

Airbnb's sharing economy threatens traditional lodging

By Andy Kessler, Wall Street Journal

San Francisco's Radius Cafe is one of those places where "local" is the rule – all the food is sourced within a 100-mile radius of the restaurant. So it's a touch ironic to meet there with Brian Chesky, the hoodie-wearing 32-year-old co-founder of Airbnb, whose game plan is global.

Airbnb is a Web service that lets travelers book couches, beds, rooms, houses, boats and even castles on a nightly basis. In six years Airbnb has become a company valued at \$2.5 billion, with 500,000 properties available in more than 190 countries – a stand out in what is often called the sharing economy. Airbnb could do to hotels what Amazon has done to bricks-and-mortar bookstores. By year's end, Airbnb says it will have booked more overnight stays than the Hilton and InterContinental hotel chains.

As might be expected, hoteliers and hospitality-industry regulators are suspicious of the Airbnb model. In October, New York state sued the company for violating a law passed in 2010 – just when Airbnb was picking up steam—barring private citizens from renting an entire apartment for less than 30 days.

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