

Report Date: October 8, 2019
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Meeting Date: November 6, 2019

TO: Standing Committee on City Finance and Services
FROM: Chief Licence Inspector
SUBJECT: One-year Review of the Short-term Rental (STR) Program

RECOMMENDATION

- A. THAT Council approve in principle amendments to the Licence By-law No. 4450 to expand the responsibilities of a Short-term Rental (STR) business licence holder, and regulate STR property managers;

FURTHER THAT the Director of Legal Services bring forward for enactment the necessary amendments to the Licence By-law No. 4450, generally in accordance with the by-law attached in Appendix A, to be effective January 1, 2020.

- B. THAT Council approve an increase to the Short-term Rental Accommodation Operator Business Licence fee for the year 2020 to \$99/year, to better recover the costs of licensing and enforcement;

FURTHER THAT the Director of Legal Services bring forward for enactment the necessary amendments to Schedule A of the Licence By-law No. 4450, in accordance with Appendix B, to be effective January 1, 2020.

- C. THAT Council request the Mayor to write a letter to the Province of British Columbia to advocate for an equitable framework to share the Provincial Sales Tax (PST) revenue generated from short-term rentals in Vancouver with the City for the purpose of funding affordable housing;

FURTHER THAT the letter requests the Province of British Columbia to identify approaches to hold all short-term rental platforms accountable for ensuring their listings and operators comply with applicable local and provincial regulations.

- D. THAT Council request the Mayor to write a letter on behalf of Council to the Expedia Group, Booking Holdings and TripAdvisor Inc. requesting these short-term rental platform companies to take additional measures to ensure their listings and operators in Vancouver comply with the City's short-term rental regulations.

REPORT SUMMARY

The purpose of this report is to present key findings and learnings after year one of the STR program, and to seek Council approval of the proposed recommendations to further strengthen the program. As Vancouver remains in a rental housing crisis, staff are not recommending changes to the fundamental premises of the City's STR regulations, and recommend continuing to limit STR activity to principal residences. Proposed amendments to the Licence By-law No. 4450 will add additional oversight to the licensing process, clarify the responsibilities of a STR business licence holder, regulate STR property managers, and increase the STR operator business licence fee to better recover costs. Staff are also establishing a short-term rental community working group to more systematically give voice to and capture feedback from stakeholders. Finally, staff identified opportunities for further advocacy to the Province, specifically related to platform compliance with municipal by-laws and the sharing of Provincial Sales Tax (PST) revenue generated from STRs to be dedicated to affordable housing.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

On November 14, 2017, Council approved for enactment amendments to the Zoning and Development By-law No. 3575 and Licence By-law No. 4450 that allow STRs in a principal residence, subject to obtaining a business licence.

On November 28, 2017, Council approved the Vancouver Housing Strategy and 3-Year Action Plan with action items specific to STRs, namely advocating the province to review tax equity for providers of transient accommodation, including STRs, explore opportunities to develop a Memorandum of Understanding (MoU) with STR platforms to collect and remit a STR transaction fee of 3%, and report back to Council on the implementation, compliance and impacts of the STR regulatory and licensing scheme.

On April 18, 2018, Council enacted amendments to the Zoning and Development By-law No. 3575, Licence By-law No. 4450 and Ticket Offences By-law No. 9360. In addition, Council received a report on staff's progress on implementing the approved STR regulations and responses to Council's direction to staff on November 14, 2017.

On June 25, 2019, Council approved Council Motion "Exploring New Forms of Hospitality and Housing Tenure to Support Purpose Built Rental," which directed staff to explore tech-enabled hotel rooms that could support the development of purpose built rental housing and how this would impact and/or relate to the City's STR policy and program.

On July 10, 2019, Council approved Council Motion "Exploring Amendments to Short-term Rental Policy and an Affordable Rental Housing Fund at the City of Vancouver," which instructed staff to examine the City's STR policy and report back on any findings and recommendations by June 2020, including consideration for:

- Requiring licence holders to pay a fee, in addition to the STR licence fee, calculated on the number of nights the rental was booked, and, that any fees charged are allocated to the Affordable Housing Reserve;
- Increase the STR Licence fee to strengthen the capacity of the City recover costs;
- Amending the eligibility requirements to allow each owner and each renter to apply for a STR Licence in each residence;
- Approving a maximum number of licences issued, and specific to each of Vancouver's distinct 23 neighbourhoods; and

- Requiring applicants seeking or renewing a City STR Licence to provide:
 - i) A sample of their planned listings;
 - ii) Any photographs that will be used in the advertising the proposed rental;
 - iii) All specific platforms they plan to advertise with; and
 - iv) Written permission of strata council, if applicable.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

A short-term rental (STR) accommodation is the rental of a home, or room within, for less than thirty consecutive days. On April 18, 2018, Council enacted regulations that permitted STR business activity in a principal residence, subject to the principal resident obtaining a business licence. The City's approach to regulating STRs is guided by a set of seven Council-approved principles, with a focus on the first principle:

1. Protect long-term rental supply;
2. Ensure health and safety;
3. Encourage neighbourhood fit;
4. Promote tax and regulatory equity;
5. Support the tourism industry;
6. Encourage compliance; and
7. Enable supplemental income.

The STR regulations, along with the Empty Homes Tax, are important components of the City's 10-Year Housing Vancouver Strategy to limit speculation in the housing market and ensure housing provides homes for people who want to live and work in Vancouver.¹ Ensuring that existing housing is serving people who currently live or intend to live and work in Vancouver is particularly relevant in the city's extremely tight rental market where vacancy rates have been persistently below one per cent and demand for rental remains high.²

On April 10, 2018, staff signed a Memorandum of Understanding (MoU) with Airbnb, a global STR platform, which currently accounts for approximately 82% of the active STR listings in the City. The MoU stipulated that Airbnb will require STR operators advertising on their platform to display a business licence number and share data on a predetermined basis with the City to determine compliance with STR regulations.

Upon enactment of the by-laws, a licensing registration period from April 19 to August 31, 2018, was accorded to existing and prospective STR operators to provide time to understand the STR regulations and to come into compliance. Significant communication and education efforts were undertaken during these five months with the support of Airbnb and Expedia. In addition, Airbnb committed to requiring all new operators to include a business licence in their listing and to removing all existing operators who had not included a business licence in their listing by August 31, 2018. As a result, Airbnb removed 2,482 listings on August 31, 2018. On

¹ City of Vancouver (2019). "Housing Vancouver Strategy." <https://council.vancouver.ca/20171128/documents/rr1appendixa.pdf>.

² Source: CMHC (2019).

September 1, 2018, City staff commenced enforcement against all non-compliant STR operators.

Strategic Analysis

Following the first year of full program implementation, staff conducted a comprehensive review. The primary objectives of the City's one-year review of STR regulations was to identify trends and opportunities to align with best practices from other cities and evaluate the program's licensing and enforcement effectiveness. A full annual report with more detailed findings will be publicly released in late 2019.

The review confirmed that overall, the current STR regulations and program administration have yielded success in licensing and enforcement. Research conducted by staff indicate that no city has definitively solved the problem of illegal STRs as local governments around the world face challenges in adapting and evolving their traditional land-use and business licensing tools to effectively regulate the sharing economy.³ Nevertheless, Vancouver continues to be looked to in Canada as a leader in this challenging area of regulation, a sentiment often expressed to staff by counterparts in other cities in Canada and worldwide.

To strengthen the City's STR regulations, staff have identified opportunities for amendments to the Licence By-law No. 4450, as outlined in Appendix A and B. In addition, the report includes staff's analysis and recommendations on policy considerations requested by Council in two STR-related Council Motions that were approved on June 25 and July 10, 2019.

1. One-year review of STR regulations and program

1.1 Data and current state

1.1.1 STR market

The City has historically relied on the services of third-party screen-scraping companies, specifically Host Compliance, to collect screen display data from the listings of STR platforms that operate in the City and provide an estimation of the STR market in Vancouver. In January 2019, the City contracted Host Compliance through a RFP process to provide screen-scrape data for STR data monitoring and enforcement.

As of October 10, 2019, there are an estimated 5,019 STR listings advertised in Vancouver which represented 4,694 unique STR units. Seventy-four (74) percent of STR listings were for an entire unit, whereas 26 percent were for individual bedrooms or shared units. A summary of key STR statistics for the period of October 2019 is provided below. Figure 1 plots the STR market from January 2018 to October 2019.

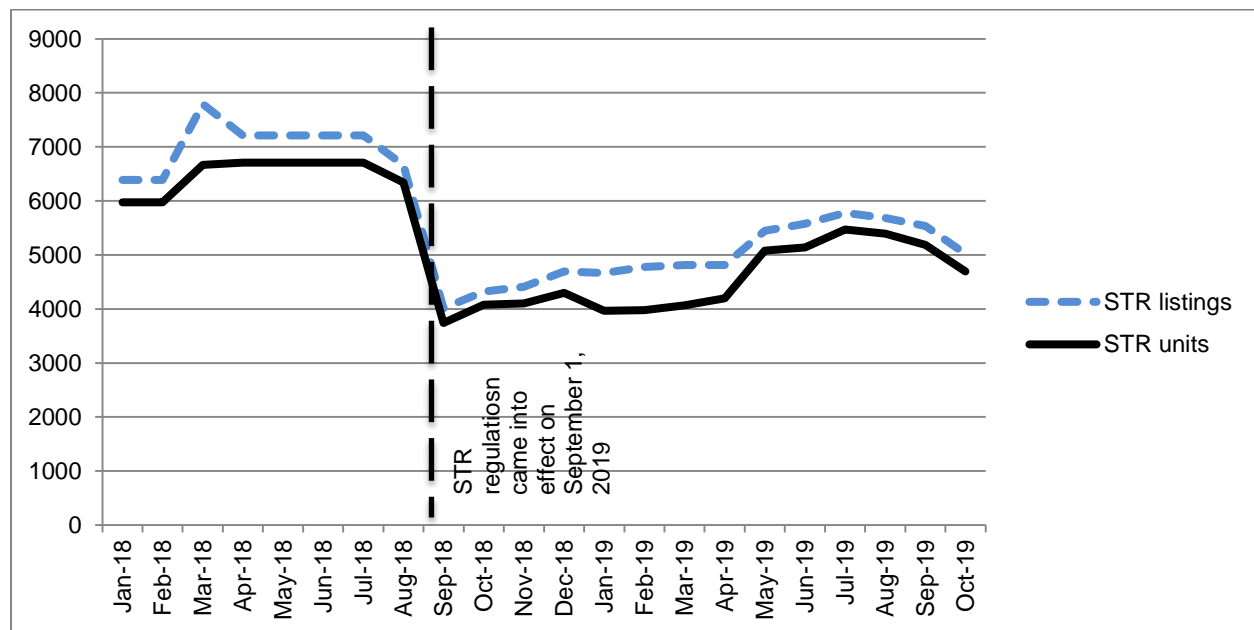
³ For more information on the difficulties faced by local governments in regulating the sharing economy, please see Rauch, D. (2018). "Chapter 18 – Local Regulation of the Sharing Economy." In Davidson, N., Finck, M. and Infranca, J. (eds). *The Cambridge Handbook of the Law of the Sharing Economy*. Cambridge: Cambridge University Press, 249-260; Martineau, P. (March 20, 2019). "Inside Airbnb's 'Guerilla War' Against Local Governments." *Wired*. <https://www.wired.com/story/inside-airbnbs-guerrilla-war-against-local-governments/>; and Merali, F. (May 4, 2019). "How Toronto's proposed short-term rental regulations compare to other cities." *CBC News*: <https://www.cbc.ca/news/canada/toronto/toronto-short-term-rental-regulations-versus-other-cities-1.5121557>.

Table 1 – STR market statistics in Vancouver

Metric	October 2019
Number of STR units	4,694
Number of STR listings ⁴	5,019
Percentage of STR units advertised as an “Entire Unit”	74%
Percentage of STR units advertised as “Private Bedrooms” or “Shared Units”	26%

Source: Host Compliance.

Figure 1 – STR listings and units in Vancouver (January 2018 to October 2019)



Source: Host Compliance (2018, 2019)

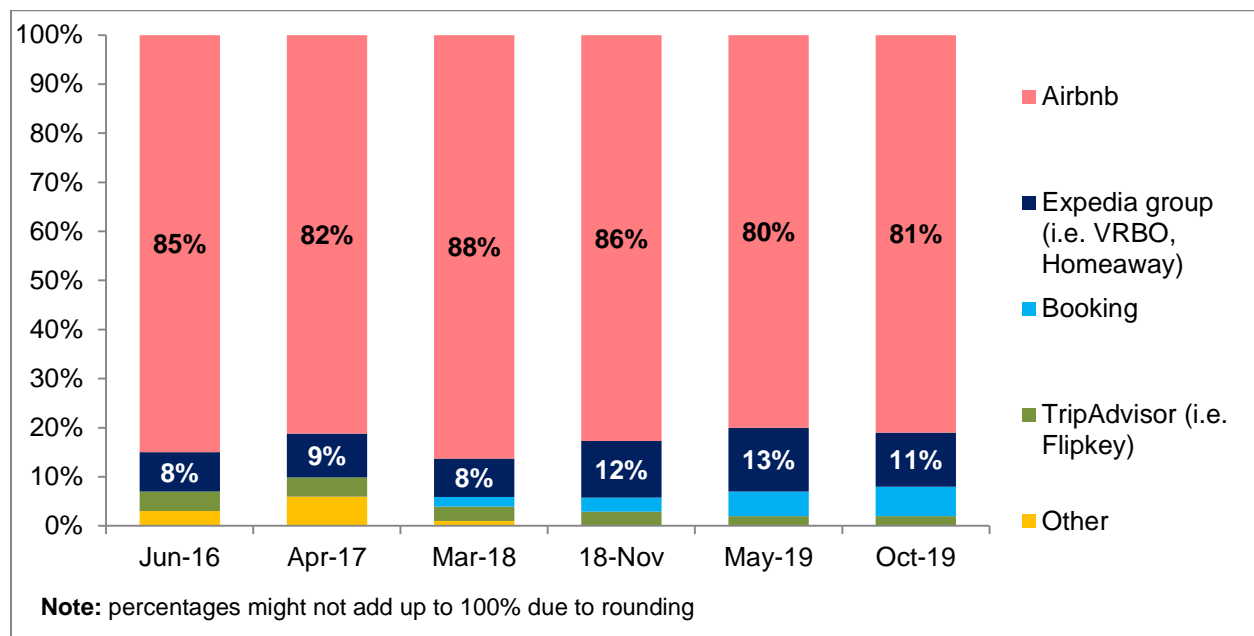
While Figure 1 demonstrates the number of STR units in Vancouver has decreased since regulations came into effect, it should be noted that a growing STR market is not necessarily a negative or positive indicator as STRs are generally permitted in principal residences. Rather, the program's success is measured by how many STR units are licensed and compliant with the by-laws. Prior to April 2018, all STR activity was illegal.

1.1.2 Market share of STR platforms in Vancouver

There are four major STR platforms active in Vancouver as of October 10, 2019. Airbnb remains the largest platform with 81% of the market share. Airbnb has consistently hosted 80% or more of the listings in Vancouver since staff first collected STR market data in 2016.

⁴ Note that the number of STR listings will not equate to the number of STR units as operators are permitted to have multiple listings. These can be multiple listings for each room within the unit, or listings for the same STR unit across multiple STR platforms.

Figure 2 – Market Share by Listings of STR Platforms in Vancouver



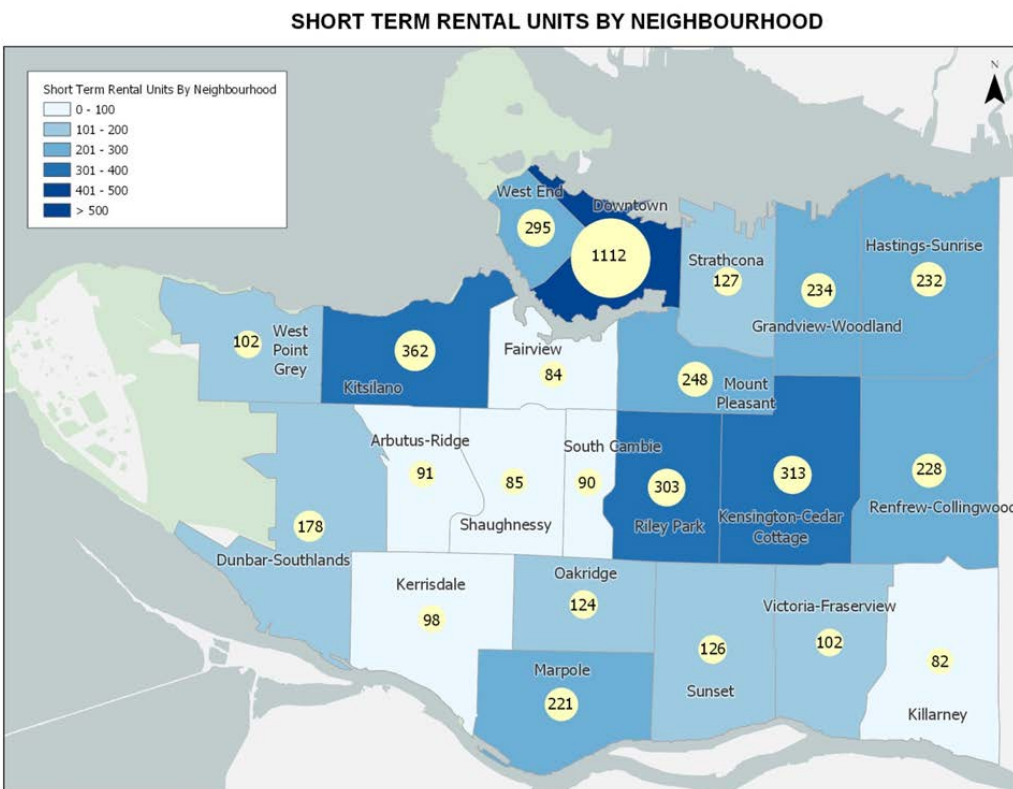
Source: Host Compliance (2016, 2017, 2018, 2019)

The data indicates that Airbnb’s voluntary agreements with the City of Vancouver and the B.C. Government to collect and remit the PST and MRDT⁵ has not resulted in a significant shift of STR listings to other platforms. Staff will continue to monitor the trends in STR platform market share.

1.1.3 Geographic distribution of STR units in Vancouver

Figure 3 illustrates the number of active STR units by local neighbourhood in Vancouver. It shows that STRs are located throughout the whole City, however generally concentrated in certain areas of the City. This includes the Downtown Area (1,112 STR units), Kitsilano (362 STR units), Kensington-Cedar Cottage (313 STR units), and Riley Park (303 STR units).

⁵ Source: <https://news.gov.bc.ca/releases/2018FIN0003-000174>

Figure 3 – Heat map of STR units by neighbourhood

Source: Host Compliance (2019).

1.1.4 STR business licensing

Through jurisdictional scanning and stakeholder engagement in 2017, staff determined that ease and simplicity of the licensing process was critical to ensure compliance with a business licensing requirement. As such, staff created an online licence application system with a self-declaration component to create a low barrier to compliance. Annual licence fees were also set at an accessible rate of \$49 in 2017 (increased to \$51 in 2018), and prorated based on the date of issuance to further encourage STR operators to come into compliance. As of October 10, 2019, the City has issued STR 4,064 business licences. Since full-scale STR enforcement began in September 2018, staff estimate that 73% of all STR units have acquired a business licence.

1.1.5 STR enforcement

STR enforcement represents a significant shift in the way the City has typically enforced By-laws. Traditionally the City has relied on a complaint-driven and “boots on the ground” model to enforce by-law violations. For STRs, staff adopted a new data-driven model that is geared towards proactive and digital-based enforcement, in response to the emerging sharing economy.

Utilizing a sophisticated data analytics tool to scan datasets, staff proactively identify potential STR case files where there are suspected by-law violations. The data sets scanned include: City licensing data, Airbnb data, third party screen scrape data, and community complaints generated through 3-1-1 and VanConnect. When a potential violation is identified, an enforcement casefile is subsequently auto-created for staff to investigate and follow-up with enforcement.

There are two separate streams for STR enforcement: licensed and unlicensed STR operators.

A licensed operator can be subject to enforcement if they are suspected of violating the conditions of their business licence, including non-principal residency; operating in contravention of strata by-laws or without landlord approval; operating from unsafe or illegal unit; and nuisance issues (i.e. noise, garbage, and parking). Staff initiate audits against these operators which require them to provide documentation that substantiate the information provided in their licence application and/or attend an in-person audit meeting to discuss their business conduct. Failure to respond to an audit request, or provide appropriate documentation, will result in the suspension of their business licence. STRs business licences can also be suspended if the STR unit was determined to have Zoning & Development or Building By-law infractions or was found to have substantiated nuisance complaints. A suspended licence holder is required to immediately cease all STR operations including removing all online listings and cancelling all pre-existing (current and future) bookings.

The second stream of STR enforcement is focused on unlicensed STR operators. When an unlicensed operator is identified, which is an operator marketing online without a business licence and/or failing to include the business licence number in the listing, staff issue a Legal Order and violation ticket to the both the unlicensed operator and the property owner of the STR unit. If the property owner and/or STR operator fail to comply with the Legal Order, the casefile is escalated to the City Prosecutor's office for long-form prosecution through the Provincial Court. To gain compliance, an unlicensed operator may either acquire a STR business licence or cease all STR operations including removal of all online listings.

Note that warning letters are initially issued to operators with minor by-law offences such as including an expired 2018 STR business licence number in the listing when the City's licensing records indicate that the operator has acquired a 2019 business licence.

From September 1, 2018 to October 10, 2019, staff investigated 3,636 enforcement casefiles. Table 2 summarizes the STR enforcement actions until October 10, 2019:

Table 2 – STR enforcement actions from September 1, 2018, to October 10, 2019

Enforcement stream	Enforcement metrics	Number
Licensed	Number of STR units flagged for audits	1,162
	Number of audits initiated	625
	Number of business licences suspended	204
	Number of licences voluntarily closed due to enforcement	223
Unlicensed	Number of Legal Orders issued	334
	Number of violation tickets issued	802
	Number of warning letters issued	674
	Number of listings referred for prosecution	120
Other By-law violations	Number of inspections of STR units	157
	Number of Zoning Orders issued to STR units	71
	Number of STR units referred for prosecution for Zoning By-law offences	9

As a direct result of staff's enforcement actions from September 1, 2018, to October 22, 2019, the following outcomes have been achieved:

- \$113,000 collected from violation tickets issued against unlicensed operators and property owners of illegal STR units;
- Six convictions in Provincial Court against illegal STR operators with a total Court-imposed fines of \$62,000; and
- 148 unlicensed STR units have come into compliance by acquiring a STR business licence; and
- 624 STR units (licensed and unlicensed) have been delisted or converted into a minimum 30 day+ listings in order to comply.

1.2 Summary of lessons learned

Through the one-year review, staff have distilled the following main lessons learned with respect to STR licensing and enforcement in Vancouver:

- (a) The City had among the highest licensing compliance rates for STRs in North America – as previously mentioned, the licensing compliance rate in 2019 for STR units is estimated to be 73%. This has far exceeded staff's 2017 expectation of a 25% licensing compliance rate in the first year of implementation.⁶ Staff attribute the high licensing compliance rate to the City's online, low barrier application process and ongoing education and communication with platforms and operators;
- (b) Discussions with other jurisdictions indicate that the City has adopted a balanced and permissive approach to STRs that allowed both owners and renters to short-term rent their principal residence if all licensing regulations are met. Counterparts in other jurisdictions that are experiencing a similar housing crisis, especially in the Lower Mainland region, have indicated the desire to emulate aspects of the City's regulations, and seek advice on policy development and implementation;
- (c) Vancouver remains the only City in Canada that has signed a voluntary compliance agreement with a STR platform, specifically Airbnb. Staff's experience has confirmed that cooperation with STR platforms, especially access to data, is critical for STR compliance and enforcement efforts;
- (d) The public has been actively supporting the success of the program by regularly sending community complaints and concerns regarding potentially illegal, unsafe and/or nuisance STR operations to the City via 3-1-1 and VanConnect. As of October 22, 2019, staff have received 1,005 STR-related community complaints, in addition to the 3,265 complaints received in 2018. Staff investigate all complaints received. Education efforts are ongoing to ensure complaints include the necessary information for staff to create an enforcement case file, specifically the full address of the STR unit (including unit number in multi-family buildings), and the URL address of the STR listing;
- (e) A data-driven approach to STR enforcement is fundamental to the success of enforcement. The City's sophisticated data analytics tool has been effective in utilizing multiple datasets, to proactively identify potential case files and to manage information through the investigative and enforcement process;

⁶ City of Vancouver (July 2017), "Regulating Short-term Rentals in Vancouver."
<https://council.vancouver.ca/20170711/documents/rr1.pdf>.

- (f) STR enforcement can be complex as illegal STR operators attempt to find new ways to circumvent the City's STR regulations;
- (g) Referring non-compliant STR operators and property owners through the Provincial Court system remains the City's strongest enforcement tool, however it is a lengthy and resource intensive process – the process requires additional evidence gathering, establishing a Court date, and the actual Court appearance, which may take place months after the initial by-law infraction was identified. During this time period, some illegal operators continue to market and operate the unlicensed STR unit in contravention of the City's enforcement action; and
- (h) Requiring STR platforms to remove illegal STR listings at the request of the City is the most expeditious way to compliance. However, the legal powers afforded to local governments lack the legal means to hold these online platforms responsible for their facilitation of illegal STR listings.

1.3 Opportunities for improvement

1.3.1 Proposed improvements to the licensing process

Despite a high compliance rate of 73%, approximately one-quarter of all STR business licences have been flagged for audits as potentially non-compliant with licence conditions. This is based on complaints from residents, stratas, or staff's proactive investigation work. In particular, many strata corporations have raised concerns that STR business licences are issued to strata units where strata by-laws prohibit STRs and the operator has not been truthful in the self-declaration stage of the licence application.

Staff recommend amending the Licence By-law No. 4450 to specify that no person can knowingly provide false or inaccurate information in a business licence application, including for STRs. This is similar to Section 5.3 and 7 of the Vacancy Tax By-law No. 11674 which states that providing a false property status declaration is an offence that can result in a property being deemed liable for the EHT. Amending the by-law provides the ability for staff to refer for prosecution any licensed operator who fails an audit on this basis. The Court in turn would decide on the appropriate monetary penalties that should be accessed.

In addition, staff will further enhance the licensing process by expanding the City's existing STR Prohibited Buildings List, to bolster the licensing of STR activity only in eligible units.

The Prohibited Buildings List identifies buildings that are not eligible for STR activity and as such the City will not issue a STR business licence to units within these buildings. Designated Single-room accommodation (SRA) buildings and purpose-built rentals that were constructed under the City's rental incentives programs, including Rental 100 buildings, prohibit rentals of less than 30 days are already included in the Prohibited Buildings List. Prospective STR operators are blocked in the online licence application system from applying for and obtaining a STR business licence in these buildings.

To address the concerns raised by stratas, staff developed a partnership with Rancho Management Services and First Service Residential, two major strata property management companies in Vancouver, to pilot an expansion of the Prohibited Buildings List. The pilot prohibited the auto-issuance of online STR business licences in 18 strata plans comprising of 6,468 units across the City with pre-existing strata by-law prohibitions on STRs. The onus is on the strata company to attest that appropriate strata by-laws prohibit STRs, and to notify the City if by-laws are subsequently amended to permit STRs.

Findings from the pilot program were encouraging with staff suspending or operators voluntarily closing 45 STR business licences across the 18 strata plans. Given the early positive indicators staff will expand the Prohibited Buildings List for additional strata plans in 2020. Strata corporations or their authorized agents (e.g. strata property managers) will have an opportunity to submit a formal request to the City to have their buildings included on the Prohibited Buildings List, and to provide the sufficient attestation and documentation to support the strata by-law prohibition.

1.3.2 STR property managers

Professional STR property management is a growing industry that offers services ranging from managing the marketing of the STR unit to housekeeping. Despite conducting business in Vancouver, many of these STR property managers have not acquired a municipal Property Manager business licence. Through audits and investigations, staff discovered that many suspect commercial operators who market multiple STR units are in fact functioning as property managers. In other cases, STR activities are managed by family members or friends of a licensed STR operator on a *pro-bono* basis.

The act of managing legal and licensed STR units on behalf of an operator is allowed, so long as the individual or company holds a Property Manager Business licence. Staff are proposing amending the Licence By-law No. 4450 to add the definition of a Property Manager and specify that individuals or corporations who market and/or manage more than one legal STR unit must acquire a Property Management business licence. The 2020 licence fee for the City's Property Manager business licence is \$155. A licence is not required for managing one STR unit to acknowledge those supporting family members or friends and not undertaking this work as a profession. By requiring and issuing a business licence to STR property managers, licence holders are subject to conditions including the requirement to only market and manage licensed, legal STR units, and the requirement to cease the marketing of any listings for properties that the City deems to be illegal. Amendments to the Licence By-law No. 4450 to amend the definition for property managers is attached in Appendix A.

1.3.3 Other amendments to the Licence By-law No. 4450

On October 30, 2018, Council enacted amendments to the Vacancy Tax By-law No. 11674 that clarified its definition of principal residence to specify that a person may only have one principal residence. As the Licence By-law's definition of principal residence was based on the definition used in the Vacancy Tax By-law, staff recommend the same amendment be made to the Licence By-law No. 4450 to ensure consistency between the City's STR program and the EHT.

On July 10, 2019, Council instructed staff to consider requesting applicants seeking or renewing a City of Vancouver STR business licence to provide the following additional information:

- A sample of their planned listing;
- Any photographs used in advertising the STR unit;
- All specific platforms they plan to advertise with; and
- Written permission of strata council, if applicable.

Staff recommend obtaining the operator's Universal Resource Locator (URL) address of the listing, to achieve the requests to see the planned listing and the photos in the advertisements.

Staff recommend adding licence conditions (see Appendix B) requiring operators to provide the following pieces of information when requested by the Chief Licence Inspector. Note that items 2 and 3 are pre-existing conditions in the Licence by-law No. 4450:

1. Documentation indicating principal residency of the STR unit;
2. Authorization from strata council, if applicable; (pre-existing in by-law)
3. Authorization from landlord, if applicable; (pre-existing in by-law)
4. The name and contact details of any STR property managers who assist in the operating of the STR unit;
5. The URL address of all online listings used to market the STR unit;
6. All STR platforms used to market the STR unit;
7. Documentation indicating the number of days that the STR unit was booked; and
8. Any other documentation that the City deems necessary for the licence holder to demonstrate compliance with the City's STR regulations.

1.3.4 Assessing the impact of STR regulations on the long-term rental market

Vancouver remains in a rental housing crisis. The purpose built rental vacancy rate has been less than 1% since 2014 while average rents in purpose-built rentals have increased by over 24% over the same period.⁷ The City is also increasingly a city of renters as the cost of a home remains out of reach for most local residents despite the downturn in the real estate market in 2018 and 2019.⁸ Approximately 53% of households in the City were renters in 2016 compared to 51% in 2011, as more than three quarters of net new households added during that period were renting.⁹

Left unregulated, short term rental activity can be problematic for affordable housing goals as private landlords could see more economic gains by converting rental units into STR accommodations. In 2017, staff conducted financial modelling which illustrates that an average STR accommodation can generate between 200% to 300% more net annual income relative to LTR units, depending on the unit type and local area.¹⁰

The primary guiding principle of the City's STR program is to protect the existing stock of long-term rentals. A key measure of success is the impact on the long-term rental market. However, it is challenging to isolate the impact of STR regulations on the long-term rental market, given the concurrent launch of similar policies (Empty Homes Tax, Speculation & Vacancy Tax, mortgage stress test), and other factors such as population growth, incomes, and job availability.

Staff have been unable to identify any other city that has been successful in definitively enumerating the number of STR units returned to the long-term rental market as a result of STR regulations. To date, there appear to be indications that the City's STR regulations are having a positive impact on Vancouver's long-term rental market:

⁷ Source: CMHC (2019).

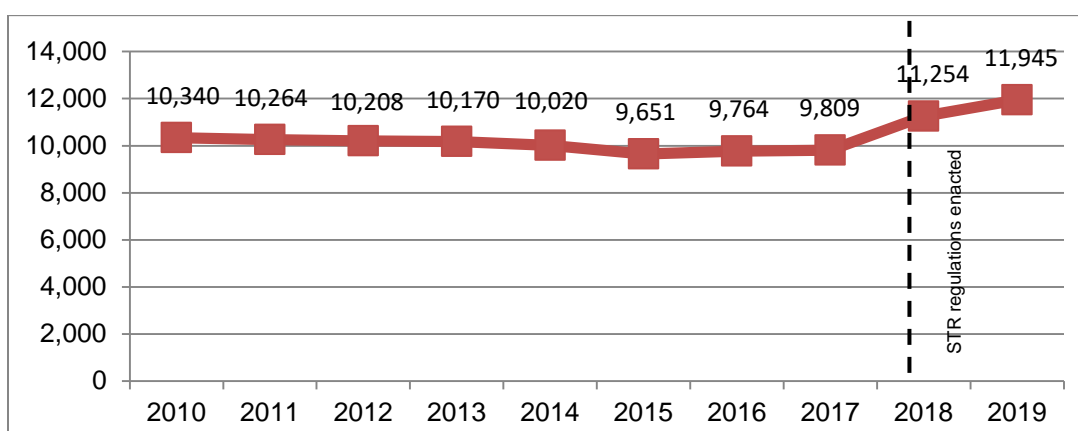
⁸ Demographia (2019). "15th Annual Demographia International Housing Affordability Survey 2019: Rating Middle-Income Housing Affordability." <http://demographia.com/dhi.pdf>.

⁹ Source: Census 2016, Statistics Canada.

¹⁰ City of Vancouver (July 2017), "Regulating Short-term Rentals in Vancouver." <https://council.vancouver.ca/20170711/documents/rr1.pdf>.

- Analysing screen-scrape data from AirDNA, Coombs, Kerrigan and Wachsmuth (2019)¹¹ estimated that there were 300 less frequently-rented entire home (FREH) STR units in Vancouver in the first four months since STR regulations came into full effect (September to December 2018) – the authors was quoted in the media as stating that these STR units have likely returned to the long-term rental market and that the City's regulations are among the most effective in North America¹²;
- Through the data analytics tool, staff have identified and enforced upon 1280 suspected STR units (licensed and unlicensed). Through the ongoing education of STR in the community, as well enforcement efforts, staff was able to accurately determine that 624 previously listed STR units were delisted. Staff cannot accurately quantify the exact number of the 624 former STR units that have returned to the LTR market. However, staff have seen an increase in Long-term Rental business licences since STR regulations were enacted (Figure 5).

Figure 5 – Number of LTR business licences issued (2010 – 2019 YTD)



Source: City of Vancouver licensing data.

Providing a confident estimate of the impact on the long-term rental market remains a program goal. As such, staff will be working in 2020 to explore more systematic and objective methodologies to accurately track the number of STR units returned to the long-term rental market.

1.3.5 Advocacy to the Province on STR platform accountability

The Memorandum of Understanding (MOU) with Airbnb has been a pillar of the City's STR licensing and enforcement approach. To date, Airbnb is the only STR platform that has negotiated a voluntary compliance agreement with the City, despite ongoing attempts by staff to contact and negotiate a similar agreement. Other major platforms, namely Expedia and Booking.com have provided educational materials on the City's STR regulations to their Vancouver operators; however, they have stopped short of requiring their operators to display a business licence number in listings and providing data to the City in support of enforcement.

¹¹ Coombs, J., Kerrigan, D. and Wachsmuth, D. (2019). "Short-term rentals in Canada: Uneven growth, uneven impacts." Forthcoming in the *Canadian Journal of Urban Research*. <https://upgo.lab.mcgill.ca/publication/short-term-rentals-in-canada/short-term-rentals-in-canada.pdf>.

¹² St. Denis, J. (June, 2019). "Vancouver's Airbnb rules hailed as the most effective in the country. A researcher fears the city's about to weaken them." *The Star*. <https://www.thestar.com/vancouver/2019/06/24/vancouver-airbnb-rules-were-hailed-as-the-most-effective-in-the-country-a-researcher-fears-the-citys-about-to-weaken-them.html>; and St. Denis, J. (June, 2019). "Three hundred long-term rentals back on market in Vancouver thanks to new Airbnb rules, says researcher." *The Star*. <https://www.thestar.com/vancouver/2019/06/21/three-hundred-long-term-rentals-back-online-in-vancouver-thanks-to-new-airbnb-rules-says-researcher.html>.

Table 3 summarizes the voluntary compliance efforts of individual major STR platforms in Vancouver.

Table 3 – Voluntary compliance by STR platform

	Airbnb	Expedia	Booking	TripAdvisor
Create a dedicated business licence field in the listing	✓	✓	✓	x
Require operators to populate the business licence field before the STR listing can accept bookings	✓	x	x	x
Data sharing	✓ (quarterly)	x	x	x
Host education	✓	✓	✓	✓
Removal of unsafe STR listings upon request	✓ (unsafe, illegal units)	x	x	x

Platform accountability is increasingly under review, motivated in part by a number of successful legal victories for U.S. local governments which have solidified their authority and capacity to hold platforms liable for facilitating illegal STR transactions. Toronto is currently one of the only cities in Canada attempting to regulate platforms. In Toronto, STR platforms are intended to acquire a business licence and adhere to strict regulations. However, to date the City of Toronto's STR regulations are not in effect due to an ongoing appeal by STR operators to the Ontario Local Planning Appeal Tribunal (LPAT).

Although the City of Vancouver has the authority to develop a licence category to regulate online platforms, the ability of the City to enforce and prohibit unsanctioned online activities was determined to be questionable without concerted intervention from higher levels of government. Recognizing the boundaries of municipal online enforcement, staff attempted to negotiate increased voluntary compliance from all major STR platforms operating in Vancouver (Airbnb, Expedia, Booking and Trip Advisor). These platforms are generally interested in exploring new or expanded partnerships on the condition that the City changes the by-laws to allow STRs in non-principal residences. Given that the City remains in a housing crisis with a 0.8% vacancy rate,¹³ staff recommend against such proposals.

Staff are also recommending tax equity among STRs, hotels and bed and breakfasts, in alignment with the guiding principles. A STR booking in B.C. is subject to the 8% Provincial Sales Tax (PST) and 3% Municipal and Regional Development Tax (MRDT). The MRDT has historically provided funding for local tourism marketing programs, but the Province amended the rules in 2018 to allow MRDT revenues collected from STRs to be used for affordable housing initiatives. On April 2018, Airbnb signed a MoU with the Province to collect and remit the 8% Provincial Sales Tax (PST) and 3% Municipal and Regional District Tax (MRDT) on behalf of their operator. Subsequently on June 2019, Airbnb announced that it has collected and transferred about \$16 million in PST and \$4 million in MRDT to the province in the first six months of tax remittance, of which \$1.4 million of the MRDT was collected from STRs in Vancouver.¹⁴ In contrast, other STR platforms have not signed a MoU to collect and remit the PST and MRTD to the province.

¹³ Source: CMHC (2019).

¹⁴ Zussman, R. (June 24, 2019). "Airbnb remits more than \$14 million in PST to the BC government." *Global News*. <https://globalnews.ca/news/5427282/airbnb-remits-more-than-14-million-in-pst-to-the-b-c-government/>.

The provincial *Designated Accommodation Area Tax Regulation* governs the disbursement and usage of the MRDT. Currently, MRDT revenues can only be disbursed to designated recipients as defined in the *Regulation*. For the MRDT collected within the geographic confines of Vancouver, Tourism Vancouver, not the City, is the designated recipient. In most other B.C. municipalities, the local government is the designated recipient.¹⁵ Tourism Vancouver has opposed the apportionment of the MRDT revenues for affordable housing because it constitutes a crucial funding source for their tourism marketing programs.¹⁶ As such, the City is currently not in receipt of any provincial tax revenue generated from STRs within Vancouver that the City has enabled through STR regulations.

With the City lacking the legal means to compel STR platforms to be accountable for STR listings, staff is recommending that Council advocate to the Province to lead work to hold all STR platforms accountable for ensuring their listings comply with applicable local and provincial regulations. Specific action items that staff will be requesting from the Province include:

- (a) For the Province to license or authorize STR platforms that would like to operate in B.C.;
- (b) Conditions of their provincial licence or authorization include:
 - o requiring platforms to provide operator data to the provincial and local governments
 - o ensuring their units and listings comply with all local land-use and business licensing regulations,
 - o removing any listings that a local government has deemed to be illegal;
- (c) Require all platforms to collect and remit the 8% PST and 3% MRDT on behalf of their operators;
- (d) Further to point (c), specify that all platforms must also collect and remit any additional transaction fees that the City of Vancouver is authorized to levy under Section 272.(1) (b) of the *Vancouver Charter*; and
- (e) Consider an equitable framework for the Province to share the PST revenue that was generated in Vancouver with the City for the purposes of funding affordable housing initiatives.

Furthermore, staff also recommend the Mayor write a formal letter to the parent companies of the platforms who have not agreed to an MOU, namely Expedia Group, Booking Holdings and TripAdvisor Inc.,. Staff recommend the letter to request that the platforms take additional measures to ensure their listings and operators comply with the City's STR regulations, including a mandatory business licence field, data sharing with the city for the purposes of enforcement and removal of listings that fail to include a business licence number.

1.3.6 Licence fees

The City's current licence fee of \$51 for STRs was deliberately set low to reduce barriers to compliance. Even with an estimated compliance rate of 73%, licence fee revenue currently funds 35% of the cost of administering the STR program. Staff research shows that the City has among the lowest annual STR licensing fees in North America.

¹⁵ Other jurisdictions where the designated recipient is not the municipality are Victoria, City of North Vancouver, District of North Vancouver, City of Courtenay, and the City of Cranbrook.

¹⁶ Zussman, R. (April, 2018). "Tourism industry worried about changes to the 'hotel tax'. *Global News BC*. <https://globalnews.ca/news/4167387/tourism-industry-worried-about-changes-to-the-hotel-tax/>.

On July 10, 2019, Council directed staff to report back with considerations to increase the licence fee to strengthen the capacity of the City to recover costs. Staff recommend that the licence fee be increased to \$99 per year. Based on the current year's STR licence baseline of approximately 4,000 business licences, staff estimate that the fee increase will allow the City to recover around 60% of the annual operating costs for 2020, while retaining the general affordability of STR licensing fees. This increase includes the 2.6% increase to all licence fees as approved by Council on September 11, 2019. The proposed fee increase requires an amendment to Schedule A of the Licence By-law No, 4450, which is attached in Appendix B.

1.3.7 Program Resourcing

Research conducted in 2016 and 2017 on best practices indicated that enforcement of STR regulations was a full-time commitment which required dedicated human resources adept at navigating digital and social media channels. Council endorsed an annual budget of \$618,000 to support the creation of a staff team to administer and enforce STR regulations. Staff have reviewed and revised the staffing requirements to best reflect operational needs and capacities, and where effort was most needed to support the program objectives of licence compliance and enforcement. Currently, the City's STR enforcement team is comprised of seven Temporary Full-time (TFT) positions, focused on data analysis and licensing compliance.

1.3.8 STR community working group

Since STR regulations came into effect, staff have held discussions with select stakeholders, including strata corporations and property managers, as well as various interested members of the community who authored the widely shared citizens' report entitled "Unintended Opportunities."¹⁷ Some of these groups have called on the City to regularly accept offers of resources from the community, which could bolster citizens' confidence in the City's STR program.

To that end, staff is establishing a STR community working group. These discussions will provide an opportunity for input from community and stakeholder perspectives, including sharing of ideas for improvement to the City's STR regulations. Members will be invited and appointed by staff and include a broad representation of key interest groups, including licensed STR operators, housing activists, long-term tenants, landlords, strata corporations, STR platforms, as well as the tourism and real estate industries. Staff is currently developing the Terms of Reference (TOR) for the working group and expect to launch in Q1 2020.

1.3.9 Additional future work items

STRs remain a dynamic industry, requiring staff to constantly review and evolve the program. Through the One-Year Review process, staff identified these additional priority action items as part of the 2020 work plan:

- 1) A systematic review of the City's technology support for STRs, including licensing, 3-1-1 complaint intake, and enforcement systems, with the goal to streamline enforcement activities; and
- 2) Work with real estate regulators such as the Real Estate Council of British Columbia (RECBC) and the Office of the Superintendent of Real Estate (OSRE) to educate realtors on STR regulations, and develop a strategy to deter realtors from short-term renting non-principal residence units that are listed for sale on MLS listings.

¹⁷ For more information, see Rodrigues, U. (2019). "Unintended Opportunities: A citizens' review of Vancouver's new short-term rental regulation system, and 12 ideas to make it better."
https://drive.google.com/file/d/1tXjA5FrX4CKiB2pOu2nxjVNDW_eM1ywt/view

- 3) Exploring more systematic and objective methodologies (i.e. data mining, monitoring) to accurately track the number of STR units returned to the LTR market due to STR regulations and enforcement.

2. Response to Council Motions

2.1 *Exploring new forms of hospitality and housing tenure to support purpose-built rental*

On June 25, 2019, Council directed staff to explore how new forms of tech-enabled hospitality options may support the development of purpose built rental housing, and determine intersections with the City's STR regulations. Planning, Urban Design, and Sustainability (PDS) staff are currently undertaking a review of the City's market rental incentive programs and integrating the direction from Council in examining the effectiveness of existing programs in delivering new rental and any policy changes to improve the programs. A report back to Council with findings is targeted for late 2019. The Employment Lands and Economy Review is a related initiative underway which is taking a broad look at Vancouver's employment sectors across the city to develop a long-range land use policy plan to ensure we have an appropriate supply of land for jobs and businesses like hotels and related services to support the future growth of our economy.

Under the City's current regulations these new forms of tech-enabled hospitality units, if considered in the future, would be zoned and licensed as commercial hotel units. Residential rental units in these buildings would be expected to comply with the City's STR regulations and would only be eligible for a short term rental licence if they were occupied as a principal residence, and with the property owner/ landlord's authorization. These buildings could also be subject to any restrictions registered on land title which may prohibit rentals of less than 30 days, as is the case with Rental 100 buildings.

2.2 *Exploring amendments to short-term rental policy and an Affordable Housing Fund at the City of Vancouver*

On July 10, 2019, Council directed staff to report back with findings and considerations on five specific policy proposals.

2.2.1 *Amending the eligibility requirements to allow each owner and each renter to apply for a Short Term Rental in each residence.*

Staff interpreted the motion to request considerations for permitting STRs in non-principal residence units, which includes investment properties, as well as secondary suites and laneway homes that are not occupied as a principal residence.

Upon the initial introduction of the STR policy in 2017, many local STR operators attended the Public Hearing to advocate for the inclusion of non-principal residences. In addition, staff have been recently approached by STR platforms to expand licensing to STRs in non-principal residence units in exchange for increased voluntary platform partnership. The platforms suggested the City pilot the approach by licensing a limited number of commercial, non-principal residence STR units and that these units be charged a substantially higher licensing fee, with the revenue funding the construction of affordable housing, including temporary modular housing.

However, staff **do not recommend** expanding the eligibility of the STR program to non-principal residences at this time, whether secondary suites, laneway homes or investment properties, due to the following considerations:

- (a) **Vacancy rate:** The City of Vancouver remains in a rental housing crisis with a primary vacancy rate of 0.8%. In contrast, Rental advocates highlight that a healthy rental market is considered by the Canada Mortgage and Housing Corporation (CMHC) to have a 3% rental vacancy rate¹⁸With the exception of Kelowna where short-term renting a non-principal residence unit was a pre-existing land use (i.e. apartment hotel) in certain zoning districts, other North American jurisdictions that allow commercial STRs under a tiered licensing structure have vacancy rates in excess of 5% (see Table 4).

Table 4 – Comparison of vacancy rate, policy and licence fees in Vancouver and select cities that permit STRs in non-principal resident units

City	Vacancy rate	Policy related to commercial, non-principal resident STR units	Fee for commercial STR licences
Vancouver	0.8%	STRs only allowed in a principal residence with a business licence.	N/A
Victoria	1.1%	STRs generally only allowed in a principal residence with a business licence, however non-conforming STR units may continue to acquire a licence if they were operating lawfully as of September 21, 2017.	\$1,500
Kelowna	1.9%	People may obtain separate business licences to short-term rent one principal residence unit and non-principal residence units in multi-family dwellings in Tourist Commercial and Health districts.	\$750
Austin	7.6%	Separate STR business licence categories, permitted to have multiple business licences: <ol style="list-style-type: none"> 1. <i>Type 1</i> – owner occupied STRs 2. <i>Type 2</i> – non-owner-occupied STRs in single family or duplexes in non-residential zones – subject to 3% cap by census tract and required distancing between units. 3. <i>Type 3</i> – non-owner-occupied STRs in multi-family buildings – subject to caps that differ by zone. 	\$572
Nashville	5.9%	Two STR business licence categories, permitted to have multiple business licences: <ol style="list-style-type: none"> 1. <i>Owner-occupied:</i> allowed in all residential uses and zones 2. <i>Non-owner occupied:</i> only allowed in multi-family dwellings in multi-family zones, mixed use and commercial zones with a permit.¹⁹ 	\$313
New Orleans	8.7%	Two STR permit categories, permitted to have multiple business licences: <ol style="list-style-type: none"> 1. <i>Residential:</i> Must be a principal residence, allowed in all residential uses and zones except the French 	\$5,000

¹⁸ City of Vancouver (July 2017). "Regulating Short-term Rentals in Vancouver." <https://council.vancouver.ca/20170711/documents/rr1.pdf>.

¹⁹ Note that the City of Nashville will no longer issue new Non-Owner-Occupied Permits in multi-family residential zones.

		<p>Quarter</p> <p>2. <i>Commercial</i>: Only allowed in multi-family dwellings in mixed-use and commercial zones with a permit – no more than 25% of dwelling units in the building can be used as STR.</p>	
Seattle	10.5%	People are generally permitted to obtain one business licence to operate a STR in their primary residence and one additional unit – legacy operators may operate additional STR units if those units were operated legally as of November 9, 2017, subject to geographic caps.	\$75 for each dwelling unit
<p>Sources: CMHC (2019); American Community Survey (ACS), United States Census Bureau (2017)</p>			

- (b) **Impact on long-term renters:** Staff is concerned that allowing STRs in non-principal residences could result in the loss of existing long-term rental units, especially secondary suites due to their more affordable rents and the lower protections accorded to tenants living in these units.²⁰
- (c) **Nuisance issues in commercial STR units:** In other jurisdictions, non-principal residences have been found to generate increased nuisance issues in residential neighbourhoods. When used full-time as a STR accommodation, there is increased potential for nuisance issues in local residential neighbourhoods, such as noise, parking, garbage and threats to the safety of local residents. The City of Nashville formerly permitted non-owner occupied STRs in single and two-family zones but gradually phased out commercial STR licences for these areas after concerted community opposition due to nuisance issues. Other jurisdictions profiled in Table 4 that permit commercial STR units also prohibit the use on single and two-family zones for the very same reason.
- (d) **Impact on Empty Homes Tax (EHT) and Speculation and Vacancy Tax (SVT):** Allowing STRs in a non-principal residence unit, specifically investment properties, will conflict with the objectives and progress of both and EHT and SVT to return underutilized dwelling units to full-time, long-term residential use. For example, an owner of an investment property in Vancouver who has been renting the property to long-term tenants to avoid the EHT and SVT might be incentivized to convert the property to STRs if the revenue potential is sufficiently large to offset the tax liability.
- (e) **Licensing revenue from commercial STR units:** Staff conducted data analysis to determine the number of affordable housing units, including temporary modular housing that could be developed if the City were to proceed. For example, charging a licensing fee of \$1,500 for 2,000 commercial, non-principal residence STR units, as suggested by the STR platforms, would generate \$3,000,000 in revenue. This is insufficient annual funding to cover the costs of land lease/acquisition, design, construction, and operations of affordable housing in Vancouver.

Staff will continue to monitor the primary vacancy rate and will re-evaluate when the primary vacancy rate increases to a healthier level.

²⁰ City of Vancouver (2009). "The Role of Secondary Suites: Rental Housing Strategy – Study 4." <https://vancouver.ca/docs/policy/housing-secondary-suites.pdf>

2.2.2 Approving a maximum number of licences issued, and specific to each of Vancouver's distinct 23 neighbourhoods

In the initial policy review in 2017, staff recommended against a licence cap, whether based on neighbourhood or otherwise, based on the learnings from other jurisdictions that they were ineffective and almost impossible to enforce.

Staff re-examined a licence cap by neighbourhood as well as capping measures that other jurisdictions have utilized to regulate STRs. For example, the Cities of Austin and New Orleans caps the number of non-owner occupied STRs by census tract and building respectively. Other jurisdictions including Nashville have previously employed such capping measures but found it difficult and costly to administer and enforce, and have abandoned this approach²¹

Based on experiences in other jurisdictions, staff **do not recommend** instituting caps on the number of licences per neighbourhood, based on these policy and operational considerations.

- (a) **Contrary to guiding principles:** Capping the number of business licences contradicts with one of the program's guiding principle to allow Vancouver residents to earn supplementary income by short-term renting their home.
- (b) **Planning and consultation efforts:** It would require a thorough planning process, comprising of community consultations, impact analysis, Public Hearings and potential amendments to the Zoning and Development and/or Licence By-laws for staff to determine and promulgate the appropriate number of STR business licences for each neighbourhood.
- (c) **Allocations and wait lists:** If a cap is imposed, the City will need to consider how to fairly allocate the annual allotment of STR business licences, which can be on a "first come, first serve" or lottery basis. In addition, the City may have to administer wait-lists for applicants who are eligible but were rejected because the annual caps have been met.

2.2.3 Requiring the licence holder to pay a fee, in addition to the Short-Term Rental Licence fee, calculated on the number of nights the rental was booked, and that any fees charged are allocated to the Affordable Housing Reserve;

Section 272 (1)(b) of the *Vancouver Charter* provides the authority for the City to establish a fee for the granting of a business licence that can be in the nature of a tax. Staff researched STR transaction fee or taxes that other jurisdictions have impose and found a best practice was to place the onus on STR platforms, either through Voluntary Agreements or platform regulations to collect and remit the fee or tax on behalf of their operators.

Despite the legal authority, staff's study of transaction fees and taxes in other jurisdictions reveals that relying on STR operators to remit those fees will result in low compliance and underreporting. A scan of STR-specific transaction fees or taxes in other jurisdictions indicate that the onus is placed on STR platforms, either through voluntary compliance agreements or platform regulations, to collect and remit those taxes back to the local authorities.

²¹ City of New Orleans Planning Commission (2018). "Short Term Rental Study – 2018 Ed." <https://www.nola.gov/getattachment/City-Planning/Major-Studies-and-Projects/2018-Short-Term-rental-Study/Reports-and-Presentations/Final-STR-Study-10-3-18.pdf/>

As part of the 2020 work plan, staff will study the feasibility of and options for a STR transaction fee. However, this report previously highlighted the challenges of obtaining further STR platform compliance without concerted intervention from the Provincial Government. As such, staff recommended that Council instruct staff to advocate to the Province to lead a collaborative effort to hold all STR platforms accountable for ensuring their listings comply with applicable local and provincial regulations, including the responsibility to collect and remit a City of Vancouver STR transaction fee, should the City levy one in the future.

2.2.4 Increase the Short-term Rental Licence Fee to strengthen the capacity of the City of Vancouver to recover costs

This is addressed in Section 1.3.6 of the report.

2.2.5 Requiring applicants seeking or renewing a City of Vancouver Short Term Rental Licence to provide additional information

This is addressed in Section 1.3.3 of the report.

Implications/Related Issues/Risk

Financial

The STR program is fully funded through the 2020 Operating Budget (subject to approval of the 2020 operating budget), with a direct program costs of \$700,000 annually. Staff recommended an increase of the STR business licence fee from \$51 to \$99 which will increase the capacity of the City to recover costs. Based on the number of STR business licences issued in 2019, staff estimate the licence fees to generate between \$400,000 and \$420,000 in 2020. Staff recommended evaluating the impacts on compliance from the proposed fee hike in 2020 before deciding on increases in future years to gradually shift the City's STR program to operate on a full cost-recovery model.

Human Resources/Labour Relations

Staff will be converting the existing seven TFT positions in the City's STR team into RFT positions, which are unionized in the CUPE 15 bargaining unit. The staffing costs will be funded through the 2020 Operating Budget.

Legal

Proposed amendments to the Licence By-law No. 4450 are attached in Appendix A and Appendix B.

CONCLUSION

Since full STR enforcement commenced in September 2018, staff have accumulated more than one year of experience in licensing and enforcement. During that time, staff analysed the impacts of the City regulations on the STR and LTR market, reviewed the efficacy of the licensing and enforcement process, and surveyed STR regulations in other jurisdictions. Staff found that overall, the current STR regulations and program administration have been successful in terms of licensing and enforcement. Furthermore, the City of Vancouver is recognized as a leader in Canada in the area of STR regulation. With the City continuing to experience a vacancy rate of less than 1%, staff do not recommend changing the policy framework which only allow STRs in a principal residence. Staff have proposed amendments to the Licence By-law No. 4450 that further strengthen the licensing process, clarify the responsibilities of a STR regulator, regulate STR property managers, and increase the licence fee for STR operators to better recover costs. Finally, staff identified opportunities for advocacy to the Province, specifically related to platform accountability, and the collection and sharing of Provincial Sales Tax (PST) revenue generated from STRs to fund affordable housing in the City.

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**DRAFT By-law to amend License By-law No. 4450
Regarding Short Term Rental Regulations and Property Managers**

Note: A By-law will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.

1. This By-law amends the indicated provisions of the License By-law.
2. In section 2, Council:
 - (a) strikes out “and utility bill.” and substitutes “and utility bill and, for the purposes of this by-law, a person may only have one principal residence unit.”; and
 - (b) adds a new definition, in the correct alphabetical order, as follows:

““Property Manager” means:

 - (a) an individual or business licensed by the Real Estate Council of BC to manage rental properties on behalf of owners of rental real estate; and
 - (b) an individual or business that carries on the business of managing Short Term Rental Accommodation on behalf of Short Term Rental Operators, including marketing the Short Term Rental Accommodation, but does not include an individual or business managing or marketing one Short Term Rental Accommodation.”.
3. Council amends section 3 by adding the following new subsection:

“(7) No person shall knowingly provide false or misleading information in an application for a business licence.”.
4. In section 25.1(7), Council:
 - (a) in subsection (a), strikes out “if the Short Term Rental Accommodation is a strata lot;” and substitutes “if the Short Term Rental Accommodation is or is in a strata lot; and”;
 - (b) in subsection (b), strikes out “; and” and substitutes “.”; and
 - (c) strikes out subsection (c).
5. Council amends section 25.1 by adding the following new subsection:

“(14) A Short Term Rental Accommodation Operator shall provide documentation or records that demonstrate compliance with this By-law to the Chief Licence Inspector upon request, including but not limited to:

 - (a) documents demonstrating that the Short Term Rental Accommodation is their principal residence unit, including but not limited to documentation related to billing, identification, taxation and insurance purposes, which

may include income tax returns, Medical Services Plan documentation, driver's licenses, personal identification, vehicle registration and utility bills;

- (b) proof of strata authorization if the Short Term Rental Accommodation is or is in a strata lot;
- (c) proof of owner or landlord authorization if the Short Term Rental Accommodation Operator is a tenant;
- (d) if the Short Term Rental Accommodation is managed or marketed by a property manager, the name and contact details of the property manager;
- (e) the Universal Resource Locator (URL) address of any online advertisements used to market the Short Term Rental Accommodation;
- (f) all specific Short Term Rental Accommodation platforms used to market the Short Term Rental Accommodation;
- (g) documentation indicating the number of days that the dwelling unit, or bedroom or bedrooms in a dwelling unit, was used as a Short Term Rental Accommodation; and
- (h) any other documentation that the Chief Licence Inspector deems necessary to demonstrate compliance with this By-law.”.

5. Council strikes out the section heading “PUBS” and “24.1 DELETED” and substitutes the following:

“

PROPERTY MANAGERS

- 24.1 (1) No property manager shall carry on the business of managing a rental property or a Short Term Rental Accommodation unless the owner of the rental property or the Short Term Rental Accommodation Operator holds a valid City licence to carry on the business of providing rental property or Short Term Rental Accommodation.
- (2) Property managers of Short Term Rental Accommodations must:
- (a) ensure that the City of Vancouver business license number issued to the Short Term Rental Accommodation Operator is included in a conspicuous place in any medium or material used to market the Short Term Rental Accommodation;
 - (b) remove the Short Term Rental Accommodation from any medium or material used to market the Short Term Rental Accommodation upon notice from the Chief Licence Inspector;
 - (c) ensure that all of the Short Term Rental Accommodations they manage or market comply with this By-law; and

- (d) provide the following information to the Chief Licence Inspector upon request to demonstrate compliance with this By-law:
- i. the full address of all Short Term Rental Accommodations they manage or market,
 - ii. the Universal Resource Locator (URL) address of any online advertisement used to market the Short Term Rental Accommodations,
 - iii. all specific Short Term Rental Accommodation platforms used to market the Short Term Rental Accommodations,
 - iv. documentation indicating the number of days that each of the Short Term Rental Accommodations they manage were used as Short Term Rental Accommodation, and
 - v. any other documentation that the Chief Licence Inspector deems necessary to demonstrate compliance with this By-law.”.

6. In Schedule A, “Business License Fees”, Council adds a new entry in the correct alphabetical order as follows:

“Property Manager	Per annum	\$155.00”.
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