

Ottawa's Airbnb crackdown

Nov 13/19
Ottawa Sun

Who wins, loses as city gets tough on home sharing?

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Potentially hundreds of short-term rental hosts are on the cusp of being strong-armed out of Ottawa's accommodation market as the municipal government moves closer to adopting new restrictions.

The community and protective services committee will be asked Friday to endorse a proposal to heavily regulate short-term accommodations, many of which are advertised on platforms like Airbnb and Expedia. Council is scheduled to vote Nov. 27 on whatever the committee recommends.

The most controversial regulation for short-term rentals proposed by staff is banning people from renting homes in which they don't live.

Councillors will hear both sides of the debate when public delegates line up at the microphone during the committee meeting. With every policy decision, there will be winners and losers.

WINNER: HOTELS

Travellers who have been renting homes not occupied by the owners for short stays would need to turn to Ottawa's hotel market for accommodations.

Steve Ball, president of the 55-member Ottawa Gatineau Hotel Association, said the city's proposal "mostly got it right" when it comes to regulating short-term rentals.

Ball believes the per-night costs of hotel rooms in Ottawa-Gatineau are on par with what hosts offer on Airbnb. According to Ball, the average hotel room rate for the first nine months of 2019 was \$152.

LOSER: INVESTOR HOSTS

The city's proposed recommendations probably make the investor hosts — owners who rent properties for short terms, but don't live there — the biggest losers.

They have purchased homes or condo units specifically for short-term rental income and city hall is about to pull the rug out from under them.

Mayor Jim Watson pointed to the hosts who haven't run safe short-term rental properties, saying "bad actors have ruined it for everyone."

Watson said those owners have the option of selling the homes or renting the homes for long terms.

WINNER: RESIDENT HOSTS

Eliminating more than

1,000 short-term rental units from the market would give a leg up to hotels, but also to people who rent out their own homes while briefly out of town and wouldn't be subject to the ban.

LOSER: SHORT-TERM RENTAL CUSTOMERS

Removing competition from the short-term accommodation market will give visitors fewer choices.

Short-term rentals not occupied by the owner often offer the same amenities as homes, like full kitchens and laundry.

While Ball says there are long-term stay hotels that offer those kinds of amenities, the removal of hundreds of short-term rental units would narrow the selection for tourists and business travellers.

WINNER: RENTERS AND HOUSE HUNTERS

The city assumes that once real-estate investors are pushed out of the short-term rental market, more homes would be available for purchase or long-term rentals.

Ottawa's residential rental vacancy rate is below 2%. Prism Economics and Analysis, doing work for the City of Ottawa, estimated apartment

rents have increased by 7.8% and house rents shot up 11.3% between 2016 and 2018.

Ottawa Realtor John Castle expects that the proposed regulations would have little impact on the local real estate market.

LOSER: SPINOFF BUSINESSES

Platforms like Airbnb that take a commission from hosts obviously stand to lose if there are fewer short-term accommodations to advertise.

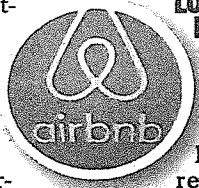
There are property managers and cleaning companies who will lose homes in their portfolios if council blocks investment properties from being in the short-term rental market.

WINNER: RESIDENTIAL NEIGHBOURHOODS

At city hall, the most common reason cited for regulation is the need to protect neighbourhoods from problem short-term renters and hosts.

Watson said the tipping point in Ottawa was a shooting in Nepean last month at a short-term rental property.

Condo boards not thrilled with unit owners running commercial operations in the buildings would also have their problems solved.



WATSON

A few bad apples?

