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.

- **2M** Airbnb Guests
- **9.2M** Airbnb Guest Nights
- **$2B** Direct Guest Spending
- **$3.5B** Total Economic Activity, $581M to hosts, $2.9B to businesses
- **38,000** Total Jobs Supported Statewide
- **$160M** State Sales, Income, and Business Tax Revenues
MUCH OF AIRBNB’S ACTIVITY IS NEW TO THE STATE ECONOMY.

**INCREASED VISITATION**

- 7% of guests would not have visited NY without Airbnb
- 39% of guests would not have stayed as long
- 78% of guests say Airbnb makes them more likely to visit NY again

**INCREASED SPENDING**

- $70M incremental guest spending
- $140M incremental guest spending
- $210M total incremental 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%).
IN NEW YORK STATE, AIRBNB...

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.

**Summary Findings**

2014

**14%**

SHARE OF AIRBNB GUESTS OUTSIDE OF NEW YORK CITY

2016

**23%**

SHARE OF AIRBNB GUESTS OUTSIDE OF NEW YORK CITY

**+270%**

INCREASE IN VISITATION OUTSIDE NEW YORK CITY

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.

$1.3B IN DIRECT NEIGHBORHOOD SPENDING

$720M TO BUSINESSES IN THE IMMEDIATE NEIGHBORHOOD

$580M TO RESIDENT HOSTS

2/3 OF AIRBNB GUESTS SAID THEY WANTED TO LIVE LIKE A LOCAL

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...

$820

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

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

57%

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

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.
Summary Findings

**Regional Profiles**

Appendices

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

<table>
<thead>
<tr>
<th></th>
<th>BUFFALO NIAGARA</th>
<th>FINGER LAKES</th>
<th>CAPITAL REGION</th>
<th>HUDSON VALLEY</th>
<th>LONG ISLAND</th>
<th>NEW YORK CITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ECONOMIC ACTIVITY</strong></td>
<td>$30M</td>
<td>$68M</td>
<td>$25M</td>
<td>$75M</td>
<td>$96M</td>
<td>$2.8B</td>
</tr>
<tr>
<td><strong>JOBS SUPPORTED</strong></td>
<td>390</td>
<td>840</td>
<td>300</td>
<td>790</td>
<td>940</td>
<td>30K</td>
</tr>
</tbody>
</table>
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

Source: Western New York Regional Economic Development Council, “Buffalo Niagara’s Strategic Plan for Prosperity,” January 2017
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

Source: Empire State Development.
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)
- **$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.
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

36%

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

Source: Empire State Development. Recreation among Airbnb visitors defined by Cultural Activities and Other Leisure Activities spending categories.
Airbnb is activating underutilized second homes on Long Island, generating nearly $100M in new economic activity and supporting close to 1,000 jobs.

58,100
SECONDARY VACATION HOMES ON LONG ISLAND

31
ADDITIONAL NIGHTS OF OCCUPANCY WITH AIRBNB

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

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

Summary Findings
Regional Profiles

Appendices
  Regional Summaries
  Historical Comparison: 2014 vs. 2016
  Methodology
### 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

42,000
AIRBNB GUESTS

94,100
AIRBNB GUEST NIGHTS

390
TOTAL JOBS SUPPORTED

$17M
IN DIRECT SPENDING AT BUFFALO NIAGARA BUSINESSES,
$3M TO RESIDENT HOSTS
FINGER LAKES

$68M
TOTAL ECONOMIC ACTIVITY

840
TOTAL JOBS SUPPORTED

74,400
AIRBNB GUESTS

204,000
AIRBNB GUEST NIGHTS

$38M
IN DIRECT SPENDING AT FINGER LAKES BUSINESSES,
$10M TO RESIDENT HOSTS

$38M
IN DIRECT SPENDING AT FINGER LAKES BUSINESSES,
$10M TO RESIDENT HOSTS

$38M
IN DIRECT SPENDING AT FINGER LAKES BUSINESSES,
$10M TO RESIDENT HOSTS

$38M
IN DIRECT SPENDING AT FINGER LAKES BUSINESSES,
$10M TO RESIDENT HOSTS

$38M
IN DIRECT SPENDING AT FINGER LAKES BUSINESSES,
$10M TO RESIDENT HOSTS
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

$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

77,100
AIRBNB GUESTS

221,400
AIRBNB GUEST NIGHTS

790
TOTAL JOBS SUPPORTED

$41M
IN DIRECT SPENDING AT HUDSON VALLEY BUSINESSES,
$14M TO RESIDENT HOSTS
LONG ISLAND

$96M
TOTAL ECONOMIC ACTIVITY

73,900
AIRBNB GUESTS

244,700
AIRBNB GUEST NIGHTS

940
TOTAL JOBS SUPPORTED

$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

Summary Findings
Regional Profiles

Appendices
Regional Summaries
Methodology
**HISTORICAL BOOKINGS SUMMARY: TOTAL GUESTS**

<table>
<thead>
<tr>
<th></th>
<th>Buffalo Niagara</th>
<th>Finger Lakes</th>
<th>Capital Region</th>
<th>Hudson Valley</th>
<th>Long Island</th>
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<tbody>
<tr>
<td><strong>2016</strong></td>
<td>42,000</td>
<td>74,400</td>
<td>27,900</td>
<td>77,100</td>
<td>73,900</td>
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<td><strong>2014</strong></td>
<td>7,600</td>
<td>18,300</td>
<td>6,400</td>
<td>20,500</td>
<td>22,400</td>
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## HISTORICAL BOOKINGS SUMMARY:
**TOTAL GUEST NIGHTS**

<table>
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<th>Buffalo Niagara</th>
<th>Finger Lakes</th>
<th>Capital Region</th>
<th>Hudson Valley</th>
<th>Long Island</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td>94,100</td>
<td>204,000</td>
<td>74,300</td>
<td>221,400</td>
<td>244,700</td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td>18,400</td>
<td>50,700</td>
<td>17,500</td>
<td>57,200</td>
<td>70,400</td>
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</table>

Appendix | 2014 v. 2016
### HISTORICAL BOOKINGS SUMMARY: TOTAL HOST PAYMENTS

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2014</th>
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<tbody>
<tr>
<td>BUFFALO NIAGARA</td>
<td>$3M</td>
<td>$0.7M</td>
</tr>
<tr>
<td>FINGER LAKES</td>
<td>$10M</td>
<td>$2M</td>
</tr>
<tr>
<td>CAPITAL REGION</td>
<td>$4M</td>
<td>$1M</td>
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<tr>
<td>HUDSON VALLEY</td>
<td>$14M</td>
<td>$4M</td>
</tr>
<tr>
<td>LONG ISLAND</td>
<td>$25M</td>
<td>$7M</td>
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# Historical Bookings Summary: New York State

<table>
<thead>
<tr>
<th></th>
<th>Guests</th>
<th>Guest Nights</th>
<th>Unique Bookings</th>
<th>Host Payments</th>
<th>Average Room Rate</th>
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</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td>2.0M</td>
<td>9.2M</td>
<td>889K</td>
<td>$581M</td>
<td>$155/night</td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td>918K</td>
<td>4.9M</td>
<td>421K</td>
<td>$331M</td>
<td>$158/night</td>
</tr>
</tbody>
</table>
HISTORICAL SUMMARY: NEW YORK CITY

TOTAL ECONOMIC ACTIVITY FROM AIRBNB IN NEW YORK CITY

INCREASE

2014 2016
$1.1B $2.8B

143%

HISTORICAL BOOKINGS SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>GUESTS</td>
<td>767K</td>
<td>1.6M</td>
</tr>
<tr>
<td>GUEST NIGHTS</td>
<td>4.6M</td>
<td>7.8M</td>
</tr>
<tr>
<td>BOOKINGS</td>
<td>353K</td>
<td>718K</td>
</tr>
<tr>
<td>HOST PAYMENTS</td>
<td>$301M</td>
<td>$495M</td>
</tr>
<tr>
<td>AVERAGE ROOM RATE</td>
<td>$160/NIGHT</td>
<td>$149/NIGHT</td>
</tr>
</tbody>
</table>

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

Summary Findings
Regional Profiles

Appendices
  Regional Summaries

Methodology
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.
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.
SHARING FOR A STRONGER NEW YORK

ANALYSIS OF ECONOMIC ACTIVITY 2016