



INSIGHTS SUMMARY

HOW CAN WE BALANCE TOURISM GROWTH WITH HOUSING AFFORDABILITY FOR LOCAL COMMUNITIES?

TOURISM / ONLINE WRITTEN DISCUSSION / 11 JULY 2024

WITH THANKS TO OUR EXPERT PANEL – we are very grateful to each member of the panel and to other members of the Business Fights Poverty community for their contributions:

Hennie Botes, CEO, Moladi - *South Africa*;
Henk Bouwman, Secretary General, METREX - The Network of European Metropolitan Regions and Areas - *France*; **Nick Budlender**, Researcher, Ndifuna Ukwazi - *South Africa*;
Josep Capella Hereu, Director, DECABA Tourism and Local Development - *Spain*; **Luis Cateura**, Self-sufficient Schools Program Manager, Fundación Paraguaya/Poverty Spotlight - *Paraguay*; **Valeria Dufлот**, Co-Founder, Venezia Autentica - *Italy*; **Ahila Ganesan**, Senior Advisor, MD's Office, Think City - *Malaysia*; **Marina Novelli**, Professor of Marketing and Tourism, University of Nottingham - *UK*

Jose Ramón-Cardona, Ibiza Island Council University College of Tourism, University of the Balearic Islands - *Spain*; **Alicia Reina Escandell**, Professor of Tourism, University of the Balearic Islands, General Manager, Migjorn Ibiza Suites and Spa, and Balearic President, Spanish Association of Hotel Directors (AEDH) - *Spain*; **Sofia Ribas Bamber**, Founder, (Ma) Laboratorio de Transformación Sostenible - *Spain*; **Karen Simmonds**, Founder, Travel Matters - *UK*; **Rachel Slaymaker**, Research Officer, Economic and Social Research Institute (ESRI) - *Ireland*; **Lucia Valenzuela Solis**, Mexico Country Program Manager, Build Change - *Mexico*

Moderators: **Yvette Torres-Rahman**, Co-Founder and CFO, Business Fights Poverty
Katie Hyson, Director of Thought Leadership and COO, Business Fights Poverty

In a recent [online written discussion](#), panellists and audience participants explored the question, “How Can We Balance Tourism Growth with Housing Affordability for Local Communities?” The discussion addressed three main questions, and participants shared insights, strategies and examples of successful initiatives. Here, we summarise the key insights from each question along with a list of shared resources and hyperlinks.

QUESTION 1: What are the primary social challenges you have seen facing local communities due to the growth of tourism, including with regard to housing and the quality of life for locals? Can you give some specific examples?

Participants highlighted several key challenges local communities face due to tourism growth, particularly regarding housing and quality of life:

1. RISING HOUSING COSTS AND SHORTAGES

Tourism growth often leads to increased housing prices and reduced availability of affordable housing for locals. Short-term rentals like Airbnb exacerbate this issue by driving property owners to prefer more profitable short-term leases over long-term rentals for residents.

2. GENTRIFICATION AND DISPLACEMENT

Increased tourism can lead to the gentrification of neighbourhoods, pushing

out original residents due to rising costs and changing the character of local communities. This can result in the displacement of long-term residents and essential workers who can no longer afford to live in their communities.

3. STRAIN ON INFRASTRUCTURE AND PUBLIC SERVICES

Overcrowding from tourists places a significant strain on local infrastructure and public services, including transportation, sanitation, healthcare and public safety. This can negatively impact the quality of life for residents as resources become overburdened.

4. ECONOMIC AND EMPLOYMENT CHALLENGES

Tourism-driven economies can create job instability due to the seasonal nature of tourism employment. Furthermore, local businesses and residents may suffer as tourism-focused commercial development replaces traditional businesses, leading to higher living costs and economic disparities.

5. CULTURAL EROSION AND ENVIRONMENTAL DEGRADATION

The influx of tourists can dilute local culture and traditions, impacting residents' sense of identity. Additionally, tourism can lead to environmental degradation, including overuse of natural resources, pollution, and damage to local ecosystems, further affecting the quality of life for locals.

QUESTION 2: What strategies or solutions have you seen being implemented to mitigate the negative impacts of tourism, including on housing? Can you provide examples of successful initiatives or policies that have helped balance tourism growth with the needs of residents?

Several strategies and examples of successful initiatives were shared to mitigate the negative impacts of tourism:

1. REGULATION AND ENFORCEMENT OF SHORT-TERM RENTALS

Implementing stricter regulations and enforcing existing laws on short-term

rentals can help mitigate housing shortages. Examples include Amsterdam's rent increase cap and licensing requirements, and Ibiza's agreement with Airbnb to remove unauthorised listings. Strategies against illegal practices in tourist accommodations, such as intensifying inspections and launching educational campaigns, were highlighted.

2. TOURISM TAXES AND VISITOR MANAGEMENT

Introducing tourism taxes and managing visitor numbers can alleviate the strain on local infrastructure and resources. Venice's entry fee for day visitors and tourist taxes in various locations aim to distribute the economic benefits of tourism while controlling its negative impacts.

3. COMPREHENSIVE URBAN AND HOUSING POLICIES

Developing and enforcing urban planning policies that prioritise affordable housing and limit tourist accommodations can help maintain a balance. Torroella de Montgrí-L'Estartit in Spain implemented Municipal Urban Planning Plans to reduce developable areas and conserve valuable landscapes, achieving high local consensus and economic benefits.

4. COMMUNITY INVOLVEMENT AND SUSTAINABLE TOURISM PRACTICES

Engaging local communities in tourism planning and promoting sustainable tourism practices ensure that the benefits are shared and negative impacts are minimised. Initiatives like Venezia Autentica in Venice focus on retaining revenue locally and supporting businesses that benefit the community.

5. PUBLIC-PRIVATE PARTNERSHIPS AND INNOVATIVE HOUSING SOLUTIONS

Establishing public-private partnerships to manage housing and tourism development can provide sustainable solutions. Examples include France's EXTEL managing rental apartments and reinvesting in social housing, and programmes like Think City in Malaysia promoting cultural and economic development through catalytic grants.

QUESTION 3: How can businesses, civil society and government collaborate more effectively to address the challenges posed by tourism growth? Can you share examples of where this is happening?

Participants discussed how businesses, civil society and government can collaborate to address tourism challenges:

1. PUBLIC-PRIVATE PARTNERSHIPS (PPPS)

Strategy: Foster joint initiatives between government agencies and private businesses to address tourism challenges. We need to foster collaboration between businesses, administrations and civil society to address tourism challenges and develop strategies based on objective data, avoiding ideological measures and scapegoating.

Example: In the Lake Tahoe-Truckee region, stakeholders collaboratively developed a vision and plan for destination stewardship, demonstrating effective PPPs in managing tourism growth.

2. DATA SHARING AND KNOWLEDGE EXCHANGE

Strategy: Encourage collaboration through sharing information and insights to make informed decisions.

Example: Denmark's collaboration with Airbnb on a data-sharing agreement illustrates how sharing tourism data between platforms, regulators and local governments can regularise the sector and manage its impacts.

3. COMMUNITY INVOLVEMENT AND CAPACITY-BUILDING

Strategy: Involve residents in tourism planning and enhance skills across sectors to promote sustainable practices. The idea of creating a network to share best practices and support among communities facing tourism challenges was proposed.

Example: The Northern Region Archaeotourism Network in Malaysia engaged the community at every level of the programme, ensuring their needs

were considered in tourism development, thereby promoting local involvement and sustainable tourism practices.

4. COMPREHENSIVE URBAN AND HOUSING POLICIES

Strategy: Develop long-term urban planning policies that prioritise housing for residents while managing tourism growth and environmental impacts.

Example: It is estimated that Hawaii needs to build 50,000 new affordable homes. The challenge is how to meet the demand for housing, while also managing environmental impacts as part of a comprehensive approach to urban planning in areas with limited land.

5. CERTIFICATION PROGRAMMES AND SUSTAINABLE TOURISM PRACTICES

Strategy: Encourage businesses to adopt sustainability certifications and eco-labels to promote responsible tourism. Emphasis on the need to transform tourism to focus on long-term well-being and environmental health was highlighted, with calls for inclusive and co-designed tourism policies. The role of tourism businesses supporting workers was also raised. Creating a working group to study and analyse living wages by sector and the quality of life for workers can help address housing affordability.

Example: Costa Rica's Certification for Sustainable Tourism (CST) and Japan's International Partnership for the Satoyama Initiative are examples of programmes promoting sustainable tourism practices and fostering collaboration between local stakeholders, businesses and the public sector.

CONCLUSION

The discussion underscored the complex interplay between tourism growth and housing affordability for local communities. Effective strategies involve regulation, community engagement, sustainable practices and comprehensive planning. Collaboration among businesses, civil society and government is essential to create balanced and sustainable tourism that benefits both residents and visitors.

RESOURCES

The following resources were shared during the discussion:

Amsterdam's Housing Regulations

Detailed information on Amsterdam's regulations for letting privately-owned homes, including rent increase caps and buyout protections: <https://www.amsterdam.nl/en/housing/regulations-letting-privately-owned/>

Legislation capping annual rent increases in Amsterdam's liberalised housing market to ensure affordability: <https://www.houthoff.com/insights/news/huurprijsverhogingen-maximering-in-vrije-sector-en-kortere-verjaringstermijnen>

BBC Travel – Lenggong Valley

An article exploring the significance of Malaysia's Lenggong Valley, a UNESCO World Heritage site, and its tourism potential: <https://www.bbc.com/travel/article/20160518-malaysias-11000-year-old-treasure-trove>

Build Change Resilient Framework

Explains the resilient housing framework developed by Build Change to improve housing quality and resilience against natural disasters: <https://buildchange.org/why-resilient-housing>

Fundación Paraguaya - Poverty Stoplight

Information about Fundación Paraguaya's Poverty Stoplight initiative, which helps families self-diagnose and overcome multidimensional poverty: <https://www.fundacionparaguaya.org.py/#/semaforo?lang=en>

International Social Housing Festival

Information about the International Social Housing Festival, taking place in Dublin in 2025, which celebrates and promotes the importance of social housing: <https://www.socialhousingfestival.eu/>

Local Visitor Economy Partnership (LVEP) Programme by VisitBritain

Describes VisitBritain's programme aimed at supporting local visitor economies through partnerships and strategic initiatives: <https://www.visitbritain.org/resources-destination-partners/local-visitor-economy-partnership-lvep-programme>

(Ma) Learning Lab

Ma is working as the local partner to Business Fights Poverty on its current tourism and housing project in Spain: <https://thinkma.world/>

METREX Publications

METREX is the network of European metropolitan regions and areas. Its publications are focused on metropolitan and regional planning, offering insights and best practices for sustainable urban development and governance: <https://www.eurometrex.org/publications/>

Ndifuna Ukwazi Publications and Resources

A collection of publications and resources from Ndifuna Ukwazi, an organization focused on land and housing justice in South Africa: <https://nu.org.za/publications-resources/>

Overtourism Solutions

Provides resources and advocacy tools for addressing the negative impacts of overtourism through sustainable practices and policies: <https://overtourismsolution.com>

Think City – Malaysian Cultural Sites Development

Think City's initiatives to develop and promote Malaysian cultural sites through catalytic grants and community involvement: <https://thinkcity.com.my/grants-amp-activities/grants/cultural-economy-catalytic-grants>

Travalyst Collaboration for Sustainable Travel

Highlights the collaborative efforts of Travalyst, working with major travel brands to promote sustainability and responsible travel: <https://travalyst.org>

Travel Matters – Community-Centred Vision

Showcases the work of Travel Matters in promoting a community-centred vision for sustainable tourism growth: <https://www.travelmatters.co.uk>

Venezia Autentica

A platform that helps visitors discover and support authentic Venetian businesses and culture: <https://veneziaautentica.com>

Find out more about the impact and operational model of Venezia Autentica in promoting sustainable tourism in Venice here: <https://impact.veneziaautentica.com>

This online written discussion was held as part of a programme being run by Business Fights Poverty on managing the impact of tourism on housing. The programme seeks to draw on experience and strategies being used around the world to inform tangible action. To find out more, and to get involved, contact team@businessfightspovetry.org