

I am writing regarding the review of the Short-Term Rental (STR) by-laws. While the by-laws were well intentioned, they have left residents living in condominium buildings vulnerable. Some of well-intentioned operators felt that the licensing was an opportunity to improve their operations and relationships with residents, this however has not been the case for all investors and property management STR companies.

Our former condominium board contained a collection of representatives that included owner/residents, STR investors and a representative of the developer. The condo board initially declined providing letters of approval to operators that had frequent disturbances or criminal activity associated with bad actor STR units. The former condo board instituted fines to units that required security or the building manager's intervention. This resulted in numerous lawsuits against the condominium corporation from bad actor STR investors and management operators placing an increased financial burden for legal fees shared between all owners in the building.

Currently, the Glasshouse has three pending lawsuits that include owners and property management companies for having approval letters of approval denied for their city STR license applications. Those include Upscale Leasing owned by Darshan Singh who is suing the building for over \$50,000 in lost revenue for having 7 of his units denied approval. This however did not stop him from operating STRs in many of the units that were denied approval. Sandra MacDonald who does not own any suites in the building but manages units for multiple STR investors through her company Guest Ready is also suing the condo corporation for lost revenue.

What makes this issue more pressing is that the developer recently sold off approximately 30 suites in the Glasshouse this summer to property investors who are operating STRs. As this group of investors holds more voting power than the combined power of owner residents, our condo board has been disbanded prematurely, and a new election has been moved forward to occur before the trial dates for their pending lawsuits. Ultimately, with the amount of voting power STR investors hold in the Glasshouse, they will have they will unchecked deciding power whether a settlement occurs with their lawsuits as they will now be both the plaintiff representing the building as well as themselves being the defendants who are currently suing the building.

One of the licensing requirements for the STRs is that they have a plan in place to respond and intervene in incidents. For the bad actors, this is solely done on paper with their licensing application. Some of the better STR operators that have been sympathetic to helping residents improve the quality of life in the building have brought it to the attention of residents that the new condo board controlled by the STR operators will be eliminating fines for security incidents as they feel this is an unfair expenditure on their operations.

They also plan to have the current security team and property manager to be replaced with one of their own choosing. This presents as a conflict of interest as the new company could be compelled to not document incidents that reflect poorly on investor properties and operations. It also places the financial burden of all residents through their fees services that improve the profitability of the STRS in our building by adding check-in and STR guest management responsibilities onto the condominium employees at no extra cost.

While the Condominium Act is a Provincial matter that needs to be addressed as numbered companies and investors should not be taking over communities and entire condominium boards such as what is happening with the Glasshouse, the City of Winnipeg should investigate and hold bad actors responsible for how they negatively affect the community. Fines should be increased and license suspensions and terminations should be more severe. The City's report on Short Term Rentals placed an emphasis that the individuals residing in condominiums will be the ones most negatively affected by STRS. The City of Winnipeg however created a two-tiered system where residential neighbourhoods have more restrictions in place to protect their neighbourhoods regardless that they are less likely to be impacted by an STR in their community.

The City of Winnipeg should also be looking into establishing limits in the number of percentage of units STRS may operate in a condominium building. As in the Glasshouse, it's a never-ending cycle where the livability of the building is negatively affected by STRs, resulting in residents moving away to only be replaced by more STRs. In the case of the Glasshouse, there are now more STRs than there are owner residents. Residents that move have units that have decreased in value since their purchase in 2016 and STR operators are more than happy to manage suites and create new STRs towards owners who cannot afford to eat the loss and sell. With Canada Inns recently being placed up for sale, I feel this is directly related to the profitability of STRs in a downtown condominium. As lawsuits submitted against the building claim losses of revenue more than \$5000 a month per unit.

While licensing established a standard which did improve some individual STR operators. Too many operators exist in grey areas that make it difficult for by-law inspectors to investigate. Investors have continued to purchase suites after the February 2023 deadline and list those units for rent as STRs by simply shifting the licenses granted by the city between their different suites. Platforms such as Airbnb see this as a city issue and do not require their renter to prove they have a license for the listed property.

Other issues are connected to the creation of numbered companies. Investors have found ways to bypass limits imposed by the city by creating numbered companies where their relatives and business associates are the representatives for the company. Audits need to occur that all numbered companies are entirely owned by residents of Winnipeg and

should not be created to by-pass city quotas in condominiums. Investors should not be allowed to own portions of numbered companies that exceed the quotas established through licensing.

While we require criminal record checks for STR licenses, we need to extend this to the management of the STR operators. In many cases, it is the operator that allows and invites problems to exist in the building. We have had several positive experiences with several property managers of STRs, but they unfortunately are the minority. Many of the most popular investment groups and property managers are the preferred choice for investors as they oppose measures affecting the livability of building residents as they oppose the implementation of security measures that affect profitability.

Requiring an STR operator to report an EMS emergency within 5 days is a good idea in theory. I see several problems with this. One, the STR investor or operator does not have a 24-hour presence in the building and operates blind of issues until contacted by security or building neighbours. If they do not man the phones, they have no knowledge to when the police are called to their suite. The other issue is that in Winnipeg's downtown, the police resources are overwhelmed unless an incident involves a weapon and presents an immediate threat to life. Last year, my home was invaded by an intruder who had rented the STR next door and climbed over the divider onto our balcony in the middle of the night. He was stopped by myself, but I discovered he was attempting to retrieve a camera that was pointed into the window of a room where my wife changes and our 5-year-old niece sleeps. It took the police 7 days to dispatch a car to our home to investigate, and the STR operator took 3 days before they responded to my multiple phone calls to simply send a text message stating, "It's all good." This for an individual who was identified as having a previous criminal history as the result of an FBI and RCMP investigation where he sold personal information and 3-D printed guns on the dark web.

This incident was the final straw for us as a family after we experienced numerous police incidents connected to our bad actor STR neighbour. This incident made my family feel that it was too unsafe to continue living in our home downtown and that we had no other choice but to move and purchase a second home. It's unfortunate as I work an office job that was blocks away from the Glasshouse. I loved coming home for lunch and enjoyed the relationships I created with my many neighbours. If the City of Winnipeg does not act soon and create density quotas on the amount of STRs can operate in a building as well as stricter penalties for bad actors, more of my former neighbours will be leaving downtown as well as we are all exhausted with this endless conflict.

I hope City Council consider these concerns brought forward and understand that we need to re-evaluate how STRS are affecting our overall community. We need to emphasize

community and constituent control. In the case of downtown, I hope that City Hall considers that it needs to be a community where people live and not just a destination where other people go.

Craig P., Sara L.

Glasshouse Condominium Owners