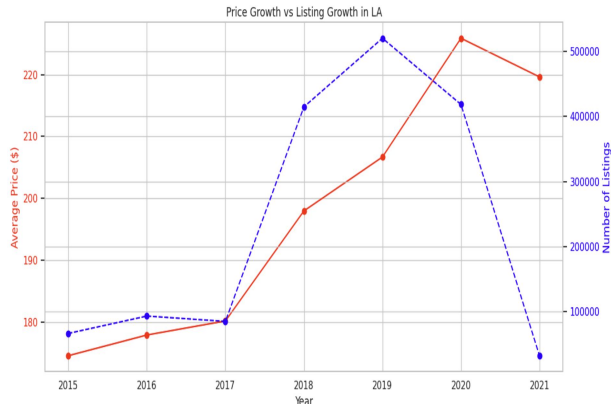


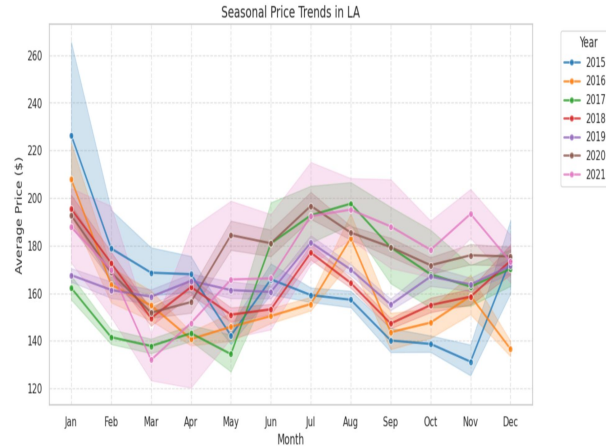
Historical Trends in Home Sharing: Insights for Future Predictions



Listings surged until 2019, then declined sharply in 2021

Prices continued to rise despite fewer listings

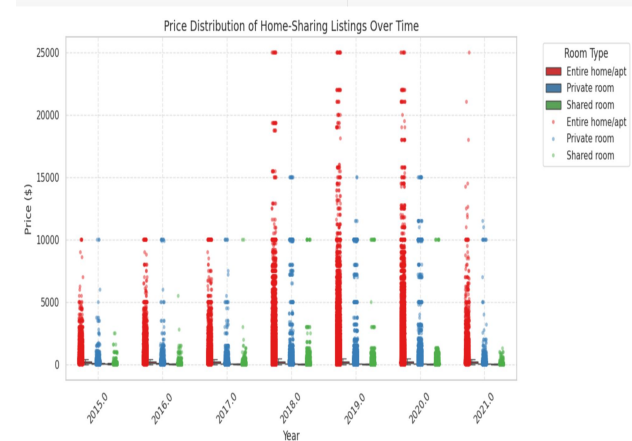
Indicates possible supply constraints or policy impacts



Prices fluctuate seasonally, peaking in summer and winter

Suggests strong tourism-driven demand patterns

Future trends may see increased price volatility



Higher-priced listings have become more common.

Market shifting towards premium accommodations.

Budget options remain stable but less prominent.

Future Price Trends in LA's Home-Sharing Market

Upward Price Trend: The forecast shows a continued rise in average Airbnb prices, suggesting growing demand or value over the short term.

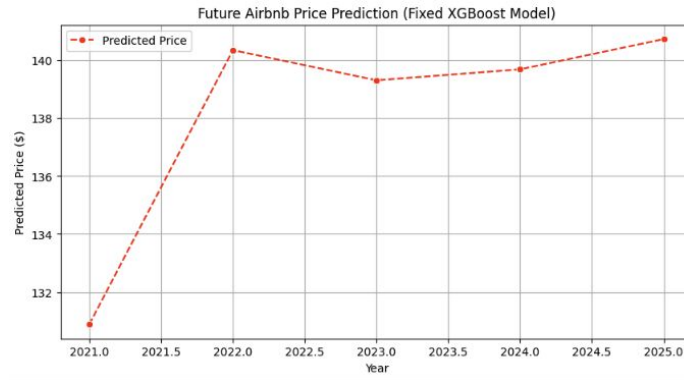
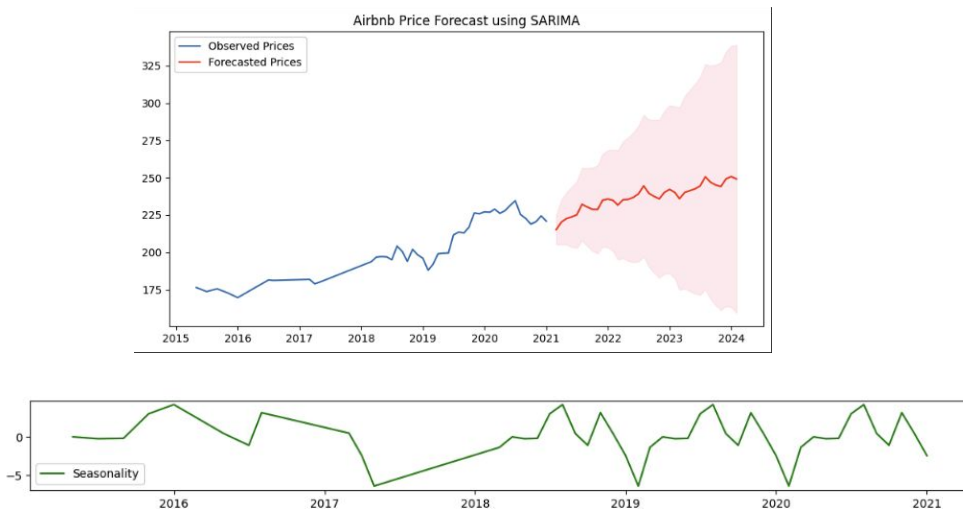
Seasonal Fluctuations: Seasonal patterns remain visible, peak month is in the middle of the year and off-peak season is in the beginning of the year.

Increasing Uncertainty: The confidence interval widens over time, highlighting that forecasts further into the future become less certain.

Robust Recovery Indicator: The significant shift in price signals a strong post-pandemic recovery, as reduced supply aligns with rising demand.

Influence of Availability: As availability shifts, the model anticipates corresponding adjustments in prices, with higher availability tending to temper price increases.

Growing Host Listings Moderate Prices: As more hosts enter the market, competition can cap how high prices climb over the long term.



Summary

1. Key Takeaways from Historical Trends:

- Rapid growth in listings (2017-2019) followed by a steep decline in 2021.
- Prices have steadily increased across room types, especially for entire homes/apts.
- Seasonality impact: Prices peak in summer (June-August) & late-year (Nov-Dec), with lower demand in spring.

2. Factors Influencing Future Trends:

- Post-pandemic recovery & regulations may limit growth.
- Rising prices could shift demand toward private/shared rooms.
- Luxury market segmentation (like Hidden Hills, Bel-Air, and Beverly Crest - Appendix) shows high-end locations dominating pricing.

3. Predictions & Conclusion:

- The SARIMA model shows a steady increase in prices based on historical data.
- Factoring in 365-day availability reveals a notable early price surge, suggesting a post-pandemic recovery.
- As the total number of listings grows, the market may become more saturated, leading to a slight decrease in prices.