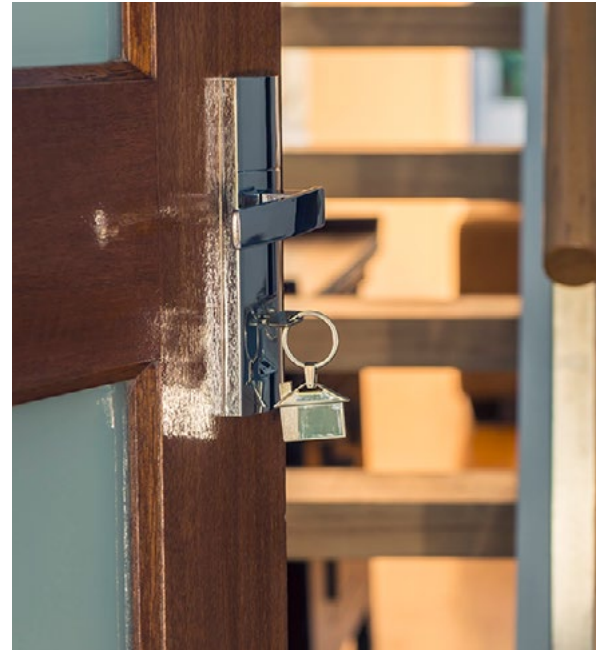




SHORT-TERM RENTAL 2020 HIGHLIGHTS REPORT



An overview of the short-term rental market in Vancouver from January – December 2020

Including key highlights and the impact of the COVID-19 pandemic



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Enacted in 2018, the City of Vancouver was one of the first municipalities in the country to implement short-term rental (STR) regulations. These short-term rental regulations not only work to support the 10-Year Housing Vancouver Strategy and help protect the city's long term rental supply, they also allow individuals to earn additional income from their principal residence, and help support tourism throughout neighborhoods in Vancouver.

2020 Highlights

- Received Bronze Award for Public Service Leadership & Excellence Award by the Institute of Public Administration of Canada
- Canada Mortgage and Housing Corporation (CMHC) recognized short-term rental program helps increase supply of long-term condo rentals in Vancouver
- ~78 per cent short-term rental business licensing compliance rate
- Continued increase in the number of long-term rental business licences issued since short-term rental regulations were enacted

This 2020 Short-term Rental Highlights Report summarizes the City's key achievements and the market statistics from January 2020 to December 2020, as well as both short-term rental licensing and enforcement data. The impact of the COVID-19 global pandemic affected, and continues to affect, the community, City services, and the demand for tourist accommodation in short-term rentals. Despite this, the continuation of short-term rental market activity during the pandemic indicates that this type of accommodation will continue to be an integral part of urban and rural communities in the future.

A short-term rental is defined as a stay in a home, or room within a home, of less than 30 days.

2020 PROGRAM INITIATIVES AND UPDATES

While many City and community priorities shifted in response to COVID-19, the short-term rental team continued their education and enforcement efforts to ensure these accommodations in Vancouver remained safe and in compliance with City regulations. Below are the key initiatives undertaken in 2020.

BYLAW UPDATES: In January 2020, an amendment to the Licence By-law was implemented requiring any individual or company managing more than one short-term rental on behalf of another person to obtain a City Property Managers Business Licence. To create awareness about these new responsibilities and requirements, staff focused on educating short-term rental operators and property managers through audits and a series of communications. To engage with real estate communities, staff also attended and presented on regulations and bylaw updates at two events hosted by the Real Estate Board of Greater Vancouver. By the end of 2020, staff observed a gradual increase in the licensing of property managers that were involved in short-term rentals.

The regulatory approach Vancouver implemented is under the business-licensing authority and embeds the principal residence component into the bylaw.



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OPERATOR SURVEY: In August 2020, a survey was sent to all short-term rental business licence holders to gain a better understanding about the impacts of COVID-19 on short-term rental operators and their intentions for the future. Significant findings from the survey identified were:

- 36 per cent of respondents indicated that they were going to continue to operate a short-term rental throughout 2020;
- 39 per cent stated that due to COVID-19 they would stop operating a short-term rental in 2020;
- 25 per cent were unsure if they would continue to operate

ADVISORY AND WORKING GROUPS: Early in the year, Vancouver was selected to participate in a Union of BC Municipalities (UBCM) Short-term Rentals Advisory Group, working in partnership with the province to explore further options to regulate short-term rental activity. Due to the pandemic, only two meetings were held, but these are anticipated to resume in 2021.

With a commitment to continued program improvement, and to further understand the community impacts of short-term rentals, a City of Vancouver Short-term Rental Community Working Group was launched with its first meeting in November 2020. This group, comprised of both short-term rental operators and non-operators, will meet regularly throughout 2021 to share their experience and input on the City's regulations. For information on the Community Working Group, including meeting materials, please visit:

shapeyourcity.ca/str-working-group

PLATFORMS: In September 2020, Vancouver was selected as one of ten global cities to participate in an Airbnb pilot program. Developed for government agencies, this pilot program provides the City with additional operator data as well as Airbnb market trend information unique to Vancouver.

This additional market data allows the City to stay better informed about local Airbnb activity including information about where guests are from and how long they are staying in Vancouver.

PROHIBITED BUILDINGS PROGRAM: Our work to expand the prohibited buildings list for short-term rentals continued throughout 2020. Working with two additional property management companies, more than 30 new strata plans were added to the registry, in addition to the 18 strata plans from 2019. This program ensures people who are not eligible for a short-term rental licence under strata bylaws, for the specific participating buildings, are not licensed. There were only a few attempts recorded in 2020 of people associated with these buildings applying to get a City licence. This demonstrated the effectiveness of both the program and the communications with the strata community around the regulations. This work will continue to expand throughout 2021.

A highlight of 2020 was recognition by the Institute of Public Administration of Canada, for the City of Vancouver's work in short-term rentals. The City received the Bronze Award in the category of Public Service Leadership & Excellence Award.



Kathryn Holm, Director of Licensing & Community Standards and Chief Licence Inspector (*second from right*) and Claire Thompson, Manager, Proactive Enforcement (*second from left*) receiving award on behalf of the short-term rental team.



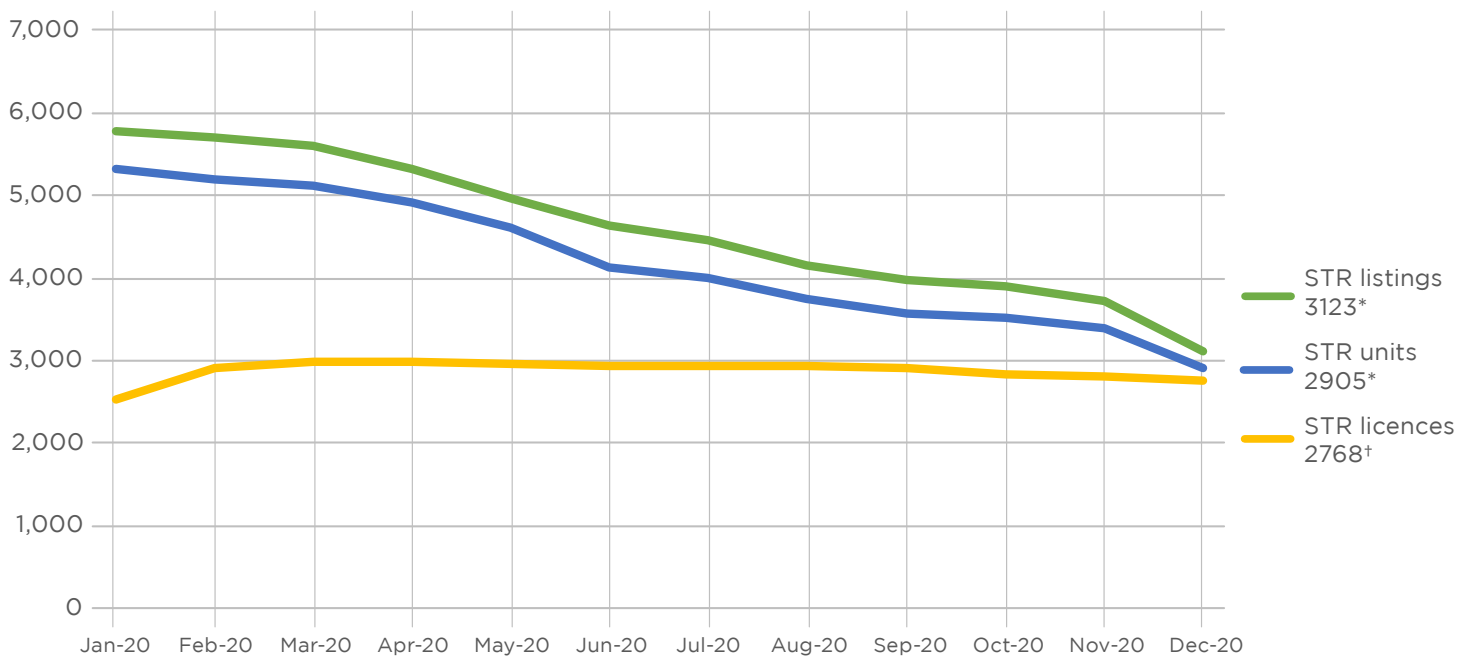
In October 2020, an online short-term rental toolkit designed as a resource for Canadian local governments, specifically recognized Vancouver, and the regulatory approach implemented as one of the best practices for municipalities to adopt throughout Canada¹.

MARKET AND LICENSING STATISTICS AND OUTCOMES

The decrease in tourism and short-term rental market activity due to the COVID-19 pandemic was unprecedented, and has not been seen since the City began monitoring the short-term rental market. Travel restrictions implemented in March 2020 by federal and provincial governments significantly affected local and global travel, which was seen in the Vancouver market.

The chart below represents:

- The number of short-term rental **listings**, the online marketing of the short-term rental (*note, more than one listing may exist for one short-term rental licence*)
- The **units**, the physical space used such as a home, apartment or room within;
- The **licences**, the required certification from the City to operate.



*Source: Host Compliance (2020)

†Does not include suspended or closed licences issued in 2020

¹ https://d3n8a8pro7vhmx.cloudfront.net/gensqueeze/pages/6289/attachments/original/1605721783/STR_Toolkit_2020-11-17.pdf?1605721783



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The City estimates the average short-term rental business licensing compliance rate, which considers the number of units on the market with City licences vs the total number of units, was 78 per cent² in 2020. Below is the breakdown of short-term rental licences in Vancouver. Airbnb continued to have the largest market share with 84 per cent of market listings in Vancouver, VRBO followed at seven per cent and Homeaway at four per cent³. Of note VRBO and Homeaway are both owned by Expedia Group. The remaining share of the market is split amongst other smaller platforms.

METRIC	2020
Total number of 2020 STR business licences issued	3,466
Estimated 2020 licensing compliance rate	~78%
% of licences by operator type	68% property owner 32% renter
% of licences by STR unit property type	42% single/detached home 33% apartment/condo unit 10% secondary suite 7% duplex/triplex/fourplex 4% coach or laneway house 4% townhouse

ENFORCEMENT

In addition to traditional complaint-driven bylaw investigation and enforcement, City staff also use various sources of internal and external data to proactively identify potentially non-compliant short-term rentals.

From January to December 2020, the City received 494 short-term rental related complaints from the community and opened 1552 investigative casefiles.

The enforcement efforts and subsequent outcomes are noted below.

ENFORCEMENT STREAM	OUTPUTS	NO.
Licensed	STR licences flagged for audits	396
	Audits initiated	729
	Licences suspended	411
	Voluntary closures of licences to comply	431
	Warning Letters sent	371
Unlicensed	Licence Orders issued	229
	Tickets issued	480
	Listings referred for prosecution	23
Zoning and building safety infractions	Inspections completed	186
	Zoning Orders issued	202
	Zoning related properties referred for prosecution	6



\$79,000 collected from tickets



9 convictions in Provincial Court with \$52,866 of Court imposed fines

² Calculated on September 3, 2020

³ As of December 24, 2020



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OUTCOMES

Access to affordable long-term housing continues to be a top priority for the City of Vancouver, and the short-term rental program is one of several City and provincial initiatives to support this priority work. A Canada Mortgage and Housing Corporation (CMHC) Housing Observer article released in November 2020, noted a continued increase in the supply of condominiums used as long-term rentals in Vancouver in 2019. The CMHC article specifically attributed the City's short-term rental program as one of the potential contributing factors for this increase⁴.

Additional key indicators of the positive impacts of the short-term rental regulations in Vancouver include:

- 870 resolved short-term rental casefiles where the operator confirmed delisting the unit
- There has been a continued increase in the number of long-term rental business licences issued since short-term rental regulations were enacted with 12,567 issued in 2020. This is an additional 297 long-term rental licences compared to 2019.

Details on the approach and achievements of the first 16 months of Vancouver's short-term rental program can be found in the 2019 Short-term Rental Highlights Report: vancouver.ca/files/cov/short-term-rental-highlights-report.pdf

⁴ <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2020-housing-observer/increase-supply-rental-condominiums-vancouver>