

*This Advisory is designed to provide Ontario businesses with guidance on registration requirements when facilitating short-term accommodation rentals. Compliance is essential to protect Ontario consumers during these transactions.*

To facilitate short-term accommodation rentals in Ontario, a business must be registered with either the Travel Industry Council of Ontario (TICO) or the [Real Estate Council of Ontario \(RECO\)](#), and possibly both if the business trades in real estate and provides travel services beyond short-term accommodation rentals.

Under Ontario's *Travel Industry Act, 2002* (TIA) the sale of travel services must be conducted through a TICO registered travel retailer (agency or website).

There is an exception for real estate brokerages registered with RECO under the *Real Estate and Business Brokers Act, 2002* (REBBA). The exception enables brokerages to conduct limited types of short-term accommodation rentals provided they are conducted lawfully through the brokerage.

Cottages, condo apartments, homes, cabin establishments, chalets and vacation homes are examples of common short-term accommodation rentals that could be conducted under either TIA or REBBA. Providing any travel services beyond short-term accommodation rentals, however, requires registration with TICO.

Failing to comply with these requirements could result in prosecution by RECO or TICO.

### **Individuals facilitating short-term rentals**

If an individual is facilitating short-term accommodation rentals, they must be conducted through a business registered with either TICO or RECO.

**Option 1 - Real Estate Brokerage:** If registered as a real estate broker or salesperson, conduct the short-term accommodation rentals through the employing brokerage.

**Option 2 - Travel Agency:** Register their business (e.g. Corporation) as a travel agent or conduct the short-term accommodation rental through a TICO-registered travel agent, as an employee or contractor of

the travel agent.

### **Additional travel services**

Real estate brokerages cannot facilitate any travel services other than short-term accommodation rentals. Any time that a business acts as an agent for an end supplier of travel services, the activity falls under TIA, and therefore must be performed by a registered travel agent. This could include, but is not limited to:

- Booking river/lake tours
- Facilitating the rental of water sport equipment with a third-party vendor (ex. boat, watercraft, etc.)

The TIA also applies when providing travel services combined with other services. For example, arranging dinner theatre tickets would not fall under TIA. But arranging dinner theatre tickets along with accommodations or transportation would fall under TIA, by virtue of including a travel service component.

### **Consumer understanding**

Take steps to ensure that consumers understand which registered real estate brokerage or travel agent is involved in facilitating the short-term accommodation rental. Complying with the TIA and Ontario Regulation 26/05 when facilitating short-term rentals as a travel agent.

### **Clarity in advertising**

Advertising of short-term accommodation rentals must comply with the [advertising requirements](#) under TIA.

### **Disclosure and Invoicing Requirements**

Travel agents engaging in short-term accommodation rentals must comply with the [disclosure and invoicing requirements](#) at the time of booking.

### **Who is RECO?**

RECO regulates Ontario's real estate salespeople, brokers and brokerages by enforcing the *Real Estate and Business Brokers Act, 2002* (REBBA). For more information, visit [RECO's website](#).

For information about obligations for real estate brokers, salespeople

and brokerages under REBBA, please see [RECO's Registrar's Bulletin on short-term rental accommodations.](#)

**If you have any questions, please contact TICO's Compliance Department at 1-888-451-TICO (8426) or email [tico@tico.ca](mailto:tico@tico.ca)**