

Administration's recommended short-term rental policy tools

Introduce Primary and Non-Primary Residence business licences with associated fees

Proposed:

- Amend the current licence tiering from the number of rooms to Primary Residence and Non-Primary Residence.

Proposed Fees		
Licence Category	New	Renewal
Primary Residence	\$172	\$131
Non-Primary Residence	\$510	\$260

- Applicants are required to provide proof of ownership and residency (e.g., Driver's licence + 1 piece of mail showing the address).

Rationale:

- Aligns short-term rental licence fees with other licence categories.
- Licence fees are cost recovery to provide sufficient resources for the licence approvals service, including inspections, enforcement, data monitoring and other related supports.
- Currently, the licence fees do not allow for cost recovery in the licensing process for short-term rentals. Additional follow-ups are required when the short-term rental is not the applicant's primary residence.
- The classification of non-primary residences as a distinct tier acknowledges their commercial nature, differentiating them from primary residence short-term rentals. Primary residence short-term rentals are likely to have less influence on long-term rental markets and rental prices or be returned to the long-term rental market.
- Improves data to monitor short-term rentals in primary and non-primary residences.
- By differentiating between primary and non-primary properties, we can enhance the accuracy of data collection regarding Calgary's short-term rental market. This distinction will not only inform our understanding of market dynamics but also streamline future regulatory frameworks.

Anticipated Business Licence Bylaw implementation: 2025

Business licence moratorium on new Non-Primary Residences when vacancy rate below 2.5%

Proposed:

- Using the 'Purpose-Built Rental Market' vacancy rate data for Calgary from the annual Canada Mortgage and Housing Corporation Rental Market Report, The City will put a temporary pause on issuing new short-term rental licences for non-primary residences until vacancy rates increase above the 2.5% threshold. The Rental Market Report is completed annually and published on their [website](#) in the first quarter of the year.

- Licence renewals for existing short-term rental licence holders prior to the effective date of the moratorium will still be issued.

Rationale:

- The moratorium as a policy tool is one of the options outlined by the University of Calgary to support the policy objective of managing local impacts.
- This policy tool contributes to encouraging more rental units to become long-term rentals.
- The Canada Mortgage Housing Corporation identified in its most recent Rental Market Report (January 2024) that Calgary's vacancy rate was at 1.4%.
- Setting the threshold at 2.5% allows for a proactive response to vacancy rates, enabling timely adjustments to regulations; helping to protect long-term rental markets and maintain housing stability. By closely monitoring these rates, we can ensure our policies are data-driven and responsive.
- Canada Mortgage and Housing Corporation indicates that a healthy vacancy rate is 3%; however, this varies across the country. In October 2022, the vacancy rate in Calgary was 2.7% which at the time was the lowest since 2014. In the Fall of 2023, The City declared a housing crisis – at the time, the vacancy rate was 1.4% (October 2023).
- Anchoring the moratorium to a vacancy rate of 2.5%, which is well above the vacancy rate at the time a housing crisis was declared, ensures we support the housing strategy while balancing the accommodation sector, tourism and economic benefits of short-term rentals.

Anticipated Business Licence Bylaw implementation: 2025

Extend the definition of 'short-term rental' to cover up to 180 days

Proposed:

- A short-term rental means the business of providing temporary accommodation for compensation, in a dwelling unit or portion of a dwelling unit for periods of up to 180 consecutive days.

Rationale:

- Closes gaps in coverage due to an emerging unregulated medium-term rental market where hosts list their properties for durations over 30 days, allowing them to be unregulated.
- Allows for improved regulatory oversight of short-term rentals, ensuring that these rentals meet safety standards.

Anticipated Business Licence Bylaw implementation: 2025

Licence short-term rental digital platforms

Proposed:

- Implement a business licence requirement and an annual \$3,000 licence fee.
- Create a new licence category in the Business Licence Bylaw for 'Short-Term Rental Company'.

Rationale:

- Enables collaboration with the digital platform, including data sharing, and cooperation towards enforcement.
- Requires that digital platforms share data with The City, enhancing our understanding of the short-term rental market, allowing for more informed policy decisions and enhancing enforcement efforts.
- Promotes accountability and transparency.
- Enables the identification of non-compliant listings and allows enforcement to take appropriate action by seeking compliance or having these listings removed from the platforms.

Anticipated Business Licence Bylaw implementation: 2025

Restrict short-term rentals in affordable housing

Proposed:

- In collaboration with The City's Housing Solutions, a short-term rental is not permitted in a dwelling unit designated for affordable housing.
- Data will be shared between internal business units to ensure housing units designated as affordable units are not licensed for short-term rentals.

Rationale:

- To reinforce the intent of affordable housing units.
- Ensure affordable housing is available for Calgarians and not commercialized.
- Closes potential process gaps when reviewing licence applications.
- Non-market housing is defined as rental or for-sale housing provided for income groups not served by the private market. It is typically made affordable through public and/or non-profit ownership of housing units or through subsidized rents, rent supplements and rent-geared-to-income mixed models.

Anticipated Business Licence Bylaw implementation: 2025

Form a short-term rental steering committee

Proposed:

- Create a steering committee with internal partners and partner agencies. Members include Calgary Fire, Business Safety, Community Standards, Housing Solutions, and others.

Rationale:

- To grow and continuously improve the shared data across the agencies.
- To facilitate a collaborated approach to addressing emerging issues, enforcement, and support for future regulatory amendments as required.

No Business Licence Bylaw amendment required. Anticipated implementation: 2025

Explore short-term rental property tax subclass for Non-Primary Residences

Proposed:

- Explore a subclass for short-term rentals located in non-primary residences.

Rationale:

- Recognizes the commercial nature of short-term rentals in non-primary residences.
- Levels the playing field for commercialized short-term rentals with the hospitality sector.

Anticipated report on subclasses and timelines: 2025