

Short Term Rentals in BC

UBCM Presentation

April 5, 2023



Ministry of Housing



The Problem

- CMHC reported rental vacancy rates in B.C. for Purpose Built Rentals current average **1.3%** in BC for communities over 10,000
- Research from McGill University indicates that at the end of 2021, STRs were removing almost **14,000 units** from BC's long-term rental market
- The ministry estimates this is equivalent to about **2%** of the 670,000 units in the long-term rental market in BC
- ~50 local governments have by-laws and ~25 of those have business licencing to restrict STRs, but **compliance/enforcement is often not successful** or even feasible for smaller communities
- **Final Note:** McGill reports that in 2021, the top 10% of hosts in B.C. earned about half of the total STR revenue, and commercial operators are becoming a much more significant presence



UBCM/Province Advisory Group

- In January 2020 the BC government and UBCM established a **Joint Province-UBCM Advisory Group** on Short-Term Rentals and held its first meeting
- The Advisory Group, **co-chaired** by local government and the Province included:
 - 4 local government elected representatives,
 - 6 local government staff,
 - 4 provincial government staff; and
 - 2 UBCM staff
 - representation included communities of Whistler, Vancouver, Victoria, Nelson, Burnaby, Kelowna, Tofino, the Islands Trust, and the Thompson-Nicola Regional District
- Over two years, the Group held five meetings to assess issues related to short-term rentals and released a report in 2021 with **13 requests** to help return housing units suitable for long term rentals, back into that inventory

Key Recommendations of the Advisory Group

- Introduce a **provincial regulatory framework to increase** “platform accountability”. In other words make the platforms accountable to the Province do certain things such as only accept listings with valid local government business licenses
- Require STR platforms to **share data** so local governments have the information needed (such as names and address) for more effective local government by-law compliance
- Provide Regional Districts with their own authority to issue **business licenses**
- **Increase the allowable fines** that local governments can levy against short-term rental hosts operating out of compliance
- **Collect tax at the point of booking** for all online accommodation platforms (Done!)
- **Various other tax measures**, aimed in part at raising revenue for compliance and enforcement



Progress

- **Minister of Housing Mandate Letter (December 2022):** “Introduce legislation establishing new tools for local governments to help them better regulate short term rentals in their communities”
 - Recognizes that local governments are in the best position to regulate the STR hosts
- **January-February:** Ground-truthed the UBCM recommendations and received advice from communities who have been actively trying to enforce STR by-laws for several years now
- **Policy work in progress now** - team of 4 in the ministry:
 - Using Advisory Group report as guidance
 - Reviewed recent report by McGill School of Urban Planning re best practices
 - Researched and spoken with many other jurisdictions in Canada and abroad
 - Working with Ministry of Municipal Affairs, Ministry of Finance, and legal services on the analysis needed for a government decision on provincial measures
 - Keen awareness that each community will want a different balance



In Closing....

1. Legislation is only the first step – implementation after that and getting results will take some time.
2. Work of the UBCM Advisory Group been very helpful – so thank you!



Photo: Ben Breitenstein