RESEARCH BRIEF · ONE PAGE

Short-term rentals and Toronto's rents: what 14,000 Airbnb listings reveal

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+5.6%
Average rent premium across Toronto associated with entire-home Airbnb activity (near 50% in the densest census tract)

2.5×
Rent impact of listings that sit outside the city's by-law via 28-day minimum stays, relative to the average listing

66%
Share of Toronto's 14,120 entire-home listings already operating outside the by-law's reach (76% of them unlicensed)

THE QUESTION

Toronto's short-term rental by-law (503-2024) regulates listings with minimum stays under 28 days. Did Airbnb raise long-term rents in Toronto, and is the by-law containing the effect? Despite 14,000+ entire-home listings, no study had measured this post-regulation.

HOW IT WAS MEASURED

Data: an original dataset built from 10 sources: 6,165 scraped long-term rental listings (September 2024), Inside Airbnb, three Census years, Walk Score and Google Places APIs, OpenStreetMap, and TTC/GO/UP Express schedules. Every listing was geocoded and matched to its census tract in QGIS; each rental carried 20+ engineered variables, including computed door-to-door transit time to the airport.
Method: hedonic rent models in Stata with an instrumental-variable (2SLS) design. Airport transit time serves as the instrument: it shifts where tourists (and therefore Airbnbs) cluster but, after controls, not what long-term renters pay. Diagnostics (Durbin–Wu–Hausman, first-stage F, Anderson–Rubin interval) support the design. Estimate: each additional entire-home listing per 1,000 dwellings is associated with a 0.42% rent increase ($p < 0.05$, $n = 6,165$).

WHAT IT MEANS FOR POLICY

- **The by-law works, but only inside its own fence.** Regulated listings show a significantly smaller rent effect than unregulated ones.
- **The 28-day exemption is the loophole.** Hosts keep nightly-style pricing while escaping licensing, the Municipal Accommodation Tax, and GST/HST. Two-thirds of the market has moved there, where the per-listing rent impact is roughly 2.5 times larger.
- **The lever is the exemption, not tighter rules for licensed hosts.** For a tenant paying $2,500/month, the citywide average effect equates to roughly $130 of monthly rent, about $1,600 per year.

Findings are associations from a cross-sectional design, with limitations discussed in the full thesis (available on request). Awarded the Methodological Excellence Award, SOAN ENGAGE Conference 2026, for "original dataset creation, complex data analysis methods, and clear communication of findings."