Dear Executive Policy Committee,

Short-term rentals are often cited as a contributor to the affordable housing crisis. However, the issue is more complex and multifaceted than to just blame a centuries old problem on short-term rental platforms.

The primary cause of the affordable housing issue is a shortage of housing units built to land in lower price points. Demand drives up the prices of these rental units making them out of reach for low and middle income families. In many cities, the rate of new housing construction has not kept pace with population growth. Simple economics can answer why the property values change, and they will continue to fluctuate regardless of short-term rentals.

According to the Canadian Mortgage and Housing Corporation, the average single minimum wage earner working full time (at the new wage coming up this April of $14.15 per hour), should be spending $679.20 (30%) per month on their housing. There are very few apartments in that price range in Winnipeg. They probably aren't located in a safe area or maybe aren't maintained well enough to be safe inside either.

Most of the whole home and condo offerings on the Airbnb platform are priced at triple that figure even if they were offered unfurnished on a long term rental scenario. One group member with a condo has a $900 per month condo fee and his dead cost on the unit is $2500 per month. What I am trying to illustrate is that even if you shut down all of the short-term rentals in Winnipeg it will not have any impact on affordable housing.

Toronto has the strictest regulations of anywhere in the world yet their property values and rents continue to rise steadily. So creating a complete upheaval in the short-term rental community with harsh restrictive regulation has done nothing to address affordable housing there. Besides it seems to have opened up a big can of worms in trying to enforce these super strict regulations.

Government policies and zoning regulations can contribute to the shortage of affordable housing by limiting the supply of the new housing units being built through restrictive zoning regulations. This can prevent the construction of the new multifamily housing in certain areas where they would be needed and utilized.

The overall state of the economy, including job loss and wage stagnation, can also contribute to the affordable housing issue by reducing the ability of low and middle income families to pay for housing. Another economic issue is the cost of building materials, land and labour have gone up significantly.

Addressing the affordable housing issue requires a comprehensive approach that addresses all of these underlying factors.

These recent recommendations in the draft legislation to curb short-term rentals in residential areas severely affects their ability operate. The whole crux of their offering to the market is the idea of "travel like a local" and "belong everywhere". Their entire focus is on

the opportunity to live in that experience, so it's a key part of our city's tourism marketing to have them in residential areas.

A common sense licensing program and balanced regulation would have cleaned up any "less than ideal" guest or host behaviour.

It seems to me (from watching footage from previous council meetings) that the bulk of the neighbourhood livability complaints were not coming from residential areas. They were mainly concentrated in a downtown condo building. Doesn't that point to more of a management problem within that specific building?

I feel it is important have whole home options available as an offering to families travelling in a group. These are often located in R1 areas which are typically underserved by hotels. Guests choose these because they are within walking distance to their extended family they are here to visit. Not everyone wants to stay with their extended family in a condo. They may want a yard for kids or pets (or both) to play in. They may not want to pay for parking downtown either. These condos are great for visiting business people or singles/couples travelling who want to be in close proximity to Winnipeg's many entertainment or sporting events.

It is important when marketing Winnipeg that there is a wide selection of accommodation available to visitors such as hotels, spare bedrooms and whole homes. By restricting it to condos only is missing the point and does not correspond at all with the data contained in the report. Especially surrounding what the consumers are asking for.

The city of Brandon has the right idea with including short-term rentals as a key part of their tourism/hospitality draw as alternate accommodation for events being advertised there.

Short-term rentals are viewed as a threat by the hotel industry, so I understand why they would want to push for strict restrictions for the STR community. Competition in business is natural and should be expected. Especially with innovative market disruptors like this. However, whether the hotel industry realizes it or not, they are typically competing for an entirely different audience.

While hotels generally offer more amenities such as on-site dining and fitness centers, spas, sometimes gambling, short-term rentals offer more personalized touches, such as a fully equipped kitchen or outdoor space. Different target client with way different preferences.

A hotel is not superior to a short-term rental or vice-versa. They each have a place and there is plenty of business to be had in Winnipeg for both.

Limiting the number of secondary residence short-term rentals would cause local hosts to lose the majority of their investments. In many cases it would put them into a perilous financial position. Why create this undue hardship when they could have kept on as thriving contributing residents of Winnipeg?

What happens if they pull out all of their investment capital and move to other cities like Regina or Calgary where they can carry out this activity in a more welcoming setting? Isn't

the idea to attract and retain entrepreneurs to live and work in Winnipeg adding to our tax base and supporting area restaurants, the arts, and other area businesses and attractions?

There are arguments that short-term rentals cause a decrease in property values because of how the guests may negatively affect the surrounding community. Yet there are also arguments that support the idea that short-term rentals are increasing property values because if a property can be rented out, then it has the potential to be a profitable investment. It can't be the cause of both. It isn't necessarily the short-term rentals that are affecting the overall values of properties, but rather the large influx of people (demand) with a shortage of housing (supply).

The fundamental flaw in the rationale for restrictions is that demand for STRs won't disappear if the supply of STRs offered through services such as Airbnb is cut back. Where would the unmet demand for STRs go? The prime suspect, of course, is conventional hotels. But here's the catch: when there is more demand for hotels, more hotels get built. Hotel and apartment developments compete for the same scarce urban land, so more new hotels means fewer new apartments, and fewer apartments means higher rents. If so, then STR restrictions may be a zero-sum game for affordability.

Strict restrictive regulations will not only affect the owners, the local community and travellers. It will also put several hundred cleaning staff, maintenance people and property managers out of a job.

I doubt adding to the local unemployment stats in an already strained financial time was intentionally on the agenda of a city council. Please keep this in mind while making these decisions that unfortunate collateral damage can result if this proposed regulation limits these style of rentals to only certain commercial areas.

Yes It will send a lot of our investor money to other cities, but most importantly it puts our community's most vulnerable working poor out of their employment further straining their already strained resources.

Dakotah Charron

STR Speech – Dakotah Charron / Arete Holdings Grp LTD & NREIC

1. Direct competition shouldn't have a say in this industry as direct competitors such as the hotel association have always requested an even level playing field, and this is not it. For example, you wouldn't go to a gas station and ask them what laws and regulations should be imposed on electric vehicles, that would evidently be biased. Might I remind you what happened with Uber.
    1. Tourism will be negatively impacted by this
    2. Operators have been supportive of taxes and reasonable regulations
    3. STRs should be able to leverage the same resources as the hotel industry
    4. The hotel industry wants an even level playing field, if that's the case, let's just ban everything as hotels are also serving short-term rentals, and move towards medium-term and long-term rentals, period if that's the case.
2. The survey from the public is biased & not actually reflective of the citizens' insight & feedback
    1. Most complaints were from one building downtown and NOT residential areas - these new regulations essentially push all STRs back into downtown and the core.
    2. Complaints are coming from one specific individual, in one building and most are not backed up by any data
    3. Most buildings have condo boards in place which can regulate any problems with specific buildings, or privately owned units contained within said building with boards, board votes, etc. whereas privately owned properties can be regulated as well by governing bodies, police and fire enforcement, etc., if a problem exists.
3. ~$280,000 is far less than what would be generated from the accommodations tax based on the following calculations provided by a local and professional short-term rental manager at $135/night average, with 310 nights annually x 900 operators x 0.05 = $1,813,500. Further, it would cost the city likely more with the new division to manage the STRs than their proposed and estimated $279,000, rather than leveraging already existing infrastructure.
    1. Decreasing potential revenue and increasing expenses = are not a solution
    2. The PST was also introduced in December 2021 (another loss with these imposed regulations)

3. These decisions were not decided by the taxpayer themselves (increased expenses where not necessary)
4. This will create more problems by going too far, rather than utilizing existing infrastructure, condo boards, and by-law enforcement to name a few.

4. Our example from short-term rental to long-term rentals, as an investor with larger buildings these STRs, provide a short-term solution to long-term tenants between moves, etc… people with pets, larger families, those who require kitchens, immigrants, so on and so forth.
5. STR is NOT a contributor to our affordable housing crisis:
    1. Diversity in fact creates more opportunities
    2. Increasing the leasing as they would be short-term rentals which would then turn into long-term tenants. Immigrants don't just land and have a fully furnished home.
    3. Diversifies local investors 'portfolios as it has helped with a creative revenue source
    4. We have a housing shortage, trades etc are coming here to build up our housing and they're supposed to stay where - hotels are not a long-term or even short/medium-term solution?
    5. More options for short-term, medium-term and long-term solutions actually create more housing opportunities i.e., development, converting other homes into multi-units, etc.
6. The supposed negative effects are not truly negative, but rather positive:
    1. Families & professionals are coming to work on developments, projects, etc… and STRs are a solution for them, where hotels are not due to their infrastructure and offering (i.e., lack of kitchens, or yards to name a few)
    2. The money is local, most hotels are not owned by Winnipeg residents, they're part of larger corporations and global entities
    3. Guests are staying in local communities, therefore, supporting local mom-and-pop shops, cleaners, etc. whereas if resorted to industrial, commercial and larger areas, we're only supporting larger institutions and non-local corporations. Winnipegs slogan is "made from what's real" and tourism Winnipeg always refers to supporting local but do any of these regulations reflect those very things?
7. Other implications:
    1. Eliminating R1 & R2 removes options like 3 bedrooms, yards, parking and family-oriented properties.
    2. You're looking at the short-term operators and what they're doing, but refusing to look at the actual consumer/customer who would

regardless disregard your rules and regulations, or the hotels or anyones for that matter.

3. Illegal units will continue to operate illegally, as licensed and larger operators will no longer be operated and thus they'll be limited and we'll be left with dishonest operators and illegal units such as what has happened and continues to happen at our neighbours happened with Toronto.
4. Winnipeg is not Toronto, simply. Winnipeg's size is 749,534 vs Toronto's whereas it's 2.93 million. And if anything, there have only been more problems in Toronto since their regulations were introduced and these are two completely different cities. I'd hope are councillors would know better than that, and I do have faith in them.

The public spoke the first time, and you didn't listen, so we hope this time around you will carefully consider and reflect that this may not be the appropriate way to go.