



Economic Analysis of the Impact of an Accommodation Shortfall for Major Events

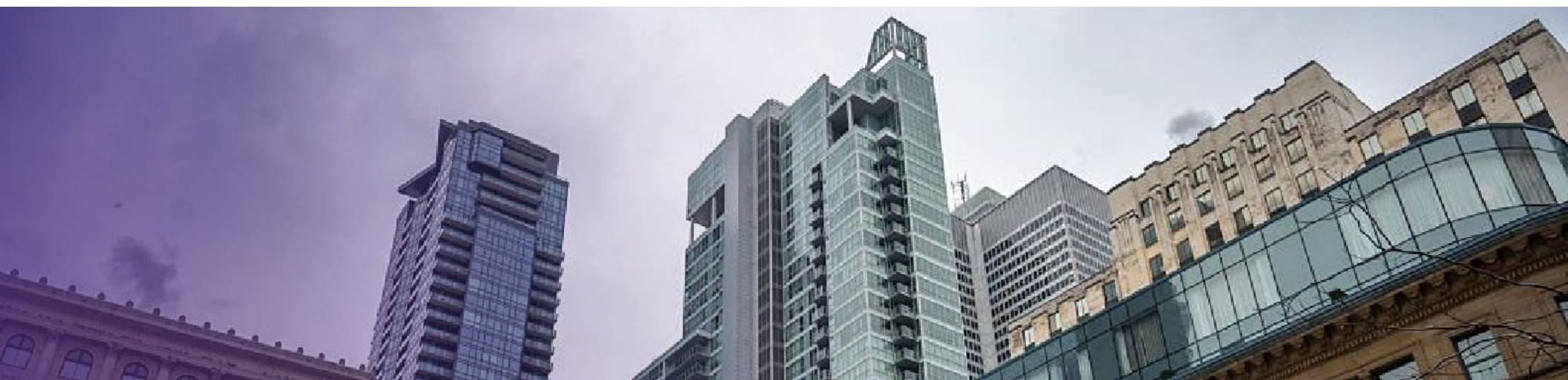
FINAL REPORT

March 3, 2026



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Background and mandate



The methodology is set out in five steps

Introduction

Mandate

Airbnb retained the firm Raymond Chabot Grant Thornton (RCGT) to analyze the economic impacts of the new legislation during major events in Montréal in 2026. Airbnb is seeking a neutral and independent opinion on the current situation in Québec, based on a rigorous and objective analysis.

Objectives

The specific objectives are as follows:

- Assess the potential shortage of short-term accommodations during major events in 2026;
- Quantify the economic losses resulting from restrictions on short-term rentals for these events;
- Measure the impact on hotel rates during the period of these events.

Scope of the study

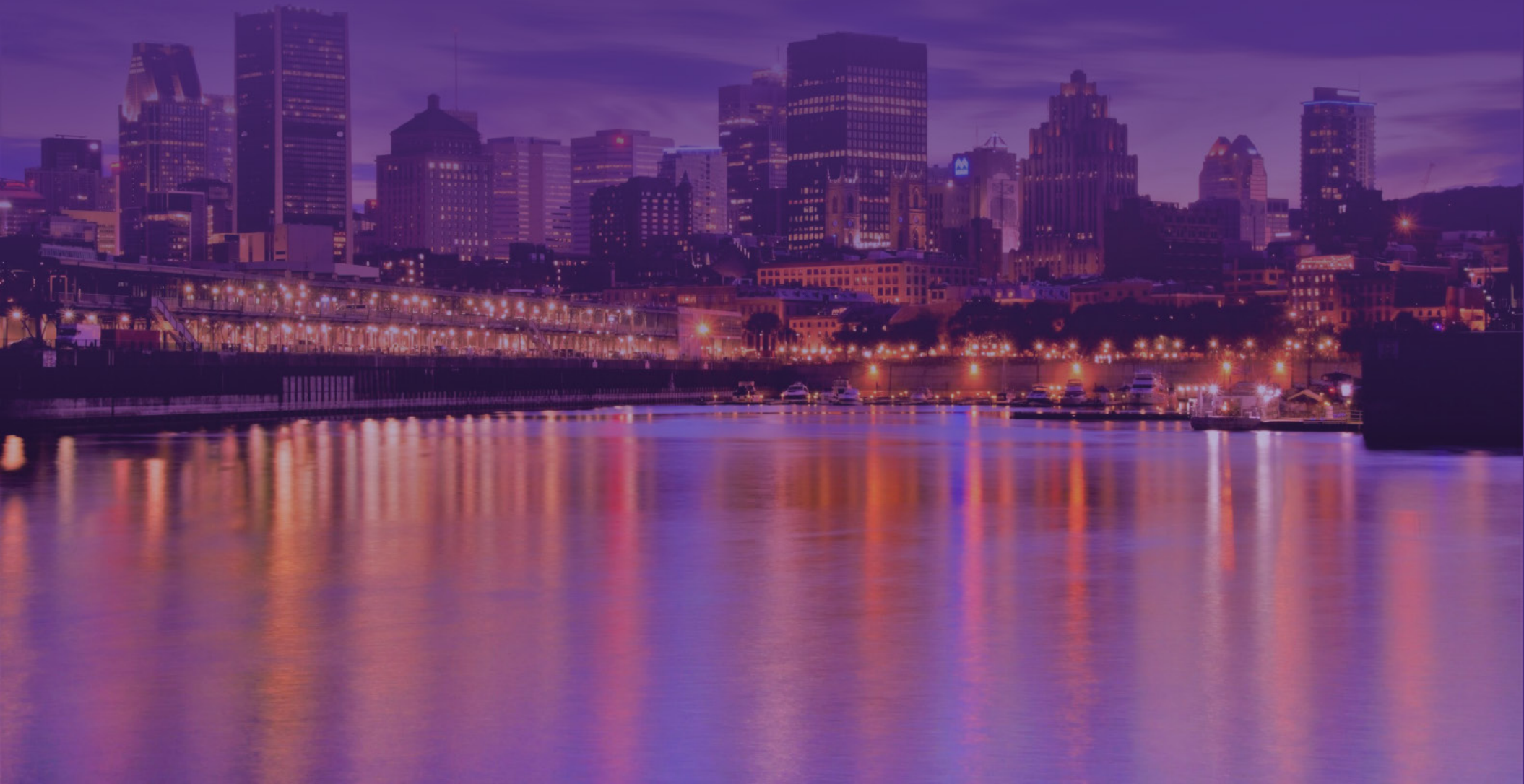
The analysis focuses solely on the Montréal census metropolitan area (CMA) and on the Island of Montréal. The two events analyzed and the periods analyzed are as follows:

- Formula 1 Grand Prix: May 21 to 24, 2026;
- UCI Cycling World Championships: September 18 to 27, 2026

Methodology

1. Geographic market: The first step is to define the geographic market in relation to major events. The primary area corresponds to the City of Montréal.
2. Accommodation supply: Supply is first estimated, namely the number of hotel rooms and other accommodation capacity available in Montréal during the two events to be held in 2026.
3. Accommodation demand: Demand is then estimated by combining the number of tourists who normally visit the city during the period in question with the projected number of visitors attending the major events and requiring accommodation. The model also incorporates the diversion effect, which represents the proportion of visitors likely to avoid Montréal during these events. This proportion was documented based on a review of the literature.
4. Identification of the accommodation shortfall: The difference between projected demand and available supply is then considered to be the accommodation shortfall.
5. Measurement of the economic impact: Based on the average spending per visitor, the economic losses for Montréal related to the accommodation shortfall were calculated (displacement of hotel revenues and other spending due to insufficient local accommodation capacity). The results were broken down by category of spending.

Accommodation Supply Overview

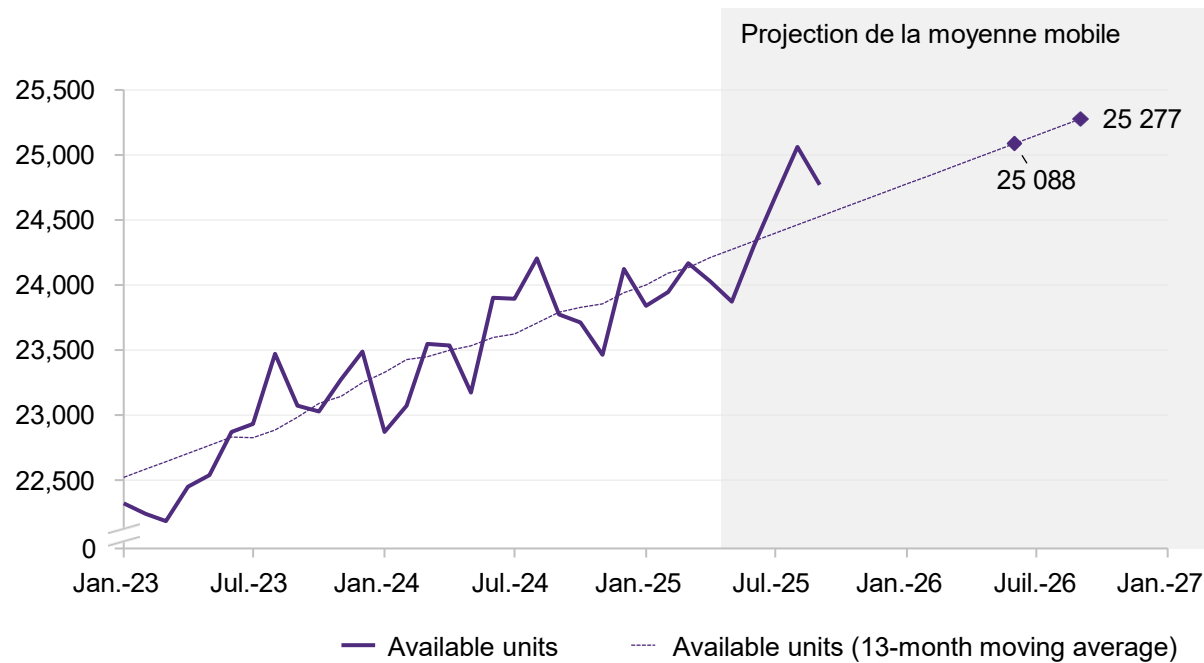


The supply represents the number of units available in accommodation establishments

Change in the number of units available in accommodation establishments

Change in the number of units available in accommodation establishments

Montréal, 2023–2025, in%, in \$



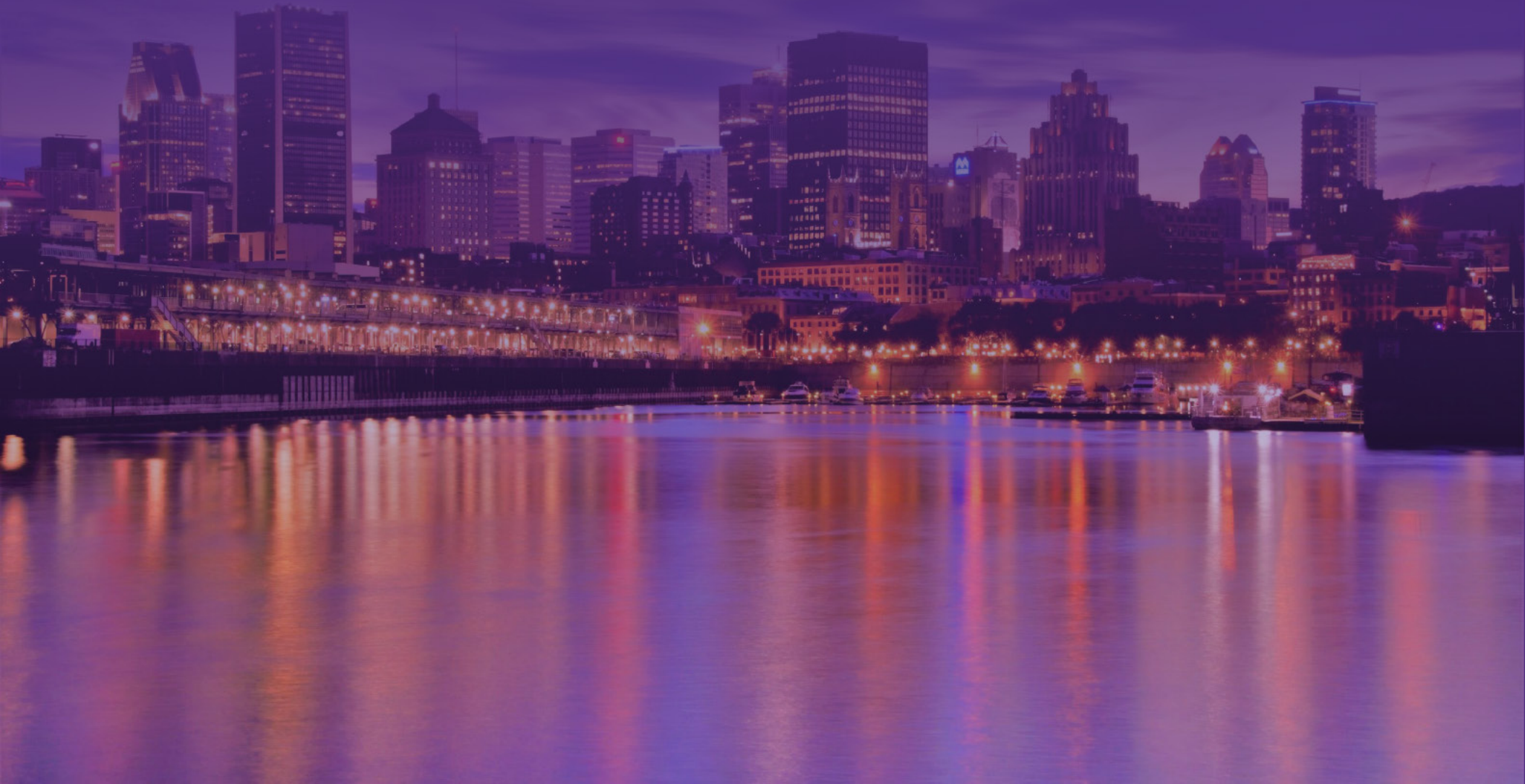
The supply of accommodation units was assessed using a 13-month moving average starting in January 2023 for the number of accommodation units available in the Montréal tourist region. A slight, relatively linear growth is observed. This variation was used to project the future evolution of the accommodation supply in the study area in 2026.

Adjustments were made, since the number of units available in tourist accommodation establishments varies by month. Typically, the summer period shows higher availability than the winter months. Measuring the average gap between the monthly supply and the moving average makes it possible to assess the trend for the two months analyzed. These show an accommodation supply that is 0.4% higher than the moving average. The projected growth in the number of accommodation units was therefore adjusted accordingly.

Month	Number of units available based on the moving average (2026)	Average difference from the moving average	Adjusted number of units available
June	25,088	0.4%	25,198
September	25,277	0.4%	25,388

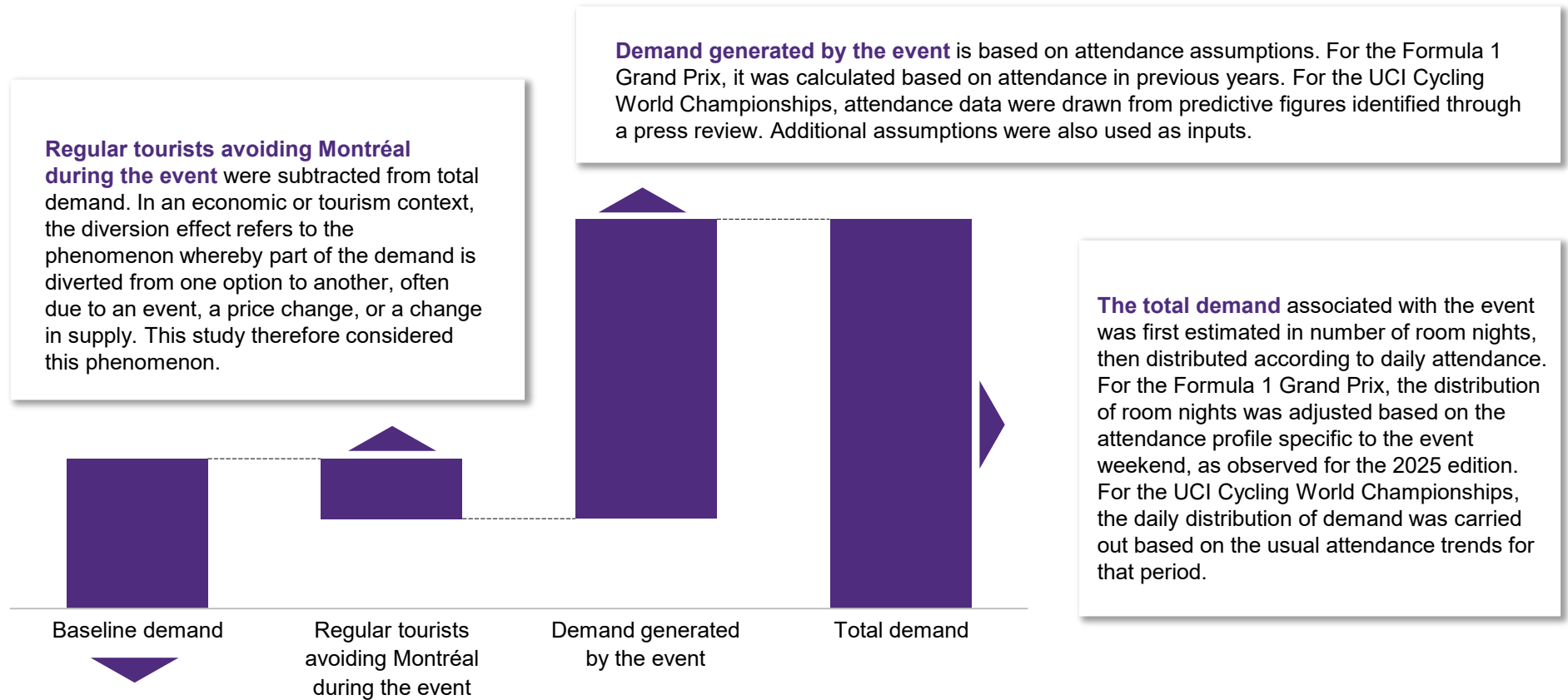
Sources: Québec Ministry of Tourism, RCGT analysis

Overview of Accommodation Demand



Total demand combines baseline demand, the diversion effect, and event-specific demand

Introduction



Baseline demand was calculated based on the number of visitors during the same weekend, but for the year 2025. Data on occupied units provided by Tourisme Montréal helped document demand for this type of accommodation. These data come from CoStar and AirDNA, but were processed by Tourisme Montréal.

Baseline demand was established by considering the number of visitors during the same period in 2025

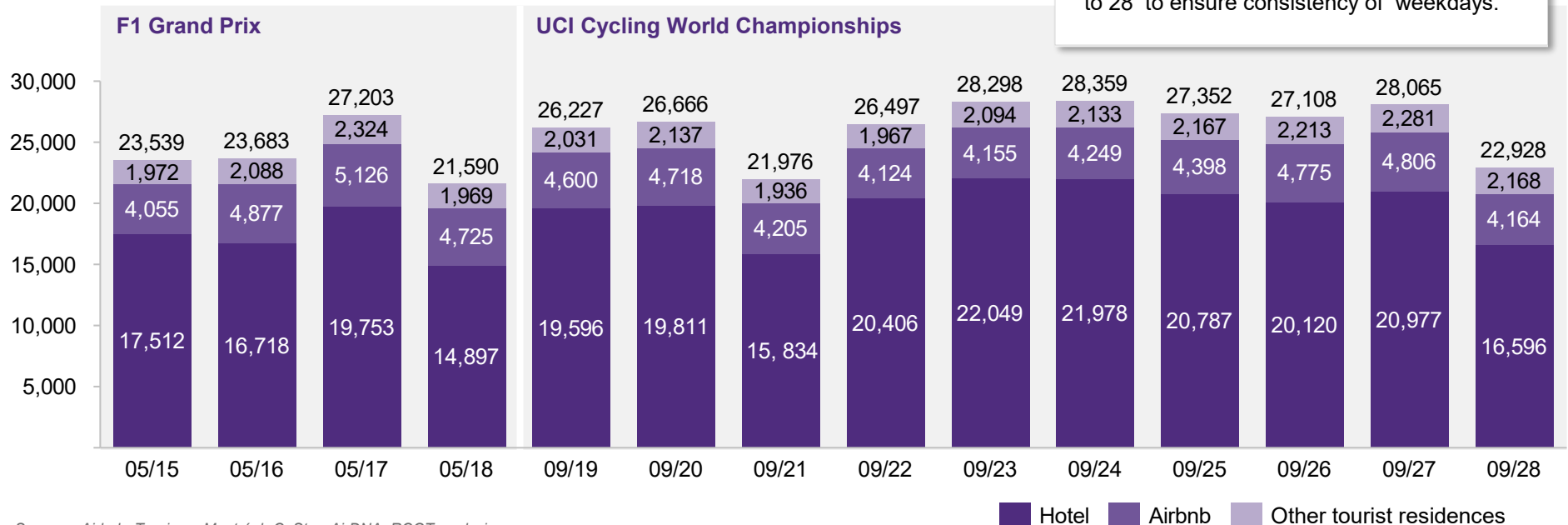
Baseline demand

In 2026, the period analyzed for the **Formula 1 Grand Prix** will take place on the 3rd weekend of May, from Thursday to Sunday. The actual number of units rented on Airbnb in 2025 makes it possible to observe the distribution of room nights by day for this period. By combining these data with the number of units occupied in hotels and tourist residences, it is possible to estimate the daily distribution of demand.

In 2026, the period analyzed for the **UCI Cycling World Championships** will take place from September 18 to 27, 2026, i.e., from the 3rd Friday to the 4th Sunday of the month of September. Using the same approach as for the Formula 1 Grand Prix, it is possible to estimate baseline demand for the period during which the event will be held.

Change in baseline demand (2025 comparison)

Island of Montréal, 2025, number of units



Sources: Airbnb, Tourisme Montréal, CoStar, AirDNA, RCGT analysis.

It was assumed that 40% of regular demand will maintain its choice to visit the city during the event

Demand generated by regular visitors

In an economic or tourism context, the diversion effect refers to the phenomenon whereby part of demand is diverted from one option to another, often due to an event, a price change, or a change in supply. This study considers this phenomenon.

There are few empirical studies on the diversion effect associated with large-scale sporting events. A Deloitte study aimed at documenting the tourism accommodation shortfall in Vancouver during the FIFA World Cup assumes that 40% of regular demand will maintain its choice to visit the city during that event. In addition, that study also notes that the academic literature often suggests higher proportions of tourists not linked to the mega-event. For example, Lee et al. (2005), in “The Impact of a Sport Mega-Event on Destination Image,” state that 46% of foreign tourists during the World Cup were there for reasons other than the event.

For the purposes of this study, it was also assumed that 40% of regular demand will maintain its choice to visit the city, which remains conservative.

Estimate of demand generated by regular visitors

Island of Montréal, May and September 2025, number of units

	3rd weekend of May				3rd Saturday of September to the 4th Sunday of September									
	Thursday	Fri.	Saturday	Sun.	Fri.	Saturday	Sun.	Monday	Tuesday	Wed.	Thursday	Fri.	Saturday	Sun.
	05/15	05/16	05/17	05/18	09/19	09/20	09/21	09/22	09/23	09/24	09/25	09/26	09/27	09/28
General demand	23,539	23,683	27,203	21,590	26,227	26,666	21,976	26,497	28,298	28,359	27,352	27,108	28,065	22,928
Diverted visitors (60%)	9,416	9,473	10,881	8,636	10,491	10,666	8,790	10,599	11,319	11,344	10,941	10,843	11,226	9,171
Estimated demand (40%)	14,124	14,210	16,322	12,954	15,736	15,999	13,185	15,898	16,979	17,016	16,411	16,265	16,839	13,757

Note: Due to rounding effects, some totals may show slight differences from the exact sum of the components.

Sources: Airbnb, Tourisme Montréal, CoStar, AirDNA, Deloitte (Accommodation shortfall in Vancouver for the FIFA World Cup 2026), RCGT analysis.

Event-specific demand for hotel accommodation for F1 is estimated at more than 69,000 room nights spread over four days

Demand specific to F1 visitors

Estimate of event-specific accommodation demand for F1 visitors

Island of Montréal, May 2026

Note: Due to rounding effects, some totals may show slight differences from the exact sum of the components.

	Estimate	Source
Number of visitors	350,000	Radio-Canada (Montréal says it is fully ready this year for the Canadian Grand Prix – June 9, 2025)
Unique spectators	172,464	Based on the 2023 edition, where it is stated that 170,000 unique spectators attended the Montréal Grand Prix, out of a total of 345,000 visits (49.3%)
Core spectators	77,459	Based on the 2019 edition, whose impact study was made public, where it is stated that 77,700 core spectators attended the Grand Prix, out of a total of 173,000 unique spectators (44.5%)
Day-trippers	9,791	Based on the 2023 edition, where tourists represented 87.4% of core visitors (La Presse, The Grand Prix was packed with Montréalers, June 4, 2024)
Tourists	67,668	
Teams and dignitaries	2,500	Based on the 2019 edition made public
Tourists, teams, and dignitaries	70,168	Calculated: 67,668 + 2,500
Tourists staying in a hotel or accommodation establishment	52,626	Based on Statistics Canada data indicating that in 2017, 47% of Québec tourists stayed with friends or family. As this proportion is undeniably higher for visitors from outside Québec, an assumption of 75% was used.
Average number of room nights	3	RCGT assumption: Based on the duration of the event, which is 4 days
Total room nights	157,878	Calculated: 52,626 x 3
People / units	2.3	Airbnb
Total demand for room nights	69,753	Calculated: 157,878 / 2.3

F1 weekend		Thursday	Friday	Saturday	Sunday
Distribution of room nights based on 2025	%	23.7%	25.6%	26.6%	24.1%
	Number	16,502	17,873	18,670	16,808

Sources: Airbnb, Tourisme Montréal, CoStar, AirDNA, Noovo Info (Grand Prix: benefits for Montréal and resellers are taking advantage, June 7, 2024), RCGT analysis.

Demand for the 2026 Cycling World Championships in hotel accommodation is estimated at nearly 165,000 room nights

Demand specific to visitors to the UCI Cycling World Championships

Visitor type	Unique spectators	Core share	Room nights (days)	Core room nights
Nombre de spectateurs	500,000			
Locals or day-trippers	400,000			
Tourists	100,000			
From Québec	25,000	90%	5	112,500
From other provinces	22,500	90%	5	101,250
From the United States	22,500	90%	5	101,250
From other countries	30,000	90%	5	135,000
Participants, support, and media	6,800			
Participants	1,000	100%	9	9,000
Dignitaries, family, and coaches	5,000	100%	5	25,000
Media	800	100%	7	5,600
Total room nights				489,600
Hotel/accommodation residence (75%)				367,200
People / accommodation units				2.3
Demand for room nights in hotels/accommodation residences				162,234

September		Fin de semaine 3							Weekend 4		
		Friday	Saturday	Sun.	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sun.
Distribution of room nights based on 2025	%	10.0%	10.1%	8.3%	10.1%	10.7%	10.8%	10.4%	10.3%	10,7%	8,7%
	Number	16.149	16.419	13.531	16.316	17.424	17.462	16.842	16.692	17 281	14 118

Sources: Airbnb, Tourisme Montréal, CoStar, AirDNA, RCGT analysis.

Supply–demand alignment and measurement of the economic impact



A total shortfall of 26,277 room nights spread over 14 days is estimated during these two events

Supply–demand alignment

Projected shortfall in hotel accommodation supply

Montréal, 2023–2025, in %, in 2025 \$

	F1 – Grand Prix du Canada				Championnats du monde de cyclisme de l'UCI									
	Thursday	Friday	Saturday	Sun.	Friday	Saturday	Sun.	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sun.
Regular demand	9,416	9,473	10,881	8,636	10,491	10,666	8,790	10,599	11,319	11,344	10,941	10,843	11,226	9,171
Event-related demand	16,502	17,873	18,570	16,808	16,149	16,419	13,531	16,316	17,424	17,462	16,842	16,692	17,281	14,118
Total demand	25,917	27,346	29,451	25,444	26,640	27,086	22,322	26,915	28,744	28,806	27,782	27,535	28,507	23,289
Estimated supply	25,198	25,198	25,198	25,198	25,388	25,388	25,388	25,388	25,388	25,388	25,388	25,388	25,388	25,388
Supply shortfall (demand – supply)	719	2,148	4,253	246	1,252	1,698	-	1,527	3,356	3,418	2,394	2,147	3,119	-

The hotel supply shortfall includes a shortfall of 7,367 units for the F1 Grand Prix and a shortfall of 18,910 units for the UCI Cycling World Championships. In general, the accommodation shortfall is observed in higher proportion on Saturdays.

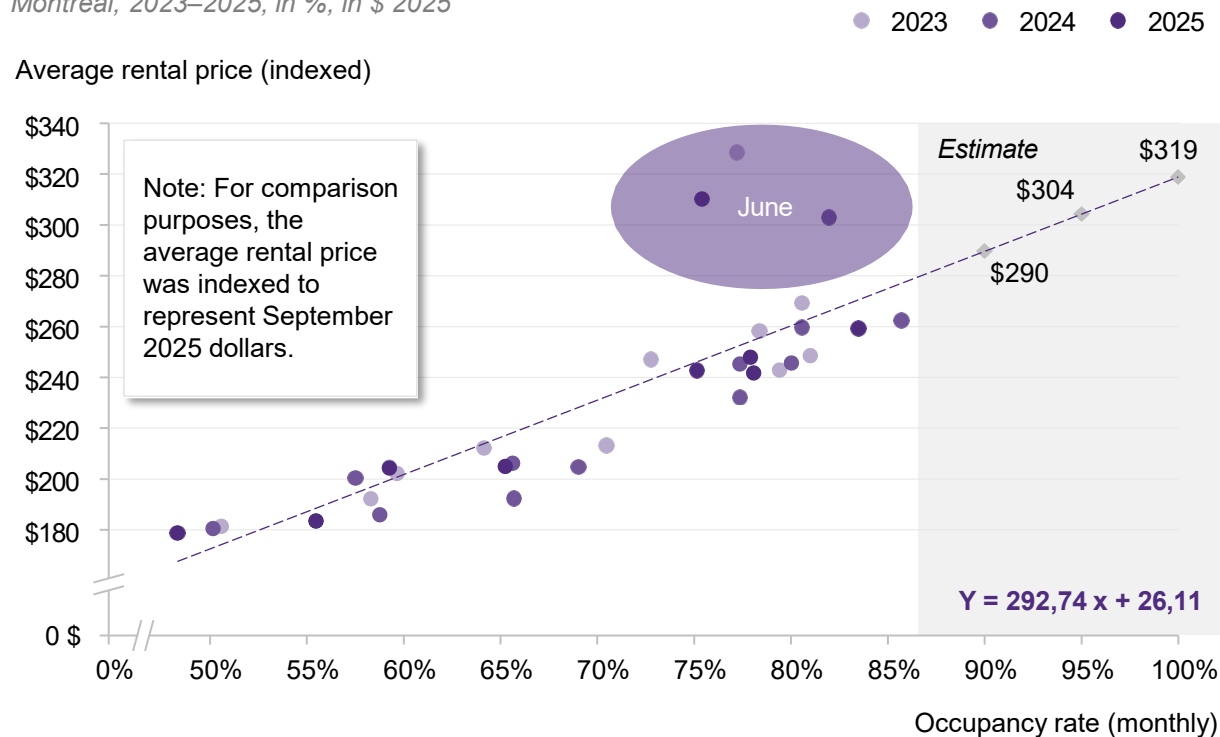
Sources: Airbnb, Tourisme Montréal, CoStar, AirDNA, RCGT analysis.

Changes in rental prices are strongly correlated with the occupancy rate of tourist accommodations

Change in average price as a function of occupancy rate

Graphical representation of average rental price as a function of the occupancy rate

Montréal, 2023–2025, in %, in \$ 2025



The analysis conducted between January 2023 and September 2025 highlights a positive correlation between the average rental price and the occupancy rate of tourist accommodations in the Montréal region. As the occupancy rate increases, the average price also rises.

The data confirm that periods of high demand, generally associated with high occupancy rates, lead to a significant increase in rates. This relationship illustrates the importance of the supply–demand dynamic in determining prices for tourist accommodations.

There also appears to be a premium in June, likely associated with the F1 weekend.

According to CoStar data, the average daily rate for rooms in Montréal reached approximately \$892 on the Saturday of the race in 2025, an increase of 167% compared with typical rates for a peak-season weekend.

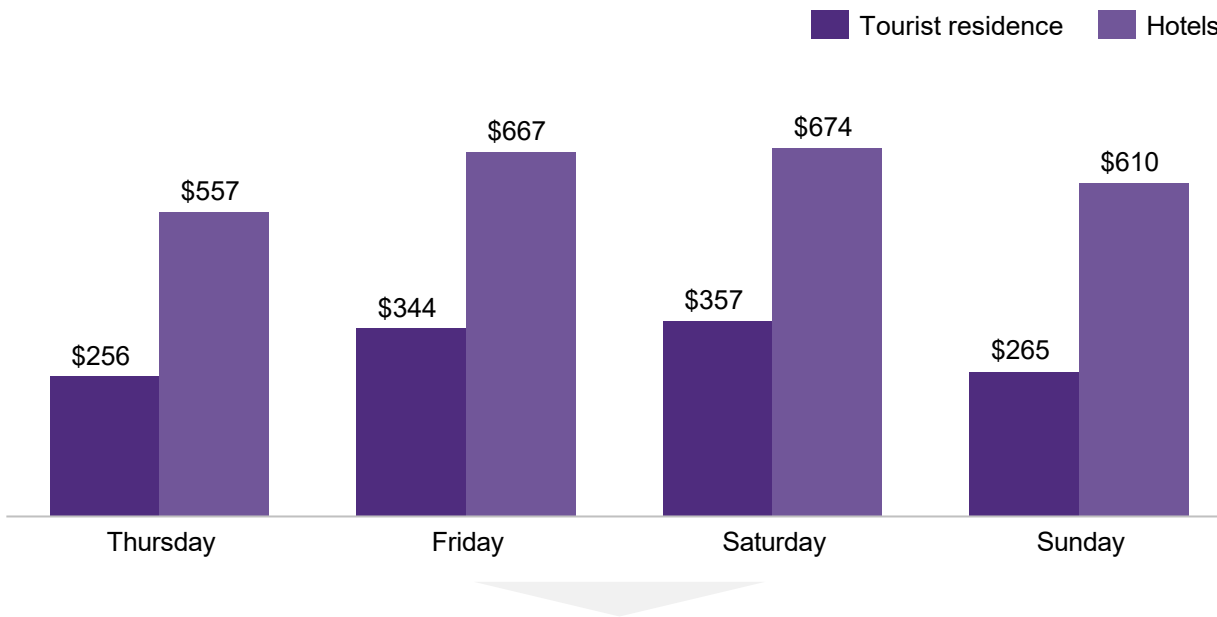
Sources: Québec Ministry of Tourism, Statistics Canada (Table: 18-10-0004-01), RCGT analysis.

During F1, hotels show prices that are clearly higher than usual levels

The case of the F1 Grand Prix

Average accommodation rental prices and occupancy rates by type

Montréal, Grand Prix weekend 2025, in %, in 2025 \$



Même si les taux d'occupation n'atteignent pas 100% durant la fin de semaine du Grand Prix, les prix affichés par les hébergements demeurent nettement supérieurs à ce qu'ils seraient normalement à ces niveaux d'occupation.

Dans un marché habituel, des taux situés entre 80 et 90% exerceraient une pression limitée sur les tarifs. Or, dans le cas de la F1, les établissements adoptent une tarification exceptionnellement élevée en raison du caractère très ciblé de l'événement, ce qui entraîne un écart marqué entre les prix observés et ceux attendus selon les standards du marché.

Occupancy rate	Thursday	Friday	Saturday	Sunday
Tourist residences	78.9%	87.8%	91.4%	82.6%
Hotels	82.8%	88.8%	92.2%	83.5%

Sources: Airbnb, Tourisme Montréal, CoStar, AirDNA, RCGT analysis.

Average spending per room night excluding accommodation is \$136 to \$138

Overview of visitor spending

Based on average spending per night and per visitor, the economic losses related to the accommodation shortfall can be calculated. To estimate visitor spending, the data are drawn from the most recent analysis made available by Tourisme Québec on visitor spending (Tourism in Québec at a glance – 2017). These were indexed to reflect 2026 dollars. Average spending was calculated by weighting tourists by their origin (Québec, rest of Canada, United States and international).

For hotel spending, the actual data from the 2025 Grand Prix were used, indexed to reflect 2026. For the Cycling World Championships, the average price was calculated using the regression of price as a function of occupancy, for an occupancy rate of 100%, then indexed to 2026 dollars, which is equivalent to \$325 per night.

Dépenses moyennes par touriste selon l'événement

Montréal, 2026, en \$ 2026

	Grand Prix F1		Championnat UCI	
	Total	Par nuitée	Total	Par nuitée
Commercial accommodation	\$168	\$53	\$274	\$54
Food and beverages	\$196	\$61	\$307	\$60
Transportation in Montreal	\$98	\$31	\$162	\$32
Entertainment and leisure	\$71	\$22	\$113	\$22
Other spending	\$76	\$24	\$113	\$22
Total	\$610	\$191	\$969	\$190
<i>Total (excluding accommodation)</i>	<i>\$442</i>	<i>\$138</i>	<i>\$695</i>	<i>\$136</i>

Dépenses moyennes par nuitée à l'hôtel selon l'événement

Montréal, 2026, en \$ 2026

	F1 – Canadian Grand Prix				UCI Cycling World Championships									
	Thursday	Friday	Saturday	Sun.	Friday	Saturday	Sun.	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sun.
Average price considered	\$568	\$680	\$687	\$622	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325

Sources: Tourisme Montréal, CoStar, AirDNA, Tourisme Québec, ISQ (CPI), RCGT analysis.

Montréal would suffer an estimated loss of \$19M in tourism spending related to the two events

Measurement of the economic loss for Montréal

It is possible to assess the magnitude of accommodation spending that is not captured by Montréal hotels, due to insufficient local accommodation capacity to meet demand during the period in which the events are held.

F1 Grand Prix

By combining the loss attributable to hotel saturation (\$4.9 million) with other spending incurred (\$12.3 million) outside the Montréal area, the total loss is estimated at \$7.2M.

UCI Cycling World Championships

For the UCI Cycling World Championships, the economic loss is estimated at \$12.0 million, including \$6.1 million in losses for hotels and \$5.8 million in losses attributable to the displacement of other spending.

Economic loss related to hotel saturation

Montréal, 2026, in 2026 \$

	F1 – Canadian Grand Prix				UCI Cycling World Championships									
	Thursday	Friday	Saturday	Sun.	Friday	Saturday	Sun.	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sun.
Supply shortfall (room nights)	719	2,148	4,253	246	1,252	1,698	-	1,527	3,356	3,418	2,394	2,147	3,119	-
Economic loss for hotels	\$0.4M	\$1.5M	\$2.9M	\$0.2M	\$0.4M	\$0.6M	-	\$0.5M	\$1.1M	\$1.1M	\$0.8M	\$0.7M	\$1.0M	-
Economic loss excluding accommodation	\$0.2M	\$0.7M	\$1.3M	\$0.1M	\$0.4M	\$0.5M	-	\$0.5M	\$1.0M	\$1.1M	\$0.7M	\$0.7M	\$1.0M	-
Economic loss	\$7.2M				\$12.0M									

Source: RCGT analysis.



rcgt.com

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