sants-Montjuïc showed more volatility in pricing, often driven by smaller hosts adjusting to shifting demand and enforcement patterns.

#### 5.4.2) Literature

The findings of this section both align with and extend current academic debates on pricing in regulated short-term rental markets. Several studies, including Barron et al. (2020) and Horn & Merante (2017), confirm that stricter regulation tends to reduce supply and, in theory, drive prices upward due to scarcity. However, the evidence from Barcelona complicates this narrative. While licensed listings do show slightly higher average prices, interviews suggest that those prices do not necessarily result in greater profitability due to associated compliance costs.

Furthermore, the observed strategy of “price anchoring” among unlicensed listings aligns with the findings of Valentin (2021) in New Orleans, who noted that illegal listings often maintain consistent, moderate pricing as a visibility-minimizing tactic.

This study reinforces that claim by showing flatter price trajectories for unlicensed hosts and confirming their intentional avoidance of platform algorithm fluctuations.

**The shifting function of guest reviews, from branding to margin protection, is less documented in existing literature and represents a more novel contribution.** Dissing Christensen (2022) touches on how digital capital and review systems discipline host behavior, but does not directly link this to price stabilization or risk management. This research adds that layer, highlighting how reviews are not only a performance metric, but a mechanism for preserving economic viability without price increases.

Overall, the literature supports many of the trends observed in this study, but it has not yet fully explored how hosts use stable pricing as a strategy to stay hidden,

reduce risk, and maintain their position in platform rankings. This research helps bring new understanding to that behavior.

### **5.4.3) Limitations**

The pricing analysis is limited by the lack of granular cost data. While nightly rates are known, we cannot fully assess host profitability, especially when factoring in taxes, maintenance, or off-platform income. Additionally, some price shifts may reflect seasonal variation or platform algorithm effects, which were not isolated in this study. Lastly, interviews reflect perceived price strategies but not verified revenue data, which limits conclusions about actual economic impact.

## **5.5) Supply Reduction and distribution — Objective 5: Demonstrate that regulations have resulted in a reduction in the supply of available listings on the platform in Barcelona**

### **5.5.1) From Regulation to Reconfiguration**

While official figures and platform metrics suggest that regulatory enforcement in Barcelona has led to a decrease in the number of Airbnb listings, particularly entire-home units, the qualitative evidence and listing patterns over time reveal a more complex reality. Rather than a straightforward reduction, the supply has been redistributed: across categories, geographies, and channels. The result is a market that is not smaller, but less visible, more fragmented, and increasingly polarized.

### **From Entire Units to Private Rooms: Regulatory Evasion, Not Withdrawal**

The listing evolution graph demonstrates a sustained decrease in “entire home” listings

following key regulatory milestones, particularly post-2016. However, this decline coincides with a simultaneous and steady increase in listings categorized as “private rooms in rental units.” Interviews with hosts provide clear context for this: many acknowledged reclassifying their listings under categories that reduce their risk of detection, while continuing to operate much as they did before. In their own words, this strategy allows them to “stay active without raising red flags.”

The implication is clear: rather than reducing supply in a meaningful sense, regulation has prompted a redistribution of listings into lower-visibility formats. This includes both category reclassification (for example, changing from entire flat to private room) and changes in listing duration (for example, moving to medium-term rentals for students and professionals). These adaptations are not signs of withdrawal, but of survival strategies under legal pressure.

### **A Bifurcated Market: Between Professional Stability and Informal Flexibility**

The interviews reveal that this redistribution is producing a more segmented ecosystem. On one end are professional operators, companies or individuals with legal resources, multiple licenses, and tax structures, who have consolidated their presence and remain visible on platforms like Airbnb. On the other end are small-scale hosts who either cannot access the licensing process or deliberately avoid it, operating informally and often through non-platform means or under disguised formats.

This dual structure leads to an imbalance in risk and reward. Professional operators can maintain steady prices and platform visibility, while informal hosts must sacrifice price, visibility, or legal certainty. The regulation, therefore, may not be reducing total supply, but instead reallocating power and shaping who can afford to remain in the system legally.

## **Looking Forward: A Fragmented and Adaptive Market**

When asked about the future of the tourist rental market, many interviewees expressed skepticism about long-term legal integration. They do not see themselves becoming part of a fully regularized system, but instead expect to continue operating in hybrid formats, partially legal, partially informal. Several hosts spoke of diversifying into medium-term rentals or targeting specific niche groups (for example, digital nomads, students) as a way to remain viable. Others anticipated the continued use of indirect channels (like social media or messaging apps), though without explicitly naming them.

What emerges is a picture of a fragmented future: a coexistence between highly structured, legal rentals aimed at high-end tourists, and more discreet, flexible models managed by smaller actors. The tension between enforcement and evasion is unlikely to disappear, instead, it is expected to shape the evolution of the market. For many, regulation has not created a barrier to entry, but rather a new set of informal rules to learn and navigate.

As such, the trajectory of short-term rentals in Barcelona seems to be defined less by reduction and more by transformation. The market may appear smaller on paper, but remains highly active in practice, only harder to trace, more segmented, and increasingly adapted to bypass formal oversight.

### **5.5.2) Literature**

The findings of this section are largely supported by recent literature on the regulatory impacts in short-term rental markets. Studies such as Gutiérrez et al. (2017) and Hübscher & Kallert (2023) argue that regulations often produce a shift, not a disappearance, of rental supply. This study reinforces that claim, showing how listings evolve through

category reclassification and changes in duration rather than permanent exits from the market.

Moreover, Valentin (2021) provides empirical evidence from New Orleans suggesting that regulation causes displacement of activity into adjacent, less-policed areas and into informal segments. While this thesis does not focus on spatial redistribution, it identifies a similar displacement into lower-risk categories like “private rooms,” confirming the literature’s assertion that supply adapts by avoiding enforcement mechanisms.

### **5.5.3) Limitations**

This section is limited by the nature of the available data. While the listing evolution graph shows changes in categories over time, it does not provide insight into the actual number of listings that may have moved off-platform or shifted into informal channels. The lack of geographic disaggregation in the platform data also prevents a precise analysis of how supply may have shifted between city districts. Additionally, although interviews offer valuable insight into host strategies and perceptions, they reflect individual experiences rather than city-wide patterns, and cannot quantify the full scale of redistribution.

## **7) Conclusion**

The implementation of short-term rental (STR) regulations in Barcelona has been a visible and controversial urban policy response to the rising pressure Airbnb and similar platforms have placed on housing access, affordability, and neighborhood stability. This thesis sought to analyze whether these regulations have generated meaningful

transformations among Airbnb hosts and how those changes have affected their economic models and strategic behaviors. Through a combination of interviews and quantitative platform data, this research reveals that while the regulation has, in many ways, achieved some of its intended goals, it has also created new, less visible dynamics that reconfigure rather than eliminate the STR market.

The research confirms that regulation does have a tangible effect on the short-term rental market: the number of visible listings has decreased, especially in categories such as entire-home rentals. Hosts operating with legal licenses tend to charge higher prices, and many small-scale operators have either exited or shifted toward medium-term rentals. However, these outcomes must be interpreted carefully.

One of the clearest conclusions from this thesis is that regulation has not led to a binary outcome of compliance versus withdrawal. Instead, it has opened up a continuum of adaptive behaviors, where hosts reposition themselves through semi-legal, hybrid, or reclassified models. Many hosts have moved toward renting rooms instead of whole apartments, stretching the interpretation of what constitutes a shared residence. Others have redefined the platforms themselves, not as booking tools, but as visibility channels, using Airbnb to gain exposure while completing reservations through WhatsApp, Instagram, or direct referrals.

In other words, regulation has not ended Airbnb activity; it has displaced it into more fragmented, creative, and less traceable formats. This informalization, while less visible in public data, may actually increase risk, for guests, for neighbors, and for hosts themselves, by pushing the activity into spaces where accountability and standards are harder to enforce.

## Airbnb as a Node in a Local Economic Web

An especially innovative and underexplored finding of this study is the emergence of Airbnb as a connector, not just between host and guest, but between the host and the broader local economy. Several interviewees shared how they compensate for regulatory limitations and platform constraints by offering add-on services: airport pickups, homemade breakfasts, personalized itineraries, and referrals to trusted restaurants or local guides.

While these additions are often framed as “value enhancers” used to justify price increases and sustain review scores, they also reveal a more interesting potential: the host becomes a curator of local experience, creating micro-alliances with other economic actors. In this way, Airbnb hosting evolves beyond a transaction and becomes part of a relational economy that reactivates small-scale, often informal urban services.

Although this is currently driven by economic necessity, hosts trying to maintain margins, it opens a potential window for thinking differently about tourism governance. If properly supported, these host-guest-local networks could become inclusive micro-ecosystems of urban hospitality. Future research might explore how this interdependence develops, and whether it could be formalized without losing its local character.

## The Review Score as a Survival Tool

Another key insight is the transformation of the guest review system. Originally conceived as a feedback and trust-building mechanism, the Airbnb score has become a strategic asset in the host’s economic toolkit. High scores are now less about status or

prestige and more about visibility and survival. With hosts competing for fewer listings under stricter rules, maintaining a strong review score is essential for staying competitive, especially when platform algorithms prioritize high-rated listings.

This dynamic is reshaping the emotional and operational labor of hosting. Several interviewees emphasized the pressure to offer personalized gestures, welcome notes, chocolates, curated maps, not just to satisfy guests but to protect their ratings. This reveals a form of “emotional labor under pressure,” where hospitality is performed under the shadow of compliance threats and digital scoring. It also underlines the power imbalance created by opaque platform mechanisms, where visibility often depends on factors beyond pricing or legality.

#### The Platform as a Billboard, Not a Booking Tool

Another evolution that emerges from the interviews is a redefinition of what platforms like Airbnb actually do for hosts. For many, the platform has ceased to be a booking system and is now used mainly for visibility. Once the listing is discovered, the transaction is moved elsewhere, via WhatsApp, Telegram, or word-of-mouth referrals.

This pivot toward visibility rather than transaction marks a significant departure from the early rhetoric of the “sharing economy.” Airbnb is no longer just a peer-to-peer facilitator, it is functioning, for many users, as an advertising layer. This shift, while technically a form of platform evasion, also reveals a smart adaptation to algorithmic filtering and enforcement risk. It confirms that regulation alone cannot control behavior on digital platforms without also addressing the underlying economic logic and technological affordances.

## Debunking the “Corporate Narrative”: Concentration ≠ Corporation

One of the dominant narratives in policy and media discourse is that regulation targets large-scale investors and corporate operators. Yet, the platform data reviewed in this study challenges this assumption. While it is true that some hosts manage 10 or more listings, this does not automatically imply corporate ownership. In some cases, these listings may belong to family-owned units or individuals managing multiple properties as their main livelihood.

Finally, the findings of this research carry practical implications for multiple key stakeholders. For governments, Barcelona serves as a critical case study, illustrating how fragmented and reactive regulation can create inconsistencies: while demand remains constant, supply adapts through loopholes and informal channels. This underscores the need for more structured and comprehensive plans that include host education, clearer consumer rights, and regulatory frameworks tailored to different types of activity, whether individual, medium-scale, or professional. For hosts, this study provides a reference point to better understand the actual impact of regulation on profitability and how adopting strategic adaptation measures can balance economic opportunity with legal obligations. Moreover, it reveals that the regulatory process also opens commercial opportunities connected to tourism and hospitality, such as the provision of complementary services (breakfasts, dinners, guided experiences), allowing hosts to diversify income and increase competitiveness. For local communities, this research challenges the narrative that solely blames “tourists” for housing crises, showing instead that these are systemic failures requiring informed governance and active neighborhood participation. Ultimately, understanding these dynamics enables emerging tourist destinations to anticipate

challenges, demand more transparent policies, and avoid the severe disruptions experienced in Barcelona.

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## Appendice 1 - Interview Guide

### **Objective 1: Identify the strategies adopted by Airbnb hosts to adapt to regulations in Barcelona**

#### 1. Knowledge of regulations:

- What do you know about the current regulations for tourist rentals in Barcelona?
- Have you applied for a license to operate your property on Airbnb? Was it difficult to obtain?

#### 2. Adaptation strategies:

- How has your way of operating on Airbnb changed since the regulations were implemented in Barcelona?
- Have you modified the type of property you offer (Example: from entire homes to single rooms?)
- Have you considered renting your property long-term instead of using it for Airbnb? Why or why not?

#### 3. Impact on operations:

- How have the regulations affected your ability to rent your property?

### **Objective 2: Determine whether the strategies used by hosts border on or cross into illegality**

#### 1. Compliance with regulations:

- Have you faced difficulties complying with all the regulations? Which ones?
- Have you heard of cases where hosts have found alternative ways to continue renting despite the regulations? What are your thoughts on this?

#### 2. Risks and consequences:

- What risks do you think exist when operating outside the regulations?

### 3. Perception of illegality:

- Do you think some of the strategies you use (or that other hosts use) could be considered illegal or in a "legal gray area"?

### **Objective 3: Analyze how the regulations have influenced the increase or decrease in the economic revenues of hosts**

#### 1. Impact on income:

- How have the regulations affected your income from tourist rentals?

- Have you noticed a decrease in demand for your property since the regulations were implemented?

- Have you had to increase prices to compensate for the reduction in allowed rental days?

#### 2. Strategies to maintain income:

- What strategies have you used to maintain or increase your income despite the regulations?

- Have you diversified your income sources (e.g., offering additional services like tours or experiences)?

#### 3. Perception of economic balance:

- Do you think the regulations have balanced the economic benefits of tourism with the needs of local residents?

### **Objective 4: Examine the changes in prices and availability of listings on the platform before and after the implementation of the regulations**

#### 1. Price changes:

- Have you adjusted the prices of your property since the regulations were implemented? Why?

- How do you think the regulations have affected the average prices of tourist rentals in Barcelona?

## 2. Availability of listings:

- Have you observed an increase in competition due to the reduction in available listings?

## 3. Market trends:

- How has guest behavior changed since the regulations were implemented?

- Have you noticed an increase in demand for properties in unregulated areas or outside Barcelona's city center?

Objective 5: Demonstrate that regulations have resulted in a reduction in the supply of available listings on the platform in Barcelona\*\*

## 1. Reduction in listings:

- Have you had to remove or reduce the number of listings you offer on Airbnb due to the regulations?

- Do you know other hosts who have stopped operating on Airbnb because of the regulations?

## 2. Impact on supply:

- Do you think the regulations have successfully reduced the number of properties available on Airbnb in Barcelona?

- Have you noticed an increase in the supply of long-term rentals in your area due to the regulations?

## 4. Future of the tourist rental market:

- What changes would you propose to improve the current regulations?