



Challenges and Opportunities of the Sharing Economy

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SHORT-TERM RENTALS, HOUSING AFFORDABILITY, AND REGULATION IN ONTARIO

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Urban Politics and Governance research group



My big question

**How do short-term rentals affect
long-term housing, and what
should policymakers do about it?**

Transnational gentrification: Globalisation and neighbourhood change in Panama's Casco Antiguo

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Abstract

Drawing upon the case of Panama's Casco Antiguo, this paper establishes the theoretical concept of 'transnational gentrification': a process of neighbourhood change both enabled by and formative of a spatially embedded transnational 'gentry' whose locational mobility creates new possibilities for profitable housing reinvestment in geographically disparate markets where such possibilities would not have otherwise existed. Globalisation does not just create a common political-economic structure driving urban change or a common ideology for a gentrifying cohort. In this case, it creates historically and geographically specific connections between places, which themselves can become pathways along which gentrification processes propagate, connecting local capital to international consumer demand. The case of the Casco Antiguo offers a provocative inversion of a standard critical narrative of globalisation, whereby capital is freed from national constraints and able to roam globally while people largely remain place-bound. In the Casco Antiguo, residents are transnational and property developers are local.

Keywords

gentrification, globalisation, Latin America, Panama, urban redevelopment

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It has now been more than a decade since Neil Smith (2002) first described gentrification as a 'global strategy', and the transformation in scholarly understandings of what had previously been understood as a local process has been remarkable. At the most basic level, of course, gentrification is a local process rooted in neighbourhood-scale social class dynamics and transformations of metropolitan-scale property markets, but it

is now widely *also* seen as a global phenomenon in that it is geographically ubiquitous (Atkinson and Bridge, 2005); found at nearly

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Airbnb and the rent gap: Gentrification through the sharing economy

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Abstract

Airbnb and other short-term rental services are a topic of increasing concern for urban researchers, policymakers, and activists, because of the fear that short-term rentals are facilitating gentrification. This article presents a framework for analyzing the relationship between short-term rentals and gentrification, an exploratory case study of New York City, and an agenda for future research. We argue that Airbnb has introduced a new potential revenue flow into housing markets which is systematic but geographically uneven, creating a new form of rent gap in culturally desirable and internationally recognizable neighborhoods. This rent gap can emerge quickly—in advance of any declining property income—and requires minimal new capital to be exploited by a range of different housing actors, from developers to landlords, tenants, and homeowners. Performing spatial analysis on three years of Airbnb activity in New York City, we measure new capital flows into the short-term rental market, identify neighborhoods whose housing markets have already been significantly impacted by short term, identify neighborhoods which are increasingly under threat of Airbnb-induced gentrification, and estimate the amount of rental housing lost to Airbnb. Finally, we conclude by offering a research agenda on gentrification and the sharing economy.

Keywords

Gentrification, Airbnb, short-term rentals, rent gap, urban political economy

New York's short-term rental showdown

In October 2013, New York State's Attorney General issued a subpoena to the short-term rental service Airbnb, demanding that the firm hand over its records on hosts operating in the state, so that a law passed a few years earlier regulating home sharing in New York City

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REVUE CANADIENNE DE RECHERCHE URBAINE

Short-term rentals in Canada: Uneven growth, uneven impacts

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Abstract

In the last several years, Airbnb and other short-term rental services have grown precipitously across Canada, but very little is known about the scale and character of this activity or its impact on housing. Relying on spatial analysis of big data, this study presents the first comprehensive analysis of Airbnb in Canada, with an emphasis on the interaction between the short-term rental market and long-term housing. Airbnb activity is highly concentrated geographically—nearly half of all active listings are located in the Toronto, Montréal and Vancouver metropolitan areas—and highly concentrated among hosts, the top 10% of whom earn a majority of all revenue. Contrary to the rhetoric of “home sharing”, almost 50% of all Airbnb revenue last year was generated by commercial operators who manage multiple listings. Moreover, between 17,000 to 43,000 entire homes were rented frequently enough last year that they are unlikely to house a permanent resident. This housing pressure disproportionately affects West Coast cities: between 10% and 70% of Vancouver, Victoria, Kelowna, and Abbotsford–Mission residents live in neighbourhoods whose rental vacancy rate is exceeded by the proportion of housing units that are frequently rented on Airbnb. While current Airbnb activity is concentrated in major cities, active listings, total revenue, hosts with multiple listings, and frequently rented entire-home listings are all growing at substantially higher rates in small towns and rural areas.

Keywords: Short-term rentals, Airbnb, housing, spatial analysis

Résumé

Au cours des dernières années, Airbnb et d'autres services de location à court terme ont connu une croissance fulgurante à travers le Canada, mais on en sait très peu sur l'ampleur et le caractère de cette activité ou de son impact sur le logement. S'appuyant sur l'analyse spatiale du big data, cette étude présente la première analyse complète d'Airbnb au Canada, en mettant l'accent sur l'interaction entre les marchés locatif à court terme et logement à long terme. L'activité Airbnb est très concentrée géographiquement – près de la moitié de toutes les inscriptions actives sont situées dans les régions métropolitaines de Toronto, Montréal et Vancouver – et fortement concentrées parmi les hôtes, dont 10% des plus riches gagnent la majorité de tous les revenus. Contrairement à la rhétorique du « partage à domicile », près de 50% de tous les revenus d'Airbnb l'année dernière ont été générés par des opérateurs commerciaux qui gèrent plusieurs inscriptions location à court terme. De plus, 31 000 logements en entiers ont été loués de façon si fréquemment l'an dernier que l'on doute qu'ils sont habités par un résident permanent. Cette pression immobilière affecte de façon disproportionnée les villes de la Colombie-Britannique. Alors que l'activité Airbnb actuelle est concentrée dans les grandes villes, les listes actives, le total des revenus, les hôtes avec plusieurs inscriptions et les annonces de maisons entières souvent louées augmentent tous à des taux sensiblement plus élevés dans les petites villes et les zones rurales.

Mots-clés: locations à court terme, Airbnb, logement, analyse spatiale

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Location, location and professionalization: a multilevel hedonic analysis of Airbnb listing prices and revenue

Robbin Deboosere, Danielle Jane Kerrigan, David Wachsmuth & Ahmed El-Geneidy

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Neither housing nor hotel: The emergence of “medium-term rentals” in post-Covid Canadian cities

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Abstract

One of the many impacts of the Covid pandemic on Canadian cities was the complete collapse of short-term rental (STR) markets, as long-distance travel nearly vanished for more than a year. Many dedicated STRs shifted back to the long-term rental market, but others remained on STR platforms such as Airbnb but with minimum stays of one month or more—a kind we describe as “medium-term rentals” (MTRs). This paper provides a planning analysis of online-platform-mediated MTRs in Canadian cities and their housing-market, land-use, and regulatory implications. First, we identify and explore the regulatory grey zone inhabited by MTRs, which appear to be neither standard residential tenancies nor short-term tourist accommodations. Second, the paper provides a brief empirical overview of the emergence of MTRs during and after the Covid pandemic in Toronto, Montreal, and Vancouver. Third, the paper uses a policy case study of situations in which Ontario's Landlord and Tenant Board has been asked to adjudicate non-standard tenancies to establish whether there is a planning basis for distinguishing medium-term rentals from other tenancy types. The paper concludes by identifying a key planning principle which could allow Canadian municipalities to pull MTRs out of the regulatory grey zone: regulating type of stay instead of length of stay.

Résumé

L'un des nombreux impacts de la pandémie de Covid sur les villes canadiennes a été l'effondrement complet des marchés de location à court terme (STR), les voyages longue distance ayant presque disparu pendant plus d'un an. De nombreux STR dédiés sont revenus au marché de la location longue durée, mais d'autres sont restés sur des plateformes STR telles qu'Airbnb mais avec des séjours minimum d'un mois ou plus – une utilisation des terres que nous décrivons comme des « locations à moyen terme » (MTR). Cet article présente une analyse de planification des MTR médiatisés par des plateformes en ligne dans les villes canadiennes et leurs implications sur le marché du logement, l'utilisation des sols et la réglementation. Tout d'abord, nous identifions et explorons la zone grise réglementaire habitée par les MTR, qui ne semblent être ni des locations résidentielles standards ni des hébergements touristiques de courte durée. Deuxièmement, l'article donne un bref aperçu empirique de l'émergence des MTR pendant et après la pandémie de Covid à Toronto, Montréal, et Vancouver. Troisièmement, le document utilise une étude de cas politique portant sur des situations dans lesquelles la Commission de la location immobilière de l'Ontario a été invitée à statuer sur des locations atypiques afin de déterminer s'il existe une base de planification permettant de distinguer les locations à moyen terme des autres types de location. Le document conclut en identifiant un principe de planification clé qui pourrait permettre aux municipalités canadiennes de sortir les MTR de la zone grise réglementaire : réglementer le type de séjour plutôt que la durée du séjour. Le document conclut en identifiant un principe de planification clé qui pourrait permettre aux municipalités canadiennes de sortir les MTR de la zone grise réglementaire : réglementer le type de séjour plutôt que la durée du séjour.

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The motivations and practices of commercial short-term rental operators in the short-term/long-term “regulatory gap”

Charlotte Belot, Danielle Kerrigan & David Wachsmuth

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The basic story

Most STRs are operating out of housing.

If they are full-time operations, they take housing off the market. *(SUPPLY)*

If they are part-time, they increase the economic value of the housing. *(DEMAND)*

STRs also give landlords another option, and so more leverage with tenants *(PRICE STICKINESS)*

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.

Regulation

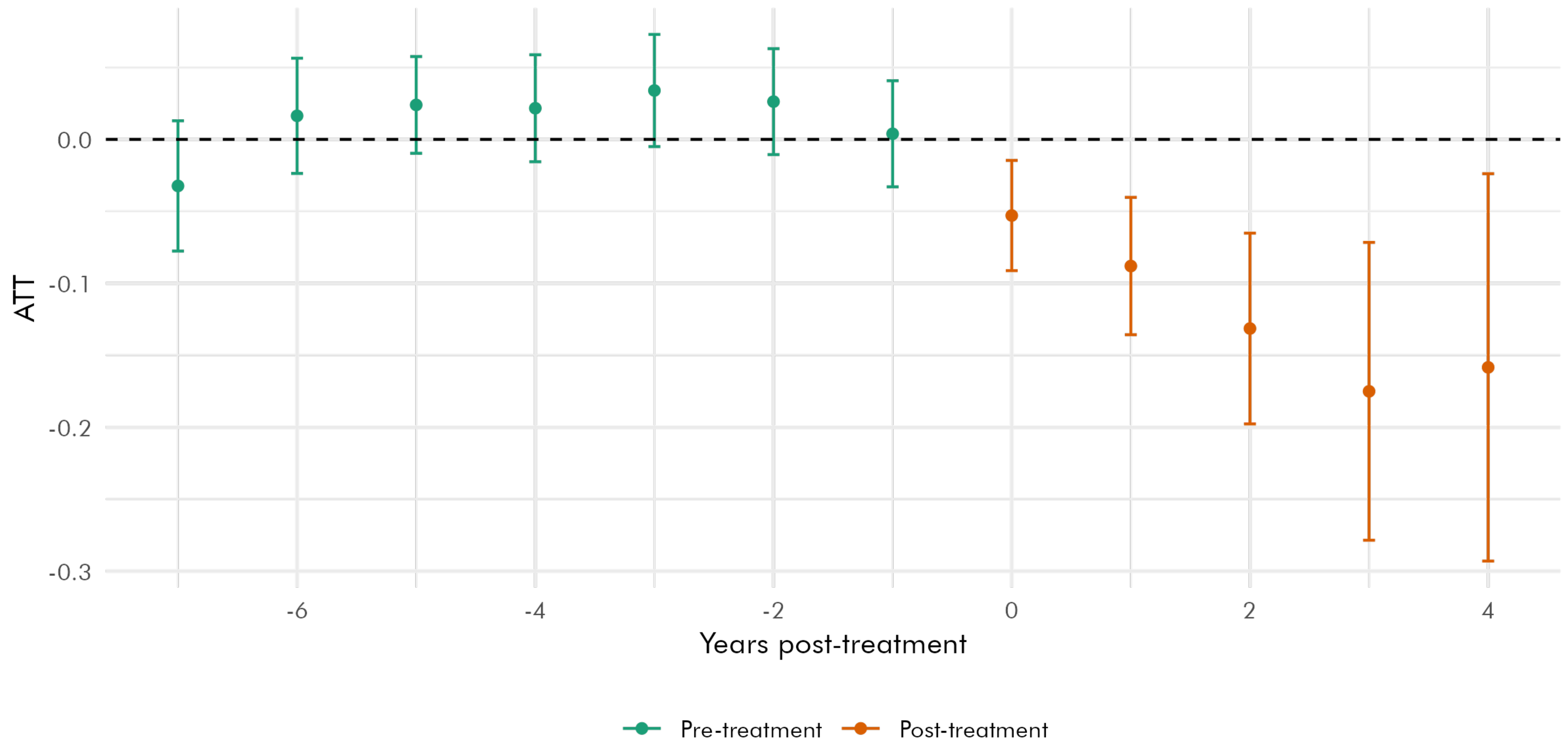
Does it work? If so, what works best?



A close-up photograph of a baby's face in a bathtub. The baby has dark eyes and is looking towards the camera. Their mouth is slightly open, and their tongue is visible. A hand is visible near the baby's mouth, with soap suds on it. The baby's head is covered in soap suds. The background is a white, textured surface, likely the side of the bathtub.

**Positive economic
impact of tourism**

**Reduced
housing
supply and
affordability**



STR principal-residence restrictions reduce rents!

Policy directions

- 1. Regardless of the specific rules, all STR hosts should be required to register.**
- 2. Restricting STRs to principal residences is low-hanging fruit for addressing housing problems.**
- 3. Provinces can play a key role establishing registration systems, and setting a "policy floor".**
- 3. Municipalities should prioritize home sharing over commercial STRs, to keep more of the economic benefits local.**

Policy roadblocks

- 1. STR activity is anonymous.**
- 2. The financial incentives to find loopholes are large.**
- 3. There is a wide variation in municipal capacity.**
- 4. Few big winners and many small losers can be challenging for the political process.**

Thank you!



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Innisfil Transit Service Delivery

2025 AMO Conference

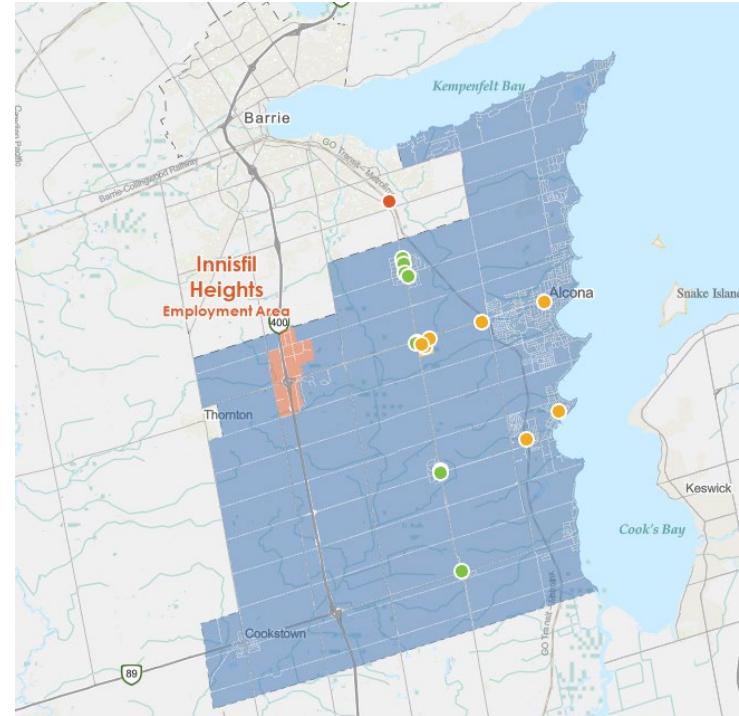


Background

The Town of Innisfil is located approximately 100 kilometers north of Toronto, Ontario and is immediately southeast of and adjacent to Barrie, Ontario. The Town of Innisfil has a population of almost 40,000 but is characterized by rural and small-town development patterns. While Innisfil has experienced recent population growth, significant swaths of the Town remain relatively rural and low-density, making conventional fixed-route transit alternatives more challenging to use as tools to support transit ridership.

The Innisfil Transit service is a program which offers publicly subsidized mobility services provided by a private on-demand ride hailing service provider.

Providing a basic level of mobility is a fundamental challenge of municipal and provincial governments around Canada – particularly in rural and smaller communities.



Context

Innisfil Transit service – a partnership between the Town of Innisfil and Uber which enables residents of Innisfil to travel within the town and to specific destinations at a reduced cost.

Innisfil Transit is a publicly supported means of accessing on-demand ride hailing which entails select fixed-fare destinations in Innisfil as well as reduced fare on-demand ride hailing trips starting or ending in Innisfil for a reduced fare.

Innisfil Transit service is designed to provide mobility to all. Transit service is available 24 hours a day/7 days a week. There are two different types of trips that can be taken either using the Uber service (for general trips) or Barrie Taxi service (for wheelchair accessible trips)

Common Terms

Rideshare

- Riders can request trips, identifying pick-up/drop-off locations. Trips are subsidized, with service provided by a 3rd party contractor that uses local drivers, personal vehicles and an account-based system

Fixed-route

- A tradition bus system operated on established routes and managed on a set network

Dedicated on-demand

- Riders request trips as needed, much like the rideshare service. However, the service uses transit vehicles, is provided by the Town and does not require an account to book.

History

Future of public transit in Innisfil was advanced through the Town of Innisfil Transit Feasibility Study in 2015 which reviewed peer municipalities and public transit options. and the potential for a future public transit service in Innisfil.

- Provided recommendations over both a short term five-year and long-term horizon, examining several options for transit in Innisfil and delving into details like operations, staffing, service delivery models, and finance.
- Recommended that transit in Innisfil be implemented through a contracted service delivery model in the short and long term. The Transit Feasibility Study is a foundational document that assesses and guides implementation of Transit in Innisfil, ten years later it remains an important background document.
- Study identified wide support (77%) for the introduction of a public transit service in Innisfil
- Study recommended implementation of either a one bus or two bus option for conventional fixed route service.
- As an alternative to the fixed route, a partnership could be established with a transportation network company (TNC) to subsidize point-to-point mobility with service to specific destinations.
- Town ultimately chose to subsidize a service, “Innisfil Transit,” which provides on-demand ride-hailing by a private company (Uber) for trips within the Town of Innisfil and to specific destinations.
- Innisfil Transit, which includes the Town’s partnerships with Uber (for general trips) and Barrie Taxi (for accessible trips), was launched on May 15, 2017.

Timeline



Canada's First Ridesharing and Transit Partnership

theguardian

The Innisfil experiment: the town that replaced public transit with Uber



CBC

Toronto

Innisfil, Ont., partners with Uber to create substitute for public transit

VICE

News

Uber teams up with rural Ontario town

By Venkata Subramaniam May 16, 2017 11:05am



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Innisfil partners with Uber to provide public transport

© 15 May 2017

Innisfil's Uber transit system wins award

INNISFIL
Journal.

By Innisfil Journal

 Tuesday, April 10, 2018  1 min to read


Innisfil

Details of Program

Shared Rides Innisfil Transit trips are “pooled”, which means the vehicle may be shared with other riders.

- Pooled trips allow more trips to be completed by the same number of drivers - keeps wait times low, reliability high, and reduces congestion and pollution.
- Cause additional pickups and/or drop-offs along the trip - concerns raised about the amount of detouring and overall increased time to destination
- Efficiency dependent on traffic, weather conditions, driver availability, etc.



Innisfil Transit is expanding mobility for many users, fills a significant mobility gap for lower-income and lower-vehicle households, used for a broader variety of trip purposes, connect individuals with work opportunities, increased independence and a greater quality of life

Current Fare Structure

Innisfil Transit subsidizes the Uber cost depending on the origin or destination of a trip. Users of Innisfil Transit receive \$4 off on a standard Uber fare for travel within Innisfil unless they travel to an identified “hub” (Table 1) in which riders are charged a flat fare for travel to and/or from.

Trips to or from approximately 10 hub locations are categorized into \$4, \$5 and \$6 passenger fares. Furthermore, to address financial barriers to transit, the Fair Transit Program provides a 50% discount on fares to eligible riders

Intent of the hub fare structure is to help limit the municipal cost of transit provision, while providing affordable transit fares for most trips.

Table 1: Innisfil Transit Fares by Hub Locations

\$4 Fare	\$5 Fare	\$6 Fare
<ul style="list-style-type: none">• Innisfil Recreational Complex and Town Hall area• Innisfil ideaLAB and Library (Lakeshore Branch)• Morgan Russell Memorial Arena & Community Centre (Lefroy)• Innisfil Community Church and Innisfil Food Bank	<ul style="list-style-type: none">• Innisfil ideaLAB & Library (Stroud Branch)• Closest GO Bus Stop along Yonge Street (at Victoria Street, Innisfil Beach Road, Killarney Beach Road, and Shore Acres Drive)	<ul style="list-style-type: none">• Barrie South GO Station• Innisfil Heights Employment Area and Highway 400 Carpool Lot



Challenges and Opportunities

- Innisfil Transit, a service managed and supported by the Town with service delivery contracted to Uber, has generally delivered a high-quality customer experience, with impressive ridership growth and strong community support.
- The service has set a strong benchmark in transit provision, offering an exceptional level of service for a transit system.
- Several challenges, particularly regarding access, affordability, equity, and cost-effectiveness.
- Current fare structure and service policies creates inefficiencies and inequities, with some geographic areas and types of trips being subsidized disproportionately.
- Uber model is highly cost-effective for services with low demand or limited ability to pool trips, it becomes less efficient for high-density trips or significant point-to-point travel
- Program provides flexibility to make adjustments based on municipal or customer feedback
- In 2025 Town transitioned to new technology bringing improved reliability and a better rider experience.



Transit Master Plan

Innisfil continues to grow and by 2034 population is estimated to reach over 63,000 residents

Town is preparing a Transit Master Plan (TMP) to:

- **Assess present on-demand ridesharing service**
- **Explore how Innisfil Transit could evolve over the next 10 years.**

Phase 1

- Reviewed current state and needs of transit in Innisfil
- Included survey and open houses to obtain public feedback

Phase 2

- Includes public feedback summary
- Recommendations on potential improvements to Innisfil Transit – merits of additional hubs and/or service delivery methods

Launched: October 2024 Anticipated completion: December 2025



Study Process & Timeline



Proposed Option Concepts

Option 1: Status Quo

- Rideshare-only service

Option 2: Introducing Supporting Services

- Rideshare as main service
- Introduces fixed-routes in high ridership areas

Option 3: New Primary Services

- Fixed-route and on-demand in high ridership areas
- Rideshare as support service

Option 4: Fixed-route and Dedicated on-demand Only

- Fixed-route and on-demand services across Innisfil

Service Option	Passenger Cost/ Trip	Municipal Cost/Trip	Total Cost/Trip	Estimated Ridership
Option 1	\$6.15	\$10.60	\$19.00	170,000
Option 2	\$8.80	\$7.60	\$17.95	255,000
Option 3	\$6.00	\$8.40	\$16.25	280,000
Option 4	\$2.55	\$14.50	\$19.20	190,000

Key Takeaways

- Innisfil Transit appears to deliver significant benefits to Innisfil residents.
- Innisfil Transit, a service managed and supported by the Town with service delivery contracted to Uber, has generally delivered a high-quality customer experience, with impressive ridership growth and strong community support.
- The service has set a strong benchmark in transit provision, offering an exceptional level of service for a transit system.
- It provides an option for smaller, rural municipalities to provide a flexible and more cost-effective transit option in their community
- It has expanded services to historically underserved populations, expanding trip purposes, is generating significant travel satisfaction among users, and that it serves significantly more residents than the bus service originally contemplated in 2015.

Thank you!

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Innisfil Transit web page:
[Transit - Town of Innisfil](#)

Transit Master Plan Project page:
[Transit Master Plan | Get Involved Innisfil](#)



Question & Answer Section