HOSPITALITY NEWFOUNDLAND & LABRADOR
35 YEARS 1983 - 2018

Municipalities Newfoundland and Labrador

Building Communities Through Tourism

Municipalities NL Conference
Gander - October 4, 2018

The Role of Hospitality NL

HOSPITALITY NEWFOUNDLAND & LABRADOR 35 YEARS 1983 - 2018

Tourism Industry Association

- 500+ strong member network across NL

Values

- Sustainability
- Whole Industry Perspective
- Environment
- Technology
- Accessibility

Focus

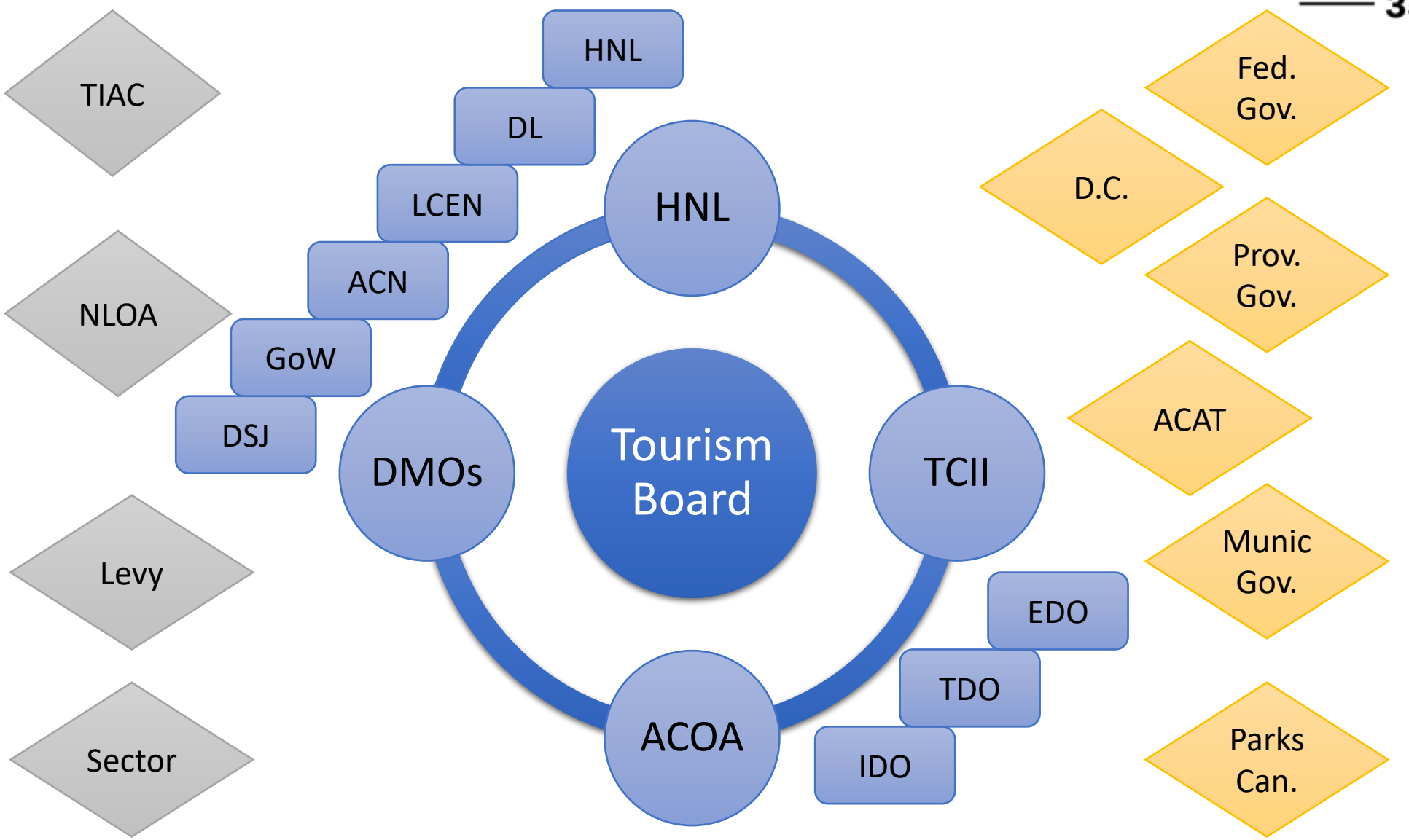
- Advocacy and Communications
- Skills and Knowledge
- Membership and Networking

✓ **Increase visitation**
✓ **Lengthen stay**
✓ **Increase experiences**



✓**Economic & community development**
✓ **Industry sustainability**
✓ **New money**

Players in the Tourism Industry



Did You Know?

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In 2016,

total tourism spending was almost



1.13 billion

Infographic provided by Hospitality Newfoundland and Labrador, www.hnl.ca
Data from the Department of Tourism, Culture, Industry and Innovation

Did You Know?

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In 2017, **non-resident** visitors to Newfoundland and Labrador spent an estimated

$575 million

... the **highest** non-resident spending the province has **ever seen**

Infographic provided by Hospitality Newfoundland and Labrador, www.hnl.ca
Data from the Department of Tourism, Culture, Industry and Innovation

Did You Know?

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Over 553,000 visitors

travelled to Newfoundland and Labrador



in **2017**

Infographic provided by Hospitality Newfoundland and Labrador, www.hnl.ca
Data from the Department of Tourism, Culture, Industry and Innovation

Did You Know?

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In **2017**,

non-resident visitation increased **8%**

and spending increased **11%**

Compared to **2015**

Infographic provided by Hospitality Newfoundland and Labrador, www.hnl.ca
Data from the Department of Tourism, Culture, Industry and Innovation

Did You Know?

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There are over

2,600

tourism-related businesses in Newfoundland and Labrador

78%

of these are small business.

Infographic provided by Hospitality Newfoundland and Labrador, www.hnl.ca
Data from the Department of Tourism, Culture, Industry and Innovation

Did You Know?

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9% of all jobs in the province are related to tourism industries



There are almost 20,000 jobs in tourism industries such as accommodations, food and beverage services, transportation, recreation and entertainment and travel services

Infographic provided by Hospitality Newfoundland and Labrador, www.hnl.ca
Data from the Department of Tourism, Culture, Industry and Innovation

The Issue:
Unregulated Short-Term Rentals

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Governments at all levels are grappling with the implications of the growing short-term rental industry and platforms like Airbnb



The Issue:
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Possible Solutions

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DEVELOPING A MODERN APPROACH TO SHORT-TERM RENTALS IN A DIGITAL ECONOMY

A Framework for Canadian Regulators

HOTEL ASSOCIATION OF CANADA
ASSOCIATION DES HÔTELS DU CANADA

ROADMAP TO A MODERN FRAMEWORK FOR LOCAL GOVERNMENTS

Based on emerging best practices, municipal regulators should adopt these five steps when developing regulations.

1

RESEARCH:
Understand how short-term rentals and the commercialization of principal residences are impacting on communities and neighborhoods. Consider leading and best practices from other jurisdictions.

2

EXISTING REGULATION:
Review the policies and regulations that are in place today. Canadian municipalities should also review what is in place and being contemplated at the provincial level.

3

CONSULTATION:
Consult with the local tourism, hotel and housing sectors to assess the impact of short-term rentals on the community. Also consult with hosts who use the various platform companies.

4

APPLY REGULATORY TOOLS:
Review each of the eight key tools and how they can best be applied in response to local conditions. Engage stakeholders on proposals and pass regulations that are sustainable and effective over the long-term.

5

MONITOR AND ASSESS:
Actively monitor the reported results against expected outcomes. Pay close attention to resident complaints. Proactively investigate regulatory compliance and refine policy as circumstances and experience dictates.

8 REGULATORY TOOLS TO MODERNIZE SHORT-TERM RENTAL ACCOMMODATIONS



1. HOST REGISTRATION AND FEES

Requires that any property offered for home-renting be registered with the local government. For the benefit of hosts and municipalities, platform companies should facilitate the registration process. Along with the collection of an annual fee to recover costs, registration enables the monitoring and reporting of rental activity.

8 REGULATORY TOOLS TO MODERNIZE SHORT-TERM RENTAL ACCOMMODATIONS



2. PLATFORM REGISTRATION AND FEES

Require registration of the rental platform companies along with a significant annual fee and an ongoing fee for each booking. Rental platform companies must be prohibited from listing any property that is not properly registered.

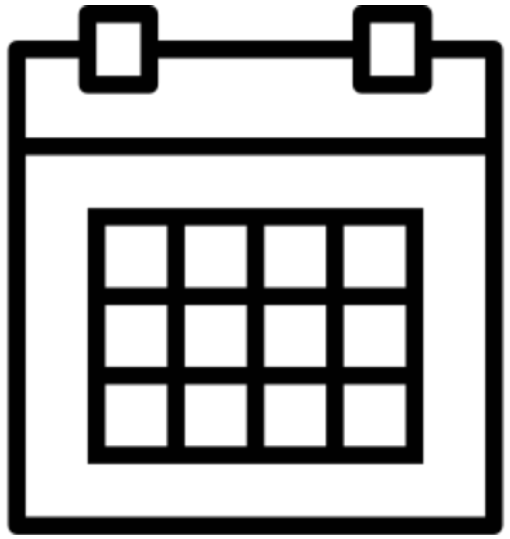
8 REGULATORY TOOLS TO MODERNIZE SHORT-TERM RENTAL ACCOMMODATIONS



3. PRINCIPAL RESIDENCE REGISTRATION

Limits home-renting to a principal residence only. This prohibits the operation of ghost hotels and/or large scale commercial enterprises operating under the veil of home sharing. A significant issue remains in that short-term rentals are permitted in areas without proper zoning but with some limitations.

8 REGULATORY TOOLS TO MODERNIZE SHORT-TERM RENTAL ACCOMMODATIONS



4. CAP ON USAGE

Limits the number of days that a home can be rented through a home-renting platform. This helps to moderate the decline in available housing stock and the nuisance factors associated with the conversion of ordinary residences into commercial operations. Caps typically run from 30 to 180 days per year. Some condominium boards put the cap at zero days and some regulations require explicit approval from homeowner's associations before short-term rentals can be offered.

8 REGULATORY TOOLS TO MODERNIZE SHORT-TERM RENTAL ACCOMMODATIONS



5. HEALTH AND SAFETY STANDARDS

Regulations that require certain standards for safety (e.g. smoke detectors, fire extinguishers, pest control). This provides some minimal level of protection for guests.

8 REGULATORY TOOLS TO MODERNIZE SHORT-TERM RENTAL ACCOMMODATIONS



6. REPORTING

A requirement at the platform and host level to report to government on all home-renting activity. This includes mandating that platform companies issue annual information slips to hosts on rental income with a copy to government authorities.

8 REGULATORY TOOLS TO MODERNIZE SHORT-TERM RENTAL ACCOMMODATIONS



7. TAXATION/LEVIES

Special provisions at the platform level to conveniently collect and remit various taxes and/or levies on behalf of hosts. This creates a more level playing field with commercial operators and provides revenue to government to cover the costs of managing home sharing activity.

8 REGULATORY TOOLS TO MODERNIZE SHORT-TERM RENTAL ACCOMMODATIONS



8. ENFORCEMENT/PENALTIES

Mechanisms to ensure regulations are applied and enforced (e.g. confirm principal residence with a driver's license). Effective enforcement can only be achieved with reliable and timely reporting of activity from the platform. Penalties help to ensure the system is operating as intended through voluntary compliance.

Objectives

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- Minimize the displacement of affordable and accessible housing
- Minimize community nuisance while protecting public safety and with adherence to municipal bylaws
- Ensure a level competitive playing field
- Collect appropriate taxes and tourism levies
- Enable voluntary compliance while minimizing the administrative burden for hosts, home-renting platforms and governments.

Working Together

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Municipalities
Newfoundland and Labrador

Thank You!

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Reach out!