

Krakow talks with the EU about regulating tourist rental

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Many months of solidarity of actions taken by European cities - including Krakow - in order to ensure that EU institutions develop coherent regulations allowing for the control of short-term holiday rentals seem to be bearing fruit. On September 17, during an online meeting, Margrethe Vestager, the Vice-President of the European Commission, heard the demands of 11 metropolises. The Mayor, Jacek Majchrowski, spoke about the expectations of Krakow.

Amsterdam, Prague, Krakow, Paris, Bordeaux, Brussels, Berlin, Florence, Barcelona, Bologna and Porto participated in the working meeting with Margrethe Vestager. The alliance of cities seeking legislative intervention by the European Union to counteract the negative consequences of short-term holiday rentals is even wider - it also includes Athens, Cologne, Frankfurt, Helsinki, London, Milan, Munich, Utrecht, Valencia, Vienna and Warsaw.

It is the total of 22 cities, with a highly-developed tourism sector, for which short-term rental is an urgent challenge, as it also has unwanted and, in the long run, negative consequences: it exerts pressure on rising housing prices, causes shrinking housing resources, and creates specific enclaves with apartments almost exclusively for rent, creates a nuisance for permanent residents.

That is why, in March this year, 22 metropolises signed an appeal to EU institutions, postulating the creation of new, uniform regulations pursuant to which platforms offering short-term holiday rental would be obliged to, i.e. share rental data with cities. This and other demands were also heard during working consultations with the Vice-President of the European Commission, Margrethe Vestager.

Press statement of the cities

Short-term holiday rental: big European cities seek EU cooperation

The group of cities engaged in regulating Short Term Holiday Rentals (STHR), met this Thursday 17 September with the European Commission Executive Vice-President, Margrethe Vestager. The mayors and representatives of cities want stronger regulations on the STHR market in order to counter the harmful impact of STHR on the housing market and make neighbourhoods more liveable.

On September 17, 2020, a group of cities dealing with the regulation of short-term holiday rentals (STHR) met the Executive Vice-President of the European Commission Margrethe Vestager. This meeting took place 6 months after the publication of a joint statement by 22 European tourist cities* calling for legislative support to counter the detrimental effects of short-term holiday rental on the housing market. Mayors and representatives of cities across Europe made a series of proposals to the Vice-President Vestager to contain the negative effects of development and to regulate the above-mentioned phenomenon.

The rise and high profitability of STHR has led to a widespread pattern of long-term housing



rentals being converted into STHR. The impact on prices and the supply of affordable housing is alarming, particularly in inner cities. European citizens are increasingly voicing their concerns about nuisances caused by STHR. In addition to the adverse effects on the liveability of certain neighbourhoods and soaring prices, they report: noise disturbance, health hazards, and even the slow disappearance of convenience stores.

Faced with increasing challenges, numerous cities have adopted local laws to better regulate the phenomenon. However, illegal STHR activities are difficult to counter as the digital platforms do not readily share their data with local authorities. Affected landlords and rental platforms still benefit from a largely advantageous and outdated EU legal framework, established well before the boom of the digital economy.

Jacek Majchrowski, Mayor of Krakow:

"The expected change in the regulations on the phenomenon of short-term holiday rental at the EU level should improve relations between residents and guests visiting our cities, mutually increasing their sense of comfort. I also hope that the introduced solutions will protect legally operating entrepreneurs against unfair competition "

Femke Halsema, Mayor of Amsterdam:

"Digital platforms have a huge impact on European cities, in particular in Short Term Holiday Rentals. We all know the future is digital, which brings innovation, growth and opportunities for all. But we do need another regulatory approach to these digital services to ensure both the well-being and freedom of our citizens."

Anne Hidalgo, Mayor of Paris:

"We are not against the digital platforms, but they must abide with local and national regulations. It is time for a new European regulatory approach that serves first and foremost the general interest, which means for us the availability of housing and the liveability in our cities."

Dario Nardella, Mayor of Florence and Vice President of Eurocities:

"We can work with the European Commission to provide an effective EU framework that will protect people and businesses as well as strengthen their market position , while ensuring that data and new technologies will be used to create better public policy."

Margrethe Vestager, Executive Vice-President, European Commission:

"Better cooperation between digital platforms and public authorities will be a prerequisite for a proper enforcement of the Digital Services Act. It will provide a modern and harmonised regulatory framework and take account of the needs of national and local administrations and compliance with local rules, while providing a predictable environment for innovative digital services."



**Magiczny
Kraków**

* The alliance of cities, which has dealt with the issue of regulation of short-term tourist rental so far, includes the following cities: Amsterdam, Athens, Barcelona, Berlin, Bologna, Bordeaux, Brussels, Cologne, Florence, Frankfurt, Helsinki, Krakow, London, Milan, Munich, Paris, Porto , Prague, Utrecht, Valencia, Vienna and Warsaw.