

**Financialization, Tourism, and Community Well-Being: Situating the  
Regulation of Short-term Rentals Within the Halifax Housing Crisis**

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# Table of Contents

<b>Table of Contents</b> .....	<b>1</b>
<b>Abstract</b> .....	<b>3</b>
<b>Acknowledgements</b> .....	<b>3</b>
<b>Chapter 1: Introduction</b> .....	<b>5</b>
1.1: Background.....	5
1.2: Significance.....	8
1.3: Purpose and Objectives.....	10
<b>Chapter 2: Literature Review</b> .....	<b>13</b>
2.1: Overview.....	13
2.2: Short-term Rentals in Halifax.....	13
2.3: Housing in Halifax.....	15
2.4: Housing and Sustainability.....	17
2.5: Tourism and Sustainability.....	17
2.6: Comparative Literature on Short-term Rental Regulations.....	19
2.7: Short-term Rental Markets, Financialization, and the Exacerbation of Socioeconomic Inequality... 20	
2.8: Summary.....	23
<b>Chapter 3: Methods</b> .....	<b>24</b>
3.1: Rationale.....	24
3.2: Methodologies.....	25
3.3: Limitations.....	29
<b>Chapter 4: Results and Analysis</b> .....	<b>31</b>
4.1: Overview.....	31
4.2: Participants.....	33
4.3: Perceptions.....	37
<b>Chapter 5: Discussion and Conclusion</b> .....	<b>43</b>
5.1: Overview.....	43
5.2: Thematic Analysis.....	44
A: Short-term Rentals and The Halifax Housing Market.....	44
B: Short-term Rentals and Community Well-being.....	46
C: Short-term Rental Regulation and Sustainable Development.....	48
5.3: Perceptions of Proposed Regulations and Significance.....	51
Significance of Passing Regulations.....	54
5.4: Summarizing and Looking Forward.....	55
<b>References</b> .....	<b>58</b>

# Abstract

On 1 September 2023, the Halifax Regional Municipality set in place a regulatory framework restricting short-term rentals to a host's primary residence only in residential zones throughout the municipality. Short-term rentals are temporary overnight accommodations rented out by hosts through online platforms such as AirBNB, offering guests a unique and desirable opportunity to experience a space in a more “authentic” manner than the conventional hotel industry. These regulations were enacted in response to growing criticisms of the commercial short-term rental industry's adverse social and economic impacts in public debate and critical scholarship amid Halifax’s unprecedented housing crisis. While they have flourished within an economic system of housing financialization, they have proliferated in cities across the world as a novel iteration of technocapitalism within the platform economy, transforming the socio-economic landscapes of metropolitan areas around the world. Informed by a growing field of critical literature within this subject, this thesis presents a qualitative thematic analysis of archived footage of a public hearing on these regulations which took place in Halifax on the 21 of February, 2023. Results largely align with existing literature, demonstrating negative impacts on housing markets while perpetuating socio-economic inequities and community disruptions. Within the context of Halifax, community well-being is presented under contrasting conceptions, calling to attention the role of the short-term rental market in the development of a socially and economically sustainable future for the city of Halifax. In keeping pace with the growth of Halifax’s population and tourism industry, navigating the regulation of this market poses a significant challenge in finding a balanced accommodation capacity for residents and tourists alike which prioritizes both housing security and a shared sense of belonging and responsibility at the community level.

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I would like to acknowledge that this research was conducted through Dalhousie University, located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People. This thesis is largely focused on examining spatial justice and equity within Kijipuktuk, and it is my responsibility as the researcher to call to attention that the topic of this research is located on unceded territory that rests upon a violent and enduring legacy of colonialism which I am not able to fully understand as someone of settler descent. We are all Treaty People, and maintain a shared obligation to acknowledge this land as we work towards the continued process of truth and reconciliation.

Finally, I would like to extend my deepest gratitude to my advisor, Dr. Will Langford as well as Melanie Zurba and Steve Manell and my fellow E.S.S. honours peers for their continued guidance and support throughout the process of conducting this research. Finally, I would like to thank my friends and family who supported and encouraged me throughout this process. Thank you all deeply.

# Chapter 1: Introduction

## 1.1: Background

In response to growing pressures on the local housing market, Halifax, Nova Scotia has enacted a regulatory framework for the operation of the short-term rental industry within the municipality. The regulations require all short-term rentals within residential zones to be registered and stipulate that all such accommodations must be located within the primary residence of its host as of September 1, 2023 (Halifax Regional Municipality, 2023). By restricting short-term rentals to a room or unit within a host's primary residence, the policy seeks to return rental properties – houses, apartments, or condominiums – to the long-term rental market. This regulatory approach was preceded by a public hearing on the state of local short-term rental markets conducted on February 21, 2023, which acts as the principal source of primary analysis for this study. Throughout the public hearing, several key community concerns came to light, namely that the growing short-term rental market contributes to the ongoing housing crisis in Halifax and isolates individuals from their communities. Furthermore, advocacy groups and community members argue that this regulatory approach is not an adequate mechanism to significantly ease local housing shortages. These concerns debated in Halifax have been considered by a growing body of scholarship that critically analyzes the economic and social impacts of the short-term rental market on cities around the world. Contextualized within existing literature, this thesis provides an analysis of the perspectives presented in the Halifax hearing to offer insights on the socioeconomic role of short-term rentals and the significance of new regulations.

Short-term rental markets have arisen as a result of the development of what is known as the platform economy or sharing economy. Short-term rentals (STRs) are defined by the Halifax Regional Municipality's (HRM) planning and development department as “temporary overnight accommodations rented out by property owners or tenants, typically for a few nights or weeks,” with transactions mediated through online platforms such as Airbnb and VRBO (Halifax

Regional Municipality, 2023). The term platform or sharing economy, as defined by Oszkay, describes markets which operate through the crowdsourced exchange of goods and services via online communities, designed to give “micro entrepreneurs” economic opportunities to utilize their skills and assets using platforms like Airbnb, which was founded in 2007. While these online platforms arose to give opportunities for individuals to generate income through peer exchanges, they have grown into a highly commercialized industry and thus more closely resemble traditional economies on which large scale operations can generate unregulated profit (Oszkay, 2022). For example, a recent study in Halifax found that 41% of local STR listings were operated by hosts with two or more rental properties, which they define as “commercial multi-listings” (Wachsmuth et al., 2019, 2). While the commercial short-term market is often likened to a novel phenomenon, it reflects a long history of housing financialization and the commodification of private spaces, now mediated through online platforms as a form of technocapitalism in which traditional free market economies have become increasingly digitized. With a near monopoly position in the STR economy, AirBNB is uniquely positioned in the contemporary capitalist landscape to exploit both labour and urban landscapes in a flexible and replicable manner. Its proliferation and commercialization in cities across the world has allowed the industry to become a form of digital infrastructure, shaping the socio-economic environments of both residents and visitors (Strüver & Bauriedl, 2022). In their study on short-term rental markets in Lisbon, Portugal, Cocola-Grant describes the short-term rental industry as an instrument for housing financialization. Their research in Lisbon reflected not the ideal vision of a sharing economy, but an investment economy which generates record profit while displacing residents and gentrifying communities (Cocola-Grant, 2021, 1672).

Scholars argue that the commercialization and rapid growth of the short-term rental market has contributed to socio-economic inequities in areas where the accommodations are most concentrated. As outlined in a 2022 study by Clancy, most STR listings are located in the downtown core of cities where the housing market is at its most competitive and expensive. As a result, the STR market has been implicated in rising housing costs and lack of vacancies along with other factors such as trends in financialization and housing policy. Furthermore, the STR market has contributed to tourism gentrification by replacing residents with tourists and expanding the “bubble space” of tourists across urban landscapes in many cities around the

world as reflected in Clancy's study focusing on market impacts in Dublin (Clancy, 2022). A number of organizations have emerged in response to these issues, such as the Neighbours Speak Up group operating out of Halifax, and the non-profit national coalition, Fairbnb. Both platforms advocate for the strict regulation of short-term rentals to protect housing security and community well-being (Neighbours Speak Up, n.d.; Wieditz, 2019).

The most up-to-date comprehensive study on short-term rentals in Halifax was conducted by David Wachsmuth and colleagues at McGill University's Urban Politics and Governance Research Group in November 2019. Their study found that the short-term rental market had grown 19.2% annually, with 2,420 short-term rental listings in the Halifax Regional Municipality, primarily in the downtown core. Over 50% of these were entire home listings, likely not being operated within a primary residence. Additionally, an unequal distribution of profit was noted, with over half of total revenue being generated by the top 10% of hosts. This study was conducted in the wake of Nova Scotia's initial regulations on short-term rentals, which went into effect in 2020, which required any commercial operators to pay equivalent taxes to traditional tourist accommodations such as hotels. The 2020 regulations aimed for the municipality to recover foregone tax revenue and acknowledged that STR hosts were in direct competition with hotel operators. There was little expectation that taxation would induce STR owners to seek long-term tenants instead. Still, Wachsmuth et. al estimated that the conversion of commercial STR's to long-term housing would nearly triple the vacancy rate in Halifax from 1% to 3% and reduce housing costs over time (Wachsmuth et al., 2019, 2). Thus, regulations that would limit the number of dwellings used as short-term rentals could make a significant impact on the housing crisis in Halifax.

Halifax residents are indeed experiencing an unprecedented crisis in housing affordability and availability. The Canada Mortgage and Housing Corporation found in their 2024 rental market report that the city saw a record high increase of 11% in rental prices in a single year, well over the national average of 8%. Throughout the HRM, vacancy rates for rental units remain unchanged in 2023 at just 1% despite a record high number of new rental units completed in 2023 (Canada Mortgage and Housing Corporation, 2024). As of 2021, 12.8% of Nova Scotians are considered to be in core housing need, with 30,475 of those being renters in unaffordable

housing according to the Canadian Centre for Policy Alternatives. Core housing need is defined as any household in which 30% or more of total income is spent on housing. Furthermore, data from 2021 found that approximately 450 individuals in Halifax were experiencing homelessness with this crisis worsening each year (Canadian Centre for Policy Alternatives, 2021, 12-13). Several projects are underway across various branches of government to address this crisis, including the construction of 8,886 affordable units over the next ten years under the Housing Accelerator Fund, which aims to service vulnerable populations in Nova Scotia (Canada Housing and Mortgage Corporation, 2023). While valuable in managing this crisis, these projects take time to complete, and the pressures faced by Halifax residents are immediate. HRM pursued a regulatory approach aimed at returning short-term rental units to the long-term housing market, offering a more immediate solution by protecting existing residential infrastructure.

The historical socio-economic conditions of housing have created a landscape which allowed this market's negative consequences to emerge. Since the 1990s, the province of Nova Scotia has been slowly cutting out funding for affordable public housing, with only 12.3% of rentals being dedicated to subsidized housing (Canadian Centre for Policy Alternatives, 2021, 14). Situating housing as a free-market domain has allowed shelter to become a commodity, leaving low-income renters behind while those with purchasing power can build profits. This effect has only been exacerbated by the rapid growth of short-term rental markets, particularly in cities like Halifax which are economically dependent on seasonal tourism (Discover Halifax, n.d.). Without strong regulation, residencies are open for commodification as short-term units rather than being protected as housing for residents.

## **1.2: Significance**

This thesis will build on existing work which critically analyzes the economic and social implications of the commercial short-term rental industry. It does so through a quantitative and qualitative thematic assessment of the HRM public hearing on the regulation of short-term rentals. Existing studies which explicitly focus on Halifax are outdated given the rapid evolution of the market and the growth of Halifax's population. Past studies have also primarily focused on economic and planning questions, leaving aside related sociological and sustainability



considerations that this thesis engages with. Given the scale and rapid evolution of this market, it is critical to address this research gap by examining the full scope of the industries' impacts on the well-being of communities in the city of Halifax (Halifax Regional Municipality, 2023).

As well as aggravating the housing situations of low-income residents, an unregulated STR market is arguably an impediment to sustainable development. The Sustainable Development Goals (SDGs) composed by the United Nations outline 17 key objectives for the development of environmental, economic, and social sustainability. Goal 11 calls for global action to “make cities and human settlements inclusive, safe, resilient, and sustainable” (United Nations, n.d.). Target 11.1 outlines the need to “ensure access for all to adequate, safe, and affordable housing” by 2030 (United Nations, n.d.).

This target serves as a useful reference point to positioning housing as a pressing issue within the field of social sustainability. In 2022, a systematic review published by Alaie and colleagues refers to social sustainability as a concept which centers around the relationship between individuals and their community (Alaie Et al., 2022). They define social sustainability as “development or growth that is consistent with the evolution of civil society and creates an environment that is useful and beneficial to the common life of diverse social and cultural groups.” (Alaie Et al., 2022). This includes aspects of life such as education, socialization, employment, equity, and most relevant to the subject of this project, housing (Alaie Et al., 2022). Social sustainability relates to well-being and fulfillment within communities, which inherently necessitates accessible and affordable housing for current and future generations.

Social sustainability is a concept relating to tourism too, with Halifax's economy largely dependent on seasonal tourism (Discover Halifax, n.d.). Within deindustrialized economies, tourism has become an extremely profitable and powerful industry around the world (Blanco-Romero et al., 2018). Within this economic framework, the growth of profitable tourist industries is prioritized without addressing trends in which tourism contributes to the displacement of marginalized populations (Blanco-Romero et al., 2018). Adequate accommodation capacity for both tourists and residents is a key measure of the sustainability of a region, in which Halifax appears to fall short (Blanco-Romero et al., 2018). Relying on

short-term rental markets as tourist accommodation comes at the cost of ensuring housing security for residents is not a tourism model which can be sustained in an equitable society. Thus, by regulating this industry, Halifax's municipal government provides an opportunity for restructuring its priorities in support of residents' housing security.

### **1.3: Purpose and Objectives**

This thesis evaluates local debates surrounding short-term rentals and their regulation by analyzing the municipal public hearing held on 21 February 2023, to solicit public feedback on proposed regulations which have now been enacted. In doing so, this project adds new depth to the existing body of literature examining the role of short-term rentals in Halifax, using primarily inductive and quantitative research methodologies to contextualize the phenomenological insights of Halifax residents into existing critical scholarship. An in-depth qualitative literature review underpins this primary research, offering a framework of critical research into short-term rental markets in other cities, particularly those economically dependent on tourism. This will allow for the integration of critical sociology and sustainability frameworks into existing quantitative data on the state of housing and short-term rentals in Halifax. This research aims to expand on existing literature by developing a greater understanding of the social impacts of short-term rentals as an impediment to sustainable development in Halifax. The following key research objectives will act as a guide in qualitatively addressing the role of short-term rentals within Halifax:

- a. Assess the means by which the proliferation of short-term rentals has impacted the housing market in Halifax .
- b. Assess the means by which the short-term rental market has impacted community wellbeing in Halifax.
- c. Determine to what extent the regulation of short-term rentals can support sustainable development within Halifax.

- d. Investigate how similar regulatory frameworks targeting the short-term rental industry have impacted housing markets and community wellbeing in cities around the world.

The second chapter of this thesis is an in-depth literature review focused on existing bodies of work which critically examines the role of short-term rental markets on housing equity, tourism, community well-being and sustainable development including several case studies in cities with similar regulatory approaches to Halifax, addressing research objective D. Other relevant work within this field is outlined to situate this market within the technocapitalist economic landscape that has supported its proliferation in cities around the world. Additionally, the literature review provides local context on the role of housing and tourism within Halifax. Chapter 3 details the methodological approaches used to conduct primary analysis of archived public hearing footage from the HRM on the regulation of short-term rentals, conducted on February 21, 2023. These methods include a quantitative textual analysis and a qualitative thematic analysis to interpret the positionalities of public hearing participants and trends in their perceptions of the industry and its new regulations. Finally, chapters 4 and 5 provide an in-depth accounting and discussion of the results of this primary analysis, informed by existing bodies of work outlined in the literature review. This includes interpretation of discussion themes such as STR induced displacement and community well-being. Research objectives A through C are interpreted throughout these chapters based upon the data gathered in the analysis process before conclusions and future recommendations are provided.

The textual and thematic analyses of the HRM public hearing on the regulation reveal three overarching perspectives regarding the proliferation of the STR market in Halifax, being favourable, unfavourable, and neutral with respect to its local impacts. However, the conflicting perspectives heard in the public hearing demonstrate significant tensions in how to move forward in situating this market within Halifax, opening considerations for sustainable development within communities in accordance with SDG 11. Given their stake in the matter, property owners and short-term rental operators were overrepresented throughout the hearing, unsurprisingly advocating for the benefits of the industry. However, community members and representatives of public and non-profit organizations share insights which demonstrate the proliferation of

socio-economic inequities and disruptions to community well-being as reflected in existing critical literature. Despite the contention between the two “sides” of this public discussion, most speakers emphasize a prioritization of community engagement and well-being. Community well-being throughout this study, while subjective, will be broadly understood as a shared sense of satisfaction, belonging, cohesion, and responsibility within one's community as defined by Atkinson and colleagues’ in a 2020 study (Atkinson Et al., 2020). The distinctions heard in the public hearing arise in how community well-being is conceived with respect to STR market impacts. Where one side positions community engagement as primarily an economic sphere, another emphasizes the importance of a sense of belonging, shared responsibility, and connectivity. This tension calls into question the path forward in developing a sustainable accommodation capacity for tourists and residents as the city struggles to balance an economically productive tourist industry and unprecedented housing crisis.

## **Chapter 2: Literature Review**

### **2.1: Overview**

The newly imposed regulations on short-term rentals (STRs) in the Halifax Regional Municipality (HRM) come in the wake of widespread criticism of the unintended impacts of the short-term rental market since the founding of AirBNB in 2008. With the growth of STR markets, a variety of academic and grey literature has emerged to address their social and economic impacts. This literature primarily takes a critical approach in assessing the role of short-term rental markets as a force which negatively impacts socioeconomic well-being and community for residents, particularly those who are low income and/or socio-economically marginalized. This literature review aims to synthesize various spheres of research to demonstrate the relevance of this existing scholarship within the unique social and economic landscape of Halifax. To best integrate existing research into this localized context, it is equally essential to examine the crisis of affordability and accessibility for long-term housing in Halifax, as well as widespread trends in gentrification and geographical marginalization, and tourism. Existing literature offers many deep insights which are essential to conceptualize the role of short-term rental markets in the context of Halifax's housing crisis, including the identification of research gaps in the area. In conducting further analyses, this literature provides the necessary background information to further research into the topic of short-term rental markets in Halifax.

### **2.2: Short-term Rentals in Halifax**

#### **I. Regulations on Short Term Rentals in Halifax**

In December 2022, the Halifax Regional Council published an in-depth report on the now enforced regulations on short-term rentals (STRs) in the HRM. This document describes

short-term rentals as temporary accommodations located within traditional residential dwellings, often rented out by a tenant or owner for a short period of time. At the time of this report's publication, approximately 2,000 STRs were found to be operating within the HRM. The proposed regulations are justified in this document to protect long-term housing availability and affordability without harming the local tourist industry. Furthermore, they describe STRs as a new phenomenon with inconsistent regulation in municipal planning documents. As of 1 September 2023, these regulations have been adopted by amendments to the municipalities Regional Municipal Planning Strategy (Regional Plan), Secondary Municipal Planning Strategies, and all Land Use By-laws. The key objective for these regulations is to limit STRs to primary residences in residential zones only, with no restrictions in place for commercial zones which already allow for tourist accommodation (Blair, 2022, 2). This will allow hosts to rent out their home for a limited number of days per year when they are away, or to rent out a room or unit in their home on a regular basis. However, the regulations have the potential to shift STRs to other zones of the city where many high-density housing units are located (Halifax Regional Municipality, 2023).

## II. The Short-term Rental Market in Halifax

The short-term rental market has seen significant growth in Halifax and elsewhere in recent years. While the COVID-19 pandemic did negatively impact listings for a time, rapid growth was noted by the municipality in the year 2022 (Blair, 2022, 4). Unfortunately, the most up to date comprehensive study on the STR market in Halifax was conducted in 2019 by McGill University's Urban Politics and Research Governance Group (UPGO). While this study offers many significant insights, its data is in conflict with other sources and may not be entirely reflective of the current state of STR markets in Halifax. For example, compared to the Municipal report from 2022 which found approximately 2,000 STRs in the HRM, this study reports 2,420 active listings, with a 19.2% increase per year throughout the scope of their research (Blair, 2022, 2; Wachsmuth Et al., 2019, 2). Despite this inconsistent data, it is useful to examine the breakdown of STR listings as described in this report. Their research found that approximately 75% of STRs in the HRM are entire home listings, with over 60% of total listings being family suitable homes with two or more bedrooms. Furthermore, these entire home listings

make up to 90% of all revenue, with approximately half being entirely unoccupied by a permanent resident. The UPGO report also found that commercial multi-listings, rented out by hosts with two or more properties, account for 41% of all active listings within the municipality. Of the 2,420 reported listings, most are within the core of the Halifax peninsula, though the report includes the entire HRM (Wachsmuth Et al., 2019, 2-4).

However, in the intervening period – which included the onset of regulation in spring 2023 – the number of STR listings has declined. As of March 2024, internal data from Airbnb found that of 1,104 total active listings in Halifax, 80% operate as entire home listings (AirDNA, n.d.). These findings reflect an overall trend in which housing suitable for permanent residency is being yielded to the short-term rental market, primarily by hosts who are able to generate large amounts of profit through ownership of multiple properties with no permanent resident.

### **2.3: Housing in Halifax**

As discussed in the municipal report on short-term rentals, the decision to integrate regulations comes in part from an ongoing housing crisis in Halifax. The crisis was explained at length in a 2021 report published by the Canadian Centre for Policy Alternatives, an independent research institute. As highlighted in their report, 12.8% of renters are found to be in core housing need, meaning they spend more than 30% of their total income on housing costs (Canadian Centre for Policy Alternatives, 2021, 12). This crisis of affordability is corroborated by a recent report by the Canadian Mortgage and Housing Corporation (CMHC), which found that housing costs rose a record high of 11% in the year 2023, well over the national average. Additionally, the CMHC reported the average rental cost of a family suitable 2-bedroom apartment in 2023 was \$1,628. For units with new tenants, this cost was \$1,705 on average. The North Peninsula saw the highest increase in rental costs at 13.9% according to the CMHC's 2024 rental market report. High mortgage rates and high home prices across the municipality have been noted by the CMHC as creating an effect of stagnancy in the mobility between renting and owning (Canada Mortgage and Housing Corporation, 2024, 114-116). The growth of short-term rental markets, particularly entire home listings, has been implicated in several studies as a highly profitable

contributing factor to rising housing costs, including the 2022 report published by the Halifax Regional Municipality (Blair, 2022, 2).

The housing crisis in Halifax is characterized in large part by the interconnected factors of unaffordability and limited availability. Vacancy rates in long-term rentals in Halifax are extremely low, oscillating between 1% to 2.3% in recent years. Vacancies were resting at 1% in 2023 despite a record number of newly constructed units entering the market in 2023 to keep pace with growing demand according to the Canada Mortgage and Housing Corporations' 2024 rental market report. This report also found a novel 3.2% increase, or 33,249 people, in population in Halifax in 2023, with many newcomers being students and renters. 33,249 newcomers throughout the year (Canada Mortgage and Housing Corporation, 2024, 114). Housing availability was a key issue in the UPGO study on Halifax's short-term rental market. According to this report, converting commercial STRs to long-term housing could have the potential to triple vacancy rates throughout the municipality, particularly on the peninsula (Wachsmuth Et al., 2019, 21).

Halifax's crisis of affordability is often attributed to the proliferation of neoliberal ideology within government policy. Neoliberal ideology refers to a theoretical framework which gradually became dominant in the western political landscape from the mid-1980s and is often cited without definition. However, neoliberalism is a political ideology that treats individualism and entrepreneurship as paramount to success and well-being within a prosperous society, aims that necessitate minimal government intervention within otherwise free capitalist markets. Security, defense, currency, and law are seen as the primary responsibility of government institutions and the protection of property rights (Harvey, 2005, 2). As a result, government investment in social services such as subsidized housing has declined throughout much of Canada and other Western nations while housing has slowly transformed into a commodity (Harvey, 2005, 23). Only 12.3% of rental properties across the province of Nova Scotia are subsidized, with funding for affordable housing being slowly cut since the late 20th century (Canadian Centre for Policy Alternatives, 2021, 14). The emergence and rampant unregulated growth of the short-term rental market can be understood as an abstract impact of neoliberal ideology, giving property owners free reign over their assets to use as they see fit. Within Halifax and other western cities, the



regulation of increasingly commercialized STRs is a radical step to support housing security after affordability and availability crises in housing markets.

## **2.4: Housing and Sustainability**

Housing accessibility is an issue which is intrinsically linked to the concept of social sustainability. Social sustainability can be understood as development which is consistent with equitable evolution of society which is beneficial to the universal interests of diverse communities. This concept centers around the importance of equitable relationships between people and their communities or environments in terms of education, employment, and most important to this study, housing (Alaie Et al., 2022). Target 11.1 in the United Nations' sustainable development goals calls for the prioritization of adequate affordable housing for all by 2030, reflecting the importance of housing security in the field of sustainable development (United Nations, n.d.). The current state of the housing crisis in Halifax is not a model which is able to support a sustainable future for the city in terms of both availability and affordability. Meaningfully addressing this crisis is a wicked problem with a level of complexity which goes beyond the scope of this study, however, regulating short-term rentals to support housing security for residents can be an important step in ensuring adequate and accessible housing for the population of Halifax.

## **2.5: Tourism and Sustainability**

In analyzing the impact of short-term rental markets on housing within the context of social sustainability, it is also essential to assess the role of tourism. As outlined by Dubinsky, contemporary tourist industries mix commerce and sentiment, with the industry developing to market an “authentic” spatial identity to visitors (Dubinsky, 2004, 321) Short term rentals are uniquely suited to support this model, providing tourists with the opportunity to “live like a local” during their stay in a residential accommodation rather than utilizing the conventional hotel industry. Tourism is a vital sector within Halifax, and its significance to its economic prosperity cannot be understated (Discover Halifax, n.d.). Thus, finding a balance between supporting tourism while also securing housing access for long-term residents is a challenge in

regulating the short-term rental industry. In Barcelona, a similar challenge has been observed as outlined in a 2018 paper published by Asuncion Blanco-Romero and colleagues. They argued that the de-industrialization of central economies in the 20th century has allowed for the emergence of large-scale commercial tourist industries. While these industries have been incredibly lucrative, they have created problematic effects for residents of cities with large tourist industries. Online platforms like Airbnb have allowed many residents to participate in this profitable industry, using tourism to generate additional income to ease the burden of housing costs (Blanco-Romero et al., 2018). However, as discussed throughout this chapter, these platforms have become commercialized and contributed to an abundance of socioeconomic inequities.

With respect to tourism, a study in Lisbon reflects a similar economic landscape to Halifax. In response to the 2008 financial crisis, the city began marketing itself as a desirable tourist destination for international travelers, and students. This attracted significant volumes of foreign investment into the industry that the city is largely economically dependent on. As the STR market has developed, it has contributed to a significant crisis in housing availability and affordability for residents of Lisbon which has complex implications in the reproduction of socioeconomic inequity (Cocola-Grant, 2021, 1677,78).

A central argument of a recent study by Blanco-Romero and colleagues is that a key measure of sustainability in any city is adequate accommodation capacity for both tourists and residents. Ensuring a sustainable accommodation capacity in Halifax and elsewhere will allow for the growth of tourism without sacrificing the housing security of residents (Blanco-Romero Et al., 2018). Beyond the short-term rental market, hotels have long persisted as the dominant setting for tourist accommodation. In July of 2023, Tourism Nova Scotia published a brief report on the activity of tourist accommodations across Nova Scotia. This report states that “fixed roof accommodations” had an annual occupancy rate of 67%, with occupation highest in the spring and summer months (Tourism Nova Scotia, 2023). While it is unclear whether fixed roof accommodations explicitly include short-term rentals, this report suggests hotels are an underutilized avenue for tourist accommodations.

## 2.6: Comparative Literature on Short-term Rental Regulations

Many cities across the world have adopted similar regulations to short-term rentals as those in Halifax, of which analysis can address research objective D. One example is Los Angeles, where a report has been published by UPGO at McGill to assess the effect of regulations two years after they began. In 2019, Los Angeles adopted a similar regulatory framework or “home sharing ordinance” which restricts short-term rentals to a host’s primary residence throughout the city, not just in residential areas. Under these regulations, units can be rented out for no more than 120 days per year, with no short-term rentals permitted in rent stabilized residences. Overall, they found that active listings dropped from over 12,000 in 2019 to approximately 2,500 when their study was published in 2021. Furthermore, before restrictions were enacted STRs accounted for 6.1% of all residential units in West Hollywood, with a drop to 1.9% by the middle of 2021. These results are parallel to other peer cities such as New York where strong regulations have also been adopted. However, they note that the COVID-19 pandemic has been a driving factor in the rapid decline of STR listings in Los Angeles and elsewhere, which is an important consideration for the case of Halifax as well. Furthermore, it is noted that enforcement has been a challenge with many listings operating in conflict with existing regulations (Wachsmuth, 2021). In the case of Halifax, little information is provided on enforcement mechanisms which may prove a significant challenge to ensuring regulations yield the expected impact of increasing housing availability and affordability.

An additional comparative study published by Gianluca Bei and Filippo Celata in July 2023 examined short-term rental markets across cities in Europe with and without active regulations to assess their impact on housing markets. This study notes that affordability, displacement, and community alienation have been key concerns regarding short-term rental markets across Europe. One of the significant findings of this study is that cities who have adopted regulations on short-term rental markets such as Barcelona and Berlin have demonstrated a significant decline in entire home listings and commercial operations, though regulations seem to have limited effect on the spatial concentration of STR listings. This is true even for cities with

specific zonal restrictions which align with those recently adopted in Halifax (Bei & Celata, 2023). Despite primary residence restrictions being in place since 2014, Strüver and Bauriedl's research in Berlin reveals that short-term rental units increase rental costs in the surrounding areas by 13 cents per square meter of distance on average (Strüver & Bauriedl, 2022, 261).

## **2.7: Short-term Rental Markets, Financialization, and the Exacerbation of Socioeconomic Inequality**

The commercialization of the short-term rental market has been a potentially unintended consequence of the newly emerging platform economy. This term describes the peer-mediated exchange of goods or services through the use of online platforms such as Airbnb as defined in a 2022 study published by Yotala Oszkay. In its conception, this market allowed for individuals to generate income from their personal assets or skill sets beyond the confines of the traditional market, allowing for a more direct or informal exchange (Oszkay, 2022). However, this market has been infiltrated by larger commercial enterprises, creating the commercial multi-listings as described in the UPGO report on STRs in Halifax (Wachsmuth Et. al, 2019, 2).

Oszkay's 2019 study examined how the STR market has become dominated by professional actors who acquire property with the explicit purpose of generating profit within the STR market. Through binomial analysis of over 300,000 STR listings across the United States, this study concludes that both small and large scale STR operations maintain a significant presence in expensive housing markets such as Halifax (Oszkay, 2022). Cocola-Grant notes in a 2021 study based in Lisbon that commercial operations have entirely dominated the industry, negating any benefits of the ideal "sharing economy", with companies such as "Hostmaker" operating over 500 units in London alone (Cocola-Grant, 2021, 1673). In the case of recent regulations in Halifax, industry commercialization is important to consider as its impacts will likely not be distributed equitably between small and large scale STR operations. Because entire home listings can now operate only in commercial zones, this may leave small scale operations vulnerable and thus more likely to convert rental properties to long-term housing. However, the STR market is

primarily dominated by larger operations managing commercial multi-listings, being two or more separate properties (Wachsmuth Et al., 2019, 2). Under the existing primary residence regulation, commercial operations will likely be able to utilize surplus capital to relocate STR listings to commercial zones throughout the municipality. As previously mentioned, this was a key concern heard throughout the public hearing on STR regulations in Halifax, with many participants stating that the adverse impacts of STR markets may simply be shifted to other areas of the city (Halifax Regional Municipality, 2023).

In addition to the unequal distribution of profit amongst short-term rental hosts, the short-term rental market has been criticized as a mechanism for displacement which further perpetuates socioeconomic inequity. Alex Ramiller published a study on eviction in the context of Seattle in 2021, describing eviction as a significant factor in the exacerbation of socioeconomic and racial inequities among low-income communities. The phenomenon of “renoviction” has emerged as a driving factor in displacement, in which housing is repurposed to maximize profit in a changing housing market, experienced disproportionately in low income and racialized communities (Ramiller, 2021). In this instance, short-term rental markets which contribute to resident displacement act as a mechanism for gentrification, which was discussed at length in a 2022 case study on Dublin’s STR market conducted by Clancy.

The findings of Clancy’s case study in Dublin can be extrapolated to understand the effects of short-term rental markets in Halifax. Like Dublin, Halifax is a city with an extreme crisis in housing, as well as a large student population and an economic reliance on seasonal tourism (Clancy, 2022; Discover Halifax, n.d.). Clancy’s study maps the proliferation of short-term rental listings throughout Dublin neighborhoods using a data scraping software. They find that short-term rental listings have the highest concentration in the core of the city, driving up housing costs in an area where rental prices are at their most expensive and competitive, which they state is consistent with other studies as well. In Dublin, the urban core coincides in many instances with working class neighborhoods. However, short-term rentals have a significant presence throughout the city, suggesting that this market works to contribute to gentrification and displacement through the expansion of tourist districts at the expense of residents while concentrating the economic benefits into the hands of wealthy landowners (Clancy, 2022).

The role of short-term rental (STR) markets within the context of the Halifax housing crisis is a complex phenomenon that has developed from the historical economic environment from which it has emerged. Short-term rentals are the most recent manifestation of a long trend in the financialization of housing. Gregory Fuller defines financialization as “the increasing role of financial motives, financial markets, financial actors, and financial institutions in the operation of the domestic and international economies” (Fuller, 2021). With respect to housing, this concept broadly refers to the means by which shelter has become a commodity mediated through financial instruments for profit since the late 20th century (Fuller, 2021).

There have been several studies in recent years addressing the short-term rental market as an instrument of housing financialization. Cocola-Grant’s 2021 study based out of Lisbon found the market throughout the city to be utilized by “transient” investors who generate enormous profit from the city's tourism industry at the expense of working-class residents. Here, the commercially dominated platform economy maximizes efficiency for profit generation without many of the immediate responsibilities of property management associated with the provision of long-term housing, making residential units more attractive as financial assets (Cocola-Grant, 2021, 1672-1675).

Strüver and Bauriedl’s 2022 book expands on the social implications of housing financialization in the digital age. Their work describes the commercial short-term rental economy as a facet of “technocapitalism” which exists within a larger cultural landscape prioritizing competition, consumption, and capital accumulation increasingly through digital means. They describe this industry as “indispensable” to the tourism industry in Berlin, for which the same can be said for Halifax, Lisbon, Dublin, Los Angeles as demonstrated in previously examined literature. Their research emphasizes that short-term rental markets are merely a startling new iteration of exploitation within underregulated housing markets which allow for the commodification of shelter. (260-266).

## **2.8: Summary**

There is a variety of literature available on the localized impacts of short-term rental markets in cities across the world, offering many meaningful insights on where, how, and why these markets contribute to housing market pressures, community fractures, and socio-economic disparities. With respect to research objective D, section 2.8 demonstrates that the regulation of short term rental industries indeed facilitates a decline in the markets presence, the results on housing market pressures are minimal. To inform the primary research process, this literature review allows for the compilation of data on Halifax's housing market, economic landscape, and tourism industry. Primary research informed by critical literature outlined within this chapter will fill a significant knowledge gap that is specific to the context of Halifax, allowing for the development of a deeper understanding of how Halifax residents conceive of the role this market plays in creating and maintaining economically and socially sustainable communities.

## Chapter 3: Methods

### 3.1: Rationale

The primary research methods employed are largely qualitative in nature, though propped up by quantitative data collected through manual coding. Methods are rooted in a thematic textual analysis of archived footage of the HRM public hearing on case 22423 regarding the regulation of short-term rentals, which took place on 21 February 2024. The public hearing invited industry professionals and community stakeholders to describe their perspectives and experiences. The hearing was selected as it is an open data source with significant qualitative insights specific to the context of Halifax that will address research objectives A, B and C. Thematic analysis of this hearing provides in-depth personal testimonies to interpret core areas of concern in Halifax specifically related to the STR market. This was selected as a primary research method due to its interpretive flexibility and capacity to compare and thoroughly engage with diverse perspectives and insights to best interpret core areas of consideration with respect to each research objective. Little has been written about analyzing public hearings. However, general principles of textual analysis were extrapolated and applied. While there are limitations in addressing exactly how Halifax's economy is shaped by this market in thematic analysis alone, or the possible outcomes of Halifax's regulatory framework for STRs, this approach cultivates a richer understanding of how the public has responded to the growth of this market within Halifax.

The research approach is underpinned by a post-positivist position, which acknowledges the subjective nature of thematic analysis. Work within the post-positivist framework emphasizes that the results and interpretation of thematic analysis, as well as the links drawn to existing literature, are based on the researchers' socially informed understanding of reality. In a 2005 guide to post-positivist research, Krauss emphasizes the characteristics by which empirical



observation shapes knowledge through the description and interpretation of the “generative mechanisms that operate in the world and result in the events that may be observed” (Krauss, 2005, 762). Thus, meaning, and social reality, is created within the social setting, which is made up of a researcher's social realities, understandings, and worldviews. Informed by this perspective, the themes identified in primary research are most implicitly informed by both a literature review and research objectives conducted by the researcher. Krauss describes qualitative data analysis under this framework as “A highly intuitive activity. As such, it is its epistemological nature and assumptions that make qualitative data analysis a rich and often intricate exercise” through the generation of new knowledge (Krauss, 2005, 763).

## **3.2: Methodologies**

### **Thematic Textual Analysis**

Textual analysis is a qualitative research methodology which aims to interpret visual, audio, and written sources (McKee, 2001, 3). Typically, this method uses sources such as news articles and films, but can be easily transferred to other mediums such as archived footage (McKee, 2001, 3). The parts of the thesis that apply textual analysis will draw on elements of phenomenology, which is a discipline which seeks to understand a phenomenon through analyzing experiences and perceptions of those who have experienced said phenomena (Neubauer et al., 2019). Specifically, interpretive or hermeneutic phenomenology will be employed to interpret central themes (Neubauer et al., 2019). The perspectives heard in the public hearing provide a wide range of accounts from a variety of stakeholders and residents on their lived experiences and perceptions of the short-term rental market in Halifax and their newly imposed regulations.

The core text analyzed are the opinions expressed orally during the public hearing by participants. The ideas and arguments of participants have been subjected to a thematic analysis. Nowell and colleagues emphasize that thematic analysis must be conducted in a thorough and consistent manner. In this thesis, a coding system was applied to distill stakeholder perspectives to a set of key “themes” regarding their attitudes toward the short-term rental industry. In doing so, thematic analysis became a method for identifying, analyzing, organizing, describing, and reporting themes found within a data set” (Nowell et al., 2017). Thematic analysis allowed for

core discussion points to be condensed, and for key characteristics relevant to the research objectives of this study to be identified.

Nowell and colleagues outline key principles for developing a strong research methodology for textual analysis including credibility, transferability, dependability, and confirmability (Nowell et al., 2017). Credibility addresses the degree to which the researcher accurately reflects their data set. This is strengthened through persistent observation of the data set and familiarity with literature within the research subject. An extensive review of existing literature and policy documentation was conducted prior to any primary data collection for this project. Additionally, preliminary engagement with the recording was conducted prior to the coding stages in order to establish familiarity with the public hearing process and to develop an *a posteriori* codebook. The initial coding was conducted during the second full survey of the data set, and additional reviews were conducted throughout the analysis process to ensure accuracy. Transferability speaks to the ways in which the findings of thematic analysis can be generalized outside of the particular study (Nowell et al., 2017). While codes are largely intuitive and self-explanatory, they are not specific to the area of study and can be transferred to other methods of analysis within this subject. A “good code” can be understood as accurately capturing the complexity of the data set (Nowell et al., 2017). Dependability and confirmability are both evident in the note taking processes of the raw data set conducted in a Microsoft Excel workbook. This further strengthens the rationale for this research approach by providing an evidence-based dataset from the coding process.

### **Coding and Theme Identification**

The *A posteriori* (deductive) codebook, as detailed in Table 1 below, was developed after an initial observation of the public hearing. Once familiarity with the dataset was established, key themes informed by the literature review emerged and were categorized into three umbrella codes, being favourable, unfavourable, and neutral perceptions of the short-term rental industry in Halifax. Coding was conducted manually in a Microsoft Excel workbook. In the second round of observation, each designated speaker's discussion was recorded in the notes section of the codebook. When their speeches were completed, each of their relevant discussion points were transferred into the codebook in a reflective process. Not all discussion points required a specific

code as they were context dependent for the individual speaker who presented them. Each relevant discussion point was coded once per speaker, meaning if they discussed the same subject more than once in their five-minute time slot it would only be considered as one mention. This allows for a more well-rounded interpretation of public perceptions of the issue rather than qualitatively assessing how many times the same subject was mentioned by the same speaker.

To begin the coding process, each speaker was assigned a number, with a timestamp of their participation, and their self-identified role recorded where applicable. This identification information is presented in Table 2 in Chapter 4. Important quotations were transcribed in the notes section to add depth to the analysis portion of the research process. In the analysis process, all speaker quotes were reviewed to assure accuracy and situate them within their unique context relative to the themes of analysis.

In analyzing speakers' perspectives throughout the hearing, general ideas surrounding the short-term rental industry were categorized into three codes, being unfavourable to STRs, favourable to STRs, and neutral. Under these umbrella categories, 24 distinct subcodes were devised to capture the range of arguments and themes of discussion regarding the role and impact of STRs on individuals and communities. The subcodes are presented in Table 1. While the public hearing was explicitly focused on the regulation of short-term rentals, speakers tended to offer broader commentary on the industry. The subcodes aim to capture the breadth of the issues raised. Comparison of varied perspectives is essential in interpreting the themes from the HRM public hearing on the regulation of short-term rentals. As described by Nowell and colleagues, perspectives which counter key research objectives should not be dismissed (Nowell et al., 2017). As such, favourable perspectives of the short-term rental industry accounted for a significant portion of the coding and analysis process. "Unfavourable perceptions" refer to any comments which were explicitly unfavourable towards the short-term rental industry in a general sense based on personal, social, or economic concerns. For example, subcode I refers to expressed support for the proposed regulations, while subcode II relates to concern regarding the efficacy of the proposed regulations. Inversely, "favourable perceptions" refer to any discussion which was favourable towards any individual, social, or economic benefits associated with the short-term rental industry in Halifax, regardless of whether individuals supported the proposed

regulatory approach. Yet, for example, subcode XVII refers to expressed opposition to the proposed regulations. “Neutral perceptions” account for general comments and discussion topics that were neither expressly favourable nor unfavourable to the short-term rental industry. Examples included requests for clarification, an expression of finding a balanced approach, a concern for how regulations will target small scale operators, and any acknowledgement of the crisis of affordability and availability for housing in Halifax.

Sub-code VII, concerning community well-being, is a significant area of focus in existing literature assessing the short term rental industry. The idea of community well-being is a new topic of interest in academia, and it can be difficult to define. However, it can be broadly understood as a shared sense of belonging, connection, inclusion, justice, solidarity, and political participation (Atkinson et al., 2020, 1907). According to Alaie and colleagues, wellbeing is an important measure of social sustainability, a discipline rooted in the connection between individuals and their environment (Alaie Et al., 2022).

Table 1: *A Posteriori* Codebook of Speaker Perceptions on the Short-term Rental Industry at the HRM public hearing on February 21, 2023

Unfavourable	Favourable	Neutral
Subcodes	Subcodes	Subcodes
I: Support for Regulations	XI: Support Development in Tourism	XXI: Request for Clarity
II: Concern for Efficacy of Regulations	XII: Rewarding for Hosts	XXII: Regulations Unfair to Small Operators
III: Concern for Rising Housing Costs	XIII: Support Economic Growth for Halifax	XXIII: Need for Balance
V: Concern for Threats to Housing Security	XIV: Positive Experience for Visitors	XXIV: Recognition of Housing Crisis
V: Concern for Contribution to Decreased Housing Availability	XV: More Affordable for Visitors	
VI: Threat to Health and Safety	XVI: Employment and Entrepreneurship Opportunities	

VII: Threat to Community Well Being	XVII: Opposition to Regulations
VIII: Concern for Risk of Displacement	XVIII: Positive Community Impacts
IX: Concern for Diminished Quality of Life	XIX: Fill Accommodation Gaps
X: Moral Opposition	XX: Provide Supplemental Income

### **Thematic Analysis**

The process of coding and speaker identification allowed for the differentiation and quantification of the perspectives expressed throughout the hearing. Additionally, quantifying this data made it possible for codes and their frequencies to be categorized by speakers' self-identified role. However, thematic analysis added depth to interpretation, providing an avenue for these perspectives to be engaged with more thoroughly in a more flexible manner. DeSantis and Ugarriza define a theme in qualitative research as “an abstract entity that brings meaning and identity to a recurrent experience and its variant manifestations. As such, a theme captures and unifies the nature or basis of the experience into a meaningful whole” (Nowell et al., 2017). This definition underpinned the development of a number of analytical subthemes in order to address the research objectives of this project. These themes bring together singular or multiple codes, quotations, or discussion points to summarize relevant data for the analysis of each research objective. Interpreting the results of thematic analysis will be strongly informed by the literature review, comparative analysis, and document analysis detailed in chapter II.

### **3.3: Limitations**

The purpose of thematic analysis is to better understand how residents, communities, and industry professionals have been impacted by this market and how they are interpreting the

regulatory framework that is now in place in Halifax. Public hearing participants' phenomenological insights should not to be misinterpreted as grounds for definite characterization of social or economic phenomena. Further research in the future will be instrumental in both quantitatively and qualitatively addressing how regulations have influenced Halifax's housing market and communities over time. Finally, available data is limited, with the public hearing providing insights from 32 speakers with a vested interest in this subject. However, their perspectives may not be representative of the municipality as a whole.

## Chapter 4: Results and Analysis

### 4.1: Overview

Without a significant volume of research into the proliferation of short-term rentals on Halifax's housing market and community, the public hearing for Case 22423 on 21 February 2023, offers insights of lived experiences of those inside of and outside of the industry. The hearing began with a brief presentation from members of the municipal planning and development department about the short-term rental industry in Halifax, detailing the proposed regulations on short-term rentals at the time of the hearing. Citizens were then invited to share their views within five-minute time slots. A Thematic textual analysis was conducted to interpret the HRM public hearing on the regulation of short-term rentals. The core principles of this regulatory approach, enacted on 1 September 2023, permitted the operation of short-term rentals either when located in a commercial or mixed-use zone, or when located in a host's primary residence within residential zones. Common subjects addressed throughout the hearing were divided into 24 distinct thematic subcodes, incorporated along with participant quotations to address this project's research objectives. Thematic analysis offers unique considerations on the role of STR markets within the crisis of housing availability and affordability, aiding in assessment of the potential for Halifax's new regulatory approach on the industry in developing a sustainable future for housing and tourism within the rapidly changing city. The importance of personal testimony in examining this topic is best described by the first speaker of the hearing, who states that "while we and other advocates rely on general data it has been the input and the stories from residents that have brought the real impact from short-term rentals into the light."

While short term rental hosts and landlords made up the majority of participants, a diverse set of perspectives were still able to be heard throughout the public hearing process, demonstrating

unsurprising results. Favourable perceptions of the STR industry stemmed primarily from property owners who use their spaces for both short and long-term rentals. Conversely, community members, including renters and homeowners, as well as individuals representing government organizations or the community organization “Neighbours Speak Up” express primarily unfavourable views of the industry.

In examining the data from the public hearing more thoroughly, several core themes were identified throughout the qualitative thematic analysis process. This includes concerns for housing market impacts and community well-being. Other topics of discussion, such as property owners preference for short term rental operations and contrasting responses to Halifax’s regulatory approach, leave opportunities for the consideration for the future of sustainable development within the city, and contrasting responses to proposed regulations. Each of the discussions under these themes target the first three key research objectives of this thesis, which are as follows:

- a. Assess the means by which the proliferation of short-term rentals has impacted the housing market in Halifax.
- b. Assess the means by which the short-term rental market has impacted community wellbeing in Halifax.
- c. Determine to what extent the regulation of short-term rentals can support sustainable development within Halifax.

Generally, the findings of this thematic analysis reflect similar trends found in existing literature with respect to objective A. Participants, largely community advocates and representatives of public and non-profit organizations, describe the proliferation of the STR market as contributing to the exacerbation of housing market pressures and socio-economic inequities such as displacement within the housing sphere. These phenomenological findings closely align with existing literature by Clancy, Wachsmuth Et. al, Cocola-Grant and others critically examining the role of STR markets as outlined in chapter 2. However, the results of thematic analysis are more complex in addressing the role of STR markets on community well-being and sustainable



development as detailed in objectives B and C. The widely conflicting perspectives heard by speakers with either favourable or unfavourable perceptions of the industry share two common concerns. The first being an acknowledgement of Halifax's housing crisis, where property owners largely dismiss any personal sense of responsibility, emphasizing the importance of upholding their rights within a free-market real estate landscape. Within this perspective, the characteristics of Halifax's housing crisis are positioned as a larger governance failure to invest in affordable housing and keep pace with the city's population growth. In contrast, participants with unfavourable perceptions of the industry view a strong regulatory approach as a means to control the STR market and protect housing security that has been threatened by the commodification of residencies. The most significant shared characteristic across perspectives is a commitment to upholding community well-being. What differs between those with favourable and unfavourable perceptions of the industry is how community well-being is conceived of. For hosts and long-term landlords, community engagement and overall-well-being by extension is understood as a primarily financial endeavor where small businesses can share the financial benefits of tourism and visitors can enjoy a more "authentic" local experience. Community advocates counter this point, arguing that the proliferation of the industry within local communities is fracturing the shared sense of belonging, responsibility, and connectivity as outlined in Atkinson and colleagues' conception of community wellbeing defined in section 3.2. Parallel to Blanco-Romero and colleagues' study in Barcelona, with Halifax being a city dependent on a productive tourism industry, this tension has implications for creating a balanced accommodation capacity in creating a sustainable economic model for the city that supports tourism without sacrificing residents' housing security in the wake of a housing crisis.

## **4.2: Participants**

34 members of the public were scheduled to speak at the HRM public hearing in February 2023, but two were not present. Each speaker was prompted to introduce themselves by name, with the majority self-identifying their personal or professional role with respect to the short-term rental industry in Halifax. Participants' self-identified roles were sorted into four broad categories, being community members, industry professionals, representatives of government or community organizations, or unidentified. Figure 1 found below represents participant roles as a percentage

of total speakers. As detailed in table 2, 7 of 32 speakers were community members, 19 worked in the short-term rental industry and/or as landlords for long-term housing, 4 represented government or community organizations, and two gave no indication of any connection to the topic under discussion. There were two outliers, one being both an employee for a commercial short-term rental company and a renter speaking on behalf of their community, and the other being a former MLA in the Halifax area also representing their community.

### Self Identified Speaker Roles as Percentage

In Halifax Regional Municipality Public Hearing on the Regulation of Short Term Rentals on February 21, 2023

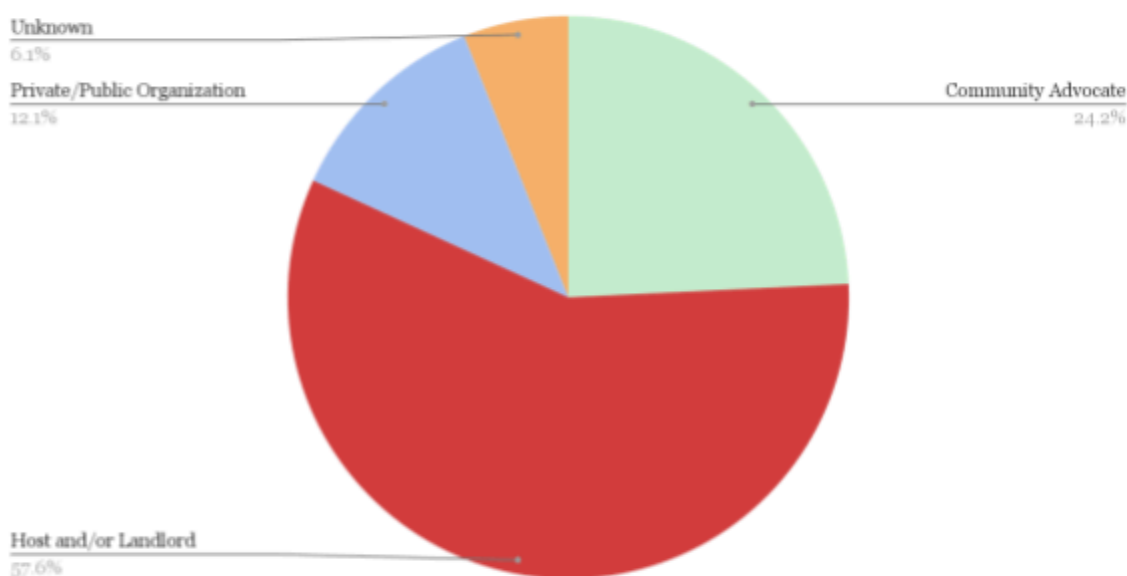


Figure 1: Self-Identified Participant Roles as Percentage in HRM Public Hearing on the Regulation of Short Term Rentals on 21 February 2023.

Of the 19 participants working within the short-term rental industry or as a landlord stated they operated only one short-term rental listing. There were 10 individuals who explicitly identified themselves as currently or previously owning or working for a commercial operation with two or more active short-term rental listings while the remaining two neglected to specify details regarding the scale of their operations. Thus, over 31% of the total perspectives shared throughout this hearing were those of commercial short-term rental operators largely speaking in support of the industry.

The disproportionate representation of host perspectives is a crucial factor of consideration in interpreting the themes present in this public hearing. An explanation for their disproportionate representation is that STR operators and employees may have more of an active interest in the outcome of the proposed regulations at the time and thus are more inclined towards civil engagement with this issue. While providing valuable professional insights, the interests of community members are lacking.

As seen in Figure 1 above, community advocates accounted for only 24.2% of speakers, making them an underrepresented voice for the general population in Halifax. Community advocates include both renters and homeowners who are largely critical of the state of the short-term rental industry at the time of the hearing. The first community advocate to speak, a renter located in Dartmouth, draws from personal experience to call attention to the perceived risk for renters who may be threatening their housing security by discussing their experiences. Thus, it may be that community members are fearful of retaliation from their housing provider if they choose to engage with this public hearing.

An additional 12.1% of participants in the public hearing spoke on behalf of the municipal government or the community organization “Neighbours Speak Up.”: Members of Neighbours Speak Up have been categorically differentiated from community members because they represent organized participation in the public consultation process representing a community-based organization, rather than individual participation. Neighbours Speak Up is an organization based in the Hydrostone Neighborhood of Halifax. Founded in 2019, they advocate for regulation of the short-term rental industry on a provincial and municipal level to preserve long-term housing stocks and promote community wellbeing and connectivity.

While their representatives did not identify themselves as homeowners, the Hydrostone neighborhood is made up of a population with above average income levels according to a 2006 study (Soward et al., n.d.). On their website, Neighbours Speak Up describe their community as being made up of homeowners and long-term renters, thus housing security is likely not a primary concern for individuals within this organization. The group itself began because of community level disturbances caused by short-term rentals in the area, with a concern for

affordable housing being a secondary, though significant, issue for the group (Neighbours Speak Up, n.d.).

The two speakers from Neighbours Speak Up spoke consecutively at the beginning of the hearing, and accounted for approximately 6% of all speakers. This group is a key stakeholder in the local debate surrounding the regulation of short-term rentals. In their opening statements, the first speaker expresses gratitude to municipal counselor Lindell Smith for his continued efforts to advocate for the regulation of short-term rentals on a municipal level. In speaking, representatives use phrasing such as “we support the HRM regulation approach” to present a united front with a shared set of values and goals. This group's organized presence in the hearing likely stems from their collaboration with municipal counselors and their continued presence in the public consultation processes leading up to regulation.

Table 2: Participant Numbers by Speaking Time and Self-Identified Role at the HRM public hearing on February 21, 2023, on the Regulation of Short-term Rentals

<b>Participant Number</b>	<b>Speaking Time</b>	<b>Self-Identified Role</b>
1	5:31:02	Member of Neighbours Speak Up
2	5:36:10	Member of Neighbours Speak Up
3	5:41:01	Long-term Tenant in Dartmouth
4	5:45:40	Resident in South End Halifax
5	5:50:17	STR Host
6	5:56:17	Community Advocate
7	6:01:35	Spokesperson for Discover Halifax
8	6:08:20	Commercial STR Host
9	6:13:24	STR Host
10	6:18:47	Resident in HRM
11	6:22:47	STR Host
12	6:28:05	Prospective STR Host

13	6:31:48	STR Host
14	6:38:02	Resident in North End Halifax
15	6:43:02	STR Host and Former Landlord
16	6:47:04	Commercial STR Host
17	6:53:37	Landlord and Former STR Host
18	7:00:04	Employee for Commercial STR Company
19	7:05:40	Halifax Resident
20	7:07:20	STR Host
21	7:12:23	Renter and Employee of Commercial STR Company
22	7:17:38	Unknown
23	7:22:55	Employee of Commercial STR Company
24	7:48:05	Commercial STR Host
25	7:54:50	Landlord
26	7:59:57	Unknown
27	8:04:40	Community Member
28	8:09:16	Commercial STR Host and Landlord
29	8:11:48	STR Host
30	8:15:20	Commercial STR Host and Landlord
31	8:22:10	Commercial STR Host
32	8:28:51	Community Advocate

### 4.3: Perceptions

Regardless of the source of representational disparities of participants, the implications are evident in Figure 2 and Figure 3, which detail the nature of perspectives heard from various interest groups present at the hearing. As seen in Figure 3, the prevalence of perspectives favourable to STRs (56.9%) and unfavourable to STRs (22.7%) were closely aligned with the

breakdown of participant roles in Figure 1, where community advocates account for 24.2% of participants and short-term rental hosts and landlords account for 57.6% of total speakers.

### General Perceptions Of Short Term Rental Industry in Halifax as Percentage

In Halifax Regional Municipality Public Hearing on the Regulation of Short Term Rentals on February 21, 2023



Figure 2: General Perceptions of Short Term Rental Industry in Halifax from Participants as Percentage in HRM Public Hearing on 21 February 2023.

### Participant Perceptions of the Short Term Rental Industry in Halifax by Role

From the Halifax Regional Municipality Public Hearing on the Regulation of Short Term Rentals on February 21,

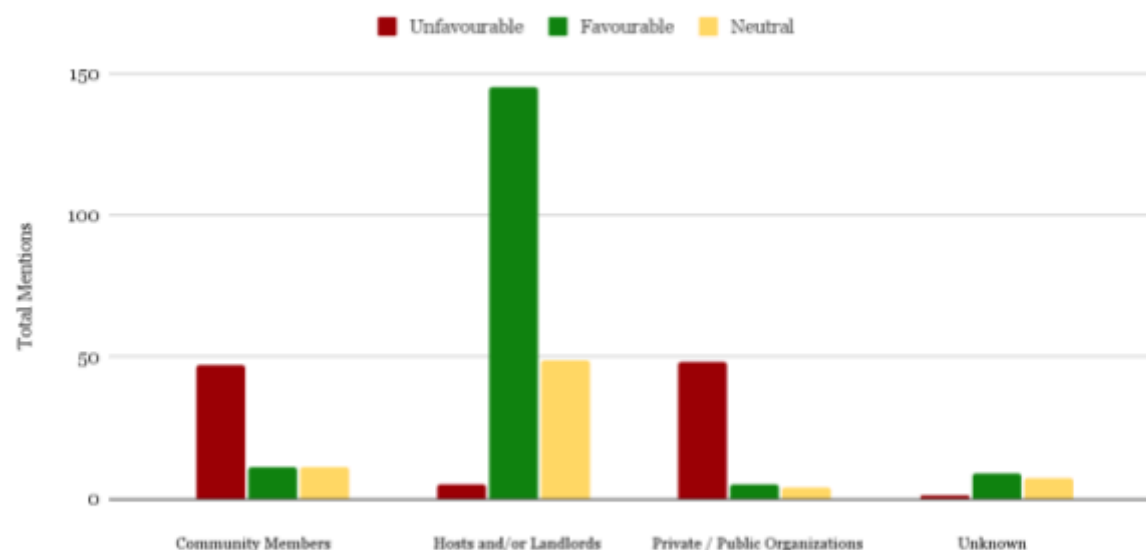


Figure 3: General Perceptions of the Short Term Rental Industry in Halifax as Total Mentions by Participant Role in the HRM Public Hearing on the Regulation of Short Term Rentals on 21 February 2023.

### I. Unfavourable Perceptions of Short-Term Rental Industry

Perceptions unfavourable to the short-term rental industry fell within the 10 subcodes described in Table 3. Speakers critical of STRs expressed views or themes focused on the detrimental impacts of the short-term rental industry on Halifax residents. They tended to support municipal regulation of the industry. The critics of STRs focused on two overarching concerns: those related to the housing crisis and those related to community well-being. Subcodes III, IV, V, VIII account for concerns regarding housing affordability, availability, and security. Taken together, 30.5% of all unfavourable perceptions pertained to housing issues. Subcodes VI, VII and IX relate to personal and community wellbeing, and made up 28.8% of negative perceptions. Subcode X pertained to 6 speakers who made note of their moral concerns over the unregulated industry at the time of the hearing, with their comments alluding to suspicion over the anonymity of hosts, the possibility of tax evasion, or the growing epidemic of homelessness in Halifax which contrasts the underutilization of dwelling spaces in the city.

While participants voicing concern about the industry were in the minority, their experiences and concerns echoed many of the issues that scholars have noted with regards to the short-term rental industry, as outlined in Chapters 1 and 2. Namely, they associated STRs with a pattern of displacement, renoviction, pressures on housing availability and affordability, and disruptions to community wellbeing. Most comments coded as unfavourable came from community members, government officials, or representatives of the community organization, “Neighbours Speak Up.”

Table 3: Codebook of Unfavourable Perceptions of Short-term Rental Industry in Halifax as Quantity of Total Mentions in HRM Public Hearing on 21 February 2023.

<b>Unfavourable Perceptions</b>	
Subcode	Quantity
I: Support for Regulations	11
II: Concern for Efficacy of Regulations	7
III: Concern for Rising Housing Costs	7

IV: Concern for Threats to Housing Security	3
V: Concern for Contribution to Decreased Housing Availability	6
VI: Threat to Health and Safety	5
VII: Threat to Community Well Being	6
VIII: Concern for Risk of Displacement	2
IX: Concern for Diminished Quality of Life	6
X: Moral Opposition	6
Total	<b>59</b>

## II. Favourable Perceptions of Short-Term Rental Industry

Perceptions favourable to SRTs were organized into another 10 subcodes. The categories covered any expressed opposition to proposed regulations and opinions highlighting the beneficial economic and social impacts of the short-term rental industry for hosts, guests, and community members. Subcodes XI, XII, XV, XVI, and XX detailed in Table 4 encompass a range of economic benefits both for hosts and guests which are unique to the short-term rental industry. Praise for the economic benefits of short-term rentals accounts for over 50% of all favourable discussion points. Notably, a wide variety of speakers discussed the presumed or experienced employment and entrepreneurship opportunities associated with short-term rentals. Another repeated point of emphasis is how short-term rentals offered a unique opportunity to supplement income as living costs continue to rise. The belief that STRs yielded social, and community related benefits were encompassed within subcodes XII, XIV, XVIII and XIV. They accounted for 37.8% of all favourable mentions of the industry. Many commentaries focused on guest experiences, with hosts describing their accommodations as a more affordable and pleasurable experience as visitors. Unlike the hotel industry, hosts described the enjoyment that comes from recommending local businesses to their guests, creating an element of circularity in creating a community centered experience in their rental spaces. As depicted in Figure 2, more than half of all discussion points (56.9%) from the public hearing fell under the general code of favourable perceptions. Of approximately 150 favourable mentions of the short-term rental industry, 145 came from industry professionals including a representative from Discover Halifax.



Table 4: Codebook of Favourable Perceptions of Short-term Rental Industry in Halifax as Quantity of Total Mentions in HRM Public Hearing on 21 February 2023.

<b>Favourable Perceptions</b>	
Subcode	Quantity
XI: Support Development in Tourism	14
XII: Rewarding for Hosts	7
XIII: Support Economic Growth for Halifax	16
XIV: Positive Experience for Visitors	20
XV: More Affordable for Visitors	19
XVI: Employment and Entrepreneurship Opportunities	16
XVII: Opposition to Regulations	14
XVIII: Positive Community Impacts	16
XIX: Fill Accommodation Gaps	13
XX: Provide Supplemental Income	13
Total	<b>148</b>

### III. Neutral perceptions

Beyond unfavourable and favourable perceptions, several subcodes were developed during the analysis to capture neutral perceptions which are outlined in Table 5. Those making neutral points did not take a “side” in the debate over regulating STRs and instead offered general commentary on the subject. The statements included individual requests for clarity regarding the state of participants' rental units, such as a business owner in Musquodoboit with a series of yurts under construction. Under the neutral category was subcode XXII, which includes any criticisms against proposed regulations due to the potential for small operators to face the most negative impacts in losing their rental units. While some speakers describe support of regulating the industry, any discussion within this code refers to a concern that the primary residence principle

will harm small operators while having minimal impact on commercial operations. Of 53 neutral comments, 13 reflect speakers' opinions that Halifax should strive for a more balanced approach in accommodating the need for affordable housing while also protecting small business owners and the highly profitable tourist industry in the city. Additionally, any acknowledgement of the housing crisis in Halifax, noted by 72% of all participants across roles and perspectives, was coded under the category of neutral. Regardless of their other points, speakers broadly agreed on the context in which regulation was being discussed. They suggested that significant problems facing the housing market in Halifax must be addressed in some manner.

Table 5: Codebook of Neutral Perceptions of Short-term Rental Industry in Halifax as Quantity of Total Mentions in HRM Public Hearing on 21 February 2023.

<b>Neutral Perceptions</b>	
Subcode	Quantity
XXI: Request for Clarity	9
XXII: Regulations Unfair to Small Operators	8
XXIII: Need for Balance	13
XXIV: Recognition of Housing Crisis	23
Total	<b>53</b>

## **Chapter 5: Discussion and Conclusion**

### **5.1: Overview**

The foregoing thematic analysis, in dialogue with relevant scholarship, provides insights corresponding to the four objectives of this research project. Indeed, further discussion of the themes prevalent at the public hearing can yield a better understanding of how Halifax residents and business owners have been impacted by the short-term rental industry. Regarding objective A, discussion themes surrounding displacement and pressures on housing costs and availability can be interpreted together with existing literature from the Urban Politics and Governance Research group at McGill University as well as comparative studies looking at housing market impacts in other cities. Objective B, using the wellbeing framework outlined in Atkinson and colleagues' work, can be addressed through speakers' concerns regarding community disruptions and fractures. Addressing objective C relies heavily on Alaie and colleagues' 2022 study on sustainability in housing, and Blanco-Romero and colleagues' study which examines the tension between tourist and resident accommodation in sustainable development. Their work can act as a guiding framework for interpreting discussion points surrounding tourism, accommodation gaps, and housing market pressures throughout the public hearing. The results of this analysis demonstrate that while the STR industry in Halifax has exacerbated an already pressurized and precarious rental market as seen in comparative studies, there is conflict in how the STR market relates to contrasting conceptions of community well-being by different speakers. These contrasting perspectives create tension in moving forward in coping with the housing crisis and supporting the growth of tourism in a sustainable manner in accordance with SDG 11 and Atkinson and colleagues' conceptions of community well-being.

## 5.2: Thematic Analysis

### A: Short-term Rentals and The Halifax Housing Market

The impact of entire dwelling short-term rental listings on Halifax’s housing market was a key topic of discussion throughout the public hearing, both among those with favourable and unfavourable perceptions of the industry. To different degrees, commentaries touched on the processes of displacement, gentrification, rising costs, and diminished vacancies for long term rental units.

#### I: Displacement

Displacement of residents, the focus of subcode VIII, was a theme emphasized by speakers with unfavourable perceptions of the short-term rental industry. It was simultaneously a theme overlooked by those with favourable perceptions of the industry. Speaker 3, a community member who rents a home in Dartmouth, spoke at length about their, and their communities, experience of displacement and housing insecurity as renters. The speaker explained that after living in their unit for three years, they are the last long-term residents in their building. They describe the experiences of their neighbours who were evicted, and their unit converted to a short-term rental by saying:

“the new landlord evicted them on the basis that he would be moving into their unit, supposedly a valid reason under the tenancy act. A few months after that couple was forced to leave, it became apparent that the landlord, who lived in Toronto, had never actually intended to move in and instead he turned their apartment into an airbnb, too”.

The speaker suggested that their experience was common in the HRM and argued that tenants, broadly, would support the proposed regulations as well, yet might be fearful that they might face reprisal and endanger their housing security for speaking out at the hearing.

Speaker 14, a community advocate, and former MLA for the Needham zone in the North End of Halifax, also described instances of displacement spurred by the short-term rental industry. The speaker added that they had conducted considerable research into the impacts of STRs across Nova Scotia. In their testimony, they wanted to speak on behalf of residents in Lunenburg, including “families who are forced to live in campgrounds for three months of the year, and then find fixed term leases from October to May” to accommodate the tourist season in their community. While Lunenburg is outside of the bounds of the HRM, it is another Nova Scotian community in Nova Scotia with a lucrative tourist industry.

Though both Speakers 3 and 14 offered anecdotal testimonies, they alluded to a broader pattern echoed in existing research by Clancy, Cocola-Grant, and others. The short-term rental industry in Halifax was associated, at least to some degree, with displacement and renoviction for long-term residential tenants.

## **II: Rising Costs**

A number of speakers holding unfavourable perceptions of the short-term rental industry voiced general concern over the impact of short-term rental proliferation on housing costs throughout the Halifax area. Speakers 1, 2, and 3 and 27 insisted that rising rental costs and real estate prices were well-documented consequences of STRs in other cities around the world. Furthermore, they claimed to have observed the same relationship in their communities in recent years. The argument made by these speakers aligns with academic studies by Strüver and Bauriedl, Clancy, and McGill University’s Urban Politics and Research Governance Group. However, in the hearing, participants favourable to STRs sought to refute a causal relationship between STRs and local housing costs. Despite acceptance by over 70% of speakers that the HRM faced a housing crisis, a large volume of hosts and long-term landlords denied that the STR industry bore responsibility for contributing to rising housing costs. For example, Speaker 16, a commercial STR host who owned and operated 17 different units in Halifax, likened the association of STRs and mounting rental costs to “the red scare.” They instead cited a lack of government investment in affordable housing as the source of the issue. Speaker 5, a short-term rental host, echoed fellow property owners by insisting that developing affordable housing was “not their responsibility.” This line of argumentation misrepresented the core purpose of the HRM’s

proposed regulation of STRs. The policy goal was to restore rental housing to long-term use, indirectly reducing the market pressures that contribute to rising costs without inducing property owners to bear direct responsibility for the provision of affordable housing.

## **B: Short-term Rentals and Community Well-being**

The relationship between community well-being and short-term rentals was widely discussed by all participants, regardless of their perceptions of the short-term rental industry. As noted, community well-being – the degree of felt collective belonging, connection, inclusion, justice, solidarity, and political participation – is a useful framework for conceptualizing social sustainability (Atkinson et al., 2020, 1907). For participants who voiced unfavourable perceptions of the STR industry, they felt a deep concern about fractures in community well-being. Speakers 1, 2 and 3 said that they had firsthand experiences with STRs leading to disturbances in their communities by way of litter, noise, and property damage. In many cases discussed throughout the hearing, speakers stressed a lack of open communication between hosts/guests and the surrounding community. Speaker 10 was a homeowner in Dartmouth who moved to their neighborhood because of the powerful sense of community there. However, they felt that the proliferation of short-term rentals had disrupted community cohesion. The speaker noted, for example, that there was little means of communication between an owner of a STR and their guests and a long-term resident who shared a laneway, leading to disturbances and even safety concerns during emergency situations such as hurricanes. Tourists temporarily used the space without a sense of neighbourly cooperation or understanding. Speaker 6, a Schmidville resident, shared a similar sentiment, noting their close community provided them with “a knitted sense of warmth.”, that felt threatened as short-term rentals proliferated at the expense of long-term residents.

Community well-being was a key concern for Speaker 14, a North end resident and former MLA. They described the North End as vibrant, close-knit, and walkable, therefore “the kind of community we say our planning committee is trying to support.” The speaker felt that an increase in STRs negatively impacted the “community fabric” and a sense of mutually sharing

space. Certainly, the North End of Halifax is one of the areas facing exacerbated vulnerability to gentrification and record high rental increases (Canada Mortgage and Housing Corporation, 2024; Ramos & MacNabb, 2018).

Conversely, speakers generally favourable to STRs also affirmed their understanding of community. For example, Speaker 29, who owned one unit used for short-term rentals, described their desire to share their love for their community. They explained that they curated their rental property with the hope of welcoming guests to the area. The speaker indicated that they frequently hosted friends and family. And by interacting with their paying guests, the host noted that they were also able to promote small businesses in the community and create a more enjoyable experience for visitors. Speaker 9, another short-term rental host, shared similar experiences. They argued that by recommending local businesses to tourists, they created a more community-centered model for spreading the economic and social benefits of Halifax's tourism industry. While positive testimonies did not address criticisms centered on community erosion, they demonstrated that STRs might facilitate meaningful community engagement, particularly by linking the owners of small-scale operations to other kinds of small business concerns. As Oszkay (2022) suggests, there might be distinction to draw between small-scale and commercial STR operations, with small-scale hosts with fewer units engaging more consistently with their guests and sharing information about tourist experiences within the local area (Oszkay, 2022).

The contrasting prioritization of community well-being across speaker perspectives is a key point of contention present within this hearing. While speakers with both favourable and unfavourable perceptions of the industry share a concern for community both in a relational (*gemeinschaft*) and spatial sense (*gesellschaft*), their understanding of what ought to be prioritized within the concept of community well-being differs greatly. As outlined in sociologist Raymond Williams' *Keywords*, community is a flexible and highly contested concept. While Atkinson and colleagues' work demonstrates the fluidity between *gesellschaft* and *gemeinschaft*, Williams ultimately describes the idea of "community" as "warmly persuasive" in defining relationality as it is or should be with respect to a shared space or goal (Williams, 1985, 76). Thus, tensions arise in how participants in the public hearing might conceive of community given that the term can be molded to suit their particular perspectives, goals, or experiences.

STR hosts and landlords prioritize economic exchange within the community, where the closeness in community that they describe as one of Halifax's great strengths is something they wish to share with visitors. Community, in this understanding, is commodified for capital gain that can be circulated on a localized scale. While the ability for the STR market to promote localized economic exchange and job security is prioritized by property owners, their descriptions fail to interrogate any potential disruptions to community well-being associated with the tourism driven gentrification of Halifax neighbourhoods. Residents speaking on behalf of their communities describe strong fractures in neighbourly interaction and a shared sense of responsibility for community spaces because of the anonymous and temporary nature associated with the STR industry. Whether as a benefit or an impediment to community well-being, this discussion theme is closely linked to Halifax's tourism industry. Blanco-Romero and colleagues' study examines the nature of how tourism acts as a barrier in defining sustainable communities, noting a need for the prioritization of promoting housing security for residents' in navigating lucrative tourism industries which is significant in the consideration of objective C.

### **C. Short-term Rental Regulation and Sustainable Development**

Through Objectives A and B, the thematic analysis aimed to understand the implications of short-term rental regulations on sustainable development. Beyond references to the housing market and community impacts (important considerations highlighted in the work of Alaie and colleagues as well as Bei and Celata), there were additional themes indirectly pertaining to sustainability. In the hearing, one anticipated outcome of regulation was that the redirection of rental accommodations from the short-term to long-term rental markets might address accommodation gaps in the city.

As outlined in the CMHC's 2024 rental market report, Halifax has had record high population growth in the past year, with over 30,000 new residents settling in the city. Some speakers insisted that STR regulation be adopted city-wide in part to better house the growing civic population. For example, Speaker 3 explained that by applying the primary residence principle across the municipality, the HRM's regulatory approach would be "future proofed," anticipating



continued urban growth and securing stability for residents in years to come. By contrast, if regulation only applied to some parts of the regionality, the speaker predicted that commercial operations would likely shift their investments to more concentrated zones in the city, ultimately exacerbating the issue in the dense urban areas facing the highest housing market pressures.

### **I: Preference for Short-term Rentals**

Many rental providers who participated in the public hearing expressed a personal preference for using their properties as short-term rentals. Of the 19 rental providers, 37% of them disclosed current or previous experience providing long-term housing. Those speakers shared a general preference for STRs because they felt that the short-term rental market offered them a degree of control, security, and flexibility than the alternative. For example, Speaker 30, who mentioned operating 6 short-term and 2 long-term rentals, described past negative experiences with long-term tenants, expressing frustration over the challenge of evicting bad tenants. With Airbnb, as Speaker 16 explained, the platform offers a level of security in the case of any damage or unexpected costs. As they describe, Airbnb will compensate hosts for any reported damage caused by guests in a listing and will manage communications with guests in the case of any conflict or safety concern. The rating system built into the platform also allows both hosts and guests an additional perceived layer of security when choosing a space to stay or accepting guests. Speaker 8, a single parent with two short-term rentals, argued that they had no desire or ability to become a full-time landlord due to the additional responsibilities and financial risks associated with providing long-term housing. As property owners, they are largely financially liable for any damage done by tenants, while also being responsible for mediating conflicts. In essence, this hesitancy with respect to both feasibility and desirability seemed more to be a prioritization of minimizing responsibility while maximizing capital gain. The hesitancy of property owners was quite significant, since the best-case scenario for regulation was an eventuality of entire-home STR listings in residential zones being converted to long-term housing. However, such a scenario is dependent on the decisions of property owners. If the perspectives heard throughout the public hearing reflect general sentiments for STR hosts in Halifax, conversion to long-term housing may not become the standard for existing entire-home units. In their study based in Lisbon, Cocola Grant notes that the flexibility that comes from short-term rental operation allows property owners more freedom without the “burden” of

long-term tenancy, discouraging the conversion of listings to long-term housing (Cocola-Grant, 2021).

## **II: Filling Accommodation Gaps**

Throughout the hearing, speakers favourable to short-term rentals emphasized the unique ability for the short-term rental industry to fill gaps in accommodation for those in transition without permanent housing, or who spend longer periods in Halifax for work, education, or to access medical care. Given that the city has a large student population and a valuable seasonal tourism industry, several speakers described how furnished units could be put to hybrid use on a seasonable basis: as relatively long-term housing for students during the school year and then as short-term tourist accommodation in the spring and summer. As outlined in Cocola-Grants' study in Lisbon, this flexible model is attractive to property owners and investors as it is more profitable than traditional long-term leases. Within this model, property owners can rent out furnished units for above average costs while maximizing profits during the tourist season while students are away. While this theme arose on multiple occasions throughout the hearing, Speaker 31 offered insight arising from their 22-year career offering short- and long-term rentals. They described short-term rentals as offering a unique space for stays that extended beyond the period of a typical tourist visit. They said that STRs permitted skilled professionals to work in Halifax for several weeks or months, with the speaker adding that such professional expertise provided a benefit to the municipality. Speaker 31 also mentioned renting out units in a hybrid model to students during the year and described the approach as mutually beneficial and sensible in comparison to units that are sparsely rented out on a short-term basis throughout the off season.

In their study on the sustainable development of housing and tourism in Barcelona, Bei and Celata emphasize that the balance in accommodation capacity for residents and visitors is a key indication of sustainability within an urban area (Bei & Celata, 2023). Throughout the hearing, the potential for economic losses within the lucrative tourism industry in Halifax was stressed. Speaker 7, the president of Discover Halifax, estimated that the HRM regulations would result in a loss of between 34-65 million dollars in the short-term rental industry before a new tourism model could be developed. Reaching a balance in accommodation, whether for professionals,

students, or tourists, is a principal factor in measuring economic sustainability within a city, particularly one which relies heavily on the seasonal industry of tourism. Speaker 14 reflected on the potentially beneficial role of short-term rental units in stating that “there are ways to make money from our properties, if we are so lucky to have them, that do not allow full homes to be turned into short-term rentals.” In this quotation, speaker 14 is referring to the potential for property owners to utilize their spaces such as garages or basement units in order to generate income and accommodate tourists without sacrificing entire units that would be suitable for long term residencies. Finding an appropriate approach to developing a more economically sustainable tourism industry requires long-term planning that goes beyond restricting STRs to primary residencies in specific zones of the city.

### **5.3: Perceptions of Proposed Regulations and Significance**

The proposed regulations, mainly that which limits short-term rentals in residential zones to a host's primary residence, were a subject of contention throughout the public hearing. As seen in Figure 4 below, most speakers present (43.8%) expressed opposition to the proposed regulations on short-term rentals in Halifax. Primarily, this is due to the loss of income that could arise when rental units are forced to cease operations. Speaker 8, who operated two short-term rental units, described the HRM regulatory framework as likely to force them to sell their home in the future, adding that their STR business allowed them to barely stay afloat as living costs skyrocket. Speaker 9, another STR host in Halifax, suggested the regulations might lead them to lay off their employees who maintained their STR units. Speaker 16, who owned an extensive commercial operation, opposed any imposition on their private property and contended that regulation might force them to sell several properties. Speakers 20 and 26 offered an alternative to the HRM's proposed regulatory approach by proposing a tax levy for STR operators to support the costs associated with developing affordable housing.

In contrast, 34.4% of speakers verbalized their support for the HRM proposal. Speakers 1 and 2, who spoke on behalf of the community organization “Neighbours Speak Up,” detailed the

potential community benefits at length. They argued that regulating the short-term rental industry would bring Halifax closer to the goals of its center plan to develop more “complete communities” where people live, work, play, and learn in concentrated areas. Several further speakers felt that regulation would further legitimize the STR market. However, 1/3 of all participants were concerned that the proposed regulations were arbitrary and would concentrate the problems associated with the short-term rental market into mixed use zones, harming only property owners who will have to cease STR operations in residential zones. Commercial STR businesses, some participants argued, would simply sell units in residential zones, and shift their operations to the denser areas of the city where entire home listings were to be permitted.

#### Speaker Perceptions of Proposed Regulations on Short Term Rentals in HRM as Percentage

From the Halifax Regional Municipality Public Hearing on the Regulation of Short Term Rentals on February 21, 2023

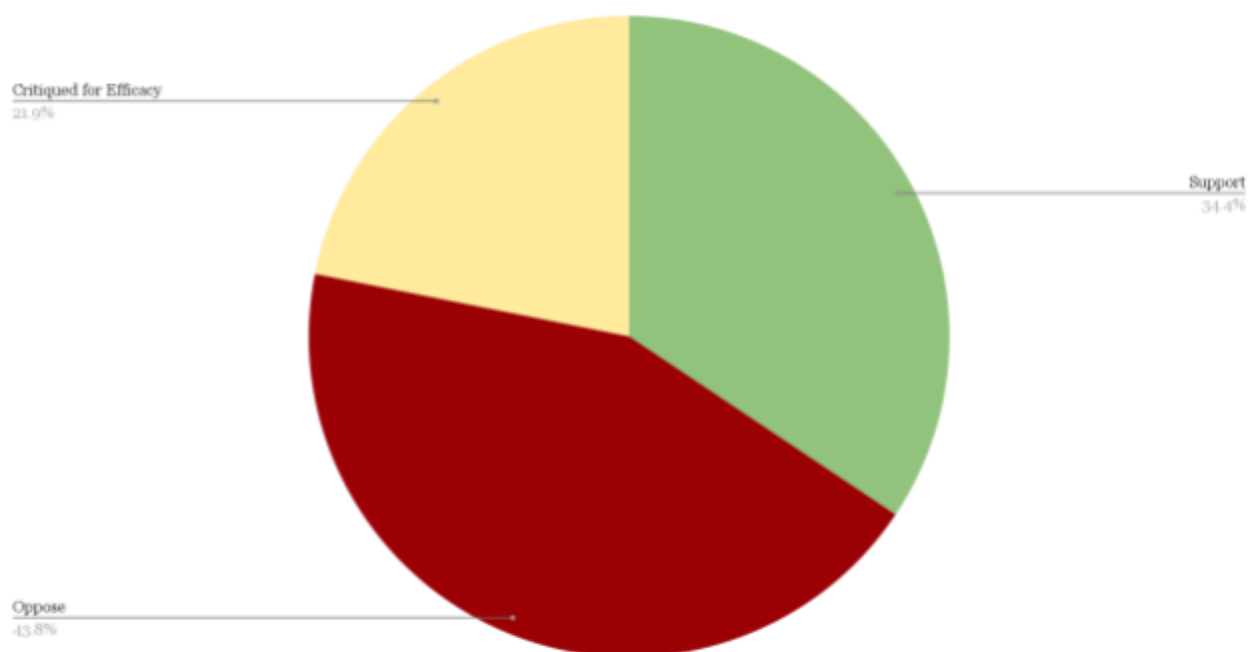


Figure 4: Speaker Perceptions of Proposed Regulations on Short-Term Rentals as Percentage in HRM Public Hearing on the Regulation of Short-Term Rentals on 21 February 2023.

Several speakers were prepared to discuss their critiques of regulating the short-term rental industry to mitigate the stresses of Halifax's housing crisis of availability and affordability. Speaker 17, a former STR host who transitioned their properties to the long-term rental market, used data from Airdna to address the perceived outcome of the proposed regulations. They noted 2400 short-term units in the Halifax area, about 600 of which operated throughout the year. If each of these units were converted to long-term housing, the result would add approximately 1% to the long-term rental inventory in Halifax, pushing the vacancy rate from between 1-3% up to between 2-4%, similar to the results of the 2019 study by the McGill Urban Politics and Research Governance Group in Halifax in 2019. The speaker describes this best-case scenario as a "drop in the bucket" and a band aid solution to address the housing crisis in Halifax.

Additionally, some speakers questioned the alignment of the proposed regulatory framework with the municipality's aims. Speaker 26 felt that the HRM had insufficiently explained the desired outcomes of regulatory policies and that the municipality offered no performance indicators to analyze subsequent transformations in the housing market. The speaker worried that the regulations would just shift problems onto the long-term market by inducing further increases in rental costs, using the example of Halifax's temporary rent cap to demonstrate how inadequate policy fails to address housing security. In the wake of the COVID-19 pandemic, the HRM introduced a residential rent cap limiting rental increases to 2% per year. However, this has created a trend in which landlords' have shifted fixed term leases as a standard practice to evade this regulation and maintain profits, thus negating any protection for tenants this policy hoped to support (Bauman, 2023).

Several other speakers expressed concern that the short-term rental market was being scapegoated for a larger government failure to address rising housing costs and diminished availability. Furthermore, they held that the regulation of STRs was ill-conceived. Speaker 17 alleged that in other cities where regulations were introduced, housing crises persisted or worsened. One potential example is the case of Toronto, where the CMHC 2024 rental market

report states the city has an average vacancy rate of 0.7-1.5% with the average cost of a two-bedroom home being between \$1,940-2,862 per month despite a similar regulatory approach to short-term rentals being enacted (Canada Mortgage and Housing Corporation, 2024, 8). Ultimately, this speaker argues there may not be a clear correlation or causal relationship between an unregulated STR market and broader housing trends. The majority of STR operators present at the hearing reported feeling unfairly targeted by the proposed regulation and struck back by claiming that property owners were not responsible for creating affordable housing within the city. While this may be true, concentrated short-term rental markets in cities across the world have been shown to lead to the unintended consequence of rising rental prices and pressures on vacancy rates (Clancy, 2022).

### **Significance of Passing Regulations**

Despite widespread opposition heard from property owners in the public hearing, the municipal government pressed forward in the implementation of the then proposed regulatory framework. This is a significant course of action within the financialized housing market as an explicit attempt to shape this market and guide property owners toward providing secure long-term housing. Financialization within the housing market in recent decades has given way to a free market that prioritizes the capital gain of property owners, with the growth of the STR market existing as a new profitable model for property owners. Housing crises such as Halifax's are a consequence of this lack of regulation. The population growth in Halifax was another significant factor placing immense pressures on Halifax's housing market. The passing of this regulation was likely a result of municipal decision makers being lobbied by advocacy groups such as Neighbours Speak Up, who are actively and consistently engaged with the public consultation process. Those actively engaged in the process have power and influence in decision-making processes and outcomes (Bouchard, 2016). The Neighbours Speak Up advocates developed relationships with municipal decision makers, and ensured that their perspectives, as representatives of the affluent Hydrostone Neighbourhood, were heard alongside the opinions of STR property owners (Neighbours Speak Up, n.d.). As emphasized by this organization, in the absence of immediate solutions to the housing crisis at the municipal level, regulating the short-term rental market was an amenable and practical measure, especially since other cities in

North America had pursued a comparable approach. The STR regulations, rather than a radical step in support of an equitable distribution of housing resources, appear more to be an attempt at a municipal level to take concrete, if stop-gap, action to cope with a housing crisis.

While Halifax's regulatory framework aims to guide real estate investors towards using their properties for long term rental use, the ideal scenario for the future of existing short-term rental units relies on the decisions made by property owners who have demonstrated a preference for using their residencies for short-term use. This regulatory framework aims to guide property owners toward long-term tenancy, though does not restrict their ability to profit from their real estate investments. While property owners may not be inclined to convert their STR units to long-term tenancies, they can be encouraged to sell their properties which may then become housing.

## **5.4: Summarizing and Looking Forward**

Thematic analysis of Halifax's public hearing on regulating short-term rentals reveals previously unexplored insights about the industry's perceived impacts on its surrounding community and housing market. There were stark contrasts between participants with favourable and unfavourable perceptions of the industry. As to be expected, industry professionals largely expressed positive viewpoints, emphasizing the economic growth and positive community impacts that stemmed from short-term rentals. Community members, government representatives, and advocacy groups countered with unfavourable commentaries highlighting the inequities and community disruptions induced by the short-term rental industry. The majority of participants in the public hearing were short-term rental hosts and landlords, people with a direct economic stake in the regulatory process. The comparative scarcity of community advocates' voices may indicate potential barriers to engagement, such as fear of reprisal, but just as likely reflect a lesser degree of vested interest in the regulatory outcome. These dynamics raise generalized questions about the representation of differing views within a civic consultation process, though they are beyond the scope of this analysis.

The findings of the analysis of this public hearing largely align with existing literature, highlighting the dual nature of short-term rentals as both contributors to economic activity and as sources of housing insecurity, socio-economic injustice, and threats to community well-being. As the impacts of regulations implemented in September 2023 begin to unfold, there will be further research opportunities to assess the tangible consequences of short-term rental regulations on the housing crisis and the tourism sector. As the city of Halifax navigates the path forward in regulating short-term rentals and improving accessibility and affordability within the housing market, an inclusive and evidence-based approach is necessary to strike a balance between fostering sustainable growth in tourism while prioritizing the well-being of Halifax residents facing housing insecurity.

From analyzing the public hearing, one of the most significant subjects under debate was the role of short term rentals in community well-being. Short-term rental hosts provided testimonies in which community well-being was conceived of as a network of autonomous beings successfully commodifying space and experience within an open market, commodifying Halifax's famed neighbourliness to give visitors a more "authentic experience". Their perspectives highlight the role of tourism in promoting economic stability and community interaction. In contrast, community advocates and representatives of public and non-profit organizations spoke of community well-being as relating to a shared sense of belonging with respect to common space, values, and responsibilities as individuals and as a collective. Here, relationality is paramount, as it is in Atkinson and colleagues' conception of community well-being. In centering this relationality, they argue, issues of socio-economic justice and equity are brought to the forefront of community consideration. By developing a policy approach that balances community well-being on an individual and a collective level it is possible to build more resiliency into communities in the long term, promoting social and economic sustainability which Alaie Et al. understand as development that supports the collective good across diverse groups within a community. Atkinson and colleagues argue this consideration is lacking in public policy, which tends to selectively favour certain definitions or understandings of community well-being while ignoring others – particularly as they pertain to socio-economic inequities that are spatially confined. Thus, when faced with community-level challenges, policy makers often prioritize



targeting specific circumstances, as is the case with the primary residence principle (Atkinson Et al., 2022).

The analysis in this thesis demonstrates that the socio-economic inequalities outlined in existing literature are present within Halifax's communities, with this market acting as a contemporary instrument for housing financialization in a political and economic landscape which supports profit generation for property owners in a technocapitalist landscape. While regulation marked a meaningful step forward – it seeks to keep complete homes or units in the long-term rental market and thereby protect the housing security of residents – any relief in housing accessibility and affordability as a result of regulating the STR industry may prove to be marginal, an outcome suggested by studies conducted on cities which adopted similar regulatory approaches. Existing tourism models and infrastructure will likely require further adjustment in order to reach a sustainable model for Halifax's tourism industry which balances the needs of residents and visitors. This calls into question the prioritization of commodifying authentic local experiences for tourists. As the STR market develops, an ideal policy outcome would be for the primary residence principle to be adopted throughout each zone of the municipality to protect residents' housing security in the future. This would ensure that the intended outcomes of regulations will have the opportunity to be evenly distributed across communities throughout the city. However, while regulation establishes parameters for the functioning of the market, it also does not pose a significant challenge to the model of financialized housing within a technocapitalist economic and social landscape. Any level of industry regulation without a larger restructuring of the role of housing as a commodifiable good, will provide limited long-term mitigation to a complex and growing housing crisis in Halifax. Meeting SDG 11 requires the legitimization of housing as a human right, and existing regulations on STR may contribute to a moderate improvement in accessibility at best, though may prove a useful starting point in meaningfully addressing the housing crisis in Halifax. A city wide approach to regulation is a more meaningful step forward in targeting the challenges of the STR market at its root. In the long term, this approach will allow for the cultivation of a more resilient socially and economically sustainable tourism model that prioritizes residents' housing security and community well-being over the commodification of Halifax's “knitted sense of warmth” for tourist consumption.

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