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Accommodation during the LA28 Games

The Role of Short-Term-Rentals

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Executive Summary

The Los Angeles 2028 Olympic and Paralympic Games (the LA28 Games) represent an important event for Los Angeles and Orange Counties as they are comparable to "hosting about seven Super Bowls a day" for the duration of the Olympic Games.[1] Therefore, the LA28 Games will offer a significant opportunity for local communities to generate economic benefits, in particular for the city of Los Angeles as the accommodation market is still recovering from 2019. In 2019, the Los Angeles accommodation market was impacted by two critical structural events: the City's Home-Sharing Ordinance (HSO), enforced in late 2019 to restrict short-term rentals (STRs) to a host's primary residence with a 120-day annual cap, and the subsequent global demand destruction caused by the COVID-19 pandemic.[2] While the overall tourism sector is nearing its 2019 visitor volume and hotel Average Daily Rates (ADR) have surpassed pre-pandemic levels, the HSO prevents the market from deploying flexible capacity. In this context, STRs should be viewed as supplemental, flexible capacity for short-stay spectators rather than a corrective measure for the hotel sector. This approach mirrors the successful model used for the Olympic and Paralympic Games Paris 2024, where official assessments recognized STRs as a vital tool to accommodate the temporary surge in visitors without necessitating the long-term overdevelopment of hotel inventory.[3]

Based on our economic analysis, this report highlights the opportunity to enhance tourism revenue in Los Angeles and Orange Counties by increasing the accommodation supply. Expanding lodging capacities can reduce the risk of visitors not being able to secure paid accommodation in the two counties, leading to potential missed economic opportunities, particularly in terms of tourism revenue and visitor spending.

In this report, we present a detailed assessment of tourist accommodation demand and supply during the LA28 Olympic Games,[4] along with the quantification of the economic opportunity arising from the expansion of STRs supply. The report is structured as follows:

- **Demand-supply analysis**: By modeling the expected daily accommodation demand[5] and comparing it with the projected accommodation capacity[6] in Los Angeles and Orange Counties, we project that demand will exceed capacity on 13 of the 19 competition days, resulting in approximately 1.1 M nights not being accommodated within the counties (redirected nights). This risk of redirection could lead to missed economic opportunities.
- **Economic assessment of expanding STR supply**: Short-term rentals can offer supplemental, flexible capacity. Our analysis projects that retaining redirected nights by expanding the STR supply in the region, through examining three scenarios, presents a notable economic opportunity. Retaining redirected nights by doubling the STR supply projects a direct economic impact of USD488 M and a total economic gain of above USD782 M, supporting the creation of up to 5,330 jobs earning close to USD300 M in labor income, and generating significant tax revenue estimated to reach up to USD120 M. Enhanced capacity allows more redirected nights to be accommodated locally, amplifying direct, indirect and induced economic impacts in both counties.
- **Hotel prices benchmarks**: Our analysis shows that mega-events drive a significant accommodation price surge. Expanding accommodation capacity on this type of event could positively impact price stability.

[1] Hoover, R. (2024, April 23). https://www.hsgac.senate.gov/wp-content/uploads/Hoover-Testimony.pdf

[2] https://www.travelagewest.com/Travel/USA-Canada/los-angeles-tourism-recovery

[3] Délégation interministérielle aux jeux olympiques et paralympiques (DIJOP), L'impact économique des Jeux sur le PIB – rapport final

[4] The study focused on the period of the Olympic Games because it concentrates approximately three-quarters of the visitors (Paris 24)

[5] In parallel with projected spectator-driven demand, LA28 is securing a substantial volume of long-stay, contracted hotel and university housing inventory for accredited stakeholders. This managed inventory absorbs a material share of Games-time demand and operates independently from short-stay spectator accommodation.

[6] Type of accommodation: Hotel, Short-term rentals, university beds reserved by LA28.

1. Analysis of the Tourist Accommodation Capacity Relative to the Projected Attendance for the LA28 Games

The aim of this section is to assess the landscape of accommodation availability in the Los Angeles area during the LA28 Games. Our methodology is structured around the key following steps:

- **Defining the "primary area" of tourist lodging demand during the LA28 Games**: We identify the core geographical area where most fans of the LA28 Games are expected to stay.
- **Assessing lodging capacity**: We conduct an in-depth analysis of the existing commercial lodging inventory, including hotels and Short-Term Rentals (STRs), to determine the total fan accommodation capacity.[7]
- **Modeling Visitor Demand**: We develop a dynamic projection model for the expected daily number of visitors, based on the event schedule and anticipated fan attendance patterns.
- **Demand-supply analysis in the primary area of tourist lodging demand:** By comparing our visitor projections with available lodging, we identify the potential difference between the number of visitors and the capacity offered by paid accommodations in the "primary area".

1.1 Defining the Primary Area of Tourist Lodging Demand During the LA28 Games

The primary geographical market for our accommodation analysis is defined as the contiguous area comprising Los Angeles County and Orange County. This defined perimeter is justified by the geographical location of most of the venues for the LA28 Games.

Specifically, while most competition zones are within Los Angeles County (e.g. the Downtown LA, Long Beach, and Valley sports parks), Orange County hosts high-demand events such as Volleyball at the Honda Center in Anaheim and Surfing at Trestles Beach in San Clemente.

This designation closely adheres to the International Olympic Committee's (IOC) criteria, which stipulate a 50 km radius from the main Olympic hub for core operational areas, as detailed in the IOC's report, "2028 Evaluation Commission".[8] By including both Los Angeles and Orange Counties, our analysis ensures the capture of lodging inventory directly serving the highest concentration of spectators and competition venues, providing an accurate baseline for assessing supply and demand dynamics.

1.2 Determining Available Lodging Capacity

In this section, we estimate that around **396,000 persons can be accommodated every day in Los Angeles County and Orange County**. This figure is based on the projected capacity of hotel rooms, university beds and STRs during the event. As hotels, universities and STRs have different occupancy models, the analysis was conducted on each type of accommodation separately.

[7] University beds were included in the analysis, as some athletes and official visitors will be accommodated in these facilities.

[8] Available https://stillmed.olympic.org/media/Document%20Library/OlympicOrg/Games/Summer-Games/2028-Los-Angeles/IOC-2028-Evaluation-Commission-report.pdf

Hotel Capacity in the Primary Area During the LA28 Games

The daily number of available hotel rooms within our geographical scope is estimated at 154,150 in 2025. [9] An additional 3,640 rooms will be available each day in this area in 2028.[10] In total, **157,790 hotel rooms are projected** to be available in 2028.

The total room count will not reflect final availability, as even during peak periods, hotels rarely reach full occupancy due to logistical constraints, last-minute cancellations, and inventory set aside for operational or VIP purposes. Lighthouse estimated that across different global events, hotels can reach approximately 92% maximum occupancy. [11] Therefore, **145,167 hotel rooms will be available daily** on average.

Furthermore, to determine the number of people that can be accommodated in these available rooms, we estimate that a hotel room accommodates on average 1.9 people. [12] We estimate that the 145,167 available hotel rooms could accommodate approximately **276,000 persons daily**.

Short Term Rental Capacity in the Primary Area During the LA28 Games

Our analysis for STRs is based on the average daily number of nights booked or available on STR platforms during the last two weeks of July 2025.

- On average **32,800 nights** can be booked each day across major STR platforms in Los Angeles County and Orange County. This figure is derived from Airbnb internal data,[13] then adjusted to include VRBO[14] and other STR platforms[15] based on their relative listing size.
- To calculate the number of nights available for attendees of the LA28 Games, we apply the same 92% maximum occupancy rate as the hotels. This results in approximately **30,200 nights available daily**.
- Based on Airbnb internal data,[16] we assume a group size of 3.4 people. This translates to STRs being able to accommodate around **102,600 people daily**.[17]

The total daily accommodation capacity in hotels and STRs is estimated to be around 396,000 persons during the LA28 Games.[18]

1.3 Demand for Accommodation During the LA28 Olympic Games

Having established the total available lodging capacity, in this section we project the expected visitor demand for paid accommodation during the 19 days of the LA28 Olympic Games. The demand is modeled in two phases: we first

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[9] Estimated from Newmark. (2025, May). and FEMA database in LA County and in Orange County (*Newmark Hotel Market Nsights Report – Los Angeles, CA – 1st trimester 2025*. Newmark. https://www.nmrk.com/.../Newmark_VA_Hotel-Nsights-Report_Los-Angeles_CA.PDF

[10] Barragán, B. (2024, December). *LA's hotel pipeline struggling with construction costs, long entitlement periods ahead of big sporting events*. Bisnow. https://www.bisnow.com/los-angeles/news/hotel/hotel-hospitality-los-angeles-pipeline-olympics-127005 Rauch, R. (2025, 27 May). *SoCal Hotel Market Performance – May 2025 (LA, OC, SD)*. Hotel Guru. https://hotelguru.com/articles/socal-hotel-market-performance-may-2025/

[11] Lighthouse: Event driven hotel pricing: How do major events influence the evolution of room rates? https://www.mylighthouse.com/resources/blog/event-influence-on-hotel-price-evolution

[12] Calculation by Deloitte based on the number of hotel room and the number of visitors provided by the 2020 Market Outlook Data for the Los Angeles Travel & Tourism Industry Los Angeles Tourism Marketing Planner 2020-2021.pdf

[13] Airbnb Internal Data for Los Angeles County and Orange County during July 13-26, 2025.

[14] Extracted October 20, 2025 from the AirDNA website on Los Angeles airdna.co/vacation-rental-data/app/us/california/los-angeles/overview

[15] We assumed that 10% of nights could be booked outside of Airbnb or VRBO.

[16] Airbnb Internal Data for Los Angeles County and Orange County during July 13-26, 2025.

[17] The STR market, particularly within Los Angeles City, operates under regulatory constraints (e.g., the Home Sharing Ordinance) that limit rentals to primary residences for up to 120 nights a year. However, given the high-demand, short-duration nature of the LA28 Games, we assume that hosts in regulated areas will manage their annual booking quota so they can host during LA28, as anticipated earnings are higher.

[18] In addition to hotel rooms, UCLA is confirmed as the Olympic and Paralympic Village secured for the 2028 Games. The projected capacity is approximately 17,500 beds allocated to athletes and team officials for the Olympic and Paralympic Games. Assuming a 100% occupancy rate throughout the Games period and one person per bed, this provides lodging for 17,500 persons daily. Source : International Olympic Committee. (2021). 2028 Evaluation Commission Report (p. 11).

assess the total number of accommodation nights required for the duration of the event, next we distribute this total into a realistic daily demand profile.

Estimation of Total Demand for Paid Accommodation

Our model forecasts a total demand of approximately 7.4 million nights from Olympic tourists. This figure is derived from the total visitors estimated by LA28 Organizing Committee, utilizing some assumptions to isolate the market for paid accommodation:

- **Total attendance**: The LA28 Organizing Committee estimates that the LA28 Games will attract **15 million visitors** during the whole period.[19] This figure is similar to the Olympic and Paralympic Games Paris 2024 attendance.
- **Olympic vs. Paralympic Split**: Based on Paris 2024 data, we estimate that 75% of the visitors will come to see the Olympics, resulting in approximately **11 million visitors** during that period (vs. 25% for the Paralympics).
- **Tourist vs. Visitors Split**: Based on Paris 2024 data[20], we estimate that 28% of the total Olympic attendance will be tourists in need of lodging, translating to around **3.1 million tourists** projected during the Olympics.
- **Paid Accommodation**: We estimate that 31% will stay with friends and family, based on data past events[21] and local Los Angeles trends (35%). Consequently, 69%, or **2.1 million tourists**, will look for paid accommodations.
- **Average Length of Stay**: On average, a tourist stays 3.5 days in Los Angeles.[22] While this figure tends to increase during mega-events (e.g., Paris increased from 2.6 to 3 nights during the Olympics), we maintain a conservative length of stay of 3.5 nights. This results in an initial demand of **7.6 million nights** in paid accommodation during the LA28 Olympic Games.[23]
- **Competition outside Los Angeles**: Considering competitions outside the Los Angeles and Orange Counties (e.g., surf near San Diego or softball in Oklahoma City), we estimate that the Los Angeles region will host **7.4 million nights** during the LA28 Olympic Games.

[19] https://la28.org/en/newsroom/archer-selected-as-official-air-taxi-provider-of-la28-games.html

[20] https://files.parisjetaime.com/media/pre%CC%81-bilan%20des%20JO_FR.pdf

[21] 16% during Super Bowl XLVII : 2008 French Quarter Festival Visitor Survey, 16% during Super Bowl LII, 31% during, World Cup 2012 in Brazil https://www.revistas.usp.br/rta/article/download/89163/112752/209691

[22] 2020 Market Outlook Data for the Los Angeles Travel & Tourism Industry

[23] $2.1\text{million tourists} \times 3.5 \text{ nights} \approx 7.6 \text{ million nights}$

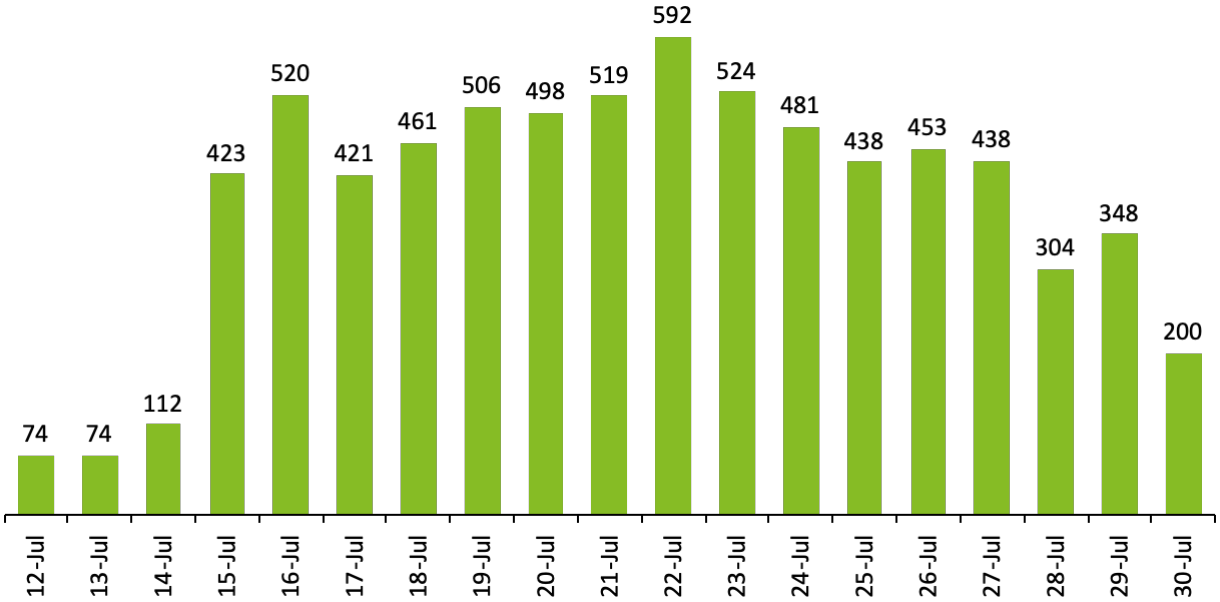
Estimation of the Daily Demand

The total demand of 7.4 million nights is distributed based on the daily sporting events schedule. Our model distributes this total demand based on the projected attendance for each of the competition days, using two primary sources[24] for forecasting attendance:

- For sports requiring tickets (e.g. Judo), our model relies on the forecasted number of tickets for sale for each day of the competition, the capacity of the venues, the estimated occupancy rate, coupled with the distribution of tourists seen at the Olympic and Paralympic Games Paris 2024.
- For sports that can be viewed without a ticket (e.g. Triathlon), we forecast the attendance number based on the venues' capacity, projected attendance rates, or data from past events.

This results in an average demand of 388,000 persons seeking accommodation every night. The demand profile shows a sustained period of high demand: across the 19 competition days, 13 days are forecasted to have a demand higher than 400,000 people, with 5 of those days exceeding 500,000 people. Demand peaks on July 22, which is the day with the maximum number of medal events. Conversely, the Opening Ceremony on July 14 accounts for a small portion of the total demand, as it is the only event that day in Los Angeles and the combined capacity of the LA Memorial Coliseum, and the 2028 Stadium is 170,000. Finally, we estimate 200,000 people seeking accommodation on the day of the Closing Ceremony, when seven medal events will also take place.

Figure 1 - Total Number of Nights per Competition Day (thousand nights)



Source: Forecast and Figure by Deloitte

[24] Stadiums capacities from LA28 Organizing Committee data; average attendance rates based on Paris 2024 data; crowd sizes for open-air sports compiled from various public sources
Stadium capacities from LA28 official data: https://la28.org/en/games-plan/venues
Average attendance rates based on Paris 2024 IOC data: https://olympics.com/en/paris-2024
Crowd sizes for open-air sports compiled from NBC Olympics https://www.nbcolympics.com/news/triathlon-101-competition-venues-paris-olympics , Sport & Société https://sportetsociete.org/2024/08/04/paris-2024-plus-de-500-000-spectateurs-pour-lepreuve-masculine-de-course-en-ligne/ , and Pacific Pirates Media https://www.pacific-pirates-media.com/les-jeux-olympiques-a-teahupoo-le-tube-de-lete/
Occupancy : https://events.parisinfo.com/adherents/Reunion_adh%C3%A9rents_Bilan_des_jeux.pdf
Sales : Los Angeles County Metropolitan Transportation Authority (2025) “Metro 2028 Games Mobility Concept Plan”. https://file.lacounty.gov/SDSInter/bos/supdocs/200256.pdf

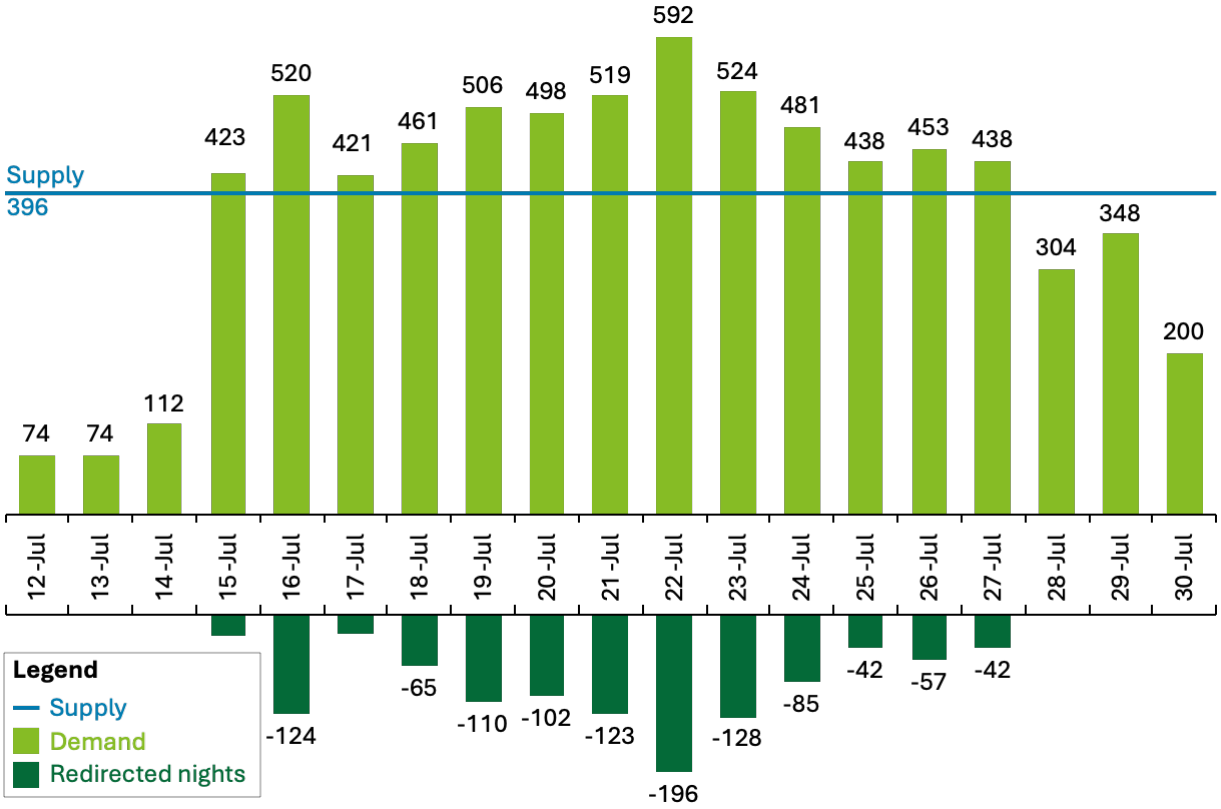
1.4 Comparing Demand and Supply in the Primary Zone

The analysis in the preceding sections establishes the total lodging capacity within the Los Angeles and Orange Counties (primary zone) against the forecasted daily accommodation demand[25]. This comparison is crucial for quantifying the risk of visitors not being able to secure paid accommodation in the primary market. Hereinafter, this phenomenon is referred to as "**redirection risk**".

This redirection risk arises when the demand exceeds 396,000 people (total supply of paid accommodation, encompassing all hotels and STR). This risk is likely during the sustained high-demand phase of the LA28 Olympic Games. As detailed in Figure 2, demand is projected to exceed the supply on 13 of the 19 competition days.

The cumulative impact based on peak-day modeling is estimated at 1.1 M nights (15% of the total demand or around 320,000 people) that would likely not occur in Los Angeles and Orange Counties.

Figure 2 - Supply-Demand Analysis and Estimated Visitor Redirection (thousand nights)



Source: Forecast and Figure by Deloitte

This risk of redirection could lead to missed economic opportunities. The next section estimates how expanding the accommodation supply could alleviate this risk.

[25] It should be noted that a significant portion of Games-time lodging demand is addressed through long-stay, pre-contracted inventory secured by the LA28 Organizing Committee for accredited stakeholders, including workforce, media, officials, federations, and delegations. These contracted hotel and university housing blocks are committed well in advance of the Games and are not subject to short-term market dynamics, providing demand certainty and contributing to overall market stability during the event period.

2. Quantifying the Economic Opportunity of Expanding STR Supply

The first part of this report establishes the opportunity for Los Angeles and Orange Counties—and, in particular, the City of Los Angeles, at the heart of the event—to capture greater tourism revenue by having a larger accommodation supply. Short term rentals offer supplemental, flexible capacity leveraging existing infrastructure. This section quantifies the total economic value that could be secured in the two counties by expanding the available STR supply, and thereby expanding the overall accommodation supply, to alleviate the forecasted risk of redirection based on peak-day modelling.

The direct economic impact is derived from two key values:

- **Alleviated Number of Nights Redirected**: This represents the portion of the 1.1 M cumulative redirected nights (identified in Part 1) that is captured in the primary area by increasing the STR supply. Different scenarios will be built.
- **Daily Tourism Spending**: Daily tourism spending is defined as the average expenditure per tourist per night. This includes spending on local transport, food and beverage, retail, entertainment, and other services. This also includes the cost of accommodation per person (price divided by group size).

The economic impact of this increase extends beyond direct spending, creating a ripple effect throughout the economy. This ripple effect is computed using an input-output model.

2.1 Modeling STR Supply Increase and Alleviated Nights Redirected

The projected 1.1 M cumulative redirected nights during the LA28 Olympic Games represent the maximum addressable market for Los Angeles and Orange Counties. Expanding the availability of STRs could help the counties accommodate more tourists, without constructing new accommodation infrastructure.

To quantify the number of alleviated nights redirected, we model three scenarios based on different increased percentages of the current STR supply. We then assess how many of the 1.1 M redirected nights could be successfully retained within the primary zone.

The "Medium" Scenario models a market supply increase that is equivalent to the percentage growth in active listings observed during the Olympic and Paralympic Games Paris 2024.[26] The "High" Scenario simulates a situation where there are no regulatory barriers to STR hosting during the Games period and assumes a doubling of the number of STRs available during the LA28 Games.

Table 1 – Nights and peak-days successfully retrained in each scenario

Scenario	STR Supply Increase	Successfully retained
Low	20%	267,000 nights, 79,000 tourists, 24% the total demand
Medium	40%	504,000 nights, 168,000 tourists, 2 peak-days, 46% of the total demand
High	100%	958,000 nights, 282,000 tourists, 8 peak-days, 87% of the total demand

[26] Airbnb, "Bookings and new hosts on the rise for Paris 2024" available on: https://news.airbnb.com/bookings-in-the-paris-region-during-the-olympic-games-up-400/

Source: Deloitte Calculation[27]

The number of alleviated nights in each scenario will be used in the subsequent section to calculate the direct economic impact.

2.2 Daily Tourism Spending

The total estimated expenditure per tourist per night (Daily Tourism Spending) secured by capturing redirected visitors is approximately USD500. This figure includes both non-accommodation expenditure (USD345) and the estimated cost of STR accommodation (USD159). This metric forms the basis for calculating the direct economic opportunity across all capture scenarios.

Methodology for Non-Accommodation Spending (USD345)

The estimation of USD345 for non-accommodation spending is derived from the following methodology:

- **Baseline Projection:** We first establish an average daily spending baseline for tourists (USD 214[28]) in the Los Angeles region in 2019, accounting for the domestic and international tourist mix. This figure is then projected to 2028 using a conservative average annual inflation rate[29] of about 3%. This projection is notably conservative compared to the average annual growth rate of tourism spending observed in LA between 2010 and 2019 (approximately 5%).[30]
- **Mega-Event Uplift:** The projected baseline is then adjusted to account for the typical surge in spending during mega-events. Official findings[31] from past mega-events showed increases up to 100%, we project an 86% increase in daily tourist spending (from USD56 to USD104 during the Games). We applied a similar uplift to our 2028 baseline, resulting in the USD345 per night non-accommodation tourist spending figure.

Accommodation Spending (USD159)

The accommodation cost of USD159 per night per person is based on internal Airbnb data for Los Angeles and Orange Counties. This figure reflects a 90% price increase applied to rental rates to accurately model the premium pricing expected during the LA28 Olympic period. [32]

The resulting total estimated daily expenditure of approximately USD504 is in line with comparable mega-event estimates, such as those published for anticipated average tourist spending during the FIFA World Cup 2026.[33]

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[27] The impact of expanding the STR supply on retaining redirected nights shows diminishing effects. While the initial 20% increase in supply (from 0% to 20%) captures 267,000 nights, the subsequent 20% increase (from 20% to 40%) yields an additional 237,000 nights, and the final 60% modeled increase (from 40% to 100%) captures an incremental 454,000 nights.
This non-linear effect occurs since, on several competition days, the accommodation supply is sufficient to accommodate the demand. Once the supply meets the daily demand, further increases in capacity on those specific days become ineffective for capturing additional demand.

[28] USD 707 Visitor Trip Spend for "All Overnight" divided by the Average Nights Stay of 3.3: 2020 Market Outlook Data for the Los Angeles

[29] US Inflation Calculator. (2025, 24 October). *Current US Inflation Rates: 2000-2025*.

[30] 2020 Market Outlook Data for the Los Angeles Travel & Tourism Industry

[31] Rio 2016 : + 86%, calculated based on the average spending during Rio 2016 (https://bric-group.com/article/gold-medal-brazilian-tourism) and the average spending in 2015 and 2017 (https://www.gov.br/turismo/pt-br/acesso-a-informacao/acoes-e-programas/observatorio/demanda-turistica/demanda-turistica-internacional-1/estudo-da-demanda-turistica-internacional-2015/relatorio_descritivo_2011-2015.pdf)
FIFA World Cup in Los Angeles (projected) : + 300% based on https://losangelesfwc26.com/wp-content/uploads/2024/06/FINAL-FWC-26-LA-Economic-Impact-Report-Micronomics-2024-06-25.pdf
London 2012 : + 100% https://www.telegraph.co.uk/finance/economics/9601918/Tourist-spending-spree-at-London-2012-Olympics-boosts-UK-economy.html
Paris 2024: -4€ https://www.info.gouv.fr/organisation/delegation-jeux-olympiques-paralympiques-paris-2024/presentation-et-publication-des-etudes
Super Bowl LVIII in Las Vegas : +100% https://www.forbes.com/sites/jefffedotin/2024/06/03/super-bowl-lviii-generated-1-billion-economic-impact-for-las-vegas/

[32] For more detail, refer to section 3.

[33] https://digitalhub.fifa.com/m/152f754a8e1b3727/original/FIFA-World-Cup-2026-Socioeconomic-impact-analysis.pdf

Breakdown of Daily Tourism Spending (USD504)

The estimated breakdown per person, per night, is as follows:[34]

- Accommodation (STR): USD159 (32%)
- Food and Beverage: USD112 (22%)
- Transportation: USD78 (15%)
- Shopping/Gifts: USD78 (15%)
- Leisure/Entertainment: USD58 (12%)
- Other: USD19 (4%)

2.3 Economic Impact of the STR Supply Increase

This section quantifies the total economic opportunity established by the STR supply expansion scenarios defined in Section 2.1. The analysis details the different types of economic impact.

- First, we calculate the direct economic impact (initial tourist spending) by multiplying the daily tourism spending metric (USD504) by the number of nights successfully retained for each scenario.
- Second, we calculate the chain reaction initiated by tourist expenditure that results in broad indirect and induced economic impacts.

The Ripple Effect: Indirect and Induced Impacts

The direct effects are the most immediate, arising when tourists spend directly at establishments such as restaurants, taxis, and shops, resulting in an immediate boost to these businesses' revenue.

Following this initial expenditure, indirect effects ensue. These occur as businesses benefiting from tourist spending need to increase supplies to accommodate the higher demand. Consider a tourist spending of USD20 at a restaurant – the direct effect being the restaurant's increased revenue. To serve this extra customer, the restaurant may then purchase USD4 of additional food from its suppliers – the primary indirect effect. This ripple effect extends as those food suppliers need to acquire, for instance, USD2 worth of raw ingredients from farmers, constituting a secondary indirect effect. This chain reaction continues throughout the entire supply chain. As each business earns more, it increases its spending on its own suppliers. This creates a multiplier effect that ripples throughout the economy, impacting numerous sectors as businesses respond to higher demand by increasing their purchases.

Beyond the direct and indirect effects just described, businesses that benefit from tourist spending will also increase wages to meet the higher demand. These wages are then spent by employees within the national economy, creating a new wave of spending and boosting businesses for other sectors – a phenomenon known as the induced effect.

Therefore, direct spending by tourists generates broader indirect and induced effects throughout the economy.

The economic impacts calculated can be presented using the following indicators:

- Turnover/Production: This represents the total revenue generated across all businesses and sectors impacted by the spending, illustrating the full reach of the chain reaction described previously.
- Value Added: This measures the economic contribution at each step of producing goods and services, after deducting the costs of materials and services used. It is similar to the GDP (Gross Domestic Product) computation, which is the sum of value added across the whole economy.
- Jobs: This counts the number of jobs supported by tourist spending, measured in full-time equivalent (FTE) positions.

[34] The breakdown is derived from 2020 Market Outlook Data for the Los Angeles Travel & Tourism Industry

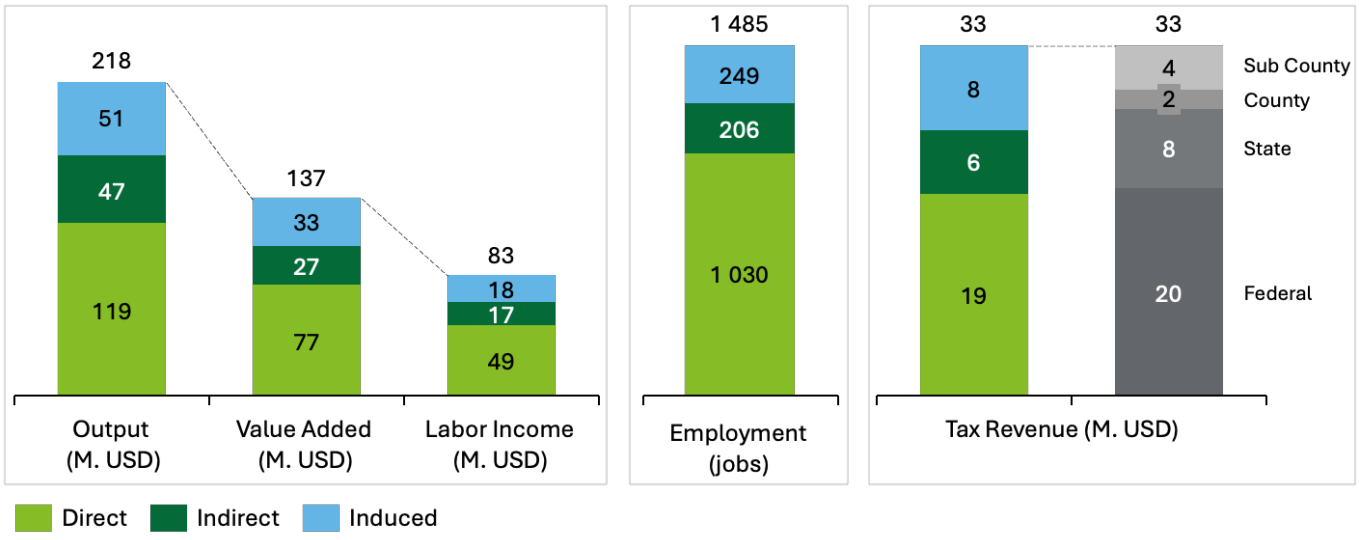
- Taxes on products and production: This represents the government revenue collected from taxes applied directly to the products and services tourists buy (VAT, tourist taxes, etc.) and on production (e.g. corporate taxes) minus subsidies.

All economic impacts are calculated using IMPLAN[35] and are presented for the combined area of the Los Angeles and Orange Counties for each of the three scenarios.

Low Scenario: Capturing 24% of Redirected Nights (267,000 Nights, 79,000 tourists)

Under the first scenario ("Low"), a 20% increase in STR supply successfully retains 267,000 redirected nights (or 79,000 tourists). This initial recaptured spending translates to a direct economic injection of USD136 M in Los Angeles and Orange counties. This direct tourist spending supports more than 1,480 jobs earning USD83 M in labor income, creates an added value of USD137 M and generates a combined tax revenue of USD33 M, including USD6 M at the county and sub county level.

Figure 3 - Economic Indicators by Impact in the "Low" Scenario (Tourism Spending of USD 136M)



Source: Figure by Deloitte based on IMPLAN, 2025.

Estimating the "Low" Scenario Economic Opportunity for the City of Los Angeles
Given that approximately 15% of the STR supply in the primary zone (Los Angeles and Orange Counties) is located within the City of Los Angeles, we conservatively estimate that 15% of the direct economic benefits will be realized at the city level. Hence, in the "low" scenario, this tourism spending at the city level is estimated to be USD20 M.

This USD20 M in tourism spending is then projected to support over 170 jobs (FTE), generate USD9 M in labor income, create USD14 M in value-added economic contribution, and secure a combined USD3 M in tax revenue, which includes USD0.4 M specifically at the city level.

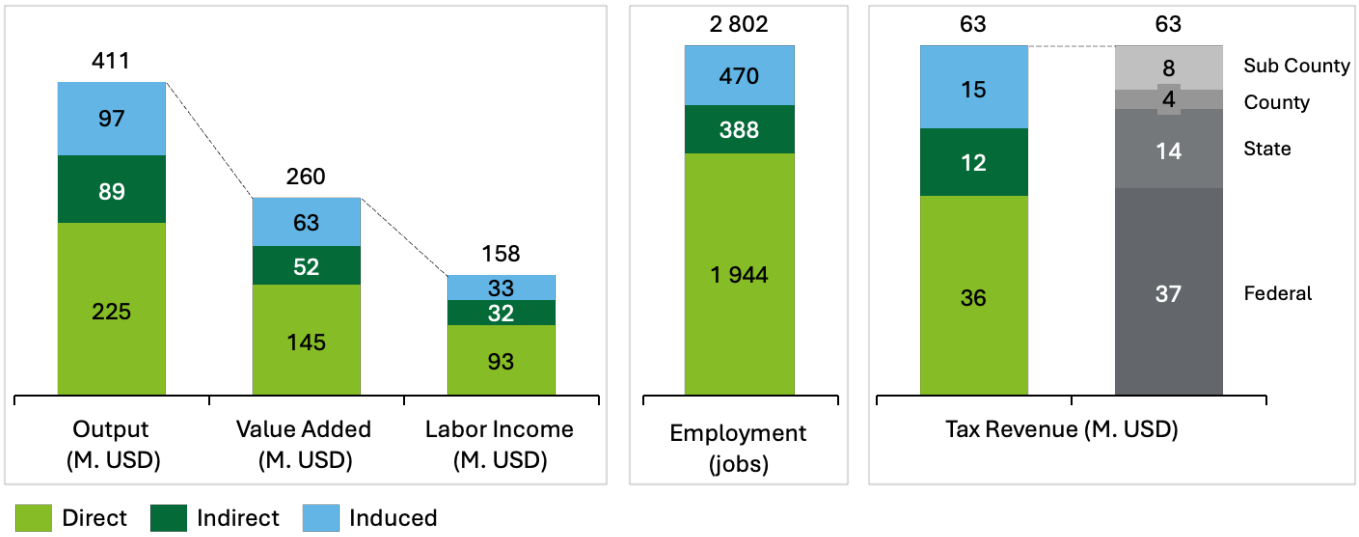
Medium Scenario: Capturing 46% of Redirected Nights (504,000 Nights, 168,000 Tourists)

Under the "medium" scenario, a 40% increase in STR supply successfully retains 504,000 redirected nights (or 168,000 tourists). This initial recaptured spending translates to a direct economic injection of USD257 M in Los Angeles and Orange Counties. This direct tourist spending supports more than 2,800 jobs earning USD158 M in labor income,

[35] IMPLAN is a platform that combines a set of extensive databases, economic factors, multipliers, and demographic statistics with a highly refined, customizable modeling system. https://implan.com/. This study utilizes IMPLAN to estimate regional economic impacts due to its high degree of industrial and geographic granularity, providing data for over 540 distinct industry sectors across every county in the United States. It is based on the input-output methodology and its main assumption is the fixed economic relationship between sectors. It is used by a variety of institutions, including USDA, FEMA, NOAA, US Department of Energy, University of Georgia, Michigan State University, California State University, Coastal Protection Authority, US. National Park Service,

creates an added value of USD260 M and generates a combined tax revenue of USD63 M, including USD11 M at the county and sub county level.

Figure 4 - Economic Indicators by Impact in the "Medium" Scenario (Tourism Spending of USD 257M)



Source: Figure by Deloitte based on IMPLAN, 2025.

Estimating the "Medium" Scenario Economic Opportunity for the City of Los Angeles

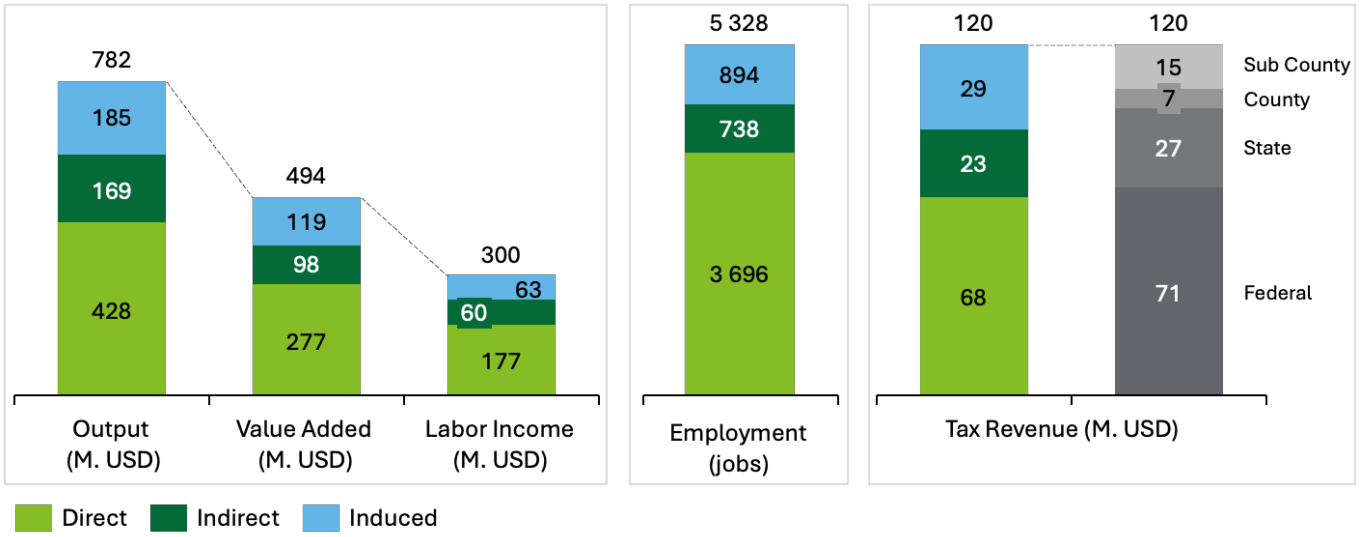
Given that approximately 15% of the STR supply in the primary zone (Los Angeles and Orange Counties) is located within the City of Los Angeles, we conservatively estimate that 15% of the direct economic benefits will be realized at the city level. Hence, in the "medium" scenario, this tourism spending at the city level is estimated to be USD38 M.

This USD38 M in tourism spending is then projected to support over 320 jobs (FTE), generate USD16 M in labor income, create USD26 M in value-added economic contribution, and secure a combined USD5 M in tax revenue, which includes USD0.7 M specifically at the city level.

High Scenario: Capturing 87% of Redirected Nights (958,000 Nights, 282,000 Tourists)

Under the "high" scenario, a 100% increase in STR supply successfully retains 958,000 redirected nights (or 282,000 tourists). This initial recaptured spending translates to a direct economic injection of USD488 M in Los Angeles and Orange counties. This direct tourist spending supports more than 5,300 jobs earning USD300 M in labor income, creates an added value of USD494 M and generates a combined tax revenue of USD120 M, including USD22 M at the county and sub county level.

Figure 5 - Economic Indicators by Impact in the "High" Scenario (Tourism Spending of USD 488M)



Source: Figure by Deloitte based on IMPLAN, 2025.

Estimating the "High" Scenario Economic Opportunity for the City of Los Angeles

Given that approximately 15% of the STR supply in the primary zone (Los Angeles and Orange Counties) is located within the City of Los Angeles, we conservatively estimate that 15% of the direct economic benefits will be realized at the city level. Hence, in the "high" scenario, this tourism spending at the city level is estimated to be USD73 M.

This USD73 M in tourism spending is then projected to support up to 610 jobs (FTE), generate USD31 M in labor income, create USD49 M in value-added economic contribution, and secure a combined USD10 M in tax revenue, which includes USD1.5 M specifically at the city level.

3. Impact of the Lodging Capacity Constraint on Hotel Prices during the LA28 Games

Accommodation prices in host cities for mega-events are known to surge during the event period.[36] This effect is due to the following drivers:

- "Quality-effect": When a city hosts a mega-event, its increased appeal leads tourists to be willing to pay a higher price.[37]
- "Quantity-effect": since the city's appeal increases during a mega-event, the resulting high demand for accommodation will exceed the regular level of supply. This will lead to a more constrained situation for the city's hotel and STR sectors during the event.

Several studies have examined the impact of mega-events and specifically sporting events on hotel prices. Mega-events can be seen as *positive externalities* created by the event organizers, which benefit the accommodation sector.[38] Major events and mega-events temporarily raise the market demand for hotels and other forms of lodging, including Short-Term Rentals (STRs).[39]

Major recent events in Los Angeles include the Super Bowl, the Taylor Swift concerts, the annual LA Marathon and upcoming events such as the FIFA World Cup 2026. During all these events, hotel prices, measured by Average Daily Rates or Revenue Per Available Room, have increased.

Table 2 – Hotel Average Daily Rates during Major Events in Los Angeles

Event	Year	Average Daily Rate (% Increase)	Quote	Source
Super Bowl LVI	2022	USD384 (+108%)	Hotel rates in Los Angeles reached $384 per night	CoStar (2022)
The Eras Tour (Taylor Swift)	2023	USD302 (+17%)	Figure: LA hotel prices (USD)	Lighthouse (2023)
FIFA World Cup 2026	2026	USD480 (+90%)	The model projects average hotel room rates at $480 per night	Micronomics (2024)

We observe that the hotel room price increases were relatively moderate for Taylor Swift's Eras Tour in Los Angeles, with rates around USD302 per night, representing an increase of approximately 17%. In comparison, the Super Bowl LVI in 2022 saw much higher increases, with average ADRs reaching USD384 (+108% compared to the same weekend in 2019).

[36] https://www.hftp.org/news/4121725/event-driven-hotel-pricing-how-do-major-events-influence-the-evolution-of-room-rates

[37] This can be compared to the price tourists are willing to pay for the same hotel room in a hotel with extra amenities such as a swimming-pool, or without extra amenities.

[38] Barreda et al., Evaluating the impact of mega-sporting events on hotel pricing strategies: the case of the 2014 FIFA World Cup, Tourism review Vol. 72 No. 2, 2017.

[39] In economics, a positive externality created by a company's activities is « something positive created by it for which it does not receive payment (source Cambridge dictionary). In this case, the increased desirability of accommodation in the city of the (mega-)event is a positive externality created by the event organizers.

Looking ahead, the FIFA World Cup 2026 is projected to generate the highest ADRs in Los Angeles, with hotel rates expected to reach USD480 per night, an increase of around 90% over expected baseline room rates.[40]

Based on the effects of previous major events like the Super Bowl, and upcoming events such as the FIFA World Cup, it is anticipated that hotel rates during the LA28 Olympic Games will rise significantly.[41] However, expanding accommodation capacity could help positively impact price stability of the lodging market for attendees up to 23% as observed in past events.[42]

[40] Micronomics, Projected Economic Impact of FIFA World Cup 2026™ County of Los Angeles Summer 2026

[41] It is important to distinguish between transient spectator demand and contracted Olympic stakeholder accommodations, which historically help reduce mid-event pricing volatility by anchoring baseline occupancy through long-stay bookings.

[42] https://news.airbnb.com/wp-content/uploads/sites/4/2024/04/TE_Airbnb_UK_Events_300424.pdf

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