

# PRESS RELEASE

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## **NEW FINDINGS SHOW THE IMPACT THAT EVEN A LOW “CAP” ON HOMESHARING DAYS HAS ON LOS ANGELES NEIGHBORHOODS AND AFFORDABLE HOUSING**

### **Incentive Data Shows that Landlords Make More Money Renting Short-term for as Few as 60 Days Per Year**

**Los Angeles, CA:** Today, Inside Airbnb’s Murray Cox released data showing that affordable housing will be lost if short-term rentals are permitted for as few as 60-days per year in some Los Angeles neighborhoods. Los Angeles Alliance for a New Economy (LAANE), analyzed the data and found that across all Los Angeles neighborhoods it takes an average of just 83 nights per year to earn more on Airbnb than can be earned in a whole year of renting to a long-term renter.

“Most people following the debate around regulating this industry don’t understand the impact that the ‘cap’ on days per year has on the overall housing market in Los Angeles,” say Roy Samaan, LAANE Research & Policy Analyst. “For the overwhelming majority of neighborhoods across LA, a 90 day cap offers a weak incentive for landlords to rent out their units on Airbnb. However, the currently-proposed 180 day limit offers a substantial financial incentive to rent out units on Airbnb instead of long-term tenants.”

Regulators all over the world are currently working on ways to control Airbnb and other short-term rental platforms. The issue of “caps” on days has been considered and implemented in a number of cities. Many of these cities have found the caps impossible to measure and enforce, leading to complete bans on short-term-rental activities.

“Protecting affordable housing has been the goal of regulations in a number of cities,” said Murray Cox, founder of Inside Airbnb. “Again and again regulations have failed. New York and San Francisco, as examples, have revised their ordinances because enforcement is impossible and compliance rates are low. Based on my incentive analysis of existing Airbnb’s operating illegally in Los Angeles, it’s clear that landlords will be economically motivated to turn more affordable apartments and homes into short-term rentals, It’s vital that the city adopt short-term rental ordinances that are both enforceable and truly protect affordable housing - and that means a complete ban on entire home rentals, or a low cap with data sharing and platform accountability.”

Data for a number of Los Angeles neighborhoods is attached below. On average in Los Angeles, it takes 83 nights per year to earn more on Airbnb than can be earned in a whole year of renting to a long-term renter.

<b>Zip Code</b>	<b>Neighborhood</b>	<b>Council District</b>	<b>Number of Nights Needed to Earn More on Airbnb than Renting Long Term</b>
90291	Venice	11	83
90028	Hollywood/Thai Town	13	86
90026	Silver Lake/Echo Park	13	79
90027	Griffith Park/Los Feliz	4 & 13	79
90029	Downtown Los Angeles	14	88
90063	Boyle Hts/City Terrace	14	84
90004	Koreatown	10 & 4	78
91602	North Hollywood/ Toluca Lake	2	68
90048	Beverly Grove	5	76
90731	San Pedro	15	91
91405	Van Nuys	6	80
90065	Cypress Park	1	86
91364	Woodland Hills	3	75
90008	Baldwin Hills/Crenshaw	10	84
90018	Jefferson Park	8	87
90011	South Los Angeles	9	79

**Sources:**

United States Census Bureau: 2014 American Community Survey 5-year Estimates (Monthly Contract Rent)

Inside Airbnb: Data Compiled July, 2016 (Average Nightly Rate for Entire Home Listings with at least 1 Review)

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