

FINDINGS REPORT | APRIL 2017

SHARING FOR A STRONGER NEW YORK

ANALYSIS OF ECONOMIC ACTIVITY 2016



SUMMARY FINDINGS

Summary Findings

Regional Profiles

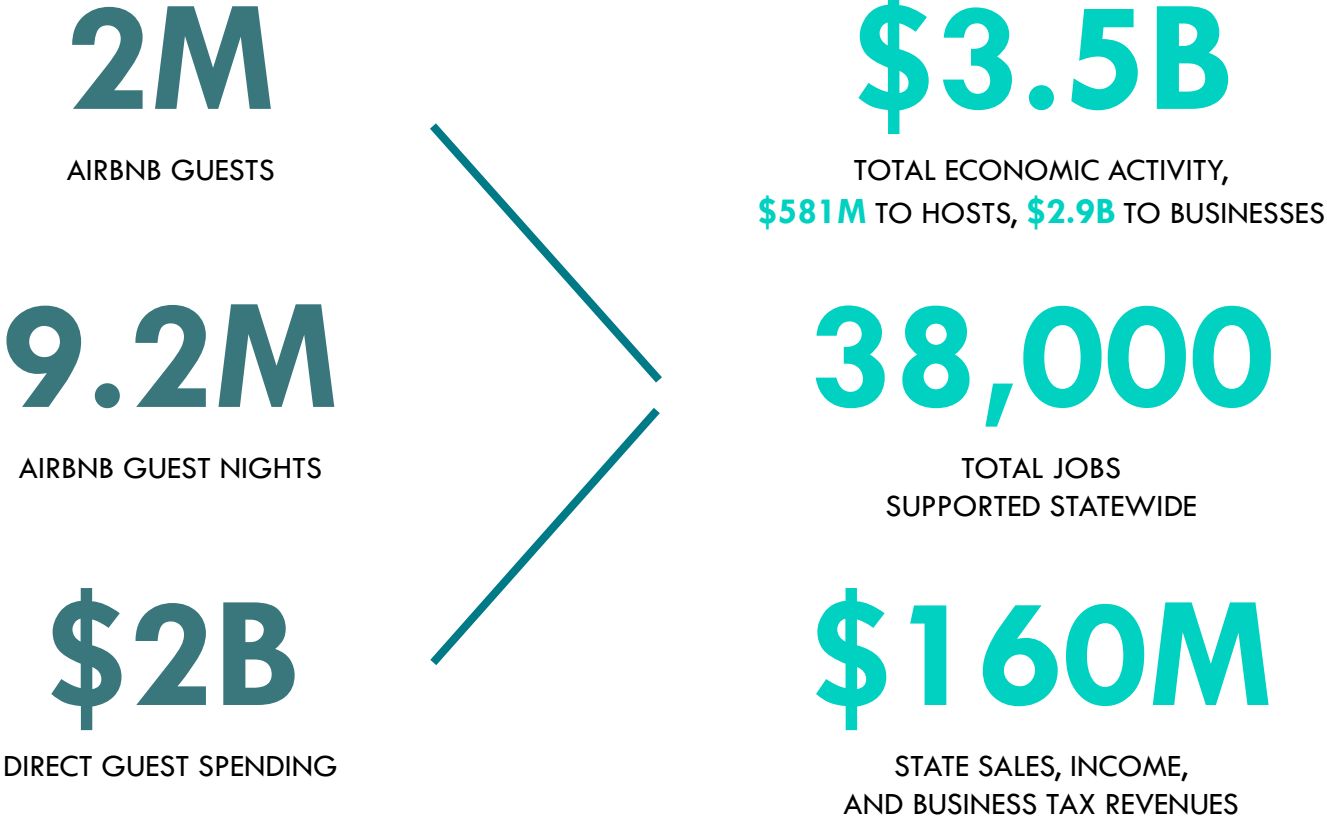
Appendices

- Regional Summaries

- Historical Comparison: 2014 vs. 2016

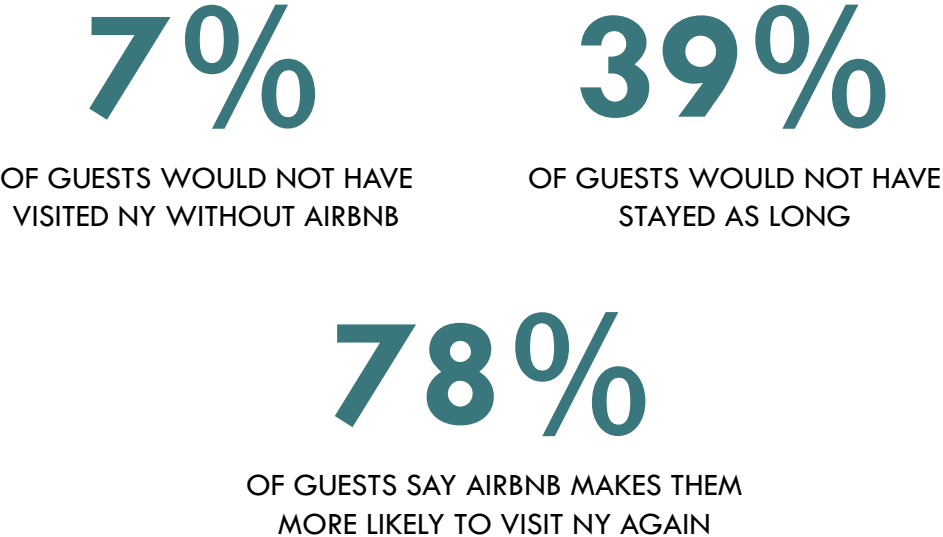
- Methodology

AIRBNB RENTALS ARE A **SIGNIFICANT DRIVER OF ECONOMIC ACTIVITY** ACROSS NEW YORK STATE.

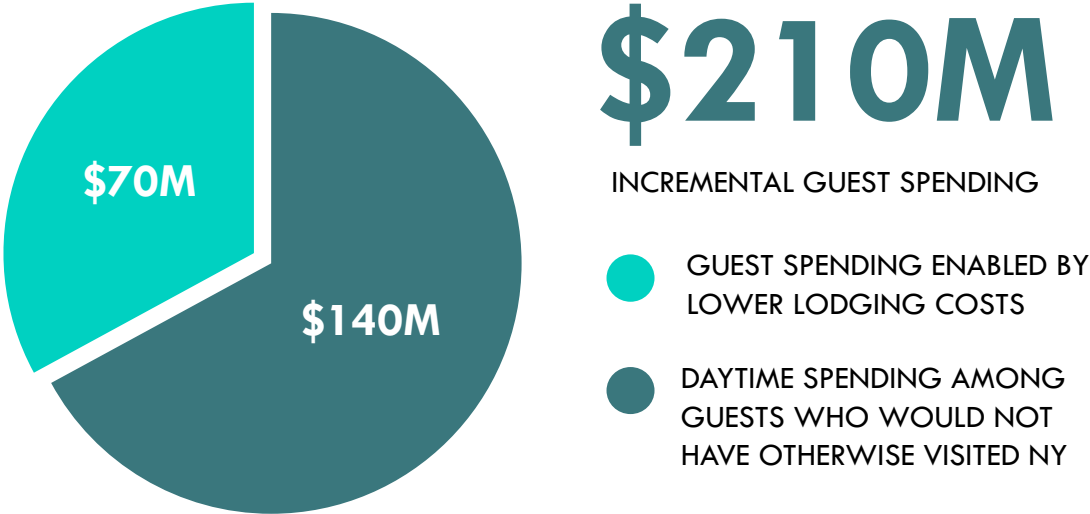


MUCH OF AIRBNB'S ACTIVITY IS NEW TO THE STATE ECONOMY.

INCREASED VISITATION



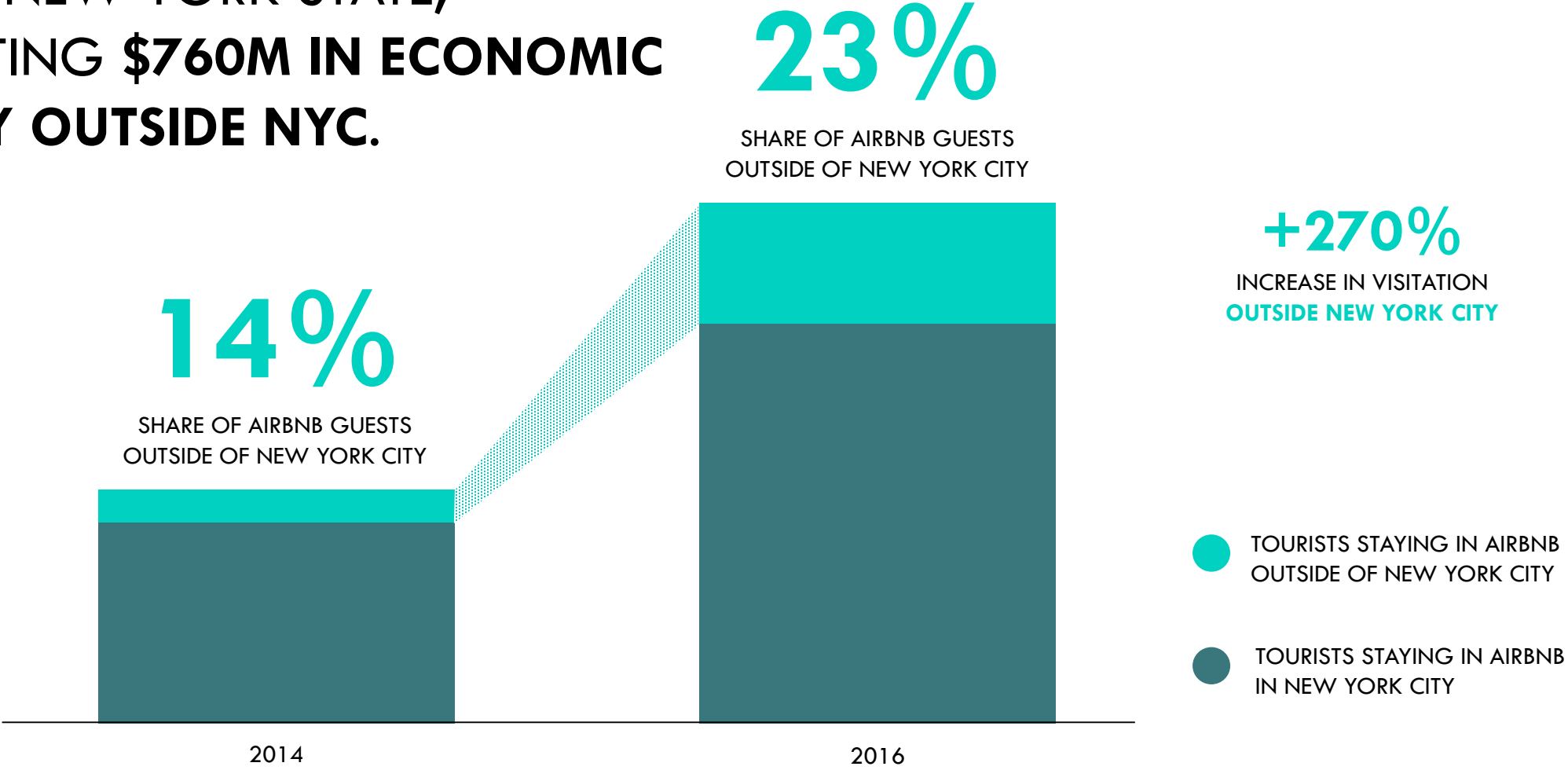
INCREASED SPENDING



Note: \$70M portion of total incremental spending reflects the average amount that Airbnb guests in New York State save per night relative to alternative types of lodging (\$47/night/party), multiplied by the average length of stay (4.5 nights) and the share of guests who reported re-spending the money they saved using Airbnb on other items during their trip (61%).

- 1 SUPPORTS VISITATION STATEWIDE.**
- 2 DRIVES VISITOR SPENDING IN COMMUNITIES THAT DO NOT TRADITIONALLY BENEFIT FROM TOURISM.**
- 3 PROVIDES CRITICAL SUPPLEMENTAL INCOME TO HOSTS, HELPING THEM STAY IN THEIR HOMES.**

AIRBNB SUPPORTS VISITATION ACROSS NEW YORK STATE, GENERATING \$760M IN ECONOMIC ACTIVITY OUTSIDE NYC.



Note: Tourists determined by the percentage of Airbnb guests who reported vacation/leisure or visiting friends/family as the primary purpose of their visit to New York in 2016. Shares for New York City guests and New York State visitors outside of New York City applied to the respective number of total Airbnb guests in 2014 and 2016.

AIRBNB DRIVES VISITOR SPENDING IN COMMUNITIES THAT DO NOT TRADITIONALLY BENEFIT FROM TOURISM.

2/3

OF AIRBNB GUESTS SAID THEY WANTED TO LIVE LIKE A LOCAL



\$1.3B

IN DIRECT NEIGHBORHOOD SPENDING

\$720M

TO BUSINESSES IN THE IMMEDIATE NEIGHBORHOOD

\$580M

TO RESIDENT HOSTS

Note: Direct neighborhood spending reflects the 36% of total daytime spending that occurs in the neighborhood in which guests stay, as determined through 2016 Airbnb guest survey data.

AIRBNB PROVIDES CRITICAL SUPPLEMENTAL INCOME TO HOSTS, HELPING NEW YORKERS STAY IN THEIR HOMES.

\$5,860

AVERAGE ANNUAL HOST EARNINGS FROM AIRBNB IN NEW YORK STATE...

57%

OF TOTAL HOST INCOME GOES TOWARD RENT OR MORTGAGE PAYMENTS AND OTHER HOUSEHOLD EXPENSES

\$820

... MORE THAN THE MEDIAN PROPERTY TAX BILL IN NEW YORK STATE.

NEW YORK STATE HAS THE **4TH HIGHEST** PROPERTY TAXES IN THE NATION.

Source: U.S. Census Bureau, 2015 American Community Survey. Data reflect median annual real estate taxes among owner-occupied housing units in New York, escalated to 2016\$ based on average annual historical growth.

REGIONAL PROFILES

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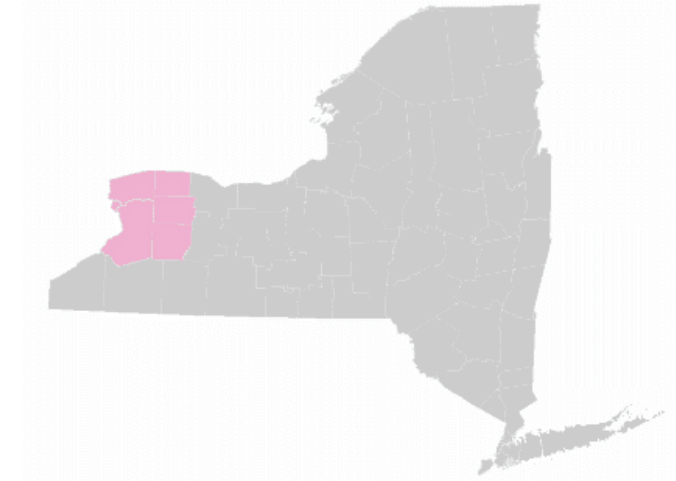
Methodology

AIRBNB GENERATED \$3.1B IN ECONOMIC ACTIVITY AND 33,000 JOBS ACROSS THE SIX REGIONAL STUDY AREAS IN 2016.

	BUFFALO NIAGARA	FINGER LAKES	CAPITAL REGION	HUDSON VALLEY	LONG ISLAND	NEW YORK CITY
ECONOMIC ACTIVITY	\$30M	\$68M	\$25M	\$75M	\$96M	\$2.8B
JOBS SUPPORTED	390	840	300	790	940	30K

BUFFALO NIAGARA

Airbnb drove **\$3.5M** in supplemental income to hosts in Buffalo Niagara in 2016, increasing their annual income by as much as a third.



\$7,250

AVERAGE ANNUAL AIRBNB HOST EARNINGS IN BUFFALO NIAGARA

32,500

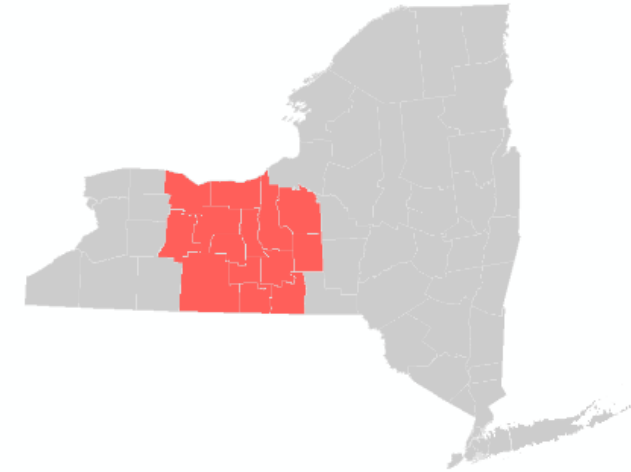
NUMBER OF FULL-TIME, YEAR-ROUND WORKERS IN BUFFALO NIAGARA EARNING **LESS THAN \$20K A YEAR**

\$1.4M

FOLLOW-ON ECONOMIC ACTIVITY GENERATED FROM INCREASED PURCHASING POWER AMONG HOST HOUSEHOLDS

FINGER LAKES

Airbnb guests **support key industries** in the Finger Lakes, generating almost **\$70M** in economic activity and **840** jobs.



\$16M

IN GUEST SPENDING AT FOOD & BEVERAGE ESTABLISHMENTS IN FINGER LAKES

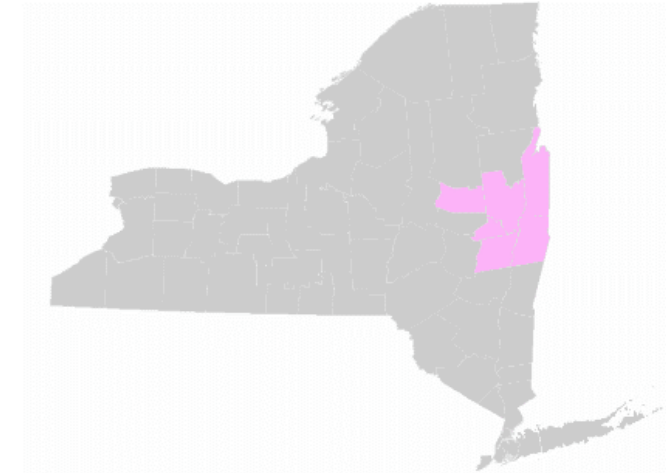
45%

OF WINERIES ACROSS NEW YORK STATE ARE LOCATED IN FINGER LAKES



CAPITAL REGION

Airbnb guests in the Capital Region generated nearly **twice the economic activity** expected from overnight visitors to the new Albany Capital Center.



\$13M

PROJECTED ECONOMIC ACTIVITY FROM OVERNIGHT VISITORS TO THE ACC UPON STABILIZATION (2021)

- VS -

\$25M

TOTAL ECONOMIC ACTIVITY FROM AIRBNB GUESTS IN THE CAPITAL REGION (2016)

6,700

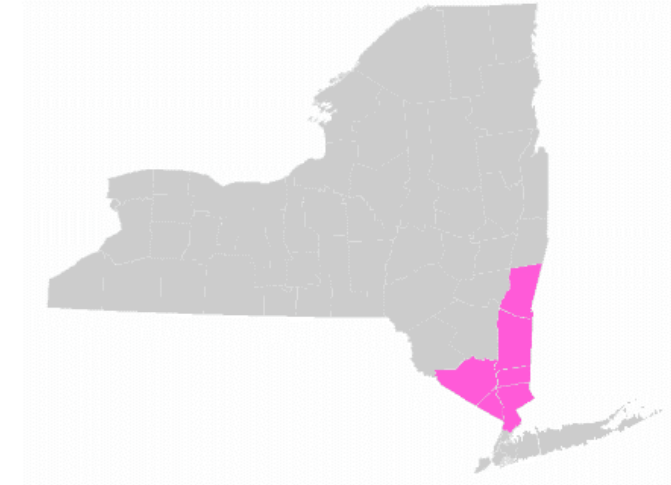
AIRBNB GUEST NIGHTS DEDICATED TO BUSINESS TRAVEL AND/OR CONVENTIONS IN THE CAPITAL REGION

Source: Empire State Development; Albany Capital Center; HVS Convention Sports and Entertainment Consulting

Note: Economic activity of overnight visitors to the ACC derived using overnight guests' share of total direct spending in stabilized year (2021). All estimates are expressed in today's dollars.

HUDSON VALLEY

Airbnb guests enjoy and **spend more on recreational activities** relative to traditional visitors, resulting in **\$75M** in economic activity.



26%

OF TOTAL DAYTIME SPENDING AMONG AIRBNB GUESTS IN HUDSON VALLEY ALLOCATED TOWARD RECREATION, COMPARED TO ONLY **11% BY TRADITIONAL VISITORS**



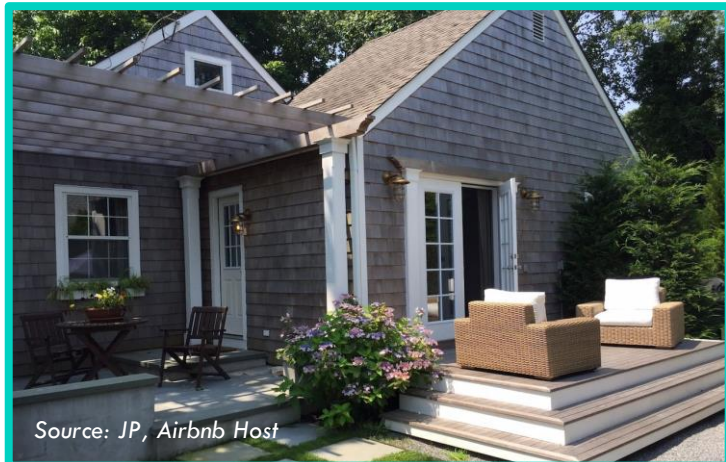
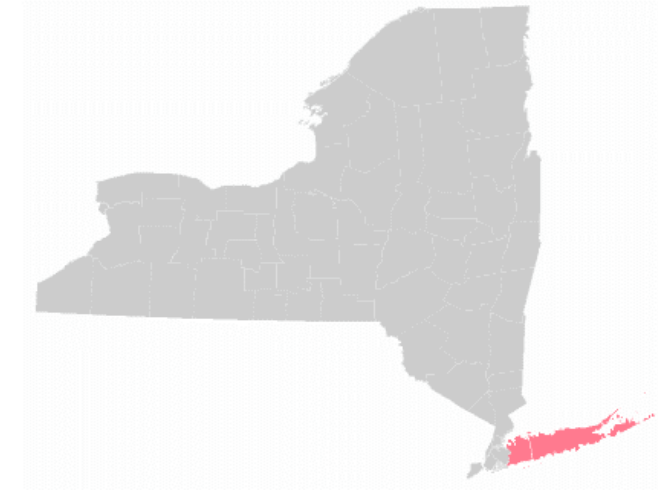
Source: Hudson Valley Magazine

36%

OF AIRBNB GUESTS HIKE, BIKE, OR OTHERWISE EXPLORE THE OUTDOORS DURING THEIR TRIP

LONG ISLAND

Airbnb is **activating underutilized second homes** on Long Island, generating nearly **\$100M** in new economic activity and supporting close to **1,000 jobs**.



Source: JP, Airbnb Host

58,100

SECONDARY VACATION HOMES ON
LONG ISLAND

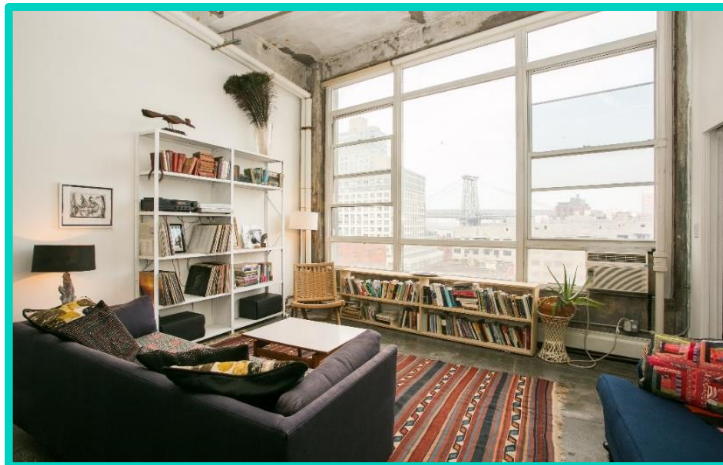
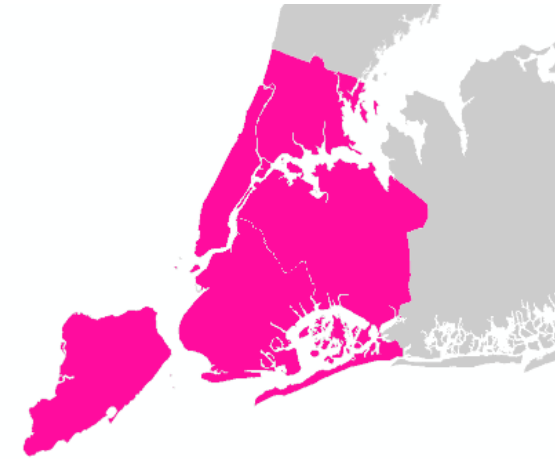
31

ADDITIONAL NIGHTS OF
OCCUPANCY WITH AIRBNB

NEW YORK CITY

Airbnb hosts are **disproportionately rent burdened**, allocating 48% of their income towards rent, compared to 28% citywide.

Airbnb is helping hosts withstand the **rising cost of living** in New York City.



4 MONTHS

OF RENT CAN BE COVERED BY
INCOME EARNED THROUGH AIRBNB

80%

OF NYC HOSTS SAY THAT AIRBNB HAS
HELPED THEM STAY IN THEIR HOME

EAST NEW YORK

Airbnb helps **New Yorkers stay in their homes**, providing **\$3M in critical supplemental income** to host households in East New York.



31%

OF HOSTS SAY THAT AIRBNB HAS HELPED THEM AVOID EVICTION

16K

HOUSEHOLDS IN EAST NEW YORK – NEARLY **A THIRD** OF TOTAL HOUSEHOLDS – SPEND **50% OR MORE** OF THEIR ANNUAL INCOME ON RENT



Source: Community Preservation Corporation

Source: U.S. Census Bureau, 2015 American Community Survey.

REGIONAL SUMMARIES

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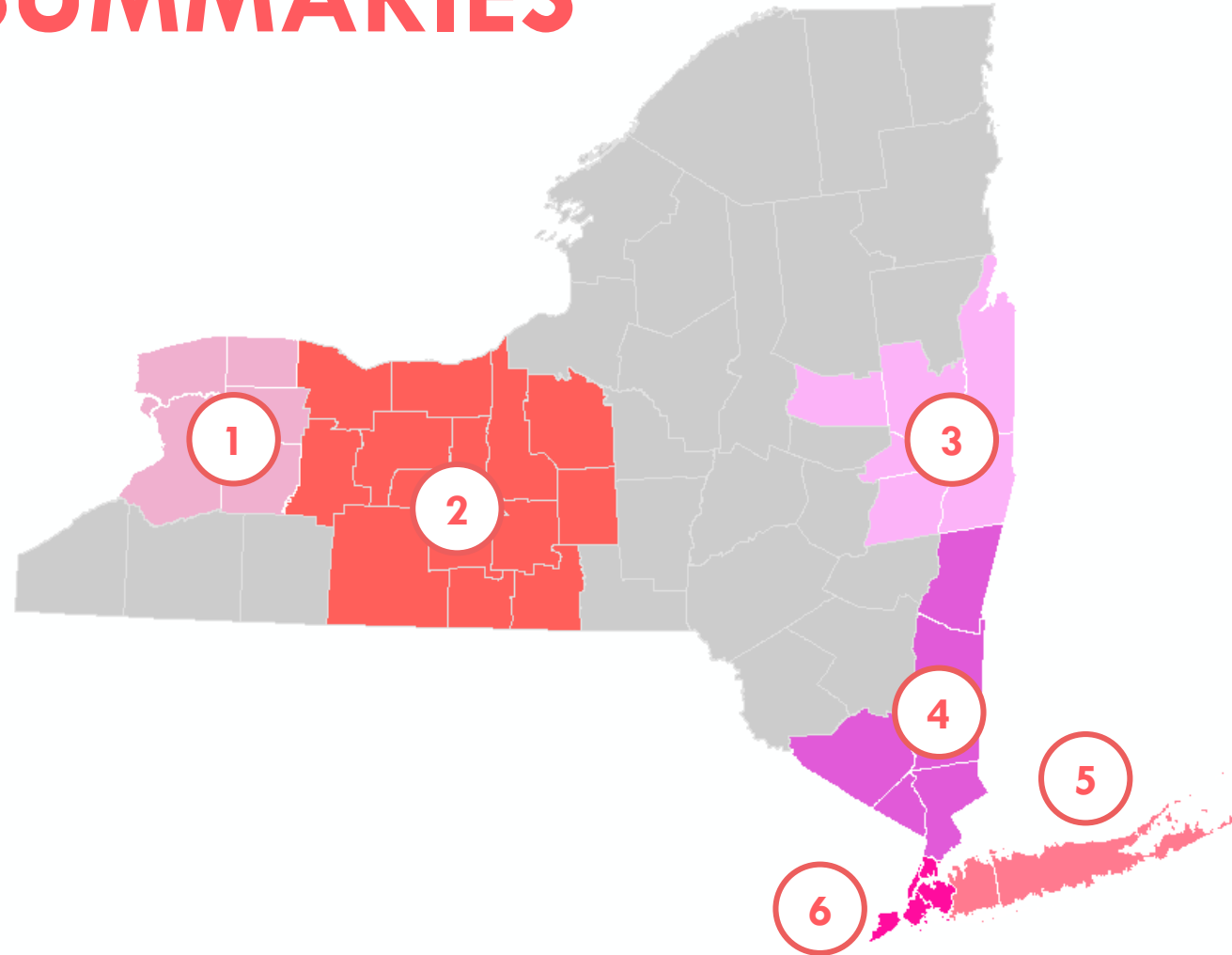
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REGIONAL SUMMARIES

- 1** Buffalo Niagara
- 2** Finger Lakes
- 3** Capital Region
- 4** Hudson Valley
- 5** Long Island
- 6** New York City



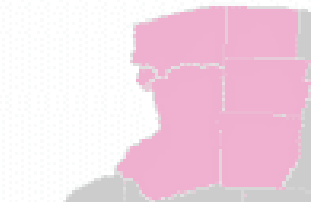
Note: This analysis only separately considers the regional activity of the sub-geographies highlighted above. Regional economic activity presented in subsequent sections therefore do not sum to total statewide activity.

Source: Regional definitions per Empire State Development and ILOVENY.

BUFFALO NIAGARA

\$30M

TOTAL ECONOMIC ACTIVITY



390

TOTAL JOBS SUPPORTED

42,000

AIRBNB GUESTS

94,100

AIRBNB GUEST NIGHTS

\$17M

IN DIRECT SPENDING AT BUFFALO
NIAGARA BUSINESSES,

\$3M TO RESIDENT HOSTS

FINGER LAKES

\$68M

TOTAL ECONOMIC ACTIVITY

74,400

AIRBNB GUESTS

204,000

AIRBNB GUEST NIGHTS

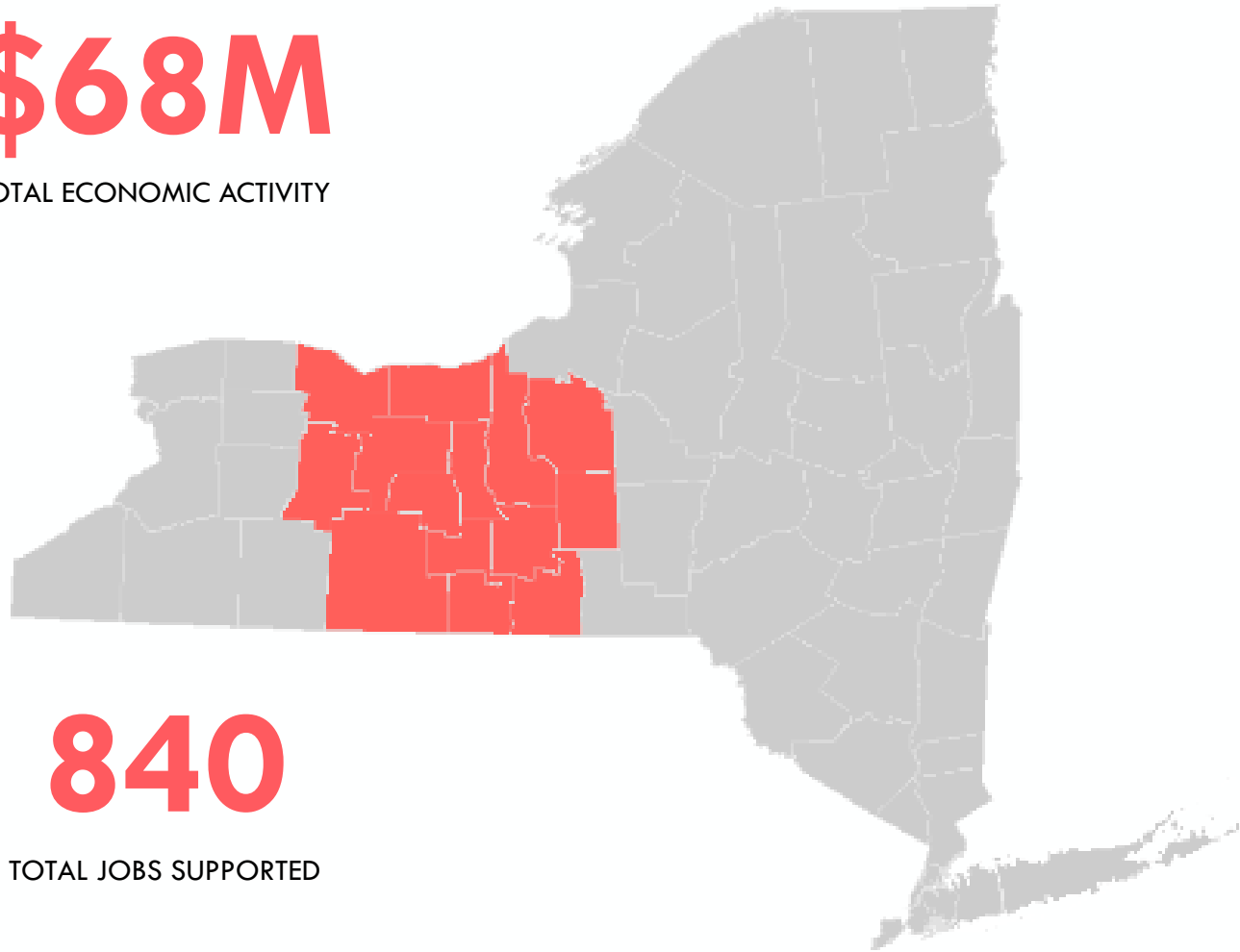
\$38M

IN DIRECT SPENDING AT FINGER LAKES
BUSINESSES,

\$10M TO RESIDENT HOSTS

840

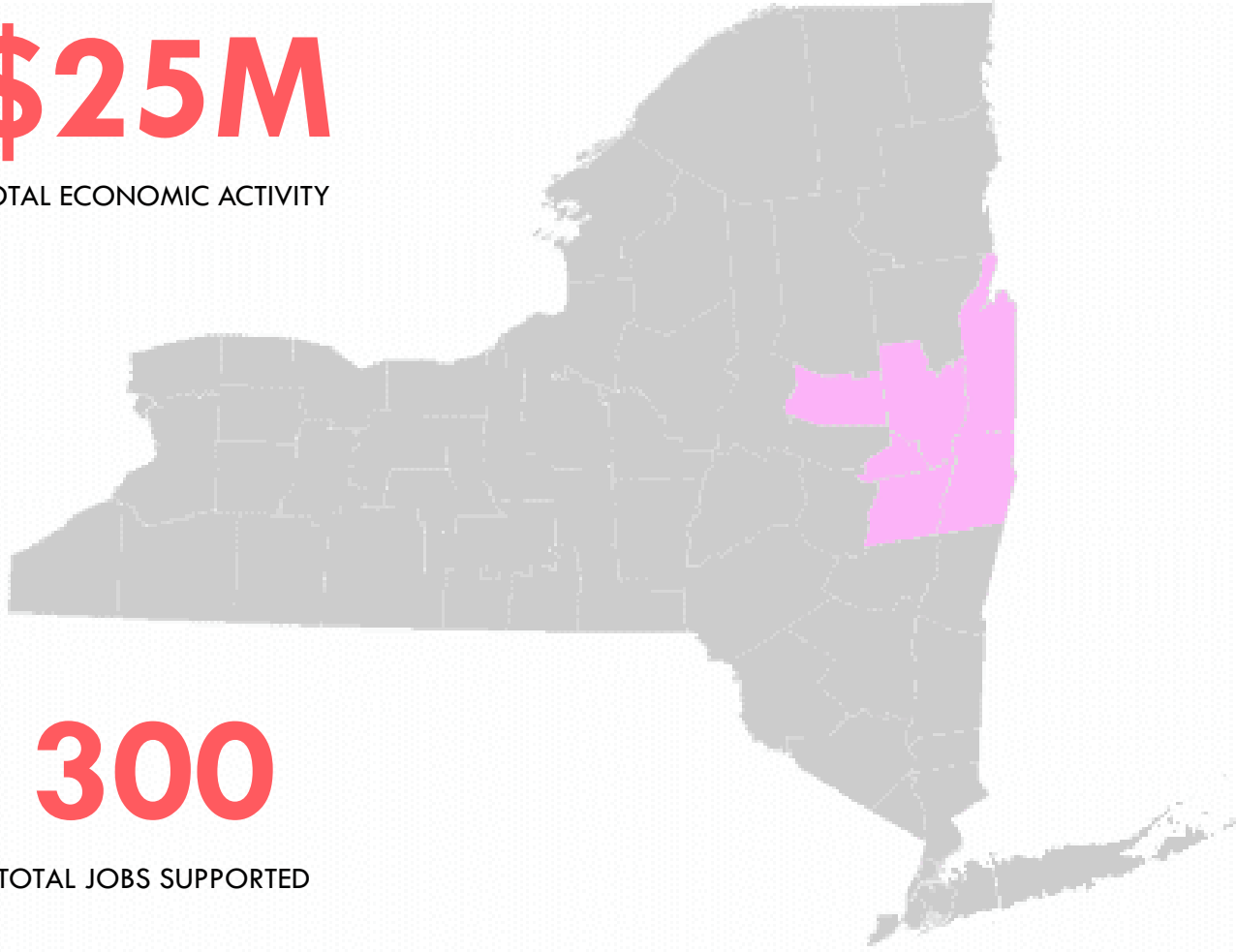
TOTAL JOBS SUPPORTED



CAPITAL REGION

\$25M

TOTAL ECONOMIC ACTIVITY



300

TOTAL JOBS SUPPORTED

27,900

AIRBNB GUESTS

74,300

AIRBNB GUEST NIGHTS

\$14M

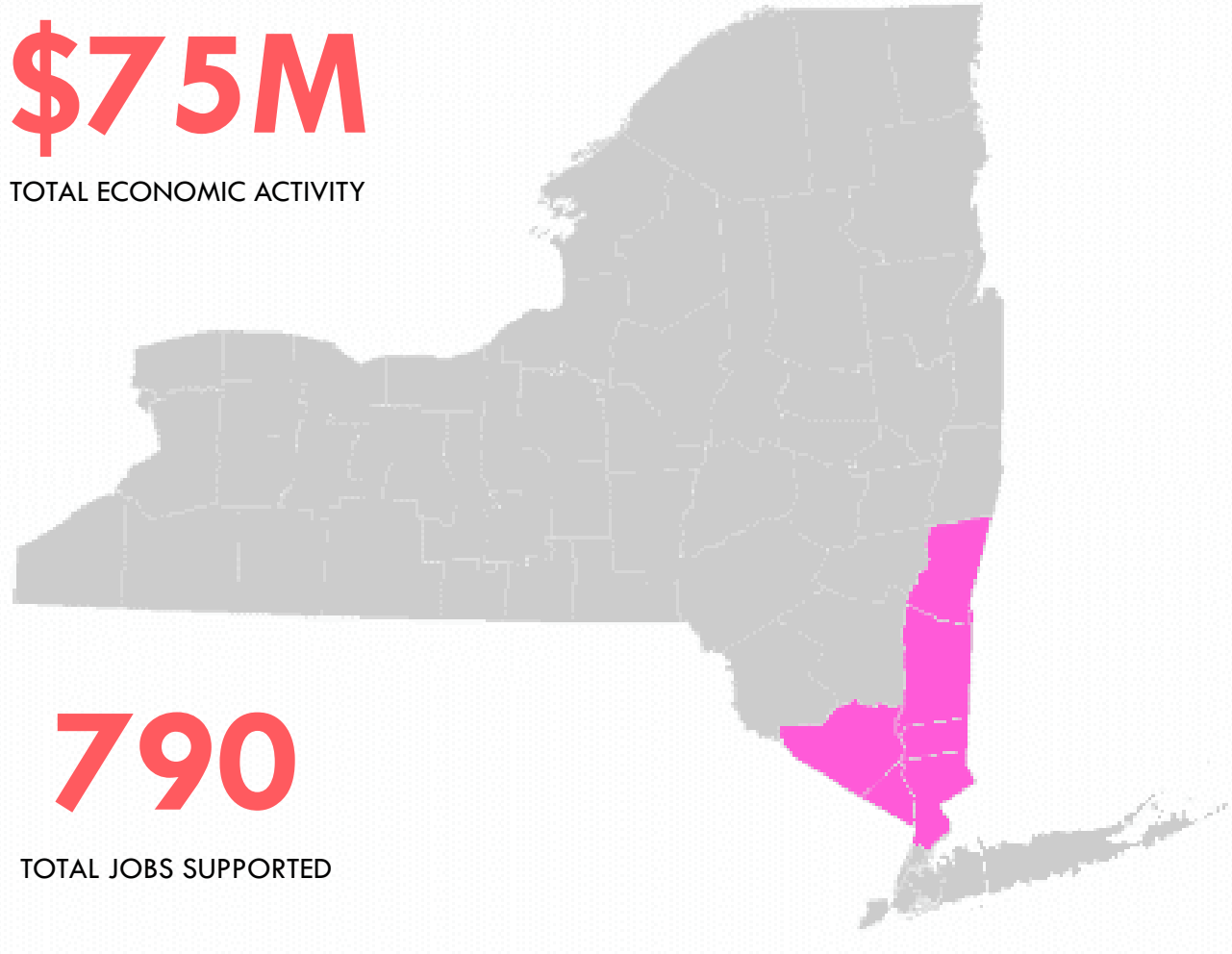
IN DIRECT SPENDING AT CAPITAL
REGION BUSINESSES,

\$4M TO RESIDENT HOSTS

HUDSON VALLEY

\$75M

TOTAL ECONOMIC ACTIVITY



790

TOTAL JOBS SUPPORTED

77,100

AIRBNB GUESTS

221,400

AIRBNB GUEST NIGHTS

\$41M

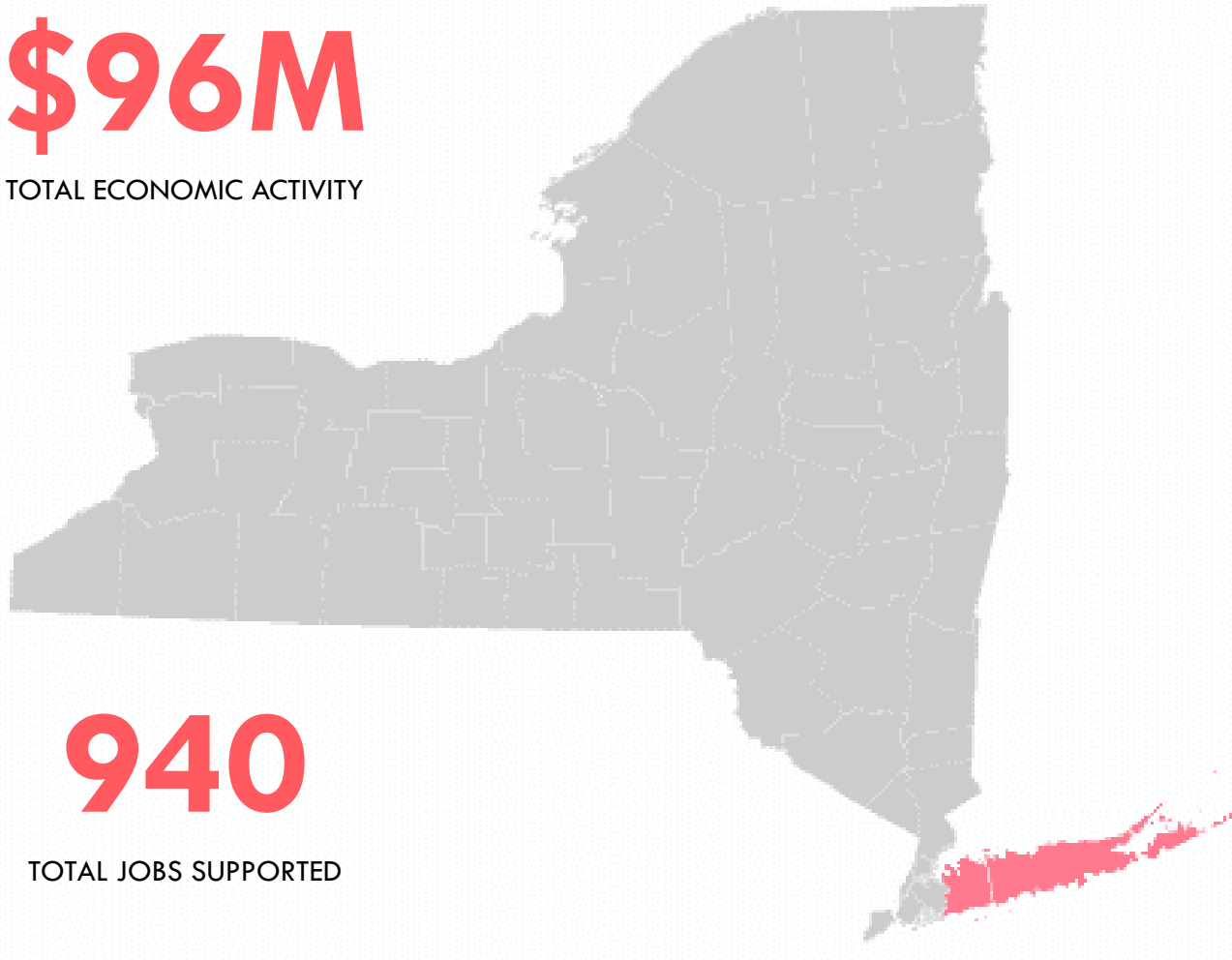
IN DIRECT SPENDING AT HUDSON VALLEY BUSINESSES,

\$14M TO RESIDENT HOSTS

LONG ISLAND

\$96M

TOTAL ECONOMIC ACTIVITY



940

TOTAL JOBS SUPPORTED

73,900

AIRBNB GUESTS

244,700

AIRBNB GUEST NIGHTS

\$45M

IN DIRECT SPENDING AT LONG ISLAND
BUSINESSES,

\$25M TO RESIDENT HOSTS

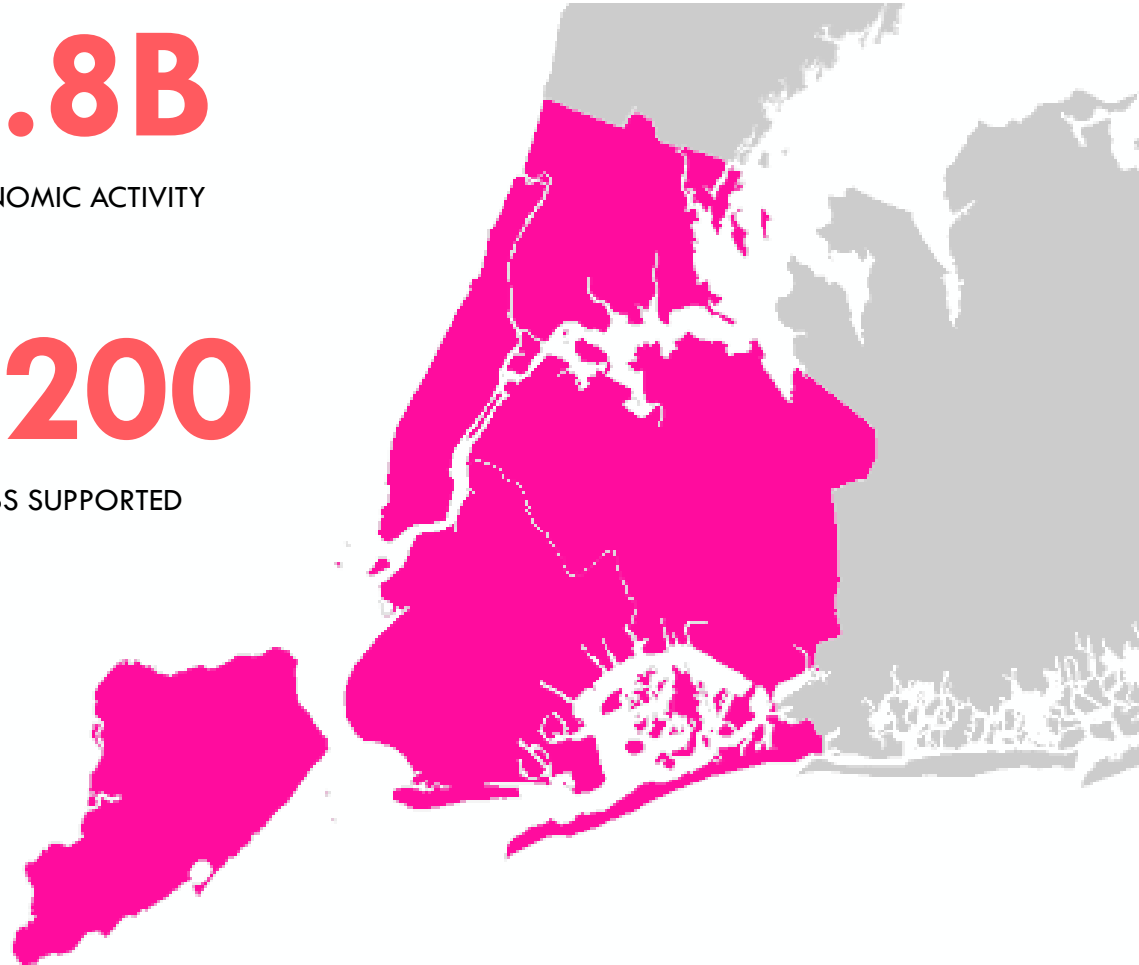
NEW YORK CITY

\$2.8B

TOTAL ECONOMIC ACTIVITY

30,200

TOTAL JOBS SUPPORTED



1.6M

AIRBNB GUESTS

7.8M

AIRBNB GUEST NIGHTS

\$1.8B

IN DIRECT SPENDING AT NYC
BUSINESSES,
\$495M TO RESIDENT HOSTS

EAST NEW YORK

\$25M

TOTAL ECONOMIC ACTIVITY

400

TOTAL JOBS SUPPORTED

18,600

AIRBNB GUESTS

88,500

AIRBNB GUEST NIGHTS

\$20M

IN DIRECT SPENDING AT LOCAL
BUSINESSES,

\$3M TO RESIDENT HOSTS

Note: East New York defined as ZIP Codes 11207, 11208, and 11239 for the purposes of this analysis.

HISTORICAL COMPARISON

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HISTORICAL BOOKINGS SUMMARY: TOTAL GUESTS

Appendix | 2014 v. 2016

	BUFFALO NIAGARA	FINGER LAKES	CAPITAL REGION	HUDSON VALLEY	LONG ISLAND
2016	42,000	74,400	27,900	77,100	73,900
2014	7,600	18,300	6,400	20,500	22,400

HISTORICAL BOOKINGS SUMMARY: TOTAL GUEST NIGHTS

Appendix | 2014 v. 2016

	BUFFALO NIAGARA	FINGER LAKES	CAPITAL REGION	HUDSON VALLEY	LONG ISLAND
2016	94,100	204,000	74,300	221,400	244,700
2014	18,400	50,700	17,500	57,200	70,400

HISTORICAL BOOKINGS SUMMARY: TOTAL HOST PAYMENTS

	BUFFALO NIAGARA	FINGER LAKES	CAPITAL REGION	HUDSON VALLEY	LONG ISLAND
2016	\$3M	\$10M	\$4M	\$14M	\$25M
2014	\$0.7M	\$2M	\$1M	\$4M	\$7M

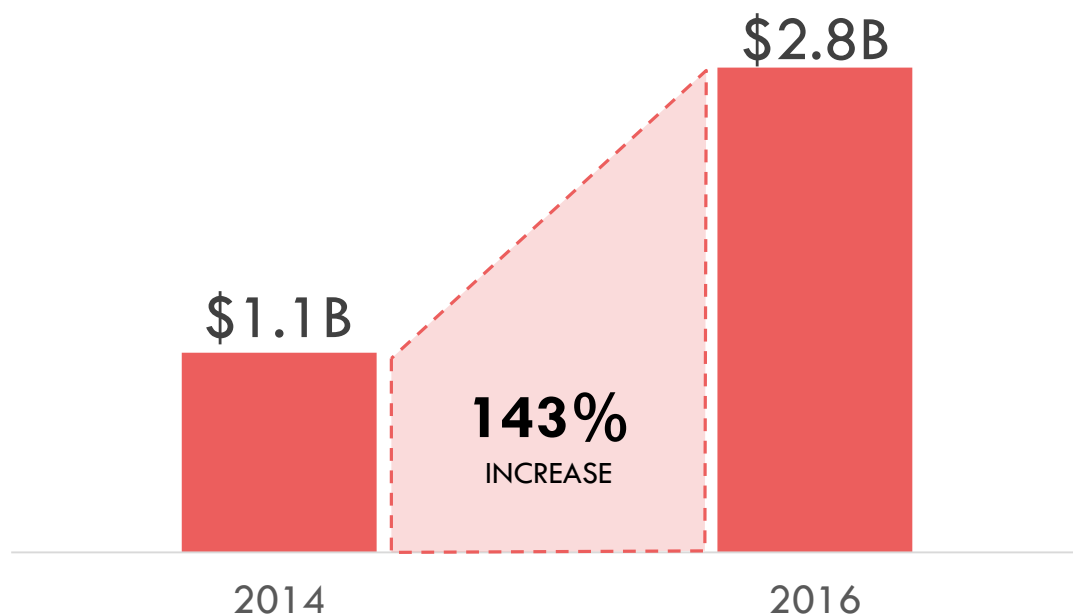
HISTORICAL BOOKINGS SUMMARY: NEW YORK STATE

Appendix | 2014 v. 2016

	GUESTS	GUEST NIGHTS	UNIQUE BOOKINGS	HOST PAYMENTS	AVERAGE ROOM RATE
2016	2.0M	9.2M	889K	\$581M	\$155/ NIGHT
2014	918K	4.9M	421K	\$331M	\$158/ NIGHT

HISTORICAL SUMMARY: NEW YORK CITY

TOTAL ECONOMIC ACTIVITY FROM
AIRBNB IN NEW YORK CITY



HISTORICAL BOOKINGS SUMMARY

	2014	2016
GUESTS	767K	1.6M
GUEST NIGHTS	4.6M	7.8M
BOOKINGS	353K	718K
HOST PAYMENTS	\$301M	\$495M
AVERAGE ROOM RATE	\$160/NIGHT	\$149/NIGHT

Note: All 2014 figures per 2015 HR&A analysis of the economic impacts of Airbnb in New York City.

METHODOLOGY

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HR&A ADVISORS, INC.

HR&A is an industry-leading economic development, real estate, and public policy consulting firm. We produce rigorous assessments that stand up to public scrutiny, and that serve as an effective tool for stimulating thoughtful public discourse with an array of stakeholders.

NOTE ON SOURCES

Airbnb Guests & Hosts

Surveys

Utilized results from annual Airbnb survey of 1,060 guests who used Airbnb while visiting New York and 1,120 hosts who listed their home in New York on Airbnb during 2016. Responses were collected for New York City and New York State outside of New York City. Where applicable, statewide averages were weighted by the total number of guests and hosts in New York City and outside New York City in 2016. Survey data were further used to determine typical spending patterns among Airbnb guests and hosts in NYC and in New York State outside of NYC in 2016 – the basis for spending inputs into the economic impact model.

Booking Data

Analyzed Airbnb bookings data for one-year period spanning January – December 2016.

New York Visitors

Tourism Industry Data

Data on total visitation and spending for New York State and its 11 tourism regions obtained from Empire State Development for 2010–2015. Data do not distinguish between overnight guests and daytrippers.

Supplemental information on tourism and the hotel industry collected from regional tourism agencies and other public and private sources, as indicated throughout this report.

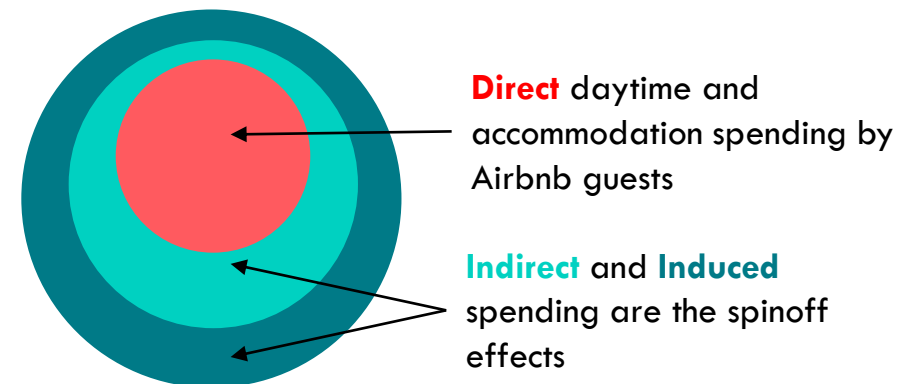
NOTE ON ECONOMIC ACTIVITY

Econometric Model

HR&A employed the IMPLAN model to determine total follow-on spending and number of jobs supported by Airbnb activity in New York. IMPLAN traces each dollar's worth of a product or service sold to a consumer, analyzing interactions among 536 individual sectors specific to a location, with assumptions made about spending that occurs outside of that location. HR&A utilized 2015 multipliers for New York State and each of the selected sub-geographies. These multipliers represent total production requirements in the local economy for all goods and services consumed by final end-users.

The figure below illustrates the structure of economic activity produced by the model. Multiplier or spinoff activity is comprised of two components: 1) indirect economic activity generated by additional business spending stimulated by direct daytime spending on the part of Airbnb guests (e.g., supplier business operations); and 2) induced economic activity stimulated by additional household spending due to wages received as a result of direct and indirect activity, which here also captures the re-spending of host income earned through Airbnb.

All categories of guest spending except for lodging were modeled in IMPLAN using the industry codes corresponding to those from the survey to derive direct, indirect, and induced spending impacts. Since lodging expenditures also correspond to host income, direct impacts from this category of spending were assumed to be equivalent to total host payments, while spinoff activity from lodging expenditures was modeled according to how hosts reported spending their Airbnb income in the survey. Hosts in NYC reported spending 62% of the income earned through Airbnb in categories that yield no economic impacts for the city, such as vacations, long-term savings, and rent/mortgage payments. Hosts in New York State outside of NYC reported spending 38% of their Airbnb income on non-impact-generating activities. After taking out non-local host spending, the remaining spending categories were modeled in IMPLAN to estimate the spinoff effects associated with Airbnb lodging expenditures.



KEY TERMS

Economic Indicators

Economic Activity: Direct, indirect, and induced impacts stemming from direct guest spending, plus direct payments to hosts and the multiplier impacts associated with re-spent host earnings.

Direct Guest Spending: Total daytime spending among Airbnb guests over the duration of their stay, as determined through survey and bookings data.

Direct Payments to Hosts: The share of total Airbnb lodging expenditures accruing to local hosts.

Jobs Supported: The total number of jobs corresponding to the economic activity above, including the share of hosts who stated that Airbnb was their primary source of income in 2016 (9% of hosts in NYC and 4% of hosts in New York State outside of NYC). All estimates refer to total jobs, and include full- and part-time positions.

Regional Profiles

The six regions examined in this report are comprised of the following counties, consistent with the ‘Vacation Regions’ defined by New York State as part of its *I Love NY* tourism campaign:

Buffalo Niagara: Erie, Genesee, Niagara, Orleans, Wyoming

Finger Lakes: Cayuga, Chemung, Cortland, Livingston, Monroe, Onondaga, Ontario, Schuyler, Seneca, Steuben, Tioga, Tompkins, Wayne, Yates

Capital Region: Albany, Fulton, Rensselaer, Saratoga, Schenectady, Washington

Hudson Valley: Dutchess, Columbia, Orange, Putnam, Rockland, Westchester

Long Island: Suffolk, Nassau

New York City: Bronx, Kings, New York, Queens, Richmond

The neighborhood of **East New York** was further defined by ZIP Codes 11207, 11208, and 11239 for the purposes of calculating economic activity in IMPLAN.

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