

Calgary



Short-Term Rentals Property Tax Sub-Class

EC2025-0441

2025 September 8



Recommendations

That the Executive Committee recommend that Council:

1. Should not pursue a property tax sub-class for Short-Term Rentals; and
2. Receive this Report for the Corporate Record.

Previous Council Direction

Next Phase for Short-Term Rentals, EC2024-1305

That Council:

- Approve Administration's recommended short-term rental policy tools as identified in Attachment 3.

Motion Arising EC2024-1305

In exploring a subclass for short-term rentals located in non-primary residences as outlined in Attachment 3, Council directs Administration to:

- Investigate the feasibility of applying the same tax rate that is applied to non-residential property for a short-term rental subclass and return to Council by Q2 2025* with a report outlining the legislative and technical requirements.

**Deferred from Q2 2025 to Q3 2025.*

Highlights

- **Does not align with objectives or principles**
- **Concerns of equity and fairness**
- **Insufficient cost recovery**
- **May incentivize non-compliance**

Short-Term Rentals (STRs) Overview

- Urban Alliance Partnership STR Study
- STRs fill a community need beyond tourism;
 - medical stays
 - transitory workers
 - relocation
- STRs make up <1% of residential properties
- Study found that restricting STRs unlikely to improve housing affordability



Policy Objectives and Tax Principles

Short-Term Rental Policy Objectives

- Housing affordability
- Guest safety & enforcement
- Cost recovery

Property Tax Policy Principles

- Fairness – Ability to Pay
- Fairness – Benefits
- Neutrality
- Stability & Predictability
- Accountability, Simplicity & Transparency
- Efficiency & Ease of Administration

The proposed sub-class does not meet the objectives or principles.



Barriers & Risks: Legal, Cost, Admin, and Tech

Legal Concerns: Inequity, fairness, higher rate of non-compliance

Cost Recovery: Sub-class revenue would not offset costs – no additional revenue

Administrative Costs: Higher risk of errors and reputational risk

Technology: \$500,000 cost and no system capacity until 2029



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