

## ***Airbnb in New York City: Regulatory, Economic, and Political Drivers***

### ***June 2024 – May 2025***

Between June 2024 and May 2025, New York City's Airbnb market experienced an overall decline in listing availability, driven not only by the enforcement of Local Law 18 but also by other economic factors such as the presidential election, President Trump's actions, the announcement of a travel ban, and the introduction of tariffs in May 2025 (Newsweek). The regulation restricts short-term rentals to two guests and requires the host's presence, significantly reshaping the rental landscape (GD&B Law, Wired). This shift has made the city less accessible to budget-conscious travelers by reducing lower-cost accommodation options (Wired).

### ***Regulatory Effects on Listing Availability and Accommodation Types***

While total listing availability gradually fell under Local Law 18, "entire rental units", including homes and apartments, still led the short-term rental market with 2,435 listings. "Private rooms in a home", which aligns best with the new law, became the second most common option, with 838 listings. These rooms were the most affordable at \$65.80 per night, had an average availability of 14.76 days per month, and required a minimum stay of 9.4 days. They also earned the highest guest reviews for cleanliness, communication, and location, especially popular among solo travelers and couples.

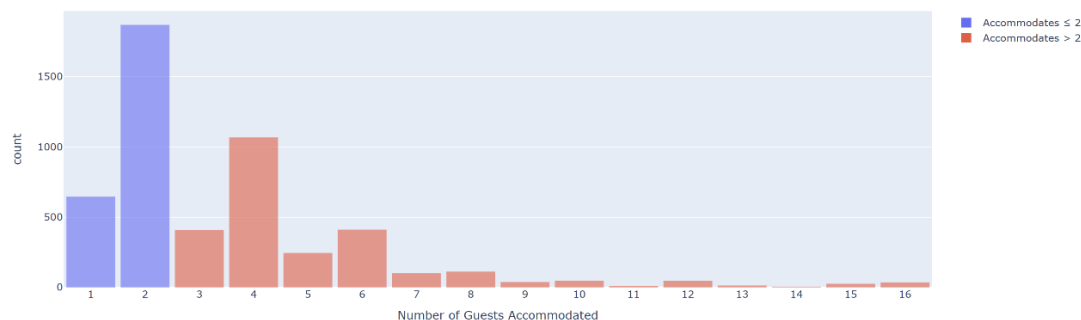
Entire homes came in third with 783 listings, but commanded the highest price at \$217.19 per night, with 15 days of availability and a 4-day minimum stay. Private rooms in rental units ranked fourth, with 281 listings. This shift shows how hosts adjusted their listings to meet legal requirements while still appealing to guests seeking affordability, privacy, and compliance. However, the new rules effectively eliminate most entire-apartment listings, removing two of Airbnb's core advantages over hotels: flexibility and affordability (Wired).

Listing availability followed a seasonal pattern, starting at 41% in June 2024, peaking at 67% in September, then dipping slightly to 63% by May 2025. Overall, availability never returned to pre-regulation levels. The data also showed a strong inverse link between price and availability ( $t = -3.2$ ,  $p < 0.01$ ), suggesting supply-demand pressures remain strong under the new rules.

### ***Price Dynamics and Guest Capacity***

Small-capacity listings, those for one or two guests, dominated the market due to legal occupancy limits (GD&B Law). There were 1,869 listings for two guests and 646 for one, compared to just 411 listings that could accommodate six people.

Distribution of Listings by Accommodation Capacity



Listings for two or fewer guests averaged \$80.79 per night, while accommodations for larger groups reached up to \$158.80. A strong positive correlation was observed between guest capacity and price ( $p = 0.719$ ,  $p < 0.001$ ). Among bookings for two or fewer guests, 37.69% selected entire rental units, while 31% chose private rooms in homes, the most affordable legal option at \$65.80 per night. In contrast, most "entire homes and apartments"

remained significantly more expensive.



### Host Experience and Listing Performance

Host tenure played a key role in performance. Experienced hosts (5–10 years) consistently earned more, likely due to refined management and pricing strategies. Newer hosts (under 5 years) generally lagged behind in income. Both “private room in a home” and “entire home” got better average ratings, but properties such as “entire vacation homes” and “private rooms in bed and breakfast” listings showed the lowest satisfaction .

### Political Context and Market Response

In early 2025, political developments created new ripples in the short-term rental market. Following Trump’s re-election in November 2024, new travel bans were implemented, dampening booking activity (Newsweek). Average guest sentiment declined from 0.79 in February to 0.56 in March, while nightly prices dipped to \$148.33—the lowest since summer. This downturn reflected growing uncertainty among travelers. By May, prices edged back up to \$150.21, potentially linked to newly announced tariffs that stirred fresh travel concerns.

### Seasonal and Structural Price Trends

Prices fluctuated seasonally, starting at \$151.17 in June, dipping to \$139.14 in August, and peaking at \$154.83 in December. In early 2025, prices hovered between \$148.33 and \$153.16, with a low point in April. These movements reflected both seasonal travel patterns and the broader impact of regulatory and political events on traveler behavior.

### Conclusion

From June 2024 to May 2025, New York City’s Airbnb market was reshaped by Local Law 18 and broader political forces. The law favored listings for two guests or fewer, making “private rooms in homes” the most compliant and popular option. Entire homes remained common in listings but were less aligned with new rules, limiting their appeal. Seasonal trends and global events also influenced demand and pricing. With fewer legal short-term rentals, travelers now face limited affordable alternatives to hotels, reducing Airbnb’s appeal and indirectly boosting hotel reliance (Wired).

### Works Cited

“Banning Short-Term Rentals: A Guide to Local Law 18.” GD&BLaw, <https://www.gdblawn.com/resources/banning-short-term-rentals-guide-local-law-18>

“Full List of Countries That May Face Donald Trump’s Travel Bans and Curbs.” Newsweek, <https://www.newsweek.com/trump-travel-ban-list-2045321>

“The End of Airbnb in New York.” Wired, <https://www.wired.com/story/airbnb-ban-new-york-city/>