

What differentiates the current Bulletin from all previous ones is the momentum created at EU level over policy principles for collaborative short-term accommodation rental services (STR).

In the backdrop of a series of workshops hosted by the European Commission from February 2017 onwards, Airbnb was called on in [July 2018](#) to take action within a short period so as to address its own operational vacuum in various areas (e.g. pricing information, host status, language intelligibility). As a result of this call, it was announced on [September 20](#) that Airbnb has until the end of the year to harmonize certain terms and pricing policies with EU consumer rules across all language versions of its EU websites – a necessary condition so as to avoid enforcement measures by consumer authorities. Among various issues, Airbnb has now agreed to:

- Present the total price of bookings – extra fees such as service and cleaning charges included – or to clearly state that additional fees might apply in cases where these cannot be calculated.
- Clearly identifying whether an offer is made by a private host or by a professional, as the consumer protection rules differ for each.
- Inform consumers when it decides to terminate a contract or remove content and will offer to consumers the right to appeal and to compensation if appropriate.
- Acknowledge that consumers have the right to sue a host in case of personal harm or other damages and that they are entitled to bring proceedings against Airbnb before the courts of their country of residence.

Moreover, on October 11, the European Commission published a paper including its own set of guidance to ensure best practice within the STR industry, based on the outcomes of the workshops in 2017, to which also HOTREC actively contributed. Though the 20 policy principles may not be regarded as stating an official position of the European Commission, they still constitute a coherent text explaining why it is a must:

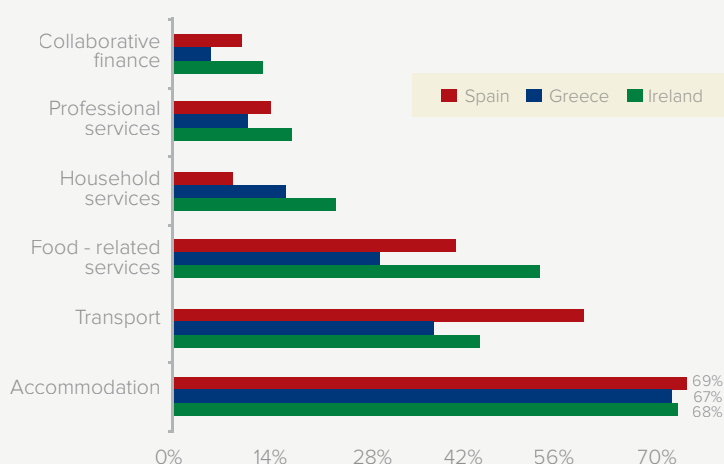
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| <p><b>1</b> For Member State Authorities to issue guidelines and information on the rights and obligations of accommodation providers and guests as well as to establish a dedicated contact point for addressing complaints by consumers and citizens</p> <p><b>2</b> For Member State Authorities to introduce simple central online registration system for accommodation providers so as to achieve</p> <p><b>4</b> housing policy objectives, prevent tax fraud and address public security concerns.</p> <p><b>5</b></p> <p><b>3</b> For Member State Authorities to introduce an authorization scheme with a possible restriction in the number of STR properties.</p> <p><b>6</b> For Member State Authorities to introduce thresholds and a</p> <p><b>7</b> differentiated policy between peers and providers acting in a</p> <p><b>8</b> regular or professional capacity.</p> <p><b>9</b> For online platforms to collaborate with public authorities, advertise</p> <p><b>10</b> registration numbers of accommodation providers and share</p> <p><b>11</b> relevant data with competent authorities.</p> <p><b>12</b> For online platforms to enable identify themselves can increase transparency for consumers.</p> <p><b>13</b> For online platforms to inform consumers about whether they select or check accommodation providers and on what basis, as well as what criteria they use for the listing and/or ranking of accommodation providers.</p> | <p><b>14</b> For online platforms to promote the trustworthiness of user reviews and ratings and to verify the identity of authors of reviews.</p> <p><b>15</b> For Member State Authorities to promote opportunities for increased entrepreneurship and participation in the labour market as well as fair working conditions and adequate and sustainable social protection.</p> <p><b>16</b> For Member State Authorities to guide on who qualifies as a worker and on how to apply national and EU employment rules.</p> <p><b>17</b> For Member State Authorities to apply similar tax obligations for comparable services while taking into account the administrative burden that tax compliance imposes in particular on occasional services providers.</p> <p><b>18</b> For Member State Authorities to inform and guide on applicable tax obligations as well as to specific tax schemes.</p> <p><b>19</b> For online platforms to inform accommodation providers of their income and/or tourist tax obligations as well as their total income generated annually. Also, to share information on income generated with relevant public authorities.</p> <p><b>20</b> For Member State Authorities and online platforms to make agreements on tax collection and the reduction of administrative burden.</p> |
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## Accommodation services hold the lion's share of collaborative economy users in Europe

Based on a sample of 6389 users of collaborative economy platforms from all EU28 countries, the [Flash Eurobarometer 467](#) showed early in October 2018 that accommodation is the most popular sector (57%) ahead of transportation (51%), food-related services (33%), household services (14%), professional services (9%) and collaborative finance (8%). The penetration of accommodation users is particularly high in Spain, Greece, Finland and Ireland, with the latter exhibiting a rather high share of users of food-related services as well.

The biggest concern for the respondents (for half of them) is still the lack of clarity about who is responsible if things go wrong. Furthermore, 6% of respondents to the Eurobarometer survey stated offering services via collaborative economy platforms. Half of these people do it, among others, for additional income and for 10% it is their main source of income.

## Use of Services among Users of Collaborative Economy Platforms



Source: Flash Eurobarometer 467



### Fake STR listings, the most recent challenge for law enforcement in Vancouver.

A couple of Australian travelers with good experience on using Airbnb, got caught up in a controversial twist early in October. They thought they had made a regular booking based on a profile with professional looking photos, but finally ended up in a hotel that had no idea of their booking. Evidence provided from the [City of Vancouver](#) suggests there are more than 400 listings that use addresses of Vancouver hotels, which do not need a STR license, to claim exemptions from the rules, especially because the machine learning algorithms of Airbnb for investigating fraud remain flawed.



### A collective lawsuit against Airbnb is under way in Barcelona

The Mercantile Court 10 of Barcelona has admitted to process a collective lawsuit against Airbnb for alleged unfair competition filed by the [Association of Affected by the Conflict between the City of Barcelona and Airbnb \(Acaba\)](#), which accuses the platform of “inducing confusion” to users fined by the consistory after renting their usual residence.

The class-action lawsuit against the tourist platform, the first to be admitted for processing, is now in a preparatory phase in which the court has required the platform and the consistory of Barcelona to deliver to Acaba within 30 days all the information necessary to determine all those affected, explained on September 17, 2018, at a press conference the president and the lawyer of Acaba, Neal Shanahan and Dylan Tarín.

Once they have the data of those affected, which put in a thousand people, and know the damages caused, as there are people who have already paid part of the penalties, they will proceed to file a lawsuit for unfair competition to the platform: “We want Airbnb to stop its unfair practices. It is publishing advertisements without the corresponding authorization, without a license”.



### Growing challenges may soon lead to an Airbnb crackdown in Amsterdam.



### New STR regulations in Ireland aim at bringing properties back to the long-term rental market

[Homeowners in Ireland](#) have up to 7 months to prepare themselves before it begins the enforcement of a new set of STR regulations. The plans that were announced on October 24, reflect growing concerns on the housing shortage and are expected to put on hold STR of non-primary residences, particularly within areas of high housing demand. For homeowners as well, registering with their local authority will be mandatory and no one will be allowed to let a primary residence for more than 90 days in a year and for more than 14 days at a time under the new proposals.

The announcement came a couple of weeks (October 13) after activists from campaign group [Take Back the City](#) occupied the Headquarters of Airbnb for over an hour. In a statement released the same day, the group referred to the frequent cases of tenants who have been evicted due to the fast transition of houses and apartments to the STR market.

Reducing the maximum number of days that private house owners can rent to tourists from 60 to 30 as well as banning STR activity in three parts of Amsterdam, including the red light district, are currently among the plans of the [City Council](#) as a means to deal with illegal STR and overtourism. The creation of a national registration scheme for STR by the central government also points to the same direction, a necessary approach since it is still fairly easy for people living in [rent-controlled properties](#) to put their homes up for hire by tourists, even though this is illegal.



## The registration of STR properties and landlords is finally under way in Greece

As of 30 August 2018, all Airbnb-style hosts leasing their homes via Airbnb or other platforms are required to enroll on the online registry of Greece's [Independent Authority for Public Revenue](#). Relevant steps include submitting a short-term residence declaration for each tenant, enrolling in the short-term residential property data system, informing the Deposits and Loans Fund for income attributable to unknown beneficiaries, and later on providing information on tenants and duration of stay.

Due to significant delays in policy-making and implementation so far, the Hellenic Chamber of Hotels and tourism industry associations remain highly skeptical however. The key argument is that the government has not yet done enough to ensure **(a)** that health and safety standards are met **(b)** owners leasing their properties are taxed in the same manner and required to pay insurance contributions as do businesses operating legally in the sector **(c)** Airbnb-style platforms will contribute to law enforcement and **(d)** that certain geographical areas will be subject to restrictions in number and duration of short-term rentals.



## Airbnb teams up with real estate company to facilitate STR activity in Paris

The latest effort of Airbnb to maintain market growth in the French capital city under increasing pressure from local authorities, involves a [partnership with real estate company Century 21](#). Facilitating subletting is the core factor of the agreement made in July 2018. Now, Parisian landlords who sign a deal with Century 21 and Airbnb can lease their properties, allowing a renter to sublet an apartment on the platform. In return, the landlord and Century 21 get cuts of 23 percent and 7 percent of the host's take, respectively, with Airbnb still taking its transaction fee.

## Prague, Budapest, Barcelona and Madrid, the most mature STR markets in Europe in terms of hosts with multiple rentals

A couple of key conclusions can be derived from a report published early in October 2018 by [Colliers International and Hotelschool The Hague](#) regarding the profile of the STR market in city destinations in Europe.

First, the report provides substantial evidence to reconfirm the fact that "entire homes are clearly the most favoured form of short-term rental via Airbnb hosted properties. That said, private rooms are very popular in some locations - notably Frankfurt, Barcelona, Berlin and Dublin".

Second, as it is shown in the graph alongside, there are several destinations where the shares of professional hosts are really significant despite previous and ongoing legislative work on this matter.



## Prague's city councilors in discussions over STR thresholds

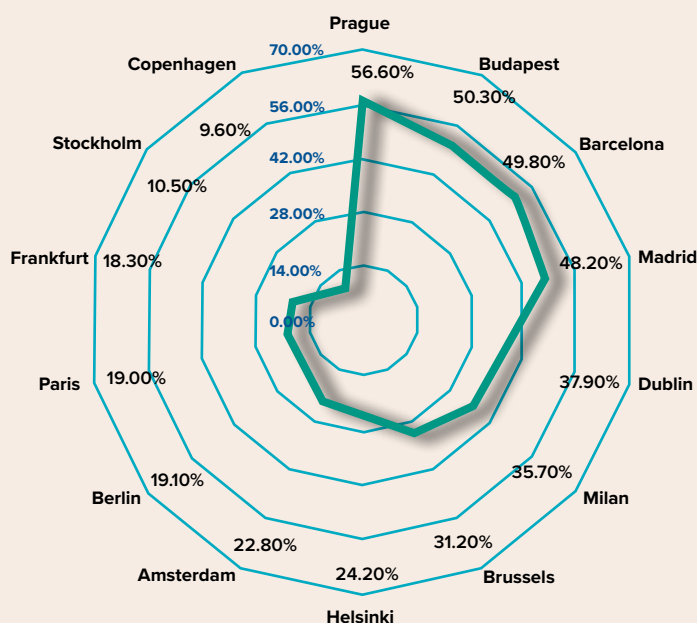
It's no news that Airbnb use has surged in the Czech capital. In 2017, Prague saw nearly 2 million nights booked through the popular platform, a 61% increase over 2016 and a higher number than European cities like London or Amsterdam. After reviewing data provided by Airbnb, [city councilors met on September 18](#) to discuss a decree on Airbnb and similar platforms that would allow individual districts to set regulations on its use. Those regulations might include setting a maximum number of days a flat can be rented short-term, or restricting it entirely in some areas, or even restricting the number of guests allowed staying in a flat.



## Significant financial and business challenges lead Airbnb's German competitor to shut down

Founded in March 2011 in Berlin, [Wimdu aimed to make the most of large-scale financing](#) (mainly by 2015) so as to become a key rival to Airbnb. However, it did not manage to secure sufficient bookings for its offering of city accommodation, even after Wimdu was acquired by Danish-based Novasol in 2016 and later on in 2018 when Wyndham Worldwide sold Novasol to Platinum Equity for \$1.3 billion. [Wimdu might continue providing its services until end of 2018 with the help of former rival HomeToGo](#), but 100 employees based across Berlin and Lisbon will definitely be affected by this decision.

### Percentage of Airbnb hosts Advertising 4+ Listings in City Destinations (October, 2018)



Source: Colliers International and Hotelschool The Hague