

Q3: How many properties would be affected by the opposition's proposal?

Since the opposition proposed that "professional landlords" should take the responsibility, we estimate 62,000+ (66.39% of London Airbnb market) units will be directly affected, as determined from our analysis in the previous question.

Why these properties

Under the proposal, all 62,000+ professional properties will be subject to mandatory registration and taxed at a higher rate. Conversely the remaining approximately 33,000 'private and shared room' accommodations (accounting for 33% of the market share) will be exempt from this tax. This provides the mayor with a political barrier protecting residents who rent out spare rooms for a living.

Although the 62,000 units of housing only account for approximately 1.6% of the total 3.8 million housing units in London (London Assembly Research Unit, 2024, p.5), their impact is not uniform. Most of these affected properties are concentrated in Zones 1 and 2. For example, in Westminster, which recorded the UK's highest short-let guest nights (around 3.9m in 2024) according to Housing Analysis Team (2025), the tax would affect approximately 8.8% of the borough's housing stock. Therefore, this policy would be a targeted measure.

Indirect spillovers

Beyond the directly targeted short-term rental stock, non-professional hosts and renters will also experience the ripple effects through broader housing market dynamics. The opposition's proposal would introduce additional compliance, which could deter some non-professional hosts from regulated platforms. Consequently, this proposal could reduce a supplementary income stream from which they often support mortgages or living costs. More critically, while the policy aims to increase long-term supply, it risks pushing these properties into vacancy, sale, or less regulated grey-market letting, where properties are unlikely to return to the normal private rental market, thus failing to achieve the desired supply boost

Reference:

Housing Analysis Team (2025). *Short-term lets through online collaborative economy platforms, UK*. [online] Ons.gov.uk. Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/shorttermletsthroughonlinecollaborativeeconomyplatformsuk/januarytodecember2024>

London's housing stock Research Unit. (2024). Available at:

<https://www.london.gov.uk/sites/default/files/2024-11/London%27s%20Housing%20Stock%20-%20Research%20Unit%20-%20November%202024.pdf>

What are the likely pros and cons of the opposition's proposal? (for the Mayor, for the residents, for the city)

For the City:

Firstly, the policy increases data availability and supports clearer enforcement of specific regulatory requirements by enabling more systematic registration. Secondly, the Council Tax can be used to pay for enforcement teams, neighbourhood services or affordable housing programmes thereby strengthening the policy's legitimacy. Thirdly, it helps preserve local specificity in the regulation of rental housing markets. Research suggests that platforms often pursue uniform regulatory standards across cities to minimise compliance costs. This proposal however helps ground regulation in local contexts and supports data-driven and effective implementation. (Ferrerri and Sanyal, 2018).

However, there are several potential obstacles in terms of execution. Firstly, delivery and cost pressures are high. Registration or licensing requires ongoing investment in systems, processing inspections and enforcement (Scottish Government, 2025) and implementation can be constrained by limited capacity and competing priorities (Propertymark, 2024).

Secondly, stricter registration and higher tax treatment may reduce market dynamism by raising entry barriers for new and smaller platforms (Shabrina et al., 2017) slowing the growth of compliant supply and weakening competition over time (Scottish Parliament, 2024). Thirdly, locally tailored regulation in London may create friction with national frameworks. Short-term rentals cut across planning taxation data access and platform accountability which can conflict with more standardised UK-wide systems (Lord and Tewdwr Jones, 2014).

Reference:

Ferrerri, M. and Sanyal, R. (2018). Platform economies and urban planning: Airbnb and regulated deregulation in London. [online] Urban Studies. Available at: <https://doi.org/10.1177/0042098017751982>

Shabrina, Z., Zhang, Y., Arcaute, E. and Batty, M. (2017). Beyond informality: The rise of peer-to-peer (P2P) renting. [online] UCL Bartlett Centre for Advanced Spatial Analysis. Available at: <https://www.ucl.ac.uk/bartlett/publications/2017/mar/casa-working-paper-209>

Scottish Government (2025). Short term lets licensing statistics Scotland to 30 June 2025. [online] Gov.scot. Available at:

<https://www.gov.scot/publications/short-term-lets-licensing-statistics-scotland-to-30-june-2025/>

Propertymark (2024). STL licensing report suggests scheme is raising standards despite concerns. [online] Propertymark. Available at: <https://www.propertymark.co.uk/resource/stl-licensing-report-suggests-scheme-is-raising-standards-despite-concerns.html>

Lord, A. and Tewdwr-Jones, M. (2014). Is planning “under attack”? Chronicling the deregulation of urban and environmental planning in England. [online] European Planning Studies. Available at: <https://doi.org/10.1080/09654313.2012.741574>

Boto-García, D. (2024). Illegal Airbnb properties and hosts’ professionalism. *Tourism Economics*. doi:<https://doi.org/10.1177/13548166241281756>.

5. Can the story be reframed as a positive one about social mobility or housing opportunity?

In reviewing the narrative of the scandal, it is important to consider that the individual appears to belong to a middle-income professional group rather than an established capital owner. He may have entered the housing market through mortgage finance rather than inherited wealth and short-term letting may have assisted him in managing mortgage payments and living costs while gradually building assets in London. This context suggests a reinterpretation of the story through the lens of social mobility and housing opportunity.

From a social mobility perspective, shared housing and buy-to-let properties provide rental income which offers young people additional financial resources and greater opportunities to remain in their homes. This enables them to have greater access to urban spaces including more employment and education opportunities and social interactions. For cities, objectively greater financial gains represent the vitality of the city’s economy which can attract more and more talent. This is particularly important for large cities such as London, as the London Growth Plan (2025) emphasises “Make sure London remains attractive for the best talent in the world” and “grow a skilled and diverse workforce” and “make housing more affordable”.

London Growth Plan. (2025). *London’s growth plan - London Growth Plan*. [online] Available at: <https://growthplan.london/>