

Submission

Council of The Corporation of the Municipality of Kincardine

Municipal Accommodation Tax - Implementation Plan

We are Kincardine residents.

Council will be considering an Implementation Plan for a Municipal Accommodation Tax along with regulation short-term accommodation.

Summary

This is not just a question of generating revenue from a tax but it is an issue that requires urgent attention given:

- Explosive growth in short-term rentals in Kincardine (235% increase in one year)
- Non-resident investor owners of these short-term rentals means:
 - Negative impacts on housing affordability
 - Conflicting land use with these short-term rentals operating as commercial operations disrupting neighbourhoods

Many nearby municipalities have shown that cost-effective regulation / enforcement can successfully drive revenue generation and manage the negative impacts.

Immediate action, starting with registration of all short-term rentals, is required.

Explosive growth - 235% increase

- There are now 151 short-term rentals available through AirBnB in Kincardine;
 - This is a 235% increase compared to the 45+ identified in last year's report to Council (click [here](#) to see full list)
- This number does not include other similar sites such as VRBO - which currently shows 112 available in Kincardine (click [here](#))

Reducing housing affordability and degrading neighbourhoods

- 52% of Kincardine residents believe short-term rentals are having a negative impact on availability and affordability of housing
- Non-resident investors are buying houses and running commercial operations in residential neighbourhoods contrary to zoning regulations and degrading neighbourhoods

Example: From a home to a mini-hotels

- This Kincardine AirBnB listing - click [here](#) - used to be a home with two long-time Kincardine residents; it is now basically a mini-hotel having been bought by non-resident

owners who rent it out for a net cost of \$400 / night - with at least seven different people staying there in August alone

Opportunity

Urgent attention is required including:

- By end of 2023: Require all short-term rental operators to register (so we know how many there are and where they are located)
- Target May 30, 2024: Have all the necessary regulations in place before next summer

Background

Council (as per June 20, 2022) has asked for a Municipal Accommodation Tax implementation plan to come back in 2023 (extracted pertinent sections below). This was based on the report Council received entitled "CAO General-2022-02 Municipal Accommodation Tax."

Submitted by:

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