



1

Key Terms

Short-Term Rental
Rented >30 days

Principal Residence
Where you make your home

Non-Principal Residence*
You don't live here most of the time (or at all)

Main House

Owner's Principal Residence Unit

Secondary Suite

VACANT

Eligible for STR: ✓ ✗

Main House

Owner's Principal Residence Unit

Secondary Suite

Long-Term Renter

Eligible for STR: ✓ ✓

2 Regulation of Short-Term Rentals | COTW- JULY 27TH, 2023

2

Legal Non-Conforming Use

1,600 Legal Non-Conforming units

634 Licenced units

Status held by an **entire building** because STRs were operating before the bylaw in the former 'Transient Zone'

3 Regulation of Short-Term Rentals| COTW- JULY 27TH, 2023



3

Why are STRs Regulated?

- To protect housing
- To protect neighbourhoods
- To balance the ratio of traditional forms of transient accommodations

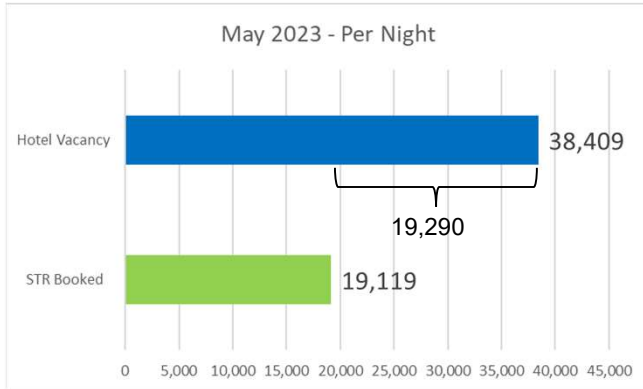


4 Regulation of Short-Term Rentals| COTW- JULY 27TH, 2023



4

Impacts on Tourism



Hotels:
 4,200 Hotel/Motel/B&B rooms
 91,791 nights booked;
 38,409 nights available

STRs:
 19,119 nights booked
 3,642 nights available

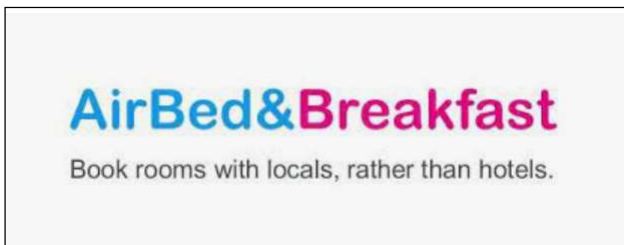
5 Regulation of Short-Term Rentals| COTW- JULY 27TH, 2023



5

Intention of Bylaw in 2017

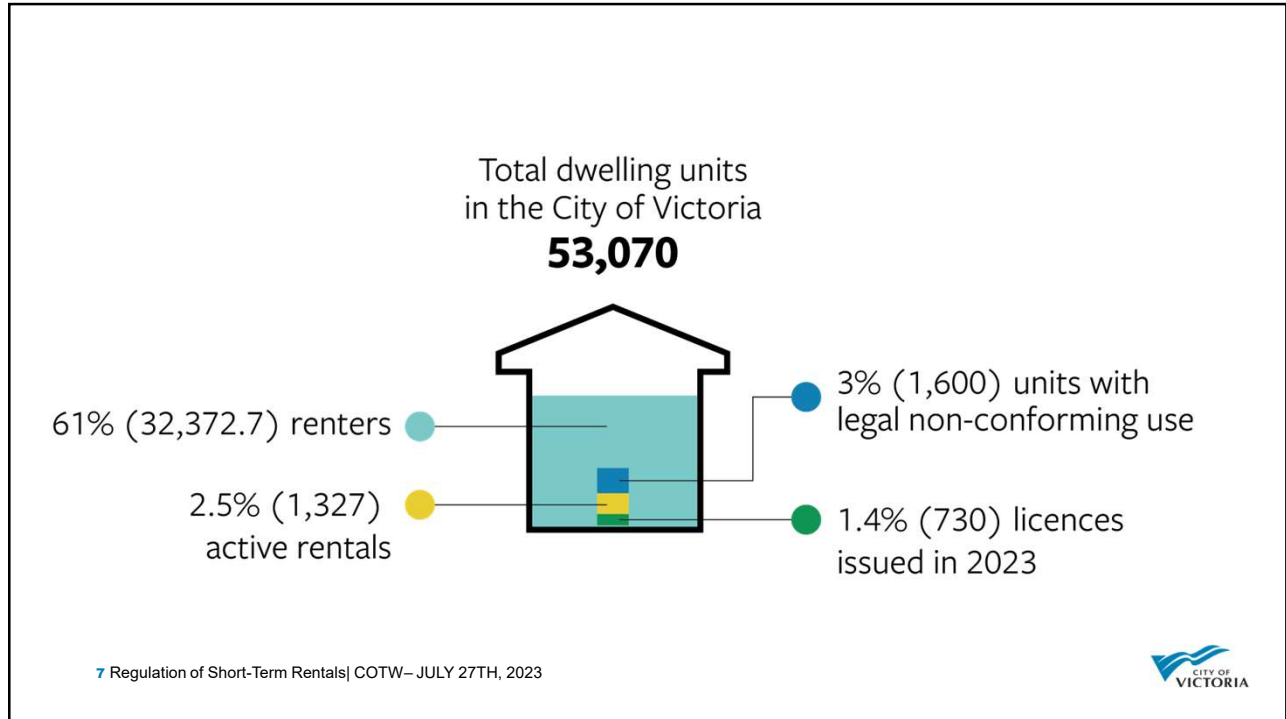
- To protect suitable long-term dwellings for residents
- To help residents with rising cost of living
 - Owner or Tenant



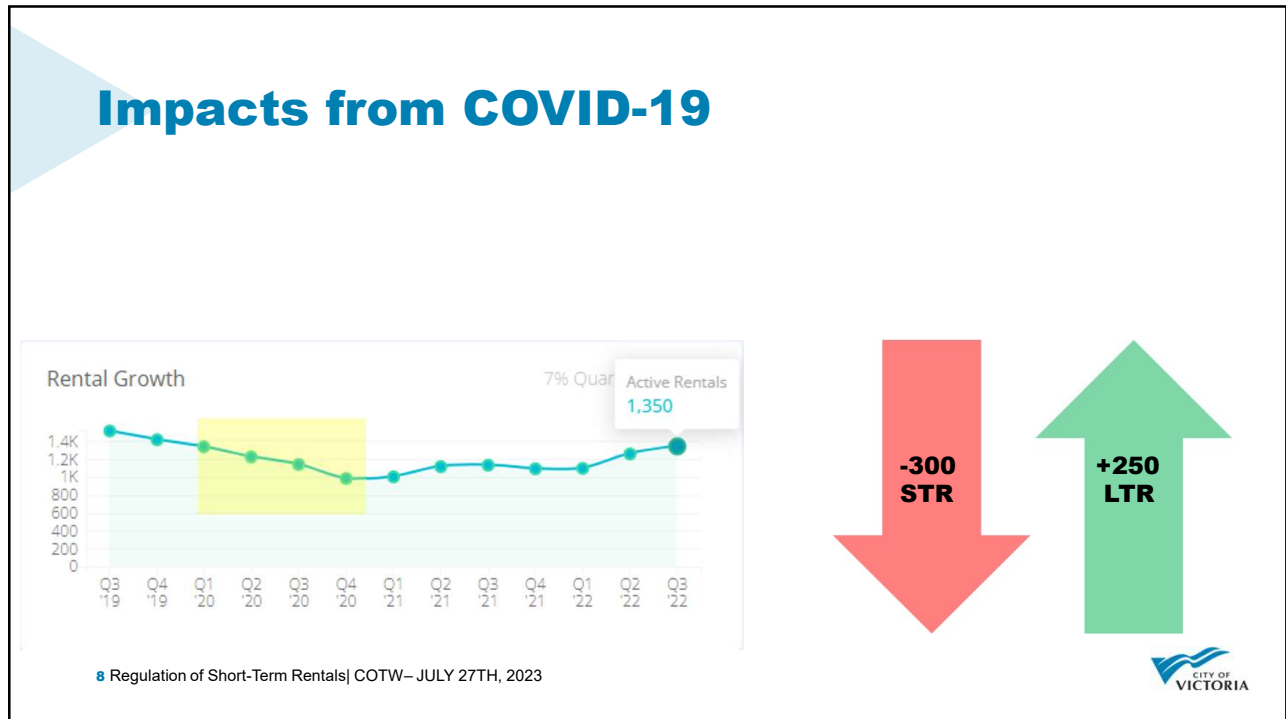
6 Regulation of Short-Term Rentals| COTW- JULY 27TH, 2023



6



7

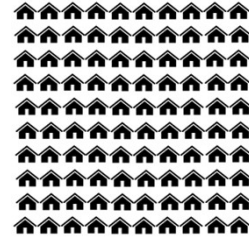


8

Impact on Renters



1 STR will affect 100 LTR



**\$49 increase
per month, per
unit**

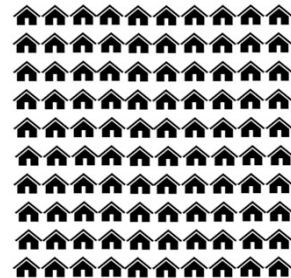


9

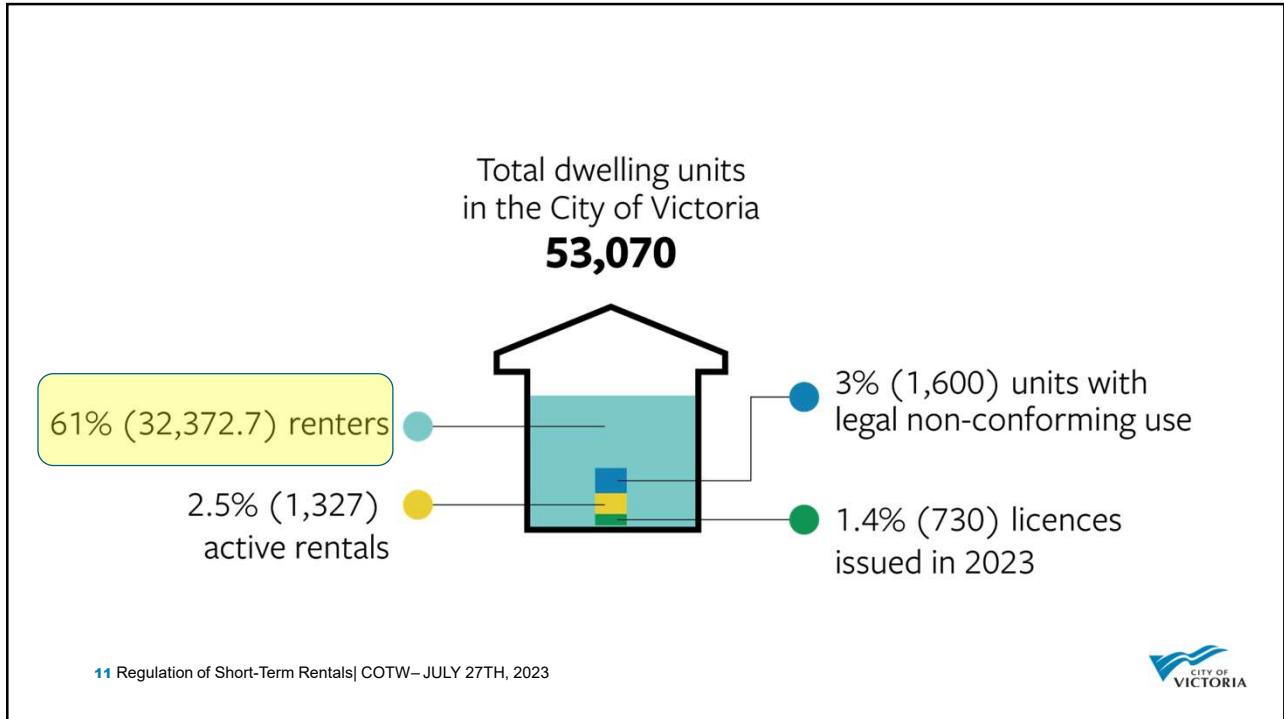
Impact on Renters



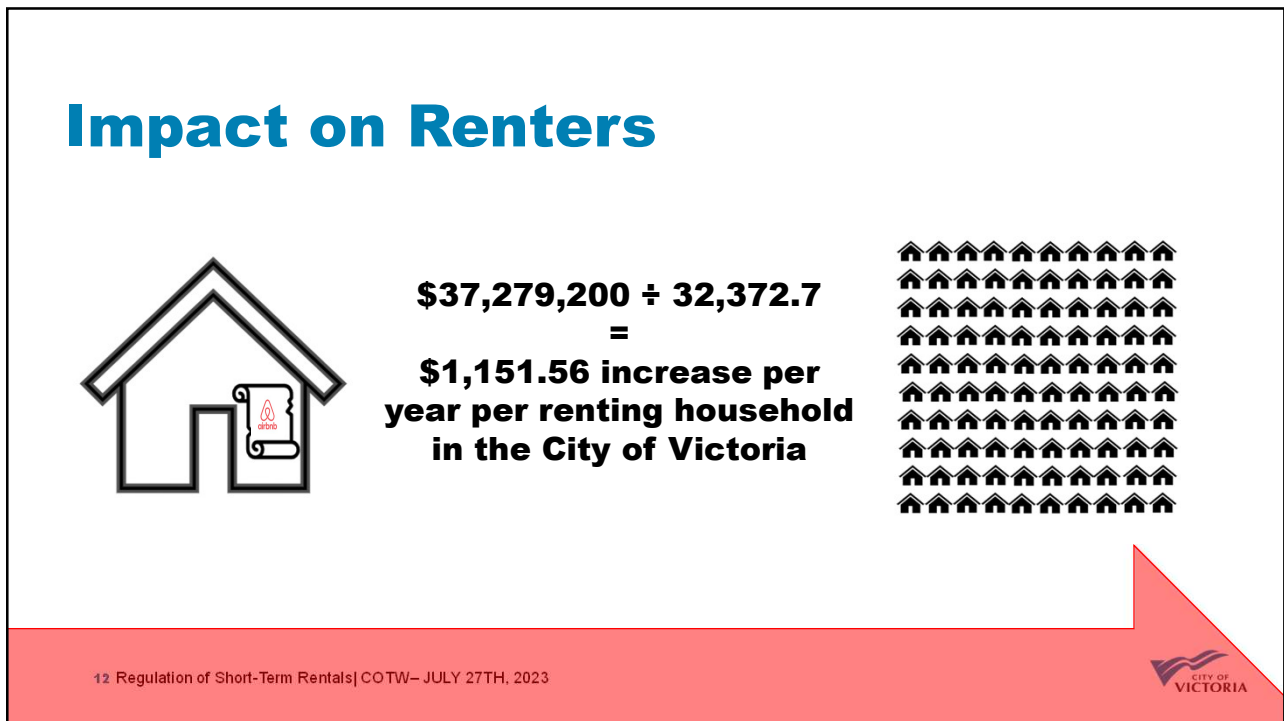
**634 dedicated STRs
licenced
=
63,400 x \$49 x 12 months
=
\$37,279,200 per year**



10



11



12

Larger Impacts on Housing



38.5%* growth
year over year

28% actual growth in
CoV

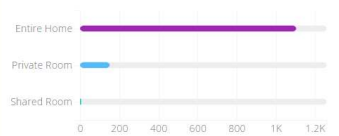


13

AirDNA

1,260 Active Rentals

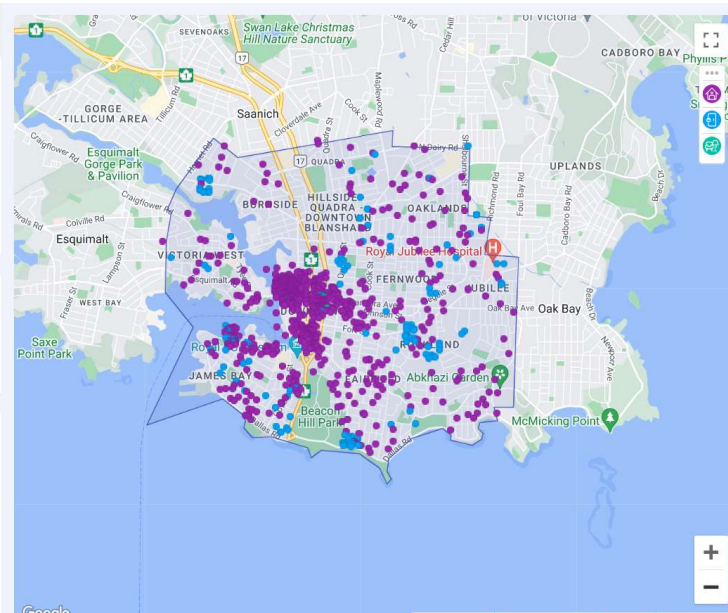
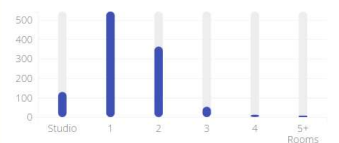
Rental Type 87% Entire Home rentals



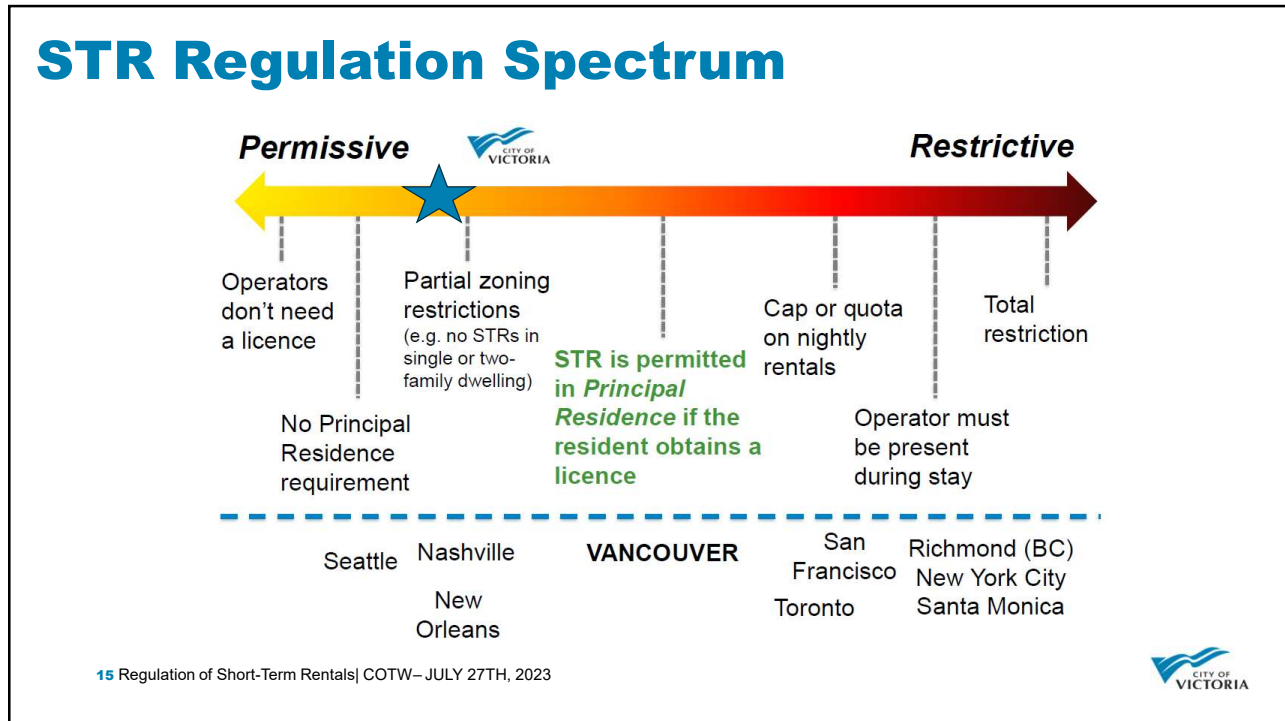
Rental Channel



Rental Size 1.4 Bedrooms / 3.7 Guests on average



14



15

How are STRs Regulated?

STRs are prohibited in the City of Victoria unless licenced **under the following conditions:**

- Home sharing – Up to two bedrooms, with shared spaces, or ‘on occasion’ while away
- Legal non-conforming use (no control from city)

Single Family Dwelling,
No Suite

Garden Suite/Carriage House

Single Family Dwelling
with Suite/Duplex

Non-Principal
Residence Condo

Condo

16 Regulation of Short-Term Rentals | COTW – JULY 27TH, 2023

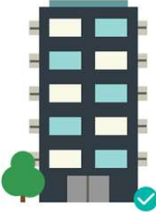
16

How are STRs Regulated?

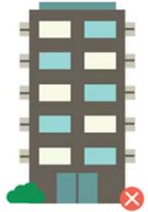
Non-Principal Licence

- Legal non-conforming use status ✓
- Valid Non-Principal Short-Term Rental Licence ✓
- Advertisement displays valid licence number ✓


**Non-Principal
Residence Condo**



Condo



17 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023



17

How are STRs Regulated?

Principal Licence

- Operator's principal residence ✓


- the whole home on occasion i.e. on vacation ✓

or


- up to two bedrooms in your home with shared kitchen and living spaces. ✓

- Advertisement displays valid licence number ✓


**Single Family Dwelling,
No Suite**



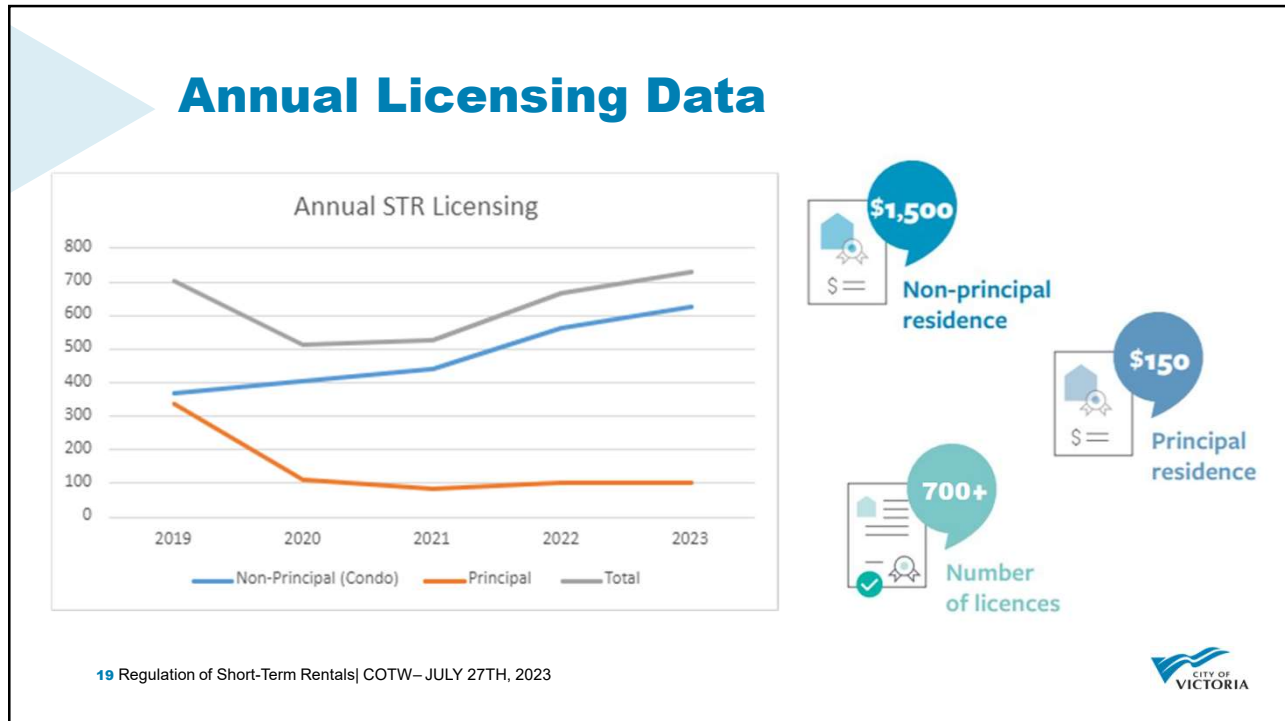
Principal Residence Condo



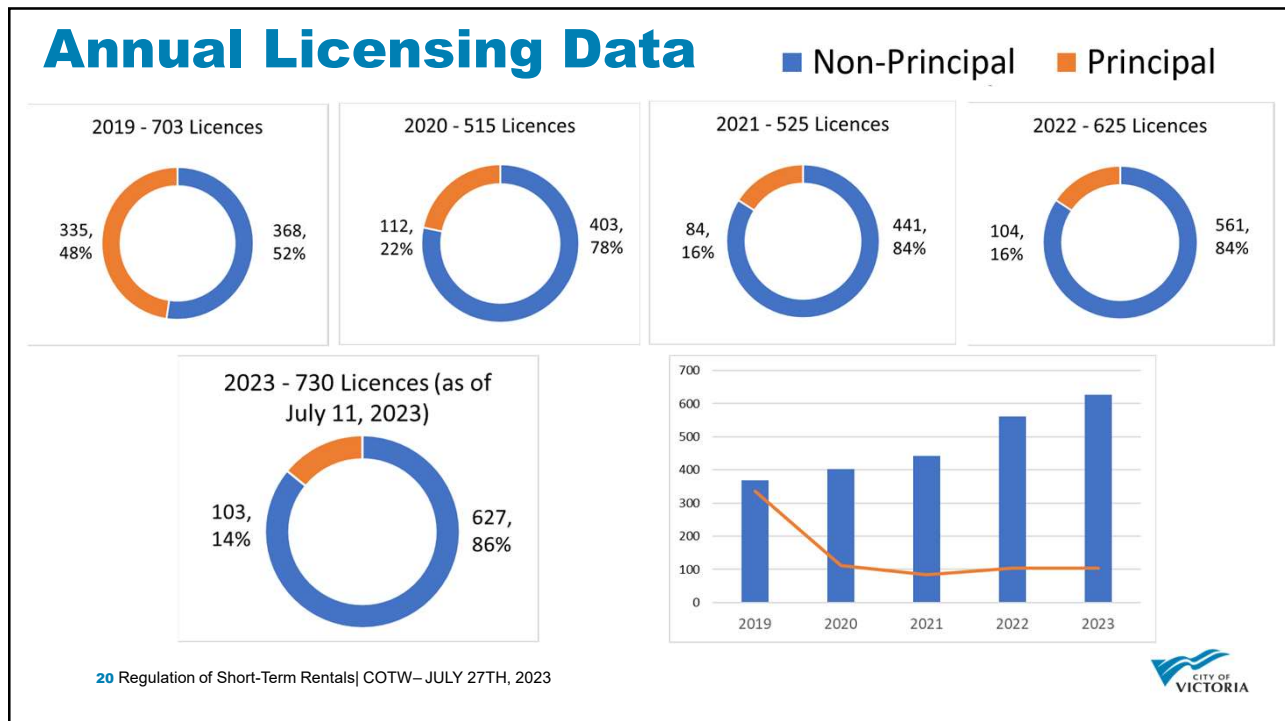
18 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023



18



19



20

Short-Term Rental Licences

Current Bylaw & Licensing:

- Operator
 - Owner or Tenant or
 - Limited Company
- Designated Responsible Person

VS

"Third Party" Operators/Participants:

- Property Manager
- Host
- Cleaner
- Employee, assistant, friend etc.
- >42% of licence holders are out-of-town owners

21 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023

21

Key Issues & Challenges

ID/Operating Unit

Licensing

Continued Compliance

22 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023

22

Who are you renting from?

23

Property Managers

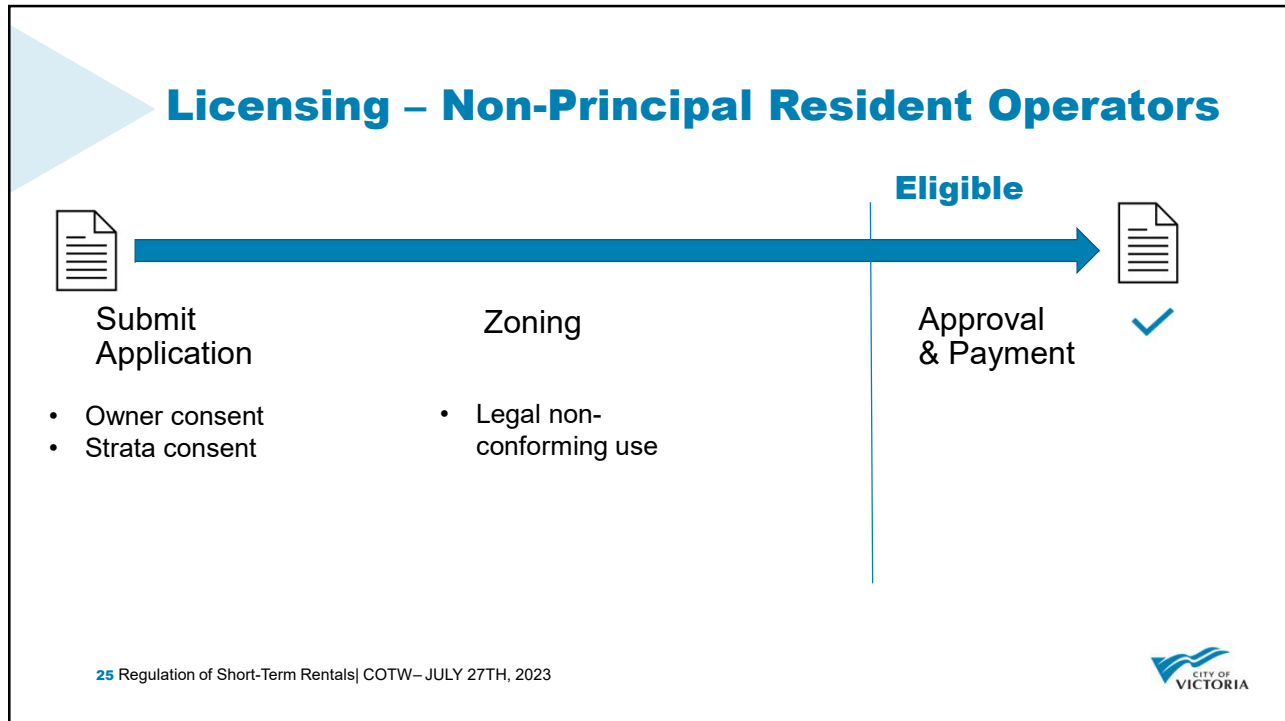
- 36+ Property Management Companies Specializing in STRs in Victoria
- 4-60 listings per company
- Out of town owners
- Definition of 'Operator'

Who regulates them?

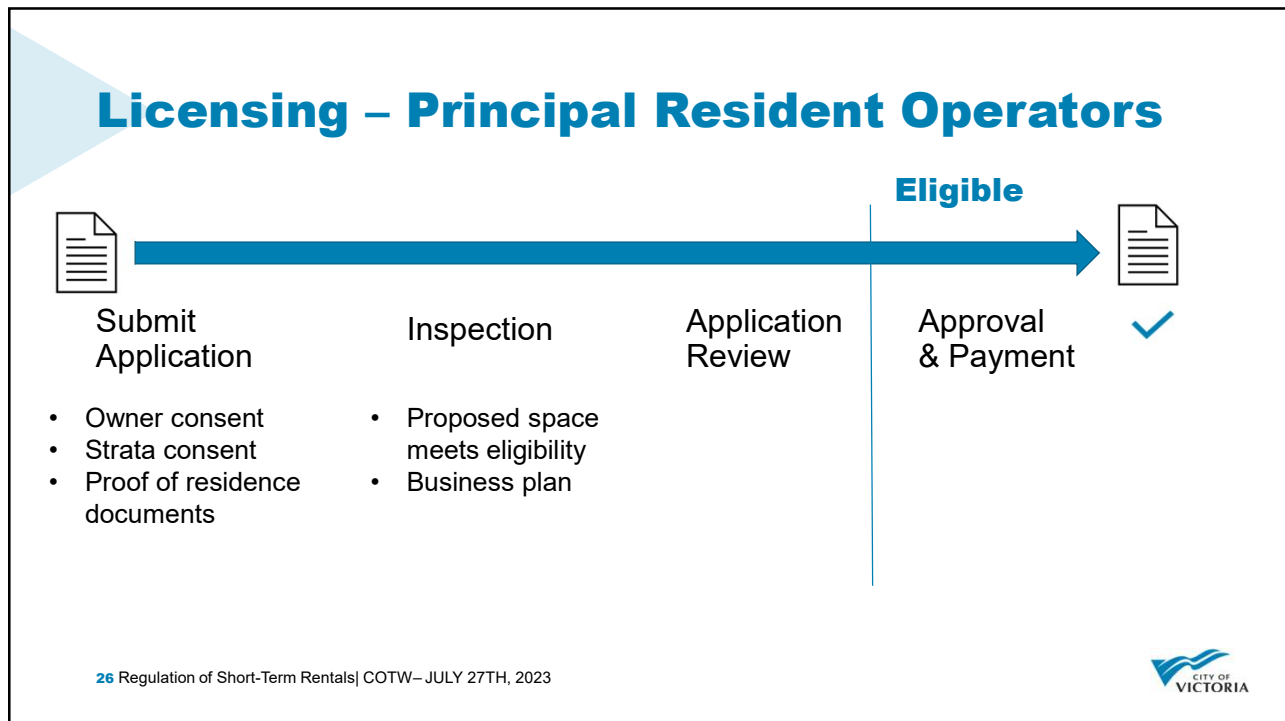
- Consumer Protection BC
- Real Estate Associations (for agents)
- BC Financial Services Authority

24 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023

24



25



26

Licensing – Principal Resident Operators

STR Office

- Inspection
- Online reviews
- Business plans
- Compliance History
- Re-inspections

■ Non-Principal ■ Principal

2023 - 730 Licences (as of July 11, 2023)

Category	Count	Percentage
Non-Principal	627	86%
Principal	103	14%

2023 - Licence and Enforcement

Category	Percentage
Non-Principal	70%
Principal	30%

27 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023

27

Continued Non-Compliance

700+ CFS to be reviewed daily/weekly/annually

- Annual Licence Notification
- Warning Letters
- Warning Emails
- Warning MTIs
- Invoices for outstanding fees

28 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023

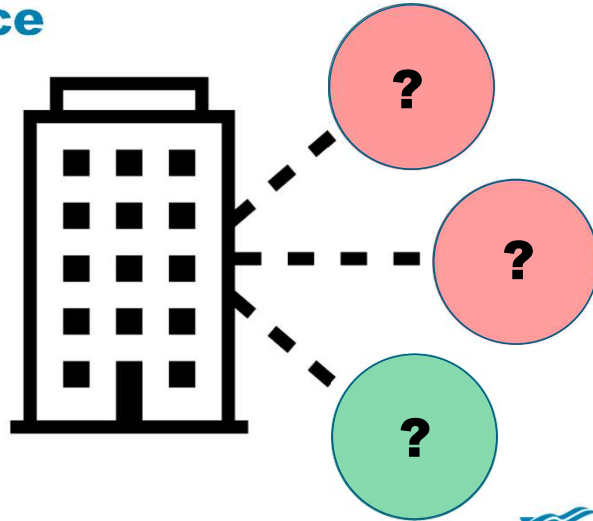
28

Current challenges with continued compliance

Avoidance Tactics

New operator tactics:

- Removal of listing during business hours
- Masking windows, limited text description, using a fake host name, ability not to enter an address with Airbnb to drop the 'map pin' anywhere
- Using fake photos/'bait and switch'
- Using other people's licence numbers



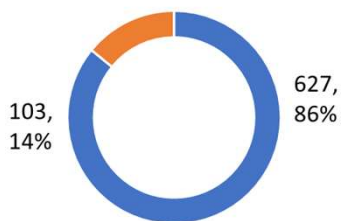
29 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023



29

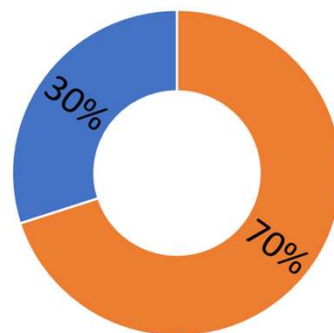
Current challenges with Enforcement

2023 - 730 Licences (as of July 11, 2023)



- Identifying the property
- Serving out-of-town owners (MTI)
- Contact with large property management companies
- WWOP
- Time required to process and review Principal Resident applications

2023 - Licence and Enforcement



30 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023



30

Staff Recommendation

Council direct the City Solicitor to bring forward the necessary Bylaw amendments to the *Short-Term Rental Regulation* and *Zoning Bylaws* as follows:

- Clarify and define terms and wording.
- Distinguish between different rental types.
- Specify how proof of residency is established.
- Align regulatory language with the tourism industry.
- Increase enforcement efficiencies.
- Increase some fine amounts.
- Broaden violation types to capture third party operators.
- Close fee structure loopholes.
- Simplify the appeal process.

31 Regulation of Short-Term Rentals| COTW– JULY 27TH, 2023

