



Report to: General Committee

Meeting Date: April 21, 2026

SUBJECT: Regulation of Short-Term Rentals (STRs) in the City of Markham

PREPARED BY: Marco Francisco, Supervisor, Business Licensing and Standards
Martha Pettit, Deputy Clerk
Kimberley Kitteringham, City Clerk

RECOMMENDATION:

1. That the report entitled “Regulation of Short-Term Rentals in the City of Markham” be received; and,
2. That Development Services Commission staff be requested to prepare for consideration by the Development Services Committee, a proposed City-wide amendment to the City’s Comprehensive Zoning By-law to permit short-term rentals; and,
3. That Council approve the establishment of a regulatory framework for short-term rentals operating in the City of Markham as outlined in this report; and,
4. That once the necessary amendment to Markham’s Comprehensive Zoning By-law has been completed, Legislative Services staff bring forward to Council a Short-Term Rental Business Licensing By-law to regulate short term rental platforms operating within the City of Markham; and further,
5. That staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Short-term rental accommodations (STRs) are becoming increasingly common across Ontario, including in the City of Markham. Staff estimate that approximately 1,100 STR properties are currently operating within the City. In addition, the Contact Centre receives an average of approximately 95 STR-related complaints each year.

Markham’s Comprehensive Zoning By-law (CZB) currently does not permit STRs in any residential zone. As a result, the City’s ability to effectively regulate these operations and ensure consistent, equitable licensing requirements is limited. Despite this prohibition, STRs continue to operate in Markham. This disconnect between the existing regulatory framework and current activity highlights the need for a clear and enforceable approach



to manage STRs, establish standards, and ensure they operate only in appropriate locations with safeguards to protect the community.

This report recommends amending the CZB to permit STRs in Markham, alongside the introduction of a comprehensive business licensing framework. The proposed approach is designed to enhance operator accountability, ensure compliance with health and safety requirements, improve transparency, and protect neighbourhood character and livability.

The report also outlines key components of the proposed framework, including licensing requirements and fees, platform accountability measures, enforcement processes, and compliance monitoring tools. To allow time for public consultation, system development, and implementation, staff recommend that the new licensing framework come into effect on July 1, 2026, subject to Council approval of the necessary zoning amendments and the proposed Short-Term Rental Business Licensing By-law.

PURPOSE:

The purpose of this report is to obtain Council direction to proceed with proposed amendments to the City of Markham's Comprehensive Zoning By-law (CZB) respecting short-term rentals (STRs). Final approval of any zoning amendments would occur following the required statutory public meeting. The proposed amendments would enable STRs in Markham and support the implementation of a comprehensive licensing and regulatory framework for STR operators. This framework is intended to address community considerations such as public safety, and neighbourhood impacts, while ensuring STRs are operated responsibly and contribute positively to Markham's local economy.

BACKGROUND:

Short-term rentals (STRs) are residential properties rented for temporary stays, typically for less than 28 days. A short-term rental refers to all or part of a dwelling unit that is rented for fewer than 28 consecutive days in exchange for payment. Dwelling Unit means a unit consisting of one or more rooms, which contains cooking, eating, living and sanitary facilities and is not a large or small scale rooming house. This definition includes bed and breakfasts (B&Bs) but excludes hotels, motels, and dwelling units used as student residences that are owned or operated by publicly funded or not for profit educational institutions. It also excludes any accommodation provided without payment.

Markham City Council last considered STRs in May 2018 as part of the CZB deliberations and resolved not to allow them in Markham. Since this time, STRs have continued to grow in popularity in Markham (and elsewhere), driven by online platforms such as Airbnb, VRBO, and Booking.com. These platforms have also matured significantly over time and are now widely accepted and trusted by users, offering standardized booking processes,



user reviews, and enhanced consumer protections that have contributed to their mainstream adoption.

Based on a preliminary scan of publicly available online listings, staff estimate that 1,100 short term properties are currently being advertised in Markham across multiple platforms; however, the actual number of unique STR units is lower due to duplicate or overlapping listings appearing on more than one platform. Unlike hotels, unlicensed short term rental accommodation is not currently subject to the remittance of the Municipal Accommodation Tax (MAT).

The City receives approximately 95 inquiries or complaints each year through the Contact Centre that may be associated with short-term rentals. These calls represent a small fraction of overall service requests. Most concerns relate to common neighbourhood issues such as noise, parking, or property upkeep which can occur in any residential setting. Following investigation, many of these inquiries or complaints are found not to involve short-term rental activity at all. While STRs can generate economic benefits by supporting tourism, they have also raised concerns regarding public safety, infrastructure demands, and neighbourhood stability.

Currently, Markham's CZB does not permit STRs in any residential zone, which limits the City's ability to effectively regulate this activity and ensures that all accommodation providers operate under equitable licensing requirements. Municipalities across Ontario, including Toronto and Ottawa, have introduced zoning permissions and licensing systems to manage STRs in a controlled and balanced manner. To address similar challenges and ensure the responsible operation of STRs within Markham, a clear and modern regulatory framework is required, one that protects the integrity of residential neighbourhoods while enabling appropriate STR activity.

Current Assessment of STRs Operations in Markham:

Current information from major short-term rental platforms indicates that at any given time, approximately 1,100 short-term accommodation active listings are currently being offered in the City of Markham, with most listings advertised through (Airbnb, VRBO, and Booking.com). However, the true number of unique units is lower due to duplicate or overlapping listings. These accommodations are typically smaller units, including condominium apartments, basement suites, or private rooms within residential homes, with one-bedroom units representing the largest portion of listings.

Short-term rentals are most often located in areas with higher housing density and convenient access to transit and commercial services, including Unionville and Downtown Markham, the Highway 7 corridor near Markham Centre, the Cornell area near Markham Stouffville Hospital, parts of Thornhill near Yonge Street and Steeles Avenue, and the Milliken/Pacific Mall area near Kennedy Road and Steeles Avenue. While the overall



number of listings represents a small share of the City's total housing supply, they tend to concentrate in specific neighbourhoods close to transportation routes, commercial destinations, and City attractions.

From January 2023 to March 2026, the number of STR investigation files opened by By-law Services have declined (376 in 2023; 108 in 2024; 161 in 2025; 32 in 2026 to-date with only 1 charge laid). When inquiries or complaints are received, Officers review available evidence and online listings to determine whether a property is operating in violation of regulations. Where violations are identified, property owners are directed to remove listings and cease operations, with further enforcement measures available if compliance is not achieved. A small number of complaints referenced potential "party houses," though most were closed with no evidence of such activity and addressed through standard enforcement processes where required.

Municipal STR Regulatory Scan:

Many municipalities across Ontario have implemented regulatory frameworks to license short-term rentals (STRs) to balance tourism and homeowner benefits with concerns related to housing supply, neighbourhood character, and public safety (see jurisdictional scan attached as **Appendix A**).

For example, the City of Toronto requires STR operators to register and obtain a municipal license, and to display their registration number on all listings. Toronto permits STRs only within a host's principal residence (where the operator ordinarily resides); secondary or investment properties are not eligible. Entire-home rentals are limited to a maximum of 180 nights per calendar year, while room rentals within an occupied dwelling are permitted without the same cap¹. The City also enforces compliance with the Fire Code, requires emergency contact and exit information to be posted, and retains authority to conduct inspections.

Similarly, the City of Mississauga has established a licensing program that permits STRs only within a host's principal residence, whether a house, condominium, or apartment. The annual licence fee is \$250. Secondary suites or basement apartments may qualify where they form part of the principal residence, provided operators comply with zoning, safety requirements. Mississauga applies enforcement measures, including fines, to address non-compliance and deter unauthorized STR activity.

Other municipalities have adopted comparable regulatory approaches. For instance, the City of Hamilton implemented a licensing framework for both operators and online platforms in January 2023. In more rural or cottage-area municipalities, such as the Towns of Bracebridge, Gravenhurst, and Township of Muskoka Lakes, STR by-laws may include additional operational requirements, such as standards for parking, noise, garbage



management, and guest codes of conduct, often accompanied by higher licensing fees and stricter penalties for violations.

Overall, Municipalities that regulate STRs follow a common set of policy principles, which is supported by mandatory licensing or registration, enforcement of health and safety standards, and the application of usage limits or other operating conditions. While these core principles are widely shared, the specific regulatory details such as fee structures, enforcement models, and eligibility criteria vary significantly based on local housing conditions, community priorities, and municipal policy objectives.

OPTIONS/ DISCUSSION:

CZB Amendment:

To implement the proposed STR regulatory framework in Markham, the City is required to amend Markham's CZB to permit STRs via a City-Wide Zoning Amendment. To do so, Markham City Council could direct Development Services staff to amend the CZB to permit STRs City-wide.

In accordance with the *Planning Act*, any changes to the CZB will require a statutory public meeting to be held. This requires notice to be given no later than 20 days prior to the meeting. Once Council has passed the appropriate changes to the CZB, it would then be subject to an appeal process. Specifically, following the passing by Council of the amendment, there is a 20-day period during which any registered owner of the specific lands to which the amendment applies can appeal.

Proposed Licensing Framework:

Once the City's CZB is amended, a comprehensive licensing program would be implemented to regulate STRs in Markham. A draft STR Licensing By-law is attached as **Appendix B**. In accordance with the proposed regulatory framework, the City would regulate online STR platforms (such as Airbnb, VRBO, and Booking.com) and homeowners would be required to go through a licensed platform to rent their residence(s) as an STR and to display their registration number on all listings.

Entire-home rentals are limited to a maximum of 180 nights per calendar year, while room rentals within an occupied dwelling are permitted with the same cap. The City will also require emergency contact and exit information to be posted and retain authority to conduct inspections.

Other key components of the proposed regulatory framework include:

Licensing Fees: A fee structure based on the type and scale of STR platforms ranging from \$500 to \$12,000 annually. These fees, along with a per-night booking fee for platform operators (\$2), will cover administrative and enforcement costs.



Platform size	Typical Annual	Fee
Small platform	(<10 listings)	\$500 – \$1,000
Medium platform	(10–50 listings)	\$1,000 – \$5,000
Large platform	(50–100 listings)	\$5,000 – \$10,000
Major platforms	(100+ listings or big cities)	\$10,000 – \$12,000+

Platform Accountability: STR platforms will be required to maintain a registry of all listings and ensure operators comply with the licensing requirements in addition to providing a declaration form from listed STR operators. The declaration shall indicate: 1. That the host complies with all applicable Fire Code and all other applicable municipal legislation and 2. That the host/platform will ensure any occupants comply with the City of Markham Bylaws such as, but not limited to, Noise By-law, Keep Markham Beautiful By-law, and Road Occupancy By-law. 3. As a condition of obtaining and maintaining a Short-Term Rental license in the City, each Online Platform shall be required to enter into a Municipal Accommodation Tax (MAT) Collection and Remittance Agreement with the City of Markham. Such agreement shall govern the Platform’s mandatory obligations respecting the billing, collection, remittance, and audit functions related to the MAT.

Compliance/Enforcement: The Business Licensing and Standards Unit within the Legislative Services Department is responsible for enforcing the STR regulatory framework, with a focus on education, complaints, and fines, using AMPS as the enforcement vehicle for non-compliance. The City will utilize specialized data-monitoring software to identify STR listings operating within Markham.

- The By-law & Regulatory Services Division is responsible for enforcement of the Noise By-law and the Keep Markham Beautiful By-law.
- Markham Fire & Emergency Services is responsible for ensuring compliance with the Ontario Fire Code, when required.

A process diagram explaining the regulatory framework is attached to **Appendix C**.

The proposed short-term rental (STR) licensing framework emphasizes platform accountability, requiring operators such as Airbnb, VRBO, and Booking.com to ensure compliance with applicable municipal regulations. The framework also reflects the City’s commitment to protecting public safety by ensuring that STR accommodation complies with applicable Fire Code, and other life-safety requirements.

The proposed approach is designed to avoid overly burdensome administrative requirements that have proven ineffective in some Ontario jurisdictions, while still enabling appropriate oversight and compliance. The framework aligns with the City’s existing licensing model for private transportation platforms such as Uber, Lyft, and Hopp, which has successfully operated in Markham since 2022.



FINANCIAL CONSIDERATIONS

The proposed STR regulatory framework is designed to operate on a revenue neutral basis by establishing a fee structure that fully recovers the City's administrative and enforcement costs. The framework introduces tiered annual licensing fees for STR operators, a per night booking fee applied to platform operators, and the application of the 6%.

An 6% Municipal Accommodation Tax will apply to the purchase of all short-term rental nightly accommodation. This amount will be collected and remitted by licensed short-term rental platforms on behalf of registered hosts which are in alignment with current practices for hotel accommodation providers. The City will need to execute the necessary agreements with each licensed platform to support the billing, collection, remittance, and auditing of MAT monthly. In the absence of verified platform level data, staff have developed conservative revenue assumptions based on observed market activity and available public sources. Using a range of approximately 500 - 750 STR listings, and the licensing fees listed, staff estimate the annual revenue as follows:

Revenue	Source Estimate Range	Notes
Licensing Fees	\$25,000 - \$55,000	Tiered fees based on operator scale
Per-Night Booking Fees (\$2/night)	\$100,000 - \$150,000	Assuming 500 - 750 STR property listing annually
Municipal Accommodation Tax (6%)	\$303,000 - \$454,000	Assuming 500 - 750 STR property listing annually
Total Estimated Revenue	\$428,000 - \$659,000	

In conjunction with the Business Licensing and Standards Unit, the Revenue Division is responsible for administering and overseeing all financial components of the STR regulatory framework, including the collection, reconciliation, and auditing of Municipal Accommodation Tax (MAT) remittances. Staff will work directly with licensed STR platforms to ensure accurate monthly reporting, verify host submitted accommodation information, and identify discrepancies and/or non-remittance through financial review and compliance auditing. The MAT revenue is shared with Destination Markham Corporation to help fund investments in destination marketing and event hosting; the City's portion is directed to support tourism-related infrastructure.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.



ALIGNMENT WITH STRATEGIC PRIORITIES

The proposed STR regulatory framework aligns with the following strategic priorities:

- **Growth Management:** ensures that STRs are regulated and integrated into Markham's residential areas in a way that supports community development.
- **Municipal Services:** ensures STRs meet safety and compliance standards, helping to preserve public health and safety while maintaining neighborhood stability.
- **Public Safety and Diversity:** promotes safety through regulatory compliance for all STR operators, ensuring that the diverse needs of the community are considered and respected.

BUSINESS UNITS CONSULTED AND AFFECTED:

Feedback from the following Departments are reflected in this report:

- Building Standards Department
- By-law & Regulatory Services
- Financial Services
- Information and Technology Services
- Legal Services
- Markham Fire & Emergency Services
- Planning and Development

RECOMMENDED BY:

Kimberley Kitteringham, City Clerk & Director, Legislative Services

Trinela Cane, Commissioner, Corporate Services and Commissioner, Development Services

ATTACHMENTS:

Appendix "A" – Municipal STR Regulatory Scan

Appendix "B" – Draft STR Business Licensing By-law

Appendix "C" – STR Diagram



ⁱ Under the Residential Tenancies Act, 2006 (RTA), a stay is generally covered if it constitutes a true tenancy (i.e., where the unit is the occupant's primary residence), whereas short-term rentals are typically defined as stays of less than 28 consecutive days. The 180-night cap is therefore also intended to prevent full-time commercial activity (i.e., full-time Airbnb-type units) and reinforce the distinction between long-term housing and short-term accommodation use. Restrictions are intended to preserve long-term housing supply by preventing the conversion of residential units into dedicated short-term rentals and by requiring that such rentals operate primarily within a host's principal residence. Limiting the number of rental days helps ensure homes remain occupied by permanent residents while reducing neighbourhood impacts such as noise, security concerns, and parking pressures associated with high guest turnover. The proposed 180-day limit balances these objectives by enabling residents to earn supplemental income while maintaining housing availability for much of the year.