February 12,2023

Honourable Mayor Gillingham and Members of the Executive Committee,

First I want to thank city council and others for all of the work they have done in an attempt to find solutions to the Airbnb issues facing Winnipeg. As well, many citizens have been forthcoming and participated giving their valued opinions, for and against.

Second, I wish to quote Airbnb in IPO documents filed with the SEC on November 16, 2020, when they were facing a civil and criminal liability for false statements. It was filed with the Securities and Exchange Commission, Washington, D.C.

They lay out on page 45 of that document the real story about its business in stark terms:

“We have no control over our ability to predict the actions of our users and other third parties, such as neighbors or invitees, either during the guest’s stay, experience, or otherwise, and therefore, we cannot guarantee the safety of our hosts, guests, and third

parties. The actions of hosts, guests, and other third parties have resulted and can further result in fatalities, injuries, other bodily harm, fraud, invasion of privacy, property damage, discrimination, brand and reputational damage, which have created and could continue to create potential legal or other substantial liabilities for us. We do not verify the identity of all of our hosts and guests nor do we verify or screen third parties who may be present during a reservation made through our platform.”

https://www.sec.gov/Archives/edgar/data/1559720/000119312520294801/d81668ds1.htm

Continuing down on the document, one notes the continued issues and problems that Airbnb outlines and I will only mention a few of what they state.

There have been shootings, fatalities, and other criminal or violent acts on properties booked on our platform, including as a result of unsanctioned house parties; sexual violence against hosts,guests and third parties; we have seen higher incident rates of such conduct associated with private room and shared space listings; undisclosed hidden cameras at properties; incidents of hosts and guests engaging in criminal, fraudulent or unsafe behavior and other misconduct while using our platform, incidents where hosts have misrepresented both the quality and location of their properties, in some instances to send guests to different and inferior properties and incidents where guests have caused substantial property damage to listings or misrepresented the purpose of their stay and used listings for unauthorized or inappropriate conduct including parties, sex work, drug related activities, or to perpetrate criminal activities. There have been instances where users with connected or duplicate accounts have circumvented or manipulated our systems, in an effort to evade account restrictions, create false reviews, or engage in fraud or other misconduct. Situations have occurred where hosts or guests mistakenly or intentionally provide malicious third parties access to their accounts, which has allowed those third parties to take advantage of our hosts or guests. (Airbnb)

While many of the restrictions laid out in the Winnipeg proposal regarding Airbnb operations within the city, will certainly be of benefit, I did struggle with a few. I also struggled with some comments made by pro STR presenters and the lack of data to backup and verify the claims.

A follow-up first on a claim made by a pro STR presenter that commented on sex trafficking and survivors having had some contact with a hotel or motel which seemed to imply hotels were the outstanding issue in trafficking problems. I couldn't find the stats that he quoted, however it is a long document. Also of note, this gentleman's STR's are businesses and hotels. Defined in a Winnipeg document is the following definition... "hotel or motel" means a building or portion of a building providing temporary accommodation in individual guest rooms or suites with or without provision for cooking in any individual guest room or suite".

It would appear from research short-term rentals (ghost hotels) are becoming part of the problem.

Note: "Sex trafficking is one of the fastest growing criminal activities in the world with short-term rentals quickly becoming a prime venue for traffickers." Ela Mezhiborsky, Co-founder and President of Autohost.

https://www.linkedin.com/posts/elamezhiborsky_sex-trafficking-in-the-short-term-rental-activity-6914911605944115200-ezXm

Note: https://www.nbcdfw.com/news/local/sex-trafficking-case-at-two-short-term-rentals-nets-nearly-two-dozen-men/3175190/

Note: https://globalnews.ca/news/4041603/airbnb-human-trafficking-toronto/

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Toronto police say a recent case of alleged human trafficking is the latest in a growing trend involving people using Airbnb rentals to conduct their illicit transactions.

Det. Sgt. Nunzio Tramontozzi said police have seen a surge in such cases over roughly the past two years.

He said human traffickers may opt to use Airbnb rentals instead of motels or similar venues because of the greater possibility for anonymity.

Note: Human trafficking in Canada Report:Canadian Centre to End Human Trafficking.

https://www.google.com/url?sa=t&source=web&rct=j&url=https://www.canadiancentretoendhumantrafficking.ca/wp-content/uploads/2021/02/Human-Trafficking-Corridors-in-Canada-Report.pdf&ved=2ahUKEwi3pPfJ-ZD9AhVTjYkEHbqeAIoQFnoECCwQAQ&usg=AOvVaw2-Y4Bg3C47BKj1lMHxXyOW

"Law enforcement respondents pointed to a noticeable increase in traffickers' use of short term stays, which can pose challenges to investigations. For hotels and motels, more opportunities exist to train staff in detecting and reporting human trafficking." "Relationships can also be forged with hotel management and cleaning staff to report to management or call the Canadian Human Trafficking

Hotline if they suspect human trafficking is taking place.

Short term stays offer fewer opportunities to equip staff with knowledge about human trafficking. The owners and operators may never actually meet the renter, and traffickers may fully remove any signs of human trafficking before they leave the short term stay or the owner returns. Traffickers may also be hard to identify if they are not directly supervising the individuals they are exploiting. Law enforcement respondents stated that traffickers might be in a separate room from the victim in a hotel, motel or short term stay, or in the nearby vicinity to arrange calls, schedule purchasers and collect money."

In 2021 Airbnb put out a notice and launched the following:

"Airbnb is currently the only short-term rental platform to ban parties globally and maintain a 24/7 Neighbourhood Support Line and we continue to prioritize the safety of communities," a spokesperson wrote in an email.

The above notice from Airbnb did not work for us in our residential area. Faced with issues of late night partying, parking issues, including in front of the fire hydrant, entering our yard and throwing garbage in our bins,we attempted to reach the homeowner, called 311, called the nonemergency police, went outside and asked if they could relax a bit, finally lodging three complaints with Airbnb. They responded that they would bring these issues to the attention of the homeowner and work with them to solve the problems. The homeowner promptly took her personal name down and instead used an agency name.

After a few months of bunkhouse type situations a number of times next door, prompted us to install close to $2000.00 worth of cameras to monitor our yard.

I did read in one of the pro STR statements that the pro STR writer thinks all STRs should be equipped with video surveillance systems and how she uses a noise monitoring system. What she can afford, many others cannot, so I consider that an unfair statement without consideration for those just getting by.

Reviewing the footage on our cameras I was even able to note a short time ago that for approximately 7 minutes, a woman entered our front porch, looked in our mailbox, looked at other items lifting a lid off of a container, looking for ? and then noted the camera. She then went to the back deck, looked around, appeared to be taking pictures or/and talking on her phone, noted the camera, returned to the front and peeked down the other side of the house where she again would have noted the camera, returned to the back of the house. We then noted she returned to the Airbnb next door. By the time the police were notified it was too late, however, we have copied the incident on a USB stick.

An attempt to call the homeowner resulted in her hanging up prior to me being able to even tell her the concerns.

The primary residence restriction in an R1 and R2 was good to see but unfortunately our neighbor is still going to be allowed to rent her Airbnb 150 days per year when she is not there. If she follows that rule and for example, she rents to 6 people for 4 nights at a time, we will have to deal with 37.5 groups of 6 coming and going in a 5 month period. Add to that any guests, vehicles etc.. That results in a minimum of 225 strangers in an R1 zone with no owner in sight. It would help if the rental period was revised and a shorter number of days per year are allowed in a primary residence or if one is going to be away, say down South, they can rent for a longer period and inform the houses on each side, providing the pertinent contact info.

Vetting is rather useless. Even if you do a background check you usually are vetting one member and later the other 5 or 6 or more arrive.

I'm not sure there should be any allowance for additional commercial rental units as they are very disruptive to many.

David Wachsmuth, an Urban Planning Professor at McGill (December15,2022, CBC) questions the logic after doing the research.

https://www.cbc.ca/news/canada/nova-scotia/halifax-proposed-short-term-rentals-regulations-airbnb-david-wachsmuth-mcgill-1.66

As well, with respect to tourism, which seems to be a common theme when arguing for continued Airbnbs, McGill research also found that the trips being taken to a location would have happened even if Airbnb's weren't available. In the council meetings I have watched tourism comes up frequently but I have yet to hear a fact check on that or any proof from any of those promoting the need in terms of numbers. I noted in one presentation a pro STR stated they are now an equal partner in the tourism industry. I went to Travel Manitoba and Tourism Winnipeg, both beautiful sites, and did not note any affiliation. They promoted hotels and bed and breakfasts. Without explaining further when someone makes a statement implying they are equal partners it would appear that, anyone can say anything. That doesn't make it true. Possibly I misunderstood. I am also open to a discussion if we compare tourism rates prior to covid and the rise we are beginning to see now. I noted at the tourism site in 2020 hotels faced a daunting task due to covid. However, with respect to their ability to handle tourism and economics they sustain billions of business sales annually in Manitoba and employ over 14,400 jobs, paying a huge amount in local tax. They also offer a number of tools, including onsite assistance one can utilize if there are any problems.

I have listened carefully to the condo, apartment and home owners affected and I fully trust and respect their perspective on the negative impact the Airbnb rentals are having on them.

Airbnb has evolved over the years and there are many corporate hosts and agents, some with upwards of 25+ listings. It has become more of a professional investment industry that often relies on the neighbour to babysit or put up with the constant hassle while the investor gains financially. The "guest"

or "client" some rent to are sometimes not their priority but rather income generation may be the driving force in some cases. The effects on a longer term neighbor does not seem to be a factor. In a condo and many apartment buildings, the short-term guest has access to all amenities, keys, fobs etc., but does not need to concern themself if the pool table, swimming pool, hallway, lighting or an item in the gym gets damaged.

The need to ensure that STR operators aren't getting around the rules by setting up multiple corporations so they can operate more than one non-primary STR unit, is a concern.

A corporation, while many legally refer to it as a "person" is actually just an entity, much like an instrument or a business structure of one or more, where members are taxed at a lower rate with the ability to defer your own personal tax rate, all the while allowing you to shield your own personal assets. Regardless of the law, some of the dividing lines are quite obvious.

I chatted with a lawyer from Toronto on the corporation issue and his suggestion is that the rules could require that each short-term rental unit be registered by a natural person who inhabits a property as their primary residence and will be liable for violations of the law. Operating an STR through a corporation could be prohibited. The registration could then require natural persons to provide ID and proof of residence. In the case of condos, this would be one condo unit per registered person as opposed to the corporation's names.

That would, in his view, prevent one attempting to circumvent the rules by setting up multiple corporations and prohibit operating numerous STRs. The incentive to evict long term renters in all areas of the city, including in downtown areas is huge, considering the financial rewards for hosts.

As long as operators are renting out commercial and residential units that are not their primary residence, we will continue to see increasing issues with crime, safety, and housing affordability. I believe this to be true. Break-ins and other crimes are already a concern and the city is attempting to address those issues the best they can.

I would very much like to see primary residence only with extremely limited days, bed and breakfasts, longer term rentals and hotels as the places to stay in our city.

Once again, thank you to City Council/Executive Council on all that worked so hard on this. Thank you for your time.