

# EX26.3

Attachment 5

Ipsos Public Affairs



# Short-term Rental Public Opinion Research

FINAL REPORT

MAY 2017

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GAME CHANGERS



# Contents

---

**3** Background & Objectives

---

---

**4** Methodology

---

---

**5** Key Findings

---

---

**11** Understanding Behaviour

---

---

**22** Attitudes and Opinions

---

---

**38** Behaviour of Host

---

---

**51** Demographics

---

---

**54** Appendix- Subgroup Analysis

---

## BACKGROUND AND OBJECTIVES

- At its meeting of January 28, 2016, the Executive Committee of City Council directed the Executive Director, ML&S, and the Chief Planner and Executive Director, City Planning, to provide a report in 2017 on regulating temporary accommodation rentals.
- The report is expected to outline options to designate ‘temporary accommodation rental’ as a specified use under the Zoning Bylaw, and, based on that designation, options to regulate, restrict and/or prohibit temporary accommodation rentals.
- To help inform the development of this report the City conducted public consultation research among City residents, as well as users and providers of short-term accommodation rentals to collect their perspectives and their opinions about options to regulate.
- ML&S commissioned Ipsos to both conduct quantitative and qualitative research with City of Toronto residents. This report provides the findings from the quantitative component.

# METHODOLOGY

- The quantitative phase of research consisted of a representative online survey of n=1,009 adult Toronto residents (18+).
- The sample for the survey was sourced from a mix of pre-recruited iSay sample and non-panel random Ipsos Ampario sample. Quotas and weighting were used to ensure the sample was representative of the surveyed population by age, gender and region accordingly to the latest Census figures.
- Fieldwork was conducted between April 7<sup>th</sup>- 21<sup>st</sup> 2017
- Statistically significant differences in the data have been shown two ways:
  - To identify differences between subgroups and the total population circles have been used. When the subgroup is statistically higher than the total it is identified with a green circle  and when it is statistically lower it is identified with a red circle .
  - When comparing subgroups to each other lettering has been used. When one subgroup is statistically higher than another, the letter associated with the lower data point is placed beside the higher data point.

## KEY FINDINGS (1)

- **Two in ten (20%) Toronto residents have used at least one short-term rental platform in the past 12 months. Airbnb (19%) is by far the most common platform, while very few have used Home Away (3%), VROB (2%) or FlipKey (2%). Comparatively, six in ten report having used at hotel in the past 12 months (60%), while one-quarter (24%) have used a resort and fewer a motel (19%) or bed and breakfast (14%).**
- **Nearly three-quarters (73%) of those who have used short-term accommodation in the past year report doing so when travelling outside the province, while more than four in ten (44%) did so when travelling within Ontario and two in ten (19%) within the City of Toronto specifically. Those who have used short-term rental platforms are more likely to have used them within the City of Toronto compared to the total population (31% vs. 19%), however the primary location they have used the platform is outside the province (76%).**
- **Among those who have used a short-term rental platform, opinions are mixed about how it has impacted usage of traditional accommodation (i.e. hotel, motel, etc.). One third (35%) say they use traditional types of accommodation the same amount as they did prior to using short-term rental platforms while the same proportion (34%) say they use traditional accommodation less often and slightly fewer (30%) claim to use them more often.**
- **Most (39%) Toronto residents have a positive impression of Airbnb, while one quarter (25%) are neutral, two in ten (20%) have a negative impression and slightly fewer than two in ten don't know enough to provide an opinion (16%). With the exception of Airbnb, the majority do not know enough about the other platforms to provide an opinion. Those who have used any platform in the past year are significantly more likely to have a positive impression of it (i.e. 83% of Airbnb users have a positive impression).**

## KEY FINDINGS (2)

- **Toronto residents acknowledge many of the perceived benefits of short-term rental platforms with the vast majority in agreement that they bring tourist spending to neighbourhoods outside the downtown core (70%), are an important source of supplemental income for residents (68%), make Toronto a more appealing tourist destination (65%), and offer the type of competition and availability in short-term rentals that Toronto needs (59%).**
- **However, there is also strong support for certain safeguards to help protect consumers. Three-quarters agree that hosts should be required to complete a criminal background check (76%), while agreement is also strong that short-term rental properties should have increased fire safety requirements (71%), that people who host a property for less than 30 days consecutively should have to obtain a special license (61%), and that residents should not be allowed to use their property as a hotel and there should be restrictions on the number of rental occasions (58%).**
- **When thinking about priorities for the City in regulating short-term rentals, keeping residential areas and buildings safe is considered the most important (55% ranked it 1, 2 or 3) with more two in ten (22%) who view this as their top priority. Housing affordability is also among the highest priorities with a similar proportion identifying it as their top priority (21%), but fewer ranking it in their top 3 (42%), while regulating all types of short-term rentals fairly (39% ranked 1-3) is also a prominent concern.**
- **The vast majority (74%) of Toronto residents are of the opinion that short-term rentals should be permitted with some regulations, while fewer than two in ten (16%) think short-term rentals should be allowed without regulation and one in ten (10%) that they should not be permitted in Toronto at all.**

## KEY FINDINGS (3)

- **The majority of residents are amenable to allowing short-term rentals in most types of residences or property. Support is highest for a secondary residences (67%), followed by primary residence (63%) or investment properties (60%). Detached houses are seen as the most appropriate type of property for short-term rentals (71%), however a majority are also in favour of allowing rentals in a condo (62%), townhouse/ rowhouse (56%), or semi-detached house (55%).**
- **In terms of the type of space, residents are most likely to feel that an entire residential unit (60%) or basement/ secondary suite (56%) should be allowed. Fewer support renting out individual rooms with nearly half in support of allowing one spare room (48%), followed by two spare rooms (43%) or three or more spare rooms (38%).**
- **As for who should be allowed to rent on a short-term basis, most feel property owners who own a house (61%) should be permitted followed by property owners who own a condo (50%). Less than half feel that property owners who own multiple properties (40%) should included, while fewer believe landlords of entire buildings (29%) or renters (19%) should be allowed.**
- **Opinions are mixed about the maximum number of nights a short-term rental should be allowed to be booked per year. Nearly half (46%) feel there should be some limit on the number of nights however there is no consensus on an exact number. Further, one-quarter don't know enough to provide an opinion (26%) and two in ten feel there should be no limit at all (20%).**
- **A plurality of residents (41%) support the idea of a new lodging tax for short-term rentals, while one third (34%) do not support this measure and one-quarter don't know (25%). Comparatively, the majority (54%) do not support such a tax for hotels and motels, while one-quarter don't know enough to provide an opinion (25%) and two in ten support (21%).**

## KEY FINDINGS (4)- AMONG HOSTS

- **Four percent (4%) of Toronto residents report having rented their property as a host for less than 30 consecutive days in the past 12 months. Of those who have, the majority used Airbnb (59%) followed by less than half as many who used HomeAway/ VRBO (26%) or FlipKey (15%). Base sizes are small and for platforms other than Airbnb are too low for detailed commentary.**
- **Of the Airbnb hosts we spoke with, most have rented out one property in the past 12 months (51%), while one-quarter (24%) have rented out four or more properties. Fewer than two in ten (17%) have rented out two and around one in ten (8%) have rented out three. The vast majority indicate the property is their primary residence in Toronto (71%), while around one-third (35%) rented their vacation home outside of Toronto and one-quarter (26%) a secondary residence in Toronto.**
- **On average, Airbnb hosts report having rented out their property 3.1 times in the past 12 months. The highest proportion have rented out their property once (30%), followed closely by those who have rented a property four or more times (28%), or twice (26%), while fewer have rented out a property three times (17%).**
- **A strong majority (65%) report that their typical guest stays three or fewer nights of which a three night stay is most common (35%). On an annual basis, two-thirds (66%) indicate renting out a property for fewer than 30 nights of which most (43%) say between 8 and 30 nights while nearly one quarter (23%) report between 1 and 7 nights.**
- **The most common type of property rented out is a detached house (58%), followed by nearly half as many who mention a condominium (34%) and one-quarter an apartment building (24%). The majority of hosts rented out their entire home (59%) followed by closer to half who rented out one room (52%). Fewer have rented out two or more rooms (29%) or a basement apartment (15%).**

## KEY FINDINGS (5)- AMONG HOSTS

- **Hosts indicate that the majority of their guests are tourists (57%) followed by business travelers (19%), local residents (13%) or students (11%).**
- **The annual income generated by hosts varies with nearly half (47%) make under \$10,000 per year and few (16%) exceeding \$40,000 in income. Nearly three quarters (74%) indicate that they host a property because they need the additional income to pay for every-day essentials.**
- **Assuming the unit was not used as a short-term rental, hosts would take a variety of different actions. Around three in ten would either rent it out on a long-term basis (32%) or let it remain empty (31%), while one quarter (24%) would live in the unit while around one in ten (13%) would sell the property.**

# PROFILE OF SHORT-TERM RENTAL USERS\*

FACTOR	DIFFERENTIATING CHARACTERISTIC
<b>Age</b>	<ul style="list-style-type: none"> <li>• Skews younger, twice as likely to be under 35 than average</li> <li>• Average age of user = 36 years old vs. 46 years old among the general population</li> </ul>
<b>Gender</b>	<ul style="list-style-type: none"> <li>• Evenly split, consistent with the general population</li> </ul>
<b>Region</b>	<ul style="list-style-type: none"> <li>• More likely to reside within Old Toronto (a.k.a. Toronto proper, old borough of Toronto)</li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>• Skews slightly higher than average</li> </ul>
<b>Behaviour</b>	<ul style="list-style-type: none"> <li>• More likely to have used short-term rental within the City of Toronto compared to usage of other types of accommodation (i.e. hotel, motel, B&amp;B, etc.), however the primary location visited is outside the province.</li> <li>• More likely to cite business or short-term housing as purpose of stay than on average, however vacation is by far the most common reason.</li> <li>• More likely to place importance on user reviews or a full-service kitchen and less likely to feel courtesy of staff is important. Cleanliness, personal safety and quality remain by far the most important however.</li> </ul>
<b>Attitudes</b>	<ul style="list-style-type: none"> <li>• Twice as likely as the general population to support short-term rentals in Toronto without limitations, however the majority feel that they should be allowed with some limitations in place.</li> <li>• More likely to support short-term rental in all properties types, spaces and among all types of hosts.</li> <li>• Much more likely to have a positive impression of the platforms they have used than the general population and to agree to all potential benefits of short-term rental platforms (boosts tourism, offers competition, income for hosts, etc.)</li> </ul>

\*Given the limited number of residents who have used HomeAway, VRBO or FlipKey we have grouped them together with Airbnb users to provide a more robust sample (n=205).



# **Municipal Licensing and Standards**

## **Short-Term Rentals: Qualitative Research with Providers & Users**

March 2017

# Contents

<b>1</b>	<b>Introduction.....</b>	<b>1</b>
<b>2</b>	<b>Impact on housing availability .....</b>	<b>3</b>
<b>3</b>	<b>Safety issues.....</b>	<b>5</b>
<b>4</b>	<b>Impact on economic development &amp; tourism .....</b>	<b>9</b>
<b>5</b>	<b>Impact on neighbourhoods .....</b>	<b>10</b>
<b>6</b>	<b>Regulatory options .....</b>	<b>12</b>
	<b>Appendix: General experiences of short-term rentals .....</b>	<b>15</b>

# 1 Introduction

The City of Toronto is reviewing short-term rental activity in the city facilitated by applications such as AirBnB, VRBO and Flipkey.

Municipal Licensing and Standards (ML&S) commissioned Ipsos to conduct quantitative and qualitative research with residents. This report provides the findings from the qualitative component.

## 1.1 Methodology

Four focus groups were conducted:

- 2 among residents who rent short-term rental units in the city of Toronto – hereafter referred to as ‘providers’
- 2 among residents who book short-term rental units either in the city and / or outside the city – hereafter referred to as ‘users’

During the recruitment stage, all participants were screened to ensure that they had taken short-term rental bookings or booked a short-term rental within the last 2 years. Other criteria monitored during the recruitment phase included: frequency of short-term rental bookings, types of short-term rental applications used, household income and highest level of education achieved to ensure a variety of perspectives.

The tables below show the breakdown of the profile of those who participated in the research.

**Providers Profile**

Demographics	N
<i>Sex</i>	
Male	9
Female	7
<i>Type of short term rental</i>	
Room only	3
Entire property only	11
Room and entire property	2
<i>Type of platform used</i>	
Airbnb	12
VRBO	6
Flipkey	3
<i>Frequency of short-term rentals</i>	
A few times every month	12
A few times every year	2
Once or twice in the past 2 years	1
Never in the past 2 years	1

**Users Profile**

Demographics	N
<i>Sex</i>	
Male	8
Female	9
<i>Booked accommodation in Toronto in past 2 years</i>	
Yes	13
No	4
<i>Proportion of accommodation bookings via Airbnb/VRBO/Flipkey in past 2 years</i>	
Almost all of bookings	3
More than half of bookings	5
Around half of booking	5
Fewer than half of bookings	2
Just once	2
<i>Satisfaction with Airbnb/VRBO/Flipkey</i>	
Very satisfied	7
Somewhat satisfied	7
Neither / nor	2
Somewhat dissatisfied	1

Each focus group lasted 90 minutes and they were conducted on February 27<sup>th</sup> and 28<sup>th</sup>, 2017. A total of 16 providers and 17 users took part in the research.

**1.2 Interpretation of the findings**

The report provides views and perceptions held by providers and users of the short-term rentals. This means that the findings may be unreflective of how residents in Toronto as a whole feel about short-term rentals given that they may have more limited awareness or use of short-term rentals.

Further, the findings presented in this report are qualitative in nature. The value of qualitative research is exploring in depth the factors that shape public attitudes and behaviours on certain issues. At no point is the intention to produce results that are statistically representative of the population at large.

For a more robust understanding of how residents in the city view the short-term rental market, please refer to the quantitative survey report.

## 2 Impact on housing availability

Providers felt that short-term rentals provided several benefits over longer-term rentals, including:

- **Shorter term relationships with tenants.** Providers found this an attractive proposition, particularly in the case of troublesome tenants.

*If you have any concerns with anyone coming in, it is not something that you have to live with and create headaches. They're there for x amount of days and then they're out. You don't have to worry about that anymore as opposed to a long-term individual that's going to be ongoing issue. – Provider*

*You have a bad short-term tenant, they're generally gone in a week, if you've got a bad long-term tenant, could be years. – Provider*

- **Larger amounts of income are generated through short-term rentals.** Although amounts earned from short-term rentals can fluctuate between seasons, during the summer months providers can earn twice or thrice the amounts from a longer-term rental.

*\$6000 a month in the summer with short-term rentals, versus \$2200 for rent. – Provider*

*In the summertime, we're getting \$350 a night, and reputable places with similar situations to ours, they are charging about \$3200 a month in rent. So, if you do the math, you take \$350 or \$400 in peak months or long weekends, the amount of days in those months, it's like double and triple the rent for a month on a long-term. – Provider*

- **Offers providers with more flexibility and less commitment.** Providers are not tied to year-long contracts which was felt to be convenient should circumstances change or for special occasion (e.g. having access to the property for when family or friends are visiting).

*It also gives you opportunities to have friends or family stay. You're not fully committed and do not having to wait like a lease, one year, that's the big thing. – Provider*

- **Perception that current regulation is biased towards tenants.** This was discussed in fairly broad terms, although it is likely that they were referring to the provincial Residential Tenancies Act (RTA).

*Dealing with a long-term relationship it can get frustrating because when something happens it's tricky to handle and you're not always protected on your side. – Provider*

The research captured very little on the potential effects of short-term rentals on the longer-term rental market from a user perspective: one user stayed in an Airbnb in the city while he was looking for a longer-term rental. Another user, who also had experience of being a provider, used short-term rentals because it fitted with her nomadic lifestyle.

*It's a good transition place. For a while I was being a complete nomad. Was out of the city so often I didn't want have a place here. So I'd use Airbnb and return to places I liked. Almost like furnished temporary housing. – User (with experience of being a Provider)*

Other uses for short-term rentals in Toronto by Toronto/GTA residents related to requiring short-term accommodation during temporary displacement from their primary residence (due to renovations, flooding or fire) and, as noted above, a place to stay in the downtown core after a night out.

*I've had people who've had fires in the houses, or a flood. I had a two-week booking last month, her mother came into town and there was a shooting in front of her building and they didn't want to stay there so they booked two weeks at my house. – Provider*

Another effect of short-term rentals on housing found in the research was that it enabled one provider to raise enough income from short-term rentals to stay in her current home since separating from her partner.

### 3 Safety issues

Providers and users were fairly selective in their choices of guests and where to stay respectively. As such, the 'instant booking' function on Airbnb was generally disabled by providers.

Providers appeared to be primarily concerned with protecting their property when screening guests; they often explicitly admitted that they screened for older guests with higher incomes as they presumed these types of guests would be more responsible with the property. International guests were preferred to guests from the GTA; the assumption was that the latter were looking for a place to have a party or "crash" after a night out of drinking in the city. Overnight and last minute bookings were also avoided as these were seen as indicators of parties.

*I'm very picky, and it's age related. Every problem I've had has been under 25, every problem. – Provider*

*I'm pretty selective in terms of the description I've put into the website itself. I'm generally above the average price in my area because I want to attract individuals that can afford that. [...] It's a really nice suite, it's designed by the individual that did my house so there's a lot of very nice pieces there that I don't want ruined. – Provider*

*I live there alone and I try and make it a more upscale rental and appeal to people who are more interested in heritage preservation. I'm also an artist so my art work is throughout the apartment. I use my intuition a lot when it comes to people, I mean I use all kinds of ways – sometimes it's just a bad feeling I get about somebody. I also look them up on Facebook – Provider*

*I avoid locals because to me, who are you, why do you need to stay in my condo? Usually they don't have a good answer for it. I don't really let people stay anymore that live close by, because I find they're just looking for a different place to have a party. - Provider*

*Last minute bookings are a big red flag because that's when the parties happen. – Provider*

The findings from the groups with users corroborated to an extent some of the views expressed above. Users who had booked a short-term rental in the city had done so to avoid journey home after enjoying the city's nightlife. That said, users also reported that they are generally more careful when staying in a short-term rental property than in a hotel because it is someone's home and the more personal connection they have with their hosts.

*You care more in an Airbnb. In a hotel, not that you're not nice but you're on vacation from A to Z and when it's a personal house and you see the owner when you check in and out, you care a bit. – User*

*I'm more a slob in the hotel because maid will clean up hotels. I respect someone's home more. – User*

Meanwhile, guests with children divided opinion among providers: some felt that families were desirable guests because they are unlikely to have a party while others were concerned about children causing damage to their property.

*My place says boutique family home, and if you don't have kids I really don't want to hear from you. Whether it's adult kids or children, I have pack and play, I have high chairs. – Provider*

*Whenever they have a kid they do have to indicate that to me and usually between two and five I don't like that because I'm afraid that toys will be going down the toilet or something I don't have control over. – Provider*

In the process of selecting where to stay, users were primarily concerned with price and location. The size, type and cleanliness of properties were secondary concerns.

*For me personally, I look at price first and location. I look at the map and then see which prices are lowest. Then size and cleanliness of the place after. – User*

The review system available on some applications was relied upon to select guests / hosts. Moreover, it was seen as an effective means of encouraging both providers and users to be responsible. Both providers and users tended to trust guests / hosts for whom they could find numerous reviews.

Providers appreciated reviews that provided specific details – such as whether guests were punctual – over generic statements on the character of guests. Similarly, users valued specific information on whether property matched description and photographs and level of cleanliness when reading reviews.

*The people that are coming in, the renters, we have to review for them as well. They're forced to behave themselves because they can get ticked off, they can get blocked. I can get money back from them. It's a win/win. I have to take good care of them and they have to take good care of me. – Provider*

*We look at the reviews and look for key words, rather than saying they're great, they're accommodating and things like that. It's more about punctuality in terms of when they arrive, when they leave. In terms of being respectful of your environment. We both okay it before we proceed. Basically do a lot of resources searching, LinkedIn, Facebook and stuff like that. – Provider*

Still, providers and users felt that sometimes reviews can be misleading because of general hesitation to write a negative review or if an incident was resolved, it may result in an unreflective positive review.

*I find reviews are helpful but sometimes it's misleading too because more and more people are doing it and a lot of people are leaving positive reviews. If something's damaged but the guys paid for it, oh, it's okay, I'm going to leave a positive review so you won't know about it, right? Reviews aren't that useful anymore. – Provider*

*I've had a few experiences where everyone said the place was amazing and clean but it had spiders and it was filthy. The host was really nice so I thought maybe people were just being nice. – User*

Providers supplemented reviews of guests with other online searches such as looking for the individuals on LinkedIn or Facebook. Experienced providers went further to say that they have a good intuition in screening guest through a combination of reviews left by other providers, the types of messages or questions they received and googling guests. Users did not look for information on hosts beyond the reviews.

*When they send you a little message first, you look at their age. Number one. Number two is the length of stay, how long they're going to stay. If it's overnight, it could be a problem, especially if they're young. Number three is sometimes they ask about price, can you confirm the price? Do I need to give the deposit now or can I do it later, when do I get my deposit back? Can I call you in two days when I have my money so I can book it? There's indicators. – Provider*

Few additional safety precautions were taken by providers once confirming a guest; these included ensuring that they meet guests to verify their identity and code access instead of key access to units. One provider had considered installing a noise detection unit but refrained from doing so as he was uncomfortable with the idea of monitoring his guests.

Providers and users had had 'bad' experiences of short-term rentals albeit not frequently. Among the former, examples given included: parties; guests turning up at the property that did not match the profile pictures on their online accounts or who had used stolen credit card or account details of others; guests breaking into properties; porn films being shot in the property. Neighbours and cleaners tended to be the key sources of finding out about problems.

*I have about 100 people stay in my house a year and I have very very few bad experiences. I always say one in ten kind of bugged me a little bit, but that's a petty thing. They stayed a little longer than they should have, they left garbage out or something. But most people, this experience has completely raised my expectations. – Provider*

*The guy had all the verifications but the profile picture doesn't have his face, I actually met him on the day, he was just a young guy. He stayed at one of my places one night and he left, but a few days, I think it was last Sunday I went into my other place – I have two properties – he's sitting there in my place. Because he knows how I use the check-in process, he knows my password and saw that my calendar was open. – Provider*

*My cleaner is really good at letting me know about the state of the apartment after they have gone. – Provider*

As noted above, negative experiences of users were also few and far in between. Examples of bad experiences given included: cleanliness issues; being asked to turn music down by hosts; unaware that hosts were also staying in the same property; unable to contact hosts

regarding issue with property; and unable to check-in because someone else had checked-in already.

*We were asked to turn down music. And another time there were flies on the ceiling. We asked her to clean it up. She pretended it didn't happen before. That was annoying. Spoke to the host directly. – User*

Expectations and experiences of support from Airbnb were mixed. Among providers, some had become aware of issues from Airbnb directly (in the case of a stolen credit card being used for example) and others had had very positive experiences of being refunded by Airbnb for damages caused by guests. At the same time, it had not occurred to others to contact Airbnb for issues and dealt with matters on their own (for example, asking unwelcome guests to leave). Others still have found that it took a long time for Airbnb to act and there was a perception that service provision for hosts has declined over the years.

*I was on the phone with Airbnb for about two hours, convincing them that the guy needed to go. They wanted me to call him and talk to him. It was four in the morning and my neighbour said there was like tons of people in there. He's already broken three rules, I want him out. So after a lot of convincing with Airbnb, he was gone. – Provider*

*They are all becoming weighted toward the guest and a couple of years ago when I started this, almost five, it was really about taking care of the host and this is something that we're seeing change. – Provider*

Users had even less experience of contacting Airbnb as most issues were resolved with the host directly. Those who had contacted Airbnb gave positive feedback of their experiences.

*I had to call Airbnb because there was someone already checked into the room. I wasn't able to get through that same night because it was 10 pm. Airbnb looked into it and gave me a \$100 credit. – User*

## 4 Impact on economic development & tourism

Users prefer short-term rentals to hotels because of the offer of an off-the-beaten path experience at their vacation destinations (see appendix for more details). When asked specifically on whether trips were booked solely because of the attraction of a specific short-term rental, most said that the trips would have occurred even in the absence of the short-term rentals. In the future, some users said that they would be open to booking a trip as a direct result of seeing a specific short-term rental.

Providers provide their guests with information – in the form of manuals and pamphlets – on what to do either in the neighbourhood of the short-term rental properties or in the city. Some providers made an effort to provide an experience to their guests, not just a place to sleep.

*I do go down to City Hall and collect the pamphlets for all the things to do in Toronto and there's lots of them and they're pretty good. Because I live in Cabbagetown, I get some maps from the BIA office and you can do your own walking tour of Cabbagetown and I make sure that I have the history book of Cabbagetown and the walking tour guide. – Provider*

*We make our version of Yelp, of restaurants and the like in the neighbourhood. We have a listing of where the nearest supermarket is, and all those types of things. – Provider*

*I do a hard cover book, that when someone makes an enquiry I send them a pdf of it and it's the best place for coffee, where to go for shopping, it's a 40 page book. And it also tells you how to work everything in the house. People don't bother me once they check in because everything is in that book. I also give people ten dollars at Nadege which is a French bakery downtown, there's also bathrobes and slippers, a digital safe. I do the things that I'd want to happen. – Provider*

## 5 Impact on neighbourhoods

As discussed previously, providers were generally averse to renting out their properties for parties or guests which they felt would be irresponsible towards their property. This was primarily driven by concerns about damage, but also concerns on noise levels which could lead to neighbourhood disturbance.

Complaints from neighbours were seen as a problematic issue for providers, particularly for those who had short-term rentals in condominiums that prohibit this. There was widespread awareness among both providers and users that most condominium management boards currently forbid short-term rentals, but providers and users often ignore this as it is not enforced. Only one provider had had an experience of condominium management taking action and this came in the form of a warning letter.

*I got a warning about renting on Airbnb. Scared me off for a little bit. – Provider*

Some precautions were mainly taken to hide the short-term rental property from neighbours or condominium management boards. This included guests being met for key exchange, guests are instructed to tell neighbours that they are friends of providers and to not contact concierge. Providers admitted that these arrangements are inconvenient and can seem odd to their non-local guests. Users were not bothered by these types of instructions because of their awareness of the situation with condominium boards.

*Management boards have an issue with it, so we tend to only rent to people that are in the area and we meet them beforehand so we can show them or have somebody show them. You can't just leave your fobs and everything at reception. – Provider*

*I think the condo board can be straight forward and either ban it completely and enforce it on a level that's super strict, you screen everyone who enters the building or you find a way the work with the host so everyone can be honest and straightforward. I am doing an Airbnb. – Provider*

*I literally write them a note saying this is the correct address and please make sure no mention is made while you're with me. Sometimes it freaks people out, because remember they haven't met me yet, they haven't come to my suite yet. Then you have to further explain because the condo doesn't like this type of activity, I ask that you do this. I'd rather pay the extra permit fee and not do this. – Provider*

*If they've got a problem, you leave your number or someone else, they can contact directly, rather than call the front desk. I'll even pay for a long distance call no matter where I'm at before someone goes to the concierge. – Provider*

*I warn guests about noise and parties. I don't want them to talk to our neighbours in the building. So they just sort of stay quiet and under the radar. – Provider*

*I don't blame Airbnb. It's the condos making a fuss. The condos are mad they're not making more money. – User*

Taken together, the findings from this and the previous section show that:

- Providers typically do not inform their neighbours that they are using their properties as short-term rentals
- Providers and users are often aware that they are contravening condo bylaws and avoid standard security measures in their buildings
- Providers attempt to minimise potential issues in order to avoid penalties or complaints

When asked whether participants themselves would like to live next to a short-term rental, several points emerged, almost all providers and most users admitted that they personally prefer not to live near short-term rentals because of concerns of noise, poorer upkeep of properties and strangers staying in the rentals. At the same time, the same providers were quick to react very negatively to any form of regulation on short-term rentals (more details below). This suggests that there is a degree of NIMBY-ism at play.

*People, even if it's just long-term renters, don't take care of their property if it's not owned by them as much. It's normal in a condo that has mostly renters, it's not as nice as a condo that's mostly owners. And now you're talking about people who have even less invested in their home. – Provider*

*If you're living there full time, and you have to go to work in the morning, and you have a family with small children, I wouldn't want random people that I don't know at all. – Provider*

*Even though I use Airbnb myself, I don't want live in the Airbnb building. Because I don't know who's coming. All these people here are nice people but I don't know. If my neighbour has people coming and going, if something happens, then what? – User*

It is worth noting that some users did not think short-term rentals were any different to other neighbours they may have and remained unpersuaded by arguments that regulation would minimise noise levels. Meanwhile, others raised concerns with living near short-term rentals.

*Airbnb is just like having a neighbour. As long as, people are respectful. Just say, "I have neighbours. Don't be loud." Most people follow the rules. - User*

## 6 Regulatory options

There was general agreement among providers and users that short-term rentals should be allowed in the city. Views on whether there should be any regulation in respect of short-term rentals were more divided.

On the one hand, some providers and users had a very negative reaction to regulation. Among providers, this was mainly underpinned by belief that as property owners they had a right to use their property as they saw fit. As such, the same providers felt that it was inappropriate for renters to use their rental units for short-term rental without permission from landlords. These providers also held the view that the underlying motives for regulation was to protect the interests of the hotel industry and a “cash grab” from government. This view suggests that there may be some misinformation and / or general distrust towards government.

*I do what I want, it's my unit. My home. I pay my taxes, why should anyone get involved in my home, and telling me how I generate my income? – Provider*

*My question is, is it they're concerned about short-term rental? Or are they really concerned about hotels and complaints and income? So basically what we're looking at, we're looking at the big guys, the huge hotels are starting to complain, and we want to protect them, so get the guys in the short-term rentals? – Provider*

Users with a very negative reaction to regulation attributed lower prices of short-term rentals to the fact that there is no regulation. Arguments of increased safety and cleanliness standards were countered with the fact that there are “good and bad hotels” or consumers have the option to pay extra for hotels. Therefore, regulation would limit choice for those on a limited budget. Others still did not see a need for regulation because of their largely positive experiences so far.

*If they apply hotel tax on Airbnb, it's going be more expensive. If I want privacy and cleanliness I'd pay more and go to a hotel. – User*

Both providers and users who opposed any form of regulation trusted the review system to hold both hosts and guests accountable.

*There's good and bad hotels just like good and bad Airbnb. No point in regulation. Would rather do my own research and get an Airbnb. I'm helping someone else make money. I don't want to pay a company or agency. - User*

*Reviews make it more official. If you see a five star, you know it's managed well. Won't be dirty. – User*

Others saw the value of regulation in protecting both providers and users. From the providers' perspective, there was a view that regulation, through a permit approval process, has the potential of encouraging better short-term rental providers. Meanwhile, users were surprised to find out that there are no background checks conducted by companies such as Airbnb on hosts and felt that regulation could lead to improved personal safety.

*I think there should be permits. Fire and all the codes should be met. I think if people are hosting parties that are disturbing their neighbours they should lose their permits. What I want, and what I think we should all want is that there are quality hosts that care about the people that are staying in the city. – Provider*

*There's a small fear: Whose home am I going into? I'm all for regulation to ensure the hosts are safe. – User*

In discussing specific requirements, both providers and users appeared to be supportive of very minimal regulation. There was broad agreement that fire safety codes and background checks on hosts should be included as part of a permit process. A further view expressed, albeit less frequently, was that the level of regulation should vary depending on the scale of the short-term rental.

*There are people that share a room in their house, there are people that rent out their house when they're not there and there are people like me that are more commercial about it. – Provider*

Beyond these requirements, there was a generally negative or muted reaction to the remainder of regulatory requirements providers and users were exposed to. The limits on number of guests tended to confuse participants: the rationale behind the regulation was not always clear and providers felt that limiting the number of guests is something they would do anyway to protect their property and minimise noise impact. The limit on number of nights was seen as going too far with regulation, especially among providers.

*I think the host wants what's best for their unit, so they wouldn't be advertizing a one bedroom to 4 people, they're also thinking of their own wear and tear. People lots of time will say, hey, do you have a couch? I'm like yeah, there's a couch but no. It's such a small space, it's just two people and that's it. – Provider*

*I don't think they should cap the nights. Their discretion. It's their house. If they want to rent it, they can. - User*

Enforcement of any form of regulation emerged as an important theme in all the discussions. As noted above, condominium boards are already struggling with enforcement. Providers went further to question whether the City could effectively enforce an outright ban of or any other type of regulation on short-term rentals.

*You can outlaw it but you also have to have the policing and you need to have the funds. And you know how broke the city is now – are they going to have cops knocking on doors saying are you renting this on Airbnb? – Provider*

There was some awareness of the incident of the City taking action on three homes on Bleeker St. When this was brought up in the discussions, it did not appear to sway the opinion of those who were unsupportive of regulation to begin with.

*I'm fairly close to Bleeker Street. There are a number of homes there that are owned by individuals and they have multiple bedrooms in them and they've been charged with bylaw infractions. Because of all the garbage and all the noise. I think there's three of them. And there's the concern that these are homes that could be rented out to long-term renters because there is a housing crisis in Toronto at the moment. These are all properties that are just for tourists. – Provider*

# Appendix: General experiences of short-term rentals

Consistent with broader research Ipsos has conducted on the topic of short-term rentals, cheaper cost was the main benefit users identified with short-term rentals. Other benefits identified included: wide selection of short-term rentals, opportunity to live like a local in a different place, a less “generic” place to stay and comfort of having access to an entire home on vacation.

*Usually prefer Airbnb. Price and I've stayed in some amazing places. Usually do whole houses. So much cheaper across Europe. – User*

*You get to live local. You get to experience the culture. – User*

*I have positive feelings toward Airbnb because there is a group of people in society which are pretty much a good match for Airbnb. They just want to get the whole home experience as opposed to a generic room at any given hotel, motel.*

Disadvantages identified with short-term rentals included: less flexibility with check-in and out times, less freedom with what one can do and no cleaning, concierge service or other amenities typically found in hotels. There was a clear sense users were willing to disregard these disadvantages given the cheaper prices of short-term rentals compared to hotels.

*When I was in Chicago and used Airbnb, we got told to turn the music down which I didn't like. Hotels, you have more freedom. Can go in and out when I want. – User*

Users had mainly booked short-term rentals for vacation purposes. This included vacations outside of the city and “staycations”. As discussed more fully in subsequent sections, users have also used short-term rentals in the city to avoid journeys home after a night out in the downtown core or for short-term housing purposes.

*I live downtown but I've done it just for a change of scenery, or to get away from crazy neighbours. A little staycation. – User*

*I like it because a lot of people don't have enough to buy a house so you can rent one or two nights, have a big house. If you're with your girlfriend and don't have enough to get away, to get a house it feels good. – User*

Most providers who took part in the research rented out an entire property (as opposed to renting out a room) and often their short-term rental was a second investment property (as opposed to renting out their primary residence). Users tended to prefer renting out entire properties for privacy and safety reasons.

Airbnb was the main application used by both providers and users; it is better known and for providers, there are no fees for listing a rental (although the site does take a commission on each booking). Its size, however, was seen as a problem among some providers. Those who are not on other applications stated that they are looking to other options as Airbnb becomes increasingly competitive.

Among providers who have been in the short-term rental market for longer, there was more awareness and use of other types of applications such as VRBO and Flipkey. Some went further to state that they preferred VRBO because of the perception that VRBO's user base is wealthier.

*I started with Airbnb because it's the biggest name, the biggest company but I am looking to the other companies as well because Airbnb is getting a lot more competitive. So having more avenues is definitely going to help. – Provider*

*I just get better customers from VRBO. They pay more, they're usually American or international, and they're flying in, so there's not as much risk of people renting it and they live in Mississauga, and they come and try and have a party in your place, which has happened on Airbnb.*