

HSG GUIDE

# The Toronto Short-Term Rental Guide for Property Owners

An introduction to operating a short-term rental in Toronto—from registration and taxes to important requirements many hosts overlook.

HSG — Host Services Group

[hostservicesgroup.com](https://hostservicesgroup.com)

# Table of Contents

**Section 01** — Registration is mandatory

**Section 02** — The principal residence rule

**Section 03** — Rental types and the 180-night cap

**Section 04** — Municipal Accommodation Tax (MAT)

**Section 05** — Safety and property requirements

**Section 06** — Enforcement and penalties

**Section 07** — If you're in a condo

**Section 08** — Your compliance checklist

## INTRODUCTION

### Why this guide exists.

Toronto's short-term rental regulations are some of the strictest in North America. They're also some of the most misunderstood. We regularly talk to property owners who believe STRs are banned in Toronto, or who don't realize how much the rules have changed since they first started hosting. The truth is, short-term rentals are legal in Toronto — but operating one properly requires navigating registration, licensing, rental caps, tax obligations, safety requirements, and platform compliance. Toronto's short-term rental market operates within a well-established regulatory framework. Get it wrong and you're looking at fines that can reach \$100,000, listing removal, and a 12-month ban on re-registration. We put this guide together because compliance shouldn't be confusing. Whether you're considering hosting for the first time or you've been operating for years, this is what you need to know — clearly, in plain language, with no fine print.

#### A NOTE ON THIS GUIDE

This guide reflects Toronto STR regulations as of February 2026. Regulations change — sometimes quickly. We update this guide as rules evolve, but always confirm current requirements with the City of Toronto's official short-term rental portal.

## SECTION 01

# Registration is mandatory.

Every short-term rental host in Toronto must register with the City and obtain a registration number before listing their property on any platform. No registration, no listing. Platforms like Airbnb and Booking.com now verify registration through the City's API and will block listings that aren't properly registered. A short-term rental is defined as all or part of a dwelling unit rented out for less than 28 consecutive days.

## How to register

Create an account on the City of Toronto's short-term rental portal. You'll need government-issued identification (Ontario Driver's Licence or Ontario Photo Card) where the address matches the property you're registering. Once approved, you'll receive a registration number in the format STR-0000-XXXXXX.

### KEY DETAILS

**\$390** — Annual registration fee (2026)

**Required every year** — Renewal

**All listings, ads, invoices, and contracts** — Registration number display

**Within 6 days** — Deadline to notify the City of any changes

Your listing information must be an exact match with your registration — your full legal name (not a nickname), your correct address (not a building name), and your accurate postal code. Mismatches can trigger enforcement action.

# The principal residence rule.

This is the single most important regulation to understand. In Toronto, you can only operate a short-term rental from your principal residence. That means the address on your Ontario Driver's Licence or Photo Card must match the property you're registering. One person, one principal residence, one STR registration. You cannot hold multiple STR licenses. Investment properties and secondary units are not eligible for short-term rental registration — full stop.

## What qualifies

Your principal residence can be an apartment, condo, house, secondary suite (like a basement apartment), laneway suite, or garden suite — as long as you live there and it's your primary home. If you're in a condo, you must also confirm that your condo corporation's bylaws permit short-term rentals.

**For tenants:** Tenants can register their unit for short-term rental if it's their principal residence, they meet all City requirements, and they've reviewed their lease and secured any landlord permission required under the Residential Tenancies Act. Unauthorized subletting can result in eviction.

**COMMON MISTAKE:** If you move and don't update your principal residence with the City, your registration can be revoked without appeal and you'll face fines. The address on your government ID must always match your registered STR property.

## Rental types and the 180-night cap.

When you register, you must choose one of two rental types. As of the 2026 regulations, you lock in your choice for the registration period — you can only change your rental type at renewal.

### Entire-unit rentals

Renting out your entire home while you're away. This is capped at 180 nights per calendar year. All nights booked through any platform count toward the cap. Once you hit 180, you must stop short-term renting or switch to long-term leasing (28+ nights) for the rest of the year.

### Partial-unit rentals

Renting out individual rooms while you continue to live in the home. There is no annual night cap for partial-unit rentals. However, you can only advertise one fewer bedroom than the total bedrooms in your home (for example, in a 4-bedroom house, you can list up to 3), and you can rent a maximum of three bedrooms at the same time.

**THE LOOPHOLE THAT NO LONGER EXISTS:** Previously, some hosts would switch between entire-unit and partial-unit listings mid-year to bypass the 180-night cap. The 2026 regulations closed this — you now commit to one rental type at registration and can only change at renewal.

## SECTION 04

# Municipal Accommodation Tax (MAT).

All short-term rental hosts in Toronto must collect and remit the Municipal Accommodation Tax on bookings of less than 28 consecutive days.

## CURRENT MAT RATE

**8.5%** — Rate from June 2025 through July 2026

**6%** — Standard rate (before and after temporary increase)

**Quarterly** — Filing due within 30 days of quarter end

**Yes** — Reports required even with zero rentals

The temporary increase to 8.5% is in effect from June 1, 2025 through July 31, 2026, partly to fund 2026 FIFA World Cup infrastructure. After that, the rate is expected to revert to 6%.

## Platform collection

Airbnb collects MAT for you. However, Booking.com does not — if you list on Booking.com, you must enable MAT collection on your listing and remit it yourself. Regardless of who collects it, you are still required to file your quarterly MAT report through the City's portal, even in quarters with no rental activity. In addition to MAT, you're responsible for collecting and remitting 13% HST (5% GST + 8% Ontario PST) on your rental income, and reporting all rental income for federal and provincial taxes.

## SECTION 05

# Safety and property requirements.

Toronto requires all short-term rental properties to meet specific safety standards. These aren't suggestions — they're enforced through inspections that can happen annually.

## What you need to have in place

**Fire safety plan:** A clearly posted fire safety plan must be visible to guests during their stay. This is one of the most overlooked requirements.

**Emergency contact and exit diagrams:** A physical copy of emergency contact information and exit diagrams must be posted prominently in the rental for the duration of every guest's stay.

**Smoke and carbon monoxide detectors:** Required on every level of the home and in compliance with Ontario Fire Code.

## Inspections

The City of Toronto now has the authority to conduct in-person inspections of any registered short-term rental. These compliance inspections verify principal residence, check safety requirements, and confirm that your listing details match your registration. Expect these to become routine and annual.

# Enforcement and penalties.

Toronto takes STR enforcement seriously. The City actively monitors platforms, conducts inspections, and pursues non-compliant hosts. This is not a system where violations go unnoticed.

## PENALTIES AT A GLANCE

**Operating without registration:** Fines of \$500 to \$5,000 per day.

**Serious violations:** Fines up to \$100,000.

**Exceeding the 180-night cap:** Fines of \$7,000+.

**Registration revocation:** Cannot re-register for 12 months.

**Platform enforcement:** Airbnb and Booking.com will block or remove non-compliant listings automatically.

The registration revocation process has been shortened from 40 days to 10. If your registration is revoked, you're locked out for a full year — there's no fast-tracking your way back.

## Platform verification

The City has released an API that platforms like Airbnb and Booking.com must use to verify registration information. Non-compliant listings are flagged and removed at the platform level, not just by City inspectors.

## If you're in a condo.

City of Toronto compliance is only half the picture for condo owners. Your condo corporation may have its own bylaws that restrict or prohibit short-term rentals entirely — and those bylaws are enforceable independent of the City's regulations. Before registering, check with your condo board or property manager to confirm that short-term rentals are permitted in your building. Many condo corporations have added STR restrictions in recent years, and violating them can result in fines and legal action from your condo board on top of any City penalties.

**WORTH KNOWING:** Even if the City of Toronto approves your STR registration, your condo corporation can still prohibit you from operating. Always confirm with your building first.

# Your compliance checklist.

Before you list your property, make sure you can check every one of these off.

## BEFORE YOU LIST

- ✓ Property is your principal residence
- ✓ Condo bylaws permit STRs (if applicable)
- ✓ Registered with the City of Toronto
- ✓ Registration number displayed on all listings
- ✓ Rental type selected (entire-unit or partial-unit)
- ✓ Fire safety plan posted in property
- ✓ Emergency contact and exit diagrams posted
- ✓ Smoke and CO detectors installed and working
- ✓ MAT collection enabled (especially on Booking.com)
- ✓ Quarterly MAT reporting set up
- ✓ Night tracking system in place (for 180-night cap)
- ✓ Booking records retained (minimum 3 years)
- ✓ HST collection and remittance in place
- ✓ Insurance coverage reviewed for STR activity

*Navigating Toronto's STR regulations isn't always straightforward. We provide guidance and support so owners understand the requirements and can make informed decisions.*

Compliance isn't a one-time task. Regulations change, fees adjust, and enforcement gets stricter. Staying on top of it is part of the job — and it's one of the reasons many property owners choose to work with a management company rather than navigate it alone. At HSG, we handle registration, renewals, MAT reporting, safety compliance, platform management, and every regulatory update that comes through. It's built into how we operate — so our owners never have to worry about it.

## **Questions about compliance? We can help.**

Whether you're setting up for the first time or need help with an existing property, our team is here.

### **Talk to HSG**

Email: [Manager@HostServicesGroup.com](mailto:Manager@HostServicesGroup.com)

Phone: (888) 755-8884

HSG  
Host Services Group  
[hostservicesgroup.com](http://hostservicesgroup.com)  
Toronto, Ontario

### **Premium Property Management. Premium Service. Premium Revenue.**

This guide is for informational purposes only and does not constitute legal advice.  
Always confirm current regulations with the City of Toronto.