

EHHA Press Release

EHHA welcomes CJEU Smartflats ruling: authorisation schemes for short-term rentals must be proven to be necessary and proportionate

EHHA welcomed the ruling today by the Court of Justice of the European Union (CJEU) in Case C-813/24 (Smartflats v Région de Bruxelles-Capitale)¹

The ruling clarifies that urban planning rules, when they form part of an authorisation scheme for short-term rentals (STRs), fall within the scope of the EU Services Directive and must therefore comply with EU principles of proportionality, justification, transparency, legal certainty, and procedural fairness. Member States and cities can regulate STR activity, but when they do so through authorisation (urban planning) schemes that condition STR access to the market, those restrictions must be proven necessary by the local authorities and proportionate.

Crucially, the Court provides further interpretation on the required necessity and proportionality of restrictions. The judgment makes clear that an authorisation scheme cannot be justified in the abstract, requiring a causal link such as an objective study or analysis demonstrating that STRs have a significant effect on the residential housing supply and/or on rental prices. The Court ruled that such schemes are only justified where, taking into account their geographical scope and their impact on residential needs, they are necessary and no less restrictive measure would achieve the same objective.

In its reasoning the court clearly states that, amongst other things, “the objective of protecting the urban environment and housing cannot justify such an obligation [to obtain a certificate of urban-planning compliance] in so far as it applies to immovable property constituting the operator’s main residence, given that, in such a case, the operation of such property as tourist accommodation, whether temporary and/or partial, has no consequences for the long-term rental market.”²

EHHA Secretary General, Catherine Starkie said:

"EHHA welcomes today's CJEU Smartflats ruling. It sends a clear signal to cities across the EU: rules governing short-term rentals must be proven to be necessary and proportionate under EU law, and cities' discretion must be circumscribed.

Restrictions without evidence of real impact on housing do more harm than good. We call on the European Parliament and Council to take note of the judgment and the important principles that it upholds, which must be reflected in the proposed Affordable Housing Act³ in order to avoid any unintended consequences for families and local economies."

¹ [C-0813-24-000000000RP-01-P-01_ARRET_328428-FR-1](#)

² Paragraph 95 (translation from French)

³ https://housing.ec.europa.eu/document/35c4d242-60cb-408e-8a96-6ddf8ad18a70_en



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EHHA will analyse the judgment in detail and closely follow the upcoming assessment of the Brussels Court of Appeal. EHHA will continue to work with authorities across Europe to support balanced, evidence-based regulatory frameworks for STRs.

About EHHA: *The European Holiday Home Association (www.ehha.eu) is the collective voice of Europe's short-term rental accommodation (STR) industry. We represent national (regional) STR associations, companies and online platforms, working together to shape a fair, evidence-based and balanced regulatory landscape across the EU, which allows for a vibrant, prosperous, resilient, responsible, and sustainable short-term rental industry.*

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