

Taking the Pulse of the Sharing Economy

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Alternative Lodging and Implications on the Hotel Industry

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Patrick heads day-to-day operations for Hotel News Now's in-house editorial team as well as a global network of foreign correspondents. Patrick also oversees website and mobile production for HNN, the Hotel Stock Index, and the group's expanding family of newsletters. Patrick earned his bachelor's degree from the E.W. Scripps School of Journalism at Ohio University and his master's from Kent State University's School of Journalism and Mass Communication.

Size and Scope

Size and Scope

Alternate accommodations

Comprised of many players

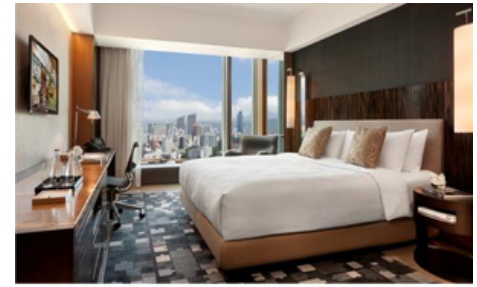


Size and Scope

Airbnb

A wide range of listings

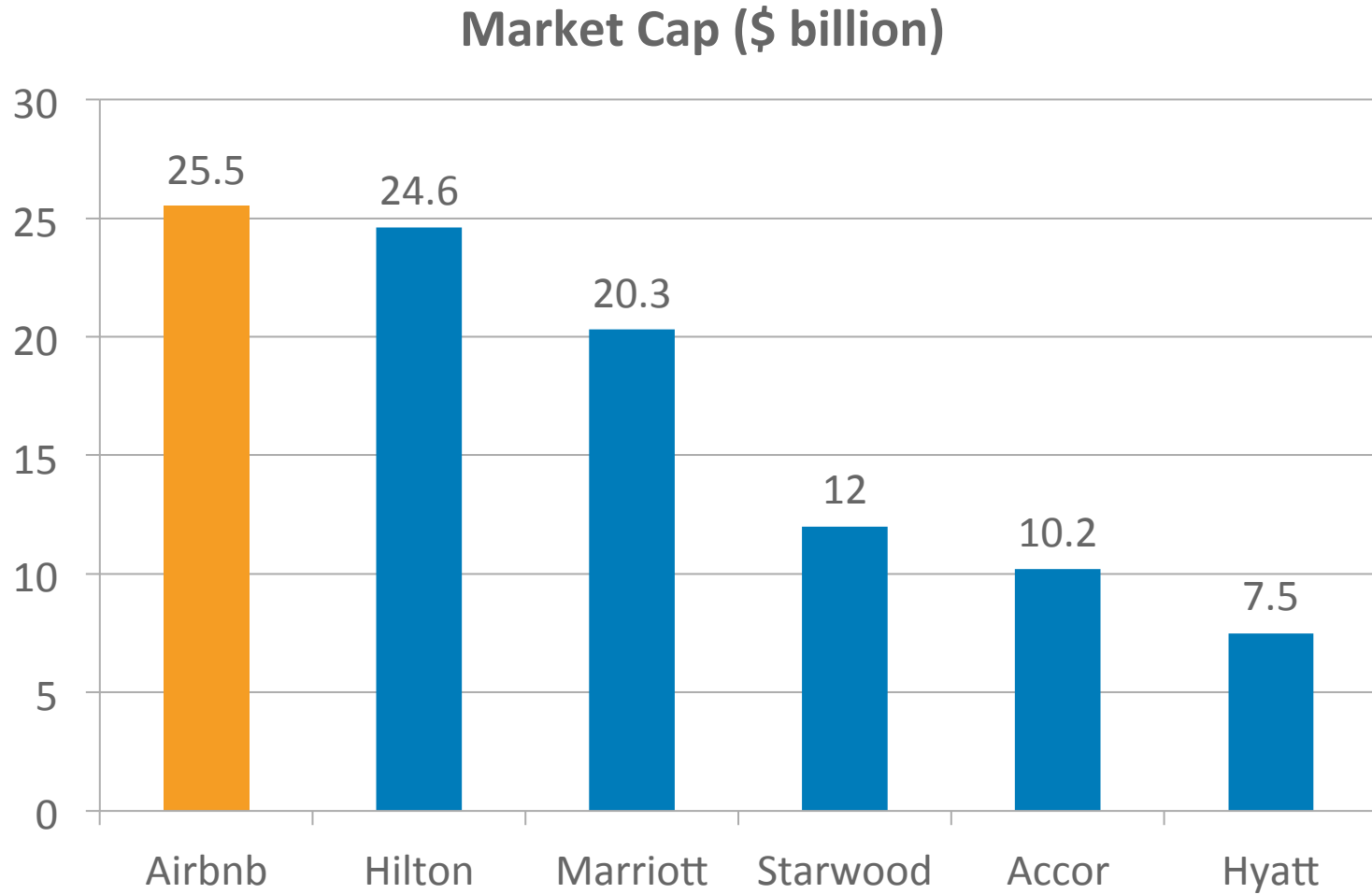
More than **1.5 million** listings (e.g. homes, apartments, houseboats, treehouses) in more than **34,000 cities** in **190 countries.**



Source: Airbnb

Size and Scope

Airbnb's market cap dwarfs hotel companies'



Legislative Hurdles

Legislative Hurdles

Hoteliers want a level playing field

“Right now there is an **un-level playing field that is compromising consumer safety, endangering the character and security of residential neighborhoods around the country, and changing the housing market in some negative ways.”**

—Vanessa Sindors, AH&LA

Source: Federal Trade Commission (FTC) “Sharing Economy” Workshop



Legislative Hurdles

Hoteliers lobby for change on 3 primary pillars

1) Fire and life safety

Homes/apartments are not held to the same safety standards as hotels

2) Housing displacement

“Airbnb landlords” are taking housing off the market

3) Taxes

Short-term unit owners are not subject to the same taxes as are hoteliers

Legislative Hurdles

Hotels generate a lot of money in taxes

\$134 billion

Hotels generated \$134 billion in U.S. federal, state, and local tax revenue during 2014.

Source: AH&LA

Legislative Hurdles

Tax case study: San Diego

Short-term rentals could mean big money in taxes, too

Hosts \$16.4 million

Short-term rentals generated \$16.4 million in hotel and sales taxes in fiscal year 2015.

Hotels \$1.65 billion

Hotels rentals generated \$1.65 billion in hotel and sales taxes in fiscal year 2015.

Source: San Diego Union-Tribune

Legislative Hurdles

Case study: San Francisco

Legislative rollout slow, iterative and (seemingly) without end.

2013-2014 Legislators hold countless meetings and forums to hammer out bill.

27 October 2014 Bill signed, legalizing peer-to-peer home sharing.

14 July 2015 Board of Supervisors rejects hard cap on use of short-term rentals.

November 2015 Residents will vote on ballot initiative to limit rentals to 75 days a year

Sources: SFGate, CNet

Legislative Hurdles

Federal Trade Commission take a “targeted” stance

FTC chairwoman Edith Ramirez said sharing economy companies could be in line for some new regulations, which would need to be **“flexible”** and **“targeted”** in order to not have a chilling effect on competition.

Source: National Journal

Impact on Hotels

Impact on Hotels

Airbnb bookings posting exponential growth.

40 million

2014

80 million

2015

Source: Reuters

Impact on Hotels

Airbnb

Hoteliers running scared?

“If Airbnb is on track to book 80 million rooms nights a year, that is 80 million room nights that the global hotel industry is not getting.”

— Atmosphere’s

Henry Harteveltdt

Source: Atmosphere Research Group

Impact on Hotels

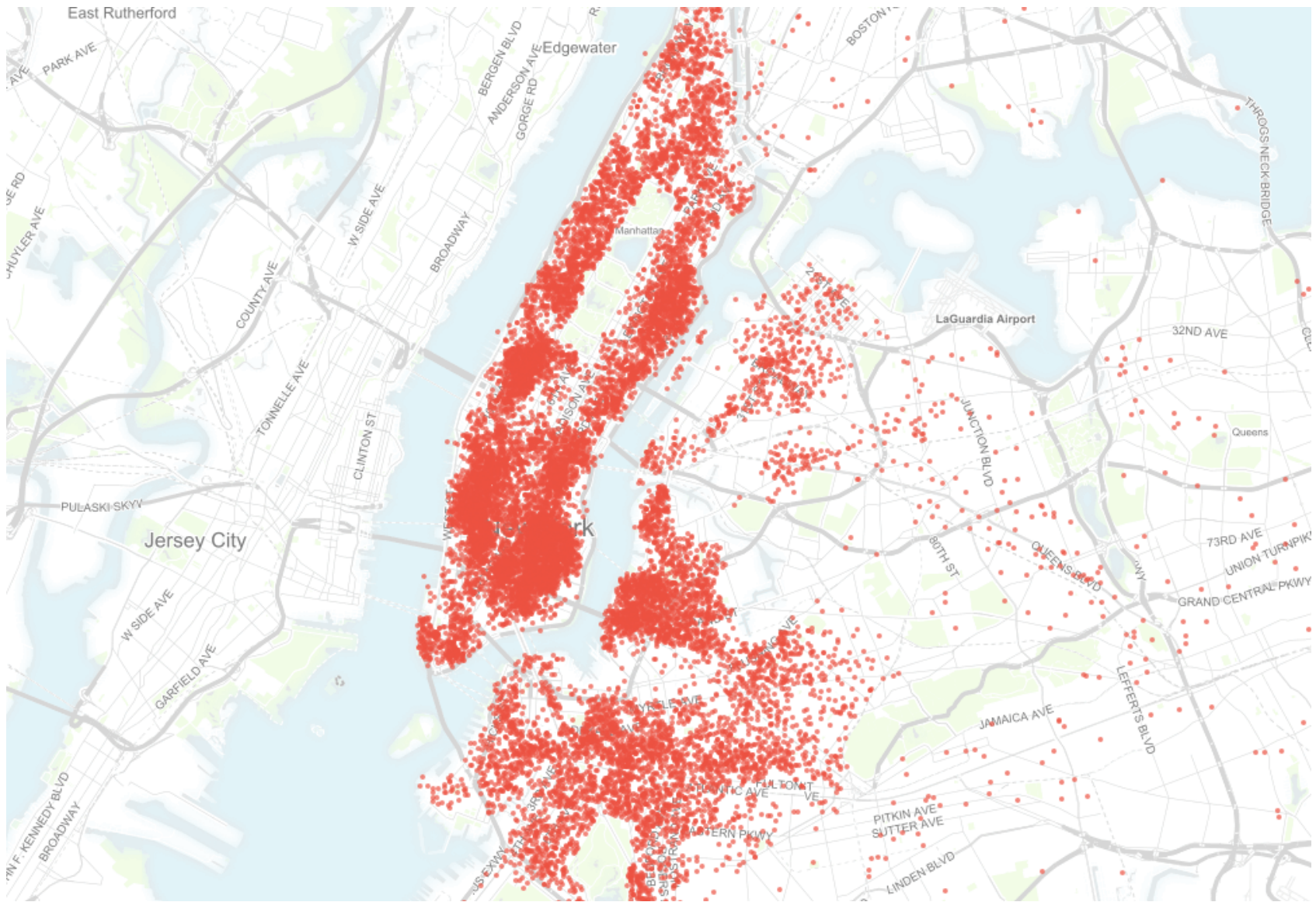
Airbnb

Hoteliers running scared?



Case Study: NYC





Source: InsideAirbnb.com



Case Study: NYC

Analysis uses May 2015 hotel ADR and Airbnb data gathered on 1 May.

More than **27,000** Airbnb units available in NYC.

Unit Type	% of Listings
Entire home/apartment	55%
Private room	42%
Shared room	3%
Total	100%

Source: STR and InsideAirbnb.com

Case Study: NYC

Methodology

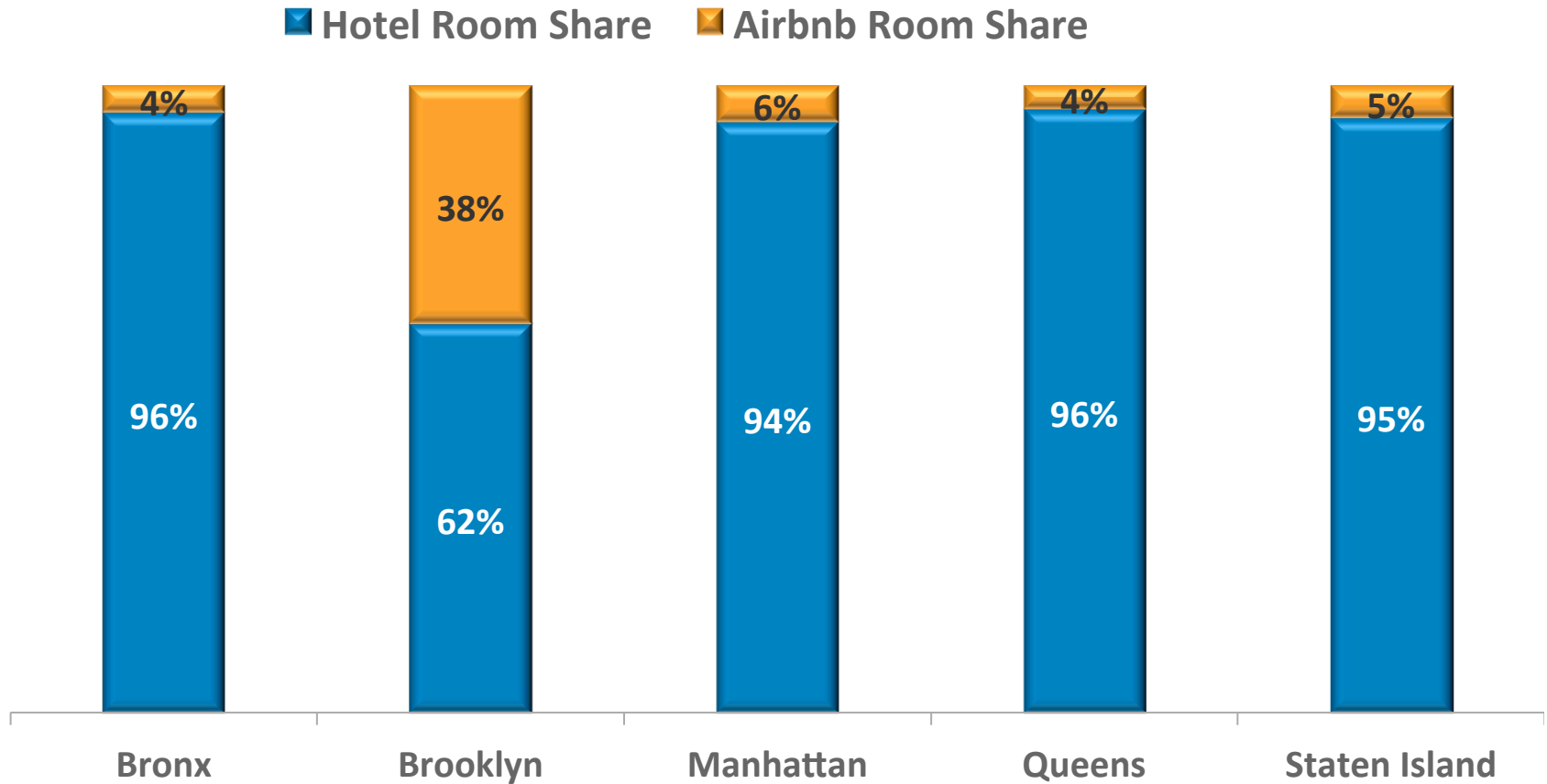
Included	Excluded
Entire units	Private rooms, shared rooms
Houses, apartments, townhouses, etc.	Treehouses, houseboats, etc.
Real beds	Couches, air mattresses, etc.
Available at least 5 days in next 3 months	Available less than 5 days
Minimum stay of 2 nights or fewer	Minimum stay of more than 3 nights

That left **8,600** Airbnb listings in May in NYC compared to **105,000** hotel rooms.

Source: STR and InsideAirbnb.com

Case Study: NYC

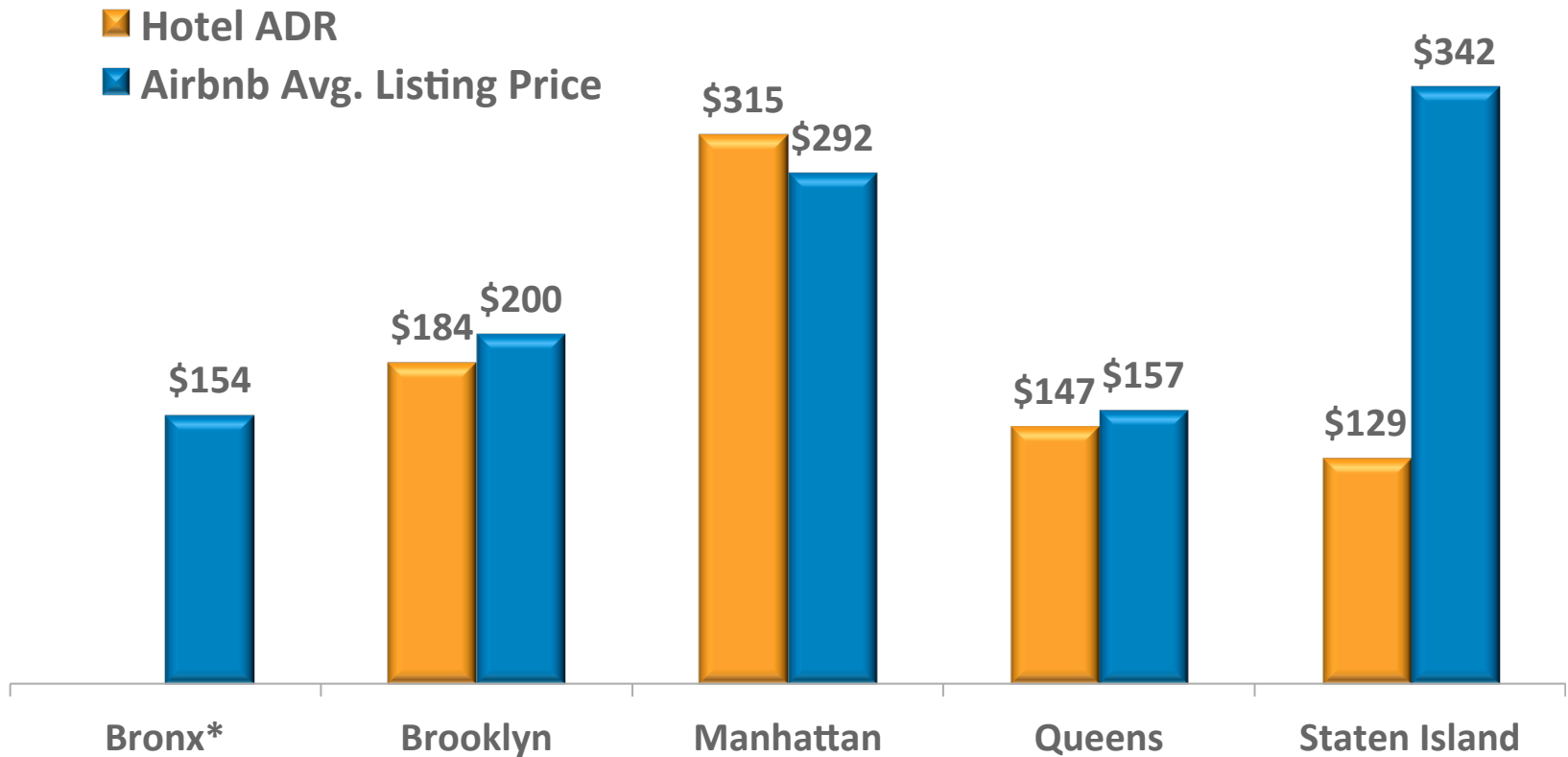
5 borough Airbnb inventory: Most pronounced in Brooklyn.
Room supply share, by borough, as of May 2015.



Source: STR and InsideAirbnb.com

Case Study: NYC

5 borough Airbnb listed prices: Often competing head-on.
ADR and listing price, by borough, as of May 2015.

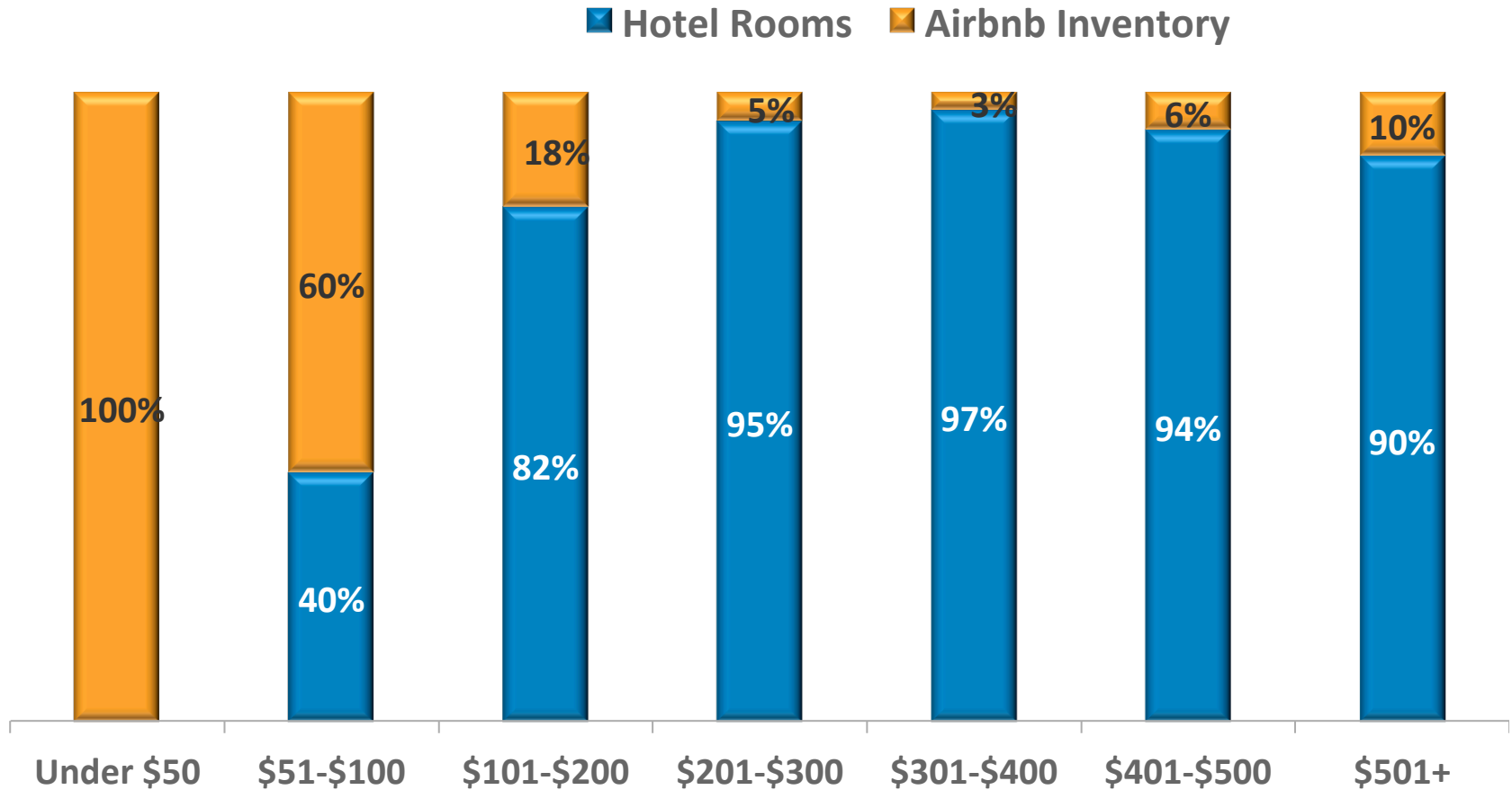


**The Bronx hotel data cannot be shown to protect property confidentiality.*

Source: STR and InsideAirbnb.com

Case Study: NYC

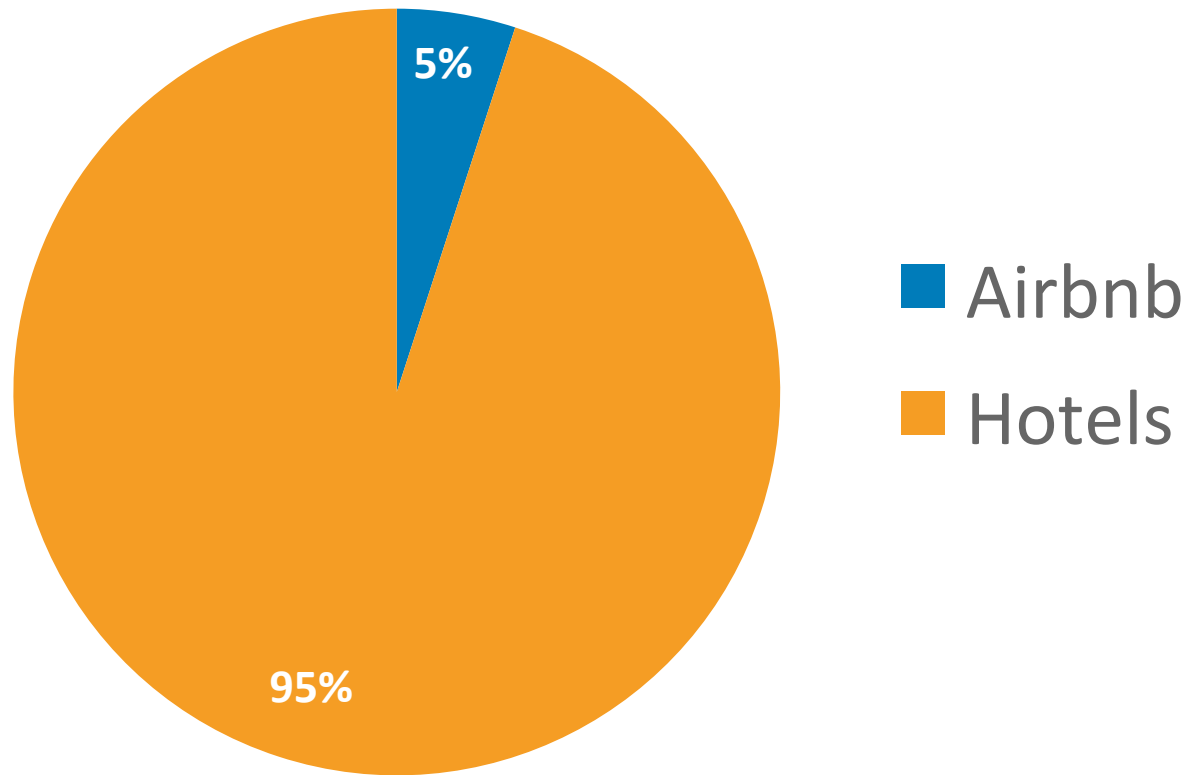
5 borough Airbnb listings: Competing at every price point
ADR and listing price, by borough, as of May 2015.



Source: STR and InsideAirbnb.com

(A Different) Case Study: NYC

Q2 rooms revenue distribution



Source: Airdna, STR and PKF Hospitality Research



Questions?

Presentation is available for download.

To view this presentation, go to the “Data” drop-down menu on www.HotelNewsNow.com and click “Data Presentations.”





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