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**Airbnb** is an [online marketplace](/wiki/Online_marketplace) that enables people to list, find, and rent [vacation homes](/wiki/Lodging) for a processing fee.[[1]](#cite_note-1) It has over 1,500,000 listings in 34,000 cities and 191 countries.[[2]](#cite_note-2)[[3]](#cite_note-3)[[4]](#cite_note-4) Founded in August 2008 and headquartered in [San Francisco](/wiki/San_Francisco), [California](/wiki/California), the company is privately owned and operated.[[5]](#cite_note-5)

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## History[[edit](/index.php?title=(none)&action=edit&section=1)]

[Template:Further](/wiki/Template:Further) [thumb|upright|Airbnb founder Joe Gebbia (right)](/wiki/File:April_Dembosky_(FT)_and_Joe_Gebbia_(Airbnb)_(7986573359).jpg) Shortly after moving to San Francisco in October 2007, [Brian Chesky](/wiki/Brian_Chesky) and [Joe Gebbia](/wiki/Joe_Gebbia) created the initial concept for AirBed & Breakfast during the Industrial Design Conference held by [Industrial Designers Society of America](/wiki/Industrial_Designers_Society_of_America).[[6]](#cite_note-6) The original site offered short-term living quarters, breakfast, and a unique [business networking](/wiki/Business_networking) opportunity for attendees who were unable to book a hotel in the saturated market.[[7]](#cite_note-7) At the time, roommates Chesky and Gebbia could not afford the rent for their loft in San Francisco. They made their living room into a bed and breakfast, accommodating three guests on air mattresses and providing homemade breakfast.[[8]](#cite_note-8) Their first three guests were attendees of a sold-out design trade show.[[9]](#cite_note-9) In February 2008, technical architect Nathan Blecharczyk joined as the third co-founder of AirBed & Breakfast.[[10]](#cite_note-10) During the company's initial stages, the founders focused on high-profile events where alternative lodging was scarce.[[11]](#cite_note-11) The site Airbedandbreakfast.com officially launched on August 11, 2008.[[12]](#cite_note-12) To help fund the site, the founders created special edition breakfast cereals, with presidential candidates [Barack Obama](/wiki/Barack_Obama) and [John McCain](/wiki/John_McCain) as the inspiration for "Obama O's" and "Cap'n McCains".[[13]](#cite_note-13) In two months, 800 boxes of cereal were sold at $40 each, which generated more than $30,000 for the company's incubation[[14]](#cite_note-14) and attracted [Y Combinator's](/wiki/Y_Combinator_(company)) [Paul Graham](/wiki/Paul_Graham_(computer_programmer)).[[15]](#cite_note-15) After its inauguration, the site expanded to include properties in the market between hotels and [CouchSurfing](/wiki/CouchSurfing).[[16]](#cite_note-16) In January 2009, Y Combinator invited Chesky, Gebbia and Blecharczyk to join the incubator's winter session for three months of training.[[17]](#cite_note-17) With the website already built, they used the $20,000 Y-Combinator investment to fly to New York to meet users and promote the site.[[18]](#cite_note-18) They returned to San Francisco with a profitable business model to present to West Coast investors.

In March 2009, the name Airbedandbreakfast.com was shortened to Airbnb.com, and the site's content had expanded from air beds and shared spaces to a variety of properties including entire homes and apartments, private rooms, castles, boats, manors, tree houses, tipis, igloos, private islands and other properties.[[19]](#cite_note-19) One year later, there were 15 people working from Chesky and Gebbia's loft apartment on Rausch Street in San Francisco. To make room for employees, Brian Chesky gave up his bedroom and lived through the Airbnb service until the company moved into its first office space.[[20]](#cite_note-20) The company continued to experience rapid growth through the year and in November 2010 raised $7.2 million in [Series A](/wiki/Series_A_round) funding from [Greylock Partners](/wiki/Greylock_Partners) and [Sequoia Capital](/wiki/Sequoia_Capital), and announced that out of 700,000 nights booked, 80% had occurred in the past six months.[[21]](#cite_note-21) In February 2011, Airbnb announced its 1 millionth booking since its inception in August 2008.[[22]](#cite_note-22)[[23]](#cite_note-23) Then, in January 2012, Airbnb announced its 5 millionth night booked internationally through the service. In June 2012, the company announced 10 million nights booked, doubling business in 5 months.[[24]](#cite_note-24)[[25]](#cite_note-25) Of these bookings, 75% of the business came from markets outside of the continental [United States](/wiki/United_States).

On May 25, 2011, actor and partner at [A-Grade Investments](/wiki/A-Grade_Investments) [Ashton Kutcher](/wiki/Ashton_Kutcher) announced a significant investment in the company and his role as a strategic brand advisor for the company.[[26]](#cite_note-26) By October 2013, Airbnb had served nine million guests since its founding in August 2008.[[27]](#cite_note-27) In December 2013, the company reported it had over six million new guests in 2013, and nearly 250,000 properties were added in 2013.[[28]](#cite_note-28) In July 2014, Airbnb revealed design revisions to their site and mobile app and introduced a new logo.[[29]](#cite_note-29) Some considered the new icon to be visually similar to [genitalia](/wiki/Genitalia),[[30]](#cite_note-30) but a consumer survey by [Survata](/wiki/Survata) showed only a minority of respondents thought this was the case.[[31]](#cite_note-31) In June 2015, Airbnb decided to sponsor [Manor F1 Team](/wiki/Manor_F1_Team). Their logo appeared on the cars on the front nose and on other areas. it also appeared on team wear and the drivers overalls.

In October 2015, [Jersey City, New Jersey](/wiki/Jersey_City,_New_Jersey) became the first city in the [New York metropolitan area](/wiki/New_York_metropolitan_area) to legalize Airbnb, and add it to their existing body of hotels and motels that pay taxes. In the past, businesses were regulated by zoning laws, but Mayor [Steven Fulop](/wiki/Steven_Fulop) stated that the city does not have enough inspectors to deal the number of local units being rented out, approximately 300 of which rented through the service as of that date, and that rapid-evolving technology such as Airbnb made doing so impossible. Under the new legislation, Airbnb pays the city 6 percent hotel tax on the residential properties whose owners rent temporary living space to tourists for under 30 days, which is estimated to bring $1 million in revenue to the city, and expand tourist capacity beyond the city's 13 existing hotels. Airbnb will also provide insurance protection to homeowners in the event damage done to their residence by renters. The new laws will not prevent condominium associations from voting to prohibit use of Airbnb in their buildings.[[32]](#cite_note-32)

### International expansion[[edit](/index.php?title=(none)&action=edit&section=2)]

In May 2011, Airbnb acquired a German competitor, Accoleo. This [acquisition](/wiki/Merger_and_acquisitions) launched the first international Airbnb office in [Hamburg](/wiki/Hamburg).[[33]](#cite_note-33) Then, in October 2011, Airbnb established its second international office in [London](/wiki/London).[[34]](#cite_note-34) Given the growth of international [users](/wiki/End-user), Airbnb opened 6 additional international offices in early 2012. These cities include [Paris](/wiki/Paris), [Milan](/wiki/Milan), [Barcelona](/wiki/Barcelona), [Copenhagen](/wiki/Copenhagen), [Moscow](/wiki/Moscow), and [São Paulo](/wiki/São_Paulo).[[35]](#cite_note-35) These are in addition to existing offices in [San Francisco](/wiki/San_Francisco), [London](/wiki/London), [Hamburg](/wiki/Hamburg), and [Berlin](/wiki/Berlin) where Airbnb maintains its international presence for the [EMEA](/wiki/Europe,_the_Middle_East,_and_Africa) markets within a German incubator space.[[36]](#cite_note-36) Airbnb announced in September 2013 that its European headquarters would be located in Dublin.[[37]](#cite_note-37) At the beginning of November 2012, Chesky announced his focus on [Australia](/wiki/Australia), the second largest Airbnb market behind the United States, as well as [Thailand](/wiki/Thailand) and [Indonesia](/wiki/Indonesia). To support this effort, Airbnb opened its 11th office in [Sydney](/wiki/Sydney).[[38]](#cite_note-38) The Australian consumer accounts for one-tenth of the Airbnb user base.[[39]](#cite_note-39) Weeks after announcing the focus on Australia, Airbnb announced its strategy to move more aggressively into the Asian market with the launch of their newest headquarters in [Singapore](/wiki/Singapore). The company's goal is to acquire an additional 2 million properties within the continent.[[40]](#cite_note-40) Following the Obama administration's easing of restrictions on U.S. businesses to operate in Cuba, Airbnb expanded to Cuba in April 2015, making it one of the first U.S. companies to do so.[[41]](#cite_note-41)[[42]](#cite_note-42)

## Corporate information[[edit](/index.php?title=(none)&action=edit&section=3)]

### Location and revenue[[edit](/index.php?title=(none)&action=edit&section=4)]

[thumb|Airbnb office in](/wiki/File:AirbnbToronto2.jpg) [Toronto](/wiki/Toronto), [Canada](/wiki/Canada) The Airbnb founding team acts as the key managerial staff for Airbnb: Brian Chesky, Co-Founder and [Chief Executive Officer](/wiki/Chief_Executive_Officer); Joe Gebbia, Co-Founder and [Chief Product Officer](/wiki/Chief_Product_Officer); and Nathan Blecharczyk, Co-Founder and [Chief Technical Officer](/wiki/Chief_Technical_Officer).[[43]](#cite_note-43) In 2016, Airbnb has its nineteen offices in Amsterdam (Netherlands), Barcelona (Spain), Berlin (Germany), Beijing (China), Copenhagen (Denmark), Dublin (Ireland), London (UK), Miami (Florida, USA), Milan (Italy), Moscow (Russia), New Delhi (India), Paris (France), Portland (Oregon, USA), San Francisco (California, USA), São Paulo (Brazil), Seoul (South Korea), Singapore, Sydney (Australia), Tokyo (Japan), and Toronto (Canada).[[44]](#cite_note-44) Airbnb's primary source of [revenue](/wiki/Revenue) comes from service fees from bookings.[[45]](#cite_note-45) Fees range between 6% and 12% depending on the price of the booking. Airbnb also charges the host 3% from each guest booking for credit card processing.[[46]](#cite_note-46) In March 2014, the company announced plans to open a new "operational headquarters" for North America in [Portland, Oregon](/wiki/Portland,_Oregon) but indicated that its main North American headquarters would remain in San Francisco.<ref name=portland-hub-plans>[Template:Cite news](/wiki/Template:Cite_news)</ref>

### Funding[[edit](/index.php?title=(none)&action=edit&section=5)]

As of July 2011, the company had raised [US$](/wiki/US$)119.8 million in [venture funding](/wiki/Venture_funding) from [Y Combinator](/wiki/Y_Combinator_(company)), [Greylock Partners](/wiki/Greylock_Partners), [Sequoia Capital](/wiki/Sequoia_Capital), [Andreessen Horowitz](/wiki/Andreessen_Horowitz), [Digital Sky Technologies](/wiki/Digital_Sky_Technologies), [General Catalyst Partners](/wiki/General_Catalyst_Partners)[[47]](#cite_note-47) and undisclosed amounts from Youniversity Ventures partners [Jawed Karim](/wiki/Jawed_Karim), [Keith Rabois](/wiki/Keith_Rabois), and [Kevin Hartz](/wiki/Kevin_Hartz),[[48]](#cite_note-48) and from A Grade Investments partners [Ashton Kutcher](/wiki/Ashton_Kutcher) and [Guy Oseary](/wiki/Guy_Oseary).

In April 2014, the company closed on an investment of $450 million by [TPG Capital](/wiki/TPG_Capital) at a valuation of approximately $10 billion.[[49]](#cite_note-49) As of March 2015, Airbnb is raising a new round of funding that will place the company at a $20 billion valuation.[[50]](#cite_note-50) In 2015, Airbnb raised $1.5 billion in funding led by growth equity firm [General Atlantic](/wiki/General_Atlantic), and joined by [Hillhouse Capital Group](/wiki/Hillhouse_Capital_Group), [Tiger Global Management](/wiki/Tiger_Global_Management), [Kleiner Perkins Caufield & Byers](/wiki/Kleiner_Perkins_Caufield_&_Byers), [GGV Capital](/wiki/GGV_Capital), China Broadband Capital, and Horizon Ventures.[[51]](#cite_note-51)

### Mergers and acquisitions[[edit](/index.php?title=(none)&action=edit&section=6)]

Since mid-2011, Airbnb has acquired several of its competitors. The first acquisition was Accoleo based out of [Hamburg](/wiki/Hamburg), which became the company's first international office.[[52]](#cite_note-52) Prior to the [2012 Summer Olympics](/wiki/2012_Summer_Olympics), Airbnb acquired London-based rival CrashPadder, subsequently adding six thousand international listings to its existing inventory.[[53]](#cite_note-53) This acquisition made Airbnb the largest [peer-to-peer](/wiki/Peer-to-peer) accommodations website in the [United Kingdom](/wiki/United_Kingdom).[[54]](#cite_note-54) In November 2012, Airbnb acquired NabeWise, a city guide that aggregates curated information for specified locations.[[55]](#cite_note-55) This acquisition shifted the company focus toward offering [hyperlocal](/wiki/Hyperlocal) recommendations to travelers.[[56]](#cite_note-56) In December 2012, Airbnb announced the acquisition of Localmind.[[57]](#cite_note-57) Localmind is a location-based question and answer platform that allows users to post questions about specific locations online. These questions are then answered in real-time by experts on the specified territories.[[58]](#cite_note-58)

### Business model[[edit](/index.php?title=(none)&action=edit&section=7)]

Airbnb is a [peer-to-peer](/wiki/Peer-to-peer) accommodation [market place](/wiki/Market_place) that connects hosts (vendors of rooms/accommodations) and travelers via its website. Airbnb enables transactions between these two entities by charging a 'service fee' without directly owning any rooms by itself.[[59]](#cite_note-59) This new business model disrupt traditional industries by creating new sources of supply and rely on curation for developing quality and self-attainment of maturity from the vendors, or the people operating on behalf of vendors. Security and safety of the accommodation is not always vetted by Airbnb and are completely left to travelers to choose based on published reviews.[[60]](#cite_note-60) Unlike traditional hotels, Airbnb scales not by scaling inventory but by increasing the hosts and travelers and matching them with each other.[[61]](#cite_note-61)

## Operations[[edit](/index.php?title=(none)&action=edit&section=8)]

Airbnb is an [online marketplace](/wiki/Online_marketplace) for vacation rentals that connects users with property to rent with users looking to rent the space. Users are categorized as "Hosts" and "Guests," both of whom must register with Airbnb using a variety of means. A valid [email](/wiki/Email) address and valid telephone were initially the only requirements to build a unique [user profile](/wiki/User_profile) on the website, however as of April 2013, a scan of a government issued ID is now required.[[62]](#cite_note-62) Profiles include details such as user [reviews](/wiki/Reviews) and shared [social connections](/wiki/Social_connectedness) to build a [reputation](/wiki/Reputation) and trust among users of the marketplace.[[63]](#cite_note-63) Other elements of the Airbnb profile include user recommendations and a [private messaging](/wiki/Inter-process_communication) system.[[64]](#cite_note-64) In addition to providing personal information, hosts display listing details including [price](/wiki/Price), [amenities](/wiki/Amenities), [house rules](/wiki/House_rule), imagery, and detailed information about their neighborhood. Due to the nature of the business, a merit system is in place to allow guests and hosts to leave references and ratings which are displayed to the public in order to provide an evaluation method.[[65]](#cite_note-65) Since 2008, the website has developed to include [social connections](/wiki/Social_connectedness) pulling data from [social networking services](/wiki/Social_networking_services) such as [Facebook](/wiki/Facebook). As of May 2011, the site uncovered over 300 million connections between Airbnb and the Facebook [user groups](/wiki/User_group).[[66]](#cite_note-66)

### Signup and reservations[[edit](/index.php?title=(none)&action=edit&section=9)]

Users of the site must register and create a personal [online profile](/wiki/Online_identity) before using the site. Every property is associated with a host whose profile includes recommendations by other users, reviews by previous guests, as well as a response rating and private messaging system.[[67]](#cite_note-67) The listing will not go live until the user is ready to publish. Pricing can be determined by the user. Users can charge different prices for nightly, weekly, and monthly stays as well as seasonal pricing. The Titles and Descriptions sections can be used to advertise their space. They can outline house rules or other descriptions regarding the residence. Airbnb allows users to publish up to 24 photographs of the place. For eligible hosts, Airbnb offers free professional photography in most of the listed areas. The beautiful photography is one of the hallmarks of the Airbnb website and app.[[68]](#cite_note-68) Profile is a place where the guests can research more about the hosts and is used by hosts to display who they are as well as their philosophies on hosting.[[69]](#cite_note-69) Guests are required to message the user directly through Airbnb to ask questions regarding the property. Users have 100% control over who books their place. When a potential guest puts in a reservation request, the host has at least 24 hours to accept or decline the request.[[69]](#cite_note-69) After the user accepts a reservation, they can coordinate meeting times and contact information with guests. After the reservation is complete, users are encouraged to leave a review. Reviews help build validity and references both for the guests and the host.[[69]](#cite_note-69)

### Mobile[[edit](/index.php?title=(none)&action=edit&section=10)]

In addition to the Airbnb website, the company offers [mobile applications](/wiki/Mobile_applications) for [iOS](/wiki/IOS) and [Android](/wiki/Android_(operating_system)) customers; also (from September 2014) a version for the [Apple Watch](/wiki/Apple_Watch).[[70]](#cite_note-70) These offer [geolocation](/wiki/Geolocation) and much of the functionality of the website, including (which allows faster response times) [private messaging](/wiki/Inter-process_communication).[[71]](#cite_note-71) As of September 2012, users had downloaded the mobile application over 1 million times, and bookings made via the app accounted for over 26% of the company's overall traffic.[[72]](#cite_note-72) In December 2012, [Apple](/wiki/Apple_Inc.) awarded Airbnb the Editor's Choice award for the Best Mobile Application of 2012 in the UK market.[[73]](#cite_note-73) Airbnb was also awarded Most Disruptive Service of 2012.[[74]](#cite_note-74)

### Security[[edit](/index.php?title=(none)&action=edit&section=11)]

Airbnb user profiles contain recommendations, reviews, and ratings to build credible [online reputations](/wiki/Online_reputation) within the platform. Additionally, the site provides a private messaging system as a channel for users to message one another privately before booking and accepting reservations.[[75]](#cite_note-75) Hosts are never required to accept a reservation.[[76]](#cite_note-76) After the guest has checked out, the parties review one another to build website credibility similar to online marketplaces like [eBay](/wiki/EBay).

Airbnb facilitates [online payments](/wiki/E-commerce_payment_system) from guest to host through its Security Payments feature which processes payment transactions 24 hours after check in.[[77]](#cite_note-77) This protocol offers a guarantee for guests and helps to uphold host cancellations policies before processing payments. Additionally, the Airbnb website facilitates security deposits and cleaning fees, the former of which is held until the property is vacated. The company's revenue comes from a 6% to 12% commission of the guest payment and 3% of what the host receives.[[78]](#cite_note-78) Any Airbnb host can now require their prospective guests to obtain Verified IDs before booking. Initially trust was tit-for-tat so any host who requests this condition must also get verified. However this has been changed such that **all** guests must have a verified ID before booking.[[79]](#cite_note-79)

### Wish lists[[edit](/index.php?title=(none)&action=edit&section=12)]

In June 2012, Airbnb launched a [wish list](/wiki/Wish_list) feature offering users the ability to create a curated catalog of desired listing they would like to visit.[[80]](#cite_note-80) Co-Founder and [Chief Product Officer](/wiki/Chief_Product_Officer), Joe Gebbia and his team conceived the idea of changing the website from an [online marketplace](/wiki/Online_marketplace) to a source for inspiration. Users can organise their favorite destinations into organized lists and share these with other users.[[81]](#cite_note-81) Since the launch of the Wish List functionality in June 2012, engagement with the Airbnb website increased by 30%. 45% of users engage with Wish Lists and had added over 1 million accommodations to personalized lists.[[82]](#cite_note-82) In creating Wish Lists, the product team [designed](/wiki/Web_design) a proprietary "info scrolling system" which allows users to engage with these lists without the website slowing down the [user experience](/wiki/User_experience). Additionally, Airbnb [open sourced](/wiki/Open_source) the code, Infinity.js to the [software developer](/wiki/Software_developer) community.[[83]](#cite_note-83)

### Neighborhoods[[edit](/index.php?title=(none)&action=edit&section=13)]

In November 2012, Airbnb launched the Neighborhoods product.[[84]](#cite_note-84) This [travel guide](/wiki/Travel_guide) helps travelers choose to the ideal neighborhood match based on a series of [collaborative filters](/wiki/Collaborative_filtering) and attributes such as Great Transit, Dining, Peace & Quiet, Nightlife, Touristy, and Shopping.[[85]](#cite_note-85) Currently[Template:When](/wiki/Template:When), the Neighborhoods product is enabled for [San Francisco](/wiki/San_Francisco), [New York](/wiki/New_York), [London](/wiki/London), [Paris](/wiki/Paris), [Berlin](/wiki/Berlin), [Washington, D.C.](/wiki/Washington,_D.C.), and [Rio de Janeiro](/wiki/Rio_de_Janeiro) giving in-depth information for selected neighborhoods in these cities through photos, essays, maps, tags from locals, and assessments of public transportation.[[86]](#cite_note-86) The Airbnb product team hand-mapped 300 neighborhoods within these seven cities and had local editors curate content for each neighborhood. Airbnb also added 70 [street photographers](/wiki/Street_photography) who generated 40,000 photographs for the project.[[87]](#cite_note-87)

## Impact[[edit](/index.php?title=(none)&action=edit&section=14)]

### Critical reception[[edit](/index.php?title=(none)&action=edit&section=15)]

The founders of Airbnb have been praised for tenacity and creativity by [Paul Graham](/wiki/Paul_Graham_(computer_programmer)) (co-founder of Y-Combinator, Airbnb's incubator)[[88]](#cite_note-88) and [*The Wall Street Journal*](/wiki/The_Wall_Street_Journal).[[89]](#cite_note-89) Airbnb has been compared to [Craigslist](/wiki/Craigslist), [HomeAway](/wiki/HomeAway), Flip Key, WorldEscape, Uproost, and [Groupon](/wiki/Groupon), other sites that offer spur-of-the-moment rentals.[[90]](#cite_note-90) Airbnb won the "breakout app" award at the 2011 [South by Southwest](/wiki/South_by_Southwest) conference.[[91]](#cite_note-91) Along with [Quora](/wiki/Quora) and [Dropbox](/wiki/Dropbox_(service)), [*The New York Times*](/wiki/The_New_York_Times) listed Airbnb among the next generation of multibillion-dollar start-ups.[[92]](#cite_note-92) Following Airbnb, other services such as Getaround, Vayable, Guidehop, myTaskAngel and Task Rabbit launched with a similar model.[[93]](#cite_note-93) New York's state legislature passed a law in July 2010 making it illegal to rent out [Class A residential space](/wiki/Residential_area) for less than 30 days. However, the bill's sponsor, State Senator [Liz Krueger](/wiki/Liz_Krueger) said Airbnb and its competitors are not the law's target.[[94]](#cite_note-94)

### Cultural impact[[edit](/index.php?title=(none)&action=edit&section=16)]

In July 2010, the company received more than 300 emails from people who were on the brink of losing their homes through foreclosure due to financial hardship from the economic recession; these people said that they depended on their continued ability to sublet rooms in their residences.[[95]](#cite_note-95) Non homeowning users also frequently sublet their homes to renters for prolonged periods - often a breach of tenancy.[[96]](#cite_note-96) Yet a July 2014 ruling nixed a landlord's eviction plans after his New York City tenant sublet her unit through Airbnb. The judge found that local laws prohibiting short-term sublets only apply to landlords, potentially opening the doors to many more sublets through Airbnb in the coming months and years. Though this ruling sets a pro-sublet precedent, landlords who ask tenants to stop their practices will still expect compliance.[[97]](#cite_note-97) Wealthy homeowners who may have been reluctant to rent out their properties over traditional bulletin boards or Internet sites like Craigslist, have reportedly found Airbnb to be a more reliable service for earning revenue from their second homes.[[98]](#cite_note-98) This phenomenon has caused much distress for the American Hotel & Lodging Association as short-term private rentals continue to disrupt the hospitality industry.[[99]](#cite_note-99) A further incentive for luxury homeowners occurred in August 2015, when Airbnb partnered with [Tesla Motors](/wiki/Tesla_Motors) to provide chargers at certain host houses, firstly in California.[[100]](#cite_note-100) In November 2012, Airbnb commissioned HR&A Advisors to conduct a study which measured the [market impact](/wiki/Market_impact) of collaborative consumption by users within urban populations. Specifically, the study measured the impact these companies had on the economy of [San Francisco](/wiki/San_Francisco).[[101]](#cite_note-101) The study found that from April 2011 to May 2012, guests and hosts utilizing the service contributed $56 million in spending within the San Francisco economy, $43.1 million of which supported local businesses.[[102]](#cite_note-102) Over 90% of hosts surveyed rented their [primary residences](/wiki/Primary_residence) to visitors on an occasional basis, and spent nearly half the income they make on living expenses. The study also found the average guest stay was 5.5 days, compared to 3.5 days for hotel guests, and the average guest spent $1,045 during their stay, compared to the $840 spent by hotel guests.[[103]](#cite_note-103) In the aftermath of [Hurricane Sandy](/wiki/Hurricane_Sandy), Airbnb partnered with New York City Mayor [Michael Bloomberg](/wiki/Michael_Bloomberg) to offer free housing for persons displaced by the storm.[[104]](#cite_note-104) Airbnb built a [microsite](/wiki/Microsite) for this effort alone where victims register for housing and meet property owners with free housing.[[105]](#cite_note-105) Additionally, Airbnb waived all service fees associated with these listings while maintaining the Host Guarantee for all properties listed.[[106]](#cite_note-106)

## Sponsorships[[edit](/index.php?title=(none)&action=edit&section=17)]

The company was the official jersey sponsor for the [Australia men's national basketball team](/wiki/Australia_men's_national_basketball_team) at the [2014 Basketball World Cup](/wiki/2014_Basketball_World_Cup).[[107]](#cite_note-107)

## Criticism and controversies[[edit](/index.php?title=(none)&action=edit&section=18)]

### Fair housing implications[[edit](/index.php?title=(none)&action=edit&section=19)]

The United States [Civil Rights Act of 1968](/wiki/Civil_Rights_Act_of_1968) prohibits property owners, financial institutions, and landlords from discriminating based on personal attributes such as race and religion, but there is confusion as to whether someone subleasing a home is subject to these provisions. Users are encouraged to build online profiles to "build" trust, and studies have shown that (after accounting for location and housing quality) non-black hosts charge on average about 12% more than black hosts.[[108]](#cite_note-108)

### Incidents and host security[[edit](/index.php?title=(none)&action=edit&section=20)]

In response to property damages claims, Airbnb launched its "Host Guarantee" property protection program in August 2011, which covers [property loss](/wiki/Property_loss) and damage due to [vandalism](/wiki/Vandalism) and theft for up to $50,000.[[109]](#cite_note-109) Additionally, the company initiated a 24-hour customer service hotline, established a taskforce to review suspicious activity, and implemented a suite of security features.[[110]](#cite_note-110) Airbnb recommends that hosts obtain insurance which covers damages caused by guests.[[111]](#cite_note-111) Airbnb offers *secondary* insurance, calling it a host guarantee.[[112]](#cite_note-112) Airbnb Host Guarantee provides protection of up to [USD](/wiki/United_States_Dollar) 1 million in damages to eligible property in the event of guest damages which are not resolved directly with the guests. The countries eligible for the Host Guarantee are Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, the Netherlands, Norway, Puerto Rico, Singapore, South Korea, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Kingdom, and the United States.[[113]](#cite_note-113) There was a report of a host who rented his apartment on Airbnb and assaulted a guest.[[114]](#cite_note-114)<ref name=gawk>[Template:Cite web](/wiki/Template:Cite_web)</ref> After 14 hours of no response from Airbnb, the company initially indicated they would not compensate the host for damages.<ref name=tc/><ref name=times>[Template:Cite news](/wiki/Template:Cite_news)</ref><ref name=mash>[Template:Cite web](/wiki/Template:Cite_web)</ref><ref name=usatoday>[Template:Cite news](/wiki/Template:Cite_news)</ref> They later reversed this decision amidst public backlash.<ref name=tc/><ref name=tc/> Following the incident, more hosts came forward expressing similar experiences.<ref name=usatoday/><ref name=tc2>[Template:Cite web](/wiki/Template:Cite_web)</ref>

In March 2014, Ari Teman rented his apartment out through Airbnb. According to reports, under the premise of renting the apartment for the renter's relatives, it was instead rented for the purposes of a sexual [orgy](/wiki/Orgy). Teman stated that over $87,000 in damages were caused (an amount later revised to $23,817[[115]](#cite_note-115)) and that the building is considering his eviction.[[115]](#cite_note-115)[[116]](#cite_note-116)[[117]](#cite_note-117)[[118]](#cite_note-118)

### Financial, tax, and legal liabilities[[edit](/index.php?title=(none)&action=edit&section=21)]

A 2011 New York State law prohibits renting residential units for less than 29 days, with certain exceptions.[[119]](#cite_note-119)[[120]](#cite_note-120)[[121]](#cite_note-121) In May 2013 a New York City judge penalized Airbnb user Nigel Warren with a $2,400 fine.[[122]](#cite_note-122) In April 2015, Airbnb asked the state legislature for legalization in return for the collection of hotel taxes.[[123]](#cite_note-123)[[124]](#cite_note-124) In January 2014 the Federal Court of Germany ruled that a transfer of residence to tourists is not covered by a permission to sublet. In this case the tenant was previously warned by the landlords. A pending new case centers around the question if even a termination without notice is possible if no explicit permission from the landlord is obtained.[[125]](#cite_note-125) In San Francisco, Airbnb's home city, Airbnb hosting was illegal under most circumstances and Airbnb hosts had been fined by the city and received eviction notices from landlords.[[126]](#cite_note-126) This situation changed in October 2014, when San Francisco Mayor Ed Lee signed a law legalizing short-term rentals in San Francisco. The law received the moniker of "Airbnb law" as Airbnb was the most affected company. The law requires renters to register as hosts with the city, carry liability insurance, and pay the city's 14 percent hotel tax.[[127]](#cite_note-127) According to a study commissioned by Airbnb itself, in fiscal year 2011-2012, Airbnb should have collected and remitted $1.9 million to the City of San Francisco, but they have yet to do so as of 2014.[[128]](#cite_note-128) In 2015, the company put up a set of ads suggesting various ways the city of San Francisco could use the company’s tax payments. The ads, which were "undoubtedly aiming to drum up good will" suggested ways which the city could use the taxes it was contributing for social good.[[129]](#cite_note-129) They were met with criticism, with readers calling them "tone deaf" and "passive aggressive."[[129]](#cite_note-129) In Spain, treasury department, in 2016 has started to send letters to owners that according with its information have not declared incomes. [[130]](#cite_note-130)

### Berlin restricts Airbnb rentals[[edit](/index.php?title=(none)&action=edit&section=25)]

In 2014, Berlin's government passed legislation intending to limit the rentals of entire apartments on Airbnb, owners are allowed to rental only rooms. The law took affect in April, 2016, and threatens to fine individuals up to €100,000 if found renting without a permit.[[139]](#cite_note-139)

### Drip pricing[[edit](/index.php?title=(none)&action=edit&section=26)]

When customers search for accommodation, Airbnb displays per-night prices that exclude its own per-night service charges, and the total price is not revealed until the customer selects an individual property. Furthermore, if the customer searches for properties within a price range, the search returns properties where only part of the price falls within the desired price range rather than where the total price falls within the price range. In late 2015, the [Australian Competition and Consumer Commission](/wiki/Australian_Competition_and_Consumer_Commission) took action against Airbnb for this form of [drip pricing](/wiki/Drip_pricing). Consequently, users of Airbnb's Australian web site now see the total price of a stay including all unavoidable charges at every stage of the booking process.[[140]](#cite_note-140)[[141]](#cite_note-141) Airbnb continues to use drip pricing in other markets, whereby it does not allow the consumer to see the total price when displaying multiple accommodation prices simultaneously and continues to display misleading results in price range searches.

### Boycott over Israeli settlements[[edit](/index.php?title=(none)&action=edit&section=27)]

Airbnb is on the [Boycott, Divestment and Sanctions](/wiki/Boycott,_Divestment_and_Sanctions) list of companies.[[142]](#cite_note-142) The company was added following media reports that accommodation listings included settlements in the occupied Palestinian territories that are advertised as being in Israel.[[143]](#cite_note-143)

## See also[[edit](/index.php?title=(none)&action=edit&section=28)]

* [Online platforms for collaborative consumption](/wiki/Online_platforms_for_collaborative_consumption)
* [OYO Rooms](/wiki/OYO_Rooms)
* [QiK Stay](/wiki/QiK_Stay)
* [Tripoto](/wiki/Tripoto)
* [ZO Rooms](/wiki/ZO_Rooms)

## References[[edit](/index.php?title=(none)&action=edit&section=29)]

[Template:Reflist](/wiki/Template:Reflist)

## External links[[edit](/index.php?title=(none)&action=edit&section=30)]

[Template:Commons category](/wiki/Template:Commons_category)

* [Template:Official website](/wiki/Template:Official_website)
* [Template:OpenCorp](/wiki/Template:OpenCorp)

[Template:YC companies](/wiki/Template:YC_companies) [Template:Uberisation](/wiki/Template:Uberisation) [Category:2008 establishments in California](/wiki/Category:2008_establishments_in_California) [Category:Android (operating system) software](/wiki/Category:Android_(operating_system)_software) [Category:Companies based in San Francisco, California](/wiki/Category:Companies_based_in_San_Francisco,_California) [Category:Freelance marketplace websites](/wiki/Category:Freelance_marketplace_websites) [Category:Hospitality companies of the United States](/wiki/Category:Hospitality_companies_of_the_United_States) [Category:IOS software](/wiki/Category:IOS_software) [Category:Multilingual websites](/wiki/Category:Multilingual_websites) [Category:Online companies](/wiki/Category:Online_companies) [\*](/wiki/Category:Peer-to-peer) [Category:Privately held companies in the United States](/wiki/Category:Privately_held_companies_in_the_United_States) [Category:Travel websites](/wiki/Category:Travel_websites) [Category:TvOS software](/wiki/Category:TvOS_software) [Category:Uberisation](/wiki/Category:Uberisation) [Category:Vacation rental](/wiki/Category:Vacation_rental) [Category:WatchOS software](/wiki/Category:WatchOS_software) [Category:Y Combinator companies](/wiki/Category:Y_Combinator_companies) [Category:Real estate services companies of the United States](/wiki/Category:Real_estate_services_companies_of_the_United_States)