Measurement in the Accommodation Services Subsector

with a Focus on the Use of Administrative Data

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1. Introduction

During the meetings held in 2019, 2020, 2021, and 2022, several presentations focused on activities classified under International Standard Industrial Classification of All Economic Activities (ISIC) code 5510, short term accommodation activities. These presentations primarily examined the measurement of turnover and pricing. Building on this previous work, the current paper provides an overview of Statistics Canada's Annual Survey of Traveller Accommodation program, highlighting how administrative data are used to estimate both financial (output) and non-financial (characteristics) variables. It also aims to identify key challenges in measuring output within this industry. Special attention is given to demographic statistics and the role of short-term rentals (STRs) in Canada's housing market, as estimates on these topics are primarily derived from administrative data.

2. Descriptions and characteristics of the industry

2.1 Definition of the industry

The accommodation services subsector (North American Industry Classification System [NAICS] code 7211) includes establishments primarily engaged in providing short-term lodging in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast homes, and housekeeping cottages and cabins. These establishments may offer a range of services, including food and beverage services, recreational services, conference rooms and convention services, laundry services, parking, and other amenities. All types of accommodations can be reserved through online or platform-based booking services. The classification of these units is based on the type of accommodation provided, rather than the booking system used.

As shown in **Table 1**, in the fourth revision of the United Nations's ISIC, all short-term accommodation activities are grouped under ISIC 5510. At the European level, this ISIC class corresponds to Statistical Classification of Economic Activities in the European Community (NACE) classes 55.10 (hotels and similar accommodation) and 55.20 (holiday and other short-stay accommodation).

International Standard Industrial Classification of All Economic Activities Rev.5
The fifth revision of ISIC improves the classification's relevance by more accurately reflecting the current global economic structure. It acknowledges new industries and activities that have emerged over the past 15 years and facilitates international comparisons by aligning more closely with existing regional classifications.

Note that in ISIC Rev.5, group 551 and class 5510, short term accommodation activities, have been divided into two groups: group 551, hotels and similar accommodation activities, which includes class 5510, hotels and similar accommodation activities, and group 552, other short term accommodation activities, which includes class 5520, other short term accommodation activities.[1]

Intermediation service activities
To reflect the increasing importance of intermediation service activities, the following new class has been created in the ISIC Rev.5 structure, in addition to the existing categories:
      5540 intermediation service activities for accommodation.

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1. NAICS further subdivides these activities.

Intermediation activities that were part of group 551 in ISIC Rev.4 are now classified under group 554, intermediation service activities for accommodation, in ISIC Rev.5. Similarly, the equivalent activities at the class level have moved from class 5510 in ISIC Rev.4 to the new class 5540, intermediation service activities for accommodation, in ISIC Rev.5.

Table 1

Concordances between North American Industry Classification System Canada 2022[2], International Standard Industrial Classification of All Economic Activities revisions 4 and 5, and Standard Classification of Economic Activities in the European Community Revision 2 for short-term accommodation activities

ISIC Rev.4	ISIC Rev.5	NACE Rev. 2.1	NAICS CA 2022
5510 Short term accommodation activities	5510 Hotels and similar accommodation activities	55.10 Hotels and similar accommodation	721111[3] Hotels
			721112 Motor hotels
			721113 Resorts
			721114 Motels
			721120 Casino hotels
			721198 All other traveller accommodation
			721191 Bed and breakfast
	5520 Other short term accommodation activities	55.20 Holiday and other short-stay accommodation	721192 Housekeeping cottages and cabins
5520 Camping grounds, recreational vehicle parks and trailer parks	5530 Camping grounds, recreational vehicle parks and trailer parks	55.30 Camping grounds, recreational vehicle parks and trailer parks	721211 Recreational vehicle (RV) parks and campgrounds
			721212 Hunting and fishing camps
			721213 Recreational (except hunting and fishing) and vacation camps
5590 Other accommodation	5590 Other accommodation N.E.C.	55.90	721310 Rooming and boarding houses
5510, 5520, 5590	5540 Intermediation service activities for accommodation	55.40 Intermediation service activities for accommodation	To be determined

Notes: ISIC = International Standard Industrial Classification of All Economic Activities, NACE = Standard Classification of Economic Activities in the European Community, NAICS = North American Industry Classification System, and N.E.C. = not elsewhere classified.

Source: Statistics Canada. Eurostat

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2. NAICS Canada is different than NAICS US and Mexico for this subsector.

3. Establishments offering the service of sleeping car operation, not operated by railway company, are classified under I5590*, other accommodation, in ISIC.

2.2 Market conditions and constraints

**A few words about Canada's accommodation services subsector**

The accommodation services subsector includes establishments primarily engaged in providing short-term lodging for travellers, vacationers and others. Over the past three years, it has seen substantial growth, rebounding from the downturn caused by the COVID-19 pandemic. This recovery has been fuelled by a resurgence in international tourism, shifting traveller preferences, and continued economic recovery and growth conditions. The bounceback in operating revenue was also driven by inflationary pressures that pushed traveller accommodation prices up by 25.0% from 2021 to 2025.[4]

Summary statistics and trends

The accommodation services subsector plays a vital role in Canada's economy and social fabric. **Figure 1** shows that, in 2023, the subsector generated record-high operating revenue of $34.9 billion, representing a 17.6% increase over the previous year and a 29.2% rise compared with pre-pandemic levels. Nearly 85% of this revenue came from short-term accommodation providers—including hotels, motor hotels, resorts, motels, casino resorts and similar establishments—while the remaining 15% was generated by other types of accommodations such as bed and breakfasts, cottages and cabins, recreational vehicle (RV) parks and campgrounds, hunting and fishing camps, recreational and vacation camps, and rooming and boarding houses. The industry is an important employer and plays a strategic role in supporting tourism and regional development, especially in provinces like Ontario, British Columbia, Alberta and Quebec, which collectively account for most of the accommodation revenue.

Figure 1
**Summary statistics, accommodation services subsector (721), Canada, 2016 to 2023**
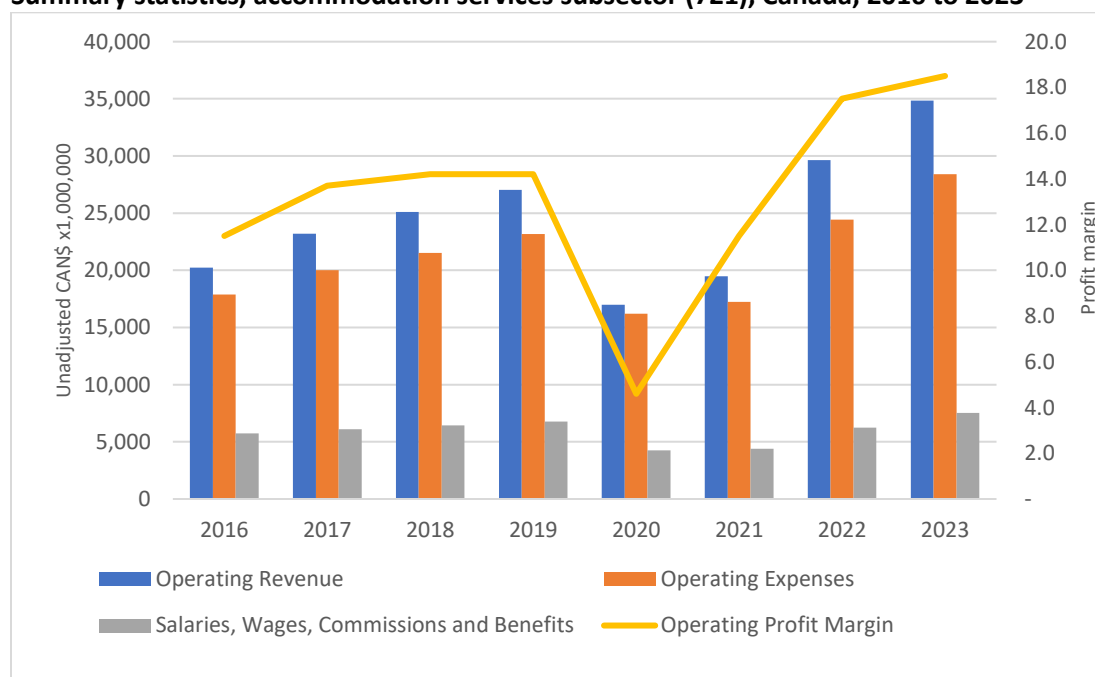
Source: Statistics Canada, Table 33-10-0102-01 Accommodation services, summary statistics.

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4. Data for traveller accommodation prices come from table 18-10-0005-01.

Operating expenses rose by 16.3%, reaching $28.4 billion in 2023. The largest expense item was salaries, wages, commissions and benefits, which accounted for 26.4% of total expenses. The sector was particularly affected by labour shortages following the lifting of pandemic-related restrictions, placing additional pressure on staffing and operational efficiency.

Figure 2
Businesses expecting labour shortage over the next three months
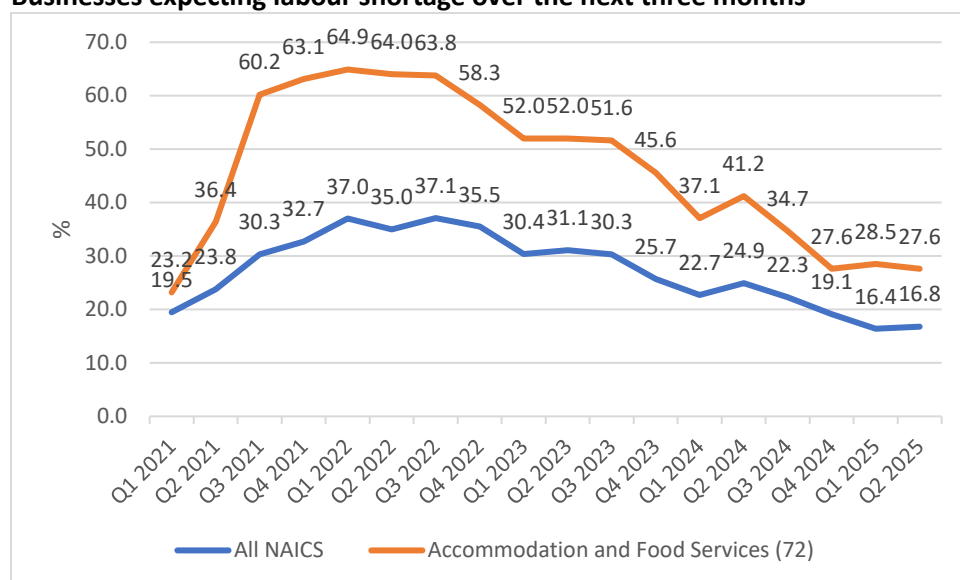
Note: NAICS = North American Industry Classification System.
Source: Statistics Canada. Canadian Survey on Business Conditions

The operating profit margin reached 18.5% in 2023, significantly higher than the pre-pandemic level of 14.2% in 2019. This record-high margin can be attributed to strong price pressures and the closure of many underperforming establishments during the pandemic-related travel restrictions. These closures left a more resilient and profitable group of operators in the market, contributing to the overall increase in profitability.

Economic impact
As for the contribution of this subsector to the Canadian economy, it represents a small share of Canada's total economic activity. The most recent available data shows that economic activity in this subsector totaled approximately $9.3 billion in 2021 (the supply and use table [SUT] for 2022 will be released in November 2025), representing 0.4% of Canada's gross domestic product (GDP) (the pre-pandemic share was 0,7%).[5] The industry also accounted for 1.0% of the total output impact[6] and approximately 1.0% of the total number of employees in Canada.[7]

Business counts
In the reference year 2024, there were 37,697 active establishments in the accommodation services subsector listed in Statistics Canada's Business Register. This accounted for 0.51% of all

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5. Statistics Canada, Table 36-10-0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories (x 1,000,000).
6. Statistics Canada, Table 36-10-0594-01 Input-output multipliers, detail level
7. Statistics Canada, Table 14-10-0201-01 Employment by industry, monthly, unadjusted for seasonality

establishments in Canada. Of these, 72.1% had employees, indicating a noticeable presence of employer-operated businesses within the subsector.

As shown in **Table 2**, 60.0% of these establishments had 5-99 employees and many of these small businesses are recent entrants. To overcome barriers to entry and increase their chances of success, they often adopt strategies such as targeting niche markets or differentiating their service offerings—for example, by emphasizing personalized service and enhancing the guest experience. By contrast, employers with 500 employees or more represented 0.2% of the total, underscoring the industry's predominance of smaller-scale operations.

Table 2
Businesses with employees in the accommodation services industry by employment size category, Canada, 2024

	1 to 4 employees	5 to 99 employees	100 to 499 employees	500 or more employees
Number of businesses with employees	3,781	6,289	388	21
Percent distribution %	36.1	60.0	3.7	0.2

Source: Statistics Canada, Business Register

Degree of concentration within the subector
The accommodation services subsector in Canada has a low level of market concentration, with many independent operators dominating the landscape. In 2023, the top 10 firms accounted for 7.3% of total operating revenue, underscoring the fragmented nature of the market. The presence of over 11,300 hotel and motel businesses across the country further reflects a highly competitive environment, intensified by the growing influence of alternative lodging platforms.

Labour market insights in accommodation services
The following section on the labour market is highlighting analysis from the paper "Workforce insights: Demographics in the travel arrangement, reservation, and accommodation services industries, 2017 to 2023," authored by Benjamin Tobin and published on June 20, 2025.[8]

Businesses in the accommodation services industries are directly influenced by economic conditions and household discretionary spending on leisure. Employment levels in these industries can be volatile, particularly during periods of financial uncertainty, such as during the COVID-19 pandemic and the recovery phase that followed. This section explores the demographic characteristics of employees in the Canadian accommodation services industries. Administrative data were used to analyze the workforce distribution by gender[9], age, full-time employment status[10], and residency status[11] from 2017 to 2023. The results presented in this paper are based solely on employees who received a T4 slip—a Canadian

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8. Workforce insights: Demographics in the travel arrangement, reservation and accommodation services industries, 2017 to 2023
9. Because of the low proportion of non-binary employees in these industries, results are reported separately for women and men only.
10. Based on the definition of full-time work status, employees were classified as working either full time or part time. With the average hourly wage by industry from the Survey of Employment, Payrolls and Hours, a proxy value was established to represent a full-time salary. This approach is the same as that used for agricultural employees in Statistics Canada's AgZero modernization project.
11. Residency status distinguishes between permanent residents—including the Canadian-born population and landed immigrants—and non-permanent residents. Non-permanent residents, who can hold study and work permits, include international students, temporary foreign workers, their families and refugee claimants.

tax form issued by employers to report employment income and deductions for a given tax year. Self-employed workers are excluded from this analysis.

In accommodation services, the gender distribution was consistent across industries, with women making up the majority of the workforce in the subsector. Over the years studied, this trend persisted, with the proportions of employees remaining stable within both industry groups in the subsector.

Table 3
Proportion of men and women employed in the accommodation services subsector, 2017 to 2023

	2017	2018	2019	2020	2021	2022	2023
				percent			
Total							
Women	58.9	59.1	58.9	58.0	58.2	58.7	57.9
Men	41.1	40.9	41.1	42.0	41.8	41.3	42.1
Hotels, motor hotels and motels							
Women	60.3	59.8	59.5	58.3	58.9	59.2	58.0
Men	39.7	40.2	40.5	41.6	41.1	40.8	42.0
Other accommodation industries							
Women	55.3	57.3	57.6	57.0	56.8	57.6	57.6
Men	44.7	42.7	42.4	43.0	43.2	42.3	42.4

Sources: Statistics Canada, Business Register and administrative data, custom tabulations.

The accommodation services subsector also relies heavily on part-time workers (**Table 4**). Part-time workers consistently made up close to three-quarters of the workforce across these industries. The hotels, motor hotels and motels industry group experienced a short-lived uptick in the share of part-time employment early in the COVID-19 pandemic as employers looked to reduce full-time staff during periods of reduced business activity. However, as of 2023, the proportion of full-time employees had returned to slightly above pre-pandemic levels. The other accommodation industries category, unlike all other industries examined in this paper, did not experience a decrease in the proportion of workers employed full time during the pandemic.

Table 4
Proportion of workers in full-time and part-time positions in the accommodation services subsector, 2017 to 2023

	2017	2018	2019	2020	2021	2022	2023
				percent			
Total							
Full time	23.7	24.3	24.3	19.0	19.3	21.5	24.6
Part time	76.3	75.7	75.7	81.0	80.7	78.5	75.4
Hotels, motor hotels and motels							
Full time	25.1	25.8	25.9	17.2	18.3	21.1	25.4
Part time	74.9	74.2	74.1	82.8	81.7	78.9	74.6
Other accommodation industries							
Full time	20.2	20.0	20.0	23.5	21.7	22.3	22.6
Part time	79.8	80.0	80.0	76.5	78.3	77.7	77.4

Sources: Statistics Canada, Business Register and administrative data, custom tabulations.

The accommodation services subsector has a relatively young workforce, with over half of all employees younger than 35. In hotels, motor hotels and motels, the largest share of employees was in the 25-to-34 age group, which made up 26.5% of the workforce. The workforce in other accommodation industries was slightly younger, with 56.6% younger than 35 and 29.2% in the 18-to-24 age cohort, while those younger than 18 made up close to 5% of the workforce.

Table 5
Proportion of employees in the accommodation services subsector by age group, 2023

Age group (years)	Hotels, motor hotels and motels	Other accommodation industries	Total
	percent		
0 to 17	2.7	4.7	3.3
18 to 24	22.8	29.2	24.8
25 to 34	26.5	22.7	25.3
35 to 44	17.2	14.4	16.4
45 to 54	13.7	11.5	13.0
55 to 64	12.3	11.6	12.1
65 to 74	4.3	4.9	4.5
75 to 84	0.5	0.8	0.6
85 to 94	0.0	0.0	0.0

Sources: Statistics Canada, Business Register and administrative data, custom tabulations.

Following the onset of the COVID-19 pandemic, workforce shortages emerged as an important challenge for the accommodation services subsector. With a significant number of employees displaced by the pandemic opting not to return to the hospitality industry, combined with rebounding demand for accommodation services as pandemic-related restrictions were eased or removed, job vacancy rates in the subsector soared throughout 2021. As demand for accommodation services rebounded in 2021 and 2022, job vacancy rates in the sector peaked at 14.0% in 2021 and 12.3% in early 2022.[12] During this period, non-permanent residents became a larger part of the accommodation services subsector workforce, reaching 15.8% of the workforce by 2023, compared with 8.9% in 2019 (**Table 6**). The increasing reliance on non-resident employees in 2022 and 2023 eased labour pressures and contributed to a lower job vacancy rate in the sector, which fell to 4.2% in 2023.

Table 6
Proportion of workers in the accommodation services subsector by residency status in Canada, 2017 to 2023

	2017	2018	2019	2020	2021	2022	2023
	percent						
Permanent residents (the Canadian-born population and landed immigrants)	93.6	92.4	91.1	92.8	93.6	89.7	84.2
Non-permanent residents	6.4	7.6	8.9	7.2	6.4	10.3	15.8

Sources: Statistics Canada, Business Register and administrative data, custom tabulations.

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12. Job vacancies, payroll employees, and job vacancy rate by industry sector, monthly, unadjusted for seasonality

Short-term rentals in the Canadian housing market[13]
Although short-term rentals (STRs) listed on platforms like Airbnb, Vrbo, and others are classified under traveller accommodation (NAICS 7211), they affect long-term housing availability in many Canadian regions. The next section estimates how many STR units could have met household long-term housing demand in Canada over the last eight years as STRs grew rapidly.

The role of STRs in Canada's housing challenges remains a subject of ongoing policy debate in many Canadian jurisdictions. While there is a widespread notion that such rentals limit the availability of long-term housing, empirical analysis of their impact has produced mixed results. This section focuses on the subset of STRs that could potentially serve as long-term housing. This subset of STRs, defined as potential long-term dwellings (PLTDs), is intended to capture STR units that are not serving as anyone's primary residence but could potentially function as long-term housing (either as owner-occupied or rental units). The PLTD subset comprises entire units listed for more than 180 days per year, excluding vacation type properties.

STRs are generally defined as full or partial units made available for rent via online platforms in short-term intervals, typically from 1 to 28 days. These short timelines mean these rentals compete with traditional commercial accommodations for travellers, rather than the accommodations of renters and lessors of real estate, which operate through monthly and yearly intervals.

The data on Canadian STRs were obtained from AirDNA. AirDNA collects information on STR units listed on Airbnb and Vrbo, the two largest platforms in the STR market.[14] While information is primarily collected using web scraping, AirDNA also incorporates partner data from channel managers, property managers and individual hosts.[15]

Housing data used for this analysis come from Statistics Canada and are based either directly on the 2021 Census of Population or on the estimates for the stock of occupied private dwellings[16] produced for intercensal years.[17] Estimates for the intercensal years are produced at the national and provincial and territorial levels, allowing for a comparison of the PLTD and dwelling counts for these geographic levels for all years up to 2024.

There are many reasons why a property or dwelling may be rented as an STR unit but would never enter the long-term housing market. For example, a secondary vacation property may be rented while the owner resides in their primary residence. Another example would be STR listings made for hotel rooms, three-season cottages, boats and other units that are not suitable for long-term housing. Additionally, there are STR units that primarily serve as long-term housing and thus would not add to the housing supply if they were unlisted. Examples include individual rooms within a residence, student housing that is leased long term during the academic year and is an STR during the summer, and units listed as STRs in the winter by "snowbirds." In the cases outlined above, the STR units do not deplete the pool of long-term dwellings. Instead, they represent new rental activity that would not have occurred otherwise.

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13. [Short-term rentals in the Canadian housing market](#)
14. Because the AirDNA data are at the listing level, geotagging methods were applied to create new data frames.
15. AirDNA. (2024, April 11). *How Our Data Works.* https://www.airdna.co/airdna-data-how-it-works
16. See [Dictionary, Census of Population, 2021 – Private dwelling](#) for the full definition of the private dwelling concept.
17. Statistics Canada (2023). *Table 36-10-0688-01* Housing stock in unit by institutional sector, housing type, dwelling occupation, dwelling type, and tenure type [Data table]. DOI: https://doi.org/10.25318/3610068801-eng.

The focus of this analysis is on PLTDs. The full breakdown of listing types for 2024 shows that PLTDs accounted for 30.2% of listings, while just over one-third (34.0%) of listings were entire units that were unavailable for the majority of the year, 14.9% were entire unit listings for vacation-type properties and the remaining 20.9% of listings were partial units (**Figure 3**). For the various reasons considered above, none of these final three categories is considered to have units that could satisfy long-term demand.

Figure 3
Short-term rentals in Canada, by type of listing with percentage shares, 2024
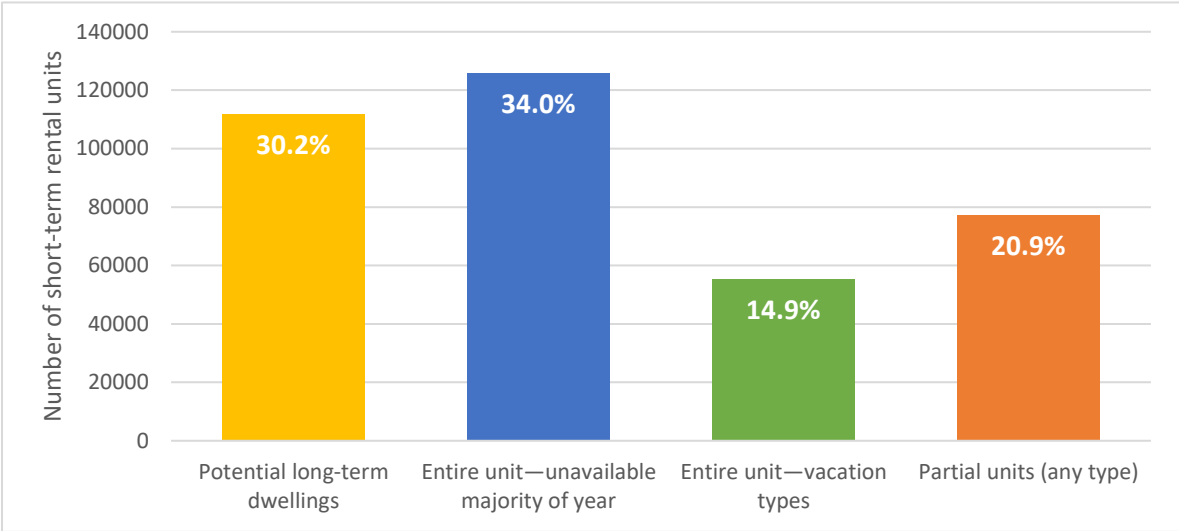
Source: Statistics Canada, custom tabulation from AirDNA data.

The PLTD estimates were obtained using data from AirDNA. No surveys were conducted, and no ownership data can be linked to specific STR units to better understand which units could feasibly be used as long-term dwellings. Caution should be used with the interpretation of the PLTD figures, which should only be considered estimates and not actual counts of dwellings that have been removed from the long-term housing stock. Nevertheless, the PLTD estimates provide a more reliable indicator than the assumption that all Canadian STR listings—over 370,051 in 2024—have the capacity to function as long-term dwellings.

Previous research indicates that STR activity plays an increasingly significant role in the Canadian accommodation services subsector, with its share of revenues trending upwards, from an estimated 7.0% in 2017 to 15.2% in 2021.[18] However, in the housing market, STRs still account for a small proportion of total housing units. In 2024, the estimated number of PLTDs in Canada was 111,872, making up 0.7% of total housing units in Canada. PLTDs also accounted for a small share of total housing units in Canada's largest census metropolitan areas (CMAs). In 2021, all CMAs with populations exceeding 500,000 had a PLTD ratio of less than 0.5%. However, the share of PLTDs was higher in tourist areas, particularly around ski hills. In Whistler, British Columbia, they constituted 35.7% of all housing units, while in Mont-Tremblant, Quebec, their share was 16.9%.[19]

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18. Marie-Christine Bernard and Owen Vipond. (2023). The growing share of private short-term rental revenue in the Canadian accommodation services subsector: Trends from 2017 to 2021. https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2023008-eng.htm.
19. The shares at the sub-provincial level are for 2021 and were calculated using the 2021 Census of Population.

Short-term rentals in the Canadian housing market – recent trends
Total STR listings increased by more than 70% in Canada from 2017 to 2024, while the number of PLTDs grew by almost 90%, from 59,287 to 111,872 units, over the same period (**Figure 4**). As a result, the share of listings considered PLTDs rose from 27.4% of total listings in 2017 to 30.2% in 2024 (**Figure 5**).

Figure 4
**Short-term rental units in Canada, by year, 2017 to 2024**
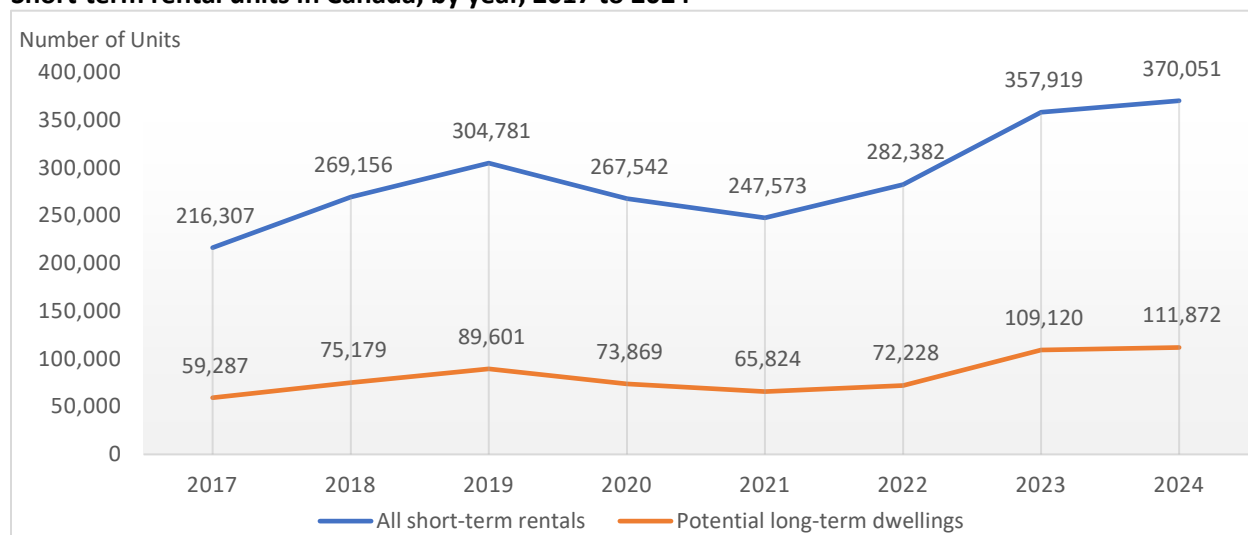
Source: Statistics Canada, custom tabulation from AirDNA data.

However, the progression has not followed a linear path, with STR activity declining after the onset of the COVID-19 pandemic. Total listings in Canada fell 19.7% from 2019 to 2021, while the PLTD subset decreased by 28.5% over the same two years. STR activity started to pick up in 2022, but the share of PLTDs (25.6% of total listings) remained lower than in 2019 (29.4%). The growth rate in 2024 levelled out to 3.4% for total STRs and 2.5% for PLTDs, compared with growth rates of 26.7% and 51.1%, respectively, in 2023.

Figure 5
Potential long-term dwellings as a share of Canadian short-term rentals, by year, 2017 to 2024
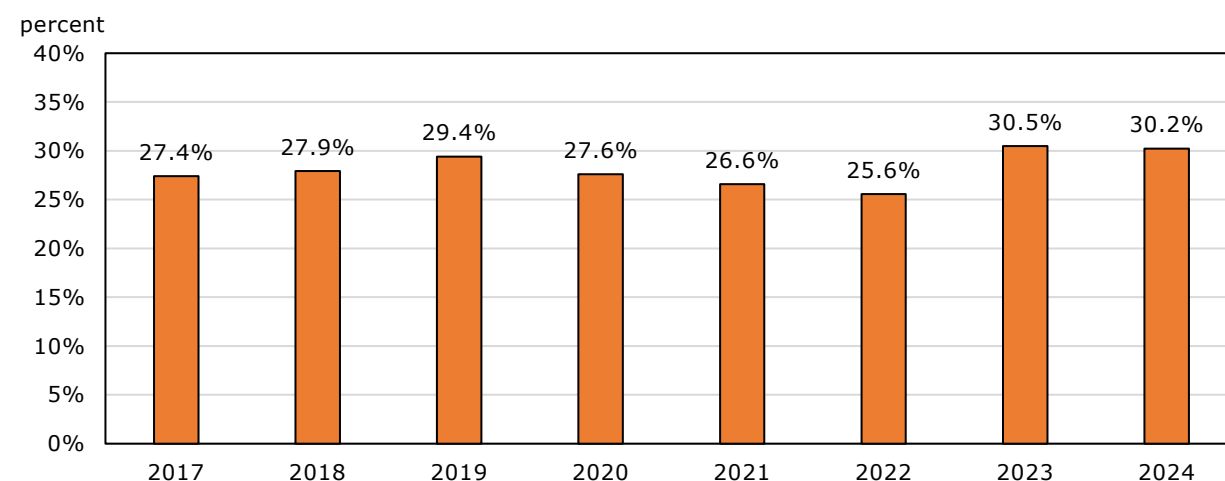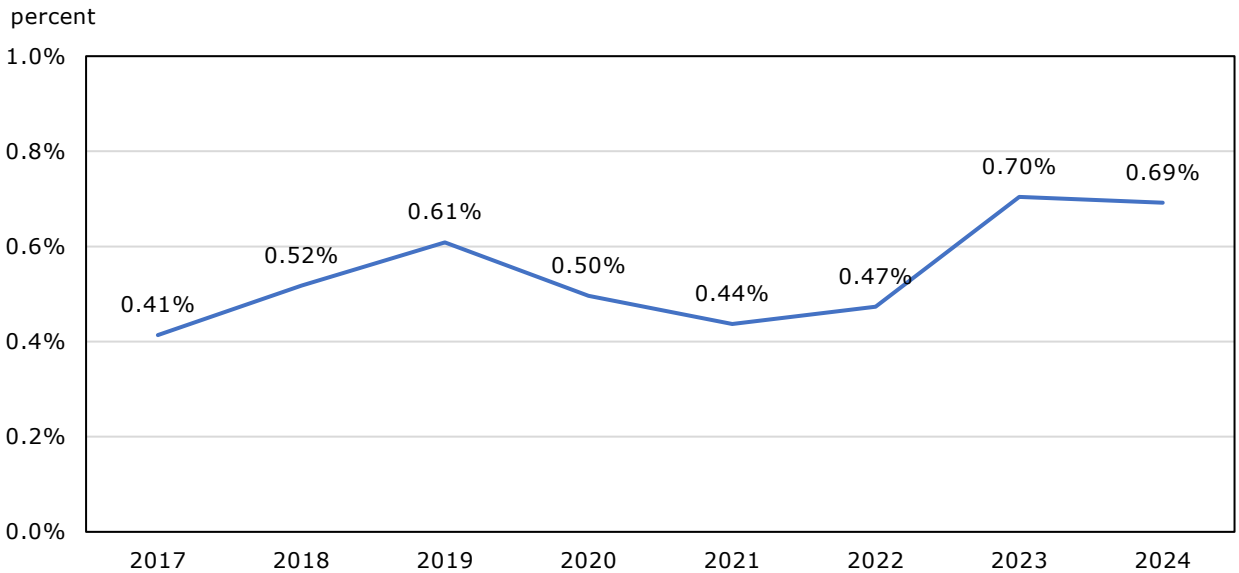

Source: Statistics Canada, custom tabulation from AirDNA data.

As mentioned previously, the decline in PLTDs during the pandemic was more severe than the overall decrease in STR activity. This greater decline in the PLTD subset may support the notion that these units could be used as long-term dwellings. After the decline in tourism during the pandemic, many property owners may have converted their STRs to long-term rentals. This could also explain why 2022 marked a low point in the proportion of PLTDs—many thousands of units may have been tied up in 12-month leases during the onset of the recovery. However, this assumption could only be confirmed with property ownership data, which are not available for this analysis.

Short-term rentals and total housing units

Housing stock data[20] for the intercensal years indicate that there were 16.3 million housing units[21] in Canada in the last quarter of 2024. This highlights a pronounced disparity in scale, with the total number of dwellings being orders of magnitude larger than the estimate of PLTDs. At the national level, PLTDs accounted for 0.70% of Canadian housing units in 2023, an all-time high for Canada (**Figure 6**). Results for 2024 stood relatively static, at 0.69%.

Figure 6
Potential long-term dwellings as a share of housing units, Canada, 2017 to 2024

Sources: Statistics Canada, Table 36-10-0688-01 and custom tabulation from AirDNA data.

Therefore, the subset of STR units capable of serving as long-term housing, defined as PLTDs, is generally small in most Canadian markets. The degree to which STR activity impacts housing affordability was not a focus of this analysis, so the results should not necessarily be used to draw conclusions on price impacts without further analysis. Housing market dynamics are complex,[22] and it is unlikely that there will be a simple and straightforward solution to the current challenges of affordability and supply faced by many Canadians. This analysis has focused on STR activity within the housing market. However, it is

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20. Statistics Canada. Table 36-10-0688-01 Housing stock in units included in the gross domestic product by income and expenditure. DOI: https://doi.org/10.25318/3610068801-eng.
21. Housing units in this analysis are the sum of private occupied dwellings and PLTDs.
22. Hogue, Robert. (April 8, 2024). Royal Bank of Canada. The Great Rebuild Seven ways to fix Canada's housing shortage. https://thoughtleadership.rbc.com/the-great-rebuild-seven-ways-to-fix-canadas-housing-shortage/.

important to acknowledge the influence of many other factors, including multiple-property owner investors,[23] the housing supply in relation to population growth,[24] and factors relating to interest rates and financing.

Responding to concerns regarding STR activity, numerous municipalities[25,26] and some provinces[27,28] have enacted or strengthened regulations. In the 2023 Fall Economic Statement, the federal government introduced new tax policies targeting non-compliant STR operators.[29] Additionally, in December 2024, the federal government opened applications to the Short-Term Rental Enforcement Fund to assist municipalities in ensuring compliance with their existing STR regulations. This analysis offers a clearer understanding of STR activity across Canada and its magnitude in the Canadian housing market

2.3 Specific characteristics of the subsector
This section outlines key characteristics specific to the accommodation services subsector,

Market concentration

As previously mentioned, the degree of market concentration in Canada's accommodation services subsector is low, with independent hotels dominating the landscape. While chain-affiliated hotels are present, they represent a smaller share, reflecting a fragmented market structure composed of many smaller operators. As of 2025, there are 11,300 hotel and motel businesses operating across the country (NAICS code 72111 designates hotels [except casino hotels] and motels). This large number of establishments contributes to a highly competitive sector.

Digitalization of the subsector

The accommodation industry is undergoing a sweeping digital transformation that is redefining both operational workflows and guest experiences. This shift is driven by the integration of advanced technologies aimed at streamlining processes, enhancing personalization and boosting overall efficiency. Hotels are increasingly adopting digital tools to optimize everything from booking and check-in procedures to in-room amenities and data-driven decision making, ultimately delivering a more seamless and tailored guest journey. In 2023, e-commerce sales accounted for 31.1% of total sales in the short-term accommodation services industry.[30] More details are provided on page 19.

23. Fontaine, J. and Gordon, J. (2023). Statistics Canada. Residential real estate investors and investment properties in 2020. https://www150.statcan.gc.ca/n1/pub/46-28-0001/2023001/article/00001-eng.htm.

24. Canada Mortgage and Housing Corporation. (2024). Housing Supply Report – Housing Supply Report in select Census Metropolitan Areas (CMAs) – Spring 2024, https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-supply-report/housing-supply-report-2024-spring-en.pdf (accessed June 6, 2024).

25. Erik White, "Northern Ontario cities and towns hope new rules prevent long-term damage from short-term rentals," *CBC News,* June 6, 2023, https://www.cbc.ca/news/canada/sudbury/short-term-rentals-airbnb-vrbo-bylaw-regulations-northern-ontario-1.6865527.

26. Sabrina Jonas and John Ngala, "Another Montreal borough bans short-term rentals to help protect tenants," *CBC News,* April 5, 2023, https://www.cbc.ca/news/canada/montreal/mercier-hochelaga-maisonneuve-borough-bans-airbnbs-1.6800757.

27. Sa Sabrina Jonas and Isaac Olson, "Quebec tables bill to tighten screws on Airbnb, other short-term rental platforms," *CBC News,* May 9, 2023, https://www.cbc.ca/news/canada/montreal/quebec-bill-fighting-illegal-short-term-rentals-1.6837199.

27. Government of British Columbia. (2025). Short-term rentals brina Jonas and Isaac Olson, "Quebec tables bill to tighten screws on Airbnb, other short-term rental platforms," *CBC News,* May 9, 2023, https://www.cbc.ca/news/canada/montreal/quebec-bill-fighting-illegal-short-term-rentals-1.6837199.

28. Government of British Columbia. (2025). Short-term rentals

29. Government of Canada. (2023). 2023 Fall Economic Statement. https://www.budget.canada.ca/fes-eea/2023/report-rapport/chap1-en.html#cracking-down.

30 The Daily: Accommodations Services, 2023

Sharing economy and competitiveness

The industry faces growing competition from STR platforms, which have become popular alternatives to traditional accommodations. In recent years, federal, provincial and municipal governments have significantly tightened the regulatory framework for STRs, aiming to improve housing affordability and ensure compliance with local laws. For example, the federal government launched the Short-Term Rental Enforcement Fund, providing resources to municipalities to monitor and regulate rental activity. Provinces like British Columbia have introduced additional measures, including a provincial STR registry that requires operators to display a registration number on their listings by May 2025.

Geographic concentration

Hotels are densely concentrated in major urban centres, driven by strong tourism demand. Among the provinces and territories, Ontario (29.5%) recorded the largest share of revenue in 2023, followed by British Columbia (23.3%), Alberta (17.2%) and Quebec (16.4%).

Employment

The subsector employs a significant number of staff. As of August 2024, the accommodation services subsector (which comprises traveller accommodation, recreational vehicle [RV] parks and recreational camps, and rooming and boarding houses) employed approximately 224,000 people.[31] However, the subsector faces challenges, with staff shortages and high turnover, requiring effective solutions. Other characteristics include rising operational costs, an increased focus on reputation management, growing sustainability demands, and external influences such as economic factors and international events.

3. Turnover and output measurement

3.1 General framework

These statistics are used by businesses, governments, investors, associations and the public to monitor industry growth, measure performance and make comparisons with other data sources. Data may be used to develop national and regional economic policies and programs. The Canadian System of Macroeconomic Accounts (CSMA) uses the data in the Canadian Government Finance Statistics program and in the annual SUT program to measure the subsector's contribution to GDP in the Canadian economy.

3.2 Measurement methods

Every year, Statistics Canada produces estimates of financial and non-financial characteristic variables for the accommodation services subsector using administrative and survey data. Official estimates are released at the national and provincial levels 12 months after the end of a given reference year.

The target population consists of all establishments classified to NAICS 2022 code 721, accommodation services, during the reference year. For the reference year 2024, there were 38,000 active establishments in Statistics Canada's Business Register for this subsector. The counts were drawn up as of December 31. They do not include establishments that became inactive during the year.

Surveys are conducted at the establishment level, primarily through electronic questionnaires. The last time Statistics Canada conducted surveys for the subsector was in 2023, when the sample size was 5,661 establishments, with a response rate of 67.6%. Before sample selection, units on the Business Register are stratified into homogeneous, categorical groups by NAICS code, province, size and ownership

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31. Statistics Canada, Table 14-10-0201-01 Employment by industry, monthly, unadjusted for seasonality.

structure. After this step, samples of a predetermined size are allocated into the strata based on these categories. In line with other Integrated Business Statistics Program (IBSP) surveys, samples of establishments above established size thresholds are drawn by methodologists. Businesses below the established size thresholds are ineligible for sampling. Estimates for this subsector are based on a combination of data collected directly from survey respondents, administrative files and tax data. Where detailed data are unavailable, data may be imputed. Data from previous years are revised based on updated information.

As part of the IBSP, Statistics Canada uses tax data from the Canada Revenue Agency to reduce respondent burden, decrease overall survey costs and improve data quality. Administrative data are used as part of a data replacement strategy for many financial variables for most small and medium enterprises and for a selected group of large enterprises. Administrative data are also used as an auxiliary source of data for editing and imputation when respondent data are not available. Data are imported, validated and then transformed into the necessary formats, structures and levels required for IBSP processing.

Prior to data release, Statistics Canada must ensure that the confidentiality of respondents is protected. Therefore, it may suppress the publication of key financial variables in provinces and territories where the subsector is highly concentrated because the characteristics of specific businesses could be revealed.

3.3 Measurement issues

Allocation

At the industry level, several challenges emerge when measuring key financial variables, the foremost being allocating various variables for businesses operating across multiple provinces or industries: operating revenues; expenses; and salaries, wages, commissions and benefits. Many data files are received from organizations and associations that report their financial data as a consolidated total across all locations, without regard for provincial boundaries. Consequently, preliminary provincial estimates may be significantly overstated or understated. Tax returns are filed by legal entities based on their registered business number, which may encompass operations in multiple jurisdictions. For example, a business operating in both Ontario and Alberta might report financial variables as a single aggregate. These data are then disaggregated based on the company's structure as recorded in the Business Register. However, the structure may not always be up to date, and this can lead to inaccuracies in the provincial business breakdown. As a result, one province may be allocated a disproportionately high share of operating revenue, causing an overestimation of its values and a corresponding underestimation in another province. Similarly, overestimation can occur when a business in the sample is part of a larger entity whose primary activity differs from that of the sampled unit. For instance, a respondent may mistakenly report all activities of the entire company rather than isolating those related to short-term accommodation. This misreporting can significantly inflate the reported data. To address and resolve issues of misallocation, subject-matter officers and analysts conduct research on the businesses in question, reach out to respondents for clarification, and consult historical data and company trends. Additionally, businesses operating in multiple provinces may choose to report their key financial variables using separate questionnaires for each location or submit multiple questionnaires to reflect their provincial operations more accurately. This approach allows for the separation of provincial data. Subsequently, any necessary adjustments are implemented and documented in the relevant data tools (e.g., Business Register, Review and Adjustment Facility).

Integration of administrative data

The second challenge involves integrating multiple sources of administrative data to produce coherent statistics. Variations in file formats across sources complicate standardization efforts. Additionally, ensuring the accuracy of inputs is challenging, particularly because the data are not originally collected for statistical purposes. Furthermore, the files received are sometimes incomplete, requiring substantial imputation to prevent gaps in the integrated dataset. When data gaps are identified, alternative methods—such as manual collection of financial statements—may be employed to supplement the missing information. Reporting detailed data may vary across business units. Where detailed data are unavailable, data may be imputed using donor information from businesses of similar size and characteristics. In addition, data from previous years are revised based on updated information.

Business register[32]

Lastly, although business units are stratified into homogeneous, categorical groups by NAICS code, province and size, there is often a lag between when a business's structure changes and when those changes are reflected in the Business Register. This is because company structures can evolve over time for various reasons, —such as changes in province of operation or primary business activity. These changes are often difficult to track because businesses need to proactively report them. Moreover, verifying the information and updating the system take time, contributing to delays in reflecting structural changes in the Business Register. As a result, some businesses may be misclassified and incorrectly included in an industry. Delays in updating the Business Register can affect the accuracy of both provincial allocations and industry estimates. While new operations in different provinces can be added or reclassified at any time, these changes may not be reflected until the following processing year. When the Business Register is accurately updated, the impact of these changes can be wide-ranging,—particularly when corrections involve historical data. To minimize the potential effects of such issues, Statistics Canada revises its estimates annually. Moreover, a significant number of short-term rental hosts are missing from the Business Register, even though they should be classified under NAICS 721198. As previously mentioned, the total universe would exceed 100,000 if all were properly included.

3.4 Evaluation of comparability of price data with output data

In general, output and price measures for the accommodation services industry are comparable. The Canadian System of Macroeconomic Accounts (CSMA) works closely with the Retail and Service Industries Division to ensure consistency and representability. The following is a summary of methodology to derive volume of output for industry 721 in the Supply and Use Tables (SUT).

In the Canadian Supply and Use Tables (CSUT) NAICS 721 industry structure detailed into two industries, namely, BS721100 – Traveler Accommodation and BS721A00 - Recreational vehicle (RV) parks, recreational camps, and rooming and boarding houses. Within these, BS7211000 generates the largest output while BS721A00 generates two relatively small output types. The three products include MPS721100 - Traveler accommodation, MPS721A01 - Recreational vehicle parks and recreational camp services, and MPS721A02 - Rooming and boarding ser vices.

Currently, relevant components of CPI (computed by Consumer Prices Division (CPD)) are used to deflate nominal values of products including MPS721100, produced by BS721100, and commodities MPS721A01, MPS721A02, produced by BS721A00. Each price index is adjusted for tax margin prior to

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32 .The Business Register is Statistics Canada's continuously maintained central repository of baseline information on businesses and institutions operating in Canada. As a statistical register, it provides listings of units and related attributes required for survey sampling frames, data integration, stratification and business demographic statistics.

being applied to deflate nominal gross output value of each commodity. The price indexes are built on web scraped list data. The indexes focus only on prices paid by clients in the household sector. They do not include market prices paid by clients in the business and government sectors. This exclusion may introduce an unknown degree of bias to the volume estimates of the gross outputs, gross value added (GVA) and its components.

Gross value added by NAICS 721 is derived residually, through double deflation, by subtracting the sum of deflated values of intermediate use of inputs from the sum of deflated values of gross outputs. The quality of real GVA is assessed by comparing measures of constant returns to scale (CRTS) metric derived from both nominal and real CSUT outputs and inputs associated with NAICS 721. The CRTS metric reflects input-output identity whereby the sum of real or nominal gross outputs is equal to the sum of real or nominal use of intermediate inputs. It is expected that empirical value of the metric, built on both nominal and real values, should float around unity. An observed, if any, inconsistency reflected by the CRTS metric derived from the volumes of outputs and intermediate inputs is corrected by revising volume estimates of a gross output and/or intermediate use of an input. The outcome is likely to minimize the price index bias thereby improving the quality of real GVA and its components.

Note: Generally, the deflation of most goods and service commodities contained in the CSUT relies on producer price indexes computed by Producer Prices Division (PPD). In the recent past, PPD provided the travel accommodation services price index. Both CPD and PPD collected the same web data to compute seemingly separate and different price indexes. Rather than duplicating the effort unnecessarily, PPD decided to terminate production of the index with the recommendation that we use CPI based price indexes.

4. Evaluation of measurement

Statistics Canada estimates the value of output in current prices of the accommodation services industry primarily using estimates of operating revenues in the supply and use tables. The establishment-level operating statistics are supplemented with other sources to measure own-account capital formation to derive the total industry output and value added. The annual statistical programs in the Retail and Service Industries Division enable the measurement of industry structure and evolution over time in the annual supply and use tables. These tables, in turn, serve as benchmarks for more frequent industry gross domestic product (GDP) measures, such as the monthly GDP and provincial GDP programs.

Given the nature of this industry—with its high proportion of small establishments and frequent new entrants—the challenges outlined in the previous section often arise and can take considerable time to resolve. Maintaining an accurate Business Register and survey frame, while minimizing coverage errors such as omissions, erroneous inclusions, duplications, and misclassifications, is both time-consuming and costly. Consequently, compromises are inevitable, and a decision must be made regarding when to cease the frame-cleaning process.

Currently, without a revision to NAICS 2022, the program lacks data to reflect the growing importance of intermediation service activities in the accommodation services industry. If a new industry is eventually added to NAICS, similarly to the addition in ISIC Rev.5 (I5540 Intermediation service activities for accommodation), new methods will need to be developed to produce estimates for this new industry. Further research is required, and it remains uncertain whether NAICS will adopt the same approach as ISIC.

The program tends to underestimate e-commerce sales due to several measurement challenges. These range from effectively communicating the established definition of e-commerce to respondents, to implementing robust validation processes that ensure accurate reporting. A key difficulty lies in the fact that some businesses do not separate online sales from total revenue, making it hard to isolate e-commerce figures. More importantly, many establishments report only proprietary e-commerce sales—such as bookings made through their own websites—while transactions made through third-party platforms are often classified as B2B or agency sales and excluded from e-commerce reporting. As a result, a significant portion of online sales is not captured in the estimates.

5. Conclusion

This paper explores the use of administrative data in Statistics Canada's Traveller Accommodation Survey program, highlighting both the challenges and methodologies involved in producing reliable estimates of industry output and characteristics – e.g. demographic statistics and the short-Term Rentals in the Canadian Housing Market.