

# VIENNA'S APPROACH TO SHORT TERM RENTALS

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StadT  Wien

# Vienna's sharing way – Timeline (1)

level playing field in the city; no business at the expense of the general public

*06/2014: 1st Workshop „overnight stays“*

*10/2014: commissioning of a study on Share economy*

*05/2015: Presentation of the study Share Economy*

*06/2015: Start of the municipal working group accommodation and passenger transport*

## Vienna's sharing way – Timeline (2)

01/2016: „Turning the share economy into a fair economy“;  
information campaign: [www.sharing.wien.at](http://www.sharing.wien.at)

09/2016: Vienna Tourism Promotion Act – Resolution of federal state parliament (Landtag) + EU-notification: “In view of the increasing importance of online platforms for the mediation and booking of accommodation for paying guests observed in Vienna,...,the existing regulations need to be adapted to take account of this new development. “

## Vienna's sharing way – Timeline (3)

| 17.02.17: Vienna Tourism Promotion Act new (either data supply by platforms or agreement with the city over tourist tax amount)

| 17.08.17: end of transitional period for amended law

| New section (5 people) dealing with share economy

| Taking part in “Amsterdam Initiative”; dialogue with EC on platforms

# Vienna Tourism Promotion Act - New

- | Obligation for accommodation platform operators to report
  - | *Either:* Report names and addresses of all providers & all accommodations
  - | *Or:* Reach an agreement with the city to collect the tourist tax on behalf of the city that allows the city to control complete and correct collection of tax by platform
- | Increased fines (from € 420 to € 2,100) for offences against tourism tax obligations
- | Accounts for tourist tax increased from 333 to about 2,300
- | City campaign worked!

## New law in line with EU

New Act **within EU data protection rules!**

“...Vienna's new law limits itself to data that platforms already have at their disposal. Thus, such regime can be considered to establish a balanced framework where it does not impose additional monitoring obligations and **remains within EU data protection rules**. Alternatively, the law allows collaborative platforms to conclude voluntary agreements with the City of Vienna, allowing the collaborative platform to calculate, withhold and remit the applicable tourist tax to authorities, thereby reducing administrative burden and facilitating tax compliance.”  
EC, Country Report Austria 2018, p. 41

# Vienna's result: Current status (1)

- | 12 platforms provide data
- | 1 platform collects tourist tax (Ortstaxe) for the city - HomeAway
- | 5 platforms failed to provide data or negotiate a cooperation agreement -> penal procedures already initiated
- | 1 platform (Airbnb) recently failed in negotiating a cooperation agreement -> deadline to provide data, otherwise penal procedure
- | Vienna is considered as “best practice case” in Europe in studies commissioned by EC: [http://ec.europa.eu/growth/single-market/services/collaborative-economy\\_en](http://ec.europa.eu/growth/single-market/services/collaborative-economy_en)

# Failed to reach an agreement: Airbnb

- Negotiations lasted for approx. 1 year & stopped in October

- Agreement goals were:

  - Airbnb collecting the tourism tax on behalf of the city &*

  - allowing the city to control correct tax' sum collected by the platform*

- Airbnb does not accept national/local legislation

- Airbnb refuses to give the city a possibility to control correct collection of taxes

- Airbnb refuses to provide necessary information in case of legal actions (e.g. suspicious cases)

## Vienna's result: Current status (2)

- | Vienna solved the tourist tax problem by amending the Act but not the (increasing) short term rental problem in the city
- | Commercial short term rentals will be probably banned in certain city parts (so called „Wohnzonen“) in 2019 as the City of Vienna is currently amending its building regulation.
- | Dealing with platforms rather an enforcement problem than a legislative one!

# Vienna's case: Challenges & Outlook

About 8,000 Airbnb listings in Vienna; NOT “live like a local”, most offers in attractive touristic parts of Vienna – leads to conflicts in strongly affected houses and neighborhoods

Some providers rent out more than 30 apartments via Airbnb

Around 2,000 apartments permanently withdrawn from the housing market (study by Vienna University of Technology)

Not yet too worrying given a stock of around 1,000,000 apartments, but gives reason to closely monitor developments

1 ban until now: To rent out social housing (around 60% of Viennese people) is not legal (§11 MRG).

**Thank you!**

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