

UBCM – September 28, 2017

Vacation Rentals in Penticton

Anthony Haddad MCIP, RPP
Director of Development Services
City of Penticton



penticton.ca

Why Penticton has Vacation Rentals

TOURISM

- Top 10 Destination (Huffington Post)
- History of large events
 - Ironman / Challenge / ITU / Granfondo
- Wine industry
- Best beaches & lakes in North America
- Action packed outdoor opportunities

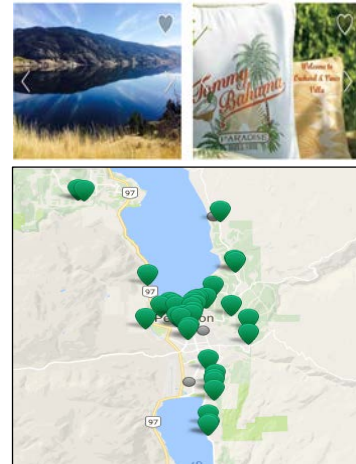
ACCOMMODATION

- Great hotels... older stock
- Loss of campgrounds... family experience
- Local experience... we have what they want



We started regulating it in 2010

- Vacation Rentals permitted in Penticton: 2010
 - 2 persons per bedroom
 - 5 guests per dwelling
 - Ownership restrictions
 - No exterior signage
 - Limiting neighbourhood nuisances
 - Basic occupant health and safety conditions
- Fee Structure since 2010
 - Regular business license fee
 - Yearly \$200 tourism fee
 - ❖ (established to help offset the 2% hotel tax)
- Only **34** Vacation Rentals licenced in 6 Years



Issues & Compliance

- Loss of existing long term rental housing stock
- Permitting / inspection process
- Commercial operations in residential neighbourhoods
- Nuisance complaints due to parking and noise
- Staffing for enforcement and compliance
- Long term tax revenue
 - Property improvements
 - How should these properties be taxed?
- Lack of compliance with health and safety regulations
 - Community Reputation
 - Public Safety

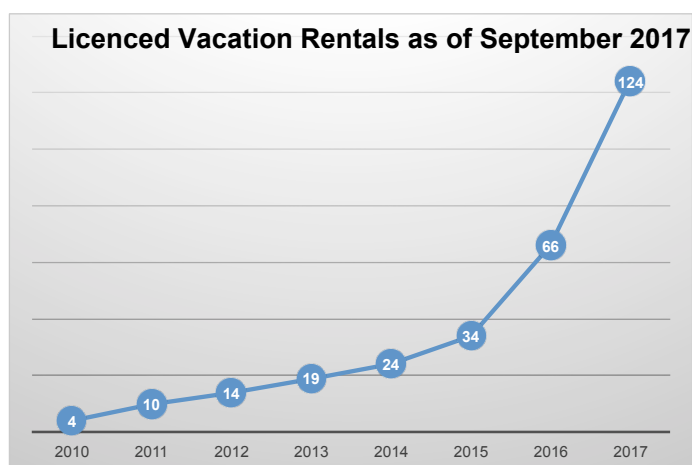


2016-2017 Changes

Vacation Rental Type	Annual Fee
Home Stay Rental <ul style="list-style-type: none"> Short term rental of less than 14 days per year 	No licence requirement
Minor Vacation Rental <ul style="list-style-type: none"> Vacation rental for less than 30 rental days per year Owner is a principal resident during guest use Maximum of 2 persons per bedroom with a maximum of 6 guests. 	\$275
Major Vacation Rental <ul style="list-style-type: none"> Vacation rental operation of more than 30 rental days per year Maximum 2 persons per bedroom with a maximum of 6 guests 	\$425
Major Vacation Rental (High Occupant) <ul style="list-style-type: none"> Vacation rental operation of more than 30 rental days per year More than 6 guests for a Minor or Major vacation rental Consultation with adjacent properties required before approval 	\$550 + \$250 first time fee



Recent work – 2016/2017



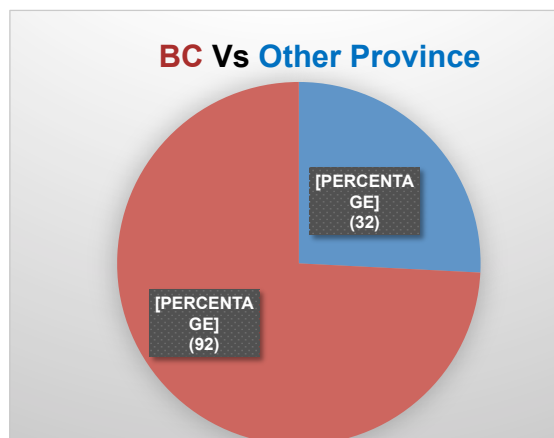
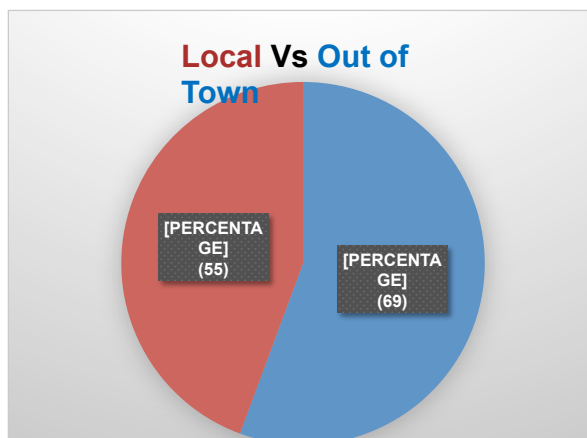
• **2016 Awareness Campaign:** Economic Development and Bylaw Services

• **Active enforcement** against a select number of businesses took place.

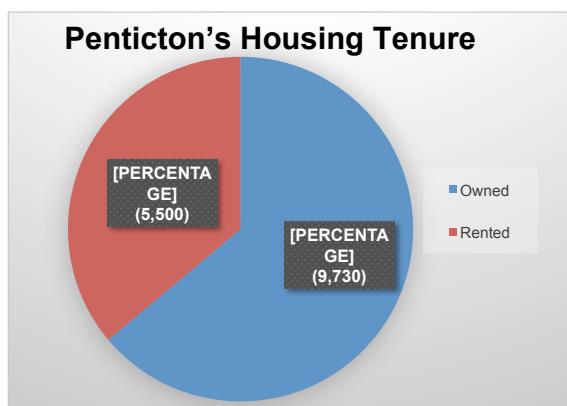
• **Active education** = Increase in Compliance

• **2016-2017:** 264% increase in licenced Vacation Rentals

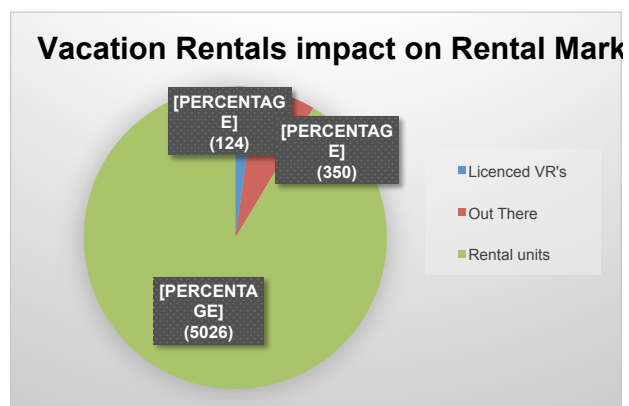
Where do the owners live?



Housing trends



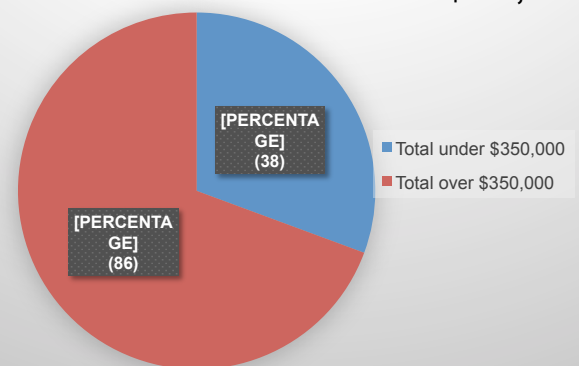
Total Housing Units: 15,230
(2011 Census data)



Total Rental Units: 5,500
(2011 Census data)

Housing Affordability

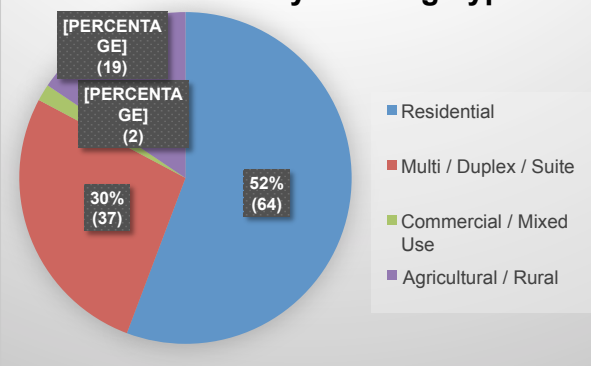
Total Vacation Rentals under \$350,000



Average Property Value of all Penticton Vacation Rentals

\$494,253

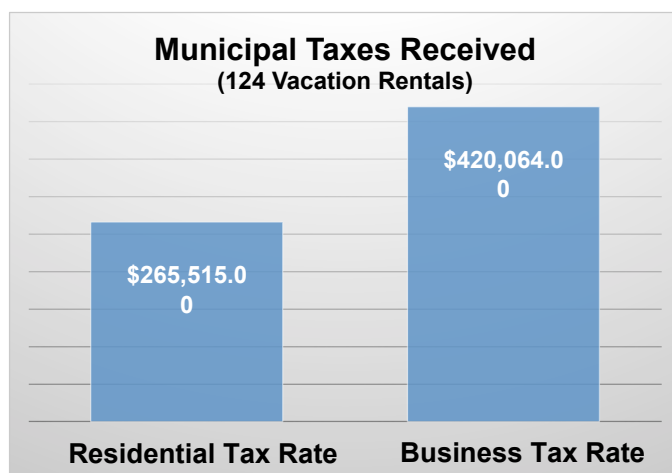
Vacation Rentals by Housing Type



Average Property Value those under \$350,000


\$304,266

What are we missing out on?



- Are these businesses?
- \$150k+ in additional municipal taxes could be generated for:
 - Affordable Housing
 - Tourism
 - Additional Resources
 - Community Amenities


****Over 350 vacation rentals are not licensed in the City of Penticton



Short Term Rentals in Tofino

Josie Osborne
Mayor
District of Tofino
UBCM 2017

www.tofino.ca
250-266-5229
osborne@tofino.ca



DISTRICT OF TOFINO

1

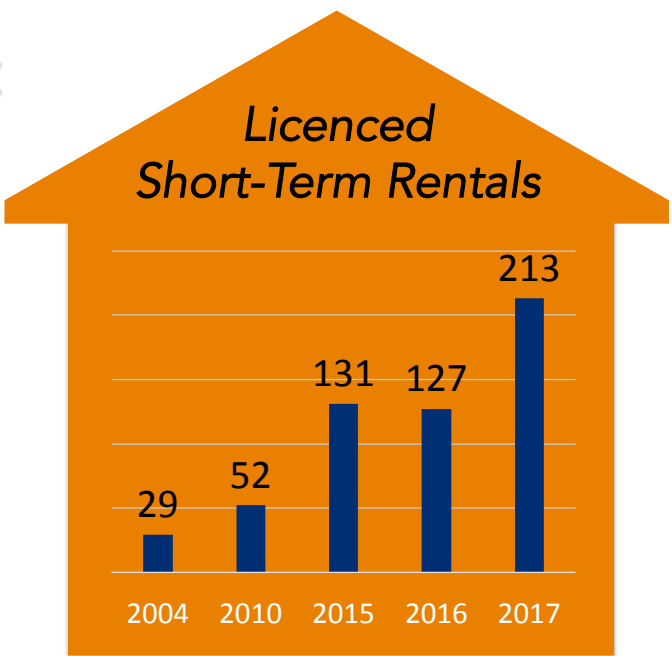
History & Context

Short-term rentals regulations established in 2005, through Zoning and Business Licence Regulation Bylaws

Balance between participating in the tourism economy and maintaining integrity of residential neighborhoods

Discouraging speculation, encouraging residential use of residential properties

Licensed Short-Term Rentals



Year	Licensed Short-Term Rentals
2004	29
2010	52
2015	131
2016	127
2017	213

2

Competing objectives of STR and housing

- To ensure that residential properties are used as homes first and foremost;
- To provide sufficient, adequate and affordable housing for residents (long-term and seasonal)
- To enable residents to participate in the tourism economy;
- To minimize and mitigate unwanted impacts and conflicts of nightly rental operations;
- To reduce property speculation and rising property prices;
- To treat tourist accommodation providers fairly; including fair contribution to costs to providing municipal services e.g., bylaw enforcement

3

Tofino STR Regulations

- Must be in one of six residential zones; must have a long-term dwelling onsite
- Must have a business licence (\$450-\$750)
- One per property, cannot operate B&B AND STR
- STR can be operated in principal or secondary dwelling
- Must provide sufficient off street parking
- Max 3 bedrooms, max 6 guests

77% of Tofino's properties are residential

82% of residential properties permit STR

45% of these have licenced STRs

4

Past enforcement

Was complaint driven, but few received. Typical complaints:

- Noise, parking
- Operating over capacity

Nature of anecdotal complaints began to change a couple of years ago:

- Evicted from long term rental
- "My neighbours are doing it, why can't I?"

2015-2016 Housing Focus Groups What we learned:

- STR essential to affordability for new home owners
- Conversion to STR impacting long term rentals
- General attitude that municipality would not enforce rules anyhow

5

2016

- Tofino Council announces intention to proactively educate and enforce nightly rental regulations with Jan 1, 2017 start date of enforcement action
- Throughout 2016: extensive communications to public, property owners, companies
- Engaged HostCompliance
- Doubled business licence fee to prepare for 2017

6

2017

- Hired full-time Business Licence Inspection Officer
- Sent out >100 requests for voluntary compliance
- Issued 49 bylaw notice tickets
- Currently, 43 open investigation files, 27 adjudication dispute files
- Clarifying intent in Zoning Bylaw; tightening Business Licence Bylaw
- Adding zoning bylaw infractions to municipal ticketing system

Results

- From March to July 2016, 20% increase in licenced STRs
- 2017: 60% increase in licenced STRs over 2016
- 2017: 12% reduction in online listings
- Limited conversion back to long-term rental, but...
- Opening up new conversations amongst residents and business owners about housing issues in Tofino

213

licenced
nightly rentals
as of July 2016

60%

increase in
licenced STRs in
2016 over 2015

198

unique properties
advertising online

7

What's next?

- Completing amendments to Business Licencing and Zoning Bylaws
- Continued messaging (working with Chamber of Commerce and DMO) to visitors about importance of legal STRs
- Continued community engagement and feedback, Housing Forum planned for fall 2017
- Approaching online booking platforms about delisting unlicenced rentals
- Need for changes in provincial tax policy (PST exemption) and assessment regulations (enabling split-classification)

8



VACATION RENTALS

RDOS forced to confront the issue of vacation rentals:

- **Permit:** do-nothing approach; vacation rentals as B&Bs (as per Leach decision).
- **Prohibit*:** re-write bylaws to re-establish regulations overturned by the Leach decision.
- **Regulate:** introduce a path for property owners to legally operate vacation rentals.



VACATION RENTALS

Why a Temporary Use Permit?

- does not establish use rights;
- requires discretionary approval of RDOS Board;
- allows for tailoring of conditions;
- allows for public input, including at time of renewal; and
- encourages responsible operation.



Short Term Rentals City of Richmond

By Cecilia Achiam
General Manager, Community Safety

1

City of Richmond

Population: 218,317

Industry: Tourism, Aviation, Service,
Tech, Agriculture



- Culturally diverse
- Rapid urban growth
- Pressure on ALR lands
- Island City

- 22.1 Million Airport Visits
- 24 hotels, 4768 rooms
- Housing: 73,460 units
- Excellent regional road/
transit connections



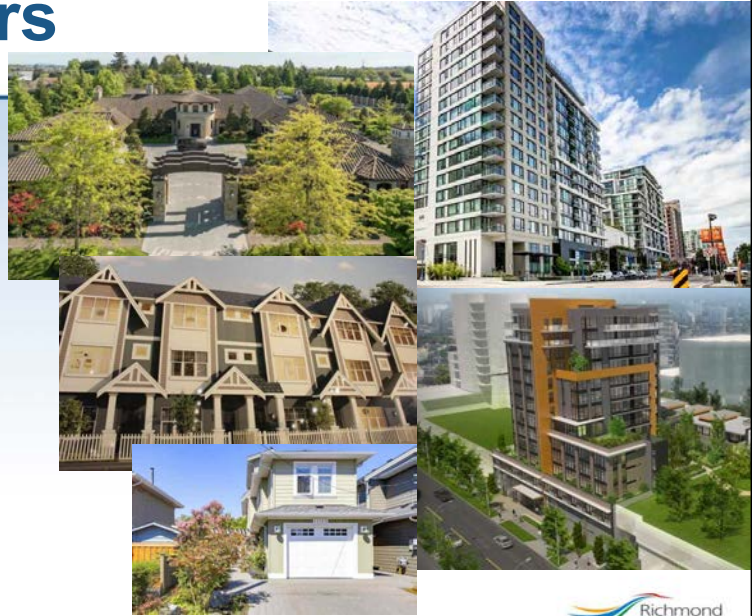
2



Other Factors

- high property values
- <1% vacancy rate
- housing affordability issues (892 secured affordable units)
- vacant homes
- large homes in ALR

3

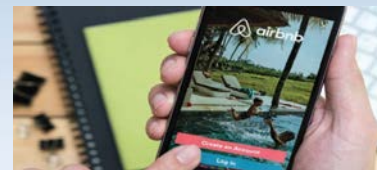


Richmond

Not a “one size fits all” issue

- **Community Concerns:**
 - How does Short-Term rentals affect rental stock?
 - What about home owners wanting to offset high housing costs?
 - Are there other economic benefits to the City?

4



Richmond

Community Priorities and Council Direction

- Preserve affordable rental options for residents
- Preserve single family neighbourhood character
- Continue with sports and cultural hosting programs
- Enable residents with the means to mitigate high housing costs
- Level playing field for hotel tax

5



New Regulation Process

- Reviewed gaps of existing regulations
- Public consultation
- Provided multiple options to address concerns
- Legal review

6



Bylaw Policy Change Council Directed

- **New B&B Regulations**

- B&B permitted in single family zones only
- must be operated by owner or immediate family member (spouse or child)
- Property owner must be an individual, and not a corporation
- operators must notify neighbours and provide contact info
- New B&B's must be at least 500m from an existing operation

- **Increase Fines**

- Add rental for less than 30 days without a Licence as an offence for ticketing
- Increase daily Municipal Ticketing fines from \$250 to \$1,000
- Increase maximum fine for conviction for an Offence to \$10,000



Bylaw Policy Change Council Directed

- **Enhance Existing B&B Regulations**

- No rentals of entire homes or suites
- All residential rentals under 30 days must be B&B or boarding/lodging
- B&B's limited to maximum 3 rooms with 2 guests maximum per room
- B&B's prohibited in homes with secondary suites, granny flats or coach houses, or with boarding/lodging
- B&B's must be principal residence of owner-operator

- **Preserve Flexibility**

- Continue to permit a maximum of 2 boarders or lodgers in all residential zones



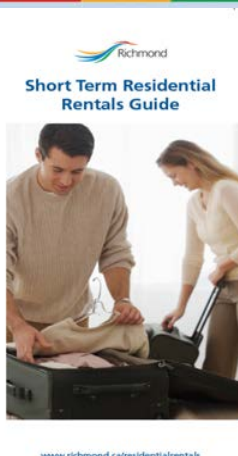
Stepping up Enforcement

- Hired 4 temporary full time bylaw officers
- Enforcement through an integrated team approach
- Revisit Existing Bed and Breakfasts to ensure they are in compliance with new bylaws
- Persistence enforcement on “problem files”

9



Communication Plan



www.richmond.ca/residentialrentals

Short Term Residential Rentals – Two Options

In Richmond, residents can offer two types of short term rentals (less than 30 days) in their home – bed and breakfast (B&B) rentals, or boarding/lodging rentals.

B&Bs require a City issued licence. This includes residents who host traditional B&Bs as well as those who are simply renting rooms within their home, such as short term vacation rentals.

Boarding/lodging applies when the short term rental involves no more than two people at a time, and this does not require a licence.

Richmond's regulations and B&B licensing requirements provide consistent standards that support honest, short term residential rentals while preserving the high quality of life enjoyed in local neighbourhoods. It's important for residents to understand these regulations and meet all requirements before applying for a B&B business licence.



Not Permitted

Richmond's regulations are designed to prevent B&Bs from taking over neighbourhoods, which helps to preserve the quality of life in neighbourhoods by preventing excessive noise, traffic, and parking demand. It's also important to ensure that short term rentals do not impact the current supply of affordable housing rentals in the community.

- Homes with secondary suites, granny flats or coach houses
- Homes that already have boarding and lodging
- All-in-one complexes, including townhomes and apartments
- In suites or rooms with separate cooking facilities
- Homes that are within 500 metres of an existing B&B

The homeowner or operator must be living in the home at the "host" for all types of short term rentals, whether they are B&B or boarding and lodging. Short term rental of the entire residence or residential unit for less than 30 days is not allowed under any circumstance.

Applying for a B&B Licence

To apply for a B&B business licence, please pick up an application at Richmond City Hall or download an application form at www.richmond.ca/residentialrentals.

Please have the following information ready:

- Identification to prove that either the owner of the home or an immediate family member resides in the home
- Floor plans of the home
- Fire evacuation plan showing each room proposed to be rented
- Landscaping and site plan
- Parking plan
- Application for any signs to be included to identify the B&B business and
- Sample of the notification letter that will be provided to neighbours
- Sample of guest registration form

Pick up an application at:
Richmond City Hall
6911 No. 3 Road
Richmond

Or visit:

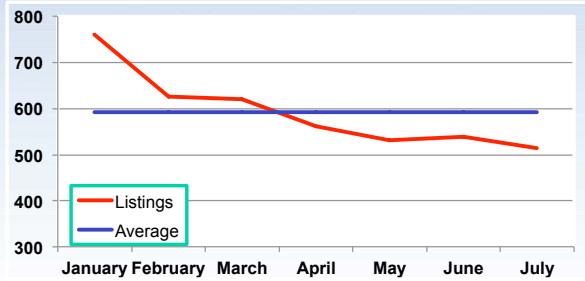
www.richmond.ca/residentialrentals



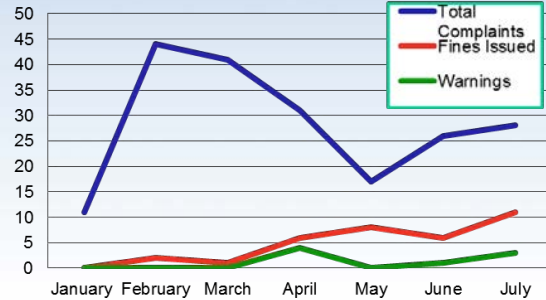
10

Results

Number of Airbnb listings and median average



Number of complaints received and fines issued



Next Steps

11

- Monitor and report back in 1 year.