

SUMMARY OF ARTICLE: [HTTPS://DX.DOI.ORG/10.12795/REA.2022.I43.04](https://dx.doi.org/10.12795/rea.2022.i43.04)

Resilience of the urban tourist market in the face of the COVID-19 crisis. The case of Malaga

Beatriz Benítez-Aurioles

bbaurioles@uma.es  0000-0002-4224-9184

Facultad de Ciencias Económicas y Empresariales. Universidad de Málaga.
Calle El Ejido, 6. 29013 Málaga, España

KEYWORDS

Resilience
Urban tourism
COVID-19
Hotels
Airbnb
Impacts

INTRODUCTION

The COVID-19 pandemic has caused an unprecedented crisis that has hit tourism particularly hard. However, in 2021, the progressive advance of vaccination and the lifting of the restrictions that had been decreed to try to contain the spread of the virus allowed, to a certain extent, the recovery of tourist activity. In this context, the analysis of the resilience of urban tourism, which has received increasing attention from an academic point of view, has a special relevance given the open debate, before the pandemic, about the pressure that tourism was exerting on certain cities.

237

OBJECTIVES

The objective of this article is to analyze the resilience of urban tourism in the face of the COVID-19 crisis, taking the city of Malaga as a reference. The convenience of supporting the study in the analysis of supply, demand and prices as basic vectors that determine the functioning of any market is proposed. In this context, it is relevant to first determine whether urban tourism is recovering and, if so, to what extent the characteristics it had before the pandemic are being reproduced.

METHODOLOGY

Among the various methodological approaches that can be adopted for the study of urban tourism, the theoretical framework provided by the economic analysis is relevant to know the basic vectors that condition the operation of the tourism market. Furthermore, given the differences between the conventional accommodation market and the p2p market for short-term rentals, a separate analysis is appropriate.

Regarding the data used, for the conventional tourist accommodation market, we will turn to the *Hotel Occupancy Survey* that is published regularly by the National Institute of Statistics (INE) and, additionally, we will base ourselves on the barometer published by Exceltur the treatment of some variables related to the



profitability of the hotel. For its part, given the scarcity of official data, we will use the information InsideAirbnb collects and makes available to interested parties via scrapings from Airbnb listings (whose leadership, among the platforms dedicated to the commercialization of private homes in the short term, is indisputable). This database, despite its limitations, allows a good approximation to the basic variables that determine the operation of the p2p market and, in particular, of prices.

The choice of the city of Malaga as the area of our study is justified, not only by the absolute and relative importance of tourism in generating income and employment (Malaga places it among the top urban destinations in Spain), but also by the weight of the p2p market for tourist accommodation, which has frequently been pointed out as the catalyst for negative impacts associated with *overtourism*.

The *time frame* that we have taken as a reference is the period between September 2018 and the same month in 2021, that is, before the pandemic and once the tourism sector has shown signs of recovery.

RESULTS AND DISCUSSION

The analysis of the conventional accommodation market has shown evident signs of recovery as of spring 2021. On the demand side, the leading role acquired by national tourism is noteworthy. In fact, it is the national tourist demand that has led the recovery that the sector has experienced and that is even more evident since May 2021. It is true that, since then, there has also been an increase in both the number of travelers and overnight stays by foreigners, although without reaching pre-pandemic levels. On the other hand, the number of travelers and overnight stays by national tourists registered significant growth, even exceeding the figures of previous years. Everything points to the fact that residents in Spain substituted international trips for national ones, which, unlike what happened before the pandemic, has surpassed tourist activity by foreigners, both in terms of travelers and hotel overnight stays, which accredits the capacity of national tourism to compensate for the drop in international tourism. It is also worth noting the increase of the average stay in hotels up to historical figures, which could be connected to the change in behavior caused by national tourists.

On the supply side, the recovery of the conventional accommodation market as of mid-2021 is also confirmed. The estimated number of rooms reached its historical highs in summer 2021, which suggests that not only the reopening took place of hotel establishments that had closed during the pandemic, but there were also new additions to the market. The fact that, despite this growth in the number of estimated rooms, their degree of occupancy has also grown, is logically explained by the recovery in tourist demand. Indeed, the fact that there has been a rise in the *Average Daily Rate* (ADR) and *Revenue per Available Room* (RevPAR) since spring 2021 suggests that the intensity of demand recovery has offset the supply increase, and, consequently, explains the rise in prices in the conventional accommodation market. The end result was an increase in employment in the hotel sector during 2021 to levels very close to those it had before the pandemic. The resilience of urban tourism in the city of Malaga was not limited to conventional market (hotels) but is also manifested in the p2p market. Indeed, although there is a decrease in the number of accommodations comparing the data from September 2019 with that from the same month of 2021, this does not necessarily amount to an effective reduction in the market—as the analysis performed indicates that, in the face demand recovery, there has been a more intensive use of available accommodation; so that, ultimately, tourist pressure exerted by the p2p market may be recovering to pre-pandemic levels. In this sense, the p2p market for tourist accommodation shows similar resilience patterns to that of the conventional market; and, more specifically, a strong recovery in demand as of May 2021.

On the other hand, the preponderance of the commercialization of entire homes and that of hosts that supply more than one accommodation in the p2p market is confirmed. In other words, the trend seems to be strengthening towards a market where the supply is in hands of professionals and is basically dedicated to the short-term renting of entire homes. In many cases, the supply even comes from companies that comprehensively manage the rental of the apartments on behalf of the actual owners. The reduction in the percentage of bookings that can be made instantly, which could be indicative of the greater interest of the



hosts in selecting the type of tourist they receive, is also noteworthy. All this could ultimately explain certain changes in the price formation process in the p2p market for tourist accommodation after the pandemic.

From the econometric estimates made with data from before (September 1, 2019) and after the pandemic (September 30, 2021), it can be deduced that, when the homes supplied are entire (rather than shared) and the number of accommodates is higher, the accommodation price is higher and maintains the same influence, in quantitative terms. Likewise, the number of reviews per listing, which could be considered an approximation to demand, maintains the same value and inverse relationship with price. Distance, on the other hand, appears to lose relevance: while having the expected sign with high statistical significance before the pandemic, it loses its statistical significance and influence in determining the prices of accommodation after it. However, perhaps the most notable changes occurred in the parameters associated to the variables related to the hosts and their reservation policy. In this sense, the *Superhost* label loses influence on the price, while the number of listings per host gains it. We additionally remark the change in the sign of the parameter linked to instant booking, which has a direct influence on the price at the end of the period.

CONCLUSIONS

Faced with the crisis caused by COVID-19, the resilience of urban tourism has been confirmed, at least in the city of Malaga, both in the conventional market (hotels) and in the p2p market (Airbnb) as we verify that the basic variables that characterize both markets have shown clear signs of recovery as of spring 2021. The characteristics of this recovery have some practical implications for both the private and public spheres. Thus, the leading role that national tourism has had in the tourist demand for hotel accommodation and the lengthening of stays can serve as a basis for the articulation of promotional campaigns by private managers especially aimed at resident tourists in Spain. On the other hand, the resurgence of the p2p market for tourist accommodation reopens the debate on the carrying capacity of cities and the relevance of its regulation.