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Berlin has banned homeowners from renting out flats on Airbnb — here's why

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Anyone planning a weekend getaway to Berlin may have received a nasty shock, when the city announced that it has banned residents from renting out their flats to tourists through Airbnb. The move comes as a result of acute housing shortages, unprecedented population growth and marked changes in Europe's housing system.

Berlin has long been a go-to city for creatives. Even when it was partitioned into East and West, the city attracted an alternative crowd. And when Berlin's population shrank – particularly between 2000 and 2012 – the resulting surplus of cheap accommodation drew young artists, musicians and hipsters who were being priced out of London, Amsterdam or Paris, due to prohibitive house price inflation and ever-increasing rental costs.

Berlin has remained affordable because of a law pithily known as Zweckentfremdungsverbot, which prevents owners from changing the use of properties. This makes it difficult to convert residential buildings into commercial property, and has protected much of the city's housing stock from development since the second world war. Similar by-laws also exist in other large German cities, such as Hamburg and Munich.

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Housing squeeze

Two years ago, Berlin's parliament altered this law to include short-term leases on "guest-flats". This made the short-term leasing of entire flats illegal, with breaches punishable by a €100,000 (£78,000) fine. After a two-year notice period, the ban came into effect in May. Under the new law, it's still legal to rent out rooms in one's own flat – but they can take up no more than 50% of the floor space.

German research has revealed that buying and renting flats to tourists – via online agencies such as Airbnb and Wimdu – has become highly profitable, with some businesses managing hundreds of properties. Partly as a result of this, Berlin – which once had a surplus of accommodation – now finds itself with a severe and growing shortage.



No vacancy. Julienaksoy/Flickr, CC BY-NC

The city is expected to grow by about 45,000 inhabitants each year – and that's before accounting for the 30,000 and 60,000 refugees who have arrived in the last two years respectively.

To address these pressures, the city plans to build an additional 220,000 dwellings over the next decade. According to Berlin resident and director of the UrbanPlus planning consultancy Thomas Knorr-Siedow, the planning department intends to bring on 20,000 dwellings annually, of which some 6,000 are to be built by municipal housing companies.

Planning bodies will help ensure that a third of all new housing is affordable, in line with Berlin's rent control arrangements. And it is thought that Berlin has about 20,000 "guest-flats", which – if made available for normal letting – could supply one year's demand.

Making a racket

Housing is not the only factor feeding into this change. Besides the loss of permanent rented flats, short-term letting to tourists is seen as a nuisance by locals, who complain that stag and hen parties, mass pub-crawls and noisy all-night partying seriously denigrate the quality of life in Berlin's central neighbourhoods.

Other cities are sitting up and taking note of this approach: for example, Amsterdam is currently engaged in trying to limit Airbnb rentals, too. Here, entire flats can now only be let out at the times when the owners would be on holiday, and have a vacant flat anyway. City authorities enforce a rule which limits short-term holiday rentals, using automated computer systems to monitor online advertising.

Richard Ronald, Professor of Urban Studies at the University of Amsterdam observes that:

The city of Amsterdam has struggled with the rise of Airbnb, and while it initially sought to regulate growth, it has increasingly been forced to crack down on the sector. In the context of Amsterdam's large, but very tight rental housing supply, there have been concerns over landlords switching properties from regular contracts to short-term tourist lets. At the same time, tax avoidance and illegal subletting, especially among social tenants, has also been a concern.

What's more, Amsterdam is a relatively small city, which is also a highly popular tourist destination, so it has long sought to maximise its tourist tax income, which is levied via hotels and hostels. Unregulated tourist lets impact on that income.

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As Ronald's animation (above) articulates, the real story here is the transformation of Europe's housing system. Since the financial crisis of 2008, there has been a rapid expansion of private renting across Europe, resulting, in part, from the demise of home ownership. Young people often find

themselves unable to secure a mortgage, or to rent from social landlords whose housing stocks have been depleted through subsidised or open market sales, so they have to rent privately.

In tourist hot-spots such as London, Barcelona, Berlin, Edinburgh and Amsterdam, a battle for the rental market has broken out, with housing and planning authorities coming under ever-increasing pressure to act on behalf of residents. Berlin, with its long tradition of rent control, has responded with this novel regulation. This move is likely to push housing back up the agenda right across Europe – especially in cities trying to balance a growing demand for rented accommodation, with a vibrant tourist sector.



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