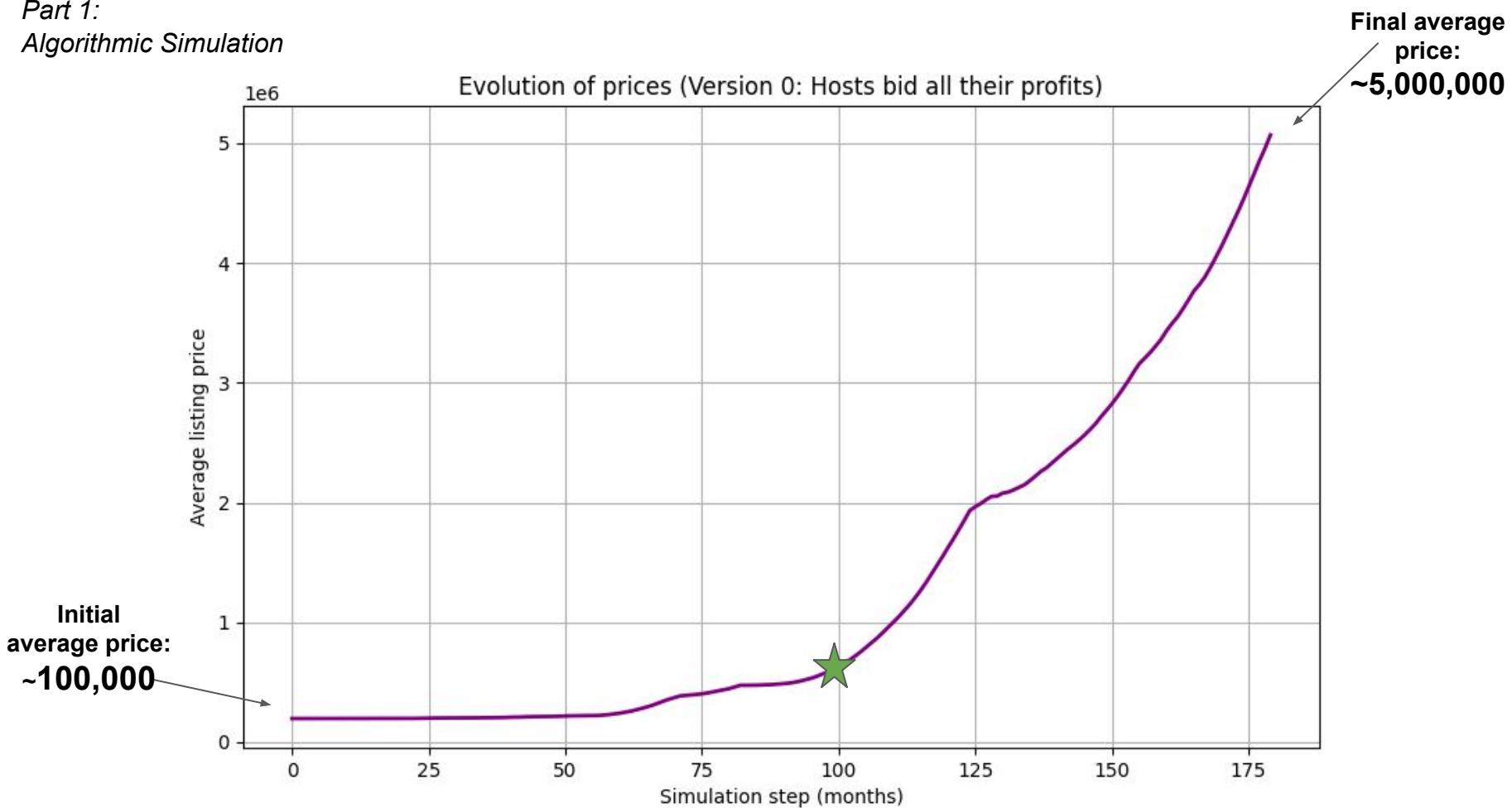


Part 1:

Algorithmic Simulation



Rule Change Snippet

Version 0 (original)

```

class Host():
    def __init__(self, host_id, place, city, profits = 0):
        self.host_id = host_id
        self.city = city
        self.profits = profits
        self.area = place.area
        self.assets = set([place.place_id])

    def update_profits(self):
        monthly_earnings = 0
        for place_id in self.assets:
            place = self.city.places[place_id]
            monthly_earnings = monthly_earnings + place.rate * place.occupancy
        self.profits = self.profits + monthly_earnings

    def make_bids(self):
        bids = []
        opportunities = set()
        for my_place_id in self.assets:
            my_place = self.city.places[my_place_id]
            for adjacent_id in my_place.neighbours:
                adjacent_place = self.city.places[adjacent_id]
                if adjacent_place.host_id != self.host_id:
                    opportunities.add(adjacent_id)
        for pid in opportunities:
            place = self.city.places[pid]
            ask_price = list(place.price.values())[-1]
            if self.profits >= ask_price:
                bid = {
                    'place_id': pid,
                    'seller_id': place.host_id,
                    'buyer_id': self.host_id,
                    'spread': self.profits - ask_price,
                    'bid_price': self.profits
                }
                bids.append(bid)
        return bids

```

Version 1 (modified)

```

# For each opportunity, create a bid if the current profits are greater than the ask price.
for pid in opportunities:
    place = self.city.places[pid]
    ask_price = list(place.price.values())[-1]

    # We check which rule version the city is currently running
    # Version 1: Rational strategy (bid asking price + 10%)
    if hasattr(self.city, 'rule_version') and self.city.rule_version == 1:
        bid_price = ask_price * 1.10

    # We only bid if we can afford the new price
    if self.profits >= bid_price:
        bid = {
            'place_id': pid,
            'seller_id': place.host_id,
            'buyer_id': self.host_id,
            'spread': self.profits - ask_price,
            'bid_price': bid_price
        }
        bids.append(bid)

# Version 0: Original aggressive strategy (bid all profits)
else:
    if self.profits >= ask_price:
        bid = {
            'place_id': pid,
            'seller_id': place.host_id,
            'buyer_id': self.host_id,
            'spread': self.profits - ask_price,
            'bid_price': self.profits
        }
        bids.append(bid)

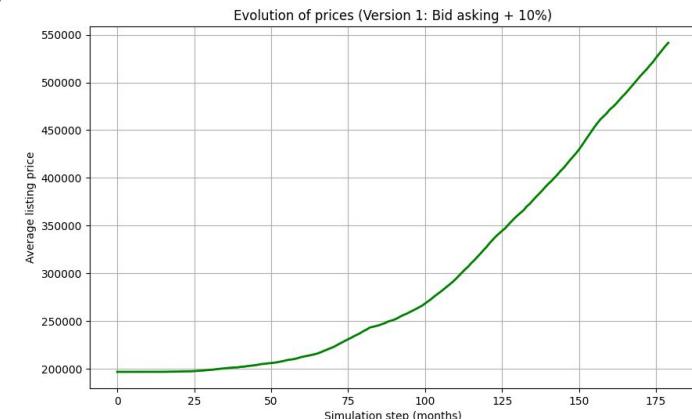
# Return a list with all the bids the host will make.
return bids

```

```

class City:
    def __init__(self, size, area_rates, rule_version=0):
        self.size = size
        self.area_rates = area_rates
        self.rule_version = rule_version
        self.step = 0
        self.places = []
        self.hosts = []

```



Part 2: Data Driven Analysis

Motivation:

Who does regulation benefit?

Variables selection:

```
cols = ['host_id',
        'host_listings_count',
        'last_scraped']
```

Data cleaning:

```
df = df.rename(columns={
    'host_id': 'Host ID',
    'host_listings_count': 'Listings',
    'last_scraped': 'Period'
})

df = df.dropna(subset='Host ID')
df = df.dropna(subset='Listings')
df = df.dropna(subset='Period')
df = df.drop_duplicates(subset='Host ID')
```

Graph creation:

period	Individual (=1)	Small (2-5)	Large (6-10)	Mega (>10)
2024-12-12	0.00	0.00	0.00	0.00
2025-03-05	-3.13	-0.97	4.88	-0.53
2025-06-12	-7.04	-3.07	-5.15	-1.58
2025-09-14	-7.18	-4.24	-5.96	1.85

```
for col in cols:
    plt.plot(
        df_2025['period'],
        df_2025[col],
        marker='o',
        label=col)
```

