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FOR IMMEDIATE RELEASE

Housing Advocates Release New Report Showing Airbnb Overtaking NYC Housing Market with Illegal Short-Term Rentals

Link to Full Report:

Report By Housing Conservation Coordinators & MFY Legal Services Provides Statistical Evidence of Airbnb Taking Housing Off The Market For NYC Residents

Over 55% of Airbnb's NYC Listings Are Illegal

30% of Airbnb Listings Are Controlled by Illegal "Commercial" Hosts

Over 8,000 Housing Units Lost to Airbnb in 2015, Reducing Available Housing by 10%

Over 90% of Airbnb's Listings Concentrated In Manhattan and Brooklyn

NEW YORK, June 27, 2016—Two of the city's leading housing advocacy organizations - Housing Conservation Coordinators (HCC) and MFY Legal Services - released a new report analyzing the significant impact of Airbnb on the New York City housing market. Using data gathered from independent sources, the report reveals a clear pattern of Airbnb's listings being dominated by illegal commercial hosts who distort the residential rental market by artificially decreasing the supply of available housing, resulting in a strong correlation between Airbnb's growth and increasing rental prices.

The report shows that **55% or almost 30,000 of the more than 51,000 Airbnb listings are for the entire apartment in apparent violation of NYS law and 30%** were rented for over a third of the year, rendering them unavailable for NYC residents. The report demonstrated why Airbnb has refused to comply with the law, showing that illegal commercial operators who rented multiple housing units or had listings for more than 6 months a year controlled **30% of Airbnb listings**. Additionally, the report showed that despite Airbnb's claim that they bring hospitality business to neighborhoods it wouldn't otherwise go, **90% of Airbnb's listings are concentrated in just Manhattan and Brooklyn**.

The analysis also focused on a key subset of Airbnb listings, defined as "Impact Listings," which are units that are most likely to result in the reduction of the supply of residential rental units, and thus compound excessively low vacancy rates and rising rental prices. "Impact Listings" are defined as illegal entire

home/apartment units, rented by commercial hosts who either rented multiple units for at least 3 months per year or had a single listing rented for at least 6 months per year. The data showed that **Airbnb had over 8,000 of these “Impact Listings”** last year alone, and **hosts controlling these units made over \$300 million** by converting these residential housing units into short-term rentals. If these housing units were returned to the market to be available for NYC residents to rent, **the number of vacant units citywide would increase by 10%.**

The report also provided statistical evidence of the strong correlation between Airbnb’s growth and the increase in rental prices, showing that there was nearly a direct correlation (.93 out of a 1.0 scale) between the concentration of Airbnb listings in an area and median rental price, indicating that the number of “Impact Listings” and rental prices are increasing at a similar rate in these areas.

The report also analyzed the acute impact on five macro neighborhoods, including:

1. East Village/Lower East Side (LES)
2. Chelsea/Hell’s Kitchen
3. West Village/Greenwich Village/SoHo
4. Williamsburg/Greenpoint/Bushwick
5. Bedford Stuyvesant/Crown Heights

These macro-neighborhoods represent 53 percent of all Airbnb listings in New York City, and had a considerably higher proportion of “Impact Listings” than in New York City as a whole, indicating that these neighborhoods may be at the highest risk for experiencing the negative impacts associated with short-term rental activity, such as constrained supply, increased rental prices, and accelerated changes to neighborhood characteristics.

“The thorough analysis of Airbnb's booking data presented in “Short Changing New York City” shows what we have seen firsthand in our communities – that desperately needed residential housing is instead being used exclusively for illegal short term rentals. Popular Airbnb neighborhoods in Manhattan and Brooklyn shoulder most of the impact, with 90% of the listings located in these two boroughs, and further concentrated in a handful of communities. Applying extremely conservative methodology, the report finds that the percentage of housing units converted to illegal hotel use deeply impacts the availability of housing in these popular Airbnb neighborhoods and presents a strong correlation to increases in rental prices. It’s ironic that Airbnb’s own booking data tells the story that Airbnb has tried so desperately to hide -- that it is collecting millions in our communities, at the expense of regular New Yorkers.” ***Sarah Desmond, Executive Director, Housing Conservation Coordinators***

“Airbnb's own data demonstrates that the illegal short term listings of residential units on its site exacerbate the acute affordable housing crisis that plagues our City. A conservative analysis of Airbnb's own booking data in the report, "Short Changing New York City," reveals that if the 8,058 units defined as Impact Listings were made available on the rental market, the number of vacant rental units citywide would increase by an extraordinary 10%. The addition of these units to the rental market would increase the City’s vacancy rate from approximately 3.4% to 4%. Even more telling is the fact that more than half of these Impact Listings are controlled by hosts with multiple Airbnb units revealing the overwhelming commercial use of Airbnb. The data tells it all – Airbnb is depriving New Yorkers from desperately needed housing.” ***Marti Weithman, Supervising Attorney, MFY Legal Services***

“As Crown Heights gentrifies, the long term tenants we work with suffer from increased speculation and harassment to leave their homes. Landlords will displace long-term families, only to operate illegal rentals or hotels. Today's report proves what we know from our experience in the neighborhood to be true: Airbnb is contributing to gentrification, serious displacement and a housing shortage in Crown Heights.” ***Kerri***

White, Director of Organizing and Policy, United Homesteading Assistance Board (UHAB)/Crown Heights Tenant Union (CHTU)

“It goes without saying that Airbnb and other illegal hotel operators have had a negative impact on New York City residents whose lives rely on keeping their affordable homes. In the Lower East Side – a neighborhood already besieged by bad-acting landlords – Airbnb’s business model has led to numerous quality of life issues and safety concerns. On the whole, it has burdened a community already dealing with mass displacement and a severe lack of quality housing.” ***Yonatan Tadele, Housing Organizer, Cooper Square Committee***

“This report proves what we see on the ground every day in Williamsburg and Greenpoint: residential units are being removed from the rental market for illegal short-term rentals. We see long-term tenants facing harassment and risk of displacement from their rent regulated apartments by landlords with a never ending appetite for higher incomes. Companies like Airbnb promote this type of business plan. We need more protections for rent regulated tenants in North Brooklyn.” ***Rolando Guzman, Deputy Director Community Preservation, St. Nicks Alliance***

“The fight over short-term rentals isn’t about tech, it’s about housing – and that’s what Housing Conservation Coordinators and MFY Legal Services have demonstrated with this report,” said Manhattan Borough President Gale A. Brewer. “With the average Airbnb unit rented out to transient visitors for 4.5 months a year, it’s obvious that this business model isn’t about empowering everyday New Yorkers – it’s about misusing housing as hotel rooms, and it’s making our affordable housing crisis worse.” ***Manhattan Borough President Gale A. Brewer.***

“This report is the most damning yet for Airbnb. It demonstrates unequivocally that illegal short-term rentals on Airbnb have a significant negative impact on housing in New York City, taking affordable units off the market and driving up rents for everyone else. In my district on the Upper East Side, illegal “impact” listings take up 17% percent of available rental housing. That means that while those apartments are funneling profits to Airbnb, they are not available for regular New Yorkers to live in. Once again we see that Airbnb’s greed is making our housing crisis worse, and hurting the working families they claim to champion.” ***Senator Liz Kreuger***

“Contrary to the company’s claims, the report makes clear that Airbnb is the reason your rent is so damn high. The report proves what we have known all along, that Airbnb has been lying to all of us while it makes record profits by exploiting our precious affordable housing, destabilizing our communities and breaking our laws,” *said Assemblymember Linda B. Rosenthal (D/WF-Manhattan).* “It is crucial that my bill to bring the hammer down on illegal hotels be signed into law now so that we can stop the loss of affordable housing.” ***Assemblymember Linda B. Rosenthal***

"No surprises here. Another Report validating Airbnb's wonton disregard for New Yorkers who need affordable housing. We won't stop legislating until Airbnb takes illegal listings off its website. At the very least, over 8,000 New Yorkers are waiting for those apartments," said ***Council Member Helen Rosenthal***

“New York City is experiencing a never before seen crisis in affordable housing,” said Public Advocate Letitia James. “Airbnb's practices are swallowing up affordable housing units, forcing New Yorkers from their homes, and precipitating a spike in homelessness, unprecedented since the Great Depression. Every New Yorker should have access to fair and affordable housing, and should never have to worry about having a home for themselves and their families.” ***Public Advocate Letitia James***

"This report verifies what we have long known - the majority of the listings on Airbnb are illegal. Illegal hotels are a threat to our housing stock, and particularly our affordable housing. I am proud to have been cosponsor of a bill that would make online advertising of illegal hotels an illegal activity. The bill passed both houses, and I urge the Governor to sign it." **Assemblymember Deborah J. Glick**

"With an unprecedented housing crisis on our hands, we must confront illegal operators who are driving up rents and keeping apartments out of the rental market," said Council Member Corey Johnson. "On top of the damage they do to our housing stock, many of the listings on websites like Airbnb are already in violation of State law. We need to make a concerted effort to crack down on these illegal services that are causing grave harm to affordability in New York. A major step in that effort is being armed with reliable data, so I'm extremely grateful to Housing Conservation Coordinators and MFY Legal Services for compiling this report." **Council Member Corey Johnson**

Top Line Findings:

- Airbnb had **51,397 listings** in NYC in the 2015 calendar year.
- More than **55% or 28,765 Airbnb listings are Entire Apartment/Home listings**, which violate New York State housing law.
- **90% of Airbnb's listings** are located in **Manhattan (55%) and Brooklyn (36%)**.
- The average Airbnb unit is **rented 11 days/month or 132 days/year** – the equivalent of nearly **4.5 months** when that housing unit is unavailable for NYC residents.
- **30% of all Airbnb listings are controlled by commercial hosts** who generated **317.5 million** in annual revenue.
- Airbnb has **8,058 "Impact Listings"** – mostly affordable-range units removed from the residential housing market, from which hosts generated approximately **\$302.9 million** in annual revenue.
- **The number of available (vacant) units citywide would increase by 10%** if these "Impact Listings" were returned to the rental market as available units.
- There is a **strong correlation (.93 out of a scale of 1.0) between the concentration of Airbnb listings and median rental price**.
- "Impact Listings" that removed available housing from the residential market made up at least **11% of the available housing market in 19 of the 20** most popular Airbnb neighborhoods.
- **More than half (53%) of all Airbnb listings are located in just 5 geographic areas, and more than 65% of these listings are illegal entire apartment/home rentals.**
 - East Village/Lower East Side
 - Chelsea/Hell's Kitchen
 - West Village/Greenwich Village/SoHo
 - Williamsburg/Greenpoint/Bushwick
 - Bedford-Stuyvestant/Crown Heights

Neighborhood	Impact Listings	Vacant Rentals	Impact Listings as percentage of available rental housing
East Village	599	2,978	17%
Williamsburg	561	4,583	11%
Hell's Kitchen	555	2,509	18%
Upper East Side	476	2,361	17%
Bed-Stuy	460	2,874	14%
Upper West Side	382	2,613	13%
Harlem	370	2,691	12%

Chelsea	357	1,605	18%
Midtown	310	1,493	17%
Lower East Side	301	1,426	17%
West Village	296	1,309	18%
East Harlem	216	1,219	15%
Crown Heights	197	1,421	12%
SoHo	164	638	20%
Greenpoint	153	1,089	12%
Bushwick	148	2,062	7%
Greenwich Village	139	628	18%
Clinton Hill	108	665	14%
Kips Bay	107	726	13%
Fort Greene	105	545	16%

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