

Background material (report) from the seminar:

"Short-term rentals in tourist towns – balancing tourism and the local community"

Organised by the Tourism Department of the Municipality of Krakow

12 June 2025

Copper Hall of the Krzysztofory Palace, Rynek Główny 35

1. Event – key aspects:

On 12 June 2025, a seminar was held at the Krzysztofory Palace in Krakow, entitled "Short-term rental in tourist cities – the balance between tourism and the local community", organised to analyse the phenomenon of the intensification of short-term rental (STR) and its impact on the functioning of tourist cities. The event was initiated by the Tourism Department of the Municipality of Krakow.

The event was attended by invited guests, i.e.: representatives of local and central government administration, councillors of the Municipality of Krakow, representatives of institutions acting in the Working Group on Accommodation Base at the Mayor of the Municipality of Krakow, expert circles and entrepreneurs from the tourism sector. The event provided an excellent opportunity to exchange experiences and hear speeches from foreign representatives of cities such as Amsterdam, Paris and Vienna.

The Amsterdam representative stressed that the city's tourism policy is based on research and analysis of tourism. The Amsterdam authorities aim to limit tourist capacity by introducing a permit system and limiting, among other things, the issuing of permits for new hotels or tourist shops. The Dutch authorities have made the assumption that the main use of the dwellings is not for tourism purposes, so the maximum number of days per year that a dwelling can be rented out has been reduced to 60 days. In addition, depending on the scale of the tenancy in the district, an introduction of a limit of as few as 15 days per year is allowed. The policy pursued in this area is based on national law. As the Amsterdam representative stressed, the measures taken in the area of tourism are aimed at striking a balance respecting the interests of local residents – in accordance with the law in force.

In Paris, it is possible to rent an owner-occupied property for a maximum of 90 days per year. In the case of renting out a further dwelling, permission is required. Booking platforms are obliged to report to the mayor's office the number of days that a property was rented for. Failure to comply with Paris' rules, including rental day limits, is sanctioned by fines of up to € 100 000. The city conducts inspections of the premises regarding the declared activity on the premises and the inspectors have the status of public officers.

There is no official register of short-term rental properties in Vienna. Landlords of premises are legally obliged to register their rented premises for tax purposes and to report tourism statistics. From 2024,

short-term rentals have been limited to a maximum of 90 days per year. It was noted that a professionalisation of the STR sector is taking place, meaning that it is increasingly common for one manager to have more than 15 dwellings. Social housing and those properties that have received support/subsidies for renovation from state funds cannot be rented for tourism purposes. As the authorities in Vienna are aware of the potential consequences of uncontrolled and dynamic development of the STR market, they are actively monitoring the situation in an attempt to prevent future problems. Also in Vienna, inspections of rented premises are carried out by authorised public officers.

In his presentation, a representative of the Ministry of Sport and Tourism outlined the administrative and legal aspects of assigning identification numbers for short-term rental facilities. This sphere is of greatest interest from the point of view of public administration – both at government and local government level. He stressed that from the point of view of the Ministry of Sport and Tourism, short-term rental activities are treated as a hotel service. The law "on hotel services..." in its definition of "hotel service" explicitly indicates that such a service is the short-term rental of flats, rooms intended for the temporary stay of persons. These establishments should therefore be treated as so-called "other establishments providing hotel services" and in future registered via the municipalities in a register entitled "Central List of Hotel Facilities". The register is available at: turystyka.gov.pl. Implementation of this functionality will require appropriate legislation. As an example of good practice, the register of uncategorised facilities maintained by the Office of the City of Krakow (ekon.um.krakow.pl) was highlighted. Each facility that is on the register was given a (working)registration number, which in future – according to planned legislation – will be required and included in rental offers.

A representative from Krakow discussed the current legal status under national law regarding the registration of uncategorised facilities within the city. She also presented statistics on the notified sites and the information and education activities that are being carried out in Krakow to increase the number of notifications to the register. In addition, she pointed out the need to regulate the phenomenon of short-term rentals, *inter alia* by introducing precise national legislation resulting from Regulation (EU) 2024/1028 of the European Parliament and of the Council of 11 April 2024, which establishes a framework for the collection and provision of data on short-term rental services.

During the panel discussion, the topic of short-term rentals was presented from different perspectives. Residents, businesses operating both uncategorised and categorised venues, as well as representatives of booking platforms expressed their opinions. All participants agreed on the need to regulate this phenomenon, especially in light of the Ministry of Sport and Tourism's stated work on draft national legislation. The need to actively involve local administrations in the process of developing new legislative solutions aimed at aligning national laws with EU regulations was also highlighted.

Conclusions and recommendations:

A synthesis of the speeches given by panellists (presentations of solutions applied in European cities), a panel discussion of stakeholders in the rental market (residents, entrepreneurs, local government representatives) and a survey conducted among seminar participants, led to the following conclusions and recommendations:

1. Housing policy and short-term rental restrictions

- Regulation 2024/1028 on short-term rentals of dwellings is used to collect, inter alia, data such as the address of the dwelling, the number of nights, the number of overnight stays, for legislative and housing policy purposes only.
- The results of the data collected may only be shared with those monitoring the registration process and implementing the regulations governing access to short-term rental services, including compliance. And in the version, anonymised for statistical and legislative purposes, to those responsible for shaping housing policy.
- The lack of documented data on the scale of the phenomenon has so far caused difficulties in justifying the proportionality of possible restrictions on the freedom of short-term renting.

2. Short-term rental and economic activity

- The current hospitality regulations do not distinguish between short-term rental of residential premises and rental of other premises.
- The lack of distinction between the type of activity carried out creates difficulties in classifying the rental as a business.
- The result is the perception of a "grey area" of renting, although in fact many short-term renters are operating legally but without entrepreneurial status.

Recommendation:

Creation of a statutory clear definition of short-term letting as a business or other gainful activity.

3. The line between short-term rentals and economic activity

- It is important to distinguish between occasional rental and professional business.
 - Renting on an occasional basis, not for profit and not conducted in an organised manner is not considered an economic activity.
 - Exemption of renting up to a certain limit of rooms; there exists a rule in Polish law – for property tax purposes – that renting up to 5 rooms in rural areas, in residential buildings is not considered an economic activity.
 - Exemption from the requirement for entrepreneurs to register up to a certain income limit - currently up to a limit of $\frac{3}{4}$ of the minimum wage.

Recommendation:

Formulation in a separate regulation of the limits of business and occasional activity for the purposes of short-term rental, taking into account the specificities of seasonal activity in particular.

4. Short-term rental licensing

- This should be considered in a new comprehensive law on hotel services, accommodation services and occasional rental of dwellings.
- Example of a French solution:
 - Renting an "own" flat – unlicensed.
 - Rental of entire dwellings other than own homes – licence required.
- Licenses can be assigned to:
 - Premises (the possibility of a "licensed flat sale"), or
 - Persons (need for a new license when changing ownership).
- A possible reduction in the number of licenses issued could be implemented through the provisions on land-use plans

5. Co-ownership and impact of housing communities

- The housing association can influence the use of common areas, including restricting nuisance activities.
- Proposals:
 - Linking service charges to the type of use of the premises (e.g. higher charge for commercially used premises).

6. Protecting the rights of existing landlords

- Those currently renting on a short-term basis should be given the opportunity to continue renting and adapt to the new regulations, including:
 - A sufficiently long transition period to adapt to the new rules.
 - A mechanism for loss of license if conditions are breached.

7. Results of the short-term rental survey

- Supporters of short-term rentals (when conditions are met): **90.9%**.
- Recognition that it benefits the city as a whole: **94%**.
- Support for the introduction of the license: **94%**.
- Housing association impact on short-term tenancies: **33% in favour**.
- Licensing authority: **81.8% municipality**.
- Licenses:
 - Periodic and payable: **33.3%**
 - Unlimited and free of charge: **27.3%**
 - Periodic free of charge: **18.2%**

8. Restriction of short-term rentals and availability of cheaper housing

- Supporters of the thesis that restricting tenancies will ensure the availability of cheaper housing: **24%**
- Opponents: **76%**

9. Recommendations

1. Creation of a statutory clear definition of short-term rental as a business or other gainful activity.
2. Preparation of a comprehensive law regulating short-term rentals, providing for:
 - o Clear licensing rules.
 - o Rental limits (e.g. number of units, number of days).
 - o Transition periods for existing landlords.
3. Linking short-term rentals to housing policy through:
 - o Quality and accessibility control mechanisms.
 - o Involvement of municipalities in the licensing process.
4. Ensuring that the new regulations do not infringe the vested rights of short-term renters.
