

1. My name is Dr. Brock Smith, and I am a professor marketing & entrepreneurship at the University of Victoria. I was born, raised, and educated in Vancouver and expect to live here again. I have a research interest in the sharing economy and I am here to share some research insights that I hope will help council make an informed decision about the proposed STR bylaw and licensing.
2. The shared lodging economy in Vancouver is large and important. Last year I analyzed Airbnb's impact on Vancouver's economy, which when multiplier effects are considered, exceeds \$400 million in Gross Domestic Product. That income supports more than 900 full time jobs, which in turn, supports about \$32M in municipal tax revenue. Additional income, jobs, and property tax revenue is supported by the expenditures of property owners making their units more rentable.

The 1.2 million people who stayed in Airbnb's in Vancouver in 2016 spent, on average, \$151 on food, entertainment, and activities during their visit - much of that in restaurants and cafes within a 3 block radius of their lodging – Consequently STR visitors are an important source of revenue for small businesses and helps disperse tourism revenue throughout the city.

3% of visitors said they would not have come to Vancouver without STR and another 4% said they would have stayed with friends/family – so STRs are economically important to bringing new money to the Vancouver economy.

3. Despite a comprehensive consultation process, I believe council is trying to make important decisions without all the necessary information. A July 11 2017 powerpoint presentation to council asserts that there are more than 1,000 STR units in Vancouver that are not principal residences. This statement is followed by the assumption that these may potentially be added or returned to the long-term rental stock. I think this assumption needs to be tested. We simply don't know if people will buy or keep properties to rent long-term in today's real-estate context. A Talk Vancouver public survey found that 71% of respondents believe that STRs make it harder to find affordable long-term rental housing. Belief is not evidence and currently there is no real evidence informing to what extent, when, and how short term rentals impact LT rental supply.

We also do not know - To what extent STRs factor into the selling price of homes in Vancouver. Or 'to what extent STRs impact the hotel industry - economically and in terms of employment.'

I think we need to know answers to these questions to make informed policy and I encourage council to seek answers to these questions.

4. With respect to the proposed bylaw, I am concerned with the use of the term principle residence which could easily be confused with the definition of principle residence for tax purposes. Many baby boomers are downsizing, buying condos or apartments in Vancouver but keeping as their designated principle residences for tax purposes their homes in Whistler or in places like Bowen Island. But they live in Vancouver much of the time and their Vancouver properties would meet your criteria.

*[I later thought of a response to Councilor Carr's question: a better term would be 'primary residence' to avoid confusion with the federally defined 'principle residence'.]*

5. I also find the definition of a rental unit confusing. In section 2 definitions, under service uses, item iii) specifies STR accommodation as a dwelling unit, or one or more bedrooms in a dwelling unit. Then in section 11.32.7 the proposed bylaw says "No more than one booking may be permitted as short term rental accommodation in each dwelling unit at one time. I interpret this to mean that providers can offer multiple rooms for STR but can't rent those rooms to different people. That does not make sense to me. If two couples wanted to visit Vancouver together, they could stay in the same house if one person pays for two rooms, but couldn't stay together if they pay separately. The same number of people are using the accommodation irrespective of who pays. That part of the proposed bylaw needs more thought.

To conclude, while I applaud your efforts to balance diverse and sometimes conflicting interests. I think much of the motivation for this proposed by-law is to protect the long-term rental market. I'd hope that a research plan would be part of the implementation of the by-law so that over the next few years we get the evidence to determine if the by-law actually achieves what is intended.