

Short-Term Rental Accommodations Act



Local Government Webinar Series
January 31, 2024
Ministry of Housing



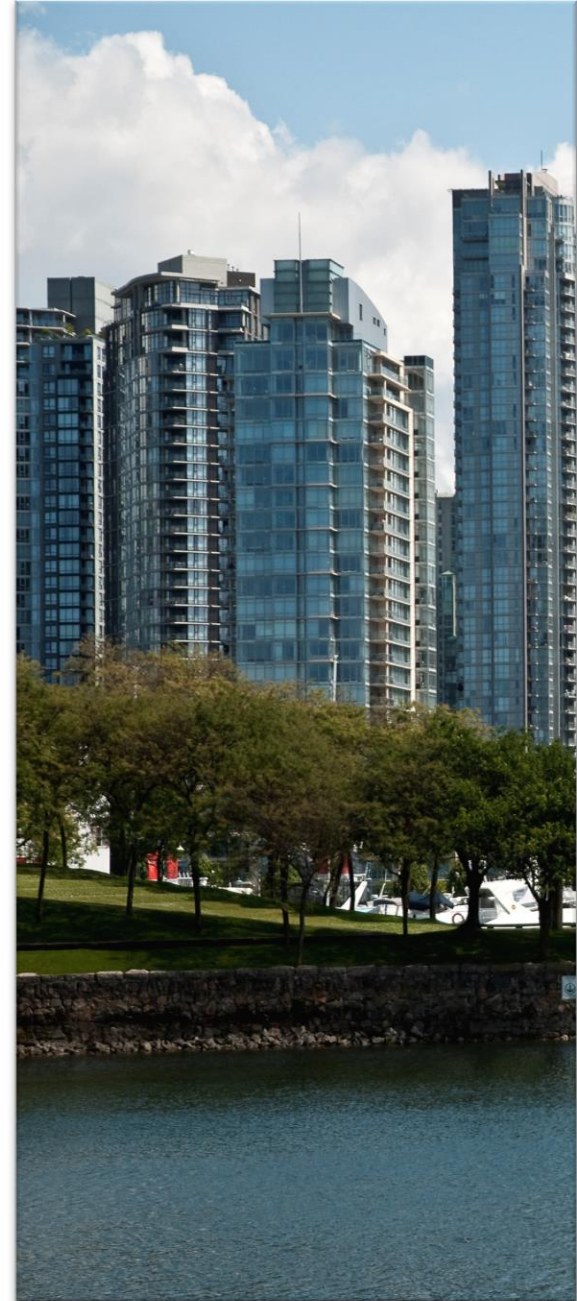
What We Will Cover Today

- The short-term rental situation in BC – why action is needed
- Overview of the provincial short-term rental legislation
- Key considerations for local governments
- Expected impacts of legislation
- Timeline
- Questions



The Short-Term Rental Situation

- Affordable housing challenge worsened by rapid growth of STRs, which may include, for example Airbnb and VRBO.
- Approximately 28,000 STR listings in BC (an increase of 20% from 2022).
- Research from McGill University indicates that more than 16,000 “entire homes” in BC frequently used as STRs.
- Various studies and websites dedicated to STR research show:
 - Dominance of profit-driven operators in BC’s STR market.
 - Top 10% of hosts earn 48.8% of all revenue.
 - Nearly half of all operators have multiple listings.



Short-Term Rental Accommodations Act

Turning more short-term rentals back into homes for people through 3 key responses:



Strengthening local government tools to enforce STR bylaws

- Increasing maximum MTI fines
- Requiring STR platforms to share data to improve local enforcement
- Increasing STR platform accountability
- Providing regional districts with more tools and support



Returning short-term rental units to the long-term rental market

- Provincial principal residence requirement
- Removing legal non-conforming use protections for STRs



Establishing provincial oversight of short-term rentals

- Requiring all STR hosts to join a provincial registry
- Establishing a provincial Short-Term Rental Compliance and Enforcement Unit



Strengthening Local Government Tools to Enforce Short-Term Rental Bylaws

Increased fines and tickets

- Maximum penalty for regional districts under the Offense Act raised to \$50,000 (from \$2,000).
- Municipal ticketing fine maximum increased to \$3,000 (from \$1,000) per infraction, per day.

New business licensing authority for regional districts

- Regional districts can now regulate and license STRs and other businesses.

Display of business license

- Effective May 1, 2024, STR hosts must display a valid business license number on their listing in areas where a business license is required by the local government.



Strengthening Local Government Tools to Enforce Short-Term Rental Bylaws

Data Sharing

- In summer 2024 a new data sharing system will launch, requiring platforms to submit STR data to the Province.
- Platforms will directly provide STR listing data to the system, which will then be distributed to local governments.
- The Province will sign data sharing agreements with local governments before the system launches.

Platform Accountability

- Platforms must remove listings without a valid local government business license upon request.





Returning Short-Term Rental Units to the Long-Term Rental Market

Changes to legal non-conforming use protections

- As of May 1, 2024, protections for non-conforming use of property will no longer apply to STRs.
- In some areas, these protections have allowed STR hosts to continue to use their property for short-term rentals despite local government rules.

Provincial principal residence requirement

- As of May 1, 2024, in communities where this requirement applies, STRs will be limited to the host's principal residence, plus one secondary suite or accessory dwelling unit.





Principal Residence Requirement

Applies

- Municipalities with 10,000+ population
- Smaller neighbouring communities

Exemptions

- Mountain resorts
- The 14 resort municipalities
- Regional district electoral areas + small communities
- Trust areas under the Islands Trust Act
- Farm land (BC Assessment farm class, Class 9)

While the principal residence requirement will be enforced at the provincial level, local governments should not grant zoning (or other permission) to short-term rental hosts where inconsistent with the provincial legislation.





Establishing Provincial Oversight

Provincial Registry

- In late 2024/early 2025, the Province will establish a short-term rental registry.
- Registration will be mandatory for hosts and platforms.
- This registry will help ensure that all hosts and platforms are following the rules.
- Once the registry is in place, hosts must display a provincial registration number on their listing and platforms will need to validate those numbers against the Province's registry data.

Exemptions from the principal residence rule don't exempt hosts from other STRAA components, such as mandatory registration with the Province.





Establishing Provincial Oversight

Provincial Compliance & Enforcement

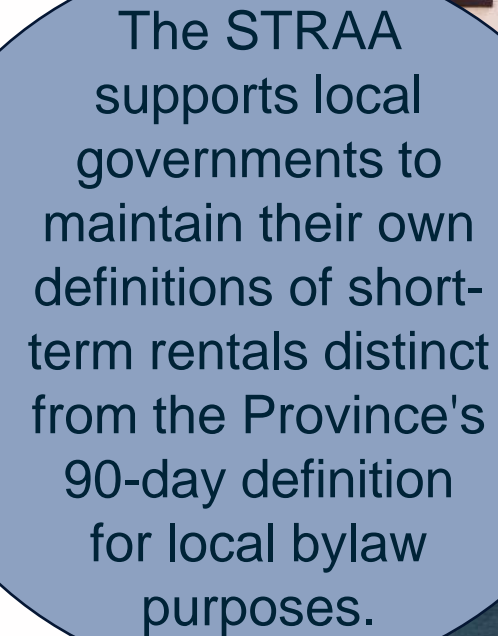
- The Province will establish a provincial compliance and enforcement unit to ensure rules are being followed.
- This unit will track compliance, issue orders, and administer penalties for violations.
- Future regulations (expected in Spring 2024) will provide added support for local government regulation.

Local governments will continue to enforce their own bylaws, while the provincial compliance unit will be responsible for enforcing the provincial STRAA.

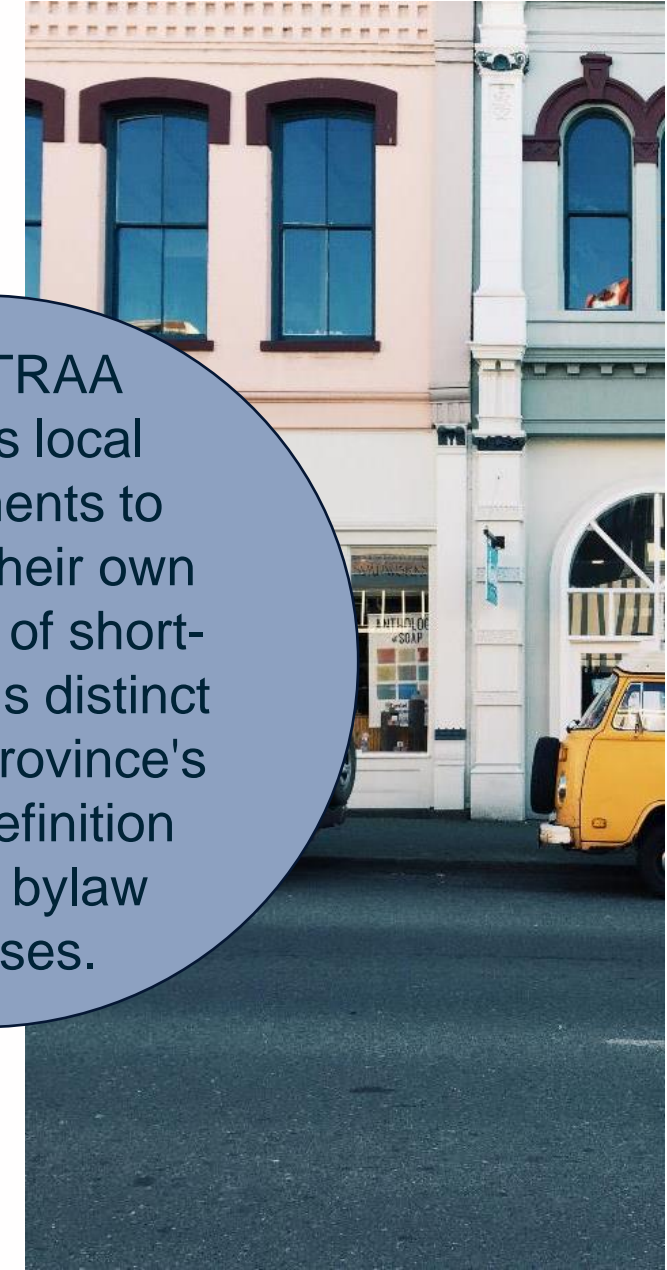


Business Licenses

- After May 1, 2024, municipalities regulating STRs may consider reviewing and updating business license bylaws to align with the STRAA.
- Local governments may wish to inform hosts early about their ability to operate post-May 1, 2024.
- Consider prorating business licensing for non-principal residence STRs from January to April 30, 2024.

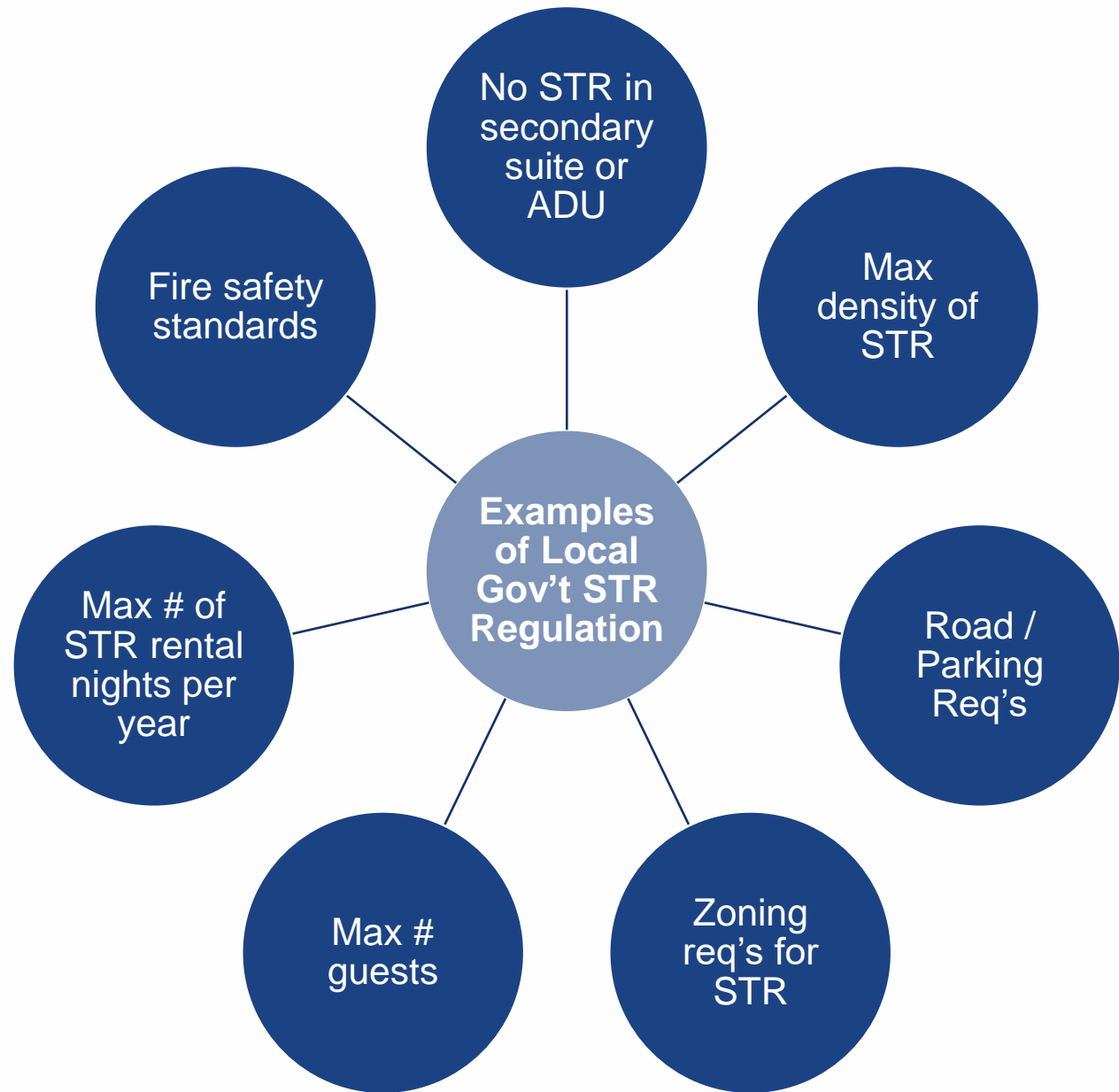


The STRAA supports local governments to maintain their own definitions of short-term rentals distinct from the Province's 90-day definition for local bylaw purposes.



Bylaw Restrictions

- The principal residence requirement functions as the minimum requirement, or a “floor”.
- Local governments may prefer to have more restrictive STR bylaws depending on local needs.



Non-Conforming Use Properties

- With the end of non-conforming use protections for short-term rentals on May 1, 2024, local governments may wish to:
 - Assess local impacts of ending legal non-conforming use for STRs under the STRAA, including bylaw and operational considerations.
 - Decide if STRs that conform with provincial rules, such as the principal residence requirement, but were reliant on non-conforming use protections should be allowed to continue operating. If so, this may require updates to local zoning bylaws.
- This may be particularly relevant for resort municipalities where the principal residence requirement does not apply.



Opting In/Out of Principal Residence Requirement

Opt-in process

- Communities can request to "opt-in" by resolution to the Province's principal residence requirement.
- Requests are due by March 31 each year, with changes taking effect on November 1.
- Some exempt areas, like designated resorts or farmlands, can't be changed by local requests.
- Islands Trust and Cultus Lake Park can independently request changes in their areas.

Opt-out process

- Communities can request to "opt-out" of the Province's principal residence requirement if their rental vacancy rate is 3% or more for two consecutive years.
- For 2024, the request deadline is February 29 and takes effect when the new rules come in May 1.
- From 2025 onward, requests are due by March 31 annually, with changes taking effect on November 1.

Treaty Nation processes

- Treaty Nations can approach the Ministry to establish a coordination agreement at any time.

Expected Outcomes

Returning thousands of units to the long-term market.

Allowing people to find the long-term housing they need in their home communities.

Improving the ability for local governments to regulate STRs in their communities.

Continuing to support tourism through flexible rules for tourism-dependent resort communities.

This is just one part of the Homes for People plan which sets out actions the Province is taking to speed up the delivery of new homes, increase the supply of middle-income housing, fight speculation and help those who need it most.



Timeline

October 2023:

- Increased fines for municipal bylaw infractions
- Business licensing authority for regional districts

May 1, 2024:

- Principal residence requirement
- Changes to legal non-conforming use protections
- Requirement to display valid business licenses, where required

Summer 2024:

- Data sharing from short-term rental platforms
- Provincial support for local governments where platforms fail to remove listings without valid business licenses

Late 2024/Early 2025:

- Provincial registry launch
- Compliance and Enforcement Unit fully staffed
- Require platforms to remove listings without valid provincial registry numbers (mid-2025)

Questions?

