

FRENCH CITIES CALL FOR MORE REGULATION OF FURNISHED TOURIST ACCOMMODATION



A group of 34 elected officials, including the mayors of Lyon, Lille, Marseille, and the first deputy of the City of Paris, who are members of the association France Urbaine, have expressed their concerns regarding the government's proposed 2024 draft budget. They believe that the trade-offs made in the budget are insufficient and fear that regulatory measures may be postponed due to the Summer Olympics in Paris, which will take place from 26 July to 11 August in 2024.

The officials note that nearly a million furnished tourist accommodations have replaced traditional accommodations and generate 2.5 to 3 times more revenue than conventional rentals. They also point out that this trend is not limited to urban areas. The officials consider the cap of 120 days per year, the maximum period during which a primary residence can be rented as furnished tourist accommodation, too generous. They cite the examples of Amsterdam and Barcelona, where the maximum rental period is 30 and 31 days, respectively.

Experimenting with quotas

France Urbaine has reported that local authorities who establish regulatory mechanisms face systematic legal challenges. The association calls for legal, financial, and human resources to be available to these authorities. The bill was discussed in the National Assembly and aims to reduce the tax allowance rate on income from furnished tourist accommodation, which currently stands at 71%. Additionally, rented properties will be subject to energy renovation obligations.

France Urbaine believes the bill must include strong and precise measures, particularly regarding the change of destination, the legal consolidation of compensation rules, or the experimentation of quotas. In the future decentralization of housing policy, elected representatives of major cities call for regulatory powers such as rent control, the land market, the over-taxation of empty housing, or the reinforced right of pre-emption.

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