



October 26th, 2016
Executive Committee

Deputation: Impact of Short-term Rentals on the Housing Market

Dear Members of the Executive Committee,

The FMTA is a tenant's rights organization that provides services for tenants. We help approximately 65,000 tenants directly per year via our hotline, outreach service and website and promote affordable housing as part of our mandate.

From an economic standpoint, the FMTA believes that affordable housing is a critical element of infrastructure. For the last 300 years, North America (and Europe) has invested in infrastructure, providing basic needs at minimum cost in order to promote a low-cost, competitive economy. That's how Canada got rich.

From a human perspective, housing is people's homes – where they live, grow up, spend most of their lives, raise children, get established. People need an affordable place to live to enjoy life. Affordable housing is a critical element of what makes Toronto a great City.

Unfortunately, we are bleeding affordable units right now. A lack of new stock has been dismantling this infrastructure, slowly wreaking havoc on the housing market and renters.

The Mayor and this committee have done a number of things to try to address this issue: The Open Door program, 550 housing allowances, last months call for billions in housing and the Mayors TCHC task force are all examples of good work to try to bolster our infrastructure.

Unfortunately almost all of this work risks being undone by short-term rentals. In the last year, the FMTA has spoken to housing activists in Berlin, in NYC, in San Francisco and all of them have told of the same tale: rental markets devastated and thousands of units being taken off the rental market and turned into lucrative short-term rentals.

We're hearing similar concerns on our hotline and through our work: tenants being evicted to make room for AirBNB units. The data points to this troubling trend. Went from 0 to 12,000 units in four years with anywhere from 20% - 50% of those being units taken off the market. Studies show that the majority of revenue is not coming from shared units but commercial landlords running unlicensed hotels.

Berlin, NY and San Francisco have all been prompted to bring in serious legislation well after the horses have left the barn in order to try to save their rental markets. We strongly urge Toronto to act ASAP to help preserve our housing infrastructure.

Thank You,
Geordie Dent

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