I am here to discuss 4 Topics

1. My experience as an owner of a condo with multiple non-resident short term rentals
2. What I call flying under the radar STR's
3. My proposed approach to the problem
4. Proposed amendments to the draft licensing BY-LAW

My experience as a condo owner with multiple none resident STR's

- The 2 pages I have provided counsel members objective was to illustrate the very real impact that STR's are having on condo's
  - This is not unique to Sky condos and is occurring elswhere

- In the past 10 years our development has experienced repeated occurrences of drug dealers, prostitutes, wedding parties, birthday parties, grad parties,
- Renters occupying underground parking spots that theirs
- Garbage, cigarette butts tossed over the balcony's , damage to common areas are regular occurrences

Flying under the radar

- Recently a downtown apartment owner described his STR benefit of multiple unit's vs conventional rental
  - Approximate monthly apartment rental revenue $1,500.00
  - As a short-term rental $3,000.00 incremental revenue of $1,500.00
  - 5 units per month = 7,500.00 or $90,000 additional revenue per year
  - Taking the revenue of the books

- Recent conversation with a property management
  - Suggested that as much as 30% of their revenue is now from STR’s

Flying under the radar

- STR owners are using non-traditional means to advertise / rent and capture of revenue
  - Friends of friends, peer networks, Kijji , Facebook marketplace etc
  - Using direct e-transfers to receive the revenue largely unreported
  - Using bitcoin payments and or the dark web to avoid detection

Why is all this relevent

- Shows the need for licensing of Short term rentals
  - With strict policies and administrative penalties that are significant enough to deter non-compliance
  - Use of 3rd party solutions to monitor and find non-compliant short- term rentals that are trying to fly under the radar

My proposed approach

- Very Simple – all short-term rental units need to be the primary resident
  - Most important to condo’s and apartment units to prevent ghost hotels from occurring which is currently the case

Proposed changes to the licensing BY-LAW

- Page 2 point #2 of (Appendix D) states
  - If the proposed STRA is a condominium, a letter of approval from the condominium board giving permission to operate a STRA must be provided
    - This requirement is proposed to mitigate problems with condominium complexes

- Page 3 section 61.7(1) makes the above condition applicable only if it is for a primary residence

- Needs to apply to all STRA's – based on the statement in Appendix D that this should be the case but might have been overlooked. Request that this change be made to section 61.7 of the BY-LAW document to reflect both primary and non-primary short term rentals require approval form the condominium boar

Continued

- Penalties need be better defined
  - Example 61.5(1) STRA operator fails to license STRA fine states $1,000.00
    - Is this daily, weekly, monthly, yearly
- Fines need to be significant enough to deter non-compliance
  - Above scenario if the fine was per year then this is a small cost of doing business for compared to the benefits of flying under the radar
- Amend the evaluation period from 3 years to 1 year