Short Changing New York City: The Impact of Airbnb on New York City's Housing Market

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Why did we select this case?

Affordable housing is a number one priority for many cities. This study is one of the few that examines the impact of short-term rental on housing prices. The study would help you answer questions like 'Are short term lets hurting the local housing market?' 'What are the connections between housing price and availability of Airbnb?'

Like major cities around the world, New York city has limited capacity to provide affordable housing. Although housing price have increased dramatically, household income does not rise in the same direction. As New York is the largest marketplace for Airbnb, the authors of this report examined the extent of Airbnb's impact on New York local housing market by using an occupancy model which was developed by advanced artificial intelligence and machine learning based on Airbnb data.

Be aware: "Findings from the report are based in part on proprietary information provided by third party entities as well as from primary research and a variety of public data sources, as described in Section 2 of this report. BJH did not verify the accuracy of information provided to it by third parties."

Key findings

- 90 per cent of all Airbnb listing are concentrated in Manhattan and Brooklyn, with 53 per cent located in one of five 'macro-neighbourhoods'
- Over 30 percent of accommodation listings in New York City are classified as Commercial.
- 16 per cent of all listings are classified as 'Impact Listings', units that are most

likely to result in the reduction in the supply of residential units, adding to the issue of excessively low vacancy and rising prices.

Reference

Delgado-Medrano, H.M. and Lyon, K.(2016). *Short Changing New York City: The Impact of Airbnb on New York City's Housing Market.* BJH Advisors LLC, New York, USA. Retrieved from: http://www.mfy.org/wp-content/uploads/Short-Changing-New-York-City.pdf