



Airbnb Economic Impact and Housing Report

San Diego Metro



Airbnb's economic benefits to San Diego

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 helps support 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 San Diego. Our hope is that this information will help local stakeholders better understand the benefits home sharing provides to the local community.



San Diego metro hosts

Hosting on Airbnb is a vital source of supplemental income for local residents. According to a survey of hosts in the San Diego metropolitan area:¹

54% said the income earned through hosting has helped them stay in their home

12% said hosting helped them avoid foreclosure or eviction

65% use the income from hosting to cover the rising costs of living

In total, hosts in the San Diego area earned nearly \$554 million in 2023.² For low and middle-income hosts, who are estimated to make up more than half of the San Diego host population,³ 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 San Diego between January 1, 2023 and December 31, 2023.

² Airbnb earnings are for 2023.

³ San Diego 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 help generate economic benefits for the region. In 2023, hosts on Airbnb welcomed nearly 1.7 million guests arrivals to the San Diego metro area who contributed an estimated **\$1.6 billion annually to GDP**⁴, including:

18,000 jobs supported⁵

\$453 million in total tax revenue⁶

\$34.7 million in local occupancy taxes in the City of San Diego⁷ (nearly \$167.6 million to date)⁸

\$921 million in labor income⁹



⁴ 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 San Diego 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 San Diego.

⁵ 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.

⁶ Estimated total tax revenue associated with economic activity generated by Airbnb stays. This includes the total value of taxes associated with hosts' income and spending, and the economic activity stemming from guests visiting local businesses.

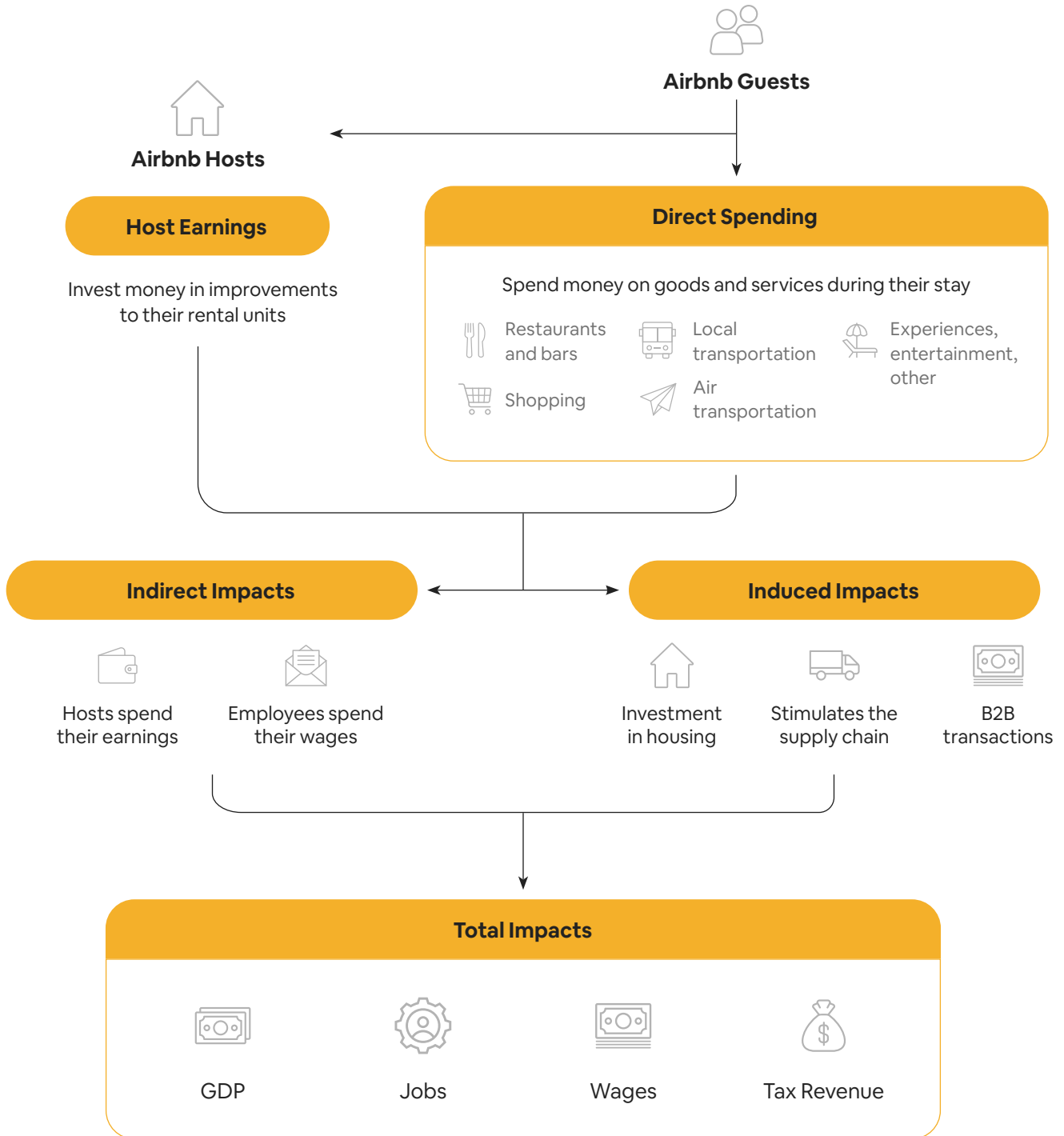
⁷ Local transient occupancy taxes collected and remitted by Airbnb on behalf of hosts in the City of San Diego in 2023.

⁸ Local transient occupancy taxes collected and remitted by Airbnb on behalf of hosts in the City of San Diego from 2016 to 2023

⁹ 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 San Diego housing market¹⁰

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 San Diego 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.

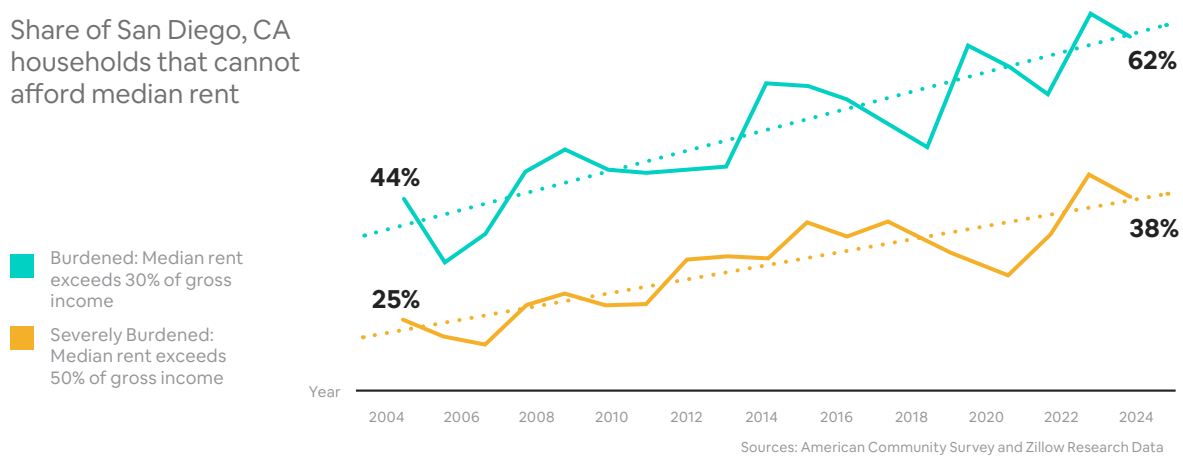
¹⁰ References to "San Diego" in this report refer to the census-defined San Diego-Chula Vista-Carlsbad, CA Metropolitan Statistical Area (MSA).



A root cause of rising housing costs in San Diego

Housing costs in San Diego have been rising at a rate higher than incomes for decades, long before Airbnb was even founded. In 2023, nearly two-thirds (62%) of households in the San Diego metro area would become rent-burdened if they rented the typical home available — up from 44% in 2005.¹¹

Share of San Diego, CA households that cannot afford median rent



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.¹²

Where many experts agree is that the primary driver of the affordability crisis is chronic underproduction of housing.¹³ According to Airbnb’s analysis, **296,000 housing units would have needed to be added in the San Diego metro area over the last five years to stabilize rent growth at the rate of inflation, but only 30,000 units were actually constructed over that time, a shortfall of 266,000 housing units.**¹⁴ Alongside this shortfall, the median rent increased by \$815/month over this time.

¹¹ According to an analysis of American Community Survey and Zillow Research Data.

¹² Research 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/>.

¹³ See, for example, *Alleviating Supply Constraints in the Housing Market*, White House, 2021.

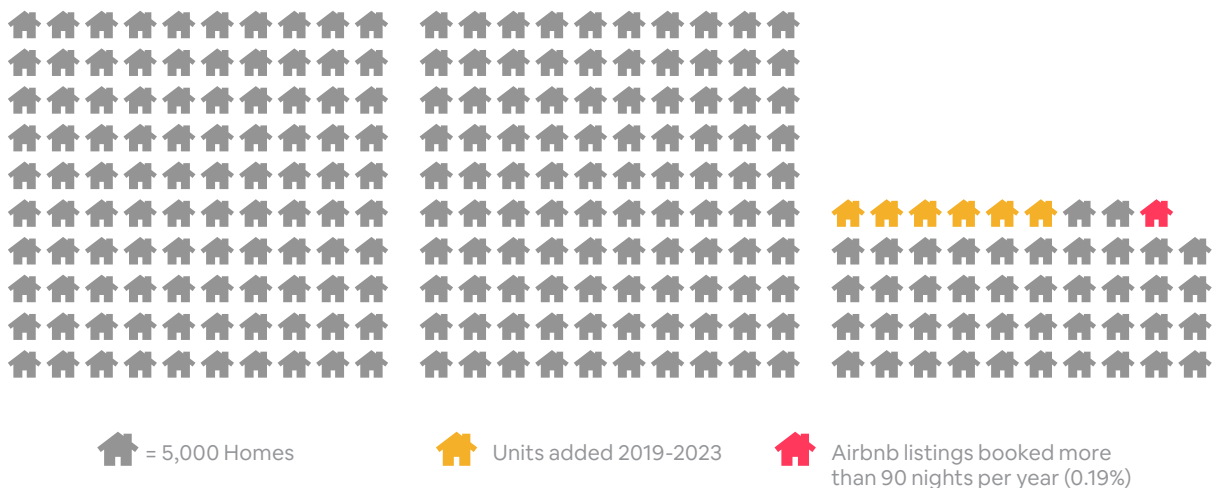
¹⁴ Estimated underproduction of housing is based on a model of supply elasticities found in a seminal article on the subject, *The Geographic Determinants of Housing Supply*, in *The Quarterly Journal of Economics*, Saiz (2010). To address the possibility that supply elasticities may have declined since 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 – 222k instead of 296k.



Airbnb's impact on San Diego housing market

By contrast, Airbnb listings booked for 90 nights or more represent an incredibly small fraction of San Diego Metro's 1.2 million housing units. Airbnb 'entire-home' listings booked for more than 90 nights per year in the San Diego metro area represent just 0.5% 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.¹⁵

San Diego Metro Housing Stock (1.2 million)



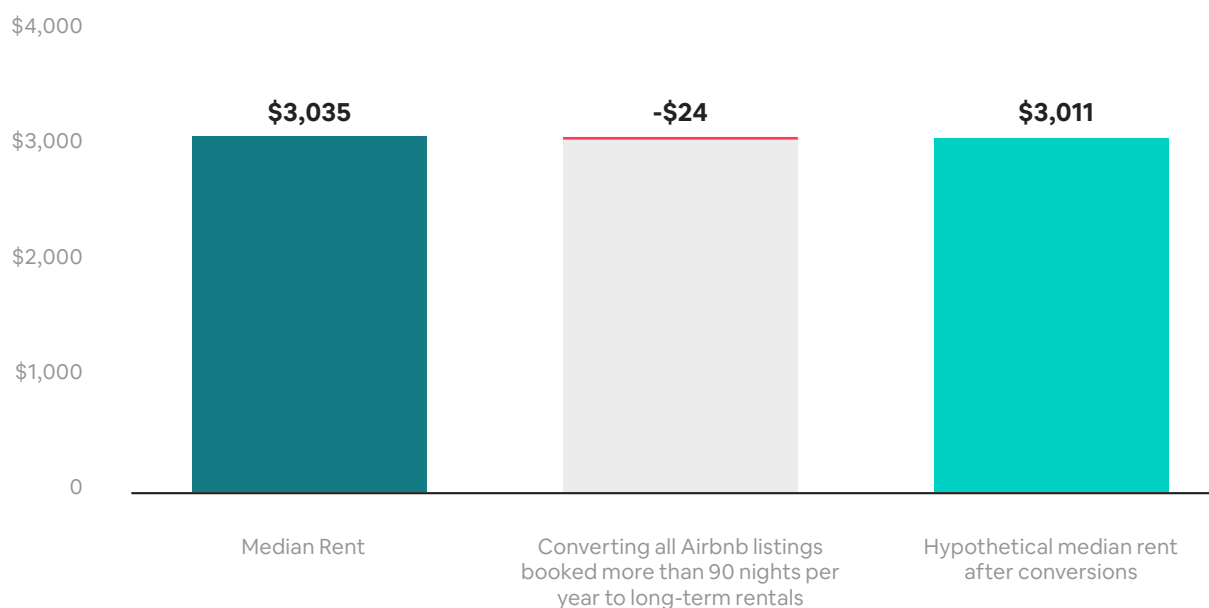
According to [independent research](#), the growth of Airbnb has had an extremely small impact — and in many cases, no impact at all — on rental cost increases. There is also little evidence that regulations aimed at limiting short-term rentals have successfully brought down housing costs significantly,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

¹⁵ Data references bookings from Q1 2023 through Q4 2023.



In the San Diego metro area, where the median rent is \$3,035, 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 **\$24 per month**.¹⁶ The chart below shows how this change compares to the current median rent in the San Diego area.

Median rent in San Diego 2023



¹⁶The 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 San Diego

While there are no silver bullets, we're committed to working with San Diego 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.

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.

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 tools to help cities enforce their short-term rental laws. We partnered with City staff to expand the City Portal to San Diego in 2023 to support their enforcement and compliance efforts.

Collecting tourism taxes. To date, we have remitted more than [\\$10 billion in tourism taxes globally](#), including nearly \$167.6 million to the City of San Diego.¹⁷

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.

¹⁷Taxes collected and remitted between August 2016 and December 2023.



Airbnb's commitment to working with policymakers

While further restricting short-term rentals in the San Diego region would not materially reduce housing costs, it would 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.



