

# VIENNA SET TO LIMIT AIRBNB RENTALS DESPITE GROWTH



The tourism of Vienna is booming. In the first half of 2019, the capital registered record figures. The number of overnight stays between January and June rose by 9.9% to 7.94 million compared to last year. The goal of the Austrian capital is to reach 18 million overnight stays per year by 2020. Moreover, the hotel revenues rose to nearly 360 million euros up to May. This is a remarkable rise of 23.5%.

However, all is not so rosy in Vienna and there are issues that the local administration wants to deal with. One of them is the rental platform Airbnb whose rise, according to experts, comes at the expense of traditional accommodation in the lower price segment. However, the numbers say otherwise.

**Overnight stays in one- and two-star hotels rose by 12.3% compared to last year.** In comparison, the average growth across all categories was 6.8%.

The main issue with Airbnb rentals is actually the thin line between legality and illegality of the landlords' offer. For example, in a recent decision, the Administrative Court (VwGH) imposed a fine of 510 euros on a landlord who rented a flat via Airbnb in Vienna without a license.

The basis of this important precedent is in the overall appearance of the offer of the accommodation on the US rental platform. According to the court, the offer of the landlord was clearly targeted at tourists, as he offered additional services such as bed linen, towels, etc. Moreover, he also positively highlighted the proximity of the accommodation to famous sights in the Austrian capital. Thus, it can be seen as a tourist accommodation for which a trade license would be necessary.

**For this reason, Vienna is considering limitations to the Airbnb rentals.** As confirmed by the tourism head of the capital Norbert Kettner, tourism officials are in talks with the city council to try and impose a 90-day limit for rentals in the future. The goal is to limit the exploitation of the platform, such as in the above-mentioned case, but also to support more traditional holiday accommodation.

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