



Home / Sabah Local News

Call to allow AirBnB deals

Published on: Sunday, August 13, 2017

Kota Kinabalu: Widebed Sdn Bhd founder and CEO, Ivan Chong, said AirBnB deals that help investment property owners avert foreclosure actions should be allowed for humanity sake when long-term tenants are hard to find.

"The facts show that there are two million worldwide owners listing on AirBnB," he said, and estimated that in Malaysia there are more than 15,000 with 4,308 as of September last year in Kuala Lumpur.

He was delivering his paper "The State of Art on Booming Short Term Rental Properties" at the Shareda CEO Roundtable Conference on Thursday.

Chong, a Sabahan now based in Kuala Lumpur, said AirBnB deals can earn more rental income for property owners than long-term tenancy as research has shown.

"The facts show that potential additional revenue from short-term rental can be as high as 54 per cent more for studio apartments, 36 per cent for 1-bedroom, 84 per cent for 2-bedroom, 67 per cent for 3-bedroom and 31 per cent for 4-bedroom apartments or condominiums in key tourism areas."

He said Widebed, his holiday accommodation booking and management company, is poised to gain from "the upcoming booming hospitality industry."

This trend, he explained, is based on culture plus tourism and property.

"People seek homely experience where they partake in the local culture rather than just a hotel experience."

Chong said: "Do you know how much vacation rental management companies in the United States and China are gaining in business turnover?"

According to him, China's Tujia has a \$1 billion market as mainland Chinese love to book through its platform, while in the Americas, Evolve and Vacasa garner \$425 million and \$266 million deals respectively.

Chong highlighted that Free Independent Travellers (FIT) comprised 58.7 per cent of tourists in Malaysia with first time visitors at 88.9 per cent and repeat visitors at 11.10 per cent.

The younger generation of age 21 to 30 years old forms the bulk of the visitors at 36.9 per cent, while those from 31 to 40 years old comprise 25.1 per cent, and 41 to 50 age group makes up 14.6 per cent.

Hence design and homely experience are important for these travellers, rather than the hotel experience, and therefore property owners need to provide for these groups rather than their own preference in design and furnishing for short term vacation home renters. - David Thien

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