Chapter 11
Collaborative Lodging in Puerto Vallarta: Who Wins and Who Loses?

María de los Angeles Huízar Sánchez
https://orcid.org/0000-0002-8051-4241
University of Guadalajara, Mexico

Jorge Luis López Ramos
https://orcid.org/0000-0002-2290-7004
University of Guadalajara, Mexico

José Alfonso Baños Francia
https://orcid.org/0000-0003-4734-9368
University of Guadalajara, Mexico

ABSTRACT

The collaborative lodging has expanded globally, driven by companies that through digital platforms enlist the properties of individuals to integrate them into the market of tourist accommodation, a situation that has generated wide socio-economic and territorial problems in the main tourist destinations in the world. This chapter analyzes who receives the benefits of the collaborative lodging, as well as the negative impacts it generates in Puerto Vallarta, through an analysis of the behavior of the offer, as well as in-depth interviews with hosts registered in the Airbnb platform.

INTRODUCTION

The accelerated technological development that post-modern society has experienced in recent years has caused changes in the production and consumption paradigms posed by the traditional economy, moving towards new forms of exchange of products and services through the so-called collaborative economy.
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Under this scheme, a series of companies have emerged acting as intermediaries between producers and consumers through digital platforms, among which Uber and Airbnb stand out and have positioned themselves as icons of this model, the first in the mobility sector and the second in lodging.

Since its creation in 2008, Airbnb has captured international attention due to its rapid growth, placed among the companies best valued by the financial markets. It has grown around the world, taking advantage of privately owned homes to combine the largest number of accommodation units on a global scale.

It is recognized as an innovative and disruptive company that offers unique experiences that contrast with the standardized service of traditional hotel management. However, its operation in cities such as New York, Paris, Barcelona or Amsterdam, among others, has given rise to a myriad of questionings derived from the socio-economic challenges that its proliferation has generated in said cities. After various legal disputes, some of these cities have decided to not allow the operation of the company, or have been seen themselves in the need of generating new regulations for its operation. These aspects call into question the benefits attributed to this model.

The high demand for temporary accommodation puts more pressure on tourist destinations, which experience an accelerated growth in the offer of collaborative options. In Mexico, Puerto Vallarta is the third most visited beach destination in the country, and like others, it has an accelerated growth of lodging units under this modality, which are generating changes in its socioeconomic and territorial structure.

In 2010, the company Airbnb began its operations in this tourist destination and quickly positioned itself as a leader in collaborative lodging, presenting a growth rate of over 60% per year (Airdna.co, 2018a), a figure that shows the interest in this type of lodging among tourists impacting the real estate model in two ways. The first, an increase in the number of registered hosts with more properties to offer. The second, real estate investors who see a good opportunity to increase their profit by building high-rises with a greater number of units.

From the community perspective, residents of neighborhoods that have experienced the real estate boom, such as the Romantic Zone and Marina Vallarta, have expressed their rejection to the accelerated process of urbanization. However, given the lack of attention by the local authorities, they have opted for stronger measures (public demonstrations and closing streets).

Meanwhile, the hotel sector has insisted on the need of regulation, referring to the unfair competition that this type of lodging represents by not paying taxes, not being subject to the same demands as the hotel industry. In their opinion, Government should take actions to ensure equity by all means (fiscal, administrative and urban), establishing compensatory instruments.

The effects of collaborative lodging have shown new forms of accumulation of capital for the intermediary company and a good business opportunity for developers and property managers who are taking advantage of spaces with great touristic value, saturating these with high-rise buildings, in smaller spaces and driving unprecedented gentrification dynamics.

All this take place before the passive eye of local agents, who are more interested in the economic dimension and are overwhelmed by the speed of the process. So far, the community has not taken strong actions but tensions are appearing, paving the way for over-tourism effects, with an ending difficult to predict.

Given this scenario, the question is who wins and who loses? In the current process of expansion of collaborative lodging in Puerto Vallarta.