

Duff on Hospitality Law

## OTA & Travel Distribution Update - Oct. 20th, 2017

By Greg Duff on 10.27.17 | Posted in OTA Update

This week's OTA & Travel Distribution Update for the week ending October 20, 2017 is below. Short-term rentals feature prominently in this week's Update.

### **Short-Term Rental Platforms Not Target of Hong Kong Regulators [SHORT-TERM RENTALS]**

*("Hong Kong says online rental platforms not target of regulation, MLex, October 20, 2017)*

Secretary of Home Affairs, Lau Kong-wah, clarified last week that short-term rental platforms (e.g. Airbnb) are not the target of Hong Kong's Hotel and Guesthouse Accommodation Ordinance. Under the Ordinance, hosts offering accommodations for a fee for 28 or fewer continuous days are required to obtain a license. Platforms facilitating the booking of such accommodations are **not** regulated under the Ordinance. In recognition of the difficulty of identifying and then regulating unlicensed hosts, Hong Kong regulators are asking platforms to assist in identifying and de-listing unlicensed accommodations and at the same time proposing changes to the Ordinance to make unlicensed facility owners criminally liable for violations.

### **Jet Blue Abandons Distributors [OTA]**

*("JetBlue cuts ties with a dozen cheap travel sites," Biz Journal - Bankruptcy News, October 20, 2017) (subscription required)*

Sound familiar? Concerns over the escalating costs of third-party distributors cause travel provider to abandon certain distribution providers in an effort to refocus its distribution efforts on direct bookings. Discount airline, Jet Blue, announced plans last week to cut ties with several discount distributors as part of an overhaul of its distribution strategy and renewed focus on its own distribution channels. Jet Blue hopes the focus on its own distribution channels will not only reduce distribution costs, but also allow it to provide travelers more robust booking options (e.g. seat upgrades, meals and other travel components).

### **IHG Combines Loyalty Programs [LOYALTY]**

*("IHG® announces plans to bring together IHG® Rewards Club and Kimpton Karma Rewards," Financial Buzz, October 20, 2017)*

Not surprisingly, Intercontinental Hotel Group announced plans last week to combine its two loyalty programs – IHG Rewards Club and Kimpton Karma Rewards – in early 2018. Members of the combined programs will have access to IHG's entire portfolio of properties for both earning and redeeming points.

**Portland-based Vacasa Doubles Valuation with Recent Investment Round [SHORT-TERM RENTALS]**

*("Vacation rental company Vacasa raises \$103M, takes on giants Airbnb and HomeAway with unique approach," Geekwire, October 17, 2017)*

Vacation rental management company, Vacasa, announced last week the successful conclusion of a \$103.5 million investment round. Unlike other similar short-term rental platforms (e.g. Airbnb, Homeaway), Vacasa manages its portfolio of 6000 properties by providing hosts a variety of management services – reservation services, housekeeping, etc. Vacasa's properties and revenues have tripled in the last 18 months. Proceeds from the investment round will be used to expand its managed portfolio globally.

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Other news:

**Owners Want Airbnb Told To Stop Rentals In Their Buildings**

*Law 360 - Product Liability, October 20, 2017 (subscription required)*

The owners of several residential apartment buildings asked a California federal court Wednesday to block Airbnb from allowing their tenants to rent out apartments on its website, saying they will likely prevail on claims that rowdy guests are costing them money and disturbing residents, harms that will continue without the...

**Short-term rentals now legal through Wisconsin**

*Lakeland Times - News, October 14, 2017*

Airbnb.com Short-term rentals of fewer than 30 consecutive days, for those who have advertised on sites such as Airbnb, have been illegal in single-family zoned residential districts in Oneida County, but is no longer under a late amendment to the state budget bill Gov. Scott Walker did not veto. Richard...