



1000 Islands International  
Tourism Council –  
Bi-national Tourism Summit 2024

# Land Acknowledgement

The Tourism Industry Association of Ontario (TIAO) and Indigenous Tourism Ontario (ITO) recognize that all of our work, and the work of our community partners takes place on the traditional territories of the Anishinabek, Cree, and Haudenosaunee.

We acknowledge and respect that there are 46 treaties and other agreements that cover the territory we now call Ontario.

We acknowledge and embrace that all Ontarians are treaty people.

TIAO is thankful the original hosts welcomed visitors to work, live and benefit in these territories.

TIAO is thankful for the Anishinabek, Cree, and Haudenosaunee who have cared for these territories for thousands of years.

TIAO is thankful for the Indigenous community who continues to contribute to the strength of Ontario.

TIAO and ITO are honoured to collaborate with each other and to serve the wide variety of Indigenous and non-Indigenous businesses, stakeholders and communities throughout the territory.

# Tourism Industry Association of Ontario



**TIAO is the voice of tourism across Ontario, our focus includes:**

- Advocacy & member programs to ensure tourism industry's economic sustainability and growth,
- Membership of tourism operators, destination marketing organizations, regional tourism organizations, sector associations, supplier community, municipalities, economic developers, and educators,
- Federal, Provincial, & municipal governments, and
- 2024 Priorities: marketing, infrastructure, workforce, & data.

# Ontario/RT09 Industry Performance

## STR August 2024 Y/Y:

- Occupancy +2.8% (54.1%) (+3.2%, 63.3%)
- ADR +23% (\$217.75) (+5.6%, \$257)
- REVPAR +22.9% (\$117.84) (+11.2%, \$163.11)
- # of listings -7.4% (71, 273) (+3.9%, 4380)

## Hotel August 2024 Y/Y:

- Occupancy +1.6% (80%) (-1.9%, 73.4%)
- ADR +6.2% (\$231.03) (+13.4%, \$210)
- REVPAR +8.3% (\$184.83) (+5.9, \$144.84)

## STR Year to Date Y/Y:

- Occupancy -1.2% (42.8%) (+0.2%, 45.2%)
- ADR +10% (\$172.33) (+3.1%, \$224.81)
- REVPAR +7.1% (\$73.83) (+3.5%, \$101.60)

## Hotel Year to Date Y/Y:

- Occupancy -0.4% (68%) (-3.6%, 60.9%)
- ADR up 4.1% y/y (\$205.29) (+6.3%, \$167)
- REVPAR up 3.5% (\$139.56) (+0.4%, \$96.49)

\*Ontario  
\*RT09

\* Data: Ontario Ministry of Tourism, Culture and Gaming

# Short-Term Rental Landscape

- Approximately 57 municipalities with STR regulation (13%).
  - Driven by need to level playing field & community impact,
- No provincial regulation in Ontario (Exists in BC, QC, PEI),
- Municipal Accommodation Tax now include most STR operations/regulations – BUT enforcement of collection & remittance needs improvement, and
- Current approach allows municipalities to address unique market challenges & dynamics, but gaps have emerged
  - Variety of contexts among large, mid- and small-municipalities.

# Value of Short-Term Rentals

- Can be a source of accommodation when traditional operators are not present in market,
  - E.g., Smaller, rural communities,
- Allows for expansion of the number of hotel rooms in a market when traditional hotels cannot be built or require time to be built,
- Offers choice in market for unique demographics/needs e.g., large groups/families, and
- Engages local community members in visitor economy.

# Common Ontario STR Structures

## Licensing:

- Most require mandatory registration process,
- Either One-time or annual licensing fees are often required
  - o Fee rates are on the rise,
- Compliance with key safety standards are common:
  - Ontario Building Code,
  - smoke alarms/ CO2 monitors,
  - fire extinguishers,
  - exit markings,
  - insurance liability thresholds, etc., and
- Some require property inspections for safety and maintenance.

# Common Ontario STR Structures

## Principal Residence Criteria:

- Municipalities have started including principal residence provisions:
  - e.g., Toronto, Ottawa, Mississauga, Kingston, Brampton, Vaughan, Windsor, and
  - Typically, large and mid-sized, but some smaller communities as well, and
- Further limits on number of days, e.g., 180 days in Toronto, Mississauga.
- Goals:
  - Balance income potential for homeowners with protection of long-term housing,
  - Protect consumers, responsible hosting,
  - Started in Toronto in 2020.



# Common Ontario STR Structures

## Zoning Criteria Trends

- Identifying approved locations/density, e.g. Huntsville, Town of Blue Mountains,
- Limiting property types, and
- Managing impact on local communities:
  - Noise (Noise Aware technology, Outdoor hot tub bans, on-site/near-site managers),
  - Volume (number of people per unit/room, limits to parking use),
  - Property maintenance standards, and
  - Heritage / Character requirements, Niagara on the Lake, Stratford.

# Best/Emerging Practices

- Demerit systems,
- Annual or regular renewals,
- Annual or regular registration fees to cover costs of bylaw and enforcement,
- Seasonal restrictions to either manage peak seasons or activities (e.g., Wasaga Beach, Stratford),
- Including environmental and sustainable factors (E.g., Kawartha Lakes waterfront protections),
- Requirements for licensing to be displayed at location and within all online/marketing channels,
- Regular resident community consultations/surveys to assess impact and shape regulatory enhancements,
- Collaboration between traditional accommodators and STR operators in destination development, and
- Host compliance software to ensure MAT collections, More MATs are coming online and including STRs at launch
  - Revenue opportunity for destination development and municipality.

# Impact on Housing Availability

## Number of Units

- Dec 2023, 74, 000 Units on Airbnb, 51.4% active on any given day

## Revenue & Costs

- July 2023, \$258 million in monthly revenue
- Average monthly revenue is \$6700
- Almost 5X average monthly rental revenue of \$1408

## Concentration & Impact

- Top 10% earned 43.8% of revenue
- 2021/22, shift to 28 day minimum to avoid regulation
- Almost 5X average monthly rental revenue of \$1408
- Dec 2023, 12, 860 units from long-term housing to STR uses. Growth of 11.2% y/y
- Operations shift to neighbouring municipalities
- 63% of hotel operators note that employee housing is a main barrier to recruitment (ORHMA)
- Federal Government announced elimination of tax deductions on illegal STRs, launched \$50 million STR enforcement fund (P/T/M)

## Data:

- Urban Politics and Governance Group, School of Urban Planning, McGill University
- Ontario Restaurant, Hotel, Motel Association

# What's Next?

- Preliminary advocacy driven by levelling the playing field for accommodation industry and localized community impact,
- Next generation advocacy and municipal planning needs to look at broader economic and societal impacts: housing market balance, infrastructure and sustainability planning, maximizing revenue (MAT/Licensing) for management,
- Rethink the role of Province in setting goals / priorities with overarching regulations (e.g., protect housing stock) while enabling local government to shape local nuance and community needs, and
- More collaboration and shared responsibility among municipalities, traditional accommodators, STR owners, STR platforms, DMOs and tourism stakeholders in destination planning, marketing, and management investment.

# Thank you!

Let's stay  
connected.



TIAOtweets



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TIAOgram



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