

Urban Challenges
and Sustainable Technological Revolution



Special Session Proposal

Exploring the Economic Impacts of Short-Term Rentals on Regions and Cities

Alberto Hidalgo (IMT School for Advanced Studies Lucca, Complutense University of Madrid)
alberto.hidalgo@imtlucca.it)

Francisco J. Velázquez (Complutense University of Madrid)
javel@ccee.ucm.es)

Abstract

Short-term rentals platforms have evolved from an anecdotal phenomenon in our cities to a well-established, yet evolving trend that have effects on the housing market (Garcia-Lopez et al., 2020), hotel industry (Zervas et al., 2017; Farronato and Fradkin, 2022) and consumption amenities (Hidalgo et al., 2022). However, there is still much to be understood about the ways in which these platforms impact regions and cities. Tourist flows from short-term rentals can have positive effects on local areas due to market expansion externalities. On top of that, the uneven distribution of short-term rentals across a city can have particularly significant consequences. It can blur the concept of a traditional "touristic city" and shift tourism consumption to lesser-known, off-the-beaten-track areas. On the other hand, the influx of temporary residents from short-term rentals may also contribute to business displacement and negative impacts such as expulsion of the resident population from the center of cities, increase in rents for residents, noise, nuisance, and congestion.

This special session aims to promote the discussion of economic impacts from short-term rentals taking on a multi-level spatial (regions and cities). This special welcomes theoretical and empirical papers addressing open issues (but are not limited) such as:

- Business displacement and urban transformation.
- Urban renewal, residential investment and short-term rentals
- The impact of short-term rentals on labor markets.

- Short-term rentals and regional and urban tourism specialization
- Short-term rental regulation

References

Farronato, C. and Fradkin, A. (2022). The welfare effects of peer entry: The case of Airbnb and the accommodation industry. *American Economic Review*, 112(6):1782–1817.

Garcia-López, M.-A., Jofre-Monseny, J., Martínez-Mazza, R., and Segú, M. (2020). Do short-term rental platforms affect housing markets? Evidence from Airbnb in Barcelona. *Journal of Urban Economics*, 119:103278.

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Zervas, G., Proserpio, D., and Byers, J. W. (2017). The rise of the sharing economy: Estimating the impact of Airbnb on the hotel industry. *Journal of marketing research*, 54(5):687–705.