



D-0616-197-DM

## Positive developments in France on short term rentals

As related to the short term renting issue, UMIH/GNC would like to inform Hotrec members of a positive outcome obtained in France last week on 29 June 2016. The draft Digital bill (also known as the "*Loi Lemaire*") adopted last Wednesday includes several amendments initiated by UMIH/GNC regulating the activity:

- Obligation of registration at local municipalities: intended to be realized on a specific platform + the registration number should appear on the platforms together with the offer,
- The offer should display a mention "private" or "professional" renting,
- The platforms are to enforce disposition regarding the length of stay (housing law) and close their booking channel once the renter has reached the maximum days authorized (120 days in France) + controls.

One should observe that this recommendation is due to be in line with the last EU Commission communication on the so called "collaborative economy", which was an important element for the French government and members of parliament.

The legislative approach taken here allows France to give a national response to this issue. The relevant French association are now entering a new lobbying stage as the UMIH territorial network would have to do a lot of educational promotion into local authorities to enforce the new dispositions.

More globally, other positive outcomes are worth being mentioned here: the draft Digital bill calls for more transparency for platforms, and more especially reviews websites that are obliged to display more clear, loyal/fair and transparent information.

There will be a final reading in the Assembly on 20 July and on in the Senat in September before the final adoption.

Please find hereinafter the press release UMIH published last Thursday on 30 June 2016: <http://www.umih.fr/fr/Salle-de-presse/press-review/Locations-meubles-la-nuite-Le-Parlement-ouvre-la-voie-la-transparence-et-aux-contrles>, and below the free translation of the most significant dispositions concerning our common subject.

1. Article 22 of the draft Digital bill:

*"Any online platform operator must deliver to the consumer fair, clear and transparent information on: (...)the characteristic of the advertiser and the rights and obligations of the parties in civil and tax matters, when consumers are put in contact with professionals or non-professionals."*

2. Article 23 quater 1 of the Digital draft bill:

*"In municipalities where the change of use of premises from domestic use to business use is subject to prior authorization under Articles L. 631-7 (200,000 inhabitants) and L. 631-9 of the Code of construction (50,000 inhabitants), the municipal council may decide to submit all rentals of furnished rented premises repeatedly for short periods to transient guests, who do not establish residency, to a prior declaration submitted for registration at the municipality.*

*When implemented, this declaration submitted to registration replaces the declaration of I of this article. The declaration could be made through a Teleservice system. The declaration may also be made by any other means provided by the decision of the municipal council.*

*Upon receipt, the municipality should issue without delay a receipt confirmation with a registration number. "A decree will specify the information that may be required for registration.*

Article L. 324-2 is supplemented by a paragraph as follows : *"All rental offer referred to in Section II of Article L.324-1-1 contains the registration number mentioned in this article."*

Article 23 quater 3 : *"Anyone who engages or assists, against remuneration, through go-between, negotiation or by the provision of a digital platform for the renting of furnished premises submitted to Article L. 324-1-1, II of the code and Articles L. 631-7 and following of the code of construction, shall publish in the offer for the premises, the registration number obtained following to Article L. 342-1-1, II."*

3. Article 23 quater 3 : The platform *"(...) ensures that the premises proposed to short renting are not leased more than one hundred and twenty days a year through it when the accommodation is the principal residence of the host within the meaning of Article 2 of Law No. 89-462 of 6 July 1989 above. To this end, when it becomes aware, it counts the number of nights subject to occupation and informs, on request, annually, the municipality of the rented accommodation. Beyond one hundred and twenty days, the accommodation can not be rented through its platform until the end of the year.*

*III . - The procedures for control and sanctions for breaches of obligations under this article will be provided by decree."*

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