

## UPDATE: SHORT TERM RENTAL REGULATIONS

There was a meeting of the Standing Policy Committee on Property and Development, Heritage, and Downtown Development (SPC-PDHDD) on Oct 23, 2021, a recording of which can be found at <https://clkapps.winnipeg.ca/DMIS/ShowVideo.asp?DocId=21287>. The pertinent part of the meeting starts around the 5 hour 20-minute mark and runs for about 40 minutes (item 8 of the agenda). The presentation compares and contrasts the options for regulating short term rentals (STRs) versus short term rental platforms, such as AirBnB and Vrbo. It is possible that STRs could be regulated as home-based businesses, but can't be regulated through zoning regulations, since STRs are residential units, which are still residential units regardless of whether they are owner-occupied, leased for the long-term or are short term rentals. Likewise, current licensing requirements, such as for rooming houses are primarily for fire and safety reasons, and would not address the STR situation. The presentation also considered the implications of taxing STR's under the authority of the Municipal Accommodation Tax.

A report will be submitted for the Standing Policy Committee on Property and Development, Heritage, and Downtown Development (SPC-PDHDD) April 5, 2022 meeting, which will cover the following topics:

1. Recommendations for regulating short-term rentals, including, but not limited to, fire and safety, land-use, and licensing requirements.
2. A review of the Accommodation Tax By-Law No. 70/2008, which includes the following:
  - a. Amendments required in order to include short-term rental properties in the collection and remittance of the Accommodations Tax;
  - b. A summary of the current regulatory situation of the short-term rental industry in the City of Winnipeg as well as other as a cross-jurisdictional scan;
  - c. Recommendations to regulate the industry while recognizing the importance and increasing popularity of the short-term rental market and its ability to attract visitors to Winnipeg through an expansive marketing network;

- d. Cost estimates include staffing and additional resources for the implementation of enforcement policies.

During the drafting of the report, the Public Service will engage stakeholders, including Members of Council. However, based on some of the dialog near the end of the recording, it suggests consultation with the public might not be part of the plan. CCI Manitoba will monitor, engage and report back to you, our valued members. As a member you can assist by letting your views be known to your City Councillor. You can find all councillors' contact details at <https://winnipeg.ca/council/contact.stm>. We would like to hear from you too, so feel free to send us an email at [cci.mb.news@gmail.com](mailto:cci.mb.news@gmail.com) or copy us on your correspondence to you Councillor.



Other jurisdictions are well ahead of Winnipeg on this issue, so hopefully during the stakeholder engagement process, City staff will consult these other jurisdictions. For example, the City of Victoria is having some success enforcing their licensing requirements.<sup>1</sup> Last spring Ottawa introduced a new bylaw pertaining to short-term rentals.<sup>2</sup> Toronto is even further along with the process of regulating activity and has a section of their website devoted to short-term rentals, including a frequently asked questions page.<sup>3</sup>

Regardless of the future or current regulatory framework concerning STR's, if you are a unit owner of a short-term or long-term rental, it is vital that you communicate frequently with your insurance broker and your condo board

about the current status of your rental unit. Material use changes concerning your unit may affect your ongoing insurability in the event of a claim for damage caused by a renter or visitor to your unit. While all condo unit owners should have insurance for their units (or shall have insurance if mandated by the Declaration), it is especially important for those condo unit investors that rent out their units as STRs. It is also worth noting that since STRs are deemed to be a higher risk, many insurance companies are opting out of that part of the market and those that are continuing to offer coverage have significant insurance premium increases for the unit owner.

Regardless of whether the condo units are owner occupied, leased long-term or used for STRs, condo corporations (CCs) may consider demanding proof of insurance for all of their units. The CC might be exposed if the unit is uninsured, the event of a claim. CC Boards might consider proof of insurance requirements via their rules with fines, if the ability to issue fines is enabled in their bylaws.

For reference, the Manitoba Condo Act has several clauses related to unit owner insurance.

- 193(2) Unit owners Responsibility to repair damage  
[https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A193\(2\)](https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A193(2))
- 197 Unit owner property insurance  
<https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A197>
- 198 Unit owner liability insurance  
<https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A198>

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<sup>1</sup> City Wins Short-Term Rental Court Cases, December 15, 2021 <https://www.victoria.ca/EN/meta/news/news-archives/2021-news/city-wins-short-term-rental-court-cases.html>

<sup>2</sup> New short-term rental by-law designed to help address housing shortage and community nuisances, April 28, 2021 <https://ottawa.ca/en/news/new-short-term-rental-law-designed-help-address-housing-shortage-and-community-nuisances>

<sup>3</sup> 10 Things You Should Know About Short-Term Rentals, City of Toronto <https://www.toronto.ca/community-people/housing-shelter/short-term-rentals/10-things-you-should-know-about-short-term-rentals/>