

CRAIN'S

NEW YORK BUSINESS

April 25, 2018

Car-sharing company that promises free rentals arrives in NYC

By Joe Anuta



WaiveCar vehicles in front of Williamsburg's Level apartment building

A company offering free, short-term rental cars has partnered with a developer as part of its push into the New York City market.

Los Angeles-based WaiveCar and Douglaston Development announced Wednesday that they will offer the service for a year to residents at Level, a rental tower on the Williamsburg waterfront that began leasing apartments last year.

WaiveCar's business model is based on revenue from digital ads that are broadcast from a screen mounted atop electric cars. Income generated by the mini billboards is supposed to pay for buying and maintaining a fleet of vehicles and the electricity needed to power them. The driver, on the other hand, pays nothing for the first few hours and is charged an hourly rate thereafter.

"You're paying us just by driving the cars," WaiveCar Chief Executive Isaac Deutsch likes to say in interviews.

After appearing on ABC's reality television show *Shark Tank* last fall, the company has been looking to grow in its home base of Santa Monica, where anyone can book a car via smartphone and then return it to a legal parking spot or a charging station, depending on how much juice is left in the vehicle. The company's modest foray into the New York City market, however, will be different.

Only Level residents will have access to the cars covered by the partnership. And because three of them will be placed in a building containing 540 units, the autos could see a lot of use. The pilot will last for a year, and tenants will be able to take out the vehicles for up to 12 hours before returning them to the garage, which is outfitted with electric chargers.

"As WaiveCar expands into new markets, we are delighted to be the first to welcome them into New York City," Jeff Levine, head of Douglaston Development, said in a statement.

Both the digital screens and the cars themselves will advertise Level, meaning Douglaston is picking up the tab through its marketing budget for the project. It's unclear how much WaiveCar wants to expand beyond the partnership, but transferring the business model from car-centric California to New York City could be a challenge.

The most lucrative places to sell advertising here also tend to be the most congested and least pleasant places to drive, Times Square being the ultimate example. These hot spots also tend to be well-served by public transportation. However, the idea of squeezing more money out of automotive advertising is gaining traction.

Owners of yellow cabs, which frequent desirable advertising markets, recently inked a deal to have digital billboards affixed to 300 taxis by the summer. Cab owners expect annual revenue from the program to initially run into the millions of dollars, and eventually reach tens of millions.