



REPORT | February 2018

# Madrid Housing Report

## Foreword

### Open letter to Madrid City Hall and Madrid Regional Government

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Dear Cristina Cifuentes and Manuela Carmena,

Airbnb wants to be good partners to cities and regions and we always welcome discussions on clear and simple home sharing rules. It's why we've engaged with over 300 governments on clear home sharing rules and taken proactive steps in cities to help ensure home sharing grows responsibly and sustainably promoting a more healthy tourism. Madrid is no different.

While experts around the world agree that Airbnb has no significant impact on housing availability<sup>1</sup>, we take local concerns seriously. Over the past few days, unofficial, inaccurate and misleading data has been published about the Airbnb community. We want to show both Madrid citizens and political leaders the real impact that Airbnb is having in their city.

We know that in the following weeks you will take important decisions affecting the lives of thousands of local families and members of the Airbnb community. That's why we've produced this report to help you and all political forces to understand the small effect that Airbnb has on housing.

The following report analyses Airbnb official data and housing data provided by City Hall:

- **The scale of Airbnb in Madrid is too small to have a material effect on housing.** In Madrid specifically Airbnb entire home listings booked more than 90 nights in 2017 represented just 0.3% of the total housing stock<sup>2</sup>.
- **The true cause of housing affordability challenges in Madrid is that demand for urban housing have outstripped supply.**<sup>3</sup> Empty homes, shortage of social housing and a freezing in new housing development are factors with a much larger effect than Airbnb. In Madrid there are 153,100 empty housing units representing 10% of the total housing stock.
- **Airbnb income helps housing affordability for the people who need it the most.** When housing and cities become expensive, Airbnb income helps hosts stay in their homes, afford their high mortgage and rent payments, and otherwise make ends meet. In Madrid, Airbnb is part of the solution. The typical host in Madrid earns around €4,400 per year and the typical listing is shared for 70 nights a year. Fair and clear rules for families to share their spare rooms and entire homes occasionally would help thousands of families to stay in their neighborhoods.

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<sup>1</sup>[Por qué suben los alquileres: una pista, tiene poco que ver con los pisos turísticos](#)

<sup>2</sup> [Censos de Población y Viviendas, INE, 2011](#)

<sup>3</sup>[Por qué suben los alquileres: una pista, tiene poco que ver con los pisos turísticos](#)

Global travellers visiting Madrid are in constant growth and the economic benefits that they generate should stay in the hands of Madrilean families. Airbnb helps distributing these benefits to families, local business and communities where traditional hospitality has no presence.

## Key figures about Airbnb Community in Madrid

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**60%**

Hosts share their primary home

**11%**

Households saved from eviction in 2016

**10,900**

Entire home listings

**245**

Number of nights you have to share your entire home on Airbnb before you break even with the long-term market.

**70**

Number of nights a typical listing is shared for in Madrid.

**6,300**

Private or shared room listings

## FINDING 1: Airbnb booked 'entire home' listings are a tiny fraction of Madrid housing stock.

**60 percent** of hosts in Madrid share their primary residence. Only entire home listings on Airbnb that would otherwise be on the long-term rental market can impact rental costs. **In 2017 only 4,645 entire home listings were booked more than 90 nights in Madrid representing only 0.3% of the housing market.**

Madrid Districts	Entire home listings	Number of entire home listings booked more than 90 nights in 2017	% of total housing units booked more than 90 nights in 2017
Centro	6,700	3,115	3.59%
Arganzuela	510	204	0.27%
Retiro	330	108	0.19%
Salamanca	820	248	0.3%
Chamartín	290	93	0.13%
Tetuán	340	134	0.17%
Chamberí	660	239	0.3%
Fuencarral-El Pardo	70	27	0.03%
Moncloa-Aravaca	260	98	0.18%
. Latina	160	67	0.06%
Carabanchel	150	57	0.05%
Usera	60	32	0.05%
Puente de Vallecas	140	69	0.06%
Moratalaz	20	9	0.02%
Ciudad Lineal	160	62	0.06%
Hortaleza	90	29	0.04%
Villaverde	30	7	0.01%
Villa de Vallecas	20	10	0.02%
Vicálvaro	10	2	0.01%
San Blas-Canillejas	70	23	0.03%
Barajas	30	12	0.06%
<b>Total Madrid</b>	<b>10,900</b>	<b>4,645</b>	<b>0.3%</b>

## FINDING 2: The vast majority of hosts have only one listing. Hosts with more than one listing support families owning pieds-a-terre and second homes.

**Most entire home listings are the homes of ordinary people who rent occasionally throughout the year.** Over **80 percent** of hosts in Madrid only have one entire home listing, they are not typically businesses or professionals.

Hosts with multiple listings may be sharing a spare room in their home, and the entire place when they are away. They may be typically individuals or small businesses that offer services to support other people managing their own homes while they are away from the city. They may also help manage the homes of people owning pieds-a-terre and second homes.

### Entire homes

	1 entire home listing	2-5 entire home listings	+6 entire home listings	Total
Hosts	5,200	1,000	200	6,400
(%)	81%	16%	3%	100%

**Some entire home listings on Airbnb in Madrid are pieds-a-terre and second homes.** Even without Airbnb, these units would not be available on the long-term housing market. According to official data from the National Statistical Institute<sup>4</sup> there are **57,325 second homes in Madrid**. This effect is especially relevant in the “Central Allmond districts” where the total number of second homes is three times greater than the number of Airbnb entire home listings.

Empty homes also present an important issue around the shortage of affordable housing in Madrid. In all Madrid there are more than 153,000 empty housing units, representing 10% of all Madrid housing stock. In some of the Central Allmond Districts the percentages go even higher.

Central Allmond District	Entire home listings booked more than 90 nights in 2017	Second Homes	Empty Homes	% of Empty Homes
Centro	3,115	5,095	11,200	13%
Arganzuela	204	2,365	6,725	9%
Retiro	108	1,980	3,605	6%
Salamanca	248	7,730	13,140	16%
Chamartín	93	4,100	7,235	10%
Tetuán	134	2,945	9,120	11%
Chamberí	239	7,120	9,040	11%

<sup>4</sup> [Censos de Población y Viviendas, INE, 2011](#)

### FINDING 3: Most Madrid hosts make modest, supplemental income from sharing their homes.

Most hosts who share entire home listings in Madrid earn modest supplemental income - the typical host in Madrid earns just €4,400. When comparing the average long-term rental income with Airbnb earnings, we see that most hosts make significantly less money hosting on Airbnb than they could by renting to a tenant month-to-month.

In Madrid, you'd have to share your space on Airbnb for **245 nights** before you even break even with the long-term market. That's over 20 days a month, every single month for a year. In some areas, such as Moncloa-Aravaca, you'd have to have a booking almost every single night of the year.

District	Number of nights needed for an Airbnb listing to breakeven with the long-term market <sup>5</sup>
Madrid	245
Centro	277
Arganzuela	248
Retiro	267
Salamanca	285
Chamartín	320
Tetuán	278
Chamberí	340
Fuencarral-El Pardo	247
Moncloa-Aravaca	355
Latina	202
Carabanchel	217
Usera	253
Puente de Vallecas	234
Moratalaz	214
Ciudad Lineal	262
Hortaleza	266
Villaverde	198
Villa de Vallecas	253
Vicálvaro	208
San Blas-Canillejas	220
Barajas	238

<sup>5</sup> See methodology below

## Methodology

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The average monthly rent in Madrid is €1,612 based on the average size of apartment<sup>6</sup> (104 m<sup>2</sup>) and the average price<sup>7</sup> per square meter (15.5 €/m<sup>2</sup>) .

This brings the annual rent to €19,344 per year.

Compared to the average earnings per night of a listing, it has to be booked for 245 nights in order to be more financially attractive than a long-term rental.

The same methodology was used to calculate this number for each of the districts.

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<sup>6</sup> Portal Datos abiertos, Ayuntamiento de Madrid, a partir de información de la Agencia Tributaria

<sup>7</sup> Informes elaborados por el Departamento de Estudios de " Idealista, Libertad y Control S.A." [www.idealista.com](http://www.idealista.com)