

SHORT-TERM RENTALS IN HALIFAX: POLITICS & POLICY

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Canada Research Chair in Urban Governance
McGill University

14 November 2019

**Urban Politics
and Governance
research group**



upgo.lab.mcgill.ca



**Short-term rentals in
Halifax**

UPGo city spotlight

David Wachsmuth
Charlotte Belot
Amy Bolt

November 2019



A report from the
Urban Politics and Governance research group
School of Urban Planning
McGill University

Available online at
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Barcelona



San Francisco



New Orleans

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Montréal

1) HOUSING IMPACTS What impact have STRs had on housing availability, affordability, and quality of life in cities around the world?

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2) SOCIAL DYNAMICS How is the platform economy changing social and economic relationships between inhabitants, housing, and urban space?

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2) SOCIAL DYNAMICS How is the platform economy changing social and economic relationships between inhabitants, housing, and urban space?

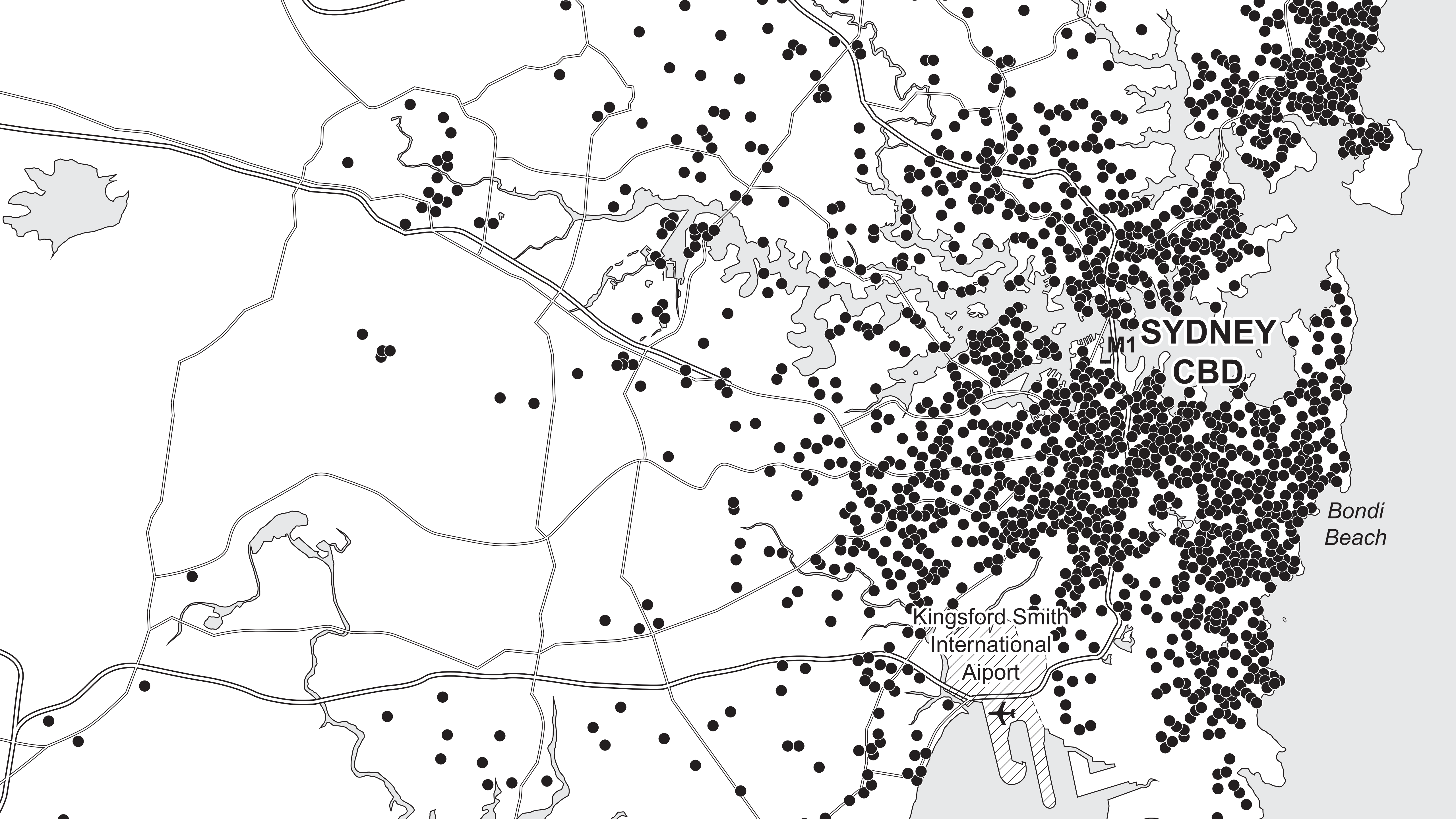
3) POLICY OPTIONS What policy options are available to governments seeking to regulate STRs in the public interest?

Methodology

We have data about...

- 1. Every Airbnb/HomeAway/VRBO property in the world**
- 2. Every single day since 2015**

***15 billion activity data points (and 15 million more each day),
and 300 GB of review text***



**SYDNEY
CBD**

M1

Kingsford Smith
International
Airport

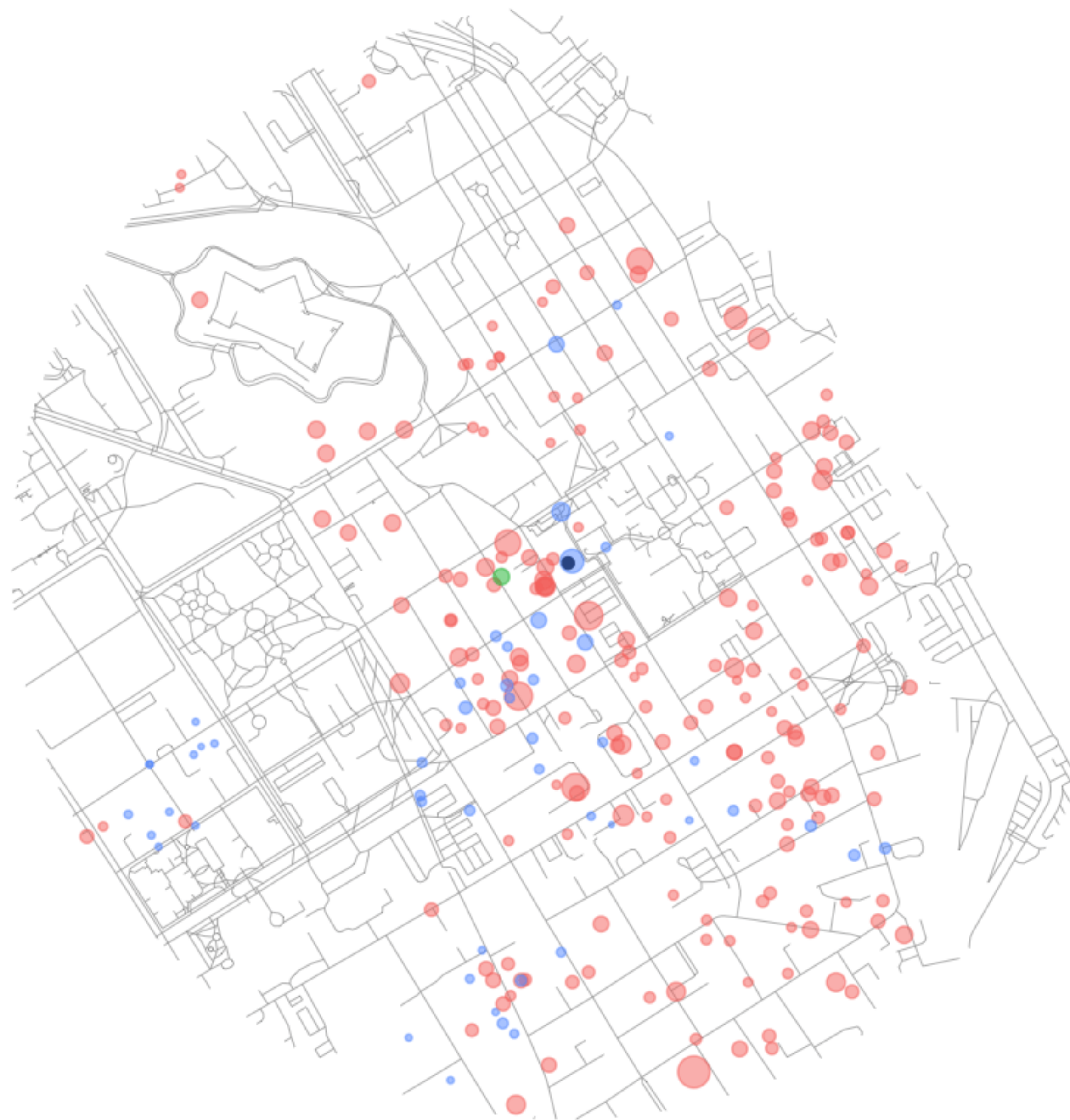
*Bondi
Beach*

	A	B	C	D	E	F	G	H	I	J	K
1	Property ID	Host ID	Listing Title	Property Type	Listing Type	Created Date	Last Scraped Date	Number of Reviews	Bedrooms	Bathrooms	Max Guests
2	4936975	25399161	New Orleans northshore b&b retreat	Guest suite	Private room	2014-12-16	2018-05-17	3	1	1	2
3	1067204	5872247	Charming, balcony view of the river	House	Private room	2013-04-10	2018-05-16	163	1	1	4
4	3200916	12766909	You will wish it were yours! Three acres of	Cottage	Entire home/apt	2014-06-01	2018-05-17	11	1	1	4
5	4930544	25399161	New Orleans northshore b&b retreat	Bed and breakfast	Entire home/apt	2014-12-14	2018-05-16	4	3	3	6
6	408469	187274	Lofted Treehouse Cabin in the Woods	Treehouse	Entire home/apt	2012-03-29	2016-10-18	75	1	1.5	2
7	4557819	15671728	Pond View Cottage - 1200 sq. ft.	Cottage	Entire home/apt	2014-10-21	2018-05-17	44	1	1	4
8	7621767	38545753	I am renting out a bedroom	Apartment	Private room	2015-07-27	2015-12-09	0	1	1	2
9	5152123	26501542	Bayou Country Paradise on the River	House	Entire home/apt	2015-01-18	2016-02-04	2	2	2	6
10	4607147	4562110	The Trainer's Apartment	Loft	Entire home/apt	2014-10-28	2018-04-28	35	1	1.5	5
11	5261694	26995539	Historic Governor's Home	House	Entire home/apt	2015-02-02	2018-05-17	13	4	2	13
12	4988300	616727	Cozy Cottage overlooking the River	Entire house	Entire home/apt	2014-12-25	2018-02-19	1	1	1	2
13	3283652	5872247	The Kids Room for Adults TOO	House	Private room	2014-06-10	2018-05-16	31	1	1	2
14	4404762	6128558	Wonderful location	House	Private room	2014-10-01	2018-05-16	0	1	1	2
15	5265650	27085583	Modern clean room and bath.	House	Private room	2015-02-02	2017-02-07	0	1	1	2
16	5276688	26080468	Whimsical art room	House	Private room	2015-02-03	2017-03-15	9	1	1	2
17	3446431	13562013	Bayou camp 500sf. 30min New Orleans	House	Entire home/apt	2014-06-29	2018-05-16	104	1	1	4
18	5051255	26080468	Large comfortable room	House	Private room	2015-01-04	2017-03-14	9	1	1	2
19	2256398	11522884	Beautiful room in an ideal location	House	Private room	2014-01-20	2018-05-17	45	1	1.5	2
20	6912208	25900720	Nice side of New Orleans	Townhouse	Private room	2015-06-18	2018-05-16	29	1	1.5	3
21	4364503	22654750	A cozy spot for two...	House	Entire home/apt	2014-09-27	2015-11-09	1	1	2	2
22	4549525	1231796	Sofa Surf. Safe! Clean!Affordable! \$25: 8p	House	Shared room	2014-10-20	2018-05-16	9	1	1	1
23	5143321	1231796	Comfy Kid's Room (Short-Term only)	House	Private room	2015-01-17	2017-05-21	1	1	1	2
24	4255132	12839708	Pool-side reprieve close to NOLA	House	Private room	2014-09-19	2018-03-31	0	1	1	2
25	1849834	1231796	Escape the City 4 New Years! Pvt Bdrm Sh	House	Private room	2013-10-26	2018-03-25	9	1	1	2
26	2136307	10902552	Cozy log cabin in park like setting	House	Private room	2013-12-29	2016-01-19	1	1	2	3
27	7461729	39083650	Azalea Lane Guest House	Farm stay	Entire home/apt	2015-07-18	2018-05-14	111	0	1	3
28	5031416	25972958	Lovely Waterfront Townhome	Townhouse	Entire home/apt	2015-01-01	2016-05-04	3	1	1	4
29	5694181	5073020	2/2 Waterfront condo pool/gym/wifi	Apartment	Entire home/apt	2015-03-17	2016-08-01	3	2	2	4
30	7239288	37902873	Lovely Lake Home, Sleeps 14	House	Entire home/apt	2015-07-07	2015-09-01	0	5	5.5	14
31	4545554	5073020	1/1 Waterfront condo pool/gym/wifi	Apartment	Entire home/apt	2014-10-20	2016-04-21	4	1	1	4
32	3610716	7940441	Mandeville Gem with Lake View	House	Entire home/apt	2014-07-15	2016-11-07	6	2	2	4
33	5060550	15397572	Beautiful Historic Home Olde Towne	House	Entire home/apt	2015-01-05	2015-09-01	6	3	2.5	7

	A	B	C	D	E	F	G	H	
1	Property ID	Date	Status	Booked Date	Price (USD)	Price (Native	Currency Nat	Reservation ID	
2288	15012	2015-10-04	B		75	75	USD		
2289	15012	2015-10-05	A		75	75	USD		
2290	15012	2015-10-06	A		75	75	USD		
2291	15012	2015-10-07	A		75	75	USD		
2292	15012	2015-10-08	B		75	75	USD		
2293	15012	2015-10-09	R	2015-10-09	75	75	USD	10293645	
2294	15012	2015-10-10	R	2015-10-09	75	75	USD	10293645	
2295	15012	2015-10-11	B		75	75	USD		
2296	15012	2015-10-12	A		75	75	USD		
2297	15012	2015-10-13	A		75	75	USD		
2298	15012	2015-10-14	A		75	75	USD		
2299	15012	2015-10-15	A		75	75	USD		
2300	15012	2015-10-16	R	2015-10-09	75	75	USD	32120072	
2301	15012	2015-10-17	R	2015-10-09	75	75	USD	32120072	
2302	15012	2015-10-18	R	2015-10-09	75	75	USD	32120072	
2303	15012	2015-10-19	R	2015-10-09	75	75	USD	32120072	
2304	15012	2015-10-20	R	2015-10-09	75	75	USD	32120072	
2305	15012	2015-10-21	R	2015-10-09	75	75	USD	32120072	
2306	15012	2015-10-22	R	2015-10-09	75	75	USD	32120072	
2307	15012	2015-10-23	R	2015-10-09	75	75	USD	32120072	
2308	15012	2015-10-24	R	2015-10-09	75	75	USD	32120072	
2309	15012	2015-10-25	R	2015-10-09	75	75	USD	32120072	
2310	15012	2015-10-26	R	2015-10-09	75	75	USD	32120072	
2311	15012	2015-10-27	R	2015-10-09	75	75	USD	32120072	
2312	15012	2015-10-28	R	2015-10-09	75	75	USD	32120072	
2313	15012	2015-10-29	B		75	75	USD		
2314	15012	2015-10-30	R	2015-10-09	75	75	USD	7210831	
2315	15012	2015-10-31	R	2015-10-09	75	75	USD	7210831	
2316	15012	2015-11-01	B		75	75	USD		
2317	15012	2015-11-02	R	2015-11-01	75	75	USD	32396924	
2318	15012	2015-11-03	R	2015-11-01	75	75	USD	32396924	
2319	15012	2015-11-04	R	2015-11-01	75	75	USD	32396924	
2320	15012	2015-11-05	R	2015-10-18	75	75	USD	32396925	
2321	15012	2015-11-06	R	2015-10-18	85	85	USD	32396925	
2322	15012	2015-11-07	R	2015-10-18	85	85	USD	32396925	
2323	15012	2015-11-08	R	2015-10-18	75	75	USD	32396925	
2324	15012	2015-11-09	R	2015-10-18	75	75	USD	32396925	
2325	15012	2015-11-10	R	2015-10-18	75	75	USD	32396925	
2326	15012	2015-11-11	R	2015-10-18	75	75	USD	32396925	
2327	15012	2015-11-12	R	2015-11-01	75	75	USD	32396926	
2328	15012	2015-11-13	R	2015-11-01	85	85	USD	32396926	
2329	15012	2015-11-14	R	2015-11-01	85	85	USD	32396926	
2330	15012	2015-11-15	R	2015-11-01	75	75	USD	32396926	
2331	15012	2015-11-16	R	2015-11-01	75	75	USD	32396926	
2332	15012	2015-11-17	R	2015-11-01	75	75	USD	32396926	
2333	15012	2015-11-18	R	2015-11-01	75	75	USD	32396926	
2334	15012	2015-11-19	R	2015-11-01	75	75	USD	32396926	
2335	15012	2015-11-20	B		75	75	USD		



Reservations on 2019-08-01

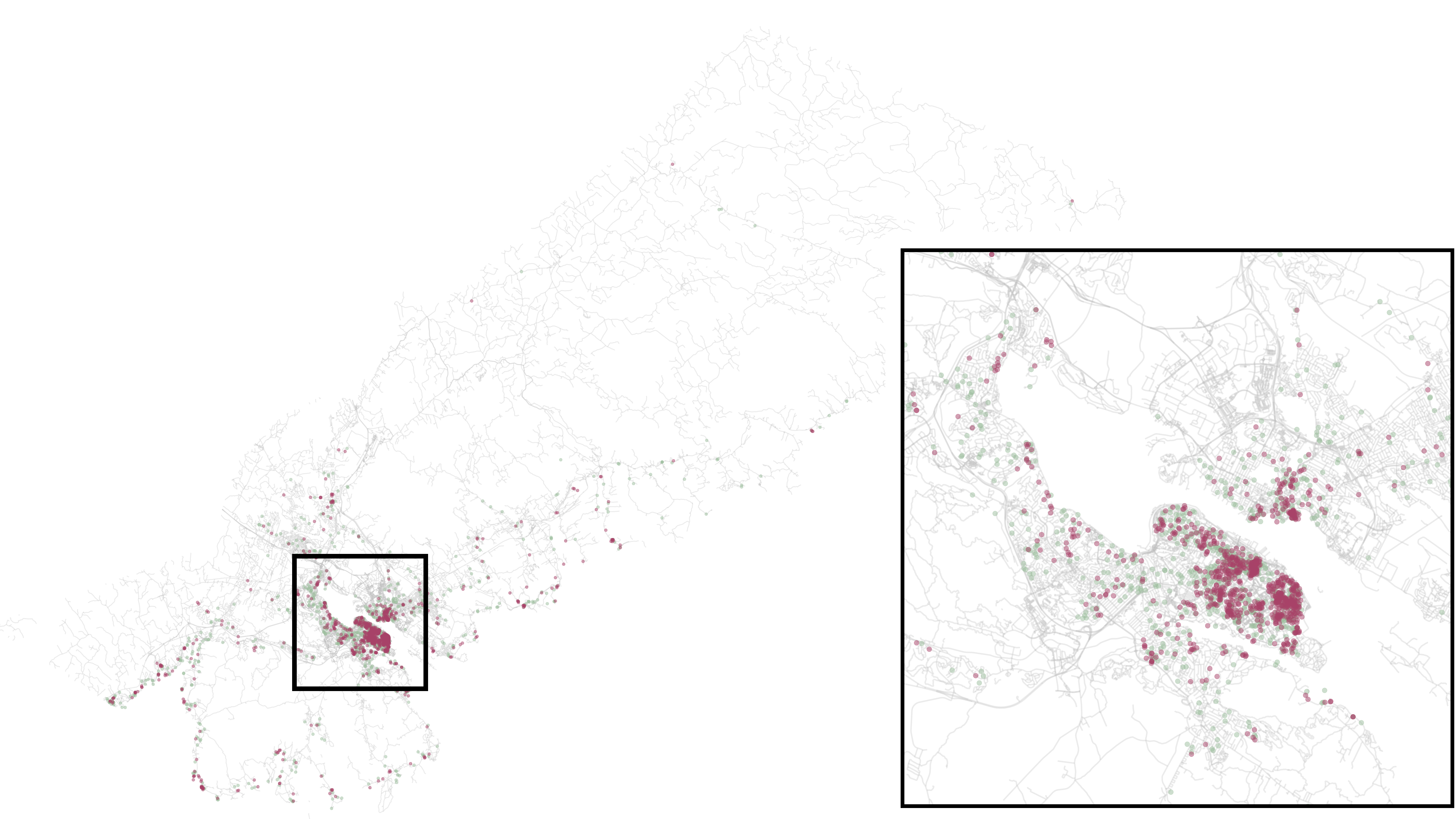


Methodology

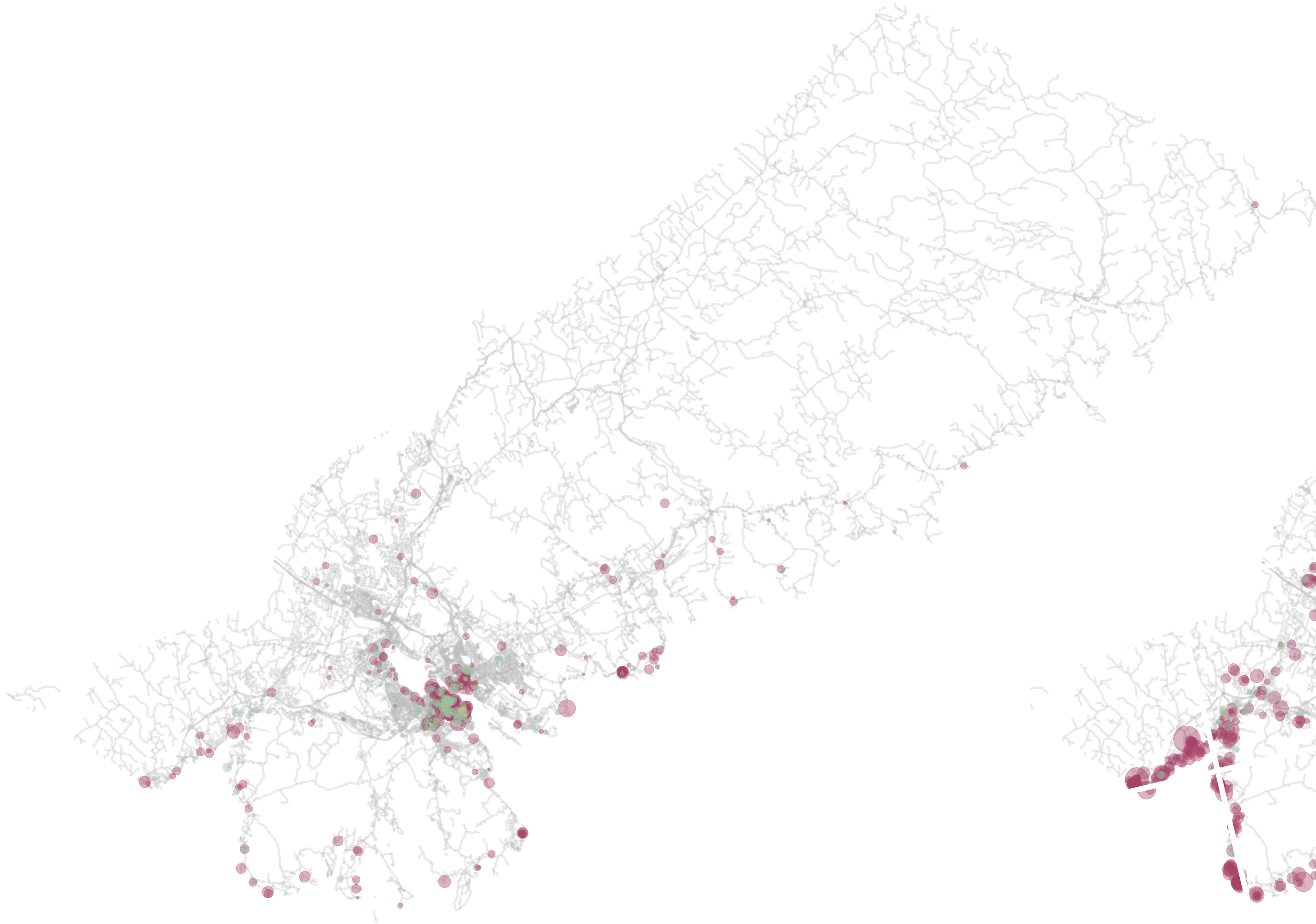
Three goals

- 1. Improve spatial resolution**
- 2. Leverage detailed activity and performance data**
- 3. Raise the bar for the field**

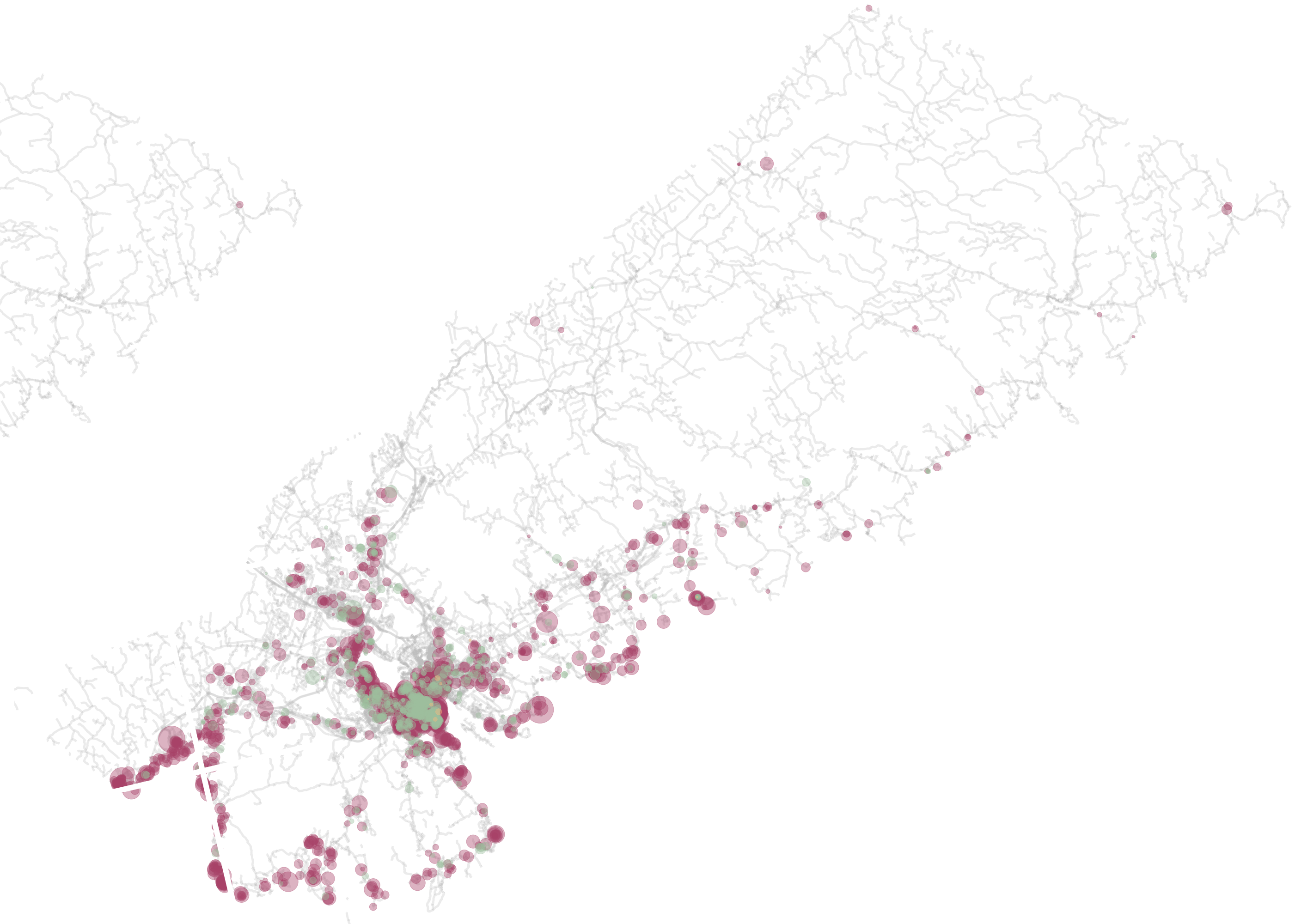
Halifax

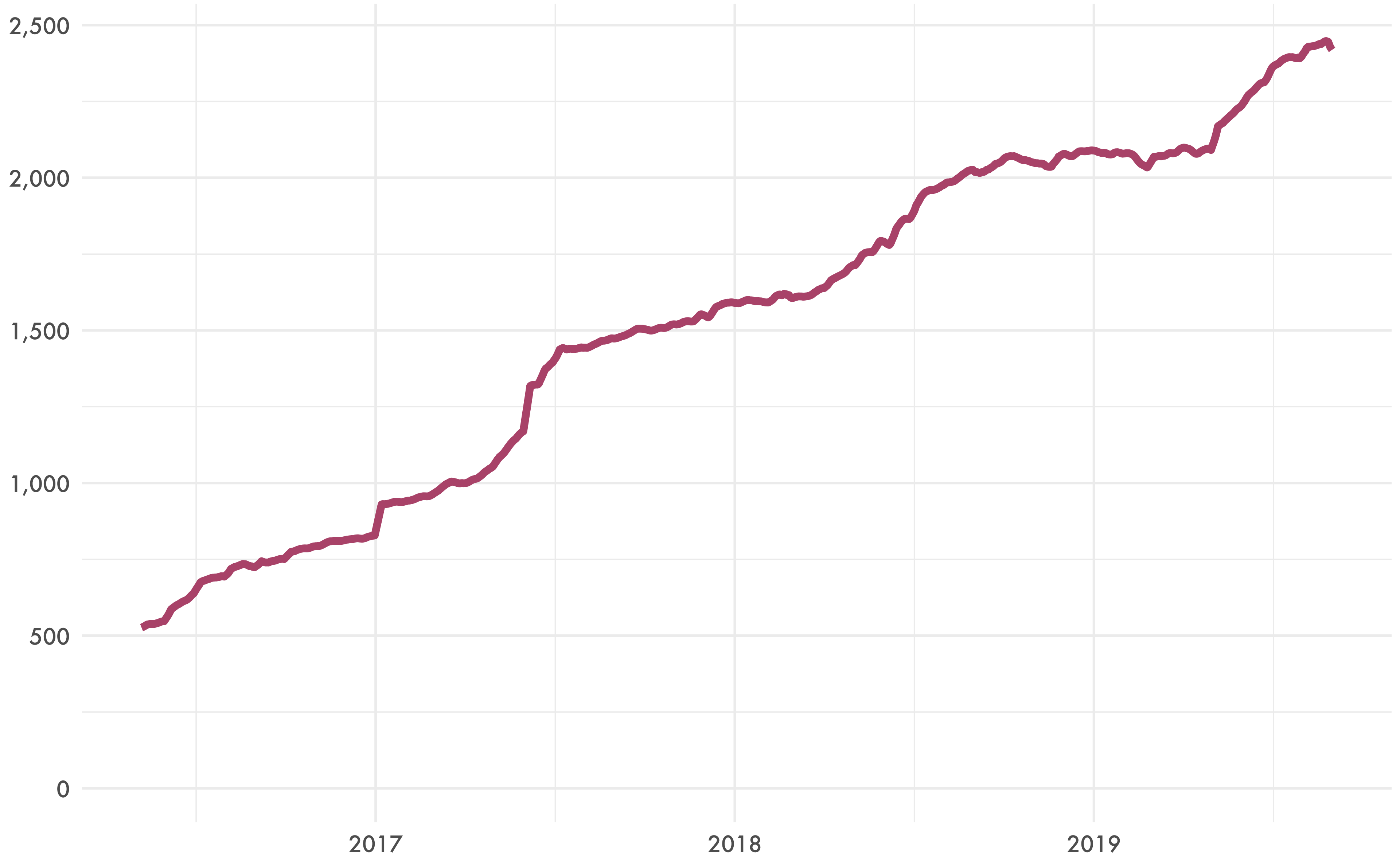


2016



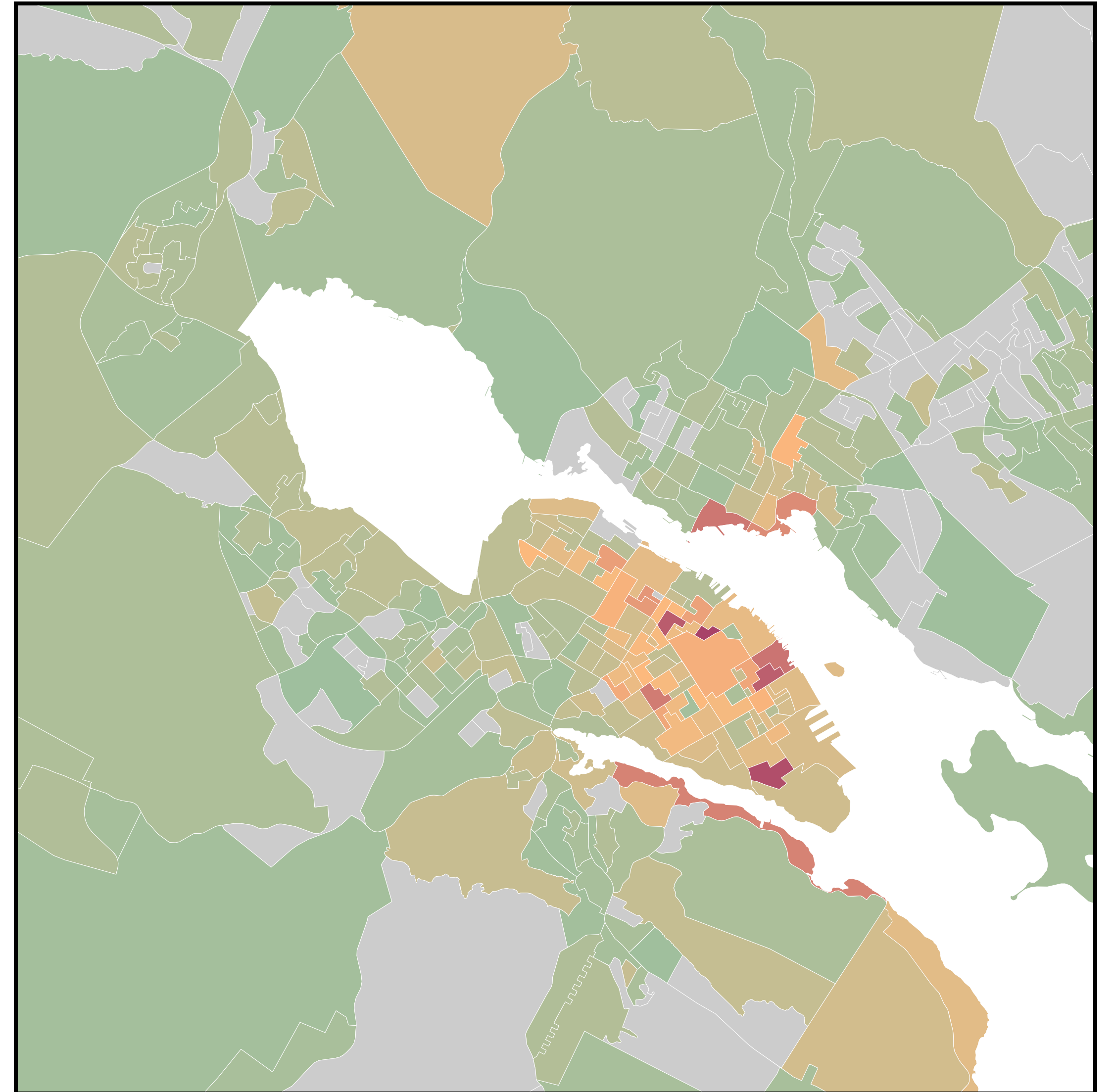
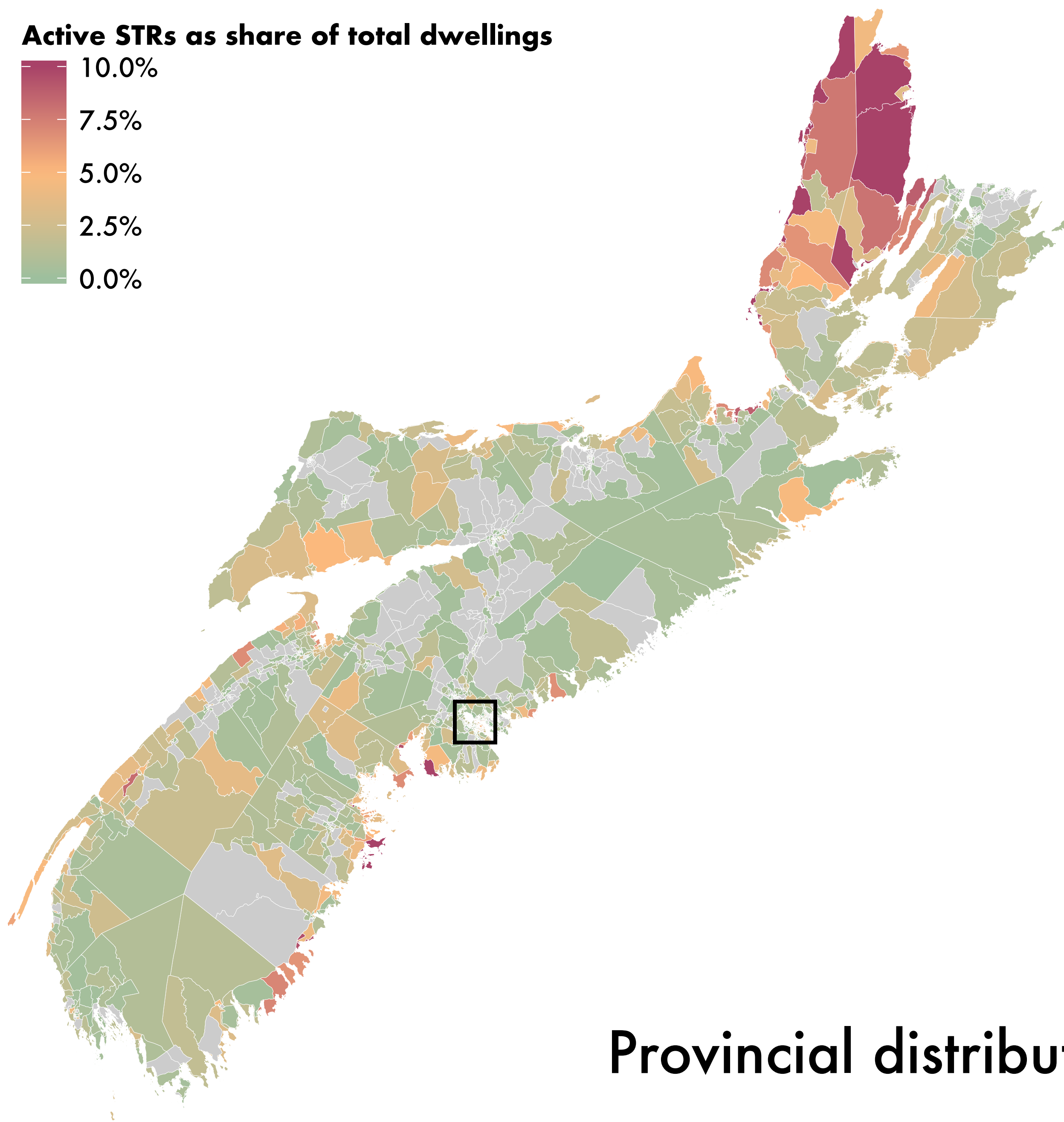
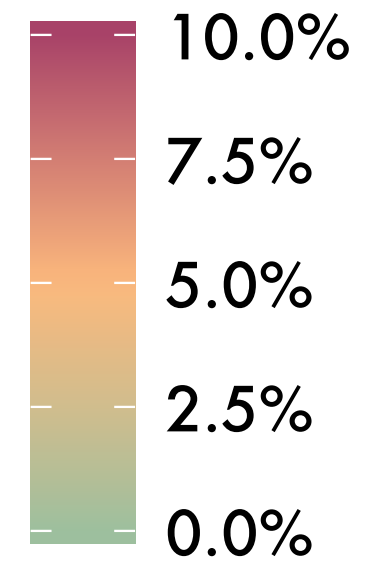
2019





Active listings

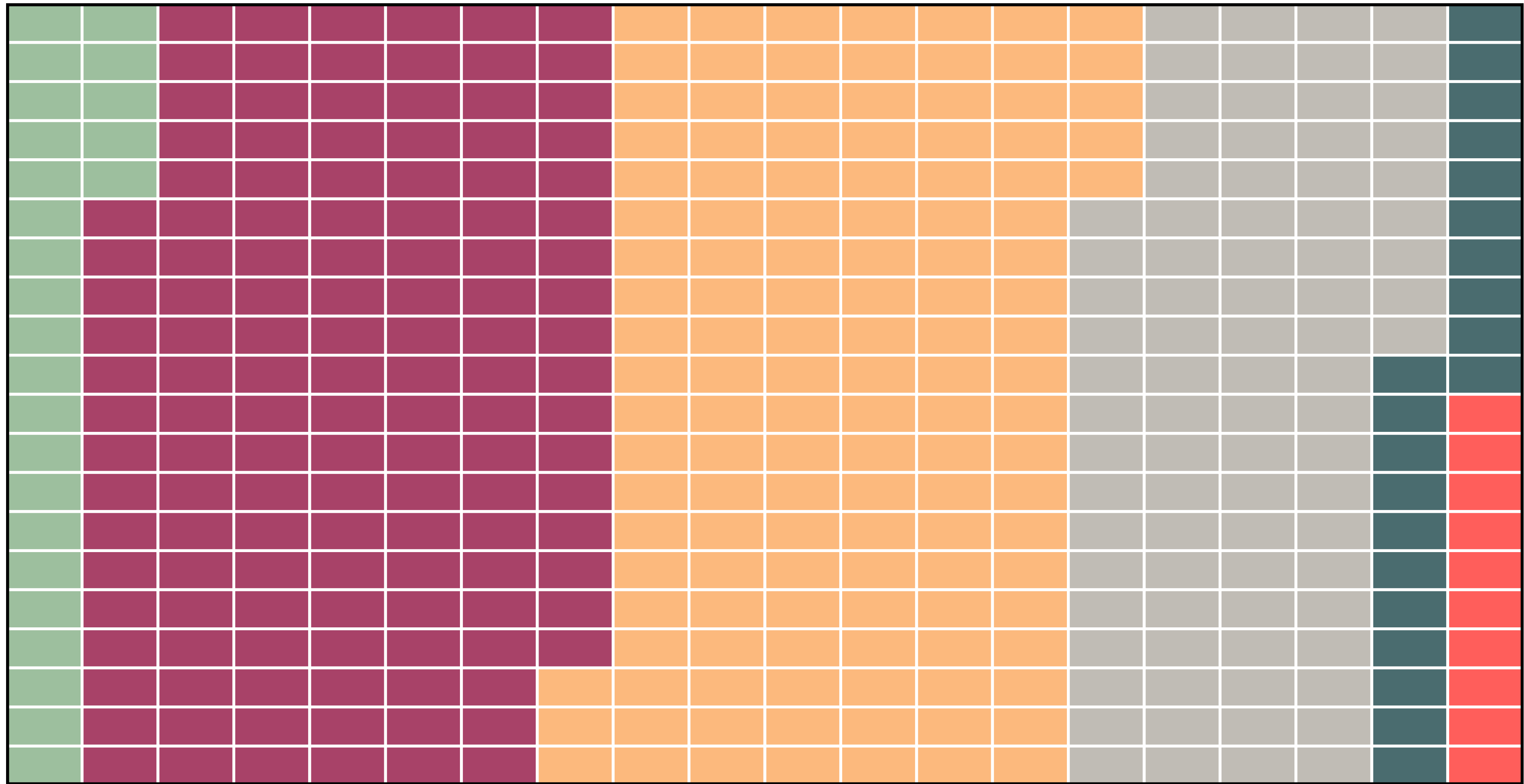
Active STRs as share of total dwellings



Provincial distribution of listings

**Entire homes are 3/4 of active listings,
and earn 90% of revenue.**

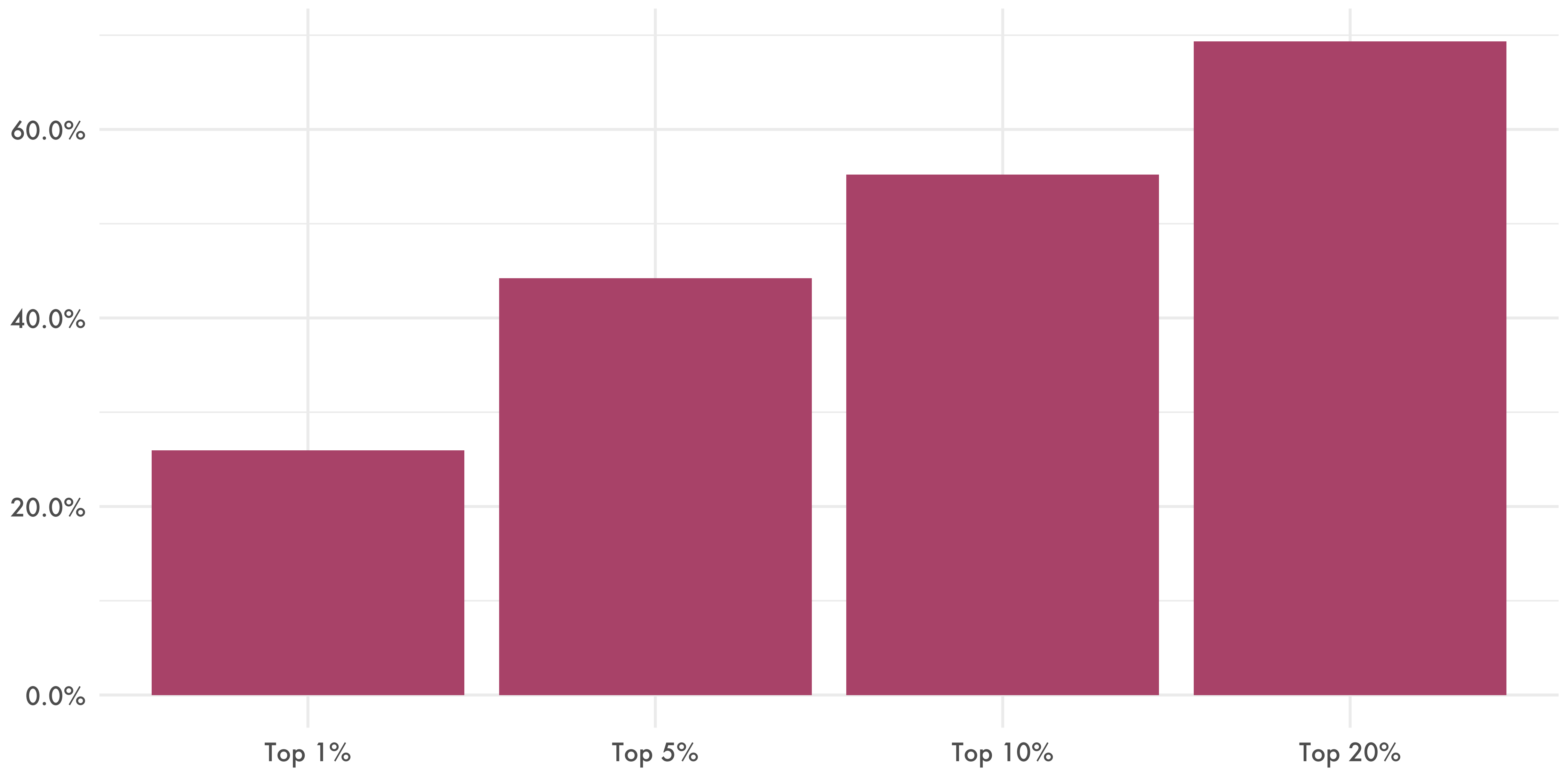
Type of units



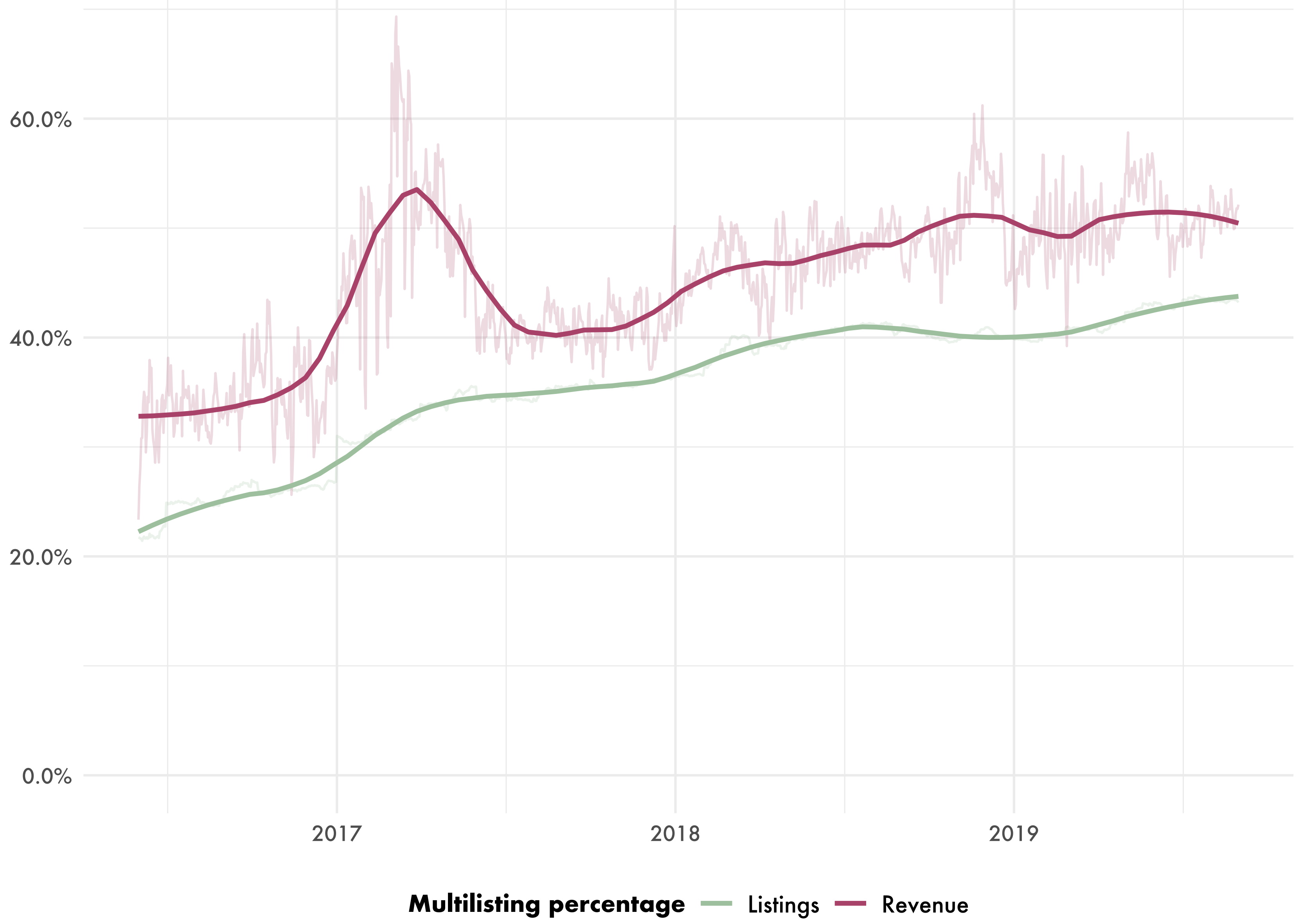
Bedrooms

 0 (studio)	 2	 4
 1	 3	 5+

Type of units



Host revenue concentration



Commercial operators

Housing impacts

1

How do short-term rentals interact with housing availability and affordability?

The basic story

Most short-term rentals are operating out of housing. If they are full-time operations, they take housing off the market. If they are part-time, they increase the economic value of the housing.

Exceptions

**If the "housing" isn't really housing, because it wouldn't be used for actual housing otherwise.
E.g. B&Bs and long-time vacation rentals.**

Winners and losers

The operators of STRs benefit—home sharers earn some side-income and commercial operators earn more than they would have from a long-term rental.

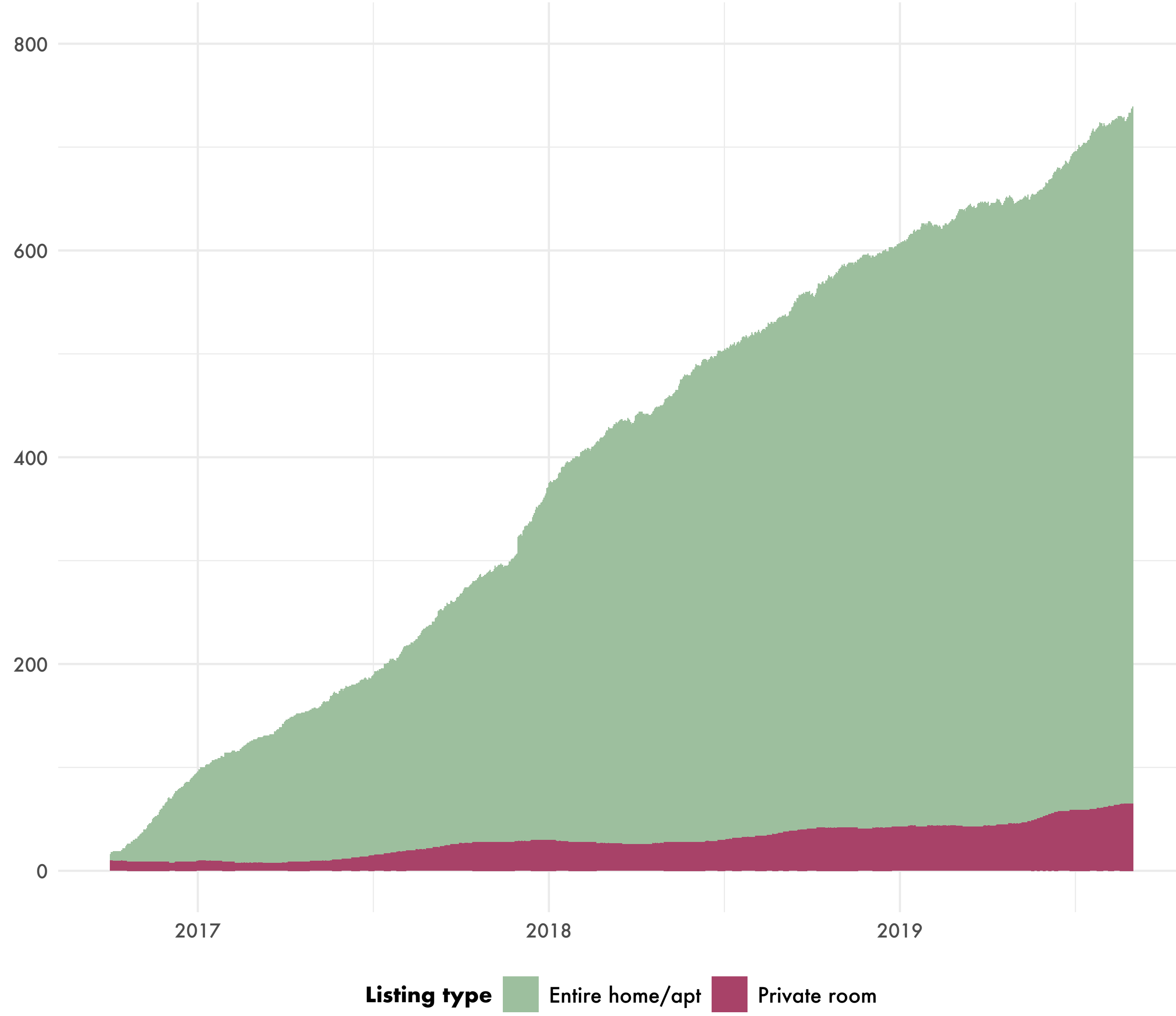
Everybody else pays more for housing.

Empirical evidence from the US

A 1% increase in Airbnb listings leads to a 0.018% increase in rents and a 0.026% increase in house prices. *(Barron et al. 2019)*

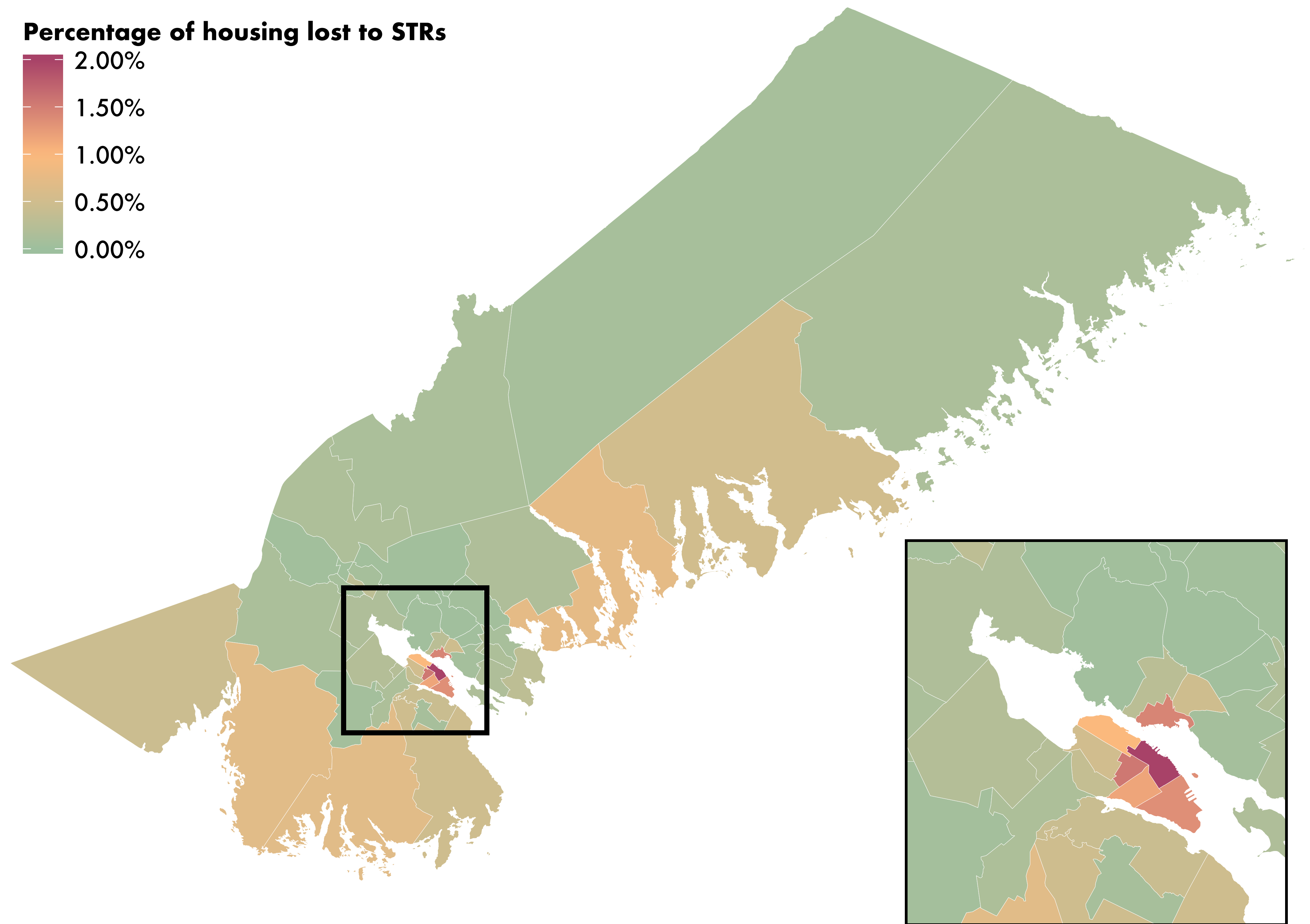
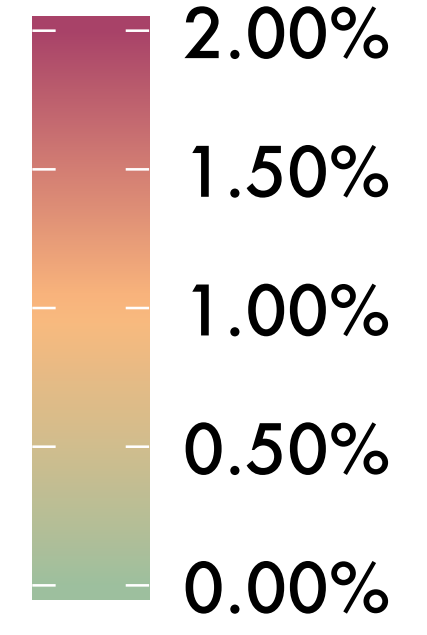
Our estimates

**"Frequently rented entire-home listings":
Available a majority of the year (≥ 183 nights)
and booked at least three months (≥ 90 nights)**

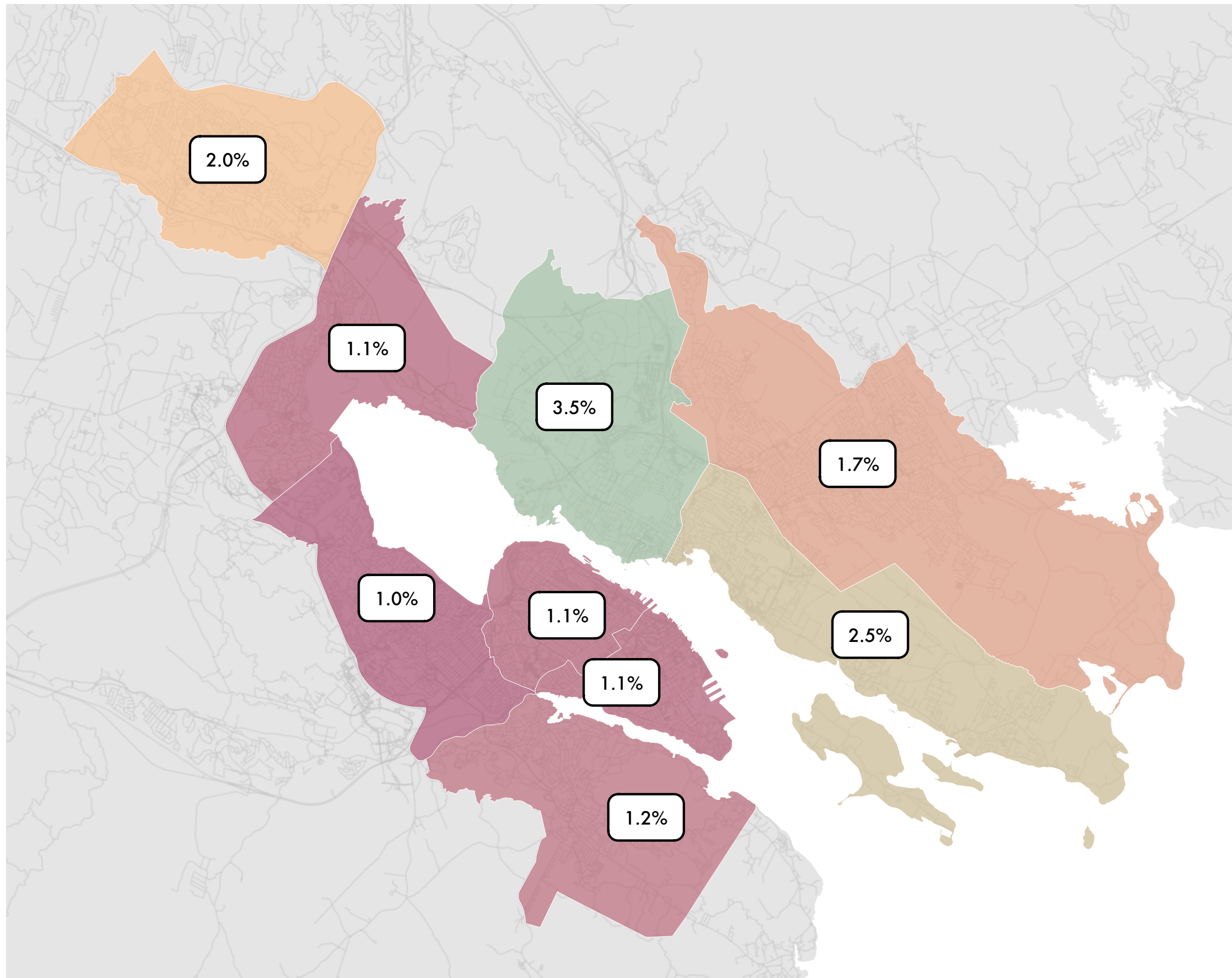


Housing units operating as full-time STRs

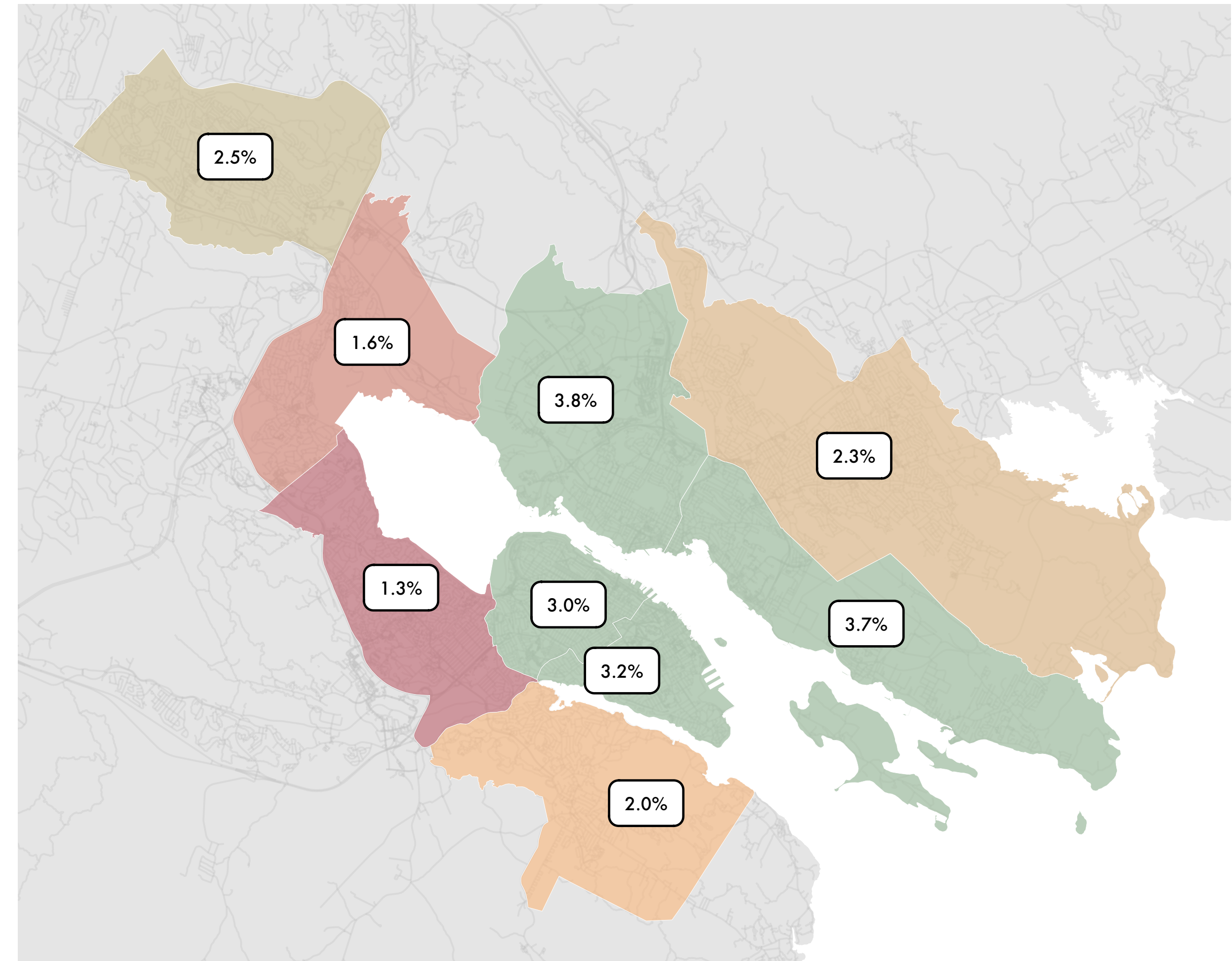
Percentage of housing lost to STRs



Current vacancy rate



Post-regulation vacancy rate



The bottom line

STR housing loss is narrowly concentrated, but the effects ripple out into the housing market.

Social dynamics

2

The good and bad about short-term rentals

Strangers staying in our homes

The good and bad about short-term rentals

Strangers staying in our homes

New social encounters as a tourist **but** *Transience in neighbourhoods*
More convenient for families **but** *More convenient for parties*
Extra money to pay the mortgage/rent **but** *More money needed for the mortgage/rent*

**What predicts positive or negative
neighbourhood sentiment toward STRs?**

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neighbourhood sentiment toward STRs?**

Not the number of STRs!

**What predicts positive or negative
neighbourhood sentiment toward STRs?**

HOUSING VULNERABILITY

Neighbourhoods with...

High numbers of commercial STRs

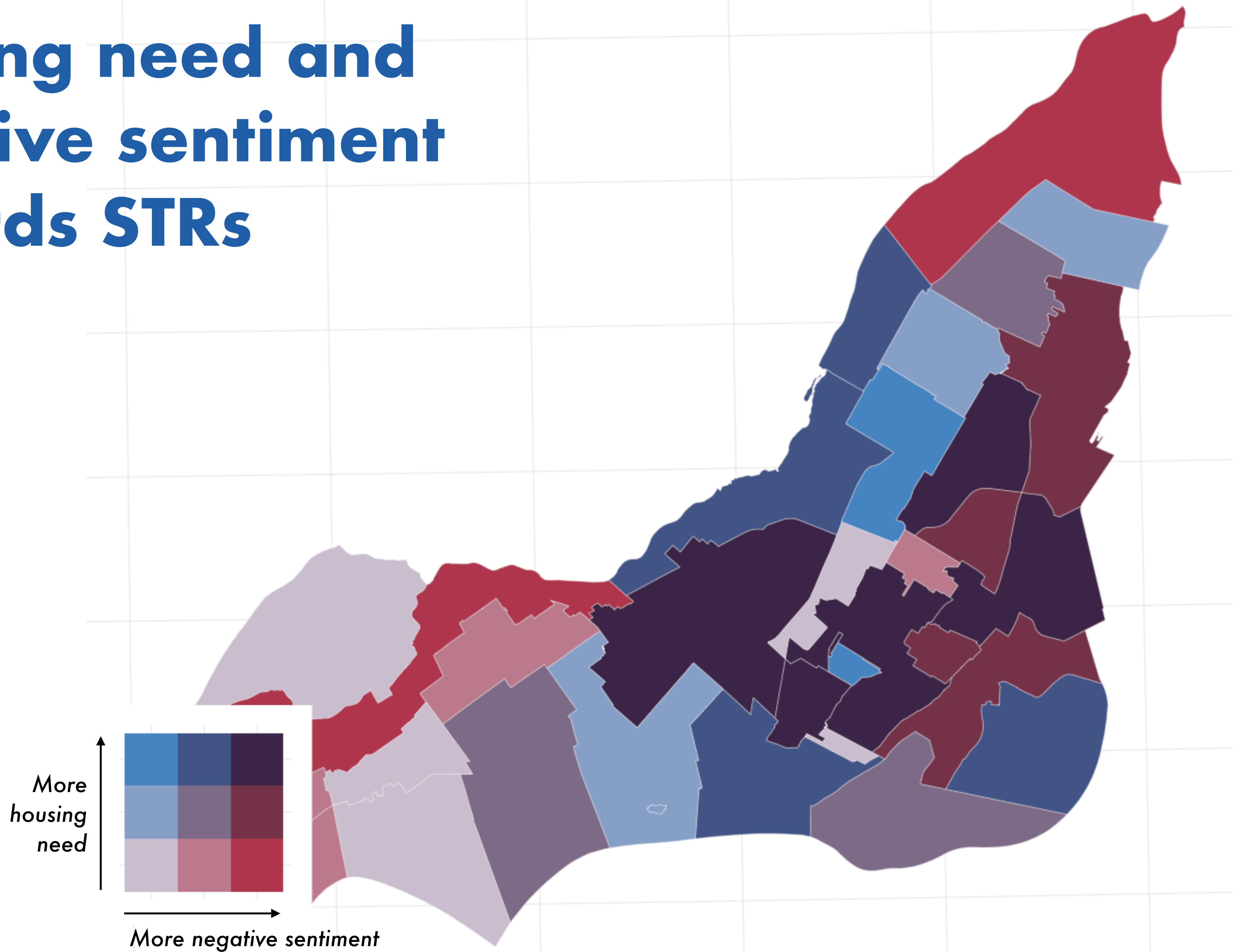
Unaffordable housing

High numbers of renters

High numbers of newcomers

...tend to be negatively disposed to STRs

Housing need and negative sentiment towards STRs



The bottom line

**Communities don't object to STRs,
they object to STRs making their
housing situation worse.**

Policy options

3

Should cities regulate STRs?

Can cities regulate STRs?

How should cities regulate STRs?

Should cities regulate STRs?

Can cities regulate STRs?

How should cities regulate STRs?

DATA??????



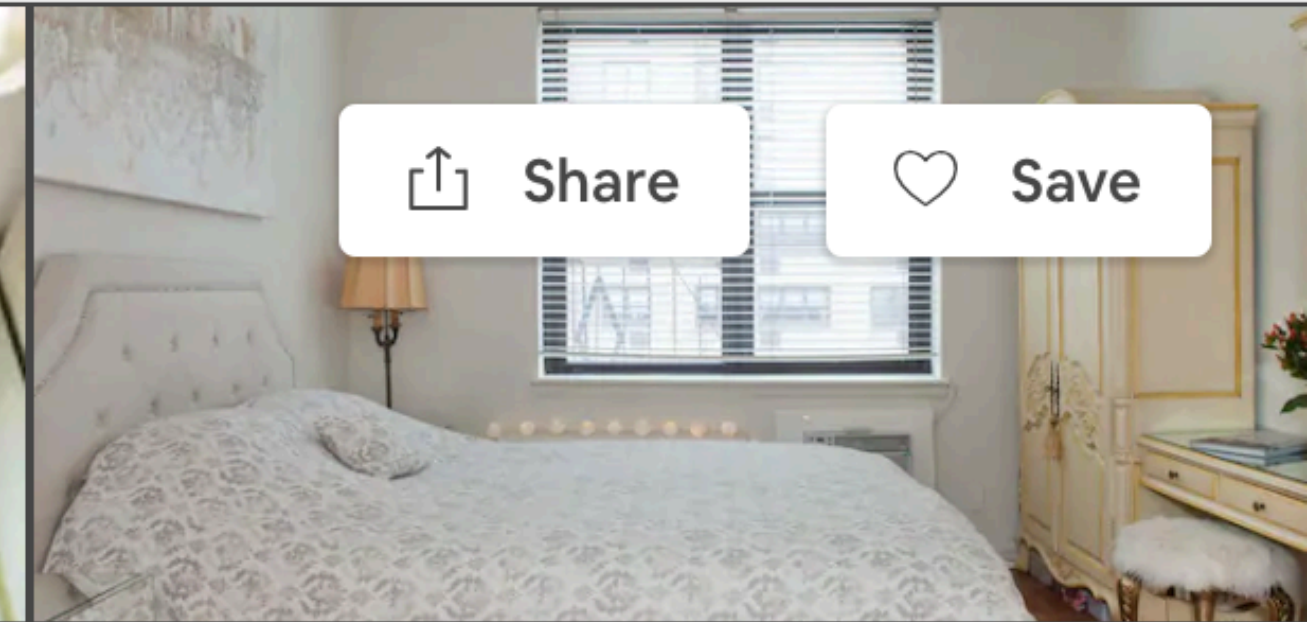
Search

Become a host

Help

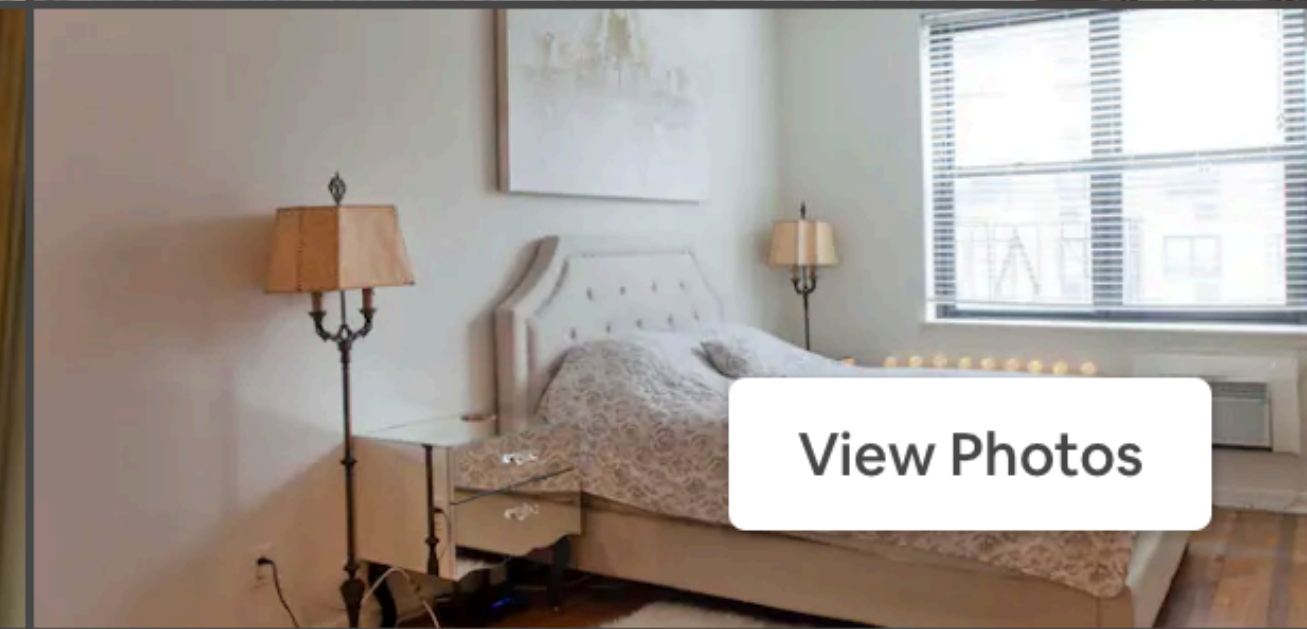
Sign up

Log in



Share

Save



View Photos

ENTIRE FLAT

Gorgeous Sunny Studio step away from Central Park

New York

2 guests Studio 1 bed 1 bath



LiLy

\$177 per night

★★★★★ 21

Dates

23-11-2018

→ 27-11-2018

Guests

1 guest



HOME HIGHLIGHTS

Great check-in experience - 100% of recent guests gave this home's



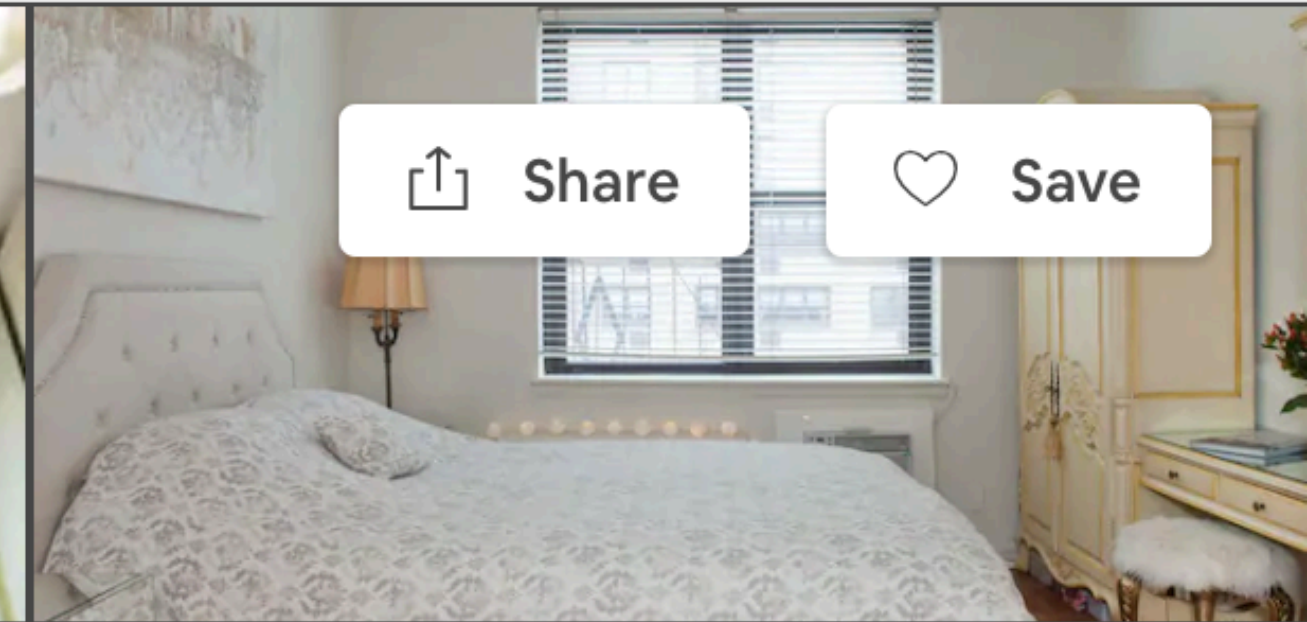
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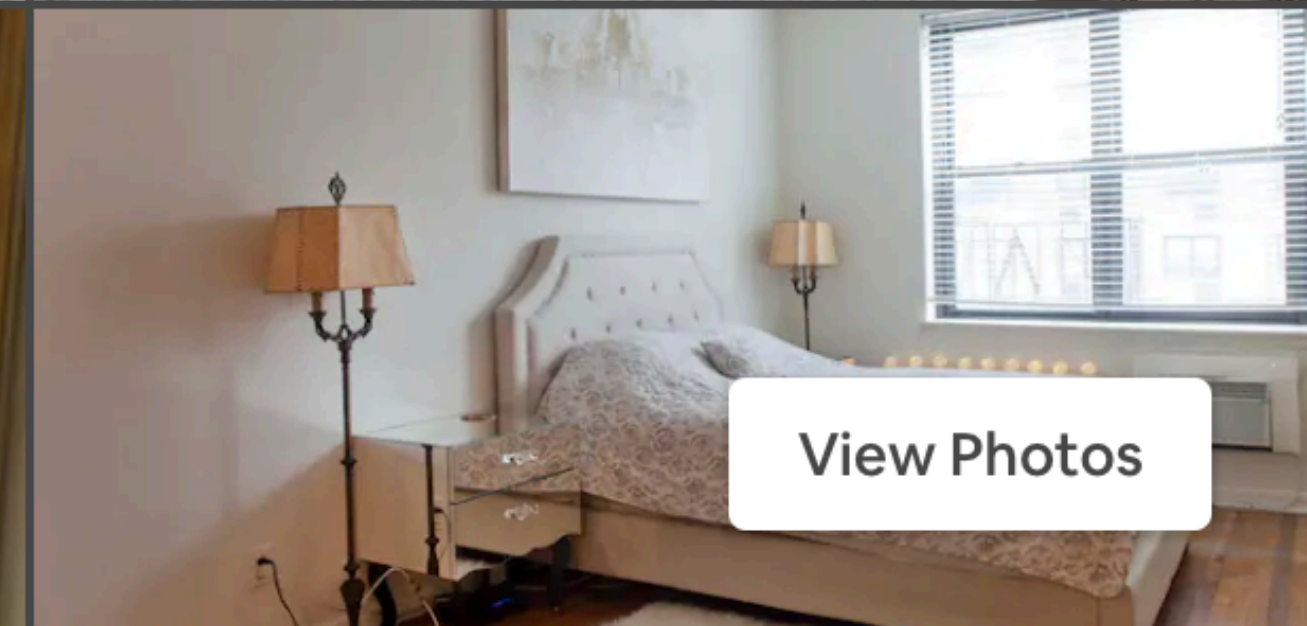
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HOME HIGHLIGHTS

Great check-in experience - 100% of recent guests gave this home's

2 night minimum stay · Updated 1 day ago

Clear dates



?????

21 Reviews ★★★★★

Search reviews

Accuracy ★★★★★

Location ★★★★★

Communication ★★★★★

Check-in ★★★★★

\$177 per night

★★★★★ 21

Dates

23-11-2018 → 27-11-2018

Guests

1 guest

\$177 x 4 nights (?) \$709

Cleaning fee (?) \$30

Service fee (?) \$114

Total \$853

Book

You won't be charged yet

People are eyeing this place.

12 others are looking at it for these dates.



Read more about the neighbourhood



Exact location information is provided after a booking is confirmed.

Policies

House Rules

\$177 per night

★★★★★ 21

Dates

23-11-2018 → 27-11-2018

Guests

1 guest

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Cleaning fee [?] \$30

Service fee [?] \$114

Total \$853

Book

You won't be charged yet

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Hosts are anonymous.

Calendars are hidden.

Locations are obfuscated.

Ban or limit on entire-home rentals

(Barcelona, Berlin, New York)

Annual cap on nights booked

(Amsterdam, London)

STRs restricted to primary residence

(Toronto, Vancouver)

Mandatory host registration

(Barcelona, San Francisco, Toronto, Vancouver)

Data as the key to STR regulation

The most important constraint on local regulation of short-term rentals is the lack of data.

Two brief examples...





**Ghost
hostels**

A key assumption of STR regulation is that entire-home listings are the problem.



***Private “dreamy” room in
Williamsburg’s center***



***Private “dreamy” room in
Williamsburg’s center***



Stay in the “Golden” room



***Private “dreamy” room in
Williamsburg’s center***



Stay in the “Golden” room



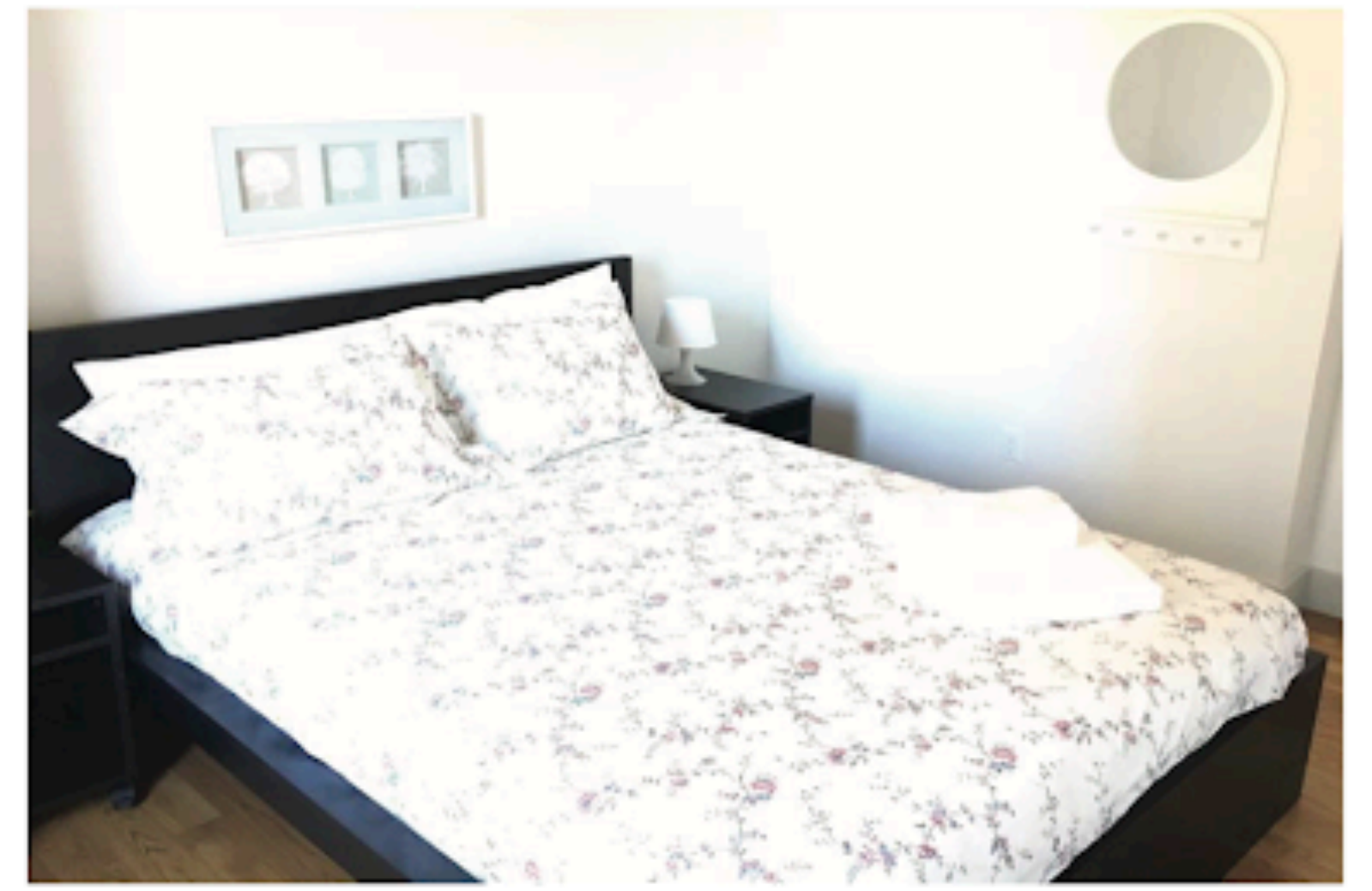
***Private executive room - Williamsburg -
explore NY!***



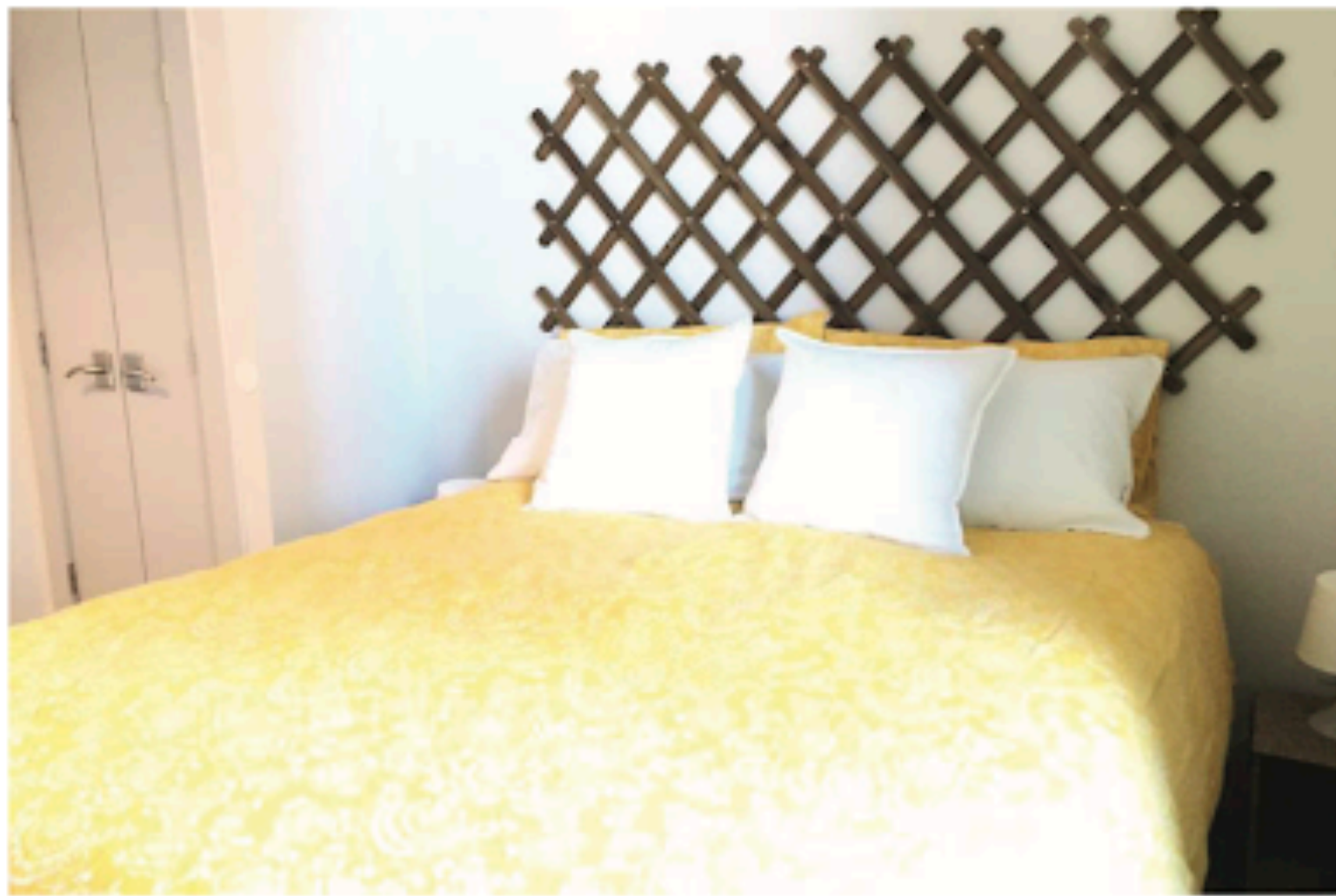
**Private “dreamy” room in
Williamsburg’s center**



Stay in the “Golden” room



**Private executive room - Williamsburg -
explore NY!**



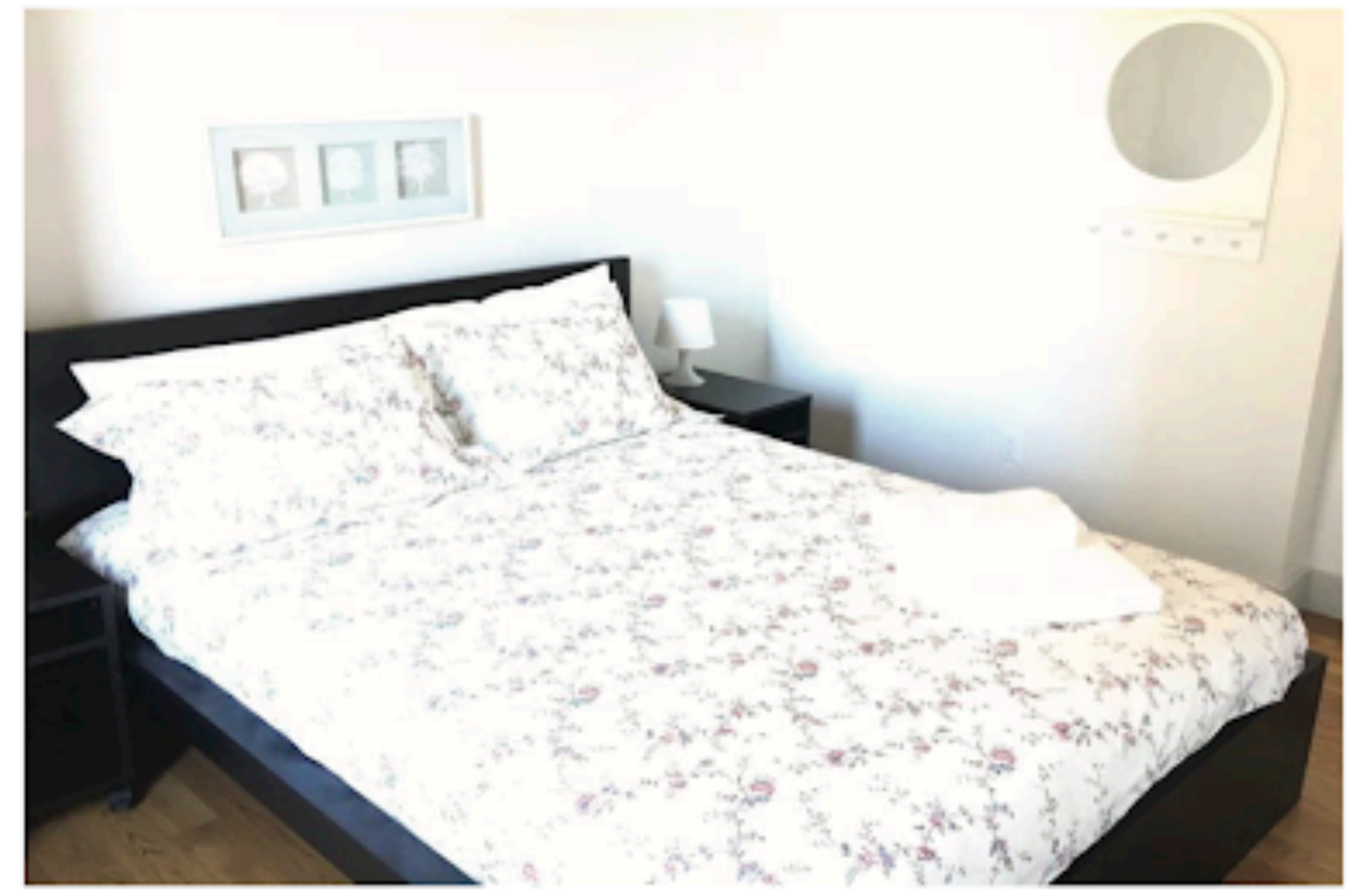
**Private “country” Room -
Central Williamsburg**



**Private “dreamy” room in
Williamsburg’s center**



Stay in the “Golden” room



**Private executive room - Williamsburg -
explore NY!**



**Private “country” Room -
Central Williamsburg**



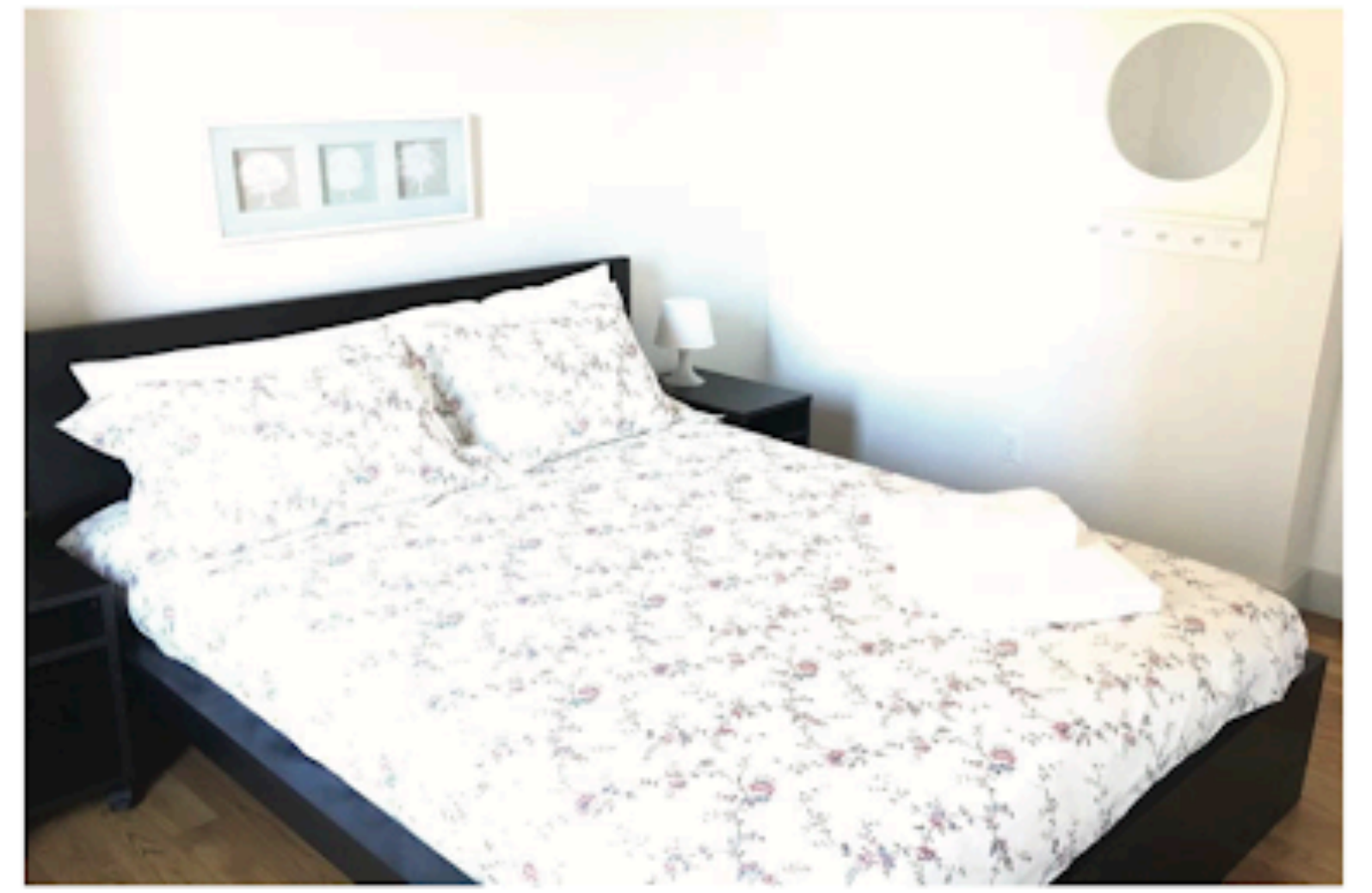
Peaceful private bedroom in Wburg



**Private “dreamy” room in
Williamsburg’s center**



Stay in the “Golden” room



**Private executive room - Williamsburg -
explore NY!**



**Private “country” Room -
Central Williamsburg**



Peaceful private bedroom in Wburg



Great private room in center of W!



Private "dreamy" room in Williamsburg's center



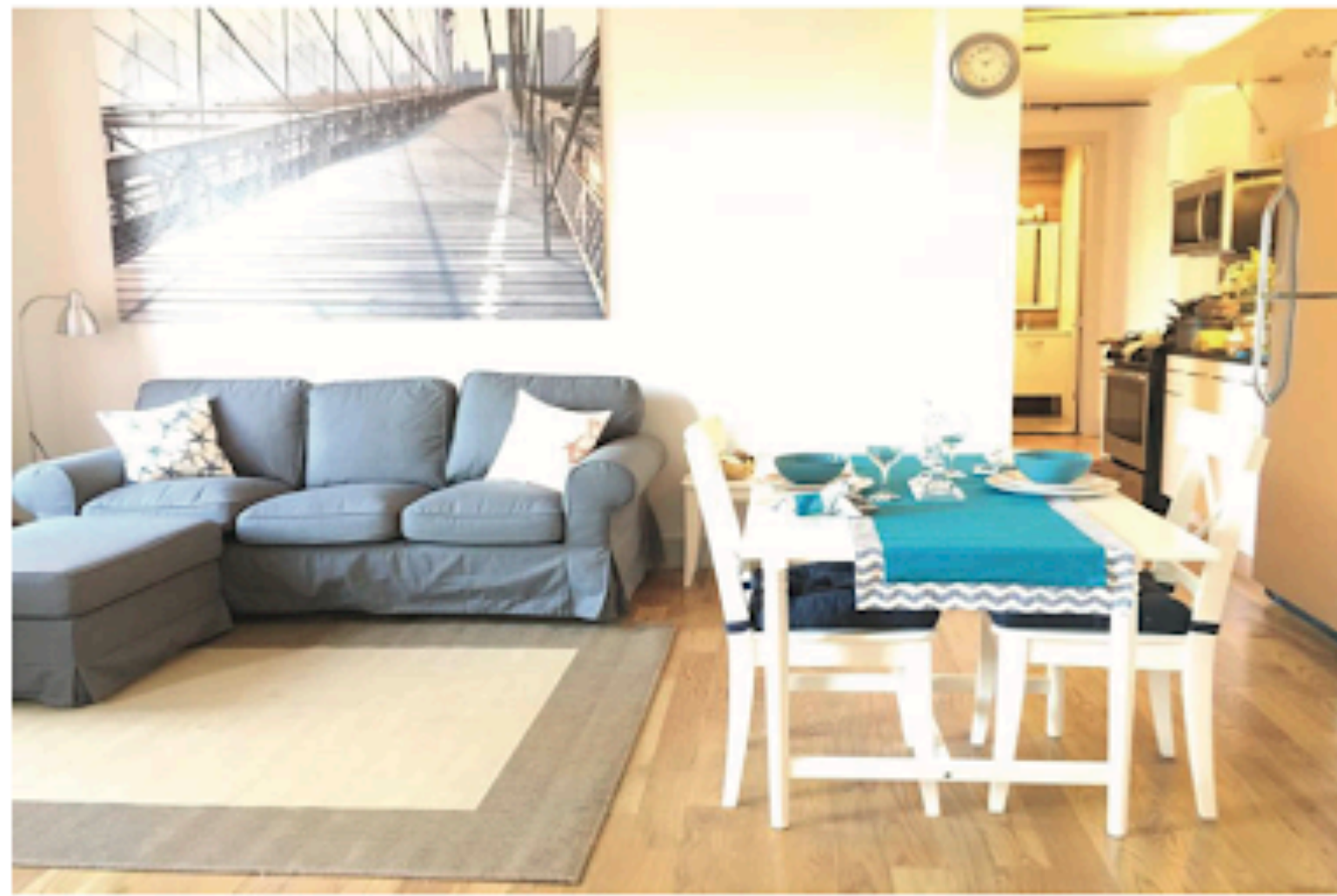
Stay in the "Golden" room



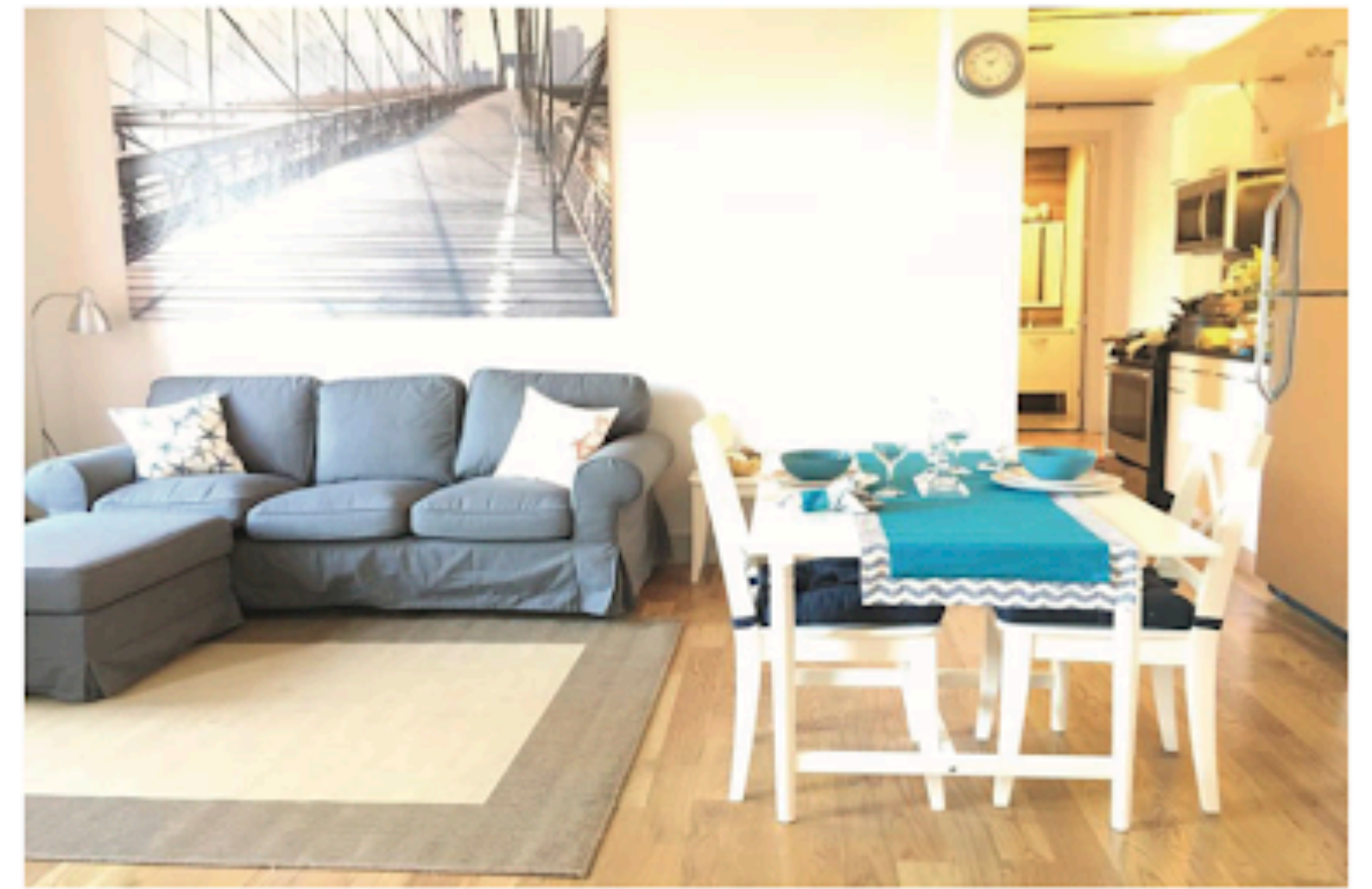
Private executive room - Williamsburg - explore NY!



Private "country" Room - Central Williamsburg

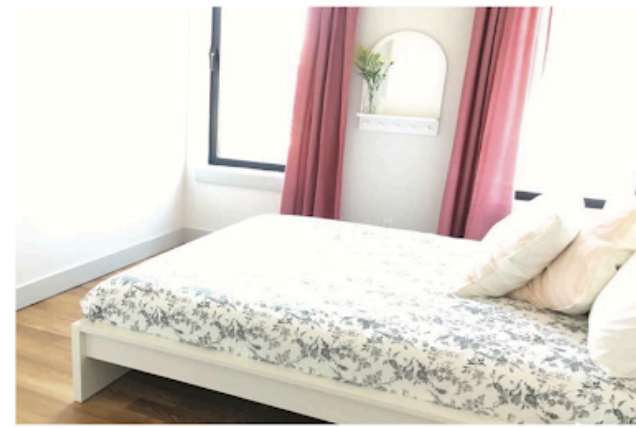


Peaceful private bedroom in Wburg



Great private room in center of W!

Ghost hostels



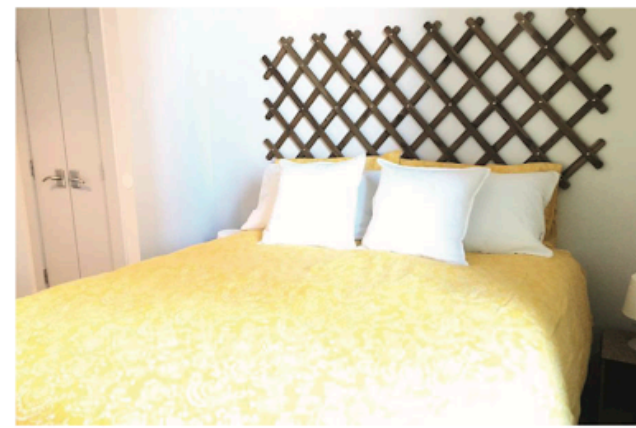
Private "dreamy" room in Williamsburg's center



Stay in the "Golden" room



Private executive room - Williamsburg - explore NY!



Private "country" Room - Central Williamsburg



Peaceful private bedroom in Wburg



Great private room in center of W!



Private "dreamy" room in Williamsburg's center



Stay in the "Golden" room



Private executive room - Williamsburg - explore NY!



Private "country" Room - Central Williamsburg



Peaceful private bedroom in Wburg



Great private room in center of W!

"This is made to look like a couple sharing their home on Airbnb, but it's actually more like a hostel run by multiple people. Very misleading listing. There are like 20ish tiny rooms and you can hear people snoring and cleaning and such....

For those who believe every small room is "private", it's actually not. On my check in, I was given room keys for room 116, but my room was 115, but my key still worked for room 115.... The door key to every single "room" is the same."

Guest review of a ghost hostel

Ghost hostels

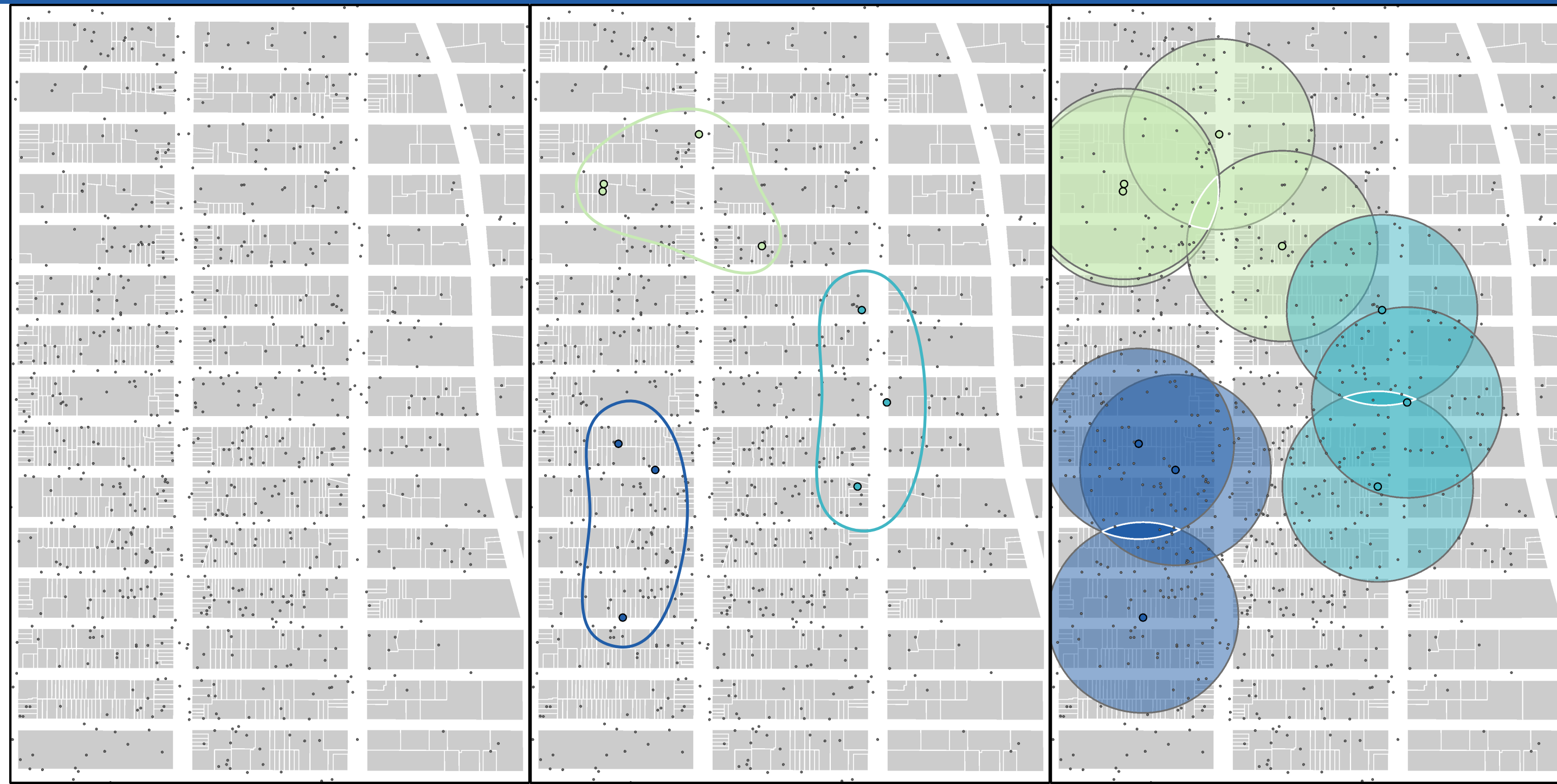
Ghost hostels



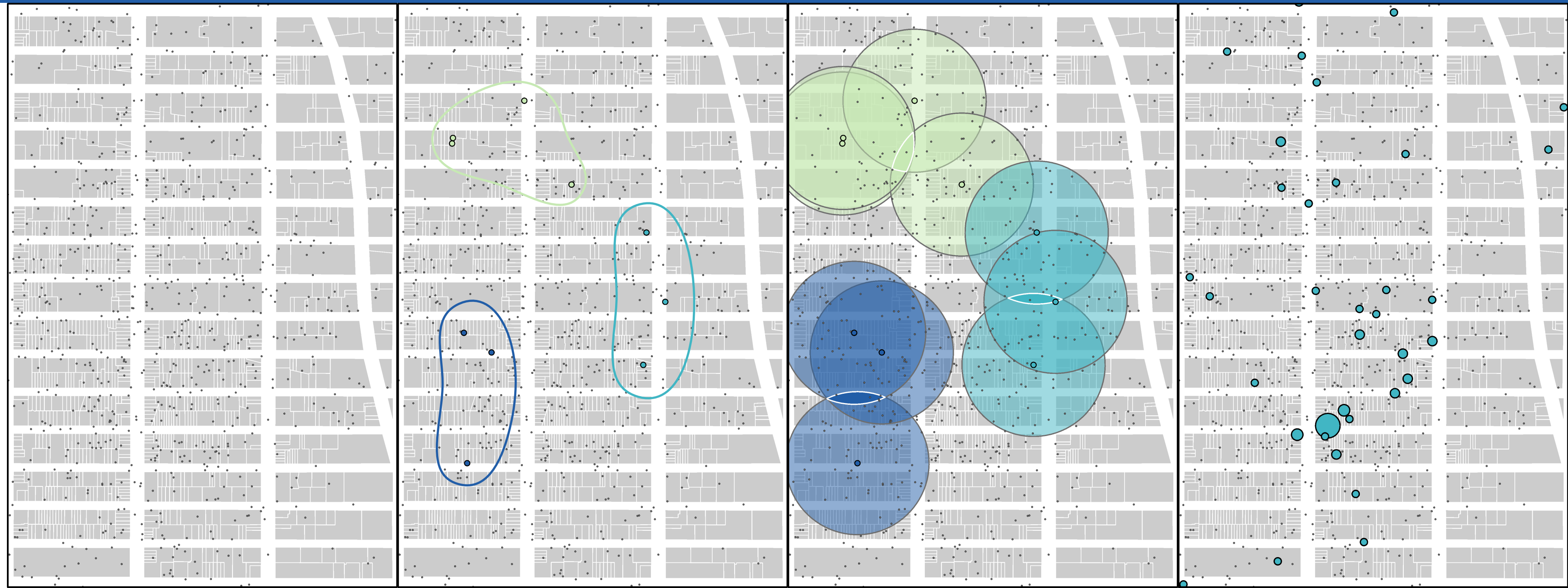
Ghost hostels

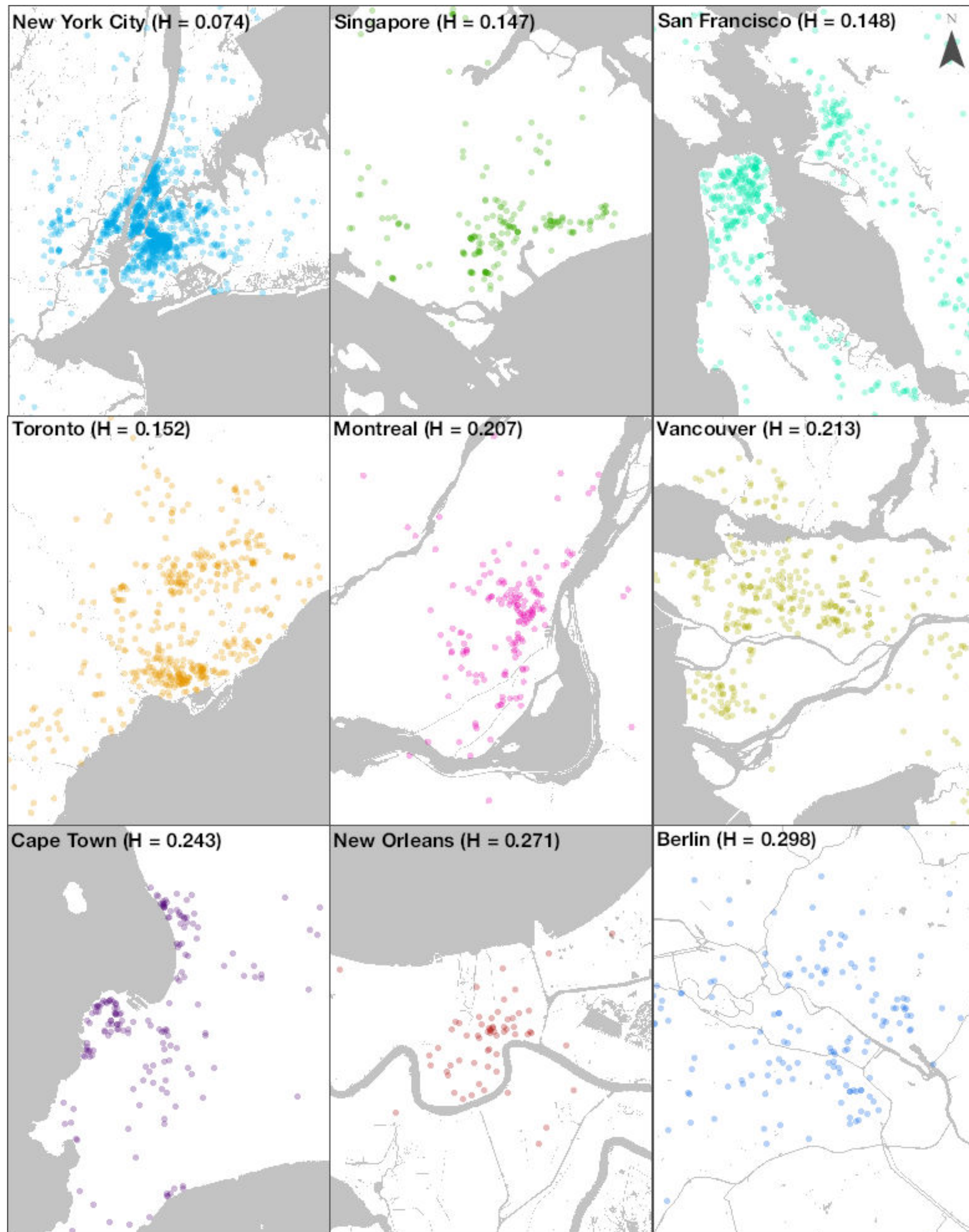


Ghost hostels



Ghost hostels





City or region	Ghost hostels on 30 April 2018	Annual growth rate	Annual growth rate of all PR listings
Berlin	156	8.1%	20.6%
Cape Town	191	62.8%	52.5%
Montreal	178	31.4%	20.9%
New Orleans	68	23.6%	1.4%
New York	1,281	17.9%	12.7%
San Francisco	490	24.0%	7.3%
Singapore	211	20.6%	17.4%
Toronto	515	67.8%	36.2%
Vancouver	356	49.9%	31.0%

City	Avg. ghost-hostel distance to tourism centre	Avg. other private-room distance to tourism centre	Avg. entire-home distance to tourism centre
New York	18.3 km	13.5 km	26.2 km
<i>New York City</i>	<i>8.8 km</i>	<i>7.5 km</i>	<i>5.9 km</i>
Toronto	14.2 km	12.8 km	8.2 km

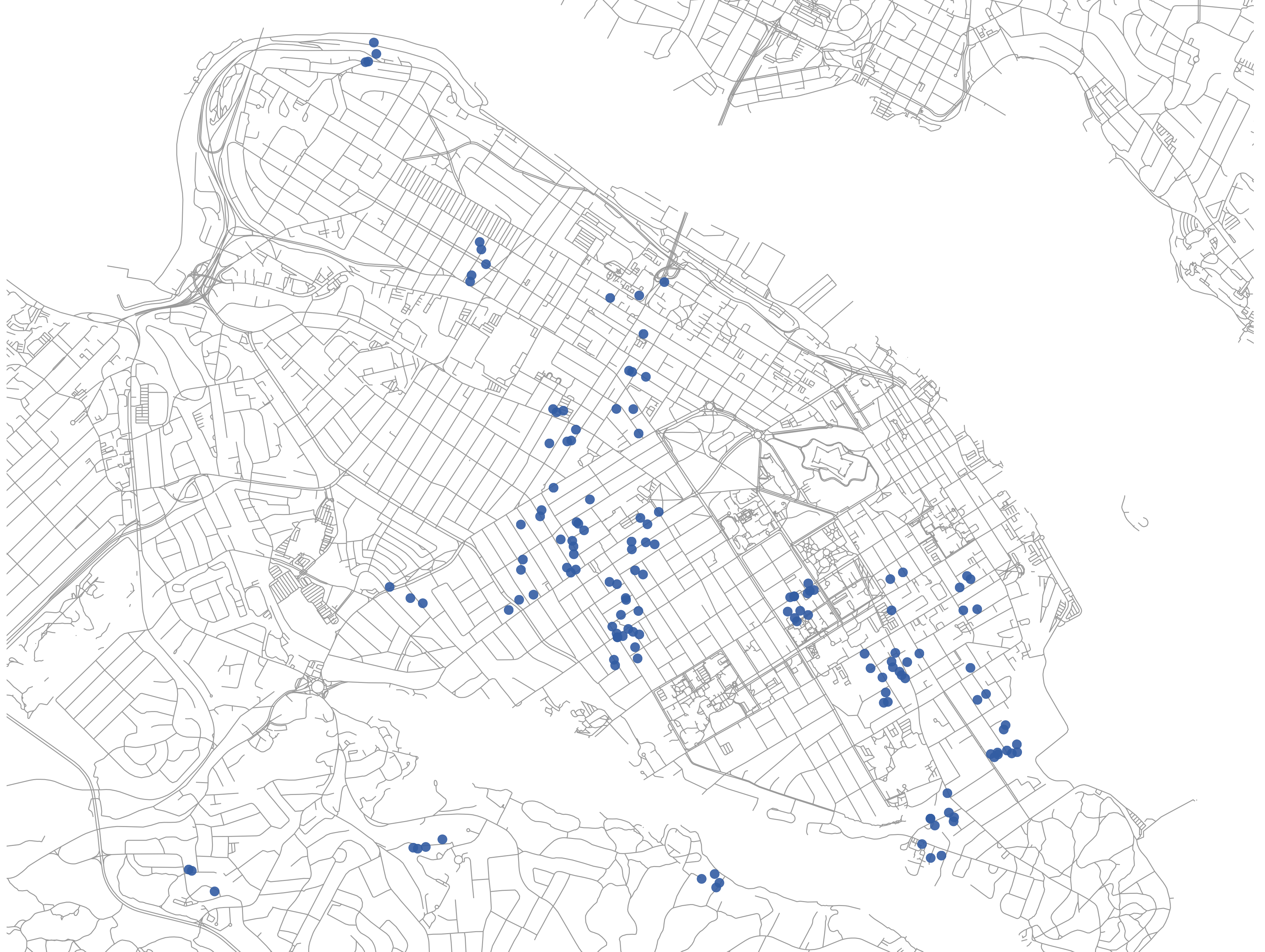
Compared to entire homes and other private rooms, ghost hostels...

are further from the city centre...

City	Entire homes	Entire ghost hostels	Private rooms	Individual GH rooms
<i>Median price per night</i>				
New York	\$190	\$240	\$70	\$60
<i>New York City</i>	<i>\$170</i>	<i>\$240</i>	<i>\$70</i>	<i>\$70</i>
Toronto	\$120	\$160	\$50	\$40
<i>Median annual revenue</i>				
New York	\$14,000	\$20,400	\$3,700	\$5,900
<i>New York City</i>	<i>\$12,200</i>	<i>\$21,400</i>	<i>\$3,700</i>	<i>\$6,500</i>
Toronto	\$7,600	\$10,500	\$2,300	\$2,900
<i>Median nights booked per year</i>				
New York	76	81	51	90
<i>New York City</i>	<i>70</i>	<i>89</i>	<i>52</i>	<i>98</i>
Toronto	80	67	49	69

and charge less per night...

but earn more money!





**Do we actually know what
we think we know about
regulation?**

BIZ & TECH // BUSINESS

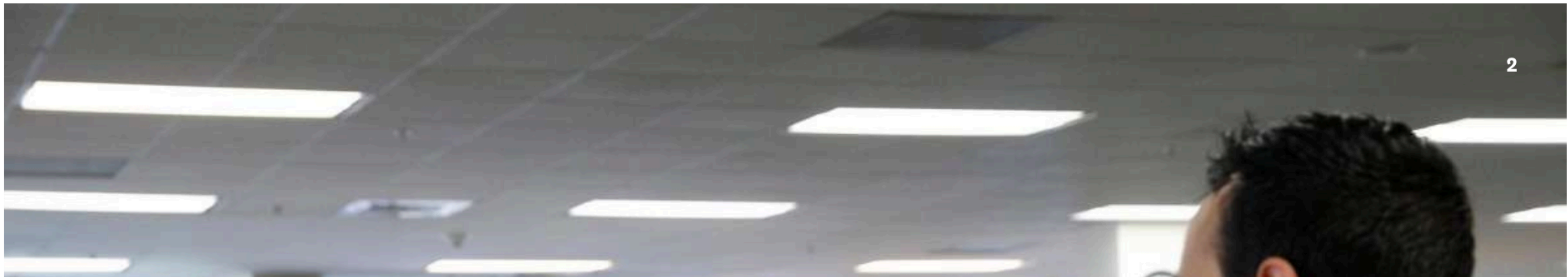
Airbnb loses thousands of hosts in SF as registration rules kick in

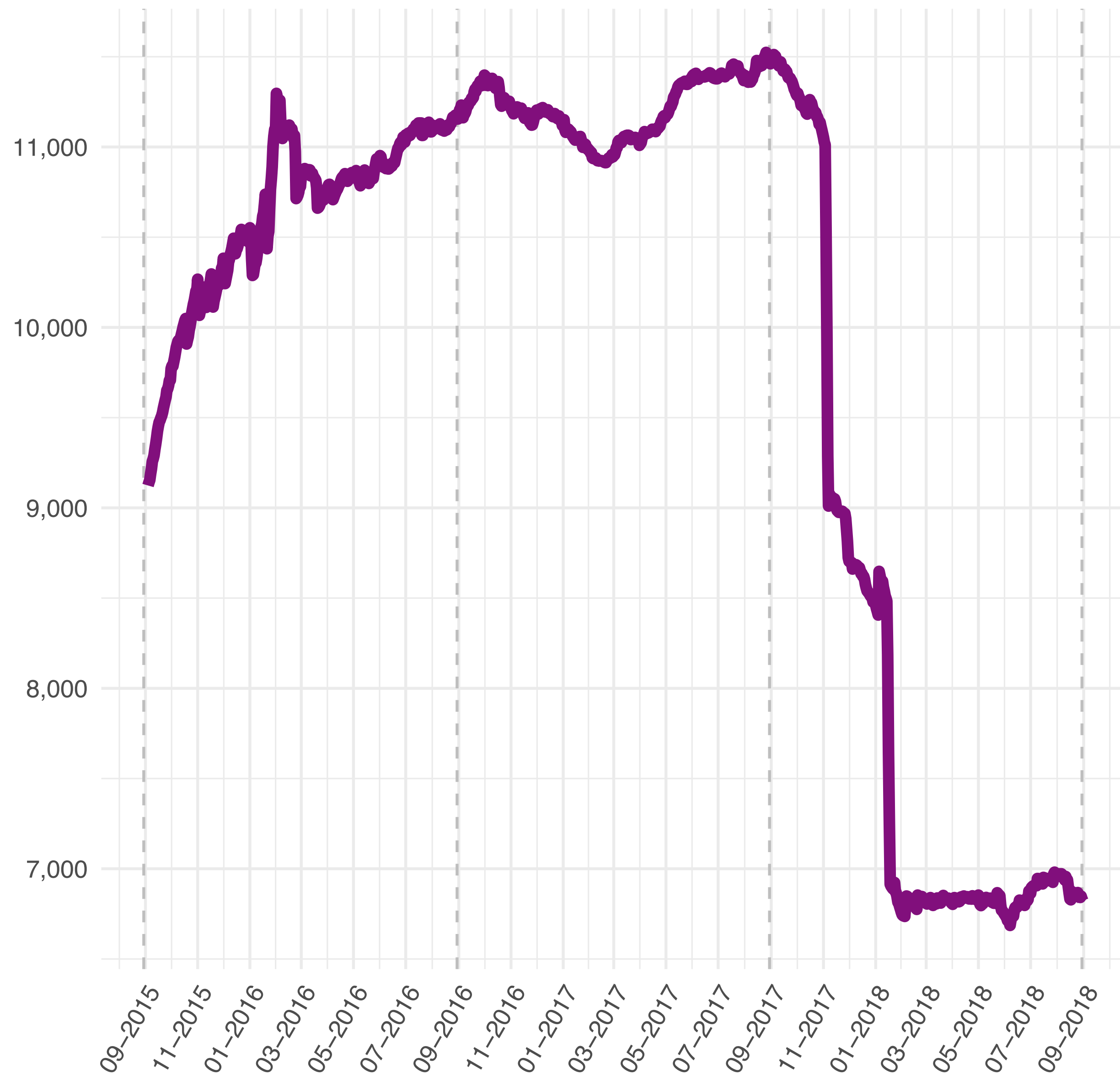


Carolyn Said

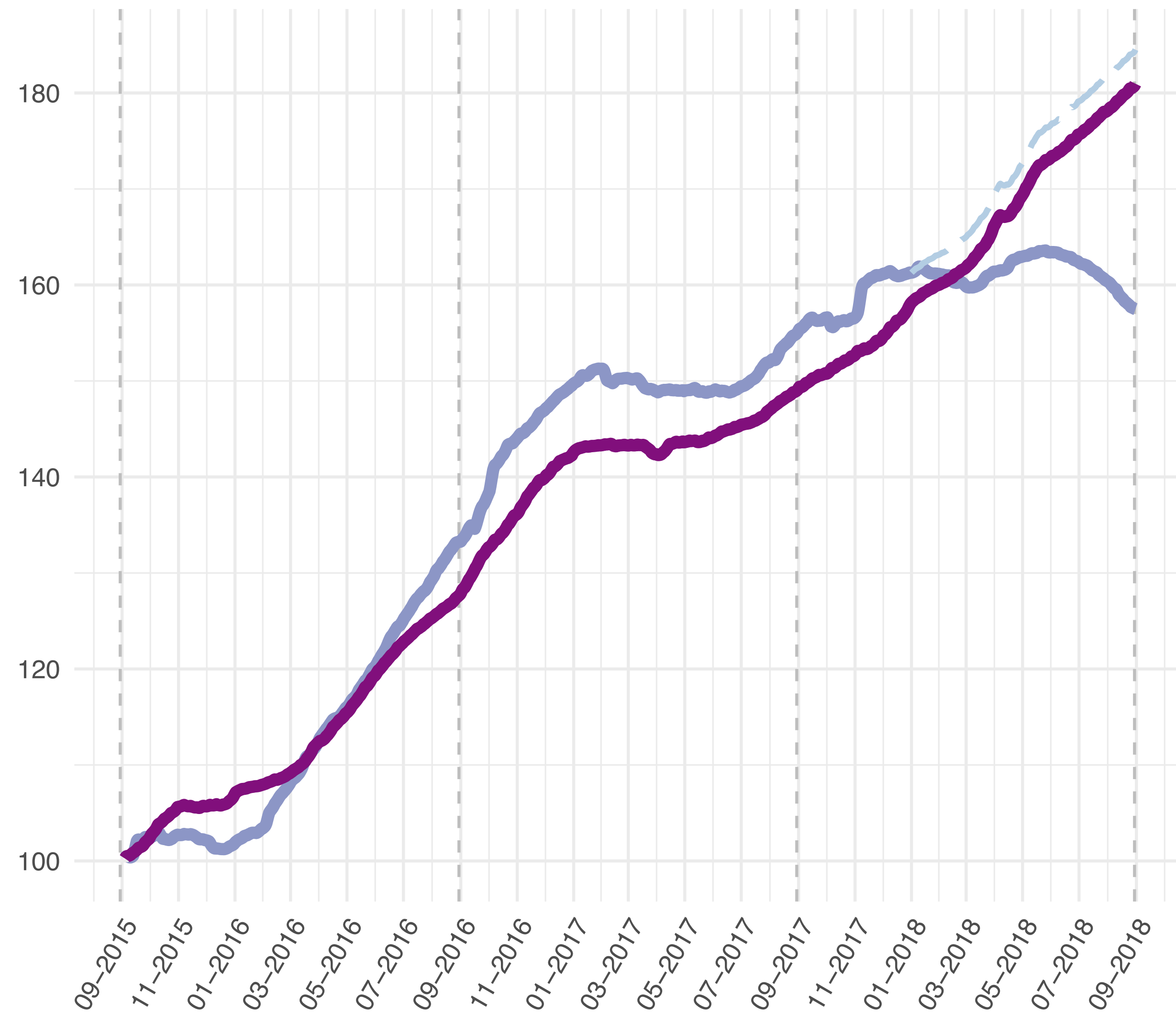
Jan. 14, 2018

Updated: Jan. 14, 2018 6 a.m.



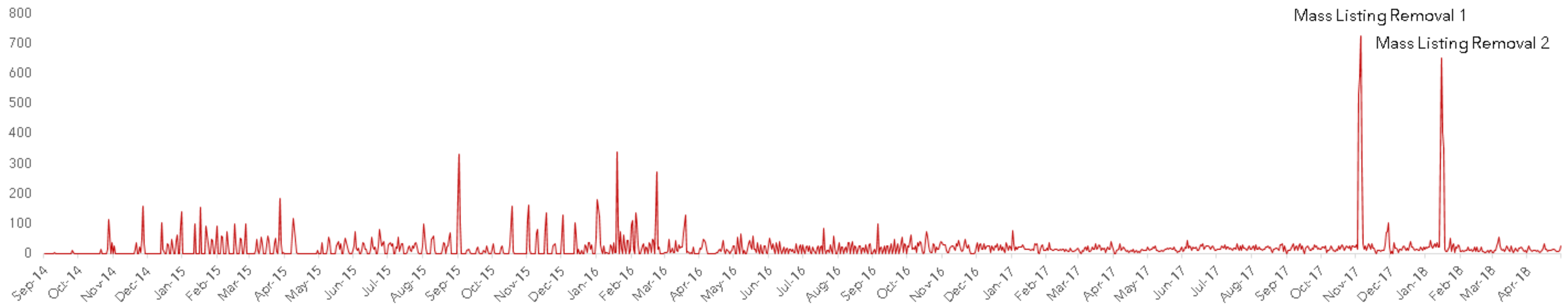


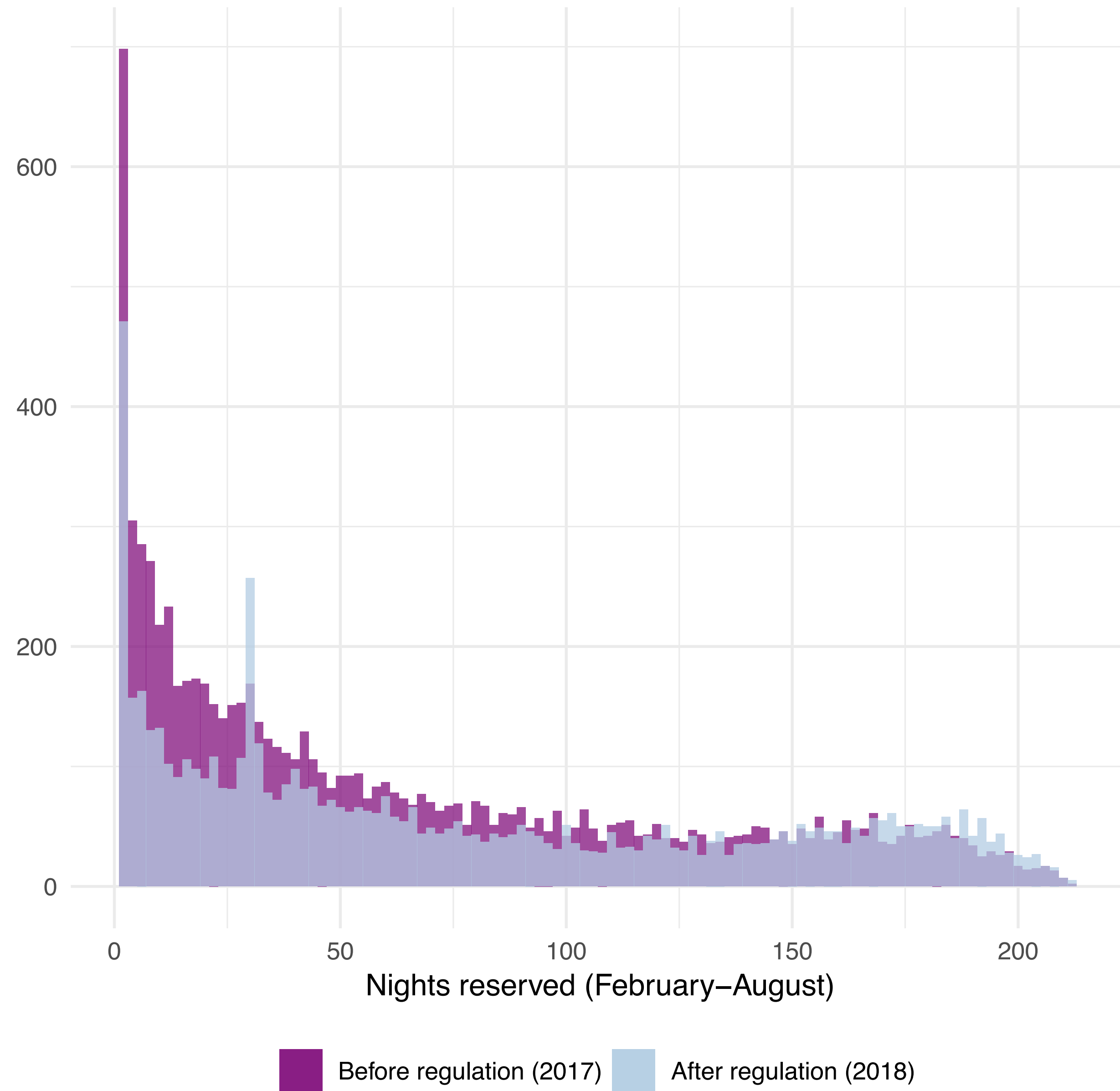
Active daily listings dropped 42% in San Francisco.



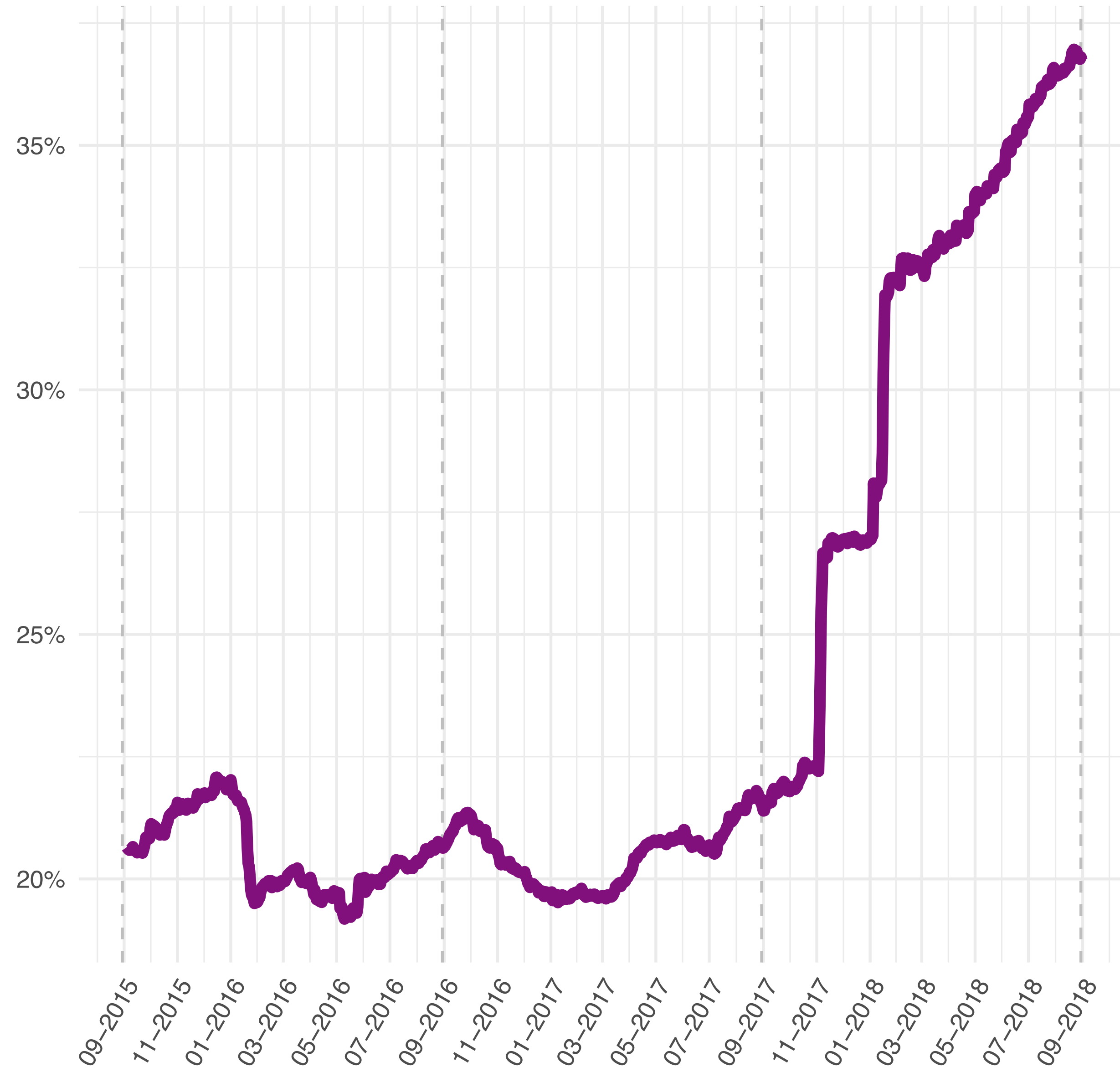
**Host revenue
dropped
15%.**

■ New York City ■ San Francisco ■ San Francisco trend (pre-regulation)

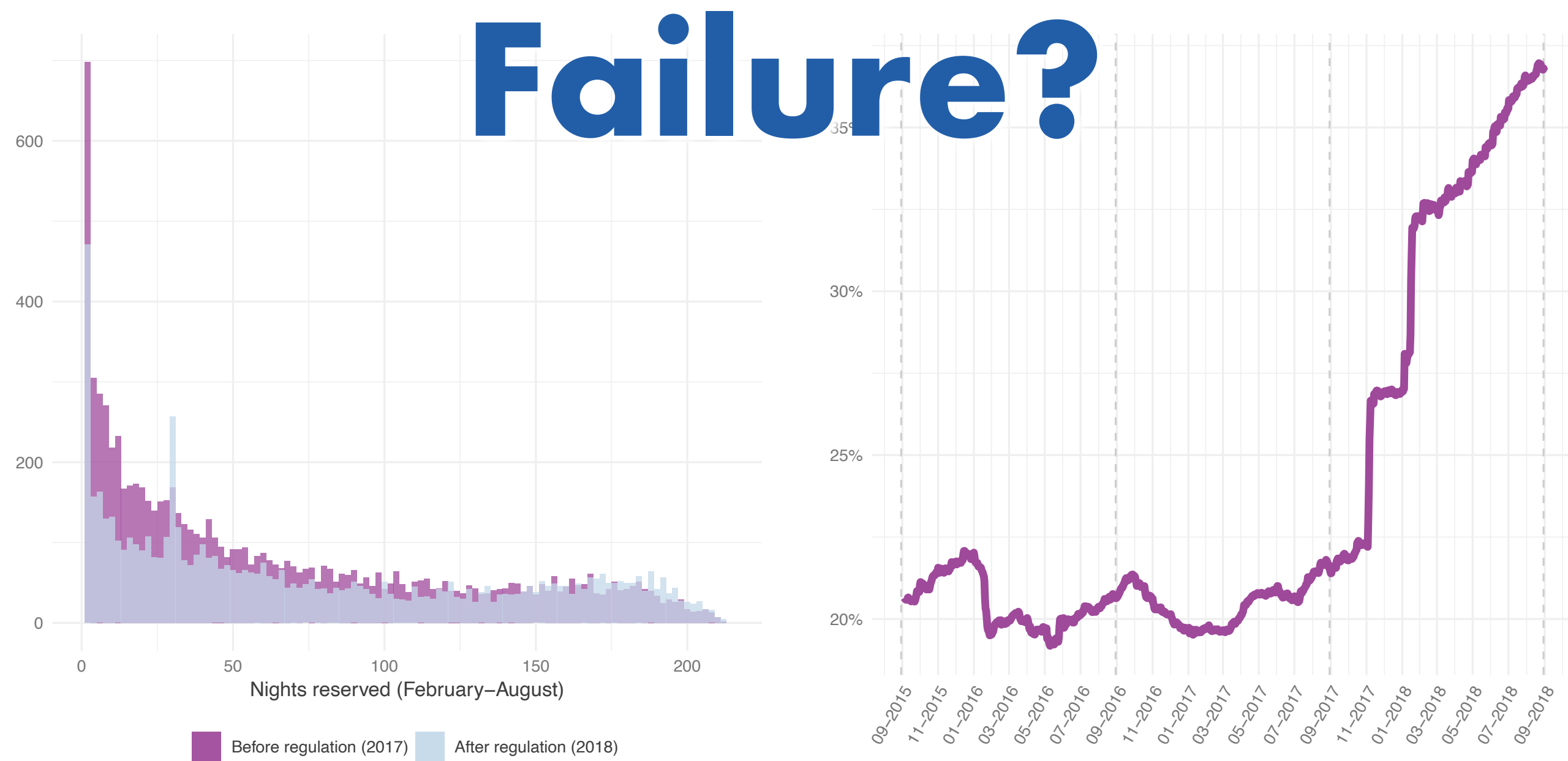
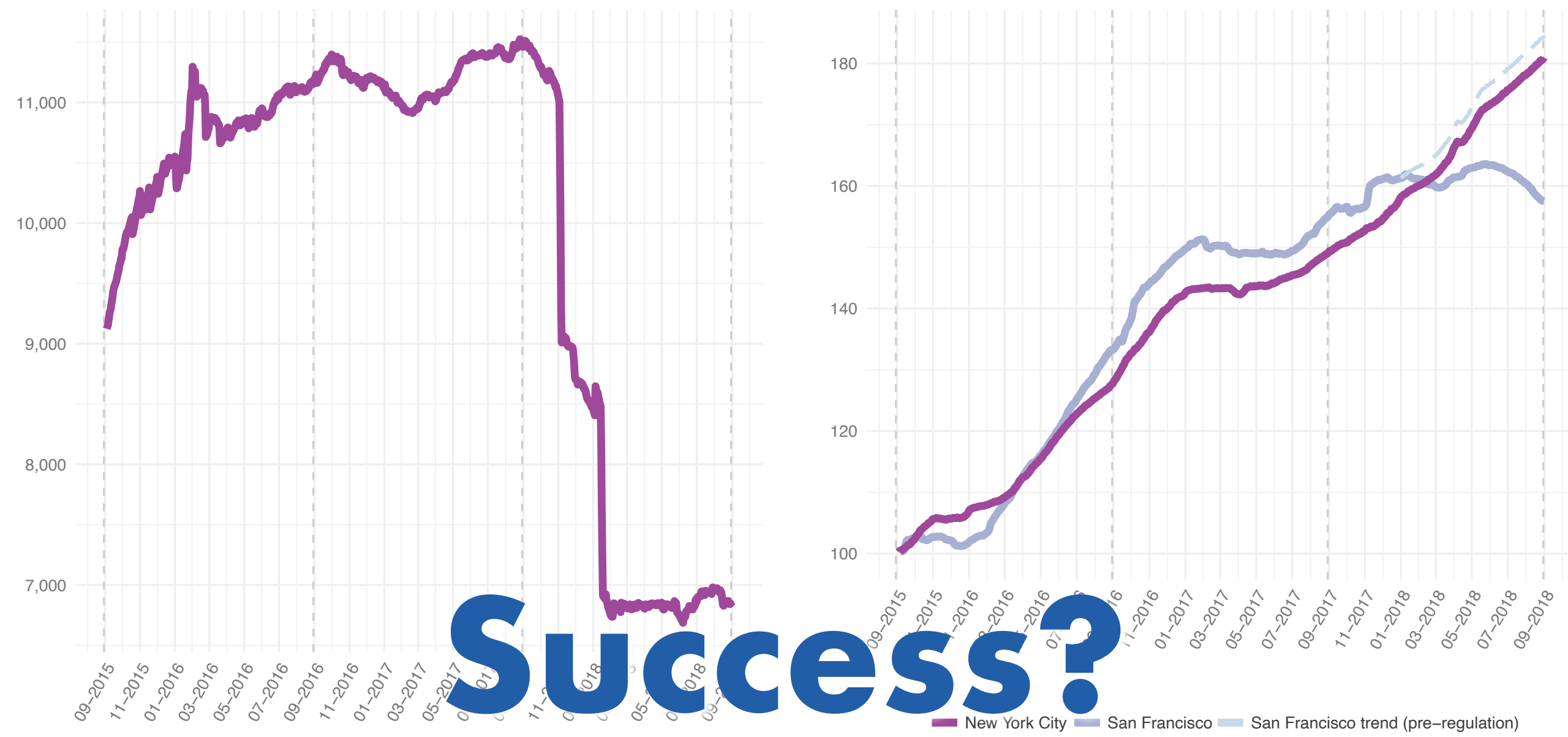




Removed listings were mostly defunct.



Commercial operators are now a bigger slice of the pie.



Do we actually know what we think we know about regulation?

STR policy is being set in the absence of actual data, and sometimes on the basis of incorrect understandings of what is happening.

Conclusions

- 1. Housing vulnerability drives concern about STRs.**
- 2. Mandatory host registration, with a principal residence distinction, is a promising regulatory path.**
- 3. Restricting commercial operators is low-hanging fruit for addressing housing problems.**

Thank you!



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