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Three Years of Local Law 18 in New York City: Registration Counts, Hotel Rates, and Outer-Borough Rents

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Abstract. Platform booking verification eliminated roughly four-fifths of under-30-day listings overnight in September 2023. Three years on, hotel revenue per room climbed sharply while citywide rent relief remained localized to high-exposure neighborhoods. Empirical highlights: ~83% (Drop in under-30-day platform listings within six months of Sept. 5, 2023); 2 guests (Statutory cap on hosted short-term stays under NYC Admin. Code Title 26, Ch. 31); $1,500 (Maximum platform penalty per illegal booking transaction processed).

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1. Why platform transaction liability worked where complaint inspections did not

New York State’s Multiple Dwelling Law has barred unhosted rentals of shorter than 30 days in buildings of three or more residential units since 2010. For thirteen years, that prohibition proved nearly impossible to enforce at scale: municipal inspectors had to identify anonymous street addresses from blurred interior listing photographs and prove transient occupancy unit by unit. Local Law 18 of 2022, which entered full platform enforcement on September 5, 2023, shifted legal liability from individual hosts to the booking intermediaries themselves.[1]

Under the statute, Airbnb, Vrbo, Booking.com, and smaller portals must verify every under-30-day listing against the Mayor’s Office of Special Enforcement (OSE) electronic registry before collecting a booking fee, facing civil penalties of up to $1,500 per unlawful transaction. Landlords and co-op boards may also place entire addresses on a Prohibited Buildings list—now exceeding 13,000 properties—blocking tenant applications automatically.[2] Within ninety days of enforcement, active under-30-day listings fell by more than 80 percent.

Table 1. Pre- and post-enforcement indicators around NYC Local Law 18 (September 2023–September 2025)

Indicator	Aug. 2023 (pre-LL18)	Mar. 2024 (+6 mos.)	Sept. 2025 (+24 mos.)	Primary administrative or market source
Under-30-day STR listings on major platforms	~22,400	~3,700	~3,900	Inside Airbnb / NYC OSE enforcement reports
Listings set to 30+ night minimum stay	~15,800	~33,500	~31,200	Inside Airbnb NYC snapshots
Approved OSE host registrations	285 (initial)	~1,750	~2,950	NYC Mayor’s Office of Special Enforcement
Class B Prohibited Buildings list	~8,700 buildings	~11,200 buildings	13,000+ buildings	NYC OSE Prohibited Buildings Registry
NYC hotel Average Daily Rate (annual avg.)	$301 (2023)	$318 (2024)	$334 (2025 est.)	STR / CoStar & NYC Tourism + Conventions

2. The 30-day margin: conversion to mid-term furnished rentals vs. long-term leases

A central question on MTRI’s research agenda is what happens to formerly tourist-occupied apartments once short-term licensing stops. In New York, the sharpest immediate adjustment occurred along the statutory 30-day threshold. Between August 2023 and spring 2024, thousands of former short-term listings switched their platform calendar minimum from two or three nights to 30 nights, targeting traveling nurses, corporate relocations, graduate students, and extended summer visitors exempt from Local Law 18.[2]

Not every former vacation unit can sustain 12 months of consecutive 30-day bookings, however. Walk-up apartments in outer-borough neighborhoods with strong tourist transit links—Williamsburg, Bushwick, Bedford-Stuyvesant, Astoria, and Park Slope—experienced higher rates of attrition out of furnished mid-term calendars during winter 2024 and winter 2025 than prime midtown Manhattan units. Two mechanisms limit aggregate citywide rent effects even when thousands of apartments return to standard 12-month leases: first, 18,000 disappeared short-term listings represent roughly 0.8 percent of New York City’s 2.3 million rental apartments; second, NYC’s overall rental vacancy rate stood at 1.41 percent in the 2023 Housing and Vacancy Survey, meaning returned units were absorbed rapidly into broader metropolitan housing demand.[3]

3. Hotel pricing power under simultaneity with Local Law 147 and shelter contracting

Separating Local Law 18’s effect on hotel room rates from two concurrent supply shocks requires care. Between 2022 and 2025, New York City leased more than 130 hotels—roughly 15,000 to 16,000 rooms, concentrated in mid-scale outer-borough and midtown-west properties—as emergency municipal shelters, while City Council zoning text amendments (special permits required for new hotel construction since 2021) slowed new room completions.[4]

Together with the removal of ~18,000 unhosted short-term apartments, those contractions pushed NYC hotel occupancy above 84 percent in 2024–2025 and lifted average daily room rates past $330, widening the price gap for families of four or five who previously booked two-bedroom apartments in Brooklyn or Queens. An empirical evaluation that attributes the entire post-2023 hotel ADR rise to Local Law 18 overstates the short-term rental channel unless it controls for tract-level hotel-to-shelter conversions.

4. Off-platform leakage and lessons for municipal registries

OSE's two-year enforcement review in September 2025 documented a predictable secondary adaptation: illicit operators migrated toward unverified classified sites, social-media groups, and misdeclared 30-day platform bookings where hosts privately offered shorter stays via off-platform messaging.[2] Even accounting for black-market leakage, however, commercial multi-unit portfolios inside residential apartment buildings declined substantially compared with pre-2023 levels.

For other cities weighing registration rules—including European municipalities implementing Regulation (EU) 2024/1028—New York's three-year record points to a clear institutional lesson. Registration laws alter market quantities only when booking platforms are legally prohibited from clearing payments for unverified numbers; voluntary or host-only disclosure mandates leave commercial inventories largely untouched.

References

[1] New York City Local Law 18 of 2022, codified at NYC Administrative Code §§ 26-3101 to 26-3105 and Title 43 RCNY Chapter 21; The Guardian, "New York City's crackdown on Airbnb and short-term rentals goes into effect," September 6, 2023.

[2] NYC Mayor's Office of Special Enforcement (OSE), "New Report Sheds Fresh Light on How Local Law 18 and Office of Special Enforcement Have Eliminated Tens of Thousands of Illegal Rentals in New York City," September 3, 2025.

[3] New York City Department of Housing Preservation and Development (HPD) and U.S. Census Bureau, 2023 New York City Housing and Vacancy Survey: Selected Initial Findings, February 8, 2024 (reporting a 1.41 percent net rental vacancy rate).

[4] City of New York Department of City Planning, Citywide Hotel Text Amendment (N 210406 ZRY, adopted December 2021); NYC Comptroller Brad Lander, reports on municipal emergency hotel shelter contracts, 2024–2025.

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