

The effect of short-term rental platforms on rental prices: Evidence from Airbnb in Berlin

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Abstract

This article investigates the effect of short-term rental platforms on the housing market, using the explosive growth of Airbnb experienced in Berlin as a case study. To identify a causal effect, I exploit the structure of Airbnb in Berlin and combine a hedonic housing model with a Triple Difference-in-Difference approach. The analysis of six hundred thousand apartments shows that rapid growth of professional Airbnb listings has led to a three percent increase in asking rents in city districts with high Airbnb concentration.

Key words: Sharing economy, peer-to-peer markets, housing markets, Airbnb

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