Sharing Economy

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The Impact of Online Platforms on City Housing Markets
Housing Affordability in Global Cities

13% House prices have risen by an average of 13% a year over the past three years

→ Serious challenge in big cities
Global Challenge
Growth of Airbnbnbnb

Economics
Urbanization
User Preference
NLC’s Research
NLC’s Research

Cities, the Sharing Economy and What’s Next

Cities and the Innovation Economy

Shifting Perceptions of Collaborative Consumption

The Sharing Economy: An Analysis of Current Sentiment Surrounding Homesharing and Ridesharing
39% of cities classified the relationship as tenuous or very poor.

16% of cities in a formal partnership with a sharing economy company that operates in their city.
Top benefits cited for homesharing

- Entrepreneurial Activity: 38%
- Increased Taxable Revenue: 28%
- Constituent Acceptance/Praise: 25%
Top concerns cited for homesharing

- Public Safety: 57%
- Non-Compliance With Current Standards: 52%
- Inability of Cities to Collect Revenue: 45%
For every 10 percent growth in Airbnb listings in American cities, a zip code’s average rent increases by 0.4 percent.
Airbnb alone has 1.5 million listings in 34,000 cities. Effect of STRs is smaller in zip codes with a larger share of owner-occupiers.
NY State law

Apx. 55 percent of the 51,000 Airbnb listings in New York City violate that law.

Apartments in New York City would increase by 10 percent if short-term rental listings were returned to the rental market.
By 2020, there will be between 26,000 and 32,000 more households with extremely low incomes than units affordable and available to these households (Urban Institute, 2015).

The number of low-cost units in DC is going down.

There are 4.33 Airbnb listings per 1,000 people across the District.
San Francisco

2,000 entire housing units, or 23 percent of current available vacant units, have been removed from the housing market because of Airbnb rentals.

Average rents rose 15% from 2014-2015.
Cities welcome innovative business models, but laws are in place for a reason.
Ensure business models are equitable and have measurable outcomes.
Data should be viewed as a shared resource.
Cities MUST be open to CHANGE
Conclusion
The challenges surrounding affordable housing are acute and becoming more serious, especially in large, tourism driven cities.
AirBnB/short-term rental companies present a great service and an innovative business platform, but we need to face and work on externalities and the nuances of local markets.
Through better partnerships we can build something that improves the lives of citizens and adds value to local economies.
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