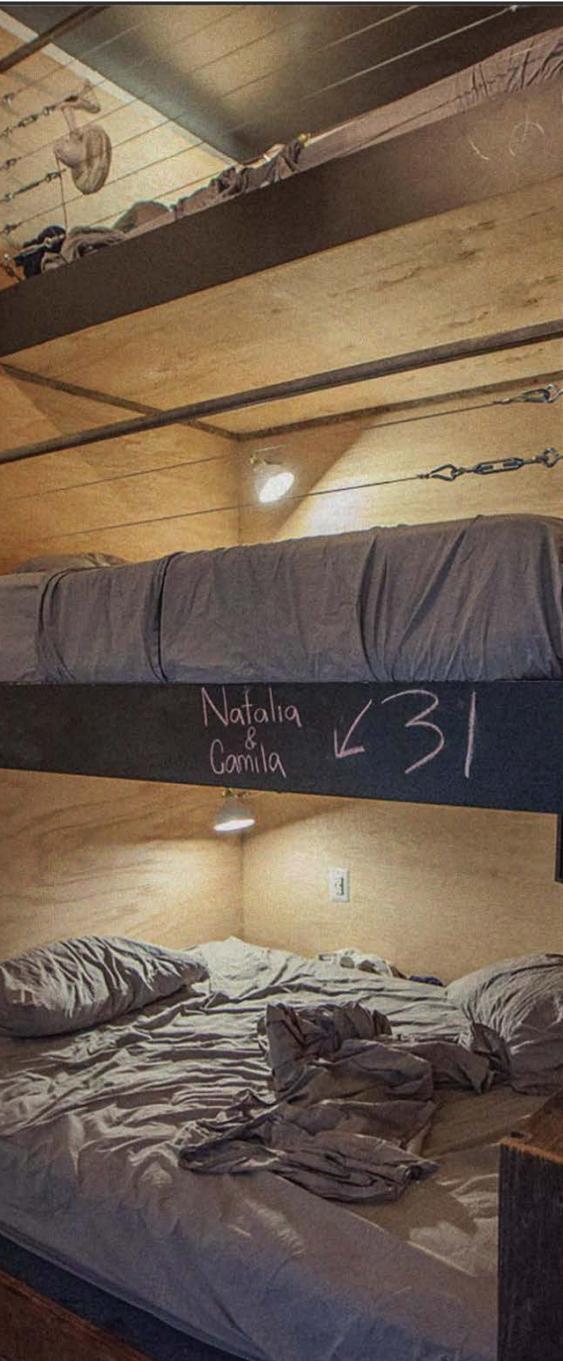


WE INPOD

PODSHARE FOUNDER AND CEO, ELVINA BECK, MAY VERY WELL BE THE SAVIOR OF AFFORDABLE HOUSING. WE FIND OUT HOW SHE SCALED HER UNIQUE BUSINESS ONE UNDESIRABLE PROPERTY AT A TIME AND WHY NOTHING GOOD HAPPENS AFTER MIDNIGHT.



FEATURES / PODSHARES

One trait entrepreneurs often share is just how early their entrepreneurship began. Russian immigrant Elvina Beck credits her arrival in the U.S. at age five as what triggered the impulse.

At age seven, her mother found her trying to sell her parents' belongings in the front yard. Rather than be angry, her mother saw potential that could be fostered, so she redirected the emergent entrepreneur by buying her SNICKERS® bars to sell outside the school cafeteria instead.

There followed schemes including shoveling snow for cash, fostering early management skills as she tried to draw in neighborhood kids to work for her on her projects.

By the time she was looking at colleges, she had in mind to throw a party in her yard while her folks were out of town and charge 10 bucks a head entrance to fund a trip to check out schools in California. Later, once she got to L.A., she was selling Smart & Final hot dogs from a grill she borrowed from a friend, to make extra cash as the nightclubs let out.

Despite such a clear entrepreneurial trajectory, her path took a short turn to the left while she pursued a career in video production. But one day while in the shower and pondering the predicament of feeling strapped for cash and how difficult it was to be able to make rent in a city like L.A. (where rents rise by 16% every year), she came up with the idea of PodShare. Flexible living in a shared space with individual pods for sleep and relaxation, and areas to work, gather, and be inspired. No more deposit checks or last month's rent in advance; but a membership and the flexibility to move from one location to another within the network for a



Elvina Beck with Jason Calacanis

monthly fee—"housing in the cloud." Here, Elvina talks about the progress of her groundbreaking business and the fulfillment she has found in risking it all and putting her vision for global domination into action, one PodShare at a time.

Tell us about how the idea of PodShare came about.

Like many, after the 2009 recession hit, I was faced with some difficult financial burdens. Having just graduated from college and working in the gig economy, my work was unsteady which made it difficult to provide proof of income.

I wanted a home that people like me could reset in, but that was also a space for constant discovery and diversity. I thought about the future of housing and how mobile it will become with the rise of the freelance economy and cheaper transportation

costs. If traveling was more affordable, then would mobile housing maybe go from trend to industry, and operate like a gym membership?

I grew up watching MTV's *Real World* and the way every season had a new cast and new location is how I wanted to live and share housing.

I was able to convince one landlord to rent me a ground floor unit in his Hollywood live/work building and I invested my life savings into building a location with 10 pods. I flew my dad out from New Jersey and together we went to Home Depot and spent three months constructing the first PodShare.

Funny enough, when I was little, my mother refused to let me sleep over at friends' houses. It is ironic that I developed a slumber party business. However, with quiet hours at 10 p.m., I guess I'm still listening to mom's sage advice that nothing good ever happens after midnight.

Do you still live in PodShare yourself?

I moved into PodShare in 2012 and have lived across the network ever since.

I sleep in whatever pod is open at any given night across our locations, which includes the Los Angeles neighborhoods of Hollywood, Downtown L.A., Los Feliz, Venice, and Westwood and I make monthly trips to our San Francisco location.

Tell us about how PodShare disrupts the industry?

It disrupts across four categories: (1) Use: We take commercial buildings and convert them into group housing through the city planning department. We converted a marijuana dispensary into a boarding

house, setting a new precedent: Occupy the ground floor of live/work buildings that no one wants to live in, that are adaptive re-use projects, and sleep a person every 100 square feet in an old church. When our landlords wanted to convert a hotel-zoned building to offices, we leased it for dormitory use next to UCLA and charge "Podestrians" \$840/month, never charging a security deposit. (2) Design: Bunk beds are made primarily for kids, so our pods stabilized the rickety top by installing wall panels, and stairways instead of ladders. Each pod is 50 square feet, double decker, with 5 feet of clearance on top and bottom, with a personal TV, outlets, night-light, and storage. Our floor plan is built for maximum security, facing each other with names written on each bed for accountability. Our pods are co-ed for an equitable, diverse, shared experience. (3) Flexible Cost: PodShare is fifty percent cheaper than a local hotel



or apartment, plus it removes the burden of extra fees, proof of income, and credit score, and offers flexible payment options by the night or week. On the day of checkout, everyone can stay until 10 p.m. and use all the shared amenities like showers, kitchen, and computers. We offer a \$15 day pass from 10 a.m. to 10 p.m. to folks that don't need a bed, but rather a co-work space, shower, or to get out of the heat or cold. (4) Access: By booking a pod for \$50/night, \$280/week, or \$1000/month, you are a member of a housing network that grants you access to all shared amenities across the other neighborhoods, with unlimited transfers if you wish to stay in a different location. Think of it as a neighborhood sampler; a try before you buy longer lease, roommate finder, or a place to buy time until you figure out your permanent job and roots.

What is unique about the PodShare environment?

We take one large open room and build rows of pods—no privacy allowed, quiet hours at 10 p.m., no bringing friends home. Instead of one large building with a hallway and doors on either side to make up 100 beds, we customize 10-30 builds in each location across different neighborhoods in the city. Think of your favorite parts about a small coffee shop or bar, and add tribal living in close proximity and the benefits of small classrooms. That is our model.

Who is it meant for and how does it work?

PodShare allows flexible housing options for people who cannot afford the high cost of short or long term housing; have arrived to a new city without a friend's couch to crash on; are in town for school or work or pilot season and cannot afford corporate housing; are paycheck to paycheck



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and can only afford a little rent at a time; are jobless; have bad credit; are recently divorced; are lonely; would rather spend on experiences than a solitary hotel when traveling; came with an allotted sum that they need to “buy time” with while apartment and job hunting; or don’t want to commit to an apartment or roommate from the internet.

We identify members as one of three categories: Traveler, Transitioner, or Temp.

What makes for an ideal PodSharer?

The ideal Podestrian is courteous, empathetic, open minded, clean, accepting, loves to share, and can whisper during quiet hours!

Tell us about the set up cost and at what point you become profitable.

The set up costs vary depending on location size and current foundation, but typically we look to take on projects where we will be profitable within 6 months of opening.

How much did you personally have to invest to get it started?

\$15,000—everything I had saved up at age 27.

How much investment have you had since then?

We self-funded the first location; joint funded the 2nd location; joint venture with a landlord on the 3rd location; private loan on the 4th location (which we already paid back); bank loan on the 5th location; self funded the 6th and 7th. So we are self funded, but open to strategic capital partners if folks reading this want to tour and talk!



Venice & Los Feliz

What has been your revenue and what is your annual growth?

We’ve grown 300% in the last 3 years.

Are you able to pay yourself or are you still in a phase of reinvesting most of it into the business rollout?

I pay myself, but not much. I use our money to grow the inventory and team. We are working to buy our first property right now with an SBA loan.

What are your biggest hard costs?

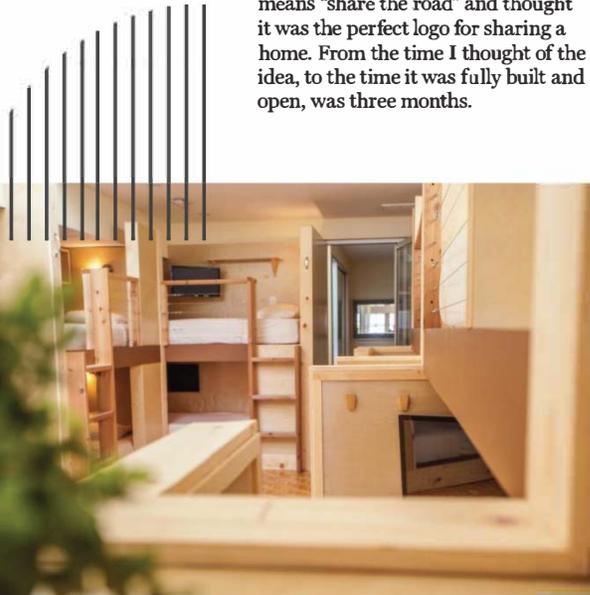
Rent is 50% of our expenses, and security deposits are high. I build out the pods with my core team; we buy the framing lumber from Home Depot and the plywood from local vendors. We only lease at this time—asset light model—to grow the brand.

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How long after coming up with the idea did you execute the plan and have your first PodShare up and running?

I was in the shower when I day-dreamed up the idea of “housing in the cloud” and came up with the name PodShare because we would literally share pods across the city, state, world. But also an iPod holds a bunch of data and I thought this was like housing in the cloud; and pods are sleeping capsules in Japan; and peas in a pod are cute. I imagined aiding in globalization but offering to share pods for one rate anywhere in the world; never paying two rents, but rather transferring the bed from one neighborhood to another based on the touch of a button.

As I was driving, I saw on the road the bicycle with chevron symbol that means “share the road” and thought it was the perfect logo for sharing a home. From the time I thought of the idea, to the time it was fully built and open, was three months.



How quickly have you rolled out to the additional locations?

2012-2015 only in Hollywood. I was working production and this was my home, job, and sociological experiment. During those years, new landlords kept saying “no” to me for lack of funding, and high density concept, and I did not start studying zoning codes until 2015. After that the rollout was 2015 DTLA, 2016 Los Feliz, 2017 Venice, 2018 Westwood, 2019 San Francisco.

Are all the locations the same or are there differences in set up? Does being the same or different matter for the business?

Same pod design and amenities, with one Murphy pod in each location. The floor plan is generally the same: always on the ground floor, high ceilings, windows.

What’s different is the square footage which varies from 980 to 9,000 square feet in each location.

The same matters because we made the promise to use existing building envelopers, which does not disrupt

San Francisco



neighbors’ views, the environment, the skylines, and barely impacts parking because less than 10% of our members have cars. That’s a luxury and the PodShare concept promises living/working in the same place, or the possibility of transferring locations to be closer to work.

How do you keep the quality of the product/experience consistent between locations?

Great Resident Assistants (RAs) who live in the space, enforcing rules like quiet hours from 10 p.m. to 10 a.m., no tenting/privacy, and no bringing any friends over. We remove bad apples per our terms of use.

Where do you want to roll out next?

We just received approval for a PodShare Santa Monica and are pursuing another San Francisco location, while exploring options in San Diego to offer a “live anywhere across California” plan.

What is the biggest challenge you faced/face?

Zoning codes differ across cities and

they take around 10 months, which means either we are paying rent for a place that we cannot operate in, not even knowing for certain if we will get the change of use, or the landlord allows us to go rent free for the time period it takes to get the COU. It’s like a chicken or egg scenario for us. The barrier is high to open a PodShare, but it’s super rewarding when we collectively succeed.

Tell us what an average day working at PodShare is like for you.

My alarm is set for 7 hours from the time I go to sleep. I first check emails and reply to anything I can knock out in under a minute each, in bed. I check Quip messenger with the team, make sure there are no operational needs that need my eyes across the 6 locations. I glance at the headlines and first few sentences of my favorite housing blogs and daily news headlines. I put on the same type of clothes: T-shirt and leggings or jeans (depending on if meetings are in person or not), and temperature dictates flip flops or sneakers. Then I



walk to a latte—I have a favorite cafe by every PodShare.

When I get back I head to that PodShare’s table area and start the longer email replies, take calls with future landlords, partners, content creators, press, collaborators, etc. I publish an Insta story once a day of that PodShare and respond to PMs. I try to set up site tours with city representatives, investors, and landlords as much as I can, plus attend events around housing and development.

The whole day is spent on the laptop: searching LoopNet, reading zoning laws, fixing any operational problems my team needs guidance on, lots of emails, working on the next big move for PodShare. I often look up at the time and think, “Where did the day go?”

How many staff do you have and how do you go about hiring them?

We have eighteen RAs, two managers, eight on the reservation team, 1 COO, and myself. We all live at PodShare.

We try to hire our RAs (who check in new roommates, make sure the place is clean, and make recommendations) from our community, so folks that stay see a sign to inquire if they are interested in joining the team for 2+ months; or we get emails from folks looking for live/work opportunities.

PodShare is a great opportunity to live in L.A. for a summer or winter break and then resume school or move back home. We grow our managers from our RAs.

All hospitality turnover is high, and as long as we have our core managers training new folks at the desk, it puts more liaisons out into the world so that when PodShare expands into their cities, some of these past RAs are prime picks to manage their own location, if they are interested in doing so.

What makes a good PodShare employee?

Loyalty, honesty, patience, and humility. Doing what you promise to



do. Putting your ego to rest and doing the cleaning job, even if you were a manager at your last job.

From time to time, I work the desk, reservations, calls, and cleaning, to stay connected with the places and team.

We have our core PodShare teammates that believe in the mission, and these are the people we are growing with.

What is the biggest lesson you've learned? Give an example and how you pivoted.

One of the biggest lessons I learned is that people think they want curtains or privacy walls on the pods. However, when I tried curtains, people started misbehaving and being inappropriate which made everyone in the room uncomfortable.

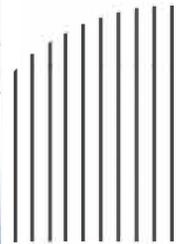
Since then I've had a very strict "no privacy" policy and it really allows the community to police itself. I have heard from many people that they do eventually crave privacy, especially

for intimacy reasons, or they want gender segregated rooms for religious reasons. We opened our first ever PodShare with private and gender segregated rooms. We're going to be rolling in a rewards program where shared community members earn credits towards the privates.

Some neighbors reached out about using our pods and floor plan to house the homeless, especially the youth who live communally with others and dogs. We are teaming up with a local nonprofit organization to build the PodShare that they will service with the 100 plus youths that visit their drop-in center every day, but then go back out onto the streets until the next day.

How did you deal with overcoming red tape to setup this concept?

I started going to zoning meetings; joined the neighborhood council; went to City Hall to learn about other people's projects; joined events by organizations like the Urban



Land Institute; learned as much as I could—most of all I just did it. Trial and error.

The city doesn't make it understandable or streamlined and no one ever opened their books to show me how it's done, so it's been a puzzle to learn how to change the use on a building to something that did not exist before.

What do you do when there is a negative situation in the PodShare environment? How do you ensure sharers stick to the rules?

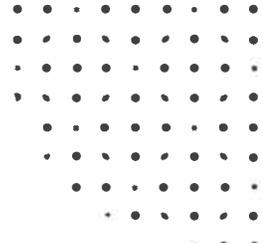
Everyone signs our terms of use upon arrival, and we take a picture of their ID. We also ask for a credit card on file for incidentals.

If our house rules are broken, the person must leave with a refund and be added to a "Dinosaur List" that deems them extinct from PodShare communities.

How do you govern social media within the PodShare? Do you find you have to regulate that?

Everyone who checks in signs in the terms of use that any photos taken at PodShare can be used on social media, but obviously if they don't want their photo online we can take it down.

We actually post daily from different locations, and often re-post other people's images as our main posts. We host events at the Venice location multiple times a month for all members and neighbors, so there is always content. My favorite image is a person in a pod. I cannot get enough of it. I imagine it's like a restaurant owner watching someone enjoying the burger from their kitchen.



What is your plan for business for the next 5 years?

After California, we will introduce the ability to co-live across the West Coast for one price, and then head East—it would be amazing to open across the NY tristate area, which is where my parents immigrated to with us, from Russia.

We will need great land use attorneys, lobbyists, real estate brokers, and operators, to make this project a success; but if we come together, we could create this country's first national housing membership.