Disruptive Innovation

An innovation that creates a new market and eventually disrupts an existing market, displacing the established market-leading firms and products.
What is a Short Term Rental?

A short term rental (STR) is the renting out of a furnished apartment, condominium, or house for less than 30 days, as an alternative to a hotel.

Additionally, short term rentals are usually booked through a third party website, such as Airbnb, which, in exchange for connecting renters to landlords, is paid a commission.
Airbnb Growth

Nights Booked
100 million

2011 '12 '13 '14 '15 ‘16

129 Million
Growth of Third Party Websites

CorporateHousing.com™ Interhome
WIMDU HomeAway® EXECUStay
HOUSE HomeAway®
TRIP® tripadvisor®
FLIPKEY vacationhomegetaways.com
roomorama™
9flats.com vaycayhero
VacationRentals.com™
PerfectPlaces.com®
tripping
bedyCasa
Homestay.com
VRBO®
Vacancy
Why are STRs popular?

- Variety of accommodations
- Many price options
- Ease of use
- Locations
- Nearly unlimited supply
- Extra income for owners
- "Authenticity"
Airbnb in El Segundo
Problems

• Noise, traffic, trash
• Reduces housing availability
• Hotel bookings impacted
• Potential loss of TOT
Options

1: Hands Off

2: Ban

3: License, Tax & Regulate