

NEIGHBOURS SPEAK UP



April 13, 2022

Submission to the Law Amendments Committee regarding Bill 154 , An Act to Amend the Tourist Accommodations Registration Act

Submitted by: Bill Stewart, Spokesperson for *Neighbours Speak Up*

Thank you very much for the opportunity of offering our perspective on the proposed legislation.

We learned on Monday of the Government's proposal to amend TARA by including 'primary residents' in short-term rental registration and providing the Minister additional authority to require compliance with Land-use By-laws as a condition of registration , where required. For those of us who have been working toward appropriate regulation of short-term rentals the proposed amendment to the Act is good news and good policy that has potential to help all municipalities.

For the last three and half years our neighbourhood group has been advocating for the regulation of the short-term rental business. Our primary goals are to protect long-term residential housing, in all its forms, as well as maintaining the safety and security of neighbourhoods and communities from 'commercial' short-term rentals. These are short-term rental businesses that do not have a 'primary resident' living in them or managing them. They are essentially un-licensed 'hotels' in residential areas. Our efforts have been directed at both the provincial and municipal government levels and through our website, neighboursspeakup.com, we also stay in touch with approximately one hundred individuals here and around the province concerned with this issue.

We are very much aware that Covid has delayed action at all levels in this policy area. However, as restrictions are lifted we will see more activity in the short-term rental business. It is time to update, develop and implement policy to protect our housing and neighbourhoods.

Including Primary Residents in Short-term rental Registration is Essential

We think the proposed change to the Act to include 'primary residents' in short-term registration is essential to achieve fuller compliance with the requirements of the Act and to put 'primary residents' at the centre of our policy, as it is in most jurisdictions.

Nova Scotia has based its registration process on short-term rentals that are not operated by primary residents. To date that has not proved successful. Progress has been made but, as of today in HRM, as an example, we see there are 839 registrations of “vacation homes” on the NS Open Portal but approximately 1146 listings on the internet advertising platforms, according AirDNA, a short-term rental data site. Other jurisdictions, such as Montreal, who began with a similar approach faced the same incomplete registration results. They found they could not make it work despite expending substantial resources on investigations and subsequent legal adjudication to distinguish 'primary residents' from 'commercial' operators of short-term rentals. Ultimately they changed the policy and included 'primary residents' in the requirement to register. It has proved more effective and has saved time and money as the onus is on the operator or business to come forward rather than the government regulator incurring the cost of investigation and adjudication. A similar approach is followed in Toronto, Vancouver, Ottawa ,and soon in Charlottetown, and has been recommended by staff for HRM's policy.

Most communities who regulate short-term rentals base their approach on 'primary residents'. In order to protect long-term housing and the safety and security to neighbourhoods and residential buildings, the approach has been to only permit 'primary residents' to operate short-term rentals. With an owner residing most of the time in the property the home still retains its long-term use and, by the owner being present, there is an element of personal responsibility that helps maintain the continuity and safety of the neighbourhood or residential setting. As 'primary residents' they also benefit from only paying a 'residential' tax rate. This is the approach that is used in several Canadian communities and recommended by HRM. It puts the priority on retaining long-term residence in homes, apartments and condos in residential and mixed-zone settings.

Adding 'primary residents' to the registration process should not be seen as over-reach or a penalty for making some money sharing their home. By being included in the registration process they are protecting short-term rentals from takeover by commercial operations. They will also benefit by retaining their 'residential' tax status and, most likely, exclusivity in residential areas.

Requiring Registration to Match Land-Use By-laws Will Protect Housing

The added element in the proposed amendment, of Ministerial authority to regulate registration in compliance with Land Use By-laws, will also be helpful to municipalities who are anxious to regulate short-term rentals in accordance with their needs, urban and rural. We hope they too will put emphasis on primary residents only in residential areas, as is the intent in HRM.

We are also hopeful that the Minister of Municipal Affairs and Housing will look at an amendment to the Assessment Act. At the present time, all short-term rental operators, whether primary resident or commercial , can rent four or fewer rooms in their property and

pay only the 'residential' tax rate. We believe this should be reserved for 'primary resident'

3

operators only. By allowing 'commercial' short-term rentals to benefit from a 'residential' tax rate is an incentive to remain or move into residential areas. It needs to change.

Require Registration Numbers to Appear on Platform Advertisements

As a final step, we hope the government, at provincial and/or municipal levels, will require short-term rental platforms, like Airbnb, to include registration numbers on their advertisements. This would provide a level of transparency regarding registration, facilitate follow-up where issues arise and help provide some minimal assurance to the public and consumers that the short-term rental accommodation being offered in Nova Scotia has met basic legal standards.

This concludes our comments in support of this proposed Amendment. Thank you again for the opportunity of addressing this important legislation and for your efforts to see it through.

Bill Stewart
for Neighbours Speak Up