

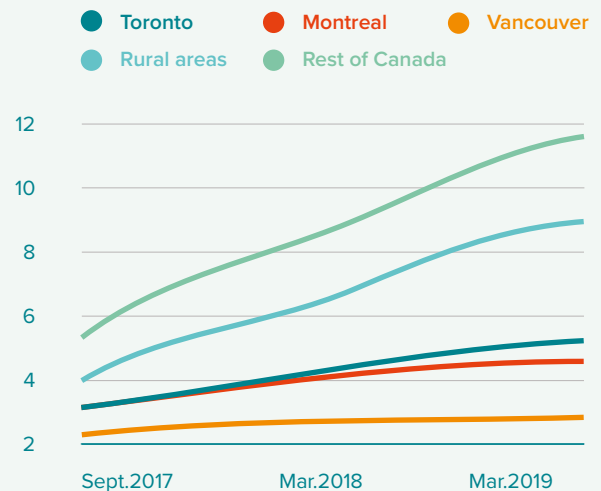
Heading towards the year's final quarter, key truths underlying the growth of the short-term rentals' market (STR) come to light. 1 in 3 global consumers is suggested to be interested in and actively booking peer-to-peer accommodation, [but there is also a share of 40% of consumers](#) who would not consider using this in the future and who used to use this but no longer do. There are also those, however, who state that they are not currently using booking peer-to-peer accommodation but would consider doing so in the future (34%). Across different countries it is important that this segment becomes better aware of STR pitfalls and externalities (e.g. [Airbnb's capacity](#) to launch multifaceted lobby campaigns to persuade decision-makers in the EU institutions to come to their defence and [the massive loss of 31 thousand properties](#) from the housing market across Canada - see graph alongside).

This is to stimulate another round of discussions on STR regulations and the need for effective policy approaches. According to the Financial Times ([05.09.2019](#)), distributing regulatory powers to municipal authorities has contributed to differentiating rules among destinations or even local areas (e.g. the number of licences for STR in Lisbon was capped in seven of the city's 24 neighbourhoods — those most affected by the influx of foreign visitors). The more the policy strategy of online platforms varies among different places the more destination authorities are required to understand how they can add pressure on them based on local specific factors (e.g.):

- adjust specifications of caps of rental days / visitors per property / listings per neighbourhood based on seasonality and crowd concentration patterns,
- introduce comprehensive registration requirements in destinations with continuing growth over the last two years).

Estimated number of homes likely removed from long-term rental supply

In thousands



The globe and mail, Source: McGill University school of urban policy. Note: Rural areas include anywhere with fewer than 10,000 people.



New Jersey's administration, residents and Airbnb, in dispute about the newly adopted restrictions

According to the new law passed in June, to be a rental host, property owners in New Jersey must obtain a permit through the municipality's Division of Housing Preservation. Furthermore, properties where the owner does not reside would have a cap of 60 days per year while short-term rental companies will be prohibited entirely from buildings with more than 4 units. However, in contrast with nearby New York, where Airbnb went to court, this time locals stepped up for the home-sharing platform. The proximity to New York and the more affordable prices provoked a surge in home-sharing in Jersey City, where now there are 3100 listings comparing to less than 2600 two years ago. Nonetheless, the city council states that the expansion of Airbnb stimulates issues with the availability of affordable housing and locals' quality of life. [In August supporters of Airbnb presented more than 9000 signatures](#) in favour of a referendum regarding the new policy. However, New Jersey's city council voted against repealing the new regulations, which means that the question will go to the [voters on the 5th of November](#).



Portland and Airbnb have reached a data sharing agreement

After years of negotiations and legal actions, the home-sharing platform has committed to provide data about the listings advertised on its site and to pay an annual fee to facilitate enforcement and data sharing. In 2017 Portland, where only 22% of the listings in the city had permits, subpoenaed Airbnb asking for data in order to sanction illegal short-term rental listings. However only after March 2019, [when Airbnb and HomeAway lost a case in Santa Monica regarding their liability in policing unlicensed properties, regulators could start enforcing stricter data-sharing laws](#). From December on, [the home-sharing platform will provide the city of Portland on a monthly basis with data on its rental listings](#), which will also include name, contact information, description and transaction information of the rental host. Hosts who do not agree to share their data will have their vacation rental listings removed and the director of Portland's Revenue Bureau expects that Airbnb will be forced to remove 1500 listings.



Airbnb strikes a deal with the city of Boston regarding short-term rental limits

The city of Boston undertook a successful legal action with the aim of eliminating units managed by investors or owners who are not present. To illustrate, in 2018 Airbnb had around 6300 listings in Boston and various studies noted that much of its revenues came from investors or absentee landlords. Now, [every host will have to register for a permit and display the city registration number of their listing on the Airbnb website](#). It is until the 1st of December this year that the hosts of approved listings are able to obtain and display the city registration number. Furthermore, rental tenants won't be allowed to rent out units for a short time, which essentially permits only landlords with a secondary unit in their two or three-unit buildings or owners, to advertise their properties. The administration of the city of Boston stresses that the deal will help in safeguarding the affordable housing which exists in the city.



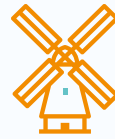
New and tighter rules expected for Airbnb in Greece

According to data from the Centre of Planning and Economic Research (KEPE) 126,000 new listings in Greece were published on Airbnb during 2018, [a 31% increase](#), while for example, the real estate units in Central Athens jumped with [10% during the last year](#). [Additionally, in July 20 000 unregistered properties for short-term rental and 130 operators who did not declare taxes were identified by the Greek authorities](#). As a result, the newly elected Greek government [plans to introduce a new series of Airbnb regulations in autumn this year](#), after the current tourist season. These will include stricter tax compliance and removal from online platforms of all undeclared properties, new security requirements, and mandatory property and visitor insurance.



Italian authorities investigate Booking.com over 150m of unpaid TAX

According to [Financial Times](#), the Italian authorities are exploring the possibility to file a case against Booking.com, stating that the Dutch company is accountable for at least €150m in unpaid VAT on holiday rental bookings. In the spotlight are the individual rental properties which are advertised by the OTA. In contrast to hotels which are already registered to pay the tax, in the case of home rentals, there isn't an automatic system for VAT payment and often the tax goes unpaid. As a consequence, the Italian prosecutors are looking at the prospect to make Booking.com liable for unpaid VAT on payments between 2013 and 2018.



Airbnb has been suspended from the Amsterdam Economic Board Network Council

Due to not complying with the demands of the Amsterdam Economic Board and the current short-term rental limit of 30 days a year, [Airbnb's Amsterdam Economic Board membership has been suspended](#). Amsterdam Economic Board aims for improving the quality of life in the city, and as they expressed, Airbnb's stance is currently not aligned with theirs. Despite Airbnb's suspension, Airbnb primarily aims for repairing their ongoing relationship and continual collaboration with the city of Amsterdam. The Airbnb membership is suspended until the Agenda Committee reconvenes for its next meeting in September.



Quiet Bath's neighbourhoods facing backlash against "party houses", consequently, locals are calling the government for new rules to be introduced.

Renting a property through short-term rental platforms like Airbnb is becoming a growing trend in the city of Bath. In numbers, we are talking increase from 476 to more than 1,450 apartments being rented through Airbnb like platforms this year. Similarly, as other destinations popular on the Airbnb short-term rental market, Bath is slowly but surely getting to experience both the positives and negatives that come with it. Some of the [major subjects of discussions have been noise disturbance, cleanliness and social cohesion](#). The local authorities are now prompting the government for some action, as stated by Mr David Wood, a Liberal Democrat councillor for the Mendip district of Bath, "We want to see the government change the rules on Airbnbs so they can be controlled better and we will be lobbying for this".



CanadaStays is the new acquisition of Expedia Group

Following several years of partnership with HomeAway and Vrbo, [Expedia finally acquired all shares of the Canada-based vacation rental marketplace](#). Canadastays states that it has the largest choice of vacation rentals in Canada and with this acquisition, Expedia intends to expand in the North American country. Owners and managers of properties will be given access to Vrbo's data and tools regarding the organization of their property listings. Some CanadaStays listings have already been added to the OTA sites of Expedia Group, while the full integration with Vrbo is in motion. According to CanadaStays' last year "Canadian Vacation Rental Year in Review" [there was a growth of 52% of trips taken](#), with an increase in demand "for destinations from British Columbia across Canada to Prince Edward Island", according to the CEO Mark Bordo.