

Effectiveness of Short-Term Accommodation Regulations

ISSUE

The City of Saskatoon (City) regulates and licenses short-term accommodations provided in dwellings for tenancies less than 30 days, through [Bylaw No. 8770, the Zoning Bylaw](#), and [Bylaw No. 9746, the Business Licence Bylaw](#). The effectiveness of the regulations have been monitored over the past two years and are outlined in this report.

BACKGROUND

At its Public Hearing Meeting [on August 31, 2020](#), City Council resolved to adopt amendments to Bylaw No. 8770, the Zoning Bylaw and Bylaw No. 8075, the Business Licence Bylaw, to update existing land use and licensing regulations to address changes and growth in the short-term accommodation sector brought about through the proliferation of online hosting platforms. At this meeting, City Council resolved “That the Administration report back in 18 to 24 months on the effectiveness of this bylaw.” This report addresses this resolution.

CURRENT STATUS

The updated short-term accommodation regulations came into force on August 31, 2020. The regulations address tenancies in dwellings for terms that are less than 30 days. Prior to this amendment, short-term accommodations were regulated through the bed and breakfast home and hostel land uses and required a Commercial Business License and a Commercial Building and Development Permit. Bed and breakfast homes required discretionary use approval in residential zoning districts.

The amendments included repealing the existing bed and breakfast home and use from the Zoning Bylaw and replacing it with the new homestay land use for tenancies in the principal residence of the host, and the short-term rental property land use for tenancies that are not in the principal residence of the host.

Under the updated regulations, a Commercial Business Licence is still required but a Commercial Building and Development Permit is no longer required. Hosting up to two guests in a principal residence does not require a business licence.

Effectiveness of Short-Term Accommodation Regulations

Development standards and zoning districts where uses are permitted or discretionary are outlined in the below table.

| | Homestay | Short-Term Rental Property |
|--|--|--|
| Development Standards | | |
| Guest Maximum | One-unit dwelling: 6 Secondary suite: 3 All other forms: 2 | Secondary Suite: 3 All other forms: 6 |
| On-Site Parking Spaces | B6, M4, DCD1, MX2: 0 All other districts: 2 | B6, M4, DCD1, MX2: 0 All other districts: 1 |
| Host Declaration of Life Safety Requirements | Yes | Yes |
| Permission of Property Owner | Yes | Yes |
| Permission of Condominium Corporation (if applicable) | N/A | Yes |
| Maximum Number of Units in Multiple-Unit Dwelling | N/A | 35% |
| Moratorium on New Licences When CMHC Rental Vacancy Rate is Less than 3% | No | Yes |
| Zoning Districts | | |
| Low-Density Residential | Permitted Use | Discretionary Use |
| Medium-Density Residential | Permitted Use | Discretionary Use |
| High-Density Residential | Permitted Use | Permitted Use |
| Mixed-Use | Permitted Use | Permitted Use |
| Institutional | Permitted Use | Permitted Use |
| Commercial | Permitted Use | Permitted Use |

DISCUSSION/ANALYSIS

Effectiveness

The purpose of the bylaw amendments adopted in August 2020 was to update existing land use and licensing regulations to ensure they remained relevant to the changing industry by amending standards in line with the scale of business operation, while minimizing land use conflict and impact on residential characteristics of neighbourhoods, as well as the availability of rental housing. The updated regulations have been effective in achieving these objectives. Additional and ongoing efforts by Administration will be required to ensure continued compliance.

Administration has monitored complaints related to specific properties in advance of the updated regulations and following adoption and implementation. In the 12 months prior to the new regulations being adopted, six complaints related to short-term accommodations were received. During this period, Administration was contacted by

many more residents who had expressed general concerns but did not have any direct experience or specific locations to report.

Since adopting the new regulations in August 2020, 10 complaints related to specific addresses have been received. The nature of the complaints varied but the most common issues were parking, and concerns with the transient nature of business and not knowing neighbours.

The below table shows the number of dwelling units licensed under the previous regulations, and after the amendments were adopted and implemented.

| | Number of Dwelling Units Licensed | |
|---------------------------------|-----------------------------------|----------------|
| | August 2020 | September 2022 |
| Bed and Breakfast Home/Homestay | 15 | 56 |
| Short-Term Rental Property | N/A | 70 |
| Total | 15 | 126 |

Of the 70 short-term rental property units licensed, 10 required discretionary use approval before they could be approved. At this time, concerns related to concentration have not been identified in any of the applications that received discretionary use approval; however, there have been cases where multiple homes were approved on the same block and some patterns as noted below are beginning to form.

The Downtown neighbourhood has the greatest number of short-term rental property units licensed, with 40 units. After that, the concentration drops significantly with the next greatest being Caswell Hill, Nutana and Riversdale, with 4 units per neighbourhood.

At this time, no applications have been denied due to 35% of the units in a multiple-unit dwelling being granted a license for short-term rental properties; however, there are some multiple-unit dwellings which are approaching this threshold. This development standard ensures that multiple unit dwellings continue to be primarily residential use, and provides further delineation from a hotel land use.

The most recent Canada Mortgage and Housing Corporation (CMHC) Rental Market Survey was published in February 2022. The report identified that Saskatoon rental vacancy rate is currently 4.8%. If the vacancy rate falls below 3%, the bylaw requires that no new short-term rental property licences be granted, in order to prioritize long-term rental opportunities. CMHC is no longer providing these reports quarterly. They are now expected on an annual basis, with the next report available in January 2023; this will reduce the responsiveness of the program to address current changes in vacancy rates.

Obtaining accurate data on the number of dwellings being operated where short-term accommodations are provided continues to be challenging. There is limited reliable data available that takes into consideration the duration of tenancy, eligibility for licence

exemption, principal residence and multiple listings for the same property, both within and across hosting platforms.

Regulations in Other Municipalities

Administration has continued to monitor regulations in other municipalities. There have been no major changes to regulations in Canada since the previous report. There continues to be divergent approaches by municipalities on how to regulate short-term accommodations that are not in the principal residence of host. Municipalities have taken a range of approaches on this issue, ranging from prohibiting them in all circumstances, to permitting in all circumstances, as well as various middle-ground approaches that would permit them in some zoning districts or areas, but not in others. Saskatoon continues to be the only municipality utilizing discretionary use approval as a mechanism to allow short term rental properties in low and medium-density residential zoning districts. However, it should be noted not all municipalities have discretionary use approval processes. Administration will continue to monitor regulatory approaches across Canada.

OTHER IMPLICATIONS

There are no privacy, legal, social, environmental or financial implications identified.

NEXT STEPS

To help ensure compliance, Administration will continue to work with hosting platforms to communicate the requirements and application process to hosts and undertake information campaigns, inspections and enforcement.

A further summary of short-term accommodation license numbers will be provided to Committee in spring 2023 as part the Community Standards Year-End Report.

Regulations for short-term accommodations will be considered in future phases of the Zoning Bylaw Review Project to ensure consistency with any changes in regulations for similar land uses. If the need for amendments is identified, public engagement and further reporting will be undertaken.

REPORT APPROVAL

Written by: Mark Wilson, Licensing and Permitting Manager
Reviewed by: Matt Grazier, Director of Community Standards
Approved by: Lynne Lacroix, General Manager, Community Services

SP/2022/CS/PDCS/Effectiveness of Short-Term Accommodation Regulations/sk