

Tess Krebs  
McKree Properties, LLC

## **We all want three things: Community, Accountability, and the Opportunity to Thrive**

### **Who am I?**

I am a home investor and renovator here in Metro Louisville. My partner and I have been in business for over nine years. During that time we have renovated over 30 homes from the Highlands to Okolona, Crescent Hill and Clifton to Germantown. We love houses and we breathe new life into forgotten properties.

Our business is also an owner of a short term rental. It is a house we bought for \$12,500.00 2 ½ years ago and have subsequently renovated it from the ground up and now it is valued at just over \$300,000.00 (we have successfully increased our property tax burden). It is beautiful. Our guests love it and so do we.

### **What I want?**

I want to be able to have the option and opportunity to operate our house on Chestnut Street as an Airbnb (short term rental).

I want there to be clear and fair regulations and requirements for all short term rental owners in the Metro Louisville area.

I want to not have to worry about being legal.

I want to not have to worry that my investment of time, material, and money is for naught.

I take and tolerate a great deal of risk in our business—financial and creative. However, in order to maintain confidence and stamina in a risky environment certain variables need to be constant. One of these variables is the local regulation of short term rental. We have gone to great pains and expense to make our property on Chestnut a solid and beautiful dwelling. We have also done the legwork to move it from a short term investment to a long term investment (20 year loan). We are committed to it and to Louisville. We want Louisville to commit to us.

There are several different types of short term rental owners: the primary resident owners with a room, the primary resident owners with the ability to rent their entire house (over Derby, etc.) for a short period of time, the secondary home owners who rent rooms or the entire house, the secondary home owners (investor/renovator types) that are involved in the housing business that have chosen to rent out all or part of an investment property, the investor who has created a business based primarily on the short term rental market and owns one or more dwellings set up for that purpose. There are definitely differences between these owners. However, the similarities are stronger and are what we as a group bring to Louisville.

**We are a community of people who:**

- Are interested in appealing to the short term rental market to derive income.
- We all have property to lend to this enterprise—from a room to several buildings.
- We all have taken the time and money to invest in our property to make it appealing to the short term renter.
- We all have to maintain a level of cleanliness and maintenance of our space that will keep our client (the short term renter) happy and wanting to return.
- We all are subject to regular reviews (ex. Airbnb website) by our renters so we are deeply invested in our product (our property). Bad reviews are bad for business.
- What this simply means is that “We all are **accountable** for our properties.”
- Accountability produces a higher level of investment and product.
- With Airbnb we have the ability to screen our potential guests before booking and feel comfortable about who we share our space with—**it is a community based on trust and accountability.**

**What does the Short term renter want?**

- \*\* The short term renter wants a place that is clean and well-cared for, structurally sound.
- \*\* The short term renter wants their space to appear as if no one was there before them.
- \*\* The short term renter wants to be able to connect with a host/owner who is clear and confident and sets them at ease—knowing that they are safe and worry free during their stay.

Since we are all more similar than different in our business enterprises I ask Metro government to create reasonable across the board regulations (taxations and licensure) for all short term rental owners regardless of residency status. This will give us all clear guidelines to follow and a fair economic environment in which to do business. By nature life is not fair—we all know this—but regulations and legislation help to take out some of the inequity and allow everyone a chance to flourish.

**On a more general note:**

**Why allow and encourage the short term rental market aside from hotels and bed and breakfast enterprises?**

- Short term rentals are a different type of renter.
- We provide a third option for travelers: somewhere between a hotel/extended stay suite and a bed and breakfast.
- We are personally invested in our own success and the success of Louisville’s tourist/business traveler market.
- We care about our properties and maintain them and thus help strengthen Louisville’s infrastructure.
- We are helping to increase Louisville’s tourist and business traveler market.
- The hosts market Louisville and Kentucky businesses and help to build the strength of our economy.

- We network for Louisville area business through conversations with our guests and brochures etc that we share with them.
- We are good for the economy.
- We draw business to Louisville.
- We help put Louisville on the map.
- We are part of the Louisville team.
- Louisville is a destination town and we are part of that success.

We are an integral part of Louisville's local, national and international image. We are free marketing for Louisville.

Please help us stay in business and strengthen our businesses. Give us clear, concise, reasonable and fair guidelines and requirements. Give them to all of us equally so we can all have the **opportunity to thrive**.

Thank you.