



 **AllTheRooms.**Analytics

Vacation Rental Market Snapshot **CANADA**

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Vacation Rental Market Snapshot: Canada

We have compiled an overview of some of the top short-term rental markets in Canada.

About AllTheRooms Analytics

AllTheRooms Analytics is the world's leading provider of data and analytics for the tourism and short-term rental industries.

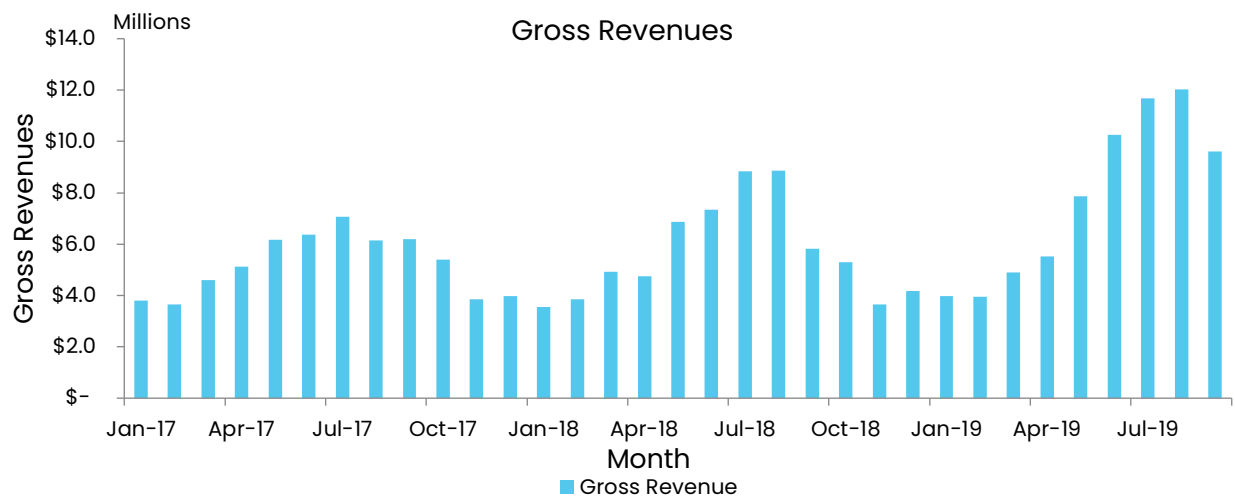
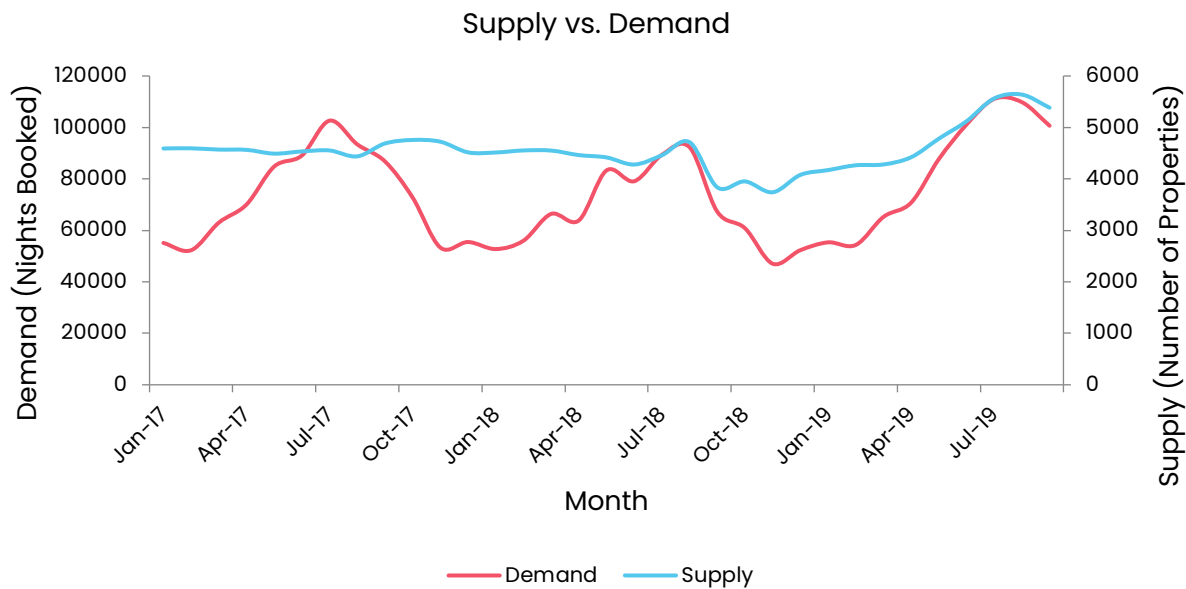
AllTheRooms Analytics helps our partners understand the impact of the fast-growing vacation rental market. We work with a wide variety of clients from Destination Marketing Organizations such as Visit Florida, to large hotel chains including Marriot. We've even starred in a vacation rental-focused Netflix series!

If you have any questions or would like to learn more about our products, please visit our site at alltherooms.com/analytics or contact us at analytics@alltherooms.com.

Technical Notes

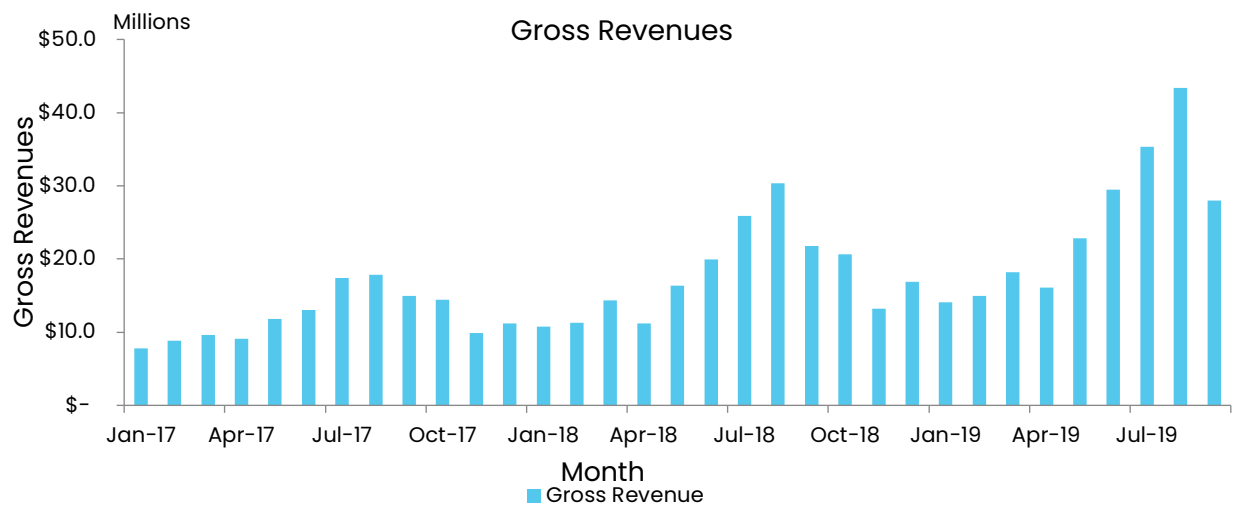
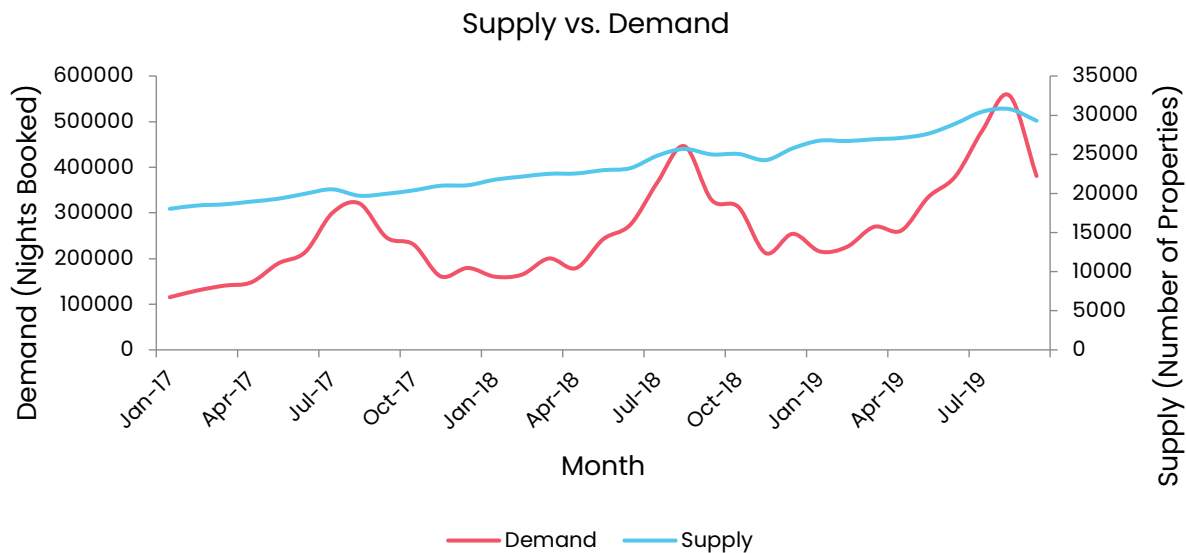
- 1) All data below is based on Airbnb listings. Our full products provide 100% coverage of all the major vacation rental platforms.
- 2) AllTheRooms Analytics' analysis excludes inactive properties (as defined by the vacation rental platform the property is listed on) and dormant properties (defined by AllTheRooms as properties without a booking for 365 days or more).

Vancouver



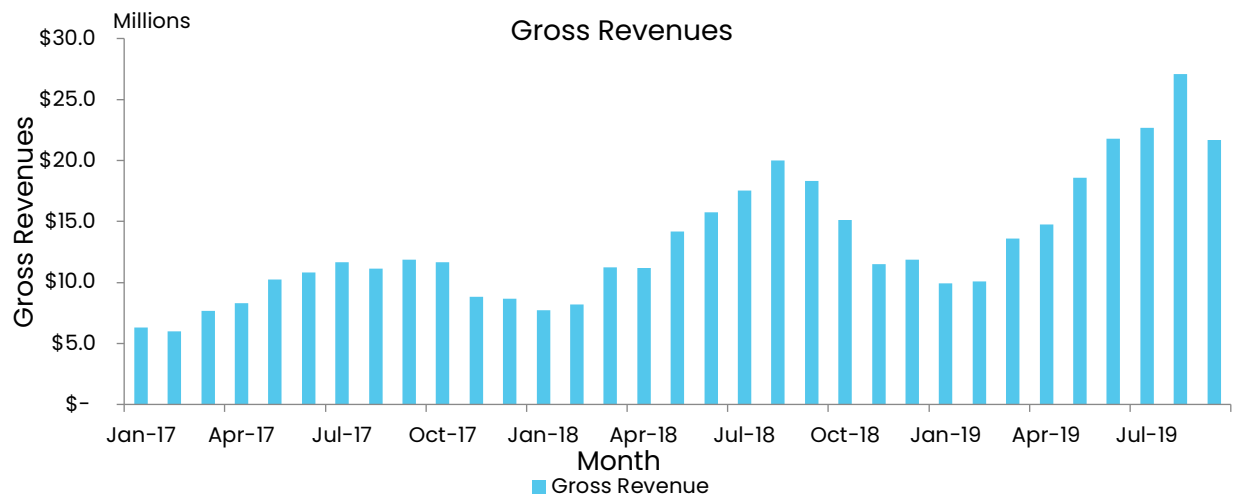
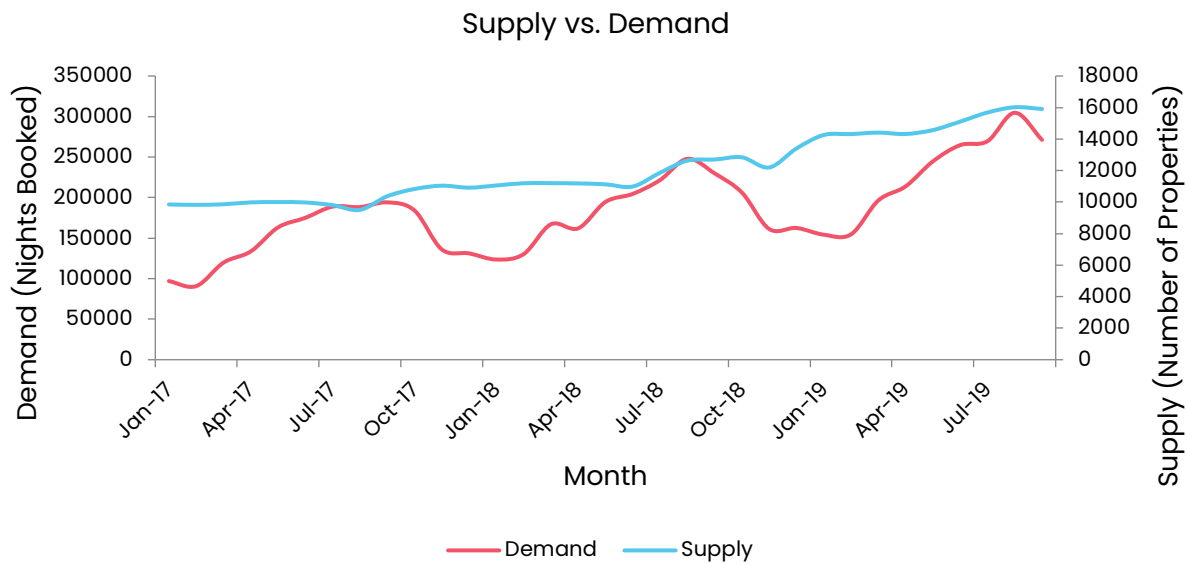
Market Commentary: Vancouver has consistently been one of Canada's best markets for tourism in general. The vacation rental market is still catching on although there have been improvements. The one major blip occurred in 2018 when in September, the city implemented new vacation rental regulations requiring hosts to register or face a fine. However, since then gross revenues have rebounded nicely coupled with a booming demand that is currently matching supply rates. The only number down this year is Average Daily Rates, but with supply and demand reaching an equal rate gross revenues have still been able to thrive.

Quebec



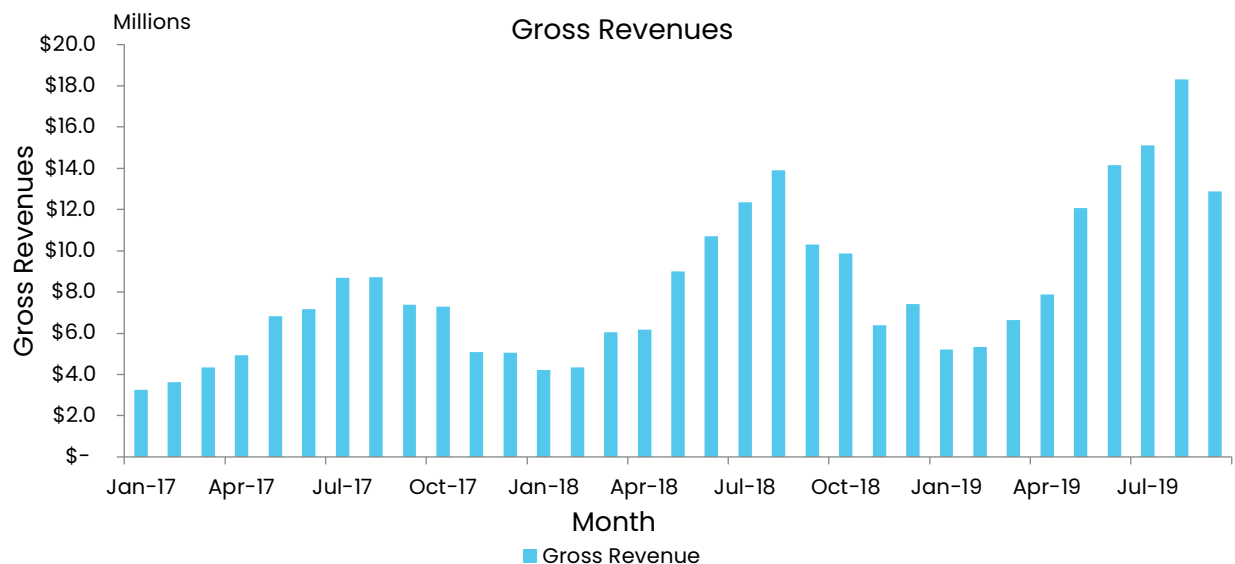
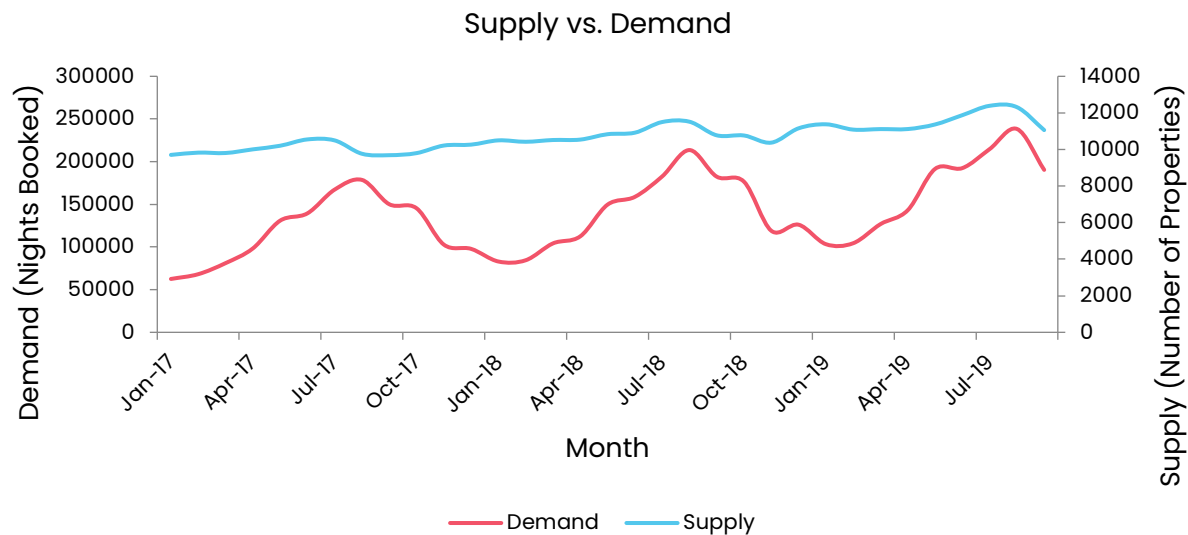
Market Commentary: While it is unsurprising that the quaint cobblestone streets are less appealing to tourists in the winter, Quebec is displaying serious growth. Despite this obvious seasonality when demand plummets during the winter, gross revenues in August 2019 were up nearly 5 times what they were at the beginning of 2017.

Toronto



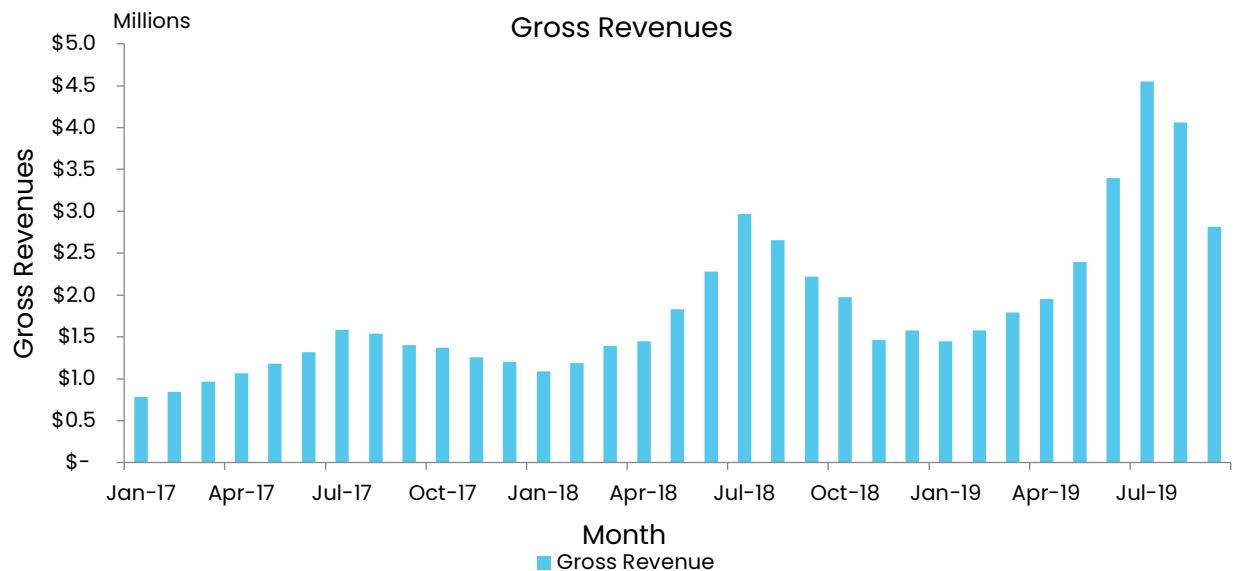
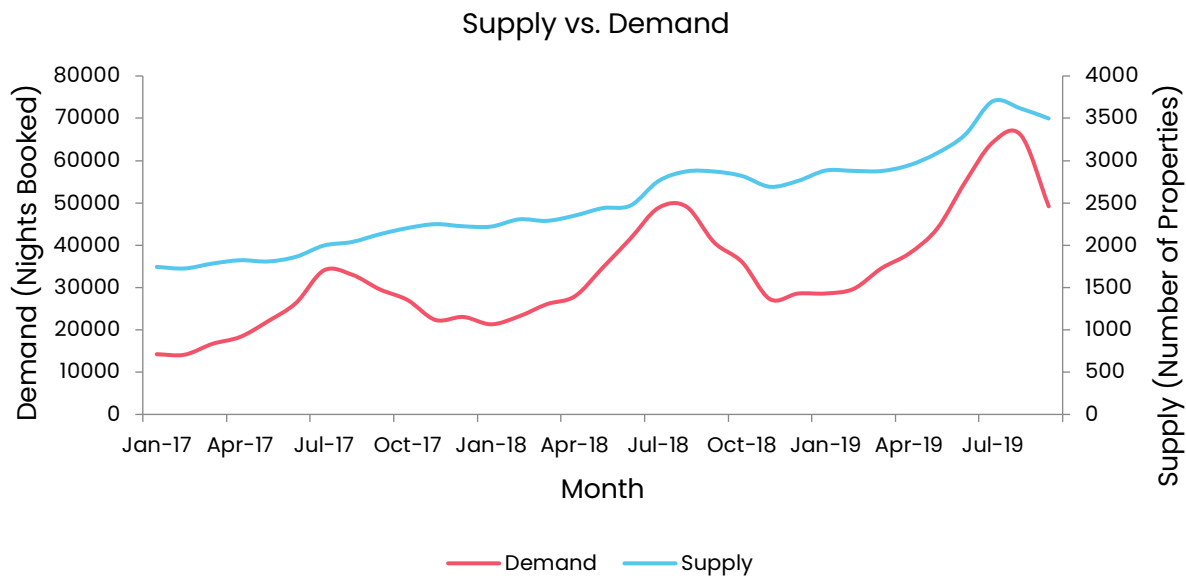
Market Commentary: Canada's metropolis is in many ways very representative of the country as a whole. Cities are finding it difficult to maintain demand and revenue numbers during the notoriously chilly Canadian winters. However, despite that, there have been exponential growth in the last two years that have established a few cities as major players in the short-term rental space. The city has had long-lasting debates about proposed vacation rental regulations and although some steps were approved no laws have yet gone into effect.

Montreal



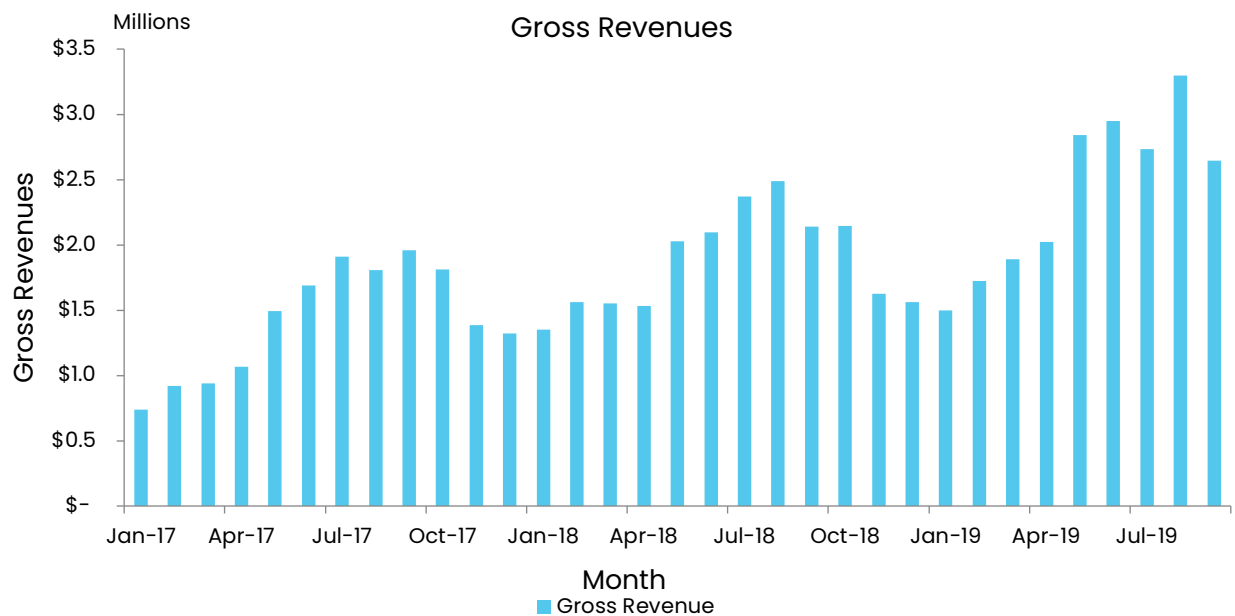
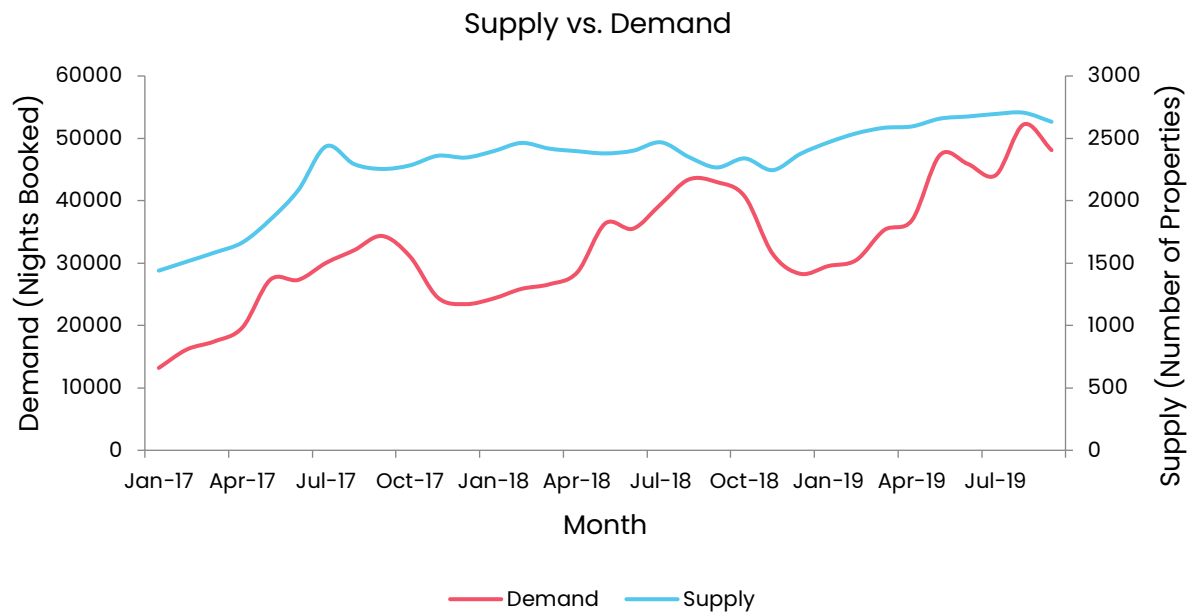
Market Commentary: The entire province of Quebec has recently approved new regulations for short term rentals. While it will require hosts to be more diligent to make sure they are complying with the law, Montreal, Quebec's biggest city, is one of those cases where regulations could be a great help to the market. In most cases, when regulations are introduced supply numbers drop. Should we see a regulation-induced supply drop, hosts who complied with the regulations should expect to enjoy a "host's market" as they will be able to charge more and see higher occupancy rates. Gross revenues might take a hit in the short term but typically in these cases supply growth continues to drive gross revenues higher past pre-regulation levels within a year or so.

Calgary



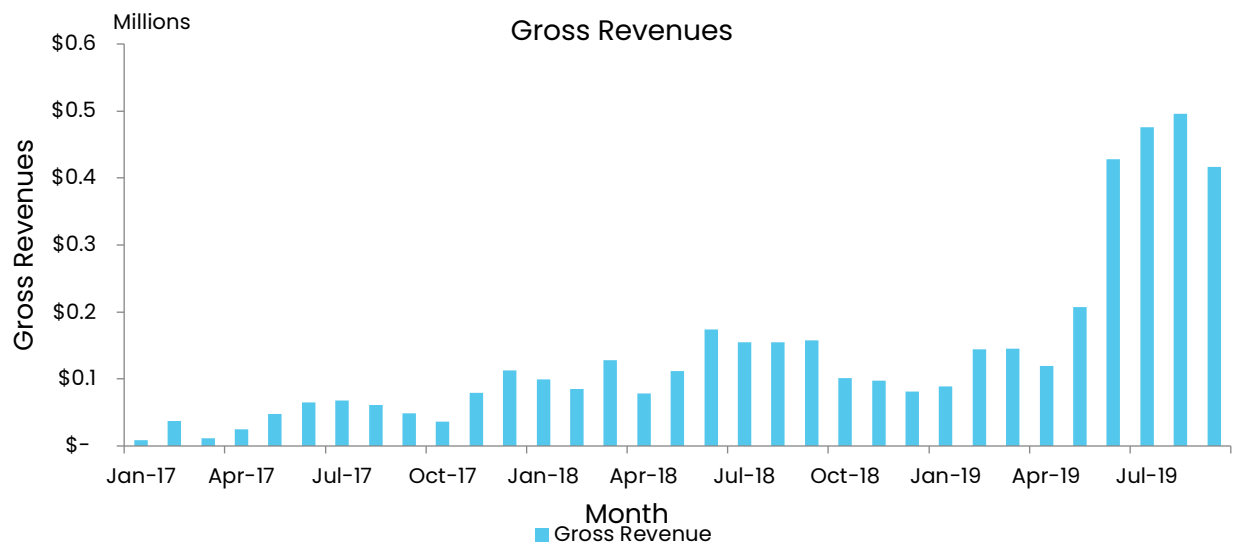
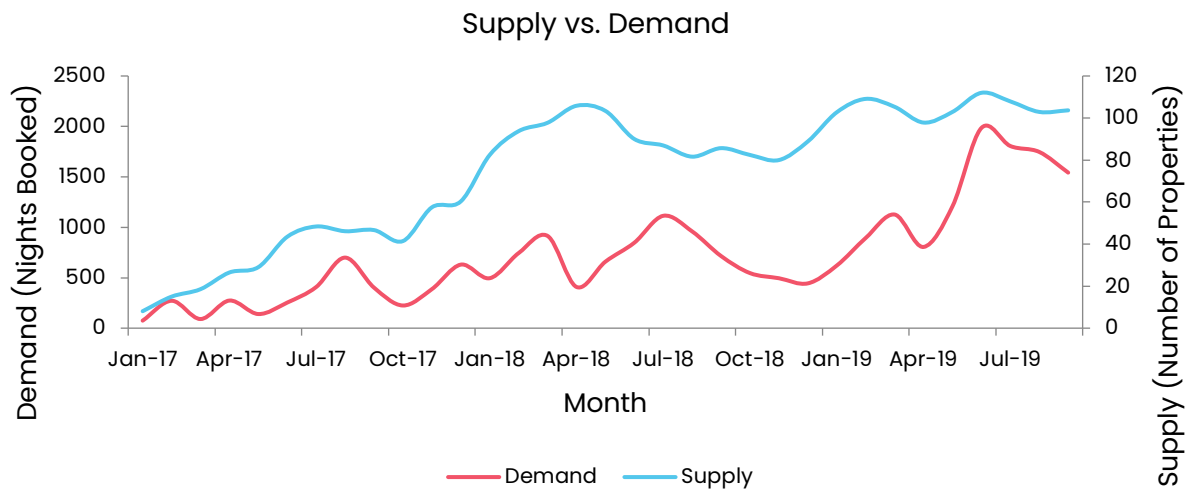
Market Commentary: In Calgary, there are times, especially recently, where the supply of vacation rental units vastly outweighs the demand. When this happens, it makes the vacation rental market extremely guest friendly, meaning average daily rates (ADR) will be lower to encourage business. This of course then leads to smaller gross revenues. There are regulations going into effect as early as February and when they do this could be a similar situation to Montreal where a decrease in supply could benefit the city's market in general.

Ottawa



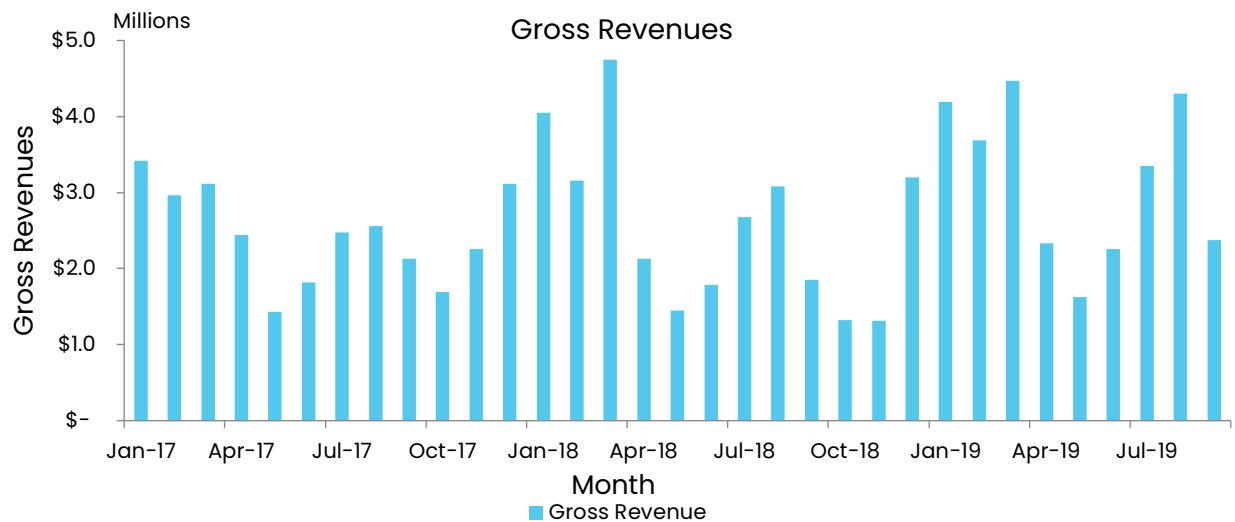
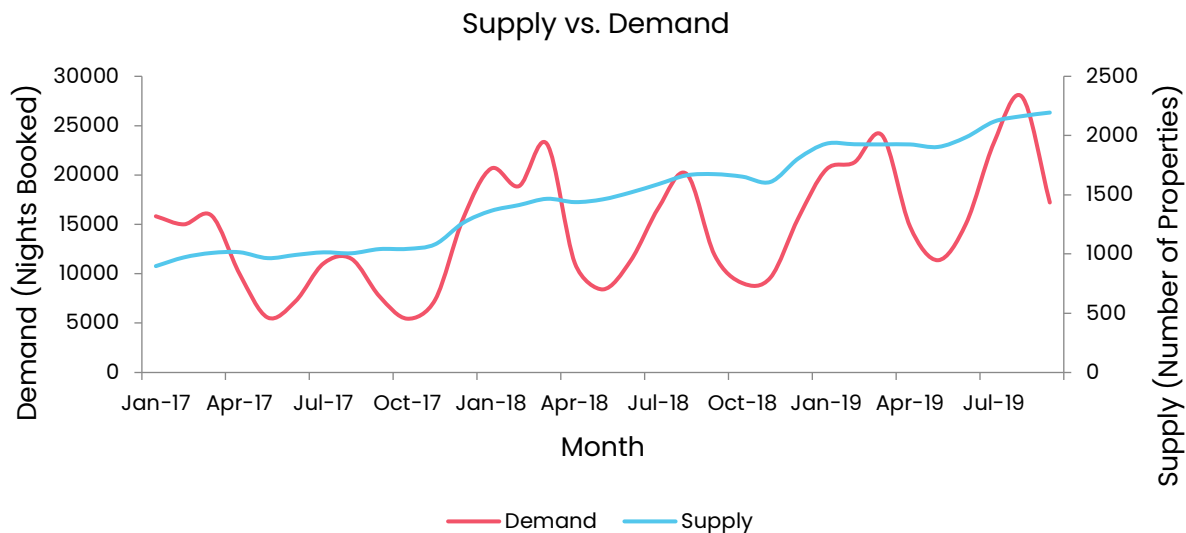
Market Commentary: Although it is the capital of Canada and quite picturesque, Ottawa's numbers are below that of some of the other high/mid-tier profile cities on the list. This could be in part to Ottawa rules against operating vacation rentals that rent to anyone for under 28 days at a time. It is a violation of the city's zoning laws. While these types of laws are hard to enforce, it is enough to keep some hosts from joining the market in the first place. Despite having lower gross revenues than somewhere like Calgary, there is still a nice upward trend in Ottawa.

Banff



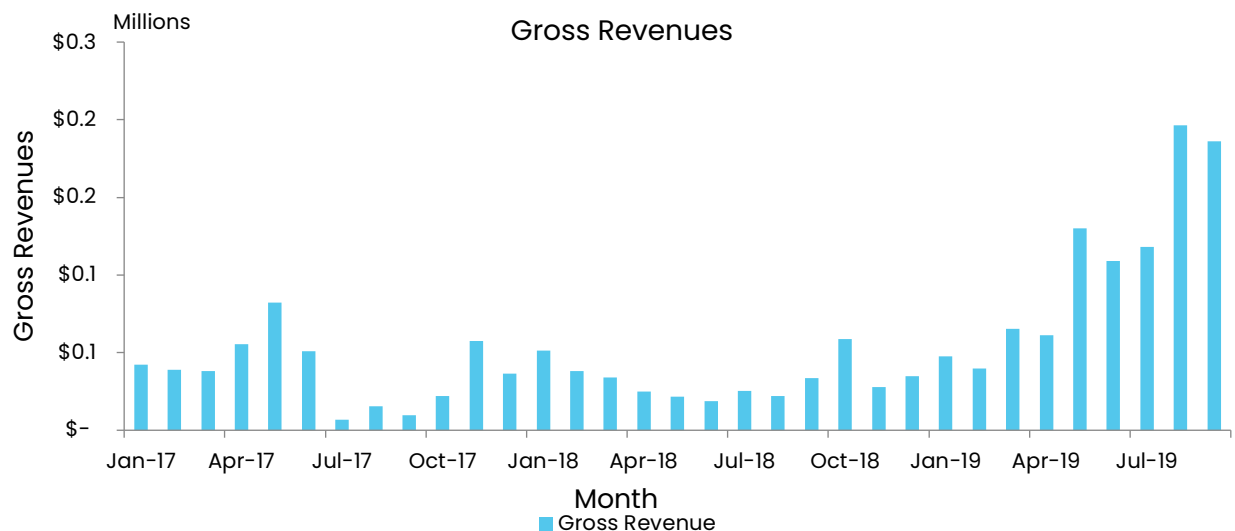
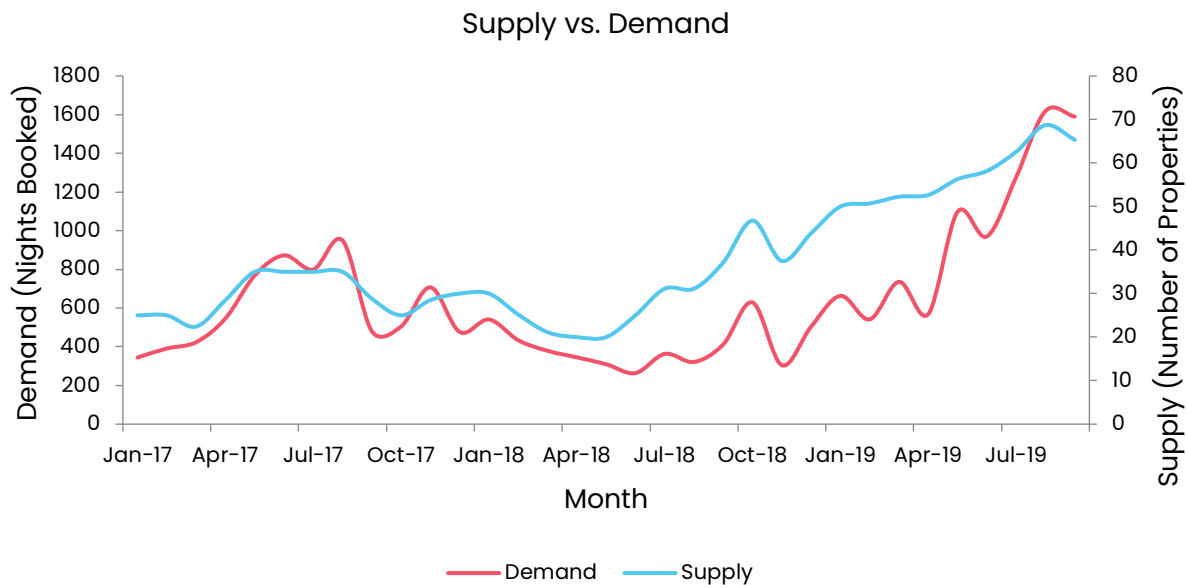
Market Commentary: Banff and the Canadian Rockies region is one of the most interesting case studies to look at from a data perspective. Because it is a remote portion of Canada that is better known for resort-type getaways or camping experiences, the vacation rental trend took a while to catch on. Once it started some towns, including Banff, immediately implemented Airbnb regulations, notably a cap of 65 BnBs or short-term rentals in town at any given time. However, it is evident that this restriction is not being upheld as property numbers have reached over 100 recently. This could theoretically be attributed to numerous factors like lack of enforcement and unclear town borders that are allowing for numerous hosts to operate in the region.

Whistler



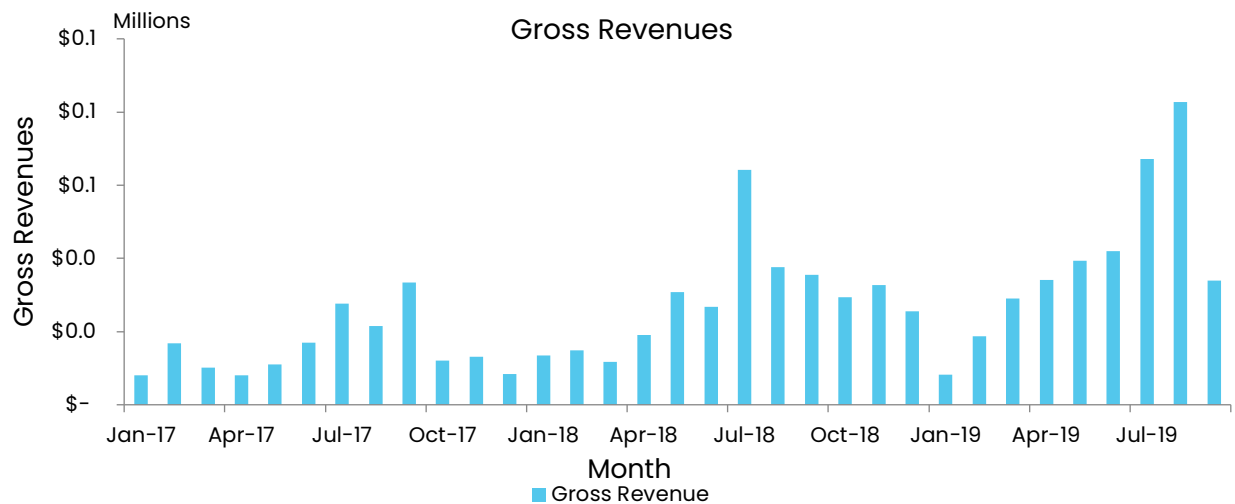
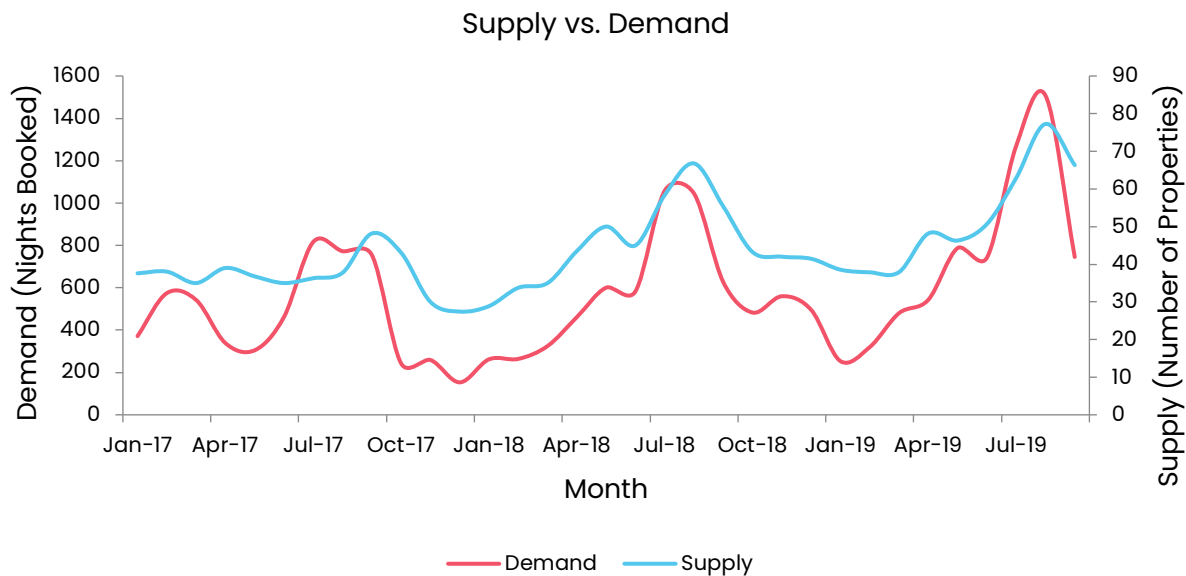
Market Commentary: Estimates say that 1 in 5 of every home in Whistler is currently listed on Airbnb. When it comes to the VR market Whistler has been long ahead of its time. Where most markets were just establishing themselves in 2017, Whistler was already putting up 3.5 million dollars of gross revenue in January of that year. While there is a sharp reverse seasonality for ski season and another yearly uplift for summer breaks, supply and demand numbers have increased overall. Interestingly though revenue numbers for the winter season did stagnate a bit this year, allowing for the summer revenues to nearly catch up.

Jasper



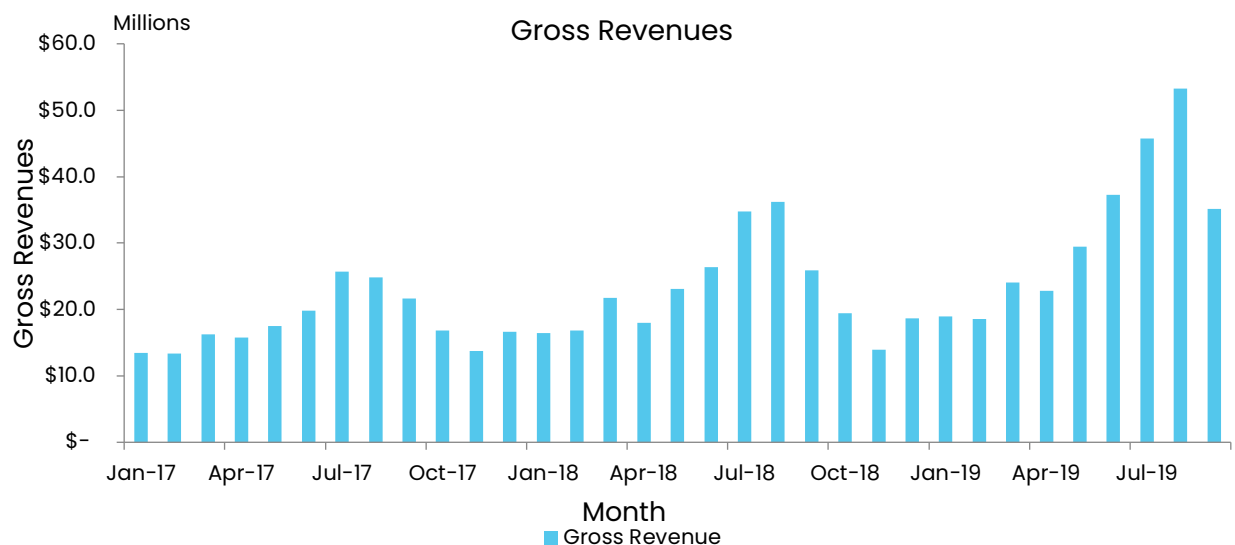
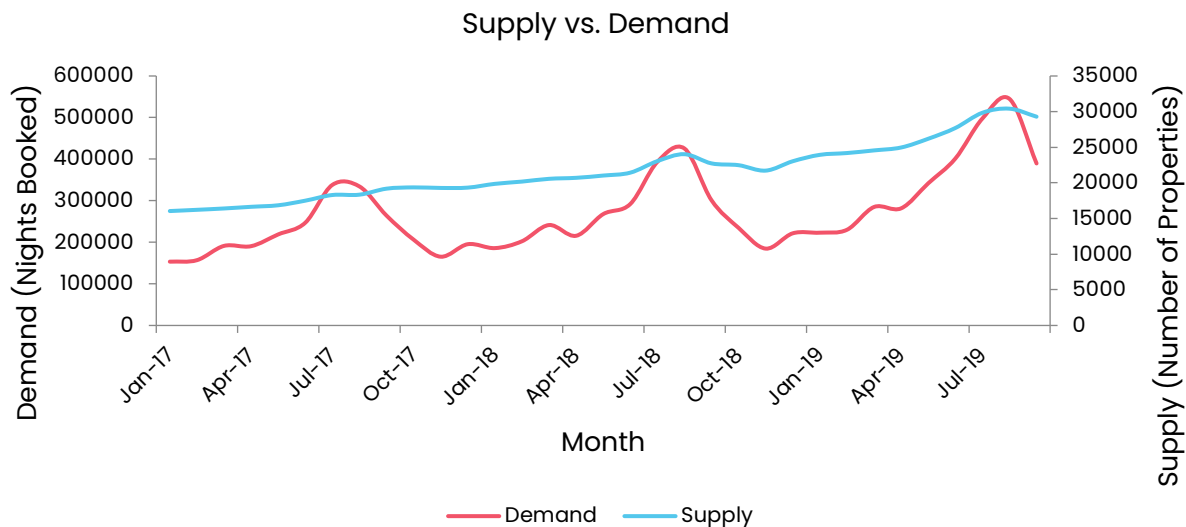
Market Commentary: Jasper, like Banff, has become an extremely popular destination because of its proximity to some of the most beautiful places in the world. Jasper has also faced some tricky regulations. Parts of the town lies within Jasper National Park of Canada, and vacation rentals are prohibited from operating if a homeowner is not present within park borders. Because of this, “whole home” options are not common, leading to minuscule gross revenue and supply numbers in comparison with the rest of Canada’s leading tourism destinations. The town of Jasper itself is only about 4,500 people, so a huge uplift in the vacation rental market might be unlikely or muted here.

Maple Ridge



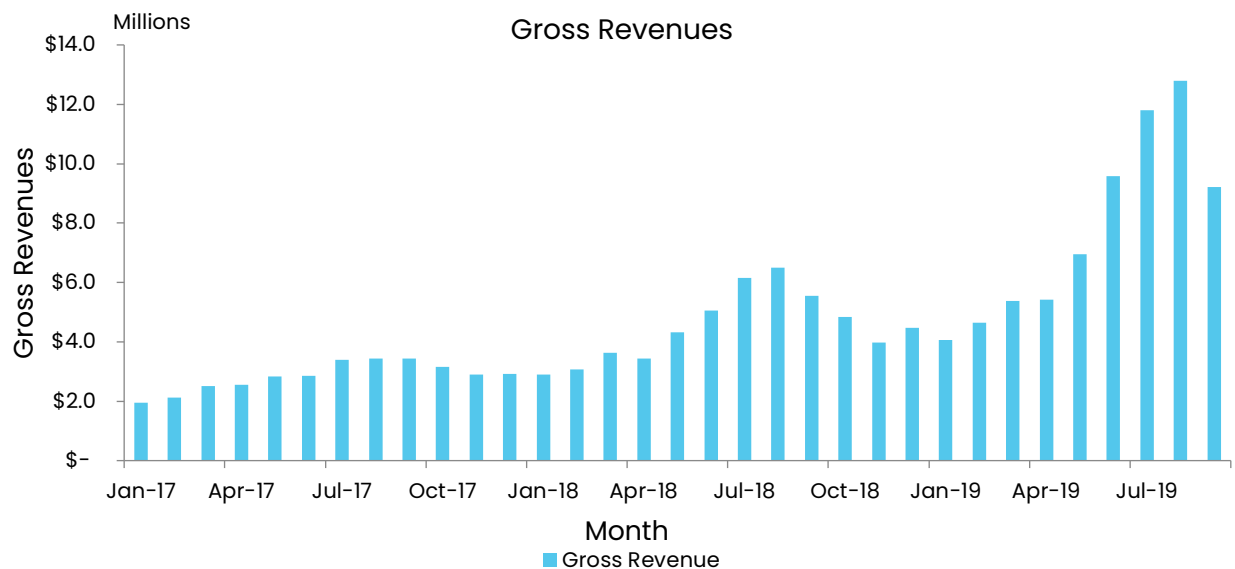
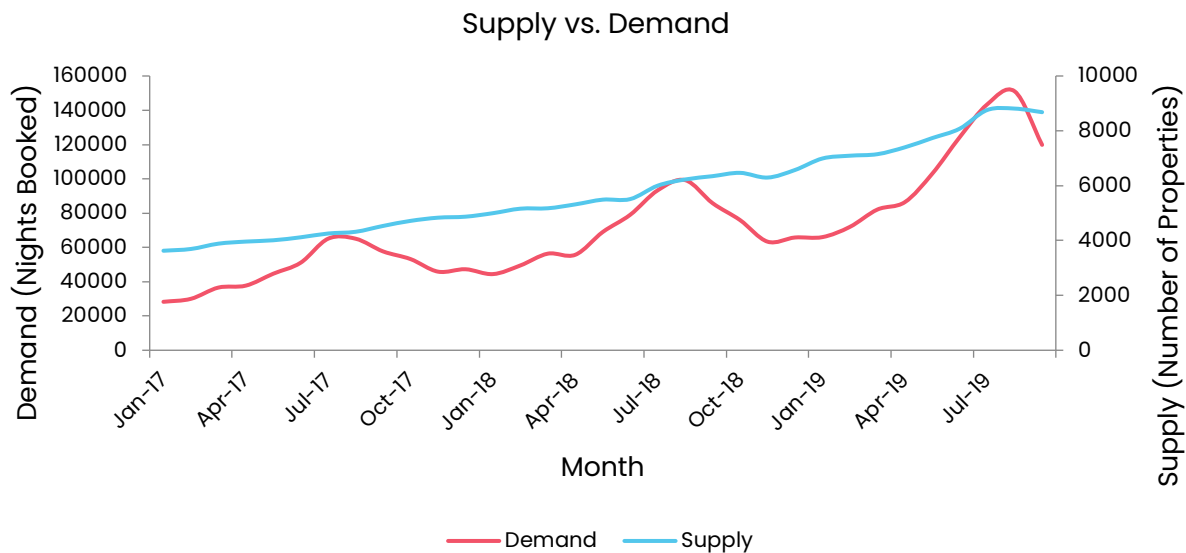
Market Commentary: Maple Ridge may not be in the vernacular of casual travelers from places outside of BC or Canada, but it is one of the country's 10 busiest tourism markets. An outdoor escape amongst the lakes, rivers, and forests of British Columbia, the short-term rental market here is also somewhat a product of being a smaller town (82,000 inhabitants). This most recent year during peak season demand outweighed supply somewhat significantly. Because of the small supply source, this gap could continue and maybe increase based on market trends where demand for vacation rentals are growing. This will allow for higher occupancies and ADRs but ultimately could lead to a sudden plateau of growth.

British Columbia



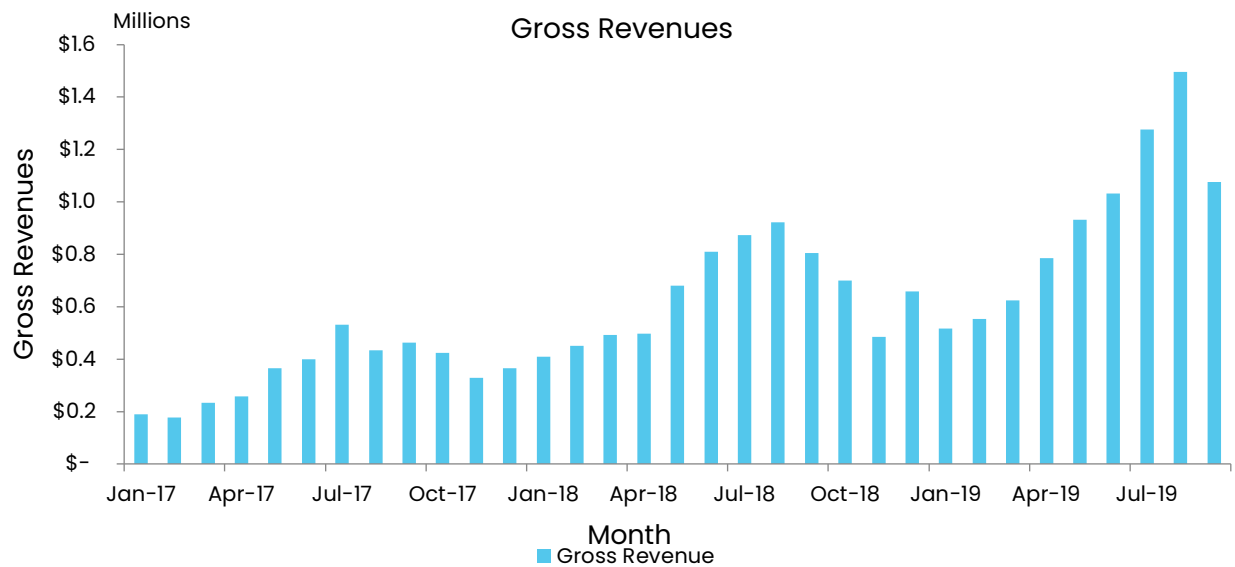
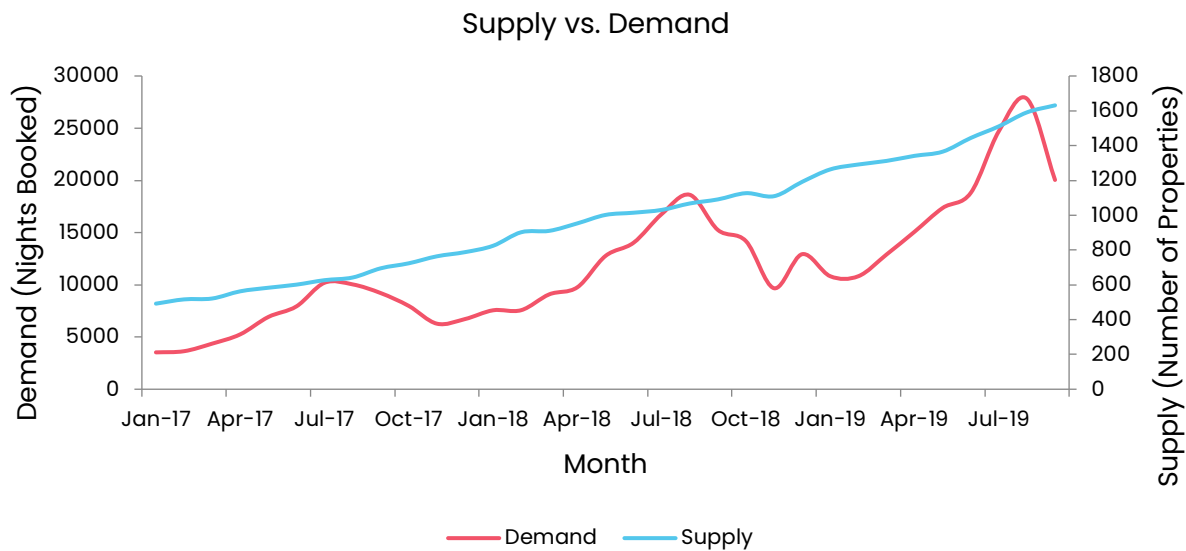
Market Commentary: Despite being the home of Whistler, the province of British Columbia heavily favors the summer season, when tourists flock to Vancouver and cruise ships stop in Victoria. To date, the June to August window is the only time the market sees demand and supply both perform near their peaks. BC has a lot of room to see gross revenues rise when one considers that in the last two years, occupancy rates have never exceeded 42%.

Alberta



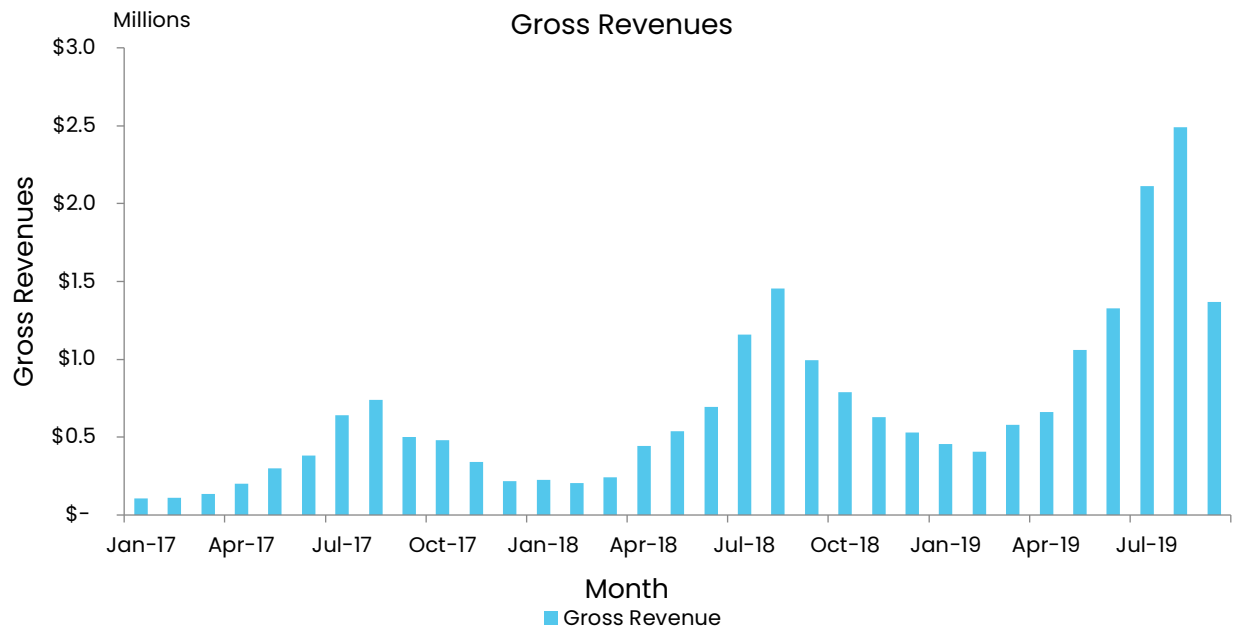
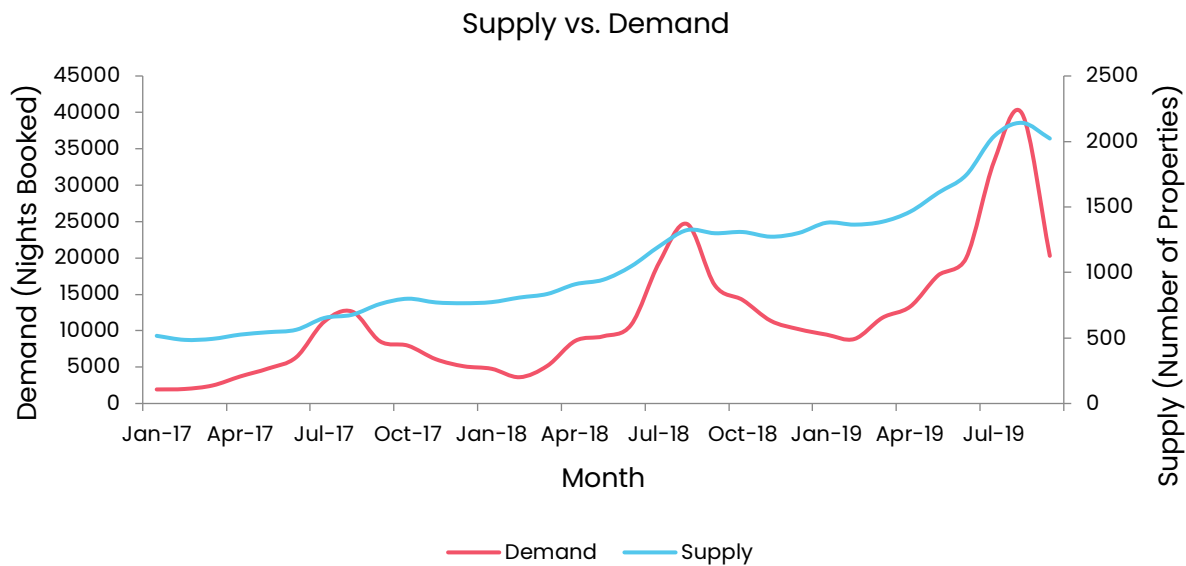
Market Commentary: Alberta undoubtedly has a nice upward trajectory driven by the popularity of the outdoor paradises of Banff and Jasper, as well as the blossoming market in Calgary. And while 2019 saw a massive increase in gross revenues, the entirety of the province is still bringing in significantly less revenues than a city like Montreal.

Manitoba



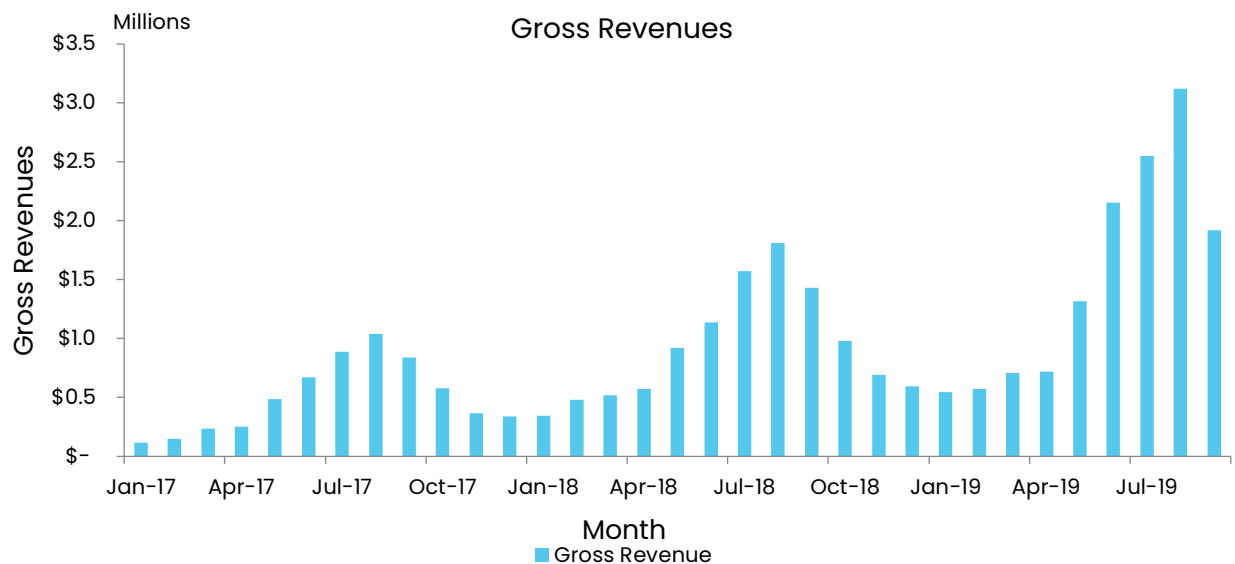
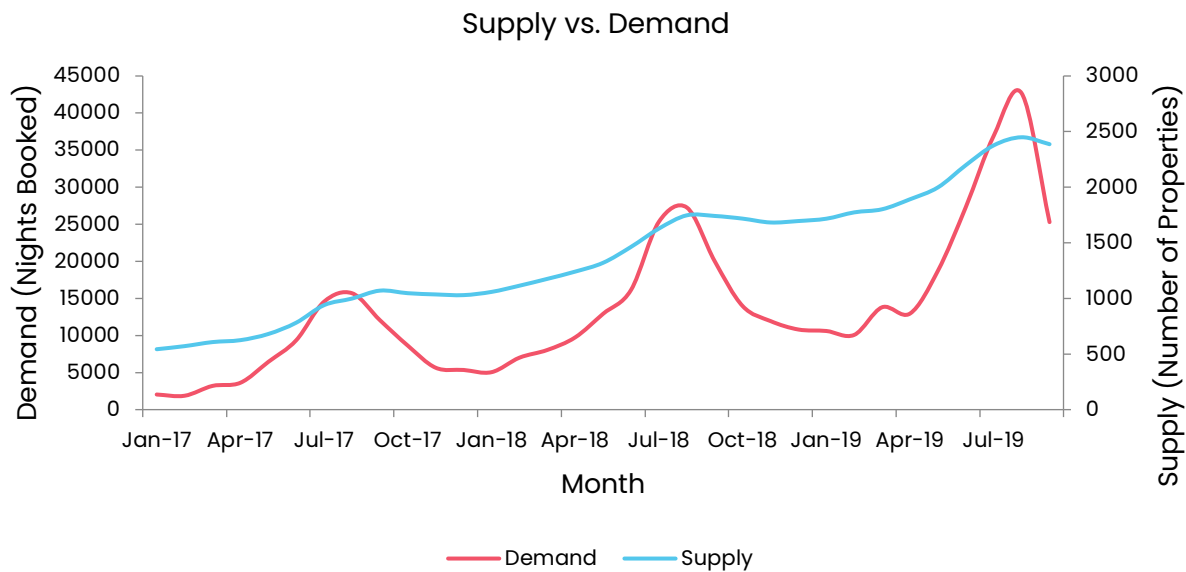
Market Commentary: Despite having one of Canada's seven largest cities, Winnipeg, Manitoba's vacation rental market has not been able to perform spectacularly as the province has not acquired massive tourist attention. Winnipeg is prepping for an incoming host tax for online booking platforms, but with relatively low demands for much of the year, there should not be much of a negative impact.

New Brunswick



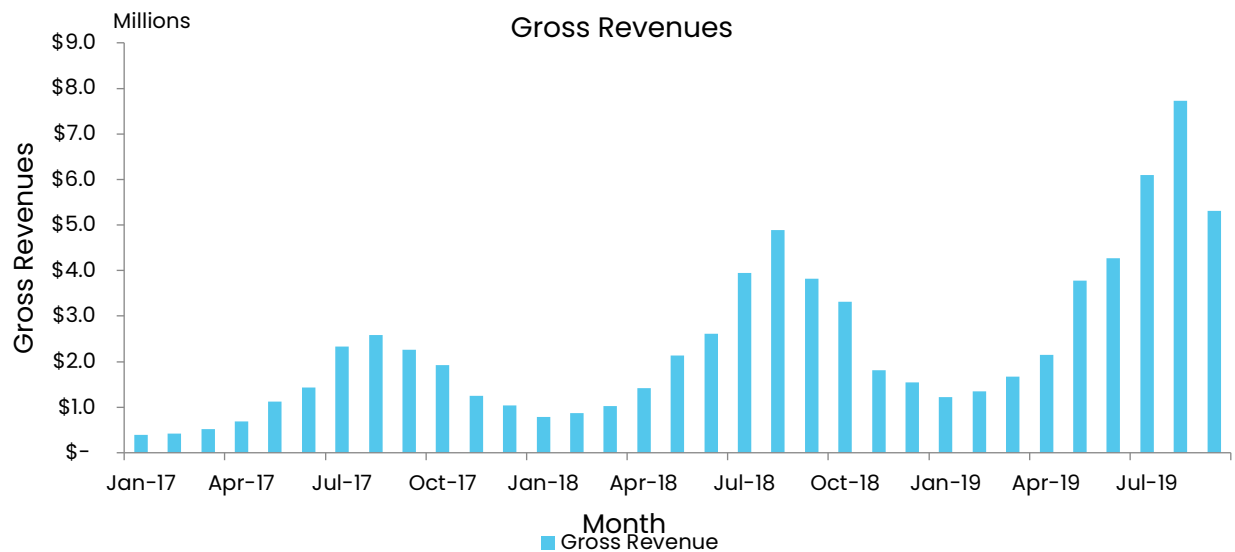
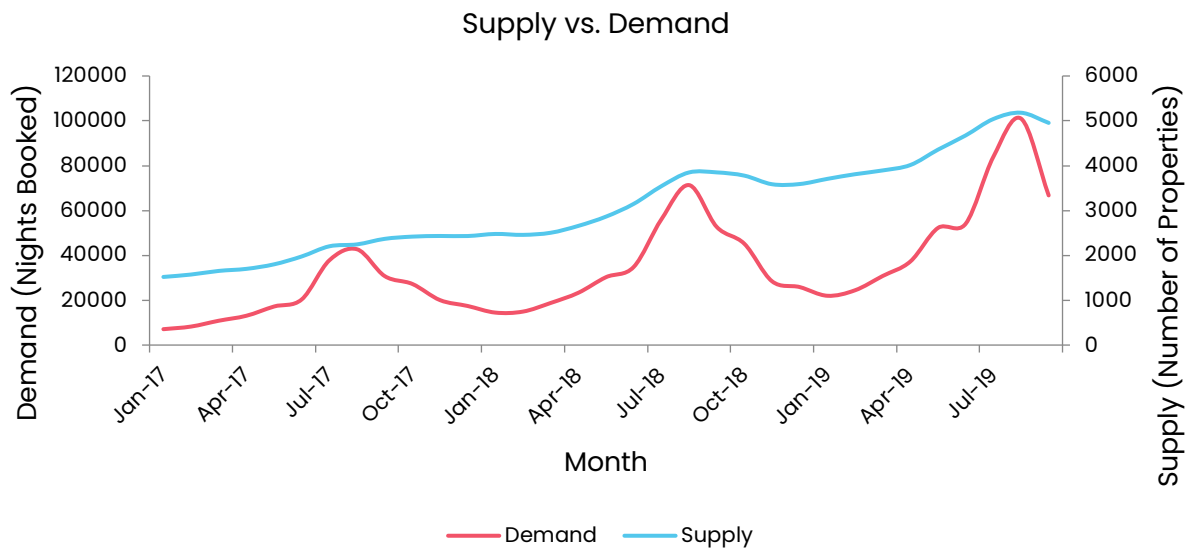
Market Commentary: It is interesting to see a small place like New Brunswick outperform the previous province of Manitoba, especially considering New Brunswick doesn't have any major cities like Winnipeg. What does need to be considered though is the parts of the US that each province has in proximity. New Brunswick is directly above Maine, which is not the most populous state, but it is close to the rest of New England and can be an escape for a big city like Boston. Meanwhile, Manitoba is above the Dakotas and northern Minnesota, some of the least densely populated regions in the country, making it more of a difficult place to reach.

Newfoundland



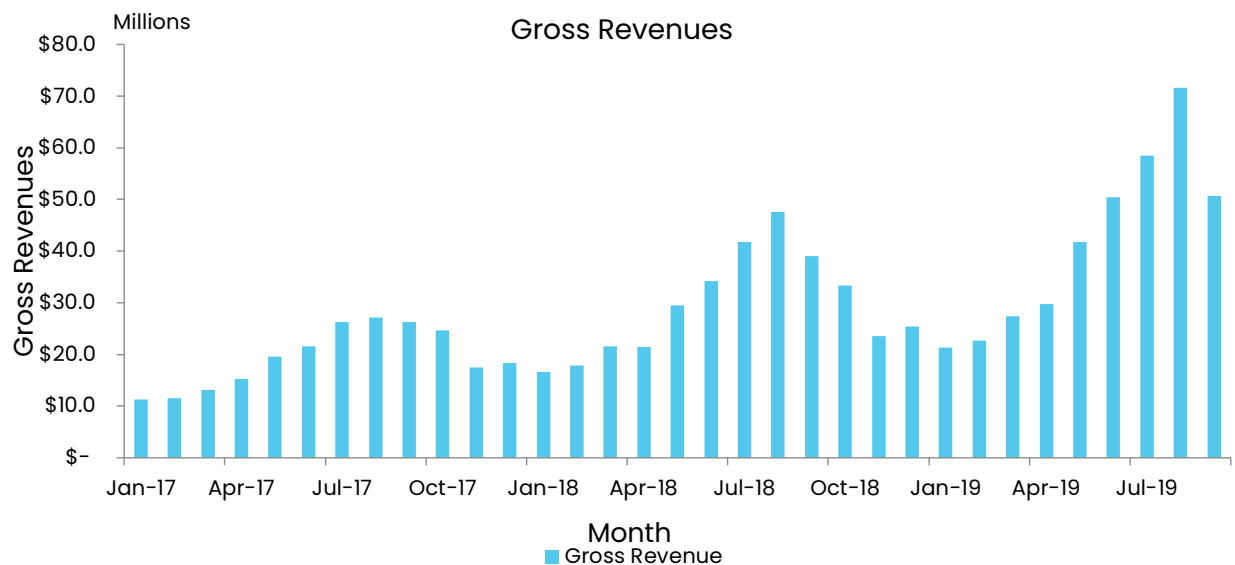
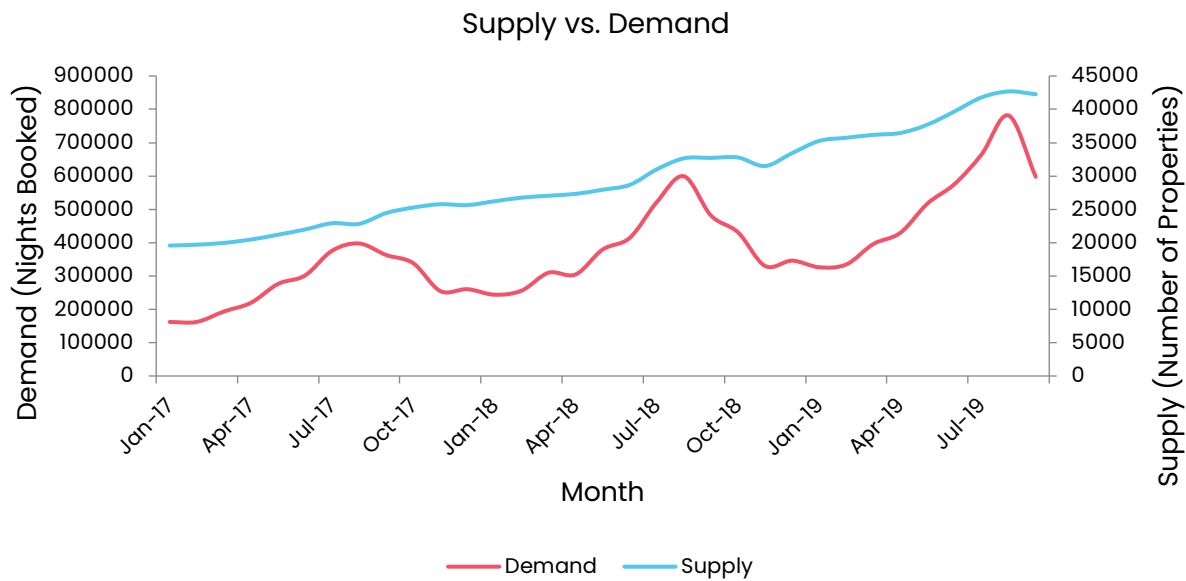
Market Commentary: Unsurprisingly, Newfoundland follows the same seasonal patterns as the majority of Canada. What is interesting is that their jump in gross revenue is being driven not by higher Average Daily Rates but rather a mix of increase in supply and higher occupancies, even though demand also remains low for much of the year.

Nova Scotia



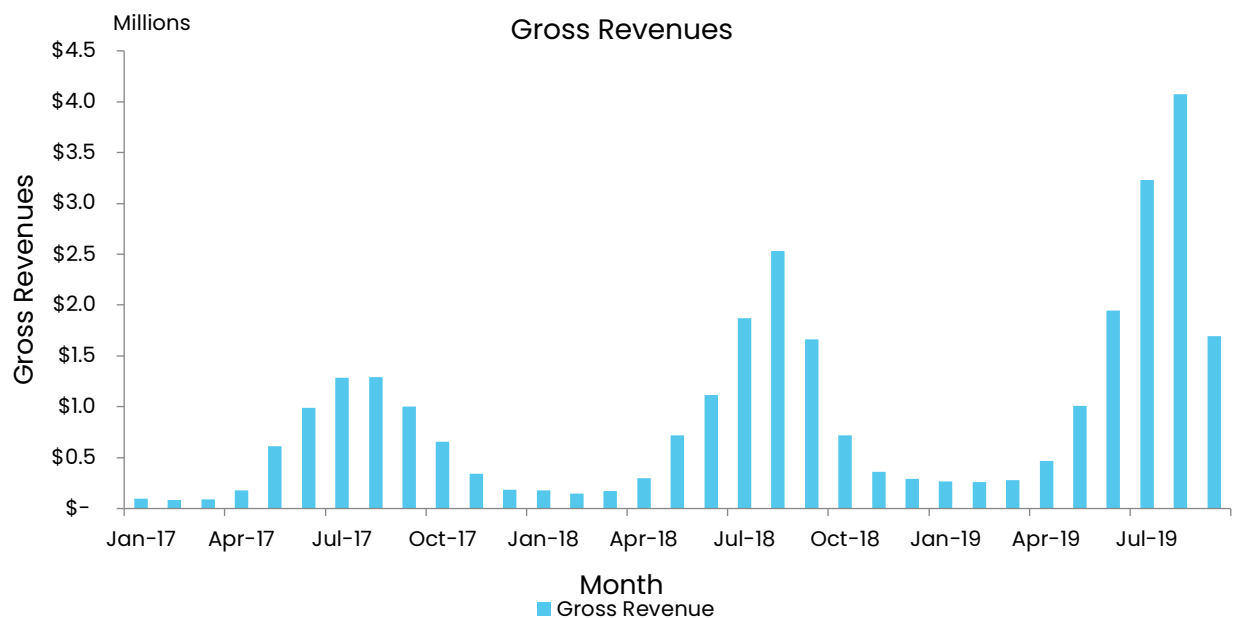
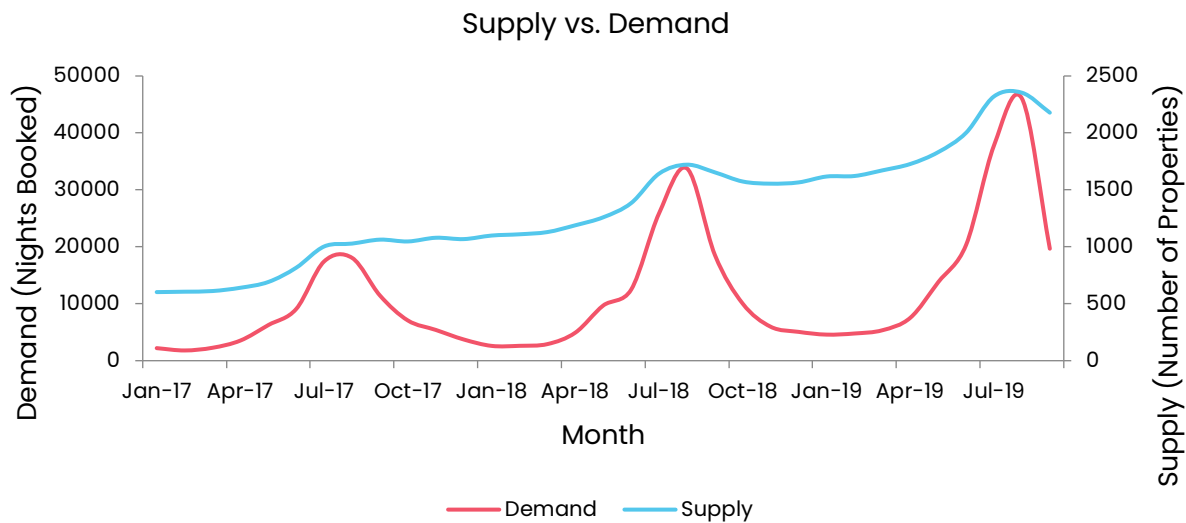
Market Commentary: The most popular of Canada's maritime provinces, Nova Scotia does good business for its relatively small size. Although it is most well-known as a getaway destination, Nova Scotia's largest and most popular city, Halifax is having a fair amount of vacation rental backlash. Many are saying that Airbnb's success is putting pressure on the permanent housing market. While specific regulations have yet to be passed, there are intensive discussions happening that could regulate online platforms in Nova Scotia.

Ontario



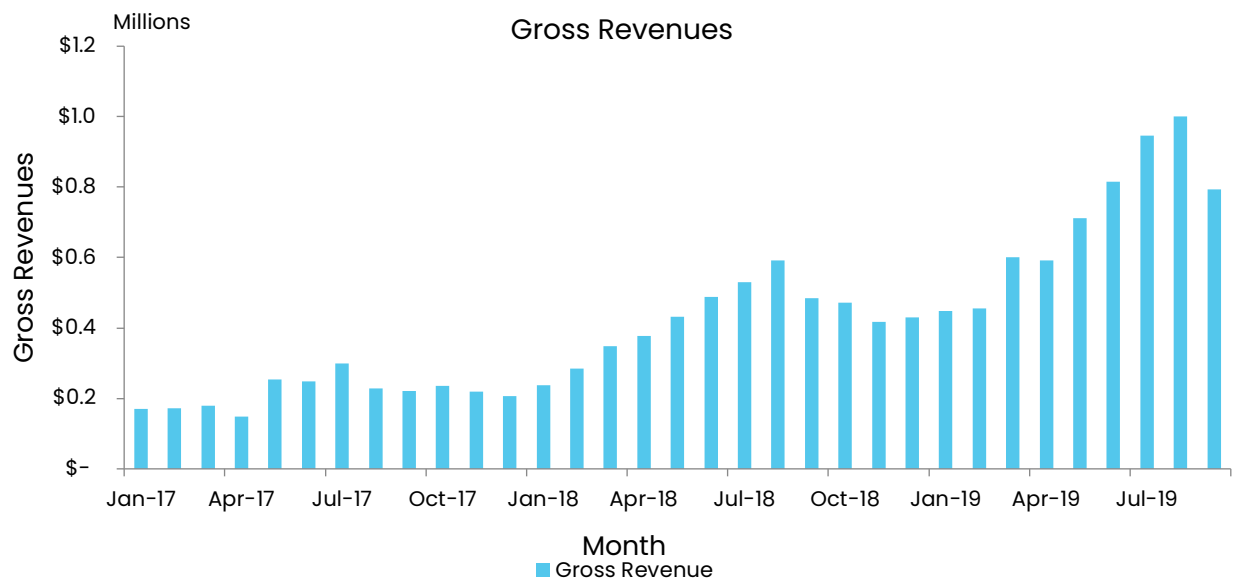
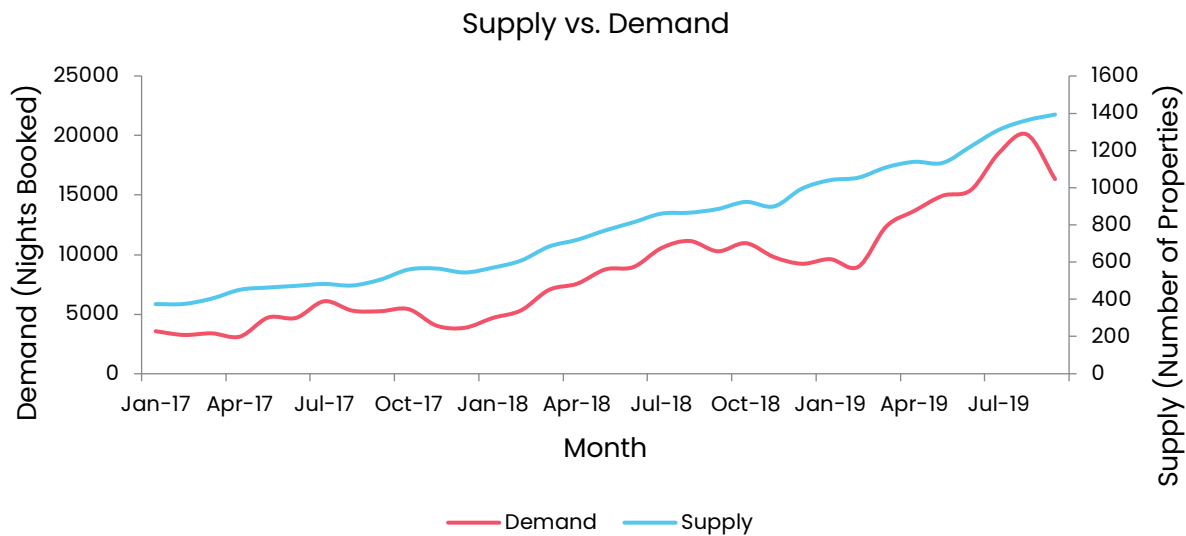
Market Commentary: Ontario is Canada's top performer across the board. And like BC it is doing impressive revenues even in the face of low demand and occupancies that never reach 45%. And while regulations have been implemented in Toronto, these have not hurt that market plus with other tourists' destinations like Niagara Falls, there are plenty of places for Ontario to make up lost revenues. But with a growth that went from 10 to 80 million in gross revenues in under two years, Ontario's trajectory is one of the more impressive anywhere.

Prince Edward Island



Market Commentary: Prince Edward Island is reflective of many of the other smaller provinces in Canada. The uniformity across the country is encouraging for the market as a whole, especially when places like Prince Edward Island did not have much of a vacation rental presence in the beginning of 2017 but are now doing millions in revenue.

Saskatchewan



Market Commentary: Saskatchewan is a rare example of a Canadian market that has improved supply, demand, and gross revenue numbers steadily without a massive seasonal impact. However, since the 2019 summer season has ended gross revenues and demand has fallen more sharply than usual, which could be an indicator that Saskatchewan will soon have distributions that look more similar to the rest of the country with dips in winter.

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