

# **Analysis of the Impact of Short-Term Rentals on the Canadian Housing Market**

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# Presentation Outline

- Introduction
- Data and methods
  - Current literature
- Study Results
  - Trends in short-term rentals
- Conclusion



# Introduction

- The role of short-term rentals (STRs) in Canada's housing market remains a subject of on-going policy debate
- Some studies in Canada have [concluded](#) that STRs are adding to Canada's housing crisis, while other empirical analysis has produced mixed results
- Over the past few years, various levels of the Canadian government have taken steps to regulate STRs in response to growing concerns over housing affordability and availability



# Context

- The analysis in the paper focusses on a sub-set of STRs that could potentially be used for long-term housing, defined as housing units that are listed for short-term rent (1-28 days) for more than 180 days a year
- Data used to compile national results were obtained from AirDNA combined with housing data from Statistics Canada



# Data and Methods

What defines a short-term rental unit and potential long-term dwelling (PLTD)

- For the purposes of the paper, STRs were defined as full or partial units made available to rent via online platforms in short-term intervals, typically between 1 and 28 days
- The short time-line puts these rentals in competition with traditional commercial accommodations for travelers, rather than renters or leasers of real estate
- The analysis focussed on a specific sub-set of STRs – potential long-term dwellings (PLTDs). PLTDs are defined as STRs that have been listed for more than 180 days a year.

# Data and methods *(continued)*

- Data on Canadian STRs is obtained from AirDNA. AirDNA obtains their data by web scraping Airbnb and Vrbo and from partner data (e.g. individual hosts, property managers and channel managers) from verified properties
- Housing data is obtained from Statistics Canada's 2021 Census of Population or the estimates for the stock of occupied private dwellings produced in intercensal years
- Census and intercensal housing unit counts are at the national and provincial/territorial level allowing for comparison of PLTD and dwelling counts up to 2024
- Sub-provincial estimates (i.e. CMA level) are available only for censal years (latest being 2021)

# Data and Methods *(continued)*

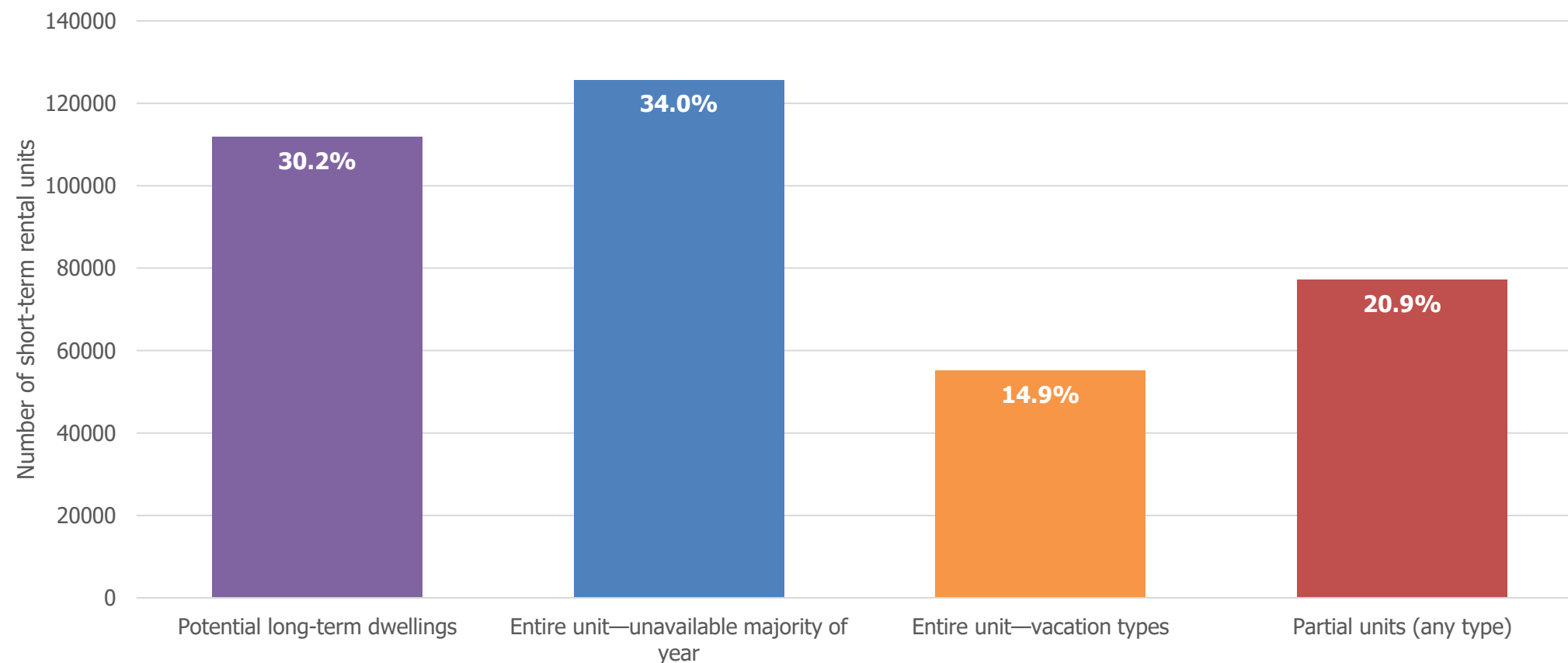
- The PLTD estimate using AirDNA data was combined with census-derived occupied dwelling estimates to calculate the total housing units potentially available to long-term residents – for national, provincial and sub-provincial estimates
- No survey was conducted
- As ownership data cannot be directly linked to specific STR units to better understand which units could feasibly be used as a long-term dwelling, caution is needed when interpreting the results and the PLTD figures should be considered an estimate, not an actual count

# Other considerations related to defining PLTDs

- Many considerations for why a STR unit would not be considered as part of PLTD stock:
  - A rented second vacation property while the owner resides in their primary residence
  - STR listings for hotel rooms, 3-season cottages, boats and other units not suitable for long-term housing
  - STR units that primarily serve as long-term housing, such as rooms within a residence, student housing leased long-term during the academic year but as a summer STR and STRs listed in winter by 'snowbirds'
- Analysis shows that this subset of STRs – PLTDs accounted for 30.2% of all listings



# Short-term rentals in Canada, by type of listing, 2024



Source: Statistics Canada, custom tabulation from AirDNA data.



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# Current literature

- Several studies have investigated the influence of short-term rentals on housing shortages
- Conference Board of Canada's 2023 report suggests that the level of Airbnb activities had no meaningful impact on the cost of rent while a study done in British Columbia by the Canada [Research Chair in Urban Governance](#) found that municipal restrictions on STRs led to a measurable increase in long-term rental availability and a decline in the cost of rent
- However, the studies examined in the paper show that there is no standardized way to estimate the number of dwellings being removed from the long-term housing market

# Some metrics on STRs in Canada

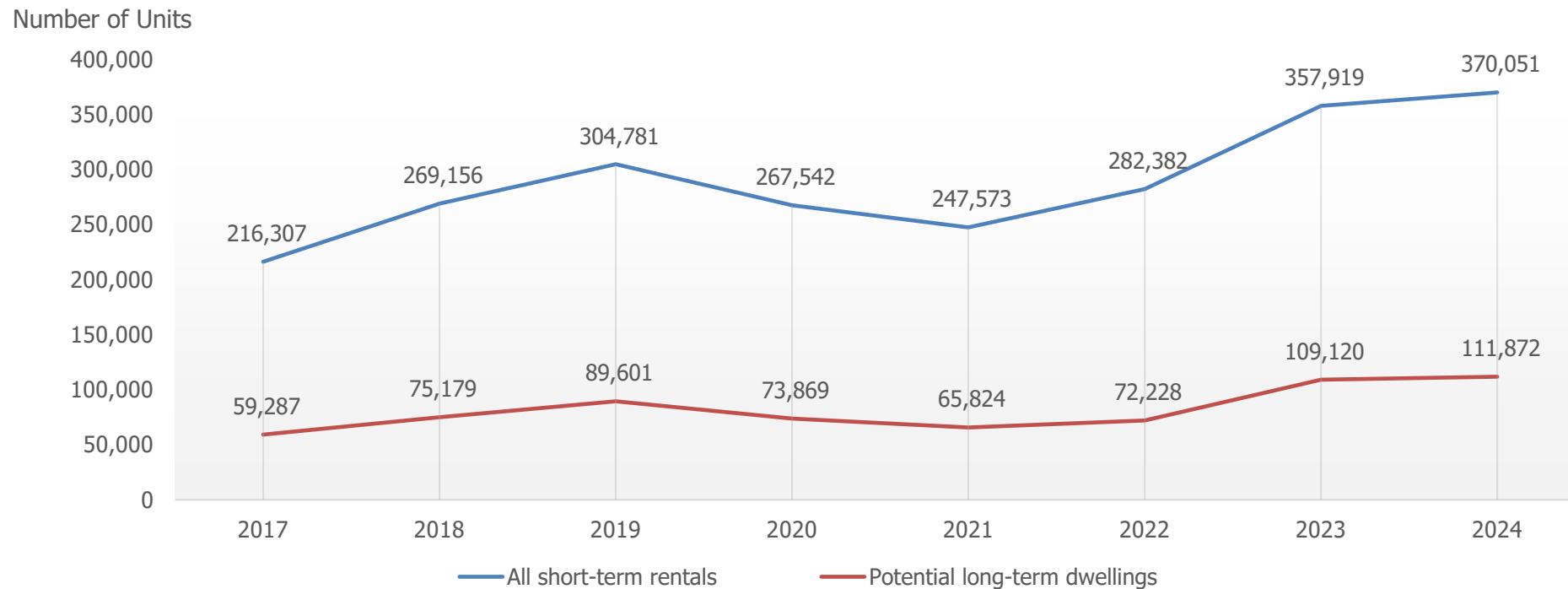
- Previous research indicates that the revenue share of STR's in the Canadian accommodation service subsector grew significantly from 7.0% in 2017 to 15.2% in 2021
- However, they account for a small share of the total housing units in Canada – 0.7% or 111,872 units in 2024
- In larger municipalities, the PLTD ratio was less than 0.5%
- Where they have a more significant presence is in tourist areas, particularly ski hills where their share can be over 30%

# Key trend - growth

- Total STR listings increased by more than 70% between 2017 and 2024
- The total number of PLTDs grew by almost 90% over the same period
- The share of listings considered to be PLTDs grew from 27% in 2017 to 30% of total listings in 2024
- From 2017 to 2019, STRs and PLTDs showed a steady upward trend. However, this growth reversed during the COVID-19 pandemic due to imposed restrictions. Following two consecutive years of decline, both indicators resumed their upward trajectory
- After the decline in tourism during the pandemic, many STRs may have been converted to LTRDs, as indicated by 2022 marking the low point in the proportion of PLTDs



# Short-term rental units in Canada, by year (2017-2024)



Source: Statistics Canada, custom tabulation from AirDNA data.



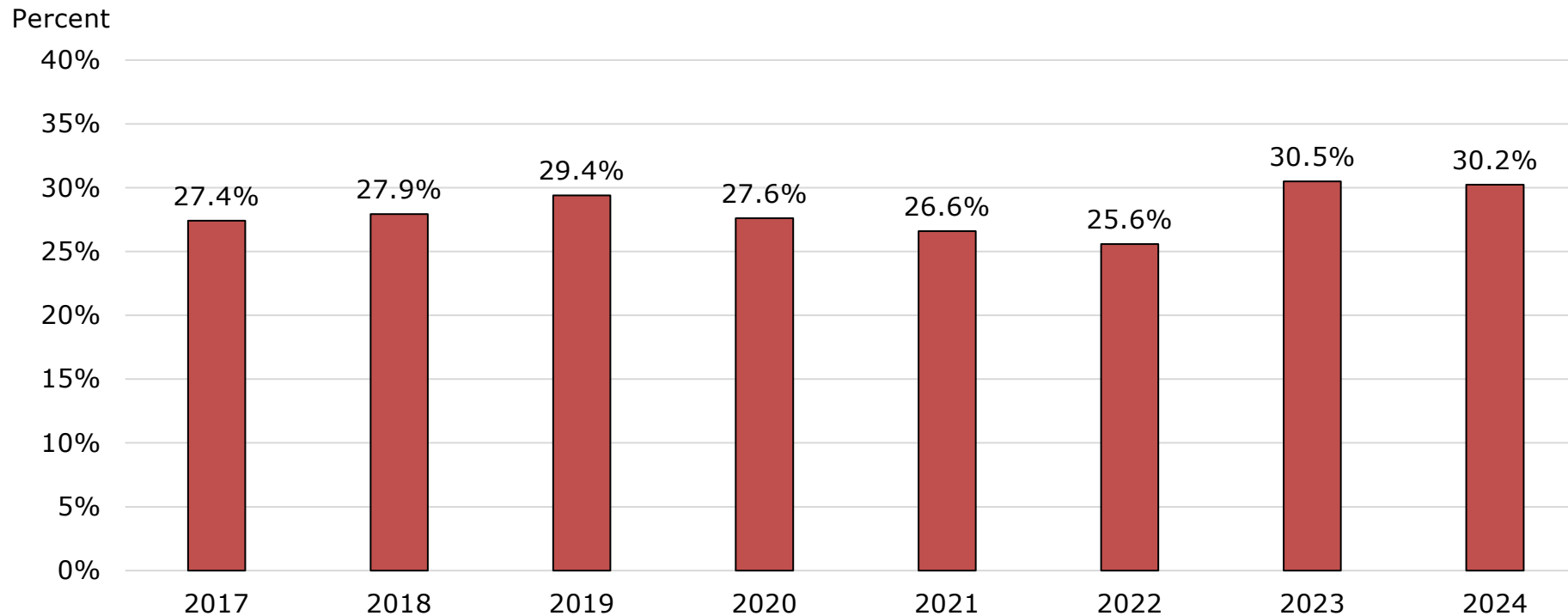
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(not sure I'd put this chart in – there is not a big story)

## PLTDs as a share of Canadian Short-term Rentals, by Year (2017-2024)



Source: Statistics Canada, custom tabulation from AirDNA data.

# PLTDs as a share of total housing

- 2023 marked the highest proportion of PLTDs as a share of total housing units at 0.7% over the study period
- When comparing provincially, the trends differed – in Ontario, Canada's most populous province, the share of PLTDs more than doubled from 0.4% in 2022 to 0.7% in 2023
- The share of PLTDs in Quebec rebounded to 0.5% in 2023 after falling to 0.4% in 2022, however this was still lower than the pre-pandemic high of 0.6%. Since Quebec has enacted regulatory STR restrictions, the share fell to 0.5% in 2024



# PLTD share highest in tourist areas



- Unsurprisingly, the share of PLTDs were highest in tourist areas, particularly where skiing is the predominant activity
- In 2021, the latest data available, Whistler, in British Columbia had the largest share of PLTDs (36%)
- Other ski areas with the highest PLTDs include Mont-Tremblant in Quebec (17%); Canmore, Alberta (15%) and The Blue Mountains in Ontario (14%)
- Prince Edward County, Ontario, is also a popular tourist destination featuring wineries and vineyards, art galleries and beaches (5.1%)



# Conclusions

- Statistics Canada has produced national and sub-national estimates of potential PLTDs based on a set of defined measurement practices
- Results were obtained by combining private-sector administrative data with Statistics Canada's census and intercensal databases
- Various studies related to STR activity and the calculation of PLTDs use various methods and approaches as there is no standardised measurement or definitions

# Conclusions

- While STR activity has grown in Canada, particularly related to revenue growth, overall, they still account for a small proportion of total housing units
- Total STR listings have increased in Canada between 2017 and 2024, while the number of PLTDs grew by almost 90%
- At the same time, the total number of dwellings in Canada also increased, damping the effect of the increase in PLTDs as a share of total dwellings
- The share of PLTDs was highest in ski areas and other tourist zones



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