

Short-term tourist rentals - the European Commission's position

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Kraków is a member of the European Alliance of Cities, which covers such cities as Amsterdam, Barcelona, Berlin, Brussels, Madrid, Milan, Munich, Paris, Prague, Vienna and Warsaw. Our city is working to normalise the phenomenon of short-term tourist rentals.

Kraków is a European tourist destination, and it appears fundamental to maintain a balance between housing stock provided for typical residential purposes and that provided for tourism. Current national legislation does not allow local authorities to regulate this phenomenon. Booking platforms posting accommodation offers are not obliged to cooperate with the cities where the accommodation offered is located. As they operate across borders, it is necessary to develop legal regulations at the whole European Union level and implement them into national law.

In response to an initiative by, among others, the Alliance of Cities, on 7 November, the European Commission adopted proposals to amend EU legislation that will affect the short-term tourist rental sector. The European Alliance of Cities is analysing them carefully and will define its position. In turn, the European Commission has prepared a press release, the content of which is presented below:

Brussels, 7 November 2022.

The European Commission has adopted a proposal for a regulation to increase transparency in the short-term rental of residential accommodation and to help public authorities ensure the harmonious and sustainable development of this tourism sector.

The availability of a short-stay accommodation offer brings many benefits to hosts and tourists. However, it can raise concerns for some local communities that face, for example, a lack of affordable housing. The new regulations will improve the collection and sharing of data from hosts and online platforms. They will underpin effective and proportionate local policies to address the challenges and opportunities in the short-term rental sector.

Furthermore, the proposed provisions will increase transparency in the identification and activities of hosts operating in the short-term rental sector and the rules they must follow. They will facilitate the registration of hosts and prevent platforms from providing incomplete data, as is currently the case. In effect, they will help prevent the posting of illegal ads. Overall, the proposal will contribute to regulating a sustainable tourism ecosystem and support its digital transformation.

New data sharing requirements for short-term rentals

The objectives of the proposed solutions are to:

- Harmonise the requirements for the registration of hosts and their short-term rentals where national authorities impose such requirements:



Registration systems should be user-friendly and fully accessible electronically.

A similar set of relevant information on hosts and their premises, namely 'who', 'what' and 'where' should also be obligatory. Once registration is complete, hosts should receive a unique registration number.

- Clarify rules that will guarantee the posting and verification of registration numbers.

Online platforms will have to allow hosts to post registration numbers on their platforms. They will also have to verify at random whether hosts register and provide the correct numbers. Public authorities will be able to suspend registration numbers and ask platforms to remove non-compliant hosts from their lists.

- Improve data exchange between online platforms and public authorities:

Online platforms will have to share data on the number of guests and rented nights with public authorities once a month in an automated manner. Reporting requirements will be simplified for small platforms and micro platforms. Public authorities will receive such data through national 'digital single access points'. Such measures will contribute to the development of adequately shaped policies.

- Enable the re-use of data in the aggregated form:

The data produced under this proposal in the aggregated form will contribute to the tourism statistics produced by Eurostat and feed the future European Tourism Data Space. Such information will support the growth of innovative tourism-related services.

- Establish a practical implementation framework:

Member States will monitor the implementation of this transparency framework and introduce appropriate sanctions for non-compliance with the obligations under this regulation.

Further actions

The Commission's proposal will be discussed with a view to adoption by the European Parliament and the Council. Once the regulation is adopted and enters into force, the Member States will have two years to establish the necessary mechanisms for data exchange.

The procedure

The EU's short-term rental sector is proliferating, driven mainly by the digital platform economy. Lodgings offered for short-term rental account for around a quarter of all tourist accommodation in the EU, and their number is growing fast across the EU. The COVID-19 crisis confirmed this trend: the number of short-term rental bookings in the summer of 2020 and 2021 exceeded the equivalent number for 2018. In addition, the number of bookings in the first half of 2022 increased by 138% compared to the same period in 2021. Short-term rental is crucial for the EU tourism ecosystem, including visitors and hosts, as well as for many



communities, simultaneously creating opportunities and risks.

The proposal to regulate how data on short-term rental services is collected and shared is a critical action in the Transformation Pathway for Tourism, which was announced in February 2022. This proposal was announced in March 2020 in the Commission's SME Strategy for a Sustainable and Digital Europe to promote the sustainable and responsible development of the economy based on the Single Market as a whole, in full respect of the public interest.

It will also complement existing instruments, particularly the Digital Services Act, which regulates online platforms, and the provisions of the Administrative Cooperation Directive in the field of taxation (ACD7).

The college members said:

Margrethe Vestager, Executive Vice-President for A Europe Fit for the Digital Age – 07/11/2022:

‘The short-term rental sector has rapidly grown thanks to the digital platform economy, but it needs to develop with sufficient transparency. With this proposal, we are making it easier for hosts and platforms, both big and small, to contribute to more transparency in this sector. These sector-specific rules will complement the general provisions of the digital services legislation, which will establish a set of accountability obligations and requirements for platforms operating in the EU.’

Thierry Breton, Commissioner for the Internal Market – 07/11/2022:

‘Short-term rentals benefit hosts, tourists and the tourism ecosystem, but their development should not come at the expense of local communities. The proposal we have on the table today will ensure local authorities have the data they need to support a sustainable short-term rental sector, combat illegal listings and contribute to a more sustainable tourism ecosystem. We build on the digital services legislation by requiring platforms to share data and helping local authorities to develop and enforce proportionate short-term rental legislation.’