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EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT

Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council

on data collection and sharing relating to short-term accommodation rental services and amending Regulation (EU) 2018/1724

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Executive Summary Sheet
Impact assessment on the proposal for a Regulation of the European Parliament and of the Council on data collection and sharing relating to short-term accommodation rental services and amending Regulation (EU) 2018/1724
A. Need for action
What is the problem and why is it a problem at EU level?

Short-term accommodation rentals (STRs) are an increasingly important part of the tourism sector. They represent nearly one quarter of the total EU supply of tourist accommodation, and this has been boosted by the emergence of online platforms. STRs create benefits and opportunities for guests, hosts, and the tourism ecosystem, but they are also a source of concern, notably for local communities dealing with overtourism and a lack of affordable housing. Public authorities increasingly regulate STRs, at national, regional or local level, but a lack of precise data on STRs makes it difficult for them to define policy responses and enforce rules. At the same time, online platforms of all sizes are increasingly confronted with numerous and diverging requests from public authorities to share data on STRs and introduce more transparency (e.g. by displaying certain information). This imposes a heavy burden on platforms, which often refuse to comply with data requests or submit only incomplete data sets. Difficulties in data sharing are due to: i) inefficient and diverging registration schemes managed by public authorities (which therefore cannot efficiently obtain identification data for hosts and listings); ii) a lack of effective and enforceable legal frameworks, standards and tools for sharing data among platforms and public authorities; and iii) the lack of a proper legal framework governing transparency and data sharing. The identified problems have a strong EU dimension. For platforms, which usually operate across borders, the divergence and complexity of rules and data requests undermines their ability to offer services in the single market. Throughout the EU, public authorities that need STR data face similar difficulties in efficiently obtaining quality data. There are therefore strong calls for EU action, notably in the transition pathway for tourism and the urban agenda. This initiative is part of the EU's SME strategy - given the need of the many SME players in the STR segment, including platforms, for solutions.

What should be achieved?

This initiative should enhance transparency in the STR segment, which is necessary in order to promote a balanced tourism ecosystem. Specifically, the initiative aims to reduce burdens on online platforms caused by fragmented and complex data-sharing and transparency requirements. It also aims to ensure that public authorities have the data they need to design and enforce appropriate STR policies.

What is the added value of action at EU level (subsidiarity)?

Action at EU level is needed in order to overcome the problems related to fragmented, burdensome and inefficient efforts to generate and share STR data. Online platforms need an EU-level framework for data in order to be able to prosper in the single market and to be sure that they comply with EU regulations when dealing with data-sharing requests. Public authorities across the EU also need a clear EU-level framework in order to be able to obtain the data they need (national solutions have often proven to be inefficient). The EU framework would not affect the authorities' ability to manage STRs in their locality as they see fit - or their competences in areas such as urban planning and health.

B. Solutions
What are the various options to achieve the objectives? Is there a preferred option or not? If not, why?

In addition to the baseline which entails a 'no policy change' approach, the initiative identifies three policy options. Option 1 proposes soft measures to promote data generation and data sharing. Option 2 consists of an EU legislative framework containing a common approach to data generation and data sharing. It requires public authorities that want data on STRs to manage registration systems for hosts (involving the grant of a unique registration number per listing). Such registration systems can be managed at national, regional or local level, but need to be consistent with an EU template (which contains some procedural and substantive requirements). Public authorities must also provide for a Single Digital Entry Point that offers information that platforms and hosts need, and allows hosts to complete formalities online. Platforms will be required to allow the display of registration numbers and to share (via a Single Digital Entry Point) a closed set of activity data with public authorities that have registration schemes. Small and micro platforms with a limited activity will benefit from more lenient data-sharing requirements. Option 3 consists of the same measures as option 2, but is broader in scope and intensity, because it would require the creation of national registration schemes to ensure the registration of all hosts across the EU. Option 2 is the preferred option, because it would ensure transparency and data sharing

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on STR activity by platforms in an effective manner, but allow regional/local authorities to decide whether they need data and what kind of data they can obtain when requiring hosts to register (identification of the hosts and the unit).

What are different stakeholders' views? Who supports which option?
All stakeholders, including residents associations, have confirmed their broad support for a more harmonised data-sharing framework between public authorities and online platforms, and for more harmonised registration schemes across the EU. 4875 of 5695 total respondents (85.6%) in the public consultation believe that such tools should be put in place and/or facilitated at EU level. Public authorities and online platforms have stressed the limited ability of soft approaches to achieve transparency and improve data-sharing processes. Public authorities, online platforms and hosts agree on the measures under options 2 and 3. Public authorities and hosts support option 2, because it leaves discretion to public authorities and reduces the impact of the registration obligation on hosts. Online platforms prefer option 3, because it would harmonise the registration obligation across the EU and would make it easier to display registration numbers and share data (which applies to all hosts across the EU and not just in selected areas). NGOs, residents associations, and other services providers such as hotels prefer the maximum degree of transparency and data sharing from platforms.

C. Impacts of the preferred option

What are the benefits of the preferred option (if any, otherwise main ones)?
Online platforms will benefit economically from cost savings related to the replacement of uncoordinated data requests with a much more streamlined approach, because this will reduce compliance costs and increase legal certainty. It is estimated that savings for online platforms over a period of 5 years will amount to between EUR 54 and EUR 115 million. Public authorities will also benefit from more legal certainty and cost savings (once the new system is in place, there will be a regular inflow of data from platforms at a very low cost for authorities). Hosts will benefit from more user-friendly and less burdensome registration schemes. Based on moderate estimations, it could be possible to save more than EUR 1480 million (monetisation of time saved in the registration process) for the new hosts that will be starting their activities (hence need to register in those areas) in the first 5 years after implementation. There will also be other indirect economic benefits for a wider group of players (e.g. hotels will benefit from less unfair competition, because public authorities will be better able to regulate and enforce STR rules). The social and environmental benefits will come mainly from public authorities' increased capacity to manage tourism and the effects of STRs on local communities, the environment and the wider tourist ecosystem. This initiative will also enhance the protection of personal data.

What are the costs of the preferred option (if any, otherwise main ones)?
The costs for online platforms will mainly be the one-off administrative costs of adapting their IT infrastructure and connecting to the Single Digital Entry Point (these are estimated at around EUR 30 000 per online platform), while annual maintenance costs are estimated at EUR 36 000. Under these hypotheses, the total one-off administrative costs are estimated at around EUR 8.2 million, while annual maintenance over a period of five years will amount to a total of EUR 10 million. For small and micro-enterprises that would qualify for the less stringent reporting obligations, the costs are estimated at EUR 2 400 a year. These costs are likely to be offset by the savings gained from reducing the time spent processing uncoordinated and varied data-sharing requests and challenging them in court. Public authorities implementing the framework will incur one-off administrative costs (estimated at EUR 3 million) to adapt to the new registration system and the Single Digital Entry Point. The annual costs of hosting and maintaining the IT infrastructure are estimated at EUR 96 000 per Member State, for a total cost of EUR 2.4 million. Where the framework is implemented at regional or local level, the costs for the registration system and links to the national Single Digital Entry Point will be borne by the relevant authorities. Based on our estimations, it is possible to foresee a cumulative one-off cost for regional or local authorities of around EUR 3.6 million and a cumulative annual cost for hosting and maintenance at around EUR 4.3 million.

What are the impacts on SMEs and competitiveness?
The STR segment and the tourism ecosystem should become more competitive. This will benefit hosts and other services providers. Online platforms, which are mostly SMEs, and hosts will directly benefit from a streamlined and automated EU framework for data sharing. Small and micro online platforms will directly benefit from a less stringent data-sharing system. Other tourism players will indirectly benefit from greater transparency and predictability. All parties will be able to better allocate resources, improve processes, scale up or expand, and innovate (e.g. establish new services).

Will there be significant impacts on national budgets and administrations?
The administrative , hosting and maintenance costs for public authorities are presented above. These short-term costs are expected to be offset by the long-term benefits that the framework will bring to public authorities in

terms of time and efficiency gains (facilitated collection of data and enforcement).
Will there be other significant impacts?
No other significant impacts have been identified.
Proportionality?
The measures address the objectives proportionately. Options which create disproportionate burdens and costs have been disregarded.
D. Follow up
When will the policy be reviewed?
The Regulation will be reviewed through an evaluation 5 years after it becomes effective (there will be a transition period of 2 years as from the date of adoption).