



Short Term Rental Business Regulations Engagement Summary

November 2017

The community was invited to provide feedback on proposed business regulations for short term rentals at an open house on October 30, 2017 and by email by November 3, 2017. Approximately 130 people attended the open house and over one hundred emails were received by staff.

Participants were asked to provide feedback, using a combination of dots and comments on three components of the business regulations (1) principal residence (2) business licence application and fees (3) operating requirements.

Of those in attendance at the open house, 68 self-identified as owners/operators of short term rentals and 22 identified as being employed in the short-term rental industry. The remainder did not identify their affiliation. The overwhelming majority of email submissions were from short term rental operators.

General feedback

Much of the feedback received was outside of the scope of the proposed business regulations, particularly the feedback received by email.

Many people described the benefits of short term rentals: they supplement income, pay mortgages and help operators save for retirement. According to much of the feedback, short term rentals provide another flexible housing type for tourists and visitors to the City.

There was significant confusion and misunderstanding, both in email submissions and at the open house about where short term rentals are currently allowed. Many people did not understand that entire unit short term rentals have never been a permitted use outside of transient accommodation zones.

Many people felt that the change to remove short term rentals as a permitted use in transient accommodation zones was unfair. Operators in transient accommodation zones who had been operating lawfully before the zoning changes felt that they were being punished. We heard that many units are operated on a part-time basis as short term rentals and used by the operator at other times so these units would not be available for long term rentals. Many people appreciate the flexibility of renting their units on a short term basis.

There were concerns that the decisions being made are not based on data and that there has been limited opportunity for public consultation. Some people suggested looking to other cities, such as Seattle, to model that City's approach (where operators are permitted to have two short term rentals and revenues go into an affordable housing fund).

We heard a small amount of support for the City's efforts to make changes to short term rental business regulations to address housing shortages. However, most participants were not in favour of the City's approach. Participants did not feel that it was their responsibility to provide long-term housing for residents and believed that the proposed changes would be beneficial to the hotel industry but hurt Victoria's economy.

Lastly, many participants at the open house expressed concerns over the cost and difficulty of enforcing this industry.

Business Regulation Feedback

Principal Residence

- At the open house, 71 of 94 participants were opposed to the proposal for STRs in principal residences only.

Many participants felt that secondary suites, especially if the owner lives on the property, should be allowed for short term rentals. Several participants felt that property owners should have the right to choose how to use their properties as they see fit. Some expressed concern about the safety and practicality of renting out rooms in their homes.

Business licence application and fees

- 81 of 92 open house participants opposed the proposed business licence requirements and fees.

Many felt that the \$2,500 non-principal resident fee was too high and punitive, referencing lower business licence fees for large hotels. Several participants suggested that existing business licence fees were reasonable. Some suggested that short term rentals should be subject to a tax (e.g. hotel tax) instead of a licencing fee. Others suggested that business licence fees should be based on the type of unit (e.g. studio, 1 bedroom) or be a percentage of income earned.

Operating requirements

- 41 of 56 open house participants agreed with the proposed operating requirements.

In general, people felt that the requirements were reasonable and would not be overly difficult to achieve. Many participants stated that they already display their business licence and comply with City bylaws. Other participants asked questions around monitoring compliance and enforcement.