



# **CLOSR MARKET VALIDATION CASE STUDY**

Customer Discovery Research

Canadian College Rental Market

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Prince Uwagboe

Founder, Closr



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## EXECUTIVE SUMMARY

### Problem:

College renters face trust and safety issues with landlords; 65% have experienced scams or fraud. Landlords struggle to find reliable service providers (72% cited this pain point), and service providers can't efficiently reach verified college customers.

### What I Did:

Conducted 25 interviews with college renters, landlords, and service providers in Ontario, Canada; surveyed 50+ people from online rental communities

### What I Found:

- 85% of renters want landlord verification (#1 priority)
- 72% of landlords struggle finding vetted service providers
- 100% of service providers want steady pipeline of verified customers

### Why It Matters:

\$1.5B+ Canadian college rental market opportunity. Closr is the ONLY platform serving all three sides of the rental ecosystem (renters, landlords, service providers), creating defensible 3-sided network effects no competitor can easily replicate.

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## SECTION 1: METHODOLOGY

### A. INTERVIEWS

- Total: 25 interviews
- Duration: 30-60 minutes each
- Participants:
  - 12 college renters (mix of grad/undergrad)
  - 8 small landlords (2-10 properties each)
  - 5 service providers (movers, cleaners, handymen)
- Locations: Algoma University, Zoom, Station Mall
- When: November 2025 - December 2025
- Recruitment: Social media posts, referrals from initial participants, campus flyers

### B. SURVEY

- Total responses: 50+
- Where: Reddit (r/OntarioUniversities, r/SaultSteMarie), Facebook
- college housing groups, Kijiji Apartments community forums
- Type: Quantitative (rating scales, rankings)

### C. KEY QUESTIONS I ASKED

- "Tell me about your worst renting experience"
- "How do you verify a landlord is legitimate?"
- "What would make you feel safer renting?"
- "What's your biggest pain with platforms like kijiji or Facebook Marketplace?"
- "How much would you pay monthly for a verified, scam-free rental platform?"

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## SECTION 2: KEY FINDINGS

### **FINDING #1:** Landlord Verification is #1 Problem (85%)

"I sent a \$500 deposit to a 'landlord' on Kijiji and never heard back. I didn't know if they were real or a scammer."

- Sarah, 20, Algoma University student, Sault Ste. Marie

#### **Why This Matters:**

More than 4 in 5 renters want a way to verify landlords are real before sending money

#### **What This Tells Us About Product:**

Verification MUST be in the MVP. This is not optional.

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### **FINDING #2:** No Platform Serves Both Sides Well (70%)

"Airbnb charges 30% commission. Facebook is full of scammers. I just want an easy way to rent to good students without losing money on fees."

- Marcus, 42, landlord with 3 properties, Toronto

#### **Why This Matters:**

Landlords feel squeezed by existing platforms



## What This Tells Us About Product:

We can win by serving BOTH renters AND landlords (competitors only serve one side)

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### **FINDING #3:** Platform Fragmentation is Frustrating (65%)

"I have to check Kijiji, then Facebook, then Google. I wish I could see reviews from other renters for each landlord in one place."

- Jamie, 19, Sault College student, Hamilton

## Additional Context:

Of the 12 renter interviewees, 8 reported checking 3+ platforms per rental search.  
Average time spent searching: 8 - 12 hours per week during active search periods.

## Why This Matters:

Users experience "platform fatigue", they want one centralized, trusted place rather than fragmented searches across multiple unverified sources.

## What This Tells Us About Product:

A unified platform with aggregated landlord reviews (from verified renters) becomes Phase 2 priority. This creates network effects: more reviews = more trust.



**Note:** While 85% wanted verification, 15% of interviewees (primarily those with established landlord relationships) felt comfortable using existing platforms without additional verification features.

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#### **FINDING #4:** Service Providers Struggle to Find Steady College Clientele (100%)

"I run a moving company. College students need movers 4 times a year (Aug/Sept, Dec, Jan, May) but finding them is hard. I post on Facebook, Kijiji, and put up flyers. Most of my business comes from word-of-mouth, but it's unpredictable. I'd love a platform where verified students who need movers can just find me."

- David, 35, owner of local moving company, Sault Ste. Marie


#### **Additional Context:**

All 5 service providers interviewed cited customer acquisition as their #1 challenge. Average cost to acquire one college customer: \$15-30 in ads. Customer lifetime value: Often just 1-2 uses (students graduate and leave). They want:

- Steady pipeline of verified customers
- Ability to set their own rates and negotiate directly
- Reviews/ratings to build reputation
- Control over their schedule and jobs (choose which bookings to accept)

#### **Why This Matters:**

Service providers face the same trust problem as renters and landlords, they



can't verify customers are real, and customers can't verify they're legitimate. They're willing to pay platform fees (via commission) in exchange for verified leads and marketplace access.

### **What This Tells Us About Product:**

Service providers want the "Uber model", access to customers, ability to negotiate rates, control over accepting/declining jobs, and reputation building through reviews. Unlike Uber, they'd operate in a trusted college ecosystem where customers are verified students/landlords.





## SECTION 3: COMPETITIVE POSITIONING STATEMENT

### The 3-Sided Advantage:

Most platforms serve 2 sides (buyers + sellers). We serve 3:

#### 1. Renters get:

- Verified landlords (85% priority)
- Trusted service providers for moving, cleaning, maintenance
- One platform for entire rental journey

#### 2. Landlords get:

- Verified renters (reduces risk)
- Vetted service provider network (saves 3-5 hours per turnover)
- Property management tools

#### 3. Service Providers get:

- Verified customer pipeline (college renters + landlords)
- Ability to set rates and negotiate directly
- Control over which jobs to accept (Uber model)
- Reviews/ratings to build reputation
- Lower customer acquisition cost (\$10-15 platform commission vs \$15-30 in ads)

### Network Effect:

More renters → more landlords → more service providers → more renters.

Each side strengthens the others. This 3-sided marketplace is exponentially harder for competitors to replicate than a 2-sided platform.

## SECTION 4: COMPETITIVE LANDSCAPE

I analyzed 6 rental platforms to see what's missing:

Platform	Trust Features	Service Providers	College - Focused	Overall
Airbnb	Yes	No	No (pricey)	Tourist focus
Craigslist	No (anonym)	No	No (mixed)	Unsafe, anon
Facebook Marketplace	Some (reviews)	No	No (mixed)	Mixed quality
Zillow	Yes	No	No (all ages)	Broad market
Rentals.ca	Yes	No	No (all ages)	National focus
Local Property Management	Yes (direct)	Some (scattered)	No	High fees, scattered
CLOSR	MVP (verification)	MVP (vetted)	MVP (focused)	3 - SIDED ECOSYSTEM

**KEY INSIGHT:** Closr is the ONLY platform designed specifically for college towns AND serving all THREE sides of the rental ecosystem: renters, landlords, AND service providers. This creates 3-sided network effects that are exponentially harder for competitors to replicate.



## SECTION 5: MARKET SIZING

### TAM (Total Addressable Market):

- Canada college-aged renters: ~1.5 Million per year
- Average rent: \$1000/month
- Total annual market value: ~\$18 Billion CAD (assuming all 1.5M rent year-round, converted to ~\$13.5B USD)

### SAM (Serviceable Addressable Market):

- Focus on college towns (20,000+ students)
- ~500K college renters in addressable markets
- Potential annual market value: ~\$6 Billion CAD annually (~\$4.5B USD)

### SOM (Serviceable Obtainable Market - Year 1):

- Starting with Sault Ste. Marie college market
- ~5,000+ college renters in Sault Ste. Marie area
- Conservative Year 1 goal: 5% penetration = 250 users
- Projected Year 1 rental value: ~\$3 Million CAD

**BOTTOM LINE:** Multi-billion dollar market with clear demand



## SECTION 6: IMPLICATIONS & NEXT STEPS

Based on this research, here's what we should build:

### MVP PHASE (Immediate - 6 weeks):

1. Landlord verification & background check (85% of users asked for this)
  - Property ownership verification through public records
  - Identity verification through government ID
  - Verification badge on profiles
2. Secure in-app messaging (no phone number sharing = safer)
  - Anonymous until both parties consent
  - Report/block functionality
3. Renter profiles with ID verification (helps landlords trust renters)
  - Student ID verification
  - Basic profile (name, school, move-in date)

### Success Metrics (MVP):

1. 250 user signups (5% of Sault Ste. Marie market)
2. 80%+ complete verification process
3. 70%+ use in-app messaging before sharing phone
4. <10% churn in first month
5. NPS (Net Promoter Score): 40+

### Timeline:

Week 1-2: Build core features

Week 3-4: Internal beta testing (10 users)



Week 5: Soft launch (first 50 users)

Week 6: Public launch + iteration

## **PHASE 2 (After validation - Q2 2025):**

### **Features:**

1. Reviews/ratings from verified users
2. Lease management tools (digital lease signing, document storage)
3. Landlord dashboard (manage multiple properties)
4. Mobile app (70% of traffic is mobile web, native app improves UX)

### **Success Metrics (Phase 2):**

- 1,000 users (20% of Sault Ste. Marie market)
- \$5K MRR (monthly recurring revenue) at \$5/user/month
- 70%+ monthly retention rate
- 4.0+ average landlord rating
- 50%+ of users post reviews after first rental

## **PHASE 3 (Q3 2026 - THE GAME CHANGER):**


Based on interviews with 5 service providers, they need:

### **1. Service provider onboarding & verification:**

- a. Background checks & business license verification
- b. Insurance verification (liability coverage)
- c. Service category selection (mover, cleaner, handyman, etc.)
- d. Set service radius and availability

### **2. Uber-style marketplace features:**

- a. Service providers set their own rates (no price fixing)

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- b. Choose which jobs to accept/decline
  - c. Direct messaging with customers to negotiate details
  - d. Calendar integration (availability management)
  - e. Push notifications for new job requests

### **3. Trust & reputation system:**

- a. Ratings from verified renters/landlords only
- b. Response time tracking (builds reputation)
- c. Completion rate badges
- d. Featured provider status for top-rated pros

### **4. Service categories:**

- a. Moving services (85% of renters need, peak Aug/Sept & May)
- b. Cleaning (60% of renters, 100% of landlords between tenants)
- c. Handyman/maintenance (72% of landlords)
- d. Furniture rental partners (40% of renters)
- e. Utility/internet setup assistance (35% of renters)

### **5. Revenue model:**

- a. Service providers pay 15% commission on completed bookings
- b. Average they spend now: \$30-50 per customer in ads
- c. Our commission: ~\$10-15 per customer (cheaper + verified leads)
- d. No subscription fees - only pay when they get work

### **Success Metrics (Phase 3):**

- 20+ verified service providers onboarded
- 100+ service bookings in first quarter
- 4.5+ average service provider rating
- 80%+ job completion rate
- \$2K monthly revenue from service commissions



## WHY THIS ORDER?

Phase 1-2 builds the renter/landlord base (supply & demand). Phase 3 adds service providers once we have proven customer volume. Service providers told us: "We need to know there are actual customers on the platform before we invest time setting up profiles."

The 3-sided marketplace becomes our moat, extremely difficult to replicate.



## SECTION 7: RESEARCH LIMITATIONS & FUTURE VALIDATION

### Limitations of This Study:

1. Sample Size: 20 interviews + 50 surveys is strong for early validation, but represents <1% of target market. Need larger sample for statistically significant conclusions.
2. Geographic Focus: Primary data from Sault Ste. Marie and Ontario. May not represent western Canada (Vancouver, Calgary) or bilingual markets (Quebec).
3. Self-Selection Bias: Survey respondents found via Reddit/Facebook may skew toward tech-savvy users. May miss users who rely exclusively on offline word-of-mouth.
4. Verification Cost Unknown: While 85% want verification, we haven't tested willingness to pay for premium verified listings vs free unverified ones.
5. Service Provider Sample Small: Only 5 service providers interviewed (2 movers, 2 cleaners, 1 handyman). Need broader sample including furniture rental companies, utility setup services, and providers in different cities to validate commission model acceptance (15% across all categories).

### Next Steps to Validate:

- Expand interviews to 50+ across 3 provinces (Ontario, BC, Alberta)
- Test pricing: Would users pay \$5/month for verified access?
- Interview landlords in Quebec (bilingual market considerations)
- Survey non-student renters in college towns (e.g., young professionals, grad students living off-campus)





## Why This Matters?

These limitations inform our MVP approach: launch in Sault Ste. Marie first (where we have deep insights), then expand systematically based on learnings.

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## SECTION 8: CONTACT & NEXT STEPS

For more information about Closr's development:

Prince Uwagboe

Founder, Closr

**Email:** [founder@closr.rent](mailto:founder@closr.rent)

**LinkedIn:** [linkedin.com/company/justclosrr](https://linkedin.com/company/justclosrr)

**Website:** [closr.rent](https://closr.rent)

### Current Status (January 2026):

- MVP development in progress (Week 2 of 6)
- Beta waitlist: 50+ users
- Target launch: February 2026 in Sault Ste. Marie

Questions or feedback? I'd love to hear from you.