

THE ECONOMIC IMPACT OF AIRBNB IN AUSTRALIA

A REPORT FOR AIRBNB BY OXFORD ECONOMICS



ABOUT OXFORD ECONOMICS

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GLOSSARY OF TERMS

Airbnb guest: An individual who stays at least one night in an Airbnb accommodation.

Airbnb host: An individual or business that lists an accommodation unit, whether private or shared space, for rent on the Airbnb platform.

Gross booking value: The value paid by guests for their Airbnb accommodation, inclusive of taxes.

Guest spending: The amount spent by Airbnb guests during their trip to a country or region. This comprises their spending on the rental of Airbnb accommodation (including the hosts' earnings and Airbnb's revenue, but excluding sales and/or accommodation taxes), their in-destination spending (at local restaurants, shops, local transport, and other activities), plus a portion of the estimated cost of airfares to get to and from the destination country.

Host earnings: The portion of guest spending on the rental of Airbnb accommodation that is received by the Host (individual or business renting the unit).

Travel and tourism (also simply referred to as tourism): The activity of persons travelling to and staying in places outside their usual environment for not more than one consecutive year of leisure, business, and other purposes not remunerated from within the place visited.



SECTION 1: INTRODUCTION



Airbnb’s unique platform connects hosts in Australia with tourists and travellers from all over the world. Every time a guest stays at an Airbnb listing, it creates an economic impact in the local economy.

The Airbnb platform facilitates a flexible supply of accommodation in Australian destinations, attracting travellers to visit and spend money on goods and services.

Each Airbnb booking creates two distinct spending impacts:

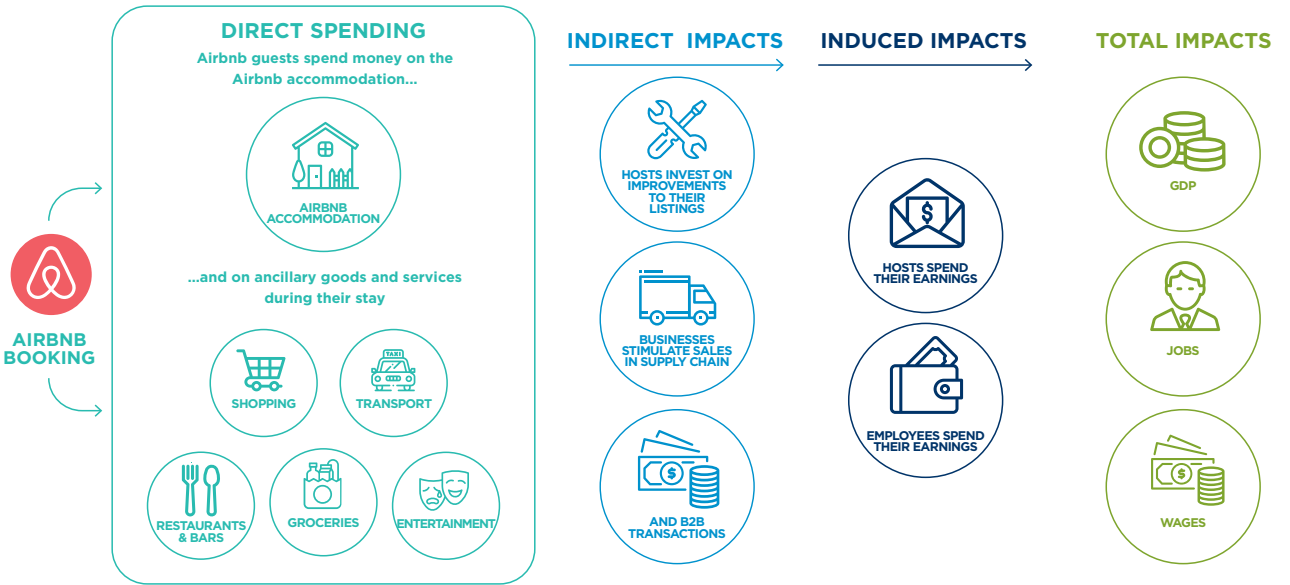
Guest spending on ancillary goods and services: Airbnb guests spend money on transport to and from their destination. They also spend on restaurants, retail, groceries, and arts and entertainment whilst at their destination.

Host spending: Airbnb hosts receive income from each booking, which funds spending on the upkeep of their property, including regular services such as cleaning. Hosts also spend their Airbnb income on goods and services to support their livelihoods.

These spending impacts create further ripples through the economy as hosts and tourism-facing businesses purchase goods and services from local suppliers, and the employees within these supply chains spend their income in the local economy.

Airbnb commissioned Oxford Economics to analyse these impacts as part of an assessment of its total economic footprint in Australia. To conduct the analysis, we combined primary data on Airbnb guest spending and Oxford Economics’ tourism data with our Global Sustainability Model, which includes proprietary models of the Australian economy.

Fig. 1: Schematic of Airbnb’s contribution to the Australian economy



Source: Oxford Economics



EXPLAINER: CALCULATING THE TOTAL ECONOMIC IMPACT OF AIRBNB

To quantify the impact of Airbnb on a local economy, we use a globally recognised, standard means of analysis known as an economic impact assessment. This involves quantifying the total expenditure made by Airbnb guests and hosts in the destination economy, and estimating three types of economic activity it stimulates (also summarised in Fig. 1):

Direct impact relates to the value added by the businesses that facilitate Airbnb guests' stays, including the value added by hosts.

Indirect impact is the economic activity and employment stimulated along the supply chain that supports those "front-line" businesses.

Induced impact comprises the wider economic benefits that arise from the spending of wages provided to those employees of businesses serving Airbnb guests, and other businesses in their supply chain. It also includes the share of Airbnb host income that is spent in the local economy. In our analysis, we extend our assessment to include the economic activity stimulated in the supply chains of retail, leisure, and other outlets.

The sum of these tiers amounts to the total economic impact of Airbnb, and the results are presented on a gross basis. They therefore do not take into account any displacement of activity from Airbnb's competitors, nor what the second most productive use of those resources would have been. Airbnb's economic contribution is measured using three metrics:

Gross domestic product (GDP) or more specifically, the gross value added (GVA) contribution to GDP.¹ This is defined as the value of the output produced, minus the expenditure on inputs of bought-in goods and services used up in the production of that output.

Employment measured on a headcount basis.

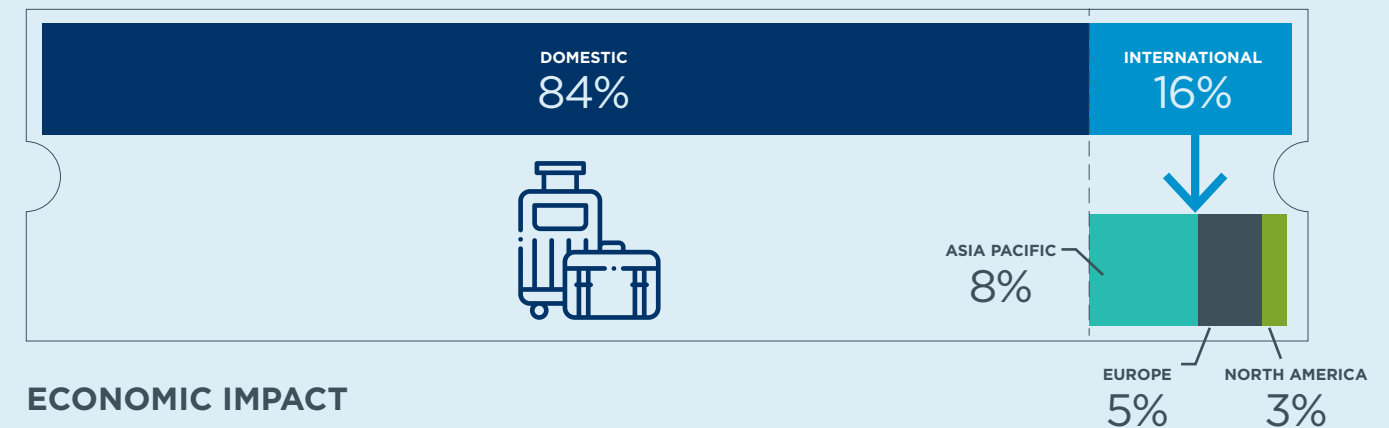
Wages earned by those employees over the course of the year.

A more detailed explanation of our methodology is included in the Technical Appendix of this report.

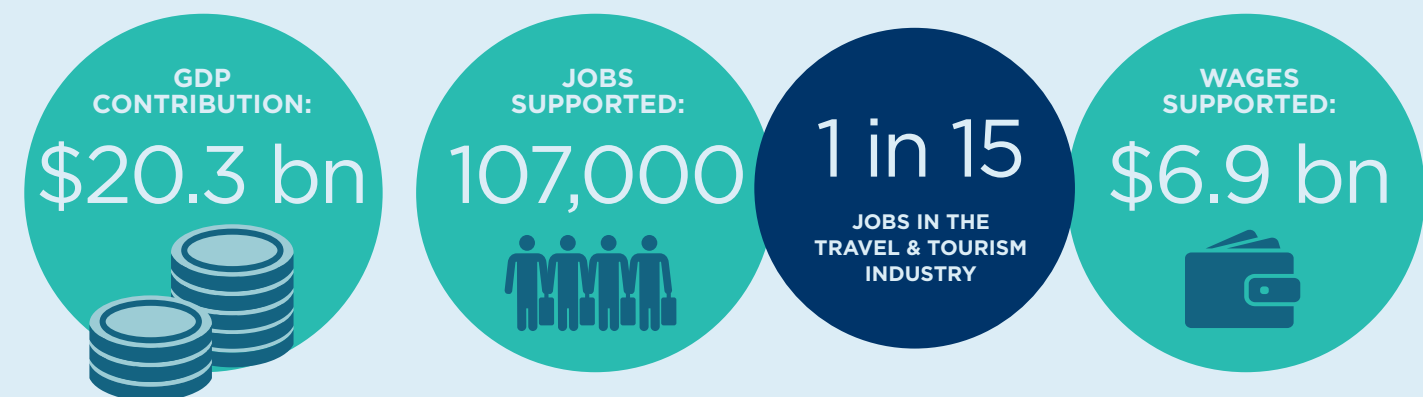
¹ GDP equals the sum of GVA and taxes minus subsidies on production

AIRBNB IN AUSTRALIA

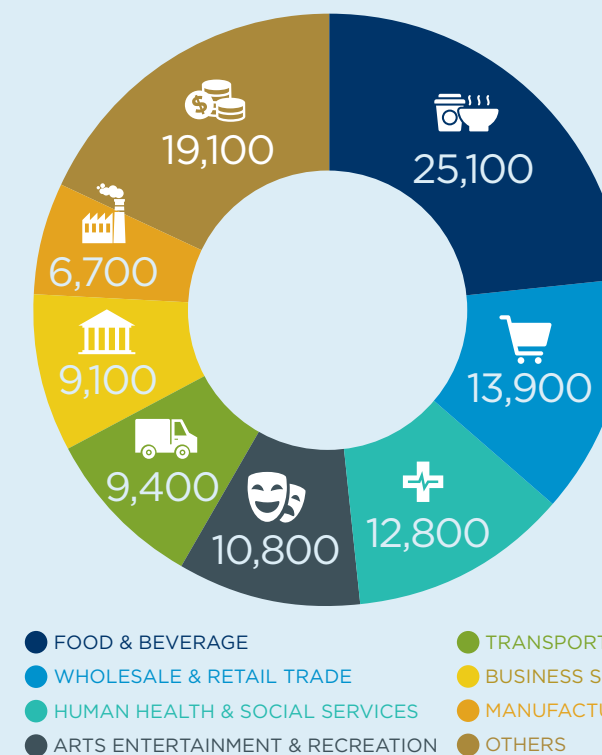
AIRBNB TOURISM FLOWS IN 2024



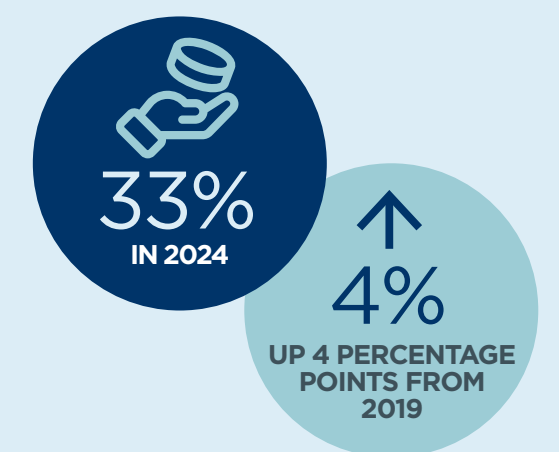
ECONOMIC IMPACT



JOBS SUPPORTED, BY INDUSTRY



NON-URBAN SHARE OF ACCOMMODATION SPENDING



All \$ figures in 2024 prices. Figures may not sum due to rounding.

SECTION 2: SPENDING ASSOCIATED WITH AIRBNB IN AUSTRALIA

In 2024, Airbnb guests spent a total of AUD 16 billion on accommodation and non-accommodation expenses in Australia.

2.1 AIRBNB TOURISM FLOWS

In 2024, the majority of Airbnb guests staying in Australia were domestic visitors, accounting for 84% of total guests.² This proportion has increased from 2019, prior to the Covid-19 pandemic, when domestic guests accounted for 75% of all Airbnb guests in the country. Around half of international Airbnb guests in Australia came from within the Asia Pacific region in 2024. Europe was the next largest source market, followed by North America.

The largest inbound source market for Airbnb guests was the United Kingdom, which accounted for 14% of all international guests. This was followed closely by the United States, which accounted for 12%. Among Asia Pacific travellers, Singapore, New Zealand and China were the top three source markets.

Fig. 2: Airbnb guests staying in Australia, by origin, 2019 to 2024³

Origin	2019	2020	2021	2022	2023	2024
Domestic	75%	89%	98%	91%	85%	84%
International	25%	11%	2%	9%	15%	16%
Asia Pacific	13%	4%	1%	4%	7%	8%
Europe	7%	4%	1%	3%	5%	5%
North America	4%	2%	1%	2%	3%	3%
Others	1%	0%	0%	0%	1%	0%

Source: Airbnb, Oxford Economics
Figures may not sum due to rounding.

Fig. 3. Top 10 origin markets of Airbnb guests staying in Australia, 2019 to 2024

Rank	Origin	2019	2020	2021	2022	2023	2024
1	United Kingdom	12%	17%	17%	15%	14%	14%
2	United States	13%	15%	24%	14%	13%	12%
3	Singapore	10%	3%	8%	21%	11%	11%
4	New Zealand	7%	6%	12%	10%	10%	10%
5	China ⁴	14%	14%	9%	4%	8%	9%
6	Germany	4%	6%	2%	4%	5%	5%
7	The Republic of Korea	2%	3%	1%	2%	3%	4%
8	Hong Kong SAR	4%	3%	3%	3%	4%	4%
9	France	4%	5%	2%	3%	4%	4%
10	Canada	4%	5%	3%	4%	4%	3%

Source: Airbnb, Oxford Economics

² Unless otherwise specified, all year references in this report pertain to calendar years.

³ "Others" refers to Latin America, Africa, Middle East or other regions.

⁴ For the purpose of this report, this refers to Mainland China, and does not include Hong Kong (SAR), Macau (SAR) and Taiwan.

2.2 AIRBNB GUEST SPENDING

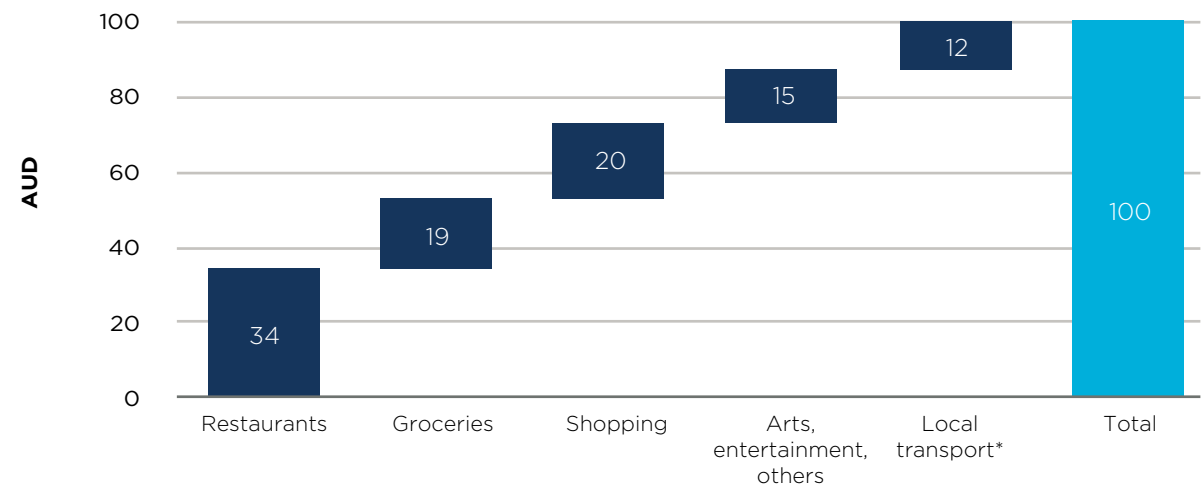
Airbnb guests spent a total of AUD 16 billion in Australia in 2024, on both accommodation and non-accommodation expenses—with the majority captured by the latter.

The typical Airbnb guest in Australia in 2024 stayed for an average of three days in their Airbnb accommodation and spent an average of AUD 320 per day on non-accommodation spending, such as restaurants, retail stores, and on transport.⁵

We analysed Airbnb guest spending patterns to understand what sort of tourism-facing businesses were recipients of this spending.

The largest in-destination spend category was restaurants, accounting for over a third of total non-accommodation expenses. Shopping and groceries were the next largest categories, each accounting for around one-fifth of non-accommodation expenses in Australia. This was followed by arts and entertainment, and local transport, which accounted for AUD 15 and AUD 12 of every AUD 100 spent, respectively.

Fig. 4: Distribution of Airbnb in-destination guest spending by category, Australia, 2024



Source: Airbnb, Oxford Economics. Figures may not sum due to rounding.
* This excludes airfares.

5 The average length of stay refers to the average (mean) number of nights that guests stay in Airbnb accommodations in the local destination. The spending per day figure refers to specifically the spending by Airbnb guests for each guest night.



2.3 AIRBNB HOST SPENDING

The combined spending of Airbnb guests and hosts stimulates a large and far-reaching chain of additional activity in the Australian economy.

While guest spending accounts for most of the spending associated with Airbnb in Australia, Airbnb hosts themselves also generate a considerable spending impact in their local communities. Some of the earnings received by Airbnb hosts are used to maintain and improve their properties. This may involve purchases of goods and services from businesses in the local economy, for example operational expenses on cleaning services and utilities, or capital expenses with local construction firms or tradespeople to renovate and maintain properties. The earnings received by Airbnb hosts may also be used for discretionary purchases to support their livelihoods.

“

They [Airbnb guests] often follow our recommendations for restaurants, cafes, and sights in the Illawarra, and so many of these local businesses have been positively impacted by this.

”

HOST SPOTLIGHT: AMANDA, PORT MACQUARIE, AUSTRALIA



I started hosting my studio on Airbnb, as the additional income helps improve my financial situation and is crucial for me. Since I work during the day, I hire a cleaner to manage the turnover of the space. The earnings from hosting have provided a steady income for her, and she has seen her business thrive over the past six years working with me. I have assisted several other people in setting up their own businesses since I started hosting and have no plans to stop hosting or helping others in the future. Hosting has positively transformed my life, and I am a strong advocate for it.

HOST SPOTLIGHT: CATHRYN, ILLAWARRA, AUSTRALIA



I am a retired firefighter and my husband a retired crematory operator. Hosting is not an easy job, but it helps us rely less on the government for a pension, and I just love welcoming people to our place! We have so many memorable interactions with our guests. They also often follow our recommendations for restaurants, cafes and sights in the Illawarra, and so many of these local businesses have been positively impacted by this.

SECTION 3: AIRBNB'S ECONOMIC IMPACT

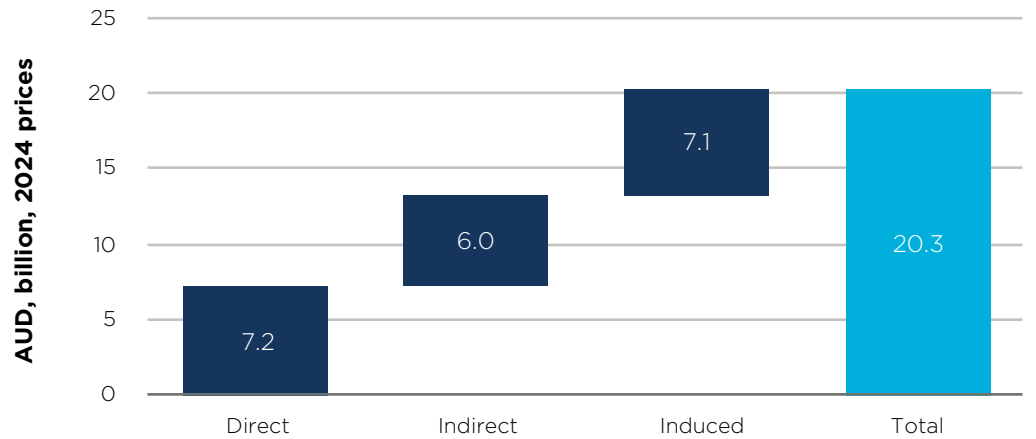
In 2024, the spending associated with Airbnb led to an estimated AUD 20 billion contribution to the Australian GDP.

3.1 TOTAL AIRBNB IMPACT IN AUSTRALIA

In 2024, the spending associated with Airbnb led to an estimated AUD 20 billion contribution to the Australian economy, equivalent to 0.7% of national GDP. Through the economic activity stimulated by Airbnb, a total of 107,000 jobs were supported, which was equivalent to 0.7% of total national employment.⁶ An estimated AUD 7 billion was paid in wages and salaries for these supported jobs.

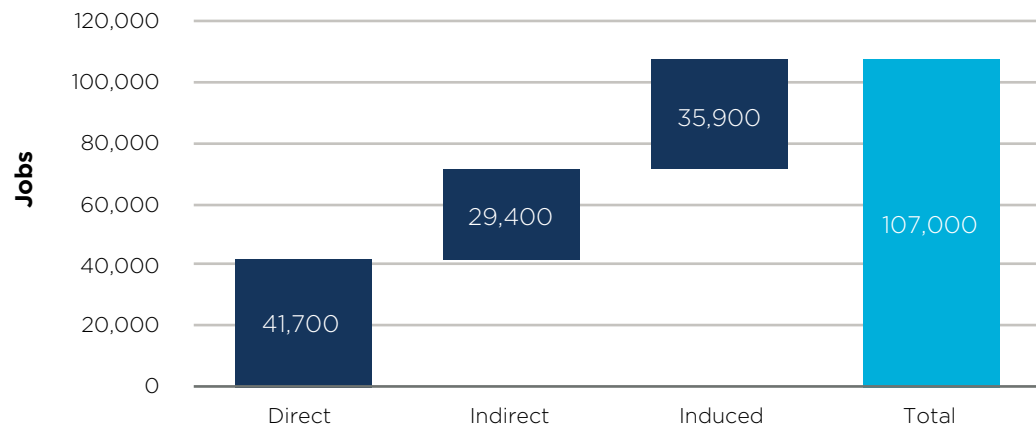
We analysed the scale of Airbnb's economic impact in Australia in relation to the total economic footprint of travel and tourism in the country, based on World Travel and Tourism Council (WTTC) estimates. Our analysis suggests that Airbnb was responsible for 7% of the broader travel and tourism sector's GDP and 7% of its total employment in the country. This means that one in every 15 jobs supported by the travel and tourism industry was associated with Airbnb in 2024.

Fig. 5: Airbnb's economic impact in Australia, 2024



Source: Airbnb, Oxford Economics

Fig. 6: Jobs supported by Airbnb in Australia, 2024



Source: Airbnb, Oxford Economics. Figures may not sum due to rounding.

⁶ Economic footprint analysis captures the gross economic impact of Airbnb activity, as opposed to its net impacts. Our estimates therefore make no net adjustment for jobs that might have been supported by other sources of demand in the absence of Airbnb. As a gross measure, we refer to jobs "supported" by Airbnb activity, not created by it. Please see the Technical Appendix for further details.

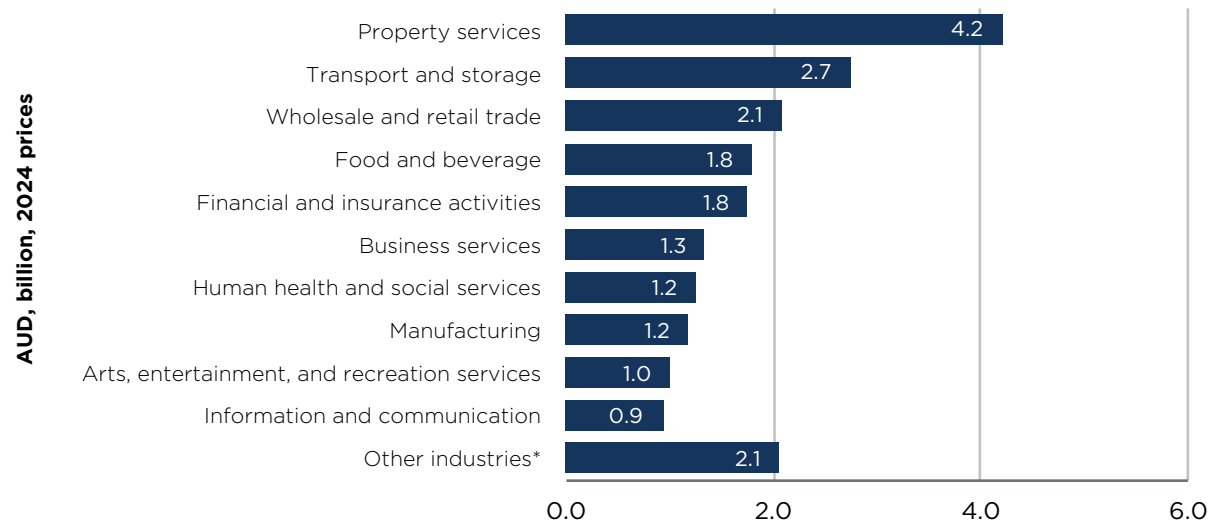
3.2 SECTORAL IMPACTS

The largest GDP impact from Airbnb activity in Australia in 2024 was in the sectors that directly serve Airbnb guests. This includes the property sector⁷ (AUD 4.2 billion) in which guest spending on their Airbnb accommodation accounted for the majority of the GDP contribution.

The transport and storage sector⁸ was also a primary beneficiary of Airbnb's impact, accounting for AUD 2.7 billion of the total GDP impact, of which 64% results from the direct spending of Airbnb guests on local transport and airfares. The food and beverage services sector accounted for another AUD 1.8 billion in GDP impact, of which 78% results from the guest spending on dining experiences.

The supply chain spending of hosts and tourism-facing businesses, as well as induced spending by their employees and other workers supported along the supply chain, also resulted in ripple effects across the wider economy. The financial and insurance sector accounted for AUD 1.8 billion in GDP impact, capturing the supply chain spending of tourism-facing businesses receiving Airbnb guest spending (48% of the total), and the induced spending of employees (52% of the total).⁹ This sector facilitates financial intermediation, insurance, and employee benefit programs that businesses seek for their day-to-day operations, and employees also spend a proportion of their wages on such services.

Fig. 7: Airbnb's economic impact in Australia, by sector, 2024



Source: Airbnb, Oxford Economics.
* Includes construction, and agriculture and forestry, etc

Airbnb's employment footprint was most prominent in sectors that were the largest direct recipients of Airbnb guest spending.¹⁰ The food and beverage services sector saw the highest impact, with roughly

25,100 jobs supported by Airbnb. In the arts and entertainment sector, 10,800 jobs were supported, of which a majority resulted from the direct Airbnb guest spending on recreational activities.

In other sectors, the indirect supply-chain and wage-induced impacts that flow from Airbnb are more pronounced. Some 13,900 jobs were supported in wholesale and retail¹¹, and another 12,800 jobs in human health and social services.¹²

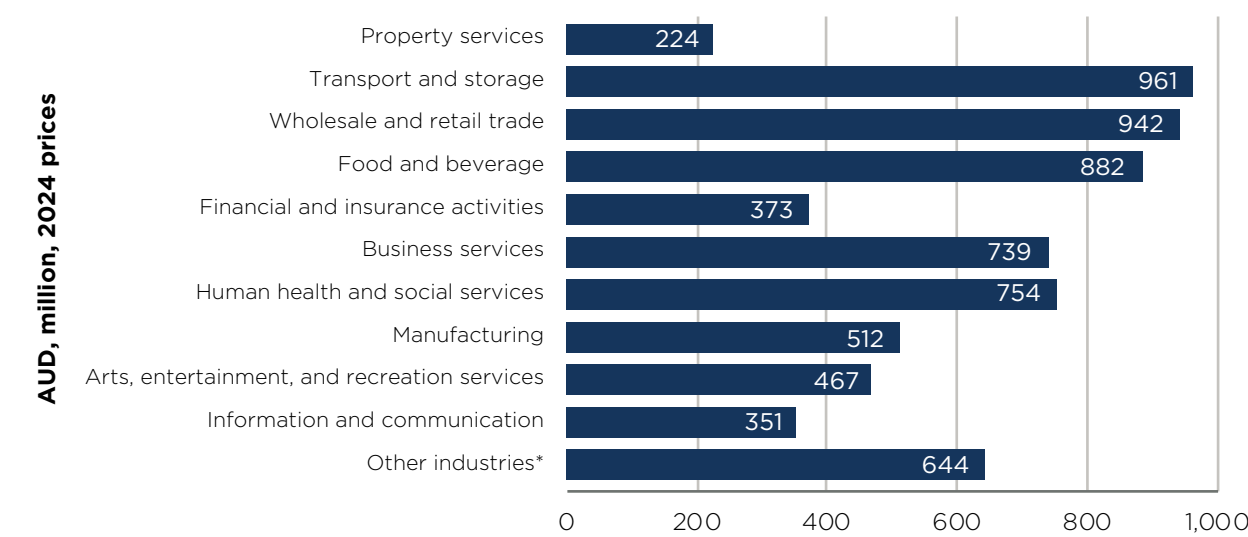
Fig. 8: Jobs supported by Airbnb in Australia, by sector, 2024



Source: Airbnb, Oxford Economics.
* Includes construction, and agriculture and forestry, etc

This broad employment footprint means wage earnings derived from Airbnb activity are also dispersed across the economy. The transport and storage sector had the largest wage impacts of any sector with AUD 961 million supported by Airbnb-related activity, followed by wholesale and retail trade (AUD 942 million), and food and beverage services (AUD 882 million).

Fig. 9: Wages supported by Airbnb in Australia, by sector, 2024



Source: Airbnb, Oxford Economics.
* Includes construction, and agriculture and forestry, etc

7 This sector includes services such as the renting or leasing of residential and commercial properties, services of property agents, and imputed rent for owner-occupied housing.
8 This sector includes services such as land, air, and water transport, as well as warehousing and storage facilities.
9 This refers to those employed by businesses supported by Airbnb activities.
10 Sectors which saw the largest share of employment could differ from the sectors which contributed most to Australia's GDP, due to varying productivity levels across sectors.

11 This sector includes services such as the commission based buying and selling of goods, without significant transformation, by merchants and brokers to businesses, as well as by retail units to the general public.
12 This sector includes services such as medical care and social assistance.

SECTION 4: AIRBNB'S IMPACT IN AUSTRALIAN STATES

The non-urban share of Airbnb gross booking value was 33% in 2024, up four percentage points from 2019.

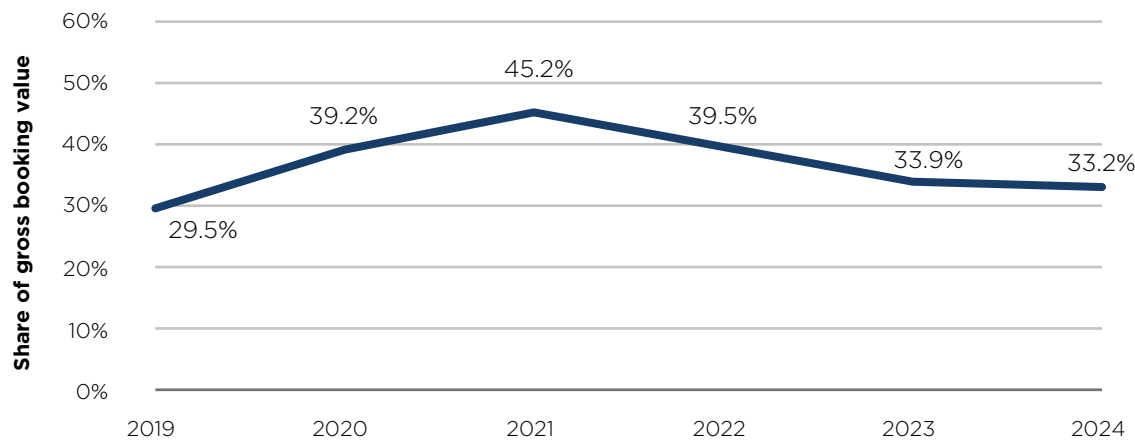
4.1 DISTRIBUTION OF AIRBNB GUEST SPENDING IN NON-URBAN DESTINATIONS

During the Covid-19 pandemic, there was a clear shift in Airbnb guest preferences in Australia towards non-urban destinations. This shift in preferences may have been driven by health and safety considerations, as well as a greater desire from domestic tourists to explore areas outside of Australia's major cities.

The non-urban share of Airbnb gross booking value (GBV) was 33.2% in 2024 - a decline from the 2021 high-point of 45.2%, but still four

percentage points above the 29.5% share of 2019. The surge in non-urban stays during the pandemic era was partially unwound by the resumption of international travel, but the non-urban share has remained consistently higher than the pre-pandemic norm, suggesting a lasting shift in traveller preferences.

Fig. 10: Non-urban share of gross booking value in Australia, 2019 to 2024

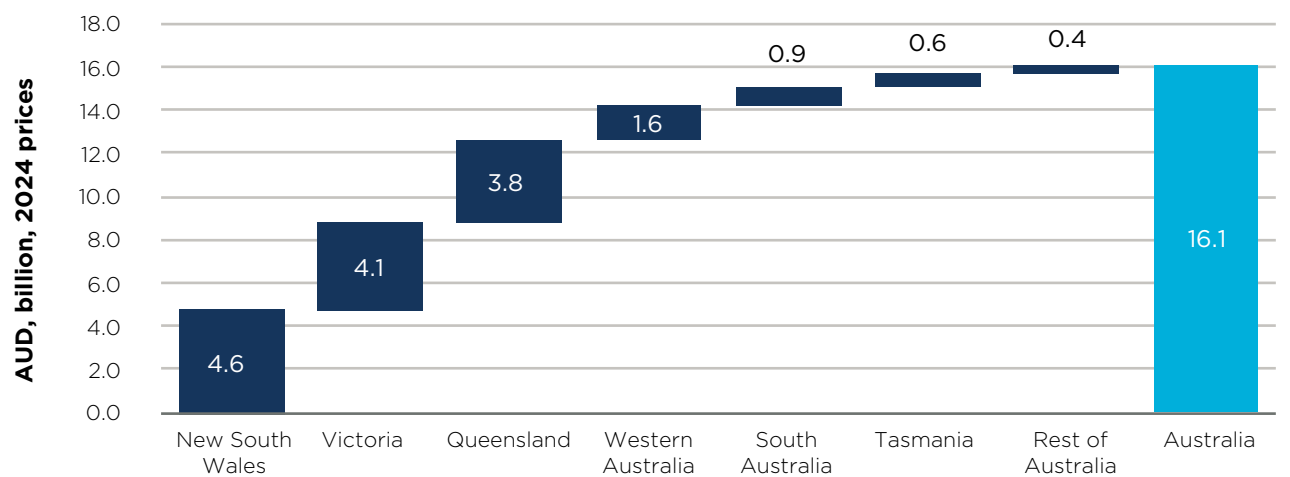


Source: Airbnb, Oxford Economics

4.2 GUEST SPENDING AT THE SUB-NATIONAL LEVEL

Airbnb guest spending was distributed across various Australian states and territories. Our analysis focuses on the six Australian states. New South Wales was the primary recipient of Airbnb guest spending, with AUD 4.6 billion spent or 29% of total Airbnb guest spending in the country. Victoria and Queensland received AUD 4.1 billion (26%) and AUD 3.8 billion (24%) of Airbnb guest spending in 2024, respectively. This was followed by Western Australia, South Australia, and Tasmania, which respectively received 10%, 6%, and 4% of total spending.

Fig. 11: Airbnb guest spending in Australian states, 2024



Source: Airbnb, Oxford Economics.
Totals may not sum due to rounding.

4.3 ECONOMIC IMPACT AT THE SUB-NATIONAL LEVEL

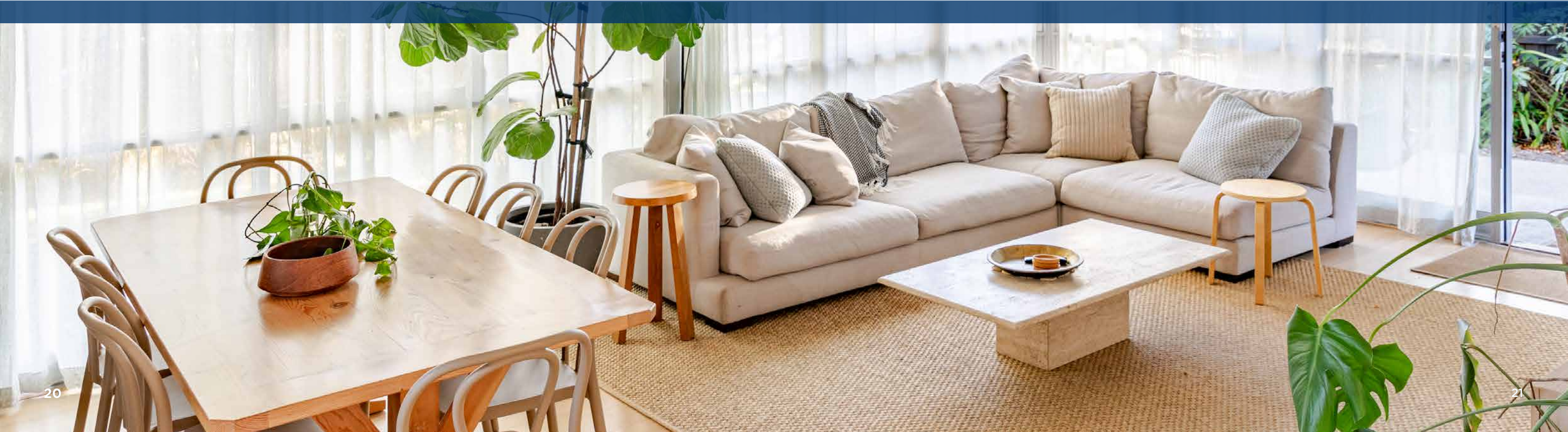
We constructed sub-national economic impact models at the state level in Australia to assess how Airbnb’s footprint is distributed across the country. As expected, New South Wales saw the largest economic impact, with Airbnb contributing AUD 6.6 billion to GSP whilst supporting 32,200 jobs and AUD 2.2 billion in wages. This was followed by Victoria with a GSP contribution of AUD 5.4 billion, 30,900 jobs and AUD 1.8 billion in wages. Meanwhile, Queensland accounted for a GSP contribution of AUD 4.8 billion, 25,600 jobs and AUD 1.6 billion in wages.

Fig. 12: Airbnb’s economic contributions in Australian states, 2024¹³

Region	GSP (AUD billion)			Total	Employment	Wages (AUD billion)
	Direct	Indirect	Induced			
New South Wales	2.1	2.0	2.4	6.6	32,200	2.2
Victoria	1.8	1.6	1.9	5.4	30,900	1.8
Queensland	1.7	1.4	1.7	4.8	25,600	1.6
Western Australia	0.7	0.5	0.5	1.8	8,600	0.6
South Australia	0.4	0.2	0.3	0.9	4,700	0.3
Tasmania	0.3	0.1	0.2	0.5	3,300	0.2
Rest of Australia	0.2	0.1	0.1	0.4	1,700	0.1

Source: Airbnb, Oxford Economics

13 2024 prices





TECHNICAL APPENDIX

DATA SOURCES

Our analysis drew on detailed data from Airbnb, WTTC, UNWTO, national tourism agencies, third party providers (e.g., hotel and industry associations), and Oxford Economics databanks.

AIRBNB

Data provided by Airbnb included the volume of Airbnb guest activity (guests and accommodation revenue) and the number of Airbnb listings. This data covered each geography for 2024. Additional data covered the number of guests travelling to each destination by origin market.

Airbnb also provided guest spending results based on guest surveys it has conducted annually using a randomised sample of guest accounts in each country or region. The survey is administered through Qualtrics and sent via email. No payment or other incentive is provided in exchange for completing the survey.

WTTC AND OXFORD ECONOMICS GLOBAL ANALYSIS OF THE ECONOMIC IMPORTANCE OF TRAVEL AND TOURISM

Oxford Economics has been working for over 30 years with the World Travel and Tourism Council (WTTC) to produce annual economic impact studies for 185 countries and regions, quantifying the socio-economic benefits that travel and tourism brings to the world economy on a global, regional, country, and city level. These figures were incorporated into our analysis.

WTTC is the only global organisation that studies and publishes research on the sector’s direct, indirect, and induced impact at a national, regional, and global level on jobs, GDP, and trade and investment. These can be found at <https://www.wttc.org/economic-impact/>. Oxford Economics has recently undertaken further work to benchmark tourism’s economic impact versus other sectors, as well as analyse issues such as youth and female tourism employment patterns.

OXFORD ECONOMICS

Oxford Economics, through its Tourism Economics subsidiary, maintains a global database on travel and tourism activity across 185 countries and regions. Data used in this Airbnb study included transport expenditures per international visitor, distances between origin and destinations, and an analysis of selected tourism satellite accounts.

GUEST SPENDING ANALYSIS

We quantified total Airbnb guest expenditures based on a database we developed containing detailed information on Airbnb guest activity, surveys of Airbnb guest spending patterns, and transport costs estimated by each source market. This analysis leveraged highly detailed transaction-based data provided by Airbnb across 10 APAC countries and regions, and Oxford Economics’ proprietary databases and research.

The key components to Airbnb guest expenditures are 1) accommodation spending (i.e., gross booking value based on Airbnb data), 2) in-destination guest spending outside of Airbnb, and 3) portion of airfare revenues that goes to each market.

Gross booking value (GBV) is sourced directly from Airbnb and reviewed by Oxford Economics to check for consistency in terms of GBV per guest and international versus domestic breakdowns. GBV is attributed to host earnings and revenue on the night of stay, thus it excludes cancelled bookings. The GBV figures reported are different to those used in the 2023 study which included the total GBV on the Airbnb platform, of which a proportion may have been cancelled bookings. There may be slight variations in the historical non-urban share of GBV in this study compared to the previous study, due to revisions in the GBV data. GBV data was provided with a breakdown by “urban” versus “non-urban”, the latter referring to listings in locations that do not appear to be urbanised based on satellite imagery data.

In-destination spending by guests covers their purchases of goods and services in the local economy. To estimate non-accommodation guest spending such as on restaurants, shopping, and activities, we modelled guest spending by category using the Airbnb guest survey data. We also use Oxford Economics’ data on country-level and city-level travel flows and spending to guide our estimates. These are informed by data from the UNWTO, national tourism agencies, third-party providers (e.g., hotel and industry associations), balance of payments data and OE’s own estimates.

Airfares including the travel to and from the Airbnb destination, is a sum of three components. We estimated **inbound and outbound transport spending of international travellers** based on the estimated distance travelled between origin and destination for each country/region pair, and transport spending ratios from tourism satellite accounts and balance of payments data. We adjusted transport cost estimates to reflect only that portion of expenditures with an impact on the origin and destination countries and regions of analysis. For **domestic guests**, we calculated the total airfare revenue by taking the residual from total local transport spending (including airfares) compared to Airbnb’s survey data on in-destination local transport spending of domestic guests. At the subnational level, we estimate using each smaller regions’ share of corresponding country’s air traffic, based on airport locations and third-party data on air travel.

The results provide a detailed platform for quantifying the scope and scale of Airbnb guest spending and support a detailed assessment of the corresponding economic impacts.

ECONOMIC IMPACT METHODOLOGY

In this report, we have designed an economic impact framework with a focus on the way in which Airbnb supports local tourism businesses. The bulk of the calculated economic benefits are from non-accommodation spending within the destination.

However, we also consider some of the economic impact supported by the total accommodation income a host receives. We estimate a) the economic impact generated by the host's procurement of intermediate inputs to maintain the property, such as cleaning services, and the onward supply chain that supports this, b) the economic impact of the boost to host spending that is induced from accommodation incomes, after accounting for costs and savings, and c) the economic impact created as employees in the hosts' supply chains spend out of their own earnings. We also consider Airbnb's own activity in the destination economy.

The tiers of impact

When assessing the economic contribution of Airbnb's presence in APAC countries and regions, we considered three main tiers of impact:

- At the centre of any economic impact assessment is the **direct impact**. This is the impact generated by the direct recipients of the spending associated with Airbnb's presence in a given country or region. In this framework, the primary driver of the direct impact is the guest spending on goods and services, stimulating activity in tourist-facing industries. It also includes hosts' and Airbnb's own activity in the destination economy.
- The second tier of impact focuses on the supply chain that is required to support the direct purchases. This **indirect impact** represents the activity created in other parts of the economy from the procurement of inputs in the form of goods and services. Examples include the manufacturing of goods that travellers buy and sourcing of raw food inputs through agriculture and fishing. It also includes support services for Airbnb accommodations such as cleaning and maintenance providers, as well as operating expenses for the upkeep of the online Airbnb platform such as spending on info-communications providers and other business services.
- The final tier of impact is known as the **induced impact**. This captures the activity stimulated by the consumer spending of people employed through the direct and indirect activity associated with Airbnb. It also captures the additional demand sustained along the domestic supply chain from those transactions. In addition, it includes the proportion of income of hosts that is spent in the local economy, after adjusting for business costs and deductions. In this framework, the economic footprint of host earnings is captured primarily through the induced impact, recognised as a boost to host spending power.

Brought together, these three tiers present a complete picture of **total economic impact** of Airbnb, as it ripples from the direct effect out through the rest of the economy.

To effectively quantify Airbnb's economic impact, it is necessary to evaluate the contribution it makes in the same terms used to measure the size of the economy. As such, impact assessments typically focus on two different metrics: gross value added (GVA) contribution to gross domestic product (GDP) and employment.

The first of these metrics—GVA contribution to GDP—is a measure of net output. Three different approaches are available to calculate the GVA contribution to GDP of a business: the production (or output) approach, income approach, and expenditure approach. United Nations Statistics Division (UNSD) clearly defines the different methodologies:

“The production approach [...] measures GDP as the difference between the value of output less the value of goods and services used in producing these outputs in an accounting period”.

“The income approach measures GDP as the sum of the factor incomes generated to the economy [wages, salaries and bonuses payable to employees, taxes on production, and operating surplus for the producers]”.

“The expenditure approach measures the final uses of the produced output as the sum of final consumption, gross capital formation and exports less imports”.

Whichever approach is used, gross value added measures the contribution to the economy of each individual producer. When aggregated across all firms in a national economy, GVA sums to GDP. GDP is one of the main summary indicators of a country or region's economic performance. References to economic growth (or when the economy enters recession) typically relate to the rate of change of GDP.

Employment is the second metric by which the economic contribution of a firm can be measured. It can be defined in three ways: headcount, full-time equivalent, or job-years. A headcount employment measure corresponds to the number of people employed, irrespective of whether employment is full or part time. An adjustment was made to agriculture employment estimates to account for the presence of subsistence farming. This is a portion of the agriculture workforce that essentially does not take part in the market economy and therefore has been removed from the employment estimates.

Gross versus net economic impact studies

The total core contribution of any given entity to the economy is the sum of its direct, indirect, and induced impacts. In line with standard practices, we present Airbnb's impact on a gross rather than a net basis. This means that in measuring the value of Airbnb's contribution, we estimate the total value added by businesses and wage earners in supporting Airbnb's economic activity, but we do not deduct for how those resources might otherwise have been used in the absence of that activity, i.e., their next most productive use. A net approach to such an assessment is more complex and controversial, as it requires many assumptions about counterfactual scenarios.

MEASURING AIRBNB'S CORE IMPACT

An I-O model is a detailed representation of an economy, showing the major interactions and spending flows between different industries, households, government, and the external sector. An I-O model is a table which shows who buys what, and from whom, in the economy. The global I-O model used in this study offered a platform to analyse all countries and regions through the same structure, ensuring that our analysis of each country and region was completely comparable.

Direct impact

Understanding the direct impact involves analysing the industries that are direct beneficiaries of the expenditure related to Airbnb accommodations. This includes:

- Revenue for tourism-facing businesses receiving Airbnb guest spending
- Revenue for Airbnb from platform commission
- Revenue for Airbnb hosts.

These revenue figures represent the total direct gross output. The I-O tables were then used to analyse the direct impact by quantifying the share of revenues that should be considered part of their direct GVA contribution to GDP, calculated as the sum of their costs of employment, operating surplus, and taxes on production (i.e., using the income approach).

Airbnb's direct employment footprint was estimated based on the relationship between the GVA contributions and employment of different industries within each country or region. Source data were gathered from a range of national statistics agencies and Oxford Economics estimates.

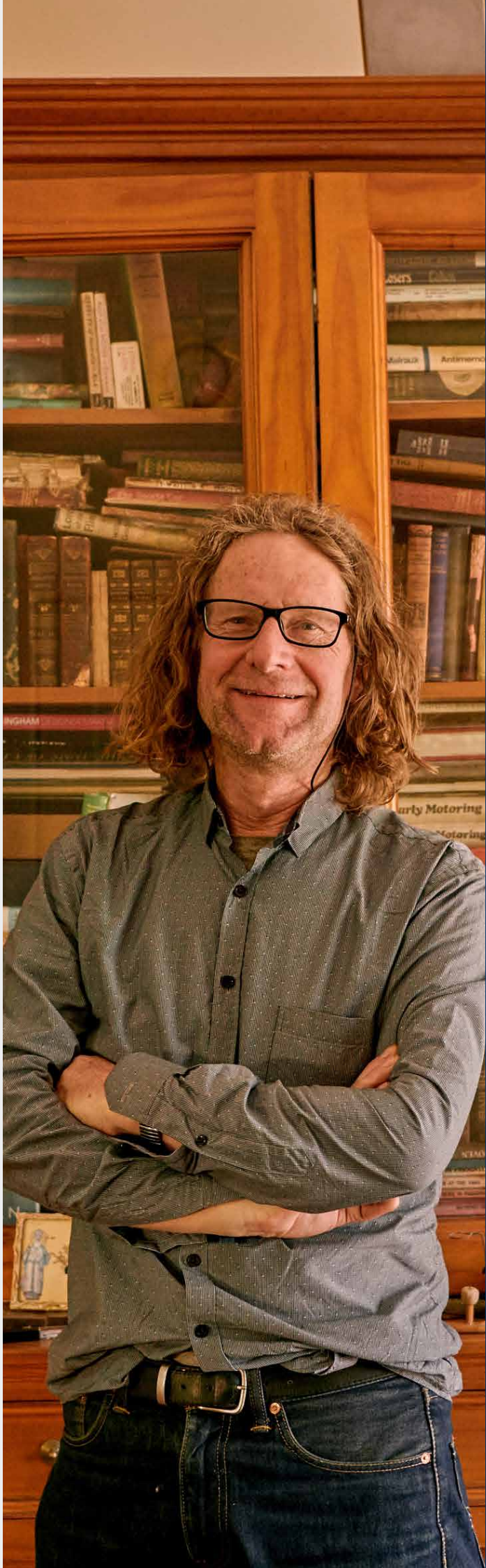
Indirect and induced economic impact

We estimated the structure of intermediate purchases of goods and services that flowed from our direct impacts, using I-O tables. We traced the entire supply chain that supported this spending, accounting for wages, profit margins, taxes, and imports along the way. From this, the GVA contribution to GDP from the indirect effect was estimated. The employment that those impacts support were analysed using the same methodology described above, for direct impacts.

The induced impact considers the value accrued in the economy as wage earners spend the wages they derive via the direct and indirect impacts, and as Airbnb hosts, and employees of businesses along the supply chain, spend their incomes. Employee wage spending was adjusted to account for the value of household spending as a share of total earnings, in order to account for taxes and savings. We also adjusted for savings and the tax wedge to the earnings of hosts, based on OECD data. The value of this spending was distributed across different industry sectors based on the structure of household spending in each country or region, sourced from the I-O tables, and we traced the impact that this had through the economy. The employment impacts were derived from this estimate, as explained above.

Rounding convention

Note that employment figures are rounded to the nearest hundred. All other reported statistics are rounded to the nearest integer, while values containing decimals are rounded to one decimal place.



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The modelling and results presented here are based on information provided by third parties, upon which Oxford Economics has relied in producing its report and forecasts in good faith. Any subsequent revision or update of those data will affect the assessments and projections shown.

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