

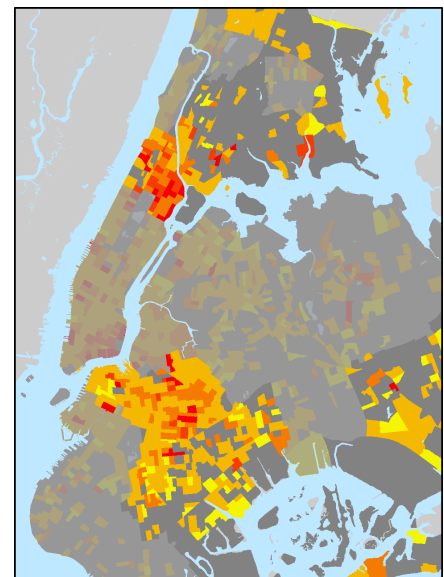
# Airbnb's Impact on African American Neighborhoods in New York City

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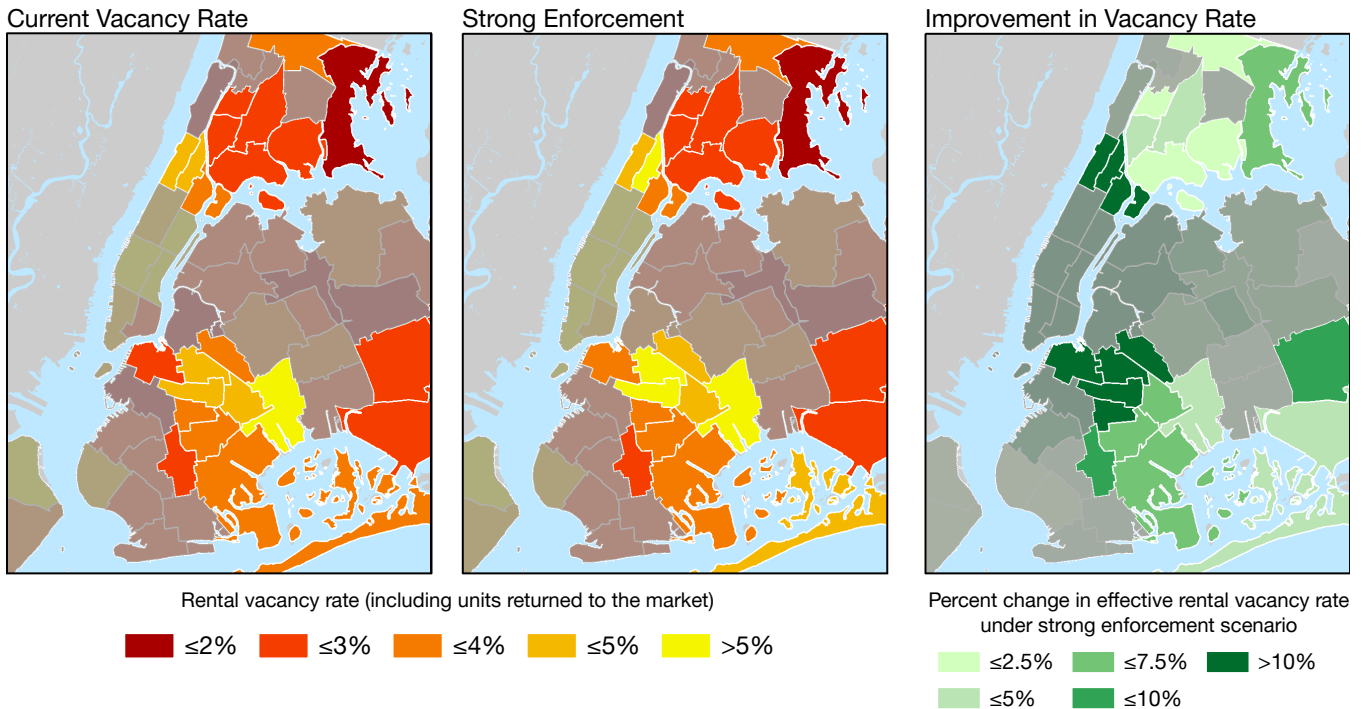
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Across 23 African American neighborhoods in New York City, commercial Airbnb listings are growing rapidly, and converting residential housing stock into illegal short-term tourist rentals. More than 2,500 units of housing have already been lost to short-term rentals in these neighborhoods, and that number is set to rise to **3,300 lost housing units** this year if the city's new regulations remain blocked from going into effect. However, if the regulations are implemented and the city pursues a strong enforcement agenda, **2,700 additional housing units** could be returned to the market in these neighborhoods, increasing the rental vacancy rate and making more housing available for local area residents. Building on the January 2019 report "[The Impact of New Short-term Rental Regulations on New York City](#)", that showed NYC will face **the loss of 10,800 housing units over the next year without these regulations going into effect**, this new analysis shows that African American neighborhoods will account for over 30% of all housing units lost due to Airbnb's lawsuit blocking the new regulations. Here are the key facts about Airbnb's impact on African American neighborhoods in New York:

- On August 31, 2018 there were 20,600 Airbnb listings active in the 23 NYC community districts in which more than a quarter of the population is African American—36% of the city's total. If the city's regulations remain blocked, this number will increase to 21,000 this year. The higher the proportion of African American residents in an area, the faster the Airbnb growth rate. With new regulations, active listings would fall 40% to 12,600.
- An increasing proportion of these listings will be commercial operations taking housing off the market for New Yorkers. Entire-home listings rented at least 120 nights a year, which have likely been converted to full-time illegal hotels, will increase from 2,500 to 3,300 this year without new regulations. The neighborhoods hardest hit will be Bedford-Stuyvesant (480 units lost), Brooklyn Heights and Fort Greene (410 units lost), and Central Harlem (390 units lost). With new regulations, 2,700 of these 3,300 units would be returned to the market, increasing vacancy rates and lowering rents.
- One measure of vulnerability to illegal hotel conversions is how profitable it is to operate a short-term rental compared to renting the unit to a tenant. Across NYC, operators of full-time entire-home listings (>120 nights/year) make systematically more money relative to median rents in African American neighborhoods than elsewhere. This means that housing in African American neighborhoods is at disproportionate risk of being converted to full-time Airbnb operations in the future.



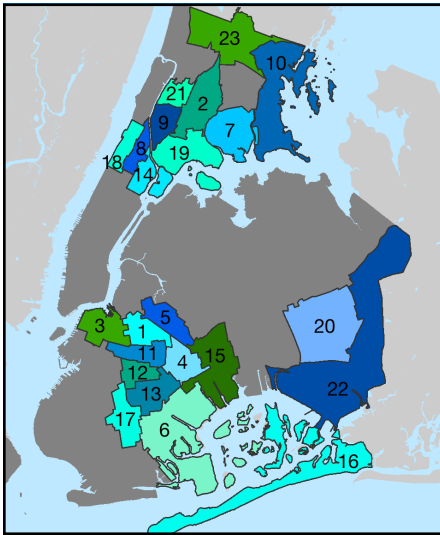
- Entire-home short-term rentals do not only threaten housing supply, they are usually illegal (according to the state Multiple Dwelling Law). In fact, over \$100 million was earned by illegal rentals in African American neighborhoods last year— 54% of all listing revenue. This figure would plummet to \$42 million with the new regulations in place.
- The vacancy rate in African American neighborhoods is 3.4%—well under the 5% rate considered healthy by urban planners. One cause of low vacancy rates is rental housing being converted to short-term rentals. With regulations in place and 2,700 units returned to the market, rental vacancy rates would increase in the short-term from 3.4% to 3.7%, helping housing availability and affordability. Bedford-Stuyvesant, Crown Heights and Brownsville would all see their vacancy rates brought close to or above the 5% threshold.



## DATA AND METHODOLOGY

This analysis is an extension of our recent report “The Impact of New Short-term Rental Regulation on New York City”. Here we examine the 23 NYC community districts in which more than a quarter of the population is African American. It is based on a comprehensive analysis of four years (01 September 2014 to 31 August 2018) of Airbnb activity in New York City. For each day in this period, we analyze the activity of every Airbnb active in the city, a total of 66 million datapoints across 190,211 listings. In order to estimate the potential impacts of New York’s new STR regulations, which were due to take effect on February 1, 2019, we modelled three scenarios for New York’s Airbnb market: a baseline scenario where the regulations do not take effect, a moderate enforcement scenario and a strong enforcement scenario. The report relies on five data sources: 1) a proprietary dataset of Airbnb activity from the consulting firm Airdna, which has performed daily “web scrapes” of Airbnb’s public website since mid-2014; 2) 2016 five-year estimates from the American Community Survey, an annual survey performed by the US Census Bureau. 3) 2017 Certificate of Occupancy data from New York City’s Department of Buildings; 4) the 2017 New York City Housing and Vacancy Survey, conducted by the US Census Bureau ; the Zillow Rent Index, compiled by the online real estate database company Zillow. The complete methodology is discussed in the January 2019 report “The Impact of New Short-term Rental Regulation on New York City”.

## NEIGHBORHOOD FACTSHEET



The following table summarizes the projected impacts of Airbnb this year on all New York City community districts in which more than a quarter of the population is African American. We consider a baseline scenario without the City's new regulations coming into effect, and a strong enforcement scenario, where New York City uses its enhanced enforcement capacity under the law to target commercial operators who control multiple entire-home listings or who operate entire-home listings very frequently throughout the year.

	<i>Without regulation</i>		<i>Strong enforcement scenario</i>		
	<b>Active listings</b>	<b>Housing lost</b>	<b>Active listings</b>	<b>Housing returned to market</b>	<b>Rental vacancy change</b>
<b>All neighborhoods</b>	<b>21,000</b>	<b>3,300</b>	<b>12,600</b>	<b>2,700</b>	<b>3.4% → 3.7%</b>
1. Bedford-Stuyvesant	3,190	480	1,900	400	4.8% → 5.8%
2. Belmont, Crotona Park E., E. Tremont	160	40	120	30	2.6% → 2.7%
3. Brooklyn Heights & Fort Greene	2,090	410	1140	330	2.5% → 3.3%
4. Brownsville & Ocean Hill	520	120	340	100	4.6% → 4.9%
5. Bushwick	3,260	270	2,000	220	3.8% → 4.4%
6. Canarsie & Flatlands	340	90	220	70	3.5% → 3.7%
7. Castle Hill, Clason Point & Parkchester	130	10	90	10	2.2% → 2.2%
8. Central Harlem	1,850	390	1,110	320	4.7% → 5.4%
9. Co-op City, Pelham Bay & Schuylerville	90	20	50	20	1.5% → 1.6%
10. Concourse, Highbridge & Mount Eden	220	40	140	30	2.2% → 2.3%
11. Crown Heights N. & Prospect Heights	2,010	320	1,160	270	4.9% → 5.5%
12. Crown Heights S., Prospect Lefferts, Wingate	1,010	170	610	130	3.6% → 4.0%
13. East Flatbush, Farragut & Rugby	420	80	270	60	3.7% → 3.9%
14. East Harlem	1,250	240	780	190	3.1% → 3.5%
15. East New York & Starrett City	340	80	230	70	5.7% → 5.9%
16. Far Rockaway, Breezy Point, Broad Channel	280	50	150	40	4.0% → 4.2%
17. Flatbush & Midwood	760	100	450	80	2.3% → 2.5%
18. Hamilton Heights, Manhattanville, W. Harlem	2,070	230	1,200	180	4.2% → 4.7%
19. Hunts Point, Longwood & Melrose	180	20	110	20	2.2% → 2.2%
20. Jamaica, Hollis & St. Albans	380	70	250	60	2.6% → 2.8%
21. Morris Heights, Fordham S., Mount Hope	90	20	60	20	2.7% → 2.7%
22. Queens Village, Cambria Heights, Rosedale	190	30	140	20	2.6% → 2.7%
23. Wakefield, Williamsbridge & Woodlawn	150	20	100	10	4.0% → 4.0%

## **AUTHORSHIP AND FUNDING**

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## **ABOUT UPGO**

UPGo, the Urban Politics and Governance research group at McGill University, conducts rigorous, public-interest research into pressing urban governance problems—particularly those that exceed or challenge city boundaries. UPGo has published numerous peer-reviewed journal articles and policy reports on short-term rentals in New York and other cities worldwide, including “The High Cost of Short-term Rentals in New York City”. UPGo is led by Prof. David Wachsmuth, the Canada Research Chair in Urban Governance at McGill University’s School of Urban Planning.



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