

Lacey Maxwell

From: [REDACTED]
Sent: September 15, 2017 11:27 AM
To: Lisa Helps (Mayor)
Subject: Short-Term Rental Latest News posted for September 2017

Dear Mayor Helps:

We are responding to the Short-Term Rental Latest News posted for September 2017. We are a STR property owner in Victoria's downtown transient zone. Please consider this letter as our combined 10 minutes of input.

My wife and I have more than 50 years combined experience in the 5-star hotel-resort tourism industry at the management and executive level. As such, we are concerned about the Council considering changes to existing regulations based on may be. "Because short term rental **may be** impacting the availability of long term rental housing, Council is considering further regulation to: ..." With all due respect, decisions based on may be, i.e., a guess, personal beliefs, etc., especially when or if those assumptions are shown to be wrong, could have an untenable blowback.

Also, it is just as valid an assumption, until proven otherwise, that short term rentals **may not be** impacting availability of long term rental housing in any significant way especially when one considers new housing starts. In fact, evidence from other major Canadian cities shows that this is the more likely scenario. We respectfully submit that the Council delineate to the public what actions it is considering if this is the case?

Otherwise, it may be perceived that the Council already has made up its mind in this regard before the public hearing, which would be a conflict of the public interest. And if changes to existing regulations admittedly are based on **may be**, guesses or assumptions, they easily would be subject to challenge in court.

Has the Council conducted a scientifically valid survey of Victoria short term tourism rental owners to see if whatever regulations, licenses, fees are being considered would, indeed, result in a property becoming a long term rental, or are they merely punitive in nature designed to force owners financially out of this property use market? Please bear in mind, STR tourism and its dollars follow this market out the door. Yet, they could just as easily flow in this door too.

Has anyone determined what the monthly rentals would be on these units if they went long term? Would they be affordable? And to what percentage of the residents? What if these units mostly would be affordable to the top 10% of income earners, say those earning more than 120K per year for example? Having answers to these and many other questions is imperative when the public rationale for considering such changes is **may be**.

Exactly how many short term tourism rentals would not become a long term rental regardless of changes to regulations? The city and its tourism businesses will lose the associated short term vacation rental tourist generated income. Who will make up this shortfall to local tourism businesses? What about all the existing jobs and local businesses that will be lost as a result of greatly reducing this market? What provisions is the city council making to provide alternative jobs for this sector of the public?

Has the Council considered what will replace the STR in Victoria's tourism market because the demand definitely is there? Hotels won't because STRs are not hotels. It's not even close. In fact, a hotel business has

more in common with a local restaurant and bar than they do with a STR when it comes to being profitable. The key profit center for a hotel is its food and beverage service, just like a restaurant and bar, not a bed in a room with all its attendant high overhead costs. For example, to make the same percentage of profit from one bottle of vodka sold in a hotel bar in one night can take years with a hotel room. Therefore, take food and beverage sales out of the hotel business and a great many of them would go out of business.

In fact, according to the Metro news, only the top renting 5 or 6 short term units in Toronto, out of a city of 6.2 million people, had an occupancy rate of at least 65% for the year. This is the average occupancy rate for all the hotels in Canada, 5-star or 1-star, according to the Canadian hotel industry association. The remainder of short term rentals rent out at occupancy rates that would put most hotels out of business within a year.

According to the same article, the average income for STRs in Toronto, Montreal and Ottawa was about \$5K for a 12-month period ending in July. This is a very thin monetary margin to work with over the course of a year. From a purely business perspective, owning a STR is about the last “business” one would consider getting in to if you want to earn a living at it. At best, income from a STR is marginally supplemental for the owner. It’s not even a minimum wage paying job. Yet for elderly people living on fixed incomes or on a city pension, this is a life saver. It’s their safety net. Don’t change the rules on them and take this away. Instead, the Council should help them by bringing their property into compliance with the existing regulations, which is a win-win-win for all involved.

And only “0.07 per cent of the entire housing stock in Toronto, are rented frequently enough (as a STR) to outcompete a long-term rental.” This is hardly the sky is falling STR scenario that some in the media have made it out to be. Also according to this same media report, “That means 14,000 entire homes including condo units, have been taken out of the long-term rental market.” While this sounds like a huge amount on the surface, when one realizes the Greater Toronto has a population of about 6.2 million, it’s a very small amount.

This extrapolates out to .011% of the total housing market in Toronto used in the STR market based on 2.5 people per housing unit. Or looked at another way, 99.989% of the market is available for purchase or as long term rentals. Perhaps consider a cap of a maximum of 1% of the total housing market that can be STRs? One percent doesn’t appear to place any undue burden on the housing market, but keeps the tourism rental demand in place, and keeps the tourist dollars coming in.

Adam Smith, the “father of modern day economics” and author of *The Wealth Of Nations*, stated, “By selling products (and services) that people want to buy, the butcher, brewer, and baker, (the short term rental owner) hope to make money. If they are effective in meeting the needs of their customers (the market demand), they will enjoy the financial rewards. While they are engaging in their enterprises for the purpose of earning money, they are also providing products that people want. Such a system creates wealth not just for the butcher, brewer, and baker, (the short term rental owner), but for the nation (and city) as a whole when that nation (city) is populated with citizens working productively to better themselves and address their financial needs.”

It is this principle that eventually, with so many major cities throughout Canada artificially putting the kibosh on STRs (losing wealth) despite the strong tourist market demand, will lead one clever tourist destination city to figure this out and capitalize on this demand. They will swim upstream by encouraging STRs in a controlled manner (thereby creating wealth), attracting all that free money booted out of the other cities, while promoting and tapping into this tourist goldmine, laughing all the way to the bank.

What is Victoria’s percentage of short term tourist rentals compared to its entire residential housing stock? This public statistic is a key piece of evidence in drawing conclusions and making decisions concerning the STR tourism market. However, that number will only decrease as a percentage when new approved housing units become available.

We are categorically opposed to ex post facto laws, regulations, licenses, and fees designed to force a market into a direction it doesn't want to go. It's like changing the rules half way through a hockey game to favor one team over the other. There's always the danger of a greater negative pushback.

Also, these type of regulations send out a very loud negative message that you can invest in your future here today, but we may change our minds tomorrow and you'll lose money on your investment or retirement. To wit: "amend the zoning regulation bylaw **to remove transient zoning downtown where transient zoning currently exists**. No zoning changes would occur without a public hearing, which has not yet been scheduled." Although this would not affect strata legal, non-conforming status, it becomes a non sequitur if licensing and fees are in the works with the intention to extinguish short term rentals or make them a non-viable option in the tourism market as witnessed in other Canadian cities. However, if these zones were to be removed, what changes does the Council have in mind?

As the **Tourism Industry Association of BC** states it:

Investing in tourism-related projects is **a key provincial strategy and priority**. *Put your community on the map* (or take it off the map as the case may be) and **energize the local economy by supporting tourism for all it's worth**. Together, many groups, agencies and organizations are working to build and sustain an industry that fosters fresh ideas and innovative investment designed to make our region even better equipped to attract more visitors and stimulate economic activity."

Impairing or effectively shutting down the short term vacation tourism rental market in Victoria to "encourage long term residential rentals" is hardly supporting tourism for all it's worth. In the long term, a decision in this direction will prove to be short-sighted because it is contrary to existing global market demand. The money in the market will follow the supply, wherever it may be. It's just a matter of who realizes this and will capitalize on it.

Short term vacation rentals are a very popular tourism segment vital to stimulating local economic activity as the real world continually demonstrates. Shutting it down or impairing it runs contrary to this goal, especially as Victoria is the capitol city of the province.

And shut down or impaired short term vacation tourism rentals will cause tourist dollars to go where they are available. When this occurs, what plan does the Council have to replace this lost outside income? Has the Council given thought to this economic impact on Victoria's job market? What plan does the city have to provide jobs to these people? People that don't have jobs, can't afford to pay any rent, short or long term. How is possibly in the public's interest to cause newly unemployed people to leave Victoria for where there are jobs?

Would it not be better to make positive, fact based decisions based on reality that allow them to keep their existing jobs, especially related to income generating tourism, and to encourage and create new ones as well? Come up with a solution that involves all the stakeholders throughout the entire decision making process rather than 5 minutes on a given day. There are many possible avenues this can take.

And, if this is a desire to counter the overreaching AirBnBs of the world, there are much more effective ways to do this while protecting the city's local tourism income market. No need to throw the baby out with the bath water. It requires a bit more effort and creativity, but it is much more satisfying and is of greater economic benefit in the long term. It also has the added potential to make Victoria an enlightened leader in Canada in this respect.

Legal properties grandfathered in existing under current guidelines will be absorbed by new housing starts over time without putting in place punitive licensing, fees or taxes, and would show good faith to this public sector on the part of the Council members. If you must make changes, implement changes that apply to new properties

coming online. Otherwise, once trust is broken, it is very difficult to restore, with existing residents whose businesses suffer, with people who lose their jobs, and with retirees on fixed incomes hoping to make ends meet. It also creates an additional hurdle when competing to attract needed innovative investment into the city.

Secondly, if short term vacation tourist rentals are zoned out of existence or made financially unviable to property owners through fees, licenses and further taxes, what will replace this tourism segment and wealth creation for local businesses? As above, every economy, in order to grow, needs outside sources of income brought into it. Otherwise, an economy stagnates.

Vancouver Island, and the city of Victoria in particular, are tourist destinations especially when compared to the likes of Toronto. Destination tourism is what gives Victoria its market advantage over cities like Toronto, Ottawa, Calgary, etc. Tourism is a market that provides an outside influx of capital wealth, and it is being encouraged at the provincial level just a few blocks down the road. Whereas short term tourist rentals bring new money and provide for growth of the local wealth in its economy, long term rentals recirculate existing capital. There is more than enough room for both in a vibrant economy that is moving forward.

Also, the Council is considering to “develop new Short Tern Rental business regulations to establish specific requirements for Short Term Rental business licenses and potentially apply different business license fees to different uses, as well as fines for **non-compliance**. Community engagement and opportunities for public feedback would precede any changes to business regulation.”

Are there not regulations already in existence for such concerns? Should not current regulations be enforced first, and results analyzed before making changes that may be worse in their net effect for the city’s residents and businesses? Again, the danger of may be.

The city’s businesses and employees on the job make more money (wealth creation) off our unit through tourism dollars spent in the city than we do by more than double. Multiply this effect out among all the legal short term tourist rentals. What does the Council offer to replace this income and the jobs it generates for Victoria?

In making any fundamental business decisions, many factors must be objectively taken into consideration without prejudice. This is the sound, normal course of due diligence. To this end and to recap, there are a dozen or so questions that should have definitive and specific facts to support them made public before making any decisions regarding changes to the short term tourist rental market:

We respectfully submit that the Council delineate to the public what actions it is considering if short term vacation rentals are shown *not* to cause a significant shortage of long term rentals?

Does the Council plan to conduct a scientific business survey of Victoria short term vacation rental owners to determine if whatever regulations are being considered would in fact result in a property becoming a long term rental or not?

What would the monthly rentals be on these units?

Would they be affordable?

And to what percentage of the city’s residents?

What if these units only would be affordable to the top 10% of income earners, say those earning more than 120K per year for example, but tens of thousands of tourists who have expendable income could afford them,

bringing additional short term tourist income into the city, what action would the Council take to encourage this capital wealth inflow to the community?

Who will make up the shortfall in income to local tourism businesses from the loss of short term vacation rental tourists? How will it be replaced?

What about the existing jobs that will be lost as a result greatly reducing the short term vacation rental market? What provisions is the city council making to provide jobs for these people?

What will the Council use to replace the popular short term vacation rental in Victoria's tourism market? Tourists need a place to lay their heads, and wallets, at night, if not in Victoria, then someplace else.

What is the exact percentage of legal short term tourist rentals versus all the other residential housing in Victoria? In most cities, the reality is that it is a very small percentage, less than one percent in major cities like Montreal and Toronto according to the CBC and Metro News. Is this worth the potential loss of a major tourism income segment especially when the province is doing the opposite by promoting tourism?

If these downtown transient zones were to be removed, what specific changes does the Council have in mind?

If short term vacation tourism rentals are shut down or impaired, a lot of tourist dollars will go someplace else. When this occurs, what plan does the Council have ready to go to replace all this lost outside tourism income?

The Council is considering developing new Short Term Rental business regulations to establish specific requirements for Short Term Rental business licenses and potentially apply different business license fees to different uses, as well as fines for **non-compliance**. Are there not regulations already in existence for such concerns?

Should not current short term rental regulations be enforced, and an economic impact assessment made with results analyzed before making changes that may be worse in their net effect for the city's residents, businesses and employment rate?

There is an old proverb that says look before you leap. No one wants to be the goat who leaped into the well without considering how to get out of it. Therefore, we ask that the Council's decision with regard to the short term tourist rental market objectively be considered by dutifully evaluating all segments of the public interest.

This specifically includes taking into consideration the positive economic impact of short term rental tourism to Victoria (creating wealth), and what negative effects its loss would have, both short and long term, rather than basing decisions on the publicly stated **may be** that more than likely, at least as demonstrated by media reports in other major Canadian cities, does not appear to be warranted.

Sincerely,

Michael & Karyn Allard

Lacey Maxwell

From: peter cresswell [REDACTED]
Sent: September 17, 2017 5:22 PM
To: Victoria Mayor and Council
Subject: Short Term Rentals

Categories: filed

Our household is very supportive of Council's announced 'Proposed Change to the Zoning Regulation Bylaw'. We do not need more Air B & B sites in the downtown area of Victoria. What we need is more long term rentals for people who cannot find places to live in our fair city. Keep up the good work!

Take care
Peter

Mayor & Council,

The city of Victoria has been discussing short term vacation rentals, (STVRs), for over a year. Some believe that STVRs are responsible for rising property and rental prices, that STVRs are responsible for the lack of affordable housing in Victoria and that STVRs are responsible for the very low vacancy rate that exists in Victoria. Considering that best estimates put legal vacation rentals at approximately 1% of the rental stock in Victoria, it seems a little dramatic to lay the blame for these issues at the feet of STVRs.

Regardless, the discussion to date has been about bringing in a regulatory regime to licence and regulate STVRs in the city, with a focus on taxation and enforcement. Those of us who own legal and legitimate STVRs that contribute to the social good through employment, taxation and the retention of tourist dollars in the local economy have said from the beginning that the easiest first step to take would be to simply enforce the existing zoning bylaw.

Victoria has zones in which STVRs are legal and legitimate, and STVRs are expressly permitted. However, there are many STVRs in zones in which they are not permitted. These STVRs operate in contravention of existing zoning rules. Council has taken no action to enforce the existing zoning bylaws.

Last year city staff directly advised council that using rezoning as a tool to regulate STVRs would be overly blunt and ineffective. Rezoning would not return one STVR to the long-term rental market, it would not produce one unit of affordable housing, it would have no affect on vacancy rates and it would not decrease property values. All existing STVRs and their buildings would automatically become legal non-conforming, a status allowing current use to continue in perpetuity. Instead, staff recommended enforcing existing zoning and looking at regulatory reform.


Naturally, less than two weeks ago, council gave first and second reading to a re-zoning amendment bylaw that will try to eliminate the legal and legitimate vacation rental zones by deleting the term “vacation rentals” from the transient accommodation definition. Council has still not done anything to enforce the current zoning bylaw against STVRs in zones that do not allow them, but instead in this initiative has chosen to attack legal and legitimate STVRs.

This change affects thousands of owners and properties, not just the few active STVRs in affected zones. If this were a land use decision that affected less than 10 owners or properties then the city would be required to notify those parties in writing. Ironically, because it affects so many more properties and owners, this change can be made with only one public hearing advertised in the local newspaper, likely leaving the majority of affected owners unaware.

This downzoning has been presented as just a correction or an administrative change to fix some oversight in the zoning bylaw language, going so far as to use the Orwellian term “Right-Zoning”. Vacation rental inclusion in transient zoning was not a mistake. The fact that vacation rentals are expressly contained in the transient accommodation definition alone proves that this use was both contemplated and approved by city councils and planners that long predate the current council.

Those leaders recognized the importance of the tourism industry to the city and saw vacation rentals as an important element in an overall accommodation sector strategy. Should this council wish to overhaul the way STVRs are treated then they should bring forward their whole policy, including specific regulatory and enforcement proposals in addition to any rezoning at the same time. Only this way can honest public input be sought by stakeholders and property owners, only this way can the overall strategy be evaluated and examined.

Two weeks and one public hearing is simply not acceptable for such a wide-reaching land use change that affects thousands of owners and properties and that is supposed to be part of an overall STVR policy. Please consider voting down this amendment and waiting until such a time as a complete STVR policy package can be presented, in its entirety for evaluation and meaningful public input.

David Langlois


Pamela Martin

From: Rita Chand [REDACTED]
Sent: Wednesday, September 20, 2017 7:25 PM
To: Public Hearings
Subject: Public Hearing - Short Term Rentals

I will unfortunately be away for the meeting so unable to attend. I am very passionate about vacation rentals and the benefits of them in Victoria and would like to lend my voice to the discussion that I will miss.

I have owned my home for almost 20 years and love my neighbourhood and love being a homeowner. I was a landlord for 15 of those years, and the last 6 of those 15 years were the worst I've ever experienced because of the tenants I had. Long term tenants who contributed nothing to the home in terms of caring for it or respecting it or my space or the rules. My last tenant left and I couldn't even go to the suite for a month because of the horrible taste in my mouth and the amount of stress I experienced while she lived in my home.

After she left, I had some ideas of what i wanted for my space and it eventually came together as a vacation rental. July through September i usually have short term rentals and the rest of the year are 30 days or longer. Often 60. I love the people i meet, i love the peaceful and respectful energy of my home. I put a lot of money into my renovation and making sure that my guests are well taken care of and by the reviews I have received the guests feel it. I have never been prouder of anything than what I have been able to accomplish with my home and my suite.

one of the best things is that the businesses, restaurants and otherwise in the neighbourhood get an influx of tourist dollars they may otherwise never see due to the fact that airbnb has made it possible for people to live like locals and spread those dollars around. I firmly believe that those who wish to stay in hotels still stay in hotels. Running a vacation rental has been one of the most rewarding things I've ever experienced. I know that when my guests are here they have a comfortable and warm experience and some have come back multiple times.

I realize there is a rental situation in Victoria as in other places, and I own my home, I have never missed a mortgage payment, I pay my taxes and I have always claimed my rental income. Always. And running a short term vacation rental 3 months of the year gives me so much joy. My guests come from all over the world, some who are moving here for school or otherwise, and I like to give them as warm a welcome as possible so they get off on the right foot and have a great first impression of Victoria. Short term vacation rentals have also made it possible for people who may otherwise not be able to afford to come here a chance to do that.

As a homeowner, it is not my responsibility to ensure that someone else has a long term place to live. There are so many other, more creative ways to deal with the rental situation than to crack down on the future.

I for one am passionate about this incredible opportunity to host people from all over the world here in Victoria in this little neighbourhood i call home and I hope to be able to continue to do so while continuing to live in the same house.

thank you
Rita

September 21, 2017

Mayor & Council
City of Victoria
City Hall
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mayor & Council,

I am writing to express my concern with regard to Council's proposed zoning bylaw change to remove entire-unit short term rentals as a permitted use where they are currently allowed. In addition to negatively impacting those projects currently in the process of rezoning within the effected zones – and possibility jeopardizing the viability of such projects – I feel strongly that this change will only act to further reduce affordability within the downtown core.

As Council is well aware, Chard Development is currently in the process of applying to rezone the properties at 1312-1324 Broad Street. More than two years in the making, this project represents a partnership with the University of Victoria that if approved, would provide 52 rental accommodations to students of UVic plus an additional 104 condominium suites. As recommended by Council and City staff, the proposal will retain as much of the existing structure as possible. As a result, underground parking is not viable and hence, only small yet livable suites make economic sense. Given the size of the suites – and the lack of parking – these suites are likely to be more affordable than many and under the current zoning, the demand is anticipated to be strong. That said, such a last minute and drastic zoning change is likely to significantly reduce the marketability of these suites. It is disappointing to see Council considering such a short-sighted modification with such far reaching negative impact upon an industry that relies on long-term planning and stability.

Further, the appeal of these transient-zoned suites and their impact on Victoria's affordability cannot be underestimated. For part-time residents of Victoria – including snowbirds and the semi-retired – a home with transient zoning makes their commitment to the City financially viable. With the opportunity to rent their homes out when not in use – thereby recouping some of the expense of owning and paying taxes within the city – they are free to live, shop, eat out and generally contribute to the economic viability of downtown Victoria. They are able to host their friends and family without financial burden and to spread the word on the livability of our City.

Similar affordability benefits extend to those working within Victoria's booming tech industry. While many thriving organizations have chosen to base themselves in Victoria, their employees are often transient in nature and travel outside of the City often. The opportunity to purchase a home with transient zoning again makes ownership viable, as these citizens are able to rent out their homes

when traveling for work purposes. On the flip side, the availability of these short-term rentals to the many workers who are traveling to the City for work purposes helps to support those local businesses and the economy. As a business owner who often has staff traveling to and from Victoria – and staying in the City sometimes for 3 or more nights – I can personally attest to the attractiveness of a “home away from home” to my staff, many of whom have enjoyed the use of such transient-zoned short term rentals in the course of their work within the city.

While I appreciate the need for regulations and restrictions, I strongly encourage Council to consider the far reaching negative effects of this proposed zoning bylaw change and to vote against the proposal.

Sincerely,

Chard Development Ltd.



David Chard
President

Pamela Martin

From: Emma & Kevin Kirkland [REDACTED]
Sent: Thursday, September 21, 2017 8:07 AM
To: Public Hearings
Subject: Testimonial for tonight's meeting

Hello:

I will be unable to attend tonight's council meeting due to being out of town, and therefore, I was directed to send my testimonial in through this means.

I rent my revenue property out as a vacation rental. The property is zoned appropriately and would like it on record that I would be opposed to any council decision that would limit the use of my unit as vacation rental.

We also own our home in Victoria proper, so we pay considerable property tax. Our home has a legal suite which is rented out long term.

I can be reached at [REDACTED] to discuss matter further.
Kevin Kirkland

Lacey Maxwell

From: Jayne Bradbury [REDACTED]
Sent: September 21, 2017 11:15 AM
To: Victoria Mayor and Council
Cc: Jonathan Tinney; khogan@udi.org; Lisa Helps (Mayor); Dave Chard
Subject: Fwd: UVIC properties - broad street

Looping in all of council. UDI is concerned about the uncertainty that this move introduces into the development process in Victoria.

Thanks
Jayne

Sent from my iPhone

Begin forwarded message:

From: Jayne Bradbury [REDACTED]
Date: September 21, 2017 at 11:39:42 AM CDT
To: Jonathan Tinney <JTinney@victoria.ca>
Cc: Dave Chard [REDACTED], "Lisa Helps (Mayor)" <mayor@victoria.ca>, [REDACTED]
Subject: Re: UVIC properties - broad street

Jonathan and Lisa,

I am concerned about the precedent that this approach of removing allowable uses is setting. Even if Dave were to pursue transient zoning, what kind of guarantees would he have that council would not look to remove it in the future? Council is looking to remove uses from projects that it recently approved through a rezoning application and which were developed based on the approved zoning - essentially it is reversing some of its own policy decisions which removes certainty for property owners and developers. While the use is grandfathered in, it still reduces transparency, certainty and trust in the City's process.

Surely there are better ways to regulate STVR than zoning. We are currently in Austin and they appear to regulate through permitting.

Jayne

Sent from my iPhone

On Sep 21, 2017, at 7:41 AM, Jonathan Tinney <JTinney@victoria.ca> wrote:

Dave, this is the first I am hearing about this as a specific direction for your project. I don't recall it coming up in any of the meetings we've been in together.

If it had been brought up we would have informed you that Council has previously directed staff not to include transient accommodation in new zones within the downtown core as a standard part of the zone (which had been case previously). As well as you mention, Council is also currently considering removing this use from existing zones within the City.

That said, even with that direction and even if Council moves forward with the rezoning this evening, there is nothing stopping you from specifically requesting the use within the future zone for your project and having Council consider the specific merits of the use in this case (ie to support UVic as you say).

Happy to discuss further.

JT

On Sep 21, 2017, at 2:58 AM, Dave Chard

[REDACTED] wrote:

Hi Lisa

Thank you for your reply .

Our primary concern is that we have designed the condo units as micro suites which accommodate short term rentals . Without parking they are the only possibility for success . The student housing for UVIC is 1/3 of this project .

After more than 2 years of planning and changing design direction to accommodate the cities and council members desires this is extremely disappointing .

In my opinion this is a knee jerk reaction to air bnb and you do not appreciate the development implications for old town heritage restoration.

I certainly hope that council will consider additional grandfathering for projects in the planning stage .

Sincerely

Dave

DIRECT [REDACTED]

MAIN [REDACTED]

MOBILE [REDACTED]

CHARD DEVELOPMENT LTD.

OFFICE LOCATION MAP<<https://goo.gl/maps/VgzJHtxzTaK2>>

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On 20 Sep 2017, at 10:46 PM, Lisa Helps (Mayor)
<mayor@victoria.ca<<mailto:mayor@victoria.ca>>> wrote:

Hello Dave. I've asked Jonathan to follow up. The purpose of the rezonings is not to prohibit student housing in the downtown. But Jonathan can give you more details in case I'm missing something.

--

Lisa Helps, Victoria Mayor

Lekwungen Territory

www.lisahelpsvictoria.ca<<http://www.lisahelpsvictoria.ca>><<http://www.lisahelpsvictoria.ca>>

250-661-2708

@lisahelps

“When in doubt do the kindest thing possible.” - Unknown

On Sep 20, 2017, at 9:21 AM, Dave Chard

[REDACTED]
[REDACTED] wrote:

Hi Lisa

It's my understanding that there is a public hearing this week on the transient zoning issue .

We will be providing or making a submission opposing the concept of eliminating the transient zoning in old town .

I must say this is a shocker as we have been working with UVIC for over 2 years to create a unique partnership , maintain as much of the existing heritage of the Duck building and adjacent rubble walls and without any below grade parking (which I have always been very nervous on) . However we considered there was the ability to achieve these initiatives if we developed small units given the long standing transient zoning .

We have spent over 2 years developing the procedures with our architects (3 different companies) , structural and geotechnical engineers and contractors and many other consultants trying to create a viable development . We have had numerous meetings with staff , you and councillor Madoff on this project .

Should this blanket elimination of transient zoning occur it would negate this time and effort spent on trying to create a viable revitalization of broad street . We have been endeavouring to submit our application but likely we are still a few days away after some 2 years or more . This type of project takes much planning and careful thought . We have had the CALUC meeting .

I would ask that council be careful on this initiative as I believe it's going to have far more reaching implications on heritage preservation and redevelopment in old town than you realize .

I respectfully hope that council will tread lightly or grandfather applications that have at least been discussed with the city .

In our case I feel 2 years work and significant funds will have been wasted after following the preferences of staff and council members . Not to mention the Benifits of trying to bring UVIC student housing to downtown victoria .

Your thoughtful consideration would be appreciated .

Thank you

Dave Chard

DIRECT [REDACTED]

MAIN [REDACTED]

MOBILE [REDACTED]

CHARD DEVELOPMENT LTD.

OFFICE LOCATION MAP<<https://goo.gl/maps/VgzJHtxzTaK2>>

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Lacey Maxwell

From: Jessica Colwill [REDACTED]
Sent: September 21, 2017 9:25 AM
To: Victoria Mayor and Council
Subject: Short-Term rental support

Dear Mayor and Council,

My name is Jessica Colwill and I live at [1457 Richardson Street](#). I am emailing you today to express my opposition to the proposed bylaw amendment up for discussion at the City Council meeting of September 21, 2017, prohibiting Short-Term Rentals in the entire City unless where expressly allowed.

This Council has stated that it is trying to address housing availability and affordability. This bylaw amendment does little-to-nothing to increase the availability of housing, as evidenced by Director Jonathan Tinney's report to the Committee of the Whole back in August, 2016. Not to mention, the gross misuse of scarce City resources in enforcing this change.

While this bylaw does impact housing affordability, it does so negatively. Banning short term vacation rentals makes it that much harder for families to live comfortably in the City, where a large proportion of one's income goes to paying for shelter. Young families like mine are turning more and more to modern, non-traditional sources of income that not only relieve the financial pressure on us, but help to replace the dwindling number of hotel rooms in Victoria. Our economy lives and dies on tourism, and as a household that relies heavily on the hospitality industry to thrive, this removes an option to turn when things are tight.

I strongly oppose this Council limiting the choice of homeowners to rent out portions of their home and urge Mayor and Councillors to vote down this amendment.

Jessica Colwill
[1457 Richardson Street](#)

Sent from my iPhone

Pamela Martin

From: Laura Corfield [REDACTED]
Sent: Thursday, September 21, 2017 11:05 AM
To: Public Hearings
Subject: Zoning Regulation Bylaw Amendment: Short-Term Rentals

Importance: High

To Whom It May Concern,

We have a few condos in the downtown core all in transient zoned buildings, that we purchased for this specific reason with another one purchased and currently being built. We are told by our guests that they love the service we provide and that home away from home feeling. Not only that but a lot of guests find the hotel prices too high and quite often they are sold out. Our guests are still able to visit Victoria which brings a lot of tourism and money spent in our local businesses that wouldn't occur if they didn't have the right place to stay. We have had the pleasure of hosting guests from all over Europe, Australia, The States and Eastern Canada. In the fall and winter time we offer a service that brings many snow birds that reside in Victoria for the fall or Winter months, who wouldn't be able to or want to stay in a hotel for that period of time. In addition we have provided a home away from home for people who need to travel to Victoria repeatedly for a variety of health reasons. From a person fighting cancer who had to be in Victoria 3 nights a week for 8 weeks straight to couples traveling to Victoria for fertility treatment. I think by getting rid of our service and those of others like us it would be disservice to the City of Victoria and the many people that hope to visit and experience the best of what the city has to offer.

Regards, Laura

LAURA CORFIELD | Mortgage Specialist
Dominion Lending Centres

[REDACTED]
[REDACTED]
207-3531 Uptown Blvd.
Victoria BC, V8Z 0V9
www.slcorfield.ca

Lacey Maxwell

From: Michael Colwill [REDACTED]
Sent: September 21, 2017 9:17 AM
To: Victoria Mayor and Council
Subject: Letter supporting Air B and B

Dear Mayor and Council,

My name is Michael Colwill and I am the General Manager of The Fernwood Inn and the upcoming Fernwood Pizza Company. I am emailing you today to express my opposition to the proposed bylaw amendment up for discussion at the City Council meeting of September 21, 2017, prohibiting Short-Term Rentals in the entire City unless where expressly allowed.

As the proprietor of a thriving hospitality establishment, I am against any measures that make visiting Victoria more difficult. I make it a point to get to know as many of my customers as I can, and more and more, I'm hearing from customers how they are staying in a short-term vacation rental somewhere in Fernwood. Short-term vacation rentals are a boon to our business, because as I'm sure you are all well aware, there are no hotels in Fernwood. And as a Council that has expressed support and has funded infrastructure for and all things local, walkability and cycling, banning short-term vacation rentals flies in the face of that. Short-term vacation rentals bring customers to a neighbourhood that has really only traditionally benefited from tourism tangentially. With short-term vacation rentals, we benefit directly from tourists staying on our neighbourhood, walking and cycling down to Fernwood Square.

The Fernwood Inn rents out ten units of traditional rental housing and plans to bring onboard two more next door. We intend for these to remain traditional rental housing. Please don't punish small businesses, in less densified areas like ours that rely on walk-in and ride-up traffic, by reversing years of progress towards becoming a top choice for tourists. This will do nothing positive for housing availability and affordability, and serve only to reward downtown hotels by further limiting the supply of tourist accommodations and allowing them to crank up their room rates.

I strongly oppose this amendment and urge Mayor and Councillors to vote it down.

Michael Colwill
General Manager
The Fernwood Inn & Fernwood Pizza Company

M.J. Freeman
#001-1015 Moss Street
Victoria
BC V8V 4P2

September 21, 2017

I own a short term vacation home (and also manage some rentals for other hosts) and have been renting my place out for over 3 years now and have hosted many wonderful people from around the world who have come to visit Victoria. These people have not wanted to stay in hotels and want to enjoy their experience here in a space they can call their own for the time they are here. Most hotels are unaffordable for these people, this year a basic downtown hotel cost around \$300.00/ night to stay and most people cannot afford those prices and having the short term rentals allows people to come from all over the world to stay in our city and not just visit for a day. I have hosted hundreds of people and have 258 raving reviews from tourists to our city. These people like the personal touch and experience that an STR provides. These rentals put money into our city and communities and help keep the economy in the city where everyone benefits. Tourists should be allowed to choose if they want to stay in a hotel or in a holiday home and not be forced to stay at a hotel because a city says no to short term renting.

A little history: The reason I started doing short term rentals was that after doing long term rentals, after each tenant I had in my property, the place was left damaged because it was not treated respectfully. I have had new carpets ruined after a year's leasing, walls damaged and even had to replace an oven which was only 2 years old due to abuse from a tenant. One tenant at one location had chickens on the front lawn after being told not to do this at the property, they still proceeded to do this. I have even had to evict drug dealers. These properties are in good neighbourhoods and they should have been respected and cared for by the tenants.

Due to this I decided to do the short term rentals and haven't looked back since, I now rest assured that my place will be treated respectfully after each visit and can honestly say I barely have had any issues over the years of doing this. So with comments like "tenants are being displaced by vacationers" and with some of my experiences with tenants ' I as a landlord have a right to choose who I want in my property and how I want my property to be used.

With STRs, guests are verified to check that who they say they are, they are and if anything should go wrong then they have all the information to contact that person and take any matter up with them. In all the years I have been doing this I have never had an issue where I have felt abused by a guest as I have by tenants in the past.

By disallowing short term rentals in the city of Victoria this will not resolve the housing issue here in Victoria. The problem in Victoria is that it is not a cheap city to live in and there are not enough places for low income people to be able to afford to live in. It is not the responsibility of people like myself to provide a low income place for these people to live. New rental buildings that are being built are still unaffordable for people who have a low income. To compare short term rental homes to hotels is

bizarre and I do think that how Seattle's proposals and Quebec reaching their agreement on a lodging tax is fair and I believe that we should be doing the same here and this will benefit affordable housing efforts to end homelessness initiatives. I support a lodging tax on short term rental properties like they have done in Quebec.

M.J.Freeman

Robin Bayley

Address: 39 Linden Ave., Victoria, BC

I represent: Myself and people with allergies and other disabilities

Topic: Restricting short term rentals restricts choice for people w. disabilities

Dear Mayor and Council

The action I ask Council to take:

Consult with disability communities and analyze the issue from this perspective, to minimize the impact on people with disabilities. Ensure that this valuable form of accommodation is available in future.

I am writing, as a member of the public, instead of appearing before you at the public hearing because City Hall is inaccessible to me, due to a lack of pet restrictions or scent-reduction policy. I explored participating by video conference or other remote means and was told by the Committee Secretary that "At this time our *Council Procedures Bylaw* does not allow the means of participating electronically at the meeting. Council does however, consider written correspondence for public hearing items." I disagree with this interpretation and believe that although the Bylaw does not explicitly provide for electronic participation, it does not prohibit it, and it is within the power of Council to allow members of the public to address it remotely with notice and when warranted.

I was told that I could submit a written submission. I hope that you will give this written submission the same consideration as you do of those who appear in person.

I face similar barriers to those that prevent me from attending City Hall when searching for accommodation while traveling. I know from my participation in online allergy forums that others with pet and food allergies do too. We need kitchens and pet-free accommodation, and this is extremely limited, and when it is, it is at the highest price range.

While on vacation or engaged in work related travel, I stay in short term rentals, to accommodate my disability, which is generally not accommodated in hotels. Were these not available to me, I could not have travel. I enlisted the help of tourism Victoria to find out what hotels in Victoria can accommodate my disability. There is **one** hotel whose rack rate \$399 a night during the summer, and it does not entirely accommodate my condition.

My point is that there are some needs that hotels and other traditional vacation accommodation types do not fill. Short term vacation rentals fill niches, and are more flexible. The needs will not go away, and if they cannot be filled in Victoria, people will go to communities where they can be accommodated.

I have not seen any consideration of the effect on people with special needs in the public discussion of short term rentals in Victoria. Discouraging such rentals by onerous regulation would decrease accessibility of the city and limit mobility of people with disabilities.

Checking accessibility forums, I see that Victoria already gets mixed reviews, due to heritage properties not being accessible to people with mobility impairments.

In conclusion, my argument is that Short term rentals fill niches that hotels do not, and heavily regulating short term rentals to the effect of restricting mobility rights of certain segments of the population.

Pamela Martin

From: Sue Gentry [REDACTED]
Sent: Thursday, September 21, 2017 7:59 AM
To: Public Hearings; Victoria Mayor and Council
Subject: AirBnGreed

Dear Mayor and Council,

Do the math:

In one house two suites were rentals that previously housed a single mom with 2 kids / 2 university students etc.

Two entire flats, now each renting @ \$141 per night.

Each unit: $\$141 \times 365 = \$51,465.00 / 12 \text{ months} = \$4,288.75$ per month per suite.

Who do you know that could possibly pay the monthly rent of \$ 4,288.75 a month?

Who would refuse to make \$102,930.00 a year off 2 suites?

Landlords in Victoria?

And unfortunately we can assume no Municipal, Provincial or Federal taxes have been or will be paid on this income.

Believe it, it is happening in your City.

What does the living wage have to be in Victoria to allow people to pay these exorbitant rents?

What kinds of business can survive paying those wages?

How many businesses will fold because of high wages?

What tax base does the city have if so many businesses have to close?

And what is the city going to do with the homeless created by the renovations – and with what money?

Think about it and do the math.

Thanks,

Sue

Lindsay Milburn

From: Jonathan Tinney
Sent: Thursday, November 24, 2016 9:44 AM
To: Lindsay Milburn
Cc: Andrea Hudson
Subject: FW: National Public Polling Results on Homesharing
Attachments: Airbnb -Executive-Summary-EN (1).pdf; CICIC-Polling Data Deck-EN (1).pdf

FYI in case you haven't received yet.

From: Ange Valentini [REDACTED]
Sent: Monday, November 21, 2016 5:08 AM
To: Jonathan Tinney <JTinney@victoria.ca>
Subject: National Public Polling Results on Homesharing

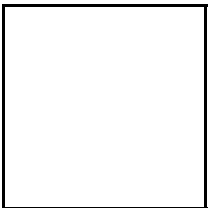
Good morning,

Airbnb is pleased to provide you with the attached CICIC Research and Communication's national public polling results on how Canadians view home sharing. The results of the six surveys, one national and six separate city specific surveys, including Vancouver were undertaken between September 19 and September 30, 2016. This is the first time that any data has been released regarding the views of Vancouver residents on the issue of home sharing.

With roughly 55,400 active Airbnb hosts across the country, Airbnb is an economic lifeline for everyday Canadians. The surveys indicate that the vast majority of Canadians support home sharing and easy to follow regulations for hosts. In total, over 3,600 Canadians were surveyed on how they view home sharing, including over 500 Vancouver citizens.

Thank you for your continued interest in our platform and for your contribution to the establishment of smart, fair rules around home sharing in Vancouver. We look forward to continuing to work collaboratively with the City of Vancouver as they develop guidelines in support of home sharing. Should you have any questions or would like to discuss any of these results in more detail, please do not hesitate to contact me.

Sincerely,



Ange Valentini
Senior Associate, Public Policy
Canada



Lindsay Milburn

From: Robert Batallas
Sent: Friday, September 15, 2017 10:55 AM
To: Lindsay Milburn
Subject: FW: Rezoning

My correspondence from today...

From: Ed Tait [REDACTED]
Sent: September 15, 2017 9:15 AM
To: Robert Batallas <RBatallas@victoria.ca>
Subject: RE: Rezoning

Robert:

Thank You VERY much for your as always, timely response.....

Regardless it is absolutely terrible news; the City seemingly intends to remove, without compensation a right the Owners of this parcel have had for many years and it seems also, to remove the right of Owners in neighbouring buildings, to continue to operate as they have been and in many cases I am sure, their purchase of the properties was based on the ability to rent as per the zoning which existed when they purchased and which in-fact, exists today....

And yes, unless Council is acting on your recommendation the fault does not lie with you....

It seems to me negative feedback is inevitable.

Best

Ed

From: Robert Batallas [<mailto:RBatallas@victoria.ca>]
Sent: September 15, 2017 8:19 AM
To: Ed Tait [REDACTED]
Subject: RE: Rezoning

Hi Ed, the direction that Council has given is to rezone all property as identified in the map to remove their ability to operate a 'Vacation Rental' which is defined as rentals **less than 30 days**. The rezoning will amend the current definition of Transient Accommodation to remove reference to 'Vacation rental'. There is more detailed information on the City website which help to better explain this matter:

<http://www.victoria.ca/EN/main/business/permits-licences/short-term-rentals.html>

Please take a look at the website and please feel free to call me if you would like to further discuss. Similarly, you and/or Mr. Farmer may wish to attend the Public Hearing to provide Council with your thoughts on this initiative.

I should be around all day today if you want to call. 250 361-0286

From: Ed Tait [REDACTED]
Sent: September 15, 2017 8:09 AM
To: Robert Batallas <RBatallas@victoria.ca>
Subject: Rezoning

Robert:

Further to the property, currently a parking lot, zoned CA-3C at 1624 Store Street....

Would I be correct in my assumption that the meaning of this advertisement is that the City's intension is to leave in place and unchanged, the right the Owners have now, to allow what was referred to as Transient Accommodation to continue...?

Best

Ed

It's your neighbourhood

The Public Hearing is on Thursday, September 21, 2017 at 6:30 p.m.
Provide your input.



Get Involved:
If you are interested in being considered, you with City Council at the [publichearings@victoria](mailto:publichearings@victoria.ca)



What is being proposed?

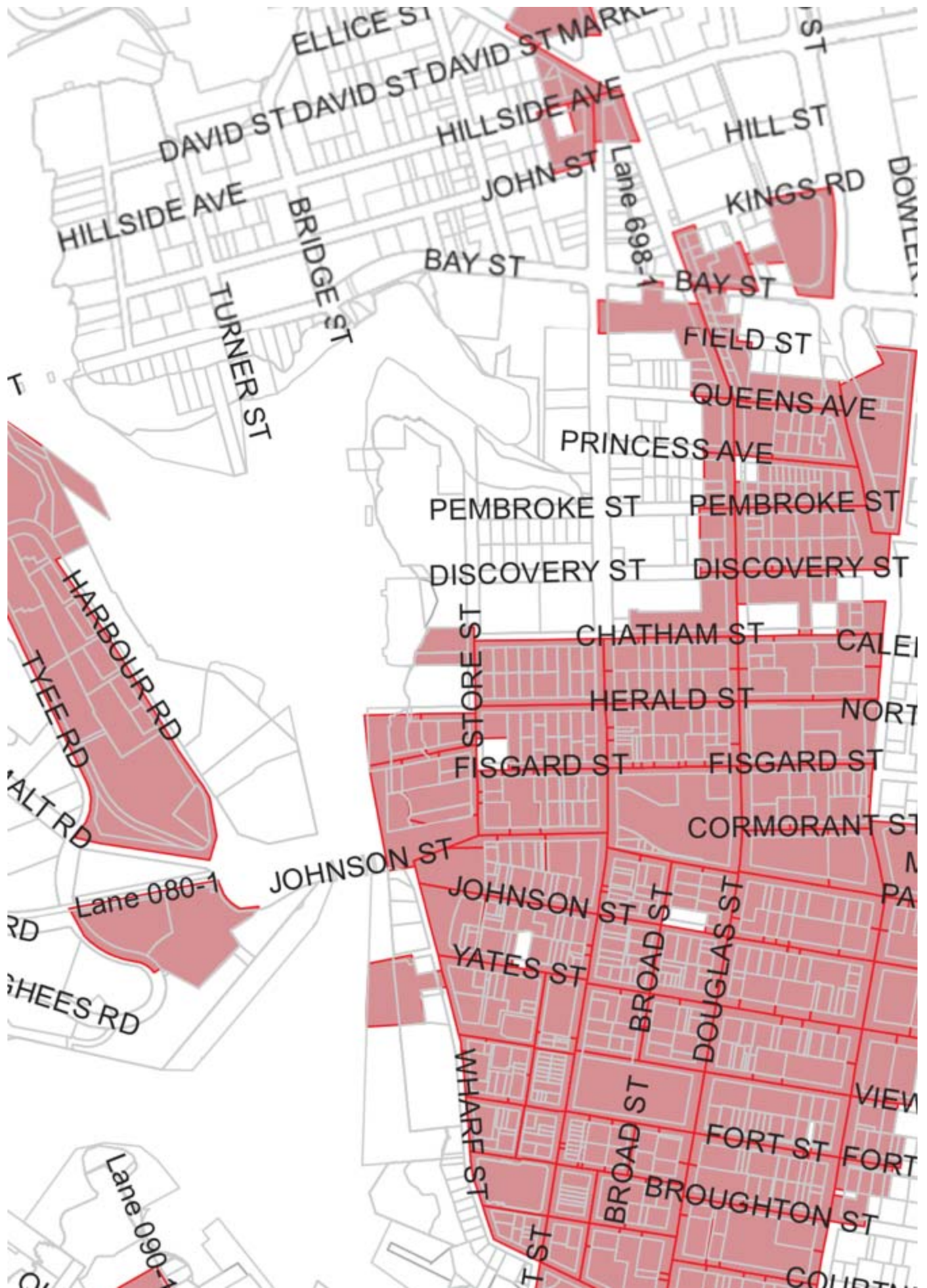
A. Application for Rezoning of Property Known as 1402-1406 Douglas Street

Zoning Regulation Bylaw, Amendment Bylaw (No. 1107) No. 17-070:

To rezone the land known as 1402-1406 Douglas Street from the CA-3C Zone, Old Town District, to the CA-82 Zone, Old Town Cannabis 2 District, to permit a storefront cannabis retailer.

New Zone: CA-82 Zone, Old Town Cannabis 2 District

Legal Description: The easterly 60 feet of Lot 671, Victoria City





What is being proposed?

A. Application for Rezoning of Property Known as 1402-1406 Douglas Street

Zoning Regulation Bylaw, Amendment Bylaw (No. 1107) No. 17-070:

To rezone the land known as 1402-1406 Douglas Street from the CA-3C Zone, Old Town to the CA-82 Zone, Old Town Cannabis 2 District, to permit a storefront cannabis retailer.

New Zone: CA-82 Zone, Old Town Cannabis 2 District

Legal Description: The easterly 60 feet of Lot 671, Victoria City

Existing Zone: CA-3C Zone, Old Town District

Application for Heritage Designation:

Under the provisions of the Local Government Act, the City of Victoria intends to designate the exterior of the building located at 1402-1406 Douglas Street, legally described as the easterly 60 feet of Lot 671, Victoria City, as protected heritage property, under Heritage Designation (1406 Douglas Street) Bylaw No. 17-078.

B. Short-Term Rentals: Proposed Changes to the Zoning Regulation Bylaw

Zoning Regulation Bylaw, Amendment Bylaw (No. 1112) No. 17-084:

The purpose of this Bylaw is to amend the Zoning Regulation Bylaw by amending the definition of "Transient Accommodation" by removing a reference to vacation rentals, creating "Short-Term Rental" as a new use, and by prohibiting Short-Term Rentals except where expressly permitted. This amendment bylaw will affect properties throughout the city where Transient Accommodation is currently permitted as shown below in the maps of the zones, which is also available at www.victoria.ca/shorttermrentals. To check whether a particular property will be affected, contact the Zoning Department at 250-361-0316 or zonina@victoria.ca. Zonina can also

Lindsay Milburn

From: Jonathan Tinney
Sent: Wednesday, February 22, 2017 1:31 PM
To: Councillors
Cc: Jason Johnson; Colleen Mycroft
Subject: Fwd: AIRBNB
Attachments: image001.gif; image002.png; image003.gif; image004.gif; image005.gif

Councillors, please find a note from resident (she requested it be forwarded to Council) and staff's response below. Please let me know if you have any questions.

Regards,

Jonathan Tinney, MCIP
Director - Sustainable Planning & Community Development
1 Centennial Square
Victoria, BC V8W 1P6
250.588.1500

Begin forwarded message:

From: Lindsay Milburn <lmilburn@victoria.ca>
Date: February 22, 2017 at 12:03:39 PM PST
To: Jonathan Tinney <JTinney@victoria.ca>
Subject: FW: AIRBNB

My response.

From: Lindsay Milburn
Sent: Wednesday, February 22, 2017 12:03 PM
To: [REDACTED]
Cc: Victoria Mayor and Council <mayorandcouncil@victoria.ca>
Subject: RE: AIRBNB

Dear Kate,

Thank you for your email. As requested, I have forwarded it on to Councillor Lucas. By way of this email I am also forwarding your concerns on to Mayor and Council at large.

For clarification, short term rentals are regulated under the *Zoning Regulation Bylaw*. The regulations currently in force are as follows:

- ? Transient accommodation (short term rental) is permitted as a use in addition to residential in Downtown Victoria.
- ? Short term rentals are also permitted under the [Home Occupation Bylaw](#) in up to two bedrooms within a single family dwelling City-wide.
- ? Short term rentals are not permitted in secondary suites or in any suite in its entirety (e.g. a whole house or apartment) outside Downtown.

? Anyone operating a short term rental is required to have a business license.

It is important to note that Council is considering further regulation of short term rentals. You can read the results of a recent Council workshop on the matter [here](#) (item 9), and watch a video of the discussion by following the links to the Committee of the Whole Meeting of January 19, 2017 on [this page](#).

Please let me know if you have further questions or concerns.

Kind regards,

Lindsay Milburn
Senior Planner – Housing Policy
Sustainable Planning and Community Development
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

T 250-361-0351 F 250-361-0557



From: Kate Hanley [REDACTED]
Sent: Tuesday, February 21, 2017 5:26 PM
To: Lindsay Milburn <lmilburn@victoria.ca>
Subject: Fwd: AIRBNB

Begin forwarded message:

From: Kate Hanley [REDACTED]
Subject: AIRBNB
Date: February 21, 2017 at 5:01:08 PM PST
To: lmilburn@victoria.com

This afternoon I was approached by a woman in James Bay Square asking me to sign a petition “AGAINST AIRBNB”.

I asked her WHY AND WHAT it was actually “against”.

She replied that people who operated airbnb rentals were doing it ILLEGALLY - and should have licences just like B&B owners.
Further, that they were taking housing away from the market.

I told her that I, myself, was such an operator of airbnb accommodation and that she was giving out MISINFORMATION (aka lies) to the unknowing public in that no regulations existed such as she wrongly stated.

She rudely replied that I was therefore doing something illegal and was depriving

HALF OF THE CITY OF VICTORIA from obtaining accommodation!!

I stood there a while and can testify that she continued to harass people with her petition - GIVING OUT THE WRONG INFORMATION _ and that most people were actually signing it - being unaware of the true facts. I told her I was reporting her to City Hall - (herewith).

There is an ominous parallel here between what is going on in the U.S. with their so-called president disseminating wrong information (lies) to an unknowing public - in order to obtain their votes.

I think you should be aware of what is going on in James Bay - and maybe elsewhere in town - and investigate this type of misinformation.

Who is this woman who has taken it upon herself to stand for hours each day - and i have been informed by someone - even weeks - to wrangle signatures from the public via MISLEADING INFORMATION?

So that, eventually, when the petition is submitted to whomever it is submitted to - presumably Victoria Council - it will give a MISLEADING request, i.e. requested/signed by people unaware and being misled of the facts.!

I am told that JBNA is also involved in petitioning in this dishonest way also - so maybe she is connected with that association.

I spoke with Nancy Johnston re this matter and she suggested I write you. Please cc Margaret Lucas on this - I do not have her address

Thank you,

Kate Hanley
228 St. Andrews St.
[REDACTED]

Lindsay Milburn

From: Ange Valentini [REDACTED] >
Sent: Monday, November 21, 2016 5:08 AM
To: Jocelyn Jenkyns; Lindsay Milburn
Subject: National Public Polling Results on Homesharing
Attachments: Airbnb -Executive-Summary-EN (1).pdf; CICIC-Polling Data Deck-EN (1).pdf

Follow Up Flag: Follow up
Flag Status: Completed

Good morning,

Airbnb is pleased to provide you with the attached CICIC Research and Communication's national public polling results on how Canadians view home sharing. The results of the six surveys, one national and six separate city specific surveys, including Vancouver were undertaken between September 19 and September 30, 2016. This is the first time that any data has been released regarding the views of Vancouver residents on the issue of home sharing.

With roughly 55,400 active Airbnb hosts across the country, Airbnb is an economic lifeline for everyday Canadians. The surveys indicate that the vast majority of Canadians support home sharing and easy to follow regulations for hosts. In total, over 3,600 Canadians were surveyed on how they view home sharing, including over 500 Vancouver citizens.

Thank you for your continued interest in our platform and for your contribution to the establishment of smart, fair rules around home sharing in Vancouver. We look forward to continuing to work collaboratively with the City of Vancouver as they develop guidelines in support of home sharing. Should you have any questions or would like to discuss any of these results in more detail, please do not hesitate to contact me.

Sincerely,



Ange Valentini
Senior Associate, Public Policy
Canada

[REDACTED]
[REDACTED]

Lindsay Milburn

From: Victoria E. Adams [REDACTED]
Sent: Wednesday, February 1, 2017 5:12 PM
To: Kimberley Stratford
Cc: Lindsay Milburn; Andrea Hudson; Jonathan Tinney
Subject: Questions Re: Short-Term Vacation Rentals
Attachments: Victoria STVR and LTR Housing Questions Final.docx; VICTORIA STVR Final Paper.pdf

Hello Kimberley,

I am attaching a series of questions I have regarding short-term vacation rentals (Airbnb/VRBO units) in the City of Victoria.

I understand that a presentation will be made regarding the topic "Short-Term Vacation Rentals" at the next meeting of the James Bay Neighbourhood Association – Wed., Feb. 8, 2017.

As the City has produced few statistics regarding the impact of STVRs, I do hope that some context will be given to this matter in relation to private property owners (particularly condos in strata councils used as Airbnb rentals), rental accommodation (affecting long-term tenants), hotel/motel/B&B operators, as well as single-family dwelling/secondary suite owners.

I look forward to receiving this information prior to the meeting, or perhaps addressed in the meeting.

Sincerely,

Victoria Adams
James Bay resident

Lindsay Milburn

From: Lindsay Milburn
Sent: Tuesday, June 27, 2017 12:29 PM
To: 'Danelius Nk'
Subject: RE: Council Meeting June 22nd | Short-term Rentals in Victoria

Hi Danelius & Anita,

On June 22 Council voted to direct staff to prepare bylaw amendments to rezone the downtown to remove transient accommodation as a permitted use in residential buildings.

However, no change will take place without a public hearing; and the public hearing on this matter will likely occur sometime after the summer. So in essence, Council has at this point directed staff to move forward in the process, but no change has yet taken place.

As discussed earlier, legal non-conforming rules will mean that even if Council ultimately votes to rezone the downtown following the public hearing, if a short term rental unit is currently operating in a transient zoned condo, it, and all other units in that building, will retain the right to operate STR legally unless all units cease operations for a period of six months with no intention to resume.

Understanding this is a complicated issue, so if you have further questions or require further clarification, please do not hesitate to give me a call.

Best,

Lindsay Milburn
Senior Planner – Housing Policy
Sustainable Planning and Community Development
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

T 250-361-0351 F 250-361-0557



From: Danelius Nk [REDACTED]
Sent: Tuesday, June 27, 2017 11:18 AM
To: Lindsay Milburn <lmilburn@victoria.ca>
Subject: Re: Council Meeting June 22nd | Short-term Rentals in Victoria

Hello Mrs. Milburn,

Hope your meeting last Thursday went well.

We just wanted to reach out to you to see if the outcome of the meeting and approved/proposed regulations in regards to short-term rentals in Victoria will affect vacation rental units in existing transient zoned buildings?

Thanks and best regards,

Danelius & Anita

On Wed, Jun 21, 2017 at 11:43 AM Lindsay Milburn <lmilburn@victoria.ca> wrote:

Thank-you for your feedback Danelius. I will ensure your note is forwarded to Mayor and Council.

Best,

Lindsay Milburn

Senior Planner – Housing Policy

Sustainable Planning and Community Development

City of Victoria

1 Centennial Square, Victoria BC V8W 1P6

T 250-361-0351 F 250-361-0557



From: Danelius Nk [mailto:████████████████████]

Sent: Wednesday, June 21, 2017 11:36 AM

To: Lindsay Milburn <lmilburn@victoria.ca>

Subject: Input Short-term Rentals in Victoria

Dear Mrs. Lindsay Milburn,

I'm writing to you in regards to the most recent discussions in regards to short-term rentals in Victoria.

My wife and I own a vacation rental in Victoria (the building is zoned for transient use and the strata allows short-term rentals as well)

We just wanted to give you some input as to why we think vacation rentals are great for Victoria and its residents that may help in your discussion rounds:

1. Our prices are 30 – 60% cheaper than those of surrounding hotels. The feedback of our guests (mostly families) suggest that if Airbnb/VRBO rentals didn't exist, they would not consider coming to Victoria, because hotel prices are just not affordable for them. Removing short-term rentals from the market "to the greatest extent possible" as stated would only escalate hotel prices and reduce tourism in Victoria.
2. The boost in tourism in Victoria over the last few years goes hand in hand with the increase in popularity of short-term rentals and is also a result of it. It caters to a group of people (lower income people and families) that would otherwise not come to our beautiful city. With only hotels in our city, we would limit yourself to mainly higher-income visitors, while families and other groups opt for other vacation destinations.
3. Homes that are transient zoned possess an increased value. People that buy and own in these areas/buildings, own or buy exactly for that reason. Taking away that value would significantly impact the value of homes and therefore also jeopardize people's investments.
4. The sharing economy will inevitably become a major part of the global economy and by significantly restricting it we would not move with times. Instead, we think, should try and create a level-playing field for hotels and those owner that want to keep their vacation rentals, while making sure that those homes that are zoned for residential use remain residential.
5. Lastly, our vacation home as well as many other places of home owner's would go unused if we weren't able to open it up to vistors.

I hope this helps. Please let us know if you require any further input from us.

Sincerely,

Danelius and Anita

Lindsay Milburn

From: Victoria Mayor and Council
Sent: Tuesday, June 20, 2017 4:17 PM
To: Councillors
Subject: Re: Email to Mayor and Council RE: STVR support

Good Afternoon!

Please see below a staff response to an email regarding Short Term Vacation Rentals.

Thank you!
Lacey

Lacey Maxwell
Correspondence Coordinator
Mayor / City Manager's Office
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6



From: Lindsay Milburn
Sent: June 20, 2017 4:15 PM
To: [REDACTED]
Subject: RE: Email to Mayor and Council RE: STVR support

Hello,

As noted, an economic opinion was procured by City staff on the impact of short term rentals on the availability and affordability of long-term rental housing in Victoria; however Council has not directed staff to proceed with a deeper analysis of the financial benefit of short term rentals to the City of Victoria, and instead due to the existing shortage of long-term rental housing in the City, has directed staff to focus on ensuring that units developed for residential accommodation be used for the primary purpose of housing to the greatest extent possible.

At this time, the City is not proposing a ban on short term rental, but rather proactive enforcement of current zoning regulations that prohibit STR in areas that are not zoned for transient accommodation, including in single family dwellings (except as a home occupation, meaning up to two bedrooms within a single family home), secondary suites, garden suites, and multi-unit developments with no transient zoning rights. Council has proposed further changes including extending the home occupation bylaw to multi-unit dwellings to permit more residents to list up to two bedrooms in their home as STR, rezoning the downtown to remove transient accommodation as a permitted use, and to explore ways to permit residents to rent out their principal dwelling units for occasional use as STR. Essentially, Council has directed staff to permit STR where it will not have an impact on the long term rental market in order to provide homeowners and renters a means to offset the high cost of housing, but to restrict it as much as possible where STR may be taking units out of the rental pool.

Other regulations including a new STR business regulation system and pro-active enforcement strategy are also under development.

Your comments below have been shared with Mayor and Council and will also be made publically available and circulated on the agenda as part of the correspondence on this matter when any zoning changes go forward. However if

you would like your comments publicly heard at the next Council meeting you (or a representative) will need to request to address Council. Instructions for how to do this are available here: <http://www.victoria.ca/EN/main/city/mayor-council-committees/committees/request-to-address-council.html>.

Please do not hesitate to contact me should you have further comments or concerns.

Regards,

Lindsay Milburn
Senior Planner – Housing Policy
Sustainable Planning and Community Development
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

T 250-361-0351 F 250-361-0557



From: John Doe [REDACTED]
Sent: June 20, 2017 3:01 PM
To: Ben Isitt (Councillor) <BIsitt@victoria.ca>; Geoff Young (Councillor) <gyoung@victoria.ca>; Charlayne Thornton-Joe (Councillor) <cThornton-joe@victoria.ca>; Pam Madoff (Councillor) <pmadoff@victoria.ca>; Margaret Lucas (Councillor) <mlucas@victoria.ca>; Chris Coleman (Councillor) <ccoleman@victoria.ca>; Marianne Alto (Councillor) <MAalto@victoria.ca>; Victoria Mayor and Council <mayorandcouncil@victoria.ca>; [REDACTED]
Subject: Re: Email to Mayor and Council RE: STVR support

I am disappointed you didn't answer my questions. In fact, your response is the exact same one that you sent me when I emailed about a non-related concern months ago.

I would like you to read this out at the council meeting on Thursday, June 22.

My questions are related to the direction the Victoria City council is taking regarding short term vacation rentals. It is apparent, based on recent council meetings and local news interviews, that members of the council are pushing to severely limit if not completely ban short term rentals from within the City of Victoria.

1) How has the Victoria council assessed the financial implications of losing millions of dollars of yearly revenue that flows into the City from short term vacation rental tourism? I cannot find any financial assessments related to this concern. Short term vacation rentals have expanded the City's tourism base to include visitors who are not serviced by the hotel industry or by other accommodation

options. This includes families, people visiting friends and family, visitors who want to visit Victoria for longer stays, and other visitors who are not interested in staying in large hotels. This represents millions of dollars per year that go directly to Victoria residents and small business.

2) Good governance does not include making decisions based on conjecture, personal beliefs, and speculation. City staff and a third party consulting company reported in October 2016 that short term rentals have a negligible impact on rental housing and no impact on affordability. Since that report was presented to City council, the council has directed City staff to look into how short term rentals can be severely limited and/or shut down. This is contrary to City staff recommendations. I would like to know what new reports the councillors have in their possession to go against City staff recommendations and in a direction that is contrary to the information provided in the October 2016 report?

3) If you move forward to banning short term rentals in this City, how do you respond to concerns from home owners like us on affordability? We have a small secondary suite/in-law suite in our residential home. We use this for my aging parents so that they can stay in town to visit their grandchildren. This suite is vacant approximately 80% of the time. Short term vacation rentals provide us with a rare opportunity to offset some of the very high costs of home ownership we face in this City including very high property taxes, municipal utilities, gas, hydro, insurance, etc. I have seen councillors argue about improving affordability for Victoria residents. What about affordability for home owners?

In my opinion, short term rentals provide many benefits to the City of Victoria. Aside from the obvious financial benefits that are realized by Victoria residents and small business, they also provide an opportunity for homeowners to afford the high costs of living here and owning a home here.

While we feel that hosting short term visitors has been a lot of work, we also feel that it has been a very positive and we can attest to the value that short term rentals bring to our neighbourhood and the community around us, for example:

1) We are the most invested in ensuring our neighbourhood is clean and safe and that our house is well maintained because we get rated by our guests on the space that we provide. This benefits our whole neighbourhood.

2) We are ambassadors for our City and we promote local business, amenities, and attractions that many tourists would not be aware off. This benefits the region as a whole.

I look forward to your response.

On 16 June 2017 at 18:34, Ben Isitt (Councillor) <BIstitt@victoria.ca> wrote:

Thank you for writing and sharing your concerns.

Ben

Ben Isitt
Victoria City Councillor and CRD Director
Email. bisitt@victoria.ca
Tel. [250.882.9302](tel:250.882.9302)

From: Victoria Mayor and Council
Sent: June 15, 2017 10:09 AM
To: John Doe
Subject: Email to Mayor and Council RE: STVR support

Good Morning,

Thank you for your email and attached letter regarding short term vacation rentals in Victoria. Your email and letter has been shared with Mayor and Council.

As you may know, the City of Victoria is actively developing regulations regarding short term rentals and Council has directed staff to develop an enforcement strategy which is expected to come before Council during the Committee of the Whole meeting that is in progress. You can watch the Committee meeting in progress on the City of Victoria's website<http://victoria.ca.granicus.com/MediaPlayer.php?view_id=2&event_id=770>.

Further discussion and vote on this topic will occur at the Council meeting set for Thursday, June 22 at 6:30 p.m.

Thank you very much for taking the time to share your thoughts with Mayor Helps and the City of Victoria. Input from our citizens helps ensure that we are balancing the views and needs of the community on important decisions. I hope that you will continue to stay engaged on City of Victoria matters. If you are interested in staying up-to-date on City of Victoria news, events, and opportunities for public input subscribe to the City's bi-weekly newsletter<<http://www.victoria.ca/EN/main/residents/communications/e-newsletter.html>>, visit the City of Victoria's website<<http://www.victoria.ca/EN/index.html>>, or download the City's ConnectVictoria App<<http://www.victoria.ca/EN/meta/news/news-archives/2016-archive/connectvictoria-app-available-for-download-now.html>>. Mayor Helps also holds regular Community Drop In sessions<<http://www.victoria.ca/EN/main/city/mayor-council-committees/mayor-lisa-helps/mayors-community-drop-in.html>> which are open to all members of the public.

Sincerely,

Lacey Maxwell
Correspondence Coordinator
Mayor / City Manager's Office
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

[Description: Description: cid:image001.gif@01CF3C88.FC1AFE40]<<http://www.victoria.ca/>>

[Description: Description: cid:image003.gif@01CF3C88.FC1AFE40]<<https://www.facebook.com/CityofVictoriaPage>>

[Description: Description: cid:image004.gif@01CF3C88.FC1AFE40]<<https://twitter.com/cityofvictoria>>

[Description: Description: cid:image005.gif@01CF3C88.FC1AFE40]<<http://www.linkedin.com/company/city-of-victoria-bc?trk=biz-companies-cym>>

From: John Doe [REDACTED]
Sent: June 14, 2017 3:16 PM
To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>
Cc: Lindsay Milburn <lmilburn@victoria.ca>
Subject: STVR support

I wish to remain anonymous because I fear reprisal if there is increased enforcement of STVRs.

I am disappointed to find out that City council in Victoria is pushing forward on policy to reduce, if not ban, short term vacation rentals. This is despite City staff recommendations. City staff have reported that based on a third party analysis commissioned to review STVRs in Victoria, that "it is not possible to argue that there is a significant and persistent negative impact of STVR on rental housing stock" and banning STVRs "would not likely improve affordability" (October, 2016).

I would like the City to make available to me, and to provide at the next council hearings on this matter (scheduled for June 15), the detailed report on whatever information and sources council is using to direct policy. I expect this data must be contrary to the specific information that I have provided in quotes above and I assume that it has been made available to council after the October 7, 2016. This new data must be made available to the public.

I would also like to receive the report on the financial implications of removing STVRs from the City of Victoria's revenue stream. Using information in City reports, the estimated 300 units based on 60% occupancy may generate in excess of \$15,000,000. Furthermore, enforcement options are estimated to be significantly costly. Removing this much revenue from the City is financially irresponsible; however, I assume that the councilors would not make policy decisions regarding STVRs without a full financial analysis. Please make this available as personal opinions are not appropriate.

Hotel reports (that do not want the added competition) and reports from opponents of STVRs are not acceptable sources based on the obvious bias.

It has come to my attention that there have not been very many people to come forward at council meetings in support of STVRs though there has been a small group of the same people who regularly attend to protest. Operators of STVRs cannot come forward at these meetings for fear of reprisal by a City council which includes individuals who have often affirmed their personal beliefs that STVRs should be banned. Personally I feel that those councilors should not be included in any decision making on the matter because personal beliefs acted upon without supporting data (and in this case in contradiction to City staff recommendations) show an obvious conflict in interests and that those councilors should be recused. If it was possible for supporters to STVRs to come forward I'm sure they would, but consider this, if there are 300 units in the City there are 300 supporters, and anyone who has stayed in an Airbnb or VRBO would be hypocritical to not support them.

We can speak specifically to the use of a small secondary suite in our primary residence. Here are some of the positive benefits we experience:

- * Increased income - We find it very challenging to afford to own our house in this city given the very high property taxes and other expenses. We have invested in a small, self-contained suite because of the potential income offered by using it as a STVR. This suite is now also used to house my aging parents when they come into Victoria to visit their grand children. Much of our added income from our unit is fed directly back into the community and our house.

- * Greater investment in our community and neighbourhood - To succeed at the STVR system we have to provide an excellent experience for our guests. As such, we are now more committed than ever in ensuring our community, house, and neighbourhood reflects all the best that Victoria has to offer.

- * Social capital - We truly enjoy meeting visiting families from around the world. We are also keen ambassadors for our city promoting local business and attractions.

Operating a STVR certainly requires work; however, we feel that there are many benefits, more than I have outlined above, and that these come in the form of both financial and social benefits. We also provide a different type of housing, one that isn't serviced by the hotel system. Our housing supports visiting families (about 65%) and longer term vacationers or people who are visiting Victoria to stay near to friends and family (about 30%). Only about 5 to 10% are individuals or couples that may stay in a downtown hotel if our place was not available (though I would argue that they may find that cost prohibitive).

Finally, any steps you take to reduce or ban STVRs should be taken very carefully. People book their vacations months in advance. If you cancel those vacations you will seriously tarnish the reputation of Victoria as a welcoming tourist destination.

Please reply to my email and the questions I have provided. I will also read through the council meeting minutes to ensure that my questions have been addressed.

Thank you

Lindsay Milburn

From: Lindsay Milburn
Sent: Monday, August 14, 2017 11:59 AM
To: 'Alison Malis'
Subject: RE: General Inquiry

Hi Alison,

While the rules around tenancy issues including eviction are outside the City's purview (they are regulated by the province through the Residential Tenancy Act), the City does have existing rules around where short term rentals are permitted in its Zoning Regulation Bylaw. The City is also currently actively working on creating new Short Term Rental regulations as well as a proactive enforcement scheme. For details, please see the City's STR webpage: www.victoria.ca/shorttermrentals.

In terms of recourse, tenants in BC can appeal eviction decisions through the Residential Tenancy Branch by applying for dispute resolution (<http://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies/solving-problems/dispute-resolution/applying-for-dispute-resolution>). Residents of Victoria who believe short term rental is occurring illegally can report a suspected zoning bylaw violation to our Bylaw Services Department. More information on that process can be found here: <http://www.victoria.ca/EN/main/city/bylaw-services.html>.

Please let me know if you have further questions or concerns.

Lindsay Milburn
Senior Planner – Housing Policy
Sustainable Planning and Community Development City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

T 250-361-0351 F 250-361-0557

-----Original Message-----

From: Alison Malis [REDACTED]
Sent: Friday, August 4, 2017 11:29 AM
To: Public Service Centre - Internet email <publicservice@victoria.ca>
Cc: Lindsay Milburn <lmilburn@victoria.ca>
Subject: RE: General Inquiry

Thanks for your reply

It's a building that my daughter lives in. It's an unethical move by the landlord owner and my daughter plans on disputing it through the appropriate channels, but surely in a city with such a low rental vacancy rate this shouldn't be allowed. I have no problem with homeowners renting out suites or rooms as short term rentals, but evicting long-term tenants under the guise of "family" occupancy and then placing the units on AirBNB should be illegal. It's certainly unethical. And greedy. And as the mayor lives in James Bay she should have a vested interest in this kind of scam, right?

Alison Malis

-----Original Message-----

From: Public Service Centre - Internet email [mailto:publicservice@victoria.ca]
Sent: August 4, 2017 9:51 AM
To: [REDACTED]
Cc: Lindsay Milburn <lmilburn@victoria.ca>
Subject: RE: General Inquiry

Good morning Alison,

Thank you for contacting the City of Victoria. I have forwarded your email regarding the City's position on short term vacation rentals to a senior planner who oversees our housing policies. I did get an automatic reply stating that she is away on vacation until August 14th. If you would like to speak to someone sooner than that, please feel free to contact our Community Planning Department directly at 250-361-0382.

Thanks very much,

Sommer Fernandes
Public Service Centre
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6 T 250.385.5711 F 250.361.0317

-----Original Message-----

From: webforms@victoria.ca [mailto:webforms@victoria.ca]
Sent: August 3, 2017 3:32 PM
To: Public Service Centre - Internet email
Subject: General Inquiry

From: Alison Malis
Email : [REDACTED]
Reference : <http://www.victoria.ca/EN/main/city-hall.html>
Daytime Phone : [REDACTED]

It's come to my attention that a landlord in James Bay is evicting tenants one by one on the "family use" clause, but three of the units that have been vacated through eviction are now on AirBNB. what is the City's position on this?

IMPORTANT NOTICE: This message is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The City of Victoria immediately by email at publicservice@victoria.ca. Thank you.

IP Address: 207.6.163.68

Lindsay Milburn

From: Lindsay Milburn
Sent: Thursday, February 16, 2017 8:32 AM
To: 'Fisher House'
Subject: RE: STR/PST

Thank you, your message has been forwarded to Mayor and Council.

-----Original Message-----

From: Fisher House [REDACTED]
Sent: Thursday, February 16, 2017 6:54 AM
To: Lindsay Milburn <lmilburn@victoria.ca>
Subject: STR/PST

Dear Lindsay,

We, as members of Victoria's Best B and B's, would like to also support the repeal of the PST exemption for units less than four for the reasons laid out in Ian McPhee's letter.

Personally, while I see it as an inconvenience and feel that it may impact my business somewhat in that I won't be able to offer as competitive a rate, I feel it may be the only way to get AirBnB in line. I believe it's more a CRA issue with AirBnB operators evading paying any tax, but at least if they are accountable to the province, there will be some record of the operation at least. It is absolutely essential that this is enforced municipally, though.

On another note, I feel that certain members of the council recusing themselves during discussion is harmful. I understand they cannot be seen to "influence", however, they should be there to provide information. When the experience leaves the room, the remainder of Council is making decisions in a vacuum ignorant of the current situation.

Sincerely,
Jennifer and Calvin Smith
Fisher House Bed & Breakfast
Best BnB Victoria Executive

Sent from my iPhone

Lindsay Milburn

From: Lindsay Milburn
Sent: Thursday, February 16, 2017 12:23 PM
To: 'Victoria E. Adams'
Subject: RE: STR/Renters

Hi Victoria, thanks for the info. I will review. Re your question on complaints, per Bylaw Services, we receive on average 2-3 complaints about STRs monthly.

- Lindsay

From: Victoria E. Adams [REDACTED]
Sent: Thursday, February 16, 2017 9:14 AM
To: Lindsay Milburn <lmilburn@victoria.ca>
Subject: Re: STR/Renters

Hello Lindsay,

Thank you and your Bylaw Enforcement colleague for the STR presentation to JBNA last night. I would be interested to know how many inquiries and complaints the City of Victoria has received over the past year regarding short-term vacation rentals – aka – Airbnb, VRBO, HomeAway etc.

I see that the City is now redefining transient accommodation from “Short-Term Vacation Rentals” to “Short-Term Rentals”. Perhaps this is to suggest that an income-accommodation suite can be used for multiple purposes throughout the year: seasonal student use (Sept.-May), and for short-term vacationers over the summer months.?

Until the appearance of online accommodation platforms (over the past five years), residential rental real estate was available primarily for use by long-term tenants. Now a higher revenue stream can be earned in a shorter period of time from tourists who are seen as “higher value” customers than local residents. When STRs are operated primarily as untaxed and unregulated business ventures, it’s not difficult to understand why some home owners believe their “property rights” to use them as they wish trump those of their neighbours and other members of the community who are impacted by STVRs and subsidize their STVR privileges. It is interesting to note that 59% of Victoria households who are tenants do not have the privilege of sub-letting their units or a portion of them for use by tourists. Some may conclude that the notion of housing equity might well be biased in favor of STR business home-owners and tourists as opposed to local home-owners and long-term tenants using homes as shelters not investment vehicles.

As for the data concerning the number of STR units exceeding long-term rentals, they are derived from primary and proxy sources: AirDNA/Airbnb and Craigslist. Please see page 34 of my “Home-Truths...Report” to Council.

I have also attached other data (Census 2016 on dwelling counts and unoccupied units) which I am sure you have already seen. I have used the same census tract information to identify the distribution of these unoccupied dwellings in Victoria’s neighbourhoods. And, I enclose a Letter to the Editor regarding the impact

of vacant units (particularly furnished units used as secondary short-term rentals) on the permanent rental housing stock supply for long-term tenants.

I understand your limitations as the only social planner in the city with no resources to undertake necessary research in the critical area of housing. I would be pleased to work with you on a volunteer basis to help fill the knowledge gap as navigating in an environment of uncertainty and complex stakeholder interests can be very challenging.

Hope to see you at the Housing Network forum later today.

Sincerely,

Victoria Adams

From: [Lindsay Milburn](#)
Sent: Thursday, February 16, 2017 8:07 AM
To: [REDACTED]
Subject: STR/Renters

Hi Victoria,

Was good seeing you last night. You mentioned the number of STR units in Victoria is higher than the number of long term rental in the City; could you share your data source for that statistic please? Are you using numbers from Inside AirBnB?

Thanks kindly,

Lindsay Milburn
Senior Planner – Housing Policy
Sustainable Planning and Community Development
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

T 250-361-0351 F 250-361-0557



Lindsay Milburn

From: Victoria E. Adams [REDACTED]
Sent: Friday, January 13, 2017 2:39 PM
To: Chris Coates
Cc: Jonathan Tinney; Lindsay Milburn
Subject: Submission of paper for Committee of Whole Workshop on Short-Term Rentals (PDF attached)
Attachments: VICTORIA STVR Final Paper.pdf

Chris Coates
City Clerk
City of Victoria

I am forwarding you a copy of my paper, **“Home Truths: Implications of Short-Term Vacation Rentals on Victoria’s Housing Market”**, as a contributing document for consideration of Council and staff regarding their upcoming workshop on Short-Term Vacation Rentals.

The purpose of this paper is to invite discussion among home-owners and tenants; hoteliers and tourism operators; policy analysts; planning professionals and politicians about the growing impact of home-sharing platforms—Airbnb, VRBO and HomeAway, on the character of our City’s neighbourhoods. What are the consequences for the City’s housing market, in light of the rental housing shortage, low vacancy rate, soaring rents and housing prices, and the increasing prevalence of evictions and homelessness?

Many factors—demographic, economic, and social—affect our shifting urban landscape. One factor that exacerbates the growing conflicts between property-owners, tenants, and neighbours is the rapid growth of the “home-sharing” economy and the shift of residential property (the need for shelter) to an investment vehicle.

Who enjoys the economic benefits of short-term vacation rentals, suite deals? Tourists, family members, and friends looking for an inexpensive alternative to a hotel; or, owners of private homes and condos who rent out space to help pay down their mortgage and the online accommodation platforms which charge a fee for booking and services. What makes this such a compelling case? Unlike the City’s other traditional accommodation suppliers, this new “sharing” economy enterprises remain untaxed, unlicensed and unregulated.

This paper examines the impact of this new economy in areas where short-term holiday home rentals overlap with a dwindling supply of rental housing stock. New high-rise condo developments, their concentration in the downtown hotel zone and nearby neighbourhoods such as James Bay and Fairfield, are playing out in a City comprised of tenant households and a growing homeless population; this, amidst an influx of more than three million tourists annually.

The paper’s grass-roots examination of how an emerging home-sharing economy affects the quality of life of residents in the “City of Gardens,” raises important questions: How do we balance individual freedoms and social consequences? Do property rights trump matters of social justice and community well-being? What public policies are needed to guide local government re decisions that can prohibit, regulate or promote various technologies impacting our City? Should government action be based on identified special interests? Or should it be based on balancing wide-ranging personal choice with the well-being of all citizens?

I sincerely hope that the information provided in this document will be considered in light of a complex and changing situation with regard to the impact of short-term vacation rentals on the housing and accommodation sector in Victoria, B.C.

Should you require any additional information, please do not hesitate to contact me.

Victoria Adams
James Bay resident



Lindsay Milburn

From: Alex Dagg [REDACTED]
Sent: Wednesday, September 28, 2016 7:16 AM
To: Lindsay Milburn
Subject: Vancouver housing study
Attachments: TheAirbnbCommunityInVancouver-September2016[3][2].pdf

Please find attached a study regarding Airbnb and the Vancouver Housing Market authored by Airbnb's Head Economist, Peter Coles, that was released today. Thank you for your continued interest in our platform and for your contribution to the establishment of smart, fair rules around home sharing in British Columbia. Should you have any questions or would like to discuss any of these issues in more detail, please do not hesitate to contact me.

--

--



Alex Dagg
Public Policy
Canada

[REDACTED]

Lindsay Milburn

From: Michael Geoghegan [REDACTED]
Sent: Tuesday, January 10, 2017 11:00 PM
To: Lindsay Milburn
Subject: Zillow report

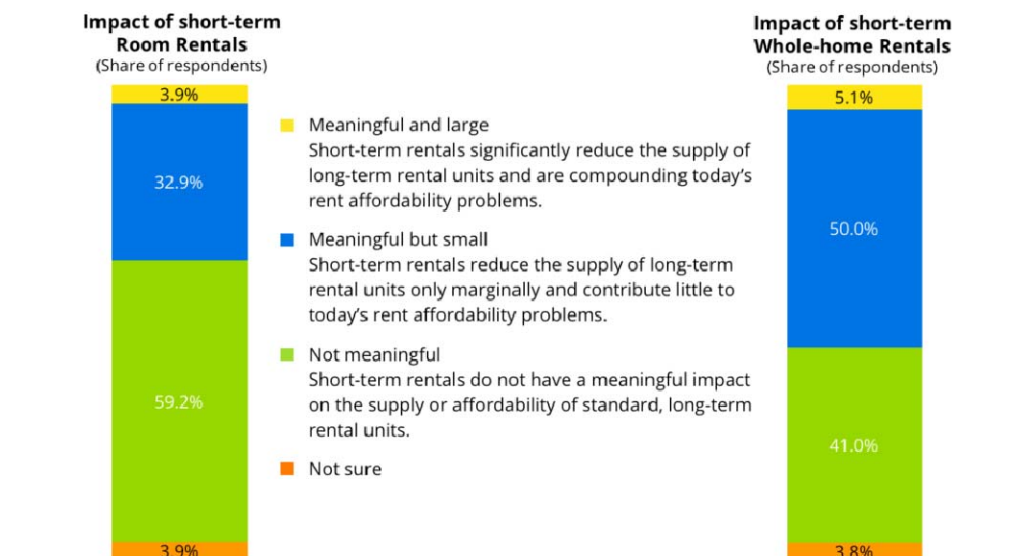
Dear Lindsay:

Thanks for taking my call today. You mentioned that the report regarding short term rentals (STR) is not coming out now til Friday and that council will be having a meeting to discuss the report Friday morning at 9am. I am hoping that you have had a chance to read the Zillow report re: STR

<http://www.zillow.com/research/short-term-home-rentals-zhpe-13927/>

The growing presence of short-term room and home rental services like Airbnb and HomeAway are not impacting the overall supply or affordability of rental housing in a meaningful and large way, according to experts, though some smaller effects may be felt in certain markets or segments.

Figure 1: How do short-term rentals impact rent affordability?



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Just 5.1 percent of housing experts with an opinion said the ability to rent entire homes for short periods would have a meaningful, large impact on the supply and affordability of more traditional, longer-term rentals, according to the Q4 Zillow Home Price Expectations Survey (ZHPE). [1] An even smaller share, just 3.9 percent, said the ability to rent smaller rooms within a larger home would have a meaningful and large impact on the overall rental market (figure 1).

I look forward to further discussions with you and Mayor and Council on this matter.

Sincerely,

Michael Geoghegan

cell [REDACTED]



This email has been checked for viruses by Avast antivirus software.

www.avast.com

Lindsay Milburn

From: Victoria E. Adams [REDACTED]
Sent: Friday, August 11, 2017 1:30 PM
To: Lindsay Milburn; Jonathan Tinney
Cc: Kimberley Stratford; Ben Isitt (Councillor); Margaret Lucas (Councillor); Jeremy Loveday (Councillor)
Subject: AIRBNB RECENT RESEARCH STUDIES - POLICY AND PLANNING
Attachments: etd10101_SGriffiths (1).pdf

Attention: City of Victoria

Jonathan Tinney
Director of Sustainable Planning & Community Development

Lindsay Milburn
Senior Planner – Housing Policy

Kimberley Stratford
Neighbourhood Coordinator – James Bay

Councillors: Issit, Loveday, and Lucas

In light of Council's recent deliberations regarding possible changes to STR transient zoning downtown, and a possible regulatory policy framework for STRs in Victoria, I am forwarding you two studies recently completed on the matter of Short-Term Vacation Rentals (Canadian academic research papers re: STR policy and planning implications related to housing and tourism).

-- Sarah Griffiths (Simon Fraser University, School of Public Policy) – "Where Home Meets Hotel: Regulating tourist accommodations in the age of Airbnb (Spring 2017).

-- David Wachsmuth (McGill University, School of Urban Planning) – "Short-term cities: Airbnb's impact on Canadian housing markets" (August 8, 2017).

– NOTE: The second report will be sent under separate cover.

I have read both papers and feel that they offer an important practical planning perspective on the challenging issue of regulatory changes or policy implications for short-term vacation rentals to address the matter of protecting long-term rental housing stock, integrating alternative tourist accommodation opportunities, and curbing the commercialization of housing in the city, particularly with regard to the implications of STRs in neighbourhoods.

Sincerely,

Victoria Adams
James Bay resident

Lindsay Milburn

From: Jonathan Tinney
Sent: Thursday, October 6, 2016 11:40 AM
To: Lindsay Milburn
Cc: Andrea Hudson
Subject: FW: Airbnb - talk about a ban?
Attachments: 12 Reasons to support Airbnb and the home sharing economy.pdf

For inclusion in the council package. JT

From: Lisa Helps (Mayor)
Sent: Monday, October 3, 2016 7:40 AM
To: Jonathan Tinney <JTinney@victoria.ca>
Subject: Fwd: Airbnb - talk about a ban?

Here's another

--

Lisa Helps
Mayor, City of Victoria,
www.lisahelpsvictoria.ca
250-661-2708
@lisahelps

"We're all just walking each other home." - Rumi

Begin forwarded message:

From: Liza Rogers [REDACTED]
Subject: Airbnb - talk about a ban?
Date: 27 September, 2016 7:13:02 PM PDT
To: <ccoleman@victoria.ca>, <bisitt@victoria.ca>, <jloveday@victoria.ca>, <mlucas@victoria.ca>, <pmadoff@victoria.ca>, <cthornnton-joe@victoria.ca>, <gyoung@victoria.ca>, <malto@victoria.ca>, <mayor@victoria.ca>

Good evening Mayor and Councillors

Please find attached 12 reasons to support Airbnb and the home sharing economy

I hear rumblings of an outright ban and I'd like to know more about when there will be an opportunity to hear and learn more about this idea.

Pasted below are my points in the event that you prefer not to open documents.

Thanks for reading.

Sincerely

Liza

12 Reasons to support Airbnb and the home sharing economy:

Please note: these are simple bullet points that have facts and case studies to back them up. Arguments against these points are welcome and encouraged.

1. Allows young people to enter the buyer's market and therefore open up rental stock that they had been occupying
2. Enables single people affected by death or divorce to hold on to their homes and maintain independence and self-sufficiency
3. Creates new service jobs such as housekeeping, renovations, landscaping etc
4. Keeps the middle class in the city rather than pushing them out to suburbs
5. Helps to keep local people in the city rather than having only people who earn their income elsewhere and live mostly elsewhere
6. Gives travellers the options to stay with families and have a true local experience; This is an overall global theme in travel and tourism and is bringing people to our cities
7. Encourages community and connection and offers locals and visitors opportunities to learn about other countries and cultures
8. When correctly operated, offers a safe, low risk effective way to add an income stream to those who need to earn extra money to make life more affordable
9. Offsets the shortage of hotel space we currently face
10. Offers people the opportunity to stay in large family homes that might otherwise be sold or bulldozed and replaced (often by foreign owners)
11. Actually allows the unaffordable to become more affordable to an entirely new sector of citizens
12. Offers temporary housing to people moving to Victoria who need a place to stay while settling in to a new area

Solutions to the apparent causes of Airbnb creating a rental crisis

- } Create a peer / neighbourhood approval process that ensures properties meet minimum standards of compliance, and care
- } Tax Airbnb owners at a fair rate
- } Impose a maximum number of properties owned and operated
- } Offer free courses on how to set up Airbnb in the city and surrounding areas within the guidelines set by government
- } Build more rental units
- } Set up an Airbnb hotline for complaints and compliments
- } Ensure understanding of the entire picture which includes the pros and cons

Liza Rogers

[REDACTED]

Liza Rogers

Community Connector & Consultant

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[!\[\]\(de95854c7ee024cfadc48187bbb781b2_img.jpg\) Con-nec-tor !\[\]\(cef08d8c15d8a8acd5e25ab0d65432c3_img.jpg\)](#) a human social network  hub  responsible for bringing people from different social, cultural, professional, & economic circles together... 

Lindsay Milburn

From: Jonathan Tinney
Sent: Thursday, April 13, 2017 8:13 PM
To: gordon clark
Cc: Lindsay Milburn
Subject: RE: Vacation Rentals

Gordon,

Thanks very much for your note. It will be provided to Council for their consideration of this matter when it comes back to them later on this Spring.

Regards,

Jonathan Tinney

From: gordon clark [REDACTED]
Sent: Wednesday, March 29, 2017 11:30 AM
To: Jonathan Tinney <JTinney@victoria.ca>
Subject: Vacation Rentals

I understand Council is considering various options for regulation of short term rentals.

As an owner/manager of a five bedroom vacation property close to d/t victoria I would like to share my experience and thoughts re this issue.

Firstly let me address the issue of competition to the "hotel" industry. Based on my experience travellers who opt for short term vacation rental properties are simply not interested in the hotel experience. The vast majority of our guests are made up of family reunions, class mate reunions, wedding parties, alumni friends or simply groups of personal friends and business associates that gather for reconnecting, rest and recreation, or business meetings. They value the fact that they are all under one roof with full cooking and outdoor leisure facilities. Being close to d/t makes it easy for them to walk to nearby services, indeed most of our guests fly or sail into the city. If properties such as ours that can handle larger groups did not exist they simply would not choose Victoria as a destination. Based on the many positive testimonials we receive it is clear that our guests value the opportunity to be in "a home away from home" and would not be meeting in victoria if our type of accomadation did not exist. (would be happy to provide web site address to anyone wanting to review our property and guest comments).

Having said that I would be more than happy to contribute to a tourism fund and/or purchase a business liscence to legitimize this burgeoning industry and would encourage City Hall to recognize that short term rentals can be an important part of Victoria's hospitality industry and indeed compliments offerings of "hotels" as opposed to competing with them.

Secondly there is the issue of short term rentals impacting on longer term rental stock, especially for the more affordable rent market. I'm sure there is some impact but we cant "throw out the baby with the bathwater".

The shared economy is here to stay because it addresses a large market demand and should be regarded as a service which is an important part of victoria's hospitality/tourism industry. Increasing rental stock for lower income earners

can best be addressed by government initiatives/subsidies other than severe restrictions on the short term sector. Case in point is my property. Prior to converting to short term I rented my property long term (which was fully furnished) for \$3500/ mo.

The cash flow with the two options is very similar, difference being much higher operating costs with short term including wages for management, maintenance/upkeep, and turn over cleaning costs. Short term allows myself and family to use and constantly improve and care for the property when unoccupied. We constantly get compliments on how our property is presented and pride ourselves in being an important part of Victoria's tourism industry while at the same time being a good neighbor. In over four years of offering short term accomadation we have never had concerns expressed from neighbors and have a good relationship with them.

I can appreciate the fact that short term would not be suitable in certain residential neighborhoods however would encourage any restrictions to recognize areas compatible with vacation rental. In my case the property is actually the only single family house you will come across amidst proffessional offices and multi family residential.

I appreciate the opportunity to express my experience with short term rentals and hope that they are considered by Council. Please get back if you require any additional info. I would be happy to meet with any Council or staff member to discuss this issue.

Sincerely
Gord Clark

Lindsay Milburn

From: Community Planning email inquiries
Sent: Tuesday, April 11, 2017 10:06 AM
To: Lindsay Milburn
Subject: FW: Controls on vacation rentals in downtown

Hey Lindsay -

I think this one is also for you :)

Thanks,
Quinn

-----Original Message-----

From: Susan Read [REDACTED]
Sent: Saturday, April 08, 2017 11:12 AM
To: Community Planning email inquiries <CommunityPlanning@victoria.ca>
Subject: Controls on vacation rentals in downtown

Community Planning Committee:

From your report, one of the goals of solving the housing crisis is to make downtown a vibrant and affordable community for locals. However, after my husband and I tried to purchase a condo in the downtown area after looking for over a year, our efforts were stymied by the skyrocketing prices and a large number of units being used to rent short-term to tourists. I can appreciate owners wanting to make money from their investments but this trend is having a major impact on the housing crisis. I believe some controls should be imposed; at least a business tax like hotels and bed and breakfasts have to pay to level out the playing field. Also, perhaps some tax benefits can be given to those who rent out for longer terms like six months to a year. I believe Victoria's downtown core's vitality will continue to be jeopardized if some measures are not taken. Some communities like Tofino have imposed restrictions on short-term rentals. Perhaps we should look at their policy or others to gain some control over the situation. As a side note, my husband and I gave up on living downtown and bought a condo in the Fernwood area.

Thank you for listening,

Regards,
Susan Read

Lindsay Milburn

From: Pamela Martin on behalf of Council Secretary
Sent: Friday, June 23, 2017 12:47 PM
To: Lindsay Milburn
Subject: STVR

Hi Lindsay,

We got the below email from a gentleman who spoke last night on STVR. I've responded to him and forwarded this to Council, but was told that you also get anything relating to STVRs.

Thanks!

Pamela Martin
Council Secretary
Legislative Services
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

T 250.361.0617 F 250.361.0348



From: Blake MacKenzie [REDACTED]
Sent: Friday, June 23, 2017 12:04 AM
To: Council Secretary <councilsecretary@victoria.ca>
Subject: Re: Thank you for your submission - City of Victoria - Address Council Form

Hi Pamela,

As I mentioned in my presentation to council tonight that I would send to council information how the City of Seattle is providing a framework to regulate the short term rental industry.

Can you please pass this on to council for information purposes.

<https://www.seattle.gov/council/issues/regulating-short-term-rentals>

It might help since Seattle council was at the point where Victoria council is today over a year ago.

They are facing affordable housing issues identical to Victoria, Vancouver, and Portland.

It is by far the most progressive, fair, and balanced approach to regulate the industry while using it to raise funds for affordable housing initiatives.

Thank you.

Warmest Regards,

Blake MacKenzie

From: webforms@victoria.ca [<mailto:webforms@victoria.ca>]

Sent: Monday, June 19, 2017 6:33 PM

To: Council Secretary <councilsecretary@victoria.ca>

Subject: Thank you for your submission - City of Victoria - Address Council Form

Name: Blake MacKenzie

Date: June 19,
2017

Address: 106 - 1016 McCallum Road

I wish to appear at the following Council meeting: June 22, 2017

I represent: North West Vacation Rental Professionals Association

Topic: Short Term Rentals

Action you wish Council to take:

Work to preserve short term rentals of all sizes in Victoria, however, under a licensing framework that is fair to all types of furnished rental owners. We also support the creation sales tax that supports local affordable housing initiatives or includes the industry into the hotel room tax. Not to ban whole houses or homes owned by true vacation rental owners since they have been doing this for well over 20 years in our city.

CONTACT INFO:

Contact Name: Blake MacKenzie

Contact Address: 1016 McCallum Road, Unit 106, Victoria, BC, V9B 4C6

Contact Phone Number: [REDACTED]

Contact Email: [REDACTED]

Lindsay Milburn

From: Danelius Nk [REDACTED]
Sent: Wednesday, June 21, 2017 11:36 AM
To: Lindsay Milburn
Subject: Input Short-term Rentals in Victoria

Dear Mrs. Lindsay Milburn,

I'm writing to you in regards to the most recent discussions in regards to short-term rentals in Victoria.

My wife and I own a vacation rental in Victoria (the building is zoned for transient use and the strata allows short-term rentals as well)

We just wanted to give you some input as to why we think vacation rentals are great for Victoria and its residents that may help in your discussion rounds:

1. Our prices are 30 – 60% cheaper than those of surrounding hotels. The feedback of our guests (mostly families) suggest that if Airbnb/VRBO rentals didn't exist, they would not consider coming to Victoria, because hotel prices are just not affordable for them. Removing short-term rentals from the market "to the greatest extent possible" as stated would only escalate hotel prices and reduce tourism in Victoria.
2. The boost in tourism in Victoria over the last few years goes hand in hand with the increase in popularity of short-term rentals and is also a result of it. It caters to a group of people (lower income people and families) that would otherwise not come to our beautiful city. With only hotels in our city, we would limit yourself to mainly higher-income visitors, while families and other groups opt for other vacation destinations.
3. Homes that are transient zoned possess an increased value. People that buy and own in these areas/buildings, own or buy exactly for that reason. Taking away that value would significantly impact the value of homes and therefore also jeopardize people's investments.
4. The sharing economy will inevitably become a major part of the global economy and by significantly restricting it we would not move with times. Instead, we think, should try and create a level-playing field for hotels and those owner that want to keep their vacation rentals, while making sure that those homes that are zoned for residential use remain residential.
5. Lastly, our vacation home as well as many other places of home owner's would go unused if we weren't able to open it up to visitors.

I hope this helps. Please let us know if you require any further input from us.

Sincerely,

Danelius and Anita

Lindsay Milburn

From: Miko Betanzo
Sent: Monday, September 18, 2017 9:04 AM
To: Lindsay Milburn
Subject: FW: Dockside Green Questions

Re. the request for STR correspondence.

Miko Betanzo
Senior Planner – Urban Design
Sustainable Planning & Community Development
City of Victoria, 1 Centennial Square, Victoria BC V8W 1P6
mbetano@victoria.ca

T 250.361.0604 F 250.361.0386



From: Jim Handy
Sent: July 6, 2017 8:34 AM
To: Tom Zworski <tzworski@victoria.ca>; Miko Betanzo <mbetano@victoria.ca>; Thom Pebernat <tpebernat@victoria.ca>; Lindsay Milburn <lmilburn@victoria.ca>; Alison Meyer <ameyer@victoria.ca>; Andrea Hudson <AHudson@victoria.ca>
Subject: FW: Dockside Green Questions

FYI

From: Jim Handy
Sent: July 6, 2017 8:33 AM
To: [REDACTED]
Subject: Dockside Green Questions

Dear Mr Lawson

Thank you for your email received June 26, 2017.

Firstly we would like to clarify that the 'change of use' from a residential to a retail use would require a Building Permit and not a Development Permit (unless exterior changes to the building are being proposed, then a Development Permit may be required to evaluate those changes for compliance with the applicable Design Guidelines for Dockside Green). The purpose of the Building Permit is to ensure compliance with the BC Building Code. For further advice relating to the Building Permit process please contact our Permits and Inspections Team on 250 361 0344.

A residential apartment, whether occupied by the owner, or a person renting the property on a long term or short term basis, has the same specification requirements under the Building Code and, therefore, a Building Permit is not usually required to allow the use of a condominium as a short term rental. A retail use has different requirements under the BC Building Code i.e. different exiting requirements, fire resistance specifications etc., hence a Building Permit is required for a change of use from residential to retail. The same would apply to the conversion of a residential unit to a pub or restaurant (i.e. a Building Permit would be required). Again, our Permits and Inspections Team will be able to advise

further on matters relating to the BC Building Code. Other approvals may also be required for commercial uses, i.e. a Liquor License for a pub, and we would assume that permission from your Strata Corporation would also be required to change the use of a residential unit to a commercial operation.

As you may be aware, your property is Zoned CD-9 Zone, Dockside District. 379 Tye Road is situated in sub-area DA-A of the CD-9 Zone which lists "retail" and "transient accommodation" as permitted uses. The CD-9 Zone does place a maximum limit on the amount of retail permitted on the Dockside lands and includes regulations relating to the maximum floor plate of any retail unit. If you are able to provide further specific information about the proposed retail business (the nature of the business, the floor area, parking, location etc.) we will be able to confirm whether the use is in compliance with the Zone or whether further approvals are required.

With respect to your second question, regarding the interaction between Transient Accommodation and Multiple Dwelling, we have the following comments:

"Transient Accommodation" as defined in the Zoning Regulation Bylaw describes an activity or a use that can be carried out on the land or in a building in a zone where that is permitted. It does not describe a particular type of structure or building – it can be carried out, subject to other lawful limitations, in any building or structure in the same zone.

A "Multiple Dwelling" describes a type of a building that can be constructed and operated within a zone where it is permitted. It should be noted that not only does the definition of "Multiple Dwelling" specifically identify it as a building, it also does not require that the building be used exclusively for residential purposes. Any building that has three or more self-contained dwelling units is a Multiple Dwelling, even if it contains other, non-residential, uses.

As a result, it is possible (subject to specific zoning provisions) for Transient Accommodation to be carried out in a building that is a Multiple Dwelling. At this point, it is worth noting that reference to "permitted residential use of a dwelling unit" in the definition of Transient Accommodation (a term you highlighted in your original email) is part of an exemption which allows for accommodation of visitors and other guests and is not a general limitation on the scope of Transient Accommodation. In other words, nothing in the existing definition prohibits Transient Accommodation use in a self-contained dwelling unit.

There is no doubt that the existing zoning bylaw was written before heightened interest in short-term vacation rentals occurred and, as a result, its provisions are not specifically crafted to deal with issues associated with such uses. That is why City Council has recently directed staff to explore amendments to City's bylaws, including the Zoning Regulation Bylaw, to better regulate short-term vacation rentals, including to prohibit them in zones that were intended as residential zones. We expect such amendments to be brought forward in the next few months.

This brings me to your third question regarding proposed business regulations. As was explained in the staff report to Council, the purpose of the new regulations would be to better regulate the short-term vacation rentals where they are permitted to address various issues and problems associated with their operations. You are correct that there already are some regulations in place that apply to vacation rentals as they apply to all businesses. The intention of the new regulations is to supplement existing regulations with provisions which are better suited to the realities of the shared economy. With regard to the existing strata rules (under the Strata Property Act), it is not intended that the City regulations would in any way affect existing strata rules. Rather, the intention is to make City regulations work in concert with other rules. For example, at this time the City does not have the authority to deny a Business Licence for an operation that does not comply with a strata bylaw. Under the proposed regulation, an applicant for a Business Licence would have to demonstrate that the proposed operation complies with strata bylaws.

We trust that the commentary above answers your questions.

Regards

Jim Handy, MCIP RPP
Senior Planner - Development Agreements

Sustainable Planning and Community Development Department
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

T 250.361.0523 F 250.361.0386



Home Truths: Implications of Short- Term Vacation Rentals on Victoria's Housing Market

An Independent Citizen's White Paper by Victoria Adams

Victoria, B.C.
1/13/2017

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Executive Summary

Canadian author Yann Martel has characterized his homeland as “the greatest hotel on earth: it welcomes people from everywhere”.

This is an apt description of why owners of this second-largest piece of real estate in the world are eager to capitalize on every underutilized room, empty condo suite, or temporarily vacant home they can.

The question is: What happens to a community or indeed an entire country that sees itself as a convenient impermanent waystation or a speculative real estate opportunity with no lasting responsibilities attached?

If you're Mark Zuckerberg, the immensely wealthy founder of Facebook's 1.7 billion world-wide fan club, you have the answer: “find a way to change the game so it works for everyone.” And the name of the game in the 21st century is maximizing profit just as it has been for hundreds of years. The name of the game may have changed, based new business models and technologies, but the game always promises to deliver perks and premiums for all those willing to pay the price. Let no one forget however, that like all games, there are winners and losers.

In the last decade, there has been an explosive growth in a new game - the online “home-sharing” market that connects people seeking short-term lodging with those who wish to rent their property to leisure or business travelers. These platforms charge a fee for hosting residential listings, managing bookings and payment, and providing additional services such as insurance. Airbnb, the largest of these home-sharing platforms, established in 2008, is now a company valued at more than \$40 billion, with more than three million listings worldwide and hosts in 190 countries and 34,000 cities.

In 2015, Airbnb hosts with more than 50,000 listings in Canada, provided accommodation to more than 327,000 guests from across the country and elsewhere. Some 935,000 travelling Canadians also stayed with Airbnb hosts located in the country and beyond its borders. Airbnb says 85 percent of its global hosts rent out their primary residences in large cities five or six times a month as a modest way to supplement their income.

This “disruptive” peer-to-peer technology has changed the travel and accommodation landscape significantly, increasing competition for large-scale commercial hotel operators and smaller independently owned bed-and-breakfasts. It has also had a significant impact on the traditional rental housing market in major urban areas which provide permanent accommodation for workers, families, and retirees.

What these “home-sharing” ventures often overlook is the potential negative impact on permanent accommodation availability in cities with affordable rental housing crises. In particular, what goes unmentioned is the fact that the most significant source of home-sharing revenue for Airbnb, VRBO and other tourist accommodation platforms comes from absentee multiple listing landlords and real estate speculators who operate entire units or buildings as unlicensed, unregulated, and untaxed commercial hotels.

Home Truths: Implications of Short-Term Vacation Rentals on Victoria's Housing Market

The new 'collaborative consumer' model espoused by Airbnb and others is based on leveraging the existing housing market while generating income and retaining profits outside the formal regulatory and taxation environment. This novel form of enterprise poses a challenge for local governments: (1) how to address the severe shortage of shelter together with soaring prices of housing and rents in urban areas and, (2) how to handle effectively and equitably the complex issue of regulating and taxing this new transnational home-sharing enterprise.

A 2015 study by Chris Gibbs¹ of Ryerson University's Ted Rogers School of Management and the hospitality consulting group, HLT Advisory, showed the growth of Airbnb across Canada and its negative impact on hoteliers particularly in four major cities: Toronto, Ottawa, Calgary and Vancouver. The author concluded his findings with the recommendation that municipalities carefully consider regulatory and licensing issues relating to the operation of Airbnb and other similar platforms.

This independent white paper explores the issue of home-sharing, in particular, the potential impact of Airbnb on the rental housing market British Columbia's capital city, Victoria. It draws on the timely research of Karen Sawatzky, a former Victoria resident who has just completed her S.F.U. Master of Urban Studies thesis, "Short-Term Consequences: Investigating the Nature, Extent and Rental Housing Implications of Airbnb Listings in Vancouver." Her thesis also considers the important research findings of the Canadian Centre for Policy Alternatives on the impact of Airbnb in Toronto.²

While this paper does not purport to be authoritative academic study, it nevertheless contemplates, from a thoughtful citizen's perspective, the overall changes that are taking place in the urban landscape with a view to assessing the impact of home-sharing in a popular tourist destination. Today, the City of Victoria has 955 active Airbnb listings, or one short-term vacation rental listing for every 87 inhabitants, while the neighbourhood of James Bay has one Airbnb listing for every 60 residents³. In addition to Victoria's experience with the new lodging model, the author also considers the experience of local governments expressed by members of the Union of B.C. Municipalities and Tourism Victoria. These stakeholders try to balance the needs of permanent residents needing affordable, accessible places to live, while recognizing the need to cater to tourists looking for accommodation be it in hotels and motels, guest houses and bed-and-breakfasts as well as granny suites and condo units.

This paper provides no definitive answers. It does however create a foundation for citizens, urban professionals, and decision-makers to discuss issues of home-sharing, the costs and benefits of short-term rentals to individuals and to the community, and shed light on policy guidelines that may help develop an appropriate regulatory framework to solve issues related to licensing, compliance, and enforcement of a burgeoning new sector of the 21st century economy.

¹ Dr. Chris Gibbs, "Airbnb...& The Impact on the Canadian Hotel Industry", Ted Rogers School of Hospitality and Tourism Management, (PowerPoint Presentation), June 2016.

http://www.ryerson.ca/content/dam/tedrogersschool/htm/documents/ResearchInstitute/CDN_Airbnb_Market_Report.pdf

² Zohra Jamasi, Trish Hennessy, *Nobody's Business: Airbnb in Toronto*, (Toronto: Canadian Centre for Policy Alternatives), September 2016.

³ Data based on third-party analytics firm, Airdna (December 1, 2016) and Airbnb (December 31, 2016).

Chapter 1. Introduction

1.1 Overview

The City of Victoria is experiencing a significant redevelopment of its existing housing stock, involving demolition of older single family homes and low-rise wood-frame apartment blocks, particularly in the downtown core and in the adjacent neighbourhoods of James Bay and Fairfield.

Victoria is now ranked the second least affordable place to live in Canada. *The 2016 Demographia International Housing Affordability Survey* indicates that a home in B.C.'s capital city now has a price tag that is more than 6.9 times the median household income of the area. In their view, a home in this City is "seriously unaffordable" to many buyers and is certainly well beyond the financial means of most renters.

While Victoria may have been named by *Conde Nast Traveler* as the seventh best city to visit in the world, tourism being its second largest industry, there remains an unanswered question: Can the City's infrastructure be sustained by hospitality alone? Must the City's permanent residents and their quality of life be sacrificed in order to attract the lucrative domestic and off-shore transient tourist trade?

According to Victoria.Citifed.ca⁴, the real estate buying frenzy which has seen a soaring market over the past two years is far from over. One of the top five-busiest months in the city's real estate history, reveals that pre-sale prices for new construction and resale homes are hitting new highs as inventory falls. In other words, the demand for accommodation is outstripping supply in a tight housing market.

The median price for a single-family home in what Mayor Helps calls a "21st century world leading city"⁵ is now \$650,000. As for condos, the benchmark price is \$371,300 up 22 percent over November 2015. With a modest increase in the number of condos 171 versus 159 sold over this time last year, and a consistently low inventory, it takes on average only 33 days to sell a condo unit now (compared to 62 days in November last year), according to The Condo Group⁶.

Victoria is now the recipient of affluent newcomers: Vancouverites cashing out on homes and buying condos here, and Prairie retirees seeking a comfortable climate and cozy condos. The city attracts well-paid civil servants and an increasing segment of high-tech millennials who like to bike or walk to work. Added to the mix is a small but growing cohort of overseas investors who are seeking a safe place to park their funds while their children pursue an education in the city.

⁴ Mike Kozakowski, "One year in, Victoria's real-estate buying frenzy far from over", Ctifed.ca, November 2, 2016. <http://victoria.citifed.ca/news/one-year-in-victorias-real-estate-buying-frenzy-far-from-over/>

⁵ Lisa Helps, "A look back at 2016 with Victoria Mayor Lisa helps", Victoria News, December 30, 2016, p. A5. <http://www.vicnews.com/news/408809005.html>

⁶ The Condo Group.com, Victoria Real Estate: VREB Releases its November Numbers, December 2, 2016.

In this growing capital region economy, we are witnessing increasing income disparities and uneven distribution of wealth both of which are having a significant impact on the quality of life of residents. And, as a popular island tourist destination, we are seeing profound impacts on this port city from millions of tourists flowing through it, in addition to the growing in-migration of financially secure retirees from the Lower Mainland and elsewhere across the country. Some of the most significant impacts are felt by tenants who represent 60 per cent of the city's households. In a tight rental housing market with a vacancy rate of 0.5 per cent, one can expect to pay an average of a \$1,000 a month for a one-bedroom apartment in Victoria.⁷

It is in this context we see the impacts of economic change playing out in the City of Victoria, particularly in the competitive housing market. There is a growing trend toward infill densification, demolition of older homes and low-rise apartments, and replacement with multi-storey condo developments in the downtown area and surrounding neighbourhoods. In this urban environment, there is an increasing displacement of tenants as property owners convert their units to cater to the rapidly growing and highly profitable short-term vacation rental (STVR) market rather than the long-term renters (LTRs). With more than 1,700 rental condos in the downtown area, many condo owners see a business investment opportunity in renting out entire suites at premium prices to capitalize on the tourist demand for non-hotel lodgings.

Not surprisingly, the growth of the short-term vacation rental market now referred to as the "alternative accommodation" market is also having an impact on the existing hotel industry, half of which is located in the City of Victoria. The general manager of the Inn at Laurel Point in James Bay says that competition from Airbnb and other short-term rental services, which has grown to 1,000⁸ or more units, is now a threat to the hotel industry in Victoria⁹. To put this in perspective, this new accommodation niche now represents the equivalent of one-third of the hotel room capacity for the City. (The Downtown and Inner Harbour is home to 30 hotels with 3,186 rooms.)

The same hotelier pointed out that the STVRs have a distinct advantage over hotels. The Airbnb and other similar home-sharing units don't pay the City's 3 per cent marketing tax on accommodation, the Province's 8 per cent room tax, Provincial and Federal Sales Tax or Income Tax. In addition to taking a bite out of hotel industry revenues, he added that STVRs are now posing an additional concern, increased pressure on employee housing. Apparently his new assistant manager who recently moved to Victoria was unable to move into an apartment when the landlord decided instead to list it in on Airbnb.

⁷ Canada Mortgage and Housing Rental Market Report Victoria CMA, Fall 2016, p.8.

⁸ Insideairbnb.com <http://insideairbnb.com/victoria/> on August 1, 2016 reported 1,691 listings for the Greater Victoria area while Airdna LLC (US) <https://www.airdna.co/city/ca/victoria> on December 1, 2016 reported 937 Airbnb active listings for the City of Victoria.

⁹ Deborah Wilson, "Victoria hotelier calls for fair taxation of Airbnb rentals", CBC, November 29, 2016. <http://www.cbc.ca/news/canada/british-columbia/victoria-airbnb-hotels-taxes-1.3871973?cmp=rss>

Housing for hotel and resort industry employees is also a significant issue in the tourist town of Tofino, B.C. which has recently taken steps to regulate Airbnb rentals.

1.2 Victoria explores options to regulate short-term vacation rentals

It is in this context that Victoria City Council received an October 27, 2016 report from staff on Short-Term Vacation Rentals¹⁰ assessing the impact of short-term vacation rentals on the rental housing pool with options to regulate Airbnb and other similar short-term vacation rental platforms.

This report included a brief opinion on “Short-Term Vacation Rentals Policy” given by a Vancouver-based urban planning consultant to the City, several personal testimonials relating the benefits of short-term rentals to property owners. It is interesting to note that Airbnb has established more than 100 clubs for hosts and guests globally, with the hope that these active home-sharing “community members” will become a political force to shape local regulation in its favor.

In addition, the report also narrowed the discussion to four possible options for regulating short-term vacation rentals and summarized their advantages and disadvantages.

1) Prohibit STVRs throughout the city. (This option was not recommended, without referencing the experience of several tourist destinations¹¹ in Florida). Staff's primary objection is based on the premise that this option “removes property owners' existing development entitlements”. There is no consideration of whether the existence of what some see as ‘pseudo hotels’ in residential neighborhoods, could lead to disillusionment with local government who may be perceived as ineffective in protecting the interests of local tax-paying citizens including renters. *Note: The City of Richmond, BC voted on January 10, 2017 to ban short-term rentals, according to The Globe & Mail.*

2) Continue to permit STVRs but with limitations.

3) Maintain current development rights in zoning, communicate licensing requirements for data collection, and prohibit STVRs in affordable housing projects funded by the City.

4) Permit STVRs throughout the city.

Staff recommended option 3 as the best policy option, with a view to continuing to monitor the situation and discuss it further at a workshop for Council in January 2017.

¹⁰ Jonathan Tinney, Director, Sustainable Planning & Community Development, City of Victoria, “Short-Term Vacation Rentals”. Report to City Council, October 7, 2016. <https://victoria.civicweb.net/FileStorage/D755644EC04447E0876D7DB7C2D22B84-report%20short%20term%20vacation.PDF>

¹¹ Chabeli Herrera, “How \$20,000 fines have made Miami Beach an Airbnb battleground”, Miami Herald, November 27, 2016, <http://www.miamiherald.com/news/business/biz-monday/article117332773.html> and Gwen Filosa, “Key West cracking down on vacation rentals”, Miami Herald, May 19, 2016. <http://www.miamiherald.com/news/business/biz-monday/article117332773.html>

Chapter 2. Situational Analysis

2.1 The shifting housing landscape

The United Nations recognizes housing as a fundamental human right; however, there is no guarantee of the right to shelter for everyone in Canada. What can be said is that governments at all levels are committed to improving the quality of life for residents by increasing jobs, the tax base, purchasing power, diversity as well as availability of goods and services, amenities and infrastructure to serve the needs of the community. At the foundation of this economic development rationale is the notion that the ownership of private property will spearhead and sustain the growth of communities together with the health and well-being of people.

In fact, this “home-ownership” ethos is one of the primary guiding principles to ensure the economic vitality of British Columbia according to the real estate industry:

“Realtors believe home ownership is the dream of most British Columbians and deserves a preferred place in our system of values. Home ownership contributes to community responsibility; civic, economic, business and employment stability; family security and wellbeing.”¹²

It also appears that this thesis of the real estate industry is the rationale behind the City of Victoria's housing strategy, particularly with regard to options for regulating short-term vacation rental properties. The staff report¹³ indicates the preferable option is one that “maintains existing property owners' rights in the downtown core where transient accommodation use is permitted” and avoids “removing property owners existing development entitlements.”

The 2011 National Household Survey (NHS) indicates that housing for 87 per cent of Canadians is provided through the private market, with than two thirds of households owning their own homes while 31 percent rent. In the province of B.C., 70 percent of households own homes while 30 percent rent. What is significantly different in the City of Victoria, is that 60 per cent of households (24,820) rent compared to 40 percent who own their own homes.

Home-ownership in Canada has been consistently subsidized by all levels of government through the tax system including home-owner grants for improvements such as energy conservation, disability alterations, etc. From a housing perspective, the introduction of a capital gains tax (with the exception of a principle residence) and the elimination of investment real estate as a tax shelter for other income (that resulted in the boom in the construction of apartment buildings prior to 1972) were said to have a

¹² The Victoria Real Estate Board <http://www.vreb.org/about-vreb/quality-of-life>, p. 4.

¹³ Tinney, City of Victoria Short-Term Vacation Rentals Report, p. 6.

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profound effect on the housing landscape across the country.¹⁴ Removing the incentives to build rental accommodation encouraged a market shift towards home ownership in the 1970s, particularly with the rise in popularity of the fragmented home-ownership model, known as strata title properties or “condominium” units.

During the early 1980s, with a downturn in the economy, the federal government offered interest free loans to developers in order to increase jobs in the construction industry and subsidize a small portion of units for low-income and special needs tenants. Increasingly however, the responsibility for housing has been devolved from the federal and provincial governments to local governments. This shift in the allocation of increasingly limited tax dollars onto municipal authorities is now placing ever greater pressures on taxpayers who must also carry the growing and costly infrastructure upgrades for roads, bridges, and ports, as well as utility, water, and sewage systems.

The housing market in this country has consistently favored home-owners. Canadian housing policy researcher, David Hulchanski, points out that Canada's housing system is comprised of a primary and secondary group, each with its own distinct and unequal range of government activities and subsidies. The primary part of the housing system represents the majority of Canadian households including most home-owners and those tenants who live in the higher end of the market. The secondary housing part consists of tenants in the lower portion of the rental market and lower-income home-owners in rural areas.

This dual housing policy recognized by all three levels of government assists home-owners and neglects tenants. Hulchanski suggests that because Canada has never had a policy of tenure neutrality, i.e. providing assistance to home-owners and tenants equally, the consequence is that the housing policy has subsidized home-ownership for the past 45 years.¹⁵

Today's home-owners in the country, on average have twice the income of tenant households. So, it is not surprising that housing developers and the municipal authorities, who regulate them, are committed to supporting the flow of benefits and amenities to wealthier homeowners. These may include re-writing bylaws such as those in the City of Victoria to encourage urban agriculture revenue-generating opportunities for property-owners, rain-water rewards to reduce stormwater user fees for home-owners, segregated off-leash dog walking parks for canine owners who live in private homes as well as the provision of property tax deferrals for senior home-owners. Few if any of these benefits are available to tenant households in the City of Victoria, 25 percent of who currently spend more than 50 percent of their before-tax household income on rent plus utilities¹⁶.

What is apparent in this cursory examination of the rental housing market is the dearth of information available on the status of renters, particularly their current needs and gaps in services. While Canada Mortgage and Housing (CMHC) collects rental housing data, it does so in a limited fashion, focusing on

¹⁴ The Rental Housing Index, Examining the Rental Housing Market in British Columbia, Hannah M. McDonald, UBC MSc. Planning Thesis, U.B.C., 2015, p. 5.

¹⁵ Ibid., p. 13.

¹⁶ Ibid., p. 23

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larger purpose-built rental structures and the break-down of units by key neighbourhoods. However, CMHC fails to identify smaller purpose-built rentals: apartments (with fewer than 3 units), rented single-family dwellings/duplexes/triplexes, rented condos, and secondary suites and accessory garden suites by neighbourhood or by age of structure. As a consequence, the private sector rental housing market profile remains incomplete at best, ignoring for the most part smaller non-corporate landlord properties. These house seasonal tenants, particularly students, 80 percent of whom cannot find accommodation on campus at the University of Victoria.

2.2 Victoria's rental housing market context

The months-long presence and plight of homeless people living in tents on the grass outside the B.C. Law Courts in downtown Victoria in 2016, covered by the local and national media, drew attention in a profound manner to the unresolved crisis of providing shelter for many of our most vulnerable citizens.

Although raised in a family home in the Lower Mainland, I have spent my entire adult life as a renter in many towns and cities across Canada. Based on my own experience as a tenant for 17 years in my father's birthplace, Victoria, I have witnessed the growing gentrification of my own neighbourhood, James Bay. I have also seen the growing displacement of hundreds of tenants due to the extensive refurbishment of high-rise apartments and the demolition of older homes replaced by multi-storey condominiums, well beyond the ability of many middle-income residents to buy or even to rent.

It is disconcerting to live in a place where home-ownership is an unattainable dream for many young working families. If city centres are transformed into high-rise "smart" glass towers with high security systems that welcome only well-heeled tourists accommodated in suites owned by absentee landlords, whose quality of life does the city really support and sustain?

As housing costs soar, even here in a quaint colonial outpost on the southern tip of Vancouver Island, tenants, who form the majority of the City's households, are facing a chronic rental shortage, exacerbated by consistently low vacancy rates. When not faced with eviction due to condo conversions, hundreds now are threatened by a growing 'renoviction' trend in the City. These factors are also compounded by sharp increases in rents for upgraded apartment units and luxury-priced condos, and an increasing trend among landlords to impose costly fixed-end leases to avoid rent controls. Not surprisingly, this precarious state of affairs weighs heavily upon students, seniors, and moderate income working people whose only affordable option is renting as opposed to buying a roof over their heads.

As if this were not enough, many new condo owners are now purchasing units as investment properties in the core area and surrounding neighbourhoods, while owners of single-family "character" home are building garden flats and converting their secondary suites. This is not being done to accommodate long-term tenants, but rather short-stay vacationers willing to pay premium prices for places near tourist attractions. This growing trend by property owners, property managers and corporate housing investors in major cities around the globe who use online platforms, like Airbnb, VRBO and others to

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market short-term vacation rentals, is now another factor reshaping the urban housing landscape. This notion of freedom to use one's property as an investment vehicle rather than a principal residence has potential negative consequences for many neighbourhoods by potentially limiting options for non-homeowners to find appropriate and affordable shelter.

This context has prompted me to ask: **What is the extent and nature of Airbnb listings in the City of Victoria? What are the implications of that information in relation to the rental housing market here as well as possible regulatory options for short-term vacation rentals in the City.**

2.3 Beyond the bravado, buildings, and beautiful gardens

The City of Victoria's Strategic Plan 2015-2018 states that: *"Victoria is a leading edge capital city that embraces the future and builds on the past ... Victoria is a city that is liveable, affordable, prosperous and vibrant, where we all work in partnership to create and seize opportunities and get things done."*¹⁷

Prior to the arrival of the European explorers in the late 18th century, Victoria was inhabited by the Coast Salish Nation including the Songhees and Esquimalt indigenous people. In 1841, the Hudson's Bay Company established its first trading post. Later a fort and settlement was built, followed by the City's development as a port, supply base and outfitting center in the Gold Rush of the 1850's. Victoria's position as a commercial center gradually diminished with the expansion of the trans-Canada railway, as roads and infrastructure for the province and growing international trading hub of Vancouver emerged in the early 20th century.

The provincial capital, incorporated in 1862, is home to a population of 83,000 and serves a metropolitan administrative center for a region comprised of 360,000 inhabitants. Greater Victoria's population is projected to grow by 4.5 percent every 5 years between 2010 and 2025,¹⁸ while the City's population is expected to increase by approximately 20,000, reaching 100,000 by 2041. The most salient changes in demographics over the next three decades¹⁹ are the proportion of residents over the age of 65 forecast to increase dramatically from 17% to 29% of the total population. A BMO Wealth Study recently indicated that 15 percent of Canadian baby boomers are planning to retire in Victoria. During the same time frame, the proportion of children and young adults is anticipated to decline; families are encouraged to seek accommodation on the booming West Shore or Saanich peninsula rather than in the city.

Today, the city's economy is based on providing jobs in government services, health care, and education and retail services. The City continues to fulfill its traditional role as a pre-eminent tourist destination and maritime service sector through its naval base and private sector shipyard maintenance work.

¹⁷ City of Victoria Strategic Plan 2015-2018, Amended February 2016, p. 1.

¹⁸ Mayor's Task Force on Economic Development and Prosperity, p. 29.

¹⁹ City of Victoria, Official Community Plan – July 2012 (Updated June 23, 2016), p. 21.

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However, the thrust of new economic initiatives is based on diversification through the expansion of a its preeminent high-tech industry comprised of more than 800 firms with 23,000 employees generating an annual revenue in excess of \$3.5 billion dollars.²⁰

Today more than 39 percent of the total income in the region depends on public sector employment, whereas tourism accounts for six percent of the regional income. Non-employment sources of income such as pensions, investments, and government transfer payments account for slightly more than one-third of Greater Victoria's total income.

The "City of Gardens", boasts of more than 1,000 hanging flower baskets in summer, offering residents and more than 4 million visitors annually a taste of its temperate climate, based on more than 2,000 hours of sunshine and 66 cm of rainfall yearly. Among its assets are: Victorian heritage architecture, a scenic Inner Harbour cityscape, natural green spaces including the venerable Beacon Hill Park, numerous walking and bike paths, not to mention its historic museum and other cultural amenities that invite both residents and visitors from afar to enjoy them.

The most pressing urban issues facing the City are those related to land management and development, significant infrastructure upgrades and transportation network redesign. But more importantly, one of the critical questions is how to accommodate the anticipated growth in population and changes in the regional economy over the next several decades. This is no small matter when the city and region are facing major natural hazards such as earthquakes, wind and storm surges, as well as climate change—which represent a significant threat to life and property. Little attention has however been paid as to how to mitigate such risks while furiously expanding high-priced residential development in the core. Without a serious emergency plan for the City, or a long-term development plan (taking into consideration high-risk areas and extensive reconstruction following a major disaster re ports, roads, bridges, utilities and underground services)—citizens and tourists alike would be left to fend for themselves.

Victoria's economy has traditionally relied on public administration jobs but these may be curtailed during long-term slow growth periods, while the tourism sector faces numerable challenges: a strong Canadian dollar, demanding cross-border security, higher energy costs associated with an island location and increased competition from the dozen surrounding regional municipalities offering greater supplies of commercial and industrial land and major retail expansion opportunities.

The most noticeable test, however, will be felt in the capacity of the City to integrate new ground-oriented housing under the existing zoning structure in a well-built environment. This is also compounded by the question of how to accommodate high to medium densities in the core area and housing within the neighbourhoods that is more affordable, and development in village areas that also supports shops, services and amenities within walking distance of households.

²⁰ Viatec <http://www.viatec.ca/cpages/about>

Few purpose-built apartments have been constructed over the past four decades. As a consequence, the market for condominiums, new multi-storey buildings and those converted to condos in high-rise apartment blocks (particularly in the downtown urban core areas) has increased the competition for both potential homeowners and real estate investors. Meanwhile, the older rental housing stock (built prior to 1971) is deteriorating or reaching the end of its life cycle and will eventually need to be replaced.

With the cost of land and construction in urban areas increasing significantly over the past decade, and growing servicing costs, municipal governments are expanding their tax base primarily through higher density, premium-priced multi-storey condominium properties. The growing trend toward neighbourhood gentrification poses a dilemma. Can affordable rental housing units be built in cities to fulfill the growing demand for 1) workforce housing, and 2) accommodation for many seniors on fixed incomes or those with special needs living on modest incomes. There is however a growing divide among home-owners and tenants when it comes to quality of housing in the city. While new housing units conform to the new seismic building codes, the old rental housing stock may be receiving a premium makeover but they are not being upgraded to seismic standards. After a major earthquake, it will be rental properties that will sustain the burden of catastrophic loss, and it will be tenants who will be obliged to live without shelter on the streets.

2.4 Airbnb and the “sharing” economy

The fast-growing “sharing” economy is emerging as a disruptive force reshaping the economy in transportation (Uber and Lyft ride-sharing/delivery services, or Google’s driverless cars), online retail platforms such as Amazon, social-media information sharing platforms like Facebook and Twitter, or shared travel accommodation platforms such as Airbnb, VRBO, and HomeAway.

Airbnb, one of the brightest stars of the ‘sharing economy,’ was established in 2008 after their American founders rented out an airbed in their spare room in San Francisco to bring in some extra cash. Almost ten million ‘shared’ lodgings listings later, this \$40 billion (US) home-sharing digital platform now does business in 190 plus countries and 34,000 cities— soundly trouncing the business valuations of their main competition, hotel chains like Hilton, Marriott, and Hyatt, while operating with limited regulation or oversight.^{21, 22} And, while many celebrate the arrival of juggernaut Airbnb on the urban landscape, (the largest lodging company in the world, with more than 3.1 million rooms), some see the heart of their cities imploding, like the people of Paris, France.²³

²¹ Matt Egan, “Hilton: We’re not scared of Airbnb”, CNN, October 28, 2015

<http://money.cnn.com/2015/10/28/investing/airbnb-hilton-hotels/>

²² Brian Solomon, “Airbnb Raising More Cash at \$30 Billion Valuation”, Forbes.com, Sept. 22, 2016.

<http://www.forbes.com/sites/briansolomon/2016/09/22/airbnb-fundraising-850-million-30-billion-valuation/#540496eb66f2>

²³ Alison Griswold, “Paris is blaming Airbnb for population declines in the heart of the city”, Quartz, Jan. 5, 2017.

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This year the company will have booked \$12.3 billion²⁴ in rentals all over the globe, while the number of guests is expected to soar to a half-billion by 2025 according to the investment firm Cowen & Company. Billed as an alternative accommodation service, this privately held company that does not disclose its revenue or losses, reportedly reached \$900 million in revenue in 2015.

This is remarkable for a “gig economy” company, almost a decade old that offers a digital platform linking home-owners looking to rent out surplus space with travellers seeking a local, non-hotel experience. Not your average home-sharing short-term sub-letting business, the Airbnb model promotes and facilitates a variety of financial services including insurance-like products to hosts and guests, while maintaining centralized control of all listings. In return, Airbnb takes a 3 percent commission (before fees and taxes) from home-owner “hosts” while “guests” pay Airbnb an additional service charge of approximately 6-12 percent on all bookings.

The company makes a number of claims concerning its positive impacts on the quality of life in cities whose “people-to-people platform ...by the people and for the people that was created during the Great Recession to help people around the world use what is typically their greatest expense, their home, to generate supplemental income.”

In November 2015, Airbnb launched its “community compact” as a first step in establishing relationships with the cities in which it does business. The purpose of such a commitment is to *“work with our community [of hosts] to help prevent short-term rentals from impacting the availability and cost of permanent housing for city residents”*.

It is precisely this underlying pledge to its home-sharing partners which is at the heart of whether this business model serves only homeowners and short-term vacation renters at the expense of long-term local tenants. Slee (2015)²⁵ argues that while the “sharing” economy allows its members “access” to the use of a variety of assets such as cars, power tools, talents of others and homes (whose owners are members of a self-regulated network) linked to each other by way of a peer-to-peer platform, the business model is a form of unregulated monopoly to maximize profits for the platform owners, intermediaries and retailers.

These alleged benign on-demand home-sharing platforms do more than disrupt the economies of expensive hotel chains. They foster a new form of privileged consumption, and market ‘lifestyle as a service’. Locals will find themselves expelled from their homes to satisfy the self-serving needs of short-term property owners catering to an influx of tourists. This will lead to a precarious, unsustainable state of affairs for all cultures and subcultures. As contradictions sharpen, politicians and citizens alike will be asked to choose sides; however, this matter is never addressed in the new STVR policy for the city.

²⁴ Katrina Brooker, “Airbnb’s Ambitious Second Act Will Take It Way Beyond Couch-Surfing”, Vanity Fair, November 2016, <http://www.vanityfair.com/news/2016/11/airbnb-brian-chesky>

²⁵ Tom Slee, *What’s Yours is Mine – Against the Sharing Economy* (OrBooks, January 1, 2015)

Chapter 3. Victoria's Short-Term Vacation Rental Market and the Long-Term Rental Housing Market

3.1 Salient features of the short-term vacation rental market in Victoria

The City of Victoria Staff Report, October 7, 2016 to Council on "Short Term Vacation Rentals"²⁶ contains a selection of testimonials from local residents extolling the benefits of this new tourism industry in town. These remarks focus, among other things on, "*12 Reasons to support Airbnb and the home-sharing economy*". These include everything from:

- assisting new home-buyers entering the housing market to pay off their mortgages,
- creating new service jobs as housekeepers, part-time maintenance contractors,
- relieving shortages in hotel space, and
- helping visitors stay in large family mansions that "might be sold, or bulldozed and replaced (often by foreign owners).

Other Airbnb supporters highlight the "nurturing community" virtues of the Airbnb experience for visiting grandparents who can stay nearby their families in neighbourhoods, as well as offering respite places for hospital patients, home-stay locations for visiting students and as "affordable getaways after exams". They go further by suggesting that by sharing secondary suites in homeowner-occupied houses and making connections with guests near and far, hosts can make an income that allows them to keep their homes and make a valuable contribution to local economy without any measurable negative impact on the existing rental stock in Victoria.

Apparently the Airbnb data shared by these supporters revealed that 539 hosts earned an average of \$5,700 annually for 49 days worth of tourist accommodation, generating more than \$3 million in revenue for the hosts and additional guest expenditures of \$5,128,000 for the local economy.

However, what these testimonials didn't say is that if these tourists came to Victoria, they would have spent their money on a host of goods and services whether or not they stayed in Airbnb units or in a hotel. **Furthermore, where is the evidence to assert that a tourist in Victoria is worth more than a permanent resident?** Tenants pay rent, buy groceries and other goods and services, pay income taxes, property taxes and utility fees. Airbnb tourists pay no lodging taxes, no sales tax - in fact, many receive GST rebates on their expenditures if they live outside of Canada.

Whatever one may think of the 'home-sharing' philosophy, the ever expanding mission of Airbnb is not only to become the premier if not global leader in the home-rental business but also a travel

²⁶ Liza Rogers, Community Connector & Consultant attachments and testimonials regarding support for Airbnb enterprises and the home sharing economy in Jonathan Tinney's, Short-Term Vacation Rentals Report, City of Victoria, October 7, 2016.

entertainment and activity broker to sell all sorts of services such as guided tours, musical outings, as well as transportation services which could put Airbnb in direct competition with other gig economy transport companies like Uber, Lyft and Google.

While there are no doubt many benefits that hosts derive from operating Airbnb rooms, suites, and entire homes, there is a growing body of anecdotal evidence that many of these alternative rental accommodations are located in the same areas that have a higher proportion of rental housing stock in the core areas and surrounding neighbourhoods. In an environment of soaring land values and premium-priced high-density multi-storey private developments in popular seaside tourist destinations (e.g. Victoria, Vancouver, San Francisco, Barcelona, or Venice), and skyrocketing rents due to a dwindling supply of affordable rental housing stock, long-term tenants (LTRs) are facing displacement pressure from new condo-dwelling investors and corporate Airbnb operators in these areas.

Enterprising property owners are seeking ever more profitable ways to maximize their return on their investment by converting affordable housing to unlicensed online hotels. The short-term vacation rental model, promoted by companies like Airbnb, poses serious questions as to whether long-term tenant needs are being sacrificed in favor of a city that expands its tax base by rewarding home-owners. Those without security of housing tenure are increasingly sent to the periphery of cities if not the hinterlands, where even less rental housing stock is available.

The City of Victoria’s short-term vacation rental (STVR) market, (approaching almost 1,000 units) is approximately 15 percent the size of the Vancouver market.

Table 1 - Growth of Airbnb Active Listings in Victoria 2008-2016

2008	1	2013	133
2010	5	2014	256
2011	22	2015	535
2012	62	2016	938

Source: Airdna LLC (US) <https://www.airdna.co/city/ca/victoria> - December, 2016.

Victoria has seen the spectacular growth of Airbnb units since the founding of the company in 2008. Particularly since 2012, the number of Airbnb listings has grown 15 fold consistent with a sharp increase multi-storey condominium construction projects in the downtown core and VicWest as well as mid-rise condos in James Bay.

Why do landlords prefer Airbnb guests to long-term tenants? Owners maintain flexibility and control in deciding who, when, what length of time, and how much to charge the occupant. They are not governed by any rent controls or tenancy legislation nor are they subject to any taxation or health and safety

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licensing requirements. Furthermore, payment is upfront and guaranteed by the booking platform; reviews are given for both prospective tenants and landlords, and through Airbnb's liability insurance option, any damage and repair costs related to guests are covered up to a value of one million dollars.

A Report to Council by the City of Victoria's Economic Development Office, dated October 16, 2014,²⁷ indicated a recommendation by staff to "continue strategic discussions with Airbnb towards a possible working partnership to address the core areas of concern."

This report summarized a few salient Airbnb statistics underlining the importance of this new revenue generating segment of the market benefitting homeowners with implications for the tourism industry. Apparently after Airbnb announced its first partnership with Portland, Oregon, the City of Victoria contacted the company "to express an interest for Victoria to be a partner in Canada".

In 2014, it was reported that more than 1,019 hosts used Airbnb since 2008, of whom 354 had active listings in 2014 serving 7,336 guests (April 2013-March 2014), equivalent to 30,017 guest nights with an average length of stay of 4.1 days. The staff report further reported that "the demographic using this site is just the type of visitor we want in our downtown."

The report also highlighted the City's "core areas of concern" in order to:

- "adapt and evolve as and where necessary the wording of our relevant zoning and bylaws covering the needs of those home owners providing their homes for short term rentals through sites such as Airbnb";
- "working to ensure a more even playing field for short-term accommodations by evolving towards a fair taxation approach (i.e. applying something similar to the hotel tax for Airbnb listings)";
- "working to ensure that Airbnb listings are available for emergency accommodations if required in the event of a disaster";
- "shared promotion of the city and neighbourhoods and local businesses as a leading tourist destination".

In 2016, the City of Victoria adopted amendments to the *Zoning Regulation Bylaw* to reduce parking requirements for secondary suites. It also revised regulations for such suites "to develop and implement programs and events to assist homeowners who may be interested in adding a new secondary suite—or legalizing an existing secondary suite—to understand the benefits and possibilities associated with secondary suites, and the requirements that must be met to establish them."²⁸

²⁷ Sage J. Baker, Economic Development, City of Victoria, Memo to Council: "Update re possible partnership with Airbnb", October 16, 2014.

²⁸ Jonathan Tinney, Director, Sustainable Planning & Community Development, City of Victoria, Memo to Council Re: Secondary Suites – Part I Regulatory Changes, October 28, 2016, p. 1.

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While these changes were made ostensibly to increase the number of livable, safe and affordable secondary suites as a rental option in the City, the thrust of this initiative was to offer developers a “proven way of adding gentle densification to neighbourhoods” as well as “improving affordability for homeowners by increasing their buying power at time of purchase, and offsetting mortgage costs through the course of ownership”.

This newly minted regulatory change simply means the City will not only allow homeowners to enhance the value of their property but also offer them a new income stream by legalizing the rental of secondary suites. The highest rate of return these days is a short-term vacation rental (the average being \$118/night in Victoria versus the average long-term rental of \$33/night).

In the absence of a housing inventory for Victoria or the Capital region, there are no statistics on the actual number of secondary and garden suites in the city. Time will tell whether these changes in bylaws will house more long-term renters in a market with 0.5 vacancy rate or whether they will simply enhance the income of home-owners at the expense of tenants. It also remains to be seen whether supporting online platforms that support the independent travelling public is simply a way of facilitating high-profit short-term rentals for landlords in urban centres while doing little to contain rising rents and protect dwindling rental housing stock.

The City may have expressed its concerns about the growing presence of an alternative accommodation industry; clearly, it has a keen interest in facilitating the growth of its residential tax base. Civic politicians have many expectations to meet. These include satisfying the complex needs of real estate development interests, a growing number of personal and commercial home-sharing enterprises, as well as promoting its traditional hospitality industry partners.

Many of the Airbnb listing photos and descriptions reveal they are located primarily in recently constructed premium priced high-rise condos with panoramic views of the Inner Harbour and the U.S. Olympic peninsula. Still others are located in larger “character” homes with self-contained suites or accessory garden cottages in the city's upscale neighbourhoods of James Bay, Fairfield and Fernwood. These patterns in the Victoria market reflect similar Airbnb results world-wide, where their lodging portfolio is comprised of two-thirds full-time entire units (almost half of which are condo or apartment-like accommodation) and the remainder are rented as private rooms.²⁹

While modest growth in new housing units has occurred in many of Victoria's neighbourhoods with the exception of the Downtown core, Harris Green, and VicWest (2006-2011), the largest concentrations of Airbnb units has occurred in neighbourhoods with the highest proportion of rental units: Downtown, Harris Green, Fairfield and James Bay. (See Table 2 below.)

²⁹ Ethan Wolff-Mann, “The Big Reason why Airbnb terrifies the hotel industry”, Yahoo Finance, Jan. 5, 2017. <http://finance.yahoo.com/news/airbnb-dwarfs-hotels-in-room-availability-162135372.html>

Table 2 - City of Victoria Neighbourhood Analysis of Airbnb listings versus Total Number of Housing Units, % Change in Number of Housing Units 2006-2011, and Housing Tenure

Neighbourhood	No. Airbnb Listings (Ave. Price per night)	%Airbnb Entire Listings/ % Multiple Units Listings	Total No. Housing Units	% Change Housing Units 2006-2011	(%) Units Rented Owned
Burnside Gorge	10 (\$120)	90/0	2,795	1	1,755 (63%) 1,040 (37%)
Downtown	134 (\$127)	87/40	1,425	68	1,040 (73%) 385 (27%)
Fairfield	85 (\$117)	75/31	6,780	1	3,735 (55%) 3,045 (45%)
Fernwood	66 (\$ 97)	71/70	4,840	-2	3,095 (64%) 1,750 (36%)
Gonzales	22 (\$120)	73/41	1,710	1	500 (29%) 1,205 (71%)
Harris Green	15 (\$108)	87/20	1,350	11	875 (65%) 475 (35%)
Hillside-Quadra	28 (\$ 81)	50/14	3,685	-1	2,205 (60%) 1,475 (40%)
James Bay	123 (\$141)	75/58	6,695	0	4,645 (69%) 2,045 (31%)
Jubilee	22 (\$101)	73/41	2,945	-1	1,780 (60%) 1,165 (40%)
North Park	32 (\$ 88)	69/28	2,120	1	1,640 (77%) 480 (23%)

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Oaklands	24 (\$ 94)	67/29	3,115	1	1,315 (42%) 1,800 (58%)
Rockland	34 (\$139)	53/47	1,830	-2	1,025 (56%) 805 (44%)
Victoria West	45 (\$117)	71/40	3,675	16	1,860 (51%) 1,815 (49%)
TOTAL	640 (\$118)	74/41	42,995	3	25,475 (59%)
City of Victoria					17,485 (41%)

Sources:

Murray Cox, InsideAirbnb.com – Victoria Airbnb listings, August, 1, 2016

Statistics Canada 2011 National Household Survey (City of Victoria website)

This data reveals that neighbourhoods with the highest proportion of rental units, also have the highest Airbnb rates per night (with the highest proportion of entire units in either newly built condos downtown and neighbourhoods within walking distance of the core area or in large character homes situated in Rockland).

As the Table 3 below indicates, there are several noticeable differences between the Victoria and Vancouver Airbnb statistics provided by Murray Cox (insideairbnb.com):

- higher proportion of Airbnb units in Victoria are for “entire homes”;
- higher proportion of multiple listings in Victoria (indicating they are likely to be operating as commercial enterprises as opposed to mortgage helpers);
- higher percentage occupancy, longer stays, and higher estimated monthly income for Airbnb hosts in Victoria.

Table 3 - Vancouver & Victoria Comparative Airbnb Statistics – 2015/16

Area	Total Listings	% Entire Homes	% Occupancy (days occup.)	Price/ Night	Est. Mthly. Income	% Multiple Listings
CRD	1,691	66.6	31 (114)	\$124	\$1,041	40
Victoria	640	74.4	38 (139)	\$118	\$1,277	40.5
James Bay	123	74.8	35 (126)	\$141	\$1,328	57.7
Downtown	134	87.3	45 (165)	\$127	\$1,681	39.6
Vancouver	4,728	67.2	24 (87)	\$127	\$ 844	33.3
Downtown	999	80.9	32 (116)	\$157	\$1,386	42.6
West End	593	70.3	26 (98)	\$118	\$ 832	28.3
Kitsilano	567	71.8	20 (72)	\$140	\$ 745	25.6

Sources:

Inside AirBnB – Vancouver (neighbourhoods) published Dec. 3, 2015 -
<http://insideairbnb.com/vancouver/>

Inside AirBnB - Capital Regional District and City of Victoria (neighbourhoods), published Aug. 1, 2016 -
<http://insideairbnb.com/victoria/>

What both Victoria and Vancouver Airbnb listings show is that the majority of listings are for “entire homes”. Many of these units are rented for more than 100 days per year (consistent with other metropolitan areas where Airbnb operates), suggesting that the owners are not using these units as their primary residences. Furthermore, the largest concentration of the home-sharing listings is in the downtown core and contiguous neighbourhoods that are in close proximity to major tourist attractions, entertainment, and restaurants.

A case can be made that those who are offering “entire homes” to travellers as opposed to long-term tenants are now fuelling a growing Airbnb sub-economy comprised of third-party property management companies. The purpose of these intermediaries is to help absentee owner “hosts” maximize their return on their assets by offering “guests”, concierge and security services as well as housekeeping and personal transportation and guide services.

While it is true that over 80 per cent of Airbnb hosts in Victoria offer single listings, as is shown in Table 4 below, the most lucrative segment of the short-term rental business (now euphemistically called a “home-sharing club”), comes from multiple listings. These are property owners or management firms offering two to five or more listings with higher-occupancy rates than single unit owners. These commercial interests, representing real estate developers or investment firms, often purchase multiple units in large residential strata title complexes are now operating flexible accommodation enterprises that rival the existing lodging industry. They have little incentive to serve the housing needs of long-term tenants.

Table 4 - A Profile of City of Victoria Airbnb Active Listings, December 2016

Total Number of Airbnb Active Listings (Dec/16): 937

- 337 in Downtown (36%); 140 in James Bay (15%)
- (49%) other neighbourhoods

Total Number of Airbnb Hosts: 647

- 532 hosts – single listing (82%)
- 115 multiple listing hosts (18%)
 - 73 hosts – 2 listings
 - 18 hosts – 3 listings
 - 10 hosts – 4 listings
 - 14 hosts – 5+ listings

694 listings (74%) are available for rent 4-12 months a year

243 listings (26%) are rented 4-12 months a year

Total Number of Airbnb Listings

Victoria (August 2015-August 2016) 955

Source: Airdna LLC (US) <https://www.airdna.co/city/ca/victoria> - December, 2016.

According to the documentation provided in the Staff Report to Council in the Fall of 2016 on Short-term Vacation Rentals³⁰, 539 hosts in 2015 hosted 16,070 guests (more than double 2013-14), typically about 49 days during the year for an average stay of 3.5 days generating an annual income of \$5,7000 for a typical host. This is however only a partial picture of the Airbnb “sharing” economy in Victoria.

Using the December 2016 Airdna statistics (based on 937 active listings) and a nightly average price of \$125 for units in Victoria, the smaller multiple listing hosts generated more than \$10 million for their owners, while the single unit hosts representing more than 80 percent of the owners generated slightly

³⁰ Tinney, City of Victoria Short-Term Vacation Rentals Report, Attachment 2, October 7. 2016.

more than half of that total. In other words, this novel home-sharing industry is putting more than \$15 million annually into the pockets of homeowners, yet it remains untaxed and unregulated.

What these short-term vacation rental statistics show is that in the traditionally low-season for the hospitality industry, in December 2016, there were 937 Airbnb listings and 410 Vacation Rentals By Owner (VRBO)—i.e. a minimum of 1,347 home-sharing listings for the City of Victoria.

On December 29, 2016, the Airbnb website indicated 300+ listings for Victoria, showing an average nightly rate of \$125 for shared rooms and entire units, and an average of \$129 per night for entire units. In the upscale neighbourhood of James Bay, there were 180 listings with an average nightly rate of \$137. More significant is the fact that 76% of these Airbnb listings were for entire units that garnered an average nightly premium of \$159.00.

The most lucrative Airbnb units are those operated as multiple long-term vacation rental listings. These “hosts” do not reside on the premises and operate these units as commercial accommodation enterprises through a property management or real estate development company. These multiple listing owners represent more than 20% of all listings that generate almost 70% of the revenue, estimated to be more than \$10 million annually for the City of Victoria market.

It remains to be seen whether those engaging in enterprising home-sharing activities (i.e. homeowners and online peer-to-peer accommodation platforms like Airbnb and VRBO) are willing to “share” both the benefits and the burdens of taxation and regulation like other sectors of the economy.

3.2 Victoria’s long-term rental housing market

3.2.1 Population and housing tenure

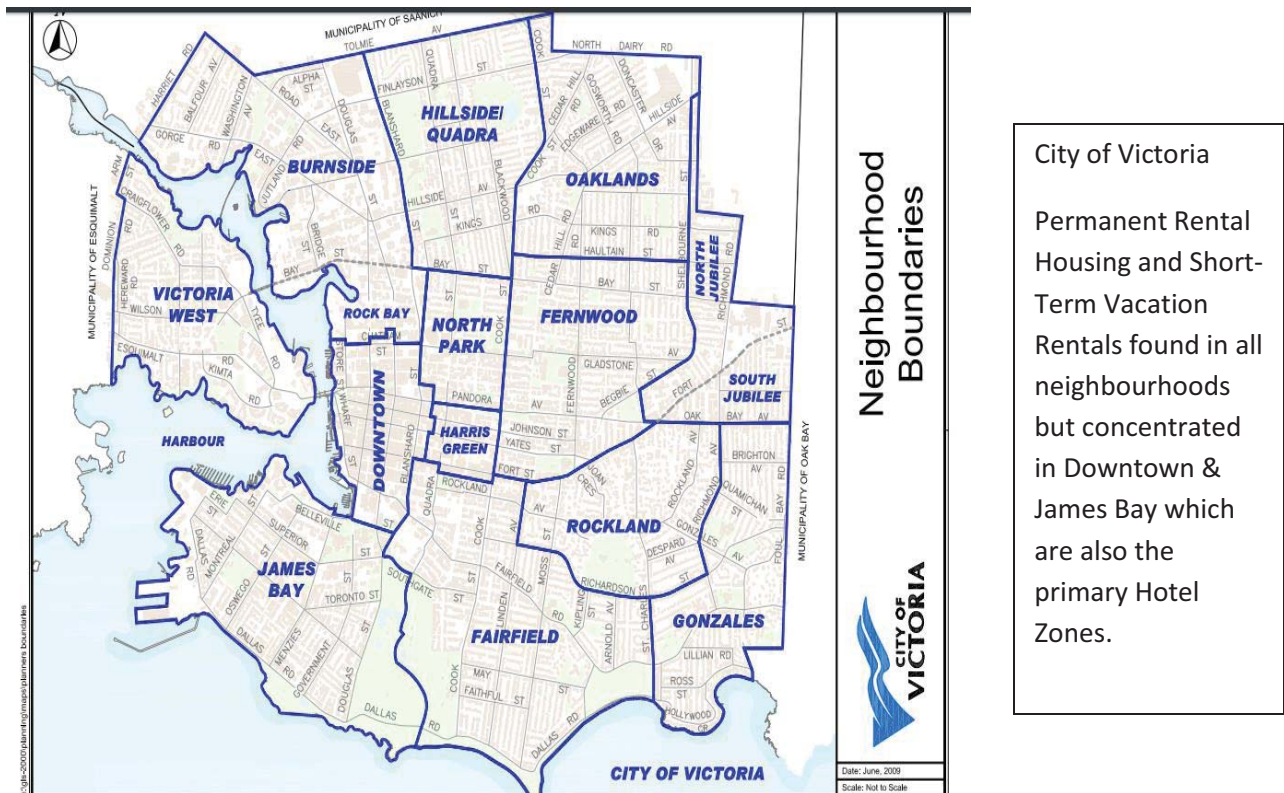
The City of Victoria, with a population of 80,017 as of the 2011 census³¹ is the 14th largest city in British Columbia and the capital of the province.

It represents 22.2 percent of the Capital Regional District population of 359,991, occupying only 2.9 percent (19.47 sq. km.) of the region’s land base. The proportion of the city’s population to the region has dropped only slightly since the turn of the millennium when it registered 22.8 percent (74,125).

The second largest municipality by population in the region after Saanich, Victoria has population density of 4,109 per sq. km., and a growth rate of 2.5 percent, lower than the region’s (4.3 percent).

The boundaries of Victoria’s 12 neighbourhoods provide bearings for situating the population, and residential dwellings, and hotel zones within the city (see Figure 1 below).

Figure 1 – Boundaries of Victoria’s 12 Neighbourhoods



Source: City of Victoria website

³¹ Focus on Geography Series, 2011 Census, Subdivision Victoria CY - <https://www12.statcan.gc.ca/census-recensement/2011/as-sa/fogs-spg/Facts-csd-eng.cfm?LANG=Eng&GK=CSD&GC=5917034>

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The 2011 Census reveals that the age group 0-14 years (7,285) accounted for 9.1% of Victoria's population, while the working age population 15-64 (58, 025) represented 72.5%, with the largest cohort being those aged 25-29. Almost 15,000 seniors – those aged 65 plus accounted for 18.4% of the population, almost 4% higher than the national average. The median age of Victorians is 41.9, which has increased slightly from 41.6 in 2006.

Of the 42,960 households residing in the City in 2011, approximately 34% lived in family units (with or without children). However the largest segment of Victoria households 21,070, were single-person households representing 49% of all households, a considerably higher proportion than live-alone households in B.C. (28.3%), and Canada (27.6%).

As Table 5 below indicates, the two most populous neighbourhoods in the city are Fairfield (11,650), and James Bay (11,240), (both of which lie adjacent to the Downtown core sharing access to Beacon Hill Park and views of the Inner and Outer Harbour) and comprise almost 30 percent of the City's population.

Table 5 - City of Victoria 2011 Population by Neighbourhood

Neighbourhood	2011	Percent
Burnside	5,860	7.3%
Downtown	2,740	3.4%
Fairfield	11,650	14.6%
Fernwood	9,425	11.8%
Gonzales	4,175	5.2%
Harris Green	1,870	2.3%
Hillside Quadra	7,245	9.1%
James Bay	11,240	14.0%
Jubilee	5,240	6.5%
North Park	3,050	3.8%
Oaklands	6,825	8.5%
Rockland	3,490	4.4%
Victoria West	6,805	8.5%
Total	80,015	100.00

Source: Statistics Canada Census 2011

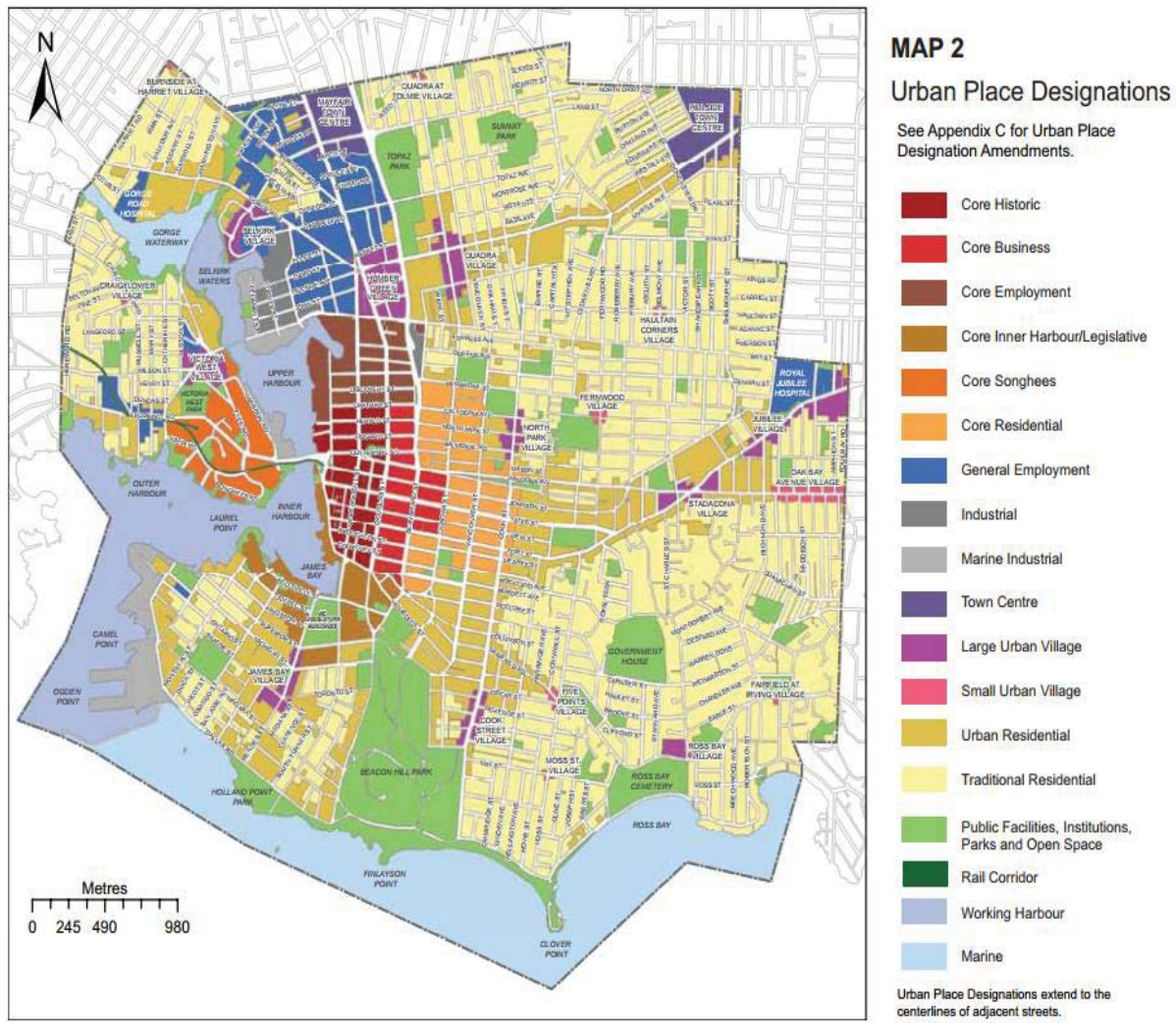
According to the City of Victoria's 2012 Official Community Plan, it is anticipated that over the next three decades "at least 20,000 new residents and associated housing growth is shared across the city in the following approximate proportions: 50% in the Urban Core; 40% in or within close walking distance of Town centres and Large Urban Villages; and 10% in Small Urban Villages and the remainder of the residential areas."³²

³² City of Victoria, 2012 Official Community Plan, p. 34.

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As seen in the map below, the Urban Core area (peach through burnt umber/red hues), includes a significant portion of Victoria West, Downtown, Harris Green, part of North Park, and the Inner Harbour side of James Bay. This is also the area that has seen the highest concentration of new condo construction and Airbnb growth in the City of Victoria since 2012.

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Source: City of Victoria, 2012 Official Community Plan, p. 36

The City of Victoria reported in 2015³³ that of the new housing development units applied for from 2012 to 2015, 64% were located within the Urban Core, while 21% were located in or within walking distance of a Town Centre or Large Urban Village, 15% were located in a Small Urban Village or the remainder of the residential areas. In 2015 alone over 80% of the new development occurred within the Urban Core.

³³ City of Victoria, Official Community Plan Annual Review 2015, p. 12.

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This is the high-growth, high-density condo development target area, as well as where one also finds a concentration of premium-priced short-term vacation rental units.

It is anticipated that Victoria will accommodate a minimum of 20% of the region's cumulative new housing units over the next three decades, while the urban Core is expected to accommodate a minimum of 10 percent of the region's cumulative new housing units to 2041. In 2015, Victoria had accommodated 51% of the region's new housing units (total new units = 1,986), while the Urban Core had accommodated 22% (436 units)³⁴.

Despite the rising cost of housing during the last three decades, the trend of ownership in Victoria has been increasing from 34% in 1986 and 1981, 37% in 1996, 37.5% in 2001, 40.5% in 2006 and 41% in 2011. Tenants currently represent 59% of all Victoria occupied dwellings, which is the highest proportion in of all municipalities and towns in the Capital Regional District which has an average 34%.

As Table 6 indicates the neighbourhoods with the highest proportion of rental units are in the Urban Core (including Downtown, Harris Green, and North Park), as well as Fairfield, Fernwood, and James Bay.

Table 6 - City of Victoria 2011 Housing Tenure by Neighbourhood

Neighbourhood	Total Units 2011	Rented Units (Percent)
Burnside	2,795	1,755 (63%)
Downtown	1,425	1,040 (73%)
Fairfield	6,780	3,735 (55%)
Fernwood	4,840	3,095 (64%)
Gonzales	1,710	500 (29%)
Harris Green	1,350	875 (65%)
Hillside Quadra	3,685	2,205 (60%)
James Bay	6,695	4,645 (69%)
Jubilee	2,945	1,780 (60%)
North Park	2,120	1,640 (77%)
Oaklands	3,115	1,315 (42%)
Rockland	1,830	1,025 (56%)
Victoria West	3,675	1,860 (51%)
Total	42,955	25,475 (59%)

Source: Statistics Canada 2011 National Household Survey

Tenants are being squeezed in terms of a dwindling housing stock, vacancy rates below 1 per cent, and consistently high rents. And, it is long-term tenants who are also facing the impact of a growing "Airbnb effect". In fact, alternative short-term lodging is now seen as a more profitable business opportunity than providing long-term accommodation to the majority of the population: working households and modest income seniors who live side by side with tourists in nearby Airbnb units, licensed bed and breakfast, and hotels.

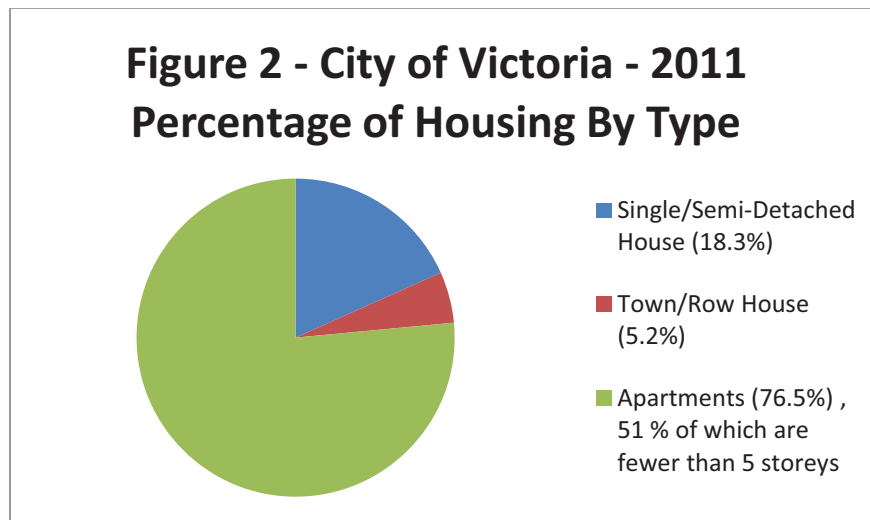
³⁴ City of Victoria, Official Community Plan Annual Review 2015, p. 14.

3.2.2 Composition and location of the housing stock

As of the 2011 Census, there were 42,955 private dwellings in Victoria's 12 neighbourhoods with a modest growth of 3 percent in the city's overall housing stock since 2006. Approximately 70 percent of the City's housing stock was built prior to 1981, with half of that construction occurring prior to 1961.

Little new housing stock has been added to the City, only 4,995 units (12%) between 1981 and 1990, with a slower rate of increase (10%) in the period 1991 and the turn of the century when 4,240 units were added. The years 2001-2011 saw a further decline to 8% in new construction, with only 3,550 units added to the housing stock.

Figure 2 below reveals that apartments account for the majority of Victoria's housing stock, with slightly more than 50% comprising low-rise multi-family rental accommodation with approximately 17 percent representing more than five storey apartment complexes.



Source: Statistics Canada Statistics Canada Census 2011

What these statistics do not reveal is the fact that in 2016, the City of Victoria lost 158 housing units in its apartment pool, while 289 units were added to the condo rental pool, and more than 400 units of accessory housing were added to the Greater Victoria housing stock.

What is often overlooked is the fact that between 2015 and 2016, Airbnb, a growing competitor in the rental housing market, leveraged an additional 403 units from the existing City of Victoria housing inventory to satisfy the needs of vacationers.

The table below presents a snapshot of the rental housing type in the Victoria Market, in 2010 and 2016.

Table 7 - City of Victoria Rental Housing Market Breakdown, 2010 and 2016

Housing Type	2010	2016	Change
<i>Apartment</i>			
Bachelor	2,161	2,268	+107
1 Bedroom	9,378	9,615	+237
2 Bedroom	4,111	4,238	+127
3 Bedroom	175	189	+ 14
Total	15,825	16,310	+485
<i>Condominium</i>			
All rented units	2,506	3,195	+689
<i>Other Secondary Rentals</i>			
Single Detached			
Semi-Det., Row, Duplex			
Other Secondary Suites	5,400 ¹	6,000 ²	+600
Total	23,731	25,195	1,774

Source: Canada Mortgage and Housing, Victoria CMA Rental Housing Market Reports, 2010-2016

^{1,2} Estimated number of Victoria households living in rental houses, secondary and garden suites based on Victoria households representing 28% of the total Victoria CMA households identified in the CMHC Rental Housing Market Reports 2012 and 2016.

Purpose-built apartments represent about 65% of the private rental accommodation market, rented condominiums - 13% of the market, with the remaining 24% representing secondary rentals in houses (single detached, semi-detached, row houses, as well as accessory suites and garden suites). The most significant growth has taken place in one-bedroom units comprising almost 59 percent of the purpose-built rental apartment stock.

One business publication³⁵ in June, 2016 reported that Victoria's hot real estate market is making it much more difficult for tenants to find accommodation in an already chronically tight rental market, with a vacancy rate now below 0.6%. There may be 50,836 rental units in the Capital Region but not enough to meet the demand. Often 30 to 40 prospective tenants turn up at open houses for new rental housing units.

According to the City of Victoria's 2012 Official Community Plan and Victoria's Housing Strategy 2016-2015³⁶, over the next decade, the city will need an additional 13,500 apartment units (of which 3,000 are expected to be new market and affordable rental units with 550 units allocated for families while the remainder will be private condo units). In addition to the addition of apartment-type units, the city

³⁵ Business in Vancouver, "Victoria landlords swamped by tenant demand", June 26, 2016
<https://www.biv.com/article/2016/6/victoria-landlords-swamped-tenant-demand/>

³⁶ City of Victoria Housing Strategy 2016-2025, p. 4.

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expects to build more than 2,700 ground-oriented units to accommodate another 20,000 residents by 2041.

With 1,524 rental apartments currently under construction in Victoria and another 1,070 approved by the City, according to a survey conducted by Colliers International, tenants should be relieved. But often they are in for a surprise when they learn that the new rents for these small units often exceed \$1,775 a month in a building designed to meet the needs of a moderate-income work force.

The changing landscape for rental housing means that the average price "per door" for a Victoria rental apartment building is now \$185,500, up from \$152,200 a year ago, while the average capitalization rate on smaller Victoria rental buildings is 4.3 percent, about one percent higher than the average in Vancouver, where the per-door price for apartment buildings is now in excess of \$240,000.

While other secondary rental units estimated to represent less than one-third of the rental housing stock in the city, little is known about this sub-component of Victoria's rental housing market.

Victoria has seen a growth in construction of residential strata title (fragmented ownership) units or condominiums, particularly since the turn of millennium. By 2010, there were 11,064 condo units in the city. And, by 2016 condos represented the largest segment of the new housing market in the City of Victoria with an additional 1,400 units, bringing the total to 12,553 strata title units.³⁷

Between 2010 and 2016, there has been a steady growth of rental condo units in Victoria from 2,506 to 3,195. The number of rental condo units built now exceeds the number of new apartments and secondary unit increases recorded between 2010 and 2016. And, over the past five years, the proportion of condos in the City's strata title rental pool has gone from 22.7% to 25.5%.

According to the Canada Mortgage and Housing Corporation's Fall 2016 Rental Market Report for the Victoria Census Metropolitan Area, there were a total of 16,310 rental apartment units in the city, 158 less than the previous year.

The current CMHC neighbourhood apartment rental distribution breakdown is as follows:

- 17% is located in Cook Street Area (Fairfield neighbourhood with 2,793 units);
- 21% is located in James Bay with 3,461 units;
- 29% is located in Fort Street Area (Downtown with 4,606 units);
- 33% is located in the remaining 9 neighbourhoods, accommodating 5,450 apartment units.

While the City shows a general increase in housing units overall for the period 2010 to 2016, what is however significant in this year over year CMHC apartment rental housing data is the loss of 5 per cent (179 of the apartment units) in the James Bay area between October 2015 and October 2016.

³⁷ Rental Market Statistics, City of Victoria, Fall 2016, based on previous figures reported from CMHC Rental Market Housing for Victoria CMA, 2010-2015.

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In fact, this neighbourhood has seen a steady decline in the total number of purpose built apartment units from 3,656 to 3,461 over the past four years. This neighbourhood is also witnessing an average of 5 demolitions dwelling units annually to make way for mid-rise condo developments as well as major condo housing projects like Capital Park and the growth of Airbnb rental units in the same neighbourhood.

While the CMHC statistics provides a general breakdown of apartment rental housing units by general areas, there is no similar breakdown of the condo rental housing market.

As can be seen by the table below, by far the most predominant form of housing development in the period 2012-2015 has been the increase in multi-storey condominium developments focused in four neighbourhoods:

- Downtown,
- VicWest,
- James Bay, and
- Fairfield.

These neighbourhoods are also those with the highest proportion of rental units in the city, and the highest concentration of short-term vacation rental units in Victoria.

Table 8 - Condo Unit Development Permits Issued in Victoria 2012-2015

Neighbourhoods	2012	2013	2014	2015	Total
Burnside Gorge	19	13	21	0	53
Downtown	290	33	113	221	657
Fairfield	9	36	13	104	162
Fernwood	2	2	36	35	75
Gonzales	1	24	0	0	25
Harris Green	93	0	0	0	93
Hillside Quadra	0	0	0	0	0
James Bay	57	92	12	28	189
Jubilee	0	0	9	0	9
North Park	0	6	8	0	14
Oaklands	0	9	1	16	26
Rocklands	0	0	0	22	22
Vic West	212	0	69	3	284
City of Victoria	683	215	282	429	1,609

Source: City of Victoria, Official Community Plan Annual Reviews for 2015 and 2016.

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With more than a two fold increase in the number of condo permits issued between 2012 and 2016, it is not surprising to see a simultaneous phenomenal growth of short-term rental units in the city—reflected in a 15 fold increase in Victoria's Airbnb listings from 62 units in 2012 to 938 in 2016. (see Table 1). The vast majority of these listings are for newly constructed condo units in the downtown area, James Bay, and Fairfield.

3.2.3 Vacancy rates, rents, and demand for rental housing

The 2016 CMHC Rental Market Survey indicated that the vacancy rate in the Victoria CMA declined to 0.5 percent in October 2016. While the vacancy rate in the City of Victoria saw a steady increase from 1.3% in 2010 to 2.4% in 2013, it has been on a downward trend to 1.3% in 2014, and .6% in 2015 (compared to an average of 3.5% for the national vacancy rate).³⁸

Despite the introduction of new units to the rental housing market, supply remained constant as older housing units were removed from the market for renovation. With a limited increase in supply and an increase in demand that resulted from 2,100 new households moving into the Capital Region in 2016, the vacancy rate declined. The largest group of migrants into Victoria are the 16-24 age group who are more likely to rent than to buy.

The City of Victoria reported 158 fewer housing units than the previous year as aging units were removed from the overall housing stock for renovation, particularly in the James Bay neighbourhood.

As can be seen from Table 9 below, the City experienced close to a 6 percent increase in rents, with James Bay seeing an average rent hike of 7.5% as older multi-storey apartment blocks are refurbished while more five-storey condo units are being built to replace aging single-family dwellings.

Table 9 - City of Victoria Selected Private Rental Housing Statistics for 2016

Zone	Vacancy Rate	Availability Rate	% Change of Average Room Rent Since 2015
<i>Apartments</i>			
Cook Street Area	0.5%	0.7%	4.0% (\$ 980 ave.)
Fort Street Area	0.3%	0.9%	4.8% (\$ 987 ave.)
James Bay Area	0.8%	1.3%	7.5% (\$1,075 ave.)
Remainder of City	0.5%	1.0%	6.7% (\$ 964 ave.)
All 4 Areas of City	0.5%	1.0%	5.9% (\$ 997 ave.)
<i>Rented Condos</i>			
City of Victoria	0.7%	Not avail.	- 1.9% (\$1,419 ave.)
<i>Secondary Rentals</i>			
Victoria CMA	Not Avail.	Not avail.	1.9% (\$1,289 ave.)

Source: CMHC Rental Market Report, Victoria CMA, Fall 2016

³⁸ City of Victoria Housing Report 2015, p. 9.

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In contrast, rental condos in the city saw an average 1.9% decrease in rents, with a slightly higher vacancy rate than purpose-built apartments and an average rent of \$400 more than an apartment unit, as more are built throughout the urban core. Although there are few details on changes in vacancy and availability rates for rented homes and accessory suites, rent rate increases were much lower than for purpose-built apartments, with an average of \$1,289 or about \$300 more a month than a purpose-built apartment unit. What is evident however is that few tenants have an option to move in the face of rising rents given both low vacancy and availability rates in all areas of the city.

Of the city's 16,310 apartment units in 2016, 59% are one-bedroom, 26% are two-bedroom units, 14% are bachelor units, and only one percent are three-bedroom units. While 485 apartment units were added to the City's rental housing stock between 2010 and 2016, almost half were one-bedroom units with less than a 3 percent addition to the three-bedroom family units in the rental pool.

To give some idea of the housing rental supply side shortfall, one urban housing researcher³⁹ used the "Bedroom Shortfall Indicator" to measure the minimum number of additional bedrooms a community needs to house all renters at all income levels suitably. She indicated that that Victoria needs a 6.7% increase [2,540] in its total number of rental bedrooms in order to house all rental households (particularly those in the \$0-\$57,772+ range) suitably.

The Fall 2016 CMHC Rental Market Report indicates that the average monthly rent for a 2-bedroom condo is \$1,511 (or a pro-rated nightly rate of \$50.36); for a 2-bedroom purpose-built apartment unit is \$1,188 (or a pro-rated nightly rate of \$39.60). Compare these rates to the average nightly rental rate for an Airbnb unit in the City of Victoria at \$118.00. It is not difficult to see why property owners might try to capitalize on the higher revenue generating opportunities afforded by a short-term vacation renter rather than a local tenant.

What is even more disconcerting is the fact that on December 11, 2016, Airbnb units available (938) exceeded the available rental units (723) for the Greater Victoria area posted on Craigslist. While 140 Airbnb units were listed as available in James Bay, there were only 49 rental units available for local residents in the same neighbourhood.

The City of Victoria represented 38% of the Craigslist rental unit listings for the Greater Victoria area of which 49 were listed in James Bay, 125 listed downtown and 102 listed elsewhere in the city. The Downtown area and James Bay rental listings represented 63% of the total rental housing portfolio.

In comparison, Murray Cox of InsideAirbnb determined that of the 640 Airbnb listings in the City of Victoria in August 2016, 123 were listed in James Bay while 134 were listed in the downtown area (comprising 40% of the Airbnb portfolio for the city). It is interesting to note that these short-term vacation listings exceed the rental units currently available both in James Bay and downtown.

³⁹ Hannah M. McDonald, U.B.C. MSc. Planning Thesis, The Rental Housing Index: Examining the Rental Housing Market in British Columbia, March 2015, p. 29.

3.2.4 The impact of Airbnb units on the secondary rental housing market

The following table estimates the impact of Airbnb units on the secondary market rental units (rented condos plus rented houses and accessory suites), as well as all rental housing in the City of Victoria in October 2016.

Table 10 - A Comparison of Victoria's Airbnb Units to Secondary Rental Housing Market Units in 2016

<i>Housing Description</i>	<i>No. of Units</i>	<i>Vacancy Rate</i>	<i>Estimated # of units Vacant Oct. 2016</i>
Rented Condos (2016)	3,195	0.7 %	22
Estimated # Households in Secondary Rented Houses and Accessory Suites (2016)	5,978	Est. Vac. Rate 0.7%	42
Estimated Total Number of Secondary Mkt. Rentals	9,173		64
Estimated Total Number Of All Market Rentals	25,570		
Estimated Full-Time Entire Airbnb Listings (representing 74.4% of all ABB units)	697		
F-T Entire Airbnb Listings as % of Secondary Mkt. Rentals	7.6%		
Full-Time Entire Airbnb Listings as % of All Market Rentals	0.27%		

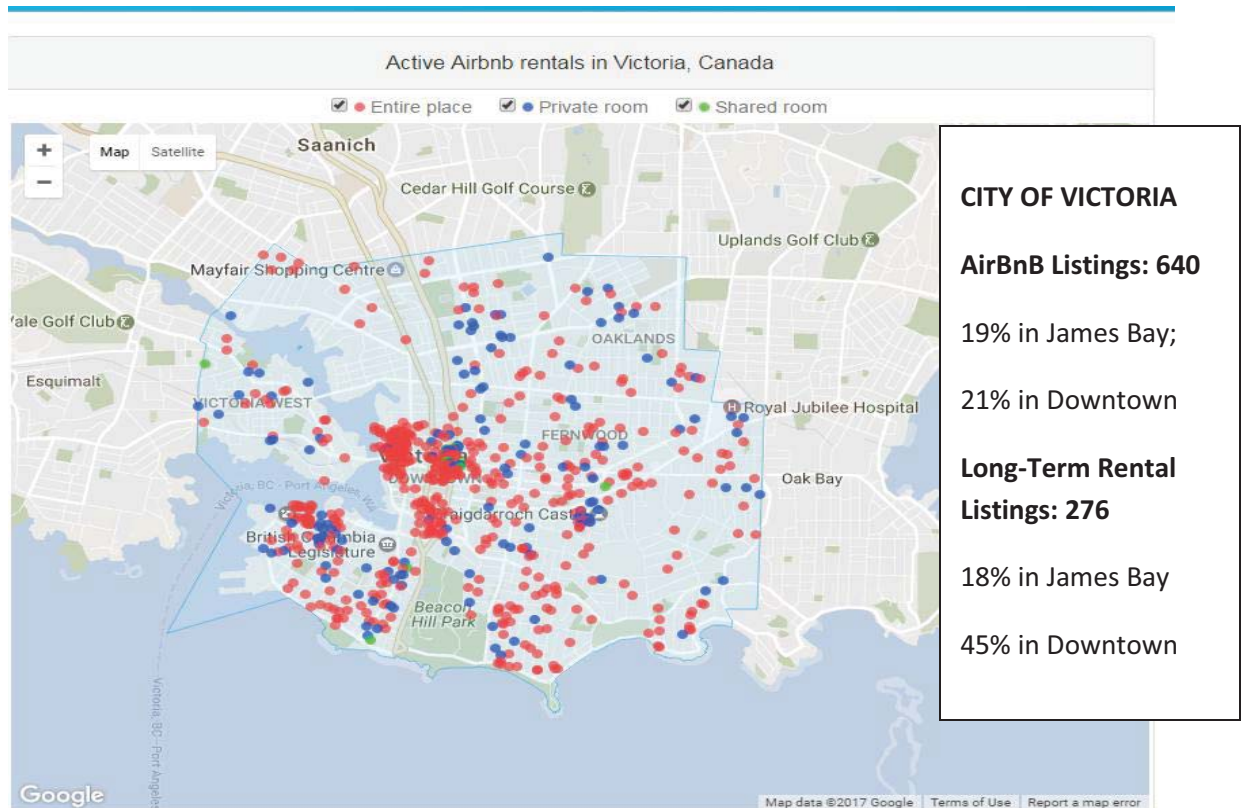
While rental condos represent approximately 12% of the total rental housing market, they represent 35% of the secondary market for rental housing (which includes condos and rented houses and accessory suites). Airbnb listings currently represent approximately 7.6% of the secondary rental market units as few purpose-built rental units cater to tourists. However this may change as developers such as Concert Properties (owners of the Q-Apartments, the refurbished Queen Victoria Hotel), list some units as short-term vacation rentals. Their newly approved seniors' apartment complex ("The Tapestry" in James Bay) will offer "sought-after" rental units with amenities plus 42 luxury condo units, and the option of providing short-term stay units for respite use or as guest suites.

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What is clear from this cursory analysis is that the total number of full-time entire Airbnb units is more than ten times the number of estimated vacant secondary market suites in the City of Victoria in October 2016. The issue remains as to whether these units would have remained empty were it not for the financial incentives built in to short-term rentals as opposed to long-term rentals. And, the unanswered question is whether the competition for housing that Airbnb creates is pitting tourists against tenants as is shown below in two areas of the City—James Bay and the Downtown core.

In James Bay there currently exist an estimated 1,577 condo units (based on BC Assessment and Victoria Real Estate Board sales data). Assuming 25% are rented, that would mean approximately 315 are in the rental pool. With a vacancy rate of 0.7%, there are roughly two vacant units. However, there are more than 100 entire Airbnb units currently available in James Bay to tourists. (Craigslist indicates there are currently 49 residential vacancies in James Bay, predominantly apartments). One can only conclude, therefore, that condo property owners who do not reside in their units find it more profitable to rent on a short-term basis to vacationers than to provide accommodation to a long-term tenant.

The map of the region below shows Victoria's 12 neighbourhoods; two principal areas – Downtown and James Bay, represented 40% of all Airbnb listings at the end of August, 2016 (according to data provided by Murray Cox of InsideAirbnb.com) and 63% of all long-term rental listings (December 2016).

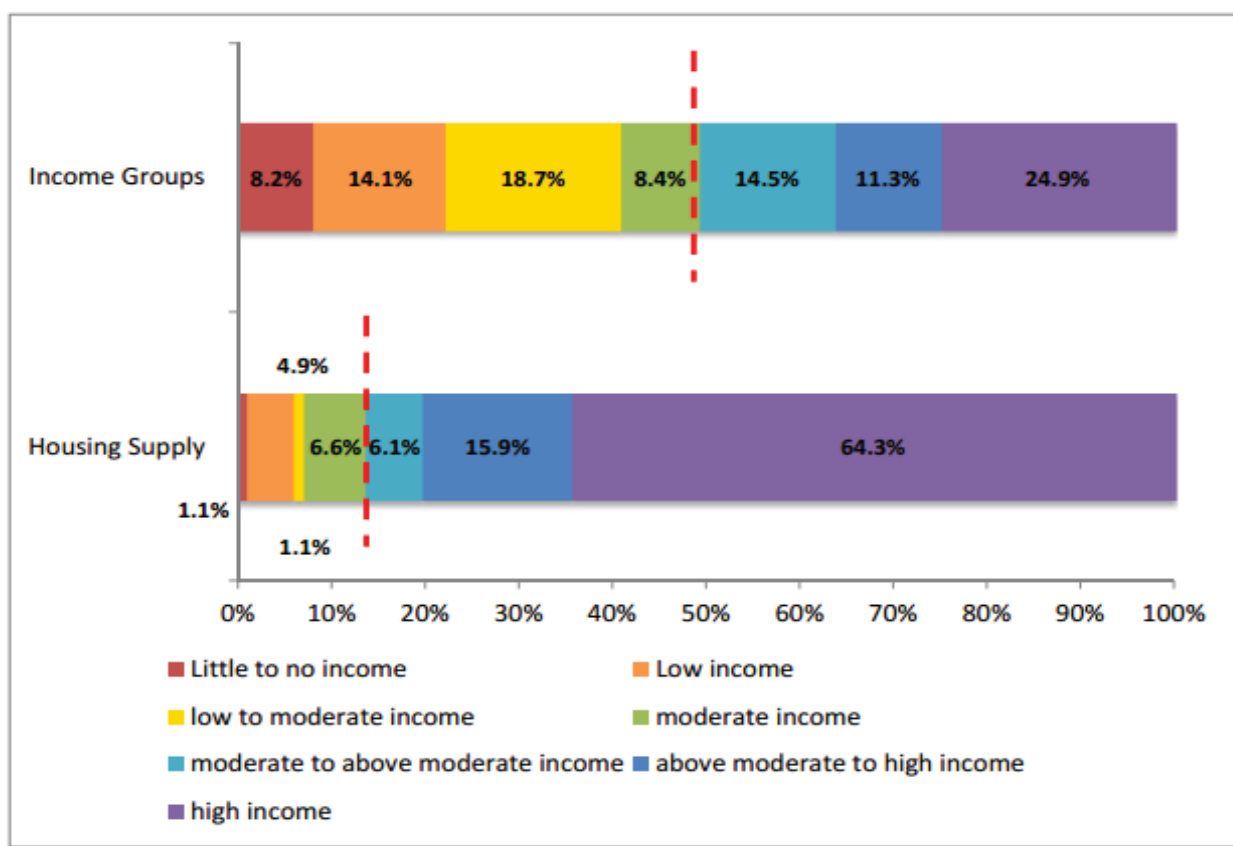


3.2.5 Household incomes of renters and owners

The Capital Regional Housing Gap Analysis & Data Book, prepared by the Community Social Planning Council of Greater Victoria in August 2015, paints a stark picture of the significant mismatch between the income of the region’s population and the cost of available housing.

When only 13.7 percent of the region’s homes are affordable for 50 percent of its households, this is a sufficient reason to suggest that there is a major disconnect between the ability of families to pay for a roof over their heads. In other words, there are only 22,000 housing units priced at 30 percent of the gross income of 79,000 households. Clearly there is an oversupply of housing for upper income groups, who although they represent less than 25 percent of households, more than 64 percent of the housing in the CRD is built to meet the needs of this income group.

Figure 3 - Percentage of Different Income Groups in the Capital Regional District Compared With Affordable Housing Supply for Each Group



Sources: 2014 Facility Count (GVCEH), BC Housing (2015), Canada Mortgage and Housing Corporation (2014), and 2011 National Household Survey, Statistics Canada

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As of 2010, the average income of a private household in Victoria was \$59,648 compared to \$76,131 for the Capital Region; the average income of a one-person private household was \$37,763 (who comprised 37% of Victoria households in 2010), while the average income of two-or-more person households was \$78,583.

According to Statistics Canada's 2011 National Household Survey, in Greater Victoria, the average monthly shelter cost for an owned dwelling was \$1,265 compared to the average monthly shelter costs for rented dwellings at \$986. However in terms of the proportion of households that spent 30 percent or more of household income on shelter costs, this represented only 22.6 percent for owner households compared to 46.6 percent for tenant households.

A family paying more than 30 percent of before-tax income for housing is referred to as a "cost burdened" household—a commonly accepted definition for unaffordable rent. The housing affordability issues faced by lower income households means that after paying the rent, there is far less money left over to purchase food, medications, and other necessities. **Approximately 6,250 renter households spend more than 50% of their income on rent in Victoria; 56% of whom live in one-bedroom apartments.**⁴⁰

What do these figures mean in relation to housing costs elsewhere in the world? Canadians spend more of their income on housing than almost anyone in the world, according to a 2014 BlackRock Inc. survey. Ranked third globally, they spend approximately 43 percent of each dollar of household income on housing-related costs (mortgage, rent, and utilities) compared to the Netherlands at 51 percent, Sweden at 45 percent, U.S. at 42 percent, Germany at 35 percent and China at 15 percent.⁴¹

3.2.6 Residential building costs and home prices

The average cost of a home in British Columbia is \$100,000 more than the national average⁴². The upcoming new building code changes to ensure more energy efficient housing could add an additional \$40,000 to the price, which when financed over time may amount to \$67,000. These changes, in addition to an inadequate supply of housing, high land costs, zoning restrictions, permit fees and processes are all seen to contribute to capital region's housing affordability issue, according to the Victoria Residential Builders Association.

According to the Victoria Real Estate Board Multiple Listing Service, the average price of a single-family home in the City of Victoria in 2015 was \$651,810, a six percent increase over 2014 prices. This is about 11 times the average annual household income in the City of Victoria. The average price of a condominium was \$353,409 in 2015, a one percent increase over 2014 prices, and about six times the average annual household income in the city. The average price of a townhouse was \$488,861 in 2015, a three percent increase over 2014 prices.

⁴⁰ The Rental Housing Index: Examining the Rental Housing Market in British Columbia. Hannah M. McDonald, MSc. Planning Thesis, UBC, March 2015, p. 44

⁴¹ MarketWired.com, October 30, 2014 <http://www.marketwired.com/press-release/blackrock-survey-canadians-prioritize-long-term-financial-goals-but-their-short-term-1962637.htm>

⁴² Les Leyne, "Province taken to task for housing costs", Times Colonist, October 13, 2016.

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The current housing market is in a strong upward cycle benefiting from a low interest rate, a low Canadian dollar, and a low housing inventory in areas close to the urban core and amenities. The Multiple Listing Service Home Price Index benchmark for a single family home in Victoria in November increased 23.9 percent over the same time last year to \$753,800 compared to the average price increase of six percent for homes across the country. According to the Victoria Real Estate Board, in 2016, the city's housing market experienced record-breaking numbers—10,722 properties sold, exceeding the previous record of 9,241 sales in 1991.⁴³

Figures released by B.C. Assessment last week indicate that the City of Victoria saw the second highest jump in assessment values in the Capital Regional District. Oak Bay, with the highest property assessments, recorded a 31 percent jump, followed by the City of Victoria with a 24 percent increase in property values for a typical single-family home going from \$547,200 to \$679,000, and a typical strata residential increase in the range of five to 25 percent.⁴⁴

An important factor for change in the local housing market is growing presence of the foreign buyer. Compared to previous months, October 2016 showed an increase in foreign buyers in the Capital Region. They represented 6.3 percent of property transfer taxes, and may well be a factor influencing the shortage of housing supply in the region.

In terms of debt levels per capita, City of Victoria residents⁴⁵ rank number seven in a list of 25 Canadian cities with the following government debts per capita: \$812 (Municipal), \$14,454 (Provincial), and \$33,261 (Federal). In addition, British Columbians carry an average consumer (non-mortgage) debt of \$38,682, the highest of any province in the country, while according to Statistics Canada's 2011 National Household Survey, only 55.9 percent of owner households in Greater Victoria are currently paying a mortgage.

3.2.7 Housing market changes and the impact of gentrification in James Bay

The shoreline of James Bay was once home to Coast Salish villages and their sacred burial grounds now host today's Laurel Point Inn and condominiums.

Transformation of this ancient landscape also came in the form of early colonial settlements in the middle of the nineteenth century. The first properties were built by the wealthy elite in the southern and eastern portions of the neighbourhood.

Many decades later cottages were built on the west side to accommodate workers who found jobs in the fishing, grain-handling, ship-building, and industrial hub. In the 1960s, when painful economic times saw rising poverty rates among families living in the neighbourhood, relief came in the form of Federal-Government-supported housing programs which saw the demolition of the older wood-frame cottages

⁴³ Kendra Wong, "Industrial rental rates on the rise, says expert", Victoria News, January 13, 2017.

⁴⁴ Kendra Wong, "Property assessments jump 24 per cent in Victoria", Victoria News, January 13, 2017

⁴⁵ CBC News, Canada's Debt Map – How much governments have borrowed where you live, May 3, 2016. <http://www.cbc.ca/news/politics/national-debt-map-canada-1.3557745>

and their replacement by several high-rise rental towers. This influx of newcomers spurred the development of our retail centres and hotels in the 1970s.

The next wave of multi-storey residential condo development occurred at the turn of the new millennium with reclamation of the former industrial land on the western periphery. Once again, the demolition of older single-family homes and low-rise apartment buildings throughout James Bay give rise to higher-density condo developments as newcomers from Alberta, the Prairies, Ontario and the Lower-Mainland take up residence here.

The multi-million dollar multi-storey residential and commercial redevelopment of the former Legislative Precinct property along Superior and the Douglas corner by Concert/Jawl Property developers promises a significant shift in the character of the neighbourhood.

Throughout these shifts in land use and migration of individuals and families to the neighbourhood, there is both development and displacement. James Bay represents a mixed use neighbourhood with diverse income groups and choice of housing that includes subsidized rental units and family-oriented townhouses, market rental units for moderate to middle-income households, and luxury properties (both single-family dwellings and condo units).

As land values increase, older structures are demolished and replaced by higher-density, higher-value multi-storey properties, while existing high-rise apartment towers are refurbished to generate higher rents. Indigenous people and lower-income individuals and families are obliged to move. Now many seniors who are long-time renters in the neighbourhood are now obliged to move. But those who are displaced are finding it increasingly difficult to find an affordable place to live in a city that is no longer capable of meeting their needs.

Over 80 percent of the Capital Region's housing supply is categorized as above-moderate to high income units, while moderate to high-income households represent less than 36 per cent of the population. In August, 2016 there were 43 properties for sale in James Bay ranging from a low of \$79,000 to five properties priced at more than one million dollars. In addition, there were 123 short-stay listings of private dwellings available in James Bay at more than \$170 a night.

And, as James Bay becomes gentrified, community organizations that had traditionally provided activities and services to residents now find that 30 to 40 per cent of their clientele are drawn from elsewhere in Victoria. Meanwhile, the nearby hotels are now offering recreational amenities and customized programs that appeal to the more affluent members of the community.

James Bay is no longer an inclusive diverse neighbourhood. The gap is ever widening between the "haves" and the "have nots". Since the beginning of new millennium, James Bay has transformed itself into an exclusive enclave of privileged property owners who keen to promote and protect their interests. Concierge services in condo complexes and self-catered vacation suites now cater to their needs in recreation, dining etc. Not surprisingly, the upscale newcomers and retirees are also looking for opportunities to shape the future of their community through their own urban design preferences, or

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exercise their influence in planning and managing of parks and recreation or choice of suitable public art.

As the City and the neighbourhood undertakes the development and planning of its future urban landscape, perhaps this is a time to reflect upon what we as citizens want and need, as much as what role citizens can play in a place that many long-time residents still call their home.

Victoria is now the recipient of affluent newcomers: Vancouverites cashing out on homes and buying condos here, Prairie (particularly Alberta retirees) seeking a comfortable climate and cozy condos, well-paid civil servants and high-tech millennials who like to bike or walk to work, and a small but growing cohort of overseas investors seeking a safe place to park their funds while their children pursue an education here. But what does the housing market look like in James Bay?

There are 1,716 detached and semi-detached houses, duplexes, and townhouses in James Bay, and an estimated 1,577 condo units. According to The Mark Imhoff Group, there have been 214 residential units sold in James Bay since the beginning of the year: 56.6% were condo units, 24.2% single-family units, and 19.2% townhouses. The average selling price for a home in this neighbourhood is now \$612,583. This may not be a surprise to many who have witnessed the residential demolition trend in the City (400 between 2006 and 2015). In 2015, 15 demolition permits were issued in James Bay, representing 26 percent of the houses demolished by the city.

But this snapshot does not represent the whole picture. Eleven homes (representing 20 percent of the single family dwellings) sold for more than a million dollars. And 10 condo units, primarily in the seaside Shoal Point area changed hands for more than a million dollars. These units represent 8% of the strata title properties); two sold for more than two million dollars, and one for a whopping \$5.5 million.

Meanwhile, James Bay tenants are facing an average 7.5 percent increase in rents – the highest in the city. In many cases, a 30 to 40 percent hike in shelter costs is not uncommon for newly “refurbished” rental suites in high-rise towers. A glance at Craigslist in early December 2016 showed that in a rental housing market with a vacancy rate of near zero, there were fewer than 50 units available at an average rent of \$1,726 per month.

The real estate market is competitive place for homeowners, renters, and now tourists. However, the homeowner has an advantage the renter does not, to offer a spare room or an entire unit to a tourist who offers higher income opportunities than a permanent tenant. The popular online accommodation website Airbnb now offers 938 short-term stay residential accommodations in Victoria in December 2016, (78% of which are for entire suites). This suggests that in the “sharing economy”, temporary residential rentals are now thriving businesses especially for multiple unit commercial property owners.

There are currently 158 residential units⁴⁶ available for rent in James Bay, of which 69 percent are dedicated to short-term vacation rentals, while 38 percent are available to local residents for long-term

⁴⁶ 131 residential units as of December 11, 2016 comprised of 49 Craigslist rental units in James Bay, plus 109 full-time equivalent Airbnb units (140 units x 75% entire homes)

accommodation. Surely when more rental units are available to tourists than to residents, one can only conclude that a roof over one's head is now becoming a luxury not a basic necessity.

Kyle Kerr, Director of the Victoria Real Estate Board, has noticed that "the short-term vacation rental market has definitely increased in the last two to three years in Victoria, but there are only about 15 to 20 buildings in Greater Victoria that have the legal Transient Zoning which allows these types of rentals." He added that "the condos found in buildings that legally allow STVRs generally sell for more money than normal condos in the long term."

As BC cities grapple with how to regulate online vacation rental broker platforms, economic impact studies are being commissioned by Airbnb⁴⁷ to suggest that money going into the hands of hosts has a positive ripple effect throughout the economy in terms of tourist expenditures on food, entertainment, and shopping. Such arguments ignore the long-term economic benefit of rental households who live and work in the city; their taxes contribute to infrastructure improvements and their purchases sustain many needed small businesses and services in the community that do not rely on tourists.

It remains to be seen whether quaint seaside Victoria at the southern tip of Vancouver Island will become another Venice, Italy⁴⁸ – a popular destination for tourists accommodated in short-term vacation rental units – a place devoid of long-term residents who are the foundation of any healthy, sustainable community.

⁴⁷ "Suite deal? Airbnb study touts economic benefits of short-term rentals in Vancouver", Business in Vancouver, November 9, 2016. <https://www.biv.com/article/2016/11/suite-deal-airbnb-study-touts-economic-benefits-sh/>

⁴⁸ Benjamin Mack, "Tourism overwhelms vanishing Venice", November 9, 2012. <http://www.dw.com/en/tourism-overwhelms-vanishing-venice/a-16364608>

Chapter 4. Implications of the Expanding Short-Term Rental Sector on Victoria's Tourist Accommodation Market

A Grant Thornton Report prepared for Tourism Victoria in June, 2011 indicated that there were 197 accommodation properties (8,905 rooms) in the Greater Victoria area, generating \$163 million in room revenue in 2010, based on an average 63 percent occupancy and an average Daily Room Rate in the survey sample of \$121.50. By 2015, the annual occupancy rate had increased to 73 percent while the average Daily Rate had increased to \$151.70, and revenue per available room had increased to \$110.70.

According to the October 2016 Victoria Tourism Bulletin, prepared by Chemistry Consulting Group, the average occupancy rate for October 2016 was 70.6% compared to 65.4% the previous year while the year to date occupancy reach 77% with an average Daily Room Rate of \$164.49 with a Revenue per available Room rate of \$126.77 up more than \$16 from the previous year. By 2019, Victoria is expected to have the fifth highest per-room value in Canada.⁴⁹

It would appear that the Mayor's Economic Development Task Force's target of achieving a 72% hotel room occupancy rate by 2016 on a sustained basis has already been met. A hotel occupancy rate above 70 percent means a profitable return on investment to hoteliers, and thereby it becomes the threshold above which additional capital may flow into this sector for expansion.

While potential build-out of the hotel industry may be possible, it remains an expensive option in comparison to the flexible and marginal cost of adding additional short-term rental units on alternative accommodation platforms such as Airbnb, VRBO, HomeAway etc. This is where the growth of short-term rentals may hinder the expansion plans of the profitable hotel industry.

The Canadian Tourism Human Resource Council estimated there were 23,646 jobs in 2010 in Greater Victoria's tourism industry—approximately 20 percent were employed in the accommodation sector (earning an average annual salary of \$26,782), while the majority of jobs were in the food and beverage industries. It should be noted that 46% of Greater Victoria's population in 2010 had an income under \$30,000 compared to 51% for B.C. and 50% for Canada.

In November, 2016, the general manager of the Inn at Laurel Point (in James Bay Victoria, BC), estimated that there were about a thousand Airbnb listings in the City that compete with the local hotel industry, but do not pay similar fees and taxes.

Tom Caton, CEO of Airdna⁵⁰, a third-party consulting firm that analyzes Airbnb occupancy rates, revenue and seasonal demand, disputed the claims that the home-sharing platform is not to blame for rental housing shortages experienced in Victoria, Vancouver, or elsewhere around the world. He indicated that his firm's data showed that Victoria had only 422 active listings for entire Airbnb units in November

⁴⁹ Victoria Tourism Bulletin, (prepared by Chemistry Consulting Group), September 2016, p. 1

⁵⁰ Deborah Wilson, "Airbnb impact on rents, hotels in Victoria minimal, analyst says", CBC, December 8, 2016. <http://www.cbc.ca/news/canada/british-columbia/airbnb-victoria-vancouver-rental-vacancy-hotels-1.3886623>

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2016, not far from the estimate of 300 Airbnb units taken out of the city's long-term rental housing pool by urban planning consultant, Jay Wollenberg.⁵¹

According to Airdna, the 422 active Airbnb listings are equivalent to 191 hotel rooms at 100 percent occupancy for one month, and possibly 100 apartment units not available to residents of Victoria. However considering the fact that there were only 723 vacant rental units in Greater Victoria (according to Craigslist for December 11, 2016), and 276 vacant units in the City of Victoria, this could represent a loss of 36% of rental housing units in the City alone.

While Airdna may be trying to minimize the impact that short-term vacation rentals have on the city, it would appear that tenants are feeling the negative impact as are hoteliers. And, in this traditionally low-season for hotel occupancy, it would appear that the number of entire unit Airbnb active listings has climbed to 574, representing 77.7 percent of all Airbnb listings for December 24, 2016 according to the Airdna website.

Some may say there is little to be concerned about especially when Victoria's 58 hotels seem to be flourishing with more than three million overnight visitors annually to the provincial capital. Today, tourists outnumber locals by 37 to 1. And with close to 30 hotels located in the City's Inner Harbour, this area is also home to the largest concentration of long-term renters in the city.

A recent report from Boston University,⁵² studied the case of Airbnb, a prominent platform for short-term accommodation. The research team assessed its entry into the state of Texas, in particular, Austin where Airbnb supply is the highest, in order to quantify its impact on the Texas hotel industry over the subsequent decade. Their study indicates that, "in Texas, each additional 10% increase in the size of the Airbnb market resulted in a 0.39% decrease in hotel room revenue. ...These effects are primarily driven by Austin, where Airbnb inventory has grown extremely rapidly over the past few years, resulting in an estimated revenue impact of 8-10% for the most vulnerable hotels in Austin".

This report estimated that Airbnb's "entry into the Texas market has had a quantifiable negative impact on local hotel room revenue. Short-term vacation rental units appear to provide a viable, alternative for certain traditional types of overnight accommodation, particularly families or large group gatherings that seek lower priced rooms (particularly those in the budget to mid-range tiers).

In the Victoria tourism accommodation market, Airbnb listings compete directly with the hotel industry, most notably in the mid-tier market (2,400 units) represent 55 percent of all hotel rooms and the upper tier (1,489 units) 34 percent of all hotel rooms, and budget tier (502 units), comprise 11 percent of all

⁵¹ Jay Wollenberg, Coriolis Consulting Corp. Short Term Vacation Rentals Policy Report to City of Victoria, 5 October 2016 -<https://victoria.civicweb.net/FileStorage/00E137E00A9F4567B7F94C2CDAEBCE34-attach%201%20short%20term%20vacation.PDF>

⁵² The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry, Georgios Zervas (Boston University), John W. Byers (Boston University), David Proserpio (University of Southern California), Revised Nov. 18, 2016, pp 1-3.

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the rooms. This assessment is based on hotel accommodation data provided by Chemistryconsulting.ca (Victoria Lodging Results – October 2016) and findings reported by Ethan Wolff-Man:

“Survey data from DG-Research.com shows the biggest target is on the backs of midscale hotels. Around 43% of Airbnb guests would have chosen midscale hotels, compared to just 4% that would have chosen an upscale hotel, and economy hotels, which were replaced by Airbnb’s 18% of the time. Similarly, Airbnb cannibalizes extended stay options more, perhaps owing to the fact that a full lodging with a kitchen has a leg up on a hotel room’s mini fridge.”⁵³

4.1 A snapshot of short-term vacation rentals, long-term rentals, and tourist accommodation in James Bay

One area of inquiry that is often overlooked is the impact of short-term vacation rentals on permanent rental housing and hotel accommodation uses that all exist in same neighbourhood.

With a population of almost 12,000 (and a density per sq. km. three times the city average), and 59% of its households living in rental accommodation, James Bay is also home to over half of downtown Victoria’s commercial tourist accommodation industry (see Table 11 on the following page).

This neighbourhood hosts 17 hotels and motels (1,666 rooms of which more than 60% fall into the budget to mid-range room price category), plus 15 licensed bed and breakfasts (79 rooms), and more than 180 Airbnb units in December 2016 according to Airdna.com. This is equivalent to an estimated 380 rooms, in other words another Grand Pacific Hotel in the neighbourhood. Murray Cox of InsideAirbnb.com⁵⁴ revealed that in late summer 2016, more than 75 percent of the Airbnb listings in the neighbourhood were for entire units.

These short-term rentals, appealing to leisure and business travelers, now compete with traditional hotel accommodation suppliers, extended stay properties (like the Royal Scot Hotel and Embassy Inn), as well as licensed bed and breakfasts, especially in James Bay. On the other hand, hotels such as the 46-year-old, 12-storey Harbour Towers⁵⁵ are following the trend of previous hotel owners, (like the Queen Victoria and Dominion), who converted their properties to residential use. Harbour Towers has applied to rezone and redevelop their 189-room building into a 219-unit residential property. All this is taking place at a time when hotels are enjoying an average 76% occupancy rate. It appears that residential units are now more profitable than hotel rooms, even in a tight tourist accommodation market.

⁵³ Ethan Wolff-Mann, “The big reason why Airbnb terrifies the hotel industry”, Yahoo Finance, January 5, 2017 <http://finance.yahoo.com/news/airbnb-dwarfs-hotels-in-room-availability-162135372.html>

⁵⁴ Murray Cox, InsideAirbnb.com (listings for James Bay, 1 August 2016) <http://insideairbnb.com/victoria/?neighbourhood=James%20Bay&filterEntireHomes=false&filterHighlyAvailable=false&filterRecentReviews=false&filterMultiListings=false>

⁵⁵ Andrew Duffy, “Tourists face tight market for Victoria hotel rooms”, Times Colonist, January 8, 2017. <http://www.timescolonist.com/business/tourists-face-tight-market-for-victoria-hotel-rooms-1.6612263>

Table 11 - Tourism Accommodation Market in James Bay Victoria

17 MOTELS, HOTELS & TIMESHARES (1,666 Rooms)		PRIVATE SHORT-TERM VACATION RENTALS (187 Airbnb Listings)
Admiral Inn (H)	32	
Best Western Inner Harbour (H)	74	
Coast Victoria Harbourside (H)	132	
Days Inn (H)	71	
Embassy Inn (H)	70	
Gatsby Mansion (H)	9	
Harbour Towers (H)	196	
Helm's Inn (H)	40	
Huntingdon Manor (H)	110	
Hotel Grand Pacific (H)	308	
Inn at Laurel Point (H)	196	
James Bay Inn (H)	40	
Oswego Hotel (H)	80	
Rosewood Inn (H)	17	
Royal Scot (H)	176	
Surf Motel (M)	14	
Worldmark (Timeshare)	92	
15 LICENSES BED & BREAKFASTS (79 Rooms)		
Albion Manor	9	
Ashcroft House B&B	5	
Carriage House B&B	4	
Fisher House B&B	4	
Fisherman's Wharf B&B	2	
Gingerbread Cottage	2	
Haterleigh Heritage Inn	6	
Heathergate House	7	
John Lewis House B&B	2	
Marketa's B&B	12	
Menzies Manor	7	
Robert Porter House B&B	6	
Victoria Harbour Walk Suite	1	
Oceanic House	9	
Victoria Vacation House	3	
<i>Source: Primary Research – Web-based Listings for Properties in James Bay</i>		

Table 12 - 2016 Tourism Accommodation Market Revenue¹ in James Bay, Victoria

Category of Accommodation (Total)	No. of Rooms	Ave. Nightly Room Revenue
Motel, Hotel & Timeshare properties (17)	1,666 ²	\$ 135 ²
Licensed Bed & Breakfast properties (15)	79 ³	\$ 140
Private Short-Term Vacation Rentals (180) (Airbnb Listings, Dec. 2016, entire units =140)	140 Listings ⁴	\$ 159 ⁵
Total Transient Accommodation Property Owners (172)	1,885 ⁶	

Sources:

¹ Includes Hotels, Motels, Timeshares, Licensed Bed & Breakfasts, and Private Short-Term Vacation Rental Properties.

²Hotel room capacity primary research: 17 James Bay hotel proprietors represent 56% of 30 hotel properties in the Downtown & Inner Harbour and 52.2% of total room capacity of all City of Victoria Inner Harbour hotels (total 3,186 rooms) and Average Nightly Room Revenue from Inner Harbour Hotels - \$135 for 2016, DVBA Tourism Victoria Lodgings Statistics 2016.

³Licensed Bed & Breakfast primary research by the author (room capacity not available).

⁴Data based on December 29, 2016 Airbnb listings. Airbnb listings represent 80% of all transient accommodation property owners in James Bay and almost 10% of the lodging supply. Value of Airbnb market in James Bay estimated to be \$2.7 million annually based on derived Airdna and Inside Airbnb data, compared to more than \$16 million dollars in revenue for Airbnb units in Victoria in 2016.

⁵AirBnB website listings for James Bay, Victoria on December 29, 2016.

⁶Estimated visitor accommodation capacity (based on double occupancy rooms) is 3,770.

The current year to date Downtown/Inner Harbour hotel room rate is \$172.00, while the Luxury Hotel Room Rate to date is \$211, a mid-tier room rate is \$146, and a budget-tier room is priced at \$98.

The nightly room rate at this time of year for hotels in James Bay hotels ranges from a low of \$79 at the James Bay Inn to more than \$189 at the Hotel Grand Pacific. This is a premium rate when compared to licensed Bed and Breakfasts which charge a minimum of \$125 for the smallest units, while the average nightly rate for entire Airbnb units in the neighbourhood is \$159. This is in sharp contrast to the average

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pro-rated nightly long-term rental rate ranging from \$36.00 to \$50.00 charged by landlords to permanent tenants living in 3,416 private apartment units in James Bay.

These results have direct implications for hotels, travelers, and policy makers. Paul Nursey, CEO of Tourism Victoria, at the Union of BC Municipalities annual meeting in September 2016, that a rise in speculators buying vacation rentals is accelerating an "absolute crisis" of scarce housing. He added that the Airbnb multiple listing rental units were operating like "shadow hotels" without paying taxes or being regulated like the existing commercial tourism accommodation operators.

For hotel managers, the competition from peer-to-peer short-term accommodation platforms is not something to be ignored. As the Boston University study points out the Airbnb platform has near zero marginal cost, i.e. rooms can be added to or removed from the database, with negligible overhead costs. This allows Airbnb "hosts" to expand or contract the supply of rooms in a short time frame to meet changing seasonal demand, or to handle special event accommodation needs. In contrast, increasing the permanent hotel room supply involves sizeable capital investment on the part of hotel owners, causing significant marginal cost increases for hotel chains.

What Airbnb can do which hotels cannot, due to zoning regulations, is to leverage the existing housing inventory by potentially expanding its supply wherever houses or condo units already exist. Furthermore, Airbnb is preparing to offer a wider range of products and services than hotels including: a wide range of self-catered full amenity units and concierge services, flights, excursions and personalized activities at the destination, transportation, liability insurance for owners, and an easy booking and payment platform.

What travelers enjoy are the benefits of "collaborative consumerism" which usually means lower prices due to increased competition for accommodation, and leveraging purchasing power to secure personalized services for tourists.

While municipal governments have traditionally relied in part on tax receipts from well-regulated industries such as hotels, bars and restaurants, as well as taxis and tour buses, the new short-term accommodation and personalized tourist services industry is based on disruptive digital technology and privacy protection. This "sharing economy" segment, like others in the field of 'peer-to-peer' personal transportation, remain for the most part outside the ability of local authorities to regulate or enforce tax collection and remittances.

As the housing market becomes commoditized as an investment income asset class, i.e. profitable short-term rental enterprises, working individuals unable to purchase an affordable home are obliged to seek a dwindling supply of permanent rental accommodation at soaring prices. Cities that are popular tourist destinations are being transformed into a booming ghost hotel industry that values tourists and their higher discretionary expenditures more than long-term tenants who live and work in the community.

4.2 What's missing from this picture?

The overlooked quality of life costs associated with an exploding short-term vacation rental market are rarely included in the rosy "home-sharing" picture, particularly in urban tourist destinations. These include: increased traffic volume, congestion as well as safety and security concerns; increased property damage, motor vehicle accidents with pedestrians and cyclists, and anti-social behavior – noise from partying, or substance abuse related criminal activity associated a non-resident population.

The City of Victoria points to its history 20 years ago, in finding a flexible solution to address the insufficient hotel inventory required to accommodate the influx of tourists and athletes to the 1994 Commonwealth Games. Bed-&-Breakfast vacation rentals in the Capital Region were the answer, and it took more than five years to bring them into compliance in terms of oversight, regulations, and taxation.

The critical difference is that today, it is one "collaborative consumer" international corporation using its economic leverage and new technology to flout oversight under the guise of "privacy protection" of its hosts, or its unwillingness to accept the regulatory and taxation authority of states, provinces, or cities.

In sharp contrast to coping with an exceptional circumstance of housing people for a special event, by permitting B&Bs as a permanent, but small, segment of the hospitality industry, today this growing informal, unregulated and unlicensed home-based rental business is negatively impacting the traditional hotel industry market but also the long-term rental housing market needed by workers, students, and seniors living on fixed incomes.

To suggest that the "sharing economy" has benefits for everyone is not the case. Renting or leasing of "underutilized assets" – such as empty rooms or entire suites helps home-owners in order to supplement their income or help pay down their mortgage and living expenses, assists travellers to find cheaper accommodation, but government sees no net benefit in terms of taxes collected to defray its services. And, renters cannot participate in the "sharing" economy benefits as provincial legislation often precludes the rental of "surplus space" in their apartments without the permission of their landlord.

With the growing concentration of services, amenities and attractions in the urban core areas of tourist destination cities, there is increased competition among owners of property to secure the highest return on their investments – in this case the short-term vacationer at the expense of the long-term tenant. As more and more accessory housing units, condos, and character homes are converted to commercial "accommodation" uses, modest-income workers, students, and seniors are displaced to the margins of the city far from convenient transportation, services, and employment or educational opportunities.

The Airbnb peer-to-peer business model is transforming the accommodation and travel excursion industry but also reshaping the city, its role in society, and whose interests will be ultimately be served.

The issue facing popular tourist destination cities is how to avoid catering exclusively to leisure travellers that will result in displacing local residents who have traditionally formed the backbone of the economy and social fabric of their communities.

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As peer-to-peer online lodging platforms proliferate and disrupt the traditional commercial accommodation market, hotels may well use the Airbnb platform as a sales channel offering micro-boutique holiday units under a new brand of centrally-managed, fully-serviced, dispersed units throughout a city. What is to prevent the majority of downtown condo units from being purchased by corporate commercial property interests or hospitality industry investors and converting them into short-term vacation rentals and flipping them when conditions change? Or, what steps, if any, will be taken by local government to curb evictions on the part residential real estate owners who wish to convert some or all of their existing apartment units into short-term rental vacation units at the expense of long-term tenants?

If a City with a chronic housing shortage that maintains no inventory of housing for its inhabitants, no monitoring and licensing of short-term rentals, and no record of the nature and volume of residential evictions, is upholding a duty of care that applies to all its citizens, then why do we have a housing crisis?

That the growing level of impoverishment and homelessness in our cities is seen as an individual moral failing invites more than a few questions. Are victims of evictions and homelessness to blame for the accommodation crisis in cities like Victoria? Are those who are trying to cope with a precarious housing situation responsible for the deregulation of private housing sector, rezoning of prime real estate, or the transformation of cities into investment hubs for finance capital? If a system and its decision-makers that allow landlords, property developers and financiers to routinely dispossess and displace the youth, the poor, the elderly, or those with physical and mental disabilities in order to enrich themselves but cannot be held accountable, then who can?

Who matters the most to local governments – actual residents who live and work in the community? Or, speculative property investors and tourists who contribute little to maintaining the urban infrastructure? If short-term vacation renters and owners are not taxed, who will pay for education and health care facilities, police and emergency services, parks and recreation, not to mention the roadways and utility systems? Does urban growth at any cost mean sacrificing the long-term needs of permanent residents seeking rental accommodation to satisfy the short-term gains from short-term rentals that benefit only home-owners?

Chapter 5. Conclusions and Housing Policy Implications

In this chapter, I will focus on the preliminary conclusions of this assessment— the impact of short-term vacation rentals on the housing needs of Victorians, particularly on rental housing stock for tenants who represent the majority of households in the capital city.

While the Mayor and Council of the City of Victoria have long recognized the primary concern of the majority of residents, the need for affordable housing, they are also trying to balance this with the need to accommodate an anticipated population increase of 20,000 over the next three decades. By expanding the tax base, principally through residential property redevelopment and infill densification of the built-environment in the core area and surrounding neighbourhoods, the City hopes to meet its modest housing growth targets.

What is evident, particularly over the past five years, has been:

- Sharp increase in the construction higher-priced fragmented ownership properties.
- Conversion and refurbishment of older multi-storey apartments to strata title units and construction of new high-rise private condo units.
- Little replacement rental housing stock that meets the financial constraints of modest income tenant households in the city – workers, students, and seniors;
- Low vacancy rates, displacement of existing tenants when new owners redevelop the multi-storey multi-family properties, and substantially increased rents charged.
- Promotion of the “sharing” economy which relies on the notion of renting or leasing out the use of an underutilized asset – a car, a house, tools. However it is not a change of use or an additional use; it is simply monetizing the substitution of a temporary secondary user for the permanent primary user and owner of the asset.
- Phenomenal growth of high-profit margin short-term vacation rental units focused in the urban core which is also the location of the hotel industry and the traditional rental housing market infrastructure.

Regrettably, in spite of its Official Community Plan adopted in 2012, the City has not invested in any serious long-term housing and development planning, but adopted a streamlined “spot zoning” and fast-tracked development permit approach that caters to the needs of large-scale developers. In the absence of a housing inventory or baseline data regarding the capacity of city neighbourhoods to accommodate large-scale redevelopment, prompt decisions are made with little consideration of the possible consequences.

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A process that involves the gentrification of older neighbourhoods is bound to result in dramatic shifts in the urban landscape, with socio-economic benefits and losses distributed unevenly throughout the terrain. Home-owners benefit while hoteliers see the new unregulated and untaxed alternative accommodation industry encroaching into their traditional tourist market. And tenants face evictions from their rented houses or suites as property owners seek to maximize their profit through the “sharing economy”, i.e. lucrative short-term vacation rentals serving the tourist market. Employers are now facing a critical shortage of rental housing which is needed for those who cannot afford to purchase a home which is well beyond the reach of many working people.

There are significant changes in the quality of life experienced by residents. Many feel the repercussions of a sharp increase in income gaps, a housing tenure trend that now favors owners as opposed to tenants. With the increased value of real estate in a popular tourist destination such as Victoria, property owners are now treating their homes as investment vehicles. Certain elements in the business community are placing a higher value on seasonal influx of tourists staying in short-term vacation rental units and spending more than the local long-term residents who sustain the economy year round.

By reducing parking requirements, removing the restriction on the minimum housing unit size requirement, and increasing the allowable height of residential property complexes, the City is facilitating the growth of upscale multi-storey condo developments resulting in increased density of housing in the core area and the picturesque Inner Harbour neighbourhoods.

By amending its bylaws to encourage the addition of garden and accessory suites in “character” home neighbourhoods as well as new rental condos in the core area and in nearby gentrified upscale neighbourhoods—the City has created fertile ground for investors to capitalize on the growth of the alternative accommodation market.

When the value of a tourist exceeds the value of a local resident, what may result is an exclusive, segregated enclave that serves the needs of visitors while demanding that locals pick up the tab for the costs—increased traffic volume and road maintenance, congestion and accidents, increased environmental impacts in reduced air quality from diesel bus emissions and garbage collection, as well as enhanced safety and security systems.

One only has to wonder whether Victoria's climate and affluent island lifestyle for retirees, refurbished downtown live/work lofts for millennials, and its popular tourist amenities, including the home-sharing economy, has resulted in more than a few unintended consequences.

5.1 The social effects of increased tourism and the home-sharing economy on Victoria

Recent figures released by Statistics Canada indicate that Victoria currently ranks 4th in a list of 33 cities with the highest impaired-driving rates⁵⁶ (both drugs and alcohol) in the country. Victoria's 990 impaired driving incidents in 2015 represent a 12% increase over last year. The capital city of British Columbia now has the unenviable reputation of being the country's leading impaired driving capital in terms of growth of this social behavior. It remains to be seen whether this factor will reflect negatively on the city's pristine image of a healthy and livable place for both residents and tourists alike.

When 59 percent of consumers will not trust "sharing" economy businesses until they are properly regulated, according to a Price Waterhouse Coopers 2015 report, what steps will the City take to protect consumers in the area of short-term vacation rentals?

Is it not up to the members of the "sharing" economy such as Airbnb to demonstrate how they are consistently and effectively contributing to the "greater good" of the economy and what they doing to ensure the well-being of the communities in which they do business? Right now Airbnb and other lodging platforms are benefiting gratis from the Destination Marketing Support which the hotel industry must underwrite in tourist destinations such as Victoria. Are they "taking" more than "giving" to the cities that serve their patrons?

If the "collaborative consumer" economy is here to stay, what is the high-stakes end game for cities where the "home-sharing" phenomenon is threatening to engulf the life of its citizens? Is Victoria being transformed into a post-colonial heritage in indigenous culture theme park for tourists to play in while locals are pushed out beyond its boundaries? What really matters to the citizens of this capital city, and who really counts in the decision-making process of Mayor and Council?

Will Victoria choose to hold the status quo and do nothing to regulate home-sharing enterprises since it might be seen to be restricting property owner rights, curbing real estate development and investment, or stifling "innovative" sharing economy entrepreneurial activities?

Will it partner with online lodging platforms like Airbnb and place few restrictions and regulations on the growth of short-term rental units, stating that bylaw enforcement will be too difficult, time-consuming and costly?

⁵⁶ Statistics Canada, Impaired driving in Canada, 2015, Samuel Perreault, Dec. 14, 2016.

<http://www.statcan.gc.ca/pub/85-002-x/2016001/article/14679-eng.htm>,

Alcohol or drug-impaired driving incidents, by Census Metropolitan Area, 2015 <http://www.statcan.gc.ca/pub/85-002-x/2016001/article/14679/tbl/tbl1-2-eng.htm>. This study also identifies the role of demographics and income: higher use of substances by the 20-35 age group, increased impaired driving rates among higher income quartiles, as well as higher repeat rates of impaired driving offences among 60 plus age group – all of which are present in two of BC's highest impaired driving incident cities: Victoria and Kelowna.

Or, will it choose to prohibit these new business enterprises in order to protect the city's commercial tourism accommodation operators, and majority tenant households facing low-vacancy rates, loss of affordable rental housing stock, or displacement by short-term vacation renters?

5.2 Grappling with the consequences of short-term vacation rentals

The presentation, "Policy Implications for Short-term Vacation Rentals", by a number of tourism representatives and city officials at the annual general meeting of the Union of B.C. Municipalities in September, offers a glimpse of options for consideration.

The thrust of these presentations tended to stress the need to make short-term rentals work for all residents – to be fair to home-owners but also neighbours. Furthermore, that local government should be realistic about what and how they regulate but also how much to charge for compliance services and how to fund enforcement. And lastly, local authorities need to effectively address the key housing challenges such as availability of housing stock and affordability as well as how to curb profiteers and speculators while trying to strike a balance between the needs of tourists and long-term residents.

A summary of their observations and recommendations follows:

- A Short-Term Rental Definition (also known as 'home-sharing' or a vacation rental property) refers to the commercial accommodation of guests in a private residence – a room, condo, secondary suite, or a house – on a temporary basis, usually less than 30 days. Unlike a bed & breakfast the property owner is often not on site and does not operate as a taxed, licensed or regulated business.
- Short-Term Rentals (STR) increase the pressure on local services; increase safety and security risks, do not contribute to the tax base, and place additional demands on affordable housing and affect ability of employers to recruit seasonal or service industry workers.
- Regulation of Short-Term Rentals needs to be warranted, reasonable, balanced and enforceable.
- Short-Term Rental operators should be registered or licensed within each community, and local governments should identify STR operators to compel them to comply with local regulations or prosecute offenders. It is fair to treat STRs as a business and commercial use not as a "landlord".
- Taxes and Booking Data Disclosure: Provincial Sales Tax (PST), Hotel Tax (8%) and Municipal & Regional District Tax – MRDT (3%) should be collected at source by the booking platform and remitted to the province and the lodging/booking platform should also collect and disclose STR data required by the municipality and/or Province to properly monitor and oversee transactions and adherence to local bylaws and legislation. If Airbnb is already collecting taxes in 200 jurisdictions around the world and generating \$110 million in tax revenue for local government, this should be a requirement of its social license to operate in this country and province.

- Short-Term Rentals Registration/Licensing: Studies show 10% of STR operators obtain permit or license (\$200-\$400 annually) to ensure they comply with zoning and building code regulations, and pay their taxes without compliance monitoring while 90% will pay for a permit if there are appropriate penalties for non-compliance (some suggest \$200-\$500 fines per day while others are considerably higher).
- Short-Term Rentals in Relation to Zoning Matters: Allow STRs (guest rooms, guest home or suites) to be located in transient accommodation zones or in residential/mixed use zones.
- Possible Short-Term Rental Regulations: may restrict the number of licenses/permits issued per property, per block, per neighbourhood or per city; consolidates STRs with Bed-and-Breakfasts (B&Bs); specifies ownership and primary residency requirement; mandatory annual inspections; reduction in parking requirements, or must provide sufficient off-street parking as part of accommodation offering; must provide 24/7 local contact person; specifies maximum number of sleeping units (maximum occupants/guests – 6), specifies a license/permit process that also includes provision to revoke approval; assessing whether each regulation is enforceable; use of third party compliance monitoring service (e.g. HostCompliance.com) in absence of qualified staff, database management build-out and maintenance.
- Short-Term Rentals Communications and Civic Engagement Strategy: develop direct contact with short-term rental companies and property owners, property management firms responsible for housekeeping and concierge services for STR owners, real estate industry professionals responsible for sales of homes and condos regarding STR business ventures as income generation options; strata title boards dealing with STR units either by individual owners or corporate investors who operate a number of privately owned units; architects and developers regarding mixed use of condo unit complex with shared/common spaces and amenities (work/live environments, transient accommodation, business office use) to ensure appropriate access, security, parking, and privacy/good neighbor agreements); community engagement through Town hall meetings, conversation cafes with residents and business owners and community organizations.
- Short-Term Rentals – Legal Liability Issues regarding online accommodation/booking companies, legal recourse and options regarding what is an unlawful property; STR complaints process to resolve issues – public disturbance, noise, parking, garbage, etc.; STR non-compliance options: fines and bylaw prosecution.

5.3 Balancing the conflicting interests of home-owners, renters, and hoteliers

The Mayor and Council of the City of Victoria met in June, 2016 to explore the impact of short-term rentals on the limited supply of the housing stock—particularly rental accommodation for working families, modest income individuals, and seniors on fixed income. They did so at a time when, evictions and demolitions of older properties continue unabated causing the displacement of hundreds of tenants. As politicians deliberated, tourists were accommodated in a growing number of alternative hotel suites in popular tourist neighbourhoods like James Bay and Fairfield. Meanwhile hotel operators were finding it difficult to retain service staff in a city where housing costs and rents are soaring in a low-vacancy environment.

Citing “conflict of interest”, neither the Mayor nor the Council Liaison for James Bay (employed in the tourism accommodation sector) entertained any public discussion regarding the matter of short-term rentals and their impact on housing in the City. Meanwhile, the Executive of the James Bay Neighbourhood Association, many of whom live in nearby well-appointed condominium complexes, citing busy agendas for meetings in December 2016 and January 2017, declined two requests by a JBNA member to discuss the issue of short-term vacation rentals in this high rental household community—a community experiencing an unprecedented level of evictions, and a popular Airbnb neighbourhood.

What might be helpful to politicians, citizens, urban professionals might be the development of short-term policy objectives that address the issue of effective housing strategies in affluent residential communities that are experiencing a shortage of affordable housing, especially for long-term tenants who comprise the majority of the city's households.

Such a policy discussion among home-owners, renters, and members of the business community would invite a number of options that could include the following:

- A ‘housing first’ approach to the problem of dealing with both short-term rentals (Airbnb) and vacant units (e.g. View Street rental property with multiple floors of empty, unrented apartments). Establish a priority for providing living accommodation for individuals as opposed to using housing as a “leisure” commodity from which to speculate on and profit from.
- Ensure that traditional residential neighbourhoods are not transformed into preferential tourist areas designed to meet the needs of affluent short-stay vacationers to the detriment of long-term residents, especially those who do not live in secure housing, i.e. tenants.
- Ensure that council does not favor one side of the housing equation, homeowners, to the detriment of long-term renters; respecting the right of home-owners to use their property (condo, garden suite, home) as a short-term vacation rental to supplement income and take advantage of property tax deferrals and other home-owner benefits, while neglecting any meaningful way to safeguard and protect rental housing stock and assist tenants who also need to pay for a roof over their heads.

- Insist on lodging platform accountability and cooperation in terms of booking data for compliance and taxation purposes, consider prohibiting commercial hosts with multiple units that do not live on the premises and for all intents and purposes operate as unlicensed and untaxed business enterprises and, require accommodation platforms to verify registration or licensing of STRs prior to posting new listings, and removing non-registered host property information.⁵⁷
- Ensure that the city does not forego hotel, or transient occupation tax revenue that could be invested in much needed community services for permanent residents.
- Ensure that short-term rentals and home-sharing operators are taxed in the same way as traditional lodging providers to facilitate a level playing field and maintain local service jobs.
- Ensure that homes are not turned into micro-hotels (for rent by the hour, day, week, or month) or become “party houses” that cater to large groups that may often be associated with anti-social behavior, or incur excessive public or private property damage.
- Minimize public safety risks as well as negative consequences of short-term rental use: increased traffic/congestion, noise, parking problems, increased trash removal or city services.
- Maximize the availability of affordable housing options by ensuring that no purpose-built long term rental properties are converted to short-term rentals while tenants are displaced in a limited supply housing market with soaring rents and less than a one percent vacancy rate.
- Establish a housing office with responsibilities for monitoring the number of evictions in the city, regulating conversion of units or building of new suites explicitly for the short-term vacation market; completing a housing inventory for the entire city; hiring a third-party to monitor the STR operators in the city and funding it through a partnership with Tourism Victoria and traditional tourism accommodation operators; charging a user fee on all condo properties and garden suite properties in Victoria, particularly if all strata title properties must now be available as rental units.

A recent VicWest strata council's decision⁵⁸ to approve use of the 177-unit 21-storey Promontory and condo tower at Bayview Place for short-term rentals (even though it contravenes the city's land use bylaw limiting STRs to transient accommodation zones) is disturbing. It would appear the City chooses to

⁵⁷ These refer to a number of recommendations made by Karen Sawatzky in her M.Sc. thesis, “Short-Term Consequences: Investigating the Extent, Nature and Rental Housing Implications of Airbnb Listings in Vancouver”, Urban Studies, Simon Fraser University, September, 2016.

⁵⁸ Mike Kozakowski, “Condo owners nix plan to curb Airbnb rentals in newly built tower”, Citified.ca, March 29, 2016. <http://victoria.citified.ca/news/condo-owners-nix-plan-to-curb-airbnb-rentals-in-newly-built-tower/>

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ignore enforcement of its own bylaws by favoring property owners who argue that any rental restrictions would depress the re-sale value of their homes. Apparently 'turnkey' vacation rental suites are now fetching a 60 percent premium over pre-sale prices in new downtown condos, this is hardly the story that Airbnb provides to justify their alternative lodging enterprise...offering middle-income owners a way to supplement their income, pay off their mortgage and prevent foreclosure.

What happened to the principal that 'housing is first and foremost for homes not operating a business' as the Mayor of Vancouver, reiterated in October 2016 when Council considered staff recommendations made in their report, "Regulating Short-Term Rentals in Vancouver"?

5.4 Recommendations and Reflections

In the absence of housing data in general, and the impact of short-term rentals on housing in particular, the City of Victoria would be wise to consider the following actions:

- Obtain the services of a third-party home-sharing research service such as Host Compliance LLC (who prepared a comprehensive report on this matter for the City of Vancouver in July, 2016 to determine if there needs to be a restriction on any short-term rental of entire housing units (as Berlin, Germany) has done. It may also consider the option of imposing a City tax that applies to all short-term rentals such as licensed hotels, guest houses, bed-and-breakfasts, and other forms of short-term visitor accommodation.
- Identify and monitor for enforcement purposes property owners in the transient accommodation zones (currently designed to regulate use of land for commercial hotels and motels and now being used by condo developers to market the units as vacation and short-term rental revenue properties) located downtown and in residential neighbourhoods like James Bay, as well as spot zoning to permit the operation of licensed Bed-and-Breakfasts and secondary suites in homes and garden cottages operating as unlicensed short-term rentals. The aim of this action is to identify all condo suites as well as secondary suites in houses that are being rented short-term and how many of these suites are available and being used for long-term rentals.

The City may wish to consider the experience of Austin, Texas (a tourist destination city that has adopted a permissive Short-Term Rentals in Principal Residences and Investment Properties Policy. It limits non-owner-occupied STR permits to 3 percent of total housing units in residential areas and 25 percent in commercial areas and places a moratorium on such permits in single/double family residential zones. Other jurisdictions place limits on the total number of guests accommodation per STR property unit, or an annual number of nights that STR may be permitted to operate.

- Identify through the development permit process how many owners are repurposing their residential properties for visitor accommodation, be it commercial apartment owners or private home-owners, and restrict short-term rentals (less than 30 days) to properties which are the principal residence of owners.

- Establish a Short-Term Rentals Complaint Service that is part of the Bylaw Enforcement Department to address the potential for conflict among different user groups in residential buildings and neighbourhoods where short-term rentals are prevalent. These complaints should identify and record multiple STR listings, illegal suites, noise issues, safety concerns related to non-resident access to private areas; damage to common property (including wear and tear on buildings, improper use of building amenities), and increased pressure on shared public resources: on-street parking, utilities, recycling/garbage collection, as well as police and emergency service calls.

Renting out a spare room from time to time or making it available to paying tourists while the owner is on vacation is one thing, but it is quite another to permit turning a housing complex into a revolving-door hotel operated by absentee landlords and corporate entities who do not live in such a property as their principal residence. When these well-appointed mixed-use vertical residential/commercial communities and secondary suites in character homes in neighbourhoods close to downtown tourist attractions, become the most favored form of urban growth in a popular vacation spot, local residents many of whom rent and work in the city are turfed in favor of tourists. Apparently, one of the most visible consequences of the new “sharing” economy means ensuring an exclusive paradise reserved for those of privilege who can afford the perks and premiums offered by the owners and shareholders in the “gig” economy.

The issue of housing equity and potential displacement by the tourism industry, is posing a real threat not only to the well-known and high-profile visitor destination of Venice, but also to our sister city across the pond in Vancouver. While the “sharing” economy promises a “win-win” situation where “your profit is my profit”, others may see it simply as nothing more than a zero-sum game, “your profit is my loss”, especially when the new rules of the game are that he who rules gets to call the shots. And when you're a \$50 billion enterprise operating in practically every country of the world without having to comply with local regulations and tax authorities, and hide your profits in tax havens, the sky is the limit!

“We think we are smart enough to enjoy the full benefits of the modern deal, without paying the price.”⁵⁹ The truth is that few of us recognize the substance of the contract, the invisible strings attached, or the real costs and consequences of playing with daggers, dragons, or dazzling demagogues in digital disguise. When the power of science and technology may increase opportunities for growth, they may inevitably increase the danger.

When the affluent become complacent, tragedy occurs, the poorest and most vulnerable suffer, and the unthinkable occurs. This time it involves not only a threat to the well-being of our cities but more importantly, to the ecological meltdown of our planet. If the economy actually keeps growing forever, it remains to be seen whether the newly crowned King of the World Empire can make a deal that countries, cities and citizens can live with, but more significantly, whether all of humanity is willing to pay the heavy price of living in an environment with few restrictions on individual and corporate

⁵⁹ Yuval Noah Harari, *Home Deus – A Brief History of Tomorrow*, (Toronto: Penguin Random House, 2015), 201.

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freedom and any concern for the notion of the common good is considered an impediment to wealth-making and accumulation.

To navigate in a world of turbulent technological and economic storms, one needs a map and a rudder rather than just an anchor of certainty that does little to guide one's precarious vessel into a safe harbor. The City of Victoria would do well to develop a map to navigate unpredictable waters and a viable strategy to ensure its citizens adapt to change effectively and reach their desired destination.

While it is said that citizens enjoy the freedom to choose a home in which to live, does that mean they also have the right to be free of the problems associated with short-term vacation rentals? More importantly, are City leaders prepared to pay the price of post-modernity and at the same time as honor their commitment in words and deeds—to ensure that all Victorians are “Forever Free”—at liberty to live in a place that is also free from poverty, disease, and social injustice?

Every paradise has its price. It remains to be seen whether today's City leaders and citizens, and those three decades hence, are prepared to assume the undisclosed costs, (that may well exceed their capacity to pay), that come attached to this Nirvana by the sea.

To those who are counting on new technologies, devices and tools such as digital algorithms to tell them the price of everything and make critical choices for them, be careful what you wish for. In this Brave New World, it is likely that notions such as individual “free choice” and human values will no longer have any relevance. The present deregulated and decoupled economy, with its new models of shared access to goods and services is just another way of concentrating wealth in fewer and fewer hands.⁶⁰

An economy based on quantum computers, networked artificial intelligence machines together with robots and 3-D printers among other things will have profound impacts on everyone. Some leading thinkers such as Yuval Harari suggest that the new “best practices”, state-of-the-art processes and cutting-edge technologies in the hands of a few monopolies and other special interests will render most citizens redundant, i.e. surplus labour - no longer useful or valued members of society.⁶¹

Is this what Mayor Helps has in mind when she speaks in glowing terms about her enthusiasm for “moving Victoria into the 21st century as a world leading city?”⁶² Will renters be recognized in the Mayor's Year of Inclusion, Diversity, and Reconciliation in 2017? More importantly, will housing finally become a right of all Canadians on July 1 this year, when the country celebrates its 150th founding anniversary since Confederation?

⁶⁰ Ashifa Kassam, “Top Canada CEOs have already earned more than an average worker's 2017 salary”, The Guardian, January 3, 2017. In 1995, Canada's top 50 CEOs earned 85 times more than the average Canadian income; by 2015 this same cohort made 290 times the average Canadian income of \$49,510. When adjusted for inflation, the average income of the top 100 CEOs in Canada had grown by 99% since 1998, compared to an average Canadian income increase of 9% over the same time period

⁶¹ Yuval Harari, *Homo Deus*, 326, 395.

⁶² Lisa Helps, “A look back at 2016 with Victoria Mayor Lisa helps”, Victoria News Interview, December 30, 2016.