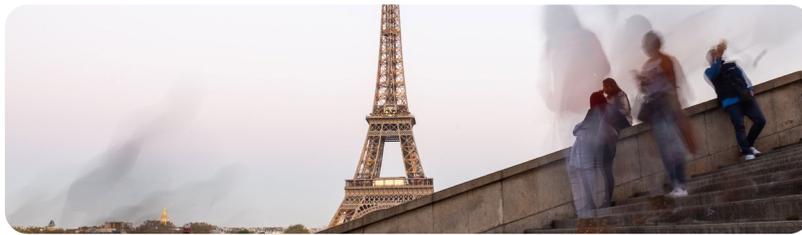




HOTREC welcomes European Court of Justice ruling on prior authorization for STR accommodation



Municipalities can require a prior authorization from STR (Short-Term Rental) accommodation hosts and regulate their activities for overriding reasons relating to the public interest, such as the prevention of long-term rental housing shortages, according to **today's** (22 September) preliminary ruling by the European Court of Justice (ECJ).

"This ruling will boost municipalities' capacity to better oversee and prevent the negative side-effects of STR accommodation services around Europe. Data-sharing agreements between STR platforms, hosts and local authorities are the next step towards a consistent and fair regulatory framework in this area, which we hope the EU formalizes in the upcoming Digital Services Act", said Ramon Estalella, Chairman of HOTREC Working Group on STR.

The preliminary ruling on [Cases C-724/18 and C-727-18](#) clarifies that the [EU Services Directive](#) applies to national laws addressing STR, whether on a professional or non-professional basis.

As such, the Court reminds that national and local laws governing authorisations schemes for STR accommodation must address a specific type of activity and be limited in geographical scope, proportionate to the desired objective and justified by the overriding reasons of public interest, such as dealing with "the worsening conditions for access to housing and the exacerbation of tensions on the property markets."

The preliminary ruling arose in the context of a long-standing legal dispute between the City of Paris and two landlords, who rented out studio apartments without authorisation from the city. Under the French Construction and Housing Code, a change of 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.

For further information: www.hotrec.eu

Press Contact: Jacques Lovell, Public Affairs Manager, jacques.lovell@hotrec.eu

What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 2 million businesses, being 99,5% small and medium sized enterprises (90% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides almost 12,5 million jobs in the EU alone (2017). Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 45 national associations representing the interest of this industry in 33 different European countries.