



May 18, 2021

Dear Deputy Mayor Bailao and members of the Planning and Housing Committee,

On May 20, 2021 your committee will receive a report on Toronto's short-term rental by-law. As you know, Airbnb became a licensed short-term rental company in December 2020. Since then, we have worked with city officials on an almost daily basis to support the efforts of the city and to ensure compliance with the bylaw,

We have paid the city's \$1/night fee, collected the MAT, shared data and complied with every removal request the city has brought to our attention. Yet still, city officials seem to ignore the listings operating on other platforms who continue to list short-term rentals without being licensed and without following the rules. These other platforms have not collected the fee, the tax or shared booking data. Instead of taking action against bad actors, city officials are focused only on the one company that is in full compliance with the bylaw.

This is why it is extremely disappointing that city officials are recommending additional platform requirements at this time. Enforcement is a public responsibility, not a private one. As a platform, we are intermediaries, supporting both those who list their properties and those seeking to rent those properties. As an intermediary, we provide tools and resources to support both hosts and the government regulators, such as our city portal which is being used by city officials to manage compliance.

We're equally disappointed that the city is not giving the bylaw time to work before making haphazard changes only 5 months into the bylaws implementation. Instead of giving the new system time to work, the recommendation before you today simply pushes responsibility to private hands, eroding the city's ability to enforce with discretion and potentially undermining fairness for Hosts.

Finally, our experience around the world has shown that cities who have attempted to extend these responsibilities to platforms have seen very mixed results, with companies handling the liability in significantly different ways. This goes back to the point made above about currently non-compliant platforms receiving differential treatment. Instead of being able to appropriately regulate short-term rental activity, the result will be that it simply shifts the activity from a responsible platform like Airbnb, to those who have already been ignoring your bylaw for months and who see themselves as beyond the reach of the law.



Finally, the housing study contained in the report makes it clear that short-term rentals do not have a material impact on Toronto's housing market. It has been clear that rent prices dropped throughout the pandemic in the city. While year over year prices have dropped, what is important in analyzing the impact of short-term rentals is the month over month increases we have seen since Airbnb removed thousands of listings from the short-term rental market. The decrease in rental prices from the pandemic continued into 2021 after the short-term rental regulations came into effect but began to increase again as early as February of this year¹. According to a study cited in BlogTo, rent prices began increasing in February² and according to padmapper "Toronto saw both bedroom types increase in price as well with one-bedroom rent growing 2.3% to \$1,790 and two-bedrooms inching up 0.4% to \$2,310." While Toronto's bylaw has accomplished the city's goal of limiting short-term rentals (on the one platform in compliance), any argument that these properties contributed to the housing crisis facing the city is simply untrue.

Yours sincerely,

Nathan Rotman
Airbnb Canada

cc: Mayor John Tory

¹ <https://rentals.ca/national-rent-report> and <https://www.torontorentals.com/blog/toronto-gta-april-rent-report-2021> and

²

<https://www.blogto.com/real-estate-toronto/2021/04/toronto-rent-prices-went-up-after-more-than-year-declines/>