

Airbnb's impact on housing in San Francisco from 2015 to 2020



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Photo by Jesus Garcia on Unsplash

Historically, there has been controversy among communities surrounding the rise in Airbnb properties and how that affects housing prices. As a San Francisco resident and Bay Area native myself, I've experienced the price increases and neighborhood transformations firsthand.

It can be easy to get emotionally caught up the changes this city has undergone, but statistically there is no evidential support of market rates shifting based on Airbnb listings. While Airbnb does have a hand in defining neighborhood culture based on the density of listings in certain areas, it is not solely responsible for causing economic change. Unemployment rates, newly established companies in the area, and the economy overall play important roles in determining real estate and tourism fluctuations. This is why we can't give Airbnb all the credit.

Community Impact

Price changes can have a negative impact on local communities. Small businesses can find themselves hurting, and residents can be upset and discouraged by the numbers. If you are one of those people feeling driven out by rising rent or crowds of tourists, you are not alone. This post is about enlightening neighbors and business owners like yourself on the factors defining the real estate situation around you.

For us to understand how Airbnb listings have shaped our neighborhoods, we need to start with the bigger picture. We need to visualize a few overall trends before trying to point any fingers. The data speak for themselves by revealing a lack of correlation between Airbnb listings and housing.

Airbnb Trends

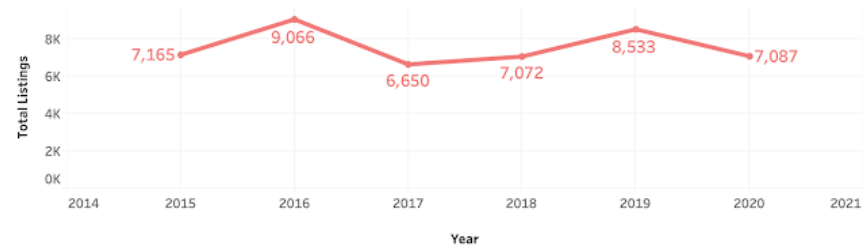
Let's take a look at how Airbnb has affected the housing market in San Francisco, California over the past 6 years.

2016 was the biggest year for Airbnb. Prices per night were the highest, and the number of listings grew. The numbers have their ups and downs, but no major definitive moments exist aside from the highest average prices and number of listings being during 2016.

Airbnb average price per night

2015	\$217.28
2016	\$251.04
2017	\$218.25
2018	\$212.99
2019	\$215.41
2020	\$248.60

Total San Francisco Airbnb Listings (2015 - 2020)



Housing Trends

On the housing side of things, the prices of homes and rent followed a similar trajectory, with subtle rises and falls overall, but no dramatic dips or spikes.

San Francisco Home Values (2015 - 2020)



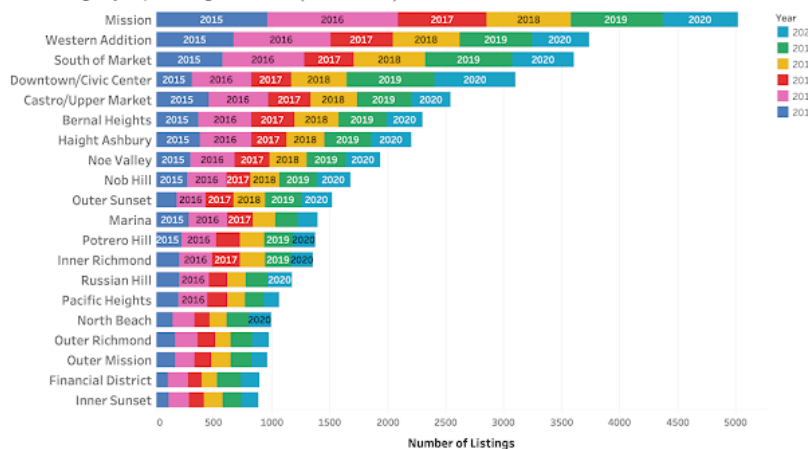
San Francisco Rental Prices (2015 - 2020)



Airbnb Trends by Neighborhood

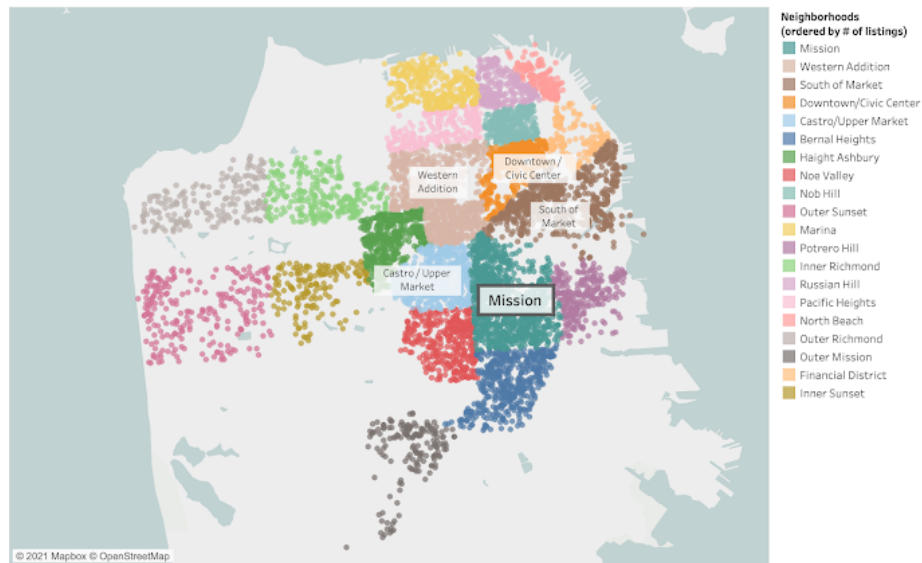
In terms of specific neighborhoods, the Mission District has been the densest with Airbnb listings over this time period.

Airbnb Listings by Top 20 Neighborhoods (2015 - 2020)



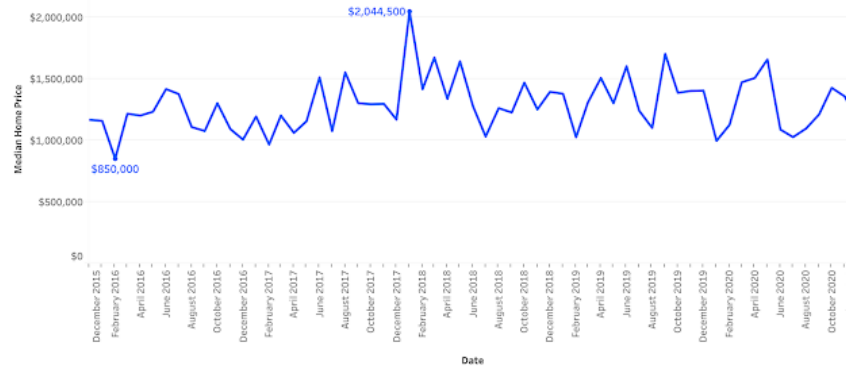
Looking at 2016 in particular reflects the crowded areas of listings. The top 20 neighborhoods with the most listings are displayed.

Airbnb listings by top 20 neighborhoods (2016)



Yet even within the Mission, housing prices have not varied drastically alongside Airbnb's growth.

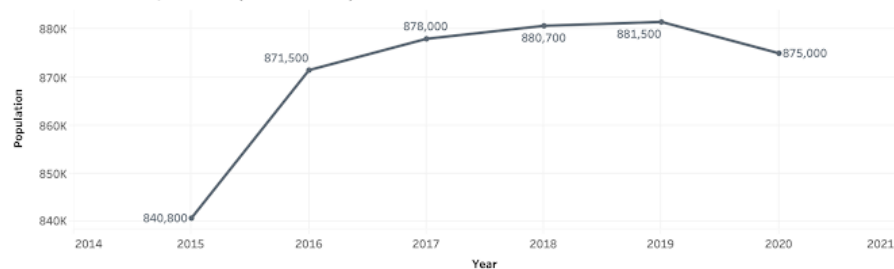
San Francisco Mission District Housing Prices (2015 - 2020)



Additional Factors to Consider

Additional factors that have an effect on housing are also helpful to take into consideration. Visualizing population and unemployment trends for example can give us insight into how residents are doing throughout the years.

San Francisco Population (2015 - 2020)



San Francisco Unemployment Rates (2015 - 2020)



With population on the rise and unemployment declining until 2020, San Francisco was the place to be. This could explain the rise in housing and rental prices, as well as popularity of Airbnbs. Unfortunately, the Covid-19 pandemic changed everything, leading to spikes in unemployment and a decline in population during 2020.

Regulations

Within the city of San Francisco, regulations have been implemented in the past to ensure short-term rentals do not monopolize the rental market. Existing regulations have helped to keep things in check, so if there were more dramatic spikes apparent in these data other than the Covid-19 timeframe, the regulations would be reevaluated.

Conclusion

Airbnb and housing trends will continue to fluctuate in San Francisco depending on many things including the state of the pandemic, lifestyle changes, and the future of the economy overall. Once travel becomes safer and the city starts coming to life again, we can take another look at these factors to determine which trends are possibly related. For now, all we can do is stay informed and keep an open mind.

So, the next time a friend or colleague complains about Airbnb causing a surge in home prices, you can let them know that the data tell a different story.

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