District of Sechelt Short-Term Rental Review

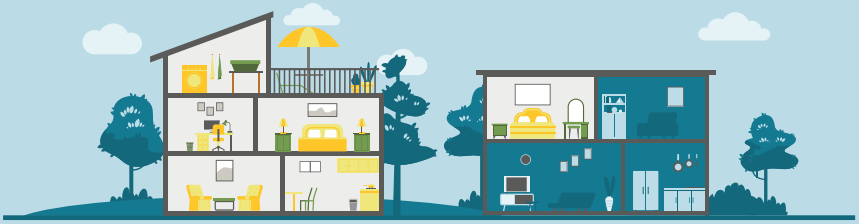
FEBRUARY/MARCH 2022

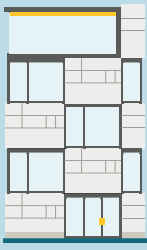
The District of Sechelt is in the process of reviewing and developing regulations for management of short-term rentals (STRs) in residential neighbourhoods. In recent years, short-term rentals have expanded significantly due to websites like Airbnb, VRBO, Booking.com. As the District of Sechelt regulations have been in place since 2005, it is important for the District to review and update how STRs are regulated to match the new context and community needs.

Designing a regulatory approach for the District of Sechelt will involve consultation with the community to determine how best to address the opportunities and challenges presented by STRs. This backgrounder provides context and information to support discussions about short-term rentals, including the current housing situation; considerations for regulating STRs; and potential regulations that best meet Sechelt's needs and priorities.



THE RENTAL OF A RESIDENTIAL DWELLING UNIT
either the entire dwelling or a room(s) within it





IN ANY HOUSING TYPE
e.g. houses, secondary suites, carriage houses, garden suites, cabins, apartments and condos





FOR A SHORT PERIOD OF TIME
e.g. less than a month



PRIMARILY UTILIZED BY VISITORS/TOURISTS

OFTEN WITHOUT ANY IN-PERSON INTERACTIONS





FACILITATED BY PLATFORMS
e.g. Airbnb

WHAT ARE SHORT-TERM RENTAL ACCOMMODATIONS?

District of Sechelt's current Zoning Bylaw defines Short-term Residential Rental as:

the rental of a dwelling unit on a daily, weekly or other short-term basis for less than four (4) consecutive weeks.

Illustration adapted from Shannon Jamison, Eric Swanson. Regulating short-term rentals: a toolkit for Canadian local governments. Third Space Planning, 2021. Available at: http://www.thirdspaceplanning.ca/str-toolkit-2021

KEY ISSUES AND IMPACTS OF STRs

STRs bring a variety of opportunities and challenges. Growth in STRs and their resulting community impacts need to be carefully considered and managed. In a December 2020 community survey, the District of Sechelt heard from approximately 400 residents, stakeholders and community groups on areas of interest, including perspectives on the local benefits and challenges of STRs. Here are some of the benefits and challenges that were shared:

BENEFITS

- Contributes to local tourism economy
- More accommodation options for visitors
- Offsets the cost of housing for full-time resident homeowners (added income)
- Provides additional disposable income to homeowners
- More flexible use for homeowners compared to long-term rentals
- Offsets the cost of property for part-time residents/owners
- Cultural exchange of residents and visitors
- Increases property values for the owners of STRs

CHALLENGES

- Noise and other disturbances that impact residents/ neighbourhoods
- Reduced availability and increased cost of long-term rentals
- Privacy and security concerns for neighbours
- Loss of community feel
- Inflated real estate prices /housing speculation
- Increased traffic and lack of street parking
- Unfair to commercial tourist accommodation providers, who have higher operational costs and are held to higher standards
- Loss of commercial taxes



WHAT ARE THE CURRENT REQUIREMENTS FOR OPERATING STRs?

Since 2005, STRs have been regulated in the District of Sechelt as vacation rentals or bed and breakfasts. STRs are currently permitted in most residential zones and there are no limits on type of rental unit, rental intensity/ frequency of use, or residency requirements. To operate an STR today, an operator must:

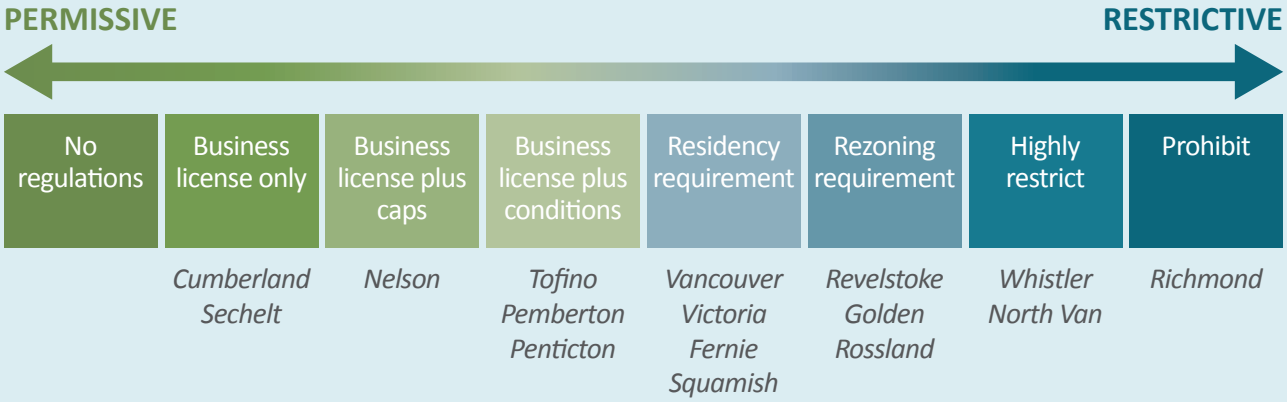
- Hold a valid District of Sechelt Business Licence, including a $1,000 refundable security deposit.
- Notify and provide neighbours within 100 metres with contact information for a local contact who resides in the District of Sechelt.
- Display business license and local contact information in a prominent location at property entrance.
- Meet rental tenants on the property at commencement of all rentals.
- Provide on-site parking for guests.



NOTE: Bed & Breakfasts are licenced separately, as a home-based business and have different requirements.

A GLANCE AT REGULATIONS IN OTHER COMMUNITIES

Currently, the District of Sechelt's STR regulations are light, especially when compared with the management practices in other communities.



NOTE: ***Permissive:*** *accommodates a diversity of STRs that are permitted to increase the total number of tourist accommodation options, including in residential neighbourhoods.* ***Restrictive:*** *limits the type and/or number of STRs that are permitted, to reduce demand on local housing stock, thus protecting housing for residents.*

REGULATIONS REVIEW AND CONSULTATION

In Winter/ Spring 2022, the District of Sechelt will consult with residents and stakeholders to review and update regulations for STRs. There are many ways to provide input including:

Adding your name to a consultation distribution list – visit *yoursaysechelt.ca/str-review* to stay informed and keep updated.

Attending an online meeting – hear about the regulations being considered, share your priorities and hear from others. Meetings will be held on February 23, 24 and March 1, 2022. Advance registration required.

Filling out a survey – share your ideas and perspectives on STR management priorities and draft regulations. The survey will be open from March 1 – 15, 2022.

Reviewing web page updates – *yoursaysechelt.ca/str-review*.

Attending a draft bylaws online meeting in Spring 2022, to see the summaries of the draft bylaws that will be presented for Council consideration and respond to questions.

During COVID, District of Sechelt has been hosting public meetings online. If you are unsure about participating online (using Zoom), please email planning@sechelt.ca or call (604) 885-1986 ext. 8459.

TIMELINE

Below is a summary of the estimated timeline, process and opportunities for community input.

FEBRUARY/MARCH 2022

Consultation on Proposed Regulatory Approach

Online Meetings and Survey

SPRING 2022

Drafting Bylaws

Online meeting to present draft bylaws for Council consideration

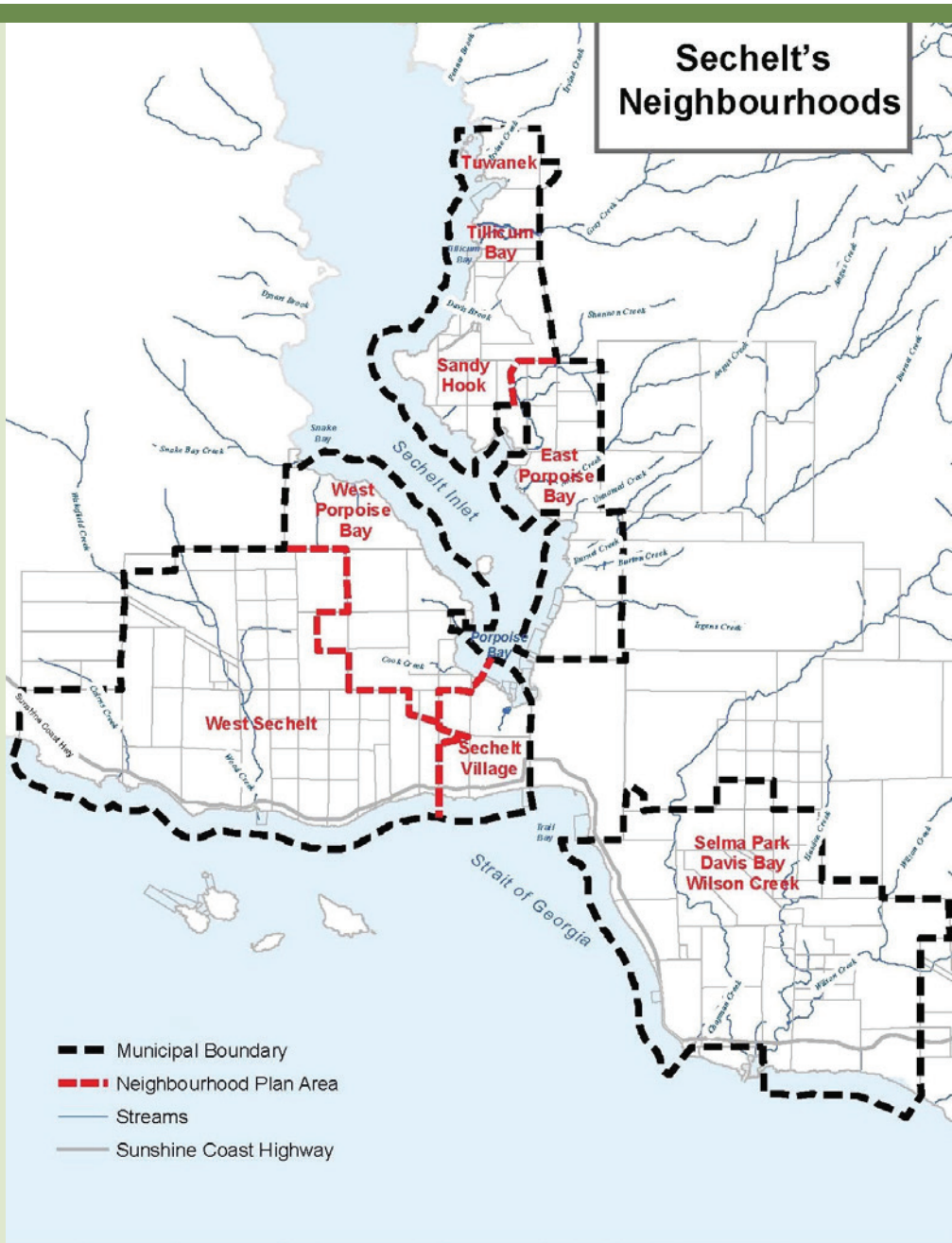
Finalizing Bylaws for Adoption

Council Public Hearing during Bylaw adoption

WHO IS THE DISTRICT CONSULTING WITH?

The District of Sechelt is consulting with community members and affected stakeholders including STR operators, residents' associations, tourism associations, ancillary STR business providers and more to gather feedback on areas of concern and viable options for STR regulations.

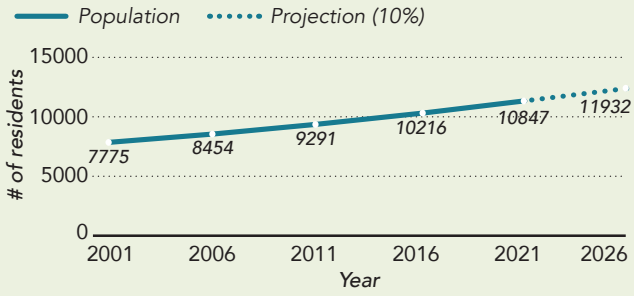
While the District of Sechelt recognizes that it is part of the Sunshine Coast tourism region, the STR regulations under review will apply only to District of Sechelt municipal boundaries. During this review, the District is also communicating with Sunshine Coast Regional District and Town of Gibsons. It's important to note that there are limitations to jurisdictional coordination.



WHAT FACTORS NEED TO BE CONSIDERED WITH STR REGULATIONS REVIEW?

SNAPSHOT: Sechelt Housing and Accommodation

Population

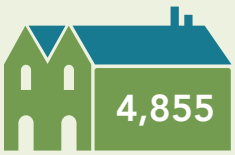


POPULATION GROUND RATE: *average 1.7% per year*

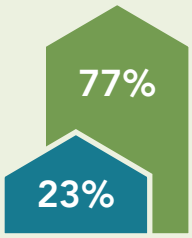
The 2018 Canadian Rental Housing Index shows that over half (54%) of renter households in the District of Sechelt spend more than 30% of their before-tax income on rent and utilities, a 37% increase since 2005. About one in three households (29%) spend more than 50% of their before-tax income on rent and utilities.

Housing

Data source: 2016 Census – latest complete data currently available

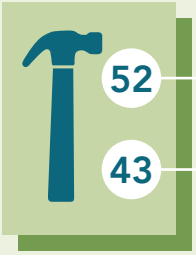


*Occupied private dwellings**



Owner occupied households

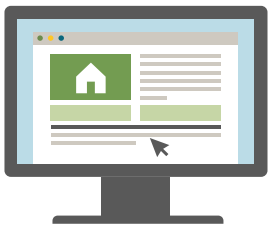
Renter-occupied households (1140 dwellings)



Secondary suite building permit applications since October 2016

Accessory building permit applications since October 2016

Short Term Rentals**

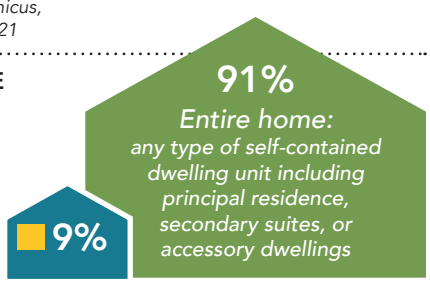


249 *active unique STR listings in the District of Sechelt*

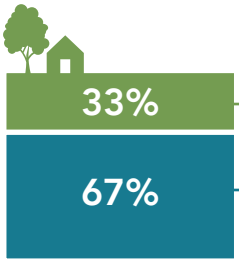
39% *increase since 2016 (70 unique STR listings added over 5 years)*

Data source: Granicus, September 2021

PROPERTY TYPE



PROPROTION OF PROPERTY

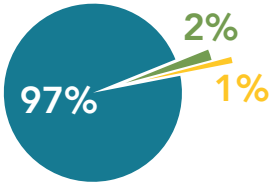


Principle dwelling / whole property

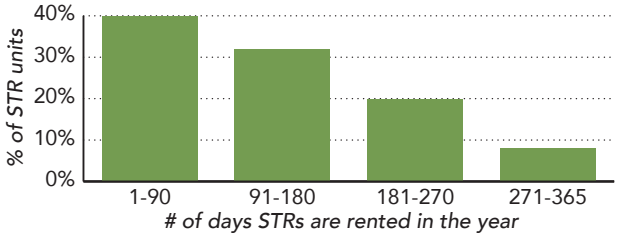
Accessory dwelling units

MINIMUM NIGHTS

- *1 - 3 nights*
- *4 - 6 nights*
- *7+ nights*



RENTAL FREQUENCY



Data source: AirDNA, September 2021

* *2021 Census data show 5,128 occupied private dwellings. As of February 2022, 2021 renter and owner-occupied household data is not yet available.*

** *A note about data: Granicus accesses data from over 65 online platforms and removes repeat listings. AirDNA data aquires data from just 2 sources: Airbnb and Expedia, and produces quarterly reports. Grancius data is more accurate than AirDNA. Where Granicus data is not available, AirDNA data is provided.*

SNAPSHOT continued...

Short Term Rentals

REVENUE

Median monthly revenue (over the year):

$3,971

Median nightly rate:

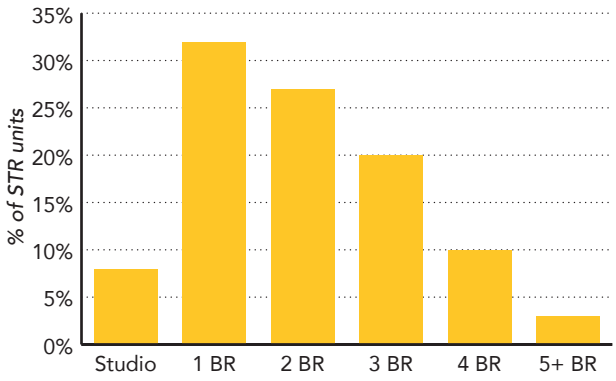
$220

Average monthly revenue:

JAN $1795

AUG $5946

RENTAL SIZE



OTHER TOURIST ACCOMMODATIONS IN SECHELT

89

Motel/Inn rooms

28

Bed and breakfasts with business licenses in 2021

162

Campsites (includes provincial parks and private campgrounds within Sechelt)



REGIONAL TOURISM HIGHLIGHTS

- **Thirty-four thousand room nights** were booked at STRs within the District of Sechelt during 2021.
- The average BC traveller spends **$341 per day** during their trip.
- Assuming those room nights were at minimum double occupancy, that represents tourism spending of approximately **$23.2 million in 2021** directly attributed to STR guests in Sechelt (34,000 room nights x 2 people x $341 spending per day). Of that $23.2 million, travellers spent $8M on the accommodation, and the remaining $15.2M on restaurants, activities, shopping, gas, etc.

MORE INFORMATION?

For more resources relevant to understanding short-term rentals in the District of Sechelt see ***yoursaysechelt.ca/str-review***

- *ShortTerm Rentals (STRs): Examining Key Issues and Options in District of Sechelt, 2021*
- *Sunshine Coast Housing Needs Assessment, 2020*

PRIORITIES TO GUIDE STR REGULATIONS

In December 2021, District of Sechelt Council provided guidance on STR management priority objectives for the community:



SUMMARY OF PROPOSED REGULATIONS

See the following pages to read a draft summary of the District of Sechelt's proposed STR regulations.



STAY WITH US!
SIGN UP TO RECEIVE UPDATES BY EMAIL

Visit:
yoursaysechelt.ca/ str-review

Contact:
planning@sechelt.ca

