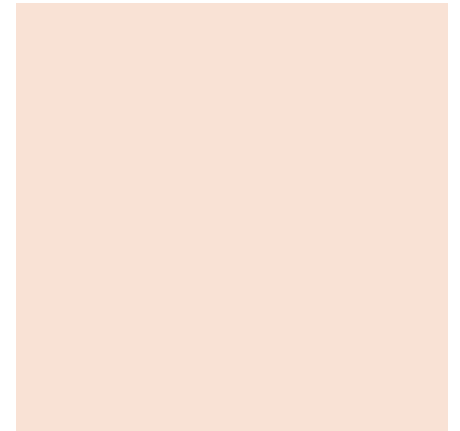
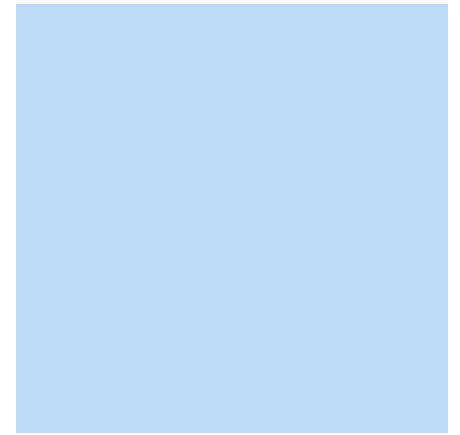


Meal 'Sharing'

Level the
playing field



SSD plenary, 30 November 2018

HOTREC and the Collaborative Economy

— **Levelling The Playing Field**
Policy Paper On The "Sharing" Economy



2017
Policy Priorities for a responsible and fair 'collaborative' economy



Making the most of the 'collaborative' economy

Informal accommodation arrangements between residents and visitors have always existed. However, the scale of the activity has expanded over the past 5 years (20 million bed places (source: STRAT) versus 22 million registered in Europe) through peer-to-peer P2P platforms, without any control. This has resulted in rising cost of housing and providing shortage in some cities, promoting unfair competition to small and micro-enterprises, local economy and putting at risk the European consumer protection model. Over this period, while some cities have made progress by addressing some of the issues raised by Short Term Private Accommodation Rentals (STPAR), concerns remain about their effectiveness and their enforcement by authorities. This can only be achieved through the responsible cooperation from platforms. Action is therefore required to level the playing field via a-bis licensed operators which comply with extensive regulations, to safeguard the interests of residents, to foster community cohesion and to promote fair competition, which comes together with the assessment of the impact of STPAR not only on a destination's economy, but also on citizens wellbeing and society in general. HOTREC believes that an equilibrium should emerge thanks to a clear distinction between private and professional activities, ensuring that it truly reflects the principles of fair competition promoted at supranational level by the European Commission. The aim of this document is to present HOTREC's five policy priorities for development, Europe-wide, requiring swift action by authorities for the benefits of all stakeholders alike part of destination's economy and social life.

What situation are Stakeholders currently facing in Europe?

- A CONFUSING MIXTURE OF SHORT-TERM RENTALS**
- Short term rentals are affecting the supply of affordable housing for local residents in some cities.
 - Destination authorities have no clear idea of which properties are being rented, for how long and by whom.
 - Platforms are not sufficiently providing information to the authorities, guests and providers regarding e.g. tax purposes, and security.
- A SECTOR OUT OF CONTROL**
- By using P2P platforms, many property owners and large companies are renting-out properties regularly or even multiple properties, creating unfair competition with licensed operators.
 - There is a lack of definition between those who rent property as an occasional, private activity, versus those who act as a regular professional activity.

- UNCLEAR TAX RULES**
- The tax due through STPAR activities do not correspond with the tax collected as the system is unclear, not enforced and easy to abuse.

- CONCERNS OVER HEALTH, SAFETY AND SECURITY**
- CONDITIONS IN RENTAL PROPERTIES**
- Properties rented through P2P platforms are subject to few or no checks relating to health and safety, booking codes, the protection of food hygiene, because of no system in place to register and determine the type of activity.
 - The identity of guests staying in STPAR is not being verified in line with European regulations.

- QUESTIONS OVER LIABILITY**
- Major questions remain over the liability of property owners, those managing the rental property, guests, P2P platforms and local authorities in STPAR arranged via P2P platforms.
 - Insurance arrangements and the procedure for making official complaints relating to STPAR are largely unclear, with visitors and guests unaware of their rights and responsibilities.

— **SHEDDING LIGHT ON THE 'MEAL-SHARING' PLATFORM ECONOMY**

Proposals to level the playing field with the food sector



Pro-actively contributing to public debate

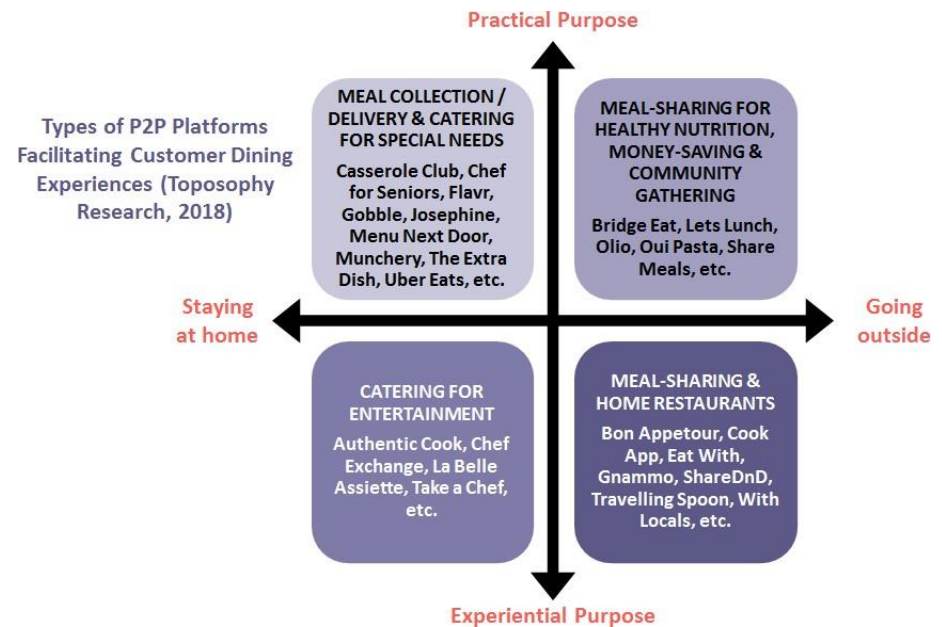
Food in the Collaborative Economy

- Food and thus 'meal sharing' has become a regular element of the collaborative economy



Various forms of 'Meal-sharing'

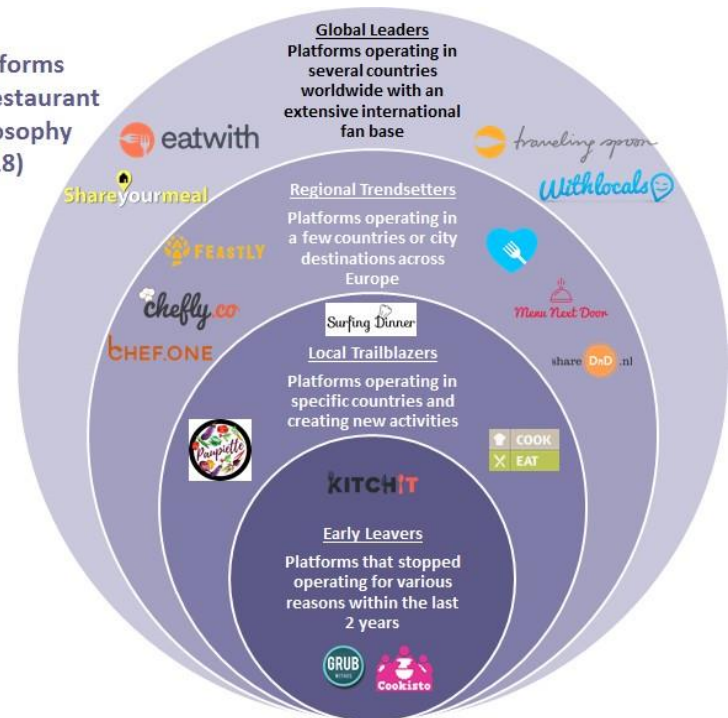
- Home restaurants a single, yet significant area of activity facilitated by online platforms related to customer dining experiences



Meal-sharing platforms at different levels

- Online platform facilitating home restaurant experiences vary significantly due to their scale of operation and special features in their offerings

Types of P2P Platforms
Facilitating Home-Restaurant
Experiences (Toposophy
Research, 2018)



A growing market

Investments on home-restaurant (HR) platforms only a tiny slice vs. the valuations of well-known unicorns, but growing

Eatwith €32M - €48M	Uber \$68B
With Locals \$17M-\$25M	Airbnb \$29.3B
Travelling Spoon €3M - €5M	
BonAppetour €2.8M	

Spending on food considerable

Platforms as part of the growing contribution of food and beverages in visitor spending

Spend Breakout: Four Nights / Five Days In Barcelona

Apartment Rental (four nights)	€ 302	Accommodations	25%
Subtotal	€ 302		
Taxi to and from airport	€ 60	Transportation	15%
Metro card for two	€ 20		
Taxis around town	€ 35		
High-speed rail to Girona(return)	€ 67		
Subtotal	€ 182		
Yoga classes in El Goticó	€ 31	Activities	7%
Classical guitar concert	€ 36		
Picasso Museum	€ 22		
Subtotal	€ 89		
Gifts & Souvenirs	€ 100	Shopping	8%
Subtotal	€ 100		
Wine and tapas at Bilbao Berra	€ 32	Food & Beverage	44%
Dinner at Llamber	€ 100		
Dinner at Vaso del Oro	€ 72		
Breakfast at Flax and Kale	€ 29		
Sushi at Bouzu Raval	€ 41		
Beer, Wine, Olives at Lapaciencia	€ 23		
Lunch at Vaso del Oro	€ 45		
Barceloneta, Taller de Tapas	€ 28		
Market groceries	€ 27		
Dinner in Girona	€ 63		
Wine and tapas, Plaza del Sol	€ 22		
Coffee & Cake stops	€ 31		
Bottled Water	€ 18		
Subtotal	€ 531		
TOTAL	€ 1,204		100%

5 key pillars

to fostering a responsible and fair
'collaborative' economy in the home
restaurant sector

1. Registration of activity / licensing

- EU registration rules on home restaurants as **food business operators** shall be strictly enforced. For home restaurants which are not considered as food business operators, registration systems should be established.

These systems shall allow for proper:

- Measuring of activity
- Tax collection
- Consumer protection

1. Registration of activity / licensing (cont'd)

Non-food aspects:

- Adhere to local regulations relating to the sale of alcohol, and in particular licensing obligations (where applicable)
- Adhere to EU and local regulations on copyright when playing music protected by copyright to paying guests

2. Taxation

- Compliance with fiscal obligations shall be considered a prerequisite for engagement in home restaurant activity.
- Home restaurants operating above a certain threshold of revenue should face the same fiscal obligations as the regulated sector.
- Platforms must cooperate proactively with destination authorities in order to prevent tax evasion.

3. Consumer protection, Health and Safety

- Home restaurants which qualify as food business operators under EU law shall apply strictly existing EU legislation on food safety, food hygiene, food information (i.e. allergens declaration), traceability, acrylamide, etc.
- Home restaurants which do not qualify as food business operators under EU law shall at least follow basic guidelines on food safety and declare the presence of allergens
- Hosts must abide by local regulations relating to building codes and fire safety.

4. Enforcement

- Grant access to premises to public authorities' staff performing official controls. Failure to comply with cooperation and assistance obligations may lead to the loss of the right to operate, as for any regulated business.
- Authorities to extend food safety complaints system (used for inspecting and forcing suspension/closure of activity) to operators of home restaurants, and platforms to cooperate
- Platforms to remove listings that contravene regulations.

5. Liability

- Hosts, online platforms and destination authorities must assume their liabilities to the consumer, the hosts and platforms to the authorities.
- Adequate insurance mechanisms must be in place and communicated by platforms to the hosts and guests involved.
- As holders of most data, platforms should be made liable in playing an active role in cooperating with authorities to ensure a responsible 'collaborative' economy.



THANK YOU

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