

# Executive summary



**This report analyzes short-term rentals (STRs) in the province of Alberta, and applies the results of a new Canada-wide study of the impact of STR activity on rents to Alberta communities. It estimates the amount of rent increases in Alberta caused by STRs, demonstrates the effectiveness of principal-residence requirements at driving down rents, and lays out a set of STR regulatory principles for Alberta, based on Canadian best practices.**

## **SHORT-TERM RENTALS IN ALBERTA: MARKET OVERVIEW**

- **In summer 2024, there were 11,600 short-term rental listings operated out of housing units** in the province of Alberta which we estimate were active on given day.
- **These listings collectively earned \$527 million in revenue in 2024—an average of \$53,500 per listing. This is more than three times the \$1,332 average monthly rent** in Alberta recorded in the 2021 census.
- Alberta's STR market has fully recovered from the pandemic. Growth is strong across the province (33% from summer 2022 to summer 2024), and listings hit an all-time high in 2024.

- **The province's STR market is dominated by commercial operators**—the top 10% of hosts earned 57% of all revenue, while the top 1% of hosts—just 510 operators—earned 22% of revenue.
- Multilistings—listings operated by hosts with other listings—account for 55% of Airbnb listings.
- Alberta's STR market appears to be more commercialized than elsewhere in Canada, possibly because of a relative lack of STR regulations.

## **THE IMPACT OF STRS ON HOUSING AVAILABILITY AND AFFORDABILITY IN ALBERTA**

- **In December 2024, STRs were taking 5,220 housing units off of Alberta's**

**long-term market. This was a 25% increase compared to December 2022**, driven by rapid growth across all community types.

- Province-wide, dedicated STRs have nearly surpassed their pre-pandemic growth trend, and more growth should be expected in the absence of regulatory change.
- A new study by Wachsmuth and St-Hilaire (2024) measures the total causal effect of STR activity on rent change in Canada. Applying its results to Alberta suggests that **Alberta renter households have paid \$360 million dollars in additional rent since 2017 because of the presence of STRs in Alberta communities.**
- The lack of STR regulation means that STRs have been a major driver of rent growth throughout the province, but in small tourism communities the impact is even more severe. **In Canmore, a majority of 2022 rent growth was caused by STR activity.**

## **THE POSSIBLE EFFECT OF PRINCIPAL-RESIDENCE REQUIREMENTS ON RENTS IN ALBERTA**

- Wachsmuth and St-Hilaire's (2024) new study finds that STR principal-residence requirements directly cause rents to decrease.

- By the end of 2023, **Canadian neighbourhoods with principal-residence restrictions in place at the beginning of 2023 had rents which were \$55 less than they would have been without those restrictions—a 3.3% difference.**
- Alberta is the only large province with no STR principal-residence regulations in medium or large cities.
- **If the Province of Alberta were to extend principal-residence requirements to all communities that don't currently have them, this would be expected to save Alberta renters \$485 million per year.**

## **STR REGULATORY OPTIONS IN ALBERTA**

- The evidence is clear that principal-residence requirements work to bring down housing costs.
- The Province of Alberta should consider following the Provinces of Quebec and British Columbia's lead and implementing province-wide STR regulations that combine mandatory registration, a principal residence requirement, and platform accountability.

