

JUNE, 2016

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

City Spotlight:

NEW YORK, NEW YORK



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 New York City 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.

This study was primarily funded by the American Hotel & Lodging Educational Foundation. Additional funds provided by the American Hotel & Lodging Association. Penn State University received no funding for the study.

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: NEW YORK CITY 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 New York City 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	21,623	\$432,861,637	77.03%	96.47%
180+ Days / Year	4,712	\$265,478,756	16.79%	59.17%
360+ Days / Year	909	\$107,471,333	3.24%	23.95%



\$265M

More than half (59%) of Airbnb's New York City revenue – over \$265 million – comes from operators who listed units for rent **more than 180 days per year.**



24%

Nearly one-quarter of Airbnb's revenue in the New York City area – 24% or more than \$107 million – comes from operators who list units for rent **full-time.**

32%



Operators listing **multiple units for rent** drove almost one-third (32%) of Airbnb's revenue in the New York City region – **\$145 million.**

The five New York City-area ZIP codes with the most properties listed on Airbnb from October 2014 through September 2015 accounted for more than \$95 million, or 21% of Airbnb's revenue in the New York MSA.

ZIP Code	Neighborhoods	Airbnb Operator Count 10/2014 – 9/2015	Property Count 10/2014 – 9/2015	Airbnb Revenue 10/14 – 9/15
11211	Williamsburg	1,349	1,443	\$18,905,453
10011	Chelsea	1,120	1,181	\$18,095,204
10003	Union Square, Gramercy Park	1,090	1,165	\$20,175,660
10002	Lower East Side	1,036	1,115	\$19,363,658
10009	East Village	1,013	1,100	\$18,598,365
Total		5,608	6,004	\$95,138,340

If Airbnb operators in the New York City area followed the same tax rubric as other lodging businesses in New York City, in the 12 months between October 2014 and September 2015 they would have owed municipal governments in the region more than \$75 million.

City of New York Lodging Taxes										
State Tax	City Sales Tax	Transportation District Surcharge	Hotel Room Occupancy Tax	Total Tax Rate	NY Unit Fee	Occupancy Tax	Total Fee/ Night	Sold Room Nights	Airbnb's NYC Regional Revenue	Airbnb's Estimated Tax Obligation
4%	4.5%	.375%	5.88%	14.75%	\$1.50	\$2.00	\$3.50	2,582,659	\$448,706,771	\$75,223,555

APPENDIX: NEW YORK CITY 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
11211	1,443	\$18,905,453	11211	1,349	\$18,905,453
10011	1,181	\$18,095,204	10011	1,120	\$18,095,204
10003	1,165	\$20,175,660	10003	1,090	\$20,175,660
10002	1,115	\$19,363,658	10002	1,036	\$19,363,658
10009	1,100	\$18,598,365	10014	1,018	\$19,070,874
10014	1,085	\$19,070,874	10009	1,013	\$18,598,365
10019	1,027	\$20,378,469	10019	897	\$20,378,469
10012	926	\$18,464,117	10012	870	\$18,464,117
10016	765	\$10,386,529	11238	711	\$7,532,799
11238	764	\$7,532,799	10016	708	\$10,386,529

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	28,070	\$448,706,772	–	–
30+ days	21,623	\$432,861,638	77.03%	96.47%
60+ days	14,789	\$398,392,112	52.69%	88.79%
90+ days	10,403	\$358,837,333	37.06%	79.97%
120+ days	7,681	\$323,158,044	27.36%	72.02%
180+ days	4,712	\$265,478,757	16.79%	59.17%
360+ days	909	\$107,471,333	3.24%	23.95%