



Short-Term Rental Regulations to Provide Workforce Housing

Introduction

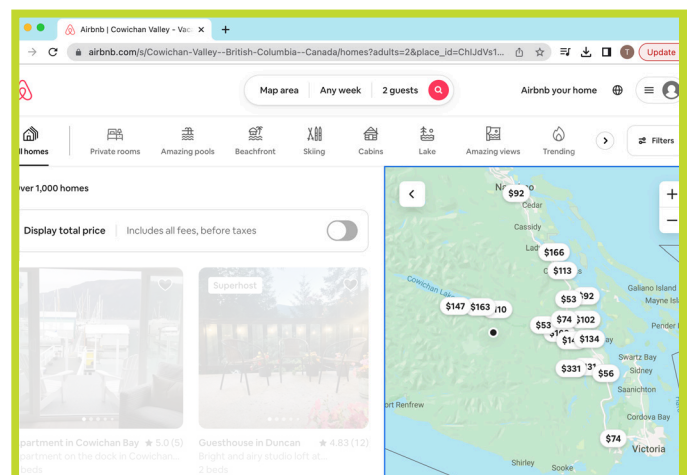
Short-Term Rental Regulations can clarify the use of short-term rentals (STRs) with the goal of maintaining more owner-occupied units and long-term rental housing.

Private rentals through online platforms such as Airbnb or VRBO have grown as a popular alternative to traditional tourist accommodation (e.g., B&Bs or hotels), which can result in long-term housing being converted into STRs. With 75% of STR users under the age of 45, the market is expected to grow significantly. Tourist destinations are especially concerned about the availability of rental accommodation for residents and the local workforce, which has led some authorities to implement regulations to manage the use of STRs.

Appropriate regulation can provide clear guidance to shape the growth of the sector in a way that balances the needs of long-term housing and property owner preferences with tourism and worker needs.

How do short-term rentals impact workforce housing?

- ▶ Especially in tourist destinations, short-term rentals reduce the availability of rental accommodation for residents and the local workforce;
- ▶ In addition to tourist accommodation, STRs can provide medium-term accommodation needed by contract and seasonal workers, relocating workers, and others; and
- ▶ Seasonal workers, hired in response to the increased demand in the tourism industry, are competing with holidaymakers for rental accommodation.



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What is happening in Cowichan?

Cowichan has seen a significant increase in the number of STRs, with over 1,000 Cowichan Valley rentals listed on Airbnb as of April 2023. Many of these STRs are currently not legal uses under zoning and a growing number are under commercial ownership. Some homeowners may rely on STRs as a secondary source of income, where the unit is not suitable for long-term accommodation. Others may be choosing to have STR use rather than long-term accommodation for personal or profit-based reasons. The Cowichan Valley Regional District (CVRD) and member municipalities could consider short-term rental regulations to protect the existing rental housing stock for residents and workforce.



Case Study #1

City of Victoria

The City of Victoria introduced a **Short-Term Rental Regulation Bylaw that limits the use of short-term vacation rentals** so they are no longer an acceptable land use in transient zones. The motivation behind this bylaw is to protect the housing supply within the city, address the city's low vacancy rate, and free-up rental units for residents.

Short-term rentals are only permitted if the property is a principal residence – the whole home on occasion for up to 30 days (i.e., during the occupant's vacation) or up to two bedrooms in the home with shared kitchen and living spaces. Self-contained dwelling suites are not permitted, apart from when a renter rents out on occasion with the owner's permission. Short-term rentals are also permitted as a legally non-conforming unit where transient accommodation was a permitted use, meaning when the property was in use as a short-

term rental in a transient accommodation zone prior to 2018 zoning changes.

To operate a full-time short-term rental, all operators must hold a valid business licence. Possible fines (ranging from \$10 to \$10,000) are issued for every instance that an offence occurs or each day it continues.



Image Source: <https://www.tourismvictoria.com/city-victoria>



Case Study #2

Alberni-Clayoquot Regional District

The Alberni-Clayoquot Regional District (ACRD) undertook public consultation and research in 2017 in response to a growing number of visitors and complaints about vacation rental units. In 2018, the ACRD **adopted a Short-Term Vacation Rentals Temporary Use Permit Policy** that outlines when a Temporary-Use Permit (TUP) may be considered to allow short-term rental use. The zoning of a property determines whether a TUP is needed to operate a short-term rental. A business licence is not needed to operate a short-term rental, as the ACRD does not require one to conduct any type of business. However, if the property falls within Tofino, Ucluelet, or Port Alberni, a business licence may be required.

In issuing a TUP, the ACRD may specify conditions including buildings to be used, area of use, hours of use, total number of permitted rental occupants, availability of owner or caretaker, form and character of the rental, and environmental protection.

The Regional District of East Kootenay, Squamish-Lillooet Regional District, and Regional District of Okanagan Similkameen are among other regional districts in BC that have implemented TUPs to manage short-term rentals.



Case Study #3

District of Sicamous

The District of Sicamous has implemented regulations for short-term rentals through a **new zoning bylaw to regulate where short-term rentals are located and what is needed to operate**. The regulations require short-term rentals to have a business licence, provide off-street parking, limit occupancy to two adults per bedroom, and a Sicamous resident managing the property. The District is leaving the door open to rezoning properties to allow existing short-term rentals to continue.

The bylaw was established in response to concern over the negative impact on local hotel businesses, availability of housing, and residential character of neighbourhoods.



Image Source: <https://www.saobserver.net%2Fnews%2Fbusiness-licensing-key-to-enforcement-around-short-term-rentals-in-sicamous>



Case Study #4

Town of Gibsons

The Town of Gibsons updated three bylaws that will **phase out short-term rentals where no one permanently resides**. The Town updated the Business License Bylaw to add short-term rentals as properties that require a business licence, Bylaw Notice Enforcement to introduce penalties for short-term rentals, and Zoning Bylaw to alter zones where short-term rentals are permitted.

The regulations outline two 'streams' of permissible residential guest accommodation. Stream 1 allows for dwelling units with a principal resident and Stream 2 allows for dwelling units where there is no permanent resident. Stream 2 will be phased out within the next 2-5 years, however, in the meantime, permission to operate within Stream Two is granted to a limited number of units under a Temporary Use Permit.

This approach was taken to help achieve Council's goals to:

- 1 Retain long-term rental supply;
- 2 Keep the scale of business appropriate to residential neighbourhoods;
- 3 Respond to the needs of homeowners wishing to have added revenue; and
- 4 Provide tourists with accommodation options for staying in and visiting Gibsons.



Image Source: <https://www.gibsonschamber.com>



Image Source: <https://www.cbc.ca/news/canada/british-columbia/metro-matters-gibsons-mcelroy-1.5075623>



Key Takeaways for Cowichan

- ▶ **Especially in tourist destinations, short-term rental regulations can be implemented to regain control over the use of rental properties and safeguard long-term rental housing for residents and the workforce; and**
- ▶ **Approaches to short-term rental regulations in various jurisdictions include zoning bylaws, temporary-use permits, phasing out non-permanent residences as short-term rentals, business licence requirements, and regulating occupancy, parking, and property management.**