

*Final draft*

## Press statement

November 11, 2022

### EUROPEAN CITIES ALLIANCE ON SHORT TERM RENTAL WELCOME EU DRAFT-REGULATION

#### *Joint Response on the Draft-Regulation for STR, published by the European Commission.*

European cities, in particular those that are key-tourist destinations in Europe, have been demanding for several years that European legislative action be taken to curb the impact of illegal Short Term Rentals (STR) in their areas.

We are open cities, welcoming travelers to be inspired by the dynamic and unique experiences we have to offer. Tourism is an important source of income and employment for many people and we acknowledge STR is part of today's tourism industry.

However, it is our responsibility to ensure that the limited house stock is primarily used for those who wish to live, work or study in our cities. It is well known that housing markets in most EU cities are under constant pressure. Another key responsibility towards our citizens that we have is to protect and enhance the liveability of our districts, also with respect to the downsides of mass tourism. It is our experience that STR-tourism in particular tend to affect neighbours and locals' everyday lives considerably.

It is for these reasons that we cannot allow an unlimited growth of STR-activities. Proportionate regulations apply that correspond to the very local circumstances in each of our cities. The fact that some STR-Platforms have not fully cooperated with us by sharing the data we need to ensure compliance with our regulations for STR has indeed been a burden over many years.

Against this backdrop, **we very much welcome the draft-regulation for the STR sector the European Commission has proposed.** In particular, we appreciate that the proposal stresses the need for a "balanced tourism ecosystem". With this statement, we wish to highlight from our perspective some important aspects

#### **Our support for mandatory data-exchange on STR**

Mandatory data sharing in respect of the STR-activity across EU is the most crucial part of the draft-regulation. The proposed system builds on the existing national/regional or local registration systems that already exist in most Member States and introduces national contact points where STR-Platforms are obliged to report their STR-data.

It allows these national contact points to share the data, if so requested by them, with local or regional public authorities, for the enforcement of the local or regional regulations that are in place. Thereby, it offers a much-needed clarification on public authorities' legitimacy to request and use these data under EU law.

We in particular welcome that this regulation will put an end to the discussions with the STR-Platforms over compliance of data requests with GDPR-standards.

With this initial statement we therefore wish to underline our principle support for this important draft regulation on the STR sector.

**Further assessment:**

However, we do note that there are some aspects in the draft-regulation that may need clarification and improvement through the legislative process.

According to the proposed text, “this regulation does not affect Member States’ competence to adopt and maintain market access requirements relating to the provision of short-term accommodation services by hosts”. This is indeed a principle which must be safeguarded throughout the whole legislative process, as local competences on both policymaking and enforcement in this sphere must remain untouched and fully respected, including the way we consider it necessary for reasons of public interest to allow (or forbid) STR-activities at local level.

Indeed, only at the local level is it possible to find a reasonable regulatory balance ensuring

- a sufficient supply of decent and affordable long-term rental housing for all who wish to live and work in our cities,
- accommodating tourism and related economic interests, and
- safeguarding the liveability and public safety in our cities.

The European Court of Justice has recognized these policy objectives as “overriding reasons relating to the public interest” in the *Cali Apartment* Judgment (joined cases C-724/18 and C-727/18), where the Court acknowledged and validated the efforts of the cities to establish limits to short-stay accommodation platforms.

The regulation appears to prescribe in some aspects how we implement registration or authorisation schemes for STR. In particular where we follow verification procedures concerning the owners of real estate that wish to offer STR-services. We believe it is not for the EU to regulate this process, and it seems to us also not necessary to achieve the goals of the draft-regulation.

Another aspect we hope to further clarify is the enforcement of data sharing obligations vis a vis the Platforms, and the necessary checks on the reliability of the data that will be shared. The regulation seems to give Member States the main role in ensuring compliance with these obligations while the European Commission does not see a role for itself. Currently yet, cross-border cooperation on the enforcement of data sharing obligations imposed on STR-Platforms is in our experience very weak.

On a final note, consistent with the principle established in the Digital Services Act (DSA), we consider it essential that this sector-specific regulation clarifies that STR-online advertisements that do not respect the local, regional or national regulations that are in place, are by consequence to be considered illegal content.

We look forward to discuss with the European Commission, with our colleagues at national level and with other stakeholders, to see how these elements in this draft regulation may be clarified and strengthened.

**On behalf of the European Cities Alliance on Short Term Rental\***

**Amsterdam, Barcelona, Berlin, Brussels, Paris, Prague and Vienna**

*\*The European Cities Alliance on STHR are:*

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