SUBMISSION – KRYSTIN COYLE

ITEM 7 OF THE REPORT OF THE STANDING POLICY COMMITTEE ON PROPERTY AND DEVELOPMENT, HERITAGE AND DOWNTOWN DEVELOPMENT DATED JUNE 6, 2022 REGARDING REGULATING SHORT-TERM RENTALS

Sent: Wednesday, June 22, 2022 11:59:34 AM

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Delegation information
Committee: Council
Committee - council: Opposed to the recommendations
Committee - other: N/A
Agenda item (number and title): 7 Short Term Rentals

Service inquiry: Submit Comments in writing
Participation preference: N/A
Comments in writing: To whom it may concern,

It has been mentioned that short-term rentals may have an "Impact on the housing market and rental housing".

It feels like the burden of providing affordable housing is put onto the shoulders of landlords with the pressure to take losses. The city wants there to be affordable housing? For example: As a landlord, to be downtown, I pay high property taxes. On top of that, I also pay a second property tax known as the "downtown revitalization tax levy". I am paying the same amount of tax on a 550 sq ft studio condo that a residential house in River Heights pays. As well, for a tenant to live in my condo the only available parking option for them sits at $260 per month. Landlords such as myself are renting close to their cost or far below it.

The cost for my downtown condo is $1700 per month. (This amount does not include maintenance or repairs). However, I have rented it at $1500 per month on a 6 month lease, $1200 per month on a 3 month lease and during Covid, a nurse rented at $600 per month.

Landlords do what they can to provide affordable housing. The reality is, owning a rental property is expensive. I know plenty of other landlords that rent out their property below cost.

To speak to the housing being over priced: The low interest rates is a huge contributing factor. This gives people more purchasing power which increases demand for houses. When demand influxes all at once; bid wars begin to take place. (Yesterday my client got out bid by 70k). The process for buying a house is not fair. Buyers are forced to take part in a "blind bid war". This means, they have no idea what others are offering.

Thankfully, now that interest rates have begun to rise, the aggressive bid wars are beginning to cool off (as well as demand for houses).

Please note that the condo market is not seeing the same action that houses are. People don't seem to be as interested in condos as much as houses. I have advised my clients that condos are a buyers market. I tell them this as they are less likely to be pressured into grossly overpaying for a house in a bid war. I tell them "There is a larger supply of condos to choose from, you won't need to bid high, you can offer under asking price"; however, buyers do not want condos at this time. There is affordable housing options (condos).

I have not come across one home buyer that is bidding on a house for the purpose of turning it into a rental property. The cost on the property would simply be too expensive. A investor is aware it would not be wise to purchase a rental house in this climate. Current buyers looking for a home and taking part in bid wars are looking for a house they will live in for 10+ years. Buyers understand low interest rates give them more purchasing power. I have been told many times, that they feel okay to over pay as they see themselves living there for a long time. If their property drops in value this does not seem to bother them.

There are many factors impacting affordable housing. The amount of active short term rentals is a nominal factor to the contribution of affordable housing.

Thank you for your time in reading this submission.

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