

2016 Airbnb visits in Nevada top 340,000

By Associated Press

More than 340,000 people passed on Nevada's hotel rooms last year and opted instead to book a place to stay using the home-sharing service Airbnb.

The growth in the short term rental market is good for homeowners who made money from their residences, but it could be a drain on the state's all-important hospitality industry and eventually drive down room rates, according to an industry expert.

Hosts in the state took in \$47 million, with most of the business centering in Las Vegas, figures released this week by the San Francisco-based company show. The number of guest arrivals represents a 151 percent year-over-year growth.

Las Vegas drew a record number of visitors for a third straight year in 2016, attracting 42.9 million tourists. People who opened their homes through Airbnb hosted more than a quarter of a million people and earned \$35.5 million.

Hosts in the Lake Tahoe communities of Stateline and Incline Village welcomed 18,400 and 17,100 guests, respectively.

Mehmet Erdem, an associate professor of hotel operations and technology at UNLV, said the growth of the home-sharing business is happening around the world, not just in Nevada. He said convenience and prices are among the factors that draw visitors to short-term rental services.

"For the people who come here for a bachelor's party, they could book on Airbnb, but I would bet my money that they are going to stay at an integrated resort," Erdem said. "But if

I'm driving to Las Vegas for a soccer tournament and I try to make it a family vacation, I'll probably check Airbnb."

Airbnb is one of several companies that facilitate short-term rentals. Others include VRBO, Homestay and Wimdu.

Erdem said hoteliers could be affected by the home-sharing business if they are eventually forced to bring down their rates. And even with occupancy rates above 90 percent, Erdem said the hospitality industry in the state should keep an eye on services like Airbnb.

"It takes years and years to bring the rates back up," he said.

Airbnb estimates a typical Nevada host earns \$6,600 annually. The company has collected \$500,000 in taxes in Washoe County since 2015.

Ryan Tussing has hosted dozens of Chinese tourists, a Super Bowl party, the filming of two adult movies and many other events and visitors since listing his Las Vegas home on Airbnb. He made \$17,000 in 2016 and hopes to make \$20,000 this year.

Tussing, whose home is about 10 miles away from the Las Vegas Strip, said he believes the success of the home-sharing business is because it is a more personal experience compared to a hotel stay.

"I show all my guests how to park for free on the Strip," he said. "I treat you like you are my friend."

In Las Vegas, regulations on short-term rental businesses include a business license requirement and an annual \$500 permit fee. Unincorporated Clark County – which includes properties near the Strip – does not allow short-term rentals in residential areas.