A study led by UNH Professor Gorkem Turgut (G.T.) Ozer found a link between the growth of Airbnb properties in New York City residential neighborhoods and a decrease in noise complaints.

New research shows that the growth of Airbnb properties in New York City residential neighborhoods is associated with fewer noise complaints. However, this average effect doesn’t rule out cases of increased noise under certain conditions.

The research, led by Gorkem Turgut (G.T.) Ozer (https://paulcollege.unh.edu/person/gorkem-turgut-gt-ozera), assistant professor of decision sciences at the UNH Peter T. Paul School of Business and Economics (https://paulcollege.unh.edu/), challenges one of the most common negative perceptions associated with the growth of peer-to-peer home-sharing platforms in urban areas.

Working with researchers from Nanyang Technological University and George Mason University, Ozer found a decline in noise complaints from when Airbnb entered New York City in 2007 to 2019. The study, published in Information Systems Research, one of the top journals in business and information systems, found that this decrease in noise complaints was particularly pronounced when the occupancy rate of Airbnb rentals was lower and in areas with multiple tourist
attractions, suggesting that the decrease in complaints was driven by limited physical occupancy of residential units.

“The main reason we're seeing these declines is that it's not traditional home sharing anymore; it's probably investors buying residential properties and listing them as Airbnb,” Ozer says. "That's why the occupancy rates are estimated to be less than 50%. These places are empty more than half the time, likely during the winter in New York City, which brings the average down because you can't get noise out of an empty apartment."

Ozer notes that Airbnb also has policies and incentives, such as guest and host rating mechanisms, that can motivate guests to be on their best behavior.

While the research suggests that noise may not be the most significant issue associated with Airbnb's expansion in New York City, that doesn't mean noise isn't a problem.

"Overall, the average effect is negative, but there are subsamples of data where we see an increase in noise complaints," Ozer said. "We're talking about an average in New York City, which includes tens of thousands of Airbnbs in hundreds of neighborhoods."

For example, Ozer's team found that noise complaints increased in areas where Airbnb rentals housed larger groups of guests. Noise complaints also increased in areas farther from tourist attractions, where guests spend more time inside apartments.

The study also found an increase in street noise complaints after Airbnb entered the city, supporting the idea that Airbnb renters tend to shift noise away from residential properties and toward tourist activity where it exists.

For their analysis, the researchers focused on the gradual expansion of Airbnb into all New York City zip codes between 2007 and 2019, using data from Airbnb, the U.S. Census Bureau and noise complaint data from the New York Department of Information Technology and Telecommunications. The researchers found that Airbnb's entry into New York City is associated with a reduction of 7,845 complaints per year, or a 5.1% decrease.

Ozer noted that there are many policy implications surrounding Airbnb's expansion beyond the study's scope. Still, the research is important for policymakers to consider, especially when discussing the allocation of resources.

"New York City spends a lot of resources on the noise problem, and we're not saying those resources shouldn't be spent on regulating home sharing," Ozer says. "But we are saying that those resources could be better spent on other issues, such as trash, traffic and crime, along with housing affordability, gentrification and displacement."

Ozer's research team did a limited replication analysis using data from Denver, where they found results similar to those in New York City, suggesting that it's possible the findings could be generalized to other large cities.

This study is the latest in a series that Ozer has worked on examining the societal implications of digital platforms and digitalization. He previously analyzed the impact of peer-to-peer lending platforms on women's access to healthcare and is currently working on research on the impact of legalizing online sports betting on health outcomes related to problem gambling.

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