

Duff on Hospitality Law

Online Travel Update: Accor and Marriott's interest in short-term rental interest grows; new tax claims filed against OTAs in Nevada, EU regulations postponed again

By Greg Duff on 12.11.20 | Posted in Online Travel Update

This week's Update features a heavy dose of short-term rentals as the long-awaited Airbnb IPO finally arrives and many hoteliers seek to capitalize on growing (COVID-induced) traveler demand in this segment. Enjoy.

Accor and Marriott's Interest in Short-Term Rentals Grows

(“Did Accor Just Tiptoe Into Short-Term Rentals?” December 3, 2020 via Skift Travel News; “Short-Term Rentals at Marriott Grow Beyond Just Being an Experiment,” December 3, 2020 via Skift Travel News; “Accor Launches Website Dedicated to Private Rentals and Extended-Stay Hotels,” December 3, 2020 via Lodging Magazine) (subscription may be required)

In separate stories recently, industry reporter, *Skift*, featured efforts by both Marriott and Accor to advance their short-term rentals offerings. While the number of short-term/vacation rentals available through Marriott's Homes & Villas remains relatively low (particularly when compared to Marriott's one million-plus traditional guest room offerings), the inventory continues to grow rapidly. Since October, Marriott has added 4,000 new listings. As of late, the Marriott platform was offering nearly 16,000 listings in 250 global destinations. Recently, Accor made industry headlines with the launch of its Apartments & Villas website, which features Accor's existing extended stay hotel offerings (15-hotel portfolio), branded residences (Raffles and Fairmont residences) and private rental offerings (primarily through its existing One Fine Stay platform). Unlike Marriott's offering, which features newly added rental inventory (unaffiliated with any existing Marriott property), Accor's offering represents a new way of marketing its existing short-term rental portfolio (roughly 50,000 properties in 350 global destinations). Whether the launch of this new platform by Accor signals a renewed focus on adding new – never before affiliated – private rentals (like Marriott's approach) remains to be seen. The long-term success of either of these offerings will in large part be determined by travelers' continuing interest in the segment long after COVID subsides.

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Here We Go Again: New Tax Claims Filed Against OTAs in Nevada

(Suit Alleges Expedia, Others Cheated Nevada on Lodging Taxes, December 3, 2020 via Bloomberg Law – General) (subscription may be required)

Readers of our weekly Updates will recall the numerous stories we've featured over the years regarding state, county and municipal claims filed against the large OTAs regarding their tax collection and remittance practices. While the majority of these suits have ultimately been decided in the distributors' favor, the resulting decisions have created some occasional challenges for hoteliers (e.g., California's 2016 Supreme Court decision and ongoing collection efforts by the cities of Anaheim and San Diego). Recently, two Nevada residents, acting on behalf of the State of Nevada, brought state False Claims Act claims against several large OTAs over the OTAs' alleged practice of charging guests tax and other charges based on the full retail sales price of a room while remitting to the hotel (and ultimately to the state) tax based only on the net or discounted rate (and pocketing the difference). The complaint contains a number of critical errors – like failing to distinguish the important tax collection differences between the commissionable/hotel collect model employed by Booking.com and the net rate, merchant model employed under Expedia's Expedia Collect model. A copy of the recently filed complaint can be viewed [here](#). We will continue to keep readers apprised of developments in this litigation as it moves forward.

EU Regulations Postponed Again

(European Commission: The digital regulation project postponed to December 15 (translated to English), December 2, 2020 via Ouest-France.fr)

Important new draft regulations, such as DSA (Digital Services Act) and DMA (Digital Markets Act), governing the practices of online gatekeepers (possibly including both Airbnb and Booking.com), were expected to be issued on December 9 (after being initially postponed from a planned December 2 release). The European Commission announced on December 2 that the release of the widely-anticipated regulations would be delayed (again) an additional week to December 15. The wait continues.

Other news:

Hot 25 Startups 2021: Rebound Travel

November 9, 2020 via Phocus Wire

Rebound Travel is a refund management platform created to address issues that have surfaced during the pandemic.

Trip.com Group Sees Ongoing Financial Improvement, Ups Marketing Spend

December 2, 2020 via Phocus Wire

Trip.com Group is showing continued improvement in its financial position, as it reports results for the third quarter of 2020. The online travel giant says net revenue for Q3 was \$805 million,

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down 48 percent on Q3 this year but improving 78 percent on the previous quarterly reporting period.

VIDEO: Tripadvisor Slams Google Strategy as Operating at "Expense of Everyone Else"

December 2, 2020 via Phocus Wire

Steve Kaufer, President and CEO at Tripadvisor, generally pulls no punches when he talks about Google's position in travel. Recent remarks stayed true to form, with him describing Google as using its "unfair advantage as gatekeeper to most of the internet to drive a lot of traffic to its funnel at the expense of everyone else."

Tags: travel, Travel and Technology