

SEPTEMBER, 2016

From Air Mattresses to Unregulated Business:
An Analysis of the Other Side of Airbnb

City Spotlight:

PHILADELPHIA, PENNSYLVANIA



BACKGROUND

In 2016, the American Hotel & Lodging Association (AH&LA) released an analysis providing a view of the commercial activity being conducted on Airbnb in the nation's largest metropolitan statistical areas (MSAs). John W. O'Neill, MAI, ISHC, Ph.D., professor of hospitality management and director of the Center for Hospitality Real Estate Strategy in the School of Hospitality Management at Penn State University, conducted the analysis of over 448,000 lines of data and over 10.2 million variables and developed the key findings, which include:

- ▶ More than a quarter (26%) of Airbnb's revenue in 14 of the nation's largest markets – \$347 million – came from operators who listed properties for rent full-time, or for 360 days or more, during 12 months from October 2014 through September 2015.
- ▶ Based on a rigorous analysis of Airbnb listing data in 14 major U.S. metropolitan areas over the course of a full year, commercial operators in the nation's largest cities generate a substantial share of the company's revenue by renting out multiple residential properties and/or renting properties year-round.
- ▶ The number of people renting out two or more residential properties on Airbnb appears to be growing, and nearly 40% of the company's revenue in 14 of the nation's largest cities is generated by these "multi-unit operators," totaling more than half a billion dollars a year.

The following analysis provides greater detail about the commercial activity being conducted on Airbnb in the Philadelphia MSA.

Data Source

The data used in this report were sourced from Airdna, which tracks Airbnb revenues and operations and provides pricing and revenue data to Airbnb operators. Airdna conducts a continuous search of the Airbnb web site, resulting in each Airbnb listing being analyzed once every seven days.

The data cover 14 of the nation's largest metropolitan statistical areas (MSAs): New York, Chicago, Los Angeles, Philadelphia, Miami, Houston, Dallas, Phoenix, San Antonio, San Diego, San Francisco, Boston, Austin and Washington, D.C. The research focuses on hosts who rent multiple units and length of time that hosts rent out their unit(s).

Kalibri Labs, a hospitality research firm, sorted the data, which included Airbnb operators from October 2014 through September 2015.

Exclusions: All data exclude all shared rooms and units and unique units, such as boats, tree houses, and tents.

Additional Information:

John W. O'Neill, MAI, ISHC, Ph.D., professor of hospitality management and director of the Center for Hospitality Real Estate Strategy in the School of Hospitality Management at Penn State University and Yuxia Ouyang, doctoral student, conducted the analysis and developed the key findings. They examined over 448,000 lines of data and over 10.2 million variables.

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Glossary of Terms

Host: Person or entity renting out at least one residential unit on the Airbnb platform.

Full-time operator: Any host renting out unit(s) 360 or more days per year.

Multi-unit operator: Any host renting out two or more units.

KEY FINDINGS: PHILADELPHIA REGION

The data show that Airbnb operators listing residential properties for rent for the bulk of the year drive a large percentage of the company's revenue in the Philadelphia region.

Number of Days Operator Lists Unit(s) for Rent	Number of Operators 10/2014 – 9/2015	Revenue Generated 10/2014 – 9/2015	% of Airbnb Operator Population 10/2014 – 9/2015	% of Airbnb's Revenue 10/2014 – 9/2015
30+ Days / Year	1,167	\$13,383,017	63.98%	94.29%
180+ Days / Year	232	\$8,152,419	12.72%	57.44%
360+ Days / Year	41	\$3,868,558	2.25%	27.26%



\$8M

More than half (57%) of Airbnb's Philadelphia revenue – over **\$8 million** – comes from operators who listed properties for rent **more than 180 days per year**.



27%

Over one-quarter of Airbnb's revenue in the Philadelphia area – **27% or almost \$4 million** – comes from operators who listed units for rent **full time**.

36%



Operators listing **multiple units for rent** drove over one-third (36%) of Airbnb's revenue in the Philadelphia region – **over \$5 million**.

The 5 Philadelphia-area ZIP codes with the most properties listed on Airbnb from October 2014 through September 2015 accounted for more than \$7 million, or nearly half of Airbnb's revenue in the Philadelphia metropolitan area.

ZIP Code	Neighborhoods	Airbnb Operator Count 10/2014 – 9/2015	Property Count 10/2014 – 9/2015	Airbnb Revenue 10/14 – 9/15
19103	Rittenhouse Square	286	426	\$3,486,012
19130	Fairmount District	167	176	\$835,173
19146	Devils Pocket	160	169	\$1,094,784
19147	Queen Village	152	168	\$1,229,632
19107	Center City	147	156	\$970,012
Total		912	1,095	\$7,615,613

APPENDIX: PHILADELPHIA METROPOLITAN STATISTICAL AREA DATA TABLES

Revenue Analysis by ZIP Code

Zip Code	Property Count 10/2014 – 9/2015	Revenue 10/2014 – 9/2015	Zip Code	Host Count 10/2014 – 9/2015	Revenue 10/2014 – 9/2015
19103	426	\$3,486,012	19103	286	\$3,486,012
19130	176	\$835,173	19130	167	\$835,173
19146	169	\$1,094,784	19146	160	\$1,094,784
19147	168	\$1,229,632	19147	152	\$1,229,632
19107	156	\$970,012	19107	147	\$970,012
19106	102	\$845,872	19106	92	\$845,872
19104	85	\$372,382	19123	77	\$331,873
19123	80	\$331,873	19104	73	\$372,382
19125	67	\$365,342	19125	62	\$365,342
19143	66	\$459,728	19143	60	\$459,728

Frequent Hosts

Number of Days Operator Lists Unit(s) for Rent	Operator Count 10/2014 – 9/2015	Revenue 10/2014 – 9/2015	Percent of Operators Who List Unit(s) for Multiple Days 10/2014 – 9/2015	Percent of Revenue From Operators Who List Unit(s) for Multiple Days 10/2014 – 9/2015
Total	1824	\$14,192,897.67	–	–
30+ days	1167	\$13,383,017.20	63.98%	94.29%
60+ days	765	\$12,137,080.23	41.94%	85.52%
90+ days	565	\$11,123,496.71	30.98%	78.37%
120+ days	409	\$10,081,476.51	22.42%	71.03%
180+ days	232	\$8,152,418.70	12.72%	57.44%
360+ days	41	\$3,868,557.65	2.25%	27.26%