

A review of the growth of short-term vacation rentals in Golden, its effect on traditional accommodations, and a request for regulatory framework to be implemented.

Presentation to council | September 3<sup>rd</sup>, 2019



# TOURISM GOLDEN POSITION

Tourism Golden acknowledges that whilst consumer demand for short term rentals (STRs) continues to grow; generating visitation and tourism revenues for the destination, it also recognises that the unchecked growth of STR units impacts our long-standing accommodation stakeholders, particularly small owner-operator businesses, by reducing revenues and occupancies and creates the potential to undermine destination reputation.

The shift of long-term rentals into STRs also creates a critical shortage of available and affordable long-term rental accommodation which in turn results in labour shortages during the important high season.

The exponential and unfettered growth in short term nightly rentals within municipal neighbourhoods may negatively affect the safety, quality of an authentic visitor experience as well as impacting destination reputation.

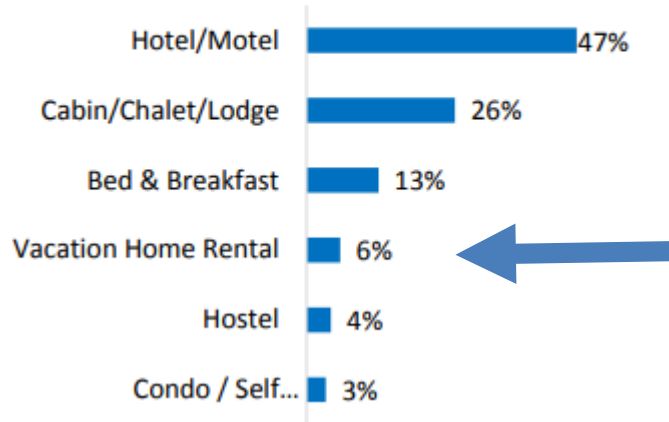
Recognizing that there is no single solution to the complex issue of STRs, Tourism Golden will continue to lobby for the following:

1. The creation of a legal framework by municipal, regional district and provincial government that recognises STR operators as commercial businesses with the associated property and other taxes, zoning qualification, licensing, utility and other fees and that sets minimum standards of fire and safety, parking and liability insurance.
2. The proactive and consistent enforcement of all by-laws pertaining to STRs by government to compel STR operators to act legally by all levels of government.

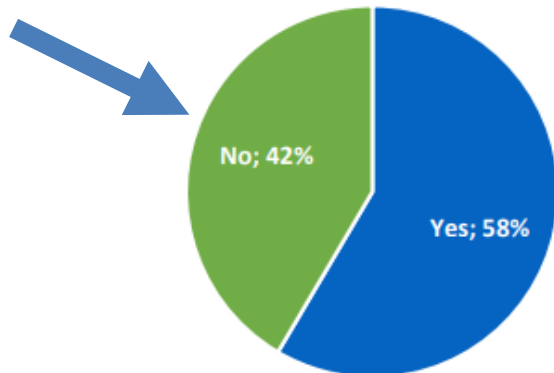
# SITUATIONAL ANALYSIS – CONSUMER DEMAND

## Summer 2016

**Roofed-Accommodation Type**  
Percentage of Paid, Roofed Overnight Visitors

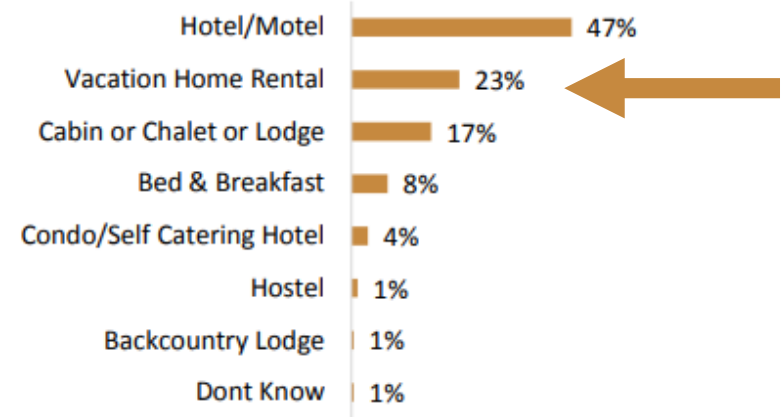


If This Kind Of Accommodation Was Not Available In Golden, Would You Have Still Stayed Overnight In Golden?<sup>3</sup> Percentage of Visitors That Used A Private Rental<sup>FU</sup>



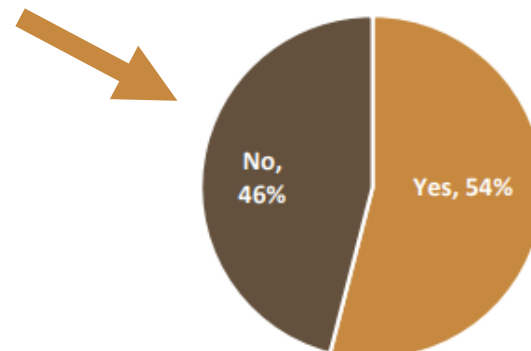
## Summer 2017

**Accommodation Type**  
Percentage of Visitors



**If This Kind Of Accommodation Was Not Available In Golden, Would You Have Still Stayed Overnight In Golden?<sup>3</sup>**

Percentage of Visitors That Used A Private Home Rental<sup>FU</sup>



# SITUATIONAL ANALYSIS – STR INVENTORY

□ 153 active listings

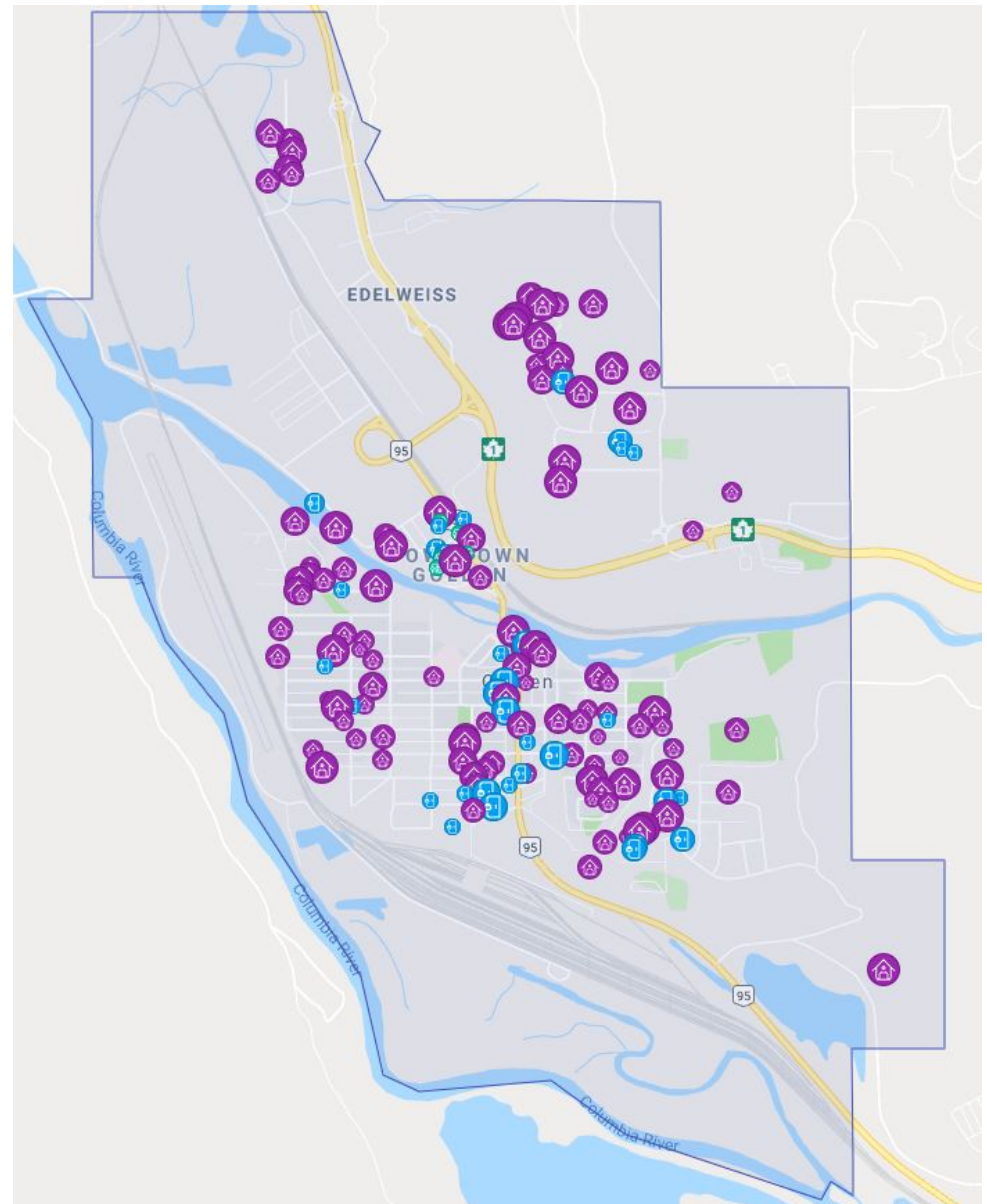
↑ 283%

Rental Growth

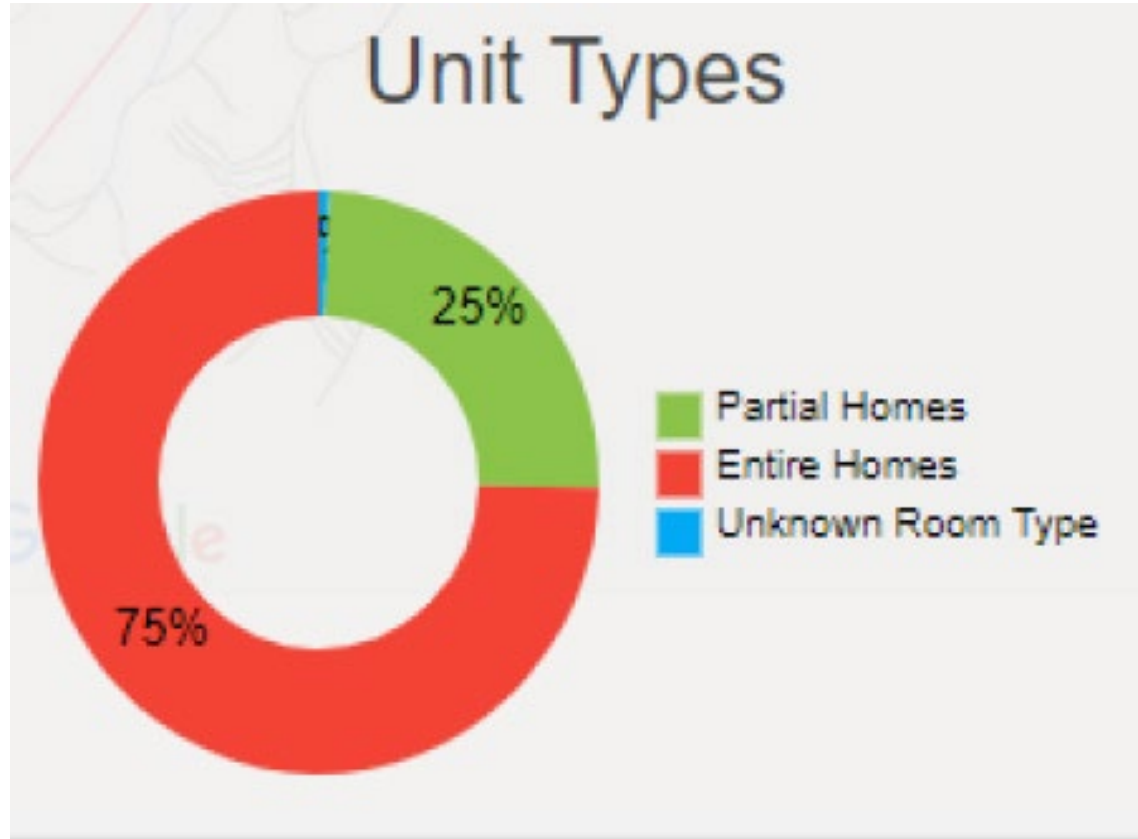
10% Quarterly Growth  
① Jun '17 - HomeAway Data Added



Date	# STR listings
June 2016	54
Nov 2017	81
Sept 2018	131
Aug 2019	153



# SITUATIONAL ANALYSIS – STR TYPE



# EFFECT ON TRADITIONAL ACCOMMODATION

Occupancy (%)	2019		
	May	Jun	Jul
This Year	52.9	68.4	79.1
Last Year	57.3	74.8	89.0
Percent Change	-7.7	-8.6	-11.2

RevPAR	2019		
	May	Jun	Jul
This Year	59.25	103.66	157.19
Last Year	62.17	109.76	167.42
Percent Change	-4.7	-5.6	-6.1

Revenue	2019		
	May	Jun	Jul
Percent Change	-4.7	-5.6	-6.1

Source: STR Destination report 2019

## OTHER CONSIDERATIONS

- ❑ Reduced long term rental housing inventory
  - Labour shortages
- ❑ Neighbourhood and community atmosphere
  - “Hollowing out our communities”*
- ❑ Visitor experience no longer authentic
  - Destination reputation
  - Impact on future visitation
- ❑ Burden on municipal infrastructure
  - Resident and business taxes

# FAIR COMPETITION

## TRADITIONAL ACCOMMODATIONS

- Commercial zones only
- Planning approvals
  - Height
  - Size
  - Parking
  - Health & Fire safety
  - Landscaping
- Commercial utilities
- Commercial liability insurance
- Commercial property taxes (13.58%)
- PST & MRDT

## STRs

- No enforced zoning controls
- Business licence
- No enforced parking restrictions
- No enforced health & fire safety
- Residential utilities
- No enforced liability insurance
- Residential property taxes (5.79%)
- PST & MRDT



## Short Term Rentals in Golden

### Short Term Rentals in the Town of Golden

#### What's happening now?

The Town of Golden is in the process of fine-tuning a draft regulatory framework for Short Term Rentals (STRs). Your Town Council wants a regulated and fair framework that allows some STRs while protecting the existing housing stock. Our community survey was live from November 20, 2017 to January 3, 2018. During this time, we also hosted a number of focus groups to discuss the issue of STRs and the Town's draft regulatory framework. Please click [HERE](#) to view the public input summary.



At the Regular Open Council Meeting held on February 6, 2018, Council reviewed the public input gathered from the recent STR survey, the four focus group meetings and the items of correspondence received. Council discussed the input and provided the following direction for bylaw drafting. This direction was recorded and recirculated to Council, the focus group attendees and others who expressed an interest in the short term rental topic (nearly 50 people).

At the Regular Open Council Meeting held on February 20, 2018, Council re-affirmed their direction on bylaw drafting:

1. Support for the proposed Temporary Use Permit and business license/regulation framework as a way to control the number of STRs in a particular area or on a particular street.
2. A short term rental (accommodation of 30 days or less) can occur in single detached dwelling or in a secondary suite as well as within a duplex.
3. The single detached dwelling, duplex or ½ duplex, must be occupied during the short term rental by the owner, it must be the owner's principal dwelling, and the owner must be present. Council was also cognizant of neighbourhood impact and wanted the owner to be present to address potential noise, parking and other nuisances.
4. A duplex or ½ duplex being operated as an STR must be on one title/one real estate entity:
  1. If an owner owns both halves of the duplex, on one title, the owner can reside in one half of the duplex and operate an STR in the other.
  2. In the case of a fee simple duplex the owner can operate a B&B/STR only in the side where they reside/own.
5. Short term rentals are not to be permitted:
  1. On a property with a detached secondary residential dwelling (carriage house or garden suite);
  2. Within a unit in a multi-family residential development.
6. Prior to approval, an initial life-safety inspection is to be conducted by the building official then inspections every three years.
7. Requirements such as no advertising without a business license will also be implemented for efficient enforcement purposes.
8. Council is comfortable with the on-site (off-street) parking requirements of two parking stall per single detached dwelling and one additional stall for each bedroom operated as a B&B/STR up to three bedrooms.
9. There was no support for seasonal operators paying reduced licensing or water/sewer fees.

This approach balances Council's desire to create a fair regulated environment that supports a viable Short Term Rental sector while meaningfully preserving housing stock for residential purposes -- both rental and ownership.

#### Source:

<http://www.golden.ca/Current-Issues-Public-Processes/Current-Issues-and-Publications/Short-Term-Rentals-in-Golden.aspx>

**Short Term Rental  
Bylaw and  
Enforcement  
Objective**

*Complete bylaw and  
implement enforcement  
provisions.*

The number of unregulated STR's in Golden continues to grow along with frustration in the tourism and residential neighbourhood sectors. Applying a simple regulatory framework will promote and ideally limit the quantity of these offerings.

Bylaw completion and enforcement plan.

Meaningful regulatory regime in place; satisfactory compliance.

Source: Council Strategic Priorities 2019,2020

<http://www.golden.ca/Current-Issues-Public-Processes/Current-Issues-and-Publications/Short-Term-Rentals-in-Golden.aspx>

# We respectfully request ....

**Immediate** and unequivocal action on:

- ❑ New legislation in accordance with 2017 community engagement output to **legally recognise** and **manage** STR inventory through:
  - ❑ Owner-occupied premises
  - ❑ Life safety inspections
  - ❑ On-site parking requirements
  - ❑ Business license & commercial utilities assessment

And which;

*“Controls the number of STRs in a particular area or street”*

- ❑ **Commitment** to
  - ❑ Meaningful consultation with Tourism Golden and traditional accommodator stakeholders
  - ❑ Consistent and ongoing enforcement
- ❑ **Support** TG in lobbying for reclassification of STRs under BC Assessment in line with PST & MRDT legislation



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