

## **Attachment 2: Public Consultation and Stakeholder Engagement Summary**

### **1. Background**

Toronto Municipal Code, Chapter 547, Licensing and Registration of Short Term Rentals - in conjunction with zoning provisions - permit property owners and tenants who are registered as short-term rental operators to rent their principal residence (i.e. where they ordinarily reside) for a period of less than 28 consecutive days. The primary goals of Chapter 547 are to limit short-term rental activity to principal residences and to protect critical rental housing stock by maintaining access to long-term accommodation for tenants.

The attached report responds to City Council direction to provide an update on the implementation of the City's short-term rental regulations and assess their impact on Toronto's short-term rental market. In October 2023, City staff undertook a public consultation and stakeholder engagement process to i) provide an update on the short-term rental program's implementation, ii) seek feedback on experiences since the implementation of the bylaw and iii) seek input on the proposed amendments, standards and fee changes. The input received from the engagement process was taken into consideration when informing the recommendations outlined in the accompanying report to Council.

### **Participation**

In total, approximately **4,200** respondents participated throughout the engagement process in Fall 2023, through the following channels:

- 443 participants at three public meetings:
  - October 17<sup>th</sup> Virtual Public Consultation: 270 participants
  - October 24<sup>th</sup> In-Person Public Consultation: 85 participants
  - October 26<sup>th</sup> Virtual Public Consultation: 88 participants
- 193 participants at one virtual meeting hosted for short-term rental operators on October 23<sup>rd</sup>
- 3,500 respondents to a public survey (available from October 4 – 30, 2023)
- 96 email submissions from various stakeholders
- 34 responses to a hotel-industry specific survey administered by staff from Economic Development and Culture
- Two virtual meetings hosted for licensed short-term rental companies, on October 17<sup>th</sup> and October 27<sup>th</sup>

### **2. Consultation and Engagement Approach**

#### ***Communications and Outreach***

The communications and outreach approach was designed to inform participants of the scope of the review, how and when to participate in consultations, and where to find more information on the bylaw and review process.

Staff conducted a robust outreach campaign to encourage participation in the City's engagement process. This included inviting short-term rental operators and other key stakeholders to the consultation directly via email. Staff promoted engagement opportunities by leveraging support from additional internal and external stakeholder networks such as *BusinessTO News* and organizations such as Ontario Hotel Restaurant Motel Association, the Greater Toronto Hotel Association, and Destination Toronto.

Staff also launched eight social media ads on Facebook, Instagram, and X (formerly Twitter), from October 11<sup>th</sup> to October 30<sup>th</sup>, 2023 to encourage participation in the City's consultation process and to provide feedback. During the ad campaign, 1,769,845 people were reached and during the review period, the Short-term Rental Implementation Update webpage received 16,192 views. For the duration of the engagement period, City staff were available to address questions from participants and to receive feedback via [mlsfeedback@toronto.ca](mailto:mlsfeedback@toronto.ca).

### ***Public In-Person and Virtual Consultations***

Public consultations included a diverse range of participants from housing and tenant advocacy groups, local residents, hotel and tourism stakeholders, property management representatives, and short-term rental operators. Property management representation included those who facilitate short-term rentals on behalf of short-term rental operators and as well as those who represent rental buildings and condominium corporations. Notably, short-term rental operators made up roughly three-quarters of attendees in each of the public consultations.

### ***Short-Term Rental Operator Specific Consultation***

A short-term rental operator specific consultation was facilitated by staff to ensure adequate time and focus was allocated to the short-term rental operator experience with the bylaw such as registration, compliance clarification, and potential recommendations. The short-term rental operators' meeting mirrored the diverse participation of operators who also attended the public consultation process described above. Invitations were sent to 8,860 STR operators via email and 193 operators (2.2%) attended the virtual operator-specific consultation.

### ***Email Submissions***

The majority of email submissions received and reviewed in response to the City's short-term rental bylaw implementation update were from residents experiencing short-term rentals in their neighbourhoods, residents concerned with housing supply, and short-term rental operators. Staff also receive submissions from organizations, associations, and advocacy groups such as Airbnb, Booking.com, Expedia, Right to Housing in Toronto, Fairbnb, Ontario Hotel Restaurant and Motel Association, Greater Hotel Association, and Hotel Association of Canada, among others.

### 3. Feedback Received

#### A. Feedback from Public Consultations and Operator Consultations

The following table outlines key themes from input received during the virtual and in-person public consultation sessions, the public online survey, email submissions received through [MLSFeedback@toronto.ca](mailto:MLSFeedback@toronto.ca), and virtual short-term rental operator specific consultation.

<b>Theme</b>	<b>Examples of Topics Raised</b>
Regulating Rental Periods	<ul style="list-style-type: none"> <li>• Short-term rental operators suggest a preference for short-term rentals citing flexibility, increased revenue and lower perceived risk</li> <li>• Restricting short-term rental activity through calendar-night limits impacts a short-term rental operator's ability to meet economic needs</li> <li>• Short-term rental regulations support positive community experience and mitigate challenges with the housing supply</li> <li>• Medium-term rentals (MTR) fill a market-level need for many new and temporary residents</li> </ul>
Short-Term Rental Program Fees and Revenues	<ul style="list-style-type: none"> <li>• Increase program fees to improve City service for short-term rental operators and community members</li> <li>• Increase program fines to bolster compliance</li> <li>• Additional clarity for the public on how the City allocates MAT revenue and further rationale on why short-term rentals are taxed</li> </ul>
Impact of Enforcement and Compliance	<ul style="list-style-type: none"> <li>• Requests to increase staff complement to meet customer service, compliance, and enforcement needs</li> <li>• Negative impact to business based on compliance measures (i.e. takedown of listings due to minor technical error)</li> <li>• Increase enforcement measures to ensure primary residence is being used for short-term rentals</li> </ul>
Community Impact	<ul style="list-style-type: none"> <li>• Short-term rentals support short-term affordable housing, medical care stays, housing friends and family, and individuals transitioning between permanent housing</li> <li>• Decreased sense of safety and community, and increase of disturbances such as noise and waste/garbage disposal</li> </ul>
Customer Support	<ul style="list-style-type: none"> <li>• Delayed response time from the City to nuisance complaints issued from community members</li> <li>• Inability to connect with staff related to online portal, registration, and enforcement challenges</li> </ul>

In addition, consultation participants also provided feedback on the proposed changes presented during the consultation sessions pertaining to:

### ***Updating the 180-Night Limit***

- Short-term rental operators were largely opposed to changing the 180-night limit, citing loss of income, purported impact on housing availability and preference for short-term tenants to long-term and medium-term tenants.
- Short-term rental operators renting one or more bedrooms suggested that the rooms were not suitable for long-term rentals because they lacked cooking facilities, laundry, etc.
- Short-term rental operators cited a preference for short-term rentals due to ongoing challenges with the Landlord Tenant Board.
- Participants who identified as neighbours to short-term rentals, housing advocates, and affiliates with property management companies were supportive of the 180-night limit to promote a positive community experience and improve housing opportunities.

### ***Tie Registration to Address/Limit Registration to One per Address***

- Most consultation participants, organizations, and advocacy groups supported the recommendation to tie registrations to an address and/or to limit registration to one per address citing its importance in enhancing enforcement measures.
- Participants who were opposed were generally: i) short-term rental operators who wish for another family member to register in the event of issues with existing registration and ii) short-term rental operators who have concerns about how City would operationalize the proposed change.

### ***Cancellation of Reservations for Unregistered Operators***

- No concerns were raised by short-term rental operators given this would be a compliance measure undertaken against unregistered operators.

### ***Shortening the Revocation Process***

- Short-term rental operators raised concerns related to reducing the revocation period, citing insufficient time to gather requested evidence and related staff resources impacting ability to respond to operator's inquiries.
- Participants who identified as neighbours to short-term rental and housing advocates were in support of shortening the revocation process to be able to address non-compliant activity in a timely fashion.

### ***Other***

When presented with opportunity to propose changes beyond the scope of what City staff had outlined in presentation and consultation materials, survey respondents and consultation participants noted the following for City staff to consider:

- Increasing support for short-term rental operators and the public via additional compliance and enforcement resources
- Work with Canada Revenue Services to confirm primary residence
- Outline a different set of regulations intended for partial vs. entire unit rentals

- Add licensing requirements for property management companies
- Increase the maximum nights per calendar year and increase taxes payable beyond 180 nights
- Automatically refer a property to the Vacant Home Tax due to revocation for exceeding the 180-day limit
- Proof of primary residence should be notarized by a lawyer or paralegal
- Apply a limit to short-term rental activity specific to each zoning area
- Implementing a temporary short-term rental ban until rental housing vacancy rates drop below a certain level

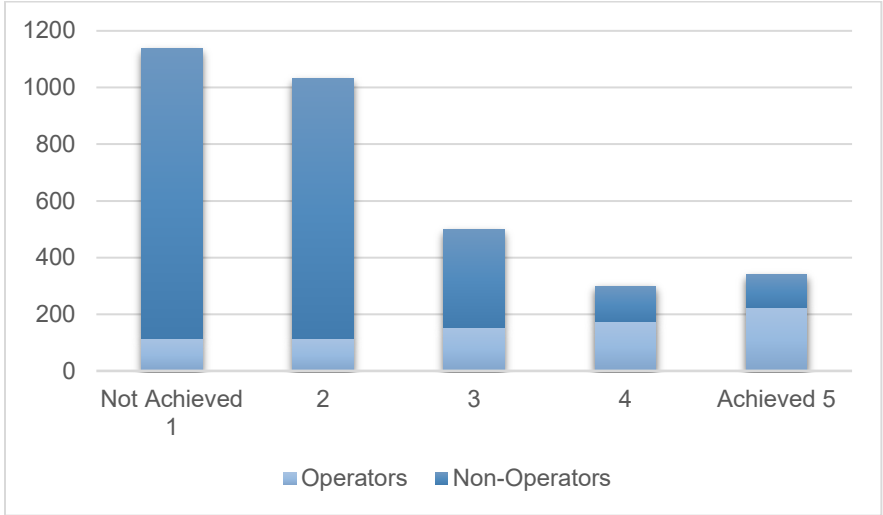
**B. Feedback from Public Survey**

The public survey attracted 3,500 respondents and included identifiers to permit respondents to indicate how they interact with the City’s regulations and short-term rental market. Notably, 78% of survey respondents identified as someone who was concerned with housing stock, followed by interested residents, and neighbours to a short-term rental.

Using a public survey allowed staff to reach interested parties who were unable to attend consultations and/or preferred this form of engagement over a consultation. At the beginning of the survey, participants were provided with an overview of the bylaw’s implementation, and appropriate links for more information.

The objective of the public survey was to i) gain quantitative feedback and ii) quantify differing perspectives based on identifiers and stakeholder affiliations. The survey was guided by the same 3 discussion questions utilized during the consultations, open-ended questions on medium term rentals and additional suggestions for regulatory changes.

**Question 1: How well do you think the bylaw has achieved the guiding principles?**

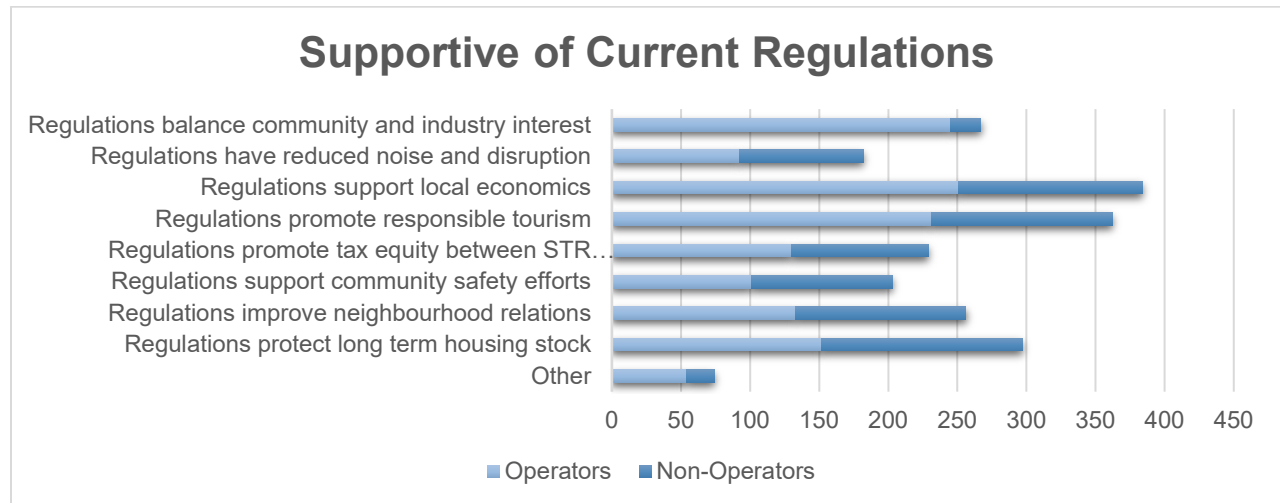
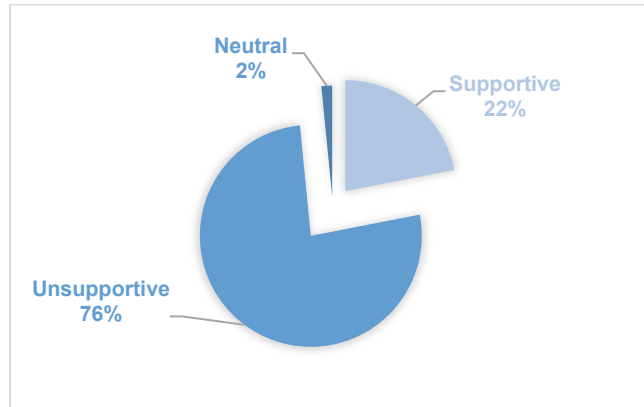


**Analysis:** Those who identified as short-term rental operators were more likely to suggest the City had achieved its guiding principles since the short-term rental bylaw’s

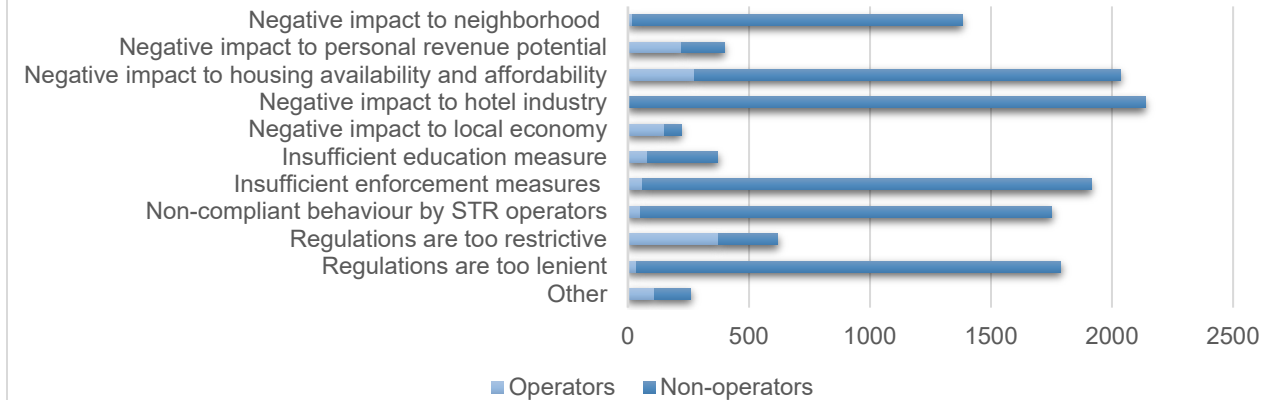
implementation. Whereas those identifying outside of short-term rental operators were more likely to suggest the City had not achieved its guiding principles since the short-term rental bylaw's implementation.

**Question 2: How supportive are you of the City's current regulatory approach to short-term rentals?**

Respondents were asked to identify whether they were supportive or unsupportive of the City's current regulatory approach and were prompted with a follow-up question to select from a list of options (more than one selection was permitted).



## Unsupportive of Current Regulations



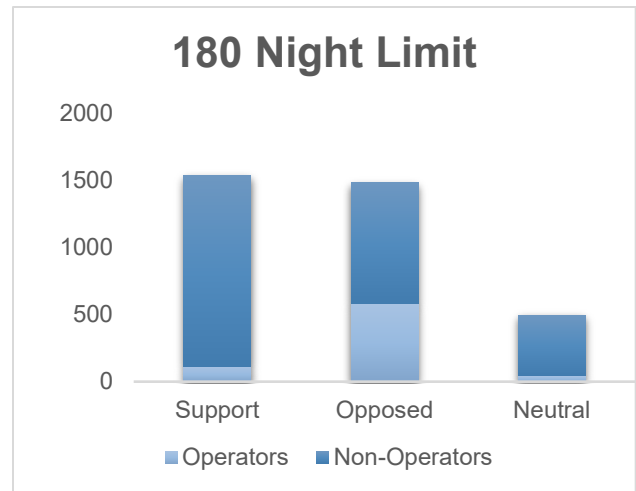
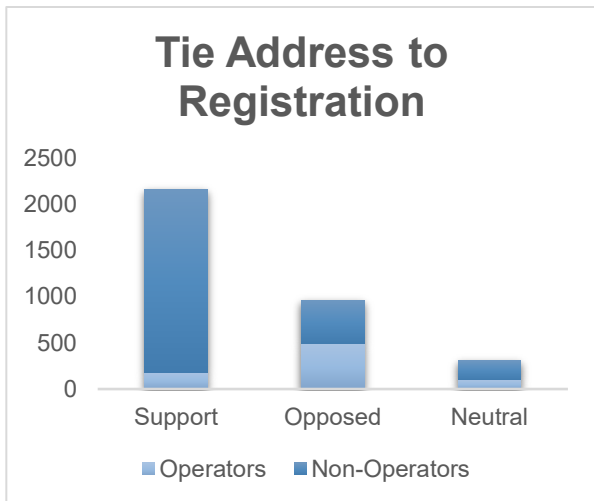
**Analysis:** A majority of respondents (76%) were unsupportive of the City’s current regulations. Negative impact on the hotel industry, housing, and neighborhoods, and concerns related to perceived lenient regulations, non-compliant operators, and insufficient enforcement measures were the most common reasons respondents were unsupportive of current regulations.

Those that were supportive of the current regulations suggested there was a balanced community and industry interest, regulations supported local economy and responsible tourism, and they protected long-term housing stock.

### **Question 3: How supportive are you of the proposed changes?**

The following prompting questions were included in the public survey:

- a. The City is proposing that a short-term rental registration be tied to the registered address as well as the operator. If a registration for an address is revoked, no individual can apply for a new short-term rental operator registration for one year. How supportive are you of this approach?
- b. The City is proposing applying the 180-night limit to include both entire unit and partial unit rentals. How supportive of you of this approach?



**Analysis:** A majority of respondents (74%) supported the proposed recommendation to tie the registration to the address and to permit one registration per address; approximately 18% of respondents were opposed to the proposed recommendation.

Further, 42% of respondents were opposed to the proposed recommendation of applying the 180-night to partial unit rentals, compared to 44% of respondents who supported it. A closer analysis of respondents open text responses demonstrated that 22% (approximately 750 respondents) expressed desire for an outright ban on all short-term rental activity (i.e. imposing stronger restrictions on the 180- night-limit may not be enough).

**Question 4: Based on any experience you have with medium-term rentals, do you have any feedback to share about this market?**

Of the 3,500 respondents who completed the survey, 423 respondents provided feedback related to medium-term rentals. The following summary represents common themes pertaining to this rental type:

- Respondents suggested there should be no regulations on medium term rentals.
- Respondents cited the positive aspects of medium-term rentals such as that they fill a niche for temporary workers, newcomers, medical needs, students etc., while providing additional revenue.
- Respondents suggested this rental type should be regulated, with different considerations if it should be regulated by the Province or the City.
- Respondents didn't think there was a market in Toronto for medium-term rentals.
- Respondents referenced challenges with the Landlord Tenant Board as a reason why they shouldn't be regulated suggesting that existing challenges with wait times and evictions would be further exacerbated by the medium-term rental market.
- Respondents mentioned concerns related to the rights of medium-term renters staying over the intended period.
- Respondents cited concerns to the negative impact of medium-term rentals on housing supply.



The survey contained 3 additional open text questions pertaining to additional suggestions regarding changes that the City could recommend for short-term rental operators and short-term rental companies with similar feedback received. The responses are summarized based on the following themes:

- Remove short-term rental regulations entirely and/or remove the nightly restrictions
- Place a ban on short-term rental operators and companies, or at least until the City is no longer in a housing crisis
- Increase fees and fines for both operators and for companies
- Increase enforcement resources to adequately support existing regulations
- Increased customer service support for short-term rental operators at the City and with the short-term rental companies

**C. Feedback from Short-Term Rental Company Engagements**

Staff hosted two engagements specifically for representatives from short-term rental companies licensed under Chapter 547. The first engagement was an information session where staff provided an overview of the status of short-term rental regulations since implementation, a review of potential policy amendments, and a question and answer period. A 2 week period was provided for the respective short-term rental company representatives to review the potential recommendations and staff hosted a follow-up meeting to discuss and understand their feedback. Short-term rental companies were also offered an opportunity to share written feedback and the City received two submissions.

The following table outlines key themes from input received during the engagement meetings and the written submissions.

Themes	Examples of Topics Raised
Strengthening Principal Residence Requirements	<ul style="list-style-type: none"> <li>• Increases administrative burden and loss of revenue for short-term rental operators</li> <li>• Undermines intended “home sharing model” offered by the platform</li> <li>• Decreases supply of accommodation for tourism</li> <li>• Restriction on partial unit rentals does not impact broader rental housing supply</li> </ul>
Application Programming Interface (API) Implementation	<ul style="list-style-type: none"> <li>• Strong support for implementing API to bolster compliance, enhance data sharing efforts and address enforcement challenges</li> </ul>
Customer Service	<ul style="list-style-type: none"> <li>• Emphasized importance of additional resources to enable companies and City staff to address compliance challenges</li> <li>• Noted 10 days is unrealistic for an operator to respond to the revocation decision notice and 24 hours is insufficient to rebook guests whose bookings have been cancelled</li> </ul>

Medium-Term Rentals	<ul style="list-style-type: none"><li>• Medium-term rentals are often used to relocate for renovations, those in the process of moving between permanent homes, traveling for work, or for visits from friends and families</li></ul>
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