North Kawartha Short-Term Rental Advisory Committee (STRAC)

Recommendations to Township of North Kawartha Mayor and Council

The following recommendations and rationale are the result of the work of the Short-Term Rental Advisory Committee (STRAC / the Committee) after numerous meetings, deputations, a community survey, and research. The recommendations are broken down into five Stages: Education; Enhanced Bylaw Enforcement; Reporting and Response; Tracking; and Outcomes Measurement. A sixth stage is also discussed, regarding potential escalation to registration and licensing if the outcome measurements are not satisfactory.

Many thanks to the Staff of the Township of North Kawartha for their expertise and advice. Also, thanks to all those that provided deputations and consultation to the Committee.

Background

The STRAC was formed as a result of the Mayor and Council wishing to seek advisory support in matters pertaining to the operation of short-term rentals (STRs) in North Kawartha North Kawartha. The mandate of the Committee was to review and recommend action, but not ban, STRs in North Kawartha. A link to the Committee terms of reference is available in Appendix 3.

The Committee heard deputations in person and in writing from a number of property owners (both opposed and in favor of STRs) identifying issues and proposing solutions. Deputations were also heard from an STR booking agent, Peterborough County General Manager of Tourism, a municipal services software provider, Deputy Mayor of Trent Lakes, President NORKLA, and the Ontario Provincial Police.

The Committee published a survey in mid 2024 so that North Kawartha residents could voice their concerns and opinions with respect to the operations of STRs. The survey received over 500 responses and provided much valuable information to the Committee. The Committee provided written and in person communication to the lake associations within North Kawartha to give updates and opportunity for input.

North Kawartha staff were called on multiple times throughout to help the Committee understand bylaw and administration processes. Representatives from Building/Bylaw, Fire and Emergency Services, Waste Management, Economic Development, Planning, and Administration provided much needed insight and information. North Kawartha legal counsel was also consulted when necessary.

The Committee researched issues, actions, regulation, and legal precedent with respect to the operation of STRs at the municipal, provincial, and national levels. Attention was

focused on analysis of regulation by municipalities and outcomes. The research was not limited solely to townships of a similar size and property mix as North Kawartha to widen the base for determining best practices.

Findings

Resident Survey: A resident's survey was performed in mid 2024 to solicit opinions on the operation of STRs in North Kawartha (full survey results are attached in an appendix to this report). Respondents were split roughly evenly between STR operators and non operators and a corresponding split was apparent in terms of those in favour of STRs and those opposed. Most noticeably the overwhelming majority of negative issues identified by respondents (with the exception of unsafe boating) could be addressed by current North Kawartha bylaws and septic regulations. Complaints expressed most often were centred on noise, fireworks, open air burning, pets at large, parking, and overcrowding. Multiple respondents expressed a lack of satisfaction in how bylaw enforcement is handled. A number also expressed these issues are not exclusively related to STR properties. The Committee has not recommended any changes to so called nuisance bylaws at this time.

Planning: The decision of the Ontario Land Tribunal (OLT) and subsequent decision of the Superior Court resulted in the Committee hearing conflicting legal and municipal planning opinions on the effect of zoning regulations on the operation of STRs. Although North Kawartha's current zoning regulations do not permit commercial activity on properties zoned 'shoreline residential' some legal and planning representation have advised against attempting to regulate STRs through zoning, since property owners in Ontario have a legal right to rent. Modifying zoning regulations to specifically address STRs was not advised.

Economic Development/Tourism: The Committee heard that there is a case to be made that STRs contribute to the economy of North Kawartha in terms of tourism dollars spent. Peterborough County Tourism supports this in terms of attracting people to the region and estimated dollars spent on accommodation. Demand for accommodation is up and supply is not increasing. Longer term trends in this analysis in the post Covid era remain to be seen but the data would support that STRs play a role in area tourism.

Impact To Housing Supply: There is little data to assess the impact of STRs on the North Kawartha supply of available housing. Estimates vary but the number of properties operating as STRs is likely in the range of 200 - 250. These range from owner occupied occasional rentals to investment properties operated solely as rentals and all are generally low density single units. The number of these properties that would be available as housing stock if not operated as STRs is nearly impossible to determine. Factors such as market conditions, property type (seasonal vs non seasonal),

development levels, capital gains tax, etc. would all affect the potential availability of STRs as housing stock. In all, the Committee feels any specific impact of STRs on housing supply in North Kawartha is minimal.

Impact to Traditional Roofed Accommodation: The Committee heard from Peterborough County Tourism that supply of STR accommodation has leveled off post Covid but demand has increased. In some cases, traditional accommodations are working with STR operators to satisfy peak demands. The Committee received no direct comments from traditional roofed accommodation operators.

Registration/Licensing: Many municipalities and regions have implemented registration or licensing systems to manage the proliferation of STRs in their areas (see example list attached in Appendix 3 - Exhibits). As the Committee researched these approaches several key facts emerged. Most of the municipalities were dealing with a much larger number of nuisance complaints than North Kawartha has experienced along with larger numbers of operating STRs. Licensing programs ranged from relatively simple no fee registration of STR units to extensive licensing processes involving fees, inspections, specialized enforcement, specific penalties, and renewal regulations. Some elements of various licensing programs observed were:

- Fee based application
- Fire plan, site plan, contact information required
- On site fire and building inspection required
- Notification to neighbouring properties
- Fire plan, site plan, license posting at property
- Identifying signage at property with contact information
- Specific capacity, conduct, frequency, complaint response rules/bylaws
- Annual fee-based renewal application
- Demerit point systems for violation of rules/bylaws
- Escalating penalty system based on demerits
- Public location posting of licensed STRs

The Committee was made aware that over 50 municipalities in Ontario have had a registration or licensing regime in place to address STRs with varying degrees of success. It was apparent in some cases that there was significant resource cost incurred to implement and maintain some programs. Several jurisdictions in the area have reportedly not been able to fully offset the cost of licensing with fees. Where uptake information is available it generally shows that license compliance rates among STR operators is much less than 100%. It should also be noted that many North Kawartha residents who feel STRs need to be managed favour licensing as a solution. Licensing programs have seen successful legal challenges in some jurisdictions with

some resulting precedent law limiting how municipalities deal with STRs.

Regulatory Considerations

The Committee heard numerous deputations, from owners who were for and against STRs, and from people with expertise and experience in STRs. The Committee recognized there was no 'one size fits all' set of policies, as STRs can be anything from having family or friends occasionally pay for occupancy to a fully commercial, solely purposed home for rent (ghost hotel). The Committee also quickly realized the ghost hotels were immediately counter to bylaws due to operating commercial enterprises in residential zones.

Recommendations

Stage 1 Education

Some North Kawartha property owners may be unaware or partially aware of bylaws and potential infractions renting their homes or cottages for the short-term. As well, short-term renters are likely from outside the Township and would very likely be unaware of North Kawartha bylaws.

Based on survey results, deputations, and casual conversations in the community, many North Kawartha residents are also frustrated with the complaints process to address bylaw infractions.

A "Good Neighbour Guide" was developed and released in July 2025 to educate both renters and owners of the bylaws governing activities of both groups. A link to the "Building Permits" page on the Township website is included in the Guide to bring awareness to requirements related to maximum density and septic systems.

The complaints process available on the Township website was updated resulting in a more transparent and simplified process. An update to the By-Law Complaint Form now provides an option to upload photos or documents regarding the complaint.

Stage 2 Enhanced bylaw and pro-active enforcement for existing bylaws using existing systems and processes

The current approach of following up only on formal complaints is unnecessarily restrictive, and municipal staff can use existing available information to identify likely bylaw infractions, such as over-crowding and exceeding septic design.

During several Committee discussions it was highlighted that there have been few formal nuisance bylaw complaints communicated to North Kawartha staff in the past 24-36 months with respect to STRs. It is apparent that there may be some number of

anonymous and casual complaints that haven't made it to the formal bylaw complaint process. Survey results also indicated a number of bylaw issues that may or may not have been reported.

Survey responses also showed some dissatisfaction with the bylaw complaint and enforcement process where expectations and actual North Kawartha process are not aligned.

The Committee recommends Staff undertake paper audits of suspect properties (an investigation) where properties appear to be solely rentals (so-called ghost hotels) without the owner ever being present, or where the capacity as advertised appears to exceed the building permit/septic design for the dwelling.

The Committee recommends frequent research - weekly at first, then monthly as infractions cease – on STR websites, searching for the North Kawartha geographic region, and inserting "a specific number of guests" and "anytime", then clicking on the results to find the number of bedrooms; Less than seven bedrooms will prove there exists at least fire code and septic bylaw infractions. The Committee identified at least a dozen ghost hotels, including a four-bedroom for 16 guests. Another example is a five-bedroom, two-bathroom cottage advertising rental accommodation for 18 people, egregiously in violation of fire code and septic requirements. Since this is public information accessible to all, and since Google Maps can more closely identify the address, tracking North Kawartha ghost hotels is a matter of minutes of research on public websites. This exercise could be repeated for other numbers of guests versus bedrooms to identify additional situations of non compliance.

More detailed research can be facilitated by companies that provide services to municipalities to help identify and track STRs. For example, one such company (Granicus) indicated to the Committee they could generate a regular "scraping" at a cost of about $10,000/year to provide Staff with more detailed property listings, based upon search criteria. Where these audits indicate reasonable grounds for entry, bylaw staff then should conduct a comprehensive property survey against all current bylaws and codes.

These actions can mitigate the perception of North Kawartha as the non-regulatory-environment, of STRs, as elaborated by this quote on the AirROI website,

> "*Whether you're considering an Airbnb investment in North Kawartha, optimizing your existing vacation rental, or exploring rental arbitrage opportunities, understanding the North Kawartha Airbnb data is crucial. Leveraging the low regulation environment is key to maximizing your short term rental income potential".* [i]

That staff consider additional approaches to prioritize investigation that would include small lakes, vulnerable areas such as bays and narrows or areas where there is concern about phosphate loading. These approaches would support outreach, education and or negotiation with properties identified as problematic.

The Committee' draft recommendations to proceed with Stage 2 resulted in considerable discussion with North Kawartha staff. Staff expressed some specific concerns and/or potential challenges:

a) A pro-active approach represents a deviation from current enforcement approaches that would set a precedent for other enforcement besides STRs, meaning that if the Township initiated pro-active inspections (rather than the current reactive and complaint-based processes) for STR they would have to be applied across all municipal compliance programs, which was not the mandate of this Committee
b) Legal precedent would be obviated – namely that the use of the Provincial Offenses Act (POA) to enforce bylaws is predicated on the reasonable belief by staff, after an initial investigation based upon a complaint, that an infraction has occurred. In contrast undertaking pro-active inspections would be premised upon the belief that infractions might or could be occurring. As such legal concurrence that pro-active inspections, including the entering of buildings to verify, in particular, the number of bedrooms align with septic capacity, are tenable to enable negotiated compliance with the use of the Provincial Offenses Act (POA) as a back stop.
c) Cost of implementation – were the township to undertake Stage 2a the costs of additional staffing and/or shifting of staff time would be borne by the existing tax base and/or existing programs, as Stage 2 a does not generate revenue in order to recruit additional staff resources. A similar conundrum faces the Township with the consideration of Stage 3 and to a limited extent Stage 4.

The Committee has considered these matters and feels that these are not insurmountable, and again that this approach is commensurate with the "problem" particularly as evidenced in the survey, and so has determined to recommend this pro-active approach to STRs, as well as an enhancement of the complaints response process in North Kawartha as outlined below in Stage 3.

Stage 3 Implement a 24/7 reporting and response system

As previously mentioned, the level of formal complaints received does not align with the general level of concern expressed to council and in the survey. It has been suggested by presenters to this Committee that the formal paper-based system and associated weekday (delayed) response to most complaints (particularly noise, but with the exception being fires and fireworks) is a disincentive for complainants, who desire more immediate response.

Assuming Stage 2 can be implemented the Committee recommends:

- Establishment of an online bylaw complaint reporting tool that can be accessed 7/24 by the public.
- Establishment of a telephone line available 7/24 for bylaw complaints to be submitted.
- Follow up on all non-anonymized complaints regardless of investigative outcome.
- Consider the use of digital evidence for launching investigations.

To achieve a cost-effective investment to address this major issue, the Committee recommends North Kawartha investigate partnering with a Municipality in search of commonalities of scale. As an example, the Municipality of Trent Lakes program call-center capacity and private security contractors outside business hours who would be able to visit the complainants and also the suspect property in a timelier fashion. It is anticipated that making the existence of the capacity widely known in the community would result in the level of complaints more accurately reflecting the problem. Such a program could start by operating only in the open-water season and feature security contractors to be stationed within the municipality to enhance response time, instead of being based in Peterborough.

Stage 4 – Tracking, Follow Up, and Outcome Measurement

The Chief Administrator's Office (CAO) has the mandate to track across all of the municipal departments and entities and further has the authority to publicly report on activities and outcomes. Such a tracking system is necessary to inform the decision whether to implement more aggressive measures including registration and/or licensing.

The Committee recommends establishing a central logging system to track all bylaw complaints with the possible exception of building bylaw issues. All complaints should be logged including formal (those made by a person where contact information is provided for follow up after investigation), anonymous (those submitted without contact information for follow up) and casual (those that may be received by council or staff outside of the more formal reporting process). Complaints specific to a STR should be noted as such. All complaints submitted with contact information should be followed up with the originator regardless of the investigation outcome.

Over time the central logging system can be used to spot ongoing trends, commonalities, and potential hot spots as well as serve as an outcome measurement tool for enhanced bylaw enforcement. The Committee recommends metrics include:

- Number of bylaw complaints logged (formal, anonymous, and casual).
- Number of complaints by individual bylaw.

- Number of bylaw complaints open, investigated, and closed.
- Number of "ghost hotels" operating publicly outside of capacity/septic rules.

For example, if 3 day rentals form a disproportionate proportion of complaints particularly for noise and trespass, logging can identify this, and inform potential future regulation.

The Committee recognizes that surveying residents may not be a preferred method of measuring specific outcomes with respect to STR issues. However, the Committee does recommend that council/staff consider a plan to survey residents as a potential tool to gauge community perceptions and identify any broad concerns or issues. Depending on the timing of the roll out of any of the recommended actions the Committee suggests waiting at least 24 months before performing another resident survey.

Tracking compliance after by-law infraction(s) are key to ensuring the by-laws 'stick'. As well, applying resources for greatest effectiveness requires tracking and monitoring the worst offenders, like "ghost hotels", where double-digit numbers of guests pay to reside for short stays with an absent owner/operator.

Measuring progress on efforts to resolve issues with STRs will be a challenge given current gaps in reporting, tracking and follow up. Establishing indicators that can be quantified and tracked will inform decisions on investing in future process changes.

As Stage 2 (Enhanced bylaw enforcement) is being implemented the Committee recommends measuring and reporting outcomes of changes to bylaw enforcement as initial stages are implemented and data is gathered both through the complaint tracking/follow up processes and publicly available sources.

Outcomes from this measurement will identify how by-law infractions are being identified, managed, and if owners are adhering to by-law(s) post-infraction(s). There will also be the ability to focus on the major bylaw offenders, e.g. the ghost hotels identified in the links.

The overuse of septic systems can lead to elevated phosphorous levels triggering algae blooms and causing detriment to the health of the lakes for generations.

Stage 5 Implement Administrative Monetary Penalties to replace the use of the Provincial Offenses Instruments

The burden of proof required for addressing bylaw infractions relating to STRs is court-based, unnecessarily onerous, and inhibits the prompt response of Staff to issues as raised. As demonstrated in many municipalities an Administrative Monetary Penalty (AMP) approach can support achieving compliance is a simplified ticketing process and replaces lawyers, judges, and the courts with a hearing officer. The Committee

recommends AMPs should be established for all current bylaws and be progressive, with fines increasing for multiple occurrences. Implementation to be informed by the current Peterborough County level working group.

Stage 6 Escalation to Registration and Licensing if Needed

These recommendations are written with the assumption that Stages 2, 3, 4 and 5 were implemented by the Township. If so, the Committee recommends, based upon the outcomes of Stage 4 (Tracking, Follow Up and Outcome Measurement), evaluating outcomes in 2028 and if STR issues have not been adequately resolved, proceed with a Council recommendation to Registration. Registration would be a mainly administrative process where the STR would register with North Kawartha and agree to understand and comply with bylaws. Minimum night requirements (seven) and a responsive responsible person (available within 60 minutes of a complaint) would be part of both registration and licensing. Many municipalities have found that voluntary registration appears to occur for about 60% of rental properties….this number can be boosted by hiring digital search companies and promoting voluntary compliance.

One potential complication for the Township is the long-standing practice of renting to multi-year clients, obviating the need for advertising of the rental. This practice, while part of the “lake culture” would tilt the table towards more commercial properties being registered whilst rentals featuring unadvertised/repeat rentals would not contribute towards the costs of this program. Staff estimates suggest there are between 210 and 260 STRs in the Township. For purposes of a financial estimate a number of 250 was used here. Should say 60% of the Townships STR properties comply, with for example a $350 registration fee (roughly akin to one night’s rental) the Township might accrue $80,000 to offset the costs of the Registration program and it is presumed continued implementation of Stages 2 thru 5.

If the issue persists or escalates, moving to a licensing regime would be the next step, which is more commercial and onerous, requiring an administration, inspection, and review regime unlike any program currently administered by the Township. Licensing can involve developing processes for license application, license fee structure, fire/septic/parking inspection & approval, re-inspections for license violations, penalties for license violations, escalation for multiple violations, license renewals, tracking ownership changes, and identifying properties requiring licensing. A significant resource investment by the township would likely be required to implement and administer a licensing program either on its own or using a commercial service provider. There would be significant budgetary considerations for a licensing program, even with a potential for revenue generation through fees, and many municipalities that implemented such a program found they could not recover their administrative costs.

Appendix 1

Definitions:

Short-Term Rental Accommodation means a dwelling or structure or any part thereof that operates or offers a place of temporary residence, lodging or occupancy for any period of 28 consecutive days or less. This includes renting a private room, an entire dwelling, or a recreational or shoreline property. The definition excludes established temporary accommodations such as tourist establishments, bed and breakfast establishments, camping grounds and tourist camps.

Ghost Hotel means a dwelling or structure or any part thereof that is used mostly or exclusively as short-term rental accommodation where there is no owner occupancy or staffing and may frequently operate outside of traditional hotel regulations and local by-laws.

Appendix 2

Deputations Received by the Committee:

John Lovatsis
(meeting dates: February 27, 2024; May 14, 2024; August 19, 2025)

Molly Moldovan
(meeting dates: April 9, 2024; August 6, 2024; September 9, 2024; August 19, 2025, January 26, 2026)

Robert Kelly, Manager of Building and Planning, Township of Selwyn
(meeting date: September 9, 2024)

Deputy Mayor Carol Armstrong, Trent Lakes
(meeting date: November 12, 2024)

Dave Koch, Northern Comfort Cottage Rentals
(meeting date: December 10, 2024)

Mark Lenz, Account Executive, Granicus
(meeting date: January 21, 2025)

Doug Wellman, President, North Kawartha Lakes Association (NORKLA)
(meeting date: January 21, 2025)

Acting Staff Sergeant Angie Kerr, Ontario Provincial Police
(meeting date: May 13, 2025)

Tracie Bertrand, General Manager, Tourism and Communication, Peterborough County
(meeting date: June 10, 2025)

Written Submissions:

John Lovatsis - (meeting date: May 14, 2024)

Ambrose Moran - (meeting date: March 11, 2025)

Redacted Submission - (meeting date: August 19, 2025)

Diane Hatch - (meeting date: December 9, 2025)

Jennifer Helps - (meeting date: December 9, 2025)

Karen Petley - (meeting date: December 9, 2025)

Legal Opinion – M. John Ewart, Municipal Solicitor

Planning Opinion – Laura Stone, Township Planning Consultant

Molly Moldovan – (meeting date: January 26, 2026)

Appendix 3

Exhibits / Attachments

Committee Terms of Reference

Survey

Survey Results

Links to Airbnb NK and VRBO NK

Link to Granicus website

AirROI website, North Kawartha

Link to meeting recordings

Commonalities and Variances Amongst Municipalities

[i] Copied from website airroi.com/report/world/Canada/North-Kawartha, updated 2025-11-01 and copied 2025-12-10