



SUSTAINABLE ACTIVATION OF DIASPORA-OWNED HOUSING FOR TOURISM – CASE OF ŠAR MOUNTAIN CORRIDOR

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Abstract

The sustainable activation of underutilized real estate assets represents a promising pathway for economic revitalization in regions with high rates of emigration and significant diaspora investment. This study examines the feasibility of implementing a digital platform model to manage diaspora-owned properties for short-term rentals in the Šar Mountain National Park area, spanning the corridor between the city of Prizren and the Brezovica Ski Resort. Drawing on a qualitative research design, semi-structured interviews were conducted with a purposive sample of diaspora property owners to assess their willingness to participate in a managed tourism accommodation scheme. The research goal is to identify key motivations, perceived barriers, and expectations regarding the professional administration of their properties. Analysed aspects are revenue sharing, maintenance services, digital access solutions, and marketing. The results and outcomes indicate a substantial latent interest among respondents in monetizing their underutilized assets. The primary motivation is to offset maintenance costs, generate supplementary income, and contribute to the local economy. However, there are concerns related to trust, taxation, and regulatory compliance. Some of them were identified as critical factors influencing participation decisions. The findings are moving the focus to the importance of transparent governance structures, clear contractual frameworks, and robust support systems to motivate engagement. This evidence base provides a solid basis for business developers, policymakers, and practitioners seeking to design sustainable tourism models that leverage existing housing infrastructure while enhancing local employment opportunities and promoting cultural and ecological tourism. For confidentiality purposes, the identity of the persons interviewed has been anonymized in this publication.

Key words: *Sustainable tourism, hospitality industry, platform economy, short-term rentals, community development, digital transformation, underutilized assets, Šar Mountain.*

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Introduction

Regions with high emigration often host a large stock of diaspora-owned dwellings that remain underutilized outside brief seasonal returns. Converting this idle housing into managed short-term accommodation can add significant changes in local economy:

1. reduce pressure for new construction in sensitive mountain ecology;
2. generate additional local community income, and
3. create employment in cleaning, maintenance, guest services, and digital operations.

This paper explores the feasibility of a digital platform for the Šar Mountain corridor (Prizren–Brezovica) that professionally manages properties owned by diaspora within a transparent governance framework.

Research questions

This research has been conducted based on several questions:

1. What motivates diaspora owners to engage with a professionally managed short-term rental (STR²⁶³) scheme?
2. What barriers (trust, taxation, regulatory) shape participation decisions?
3. Which governance and contractual mechanisms best align incentives and build long term trust?
4. How should be designed policy instruments in order to balance sustainability and growth in protected mountain regions?

Literature review

Diaspora capital, underutilized housing, and regional development are very hot topics in researchs since in many communities diaspora capital is of great importance for local development. Diaspora communities mobilize capital through remittances, entrepreneurship, and property investment. Very often, diaspora is becoming pivotal development agents in origin regions. Underutilized diaspora housing represents a latent asset class that can be sustainably activated via managed Short Term Renal (STR) programs.

Platformized tourism can unlock efficiencies but raises governance challenges in compliance, taxation, and neighborhood effects. In sparsely regulated contexts, trust deficits can suppress supply participation; conversely, overly rigid regimes can deter entry. Mission-oriented platforms can encode compliance-by-design (audited payouts, maintenance SLAs, environmental standards) and provide a *compliance concierge* for owners.

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Reusing existing housing stock aligns with conservation by limiting new builds and enabling eco-standards through platform policies (waste, water, energy). In protected corridors, explicit sustainability criteria and monitoring are essential.

Comparative context A: Portugal's Alojamento Local (AL)

Portugal operates a mature licensing regime for local lodging (AL). Reforms in 2023–2024 (*Mais Habitação*) tightened issuance in pressure zones, adjusted registration rules, and empowered municipalities. This offers a template for predictable compliance, with higher initial friction but clearer investor expectations. Public debate in Lisbon illustrates how STR governance interacts with housing objectives.

Comparative context B: Georgia's tourism growth and decentralized STR rules

Georgia's rapid tourism growth coexists with decentralized STR rules (municipal-level variation) and active diaspora-development narratives. This flexibility can lower entry frictions but creates compliance uncertainty—useful as a counterpoint to Portugal's codified regime.

Comparative context C: Balkans Diaspora

Recent scholarship highlights the growing developmental role of diasporas across the wider Balkan region. In Kosovo, remittances and return migration remain key engines of post-conflict recovery [17]. The Albanian diaspora has similarly evolved from remittance senders to active development actors through structured financial channels [18]. Experiences in Montenegro demonstrates how small diaspora can leverage targeted property investments for local economic growth [19]. In Bulgaria, transnational communities sustain cultural identity while contributing to rural revitalization and SME development [20]. Researchers in Greece illustrates the complex interplay of citizenship, belonging, and mobility within a globalized diaspora network [21].

All these findings confirms that diaspora in Balkans is returning back in financial, social, and cultural areas. Diaspora is becoming transformative resource for sustainable regional development, directly influencing managed short term rental framework proposed for the Šar Mountain corridor.

Hybrid governance stack for "Šar Mountain" corridor

For the Šar Mountain corridor, we propose a hybrid model: the platform which acts as a centralized compliance and quality layer (Portugal-like predictability) while permitting municipal MOUs and adaptive rules (Georgia-like agility).



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Methodology

Design

An exploratory qualitative design was adopted. Semi-structured interviews were conducted with **N = 100** diaspora homeowners who possess properties in the region Šar Mountain National Park corridor (Prizren–Brezovica).

Sampling and Data Collection

Purposive sampling targeted owners across countries of residence (USA, France, Germany, Austria and Switzerland) and property types such as apartments, mountain houses and village houses. Interviews with duration between 45–60 minutes were conducted online and in person, recorded with consent, and transcribed. Identities were anonymized.

Analysis

A thematic analysis approach was used. Two coders developed an initial code-book related to motivations, barriers and expectations. Data are refined through double coding of 20% of transcripts and reconciliation. Code frequencies are summarized in Table 1.

Results

Motivations, key barriers and expectations

Owners expressed strong interest in monetization to offset maintenance costs, generate supplementary income, and support local economic revitalization. Many cited positive affective ties to the region and an interest in contributing to cultural and ecological tourism.

Key barriers are: (1) trust in revenue reporting and payouts; (2) uncertainty about taxation and regulatory compliance; (3) concerns about property maintenance and quality control.

Respondents favored a turn-key service package: maintenance, cleaning, guest management, digital access (smart locks), and transparent monthly statements. A preference for clearly defined revenue sharing, service level agreements (SLAs), insurance coverage, and dispute resolution has been showed.

Table 1. Motivations, barriers, and expectations (frequency across N=100 interviews)

Key Points	Details of special interest	Frequency
Motivations	Offset costs; Supplementary income; Local contribution; Seasonal utilization	82
Barriers	Trust in payouts; Taxation uncertainty; Compliance risk; Property maintenance	74



Key Points	Details of special interest	Frequency
Expectations	Turn-key management; Maintenance; Cleaning; Digital access; Transparent reporting	68

Table 2: Owner profit-share scenarios

Scenario	Description
Conservative	Owner retains 70% revenue; platform handles booking and payouts only. Minimal service bundle.
Balanced	60/40 split; platform handles guest management, cleaning, and marketing.
Full-Service	50/50 split; platform covers full management, maintenance, digital access, and tax documentation.

Reframing diaspora housing as “underutilized assets” provides a sustainability improvement. In opposite to construction of new resorts, policy can unlock idle dwellings, reduce vacancy, and slow unsustainable land consumption.

This resonates with both **digital transformation** literature and **sustainable tourism** policy frameworks.

Financial estimations

To contextualize the qualitative findings, a simplified financial estimation was conducted using current market prices for short term apartment rentals in the Prizren region as they are listed on *Booking.com*. Average nightly rates for one bedroom or 50 m apartments range between €50 and €100 per night, with a representative mean of approximately €60 per night.²⁶⁴ Assuming 500 diaspora owned apartments across the Šar Mountain corridor and an average occupancy rate of 70%, the estimated financial performance is summarized in Table 3.

Table 3: Illustrative financial potential for 500 diaspora owned apartments in the Šar Mountain corridor

Parameter	Estimated value
Average apartment size	m ²
Average investment cost	€500 per m ²
Total investment per apartment	€25,000
Total investment stock (500 units)	€12,500,000
Average nightly rate (Booking.com reference)	€60
Assumed occupancy rate	% (≈255 nights per year)
Annual gross revenue per apartment	€15,330
Aggregate annual gross revenue (500 units)	€7,665,000
Estimated operational costs (40–50%)	€3,066,000 – €3,832,500
Estimated net revenue range	€3,833,000 – €4,599,000

²⁶⁴ Indicative listings include: Corner Apartments (€68/night) and Agara Stays (€62/night), accessed via <https://www.booking.com/apartments/city/xk/prizren.html>.



Parameter	Estimated value
Implied gross yield on invested capital	61.30%
Approximate net yield range	3037%

The following section discusses the implications of estimated results calculated, comparing them with other regulatory contexts and helping in future research path identification.

Discussion

Estimated financial potential of the Šar Mountain corridor

As shown in Table 3, calculations suggest that activating approximately 500 underutilized diaspora owned apartments could generate around **€7.7 million in annual gross room revenue**, leveraging an estimated **€12.5 million in dormant real estate capital**. Even under conservative assumptions, such as 70% occupancy and €60 per night pricing. The corridor area tourism economy could yield a net annual inflow between €3.8 and 4.6 million.

Beyond direct financial benefits, such revenue circulation would stimulate secondary employment in maintenance, cleaning, local transport, and food services. This will make hospitality industry stronger and supporting broader community development goals. In addition, these returns demonstrate the feasibility of integrating underutilized assets into a sustainable platform economy. The framework proposed in this paper offering both income diversification for diaspora owners and long term digital transformation of the regional tourism infrastructure.

Implications for platform design

Findings support a platform architecture centered on transparency and compliance. Key features required and planned are:

1. auditable revenue statements;
2. standardized maintenance and cleaning SLAs;
3. integrated tax documentation;
4. insurance and deposit policies;
5. smart-lock access logs for accountability.

Comparative analyze, Portugal vs. Georgia

Table 4 positions the corridor against two reference regimes. Portugal's AL regime provides clarity and predictability while Georgia's decentralized approach offers agility. The Prizren-Brezovica corridor in Šar Mountain region can adopt a hybrid approach. That can be platform-level compliance plus municipal specifying local sustainability standards.

Table 4: Short term rental (STR) governance comparison: Portugal vs. Georgia



Criterion	Portugal (AL Regime)	Georgia (Decentralized)
Licensing and Registration	Codified AL registration; reforms 2023–2024 tightened issuance in pressure zones	No single national STR law; municipal variation common
Zoning Authority	Strong municipal role; pressure zones and caps possible	Predominantly local municipal discretion
Taxation	Clear frameworks; guidance available; integration with fiscal ID	Rules vary; owner-driven compliance more common
Transferability	Post-reform limits on transferability; registry integrity strengthened	Typically flexible; depends on municipality
Enforcement	Structured; fines suspensions defined	Mixed; depends on local capacity
Sustainability Safeguards	Growing emphasis (noise, density)	Emerging; platform can fill compliance gaps

Digital transformation and the platform economy

The findings contribute to ongoing debates in the fields of **sustainable tourism**, the **hospitality industry**, and the **platform economy** by showing how digital transformation can unlock underutilized assets while addressing community level concerns.

The proposed digital platform can be inspired by “Booking.com” and “airbnb.com” and has to demonstrate how service bundling (maintenance, guest management, compliance monitoring) can reduce entry barriers for diaspora property owners.

In line with global trends in the platform economy, the model relies on transparency and trust rather than anonymity and fragmentation.

Community development and hospitality

By activating diaspora owned properties for short term rentals, the initiative expands the hospitality industry reach into underdeveloped rural and mountain zones. This approach is strengthening community development unlike mass hotel developments. This concept minimizes ecological footprint by reusing existing assets. Moreover, service contracts for cleaning, maintenance, and cultural programming can generate localized employment, ensuring benefits circulation within the community.

Interview data reveal heterogeneity in owners willingness to share scenarios. Some prefer conservative revenue split models (70/30 – owner/platform) that prioritize autonomy. While others embrace full service management at lower revenue shares (50/50) in exchange for peace of mind (**Table 2**). The key determinant across scenarios is trust. Willingness rises when contractual clarity, insurance coverage, and taxation support are clearly presented and explained.



Limitations and future research direction

The **qualitative sample (N=100) is sizeable but it non probabilistic**. Results are not directly generalizable. Future work should include a survey based conjoint to quantify owner willingness to share under varied revenue splits and SLA bundles. In addition, comparative case study across other diaspora-heavy mountain regions has to be performed.

Future researchers are encouraged to adopt mixed-methods approaches to evaluate the real performance of the proposed managed short-term rental platform.

They should combine qualitative insights with quantitative validation tasks that measure economic impact.

User satisfaction, and environmental performance indicators over time should be validated too.

In addition, future studies could explore the **integration of thematic tourism routes** that connect historical and religious landmarks.

One of the proposed tour can be "History Tour" covering places such as the *Višegrad fortress, Drvengrad locality, Kaljaja fortress, the Monastery of the Holy Archangels*, as well as the eleven churches and eleven mosques located within the *Sredačka Župa* region.

Another promising tour can be investigating the potential for a "Mystical Prizren Tour" encompassing significant sites including *Kraljev Dvor, Monk Caves, Pogibelj, Mrtvilo, Mišiji Krst. Vuk Isaković*²⁶⁵ birthplace, and *Flying Church* localities.

Finally, research on local organic food production and phytopharmacy development could provide valuable insight into sustainable value chain extensions capable to reinforce community resilience and complement tourism diversification within the Šar Mountain corridor.

Policy design and implementation roadmap

Conceptual framework

Figure 1 depicts the proposed governance stack:

- Owners interface with a "Compliance and Services Platform" that standardizes quality, reporting, and compliance;
- Municipalities interface via MOUs defining sustainability criteria;
- Guests benefit from consistent standards.

²⁶⁵Major character of famous novel "Seobe(Migrations)" by Miloš Crnjanski.

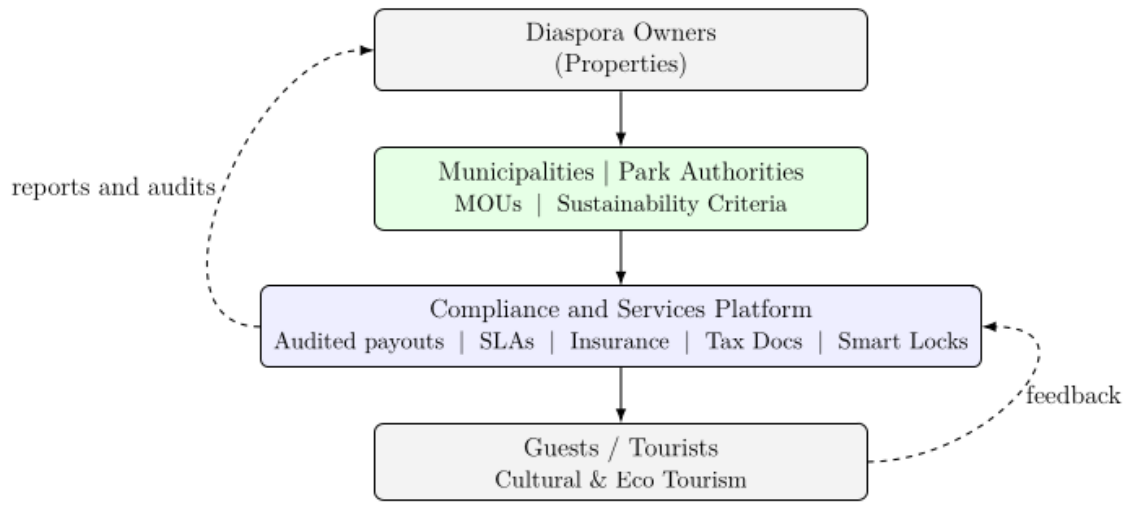


Figure 1. Hybrid governance stack for managed STR in the Šar Mountain corridor

Governance

- **Platform Charter:** Transparency by design with audited monthly statements and escrowed payouts.
- **SLAs:** Cleaning and maintenance response times; Guest support hours; Penalties and bonuses defined.
- **Municipal MOUs:** Zoning guidance and capacity limits by season; Noise and waste rules; Heritage safeguards.

Compliance and taxation

- Owner onboarding with KYC and property documentation.
- Automated tax summaries; optional liaison services with local tax advisors.
- Insurance bundle related to property damage with platform rates.

Piloting strategy

1. **Pilot Cohort:** 20–30 properties across the corridor.
2. **Measurement:** Occupancy, maintenance events, complaint rate, compliance incidents.
3. **Sustainability KPIs:** Energy and water guidance adoption, waste sorting compliance.

Conclusion

A professionally managed, compliance by design STR platform can unlock diaspora owned idle housing for sustainable tourism in the Šar Mountain corridor. A hybrid



governance stack, combining platform standardization with municipal MOUs balances predictability with adaptive local stewardship.

This study demonstrates the feasibility of a digital platform to manage diaspora owned housing in the Šar Mountain corridor. By integrating insights from the hospitality industry, the platform economy, and sustainable tourism scholarship, the findings show how digital transformation can convert underutilized assets into engines of community development.

The Prizren-Brezovica case reveals that diaspora owners are willing to share properties when governance structures address trust, taxation, and compliance concerns. A hybrid model drawing lessons from Portugal (predictability, codified frameworks) and Georgia (flexibility, diaspora engagement) offers a path forward.

Future work should quantify willingness to share across revenue splits, refine contractual templates, and assess effects on historical, ecological and cultural tourism.

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Appendix A

Sample Interview Consent Form

Title of Study: Sustainable Activation of Diaspora-Owned Housing for Tourism

Principal Investigator: [Anonymized]

Purpose: You are invited to participate in a study about the feasibility of managed short-term rentals for diaspora-owned properties in the Šar Mountain corridor.

Procedures: If you agree, you will be interviewed for approximately 45–60 minutes.

Risks/Benefits: Minimal risk. Benefits include contributing to knowledge about sustainable tourism and community development.

Confidentiality: Your identity will be anonymized. No personal details will be published.

Voluntary Participation: Participation is voluntary. You may withdraw at any time.

Consent Statement: I have read the information above and agree to participate in this study.

Appendix B

Semi-Structured Interview Form

1. Background: Can you tell me about your property (location, type, usage)?

²⁶⁶<https://mountainview.house/>

²⁶⁷<https://mianu.org/>



2. Motivations: What would motivate you to rent out your property via a managed platform?
3. Barriers: What concerns do you have (trust, taxation, potential damage on property)?
4. Expectations: Which services would you expect from such a platform (maintenance, cleaning, marketing, guest management)?
5. Revenue Sharing: Which revenue-sharing arrangements would you consider fair?
6. Digital Solutions: How comfortable are you with digital access systems (smart locks, online dashboards)?
7. Community Development: How important is it for you that your property contributes to local employment or ecological tourism?
8. Final Thoughts: What conditions would make you confident enough to participate?

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