

Report calls for increased short-term rental enforcement

(Penticton, BC – May 12, 2023) – Council is being asked to support a proposal that would see stronger enforcement of short-term rental licensing provisions and increased fines for non-compliance.

“The Short-term Rental Benefits and Impacts Study reflects the complicated nature of the challenges faced by communities when dealing with this issue,” says Blake Laven, the City of Penticton’s director of development services. “There was wide support, across all segments, for improved enforcement. No one wants to see rogue operators that don’t follow the rules and fail to follow the same rules and regulations as everyone else.”

The final report is on the May 16 regular council meeting agenda. The report does not make a determination on whether the benefits of short-term rentals (STRs) outweigh the impacts, instead it highlights the trade-offs required when operating such a system.

“While the report notes there is an impact on traditional accommodation providers and housing, it is also evident that the benefit to the economy is clear, with 25 per cent of all tourist spending being done by those who use short-term rentals,” says Laven. “Research shows a continued trend toward this market and vacation rentals will be an important part of attracting tourists to Penticton in the future.”

Laven notes the provincial government has indicated changes will be coming that will require online date platforms, such as Airbnb and VRBO, to only post licenced short-term rentals on their sites. “This would be a hugely helpful step forward,” he says.

Public engagement, with operators and the broader community, reflected a recognition of the importance of tourism to the local economy and the need for a mix of accommodation types. Operators want flexibility to generate revenue, while the community expressed concerns about the impact on neighbourhoods and overall affordability.

Stakeholder groups – Travel Penticton, the Chamber of Commerce, Okanagan College and Interior Health – shared the belief that short-term rentals were impacting their ability to attract staff and students.

“The report acknowledges the impact on housing availability but also suggests that removing or tightening regulations would not eliminate the issues,” says Laven. “The solution would be to build additional rental housing in the community and the City is exploring options to make that happen.”

Staff is recommending to maintain the current system with changes to the classification system, increased enforcement and referring the report to the Official Community Plan – Housing Task Force to help inform policy change recommendations.

“The challenge with shifting to a new system would be that all existing STRs would be grandfathered, creating an unintended consequence of making those units more valuable and would incentivize STRs that may otherwise be put back into the long term rental market to stay in the short term market,” Laven writes in his report to council.

“Staff are recommending this approach (status quo with a change to our classification system) as it would allow for better tracking of the trends and impacts and give Council the ability to adjust the policy in the future based on perceived issues with the different types of operators.”

The report can be found [here](#)

-30-

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