

*Regulating B.C.'s Sharing Economy*  
*Walt Judas, CEO - TIABC*

Business & Educator's Conference 2017

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# New Airbnb ads aimed at Vancouver lawmakers



*BETHANY LINDSAY*

[More from Bethany Lindsay](#)

# The Duel

- “Battle for the middle class” – Airbnb
- “Battle for my neighborhood” – AHLA



# The STR Landscape

- STRs in 34,000 jurisdictions in 190 countries; 2,727 cities or regions in N A. with more than 50 STR units available
- 81% of Airbnb's revenues in USA from whole-unit rentals (illegal hotels) – *AHLA*
- 81% of hosts share the home in which they live – *Airbnb*
- Airbnb users spend twice as much as hotel guests and stay twice as long - *Airbnb*
- 77% of Vancouver Airbnb units (8,600 total units) not owner's principal residence; Vancouver vacancy rates would double from 0.8% to 2% by adding these units to the long-term rental market - *UBC undergrad researcher*
- 22% of Vancouver Millennials use Airbnb to help pay their mortgage – *Altus Group survey 2016*



# Questions for Discussion

- Should online platforms that offer short-term vacation rental accommodation (& by extension owners of properties that offer STRs) be taxed and regulated at the local or provincial government level?
- If not, why not? If so, by whom and how?
- What are the implications of either taxation/regulation or status quo?

# The Tourism Perspective

- Multiple customer options
- Increase in business
- Convenience & service
- Affordable & available





# Short-term Rentals in B.C.

- Added pressure on local services
- Higher degree of safety risk
- No collection of taxes or direct contribution to tax base
- Lack of affordable & available housing
- Inability to recruit seasonal workers



# Short-term Rentals in B.C.

Regulation needs to be:

- Warranted
- Reasonable
- Balanced
- Enforceable
- Challenge – adopting further business regulation is not generally a move governments or business community favors





# Short-term Rentals in B.C.

*“Those that benefit from tourism promotion should contribute towards it. Hospitality workers need affordable accommodations. Guests and visitors deserve quality, safety and consumer protection”*

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# TIABC Policy

- Local governments - identify STR operators and either compel them to comply with local regulations or prosecute offenders;
- Civic government should consider developing a policy in consultation with the accommodations community;



# TIABC Policy

- All STR operators to be registered/licensed within each community and agree to comply with local regulations;
- PST and MRDT should be collected at source by the booking platform and remitted to the province. The booking platform shall also collect and disclose all such STR data required by the municipality and/or Province to properly monitor and govern these transactions and their adherence to local bylaws and legislation.



# Provincial Regulation

- Does your party support the elimination of tax regulation 78(1)b that exempts accommodation providers of less than four rooms from collecting taxes in the form of PST and MRDT, and also precludes platforms like Airbnb from collecting and remitting these taxes?
- What kind of regulatory framework would your government implement to compel platforms such as Airbnb, FlipKey, VRBO and Home Away to collect PST (hotel room tax) and Municipal & Regional District Tax (MRDT), similar to what traditional accommodation providers remit?

# Victoria

- Rapidly increasing rental rates
- Approximately 2,000 Airbnb hosts in Greater Victoria
- Estimated 68% are regular commercial operators
- Balancing needs of accommodation sector who feel they have untaxed and unregulated competition.



# Rossland

- Allows STRs subject to:
  - Operator has business license (\$200 annual);
  - Approved zoning and complies with local regulations including building code standards
  - Non-compliance could result in fines of \$200 per day
  - Formed advisory committee to review effects, impacts and issues related to unlicensed STRs





# Nelson

- Consolidated STR with B&B → B&Bs are now considered STRs
- Ownership and primary residency requirement
  - Except for summer licenses (rationale: student housing)
- Limiting the number per property, per block
- Tri-annual inspections
- 24/7 local contact person
- A process to revoke
- Reducing the parking requirement barrier



# Tofino

- Must be in one of six residential zones
- Must have a business license (\$225-\$375)
- One per property; cannot operate B&B and STR
- STR can be operated in principal or secondary dwelling
- Max 3 sleeping units, max 6 guests



# Revelstoke Chamber Resolution

- Provincial Gov't – Tax fairness
- Municipal Gov't – Zoning & Bylaws
- Business organizations – Education & Information
- STR Owners - contribute to the economic interest of our communities and our province.



# Airbnb's Position

- Help ensure the efficient collection of hotel & tourist taxes
- Be open & transparent in sharing information
  - Airbnb already collecting tax in 240 jurisdictions around the world & generated \$110 million in tax revenue for local gov't





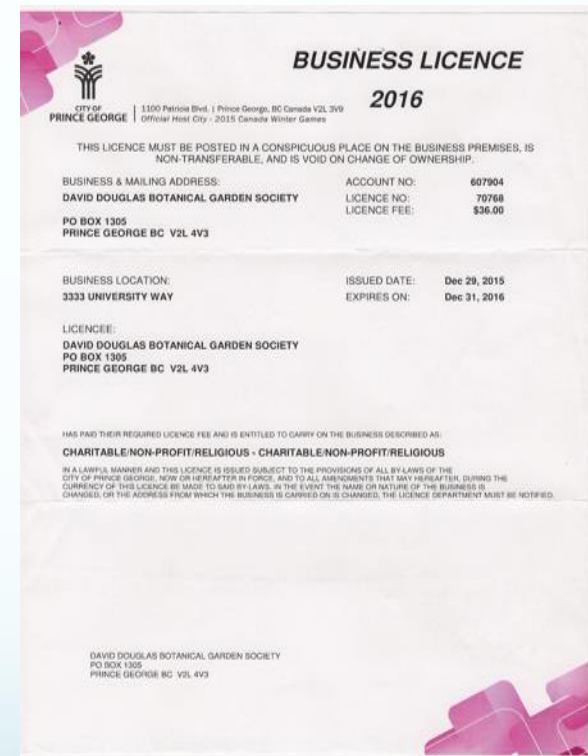
# Airbnb's Position

- Airbnb will work with community to prevent short-term rentals from impacting the availability and cost of permanent housing for city residents
- Educate hosts and work to help ensure they list only properties that are permanent homes on a short-term basis



# The Landscape

- Generally...Airbnb will pay taxes if they agree with the city's rules or if the regulatory framework is in place
- Studies show 1 in 10 STR operators will get a permit and pay taxes without compliance monitors; 90% will pay for permit if they think they'll get caught





# Adam Ruins Everything – Why Your Airbnb Might be illegal

- <https://www.youtube.com/watch?v=oGLE0Wgfbyk&index=9&list=PLuKg-WhduhkksJoqkj9aJEnN7v0mx8yxC> - <https://mail.google.com/mail/u/0/?tab=wm%23inbox/15a8733de4db3cdd?projector=1>



**No Air-bnb / Short Term  
Rentals Permitted**



**Don't Let Strangers  
Into Our Home**

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- If not, why not? If so, by whom and how?
- What are the implications of either taxation/regulation or status quo of STR providers and operators?