

HSSP

Home-Sharing Service Providers

Implementing the best practices for home-sharing

PRESENTATION TO TORONTO CITY COUNCIL

NOV 2017

HSSP – Who We Are

- ▶ HSSP is an industry association made up of over 15 Toronto-based companies that provide dedicated property management services for the short-term rental market across the GTHA
- ▶ HSSP Members Provide:
 - ▶ **Home owners** with peace of mind that their homes are being rented to responsible clients
 - ▶ **Tenants** with consumer protection guarantees that their rental experience will meet and exceed their convenience, safety and comfort expectations; and
 - ▶ **Neighbourhoods** with assurance that there will not be any nuisances associated with being located in proximity to a short-term rental.
- ▶ HSSP members subscribe to a core set of service delivery principles. Our companies manage every aspect of the client/owner transaction. We provide listing management, guest experience management, tenant vetting services, cleaning, laundry, liability insurance, on-site security services, and more.
- ▶ HSSP members are entrepreneurs and small businesses who have recognized a need in the home-sharing market to leverage exciting advancements in technology and socio-economic trends to establish and promote a brand-new, high-growth industry in Toronto.

Partnership with City

- ▶ We want to work with you!
- ▶ We are in favour of regulation and taxation
 - ▶ We recognize there are some 'bad actors' in our industry that should be 'weeded out' through regulation
- ▶ Let's work together for an enforceable system that:
 - Achieves 100% compliance
 - Strikes right balance of protecting long-term rental stock and the economic benefit of the sharing economy
 - Provides revenues to the City
 - Reduces/eliminates community nuisances

HSSP - Position

- ▶ Toronto's STR recommendations present an existential question for our burgeoning industry based on the following two elements:
 1. The Primary Residence restriction
 2. The "Night Cap" restriction
- ▶ HSSP understands the political motivations involved, but fail to see how this will materially address housing affordability or community safety
- ▶ We feel this is a drastic, and **very expensive** solution in search of a problem.
- ▶ "Expensive" is defined in the broader sense by impacts to:
 - ▶ Direct cost to public for enforcement
 - ▶ Tourism
 - ▶ Social need for medium-term rentals (hospital visits, student housing, etc...)
 - ▶ Small businesses in various neighbourhoods

Media

NATIONAL POST

Chris Selley: Toronto's AirBNB regulations are a confused, half-hearted distraction

One common bug in regulatory regimes covering short-term rentals — AirBNB, VRBO and the like — is that they don't, you know ... work.

CBCnews

Short-term rental rules coming for Toronto, even as condo inks deal with Airbnb

Group representing short-term renters urges city to reconsider some of its plans

By John Rieti, CBC News | Posted: Oct 26, 2017 5:00 AM ET | Last Updated: Oct 26, 2017 5:00 AM ET



The long-term problems of short-term rentals in Montreal

Who's enforcing the rules?

Only 27 inspectors are mandated by Quebec's tourism department to look into the issue across the province, a spokesperson said this week, up from two when the law first came into effect.

Available statistics indicate not much has changed since then: As of the last week of June, 99 permits had been issued in the Montreal area (there were 474 requests). And yet, the number of Airbnb listings in the city usually hovers upwards of 10,000.

Other Jurisdictions

- ▶ The following Cities have tried and failed to achieve desired results:
 - ▶ LA – in 4th year of regulatory changes
 - ▶ Kansas City – 26 months
 - ▶ San Diego – 3 years
 - ▶ Austin – 4.5-5 years
 - ▶ Denver – compliance troubles
 - ▶ Courtland – black market
 - ▶ San Francisco – black market, compliance troubles
 - ▶ New Orleans – made changes later because of black market
 - ▶ Vancouver – non-compliant regime, losing money

Affordable Housing/Housing Affordability

- ▶ Passing this regulation will NOT impact affordable housing or housing affordability in Toronto
 - ▶ The 3,200 units targeted by this regulation accounts for less than 1% of the secondary rental market in Toronto
 - ▶ The units represented by this association are high-end condos that would not be classified as “affordable housing” under any definition in any market
 - ▶ The Province has introduced 16 meaningful regulations that will have a greater impact on housing affordability
 - ▶ The City plans to tax the estimated 28,000 vacant units within its border – a much more tangible, lower cost target
 - ▶ Taxing commercial operators at 5% would generate more income than the cost of enforcing them – allowing increased revenue to be deployed to urgent affordable housing needs
 - ▶ STRs will inevitably move to the black market as we are seeing in all other markets (Vancouver, Quebec)

Community Nuisances

- ▶ HSSP members are the “good actors” in the industry, and recognize that restricting community disturbances is a business imperative
- ▶ HSSP is advocating that the City adopt and impose a home-sharing best practices to be adopted by all STR owners in the operation of their properties
- ▶ HSSP members use ‘NoiseAware’ – a noise sensor technology service that monitors decibel levels in short-term rental units and allows HSSP members to deploy corrective measures immediately
- ▶ NoiseAware data shows that disturbances occur in less than 1% of all short-term rentals, and that when they do occur, they are resolved within one hour
- ▶ This type of technology and approach to STRs will prove to be much more effective than forcing STRs underground and relying on bylaw enforcement to respond to complaints

Request

- ▶ A more creative approach to STRs is needed to avoid waste and ensure compliance

Suggestions:

Allow for and tax Commercial and Investor properties in the STR market

- Our estimates suggest that a minimum of \$5MM can be realized through this approach, rather than a cost to the City to enforce the industry

Graduated Licensing System

- Sell primary residence licenses, a limited number of commercial operator licenses, and a limited number of investor licences (similar to Nashville, and Austin)

Better define cost/benefit of implementing these regulations

- Councillors should request that staff present a broader and more complete economic analysis to Council before voting



CONTACT

Zach Mondlowitz

President

Home-Sharing Service Providers (HSSP)

zach@hssp.ca