

Short Term Rental Regulations

Oct. 2019 Engagement on Options

BACKGROUND

Short Term Rentals (STRs) are rental tenancies in all or part of a dwelling unit. STRs include all rental arrangements in a dwelling where the host receives compensation from the guest, and the guest stays for less than 30 days. These may be known as vacation rentals, bed and breakfasts and AirBnBs. Any tenancies longer than 30 days is not considered short term rental; STR regulations would not apply to house sitters, house guests, or renting from month to month (such as a boarder).

Current Scope of Regulations

The current STR regulations were written for the purpose of regulating bed and breakfast (B&B) homes that operate as an accessory business in a host's home. The business is secondary and incidental to the primary use of the dwelling as a residence. A portion of the dwelling unit is used for the purpose of providing, for payment, sleeping accommodation. A maximum of three bedrooms can be used for the B&B.

The current regulations also apply to hostels, which are commercial businesses. Hostels are an establishment in which transient lodgers are accommodated for less than one week at a time.

Current Approval Process

Discretionary use approval is required in order to operate a B&B. This process includes seeking input from adjacent property owners. City Council decides on whether approval is granted. The cost of a discretionary use approval is \$1,040.¹

If discretionary use approval is granted, a building and development permit is required to assess zoning requirements like parking, and building safety issues like smoke detectors. The cost of this permit would vary with the cost of construction.

As with all businesses, a business license is required annually.

¹ The cost of a discretionary use approval has since increased to \$2,500.

2017 Engagement Summary

An online survey and open house were held in 2017 to collect input regarding the existing Short Terms Rentals Regulations. The information collected from these engagement activities helped inform the options for amended regulations that are being considered in 2019. Below are some key findings from the 2017 engagements.

2017 Survey Results

The online survey was open for responses from September 29 to October 26, 2017.

Demographics

- 1053 people completed the survey.
- Responses were received from residents from all over the city, with no neighbourhood contributing to more than 5% of the total responses.
- 77% of the people that participated identified themselves as homeowners.
- The most represented age cohort was 30-39 year olds, who completed 35% of the surveys. The least represented age cohort, who made up 4% of respondents, were 70 or older.
- 69% said that they had stayed in a short term rental in other cities.
- 8% said they currently operate a short term rental in Saskatoon.

Input on Short Term Rentals

- There was strong support for allowing all forms of short term rentals. All scenarios presented in the survey received at least 72% support in favour of allowing them to operate.
- 34% were in support of requiring a business license when a host rented one bedroom in their own home.
- 54% were in support of requiring a business license when operated in a rental property in a residential area.
- 69% of respondents said that public consultation should not be required for hosts renting one bedroom in their home. This reduced to 51% for a short term rental in a rental property in a residential area.
- The top five concerns of short term rentals operating in the principal residence of the host were (participants were able to select multiple concerns):
 - Loss of parking (57%)
 - Additional noise such as parties (42%)
 - Increased traffic (35%)
 - Building security in a multiple-unit dwelling (31%)
 - Neighbourhood safety (29%)

- 32% had no concerns with short term rentals operating in the principal residence of the host
- The top five concerns of short term rentals operating in rental properties were (participants were able to select multiple concerns):
 - Additional noise such as parties (57%)
 - Loss of parking (55%)
 - Poor property maintenance (44%)
 - Building security in a multiple-unit dwelling (40%)
 - Concentration or clustering (35%)
 - 23% had no concerns with short term rentals operating in a rental property of the host.
- 66% felt that there would be economic benefits from short term rentals for nearby businesses, 65% said increased tourism, 63% said economic benefits for Saskatoon overall. 22% said there would be no benefits.

2017 Open House Feedback

A public open house to discuss short term rentals was held on October 24, 2017. Thirty-eight people attended the event.

Negative Impacts and Concerns	Positive Impacts and Benefits
<p><i>In Multiple Unit Dwellings</i></p> <ul style="list-style-type: none"> - STRs in condos are different than in one-unit-dwellings - Hosts are not just renting out their unit, but also common area, pool, underground parking, etc. - Building security (e.g., keys) and increased cleaning costs <p><i>In General</i></p> <ul style="list-style-type: none"> - Loss of community - Safety and security - Check-in and check-out pattern is a hotel behaviour, not a residential one - Loss of long term rental units. Neighbourhood becomes an STR neighbourhood without people living there - Clustering within several small areas, not spread across the city - Parties and land-use conflicts can be a problem, but those issues are prevalent with long term tenants as well 	<ul style="list-style-type: none"> - Good experience for travelers; have the feel of a home - Ratings and reviews provide assurances for property upkeep above what is expended for a long term rental property. Hosts with low ratings can be banned from hosting platforms. - STRs are lightly used compared to other units (e.g., not fully occupied), which leads to lower operating costs for condo - Meeting the needs of more than just recreational travelers (e.g., business, mining, health care, government sectors) - Better vetting of guests than long term tenants - Won't impact parking because it's a problem already

Short Term Rentals in the Home of the Host

Negative Impacts and Concerns	Positive Impacts and Benefits
<ul style="list-style-type: none"> - Parking - Theft perpetrated by STR guests - Overcrowding - Beg bugs - In multiple unit dwellings, hosts are not just renting out their unit, but also common area, pool, underground parking, etc. - Concerns about building security 	<ul style="list-style-type: none"> - safety and security provided by hosting platforms is far more than with a long term renter - welcome people into your home and city; acting as an ambassador for Saskatoon - Revenue coming into the city and businesses

The Most Important Thing that the City Should Know about Short Term Rentals is...

- Existing Home Based Business License process is great and should be seriously considered as a way to license STRs. Licensing process helps people become aware of safety and zoning standards that they wouldn't know otherwise;
- The complaint driven enforcement system is not working for us. If you're not looking for the problem you cannot understand it;
- They are a way to use the property while looking for a long term tenant;
- Not just used by travelers. Residents sometimes need a short term place to stay;
- Rental vacancy rate needs to be monitored more closely and long term rental units need to be protected. The social impact side of this issue is not being considered;
- Promotes gentrification. Our communities are being commodified;
- Risk of rental stock being wholesale converted to STRs is low;
- Are an important entry point for newcomers to Canada. Extra supports provided by the host;
- They put the neighbours in an uncomfortable place;
- Parking implications are the same as long term rentals;
- Separate regulations for different types of STRs are needed;
- Are very appealing to travelers. Provides an extra level of comfort and lower price point than hotel;
- STRs usually don't provide meals the way B&Bs do;
- Hosts enter and exit the short term market all the time. Not always open for business the way B&Bs are;
- AirBnB doesn't exist in the market that they are drawing profits from. We should be having a conversation about local businesses providing these services.
- We are looking at technicalities of how do we deal with this and not the conversation of should or shouldn't we

The Most Important Thing that the City Should Do about Short Term Rentals is...

- Keep the regulations within the City's enforcement capabilities;
- Safety standards in a home should be upgraded when it has an STR;
- Objective should be to get everyone licensed;
- Should regulate on a scale. Allowed a certain number of days before needing a license, less regulations for fewer bedrooms;
- Should not need a license to operate an STR in one's own home;
- Don't prohibit STRs. We will need to invest too much time and effort into an enforcement witch hunt;
- Existing bylaws can be used to address land use conflicts;
- Don't let AirBnB run our city for us;
- Look at national trends. What percentage of other housing markets are being eaten up by STRs?
- Ongoing study of the impacts of STRs on local rental rates and on the rental vacancy rate;
- Broaden the search to the U.S. and Europe to see how it has been dealt with.

OPTIONS FOR AMENDED REGULATIONS

Below is a summary of the three options for amended Short Term Rental Regulations being considered. These options were in part informed by the 2017 engagements.

Short Term Rental Regulations - Options			
STA Type	Option 1	Option 2	Option 3

Short term rental in the home of the host	Business license required	Business license required	Business license required ONLY if hosting more than 2 guests, or if in a secondary suite that the host does not reside in
Short term rental in the rental property of the host	Prohibited	Business license required Discretionary use approval (public consultation) required when in residential zoning districts (except RM5)	Business license required Discretionary use approval (public consultation) required when in residential zoning districts (except RM5)

Rules and Regulations (Applies to All Options)

Maximum Number of Guests	Onsite Parking Requirements	Other Approvals
House: 6 Secondary Suite: 3 Duplex or Condo: 2 in the home of the host, 6 in the rental property of the host	Residential and institutional zoning districts: 2 spaces in the home of the host, 1 space in the rental property of the host Most commercial zoning districts: 2 spaces in the home of the host, 1 space in the rental property of the host Zoning districts without parking requirements for dwellings: 0	Permission of property owner (if applicable) Permission of condo corporation (if applicable)

2019 ENGAGEMENT

The City of Saskatoon will be engaging the public in October 2019 to collect feedback on the three proposed options. These engagements will include an online survey that will be open to responses from October 10 through October 23, as well as an in-person open house to be held on October 22 from 4:30 p.m. to 8:00 p.m. in the basement meeting room at the Frances Morrison Library (downtown).

Input received, either in-person at the open house or through the online survey, will be reviewed and analyzed. A report will be prepared for the Municipal Planning Commission (MPC). The functioning of the Commission is to advise and assist City Council with respect to all matters pertaining to community planning and development within the municipality. The report will then be presented to City Council for a decision on the direction of the regulations.

For more information on this project, including an announcement of the date and time for its presentation to City Council, please visit www.saskatoon.ca/engage/short-term-rentals.