

SHARING THE REVENUE PIE

Resistance is futile. The so-called sharing economy business model is here to stay and efforts to defeat it will ultimately fail.

Recall that the recording industry's battle against digital downloading ended in surrender and a model was developed that allowed people to own or stream music. Book sellers railed against Amazon without success, then launched their own websites to compete. Newspapers have seen advertising revenue migrate to Craigslist or Kijiji and much of what was left drawn to Google and Facebook. Many people support and use Uber. Conventional television is coming to terms with a generation that doesn't watch TV, but rather accesses video on smartphones. We're forced to adapt.

Technology is changing how consumers consume and businesses deliver goods and services. This is not a new story, nor an easy transition.

So it is with short-term rental (STR) facilitators such as Airbnb, VRBO and Homestay. They are not going to disappear because a few municipalities don't like them. Airbnb operates in 34,000 cities in 190 countries. These companies are meeting a demand. Some estimates show Vancouver has more than 4,700 STRs. Rather than putting up obstacles, municipalities should welcome STRs as a way to attract tourists. These services are unlikely to bankrupt big hotel chains, which offer luxuries most STRs do not. However, for the price of a hotel room (or less), a family travelling together can stay in an apartment, townhouse or detached home, where they can live like the natives, make some of their own meals, and give everyone personal space. When homeowners go on vacation, they can rent their place rather than leaving it empty, and the income can help pay for the holiday.

Cities can try to regulate every mom-and-pop STR provider, of course, although the bureaucracy required to enforce regulations might not be cost-effective. Instead, the city could focus on licensing those individuals who are operating multiple STRs as a commercial enterprise and collect the appropriate fees and taxes. STRs allow homeowners to monetize their assets, have been a boost to home-cleaning services and have even spawned new businesses that help homeowners manage their rentals.

There is insufficient data to make the case that STRs are causing a housing shortage or driving real estate prices higher. The City of Vancouver plans a fact-finding mission to assess the impact STRs are having.

STR facilitators could do their part by working with municipal governments to ensure hosts are operating within the bylaws (or negotiate changes to bylaws), being respectful of neighbours' rights, and providing their guests with a quality experience.

3 Comment(s)

[Stratos](#)

14 April 2016

10:21

Homes are for residents who live, work, and go to school in Metro Van. Hotels are for tourists. If we allow homes to be used as hotels for tourists, of course it tightens the supply of homes available for permanent residences. Duh. You don't need a study to confirm something so obvious!

Municipal bylaws to control the use of property for specific purposes are there for a reason. If you bought your property in a zoned residential area, it is meant for permanent residents. You should not be allowed to build a factory or warehouse or open a restaurant or retail store or a hotel in a residential neighbourhood.



[Art Iskandid](#)

14 April 2016

10:44

It depends. It is still a home. Instead of *paying* guests, you might have family, or others coming to visit for a day, or for a few days. If you have a big family, that could amount to a lot of visits in a year.

If the visits, (family or other), are not obnoxious, noisy, drunk or destructive, it might be difficult to demonstrate injury to the neighbourhood.

[Stratos](#)

14 April 2016

11:57

Really, Art? You had to work pretty hard to come up with your contrary comment there.

There is an obvious distinction between my neighbour having some guests come for a visit vs. listing their house or condo on AirBnB for money. I'm sorry that distinction was lost on you.