

1. THE ISSUE OF AIRBNBS IN SLAVE LAKE

What is a short-term rental (STR)?

Short-term rentals like Airbnb are the rental of a residential home – or one or more rooms within it – for a short time. Short-term rentals are different from traditional Bed & Breakfasts because they usually involve the rental of an entire home (not just a room), and the host often isn't there.



What's the issue?

Slave Lake has entered a boom as oilfield and other activity bring more people to Town. It has now become very difficult to find any kind of home (whether to rent or buy), and costs are high. Local hotels and resorts are also very busy. Sometimes there isn't enough room for everyone who wants to stay here, including both non-resident workers and visitors.

Both of these realities – but especially the lack of housing – are holding back the Town's economic activity and growth.

Into this picture has entered a small but growing number of Airbnbs.

On the one hand Airbnbs can be nice to stay in and are an attractive business for property owners, but on the other hand they risk making the Town's housing challenges even worse.

How Airbnbs impact housing

When Airbnb was first invented it was mostly used to rent out rooms in someone's home. That kind of thing isn't a problem from a housing standpoint.

But these days, most Airbnbs now involve the conversion of entire housing units into dedicated short-term rentals. This impacts housing in two main ways:

It makes it harder to find a home

Short-term rentals remove potential housing from the market.

It makes homes more expensive

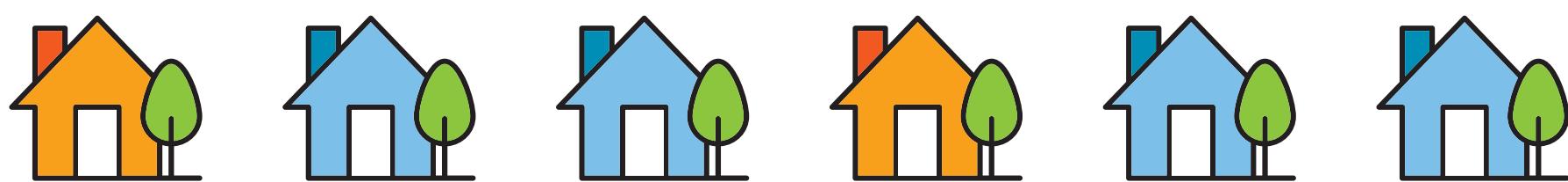
Because there's less of it to go around, and because the money that can be made from short-term rentals increases the value of housing.

It doesn't take many Airbnbs to affect the housing market, and the impacts are worse when the housing market is tight (like in Slave Lake). Even if the Town focuses on getting new homes built, Airbnbs can make it harder and more expensive to find housing in the meantime, and impacts can linger even after supply improves.

2. KEY FACTS

Housing

- The Town has no available rental housing (0% rental vacancy rate).
- 1 in 3 households live in homes that are unaffordable, overcrowded and/or in poor condition.



- At any given time there are relatively few homes available to buy, and costs for the more-affordable mobile properties are 46% higher than their long-term average.

Hotels and Resorts

- The Town's ~650 units of fixed-roof accommodation and ~412 RV/campground sites are busy year-round. Sometimes there's not enough room for everyone who wants to stay here.
- Some providers are interested in expanding. Units with kitchens are especially needed.

The Town of Slave Lake currently has a 0% rental vacancy rate.



Photo by Mark Wright



Photo by Dillon Kydd



Photo by Bev Smith

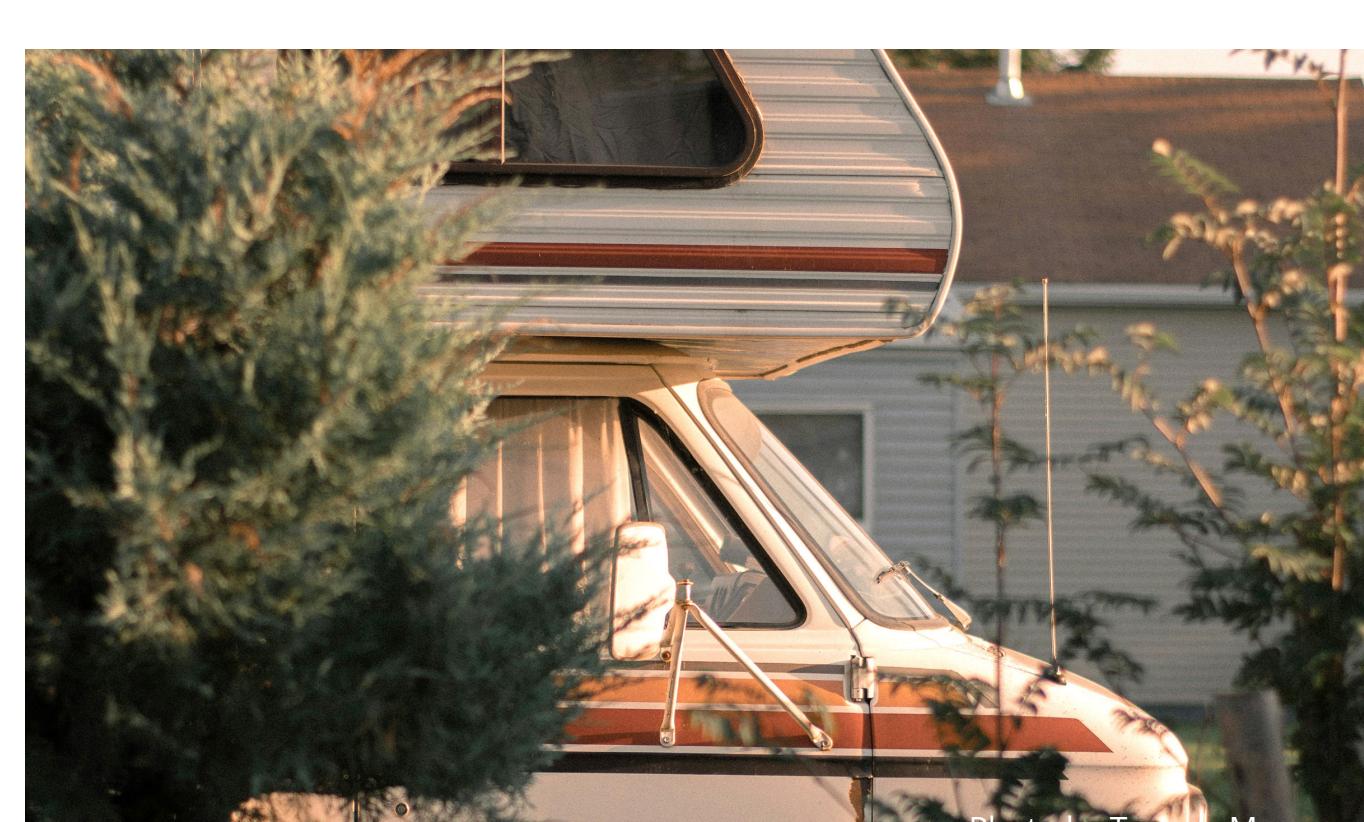


Photo by Tealia Morgan

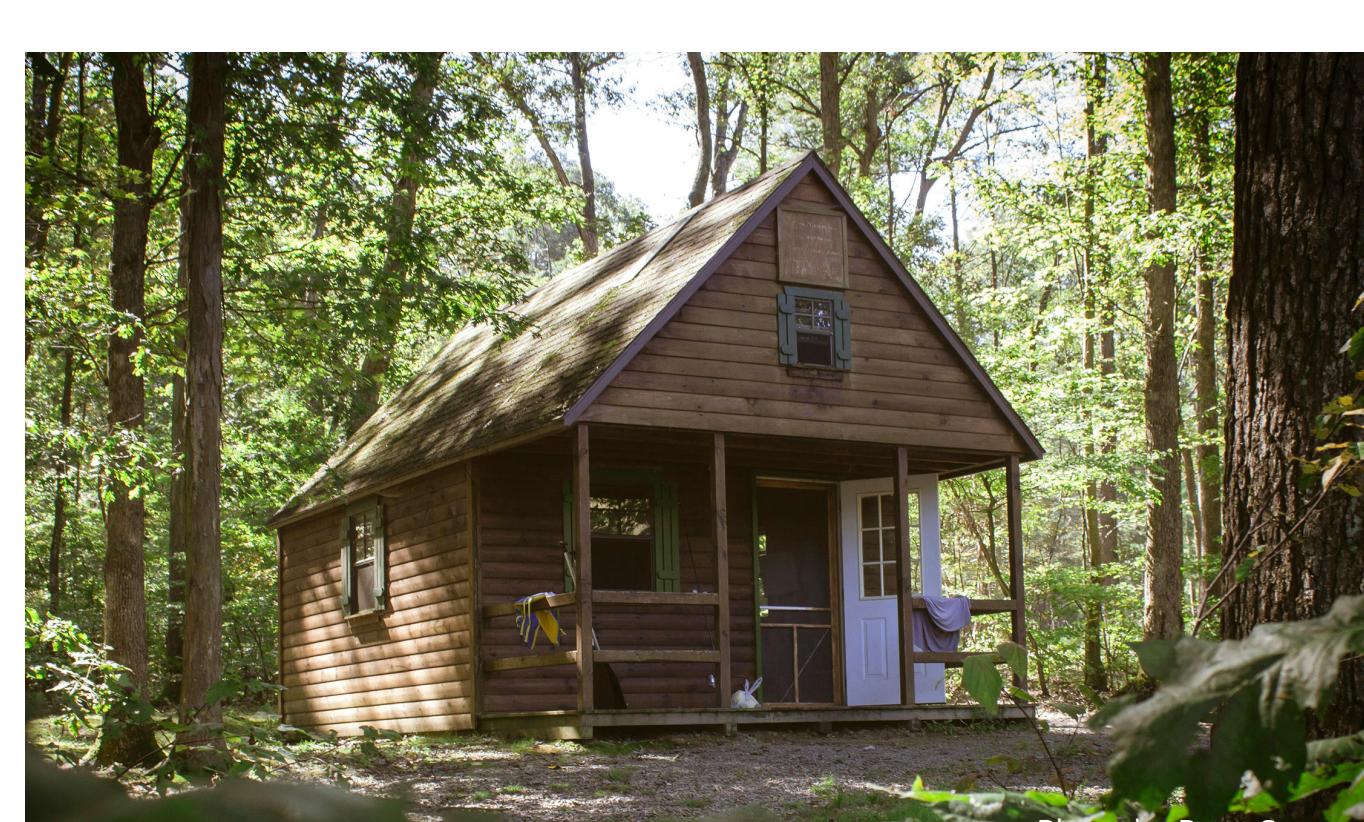


Photo by Ryan Stone

Impact of Airbnbs

- Airbnbs are relatively new to Town, and there are a relatively small number of units (8-13), but this number is set to grow if allowed.
- Airbnbs and other short-term rentals add attractive accommodation options to non-resident workers and visitors, but also compete somewhat with existing hotels.
- Short-term rentals are often more profitable (and flexible) for operators than renting to long-term residents.
- A small number of Airbnbs can have a significant impact on housing costs. For example:

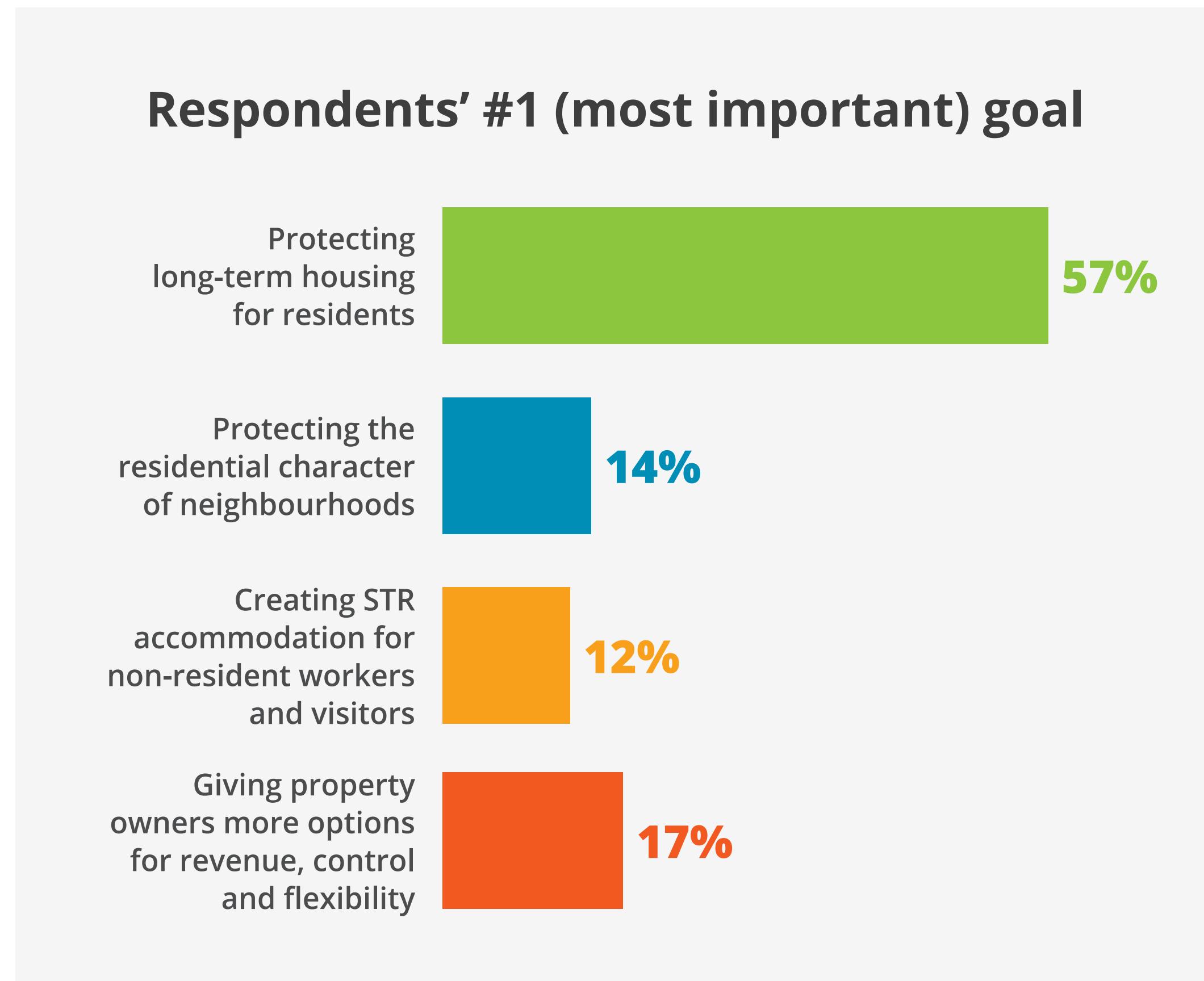
A BC study found that an increase of 1 dedicated short-term rental per 100 rental units increased average monthly rents in that province by \$49. Hypothetically, if that was the case in the Town of Slave Lake, the current number of Airbnbs would be associated with increased rents of ~\$62/month (\$748/year).

**All statistics are as of time of assessment (see Background Report for more information)*

3. COMMUNITY OPINION

Survey (Fall 2023)

In this project's initial survey, participating residents overwhelmingly said the protection of long-term housing should be the #1 goal when creating regulations for Airbnbs and other short-term rentals.



Participants were also asked about different approaches to:

- a. Create new temporary accommodation;
- b. Attract new business, investment, and growth; and
- c. Help homeowners earn additional revenue.

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Participants' overall preference was for approaches that prioritized the expansion of hotels and cabins, and the protection and expansion of long-term housing . . . rather than approaches that emphasize short-term rentals.

While not a scientific poll, based on the number of people who participated (100), and assuming no major sample bias, the Town can be ~95% confident the prioritization of housing accurately reflects community opinion. In other words, if the survey was conducted 20 times, 19 of those times the results would effectively be the same.



4. COUNCIL'S PRIORITIES

Informed by this project's Background Report and first community survey, Council held a special workshop to decide on their priorities for short-term rental regulations, which are as follows:

Primary goal

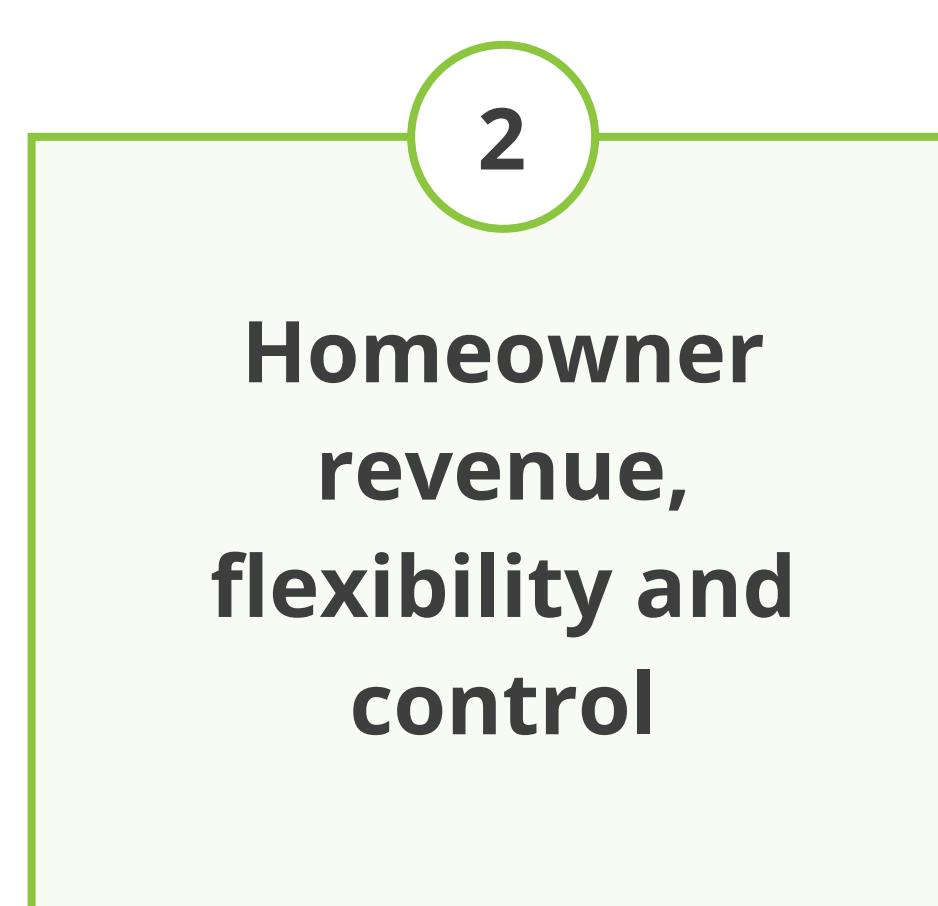
Council said "**protecting long-term housing**" was its most important/primary goal for short-term rental regulations among those in tension, qualifying it as "a lot more important" than the secondary goals.



Secondary goals

Council's secondary goals, in order of priority are:

- "**Homeowner revenue, flexibility and control**"
- "**Protecting neighbourhood character**"
- "**Creating short-term rental accommodation**"



Other overarching goals

Council was also asked about different approaches to other overarching goals like:

- Ensuring there's enough temporary accommodation in Town; and
- Attracting new business, investment, and growth.

Similar to survey participants, Council's overall preference was for approaches that prioritized the expansion of hotels and cabins, etc. and the protection and expansion of long-term housing (rather than approaches that emphasized Airbnbs).

Remaining tension

There is tension between Council's #1 goal of "**protecting long-term housing**" and its #2 goal of "**homeowner revenue, flexibility and control**."

The more the Town advances its #2 goal by allowing Airbnbs... the more its #1 goal of protecting housing will be undercut.

5. THE CHOICE

Council has set the **protection of long-term housing** as their #1 goal for regulating Airbnbs and other short-term rentals. Council's #2 goal is **homeowner revenue, flexibility and control**. However, these goals are in tension. The more the Town advances

its #2 goal (via Airbnb permissions), the more its #1 goal of protecting housing will be undercut. Two regulatory options have been identified that strike different balance points between the Town's goals.

Which option do you think is best?

OPTION 1: IN-HOME PERMISSIONS

Short-term rentals would be allowed in the specific dwelling unit/suite of rooms that the operator uses as their home (not including any secondary/basement suites in the same building or detached suites on the same lot). Long-term rental of suites would not be affected.

- "Home" means where the operator lives at least 6 months in a calendar year.
- You could rent your whole home when out of town.
- Adequate parking and basic safety measures required.

ALIGNMENT WITH TOWN GOALS

- This option is best practice for protecting long-term housing (the Town's #1 goal), because every short-term rental would be taking place in someone's home unit (i.e. no housing would be lost).
- The goal of homeowner revenue, flexibility and control would still be advanced, but in a more limited way.

Place a dot in here to indicate your preference

OPTION 2: HOME LOT PERMISSIONS

One short-term rental unit would be permitted on the owner's home lot, including a basement suite/secondary suite or a detached suite.

- "Home lot" means where the operator lives at least 6 months in a calendar year.
- 1 short-term rental allowed per household.
- For duplexes, condominiums, etc. "lot" refers to the specific ownership parcel, not the entire building.
- Adequate parking and basic safety measures required.

ALIGNMENT WITH TOWN GOALS

- This option trades less protection of long-term housing for more homeowner revenue, flexibility and control.
- Over time – as people become familiar with the option – the number of lost potential rental homes could become significant, but less than if "commercial" operators were allowed.

Place a dot in here to indicate your preference

You can also say if you think the Town is on the wrong track and should instead:

PUT NO RESTRICTIONS ON SHORT-TERM RENTALS

(other than requiring a business license)

ALIGNMENT WITH TOWN GOALS

- This would make housing harder to find and more expensive, but would allow individuals to own multiple Airbnb revenue properties.

Place a dot in here to indicate your preference

BAN AIRBNBS AND OTHER SHORT-TERM RENTALS OUTRIGHT

ALIGNMENT WITH TOWN GOALS

- This would protect housing the same as Option 1, but is easier to enforce. However, homeowners wouldn't have any options to short-term rent their home.

Place a dot in here to indicate your preference