

Short-Term Rental Accommodations Act



May 1, 2024
Ministry of Housing
Presentation for Local Governments



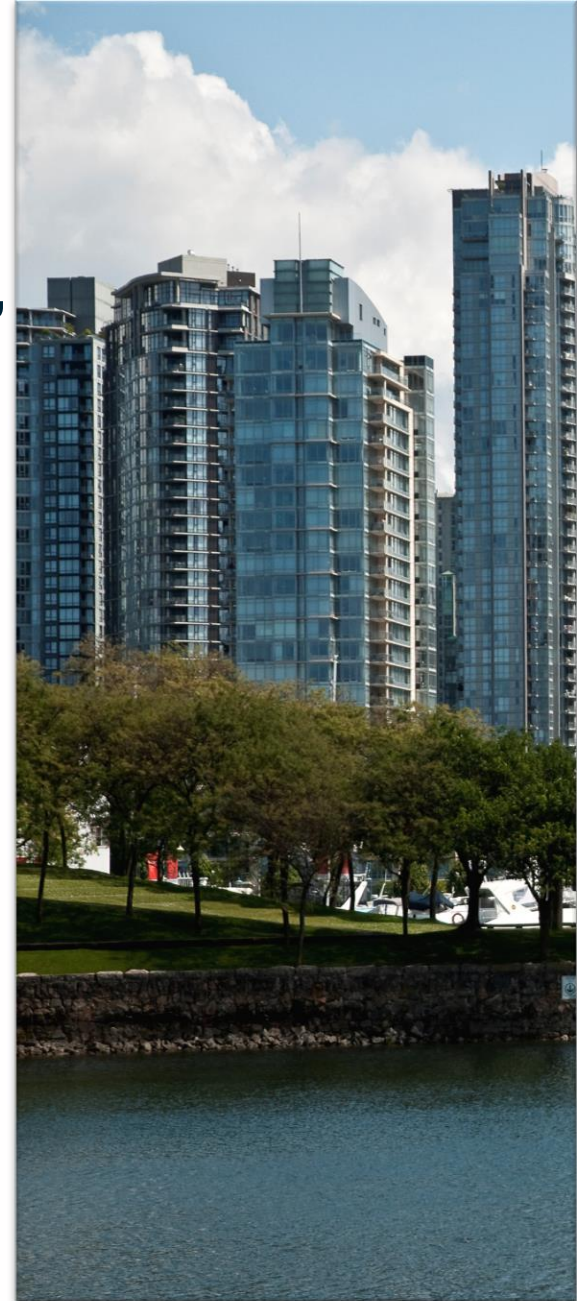
What We Will Cover Today

- The short-term rental situation in BC
- Expected outcomes of the provincial short-term rental legislation
- Overview of the provincial short-term rental legislation
- New tools for local governments
- Principal Residence requirement and changes to legal non-conforming use
- Provincial oversight
- Questions



The Short-Term Rental Situation

- Affordable housing challenge worsened by rapid growth of STRs, which may include, for example Airbnb and VRBO.
- Analysis from short-term rental data analytics company AirDNA, from March 2024, shows that more than 19,000 entire homes in B.C. are being listed as short-term rentals for the majority of a calendar year.”
- 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.



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.



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 municipal ticketing (MTI) fines by amending the Community Charter and Vancouver Charter
- 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

- Implementing a 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 (expected early 2025)
- 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 fines set by regional districts for bylaw offences under the Offence 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

- A new STR Data Portal has launched, which will be used by platforms to submit STR data to the Province.
- Platforms must directly provide STR listing data to the system, which can then be distributed to local governments.
- The Province is in the process of signing information sharing agreements with local governments.

Platform Accountability

- Starting May 1, 2024, when requested by a local government, platforms must remove listings without a valid local government business license.





Timeline

Fall 2023:

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



May 1, 2024:

- Principal residence requirement & changes to legal non-conforming use protections
- Requirement to display valid business licenses, where required
- Platforms must remove listings without valid business licenses
- Compliance and Enforcement Unit established



Summer 2024:

- Data sharing from short-term rental platforms
- Province to send data to LGs



Late 2024/Early 2025:

- Provincial registry launch

What are the STRAA Requirements May 1?

Date	Regulated Party	Requirement
May 1	Platforms	<ul style="list-style-type: none">• Enable posting of business licence numbers• Remove listings upon request of local governments
May 1	Hosts	<ul style="list-style-type: none">• Display business licence number on listings• Principal Residence requirement in effect<ul style="list-style-type: none">– Legal non-conforming use protections also end
May 15	Platforms	<ul style="list-style-type: none">• Name a BC representative
June 17	Major Platforms*	<ul style="list-style-type: none">• Share monthly data with the Ministry• Send Ministry monthly listing takedown report

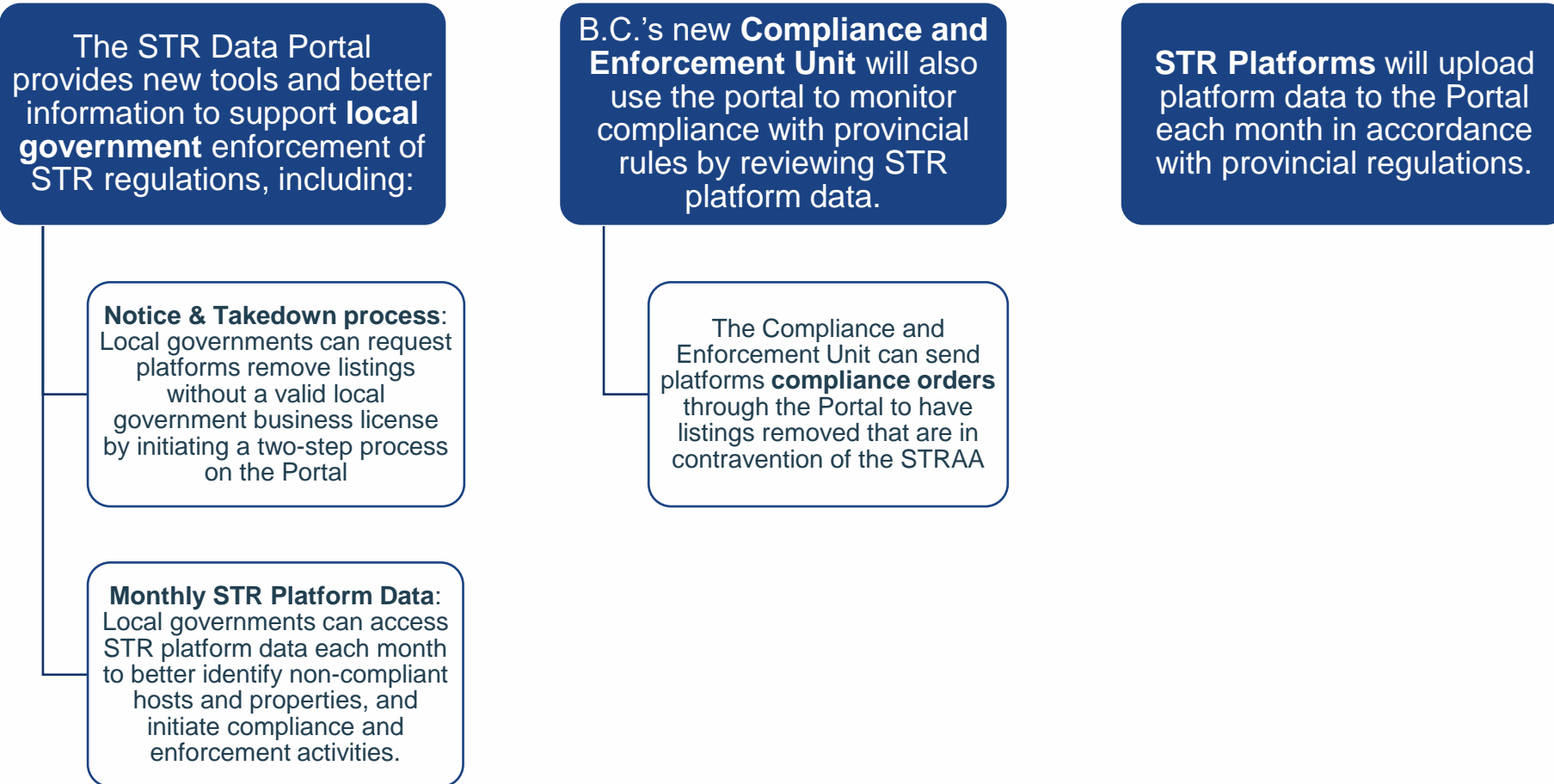
*STR
Branch
ensures
that all of
this occurs*

*Major platforms are those with 1,000 or more listings on their platform in BC in the previous year



STR Data Portal

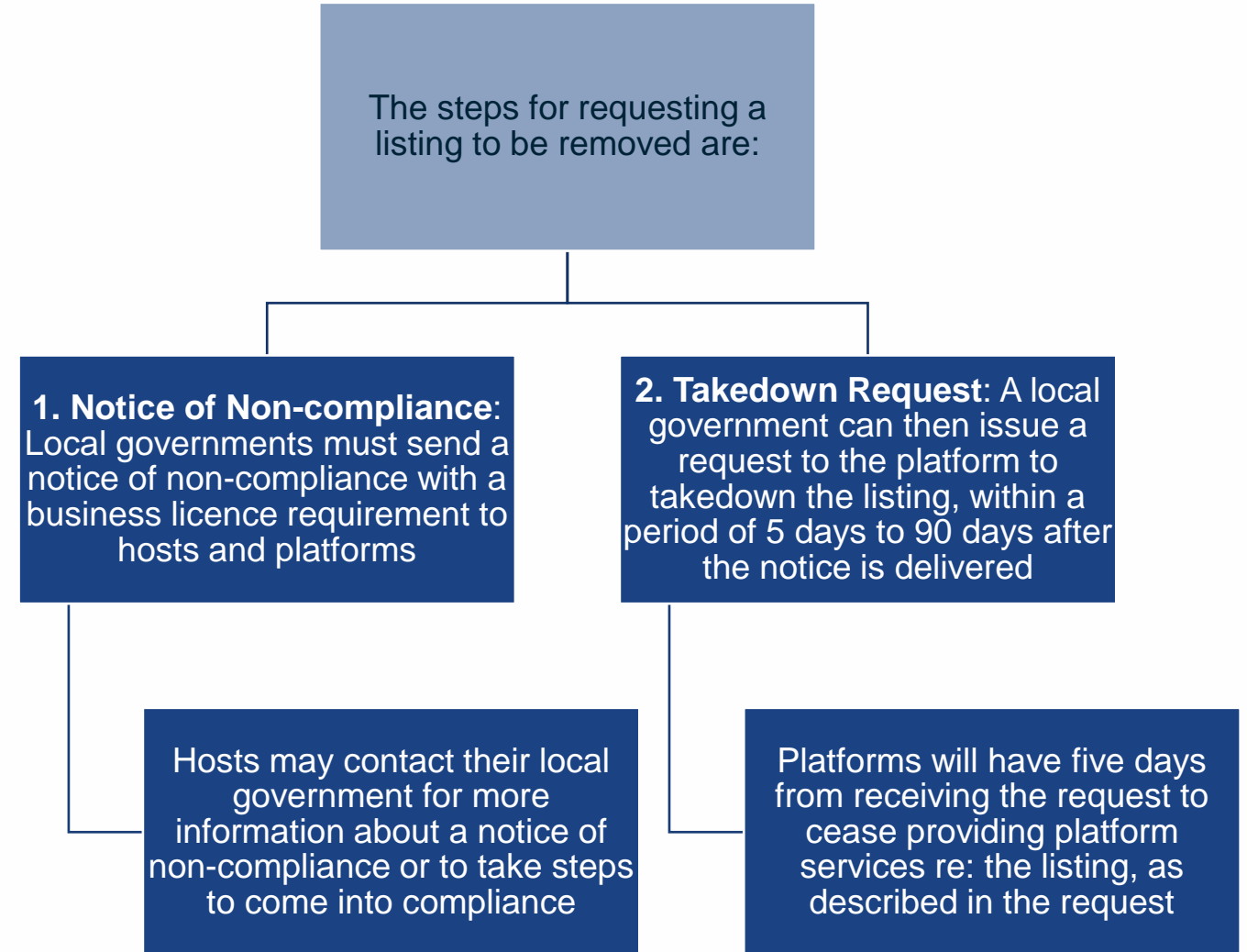
The Short-term Rental Data Portal will be used by the 3 main user groups:





Notice & Takedown Process

- All listing takedown requests will be made to platforms through the STR Data Portal.
- Platforms must remove listings that do not have a valid local government business licence at the request of a local government.





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 are limited to the host's principal residence, plus one secondary suite or accessory dwelling unit on the same property.
- Through compliance orders, platforms must remove non-compliant listings on order from the Director





Principal Residence Requirement

Applies

- Municipalities with 10,000+ population
- Smaller neighbouring communities
- Communities that have opted in

Exemptions

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

While the principal residence requirement is enforced by the province, local governments should not grant zoning (or other permissions) to short-term rental hosts where in conflict with the principal residence requirement.





Strata-Hotel exemption clarification

Re: strata hotels providing accommodation in a manner similar to hotel or motel before Dec 8, 2023 – EITHER #1 or #2 makes eligible for exemption

#1 Accommodation provided in a manner similar to a hotel or motel before Dec 8, 2023; and as of Dec 8, 2023 and ongoing with:

1. a staffed front desk on site;
 2. one or more employees or contractors that provide housekeeping services for accommodations;
- and*
3. a platform providing platform services available exclusively for the use of owners offering short-term rentals at the property.

#2 Accommodation provided in a manner similar to a hotel or motel before Dec 8, 2023 and ongoing, two or more strata lots on the property cannot be used as a principal residence due to:

- zoning or land use regulation bylaw;
- a rental management agreement between the manager and one or more owners of a strata lot; or
- a restrictive covenant or a covenant under section 219 of the Land Title Act.

Newly constructed strata hotels and motels, occupied on or after Dec. 8, 2023:

All three services listed in #1,

AND

One of the legal-use restrictions described in #2.



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.
- For 2025 and following years, requests are due by March 31 each year, with changes taking effect on November 1 (if approved by the Province).
- Some exempt areas, like designated resorts or farmlands, can't be changed by local requests.

Opt-out process

- Certain communities can request to "opt-out" of the Province's principal residence requirement, e.g., if their rental vacancy rate is 3% or more for two consecutive years.
- For 2025 and following years, a local government's resolution must be submitted to the Province by March 31st of each year, and the change (if approved by the Province) will take effect November 1st of the same year.

Treaty Nation processes

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



Establishing Provincial Oversight

Provincial Registry

- By 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 in addition to their business licence number 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

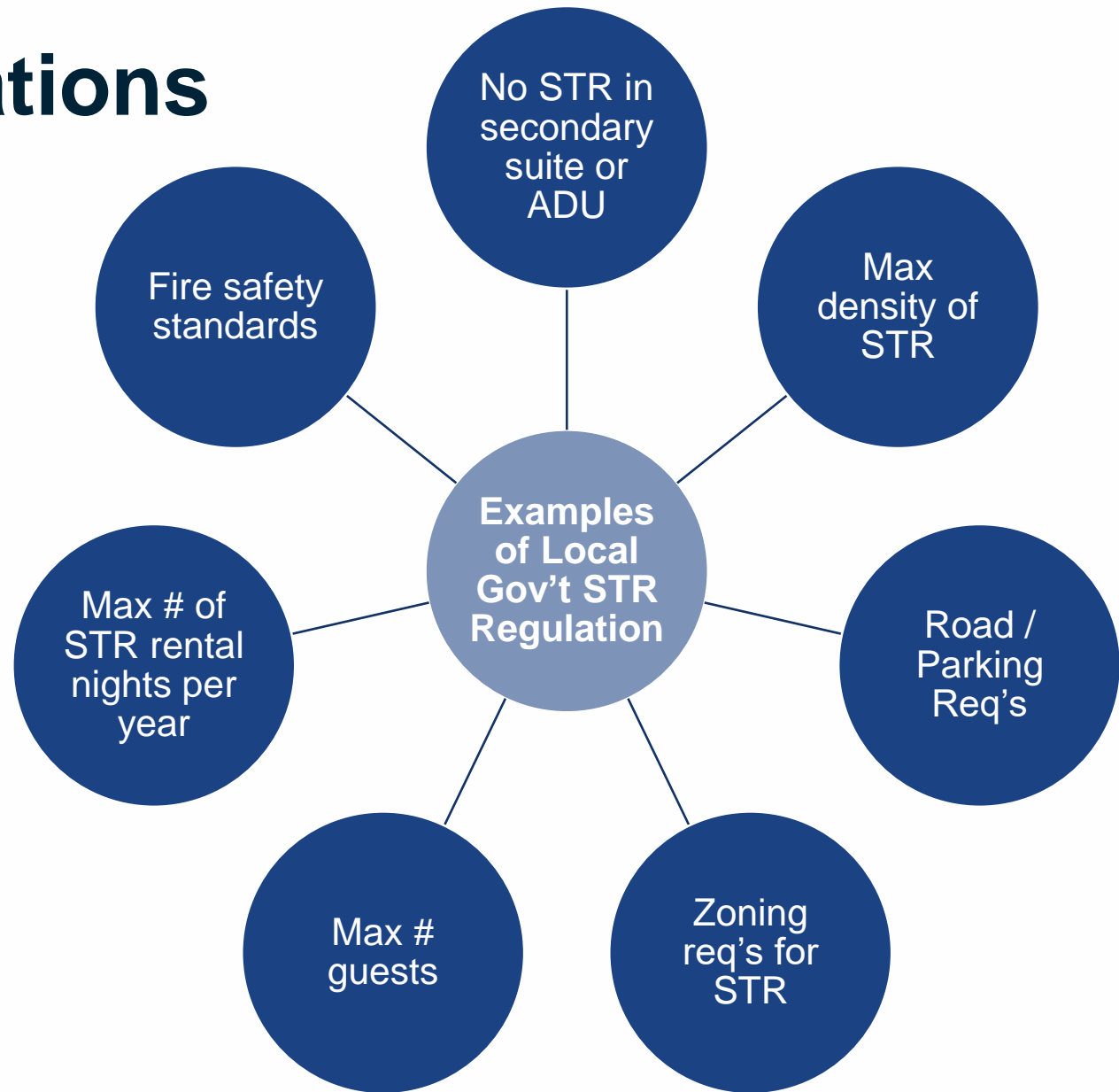
- The Province has established a provincial compliance and enforcement unit to ensure rules are being followed.
- This unit will track compliance, issue orders, and administer penalties for violations.
- This unit will liaise with other entities as needed (e.g., local governments), re: STRAA compliance monitoring and enforcement.

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



STR Bylaw Considerations

- The provincial 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.



Questions?

