

LISTINGS AND REVENUE TRENDS IN OTTAWA'S SHORT-TERM RENTAL MARKET

OVERVIEW

In December 2023, Ottawa's short-term rental (STR) market exhibited significant growth and economic impact, characterized by shifts in listings and revenue dynamics amid regulatory developments.



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LISTING DYNAMICS

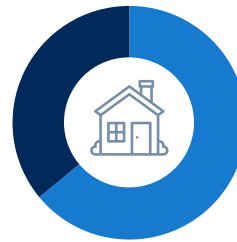
3,800 LISTINGS ON AIRBNB

EST. 1,500 ACTIVELY ENGAGED



Displayed listings **increased by 42.5%** to 3,840, and active listings **grew by 26.5%** to 1,530 from their respective lows in July 2022.

MARKET TRENDS



MARKET COMPOSITION FEATURES ENTIRE HOMES = **64% OF ALL AIRBNB LISTINGS**

44.9% CATEGORIZED AS MULTI-LISTINGS = SLIGHTLY HIGHER THAN PROVINCIAL AVG.

TOP 10% OF HOSTS = 45.9% OF TOTAL EARNINGS



REVENUE GENERATION



\$5 MILLION IN MONTHLY REVENUE

\$3,800 PER LISTING

= 3X AVERAGE MONTHLY RENT

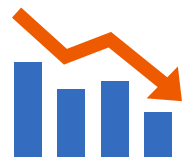


REGULATORY IMPACT

STR activity **initially declined** due to COVID-19 and subsequent municipal regulations, which saw

A RISE IN LISTINGS ADOPTING 28-DAY MINIMUM STAYS TO COMPLY.

However, the proportion of these listings has **since declined**, suggesting a return to traditional STR operations.



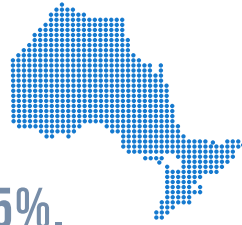
HOUSING MARKET EFFECTS

STR PRESENCE HAS CONTRIBUTED SIGNIFICANTLY TO OTTAWA'S RESIDENTIAL RENT DYNAMICS



\$231 MILLION
IN ADDITIONAL RENT PAYMENTS

STR ACTIVITY = 1.1% RENT GROWTH IN 2022, LOWER THAN THE PROVINCIAL AVG. OF 2.5%.



POLICY EVALUATION

Ottawa's STR regulations, including the absence of a principal-residence requirement, have **moderated rent increases**, saving renters an estimated



\$88.6 - \$143.7 MILLION
IN SAVINGS ANNUALLY

Despite these gains, the **resurgence of commercial STRs poses challenges** to sustained regulatory effectiveness.



CONCLUSION

In conclusion, while Ottawa's STR market displays signs of recovery and contributes to the local economy, it also **presents significant challenges and negative impacts**. The rapid growth of commercial STRs, despite regulatory efforts, **threatens housing availability and affordability**.

STR activity has contributed substantially to increased rents, totaling an **additional \$231 million paid by renters** from 2017 to 2022. Although Ottawa's current regulations have mitigated some rent increases, the resurgence of non-compliant STRs underscores the need for strengthened enforcement and potentially stricter policies, such as **implementing a principal-residence requirement**. Addressing these challenges is crucial to safeguarding housing stability and affordability for Ottawa residents amidst the ongoing evolution of the city's STR market.

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*.

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