

# Short Term Rentals

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# Presentation Outline

- Background
- Key Considerations
- Consultation & Engagement
- Proposed Regulations
- Enforcement Strategy
- Conclusion & Next Steps

# Background

## **March 25, 2019:** Regulatory Review

- Council identified Short Term Rentals (STR)

## **November 5, 2019: Ward 6 Meeting**

- Meeting with residents to address community concerns relating to public safety

## **December 10, 2019:** Public Information Centre

- Input and feedback received
- Online survey posted on [HeyNewmarket.ca](https://www.heynewmarket.ca)

## **February 3, 2020:** Committee of the Whole

- Staff presented a licensing framework
- Council directed staff to take a phased approach, bringing a licensing by-law in May 2020 and zoning amendments in August 2020

## **May 19, 2020:** Outstanding Matters List

- Council approved bringing forward a licensing by-law in June 2020

# Background

## What is a Short Term Rental?

- All of part of a dwelling unit used to provide sleeping accommodations
- Rental period is less than 28 days
- It is the exchange of accommodation for payment
- Includes bed and breakfasts
- Does not include hotels or motels

# Background

## Zoning By-law 2010-40

The following table establishes the *uses* permitted in the Residential Zones:

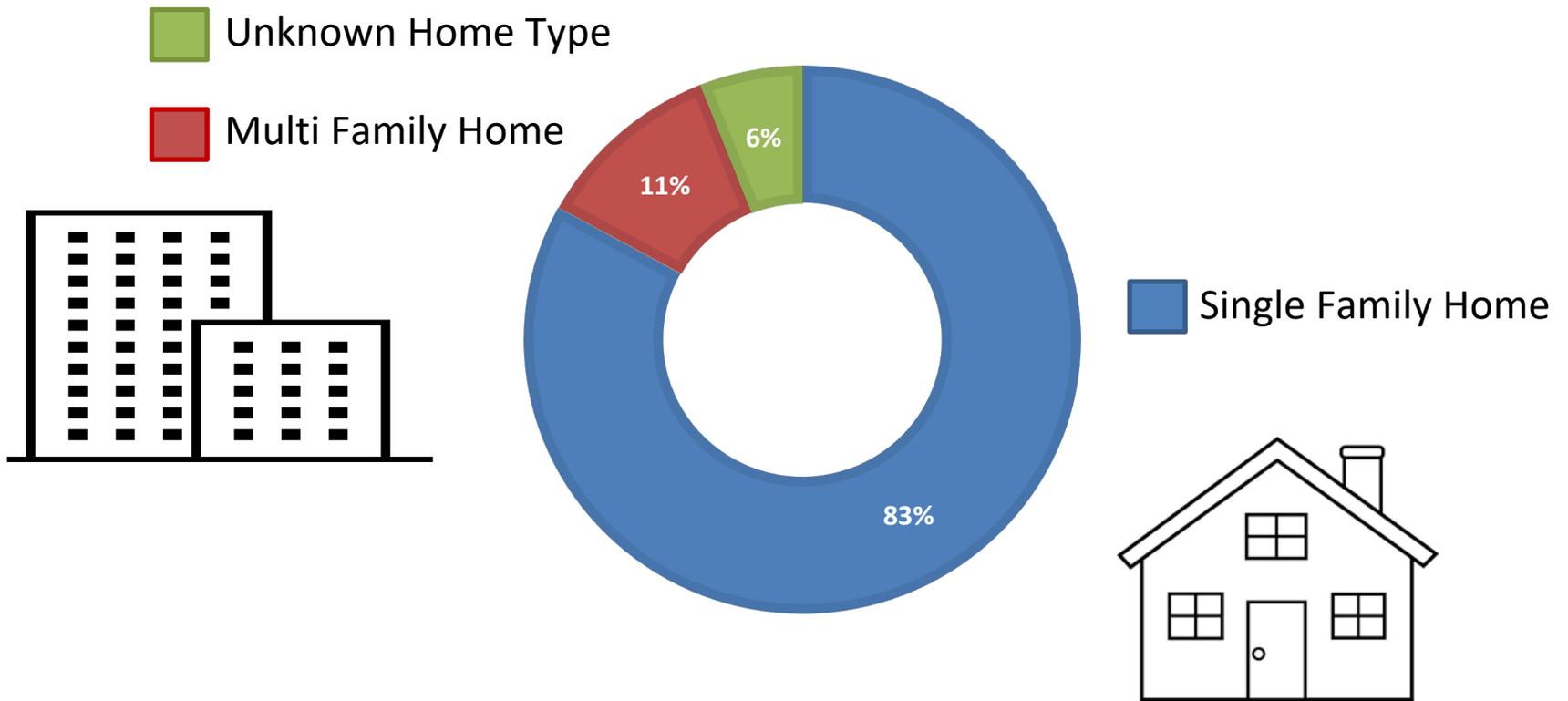
Permitted Use	R1	R2	R3	R4	R5
<i>Dwelling Unit, Accessory</i> (*1)(*2)	.	.			
<i>Dwelling, Back to Back Townhouse</i> <i>By-law 2014-51</i>				.	
<i>Dwelling, Detached</i>	.				
<i>Dwelling, Link</i>		.			
<i>Dwelling, Semi-Detached</i>		.			
<i>Dwelling, Duplex</i>			.		
<i>Dwelling, Triplex</i>			.		
<i>Dwelling, Fourplex</i>			.		
<i>Dwelling, Quadruplex</i>				.	
<i>Dwelling, Maisonette</i>				.	
<i>Dwelling, Townhouse</i>				.	
<i>Dwelling, Stacked Townhouse</i>				.	
<i>Apartment Building</i>					.
<i>Bed and Breakfast Establishment</i> (*3)	.				
<i>Home Occupation</i> (*4)	.	.	.	.	.
<i>Private Home Daycare</i> (*5)	.	.	.	.	.
<i>Group Home</i> (*6)(*7)	.	.	.	.	.
<i>Accessory Residential Structures</i>	.	.	.	.	.
<i>Accessory Uses as per Section 4.1.1</i>	.	.	.	.	.

- Bed & Breakfasts are currently permitted within R1 zones
- R1 zones include single detached dwellings

(\*3) *A bed and breakfast establishment shall only be permitted in a detached dwelling. Such an establishment is not permitted in an accessory dwelling unit.*

# Background

## Existing STRs in Newmarket

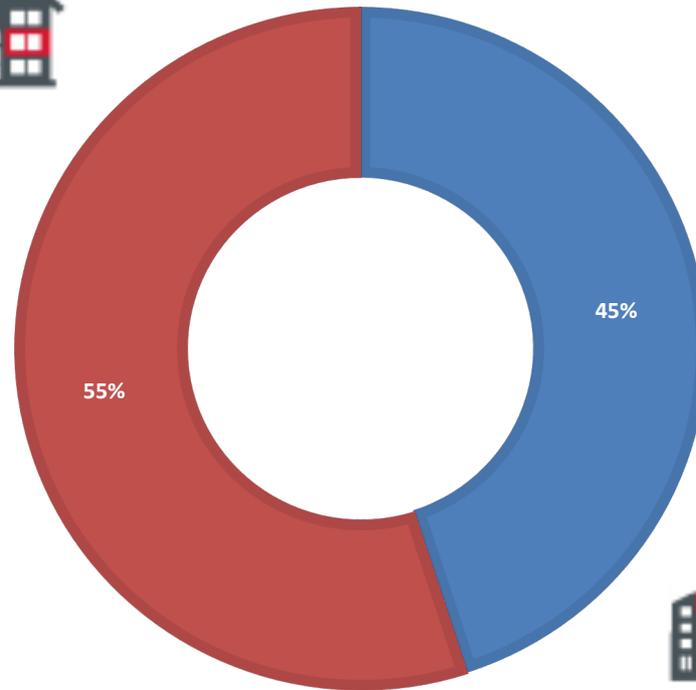


# Background

## Existing STRs in Newmarket



 Entire home rental



 Partial home rental



# Key Considerations

- **Public Safety**
  - Protect neighbours and residents
- **Neighbourhood Impact**
  - Ensure residential neighbourhoods maintain their character
- **Regulatory Compliance**
  - Noise
  - Nuisance behaviour
  - Parking
  - Garbage
- **Housing Affordability & Availability**

# Consultation & Engagement

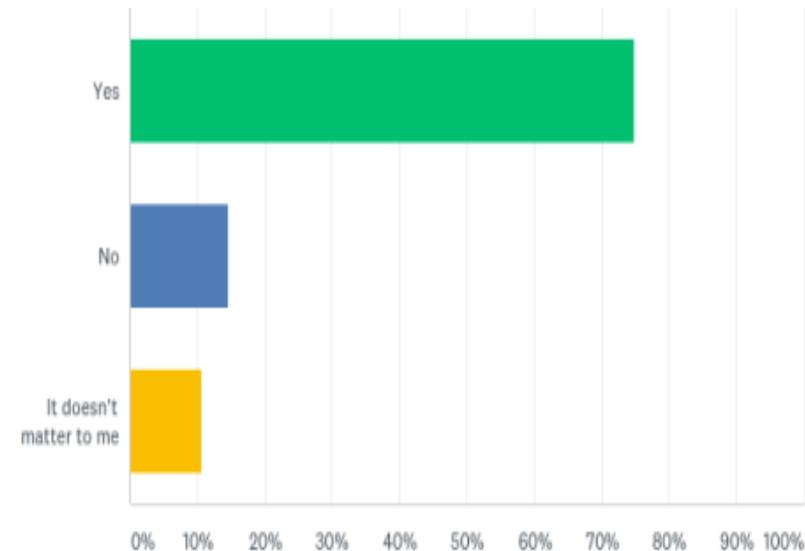
During the public consultation period, staff received the following community feedback:

- Introduce regulations to mitigate neighbourhood impact;
- Hold STR operators accountable for their guests;
- Ensure there is someone available to respond to complaints received at all hours of the day;
- Do not allow 'party-houses'; and
- Do not allow commercialized operations (maintain residential character in neighbourhoods)

# Community Feedback

- *“If an owner is required to be present during the rental, how would this be enforced? Also consider # of received complaints of the mapped STR's, and shut them down after 2-3 complaints.”*
- *“Limits, licensing and regulation that are rigorously and fairly enforced are essential to protect all concerned.”*
- *“It might be a good idea to publicize which residences are being listed STR so that residents can confirm that is the case when different use patterns are observed.”*

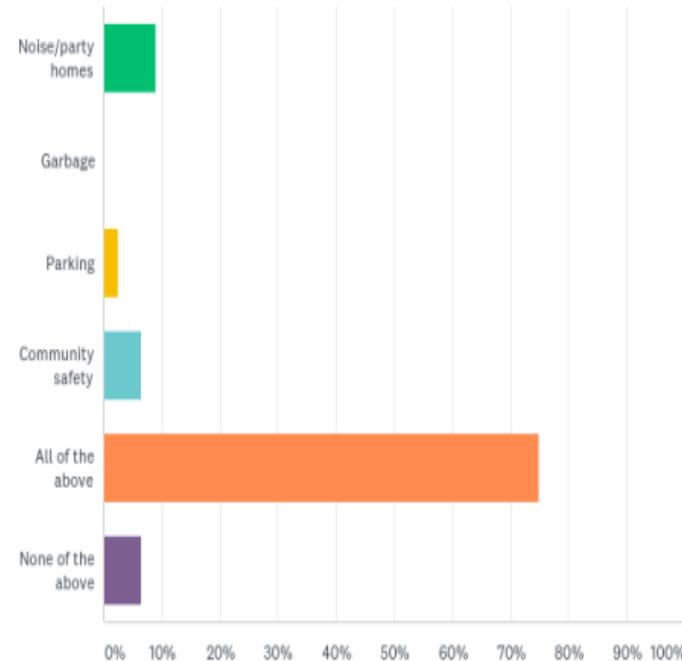
**Should STR operators be present in the home while the STR is being used?**



# Community Feedback

- *“If they are allowed to continue the owner should be home.”*
- *“We have friends in Barrie, St Catherine’s, Niagara, Huntsville , Muskoka and they are constantly complaining regarding noise, garbage issues and parking issues with short term rentals as owners are not present to deal with issues and police are too strapped to handle this type of issue on an ongoing basis.”*
- *“Have observed that owners of short term rentals are often investors that are not even in the country or close by and cant intervene if there are issues with the house in the community. Please end air bnbs in newmarket!!”*

What concerns you about STRs?



# How Did We Address This?

- **Out of Town Operators**
  - All operators are required to be onsite while business is conducted
  - All operators must respond to complaints received within 2hrs of a complaint being made
- **Publicize STR Locations**
  - Licensed STRs will be required to have a sign posted to identify the property as an STR

# How Did We Address This?

- **Mitigate Community Concern**
  - Limit the number of guests permitted per booking
  - Limit the number of rooms permitted
- **Hold Operators Accountable**
  - Demerit Point system introduced
  - All violations are enforceable under AMPS

# Proposed Regulations

1. Require every STR to obtain a business licence and post a sign on their property to identify the premises as a rental property
  - Mandates Town approval and ensures Town has contact info of operator
  - Ensures community is aware of STR property
  - Ensures compliance with Town by-laws prior to being issued a licence

# Proposed Regulations

2. No more than one (1) STR or Bed and Breakfast is permitted on a lot and within one (1) dwelling unit on a lot
  - Ensures one (1) business per property
  - Minimizes community concerns
  - Eliminates commercial operations

# Proposed Regulations

3. One (1) off-street parking space for each bedroom rented must be provided plus off-street parking spaces for the permanent resident(s)
  - Minimizes on-street parking issues
  - Complies with applicable zoning regulations

# Proposed Regulations

4. A maximum of six (6) guests and three (3) bedrooms are permitted to be rented for STR or Bed and Breakfast use
- Mitigates community concerns such as:
    - House parties
    - Noise
    - Nuisance behavior
  - Consistent with existing zoning regulations

# Proposed Regulations

5. Require a permanent resident to be the operator and licence holder, available to respond to complaints within two (2) hours

- Operator is required to reside onsite while STR or Bed and Breakfast booking is taking place
- Must be able to respond to complaints within two (2) hours of being contacted
- Minimizes impact to surrounding community

# Proposed Regulations

6. Require the property be equipped with life safety features, such as smoke detectors and fire extinguishers
  - Ensures premises is safely equipped
  - Maintains minimum standards for life safety

It is relevant to note that upon additional regulations proposed through a zoning review, increased life safety requirements will be recommended

(eg. entire dwelling rentals = ESA, fire separations, etc)

# Proposed Regulations

## 7. Ensure compliance with the Zoning By-law

- Includes single family dwellings (R1 zones)
- During Phase 1: STRs are room-rentals
- During Phase 2: Entire units will be considered by Council with zoning amendments

# Proposed Regulations

8. Introduce a Demerit Point System for objective enforcement practices
  - Promotes compliance with all Town by-laws
  - Ensures minimum impact to surrounding community
  - Suspends or revokes a business licence for non-compliance

# Proposed Regulations

## Licensing Fee Structure (Tiered licensing fee proposed)

- 1 bedroom = \$150
- 2 bedrooms = \$300
- 3 bedrooms = \$450

These numbers are calculated based on best practices across North America

- Host Compliance advised that most municipalities calculate their annual licensing fee by multiplying the average nightly rental cost by 3
- Newmarket average nightly rental rate = \$57 per bedroom

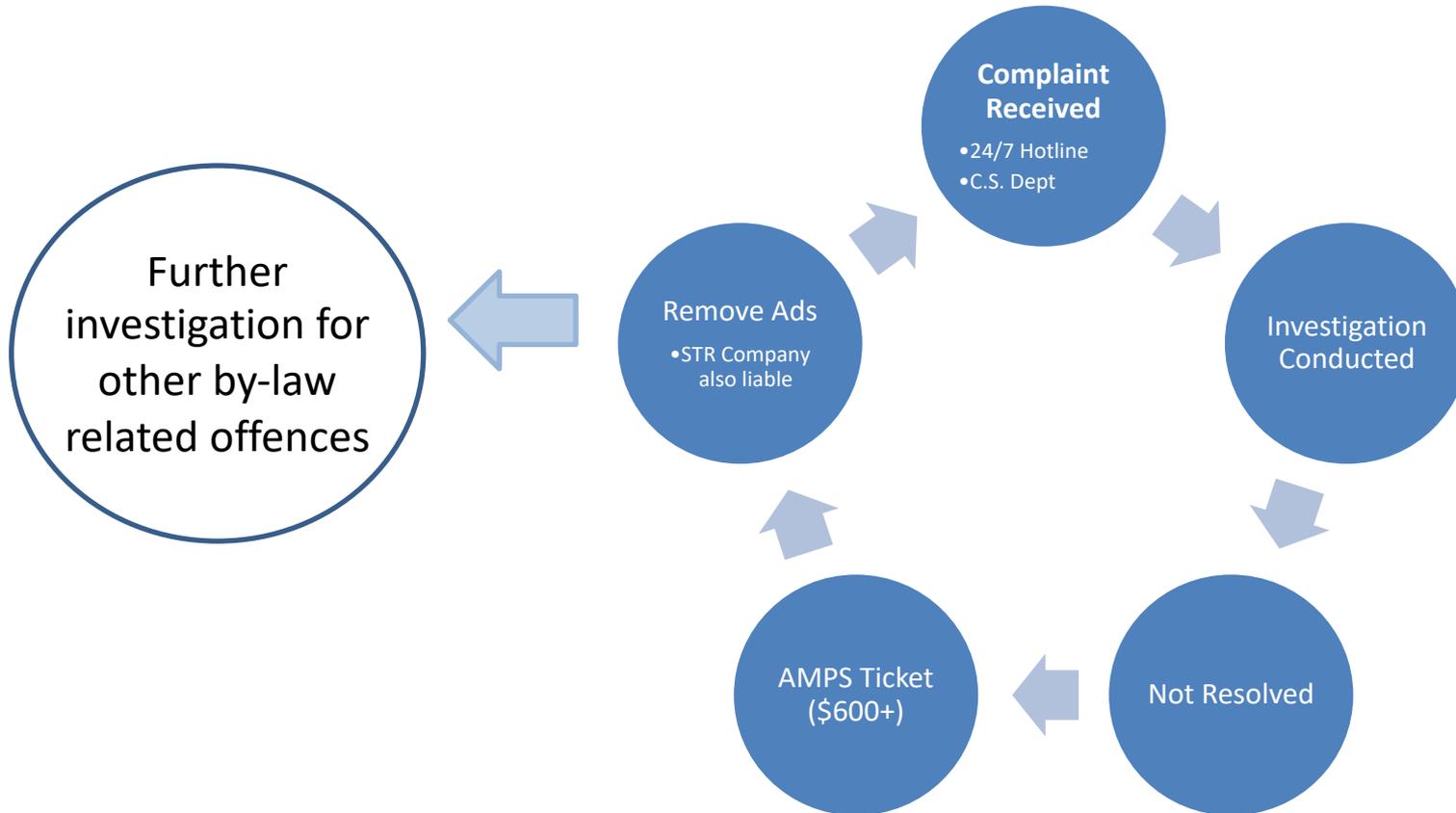
# Proposed Regulations

## **STR Companies**

- Platforms are required to register with the Town and only list licensed operators
- All ads must have the Town's business licence number posted
- One-time \$5,000 licensing fee required to allow companies to market, advertise or facilitate STR bookings within the Town of Newmarket
- Ongoing fee of \$1 for every night booked through the STR Company will be remitted to the Town
- Innovative approach that is consistent with City of Toronto

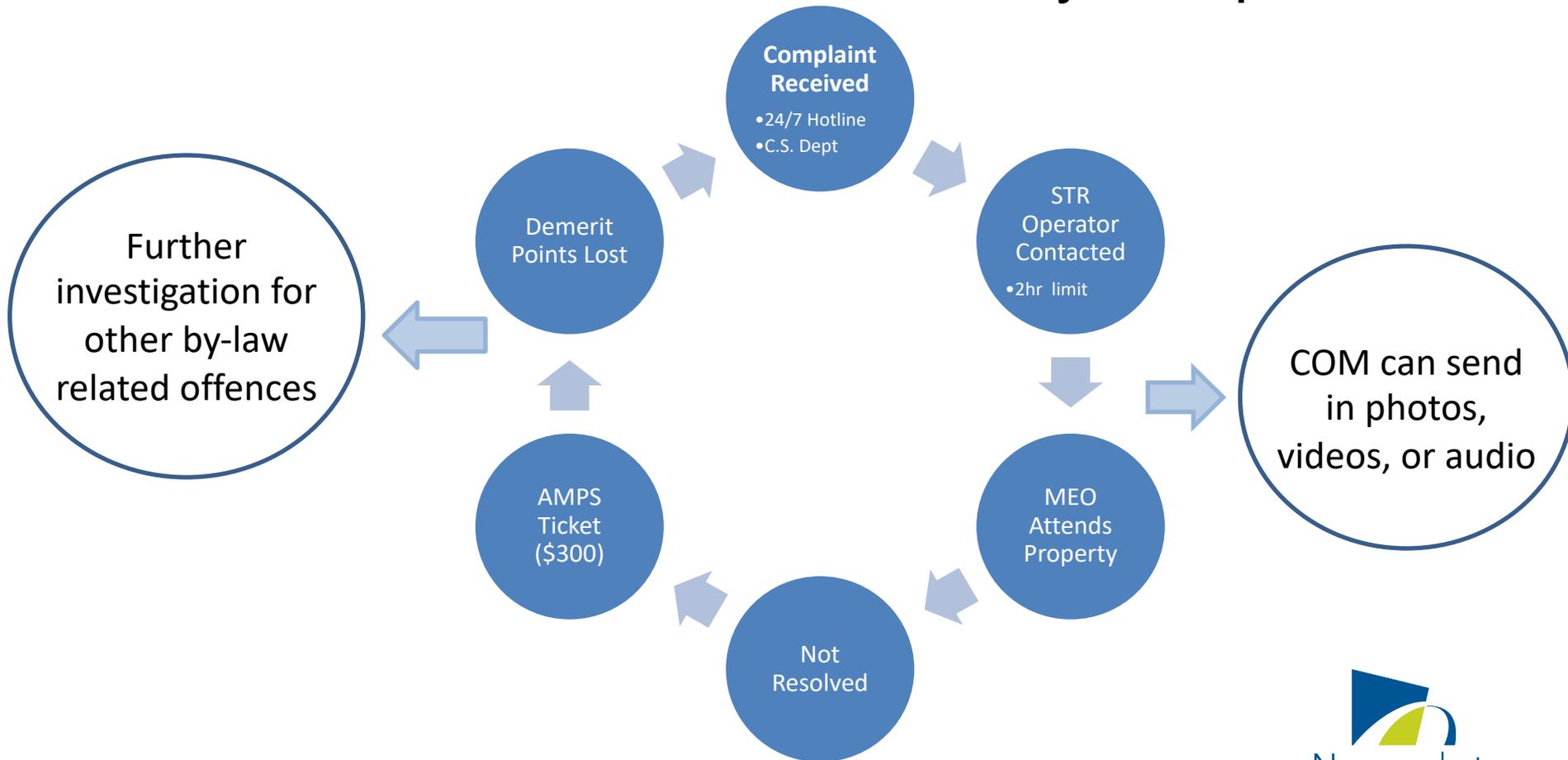
# Enforcement Strategy

## Scenario #1 – Operating w/o BL

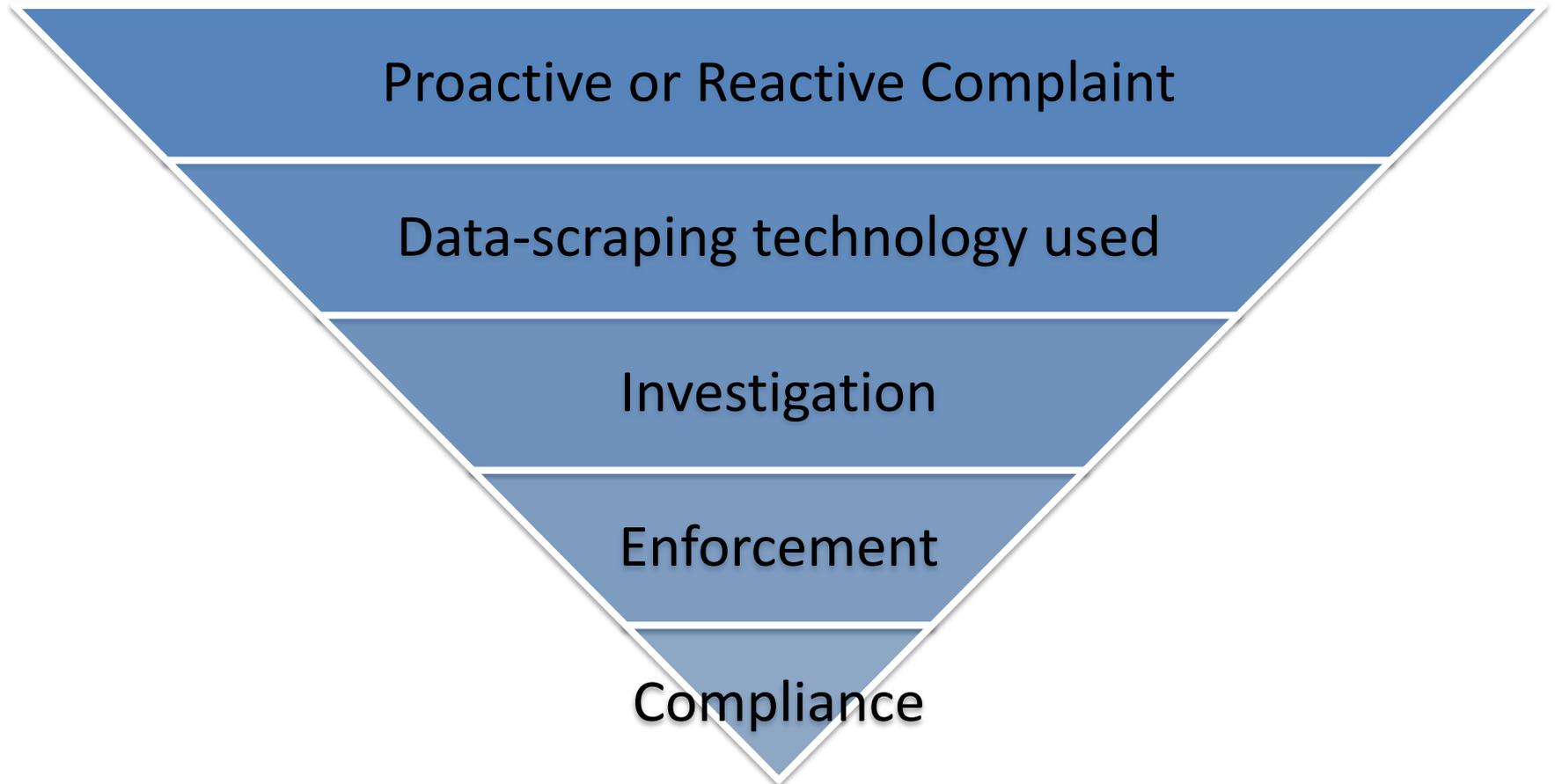


# Enforcement Strategy

## Scenario #2 – Noise/House Party Complaint



# Enforcement Strategy



# Enforcement Strategy

## Proactive or Reactive Complaint

- Municipal Enforcement Officers (MEOs) will receive community complaints but also proactively seek out unlawful STRs using data-scraping technology

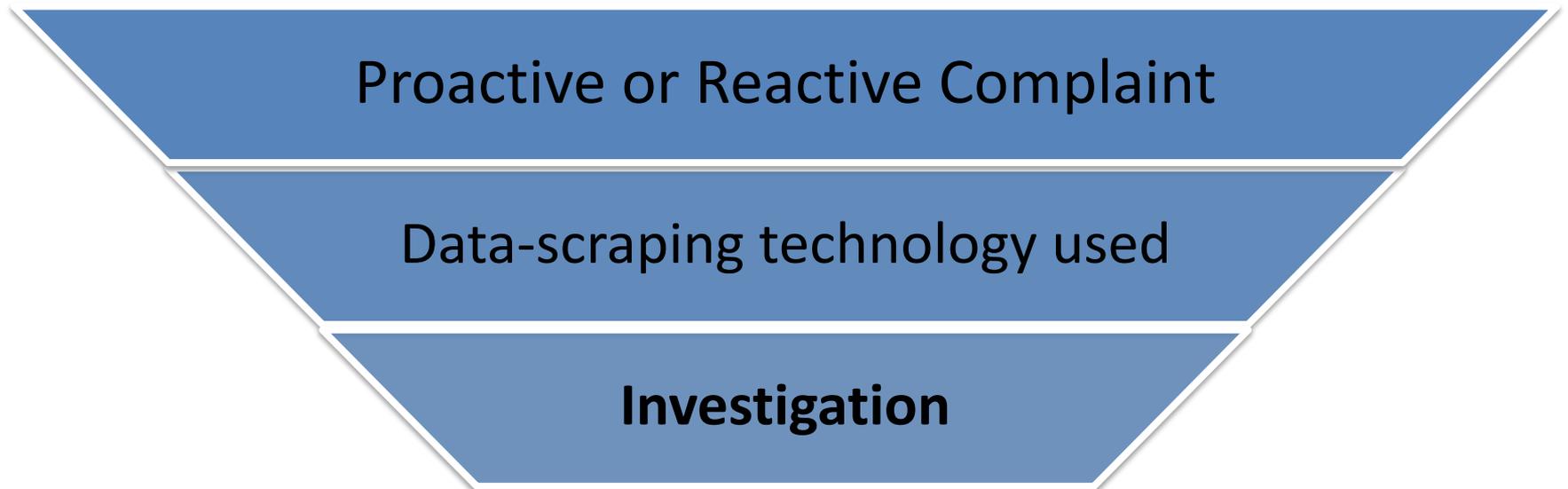
# Enforcement Strategy

Proactive or Reactive Complaint

**Data-scraping technology used**

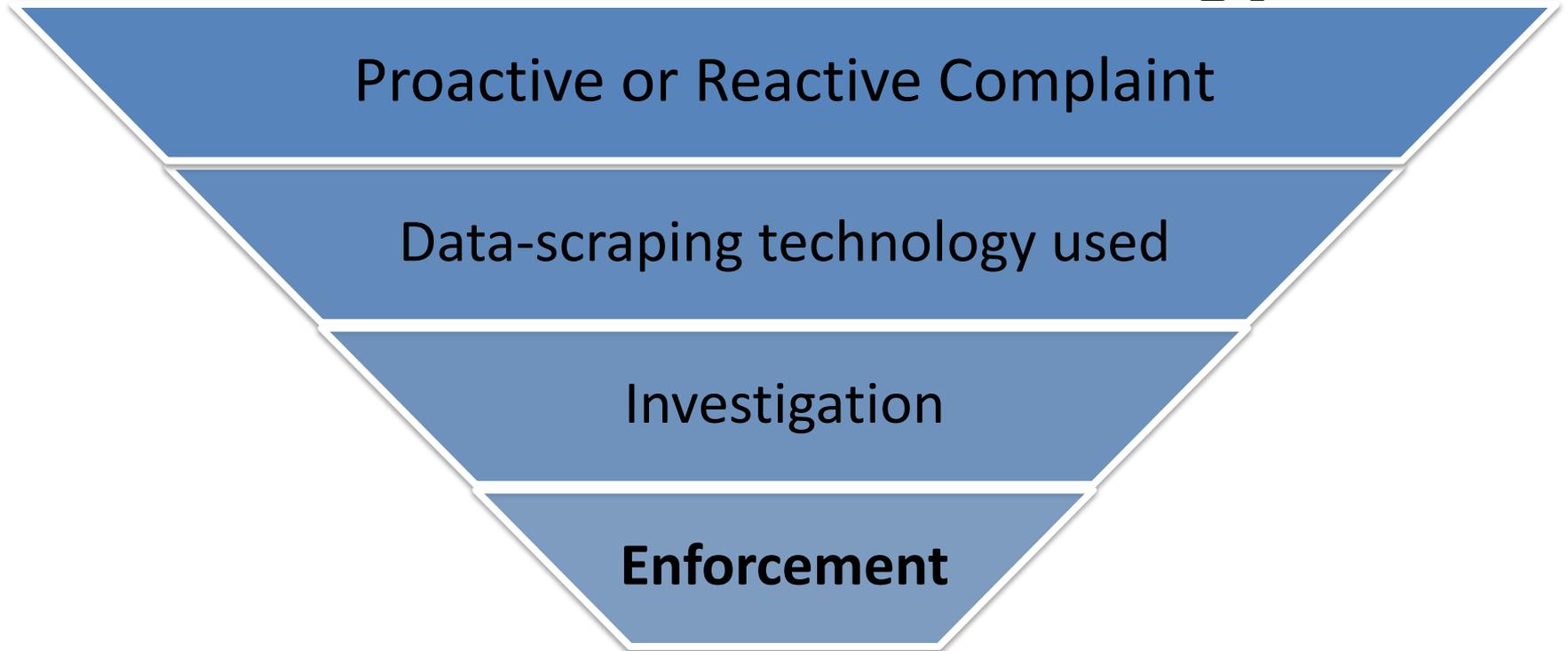
- 24/7 Hotline for complaints at all hours
- Address identification technology for unlicensed properties
- Ability to screen shot listings, booking calendars, and reviews

# Enforcement Strategy



- MEO investigates using complaint information received through 24/7 hotline or C.S. complaint

# Enforcement Strategy



- All regulations proposed are enforceable
  - ✓ No BL = \$600 fine
  - ✓ Advertise w/o BL = \$300 fine
  - ✓ Failure to respond w/i 2hr = \$300 fine
  - ✓ Noise, garbage, parking = ~\$200 fine (each)
- Plus demerit points applied to BL for noncompliance

# Municipal Accommodation Tax

- Introduced in 2017 by the Province of Ontario
- All temporary accommodation providers may be required to pay a per booking fee percentage on rentals within the Town
- 50% of the tax collected be used for tourism promotion and development
- Due to COVID-19, staff are recommending that Council defer their consideration on moving forward with public consultation on a MAT until early 2021

# Conclusion & Next Steps

- A licensing by-law is being proposed to regulate STRs within R1 zones
- Phase 1 includes room-rentals only
- Further considerations regarding entire dwelling unit rentals and other building types (eg. apartments or multi-unit dwellings) will be reviewed at a later date
- Zoning amendments to be considered in Phase 2

# Questions?

