

# Report to Council



**Date:** November 18, 2019

**To:** Council

**From:** City Manager

**Subject:** 2019 Community Trends Report: Impacts of the Sharing Economy

**Department:** Policy and Planning

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**Recommendation:**

THAT Council receives, for information, the report from the Planner Specialist dated November 25, 2019, with respect to Kelowna's 2019 Community Trends Report.

**Purpose:**

To introduce "Sharing Economy Impacts: 2019 Community Trends Report".

**Background:**

The 2019 Community Trends Report (CTR) explores the rapid growth of the "sharing economy" and how it is disrupting our cities and putting pressure on local governments to respond. Globally, the value of the sharing economy is projected to rise to \$700 billion by 2025 reflecting a larger societal shift in values with people opting for access over ownership, changing the way our cities function. The sharing economy is largely being shaped by new business models that take advantage of the idle capacity or underutilization of different assets, allowing a car that usually sits parked 90% of the time to be shared by 10 different people over the course of the day. As cities across Canada begin to respond to the impacts of the sharing economy, the CTR (Attachment A) explores what tools are available to shape this transformation.

This year's trends topic reflects the many ways the sharing economy is affecting the day-to-day lives of Canadians. The CTR introduces three different approaches for how a local government might respond to new sharing economy businesses or organizations. The three approaches are intended to provide a foundation for the City as it begins to develop a policy framework and response for new sharing economy business models.

The CTR is one of several analytical reports produced by the Policy and Planning Department. While other reports focus on specific areas, such as housing or development statistics, the CTR explores major trends and examines possible local impacts. The CTR is not meant to establish formal City recommendations, but instead sets the stage for the City's future-forward work on other planning

projects or initiatives. Ultimately, the aim of the CTR is to research and to understand future trends that will impact the City and the broader community in the years ahead and to understand where attention and action may be needed.

## **Discussion:**

The CTR focuses on three different parts of the sharing economy that are impacting our cities:

- *How We Live* – As more people move to cities, there is growing interest in housing forms that offer people a greater sense of belonging. The sharing economy is beginning to disrupt the housing market, introducing new housing forms with different shared spaces (kitchens, yard space, communal gathering/living spaces, amenity spaces). These new housing forms are being developed with a view to building 'community', catering to those looking for social interaction in the digital age.
- *How We Work* – The nature of work is changing rapidly as a result of shifts in technology and broader economic forces. A growing number of jobs no longer require the traditional bricks and mortar office space with more people growing their businesses online. The sharing economy is responding to these shifts with shared working spaces that challenge many of the conventional work and office environments.
- *How We Move* – The transportation landscape is shifting with new mobility options being rapidly introduced throughout North America. The sharing economy is supporting a shift in transportation where people share access to a range of different transport options (shared mobility). Moreover, smartphone applications and location-based technology are facilitating on-demand access to different transportation options in real-time.

## *The Role of the City of Kelowna in Regulating the Sharing Economy*

Many cities are looking for ways to better manage the impacts of the sharing economy balancing economic innovation and community benefit. The trends report identifies how cities have several different tools and approaches available to shape the impact of the sharing economy. Where and when a city chooses to apply each of these approaches identified below will vary depending on the potential risks and benefits involved.

1. **Wait-and-see** – Where there is a low risk of negative impacts to the City or to the broader community, in these instances a more observational approach may be appropriate, allowing time to understand the situation before formulating a regulatory response.
2. **Partner or Pilot** – In cases where a sharing economy model aligns with City policies, but lacks the regulatory framework to operate, the City could partner with an organization to encourage local implementation and use the pilot phase to understand the public impacts and inform the development of future regulations.

3. **Early Regulation** – Where there is seen to be a significant risk to the City or to the community, early regulation may be warranted. This would pause or slow the impacts and would allow the City to develop a more involved and comprehensive approach.

**Conclusion:**

Cities across Canada are taking steps to respond to the sharing economy, recognizing new business models are disrupting how people live, work and move in our cities. Cities are faced with the choice of taking an active or passive role in both embracing and/or regulating the sharing economy. The traditional approach of taking a more passive role may be a less effective as the sharing economy has demonstrated it does not always wait for permission to begin operations. A more active role could allow cities to work proactively with sharing economy businesses and organizations to determine how these new platforms will be implemented with a deliberate focus to enhance public benefit. This approach will require cities to be more flexible as they test new ideas and refine policies and regulation to respond to the change. This year's CTR is intended to serve as a resource for council, staff and the public as the City embraces an uncertain future and develops new policies and regulations for the sharing economy in the years ahead. Ultimately, the sharing economy is here to stay, compelling cities to think creatively about how these new business models can provide long-term community benefit to how we grow, move, and work in untraditional ways.

**Internal Circulation:**

Policy and Planning  
Communications  
Integrated Transportation  
Business and Entrepreneurial Development  
Development Planning  
Real Estate Services  
City Clerk

***Communications Comments:***

The 2019 Community Trends report can be found on [kelowna.ca/about](http://kelowna.ca/about). The report will also be highlighted through corporate communications channels and distributed to key stakeholders and the broader community.

Submitted by: Submitted by R. Soward, Planner Specialist

**Approved for inclusion:** J. Moore. Long Range Policy Planning Manager

**Attachments:** 2019 Community Trends Report – Impacts of the Sharing Economy