

Canada Hosts Association
192 Spadina Ave., Toronto,
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March 19, 2024

To: Planning and Housing Committee

Dear City Council Members,

We are writing on behalf of the Canada Hosts Association, and the members of vacation rental hosts, to ask for your support in addressing the City of Toronto Municipal Licensing Standards (MLS) department bylaws and procedures, including the recently proposed regulation under the municipal code chapter 547 presented to the Toronto City Council members.

Short-term rental (STR) hosts are being accused of creating a housing crisis even though the market statistics do not support this assumption (can be supported by studies). STRs are being used as a scapegoat for the insufficient housing supply and affordability problem all levels of Government grapple to remedy. As a result, hosts are treated with a “guilty until proven innocent” ideology when it comes to support, information, and violations. No other licensed businesses in Toronto have been treated so aggressively.

The new proposed STR bylaw limitations to listing bedrooms for a maximum of 180 days only further exacerbate the existing disingenuous system and will directly cause financial hardship to your many constituents attempting to use their own homes to pay their rising housing costs.

The MLS department’s newly proposed regulations, contained in chapter 547 of the municipal code, would limit the number of days someone can rent **rooms** in their house on a short-term basis to 180 days per year. City staff have not provided any evidence to support that limitations on bedroom short-term rentals will further relieve the ongoing housing crisis or neighborhood nuances. In most cases, partial units, like rooms in a house, cannot be converted into long-term rentals as they do not offer cooking facilities and are not deemed dwelling units by the City’s own Building Department. Therefore, adopting a limit on renting these spaces that are otherwise ineligible for dwelling unit status is punitive and wholly unrelated to supporting housing affordability or stock. If STR operators are only permitted to rent these rooms for 180 days, they will just sit empty for the other half of the year.

It is important to note, that the narrative of Airbnb being a tool used by “greedy investors” buying up properties in Toronto does not reflect the real-life scenario where Torontonians are battling unsurmountable cost of living increases and variable mortgage hikes exceeding \$1000 more per month. The average semi-detached house in your constituency costs: \$1,027,432. This would cost a homeowner or family \$4,700 per month on a 30-year amortized mortgage at a rate of 5.6%. Alternatively, it would cost an existing homeowner an increase of \$1000+ per month if the owner had a variable mortgage increase (likely from ~2.5% to today’s market rate). Studies have found the average property tax amount for Torontonians is within the range of \$500-\$800 per month (the proposed budget seeks to raise this number further in FY 2024). Accordingly, a homeowner would have to pay \$5200 per month for core housing costs. It is important to

understand the costs homeowners bear with owning property and the commitment required when a homeowner decides that “Airbnb” income is a necessity.

*But how does attacking the only income source for many **homeowners** struggling to pay their housing bills protect housing affordability?*

As it seems, "protecting affordability" really means forcing homeowners who *may* be able to pay their mortgage with the support of short-term rental to be in a position where they **cannot** pay their housing costs, due to a City staff's unsupported notions. These proposed policies are in effect telling hardworking Torontonians that rather than governments building and investing in new housing strategies they are relying on Torontonians (not investors since they cannot register a non-primary residence as a STR) to lose their homes. This will be a direct result of homeowners being barred from finding intuitive ways to share and reuse their space to meet rising costs. In blocking these homeowners, also in your constituency, you are relying on their financial plight to worsen to the point where listing and selling is their final and only option, and then their homes will provide the “supply” the market needs to theoretically, lower housing prices. This is unacceptable, and completely unfair. The weight of the housing crisis cannot be held only on the shoulders of homeowners Airbnb-ing their principal residence.

It is important to note that STRs bring economic activity to all parts of Toronto through guest and host spending. STR hosts employ local professionals such as cleaners, contractors, property managers, accountants, etc. which means the money generated by STRs stays in the neighbourhood and in the city. Furthermore, STR operators provide a significant contribution in the form of MAT taxes paid directly to the City.

As hosts, we are not against legislation, we support fair regulation, regulation that targets the real perpetrators of housing unaffordability, like the requirement of any STR to be a primary residence. We are requesting Council and staff provide the public with:

1. Direct studies done to demonstrate that the proposed policy changes are driven by factors of housing affordability and not just to facilitate easier enforcement for City staff. This would not be the appropriate use of a policy of this nature given the majority of hosts renting bedrooms in their homes are abiding by the policies and making deep sacrifices of their own to do so.
2. A properly structured bylaw, written in a way that does not leave room for interpretation. Many hosts are unclear as to what is or isn't allowed as the existing guidelines tend to be ambiguously written.
3. Clear and specific reasons why the host is considered to not be compliant, to do so in a timely manner. Currently, it takes months to rectify as the department is very slow in reaction time (we have countless examples to give as evidence if requested) and more time for the host to correct minor issues such as misspelled addresses.

It is time to tell the entire narrative on short-term rentals and acknowledge that short-term rental hosts are also **constituents** and have the right to be heard and protected from unfair housing policies.

Sincerely, Canada Hosts Association Team