Inside Airbnb: Jersey City

Executive Summary

On November 5, 2019, Jersey City voters have an opportunity to affirm, via a voter Ballot, Jersey City Council ordinances which serve to regulate Short-Term Rental activity.

Much of the debate around the ordinance, and the voter ballot have focussed on rhetoric and multi-million-dollar advertising and lobbying campaigns by Short-Term Rental platforms, and by the hotel industry.

This report aims to provide some facts on Short-Term Rental use in Jersey City, especially the distinct and majority Commercial nature of Airbnb use.

Key Findings:

- **"Homesharing" generates only 9% of Airbnb Revenue in Jersey City, and the rest is generated by Commercial Operators**
    - **When Breaking down listings by "Commercial[1]" vs "Home Sharing", 75% of Listings are Commercial and earn a massive 91% of Revenue**

- **The majority of Airbnb use in Jersey City, and almost all revenue is "unhosted"**
    - **67% of Jersey City Listings are Entire Home/apartment Listings (87% of Revenue)**
    - **via Entire Apartments and Houses, not renting out "Spare Rooms"**

- **Most Entire Homes Airbnb listings are in a property portfolio managed by professional hosts**
    - **72% of Entire Home listings are offered by hosts that have more than one Entire Home listing (76% of Revenue)**
    - **The top 20 Hosts (by number of Listings) control 799 Listings and made a total of $7.3M in the last 12 months**

- **Absent Hosts dominate the Airbnb platform in Jersey City**
    - **58% of Entire Home listings are operated by Hosts who live outside of Jersey City (54% of Revenue)**

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[1] Commercial = An Entire Home Airbnb listing where the host has more than 1 Entire Home listing; Or an Entire Home Airbnb listing that is rented for more than 90 days in the Last 12 Months; Or a Private Room where the Host has more than 2 Private Room listings.

NOTE: The Jersey City Short-Term Rental ordinance defines "occasional" use for a Primary Resident who rents out their Entire Home as no more than 60 days per year. This report uses 90 days, which is analytically more conservative.

- **Airbnb significantly impacts available rentals in Jersey City**
  - **In some Jersey City Zipcodes 'Commercial' Airbnb Entire Home Listings make up 110% of Available for Rent Housing Units, 43% across the entire city"**

- **Airbnb use in Jersey City is aligned around access to New York City**
  - **92% of Listings are within 0.5 miles of public transport to New York City, accounting for 91% of revenue**

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"Home Sharing" or Commercial Use? - Entire Homes Dominate

While Airbnb might have started with "Air beds" and hosts renting "spare rooms", in Jersey City, like most cities around the world, "Entire home/apartment" listings dominate the platform, **making up 67% of all Airbnb listings and 87% of revenue**.

The high proportion of Entire home listings is inconsistent with the image represented by Airbnb, their hosts and lobbyists – that "hosts" are renting out "spare" rooms and that "guests" can "live like a local".

Entire home listings have the most potential to disrupt residential communities, remove housing, displace residents, raise housing costs, and conflict with zoning laws.

The reliance on revenue from Entire home explains the strong push for de-regulation by platforms and a continued effort to mischaracterize their business.

Room Type	Listings		Estimated Revenue (last 12 mo.)	
	#	%	$	%
Entire home/apt	2,021	67%	$28.7M	87%
Private room	878	29%	$3,4M	10%
Hotel Room	67	2%	$0.5M	2%
Shared room	54	2%	$0.3M	1%
Total	**3,020**	**100%**	**$33.0M**	**100%**

Table 1 Airbnb Listings and Revenue by Room Type in Jersey City as at 09/2019. Source: Inside Airbnb

Not only do Entire home listings make up the majority of Airbnb's listings in Jersey City, they make almost all of Airbnb's revenue.

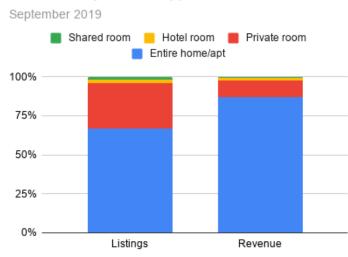**Figure 1** Listings and Revenue by Room Type in Jersey City at 09/2019. Source: Inside Airbnb.

Entire Home listings dominate by number and revenue.

> **"Entire home listings dominate the platform in Jersey City, making up 67% of all Airbnb listings and 87% of revenue"**

Inside Airbnb: Jersey City

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"Home Sharing" or Commercial Use? - Property Portfolios

72% of Entire Home Airbnb listings in Jersey City are managed by a "host" that has more than one Entire Home rental.

These listings are clearly not primary residences of the host and are instead part of portfolios controlled by property investors and managers.
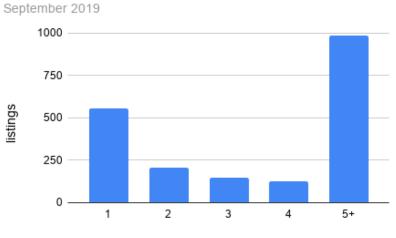
The New Jersey Ordinance provides limits to the primary resident.

Number of Entire homes/apts listings managed by host	Listings		
	#	%	Cumulative % (e.g. "1 or more", "2 or more" etc.)
1	556	28%	100%
2	204	10%	72%
3	150	7%	62%
4	124	6%	55%
5+	987	49%	49%
Total	**2,021**	**100%**	

Table 2 Number of Entire Home Airbnb listings in Jersey City by the number of Entire Home Listings the "host" operates. Source: Inside Airbnb.

Almost three quarters (72%) of Entire Home Airbnb listings are part of a property portfolio.

Figure 2 Number of Entire Home listings by the number of Entire Home Listings the "host" operates. Source: Inside Airbnb.
The majority of entire home listings are part of a property portfolio, with almost half belonging to hosts that 5 or more.

"Almost half (46%) of Entire home Airbnb listings in Jersey City are part of a property portfolio."

Entire Homes - Occasional or Full Time?

Almost half (48%) of Jersey City Airbnb Entire Home Listings are being rented for 60 days or more per year, the level at which the city allows "occasional" use while the primary resident is travelling.

Frequent rentals (>=60 nights per year) of Airbnb Entire Home Listings account for 89% of Revenue earned by all Entire Home Rentals.

Estimated Occupancy (last 12 mo.)	Entire Homes		Estimated Revenue	
	#	%	$	%
0 - 29	810	40%	1.1M	4%
30 - 59	236	12%	2.0M	7%
60 - 89	157	8%	2.2M	8%
90 - 119	147	7%	2.8M	10%
120 - 149	129	6%	2.9M	10%
150 - 179	98	5%	2.8M	10%
180 - 209	91	5%	2.9M	10%
210 - 239	75	4%	2.7M	9%
240+	278	14%	9.3M	33%
Total	8,448	100%	28.7M	100%

Table 3 Estimated Occupancy of Entire Home Airbnb Listings in Jersey City at 09/2019. Source: Inside Airbnb.

Most Entire homes Airbnb listings are not being rented "occasionally", and hosts and Airbnb derive almost all their income from frequent rental where the host is not present.

Figure 3 Number of Entire Home Listings by Occupancy in Jersey City 09/2019. Source: Inside Airbnb
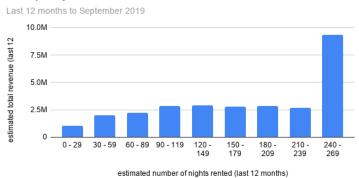

Figure 4 Revenue from Entire Home Listings by Occupancy in Jersey City 09/2019. Source: Inside Airbnb

"**Most Entire homes Airbnb listings are not being rented 'occasionally' in Jersey City and account for 89% of Revenue**"

Inside Airbnb: Jersey City

"Home Sharing" or "Commercial Use" – by the Numbers

By classifying each Airbnb listings as "Commercial" or "Home Sharing", it is possible to categorize the Airbnb market in Jersey City.

A "Commercial" Airbnb listings is defined as:

- An Entire Home Airbnb listing where the host has more than 1 Entire Home listing;

- An Entire Home Airbnb listing that is rented for more than 90 days[2] in the last 12 Months;

- A Private Room Airbnb listing where the Host has more than 2 Private Room listings.

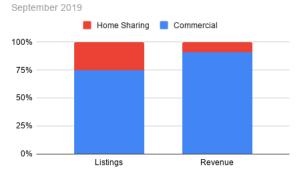All other listings are defined as "Home Sharing", namely:

- Entire Home listings where the host only has one Entire Home listing, AND is rented for less than 90 days in the last 12 months

- A Private Room Airbnb listing where the Host has no more than 2 Private Room listings.

When Breaking down listings by "Commercial " vs "Home Sharing", 75% of Listings are Commercial and earn a massive 91% of Revenue

Commercial or Home Sharing?	Listings		Revenue	
	#	%	$	%
Commercial	2,264	75.0%	29.9M	90.9%
Home Sharing	756	25.0%	3.0M	9.1%
Total	3,020	100.0%	33.0M	100.0%

Table 4 Commercial vs "Home Sharing" of Airbnb in Jersey City at 09/2019. Source: Inside Airbnb

"Homesharing" generates only 9% of Airbnb Revenue in Jersey City, and the rest is generated by Commercial Operators

[2] The Jersey City Short-Term Rental ordinance defines "occasional" use for a Primary Resident who rents out their Entire Home as no more than 60 days per year. This report uses 90 days, which is analytically more conservative.

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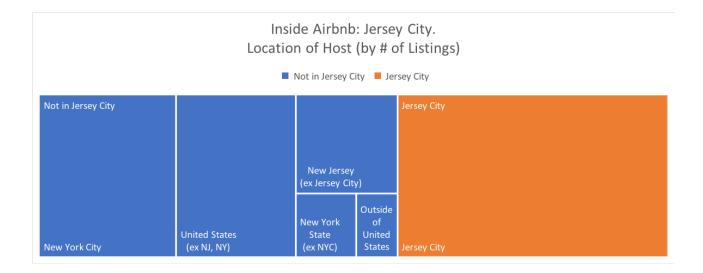## Who benefits from Airbnb in Jersey City – Residents or non-Residents?

The data in this report has already shown that Airbnb "Hosts" in Jersey City are usually not present when there are guests.

However, the majority of Hosts (58% by number of Listings) do not even live in Jersey City. Only 43% of Listings have Hosts that live in Jersey City.

Host Location	Listings		Revenue	
	#	%	$	%
Jersey City	1,299	43%	15.0M	46%
New Jersey (ex. Jersey City)	296	10%	2.8M	9%
New York City	658	22%	8.5M	26%
New York State (ex. N.C)	114	4%	1.4M	4%
United States (ex. NJ, NY)	575	19%	4.7M	14%
Outside of United States	78	3%	457.5K	1%

Table 5 Host Location of Listings in Jersey City at September 2019. Source: Inside Airbnb

The Majority of listings in Jersey City have hosts that don't even live in the city.

Inside Airbnb: Jersey City.
Location of Host (by # of Listings)

■ Not in Jersey City ■ Jersey City

"The majority of Jersey City Airbnb Hosts do not even live in Jersey City"

Inside Airbnb: Jersey City

Impact (on Housing)

Short-Term Rentals in residential dwellings compete with housing used by essential workers and families living in a community. Frequently the most vulnerable members of the community are renters.

To quantify the impact on renters and the cost of rental housing, the number of Commercial[3] Entire Home Listings has been compared to Available for Rent housing stock in each of Jersey City's Zipcodes.

Researchers around the world have shown that short-stay accommodation in areas under housing pressure both displace residents and drive up the cost of housing.

In some Jersey City Zipcode, Airbnb Entire Home Listings make up almost 4% of Housing Stock and Commercial Entire Home Listings make up more than 110% of Vacant and Available to Rent housing.

Jersey City Zipcode	Airbnb Entire Homes		Total Units of Housing[4]		Total Units of Housing (Vacant and Available for Rent)	
	#	"Commercial"	#	Compared to "Commercial" Entire Home Airbnb's	#	Compared to "Commercial" Entire Home Airbnb's
07302	837	721	20,267	3.6%	980	74%
07304	178	137	15,454	0.9%	575	24%
07305	110	89	22,265	0.4%	718	12%
07306	309	259	20,212	1.3%	981	26%
07307	305	242	15,789	1.5%	523	46%
07310	251	237	5,796	4.1%	216	110%
07311	6	5	222	2.3%	0	-
Total	**2,015**	**1,690**	**100,005**	**1.7%**	**3,993**	**43%**

Table 6 Commercial Entire Home Listings compared to Housing and Rental Stock in Jersey City. Source: Inside Airbnb; American Community Survey, 2013-2017, Tables B25003 and B25004.

In some Zipcodes, Commercial Airbnb Entire Home Listings make up 110% of Available for Rent Housing Stock.

"In some Jersey City Zipcodes 'Commercial' Airbnb Entire Home Listings make up 110% of Available for Rent Housing Units, 43% across the entire city"

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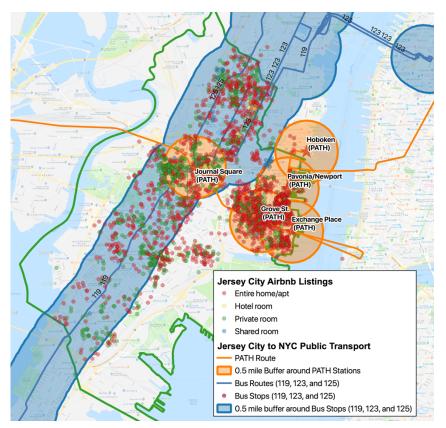
[4] American Community Survey, 2013-2017, Tables B25003 and B25004.

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Jersey City Airbnb use – Hotels for Access to New York City

The Majority of Airbnb Listings in jersey City are concentrated around access to Public Transport to New York City. The economic benefits of tourists, are more likely to flow to New York City, while displacing residents of the city.

Distance from Public Transport to New York City[5]	Listings		Revenue	
	#	%	$	%
<= 0.5 miles	2,770	91.7%	29.8M	90.6%
> 0.5 miles	250	8.3%	3.1M	9.4%
Grand Total	3,020	100.0%	33.0M	100.0%

Table 7 Distance from Public Transport to New York City of Airbnb Listings in Jersey City, at 09/2019. Source: Inside Airbnb; NJDOT

“Airbnb use in Jersey City is aligned around access to Public Transport to New York City”

[5] NJDOT

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About Inside Airbnb and The Data

Inside Airbnb was founded in 2015 by Australian housing and data activist, Murray Cox, who lives in New York City.

Inside Airbnb is a mission driven project to provide data that quantifies the impact of short-stay accommodation on housing and residential communities; and also provides a platform to advocate for appropriate and effective policies and/or regulation to protect our communities from the impacts of short-term rental of residential properties.

The data available in this report and from Inside Airbnb is compiled from public information displayed on the Airbnb web-site, and is being used by cities, urban planners, journalists, academics and researchers around the world.

The data has been downloaded thousands of times and used in hundreds of academic studies. Murray has worked directly with cities such as the City of New York, San Francisco, Paris, Barcelona, Amsterdam and many others.

Frequently short-stay platforms attempt to discredit any independent research and data or attempts to link any analysis and criticism of their business to their competitors in the hospitality industry.

This response is independent and was not commissioned, requested or supported in any way by industry players.