

LISTINGS AND REVENUE TRENDS IN NIAGARA FALLS' SHORT-TERM RENTAL MARKET

OVERVIEW

In December 2023, Niagara Falls experienced robust activity in its short-term rental (STR) market, characterized by significant revenue generation but also presenting challenges to housing dynamics.



Click or scan to download



LISTING DYNAMICS

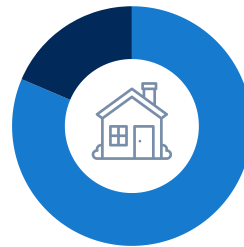
1,120 LISTINGS ON AIRBNB

EST. 880 ACTIVELY ENGAGED = HIGH UTILIZATION RATES



Active listings **grew by 26.9%** from January 2022 to December 2023, rebounding from pandemic lows.

MARKET TRENDS



MARKET COMPOSITION FEATURES ENTIRE HOMES = 81.4% OF ALL AIRBNB LISTINGS

56.1% CATEGORIZED AS MULTI-LISTINGS



EXCEEDING THE PROVINCIAL AVERAGE AND SUGGESTING CONCENTRATED OWNERSHIP

REVENUE GENERATION



\$5.5 MILLION IN REVENUE

\$6,200 PER LISTING

= MORE THAN 5X AVG. MONTHLY RENT

HOUSING MARKET IMPACT

The resurgence of dedicated STR units, now estimated at 360, **reflects a recovery from pandemic declines** but **poses challenges** to housing availability

STR ACTIVITY HAS CONTRIBUTED TO INCREASED RESIDENTIAL RENTS, WITH RENTERS PAYING AN ADDITIONAL

\$79 MILLION



REGULATORY RECOMMENDATIONS

CURRENT STR REGULATIONS IN NIAGARA FALLS ALLOW FOR WIDESPREAD OPERATION IN COMMERCIAL ZONES, CONTRIBUTING TO RENT INFLATION



IMPLEMENTING A PRINCIPAL-RESIDENCE REQUIREMENT COULD POTENTIALLY REDUCE AVERAGE RENTS BY \$20 BY 2025

= \$5.4 MILLION IN ANNUAL SAVINGS FOR RENTERS

CONCLUSION

In conclusion, while the STR market in Niagara Falls drives significant economic activity, it also **exacerbates housing affordability challenges**. The substantial revenue and high occupancy rates of STRs indicate a lucrative market, but the concentration of listings in the hands of non-resident owners and the absence of stricter residency requirements have contributed to **rising rents** and **reduced housing availability** for local residents.

The growth of non-resident owned STRs, currently estimated at 360 units, highlights the **need for proactive measures by municipal authorities** to ensure balanced development. **Strengthening regulations** to limit the proliferation of commercial STR operations and **considering policies** that promote local residency requirements are crucial steps. By doing so, Niagara Falls can achieve sustainable growth in its STR sector while safeguarding housing affordability and availability for its residents.

Click or scan to download



Note: This research study, *Short-term Rentals and Housing Affordability in Ontario*, written by Dr David Wachsmuth, was commissioned and funded by the *Ontario Restaurant Hotel & Motel Association (ORHMA)*. The authors from the *Urban Politics and Governance* research group are exclusively responsible for all analysis, findings, and conclusions.

Source: Wachsmuth, David (2024). *Short-term Rentals and Housing Affordability in Ontario*. *Urban Politics and Governance research group*, School of Urban Planning, McGill University.