



13 June 2017

Mayor and Council,  
City of Victoria  
1 Centennial Square  
Victoria, V8W 1P6

Dear Mayor and Council,

**Re: Submission regarding the impacts of short-term vacation rentals in Victoria**

Thank you for this opportunity to present my concerns about the increasing negative impacts of short-term vacation rentals in Victoria, not only for the future of sustainable tourism but also the wellbeing of Victoria's residents and communities.

As highlighted previously, the numerous problems caused by short-term vacation rentals include declining housing availability and affordability, loss of employees and job opportunities, erosion of quality of community life, reduced business investment, compromised industry resilience, and undermining fair practices and good partnership.

Here I provide further evidence of the adverse impacts of short-term vacation rentals, which are indicative of those being experienced in Victoria and also on the horizon. I request that Council consider this information at the meeting of the Committee of the Whole on 15 June 2017 as well as the subsequent Council meeting on 22 June 2017.

Research continues to demonstrate the direct link between short-term vacation rentals flooding the market for tourist accommodation, and how this creates significant shortages in affordable housing for local residents. The attached article from *Harvard Business Review* (also available at <https://hbr.org/2016/07/airbnb-is-facing-an-existential-expansion-problem>) describes how Airbnb has undermined housing availability in Paris, Lisbon, Reykjavik, Joshua Tree, and San Francisco, leading to persistent socio-economic problems.

Although platforms such as Airbnb may claim they do not impact housing availability, an email by Alex Dagg (Airbnb's Canada Director of Public Policy) to the BC Chamber of Commerce explicitly confirms they have a core goal of increasing tourism while disintermediating hotels and licensed bed & breakfasts. Please see a copy of Alex Dagg's statement attached, which was in response to Policy Resolution #12 by the BC Chamber of Commerce at its AGM in May 2017 (copy attached). The Chamber's resolution calls for greater regulation and taxation of short-term vacation rentals, along with support for effective enforcement, specifically to address housing availability. Notably, Airbnb continues to vigorously oppose the resolution.

Similarly, research by Skift (the largest travel industry insights platform) confirms Airbnb has not only generated a serious over-tourism problem in Amsterdam but also fueled an array of social problems within communities, compromising quality of life for local residents; see article attached (also available at <https://skift.com/2017/06/01/amsterdam-airbnb-and-the-very-real-problem-of-overtourism>). It should also be noted that the negative impacts of short-term vacation rentals come without a fair contribution to local or regional economies.

Airbnb and other short-term vacation rental platforms falsely claim to be geared to hosts renting out a spare room in their house. This is increasingly not the case and they are being 'wolves in sheep's clothing'. The attached article (also see [https://www.buzzfeed.com/venessawong/airbnb-mega-hosts?utm\\_term=.swv7nyNwa7#.ymE1m6RQA1](https://www.buzzfeed.com/venessawong/airbnb-mega-hosts?utm_term=.swv7nyNwa7#.ymE1m6RQA1)) about Airbnb's Mega Hosts confirms how Airbnb is working strategically to become a large-scale travel booking platform akin to Expedia or Booking.com.

Airbnb and its Mega Hosts are collaborating to a very high degree to ensure they align closely and build commercial opportunities. Mega Hosts benefit from Airbnb's unfair competitive advantage arising from lack of regulation and taxation. Airbnb has dedicated teams working with property managers to bring commercial-scale hosts to the platform. Airbnb offers management tools to help the hosts coordinate and rent large numbers of properties while synchronizing with Airbnb's systems. Airbnb provides coaching and management support for large hosts. Whereas 10% of property managers in the United States were using Airbnb in 2012, currently more than 50% of property managers are using the platform and the proportion continues to grow.

To quote a representative of Phocuswright Travel, Tourism and Hospitality Research:

"There's a message they're trying to convey — home sharing, travelling like a local, experience local culture, stay in a private home — but actually a growing percent of [Airbnb] listings are not really someone's home. It's a condo that is one of 1,000 others that look the same and are run by a hotel-like property management company with a front desk check-in."

To date analysts have identified more than 100 hosts on Airbnb's site who each have more than 100 listings, including 39 hosts with more than 200 listings each. This is Airbnb's direction, which other platforms (e.g. TurnKey) are following. In Victoria some hosts have 20 to 30 short-term rentals, which is equivalent to many of Victoria's mid-size hotels. For example, Abigail's Hotel has 23 rooms. It will be easy for 'Mega Hosts' to increase in Victoria if transient accommodation is allowed to continue as a permitted use, making it essential to include re-zoning when addressing short-term vacation rentals.

April 2017 figures from Chemistry Consulting are showing an alarming trend. Arrivals at Victoria International Airport increased by 13% compared to 2016 and by 8% year to date. Similarly, BC Ferries reported a 10% increase in passengers and Victoria Conference Centre delegate days are up considerably. However, occupancy of hotel accommodation has decreased by 6%. Growth in visitors but declining occupancy is a direct reflection of the adverse impacts short-term vacation rentals are having in Victoria. The situation is especially serious when the economic contributions of the hotel sector (via taxes, marketing fees, jobs, and infrastructure) are viewed alongside the lack of contribution by short-term vacation rentals.

In a previous submission by Starr McMichael for the Council meeting on 11 May 2017 we outlined the action being taken in many jurisdictions to regulate short-term vacation rentals and address the numerous inequities and problems they are generating. Whistler can now be added to the list (see <http://www.cbc.ca/news/canada/british-columbia/whistler-rentals-airbnb-housing-1.4149027>). City of Toronto staff and councillors are proposing regulations to limit short-term vacation rentals to the property hosts live in, to reduce adverse impacts and disruption to neighbourhoods while addressing chronic housing shortages and a lack of affordable housing; see article attached (also <http://www.cbc.ca/news/canada/toronto/city-hall-air-bnb-rules-1.4155938>).

Victoria is experiencing the same problems as each of these jurisdictions and it is imperative that comprehensive, sustainable, long-term solutions be developed. It is insufficient and inappropriate to rely on business licensing and taxes to address short-term vacation rentals; effective regulation must include re-zoning and enforcement to remove transient accommodation as a permitted use for residential properties that are not primary residences. Otherwise inequities will persist and the future direction of major platforms such as Airbnb will go unchecked, to the detriment of tourism and Victoria's communities.

It is very clear that, despite well-crafted public relations and advocacy efforts, platforms such as Airbnb and VRBO need to continuously attract, enable, and support new hosts in order to grow. This inherently moves them further and further from their original premise of facilitating rental of spare rooms in residences, and towards supporting hosts who are commercial-scale operators. This comes at high cost to society, legitimate businesses, and residents, with lasting damage. Soft measures such as licensing will not deter commercial-scale hosts, nor address the social issues.

Difficult decisions must be made by Council to enact effective regulations, and it is important that these be made very soon to prevent further impacts and set a fair and sustainable course. As a good partner and neighbour the tourism industry supports the needs of Victoria's residents and communities.

I will be addressing Council at the meeting on Thursday 22 June 2017 to reiterate these concerns and seek effective actions to address them. I respectfully request Council to implement zoning, regulations, taxation, and enforcement to manage short-term vacation rentals equitably. I am providing this written submission to support our position and hope it will be considered with my remarks on 22 June. For reference this submission includes the abovementioned submission by Starr McMichael on behalf of Tourism Victoria and Victoria's tourism industry, detailing problems being generated by short-term vacation rentals and confirming we wish to work collaboratively towards solutions.

We value our established partnership with the City of Victoria and are here to assist as always.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Paul Nursey', with a stylized flourish at the end.

Paul Nursey

President and CEO  
Tourism Victoria



REGULATION

# Airbnb Is Facing an Existential Expansion Problem

by Tom Slee

JULY 11, 2016



HBR STAFF

Surprisingly, the new Airbnb ad campaign exhorts you not to be a tourist: “Don’t go to Paris, don’t tour Paris, and please don’t do Paris.” But then the punchline: “Live in Paris...even if it’s just for a night.” Airbnb executive Jonathan Mildenhall told Adweek that the campaign reflects a growing “demand for experiences that are not like the typical tourist experiences, that actually more reflect what it’s like to live in local places.”

But how many travelers can “live there” before Airbnb accepts that it has become a vehicle for mass tourism, and that its users are tourists, no more and no less? Like other parts of the tourist industry, Airbnb has become a double-edged sword. Visitors get new experiences and bring in money, but as their numbers grow, they erode the very atmosphere in which they bask and threaten the livability of the city for residents.

Two years ago, there were 20,000 Airbnb listings in Paris. A year later the number had climbed to 40,000 and a housing inspector told *The Wall Street Journal*, “The center of our city is becoming deserted. More and more, it’s just tourists.” Since then, yet another 20,000 listings have appeared, so it’s no surprise that the company with the tagline “Belong Anywhere” has experienced a frosty welcome from city governments around the world struggling to deal with this explosion of tourist accommodations.

Airbnb continues to present its business as low-impact, made up of everyday hosts occasionally renting out their own home. A recent Airbnb report on its business in Lisbon shows that “many listings on Airbnb in Lisbon are local residents’ homes,” reassuring readers that “72 percent of hosts in Airbnb in Lisbon have only one listing.” But this is being economical with the truth: My independently collected data set shows that the 28% of hosts with more than one listing (who can be considered “commercial” hosts) account for two-thirds of the company’s business in Lisbon. And while Airbnb claims that “70 percent of Airbnb guests in Lisbon stay outside the typical tourist hotspots,” my data shows that the majority of visits take place inside the two central districts of Misericórdia and Santa Maria Maior, an area of only about six square kilometers. With the number of listings in this small city of half a million people growing from 5,500 in May 2015 to over 10,000 today, a significant impact is inevitable. João Seixas, a geography professor at the New University of Lisbon, and his colleagues are “very much concerned with what is rapidly happening to the historical center of our beautiful city. Our estimate is that in the last three years, around one-quarter or even one-third of the housing stock has changed function, mainly toward financial investments and short rentals.”

What is the endgame for cities where Airbnb continues to expand? Some cities say they don’t want to be “the next Venice,” turning into a theme park for tourists, with locals pushed out. It’s not an unreasonable concern. Kristen V. Brown of Fusion visited Reykjavik (yes, as a tourist). It’s a small city, with a population of only 120,000 people and a flood of tourists. Drawing on data I supplied,

Brown wrote, “The city’s only apartment rental website, leigulistinn.is, listed just nine apartments for rent in downtown Reykjavik. There were 22 in the entire city....In Reykjavik there are roughly 50,000 apartments; 2,551 of them, or 5 percent, are Airbnb units.”

Even smaller communities are experiencing problems of scale when it comes to Airbnb. Joshua Tree is a tiny town of 7,000 people on the edge of the Joshua Tree National Park in California. It has over 200 available Airbnb rentals. Resident Christine Pfranger observes that “locals are having difficulty finding homes to rent, and are being pushed out of their homes to make way for more vacation rentals.” Another resident adds, “Airbnb and vacation rentals are changing our community....House prices are going up because people now buy houses to rent out as vacation rentals, making it close to impossible for people working in the area to buy a house.”

Airbnb professes to be open to partnering with cities, but it has shown little interest in these problems; the company forcefully opposes any measures that would limit the scale of its business.

Airbnb’s rocky relationship with its hometown of San Francisco recently took a turn for the worse. In February 2015 a new rule required Airbnb hosts to register with the city, but over a year later only about a fifth have done so. Now the city is holding Airbnb responsible for its hosts and will impose a fine on the company of \$1,000 per day for each unregistered listing that the city can discover. It’s a new level of seriousness, following similar actions in New York state and Chicago.

Airbnb’s response is to take San Francisco to federal court, arguing that the city is violating three laws. Section 230 of the 1996 Communications Decency Act (CDA) provides that website owners are not responsible for (by virtue of not being the publishers of) content provided by users on their sites. It’s a law that protects bloggers, newspapers, and social media sites like Craigslist, Yelp, and YouTube. The 1986 Stored Communications Act (SCA) says that governments must have a specific subpoena before they are entitled to information about users of a web service. And finally, Airbnb is claiming protection under the First Amendment, arguing that the new rule is a “content-based restriction.”

Airbnb presents its business as a matter of speech. Much as it promotes the idea of “living like a local” in the cities where it makes its money, the company says it ultimately has no responsibility for what happens on the ground, just like a website with comments.

If Airbnb is successful, and some experts believe it has a good chance, the CDA will free the company of responsibility for the impact of its business, and the SCA will prevent cities from finding hosts, and thus Airbnb, responsible. City governments throughout the U.S. would be helpless to curb the number of Airbnb listings or the intensity of the tourist business that they bring. It's a potent mix of bad incentives.

But all would not be smooth sailing for Airbnb. The majority of its business is now in Europe, where Berlin, Barcelona, and, to a lesser extent, Paris are finding a new assertiveness in dealing with the explosion of vacation rentals. Meanwhile, the mayors of 10 major markets around the globe are starting a task force to construct a common response to the problems that Airbnb brings. Such developments are timely. Without them, authentic tourist experiences may be bought at the price of those who matter most: actual residents.

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Tom Slee has a PhD in theoretical chemistry and a long career in the software industry. He is a frequently-quoted critic of the sharing economy and the author of *What's Yours is Mine: Against the Sharing Economy* (OR Books, 2015).

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**This article is about REGULATION**

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**Subject:**

Policy Resolution #12 &amp; Airbnb

**From:** Alex Dagg [<mailto:alex.dagg@airbnb.com>]**Sent:** Wednesday, May 10, 2017 7:41 AM**Subject:** Policy Resolution at BC Chamber AGM

Dear ,

My name is Alex Dagg and I am the Public Policy Manager for Airbnb in Canada. It was with great interest that I read the policy resolution you sponsored for the upcoming BC Chamber of Commerce AGM. In advance of the conference, I thought it was important I reach out to you to ensure you have accurate and fulsome information about our platform and our host and guest community in Cranbrook.

Airbnb has a community of more than 60,000 responsible hosts throughout Canada—in fact, approximately 20 hosts call Cranbrook home. These hosts have come to depend on our platform as an affordability solution that helps them supplement their income and make ends meet.

Through our local public policy teams, we've worked with cities across Canada and the world, including cities like Vancouver, Chicago and Paris, on sensible home sharing regulations. We want to make a positive impact on the communities where we operate. We have consistently asked to be regulated and want to pay our fair share in taxes.

Airbnb has a consistent record of working closely with local community stakeholders. As part of our commitment to social responsibility, we collect and share data on our listings with regulatory bodies, our hosts and other key stakeholders so everyone can make an informed opinion about our impact. We want to ensure that our operations contribute to the community we operate within. Cranbrook is no different.

Many communities in British Columbia face a hotel shortage that threatens to discourage visitors who contribute to the local economy. Airbnb can play an important role to help keep British Columbia an attractive destination for tourists. Unfortunately, the entrenched hotel industry wants to stall competitiveness by keeping Airbnb out and prices high.

At Airbnb, we believe we have a responsibility to actively earn social license in all the communities where we operate. That is part of the reason we ourselves became members of the BC Chamber of Commerce.

I welcome the opportunity to speak further about the data we have, the steps we are taking to address some of the concerns we've heard, and our work to develop fair, sensible regulations that work for everyone.

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Alex Dagg  
Public Policy  
Canada

[\(416\) 573-8193](tel:(416)573-8193)

[#WeAccept](https://www.airbnb.ca/help/1-800-458-2611)

## **Resolution of BC Chamber of Commerce – AGM May 2017**

### **12. REGULATE AND MANAGE THE EMERGING SHORT-TERM RENTAL BUSINESS ENTERPRISE**

#### **Opening Statement**

Affordable monthly rental housing is a major factor in creating vibrant, livable and sustainable communities. Reasonable access to monthly rental housing is important to the business community both as an economic driver in its own right, and also as a competitive advantage in securing a stable workforce and community growth. Over the past several years there has been a rapid loss of affordable monthly rental housing in many communities throughout BC due to the ease with which landlords have changed their unit's usage. Internet platforms have provided landlords with opportunities to easily switch the usage of their monthly rental housing to nightly rentals.

This has indirectly contributed to rent increases, reduced availability of affordable housing for families and workers, and made it difficult for many communities (e.g., Kelowna, Sun Peaks Resort, Fernie) to attract and house skilled workers, particularly during high demand visitor periods. A number of initiatives and projects to build more affordable monthly rental housing are underway in many of these communities however in the majority of cases it will be years before they are available. There is an immediate short term need to secure back many of the over 15,000 housing units lost<sup>1</sup> as well as stabilize this new business enterprise.

#### **Background**

The primary responsibility to address this issue lies with BC's Local Governments because they have the legislative authority to control and manage housing in their communities through the use of zoning, bylaws and regulations. Some communities have implemented processes and procedures however many more are just starting. The magnitude of the challenge is very daunting to many communities particularly the smaller ones as they lack the robust monitoring and enforcement resources required. Many of the smaller resort communities are the ones hardest hit and have limited resources due to their size. In some of these communities close to 10% of their affordable monthly rental housing stock has been lost, displacing 100's of workers. Taking an example from Vancouver, sharing economy properties account for 1.2 per cent of all rental units including condos, basement suits, laneways, and apartment. Putting these units into long-term rental housing could raise the vacancy rate from 0.8 to 2 %<sup>2</sup>. Further, the operators of many short-term rentals are commercial operators avoiding taxes such as Municipal Regional District Tax because of the anonymity provided by the site<sup>3</sup>.

What is emerging very quickly from a Local Government perspective is that the magnitude of the task of enforcement is overwhelming; in many cases Local Governments do nothing. This in turn, signals landlords that defying zoning, bylaws and regulations has no consequences, and thus, the loss continues unchecked.

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<sup>1</sup> Karen Sawatzky, Simon Fraser University, <http://summit.sfu.ca/item/16841#310> and available online information from Airbnb, VRBO, Turnkey, and AirDNA.com

<sup>2</sup> <https://www.ubyssey.ca/news/ubc-student-airbnb/>

<sup>3</sup> <http://www.theglobeandmail.com/news/british-columbia/vancouvers-top-airbnb-earners-are-commercial-hosts-research/article30324477/>

There is a significant role for the Provincial Government to assist Local Governments with this critically integral enforcement process. Currently *Provincial Sales Tax Act* – Provincial Sales Tax Exemption and Refund Regulation<sup>4</sup>, tax Regulation 78(1)b enables operators of less than 4 rooms to avoid collecting the 8% Provincial Hotel Room Sales Tax and the 2% or 3% Municipal & Regional District Tax if applicable. The 5% GST is also avoided as many Landlords would claim they have annual sales of less than \$30,000 on their one unit.

### ***Recommendations***

Rescinding Tax Regulation 78(1)b would require all operators of one room or more to register and collect the applicable sales taxes associated with their daily sales activity. This Provincial statutory requirement would enhance the Local Government's enforcement regime in 2 very meaningful ways:

#1 – Non-compliant Landlords will now also be at risk of enforcement activity from the Ministry of Finance for non-collection of sales taxes. It is anticipated that this new requirement combined with the Local Government processes and guidelines will cause many Landlords to revert back to renting their units on a monthly basis or comply with both levels of Governments requirements to avoid the risk of more rigorous enforcement activity. Many landlords will not qualify with new Local Government criteria and structure, this is where enforcement of both levels of Government will be critical to gaining back lost affordable monthly rental housing!

#2 – the data regarding registration and tax collection will augment the Local Government's management processes and ensure ongoing compliance. The information will be cross checked with the Local Government registry ensuring stability and assisting with future planning.

### **THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Work with affected stakeholders, including Destination Marketing Organization BC and Tourism Industry Association of BC, to clearly articulate related issues and explore resolution options; and
2. Rescind Tax Regulation 78(1)b; and
3. Implement a timely reporting process and structure, so that upon request, a Local Government can access a complete list of properties registered to collect the Hotel Room PST and the MRDT.

### **Submitted by the Fernie and Kamloops Chambers of Commerce**

**Supported by the Whistler Chamber of Commerce, the Cranbrook Chamber of Commerce, the Kimberley and District Chamber of Commerce, the Nelson and District Chamber of Commerce, the Kicking Horse Country Chamber of Commerce, the Tofino-Long Beach Chamber of Commerce, the Ucluelet Chamber of Commerce, Castlegar and District Chamber of Commerce, the Greater Nanaimo Chamber of Commerce, Cowichan Lake District Chamber of Commerce, and the Greater Victoria Chamber of Commerce**

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Skift <https://skift.com/news/Weekly-Hotels/skift.com/news/Hotels/BusinessEstimates/> (https://www.facebook.com/Skiftnews/) (https://twitter.com/skift) (https://www.linkedin.com/company/2641998)

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# Amsterdam, Airbnb and the Very Real Problem of Overtourism

Patrick Whyte, Skift - Jun 01, 2017 2:00 am



**Skift  
Take**

**C**ities across Europe are waking up to the potential problem of too many tourists. Those tasked with marketing an “at risk” destination are going to have to work harder to spread tourism over a wider area in order to dilute the potential negative impact.

— Patrick Whyte

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Spend any time walking the streets of Amsterdam and you’ll quickly understand why it has a tourism problem. Trams, bicycles and pedestrians all vie for space on the narrow streets, presenting a daunting task for the millions of visitors that come to the city each year.

Amsterdam is blessed by many features that make it highly attractive as a destination. It’s compact enough to get around on foot and English is widely spoken. Low-cost airlines offer hundreds of flights a day into Schipol airport with tourists drawn to its liberal policies on sex and drugs as well as its many museums.

In 2015, the city welcomed 17 million visitors (<http://amsterdam-marketing.instantmagazine.com/kerncijfers-2016/boma-2016-english#!/economische-impact-in-amsterdam-copy>), representing an increase of 15 percent since 2011 and in the same time period the number of visitor days almost doubled to 139 million.

Daily



Email

SIGN UP

Tourists are going to keep coming and that presents a big problem for Amsterdam.

"I think the city and its residents are very actively thinking about the impact that tourism is having on their city, and how they want this impact to play out," said Wouter Geerts, senior travel analyst at Euromonitor International. "Banning or capping tourists is not the way forward. Instead what is needed is a dialogue with all stakeholders to come to a mutually beneficial solution. This is what Amsterdam is trying to achieve."

## EXPANDING THE CITY

Frans van der Avert's office overlooks the IJ waterway that bisects the city. Throughout the day, the chief executive of Amsterdam Marketing spends his time looking out towards Amsterdam Noord, the once-unfashionable  
<http://www.nytimes.com/2012/04/13/greathomesanddestinations/once-unfashionable-noord-district-of-amsterdam-gains-cachet.html>  
 district, which in recent times has been growing in popularity thanks to plenty of open space and an eye-catching new museum.

With more tourists coming, Van der Avert's job has moved from marketing the city to managing it, and one of the biggest challenges is getting repeat visitors out of the center to places like Amsterdam Noord.

"When you look at the foreign visitors, half of them are here for the first time. I don't bother them with these new neighborhoods because we know that they want to see the Van Gogh and the canals and they go to the Anne Frank House, but when you are here for the second or the third or the fourth or the fifth time, you think 'Oh.," he told Skift.

Van der Avert has an interest in spreading things around. He isn't just responsible for visitors (he doesn't like the word tourist) but also locals and businesses.

This gives him a very difficult balancing act and, as has been the case in other cities across Europe, a tourism backlash has started to develop.

"It started here three years ago, and it became 'the' topic in the city. It's not only our problem. It's a problem which you see happening in smaller historical cities with trading tradition, so no kings, no popes, no big lanes, no big boulevards, but small cities, merchant cities: Barcelona, Prague, Bruges, Dubrovnik, Amsterdam, Venice. People always talk about Venice, but... I always see Venice as... not a living city anymore," he said.

Van der Avert's profile was lifted by a speech he made earlier this

Amsterdam, Airbnb and the Very Real Problem of Overtourism – Skift  
month at the World Tourism Forum in the Swiss city of Lucerne in  
which he issued a warning on the problem of overtourism.

“That is a challenge because we strongly believe that these three target groups—by accident are our target groups, so visitors, inhabitants, and companies—they form the DNA of the city. They make the city. They are the soul of the city because you have to have a city where you can work, where you can love, where you can eat, where you can visit, where you go to school. That is why people like visiting a city because it’s a lively city. It’s a livable city. So you have to keep the balance,” he said.

Van der Avert doesn’t want to attract any more visitors to the city, and it’s mainly because he doesn’t have to. Demographics are going to do that for him anyway. As the middle classes grow in places like China and India, there will be people interested in traveling abroad. There’s also the continued success of low-cost carriers, which makes flying between say London and Amsterdam very, very cheap.

There’s another factor making cities like Amsterdam so popular with visitors: Airbnb.

## **SHARING ISN’T CARING**

The number of people staying in hotels continues to grow steadily and in 2015 the city welcomed 6.8 million guests, an increase of 2 percent compared with 2014. Provisional figures for the first nine months of last year show an even greater growth of 7 percent.

Traditional hotels are clearly still doing well and on top of this you now have home-sharing platforms like Airbnb, which didn’t exist a decade ago and have only relatively recently achieved sufficient scale to challenge the hotel industry. What started off as a sociable way to share your home has now turned into a big business.



In Amsterdam, the company has had to jump through a number of regulatory hoops to keep city hall happy (<https://thenextweb.com/insider/2013/02/02/airbnb-may-be-banned-from-amsterdam-local-authorities-are-now-hunting-for-illegal-hotels/>), including collecting tax and imposing a limit on the amount of time hosts can share their homes.

“Airbnb has a very decentralized development; it’s different in every city,” said Jeroen Oskam, director of the Research Centre at Hotelschool The Hague. “What London and Amsterdam have in common is both are very expensive hotel cities, which means that they’re expensive Airbnb cities and it means investors who want to open up an Airbnb as a commercial venture, so to say, have a very strong incentive to do so.

“In those two cities it’s far more profitable to have an Airbnb, for instance, than a savings account, which leads to the commercialization of Airbnb.

While Amsterdam is — like most other European cities — very popular with users of Airbnb, there is some disagreement on the overall figures.

Airbnb put the number of nights booked at 770,000 for 2016, whereas Hotelschool The Hague puts it at 1.1 million.

Oskam said that both parties had similar figures for 2015 but were more than 300,000 nights booked apart for the following year.

(For the record, Airbnb disputes Hotelschool The Hague’s 2016 figure, saying it is “incorrect and highly misrepresents our community.”)

“They [Airbnb] have a financial interest in not disclosing the numbers because they pay tourist taxes,” Oskam said.

In 2014, Amsterdam became the first European city to agree a

Amsterdam, Airbnb and the Very Real Problem of Overtourism – Skift  
partnership with Airbnb. Among other stipulations, the deal also led  
to the home-sharing platform agreeing to “collect and remit tourist  
tax on behalf of hosts.”

(<https://www.airbnb.co.uk/press/news/amsterdam-and-airbnb-sign-agreement-on-home-sharing-and-tourist-tax>)

Another deal was at the end of last year

([https://www.ft.com/content/fafd8d58-b7bd-11e6-ba85-](https://www.ft.com/content/fafd8d58-b7bd-11e6-ba85-95d1533d9a62)

95d1533d9a62) requires Airbnb to limit the amount of time hosts  
could rent-out their properties to 60 days per year. Interestingly, the  
signed document also commits both parties to “inform one another  
about their external communications.”

“If you present numbers that nobody can check, it’s not paying  
taxes. It’s just making a donation,” Oskam said.

## WORKING IT OUT

Amsterdam isn’t a unique case and there have been major  
backlashes against tourism in places such as Barcelona, where  
locals feel they are not being listened to.

The problem is now so acute that Van der Avert and his European  
colleagues have taken to meeting to discuss ways of dealing with it.

“In every city the rules are different, but sometimes problems are  
the same,” he said.

Tourism in cities such as Amsterdam is only going to grow and  
those in charge with managing it are going to come up with more  
creative ways to strike a better balance.

Tags: airbnb (<https://skift.com/tag/airbnb>), amsterdam  
(<https://skift.com/tag/amsterdam>), overtourism  
(<https://skift.com/tag/overtourism>)

## Follow this Storyline

Photo Credit: The Vondelpark in Amsterdam. The city is trying to cope with increasing  
numbers of visitors. Vondelpark / I Amsterdam

## BUSINESS

## Airbnb's Mega Hosts Are Turning It Into Just Another Travel Booking Site

With hundreds of listings and major corporate backers, a new breed of Airbnb host is changing the fundamentals of the service.

Posted on June 8, 2017, at 12:16 p.m.

**Venessa Wong**

BuzzFeed News Reporter

Of Airbnb's many hosts, [Jan](#) stands out.

Jan's profile photo shows a man with dark hair and a woman in sunglasses — and it's not clear which one is Jan, or even if either of them is Jan.

"Jan confirmed my request within 10 minutes. She set me up in an amazing studio," wrote one reviewer of a property in the US Virgin Islands. "Jan was communicative and helpful, his place is great," wrote another in Montana.

Jan is a busy man, or woman. The Airbnb host has 1,083 properties listed on the site, from Fiji to the Ozarks. More than 760 reviews have been written about the properties, and they're generally very positive.



# Hey, I'm Jan!

Los Angeles, California, United States · Joined in January 2014

Report this user

I love to travel and help others fulfill all of their traveling needs!

**764**

Reviews



Verified

Verified info

Personal info



Email address



## Reviews (764)

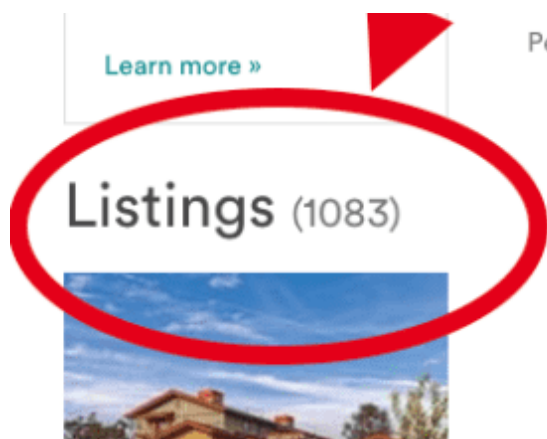
### Reviews From Guests



The apartment is exactly as described and the

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Airbnb / Via [airbnb.com](#)

Peter

...the property, the accommodations and how they are spacious and comfortable, the kitchen was fully equipped, the property has one of the best pools in Denarau, the food was good - plus there is a convenience store on site, and it is close to many points of interest, with an in house travel group making excursions a breeze. I highly recommend this property for your Fiji mainland stay!

From Toronto, Canada · May 2017 · 🏠 Fiji, 1 Bedroom #1

It suggests Jan is more than just your typical host, renting out a spare room or second home for extra cash. And there are many more like him. Or her. They're the faces of a changing Airbnb — one that's moving away from its home-sharing roots and embracing the commercial hospitality industry.

Take [Kara](#), who has 854 listings, or [Mike](#) who has 339. [Inside Airbnb](#), an activist-run analytics tool, identified more than 100 hosts on the site who each have more than 100 listings. Among them were 39 hosts with more than 200 each.

These mega hosts are part of a broad change in the way Airbnb works. While the company still likes to describe itself as a marketplace for tourists to get cozy in real people's homes — "[Don't go there. Live there.](#)" it urges starry-eyed travelers — it is working hard behind the scenes to bring commercial-scale hosts onto the platform. Last fall, it began offering bulk management tools to help such hosts handle large numbers of properties, and allowed them to sync their own databases with Airbnb's systems.

The tools are now being used by hotel companies, property managers, and a new breed of entrepreneurs to market their available properties, just like they do on sites like Expedia, Booking.com, and TripAdvisor.

The results speak for themselves. Just 10% of property managers in the US used Airbnb in 2012, estimates Douglas Quinby, a senior vice president at travel researcher [Phocuswright](#). That rate is now closer to 50%, he believes.

"It does raise an interesting question for Airbnb as a brand," Quinby told BuzzFeed News. "There's a message they're trying to convey — home sharing, traveling like a local, experience local culture, stay in a private home — but actually a growing percent of listings are not really someone's home. It's a condo that is one of 1,000 others that look the same and are run by a hotel-like property management company with a front desk check-in."

Many of Jan's properties fit that description. Clues lie in the reviews, where some of Jan's guests identify the places they stayed at as being run by Wyndham, a publicly traded operator of resorts, timeshares, and hotel brands like Howard Johnson, Super 8 and Ramada. Reverse searches of the images used in many of Jan's listings found the photos being used on the websites of Wyndham hotels and resorts.

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A series of exchanges with Wyndham representatives eventually led to [Wyndham Vacation Ownership](#) — "the world's largest timeshare organization," which operates 219 vacation ownership resorts in North America, the Caribbean and the South Pacific.

Jan's listings "are in fact managed by one of our owners," a company spokeswoman told BuzzFeed News, referring to the timeshare owners whose investments entitle them to a given number of nights at the company's properties each year. "We have noticed owners opting to utilize their ownership to pursue speculative listings/advertisements," the spokeswoman said.

Here's how that likely works: Wyndham's timeshare investors can reserve at any property in the company's network. So people like Jan list a large selection of rooms from across its many resorts, and if someone actually books one of them, Jan then reserves it.

Wyndham does not currently work directly with Airbnb to market its rooms.



The Wyndham Grand hotel, in Pittsburgh.

*Keith Srakocic / AP*

Jan's guests seem happy to participate in the mirage of the friendly Airbnb host, even if they're really just checking in at a resort via the front desk. "Jan's place is wonderful value in a lovely green resort setting," one reviewer said, describing a Wyndham resort on Denarau Island in Fiji.

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Jan declined to be interviewed for this story, and it's not clear if they are working alone or as part of a group. "Thank you for contacting me. Please explain benefits of this?" they replied to one request to speak. "I guess you cannot explain how this benefits me," they said in a follow up.

Resort settings and hotel rooms are not the home-sharing that Airbnb's identity is built on, but this professionally managed corner of its ecosystem is quickly expanding as the company — which expects to make [\\$2.8 billion](#) in revenue this year — stretches far beyond its crash-in-a-spare-bedroom persona.

According to Airbnb spokesman Nick Papas, vacation rental companies, corporate housing providers and even some hotels are now using Airbnb to market their rooms. But "the overwhelming majority of hosts have one listing and occasionally share their space," he said. In some cities, Airbnb also has a policy prohibiting hosts from sharing listings at more than one address.

Quinby, from Phocuswright, has heard a variety of stories of commercial approaches to Airbnb hosting. "There are many hotels, lots of experimentation by the individual properties of some chains, and enterprising folks who take out long-term leases on multiple units and rent them out on Airbnb (which crosses into a very grey legal area)," he wrote in an email.



# Hey, I'm Kara!

US · Joined in March 2015

Report this user

675

Reviews

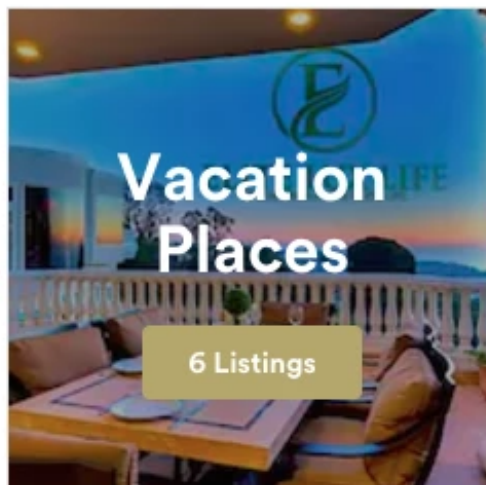


Verified

## Wish Lists (1)

Verified info	
Government ID	<input checked="" type="checkbox"/>
Email address	<input checked="" type="checkbox"/>
Phone number	<input checked="" type="checkbox"/>
Work email	<input type="checkbox"/>

Share



Share

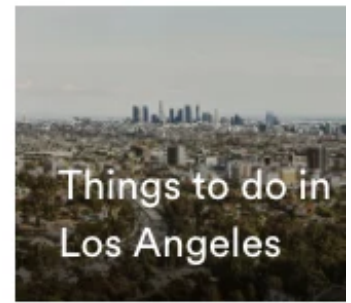
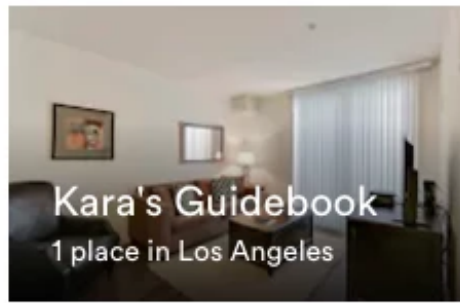


## Listings (854)



Airbnb / Via [airbnb.com](#)

## Guidebooks (2)



## Reviews (675)

The world of the Airbnb mega-hosts is familiar territory to John Banczak.

In 2012 he founded [TurnKey Vacation Rentals](#), an online property management company that lists rooms across more than 25 travel booking sites, including TripAdvisor and HomeAway. Until recently, it operated on Airbnb as "Julie" and "Erica," the company's first guest managers. At some point, Banczak recalled, one of the accounts had more than 1,000 listings.

"For a long time you had to list yourself as an actual person," he said. "You'd see listings under one profile, and that would be the property manager."

It wasn't until Airbnb launched its tools for professionals last year that TurnKey was able to relaunch on the service under an official company profile.

"Airbnb had a change. They created a team a few years ago to deal with property managers," Banczak said, in an effort to increase the supply of entire-home rentals, especially in vacation destinations like resorts and ski towns. "This is the next big thing in this space," he said.

TurnKey has raised to \$41 million from investors since 2013, according to Crunchbase.



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A protester in 2014, demonstrating outside a San Francisco apartment building that allegedly evicted its tenants to make way for Airbnb rentals.

*Justin Sullivan / Getty Images*

The professionalization of Airbnb and the rise of its mega-hosts worries housing advocates, who say it further enables investors to turn scarce inner-city apartment buildings into virtual hotels.

Those concerns have been pounced on by Airbnb's many opponents. "They've made it easier to commercialize the operation, which makes it good for Airbnb but harmful for cities with acute housing shortages," said Austin Shafran, a spokesman for anti-Airbnb group [Share Better](#), which is [funded by](#) a New York-based hotel workers union.

Troy Flanagan, the head of state and local government affairs for the American Hotel and Lodging Association, said Airbnb has long enabled a grey area in between private room rental and commercial hotels. This new class of mega-hosts, he said "are a function of the gray area, a player in it, and enabling it."

It also concerns some of the company's old-school hosts — regular people trying to make some cash from their spare bedroom. As Airbnb transforms, some worry they'll be left behind.

"If your first experience is a resort, and the next is my home, it's not the same," said Alice Hershberger, who rents out a bedroom in her North Carolina home. She also worries it could affect her all-important guest reviews. "How is a guest supposed to score a hands-off management company with a full staff of labor, each trained to do a specific job perfectly the same way as a host who has to assume all those roles themselves?"

Venessa Wong is a business reporter for BuzzFeed News and is based in New York. Wong covers the food industry. Contact Venessa Wong at [venessa.wong@buzzfeed.com](mailto:venessa.wong@buzzfeed.com).

Got a confidential tip? [Submit it here](#).

**3 Comments**

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## New Toronto Airbnb rules would require hosts to live at property they're listing

Critics seek crackdown on those with multiple listings, while Airbnb says it's open to 'sensible' rules

By John Rieti, [CBC News](#) Posted: Jun 12, 2017 5:00 AM ET Last Updated: Jun 12, 2017 3:19 PM ET

Torontonians will only be able to list short-term rentals for the property they live in, if city hall approves new recommendations released Monday.

The city's municipal licensing and standards division released a series of new proposals Monday following months of consultation. The new rules aren't in place yet, but staff are recommending:

- Banning people from listing units where they don't live.
- Amending zoning bylaws to create a separate category called "short-term rental."
- Licensing companies like Airbnb and others.
- Starting a registry of anyone operating a short-term rental unit.

Critics, like the Fairbnb coalition, accuse investors of snapping up multiple properties and running them like "ghost hotels," further reducing the amount of affordable rental housing in the city. Airbnb — the largest player in the short-term rental sector — says it supports "sensible regulations," but maintains its service is benefiting more than 9,900 hosts while generating hundreds of millions in tourism revenue for Toronto.

Mayor John Tory says he wants online home-sharing services to continue, saying there's no point in trying to "turn back the hands of time," but the city needs to stop people from buying up units with the sole intention of running them as short-term rentals.

"This is extremely disruptive to neighbourhoods," he told reporters.

"It is taking housing off the market that might otherwise be available for long-term permanent renters as it were — and that's a problem for us."

Coun. Joe Cressy, whose ward has hundreds of Airbnb units, says he's optimistic that city council will approve the rules.

Like Tory, Cressy says he wants "true home-sharing" to continue, but says the city has to crack down on those snapping up affordable housing to offer up to tourists.

"Neighbourhoods like Kensington Market have been deeply affected ... today's regulations will stop that," he said.

Cressy says council's biggest task will be ensuring the regulations have enough "teeth" when it comes to enforcement.

## Fairbnb coalition supports city's plan

Fairbnb researcher Thorben Wieditz praised the city's proposed new measures, which match several his group recently suggested, and says he's confident they'll be approved by council. However, he's also concerned about enforcement.

"I think my greatest concern would be to have super nice regulations in place ... but then no one is actually obeying the new regulations," he told reporters.

Tory said the city would rely mostly on neighbours reporting issues with short-term rentals.

"I think if you have a very disruptive Airbnb unit next door, you'll be very quick to get in touch with the city," Wieditz said.

## Airbnb reviewing recommendations

Alex Dagg, Airbnb's public policy manager in Canada, said the company welcomes the move toward regulating home-sharing. Dagg said that the short-term rental industry has helped people cover their housing costs in a hot market.

"The vast majority of Airbnb hosts in Toronto use home-sharing to help pay the bills and afford to stay in their homes," she said in a statement.

Airbnb says in 2016, the average host rented out their place for about 50 nights per year, taking in just under \$5,000.

More than 450,000 people visiting Toronto stayed in Airbnb units last year — bringing with them an estimated \$417 million in spending, the company estimates.

Tory's executive committee will be debating the new measures at its meeting next Monday and the city will be holding more consultation sessions about the proposed changes.

City council will get the final say.

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**Impacts of short-term vacation rentals on Victoria's  
communities and tourism and hospitality sector**

Thank you for this opportunity to write to Mayor and Council.

There are more than 1,000 short-term vacation rentals in the City of Victoria and more than 1,700 across the Capital Regional District. They operate as unlicensed businesses, do not pay commercial taxes, and produce an array of social and economic problems.

I encourage Council to act now to stop the negative impacts these rentals are having, not only for the tourism and hospitality sector but also the residents and communities that make up our City. Although my remarks are on behalf of Tourism Victoria representing tourism-industry members, they are made foremost from Tourism Victoria as a collaborating partner with the City of Victoria. It is critical to act now to:

- Safeguard and promote sustainable carrying capacity for tourism in Victoria.
- Protect the interests of our members' businesses, which contribute jobs and taxes to Victoria.
- Address the negative impacts of short-term vacation rentals for residents and communities.

Airbnb is the major player in short-term vacation rentals and valued over \$30 billion – much larger than \$18 billion for Marriott, the world's largest hotel group. Other platforms are Vacation Rentals by Owner (VRBO), Home Away, and Flip Key. They all use the same business model.

Airbnb lobbies governments aggressively to protect its unfair competitive advantage by exploiting poor zoning, and avoiding regulation and taxation. See <https://www.thetimes.co.uk/article/airbnb-fighting-rent-limit-with-lobby-group-66b8jpd0p> and <https://skift.com/2017/05/01/airbnb-tries-to-clear-away-political-and-legal-challenges-in-new-york-and-san-francisco>. Airbnb does this because legitimate businesses, voters, and communities globally are calling on their governments to fix the problems short-term vacation rentals are causing.

In Victoria these problems are:

1. Rapidly declining housing availability and affordability.
2. Adverse social impacts on neighbourhoods and community life.
3. Loss of employees and job opportunities.
4. Reduced business investment and industry resilience.
5. Undermining fair practices, a level playing field, and being good partners.

Analysis of these issues and the urgent need to address short-term vacation rentals is presented in Victoria Adams' January 2017 report:

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

The paper can be accessed at: <http://jamesbaybeacon.ca/?q=node/2029> or

[http://jamesbaynewhorizons.weebly.com/uploads/8/2/5/9/8259182/victoria\\_stvr\\_final\\_paper.pdf](http://jamesbaynewhorizons.weebly.com/uploads/8/2/5/9/8259182/victoria_stvr_final_paper.pdf)

## 1 Housing availability and affordability – the need for effective regulations

Commercial accommodation and residential housing are fundamentally different. But short-term vacation rentals blur the distinction.

Commercial accommodation drives much of Victoria's economy through hotel taxes, commercial property taxes, facilities for tourism, and employment for City residents.

Housing is for residents. It defines their quality of life and homes must be available and affordable. Erosion of affordable housing has serious social and economic consequences – as seen in Whistler over recent years where businesses cannot get employees due to lack of housing, many employees live in vehicles or other sub-standard conditions, and social problems are on the rise. We are now seeing this in Victoria.

In Victoria short-term vacation rentals are directly reducing the availability of housing and driving up prices of the fewer remaining residential properties, beyond the reach of many who live and work here. There is ample evidence from many stakeholders, also submitting views to Council.

We see "Airbnb Entrepreneurs" operating up to 15 units. Real estate speculators make much more money from short-term vacation rentals than longer-term residential leases, and aren't constrained by tenancy Acts. Many new developments are expressly geared for short-term vacation rentals and target this to potential buyers. We see tourists using residential properties all over town – while at the same time we see residents and employees unable to find or afford homes.

Alarming, long-term tenants are increasingly being evicted from homes so landlords can market properties for more money as short-term vacation rentals:

- <http://www.metronews.ca/news/toronto/2016/09/27/toronto-man-says-landlord-evicting-him-to-rent-on-airbnb.html>
- <http://money.cnn.com/2016/06/22/technology/airbnb-regulations>
- <https://skift.com/2016/12/27/evicted-tenants-fight-back-against-airbnb-with-detectives-and-lawyers>

Victoria's growing rental crisis and serious shortage of affordable housing needs to be addressed urgently. Transient accommodation should not be a permitted use for residential properties that are not primary residences, and this needs to be reflected in zoning regulations.



## 2 Adverse social impacts on neighbourhoods and community life

Social problems arise when too many tourists stay in residential communities, and also when local residents cannot find housing or employment. “Over-tourism” and shortages of affordable housing due to uncontrolled short-term vacation rentals has led to residents being openly hostile towards tourists and tourism in many major destinations, particularly Barcelona, Amsterdam, and Iceland.

There are many reports of how short-term vacation rentals are changing community life in negative ways. For example:

- <http://sandiegofreepress.org/2015/09/loss-of-community-is-greatest-threat-from-airbnb-and-short-term-vacation-rentals>
- <http://sydney.edu.au/news/architecture/274.html?newsstoryid=16309>
- <https://www.theguardian.com/cities/2016/oct/06/the-airbnb-effect-amsterdam-fairbnb-property-prices-communities>
- <https://hostcompliance.com/how-do-short-term-vacation-rentals-impact-communities>

We do not want to see this happen in Victoria. Vibrant, safe, friendly neighbourhoods are the fabric of Victoria and make it very attractive as a place to live and destination to visit. The wellbeing of the residents within our communities is the foundation for successful tourism, a strong local economy, and good quality of life.

## 3 Loss of employees and job opportunities

Directly or indirectly the tourism and hospitality sector is a major source of employment in Victoria. The industry and those working in it contribute economically through taxes – many also volunteer, often to build experience and start careers.

The rental crisis and affordable housing shortage generated by short-term vacation rentals is now making it very difficult to recruit staff to Victoria, particularly downtown. Those we can recruit face many challenges finding housing. Without action, talented people and career prospects for young people will drift away, with huge negative consequences for businesses and the City.

## 4 Reduced business investment and industry resilience

Investment in commercial accommodation in Victoria is being driven down. Although it is normal to lose some hotel inventory over time, it is not being replaced. Occupancy rates are solid (above 72%) but institutional investors are reluctant to spend on new or upgraded accommodation while threats from untaxed and unregulated short-term vacation rentals persist. This undermines efforts to build sustainable tourism and jobs in the industry, and returns to the City from a vigorous tourism sector. Inability to attract investment makes us less competitive than other cities, perpetuating the impact.

Recent research (e.g. 2016 HLT Advisory / Ryerson University study in Vancouver, Calgary, Toronto, and Ottawa) found short-term vacation rentals directly caused a 6% bottom-line loss of revenue for commercial hotels. This loss exceeds sustainable average operating margins for many hotels, given their high capital costs, high marginal costs (labour, sales, advertising, services), and the high costs of maintaining safety and licensing standards. This reduces capacity to stay in business and eroded ROI removes incentives to re-invest.

While tourism in Victoria is currently doing well, our business is cyclical. Threats and weaknesses caused by short-term vacation rentals erode industry resilience and our ability to respond when macro-economic downturns or other disruptions occur.

There is wide evidence of how short-term vacation rentals impact the tourism industry:

- <http://people.bu.edu/zg/publications/airbnb.pdf>
- [https://www.qtic.com.au/sites/default/files/140714\\_draft\\_sharing\\_economy\\_paper.pdf](https://www.qtic.com.au/sites/default/files/140714_draft_sharing_economy_paper.pdf)
- [www.europarl.europa.eu/RegData/etudes/BRIE/2015/568345/EPRS\\_BRI\(2015\)568345\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568345/EPRS_BRI(2015)568345_EN.pdf)
- [www.europarl.europa.eu/RegData/etudes/BRIE/2017/595897/EPRS\\_BRI\(2017\)595897\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/595897/EPRS_BRI(2017)595897_EN.pdf)
- [www.europarl.europa.eu/RegData/etudes/STUD/2015/563411/IPOL\\_STU\(2015\)563411\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2015/563411/IPOL_STU(2015)563411_EN.pdf)
- <https://www.nswbusinesschamber.com.au/NSWBCWebsite/media/Policy/Tourism/Sharing-Economy-Issues-Impacts-and-Regulatory-Responses-COMBINED-POLICY-9-11-15.pdf>

Short-term vacation rentals freely benefit from the tourism industry's efforts, expenditure, and expertise that bring visitors to destinations – but outrageously are allowed to work against the industry that feeds them.

## 5 Undermining fair practices, a level playing field, and being good partners

Commercial accommodation operators must be licensed and comply with regulations to protect consumers, employees, and the public. They pay taxes and destination marketing fees, facilitate tourist visits, employ numerous staff, and contribute widely to the City of Victoria's economy.

Short-term vacation rentals are not regulated to protect consumers, employees, or the public, they are not regulated for safety or insurance, and they do not pay taxes. They pay residential property taxes only, which are one-third of commercial property taxes. Short-term vacation rentals operate outside the laws that apply for other accommodation providers. They gain large cost advantages by avoiding compliance but fail to provide revenue for the City or communities they operate in. This is structurally unfair and unsustainable.

We are grateful partners of the City of Victoria in many ways:

- Through taxes at all levels of government, hotel customers pay the costs of destination sales and marketing, conference sales, and policy initiatives, with flow-on benefits across the City. Short-term vacation rentals do not contribute.

- In partnership with Tourism Victoria, the commercial accommodation sector is making a direct \$1 million contribution to important local infrastructure in the David Foster Harbour Pathway. Short-term vacation rentals are not doing this.
- Tourism Victoria partners with the Victoria Hotel Destination Marketing Association to invest over \$300,000 annually into festivals, events, and sports tourism, adding community vibrancy. Short-term vacation rentals do not do this.
- The City of Victoria, tourism industry, and Tourism Victoria are collaborative business partners in marketing the Victoria Conference Centre, which is working very well to date. Our revenue targets to deliver to the City of Victoria require a level operating field with fair rules.
- Tourism Victoria partners with its members and the City of Victoria to work constructively on diverse policy issues for the common good, such as Belleville Terminal. Our tourism-industry members pay for the expertise, skills, resources, and time to do this, and are happy to do so because this benefits Victoria on many levels. Short-term vacation rentals do not contribute.

Short-term vacation rentals benefit from everything the regulated and taxed tourism industry does to bring visitors to Victoria, deliver great visitor experiences, invest in services and infrastructure, and contribute to communities. They benefit from our strong destination marketing, facilities such as Belleville Terminal, high compression due to conference and event sales, and no further boycotts over sewage treatment issues. The tourism industry is collectively paying for this hard work, which is fine. But it's very unfair that short-term vacation rentals benefit at no cost, without contributing.

Level playing fields, fair business practices, and good business partnerships are critically important. These are foundations of healthy business environments and strong economies – there is no room or justification for unregulated, untaxed, and unfair competition.

The impacts of short-term vacation rentals – from housing shortages for employees to inequitable cost structures – are undermining our capacity to contribute as partners over the long term.

We value our collaboration with the City of Victoria. As mentioned above, we want to work in close partnership with the City to ensure growth in tourism, and the many benefits this brings to Victoria, is sustainable and within carrying capacity. Our members enable tourism, create jobs and pay taxes, and also want to promote collaboration. We must also collectively give priority to the best interests of residents and communities.

#### Recommendations for Action by Council

We respectfully ask Council to fix the inequities urgently. Employees and residents of Victoria need access to affordable housing as well as viable careers. Given the extensive nature of such problems there are many precedents to draw on. For example, regulatory action taken or being developed in jurisdictions such as New York, San Francisco, Los Angeles, Monterey, Anaheim, Chicago, Barcelona, Amsterdam, Dublin, Berlin, Toronto, Vancouver, Tofino, Ucluelet, and Richmond.

For examples of regulatory action see:

- <http://www.cbc.ca/news/canada/british-columbia/it-is-illegal-city-tells-developer-to-stop-short-term-rentals-1.4048098>
- <https://www.thestar.com/business/2017/03/03/toronto-should-require-airbnb-permits-says-report.html>
- <http://ucluelet.ca/community/community-notices/333-press-release-ucluelet-pursuing-illegal-vacation-rentals>
- <http://www.cbc.ca/news/canada/british-columbia/richmond-rental-airbnb-1.4075478>

On behalf of Tourism Victoria and the tourism industry, I ask City of Victoria Council to introduce regulations, re-zoning, and enforcement to remove transient accommodation as a permitted use for residential properties that are not primary residences. This addresses the rental crisis and lack of affordable housing by reclaiming and protecting residential space – properties designed to be homes in communities can no longer be operated as hotels.

Additionally, City or Municipal business licenses should be mandatory to make it clear short-term vacation rentals are revenue-generating businesses and have statutory obligations to consumers, employees, and the public.

Taxation levied by the City should be introduced to ensure short-term vacation rentals contribute financially and fairly to Victoria alongside other types of accommodation.

And these measures must be strictly enforced. It is easy to identify and monitor short-term vacation rentals using online aggregators to count listings on booking platforms. Tofino does this very well. There must be large penalties for non-compliance.

### Concluding remarks

Re-zoning, regulations, taxation, and strong enforcement are essential to fix the growing problems. They will not simply go away and cannot be ignored. Immediate action is needed – before negative impacts are irreparable and while solutions are readily achievable.

Although action is required by all three levels of government, local government can improve the situation significantly and quickly through re-zoning, business licences and fees, and marketing taxation or levies.

If the costs of ensuring compliance are a concern, industry can work with government to develop options and solutions.

We have collectively established Victoria as a strong global tourism brand, and we must now ensure Victoria continues to be a great place to live and visit. The tourism industry is here as a constructive partner, as always.

Some may say cynically that Tourism Victoria is adopting this position because its revenue could be affected by untaxed and unregulated competition. We assure you our concerns are much broader and deeper than that. This is about the legitimate tourism industry wanting to be good partners and neighbours. Tourism Victoria focuses on high-yield experiential tourism that is sustainable and fully respects our destination's carrying capacity. Unchecked short-term vacation rentals are an affront to that principle.

We want to work together with the City of Victoria to rectify the impacts of the grey economy. We are implementing stakeholder discussion groups to engage in broad dialogue about the sharing economy, understand all perspectives, and find effective collaborative solutions.

As tax-paying and job-creating partners we need to help stop erosion of lifestyle and wellbeing for citizens who purchased condos without knowing their buildings can be over-run by holiday makers. Appropriate zoning will go a long way towards this. We need to work on quelling unchecked real estate speculation that is making housing in Victoria unaffordable. Investors can still make a good return on investment from long-term rentals to residents – just not as much money as quickly.

Doing nothing would undermine creation of jobs, commercial tax-paying hotels, and other tourism businesses by supporting untaxed, unregulated predatory competition. Where is the wisdom and long-term vision of not acting?

Finally, in recent weeks some Councils such as Richmond, BC and Del Mar, California have banned short-term vacation rentals completely in support of public resistance. We are not asking for this. We are asking for robust, common-sense zoning regulations and taxation. This will be an ongoing issue to manage and we are here to assist.

Many thanks for your time,

A handwritten signature in brown ink, appearing to read "Starr McMichael", with a stylized, cursive script.

Starr McMichael

On behalf of Tourism Victoria, and members of Victoria's tourism and hospitality sector