



With more and more destination authorities focusing on enforcement challenges and further regulations related to Short-term Private Accommodation Rentals (STPAR) being approved around Europe, Airbnb has sought to shift the agenda. It could be argued that the purpose of the [Community Tourism Program](#) that was announced in mid-June is to foster local community development with funds for place-making and innovation projects along with local festivals and events. Such an approach is consistent with the firm's ultimate aim "to evolve from being a platform for overnight stays into a comprehensive travel company, capturing an ever-greater share of tourists' spending", as outlined by [The Economist](#) in late May. What we don't know, however, is whether working more closely with destination authorities on issues of growing importance (e.g. lack of affordable housing) is also part of this aim.

This 4th edition of the HOTREC STPAR Regulatory Bulletin pays particular attention to the cases of France and Italy, since the growth of STPAR activity in historic centers is a key topic for numerous cities in both countries. A recent report by the [University of Siena](#) estimates that almost 1 in 5 properties in the core area of Florence is being rented out through Airbnb, while the same ratio is almost 1 in 10 properties in the historic centres of Rome and Venice.

AMSTERDAM



Following a public consultation, the City of Amsterdam will [change the housing regulation](#) to ensure that online registration becomes compulsory. Starting 1st October 2017 all hosts will be required to register online. Failure to do so is punishable by a fine of €6,000, which could rise to as much as €20,500 if other regulations, such as the maximum 60-day limit per year are broken. This measure is also being seen as a way to control the number of properties in the city available for STPAR.

UPPER AUSTRIA



Where concerns over STPAR were previously limited to the main cities of Vienna, Salzburg, Graz and Innsbruck, the region of Oberösterreich (Upper Austria) [has drafted](#) a New Tourism Act which would require intermediary platforms to pass names and contact details of hosts using the platforms directly to the local authorities. It would also require the platforms to collect the appropriate city tax and remit this to the authorities. Currently in Vienna, a half-year transition period applies to a similar law, to be fully enforced from August 2017.

COPENHAGEN



A [coalition of political parties](#) are backing the Social Democrat mayor in his plans to control the number of properties in the capital city of Denmark being rented on a short-term basis. Taking lessons from Amsterdam the mayor is particularly in favor of a cap to help protect the availability of affordable housing. He is also clear in his message that online platforms will not be able to contribute to the city's sustainability unless they are determined to take all necessary against phenomena such as illegal hotel operation and tax evasion.

TORONTO



The Executive Committee of Toronto's city government currently considering an [update](#) to STPAR legislation which could come into force before the end of 2017. The new regulations require rented properties to be primary residences only and for a maximum of 28 days at a time. According to some calculations, enforcement of these regulations could take 3,200 properties off the market since they are not primary residences. The FairBnB coalition in the city is calling for compulsory registration and strict enforcement of the rules.

WASHINGTON D.C



Legislation [currently being reviewed](#) by lawmakers in Washington D.C surrounds safety standards in STPAR properties. An initial vote is expected in early July on a bill that would require health and safety inspections of all short-term rental units. If approved, the bill would establish some of the strictest regulations on Airbnb units in the country. Lawmakers argue that consumers should have greater certainty about safety standards rather than rely only on reviews.

DUBLIN



A parliamentary committee has [heard evidence](#) that rentals through Airbnb are having an “adverse effect” on the rental market in Ireland. As a result, Dublin City Council has announced that it will commission a study to report in October to make recommendations on the issue. Authorities are particularly concerned about the number of properties which appear to be ‘highly available’, or exclusively used for STPAR. Separately, the Irish Government’s Department of Housing has set up a working group to look into the use of residential properties for short term tourism-related lettings. A second local authority in Dublin (Fingal County Council) is also [currently investigating](#) several cases of this following complaints from local residents.

BARCELONA



Barcelona’s fightback against uncontrolled STPAR continues. According to a recent [report](#) by Mayor Ada Colau, there are 15,881 tourist apartments in the city, 6,275 of these unlicensed (7.7% of total housing stock). The city will increase the number of inspectors from 40 to 110 by 2018 and Airbnb committed to remove illegal listings in a ‘reasonably’ fast time. It has also [stopped issuing licences](#) and those in the most heavily tourist areas such as Ciutat Vella (the old city) will not be renewed when they expire. Another commitment is to ensure that only properties with a validated licence number can be listed on the platforms. The Barcelona hotels association (Gremi d’Hotels) has raised concerns that a pending nationwide law will not set any limits on the number of rental days.

VANCOUVER



Vancouver City Government is [considering legalising STPAR](#) in the city. At present, only hotels and licenced B&Bs are permitted to rent living spaces for fewer than 30 days. Hosts would be required to register and pay an annual fee of C\$49 (€33), plus a one-time registration fee of C\$54 (€36). Rentals of secondary homes and investment properties will be [prohibited](#). Facilitator sites such as Airbnb would also be required to collect a transaction fee of up to three per cent on Vancouver’s behalf. The city aims to introduce these controls in light of widespread public concern about the lack of available housing for long-term rent, and the number of properties owned by overseas investors who only rent them temporarily or not at all.

MARKET NEWS

Further grains of evidence have emerged of hoteliers advertising some of their room stock on P2P platforms such as Airbnb. A [recent article](#) in Hospitality-On took a cursory look at various hotels operating under big-name brands which had opted to place some or all of their room stock on the platform. While there seems to be greater evidence of this occurring among resorts or residence-type properties in the US, some individual properties in Europe have tried the same approach. Targeting different products (budget/luxury) at different ends of the market.

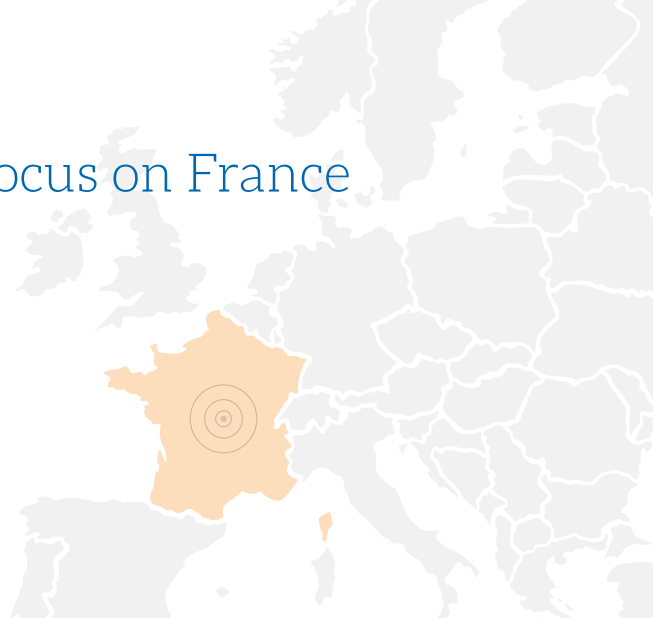
The Travel Corporation (home to brands including Insight Vacations, Red Carnation Hotels, Contiki, Trafalgar and Uniworld Boutique River Cruise Collection) has signed a [global partnership agreement](#) with food experiences platform VizEat. Starting summer 2017, TTC customers on selected tours will be able to enjoy the experiences with local hosts, who are trained chefs and home cooks.



4th HOTREC Regulatory Bulletin - Focus on France

As the number of properties offered for STPAR in France has continued to rise, so has the tension over significant issues all over the country's numerous destinations.

The concerns raised by industry associations in France (UMIH, GNC and GNI-Synhorcat) as well as the resulting changes in the law are described below.



Given its status as a global tourism hub, Paris has been at the focus of conflict over STPAR. However it is not the only city where it has become a problem. The challenges posed by STPAR have affected many other French cities and tourism destinations, whose municipal authorities, are gradually taking steps to bring more transparency and more equity. Also, while it is currently the biggest P2P platform, Airbnb is not the only one dealing in large-scale STPAR. Homeaway, Abritel and general listings sites such as LeBonCoin and Booking.com are highly relevant too.

Nevertheless, in light of the introduction of a [decree](#) which came into force in April 2017, hosts must register the property online with the municipality before proceeding to list their property in all those cities that will adopt the registration procedure (major cities in France have already adopted/are adopting such a mechanism: e.g. Paris, Bordeaux, Nice, Strasbourg and Lyon). Crucially, a 13-digit registration number will appear with the listing, and the hosts will also have to declare if they are a 'private' or 'professional' renter as well as if the property is their primary or their second home.

Hosts must also agree to register their STPAR. If they wish to exceed the maximum limit of 120 rental-nights per year, they must seek permission for the requalification of the property as commercial premises and offer for example a similarly sized space in the same district to compensate for the withdrawal of property from the general market.

Controls of such threshold will be more effective because of the registration.

The existing law already requires the platforms to enforce the 120-night limit, so that bookings are no longer possible once this limit is reached. Nevertheless the decree about fines is not published yet.

The French hospitality associations have launched communication campaigns directed to municipalities and platforms to ensure the implementation of the new law provisions.

Finally, a revised Budget Law for 2016 requires platforms to automatically transmit income generated by STPAR by hosts directly to the tax authorities. This will come into force on 1st January 2019.

The new provisions provide transparency and equity among all actors with effective and simple tools, and meet the cities and hoteliers' expectations.

The French hospitality associations recommend similar requirements to be implemented at European level.

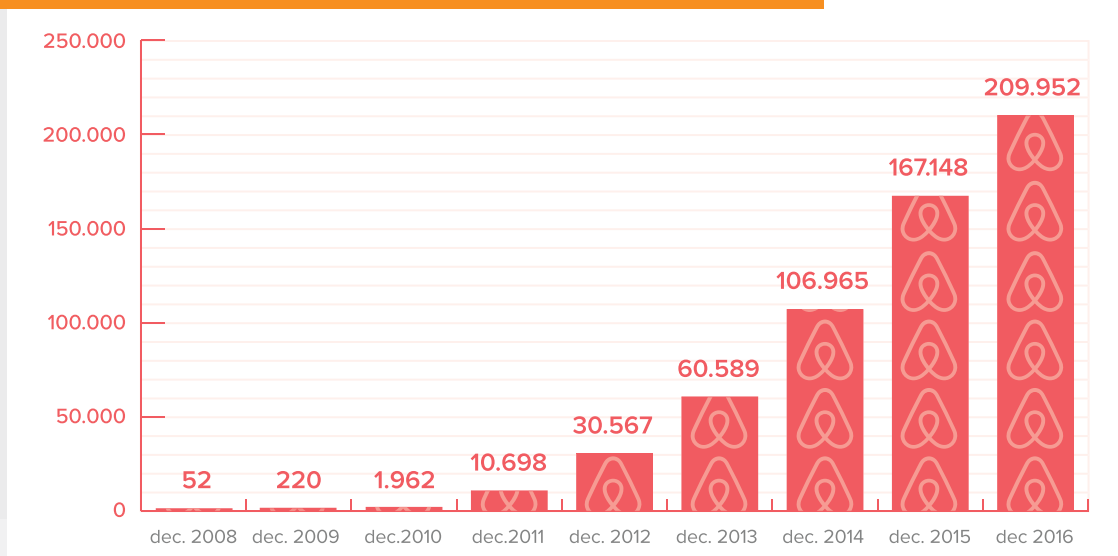


4th HOTREC Regulatory Bulletin - Focus on Italy

During the last few years, in Italy there has been a big explosion in STPAR through peer-to-peer platforms. STPAR is widespread across the country and more than 200.000 properties are available on Airbnb, though the particular platform is far from being the only one with significant activity.



Italian Properties listed on Airbnb, 2008 - 2016



Data source: Federalberghi and Inside Airbnb

A [nationwide law](#) (DL 50/2017), which came into effect on 1st June 2017, took a big step forward to ensure that hosts providing STPAR pay the taxes and do not abuse the rules of fair competition. According to the new law, short-term rentals (up to 30 days) are subject to a universal tax rate of 21% on the gross fee charged. The short term rentals are also subject to city bed taxes in accordance with local rules in each city. If the client pays through an intermediary (including P2P platforms, online travel agents and real estate brokers, online and offline), the intermediary is obliged to collect the 21% flat tax and city tax, and remit these to the tax authority.

Intermediaries must also submit to the tax authority data concerning STPAR transactions, the amount of income generated and the amount of tax collected on an annual basis. This data must still be sent also in the case that the intermediary doesn't collect any tax on the host's behalf.

On 12 July 2017, the Agenzia delle Entrate (the national tax agency) has defined the [technical provisions to implement the new law](#).

The deadline for operating the first monthly payment of the collected tax by the platforms expired on 17 July. However, they claim that the execution of the law is not possible. Furthermore, by 22 September, the Government shall adopt an additional regulation, to identify the cases in which STPAR are deemed to be commercial activity.

The Government expects 140 million euros in fiscal revenue in 2018 (and 81 million euros in 2017).

TOPOSOPHY
DESTINATION MARKETING AGENCY

The Regulatory Bulletin was prepared by TOPOSOPHY and was also based on information and comments received from the relevant HOTREC national associations.