

# Online company: airbnb

Business, E-Commerce



Online Company: Airbnb Please write a background memo on Airbnb What they are Airbnb is an online company that serves as a rental startup that provides a platform to acquire renting facilities such as houses and apartments. Who found the company? Its co-founder Brian Chesky Brief description about how they operate Airbnb aids people rent their apartments to travelers at a fast and convenient rate. The company, valued at over \$10 billion, provides a site in which one may post the availability of a room or an entire apartment if they will be out for a weekend, a week, or a month. The renter can pocket extra cash instead of leaving a room/apartment unoccupied. Its guests, who must be over eighteen years of age, only hold a single account, as per Airbnb's terms and conditions, through which they conduct their operations. The company requires hosts to have insurance of their property before subletting or renting out to visitors (Couts 1). Any issues they have with governments in the US and governments around the world The company has had several controversial issues. The New York State Attorney General Eric Schneiderman has an issue with the thousands of residents whose houses are up for rent in the website. The company provides a challenge to corporate hoteliers and property owners who are in the accommodation and housing industry. Their presence undermines the economic interests of other profit-making organizations. Apart from the legal issues they encounter in America, the local government in Amsterdam, The Netherlands is not pleased with Airbnb's operations. According to Harrison Weber, the government does not acquire any form of remuneration, for instance, taxes, from "illegal renting". Separately, the New York real estate law does not support some housing arrangements. For instance, "owners or

renters of New York apartments cannot rent them out to someone else for less than 30 days unless they are also present” (Abbruzzese and Plautz). According to Abbruzzese Jason and Jessica Plautz, this law makes Airbnb’s operations illegal, mainly because of tax evasion. Any news clips or criticism with/by governments The company has received criticisms from several governments. There are concerns from authorities on whether people renting out their houses do so against the law. Debate rages on whether their activities are illegal, based on the constitution of diverse countries. The Amsterdam authorities, for instance, outline an illegal hotel as “ an apartment or house without an official hotel permit that can be rented by tourists in return for money” (Weber 1). While their business is legitimate, the rental, as a housing arrangement, is what is technically illegal. In a CBS article (The Associated Press), San Francisco lawmakers are in talks with Airbnb and its competitors on how they can legalize their operations and avoid confrontation with authorities. Works Cited Abbruzzese, Jason and Jessica Plautz. New York Goes to War against Airbnb for Disrupting Hotel Business. Mashable, Apr 26, 2014. Airbnb. Find a place to stay. Web. June 17, 2014. Coutts, Andrew. Terms & Conditions: Airbnb makes everything your problem. Digital trends. Surowiecki, James. Airbnb’s New York Problem. The New Yorker, October 8, 2013. The Associated Press. Is Airbnb putting a squeeze on San Francisco rentals? CBS Money Watch, June 16, 2014 Weber, Harrison. Airbnb could be banned in Amsterdam: Local authorities are now hunting for Illegal hotels. TNW, 2 February 2013.