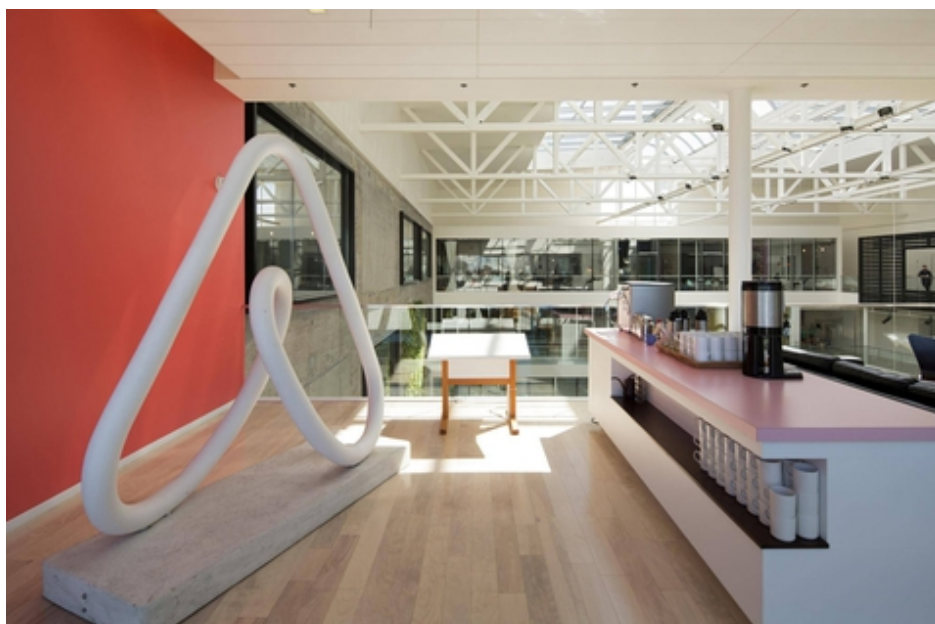




Toronto passes strict Airbnb rules aimed at preserving long-term rental supply

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Toronto City Council has passed new rules to crack down on short-term rental services such as Airbnb that will restrict listings to principal residences and ban homeowners from listing secondary suites such as basement apartments.

The basement-apartment issue dominated what snowballed into a daylong debate at city hall. Banning them from short-term rentals was meant to preserve scarce affordable units for Toronto's ultratight long-term rental market, which has a vacancy rate of less than 1 per cent.

"I think the city has acknowledged that short-term rentals have a place in this city, but we have balanced that out with the housing situation that we currently have," said deputy mayor Ana Bailao, the west-end city councillor who acts as the city's housing advocate and who championed the move to ban listing secondary suites.

Airbnb Canada spokeswoman Alex Dagg said the company could live with the new rules and would help to educate its hosts about the city's new regulations.

"What's most important here is this is truly a big step forward for the City of Toronto, in terms of really recognizing and regulating home sharing for the very first time," Ms. Dagg said.

Thorben Wieditz, a spokesman for the hotel-union supported Fairbnb campaign that called for tighter rules on Airbnb, praised the city's move. "It was a great day for renters in the city of Toronto," he said. "The mayor, Ana Bailao, have done an amazing job getting to the core of the issues ... protecting the rental-housing stock at this crucial time."

The new rules go into effect July 1. Tenants in secondary suites, if it is their primary residence, will be allowed to list their homes on Airbnb subject to their lease or their obligations under provincial law.

The regulations were the subject of a massive lobbying campaign by Airbnb, which packed the gallery on Thursday morning with hosts who use the service to rent out parts of their homes. Dozens of members of the hotel-union-sponsored Fairbnb campaign also showed up. But the crowds had dwindled by the dinner-hour vote.

Councillor Gary Crawford, the mayor's budget chief, moved an unsuccessful motion that would have allowed homeowners to rent out secondary suites on Airbnb, saying it would help many to afford their mortgages. City bureaucrats had initially proposed allowing short-term rentals for secondary suits.

But council, with the support of Mayor John Tory, voted to keep them off Airbnb and other like websites in the name of increasing affordable long-term rental housing. The move echoes the regime recently passed in Vancouver.

The centrepiece provision of Toronto's proposed regulatory regime, first unveiled by city staff in June, would ban people from listing an apartment or a house for a short-term rental – fewer than 28 days – unless it is their principal residence.

Secondary suites – which must have their own entrance, kitchen and bathroom – would not be allowed to be listed on Airbnb, unless there was a tenant listing the unit and it was the tenant's primary residence.

The rules would force Airbnb-type hosts to register with the city, pay a \$50 annual fee and keep records. Entire homes could not be rented out for more than 180 nights a year, but when the homeowner is present, there would be no limit for up to three

rooms.

Online platforms such as Airbnb would have to pay a \$5,000 fee for a licence and a \$1-a-night tax for each booking. They would also have to ensure every listing on their platforms has a valid registration number and develop procedures to "mitigate neighbourhood nuisances" such as noise.

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