

REPORT: Airbnb and Economic Opportunity on Chicago's South Side

February 17, 2016

EXECUTIVE SUMMARY

1. Airbnb is creating an economic lifeline for thousands of middle class Chicagoans who, collectively, earned more than \$34 million last year sharing their space. **Hosts on the South Side of the City earned \$2.61 million last year.**
2. Airbnb **grew 137 percent year-over-year on the South Side of Chicago in 2015**, outpacing Airbnb's city-wide growth of 105 percent year-over-year. In total, more than 247,000 people visited Chicago through Airbnb in 2015.
3. While Chicago has at least 140 hotels citywide -- with 100 in downtown alone -- **less than 10 percent of these hotels (13, to be exact)** are in South Side neighborhoods.
4. More than **55 percent of bookings on the South Side are in private rooms** (i.e. a spare bedroom in someone's home) versus 35 percent of all bookings citywide. Airbnb guests staying with hosts on the South Side are staying longer, on average, than Airbnb guests citywide.

HOME SHARING IN CHICAGO

Chicago is a city of neighborhoods. Airbnb is making it possible for visitors from around the world to experience these neighborhoods as Chicagoans 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 Chicagoans – who earned nearly \$49 million last year through Airbnb, money they're using to make ends meet and pay the bills. With a total economic impact of \$209 million in Chicago between July 2014 and June 2015¹, Airbnb is driving economic activity in the neighborhoods that help make Chicago an exciting and culturally diverse place to visit.

AIRBNB'S GROWTH IN CHICAGO

In 2015, more than 247,000 people from across the world visited Chicago through Airbnb. This influx, representing 105 percent growth year over year, brought more than \$150 million dollars in direct spending to local businesses in neighborhoods that traditionally do not see spending from tourists.

While the growth of Airbnb in Chicago has been widespread, few neighborhoods have seen more growth than those on the city's South Side, which have historically lacked traditional hospitality options. The neighborhoods comprising Chicago's South Side hold less than 10 percent of the city's hotels. For perspective, at the beginning of 2015 there were 11 *new* hotels slated to be built in downtown Chicago by the end of 2015 for a total of 100 hotels downtown, compared to the 13 hotels, *total*, that are scattered across South Side neighborhoods. This lack of traditional accommodation options has made it difficult for visitors to stay near family and friends who live on the South Side or experience areas of the city outside of downtown.

In 2015, more than 17,000 visitors stayed with 660 Airbnb hosts on the South Side of Chicago. This represents a more than 137 percent growth from 2014 (and up from 3,250 guests staying on the South Side in 2013). In 2015, there were more than 650 Airbnb listings in these neighborhoods, representing 116 percent growth over 2014. Meanwhile, hosts made a total of \$2,610,000 during 2015 – dollars that will stay in their neighborhood – and a 121 percent increase from the prior year.

¹ <http://blog.airbnb.com/economic-impacts-in-chicago/>

FIGURE 1. HOST AND GUEST GROWTH ON CHICAGO'S SOUTH SIDE

	Total Guests	Total Listings	Total Host Payout
2015	17,100	660	\$2.61 million
2014	7,200	300	\$1.18 million
2013	3,300	160	\$510,000

While Airbnb's growth on the South Side has been widespread, certain neighborhoods have seen particularly impressive growth in the last year. Eleven neighborhoods that did not previously have Airbnb listings added them for the first time between 2014 and 2015. These include Archer Heights, Ashburn, Auburn Gresham, Burnside, East Side, Fuller Park, Greater Grand Crossing, Hegewisch, South Deering, West Elsdon and West Englewood.

FIGURE 2. SELECT INDIVIDUAL NEIGHBORHOOD GROWTH

	Growth y/y	Total Bookings (2015)	Total Bookings (2014)
Bridgeport	186%	900	320
Douglas	127%	1030	450
Englewood	46%	650	450
Hyde Park	175%	2270	830
Woodlawn	162%	460	180

MAKING ENDS MEET

In every corner of Chicago, Airbnb is making it possible for middle class people 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 Chicago earns around \$4,500 annually sharing their space a few nights each month. 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. In fact, more than 56 percent of Airbnb hosts in Chicago – or 4,732 people in 2015 – the money they made sharing their space was used to pay part of their rent or mortgage.

FIGURE 3. SOUTH SIDE LISTING PROFILE

	Private Room Listings (% of total)	Median Nights Hosted	Avg. Guest Length of Stay (Nights)	Avg. Host Age
Chicago (All)	35%	45	3.5	35
South Side	55%	60	4.1	41

On the South Side – where the average age of a host is 41 – the typical host is sharing their space 60 nights per year, versus 45 nights citywide. Also, of note, on the South Side, hosts are much more likely to be sharing rooms in their home -- accounting for 55 percent of all bookings -- demonstrating just how important it is for middle class people to be able to turn their biggest expense, their housing, into an economic opportunity.

A BRIGHT FUTURE

We look forward to expanding our host community on the South Side, helping provide new opportunities to stay local and increasing economic opportunities in the area. In a few short years, the South Side will be home to several exciting new monuments and attractions, including the Obama Presidential Library. We look forward to working with the City of Chicago and community organizations to bring in new visitors, support local businesses with increased foot traffic and provide South Siders with opportunities to supplement their income and stay in the homes they love.

METHODOLOGY

The data used in this report about the Airbnb platform -- i.e. nights listings are booked, host earnings, average length of stay, host age, percent private room listings, total guests, total hosts -- are all based on Airbnb internal data for the period January 1, 2015 to December 31, 2015. Data used in this report on economic impact -- i.e. Airbnb's collective \$209 million annual impact -- is based on a third-party report conducted between July 2014 and June 2015, and available [here](#).

For the purposes of this report, the following community areas were defined as South Side Chicago: Ashburn, Fuller Park, Auburn Gresham, Grand Boulevard, Beverly, Kenwood, Washington Heights, Mounts Greenwood, Washington Park, Morgan Park, Hyde Park, Woodlawn, Armour Square, South Shore, Chatham, Avalon Park, South Chicago, Burnside, Calumet Heights, Roseland, Pullman, South Deering, East Side, West Pullman, Riverdale, Hegewisch, Garfield Ridge, Archer Heights, Brighton Park, McKinley Park, Bridgeport, New City, West Elsdon, Gage Park, Clearing, West Lawn, Chicago Lawn, West Englewood, Englewood, and Greater Grand Crossing.