

Penticton, BC – Media Release

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Penticton & Wine Country Chamber of Commerce

Mixed Thoughts on Provincial Government's New Rules on Short-Term Rentals

The Penticton & Wine Country Chamber of Commerce is concerned about the B.C. government's new restrictions coming to short-term rentals.

"The Chamber is pleased to see legislation that will compel short-term rental platforms like AirBnB and VRBO to register and share client data with the province that will help cities identify and manage unlicensed properties," says Nicole Clark, President of the Chamber. "Unfortunately, forcing every city to restrict STR's to primary residences is not going to have the effect Premier Eby is hoping for."

Earlier in 2023, the City of Penticton commissioned a housing study that showed licensed short-term rental properties that had been inspected and authorized by the city accounted for just over 2% of Penticton's overall housing inventory. Furthermore, it was found that tourists who stay in AirBnB's contribute over 25% to Penticton's overall tourist economy, an industry that employs almost 10% of Penticton's total workforce.

While it is no secret that Penticton desperately needs more affordable housing to support our workforce including retail, healthcare, and industrial sectors to name a few, this legislation is actually positioned to decrease affordable rentals.

"Removing STR's from secondary properties like vacation homes sounds good, but it is extremely unlikely that these owners will suddenly transition into long-term rentals," remarks the Chamber's Executive Director Michael Magnusson. "Owners of vacation homes want to be able to enjoy their property at their leisure, and given the current state of the residential tenancy act, many could-be landlords are hesitant to take on the risk of being stuck with a bad tenant."

Instead, what the Chamber foresees happening is that primary property owners who have in-law suites and carriage houses will begin using them to satisfy the increased demand and revenues from short-term visitors rather than their original purpose, which was for long-term tenants. Currently, basement suites and carriage houses provide some of the most affordable rentals in Penticton to those, including much-needed workers, who cannot yet afford to rent a condo or townhouse.

The Chamber is also questioning if these new rules will apply to accommodations located on agricultural land. In 2019, the provincial government recognized on-farm revenue difficulties and thankfully allowed up to 10 short-term accommodation units on each property. With 20% of Penticton's land being in the ALR and several operators taking advantage of this revenue stream, will they be exempt from having to move onto their farms in order to maintain their investment and needed source of additional revenue?

The Chamber believes that investigating and addressing the impact that short-term rentals have on housing inventory is warranted, but using a one-size-fits-all approach and taking the authority away from local governments is flawed and doomed to failure given its current design.

“We want to see the provincial government actually research the consequences this legislation will create, and amend it to something that will provide tools for local governments to use rather than forcing all towns and cities to adopt and enforce,” Clark adds. “Restricting STR’s to primary residence might be the solution for some cities, but not for Penticton, and we and every other municipality in British Columbia deserves to be able to make that determination individually through our local government.”

“Instead,” concludes Magnusson, “the province should focus on incentivizing housing projects, restoring the rights of landlords so that they don’t have to wait months or sometimes more than a year to evict a non-paying or property-damaging tenant, and tying annual rental increases to inflation just like they have done with minimum wage so that property owners don’t lose money from long-term rentals year after year with the current arbitrary cap that is being used by the province.”

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The Penticton & Wine Country Chamber of Commerce is a dynamic, trusted and respected business authority representing approximately 500 local business and non-profit members that drive economic and social growth and improvement on behalf of, and in support of our members and the community.