



## MEMO TO COUNCIL

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**Date:** October 16, 2014      **From:** Sage J. Baker  
Economic Development  
**Subject:** Update re possible partnership with Airbnb

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### Executive Summary

The purpose of this memo is to provide Council with an update related to discussions related to short term accommodation options and regulations within the City and to seek Council's support for staff to continue discussions towards a potential working partnership with Airbnb to attempt to address some of these areas of concern.

### Recommendation

That Council:

1. Authorize City staff to continue strategic discussions with Airbnb towards a possible working partnership to address the core areas of concern generally as set out in this memorandum.

## Additional Information

The largest shift to our economy over the past years (really since the crash in 2008) has been the evolution and development of the collaborative economy. This economic movement is based on trust and transparency enabling individuals to become entrepreneurs. The collaborative economy is shifting the definitions of prosperity.

A great example of this is seen in area of alternative accommodations for visitors where AirBnb ([www.airbnb.com](http://www.airbnb.com)) was the first mover who shaped a market acting as the engine connecting and transacting for individuals wanting to rent out extra space in their homes to those that required more cost effective solutions for places to stay.

Models like Airbnb appear to be here to stay. They have shifted industries and caused regulatory bodies to look at how they address zoning, taxation, safety etc. The visitors using booking services like this are having a material impact on the cities that they visit driving substantial economic impact offering consumers an alternative to standard hotels.

This is a material change in our economy and how we travel and as we know change can make people uncomfortable. Globally there are groups that have attempted to push this change away through different regulations but the communities rally behind it pushing it forward again.

As of June (before the busy season) In Victoria:  
1,019 hosts have used Airbnb at some point since 2008  
354 currently active hosts today  
7,336 guests (April 2013 - March 2014)  
30,017 guest nights (April 2013 - March 2014)  
4.1 average length of stay

And the demographic using this site is just the type of visitor we want in our downtown.

What we want to do is to look at the possibility of forming a partnership with Airbnb to see if together we can lead a path forward towards addressing some of these concerns. Airbnb has started a new Shared Cities initiative where they are looking to work in partnership with leading cities around the world to evolve towards potential solutions to these challenges.

After Airbnb announced their first partnership with Portland (<https://medium.com/@bchesky/shared-city-db9746750a3a>) we contacted them to express an interest for Victoria to be a partner in Canada. We know Airbnb is in use here and thought this could be a great opportunity for us to be proactive in seeing if we could work together to address some of the existing concerns and challenges.

We have been in discussions with Airbnb's senior executive team to talk through the core areas that would be important for our potential partnership to focus on. These core areas (up for further discussion/clarification of course) are similar to Portland but we have talked about focusing on:

1. Looking to adapt and evolve as and where necessary the wording of our relevant zoning and bylaws cover the needs of those home owners providing their homes for short term rentals through sites such as Airbnb
2. Working to ensure a more even playing field for short term accommodations by

- evolving towards a fair taxation approach (ie applying something similar to the hotel tax for Airbnb listings)
3. Working to ensure that Airbnb listings are available for emergency accommodations if required in the event of a disaster
  4. Shared promotion of the city and neighbourhoods and local businesses as a leading tourist destination (helping disseminate great content from Tourism Victoria such as the current video <https://www.youtube.com/watch?v=LUXZ1OjFUIM>)

These discussions have been going on for a few months now and we are now at the stage that we wanted to update council before we set up our first formal team meeting. The team meeting objective is for us to formalize an outline of our potential partnership with Airbnb, which we will then bring forward to council with a request to support. The current working team for Victoria includes economic development, VCC, Planning & Development and Tourism Victoria. This next report to council, outlining in more detail the possible partnership, will include execution plans, anticipated resource requirements, team structure (working groups etc).

Respectfully submitted



Sage J. Baker  
Executive Director Economic Development

Report accepted and recommended by the General Manager, VCC:



Jocelyn Jenkyns