

MOTION

9. Short Term Landlords – Long Term Protections for Renters and Hotels

At the Council meeting on May 26, 2020, Council referred the following motion to the Standing Committee on Policy and Strategic Priorities meeting on May 27, 2020, in order to hear from speakers.

Submitted by: Councillor Fry

WHEREAS

1. Tourism in Vancouver has normally been a strong economic factor, driving:
 - a. Over 11 million overnight visitors annually;
 - b. \$4.8 million in direct spending to Metro Vancouver economy annually;
 - c. Over 70,000 full time jobs;
 - d. Over 12,000 hotel rooms in the Downtown Core¹; and
 - e. At least 5,000 Short Term Rental (STR) listings in the city;
2. The COVID-19 Pandemic has had profound impacts on Vancouver's tourism industries, and BC Public Health Officials suggest limited recovery for this sector may be later in the summer if at all;
3. The collapse of the global travel industry has seen demand for Short Term Rentals decline precipitously, with a sustained negative trajectory for future reservations. Analysts note urban markets face significantly higher risk and fluctuation than leisure destinations.² As a result, Short Term Rental property owners are reportedly seeking the stability of conventional long-term rentals over the uncertainty of short-term tourist apartments;³
4. Independent open data research portal Inside Airbnb documents, 5,806 active STR listings in Vancouver, including links to numerous multiple listing property owners/managers on the Downtown Peninsula, verifiable on the Airbnb platform (for example, Bruce: 50 listings, Rami: 32 listings, Anne: 11 listings, Brad: 10 listings, Vida: 7 listings, Charlie: 7 listings);
5. Short Term Rental data aggregator and market research portal AirDNA reports 5,180 active STR listings in the City of Vancouver, of which 73% are "entire home rentals" and 91% are listed with Airbnb (5% VRBO, 4% on both);⁴
6. Recent data trends from both platforms show a number of the current Short Term Rental stock in Vancouver are newly listed for a minimum 30-day stay;

7. So far in 2020 the City has issued 2,972 STR licenses, down from 4,201 in 2019;
8. The City of Vancouver enables, regulates, and licenses Short Term Rentals through three separate by-laws. Goals of STR license and regulations include:
 - a. Protecting long-term rental housing;
 - b. Enforcing against commercial and illegal operators who are using long-term rental homes as short-term rentals;
 - c. Providing safe and healthy accommodation options to support the tourism industry;
 - d. Ensuring STRs are operating with a valid business license, in principle residences, and are allowed by landlord or strata as applicable; and
 - e. Helping the City to follow up on complaints and nuisance properties;
9. Despite the City's STR by-law stipulation that licensees require strata permission, some property and building managers' report an inability to determine illegal STRs because the City's Open Data license portal redacts address information. Uncertainty about strangers and virus transmission from infected travellers are reportedly heightening anxiety among residents;
10. Despite the goal of STR regulations to provide safe and healthy accommodations to support our tourism industry, there is no appropriate oversight of safe standards in the context of COVID-19. Inconsistent cleaning and related mitigation efforts by STR operators may subject the City to further pandemic outbreaks and reputational damage;
11. Despite the reported trend toward longer-term rentals, the STR license stipulates that units must be rented for less than 30 consecutive days at a time, otherwise owners must apply for a Long Term Rental business license and pay a separate fee;
12. Section 4 of *BC's Residential Tenancy Act (RTA)* establishes that vacation or travel accommodations are exempt the RTA. However, in arbitration and legal precedent the undertaking of any residential tenancy is protected. Further, a fixed term tenancy does not implicitly give cause for a landlord to end tenancy;
13. Short Term Rentals extending for Long Term Rentals may be engaged in an ad-hoc manner inconsistent with the City's STR bylaws or the RTA and have the potential to exacerbate further crisis in the rental vacancy market, if and when the tourism industry recovers;
14. Hotels are further distinct from STRs in so far as:
 - a. Hotels pay significantly higher property taxes as Class 6 (business, other) relative to STRs taxed at Class 1 (residential) at a ratio of \$2.93 to \$6.73 per \$1000 taxable value;

- b. Hotels and premises are subject to safety and health inspections by WorkSafe BC and the BC Hotel Association (BCHA), as well as standards set by the City of Vancouver and Vancouver Coastal Health;
- c. Hotels employ a number of full- and part-time workers;
- d. Hotels aren't a threat to the long-term rental market; and
- e. Hotels are purpose built and zoned for that purpose.

THEREFORE BE IT RESOLVED

- A. THAT Council direct staff to review Short Term Rental licensing, fees, regulation and safety in the context of COVID-19 and overall health of City rental vacancies and hotel industry recovery.
- B. THAT Council direct staff to prepare and circulate memos to all 2019 and 2020 Short Term Rental license holders advising:
 - a. that the conditions of their short term rental by-law limits rentals to less than 30 consecutive days at a time; and
 - b. that to rent a residential property for 30 days or more at a time, a rental property business licence is required.

- C. THAT Council direct staff to report back on the feasibility and fairness of assessing and taxing Short Term Rentals (STR) as Class 6 Business, other, rather than Class 1 Residential;

FURTHER THAT staff distinguish in this report any distinctions between multiple STR listing owners or brokers and single listing individual STR owners.

- D. THAT Council direct staff to create a mechanism whereby strata, building and property manager can request and receive access to the Open Data records of Short Term Rental licenses and locations in their properties.
- E. THAT Council direct staff to work with stakeholders to amplify any cleaning protocols and public information campaigns developed by the hospitality accommodation industry, in consultation with the Provincial Health Officer, health authorities and WorkSafe BC which might signal safe readiness to COVID-19 response and public health if and when tourism industry recovers;

FURTHER THAT staff consider and report back on methods for inspection or implementation of safety and cleaning standards in Short Term Rentals (STRs) and common areas as applicable;

AND FURTHER THAT staff report back on any reputational, legal or other liability the City might face as licensors and regulators of STRs (and common areas by extension and as applicable) should they be source of a COVID-19 outbreak.

F. THAT Council direct staff to identify ways to support Hotel recovery and work with the Vancouver Economic Commission Task Force on same.

1. Tourism Vancouver Fast Facts <https://www.tourismvancouver.com/media/corporate-communications/vancouver-tourism-industry-fast-facts/>
2. Impact of the Coronavirus on Global Short-Term Rental Markets <https://www.airdna.co/blog/coronavirus-impact-on-global-short-term-rental-markets>
3. The Guardian: Airbnb Slump means Europe's cities can return to residents, says officials <https://www.theguardian.com/technology/2020/may/09/airbnb-slump-europe-cities-residents-barcelona-dublin>
4. AirDNA Market Minder (retrieved May 10, 2020) <https://www.airdna.co/vacation-rental-data/app/ca/british-columbia/vancouver/overview>
5. Inside Airbnb (retrieved May 10, 2020) <http://insideairbnb.com/vancouver>

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