

EUROPEAN CITIES CALL FOR ACTION ON SHORT TERM HOLIDAY RENTALS*

Position Paper on better EU-legislation of Platforms offering Short Term Holiday Rentals

Final version for political approval

9/12/19

Our cities continue to attract students, teachers, healthcare-workers, police officers and all other citizens wishing to find a place to live. We have a duty to accommodate as many as we can but most of our cities face chronic housing-shortages.

For many subsequent years tourism in Europe has been growing. And according to the World Tourist Organization, advanced economy destinations in the EU are projected to see arrivals grow by 7 million a year on average, to reach 487 million in 2030¹.

Our cities are a key driver for Europe being the world's number one tourist destination. Tourism is an important source of income and employment for many people. We are and will always remain welcoming to tourists worldwide, and we do so with pride.

Increasing urbanization, combined with growth in tourism and continued shortage of housing stock, create major challenges to our cities. One of these challenges is that it is increasingly attractive for property owners to extract their apartments from the long-term rental market and rent them out for short periods. These short term rentals are mostly to tourists, to the detriment of citizens and families wishing to live and work in our cities.

The rise of Short Term Holiday Rentals (STHR) in recent years in popular European city-destinations is telling. In Amsterdam, for example, in 2013 there were about 4500 listings, which grew to 22000 by 2017. In Lisbon's historic district Alfama more than 55% of the apartments are now STHR. The center of Florence has seen an increase of STHR of 60% since 2015.² The city of Kraków recorded an increase of 100% of STHR between 2014 – 2017.

This growth of short-term holiday rentals creates upward pressures on housing costs with direct consequences for the availability of affordable housing. This has an impact on the social mix in our neighborhoods.

There are also concerns for the liveability of our districts, since short-term holiday stays tend to coincide substantially with nuisances in the public domain. A survey conducted in 2018 amongst citizens in Amsterdam found that 80% of the residents in the city-center experience nuisance from short term holiday rentals. Many citizens across our cities have rejected this increased 'touristification'.

¹ European Union Tourism Trends, 2018, UNWTO

² Financial Times, 5/9/2019, Are Airbnb investors destroying Europe's cultural capitals?

The key problem is: in most cases the platforms do not share the relevant rental data with city-administrations. Without these data it is nearly impossible for local governments to enforce existing regulation on issues like the maximum rental day-limits, tax collection and safety-regulations. In a number of Member States, registration-schemes have been put in place in order to better regulate STHR. We believe that these schemes are a useful instrument to help cities in monitoring STHR and in countering any illegal activity.

The E-Commerce Directive from 2000 concerning information society services was adopted well before the development of online platforms. We therefore much welcome the intention of the President of the European Commission, Ms Von der Leyen, to "upgrade our liability and safety rules for digital platforms, services and products". As regards to STHR we need from Europe a new legislative framework for the Digital Single Market, which will ensure that:

1. Holiday rental platforms are obliged to share relevant data with city administrations

Data access will enable the enforcement of the rules protecting the public interest, the affordability of housing and the liveability of our cities. As long as city administrations do not have access to relevant rental data from the online platforms, we will see further unplanned growth of short-term rentals, to the detriment of the availability of affordable housing and the social cohesion in our cities.

2. Where national or local registration-schemes apply, STHR-platforms should be obliged to publish the registration numbers of their listings.

Platforms should also be obliged to remove listings without valid registration number.

3. Platforms are liable for fulfilling their obligations according to national and local legislation and legal enforcement is possible and effective.

Currently rules on the liability of platforms and the legal enforcement of obligations are effective only in the Member States where the platforms are legally based. We believe platforms must be held accountable when not respecting local/national legislation in all Member States, for instance on data sharing and on removing illegal listings. The EU-wide enforcement has to be guaranteed, including the removal of social housing apartments from their listings if local rules explicitly forbid it.

We, European cities, will go at length to welcome the many tourists who wish to visit us in the coming decades. We recognize the opportunities in this that come with short term holiday rentals. But we have at the same time a primary duty to accommodate the people who wish to live and work in our cities. And we need urgently to secure the livability of our neighborhoods and therefore find the right balance when facing these challenges.

A 'carte blanche' for STHR cannot be the answer and we sincerely hope to find in the new European Commission an ally.
