Airbnb in the State of Wisconsin

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Understanding Airbnb

• Air Mattress?
• Bed and Breakfast?
• A Hotel?
• An Apartment?

• Flexible supply -- comes and goes ...
Understanding Airbnb

• Shared Economy Needs
  • Predictable usage
  • Relatively large chunks of time

• Impact on Hotels
  • 10% \(\uparrow\) listings
  • 0.34\% \(\downarrow\) revenue (Zervas et al 2016) - Texas
  • 5.8\% \(\downarrow\) revenue (Mao et al 2018) - Counties
  • 0.37\% \(\downarrow\) revenue (Farronato et al 2017) – 50 cities
Understanding Airbnb

• Impact on Apartments
  • 10% increase listings
  • 0.39% ↑ zip code rents (Barron et al 2017)
  • 0% rents in New Orleans (Levendiso et al 2016)
  • In most densely located areas
    • Asking rents 3.1%↑ (Horn et al 2017) – Boston
Understanding Airbnb

• Impact on the “Real” Economy
  • 10% increase listings
  • 1.2% ↓ unemployment rate
  • 0.8% ↓ labor force participation (Mao et al. 2018) county level

• House Prices in NYC
  • 6% to 30% ↑ (Sheppard et al. 2016)
Airbnb & Housing

• **Increase Demand**
  • Can afford to buy more – to own mostly
  • Investing and Investors more important
  • Spending more $ -- have more $

• **Decrease Demand**
  • Safety
  • Noise
  • Crowding of public goods or events

• **Supply**: Build more space – increase density
Density of Airbnb Guest/Population
Density of Airbnb Milwaukee
Density of Airbnb Madison
Density of Airbnb The Dells
## Wisconsin

### Number of New Listings

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<tr>
<th>Year</th>
<th>Entry #</th>
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Airbnb in the City of Milwaukee
Airbnb and Wisconsin

Just starting – Ongoing Research

• How the entry of Airbnb impacted the housing market?
  • Value and marketability

• Does Airbnb increase crime?