

12 NOV CITY GOVERNMENT ENCOUNTER

8th principle: Cities collaboration in regulation and negotiation with companies

Speakers

Moderator: Klemens Himpele (Vienna City Council)

Janet Sanz (Deputy Mayor of Barcelona)

Udo Kock (Deputy Mayor of Amsterdam)

Tracey Cook (Toronto City Council)



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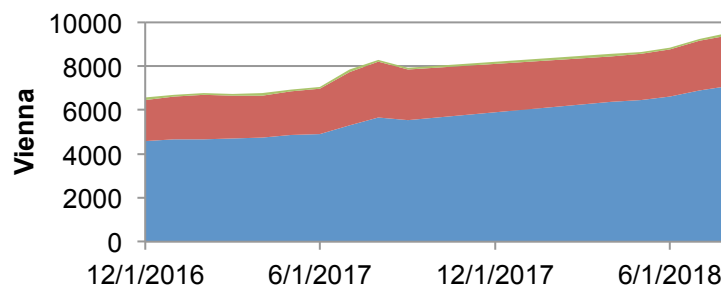
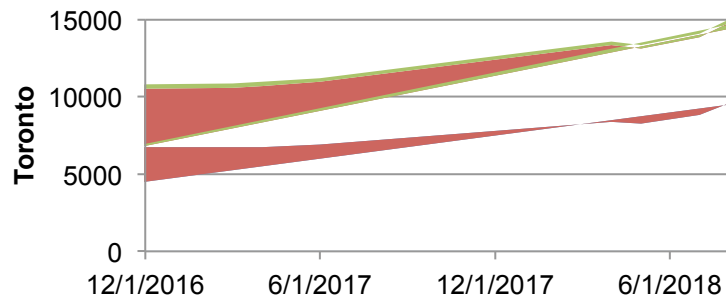
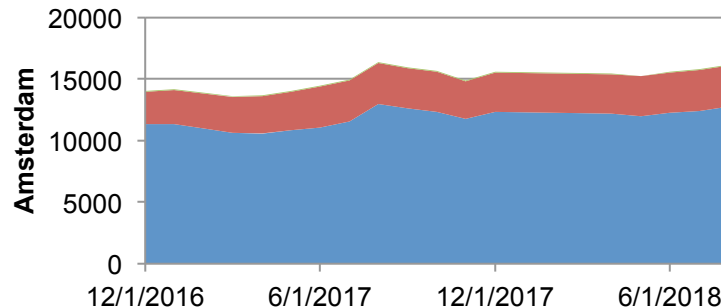
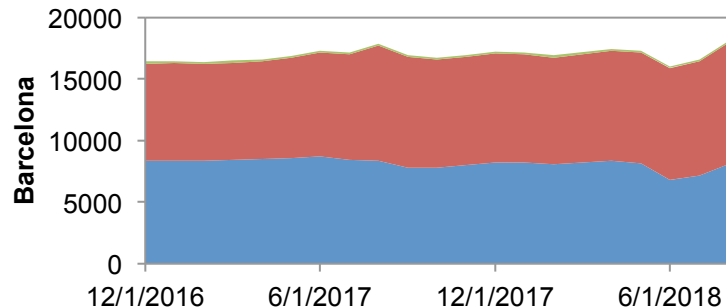


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Similarities & Differences – Airbnb in BCN, Amsterdam, Toronto and Vienna



Source: <http://www.insideairbnb.com>

■ Entire home/apt ■ Private room ■ Shared room

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
- *11/2015*: Conference in Vienna (with Amsterdam, Berlin)

Vienna's sharing way – Timeline (2)

- 01/2016: „Turning the share economy into a fair economy“; information campaign: 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, and the generally increasing importance of private accommodation, 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)
- 03/2017: Cities' conference (Eastern European Cities) on share economy in Vienna
- 17.08.17: end of transitional period for amended law
- New section (5 people) dealing with share economy developments
- 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 for complete and correct collection of tax by the 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 directly 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

Failed to reach an agreement: Airbnb

- Negotiations lasted for approx. 1 year & stopped on October 31st 2018
- Agreement goals were:
 - Airbnb collecting the tourism tax on behalf of the city &
 - allowing the city to control correct collection of taxes 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 or offences

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
- One reason: To rent out social housing (around 60% of Viennese people) is not legal (§11 MRG).
- Bigger housing problems in other cities

Thank you!

Klemens HIMPELE

City of Vienna

Head of Economic Affairs, Labour and Statistics

klemens.himpele@wien.gv.at

www.sharing.wien.at

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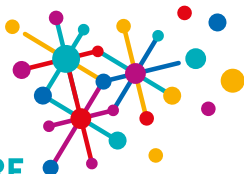
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