

Airbnb might face fines under city's new rules

We ... remain hopeful that Vancouver will become the first major Canadian city to develop fair, easy-to-follow regulations.

If Vancouver moves ahead with its plan to regulate Airbnb, people who host unlicensed short-term rentals may not be the only ones facing fines. City staff are also considering possible penalties for short-term rental websites that don't comply with local bylaws.



MARK VAN MANEN/FILES Airbnb and other short-term rental websites could be fined by the city if they don't comply with new bylaws, chief licence inspector Andreea Toma says. "We need to ensure that what we're putting forward ... when it comes to enforcement, that it does have some teeth," she says.

The staff report released this week mainly focuses on defining what types of accommodation could be eligible as short-term rentals under a proposed licensing scheme, which aims to open up hundreds of homes to renters. An enforcement plan has yet to be worked out, but one component could be penalties for short-term rental services that allow unlicensed operators to list their properties, according to Vancouver's chief licensing inspector, Andreea Toma.

"We are exploring that," Toma said. "We need to ensure that what we're putting forward as a policy, when it comes to enforcement, that it does have some teeth."

The report, set to go before council next week, suggests only primary residences or rooms in people's homes should be rented for terms of less than 30 days. Both renters and homeowners could apply for licences, but only if rental agreements and strata bylaws allow short-term renting. Owners of secondary suites and investment properties would not be eligible for licences.

Those same homeowners have already been told that any short term rentals would make them subject to Vancouver's proposed empty homes tax, another measure devised to ease the city's rental crunch.

The vast majority of the 5,353 short-term rentals in the city — 85 per cent — are listed on Airbnb, according to staff. Toma said the San Francisco-based company has been very co-operative with the city and it is the only

short-term rental website that has participated in meetings with staff to discuss regulations. Airbnb spokesman Alex Daggs wrote in an emailed statement that the company plans to continue collaborating with the city.

“We are reviewing the city’s report in detail and remain hopeful that Vancouver will become the first major Canadian city to develop fair, easy-to-follow regulations that support home sharing,” he said.

But Airbnb does not allow cities access to information about its hosts’ identities or addresses, which means even if Vancouver bylaw officers see an unlicensed property on the company’s website, they only get the host’s first name — or a pseudonym — and a circle outlining the general neighbourhood of the home. That has made enforcement tricky for many cities that tax and license short-term rentals, including Portland, Ore.

“That’s the problem with enforcement,” Portland’s Mike Liefeld said in an interview earlier this year. “What you see on that platform is the same thing that we see. We don’t see a lot ... unless we want to go through and book a room for every one. That would be tedious, time-consuming and really not a good use of resources.”

His city is one of several in the U.S. with the power to fine short term rental companies over unlicensed operators.

Airbnb has been relatively co-operative with Portland officials, but the city filed suit last year against HomeAway and VRBO over violations. Similar regulations in some California cities have not been greeted kindly by Airbnb. The company has filed lawsuits against San Francisco, Anaheim and Santa Monica in response to ordinances demanding it remove or refuse unlicensed hosts.

The possibility of fines for short term rental platforms is just one detail Vancouver needs to figure out. There is also the question of whether the city has the resources to enforce the regulations. For example, Austin, Texas has four full-time inspectors and a researcher dedicated to rooting out unlicensed operators.

“We haven’t completely worked that out in terms of the resourcing that’s needed,” Toma said.

The staff report suggests the licensing fees may not cover the cost of enforcement. The city may consider contracting with an outside data-scraping company to identify unlicensed hosts. A firm called Host Compliance would be one option — it was responsible for preparing the overview of Vancouver’s short-term rental market for this week’s staff report.

Calls to 311 from annoyed neighbours will be a crucial tool for identifying unlicensed suites, Toma said. The city also plans to post a list of all licensed operators on its website so residents can look up nearby Airbnb hosts.

Licensing fees and fines have yet to be determined, as well. The proposed short-term rental regulation scheme would replace the current permitting scheme for bed and breakfasts, which means operators of those accommodations would no longer be required to serve guests a morning meal.