



"Homes Are  
Not Hotels"

Oro-Medonte Good Neighbours Alliance

For Immediate Release  
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### **Ontario Land Tribunal Issues Written Reasons *Finds That Short-term Rentals are a Commercial Land Use***

Written reasons have been released by the Ontario Land Tribunal (OLT) for the brief oral judgement delivered by the hearing Chair, Sharyn Vincent, in March 2022. The oral judgement allowed the appeal by short-term rental operators of the Township of Oro-Medonte's By-law Amendment passed in 2020 which clarified the meaning of 'commercial accommodation'.

In its written reasons the OLT found that short-term rentals which are offered on electronic internet platforms are a commercial land use. The OLT categorized this activity as an *"income generating commercial use"* that permits the *"anonymous procurement of temporary unsurveilled occupancy of residential premises as commercial venues, more akin to a hotel than a residence"*.

This conclusion by the OLT that short-term rentals are a commercial use is entirely consistent with and validates the evidence and expert opinions provided to the OLT by the Township and Good Neighbours witnesses at the hearing. Previous decisions by the OLT and its predecessor, the Ontario Municipal Board (OMB), have also concluded that short-term rentals are a commercial land use.

The OLT written reasons for allowing the appeal, despite its finding that short-term rentals are a commercial land use, included a finding that short-term rentals over the internet could not have been contemplated by the underlying Zoning By-law as they did not exist when the Zoning By-law was enacted. This finding also appears to underpin concerns expressed by the OLT as to the process followed by the Township leading up to the passage of the By-law Amendment. It must be pointed out however, that the OLT's written reasons fail to recognize the well-established and fundamental planning principle that unless a land use is specifically permitted by the Zoning By-law, it is in fact prohibited. Short-term rentals have never been a permitted use in residential zones in the Township under the Zoning By-law. In 2014 Oro-Medonte established a new V1 zone in the Horseshoe Valley resort complex area as the only zone where short-term rentals are permitted.

The OLT decision only has the effect of nullifying the Township's By-law Amendment passed in 2020. It does not have any impact or effect on the underlying provisions of the Zoning By-law which were in effect prior to 2020. Those underlying provisions make it clear that only those short-term rentals operating within the V1 zone or those which began operation prior to 1997 when the Zoning By-law came into effect can legally operate in the Township. The Township confirmed this in its recently published

communication, “*Update Regarding Short-term Rentals in Oro-Medonte*” recently distributed to residents.

Good Neighbours Director, Dr. David Johnston commented:

“We believe that the OLT decision makes it absolutely clear that short-term rentals are a commercial land use. While we agree with this conclusion, we believe that the decision significantly erred in its failure to recognize the well-established and fundamental planning principle that the only land uses permitted are those that are specifically listed in the Zoning By-law.

Furthermore, since the decision applies only to the 2020 By-law Amendment which was a clarification on the definition of a short-term rental, the Township’s underlying Zoning By-law continues to apply. It is clear that short-term rentals are not a permitted use in any residential zone. Short-term rentals are legally permitted only in the specifically designated V1 zone or if the home owner began operation prior to 1997. All other forms of short-term rentals are prohibited.

Good Neighbours fully supports the Township’s appeal of the OLT decision that has already been filed and intends to fully participate in the appeal process. We also urge the Township to ensure that short-term rentals will continue to be prohibited in our residential neighbourhoods through the current Official Plan review process.”

The Good Neighbours Alliance fully supports the appeal of the OLT decision that has already been filed by the Township. Based on the errors identified in the written decision Good Neighbours believes that there are strong grounds for the appeal. The Good Neighbours Alliance intends to fully participate in the appeal and fully support the Township in its effort to have the OLT decision overturned.

It is also to be noted that a number of previous decisions of the OLT and the OMB have all upheld zoning provisions prohibiting short-term rentals in residential neighbourhoods, concluding that those prohibitions represent good planning. Notable is the OMB decision in 2009 in *Rosen v. Corporation of the Town of The Blue Mountains (PL080455)* and the 2021 OLT decision in *Keenan v. Niagara Falls (City) (PL180774)*. In addition to these OLT and OMB decisions, a number of other municipalities in Ontario have also decided that short-term rentals are not permitted in residential zones. These include the municipalities of Clearwater, Carling, Innisfil and Goderich.

**For more information, please contact:**

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