

# Year Two STR Program Review

# SHORT-TERM RENTALS



February 14, 2023 Council Committee of the Whole  
Community Planning & Sustainability

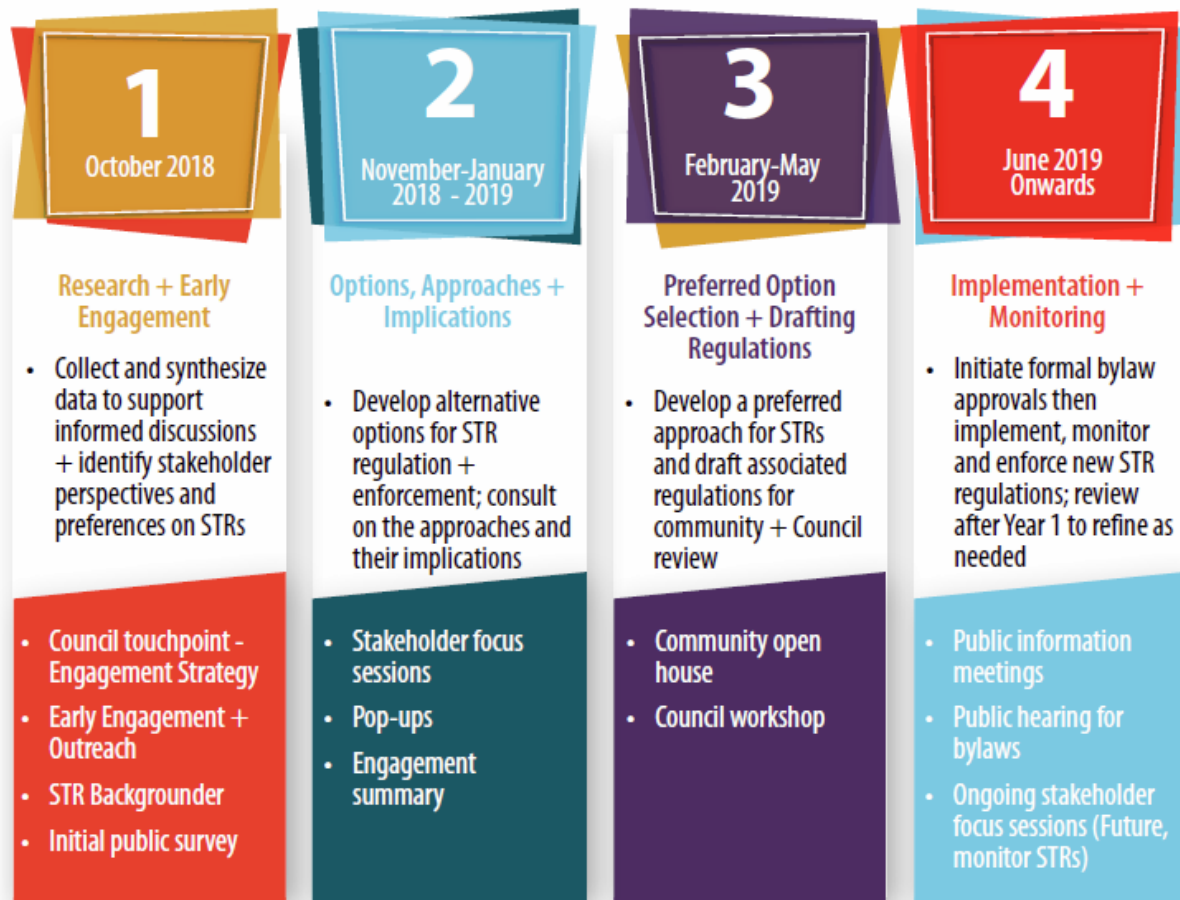
# Objectives

1. Present key findings from STR Program Implementation - Year Two
2. Discuss program improvement recommendations, including fees and charges bylaw amendments
3. Review proposed amendments to the *Interim STR TUP Policy* and seek endorsement for TUP renewals 2023+



# STR Regulation Background + Timeline

- Regulations developed over comprehensive 2-yr process 2018-2020



STR Regulations adopted  
November 2020



STR Licensing + TUPs  
opened January 2021



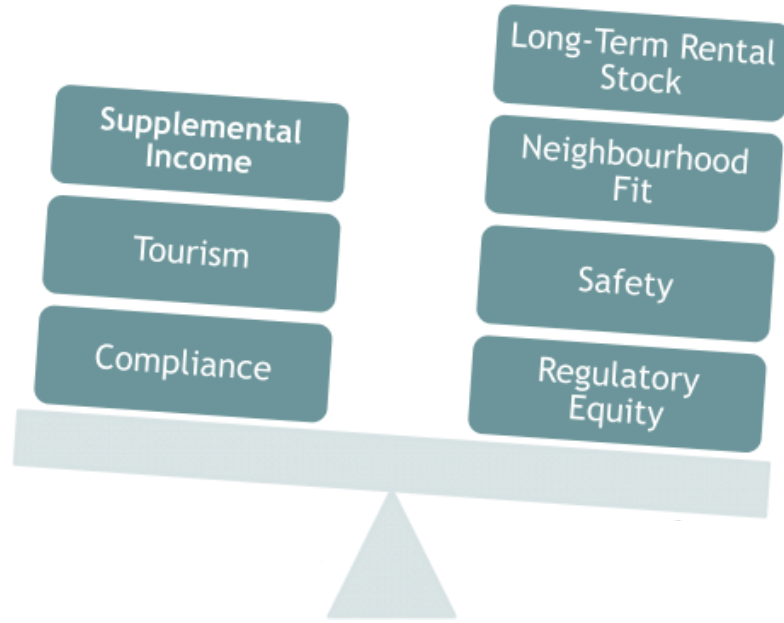
First STR TUPs issued  
March 2021



STR Enforcement started  
April 2021

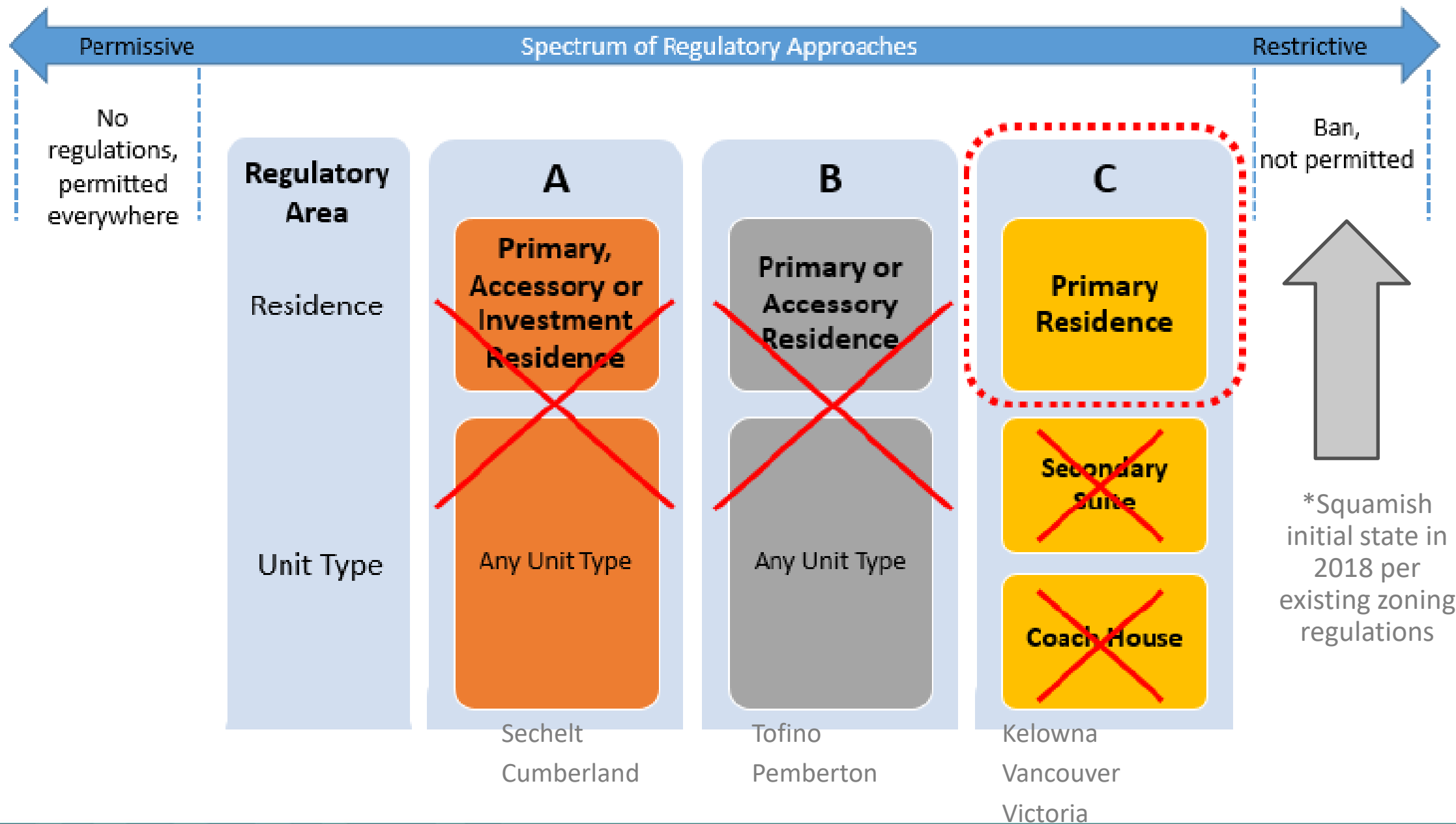
# STR Policy + Regulatory Framework

- Fulfills OCP policy to regulate STRs to address impacts on long-term rental housing
- Regulation based on permitting STR within Principal Residences only;
- Secondary approval stream opened for a limited # of non-principal residences through a Temporary Use Permit Process



## STR Program Goals

1. Protect the long-term rental housing supply for Squamish residents;
2. Support residents' diverse housing needs and options;
3. Manage STR impacts on neighbourhood livability;
4. Establish a balanced and fair approach to regulation and enforcement; and,
5. Support tourism and ensure authorized visitor accommodations meet all required health and safety standards.



# STR Regulatory Option C: a precautionary start

	<b>Stream 1 - Principal Residence</b>	<b>Stream 2 Non-Principal Residence (per Policy)</b>
Approval Type	<u>Business Licence</u>	<u>Temporary Use Permit</u> (+ Business Licence with TUP)
STR Use	In Principal Residence only	In Non-principal Residence (Dwelling Unit, Suite or Accessory Dwelling)
Cap	No licence cap	<b>30 unit TUP cap</b>
Term	No limit - annual renewal	2 year term
Fees	Monthly Shared \$50 Annual Shared \$300 Monthly Dwelling \$150 Annual Dwelling \$900	TUP Application \$1,200 + Annual Non-Principal Residence Licence \$3,000
Process	Can apply at any time	Batched – TUP ‘windows’ at Council’s direction (#1 call Jan 2021; #2 call for TUP Jan 2022)

# STR Licensing Application Streams

# STR Annual Program Monitoring + Reporting

- Initial metrics established during development of STR program:
  - STR Market (listings, units, trends)
  - Long-Term Market (affordability, vacancy, secondary rental inventory)
  - Accommodation Data (residential, visitor)
  - Visitor Data
  - Municipal Licencing
  - Enforcement + Compliance Rate

Measure	Interval/Method/Source
<b>STR MARKET DATA</b>	
<ul style="list-style-type: none"><li>• STR Listings by type (entire home, shared room(s))</li><li>• STR rental frequency (# nights per year)</li></ul>	Daily ongoing; web-based monitoring service by Third Party
<b>LTR MARKET DATA</b>	
<ul style="list-style-type: none"><li>• CMHC Rental Vacancy and Rent (\$) Rates</li><li>• Rental housing data (# renters, rent cost, affordability/% of income on shelter, income gap, overcrowding)</li></ul>	CMHC: Annual Canada Census: Every 5 years
<b>ACCOMMODATION DATA</b>	
<ul style="list-style-type: none"><li>• Residential Inventory by type (#dwelling units, #secondary suites via utility billing and BC Assessment actual use codes; #principal residences proxy through Home Owner Grant)</li><li>• Visitor Accommodation Inventory by type (traditional fixed roof, vacation rentals, campgrounds/RV)</li><li>• Provincial Municipal and Regional District Tax (MRDT) Revenue from online accommodation platforms (OAPs)</li></ul>	Annual, District of Squamish and BC Assessment
<b>VISITOR DATA *in partnership with Tourism Squamish</b>	
<ul style="list-style-type: none"><li>• Total Visitation by Visitor type (day vs overnight and by accommodation type)</li><li>• Visitor spending (direct) by visitor type</li></ul>	Annual, <i>Tourism Squamish Intercept Survey</i>
<b>STR BUSINESS LICENCE DATA</b>	
<ul style="list-style-type: none"><li>• # STR Municipal Licenses issued by type and location/distribution</li><li>• STR Licence revenue and cost recovery</li></ul>	Annual; Seasonal
<b>STR ENFORCEMENT METRICS</b>	
<ul style="list-style-type: none"><li>• STR Inspections (flagged; completed)</li><li>• STR Audits (flagged; completed)</li><li>• STR Infractions (#, penalty type)</li><li>• Warning Letters issued</li><li>• Violation Tickets Issued</li><li>• # Licences suspended</li><li>• #Legal Orders</li><li>• STR Complaints (by type)</li></ul>	Annual; Seasonal



# Community Growth + Rental Market Summary

- Major population growth continues (+22% last 5 years or ~4% per year)
- Increase in households +26% 2016-21 (+1,885 households)
- Rental vacancy rate (0.4% 2021) has remained below 1% since 2015
- Average annual rents continue to climb 2021-22 (SSCS):
  - 1 bdrm \$1,783 (+1%)
  - 2 bdrm \$2,628 (+15%)
  - 3 bdrm \$3,653 (+15%)
  - 4+ bdrm \$4,371 (-6%)

Census Year <sup>5</sup>	2011	2016	2021
Total Owner Households (#)	4805	5360	<b>6460</b>
Total Renter Households (#)	1790	1980	<b>2765</b>
<b>% Renters (Total Private Households)</b>	27%	27%	<b>30%</b>
<b>% renters &gt;30% of income on shelter</b>	40%	36%	<b>38%</b>
% owners >30% of income on shelter	30%	22%	20%

In 2021, 570 or 6% of Squamish households (owner and tenant) were deemed to be in core housing need.



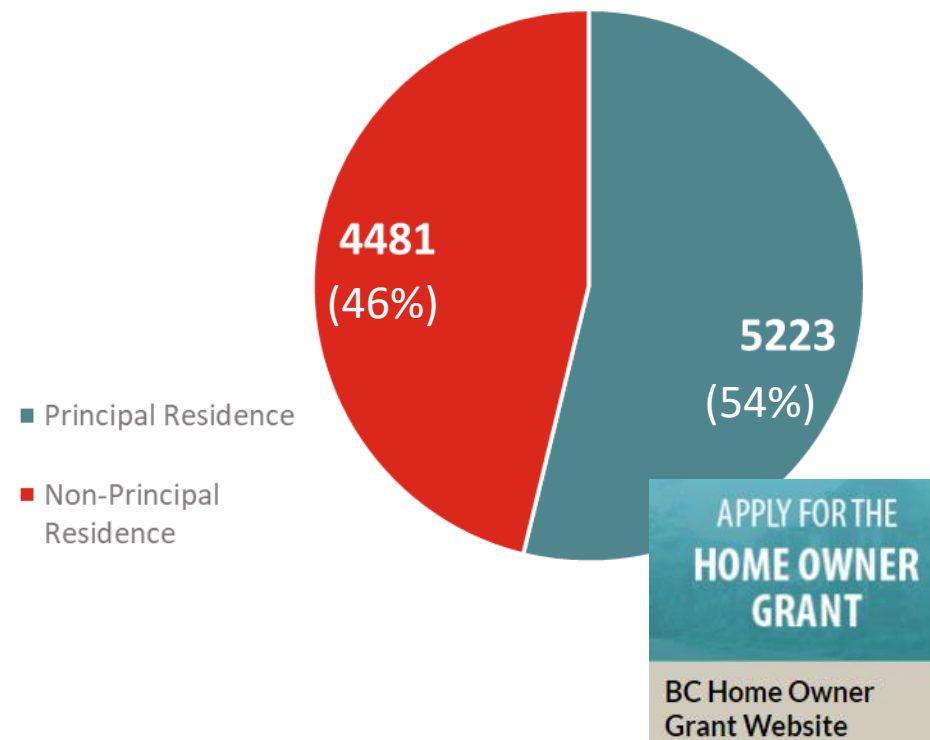
- Renter households have increased by 785 or 28% in the last 5 years (compared to 17% growth in owner households)
- 38% of renters are spending greater than 30% of income on shelter



# Accommodation + Residency Trends

- Continued housing growth, as well as secured Affordable and purpose-built market rental housing
  - 309 AH units since 2017; 141 under construction
  - 40 market rental units since 2017; 271 under construction
- Principal vs Non-Principal Residency
  - # of Principal Residences** decreased 2% from 5345 to 5223 (2020 to 2022)<sup>12</sup>
    - # of Non-Principal Residences** increased +23.0% from 3639 to 4481 (2020 to 2022)<sup>12</sup>

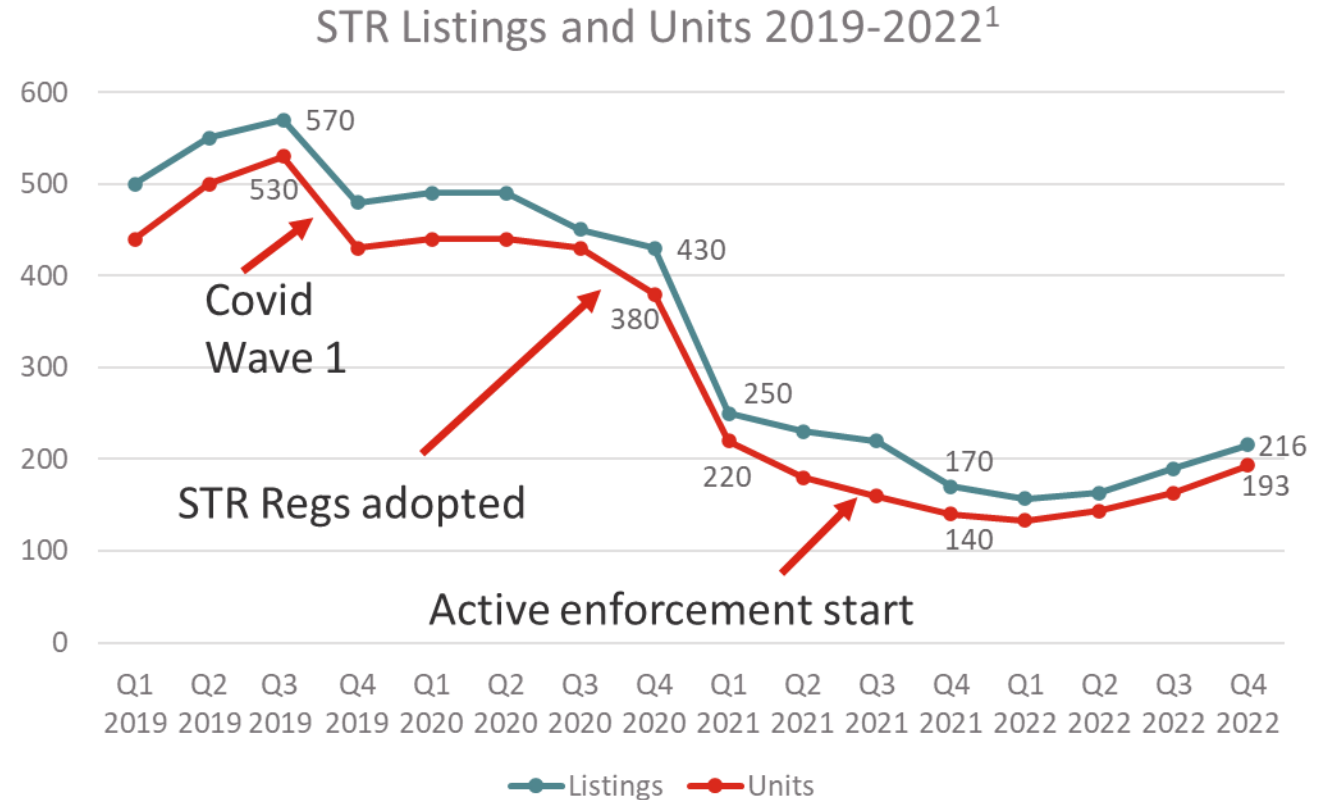
Residency (Home Owner Grants 2022)



<sup>12</sup> DOS Home Owner Grants (2020-2022)

# STR Trends Summary

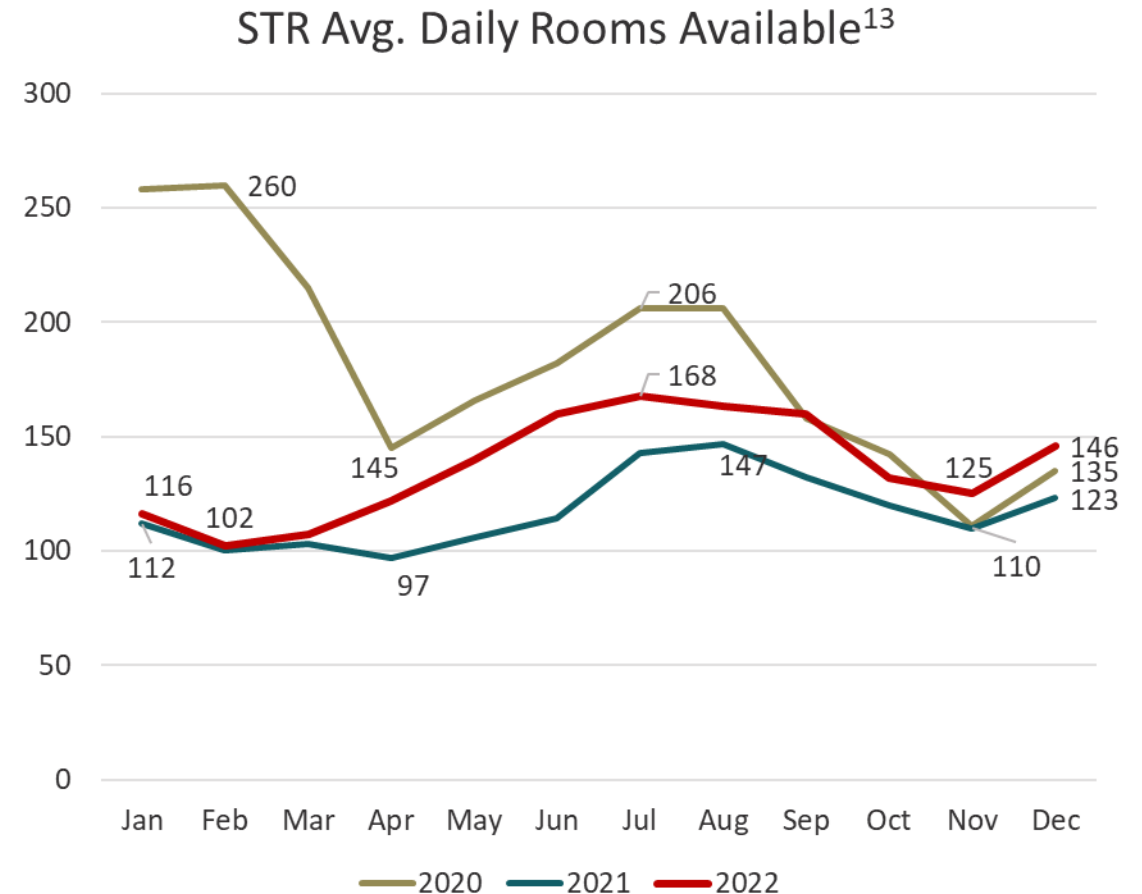
- STR growth peaked in 2019 (530 units) then sharply declined during pandemic
- Further declines with new regulations adopted year-end 2020 and active enforcement start in Q2 2021
  - STR units decline -160 units (42%) from 380 to 220 units between Q4 2020 and Q4 2021
  - STR units have since increased 38% from 140 units Q4 2021 to 193 year-end 2022



<sup>1</sup> Granicus Host Compliance; note that the number of STR listings does not equal the number of STR units, as operators have multiple listings (multiple listings for each room within the unit, or listings for the same unit across multiple STR platforms).

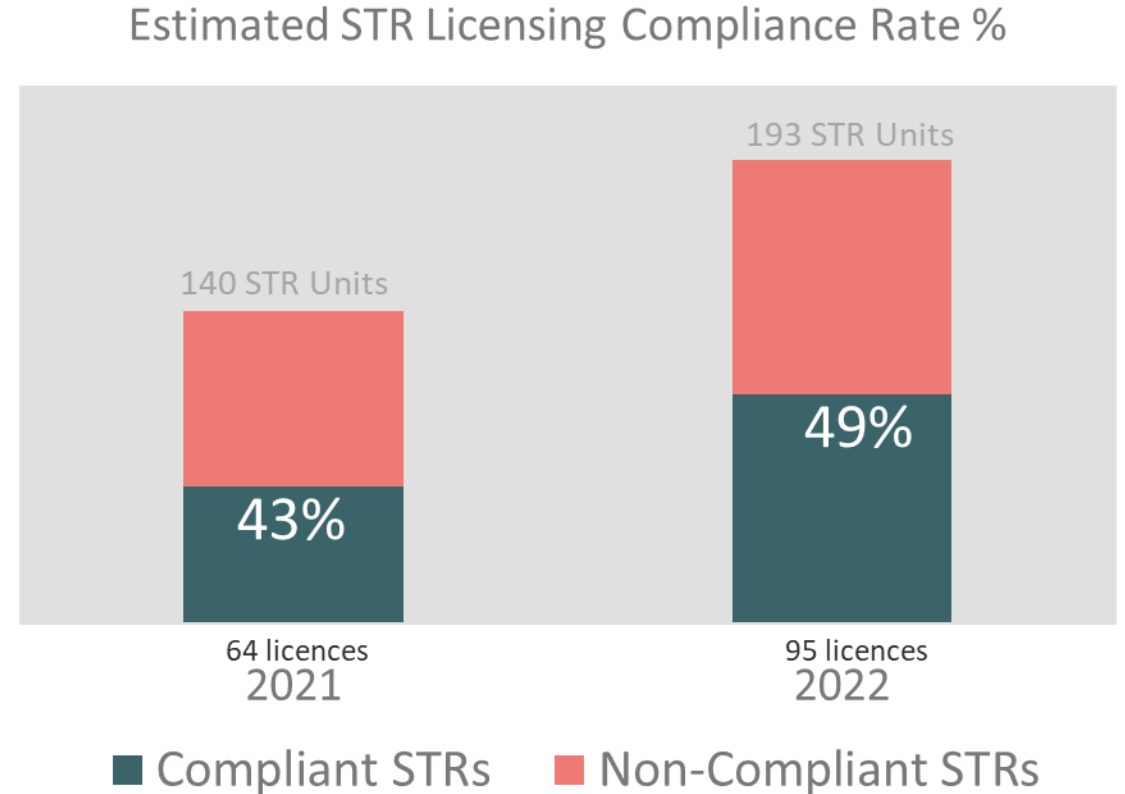
# Accommodations Summary + Trends

- No commercial/hotel accommodation added in 2020-22
- Available STRs significantly declined in early 2020 due to Covid19 impacts
- When STR regulations took effect in early 2021, available daily rooms initially decreased (low of 97 rooms in April)
- Both hotel and STR occupancies increased in 2022, rebounding and surpassing pre-pandemic rates Q3 2019
- With fewer rental rooms, the Average Daily Rate (ADR) significantly increased 2021-2022<sup>15</sup>
- STR ADR peaked at \$312 in Q3 2022 (compared to Hotel ADR of \$206)



# STR Enforcement + Compliance Summary

- Less than half of operating STRs are compliant with current regulations
- STR units increased by 53 in 2022, compared to 31 new STR licences
- However, compliance increased 6% points in 2022 within existing resourcing with monitoring tool familiarization and systems coordination
- 2021-22 provides baseline for setting target and improving compliance over time



*Represents the total # of STR licences / total number of STR units operating*

# STR Licence Holder Surveys 2022

- Licensed STRs reported moderate rental activity:
  - >55% Principal Residence Operators rented more than 60 nights/yr, and 50% reported average length of stay 3-6 nights
  - 83% of Non-Principal Residence operators rented for more than 60 nights per year; 58% had average stays of 3-6 nights
  - ~25% of licensees are earning more than \$20K per year; 21% earned \$10-20K; 33-37% of operators preferred not to disclose rental revenues
- When not rented as STR, majority of dwelling units are occupied for personal use or for family + friends

Issued Business Licences	2021*	2022
<b>Principal Residence</b>		
Monthly Room (\$50)	2	6
Monthly Entire Dwelling Unit (\$150)	6	12
Annual Room (\$300)	26	34
Annual Entire Dwelling Unit (\$900)	16	31
Sub Total	50	83
<b>Non-Principal Residence</b>		
Annual (Suite or ADU) (\$3000)	14	12
<b>Total Licences Issued</b>	<b>64</b>	<b>95</b>
<b>STR Licensing Revenue*</b>	<b>\$48,300</b>	<b>\$72,000</b>

# STR Licence Holder Feedback 2022

- Licensees had mixed views on licensing fees; majority of non-principal licensees viewed fees as too high
- Most licence holders specified *utility* fees as unreasonably high
- High fees seen as barrier and encourage non-compliance
- Poor experience and dissatisfaction with STR licensing process (44-45% dissatisfied; 22-29% neutral, 26-33% satisfied)

## Licensee Suggestions For Improvement

- Revisit fees and charges; lower fees as well as TUP renewal fee
- Incentivize principal residence rentals
- Clarify regulations and improve enforcement efforts for fairness (ensure all licences are displayed on advertising)
- Improve public communications on enforcement action
- Online platform/ability for fee payment system

## Proposed For Year 3 (2023)

- Maintain current business licence fee structure and rates for principal and non-principal STR licences however
- Prorate business licence fees for Short-term rental accommodation business licence applications received after August 1 of each year
  - Explore date adjustment for pro-rating for STR specific businesses (May or June)

STR Types	STR Principal Residence Licenses		STR Non-Principal Residence (TUP)
TUP Application Fee	N/A. Principal Residence STR permitted subject to Business Licence.		\$1200 (First Application) \$900 Renewals (75% of original fee)
Business Licence Fees			
	Whole Home	Partial Home (Room)	
Monthly	\$300	\$50	X (N/A)
Annual	\$900	\$150	\$3000

# STR Business Licence Fee Adjustments



## Proposed For Year 3 (2023)



- Address discrepancy in utility charge billing (monthly vs annual licences)
- Removal of STR utility charges for STR principal residence licences

Utility Rates (Current)	Principal Residence STR	Non-Principal Residence STR (TUP)
Water (Base Rate)	\$490 / dwelling	\$490 / dwelling +\$390 Suite or ADU
Water (+STR)	Plus STR \$240 / bedroom +\$390 per bedroom >2 bedrooms	
Sewer (Base Rate)	\$615 /dwelling	\$615 / dwelling +\$490 Suite or ADU
Sewer (+STR)	Plus STR \$245 / bedroom, +\$305 per bedroom >2 bedrooms	
Subtotal Utilities	\$1105 /dwelling +\$970 for whole home STR or partial <u>with 2 bedrooms</u> ; or +\$1665 for whole home STR with <u>3 bedrooms</u>	\$1105 /dwelling \$880 / suite or ADU <u>OR</u> +\$970 STR (2 bedroom suite or ADU)
Total Utilities (STR Scenario)	\$2075 (for base dwelling +2 bedroom STR) \$2770 (for base dwelling +3 bedroom STR)	\$2075 (base dwelling + 2 bedroom STR)

# Proposed STR *Utility* Charge Adjustments

# STR Temporary Use Policy Recommendations

- Extend STR TUP Policy to allow for TUP renewals and new applications
- Next proposed policy review 2025 (or at earliest Council direction)
- Maintain existing 30 TUP unit cap
- TUP Term adjustment from 2 to 3 years
- Open application intake (year-round) – up to 30 STR unit cap

Existing Issued TUPs	Proposed renewal option (+3 years)	TUP Expiry*
TUPs issued March 2021 (expire March 2023)	3 years 	March 2026
TUPs issued April 2022 (expire April 2024)	3 years 	April 2027
New TUPs issued 2023+	3 years (Term 1)	(Month) 2026 +renewal
*rezoning required for change of use following permit expiry (after 1 renewal).		

# Recommendations (Main Motions)

**THAT** Council receive the Short-term Rental Regulation Year Two Program Review report from Community Planning dated February 14, 2023 for information.

**THAT** Council endorse the revised *Short Term Rental Interim Temporary Use Permit Policy* attached to the February 14, 2023 Community Planning report and direct staff to proceed with the review of Temporary Use Permit Short Term Rental renewal applications as received;

**AND THAT** staff be directed to initiate a Fees and Charges Bylaw amendment for short-term rentals.

# Recommendation (Alt Motion)

**THAT** Council direct staff to reprioritize the Planning Department 2023 workplan and conduct additional review or analysis on the following potential changes to the District's STR regulations:

- [specify...]



# SQUAMISH

HARDWIRED *for* ADVENTURE

**SHORT-TERM**  
 **RENTALS**

[www.squamish.ca/business-and-development/business-licence/short-term-rentals/](http://www.squamish.ca/business-and-development/business-licence/short-term-rentals/)