

## Sharing Economy Hot Streak Continues In 2014

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The sharing economy has seeped into the hotel business, transportation, home services and even boats and surfboards. The Internet has made, it would seem, nearly everything available for hire or rent through our peers.

Perhaps no place has embraced the sharing economy more than the Bay Area, home to Airbnb, City CarShare and Lyft, which for the last year have been on a hot streak. The New Year promises to bring more exciting developments, now that California has legalized ride-sharing services, the Bay Area's bike sharing program is up and running and Airbnb just moved into [a snazzy new 72,000-square-foot office](#) to expand its operations.

But the disruptive sharing economy also butts heads with regulatory agencies, creating conflict with insurance companies, tax laws and transportation officials. And we've likely just seen the start of the battle of shared economy vs. regulators.

**Here are a few things to keep an eye on during 2014:**

**Uber:** The San Francisco hire-a-car app led the ride-sharing revolution in the Bay Area and beyond, but the service may be falling out of favor with more cost-conscious riders. Uber's black car service, while popular in the early days of ride-sharing, has lost some of its novelty now that other, cheaper options have become more mainstream. A Lyft or Sidecar ride can run about half that of a city cab fare and a fraction of Uber's black car service — Uber is known for surge-pricing model during peak travel days and nights. The company rolled out UberX this year as a cheaper option, which offers rides in hybrid or compact cars, but Uber's brand is, in the mind of many consumers, still synonymous with a luxury service. We could see Lyft and Sidecar edge Uber out of the lower-priced tier of ride-sharing.

Uber also faces a critical vote by the California Public Utilities Commission in 2014. The commission [voted in September](#) on new transportation regulations for the ride-sharing industry, but said those rules would only apply to UberX. Commissioners will decide in a later vote whether Uber's black car service should be regulated by existing rules also used for town cars and limousines. Either way, Uber will likely have to comply with new regulations sometime in the New Year.

**Lyft, SideCar, UberX:** Ride-sharing companies that fall under the state's new transportation regulations must apply by January for a license as a Transportation Network Company and begin complying with safety and insurance regulations. The big questions are how the PUC will inspect the companies for compliance and enforce regulations for a rapidly growing and nascent industry. Also, ride-sharing services will continue their battles with insurance companies that do not insure individual SideCar or Lyft "community drivers" the way they do licensed cab drivers.

**Bike sharing:** It [came to the Bay Area](#) in August, starting with San Francisco, Redwood City, Palo Alto, Mountain View and San Jose. The Bay Area Bike Share pilot program will put 1,000 bikes in five Bay Area cities by the spring, part of a \$11.2 million project. In the coming year, policy makers and urban planners will have to figure out where and how many bike stations to create, how to ensure bikes are in the right place at right times and how to oversee the program. The success of the pilot's first year will help determine the program's future and could begin to reshape daily commutes in the Bay Area.

**City CarShare:** The San Francisco nonprofit launched this year an [electric vehicle car-sharing program](#) in Pleasanton. The program, Dash, is the Bay Area's first battery-powered car-sharing program, in partnership with Toyota. Early signs of the programs' success bode well for an expansion of City CarShare's electric fleet throughout the Bay Area, giving a boost to the electric vehicle industry.