

European cities call for short-term rental regulation

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The Alliance of European Cities - of which Krakow is a member alongside Paris, Barcelona, Berlin, Vienna, Brussels, Munich, Prague and Lyon - issued a letter to commissioners calling for a legislative bill to be submitted to the European Parliament this year that would regulate short-term holiday rentals (STHR). European parliamentarians also supported the letter.

The letter states that 'cities have repeatedly been calling for action on tackling illegal STHR and the European Parliament called on the Commission on 21 January 2021 in its Resolution on access to decent and affordable housing for all to take legislative measures on short-term rental. Commissioner Breton has on several occasions, including the IMCO committee, committed to presenting a specific short-term rental legislative proposal as a so-called "plug-in" or *lex specialis* on the Digital Services Act. The Commission has published an Inception Impact Assessment and has run a public consultation. Initially foreseen for June, the initiative was postponed. The Alliance of European Cities is extremely worried the proposal currently no longer features on the list of initiatives planned to be launched until December. The Alliance calls on the Commission to urgently go forward with proposing its announced short-term rental initiative still this year. The availability and affordability of housing, as well as liveability of our cities are at stake.

'Inhabitants are also increasingly voicing their concerns about nuisances caused by STHR. In addition to the adverse effects on the liveability of certain neighbourhoods and soaring rents and house prices, they report: noise disturbance, health hazards, and even the slow disappearance of convenience stores.

'We are currently witnessing a return to pre-pandemic tourist activity, making the OECD's warning that "as the threat of COVID-19 recedes, a renewed rise of digitally enabled short-term rentals could again put pressure on demand for housing space" ever more relevant.

'Therefore, we urgently need a better and more efficient system that enables all platforms to understand and comply with local rules across the EU. At the same time, the new proposal should empower in particular local authorities to understand what is happening on the ground and enforce rules. Regulations should ensure access to data of those entities that offer short-term rentals.

'Where registration of rentals is required by national or local rules, platforms should require registration numbers before allowing the rental through their platform. A database of registration numbers should be easily available to platforms. We propose to make the sharing of data necessary for the enforcement of local rules obligatory and put in place an EU online tool for the information exchange between the competent authorities and short-term rental platforms.'

The President of Krakow applied to the Secretary of State, Andrzej Gut-Mostowy, to initiate the related legislative work that had been announced and suggested that the first stage of changes could involve the introduction of registration numbers for short-term holiday rentals. Krakow has been issuing registration numbers to short-term holiday rentals managed by enterprises. The list of such rentals



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can be found at ekon.um.krakow.pl.