

Sharing Economy



Brooks Rainwater

NLC NATIONAL
LEAGUE
OF CITIES

CENTER FOR CITY SOLUTIONS

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 Airbnb

Economics



Urbanization



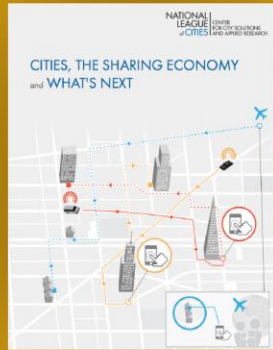
User Preference



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



Increased Taxable Revenue



Constituent Acceptance/Praise



Top **concerns** cited for homesharing

Public Safety



Non-Compliance With Current Standards



Inability of Cities to Collect Revenue



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.

New York

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.



Washington DC

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.



Lessons

Learned

**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

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Conc*clusion*

1

The challenges surrounding affordable housing are acute and becoming more serious, especially in large, tourism driven cities.

2

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.

3

**Through better
partnerships we can
build something that
improves the lives of
citizens and adds value
to local economies.**



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