

# Airbnb's commercial listings linked to local crime: How self-regulation can help

March 4 2022

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New research in the INFORMS journal *Information Systems Research* finds self-regulating is critical to reducing crime linked to Airbnb commercial listings.

The study, "The Societal Impact of Sharing Economy Platform Self-Regulations—An Empirical Investigation," examines concerns tied to

the shared economy on how [self-regulation](#) can help protect people. More specifically, the research focuses on the societal impact of Airbnb listings on crime rates.

The work was conducted by Mehmet Eren Ahsen and Wencui Han both of the University of Illinois Urbana-Champaign, Xunyi Wang of Baylor University and Sunil Wattal of Temple University. The authors used policy changes that reduce the number of Airbnb listings and were able to test the impact of platform self-regulations on crime rates.

The research explored the impact of the home-sharing economy and patterns of increased local crime rates—an issue that the home-sharing industry has wrestled with for some time. The researchers considered scenarios where the policy changes in certain cities reduced the number of Airbnb listings, which enabled them to examine the impact of platform self-regulation on crime.

"Although removing commercial listings from home-sharing sites might reduce [crime](#) rates, this does not have the same effect in low-income areas," says Ahsen, an assistant professor of business administration in the Gies College of Business at the University of Illinois Urbana-Champaign.

"It can be challenging to strike a balance between promoting innovation and protecting consumer welfare. The research shows that platform self-regulation might help achieve this goal," says Han, also a professor in the Gies College of Business.

"The self-regulations showed a reduction in crimes that include assault, robbery and burglary, but interestingly, an increase in theft incidents," says Wang, a professor in the Hankamer School of Business at Baylor.

"What we were able to conclude is that the average [crime rates](#) reduced

by roughly 5% in areas that are not low-income," says Wattal, professor of management [information](#) systems in the Fox School of Business at Temple. "While the sharing economy can improve people's lives, it seems clear that home-sharing platforms will do well for all affected if they self-regulate."

Airbnb has worked with municipalities worldwide to create self-regulations that support responsible home sharing and the integrity of the permanent housing market.

**More information:** Wencui Han et al, The Societal Impact of Sharing Economy Platform Self-Regulations—An Empirical Investigation, *Information Systems Research* (2021). [DOI: 10.1287/isre.2021.1044](https://doi.org/10.1287/isre.2021.1044)

Provided by Institute for Operations Research and the Management Sciences

Citation: Airbnb's commercial listings linked to local crime: How self-regulation can help (2022, March 4) retrieved 23 April 2024 from <https://phys.org/news/2022-03-airbnb-commercial-linked-local-crime.html>

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