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Housing Action Now
Licensing and Registration Regulations for Short-Term Rentals
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To the members of the Licensing & Standards Committee,

Housing Action Now (HAN) is a coalition of Toronto residents and community organizations that advocates for safe, decent and affordable housing for all Torontonians.

Overall, Housing Action Now supports regulating short-term rentals in the interest of protecting both the City's supply of long-term rental housing, and the affordability rental housing across the city. The City's rental vacancy rate is notoriously low and Torontonians across the City are finding it so difficult to find places to live that they can afford, that homelessness continues to rise, young people can't afford to move out of their parents' homes, and people across the city have so few options that they end up stuck in unpleasant and unsafe living situations. The rise of short-term rentals is worsening this already bad situation by taking long-term rental units out of the rental market and by increasing the value of rental properties in particular neighbourhoods, thereby further inflating rents. On top of this, the conversion of long-term rental units to short-term rental units is resulting in the (often illegal) eviction of Torontonians from their homes: low-income people, students, and families are being forced out of their homes and into the cut-throat rental housing market in favour of high-paying tourists.

While the City's proposed regulatory framework is an excellent start, there are three significant issues with it that need to be addressed:

First: Make proof of principal residence mandatory.

The registration process for short-term rental operators should require that they register both themselves as operators and their principal residence as the property they are renting, and registration should require proof of principal residency. If a principal residence is defined as the residence used in your government records for things like your income tax, medical services plan, driver's license and vehicle registration, then any of those government documents could be used as reliable proof. Without this mandatory proof of residence requirement, subverting the law will be incredibly easy and enforcement of the by-law will be next to impossible, making the by-law ineffective.

Second: Effective, proactive enforcement.

A plan for the proactive, effective enforcement of this by-law must be developed and implemented. Without a plan to be proactive about enforcing this by-law, the by-law will not be followed and the problems the City is currently experiencing as a result of short-term rentals will worsen.

Third: Short-term rental operators should not be permitted to rent out secondary suites.

Short-term rental operators should be limited to renting out their principal residence. The short-term rental of secondary suites seriously undermines the City's goal of protecting long-term rental housing stock in two ways:

First, rental of secondary suites make up a significant portion of the City's rental market, especially in the most desirable neighbourhoods in the City, and it is these neighbourhoods which are most at risk of short-term rental conversion and require protection by this by-law.

Second, it will undermine the possibility of effectively enforcing the proposed principal residence requirement, as it will be difficult for an operator to provide documentation that will reliably prove their

legally entitled to rent out a secondary suite. And without effective enforcement, the regulations won't function to preserve long-term rental stock or affordability.

Eliminating the short-term rental of secondary suites does not stop people from generating income from those suites or stop tourists from having a diversity of accommodations options; it simply imposes the more balanced situation that existed in Toronto prior to the arrival of Airbnb, where property owners could earn rental income from their properties and Torontonians had a better chance of finding somewhere in the city to live. Allowing the short-term rental of primary residences alone maximizes the housing potential of Toronto's housing by encouraging people to not leave their homes vacant even for short periods of time, while preserving the city's critically important stock of long-term rental housing, allowing property owners and tenants to supplement their incomes and pay off mortgages by earning rental income, and ensuring tourists have a range of accommodations options. It's a good solution for everyone.

Melissa Goldstein,
Chair, Housing Action Now