

STAFF REPORT



To: Mike Pilon, Chief Administrative Officer
From: Samantha Willock, Municipal Planner,
Melanie Ducharme, Municipal Clerk
Subject: Zoning By-law Update – Public Consultation Responses
Date: May 26, 2026

1. Introduction

Ontario municipalities commonly permit home occupations through Official Plans and Zoning By-laws subject to performance standards intended to minimize land use impacts. Municipal examples across Ontario consistently require home occupations to remain subordinate to the residential use and prohibit activities that generate excessive traffic, noise, parking demand, outdoor storage, or commercial appearance.

The purpose of this report is to address concerns raised regarding proposed new regulations for home-based businesses. To begin, it should be noted that the proposed new regulations will not affect current home occupations or home industries. Any home business or industry which has been legally established prior to the adoption of the zoning by-law will remain “legal non-conforming”. Only new home businesses will be subject to the new regulations. It is also worth noting that the new regulations are very similar to that which have been in place for decades. For illustrative purposes, Schedule “A” to this report provides a “side by side” snapshot of the current and proposed regulations.

At the May 19th meeting, Council discussed some changes, which have been incorporated into the Proposed Column and are shown in “red” for illustrative purposes.

2. Provincial Planning Context

The Provincial Planning framework encourages:

- economic opportunities and entrepreneurship;
- efficient use of existing housing stock;
- mixed and complete communities; and
- compatibility between land uses.

At the same time, provincial and municipal policy frameworks recognize the need to:

- protect stable residential neighbourhoods;
- avoid adverse land use impacts; and
- preserve the function and vitality of downtown commercial areas.

Municipal planning policies consistently emphasize compatibility and residential character as the primary tests for permitting home occupations.

3. Purpose of Home Occupation Permissions

Home-based businesses provide several planning and economic benefits, including:

- supporting small business start-ups and self-employment;
- reducing commuting requirements;
- enabling flexible work arrangements;
- supporting aging-in-place and work-from-home opportunities;
- encouraging low-impact entrepreneurship; and
- utilizing existing residential space efficiently.

Municipalities across Ontario increasingly recognize that modern technology and remote work trends support a broader range of low-impact home occupations than historically permitted, however, these permissions are generally intended only for businesses that:

- remain accessory to the dwelling;
- operate at a very small scale; and
- do not compete with or undermine planned commercial areas.

4. Planning Rationale for Maintaining Residential Character

4.1 Home Occupations Must Remain Secondary

A foundational planning principle throughout Ontario is that **home occupations must remain clearly subordinate** to the residential use of the property.

Municipal zoning standards commonly require that:

- only a limited portion of the dwelling may be used for the business;
- the business operator must reside within the dwelling;
- the business does not alter the external residential appearance; and
- impacts of the proposed business remain comparable to normal residential activity.

Typical municipal regulations include:

- maximum floor area limits (often 25–30%);
- restrictions on employees;
- limits on customer visits;
- prohibitions on outdoor storage;
- restrictions on signage; and
- nuisance controls relating to noise, odour, vibration, traffic, and parking.

Controls are intended to ensure that residential neighbourhoods continue to function primarily as places to live rather than commercial districts.

4.2 Compatibility with Residential Neighbourhoods

Residential areas are planned and designed with certain expectations in traffic flows, parking, noise and neighbourhood appearance.

Unregulated commercial activity in residential areas can create land use conflicts, including:

- increased vehicle trips;
- customer parking overflow;
- commercial deliveries;
- visual clutter;
- outdoor storage; and
- adverse impacts on adjacent residents.

For this reason, municipalities typically prohibit intensive commercial uses within residential neighbourhoods.

The planning rationale for these restrictions is sound and consistent with good land use planning principles.

5. Protecting Downtowns and Commercial Areas

5.1 Importance of Downtown Commercial Areas

Downtowns and commercial main streets serve important municipal planning functions, including concentrating retail and service uses, supporting walkability and transit, creating employment opportunities, generating municipal assessment and economic activity; supporting tourism and civic identity; and encouraging clustering of businesses and services.

Commercial areas are intentionally planned to accommodate:

- customer traffic;
- deliveries;
- signage;
- parking infrastructure; and
- higher activity levels.

Permitting unrestricted commercial uses in residential areas may undermine the planned function of downtowns by dispersing commercial activity into neighbourhoods.

5.2 Suitable Scope of Home Occupations

To ensure downtowns remain viable and active, home occupation permissions should generally be limited to:

- office-based work;
- remote professional services;
- online businesses with minimal customer traffic;
- personal services with very limited appointments;
- artistic or craft activities at small scale; and
- other low-impact accessory uses.

Home occupations should not evolve into full commercial enterprises that:

- rely on significant walk-in traffic;
- require storefront visibility;
- employ multiple staff; or
- function as destination retail businesses.

Where businesses exceed low-impact thresholds, relocation to designated commercial or mixed-use areas should be encouraged. This approach preserves the role of downtowns while still supporting entrepreneurship.

6. Recommended Policy and Zoning Framework

A home occupation should:

Be clearly secondary and incidental to the residential use;

Be operated by a resident of the dwelling;

Occupy a limited percentage of the dwelling floor area;

Maintain the external residential appearance of the property;

Generate no adverse impacts related to noise, odour, vibration, lighting traffic, parking, waste, or outdoor storage;

Limit customer visits and deliveries;

Restrict non-resident employees;

Prohibit outdoor display of goods or materials;

Limit signage to small identification signage only; and

Exclude intensive commercial, industrial, automotive, restaurant, and warehousing uses.

These standards are widely reflected in Ontario municipal zoning by-laws and planning policies.

7. Planning Opinion & Conclusion

Permitting appropriately regulated home-based businesses represents good planning in Ontario provided that:

- the use remains accessory to the dwelling;
- impacts remain compatible with surrounding residential uses; and
- permissions are carefully scoped to avoid undermining designated commercial and downtown areas.

The planning framework for home occupations in Ontario supports small-scale entrepreneurial activity while emphasizing compatibility with residential neighbourhoods and protection of planned commercial areas. Municipal experience throughout Ontario demonstrates that home occupations can operate successfully where appropriate zoning standards are applied, including limitations on scale, traffic, employees, parking, signage, and nuisance impacts.

ZONING BY—LAW 2014-45 REGULATIONS	PROPOSED NEW REGULATIONS FOR ZONING BY-LAW 2026-
<p>DEFINITIONS:</p> <p>3.78 HOME INDUSTRY: a small scale light industrial use, such as a carpentry shop, metal working shop, a welding shop, an electrical shop, small engine repair or similar use, that provides services or wares to the community and which is an accessory use to a single detached dwelling. For the purposes of this By-law, the repairing of motor vehicles, mobile homes and trailers is not a home industry.</p> <p>3.79 HOME OCCUPATION: any occupation which is carried on, in accordance with the provisions of this By-law relative thereto, as an accessory use to a dwelling unit.</p>	<p>DEFINITION:</p> <p>3.92 HOME BASED BUSINESS: any occupation carried on, in accordance with the provisions of this By-law relative thereto, which is accessory and subordinate to the principal residential use of a dwelling unit.</p>
<p>REGULATIONS:</p> <p>4.10 <u>Home Industry:</u></p> <p>4.10.1 Where a Home Industry is a permitted use, the following provisions shall apply:</p> <p>By-law 2017/83</p> <p>a) (deleted)</p> <p>b) There shall be no emission of noise, vibration, odour or dust that is not normally attributable to the use of the land for other uses permitted in the Zone;</p> <p>c) Such home industry shall not be a nuisance to, nor interfere with, television or radio reception of others in neighbouring buildings or structures;</p> <p>d) There shall be no display to indicate that any part of the property is being used for other than residential or agricultural uses except for an unlit sign of not more than 0.8 metres square, except where a lot fronts on a Provincial Highway, in which case the requirements of the Province shall be complied with;</p> <p>e) The home industry shall meet the same yard provisions as required for the principal residential use for the Zone in which it is located, with the exception of the interior side yard, which shall be a minimum of 10.0 metres;</p>	<p>REGULATIONS:</p> <p>4.12 Home-Based Business:</p> <p>4.12.1 The following uses may be permitted as a home-based business:</p> <p>a) Artisan studio;</p> <p>b) Business, professional or administrative office;</p> <p>c) Home-based bakery;</p> <p>d) Home-based personal wellness;</p> <p>e) Personal service establishment;</p> <p>f) Private home daycare</p> <p>4.12.2 In addition to the uses listed in 4.12.1, the following uses may be permitted as home-based business in an accessory structure in the Rural (RU), Rural Residential (RR) and Agricultural One (A1) zones:</p> <p>a) Carpentry and woodworking;</p> <p>b) Metal working and fabricating;</p> <p>c) Repair services excluding motor vehicles, recreational vehicles, and heavy equipment;</p> <p>d) Small engine repair;</p> <p>e) Welding shop;</p> <p>f) Other such similar small-scale crafts, trades and services, excluding motor vehicle repair and servicing.</p> <p>4.12.3 Where a home-based business is a permitted use, the following provisions shall apply:</p>

f) The use shall not occupy more than 25% of the gross floor area of a dwelling, or where located in an accessory building, shall not occupy more than 140.0 square metres of gross floor area;

g) A maximum of three (3) employees, one of whom must reside in the dwelling, may be employed on site in the home industry and additional employees may be employed off-site;

h) Any permitted open storage shall be screened from view;

i) A landscaped buffer shall be provided on the lot in accordance with the provisions of this By-law;

j) There shall be no goods, wares or merchandise offered for sale or rent from the dwelling which are not manufactured or processed on the lot; and,

k) The home industry shall be subject to site plan control to regulate storage and accessory buildings.

4.11 Home Occupation:

4.11.1 Where a Home Occupation is a permitted use, the following provisions shall apply:

a) The home occupation shall clearly be secondary to the main residential use of the property and shall not change the residential character of the dwelling;

b) There shall be no emission of noise, vibration, odour or dust that is not normally attributable to the use of the land for other uses permitted in the Zone;

c) Such home occupation shall not be a nuisance to, nor interfere with, television or radio reception of others in neighbouring buildings or structures;

d) Such home occupation shall not include a medical clinic, a private hospital, a nursing home, a boarding house, an eating establishment or a veterinary clinic, but may include a business or professional office that complies with the provisions of this subsection;

e) There shall be no display to indicate that any part of the property is being used for other than residential or agricultural uses except for an

a) The home-based business shall only be conducted within a residential dwelling unit or an accessory building;

b) The home-based business shall clearly be secondary and accessory to the main residential use of the property and the nature or scope of the home-based business shall not change the residential character of the dwelling or property, with the exception of a permitted sign;

c) Where a home-based business is conducted within the dwelling, the use shall not occupy more than 25% of the habitable floor area of the dwelling, with the exception of home daycare;

d) Where a home-based business is conducted in an accessory building, the use shall not occupy more than 140.0 square metres of gross floor area;

e) Where a home-based business is conducted in an accessory building, such building shall be subject to the same side yard provisions as required for the principal residential use for the zone;

f) A maximum of two (2) employees, one of whom must reside in the dwelling, may be employed on site and additional employees may be employed off-site;

g) A maximum of ~~three (3)~~ **eight (8)** clients may be permitted on-site at one time, with the exception of home daycare for which the maximum number of clients shall be as set out in the Child Care and Early Years Act, as amended;

h) The premises shall not be used to assemble or rally persons who are employed by or associated with the home-based business for transportation to a work site;

i) There shall be no goods, wares or merchandise offered for sale or rent from the dwelling which are not manufactured or processed on the lot with the exception of a limited number of complementary associated products;

j) No outdoor storage of equipment, goods or materials is permitted, except for in the Rural (RU) and Agricultural One (A1) zones. Permitted outdoor storage shall be screened from view from the public street and adjacent dwellings;

<p>unlit sign of not more than 0.5 metres square, except where a lot fronts on a Provincial Highway, in which case the requirements of the Province shall be complied with;</p> <p>f) The home occupation use shall be conducted entirely within the dwelling;</p> <p>g) The use shall not occupy more than 25% of the gross floor area of a dwelling;</p> <p>h) Such use is conducted by a person or persons residing in the dwelling and a maximum of one employee employed on site who does not live in the dwelling;</p> <p>i) There shall be no outside storage of equipment, goods or materials associated with the home occupation use;</p> <p>j) There shall be no goods, wares or merchandise offered for sale or rent from the dwelling which are not manufactured or processed on the lot with the exception of a limited number of complementary associated products;</p> <p>k) Any plate or sign not greater than 0.2 square metres in area, shall be attached and parallel to the main wall of the building; and,</p>	<p>k) The home-based business shall not emit noise, vibration, smoke, gas, light, odour or dust, or interfere with the television or radio reception of others in neighbouring buildings or structures, or create or become a public nuisance, in particular with regard to traffic, parking, or refuse;</p> <p>l) One non-illuminated sign which does not exceed 0.4 square metres in area is permitted, except where a lot fronts on a Provincial Highway, in which case the requirements of the Province shall be complied with;</p> <p>m) The driveway accessing the parking spaces for the home-based business must be shared with the driveway that is utilized for the principal use on the lot.</p> <p>n) Off-street parking shall be provided in accordance with Table 5.1.</p>
<p>l) One (1) off-street parking space shall be provided for each 28 square metres of floor area devoted to said use in addition to that required for the dwelling.</p>	<p>Table 5.1 – Parking Provisions</p> <p>Home Based Business 1 parking space required for each non-resident employee plus 0.75 spaces per client or customer of the business on site at one time.</p>