



Public Meeting

Short Term Rental (STR) Regulations for the Town of Essex

June 21, 2021



Purpose of Meeting:

At this Statutory Public Meeting, Council hears representations from the public in regards to the merits and concerns related to the proposed addition of new zoning by-law regulations related to the provision of Short Term Rentals (STR)

Council does not make a decision at this time.



“ The Sharing Economy”

- An economic model in which goods and resources are shared between private individuals and groups, typically by means of the internet, enabling people and organizations to earn profits from underutilized resources and assets
- Most commonly associated with **short term rental accommodation** services, also referred to as “Home-sharing”
- Home-sharing platforms are available in over 190 countries across the globe
- Home-sharing comprises one of the fastest growing sectors in the sharing economy

What is a Short Term Rental?

- A short-term rental (STR or STRU) is commonly a dwelling or dwelling unit, found in a residential area or complex, with or without full housekeeping facilities, used in full or in part for *short term accommodation* by a person or persons for a *limited period of time*
- There may or may not be on-site supervision and varying performance standards



What is a Short Term Rental?

- A short-term rental may also be located on water (houseboat) or in other structures





What is NOT a Short Term Rental?

- A Short Term Rental (STR) is **NOT** a Second Dwelling Unit (SDU)

Short Term Rental	Second Dwelling Unit
<ul style="list-style-type: none">• Intended to be used for short term accommodation for a limited period of time for primarily the travelling public	<ul style="list-style-type: none">• Intended to increase the supply and range of affordable rental accommodations to provide long term independent living for a person or persons

How Are STRs Currently Regulated?

- STRs are currently **not** recognized in the Town's Zoning Bylaw, Bylaw 1037
- Residential District 1.5 (R1.5) permits a **grouping of single detached dwellings** on **one lot** used for short term or seasonal accommodation
- A **Bed and Breakfast dwelling** is a permitted use in a single detached dwelling in select Agricultural, Residential and Commercial Districts as a **home occupation** in the form of overnight lodging and a **breakfast**
- As a **home occupation**, a bed and breakfast dwelling must be conducted **entirely within the dwelling unit**, and must be carried on **exclusively by the inhabitants of the dwelling**.
- The main difference between a STR and a Bed and Breakfast is that an STR may be operated remotely (not the primary residence of the owner/operator), and the provision for breakfast is **not** a requirement.

Other Forms of Permitted Accommodations

Type of Accommodation	Characteristics	Districts Permitted
Hotel	<ul style="list-style-type: none"> • Minimum of 5 guestrooms • Rooms accessible only from interior of building • No self contained cooking facilities in rooms 	<ul style="list-style-type: none"> • Commercial District 2.1 • Commercial District 2.2 • Commercial District 3.1 • Commercial District 3.3
Motel	<ul style="list-style-type: none"> • Minimum of 5 guestrooms • Rooms accessible from exterior and interior of building • No self contained cooking facilities in rooms 	<ul style="list-style-type: none"> • Commercial District 3.1 • Commercial District 3.3
Campgrounds	<ul style="list-style-type: none"> • Seasonal accommodation of recreational vehicles, tent or travel trailers only 	<ul style="list-style-type: none"> • Green District 1.2 • Green District 1.5
Lodging Houses	<ul style="list-style-type: none"> • Lodging for hire • Minimum of six persons 	<ul style="list-style-type: none"> • Residential District 3.1 • Residential District 3.2

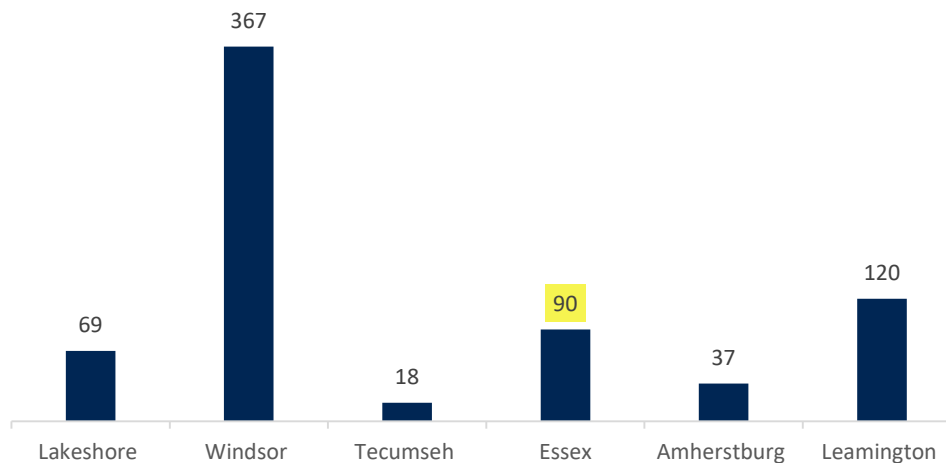
Why Regulate Short Term Rentals?

- To find a balance between encouraging growth to promote economic development, preserving the character of local communities, and protecting the supply of long term accommodations

Benefits of Short Term Rentals	Disadvantages of Short Term Rentals
<ul style="list-style-type: none">• Potential to increase the number of visitors to an area and bolster the business activity of local commercial operators	<ul style="list-style-type: none">• May allow individuals to make more money renting short term rather than long term which can deplete available stock of long-term rentals and raise market rents, impacting the affordable housing market
<ul style="list-style-type: none">• Provide a wider and more unique type of accommodation	<ul style="list-style-type: none">• Residents may raise concerns about an influx of short term renters who bring a party atmosphere to the neighbourhood or do not respect private property
<ul style="list-style-type: none">• Increase the number of available vacation accommodations in smaller communities that lack sufficient tourist lodging	
<ul style="list-style-type: none">• Generation of additional income for short term rental operators, making it more affordable to live in their own residence or offset the cost of their vacation property	

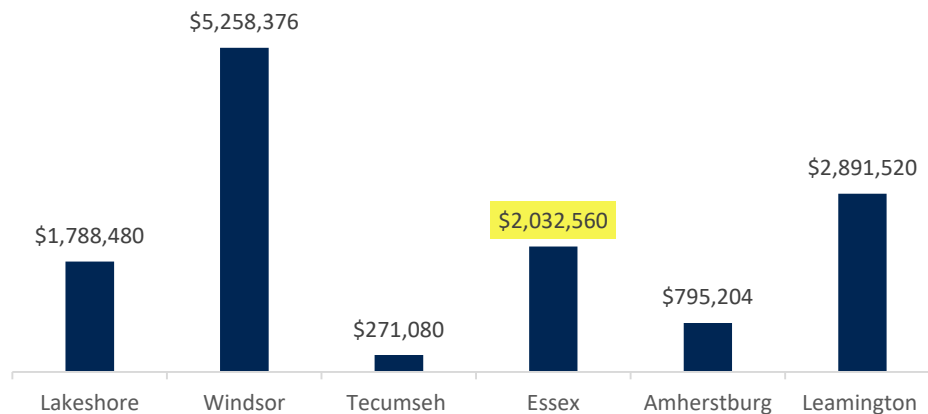
Short Term Rentals in the Town of Essex

Number of Rentals on Air BNB and Vrbo (2020)
(Source: AirBNB and VRBO)



Short Term Rentals in the Town of Essex

Yearly Revenue from all STRs
(Source, AirBNB and VRBO)





Short Term Rentals in the Town of Essex

- Average Occupancy Rate: 57%
- Peak Occupancy Month: July
- Low Occupancy Month: February
- Average Daily Rate: \$180
- Monthly Average Revenue: \$1882
- 93% of listings are for entire dwellings
- Average Rating: 4.87%

(Source: AirBNB and VRBO, 2020)





Short Term Rentals in the Town of Essex

- 42% of rentals are available on a full time bases (> 181 days)
 - Only 11% of bookings for > 180 days
 - 54% of bookings for 1-90 days
 - 36% for 91-180 days

(Source: AirBNB and VRBO, 2020)



Public Consultation

What we did:

1. Created a Survey on STR to garner public feedback (May 19-June 6, 2021)
2. Created **www.essex.ca/STRs** homepage to host information and links to documents and survey
3. Hosted a Virtual Open House on June 1, 2021
4. Advertised notice of Open House and Public Meeting in both local newspapers (Harrow News and Essex Free Press)
5. Published multiple posts to Town of Essex Facebook and Twitter pages
6. Created a Youtube Video on STRs
7. Created a media release and sent to local media outlets and community contacts (eg. BIA, Chamber of Commerce, etc), as well as posted to Town Website
8. Purchased a \$100 Facebook ad campaign geo-targeted to Town of Essex residents



Public Consultation

Outreach and Outcome:

- Media Release was published in both local newspapers and Blackburn News
- 203 survey responses
- 28 Open House attendees
- Facebook Video: 2 shares and 3 engagements, 607 impressions. (2.1x lower engagement than other video content)
- Youtube Video: 72 views
- Facebook Post (organic and boosted): 10,824 Reach, 38, 714 impressions
- Single Boosted Facebook Post: 218 link clicks, 274 engagements including 16 shares and 15 comments
- Combined web traffic to STR webpage and online survey was 1, 453 page views

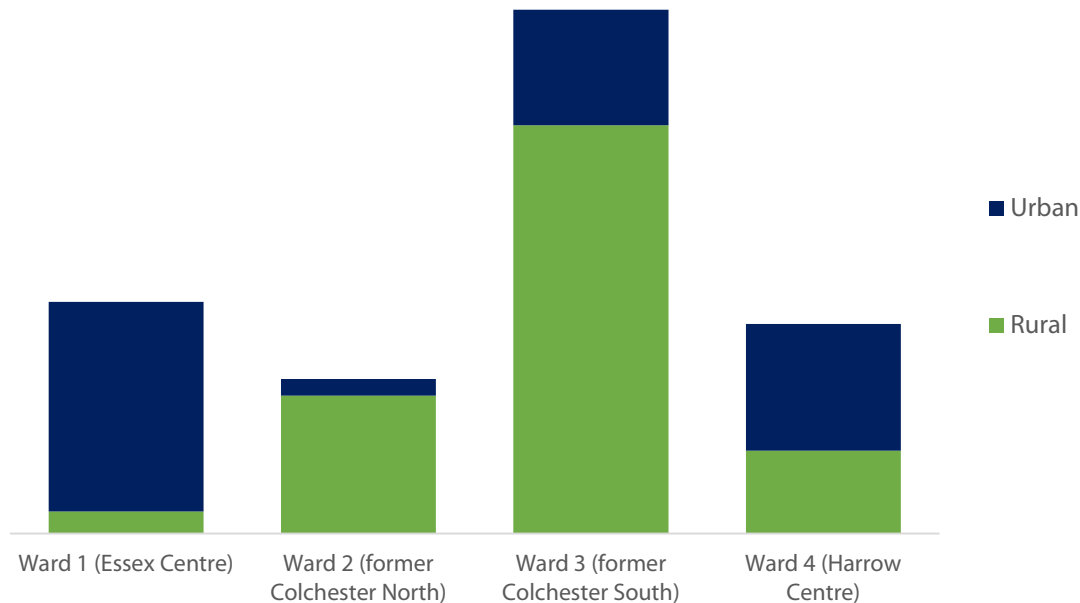


Short Term Rental Survey

1. Do you currently operate or plan to operate a STR?
2. How many short term rentals do you operate?
3. What are some of the benefits and challenges of operating a STR in the Town of Essex?
4. Are you aware of a STR operating in your neighbourhood?
5. What issues or concerns do you have that the Town of Essex should consider when addressing STR?
6. The Town of Essex should regulate STR and their owners/operators (Agree or Disagree) ?
7. The Town of Essex should create a system to license STR and their owners and operators (Agree or Disagree)?
8. STR should only be permitted in certain types of dwellings (Agree or Disagree)?
9. STR should only be permitted to operate in certain areas (Agree or Disagree)?
10. Which areas should STR be permitted (Agricultural areas, Residential areas, Main Streets of Essex Centre, Harrow, Colchester, McGregor, RV Parks and Campgrounds, Waterfront Areas)?

Survey Results:

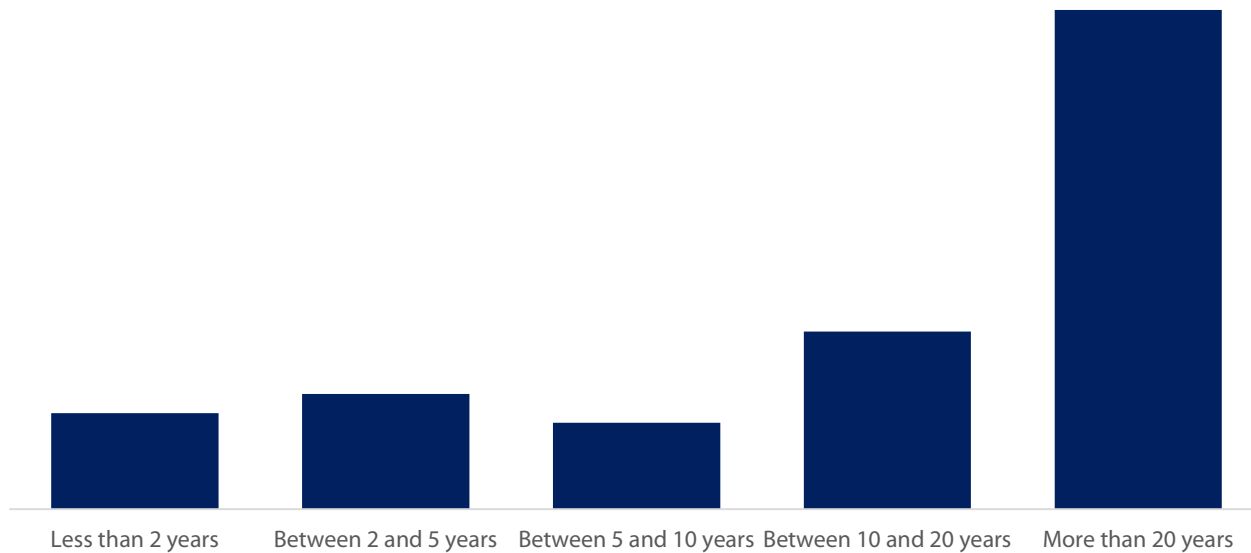
- Most respondents are from Ward 3 and considered themselves “Rural”





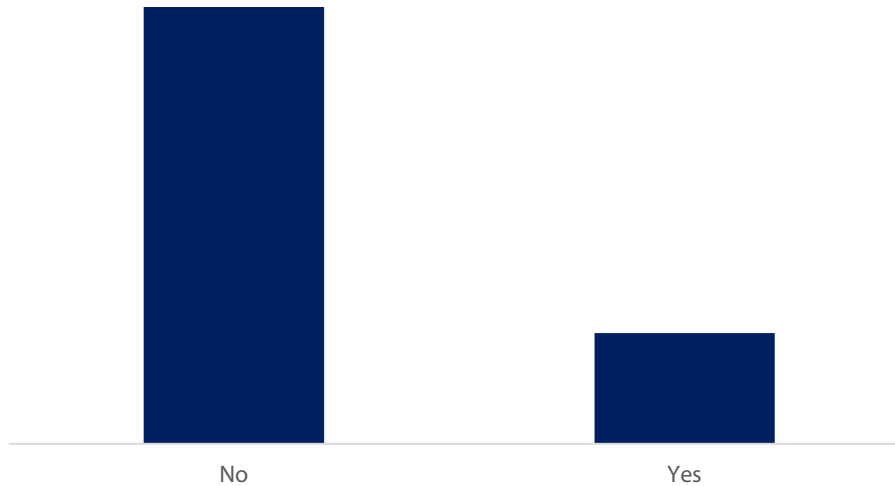
Survey Results:

- Most respondents have resided in the Town of Essex for more than 20 years



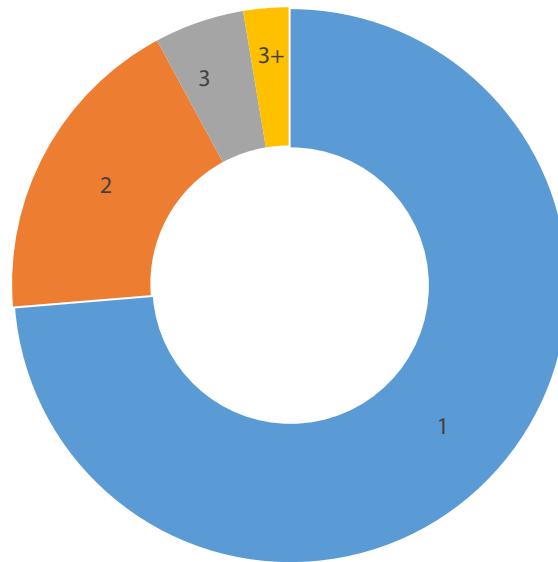
Survey Results:

- Most respondents **do not** currently operate or plan to operate a STR



Survey Results:

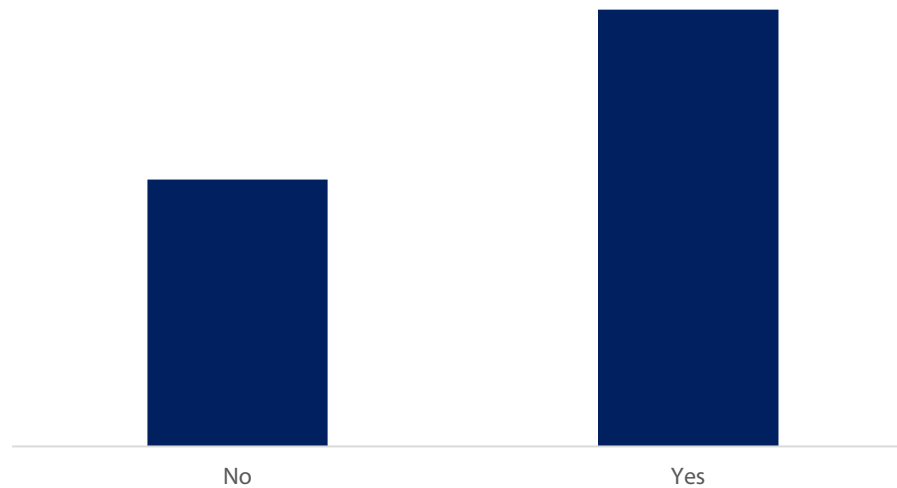
- Most STR operators only operate **one (1)** STR





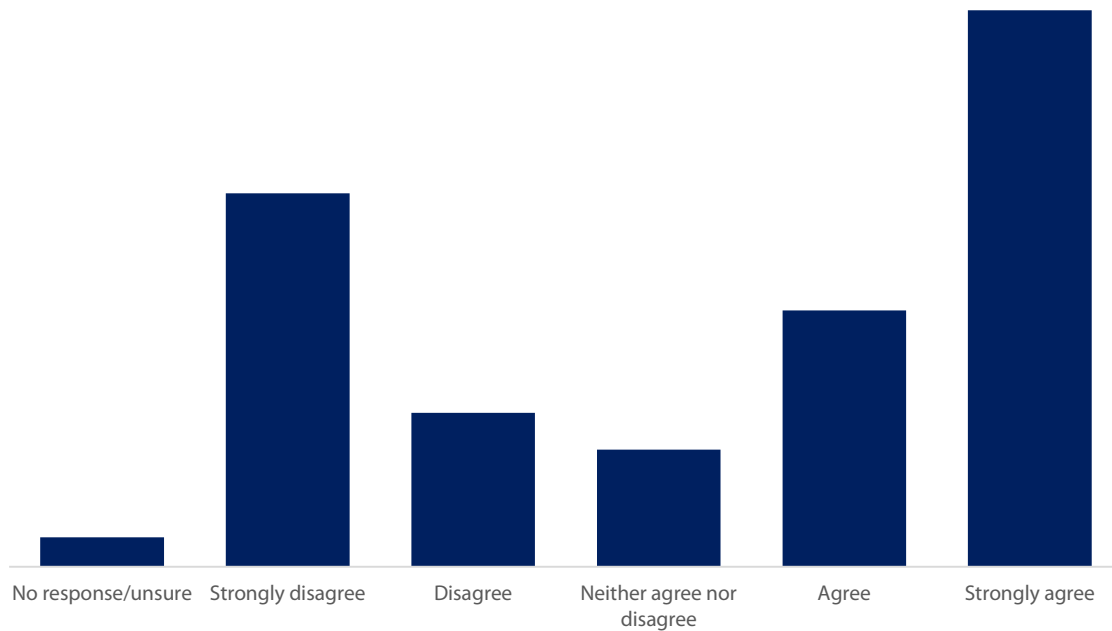
Survey Results:

- Most respondents are aware of a STR operating in their neighbourhood



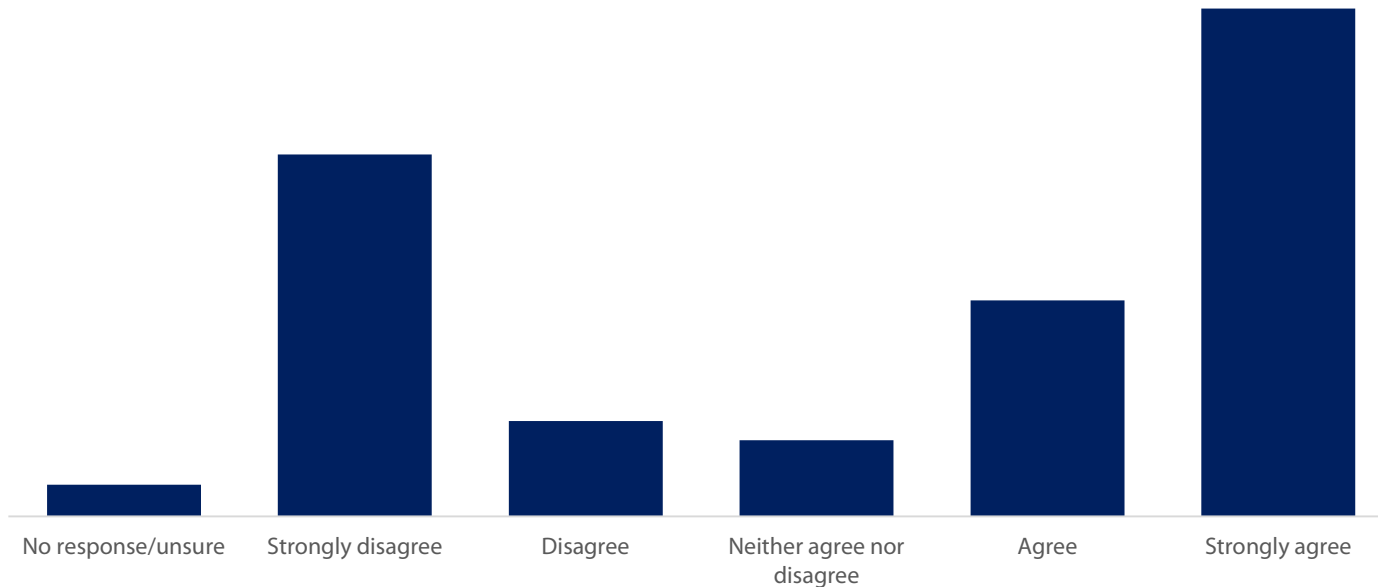
Survey Results:

- Most respondents support regulating STRs and their owners and operators



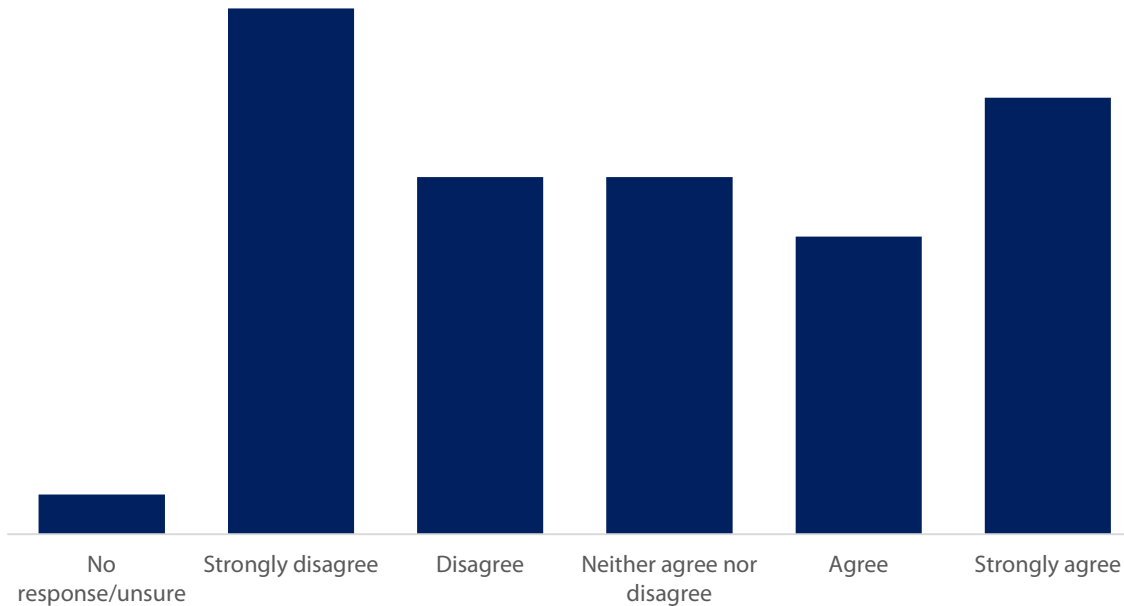
Survey Results:

- Most respondents **support** the creation of a licensing system to regulate STRs



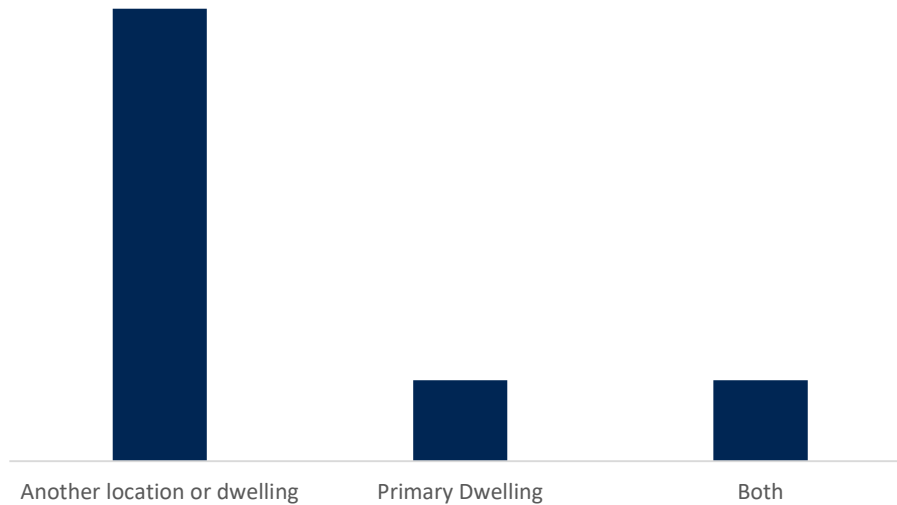
Survey Results:

- Most respondents **do not** support permitting STRs in certain types of dwellings only



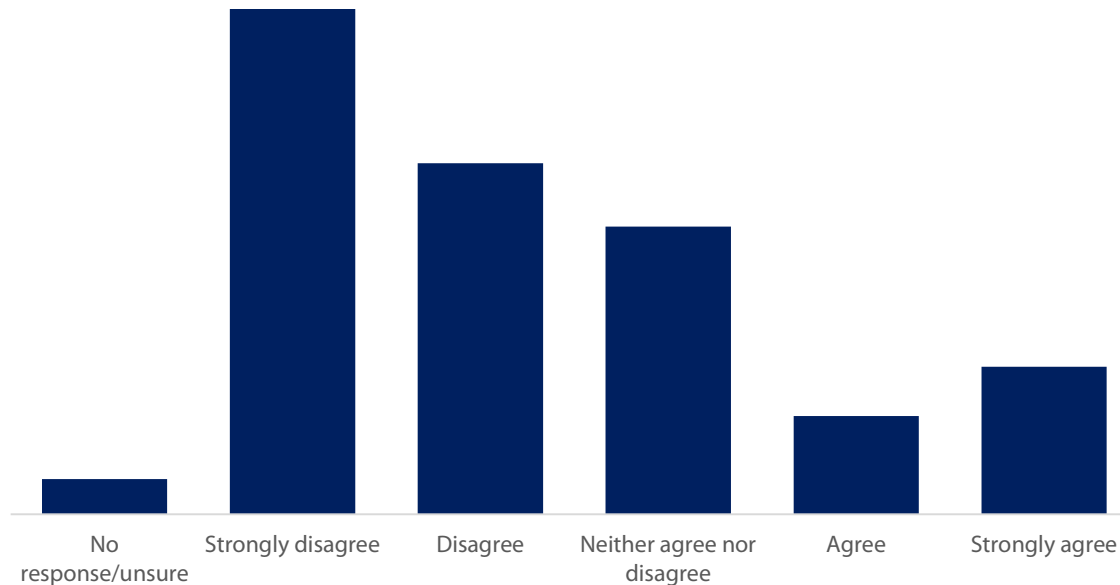
Survey Results:

- Most respondents who currently operate or plan to operate a STR do/would rent out another location or dwelling



Survey Results:

- Majority of respondents **do not** support permitting STRs in certain areas only





Comments from the Survey:

Benefits and Challenges of Operating a STR in the Town of Essex

- Provides necessary accommodations for area visitors
- Lots of tourism opportunities in the Town of Essex (Wine Region, Waterfront, Cycling Infrastructure)
- Allows owner/operator to recoup some expenses of ownership
- STRs allow for greater space for larger groups and families
- Further promotes this region
- More benefits for property owner when renting short term rather than long term
- Limited opportunities to eat or take out within a 10 minute drive Monday to Wednesday
- A lack of/or limited regulation was seen as both a benefit and challenge. Regulation needed for operators to make a sound business decision
- Community perception and push back was a detriment to STR operators
- Operators and residents facing challenges from unruly guests



Comments from the Survey:

Issues and concerns Town of Essex should Consider when addressing STR

- Negative impact on the availability of affordable housing
- Positive impact on Tourism
- Over saturation in some neighbourhoods
- STR dwelling compliance with Building and Fire codes
- Limits on occupancy to avoid overcrowding and ensure safety
- Need for onsite supervision when owners and operators are absent
- Inability to reach operators when situations with unruly guests arise
- Negative impact on the enjoyment of the Harbour by residents and boaters
- Availability of onsite parking
- The negative impact to neighbouring residents from noise, trespassing, littering and property damage



General Comments from Survey:

- STRs are necessary for the local economy because there is a large lack of hotel accommodations in the area. STRs are a benefit to the tourism industry. Regulating STRs to certain areas diminishes the ability to establish unique opportunities
- Poorly managed/unsupervised STRs can adversely impact the quality of life for people in the community. They are commercial businesses established in residential neighbourhoods.
- The Town should consider the impact on the community and property owners. There should be a limit on STR licenses granted per street or neighbourhood
- Bylaw Enforcement and a licensing system are necessary to ensure operators of STRs are held accountable
- All types of STRs should be regulated



Public Open House

Four (4) breakout rooms organized to hear and discuss comments from the following stakeholders:

- Local Business Owners
- Residents Impacted by STR
- STR Owner/ operators and those who are proposing to establish a STR
- General Interest

Focus groups were followed by a group discussion



Public Open House Findings

- All groups supported a business licensing system to regulate STRs
- There were concerns with saturation (ie. the number of STRs operating in any one neighbourhood or in a particular area). It was suggested that the number of STRs be limited through licensing
- Impacted residents reported issues with noise and trespassing and recommended a review of applicable bylaws
- A business owner reported they were unable to find housing for seasonal workers because available accommodations are short term only
- It was noted that there isn't any method to contact the owners and operators when issues arose because there was no contact information on file
- STR operators supported regulations that are strong and enforceable yet minimal. They did not want to see regulation that limited STRs to only owner occupied dwellings
- STR operators felt enforcement of existing bylaws was necessary for violators and that STR operators are generally held to a high standard depending on the home sharing platform
- There were concerns with STRs at the harbour and suggested review of current contracts language



For Discussion

Council to direct:

What will constitute a short term rental

- Dwelling
- Dwelling unit
- Water craft
- Cabins in campgrounds
- Other structures (ie treehouses)



For Discussion

Council to direct:

Where to permit STR

- Residential Districts
- Commercial Districts
- Agricultural Districts
- Green Districts
- Colchester Harbour

For Discussion

Council to discuss:

- If a numerical limit on STRs be established
- If an STR should be owner occupied



Next Steps:

1. Summer 2021: **Draft** Zoning recommendations to be presented for Council's consideration
2. Fall 2021: **Draft** Licensing By-law Framework to be presented to Council for consideration
3. January 1, 2022: Licensing By-law to take effect



Thank you!

Discussion period