

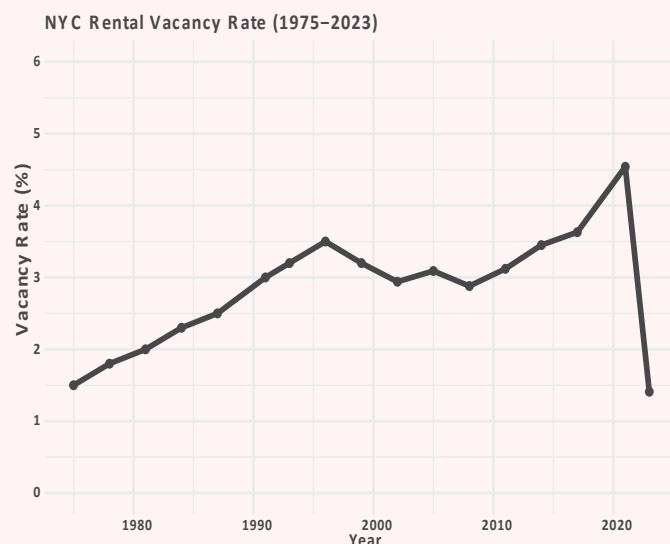
Local law 18 vs Short-term rentals

Crisis and Combat!

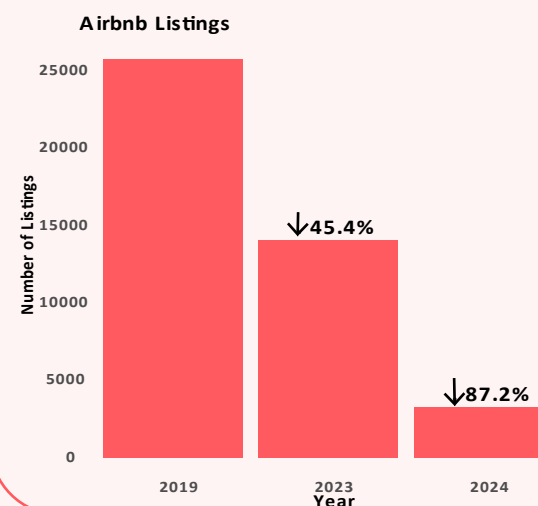
In 2023, New York City's rental vacancy rate dropped to a staggering 1.41%, the lowest in 56 years. A vacancy rate below 5% is officially considered a housing emergency.

To combat the crisis, New York City Council introduced the Local Law 18: the Short-Term Rental Registration Law.

Starting in September 2023, the law required all Airbnb and short-term rental hosts to register with the city, prove they lived in the home, and rent to no more than two guests at a time. Entire-apartment rentals under 30 days were essentially banned unless officially licensed. Platforms like Airbnb and Vrbo were prohibited from processing payments for unregistered listings.



Local law 18 in effect



In 2019, New York City was booming with over 25,000 active Airbnb listings, reflecting the global rise of short-term rentals. Then Local Law 18 was introduced — and the effects were immediate.

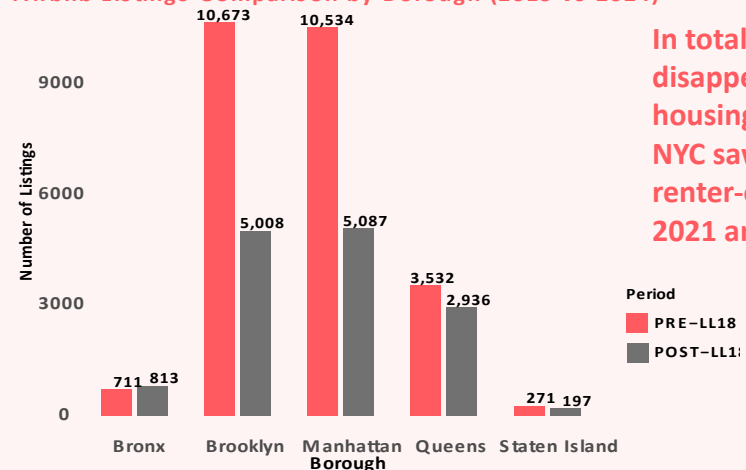
By 2023, listings dropped by 45.4%, as hosts anticipated the new law.

In 2024, the full enforcement kicked in and listings plummeted by 87.2% from their 2019 peak.

In just five years, NYC went from being one of Airbnb's strongest urban markets to one of the most restricted.

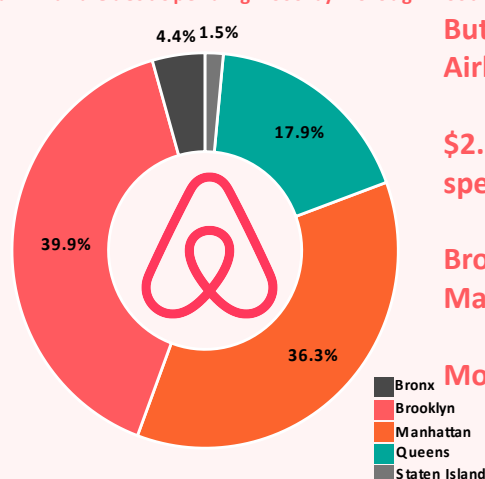
Listings Vanish — But At What Cost?

Airbnb Listings Comparison by Borough (2019 vs 2024)



In total, over 11,000 listings disappeared. This did ease the housing shortage to some extent. NYC saw a net increase of 7% in renter-occupied units between 2021 and 2023.

Total Airbnb Guest Spending Loss by Borough Post-LL18



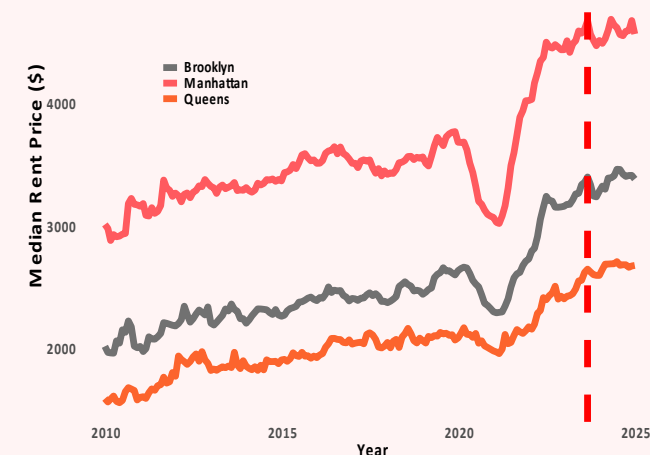
But the gains came with losses, Airbnb estimated:

\$2.5 billion in annual Airbnb guest spending vanished citywide

Brooklyn lost over \$977M, Manhattan \$889M

More than 21K jobs were affected.

Did rent prices drop?



One of the key arguments behind Local Law 18 was simple: Fewer short-term rentals would mean more long-term housing and that would bring rents down.

But even in neighborhoods hit hardest by Local Law 18, rents stayed high. Across Brooklyn, Manhattan, and Queens, median rent prices continued to climb even after the city cracked down on Airbnb and other platforms in late 2023.

From Crackdown to Compromise

As the economic ripple effects of Local Law 18 spread, NYC lawmakers introduced a new bill 1107.

Allows owner-occupants to legally rent out a room or unit in their primary residence — even for stays under 30 days.

Lifts the strict “two guests only” rule in certain cases, especially for larger apartments that meet building code and safety standards.

Data sources

- Inside Airbnb
- AirDNA
- Airbnb Newsroom
- Reuters
- NYC Housing and Vacancy Survey
- Booking.com
- VRBO
- Zillow
- NYS OSE