STPAR Regulatory Bulletin - June 2017

The 3rd edition in this series comes at a point where enforcement challenges rather than the introduction of new regulations per se, is the new mainstream issue in the policy agenda of Short-term Private Accommodation Rentals (STPAR).

On the 3rd of May 2017, the Internal Market and Consumer Affairs Committee of the European Parliament adopted the draft report of MEP Danti calling on the European Commission and the EU's 28 national governments to address regulatory grey areas across the different sectors of the "collaborative" economy. Their concerns on issues such as tax compliance and the protection of consumers and workers' rights were also informed by a €28.1 billion valuation of the collaborative economy at EU level, where peer-to-peer accommodation transactions are holding the lion's share (53.7% / €15.1 billion). The European Commission keeps organising its workshops in order to design guiding principles with the new one to focus on taxation and labour issues on the 5th of July.

Meanwhile, the Swiss investment bank UBS had concluded by mid-April that the growth of both Airbnb listings and bookings had decelerated since the last quarter of 2016, partly due to stricter regulations introduced in major destinations such as Barcelona and New York City.

Lack of compliance with recent regulations forces the Portuguese government to take a touch stance against online platforms

As of July 1, online platforms advertising STPAR listings have to make the submission of the official number provided by the 'Registo Nacional de Turismo' mandatory for their hosts in Portugal otherwise they are potentially subject to sanctions. The message is common for Airbnb-style platforms and OTAs (e.g. Booking.com), which are required to fully comply with new provisions further to an initial pilot period.

A game-changer agreement requires online platform to work more closely with the city of San Fransisco

A lawsuit settlement is expected to facilitate considerably the implementation of STPAR regulations that went into effect in 2015. Airbnb and Homeaway agreed in May 2017 to take responsibility for including properly registered properties in their listings. They are now bound to link the online registration process with requirements stipulated by the city council as well as to remove all owners/properties violating these requirements from their listings.

A lively debate between local and regional government a key step towards the introduction of STPAR regulations in Madrid

Introducing a 60-day rental cap is currently among policy priorities for the City of Madrid with regard to STPAR and its own duty to protect quality of life around the capital city's neighborhoods. They also look forward to start collecting tax revenues from STPAR activity, yet this is an area where they have to build common ground with the Community of Madid.

The Italian government ready to involve online platforms in the collection and remittance of STPAR taxes

Italy and its regions have a long tradition of regulations for business and non-business activity in the provision of accommodation, yet for the first time the government is close to take decisive action with the taxation of rentals lasting up to 30 days. A draft law introduced in April 2017 (subject to final approval by the Senate within June) holds online platforms responsible for withholding a tax equal to 21% of the rental fee, submitting the respective amount to the Italian state, and presenting all STPAR data to the Revenue Agency.

The Greek government hopes to collect a total of €48 million in 2018 through STPAR taxes

A new set of STPAR regulations were voted In May 2017 as part of a bill including austerity measures, though the establishment of the Short-Term Lease Property Register is still pending. Similarly to previous regulations, property-owners may rent out a maximum of two properties for no more than 90 days per year, per property (limited to 60 days on islands with fewer than 10,000 residents). A key difference is that the new law has introduced 3 tax brackets with rates of 15%, 35% and 45% on annual income earned through STPAR.

Four major cities in France eye property registration as a tool to control STPAR activity

Le Figaro has lately identified Paris, Bordeaux. Nice and Strasbourg as the first set of cities with more than 200,000 inhabitants already willing to implement provisions for the registration of property-owners, who rent out their primary residences for up to 4 months a year. The same possibility is also under investigation by a large group of cities with less than 200,000 inhabitants. Based on the Digital Bill (October 2016), online platforms are already required to deactivate listings when they reach the 120-day rental cap.

Overtourism and the commercialization of Airbnb interrelated issues for Amsterdam marketing's CEO

As of October 2017, homeowners in Amsterdam will be subject to a fine of €20.500 if they fail to comply with the 60-day rental cap and do not inform in due course the city's authorities about the exact dates they will rent their property through online platforms. That is just the latest round of revisions on previous regulations, only a few weeks further to the statement of Frans van der Avert, CEO of Amsterdam Marketing that "the sharing economy is really a big threat. Airbnb is a billion-dollar company that is destroying cities".

A variety of issues related to STPAR activity have drawn the attention of the city of Prague

The Mayor of Prague has recently signaled her intention to launch discussions with both government departments and online platforms on STPAR regulations. Her agenda extends from overcrowding on popular neighborhoods and specific types of buildings to tax evasion and security concerns on the identity of guests.

The more time shared-dining platforms need to establish a potent client base the more time there is for the regulated sector to highlight financial and safety concerns

The New York Times have reported that the key challenge currently faced by shared-dining platforms such as EatWith and Feastly is the diversification of their offerings so they can give unique and tailor-made options to their guests. Thus, they provide the professional groups of the restaurant sector with valuable time to raise their arguments through smart methods. For instance, GNI-Synhorcat in France filed a series of complaints to the authorities after gathering small groups of its members to have a dining experience offered by hosts working with similar platforms.

Online travel agents determined to compete with Airbnb particularly on vacation rentals

Research evidence published in late May reconfirmed the dominant position of Airbnb in terms of website traffic against OTAs (e.g. Booking.com), hotel brands (e.g. Hilton, Marriott) and similar platforms (e.g. VRBO). Nevertheless, key competitors are considering various options for sharpening their own tools. The Priceline Group aims at gaining more benefits from the instant booking option of Booking.com, while Expedia wants to see improvements in search engine marketing functions and the customer experience provided by Homeaway.

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