

Brussels, 11 March 2024

Subject: infringements on short-term rental rules

Dear Executive Commission Vice-President Vestager,
Dear Commissioner Breton,
Dear Commissioner Schmit

We are writing to you as Members of the European Parliament to share our concern on the impact of the **expansive growth of short-term holiday rentals** (STR) on access to affordable housing and the seemingly contradictory actions of the European Commission in this regard.

The growth of short-term rentals has provided opportunities for the development of tourism in new regions. In the last decade however we have seen an expansive growth of the phenomenon. According to Eurostat in 2022, almost 597 million nights were booked via short-term rental platforms and the third quarter of 2023 noted a 13.4% increase in platform tourism compared to the previous year.

This leads to the extraction of long-term housing from the market in cities and other popular tourist destinations and to the increase of house prices and rents in the context of a housing affordability crisis in Europe. Moreover, it also impacts the liveability of some neighborhoods as a result of noise disturbances, loss of social cohesion and disappearance of convenience stores and services for residents.

The Commission responded positively to the demand of the European Parliament and a number of large European cities to propose legislative action to better counter the offer of illegal short-term rentals. The Commission proposed **the Short-Term Rental Regulation** at the end of 2022 and within one year the co-legislators have found an agreement. The Regulation was adopted in the European Parliament at the end of February. Once in force, it will improve transparency and ensure that platforms share data on activities with the competent authorities. The Commission recognised this will enable better enforcement by local authorities of the rules that are in place.

Whilst market access requirements, and therefore the interpretation of the Services Directive, as such were not subject of the STR Regulation, co-legislators ensured that authorisation schemes would not be undermined. The possibility to put in place an authorisation scheme for STR activities was subject of a landmark ruling of the European Court of Justice in the '**Cali Apartments case**'¹. The court ruled that authorisation schemes can be 'justified by an overriding reason relating to the public interest consisting in combating the rental housing shortage', and are therefore compatible with the Services Directive.

We were therefore quite surprised that the Commission has launched **pilot-infringements** against a number of Member States calling into question the rules big cities such as

¹ cases C-724/18 and C-727/18

Amsterdam, Berlin, Barcelona and Dublin have adopted. These pilot letters point at a very selective reading by the Commission of the Cali Apartments ruling.

We fear these actions might have a chilling effect on authorities that want to put in place measures against illegal short-term rentals or set up market access frameworks including authorisation schemes. It also endangers the effectiveness of the STR Regulation in ensuring better availability of data to enforce the rules, if those rules themselves would then be undermined. It is remarkable in this context that Airbnb in its position paper² published as a reaction to the Short-Term Rental Regulation proposal specifically called on the Commission to start infringement proceedings.

In their letter of 20 December Germany, the Netherlands, France, Belgium and Portugal have requested the Commission to stop the pending pilot-infringements. We support this call and want to ask the Commission to swiftly conclude the dialogue with Member states and **not to further pursue the path of infringements**, especially taking into account that the key jurisprudence supports that the measures authorities have taken to regulate short-term rental services are in line with Union law. We therefore call on the Commission to send a clear message that it stands by the side of cities and national authorities that in the context of a European housing crisis are taking measures to ensure access to affordable housing.

Yours faithfully,

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²https://news.airbnb.com/wp-content/uploads/sites/4/2023/01/EU-STR-Airbnb-position_Dec-2022-en-EN.pdf

