Appendix D: Housing Supply and Affordability Research

Research Paper	Region	Time Period	Conclusion
Barron, K., Kung, E., & Prosperpio, D. 2020. "The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb", *Marketing Science 40*(1)	United States	2012 to 2016	A 1% increase in Airbnb listings leads to a 0.018% increase in rent and 0.026% increase in house prices in median owner-occupancy rate zip codes. This translates to an annual increase in monthly rents by $9 and an $1,800 increase in house prices.
Chang, H. 2020. "Does the Room Sharing Business Model Disrupt Housing Markets? Empirical Evidence of Airbnb in Taiwan", *Journal of Housing Economics 49*(1)	Taiwan	2013 to 2017	A one-standard deviation increase in Airbnb listings is associated with a 0.38% increase in local rental prices.
Combs, J., Kerigan, D., & Wachsmuth, D. 2020. "Short-term Rentals in Canada: Uneven Growth, Uneven Impacts", *Canadian Journal of Urban Research 29*(1)	Canada	2016 to 2018	Nearly 50% of all active Canadian Airbnb listings are in Toronto, Montréal, and Vancouver CMAs. Nearly 50% of all Canadian Airbnb revenue was generated by commercial operators who manage multiple listings. Canada-wide, it is estimated Airbnb has removed between 17,000 and 43,000 units of housing from the long-term rental market, as these units are instead being rented out as STRAs with them being listed on Airbnb for at least 120 to 240 nights per year.
Elíasson, L. & Ragnarsson, Ö. 2018. "Short-term Renting of Residential Apartments: Effects of Airbnb in the Icelandic Housing Market", *Central Bank of Iceland Working Paper No. 76*	Reykjavík, Iceland	2015 to 2017	The introduction of Airbnbs into the rental market in Reykjavík is associated with a 2% per year increase in real house prices between 2015 and 2017, which represents 15% of the total increase in real house prices over the period. Further, the growth in Airbnb put pressure on the local housing markets, with units that were primarily serving as short-term lodging through Airbnb being equivalent to more than two-thirds of new apartments in 2016.
Farronato, C. & Fradkin, A. 2018. "The Welfare Effects of Peer Entry in the Accommodation Market: The Case of Airbnb", *National Bureau of Economic Research, Working Paper Series 24361*	50 Largest Cities in the United States	2011 to 2014	Short-term rental units add accommodation supply to local markets, especially when hotels are near full capacity, which reduces accommodation prices paid by travellers during peak tourism periods. This effect is estimated to reduce hotel revenue by 1.5% and generate welfare surplus to travellers and STRA hosts worth $41 per room-night in 2014.

Garcia-López, M., Jofre-Monseny, J., Martínez-Mazza, R., & Segú, M. 2020. "Do Short-term Rental Platforms Affect Housing Markets? Evidence from Airbnb in Barcelona", *Journal of Urban Economics 119*(1)	Barcelona, Spain	2015 to 2018	In neighbourhoods with average Airbnb activity, rents increased by 1.9% and housing transaction prices increased by 4.6%. In neighborhoods that were in the top 10% for Airbnb activity, the effects were larger with rents having increased by as much as 7% and housing transaction prices as much as 17%.
Koster, H., Ommeren, J., & Volkhausen, N. 2021. "Short-Term Rentals and the Housing Market: Quasi-experimental Evidence from Airbnb in Los Angeles", *Journal of Urban Economics 124*(1)	Los Angeles, United States	2014 to 2018	Across the entire LA County, Airbnb is estimated to have increased property values by 3.6% on average. However, effects are more pronounced in areas attractive to tourists - the effect is estimated to be nearly 15% in neighborhoods within 2.5km of Hollywood. The data suggests short-term rental regulations introduced by cities (called Home Sharing Ordinances) reduced Airbnb listings by about 50% and home prices by 2% on average, with similar effects observed in the rental market.
Sheppard, S. & Udell, A. 2016. "Do Airbnb Properties Affect House Prices?", *Department of Economics Working Papers, Department of Economics, Williams College*	New York, United States	2004 to 2015	In New York City, depending on the methodology, it is estimated the introduction of Airbnbs within a localized area has the potential to raise property values by 6% to 31%, with an intermediate estimate of 18%. However, the authors caution that policies which aim to reduce house prices in pursuit of housing affordability by diminishing the efficiency with which an owner can make use of their property is unlikely to be welfare-improving.