



# Short-Term Rentals: Hotel-Like Policy



## Disclaimer

The information in this document has been prepared by the Short-Term Rentals Branch on the Province of British Columbia's *Short-Term Rental Accommodations Act* and regulations and is provided for the user's convenience as a basic starting point. It is not a substitute for getting legal advice or other professional advice. If there is a conflict between the information in this document and the legislation or regulations, the legislation and regulations prevail. This information may be subject to change, including changes due to the legislative process.

Date Updated: January 20, 2025

## Context

In Fall 2023, the Province took action to rein in the surging short-term rental market and deliver more homes for people by passing the [Short-Term Rental Accommodations Act](#) (the "Act").

The purpose of the Act is to return short-term rental units to the long-term housing market, give local governments stronger tools to enforce short-term rental bylaws, and establish a new Provincial role in the regulation of short-term rentals.

The Act includes a provincial principal residence requirement, which limits the operation of a short-term rental to a host's principal residence plus one other secondary suite or accessory dwelling unit on the same property. There are certain communities, types of land, and accommodations that are exempt from this requirement.

The Act also includes a requirement for short-term rental hosts and platforms operating in B.C. to register their operations with the province. There are specific exemptions from registration for accommodations over 90 days, on specific types of land, and that are not suitable for long-term housing.

## Purpose

Hotels and motels are exempt from the Act and are not required to register their accommodations with the provincial short-term rental registry. Strata-titled hotels and motels (strata hotels) are required to register but are exempt from the principal residence requirement of the Act where the strata hotel meets the requirements for an exemption.

A requirement of the strata hotel principal residence exemptions is that the strata hotel be providing accommodation in a manner similar to a hotel or motel. This Policy Guidance provides clarification on the characteristics that may be considered when determining if a business is 'operating in a manner similar to that of a hotel or motel'. Hotel/motel are not defined terms within the Act or the [Short-Term Rental Accommodations Regulation](#).

This Policy Guidance may be considered by a decision-maker to assess whether a strata hotel meets a strata hotel principal residence exemption, for the purposes of the Act and the Regulation, including the requirement to register, but is not binding on the decision-maker.

## **STRATA HOTEL OR MOTEL DEFINITION**

The Regulation defines a strata-titled hotel or motel as a property in which different owners own different strata lots and accommodation is provided **in a manner similar to that of a hotel or motel**. There is considerable variety in how such strata hotels and motels are set up, operated and marketed.

**Note:** for ease of reference, strata-titled hotels or motels are referred to as "strata hotels" throughout the Policy Guidance.

## **STRATA HOTEL PRINCIPAL RESIDENCE EXEMPTIONS**

If a strata hotel is located in an area subject to the provincial principal residence requirement, they must meet one of the three principal residence exemptions identified in the Regulation in order to continue to operate. If a strata hotel is confirmed exempt from the principal residence requirement, this exemption applies to the whole building.

### **Category 1: Strata hotel with a staffed front desk, housekeeping services, and a platform**

The principal residence requirement does not apply to a strata hotel if:

- before December 8, 2023, accommodation was being provided in a manner similar to a hotel or motel, **and**
- on December 8, 2023, the strata had (and continues to have) **all** of the following services, which are provided in a manner similar to a hotel or motel:
  - a staffed front desk on-site,
  - one or more employees or contractors that provide housekeeping services for the overnight accommodations, **and**
  - a strata-titled hotel [platform](#).

## **Category 2: Strata hotel with two or more strata lots that cannot be used as a principal residence**

The principal residence requirement does not apply to a strata hotel if:

- before December 8, 2023, accommodation was being provided in a manner similar to a hotel or motel, **and**
- on December 8, 2023, **two or more strata lots** on the property were not able to be used (and continue to not be able to be used) as a principal residence by anyone due to a restriction under:
  - a rental management agreement between the manager and one or more owners of the strata lots, **or**
  - a zoning bylaw (as defined in s. 559 of the *Vancouver Charter*) or a land use regulation bylaw (as defined in s. 455 of the *Local Government Act*), **or**
  - a restrictive covenant or covenant under [s. 219 of the Land Title Act](#)

## **Category 3: New Strata Hotel Development since December 2023**

The principal residence requirement does not apply to a strata hotel if:

- the occupancy date for a strata hotel was on or after December 8, 2023, and **both** of the following apply:
  - the strata must have **all** of the following services, which are provided in a manner similar to a hotel or motel:
    - a staffed front desk on-site,
    - one or more employees or contractors that provide housekeeping services for the overnight accommodations, **and**
    - a strata-titled hotel or motel [platform](#); **and**
  - **two or more strata lots** on the property were not able to be used on the occupancy date (and continue to not be able to be used) as a principal residence by anyone due to a restriction under:
    - a rental management agreement between the manager and one or more owners of the strata lots, **or**
    - a zoning bylaw (as defined in s. 559 of the *Vancouver Charter*) or a land use bylaw (as defined in s. 455 of the *Local Government Act*), **or**
    - a restrictive covenant or covenant under [s. 219 of the Land Title Act](#).

## **Characteristics to be considered operating like a hotel/motel**

For the purposes of assessing whether a strata hotel is offering services and accommodation in a manner similar to that of a hotel or motel, the following are characteristics that may be considered:

## 1. PROPERTY AND OWNERSHIP

- **The business operation should be located on a single property, or multiple contiguous properties operated as a single business operation.**

Hotels typically represent a non-stratified or freehold venture, on a single property.

Strata hotels include stratified units, that are owned and registered individually but they are effectively all located in the same place or as a single whole on a property(ies).

## 2. MANAGEMENT

- **The business operation should be overseen by a manager.**

Hotels may be managed by a third-party management company, handling staffing, marketing and overall management.

Similarly, strata hotels should be managed and operated by a manager, meaning a person or entity that manages the accommodation in a manner similar to that of a hotel or motel. The manager represents a single business entity, which holds all contracts for the strata hotel operations and takes care of the day-to-day operations of the hotel operation. This includes housekeeping, staffing, maintenance and marketing contracts. The manager reports to the strata council who represents the interests of the strata lot owners.

The management relationship is managed through a rental management agreement. A rental management agreement is a formal agreement between the owners and the managing person or entity.

Not all strata lots within the building may be operated as part of the strata hotel (e.g., they may be privately owned for personal use). Regardless, if a strata hotel is confirmed exempt from the principal residence requirement, this exemption applies to the whole building.

As well, some strata lots on the property participating in the strata hotel rental pool may also list their units separately on a third-party platform like Airbnb.

## 3. USAGE RESTRICTIONS

- **The units within the building (some or all) should have limitations on personal use.**

Hotels are designed to provide shelter for travelers for temporary stays and are not intended for permanent accommodations.

Similarly, strata hotels, are generally not intended for long-term or permanent accommodations. Strata lot owners may have limited personal use of their units due to the hotel's operational needs (i.e., they cannot be used as a principal residence). There are often restrictions on how long and when owners can stay in their units generally through rental management agreements, zoning bylaw restrictions or covenants on title.

#### **4. REGULATORY REQUIREMENTS**

- **The building and property should meet regulatory requirements of a hotel/motel.**

Hotels are required to meet specific property classification, local government regulation, taxation and building code requirements to serve as a foundation for lawful and safe hotel or motel operations. Applicable regulations may vary, depending on the location of the property and the rules that apply.

Where a strata hotel conforms to the same provincial and local government requirements as a hotel or motel – that may be indicative of the strata hotel providing accommodation and services in a manner similar to a hotel or motel.

##### **Property Classification**

Hotels, including strata hotels, may be assessed as Class 6 (Business or Other) or split classification of commercial/residential as determined by BC Assessment.

##### **Local Government Regulation**

Hotels will operate in accordance with all applicable local government bylaws such as appropriate zoning, business licensing, and permits to enable the business operation. Where a strata hotel is conforming to the same local government bylaws that apply to a hotel or motel, it will be an indication that the strata hotel is providing accommodation and services in a manner consistent with a hotel or motel.

- **Zoning:** the property on which the business operates should be zoned to allow for that type of use (e.g., commercial zoning, split commercial/residential zoning, site-specific zoning).
- **Business Licensing:** the business should have a valid business licence to operate, where required by the local government (e.g., a hotel business licence).

- **Building/Occupancy Permit:** the building/occupancy permit should demonstrate the building meets the codes and requirements for the business, where required by the local government.

### **Taxation**

Hotels are commonly taxed as commercial entities, with commercial property taxes.

In the case of strata hotels, or smaller hotel ventures on residential property, the Canada Revenue Agency (CRA) contemplates the use of residential properties as hotels, motels, inns and lodges for tax purposes as follows:

- the establishment normally provides temporary accommodation rather than a permanent place of residence
- where required by municipal and/or provincial regulations, the establishment is licensed for business for the purpose of providing a temporary place to stay
- the establishment is available for rental to the public on a temporary [transient] basis

See the [CRA Policy Statement](#) for more information.

Hotels in B.C., including strata hotels, should also comply with the collection and remittance of the Municipal and Regional District Tax (MRDT), where applicable (and any additional hotel-specific tax).

### **Building Code Standards**

Hotels, including strata hotels, should meet building code standards consistent with a commercial building (i.e. Part 3 buildings), including meeting minimum requirements for safety, health, fire, accessibility and structural protection of buildings and energy and water efficiency. For example, to meet accessibility requirements, 20% of rooms should be accessible, which may include accessible showers with bars and benches, bars next to the toilets, wider doorways to accommodate wheelchairs, etc.

## **5. INDUSTRY STANDARDS AND PRACTICES**

- **The business operation should align with hotel industry standards and practices.**

Hotels, including strata hotels, should align with established industry standards, codes of practice and sector-specific regulations, including having membership with the BC Hotel Association.

Where a strata hotel complies with the [Hotel Keepers Act](#) and the [Hotel Guest Registration Act](#), including the duty to keep a detailed guest register, it's an indication that they're providing accommodation and services in a manner similar to a hotel or motel.

## 6. FACILITIES AND AMENITIES

➤ **The property should have hotel facilities and amenities.**

Hotels have facilities (physical assets of the building) such as rooms, parking and conference rooms, all designed to cater to different guest needs.

Hotels also have amenities (non-essential, comfort enhancing features), such as TVs, pool and spa facilities, fitness centres, business centre, restaurants and Wi-Fi access to enhance the overall guest experience.

A strata hotel typically has facilities common to that of a hotel, including, common property communal spaces such as lobby, gym and parking. Where a strata hotel offers similar facilities and amenities to a hotel or motel, that may be viewed as indicating that the strata hotel is providing services in a manner similar to a hotel or motel.

## 7. PROFESSIONAL SERVICES

➤ **The business operation should provide hotel services.**

Hotels provide a variety of services, including accommodation, concierge, housekeeping, dining, transportation, 24/7 front desk, and laundry and dry-cleaning services.

Strata hotels may provide similar offerings and services that align with guest expectations and hotel industry norms. This includes:

- Accommodation services (e.g., a private room and use of all furnishings in room)
- Linen and toiletries
- Electricity and plumbing
- Concierge
- Front desk services
- Housekeeping services
- Food service
- Laundry
- Telephone services



## 8. BRANDING AND MARKETING

- **The business operation should be branded and marketed as a hotel.**

Hotels, including strata hotels, may use branding to distinguish themselves from competitors and make an impression on guests. This may include the following:

- A website
- Hotel terminology (check-in/out)
- A reservation and cancellation system
- Unique logo
- Profile of amenities, services available
- Photographs
- Social media presence
- Traveler reviews

## Contact

### Ministry of Housing and Municipal Affairs

Contact the Ministry of Housing and Municipal Affairs for answers to questions about the material contained in this guide.

Short-Term Rental Branch  
Housing and Land Use Policy Division  
PO Box 9844 Stn. Prov. Govt.  
Victoria B.C. V8W 9T2  
Email address: [STRBranch@gov.bc.ca](mailto:STRBranch@gov.bc.ca)  
Website: <https://www2.gov.bc.ca/gov/content/housing-tenancy/short-term-rentals>