

**Date:** Tuesday, January 21, 2025

**To:** Elizabeth Tracy, Chief Administrative Officer

**From:** Gwendolyn Kennedy, Manager, Corporate & Legislative Services

**Subject:** Short-Term Vacation Rental Regulation Review

---

## **PURPOSE**

The purpose of this report is to provide the Committee of the Whole with an opportunity to review regulations respecting short-term vacation rentals.

## **BACKGROUND**

Prior to the *Short-Term Rental Accommodations Act* receiving Royal Assent in October 2023, the Province was not involved in the regulation of short-term vacation rentals. The Act brought into effect an increase to the maximum fines for contravention of short-term vacation rental regulations, the principal residence requirement, the requirement that operators display a valid business licence number, data sharing between the Province and local governments, and, coming in 2025, launch of a provincial registry of short-term vacation rental listings.

Because the Village implemented short-term vacation rental regulations in 2019, the Act has had a relatively minor impact on Village business licensing and zoning. Where discrepancies existed, Council supported aligning Village regulations with provincial legislation. At Regular Council Meeting No. 1596, held Tuesday, March 19, 2024, Council directed staff to submit a request to the Province of British Columbia to include the Village of Pemberton in the principal residence requirement for short-term rental accommodation and to draft an amendment to Zoning Bylaw No. 832, 2018, to align the Village's definition of short-term vacation rental with the definition set out in the Short-Term Rental Accommodations Act.

While supporting regulations intended to limit the number of short-term rental accommodation business licences issued, Council asked staff to incorporate flexibility in the regulations to permit homeowners to rent their principal residences as tourist accommodation when away from home, for less than 90 days in a calendar year. In response, Development Services staff presented an amendment to Zoning Bylaw No. 832, 2018, adding section 7.24 (b) that restricts short-term vacation rentals to a maximum of 5% of the single-family lots in a neighbourhood, but allows for exemptions to be granted, thereby providing the flexibility Council had requested. The bylaw amendment (Zoning Amendment Bylaw No. 960, 2024) was adopted on May 28, 2024.

At Committee of the Whole Meeting No. 261 held on May 7, 2024, the Committee directed staff to bring back a report on short-term vacation rental requirements in December 2024 or January 2025 to consider how to more fairly allocated the limited number of business licences, whether the neighbourhood cap should be eliminated, and whether to limit the opportunities for a homeowner to request an exemption from the neighbourhood cap.

[2024 Listings](#)

Data regarding the number of short-term rental listings is helpful to understand the potential impact of short-term rentals on the long-term rental market in Pemberton. Table 1 provides a summary of short-term vacation rentals listed on accommodation platforms between April and December 2024, using data provided through the data-sharing agreement with the Province. For context, it is important to note that the 107 nights of unlicensed accommodation came from the rental of only four properties, with three of these properties responsible for 105 of the 107 nights.

The majority of unlicensed listings are not actively rented. In some cases, the operators ceased renting when Village staff informed them that their rentals were illegal but neglected to delete the listings. Staff are in the process of following up with all illegal operators and will have unlicensed listings removed from the listing platforms within the next few weeks. Moving forward, it will be easier to track and remove new non-compliant listings.

There are currently 18 licensed short-term vacation rentals in the Village, 15 of which were rented in 2024, and 27 unlicensed listings, four of which were rented in 2024. Because of the few active unlicensed listings, successful enforcement resulting in the elimination of all unlicensed listings will have minimal impact on the long-term rental housing market. However, the number of illegal listings does not reflect the potential number of short-term vacation rentals, should Village regulations be relaxed by permitting more rentals in each neighbourhood, by exempting some rentals from the 5% cap, or by adding short-term vacation rental as a permitted use in zones where it is currently prohibited, such as the Industrial Park, agricultural zones, and multi-family neighbourhoods.

Table 1. 2024 Short-term vacation rental listing data from provincial portal, by neighbourhood

Neighbourhood	Unlicensed		Valid Business Licence	
	Number of Properties Listed	Number of Nights Rented, April to December 2024	Number of Properties Listed	Number of Nights Rented, April to December 2024
Aspen Fields	1	2	2	11
Benchlands	1	0	7	366
Downtown	0	0	1	50
Glenn*	6	69	3	89
Plateau	0	0	3	203
Ridge	3	2	2	102
Illegal Zones** (Industrial Park, Gateway, Meadows Lane, Peaks, Pioneer Junction)	16	34	NA	NA
Totals	27	107	18	821

\*Two unlicensed listings were rented in 2024

\*\*One listing was rented in 2024.

### **DISCUSSION & COMMENTS**

#### Neighbourhood Cap

Achieving the right balance between the economic opportunities presented to homeowners by short-term vacation rentals and the impact of such rentals on the long-term rental housing market and on the character of neighbourhoods is a difficult task. One key question, how to fairly allocate scarce short-term vacation rental business licences, has been a concern of Council since regulations were introduced in Pemberton in 2019. Once an individual obtains a short-term vacation rental business licence, they generally keep it until selling the property. The result has been almost no turnover of licences, with people on waitlists for years. There are currently 29 homeowners on a waitlist for a short-term vacation rental business licence.

Possible solutions to the issue include the following:

1) Eliminating or relaxing the zoning cap on short-term vacation rentals

Council has considered eliminating the cap in the past but has determined that this would result in a significant loss of long-term rental stock and could lead to a proliferation of short-term rentals in some neighbourhoods, affecting neighbourhood character. Relaxing (rather than eliminating) the cap would almost certainly lead to an immediate uptake of all available licences followed by a prompt return to the status quo of stagnant waitlists.

2) Changing the restrictions on short-term vacation rentals such that the zoning cap is no longer needed or that pressure on the cap is greatly reduced

One possibility is to prohibit short-term rental of accessory dwelling units, including secondary suites and carriage houses, as the [City of Rossland](#), the [District of Squamish](#), the [City of Victoria](#) and the [City of Vancouver](#) have done. In Victoria, an operator may rent up to two bedrooms of the home while living in the home, and the entire residence for up to 160 nights while away from the home. In Vancouver, an operator may rent the entire home, or a room within the home, without restriction on the number of nights. Squamish permits short-term rental of a limited number of secondary suites and carriage houses through a limited [temporary use permit](#) process.

Prohibiting short-term rental of accessory dwelling units would return secondary suites and carriage houses to the long-term rental market while still allowing homeowners to benefit from short-term rental of their homes while away.

3) Cancelling of business licences for accommodation that is not being actively rented to make these licences available to those who would use them

Staff cannot prove that a business licence is not being used. Unless a licence holder voluntarily gives up a licence they are not using, this option is not enforceable. Also, as 15 of the 18 licensed short-term vacation rentals were actively rented in 2024, cancelling inactive licences would not have a significant impact on waitlists.

- 4) Limiting a short-term vacation rental business licence to a set period, such as one year.

This option would result in regular turnover of licences.

- 5) Exempting specific classes of short-term rentals from the 5% neighbourhood cap set out in Zoning Bylaw No. 832, 2018

Exemptions could apply to the following, and other, situations:

- a) the rental of a person's principal residence for up to 90 days in a year, while they are away from home,
- b) short-term vacation rental of an accessory dwelling unit (ADU) when the rental operator is offering another ADU for long-term rental, or
- c) short duration exemptions, such as the thirty-one-day and four-month licences offered by the [City of Nelson](#).

Section 7.24 (b) of Zoning Amendment Bylaw No. 960, 2024, was created to support the first case but could, without amendment, support other exemptions. The section reads:

2 *Village of Pemberton Zoning Bylaw No. 832, 2018 is amended as follows:*

a. *By inserting section 7.24 (b) as follows:*

(b) *Notwithstanding paragraph (a), short-term vacation rentals are restricted to a maximum of five percent (5%) of lots in areas defined by the map in Schedule B, which is attached to and forms part of this bylaw.*

i. *Where permitted, a lot may be exempted from the maximum five percent limit, on application to the Village.*

The wording of this section is intentionally general. To date, no one has applied for the exemption; therefore, staff are not able to comment on whether restrictions should be added to narrow the exemption. A suggestion for limiting use of the exemption clause is to restrict it to once per year for each homeowner. Staff propose developing a policy to guide interpretation of the exemption based on the Committee's input.

One way to reduce the pressure on the neighbourhood cap would be to publicize the opportunity for an exemption to the cap and to offer business licences for exempted properties at a significantly lower cost than the \$300 annual fee for a short-term vacation rental licence, making this an attractive option even for those who currently hold short-term vacation rental business licences but use them only when away on vacation.

Overall, creating exemptions to the 5% cap will result in an increased number of short-term vacation rentals and will remove some accessory dwelling units from the long-term rental pool.

### Multi-Family Zones

An additional question is whether prohibiting short-term vacation rentals in multi-family zones is necessary given the principal residence requirement, which is intended to prevent the frequent turnover of tenants that occurs when a property is used primarily or exclusively for nightly rentals, and whether it is fair to prevent residents of multi-family zones from benefiting from the opportunity to earn income from their properties. There remain some security concerns when non-residents are given access to a secured building; however, the decision regarding the acceptable level of risk could be left to each strata council.

Staff note that short-term vacation rentals are not permitted in the RTA-1 zone that includes single-family homes on Tenquille Place and Seven O'clock Drive and duplexes on Sunstone Way, or in the CD-5 zone that comprises the Tiyata area.

Allowing short-term vacation rentals in zones where the use is currently not allowed would most likely result in waitlists for these areas unless this action is accompanied by offsetting restrictions, such as the elimination of short-term rental of accessory dwelling units.

### Summary

This report presents the Committee with a range of options to manage short-term vacation rentals, from prohibiting short-term rental of accessory dwelling units, to allowing specific exemptions to the 5% neighbourhood cap or relaxing or eliminating the cap. Whether short-term rentals should be permitted in multi-family zones was raised as a consideration.

If the Committee supports prohibiting short-term rental of accessory dwelling units, implementation of this restriction would need to be considered carefully because of the impact on current business licence holders.

If the Committee favours specific exemptions to the 5% cap, staff recommend that the exemptions be set out in a policy that would also establish the application process and set guidelines for monitoring for compliance. Because Zoning Amendment Bylaw No. 960 incorporates flexibility regarding exemptions to the cap, no bylaw amendment would be necessary. However, if the Committee supports reduced business licence fees for restricted licences, amendments will be needed to Business Licence Bylaw No. 855, 2019, and Fees and Charges Bylaw No. 905, 2021.

Allowing short-term vacation rental in zones where the use is currently prohibited would necessitate a zoning bylaw amendment.

The Committee may direct staff, by resolution, to bring back additional information to the Committee, or to bring policy or bylaw amendments to Council for review at a future meeting of Council.

### **COMMUNICATIONS**

Consideration of short-term vacation rental regulations does not entail a communications element.

## **LEGAL CONSIDERATIONS**

[Short-Term Rental Accommodations Act](#)

## **BUDGET & STAFFING**

There are no impacts to the budget or staff hours.

## **INTERDEPARTMENTAL IMPACT**

This report was drafted in consultation with Development Services staff.

## **COMMUNITY CLIMATE ACTION PLAN**

Review of short-term vacation rental regulations has no impact on the Community Climate Action Plan strategies.

## **STRATEGIC PRIORITIES**

Review of short-term vacation rental regulations aligns with the strategic priorities to *plan and manage growth and operate with excellence*.

## **IMPACT ON THE REGION**

This review of short-term vacation rental regulations initiative has no impact on other jurisdictions.

## **ATTACHMENTS**

None

Prepared by:	Gwendolyn Kennedy, Manager, Corporate & Legislative Services
CAO approval:	Elizabeth Tracy, Chief Administrative Officer