

Short-Term Rental Regulatory Outline

Detailed Decisions

Township of Esquimalt · June 22, 2026

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Recap: Council's March 16 Direction

“That Council authorize that short-term rentals be permitted only within the operator’s principal dwelling unit; renting a room while present, or the whole home while away; with no secondary or garden suites included; and limited to a maximum of 180 nights per year.”

Tonight:

- Present recommendations for **26 specific decisions** to fully build out the framework.
- 6 of these decisions are anticipated to require the most discussion.

Tonight's Decisions at a Glance

ZONING BYLAW

11 topics ([extra detail provided for 5 of these](#))

PARKING BYLAW

1 topic ([extra detail provided](#))

BUSINESS LICENSE BYLAW

8 topics

BYLAW NOTICE ENFORCEMENT BYLAW

1 topic

INTERNAL POLICY & PRACTICE

5 topics

ZONING BYLAW

Items 1.1 – 1.11

01

Current 'Bed and Breakfast' Use

1.1 RECOMMENDATION

Unify B&B and STR uses under a single term and set of regulations.

- Eliminate the existing B&B term and regulations.
- Extend the meal permission to all STR operators.
- Amend or rezone the RS-4 and RS-4A zones to align with a standard residential zone.

RATIONALE

- New STR permissions make the B&B use largely obsolete (except for the meal permission).
- Extending the meal permission to STRs allows for a cleaner / more straightforward bylaw.

Extended discussion follows on next slide

1.1 — B&B Use: Trade-offs

ADVANTAGES

- **Cleaner, more straightforward bylaw**

Eliminating the B&B use reduces potential confusion and creates a simpler consolidated bylaw.

- **Expanded permissions for licensed operators**

The two existing licensed B&B operators receive expanded permissions, including removal of the current two-week limit on guest stays.

DISADVANTAGES

- **More amendments required**

The B&B term and associated regulations would need to be removed from the Zoning Bylaw. The RS-4 and RS-4A zones would require significant amendments or rezoning.

- **Potential competition with food service establishments**

Allowing all STR operators to serve one meal per day may reduce guest demand for local cafés and restaurants — though the actual impact is unclear.

Current 'Tourist Accommodation' Use

1.2 RECOMMENDATION

Keep the 'Tourist Accommodation' term to allow for amenity-rich, dedicated guest accommodation units in mixed-use developments.

- Clarify the distinction between TA and STRs in the bylaw.
- All TA use will need to comply with provincial principal residence requirement or qualify as 'Exempt Accommodation' (e.g., Strata Hotel or Fractional Ownership model).

RATIONALE

- Continues to allow amenity-rich, dedicated tourist accommodation.

Extended discussion follows on next slide

1.2 — Tourist Accommodation Use: Trade-offs

ADVANTAGES

- **Reduces confusion**

Clarifying the Tourist Accommodation definition eliminates a potential source of confusion in the current Zoning Bylaw and better distinguishes dedicated tourist accommodation from STR use.

DISADVANTAGES

- **More amendments required**

This approach requires additional bylaw amendments and may extend the implementation timeline.

Defining Short-Term Rentals & Monitoring Medium-Term Rentals

1.3 & 1.4

1.3 — Define STRs as stays of less than 90 consecutive days.

This aligns with the provincial definition.

1.4 — Monitor the prevalence of 90+ day listings following implementation.

Avoids additional regulatory complexity until the data warrants it.

Extended discussion follows on next slide

1.3 & 1.4 — Defining STRs: Trade-offs

ADVANTAGES

- **Simplifies joint enforcement and data sharing with the province**

Aligning with the provincial definition simplifies enforcement, data sharing, and use of provincial compliance tools.

- **Clearer for operators**

Using the same threshold locally and provincially is easier for operators to understand.

DISADVANTAGES

- **Leaves a regulatory grey area**

Rentals of more than 90 consecutive days that don't meet the test for residential tenancy fall outside the local STR framework, even where they may function more like guest accommodation than long-term housing.

Secondary Suites and Garden Suites

1.10

RECOMMENDATION

Prohibit short-term rentals in secondary suites and garden suites.

- This prohibition would apply to the secondary suite and garden suite *typologies*.
- The initial business licence inspection would verify the nature of the dwelling unit.

RATIONALE

- Reflects our interpretation of Council's March 16, 2026 motion.

Extended discussion follows on next slide

1.10 — Secondary Suites & Garden Suites: Trade-offs

ADVANTAGES

- **Simpler interpretation and enforcement**

Partially closes off the ‘musical chairs’ strategy, where an operator claims to live in a secondary suite to obtain STR permission while actually living in the main unit.

- **More straightforward protection of secondary suites as long-term residences**

These units are often relatively affordable and offer more amenities than comparable primary-rental-market units.

DISADVANTAGES

- **Limits opportunities for renters**

Long-term renters in secondary suites or garden suites would be prohibited from earning STR income, even with landlord permission and even where no long-term housing would be lost.

- **Limits opportunities for some owner-occupiers**

Owners who verifiably live in a secondary or garden suite on their lot would be prohibited, even where no housing would be lost.

Remaining Zoning Bylaw Decisions

1.5

Defining 'Principal Dwelling Unit'

Define broadly as the usual dwelling unit where one makes their home, as indicated on government ID and tax filings.

1.7

Nights Per Year

Limit whole-unit rentals to 180 nights per calendar year; no limit on private-room rentals.

1.9

Per-Lot Limits

Limit STR use to one dwelling unit per lot to prevent principal residence stacking.

1.6

Cooking Facilities

Formally define Cooking Facilities in Zoning, add a Kitchenette definition to prevent the quasi-kitchen loophole.

1.8

Illegal Suites

Prohibit STR use on any lot containing an illegal or unpermitted suite.

1.11

Zones

Add 'short-term rental' as a permitted use in all zones where dwelling units are permitted.

PARKING BYLAW

Item 2.1

02

Parking Requirements

2.1

RECOMMENDATION

Require no additional parking beyond what is already required for residential use.

- Parking requirements would remain as specified for residential uses in the Parking Bylaw.
- If experience shows STR use is creating significant additional parking demand in specific areas, the issue can be reviewed and addressed at a later date.

RATIONALE

- *See “Advantages” on next slide.*

2.1 — Parking Requirements: Trade-offs

ADVANTAGES

- **Avoids indirect prohibitions**

Avoids creating indirect prohibitions where none were intended and where STR parking demand is not expected to meaningfully or consistently exceed residential parking demand.

- **Simple and consistent**

Avoids complex custom parking requirements based on housing typology, zone, or host circumstances, which would be difficult to explain, administer, and enforce.

DISADVANTAGES

- **May affect parking supply**

This approach may increase perceived or actual pressure on parking supply, particularly in areas where parking is already limited.

BUSINESS LICENCE BYLAW

Items 3.1 – 3.8

03

Business Licence: Application Requirements

3.1

Pre-Licence Inspection

Require a pre-licence site inspection by building, fire, and planning/bylaw staff before any new STR licence is issued.

3.2

Proof of Residency

Require a declaration of residency and supporting documentation at initial application and each annual renewal, using the same document list as the provincial regulation.

3.3

One Licence Per Household

Permit only one STR business licence per household, with applicant declaration confirming no other household member holds or has applied for one.

3.4

Designated Responsible Person

Require each licence holder to identify a designated responsible person who can respond to issues within a defined time frame when the operator is unavailable.

Business Licence: Ongoing Conditions

3.5

Guest Safety Attestation

Require a guest safety checklist and attestation identifying key fire and building safety measures, including a posted fire evacuation plan. Renewed at each annual renewal.

3.6

Strata, Owner & Landlord Permissions

Require written consent from the property owner, landlord, and/or strata corporation, as applicable. Required at initial licensing and every renewal.

3.7

Display of Business Licence

Require prominent display of the business licence number in all advertisements and listings. Also required by the Province.

3.8

Fees

Charge a higher initial licence fee (\$1,000–\$2,000) to recover inspection and setup costs, with a lower annual renewal fee. Existing B&B operators may be charged the lower renewal fee for their first STR licence.

BYLAW NOTICE ENFORCEMENT

BYLAW

Item 4.1

04

Business Licence: Application Requirements

4.1

Penalties

Establish a dedicated STR contravention and penalty schedule, with penalty amounts on the high end of Esquimalt's current range (e.g. \$500 per day). Review and increase over time, if needed.

INTERNAL POLICY & PRACTICE

Items 5.1 – 5.5

05

Enforcement & Administration

5.1

Enforcement Posture

Take and maintain a proactive approach — ongoing listing scans, flagging and delisting non-compliant units through the provincial portal, issuing local tickets. Don't wait for complaints.

5.2

Enforcement Guide

Create an internal guide to support consistent interpretation and enforcement — including how to identify separate dwelling units and the presence of Cooking Facilities.

5.3

Enforcement Priorities

Focus on unlicensed listings and priority bylaw contraventions. Use the provincial portal for rapid flagging and removal. Forward complex cases to the provincial Compliance and Enforcement Unit.

5.4

Enforcement Capacity

Make STRs part of one staff person's core focus — approximately 1 FTE for the first 6–12 months, tapering to part-time once a high baseline level of compliance is established.

5.5

Public Guide

Create a short web-based and/or downloadable guide to support public understanding of the new STR regulations and application requirements.

Summary & Next Steps

TONIGHT'S MEETING

- Provided recommendations on 26 aspects of the regulatory framework.
- Provided additional detail for 6 aspects (those anticipated to require further explanation).
- **Time for questions / discussion** (on any aspect).

NEXT STEPS

- Specific bylaw amendments will be drafted following Council **approval/amendment of the full regulatory outline.**
- Staff enforcement and public communications guide developed in parallel.

An aerial photograph of a coastal town, likely Seattle, Washington, showing a dense residential area with various colored roofs and trees. In the background, a large body of water (Puget Sound) is visible, with a small island in the distance. The sky is overcast and grey.

Thank You!