

City of Toronto Proposes Measures to Restrict Short-Term Rentals

The City of Toronto is [proposing to implement measures](#) that will restrict the short-term rental market. The measures proposed by City staff include:

- allowing short-term rentals only in a homeowner's primary residence, with a limit of three rooms per dwelling unit;
- mandatory registration of all hosts renting their homes on a short-term basis and payment of a registration fee between \$40 and \$150 per home;
- mandatory licensing of short-term rental companies such as Airbnb and VRBO, and payment of a license fee between \$5000 and \$20,000, plus an additional fee per night booked; and
- implementation of a hotel tax and a short-term rental tax, if the necessary provincial legislative approvals can be obtained.

This means that hosts would be allowed to rent their properties on a short-term basis only if they are renting extra bedrooms in their primary homes or if they are renting their entire primary residence while away. These proposed measures would not stop individual condominium corporations from banning short-term rentals altogether.

The proposed recommendations [follow a report released](#) in October of 2016, by the Executive Director, Municipal Licensing and Standards and the City's Chief Planner outlining a number of concerns about short-term rentals. That report indicated that:

- Short-term rentals that occur in non-primary residences, where the property owner is not present, pose the greatest risk of nuisance issues, such as noise, and safety concerns for neighbours in the community;
- Short-term rentals are impacting the affordability and availability of housing units for long-term residents, causing a reduction in the supply of units available for long-term rental;
- Short-term rental hosts pay property taxes at the lower residential rate, even though they may be renting their properties on a full-time commercial basis;

Short-term rentals have resulted in an uneven playing field for commercial tourism operators such as hotels and motels, who pay taxes at a higher rate and whose properties are subject to more onerous fire, safety and other regulations.

That report was followed by public consultations with and written submissions from various stakeholders including short-term rental platforms, neighbourhood associations, condominium industry associations, tenant advocates, hotel and hospitality representatives, and various provincial government ministries.

After the proposed measures are discussed by the Mayor's Executive Committee, City staff will submit final recommendations in the fall of 2017 for approval by City Council.

These proposed measures will no doubt be well-received by many condominium corporations, particularly those corporations that do not have any restrictions on short-term rentals in their declaration or rules.