

SHORT-TERM RENTAL REVIEW



Phase 3
STR Regulatory
Option Selection

June 11 2019
Council Committee of the Whole



STR Project Update – June 2019

Phase 2 (20 mins)

- Rental Snapshot (#)
 - Alternative Options
 - Engagement Results
-

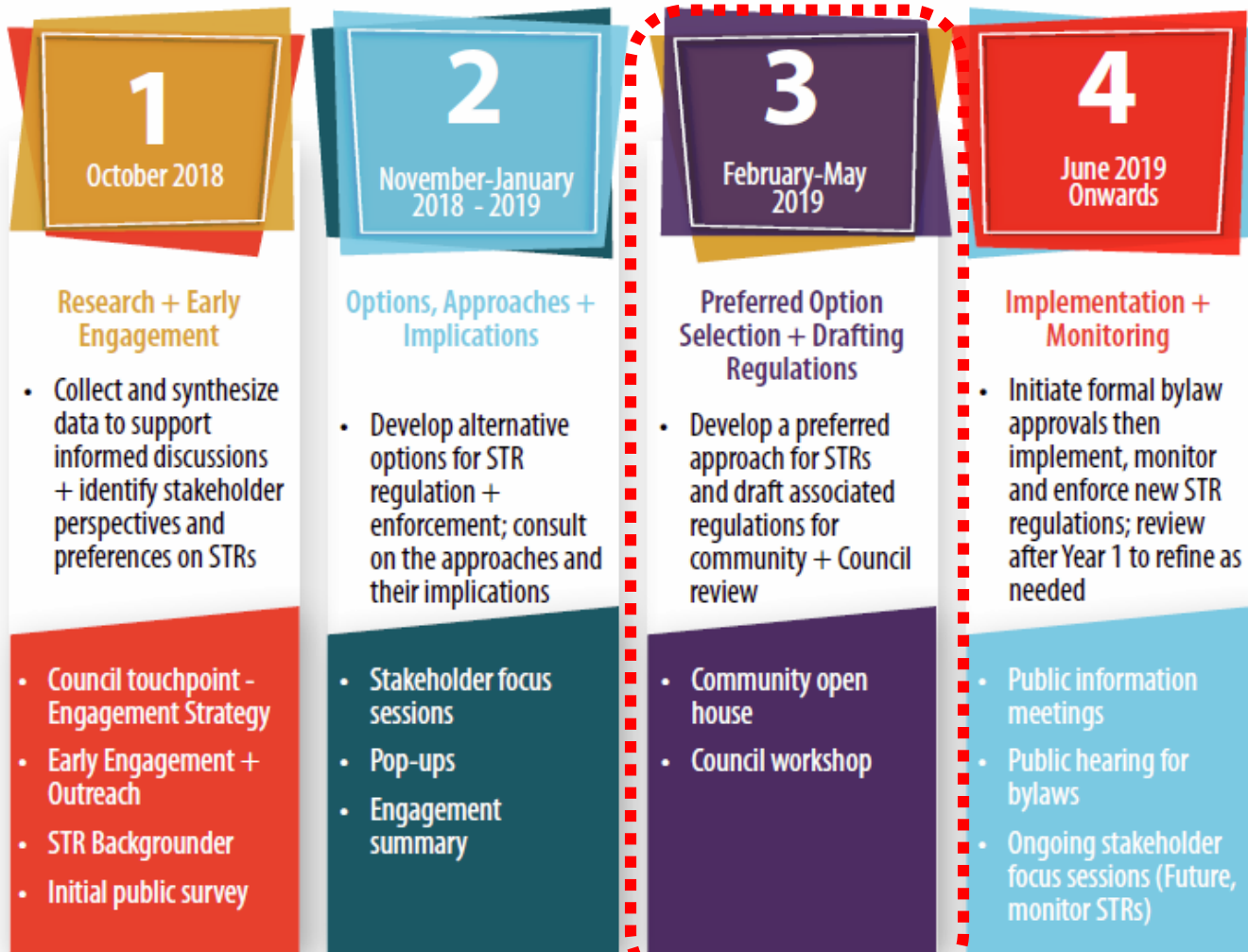
Phase 3 (70 mins)

- Option Evaluation + Recommendation
- Council Discussion/Direction
- Next Steps



Project Work Plan – We Are Here

PROJECT STAGES + ONGOING ENGAGEMENT OPPORTUNITIES



STR Snapshot (2016-19)

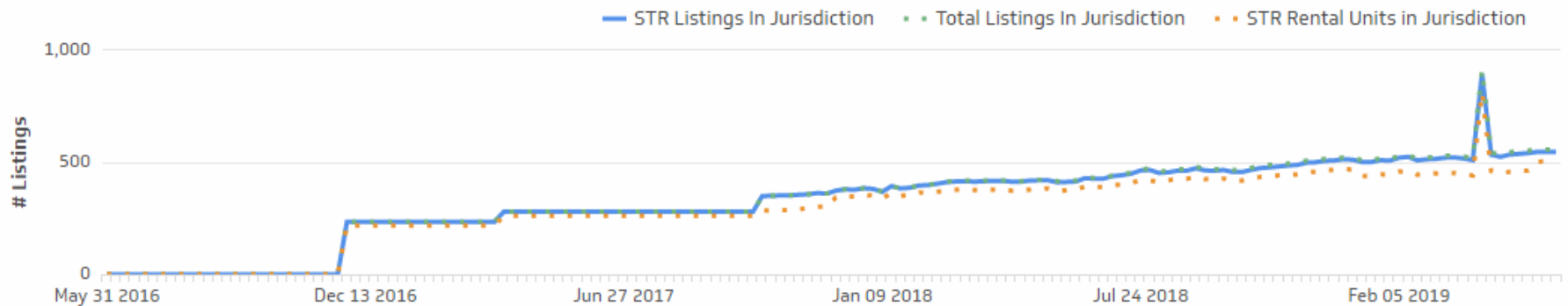


	Oct 2017	Aug 2018	Jan 2019	May 2019
# STR Listings	350	460	502	547
# Unique Units	290	430	438	503
Entire Home Rental	73%	75%	77%	80%
Partial Home Rental	27%	25%	23%	20%

STR Growth (unique listings)

- 213 since October 2017
- (65 STR units in last 6 months)

Listings / Week



STR Snapshot May 2019



Minimum Nights



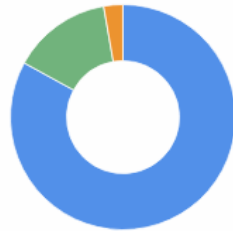
- 1-7 nights [95%]
- 8-14 nights [1%]
- 15-21 nights [0%]
- 22-29 nights [0%]
- 30+ nights [2%]
- Not specified by Host [2%]

Est. Revenue/Yr



- \$0 [23%]
- \$0k-\$5k [21%]
- \$5k-\$10k [25%]
- \$10k-\$25k [26%]
- \$25k-\$50k [4%]
- \$50k+ [0%]

Listing Types

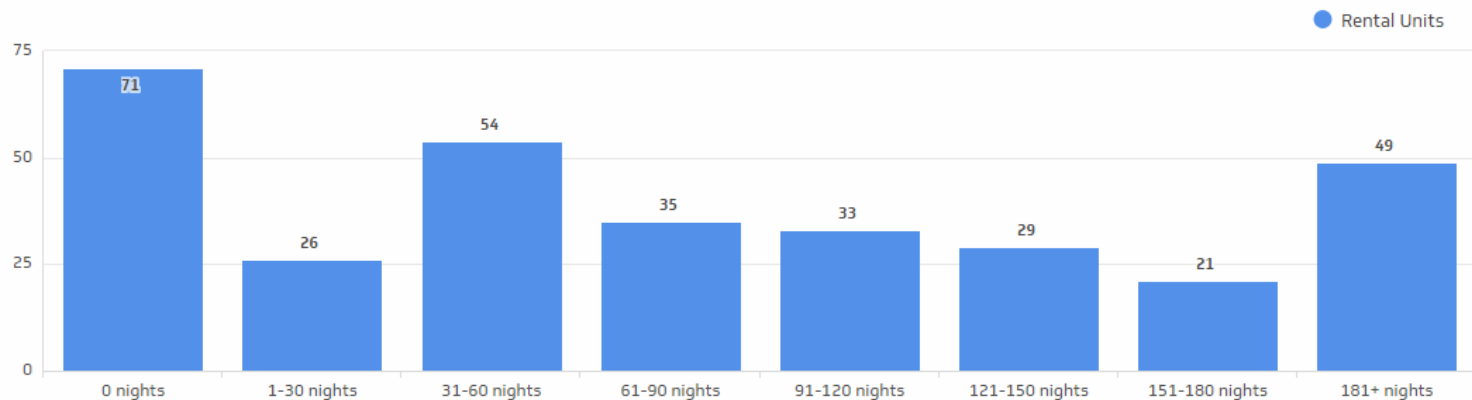


- Single Family Listing [83%]
- Multi Family Listing [14%]
- Unknown [3%]



- Partial Home [20%]
- Entire Home [80%]
- Unknown [0%]

Est. Annual Nights Rented - Entire Unit



Phase 2 Engagement

- Alternative Options Poster Package
- 5 Focus Group Sessions (February-May 2019)
- Community Open House May 2 2019
- Open public comment period (web/email)



SHORT-TERM RENTAL REVIEW

Welcome to Phase 2 – Focus Group Sessions

Meeting Purpose
To review and collect input on 3 alternative regulatory options for Squamish short-term rentals to inform selection of a preferred option by District Council.

Agenda (90 mins)

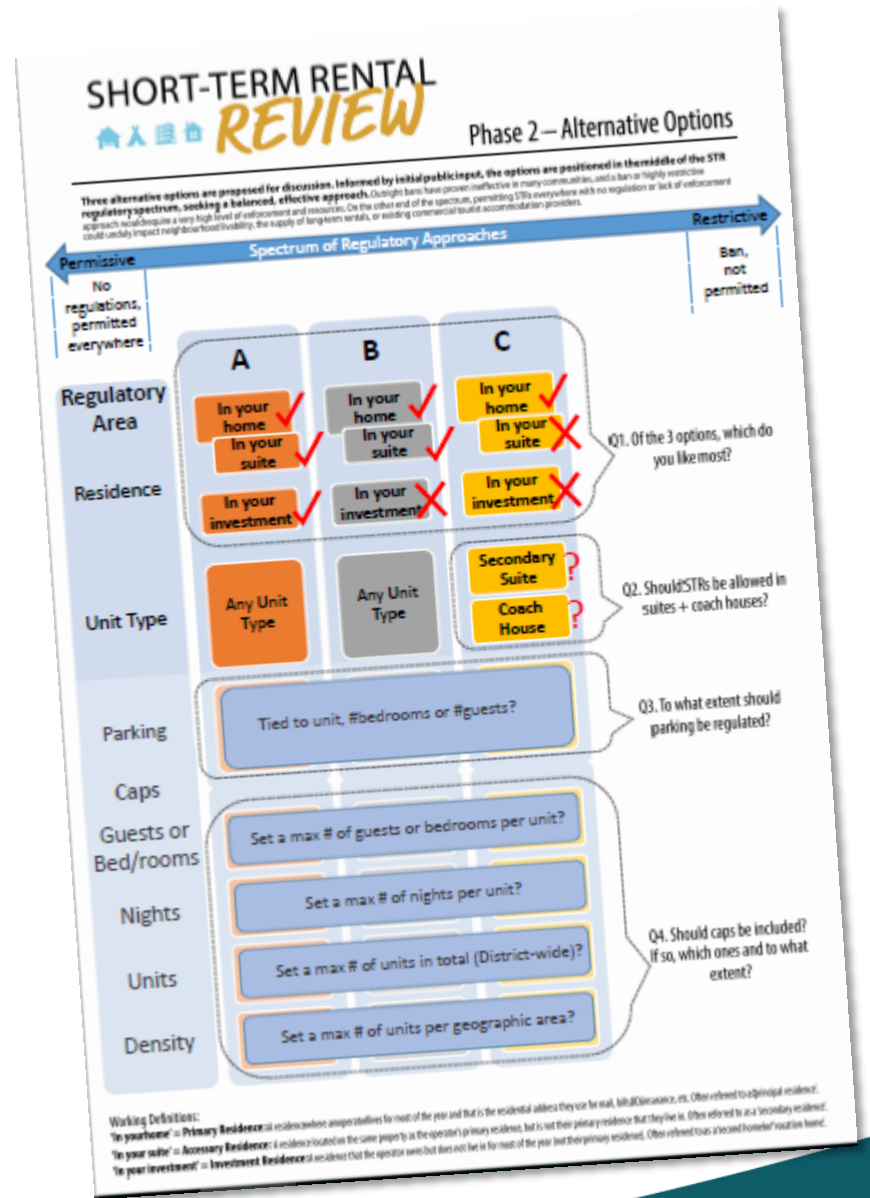
- 15 mins Introductions
Project Overview + Goals
What we've learned so far – Phase 1 Engagement
Phase 2 – Alternative Options Overview
- 60 mins Facilitated Group Discussion – instructions; respectful engagement
Table break out groups to review and discuss 6 Questions
- 15 mins Tables Report back to group – highlights
Project next steps

Engaging Together

- Communicate with openness and equity
- Be respectful of different views + perspectives, and everyone's time
- Ask questions to clarify and learn from each other
- Focus on values and needs not positions
- Work collectively toward achieving the meeting purpose!

Phase 2 Options

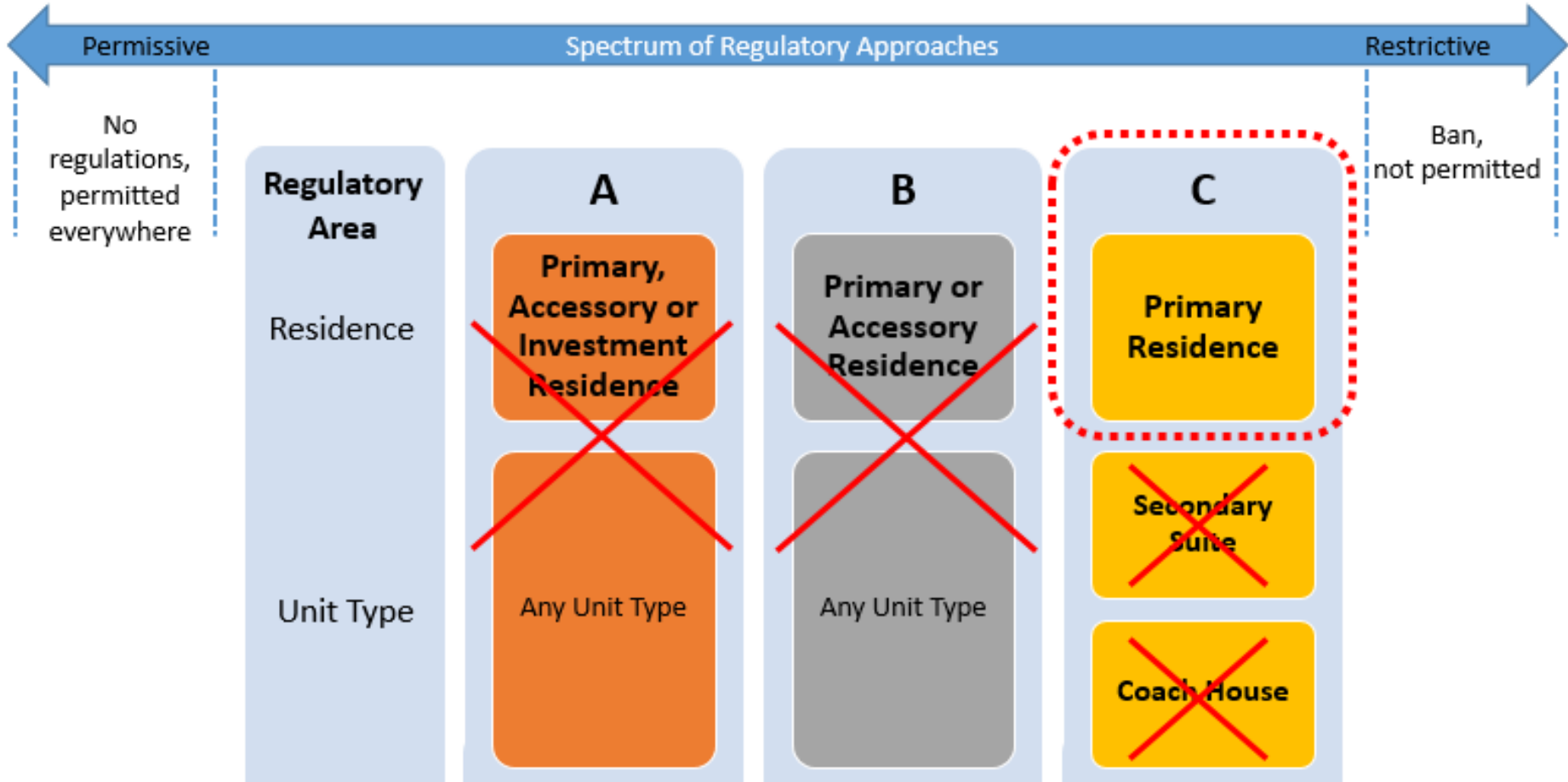
- 3 Alternative Options (A, B, C)
- Presented span of regulation, including residency, unit type, # per property, parking
- Also explored caps (unit, night, guestrooms)
- Business License requirements (inspections, life safety)
- Limit of 1 STR / property



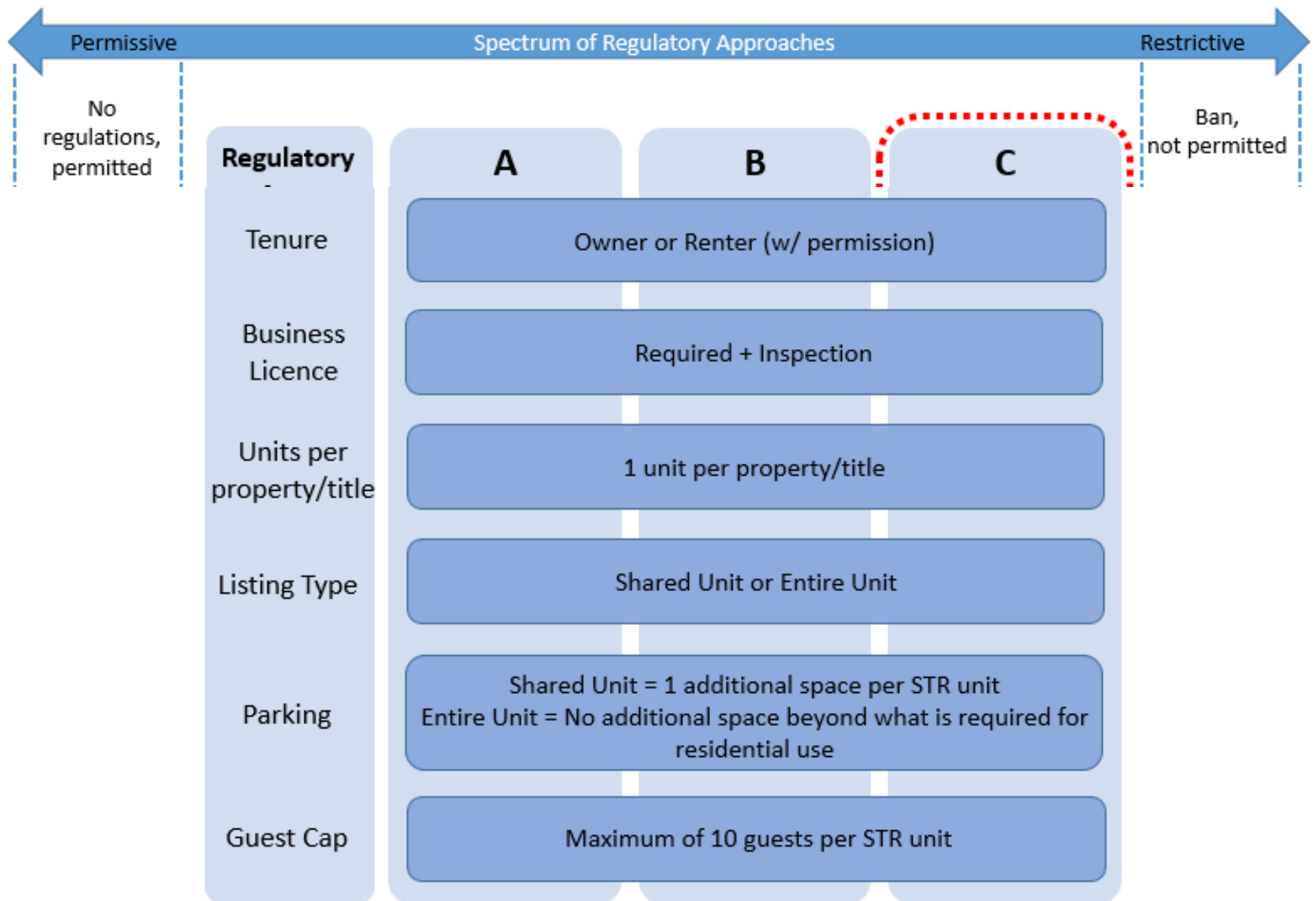
Phase 2 Inputs

- Preference for most permissive approaches (Options A or B)
- Desire for flexibility and allowing STR of suites and coach houses
- General consensus business licence and safety requirements reasonable
- Priority for regulation: parking
- Desire for clear, easy to understand regulations
- Little support for caps of any kind
- Weighting of priorities – recognize rental + workforce housing availability is crux issue
- Proceed with caution – rental vacancy rate of less than 1% since 2015, no signs of improvement...
- STR prohibited in many Stratas / multi-unit rentals

Staff Recommended Option

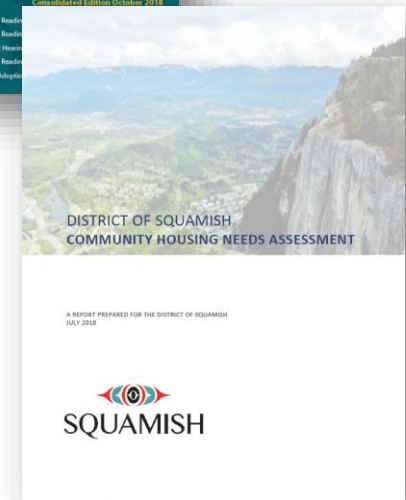
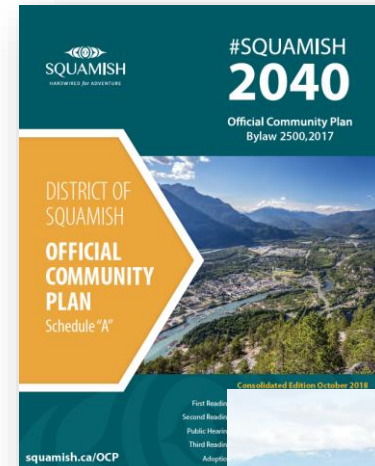


Staff Recommended Option



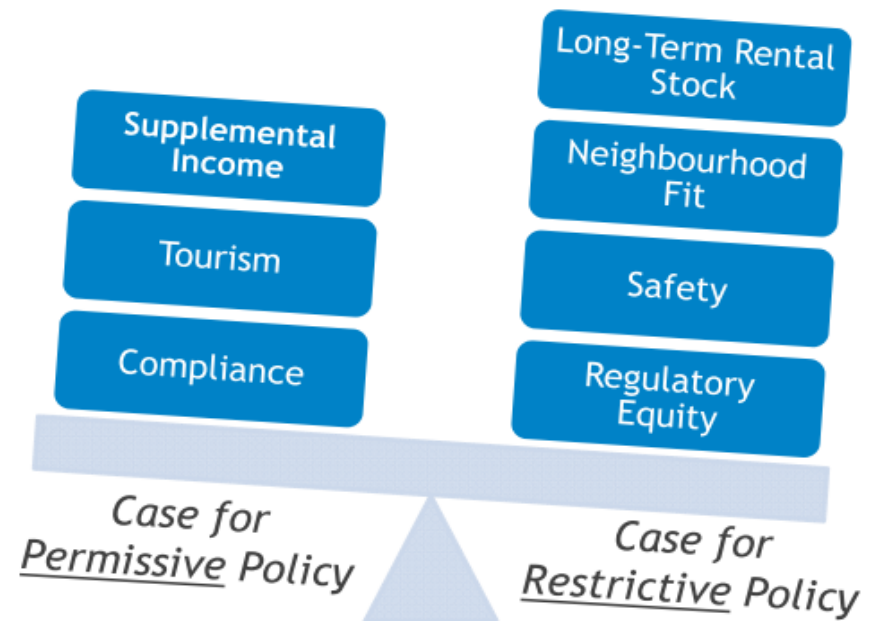
District Policies and Project Goals

1. Protect long-term rental housing supply + affordability
2. Support residents' diverse housing needs and options
3. Manage STRs impacts on neighbourhood livability
4. Establish a balanced and fair approach
5. Support tourism
6. Actively monitor and re-evaluate regulations



Key Criteria

- Effect on Long-term Rental Supply
- Neighbourhood Impacts
- Compliance + Enforcement
- Regulatory Fairness



Rental Housing Impacts

- From Phase 1 Survey (STR host responses)
 - 76% principal residence, 20% accessory residence, 4% investment
 - 46% secondary suite or coach house, 21% multi-family, 15% spare room, 9% single detached

Vacancy Rate	Renter households	Number of suites/coach houses	New affordable rental units needed	STR Units that could be available for Long-term Rental
0.3% (2018 CMHC)	27% (2016 Census)	~685 (2019 Utility Billing)	>488 (2018 DoS Housing Needs Assessment)	Up to 133

Tourism Impacts

- ~520 Commercial Accommodation units
- Commercial Accommodation occupancy rate 69%
- Up to ~250 STRs permitted under Option C

Hotel Occupancy by Season



Winter
68%



Spring
65%



Summer
82%



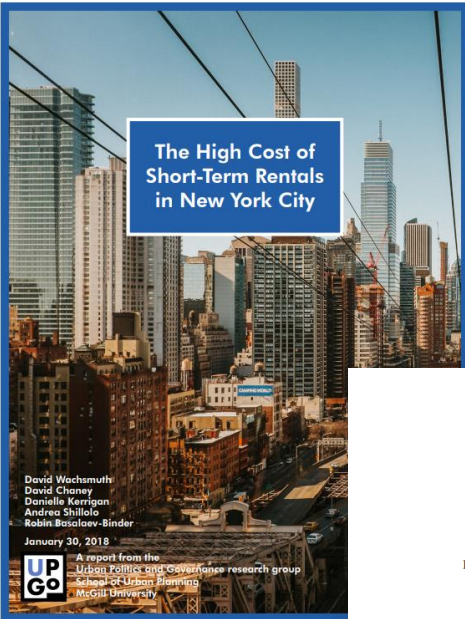
Fall
61%

Neighbourhood Impacts

– 15 formal bylaw complaints since 2016

Complaint Type	Frequency
General complaint of STR operating	9
Noise	1
Safety	2
Parking	2

STR Impact Analyses



The Sharing Economy and Housing Affordability: Evidence from Airbnb

Kyle Barron* Edward Kung¹ Davide Proserpio²
October 20, 2017

Abstract

We assess the impact of home-sharing on residential home prices and rents. Using a dataset of Airbnb listings from the entire United States and an instrumental variables estimation strategy, we find that a 10% increase in Airbnb listings leads to a 0.42% increase in rents and a 0.76% increase in house prices. The effect is larger in zipcodes with a smaller share of owner-occupiers, a result consistent with absentee landlords reallocating their homes from the long-term rental market to the short-term rental market. A simple model rationalizes these findings.

Keywords: Sharing economy, peer-to-peer markets, housing markets, Airbnb
JEL Codes: R31, L86

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SUITES AND LANEWAYS

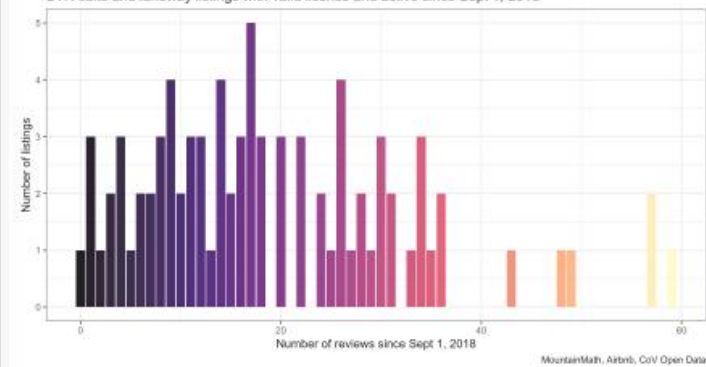
Suites and laneway houses are not allowed as STR unless they have a long-term tenant that rents them out with the landlord's permission. They can be hard to find in the data without manually looking through individual listings, but we can get a (lower bound) estimate by searching for terms like "laneway home" or "garden level suite" in the title and description of listings.

Airbnb STR entire home/apt listings 2019-02-23 with valid licence



A fairly conservative search aimed to minimize false positives identifies 103 secondary suites and 24 laneway houses that are currently listed as STR. Again, some of these only rent out occasionally and are in compliance if rented out by the long-term tenant of these units with permission from the owner.

STR suite and laneway listings with valid licence and active since Sept 1, 2018



Looking at the number of reviews, we notice again that some of these rent out at high volume and are unlikely to be principal residences.

Current Zoning Regulations

Bed and Breakfast Definition:

“the use of a dwelling unit for temporary lodging of paying guests, limited to a maximum of two (2) bedrooms and common areas, including a dining room.”

Short-term Rental Definition (added Feb 2018):

“the use of a dwelling unit, or any portion of it, as a rental unit for a period of less than 30 days and includes vacation rentals and bed and breakfasts.”

- Previous to Feb 2018, BnB, Tourist Accommodation (along with Hotel, Motel, Hostel) defined and permitted in specific zones.

Implementation

- Initial Approach: **Precautionary**
 - Business licence + licence conditions
 - Safety self-inspections
 - Random audit model
 - Proactive enforcement
 - Fees to support cost recovery
- Monitoring and Evaluation
 - Third party (Host Compliance)
 - Ongoing evaluation (1 year checkpoints)
- Taxation
 - Utility fees



Council Discussion/Direction

THAT Council receive the Phase 2 Short-Term Rental Engagement Summary;

THAT Council endorse Short-Term Rental Regulatory Option C;

AND THAT Council direct staff to report back with draft bylaw amendments required to enact the Option C regulatory framework, along with an implementation plan, schedule and resourcing to implement the framework.

STR Workshop

Outcomes/Questions for Council:

- Selection of a preferred option
- Future community consultation

Discussion:

- Regulatory framework
- Resourcing





SQUAMISH

HARDWIRED *for* ADVENTURE

squamish.ca/short-term-rentals