

Short-Term Rental Regulations

Governance & Priorities Committee – October 26, 2020

Outline

1. Background and Purpose
2. Short-Term Rentals in Nanaimo
3. Bylaw Considerations
4. Public Feedback Summary
5. Amendment Options

1. Background and Purpose

Purpose of Short Term Rental Review:

- Determine if Bylaw/Policy changes are required to address short-term rentals and B&Bs in Nanaimo
- Respond to Affordable Housing Study recommendations

The intention of the Project is to:

- Ensure short-term rental accommodations do not impact the long-term rental housing supply in a negative way
- Ensure short-term rental accommodation operators are good neighbours
- Ensure equity among short-term accommodation providers

What is a Short Term Rental?

- The rental of a room or an entire residential dwelling unit on a temporary basis (i.e., less than 30 days)
- Rental is often through an online platform, such as Airbnb, HomeAway, or Vacation Rentals By Owner (VRBO)





Bed and Breakfasts Current Zoning

- Currently permitted in all zones within a Single Residential Dwelling (detached house)
- Owner must be present
- Number of rooms and guests limited by zone

Zones	Max # of guestrooms	Max # of guests
R1/R1a/R1b to R5, R7, R10, R13, R14, AR1, AR2, and COR1	2	4
R6, R8, R9, R15, COR2, COR3, CC1, CC2, CC3, CC4, Downtown, W2, W3, and W4	4	9

- One additional parking space required
- No business licence required

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Use	Permitted within Zoning Bylaw as a Bed and Breakfast
Short-Term Room Rental within a Single Family Home - Owner Present	
Short-Term Room Rental within a Single Family Home - Owner not Present	
Short-Term Rental of Entire Home	
Short-Term Room Rental - Apartment Condo or Townhouse	
Short-Term Rental of a Secondary Suite	

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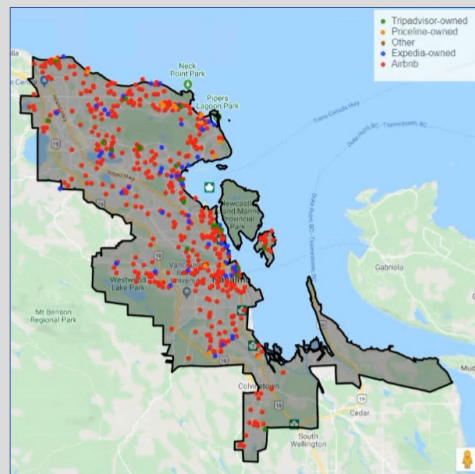
Affordable Housing Strategy

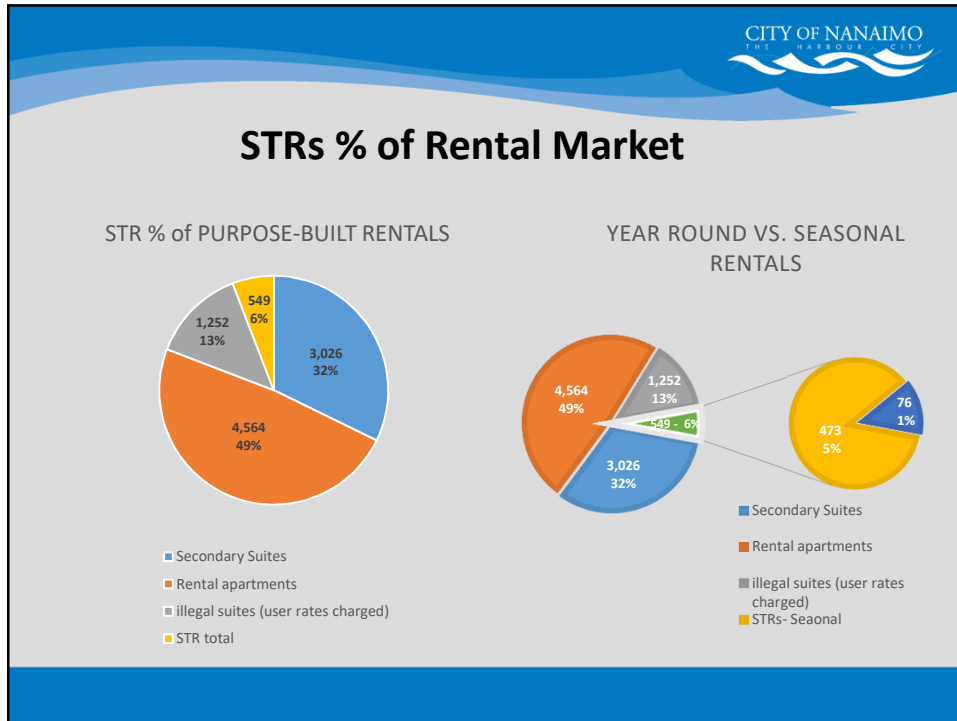
1. Restrict short-term rentals (i.e., less than 30 days) to dwelling units **where the owner is currently residing on the property**, either in the main dwelling or the secondary suite
2. Require all short-term rental operators (including bed and breakfasts and others) to obtain a business licence and to display their business licence number in all listings
3. Support fair taxation for all types of short-term accommodation, including hotels, bed and breakfasts, and other types of short-term rentals
4. Ensure that zoning regulations that apply to bed and breakfasts are extended to short-term rentals
5. Assess the implications of requiring different business licences for properties located in areas zoned as residential versus properties located in areas zoned as commercial
6. Determine an appropriate fine for listing a short-term rental without a valid licence
7. Prepare an explanatory guide that outlines short-term rental operator requirements

2. Short-Term Rentals in Nanaimo

Short Term Rentals in Nanaimo

- AHS 416 listings (2017)
- Feb 2020: 602 listings, 549 unique rental units (source: Host Compliance)
- 71% entire home rental
- 86% SFDs
- Median nightly rate \$85
- 86% listed less than half a year (source: Air DNA, 2018)
- 61% listed for less than 90 nights in a year
- Average guest age is 41





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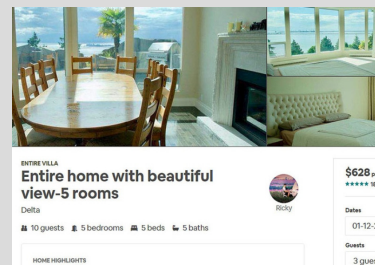
3. Bylaw Considerations

Discussion Questions

- a) Should STRs be allowed as an entire home rental?
- b) Should STRs be restricted to a primary residence only?
- c) Should STRs be allowed in Multiple Family Dwellings?
- d) Secondary Suites?
- e) Should the Zoning Bylaw limit the length of individual guest days permitted by an STR?
- f) Parking Requirement – per bedroom, per property?
Should additional parking be required for entire home stays?
- g) Should the City enforce a cap on the number of STR rental days?

Entire Home Rental


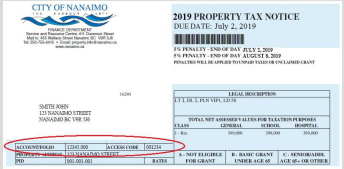
- Guests able to rent out the entire dwelling unit
- Operator not present
 - may cause more noise, loss of social cohesion
 - more likely to impact long-term rentals than B&B room rental
- 71% of STRs in Nanaimo
- Not permitted in the Zoning Bylaw
- 9 of 12 BC municipalities studied permit entire home rental




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Primary Residence

- Means a person who normally resides in a dwelling on the lot and for a period of at least 8 months, and that stipulates the dwelling unit for legal purposes, including:
 - voter registration,
 - filling of income taxes,
 - British Columbia driver's licence,
 - British Columbia medical services card,
 - Home Owner Grant, and
 - British Columbia identification card.



PRIMARY RESIDENCE
meaning, definition, explanation...

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Primary Residence p.2

- Prevents dedicated/year-long STR units
- Prevents second homes from becoming STRs
- Protects rental market
- Provides neighbourhood accountability - steady ownership presence
- Commonly used in other BC municipalities
- May be difficult to enforce

STRs in Multiple-Family

- 11% of STR rentals in Nanaimo
- Not permitted
- May be prohibited by strata or property management regulations
- Impact on long-term rentals and noise
- Parking may be problematic



STRs in Secondary Suite

- B&B rooms currently permitted in a secondary suite in place of secondary suite space
- Up to 2 bedrooms - can be B&B or suite rooms
- Self-contained suites with kitchens desired by travelers and common in Nanaimo
- May impact long-term rental market
- 3 out of 12 BC municipalities studied permit STRs in secondary suites

Business Licence

- Recommended by AHS and Hotel Industry
- 8 of 12 BC Municipalities studied require business licences
- Fees range from \$49 (Vancouver) to \$1,500 (Nelson/Victoria)
- \$165 Staff-recommended fee

4. Public Feedback Summary



Public Consultation

- STAKEHOLDER ENGAGEMENT
 - Tourism Nanaimo/Vancouver Island (October 25th)
 - Neighbourhood Network (October 29th)
 - Hotel Operators (November 4th)
- OPEN HOUSE – November 21, 2019 at Kin Hut
 - 40+ attendees (included Short-Term Rental (STR) operators and interested residents)
- SURVEY
 - 86 total responses (66 online, 20 paper)



Open House Feedback Panels

Should Short-Term Rentals be permitted in an entire home? Place a sticker to indicate your answer:



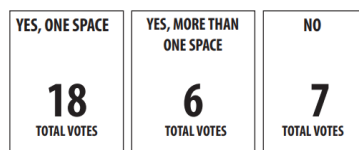
Should Short-Term Rentals be permitted in apartments, condominiums and townhouses? Place a sticker to indicate your answer:



Should Short-Term Rentals be limited to the primary residence, where the owner is still residing on the property? Place a sticker to indicate your answer:



Should Short-Term Rentals require additional parking? Place a sticker to indicate your answer:



Tourism Vancouver Island Comments

- STRs provide necessary and unique accommodation not provided by hotels
- Want experience to be safe/positive. Noted problems with shared spaces
- Support AHS recommendations
- Business licensing essential - important for tracking and professionalism
- Onsite ownership considered a tourism best practice
- 2017 Tourism survey indicated only 10% of visitors stayed at a vacation rental or guest house - number likely low as survey was conducted at hotels and frequent tourist hotspots

Hotel Industry Comments

Encourage regulation of STRs - 8 regulations:

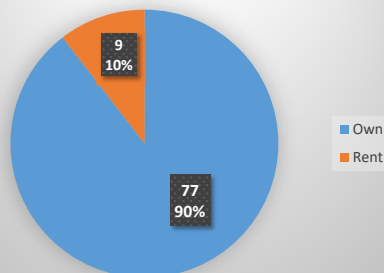
1. Host registration and fees
2. Platform registration and fees
- 3. Principle residence restriction**
4. Cap on usage - # of days
5. Health and safety standards
6. Reporting
7. Taxation/levies- level playing field with hotel operators
8. Enforcement

Survey Response Summary

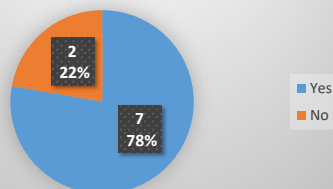
Do you currently own or rent where you currently live?

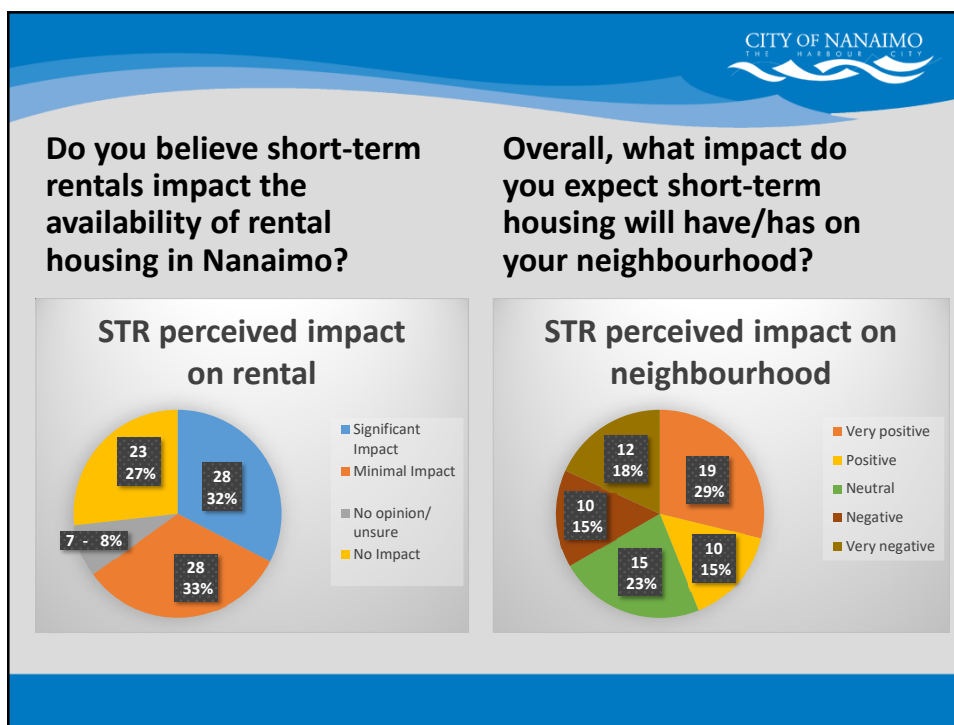
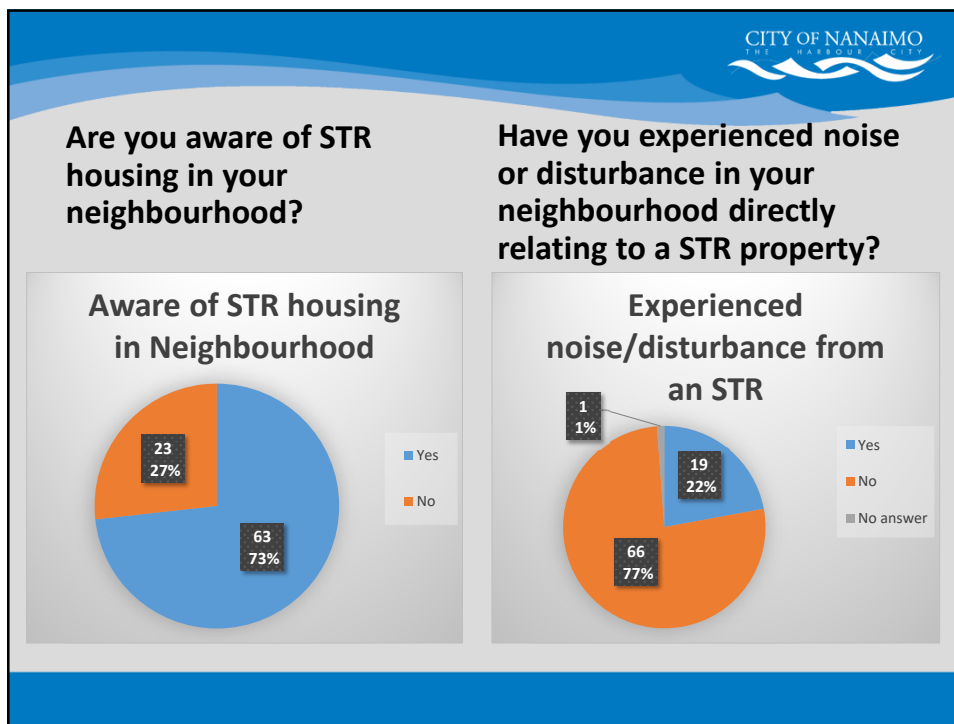
Difficulty Finding Rental (sample size 9)

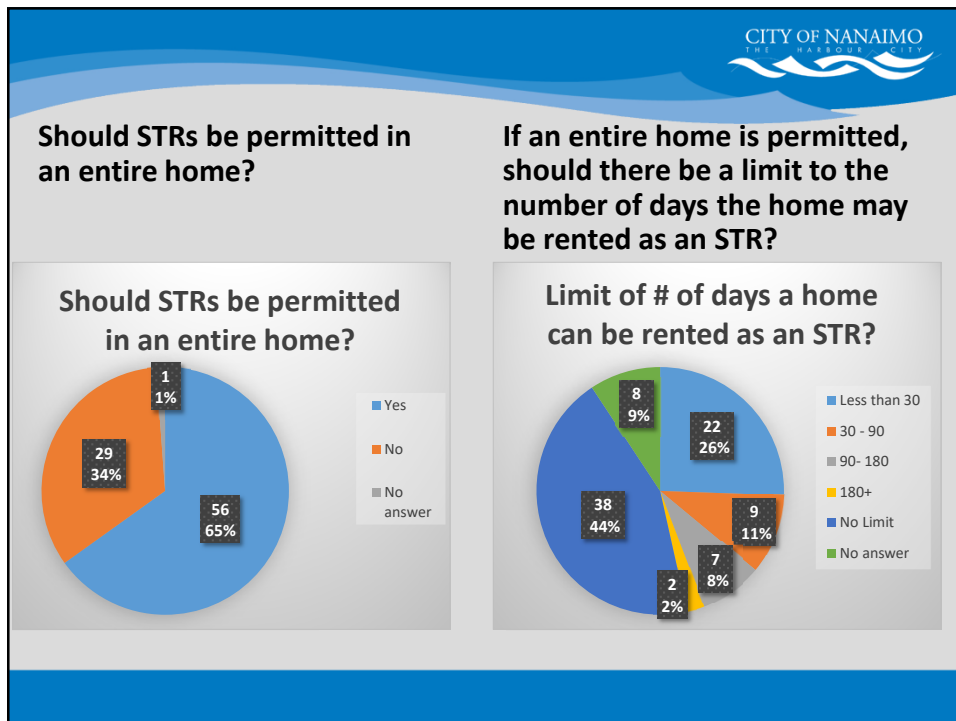
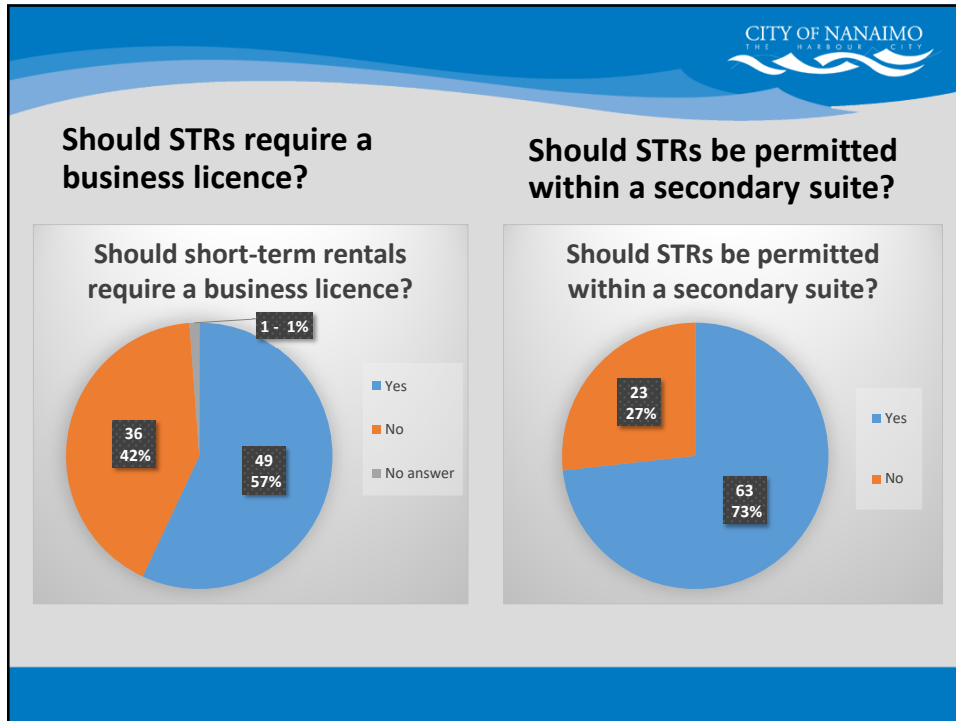
Do you Own or Rent?

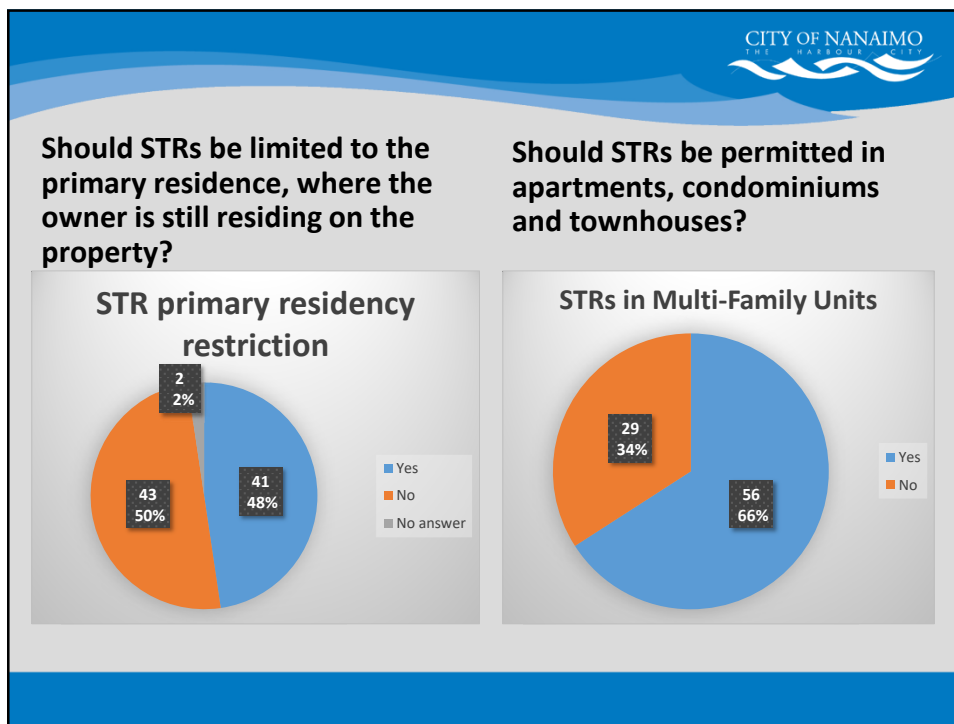


Have you experienced difficulty finding rental accommodation?









4. Amendment Options



OPTION 1 - Allow entire home rental with permanent residency restriction

- Staff recommendation
- Permit STRs in SFDs and MFDs in all zones
- Use only permitted where **operator** is a permanent resident of the dwelling unit or suite
- No limit on number of rental days
- Keep guest limits same as current B&B rules
- Secondary suite policy same as B&B
- Require a business licence
- Require one additional parking space



OPTION 2 - Status Quo with Business Licence

- B&Bs Currently permitted in all zones within a Single Residential Dwelling (detached house)
- B&B rooms may be included in place of a secondary suite
- Entire home rental or MFD rental not permitted
- Owner must be present
- Number of rooms and guests limited by zone
- One additional parking space required
- Business licence required



OPTION 3 – STR no residency restriction

- Essentially same as Option 1 but without primary residency restriction
- Most permissive option
- Allows year-round dedicated STR rental dwellings
- Largest impact on neighbourhoods, long-term rental market, and hotels



Options Summary

	OPTION 1	OPTION 2	OPTION 3
Brief Description	Entire home rental with Primary Residency Restriction	Status quo with business licence now required	Entire home- no primary residency restriction
Entire Home Rental Permitted?	Yes	No	Yes
Unit Type	Single Residential Dwelling, Secondary Suite, Multiple Family Dwellings	Single Residential Dwelling, Secondary Suite	Single Residential Dwelling, Secondary Suite, Multiple Family Dwellings
Residency Restriction	Primary Residency Requirement	Operator must be on site when guests are present	None

Other Options

- Status quo, but permit B&Bs to operate in multiple-family dwellings
- No longer permit B&Bs to operate in secondary suites
- Do not require business licences
- Cap number of days a short-term rental may operate
- Remove existing number of guests and number of rooms cap