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Canadian government 'actively examining' options to crack down on short-term rentals: Freeland

Spencer Van Dyk || October 17, 2023

Deputy Prime Minister and Finance Minister Chrystia Freeland says the federal government is “actively” exploring options to help provinces return short-term rentals to the long-term rental market and increase housing stock across the country.

Freeland made the comment Tuesday at a joint press conference with Industry Minister François-Philippe Champagne and Treasury Board President Anita Anand, after the B.C. government announced its own legislation to make changes to the short-term rental market earlier this week.

“I also want to quickly address the B.C. government's new legislation to regulate the short-term rental market,” Freeland said. “This is a positive and important step in the right direction, in an area of provincial jurisdiction.”

“We know that short-term rentals through sites like Airbnb and Vrbo mean fewer homes for Canadians to rent and live in full time, especially in urban and populated areas of our country,” she added. “That is why our government is actively examining what options and tools exist at the federal level, to ensure more short-term rentals are made available as long term-rentals, as permanent homes, for Canadians to live in.”

B.C. Premier David Eby announced the Short-Term Accommodations Act with the province’s Housing Minister Ravi Kahlon on Monday. The act will triple the fines for hosts who break the rules, and implement other new requirements for operators, in an attempt to return existing short-term rentals to the long-term market.

According to the B.C. government, there are currently about 28,000 short-term rentals across the province, a significant percentage of which are run by for-profit operators as opposed to residents renting out their own homes or vacation properties.

Across the country, Freeland said, it is estimated that returning short-term rentals to the long-term market in Toronto, Montreal and Vancouver alone could free up about 30,000 units.

She said that while housing largely falls within provincial jurisdiction, the housing shortage issue is “so important” that the federal government is examining any possible “tools” within its jurisdiction “that would make a difference in this space.”

She listed the federal government's recently announced plans to waive the GST on purpose-built rental housing as a measure being taken to increase the number of homes available to rent or buy.

"But even if people started building the day after the (prime minister) announced it in London, Ontario, it takes a while for those new apartments to be built," she said. "So we are looking around and are saying, 'What can we do right away that makes more homes available for Canadians?' And the short-term rental is one of those spaces."

Freeland said there will be further details on the federal government's plans in the coming weeks.

With files from CTV News Vancouver's Lisa Steacy