HOTREC–EFFAT Joint Statement on the European Commission's Affordable Housing Act

Short-term rentals (STRs) have become an increasingly important component of Europe's tourism ecosystem, with a growing degree of professionalisation, particularly in popular tourist destinations.

This development has also exposed significant regulatory gaps between STRs and traditional accommodation providers. While many STR operators are responsible businesses, the sector remains subject to a less consistent regulatory framework across Europe. This can contribute to unfair competition and create challenges related to safety and security, tax compliance, respect for workers' right and compliance with a labour standards and collective agreements, as well as unbalanced tourism development and growing pressure on local housing markets.

Against this background, the European Commission's proposal for an Affordable Housing Act (AHA) has the potential of creating a harmonised framework to enable public authorities to introduce stricter regulation of short-term rentals, whilst ensuring that measures addressing STRs are evidence-based, proportionate and targeted at areas experiencing genuine housing pressure.

However, HOTREC and EFFAT regret that the proposed Regulation does not clarify whether competent authorities should implement restrictions once the housing stress test criteria are met. Moreover, the proposal should address the broader and interconnected challenges associated with the growing proliferation of STRs. The Commission's own analysis recognises that STR restrictions can, in certain circumstances, help rebalance tourism flows across different types of accommodation and neighbouring areas. We are therefore concerned that the proposal does not more fully explore how a coherent regulatory framework for STRs could contribute simultaneously to housing objectives and more balanced and sustainable tourism development.

In particular, we regret the absence from the proposed AHA, or, at the very least, from the accompanying Recommendation, of baseline principles for STRs aimed at:

- **ensuring a more level playing field** between STRs and traditional accommodation providers;
- **establishing minimum standards** for safety, liability, hygiene and guest protection;

HOTREC - 23 Square de Meeûs - 1000 Brussels Belgium - Tel +32 2 513 63 23 - hotrec@hotrec.eu - www.hotrec.eu
EFFAT - Avenue Louise 130A - 1050 Brussels Belgium - Tel +32 2 218 77 30 - effat@effat.org - www.effat.org

- **ensuring compliance with labour standards and applicable collective agreements** for workers involved in STR activities, including cleaners, property managers, reception and maintenance staff. Professional hosts on short term rentals must meet the same labour standards and collective agreements applicable to traditional accommodations providers. Short-term rental platforms should be responsible for ensuring that their hosts comply with labour standards and for removing hosts found guilty of serious offences.

The collection of data on short-term rentals, including social data, in all Member States is essential to ensure the effectiveness of any regulatory measures addressing STRs. In this regard, the proposed AHA makes the implementation of Regulation (EU) 2024/1028 in the area concerned a prerequisite for competent authorities to adopt measures under the AHA.

HOTREC and EFFAT therefore call for the strengthening of the STR Regulation and its effective and uniform implementation across all Member States. In light of the increasing commercialisation and professionalisation of parts of the STR sector, HOTREC and EFFAT consider these elements to constitute basic safeguards for legitimate economic activity.

They should therefore apply irrespective of whether a particular area is experiencing housing pressure. Establishing such a baseline would not undermine the AHA's housing objectives. On the contrary, a more consistent regulatory framework could help prevent the unchecked proliferation of commercial STR activity and address some of the factors that can contribute to pressure on local housing markets.

HOTREC and EFFAT remain committed to engaging constructively with the European Parliament, the Council and the European Commission as the legislation develops. We are ready to contribute our expertise and work towards a final framework that protects housing affordability and availability while also promoting fair competition, safe and quality accommodation, respect for workers' rights and collective agreements, decent working conditions and a more balanced and sustainable European tourism ecosystem.