



Airbnb in Berlin

Berlin restricts Airbnb...

Like in many other cities, the increasing popularity of Airbnb and other home rental platforms have also caused political tension in Berlin. As a result of the housing shortage, Berlin has restricted the use of Airbnb by prohibiting to offer entire homes or apartments on the platform. The new regulations became effective as from May 1, 2016.

...without much effect

The restrictions, however, seem to have had little effect on the popularity of home sharing in Berlin. Despite the ban, Airbnb bookings in 2016 are up by 68% compared to 2015. Market share has increased from 5.3% in 2015 to 8.5% in 2016 and the number of available properties has increased by as much as 20%.

Increased rates

We note a shift in demand for specific unit types, as well as increased ADRs per unit type. As a reaction to the ban, hosts have increased their average rates for entire homes, to compensate for fines they are risking. We see a significant increase in ADRs per unit type as of May 2016, indicating that hosts incorporate the risk in their pricing strategies.

Concentrated in three districts

The majority of guests stayed in three districts: Friedrich-Kreuzberg, Pankow and Mitte. Together, these districts accounted for 60% of all overnight stays in 2016. Claims that Airbnb spreads guests throughout the city, are therefore questioned.



Who books Airbnb?

Restrictions do not slow down demand for Airbnb.

1,735,000

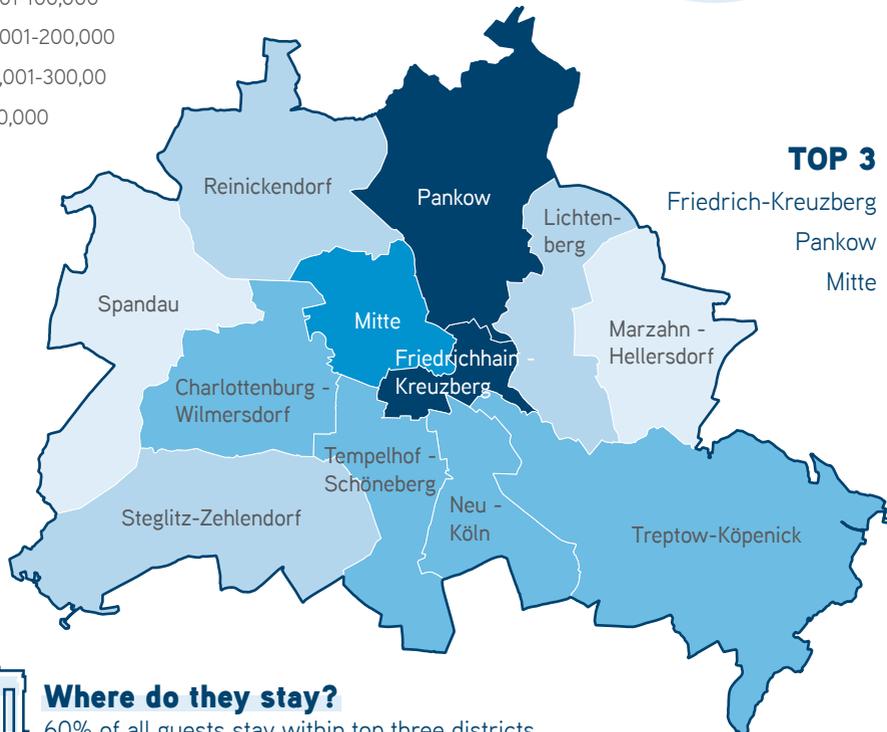
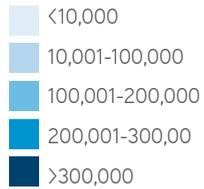
overnight stays booked in 2016 - +68% compared to 2015.

Overnight stays in hotels increased by around 1%, leading to an increased market share for Airbnb.

market share in 2016
coming from 5.3% in 2015

8.5%

Rooms booked



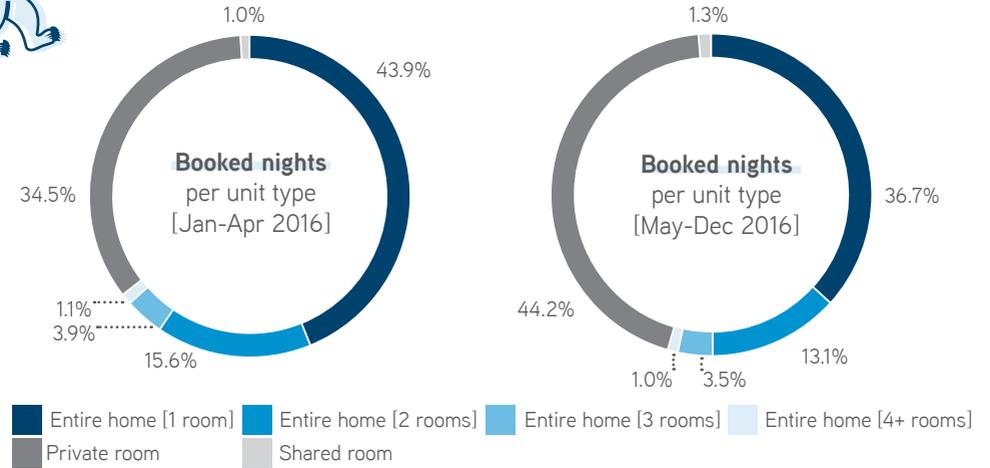
Where do they stay?

60% of all guests stay within top three districts.



What do they book?

Ban on entire homes has only limited effect on demand per unit type.



What do they pay for their Airbnb accommodation?

Average Daily Rate (ADR) increased following ban on entire homes.

€62

was the ADR in 2016 -5.50% (in 2015)
Hotels €96 (+2.8%)

ADR per unit type	Jan-April	May-December	Change
Entire home [1 room]	€ 62.30	€ 67.57	8.5%
Entire home [2 rooms]	€ 87.92	€ 99.99	13.7%
Entire home [3 rooms]	€ 131.84	€ 148.36	12.5%
Entire home [4+ rooms]	€ 209.45	€ 236.26	12.8%
Private room	€ 37.43	€ 40.07	7.0%
Shared room	€ 27.76	€ 29.22	5.3%

Exchange Rate: €1 EUR - US\$1.10



What about the hosts?

A third of Airbnb units is offered by hosts with multiple listings. These units account for 44% of all bookings.

Properties offered

20% more properties offered in 2016 compared to 2015.





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