

# Advisory

## New Legislation for Short-Term Rentals

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**Date:** December 6, 2023

**Distribution:** Real Estate Professionals, Real Estate Developers

**Advisory Number:** 23-045

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### PURPOSE

BC Financial Services Authority is issuing this Advisory to inform real estate licensees and real estate developers of new legislation: the *Short-Term Rental Accommodations Act*. The legislation, which received Royal Assent on October 26, 2023, provides local governments with stronger tools to enforce short-term rental bylaws and establishes a new provincial registry for all short-term rental hosts. It is intended to return short-term rental units to the long-term rental market.

### BACKGROUND

On October 26, 2023, the Government of B.C. passed new legislation that changes how short-term rentals operate in the province. The changes regulate the short-term rental market in the following ways:

- Stronger enforcement tools for local governments;
- New requirements designed to transition short-term rentals to long-term residences;
- The establishment of provincial regulations and enforcement mechanisms;
- New regulatory authorities to oversee compliance and registration; and
- Information sharing and coordination agreements.

The changes apply to **all** short-term rentals being offered to the public and will come into effect through a phased approach:

- Immediately upon Royal Assent (October 26, 2023):
  - Increased fine and ticketing powers for local governments;
  - Granting business regulation and licensing powers to regional districts;
- May 1, 2024:
  - Limiting short-term rental units to be located in the host's principal residence plus one secondary suite or accessory dwelling units in municipalities with a population of 10,000 people or more and adjacent communities;
  - Removing "legal non-conforming use" protections to stop "legacy" short-term rental units from continuing to operate in spite of municipal bylaws;
  - Requiring business licences to be displayed on listings on short-term rental platforms;
- Summer 2024 and beyond:
  - Data sharing agreements between government and short-term rental platforms; and

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- Establish a provincial short-term rental registry for hosts and platforms.

To learn the full extent of the changes, please refer to the links provided in the Additional Information section of this Advisory.

### LICENSEE CONSIDERATIONS

Licensees should familiarize themselves with the new legislation, so they are able to provide appropriate and accurate advice to their clients and ensure that their own business activities (e.g., real estate advertising and related representations, performing rental property management services for a former short-term rental unit owner) stay outside the new legislation and other existing legislation, including the *Real Estate Services Act* (“RESA”) and the Real Estate Services Rules.

The new legislation does not alter existing strata bylaw-making authorities under the *Strata Property Act*, which allow for strata corporations to ban short-term rentals.

While RESA does not apply to persons managing short-term rental accommodations, licensees are reminded their personal conduct may lead to discipline from BCFSa if it rises to the standard of misconduct or conduct unbecoming a licensee.

### REAL ESTATE DEVELOPER CONSIDERATIONS

A developer may be required to file a *Real Estate Development Marketing Act* (“REDMA”) disclosure statement amendment if the enactment of the *Short-Term Rental Accommodations Act* has caused there to be a misrepresentation in the developer’s REDMA disclosure statement.

For example, if a developer’s existing REDMA disclosure statement discloses that short-term rentals will be a permissible use of the development units, and the *Short-Term Rental Accommodations Act* prohibits that disclosed use as of May 1, 2024, the developer must immediately amend their disclosure statement to reflect the legislation and ensure continuous, accurate disclosure.

A developer must ensure that every disclosure statement amendment, and every new disclosure statement, is filed with BCFSa and provided to purchasers in accordance with REDMA requirements.

### ADDITIONAL INFORMATION

To learn more, please refer to:

- [B.C. government news release](#)
- [Bill 35 – 2023: Short-Term Rental Accommodations Act](#)
- *Short-Term Rental Accommodations Act*: [Technical Briefing](#)
- [Information on the new rules for short-term rentals](#)

Real estate licensees and developers may wish to [subscribe](#) to receive updates on the status of this legislation to stay informed on the proposed timelines and regulations.