

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

OVERVIEW

In December 2023, Toronto's short-term rental (STR) market exhibited significant growth and economic impact, marked by notable shifts in listings and revenue dynamics. Key findings reveal a resurgence in both displayed and active listings following regulatory adjustments and pandemic-related disruptions.



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LISTING DYNAMICS

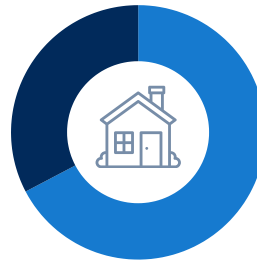
23,000 LISTINGS ON AIRBNB

EST. 9,900 ACTIVELY ENGAGED

Substantial recovery from lows observed during the pandemic & post-regulatory implementation periods.



MARKET TRENDS



MARKET COMPOSITION FEATURES ENTIRE HOMES = 67.3% OF ALL AIRBNB LISTINGS

TOP 10% OF HOSTS = 43.8% OF REVENUE
1% (459 OPERATORS) HOSTS = 15.4% OF TOTAL EARNINGS

REVENUE GENERATION



\$53 MILLION IN REVENUE

\$4,500 PER LISTING = 3X AVG. MONTHLY RENT

REGULATORY IMPACT

2,360

UNITS AS FULL-TIME OR MEDIUM-TERM RENTALS LOWER THAN THE 6,130 UNITS PRIOR TO THE PANDEMIC, BUT...

2X MORE THAN THE ESTIMATE FOR PANDEMIC-ERA LOW POINT

HOUSING MARKET EFFECTS



STR ACTIVITY INFLUENCED TORONTO'S RESIDENTIAL HOUSING MARKET, CONTRIBUTING TO

\$1.3 BILLION

IN ADDITIONAL RENT PAYMENTS

STR ACTIVITY = 2.4% RENT GROWTH,

BUT LESS THAN ONTARIO-WIDE AVERAGE




Recent regulations have moderated this impact, resulting in **reduced average rents** compared to projected figures in the absence of regulations.


POLICY EFFECTIVENESS & CHALLENGES

\$648.8 - \$801.6 MILLION

IN SAVINGS ANNUALLY



By the end of 2023, rents in Toronto were an average of **\$52-\$64 lower** than they would have been if the City had not implemented its STR rules.

 **2.7%-3.3% DECREASE:**
AVG. RENT = \$1,865

However, the rapid resurgence of commercial STRs **poses a renewed challenge** to regulatory efficacy.

CONCLUSION

In conclusion, although Toronto's STR market has rebounded significantly, contributing to robust revenue generation, it also **poses considerable challenges** and **negative impacts**. The resurgence of STR listings, particularly commercial operations with 28-day minimum stays to comply with regulations, indicates ongoing pressures on housing availability.

Looking ahead, Toronto faces the imperative to **strengthen enforcement** and possibly **revise regulations** to address the continued growth of non-compliant STRs. This proactive approach is crucial to preserving housing affordability and stability, ensuring that economic benefits from tourism do not come at the expense of local residents' access to housing.

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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