

Thank you for providing me the opportunity to speak on the matter of Short Term Rental regulation.

Unfortunately, Winnipeg's Glasshouse condo tower serves as an informative study on how rogue industry—in this case the ghost hotel industry—exploits economic opportunity to the detriment of communities and their residents. It is imperative that the city take meaningful action to stop the harms that ghost hotels inflict on communities and their residents. Meaningful action must include restrictions to primary residence only and must not include grandfathering and greenlighting current operators from continuing their harm on residents, communities, and housing markets.

So, how did we get here?

The Glasshouse condo tower was completed in 2016, and until 2021, it was residents who held the majority of positions on its condo board. I purchased a unit during construction because I wanted to contribute to turning Winnipeg into a vibrant downtown residential community; something our downtown has not been for as long as I have been alive.

Over the years, the number of ghost hotels in the tower increased, and the number of concerns and incidents involving ghost hotels increased as well.

Disturbances at all hours, partying, violence, signs of criminal activity, including human trafficking...

These issues escalated further during the pandemic. The Glasshouse tower became an ideal venue for ghost hotel COVID parties. When a neighbour of mine asked a ghost hotel COVID party to quiet down, she was told, "everyone knows that you come

to the Glasshouse to party,” and then an intoxicated partier attempted to assault her.

Used condoms and empty liquor bottles disposed of on residents’ balconies, knives thrown from balconies, men assaulting women, police raiding units...

Not a single operator of the 60-odd ghost hotels at Glasshouse lives there, and yet they make claims of knowing what it’s like to live there, and that residents are exaggerating and fabricating their accounts. We live here. We know what we’ve witnessed happening in which units, and we know which units are ghost hotels. We’re also very much aware of how unresponsive to incidents ghost hotel industry continues to be. Ghost hotel operators who aren’t ruining the lives of residents at Glasshouse tell City Council not to take action based on “the few” bad actors.

So why should City Council do anything, just because one new-construction residential living high rise has been ruined by opportunists who think that because they call a hotel service by another name, they can invade our spaces?

Well, Glasshouse residents are the prime example of what can and will happen, and if it can happen to us, it can be forced upon any other person who wants to make a home for themselves in Winnipeg.

Years of disruption and incident following incident has brought Glasshouse residents together. We have attended City Council many times, and submitted our detailed accounts and concerns, and despite our building becoming the definitive case study of how ghost hotel operators exploit and ruin residential properties and living... despite our relentless investment in this process of meeting with City Council, the City is still considering

grandfathering the cancer in our building and greenlighting our ghost hotel's operations for many years to come.

The accounts are all there; in the news headlines, recorded in appearances before city hall, in written submissions, in hundreds of security reports, complaints to building management, calls to 911. All of this, and the city still wants to consider grandfathering and greenlighting the problem in our building.

This is the City's one chance to get this right, and they owe it to their residents to get this right, because if regulations in name only are brought in, it will continue happening to us, and all the loopholes are going to put everyone at risk of it happening to them.

Ask yourself this question? You see a neighbouring home up for sale. It gets bought, and then you realize that you don't have neighbours moving into a residentially-zoned property next to you. It's a business; a ghost hotel. Do you really think you're going to be living the dream that ghost hotel operators insist has been the case? What are your options once your life starts to become impacted?

But condos have condo boards, right? Surely residents could use condo boards if they were so interested in remedying their situation, right?

Wrong.

Condo boards are limited in their powers. Still, back with the Glasshouse condo board was still run by a resident majority, it tried to impose a 30-day minimum stay requirement, and install elevator FOBs to restrict movement throughout the tower; efforts to address concerns. The apartments at True North Square, for example, have FOBs on their elevators to provide security. Ghost

hotels opposed both measures because they wanted to retain their business model (providing no on-site staffing, ensuring immediate automated building access to strangers, etc), even if it was at the cost of resident safety and security.

This is where Glasshouse developer, Urban Capital, became involved. Money talks right? City Council provided Urban Capital millions of dollars to assist in their construction of a new downtown residential tower. Well, plans changed. Urban Capital has retained significant voting power through their unsold units. Until the proposed measures, the developer was steadfast in remaining neutral on condo board matters. However, their unit sales had slowed, and what units were selling were to ghost hotel investors. Responding to a potential impact on sales, Urban Capital forced the 30-day minimum stay to be withdrawn, by threatening to overthrow the board. Then, come next election, Urban Capital and ghost hotels used their voting power to oust long-serving residents and install themselves as the new board. Safety and security initiatives were discarded, and none have been implemented since.

In response to the board takeover, Glasshouse's security provider prematurely canceled their contract. Their job providing residential security had become burdened and compromised by the commercial security demands of 60 ghost hotels. The security company's recommendations went ignored, problems continued, and their staff no longer wanted to work the building. A new security company has admirably taken over and have done their best, but they are incessantly prevented from performing their actual duties of serving security for a residential property and residents, and instead are occupied with attending ghost hotel incidents despite not being employees of ghost hotels and despite not having any powers to function as ghost hotel security, including accessing information or entering units or removing disruptive ghost hotel customers.

Glasshouse residents are also giving up, selling their units at significant loss, which in turn yields more ghost hotels. "Ask any realtor," one ghost hotel operator at Glasshouse told you. "The Winnipeg condo market is cold." Indeed, so why then would residents sell their homes at Glasshouse at losses up to \$70,000? Several have taken this hit, and they've done so because ghost hotels ruined their dreams of downtown residential living.

For the first few years after I moved in, many Manitoba Moose and Winnipeg Jets players lived at Glasshouse. Many medical students and young medical professionals lived at Glasshouse. They're all gone, and for good reason.

Police check in with Glasshouse security regularly regarding their most wanted. Short term rentals are ideal for criminal conduct and evasion.

On August 13th, 2017, a man was tortured to death with batons and electrocution in a Fort Richmond ghost hotel.

On September 15th, 2019, two people were stabbed at a downtown condo ghost hotel party.

On November 4th, 2019, a young man was executed at a South Pointe ghost hotel in retaliation for a fatal gang shootout.

On October 21st, 2021, a man was invited to a COVID party at a Glasshouse ghost hotel. Upon arriving, he was held at gunpoint by a criminal organization, then abducted to another ghost hotel, where he was tortured for 4 days. The organization used ghost hotels as an important component in their plan; so they could remain anonymous and undisturbed.

Since buying a unit at Glasshouse and moving in, I have lost approximately \$6500 in theft of my property. \$4500 was stolen as a result of a ghost hotel operator deciding to lock their FOB to the wire of a chain link fence in the alley behind Glasshouse, providing access to the building and my storage locker. Recently, security caught a ghost hotel guest stealing a parcel of mine.

I have tried to report incidents to platforms such as AirBnB. They demand that I provide them with a link to the property's listing on their platform to receive a complaint. There are about 60 units in our building and it's impossible to determine which listing pertains to which unit. Ghost hotel operators can additionally remove or hide their listings on AirBnB. This makes it impossible to submit complaints to the platform, and even if an incident does get reported to AirBnB, they will not share any information on what action was taken. This is a very effective way to discourage and prevent complaints. It is also a very effective way of avoiding any accountability.

Ghost hotel operators at Glasshouse are also able to hide their identities and contact information. Due to confidentiality policy, our property management cannot provide residents with any names or contact information of the people or businesses tied to a ghost hotel involved in an incident. Even when property management and security have provided reports stating that a particular unit was responsible for an incident or crime, we cannot obtain this information. Ghost hotel operators know this and they hide behind this, declining to connect with residents or provide them with information so that they can remain anonymous and so that they can evade accountability.

City Council, please don't think that these stunts won't continue, and that lax regulations might build a bridge resolving the conflict between having a quality of life in residential living and hotels

operators thinking they can infest residential properties because they titled themselves something different.

Many Councillors have heard ghost hotel operators say the quite parts out loud before them:

They don't know the full names or even the true names of those who stay at their properties, if they had to provide on-site staff that would be too much work and expense, if they had to list the address of a business (you know, like businesses do) residents would be upset (having a business in a residentially-zoned area, of course!), they need to maintain their lifestyle, they won't be able to afford a second property (if they can't stop their contributions to making housing unaffordable and unobtainable by others through their exploitive business model, they have refugees fleeing hardship stay at their properties (milking them for exponentially more than what apartment would cost because governments have not done enough to assist refugees in securing housing), they don't need regulations because bad things happen everywhere (so restaurants shouldn't be licensed because people get food poisoning eating at home, so gas stations shouldn't have safety regulations because people can accidentally start fires at home, so all businesses that are closed and empty outside of business hours should be disguised as houses and not have any signage or contact information because businesses will always get broken into).

The most disgusting assertion I heard recently was that ghost hotels assist in addressing domestic violence. I have seen pimps and young girls coming and going from ghost hotel units in my building. Just two weeks ago I saw a man push a woman out of a ghost hotel entrance, down onto the floor, and then punch her in the back of the head. I called 911 because there was no ghost hotel staff on site. There never was, and there never will be... and

this pattern of harm will continue unless City Council takes meaningful action.

This is your one chance. Enough was enough a long time ago. Primary residence for short term rentals is the solution, and the only solution. Let's get rid of ghost hotels and the harms that they inflict on residents, on neighbourhoods, and on communities. Cities across Canada, the US, and the world have done so. The entire province of British Columbia has done so. This is a global problem and ghost hotel operators will continue to exploit any opportunity, any loophole, until they are forced into either selling their properties, or becoming landlords instead of ghost hotel operators. Unfortunately, this is how Capitalism works.

Eliminating ghost hotels will yield significant opportunities for cities and towns and communities to progress and transform, with residents, for residents. We all want neighbours, we all want familiar faces when we're leaving our homes, walking down the street. We want more local businesses to serve these familiar faces, these vibrant communities. The City, the Province, True North, and the Southern Chiefs' Organization are all poised to take significant and positive action on our downtown. Eliminating ghost hotels will be critical in bolstering the results of these initiatives.

Thank you for your time,

Jason Penner