



Standing Committee Report

Electoral Area Services Committee

To: Electoral Area Services Committee
From: Director of Development and Engineering Services
Date: December 11, 2025

Subject: Proposed Short-Term Rental (STR) Accommodation Bylaw Updates

Objective: To seek the Committee's recommendation to initiate community engagement on proposed RDCO bylaw updates in relation to Short-Term Rental (STR) uses for Electoral Area West and Electoral Area East and to prepare draft bylaw amendments for Regional Board consideration.

Discussion:

On June 5, 2025, the Electoral Area Services Committee received a report on Short-Term Rental Current Regulation Status (Attachment 1), which provided an overview of the RDCO's Short-Term Rental regulations in the context of the Province's *Short-Term Rental Accommodations Act*, which came into effect May 1, 2024. In summary, the new legislation has sought to address the province's housing crisis and encourage the availability of long-term rental housing units by limiting short term rental accommodation to the host's principal residence in urban areas (10,000 population or above). This requirement is not mandatory for Regional Districts. Rural Electoral Areas (EAs) differ fundamentally from urban municipal centers in their geography, infrastructure, and economic role. Unlike cities, EAs have limited road access, services, and amenities, making them less suitable for accommodating long-term renters and typically are not a target for new rental housing development. Rural areas hold strong appeal for seasonal tourism and play a vital role in regional destination marketing and economic development. Because of these unique characteristics, a context-driven approach to short-term rental regulation is essential to balance housing objectives with tourism needs while recognizing the distinct realities of rural communities.

This report presents proposed bylaw updates, and a public engagement strategy informing of these updates that would shift the current regulatory approach. The goal is to provide more clarity and flexibility for Short-Term Rental (STR) operations and balance housing needs while supporting supplementary revenue options, tourism and economic growth in Central Okanagan Electoral Areas.

Current Regulatory Approach

RDCO currently regulates Short-Term Rentals in the Central Okanagan's Electoral Areas through a combination of zoning and business licensing in addition to what is permitted through provincial regulations related to the Agricultural Land Reserve (i.e. Agri-Tourism Accommodation). Zoning Bylaw No. 871 does not use or define the term "Short-Term Rental". However, a "Bed and Breakfast" use is allowed in select residential zones of Zoning Bylaw No. 871 and Joe Rich Rural Land Use Bylaw No. 1195. Zoning Bylaw No. 871 defines "Bed and Breakfast" as the following:

Bed and Breakfast Accommodation means a use within a single detached dwelling that provides temporary lodging for tourists and visitors where guest rooms are rented for rental periods of less than one month.

Zoning Bylaw No. 871 also has several commercial zones for La Casa, McCulloch, and Secret Point that allow tourist cabins, tourist campsites and tourist lodges. Operations in these zones are mixed-use in nature and therefore permit tourist commercial operations inclusive of Short-Term Rentals.

Currently, there are 140 active business licenses for 2025 with commercial (mixed-use/short term rental) zoning and 25 active licenses for Bed and Breakfast uses.

In June 2024, in response to the mandated small-scale multi-unit housing legislation, the RDCO added the allowance for secondary suites within designated zones. However, under Zoning Bylaw No. 871, Short-Term Rentals are permitted exclusively as a Bed and Breakfast use in residential-only areas, and currently secondary suites cannot be used for Short-Term Rental (STR) purposes. While RDCO staff have received numerous inquiries from homeowners regarding the possibility of operating secondary suite STRs, further review is warranted and would be explored in the subsequent public engagement process.

Since 1989, the RDCO has held business licensing authority by virtue of Provincial Order in Council No. 1745/89, enabling the issuance of business licenses within Electoral Areas. RDCO staff recommend leveraging the existing business licensing system as an efficient way to implement regulatory changes to STRs. In contrast, regions without an established business licensing framework have typically been limited to more administratively complex mechanisms to oversee STR's such as temporary use permits.

Short-Term Rental Accommodations Act

The *Short-Term Rental Accommodations Act* (STRAA) introduced new definitions and requirements for Short-Term Rental operations in BC. As of May 1, 2025, operators are required to register with the Province to list an accommodation on major online platforms such as Airbnb, VRBO and others. One of the key elements of the new STR legislation is the principal resident requirement, which restricts STRs to a host's principal residence but does not limit where they can operate on the property. The principal resident requirement applies to all municipalities with a population of 10,000 or greater, and nearby smaller communities within 15 kilometers, but does not apply to Regional Districts.

Under the STRAA, Regional Districts are authorized to require and issue business licenses for short-term rentals (STRs) and regulate them through zoning and related bylaws. The Act created the Short-Term Rental Branch in the Ministry of Housing and Municipal Affairs, which manages an STR registry and includes a Compliance and Enforcement Unit (CEU) to enforce the principal residency rule. Starting May 1, 2025, the STR Branch has been registering Bed and Breakfast and Short-Term Rental businesses in Electoral Areas West and East, and registration requires an RDCO-issued business license. Following these changes under the STRAA, the number of STR (Bed and Breakfast) business licenses issued by RDCO increased from 12 in 2023 to 165 in 2025.

Proposed Bylaw Updates

RDCO staff recommends updating Zoning Bylaw regulations to align with the terminology and definition of Short-Term Rental (STR) use as defined in the *Short-Term Rental Accommodations Act*. Staff also suggest allowing STRs in single family homes and/or secondary suites contained within a single family

home that are within established fire protection boundaries. Staff do not recommend extending Short Term Rental use within an accessory home, at this time.

The following elements are proposed for inclusion in a revised regulatory framework for Short-Term Rentals (STRs).

- To define Short-Term Rental (STR), including bed and breakfast, as a stay of 90 days or less
- To continue to licence a maximum of one STR per property
- To allow a maximum of four bedrooms per STR, with a maximum of two adults per bedroom
- To allow secondary suites in single family dwellings to be used for STRs in selected residential zones
- Accessory Dwelling Units would not be allowed to be used for STR purposes
- That the Regional District would remain opted out from the Province's principal residency requirement
- To require that an STR operator or their designate be within a 2-hour response time to respond to complaints about their STR operation
- To require that appropriate servicing be in place to allow for an STR use
- To require that an STR have suitable driveway access to allow for emergency response
- To require a minimum of 1 off-street parking space per STR in addition to requirements for parking for the existing residential use, as applicable, and
- To update licensing application and renewal fees.

Staff propose to undertake further consultation with residents of Electoral Area West and Electoral Area East on the draft regulatory approach. Subject to Board approval to move forward with public consultation and draft bylaw amendments, the following bylaws would require modification:

- Zoning Bylaw 871
- Joe Rich Rural Land Use Bylaw No. 1195
- Licensing and Regulation of Business Bylaw No. 1555
- Bylaw Notice Enforcement Bylaw No. 1538
- Ticket Information and Utilization Bylaw No. 1537

The RDCO will be able to use new administrative penalties for enforcement matters, as permitted by the *Short-Term Rental Accommodations Act* (STRAA) and implemented via the provincial STR Branch. Accordingly, staff recommend updates to the RDCO Bylaw Notice Enforcement and Ticket Information and Utilization Bylaw to align with regional standards and best practices in STR compliance and enforcement.

Public Engagement

The Regional District of Central Okanagan (RDCO) will initiate a public engagement process to support the development of a more flexible and community-focused regulatory framework for Short-Term Rentals (STRs) in Electoral Area East and Electoral Area West. The goal is to create a process that is inclusive, accessible, and responsive to residents and property owners and ensures their voices help guide future policy.

The engagement approach will focus on:

- Clear, compelling information on why STR regulation matters and how it affects housing, neighbourhood safety and livability, and the local and regional economy
- A mix of in-person and digital engagement tools including a survey, virtual sessions, and in-person community events in the Electoral Areas
- Inclusive and culturally responsive engagement activities that reflect the diversity of RDCO’s rural communities, and
- Multiple avenues for public engagement to ensure broad participation.

There will be virtual engagement sessions specifically for existing business licence holders and STR operators, many of whom reside outside the region. Broad public engagement opportunities will also be available for residents including the general public.

Next Steps

The following steps are proposed to advance possible amendments to the STR regulatory approach for Central Okanagan Electoral Areas:

Dec.2025	Dec.2025	January to February 2026	Feb. 2026	March to April 2026	May 2026
<ul style="list-style-type: none"> • Seek EASC support for public consultation and to prepare bylaw amendments for the Board 	<ul style="list-style-type: none"> • Seek Board direction to proceed with public consultation and to prepare bylaw amendments 	<ul style="list-style-type: none"> • Conduct public consultation and review other Regional District approaches 	<ul style="list-style-type: none"> • Draft bylaw amendments 	<ul style="list-style-type: none"> • Present “What We Heard” report and proposed bylaw amendments to EASC and then to Board 	<ul style="list-style-type: none"> • Implement licensing and compliance

Recommendation:

THAT the Electoral Area Services Committee recommends that the Regional Board direct staff to initiate community engagement on proposed Regional District of Central Okanagan bylaw updates in relation to Short-Term Rental uses in Central Okanagan Electoral Area West and Central Okanagan Electoral Area East;

AND THAT the Electoral Area Services Committee recommends that the Regional Board direct staff to prepare draft bylaw amendments for Short-Term Rental uses for Regional Board consideration.

 Respectfully submitted by: Barbara Everdene, Regional Planning Specialist

Report Approved by: Danielle Noble-Brandt, Director of Development and Engineering

Approved for Agenda: Sally Ginter, Chief Administrative Officer

- Attachments:
1. June 5, 2025 EASC Report
 2. December 11, 2025 EASC Presentation
-