

NARRATIVE
RESEARCH

Tourist Accommodations Registration Act Short-Term Rentals Consultation

Summary of Findings

January 2020

Prepared for:



The Nova Scotia Government is moving ahead with regulations to support the Tourist Accommodations Registration Act (TARA). To inform its decisions, the Province was interested in receiving feedback from key stakeholders on selected areas of the regulations. As such, the Province designed and administered an online survey with stakeholders, with the intention of using survey results to shape the regulations and build a Registry of accommodations operators. The survey captured opinions regarding what constitutes short-term accommodations, the collection, use and disclosure of information in the Registry, the sharing of information for short-term accommodations on the Province's Open Data Portal, and registration fees for hosts/operators and online platform operators.

Once completed, Narrative Research was asked to prepare an analysis of survey results, and to direct the same, was provided with an Excel data file of survey results by the Nova Scotia Government.

This report presents a high level summary of findings, along with an analysis of results for each question on the survey. Because questions were not mandatory, the sample size for each question varies. Open-ended responses were not coded, although commentary is included in the report, following an unstructured review of verbatim comments.

Below is an overview of the research approach and timeline:



Approach

An online survey was designed and administered by the Government of Nova Scotia. The survey was posted on the Government's website. In total, **1,431 completed surveys** were received.



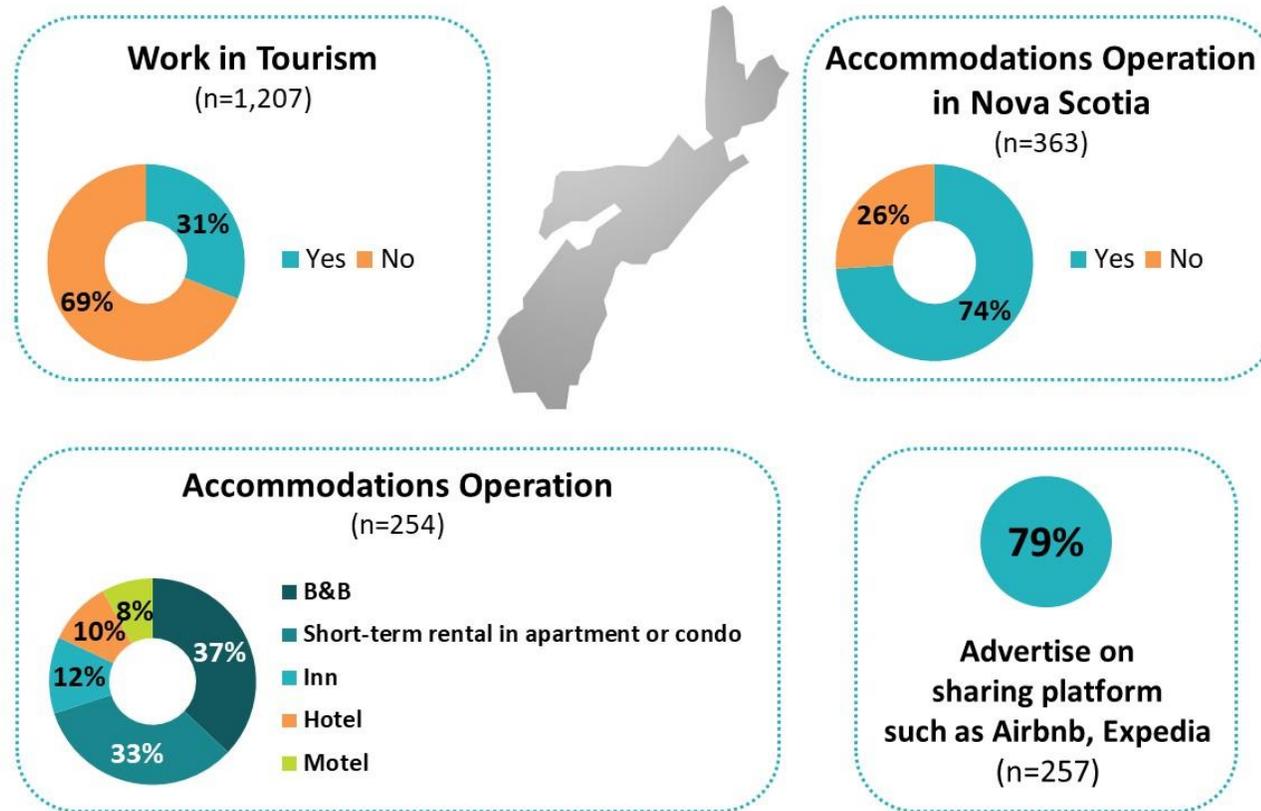
Timeline

The survey was administered from November 6th to 20th, 2019

The following provides a summary of key findings of the *Tourist Accommodations Registration Act Short-Term Rentals Consultation*:

- **Yurts, domes, and other ‘glamping’ accommodations are generally deemed to qualify as fixed roof accommodations, based on the definition provided in the new legislation.** Opinions vary in terms of how to define fixed roof accommodations, although in general it was considered to be a permanent structure, at least for a period of time, that has a hard roof and basic amenities (such as electricity, water, and bathroom facilities).
- **There is strong support for the limited sharing of information in the Registry, as defined by the legislation.** Stakeholders are agreeable to basic property information being disclosed with government partners, including municipalities, in compliance with provincial privacy legislation. It is believed that making information available would ensure greater operator accountability and legislation compliance.
- **There is moderate level of support for putting the information from the Registry on the Open Data Portal, including addresses where short-term rental activity takes place.** Stakeholders are somewhat supportive of information from the Registry being made available on the Province’s Open Data Portal (without names), including the addresses where short-term rental activity takes place. Opinions are divided as to whether or not the location information should be provided more generally, rather than providing the actual address of the short-term rental.
- **There is support for a fee structure proportionate with the number of rooms rented out by hosts/operators.** Stakeholders are clearly in agreement that the registration fee structure should be aligned with the size of the accommodations operation.
- **Opinions are mixed with respect to the fee structure that should apply to online marketing platforms.** This question is considered complex and many stakeholders felt that they do not have adequate information to comment. In near equal proportions, stakeholders believe that online marketing platforms should pay the same as larger hosts/operators, pay larger separate platform fees, or pay based on an alternative fee structure, with ideas ranging from no fees at all, to a tiered fee structure based on sales volume or number of rooms.
- **There is support for people who do not comply with legislation and regulations to pay fines, with an amount of up to \$1,000 per day considered most appropriate.** Accommodations operators who do not operate an accommodations operation in the province, and those not using an online sharing platform, are particularly supportive of fines being applied. While a daily fine is considered the most appropriate penalty, there is also some support for a one-time fine. Jail time is not considered an appropriate penalty.

The majority of stakeholders who completed a survey do not work in the tourism industry. Among the three in ten stakeholders who do work in the sector (n=363), three-quarters operate an accommodations operation in Nova Scotia, most notably a Bed & Breakfast (B&B) or short-term rental/apartment/condominium. The vast majority of those operating an accommodations operation (79%) report advertising on an online sharing platform, such as Airbnb or Expedia. (Tables 1 to 4)



Yurts, domes, and other ‘glamping’ accommodations are generally seen as qualifying as fixed roof accommodations based on the definition provided in the new legislation.

Stakeholders were provided with the new legislation’s definition of fixed roof accommodations (see inset box). Under the new legislation, fixed roof accommodations meeting certain criteria will be required to register as a short-term rental accommodation. Public opinion informed these criteria.

Six in ten respondents believe that yurts, domes, and other ‘glamping’ accommodations qualify as fixed roof accommodations, based on the definition provided to them. Those involved in the tourism industry, and Nova Scotia accommodations operators, are more likely to hold this opinion. (Table 5)

About ten percent of respondents provided additional comments following this question, with most believing that any form of accommodations should be considered equal under the legislation. Others elaborated that fixed roof accommodations should include fixed structures and some basic amenities, such as electricity, water supply, or private bathrooms. Suggestions were made to include camping vans or trailers permanently set up in campgrounds, as well as boats with sleeping quarters, but not tents, tepees or other “soft wall” structures. (Table 6)

“Every place where you can stay (for pay) overnight should be qualified as [fixed] roof accommodations.”

“I believe that any hard structure that has a roof, walls, doors, plumbing and electricity qualify as [fixed] roof accommodations.”

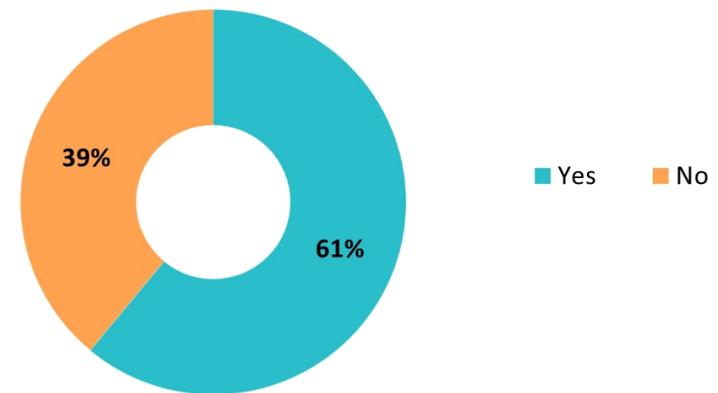
“I think if it is a fixed, roofed place, then it should count. I would not add tents to this.”

Fixed Roof Accommodations

Under the new legislation, fixed roof accommodations are defined as: “every building, part of a building, group of buildings or place of accommodation that provides one or more residential units used mainly for the reception of the travelling or vacationing public; cottages or cabins, or any building or part of a building designated as a roofed accommodation by the regulations.”

Believe Yurts, Domes, and Other ‘Glamping’ Accommodations Qualify as Roofed Accommodations

(n=1,144)



There is strong support for the limited sharing of information in the Registry, as defined by the legislation.

Respondents were asked their opinions regarding the collection, use and disclosure of information in the Registry. They were informed that the legislation allows for limited sharing of information with government partners and legislated public bodies, including municipal governments and the fire marshal office. Any sharing of information in the Registry would comply with provincial privacy legislation. Shared information may include: property owner name; business name (if applicable); property address; email address; and phone number.

Across stakeholder types, there is support for the sharing of information on the Registry, as described. (Table 7)

Many reasons are provided to support information sharing. Most notably, it is believed that this approach would ensure accountability and compliance of accommodations operations, notably in terms of the implementation of safety and cleanliness standards and for taxation compliance. Those who oppose the idea did not explain their opinion. (Table 8)

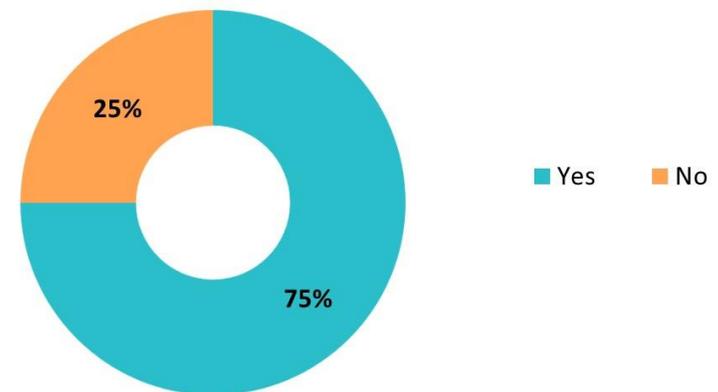
“[YES] When renting accommodations, all rooms shall be safe and clean so that we continue with the standard that the visiting public has come to expect.”

“[YES] Unless there's something to hide, why not share the info?”

“[YES] Travellers should have some sense that the accommodation that they are purchasing as a short-term rental offers some level of credibility/‘dependability’, as a credible place with which to do business. I think that the property address should be both physical and web-based in some capacity.”

“[YES] Transparency. If someone is operating a for-profit business to the public, so should all the information pertaining to that business be public knowledge.”

Support Legislation Allowing Limited Sharing of Information from the Registry
(n=1,106)





While there is moderate support for putting the information from the Registry on the government's Open Data Portal, including addresses where the short-term rental activity takes place, some opposition is evident.

Respondents were informed that the Province is committed to transparency by publishing data to its Open Data Portal. In keeping with this commitment to publish data, the project is looking to share data from the Registry, in a manner that is consistent with privacy legislation. This information would *not* include names of individuals, but could include addresses where short-term rental activity takes place. Short-term accommodations being operated out of the host's/operator's primary residence are not required to be registered.

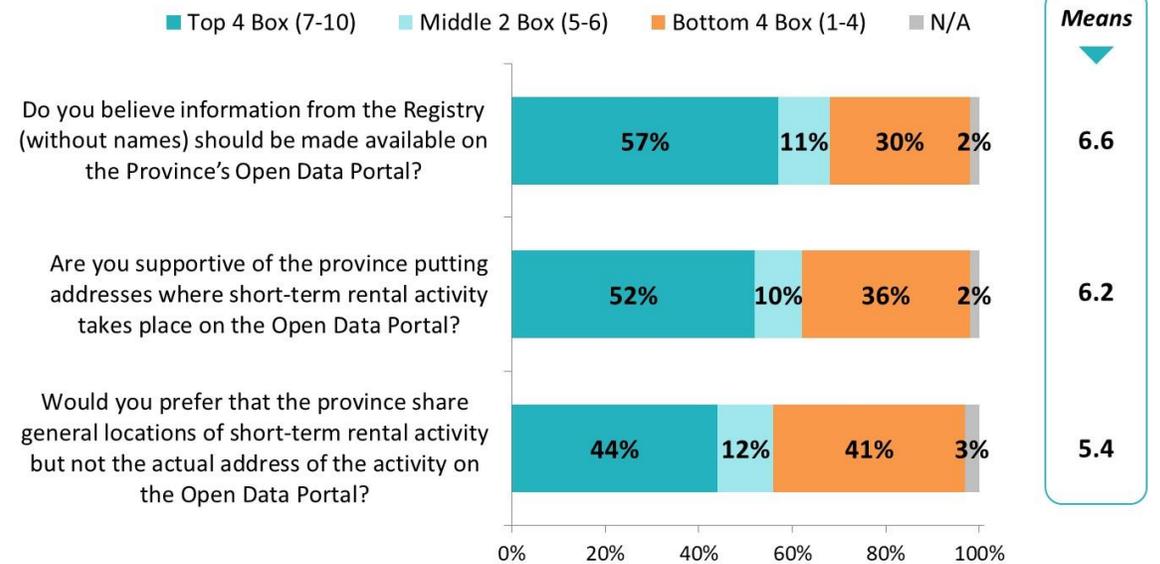
Just over half of respondents offer some level of support for having information from the Registry (without names) made available on the Province's Open Data Portal. Support is strongest among those who do not operate an accommodations operation in Nova Scotia. (Table 9)

The level of support for the Province putting addresses where short-term rental activity takes place on the Open Data Portal is also moderate, with half of respondents in agreement with this approach, to varying degrees. (Table 10)

Opinions are more divided with the Province sharing general locations of short-term rental activity but not the actual address of the activity on the Open Data Portal (recognizing that people who live in their primary residence are not required to register). Indeed, respondents were as likely to support this idea as they were to oppose it. (Table 11)

Provincial Open Data Portal – Sharing of Information from the Registry in a Manner Consistent with Privacy Legislation

Rating on 10-pt Scale: 10=Totally supportive, 1=Not supportive at all
(n=962)



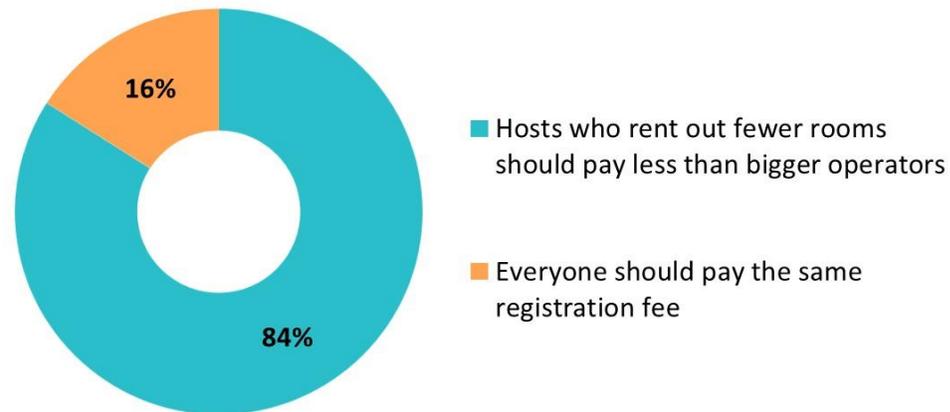
Note: Responses of 'N/A' are excluded from the Mean score calculations.

There is strong support for a fee structure proportionate to the number of rooms rented out by hosts/operators.

Currently, short-term rental accommodations hosts/operators pay approximately between \$90 and \$1,000 to obtain a licence, depending on the number of rooms available to tourists. Annual registration fees will be less expensive under the new system.

Based on this information, a majority of respondents consider that hosts/operators who rent out fewer rooms should pay less than larger operators. This opinion is generally consistent across stakeholders, although those who advertise on a sharing platform such as Airbnb or Expedia are more likely than those who do not to express this opinion. Overall, there is little appetite for an approach that would see everyone pay the same registration fee. (Table 12)

**Registration Fees Under the New System
for *Hosts***
(n=950)



Opinions are mixed with respect to the fee structure that should apply to online marketing platforms.

Respondents were informed that under the new legislation, online marketing platforms, such as Expedia and Airbnb, are required to register. Opinions are mixed regarding the type of fee structure that should apply to online platforms, whether they should pay the same as larger hosts/operators, be subject to larger separate platform fees, or have another fee structure. Those who advertise on an online marketing platform are more likely than stakeholders who do not to prefer an alternate fee structure. More specifically, a number of respondents found the question too complex to provide an opinion.

A number of others consider that no fee should apply to online platforms, as it would likely be passed along to travellers or participating operators, or because the registration fee is already paid by host accommodations advertising on the platform. It was also suggested that a tiered fee structure would be appropriate for online platforms, either based on volume or number of rooms. Questions were also raised as to the purpose and the use of the registration fee. Some questioned why online platforms would have to pay the registration fee, as they are not an accommodations operation, but rather a repository of operators or a tourism promotion tool. (Table 13)

[OTHER] “Units in or part of residential units, maybe up to three rooms, would not pay a fee. Don't want to destroy the ‘mom & pop’ facilities that help people pay their taxes and heating bills. They are home sharing and not commercial ventures.”

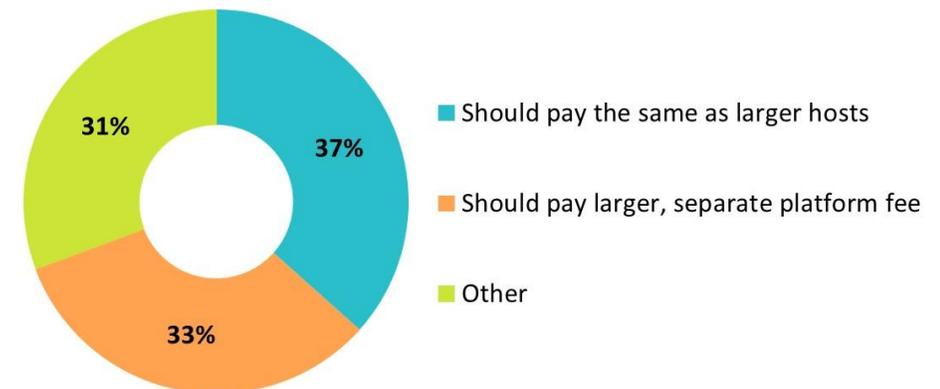
[OTHER] “This is complicated. I expect that these large platforms will pass the fees along to the provider or end user. I worry that smaller operators would suffer if the platform passed the fee along to them.”

[OTHER] “The question is not clear. How can an online platform fee be compared to a 'host' fee? Are you asking if the company ‘Airbnb’ should pay more in absolute dollars to the province than the company ‘Marriott’ or ‘Hilton’? It's apples and oranges.”

[OTHER] “My question would be where is the money going and why does there need to be a cost to register?”

Registration Fees Under the New System for Online Marketing Platforms

(n=912)



There is support for people who do not comply with legislation and regulations to pay fines, with an amount of up to \$1,000 per day considered most appropriate.

When asked what, if anything, would be the appropriate penalty for people not in compliance with legislation and regulations, three-quarters of stakeholders (75%) identified some type of penalty, with daily fines of up to \$1,000 being mentioned most often (43%). Fewer respondents consider that a one-time fine of up to \$1,000 would be appropriate, while the possibility of jail time is an unpopular option. Only one-quarter of stakeholders believe there should be no penalty.

While opinions are consistent across stakeholders regardless of their involvement in the tourism industry, a few differences are noteworthy within accommodations operators. Although there is widespread support for the application of penalties, this opinion is less prevalent among accommodations operators operating in Nova Scotia, and among those who use online marketing platforms. (Table 14)

Appropriate Penalties for People Not in Compliance with Legislation and Regulations

(n=940)

