

The Answer

SHELTERFORCE

Q: Does Airbnb cause rents to increase?

A: Yes.

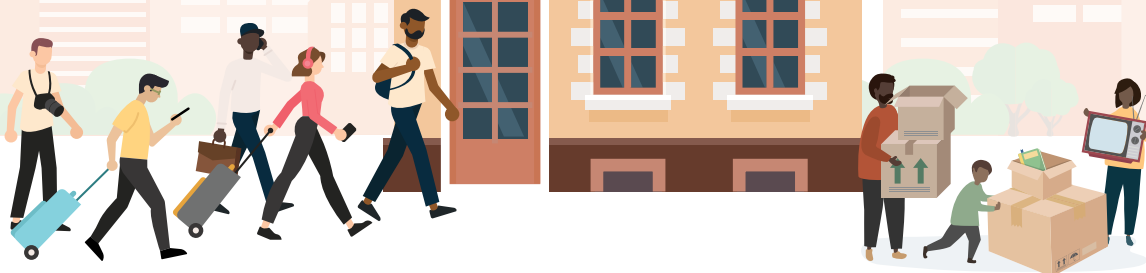
Despite its preferred image as a home-sharing platform, Airbnb actually involves tens of thousands of rental units that have been pulled off the rental market entirely, constricting housing supply. Since hosts can make 50 to 200 percent more on short-term rentals than on long-term rentals, Airbnb affects purchase prices as well.

Every 10 percent increase in Airbnb listings results in a 0.42 percent increase in average rents.¹

So, for example, in New York City from 2015 to 2018, Airbnb is estimated to have raised rents on average 1.4 percent, or an additional \$384 per year, for the median renter. Some neighborhoods experienced increases of over 1.8 percent.²

Neighborhood rents increased an average of \$490 per year in Central South Harlem, \$610 to \$720 per year in Chelsea, and \$450 in Crown Heights.³

Airbnb is responsible for about 16 percent of the total increase in rents in New York City in the past three years.⁴



1 The Sharing Economy and Housing Affordability: Evidence from Airbnb, by Kyle Barron, Edward Kung, and Davide Proserpio. American Economic Association, Oct. 20, 2017, bit.ly/2E85695

2 The High Cost of Short-Term Rentals in New York City, by David Wachsmuth, David Chaney, Danielle Kerrigan, Andrea Shillolo, and Robin Basalae-Binder. McGill University, Jan. 30, 2018, bit.ly/2KQUNaT

3 The High Cost of Short-Term Rentals in New York City, by David Wachsmuth, David Chaney, Danielle Kerrigan, Andrea Shillolo, and Robin Basalae-Binder. McGill University, Jan. 30, 2018, page 38, bit.ly/2KQUNaT

4 The High Cost of Short-Term Rentals in New York City, by David Wachsmuth, David Chaney, Danielle Kerrigan, Andrea Shillolo, and Robin Basalae-Binder. McGill University, Jan. 30, 2018, page 37, bit.ly/2KQUNaT

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