

# The Sharing Economy and Housing Affordability: Evidence from Airbnb

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We assess the impact of home-sharing on residential house prices and rental rates. Using a comprehensive dataset comprised of Airbnb listings from the entire United States, we regress zipcode level house prices and rental rates on the number of Airbnb listings, using fixed effects to control for permanent differences across zipcodes as well as arbitrary CBSA level time trends, and using an instrumental variable based on Google search interest for Airbnb to control for any remaining endogeneity. We find that a 10% increase in Airbnb listings leads to a 0.42% increase in rents and a 0.76% increase in house prices. Moreover, we find that the effect of Airbnb is smaller in zipcodes with a larger share of owner-occupiers, a result consistent with absentee landlords taking their homes away from the long-term rental market and listing them on Airbnb. We present a simple model that rationalizes these findings.

Full paper available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3006832](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3006832)

CCS Concepts: • **Applied computing** → *Economics*;

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