



RENT REGULATION

The potential pitfalls of holiday letting

By Goya Abogados, Law Firm in South Tenerife

The Canary Islands have always been, within the greater Spanish territory, one of the most popular autonomous regions for tourism.

The archipelago has always had many resorts and apartment hotels to accommodate the ever-growing quantity of visitors and that is what led to a new type of tourist accommodation: the so called holiday let.

Holiday lets are characterised as an individual or company dedicated to the short-term rental of an apartment, house, villa, etc. without extra services, usually through a website, to holidaymakers located in other countries.

The curious thing about this rental type is that it can neither be legally framed within a hotel service nor within a common housing lease, so in order to cover legislative



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Do holiday lets harm tourist accommodation provided by hotels and companies?

gaps 'Decree 113 of May 22, 2015' on vacation homes was developed. The decree

covered the functional and equipment requirements of this new type of accommo-

dation, but left many holes and created much confusion. The classic questions regard-

ing this topic are: Can you rent your property short term in any area? Is it harming tourist accommodation provided by other companies such as hotels?

After much debate, the National Commission of Market Values has taken the case to court. The Canary Islands High Court of Justice in its judgment of March 21, 2017, cancelled parts of the aforementioned decree from which have arisen three new thorny issues, something which until then had no cause to be raised because holiday letting was simply classed as illegal: the existence of holiday homes in tourist areas

and understanding that the location of these in no way impairs free enterprise; the rental of rooms separately within the same property; and the undertaking of the rental activity without the requirement for prior registration and approval by the regional administration. Finally, amendments introduced by the recent judgment are in process of being included in a new legal text, which will not only allow tourist rentals in any area but holidaymakers and users can benefit from more efficient pricing and hiring alternative services to those which they've always offered. ■



The Canaries have always been one Spain's most popular autonomous regions for tourism

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