



## Re: MM2.8 & the Need for Fact-based Solutions Around Short-term Rentals in the City

### Introduction

Expedia Group is pleased to submit written comments on the Member Motion regarding short-term rental platforms introduced by Councillor Joe Cressy and seconded by Councillor Kristyn Wong-Tam (MM2.8). Expedia Group is the world's travel platform—with a family of brands leading travel technology and consumer choice in the hotel, airline, rental car, activities, and vacation rental markets. As a leader in Toronto's travel and tourism economy, we are interested in a factual debate about short-term rentals, their local value, and how fair policies can empower the city and its citizens. We are concerned that the proposals currently on the table could harm the long-standing tradition of vacation rentals, disrupt the local tourism economy, and ultimately do little to solve important issues facing the community.

### The Need to Strike the Right Balance

Expedia Group recognizes that all great cities must strike a balance between economic development and neighbourhood impact.

- On the one hand, Toronto wants the benefits of economic development from tourism – estimated at around \$8.8 billion in expenditures in 2017 – that by implication are greater when travelers have a broader choice of accommodation, including short-term rentals.
- On the other hand, the City wants to increase the availability of rental housing and the affordability of housing overall, goals that some have argued are made more difficult to achieve by a growing short-term rental market; and the City also wants to minimize any potential impacts of short-term rentals on residential neighbourhoods.

Expedia Group also recognizes that, in the only scientific poll commissioned by the City of Toronto, 67% of Torontonians supported allowing short-term rentals in secondary residences, and 63% of Torontonians supported allowing short-term rentals in primary residences (Ipsos, May 2017). For generations of families—both in Toronto and across the globe—vacation rentals have become a vital option to travel together or assist in making ends meet.

### Toronto's Housing Market is Influenced by Broad Macroeconomic Forces

Expedia Group understands that the availability of affordable rental housing is a real issue in Toronto.

In 2017 and 2018, however, we told Councillors that a principal residence restriction would be ineffective at increasing the supply of rental housing or affordable housing. We did so because it is well known among experts that broader macroeconomic forces are responsible for Toronto's housing prices and supply, and there is no evidence that the City's principal residence restriction would impact housing prices.

Many opponents of short-term rentals, for example, assume that secondary residences that are being used for short-term rentals would automatically be converted into long-term rentals if the City banned short-term rentals in secondary residences. For many HomeAway's hosts – who may be snowbirds, or

the owners of a secondary residence that they maintain for visiting family – we believe that to be a faulty assumption.

City Staff appeared to acknowledge our position themselves when they wrote in a report: “It is difficult to assess the precise impact of short-term rentals on housing availability and affordability.”

Furthermore, Toronto’s rental vacancy rate for 2016 is higher than it was during the majority of the 1990s, and more than double what it was in 2000, according to the federal Canada Mortgage and Housing Corporation. This period predated the establishment of HomeAway in 2005, as well as the founding of another major short-term rental platform in 2008. The vacancy rate always has been – and continues to be – determined by other factors.

Moreover, short-term rentals often alleviate the housing burden for the families operating them; these families rely on income from their short-term rental to help make ends meet.

### **Our Approach in Toronto**

Despite our stated position over the last two years, Expedia Group has been working with City Staff since January 2018 on the implementation of the short-term rentals regulations. We are not involved with the challenge currently before the Local Planning Appeal Tribunal and will work with the City irrespective of the outcome.

We continue to encourage the City to pursue an evidence-based approach to the development of public policy, and to be mindful of unsubstantiated claims made by other interests that are pursuing their own agenda. We welcome the opportunity to keep the lines of communication open and serve as a resource for you and your staff.

Respectfully,

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### **About Expedia Group**

Expedia Group is the world's travel platform. We help knock down the barriers to travel, making it easier, more enjoyable, more attainable and more accessible. We are here to bring the world within reach for customers and partners around the globe. We leverage our platform and technology capabilities across an extensive portfolio of businesses and brands to orchestrate the movement of people and the delivery of travel experiences on both a local and global basis. Our family of travel brands includes: Brand Expedia®, Hotels.com®, Expedia® Partner Solutions, Egencia®, trivago®, HomeAway®, VRBO®, Orbitz®, Travelocity®, Wotif®, lastminute.com.au®, ebookers®, CheapTickets®, Hotwire®, Classic Vacations®, Expedia Group™ Media Solutions, CarRentals.com™, Expedia Local Expert®, Expedia® CruiseShipCenters®, SilverRail™, ALICE® and TravelDoo®. For more information, visit [www.expediagroup.com](http://www.expediagroup.com).

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