



November 30, 2020

Jill Binkley Supervisor of Elections, Licensing and Administrative Services  
The Corporation of the City of Brantford  
100 Wellington Square  
Brantford, ON N3T 2M2

**Re: City of Brantford Short Term Rentals (STR) Consultations**

Dear Jill,

On behalf of the Ontario Restaurant Hotel and Motel Association (ORHMA), I am writing to you in regards to the City of Brantford short term rentals (STR) consultation. ORHMA has been instrumental in shaping STR policies across Ontario. I encourage you to read our letter along with the attachments as you create such policies.

Short-term accommodations, also referred to as illegal hotel rooms are an ongoing concern for the hotel community in the City of Brantford. Municipalities across North America experience problems stemming from sharing unit rentals affecting housing availability, housing pricing and neighbourhood issues such as noise, parking and safety. Independent studies in the USA and most recently in Canada are showing that short term rentals are affecting hotel brand investment decisions while negatively influencing hotel demand.

The City of Brantford must level the playing field for hotels with the short-term rental accommodations. These rentals are currently not paying commercial property taxes to your town and meeting other rules and regulations that hotels are required to meet. These illegal rooms are also not paying HST which contributes to funding health care, education, transit and infrastructure and other benefits that the City of Brantford and Ontario residences expect.

Part of your consultation process is finding out what problems local hotels and motels are experiencing in regards to COVID-19 related occupancy. The Brantford hotel industry along with other Ontario regions has been devastated by COVID 19. Operating revenues are at a record low. Those hotels operating are doing so at a loss. In 2020 hotel occupancies varied from under 10% to a high at mid 30% range. Film crew segment business have helped but overall revenues are down over 75%. Liquidity is the primary issue in keeping the door open and paying fixed expenses such as property tax and utilities. Oxford Research and CBRE are forecasting a painfully slow recovery of the hotel industry. Their research indicates that the industry will not experience demand recovery for 24 to 30 months or until the end of 2022. Economic recovery will not be experienced until 2025 or later.

In these tough times the City needs to take immediate action in regulating short term rentals. It is not fair to have them operate without rules when hotels play by the rules and contribute to taxes.

**ORHMA strongly supports a regulatory framework which includes zoning by-laws which meet the same standards of developing a hotel that levels the playing field with the hotel industry.**

Competition should be encouraged. We welcome it. This is how growth occurs in every aspect of the business and how we find new opportunities. Among each other the hotel industry is highly competitive business nonetheless respects government rules. We expect all those competing to play by these rules.

The STR sector is no longer an emerging concept as governments around the world have been implementing rules and regulations. Without rules short term rentals belong to the professional underground economy.

The key concern with the short-term accommodations is that they are being commercialized with hosts operating multiple properties as a business. Even Airbnb reports support this theory by continually boosting that *"The vast majority of Airbnb's Ontario hosts share their primary residences."* Regretfully this theory is not the practice.

In 2017 the Hotel Association of Canada released a study<sup>1</sup> in partnership with the Ontario Restaurant Hotel and Motel Association (ORHMA) which spotlighted 11 key markets across Canada and examined the short-term rental market in comparison to Canada's hotel sector. Specifically, the study had a key focus on Airbnb as the most widely used digital home-sharing platform in Canada. Results demonstrated that commercial operators are growing exponentially, far outpacing actual home sharing activity. Approximately 7-in-every-10 units on the Airbnb distribution platform are entire-home rentals, with guests having complete and sole access of the entire unit during their stay. Over the last two years, the commercial side of Airbnb's business, those renting multi-unit entire homes, grew by 108%. Entire home rentals as a whole, including multi-listing hosts, generated 83% of Airbnb's revenues. Multi-unit hosts account for over 30% of all revenue generated on Airbnb in Canada.

Further, a 2017 study conducted by McGill University entitled *Short-term cities: Airbnb's Impact on Canadian Housing Markets* found that Airbnb alone has removed as many as 13,700 units of housing from rental markets in Montreal, Toronto and Vancouver. In 2019, Airbnb reported that in Toronto alone, Airbnb has taken 6,500 long-term rentals off the market. According to the Ontario Mars report *"Fundamentally, home sharing is about sharing your own home, your primary residence. If it is a secondary residence or a commercial property being rented, it is no longer considered home sharing. Related to this is the maximum number of nights per year that a space is rented out"*

#### **ORHMA OWNERSHIP RECOMMENDATIONS:**

- The rental unit must be the principal residence.
- The owners must reside in the unit.
- There must be only one listing per household.
- No host should be allowed to list multiple units.
- Define the cap on maximum number of rooms sold annually.
- Hosts cannot rent out their property for stays of less than 30 days unless they are registered as a hotel or a B&B as it is the case of a B&B where a resident must be present.

As well in order to address short-term rentals there is a need for enforcement to work effectively and easier. In order for your city to enforce such by-laws their needs to be accountability. We recommend a license registration process to be included with penalty fees and holding the platform accountable.

#### **ORHMA ENFORCEMENT RECOMMENDATIONS:**

- Require registration for rental platform such as Airbnb at a set fee and the platform to include the rental unit's registration number on its listings.
- Hold rental platform such as Airbnb responsible for compliance of set rules and policies designed by the City of Brantford.
- Require registration of rental unit operations at a set fee with the City of Brantford and the registration number is to be posted on all advertisements including on line listing platforms.
- Require registration for rental platform such as Airbnb at a set fee and the platform to include the rental unit's registration number on its listings.

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<sup>1</sup> <https://www.nanos.co/wp-content/uploads/2018/09/2018-1208-Hotel-Association-AirBnB-August-Populated-report-with-Tabs.pdf>



- Hold rental platform such as Airbnb responsible for compliance of set rules and policies designed by the City of Brantford.
- Develop penalty fees within the city's enforcement policies for not meeting your rules to both the rental units and the rental platform.
- Rental units to contribute to any tourism tax imposed on hotels.

ORHMA strongly supports a regulatory framework for illegal hotel rooms which includes zoning by-laws that meet the same standards of developing a hotel, and proper taxation that levels the playing field with the hotel industry. We appreciate the importance of short-term rental bylaws and recommend a municipal accommodation tax structure to follow.

#### **TAXATION RECOMMENDATIONS:**

- Municipal Accommodation Tax to be collected and paid.
- The City should review the opportunity to apply commercial property assessment.

Anyone operating in the commercial accommodations space should be subject to the same rules and regulations as other businesses doing exactly the same kind of work. The traditional lodging industry welcomes competition and is prepared to compete on quality, experience and price; but the rules of the game have to be applied evenly to all players. To be clear, we are not opposed to an individual using a home-sharing platform to rent out a room in his or her home to help make ends meet. This is about fairness. These laws and regulations should be upheld by anyone running a commercial operation.

Thank you for your time and consideration of our recommendations. It is important we work together to protect and regulate all short-term rental and commercial accommodations in the City of Brantford. Please do not hesitate to contact me to discuss further.

Yours truly,

A handwritten signature in black ink, appearing to read "Tony Elenis", is positioned below the "Yours truly," text.

Tony Elenis  
President & CEO  
Ontario Restaurant Hotel & Motel Association