

Short-Term Rental Bylaw Implementation Update Public Consultation

Municipal Licensing and Standards Division

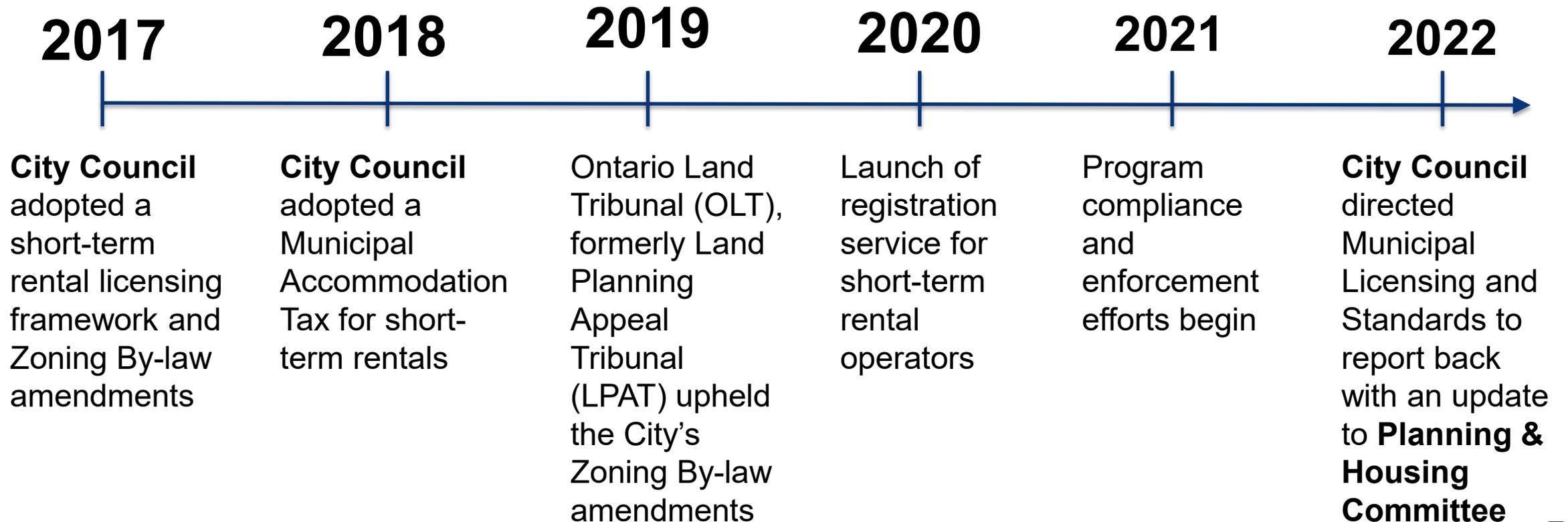
toronto.ca/ShortTermRentalUpdate

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- **The purpose of this consultation is to:**
 - Provide an update on short-term rental bylaw program implementation
 - Gather feedback on proposed changes to the City's short-term rental bylaw
 - Answer any questions and discuss next steps

Please note that the proposals shared in this deck are in draft form for discussion purposes only and remain subject to City Council approval.

Timeline of Short-Term Rental Program Implementation



Short-Term Rental Bylaw Update

WHAT IS A SHORT-TERM RENTAL AND HOW ARE THEY REGULATED IN TORONTO?

- A **short-term rental** is all or part of a dwelling unit rented out for less than 28 consecutive days in exchange for payment.
- A **short-term rental company** is any company facilitating or brokering short-term rental reservations online and receiving payment for this service (for example, Airbnb and Booking.com).
- A **short-term rental operator** is any person who operates a short term rental (i.e. renting their principal residence or rooms in their principal residence).



- **Medium-term rentals** are not part of the short-term rental bylaw.
- **Medium-term rentals** could be considered as rentals which are 28 days or longer (i.e. neither a short-term rental nor a traditional long-term rental).
- The City does not regulate rentals that are 28 days or longer and does not receive stay or transaction data for listings with rental periods for 28 days or longer.
- The City will be conducting an analysis of the medium-term rental market and reporting back to Council.

In 2017, the City's short-term rental bylaw ([Chapter 547](#)) was developed based on goals and principles that would:

- permit people to rent their homes for short periods;
- minimize negative impacts on housing affordability and availability;
- enable greater diversity in tourism accommodations;
- maintain community stability, including in vertical communities;
- minimize nuisances; and
- create regulations that are fair and easy for people and companies to follow.



- **Short-term rental operators** can rent up to three bedrooms for an unlimited number of nights per year or their entire home for a maximum of 180 nights per year.
- Operators are required to register and renew with the City each year (for a fee of \$53.22 in 2023) and to collect and remit a 6% Municipal Accommodation Tax (MAT).



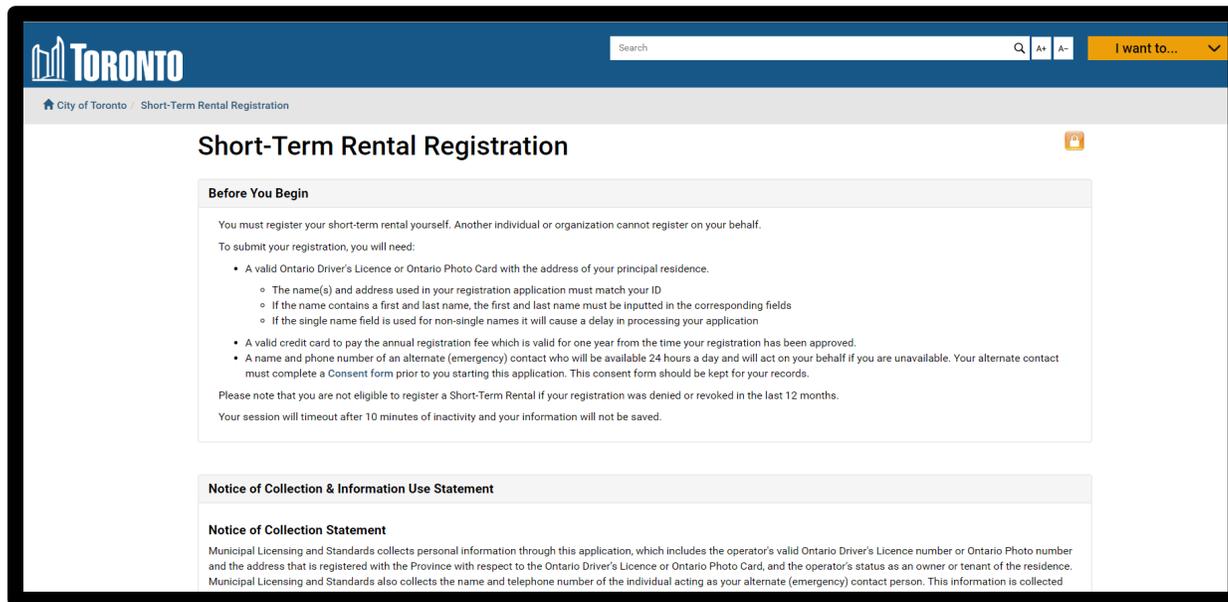
- **Short-term rental companies** are required to obtain a licence to operate; three companies are licensed in Toronto.
- Companies must:
 - ensure that all listings have valid registration numbers;
 - provide a process for removing listings that do not have valid registration numbers, and a procedure for dealing with problematic operators and complaints; and
 - maintain records on short-term rental operators and stays, and share that data with the City.
- Companies pay a one-time application fee (\$5,321.85) and pay an \$1.06 fee for every night booked through the company.



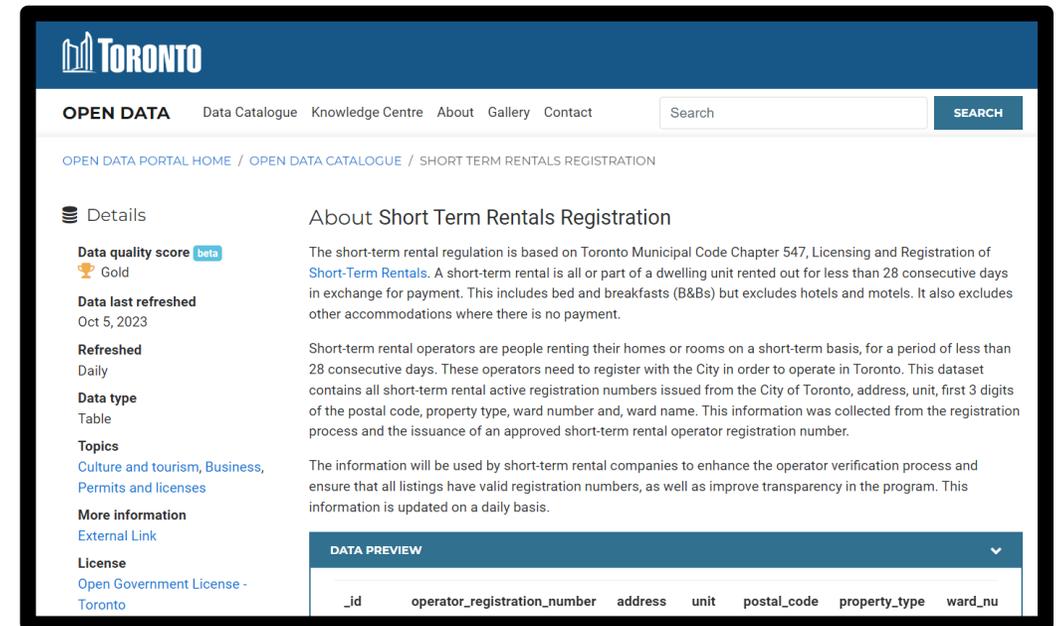
Short-Term Rental Bylaw Update

UPDATE ON THE SHORT-TERM RENTAL BY-LAW PROGRAM IMPLEMENTATION

Since the short-term rental registration portal was launched in 2020, the City of Toronto has continued to register short-term rental operators, bring short-term rental companies into compliance with licensing requirements, take enforcement actions to ensure compliance with the bylaw and share registration data publicly.



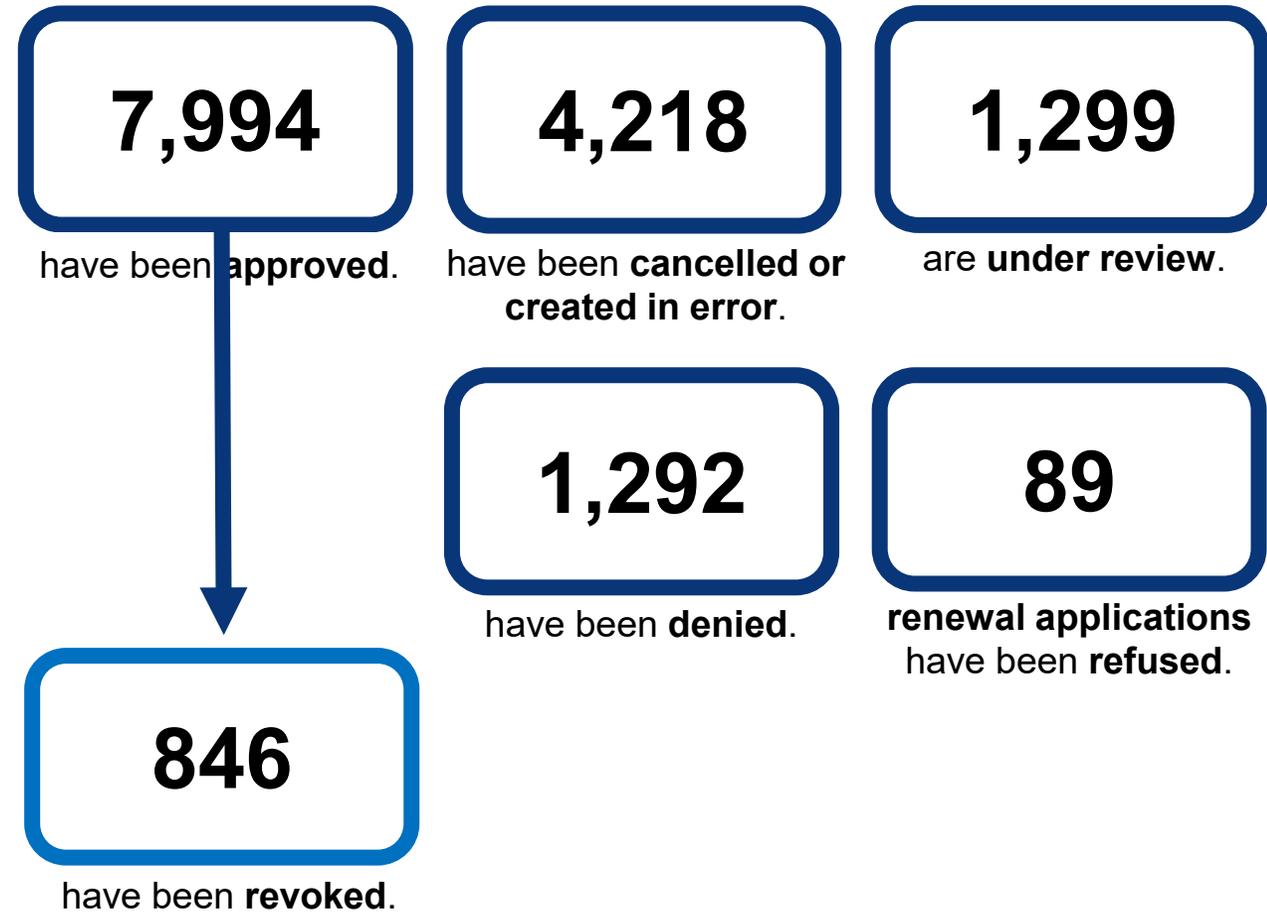
A screenshot of the City's short-term rental registration portal.



A screenshot of the City's short-term rental open data portal.

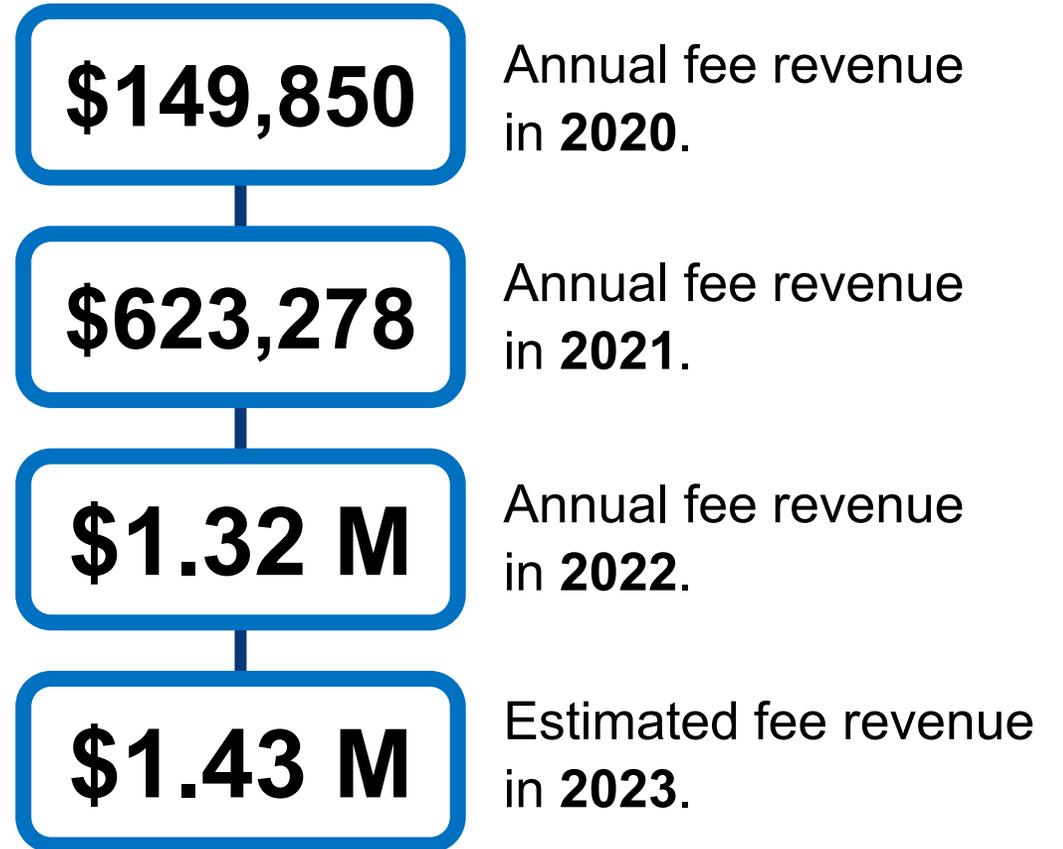
The City has received 15,737 registration applications since the short-term rental registration portal launched in 2020.

- Before issuing a registration, Municipal Licensing and Standards staff review applications to confirm the information provided meets the requirements of the bylaw.
- Registration and renewal fees are collected through this process.



Revenue from registration, licensing and renewal fees are used to fund the City’s short-term rental program.

- Fee revenue supports the cost of administering the City’s short-term rental program and enforcing the associated regulations.



The majority of operator registrations are concentrated in Old Toronto.

2,035

Ward 10 (Spadina-Fort York) has the highest concentration of short-term rental registrations.

Ward 13 (Toronto Centre), Ward 11 (University-Rosedale) and Ward 9 (Davenport) have the next highest concentrations.

Condominiums are the most common housing type registered as a short-term rental.

2,855

condominiums are registered as short term rentals in Toronto.

Single Family Detached, Semi-Detached and Multi-Residential are the next most common housing types.

Bylaw compliance is monitored using data discovery methods and bylaw breaches are referred for enforcement action.

- The City works with short-term rental companies to remove listings that do not have a valid registration and/or are not in compliance with the bylaw.

81,295

takedown requests have been issued by the City since compliance efforts began in 2021.

1006

bylaw breaches were referred to the enforcement team in 2022.

830

cases were related to exceeding the 180-night calendar limit.

Stay data is used to identify market trends in short-term rental use across Toronto.

878,182

nights were booked in 2022.

581,945

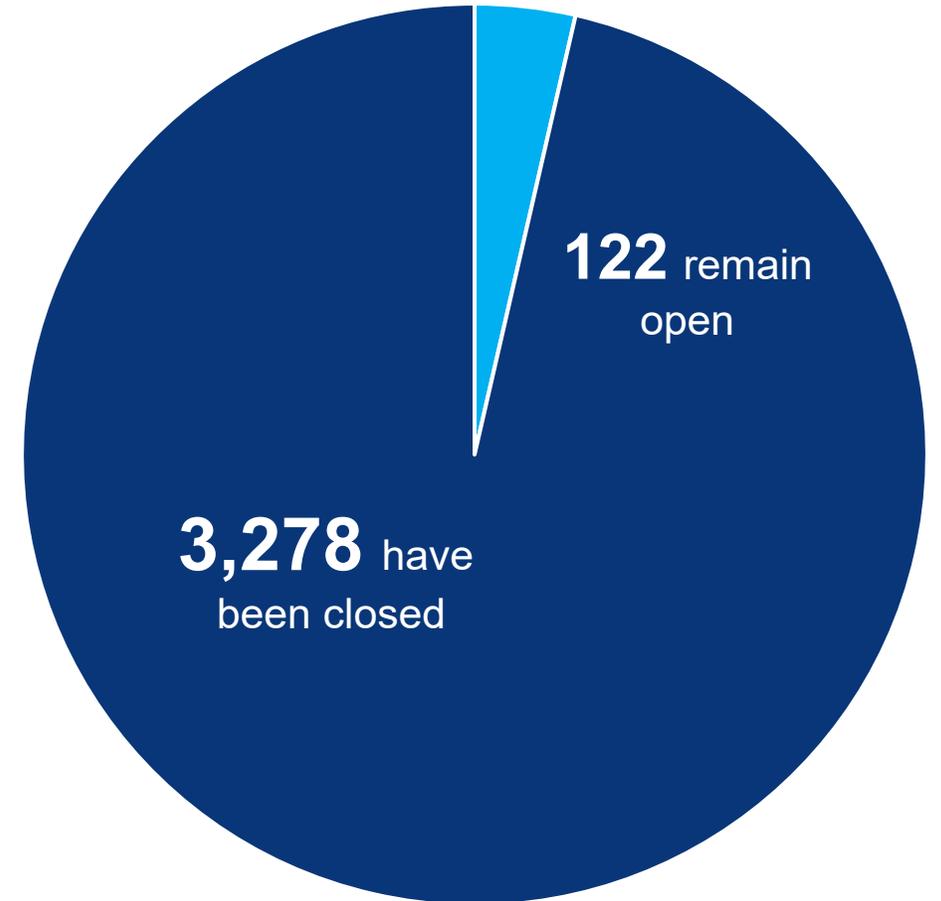
nights were booked for entire-unit rentals.

296,237

nights were booked for partial unit rentals.

Of the 3,414 complaints received since program implementation, 96% have been closed.

- The City receives complaints about short-term rentals through 311 and will investigate potential bylaw breaches.
- The majority of complaints received are about:
 - Operators short-term renting properties that are not their principal residence
 - Short-term rentals operated out of secondary suites
 - Unregistered operators



Enforcement efforts address complaints using a data-driven approach.

- A team of **9 bylaw enforcement officers** investigates complaints submitted through 311 and potential bylaw breaches.
- The City’s progressive enforcement approach can include providing education to resolve an issue, revoking an operator’s registration for non-compliance or issuing a charge.

Since program implementation:

153

charges have been issued.

846

registrations have been revoked.

80%

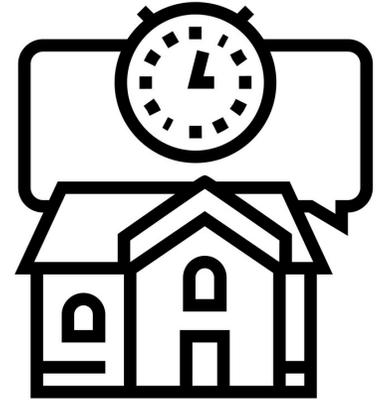
of enforcement efforts have been dedicated to **secondary suites**.

Short-Term Rental Bylaw Update

OVERVIEW OF THE IMPLEMENTATION UPDATE

In response to Council direction, City staff have been directed to report back on:

- the implementation of the short-term rental bylaw;
- the short-term rental market and regulations;
- enforcement challenges including “ghost hotels” and bylaw interpretation;
- the medium-term market (28 consecutive days or more) including third-party international student housing providers; and
- the impact of short-term rental regulations on the City of Toronto's hotel industry.



The proposed changes were developed based upon:

- Consultation with MLS staff and City partners on licensing, compliance, enforcement and audit challenges
- Analysis of licensing, compliance, enforcement and audit data
- Jurisdictional scan of comparable North American municipalities



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PROPOSED CHANGES

Proposals shared in this deck are in draft form for discussion purposes only and remain subject to City Council approval.

Enforcement Challenge

- Operators can rent out a portion of their unit for an unlimited number of nights or their entire unit for a maximum of 180 nights.
- Operators may falsely claim to rent as a partial unit rental when in fact, they are operating as an entire unit rental. This results in noncompliant behaviour with the 180-night limit.
- In cases where a registration has been revoked, other individuals can apply for a registration at the same address and re-activate the listing.

Proposals

- **Strengthen 180-Night Limit:** All short-term rentals would be limited to a maximum of 180 nights per calendar year (regardless of whether the rental is for a partial unit or an entire unit).
- **Tie Registrations to Address:** All registrations should be tied to an address, as well as an individual operator.
- **Limit Registrations to One per Address:** All registrations should be issued to one individual per address at a given time.

Enforcement Challenge

- A short term rental company must take down an unregistered operator's listing, identified by the City, within 24 hours.
- However, within that 24 hour period, an unregistered operator can create a new listing or account and continue to accept bookings.
- Additionally, if an operator's registration is being revoked, they can continue to accept bookings until the revocation has been finalized (even though they are non-compliant with the bylaw).

Proposals

- **Prohibiting Unregistered Operators from Listing:** All short-term rental companies would be required to block an unregistered operator's account within 24 hours and prohibit them from posting a new listing in Toronto.
- **Cancellation of Reservations for Unregistered or Noncompliant Operators' Listings:** All future reservations for these listings would be cancelled.
- **Removal of Listings:** All short-term rental companies would be required to remove listings and associated bookings for bylaw breaches.
- **Revocation Process:** The revocation process would be shortened from **30 days** to **10 days** for the operator to respond to the decision notice.

Short Term Rental Program Fees (2023)

Fee Description	Fee Basis	Fee
Short-Term Rental Company: Application Fee	Per application	\$5,321.85
Short-Term Rental Company: Nightly Fee	Per night booked	\$1.06
Short-Term Rental Operator: Registration Fee (Annual)	Per application	\$53.22

- In 2023, the City’s short-term rental program will have an estimated cost of **\$2.53 million** and an anticipated revenue of approximately **\$1.43 million**.
- The City is exploring increases to the short-term rental fees to support program needs and address enforcement challenges, including consideration of a new annual company renewal fee.
- Changes are subject to additional analysis and final recommendations.

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QUESTION AND ANSWER

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BREAKOUT SESSIONS

1) How would you describe your experience with the bylaw?

2) How supportive are you of the proposed changes?

What has been working for you? Is there a change you are supportive of?

3) What additional changes should the City consider?

What could be done differently? Is there a change you are concerned about?

Short-Term Rental Bylaw Update

NEXT STEPS

Reporting Timeline

- **October 2023** – Stakeholder Engagement Sessions and Public Consultations
- **Early 2024** – Report to Planning and Housing Committee and Council

Feedback Timeline

- Written feedback can be submitted to mlsfeedback@toronto.ca and an [online survey](#) can be completed until October 30, 2023.

THANK YOU!