



Airbnb Economic Impact & Housing Report

Los Angeles Metro



Airbnb's economic benefits to Los Angeles

Airbnb got its start during the Great Recession as a way to help our founders pay their rent. More than 15 years since our founding, approximately 1 million people stay in Airbnb listings across the U.S. on any given night and more than 40 percent of Hosts say the income from hosting allows them to stay in their homes.

Today, the typical Host shares one home on Airbnb, helping to provide affordable accommodation options for guests, disperse travel to new destinations, and generate billions in economic activity and tax revenue for communities. Airbnb promotes the kind of travel and tourism that is good for Hosts, guests, and local communities:

- Airbnb Hosts keep the vast majority of what they charge for their listing, and unlike many big hotels, Hosts help keep that money in their communities.
- Airbnb listings are located in a wide range of neighborhoods, including neighborhoods that do not typically benefit from tourism.
- When guests arrive at their listing, they often receive recommendations from their Host for local businesses to visit, many of which are in the neighborhood where they stay. This type of hosted travel helps guests live like locals and has significant positive economic impacts as guests spend time and money in local restaurants and businesses.

This report outlines the estimated economic impact of the Airbnb community in greater Los Angeles. Our hope is that this information will help local stakeholders better understand the benefits home sharing provides to the local community.



Los Angeles metro Hosts

Hosting on Airbnb is a vital source of supplemental income for local residents. According to a survey of Hosts in the Los Angeles metropolitan area:¹

62% said the income earned through hosting has helped them stay in their home

26% said hosting helped them avoid foreclosure or eviction

62% use the income from hosting to cover the rising costs of living

In total, Hosts in the Los Angeles area earned nearly \$1.2 billion in 2023.² For low and middle-income Hosts, who are estimated to make up nearly half of the Los Angeles Host population, eliminating the revenue earned through Airbnb would be a major blow, in some cases undermining their ability to afford to live in the region.

¹ Internal survey of Hosts in Los Angeles between January 1, 2023 and December 31, 2023.

² Airbnb earnings are for 2023. Los Angeles median income taken from the [American Community Survey, 2022](#).





Home sharing is an economic engine for the region

By welcoming guests into their home, Hosts on Airbnb also generate economic benefits for the region. In 2023, Hosts on Airbnb welcomed nearly 3.3 million guest arrivals to the Los Angeles metro area who contributed an estimated **\$4.4 billion annually to GDP³**, including:

43,000 jobs supported⁴

\$1.2 billion in total tax revenue⁵

\$35.3 million in local occupancy taxes in the City of Los Angeles⁶ (nearly \$293 million to date)⁷

\$2.6 billion in labor income⁸

³ Economic contribution metrics are generated using [IMPLAN](#)'s input-output model using multipliers from the 2022 data year (the latest available at the time of analysis) for the Los Angeles MSA, and are reported in 2023 dollars. Model inputs are Host earnings & guest spending, where spending is based on a survey of Airbnb guests staying in Los Angeles.

⁴ Estimated number of full-time, part-time and seasonal jobs supported by the output generated by Airbnb activity. This metric includes direct, indirect, and induced effects.

⁵ Estimated total tax revenue associated with economic activity generated by Airbnb stays. This includes the total value of taxes associated with (i) Hosts' income and spending, and the economic activity stemming from guests visiting local businesses, and (ii) tourism taxes directly associated with hosting remitted by Airbnb.

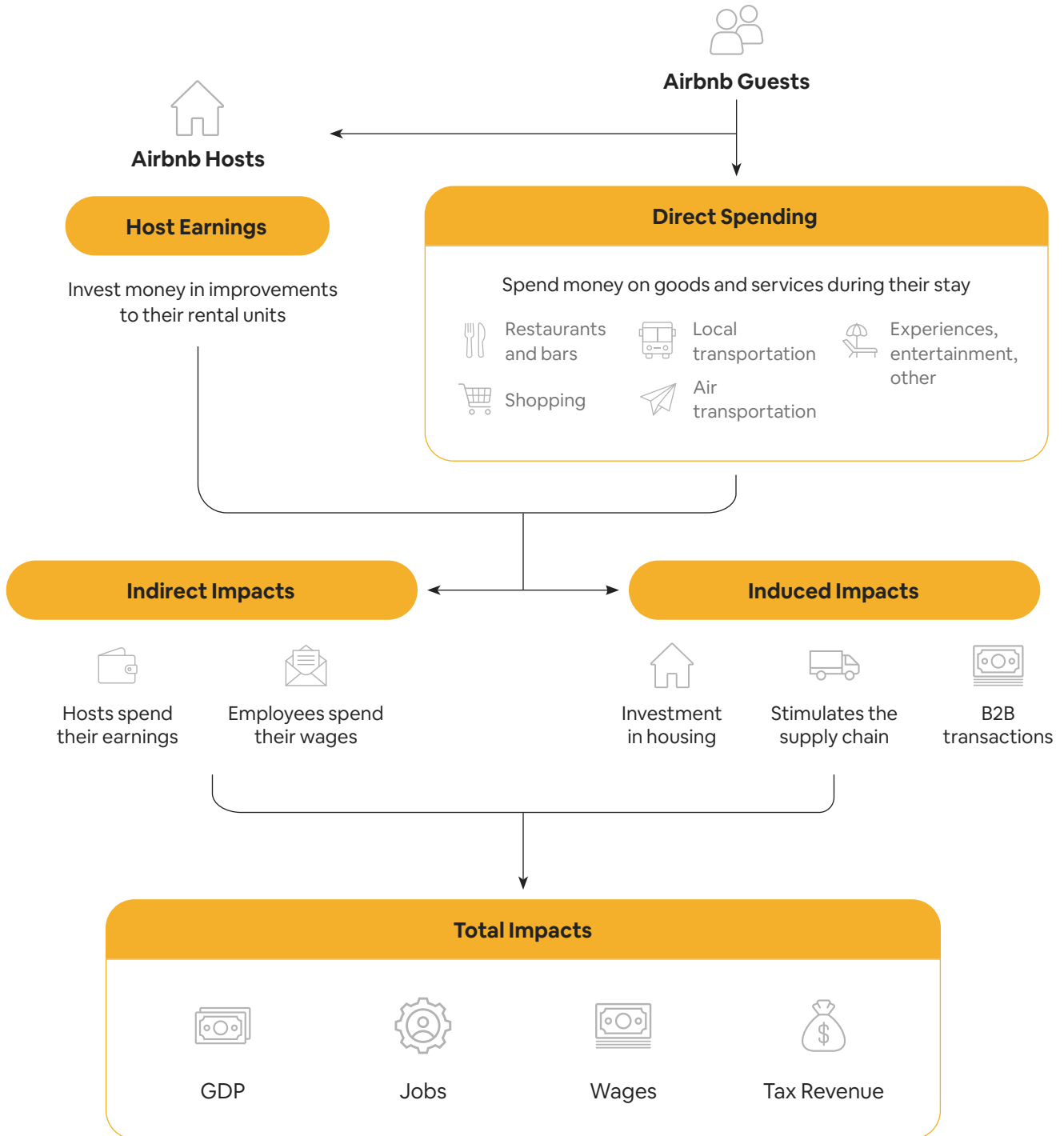
⁶ Local transient occupancy taxes collected and remitted by Airbnb on behalf of Hosts in the City of Los Angeles in 2023

⁷ Local transient occupancy taxes collected and remitted by Airbnb on behalf of Hosts in the City of Los Angeles from 2016 to 2023

⁸ Labor income includes both Proprietor Income (e.g. for small business owners that benefit from guest spending), but also Employee Compensation (e.g. cleaners, employees of small businesses). More details [here](#).



Economic contribution from Airbnb guests & Hosts in 2023





Airbnb and the Los Angeles housing market⁹

Every day, we work with governments to help ensure that hosting on Airbnb, and the economic activity created by hosting, make communities stronger. To date, we've partnered with over 1,000 governments around the world to support common sense rules for short-term rentals.

Through this work, we understand cities continue to navigate unique, complex challenges – including housing affordability. Many experts agree the chronic, decades-long underproduction of new housing supply is driving today's housing affordability challenges. We want to play a role in finding sensible, long-term solutions to help increase the housing supply and work with cities to balance the benefits of home sharing with communities' needs.

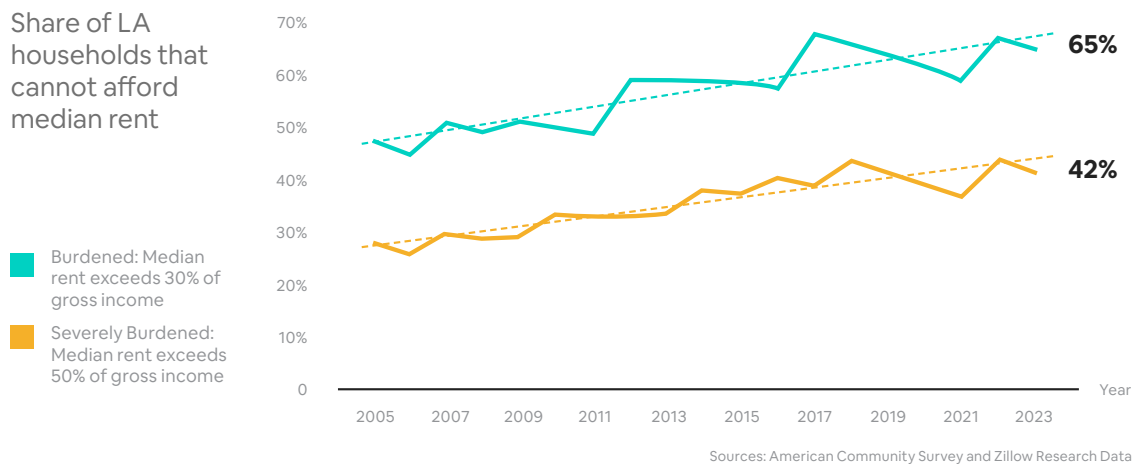
The following section of the report analyzes the number of Airbnb listings to housing units in the Los Angeles metro, outlines some of the primary factors driving local housing concerns, and provides an outline of how Airbnb wants to work with communities to help address the problem.

⁹ References to "Los Angeles" in this report refer to the census-defined Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area (MSA).



A root cause of rising housing costs in Los Angeles

Housing costs in Los Angeles have been rising at a rate higher than incomes for decades, long before Airbnb was even founded. In 2023, nearly two-thirds (65%) of households in the Los Angeles metro area would become rent-burdened if they rented the typical home available — up from 48% in 2005.¹⁰



There are many factors contributing to local housing affordability challenges, from growing income inequality, to decades of exclusionary zoning, and even changing location preferences post-pandemic, including the rise of remote working from home.¹¹

Where many experts agree is that the primary driver of the affordability crisis is chronic underproduction of housing.¹² According to Airbnb’s analysis, **373,000 housing units would have needed to be added in the Los Angeles metro area over the last five years to stabilize rent growth at the rate of inflation, but only 140,000 units were actually constructed over that time, a shortfall of 233,000 housing units.**¹³ Alongside this shortfall, the median rent increased by \$542/month over this time.

¹⁰According to an analysis of American Community Survey and Zillow Research Data.

¹¹Research from the Federal Reserve Board of San Francisco found that more than half of the increase in home prices during the pandemic could be explained by remote work trends. <https://www.frbsf.org/economic-research/publications/working-papers/2022/11/>.

¹²See, for example, [Alleviating Supply Constraints in the Housing Market](#), White House, 2021.

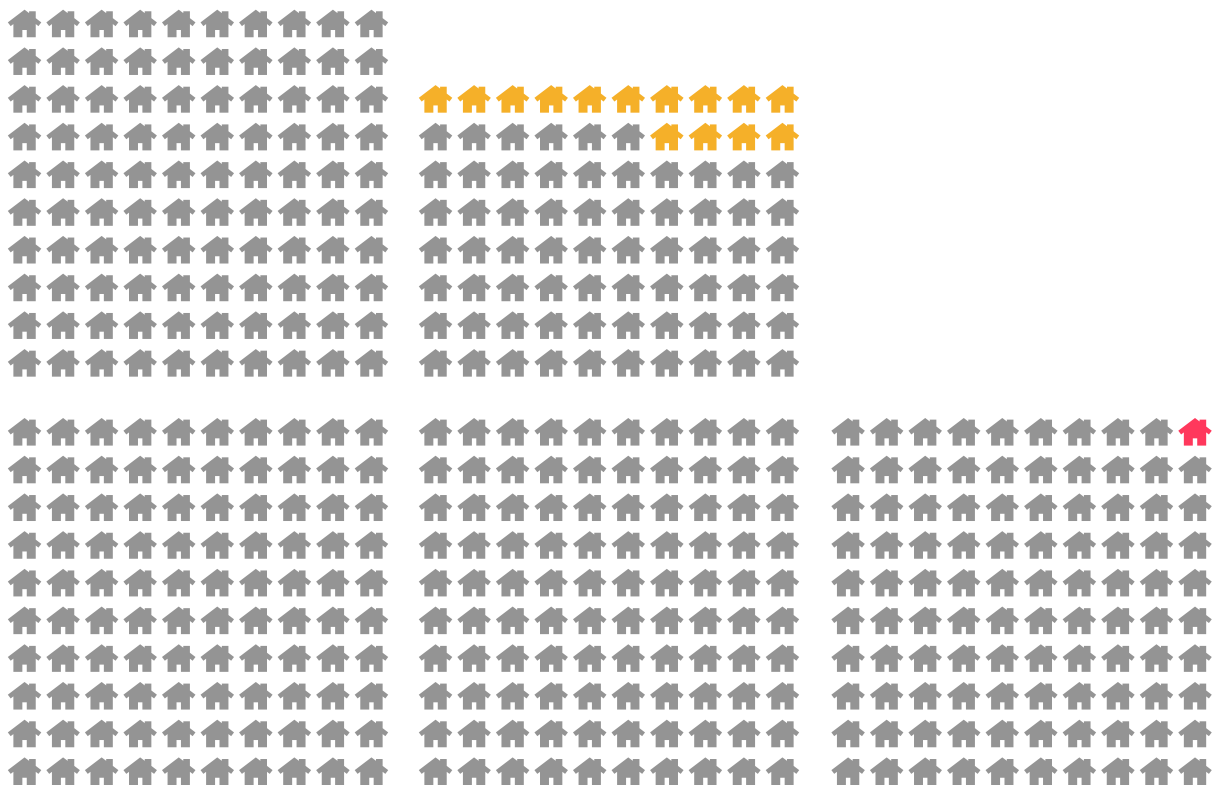
¹³Estimated underproduction of housing is based on a model of supply elasticities found in a seminal article on the subject, [The Geographic Determinants of Housing Supply](#), in *The Quarterly Journal of Economics*, Saiz (2010). To address the possibility that supply elasticities may have declined since this paper was authored, we also considered the extreme case: If supply became completely inelastic (no matter how much the price goes up, no new units are added to supply), the housing needed for rent growth to not exceed inflation would still be substantial – 281k instead of 373k.




Airbnb's impact on Los Angeles housing market


By contrast, Airbnb listings booked for 90 nights or more represent an incredibly small fraction of Los Angeles Metro's 4.8 million housing units. Airbnb 'entire-home' listings booked for more than 90 nights per year in the Los Angeles metro area represent just 0.23% of all housing units in the market and less than 3% of the number of additional housing units needed to prevent rent growth from exceeding inflation over the last 5 years, as estimated by Airbnb.¹⁴

Los Angeles Metro Housing Stock (4.8 million)



 = 10,000 Homes

 Units added 2019-2023

 Airbnb listings booked more than 90 nights per year (0.23%)

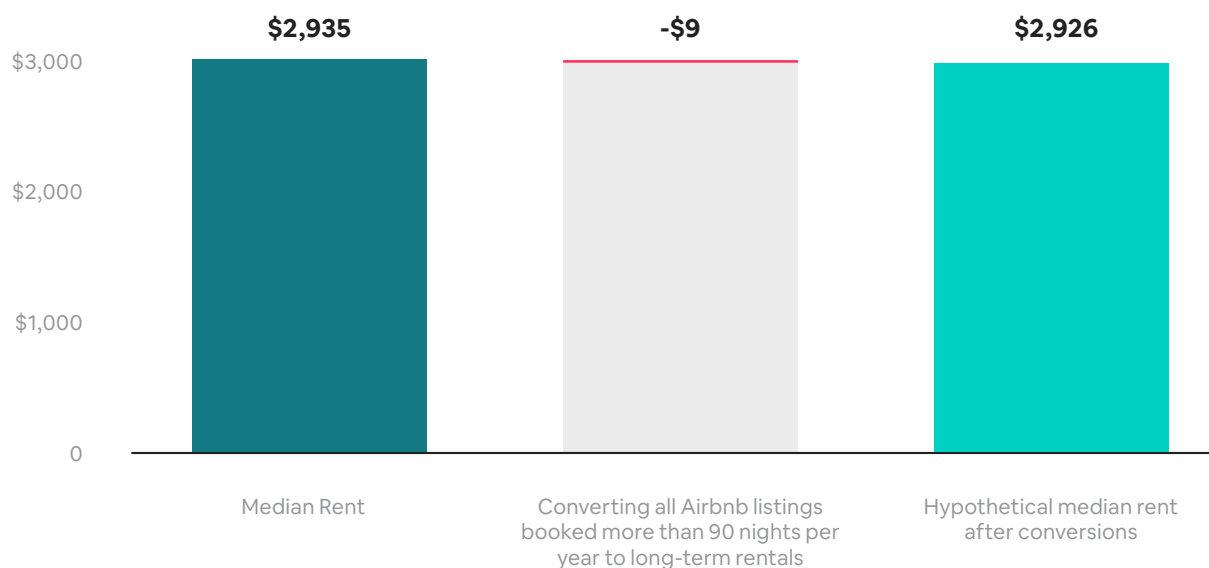
¹⁴Data references bookings from Q4 2022 through Q3 2023.



According to [independent research](#), the growth of Airbnb has had an extremely small impact — and in many cases, no impact at all — on rental cost increases. There is also little evidence that regulations aimed at limiting short-term rentals have successfully brought down housing costs significantly, having an impact on rents of only [2% in Los Angeles](#) as reported in one academic study. In fact, housing costs have continued to soar in markets like [Boston](#) that have severely restricted Airbnb listings. A primary reason, of course, is chronic under-production of new housing.

In the Los Angeles metro area, where the median rent is \$2,935, a price elasticity analysis shows that if all Airbnb listings booked for more than 90 nights per year were suddenly added to long-term rental supply (an unrealistic assumption), it would lead to an average reduction in rent of only **\$9 per month**.¹⁵ The chart below shows how this change compares to the current median rent in the Los Angeles area.

Median rent in Los Angeles Metro Area in 2023



¹⁵The model we use to estimate the impacts of converting Airbnb listings to long-term rental units is simple and transparent: we count the number of units to be converted, and translate that to price changes based on elasticities as reported in Saiz (2010). To address the possibility that supply elasticities may have declined since this paper was authored, we note that the monthly impact on rent would be just \$15 if supply were completely inelastic (i.e. no matter how much the price goes up, no new houses are added to the supply), instead of \$9.



Our commitment to work with policymakers to address the primary causes of rising housing costs in Los Angeles

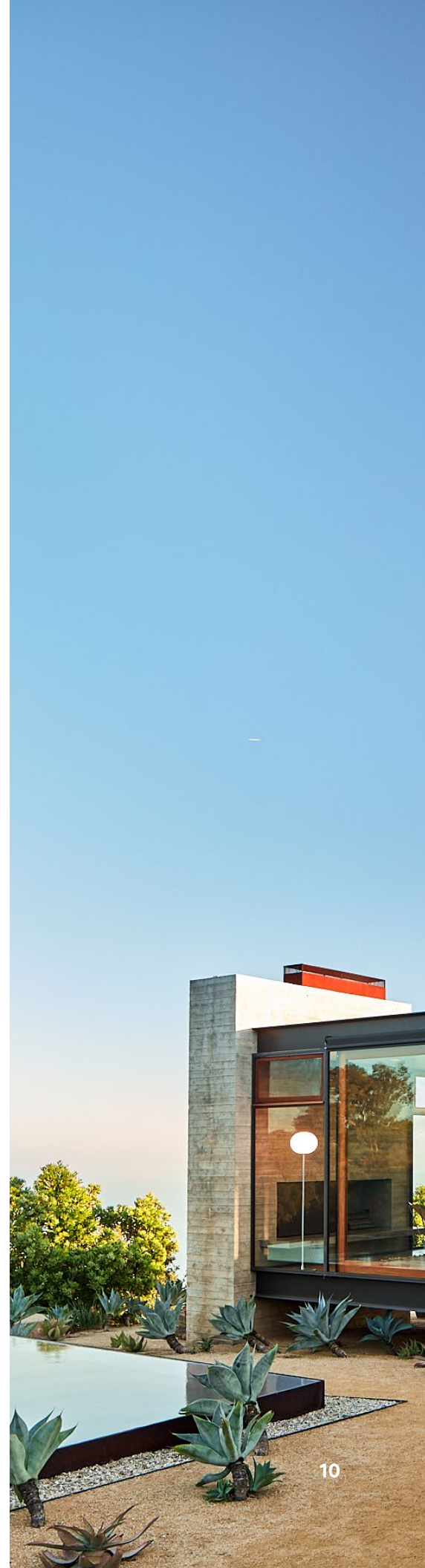
While there are no silver bullets, we're committed to working with Los Angeles policymakers to address the root causes of rising housing costs. Here are some of the ways we've done this to date:

Supporting policies that create more housing supply, either through allocating occupancy tax dollars to the development of new affordable housing or by advocating for deeper policy changes to reduce barriers to increasing housing supply.

Pioneering innovative solutions to support compliance with local regulations. In close cooperation with the City of Los Angeles, we stood up an automated enforcement system during the COVID-19 pandemic, and entered into a platform agreement utilizing the City's Application Programming Interface (API). This first-of-its-kind compliance system has helped the City of Los Angeles enforce its home sharing ordinance, and we continue to support efforts to encourage more platforms to adopt similar tools that promote compliance.

Launching new products like Airbnb-Friendly Apartments, which offers renters — who are more likely to be cost-burdened — a way to earn additional income to offset living expenses through their traditional long-term rental, as well as **Airbnb Rooms**, a renewed focus on everyday Hosts who share space in their own homes.

¹⁶Taxes collected and remitted between August 2016 and December 2023.



Being transparent about our impact with policymakers. In 2020, we launched the City Portal to help cities better understand the Airbnb landscape in their communities and provide tools to help enforce their laws.

Collecting tourism taxes. To date, we have remitted more than \$10 billion in tourism taxes globally, including nearly \$293 million to the City of Los Angeles.¹⁶

Dispersing tourism beyond popular destinations. Through our Flexible search features and Categories, Airbnb is diverting bookings away from cities' most saturated tourist hotspots in support of more sustainable travel trends. Around one in 20 stays on Airbnb are currently booked using flexible search features.

Strengthening protections for renters. We have implemented policies that address concerns around rental evictions and we stand ready to partner with communities where a tenant has been unfairly evicted and take appropriate action.

Airbnb's commitment to working with policymakers

While further restricting short-term rentals in the Los Angeles region will not materially reduce housing costs, it will financially harm thousands of homeowners who supplement their personal income by hosting. Airbnb will continue to work with leaders in the region to support sensible rules that protect the benefits home sharing generates for residents and the local economy, while addressing community concerns.

