



REPORT | 1 OCTOBER 2018

# Hotels or D.C. Families? The Impact of D.C.'s Proposed Home Sharing Rules in Communities of Color

Hotel-backed regulations will cost residents in majority-minority zip codes an estimated \$18 to \$25 million in supplemental income annually

# INTRODUCTION

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**This week, the D.C. Council will consider new home sharing regulations that would vastly restrict the ability of everyday Washingtonians to share their homes and make extra income to support their families.**

The rules, which are backed by the big hotels, are being pushed through with very little public debate. Despite years of record expansion, occupancy and profits for the big hotels in D.C., executives continue to fund shady front groups that distort the facts and attack regular people sharing their homes.

**Before the D.C. Council votes on these hotel industry backed regulations, there are a couple important things to know:**

1. The D.C. Council and the Big Hotels have a long, happy relationship, including rubber stamping **more than \$250 million in hotel tax breaks<sup>1</sup>** over the last 10 years and accepting **nearly \$47,000 in campaign donations from the hotel industry.**
2. This bill places severe limits on who can share their home and when -- specifically restrictive night caps and secondary homes -- **which will rob families in the District's majority minority zipcodes of an estimated of \$18 to \$25 million** in supplemental income annually.
3. **Entire sections of Washington, specifically East of the Anacostia River, have been totally ignored by the hotel industry** -- depriving neighborhoods of job opportunities and locals with lodging options for visiting friends and families. Meanwhile, there are Airbnb listings in every single ward, bringing millions in supplemental income and visitors to neighborhood businesses.
4. Last year alone, Airbnb hosts in D.C. earned \$83.8 million in supplemental income simply by sharing their homes. **Since Airbnb began collecting and remitting hotel taxes in 2015 our community has contributed \$37.5 million to the city to support vital public services.**
5. *"Home-sharing services such as Airbnb provide an attractive alternative that not only helps D.C. tourism but also allows property owners to make some money. **Given such benefits, the D.C. Council needs to tread carefully as it considers how best to regulate short-term rentals.**" -- [The Washington Post, Editorial Page Sept. 29, 2018](#)*

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<sup>1</sup> [REPORT: Taxpayer Subsidies for Hotel Construction and Operations \(Nov. 2017\)](#)

## AIRBNB: CREATING OPPORTUNITY IN EVERY NEIGHBORHOOD

According to Airbnb's 2017 Community Compact Survey, 64 percent of District of Columbia hosts use their home sharing income to help them stay in their home and 59 percent use Airbnb to help make ends meet.

By limiting D.C. families to primary residence hosting, and to home sharing only 90 days per year while they're away, the Council's legislation will demonstrably impact the financial strength of the city's communities of color.

When analyzing the zip codes with the largest population of people of color, families home sharing in these communities will lose between \$18.7 million and \$25.6 million in supplemental income annually.

Zip Code	Ward(s)	% of Black and Hispanic Residents <sup>2</sup>	Income for Multi Listing Hosts	Host Income for Booked 90+ Nights Listings
20019	7	98%	\$629,205	\$856,678
20032	8	98%	\$294,712	\$371,244
20020	8	97%	\$731,659	\$972,804
20018	5, 7	92%	\$642,684	\$1,007,621
20011	1, 3, 4, 5	87%	\$1,566,884	\$3,122,915
20017	5	80%	\$496,539	\$1,072,543
20012	4	76%	\$98,590	\$185,288
20010	1	63%	\$2,321,348	\$3,627,692
20001	1, 2, 5, 6	63%	\$11,231,103	\$13,529,369
20024	2, 6, 8	61%	\$696,997	\$943,434
<b>Total Potential Income Loss</b>			<b>\$18,709,721</b>	<b>\$25,689,588</b>

**Meanwhile, home sharing is economically benefiting D.C. communities that the big hotels have abandoned.**

The biggest injustice with the hotel industry's attacks against home sharing is that hotel executives are trying to destroy the economic livelihood of D.C. neighborhoods they fail to invest in. If a traveler wants to visit and stay in numerous areas across D.C., home sharing is their only option.

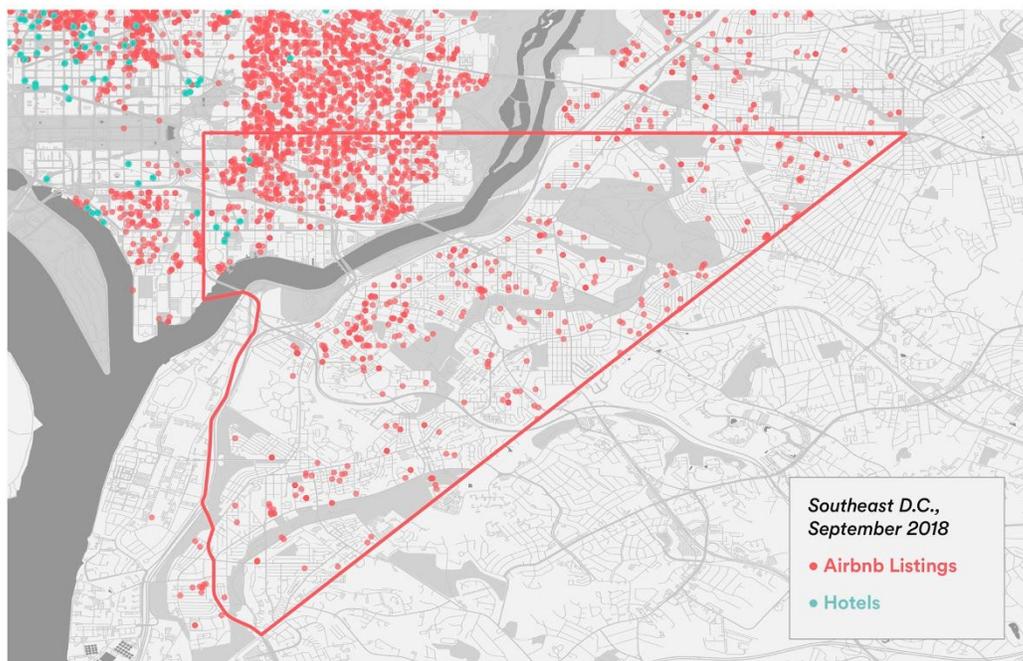
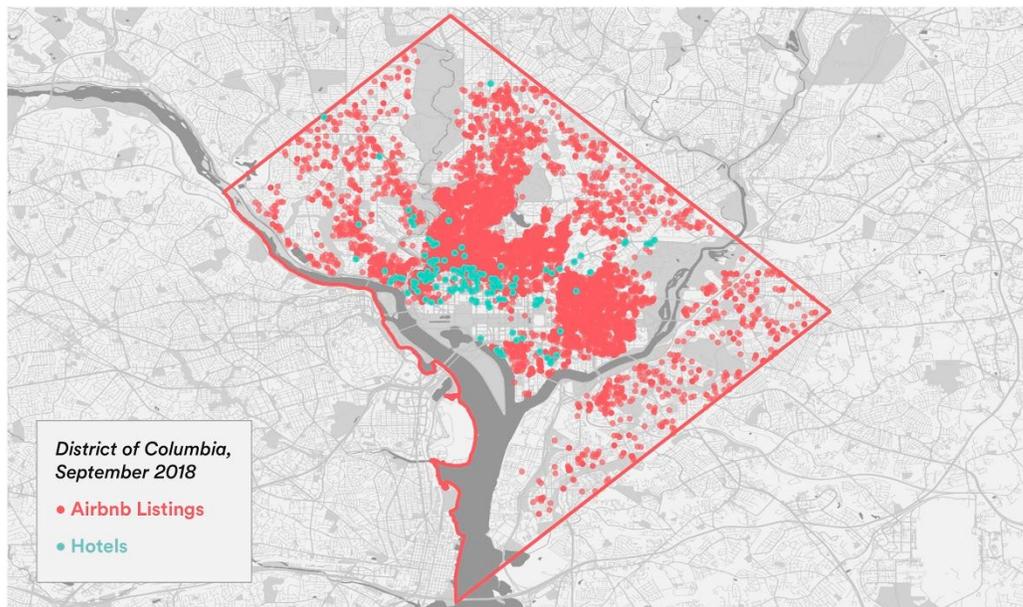
Of the 132 hotels and 31,673 hotel rooms located in the District and the 6,600-plus in development<sup>3</sup>, **zero are located east of the Anacostia River.**<sup>4</sup> Between June 1, 2017

<sup>2</sup> [Neighborhood Info DC](#)

<sup>3</sup> [D.C. Hotel Performance Down Slightly From Last Year, But Projected To Surge In 2019, Bisnow, August 28, 2018](#)

<sup>4</sup> [Washington, DC Facts via Destination DC](#)

and May 31, 2018, **Airbnb hosts in Wards 7 and 8 earned a total of \$3.75 million in extra income** — an increase of 58% from a year ago and with the typical host earning \$4,712. During that time, **Airbnb guests in these neighborhoods spent over \$8.6 million during their stay** at local cafes, restaurants and retail shops.<sup>5</sup>



<sup>5</sup> [Airbnb: Stays east of the Anacostia River grew 65 percent since mid-2017, Curbed DC, August 2017](#)

# CONCLUSION

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The facts speak for themselves.

D.C. hotels have gotten enough from the city: \$252 million in tax subsidies and record profits year over year. Do they really need another gift at the expense of taxpayers and families? Tenants and homeowners in the nation's capital should be allowed to share their space in a way that helps support their mortgage, rent, retirement savings, and other needs.

**If the hotels get their way, families in D.C.'s most diverse neighborhoods -- including East of the Anacostia River and large parts of Wards 1 and 5 -- could lose between \$18 million and \$25 million in extra income they need to help make ends meet.**

Undercutting home sharing's vast economic benefits to the District -- millions in tax revenue, extra income for families, and tourism dollars for small businesses -- would be a great loss for the city.

It's time for the D.C. Council to start over and choose D.C. families and their financial futures over the big hotels.