



REPORT | 07 OCTOBER, 2016

# Airbnb and Economic Opportunity in Boston Neighborhoods

Communities Outside Tourism Centers Use Home Sharing to  
Reap Socio-Economic Benefits

## INTRODUCTION

During the summer of 2016, Airbnb guests contributed \$145 million in economic activity to Boston's tourism industry. They also chose some of the city's most diverse communities - Dorchester and Jamaica Plain - as the most popular places to stay.

Compared to other Boston neighborhoods, Dorchester, Jamaica Plain, Mattapan and Roxbury have historically lacked in overnight travel accommodations. Fewer than eight percent of the over 100 hotels citywide operate in these communities.

**While this fact has typically left local neighborhoods, residents and small businesses out of the revenue stream tourism can provide, home sharing has emerged as a viable economic solution. Airbnb hosts in Dorchester, Jamaica Plain, Mattapan and Roxbury earned \$5.5 million last year from home sharing.**

When Boston area native Maiah Johnson, 31, finished her undergraduate studies she relocated to New York City to jumpstart her career in marketing. After seven years, the millennial had a desire to be closer to family and own her first home.

"I started an extensive search when I decided to become a homeowner and was pleasantly surprised by all Dorchester had to offer. I didn't know much about it at all," said Johnson.

Not long after moving into her new condo on Valentine's Day 2016, the young professional realized she needed supplemental income -- to help cover extensive hospital bills due to a recent illness and to start home renovations.

"I was hoping it could feel a little bit more passive than the work I do for my day job," added Johnson. "My upstairs neighbors also host and inspired me to give Airbnb a try."

**Johnson began home sharing via Airbnb in September 2016, has hosted seven groups so far, and thinks Airbnb is helping open Boston up to people of all financial backgrounds:**

"I know there are a ton of people that want to come into Boston for quick trips, but hotels just aren't economical for them. I've met some really wonderful people -- the world is really incredible, but also expansive. I love how Airbnb can help it feel just a little bit smaller by making friends across the globe through hosting."

## EXECUTIVE SUMMARY: BOSTON

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1. Airbnb is creating an economic lifeline for thousands of middle class Bostonians who, collectively, **earned more than \$38 million last year sharing their space.**
2. In particular, hosts in the Boston neighborhoods of Dorchester, Jamaica Plain, Mattapan and Roxbury **earned \$5.5 million last year from home sharing.**
3. In terms of guest arrivals, Airbnb grew 54 percent year-over-year in the study neighborhoods. **In total, 30,000 people, or a fifth of all Airbnb guests, visited the study neighborhoods through Airbnb between August 2015 and August 2016.**
4. While Boston has just over 100 hotels citywide **fewer than 8 percent of these hotels are in the study neighborhoods.**

## HOME SHARING IN BOSTON

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Boston is a city of neighborhoods. Airbnb is making it possible for visitors from around the world to experience these neighborhoods as Bostonians do — by staying local. As a result, neighborhood businesses across the city, which do not typically benefit from traditional tourism dollars, are experiencing a major economic lift.

This affects everyone from the local coffee shop owner to Airbnb hosts – regular Bostonians – who earned more than \$38 million last year through Airbnb, money they’re using to make ends meet and pay the bills. With total economic activity amounting to \$148 million in Boston during the past year<sup>1</sup>, Airbnb is driving economic activity in the neighborhoods that help make Boston an exciting and culturally diverse place to visit.

“**Airbnb is introducing Dorchester to people all over the world. There’s a lot of amazing history about Dorchester that people don’t know and are slowly learning as they explore the neighborhood. Everyone I’ve hosted has been pleasantly surprised and I’m glad to contribute to the mind-shift about the area.”**

**Maiah Johnson, 31**

Boston Native & Dorchester Homeowner

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<sup>1</sup> Economic activity includes all host earnings and estimated guest spending based on Airbnb survey data of guests traveling to Boston in 2015.

## AIRBNB'S GROWTH IN BOSTON

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In August 2015 through July of 2016, more than 150,000 people from across the world visited Boston through Airbnb. This influx, representing 76 percent growth year over year, brought more than \$109 million dollars in direct spending to local businesses across the city. This spending reflects the \$200 per day that the average Airbnb guest spends on daytime activities.<sup>2</sup>

The study neighborhoods hold fewer than 8 percent of the city's hotels. This lack of traditional accommodation options has made it difficult for visitors to stay near family and friends who live in these study neighborhoods. or experience unique areas, businesses and highlights of the city not found in a typical travel brochure.

During the study period, 28,900 visitors stayed with more than 500 Airbnb hosts in the study neighborhoods. In the past twelve months, there were almost 800 booked Airbnb listings in these neighborhoods. Meanwhile, hosts made a total of \$5.5 million during the study period – dollars that will stay in their neighborhood. **Across all measures, Airbnb activity in the study neighborhoods grew between 40 and 50 percent over the previous year, reflecting not just a growth in Airbnb, but a growing interest and demand for a greater variety of neighborhoods.**

FIGURE 1. HOST AND GUEST GROWTH IN BOSTON'S STUDY NEIGHBORHOODS

	Total Guests	Total Listings	Total Host Payout
August 2015 - July 2016	28,900	790	\$5.5 million
August 2014 - July 2015	19,200	550	\$3.8 million
August 2013 - July 2014	10,100	330	\$2.0 million

FIGURE 2. SELECT INDIVIDUAL NEIGHBORHOOD GUEST GROWTH

	Growth y/y	Total Guest Arrivals (August 2015 - July 2016)	Total Guest Arrivals (August 2014 - July 2015)
Dorchester	58%	9,600	6,000
Jamaica Plain	48%	12,800	8,700
Mattapan	246%	300	<100
Roxbury	43%	6,300	4,400

<sup>2</sup> Average guest spending estimate in Boston is based on Airbnb survey data of guests traveling to Boston in 2015

# MAKING ENDS MEET

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In every corner of Boston, Airbnb is making it possible for middle class families to take what is typically their greatest expense – the cost of their housing – and turn into an opportunity to generate supplemental income, pay the bills, and make ends meet.

The typical Airbnb host in Boston is 39 years old and earns around \$6,400 annually sharing their space a less than 30 nights annually. For the hundreds of people using Airbnb to make ends meet, the small, but significant, supplemental income they’re earning creates an economic lifeline during a time of historic economic inequality.

**Male and female Airbnb hosts are represented equally across Boston, and this financial narrative has become evident for natives and Dorchester hosts like Maiah Johnson:**

**“Life is stressful and expensive, and sometimes it feels really hard to keep up. Airbnb has been a perfect way to help me feel like I’m a little more in control.”**

FIGURE 3. STUDY NEIGHBORHOOD LISTING PROFILE

	Median Nights Hosted	Avg. Guest Length of Stay (Nights)	Avg. Host Age
<b>Boston (All)</b>	<b>41</b>	<b>3.5</b>	<b>39</b>
Dorchester	62	3.6	41
Jamaica Plain	47	3.8	42
Mattapan	67	5.5	46
Roxbury	61	3.9	38

In study neighborhoods – where the average ages of host are almost all above the city’s average – the average lengths of stay per guest are all above the city’s, especially in Mattapan, where the average guest length of stay in 5.5 nights, compared to the city’s 3.5.

## A BRIGHT FUTURE

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We look forward to expanding our host community in Dorchester, Jamaica Plain, Mattapan, and Roxbury, helping provide new opportunities to stay local and increasing economic opportunities for hosts in these neighborhoods, while making travel more accessible with a broader range of options.

From the Boston Marathon and July 4th holiday weekend, to the Red Sox's entry into Major League Baseball's playoff series, Airbnb is providing Bostonians, visitors to the city and small business owners with opportunities to supplement their income in order to keep their homes, see the communities they love, and increase their foot traffic and seasonal revenue.

## METHODOLOGY

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The data used in this report about the Airbnb platform -- i.e. nights listings are booked, host earnings, average length of stay, host age, total guests, total hosts -- are all based on Airbnb internal data for the period August 1, 2015 - July 31, 2016. Referenced survey data are based on a survey of hosts and guests to Boston in 2015, conducted in early 2016.