

February 12, 2025

Attention: Mayor and Council

Subject: Supporting Effective STR Regulations: Aligning with Provincial Standards for Better Compliance and Visitor Accommodation

On behalf of Tourism Squamish, we appreciate the opportunity to provide input on the annual review of short-term rental (STR) regulations in the District of Squamish. Tourism Squamish supports STR regulations that protect long-term housing, ensure safety, and promote compliance. However, effective regulations must be enforceable and based on best practices. As Council has noted in previous reviews, enforcement has been a persistent challenge. This year marks the first time since 2021 that more than half of STR operators are compliant, due primarily to Provincial action rather than District enforcement.

Last year, Tourism Squamish recommended that the District align its regulations with those of the Province to leverage stronger enforcement powers. Significant progress has been made, including refining the STR definition, streamlining business licensing, increasing fines to \$3,000, and aligning Temporary Use Permit (TUP) rules with Provincial standards. These changes, rather than local enforcement efforts, have driven the increase in compliance.

However, a key discrepancy remains: the District prohibits STRs in secondary suites and accessory dwelling units (ADUs), whereas the Province allows them within an operator's principal residence. The District does permit such STRs through an expensive and complex TUP process, which discourages participation rather than outright banning them. We strongly urge Council to fully adopt the Provincial rules and eliminate this distinction.

### **Five Reasons to Align with Provincial STR Regulations**

#### **1. The Ban is Theoretical, Not Practical**

- The District's prohibition on STRs in secondary suites/ADUs acts as a deterrent through high fees (\$1,200 TUP application + \$3,000 annual license), rather than outright ban.
- Most operators earn less than \$10,000 per year from STR's, meaning these fees can consume up to 50% of their revenue, making STRs financially unviable.

**2. Restricting STRs in Secondary Suites/ADUs Does Not Increase Long-Term Rentals**

- Our research shows that when STR operators exit the market, they do not typically transition to long-term rentals. Instead, units sit vacant, are used by family, or serve other purposes (e.g., home offices).
- Only 16% of STR units removed after the 2020 regulations returned to the long-term rental market.

**3. The Assumption That STRs Reduce Housing Supply is Unfounded**

- There is no conclusive evidence that STRs significantly impact long-term rental availability. Research suggests demographic shifts, rather than STR growth, are the primary factor reducing rental supply.
- Many homeowners rely on rental income from secondary suites or ADUs to help cover mortgage costs, particularly given the high cost of living in Squamish.
- Allowing STRs within a principal residence (including suites/ADUs) provides flexibility for homeowners who may occasionally need to rent short-term due to travel or temporary work absences.

**4. Provincial Rules Reflect Best Practices in STR Regulation**

- The real STR issue is non-local investors converting entire homes into full-time STRs, not local homeowners renting secondary suites/ADUs.
- Provincial regulations specifically target problematic STR operators while allowing responsible, local participation.
- Aligning with the Province enables enforcement officials to focus resources on unhosted or "whole-home" STRs that are typically more problematic.

**5. Aligning with the Province Enhances Enforcement and Saves Money**

- District enforcement has historically been ineffective, with compliance rates below 50% before Provincial action.
- Increased fines have not been applied due to procedural barriers; only six \$500 fines were issued in 2024, and none at the \$3,000 level.
- Provincial enforcement has been more effective, demonstrating that fully adopting Provincial rules would improve compliance while reducing the District's enforcement costs.

## Addressing Squamish's Visitor Accommodation Shortage

Squamish faces a severe shortage of visitor accommodations, with over 80% hotel occupancy year-round and even higher rates in peak periods. The Mountain Retreat's transition to workforce housing and other hotels' long-term rentals have further reduced availability. The shortage impacts tourism, business travel, and the local economy.

STRs in principal residences allow residents to participate in the visitor economy, offering an additional source of income. These earnings often get spent locally, reinforcing other small businesses in Squamish.

Short-term visitors who stay in an owner's primary home (or suite/ADU) often have a more authentic, community-oriented experience. This kind of tourism fosters better relationships between locals and visitors.

While the District's high STR fees and restrictive policies do not force units into long-term rentals, they do discourage short-term rentals. As a result, potential STR spaces remain underutilized when they could help alleviate the accommodation shortage, especially during peak seasons.

### Recommendation

To enhance enforcement, reduce costs, and support visitor accommodations, we strongly urge Council to fully adopt the **Provincial STR regulations** and eliminate the TUP requirement for secondary suites/ADUs within principal residences.

Thank you for considering our input. Should you have any questions, please feel free to contact me directly.

Sincerely,



Lesley Weeks  
Executive Director  
Tourism Squamish