

Airbnb a 'Savior' to Some Homeowners, a Nuisance to Some Cities

By Walter Hamilton

(MCT)—Despite working 18-hour days, including part time as a waitress at a strip club, Hope Arnold was on the verge of losing her Los Angeles home.

Then she discovered Airbnb, a website that links vacationers seeking an alternative to hotels and homeowners with rooms to rent.

Billing her place as an “artsy and rustic 1927 treehouse,” she started renting out her master bedroom, while she slept in the den. It paid off. Arnold has made \$39,000 on Airbnb in the past 12 months, and the site now accounts for as much as 70 percent of her monthly income.

“It has been a financial savior for me,” says Arnold, 39.

Originally conceived as a way to make a few extra bucks, Airbnb has emerged as an unexpected lifeline for struggling homeowners — but one they are now trying to preserve in the face of a growing backlash.

Echoing concerns in other cities, officials in Los Angeles’ Silver Lake neighborhood, where Arnold lives, complain that Airbnb has taken over their community. The neighborhood council is contemplating a crackdown to reduce noise, traffic and parking problems.

Airbnb proponents say many homeowners rely on the site to help them cover living expenses in a sluggish economy that's still riddled with high unemployment.

Growth has been driven by the lingering effects of the 2008 global financial crisis, as people who can't land full-time work stitch together part-time gigs. Advocates liken Airbnb to homeowners who took in boarders during the Great Depression.

"These people depend on this additional income," says Lisa Gansky, who wrote a book on what's known as the sharing economy. "It's supplementing essentials, allowing them to pay medical bills or allowing them to stay in their homes."

According to a study by Airbnb last year, 56 percent of hosts in San Francisco use their earnings to help pay their mortgage or rent. The company is doing a similar analysis in Los Angeles.

Proponents say it's part of a broader shift in the economy being propelled by an emerging peer-to-peer marketplace.

Websites such as Lyft, RelayRides and TaskRabbit enable people to cobble together a living by renting their cars, their couches, or their own time and expertise.

“This is the first stage of something more profound, which is the ability of people to structure their lives around doing multiple sharing-economy activities as a choice in lieu of a 9-to-5, five-day-a-week job,” said Arun Sundararajan, a professor at New York University.

“This is technology-driven progress,” he says. “This is what it’s all about.”

But opposition is rising from neighbors, business rivals and city officials.

Web-based transportation services such as Uber, Lyft and SideCar have drawn howls of protest from taxicab companies decrying what they say is unregulated competition. The sites pair riders with car owners willing to ferry them around in their own vehicles for fees or “donations” lower than those charged by cabs.

Likewise, plumbers and other tradesmen bristle at what they contend are unlicensed rivals undercutting them on TaskRabbit, a help-for-hire site listing people who will happily walk a dog or fix a leaky faucet.

Airbnb is among the most prominent sites to encounter opposition.

Critics in Silver Lake say some Airbnb hosts are running virtual hotels, packing homes with throngs of visitors whose sheer presence alters the community feel.

“They’re popping up everywhere,” says Scott Plante, a neighborhood councilman. “They’re all over Silver Lake, and it’s the volume of these things. There has to be some sort of balance.”

Airbnb rentals violate zoning laws, which prohibit rentals shorter than 30 days, except for licensed hotels and bed-and-breakfasts, council member Anne-Marie Johnson said.

Johnson suspects that many Airbnb hosts are hiding behind false claims of financial desperation.

“People have jumped onto that urban myth: ‘We had to do it or we wouldn’t survive,’ ” she says.

The potential for bigger profits has prompted some landlords to transform long-term apartments into short-term Airbnb units.

That pushes up rents of remaining apartments and squeezes out young or low-income people, says Neal Gorenflo, co-founder of Shareable.net.

“We’re in favor of people occasionally renting out their homes and bringing in extra income and financial security, but not doing it to the extent where you start to hurt the local housing stock,” Gorenflo says.

Airbnb hosts say they’re just trying to stay afloat.

Andrea Hutchman turned to Airbnb last year after she and her husband, both actors, had trouble paying their mortgage. Acting work was sporadic, and part-time jobs were low-paying and tough to get, she said.

Rental demand has been strong for the one-bedroom guesthouse in their backyard.

“We’re absolutely doing it to pay the bills,” she says.

That rings true for Arnold as she stands in the bedroom of her hillside home changing sheets.

Business at the R Bar in Los Angeles, which Arnold co-owns, sank during the 2008 financial crisis and is still far below its peak. That coincided with a huge jump in her mortgage payments.

Arnold took a variety of part-time jobs, eventually stringing together waitress stints and other gigs that stretched from 8 a.m. to 2 a.m.

"I was working all the time," Arnold says. "You can only put your head down and deny that you're tired for so long."

That changed when a friend told her about Airbnb a year ago. Arnold already had a long-term renter occupying her main house, and then started renting out the bedroom of the back guest cottage for less than \$100 a night.

"This is a cute little woodsy bungalow in the hills of L.A., not the Beverly Hills Hotel," Arnold wrote on Airbnb. "If you want clean lines and perfect cleanliness, this is not the place."

Arnold concedes it's "strange to rent part of your own house out." But, she adds, "if you can wrap your head around it, it can literally save your home or feed your children."