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The regulation of platform-mediated short-term rentals in European cities: instruments and enforcement challenges

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A collaborative project



- 2021 report with Dr Tatiana Moreira de Souza (University of Liverpool)
- Forthcoming book: Aguilera, Thomas; Artioli, Francesca; and Colomb, Claire, *Housing under platform capitalism. The contentious regulation of short-term rentals in European cities.*

Focus on 12 large European cities: **Amsterdam, Barcelona, Berlin, Brussels, Lisbon, London, Madrid, Milan, Paris, Prague, Rome, Vienna**



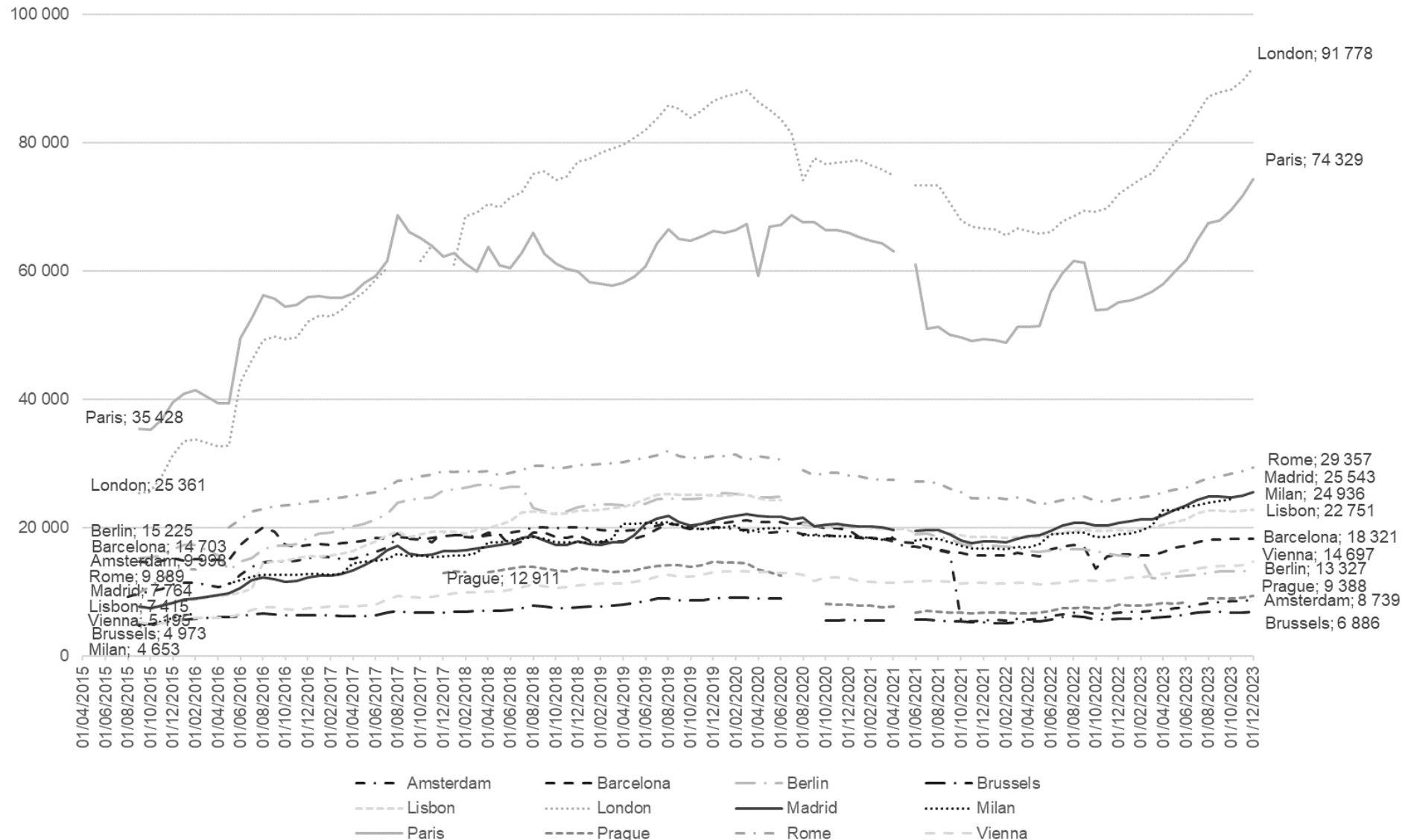
Definitions of short-term rental (STR)

“The repeated short-term letting, for remuneration, of furnished accommodation to a transient clientele which does not take up residence there”, whether on a professional or non-professional basis (CJEU, 2020)

3 main types:

1. **Commercial/professional STR:** renting out a full property not used as a primary residence on a commercial basis to visitors staying for periods of less than 31 days (or any other legally defined ‘short’ period)
2. **STR of primary/secondary residence:** renting out the host’s primary (or secondary) residence in full while the host is away on a temporary basis
3. **Partial STR of primary residence:** renting out a portion of the host’s primary residence (one or more rooms) while the host is present (so-called “home-sharing”)

Evolution of STR listings in 12 major European cities (2015-2023). Source: Aguilera et al., forthcoming, based on Inside Airbnb data



Short-term rentals as a contentious issue

FOR

- “Democratizing travel”
- Flexibility for guests
- Extra income for hosts
- Sociability
- Territorial spread of tourist accommodation
- “Trickle-down effects”

AGAINST

- Security
- Disturbance
- Socio-economic and racial inequalities
- Tax evasion
- Competition with hotels
- Loss of initial spirit of “sharing”
- Impacts on housing markets + fabric of neighbourhoods (*not easy to measure*)

Capturing STR regulations: analytical template (source: Colomb and Moreira de Souza, 2021)

https://www.propertyresearchtrust.org/regulating_short_term_rentals.html

REGULATIONS			
Tier(s) of government & relevant legislation or policies	National:		
	Regional:		
	Municipal:		
Official guidance on STR			
Type of STR	(i) Professional STR of a property not used as a primary/secondary residence	(ii) STR of (whole) primary/secondary residence (on an occasional basis)	(iii) STR of one or more rooms within primary residence
Definition			
Authorisation/license requirements (for activity or for change of use)			
REGISTRATION REQUIREMENTS			
Registration requirement			
Time limit (max. cumulative number of days allowed for STR Type ii and iii)			
Space limit / max. number of guests			
Safety and quality standards			
Requirements for permission to use the property as STR from relevant private parties			
Guest reporting requirements (for public order, immigration or statistical purposes)			
Other requirements or restrictions			
Subject to tourist or city tax			
Quantitative or geographical restrictions of STR at the city or neighbourhood level			
IMPLEMENTATION & ENFORCEMENT			
Control and enforcement resources			
Channels for reporting illegalities			
Fines for non-compliance			
Other measures			
AGREEMENTS WITH PLATFORMS			
Information display requirements			
Data sharing with public authorities			
Time cap enforcement			
Tax collection agreement (tourist/city tax)			

What exactly is being regulated?

- **Two objects of regulation:**

- 1) STR themselves (via their owner/operator)**

- A land/building use (residential or not)
- An economic activity (by professionals or non-professionals)

- 2) The activities of platforms mediating STR**

- Transnational corporations providing an intermediation service

What aspects of STR are being regulated?

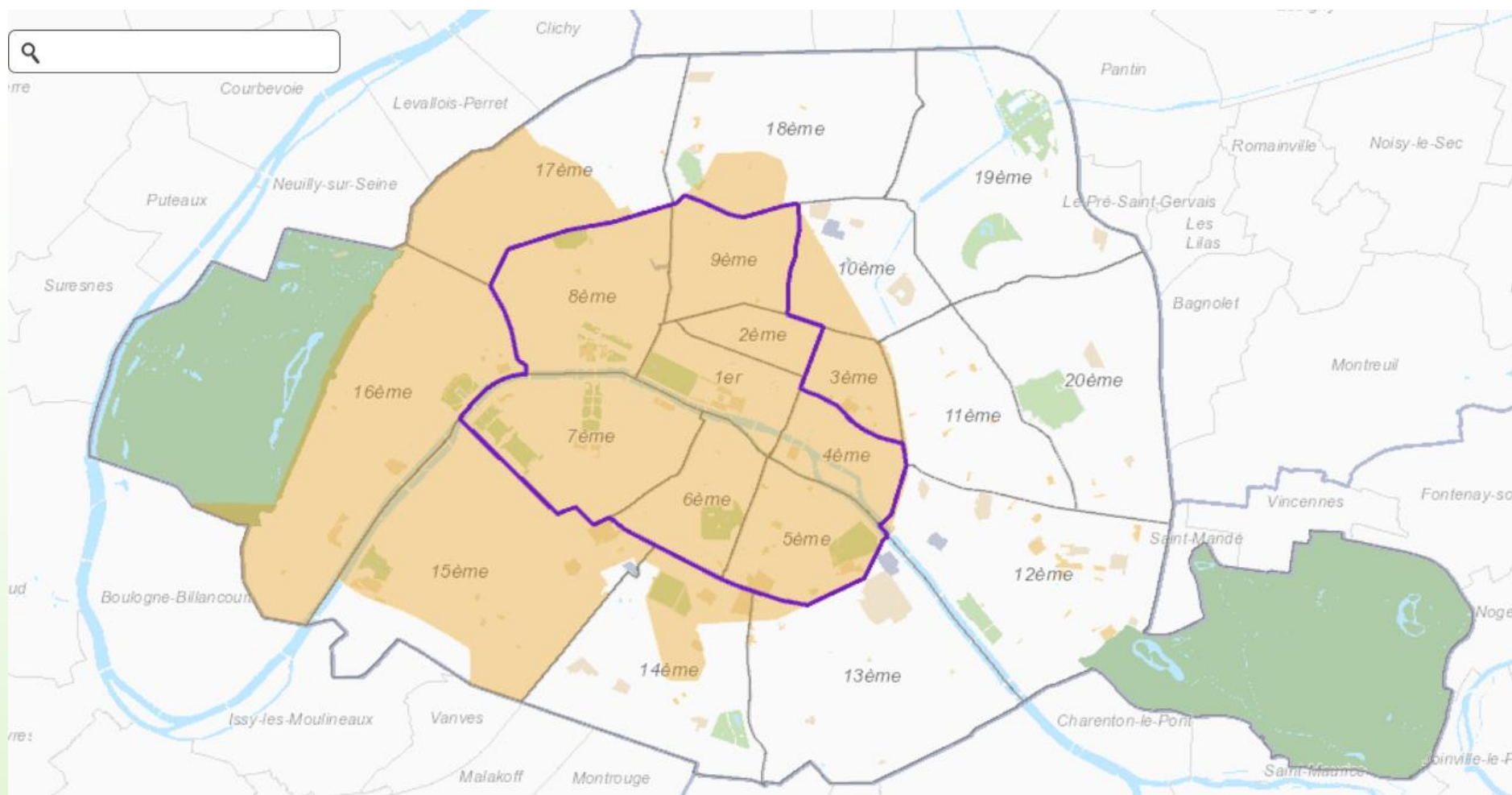
- **Existence and visibility of STR to public authorities** (through registration or authorization/licensing schemes)
- **Quality standards** (through safety requirements and licensing schemes)
- **Overall quantity** (at scale of city or in certain neighbourhoods) and/or **geographical location** and spread between different parts of the city (zoning; quotas)
- **Balance** between different **types of STR**
 - through distinction and differential treatment of STR Type 1 and STR Type 2 or 3 (e.g. time or floorspace limits)
- **Taxation of the transaction** or **income** generated by STR
- **Practices of the platforms** mediating STR
- † Housing regulations: copropriété/condominium bylaws; social housing rules

Regulations of STR Type 1: professional short-term rentals

- Most cities have long-standing, established legislation on commercial/professional vacation rentals often at regional or national level (tourism/economic activity legislation)
 - Concerns: minimum physical standards/safety; taxation (city/tourist tax + income tax)
 - Registration or licensing system + public register (Barcelona, Paris, Milan)
- Often considered a change of use from residential to commercial activity, thus subject to an autorisation/license:
Paris (>120 days/y.), Berlin, London (>90 days/y.), Barcelona, Madrid
 - In some cities, no change of use (Prague, Milan, Lisbon)

Regulations of STR Type 1: professional short-term rentals - use of planning/zoning mechanisms

- In some cities, attempts to control **quantity** and **location** of STR Type 1 to protect housing stock and avoid over-concentration in specific areas:
 - **Berlin** (*Zweckentfremdungsverbot*, ban on change of use, 2016-18)
 - **Barcelona** (freeze of new licenses since 2015 + PEUAT zoning plan)
 - **Amsterdam** (total ban in 3 historic districts since July 2020, suspended by court in March 2021)
 - **Vienna, Lisbon** (bans or quotas in specific neighbourhoods)
 - **Portugese Supreme Court ruling of 10/05/2022: what impact will it have?**
 - **Madrid**: requirement for separate access to flat (making most existing STR illegal)
 - **Paris**: a unique system of « offsetting » for change of use + recent regulation of changes of retail units into STR
- Similar demands in other cities (Prague)... to no avail



Paris

Arrondissements dans lesquels au moins 50% de la surface transformée doit être compensée dans l'arrondissement

Secteur de compensation renforcée

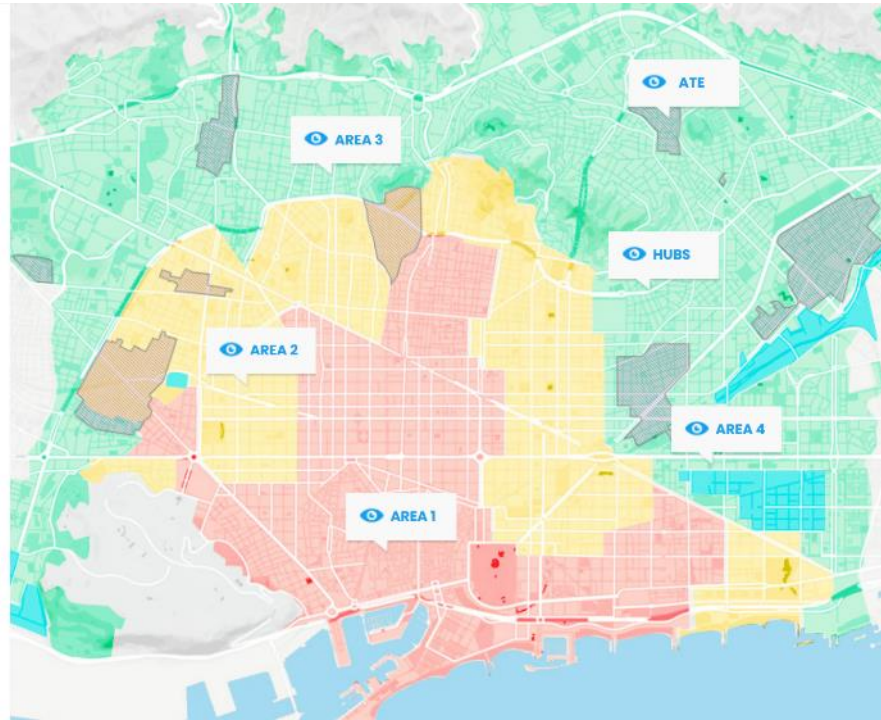
Arrondissements

Arrondissements

THE AREAS

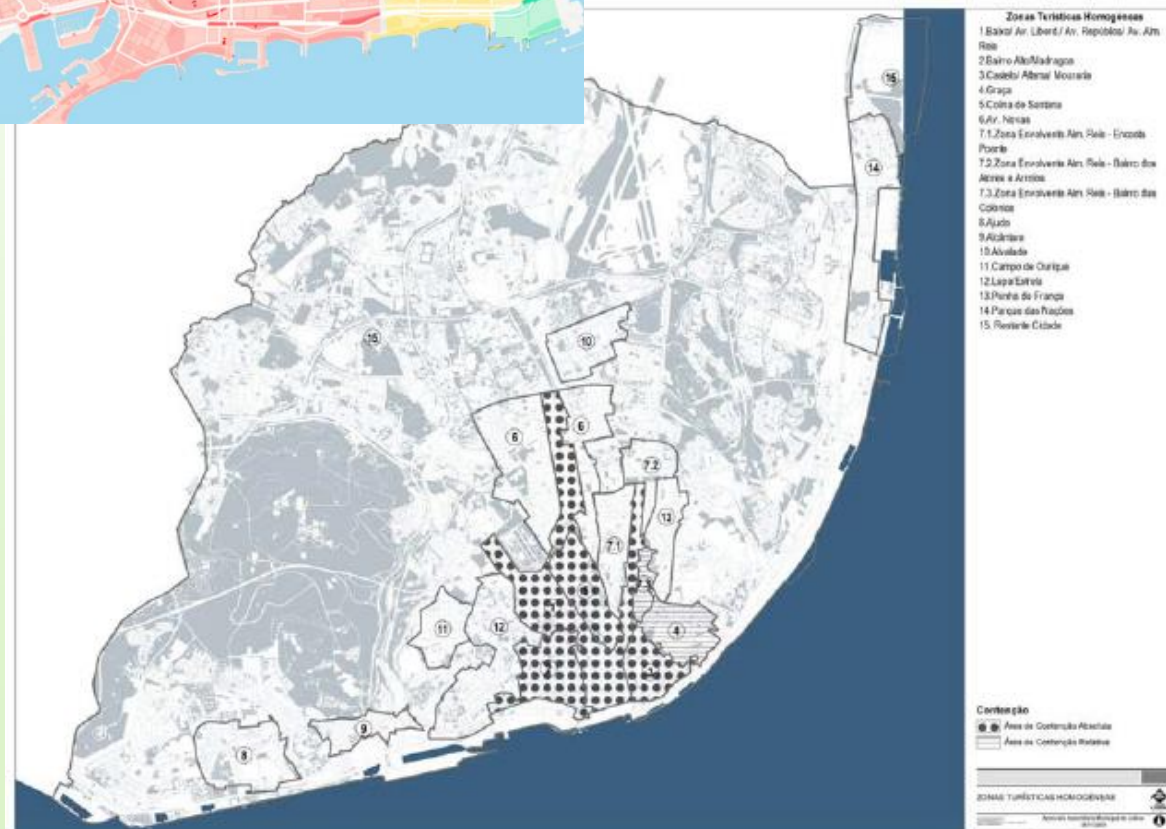
The PEUAT is an urban planning instrument for organising and controlling the setting up of tourist accommodation in the city and guaranteeing residents' basic rights.

Apart from common conditions across the city, the PEUAT distinguishes between four specific zones, each with its own regulations. Each one is characterised by the distribution of tourist accommodation in its territory, the ratio between the number of available tourist places and the current resident population, the scope and conditions under which certain uses are provided, the impact of these activities on public areas, the presence of tourist attractions and the morphological characteristics of the area's urban fabric.



Lisbon

Barcelona



Regulations of STR Type 2: occasional rental of primary/secondary residence

- In some cities, falls under the regulations for Type 1: need for a licence (**Barcelona**)
- In others: distinguish between real “sharing” and speculative / multi-property owners:
 - Time limits: 30 days/year with max. 4 people (**Amsterdam**); 90 days/year (**London, Madrid**); 120 days/year (**Paris**); 275 days/year (**Milan**), 90 days/year for second home only (**Berlin**)
 - Space limit: less than 50% of floorspace (**Berlin**)
 - Declaration/registration with City Council: **Paris, Amsterdam, Berlin, Brussels** (for control)
 - Beyond this limit, authorization for change of use (**Paris, London**) and/or license is required (= STR Type 1)
- Prohibited in social housing (**Amsterdam, Paris, Vienna...**)

Regulations of STR Type 3: rental of a room (“home-sharing”)

- Different from professional B&B
- In some cities, no specific rules (grey area), no requirement for registration, no max. time period or floorspace (UK « Rent a Room » scheme; Paris)
- ... or rules for Type 2 apply (Milan)
- In other cities, strict conditions:
 - Primary residence; presence of host
 - Compulsory registration (Berlin) and permit (Amsterdam)
 - Limits on what is being rented out: max. 50% of floorspace (Berlin); 40% of floorspace + 4 people max. (Amsterdam, similar to B&B regulations)
- **Barcelona**: prohibited for less than 31 days since 2022

A diversity of local regulations

- Regulations emerging via **different policy domains**: tourism, land use planning, housing, business licensing, sharing economy, taxation...
- **Different levels of stringency**:
 - from relative laissez-faire (Prague, Milan, Rome)
 - ... to strict control of Type 1 (Barcelona, Lisbon, Amsterdam, Madrid)
 - ... via middle-ground' approaches that distinguish between different types of STR
- **Frequent tensions between** local gov. **vs** regional or national gov. agendas
- Various **policy instruments** that have different regulatory logics: shaping market *operation* (legalising, normalising) and/or market *access* (controlling expansion)

Typology of 12 regulatory instruments

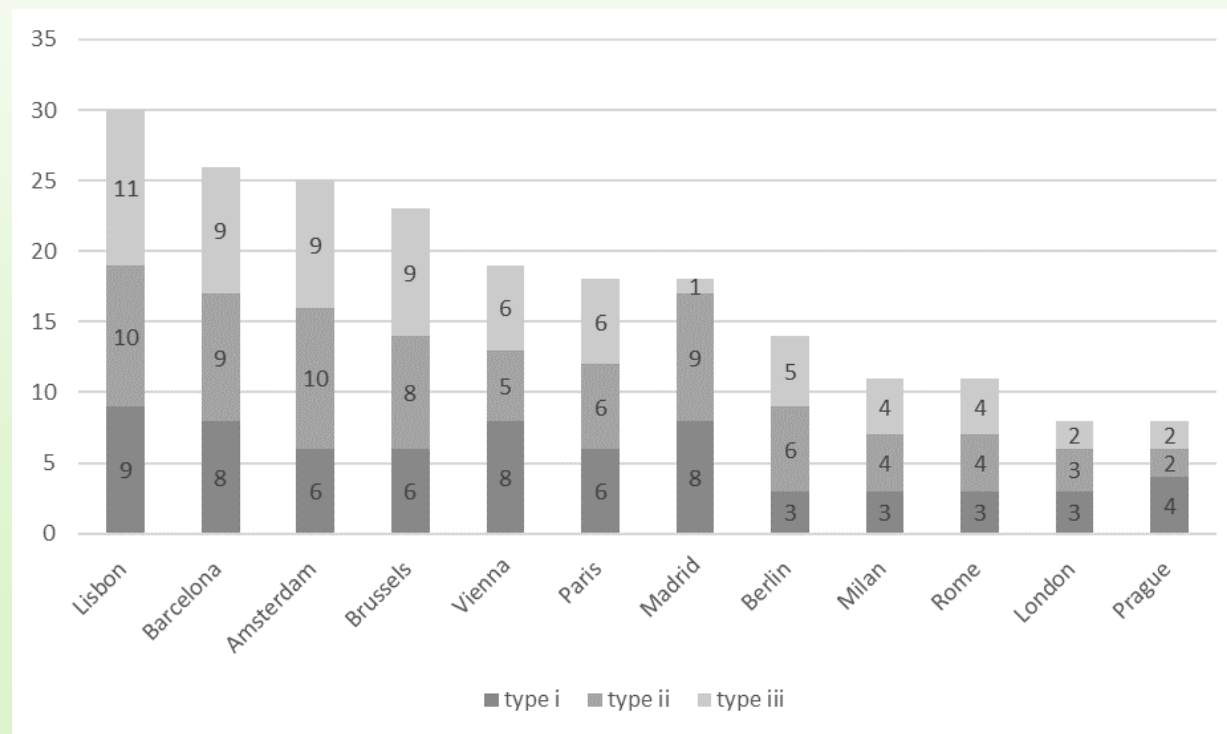
(source: Aguilera et al. forthcoming)

No.	Name	Description	Type
1	Authorisation_licence	Authorisation or license requirement to conduct economic activity, and/or to change use of property	Access
2	Time caps	Maximum cumulative number of days per year allowed for STR type ii and iii	Access
3	Quantitative restrictions	Quantitative restrictions (or ban) of STR at city or neighbourhood level	Access
4	Spatial restrictions	Spatial differentiation regulating presence of STR in certain areas	Access
5	No second homes	Restrictions (or prohibition) on STR of non-primary residence used as second home	Access
6	No social housing	Prohibition on STR in social housing	Access
7	Third parties	Requirements for permission to use property as STR from relevant private parties (possibility of veto or prohibition by those parties)	Access
8	Registration	Registration requirements	Operate
9	Guest reporting	Guest reporting requirements (for public order, immigration or statistical purposes)	Operate
10	Space_people in unit	Space limit and/or maximum number of guests in rented unit	Operate
11	Safety	Safety and quality standards	Operate
12	Tourist tax	Subject to tourist or city tax	Operate

Construction of an 'Intensity of Regulation Index' (IRI)

(source: Aguilera et al. forthcoming)

- Calculated by counting and adding up presence or absence of each STR regulatory instrument
- Captures constraints applying to an operator putting a unit on STR market

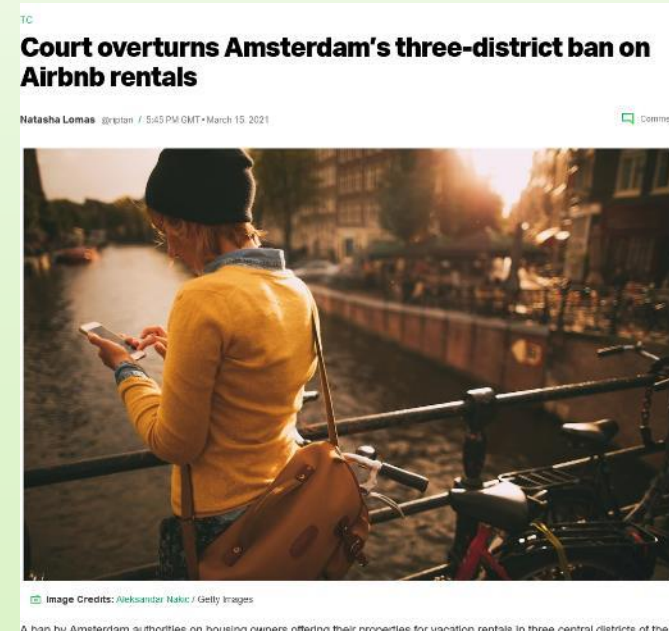


Number and type of instrument in each city [max. total: 36]

Implementing and enforcing STR regulations

- Enforcement efforts and resources not the same across cities...
- **Challenges** shared by all public authorities in **enforcing STR regulations** in the **digital** and **physical** worlds of STR (Colomb and Moreira de Souza 2023):

- 1) **Regulating without (proper) data and without platform collaboration**
- 2) **Difficulties with inspections and enforcement in the physical world**
- 3) **Contested regulations: judicialisation of conflicts**



A ban by Amsterdam authorities on housing owners offering their properties for vacation rentals in three central districts of the

Regulating without (proper) data

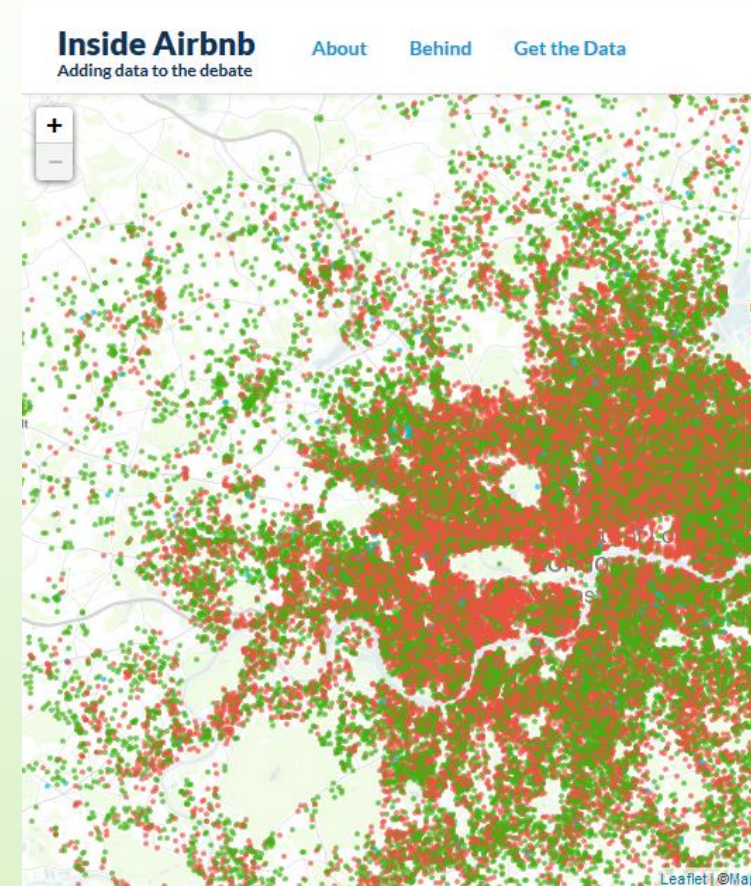
- Monitoring and enforcement relies on capacity to know who is offering a STR, in what capacity, for what amount of time, and in which location
- **Digitalisation / platformisation of STR practices** : *'an anonymous digital listing with only an approximate location of the property with an unverified first name of the host'* (Cox and Haar, 2020: 12)

- Until recently, **most platforms did *not* agree to share individualised data...** nor to monitor content of listings
- **US “data wars”** (Hoffman and Schmitter Heisler, 2021): New York City and San Francisco’s lengthy battles to obtain data from platforms



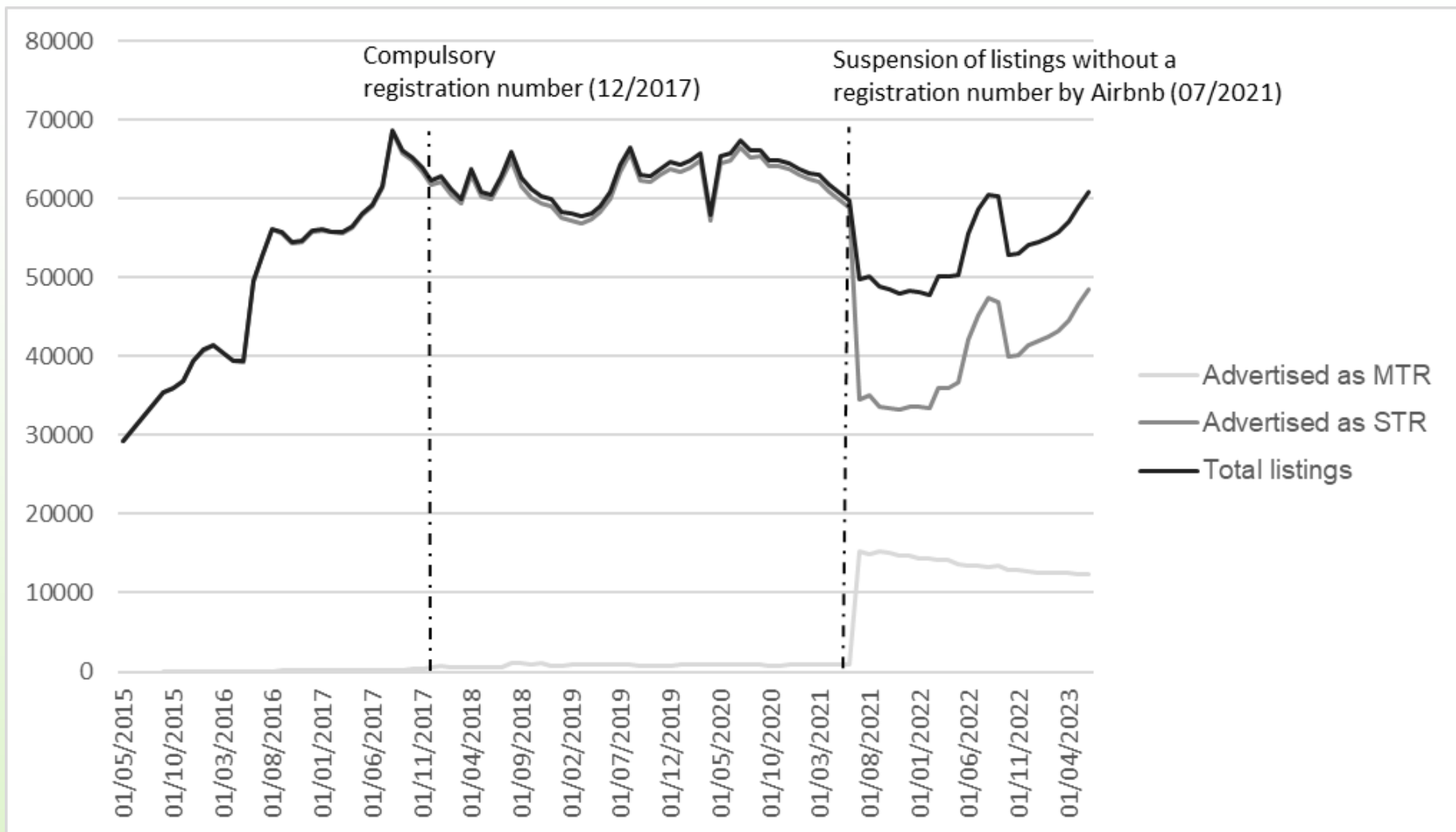
'Data wars' and 'DIY data assembly'

- Barcelona + Paris city governments managed to obtain listings from platforms
 - But incomplete...
 - French government: pilot “*Application Programming Interface*” in [2022](#)
 - Requests via courts still ongoing in other cities (Berlin)
- Use of alternative methods by city governments to obtain data: “**data scraping**” – in-house (Barcelona); by “data activists” (*Inside Airbnb*) or by buying services of data analytics firms (*AirDNA, Talk and Code*)
- New EU Regulation (March 2024) will enable data sharing from platforms to public authorities (under specific conditions)



Turning the platform into an enforcement tool

- No automatic monitoring of content and legality of listings by platforms (*E-Commerce Directive / Dig. Services Act*)
- Governments have tried to convince or constrain private companies to participate in regulatory enforcement:
 - deleting illegal STR ads signalled by authorities (e.g. social housing)
 - introducing specific requirements (e.g. compulsory field for registration number)
 - blocking listings rented for longer than authorised (in those cities with a time cap)
- Evidence from European cities: a very uneven, ad hoc and slow compliance by platforms...



Paris - number of Airbnb listings 2015 - 2023: total, short-term rentals (STR) and medium-term rentals (MTR) (Conception by the authors, 2023 / Data: InsideAirbnb)

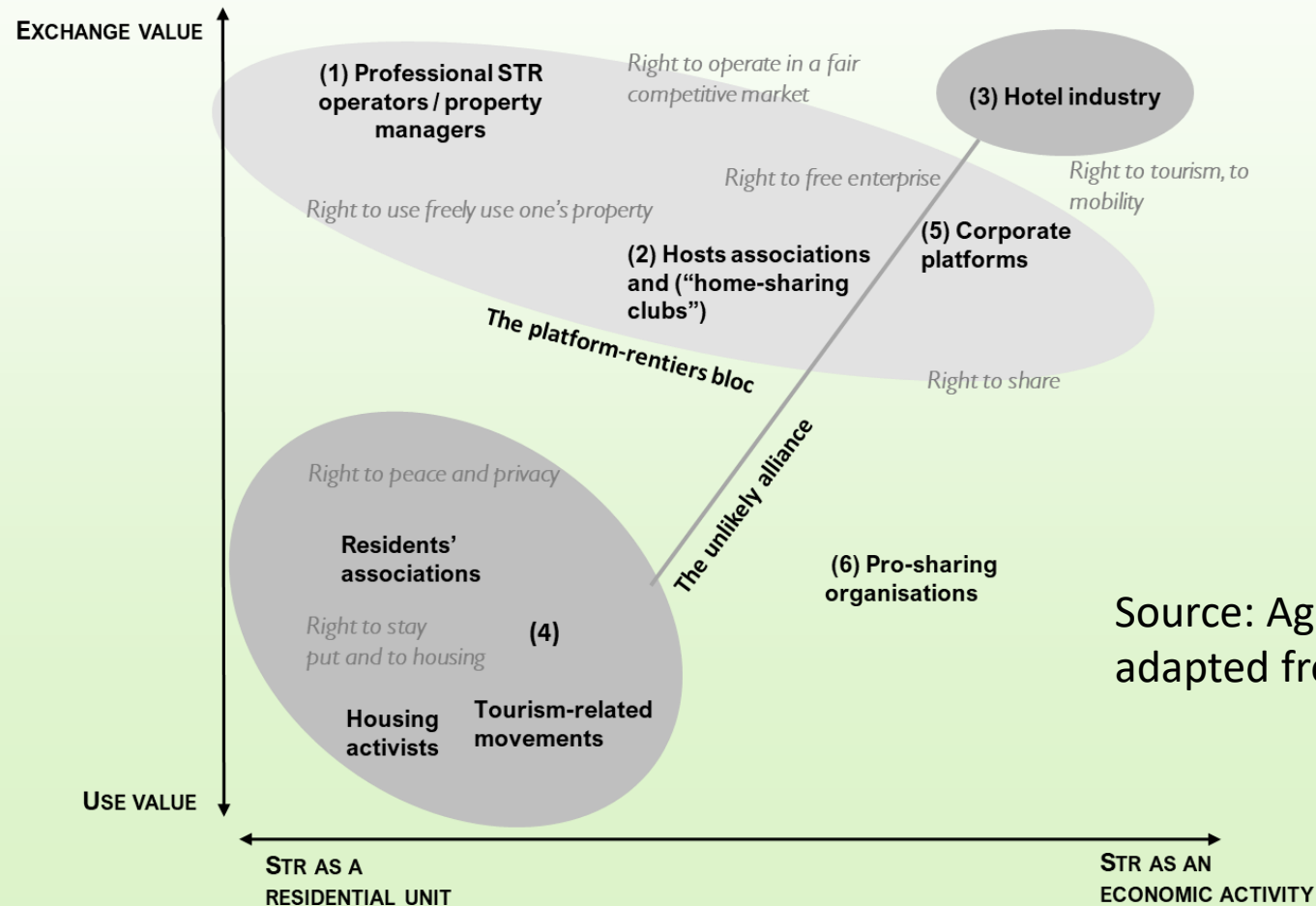
“If you can’t find us, you can’t fine us” (Cox and Haar, 2020: 12)

- Different levels of resources for street-level inspections and control of STR
- Well-known **difficulties** in **controlling illegal uses of housing units** in the private sector:
 - problems of **access** to buildings
 - elaborate strategies of **avoidance, disguise/deception** by operators: informal practices of behaviour management; physical and digital concealment
- Repeated visits and interactions “on the street” to obtain necessary **evidence** that will be held **valid by courts** + reliance on informal social practices, or scrutiny of online ads for visual clues
- Enforcement efforts do matter - **some success** in reducing illegal STR offer (Amsterdam, Barcelona, Berlin), but at a high cost



Contesting STR regulations: interest group politics

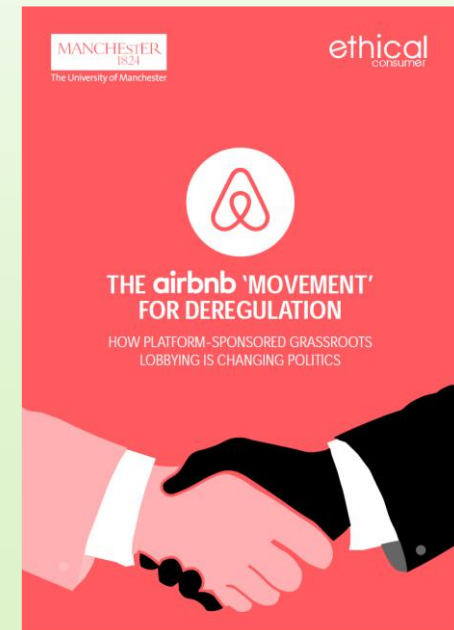
- Once regulations are enacted, **multiple actors** continue to ask for more, less, or different regulations, and to defend their economic and political interests



Source: Aguilera et al. forthcoming, adapted from Aguilera et al. 2021)

Transnational digital platforms as a new urban political actor

- Platforms play active role in politics of (de)regulation: “regulatory entrepreneurs” (Pollman and Barry, 2017)
- **Collaboration** and **conflict** with city governments:
 - Tax collection agreements (Amsterdam, Paris, Milan, Lisbon, Rome)
 - Public policy formulation (*Airbnb Policy Toolchest*) and offer of self-regulation
 - Court cases against city governments (re. data requests; new regulations; fines imposed for advertising illegal STR) – and vice versa
 - New strategies of political influence based on mobilisation of platform’s users (Yates, 2021; Yates, 2023; Yates, 2025)



Judicialisation of local regulatory conflicts: European Union (EU) as key battleground

- Waves of **court cases** and **appeals** against STR regulations
- Opponents of regulations invoke **EU law**:
- **2000 E-Commerce Directive + 2022 Digital Markets & Digital Services** – applying to platforms
 - CJEU rulings: platforms as service providers (Uber) or mere intermediaries (Airbnb)
 - Consequences for liability / monitoring of listings + ‘country of origin’ principle
- **2006 Services Directive** – applying to STR activities
 - Prevent regulatory barriers to free provision of services in Single Market
 - Exceptions allowed for public interest reasons. CJEU ruling of 2020: combating long-term rental housing shortage constitutes ‘overriding reason relating to the public interest’ which can justify regulation
 - But: measures ‘**necessary** to attain clearly identified overriding reason of public interest, **non-discriminatory**, and **proportionate**’

Judicialisation of local regulatory conflicts: European Union (EU) as key battleground

- **Intense lobbying at EU level in recent years**
 - Platforms, *European Holiday Home Association*
 - Hotel industry (HOTREC)
 - Network of 20+ city governments formed in 2016. Demands:
 - ✓ 1. Platforms be obliged to share relevant data with city administrations
 - ✓ 2. Where national or local registration schemes apply, platforms be obliged to publish registration numbers of listings + remove listings without valid registration number
 - ✓ 3. Platforms be liable for fulfilling their obligations according to national and local legislation; legal enforcement be possible and effective
- **2024 EU Regulation on data collection and sharing for STR services** will require platforms to share individualised STR data if a national STR registration scheme is put in place



Conclusion: comparative findings

- Diversity of STR regulations in European cities, from different policy domains and with variable degree of stringency (reflecting different political agendas and pre-existing instruments and regulatory capacities)
- Enforcement efforts do matter - **some success** in reducing illegal STR offer (Amsterdam, Barcelona, Berlin), but at high cost
 - Years of austerity have affected resources of LPAs and their monitoring, inspection and enforcement capacity in the UK context
- Very **difficult implementation and enforcement without cooperation from platforms**

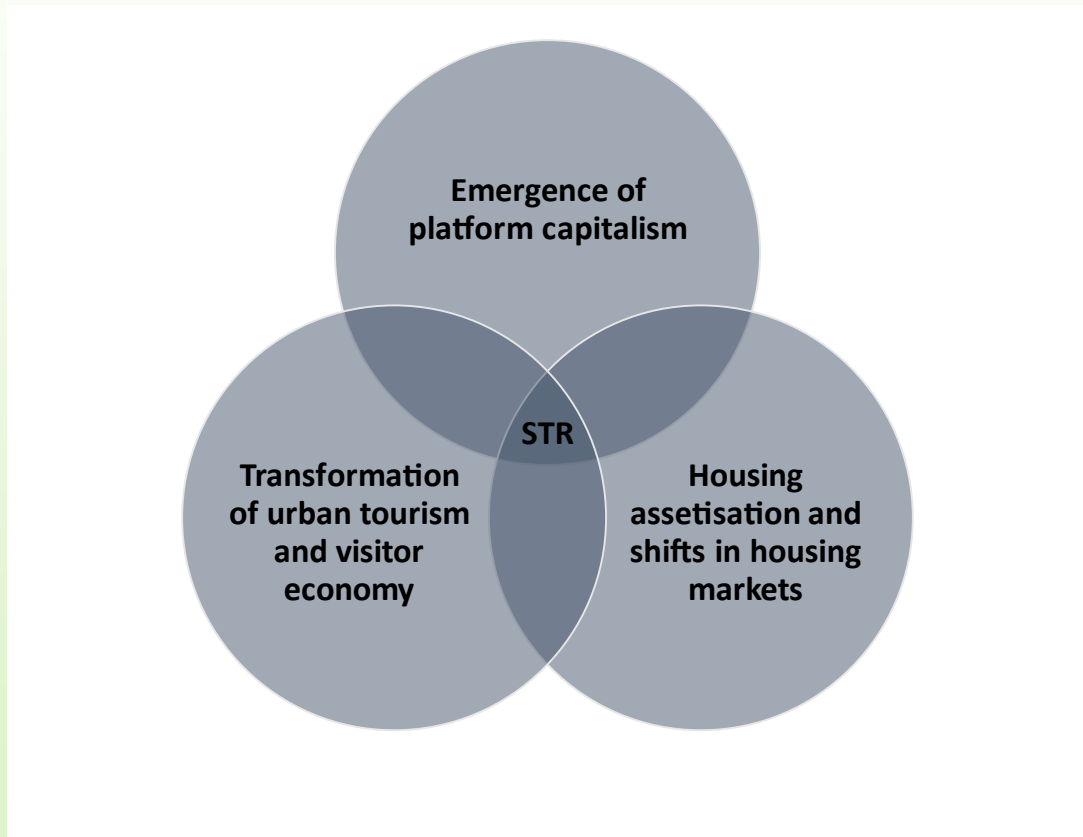
Conclusion: policy implications (i)

- Democratically elected **local governments** should decide what is **best for their context** (territorially-differentiated approaches)
- **This has to be enabled by regional, national (in the UK) and EU legislative frameworks**
 - **3 ASPECTS:**
 - 1) **Registration scheme** (LURA [2023](#)) or **licensing scheme** (Scotland [2022](#))
 - 2) Enabling **possibility of controls of change of use:**
 - Licensing schemes; combined with spatial restrictions (Scotland: Short-term Let Control Areas [2022](#))
 - New land use class allowing control via planning (proposal for England)... but controversies around new PD Rights (see Mayor of London's response to 2023 consultation: *"planning is not an appropriate way to control STLs in London, and ... the city should be allowed to operate a licensing scheme to control the number and spatial distribution of STLs".*)
 - 3) **Legislation requiring platform accountability and data disclosure**

Conclusion: policy implications (ii)

- The first two aspects are under debate and elaboration in England... but not the third!
- **Platform accountability is crucial:**
 - display registration and/or licensing number on listings
 - respond rapidly to notifications by public authorities that a listing is illegal by removing it
 - If time limits exist to distinguish between occasional and commercial STR (e.g. 90-day rule): should suspend listings that go beyond threshold
 - supply public authorities with comprehensive data at regular intervals showing:
 - who is owning a property and offering it as a STR; what type of provider they are; where the property is located; what type it is; the number of nights it is rented out; the number of guests; and the income received as a result.

A 'wicked' policy issue at the intersection of 3 dynamics of socio-economic change



For governments that wish to limit or curb the STR market and its negative effects:

need to regulate far beyond STR *per se* (i.e. second homes, taxation on different types of uses of property, tourism...)

References

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- ✓ Colomb, C. and Moreira, T. (2021) **Regulating short-term rentals. Platform-based property rentals in European cities: the policy debates.** London: Property Research Trust, https://www.propertyresearchtrust.org/regulating_short_term_rentals.html
- **Forthcoming book: Aguilera, T., Artioli, F. and Colomb, C. *Housing under platform capitalism. The contentious regulation of short-term rentals in European cities* (IJURR SUSC book series)**