

Speaking notes to MPC January 28, 2020

Thank You Chair and committee members

My name is Lloyd Beazley a rental property owner for decades.



You have mine and Norm's submission which includes our concerns and recommendations. What it does not contain is why it is important to me financially, this is the Reader's Digest version.

Real estate is my pension. 2017 and 2018 were horrible for vacancy, 2018 at 24%. By December 2018 I desperately needed to adapt, as I have had to do before. And I did. Following the City's bylaws, I checked with Mark Wilson, I went with the best tools available, I shortened my length of rental and invested more to stem the financial hemorrhaging. And I engaged in on line commerce with Airbnb after the urging of a city hotelier.

The plan worked, legal short term guests were attracted and cash flow returned. Plus a number of those short term tenants relocated in the building and are now long term tenants, for 12 or more months. It confirmed to me that newcomers to the city undeniably need short term rental options. They need time to acquaint themselves with the city and find acceptable long term accommodation, something they cannot do from Calgary, Montreal or Brazil, I can share their stories. But most importantly to them, at a price they can afford.

These guests have spoken loudly - they prefer not to be hotel guests – they don't want or need what is being offered.

It also very clearly demonstrated that in high vacancy situations flexibility is paramount to delivering above average long term accommodation. My tenants both short and long term won, my neighbours won, the City was totally respected and lastly but vitally important to me, I survived financial disaster. That is why the city needs to work with long time rental providers ensuring they have flexibility, so that everyone comes out ahead.

Civil society needs rules but it also needs stability. The existing regulations served the City well for decades and its accommodation providers. While some new forces have come into play that choose not to play by the rules. Punishing those that have is not a fair solution. I believe what we have proposed is a very workable solution. It provides for a new order, exactly as the City wishes, while respecting those that operated within the existing rules and made very long term investments in the City of Saskatoon to everyone's benefit.

Our concern is existing multi-unit properties that wish to remain active in the 7 to 29 day short term rental be permitted to continue by a grandfathering mechanism.

While I'm neither a lawyer or municipal zoning code expert, I believe the zoning code covers this in section 4.5.

4.5 Non-Conforming Buildings, Uses and Structures (1) Any use of land or any building or structure lawfully existing at the time of passing of this Bylaw that is rendered non-conforming by the enactment of this Bylaw or any subsequent amendments, may be continued, transferred, or sold.

And maybe section 3.6 also.

Time does not permit me to detail our request for modification of the proposed Bylaw changes at this hearing. We have forwarded our documents to you prior to this meeting. Our modification proposal is item 6 on page 10. You have them. We respectfully trust you will consider incorporating our request into the final version.

Thank You



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The Short Term Rental Market

From an Accommodation Provider's Perspective

Response to:

City of Saskatoon

Proposed Regulations for Short – Term Accommodations

Amendments to Bylaw No. 8770, Zoning Bylaw, 2009

and Bylaw No. 8075, Business License Bylaw, 2002,

regarding updating existing regulations for short-term accommodations.

By: Lloyd W. Beazley & Norm Osback

Rental Property Owners in Saskatoon



Permitted Suites



Condos



Multi Unit Buildings

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Executive Summary

Two significant forces are driving some rental property owners and many home owner's to enter the short term rental market. The most significant, by far, of those forces is consumer demand. The other is cost of ownership.

What we see is a sledge hammer approach to address the concerns of negative effects of supplying the demand rather than a scalpel approach of preserving fairness to property owners that supply the bulk of rental accommodation.

There appears, from observation, to be at least 10 different stakeholder groups impacted by the proposed Bylaw changes. We represent two of them.

We believe the concerns of all stakeholders need to be considered and accommodated whenever possible. The proposal put forward by the Administration does not do this.

We suggest we all work to Forge a Better Path Forward – The Saskatchewan Way.

Allowing long term rental accommodation providers the flexibility to manage high vacancy markets will not reduce the availability of "affordable" long term accommodation. Presently, our market is greatly depressed so the City is not seeing a tightening of the vacancy rate.

History has proven that consumer demand is a force that cannot be managed by government restricting supply. Prohibition proved that. Most Airbnb type platform users DON'T WANT what hotels offer.

The same consumer demand that fueled privatization of liquor supply, a quest for variety, is fueling the demand for short term accommodation. Vancouver recognized that and Tourism Vancouver now embraces "diverse options to suit every budget and style." Although the City of Vancouver has not fully embraced that desire.

Effective management by design will occur if as many options can be included to support as many stakeholders as possible.

We are on record to supporting licensing. We just have a different take what is being proposed based on our current market conditions.

The big negative issues are generated by a small portion of providers. We demonstrate there are better ways to address that concern. No one supports crime.

We are condo owners we see the condo conundrum. We fully support heavy restrictions on use of amenities by short stay guests and the other issues.

We are committed to effective short term rental regulation by pro-active design and believe a closer look at a more comprehensive plan would serve the City today and well into the future.

Demand will not diminish but continue to grow. This issue is consumer driven like alcohol and cannabis. Severely restricting those proved futile in the end. Would it not be preferable to go down a path that leads to success, from the beginning, rather than sending the problem underground where it cannot be easily monitored? Or cost significantly more resources to do so?

We propose a different approach, like Medicare was in 1962. First off and by far the most critical part of success in this area is who qualifies for a license. We believe a large part of the negatives have come from 3rd party operators, particularly those with “no skin in the game”. These 3rd Party operators are the “elephant in the room”.

The Saskatoon Police Service knows well the effect of “boots on the ground”. “Hands on” property owners are “boots on the ground”. Just as much as, are owners of single family homes. Restricting licenses to “hands on” property owners would also, by default, reduce the number of suites capable of being managed effectively. By design, big operations are not feasible and most “ghost hotels” impossible. In a low vacancy environment, where long term tenants are readily available, not many owners will want to expend the extra effort personally to serve this market.

There is a great divide in the use of online booking sites when it comes to length of stay. Vancouver stats show last summer “the typical booking being worth \$169” and “the average length of stay was three nights”.

This clearly shows a divide in that only a portion of the short term rental market exceeds 7 days.

We stress one size does not fit all or is that even necessary? Short term rentals of 7 days or more in multi-unit buildings have never needed to be regulated in the past. We see absolutely no need to change this. License it for, as in the case proposed for owners only of privately held currently permitted properties.

We are suggesting fresh approach to get better results to-day and into the future, additions like public awareness – community oversight by conspicuous licensing. Building in crime prevention through licensing/permit design.

We detail 16 advantages and the disadvantages of a comprehensive multi class/tier licensing/permit system. That we feel will out-perform, over the very long run, plans we have reviewed in place in other jurisdictions.

Our request is simple.

The good long term rental accommodation providers in the City of Saskatoon should not be punished in this process. A well-structured system can achieve the desired results without negatively impacting the existing private short (7+ days) and long term rental accommodation providers currently operating.

Preamble

We support the Municipal Planning Commission’s decision of January 28th, 2020 to recommend to Council to send these Bylaw revisions back to the Administration for review. **We believe that more input into the process will result in a much better outcome for the City of Saskatoon, its’ citizens, visitors and all who own real estate in Saskatoon.**

We express regret that community engagement was flawed. Input was channeled to 3 preconceived options and the anticipated costs of implementation were evidently grossly inaccurate from what is, after engagement, proposed.

Our response to the MPC decision is detailed in the following pages along with our thoughts on the rental accommodation market in Saskatoon. We value the impartiality of both City Council and the MPC, however, when members of both bodies declare they have no conflict of interest in the matter before them it clearly shows they have no investment in the rental accommodation market. What we don’t know is what is their level of understanding might be of how the private sector operates to provide both short and long term rental accommodation. We would like to share our perspective gained collectively by decades of experience in providing those rental accommodations in Saskatoon.

Two Driving Forces

Two significant forces are driving some rental property owners to enter the short term rental market. The most significant, by far, of those forces is consumer demand. The exponential rise in consumer demand is a direct result of globalization of our economy through the use of internet facilitated marketing and sales. The internet has changed how we do business not why we do business. Consumers want choice and value for money. It is no longer necessary to purchase more than you need or want. Consumers also have a much easier time in finding what they do want – so they don't settle for just anything close any more. The ease and convenience of being able to shop on your phone or laptop has disrupted every past business model. We all, rental accommodation providers, and every other business owner(s), have no choice but to adapt to the new marketing realities and shifting consumer preferences and demands.

Blunt Force or Precision Approach

We appreciate the Administration is trying to address community concerns and so they should. What we see is a sledge hammer approach to address the concerns rather than a scalpel that would excise the negative issues while preserving and enhancing the best that private investment in real estate is doing to enhance the quality of life in the City.

The Stakeholders

There appears, from observation, to be at least 10 different stakeholder groups impacted by the proposed Bylaw changes. What we heard at the MPC meeting and previously at City Council was there is a concern by the Bed & Breakfast operators that first launched the discussion.

Let's start there and outline each groups concerns:

Stakeholder Group 1 - Bed & Breakfast Operators

- a) loss of revenue b) Airbnb hosts are operating without discretionary use approval that is a requirement for them.

Stakeholder Group 2 - the Saskatchewan Hotel and Hospitality Association (SHA)

- a) lost revenue b) has a concern for "ghost hotels" and c) has a concern for movement of illegal activities from their properties to other "less visible" locations.

Stakeholder Group 3 – Condominium Owners

- a) constant turn over b) wear and tear and maintenance of common areas and c) use of private amenities by short term residents d) noise and parties e) building security

Stakeholder Group 4 – Neighbouring Residents

- a) parking b) garbage c) noise and parties, d) vacant houses.

Stakeholder Group 5 – Homestay Providers

- a) ability to reduce cost of home ownership b) desire to interact with people of different cultures and areas of residence

Stakeholder Group 6 – Airbnb Style Hosts of Single Family Homes

- a) ability to reduce cost of home ownership b) desire to interact with people of different cultures and areas of residence c) recover costs associated with “holding” under-utilized or temporarily unsaleable assets

Stakeholder Group 7 - The short and long term rental accommodation providers

- a) unusually high vacancy rates for long term accommodation b) loss of revenue c) loss of the long standing ability to rent to anyone for periods of 7 days or longer d) the onerous process of a discretionary use application for suites that have been already permitted and used legally for decades e) a solution that does not punish those that have played by the rules for decades.

Stakeholder Group 8 – Airbnb as well as other marketing platforms

- a) fulfill the growing consumer demand for short term accommodation choices b) assist property owners in making home ownership more affordable c) enable the growth of the sharing economy and distribute the benefits widely across communities d) facilitate national and international travel and experiences

Stakeholder Group 9 - 3rd Party Managers of Rental Accommodation

- a) silent at this point, as far as we have observed

While we have not seen their participation the current discussions we feel they are integral to resolving many of the negative impacts the City of Saskatoon is trying to address. Their impact is significant especially their negative impact on the community.

Stakeholder Group 10 – Civic Administration

- a) desire to reduce complaints and negative issues arising in short term rental accommodation
- b) a workable solution that will address point a)
- c) a long term solution in a changing marketplace

Addressing Stakeholders Concerns

Since there are at least 10 stakeholder groups we will address the issues, as we see them, and offer our insights and solutions as best we can.

We believe the concerns of all stakeholders need to be considered and accommodated whenever possible. The proposal put forward by the Administration does not do this.

Many stakeholders have expressed deep concerns over declining revenues and that is a serious issue. However, part of that is due to a struggling economy however the biggest contributor is an unprecedented surge in supply of hotel rooms, condos and long term apartment units. An improving economy and time will eventually bring those back into balance. Needless intervention will not.

Forge a Better Path Forward – The Saskatchewan Way

While we prefer as little regulation as possible we acknowledge that due to the very real concerns expressed some change is indeed required. We however do not have the pressing concern of lack of available accommodation clouding

the issue in many other municipalities. We can approach the negative issues by a better path forward. If all sides are heard and the negative issues are mitigated a new and unique approach will most likely occur. Saskatchewan has been a leader in the past in balancing the public good and private interests. It forged a new way of delivering medical care in 1962 that fell way outside of the norms of the day. We suggest that Saskatoon has the opportunity to address short term rentals in a way that will show leadership and innovation in addressing the negatives that the new era of conducting business has brought to our city's neighbourhoods.

Affordable Housing

Many jurisdictions are trying to address the issues by restricting supply. Our observation is that they are hoping that by doing so the negative issues will disappear.

A significant number of jurisdictions have tried to force, by regulation, private funding of rental accommodation to serve low income and "affordable" housing markets. Saskatchewan was one of those jurisdictions when it imposed rent controls. However rent controls have proven to be very ineffective in achieving the intended goals. Experience has shown that: 1) new supply is hard to finance 2) that private money will always seek a ROI and not invest when a suitable risk reward balance is not present 3) existing housing stock deteriorates 4) while demand grows supply does not 5) homeless increases. What was Saskatoon's experience – exactly as noted above. Rent control failed to solve the problems it was trying to correct. Saskatchewan discontinued the failed strategy of rent control in 1992. When demand surged after 2007 we witnessed a huge growth in multi-unit construction and as rents rose, investments and significant upgrades to existing housing stock. The other thing we witnessed as other markets more tightly manipulated the housing market by rent control and other punitive measure private money poured into Saskatoon and we saw an unprecedented expansion in real estate investment especially hotels and multi-unit complexes.

There are many studies on this topic however we reference two particularly as they relate to Saskatchewan:

- 1) **POLICY SERIES - FRONTIER CENTRE FOR PUBLIC POLICY • POLICY SERIES NO. 113 • AUGUST 2011**

https://fcpp.org/files/1/PS113_SKRentControl.pdf

- 2) **FRASER INSTITUTE SEPTEMBER 4, 2019 Renters remain the big losers in 'rent control' cities. By Livio Di Matteo** <https://www.fraserinstitute.org/tags/rent-control>

Flexibility Improves Quality Long Term Rental Stock

Allowing long term rental accommodation providers the flexibility to manage high vacancy markets will not reduce the availability of "affordable" long term accommodation. The short term market is not seeking deteriorating accommodation. It is seeking accommodation that suits it wants and needs at a price it is willing to pay. Long term rental providers need flexibility to ensure long term participation. Given the amount of "hands on attention" required to properly service the short term market if vacancy rates drop so will the interest in providing resource intensive short term housing.

Homelessness – We Can Do Better

We do not believe restricting the supply of well managed short term or long term rental accommodations will achieve the results that Saskatoon and many other jurisdictions are seeking. History has proven otherwise. Montreal, Toronto, Vancouver have all seen a rise in homelessness. They restricted growth of the rental accommodation supply and tried to

force “affordability” by rent control and other measures. Their housing stock is also deteriorating, so much so that Montreal is this month desperately trying to shame property owners to do better. Property owners have assessed their ROI and have found they cannot and will not invest where there is no return. Montreal’s approach has failed them.

Lloyd’s niece taught him a valuable lesson in compassion. One sunny day while they were visiting the Halifax waterfront his niece made a point of stopping and talking to everyone one who was visibly homeless or appeared to be addicted substances abusers. She chatted with everyone that looked disadvantaged and compassionately with each. The response she received was overwhelmingly positive. Her compassion brightened their day. We have landlords like that – the few among us with overwhelming concern for others , willing to accept anyone as tenants. Jack Grover comes to mind so does the Mustard Seed in Calgary. However, our system, as designed, does not appreciate their unique compassion but treats them as part of the problem not the key to the solution. They should be receiving awards for Most Humanitarian Landlords not put in jail or made to jump through hoops for trying to address homeless for our most vulnerable and “down and out” citizens by forcing them to conform to the “norms”. It is long past time we treat these compassionate people and organizations in a totally different manner. We need to assist and channel their compassion so we all are in a better safer community. We’ll present our views on that at another time.

Consumer Demand and Restricted Supply – Lessons from Prohibition

History has proven that consumer demand is a force that cannot be managed by government restricting supply.

Consumer demand is best managed by accommodating escalating demand by allowing supply to grow while regulating it to mitigate, as best as possible, any negative side effects. We ask how successful was the prohibition of alcohol? Or criminalizing marijuana? Both those ever increasing consumer demands ended up being best managed by increasing supply not restricting it. Jurisdictions everywhere tried for decades to restrict Taxi supply. Most by licensing and in doing so enabled not only a restricted market place but one where profit was assured and by a miscalculation in effects of the licensing system made them, the licenses, an asset of ownership. The arrival of the new economy has left the asset value of those licenses greatly diminished. The differences between Uber/Lyft and a Taxi physically are minimal – most are a standard sedan. Price and availability drove demand. The short term rental demand too is driven by price but unlike the Taxi industry short term rental is mostly driven by demand for product diversity. The same consumer demand that fueled privatization of liquor supply, a quest for variety, is fueling the demand for short term accommodation.

Embracing Change – Tourism Vancouver Leads by Example

Tourism Vancouver signs landmark agreement with Airbnb December 3, 2018 by Sabrina Tey | Acting Communications Manager Tourism Vancouver

“Tourism Vancouver to expand the variety and quality of licensed accommodation offerings in the city, providing visitors with diverse options to suit every budget and style.

“This partnership is an important milestone for both organizations as we work to meet the growing needs of global travellers to our region,” said Ty Speer, CEO, Tourism Vancouver. “We are pleased to be working with Airbnb to attract new visitors and elevating Vancouver’s position as a world-class destination.”

WATCH: Tourism Vancouver partners with Airbnb

<https://www.tourismvancouver.com/media/articles/post/tourism-vancouver-signs-landmark-agreement-with-airbnb/>

Effective Management by Design

What we do see are ways to increase supply and manage it so as few of the negative effects as possible are eliminated by the design of the regulations. As accommodation providers we have witnessed in Saskatoon a remarkable success in the reduction of crime in many multi-unit complexes. The Saskatoon Police Service (SPS) imitative Crime Free Multi-Unit Housing uses a very effective strategy - Crime Prevention Through Environmental Design (CPTED). SPS also uses very effectively “boots on the ground” to manage crime also an important component of property management.

We suggest the new regulations could be designed in such a way as to also reduce crime if simple yet effective property management is built in as a significant part of the solution.

Support of Licensing or Permits

We are on record to supporting licensing. Our thoughts on licensing are garnered from decades of experience in both the long and short term accommodation sectors. We also need to address each of the issues that led the City to this discussion.

Discretionary Use Process

We note that the Administration has proposed that they not City Council approve or disapprove discretionary use applications. This indicates to us there is some flexibility in the process. The currently suggested \$1050 - \$4500 fee is an unrealistic hurdle. This pretty much amounts to prohibition, a process that has never worked before. The process, as we understand it is to allow for “other uses” not to regulate business which apparently outside the City’s jurisdiction. What we suggest is just that allow for the specified discretionary use. We suggest not by everyone but only by the direct involvement of the property owner in delivering the discretionary use.

Big Negative Issues by a Small Portion of Providers

The negatives that are emerging from the rise of internet based platforms, like Airbnb, have created have not been all pervasive. The party houses, gang activity, drugs and human trafficking are not occurring at most host’s locations or hotels. They are occurring at a minority. Our focus is to demonstrate how to positively reduce the negative issues by targeting the minority while allowing the majority of short term rental providers to operate in a regulated environment.

A Good Short Term Rental Accommodation Operator – The Superhost

As property owners that have used Airbnb to obtain short term guest bookings why have we not had these issues? Simply put we use all tools available to screen prospective guests. We have at our disposal tools that hotels do not. Anyone with a credit card can book a room at a hotel website – no questions asked.

The short term rental providers that are not creating issues for their neighbours are using a variety of screening tools to prevent these issues. We include some screen shots (see Appendix “B”, Section 1) from Airbnb’s website to show the tools available and provide their links below.

<https://www.airbnb.ca/become-a-host/42142468/guest-requirements>

<https://www.airbnb.ca/become-a-host/42142468/house-rules>

As Airbnb hosts we can set both basic requirements and house rules. Superhosts do both.

We can manage length of stay (we do it at a week or longer), specify no events or parties, require the guests have provided Airbnb with government issued ID, a valid email, a valid phone number. Guests must have no negative reviews, must agree to numerous house rules and communicate with us during the booking process. The hosts that are using the tools provided are successfully hosting guests, be that 1 day or 28, and not disturbing their neighbours, other resident's or other tenants. These are the typical actions of short term rental providers that are personally engaged in the booking process and have a financial stake in the accommodation being rented.

The Condo Conundrum

We also own condos and understand the concerns of our fellow condo owners. Lloyd has spent 40 years in the Travel & Tourism Industry. Tourism is about being able to immerse yourself in another environment or culture, not immerse yourself as an uninvited trespasser or as unaccompanied guest in the neighbours' private pool. If you want a resort vacation these guests should book a hotel or resort. We firmly believe that short stay guests should have no access to any amenities (swimming pool, spa, games room, deck, patio, BBQ) without personal attendance by the condo owner whose unit they are renting. And the condo owner should have prior approval by the condo association for the privilege of personally accompanying paying guests when they use any common amenities. No parties or events should be permitted in condos or apartment buildings under short term rental without the property owner present.

Effective Short Term Rental Regulation by Pro-Active Design

We have watched from the inside and participated in the short term rental market. We have seen and heard the horror stories. We have also heard the horror stories of long term tenants who have had "neighbours from hell" and been landlords to some of those, however briefly. Our experience, in both long and short term rental markets, is property owners who don't care who their tenants are create immense problems for both their tenants and any neighbours.

We like you have heard the negatives. We however feel these negatives could be addressed by a licensing system that restricts who qualifies for a license rather than a severe restriction of supply by overly onerous and unnecessary approval process. Demand will not diminish but continue to grow. This issue is consumer driven like alcohol and cannabis. Severely restricting those proved futile in the end. Would it not be preferable to go down a path that leads to success, from the beginning, rather than sending the problem underground where it cannot be easily monitored?

We propose a different approach, like Medicare was in 1962. Think outside the norm and get a better solution. Allow consumers the choice they are demanding while controlling who can provide it by a simple but comprehensive licensing system. Our driver's licensing system is a graduated system with checks and balances and different level of competencies depending upon the class of license. It also has clear penalties for infractions. Could we not borrow some ideas of constructive design from that model?

The Elephant in the Room – 3rd Party Management

First off and by far the most critical part of success in this area is who qualifies for a license. As Airbnb host we have had had lots of calls from 3rd party operators to take over the management of our properties. We include a "sales sheet" from one of them, in Appendix "B", Section 2. These are the operators of the "party house", gang facilitators and "ghost hotel" operators in our view. They have no financial investment("skin in the game"), no brand to protect, don't have to repair any damage, deal with disgruntled neighbours in person and in our experience absolutely no concern for what

condo rules might be or how disruptive the guests are. They send their cheque to the property owner whose only concern is cash flow today. The partiers and gangs leave disaster behind and move onto the next party. The property owner has all the fallout to deal with and the 3rd party manager could be careless – they just find another desperate property owner. These 3rd party operators are the exceptions not good hosts. They too are often “ghost hotel” operators accepting anyone with a credit card but they are not in a position to police any activity because unlike a hotel no management is onsite, or even in city, to observe or deal with any issues. These 3rd party operators source of care less property owners will dramatically diminish with a well designed licensing system and coordination with the platform providers. The current proposal allows for anyone to rent short term with the property owner’s permission. The best of the best of these will remain “ghost hotel” operators. These 3rd Party operators are the “elephant in the room”.

Effect of “Boots on the Ground”

Homestays have not had the severe problems such as recently experienced in Toronto condos. Why not? Because the property owner is either present during the stay or they screen very carefully as it is their home they are sharing. We suggest that if licensees are restricted only to property owners (private or private corporation), and this we feel is essential, the owner or shareholders must be personally engaged in the day to day operation. The onus is on the property owner to vet guests and deal directly with guests and any issues they cause, absolutely no 3rd party management. Hotel owners often use 3rd party management but the vast majority of those are branded labels where the 3rd party has a vested interest in performing to exceptionally high standards as it is their house brand they are managing. Long term rental accommodation providers also use 3rd party management companies. We see no issue in continuing this practice. However, in the short term market there are significant challenges that 3rd party managers are not set up to handle. Restricting licenses to “hands on” property owners would also by default reduce the number of suites capable of being managed effectively. By design, big operations are not feasible and most “ghost hotels” impossible. The SPS would also have immediate access to the property owner through license information and they are available as they or a (vacation designate) are in the area.

Public Private Corporations – the REITs and others

We have not seen any active interest in the Bylaw revisions shown by the REITs and similar corporations in this field. However, we may have just missed it. As they are essentially 3rd Party management companies where the owners are not involved in the day to day operations they are “hands off” operators. Their large asset base affords them the ability, if they so choose, to operate as a hotel. We suggest these large corporations that want to provide short term rental be considered as hotel operations as indeed that is what a large concentrated short term rental accommodation complex is by definition. Under the proposed Bylaw many of these complexes will not require discretionary use.

“No Asset Value” License/Permit

We also suggest that licenses be a “no asset” value, as is a driver’s license and unlike taxi licenses in the past. It is issued to the qualified entity and is non- transferrable.

The Great Divide

Accommodation rentals of 7 days or less have been restricted to Bed & Breakfasts and Hostels in the past. While these have been permitted in many areas they are highly visible and neighbours, potential neighbours (those wanting to purchase) in the area could easily identify them.

We suggest a license class for rentals of 7 days or less that is restricted to a property occupied by the owner. These properties could also be permitted to host longer stays whether or not that would be a different category of license is a point for discussion.

Now that Tourism Vancouver has partnered with Airbnb reliable statistics are being released.

Global news reported BY SIMON LITTLE GLOBAL NEWS Posted September 12, 2019 12:03 pm

"The company said about 224,000 guests stayed in Airbnb listings in Vancouver between May 24 and Sept. 2 this year, with the typical booking being worth \$169."

"The average length of stay was three nights, with the most visitors coming from the U.S., Canada, the UK, Germany and Australia."

<https://globalnews.ca/news/5894358/vancouver-airbnb-hosts-raked-in-62m-this-summer-company-says/>

iProperty .com publishes statistics on length of stay. Interestingly the average length of stay does not exceed 7 days. Shown in Appendix "B", Section 3.

<https://ipropertymanagement.com/research/airbnb-statistics>

This divide clearly shows that only a portion of the short term rental market exceeds 7 days.

One Size Does Not Fit All

Allowing short rentals, less than 7 days, in single family homes without the property owner is definitely more problematic. We can see the need for a different class of license/permit and maybe a different and maybe a more stringent process to approve these properties for the "new" use or just prohibit them as these were designed single use.

Properties in low and medium density neighbourhoods that are presently, or in the future, set up as multi-unit dwellings such as permitted suites, duplexes, tri and 4 plexes and apartment building are and always have been highly visible as rental property. They also have not had their operating days restricted except for less than 7 days. We see absolutely no need to change this. What is needed is a way to manage these properties so the worst negative activities associated with short term rentals generated over the internet are addressed and managed.

As a society, we have not been able to eliminate crime. The best we can do is manage crime, as CPTED does. A thoughtfully designed licensing system would be an opportunity to effectively and responsibly regulate by design. You do not have to punish good landlords to achieve the desired result. In fact, making it near impossible for responsible hands on landlords from fulfilling the unstoppable rising consumer demand for choice in accommodation will, in our view, create significantly way more unintended consequences for the City to deal with. A structured, enforceable and comprehensive licensing system has a much better chance of achieving the City's desired outcomes.

Fresh Approach – Better Results

We believe a licensing/permit system and with built in safe guards can and will adequately protect the public from the negative consequences the Bylaw revision is trying to address. The SPS knows "boots on the ground" reduces crime. We believe having "hands on" property owners managing short term rentals will also reduce crime. A well planned licensing/permit system also will not attempt to do the impossible, curtail consumer demand for choice, something

history has proven does not work. Trying to suppress demand has always led to more severe unintended consequences. We suggest this is an opportunity to give a fresh new approach and get much better results in the long run.

License/Permit Application – Screening for Success

The license/permit application could be a screening mechanism that would set the process up for success. Some of its basic information such as property address, property owner, “hands on” property manager’s name and contact info etc. “Hands on” property manager must live and or work in Saskatoon. No long distance management. A series of check boxes could manage a list of requirements. Some uses could be prohibited, or subject to a different class of license/permit, such as parties or events so too parking requirements. The percentage of units for short term rentals could be a sliding scale where a 2-6 unit building could be 50%, 7-12 40%, 13-18 30% and so on possibly capping the number of units in any complex so clustering is managed in a simple manner by design of the licensing/permit system.

Public Awareness – Community Oversight

The process could require hosts/landlords to display a license/permit on their property clearly visible from the street as is currently required for taxis and on the unit in multi-unit complexes. The booking platforms could be required have a City license/permit too. Property owners could be required to post their license/permit, with length of stay, on any booking platform they use and in all rental units. Disclose all their booking platforms by checking boxes on the city application. Booking platforms like Airbnb are starting to address taxation, licensing, and the rise of crime on a city by city basis. A little effort working with these platforms would go a long way to ensuring they are only listing licensed properties and collecting taxes or tourism fees.

Crime Prevention Through Licensing/Permit Design

Crime prevention is one of the leading motivators of the slew of new rules and regulations being implemented by various municipalities across Canada. Most are trying to restrict supply to eliminate the problem. Prohibition of consumer demand has never worked. Why would anyone think it would work here?

Crime prevention will be best achieved in a visible marketplace with well-designed controls. The SPS has proven that design is an important in reducing crime. The universally accepted CPTED is working. After a tragic highway crash rocked the nation the response was not to restrict trucking. The response was to require more training and better licensing. A comprehensive, effective, manageable licensing system equals safer communities, affordable housing, and quality short and long term rental stock.

Advantages and Disadvantages of a Comprehensive

Multi Class/Tier Licensing/Permit System

Advantages:

- 1) Establishes a control mechanism for orderly management of short term rental properties
- 2) Channels ever increasing consumer demand to regulated operators
- 3) Reduces the viability of an underground economy of “ghost hotels” and their associated negative consequences

- 4) By design potential for crime is significantly reduced
- 5) Addresses virtually all the present known concerns expressed to council from the interested stakeholder groups
- 6) Manageable as it patterns a proven and universally accepted licensing model
- 7) Has built in compliance enforcement tools
- 8) Allows for flexibility in ever changing market conditions of supply and demand
- 9) Improves the availability of quality rental property inventory
- 10) Allows for a unique license class to specifically address at risk individuals and homelessness and their potential accommodation providers
- 11) Makes home ownership more affordable
- 12) Does not punish operators that have played by the existing rules
- 13) Visibly informs the public of permitted uses and operators
- 14) Removes the onerous process (both on the City and applicants) of the discretionary use application process.
- 15) Facilitates orderly provision of short term rental accommodation in a “visible” market place versus an “underground” economy
- 16) Allows for a simpler collection process of sales taxes and tourism development funds

Disadvantages:

- 1) As it is a more comprehensive system, immediate implementation may not be possible
- 2) As with the addition of any new regulation it will require additional staff resources
- 3) Will require some new infrastructure such as computer management software
- 4) Will require further public engagement
- 5) Will require additional funds for publicity of the new model

Our Request

Our request is that City Council send the proposed Bylaw changes back to the Administration for review. We believe a superior licensing/permitting system from what is being proposed would have significant benefits to the City Administration and to all citizens of Saskatoon over a very long term and changing economic conditions.

Is our solution perfect? Probably not. Have we thought of everything? Probably not. Are there challenges in integrating a license/permit system with provincial regulation? Possibly.

A serious and comprehensive review would uncover gaps and the final result could be a greatly improved and manageable licensing/permit system. Such a system would not only benefit Saskatoon but every municipality in the province. If the Province needs to be involved to get this right then that should be a preferred route versus a rush to a fix, a very ineffective fix.

The good long term rental accommodation providers in the City of Saskatoon should not be punished in this process. A well-structured system can achieve the desired results without negatively impacting the existing private short (7+ days) and long term rental accommodation providers currently operating.

Appendix "A"

Our Profiles

1. Lloyd W. Beazley

A longtime tourism professional with 50 years of hospitality experience. Started at Fairmont Jasper Park Lodge in 1967 and became manager at the Dartmouth Inn (110+ room hotel/motel) upon Graduation from Dalhousie University in 1970. Left Nova Scotia upon purchasing a car rental franchise in 1974. I retired from the car rental industry in 2009. Love travelling and meeting new people while experiencing new cultures. I have traveled to all 7 continents and 48 countries. I enjoy Saskatchewan's pristine wilderness and have spent many summers fishing and canoeing Saskatchewan's north country. Some during my 15 years as a Leader with Scouts Canada. I most enjoy FIT (fully independent travel) so if you need any assistance with things to see or do in Saskatoon I'd be thrilled to assist. I spent many years on the Boards of Tourism Saskatoon, Wanuskewin Heritage Park, Skål International Saskatoon and Skål International Canada and have been Board Chair or President of each organization. I believe one should learn something new everyday. I'm sure 2019 will be full of new learning experiences. 2019 will be my first year as an Airbnb host but I am no stranger to giving superior customer service. From first contact until your stay is complete my job is to ensure I exceed your expectations. My wife Terry and I have owned Wee Vend Inc. since 1990 and purchased Fleetwood Apartments in 2001 and have invested heavily in upgrading and modernizing the building. Our suites have just been newly furnished and fully equipped for Airbnb guests. I will meet you on arrival and welcome you and provide you as much or little interaction as you prefer. Welcome to Saskatoon I hope to meet you soon.

2. Norm Osback

Norm's Community Involvement in and around Saskatoon:

A REALTOR® for over 30 years & a member of the RE/MAX 100%, Platinum Club & RE/MAX Hall of Fame Since 2008, is a Real Estate Investor & provides top quality rental units for those that choose to lease instead of buying; SaskatoonRentalProperties.ca

Is a condo owner & condo board member and a board member of the North Saskatchewan Chapter of the Canadian Condominium Institute since 2012.

In 2008, Norm was given the task of determining the feasibility of acquiring city water (potable) for a small hamlet south of Saskatoon. The committee partnered with the existing Dundurn Rural Water Utility, which is now Saskatchewan's largest rural water utility which was serving water to more than 600 rural residences in the South Corman Park, RM of Dundurn, RM of Rosdale/RM of Blutcher/ including the hamlets of Thode and Shields and towns of Dundurn, Hanley, Riverside Estates & numerous acreage developments. Due to prudent financial management, this is likely the only water utility that was completely paid for before water flowed down the line and was built without bank funding. Was a board member of the Dundurn Rural Water Utility 2011 to April 2017.

Past volunteer at The Regional Psychiatric Center (Federal - Maximum Security Prison) Citizen's Advisory Committee and Patient Visitations from 1993 too March 2017

Past-member of Children's International Summer Villages (Saskatoon Chapter) since 1994

Supporter of Children's Health Foundation & Children's Miracle Network since 1998

Has participated with Habitat For Humanity, helping build houses and purchasing materials from their store & making regular donations via REIN. As of 2015, REIN & REIN members have donated well over \$1,000,000 to H for H

Volunteers with Saskatchewan Health as a "First Responder" from 1999 to date

Past Board Member / Committee Member of many organizations including, Saskatoon Real Estate Board, Children's International Summer Villages, Tourism Saskatoon, Redeemer Lutheran Church, the RE/MAX Saskatoon-Institutional Advertising Committee, South Corman Park Community Association & Hamlet of Beaver Creek Community Association, was a member of the Prairieland Park Corporation , the Saskatoon Lily Society, past member of the Saskatoon Horticultural Society, past member of Early Risers Toastmaster club and past member of the Citizen's Advisory Committee at the Regional Psychiatric Center in Saskatoon 1993 too March 2017

Appendix “B”

Referenced Materials

1. Airbnb Web Tools

2/1/2020

Edit Guest requirements for 'm' - Airbnb

Step 3: Get ready for guests

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Review Airbnb's guest requirements

Airbnb has requirements that all guests must meet before they book.

All Airbnb guests must provide:

- ☒ Email address
- ☒ Confirmed phone number
- ☒ Payment information

Before booking your home, each guest must:

- ☒ Agree to your House Rules
- ☒ Message you about their trip
- ☒ Let you know how many guests are coming
- ☒ Confirm their check-in time if they're arriving within 2 days

Add additional requirements

- ☒ Government-issued ID submitted to Airbnb
- ☒ Recommended by other hosts and has no negative reviews

More requirements can mean fewer reservations.

[< Back](#)[Next](#)

https://www.airbnb.ca/become-a-host/42142465/guest-requirements

1/2

2/1/2020

Edit House rules for 'm' - Airbnb

Step 3: Get ready for guests

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Set house rules for your guests

Guests must agree to your house rules before they book.

Suitable for children (2–12 years) [?]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Suitable for infants (Under 2 years) [?]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Suitable for pets [?]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Smoking allowed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Events or parties allowed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Additional rules

Quiet hours? No shoes in the house?

Add

Details guests must know about your home

[More Airbnb articles](#)

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https://www.airbnb.ca/become-a-host/42142465/house-rules

1/2

Step 3: Get ready for guests

- ☐ Some spaces are shared
- ☐ Amenity limitations
- ☐ Surveillance or recording devices on property
- ☐ Weapons on property
- ☐ Dangerous animals on property

Appendix “B”

2. 3rd Party Sell Sheet

New management companies are emerging to assist the more than 1,000,000 new Airbnb hosts looking to improve the performance of their short-term rentals. Traditional vacation property managers have struggled to keep pace with the rapidly evolving industry. Property managers once supported their high cost, often 30%-50% of total revenue, by flouting their marketing capabilities. But the rise of sites such as Airbnb have created a one-stop shopping platform that streamlines the entire search and booking process. Filling in the gaps in service that Airbnb has not addressed, new specialized Airbnb property management companies have emerged to help hosts successfully outsource all or small portions of the day to day operations. As Airbnb matures, so have its hosts, many of whom have seen 100+ guests come and go. These full-time hosts are continually looking for ways to improve their guest experience while at the same time preserving their sanity. The drudgery of making beds and responding to the same “is your place available?” email for the thousandth time can drive anyone mad. At some point, Airbnb hosts can feel a bit burnt out and have a reality check moment, “Is this something I’m able to manage full-time, oversee part-time, or do I need to completely outsource it?”

Appendix “B”

3. iProperty.com - iHabits by Location

The average San Francisco hotel guest visits for 3.5 days and spends \$840. The average San Francisco Airbnb guest visits for 5.5 days and spends \$1,045.

Airbnb visitors stay on average 6.4 nights (compared to 3.9 for hotel guests) and spend \$880 at NYC businesses (compared to \$690 for average New York visitors).

In Paris, Airbnb guests stay an average of 2.9 nights longer and spend €426 (\$529.10) more over the course of their trip, compared to hotel guests.

In Amsterdam, Airbnb guests stayed an average of 3.9 nights and spend €792 (\$983.68) during their trip, compared to hotel guests who stay an average of 1.9 nights and spend €521 (\$647.09).

In Berlin, Airbnb guests spend more time and money in Berlin than hotel guests. Airbnb guests stay an average of 6.3 nights and spend €845 (\$1,049.51) over the course of their trip, compared to hotel guests who stay an average of 2.3 nights and spend €471 (\$584.99).

In London & Edinburgh, Airbnb guests stay on average 4.6 nights (compared to 3.1 nights for typical visitors to the UK) and spend twice as much over the course of their trips (\$1,496 compared to \$713 for the average visitor).

Airbnb guests in Sydney spend AUD \$1,822 (\$1443.57) over the course of their trip compared to average tourists who spend AUD \$1,071 (\$848.55).

Airbnb guests stay 2.4 times longer and spend 2.3 times more money compared to typical tourists. They also stay in more diverse neighborhoods throughout the city, and 45% of their spending occurs in the neighborhood where they stay.