

NEW YORK HOTELS PACKED AFTER AIRBNB COLLAPSE



In December 2023, hotels in New York City experienced a strong recovery, with the highest occupancy rate of any top 25 U.S. city at 86.6%. The average daily hotel rate in the city also saw a significant surge, rising nearly 11% to \$393 per room. Revenue per accommodation in New York hotels increased by 15.6%.

During the Christmas period, there was a significant increase in room demand, which coincided with a collapse in availability on Airbnb. **Airbnb's short-term rentals, i.e., under 30 days, dropped from around 13,500 apartment offers in August to less than 3,000 in December**, according to data from AirDna, a data analysis platform on the short-term rental market. The decrease in availability was due to New York City's new law, enacted in September 2023, which imposed much more stringent rents for Airbnb hosts, thus limiting the offer.

New York City has implemented a new law that permits renting rooms in apartments for only 30 days. The hosts, owners, and tenants must be in the apartment during the rental. Only two guests are allowed at a time, and an entire apartment can only be rented for over a month. While the law came into force in September, bookings made for less than 30 days were allowed until December 1st. Experts say that the impact of this law was immediate, with most short-term rentals now becoming medium-term rentals above 30 days. As a result, tourists are returning to booking New York hotels for their stays.

During the first 20 days of January, New York hotels experienced a 6% increase in average rates compared to last year. This increase exceeded the national average of 3.1% over the same period.

AirDna, a research firm, found that in August of last year, about 27,000 short-term rental listings were available in New York City. Of these, approximately half were marketed for less than 30 days. However, by December, the listings had been reduced to around 23,000, with only 10% offering stays of less than 30 days.

In the past, short-term rentals have had a major impact on the traditional hotel industry by lowering their average prices. This is because the flexibility of short-term rentals eliminates some of the competition. In urban areas, short-term rentals compete more closely with hotels than in areas outside the city.

According to experts, the new law in New York City has been beneficial not only to hotels but also to short-term rental markets in nearby areas. In December, there was a 54% increase in demand for short-term rentals in Jersey City and Newark.

On the other hand, some cities previously trying to control Airbnb rentals are now relaxing their regulations. **For example, Berlin had banned short-term rentals altogether, which caused great dissatisfaction among locals, but now the rules have become more lenient.**

On the other hand, Airbnb has criticized New York's strategy with the new law. In mid-January, the company released a statement saying that hotel prices in the city have reached an all-time high

because the strict rental rules have significantly reduced the availability of short-term rentals on the site.

Date: 2024-02-19

Article link:

<https://www.tourism-review.com/new-york-hotels-benefit-from-airbnb-regulation-news14203>