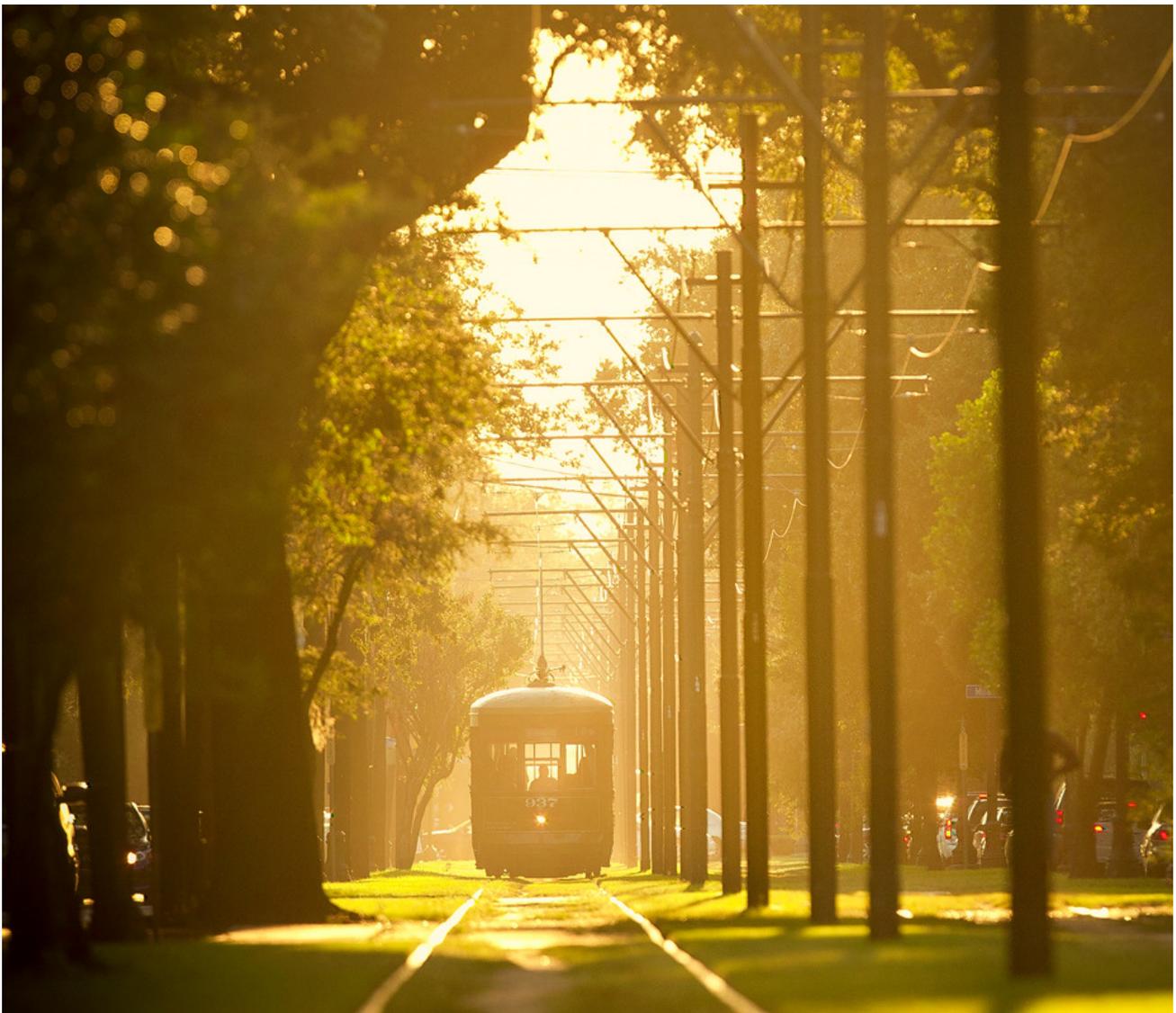




# Airbnb, Housing and the Crescent City

August | 2016

Introduction / 1  
Key Findings / 2  
Conclusion / 6



# INTRODUCTION

Since our founding in 2008, Airbnb has become an economic lifeline that makes it possible for long-time residents to pay the bills, make ends meet, and stay in the city they love. Ordinary people take what is typically one of their greatest expenses – the cost of their housing – and turn it into a way to generate supplemental income. With that understanding, Airbnb takes our impact on cities seriously and is committed to strengthening communities around the world.

In New Orleans, our commitment includes working collaboratively with City officials and community leaders to establish fair, transparent and common sense guidelines around responsible home sharing that harness its significant economic benefits, generate new revenues for the City and protect the quality and character of New Orleans' neighborhoods.

Like many in the community, we share the belief that New Orleans' continued growth and prosperity depend on ensuring that neighborhoods remain inclusive and affordable for all residents. We also welcome the discussion about the role that home sharing can play in advancing community goals for affordability and inclusivity.

In that spirit, the following report looks at home sharing activity in New Orleans relevant to the ongoing dialogue about home sharing, housing and the Crescent City. Our key findings include:

- The supplemental income hosts earn is an economic lifeline: 16% or over 400 hosts say Airbnb has helped them avoid foreclosure or eviction.
- Most Airbnb hosts share their permanent homes and do so in large part to keep their living costs affordable: 64% of Airbnb hosts in NOLA are sharing space in their own home (Types A and T<sup>1</sup>) and 65% use their income from Airbnb to help make ends meet.
- Entire home listings encompass a broad and diverse range of home sharing activity: Hosts that have had a trip in an entire home space - whether just for a weekend or with more frequency - comprise only 1.8% (includes Types A, T, P and C) of all housing units in the City, and include several types of units that would not otherwise be viable as long-term housing units.

---

<sup>1</sup> STR license types as defined in the City Planning Commission staff proposal.

- Most entire home listings are shared only occasionally: 70% of entire home listings hosted short-term stays for fewer than 120 days in the past year, and “full-time” entire home listings on Airbnb represent only 0.06% of the City’s total housing stock, and 4% of Airbnb’s current listings.

## KEY FINDINGS

### **FINDING 1: Most Airbnb hosts share their primary home in large part to keep their housing and living costs affordable.**

The vast majority of Airbnb hosts in New Orleans are long-time residents who rent their primary homes on occasion to generate modest but significant supplemental income. The average host has lived in New Orleans for 19 years and nearly a quarter of our host community is over age 50. While hosts hail from all walks of life, one common thread through the community is the value that home sharing provides in keeping their lives, and particularly their housing costs, affordable.

According to Airbnb host survey data collected in 2016 of hosts who had hosted in 2015:

- **65%** of hosts say they use their Airbnb income to make ends meet.
- **74%** of income hosts generate from home sharing is used for typical household expenses like rent, mortgage payments, household bills and savings.
- **16%** of Airbnb hosts (over 400) say their Airbnb income has helped them avoid eviction or foreclosure.

### **FINDING 2: Entire home listings encompass a broad and diverse range of home sharing activity, comprise 1.8% of all housing units in the City and include several types of units that would not otherwise be viable as long-term housing units.**

Of particular focus in the housing and home sharing discussion is the impact of “entire-home listings” on the overall stock of long-term rental inventory. These are listings where Airbnb hosts share an entire residence with a guest, versus a private or shared room.

It’s important to note that, contrary to some perceptions, entire home listings span a broad and diverse range of home sharing activity, including in units that would not otherwise be viable as long-term housing. One space listed on Airbnb as an entire home does not mean one unit of long-term housing is being removed from the marketplace. Some examples:

- Many entire home listings are owners' primary residences and are rented out when the owner is traveling or otherwise away from her home.
- Oftentimes, entire home listings are private suites in homes, lacking kitchens and other amenities required for long-term tenants.
- Others are rented out in between visits from family and friends, occupied part of the year by owners who travel or live elsewhere for work and want to keep their homes in the city.
- Others are boutique hotel rooms or time-shares that list their spaces on Airbnb.
- Another type of housing prolific in New Orleans is a shotgun double, a form of multiple-family housing, where two conventional houses share a central wall, and oftentimes the same owner.

A significant number of whole home listings on Airbnb would never be available as long-term housing or may not accommodate a long-term tenant.

As outlined above, most hosts share their permanent home: The large majority of hosts (64%) in New Orleans are sharing space in the home in which they live. Most entire home listings are shared for less than a third of the year. In addition, over 50% of entire home listings hosted short-term stays for fewer than 60 days in the past year, suggesting that an individual is likely living in that unit for the remaining balance of the year.

Even if these listing were all viable long-term rental units, they would still comprise an extremely small fraction of the City's housing inventory. As TABLE 1 makes clear, Airbnb currently has 3,390 active entire home listings in New Orleans that have hosted at least one visit. These include many hosts who may have shared their primary homes once or twice during the year during a vacation or particular community event. In total, these listings represent only 1.8% of the 191,310 units of housing in New Orleans.

Notably, "full-time" entire home listings - i.e. those who have been rented out or would be on pace to be rented out for more than 270 days per year - represent only 0.06% of the city's total housing units.

	Number of entire home listings	Number of entire home listings as percent of New Orleans housing units
Total housing units in New Orleans (2014)	191,310	100%
Airbnb entire home listings in New Orleans that...		
Number of listings with a trip in last year	3,390	1.08%
Have hosted “full-time” in the past year	112	0.06%

TABLE 1 - Airbnb Entire Home Listings in New Orleans as Percent of New Orleans Housing Stock

**FINDING 3: Most entire home listings are shared only occasionally, and “full-time” entire home listings on Airbnb represent a small fraction, 0.06%, of the City’s total housing stock.**

Another common misperception of entire home listings is the idea that these units are rented out on a “full time” basis. As FIGURE 1 shows, the vast majority of entire home listings are rented out on an occasional basis, with 35% rented out for less than 30 days per year and 51% rented out for less than 60 days per year.<sup>2</sup>

<sup>2</sup> To ensure that annual hosting frequency is not deflated by newly-activated listings, FIGURE 1 shows the annual hosting patterns for all listings that were first active on, or before, July 1, 2015 and therefore have a year’s worth of hosting behavior. About half of the New Orleans entire home listings that hosted guests last year tend to host for fewer than 60 nights during the entire year; 70% tend to host for less than 120 days.

FIGURE 1 - 2015 Hosting Frequency for Entire Home Listings on Airbnb in New Orleans<sup>3</sup>

Notably, only 112 entire home listings are “full-time” listings – i.e. listings that hosted at least 270 nights during the year period.<sup>4</sup> These listings represent only 0.06% of the total housing stock in New Orleans, and only 4% of Airbnb’s current listings.

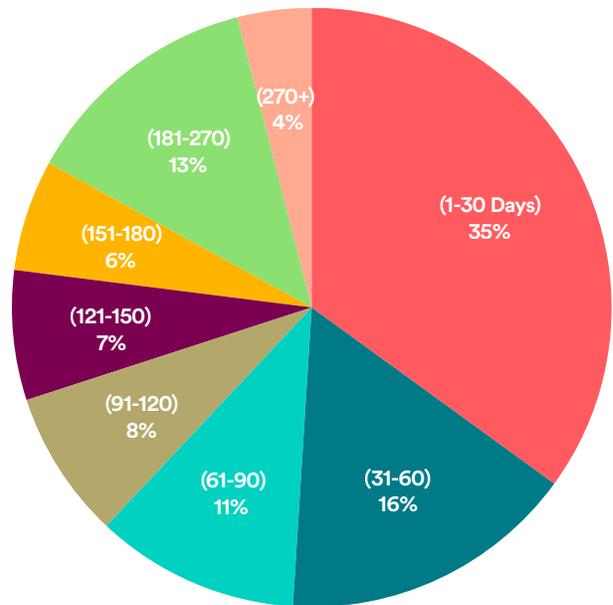
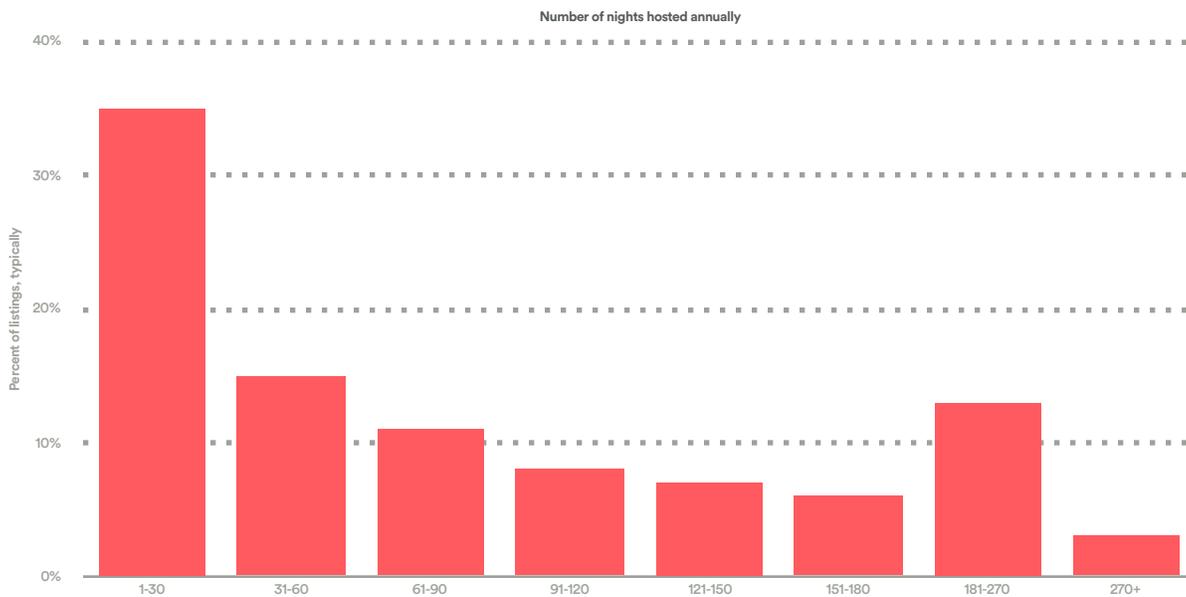


FIGURE 2: Histogram of Typical Annual Hosting Frequency (Based on the Past Year, July 1, 2015 through July 1, 2016)

The distribution in FIGURE 2 indicates that the Airbnb community represents mostly infrequent homesharers.



<sup>3</sup> Based on Airbnb bookings data for the City of New Orleans in the year period between July 1, 2015 and July 1, 2016. Analysis includes both long-term rentals (rentals for longer than 30 consecutive days) and short-term rentals (rentals for fewer than 30 consecutive days).

<sup>4</sup> “Full-time” listings were defined as listings that hosted at least 270 nights during the year period; if the entire home listing has not been available on Airbnb.com for a year, it is considered “full-time” if it hosted 75% of the days since the listing was activated.

Regarding these infrequent homesharers (orange in FIGURE 2): while we cannot know for certain why hosts are hosting only occasionally, we can hypothesize that, in most cases, the entire home listing is a primary home being rented while the resident is traveling for work or vacation, or otherwise away from her home. The hosting pattern suggests that the majority of hosts are small-time operators, renting space that, even without Airbnb, would likely not be available on the long-term rental market. (Additionally, it's worth noting that many accessory units, like a small bedroom over a garage, or portion of a dwelling with a separate entrance, can be listed as an "entire home."<sup>5</sup> This type of space often lacks a kitchen or other facilities, and, with or without Airbnb, would not be available to a long-term tenant as a dwelling unit.)

Regarding the much smaller percentage of more frequent homesharers (blue in FIGURE 2): again, while we cannot know for certain why hosts are sharing more frequently, we can hypothesize that, in many cases, the entire home listing is a more traditional vacation rental. New Orleans is a vibrant and popular travel destination, and census data shows that vacation rentals have been part of the New Orleans cityscape for the past decade and longer.

## CONCLUSION

Airbnb welcomes the ongoing discussion about home sharing and housing in New Orleans. Our data suggest a nuanced and multifaceted relationship that defies simple generalizations and policy prescriptions for short term rentals as a whole, and entire home listings in particular. For the majority of our hosts in New Orleans, home sharing represents a much-needed tool to generate supplemental income in their primary house (classified by the City Planning Commission as Type A and T short-term rentals) to keep their housing and other living costs affordable, and in many cases, avoid the devastating consequences of eviction or foreclosure.

For the subset of Airbnb hosts who offer entire home listings (terms Types A, T, P and C as defined by the City Planning Commission), many do so in either their primary residence or in homes that would likely otherwise not be viable long-term housing units. Moreover, "full-time"entire home listings constitute 0.06% of the city's nearly 200,000 units of housing, and 4% of Airbnb's total listings.

---

<sup>5</sup> Classification of listings as either entire home/apt, private room, or shared room is self-reported by hosts.

We appreciate the opportunity to share the facts and benefits of home sharing, and look forward to continued dialogue with City and community leaders on how best to promote and regulate responsible home sharing in New Orleans.

## APPENDIX

### Additional Notes on Methodology:

This analysis includes only entire home listings, which are the best Airbnb proxy for housing units. Not all entire home listings are necessarily housing units that could (legally) accommodate a long-term tenant.

All Airbnb bookings are included in the analysis, including longer-term stays like rentals for 30 consecutive days or more.