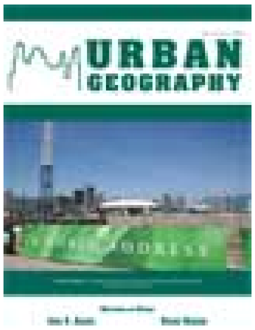

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Displacement by disruption: short-term rentals and the political economy of "belonging anywhere" in Toronto

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ABSTRACT

Using data from the consulting firm Airdna, I map Airbnb listing activity in the City of Toronto between June 2016 to May 2017 to assess claims that short-term rental platforms might be implicated in displacing local renter communities. I find that the majority of Airbnb's revenue within the city derives from full-time, commercially-oriented hosts operating in select downtown neighbourhoods, noting that these findings run up against discourses of sharing and belonging frequently advanced by sharing economy platforms like Airbnb. Instead, I argue the platform creates significant incentives for investors and landlords to pursue greater rental profits in the tourism market where they might otherwise house stable, local tenants. I conclude by discussing how an expanding and digitalized short-term rental industry is now both a symptom and driver of processes of gentrification and socio-spatial polarization in contemporary cities, contextualizing its emergence as part of a broader trend towards the financialization of housing.

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Gentrification; financialization; short-term rentals; Toronto; urban political economy

Introduction

> "For so long, people thought Airbnb was about renting houses. But really, we're about home. You see, a house is just a space, but a home is where you belong. And what makes this global community so special is that for the very first time, you can belong anywhere. That is the idea at the core of our company: belonging" – Brian Chesky, CEO of Airbnb (2014)

In 2014 Airbnb unveiled a new brand identity tied together by their now ubiquitous logo: the Bélo. In a communique released that year, CEO Brian Chesky expressed his intention for this logo to function as a "universal symbol of belonging," representative of the company's mission to enable any human to "belong anywhere" (Chesky, 2014). Now valued at $30 billion, Airbnb continues to expand globally at a rapid clip and appears to be significantly reshaping contemporary cultures of tourism and urban life in the process. In Canada, the expansion of the short-term rental industry has been most apparent and controversial in its three largest cities – Montreal, Toronto and Vancouver (Wachsmuth, Kerrigan, Chaney, & Shillolo, 2017) – where short-term rentals are increasingly becoming a go-to accommodation option due to their relative affordability and reputation for connecting people to those "authentic" local experiences

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less often associated with traditional hotel districts (Paulauskaite, Powell, Andres, & Morrison, 2017). While the company identifies itself with a kinder, more human form of consumerism, based on community building and "sharing," this story is increasingly being called into question by a range of actors. A key concern is that neighborhoods already squeezed for rental supply are now at risk of being converted into "ghost hotel" districts (Kalinowski, 2016). As such, the platform's capacity for incentivizing homeowners (and others) to repurpose housing stock into tourist accommodations is intensifying already existing anxieties around increasing unaffordability, displacement of locals and neighbourhood change in many cities, prompting an increasing number of local governments to legislate regulations for the short-term rental industry.

While housing anxieties are particularly acute in Toronto, with a rental vacancy rate of 1.2% in 2018 (Canada Mortgage and Housing Corporation [CMHC], 2017), the exponential expansion of short-term rental listings has prompted critical work across the world by a range of actors, including: academics (Barron, Kung, & Proserpio, 2018; Davidson & Infranca, 2016; Ferreri & Sanyal, 2018; Finck & Ranchordás, 2016; Gant, 2016; Germann Molz, 2018; Gurran & Phibbs, 2017; Gutierrez, García-Palomares, Romanillos, & Salas-Olmedo, 2017; Holman, Mossa, & Pani, 2018; Keren & Merante, 2017; Lambea Llop, 2017; Lee, 2016; Mermet, 2017; Molz, 2018; Schäfer & Braun, 2016; Wachsmuth et al., 2017; Wachsmuth & Weisler, 2018), activists (Cox and SLee, 2016; Slee, 2015; Wieditz, 2017), think tanks (Crommelin, Troy, Martin, & Parkinson, 2018; Jamasi & Hennessy, 2016) and city staff (City of Toronto, 2017; San Francisco Planning Department, 2015). Amidst a heated political climate coloured by a range of perspectives, a critical geographical approach has much to offer in interpreting the impacts of short-term rentals.

As such, this paper calls into question the narratives offered to policymakers by different lobbyists and interests, noting how diverse actors currently benefit from an minimally-regulated market in short-term rentals, while accounting for those impacts absent from narratives advanced by platforms like Airbnb (Airbnb, 2016, 2017). I tell a very different story, revealing the extent to which the housing stock of certain neighbourhoods in Toronto – particularly in those areas currently undergoing gentrification – has been lost to short-term rental activity as a consequence of the significant revenue potentials short-term rental platforms can open up to investors and entrepreneurs throughout the city.

The relatively free-reign with which these platform enterprises continue to expand in many cities, often in spite of ambitious intentions to impose regulatory measures, alongside the contentious public discussion which attends this new economy, together make this a timely and important moment in which to study how novel cultural and economic dynamics associated with digital platforms are implicated in processes of gentrification, urban development and governance. Using Toronto as a case study, I describe the scale and extent to which commercial interests exploit the platform in different neighbourhoods. I investigate how these dynamics map onto existing geographies of rental availability and flows of housing revenue, noting the platform tends to disproportionately impact the city's most popular and central neighborhoods. It also contributes to emerging research in gentrification studies demonstrating the capacity for local renters to be displaced by wealthier renters and tourists, as one consequence of privately-owned condominiums replacing purpose-built rental apartments as the dominant form of rental infrastructure in Toronto (August & Walks, 2018). Finally, as housing in Western economies is increasingly produced as a commodity rather than for dwelling, I argue it is important to consider how short-term rentals constitute another important dimension to what critical scholars are calling the "financialization" of rental housing (Aalbers, 2016, 2017; August & Walks, 2018; Fields & Uffer, 2016), with implications for housing policy and municipal regulation moving forward. While ambitious short-term rental regulations were drafted by Toronto City Council in late 2017, this paper mobilizes access to detailed Airbnb listing data – purchased by David Wachsmuth's Urban Politics and Governance Lab (UPGo) at McGill University from the consulting firm Airdna.co – to describe some of the socio-economic consequences inspiring governments to draft these regulations.

Sharing economy or platform capitalism?

Airbnb and Uber, in particular, have emerged as the economic powerhouses of a rapidly growing "sharing," "gig," or "on-demand" economy facilitated by the rise of the internet. The narrative frequently advanced by these "logistical intermediaries" is that they make it easy for users to "share" assets like homes or cars for supplemental income (Ash, Kitchin, & Leszczynski, 2018). Yet, while the "sharing economy" can trace its origins to early platforms like Couchsurfing and Craigslist, critics argue profit-oriented platform models only window-dress their otherwise unregulated, disruptive and exploitative practices by deploying attractive terms like "sharing", "sustainability" and "community" (Martin, 2016; Schor, 2014). Conversely, critical scholars prefer to situate these companies within an emerging literature on "platform capitalism" assessing the increasing importance of monolithic and monopolistic technology companies, like Alphabet, Amazon and Facebook, to the economy and to everyday life (Langley and Leyshon, 2017; Scholz, 2016; Srnicek, 2017).

Despite this developing body of critical work, the "sharing economy" is increasingly normalized in both discursive and material terms. While, Statistics Canada recently used the term "sharing economy" as a categorical definition in a survey of the "home-sharing" and "ridesharing" industries (Solomon., 2017), the 2017 Ontario Provincial Budget promised to develop a "sharing economy" strategy committed to "partnering" with Airbnb and other platforms to institutionalize tax payments and safety regulations. More recently, the Canada Mortgage and Housing Corporation (CMHC) even pitched the idea of working with Airbnb to find a means of increasing the supply of affordable housing to Toronto's market (Press, 2017).

In his typology of "platform capitalist" enterprises, Srnicek (2017) identifies companies like Uber, Airbnb, Mechanical Turk and Taskrabbit, as "lean platforms." These are firms that rely on a "growth before profit" model premised on leveraging large sums of up-front venture capital and mobilizing digital technologies to keep many traditional business expenses and relationships off their books, with the ultimate aim of expanding and monopolizing their respective industries as quickly as possible. As such, Srnicek (2017) notes it is also a "hyper-outsourced model, whereby workers are outsourced, fixed capital is outsourced, maintenance costs are outsourced, and training is outsourced" and that as a consequence, "all that remains is a bare extractive minimum" where control over the platform enables the extraction of a monopoly rent (Srnicek, 2017, p. 76). Similarly, Langley and Leyshon (2017) stress how the "growth before profit model" is primarily sustained on "future facing processes of valuation and capitalization" (p. 3), leveraging debt against future prospects for revenue generation, in anticipation of achieving monopolistic market share in the various niches of an economy increasingly mediated by digital platforms (p. 4). As a consequence of both their privileged access to significant venture investment, and the tenuous relationship they occupy to the fixed assets they exploit, scholars also foreground how this monopolistic all-or-nothing strategy relies on heavy investments in branding and public relations (Langley & Leyshon, 2017). Indeed, in the near term, Airbnb's rapid ubiquity suggests they might be delivering on this investment, with the company now responsible for a larger room inventory than the three largest hotel chains combined (Dingman, 2018) while also recently achieving its second year in a row of profitability ahead of a likely IPO in 2019 (Dickey, 2019).

Theorizing short-term rental platforms as tools for gentrification

While critical research studying the impacts of short-term rentals on cities continues to grow, Wachsmuth and Weisler (2018) theorization of short-term rentals' implication in gentrification is of particular value to this paper. Their study of Airbnb's impacts on the New York City housing market offers a useful framework for assessing both actual and potential impacts in Toronto through analyses of large data sets. As such, this paper both builds on and contributes to this important research agenda.

Their theoretical framework builds on Neil Smith's structural model of gentrification (1979). Central to this perspective is the concept of the "rent gap" which describes an inflection point where the existing economic returns on a piece of land are decreasing while the potential economic returns that could be made with deliberate reinvestment and refurbishment are increasing. As these parcels of land begin to attract real estate investment, upward pressure is put on housing prices, attracting wealthier residents and displacing poorer ones. However, while this theoretical model is often associated with the first and second "waves" of gentrification describing the initial transformation of declining inner cities at the outset of America's post-industrial transition (Smith, 1979), contemporary research has also observed a capacity for rent gaps to occur in already gentrified areas (Hackworth 2002; Lees, 2003). Since the emergence of "third wave" or "state-led" of gentrification (Hackworth and Smith, 2001), Hackworth (2002) notes gaps can also occur through an absolute rise in potential rent, whether as a consequence of sustained inflation, sudden shifts in housing or land-use regulations, or where nearby reinvestment raises the potential land value by proximity.

Drawing on this, Wachsmuth and Weisler (2018) make two key observations about the dynamics of short-term rentals' impacts in cities. First, they argue short-term rental platforms both create demand for, and provide a means for filling technologically-driven rent gaps by opening a new channel for revenue flows through the housing market. They argue that if short-term rental platforms can create rent-gaps in otherwise stable or inflating land markets, that they may enable gentrification to occur with little, if any, reinvestment by property owners. Specifically, this functions through the platform's capacity to extend the field of demand for accommodations to travellers from outside the city, facilitating what Gotham (2005) calls "tourism gentrification" and Sigler and Wachsmuth (2016) call "transnational gentrification". As these are accommodations which straddle the line between rental units and hotels, they are likely to affect prices in both the long-term rental and hotel markets, meaning a short-term-rental-induced rent gap should equalize between these two competing pressures. On the one hand, they will put upward pressure on long-term rental rates, as units are taken off the conventional market, while also being bid up at a globalized level of demand. On the other, they will put downward pressure on hotel rates as accommodations revenue is diverted to the platform and overall hotel supply increases.

Secondly, they note this process occurs in a geographically uneven fashion, with impacts primarily occurring in neighbourhoods which appeal to tourists and business-people. This point draws on previous claims that gentrification is a key expression of the broader tendency towards a hierarchical spatial division of labour and capital across the global economy (Lees, 2017; Slater, 2017; Smith, 2002). As the inner-city becomes the preferred habitus of a particular segment of the high-income "creative class" or "salariat," (Standing, 2011) in turn driving the suburbanization of poverty, cities are also arranged into hierarchies of control and command over the global flows of finance capital, also driving disparities between cities (Hamnett, 1991; Sassen, 1991, ; Alan & Maaranen, 2008; Hulchanski, 2010). In light of this, the expansion of short-term rental platforms appears to also stem from a cultural demand for travellers and business-people to conveniently and flexibly access a more "authentic" experience of the inner-city. If gentrification can be defined in one sense as "the gradual replacement of one class by another," (Hamnett, 2003, p. 2454) then the theoretical implication of short-term rental-induced gentrification is the gradual replacement of locals by tourists and the cosmopolitan business class, as well as the transfer of ownership to developers and entrepreneurs with capital to invest in those neighbourhoods.

Finally, they also note that short-term rentals can create rent gaps in two main ways, which tend to mirror the two main types of short-term rental enterprises identified by municipal regulators and activists. With dedicated, usually full-time effort, landlords or intermediary entrepreneurs can increase their monthly income on a rental property far above what can be accrued through traditional rental practices, especially in rent-controlled jurisdictions. These types of enterprises are often defined as "commercial listings" by regulators or activists. While these units tend to be available year-round, they are more often inhabited on a sporadic basis, generating extra rental profits despite less intensive use of the unit. On the other hand, homeowners or tenants who provide access to their home, or a room in their home, can also increase the total rental revenues flowing through their property. This type of enterprise constitutes "home-sharing," and is often cited by Airbnb as the primary purpose of their platform. These enterprises have been identified by many jurisdictions as an acceptable and even beneficial enterprise for people and their communities. In this case, extra revenue flows derive from an intensified use of the unit.

Attention to this phenomenon has much to contribute to recent research describing forms of gentrification occurring outside the classic model of in-migration of owner occupiers (Aalbers, 2019; August & Walks, 2018; Jennifer & Vachon, 2008; Lees, 2017; Paccoud, 2016; Van Criekingen, 2010). Looking at dynamics in the traditional rental market, Paccoud shows how the recent rise of private landlords in the UK, facilitated by policies allowing and incentivizing "buy-to-let" mortgages, has resulted in displacement of lower-income renter populations for wealthier renters. Similarly, Fields and Uffer (2016) demonstrate how aging rental apartment buildings in New York and Berlin are increasingly targeted by highly leveraged private equity firms and real estate investment trusts (REITs) seeking to refurbish entire buildings to attract wealthier renters.

In the Canadian context, August and Walks (2018) note how the "last bastion of affordable accommodation" in Toronto's inner city – its high-rise rental apartment buildings – are also being increasingly bought up by REITs and private equity firms seeking to gentrify entire apartment buildings to maximize returns to investors. Mobilizing a strategy of "gentrifying-by-upgrading" these "financialized landlords" seek to aggressively reposition buildings in coveted areas with strong demand, by transforming them into luxury units (p. 128). And while REITs are primarily focused on repurposing entire buildings, the short-term rental host can be seen to engage in similar processes, only in a more diffuse, heterogenous and flexible manner. As such, Aalbers (2019) notes how each of these emerging forms of rental gentrification are peculiar to our present moment of "financialized" capitalism as the trajectories of cities appear to be increasingly subject to the whims and interests of global financial actors and institutions.

Insofar as the revenue model of short-term rental platforms is implicated in processes of gentrification, leveraging the image and infrastructure of the city, a political-economic climate defined by widespread precarity and debt, and outdated or unenforceable municipal regulatory systems, short-term rental platforms have become an important subject of discussion and regulation amidst Toronto's ongoing housing crisis. In the following section, I demonstrate how Toronto's historic approaches to housing policy have engendered similarly novel forms of gentrification and displacement via the city's emphasis on condominium development and the incentivization of privatized forms of homeownership and rental supply.

The "Condo-ization" of Toronto

In Toronto, critical geographers explain the city's declining housing affordability and rental supply partially as a consequence of a recent paradigm of urban development some have called "condo-ism" (Rosen & Walks, 2013, 2015). First legislated into existence across North America in the 1960s, Harris (2011) defines the condominium as "a form of land ownership that combines private ownership of an individual unit in a multi-unit building with an undivided share of the common property in the building and a right to participate in the collective governance of the private and common property" (p. 694). However, while it is primarily a legal innovation and form of tenure rather than a type of building, Harris argues the proliferation of the condominium has had a significant impact on the built environment and culture of cities like Vancouver and Toronto, as the "vertical subdivision of land" has gradually increased the density of private interests in the housing market (p. 694).

Similarly, for Rosen and Walks (2013, 2015)) condo-ism is simultaneously expressive of new tendencies towards privatized forms of homeownership, government disinvestment in the housing market, and the adoption of "creative city" policies – all underwritten by central bank commitments to low interest rates (Florida, 2002; Peck, 2005; Walks, 2014, 2016).They see this paradigm as indicative of a "new structured coherence of political and economic interests" that links the economic interests of private public partnerships with new, individualized habits of consumption and cultural preferences for urban liveability and privatized forms of housing tenure and lifestyle (p. 290). As a financialized mode of development, it is primarily driven by speculative investments in the real estate market, thereby replacing an industrial modality of urban growth with one dependent on the expansion of diverse forms of asset-based debt – primarily mortgage debt (Walks, 2014).

As one of North America's largest condominium market, this form of housing really became central to Toronto's re-urbanization strategy in the late 1990s on the heels of Federal disinvestment in social housing in the early 1990s (Lehrer & Wieditz, 2009; Lippert & Steckle, 2016; Rosen & Walks, 2013, 2015). Today, Lehrer, Keil, and Kipfer (2010) include Toronto among cities aspiring to the "New Metropolitan Mainstream" which portray themselves as "open-minded, neoliberal, productivist, culturalistic, consumerist and growth oriented" (p. 82). Furthermore, they argue the city has entered a regime of "roll-with-it neoliberalization" wherein the inevitability of neoliberal capitalism is taken for granted, foreclosing discussion of imaginative or leftist alternatives among local political and economic actors, especially with regards to housing.

This approach to development has had significant consequences for the local rental market, where 86% of all dwellings added to supply in Toronto between 2006 and 2016 have been in the form of privately-owned units, in high-rise developments with more than five stories (Canadian Census, 2016). Purpose-built rental construction has been almost insignificant in comparison[1] (see Table 2). As a result, virtually all new rental units in Toronto are now only provisioned to the rental market at the behest of profit-maximizing homeowners and speculative investor interests, who are otherwise free to leave their units vacant, or pursue alternative avenues for rental revenue – like short-term renting – that also currently sidestep the responsibilities and restrictions of Ontario's *Residential Tenancies Act*.

As noted above, this condo-ization has also been attended by a parallel financialization of existing purpose-built rental stock. This process was notably set in motion by "vacancy decontrol" policies introduced by the Ontario government in 1997, which eliminated restrictions on rent increases between tenants. Within years, average rents for one- and two-bedroom apartments in Toronto jumped by 20% in the two years following vacancy decontrol, prefiguring the affordability crisis we see today (August & Walks, 2018). Yet, another immediate outcome of vacancy decontrol was the formation of the first REITs[2] seeing an opportunity to exploit rent gaps suddenly evident in the city's disinvested apartment buildings.

Thus, while local policies institutionalizing vacancy decontrol alongside the incursion of REITs into the rental market represent key political-economic foundations for the financialization, commodification and gentrification of Toronto's inner-city rental market, the emergence of short-term rental platforms should be understood alongside these institutions as a significant technological and cultural, facilitator and extender of this greater dynamic. Technologically, platforms like Airbnb are an effective tool for extending access to the local rental market to international travellers, who can pay higher rates but who are more effectively tapped through short-term transactional relationships. This is made possible because the industry currently exists in a legal grey area – in most cities regulations have yet to be instituted, let alone enforced – effectively acting as a means of "lease decontrol" under the noses of local jurisdictions. However, the successful mobilization of this technology also owes to short-term rental companies like Airbnb, who continue to spearhead costly and concerted marketing efforts at producing a broader cultural economy around short-term renting. This is achieved through cultivation of a monopolistic brand[3] which has successfully positioned itself as representative of a new way of travelling and experiencing the city. Building on Aalbers (2019) claim that platform capitalism represents a key factor in what he identifies as a "fifth-wave" of gentrification inaugurated by the 2008 financial crisis, I suggest we are witnessing the formation of a novel type of financialized or "entrepreneurial" rental-housing provider whose cutting-edge attention to the needs and desires of the jet-setting creative class fuses the latest trends in both "authentic" and business-oriented travel with the unbounded commodification of housing made easy by Airbnb's status as a monopolistic household name in short-term letting. Therein I argue attention to this particularly enterprising class of hosts can provide important insights into the variegated financialization of housing and urban development scholars are observing in cities across North America and the world (Aalbers, 2017).

Description of data

Independent quantitative research has been key to generating critical discussion on impacts of short-term rentals, with both Murray Cox of Inside Airbnb and Tom Slee being among the most notable early critics of the short-term rental economy's impacts on cities (Cox and Slee, 2016). They have each developed their own methods for scraping data from the Airbnb listings as part of a greater project to arm activists with data that can be brought to bear on local policy decisions. However, their publicly accessible data is not ideal for research concerned with understanding impacts on rental markets with any granularity. This is because their scrapes only provide a snapshot of a single day in a given month. This paper contributes to this discussion through access to higher quality data sourced from the consulting firm Airdna shared with me by David Wachsmuth during a research session at McGill University's Urban Politics and Governance research group (UPGo).

Airdna provides more accurate data than what has previously been relied on by activist researchers. Airdna scrapes all listings in a given city every day to provide a finely detailed description of the platform's activity. As such, these datasets include full and accurate occupancy details (how many days a listing is booked, listed and blocked[4]); and price and revenue details (the actual revenues earned by each listing every day) that have not previously been available. It also includes: listing types, host IDs, listing IDs, listing URLs, listing coordinates, number of bedrooms, and the minimum days per booking, to name a few.

The revenue data used for this paper includes every listing in the 365 day period assessed between June 2016 and May 2017. Thus, when the number of days each listing is "booked," "listed" or "blocked" is added up, it will equal 365 days. By scraping the Airbnb listings every day, Airdna cross-references when a listing is "booked" to the price listed on that day to give a relatively accurate assessment of revenues. This of course cannot account for bookings that were cancelled at the last minute, however, many hosts charge a cancellation fee in these events regardless. As this data is publicly listed on the Airbnb website for guests' sake there is little conceivable way for Airbnb to distort them without distorting the accuracy of their own listings.[5] Anyone with an Airbnb account can go through listings on a given day and see what dates the listing is available, blocked or reserved, and the prices they are listed at for those days. The ability to know how many days a listing was available is important, as the "full-time" status of an Airbnb listing is best assessed not only on how many days it is "booked," but how many days it was "available" rather than "blocked," (and therefore not available) to the long-term rental market.

The datasets provided by Airdna are very large, a significant amount of thought must go into making it comprehensible enough for analysis. Wachsmuth and Weisler (2018) have provided rigorous and replicable methodologies both for working with Airdna's data and for interpreting impacts on rental markets.[6] As such, this paper relies on listing data which has been custom-assigned by Wachsmuth and Weisler to Toronto census tracts.

The second type of data I work with in this analysis is housing and rental market data. I use two particular datasets from the 2016 Canadian Census for my analysis: 1) number of private dwellings by tenure; and 2) average and median shelter costs for private dwellings by tenure. Rental market survey datasets from the Canada Mortgage and Housing Corporation (CMHC) are also used to contextualize the status of Toronto's rental market and for calculating what I call "entrepreneurial" hosts. The CMHC's data on rental markets comes from three separate survey datasets which address three separately defined aspects of the rental market: 1) the "purpose-built" or "primary" market characterized by buildings designed solely to provide rental housing; 2) the "secondary" market characterized by miscellaneous privately-owned units that are offered on the rental market; and 3) the "condominium rental" market, which is a subsection of the secondary market but is analyzed in more detail through a separate survey.

The CMHC's primary rental market data tables are their most detailed. They include all privately initiated structures which have at least three rental units and have been on the rental market for at least three months (Canada Mortgage and Housing Corporation [CMHC], 2017). These data are available at the CMHC's "neighbourhood" spatial scale of analysis which are agglomerations of multiple census tracts.

The Secondary Market Survey data, however, is only available at the Census Metropolitan Area (CMA) scale (See Figure 1 for reference), and at a lower level of survey rigour and statistical reliability. This rental stock consists of rental condominium units and any other rental property with less than 3 units in single detached houses, duplexes or triplexes, converted houses, apartments over stores and secondary suites. This stock is harder to survey due to the flexible and unstable nature of its supply, as owners are free to move their units in and out of rental status. As such, the City of Toronto (2006) notes the best way to calculate secondary rental stock supply is through the Canadian Census, by subtracting CMHC counts of primary rental supply from the Census count of total rental supply. I use this method to calculate secondary rental market figures for Table 2 below.

A third survey-based dataset provides the status and average rents of condominiums in the secondary rental market. However, whereas the primary rental market is available down to the neighbourhood level, the condominium market is only described at the "Condo Sub Area" level, an agglomeration level which effectively quarters the City of Toronto between Centre, East, North and West. Tables 1 and 2 summarize the changing composition of tenure and infrastructure type in Toronto's housing market. Notably, while in 2001, the purpose-built rental market constituted 75% of total rental stock (City of Toronto, 2006), the city's overwhelming emphasis on condo development

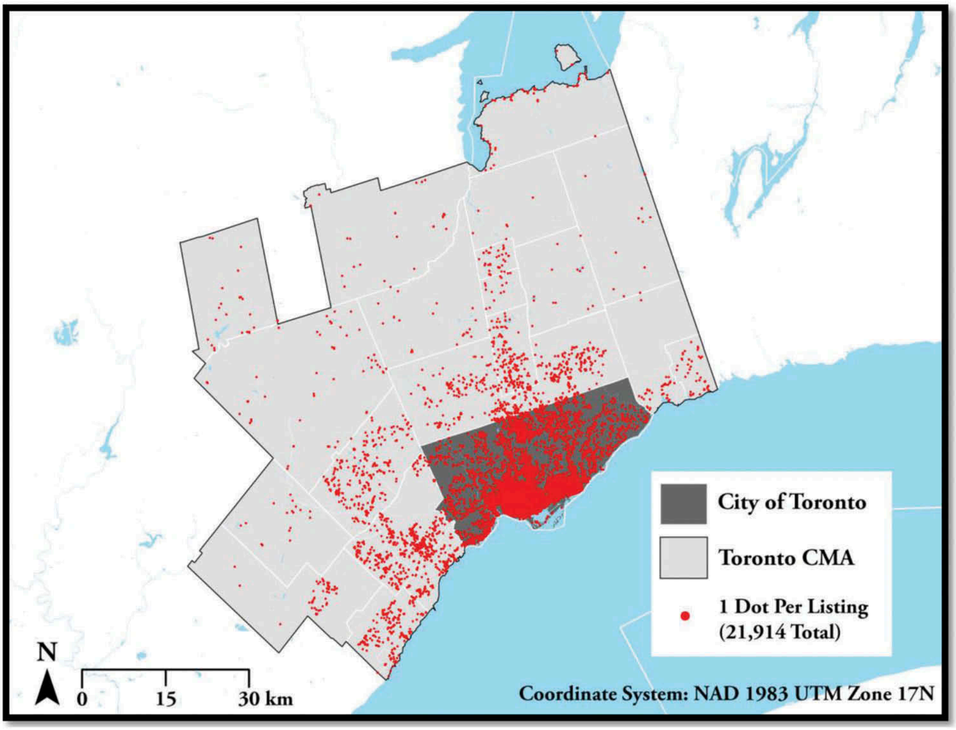

Figure 1. Map of active Airbnb listings in the Toronto CMA from june 2016 to may 2017.
Sources: Map calculated and designed by the author with custom data ordered from Airdna by UPGo.

Table 1. Composition of rental stock in the City of Toronto, 2006–2016.

	Total Rental Stock (Statistics Canada)	Primary Rental Market Units (CMHC)	Condominium Rental Units (CMHC)	Non-Condo Secondary Rental Market (Derived Calculation)
2006	446,850	260,407	33,172	153,271
2016	525,795	261,873	92,658	171,624
% of New Rental Units	100%	2%	75%	23%

Table 2. Composition of occupied dwellings in the City of Toronto, 2006–2016 (Statistics Canada).

	Total Occupied Dwellings	Single Detached Homes	Apartment in building that has five or more storeys	Apartment in building that has fewer than five storeys	Row house	Semi-detached house	Apartment or flat in a duplex	Other single-attached house	Movable dwelling
2006	979,440	267,440	379,055	162,375	55,165	70,430	43,445	1,385	140
2016	1,112,930	269,675	493,280	165,625	61,630	71,225	48,540	2,860	95
% New Dwellings	100%	1.67%	85.57%	2.43%	4.84%	0.60%	3.82%	1.10%	−0.03%

has seen this share decline to 49.5% in 2016. As the city increasingly relies on private landlords to supply rental stock, this has rendered the tenure status of most current rental supply unpredictable, impermanent and more amenable to fast turnover in favour of higher income tenants.

Methodology: describing the rise of the commercial short-term rental hosting in Toronto

Defining the entrepreneurial Airbnb host

Determining the role of short-term rentals in processes of gentrification hinges on demonstrating the extent to which the platform is dominated by either hosts letting their units part-time or entrepreneurial landlords seeking to milk their properties for the higher rents attainable in a minimally-regulated short-term rental market. Therein, it is important to establish a working definition of an entrepreneurial host. This analysis tests the hypothesis that entrepreneurial hosts working through short-term rental platforms like Airbnb are removing long-term rental units from the market. A key concern thus becomes identifying those listings or hosts that operate at a scale similar to that of a rental-housing provider or hotel. Most of my analysis looks at listings methodologically defined as "full-time". First, I follow Wachsmuth and Weisler (2018) definition of a full-time listing as one which is "booked" at least 60 days a year, in addition to being either "booked" or "available" for at least 120 days. This acknowledges that a listing actively seeking short-term rentals for at least four months a year is unlikely to be available to the long-term market where one-year leases are standard. Furthermore, as my analysis shows below, the average full-time listing in the city's central core is capable of making as much or more revenue after approximately 120 bookings as a standard primary rental unit might make in an entire year. Secondly, Airbnb listings are self-identified by hosts as one of three unit types: 1) entire home; 2) private room; and 3) shared room. To ensure a conservative estimate, and to avoid further methodological complexities, this definition of full-time listings only includes those listings tagged as "entire home" listings. This excludes "private rooms" and "shared rooms" from the analysis. Entire home listings constitute the majority of listings and most resemble an average long-term rental listing in terms of what they offer to a guest or resident.

For perspective, I find that within my sample of full-time listings in Toronto, the average listing was booked 146 times in the assessed year and available for an additional 105 days. Furthermore, more than half (56%) of full-time listings were booked for 120 days or more and also available for an additional 120 days or more. A third (32%) of full-time listings were either booked or available for more than 300 days in the year assessed, while 42 listings were booked for more than 330 days, generating an average revenue of $31,000 CAD per year. We can therefore safely assume this sample of listings describes operations competing directly with the city's existing hotels and rental units.

The second, part of this analysis looks at what I call "entrepreneurial listings". I define these as full-time listings that made as much or more in the last year as an average condo rental property would make. As the majority of Airbnb listings are in condos or other secondary rental market units (City of Toronto, 2016), rather than purpose-built units, the average rents for condo rentals represent an adequate and conservative corollary for analysis. The average market rate for condo rentals is higher than those in the primary rental market, having only briefly come under provincial rent controls in 2017 before again being de-regulated by Doug Ford's Progressive Conservatives in 2018. I argue this is a useful subsection of listings to look at as they represent the significant potential full-time listings have to extract land rents beyond the long-term rental market while also contributing to understandings of how the city's geography of short-term rentals might map onto its geography of neighbourhood change. Isolating these entrepreneurial listings can demonstrate the potential profits possible by those hosts committed to extracting the maximum revenues from their investment properties, whether on their own initiative or by employing the management expertise of an intermediary hosting firm. Therefore, these units should represent the avant-garde of possible revenue extraction towards which other full-time hosts might aspire. Theirs are business models which can be expected to increasingly disseminate, as effective hosts centralize and consolidate their operations by investing in further units, while intermediary firms and hosting groups continue to consult new players on best practices.

These entrepreneurial listings were determined through multiple steps. First, full-time listings were sorted based on how many bedrooms they offer. Because average rents differ based on the number of bedrooms offered, this ensures that individual listings are assessed against average rents for a similar number of bedrooms. From here, all listings with annual revenues at or exceeding the average annual condo rental revenue for their number of bedrooms were put into a new table. Listings which did not list the number of bedrooms were assessed against the average rent for all condo rentals to ensure a conservative analysis. Because average condo rental prices are only available at the aforementioned "Condo Sub Area Level", this analysis still demonstrates how entrepreneurial listings perform against a common downtown average or sub-area.

Results and discussion: the geography of Airbnb listings in the city of Toronto

This section offers a critical spatial analysis of twelve months of Airbnb activity in the City of Toronto between the months of June 2016 and May 2017. It measures the extent to which rental housing was lost to the platform and where new capital flows might continue to be diverted into short-term rentals most quickly in the absence of regulation. This includes identifying which neighbourhoods have already been significantly impacted, as well as those neighbourhoods which can reasonably be assumed to be at risk of future short-term-rental-induced gentrification.

As Wachsmuth and Weisler (2018) note, statistics concerning Airbnb at a city-wide or region-wide level can be misleading due to Airbnb's uneven presence in major city regions. Therefore, this analysis begins by assessing the regional and inter-listing unevenness of Airbnb activity in the city.

Across the Toronto Census Metropolitan Area (CMA), approximately 22,000 listings were rented through the platform at least once by approximately 14,500 unique host accounts[7] (Figure 1). Together these listings generated around $162,700,000 (CAD) in the assessed year. 88% of these listings were located within the boundaries of the City of Toronto generating 93% of all revenue. Yet, 58.5% of this revenue went to only 4,479 full-time listings operating mainly in the ten most popular neighbourhoods in downtown Toronto (See Figure 2 and Tables 3 and 4). Of these 4,479 full-time listings, a full 623 constitute what I call "entrepreneurial listings" because they made as much or more revenue as the average condo rental made in downtown Toronto that year. While only accounting for 3% of all listings, those I define as "entrepreneurial listings" generated approximately 15% of all Airbnb revenue in the City of Toronto. Because of this uneven geography, my study restricts the majority of analysis to the boundaries of the City of Toronto.

Downtown Toronto is where the vast majority of activity occurs and is also where housing affordability issues are most acute. The City of Toronto's 4,479 full-time listings account for 0.85% of the city's estimated 525,795 rental units. This is in

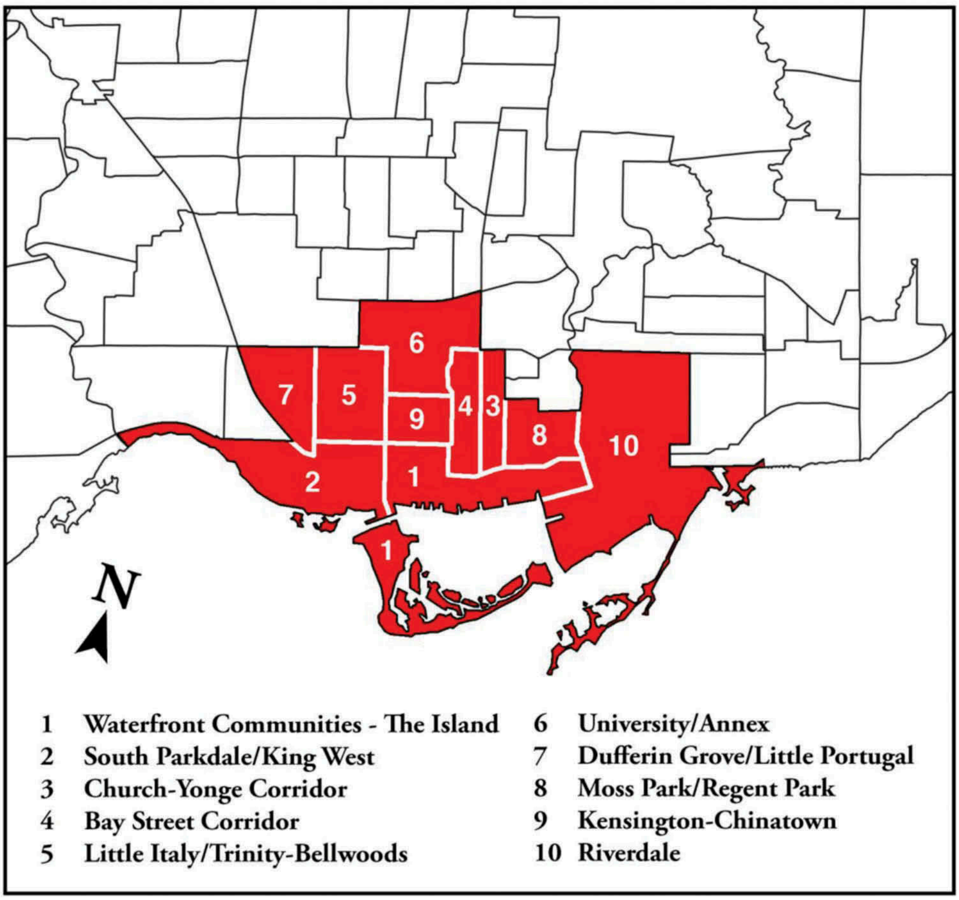

Figure 2. Reference map indicating locations of top ten revenue generating CMHC neighbourhoods in the Toronto CMA june 2016 to may 2017.

Sources: Map calculated and designed by the author with custom data from ordered from Airdna by UPGo and the CMHC.

Table 3. Number of full-time Airbnb listings and their total combined revenues in the 10 most revenue-generating CMHC neighbourhoods.

CMHC Neighbourhood Area	Number of Full-Time Listings	Percent Total Active Listings in CMA	Combined Revenue of Full-Time Listings (CAD)	Percent Total CMA Revenue
Waterfront Communities – The Island	1,275	5.8%	$ 33,956,336	20.9%
South Parkdale/King West	429	2.0%	$ 9,021,939	5.5%
Church-Yonge Corridor	211	1.0%	$ 4,653,419	2.9%
Bay Street Corridor	197	0.9%	$ 4,494,947	2.8%
Little Italy/Trinity-Bellwoods	199	0.9%	$ 4,389,829	2.7%
University/Annex	198	0.9%	$ 4,222,786	2.6%
Dufferin Grove/Little Portugal	195	0.9%	$ 3,625,038	2.2%
Moss Park/Regent Park	149	0.7%	$ 3,099,971	1.9%
Kensington-Chinatown	134	0.6%	$ 3,074,736	1.9%
Riverdale	144	0.7%	$ 2,627,517	1.6%
Total (Top Ten Neighbourhoods)	**3,131**	**14.3%**	**$ 73,166,519**	**45.0%**
Total (City of Toronto)	**4,479**	**20.4%**	**$ 95,120,663**	**58.5%**
Total (Toronto CMA)	**4,835**	**22.1%**	**$ 101,192,195**	**62.2%**

a city where the primary rental vacancy was recently estimated to be 1.2% in 2018 (Canada Mortgage and Housing Corporation [CMHC], 2017). However, the implications of this activity for the rental market are even more acute when accounting for listings' uneven geography.

Figure 3 shows the total number of full-time Airbnb listings in each census tract as a percentage of all rental units there. The locations of major hotels (members of the Greater Toronto Hotel Association) and subway lines are included for reference. I find that more than a hundred census tracts, mainly in downtown Toronto have full-time-Airbnb-to-rental-dwelling ratios exceeding 1% (meaning the number of Airbnb listings as a percent of rental dwellings exceeds 1% in those neighbourhoods). This is true in many parts of the downtown, especially those neighbourhoods summarized in Table 3, where almost all of the ratios there exceed 3%. In other words, putting these commercial Airbnb units back on the long-term rental market could theoretically more than double the vacancy rate in many downtown areas – assuming owners would put their units on the long-term rental market rather than leaving them vacant.

While impacts are significantly concentrated in the downtown core of the city, especially in hotel- and high-rise condo-dense areas like the Waterfront Communities, and the Bay-Bloor and Church-Yonge Corridors near the Entertainment District, it is also important to note the significant commercial activity that is occurring in primarily residential neighbourhoods lacking a hotel presence, particularly in the city's West End neighborhoods (see Figure 3). Many of these "most-impacted" neighbourhoods could be described as culturally unique but lacking in a significant hotel presence.[8] These neighbourhoods are most likely to offer the "authentic" cultural and historical qualities sought after by the "experiential" traveller, while simultaneously being important residential areas for local residents working in the city's core. These also include historically ethnic, gentrifying neighbourhoods where Hackworth and Rekers (2005) note connections "between the commercially manufactured nature of ethnicity … and the parallel valorization of nearby real estate markets" (p. 212).

Table 4. Bookings needed per year for full-time Airbnbs to earn as much as average purpose-built and condo rentals.

CMHC Neighbourhood Area	Number of Full-Time Listings	Number of Entrepreneurial Listings	Average Nightly Full-Time Airbnb Revenue (CAD)	Average Monthly Rent (Condo Rentals)	Average Monthly Rent (Primary Rental Market)	Annual Bookings Needed to Match Average Annual Condo Rental Revenue	Annual Bookings Needed to Match Average Annual Purpose-Built Rental Revenue
South Parkdale/King West	429	47	$147	$2,185	$977	179	80
Moss Park/Regent Park	149	20	$146	$2,185	$1,146	180	94
Cabbagetown – S. St. James Town	37	4	$145	$2,185	$1,298	181	107
Riverdale	144	4	$126	$2,185	$1,167	208	111
Little Italy/Trinity-Bellwoods	199	27	$143	$2,185	$1,339	183	112
Casa Loma	16	4	$186	$2,185	$1,763	141	114
Church-Yonge Corridor	211	36	$139	$2,185	$1,349	189	116
The Beaches	62	3	$127	$2,185	$1,228	207	116
Roncesvalles	49	2	$123	$2,185	$1,202	213	117
Kensington-Chinatown	134	28	$142	$2,185	$1,449	185	123
University/Annex	198	28	$141	$2,185	$1,473	186	125
Dufferin Grove/Little Portugal	195	10	$123	$2,185	$1,296	213	127
Rosedale	25	3	$153	$2,185	$1,700	171	133
Waterfront Communities – The Island	1,275	326	$177	$2,185	$1,981	148	135
Bay Street Corridor	197	36	$164	$2,185	$2,027	160	148

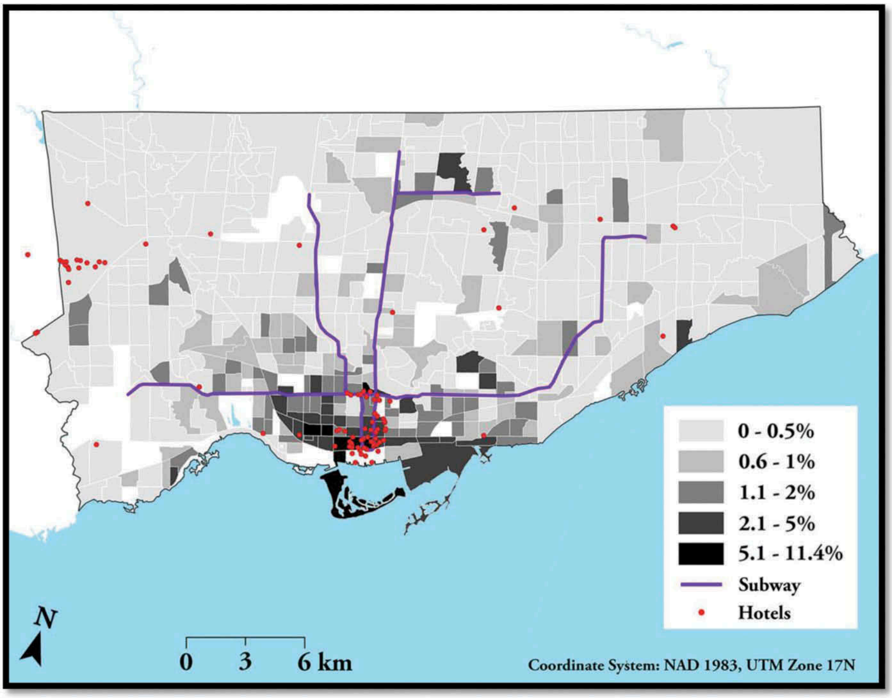

Figure 3. Full-time Airbnb listings as a percentage of total rental units by census tract.
Sources: Map calculated and designed by the author with custom data ordered from Airdna by UPGo, the 2016 Census and the CMHC.

As such, Airbnb might be understood as an important means of realizing the economic potential of the neighbourhood brands being constructed in those neighbourhoods. Their primarily residential composition has heretofore limited the capacity for travellers to access them and the conversion of housing units to accommodations here raises questions as to how we define the "highest and best use" of the city's inner-city areas. In the absence of regulations, the highest and best use of land in gentrification frontiers like Trinity-Bellwoods and Kensington Market-Chinatown (the most darkly-shaded census tracts to the west of the downtown hotel cluster) is currently ripe for significant conversion to tourist accommodations.

The analysis above provides only a cursory summary of Airbnb's impact on the City of Toronto, demonstrating a concentration of activity in the downtown core and culturally attractive neighbourhoods further away from the waterfront. However, as Wachsmuth and Weisler (2018) note, other metrics are required to flesh out the relationship short-term rentals may have to gentrification. A rent gap will be apparent in those neighbourhoods where property owners have the capacity to earn greater revenues from property uses different from their current ones, as incentives for investment or reinvestment are understood to be key economic drivers of gentrification.

Two different metrics are proposed by Wachsmuth and Weisler to determine: 1) those neighbourhoods where these rent gaps have already been filled, and 2) those neighbourhoods where unfulfilled economic potential remains. By comparing total Airbnb revenue in a given neighbourhood to the total amount of money flowing

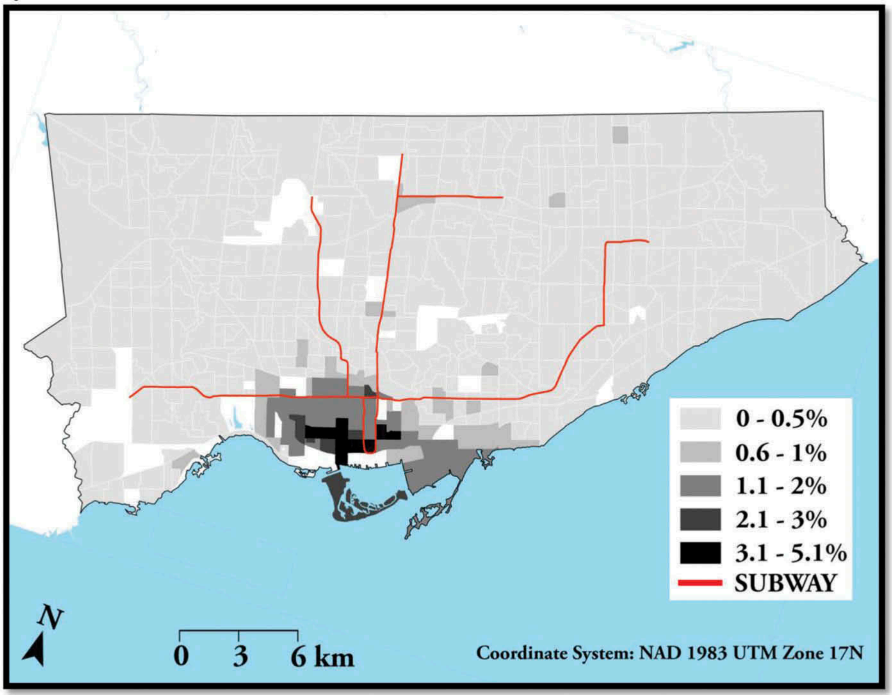

Figure 4. Total Airbnb host revenue as a percentage of total housing revenue by census tract.
Sources: Map calculated and designed by the author with custom data ordered from Airdna by UPGo, the 2016 Census and the CMHC.

through the housing market, we can determine the most likely census tracts where short-term rental rent gaps have been fulfilled (See Figure 4). For this analysis, I calculated the total amount of money flowing through the housing market[9] using 2016 Canadian Census data on shelter costs. Wachsmuth and Weisler (2018) argue Airbnb is likely to have the largest impact on areas that have already been gentrified and restructured by capital into wealthy neighbourhoods, many of which have access to transit corridors and entertainment amenities. This hypothesis bears out in this analysis. As can be seen in Figure 4, a pattern emerges, with the ratio of Airbnb revenues to housing revenues increasing concentrically towards the core. It is interesting to note that Airbnb is diverting housing revenues most significantly (tracts with 3-5% Airbnb revenues to total shelter costs), not only in the traditional hotel district, but also in the nearby neighbourhoods of Kensington Market-Chinatown, Moss Park, Regent Park and Trinity Bellwoods – well acknowledged gentrification frontiers.

While looking at total revenue in each neighbourhood can give us a sense of how established Airbnb rentals have become in different neighbourhoods, it is also useful to look at average revenues per listing to assess potentials for further short-term rental development – in other words the rent gap between potential Airbnb revenues and existing rental revenues. Especially in areas where Airbnb is not yet a widespread phenomenon, a high average full-time-Airbnb-host-revenue-to-median-rental-unit-revenue ratio describes neighbourhoods where landlords have an incentive to shift to short-term rentals, decreasing existing supply and putting upwards pressure on rents in the traditional market.

Average nightly Airbnb revenues are calculated by dividing the total full-time Airbnb revenues in a given tract by the total number of nights booked in full-time Airbnb listings in that same tract. The average nightly median rent is calculated by multiplying median monthly rent by 12 before dividing that figure by 365. Figure 5 shows average nightly full-time Airbnb revenues as a percentage of average nightly median rent revenues giving us a sense of how many days the average full-time listing would need to rent their unit per year to achieve similar profits to the long-term rental market (See also: Table 4).

When viewed on a nightly basis (Figure 5, Table 4), we see that the average full-time Airbnb host, in the city's most impacted downtown neighbourhoods is currently making at least 200% on a nightly basis what a long-term rental would make nightly at the median rental rate. In other words, this map demonstrates that given some effort, the average full-time short-term rental listing can achieve the same yearly profits as a long-term rental unit rented at the median rental rate, by merely letting their place on the short-term market (Airbnb, etc.) for only half the nights in that year. One implication is that landlords wishing to de-intensify the use of their unit or keep it as a secondary or part-time residence now have a feasible means of doing so, by avoiding the long-term contracts requisite in the traditional rental market. Furthermore, the emergence of intermediary hosting services means that these owners do not necessarily have to do

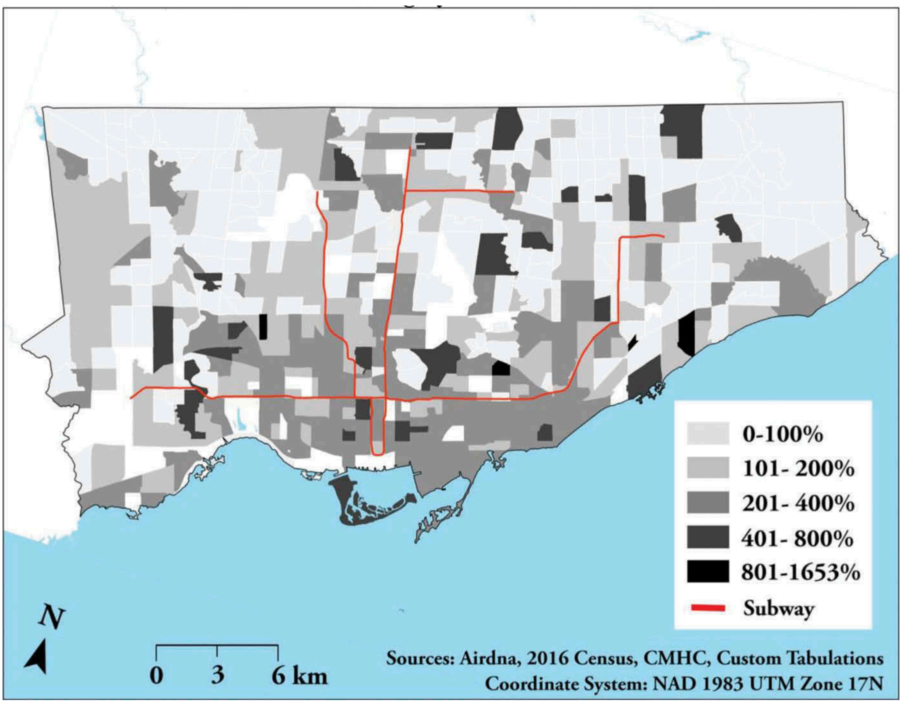

Figure 5. Percentage of average nightly median rent earned nightly by average full-time, whole unit Airbnb listing by census tract.

Sources: Map calculated and designed by the author with custom data ordered from Airdna by UPGo, the 2016 Census and the CMHC.

the work themselves. If a skilled hosting service can maximize the number of bookings in a unit in a given year on their behalf, it is likely the owner can make more than a long-term rental unit would in a given year, with little effort on their part, even after the costs of hiring intermediary hosting services are accounted for (though this is a matter that requires further empirical investigation). I also note that total yearly revenues for many listings will be greater than reflected in the data, due to the fact that approximately 1,600 full-time listings in this dataset were created after the start of the year assessed. As approximately 500 listings were activated as late as October 2016 (the halfway point), or later, many of these listings could be assumed to be more lucrative than they appear, while many hosts may still be learning how to maximize their profits.

Finally, Figure 6 shows average annual "entrepreneurial listing" revenues as a percentage of average annual rental revenues described in the CMHC condo rental survey. By definition, entrepreneurial listings made as much or more revenue per year as the average condo rental did, so all percentages exceed 100%. As noted above, there were only 623 listings that could be defined as entrepreneurial in the City of Toronto, meaning most neighbourhoods lack them. The Waterfront Communities, the most established site for Airbnb rentals in Toronto, and by far its biggest generator of revenue for Airbnb, accounted for just over half of these listings. This metric aims to demonstrate the existence of a different type of potential rent gap by assessing those units that in absolute terms, maximized their revenue potential through the service.

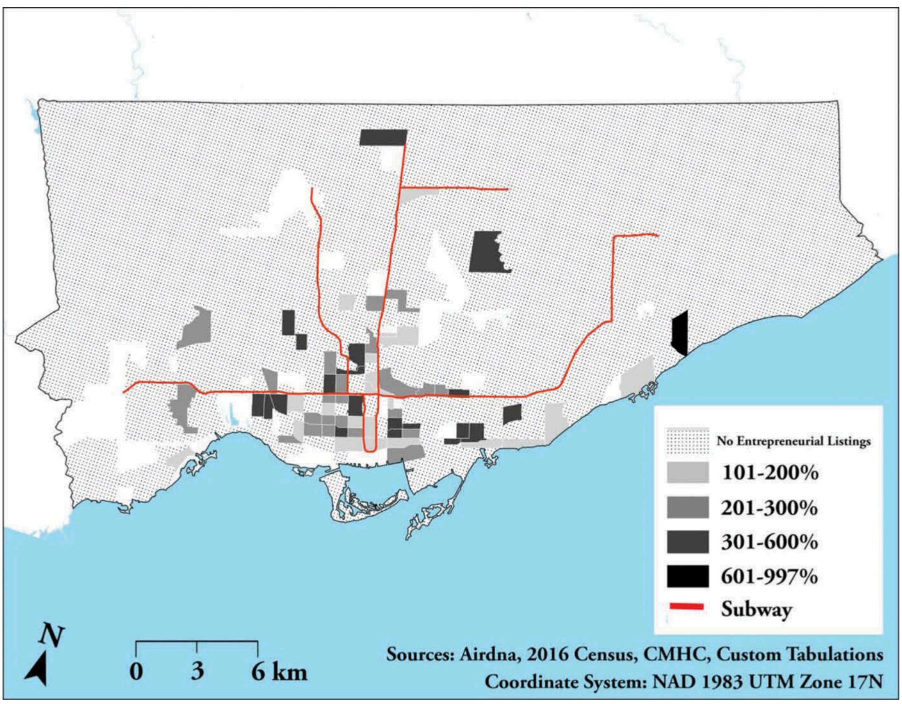

Figure 6. Percentage of annual median rent earned annually by average entrepreneurial Airbnb listings.

Sources: Map calculated and designed by the author with custom data ordered from Airdna by UPGo, the 2016 Census and the CMHC.

Note that in the Waterfront Communities tracts, where it was demonstrated that Airbnb hosts generate a combined revenue far outstripping any other neighbourhood, entrepreneurial hosts are still only generating as much or slightly more than what is accrued on the long-term rental market.

This suggests two things. First, the Waterfront is the most competitive neighbourhood in which to be an Airbnb host, meaning that to maximize one's revenue, one is more compelled to approach it as an entrepreneur. Secondly, this is a neighbourhood where rents are already experiencing maximum upward pressures due to factors including density, centrality, extensive new build development, entertainment attractions and proximity to hotels. Thus, the upward pressure Airbnb is theorized to exert on market rent might have already been priced in there. Given that some landlords are choosing to let their units on Airbnb in areas lacking significant rent gaps, it is clear that non-monetary incentives also represent a significant attraction of the platform. These might include avoiding landlord obligations and responsibilities, tax avoidance, and/or the flexibility of accessing the unit as a second home or keeping it liquid for flipping on the market in future years. It is in other inner-city neighbourhoods outside the Waterfront's Entertainment district, those with more turn-of-the-century housing, that entrepreneurial hosts are realizing above market rents most acutely – particularly in the Annex, Brockton Village, Casa Loma, Chinatown, Leslieville, Moss Park, Regent Park and Roncesvalles neighbourhoods. In these "up-and-coming" neighbourhoods, they made between 300–600% of median market rent in the assessed year. This demonstrates that in particularly central or trendy locations near transit, but outside the proximity of major hotels, the more diligent and entrepreneurial hosts are capable of making significant returns on their short-term rental unit. It also suggests that landlords and potential investors in these locations have incentives to convert existing units to luxury class suites in pursuit of realizing this potential rent gap, adding fuel to processes of gentrification already underway in these neighbourhoods through the displacement of locals requiring tenure in long-term rental units.

Conclusion

As this analysis demonstrates, short-term rentals are removing a significant number of rental properties from a Toronto rental market that is in desperate need of long-term, stable rental supply. Indeed, it appears that if platforms like Airbnb ceased to operate, that the city's vacancy rate could almost double. Even at a citywide scale, the number of full-time Airbnb listings – units rented in the short-term rental market – represents a significant removal of existing long-term rental capacity. The majority of these listings are located in downtown neighbourhoods that have long faced pressures of gentrification and neighbourhood change, as evidenced by the increasing income disparities between Toronto's inner-city and its suburbs (Alan & Maaranen, 2008; Hulchanski, 2010). Secondly, the ratio of total full-time Airbnb revenues to total shelter costs exceed 1% in much of downtown, exceeding 3% in the most central parts of the inner city. Considering the dire impacts that 1% shifts in rental market vacancies have on the availability of affordable housing for residents, this confirms that short-term rentals engender significant impacts on rental markets in the absence of effective regulation. Full-time Airbnb listings are also shown to be making as much or more than the average rental unit in many of these neighbourhoods without being subject to the responsibilities of the *Residential Tenancies Act* or those regulations required of the hotel industry. As my nightly analysis demonstrates, profiting over and above traditional rental arrangements appears to be primarily a function of how many days a host can keep the listing occupied. Without regulation of short-term rentals, and incentives to supply private units to the traditional long-term rental market, it makes financial sense for landlords to consider the short-term rental market instead, especially with the recent expansion of convenient intermediary hosting services which will do the work for you. In the majority of the most impacted neighbourhoods, the average full-time host would only need to rent their unit for approximately half the year to reign in the average yearly revenue of a condo rental.

While short-term rental platforms might provide a means for owners and renters to confront economic precarity through the part-time practice of "homesharing," the platform also functions as a tool for speculator investors and entrepreneurial landlords to leverage access to a global tourist or short-term stay market to maximize revenues. This has implications for displacing inner-city renters as upward pressure is applied to already inflated inner-city land values (Wachsmuth & Weisler, 2018). Furthermore, I show that full-time listings generate 58.5% of all Airbnb revenue in the city, affirming the thesis that one of the most significant outcomes of the platform is the conversion of potential long-term rental stock into commercialized short-term tourist accommodations – despite Airbnb's claims to the contrary (Airbnb, 2016). I also confirm observations that this process of commercialization is ongoing, and that significant incentives remain for existing long-term landlords to take advantage of this growing market. Finally, as an effectively managed short-term rental operation can accrue revenues more than double those in the regulated, long-term market rent, there is potential for the significant de-intensification of housing infrastructure to occur alongside the displacement of renters.

The potential for increasing commercialization is also exacerbated by the expansion and professionalization of enterprises providing intermediary hosting services to property owners. Therefore, distinguishing between occasional "homesharing" and commercial scale operations represents an important problem for policymakers and researchers. The City of Toronto's proposed regulations signal an intention to end commercialized short-term rental practices by limiting short-term renting to one's primary residence while also moving to ban the practice in secondary suites and laneway housing units. However, the effectiveness of this legislation will ultimately come down to a question of enforcement as some professional hosts I interviewed appeared confident they could continue under the proposed regulations. This is not to mention that Toronto's regulations are currently being appealed to what was formerly called the Ontario Municipal Board (OMB)[10] – a provincial planning institution with the power to override local land use decisions – where they could potentially be struck down.[11] Insofar as Toronto's regulations are rejected at the provincial level, we might even expect big players like REITs to become entrepreneurial hosts in the short-term rental business, seeing it as a reliable mechanism for displacing tenants in the inner city for the higher revenues available in the tourism market (Aalbers, 2019; August & Walks, 2018). Furthermore, even in the event that commercial short-term rentals are effectively regulated out of existence, we must acknowledge that many low-income households have already been displaced. Indeed, significant work has already been done by commercialized hosts towards priming highly impacted census tracts for occupation by higher income rental populations.

As the housing infrastructure of inner-city neighborhoods continues to be converted to short-term rental operations, there is significant potential for the culture and character of these neighbourhoods to be restructured by finance capital (aware of the higher returns possible through short-term rentals) into increasingly contrived tourism destinations rather than places to live. Considering Langley and Leyshon (2017) observation that platforms like Airbnb "perform the structure of the venture capital that backs them," the tremendous amounts of money funding their expansion can be read as hedges on a capacity to exploit and raise the "highest and best use" of the inner-city neighbourhoods of major cities. There is a lot of speculative value at stake in Airbnb's case. This accounts for the tremendous amounts of money Airbnb puts into branding and lobbying efforts, which work not only to challenge and influence regulatory efforts, but also produce a new culture of tourism that the platform is increasingly dominant over. This process is of primary concern for tenant organizations, city councillors, and housing activists like Toronto's Friends of Kensington Market and the Parkdale Neighbourhood Land Trust (PNLT) who have long been challenging processes of gentrification in their neighbourhoods. This raises important questions concerning who has the right, and who has the privilege, to the inner city in contemporary urban economies. Indeed, short-term rental platforms are both a technological tool and a cultural phenomenon unlocking new capacities for extending rent gaps beyond the limits of local demand by opening the rental market internationally to tourists and business travellers.

Debates over the regulation of short-term rentals in large cities also raise more fundamental questions around the purpose of housing in contemporary urban economies. Insofar as Airbnb's impacts are tied to unintended consequences stemming from historical housing policy choices embodied in both condo-ism and previous changes to Ontario's rental market regulations, I argue stable housing for local renters is not a problem that can be solved by building more condominiums but will only be achieved through concerted political and re-distributional efforts at the federal, provincial and municipal levels. A major source of this tension is a consequence of asset-based welfare approaches to social policy, austerity economics and "condo-ism," which have disincentivized the construction of purpose-built rentals in favour of individualized forms of homeownership, while also enabling the financialization of those purpose-built rentals that already exist. Indeed, these factors have made rental unit availability a function of the decisions of individual homeowners and speculator investors rather than a function of physical housing supply. This echoes the concerns raised by Ferreri and Sanyal (2018) who note how the regulation of platforms in any city characterized by "asset-based inequalities" (p. 3364) is only likely to further exacerbate those inequalities insofar as they do not address the underlying tensions emerging from the commodification of housing. While the extraction of value from housing has increasingly come to replace the public pension as a paradigmatic form of welfare and old age security for many Canadians (Doling & Ronald, 2010; Kalman-Lamb, 2017; Walks, 2014, 2016), the sustainability of continued asset appreciation is called into question as the next generation of urban workers are priced out of the same centers of "innovation" currently being cultivated by governments smitten with attracting monopolistic technology corporations and the high-value-added workers they employ. Thus, in light of these findings, we might re-evaluate Airbnb's narrative around fostering belonging.

Indeed, the particular vision of "belonging" outlined in the quote at the beginning of this article is likely to be unevenly enjoyed by a salaried and cosmopolitan class. Therefore, we must consider how tourists' newfound capacity for "belonging anywhere" threatens to displace those local working and marginalized communities who variously engage in necessary "low-skilled", cultural or affective labour, who require access to inner-city services and infrastructures, and who, beyond economistic determinations of human value to the urban economy, **ought to have a right to belong in the city** as important contributors to the cultural and economic diversity of Toronto's social ecology.

Notes

1. While approximately 114,000 condominium units were constructed between 2006 and 2016, the net increase in purpose built rental units was only 1,467 – making up approximately 1% of total dwellings added.
2. REITs were first legally enabled in 1993 but did not begin buying up rental apartment housing until 1997 (August & Walks, 2018).
3. While many different platforms facilitate short-term rentals, Airbnb enjoys a relative monopoly in many cities, controlling approximately 85% of the market in Toronto (City of Toronto, 2016).
4. A listing is "blocked" when an Airbnb host does not make a listing "available" for rent on that particular day. Some listings might be "blocked" for entire seasons if the host is a seasonal host or for sections of time for other reasons.
5. I mention this due to valid concerns about platforms' tendency to misrepresent their activity to counter critical research. For instance, Rosenblat and Stark (2016) finds that Uber adds "phantom cabs" to its real-time maps to create the appearance of increased taxi supply.
6. Their methodology is available at: https://davidwachsmuth.com/2017/03/17/how-do-we-measure-airbnbs-impact-on-housing-and-gentrification/. Additional information is also available in the supplemental materials for Wachsmuth and Weisler (2018).
7. I use the term "unique host accounts" in recognition that individuals are currently capable of operating or benefitting from multiple accounts.
8. Specifically: Dufferin Grove/Little Portugal, Dovercourt/Davenport/Junction, Kensington-Chinatown, Little Italy/Trinity-Bellwoods, Roncesvalles, The Beaches, and University/Annex.
9. My calculation of total revenue flowing through the housing market includes both mortgage and renovation payments by owner occupiers and rent and utility payments by renters.
10. While the OMB was on track to be replaced with a new system, the Doug Ford administration now intends to reinstate it as it was. Nonetheless, all appeals brought forward before the change must still be heard under the previous OMB framework, including the Airbnb regulations under consideration here.
11. A decision on the matter will not be made until August of 2019.

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