

# Examining the Impact of Short-term Rentals of Residential Properties on Housing: A Review of European and International Studies and Policies with Implications for Slovenia (Final Report)

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## Foreword

This report was commissioned by the Ministry of Economy, Tourism, and Sport (Republic of Slovenia) and prepared by an interdisciplinary team of academics and researchers. The findings are grouped under the following headings corresponding to the literature review

and data collection stages of the overall project: a. the impact of STRs on housing and renting availability; b. the impact on renting and selling prices; c. local impact of STRs; d. the regulatory landscape of the short-term rental market in Europe and internationally, on national, regional, or city level, as relevant; and e. impact of regulations on national, regional, or city level.

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## Executive summary

Short-term rentals are regulated widely throughout EU Member States, as well as in the UK, the US, Australia, Canada, and progressively, elsewhere in the world (e.g., Southeast Asia and South American countries). Legislation is introduced to a. control the use of short-term rentals per se (i.e., registration with a tourism board, caps in the number of nights a dwelling can be rented on a short-term basis), and b., enable the collection of data from the digital platforms where STR announcements are placed, depending on the categorisation of the STR market as either tourism accommodation or digital platform / sharing economy activity, in accordance with respective national legal frameworks. The latter falling under the remit of EU law, has led to the passing of **Regulation (EU) 2024/1028 on the 11 April 2024 on data collection and sharing relating to short-term accommodation rental services and amending Regulation (EU) 2018/1724, aiming to harmonise data sharing in relation to STR activity. It will start applying as of 20 May 2026.**

The main concerns leading to the introduction of legislation on national, regional, or city level, purport to the impact of STRs on the grey economy (tax evasion) and on the housing market (comprising both long-term rental availability and impact on real estate prices), followed by health and safety, as well as concerns neighbourhood cohesion. Whereas there is a lack of longitudinal studies, these concerns are mirrored in the existing literature, with key texts also cited by the European Commission's Impact Assessment, ahead of Regulation 2024/ 1028. In effect, the **existing literature confirms preliminary correlation between the affordability of housing and the concentration of short-term rentals**, with clearer impact on the long-term rental market. **There are also clear concerns with respect to the impact of STRs on the broader social fabric of neighbourhoods and regions.** There is a clear call for further longitudinal multivariate studies on the impact of STRs globally, as the number of hosts is expected to almost double in 2025 with respect to data of 2019 and grow by 185% by 2030.<sup>1</sup>

In the present report, findings are grouped under the following headings:

- A. Context
- B. The impact of the short-term rental market on housing availability
- C. The impact of short-term rental market on rental and selling prices
- D. Local impact of STRs
- E. Impact of STRs in the Slovenian context
- F. Regulating STRs
- G. Impact of STR regulations

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<sup>1</sup> European Commission, Commission Staff Working Document, Impact Assessment Report, Accompanying the Document, SWD(2022) 350 final, Brussels 07.11.2022, at ft 202.

## Context

The phenomenon of short-term rentals (STRs) of residential properties is an ongoing challenge for many cities globally. The development of STRs platforms such as AirBnB<sup>2</sup>, Booking.com, Vrbo, and Expedia has led to the temporary or permanent conversion of tens of thousands of residential properties across Europe, which represent approximately 25% of tourism accommodation in the European Union.<sup>3</sup> As of the end of 2023, AirBnB confirmed presence in over 100,000 towns and cities and over 8,000,000 active listings globally.<sup>4</sup> Table 1 provides data information on selected European cities, including the number of listings, how many days these are occupied, the number of nights per stay, and whether the owners have single or multiple listings (all in percentage terms).

City	No. of listings	% of Entire Home	% of listings occupied 0-60 nights	% of listings occupied more than 60 nights	% of STR 1-3 nights	% of STR 4-7 nights	% of STR 7+ nights	% of Single Listings	% of Multiple Listings
Athens	13274	92.5%	59.0%	41.0%	93.9%	4.9%	1.2%	29.6%	70.4%
Prague	9066	82.2%	46.2%	53.8%	92.6%	5.5%	1.9%	21.1%	78.9%
Amsterdam	9659	80.5%	75.6%	24.4%	74.7%	22.3%	3.0%	81.9%	18.1%
Paris	95461	89.3%	70.0%	30.0%	78.0%	19.9%	2.1%	68.3%	31.7%
Florence	12246	83.1%	48.3%	51.7%	93.1%	5.6%	1.3%	32.7%	67.3%
Venice	8322	77.0%	48.1%	51.9%	92.7%	6.6%	0.7%	30.1%	69.9%
Barcelona	19482	59.5%	53.6%	46.4%	87.5%	10.2%	2.3%	26.1%	73.9%
Edinburgh	5780	69.4%	38.5%	61.5%	89.4%	8.6%	2.0%	47.9%	52.1%
Berlin	13759	66.2%	62.4%	37.6%	73.0%	20.9%	6.1%	60.2%	39.8%
Dublin	6175	56.2%	55.5%	44.5%	76.0%	12.8%	11.2%	49.6%	50.4%
Rome	34061	73.1%	56.9%	43.1%	93.5%	5.6%	1.9%	40.1%	59.9%
Riga	2832	89.0%	76.1%	23.9%	94.6%	4.6%	0.8%	33.2%	66.8%
Lisbon	24204	73.4%	54.7%	45.3%	83.6%	13.9%	2.5%	26.3%	73.7%
Stockholm	5400	81.5%	81.6%	18.4%	68.4%	26.5%	5.1%	75.2%	24.8%
London	96182	63.8%	74.4%	25.6%	76.2%	18.7%	5.1%	47.8%	52.2%

Table 1: Insights from 15 European cities' AirBnB listings in 2024 (source: Inside Airbnb<sup>5</sup>)

<sup>2</sup> In this report, most of the literature presented talks about the influence of Airbnb, which is the STRs market leader in the industry, consolidating 85% of individuals hosts and 72% of professional hosts in its platform (European Commission, 2022)

<sup>3</sup> <https://www.europarl.europa.eu/news/en/press-room/20240223IPR18094/new-rules-for-a-responsible-and-transparent-short-term-rental-sector>

<sup>4</sup> <https://news.airbnb.com/en-uk/about-us/>

<sup>5</sup> <https://insideairbnb.com/explore/>



## The impact of the short-term rental market on housing availability

**There is increasing evidence that the increase of STRs has contributed to a reduction in the supply of long-term rentals in neighbourhoods where the STR to housing ratio is high.**

The rapid increase of STRs in urbanised areas has posed many difficult questions among decision makers with regard to issues of gentrification, housing availability and impact on quality of local life.<sup>6</sup> Whereas it is very difficult to determine any definitive conclusions regarding the overall impact of STRs in the housing market globally<sup>7</sup> amidst a plethora of previous and current long-term issues (housing crisis, cost of living crisis, financial crisis), **the majority of research concurs that the increase of STRs has contributed to a reduction in the supply of long-term rentals in neighbourhoods where the STR to housing ratio is high.**<sup>8</sup> The focus of this section is to provide information on specific cities with regard to housing availability.

**There is increasing evidence that Airbnb listings have a negative effect on the number of households in residential areas.** In Barcelona, research has shown that the estimated impact of 100 Airbnb listings reduces the number of households by 2.4%, suggesting also a displacement of the local population.<sup>9</sup> In cities with high inward migration like Dublin<sup>10,11</sup> and Berlin,<sup>12</sup> STRs have exacerbated renting availability in areas where housing supply is tight, even with strict regulations in place that favour long-term renters (as is the case in Berlin). In London, evidence from 2015-2019 data suggests that between 10,000-18,000 properties have become unavailable from the long-term rental market due to being managed by a 'commercial' host.<sup>13</sup> Similar findings have emerged in Porto and Lisbon, whereby the net growth of the overall housing supply between 2011-2019 suggests a decrease of 1.4% and 3.6% in the number of available long-term rental properties respectively.<sup>14</sup> In Paris, it was estimated that 15,000-25,000 properties were removed from the market before the COVID pandemic.<sup>15</sup> A similar figure was also estimated for Prague, with 15,000 flats disappearing from the market, potentially affecting 40,000 local residents.<sup>16</sup>

<sup>6</sup> Nieuwland, S., & van Melik, R. (2018). Regulating Airbnb: how cities deal with perceived negative externalities of short-term rentals. *Current Issues in Tourism*, 23(7), 811–825. <https://doi.org/10.1080/13683500.2018.1504899>

<sup>7</sup> Shabrina, Z., Arcaute, E., & Batty, M. (2022). Airbnb and its potential impact on the London housing market. *Urban Studies*, 59(1), 197–221. <https://doi.org/10.1177/0042098020970865>

<sup>8</sup> Colomb, C., & de Souza, T. M. (2021). Regulating short-term rentals. Platform-based property rentals in European cities: The policy debates. Property Research Trust.

<sup>9</sup> Garcia-López, M.A., Jofre-Monseny, J., Martínez-Mazza, R., & Segú, M. (2020) Do short-term rental platforms affect housing markets? Evidence from Airbnb in Barcelona, *Journal of Urban Economics* 119, 103278, ISSN 0094-1190, <https://doi.org/10.1016/j.jue.2020.103278>.

<sup>10</sup> Lima, V. (2019). Towards an understanding of the regional impact of Airbnb in Ireland. *Regional Studies, Regional Science*, 6(1), 78–91. <https://doi.org/10.1080/21681376.2018.1562366>

<sup>11</sup> Clancy, M. (2022). Tourism, financialization, and short-term rentals: the political economy of Dublin's housing crisis. *Current Issues in Tourism*, 25(20), 3363–3380. <https://doi.org/10.1080/13683500.2020.1786027>

<sup>12</sup> Schäfer, P. and Braun, N. (2016), "Misuse through short-term rentals on the Berlin housing market", *International Journal of Housing Markets and Analysis*, Vol. 9 No. 2, pp. 287–311. <https://doi.org/10.1108/IJHMA-05-2015-0023>

<sup>13</sup> Simcock, T. (2023). Home or hotel? A contemporary challenge in the use of housing stock. *Housing Studies*, 38(9), 1760–1776. <https://doi.org/10.1080/02673037.2021.1988063>

<sup>14</sup> Cunha, A.M. and Lobão, J. (2022), "The effects of tourism on housing prices: applying a difference-in-differences methodology to the Portuguese market", *International Journal of Housing Markets and Analysis*, 15(4), 762–779. <https://doi.org/10.1108/IJHMA-04-2021-0047>

<sup>15</sup> Cox, M. and Haar, K. (2020) Platform failures. How short-term rental platforms like Airbnb fail to cooperate with cities and the need for strong regulations to protect housing. <https://www.guengl.eu/issues/publications/platform-failures-how-short-term-rental-platforms-like-airbnb-fail-to-cooperate-with-cities-and-the-need-for-strong-regulations-to-protect-housing/>

<sup>16</sup> Ibid

On a neighbourhood scale, places that have been previously deteriorating such as Alameda (Seville)<sup>17</sup> and Alfama (Lisbon)<sup>18</sup> have experienced new phases of physical upgrading and upkeep of housing stock, which however led to decreases in rental housing and major increases in tourism uses. Specifically in Alfama, 78% of Airbnb landlords are individual and corporate investors that drive gentrification with the input of global real estate capital.<sup>19</sup> In Athens, harsh economic conditions as a result of prolonged financial turmoils (financial crisis, Troika and capital controls) led many homeowners to turn to STRs as a survival strategy,<sup>20</sup> which subsequently led to the emergence of commercial hosts and investors in the Athenian housing market,<sup>21</sup> thus leading to indirect gentrification.

In Madrid, 80% of Airbnb listings in the Central District prior to the pandemic have been classified as commercial, with 68.85% of those being advertised from a multi-listing host.<sup>22</sup> The same study highlighted how hosts with 6-20 listings and 20+ listings experienced a 20.6% and 78.6% growth in the Airbnb listings market share respectively, further suggesting that dwellings in the centre of the city are solely rented for tourism purposes to the detriment of housing supply.<sup>23</sup> The problem of empty apartments has been also highlighted in a study about Stockholm; based on data collected between 2012-2016 on the number of total apartments and Airbnb listings, it was estimated that more than 27,000 apartments were lost from the housing market. The effect of STRs in this was calculated to be a significant one, as a single increase in Airbnb listings resulted in the loss of 0.15 permanently inhabited apartments.<sup>24</sup>

The reduction of long-term rental opportunity leads to the substitutability of STRs and long-term rentals on many occasions. A study analysing Airbnb data from 30 New York City neighbourhoods suggests that a 1% increase in Airbnb demand is also associated with a 0.142% higher demand for long-term rentals, highlighting the potential competitiveness within the rental market when STR presence is high.<sup>25</sup> Additionally, evidence from a study combining Airbnb and American Housing Survey Data also suggests that STRs are moderately cannibalising the long-term rental supply particularly when it comes to affordable units, harming local renters in the process,<sup>26</sup> who are more prone to having to leave their homes thus enhancing social inequalities.<sup>27</sup>

From the above, the main themes with regard to STRs and housing availability are highlighted as follows:

<sup>17</sup> Jover, J., & Díaz-Parra, I. (2020). Gentrification, transnational gentrification and touristification in Seville, Spain. *Urban Studies*, 57(15), 3044-3059. <https://doi.org/10.1177/0042098019857585>

<sup>18</sup> Cocola-Gant, A., & Gago, A. (2021). Airbnb, buy-to-let investment and tourism-driven displacement: A case study in Lisbon. *Environment and Planning A: Economy and Space*, 53(7), 1671-1688. <https://doi.org/10.1177/0308518X19869012>

<sup>19</sup> Ibid

<sup>20</sup> Balampanidis, D., Maloutas, T., Papatzani, E., & Pettas, D. (2021). Informal urban regeneration as a way out of the crisis? Airbnb in Athens and its effects on space and society. *Urban Research & Practice*, 14(3), 223-242. <https://doi.org/10.1080/17535069.2019.1600009>

<sup>21</sup> Pettas, D., Avdikos, V., Iliopoulou, E., & Karavasili, I. (2022). "Insurrection is not a spectacle": experiencing and contesting touristification in Exarcheia, Athens. *Urban Geography*, 43(7), 984-1006. <https://doi.org/10.1080/02723638.2021.1888521>

<sup>22</sup> Gil, J., & Sequera, J. (2022). The professionalization of Airbnb in Madrid: far from a collaborative economy. *Current Issues in Tourism*, 25(20), 3343-3362. <https://doi.org/10.1080/13683500.2020.1757628>

<sup>23</sup> Ibid

<sup>24</sup> Adamiak, C., & Marjavaara, R. (2023). Airbnb and urban population change: an empirical analysis of the case of Stockholm, Sweden. *Urban Research & Practice*, 1-27. <https://doi.org/10.1080/17535069.2023.2286521>

<sup>25</sup> do Nascimento, J., & Mazali, R. (2023). Technological innovations and preexisting markets: The interaction between Airbnb and New York's hotel and housing markets. *Regional Science Policy & Practice*, 15(2), 256-288. <https://doi.org/10.1111/rsp3.12584>

<sup>26</sup> Li, H., Kim, Y., & Srinivasan, K. (2022). Market Shifts in the Sharing Economy: The Impact of Airbnb on Housing Rentals. *Management Science*, 68(11), 8015-8044. <https://doi.org/10.1287/mnsc.2021.4288>

<sup>27</sup> Valente, R., Russo, A. P., Vermeulen, S., & Milone, F. L. (2022). Tourism pressure as a driver of social inequalities: a BSEM estimation of housing instability in European urban areas. *European Urban and Regional Studies*, 29(3), 332-349. <https://doi.org/10.1177/09697764221078729>



- The rise of STRs combined with rapid **urbanisation** and **touristification** in many cities creates potentially a **supply shock**<sup>28</sup> to the long-term rent market
- The demand for STRs creates a **rent gap** effect for owners, meaning that they can achieve the highest profit and best use for their properties when listing them for STR use, particularly in areas of tourism interest<sup>29,30</sup>, thus disincentivizing them from pursuing long-term uses
- The increasing **professionalisation**<sup>31,32</sup> and **'hotelisation'**<sup>33</sup> of the AirBnB model has attracted large-scale commercial interests. These investors increasingly accumulate large listing portfolios that subsequently become unavailable for long-term renting and housing.
- STRs can be seen as a **substitute** to long-term rentals in certain occasions, further adding to the competitiveness of the rental market as a whole
- Affordable units for long-term rental become **scarcer** thus exposing local people to more risks

<sup>28</sup> Cunha, A.M. and Lobão, J. (2022), "The effects of tourism on housing prices: applying a difference-in-differences methodology to the Portuguese market", *International Journal of Housing Markets and Analysis*, Vol. 15 No. 4, pp. 762-779. <https://doi.org/10.1108/IJHMA-04-2021-0047>

<sup>29</sup> Wachsmuth, D., & Weisler, A. (2018). Airbnb and the rent gap: Gentrification through the sharing economy. *Environment and Planning A: Economy and Space*, 50(6), 1147-1170. <https://doi.org/10.1177/0308518X18778038>

<sup>30</sup> Amore, A., de Bernardi, C., & Arvanitis, P. (2022). The impacts of Airbnb in Athens, Lisbon and Milan: a rent gap theory perspective. *Current Issues in Tourism*, 25(20), 3329-3342. <https://doi.org/10.1080/13683500.2020.1742674>

<sup>31</sup> Bosma, J. R. (2022). Platformed professionalization: Labor, assets, and earning a livelihood through Airbnb. *Environment and Planning A: Economy and Space*, 54(4), 595-610. <https://doi.org/10.1177/0308518X211063492>

<sup>32</sup> Katsinas, P. (2021). Professionalisation of short-term rentals and emergent tourism gentrification in post-crisis Thessaloniki. *Environment and Planning A: Economy and Space*, 53(7), 1652-1670. <https://doi.org/10.1177/0308518X21988940>

<sup>33</sup> Kaniadakis, A., & Farmaki, A. (2024). Responsibilisation of participants in sharing economy platforms: The case of Airbnb and the hotelisation of hosting practice. *New Media & Society*, 26(10), 5763-5783. <https://doi.org/10.1177/14614448221141645>

## The impact of short-term rental market on rental and selling prices

The previous section highlighted how popular cities (and mainly their touristified neighbourhoods) are vulnerable to housing supply shocks that reduce housing availability for long-term occupation.<sup>34</sup> Whereas housing markets in cities are also affected by increased urbanisation, inflexibilities in national and local housing regulations, limited land supply, and slow adoption of new forms of housing demand (micro-apartments, co-living, student housing),<sup>35</sup> it is important to showcase studies that explore the impact of STRs in housing and rent prices.

At a baseline level, an analysis of data on housing prices and rents for the 2010-2019 period combined with **Airbnb listings data from 25 European cities has shown that the impact of Airbnb is significant and follows positive price elasticities in the housing markets.** The effect is greater in city centres whereby house prices and monthly rents are estimated to have grown by 5.02% and 3.46%, with Airbnb's role in this increase being economically significant (5.01% and 3.23% annually).<sup>36</sup> This evidence corresponds to the societal effects of STRs in urban housing affordability at a macroeconomic level.<sup>37</sup>

In Paris, house prices have increased 65% between 2010 and 2020 (at the time of the Airbnb explosion),<sup>38</sup> while an increase in the density of STRs also appears to have a significant impact on rental prices<sup>39</sup>, thus contributing to the decrease in local population in key areas in the city.<sup>40</sup> In the city of London, research on the effect of Airbnb listings on house prices across all London Boroughs highlights that on average, a unit increase on the number of Airbnb listings can increase house prices by £11.59 (approximately 14€) per m<sup>2</sup>. In popular tourist areas (Westminster, Camden, Kensington and Chelsea), the increase typically exceeds £20 (approximately 24€) per m<sup>2</sup>. In layman terms, a house of 100m<sup>2</sup> can yield an average monthly price increase of £1,160 (1,400€) due to the impact of Airbnb.<sup>41</sup> In Berlin, research using data prior to the pandemic has shown that one additional commercial Airbnb listing leads to supply decreases that induce a 1.3%-2.4% increase of the average asked rent per square metre.<sup>42</sup>

Similar findings have been found in Portugal, where housing prices between 2010-2016 have increased at least 3.7% on average per one percentage point of STRs.<sup>43</sup> Specifically, Lisbon and Porto's most touristified neighbourhoods are estimated to have increased by 27.4% and 16.1% respectively for every one percentage point in the share of STRs (data from 2011-2019).<sup>44</sup> The effect in Barcelona is also significant; Airbnb activity for the average neighbourhood was estimated to have

<sup>34</sup> Colomb, C., & de Souza, T. M. (2021). Regulating short-term rentals. Platform-based property rentals in European cities: The policy debates. Property Research Trust.

<sup>35</sup> van Doorn, L., Arnold, A., Rapoport, E. (2019). In the Age of Cities: The Impact of Urbanisation on House Prices and Affordability. In: Nijskens, R., Lohuis, M., Hilbers, P., Heeringa, W. (eds) Hot Property. Springer, Cham. [https://doi.org/10.1007/978-3-030-11674-3\\_1](https://doi.org/10.1007/978-3-030-11674-3_1)

<sup>36</sup> Reichle, P., J. Fidrmuc, and F. Reck. 2023. "The Sharing Economy and Housing Markets in Selected European Cities." *Journal of Housing Economics* 60(C): 1–9. <https://doi.org/10.1016/j.jhe.2023.101914>.

<sup>37</sup> Ibid

<sup>38</sup> [https://www.apur.org/sites/default/files/28p177\\_loc\\_meubles\\_touristiques.pdf?token=ZGIFbj3](https://www.apur.org/sites/default/files/28p177_loc_meubles_touristiques.pdf?token=ZGIFbj3)

<sup>39</sup> Ayoub, K., Breuillé, M.-L., Grivault, C., & Le Gallo, J. (2020). Does Airbnb Disrupt the Private Rental Market? An Empirical Analysis for French Cities. *International Regional Science Review*, 43(1-2), 76-104. <https://doi.org/10.1177/0160017618821428>

<sup>40</sup> [https://www.apur.org/sites/default/files/28p177\\_loc\\_meubles\\_touristiques.pdf?token=ZGIFbj3](https://www.apur.org/sites/default/files/28p177_loc_meubles_touristiques.pdf?token=ZGIFbj3)

<sup>41</sup> Todd, J., Musah, A., & Cheshire, J. (2022). Assessing the impacts of Airbnb listings on London house prices. *Environment and Planning B: Urban Analytics and City Science*, 49(1), 206-222. <https://doi.org/10.1177/23998083211001836>

<sup>42</sup> Duso, T., Michelsen, C., Schaefer, M., & Tran, K.D. (2024). Airbnb and rental markets: Evidence from Berlin. *Regional Science and Urban Economics* 16, <https://doi.org/10.1016/j.regsciurbeco.2024.104007>

<sup>43</sup> Franco, S.F. and Santos, C.D. (2021), "The impact of airbnb on residential property values and rents: Evidence from Portugal", *Regional Science and Urban Economics*, Vol. 88, pp. 103-667

<sup>44</sup> Cunha, A.M. and Lobão, J. (2022), "The effects of tourism on housing prices: applying a difference-in-differences methodology to the Portuguese market", *International Journal of Housing Markets and Analysis*, Vol. 15 No. 4, pp. 762-779. <https://doi.org/10.1108/IJHMA-04-2021-0047>

increased rent and housing prices by 1.9% and 4.6% respectively for an average neighbourhood, while in neighbourhoods with high Airbnb listings concentration, rent and housing prices were estimated to have increased threefold (7% and 17%).<sup>45</sup> In Madrid, long-term rental prices have increased mainly in central touristic hotspots whereby investors occupy multiple properties.<sup>46</sup> A similar effect is noticeable in Salzburg, whereby 55% of listings are owned by entrepreneurial hosts who manage to claim up to more than 3,5 times the amount of regular monthly rent in STRs in the inner city.<sup>47</sup> This effect is contributing to a city-wide rent gap that keeps land, house, and rent prices at a very high level. Finally, in the touristic medium sized city of San Sebastian, whereby STRs are rented as vacation homes, an increase of one Airbnb unit per 100 listings was estimated to increase the monthly advertised rent by 10.4% and 5.8% in pre- and post-pandemic conditions respectively.<sup>48</sup> The effect of increases in housing prices is thus prevalent in locations where STRs are part of the tourism product mix alongside hotels and other tourism accommodations (hostels, camps), as a study on Airbnb in Croatia highlighted. In this respect, housing units that become available as vacation rentals have an additional tourism-driven effect on housing prices.<sup>49</sup>

In the US, a seminal study on the impact of STRs on house prices and rents<sup>50</sup> across the country showed that for the median owner-occupancy rate, a 1% increase in STRs can lead to 0.018% increase in rental rates and 0.026% in housing rates. The results suggested that this increase accounted for one fifth of actual rent growth and one seventh of actual price growth, but also showed that these can be increased in areas where the owner-occupier percentage is low. In terms of more localised impacts, during the early adoption on Airbnb in New York, researchers estimated that a doubling of the available listings can cause a 6-11% increase in house prices.<sup>51</sup> A study analysing the impact of STRs on single-family properties in Washington, DC also suggested that Airbnb alone could account for a 0.66-2.24% increase in house prices.<sup>52</sup> Finally, the indicative effects of STRs for apartments in Sydney, Australia suggest that the weekly Airbnb rent can be nearly double (rent premium effect of 2) that in the long-term rental market, with spatial variability showing fluctuations of 1.5 - 2.3 in rent premiums. The study concurs that touristic and expensive postcodes can also have higher vacancy rates, with owners willing to let apartments empty due to the higher rent premium of STRs.<sup>53</sup>

From the literature, clear patterns of housing and rent pricing variation emerge:

<sup>45</sup> Garcia-López, M.-À., Jofre-Monseny, J., Martínez-Mazza, R. & Segú, M. (2020) Do short-term rental platforms affect housing markets? Evidence from Airbnb in Barcelona, *Journal of Urban Economics*, 119, p. 103278.

<sup>46</sup> Morales-Alonso, G. and Núñez, Y.M. (2022), "Dragging on multilisting: the reason why home-sharing platforms make long-term rental prices increase and how to fix it", *Technological Forecasting and Social Change*, Vol. 174, 121297, doi: 10.1016/j.techfore.2021.121297.

<sup>47</sup> Smigiel, C. (2024). Touristification, rent gap and the local political economy of Airbnb in Salzburg (Austria). *Urban Geography*, 45(4), 713–733. <https://doi.org/10.1080/02723638.2023.2233352>

<sup>48</sup> Mozo Carollo, I., Morandeira-Arca, J., Etxezarreta-Etxarri, A., & Izagirre-Olaizola, J. (2023). Is the effect of Airbnb on the housing market different in medium-sized cities? Evidence from a Southern European city. *Urban Research & Practice*, 17(2), 260–279. <https://doi.org/10.1080/17535069.2023.2179419>

<sup>49</sup> Vizek, M., Barbić, T., & Časni, A. Č. (2024). The impact of the tourism accommodation composition on housing prices: The case of Croatia. *Tourism Economics*, 30(1), 267–274. <https://doi.org/10.1177/13548166231180417>

<sup>50</sup> Barron, K., Kung, E., & Proserpio, D. (2021) "The effect of home-sharing on house prices and rents: Evidence from Airbnb." *Marketing Science* 40(1), 23–47.

<sup>51</sup> Sheppard, S., & Udell, A. (2016). Do Airbnb Properties Affect House Prices?, No 2016-03, Department of Economics Working Papers, Department of Economics, Williams College.

<sup>52</sup> Zou, Z. (2019). Examining the Impact of Short-Term Rentals on Housing Prices in Washington, DC: Implications for Housing Policy and Equity. *Housing Policy Debate*, 30(2), 269–290. <https://doi.org/10.1080/10511482.2019.1681016>

<sup>53</sup> Hill, R., Pfeifer, N., & Steurer, M. (2023). The Airbnb rent premium and the crowding-out of long-term rentals. *Journal of Housing Economics* 61, 101935. <https://doi.org/10.1016/j.jhe.2023.101935>

- There is a **positive relationship** between STRs listings and house and rent prices, which follows elasticities in the housing market and showcase modest effects of STRs to price increases.
- **Central touristic areas** are **more susceptible** to increased rents and house prices, as they are targeted by entrepreneurial hosts and investors with commercial interests.
- **Medium-sized** touristic areas are potentially **more vulnerable** than cities as they are susceptible to greater rent gap effects and/or increased house and rent prices.
- Owners of STRs are happy to leave listings **vacant** to exert **rent premiums** in touristic and expensive locations.

## Local impact of STRs

Whereas the main focus of the report is to highlight the impact of STRs on housing, it is important to briefly outline their impact on the local communities, particularly in terms of the daily place management of areas with high numbers of STRs, and in terms of local perceptions of the communities affected.

With regards to place management, recent studies signify the potential impact of STRs in the increased **prevalence of crime** and disorder in neighbourhoods with high ratios of STR to residential. In London, a study analysing Airbnb and crime data from 2014-2018 for all London boroughs highlights that there is a positive correlation between the number of STRs and crime. The effects are quite modest, with each additional active Airbnb being associated with .03 robberies, .04 burglaries, .16 thefts, and .06 violent offences per quarter, and are more prominent as STRs are more pervasive due to the opportunity for crime that is presented.<sup>54</sup> Several US case studies<sup>55,56</sup> have also found statistical relationships and correlations between occurrences of crime and STRs in both single rooms and entire listings. Evidence from three US cities (Portland, Nashville, New Orleans) also suggests that the increase of Airbnbs is likely to occur in areas with higher levels of crime (such as sex crimes, property crimes and revelry), which subsequently increases calls for service to the police from both tourists and residents reporting incidents such as 'house parties'.<sup>57</sup> Whereas it is possible that city-level crime level rates may remain stable, evidence suggests that STRs may help shifting crime within cities, which poses challenges for city planners and place managers.<sup>58</sup>

**Noise** is another parameter that is often attributed to STRs prevalence in residential neighbourhoods. In New York, noise-related problems are likely to occur in noisy boroughs where usually a higher number of commercial Airbnb listings with higher occupancy exists, in contrast with areas with expensive listings.<sup>59</sup> Street noise is also significantly increased in areas with limited residential housing occupancy and a large number of tourism attractions.<sup>60</sup> Other place management issues, such as **litter**<sup>61</sup>, **traffic congestion**<sup>62</sup>, and **environmental degradation**<sup>63</sup> are also reported in studies regarding STRs, mostly in relation to issues of overtourism

<sup>54</sup> Lanfear, C. C., & Kirk, D. S. (2024). The promise and perils of the sharing economy: The impact of Airbnb lettings on crime. *Criminology*, 1–30. <https://doi.org/10.1111/1745-9125.12383>

<sup>55</sup> Reinhard, D. (2023). The Influence of Vacation Home Rentals on Neighborhood Crime and Disorder. *American Journal of Criminal Justice* 48, 233–249. <https://doi.org/10.1007/s12103-021-09635-8>

<sup>56</sup> Xu, Y.-H., Pennington-Gray, L., & Kim, J. (2019). The Sharing Economy: A Geographically Weighted Regression Approach to Examine Crime and the Shared Lodging Sector. *Journal of Travel Research*, 58(7), 1193–1208. <https://doi.org/10.1177/0047287518797197>

<sup>57</sup> van Holm, E.J., & Monaghan, J. (2021). The relationship of Airbnb to neighborhood calls for service in three cities, *Cities* 116, 103241, <https://doi.org/10.1016/j.cities.2021.103241>.

<sup>58</sup> Weber, B. S. (2024). The sharing economy and urban crime. *Cities* 154, 105285–105285. <https://doi.org/10.1016/j.cities.2024.105285>

<sup>59</sup> Tripathi, S. (2023) *Airbnb and Noise in New York City: An Empirical Investigation of Home-Sharing and Noise-Related Externalities*, 44th International Conference on Information Systems: Rising like a Phoenix: Emerging from the Pandemic and Reshaping Human Endeavors with Digital Technologies

<sup>60</sup> Ozer, G.T., Greenwood, B., & Gopal, A. (2020) Noisebnb: An Empirical Analysis of Home Sharing Platforms and Noise Complaints, July 25. Available at SSRN: <http://dx.doi.org/10.2139/ssrn.3660527>

<sup>61</sup> Guizi, A., Breda, Z. and Costa, R. (2020), "How are overtourism and host–guest relationships portrayed by the Portuguese print media?", *International Journal of Tourism Cities*, Vol. 6 No. 1, pp. 215–232. <https://doi.org/10.1108/IJTC-06-2019-0081>

<sup>62</sup> Oskam, J.A. (2020), Eiffel tower and big ben, or 'off the beaten track'?", *Hospitality & Society* 10(2), pp. 127–155.

<sup>63</sup> Martínez-García, A., Horrach-Roselló, P., & Mulet-Fortez, C. (2024). Forgotten effects of sharing accommodation impacts in the Balearic Islands. *Current Issues in Tourism*, 1–23. <https://doi.org/10.1080/13683500.2024.2381242>

Apart from daily actual impacts, residents have expressed concerns about the potential **disruption to established community character** as a perceived impact of STRs.<sup>64</sup> An analysis of data from Barcelona, Berlin and London highlights how the professionalisation of Airbnb in central districts may have a larger negative impact on local communities by facilitating the uneven distribution of tourists and overtourism.<sup>65</sup> In Spain, the constant targeting of working-class neighbourhoods from investors, particularly in central locations, has intensified the commodification of housing.<sup>66</sup> Overall, STRs go part and parcel with the recent anti-tourism sentiments<sup>67</sup>, as the tourism mantra of ‘**acting like a local**’ and ‘**belonging anywhere**’ can lead to the displacement of local and marginalised communities from central locations where they provide essential labour and access important services.<sup>68</sup> These local pressures can potentially lead to a prolonged process of social disinvestment in over-touristed areas.<sup>69</sup>

<sup>64</sup> Lutz, C., Majetić, F., Miguel, C., Perez-Vega, R., & Jones, B. (2024). The perceived impacts of short-term rental platforms: Comparing the United States and United Kingdom. *Technology in Society* 77, 102586. <https://doi.org/10.1016/j.techsoc.2024.102586>.

<sup>65</sup> Gyódi, K. (2024). The spatial patterns of Airbnb offers, hotels and attractions: are professional hosts taking over cities? *Current Issues in Tourism*, 27(17), 2757–2782. <https://doi.org/10.1080/13683500.2023.2239428>

<sup>66</sup> Gutiérrez, A., & Domènech, A. (2020). Understanding the spatiality of short-term rentals in Spain: Airbnb and the intensification of the commodification of housing. *Geografisk Tidsskrift-Danish Journal of Geography*, 120(2), 98–113. <https://doi.org/10.1080/00167223.2020.1769492>

<sup>67</sup> Milano, C., Novelli, M., & Russo, A. P. (2024). Anti-tourism activism and the inconvenient truths about mass tourism, touristification and overtourism. *Tourism Geographies*, 1–25. <https://doi.org/10.1080/14616688.2024.2391388>

<sup>68</sup> Grisdale, S. (2021). Displacement by disruption: short-term rentals and the political economy of “belonging anywhere” in Toronto. *Urban Geography*, 42(5), 654–680. <https://doi.org/10.1080/02723638.2019.1642714>

<sup>69</sup> Valente, R., Bornioli, A., Vermeulen, S., & Russo, A.P. (2023). Short-term rentals and long-term residence in Amsterdam and Barcelona: A comparative outlook, *Cities* 136, 104252. <https://doi.org/10.1016/j.cities.2023.104252>



## Impact of Short-Term Rentals in the Slovenian context

In this brief section, we highlight a few key points of the STR landscape in Slovenia. Similarly with other countries, Slovenia has experienced a more than **fivefold** (over 500%) growth in the number of Airbnb and Vrbo listings between 2015-2023 (from 2,569 to 12,912).<sup>70</sup> From previous studies, Slovenia seems to also be experiencing increasing **professionalisation** of the sector, with hosts with 6 or more properties owning 32.5% of the total listings (4,202 out of 12,912) and 37% of the total annual income (64.8 out of 174.8 million euros) in the market.<sup>72</sup> The proliferation of STR listings in tourism and leisure destinations is a trend in Slovenia too, with Ljubljana, Piran and Alpine Slovenia having the biggest share of listings.

Ljubljana has been highlighted as an interesting case due to its recent rise as a tourist destination that led to accommodation shortages.<sup>73</sup> STRs were deemed as a quick solution to allow for tourism industry growth and to tackle the lack of infrastructure in traditional tourism accommodation<sup>74</sup>, but the evidence suggests that Ljubljana also faced issues of higher long-term rental and property prices, which brought similar issues as other cities (such as partial population displacement from the centre and touristification)<sup>75</sup>. Research also suggests that hosts may continue to accumulate higher rents in the STR market in the future. For example, Airbnb price rentals were expected to grow beyond 120 Euros per night based on time-series analysis of 2023 Airbnb listings data.<sup>77</sup> The above trends are in line with what is monitored in other countries and are highlighted in the sections above.

<sup>70</sup> Ministry of Economic Development and Technology (2020) *Podlage za oblikovanje ukrepov v novem Zakonu o gostinstvu glede kratkoročnega oddajanja nastanitev* [government publication].

<sup>71</sup> Knežević Cvelbar, L., & Vavpotič, D. (2024) *Analiza namestitev kratkoročnega najema na platformah Airbnb in Vrbo v Sloveniji*, Ministry of Economic Development and Technology [government publication].

<sup>72</sup> Ibid

<sup>73</sup> Knežević Cvelbar, L., Vavpotič, D., & Dolnicar, S. (2021). Resident satisfaction with the growth of Airbnb in Ljubljana – before, during and after COVID-19. <https://doi.org/10.6084/m9.figshare.14195981.v1>.

<sup>74</sup> Knežević Cvelbar, L.K. and Dolnicar, S. (2017) Chapter 9 – Filling Infrastructure Gaps, in S. Dolnicar, *Peer-to-Peer Accommodation Networks: Pushing the boundaries*, Oxford: Goodfellow Publishers, pp. 98–108, <https://dx.doi.org/10.23912/9781911396512-3607>

<sup>75</sup> Knežević Cvelbar, L., Vavpotič, D., & Dolnicar, S. (2021). Resident satisfaction with the growth of Airbnb in Ljubljana – before, during and after COVID-19. <https://doi.org/10.6084/m9.figshare.14195981.v1>.

<sup>76</sup> Kerbler, B., & Obrč, P. (2021). The Impact of Airbnb on Long-Term Rental Housing: The Case of Ljubljana. *Critical Housing Analysis* 8 (1): 150-158. <https://doi.org/10.13060/23362839.2021.8.1.531>

<sup>77</sup> Maričić, M., Cvetić, K., Ignjatović, M., & Jeremić, V. (2023). Time series analysis of Airbnb house rentals price in the Balkan region. in Proceedings of the 17th International Symposium on Operational Research SOR'23. Edited by: S. Drobne, L. Zadnik Stirn, M. Kljajić Borštnar, J. Povh and J. Žerovnik, 251-254.

## Regulating STRs

### EU Legal framework

**Whereas regulating STRs by virtue of their online platform activity is challenging in the EU, regulating their activity in tourism services is easier to achieve.<sup>78</sup>**

Across Europe regulations are put in place to ***a. Target the existence of STRs including licensing schemes and registration requirements, b. Introduce safety and minimum standard requirements, c. Control the geographical distribution of STRs within city or region limits, d. Group STRs under specific types, i.e., individual hosts or professional corporate formations; and e. Platform-specific regulations and requirements (i.e., data sharing).***<sup>79</sup>

The key challenge in regulating STRs stems from their characterisation as digital platforms under the EU Commerce Directive<sup>80</sup> which, in consequence, views them favourably as key drivers of innovation across the digital single market, and restricts their regulation by EU Member States. At the same time, they are also offering tourism services, and as such can be subjected to such laws and regulations, including planning legislation.

At first instance, STRs fall under the remit of the ***a. e-Commerce Directive 2000/31/EC***, as information society services, only insofar as their online activities are concerned (i.e., when operating as neutral host-to-guest matching platforms). Offline activities of the same providers fall outside the scope of the Directive. Even though as digital platforms per se STRs are harder to regulate, their downstream activities (provision of tourism accommodation services) fall under the ***b. Services Directive***,<sup>81</sup> which allows for restrictions to service provision across the EU in the *public interest*. In *Cali Apartments* the European Court of Justice (ECJ) held that the restrictions were justified under the Directive as the objective of pursuing affordable housing for residents fell within the defined public interest.

More recently the EU adopted ***c. Regulation (EU) 2024/1028*** on the 11 April 2024 on data collection and sharing relating to short-term accommodation rental services, amending Regulation (EU) 2018/1724 ("Single Digital Gateway"), **triggered by concerns, in particular from local communities and public authorities, on the contribution of STRs to illegal economic activity and decreased availability of long-term rental housing and the increase in rents and housing prices.** The aim is to foster harmonised transparency requirements in the STR platform economy, in cases where EU Member States decide to impose such transparency requirements, in order to extrapolate further

<sup>78</sup> Chapuis-Doppler, A., & Delhomme, V. (2024). Tax legislation on short-term rentals and obligations of intermediation services providers: Airbnb Ireland and Airbnb Payments UK. *Common Market Law Review*, 61(1); Kramer, D., & Schaub, M. (2022). EU Law and the Public Regulation of the Platform Economy: The Case of the Short-Term Rental Market. *Common Market Law Review*, 59(6).

<sup>79</sup> Ft 28.

<sup>80</sup> Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce').

<sup>81</sup> Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market.

reliable data on the impact of STRs in the long-term. Overall, the European Commission noted that as of early 2024, 23 Member States had some type of registration procedure for STRs, with more considering introducing one.<sup>82</sup>

On 16 November 2023, the European Parliament and the Council of the European Union reached a provisional agreement to support the regulation's main objectives:<sup>83</sup>

- Member States that require **online short-term rental platforms to transmit data to competent authorities** would have to set up a free (or at a reasonable cost) online registration procedure for STRs.
- Each STR should be subject to only **one registration procedure per Member State**.
- During this registration procedure, **hosts should provide information (in digital or paper format)** such as the address of the STR; the type; whether it is offered in whole or in part: primary or secondary residence; and the maximum number of available bed places and guests.
- **Online platforms would have to make 'reasonable efforts' to check if the information provided during the registration procedure is correct.**
- Member States would have to set up a **single digital entry point to receive data from online platforms about the hosts' activity on a monthly basis.**
- These single digital entry points **would be interoperable** and would guarantee data protection, and safe keeping.

## Relevant Case Law

**Case (C-724/18) Cali Apartments SCI v Procureur general pres la cour d'appel de Paris and Case (C-727/18) HX v Procureur general pres la cour d'appel de Paris [2020] 4 W.L.R. 151 (Joined Cases C-724/18 and C-727/18)**

French legislation on restrictions on short term rentals were challenged under Parliament and Council Directive 2006/123/EC (E-commerce Directive) on the grounds that the authorization required by the national legislation was incompatible with their freedom to provide services under EU law. **The ECJ held that the restrictions were justified under the Directive as the objective of pursuing affordable housing for residence fell within the public interest.** (See articles 9 and 10 of the Directive.)

*Context: the Regional Court, Paris, France (tribunal de grande instance de Paris), hearing an application for interim relief, then [...] the cour d'appel de Paris (Court of Appeal, Paris, France), on the basis of the French Construction and Housing Code, ordered the owners of two unregistered studios rented as STRs to pay a fine and ordered that the use of the properties in question be changed back to residential. **That code provides, inter alia, that, in municipalities with more than 200000 inhabitants and in the municipalities in Paris' three neighbouring departments, change of***

<sup>82</sup> <https://www.europarl.europa.eu/news/en/press-room/20240223IPR18094/new-rules-for-a-responsible-and-transparent-short-term-rental-sector>

<sup>83</sup> [https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739334/EPRS\\_BRI\(2023\)739334\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/739334/EPRS_BRI(2023)739334_EN.pdf)

*use of residential premises is subject to prior authorisation and the repeated short-term letting of furnished accommodation to a transient clientele which does not take up residence there constitutes such change of use. That code also provides that that authorisation, granted by the mayor of the municipality in which the property is located, may be subject to an offset requirement in the form of the concurrent conversion of non-residential premises into housing. A decision adopted by the municipal council sets the conditions for granting authorisations and determining the offset requirements by quartier (neighbourhood) and, where appropriate, by arrondissement (district), in the light of social diversity objectives, according to [...] the characteristics of the markets for residential premises and the need to avoid exacerbating the housing shortage.<sup>84</sup>*

### Case (C-390/18) Airbnb Ireland

The tribunal de grande instance de Paris (Regional Court, Paris) decided to refer the following questions to the ECJ for a preliminary ruling:

1. Do the services provided in France by Airbnb Ireland via an electronic platform managed from Ireland benefit from the freedom to provide services established in Article 3 of [Directive 2000/31]?
2. Are the restrictive rules relating to the exercise of the profession of real estate agent in France laid down by [the Hoguet Law] enforceable against Airbnb Ireland?

Airbnb was an intermediary under Directive 2000/31 and France could require Airbnb to hold an estate agent's professional licence as it did not notify the Commission of that requirement in accordance with the same Directive.

### Case (C-83/21) Airbnb Ireland UC and Airbnb Payments UK Ltd v Agenzia delle Entrate [2023] 2 C.M.L.R. 40

Italy introduced a system of taxation on short term rentals under Legislative Decree No. 50/2017. This required that persons who let residential property for less than 30 days, whether privately or through an intermediary, are subject to a 21% withholding tax. Moreover, the intermediaries must communicate the nature of the contracts to the authorities. The Italian court asked for clarification on the effect of Directive 2000/31, Directive 2006/123 and Directive 2015/1535 on whether this provision unfairly restricted services in the single market. As the obligations fell within the field of taxation, they were therefore excluded from the scope of the directives relied on by Airbnb. Thus, the lawfulness of these provisions was to be considered solely in relation to TFEU Article 56. On this point the ECJ found that neither the requirement to collect data nor the obligation to withhold tax at source breached EU rules.

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<sup>84</sup> See full case at: [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:62018CJ0724\\_RES](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:62018CJ0724_RES)

## Other EU legal texts of relevance

### **The European Parliament resolution of 21 January 2021 on access to decent and affordable housing for all (2019/2187 (INI)).<sup>85</sup>**

In the lead-up to Regulation 2024/1028 and following *Cali Apartments*, the European Parliament issued a resolution (21 January 2021) to raise awareness on the expansive growth of short-term holiday rentals, and their impact on removing housing from the market and driving up prices, alerting to the negative impact on liveability in urban and tourist centres.

The Parliament called on the Commission to interpret the Services Directive in line with the European Court of Justice verdict in *Cali* (C-390/18, as above), that *establishes housing affordability and shortage of rental housing as ‘an overriding reason related to the public interest’, and therefore to give wide discretion to national and local authorities to define proportionate rules for hospitality services, including mandatory registration, limitation of permits and specific zoning policies, limitation of period, avoiding ‘touristification’, the emptying of urban centres, and the decline in quality of life there, to the detriment of resident.*<sup>86</sup>

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<sup>85</sup> The non-binding resolution is an instrument used by the European Parliament that however carries significant influence in lawmaking and policy-stirring, in Hart, N. M. (2020). A "Legal Eccentricity": The European Parliament, Its Non-Binding Resolution, and the Legitimacy of the EU's Trade Agreements. *U. Bologna L. Rev.*, 5, 327.

<sup>86</sup> European Parliament resolution of 21 January 2021 on access to decent and affordable housing for all (2019/2187 (INI)), at 48.

## Main points on introducing STR regulations

*Please refer to the spreadsheet attached to the present (Appendices 1 and 2) for a breakdown of relevant regulations in key cities in Europe and internationally.*

### 1. STR regulation has so far:<sup>87</sup>

- Introduced caps on the number of nights (cumulatively and/or consecutively) a property can be rented as STR, accounting for properties being primary or secondary residences. More rules are being introduced with respect to renting out primary versus secondary homes as STRs, with the former being given more leniency (e.g., second homes cannot be used by a person other than the owner in Amsterdam and are subjected to stricter regulatory requirements in Paris).
- Introduced the principle 'one host, one home', thus limiting the number of STRs available (e.g., Ireland).<sup>88</sup>
- Introduced tourism and / or income tax on STR-generated revenue, to tackle tax evasion/ grey economy. This is often collected and remitted via Airbnb
- Introducing registration requirements, including the requirement to display the registration number on any listings.
- Required planning permissions or a licence to change the use of a property from residential to commercial or business. These permits are usually linked to local planning authorities, which may apply limits on the number of permits issued, especially in areas with high housing demand.
- Required the host to live in the property during the rental period, effectively banning full-time whole property rentals.
- Required platforms to share data STR activity.
- Regions and digger cities are also regulating the presence of STRs within city-limits to tackle over-presence in certain neighbourhoods, by refusing to issue more licences in cases of concern.

## Key findings on STR regulation

### 2. A total ban on STRs has not been possible.

Berlin's *Zweckentfremdungsverbotsgesetz (ZwVbG)* or "prohibition of misappropriation law" of 2014, introduced an outright ban on STR listings active following its enactment (1 May 2014). However, the strictest requirement was subsequently relaxed in April and then in August 2018 following court orders, with STR listings currently permitted, subject to registration and type of residency requirements.

Similarly, in Amsterdam the Highest Administrative Court in the Netherlands ruled that a complete ban on STRs was illegal, confirming that "a total ban on holiday rentals in certain neighbourhoods is

<sup>87</sup> <https://www.gov.scot/publications/short-term-lets-annexes-consultation-regulatory-framework-scotland/pages/5/>

<sup>88</sup> <https://www.gov.scot/publications/short-term-lets-annexes-consultation-regulatory-framework-scotland/pages/7/>



a far-reaching measure ... It can only happen if there are good reasons for it related to the purpose and scope of housing laws. The city executive should first have investigated whether less drastic measures could be taken to reach the intended goal.”<sup>89</sup>

### 3. National legislation can delegate powers to restrict the number of STRs to governmental bodies or local authorities.

National legal frameworks can provide for delegated powers to ministers, local authorities or regions to reduce or increase the number of STR licences.

There is flexibility in legislation with respect to the geographical spread of STRs within a country or region, **to protect housing**. This is evident in the examples of Catalonia (Decree-Law 3/2023), France (please see discussion above in *Cali*), Scotland, Wales, the Netherlands, or Tokyo, Japan, and Greece.

In Greece Article 111 of Law 4446/2016, updated by Law 5073/2023 – Measures for the Short – Term Rental (STR) of immovable property in the context of the sharing economy, provides for **further geographical restrictions for reasons related to the protection of housing, by joint decision of the Ministers of National Economy and Finance, and Development and Tourism. The extra restrictions are defined as:** *a. No more than two (2) properties per property manager’s tax identification number may be made available for short-term lease. b. The letting of each property may not exceed ninety (90) days per calendar year and for islands with fewer than 10 000 inhabitants, the letting of each property may not exceed sixty (60) days per calendar year. It shall be possible to exceed the duration referred to in the preceding sentence, provided that the total income of the lessor or sublessor from all the properties made available for lease or sublease does not exceed EUR 12,000 in the relevant tax year.*

In Scotland, the Scottish Government passed the **Civic Government (Scotland) Act 1982 (Licensing of Short term Lets) Order 2022** on 19 January 2022, which introduced a licensing scheme for STRs as of 1 October 2022. There are **four types of licences available**: secondary letting, home letting, home sharing, and home letting and home sharing. However, as of 4 March 2024, the competent **Highlands Council** designated the areas of Badenoch and Strathspey, as **Short Term Let Control Areas** requiring specific **planning permission** before a dwellinghouse (a residence) where the owner does not reside in the property is rented out as STRs.<sup>90</sup>

Edinburgh has also been designated as a **short term let control area** under section 26B of the Town and Country Planning (Scotland) Act 1997, meaning that the use of **tenement accommodation**<sup>91</sup> in Edinburgh for secondary short-term letting is deemed to involve a material change of use for which planning permission is required. The policy was challenged in Court under Administrative Law proceedings (judicial review) by owners and managers of secondary STR and the challenge was upheld. The court found that it was not the function of the licensing authority to decide that a licence should not be granted simply because a property was of a particular type or in a particular area. The regulatory regime that was set up made clear that the planning and licensing regimes were intended to complement each other, and those were decisions for planning.

<sup>89</sup> In three areas: Burgwallen Oude Zijde, Burgwallen Nieuwe Zijde en Grachtengordel-Zuid.

<https://www.dutchnews.nl/2023/05/amsterdam-was-wrong-to-ban-airbnb-rentals-in-three-areas-court/>

<sup>90</sup> The Scottish Government has introduced a tool to enable prospective hosts meet the relevant registration / compliance requirements: <https://www.mygov.scot/short-term-lets-checker#1>.

<sup>91</sup> A particularly designated type of multi-dwelling accommodation found in Scotland and around the British Isles.

In Wales, the Town and Country Planning (Use Classes) Order 1987, Schedule 1 as amended by The Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2022 (S.I. 2022/994), **allows relevant local authorities to restrict the change of use to STR accommodation.**

In Spain, the **Government of Catalonia** passed **Decree-Law 3/2023** (currently in effect) responding to the regulatory needs of the growing tourist housing market, and highlighting the need to adopt urgent measures *“to prevent the increase in changes of use from permanent and usual housing to housing for tourist use, at least in those areas where access to the ‘housing already presents difficulties and where the excessive concentration of housing for tourist use means that the principle of sustainable urban development enshrined in urban legislation is not complied with”*.<sup>92</sup> City councils of specific affected Catalan municipalities will have to **modify their urban planning to expressly allow compatibility between the tourist and residential use of the apartments, having previously demonstrated that they have sufficient land for dwellings intended for the habitual and permanent residence of the resident population.**

Within Catalonia, in **Barcelona** in particular, the current city leadership has promised a total ban on STRs, as soon as the valid STR licences expire in November 2028, in response to the adoption of Decree-Law 3/2023.<sup>93</sup> On city level, the **Special Urban Plan for Tourist Accommodation** (Peuat), which regulates all types of tourism accommodation including STRs, was approved in January 2017 and subsequently legally challenged and declared null and void by the Catalan High Court of Justice leading to new iteration in 2021.<sup>94</sup> Barcelona still enforces the strictest standards of control over the STR, reportedly not having issued new licences for STRs since 2014, whereas there are strict monitoring and enforcement protocols in place, with hefty fines for STR found in breach of holiday flat regulations.<sup>95</sup>

#### 4. More legal avenues have been used to control the STR market, including private law

Moreover, Barcelona City Council, has more recently made effective use of **“the right of first refusal”**<sup>96</sup> to acquire a building located on Carrer de la Diputació, comprising 23 apartments, 21 of which were used as STR, to replenish the city’s public housing stock.

In addition, most countries, as well as the relevant section of Airbnb (Responsible Hosting) also refer to **lenders’ terms and conditions** with respect to renting our residences as STRs, which are owned under **mortgage**.

<sup>92</sup> Parliament of Catalonia, DECREE LAW 3/2023, of 7 November, on urgent measures on the planning regime of housing for tourist use, <https://portaljuridic.gencat.cat/ca/document-del-pjur/?documentId=971523&validity=1998722&traceability=01&language=ca>.

<sup>93</sup> <https://ajuntament.barcelona.cat/turisme/en/noticia/barcelona-will-not-renew-holiday-flat-permits-1414584>

<sup>94</sup> Ajuntament de Barcelona, <https://ajuntament.barcelona.cat/pla-allotjaments-turistics/en>.

<sup>95</sup> Airbtics, Short-term rental market intelligence. <https://airbtics.com/>.

<sup>96</sup> Under the tenancy legislation of various jurisdictions, a “right to refusal” allows existing tenants (Spain) or competent city authorities (e.g. UK) to acquire the property in preference to others.

## Impact of STR regulations

***Relevant literature suggests a first instance success of measures introduced to address the negative effects of STRs on the housing crisis, such as the return of properties to the long-term rental market. Research advises the long-term monitoring of the regulatory outcomes, warning against the transfer of negative effects to areas neighbouring the most STR-restrictive zones and the negation of the regulations' success by lax enforcement and non-compliance.***

Whereas there is a need for more longitudinal quantitative and multi-stakeholder studies on the impact of STR regulations, so far, the effects of introducing days caps and other measures have yielded some positive results:

Chen et al. found that introducing caps on the number of properties a host can manage in a city reduced rents (in the long-term rental markets) and home values in sales by about 3% and did not affect the price-to-rent ratio. This was in response to properties entering the housing market as a result of the cap.<sup>97</sup> Koster et al. studied the effect of Home Sharing Ordinances (HSOs) introduced in 18 out of 88 cities in Los Angeles County as a measure to tackle STR provision. The research found that the Ordinances reduced listings by 50%, housing prices by 2%, and rents also by 2%.<sup>98</sup>

With respect to similar ordinances introduced in New Orleans, Valentin shows a transfer of STR activity to neighbourhoods adjacent to areas the most affected by the regulations. The study also shows reduction in house prices by approximately 30% in the areas affected more by the regulations.<sup>99</sup> However, these ordinances do not always have a significant effect on rent prices. In a case study highlighting implications of the HSO in Santa Monica, California two years after its implementation in 2015, it was shown that while a 60% reduction in listings occurred, this had a negligible impact on rental prices. Such findings suggest that the effectiveness of regulations will depend on the particular characteristics of cities and towns, and a more context-specific approach may be needed in certain countries.<sup>100</sup>

In Europe, as of 2021, the enactment of STR regulations on municipal level have been considered successful at first instance, at least in the cases of Berlin and Barcelona, where initial studies were conducted.<sup>101</sup>

In Berlin: immediately prior to the entry into force of Zweckentfremdungsverbotsgesetz (ZwVbG) on 1 May 2016, Airbnb witnessed a 40% drop in the total number of listings between March and May 2016, as a result of hosts removing their own listings. Airbnb itself did not take action. The Berlin Senate estimated that 2,500 flats were returned to the long-term rental market in 2014-2016, even though the numbers have since increased.<sup>102</sup> In Barcelona, the city embarked in excessive efforts to tackle illegal listings in July 2016, with visible results. According to the city government, between July 2016 and July 2018, 2,355 STR were closed down; steps were taken to close a further

<sup>97</sup> Chen, W., Wei, Z., & Xie, K. (2022). The battle for homes: how does home sharing disrupt local residential markets?. *Management Science*, 68(12), 8589-8612.

<sup>98</sup> Koster, H. R. A., van Ommeren, J., & Volkhausen, N. (2021). Short-term rentals and the housing market: Quasi-experimental evidence from Airbnb in Los Angeles. *Journal of Urban Economics*, 124(1), 103356.

<sup>99</sup> Valentin, M. (2021). Regulating short-term rental housing: Evidence from New Orleans. *Real Estate Economics*, 49(1), 152-186.

<sup>100</sup> Chaves Fonseca, C. (2024), "Short-term rentals and residential rents: evidence from a regulation in Santa Monica", *International Journal of Housing Markets and Analysis*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/IJHMA-01-2024-0001>

<sup>101</sup> See Colomb, ft. 28.

<sup>102</sup> O'Sullivan, F. (2016) The city with the world's toughest anti-Airbnb laws. CityLab, 1 December. <https://www.citylab.com/equity/2016/12/berlin-has-the-worlds-toughest-anti-airbnb-laws-are-they-working/509024/>.

1,800; 10,635 cases were opened, and 5,503 fines were imposed. The number of illegal STRs was reduced by 70% by June 2018.

More recently, research from 2023 in 16 major European cities<sup>103</sup> demonstrated that cities that had introduced STR regulation witnessed persistent reduction in the number of listings of entire apartments vis-a-vis single rooms, as well as in the number of professional as opposed to individual hosts, even though no significant impact on the spatial concentration of short-term rentals in the city. The research highlighted the effect of more restrictive (stringent) regulations in curbing the professionalisation of the STR market, echoing similar findings coming from the US, as above.

*Overall, regulations are deemed effective in reducing the overall number of listed STRs; however, attention should be paid to the transfer of STR's negative effects in areas neighbouring zones where the most restrictive regulations have been introduced, as well as on the effective long-term monitoring of **compliance**.*

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<sup>103</sup> Bei, G., & Celata, F. (2023). Challenges and effects of short-term rentals regulation: A counterfactual assessment of European cities. *Annals of Tourism Research*, 101, 103605.

## Conclusions

Based on the above, it shall be possible to regulate the presence of STRs within a country by tackling the localised / regional provision of STR in areas of concern, by prioritising the housing needs of the local population without unfairly prejudicing the rights conferred upon proprietors and platforms under EU Law. Legislation can account for each city's or region's needs, striking a balance between the tourism provision and the local needs for housing and social cohesion. The effect of regulations introduced to control the STR market has been positive, at least with respect to the re-introduction of housing units in the long-term rental market, however, closer monitoring, tight enforcement and compliance, as well as a holistic appreciation of the impact of regulations in adjacent areas is advised.

For Slovenia, the report highlights the importance of a context-specific regulatory framework that will minimise negative effects for local residents who experience the risks of displacement from favourable housing properties due to increasing rental and property prices.<sup>104</sup> Our report also provides up-to-date information on the state-of-the-art on the topic of STRs and housing provision and affordability, and touches upon place management issues that are common in touristified areas with high numbers of listings, such as perceptions of crime, noise, litter, traffic congestion, and community cohesion. Whereas examining the daily experience of local residents in neighbourhoods with a high number of STRs is outside of the scope of the report, we feel that place management should be an area of future consideration for further refining the conditions of STRs provision in the context of local communities.

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<sup>104</sup>Knezevic Cvelbar, L., Vavpotic, D. & Dolnicar, S. (2021). Resident satisfaction with the growth of Airbnb in Ljubljana – before, during and after COVID-19. <https://doi.org/10.6084/m9.figshare.14195981.v1>.

## Appendix 1 – STR Regulations in Europe

City	Regulations	Scope of Powers Under Regulation	Registration Requirement	Restriction on Number of Nights	Primary Residence Requirement	Miscellaneous	Legal Challenges	Taxation	Limitations on Number of STR	Fines
Amsterdam	Tourist Rental of Housing Act 2021 amending the Housing Act 2014 (Titles Translated)	Grants municipalities within the region the ability to require registration for short term rentals and introduce specific regulation.	Yes	30	Yes- Second homes cannot be used by persons other than the owner.	Separate Rules for "Bed and Breakfast" style lets where the property owner is present.	Yes- Council of State ECLI:NL:RVS:2023:2076: The legislation does not permit a full ban on holiday lets.	Yes	Yes	Yes
Berlin	Zweckentfremdungsverbot (Prohibition of Misuse of Housing 2014)		Yes	90 for secondary residences.	No- Both primary and secondary homes can be let, although secondary are more restricted.	50% of a primary residence can be let without need for a permit.		Yes	Partially - The authorities can refuse to grant permits if it deems there to be too many STR in the area.	Yes
Paris	Housing and Urban Planning Law		Yes	120	No- However, second homes are subject to stricter regulation and require grant of a permit.			Yes	Partially- The city can stop granting new permits to limit the number of STR at anytime (No permit required for primary	Yes



residences under 120 nights.)						
<b>London</b>	Greater London Council (General Powers) Act 1973; Deregulation Act 2015	Allows local bodies to restrict change of use to short term lets.	No- However, homes to be let for longer than 90 nights require planning permission.	90	No	Yes
<b>Cardiff</b>	The Town and Country Planning (Use Classes) Order 1987, Schedule 1 as amended by The Town and Country Planning (Use Classes) (Amendment) (Wales) Order 2022 (S.I. 2022/994)	STR are defined as a class of property and their use is restricted through planning permission's change of use laws.	Yes	A short term let is defined as being less than 31 nights, however longer term lets are permitted but are no longer classified as such.	No	Yes
<b>Rome</b>	Decree Law No. 50/2017	Specific restrictions on the type of properties that can be let.	Yes	No- However a written contract is needed for rentals less than 30 days.	No	Yes
<b>Oslo</b>	The Act relating to Owner-Occupied Sections (the Owner-Occupied Sections Act)	Homeowners' associations have the right to adjust the 90-day limit.	Yes	90	No	Yes

						short-term rentals.
<b>Brussels</b>	Brussels Housing Code (Code Bruxellois du Logement/Brusselse Huisvestingscode)	Yes	120 or less to be classified as residential property.	No	Yes	Yes
<b>Madrid</b>	Decree 79/2014	Yes	90	No	Yes	Yes
<b>Budapest</b>	Government Decree 239/2009 (X. 20.) Rules are also formed from decisions made by local districts.	Yes	Certain districts possess a restriction of 120 nights, but this is not applied to the whole city.	No- But is introducing specific restrictions on second home lets in 2026.	Yes	Yes
				The Terézváros region has voted to ban short term rentals from 2026.		
<b>Athens</b>	Law 4446/2016; Law 5073/2023	Yes	A 90-day rule was developed but not implemented.	No	Yes	Yes- Proposed restrictions on instances where STR exceed 5% of total housing stock for an area.
				Ban through refusal to grant new licences coming in 2025.		
<b>Edinburgh</b>	The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022; Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021	Yes	No	No- But is subject to planning permission.	Yes	Yes
<b>Dublin</b>	Residential Tenancies (Amendment) Act 2019; Planning and Development (Amendment) Regulations 2019	Yes	90	No	Yes	Yes

Warsaw		Some general housing laws apply, but no legislation specific to short term lets.	No	No	No	Yes	No- But other planning rules may apply.
Catalonia Region and Barcelona	DECREE LAW 3/2023, of 7 November, on urgent measures on the planning regime of housing for tourist use (in effect)	"The city councils of the affected municipalities will have to modify their urban planning to expressly allow compatibility between the tourist and residential use of the apartments, having previously demonstrated that they have sufficient land for dwellings intended for the habitual and permanent residence of the resident population. No more licenses may be granted than those resulting from applying a maximum of ten (10) dwellings for tourist licenses per one hundred (100) inhabitants."	Yes	Yes - per municipality (Barcelona- 120-night limit)	Yes- Renting out of additional property requires a tourist licence of which no new licences are being issued. (Barcelona)	Barcelona currently considering full ban on short term lets.	Yes

## Appendix 2 – International STR Regulations

City	Regulations	Scope of Powers Under Regulation	Registration Requirement	Restriction on Number of Nights	Primary Residence Requirement	Miscellaneous	Legal Challenges	Taxation	Limitations on Number of STR	Fines
<b>Vancouver</b>	Short Term Rentals Accommodation Act 2023		Must have a business licence, specific regulation and registration of STR to be brought in in 2025.	No	Yes- In most instances only a person's main residence may be rented out in this regard.			Yes	No- But only primary residence can be let.	Yes
<b>Montreal</b>	Tourist Accommodation Act 2021		Yes	No- But short term lets are defined as being below 31 nights.	No	Strict zoning rules in some parts of the city.		Yes	Partially due to zoning laws.	Yes
<b>New York</b>	Local Law 18- Short-Term Rental Registration Law; New York State Multiple Dwelling Law		Yes	30 nights with host present at any one time. (90 days per year limit.)	Only one property can be rented at a time, but this is not limited to the primary residence.			Yes	Yes	Yes
<b>San Francisco</b>	San Francisco Administrative Code, Chapter 37 & 41A- Short-Term Residential Rental Ordinance		Yes	90 nights where the host is not present.	Yes- Can only rent primary residence.			Yes	Partially- Due to primary residence requirement.	Yes
<b>Mexico City</b>	Mexico City Tourism Law- Ley de Turismo de la Ciudad de México		Yes	180	No- But limits on the number of properties that can be let.			Yes	No-But is impacted by property limits.	Yes
<b>Brasilia</b>	Law of Tenancy (Lei do Inquilinato)		Yes	No	No	Generally limited by standard property laws as opposed to specific legislation.		Yes	No	Yes
<b>Cape Town</b>	City of Cape Town Municipal Planning By-law- Municipal Planning Amendment By-law, 2019		Yes	30 days per guest but no yearly limit.	No			Yes	No	Yes
<b>Tokyo</b>	Minpaku Law		Yes	180	No	Some wards have rules banning or restricting short term lets. The law		Yes		Yes

on short term lets in Tokyo differs greatly depending on the ward in question.						
Sydney	Environmental Planning and Assessment Amendment (Short-term Rental Accommodation) Regulation 2019; Code of Conduct for the Short-term Rental Accommodation Industry	Yes	180 or no limit if host resides at the property.	No	Yes	Yes
Wellington	Some general housing laws apply, but no legislation specific to short term lets.	No	No	No	Yes	Standard Property rules apply. Yes
Buenos Aires	Law 6255 and Resolution No. 138/ENTUR/20	Yes	No	No	Yes	Yes
Seoul	Tourism Promotion Act of the Republic of Korea; Building Act of the Republic of Korea	Yes		No	Yes	Yes
Cairo	Cairo Short-Term Rental Ordinance	Yes	No one guest can stay longer than 30 nights but no yearly limit.	No- But foreigners can only own two residential properties at once.	Yes	Yes

