

**Presentation to City of Calgary Standing Policy Committee on Community and Protective Services
(SPC on CPS)**

Wednesday December 5, 2018

Good Morning Madam Chair and Members of Council. Thank you for the opportunity to present to the Committee today in relation to the Short - Term rental Scoping Report.

My name is Leanne Shaw and I am the Owner Operator of my family's hotel in NE Calgary, the Country Inn & Suites by Radisson Calgary-Airport. I also have the pleasure of serving as the Chair of the Alberta Hotel and Lodging Association.

I'd first like to thank Administration for the work on the short-term rental scoping report which is an important first step to providing regulations on short-term rentals and I'd also like to thank the City of Calgary for taking on this very important work and recognizing the need to address what is indeed a critical issue.

Although the notice of motion limited the scope of the report to ensuring the appropriate level of safety and oversight were in place for Short term rentals, bed and breakfasts and lodging houses it is important to note that there is still more work to be done to regulate the short-term rental industry in our city. The Scoping report identified several key themes from the stakeholder engagement that was conducted, and I would like to focus on two of these today.

1st That Short term rentals are both a need and reality of today's tourism accommodation spectrum

2nd That the main concerns are commercial operators rather than those offering true home sharing

Indeed, short-term rentals have become part of the global tourism accommodation spectrum. You can not go very many places in the world today and not find a short-term rental.

However, in Calgary these operators are not contributing back to tourism ecosystem in which they operate.

They do not pay business taxes, they do not pay commercial property tax like a hotel does and they currently do not contribute to the provincial tourism levy which all hotels rooms in the province are subject to and yet they benefit when city tax and provincial tax dollars bring large events to the city.

Just a couple of week's ago Edmonton hosted the Grey Cup and over the course of that weekend Airbnb reported that over 600 hosts rented out their properties that weekend, the largest number in the platform's history in Edmonton.

Next year Calgary will play host to the Grey Cup and there is no doubt that short-term rentals will benefit from this however they are not contributing the city taxes that will help bring this event to our city.

While a business licence has been identified as the best tool for ensuring safety and oversight it fails to address the concern surrounding commercial operators.

Last year, CBRE conducted a study on Airbnb and the hotel sector in Canada, which included 11 Canadian cities. It found that in Calgary, from April 2016 to March 2017:

- Revenue generated by multi-unit, entire-home hosts increased by 146%.
- 80% of Airbnb's revenue in Calgary was generated by whole-home rentals.
- 30% of Calgary's units were rented out for more than 90 days, earning 70% of total revenues.
- The supply of units on Airbnb increased by 101% from 2015 to 2016.

Hotels are not seeking to regulate homeowners who occasionally rent a room in their own home. But we do believe that those who operate accommodation businesses should be subject to the same taxes and regulations as we are. One of the hosts earlier noted that he rents out each of his two units for 265 days per year which is the equivalent to running 73% occupancy which as a hotelier I would be delighted if we were doing the same numbers.

I believe that Calgary can play a lead role in developing best practice regulations and establish a modern framework for the short-term rental industry. Regulations are just starting to appear in other jurisdictions like Toronto, Vancouver and Victoria and we can and should develop a solution that works for Calgary.

The Alberta Hotel and Lodging Association in conjunction with the Calgary Hotel Association and the Hotel Association of Canada has developed best practice guidelines for regulations short-term rentals in Canada.

These guidelines include:

- Requiring and short-term rental host to register with the city;
- Requiring and short-term rental platform to register with the city;
- Restricting short-term rentals to a principal residence only;
- Limiting the number of days that a property can be rented through a short-term rental platform;
- Requiring certain health and safety standards;
- Requiring strict reporting mechanisms for short-term rental hosts and platforms;
- Ensuring a level playing field with the commercial operators through the collection and remittance of taxes;
- And enacting effective accountability and enforcement measures to ensure compliance.

As part of the traditional lodging industry hotels are no strangers to competition and we are prepared to compete; but there must be a fair and level playing field for all players.

The short-term rental industry should not be exempt from the rules and regulations designed to build successful communities and keep travelers safe.

Other Canadian jurisdictions, such as Vancouver and Toronto, have enacted legislation that protects the rights of all citizens and creates a level playing field for providers of short-term accommodation. Now is the time for Calgary to follow suit.

As the City continues to explore short-term rental regulations, we remain committed to working together on this important issue to develop a fair, sensible and practical approach to the short-term rental industry that acknowledges the difference between true home sharing and a commercial operation.

Thank you again to the Committee and Administration for their important work on this file.



