

Airbnb and the Berlin housing market

The impact of Airbnb properties on the housing supply
in Berlin

Summary

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Summary

I The Housing Market in Berlin

Rapidly increasing number of inhabitants

The housing situation in Berlin continues to worsen. The main reasons behind this are the increasing number of inhabitants and households, coupled with the fact that hardly any new buildings were constructed until recently.

Net immigration 2013 42,000+ inhabitants

The population of Berlin rose by 44,000 people in 2013. To put that into context that's as much as the total population of the city of Stendhal. Of the additional 44,000, 2,000 are the result of the birth surplus and the remaining 42,000 come from net immigration, mainly from foreign countries.

6,600 new apartments in 2013

On the other hand, about only 6,600 new apartments were built in 2013. The housing situation will continue to deteriorate in the future if the high level of net immigration persists.

Price increase particularly with new tenancies

The rise in rent for existing properties used to be moderate, but the increase in rental prices is greater for apartments which are offered to new tenants. Changing residence is therefore much more expensive today than it was during the years of oversupply. The prices of social housing sometimes exceed the market rents and as a result there are currently around 7,000 vacant social housing apartments in Berlin.

Big differences between rental prices in different parts of the city zone

Significant differences exist between the rental prices within the city zone. In large parts of the city zone, rent (for apartments offered to new tenants) is 30 % below the median, especially in areas with large housing estates.

Accommodation costs are lower than in the large cities of Southern Germany

When compared nationally and internationally, rent in Berlin is relatively low, but so is the income of the German capital's inhabitants. 84% of all apartments in Berlin are rented. If we only consider accommodation cost load, Berlin is only slightly lower than Hamburg and Frankfurt, but significantly below the Southern German cities of Stuttgart, Munich, and Freiburg.

Distinct price increase for condos

The prices for condos rose in excess of the increases associated with rental prices. The reasons for this are the low base level, the investors' decision to focus on tangible assets, and the low costs of financing. The average purchase price remains below that of Hamburg, Munich, Frankfurt, Cologne, and Düsseldorf. Investors therefore have a high interest in apartments in Berlin.

II Airbnb

Platform for private providers

Airbnb is a platform for private providers who want to rent apartments, rooms or a place to sleep temporarily.

90% offer only one apartment

This is also reflected in the analysis of provider structures on the number of apartments and rooms offered per host. 90% of providers offer only one

apartment, 6% offer two and only 4% offer three or more apartments. We can assume that providers who offer more than one apartment are unlikely to be sharing only their home.

Airbnb apartments make up 0.5% of the housing stock

Looking at the ratio between the 9,467 Airbnb apartments booked in Berlin on any given day to Berlin's total housing stock of 1,883,161 apartments, Airbnb apartments count for only 0.5%. The vast majority of Airbnb hosts are not professional landlords, but private hosts who sublet their apartments on an occasional basis.

Only 0.06% are rented as holiday homes for more than 120 days a year

The majority of apartments booked (88%) were only rented up to 120 days over 12 months. This clearly shows that the percentage of landlords whose main aim is to make a profit is low. The apartments that were rented as holiday homes for more than 120 days a year account for 0.06 % of Berlin's housing stock.

9,467 booked apartments

69% (9,467) of the 13,802 apartments booked over 12 months are entire apartments, 30% (4,193) are single rooms and less than 1% (142) are simply places to sleep (beds/couches).

**Conclusion:
Hosts are mainly private individuals**

The analysis of Airbnb's data proves that professional landlords do not account for the vast majority of hosts, but rather private individuals who temporarily rent their apartment or room to paying guests. This also becomes apparent from the average annual income of €2,520 that a typical host earns. Against the background of increasing rental prices, occasional

renting provides many households with the opportunity to make extra income and stay in their apartment. This was also shown in an Airbnb host survey in Berlin. 41% of the respondents stated that they needed their additional income earned through Airbnb to earn their living. The occasional renting of apartments and rooms helps to prevent social separation in the most sought-after neighbourhoods. On the whole it can be said that the housing supply of Berlin's population is not affected in any meaningful way. The effects of the net immigration of 42,000+ people and the birth surplus (2,000+) in 2013 alone, with a volume of new builds of only about 6,600 apartments, were much greater.