



## ***Short-Term Accommodations A Discussion of Issues and Options***

## **Introduction**

The success of internet-based short-term accommodation rental (STA) services such as Airbnb and VRBO, have cultivated opportunities for home owners to promote vacation stays of their premises. In combination with a constrained supply of roofed accommodations in TheCounty™, STA rentals appear to have been popular. The staff of the Community Development Department has provided a report, *Overview of Airbnb Community in Prince Edward County* (Attachment #1) that suggests a high number of active listings in the County. A high annual growth rate in STA rentals is also identified. Presumably, additional short-term accommodation (STA) rentals are occurring through alternative arrangements, advertisements, or via other web sites.

The impacts of short-term accommodation (STA) rentals on adjacent properties, neighbourhoods and the local economy can be both positive and negative. An assessment of community views and the identification of related issues to the use of short-term accommodation (STA) homes is needed. In response, the Council of the County of Prince Edward adopted the following Motion:

### ***Motion CW-171-2017***

*THAT staff report back to Council on the impacts of the Sharing Economy in the accommodations sector in Prince Edward County and recommend strategies for the County to address opportunities and challenges associated with this growing sector.*

Consequently, the County of Prince Edward is undertaking a review of residential properties being used as facilities for vacation rentals.

## **Process**

Going forward, the following general stages will be followed:

1. ***Identify Community Issues:*** Through staff's administering questionnaires to agencies, industry stakeholders and the general public issues that may be associated with STA rentals will be identified. The results will be summarized and posted on the County web site. An advertised Community Information Session will follow to learn of any additional interests and opinions persons may wish to share in response to the summary of the collected information.
2. ***Review a Range of Options:*** A Community Issues Report that summarizes the views expressed during the public consultation stage will be presented by staff to Council.
3. ***Recommendations to Council:*** A staff report to Council will give recommendations regarding any appropriate revised policies or by-laws.

## Background

### *What are Short-Term Accommodation (STA) Rentals?*

Short Term Accommodation Rentals (STA rentals) can be defined as all or part of a dwelling unit used to provide sleeping accommodation for any rental period that is a short duration of approximately 30 consecutive days or less. Persons staying in a STA rental are usually a vacationing member of the public, but may also include persons travelling for business or work purposes.

The County's Community Development Department has undertaken an [Issues Identification report, Overview of Airbnb Community in Prince Edward County](#) that identified a number of on-going trends. Below is a summary of the findings from the report.

### **Listings:**

- Total active listings: 580
- Current number of active hosts: 380
- Typical annual earnings for a host: \$7,800

### **Guest profile:**

- Average age of booking guests: 37
- Average group size: 3.7
- Origin:
  - Europe: 4%
  - North America: 96%

### **Economic Impact of Airbnb:**

- Expenditure: \$5.6 million
- Gross Domestic Product (GDP): \$4.4 million
- Jobs (Full time, full year): 70
- Labour Income: \$2.9 million
- Estimated Tax Revenue: \$2.0 million

### **Other Issues:**

- STA vacation rentals have been exponentially growing to meet the short fall of available B&B room's through-out the entire season.
- Many of the houses that come under new ownership have been converted into short-term vacation rentals.
- Vacation Rental revenues average \$3,000 - \$5,000 per week for many of its properties.
- Finding available rooms for guests and coordinating with accommodations providers became the core work of the visitor services centre.

- STA is further impacting a rental market with a traditionally low vacancy rate, making it difficult for people to find long term rentals
- This impacts the affordability of housing, our senior population and the ability of businesses to attract both skilled and unskilled workforce.
- The Chamber and its members are concerned with the proliferation of the vacation rental industry in Prince Edward County and some of the growing challenges related to the current growth of the B&B industry.
- Not uncommon for to only have one or two of the houses now occupied by year round residents.
- The Fire Department receives elevated burn complaints from primarily STA operations
- Access of emergency vehicles to all residences is also a growing issue

### **Discussion Issues for Consideration Regarding Short-Term Accommodations**

#### A. Location

STA rentals may be found throughout the settlement and countryside areas of TheCounty™, although accommodations may be more concentrated in some areas than others. Persons have referred to 'dark streets' where a cluster of STA rental homes are located but are vacant during the off-season. The conversion of homes from year-round residential uses to vacation rentals may contribute to de-population of a neighbourhood, which in turn affect local school attendance levels and year-round demand for commercial goods and services.

Waterfront areas tend to be pastoral environments and an attractive destination for STA rentals. However, a waterfront home occupied by a dozen or more vacationers may introduce noise and traffic issues that are out of character for the residential area.

#### B. Varied Housing Forms

STA rentals may occupy entire homes or just a couple of rooms in a home where the owner also resides. Park model trailers may be popular rentals. These are normally located in tent and trailer parks that are managed by facility owners. Apartments and condominium units can also be common venues for vacation stays.

#### C. Economic Impacts

STA rentals can contribute a number of positive economic benefits. Persons who rent out rooms in their home may earn important additional income needed to sustain an adequate standard of living. Many people are employed in maintaining STA rental properties, particularly where the property is owned by persons outside of the County.

For some, STA rental homes may be viewed as a good investment. In such cases, developers may realize an expanded market for units in their projects.

Tourism is an important industrial sector in the County. Roofed accommodation is in short supply and STA rentals may assist in accommodating demand.

#### D. Housing Supply and Affordability

The conversion of homes from resident occupation to vacation stays results in a reduction in the general supply of resident housing, which in turn may affect overall affordability levels.

#### E. Functionality

The questionnaire addresses the issue of whether a home used as STA rental units is a residential use or more similar to a commercial use. Views are likely to vary based on frequency (every weekend, all of the tourist season?) or extent (one room in the house, or all rooms with maximum occupancy) of the use by vacationers, and whether the home/property is also occupied by the owner.

#### F. Consistency with Municipal Regulation

While bed and breakfasts, motels, trailer camps and other roofed accommodation are regulated through zoning and property standards, STA rentals of homes are not. Is a consistent application of municipal standards needed?

### **Planning Act Framework**

#### The Provincial Policy Statement (PPS) and the County Official Plan

##### Housing

The PPS provides direction to land use issues, including policies relevant to STA rentals:

*1.4.3 Planning authorities shall provide for an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents...*

The County Official Plan establishes,

##### *4.3.1*

*In order to ensure an adequate level of housing in the County, it is the intent of this Plan:  
a) to encourage and facilitate the development and maintenance of an appropriate mix of housing types to meet the needs, incomes, preferences and lifestyles of all County residents;*

Therefore, the municipality should ensure that the conversion of resident homes to STA rentals does not detract from the housing needs that serve the local population.

## Tourism

The PPS states,

*1.7.1 Long-term economic prosperity should be supported by:*

*...*

*g) providing opportunities for sustainable tourism development;*

Tourism, including roofed accommodation, is generally supported in Provincial policy.

The County Official Plan establishes,

*2.5.1 Employment opportunities will be provided through a balance of agriculture, tourism, service and light industry, in areas designated and determined to be best suited for each economic sector.*

*...*

*2.7.4 The tourism accommodation sector in the County will become slightly more upscale than in the past to reflect market demands. This will be fostered through the construction of new full service roofed accommodation resorts and through bed and breakfast establishments.(prior to STA rental trends)*

The County depends on a healthy local tourism sector. An appropriate form and degree of STA rentals may be needed to contribute to demands for roofed accommodation.

## Current Zoning By-law Standards

The current Comprehensive Zoning By-law No. 1816-2006 permits tourist inns, motels and hotels in a Tourist Commercial (TC) Zone. A bed and breakfast establishment with a maximum of three (3) guest rooms is permitted in an owner occupied single detached dwelling (section 4.4.1). A number of zones permit a bed and breakfast where residential uses are also permitted.

## **Summary**

STA rentals may offer to play a role in the addressing the spectrum of vacation home needs in the County. The intent of this discussion paper is to promote public consultation and to identify any special issues that may be applicable to a planning review. Accordingly, STA rentals may warrant being given consideration through updated Official Plan policies, a revised zoning by-law, or other regulatory mechanisms.