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Airbnb Market Penetration and Its Relationship to Local Economic Development in the City of San Fernando, Pampanga

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ABSTRACT

The sharing economy has changed the way people travel and find accommodations, and platforms such as Airbnb may help local areas generate revenue as visitors spend money on nearby establishments. This study examined the relationship between Airbnb market penetration and local economic development in the City of San Fernando, Pampanga (CSFP), Philippines, in terms of employment and income generation, local business growth, tourism and city revenue, and infrastructure and urban development. A quantitative descriptive-correlational design was employed. Data were gathered through a structured survey questionnaire from 285 respondents—225 local business establishments located near Airbnb listings, 47 Airbnb hosts, and 13 local government unit (LGU) representatives—selected through stratified random sampling with proportional allocation. Data were analyzed using frequency, percentage, weighted mean, standard deviation, and Pearson product-moment correlation. Results showed that Airbnb market penetration was very extensive ($M = 3.33$, $SD = 0.51$), as was perceived local economic development ($M = 3.35$, $SD = 0.41$). Airbnb market penetration had a strong, positive, and significant relationship with overall local economic development ($r = .688$, $p < .001$), strong relationships with employment and income generation ($r = .652$) and infrastructure and urban development ($r = .640$), and moderate relationships with local business growth ($r = .406$) and tourism and city revenue ($r = .464$). The findings suggest that Airbnb is associated with positive economic outcomes in the city; however, as its prevalence grows, policies that maximize its benefits, ensure fairness to all stakeholders, and minimize possible adverse social and economic effects are advisable.

Keywords: *Airbnb Market Penetration, Local Economic Development, Sharing Economy, Tourism Growth, Business Development, Urban Development*

INTRODUCTION

Tourism has become one of the biggest contributors to global economic prosperity and a major driver of jobs, revenue, and local business growth. Accommodations give visitors a place to stay and help other businesses by bringing in the money tourists spend on products and services during their travel. In recent years, the sharing economy has changed how people obtain services, with many preferring access to products and services over ownership. Airbnb, founded in 2008 by Brian Chesky, Joe Gebbia, and Nathan Blecharczyk, began as a way to provide air mattresses to visitors in San Francisco when hotels were full (Airbnb, 2023), and has since become a

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platform through which homeowners earn income from underutilized space while travelers find accommodations for leisure and work (Airbnb, 2018).

When visitors spend on food, transportation, and other needs, small businesses grow, jobs are created, and local governments gain income from business permits, taxes, and tourism-related fees (Oxford Economics, 2025). However, the economic impact of Airbnb varies from place to place depending on tourist volume, housing availability, and government regulation. Some researchers regard Airbnb as a platform that can help local economies (Guttentag, 2015), while others have documented rising rents and house prices in cities where homes are converted into short-term rentals (Barron et al., 2021; García-López et al., 2020). In the Philippines, Airbnb was reported to have supported 191,000 jobs and contributed over ₱113 billion to the economy through tourism spending by 2024 (Airbnb Philippines, 2025), and tourism accounted for 8.9% of the country's gross domestic product (Philippine Statistics Authority, 2025).

The City of San Fernando, Pampanga (CSFP), the provincial capital located along the North Luzon Expressway and known for its historical sites and cultural heritage, has become increasingly popular for Airbnb stays, with 687 listings recorded as of January 2026 (AirDNA, 2026). The growth of Airbnb in the city may influence economic development through visitor spending and demand for tourism-related services, while also potentially affecting rents, housing availability, and the balance between residential and commercial properties. Although Airbnb is becoming more popular in Philippine cities, few local studies have quantitatively examined its relationship with indicators of local economic development, particularly in secondary cities and provincial capitals rather than metropolitan areas or major tourist destinations.

This study therefore examined the relationship between Airbnb market penetration and local economic development in the CSFP. Specifically, it sought to answer the following questions: (a) What is the profile of the respondents in terms of age, gender, occupation, length of residence, and relationship to Airbnb activity? (b) What is the extent of Airbnb market penetration in terms of the availability and presence of listings, usage and demand, and business and investment participation? (c) What is the extent of local economic development in terms of employment and income generation, local business growth, tourism and city revenue, and infrastructure and urban development? and (d) Is there a significant relationship between Airbnb market penetration and local economic development, overall and in each of its four dimensions? The null hypotheses tested were that there is no significant relationship between Airbnb market penetration and local economic development in the CSFP ($H_0 1$), and that Airbnb market penetration has no significant relationship with each of the four dimensions of local economic development ($H_0 2$). The findings are intended to help local government units, lawmakers, and other stakeholders in formulating developmental policies for short-term rental platforms.

Literature Review

Airbnb and Housing Markets

Global research has shown that Airbnb is not merely a digital lodging platform but also has substantial effects on housing markets, neighborhood dynamics, and local economic development, creating both economic advantages and housing disadvantages for cities. Barron et al. (2021) provided empirical evidence that home sharing leads to growth in house prices and rents, particularly where Airbnb density is high. Similarly, García-López et al. (2020) found that short-term rental platforms had a significant effect on listed and transaction prices and on rents in Barcelona, showing the effect of Airbnb on the ownership and rental markets.

Comparable effects have been observed in other European settings. Franco and Santos (2021) found increases in rental prices and property values associated with the rise of Airbnb in Portugal, and Duso et al. (2024) confirmed that Airbnb activity affected the rental market in Berlin. Collectively, these studies indicate that growth in the Airbnb market may restrict the supply of long-term rentals and raise housing costs, with implications for broader patterns of local economic development.

Airbnb's effects also extend to the commercialization of the platform. Demir and Emekli (2021) and Gil and Sequera (2022) observed the growing professionalization of Airbnb, in which hosts manage several units and

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profit is the key goal, blurring the line between peer-to-peer sharing and traditional hospitality services. Geographic spillovers further complicate these effects: Vizek et al. (2023) showed that tourism activity can affect housing prices not only in target areas but also in adjacent regions, which is especially relevant for secondary cities such as the CSFP, where clusters of listings may affect nearby residential and commercial zones.

Airbnb, Local Business, and Employment

Research has also shown that Airbnb has wider economic effects on local communities beyond the housing market. Basuroy et al. (2020) examined the effect of Airbnb on local restaurant performance and found that Airbnb expansion benefited the local food and beverage sector. Similarly, Alyakoob and Rahman (2022) found that increases in Airbnb activity were associated with restaurant employment growth, although the benefits were unevenly distributed across neighborhoods.

Studies of labor markets and investment point to similar spillovers. Gálvez-Iniesta et al. (2023) studied the effects of the peer-to-peer accommodation technology shock on Spanish local labor markets and found a positive effect on local job creation and a reduction in unemployment. Bekkerman et al. (2023) found that short-term rentals raise the expected returns to property ownership and thereby encourage residential investment, and Behrens et al. (2024) found that gentrification is associated with the arrival of pioneer businesses, indicating that tourist demand may lead to neighborhood change.

These studies suggest that Airbnb may foster a more decentralized growth of tourism by diverting tourist expenditure to residential areas and may draw investment into less-developed areas. However, such redevelopment may be accompanied by concerns about affordability and potential displacement, highlighting the need to examine both the economic benefits and the possible costs of Airbnb market penetration.

Regulation and Welfare Effects of Short-Term Rentals

Another group of studies addresses the budgetary and regulatory aspects of short-term rentals. Garz and Schneider (2023) examined data sharing and tax enforcement for short-term rentals in Denmark, illustrating how information exchange between platforms and tax authorities can shape short-term rental markets. Farronato and Fradkin (2022) found that while Airbnb enhances consumer surplus and the diversity of accommodation types, the entry of peer hosts also disrupts conventional accommodation markets.

Taken together, these global studies portray Airbnb market penetration as a complex phenomenon with both benefits and costs, encompassing rising property values and rents, commercialization, residential investment responses, local employment and business spillovers, and spatial spillovers. They also highlight the need for policy responses that balance fiscal oversight, housing stability, and economic gains. However, small and provincial cities have been far less studied than large urban centers in North America and Europe, and Philippine evidence on the relationship between Airbnb market penetration and indicators of local economic development remains limited. This gap underscores the need to examine the CSFP as a secondary city with growing Airbnb activity.

Theoretical and Conceptual Framework

The study was grounded in Sharing Economy Theory, supplemented by the Tourism Multiplier Effect. Sharing Economy Theory, popularized by Botsman and Rogers (2010) and associated with the ideas of Lessig (2008), explains how digital platforms facilitate the exchange of underutilized resources, emphasizing access over ownership and showing how platforms such as Airbnb enable individuals to engage in economic activity by offering existing assets, such as residential properties, for short-term use. It served as the primary lens for examining Airbnb market penetration in terms of listing availability, accommodation use, and business participation.

The Tourism Multiplier Effect provides additional context, positing that tourism expenditures circulate in the local economy through successive rounds of spending. Although the study did not aim to establish causality, this perspective helps explain the relationship between Airbnb-related activity and economic indicators such as

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employment and business activity. Airbnb market penetration and local economic development were therefore regarded as interrelated constructs rather than a cause-and-effect set of variables.

As shown in Figure 1, the conceptual framework followed the independent variable–dependent variable (IV–DV) model. The independent variable, Airbnb market penetration, was assessed through the availability and presence of listings, usage and demand, and business and investment participation. The dependent variable, local economic development, was assessed through employment and income generation, local business growth, tourism and city revenue, and infrastructure and urban development. The framework guided the examination of whether a statistically significant correlation exists between the two variables, consistent with the study's hypotheses.

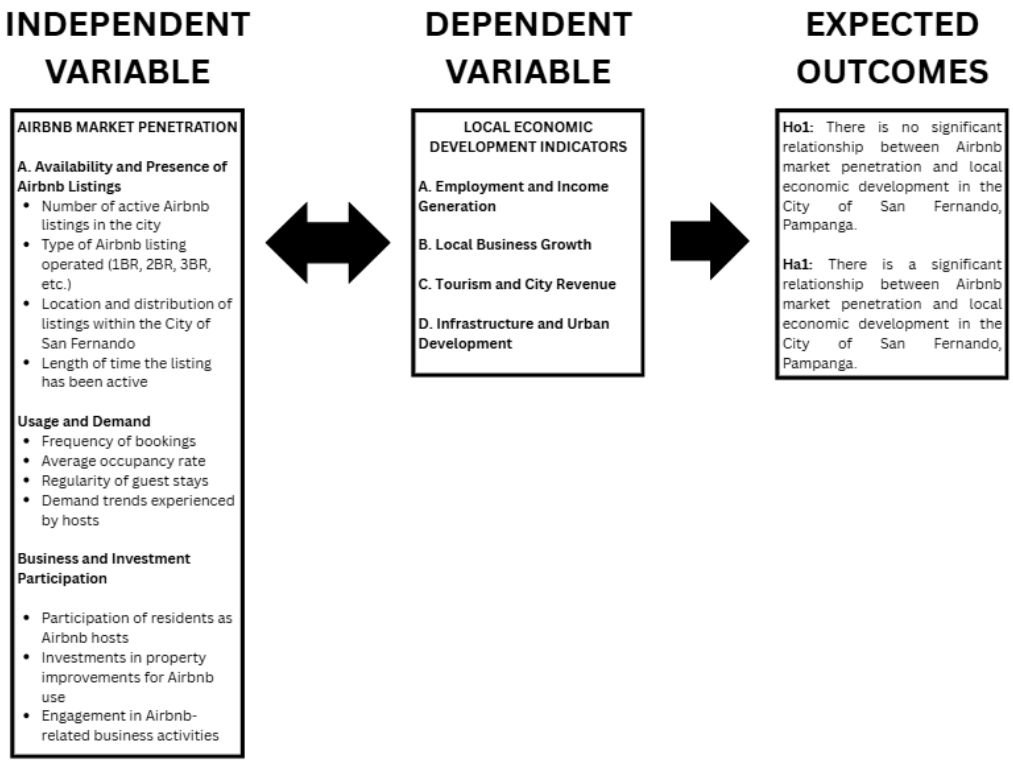


Figure 1. *Conceptual Framework Showing the Relationship Between Airbnb Market Penetration and Local Economic Development*

METHODS

Research Design

The study employed a quantitative descriptive-correlational design. The descriptive component was used to profile the respondents and assess the current level of Airbnb market penetration and local economic development in the CSFP, as descriptive research is appropriate for identifying and describing situations, traits, and trends in a group (Creswell, 2014). The correlational component determined the extent to which Airbnb market penetration was related to local economic development without manipulating any variables, as correlational research is appropriate when the purpose is to identify relationships among variables rather than to prove causality (Fraenkel & Wallen, 2009).

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Research Locale

The study was conducted in the City of San Fernando, Pampanga, the provincial capital and an emerging metropolis of Central Luzon located along the North Luzon Expressway. The city is known for its historical sites, cultural heritage, and growing business and tourism industries, and its increasing tourism-related demand and Airbnb activity, combined with its limited presence in academic literature, made it a suitable setting for the study.

Participants and Sampling Technique

The population comprised three stakeholder groups directly or indirectly involved in Airbnb activity: Airbnb hosts operating within the city; owners or employees of local business establishments—such as restaurants, cafés, convenience stores, retail stores, and transportation services—located within a 500-meter radius of identified Airbnb listings, extended to 1 kilometer where no operating businesses were found; and LGU employees from the offices for tourism management, business licensing and permits, and local economic development. Participants were at least 18 years old and willing to give informed consent. Persons not related to Airbnb activities, businesses outside the defined area, minors, and those who declined or could not provide complete answers were excluded.

Stratified random sampling was used. The total population of 1,090 (180 Airbnb hosts, 860 local business establishments, and 50 LGU stakeholders) yielded a sample of 285 using the Raosoft sample size calculator at a 95% confidence level, 5% margin of error, and 50% response distribution. Proportional allocation produced samples of 47 Airbnb hosts, 225 local business establishments, and 13 LGU representatives, and participants within each stratum were selected through simple random sampling.

Research Instrument

A structured survey questionnaire, adapted from previous empirical research on Airbnb and on the economic effects of tourism (Dwyer et al., 2004; Guttentag, 2015; Zervas et al., 2017), served as the primary instrument. Part I gathered the respondents' profile; Part II measured Airbnb market penetration through 12 items covering availability and presence, usage and demand, and business and investment participation; and Part III measured local economic development through 16 items covering employment and income generation, local business growth, tourism and city revenue, and infrastructure and urban development. The questionnaire and informed consent form were translated into Filipino using forward-backward translation, and respondents could answer in either language.

Items were rated on a four-point Likert scale (4 = Strongly Agree, 3 = Agree, 2 = Disagree, 1 = Strongly Disagree), chosen to avoid a neutral point and elicit more decisive responses. Reliability testing yielded Cronbach's alpha values of .827 for Airbnb market penetration and .831 for local economic development, exceeding the .70 threshold for acceptable internal consistency. Mean scores were interpreted using the scale in Table 1.

Table 1. *Interpretation of Mean Scores*

Mean Range	Scale Value	Descriptive Rating
3.21–4.00	4	Strongly Agree / Very Extensive
2.61–3.20	3	Agree / Moderately Extensive
1.81–2.60	2	Disagree / Slightly Extensive
1.00–1.80	1	Strongly Disagree / Not Extensive

Data Gathering Procedure

Data collection began after the researcher's secured clearance from the Our Lady of Fatima University Institutional Ethics Review Committee (OLFU–IERC) and permission from the college program head. Letters of permission were sent to Airbnb hosts through Airbnb website correspondence, to the selected local business establishments, and to the LGU offices. The sampling frame consisted of lists of Airbnb hosts and LGU employees, while local businesses were identified through area mapping and verification within the defined radius

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of selected Airbnb listing coordinates. The researchers visited hosts and business owners at their locations and LGU officials through scheduled appointments. After the study was explained and written consent was obtained, respondents self-administered the questionnaire, and completed questionnaires were collected, verified, and encoded.

Data Analysis

Frequency and percentage were used to describe the respondents' profile, while weighted mean and standard deviation were used to determine the extent of Airbnb market penetration and local economic development. Pearson product-moment correlation was used to determine the strength and direction of the relationship between Airbnb market penetration and overall local economic development and each of its four dimensions, at the .05 level of significance. Correlation coefficients were interpreted as very strong (.80–1.00), strong (.60–.79), moderate (.40–.59), weak (.20–.39), or very weak (.00–.19). Analyses were conducted using SPSS under the supervision of a professional statistician.

Ethical Consideration

The study was reviewed by the OLFU–IERC and conducted in accordance with the principles of respect for persons, beneficence, non-maleficence, and justice. All participants were informed of the nature, purpose, and procedures of the study, signed an informed consent form, and could decline, skip any question, or withdraw at any time without penalty. No incentives were offered. In compliance with the Data Privacy Act of 2012 (Republic Act No. 10173), names and contact information were removed from the final dataset, questionnaires were coded, and data were stored in password-protected files and secure locations for three years, after which they will be securely destroyed. Data were collected at times and places convenient for the participants, and participants could request a summary of the results.

RESULTS AND DISCUSSION

Profile of the Respondents

Table 2 presents the profile of the 285 respondents. Most were aged 25–34 years (38.9%) or 18–24 years (30.2%), and slightly more were female (51.2%) than male (42.5%). Most were private employees (73.0%), followed by business owners (17.9%). Nearly half had lived in the CSFP for more than 10 years (49.1%), and most represented local businesses (78.9%), followed by Airbnb hosts (16.5%) and LGU representatives (4.6%).

Table 2. *Profile of the Respondents*

Variable	Category	n	%
Age	18–24 years old	86	30.2
	25–34 years old	111	38.9
	35–44 years old	45	15.8
	45–55 years old	32	11.2
	56–60 years old	6	2.2
	60 years old and above	5	1.8
Gender	Male	121	42.5
	Female	146	51.2
	Prefer not to say	18	6.3
Occupation	Private employee	208	73.0
	Business owner	51	17.9
	Government employee	17	6.0
	Freelancer	3	1.1
	Others	6	2.1
Length of Residence	Less than 1 year	30	10.5

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Variable	Category	n	%
	1–5 years	74	26.0
	6–10 years	41	14.4
	More than 10 years	140	49.1
Type of Respondent	Local business	225	78.9
	Airbnb host	47	16.5
	LGU representative	13	4.6

Note. N = 285.

The age distribution is relevant because younger people tend to be more interested in digital tools and in participating in the sharing economy, and their technological familiarity and openness to alternative accommodations may shape how they view Airbnb's contribution to the local economy. The predominance of long-term residents suggests familiarity with local economic conditions, while the large share of local business respondents indicates that the results primarily reflect the views of business stakeholders who may be economically affected by Airbnb activity.

Extent of Airbnb Market Penetration

As shown in Table 3, Airbnb market penetration in the CSFP was very extensive, with a composite mean of 3.33 (SD = 0.51). Availability and presence obtained the highest dimension mean (M = 3.39, SD = 0.53), with respondents strongly agreeing that Airbnb accommodations have noticeably increased in recent years (M = 3.42), cater to different types of travelers (M = 3.42), and are easily accessible in major areas of the city (M = 3.41). Usage and demand (M = 3.30, SD = 0.71) and business and investment participation (M = 3.29, SD = 0.58) were likewise very extensive.

Table 3. *Extent of Airbnb Market Penetration in the CSFP*

Indicator	Mean	SD	Interpretation
There has been a noticeable increase in Airbnb accommodations in San Fernando in recent years.	3.42	0.62	Strongly Agree
Airbnb units are easily accessible in major areas of the city.	3.41	0.63	Strongly Agree
Airbnb listings cater to different types of travelers (budget, family, business).	3.42	0.64	Strongly Agree
Airbnb accommodations are competitive with hotels and inns in the city.	3.32	0.75	Strongly Agree
Availability and Presence	3.39	0.53	Very Extensive
Airbnb units in San Fernando are frequently occupied by guests.	3.25	0.63	Strongly Agree
Tourists increasingly prefer Airbnb over traditional accommodations in the city.	3.33	0.69	Strongly Agree
Airbnb contributes to longer tourist stays in San Fernando.	3.38	1.93	Strongly Agree
Airbnb is commonly used during festivals and major local events.	3.25	0.81	Strongly Agree
Usage and Demand	3.30	0.71	Very Extensive
More local residents are investing in Airbnb properties.	3.22	0.71	Strongly Agree
Airbnb has encouraged small property owners to participate in the tourism market.	3.25	0.72	Strongly Agree
Airbnb hosting is perceived as a viable income source for residents.	3.36	0.68	Strongly Agree
Airbnb has attracted outside investors to San Fernando.	3.34	0.68	Strongly Agree
Business and Investment Participation	3.29	0.58	Very Extensive
Airbnb Market Penetration (Composite)	3.33	0.51	Very Extensive

Note. N = 285. 3.21–4.00 = Strongly Agree/Very Extensive; 2.61–3.20 = Agree/Moderately Extensive; 1.81–2.60 = Disagree/Slightly Extensive; 1.00–1.80 = Strongly Disagree/Not Extensive.

These results suggest that Airbnb has established itself in the local accommodation market in terms of both supply and competitiveness with hotels and inns, consistent with a value proposition of flexibility,

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affordability, and diversity of accommodations. Respondents also agreed that hosting is a viable income source (M = 3.36) and that Airbnb has attracted outside investors (M = 3.34), indicating active business and investment participation. These findings are in line with international studies showing that the proliferation of Airbnb is associated with tourism demand and local economic activity (Alyakoob & Rahman, 2022; Basuroy et al., 2020). At the same time, the consistently favorable ratings contrast with studies documenting the commercialization of Airbnb and its sometimes-disruptive effects (Demir & Emekli, 2021; Gil & Sequera, 2022).

Extent of Local Economic Development

Table 4 shows that local economic development associated with Airbnb was perceived as very extensive (M = 3.35, SD = 0.41). Local business growth obtained the highest dimension mean (M = 3.41, SD = 0.64), with respondents strongly agreeing that Airbnb guests increase sales for local restaurants and food establishments (M = 3.43) and that small businesses benefit from the presence of Airbnb tourists (M = 3.43). Employment and income generation (M = 3.35, SD = 0.52), tourism and city revenue (M = 3.34, SD = 0.50), and infrastructure and urban development (M = 3.28, SD = 0.49) were also very extensive.

Table 4. *Extent of Local Economic Development in the CSFP*

Indicator	Mean	SD	Interpretation
Airbnb has contributed to job creation in San Fernando.	3.27	0.72	Strongly Agree
Airbnb has increased income opportunities for local residents.	3.38	0.62	Strongly Agree
Airbnb supports informal employment (e.g., cleaners, guides, drivers).	3.38	0.61	Strongly Agree
Airbnb-related activities provide supplemental income for households.	3.38	0.67	Strongly Agree
Employment and Income Generation	3.35	0.52	Very Extensive
Airbnb guests increase sales for local restaurants and food establishments.	3.43	0.64	Strongly Agree
Airbnb contributes to higher demand for local transportation services.	3.42	1.84	Strongly Agree
Small businesses benefit from the presence of Airbnb tourists.	3.43	0.63	Strongly Agree
Airbnb helps promote local products and services.	3.36	0.65	Strongly Agree
Local Business Growth	3.41	0.64	Very Extensive
Airbnb has increased the overall number of visitors to San Fernando.	3.29	0.61	Strongly Agree
Airbnb contributes positively to the city's tourism-related revenues.	3.34	0.63	Strongly Agree
Airbnb complements existing tourism programs of the city.	3.37	0.59	Strongly Agree
Airbnb strengthens San Fernando's image as a tourist destination.	3.37	0.59	Strongly Agree
Tourism and City Revenue	3.34	0.50	Very Extensive
Increased Airbnb activity encourages improvements in local infrastructure.	3.26	0.64	Strongly Agree
Airbnb contributes indirectly to the development of commercial areas.	3.23	0.62	Strongly Agree
Neighborhoods with Airbnb units experience increased economic activity.	3.29	0.63	Strongly Agree
Airbnb encourages property improvements and renovations.	3.36	0.60	Strongly Agree
Infrastructure and Urban Development	3.28	0.49	Very Extensive
Overall Local Economic Development	3.35	0.41	Very Extensive

Note. N = 285. Interpretation follows the same scale as Table 3.

Respondents strongly agreed that Airbnb supports informal employment such as cleaning, guiding, and driving (M = 3.38) and provides supplemental household income (M = 3.38), suggesting that Airbnb is perceived to support both main and additional sources of income through flexible work opportunities. The strong agreement

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on business benefits reflects the tourism multiplier effect, whereby money spent by Airbnb guests circulates through the local economy beyond accommodation. Respondents also agreed that Airbnb complements existing tourism programs and strengthens the city's image as a destination (both M = 3.37) and encourages property improvements and renovations (M = 3.36).

These findings are consistent with international evidence on the role of Airbnb in local employment and business ecosystems (Alyakoob & Rahman, 2022; Gálvez-Iniesta et al., 2023) and in residential investment (Bekkerman et al., 2023). Unlike studies that documented rising rents and housing pressure associated with Airbnb (Barron et al., 2021; Franco & Santos, 2021), the respondents in this study largely perceived positive economic effects, which calls for further investigation of the potential social and housing impacts of Airbnb activity in the city.

Relationship Between Airbnb Market Penetration and Local Economic Development

As shown in Table 5, Airbnb market penetration had a strong, positive, and significant relationship with overall local economic development, $r(283) = .688$, $p < .001$; hence, $H_0 1$ was rejected. Significant positive relationships were also found with each dimension: strong relationships with employment and income generation, $r(283) = .652$, $p < .001$, and infrastructure and urban development, $r(283) = .640$, $p < .001$, and moderate relationships with tourism and city revenue, $r(283) = .464$, $p < .001$, and local business growth, $r(283) = .406$, $p < .001$. Thus, $H_0 2$ was rejected for all four dimensions.

Table 5. *Relationship Between Airbnb Market Penetration and Local Economic Development*

Airbnb Market Penetration and…	r	p	Interpretation	Decision
Overall Local Economic Development	.688	< .001	Strong, Significant	Reject $H_0 1$
Employment and Income Generation	.652	< .001	Strong, Significant	Reject $H_0 2a$
Local Business Growth	.406	< .001	Moderate, Significant	Reject $H_0 2b$
Tourism and City Revenue	.464	< .001	Moderate, Significant	Reject $H_0 2c$
Infrastructure and Urban Development	.640	< .001	Strong, Significant	Reject $H_0 2d$

Note. N = 285. All correlations are significant at the .01 level (two-tailed).

The strong correlation with employment and income generation indicates that higher Airbnb activity is associated with greater perceived employment and income opportunities, such as hosting, property management, cleaning, and transportation, and supports Sharing Economy Theory's proposition that digital platforms convert underused residential assets into income-generating resources (Botsman & Rogers, 2010). Residents may thus participate in the local economy as micro-entrepreneurs with minimal capital outlay. The strong correlation with infrastructure and urban development suggests that greater Airbnb penetration is associated with property improvements and urban economic activity, consistent with evidence that short-term rentals encourage residential investment (Bekkerman et al., 2023).

The moderate correlations with local business growth and with tourism and city revenue suggest that, although Airbnb is associated with business activity and visitor spending, other factors—such as location, type of business, management, competition, and broader economic conditions—likely influence these outcomes. Not all Airbnb guests may interact equally with local businesses or contribute equally to city revenue, as some may prefer economy-focused expenditures, cook their own meals, or remain within their lodging, which may limit spillover effects. These patterns are consistent with the tourism multiplier perspective and with international evidence of positive employment and business spillovers (Alyakoob & Rahman, 2022; Basuroy et al., 2020; Gálvez-Iniesta et al., 2023), while contrasting with studies emphasizing increased housing costs and displacement (Barron et al., 2021; Duso et al., 2024). Because the study is correlational and based on stakeholder perceptions, these relationships should not be interpreted as causal effects.

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CONCLUSION

The perceptions gathered in this study were mostly from economically active respondents with digital familiarity and local experience, particularly from the business sector. Airbnb market penetration in the CSFP is very extensive, indicating that Airbnb has become an important and competitive part of the local accommodation market in terms of availability, usage and demand, and business and investment participation. Local economic development associated with Airbnb is likewise perceived to be very extensive across employment and income generation, local business growth, tourism and city revenue, and infrastructure and urban development.

Airbnb market penetration is strongly, positively, and significantly related to local economic development in the CSFP, with stronger relationships with employment and income generation and with infrastructure and urban development, and moderate relationships with local business growth and with tourism and city revenue. These findings support the relevance of Sharing Economy Theory and the Tourism Multiplier Effect in a local setting, illustrating how digital platforms may help turn underutilized resources into economic assets while generating benefits across sectors. As the study is correlational, the findings indicate significant associations rather than causal effects.

Recommendation

The local government of the CSFP may adopt comprehensive and data-driven policies for Airbnb and similar platforms that support business growth while safeguarding regulation, taxation, and community welfare, including improved registration, licensing, and monitoring of Airbnb operations. Programs on digital entrepreneurship, flexible livelihood opportunities, and support for small businesses may be prioritized, and community awareness programs may encourage residents' participation in discussions on Airbnb and tourism development.

Airbnb hosts and homeowners are encouraged to adopt sustainable and responsible hosting practices, maintain high-quality accommodations, comply with local laws, and collaborate with local businesses and service providers to create coherent tourism experiences. Local businesses and entrepreneurs may develop marketing strategies and services targeting Airbnb guests. Future researchers may use qualitative or mixed-methods and longitudinal or comparative designs to examine causation, sustainability, long-term effects, and social impacts such as housing affordability, community displacement, and environmental effects, including comparisons with other cities such as Angeles City and other regions.

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